



Windom Area Schools

District Office:
PO Box 177
Windom MN 56101
Phone: 507-831-6901
Fax: 507-831-6919

An Equal Opportunity Employer
Windom Area Elementary
1200 17th Street
PO box 177
Windom MN 56101
Phone: 507-831-6925

Windom Area
Middle /High School
1400 17th Street
PO Box 177
Windom MN 56101
Phone: 507-831-6910

Windom Schools will create a safe, responsive, and nurturing environment where every learner receives a high-quality, challenging education that empowers them with the skills and knowledge needed for a successful future.

WWW.WINDOM.K12.MN.US

November 24, 2025 Work Session

Windom City Council Chamber

444 9th Street

Windom, MN 56101

November 24, 2025

6:30 PM

Live at [Media SB22](#) on youtube

1. Call to order
Joel Bordewyk
2. The Pledge of Allegiance
Joel Bordewyk
3. Approval of Agenda (revise as necessary)
Joel Bordewyk
4. Presentation of FY2025 (2024-2025 school year) audit by Tom Olinger and Michelle Thissen from Abdo Solutions - Informational
Peggy Pfeffer
The annual audit was completed by Abdo again this year. Tom and Michelle will be presenting the information regarding the process and results.
5. Approve FY2025 Audit Report - Action
Peggy Pfeffer
The audit report is included in the packet for approval
6. Approve FY2025 Revised Budget - Action
Peggy Pfeffer/Holly Anderson
The budget sheet included in the packet is reflective of the final audited figures from FY2025. The FY2026 budget has been revised based on current enrollment figures, newly approved contracts and other current revenue and expenditures.
7. Approve Additional 6.5 Hour Para for the Elementary Due to Student Need - Action
8. Approve CACR and A& Report - Action
Bryan Joyce
Each year, the district submits the Comprehensive Achievement and Civic Readiness Report, formerly known as the World's Best Workforce Report, to MDE. Mr. Joyce will present this report to the board for approval.
9. Approve EMW Contract for July 1 2025 - June 30, 2027- Action
Jamie Frank
EMW ratified the tentative agreement last Thursday. It is ready for school board approval.

10. Approve Resignation of Business Manager, Peggy Pfeffer, effective December 31, 2025 - Action Chairperson
11. Approve a One-Year Professional Development Contract for Business Manager— Action Jamie Frank
Peggy Pfeffer has agreed to provide consulting, training, and guidance to the new Business Manager, Holly Anderson, for the 2026 calendar year. The contract is included in the packet and is estimated at five hours per week.
12. Adjourn



2024 - 2025 Financial Statement Audit

Independent School District No. 177



Introduction

- Audit Opinion and Responsibility
- General Fund Results
- Other Governmental Funds
- Key Performance Indicators



Audit Results

Auditor's Opinion

unmodified opinion
under GAAP

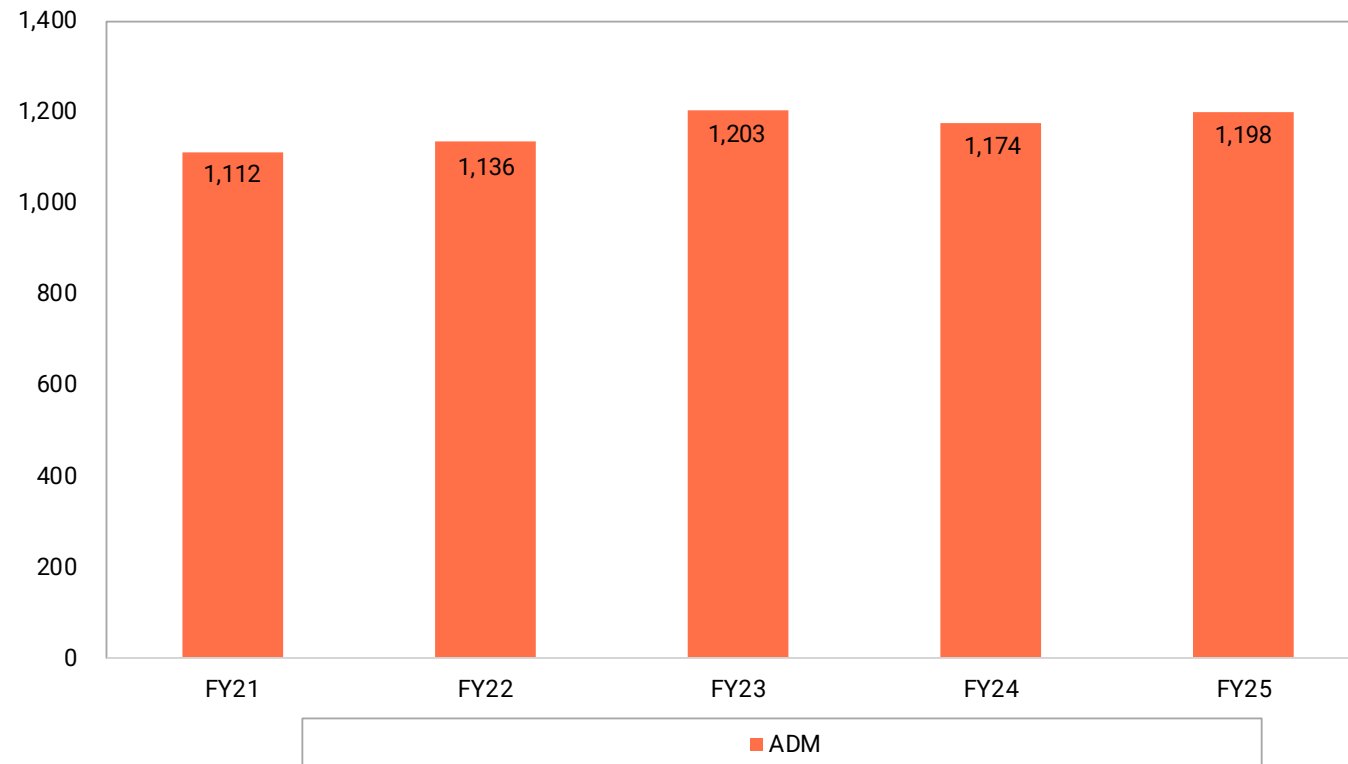
Minnesota Legal Compliance

No instances of
noncompliance

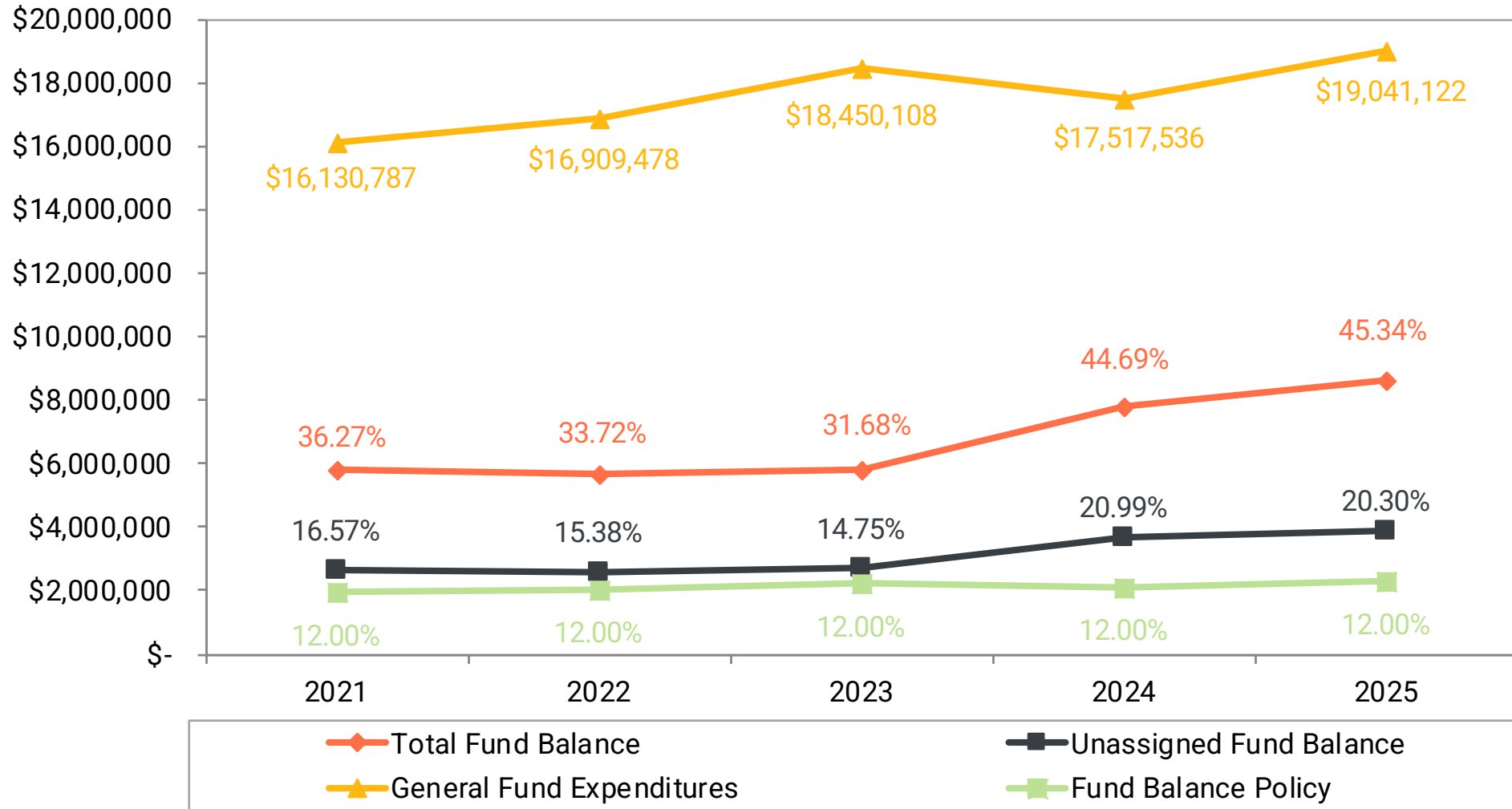
Single Audit Report

No instances of
noncompliance with
OMB Compliance
Supplement
requirements

Average Daily Membership

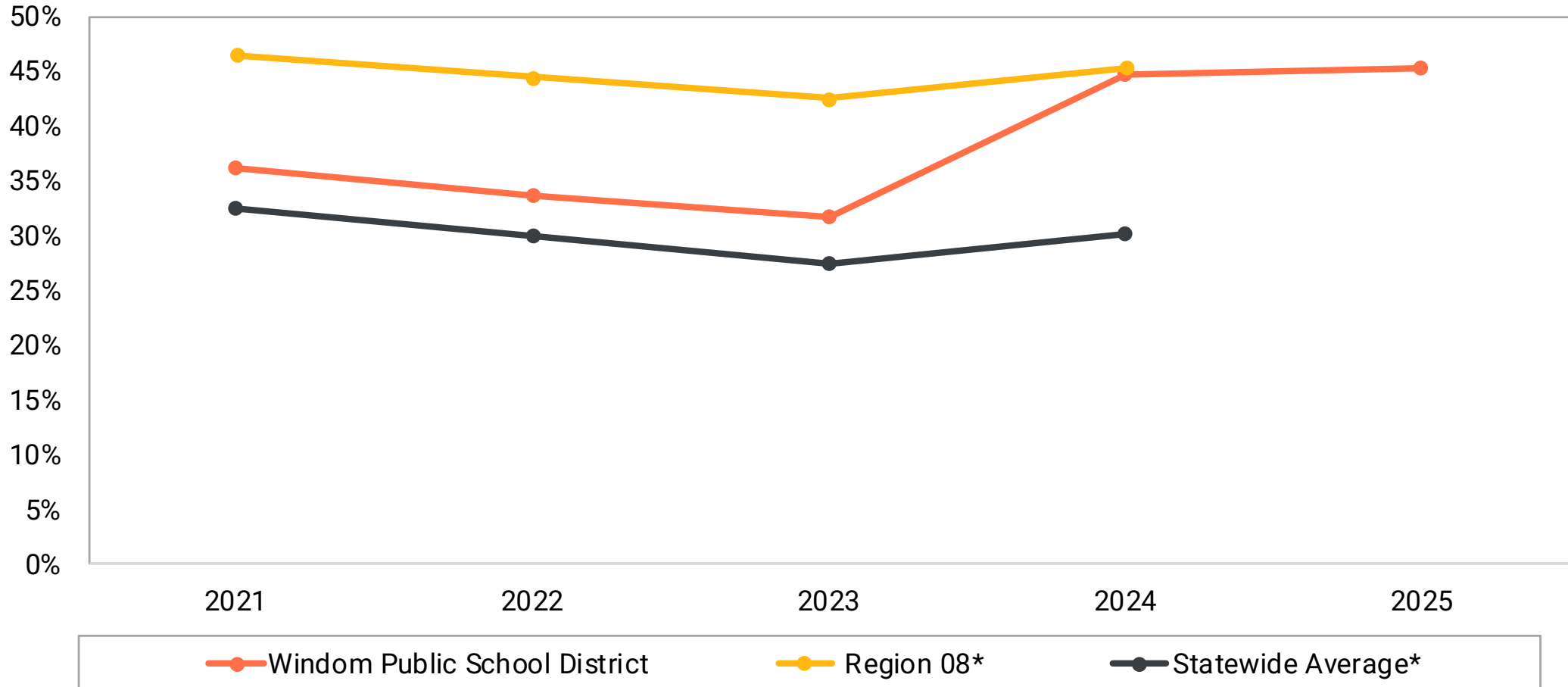


General Fund Balances



KEY PERFORMANCE INDICATORS

General Fund Balances as a Percentage of Expenditures

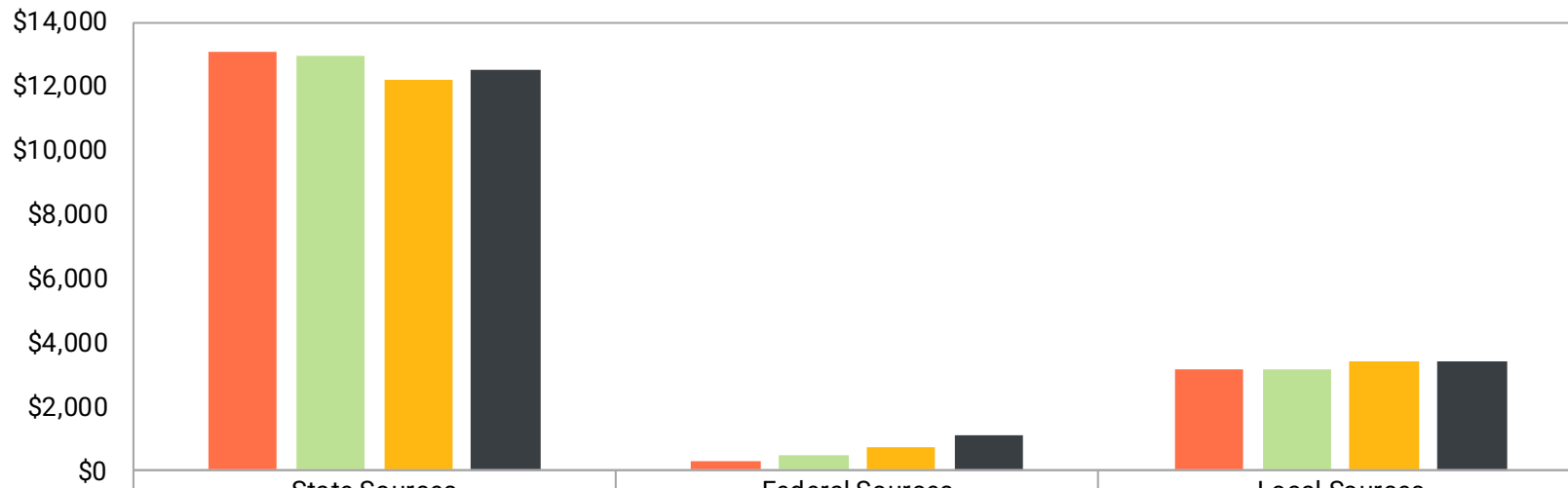


* Information obtained from School District Profile reports published by MDE

General Fund Budget to Actual

	Final Budget	Actual Amounts	Variance with Final Budget
Revenues	\$ 19,648,089	\$ 19,828,347	\$ 180,258
Expenditures	19,782,764	19,041,122	741,642
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(134,675)</u>	<u>787,225</u>	<u>921,900</u>
Other Financing Sources (Uses)			
Financed purchase arrangements Issued	-	99,880	99,880
Transfers out	(84,500)	(83,600)	900
Total Other Financing Sources (Uses)	<u>(84,500)</u>	<u>16,280</u>	<u>100,780</u>
Net Change in Fund Balances	(219,175)	803,505	1,022,680
Fund Balances, July 1	<u>7,829,295</u>	<u>7,829,295</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 7,610,120</u>	<u>\$ 8,632,800</u>	<u>\$ 1,022,680</u>

General Fund Revenues per ADM

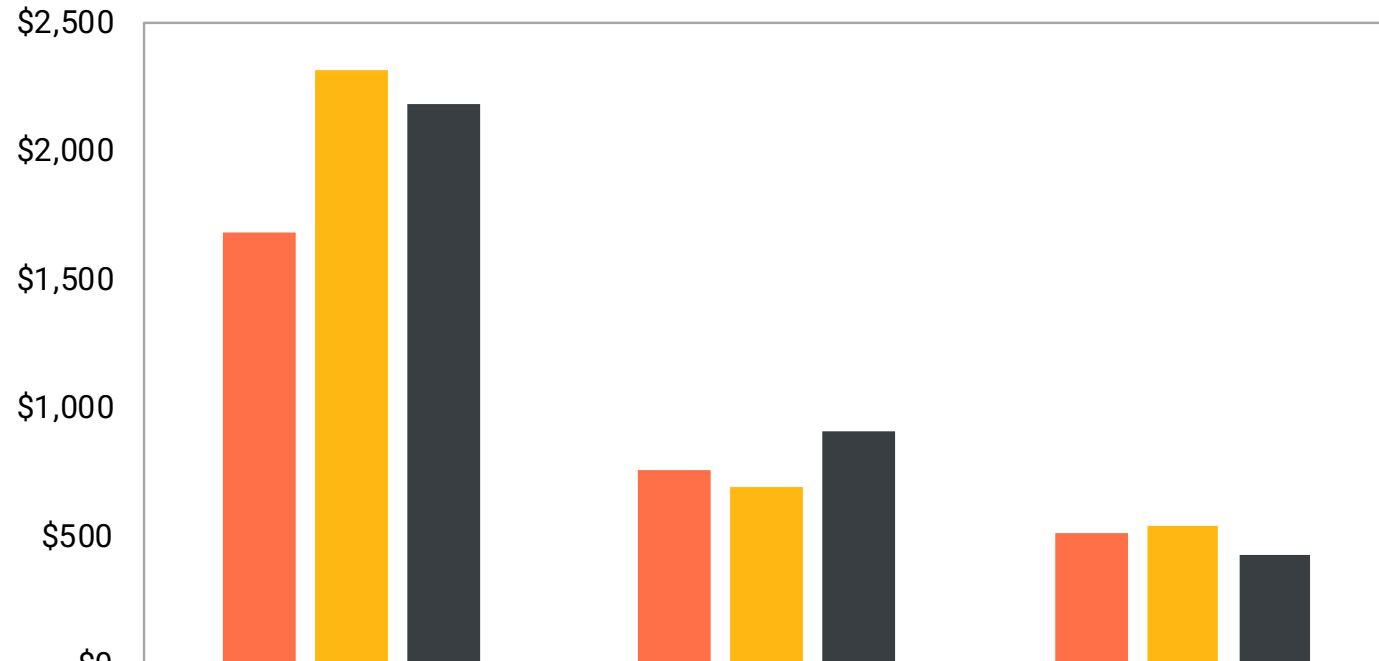


	State Sources	Federal Sources	Local Sources
■ 2025 Windom Public School District	\$13,061	\$320	\$3,171
■ 2024 Windom Public School District	\$12,947	\$488	\$3,143
■ 2024 Region 08*	\$12,213	\$756	\$3,439
■ 2024 Statewide Average*	\$12,521	\$1,092	\$3,400

* Information obtained from School District Profile reports published by the MDE

KEY PERFORMANCE INDICATORS

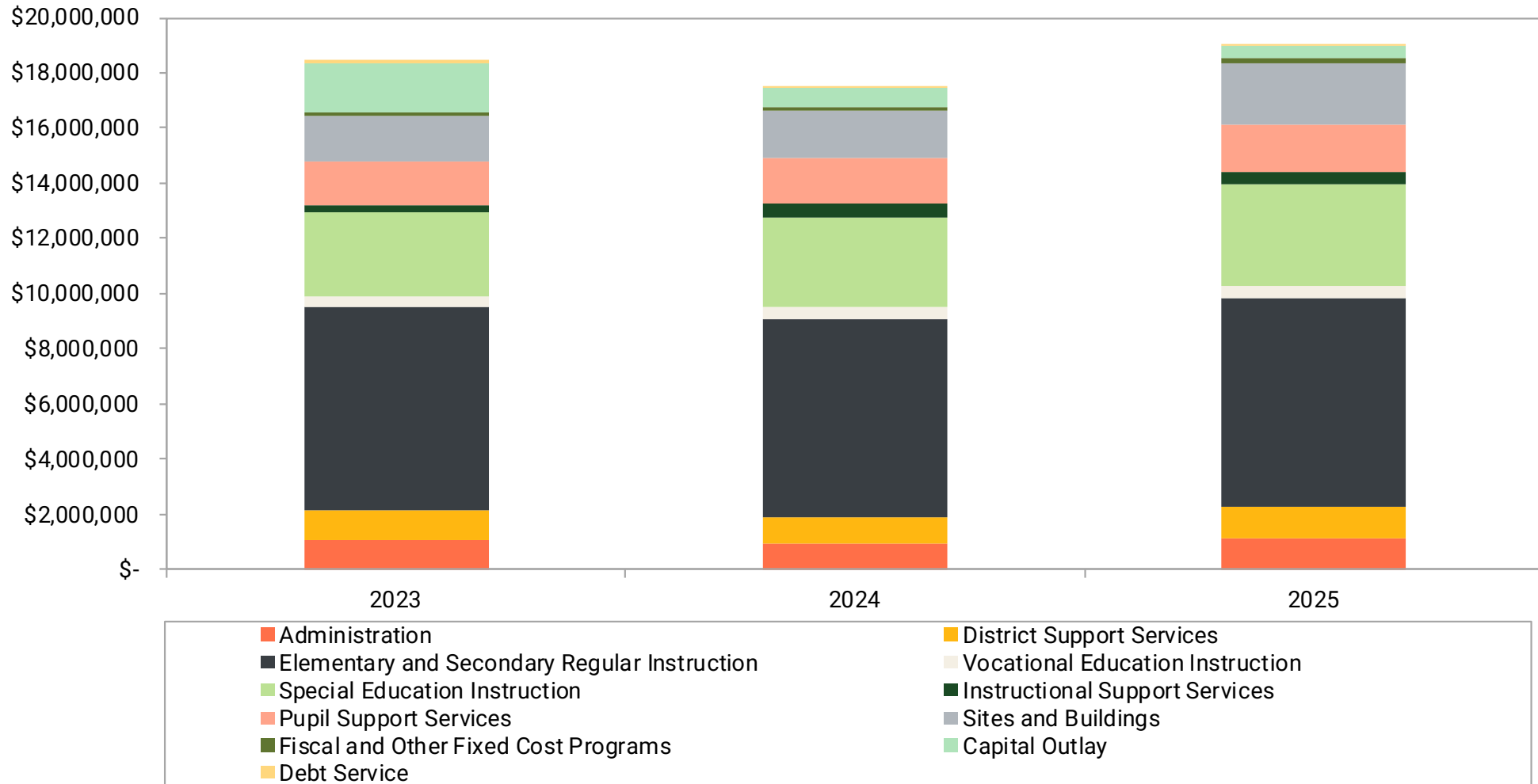
Property Taxes



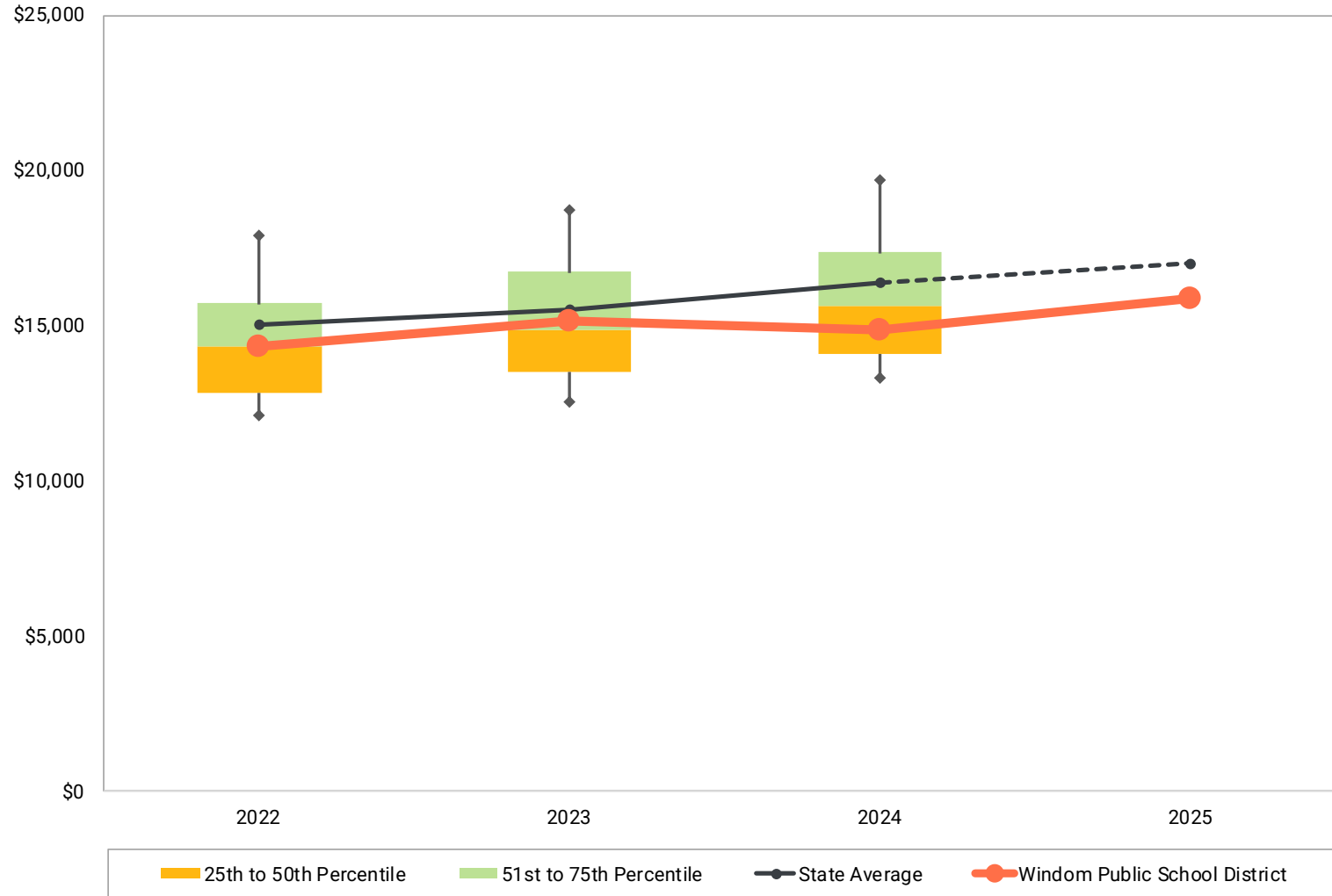
	Per ADM	Average School District Property Tax Per Home	District Property Tax Per 100K Home Value After Credits
■ 2025 Windom Public School District	\$1,681	\$758	\$512
■ 2024 Region 08*	\$2,316	\$688	\$537
■ 2024 Statewide Average*	\$2,182	\$913	\$425

* Percentile data and state average obtained from School District Profile reports published by the MDE

General Fund Expenditures



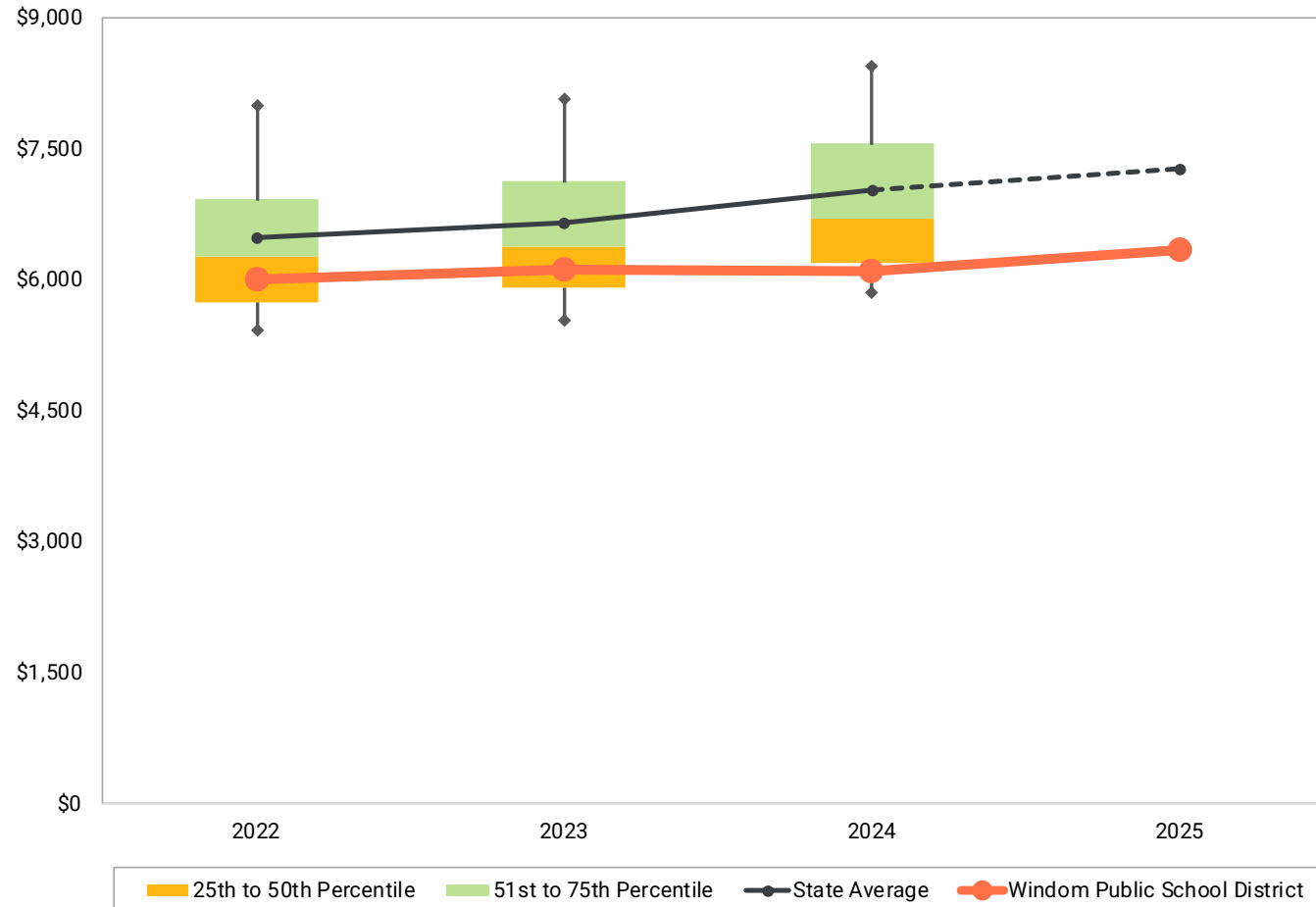
General Fund Expenditures per ADM



* Percentile data and state average obtained from School District Profile reports published by the MDE

KEY PERFORMANCE INDICATORS

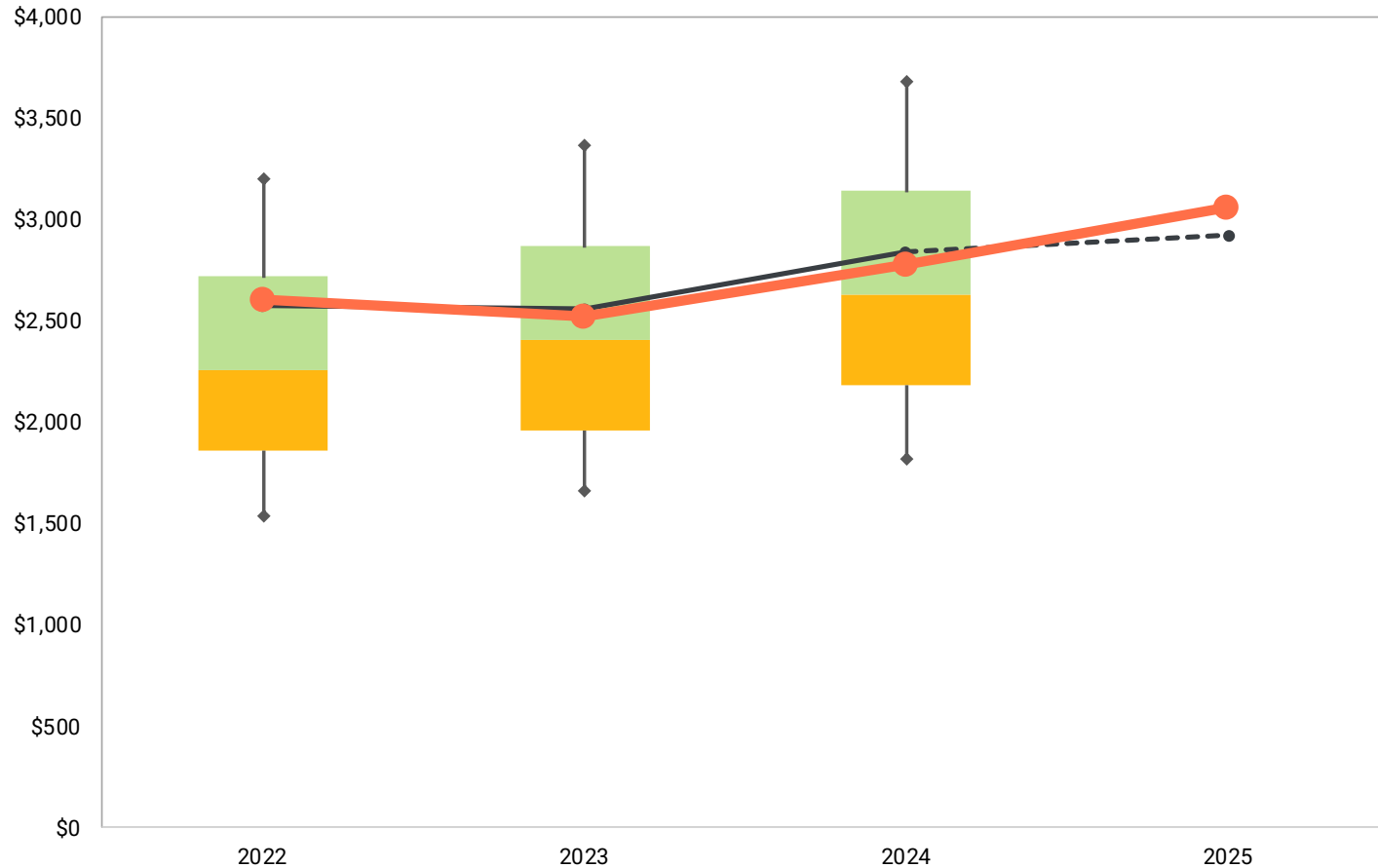
Elementary and Secondary Regular Instruction per ADM



* Percentile data and state average obtained from School District Profile reports published by the MDE

KEY PERFORMANCE INDICATORS

Special Education Expenditures per ADM



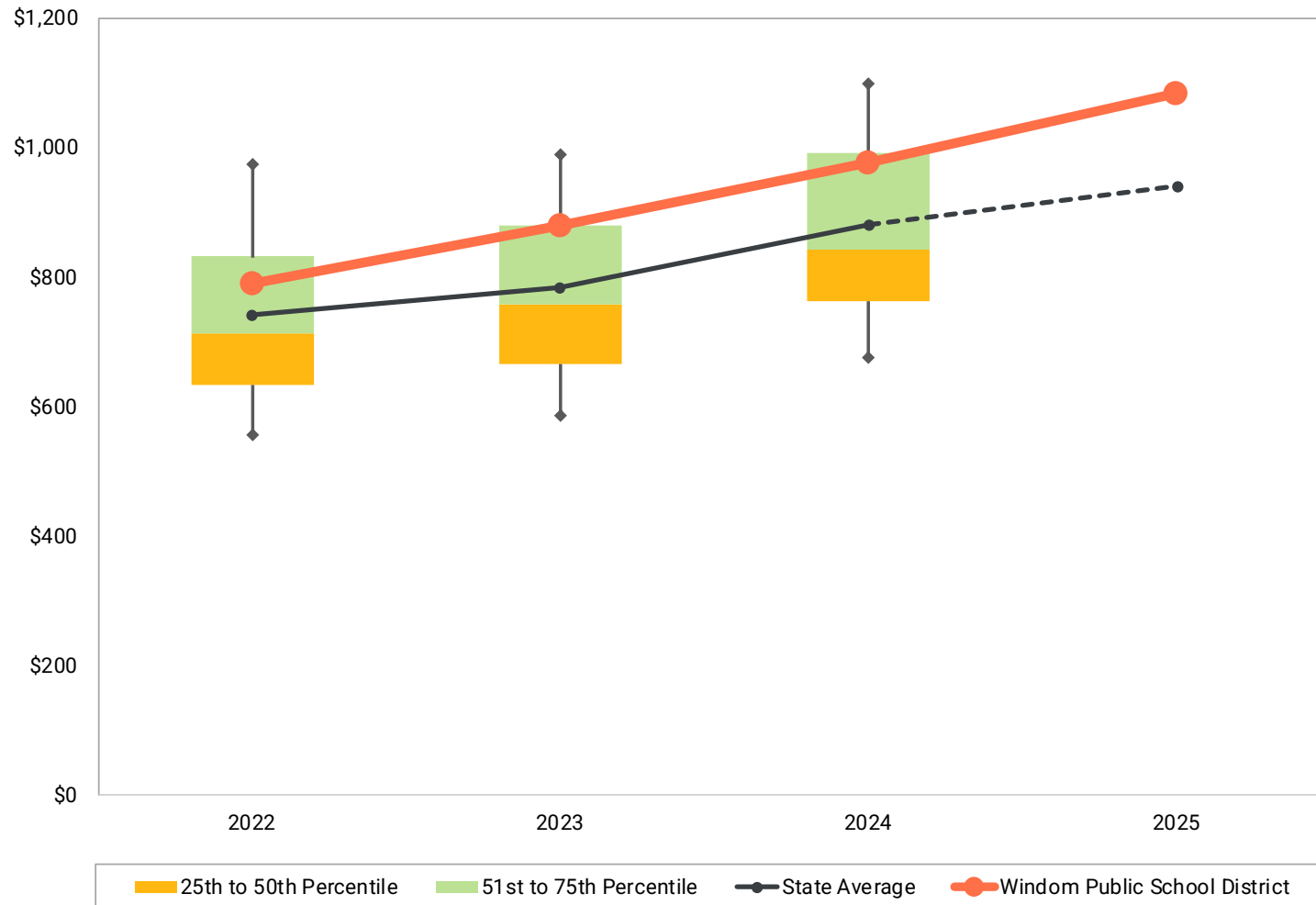
■ 25th to 50th Percentile
 ■ 51st to 75th Percentile
 —◆— State Average
 —●— Windom Public School District

* Percentile data and state average obtained from School District Profile reports published by the MDE

Food Service Fund Budget to Actual

	Final Budget	Actual Amounts	Variance with Final Budget -
Revenues	\$ 1,196,520	\$ 1,230,060	\$ 33,540
Expenditures	<u>1,232,042</u>	<u>1,298,322</u>	<u>(66,280)</u>
Excess (deficiency) of revenues over (under) expenditures	(35,522)	(68,262)	(32,740)
Fund Balances, July 1	<u>313,908</u>	<u>313,908</u>	<u>-</u>
Fund Balances, June 30	<u><u>\$ 278,386</u></u>	<u><u>\$ 245,646</u></u>	<u><u>\$ (32,740)</u></u>

Food Service Fund Expenditures per ADM Comparison

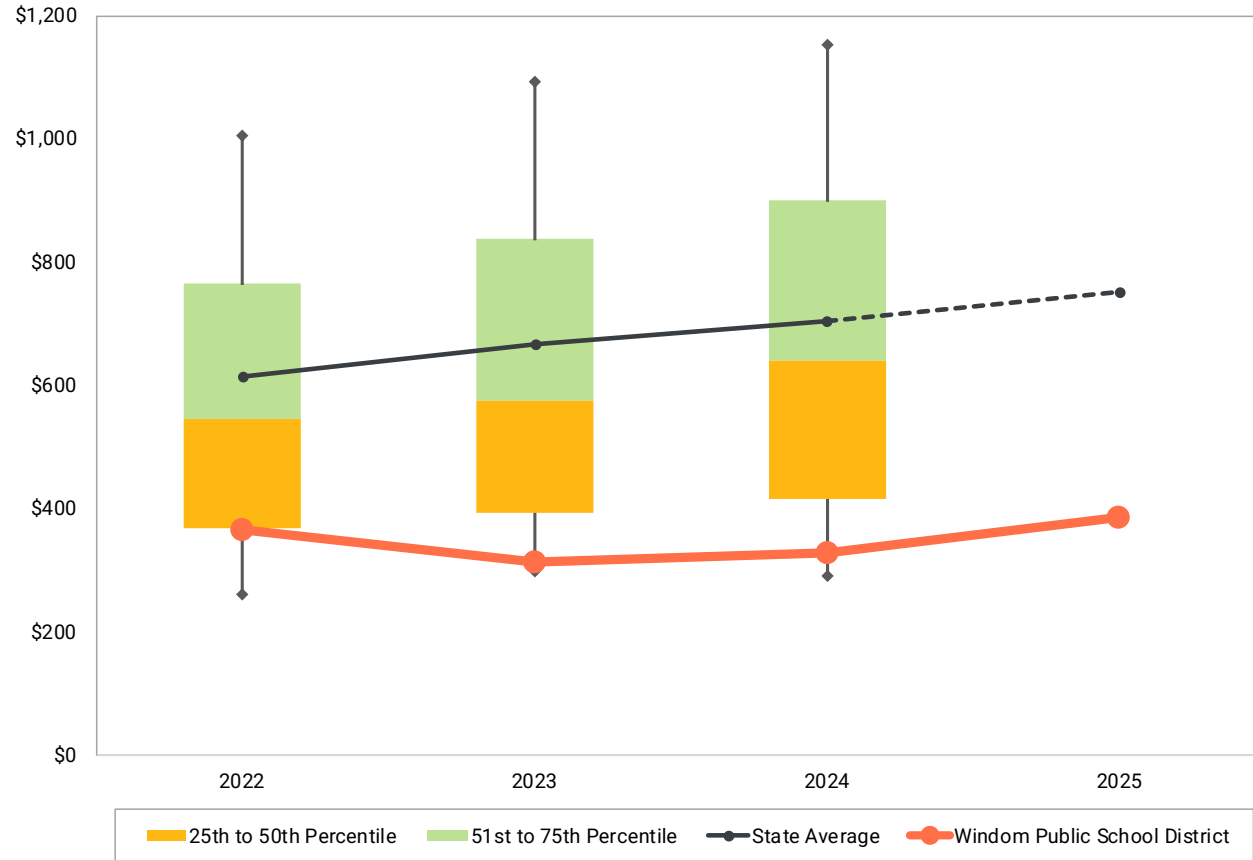


* Percentile data and state average obtained from School District Profile reports published by the MDE

Community Service Fund Budget to Actual

	Final Budget	Actual Amounts	Variance with Final Budget -
Revenues	\$ 381,075	\$ 430,934	\$ 49,859
Expenditures	444,819	460,544	(15,725)
Excess (deficiency) of revenues over (under) expenditures	(63,744)	(29,610)	34,134
Other financing sources Transfers in	109,500	83,600	(25,900)
Net Change in Fund Balances	45,756	53,990	8,234
Fund Balances, July 1	252,983	252,983	-
Fund Balances, June 30	\$ 298,739	\$ 306,973	\$ 8,234

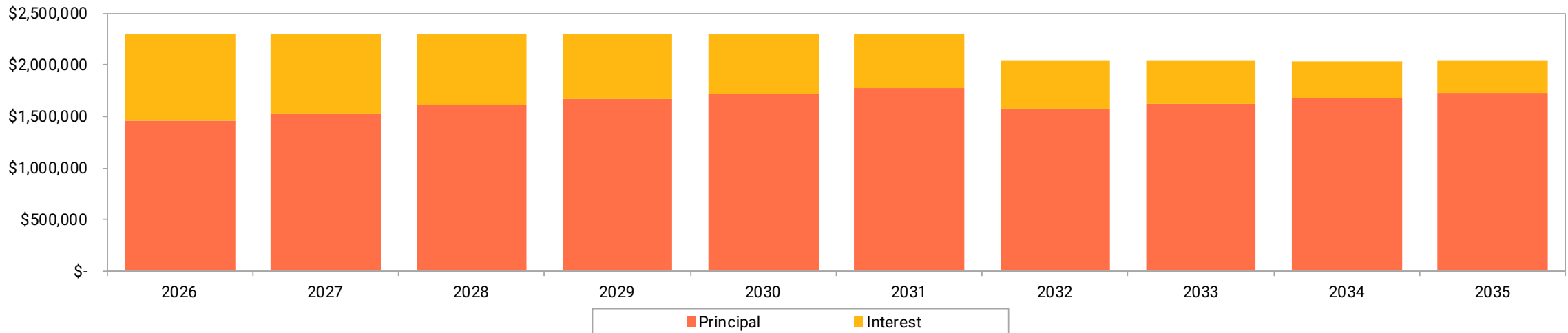
Community Service Fund Expenditures per ADM Comparison



* Percentile data and state average obtained from School District Profile reports published by the MDE

Debt Service Fund

	Issue Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding	
					Due Within One Year	Total
G.O. School Building Bonds 2018A	07/19/18	3.00-5.00 %	\$ 23,950,000	02/01/39	\$ 1,250,000	\$ 22,525,000
G.O. Facility Maintenance Bonds 2019A	04/04/19	3.00-5.00	2,440,000	02/01/31	210,000	1,390,000
Total G.O. Bonds Payable					\$ 1,460,000	\$ 23,915,000
					Total Remaining Interest Payments	\$ 6,247,119



Your Abdo Team



Tom
OLINGER
CPA - Partner



Abby
SCHMIDT
CPA - Senior Manager



Michelle
THISSEN
CPA - Senior Associate



Hope
WINTERS
Associate



Luke
MULDER
Associate

ANNUAL FINANCIAL REPORT

INDEPENDENT SCHOOL DISTRICT NO. 177
WINDOM, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2025

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Windom, Minnesota
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Windom, Minnesota
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INTRODUCTORY SECTION
INDEPENDENT SCHOOL DISTRICT NO. 177
WINDOM, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2025

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Independent School District No. 177
Windom, Minnesota
School District Officials
For the Year Ended June 30, 2025

Board of Education

<u>Name</u>	<u>Term on Board Expires</u>	<u>Position</u>
Joel Bordewyk	1/2/2029	Chairman
Angela Klassen	1/4/2027	Vice-Chairman
Bruce Mews	1/4/2027	Clerk
Barbara Jones	1/4/2027	Treasurer
Brianne Miller	1/4/2027	Director
Matt Steffen	1/2/2029	Director
Lynn Liepold	1/2/2029	Director

Administration

Jamie Frank
Peggy Pfeffer
Holly Anderson

Superintendent
Business Manager
Business Manager In-training

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FINANCIAL SECTION
INDEPENDENT SCHOOL DISTRICT NO. 177
WINDOM, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Members of the School Board
Independent School District No. 177
Windom, Minnesota

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Independent School District No. 177, Windom, Minnesota, (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 17 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions and the Schedule of Changes in the District's Net OPEB Liability and Related Ratios starting on page 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial statements and schedules and table are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and table are fairly stated, in all material respects in relation to the basic financial statements as a whole.



Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Abdo
Mankato, Minnesota
November 13, 2025



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Management's Discussion and Analysis

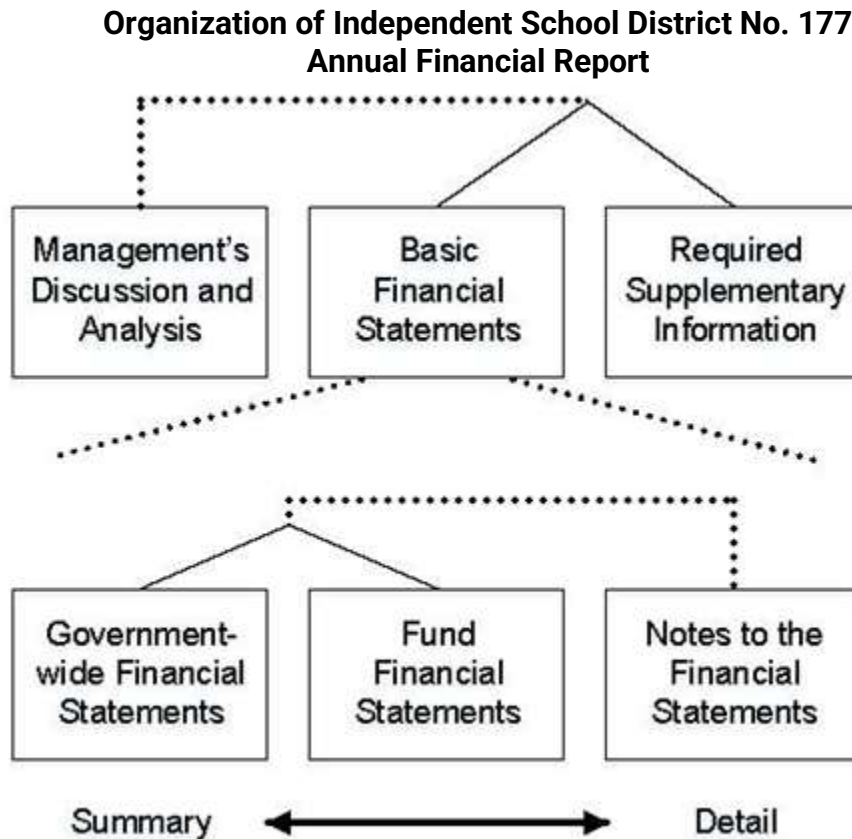
As management of the Independent School District No. 177, Windom, Minnesota (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its resources liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown in the summary of net position.
- The District's total net position increased as shown in the summary of changes in net position on the following pages. This was primarily a result of revenue from state aid-formula grants and other contributions in excess of annual expenses.
- As of the close of the current fiscal year, the District's governmental fund balances are shown in the Financial Analysis of the District's funds section of the MD&A. The total fund balance increased in comparison with the prior year. This increase was primarily related to revenue from state and federal sources exceeding expenditures during the year.
- At the end of the current fiscal year, unassigned fund balance for the General fund, as shown in the financial analysis of the District's funds sections, increased.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) District-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplemental information in addition to the basic financial statements themselves. The following chart shows how the various parts of this annual report are arranged and related to one another:



The following chart summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements:

Major Features of the District-wide and Fund Financial Statements

	Fund Financial Statements		
	District-wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balance 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid.	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Financial Statements. The *District-wide financial statements* are designed to provide readers with a broad overview of the District’s finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District’s assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the District’s overall health, you need to consider additional non-financial indicators such as changes in the District’s property tax base and condition of school buildings and other facilities.

The *statement of activities* presents information showing how the District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the district-wide financial statements, the District activities are shown in one category titled “governmental activities”:

- *Governmental activities*: The District’s basic services are reported here, including regular and special education, transportation, administration, food services, and community education. Property taxes and State aids finance most of these activities.

The District-wide financial statements can be found starting on page 30 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the District-wide financial statements. However, unlike the District-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the District-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the District-wide financial statements. By doing so, readers may better understand the long-term impact by the District’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund and the Debt Service fund, all considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its General, Food Service and Community Service funds and Debt Service Funds. Budgetary comparison statements and schedules have been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found starting on page 34 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for scholarships within the District. Fiduciary funds are not reflected in the District-wide financial statements because the resources of those funds are not available to support the District’s own programs. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those whom the assets belong. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found starting on page 39 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found starting on page 41 of this report.

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Independent School District No. 177’s share of net pension liabilities (assets) for defined benefits plans, schedules of contributions, and progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found starting on page 74 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund financial statements and schedules and table can be found starting on page 84 of this report.

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources as shown in the summary of net position below at the close of the most recent fiscal year.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. These funds are to be used for the construction of school facilities. Another large portion of the District's net position reflects amounts restricted for specific purposes, including educational purposes, debt service, and food service. Unrestricted net position carries a balance as shown below.

Independent School District No. 177's Net Position

	Governmental Activities		Increase (Decrease)	
	2025	2024	Amount	Percent
Current and Other Assets	\$ 15,252,000	\$ 13,830,378	\$ 1,421,622	10.3 %
Capital Assets	40,536,216	41,479,373	(943,157)	(2.3)
Total Assets	<u>55,788,216</u>	<u>55,309,751</u>	<u>478,465</u>	0.9
Deferred Outflows of Resources	<u>2,117,052</u>	<u>2,609,067</u>	<u>(492,015)</u>	(18.9)
Long-term Liabilities Outstanding	33,481,275	37,804,157	(4,322,882)	(11.4)
Other Liabilities	1,372,444	1,012,936	359,508	35.5
Total Liabilities	<u>34,853,719</u>	<u>38,817,093</u>	<u>(3,963,374)</u>	(10.2)
Deferred Inflows of Resources	<u>7,220,812</u>	<u>5,186,393</u>	<u>2,034,419</u>	39.2
Net Position				
Net investment in capital assets	15,885,574	15,442,053	443,521	2.9
Restricted	3,827,134	3,761,034	66,100	1.8
Unrestricted	<u>(3,881,971)</u>	<u>(5,287,755)</u>	<u>1,405,784</u>	(26.6)
Total Net Position	<u>\$ 15,830,737</u>	<u>\$ 13,915,332</u>	<u>\$ 1,915,405</u>	13.8
Net Position as a Percent of Total				
Net investment in capital assets	100.3 %	111.0 %		
Restricted	24.2	27.0		
Unrestricted	<u>(24.5)</u>	<u>(38.0)</u>		
	<u>100.0 %</u>	<u>100.0 %</u>		

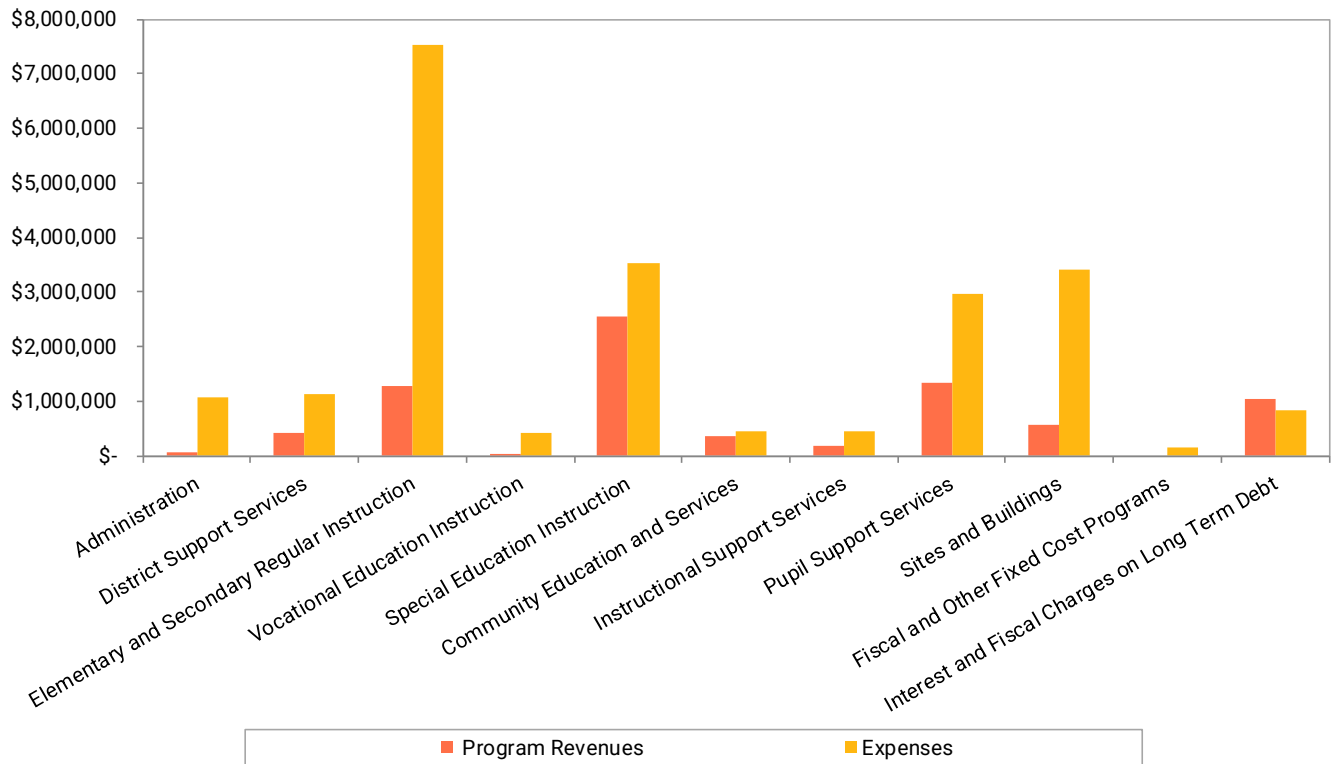
At the end of the current fiscal year, the District reports a positive balance in the net investment in capital assets and restricted categories of net position and a negative balance in the unrestricted category.

Governmental Activities. Governmental activities increased the District’s net position as shown below in the summary of changes in net position. Key elements of this increase are shown in the table below.

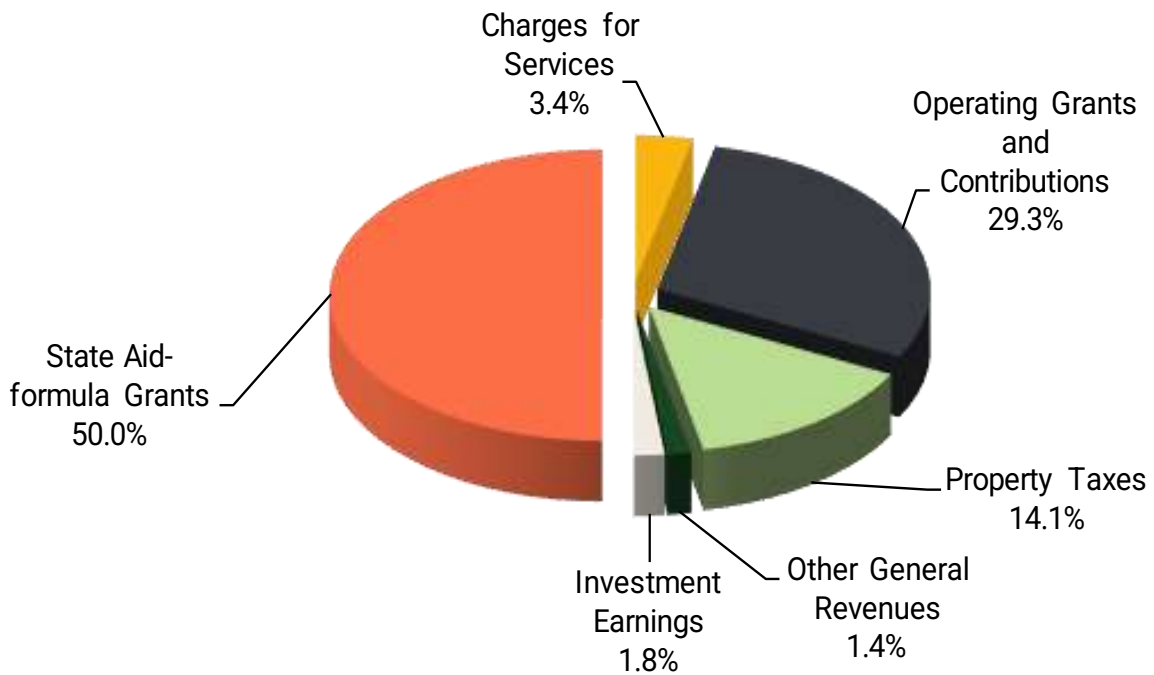
Independent School District No. 177’s Changes in Net Position

	Governmental Activities		Increase (Decrease)	
	2025	2024	Amounts	Percent
Revenues				
Charges for services	\$ 804,439	\$ 997,152	\$ (192,713)	(19.3) %
Operating grants and contributions	6,973,027	6,868,971	104,056	1.5
General revenues				
Property taxes	3,352,922	3,489,984	(137,062)	(3.9)
State aid-formula grants and other contributions	11,921,729	11,764,257	157,472	1.3
Other general revenues	343,930	109,623	234,307	213.7
Investment earnings	427,581	388,829	38,752	10.0
Total Revenues	<u>23,823,628</u>	<u>23,618,816</u>	<u>204,812</u>	0.9
Expenses				
Administration	1,066,214	897,289	168,925	18.8
District support services	1,127,077	955,966	171,111	17.9
Elementary and secondary regular instruction	7,525,290	6,925,776	599,514	8.7
Vocational education instruction	403,262	387,919	15,343	4.0
Special education instruction	3,530,604	3,195,719	334,885	10.5
Community education and services	445,700	370,929	74,771	20.2
Instructional support services	437,304	473,868	(36,564)	(7.7)
Pupil support services	2,968,131	2,841,742	126,389	4.4
Sites Program revenues	3,406,052	3,368,449	37,603	1.1
Fiscal and other fixed cost programs	160,385	137,159	23,226	16.9
Interest and fiscal charges on long-term debt	838,204	806,452	31,752	3.9
Total Expenses	<u>21,908,223</u>	<u>20,361,268</u>	<u>1,546,955</u>	7.6
Change in Net Position	1,915,405	3,257,548	(1,342,143)	(41.2)
Net Position, July 1	<u>13,915,332</u>	<u>10,657,784</u>	<u>3,257,548</u>	(30.6)
Net Position, June 30	<u>\$ 15,830,737</u>	<u>\$ 13,915,332</u>	<u>\$ 1,915,405</u>	13.8

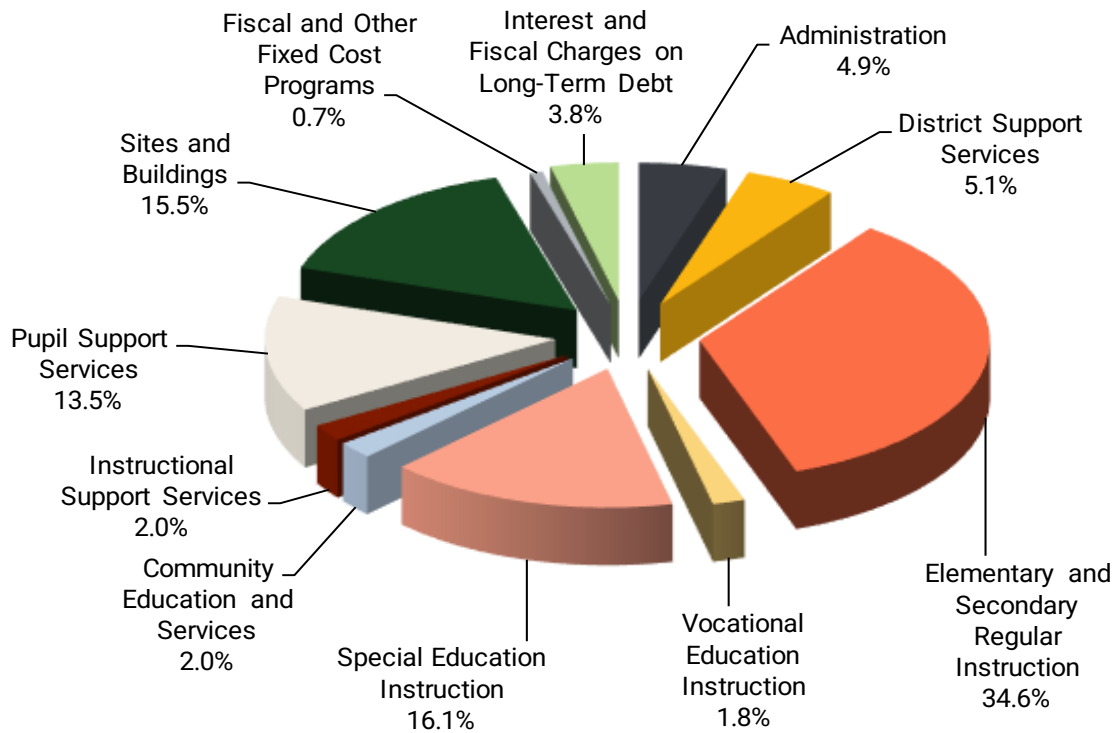
Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Expenses by Program - Governmental Activities



Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The table below outlines the governmental fund balances for the year ending June 30, 2025.

	General	Debt Service	Other Governmental Funds	Total	Prior Year Total	Increase/ Decrease
Fund Balances						
Nonspendable	\$ 300,146	\$ -	\$ 31,115	\$ 331,261	\$ 304,957	\$ 26,304
Restricted	3,061,505	545,092	521,504	4,128,101	4,108,336	19,765
Assigned	1,406,378	-	-	1,406,378	837,324	569,054
Unassigned	3,864,771	-	-	3,864,771	3,676,169	188,602
Total Fund Balances	\$ 8,632,800	\$ 545,092	\$ 552,619	\$ 9,730,511	\$ 8,926,786	\$ 803,725

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances shown above. Additional information on the District's fund balances can be found in Note 1 starting on page 47 of this report.

The General fund is the chief operating fund of the District. Unassigned fund balance represents amounts that are available for spending at the District's discretion. At the end of the current year, the fund balance of the General fund is shown in the table below. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	<u>Current Year Ending Balance</u>	<u>Prior Year Ending Balance</u>	<u>Increase / (Decrease)</u>
General Fund Fund Balances			
Nonspendable	\$ 300,146	\$ 287,733	\$ 12,413
Restricted	3,061,505	3,028,069	33,436
Assigned	1,406,378	837,324	569,054
Unassigned	<u>3,864,771</u>	<u>3,676,169</u>	<u>188,602</u>
	<u>\$ 8,632,800</u>	<u>\$ 7,829,295</u>	<u>\$ 803,505</u>
General fund expenditures	\$ 19,041,122	\$ 17,517,536	
Unassigned as a percent of expenditures	20%	21%	
Total fund balance as a percent of expenditures	45%	45%	

The fund balance of the District's General fund increased during the current fiscal year as shown in the table above. The increase in fund balance was primarily due to an increase in revenue from state sources.

General Fund Budgetary Highlights

	<u>Original Budgeted Amounts</u>	<u>Budget Amendments</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues	\$ 19,089,621	\$ 558,468	\$ 19,648,089	\$ 19,828,347	\$ 180,258
Expenditures	<u>19,321,540</u>	<u>461,224</u>	<u>19,782,764</u>	<u>19,041,122</u>	<u>741,642</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(231,919)	97,244	(134,675)	787,225	921,900
Other Financing Sources (Uses)	<u>(89,458)</u>	<u>4,958</u>	<u>(84,500)</u>	<u>16,280</u>	<u>100,780</u>
Net Change in Fund Balances	(321,377)	102,202	(219,175)	803,505	1,022,680
Fund Balances, July 1	<u>7,829,295</u>	<u>-</u>	<u>7,829,295</u>	<u>7,829,295</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 7,507,918</u>	<u>\$ 102,202</u>	<u>\$ 7,610,120</u>	<u>\$ 8,632,800</u>	<u>\$ 1,022,680</u>

The District's General fund budget was amended during the year as shown above. The budget amendment increased revenues relating to state & federal resources and interest earned on investments. The budget amendment increased expenditures relating mostly to fiscal and other fixed cost programs, instructional support services, district support services and special education. Actual revenues were over the final budget and expenditures were under the final budget amounts as shown above.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2025, is shown below in the capital asset table (net of accumulated depreciation). This investment in capital assets includes land, building and system, improvements and machinery and equipment. The total depreciation expense for the year was \$1,650,592. The following is a schedule of capital assets as of June 30, 2025.

Independent School District No. 177's Capital Assets (Net of Depreciation)

	Governmental Activities		
	2025	2024	Increase (Decrease)
Land	\$ 120,572	\$ 120,572	\$ -
Land Improvements	738,534	704,474	34,060
Buildings	38,269,601	39,282,614	(1,013,013)
Equipment	1,407,509	1,371,713	35,796
Total	<u>\$ 40,536,216</u>	<u>\$ 41,479,373</u>	<u>\$ (943,157)</u>
Percent increase (decrease)			-2.3%

Additional information on the District's capital assets can be found in Note 3D on page 53 of this report.

Long-term Debt. At the end of the current fiscal year, the District had the following total general obligation bonds outstanding.

Independent School District No. 177's Outstanding Debt

	Governmental Activities		
	2025	2024	Increase (Decrease)
General Obligation Bonds	\$ 23,915,000	\$ 25,265,000	\$ (1,350,000)
Finance Purchase Agreement	154,705	139,090	15,615
Total	<u>\$ 24,069,705</u>	<u>\$ 25,404,090</u>	<u>\$ (1,334,385)</u>
Percent increase (decrease)			-5.3%

Factors Bearing on the District's Future

The Board will endeavor to maintain at least 12 percent of the District's General fund operating expenditures, excluding those accounts associated within the restricted category, in the combined total of the General fund nonspendable, committed, assigned and unassigned fund balances. The amount in these 4 categories is \$5,571,295 or 36.7% of the General fund operating expenditures, prior year figures were \$4,801,231 or 31.77%. The increase has several components; increased Compensatory Revenue/Basic Skills funding of \$164,900 more than prior year, increased Special Education revenue over \$66,600 more than prior year, and an increase of 24 ADMs over the prior year. The prior year ADM was 1,174 and this year the ADM was 1,198, these 1,198 ADMs include 31.5 VPK ADMs. Having VPK funds for this year made a major impact.

We were awarded Voluntary Pre-Kindergarten (VPK) funding once again for the 2024-2025 school year, that will be used for our 4-year-old Bridges Preschool Program. The legislature increased the VPK funding which allowed us to receive some of this funding which resulted in 31.59 ADMs for this school year. This VPK funding helps address the cross funding of our preschool program (fund 04) from fund 01.

With State funding giving small increases in the basic formula, increased amounts of unfunded mandates and inflation and costs continuing to climb, the School Board will need to continue being fiscally responsible. The objective would be to have balanced budgets each year and to continue to look at ways to control costs as the district educates the students in the best possible way.

The diversity and economic status of our students have also changed over time, which creates additional educational needs for our School District and community. Enrollment projections continue to show slight increases. We are starting to level out our enrollment and are not seeing the huge differences in our kindergarten class vs our graduating class sizes. Our smallest class size for the 2024-2025 school year was our 1st grade class with an ADM served at 68 students followed closely with our 6th grade class with ADM served at 73 students. The rest of the grade levels have ADM's served ranging from 76 (10th grade) to 101 (3rd grade) students.

Long Term Facilities Maintenance funding will continue to help our District with some of the repair and replacement needs of our facilities. During the summer of 2024, flooring in the Nest located outside the gymnasium at the MSHS was replaced, as well as over \$100,000 parking lot RePlay Oil Seal and repairs were completed. The district must continue to financially plan to keep the district's facilities in good condition for the future.

In December 2024 the school board approved a special election for May 13, 2025, for a \$27.5 million Athletic Complex and Fine Arts Center and improvements to the locker rooms, gymnastics space and wrestling room at the MSHS location. Unfortunately, the vote failed by 46 votes (Yes Votes 810, No Votes 856). The school board continues to review their options as the need for these facilities and improvements have not changed.

The school district is a part of a Vision for Windom group that comprises individuals from the school district, City of Windom, and other local business leaders to create a plan to make Windom attractive to young families. Four goals have been identified, including a daycare center and improvements of school facilities, a pool, trails, and growth of businesses. Grants to be used toward the remodeling of classrooms located at the Highland Early Learning Center are being written, these classrooms will be used as a daycare center.

The school board approved the creation of the Windom Schools Education Foundation, which is a 501(c)(3) organization. The mission of the Windom Area Education Foundation is to promote classroom excellence and opportunities in academic, fine arts, music and athletic activities for students in the Windom Area School District. The management and affairs of this foundation will be directed by up to 17 directors made up of community members and school staff. Once this foundation is up and running it will enhance the programs and services provided to all students.

Everything the District does is for the best interest of the students and their educational needs.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Superintendent, Independent School District No. 177, P.O. Box 177, Windom, Minnesota 56101.

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DISTRICT-WIDE FINANCIAL STATEMENTS
INDEPENDENT SCHOOL DISTRICT NO. 177
WINDOM, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2025

Independent School District No. 177

Windom, Minnesota
 Statement of Net Position
 June 30, 2025

	<u>Governmental Activities</u>
Assets	
Cash and temporary investments	\$ 10,319,447
Receivables	
Taxes	2,563,773
Accounts	46,224
Due from other school districts	23,858
Intergovernmental	1,967,437
Inventories	30,955
Prepaid items	300,306
Capital assets not being depreciated	120,572
Capital assets net of accumulated depreciation	<u>40,415,644</u>
Total Assets	<u>55,788,216</u>
Deferred Outflows of Resources	
Deferred pension resources	2,003,706
Deferred other postemployment benefit resources	113,346
Total Deferred Outflows of Resources	<u>2,117,052</u>
Liabilities	
Salaries and wages payable	103,797
Accounts payables	231,586
Accrued interest payable	351,359
Due to other school districts	194,053
Due to other governments	62,409
Accrued expenses	292,755
Unearned revenue	136,485
Noncurrent liabilities	
Due within one year	
Long-term liabilities	1,548,118
Other postemployment benefits	81,564
Due in more than one year	
Long-term liabilities	23,102,524
Net pension liability	7,902,874
Other postemployment benefits	<u>846,195</u>
Total Liabilities	<u>34,853,719</u>
Deferred Inflows of Resources	
Property taxes levied for subsequent year	4,481,127
Deferred pension resources	2,703,921
Deferred other postemployment benefits resources	35,764
Total Deferred Inflows of Resources	<u>7,220,812</u>
Net Position	
Net investment in capital assets	15,885,574
Restricted	
Debt service	201,966
Food service	245,646
Educational purposes	3,379,522
Unrestricted	<u>(3,881,971)</u>
Total Net Position	<u>\$ 15,830,737</u>

The notes to the financial statements are an integral part of this statement.

Independent School District No. 177

Windom, Minnesota

Statement of Activities

For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities					Governmental Activities
Administration	\$ 1,066,214	\$ 50,413	\$ -	\$ -	\$ (1,015,801)
District support services	1,127,077	-	409,041	-	(718,036)
Elementary and secondary regular instruction	7,525,290	215,969	1,069,124	-	(6,240,197)
Vocational education instruction	403,262	2,504	-	-	(400,758)
Special education instruction	3,530,604	-	2,564,655	-	(965,949)
Community education and services	445,700	200,065	144,310	-	(101,325)
Instructional support services	437,304	2,820	175,013	-	(259,471)
Pupil support services	2,968,131	93,398	1,253,971	-	(1,620,762)
Sites and buildings	3,406,052	239,270	316,082	-	(2,850,700)
Fiscal and other fixed cost programs	160,385	-	-	-	(160,385)
Interest and fiscal charges on long term debt	838,204	-	1,040,831	-	202,627
Total Governmental Activities	\$ 21,908,223	\$ 804,439	\$ 6,973,027	\$ -	(14,130,757)
General Revenues					
Taxes					
					2,081,989
					75,469
					1,195,464
					11,921,729
					343,930
					427,581
					<u>16,046,162</u>
					Change in Net Position 1,915,405
					Net Position, July 1 <u>13,915,332</u>
					Net Position, June 30 <u>\$ 15,830,737</u>

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS
INDEPENDENT SCHOOL DISTRICT NO. 177
WINDOM, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2025

Independent School District No. 177

Windom, Minnesota

Balance Sheet

Governmental Funds

June 30, 2025

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and temporary investments	\$ 8,529,752	\$ 1,172,038	\$ 617,657	\$ 10,319,447
Receivables				
Taxes				
Current	1,037,142	1,469,011	38,343	2,544,496
Delinquent	10,150	8,233	894	19,277
Accounts	39,081	-	7,143	46,224
Due from other school districts	13,148	-	10,710	23,858
Intergovernmental	1,843,530	104,240	19,667	1,967,437
Inventories	-	-	30,955	30,955
Prepaid items	300,146	-	160	300,306
	<u>300,146</u>	<u>-</u>	<u>160</u>	<u>300,306</u>
Total Assets	<u>\$ 11,772,949</u>	<u>\$ 2,753,522</u>	<u>\$ 725,529</u>	<u>\$ 15,252,000</u>
Liabilities				
Salaries and wages payable	\$ 71,961	\$ -	\$ 31,836	\$ 103,797
Accounts payable	182,269	-	49,317	231,586
Due to other school districts	194,053	-	-	194,053
Due to other governments	62,409	-	-	62,409
Accrued expenses	292,755	-	-	292,755
Unearned revenue	132,978	-	3,507	136,485
Total Liabilities	<u>936,425</u>	<u>-</u>	<u>84,660</u>	<u>1,021,085</u>
Deferred Inflows of Resources				
Property taxes levied for subsequent year	2,193,574	2,200,197	87,356	4,481,127
Unavailable revenue				
Delinquent property taxes	10,150	8,233	894	19,277
Total Deferred Inflows of Resources	<u>2,203,724</u>	<u>2,208,430</u>	<u>88,250</u>	<u>4,500,404</u>
Fund Balances				
Nonspendable	300,146	-	31,115	331,261
Restricted	3,061,505	545,092	521,504	4,128,101
Assigned	1,406,378	-	-	1,406,378
Unassigned	3,864,771	-	-	3,864,771
Total Fund Balances	<u>8,632,800</u>	<u>545,092</u>	<u>552,619</u>	<u>9,730,511</u>
	<u>8,632,800</u>	<u>545,092</u>	<u>552,619</u>	<u>9,730,511</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,772,949</u>	<u>\$ 2,753,522</u>	<u>\$ 725,529</u>	<u>\$ 15,252,000</u>

The notes to the financial statements are an integral part of this statement.

Independent School District No. 177

Windom, Minnesota

Reconciliation of the Balance Sheet
to the Statement of Net Position

Governmental Funds

June 30, 2025

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

Total Fund Balances - Governmental Funds	\$ 9,730,511
Net capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the funds.	40,536,216
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of	
Bonds payable	(23,915,000)
Financed purchased arrangements	(154,705)
Unamortized bond premium	(580,937)
Other postemployment benefits liability	(927,759)
Net pension liability	(7,902,874)
Long-term assets are not available to pay current-period expenditures and, therefore, are unavailable in the funds.	
Delinquent property taxes receivable	19,277
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	2,003,706
Deferred inflows of pension resources	(2,703,921)
Governmental funds do not report long-term amounts related to other post employment benefit resources.	
Deferred outflows of other post employment benefit resources	113,346
Deferred inflows of other post employment benefit resources	(35,764)
Governmental funds do not report a liability for accrued interest until due and payable.	(351,359)
Total Net Position - Governmental Activities	\$ 15,830,737

The notes to the financial statements are an integral part of this statement.

Independent School District No. 177
Windom, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Debt Service	Other Governmental Funds	Total
Revenues				
Local property tax levies	\$ 2,077,565	\$ 1,195,789	\$ 75,249	\$ 3,348,603
Other local revenue	1,325,594	-	206,927	1,532,521
Interest earned on investments	366,425	42,935	18,221	427,581
Revenue from state sources	15,646,952	1,040,831	591,814	17,279,597
Revenue from federal sources	382,918	-	685,159	1,068,077
Sales and other conversion of assets	28,893	-	83,624	112,517
Total Revenues	<u>19,828,347</u>	<u>2,279,555</u>	<u>1,660,994</u>	<u>23,768,896</u>
Expenditures				
Current				
Administration	1,102,166	-	-	1,102,166
District support services	1,162,327	-	-	1,162,327
Elementary and secondary regular instruction	7,596,795	-	-	7,596,795
Vocational education instruction	414,654	-	-	414,654
Special education instruction	3,666,223	-	-	3,666,223
Community education and services	-	-	458,624	458,624
Instructional support services	452,327	-	-	452,327
Pupil support services	1,751,231	-	1,154,227	2,905,458
Sites and buildings	2,212,881	-	-	2,212,881
Fiscal and other fixed cost programs	160,290	-	-	160,290
Capital outlay	434,404	-	146,015	580,419
Debt service				
Principal	84,265	1,350,000	-	1,434,265
Interest and other charges	3,559	915,063	-	918,622
Total Expenditures	<u>19,041,122</u>	<u>2,265,063</u>	<u>1,758,866</u>	<u>23,065,051</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>787,225</u>	<u>14,492</u>	<u>(97,872)</u>	<u>703,845</u>
Other Financing Sources (Uses)				
Financed purchase arrangement issued	99,880	-	-	99,880
Transfers in	-	-	83,600	83,600
Transfers out	(83,600)	-	-	(83,600)
Total Other Financing Sources (Uses)	<u>16,280</u>	<u>-</u>	<u>83,600</u>	<u>99,880</u>
Net Change in Fund Balances	803,505	14,492	(14,272)	803,725
Fund Balances, July 1	<u>7,829,295</u>	<u>530,600</u>	<u>566,891</u>	<u>8,926,786</u>
Fund Balances, June 30	<u>\$ 8,632,800</u>	<u>\$ 545,092</u>	<u>\$ 552,619</u>	<u>\$ 9,730,511</u>

The notes to the financial statements are an integral part of this statement.

Independent School District No. 177
 Windom, Minnesota
 Reconciliation of the Statement of
 Revenues, Expenditures and Changes in Fund Balances
 to Statement of Activities
 Governmental Funds
 For the Year Ended June 30, 2025

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

Total Net Change in Fund Balances - Governmental Funds	\$ 803,725
<p>Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p>	
Capital outlays	707,435
Depreciation expense	(1,650,592)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.</p>	
Financed purchase arrangements issued	(99,880)
Principal repayments	1,350,000
Amortization of bond premiums	52,293
Retirement of financed purchase arrangement	84,265
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.</p>	
	28,125
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	465,755
Direct aid contributions	50,413
<p>Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.</p>	
	4,319
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Other postemployment benefits costs	119,547
	119,547
Change in Net Position - Governmental Activities	\$ 1,915,405

The notes to the financial statements are an integral part of this statement.

Independent School District No. 177
Windom, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Local property tax levies	\$ 2,158,382	\$ 2,127,959	\$ 2,077,565	\$ (50,394)
Other local revenue	993,204	987,650	1,325,594	337,944
Interest earned on investments	152,810	204,510	366,425	161,915
Revenue from state sources	15,424,225	15,912,334	15,646,952	(265,382)
Revenue from federal sources	338,100	384,436	382,918	(1,518)
Sales and other conversion of assets	22,900	31,200	28,893	(2,307)
Total Revenues	<u>19,089,621</u>	<u>19,648,089</u>	<u>19,828,347</u>	<u>180,258</u>
Expenditures				
Current				
Administration	1,122,513	1,124,479	1,102,166	22,313
District support services	1,082,421	1,195,649	1,162,327	33,322
Elementary and secondary regular instruction	7,718,173	7,714,393	7,596,795	117,598
Vocational education instruction	422,944	388,361	414,654	(26,293)
Special education instruction	3,824,593	3,927,050	3,666,223	260,827
Instructional support services	325,367	456,087	452,327	3,760
Pupil support services	1,963,117	1,969,452	1,751,231	218,221
Sites and buildings	2,336,035	2,400,880	2,212,881	187,999
Fiscal and other fixed cost programs	307,200	317,250	160,290	156,960
Capital outlay				
Administration	-	-	1,222	(1,222)
District support services	1,100	3,600	1,315	2,285
Elementary and secondary regular instruction	122,252	132,113	141,282	(9,169)
Special education instruction	1,000	1,500	-	1,500
Pupil support services	10,125	5,625	15,891	(10,266)
Sites and buildings	81,700	111,325	274,694	(163,369)
Debt service				
Principal	3,000	35,000	84,265	(49,265)
Interest and other charges	-	-	3,559	(3,559)
Total Expenditures	<u>19,321,540</u>	<u>19,782,764</u>	<u>19,041,122</u>	<u>741,642</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(231,919)</u>	<u>(134,675)</u>	<u>787,225</u>	<u>921,900</u>
Other Financing Sources (Uses)				
Financed purchase arrangements issued	-	-	99,880	99,880
Transfers out	(89,458)	(84,500)	(83,600)	900
Total Other Financing Sources (Uses)	<u>(89,458)</u>	<u>(84,500)</u>	<u>16,280</u>	<u>100,780</u>
Net Change in Fund Balances	(321,377)	(219,175)	803,505	1,022,680
Fund Balances, July 1	<u>7,829,295</u>	<u>7,829,295</u>	<u>7,829,295</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 7,507,918</u>	<u>\$ 7,610,120</u>	<u>\$ 8,632,800</u>	<u>\$ 1,022,680</u>

The notes to the financial statements are an integral part of this statement.

Independent School District No. 177
Windom, Minnesota
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	<u>Custodial Fund Scholarships</u>
Assets	
Cash and temporary investments	<u>\$ 10,172</u>
Net Position	
Restricted	
Held in trust for scholarships	<u>\$ 10,172</u>

The notes to the financial statements are an integral part of this statement.

Independent School District No. 177
 Windom, Minnesota
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Year Ended June 30, 2025

	Custodial Fund Scholarships
Additions	
Donations	\$ 12,500
Investment earnings	706
Total Additions	13,206
Deductions	
Scholarships	12,000
Change in Net Position	1,206
Net Position, July 1	8,966
Net Position, June 30	\$ 10,172

The notes to the financial statements are an integral part of this statement.

Independent School District No. 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2025

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Independent School District No. 177, (the District) was incorporated under the laws of the State of Minnesota, (the State). The District operates under a School Board form of government for the purpose of providing educational services to individuals within the area. The District is governed by an elected School Board of seven members. The District has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The District has no component units that meet the GASB criteria.

B. District-wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Intergovernmental revenues and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. State revenue is recognized in the year to which it applies according to Minnesota statutes and accounting principles generally accepted in the United States of America. Minnesota statutes include State aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure was made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Independent School District No. 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Description of Funds

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

Major Governmental Funds

The *General fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Debt Service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Non-major Governmental Funds

The *Food Service special revenue fund* is used to account for food service revenue and expenditures. The major sources of revenues are food service sales and federal and state grants, which are restricted for this purpose.

The *Community Service special revenue fund* accounts for services provided to residents in the areas of recreation, civic activities, non-public pupils, adult or early childhood programs, or other similar services. The major sources of revenues are recreation fees and special purpose tax levies, which are restricted for these purposes.

Fiduciary Funds

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The District's scholarship custodial fund accounts for activities held to be used by various third parties devoted to awarding student scholarships. All resources of the fund, including any earnings on invested resources, may be used to support the activities.

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

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

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed investment contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Minnesota School District Liquid Asset Fund (MSDLAF) investment pool operates in accordance with appropriate Minnesota laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. The MSDLAF is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC under rule §2a7. Financial statements of the MSDLAF fund can be obtained by contacting PFM Asset Management, LLC at P.O. Box 11760, Harrisburg, PA 17108-11760.

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

The School Board annually adopts a tax levy and certifies it to the County in December for collection the following year. The County is responsible for collecting all property taxes for the District. These taxes attach an enforceable lien on taxable property within the District on January 1 and are payable by the property owners in May and October of each year. The taxes are collected by the County Treasurer and tax settlements are made to the District three or four times throughout the year.

Statutory funding formulas determine the majority of the District revenue in the General and special revenue funds. This revenue is divided between property taxes and State aids by the legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift." The remaining portion of taxes collectible in 2025 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

Taxes payable on qualifying property, as defined by Minnesota statutes, are partially reduced by a market value credit aid. The credits are paid to the District by the State in lieu of taxes levied against the property.

Current property taxes receivable is the uncollected portion of the taxes levied in 2024 and collectible in 2025. This levy is offset with a deferred inflow of resources, property taxes levied for subsequent year.

Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year end in the fund financial statements.

Accounts Receivable

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. No allowance for uncollectible accounts has been recorded. The only receivable not expected to be collected within one year is delinquent property taxes receivable.

Inventories and Prepaid Items

Food Service fund inventories include items purchased by the District and commodities donated by the U.S. Department of Agriculture (USDA). Commodities are valued using a standard price list furnished by the USDA and purchased inventory is valued at the lower of cost or market on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements.

Capital Assets

Capital assets include property, plant and equipment. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 (amount not rounded). Computer equipment has a capitalization threshold is \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Independent School District No. 177
 Windom, Minnesota
 Notes to the Financial Statements
 June 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Property, plant and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	20 - 50
Land Improvements	20 - 50
Equipment and Machinery	5 - 20

Deferred Outflows of Resources

In addition to assets, the statement of net financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred OPEB resources, are reported only in the statement of net position. The pension resources result from actuarial calculations and current year pension contributions made subsequent to the measurement date. The OPEB resources are current year OPEB contributions made subsequent to the measurement date.

Compensated Absences

Vacation Pay - Under the terms of contracts, certain employees accrue vacation at varying rates, portions of which may be carried over to future years. Employees are reimbursed for any unused, accrued vacation upon termination. Vacation pay is accrued when incurred in the District-wide financial statements. Vacation pay is accrued in governmental fund financial statements only when it has matured due to employee termination or similar circumstances.

Sick Pay - Substantially all District employees are entitled to sick leave at various rates. Unused sick leave enters in the calculation of retirement incentive payments for some employees upon termination. Amounts anticipated to be used in the future are insignificant, thus no long-term portion of sick liability is recorded in the financial statements.

Severance Pay - The District maintains a severance pay plan for its paraprofessionals. The plan contains benefit formulas based on years of service and minimum age requirements. If severance benefits are paid within the first 60 days after year end, an accrual is made in the governmental fund incurring the liability. Otherwise, vested severance pay, if any, is recorded in the statement of net position and severance pay expenses are recognized when earned. As of June 30, 2025, the District has a severance liability of \$0.

Postemployment Benefits other than Pensions

Under Minnesota statute 471.61, subdivision 2b, public employers must allow retirees and their dependents to continue coverage indefinitely in an employer-sponsored health care plan, under the following conditions: 1) Retirees must be receiving (or eligible to receive) an annuity from a Minnesota public pension plan, 2) Coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium, and 3) Retirees are able to add dependent coverage during open enrollment period or qualifying life event prior to retirement. All premiums are funded on a pay-as-you-go basis. The liability was determined, in accordance with GASB Statement No. 75, at July 1, 2023. The General fund is typically used to liquidate governmental other postemployment benefits payable.

Independent School District No. 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

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

Pensions

Teachers Retirement Association (TRA)

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Teachers Retirement Association (TRA) and additions to/deductions from TRA's fiduciary net position have been determined on the same basis as they are reported by TRA.

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015. The General fund is typically used to liquidate the governmental net pension liability. Additional information can be found in Note 4.

Public Employees Retirement Association (PERA)

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the General Employee Plan (GERP) and TRA is as follows:

	GERP	TRA	Total All Plans
District's proportionate share	\$ 103,639	\$ 363,807	\$ 467,446
Proportionate share of State's contribution	968	27,698	28,666
Total pension expense	\$ 104,607	\$ 391,505	\$ 496,112

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items, which arise only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the items, unavailable revenue related to delinquent property taxes and property taxes levied for subsequent year, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: delinquent property taxes and property taxes levied for subsequent year. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Furthermore, the District has two additional items which qualify for reporting in this category. The items, deferred pension resources and deferred other postemployment benefits resources, are reported only in the statement of net position and results from actuarial calculations.

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by State statutory provisions.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the Board itself or by an official to which the governing body delegates the authority. The Board has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the District Business Manager and the Superintendent.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of fund balance when expenditures are made.

The District has formally adopted a fund balance policy for the General fund. The District's policy is to maintain a minimum unassigned fund balance of 12 percent of budgeted operating expenditures for cash-flow timing needs.

Independent School District No. 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

In the district-wide financial statements, net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consist of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets"

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Budgets are prepared for District governmental funds on the same basis and using the same accounting practices that are used in accounting and preparing financial statements for the funds. The District adopts an annual budget for all funds in accordance with Minnesota State Statutes. The budget is prepared on the modified accrual basis of accounting. Before July 1, the proposed budget is presented to the School Board for review. The School Board holds public hearings and a final budget must be prepared and adopted no later than one week after the School Board approved the audited financial statements and has published the final budget in the local newspaper. Annual budgets are adopted on basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal yearend. The actual revenues, expenditures, and transfers for the year ended June 30, 2025 have been compared to the District's budget for the year where applicable. Variances in parentheses are unfavorable and indicate revenues are less than budget or expenditures are greater than budget. The budget is adopted through passage of a resolution. Any revisions that alter total expenditures of any fund must be approved by the School Board.

Budgetary control is maintained by fund, at the object of the expenditure category level within each program, and in compliance with State requirements. Also, inherent in this controlling function is the management philosophy that existence of a particular item or appropriation in the approved budget does not automatically mean that it will be spent. Therefore, there is a constant review process and expenditures are not approved until it has been determined that (1) adequate funds were appropriated; (2) the expenditure is still necessary; and (3) funds are available. Budgeted amounts are as originally adopted or as amended by the School Board. Budgeted expenditure appropriations lapse at year end.

B. Excess of Actual Expenditures over Appropriations

For the year ended June 30, 2025, expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Food Service	\$ 1,232,042	\$ 1,298,322	\$ 66,280
Community Service	444,819	460,544	15,725
Debt Service	2,264,763	2,265,063	300

The excess expenditures were funded by actual revenues in excess of budget and available fund balance.

Independent School District No. 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2025

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the School Board, the District maintains deposits at those depository banks which are members of the Federal Reserve System.

Minnesota statutes require that all District deposits be protected by insurance, surety bond or collateral. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the District.

At year end, the District's carrying amount of deposits, bank balance, FDIC coverage and pledged collateral are shown in the chart below.

Carrying amount of deposits	<u>\$ 757,134</u>
Bank balance	\$ 794,049
Covered by FDIC	<u>(250,000)</u>
Collateralized with securities pledged in District's name	<u>\$ 544,049</u>

Independent School District No. 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2025

Note 3: Detailed Notes on All Funds (Continued)

Investment Policy

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

The District's investments are potentially subject to various risks including the following:

- *Custodial credit risk* - The risk that in the event of a failure of the counterparty to an investment transaction (typically a broker) the government would not be able to recover the value of the investment or collateral securities.
- *Credit risk* - The risk that an issuer or other counterparty to an investment will not fulfill its obligations.
- *Concentration risk* - Investing 5 percent or more of the District's portfolio in the securities of a single issuer.

The funds of the District shall be deposited or invested in accordance with Minnesota statutes, chapter 118A and any other applicable law or written administrative procedures. The primary criteria for the investment of the funds of the District, in priority order are as follows:

1. *Safety and Security.* Safety of principal is the first priority. The investments of the District shall be undertaken in a manner that seeks to ensure the preservation of the capital in the overall investment portfolio.
2. *Liquidity.* The funds shall be invested to assure that funds are available to meet immediate payment requirements, including payroll, accounts payable and debt service.
3. *Return and Yield.* The investments shall be managed in a manner to attain a market rate of return through various economic and budgetary cycles, while preserving and protecting the capital in the investment portfolio and taking into account constraints on risk and cash flow requirements.

Limitations on instruments, diversification and maturity scheduling shall depend on whether the funds being invested are considered short-term or long-term funds. All funds shall normally be considered short-term except those reserved for building construction projects or specific future projects and any unreserved funds used to provide financial-related managerial flexibility for future fiscal years. The District shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Within these parameters, portfolio maturities shall be staggered to avoid undue concentration of assets and a specific maturity sector. The maturities selected shall provide for stability of income and reasonable liquidity.

Independent School District No. 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2025

Note 3: Detailed Notes on All Funds (Continued)

All investment securities purchased by the District shall be held in third-party safekeeping by an institution designated as custodial agent. The custodial agent may be any Federal Reserve Bank, any bank authorized under the laws of the United States or any state to exercise corporate trust powers, a primary reporting dealer in United States Government securities to the Federal Reserve Bank of New York, or a securities broker-dealer defined in Minnesota statutes 118A.06. The institution or dealer shall issue a safekeeping receipt to the District listing the specific instrument, the name of the issuer, the name in which the security is held, the rate, the maturity, serial numbers and other distinguishing marks, and other pertinent information.

Deposit-type securities shall be collateralized as required by Minnesota statute 118A.03 for any amount exceeding FDIC, SAIF, BIF, FCUA, or other federal deposit coverage.

Repurchase agreements shall be secured by the physical delivery or transfer against payment of the collateral securities to a third party or custodial agent for safekeeping. The school district may accept a safekeeping receipt instead of requiring physical delivery or third-party safekeeping of collateral on overnight repurchase agreements of less than \$1,000,000.

As of June 30, 2025, the District had the following investments:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Balance
Pooled Investments at Amortized Costs			
Minnesota School District Liquid Asset Fund (MSDLAF)	N/A	less than 6 months	\$ 33,330
Minnesota School District MAX Asset Fund (MSDLAF)	N/A	less than 6 months	<u>9,538,960</u>
Total Pooled Investments			<u><u>\$ 9,572,290</u></u>

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A N/A indicates not applicable or available.

The Minnesota School District Liquid Asset Fund (MSDLAF) is a trust organized and existing under the laws of the State of Minnesota and the Minnesota Joint Powers Act, as amended. The trust was established for the purpose of allowing Minnesota school districts to pool their investment funds to obtain a competitive investment yield, while maintaining liquidity and preserving capital. The credit rating for the MSDLAF is AAA. The weighted average days to maturity are less than six months. The District's investment in the MSDLAF is equal to the value of pool shares.

A reconciliation of cash and temporary investments as shown on the statement of net position for the District follows:

Petty Cash	\$ 195
Deposits	757,134
Investments	<u>9,572,290</u>
Total	10,329,619
Less Fiduciary Fund Cash and Temporary Investments	<u>(10,172)</u>
Total Cash and Temporary Investments	<u><u>\$ 10,319,447</u></u>

Independent School District No. 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2025

Note 3: Detailed Notes on All Funds (Continued)

B. Property Taxes

Current property taxes receivable is recorded for taxes levied in 2024 and payable in 2025. A portion of the current property taxes receivable is recognized as revenue in the fiscal year ended June 30, 2025 in accordance with Minnesota statutes and the remaining balance is recorded as a deferred inflow of resources for subsequent years' operations.

Delinquent property taxes receivable represents uncollected taxes from the previous six years' property tax levies. Delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year end in the fund financial statements.

Taxes receivable is comprised of the following components:

	<u>General</u>	<u>Community Service</u>	<u>Debt Service</u>	<u>Total</u>
Current Taxes	\$ 1,037,142	\$ 38,343	\$ 1,469,011	\$ 2,544,496
Delinquent Taxes	<u>10,150</u>	<u>894</u>	<u>8,233</u>	<u>19,277</u>
Total Taxes Receivable	<u>\$ 1,047,292</u>	<u>\$ 39,237</u>	<u>\$ 1,477,244</u>	<u>\$ 2,563,773</u>
Property Taxes Levied for Subsequent Year	<u>\$ 2,193,574</u>	<u>\$ 87,356</u>	<u>\$ 2,200,197</u>	<u>\$ 4,481,127</u>

C. Interfund Transfers

During the year, the District transferred \$83,600 from the General fund to the Community Service fund their bridges preschool program due to inadequate funding from the state.

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2025

Note 3: Detailed Notes on All Funds (Continued)

D. Capital Assets

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

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 120,572	\$ -	\$ -	\$ 120,572
Capital Assets Being Depreciated				
Land Improvements	1,706,627	92,433	-	1,799,060
Buildings	57,728,942	332,697	-	58,061,639
Equipment	4,565,506	282,305	(19,268)	4,828,543
Total Capital Assets Being Depreciated	<u>64,001,075</u>	<u>707,435</u>	<u>(19,268)</u>	<u>64,689,242</u>
Less Accumulated Depreciation				
Land Improvements	(1,002,153)	(58,373)	-	(1,060,526)
Buildings	(18,446,328)	(1,345,710)	-	(19,792,038)
Equipment	(3,193,793)	(246,509)	19,268	(3,421,034)
Total Accumulated Depreciation	<u>(22,642,274)</u>	<u>(1,650,592)</u>	<u>19,268</u>	<u>(24,273,598)</u>
Total Capital Assets Being Depreciated, Net	<u>41,358,801</u>	<u>(943,157)</u>	<u>-</u>	<u>40,415,644</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 41,479,373</u>	<u>\$ (943,157)</u>	<u>\$ -</u>	<u>\$ 40,536,216</u>

Depreciation Expense was charged to governmental activities as follows:

Administration	\$ 33,205
District Support Services	243
Elementary and Secondary Regular Instruction	113,206
Vocational Education Instruction	4,596
Instructional Support Services	960
Pupil Support Services	26,671
Sites, Buildings and Equipment	<u>1,471,711</u>
Total Depreciation Expense	<u>\$ 1,650,592</u>

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2025

Note 3: Detailed Notes on All Funds (Continued)

E. Long-term Debt

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. In addition, general obligation bonds have been issued to refund general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End	Due Within One Year
G.O. School Building Bonds, Series 2018A	\$ 23,950,000	3.00-5.00 %	07/19/18	02/01/39	\$ 22,525,000	\$ 1,250,000
G.O. Facility Maintenance Bonds, Series 2019A	2,440,000	3.00-5.00	04/04/19	02/01/31	1,390,000	210,000
Total General Obligation Bonds					<u>\$ 23,915,000</u>	<u>\$ 1,460,000</u>

The annual requirements to amortize all bonds outstanding at June 30, 2025 are as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2026	\$ 1,460,000	\$ 843,263	\$ 2,303,263
2027	1,535,000	770,262	2,305,262
2028	1,615,000	693,513	2,308,513
2029	1,670,000	631,262	2,301,262
2030	1,720,000	581,163	2,301,163
2031 - 2035	8,390,000	2,084,594	10,474,594
2036 - 2039	7,525,000	643,062	8,168,062
Total	<u>\$ 23,915,000</u>	<u>\$ 6,247,119</u>	<u>\$ 30,162,119</u>

Financed Purchased Arrangements

The 2023 Apple finance purchase arrangement is for Apple equipment including personal computers, electronic devices, servers, networking equipment, and other Apple equipment to be used for instructional purposes. The purchase arrangement began on 6/20/2023 and ends on 7/10/2025.

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2025

Note 3: Detailed Notes on All Funds (Continued)

The 2025 Apple finance purchase arrangement is for Apple equipment including personal computers, electronic devices, servers, networking equipment, and other Apple equipment to be used for instructional purposes. The purchase arrangement began on 4/3/2025 and ends on 7/15/2027.

The details are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End	Due Within One Year
2023 Apple Equipment	\$ 164,475	- %	06/20/23	07/10/25	\$ 54,825	\$ 54,825
2025 Apple Equipment	99,880	-	04/03/25	07/15/27	99,880	33,293
Total Financed Purchase Arrangements Payable					<u>\$ 154,705</u>	<u>\$ 88,118</u>

The annual requirements to amortize all financed purchase arrangements at June 30, 2025 are as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2026	\$ 88,118	\$ -	\$ 88,118
2027	33,293	-	33,293
2028	33,294	-	33,294
Total	<u>\$ 154,705</u>	<u>\$ -</u>	<u>\$ 154,705</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable					
General obligation revenue bonds	\$ 25,265,000	\$ -	\$ (1,350,000)	\$ 23,915,000	\$ 1,460,000
Unamortized premium	633,230	-	(52,293)	580,937	-
Other Liabilities					
Finance purchase agreements	139,090	99,880	(84,265)	154,705	88,118
Total Long-term Liabilities	<u>\$ 26,037,320</u>	<u>\$ 99,880</u>	<u>\$ (1,486,558)</u>	<u>\$ 24,650,642</u>	<u>\$ 1,548,118</u>

Independent School District No. 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2025

Note 3: Detailed Notes on All Funds (Continued)

F. Components of Fund Balance

At June 30, 2025, portions of the District's fund balance are not available for appropriation due to not being in spendable form (nonspendable), legal restrictions (restricted), District School Board action (committed), policy and/or intent (assigned). The following is a summary of the components of fund balance:

	General	Food Service	Community Service	Debt Service	Total Governmental Funds
Nonspendable					
Inventories	\$ -	\$ 30,955	\$ -	\$ -	\$ 30,955
Prepaid items	300,146	160	-	-	300,306
Total Nonspendable	<u>\$ 300,146</u>	<u>\$ 31,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,261</u>
Restricted for					
Scholarships	\$ 18,179	\$ -	\$ -	\$ -	\$ 18,179
Student activities	279,220	-	-	-	279,220
Staff development	386,103	-	-	-	386,103
Operating capital	1,364,336	-	-	-	1,364,336
Qcomp	39,068	-	-	-	39,068
Safe schools - crime levy	97,998	-	-	-	97,998
READ Act - Tchr Training Compensation	3,790	-	-	-	3,790
Long term facility maintenance	872,811	-	-	-	872,811
Food service	-	214,531	-	-	214,531
Community education	-	-	198,812	-	198,812
Early childhood and family education	-	-	107,331	-	107,331
School readiness	-	-	116	-	116
Adult basic education	-	-	614	-	614
Community service	-	-	100	-	100
Debt service	-	-	-	545,092	545,092
Total Restricted	<u>\$3,061,505</u>	<u>\$ 214,531</u>	<u>\$ 306,973</u>	<u>\$ 545,092</u>	<u>\$4,128,101</u>
Assigned	<u>\$1,406,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,406,378</u>
Unassigned	<u>\$3,864,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,864,771</u>

Independent School District No. 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2025

Note 3: Detailed Notes on All Funds (Continued)

Restricted for Scholarships - This amount represents available resources for scholarships. Revenues are derived from donations and investment earnings and expenditures are for scholarships.

Restricted for Student Activities - This amount represents available resources for various student activities.

Restricted for Staff Development - This amount represents available resources for staff development. Revenues are derived from State aids and expenditures are for staff development at each site.

Restricted for Operating Capital - This amount represents available resources dedicated for capital expenditure building projects, equipment purchases, vehicles and computer hardware and software. Revenues are derived from tax levies and State aids and expenditures are for repair and restoration of existing facilities and construction of new facilities, purchase of equipment, computers, software, textbooks and library books.

Restricted for Q Comp- This amount represents resources restricted for quality compensation including alternative teacher professional pay.

Restricted for Safe Schools - Crime Levy - This amount represents available resources restricted for crime prevention and making schools safe for students and staff.

Restricted for READ Act- Teacher Training Compensation- This amount represents available resources to pay stipends, hourly wages, or reimbursement of eligible training for teachers providing direct instruction under the READ Act.

Restricted for Long-Term Facilities Maintenance (LTFM) – This amount represents available resources for larger maintenance projects. Revenues are derived from State aids and expenditures are for maintenance.

Restricted for Food Service - This amount represents available resources available for Food Services. Revenues are derived from state, federal, local and county sources along with sales and other conversion of assets and expenditures are primarily for salaries, benefits, supplies and materials.

Restricted for Community Education - This amount represents available resources for community education classes. Revenues are derived from local tax levies and State aids and expenditures are for salaries, benefits and supplies.

Restricted for Early Childhood Family Education (ECFE) - This amount represents available resources for ECFE classes. Revenues are derived from local tax levies and State aids and expenditures are for salaries, benefits and supplies.

Restricted for School Readiness - This amount represents available resources to provide for services for school readiness programs. Revenues are derived from State aids, fees and grants and expenditures are for salaries, benefits and supplies.

Restricted for Adult Basic Education - This amount represents available resources to provide for adult basic education programs. Revenues are derived from State aids, fees and grants and expenditures are for salaries, benefits and supplies.

Restricted for Community Service - This amount represents available resources available for Community Services. Revenues are derived from tax levies, state, federal, local and county sources along with sales and other conversion of assets and expenditures are primarily for salaries, benefits, purchased services supplies and materials.

Restricted for Debt Service - This amount represents available resources dedicated exclusively for debt service payments. Revenues are derived from tax levies and expenditures are for principal, interest and paying agent fees.

Independent School District No. 177
 Windom, Minnesota
 Notes to the Financial Statements
 June 30, 2025

Note 4: Defined Benefit Pension Plans - Statewide

A. Teacher Retirement Association (TRA)

1. Plan Description

The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active members, one retired member, and three statutory officials.

Educators employed in Minnesota’s public elementary and secondary school, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage within one year of eligible employment or elect coverage through the Defined Contribution Retirement Plan (DCR) administered by Minnesota State. A teacher employed by Minnesota State and electing DCR plan is not a member of TRA except for purposes of social security coverage.

2. Benefits Provided

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

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

Tier I:	Step Rate Formula	Percentage
Basic	First ten years of service	2.2 percent per year
	All years after	2.7 percent per year
Coordinated	First ten years if service years are prior to July 1, 2006	1.2 percent per year
	First ten years if service years are July 1, 2006 or after	1.4 percent per year
	All other years of service if service years are prior to July 1, 2006	1.7 percent per year
	All other years of service if service years are July 1, 2006 or after	1.9 percent per year

With these provisions:

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

or

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members is applied. For years of service July 1, 2006 and after, a level formula of 1.9% per year for coordinated members and 2.7% per year for Basic members applies. An early retirement reduction is applied to members retiring prior to age 65. Members who reach age 62 with 30 years of service have a lower (more favorable to the member) reduction rate applied.

Tier II:

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

Six different types of annuities are available to members upon retirement. The No Refund Plan is a lifetime annuity that ceases upon the death of the retiree – no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is eligible for a refund of their employee contributions plus interest.

The benefit provisions stated apply to active plan participants. Vested, terminated employees who are entitled to benefits but not yet receiving them are bound by the plan provisions in effect at the time they last terminated their public service.

3. Contributions

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for the fiscal year 2025 for coordinated were 7.75% for the employee and 8.75% for the employer. Basic rates were 11.25% for the employee and 12.75% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2025, 2024, and 2023 were \$635,348, \$593,861, and \$572,589. The District's contributions were equal to the required contributions for each year as set by state statute.

4. Actuarial Assumptions

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

Independent School District No. 177
 Windom, Minnesota
 Notes to the Financial Statements
 June 30, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	
Experience Studies	August 2, 2023 (demographic and economic assumptions)
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Investment Rate of Return	7.00%
Price Inflation	2.50%
Wage Growth Rate	2.85% before July 1, 2028 and 3.25% after June 30, 2028
Projected Salary Increase	2.85 to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028
Cost of Living Adjustment	1% for January 2019 through January 2023, then Increasing by 0.1% each year up to 1.5% annually
Mortality Assumption	
Pre-retirement	PubT-2010(A) Employee Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Healthy Retirees	PubT-2010 (A) Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Beneficiaries	Pub-2010 (A) Contingent Survivor Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.
Disabled Retirees	PubNS-2010 Disabled Retiree Mortality Table, male rates set forward 1 year and female rates unadjusted. Generational projection uses the MP-2021 scale.

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

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	<u>100.0 %</u>	

Independent School District No. 177
 Windom, Minnesota
 Notes to the Financial Statements
 June 30, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

Changes in the actuarial assumptions since the 2022 valuation:

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

5. Discount Rate

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

6. Net Pension Liability

On June 30, 2025, The District reported a liability of \$6,506,825 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. The District's proportionate share was 0.1024% at the end of the measurement period and 0.1053% for the beginning of the year.

The pension liability amount reflected a reduction due to direct aid provided to TRA. The amount recognized by the District as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate Share of Net Pension Liability	\$ 6,506,825
State's Proportionate Share of Net Pension Liability Associated with the District	<u>398,890</u>
 Total	 <u><u>\$ 6,905,715</u></u>

For the year ended June 30, 2025, the District recognized pension expense of \$363,807. It also recognized \$27,698 as an decrease to pension expense for the support provided by direct aid.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$176 million to the Fund. The State of Minnesota is not included as a non-employer contributing entity in the plan pension allocation schedules for the \$176 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized \$180,395 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Fund.

Independent School District No. 177
 Windom, Minnesota
 Notes to the Financial Statements
 June 30, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 311,591	\$ 89,081
Changes in Actuarial Assumptions	666,415	1,110,727
Net Difference Between Projected and Actual Investment Earnings	-	299,861
Changes in Proportion	-	199,525
Contributions Paid to PERA Subsequent to the Measurement Date	635,348	-
Total	\$ 1,613,354	\$ 1,699,194

The \$635,348 reported as deferred outflows of resources related to pensions resulting from District Contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

2026	\$ (497,639)
2027	515,417
2028	194,152
2029	(415,421)
2030	(343,074)
Thereafter	(174,623)

7. Pension Liability Sensitivity

The following presents the net pension liability of TRA calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6%) or one percentage point higher (8%) than the current rate (preparer instructions: multiply the allocation % by TRA's sensitivity footnote info).

	District's Proportionate Share of NPL		
	1 Percent Decrease (6%)	Current (7%)	1 Percent Increase (8%)
Teachers Retirement Association	\$ 11,458,899	\$ 6,506,825	\$ 4,459,750

8. Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at <https://minnesotatra.org>, by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000; or by calling 651-296-2409 or 800-657-3669.

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

B. Public Employees Retirement Association (PERA)

1. Plan Description

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

General Employees Retirement Plan (General Plan)

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

2. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employees Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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

Independent School District No. 177
 Windom, Minnesota
 Notes to the Financial Statements
 June 30, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

3. Contributions

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

General Employees Fund Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the General Employees Fund for the years ending June 30, 2025, 2024 and 2023, were \$250,103, \$240,851 and \$235,541, respectively. The District's contributions were equal to the required contributions for each year as set by state statute.

4. Pension Costs

General Employees Fund Pension Costs

At June 30, 2025, the District reported a liability of \$1,396,049 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$36,099.

District's Proportionate Share of Net Pension Liability	\$ 1,396,049
State's Proportionate Share of Net Pension Liability Associated with the District	36,099

Total	\$ 1,432,148

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0378 percent at the end of the measurement period and 0.0393 percent for the beginning of the period.

For the year ended June 30, 2025, the District recognized pension expense of \$103,639 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$968 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2025, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized \$64,231 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

Independent School District No. 177
 Windom, Minnesota
 Notes to the Financial Statements
 June 30, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 133,101	\$ -
Changes in Actuarial Assumptions	7,148	829,559
Net Difference Between Projected and Actual Investment Earnings	-	110,682
Changes in Proportion	-	64,486
Contributions Paid to PERA Subsequent to the Measurement Date	250,103	-
Total	\$ 390,352	\$ 1,004,727

The \$250,103 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2026	\$ (493,586)
2027	(117,065)
2028	(218,196)
2029	(35,631)

5. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Total	100.0 %	

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

6. Actuarial Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service. Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2023. The assumption changes were adopted by the board and became effective with the July 1, 2024 actuarial valuation.

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

General Employees Fund

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

7. Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Independent School District No. 177
 Windom, Minnesota
 Notes to the Financial Statements
 June 30, 2025

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

8. Pension Liability Sensitivity

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

	District's Proportionate Share of NPL		
	1 Percent Decrease (6%)	Current (7%)	1 Percent Increase (8%)
General Employees Fund	\$ 3,049,195	\$ 1,396,049	\$ 36,185

9. Pension Plan Fiduciary Net Position

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

Independent School District No. 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2025

Note 5: Postemployment Benefits Other Than Pensions

A. Plan Description

The District operates a single-employer retiree benefit plan ("the Plan") that provides health, life, and dental insurance to eligible employees and their families through the District's health insurance plan. The full cost of the benefits is covered by the plan. Benefit and eligibility provisions are established through negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available report.

At June 30, 2025, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	9
Inactive Plan Member's Spouse Currently Receiving Benefit Payments	3
Active Plan Members	<u>193</u>
Total Plan Members	<u><u>205</u></u>

B. Funding Policy

Contribution requirements are also negotiated between the District and union representatives. The District contributes a predetermined portion of the cost of current-year premiums for eligible retired plan members and their spouses based on the employment contract in effect at the time of retirement.

For the year ended June 30, 2025, the District's average contribution rate was 10.03 percent of covered-employee payroll. For the fiscal year 2025, the District did not directly contribute to the plan, while implicit contributions totaled \$66,013. The General fund is typically used to liquidate the governmental portion of the net OPEB obligation.

C. Actuarial Methods and Assumptions

The District's total OPEB liability of \$927,759 was measured as of July 1, 2024, and the OPEB liability was determined by an actuarial valuation as of July 1, 2023. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.90%
20-Year Municipal Bond Yield	3.90%
Inflation Rate	2.50%
Salary Increases	Service graded table, see example rates
Medical Trend Rate	6.25% as of July 1, 2024 grading to 5.00% over 5 years and then to 4.00% over the next 48 years
Discount Trend Rate	N/A

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

Independent School District No. 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2025

Note 5: Postemployment Benefits Other Than Pensions (Continued)

D. Changes in the Total OPEB Liability

	<u>Net OPEB Liability</u>
Balances at June 30, 2024	<u>\$ 875,421</u>
Changes for the Year	
Service Costs	94,641
Interest Costs	36,314
Benefit Payment	<u>(78,617)</u>
Net Changes	<u>52,338</u>
Balances at June 30, 2025	<u><u>\$ 927,759</u></u>

Since the prior measurement date, the following assumptions changed:

- None

Since the prior measurement date, the following benefit terms changed:

- None

Since the prior measurement date, the following plan provisions changed:

- None

E. Sensitivity of the Net OPEB Liability

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

<u>1 Percent Decrease 2.9%</u>	<u>Discount Rate Current 3.9%</u>	<u>1 Percent Increase 4.9%</u>
\$ 992,271	\$ 927,759	\$ 866,679

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

<u>1 Percent Decrease 5.25% Decreasing to 4.00% then 3.00%</u>	<u>Healthcare Cost Trend Rates 6.25% Decreasing to 5.00% then 4.00%</u>	<u>1 Percent Increase 7.25% Decreasing to 6.00% then 5.00%</u>
\$ 821,062	\$ 927,759	\$ 1,056,754

Independent School District No. 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2025

Note 5: Postemployment Benefits Other Than Pensions (Continued)

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

For the year ended June 30, 2025, the District Recognized OPEB expense of \$26,908. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 22,513	\$ -
Changes in Actuarial Assumptions	24,820	35,764
Contributions Paid to OPEB Subsequent to the Measurement Date	<u>66,013</u>	<u>-</u>
Total	<u>\$ 113,346</u>	<u>\$ 35,764</u>

Deferred outflows of resources totaling \$66,013 related to pensions resulting from the District's contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the OPEB liability as of June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

2026	\$ 7,213
2027	3,458
2028	3,453
2029	(5,745)
2030	3,190

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2025

Note 6: Other Information

A. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries insurance. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The District's management is not aware of any incurred but not reported claims.

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REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 177
WINDOM, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2025

Independent School District No. 177

Windom, Minnesota

Required Supplementary Information

For the Year Ended June 30, 2025

Schedule of Employer's Share of TRA Net Pension Liability

Fiscal Year Ending	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the District (b)	Total (a+b)	District's Covered Payroll (c)	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	0.1024 %	\$ 6,506,825	\$ 398,890	\$ 6,905,715	\$ 6,786,982	95.9 %	82.1 %
6/30/2023	0.1053	8,693,804	609,154	9,302,958	6,696,947	129.8	76.4
6/30/2022	0.1041	8,335,777	618,456	8,954,233	6,443,489	129.4	76.2
6/30/2021	0.1040	4,551,351	383,953	4,935,304	6,226,175	73.1	86.6
6/30/2020	0.0995	7,351,193	615,832	7,967,025	5,781,452	127.2	75.5
6/30/2019	0.1006	6,412,265	567,452	6,979,717	5,631,543	113.9	78.2
6/30/2018	0.0991	6,223,666	584,742	6,808,408	5,474,520	113.7	78.1
6/30/2017	0.1012	20,201,356	1,953,105	22,154,461	5,449,227	370.7	51.6
6/30/2016	0.1003	23,923,943	2,402,047	26,325,990	5,216,173	458.6	44.9
6/30/2015	0.0955	5,907,619	724,531	6,632,150	4,848,960	121.8	76.8

Schedule of Employer's TRA Contributions

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	District's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
6/30/2025	\$ 635,348	\$ 635,348	\$ -	\$ 7,261,120	8.75 %
6/30/2024	593,861	593,861	-	6,786,982	8.75
6/30/2023	572,589	572,589	-	6,696,947	8.55
6/30/2022	537,387	537,387	-	6,443,489	8.34
6/30/2021	506,188	506,188	-	6,226,175	8.13
6/30/2020	457,891	457,891	-	5,781,452	7.92
6/30/2019	434,192	434,192	-	5,631,543	7.71
6/30/2018	410,589	410,589	-	5,474,520	7.50
6/30/2017	408,692	408,692	-	5,449,227	7.50
6/30/2016	391,213	391,213	-	5,216,173	7.50

Independent School District No. 177
Windom, Minnesota
Required Supplementary Information (Continued)
For the Year Ended June 30, 2025

Notes to the Required Supplementary Information - TRA

Changes in Actuarial Assumptions

2024
Mortality tables were updated for active employees, retirees, disabled retirees, and contingent beneficiaries to recently published tables derived from public plan data known as the Pub2010 family. Retirement rates were increased for some of the Tier II early retirement ages and some of the unreduced retirement rates were modified for both tiers to better align with actual experience. Probability that new female retirees elect either the Straight Life Annuity or 100% Joint & Survivor Annuity were refined to reflect the actual experience. Termination rates were reduced in the first 10 years of employment and slightly increased in years 16 to 25 to better match the observed experience. Disability rates were decreased beyond age 45 by 15% to reflect the continued lower than expected observations.

2023
The 2023 Tax Finance and Policy Bill, effective July 1, 2025 and The 2024 Omnibus Pensions and Retirement Bill contained a number of changes. The employer contribution rate will increase from 8.75% to 9.5% on July 1, 2025. The employee contribution rate will increase from 7.75% to 8% on July 1, 2025. The Normal Retirement Age (NRA) for active and eligible deferred Tier II members will be 65 effective July 1, 2024. TRA's amortization date will remain the same at 2048. The pension adjustment rate for school districts and the base budgets for Minnesota State, Perpich Center for Arts Education, and Minnesota Academies will increase to reflect the 0.75% employer contribution rate increase.

2022
No changes noted.

2021
The investment return assumption was changed from 7.50 percent to 7.00 percent.

2020
Assumed termination rates were changed to more closely reflect actual experience. The pre-retirement mortality assumption was changed to RP-2014 white collar employee table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 scale. Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

2019
No changes noted.

2018
The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017
The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016
The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015
The cost of living adjustment was not assumed to increase to 2.5 percent but remain at 2.0 percent for all future years. The investment return assumption was changed from 8.25 percent to 8.00 percent.

Independent School District No. 177
Windom, Minnesota
Required Supplementary Information (Continued)
For the Year Ended June 30, 2025

Notes to the Required Supplementary Information – TRA (Continued)

Changes in Plan Provisions

2024
No changes noted.

2023
No changes noted.

2022
No changes noted.

2021
No changes noted.

2020
No changes noted.

2019
No changes noted.

2018
The 2018 Omnibus Pension Bill contained a number of changes: The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028. Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt. The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated. Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt. Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018. The employer contribution rate is increased each July 1 over the next 6 years, (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017
No changes noted.

2016
No changes noted.

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

Independent School District No. 177
 Windom, Minnesota
 Required Supplementary Information (Continued)
 For the Year Ended June 30, 2025

Schedule of Employer's Share of PERA Net Pension Liability

Fiscal Year Ending	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the 0.0991 (b)	Total (a+b)	District's Covered Payroll (c)	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	0.0378 %	\$ 1,396,049	\$ 36,099	\$ 1,432,148	\$ 3,211,340	43.5 %	86.7 %
6/30/2023	0.0393	2,197,612	60,455	2,258,067	3,140,553	70.0	83.1
6/30/2022	0.0396	3,136,333	91,810	3,228,143	2,982,467	105.2	76.7
6/30/2021	0.0389	1,661,204	50,745	1,711,949	2,820,880	58.9	87.0
6/30/2020	0.0365	2,188,342	67,435	2,255,777	2,617,240	83.6	79.0
6/30/2019	0.0322	1,780,266	55,331	1,835,597	2,293,187	77.6	80.2
6/30/2018	0.0337	1,869,538	61,315	1,930,853	2,273,867	82.2	79.5
6/30/2017	0.0321	2,049,243	25,779	2,075,022	2,068,880	99.1	75.9
6/30/2016	0.0293	2,379,015	-	2,379,015	1,829,960	130.0	68.9
6/30/2015	0.0289	1,497,748	-	1,497,748	1,677,907	89.3	78.2

Schedule of Employer's PERA Contributions

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	District's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
6/30/2025	\$ 250,103	\$ 250,103	\$ -	\$ 3,334,707	7.50 %
6/30/2024	240,851	240,851	-	3,211,340	7.50
6/30/2023	235,541	235,541	-	3,140,553	7.50
6/30/2022	223,685	223,685	-	2,982,467	7.50
6/30/2021	211,566	211,566	-	2,820,880	7.50
6/30/2020	196,293	196,293	-	2,617,240	7.50
6/30/2019	171,989	171,989	-	2,293,187	7.50
6/30/2018	170,540	170,540	-	2,273,867	7.50
6/30/2017	155,166	155,166	-	2,068,880	7.50
6/30/2016	137,247	137,247	-	1,829,960	7.50

Independent School District No. 177
Windom, Minnesota
Required Supplementary Information (Continued)
For the Year Ended June 30, 2025

Notes to the Required Supplementary Information - PERA

Changes in Actuarial Assumptions

2024

The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023): Rates of merit and seniority were adjusted, resulting in slightly higher rates. Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members. Minor increase in assumed withdrawals for males and females. Lower rates of disability. Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study. Minor changes to form of payment assumptions for male and female retirees. Minor changes to assumptions made with respect to missing participant data.

2023

The investment return and single discount rates were changed from 6.5 percent to 7.0 percent.

2022

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

2021

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

2020

The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019

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

2018

The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017

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

2016

The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015

The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Independent School District No. 177
Windom, Minnesota
Required Supplementary Information (Continued)
For the Year Ended June 30, 2025

Notes to the Required Supplementary Information – PERA (Continued)

Changes in Plan Provisions

- 2024
The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.
- 2023
An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023. The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service. The benefit increase delay for early retirements on or after January 1, 2024 was eliminated. A one-time non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- 2022
There were no changes in plan provisions since the previous valuation.
- 2021
There were no changes in plan provisions since the previous valuation.
- 2020
Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.
- 2019
The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.
- 2018
The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.0 percent per year with a provision to increase to 2.5 percent upon attainment of 90.0 percent funding ratio to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.
- 2017
The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.
- 2016
There were no changes in plan provisions since the previous valuation.
- 2015
On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

Independent School District No. 177
Windom, Minnesota
Required Supplementary Information (Continued)
For the Year Ended June 30, 2025

Schedule of Changes in the District's OPEB Liability and Related Ratios

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Costs	\$ 94,641	\$ 91,884	\$ 64,266	\$ 79,611	\$ 58,742	\$ 51,377	\$ 64,251	\$ 62,380
Interest Costs	36,314	32,850	19,119	20,366	24,446	38,194	37,971	37,233
Assumption Changes	-	12,367	(62,587)	28,544	22,555	(10,197)	-	-
Plan Changes	-	-	-	(4,266)	-	-	-	-
Differences between expected and actual experience	-	9,999	-	35,872	-	(336,728)	-	-
Benefit Payment	(78,617)	(87,743)	(101,266)	(64,737)	(68,355)	(100,900)	(64,966)	(94,368)
Net Change in Total OPEB Liability	52,338	59,357	(80,468)	95,390	37,388	(358,254)	37,256	5,245
Total OPEB Liability - Beginning	875,421	816,064	896,532	801,142	763,754	1,122,008	1,084,752	1,079,507
Total OPEB Liability - Ending	<u>\$ 927,759</u>	<u>\$ 875,421</u>	<u>\$ 816,064</u>	<u>\$ 896,532</u>	<u>\$ 801,142</u>	<u>\$ 763,754</u>	<u>\$ 1,122,008</u>	<u>\$ 1,084,752</u>
Covered - Employee Payroll	\$ 9,251,038	\$ 8,981,590	\$ 8,722,996	\$ 8,468,928	\$ 7,936,251	\$ 7,705,098	\$ 7,251,534	\$ 7,040,324
City's total OPEB liability as a percentage of covered employee payroll	10.03 %	9.75 %	9.36 %	10.59 %	10.09 %	9.91 %	15.47 %	15.41 %

Note: This schedule intended to show 10-year trends. Additional years will be reported as they become available.

Independent School District No. 177
Windom, Minnesota
Required Supplementary Information (Continued)
For the Year Ended June 30, 2025

Schedule of Changes in the District's OPEB Liability and Related Ratios (Continued)

Changes in assumptions:

2025

None.

2024

The discount rate was changed from 3.80% to 3.90% and the health care trend rates & mortality tables were updated.

2023

None.

2022

The discount rate was changed from 2.10% to 3.80%. The inflation rate was changed from 2.00% to 2.50%.

2021

The health care trend rates, mortality tables, salary increase rates for non-teachers, and withdrawal rates were updated. The inflation rate was changes from 2.50% to 2.00%. The discount rate was changed from 2.40% to 2.10%.

Changes in Plan Provisions:

None

Changes in benefits:

None

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COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS, SCHEDULES AND TABLE

INDEPENDENT SCHOOL DISTRICT NO. 177
WINDOM, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2025

Independent School District No. 177

Windom, Minnesota

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2025

	Special Revenue		Totals
	Food Service	Community Service	
Assets			
Cash and temporary investments	\$ 253,076	\$ 364,581	\$ 617,657
Receivables			
Taxes			
Current	-	38,343	38,343
Delinquent	-	894	894
Accounts	-	7,143	7,143
Due from other school districts	-	10,710	10,710
Intergovernmental	9,308	10,359	19,667
Inventories	30,955	-	30,955
Prepaid items	160	-	160
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 293,499</u>	<u>\$ 432,030</u>	<u>\$ 725,529</u>
Liabilities			
Salaries and wages payable	\$ 6,295	\$ 25,541	\$ 31,836
Accounts payable	38,051	11,266	49,317
Unearned revenue	3,507	-	3,507
Total Liabilities	<u>47,853</u>	<u>36,807</u>	<u>84,660</u>
Deferred Inflows of Resources			
Property taxes levied for subsequent year	-	87,356	87,356
Unavailable revenue - delinquent property taxes	-	894	894
Total Deferred Inflows of Resources	<u>-</u>	<u>88,250</u>	<u>88,250</u>
Fund Balances			
Nonspendable	31,115	-	31,115
Restricted	214,531	306,973	521,504
Total Fund Balances	<u>245,646</u>	<u>306,973</u>	<u>552,619</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 293,499</u>	<u>\$ 432,030</u>	<u>\$ 725,529</u>

Independent School District No. 177
Windom, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	Special Revenue		Total
	Food Service	Community Service	
Revenues			
Local property tax levies	\$ -	\$ 75,249	\$ 75,249
Other local revenue	5,337	201,590	206,927
Interest earned on investments	6,911	11,310	18,221
Revenue from state sources	449,029	142,785	591,814
Revenue from federal sources	685,159	-	685,159
Sales and other conversion of assets	83,624	-	83,624
Total Revenues	<u>1,230,060</u>	<u>430,934</u>	<u>1,660,994</u>
Expenditures			
Current expenditures			
Community education and services	-	458,624	458,624
Pupil support services	1,154,227	-	1,154,227
Capital outlay	144,095	1,920	146,015
Total Expenditures	<u>1,298,322</u>	<u>460,544</u>	<u>1,758,866</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,262)	(29,610)	(97,872)
Other Financing Sources (Uses)			
Transfers in	-	83,600	83,600
Net Change in Fund Balances	(68,262)	53,990	(14,272)
Fund Balances, July 1	<u>313,908</u>	<u>252,983</u>	<u>566,891</u>
Fund Balances, June 30	<u>\$ 245,646</u>	<u>\$ 306,973</u>	<u>\$ 552,619</u>

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Independent School District No. 177

Windom, Minnesota

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual (Continued on the Following Pages)

For the Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			Amounts
Revenues					
Local property tax levies	\$ 2,158,382	\$ 2,127,959	\$ 2,077,565	\$ (50,394)	\$ 2,069,456
Other local revenue	993,204	987,650	1,325,594	337,944	1,213,187
Interest earned on investments	152,810	204,510	366,425	161,915	322,900
Revenue from state sources	15,424,225	15,912,334	15,646,952	(265,382)	15,198,965
Revenue from federal sources	338,100	384,436	382,918	(1,518)	640,160
Sales and other conversion of assets	22,900	31,200	28,893	(2,307)	84,065
Total Revenues	19,089,621	19,648,089	19,828,347	180,258	19,528,733
Expenditures					
Current					
Administration					
Salaries	664,346	636,892	602,927	33,965	598,390
Employee benefits	410,492	420,212	417,107	3,105	350,923
Purchased services	18,500	37,000	36,518	482	7,763
Supplies and materials	15,100	16,600	16,560	40	10,338
Other expenditures	14,075	13,775	29,054	(15,279)	(24,558)
Total administration	1,122,513	1,124,479	1,102,166	22,313	942,856
District support services					
Salaries	686,821	799,667	769,809	29,858	656,121
Employee benefits	267,154	272,236	270,089	2,147	226,753
Purchased services	100,200	101,500	95,778	5,722	77,457
Supplies and materials	28,246	22,246	16,245	6,001	14,647
Other expenditures	-	-	10,406	(10,406)	-
Total district support services	1,082,421	1,195,649	1,162,327	33,322	974,978
Elementary and secondary regular instruction					
Salaries	4,957,170	4,979,030	4,837,693	141,337	4,636,570
Employee benefits	1,604,761	1,542,235	1,553,053	(10,818)	1,494,227
Purchased services	393,638	388,361	515,092	(126,731)	546,464
Supplies and materials	751,179	792,082	576,919	215,163	551,247
Other expenditures	11,425	12,685	114,038	(101,353)	8,867
Total elementary and secondary regular instruction	7,718,173	7,714,393	7,596,795	117,598	7,237,375
Vocational education instruction					
Salaries	297,199	279,602	281,875	(2,273)	288,430
Employee benefits	102,400	84,944	91,503	(6,559)	90,287
Purchased services	105	75	5,966	(5,891)	5,971
Supplies and materials	23,240	23,740	26,668	(2,928)	27,417
Other expenditures	-	-	8,642	(8,642)	-
Total vocational education instruction	422,944	388,361	414,654	(26,293)	412,105
Special education instruction					
Salaries	2,748,986	2,693,840	2,516,724	177,116	2,276,300
Employee benefits	774,928	681,263	631,884	49,379	595,988
Purchased services	269,834	519,397	459,786	59,611	387,590
Supplies and materials	30,570	32,550	18,242	14,308	19,104
Other Expenditures	275	-	39,587	(39,587)	253
Total special education instruction	3,824,593	3,927,050	3,666,223	260,827	3,279,235

Independent School District No. 177

Windom, Minnesota

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual (Continued)

For the Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Instructional support services					
Salaries	\$ 173,921	\$ 242,014	\$ 279,960	\$ (37,946)	\$ 239,760
Employee benefits	48,371	51,748	55,218	(3,470)	48,677
Purchased services	70,000	75,500	40,131	35,369	166,037
Supplies and materials	33,075	86,825	72,278	14,547	29,565
Other expenditures	-	-	4,740	(4,740)	-
Total instructional support services	<u>325,367</u>	<u>456,087</u>	<u>452,327</u>	<u>3,760</u>	<u>484,039</u>
Pupil support services					
Salaries	444,300	459,309	439,588	19,721	421,538
Employee benefits	142,995	135,939	136,494	(555)	133,025
Purchased services	1,352,217	1,351,924	1,143,631	208,293	1,084,777
Supplies and materials	22,905	21,180	18,110	3,070	37,379
Other expenditures	700	1,100	13,408	(12,308)	407
Total pupil support services	<u>1,963,117</u>	<u>1,969,452</u>	<u>1,751,231</u>	<u>218,221</u>	<u>1,677,126</u>
Sites and buildings					
Salaries	757,027	746,080	708,691	37,389	697,191
Employee benefits	276,682	268,105	258,441	9,664	270,484
Purchased services	979,326	1,073,730	1,020,645	53,085	695,934
Supplies and materials	323,000	312,965	223,668	89,297	256,396
Other expenditures	-	-	1,436	(1,436)	-
Total sites, buildings and equipment	<u>2,336,035</u>	<u>2,400,880</u>	<u>2,212,881</u>	<u>187,999</u>	<u>1,920,005</u>
Fiscal and other fixed cost programs					
Employee benefits	137,200	146,250	-	146,250	-
Purchased services	170,000	171,000	160,290	10,710	137,209
Total fiscal and other fixed cost programs	<u>307,200</u>	<u>317,250</u>	<u>160,290</u>	<u>156,960</u>	<u>137,209</u>
Total current	<u>19,102,363</u>	<u>19,493,601</u>	<u>18,518,894</u>	<u>974,707</u>	<u>17,064,928</u>
Capital outlay					
Administration	-	-	1,222	(1,222)	-
District support services	1,100	3,600	1,315	2,285	3,189
Elementary and secondary regular instruction	122,252	132,113	141,282	(9,169)	112,546
Special education instruction	1,000	1,500	-	1,500	1,290
Pupil support services	10,125	5,625	15,891	(10,266)	47,291
Sites and buildings	81,700	111,325	274,694	(163,369)	200,457
Total capital outlay	<u>216,177</u>	<u>254,163</u>	<u>434,404</u>	<u>(180,241)</u>	<u>364,773</u>
Debt service					
Principal	3,000	35,000	84,265	(49,265)	86,614
Interest and other charges	-	-	3,559	(3,559)	1,221
Total debt service	<u>3,000</u>	<u>35,000</u>	<u>87,824</u>	<u>(52,824)</u>	<u>87,835</u>
Total Expenditures	<u>19,321,540</u>	<u>19,782,764</u>	<u>19,041,122</u>	<u>741,642</u>	<u>17,517,536</u>

Independent School District No. 177

Windom, Minnesota

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual (Continued)

For the Year Ended June 30, 2025

(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			Amounts
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (231,919)	\$ (134,675)	\$ 787,225	\$ 921,900	\$ 2,011,197
Other Financing Sources (Uses)					
Insurance proceeds	-	-	-	-	16,000
Financed purchase arrangements issued	-	-	99,880	99,880	-
Transfers out	(89,458)	(84,500)	(83,600)	900	(42,275)
Total Other Financing Sources (Uses)	<u>(89,458)</u>	<u>(84,500)</u>	<u>16,280</u>	<u>100,780</u>	<u>(26,275)</u>
Net Change in Fund Balances	(321,377)	(219,175)	803,505	1,022,680	1,984,922
Fund Balances, July 1	<u>7,829,295</u>	<u>7,829,295</u>	<u>7,829,295</u>	-	<u>5,844,373</u>
Fund Balances, June 30	<u>\$ 7,507,918</u>	<u>\$ 7,610,120</u>	<u>\$ 8,632,800</u>	<u>\$ 1,022,680</u>	<u>\$ 7,829,295</u>

Independent School District No. 177
Windom, Minnesota
Food Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025				2024
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Other local revenue	\$ 3,000	\$ 2,500	\$ 5,337	\$ 2,837	\$ 5,635
Interest earned on investments	6,500	7,000	6,911	(89)	7,869
Revenue from state sources	422,500	433,020	449,029	16,009	403,179
Revenue from federal sources	604,000	667,000	685,159	18,159	728,257
Sales and other conversion of assets	113,150	87,000	83,624	(3,376)	82,578
Total Revenues	<u>1,149,150</u>	<u>1,196,520</u>	<u>1,230,060</u>	<u>33,540</u>	<u>1,227,518</u>
Expenditures					
Current					
Pupil support services					
Salaries	367,515	362,250	358,020	4,230	344,302
Employee benefits	95,418	83,777	78,573	5,204	89,742
Purchased services	40,745	38,155	17,293	20,862	44,828
Supplies and materials	648,924	653,500	680,146	(26,646)	635,619
Other expenditures	14,810	20,860	20,195	665	38,652
Total current	<u>1,167,412</u>	<u>1,158,542</u>	<u>1,154,227</u>	<u>4,315</u>	<u>1,153,143</u>
Capital outlay					
Pupil support services	30,500	73,500	144,095	(70,595)	-
Total Expenditures	<u>1,197,912</u>	<u>1,232,042</u>	<u>1,298,322</u>	<u>(66,280)</u>	<u>1,153,143</u>
Net Change in Fund Balances	(48,762)	(35,522)	(68,262)	(32,740)	74,375
Fund Balances, July 1	<u>313,908</u>	<u>313,908</u>	<u>313,908</u>	<u>-</u>	<u>239,533</u>
Fund Balances, June 30	<u>\$ 265,146</u>	<u>\$ 278,386</u>	<u>\$ 245,646</u>	<u>\$ (32,740)</u>	<u>\$ 313,908</u>

Independent School District No. 177
Windom, Minnesota
Community Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025				2024
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Local property tax levies	\$ 78,385	\$ 76,632	\$ 75,249	\$ (1,383)	\$ 77,736
Other local revenue	193,368	181,788	201,590	19,802	200,751
Interest earned on investments	5,000	6,000	11,310	5,310	10,234
Revenue from state sources	96,137	116,655	142,785	26,130	125,117
Total Revenues	372,890	381,075	430,934	49,859	413,838
Expenditures					
Current					
Community education and services					
Salaries	295,613	295,186	292,476	2,710	268,745
Employee benefits	81,629	85,742	80,842	4,900	76,569
Purchased services	31,560	32,730	50,006	(17,276)	28,781
Supplies and materials	16,401	26,161	35,300	(9,139)	11,781
Total current	425,203	439,819	458,624	(18,805)	385,876
Capital outlay					
Community education and services	2,000	5,000	1,920	3,080	-
Total Expenditures	427,203	444,819	460,544	(15,725)	385,876
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,313)	(63,744)	(29,610)	34,134	27,962
Other Financing Sources (Uses)					
Transfers in	89,458	109,500	83,600	(25,900)	42,275
Net Change In Fund Balances	35,145	45,756	53,990	8,234	70,237
Fund Balances, July 1	252,983	252,983	252,983	-	182,746
Fund Balances, June 30	\$ 288,128	\$ 298,739	\$ 306,973	\$ 8,234	\$ 252,983

Independent School District No. 177
Windom, Minnesota
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	2025			Variance with Final Budget	2024
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Local property tax levies	\$ 1,303,762	\$ 1,220,085	\$ 1,195,789	\$ (24,296)	\$ 1,344,525
Interest earned on investments	25,000	35,000	42,935	7,935	45,877
Revenue from state sources	956,492	1,040,776	1,040,831	55	956,675
Total Revenues	2,285,254	2,295,861	2,279,555	(16,306)	2,347,077
Expenditures					
Debt service					
Principal	1,350,000	1,350,000	1,350,000	-	1,350,000
Interest and other costs	915,715	914,763	915,063	(300)	961,701
Total Expenditures	2,265,715	2,264,763	2,265,063	(300)	2,311,701
Net Change in Fund Balances	19,539	31,098	14,492	(16,606)	35,376
Fund Balances, July 1	530,600	530,600	530,600	-	495,224
Fund Balances, June 30	\$ 550,139	\$ 561,698	\$ 545,092	\$ (16,606)	\$ 530,600

Independent School District No. 177
 Windom, Minnesota
 Combining Statement of Fiduciary Net Position
 Fiduciary Fund
 June 30, 2025

	Marcus Behrends Scholarship	Krueger Family Scholarship	Total
Assets			
Cash and temporary investments	\$ 92	\$ 10,080	\$ 10,172
Fund Balances			
Restricted			
Held in trust for scholarships	\$ 92	\$ 10,080	\$ 10,172

Independent School District No. 177
Windom, Minnesota
Combining Statement of Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2025

	Marcus Behrends Scholarship	Krueger Family Scholarship	Total
Additions			
Donations	\$ -	\$ 12,500	\$ 12,500
Investment earnings	4	702	706
Total Additions	<u>4</u>	<u>13,202</u>	<u>13,206</u>
Deductions			
Scholarships	<u>-</u>	<u>12,000</u>	<u>12,000</u>
Net Increase (Decrease) in Fiduciary Net Position	4	1,202	1,206
Net Position, July 1	<u>88</u>	<u>8,878</u>	<u>8,966</u>
Net Position, June 30	<u>\$ 92</u>	<u>\$ 10,080</u>	<u>\$ 10,172</u>

Independent School District No. 177
 Windom, Minnesota
 Schedules of Tax Capacity, Tax Levy and Tax Rates
 For the Years Ended June 30, 2025 and 2024

	2025	2024
Tax Capacity		
Agricultural	\$ 9,649,284	\$ 10,792,559
Nonagricultural	6,497,766	6,668,896
Total	\$ 16,147,050	\$ 17,461,455
Tax Levy		
General	\$ 2,364,099	\$ 2,061,727
Community Service	87,356	78,577
Debt Service	2,200,197	2,180,062
Total	\$ 4,651,652	\$ 4,320,366
Tax Capacity Rates		
General	4.891 %	4.151 %
Community Service	0.541	0.450
Debt Service	13.626	12.485
Total	19.058 %	17.086 %

**Fiscal Compliance Report - 6/30/2025
District: WINDOM (177-1)**

	Audit	UFARS	Audit - UFARS		Audit	UFARS	Audit - UFARS
01 GENERAL FUND				06 BUILDING CONSTRUCTION			
Total Revenue	\$19,828,347	<u>\$19,828,321</u>	<u>\$26</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$19,041,121	<u>\$19,041,098</u>	<u>\$23</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$300,146	<u>\$300,146</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>				<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$279,220	<u>\$279,218</u>	<u>\$2</u>	4.07 Capital Projects Levy	\$0	<u>\$0</u>	<u>\$0</u>
4.02 Scholarships	\$18,179	<u>\$18,178</u>	<u>\$1</u>	4.13 Funded by COP/FP	\$0	<u>\$0</u>	<u>\$0</u>
4.03 Staff Development	\$386,103	<u>\$386,103</u>	<u>\$0</u>	4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
4.07 Capital Projects Levy	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted:</i>			
4.08 Cooperative Revenue	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.12 Literacy Incentive Aid	\$0	<u>\$0</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.14 Operating Debt	\$0	<u>\$0</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.16 Levy Reduction	\$0	<u>\$0</u>	<u>\$0</u>	07 DEBT SERVICE			
4.17 Taconite Building Maint	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$2,279,555	<u>\$2,279,554</u>	<u>\$1</u>
4.20 American Indian Education Aid	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$2,265,063	<u>\$2,265,063</u>	<u>\$0</u>
4.24 Operating Capital	\$1,364,336	<u>\$1,364,336</u>	<u>\$0</u>	<i>Non Spendable:</i>			
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>	4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.27 Disabled Accessibility	\$0	<u>\$0</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.28 Learning & Development	\$0	<u>\$0</u>	<u>\$0</u>	4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.34 Area Learning Center	\$0	<u>\$0</u>	<u>\$0</u>	4.33 Maximum Effort Loan Aid	\$0	<u>\$0</u>	<u>\$0</u>
4.35 Contracted Alt. Programs	\$0	<u>\$0</u>	<u>\$0</u>	4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>
4.36 State Approved Alt. Program	\$0	<u>\$0</u>	<u>\$0</u>	4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
4.37 Q Comp	\$39,068	<u>\$39,069</u>	<u>(\$1)</u>	<i>Restricted:</i>			
4.38 Gifted & Talented	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$545,092	<u>\$545,092</u>	<u>\$0</u>
4.39 English Learner	\$0	<u>\$0</u>	<u>\$0</u>	<i>Unassigned:</i>			
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>	4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.41 Basic Skills Programs	\$0	<u>\$0</u>	<u>\$0</u>	08 TRUST			
4.43 School Library Aid	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.49 Safe Schools Levy	\$97,998	<u>\$97,998</u>	<u>\$0</u>	<i>Restricted / Reserved:</i>			
4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>	4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>	4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>
4.53 Unfunded Sev & Retirement Levy	\$0	<u>\$0</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
4.56 READ Act - Literacy Aid	\$0	<u>\$0</u>	<u>\$0</u>	18 CUSTODIAL			
4.57 READ Act - Tchr Training Compensation	\$3,790	<u>\$3,790</u>	<u>\$0</u>	Total Revenue	\$13,206	<u>\$13,206</u>	<u>\$0</u>
4.59 Basic Skills Extended Time	\$0	<u>\$0</u>	<u>\$0</u>	Total Expenditures	\$12,000	<u>\$12,000</u>	<u>\$0</u>
4.67 LTFM	\$872,811	<u>\$872,810</u>	<u>\$1</u>	<i>Restricted / Reserved:</i>			
4.71 Student Support Personnel Aid	\$0	<u>\$0</u>	<u>\$0</u>	4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
4.72 Medical Assistance	\$0	<u>\$0</u>	<u>\$0</u>	4.02 Scholarships	\$10,172	<u>\$10,172</u>	<u>\$0</u>
<i>Restricted:</i>				4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
4.75 Title VII Impact Aid	\$0	<u>\$0</u>	<u>\$0</u>	20 INTERNAL SERVICE			
4.76 Payments in Lieu of Taxes	\$0	<u>\$0</u>	<u>\$0</u>	Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
<i>Committed:</i>				Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.18 Committed for Separation	\$0	<u>\$0</u>	<u>\$0</u>	4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
4.61 Committed Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>	25 OPEB REVOCABLE TRUST			
<i>Assigned:</i>				Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.62 Unassigned Fund Balance	\$1,406,378	<u>\$1,406,379</u>	<u>(\$1)</u>	96 Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Unassigned:</i>							
4.22 Unassigned Fund Balance	\$3,864,772	<u>\$3,864,771</u>	<u>\$1</u>				

02 FOOD SERVICES

Total Revenue	\$1,230,060	<u>\$1,230,059</u>	<u>\$1</u>
Total Expenditures	\$1,298,322	<u>\$1,298,320</u>	<u>\$2</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$31,115	<u>\$31,115</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>			
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$214,531	<u>\$214,531</u>	<u>\$0</u>
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

04 COMMUNITY SERVICE

Total Revenue	\$430,934	<u>\$430,934</u>	<u>\$0</u>
Total Expenditures	\$460,544	<u>\$460,544</u>	<u>\$0</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>			
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>
4.31 Community Education	\$198,812	<u>\$198,812</u>	<u>\$0</u>
4.32 E.C.F.E	\$107,331	<u>\$107,330</u>	<u>\$1</u>
4.37 Q Comp	\$0	<u>\$0</u>	<u>\$0</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>
4.44 School Readiness	\$116	<u>\$116</u>	<u>\$0</u>
4.47 Adult Basic Education	\$614	<u>\$614</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>
4.56 READ Act - Literacy Aid	\$0	<u>\$0</u>	<u>\$0</u>
4.57 READ Act - Tchr Training Compensation	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$100	<u>\$101</u>	<u>(\$1)</u>
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>
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45 OPEB IRREVOCABLE TRUST

Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>

47 OPEB DEBT SERVICE

Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>			
4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

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OTHER REPORTS
INDEPENDENT SCHOOL DISTRICT NO. 177
WINDOM, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2025

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**INDEPENDENT AUDITOR'S REPORT ON
MINNESOTA LEGAL COMPLIANCE**

Members of the School Board
Independent School District No. 177
Windom, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Independent School District No. 177, Windom, Minnesota, (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated November 13, 2025.

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

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.



Abdo
Mankato, Minnesota
November 13, 2025

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the School Board
Independent School District No. 177
Windom, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and aggregate remaining fund information of the Independent School District No. 177, Windom, Minnesota, (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 13, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Abdo
Mankato, Minnesota
November 13, 2025





Executive Governance Summary

Independent School District No. 177

Windom, Minnesota

For the year ended June 30, 2025



Edina Office

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

Mankato Office

100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727

Scottsdale Office

14500 N Northsight Blvd, Ste 233
Scottsdale, AZ 85260
P 480.864.5579

November 13, 2025

Management and the Members of the School Board
Independent School District No. 177
Windom, Minnesota

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Independent School District No. 177, Windom, Minnesota (the District) for the year ended June 30, 2025, and have issued our report thereon dated November 13, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 30, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

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

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

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

Compliance and Other Matters

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

Qualitative Aspects of Accounting Practices

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 financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ended June 30, 2025. We noted no transactions entered into by the governmental unit 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 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 estimates made relates to estimated historical cost of the capital assets, depreciation on capital assets and amounts receivable from the Minnesota Department of Education (MDE) and the liability for the District's pension and Other Postemployment Benefits (OPEB).

- Management's estimate of capital asset basis is based on estimated historical cost of the capital assets and depreciation is based on the estimated useful lives of capital assets.
- Management's estimate of amounts receivable from the Minnesota Department of Education are based on pupil unit data provided by MDE.
- Management's estimate of its OPEB liability is based on several factors including, but not limited to, anticipated retirement age for active employees, life expectancy, turnover, and healthcare cost trend rate.
- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases, and form annuity payment upon retirement.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

We assisted in preparing a number of year end accounting entries. These were necessary to adjust the District's records at year end to correct ending balances. The District should establish more detailed processes and procedures to reduce the total number of entries in each category. The District will receive better and timelier information if the preparation of year end entries is completed internally.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 13, 2025.



Disagreements with Management

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

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 auditor's 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.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention 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 retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management's Discussion and Analysis, the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions and the Schedule of Changes in the District's Net OPEB Liability and Related Ratios), which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (combining and individual fund financial statements and schedules and table), which accompany the financial statements but are not RSI. With respect to this supplementary information, 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, 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.

During our audit, we noted that the District has no formal process to review and approve journal entries. We recommend current policies and procedures be revised to ensure proper journal entry review and approval procedures are in place.

We were not engaged to report on the introductory section, which accompany the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future District financial statements:

GASB Statement No. 103 - *Financial Reporting Model Improvements*

Effective: 06/30/2026

GASB Statement No. 104 - *Disclosure of Certain Capital Assets*

Effective: 06/30/2026

Further information on upcoming [GASB pronouncements](#).

* * * * *



Restriction on Use

This communication is intended solely for the information and use of the members of the School Board, management and others within the administration of the District, federal awarding agencies and the Minnesota Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

The comments and recommendations in the report are purely constructive in nature, and should be read in this context. Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



Abdo
Mankato, Minnesota
November 13, 2025



Minimum Fund Balance %

21.44%

32.56%

36.73%

31.89%

Revised based on 1199.5 (VPK=26.5 ADM)/Actual 1,198.13 (VPK of 31.59 ADM)

Preliminary Budget based on 1,166.5 ADMS (VPK=21.5 ADM)/Revised based on 1,189.5 ADMS (VPK=17.5 ADM)

FUND DESCRIPTION	FY2023	FY2024	FY2025	FY2025	FY2025	FY2026	FY2026	FY2026
	2022-23 ACTUAL BALANCE	2023-24 ACTUAL BALANCE	2024-25 ACTUAL REVENUES/TRANSFERS	2024-25 ACTUAL EXPENDITURES/TRANSFERS	2024-25 ACTUAL BALANCE	2025-26 REVISED REVENUES/TRANSFERS	2025-26 REVISED EXPENDITURES/TRANSFERS	2025-26 REVISED BALANCE
GENERAL FUND								
A. 1 - UNASSIGNED (422)	\$ 2,721,832	\$ 3,676,169	\$ 15,211,676	\$ 15,023,073	\$ 3,864,772	\$ 15,958,473	\$ 16,275,572	\$ 3,547,673
B. 2 - NON SPENDABLE (460)	\$ 124,659	\$ 287,733			\$ 300,146			\$ 300,146
C. 2 - COMMITTED (418)					\$ -			\$ -
D. 3 - ASSIGNED (462)	\$ 266,265	\$ 837,328	\$ 714,609	\$ 145,559	\$ 1,406,379	\$ 78,398	\$ 107,953	\$ 1,376,824
B. RESERVED FOR								
(1) STAFF DEVELOPMENT (403)	\$ 369,816	\$ 379,640	\$ 192,413	\$ 185,950	\$ 386,103	\$ 193,922	\$ 149,811	\$ 430,215
(2) LEARNING AND DEVELOPM (428)	\$ -	\$ -	\$ 265,270	\$ 265,270	\$ -	\$ 276,231	\$ 276,231	\$ -
(3) BASIC SKILLS (441)	\$ -	\$ -	\$ 1,308,715	\$ 1,308,715	\$ -	\$ 1,391,831	\$ 1,391,831	\$ -
(4) BASIC SKILLS EXTENDED TIME (459)	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA
(5) GIFTED & TALENTED (438)	\$ -	\$ -	\$ 16,967	\$ 16,967	\$ -	\$ 16,865	\$ 16,865	\$ -
(6) SAFE SCHOOL LEVY (449)	\$ 101,694	\$ 89,759	\$ 48,683	\$ 40,444	\$ 97,998	\$ 46,831	\$ 57,000	\$ 87,830
(7) CAREER TECHNICAL PROG (445)	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA
(8) OPERATING CAPITAL (424)	\$ 1,100,716	\$ 1,262,976	\$ 296,917	\$ 195,558	\$ 1,364,336	\$ 292,784	\$ 374,365	\$ 1,282,754
(9) DEFERRED MAINTENANCE (405)	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA
(10) HEALTH & SAFETY (406)	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA
(11) ACHIEVEMENT & INTEGRATION (448)	\$ -	\$ -	\$ 156,706	\$ 156,706	\$ -	\$ 191,000	\$ 191,000	\$ -
(12) LONG TERM FACILITIES MAINT. (467)	\$ 881,569	\$ 1,050,150	\$ 314,626	\$ 491,966	\$ 872,810	\$ 320,007	\$ 419,000	\$ 773,817
(13) MEDICAL ASSISTANCE (472)	\$ -	\$ -	\$ 99,034	\$ 99,034	\$ -	\$ 110,000	\$ 110,000	\$ -
(14) FEDERAL EIDL (474)	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA
(15) PAYMENT IN LIEU OF TAXES (476)	\$ -	\$ -	\$ 16,084	\$ 16,084	\$ -	\$ 60,800	\$ 60,800	\$ -
(16) SCHOLARSHIPS (402)	\$ 18,521	\$ 18,377	\$ 800	\$ 1,000	\$ 18,178	\$ 615	\$ 1,000	\$ 17,793
(17) STUDENT ACTIVITIES (401)	\$ 259,301	\$ 227,162	\$ 289,448	\$ 237,391	\$ 279,219	\$ 235,915	\$ 258,500	\$ 256,634
(18) STUDENT SUPPORT PERSONNEL (471)	\$ NA	\$ -	\$ 40,000	\$ 40,000	\$ -	\$ 40,000	\$ 40,000	\$ -
(19) LITERACY INCENTIVE AID (412)	\$ NA	\$ -	\$ 56,214	\$ 56,214	\$ -	\$ 56,214	\$ 56,214	\$ -
(20) ENGLISH LEARNER (439)	\$ NA	\$ -	\$ 417,879	\$ 417,879	\$ -	\$ 376,064	\$ 376,064	\$ -
(21) SCHOOL LIBRARY (443)	\$ NA	\$ -	\$ 40,000	\$ 40,000	\$ -	\$ 40,000	\$ 40,000	\$ -
(22) Q COMP-ALT TEACHER PAY (437)	\$ NA	\$ NA	\$ 345,734	\$ 306,665	\$ 39,069	\$ 303,690	\$ 317,870	\$ 24,889
(23) READ ACT LITERACY AID (456)	\$ NA	\$ NA	\$ 45,931	\$ 45,931	\$ -	\$ NA	\$ NA	\$ NA
(24) READ ACT TEACHER COMP (457)	\$ NA	\$ NA	\$ 41,469	\$ 37,679	\$ 3,790	\$ -	\$ 3,790	\$ -
TOTAL GENERAL FUND (01)	\$ 584,374	\$ 7,829,298	\$ 19,919,176	\$ 19,115,673	\$ 8,632,800	\$ 19,989,640	\$ 20,523,866	\$ 8,098,575
TOTAL FOOD SERVICE (02)	\$ 239,533	\$ 313,907	\$ 1,230,059	\$ 1,298,320	\$ 245,646	\$ 1,275,400	\$ 1,317,651	\$ 203,395
COMMUNITY EDUCATION								
REGULAR COMMUNITY ED (431)	\$ 103,241	\$ 153,421	\$ 202,638	\$ 157,247	\$ 198,812	\$ 190,017	\$ 170,830	\$ 217,999
EARLY CHILDHOOD FAMILY ED (432)	\$ 73,348	\$ 95,800	\$ 70,638	\$ 59,108	\$ 107,330	\$ 78,065	\$ 64,639	\$ 120,756
SCHOOL READINESS (444)	\$ 19	\$ 132	\$ 202,753	\$ 202,770	\$ 116	\$ 210,620	\$ 210,615	\$ 121
ADULT BASIC EDUCATION (447)	\$ 856	\$ 722	\$ 32,389	\$ 32,496	\$ 614	\$ 33,000	\$ 33,000	\$ 614
RESTRICTED (464)	\$ 5,279	\$ 29,007	\$ 6,116	\$ 8,923	\$ 101	\$ 7,956	\$ 7,955	\$ 102
TOTAL COMMUNITY EDUCATION (04)	\$ 182,744	\$ 252,983	\$ 514,534	\$ 460,544	\$ 306,973	\$ 519,658	\$ 487,039	\$ 339,592
TOTAL DEBT SERVICE (07)	\$ 495,225	\$ 530,601	\$ 2,279,554	\$ 2,265,063	\$ 545,092	\$ 2,317,096	\$ 2,308,263	\$ 553,925
(1) NEW ELEMENTARY/CTE REMODEL (464-000)	\$ 149,992	\$ -	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA
(2) LTFM BONDS (467)	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA
(3) ABATEMENT PARKING LOT BONDS (464-001)	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA
TOTAL BUILDING CONSTRUCTION (06)	\$ 149,992	\$ -	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA	\$ NA
TOTAL CUSTODIAL/SCHOLARSHIPS (18)	\$ 10,785	\$ 8,966	\$ 13,206	\$ 12,000	\$ 10,172	\$ 13,103	\$ 12,000	\$ 11,275
TOTAL DISTRICT WIDE	\$ 6,922,653	\$ 8,935,754	\$ 23,956,529	\$ 23,151,600	\$ 9,740,683	\$ 24,114,897	\$ 24,648,819	\$ 9,206,762

FY2025 Actual Budget Information	FY2026 Revised Budget Information
VPK ADM's 31.59	This revised budget was built with information from the MN Dept of Education in October 2025 and uses 1,168 ADM's K-12 Students & Out of District Placements, 7 ADM's for ECSE and 14.5 ADM's for VPK
Fund 01 - Operating Capital Balance as of 6/30/2025	Estimated Operating Capital Balance as of 6/30/2026
Curriculum \$ 195,281.15	Curriculum \$ 47,281.15
Other Items \$ 1,169,055.30	Other Items \$ 1,235,472.92
TOTAL \$ 1,364,336.45	TOTAL \$ 1,282,754.07
Cross fund Bridges Preschool by \$83,600 Unassigned and \$25,000 Basic Skills - with VPK funding we can't charge for 4 year old preschool	Cross fund Bridges Preschool by \$84,510 Unassigned and \$25,000 Basic Skills
Cross fund Preschool screening not needed	Cross fund Preschool screening by \$4,160
Cross fund EL by \$90,855.24	Formula Allowance \$7,481 per APU -2.75% Increase

V. MINIMUM FUND BALANCE

To ensure the financial strength and stability of the District, the Board will endeavor to maintain at least 12% of the District's General Fund operating budget, excluding those accounts associated within the Restricted category, in the combined total of the General Fund Committed, Assigned and Unassigned fund balances.

VI. ORDER OF RESOURCE USE

If resources from more than one fund balance classification could be spent, the school district will strive to spend resources from fund balance classifications in the following order (first to last): nonspendable, restricted, committed, assigned, and unassigned. Journal entries at the end of the fiscal year may be used to accomplish this.

When the combined total of the General Fund Committed, Assigned and Unassigned fund balance falls below 12% the district shall initiate the following measures:

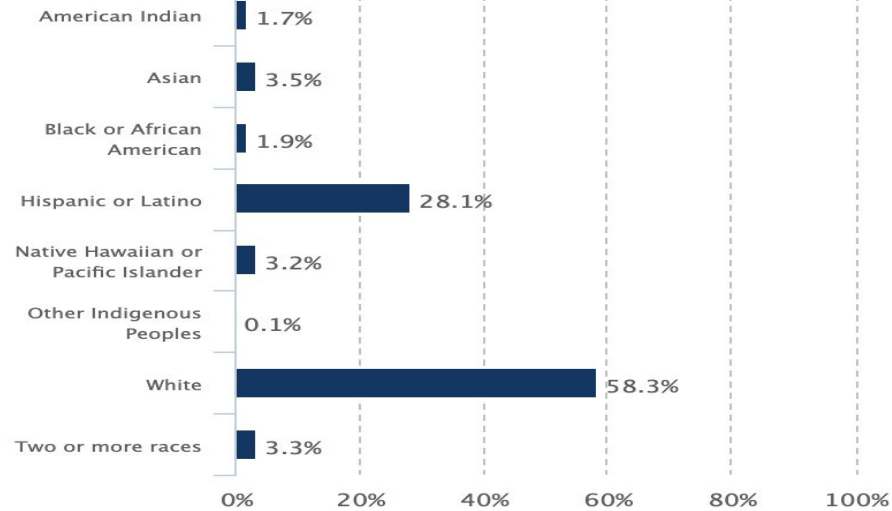
- i. Reduce expenditures through implementation of cost containment measures.
- ii. Seek opportunities to increase revenue. Consider fee increases where appropriate. Examine options to increase enrollment.
- iii. If permitted by state law, request from voters additional revenue through an increase in the operating referendum or other financial options.
- iv. A combination of the above.

Windom Area Schools
Comprehensive Achievement
and Civic Readiness Report
The CACR

2024-2025 School Year

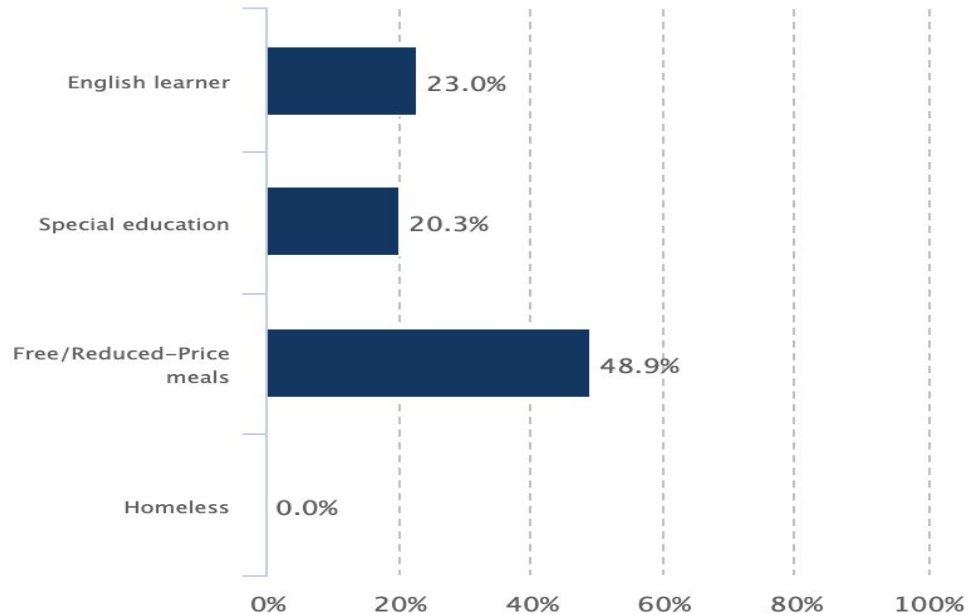


Who we are?



Race/Ethnicity	Count	Percent
American Indian	20	1.7%
Asian	41	3.5%
Black or African American	23	1.9%
Hispanic or Latino	333	28.1%
Native Hawaiian or Pacific Islander	38	3.2%
Other Indigenous Peoples	1	0.1%
White	692	58.3%
Two or more races	39	3.3%
All students	1,187	100.0%

Export to PDF



	Count	Percent
English learner	273	23.0%
Special education	241	20.3%
Free/Reduced-Price meals	580	48.9%
Homeless	0	0.0%

Equitable Access to Effective and Diverse Teachers

- Windom Schools will aim to hire top talent utilizing the early retirement incentive to recruit and hire early.
- Progress toward goal:
 - 3-Year Mentoring Program
 - Teacher Evaluations used for coaching and developing utilizing the Danielson Framework
 - Attend several job fairs around the region - including in areas offering a more diverse applicant pool
 - Professional Development for All Staff
 - Reading comprehension & engagement
 - New Teacher Bootcamp
 - LETRS Training in our Elementary, CORE reading instruction in MS & HS

Goals

All Students Ready for School

Goal(s):

Literacy - 2024-25 Reading Goal Our four year old preschoolers will go from 44% of the kids at or above the developmental level of building later on the letter and word knowledge measure on the DRDP assessment in the Fall to 65% in the Spring.

Goal Met at 78%

Math - Our four year old preschoolers will go from 32% of the kids at or above the developmental level of building later on the Number Sense of Quantity measure on the DRDP assessment in the Fall to 55% in the Spring.

-

Goal Met at 70%

Goals

All Students Ready for School

Goal: Windom School District will maintain 100% of children screened before entering kindergarten in the 2024-25 school year.

Goal Met: 100% of students were screened prior to entering Kindergarten in the fall of 2024.

Goals

All Students Ready for School

Goal: Windom School District will have 100% of children be fully immunized, immunization series in progress or have a conscious or medical exemption at kindergarten entry for the 2024-25 school year.

Goal Met: 100% of children were fully immunized, immunization series in progress or have a conscious or medical exemption at kindergarten entry for the 2024-25 school year.

Goals

All Students are Ready for Career and College

Goal: 100% of students will have a post-secondary plan in place by the time they graduate as evidenced through 1-1 discussions with the counselor/administration following up on survey data.

Results: Goal Met - 83 1-1 conversations held with 83 students graduating in the 2024-2025 school year. 100% of students identifying further education or entrance into the workforce.

Goals

All Students Graduate from High School

Goal: Windom Schools will mirror the state goal which is to reach a 90 percent graduation rate by the year 2025 with no student group below 85 percent.

Goal Not Met: Windom's graduation rates fell short of the state goal of a 90 percent graduation rate with an 85.7% rate of Windom Seniors Graduating. No student groups fell below 85%. Overall the rates were impacted lower by 7 unknown students. This error in coding is being corrected moving forward.

Goals

Prepare students to be lifelong learners.

Goal: Upon graduation all 12th grade students will have completed an Eagle Achievement project that consists of identifying a problem within the community, researching solutions and implementing change.

Goal Met: 100% of Windom seniors completed an Eagle Achievement project.

Achievement and Integration Goals

All racial and economic achievement gaps between students are closed.

Goal #1: Windom 3 YEAR Star GAP Goal: Windom Schools Instructional staff will implement best practice instructional methods for students resulting in a reduction of the Star Baseline SY22 achievement GAP between White and Hispanic / Latino Students in Math for grades 1-11 The **Math Baseline** SY22 GAP of 28.8 % will be reduced to the Goal SY26 GAP of 19.8 %. The following annual Star scores will be used to mark and measure linear progress from the Baseline to the Goal:

- Baseline SY23 GAP: 28.8%
- SY24 GAP: 25.8%
- SY25 GAP: 22.8%
- SY26 GAP: 19.8%

Students in the At/Above Category - Star Math - Spring 2025

White	67%
Latino/Hispanic	21%
Gap	46%

Achievement and Integration Goals

All racial and economic achievement gaps between students are closed.

Goal #2: Windom 3 YEAR Star Reading GAP Goal: Windom Schools Instructional staff will implement best practice instructional methods for students resulting in a reduction of the Star Baseline SY22 achievement GAP between White and Hispanic / Latino Students in Reading for grades 1-11. The **Reading Baseline** SY22 GAP of 33.2% will be reduced to the Goal SY26 GAP of 24.2%. The following annual Star Reading scores will be used to mark and measure linear progress from the Baseline to the Goal:

- Baseline SY23 GAP: 33.2%
- SY24 GAP: 30.2%.
- SY25 GAP: 27.2%.
- SY26 GAP 24.2%.

Students in the At/Above Category - Star Reading - Spring 2025

White	53%
Latino/Hispanic	15%
Gap	38%

Hispanic Population Overtime

2020 - 2021 - 134 students

2021-2022 - 181 students

2022-2023 - 231 students

2023-2024 - 293 students

2024-2025 - 329 students

Growth of 195 Hispanic/Latino students in five years, many with little to no school experience.

Courage Retreat

7th graders from Mt. Lake, Jackson, and Windom Gathered for a Courage Retreat by Youth Frontiers in the Nest on October 2, 2025.

This retreat is designed to help our students build community, reflect on character, and grow in leadership and courage.

Windom Schools High School Students led small group conversations and modeled leadership, positive character traits, and courage to act with integrity.

Conclusion

Any Questions?

MASTER AGREEMENT

between

INDEPENDENT SCHOOL DISTRICT NO. 177
Windom, Minnesota

and

EDUCATION MINNESOTA - WINDOM

Effective July 1, ~~2023~~ 2025 through June 30, ~~2025-2027~~

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ARTICLE I
PURPOSE

This Master Agreement is entered into between Independent School District No. 177, Windom, Minnesota, hereinafter referred to as the School District, and Education Minnesota-Windom, hereinafter referred to as the Association, pursuant to and in compliance with the Public Employment Labor Relations Act of 1971, as amended, hereinafter referred to as the P.E.L.R.A., to provide the terms and conditions of employment for teachers during the duration of this Master Agreement.

ARTICLE II
RECOGNITION/DEFINITIONS

Section 1. Teacher: The Board hereby recognizes the Association as the sole and exclusive bargaining representative for all teachers. For purposes of this section, the term "teacher" shall mean any person employed by Independent School District No. 177 in a position for which licensure is required by the Board of Teaching or the State Board of Education or in a position of physical therapist or occupational therapist, except superintendent, assistant superintendent, principal, and assistant principal who devote more than 50% of time to administrative or supervisory duties, and daily substitute teacher who does not replace the same teacher for more than 30 working days.

Section 2. Terms and Conditions of Employment: The term, "terms and conditions of employment," means the hours of employment, the compensation therefor including fringe benefits except retirement contributions or benefits other than School District payment of, or contributions to, premiums for group insurance coverage of retired teachers or severance pay, and the School District's personnel policies affecting the working conditions of the teachers. The term does not mean educational policies of the School District. "Terms and conditions of employment" is subject to the provisions of P.E.L.R.A.

Section 3. District or School District: For purposes of administering this Master Agreement, the word/term, "District/School District," shall mean the School Board or its designated representative(s).

Section 4. Other Terms: Terms not defined in this Master Agreement shall have those meanings as defined by P.E.L.R.A.

ARTICLE III
DURATION

This Master Agreement shall remain in full force and effect for a period commencing upon the date of its execution through June 30, ~~2025~~ 2027, and thereafter as provided by P.E.L.R.A. If either party desires to modify or amend this Master Agreement commencing on July 1, ~~2025~~ 2027, it shall give written notice of such intent to the other party no later than March 1, ~~2025~~ 2027.

ARTICLE IV
MEET AND CONFER

Section 1. Meeting: Representatives of the School Board and the Association may meet throughout the school year to discuss areas of common concern.

Section 2. Agenda: Each party will submit to the other, at least 5 days prior to the meeting, an agenda covering what they wish to discuss.

ARTICLE V
NEGOTIATIONS

Section 1. Meeting: The parties may meet to discuss a mutually acceptable amendment of the Master Agreement, the approval of such amendment shall be subject to ratification by the School Board and the Association.

Section 2. Successor Master Agreement: Between the months of February of each odd-numbered year and the following April, the parties shall initiate negotiations for the purpose of entering into a successor Master Agreement for the succeeding 2-year period, provided that, if the Association is not then the exclusive bargaining agent of the teachers, negotiations shall thereupon be undertaken between the School District and the duly authorized exclusive bargaining agent.

Section 3. Copies of the Master Agreement: Two signed copies of the final Master Agreement shall be retained for the purpose of record: 1 retained by the School Board and 1 by the Association.

ARTICLE VI
SCHOOL DISTRICT RIGHTS

Section 1. Inherent Managerial Rights: The Association recognizes that the School District is not required to meet and negotiate, but may meet and confer, on matters of managerial policy, which include, but are not limited to, such areas of discretion or policy as the functions and programs of the School District, its overall budget, utilization of technology, the organizational structure, and selection and direction and number of personnel.

Section 2. School Board Responsibilities: The Association recognizes the right and obligation of the School Board to efficiently manage and conduct the operation of the School District within its legal limitations and with its primary obligation to provide educational opportunities for the students of the School District.

Section 3. Effect of Laws, Rules, and Regulations: The Association recognizes that all teachers covered by this Master Agreement shall perform the teaching and non-teaching services prescribed by the School Board and shall be governed by the laws of the State of Minnesota and by the School Board rules, regulations, directives and orders, that are not in violation of this Master Agreement and are issued by properly designated officials of the School District. The Association also recognizes the right, obligation, and duty of the School Board and its duly designated officials to promulgate rules, regulations, directives, and orders, from time to time, as deemed necessary by the School Board insofar as such rules, regulations, directives, and orders are not inconsistent with terms of this Master Agreement and recognizes that the School Board, all teachers covered by this Master Agreement, and all provisions of this Master Agreement are subject to the laws of the State of Minnesota, Federal laws, and valid rules, regulations, and orders of the State and Federal governmental agencies. Any provisions of this Master Agreement found to be in violation of any such laws, rules, regulations, directives, or orders shall be null and void and without force and effect.

Section 4. Reservation of Managerial Rights: All managerial rights and managerial functions not expressly delegated in this Master Agreement are reserved to the School District.

ARTICLE VII
ASSOCIATION SECURITY

Section 1. Dues Checkoff: Any teacher who is a member of the Association or other teacher organization, may sign and deliver to the School District an assignment authorizing deduction of membership dues in the Association or other

teacher organization including, but not limited to, Education Minnesota, and said assignment shall continue in effect from year to year unless revoked in writing between June 1 and September 1 of any year. Pursuant to such authorization, the School District shall deduct 1/10 of such dues from the first regular salary check of the teacher each month for 10 months, beginning in September and ending in June of each year. Deductions for teachers employed after commencement of the school year shall be appropriately prorated to complete payments by the following June.

With respect to all sums deducted by the School District pursuant to authorization of the teacher for membership dues, the School District agrees to remit to the Association monthly that portion allocated to it.

Section 2. School District Financial Information: The School District agrees to furnish to the Association, in response to written request, all available information concerning the financial resources of the School District together with information which may be necessary for the Association to process any grievance or complaint.

Section 3. Right to Join: Pursuant to P.E.L.R.A., every teacher shall have the right freely to organize, join, and support a teacher organization for the purpose of engaging in collective bargaining and other activities for mutual aid and protection and shall have the right not to organize, join, and support such an organization. The School District will not directly or indirectly discourage, deprive, or coerce any teacher in the enjoyment of any right conferred by law—the constitutions of Minnesota and the United States; it will not discriminate against any teacher with respect to hours, wages, or any terms or conditions of employment by reason of his/her membership in a teacher organization or collective professional negotiation with the School District or his/her institution or any grievance, complaint, or proceeding under this Agreement.

Section 4. Statutory Rights: Nothing contained in this Master Agreement shall be construed to deny or restrict to any teacher rights he/she may have under Minnesota law or other applicable laws and regulations.

Section 5. School Board Agenda: The School Board shall place on the agenda of each regular meeting, for consideration under "new business," matters brought to its consideration by the Association as long as those matters are made known to the Superintendent's office at least 5 days prior to said regular meeting.

ARTICLE VIII GRIEVANCE PROCEDURE

Section 1. Grievance: A claim by a teacher or the Association that an alleged violation, misinterpretation or misapplication of any provisions of this Master Agreement may be processed as a grievance as provided below.

Section 2. Time Limits: The time limits provided in this article shall be strictly observed but may be extended by written agreement of the parties. In the event a grievance is filed after May 15 of any school year and strict adherence to the time limits may result in hardships to any party, the School District and Association shall attempt to process such grievance prior to the end of the school term. The teacher, administrator, or School Board may be represented during any step of the procedure by any person or agent designated by such party, to act in the party's behalf.

Section 3. Days: Reference to "days" regarding time periods in this procedure shall refer to working days. A "working day" is defined as all weekdays not designated as holidays by state law.

Section 4. Computation of Time: In computing any period of time prescribed or allowed by procedures in this article, the date of the act, event, or default for which designated period of time begins to run shall not be included. The last day of the period of time begins to run shall be counted, unless it is a Saturday,

a Sunday, or a legal holiday, in which event the period runs until the end of the next day which is not a Saturday, a Sunday, or a legal holiday.

Section 5. Supervising Principal: In the event that a teacher believes a basis for a grievance exists, he/she shall first discuss the grievance with his/her supervising principal either personally or accompanied by his/her Association representative.

Section 6. Time Limitation and Waiver: Grievances shall not be valid for consideration unless they are submitted in writing to the School District's designee, setting forth the facts and the specific provision(s) of the Master Agreement allegedly violated and the particular relief sought within 25 days after the date of the first event giving rise to the grievance occurred. Failure to file any grievance within such period shall be deemed as a waiver thereof. Failure to appeal a grievance from one level to another within the time periods shall first be made to adjust an alleged grievance informally between the teacher and the School District's designee.

Section 7. Level I: Within 5 days of receipt of the grievance, the supervising principal shall meet with the grievant in an effort to resolve the grievance. The supervising principal shall indicate his/her disposition of the grievance, in writing, within 5 days of such meeting and shall furnish a copy to the grievant.

Section 8. Level II: If the grievant is not satisfied with the disposition of the grievance by the supervising principal or if no disposition has been made within 5 days of such meeting (or 10 days from the date of filing, whichever shall be later), the grievance may be appealed to the Superintendent, provided such appeal is made in writing within 10 days of receipt of the decision. Within 7 days, the Superintendent or his/her designee shall meet with the grievant on the grievance and shall indicate his/her disposition of the grievance in writing within 5 days of such meeting and shall furnish a copy to the grievant.

Section 9. Level III: The Association and the School District may mutually agree to participate in Grievance Mediation by the Bureau of Mediation Services (BMS) prior to the next level of the Grievance Procedure in an effort to resolve the grievance. If Grievance Mediation is mutually agreed upon, the parties shall sign the Grievance Mediation Agreement (Appendix E). If Grievance Mediation is mutually agreed upon, the grievance time lines shall automatically be waived upon request by either party. If agreement or resolution is not reached in Grievance Mediation, the grievance process may be automatically resumed by the Grievant requesting the next step within ten (10) days of the termination of Grievance Mediation. No offers, counter offers, statements, or discussions taking place during the Grievance Mediation shall be used by either party to the dispute at the next level. If resolution is reached, the agreement shall be put in writing and the grievance withdrawn with prejudice by the Grievant.

Section 10. Request to Arbitrate: If the grievant is not satisfied with the disposition of the grievance in Level III, the grievance may be submitted to arbitration before an impartial arbitrator. A request to submit a grievance to arbitration must be in writing signed by the aggrieved party, and such request must be filed with the Superintendent or his/her designee within 10 days following the decision in Level III.

Section 11. Selection of Arbitrator: Upon the proper submission of the grievance under the terms of this procedure, the parties shall, within 10 days after the request to arbitrate, attempt to agree upon the selection of an arbitrator. If the parties cannot agree as to the arbitrator within 10 days from the notification date that the arbitration will be pursued, then either party may request the Bureau of Mediation Services (BMS) to appoint an arbitrator pursuant to the P.E.L.R.A. Such request must be made within 30 days after notification that arbitration will be pursued. Failure to request an arbitrator

from the BMS within the time periods provided shall constitute a waiver of the grievance.

Section 12. Jurisdiction of the Arbitrator: The arbitrator shall have no power to alter, add to, or subtract from the terms of this Master Agreement.

Section 13. Decision: Decisions by the arbitrator in cases properly before him/her shall be final and binding upon the parties, subject, however, to the limitations of arbitration decisions as provided in P.E.L.R.A. The arbitrator shall issue a written decision and order including findings of fact which shall be based upon substantial and competent evidence presented at the hearing. All witnesses shall be sworn upon oath by the arbitrator.

Section 14. Expenses: The fees and expenses of the arbitrator shall be shared equally by the parties. Any transcription costs at any step in the procedure shall be paid for by the party making that request.

Section 15. Prior Procedure Required: No grievance shall be considered by the arbitrator which has not been first duly processed in accordance with the grievance procedure and appeal provisions.

Section 16. Reprisals: No reprisals of any kind will be taken by the School District against any teacher because of his/her participation in the grievance procedure and vice versa.

ARTICLE IX MAINTENANCE OF MASTER AGREEMENT

Section 1. Final Master Agreement: This Master Agreement shall constitute the full and complete agreement between both parties. A Memorandum of Understanding or Agreement may be used in compliance with MS 179A.20.

Section 2. Individual Teaching Contract: Any individual teaching contract between the School District and an individual teacher heretofore executed shall be subject to and consistent with the terms and conditions of this Master Agreement. Any individual teaching contract hereafter executed shall be in the form provided in Appendix D.

Section 3. Primacy of Master Agreement: This Master Agreement shall supersede any rules, regulations, or practices of the School Board which shall be contrary to or inconsistent with its terms.

ARTICLE X TRAVELING TEACHERS

Section 1. Schedules: Schedules of teachers who are assigned to more than 1 school shall be arranged so that any such teacher shall be required to engage in the least amount of inter-school travel possible. Such teachers shall be notified of any changes in their schedules.

Section 2. Use of Personal Vehicles: Teachers who may be required to use their own vehicles in the performance of their duties and teachers who are assigned to more than 1 school per day shall be reimbursed for all travel between school buildings during the work day of the teacher. Reimbursement for travel shall be reimbursed at a rate which shall be determined by the allowable rate established by the IRS.

ARTICLE XI
PROFESSIONAL DEVELOPMENT

Section 1. Staff Development:

Subd 1. Pursuant to M.S. 122A.60, the School District shall create a Staff Development Committee. Refer to the District Staff Development Committee by-laws.

Subd. 2. Staff Development funds will be allocated according to M.S. 122A.61.

ARTICLE XII
TEACHING EXPERIENCE

Section 1. Placement on Hiring Schedule: Each teacher shall be placed at the proper salary in accordance with Sections 2 and 3 below.

Section 2. Newly Hired Teachers: A teacher new to the School District who has had experience in other school systems or in other fields of endeavor will be placed at the salary as agreed between the School District and the teacher. Salaries shall be set based upon current employed teachers with same or less years of experience and equivalent lane placement. When circumstances require, such as critical shortages, the Superintendent may allow up to a maximum of 5 additional years of credit on the salary based on current teachers.

The School Board shall set the salary for the position of school psychologist, occupational therapist, physical therapist and speech and language teacher.

Section 3. Part-time and "Job Share" Teachers: Part-time teachers and teachers who "job share" will be given a full year of experience on the salary settlement. The final salary increase will be prorated by "job share" FTE.

ARTICLE XIII
LENGTH OF SCHOOL YEAR AND WORK LOAD

Section 1. Basic Day: The teacher's basic day, inclusive of lunch, will be 8 hours or less. Teachers are to be on duty at the prescribed time and remain on duty until the prescribed time, with the exception of Friday or days before "holidays" when teachers may leave as soon as the pupils are dismissed and the buses have departed, unless a professional development, PLCs, or teacher work time is on the school calendar. No employee shall be required to work beyond 4:00 p.m. This provision does not apply to teacher conferences or extra-curricular assignments.

Section 2. Teacher Duty Days: The School Board shall, at the April Board of Education Meeting or before, establish the number of school days and teacher duty days for the next school year, and the teacher shall perform services on those days as determined by the School Board, including those legal holidays on which the School Board is authorized to conduct school and pursuant, to such authority, has determined to conduct school. The school year shall consist of 184 duty days which may include evening conferences. Each evening conference will be equivalent to 1 teaching day. If a Saturday is scheduled for teacher check-out, it will constitute 1 duty day. Duty days include student contact days, workshop, and parent-teacher conferences. Teachers new to the School District may be required to put in up to 2 extra days prior to the start of the school year for orientation purposes. If any teachers presently employed by the School District are required to assist in any of the orientation exercises, the teachers will be paid \$100 per day.

Subd. 1. District Staff Development trainings (not QCOMP Council) held on non-contract days like summer/weekend or evening trainings will be paid as

follows (Qcomp approved professional development is compensated differently):

- Maximum of 8 hours per day exclusive of lunch
- Teacher participation will be paid at a rate of \$23.00 per hour.
- Presenters will be paid at the rate of \$34.50 per hour plus 30 minutes of prep time for every hour of presentation.
- All federal grant pay rates will be at rates/amounts set within the grant
- All paid trainings must be approved in advance
- All additional paid amounts for trainings and/or additional work done during the regular school year needs to be turned into the payroll office on the district provided form by the last working day of the following month of the hours worked. If not turned in by this due date it will not be paid.

Subd. 2. Any instructional teaching assignments offered and voluntarily accepted outside the contract time (example: Extended Learning, Night Classes, Summer School, Credit Recovery, etc.) will be paid as MA+0 daily rate according to Article XIII Sections 1 & 2 in reference to hours per day and school year duty days.

~~2023-2024 2025-2026~~ MA Degree Hiring Schedule Appendix A is ~~\$52,562 or \$38.09~~ \$54,962 or \$39.83

~~2024-2025 2026-2027~~ MA Degree Hiring Schedule Appendix A is ~~\$54,717 or \$39.65~~ \$56,319 or \$40.82

Section 3. Lost Days: In the event that the total number of student contact days is reduced per the school calendar for that year, the School District will reschedule days for make-up by the teachers either as non-contact (in-service) days or contact (with students) days. The total days of service will remain as provided in Section 2 above. The School District reserves the right to determine when and how make-up days shall be scheduled. However, the Association may meet with the School District to provide suggestions regarding the scheduling of make-up days.

Section 4. Lunch Period: All teachers must be provided with a 30-minute, duty-free lunch period regardless of other duties. Passing times between periods will not be included as part of that duty-free lunch period.

Section 5. Preparation Time: In accordance with M.S. 122A.50 and within the student day, for every 25 minutes of classroom instruction time, a minimum of 5 additional minutes of preparation time shall be provided to each teacher.

Section 6. Study Halls: In the event that a Study Hall period becomes available on the master schedule, the School District can assign this duty to available staff. If no teacher is available during this Study Hall period, a non-licensed staff will be assigned.

If by assigning this Study Hall period creates an overload for a teacher, the teacher shall have the first right of refusal prior to the School District assigning the duty to non-licensed staff.

Preparation time shall be provided in uninterrupted blocks of time not less than 20 minutes in length.

In the event circumstances preclude minimal allotment of preparation time, as stated above, the teacher's schedule will be adjusted by mutual consent of the Superintendent and the Association to reflect said adjustment for preparation time lost.

A teacher will not be required to perform duties defined as and including student contact, supervision, or transition between assignments that will diminish the statutory preparation time or that will take him/her beyond the terms and conditions in this article.

ARTICLE XIV
PERSONNEL FILES

Pursuant to M.S. 122A.40, Subd. 19, all evaluations and files generated within the School District relating to each individual teacher shall be available during regular School District business hours to each individual teacher upon his/her written request. The teacher shall have the right to reproduce any of the contents of the files at the teacher's expense and to submit for inclusion in the file written information in response to any material contained in it. However, the School District may destroy such files as provided by law.

ARTICLE XV
LEAVES

Section 1. Sabbatical Leave: A sabbatical leave may be granted at the sole discretion of the School Board to teachers for the purpose of professional improvement subject to the conditions established by the School Board and subject and pursuant to M.S. 122A.49.

Subd. 1. To be eligible for sabbatical leave, a teacher must have been continuously employed as a teacher for at least 5 years in the School District.

Subd. 2. Sabbatical leave for study shall be limited to a teacher centering his/her study in his/her area of teaching in the School District and shall not be used for retraining in a new area unless at the request of the School Board.

Subd. 3. The proposed program of study must be approved in writing and in advance by the Superintendent and then the School Board, and such program of study shall be in formal education course credits.

Subd. 4. Applications for sabbatical leave shall be submitted in writing to the Superintendent no later than January 1st of the year preceding the school year in which the leave is sought.

Subd. 5. The number of teachers on sabbatical leave shall be limited to 1 teacher in any single year. The granting of sabbatical leave, however, is purely within the discretion of the School Board, and the School Board reserves the right to refuse to grant any and all sabbatical leaves, if, in the judgment of the School Board, such leaves should not be granted.

Subd. 6. The compensation granted to a teacher on sabbatical leave shall be 65% of the basic 38-week contract salary (not including any extra-curricular pay or summer employment but to include full fringe benefits) of the teacher for the school term in which the application for the sabbatical leave is made.

Subd. 7. A teacher receiving a sabbatical leave of absence must agree in writing to return to the School District for at least 2 years of teaching service after completion of the sabbatical leave. A teacher who has received a sabbatical leave and fails to complete 2 years of teaching service with the School District shall refund the compensation received from the School District for sabbatical leave, and said refund shall be due and payable to the School District immediately upon the cessation of employment in the School District.

Subd. 8. The application for a sabbatical leave shall contain a detailed description of the intended activity and expected benefit to the School District, including, but not limited to, the institution where study will take place, courses and number of credits to be carried, and surrounding the program.

Subd. 9. If, in its discretion, the School Board grants a sabbatical leave, doing so may be contingent upon the ability of the School District to secure a satisfactory substitute.

Subd. 10. Sabbatical leave shall not exceed 1 individual teaching contract year and shall be awarded not more than once to any teacher in the School District.

Subd. 11. The School Board reserves the right to rescind a sabbatical leave approval.

Subd. 12. Upon satisfactory completion of a sabbatical leave, the teacher shall be assigned to a position commensurate with the one he/she occupied prior to the leave unless previously discharged or placed on unrequested leave of absence.

Subd. 13. A teacher on sabbatical leave shall retain such amount of sick leave days and other accrued benefits which he/she had accrued, if any, at the time he/she went on sabbatical leave for use upon his/her return pursuant to Section 2. below. No additional sick leave shall accrue for the period of time that a teacher is on sabbatical leave.

Section 2. Sick and Safe Leave:

Subd. 1. A teacher shall be granted 12 days of sick leave each year to be used for the following reasons: 1. personal illness; 2. personal surgery; 3. personal medical appointments; 4. personal dental appointments; 5. serious illness in immediate family - spouse or designated significant other, child, parent, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, siblings, grandparents and grandchildren, aunts and uncles. This time shall be with pay which shall be allowed to be used whenever a teacher's absence is found to have been due to the teacher's illness and/or disability which prevented his/her attendance at school and performance of duties on that day or days. ~~Pursuant to M.S. 181.9413 and M.S. 181.940, a teacher may use his/her accumulated sick leave and the school board limits use as permissible as all state statutes will be followed. Sick and safe time is governed by MN Statutes 181.9445 et seq.~~ Sick leave shall be approved once entered into the Absence Management or any electronic system provided by the district prior to the absence.

Subd. 2. Unused sick leave will accumulate to 150 days. A teacher shall receive full salary for the days of sick leave used to the extent of sick leave earned. The School District will allow the use of 12 sick days (above the 150 days accumulation cap) for catastrophic situations in the year the 12 days are earned. ~~On an annual basis, teachers who have accumulated in excess of 138 days at the end of the school year can receive \$75 per accumulated, unused sick day. The maximum number of annual payout days for an individual teacher is 12. The district must be notified by May 15 of each year if the teacher plans to receive this payment. The union will submit the list to the Business Office for payment listing the teacher's name and number of sick day(s) they wish to receive payment for.~~

Subd. 3. After using all his/her sick leave days, a teacher who needs to be absent because of illness will receive the difference between his or her salary and the cost of the substitute teacher, if approved by the School Board.

Subd. 4. A certificate of illness by an attending physician may be required.

Subd. 5. Any teacher who uses sick leave under false pretenses may be disciplined pursuant to M.S. 122A.40 or by immediately losing all cumulative sick leave as well as losing salary for the days absent.

Section 3. Bereavement Leave: Up to 5 days of bereavement leave with full pay shall be allowed in the event of a death in the teacher's immediate family. These days are to be taken from accumulated sick leave days. An additional 5 days per year with full pay shall be allowed in the event of a death not covered in the definition of "immediate family" in Section 2., Subd. 1. These days are to be taken from accumulated sick leave days. Any additional bereavement leave days will be subject to the discretion of the Superintendent depending on the circumstances.

Section 4. Leave of Absence: A teacher may request a leave of absence for an extended period of time if approval is obtained from the School Board. Written application for this leave must be made through the Superintendent, and the School Board has final authority to approve or deny the request. Teachers granted leaves of absence will forfeit their salaries for the time they are absent. Teachers who take this leave will be reinstated on the salary schedule at the same seniority level as they had when the leave was granted unless previously discharged or placed on unrequested leave of absence. Teachers on a leave of absence will be able to maintain health care coverage under the negotiated plan at their own expense. The terms of payment will be decided by the teacher and the School District before the leave commences.

The deadline to notify the School District of the teacher's intent to return to work must be received by April 1 of each year. This notification must be in writing and if not provided by April 1 of each year the teacher's rights to continuing contract status shall be terminated.

Section 5. Jury Duty Leave: A teacher who is called and serves on a jury may be granted leave without loss of pay or sick leave reduction. Notification for this type of leave must be made to the Superintendent. Any compensation received for this assignment shall be transmitted to the School District with exception of the compensation received for personal expenses such as travel.

A teacher who is subpoenaed for work-related matters may be granted professional leave without loss of pay or sick/personal leave reduction. Notification for this type of leave must be made to the Superintendent. Any compensation received for this assignment shall be transmitted to the School District with exception of the compensation received for personal expenses such as travel. Teachers subpoenaed for any personal matters must use either personal leave or receive a salary deduction for each day.

Section 6. Military Leave: Military Leave of absence given in accordance with current law.

Subd. 1. Military Support Leave: Immediate family or a designated significant other shall be granted accumulated personal leave first and no more than 3 accumulated sick days for military support leave.

Section 7. Family and Medical Leave (FMLA):

Subd. 1. Purpose: Pursuant to the FMLA, 29 U.S.C. § 2601 et. seq., an eligible teacher shall be granted, upon written request, up to a total of 12 weeks of unpaid leave per 12-month period in connection with the following:

- (1.) the birth and first-year care of his/her child;
- (2.) the adoption or foster placement of his/her child;
- (3.) the serious health condition of a teacher's spouse, child, or parent; and

(4.) the teacher's own serious health condition.

Subd. 2. Salary and Fringe Benefits: Such leave shall be unpaid, except an eligible teacher, during such leave, shall be eligible for regular School District group health insurance contributions as provided in this Agreement for the period of the leave, notwithstanding any other provisions of this Agreement.

Subd. 3. Eligibility: To be eligible for the benefits of this section, a teacher must have been employed by the School District for the previous 12 months and must have been employed for at least 1,250 hours during such 12-month period.

Subd. 4. Paid Leave Under the Agreement: While FMLA leaves, except for eligible insurance contributions as provided in Subd. 2. above, are unpaid, nothing shall preclude a teacher from utilizing paid leave otherwise provided in this Agreement, provided the teacher qualifies for the paid leave; i.e., sick leave or personal leave, pursuant to the provisions of this Agreement governing such leaves. Nothing in this Agreement shall be construed to require the School District to combine leaves for a period of time that exceeds the leave provided by this section or the period of time for leaves provided in other sections of this Agreement.

Subd. 5. Notification: When the reason for leave is foreseeable, the teacher shall make a written request for said leave at least 90 days prior to the beginning of the leave. The teacher shall further make reasonable efforts to schedule any treatment so as to minimize disruption of the work of the School District.

Subd. 6. In the case of any teacher who becomes the mother or father of an adopted child, said teacher may apply immediately after such adoption for a child care leave of absence under the Family and Medical Leave Act (FMLA). The use of leave (either personal or sick or unpaid leave) may be used at the discretion of the Superintendent depending on the circumstances of the adoption.

Section 8. Child Care Leave:

Subd. 1. Use: A child care leave may be granted by the School District, subject to the provisions of this section, to 1 teacher-parent of a natural or adopted infant child, provided such teacher-parent is caring for the child on a full-time basis.

Subd. 2. Request: A teacher making application for child care leave shall inform the Superintendent in writing of the request to take the leave at least 3 calendar months before commencement of the intended leave.

Subd. 3. Medical Statement: A teacher will provide, at the time of the leave application, a statement giving the expected date of delivery.

Subd. 4. Date of Leave: The School District may adjust the proposed beginning or ending date of a child care leave so that the dates of the leave are coincident with some natural break in the school year - i.e., winter vacation, spring vacation, semester or quarter break, end of a grading period, end of the school year, or the like. The availability of a substitute teacher may also be considered by the School District in the granting of a child care leave or the duration thereof.

Subd. 5. Duration: In making a determination concerning the commencement and duration of a child care leave, the School Board shall not, in any event, be required to:

- (1.) grant any leave for more than 12 months in duration;

- (2.) permit the teacher to return to employment prior to the date designated in the request for child care leave.

Subd. 6. Reinstatement: A teacher returning from child care leave shall be reinstated in a position for which he/she is licensed and qualified unless previously discharged or placed on unrequested leave of absence. The teacher shall retain all seniority, salary, and fringe benefits, which he/she had accrued prior to taking child care leave.

Subd. 7. Failure to Return: Failure of the teacher to return pursuant to the date determined under this section shall constitute grounds for termination unless the School District and the teacher mutually agree in writing to an extension in the leave.

Subd. 8. Salary and Fringe Benefits: Leave under this section shall be without pay or fringe benefits.

Section 9. Personal Leave:

Subd. 1. Teachers will earn 3 personal leave days per year. Five days prior notification is required except in case of emergency and entered into the Absence Management or any electronic system provided by the district. This notification will state the reason for the leave. No more than 5 personal days maximum (paid or unpaid) per school year. For days that are unpaid, leave may be permitted by the Superintendent with salary deduction or substitute pay deduction for each day granted. Substitute pay deduction will only be allowed on a limited basis for extenuating circumstances.

An additional 5 days of pay deduction of current median substitute pay (\$195 per day for 2025-2026 school year) per school year will be granted only for a child's daycare closure.

~~The Superintendent may grant the leave on the basis of the following:~~

- ~~1. leave permitted without loss of salary or sick leave,~~
- ~~2. leave permitted by using accumulated sick leave,~~
- ~~3. leave permitted with substitute pay deducted,~~
- ~~4. leave permitted with one day of salary deduction, for each day granted.~~

Subd. 2. Any unused personal leave days may be carried over into the next school year to a maximum of 5 personal leave days per year or they could receive \$200.00 per unused personal day(s). The district must be notified by May 15 of each year if the teacher plans to receive this payment. The union will submit the list to the Business Office for payment listing the teacher's name and number of personal day(s) they wish to receive payment for.

Subd. 3. Personal leave days may not be used during the first five days of student contact time or the last five days of student contact time except in cases of emergency or as noted in subdivision 4.

Subd. 4. As per Minnesota Statute 181.9412 leave may be taken at any time up to a total of 16 hours during any 12-month period to attend school conferences or school-related activities related to the employee's child. If this leave falls within the first five days of student contact time or last five days of student contact time it will be unpaid unless personal leave is available. When requesting personal or unpaid leave a reason must be given so the tracking of hours for the school conference and activities leave can be accounted.

Subd. 5. Teacher is taking a full day of personal leave or sick leave day and school gets dismissed prior to 4th period/noon break due to bad weather.

Teacher is charged for a full day of leave because it counts as a full contract day.

Teacher has a ½ day afternoon personal leave or sick leave day and school gets dismissed prior to 11:30 a.m./noon break due to bad weather. Teacher can cancel their ½ day leave as long as they are in attendance for the entire morning prior to the dismissal time and has fulfilled all of their morning duties. Day still counts as a full contract day and teacher has been in attendance and fulfilled all duties as required.

Section 10. Association Leave: Teachers who are officers or negotiators of the Association may request leave to conduct Association business. These days will be permitted without loss of salary or sick leave but the Association will reimburse the School District for substitute costs if one is required. All other Association leave will be reimbursed at the full daily rate of salary (1/184). Substitute costs and benefits for these days will be paid by the School District. These days may be granted by the Superintendent and shall be limited to 18 days in any school year. These days must be requested in writing by the Association president.

Section 11. Teacher on Special Assignment (TOSA):

Subd. 1. Definition: A teacher on Special Assignment (TOSA) will exist in order to provide leadership and/or coordination on educational projects, and/or specific teaching and administrative tasks. A teacher may not accept a TOSA assignment for more than 4 years, except: the assignment may be extended at the discretion of the School District.

Subd. 2. Eligibility and Assignment: Qualifications and compensation for the Special Assignment position shall be determined by the District. A job description shall be made public at or before the time of the posting. The job description must include a description of the duties to be performed and any additional days outside of the normal work year. Upon termination of the Special Assignment, the teacher shall be returned to the assignment which he/she held prior to the Special Assignment, except: if the teacher's former assignment does not exist in the district, the district shall follow Article XVI, Sections 3 and 4 as amended.

Section 12. Minnesota Paid Leave: All state statues will be followed. Refer to employee handbook for more information.

ARTICLE XVI
SENIORITY AND UNREQUESTED LEAVE OF ABSENCE (ULA)

Section 1. Purpose: The purpose of this article is to implement the provisions of M.S. 122A.40, Subd. 10. which article, when adopted, shall constitute a the required plan for ULA because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of school districts. M.S. 122.40 will be followed except in the following:

Section 2. Definitions: For purposes of this article, the terms defined shall have the meanings respectively ascribed to them.

Subd. 1. Teacher: "Teacher" shall mean those members of the bargaining unit as defined by PELRA and this Agreement, except the provisions of this article shall not be applicable to members of any other bargaining unit who are teachers as defined by M.S. 122A.40,

Subd. 2. Qualified: "Qualified" shall mean a teacher who, has the proper license issued by the state in the subject matter or field.

Section 3: Seniority List: The seniority list shall be developed and posted by the School District from its records by no later than November 5th of

each school year. Any requests for change will be made within 10 days of receipt, the district will review and make a final decision.

Subd. 1. "Seniority" applies only to Tier 3 and Tier 4 qualified teachers commencing with the first day of continuous teaching service in the School District and shall exclude probationary teachers, those teachers who are substituting for teachers on leaves of absence, and part-time teachers employed less than an average of twenty (20) hours per week and one hundred (100) days in a school year.

Subd. 2. Request for Change: Any person whose name appears on such list and who may disagree with the findings of the School District and the order of seniority in said list shall notify the School District within 10 days after posting and supply written documentation, proof, and request for seniority change to the School District.

Section 4. Unrequested Leave of Absence (ULA):

Subd. 1. Terms: The School Board may place on ULA such teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes. Such leave of absence shall continue for a period of five (5) years, after which the right to reinstatement shall terminate; provided the teacher's right to reinstatement shall also terminate if the teacher fails to file with the Superintendent, by April 1st of each year, a written statement requesting reinstatement.

Subd. 2. Notice: Teachers placed on such leave shall receive notice by June 30th of the school year prior to the commencement of such leave with reasons for said placement.

Subd. 3. Placement: Teachers shall be placed on ULA in inverse order of seniority in the field and subject matter employed. No continuing contract teacher will be placed on ULA if a probationary, tier 1 or tier 2 teacher with the same license is retained with the following exceptions:

1) If placing of any teacher on ULA before another teacher would eliminate a College Now, College in the Schools or Dual Enrollment opportunity for students, the district may retain the teacher with less seniority. Before retaining the less senior teacher, any more senior teacher may show that they are licensed and approved to teach the College Now, College in the Schools or Dual Enrollment course. This must be approved the by the college by May 1st in which the ULA is occurring.

2) Vocational and Career Technical Educational teachers will not be placed on ULA for Tier I and Tier II licenses due to seniority.

Subd. 4. If teacher requests a hearing pursuant to 122A.40 subd. 7 the school board will assign a hearing officer.

Section 5. Reinstatement will occur in inverse order in which the ULA process occurred. Teacher is required to hold a current valid MN license for the position in which reinstatement will occur.

Section 6. Tiebreaker Clause: In the event that 2 or more teachers have equal seniority, their placement on the seniority list will be determined in the following order:

1. the teacher with the greater number of years of total teaching experience shall be senior;
2. the teacher with the most advanced lane placement shall be senior;

3. the teacher with the greater number of licensure areas shall be more senior;
4. the teacher with the greater number of extra-curricular assignments shall be senior;
5. The senior teacher shall be the teacher who is serving on the most school district committees in the current school year.

ARTICLE XVII
DEPARTMENT/GRADE LEVEL CHAIRPERSON

If a department or grade level chairperson is selected by the School District, the compensation for such duties is contained in Appendix B.

ARTICLE XVIII
INSURANCE

Section 1. Health and Hospitalization Insurance:

Subd. 1. The School District shall provide health and hospitalization insurance for a 12 month period for each teacher and his/her eligible dependents. Part-time teachers shall be eligible to participate on a prorated basis to the percentage of the time they are employed as teachers with the School District.

Subd. 2. Any recommendations from the School District's Insurance Committee regarding health insurance plan changes (change in aggregate value) does not need full union approval, just Insurance Committee approval. Insurance Committee voting structure is: Teachers - 3, Paraprofessionals - 2, Custodian/Secretarial/Food Service - 2, Administrators - 1, School Board (represented by Superintendent or Business Manager) - 1.

Teachers union still retains right pursuant to state statute regarding joining the Public Employees Insurance Plan (PEIP).

Subd. 3. Full-time teachers shall receive:

- ~~2023-2024-2025-2026~~
- A. Teacher on Single Health Insurance Plan ~~\$9,800-\$10,600~~
 - B. Teacher on Family Health Insurance Plan ~~\$14,000-\$16,300~~
 - C. Married Teachers on a Family Health Insurance Plan shall be provided 1 single contribution and 1 family contribution amount as stated above in A. and B. for a total of ~~\$23,800-\$26,900~~

- ~~2024-2025-2026-2027~~
- A. Teacher on Single Health Insurance Plan ~~\$10,000-\$11,300~~
 - B. Teacher on Family Health Insurance Plan ~~\$15,000-\$17,600~~
 - C. Married Teachers on a Family Health Insurance Plan shall be provided 1 single contribution and 1 family contribution amount as stated above in A. and B. for a total of ~~\$25,000-\$28,900~~

to be used towards health and hospitalization insurance plan of their choice. Part-time teachers shall be eligible to participate on a prorated basis to the percentage of the time they are employed as teachers with the School District.

Subd. 3. No cash payments will be allowed in lieu of School District contributions toward health and hospitalization insurance premiums.

Subd. 4. Teachers who retire will continue to receive the negotiated health and hospitalization insurance if they agree to pay all premiums at their own expense.

In event the state offers early retirement incentives in regard to health and hospitalization insurance costs and payments, the School District shall participate and pass any of the dollar savings to the teacher.

Subd. 5. The School District shall also make available group health and hospitalization insurance to teachers and eligible retirees.

With respect to all qualified teachers, the School District shall contribute up to the dollar amount listed in Subd. 2. above toward the monthly premium costs of the group health and hospitalization insurance. If a "Voluntary Employee Benefit Arrangement" (VEBA Plan) or "Health Savings Account" (HSA Plan) is chosen by the teacher, Subd. 7. below will apply.

All plans offered by the school district must meet the insurance carrier's policies and minimum qualification

Subd. 6. The School District shall adopt the Minnesota Service Cooperative VEBA Plan, HSA Plan and the Employee Benefits Trust Agreement for the benefit of qualifying employees who are members of this Collective Bargaining Agreement. Employer and employees assent to and ratify the appointment of the trustee and plan administrator in place on the adoption date of this agreement. It is intended that this arrangement constitute a voluntary employee's beneficiary association under Section 501(c)(9) of the Internal Revenue Code.

If the School District maintains a cafeteria plan with a health flexible spending account (an FSA), the School District will specify the Adoption Agreement for the VEBA Plan document, before the first day of the FSA plan year, the eligible health expenses will be paid from the FSA first, until an individual's FSA account is exhausted, and from the VEBA plan second. If an employee chooses the HSA plan/account, the employee will follow all IRS regulations regarding having a HSA and how it works with an employee (and their spouse) if they have a Flexible Spending Account (FSA) or a VEBA account. All HSA contribution amounts will not exceed the amount as set by the IRS per year for individual or family coverage.

The School District shall provide the following welfare benefit arrangement through the VEBA/HRA and HSA Plan:

"The Health Reimbursement and Savings Arrangement for Active Teachers."

All administrative and investment fees allocable to individual teacher accounts shall be paid from those accounts.

The School District shall make available VEBA/HRA and HSA group health plans. With respect to qualifying teachers, the School District shall contribute the amount stated in Subd. 2. above and be applied as listed below:

Plans eligible for VEBA/HRA and/or HSA-

Single and Family - premium amount funded first and any contribution left will be deposited into VEBA/HRA or HSA account

In the event that 2 School District teachers are married and eligible for School District provided health and hospitalization insurance, the School

District shall contribute the amount stated in Subd. 2. above in only 1 of the teacher's name

- A. In addition to the School District contributions listed above, any grant available from the SW/WC Service Cooperative will be deposited into the employee's HRA or HSA account until the grant expires.
- B. All contributions on behalf of a VEBA/HRA or HSA Plan participant shall cease on the date the participant is no longer covered under the high deductible health plan/VEBA/HRA or HSA Plan or the date of separation from employment.

Section 2. Long-Term Disability Insurance:

Subd. 1. The School District shall provide full long-term disability insurance for each teacher meeting the insurance carrier's minimum qualifications. Benefits shall be payable according to the insurance carrier's schedule of benefits.

Section 3. Term Life Insurance:

Subd. 1. The School District shall provide all full-time teachers with a \$25,000 term life insurance group policy to be paid for by the School District. Teachers must follow the carrier's qualifications and policies as they relate to accessing the benefit after age 65. The carrier may reduce the value of the term life policy. The School District will not be held responsible for the regulations of the carrier.

Subd. 2. Teachers who go on leave of absence of up to 1 year can remain in the group, provided they pay the premium while on leave.

Subd. 3. Teachers who are on leave more than 1 year will not be given coverage by the carrier during that time.

Subd. 4. Teachers who retire shall have to deal directly with the carrier on any limited amount of coverage available to them.

Section 4. Flexible Benefits Plan: The School District shall adopt a payroll-system flexible benefits plan from a flexible benefits plan vendor, provided that, in all events, such vendor shall have experience with school districts, shall take legal responsibility for the plan, shall give the teachers tax advice with respect to their participation in the plan, shall have orientation services for teachers to have their questions about the plan. The School District shall assume all financial costs for the operation of the flexible benefit plan.

Section 5. Claims Against the School District: The School District's only obligation is to purchase an insurance policy and pay such amounts as agreed to in this Agreement, and no claim shall be made against the School District as a result of a denial of insurance benefits by an insurance carrier.

ARTICLE XIX
SALARIES

Section 1. Basic Salaries: All basic salaries of teachers are set forth in Appendix A which is attached to and incorporated in this Agreement. Such salaries shall remain in effect during the designated periods.

Section 2. Pay Day: Teachers' salaries will be paid on a regular basis once each month on or before the 20th day of each month starting September 20th to May 20th. Each check will be 1/12 of the teacher's contracted salary. The remaining 3/12ths will be issued on or before the 20th of June. If the payroll policy is changed to require a twice-a-month payroll or an every-other-week

payroll, each check will be 1/24 or 1/26 respectively and 6/24 or 6/26 respectively.

Section 3. Status of Salary Increases: A teacher's advancement is subject to the right of the School District to withhold salary increases for just cause. An action withholding a salary increase shall be subject to the grievance procedure.

Upon the 16th year of service in the Windom School District a teacher will receive an additional \$1,500 in salary. Teachers less than a 1.0 FTE will receive this increase on a prorated basis, based on their 15th year of service FTE.

Section 4. Death: If a teacher dies before his/her salary has been disbursed, the balance due shall be paid the deceased's estate.

Section 5. Extra-duty Pay: Coaches and advisors will be paid monthly for their extra-duty assignments throughout the school year. If, for some reason, the coaching/advisor duties are not fulfilled, any payment that has been disbursed will be deducted from subsequent payroll checks.

Section 6. Lane Placement: The following subdivisions shall be applicable in determining the placement of a teacher on the salary schedule.

Subd. 1. The "Credit Evaluation Committee" shall determine those credits that may be used for lane advancement. The members of this committee shall consist of 2 administrators appointed by the superintendent and 2 teachers to be appointed by the president of the Association. Each teacher shall be appointed for a 3-year term.

Subd. 2. All credits, regardless of year earned, if recognized by the Higher Learning Commission and used for teaching College in the Schools program will be accepted.

Subd. 3. Credits to be considered for application on any lane may be germane to the teaching assignment as determined by the Credit Evaluation Committee.

Subd. 4. All credits beyond the bachelor's degree must be graduate credits and be approved by the Credit Evaluation Committee. A teacher shall not advance more than 4 lanes in any one school year.

Subd. 5. Subject to provisions of Section 2. above, individual teaching contracts may be modified to reflect qualified lane changes once every year effective at the beginning of the school year, providing an official transcript of qualified credits is submitted to the Superintendent's office no later than September 15th of each year. Credits submitted by official transcript after September 15th, even though otherwise qualifying, shall not be considered until the following school year. If an official transcript is not available by September 15th, other satisfactory evidence of successful completion of the course will be accepted pending receipt of the official transcript; however, any pay adjustment shall not be made until the official transcript is received.

Subd. 6. A teacher shall be paid on the master's degree lane or higher lane if the degree program is germane to the teaching assignment as approved by the School District upon recommendation by the Credit Evaluation Committee, and the degree program is approved in writing by the Superintendent in advance.

Subd. 7. Credits to apply to lanes beyond a particular lane must be earned subsequent to the earning of the degree and must be taken at an accredited college or university. No credits will be approved which involve primarily

television viewing, correspondence work, or self-study, unless a written exception is granted in advance by the Superintendent.

Subd. 8. A lane change is worth \$1,500 per lane.

Section 7. The board may assess a \$2,500 penalty or apply for revocation of license for any resignation received after July 15 prior to the start of the school year.

Section 8. The following items will apply only for teachers instructing a college class or requested by superintendent to instruct a college course.

Subd 1. The number of credits and total cost of the certification shall be agreed upon in advance by the teacher and the School District Superintendent. This includes any teacher compensation for the cost of tuition, books, mileage and supplies for the certification as agreed upon by the teacher and the School District Superintendent.

Subd 2. Compensation:

- a. \$500 per semester per period taught.

Subd 3. The teacher agrees to teach College In The Schools (Concurrent Enrollment) for a minimum of 5 years in the District. The teacher shall not be penalized if failure to teach the required class during the 5 year period is caused by School District action.

Subd 4. If the teacher leaves the district, the teacher shall reimburse the District an amount equal to 20% of the total certification amount per year for each year remaining of the 5-year period.

Subd 5. If the teacher declines and the district is able to find a replacement for the College In The Schools assignment(s), after the district has paid for the credits the teacher shall:

- a. Reimburse the District an amount equal to 20% of the total certification amount per year for each year remaining of the 5-year period in which college courses have been taught, and
- b. Any change to the teacher's lane placement, based on the additional credits, will be revoked. Unless the teacher agrees to pay full reimbursement for credits and or degree to the District.

ARTICLE XX
MATCHING DEFERRED COMPENSATION PLAN

Section 1. Matching Deferred-Compensation Plan:

Subd. 1. Matching deferred compensation is available to all teachers who have continuing contract status in the School District. The District will match contributions as outlined below for all teachers who teach full-time not to exceed a maximum total contribution per teacher of \$45,000, beginning with the 2026-2027 school year this amount will increase to \$50,000. Part-time teachers shall be eligible to participate on a prorated basis to the percentage of time they are employed. Documentation of previous teaching experience must be provided to the School District by the teacher.

Years of Experience in Teaching	2023-2024 Yearly Dollar Match
Tenure - 5 years	\$1,000
6 - 10 years	\$1,300
11 - 15 years	\$1,600
16 - 20 years	\$1,900
21 plus years	\$2,200

Years of Experience in Teaching	<u>Yearly Dollar Match</u>
Tenure - 5 years	\$1,300
6 - 10 years	\$1,600
11 - 15 years	\$1,900
16 - 20 years	\$2,200
21 plus years	\$2,500

Subd. 2. Participants must designate the carrier and the amount of the matched annuity. The dates shall be September 1 and March 1 to establish any changes in carrier and amount. The teacher must complete a salary reduction authorization prior to any authorization/agreement for tax-sheltered annuity purposes to be made in any fiscal year. Changes will be allowed by contacting the School District.

Subd. 3. All vendors must be listed in the "Plan Document" as approved investment providers prior to receiving any funds. The list of these vendors is available from the School District. Any contributions, rollovers, loans, distributions, hardship withdrawals, transfers, and plan administration must follow the "Plan Document" and the third-party administrator's policies.

Subd. 4. Teachers on an unpaid leave of absence for more than 30 days shall not be eligible to participate in the matching deferred-compensation plan.

Subd. 5. This plan shall be subject to the regulations of the State of Minnesota, Statute 356.24 and IRS code 457.

IN WITNESS WHEREOF, the parties have executed this Agreement as follows:

FOR:

THE ASSOCIATION

FOR:

THE SCHOOL DISTRICT

Chairperson, Negotiations Committee

School Board Chairperson

Education Minnesota - Windom
Co-President

School Board Clerk

Dated this ___ day of _____ ~~2023~~ 2025.

Dated this ___ day of _____ ~~2023~~ 2025.

SALARIES

2025-2026

\$1,500 per FTE on current salary
Lanes at \$1,500 per lane

Hiring Schedule 0 Years of Experience

BA Degree	BA +10	BA +20	BA +30	MA Degree	MA +10	MA +20	MA +30	MA +40
\$48,962	\$50,462	\$51,962	\$53,462	\$54,962	\$56,462	\$57,962	\$59,462	\$60,962

2026-2027

3.18% per FTE on current salary
Lanes at \$1,500 per lane

Hiring Schedule 0 Years of Experience

BA Degree	BA +10	BA +20	BA +30	MA Degree	MA +10	MA +20	MA +30	MA +40
\$50,319	\$51,819	\$53,319	\$54,819	\$56,319	\$57,819	\$59,319	\$60,819	\$62,319

Pay Schedule for Extra-Curricular Assignments
2026-2027

Appendix B

Pay involves the full season for the activity - including pre-school, vacations, and post school practices.

ATHLETIC ASSIGNMENTS

Exp. 0-4 yrs. 5-9 yrs. 10+ yrs. 0-4 yrs. 5-9 yrs. 10+ yrs.

Football

Head	\$5,153	\$5,478	\$5,834
Asst.	\$3,664	\$3,923	\$4,216
7-8	\$2,629	\$2,823	\$3,049

Boys Basketball

Head	\$5,153	\$5,478	\$5,834
Asst.	\$3,664	\$3,923	\$4,216
7-8	\$2,629	\$2,823	\$3,049

Wrestling

Head	\$5,153	\$5,478	\$5,834
Asst.	\$3,664	\$3,923	\$4,216
7-8	\$2,629	\$2,823	\$3,049

Girls Basketball

Head	\$5,153	\$5,478	\$5,834
Asst.	\$3,664	\$3,923	\$4,216
7-8	\$2,629	\$2,823	\$3,049

Track: Boys-Girls Combined

Head	\$4,765	\$5,025	\$5,316
Asst.	\$3,275	\$3,470	\$3,697
7-8	\$2,531	\$2,660	\$2,823

Cross Country: Boys-Girls Combined

Head	\$4,086	\$4,345	\$4,604
Asst.	\$2,920	\$3,147	\$3,341

Volleyball

Head	\$4,765	\$5,025	\$5,316
Asst.	\$3,275	\$3,470	\$3,697
7-8	\$2,596	\$2,726	\$2,920

Baseball

Head	\$4,474	\$4,737	\$5,316
Asst.	\$3,275	\$3,470	\$3,697
7-8	\$2,531	\$2,660	\$2,823

Gymnastics

Head	\$4,765	\$5,025	\$5,316
Asst.	\$3,275	\$3,470	\$3,697
7-8	\$2,596	\$2,726	\$2,920

Golf: Boys-Girls Combined

Head	\$4,086	\$4,345	\$4,604
Asst.	\$2,920	\$3,147	\$3,341

Softball

Head	\$4,474	\$4,737	\$5,316
Asst.	\$3,275	\$3,470	\$3,697
7-8	\$2,531	\$2,660	\$2,823

Hockey: Boys-Girls

Head	\$5,153	\$5,478	\$5,834
Asst.	\$3,664	\$3,923	\$4,216

4. Experience is based on number of years coached while the sport is on an interscholastic basis.
5. A coach may move from a boys' or girls' sport to another boys' or girls' sport without loss of experience. Only experience in a like sport may be transferred. Like sports are: Basketball, Baseball/Softball, Hockey and Cross Country/Track)
6. Basketball coaches below 9th grade level may divide time between boys and girls at the discretion of the district.

In the event that a head coach/advisor and an assistant coach/advisor agree to combine the assignment duties, the School District will add the 2 salaries together and divide them evenly. Each coach/advisor shall be placed at the appropriate salary assignment.

School Play Director		\$4,339
Technical Assistant		\$2,489
Vocal Assistant		\$2,692
Instrumental Assistant		\$2,028
Middle School Play		\$2,028
Yearbook 9-12		\$3,586
Yearbook 5-8		\$2,074
Yearbook K-4		\$2,074
Speech		\$3,382
Speech Assistant		\$2,679
One-Act or Winter Play		\$2,309
One-Act or Winter Play Assistant		\$1,608
Student Council		\$2,756
Middle School Student Council		\$1,494
M.S./H.S.	Extra Study Hall Assignment over 6.5 periods	\$3,526
	Extra Class Assignment over 6.5 periods	\$5,821
Elementary	Daily Student contact beyond 315 minutes	\$21.49 per day
	Daily Student contact beyond 330 minutes	\$36.62 per day
	Daily Student contact beyond 350 minutes	\$54.11 per day
Elementary Cafeteria Supervision		\$21.07 per hour
Asst. to Principal	Elementary (dependent on time commitment)	\$8,075 or \$3,019
Junior/Senior Prom		\$1,614
F.F.A. Advisor		\$3,382
Senior High Vocal		\$2,980
Pop Group		\$2,016
Senior High Band		\$2,980
Jazz Band		\$1,972
Band-Athletic Events		\$2,564
Knowledge Bowl 9-12		\$1,825
Knowledge Bowl Assistant 9-12		\$1,494
Knowledge Bowl 6-8		\$1,626
Knowledge Bowl Assistant 6-8		\$1,366
Fall Cheerleader Advisor		\$1,958
Fall Cheerleader Assistant Advisor	(if numbers warrant)	\$1,629
Winter Cheerleader Advisor		\$1,760
Winter Cheerleader Assistant Advisor	(if numbers warrant)	\$1,434
Strength and Conditioning Advisor	-	\$1,472
National Honor Society		\$1,231
Elem. Math Masters Advisor		\$702
Mass Media Advisor	Minimum 20 events	\$4,401
Robotics Advisor		\$1,697
JH Robotics Advisor		\$1,154

JH Assistant Speech		\$1,914
Special Education Licensure and Consulting Requirement	(as long as required by state)	\$28.82 per hour
FFA Assistant		\$2,551
Peer Coach		\$1,679
Literacy Coach for FT position	Will be prorated if not FT or not filled for entire school year	\$2,806
Video Board Advisor		\$3,190
Strength and Conditioning Coach	Fall Season	\$2,850
Strength and Conditioning Coach	Winter Season	\$4,000
Strength and Conditioning Coach	Spring Season	\$2,850

School Play Director		\$4,404
Technical Assistant		\$2,526
Vocal Assistant		\$2,732
Instrumental Assistant		\$2,059
Middle School Play		\$2,059
Yearbook 9-12		\$3,640
Yearbook 5-8		\$2,105
Yearbook K-4		\$2,105
Speech		\$3,432
Speech Assistant		\$2,719
One-Act or Winter Play		\$2,344
One-Act or Winter Play Assistant		\$1,632
Student Council		\$2,797
Middle School Student Council		\$1,517
M.S./H.S.	Extra Study Hall Assignment over 6.5 periods	\$3,578
	Extra Class Assignment over 6.5 periods	\$5,908
Elementary	Daily Student contact beyond 315 minutes	\$21.82 per day
	Daily Student contact beyond 330 minutes	\$37.17 per day
	Daily Student contact beyond 350 minutes	\$54.93 per day
Elementary Cafeteria Supervision		\$21.39 per hour
Asst. to Principal	Elementary (dependent on time commitment)	\$8,196 or \$3,064
Junior/Senior Prom		\$1,638
F.F.A. Advisor		\$3,432
Senior High Vocal		\$3,025
Pop Group		\$2,047
Senior High Band		\$3,025
Jazz Band		\$2,001
Band-Athletic Events		\$2,603
Knowledge Bowl 9-12		\$1,852
Knowledge Bowl Assistant 9-12		\$1,517
Knowledge Bowl 6-8		\$1,651
Knowledge Bowl Assistant 6-8		\$1,387
Fall Cheerleader Advisor		\$1,987
Fall Cheerleader Assistant Advisor	(if numbers warrant)	\$1,653
Winter Cheerleader Advisor		\$1,786
Winter Cheerleader Assistant Advisor	(if numbers warrant)	\$1,456
Strength and Conditioning Advisor	-	\$1,472
National Honor Society		\$1,249
Elem. Math Masters Advisor		\$713
Mass Media Advisor	Minimum 20 events	\$4,404
Robotics Advisor		\$1,722

JH Robotics Advisor		\$1,172
JH Assistant Speech		\$1,943
Special Education Licensure and Consulting Requirement	(as long as required by state)	\$29.26 per hour
FFA Assistant		\$2,590
Peer Coach		\$1,704
Literacy Coach for FT position	Will be prorated if not FT or not filled for entire school year	\$2,848
Video Board Advisor		\$3,238
Strength and Conditioning Coach	Fall Season	\$2,893
Strength and Conditioning Coach	Winter Season	\$4,060
Strength and Conditioning Coach	Spring Season	\$2,893

**EXTRA DUTY ASSIGNMENTS for
2023-2025**

Appendix B

Football	
P.A.	\$30.00
Chain Gang	\$26.50
Scoreboard	\$26.50
Ticket Sellers	\$26.50
Ticket Takers	\$26.50
General Duty	\$25.00
Concessions	\$25.00
Parking Attendant	\$25.00
B-Squad Refs.	\$34.00
B-Squad Scoreboard	\$26.50
9th grade Refs.	\$34.00
9th Grade Scoreboard	\$26.50

Basketball	
Scorer	\$34.00
Timer	\$34.00
P.A.	\$30.00
Ticket Sellers	\$26.50
Ticket Takers	\$26.50
General Duty	\$25.00
J.V. Refs.	\$34.00
9th Grade Refs.	\$34.00

Wrestling	
Scorer	\$34.00
Timer	\$34.00
P.A.	\$30.00
Ticket Seller	\$26.50
General Duty	\$25.00

Track	
Announcer	\$30.00
Clerk of Course	\$30.00
Timers	\$30.00
Pole Vault	\$30.00
High Jump	\$26.50
Long Jump	\$26.50
Discus	\$26.50
Starter	\$30.00
Scorer	\$30.00
Shot Put	\$26.50

Other	
Filming at Games	\$34.00
Dance Chaperones	\$34.00

Gymnastics	
Scorer-Manager	\$34.00
Scorer-Manager-Asst.	\$30.00
Ticket Seller	\$26.50

Volleyball	
Scorer	\$34.00
Timer	\$30.00
Ticket Seller	\$26.50
General Duty	\$25.00
Line Judge	\$25.00

General Duty	
Class Play	\$50.00
Band Concerts	\$50.00
Choral Concerts	\$50.00
Commencement	\$50.00
Grade Level Orientations outside of the contract time	\$50.00
Saturday School Supervision (minimum of \$20)	\$75.00

The amounts listed are the minimum amounts that can be paid for these assignments. It is the right of the Activities Director, after consultation with administration, to increase these amounts as needed to fill the assignments.

This contract should not be used for student teachers, interns, or substitute teachers.

**TEACHER CONTRACT FOR MINNESOTA
PUBLIC SCHOOL DISTRICTS**

The School Board of Independent School District No. 0177 of the State of Minnesota, Windom, Minnesota, enters into this contract, pursuant to M.S. 122A.40, as amended, with (Name of Teacher), a legally qualified licensed teacher who agrees to teach in the public schools of said district as (General Assignment).

The following provisions shall apply and are a part of this contract:

1. Basic Services: Said teacher shall faithfully perform the services prescribed by the school board, or its designated representative, whether or not such services are specifically described in this contract, abide by the rules and regulations as established by the school board and the State of Minnesota, and any additions or amendments thereto, for the annual salary indicated below, and agrees to teach for the school district as assigned in such grades or subjects for which the teacher has the necessary license.
2. Duration: This contract is subject to the provisions of M.S. 122A.40, as amended, and to all laws, rules, and regulations of the State of Minnesota relevant to qualification, licensure, employment, termination, and discharge for cause of teachers. Thereafter, this contract shall remain in full force and effect except if modified by mutual consent of the school board and the teacher or unless terminated as provided by law, or by written resignation pursuant to M.S. 122A.40.
3. Duty Year: The teacher's duty year and vacation days shall be as adopted by the school board, and the teacher agrees to teach on those legal holidays on which the school board is authorized to conduct school if the school board so determines. In the event a duty day is lost due to any emergency, the teacher agrees to perform duties on such other day in lieu thereof as determined by the school board.
4. Additional Services: The school board, or its designated representative, may assign the teacher to extracurricular, cocurricular, or other assignments, subject to established compensation for such services which exceed the services authorized in paragraph 1. Said extracurricular, cocurricular, or other assignments may be described in paragraph 6 of this contract or by letter of assignment, together with a recitation of the compensation, if any, to be paid for said assignment. The school board, or its designated representative, may make any additions or amendments during the duty year as shall be necessary. Said extracurricular, cocurricular, or other assignments and compensation, if any, for such assignment shall not become a part of the teacher's Continuing Contract rights unless the words, "continuing contract," are recorded immediately following the assignment.
5. Reference: This contract shall be subject to the agreement between the school district and the exclusive representative, if any, and the provisions of the Public Employment Labor Relations Act, as amended.
6. Special Provisions: (Insert here any other contractual provisions).

In addition, said teacher agrees to perform the following additional services for the additional salary indicated.

Additional Service	Additional Compensation
1.	\$
2.	\$
3.	\$

7. In consideration thereof, the school board agrees to pay said teacher the following annual salary:
 \$For basic services
 \$For additional services as set forth in paragraph 6
 \$Total salary, exclusive of fringe benefits

Such salary shall be paid as authorized and in such installments during the term of the year as may be determined by appropriate school board regulation. This contract shall be effective only after it has been authorized by the school board in appropriate action, recorded in its minutes, and executed by the parties.

IN WITNESS THEREOF I have subscribed my signature this day of....., 20__.

Teacher.....

IN WITNESS THEREOF we have subscribed our signatures this day of, 20__.

INDEPENDENT SCHOOL DISTRICT NO. 0177

Chairperson.....

Clerk.....

WHITE – Board’s Copy
GREEN – Teacher’s Copy

GRIEVANCE MEDIATION AGREEMENT

The undersigned parties have agreed to submit the attached grievance to grievance mediation, which shall be governed by the following procedure:

1. Any waiver of grievance timelines shall terminate with the termination of the grievance mediation procedure. (See Paragraph 7, below.)
2. The parties shall request that the Commissioner of the Bureau of Mediation Services (BMS) assign a mediator at the earliest possible date, and that the site and date for the grievance mediation be established by the BMS.
3. No more than one day shall be established for the purpose of conducting grievance mediation, unless otherwise agreed by the Association and the School District.
4. The parties shall be free to determine who will represent them in grievance mediation.
5. The parties shall be responsible for their own expenses related to the mediation.
6. The mediator or the BMS shall not be empowered to compel a settlement upon the parties.
7. The grievance mediation process shall terminate when a) the mediator determines that settlement is not eminent; b) either party indicates their desire to disengage from mediation by serving written notice to the other party and to the BMS; or c) the parties reach a settlement.
8. If a settlement is not reached, proposals, offers, counter offers, statements or any discussion taking place during the mediation shall not be used in grievance arbitration. The mediator shall not be eligible to arbitrate the instant grievance and shall be prohibited from sharing any information or conferring with an arbitrator relative to the instant grievance.
9. If a settlement is reached, the parties shall commit the agreement to writing which shall be dated and signed by the parties. The signed agreement shall be binding on the parties.

ASSOCIATION REPRESENTATIVE

EMPLOYER REPRESENTATIVE

By _____

By _____

DATE: _____

DATE: _____

GRIEVANT _____

DATE: _____

MASTER AGREEMENT

between

INDEPENDENT SCHOOL DISTRICT NO. 177
Windom, Minnesota

and

EDUCATION MINNESOTA - WINDOM

Effective July 1, 2025 through June 30, 2027

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ARTICLE I
PURPOSE

This Master Agreement is entered into between Independent School District No. 177, Windom, Minnesota, hereinafter referred to as the School District, and Education Minnesota-Windom, hereinafter referred to as the Association, pursuant to and in compliance with the Public Employment Labor Relations Act of 1971, as amended, hereinafter referred to as the P.E.L.R.A., to provide the terms and conditions of employment for teachers during the duration of this Master Agreement.

ARTICLE II
RECOGNITION/DEFINITIONS

Section 1. Teacher: The Board hereby recognizes the Association as the sole and exclusive bargaining representative for all teachers. For purposes of this section, the term "teacher" shall mean any person employed by Independent School District No. 177 in a position for which licensure is required by the Board of Teaching or the State Board of Education or in a position of physical therapist or occupational therapist, except superintendent, assistant superintendent, principal, and assistant principal who devote more than 50% of time to administrative or supervisory duties, and daily substitute teacher who does not replace the same teacher for more than 30 working days.

Section 2. Terms and Conditions of Employment: The term, "terms and conditions of employment," means the hours of employment, the compensation therefor including fringe benefits except retirement contributions or benefits other than School District payment of, or contributions to, premiums for group insurance coverage of retired teachers or severance pay, and the School District's personnel policies affecting the working conditions of the teachers. The term does not mean educational policies of the School District. "Terms and conditions of employment" is subject to the provisions of P.E.L.R.A.

Section 3. District or School District: For purposes of administering this Master Agreement, the word/term, "District/School District," shall mean the School Board or its designated representative(s).

Section 4. Other Terms: Terms not defined in this Master Agreement shall have those meanings as defined by P.E.L.R.A.

ARTICLE III
DURATION

This Master Agreement shall remain in full force and effect for a period commencing upon the date of its execution through June 30, 2027, and thereafter as provided by P.E.L.R.A. If either party desires to modify or amend this Master Agreement commencing on July 1, 2027, it shall give written notice of such intent to the other party no later than March 1, 2027.

ARTICLE IV
MEET AND CONFER

Section 1. Meeting: Representatives of the School Board and the Association may meet throughout the school year to discuss areas of common concern.

Section 2. Agenda: Each party will submit to the other, at least 5 days prior to the meeting, an agenda covering what they wish to discuss.

ARTICLE V
NEGOTIATIONS

Section 1. Meeting: The parties may meet to discuss a mutually acceptable amendment of the Master Agreement, the approval of such amendment shall be subject to ratification by the School Board and the Association.

Section 2. Successor Master Agreement: Between the months of February of each odd-numbered year and the following April, the parties shall initiate negotiations for the purpose of entering into a successor Master Agreement for the succeeding 2-year period, provided that, if the Association is not then the exclusive bargaining agent of the teachers, negotiations shall thereupon be undertaken between the School District and the duly authorized exclusive bargaining agent.

Section 3. Copies of the Master Agreement: Two signed copies of the final Master Agreement shall be retained for the purpose of record: 1 retained by the School Board and 1 by the Association.

ARTICLE VI
SCHOOL DISTRICT RIGHTS

Section 1. Inherent Managerial Rights: The Association recognizes that the School District is not required to meet and negotiate, but may meet and confer, on matters of managerial policy, which include, but are not limited to, such areas of discretion or policy as the functions and programs of the School District, its overall budget, utilization of technology, the organizational structure, and selection and direction and number of personnel.

Section 2. School Board Responsibilities: The Association recognizes the right and obligation of the School Board to efficiently manage and conduct the operation of the School District within its legal limitations and with its primary obligation to provide educational opportunities for the students of the School District.

Section 3. Effect of Laws, Rules, and Regulations: The Association recognizes that all teachers covered by this Master Agreement shall perform the teaching and non-teaching services prescribed by the School Board and shall be governed by the laws of the State of Minnesota and by the School Board rules, regulations, directives and orders, that are not in violation of this Master Agreement and are issued by properly designated officials of the School District. The Association also recognizes the right, obligation, and duty of the School Board and its duly designated officials to promulgate rules, regulations, directives, and orders, from time to time, as deemed necessary by the School Board insofar as such rules, regulations, directives, and orders are not inconsistent with terms of this Master Agreement and recognizes that the School Board, all teachers covered by this Master Agreement, and all provisions of this Master Agreement are subject to the laws of the State of Minnesota, Federal laws, and valid rules, regulations, and orders of the State and Federal governmental agencies. Any provisions of this Master Agreement found to be in violation of any such laws, rules, regulations, directives, or orders shall be null and void and without force and effect.

Section 4. Reservation of Managerial Rights: All managerial rights and managerial functions not expressly delegated in this Master Agreement are reserved to the School District.

ARTICLE VII
ASSOCIATION SECURITY

Section 1. Dues Checkoff: Any teacher who is a member of the Association or other teacher organization, may sign and deliver to the School District an assignment authorizing deduction of membership dues in the Association or other

teacher organization including, but not limited to, Education Minnesota, and said assignment shall continue in effect from year to year unless revoked in writing between June 1 and September 1 of any year. Pursuant to such authorization, the School District shall deduct 1/10 of such dues from the first regular salary check of the teacher each month for 10 months, beginning in September and ending in June of each year. Deductions for teachers employed after commencement of the school year shall be appropriately prorated to complete payments by the following June.

With respect to all sums deducted by the School District pursuant to authorization of the teacher for membership dues, the School District agrees to remit to the Association monthly that portion allocated to it.

Section 2. School District Financial Information: The School District agrees to furnish to the Association, in response to written request, all available information concerning the financial resources of the School District together with information which may be necessary for the Association to process any grievance or complaint.

Section 3. Right to Join: Pursuant to P.E.L.R.A., every teacher shall have the right freely to organize, join, and support a teacher organization for the purpose of engaging in collective bargaining and other activities for mutual aid and protection and shall have the right not to organize, join, and support such an organization. The School District will not directly or indirectly discourage, deprive, or coerce any teacher in the enjoyment of any right conferred by law—the constitutions of Minnesota and the United States; it will not discriminate against any teacher with respect to hours, wages, or any terms or conditions of employment by reason of his/her membership in a teacher organization or collective professional negotiation with the School District or his/her institution or any grievance, complaint, or proceeding under this Agreement.

Section 4. Statutory Rights: Nothing contained in this Master Agreement shall be construed to deny or restrict to any teacher rights he/she may have under Minnesota law or other applicable laws and regulations.

Section 5. School Board Agenda: The School Board shall place on the agenda of each regular meeting, for consideration under "new business," matters brought to its consideration by the Association as long as those matters are made known to the Superintendent's office at least 5 days prior to said regular meeting.

ARTICLE VIII GRIEVANCE PROCEDURE

Section 1. Grievance: A claim by a teacher or the Association that an alleged violation, misinterpretation or misapplication of any provisions of this Master Agreement may be processed as a grievance as provided below.

Section 2. Time Limits: The time limits provided in this article shall be strictly observed but may be extended by written agreement of the parties. In the event a grievance is filed after May 15 of any school year and strict adherence to the time limits may result in hardships to any party, the School District and Association shall attempt to process such grievance prior to the end of the school term. The teacher, administrator, or School Board may be represented during any step of the procedure by any person or agent designated by such party, to act in the party's behalf.

Section 3. Days: Reference to "days" regarding time periods in this procedure shall refer to working days. A "working day" is defined as all weekdays not designated as holidays by state law.

Section 4. Computation of Time: In computing any period of time prescribed or allowed by procedures in this article, the date of the act, event, or default for which designated period of time begins to run shall not be included. The last day of the period of time begins to run shall be counted, unless it is a Saturday,

a Sunday, or a legal holiday, in which event the period runs until the end of the next day which is not a Saturday, a Sunday, or a legal holiday.

Section 5. Supervising Principal: In the event that a teacher believes a basis for a grievance exists, he/she shall first discuss the grievance with his/her supervising principal either personally or accompanied by his/her Association representative.

Section 6. Time Limitation and Waiver: Grievances shall not be valid for consideration unless they are submitted in writing to the School District's designee, setting forth the facts and the specific provision(s) of the Master Agreement allegedly violated and the particular relief sought within 25 days after the date of the first event giving rise to the grievance occurred. Failure to file any grievance within such period shall be deemed as a waiver thereof. Failure to appeal a grievance from one level to another within the time periods shall first be made to adjust an alleged grievance informally between the teacher and the School District's designee.

Section 7. Level I: Within 5 days of receipt of the grievance, the supervising principal shall meet with the grievant in an effort to resolve the grievance. The supervising principal shall indicate his/her disposition of the grievance, in writing, within 5 days of such meeting and shall furnish a copy to the grievant.

Section 8. Level II: If the grievant is not satisfied with the disposition of the grievance by the supervising principal or if no disposition has been made within 5 days of such meeting (or 10 days from the date of filing, whichever shall be later), the grievance may be appealed to the Superintendent, provided such appeal is made in writing within 10 days of receipt of the decision. Within 7 days, the Superintendent or his/her designee shall meet with the grievant on the grievance and shall indicate his/her disposition of the grievance in writing within 5 days of such meeting and shall furnish a copy to the grievant.

Section 9. Level III: The Association and the School District may mutually agree to participate in Grievance Mediation by the Bureau of Mediation Services (BMS) prior to the next level of the Grievance Procedure in an effort to resolve the grievance. If Grievance Mediation is mutually agreed upon, the parties shall sign the Grievance Mediation Agreement (Appendix E). If Grievance Mediation is mutually agreed upon, the grievance time lines shall automatically be waived upon request by either party. If agreement or resolution is not reached in Grievance Mediation, the grievance process may be automatically resumed by the Grievant requesting the next step within ten (10) days of the termination of Grievance Mediation. No offers, counter offers, statements, or discussions taking place during the Grievance Mediation shall be used by either party to the dispute at the next level. If resolution is reached, the agreement shall be put in writing and the grievance withdrawn with prejudice by the Grievant.

Section 10. Request to Arbitrate: If the grievant is not satisfied with the disposition of the grievance in Level III, the grievance may be submitted to arbitration before an impartial arbitrator. A request to submit a grievance to arbitration must be in writing signed by the aggrieved party, and such request must be filed with the Superintendent or his/her designee within 10 days following the decision in Level III.

Section 11. Selection of Arbitrator: Upon the proper submission of the grievance under the terms of this procedure, the parties shall, within 10 days after the request to arbitrate, attempt to agree upon the selection of an arbitrator. If the parties cannot agree as to the arbitrator within 10 days from the notification date that the arbitration will be pursued, then either party may request the Bureau of Mediation Services (BMS) to appoint an arbitrator pursuant to the P.E.L.R.A. Such request must be made within 30 days after notification that arbitration will be pursued. Failure to request an arbitrator

from the BMS within the time periods provided shall constitute a waiver of the grievance.

Section 12. Jurisdiction of the Arbitrator: The arbitrator shall have no power to alter, add to, or subtract from the terms of this Master Agreement.

Section 13. Decision: Decisions by the arbitrator in cases properly before him/her shall be final and binding upon the parties, subject, however, to the limitations of arbitration decisions as provided in P.E.L.R.A. The arbitrator shall issue a written decision and order including findings of fact which shall be based upon substantial and competent evidence presented at the hearing. All witnesses shall be sworn upon oath by the arbitrator.

Section 14. Expenses: The fees and expenses of the arbitrator shall be shared equally by the parties. Any transcription costs at any step in the procedure shall be paid for by the party making that request.

Section 15. Prior Procedure Required: No grievance shall be considered by the arbitrator which has not been first duly processed in accordance with the grievance procedure and appeal provisions.

Section 16. Reprisals: No reprisals of any kind will be taken by the School District against any teacher because of his/her participation in the grievance procedure and vice versa.

ARTICLE IX MAINTENANCE OF MASTER AGREEMENT

Section 1. Final Master Agreement: This Master Agreement shall constitute the full and complete agreement between both parties. A Memorandum of Understanding or Agreement may be used in compliance with MS 179A.20.

Section 2. Individual Teaching Contract: Any individual teaching contract between the School District and an individual teacher heretofore executed shall be subject to and consistent with the terms and conditions of this Master Agreement. Any individual teaching contract hereafter executed shall be in the form provided in Appendix D.

Section 3. Primacy of Master Agreement: This Master Agreement shall supersede any rules, regulations, or practices of the School Board which shall be contrary to or inconsistent with its terms.

ARTICLE X TRAVELING TEACHERS

Section 1. Schedules: Schedules of teachers who are assigned to more than 1 school shall be arranged so that any such teacher shall be required to engage in the least amount of inter-school travel possible. Such teachers shall be notified of any changes in their schedules.

Section 2. Use of Personal Vehicles: Teachers who may be required to use their own vehicles in the performance of their duties and teachers who are assigned to more than 1 school per day shall be reimbursed for all travel between school buildings during the work day of the teacher. Reimbursement for travel shall be reimbursed at a rate which shall be determined by the allowable rate established by the IRS.

ARTICLE XI PROFESSIONAL DEVELOPMENT

Section 1. Staff Development:

Subd 1. Pursuant to M.S. 122A.60, the School District shall create a Staff Development Committee. Refer to the District Staff Development Committee by-laws.

Subd. 2. Staff Development funds will be allocated according to M.S. 122A.61.

ARTICLE XII TEACHING EXPERIENCE

Section 1. Placement on Hiring Schedule: Each teacher shall be placed at the proper salary in accordance with Sections 2 and 3 below.

Section 2. Newly Hired Teachers: A teacher new to the School District who has had experience in other school systems or in other fields of endeavor will be placed at the salary as agreed between the School District and the teacher. Salaries shall be set based upon current employed teachers with same or less years of experience and equivalent lane placement. When circumstances require, such as critical shortages, the Superintendent may allow up to a maximum of 5 additional years of credit on the salary based on current teachers.

The School Board shall set the salary for the position of school psychologist, occupational therapist, physical therapist and speech and language teacher.

Section 3. Part-time and "Job Share" Teachers: Part-time teachers and teachers who "job share" will be given a full year of experience on the salary settlement. The final salary increase will be prorated by "job share" FTE.

ARTICLE XIII LENGTH OF SCHOOL YEAR AND WORK LOAD

Section 1. Basic Day: The teacher's basic day, inclusive of lunch, will be 8 hours or less. Teachers are to be on duty at the prescribed time and remain on duty until the prescribed time, with the exception of Friday or days before "holidays" when teachers may leave as soon as the pupils are dismissed and the buses have departed, unless a professional development, PLCs, or teacher work time is on the school calendar. No employee shall be required to work beyond 4:00 p.m. This provision does not apply to teacher conferences or extra-curricular assignments.

Section 2. Teacher Duty Days: The School Board shall, at the April Board of Education Meeting or before, establish the number of school days and teacher duty days for the next school year, and the teacher shall perform services on those days as determined by the School Board, including those legal holidays on which the School Board is authorized to conduct school and pursuant, to such authority, has determined to conduct school. The school year shall consist of 184 duty days which may include evening conferences. Each evening conference will be equivalent to 1 teaching day. If a Saturday is scheduled for teacher check-out, it will constitute 1 duty day. Duty days include student contact days, workshop, and parent-teacher conferences. Teachers new to the School District may be required to put in up to 2 extra days prior to the start of the school year for orientation purposes. If any teachers presently employed by the School District are required to assist in any of the orientation exercises, the teachers will be paid \$100 per day.

Subd. 1. District Staff Development trainings (not QCOMP Council) held on non-contract days like summer/weekend or evening trainings will be paid as follows (Qcomp approved professional development is compensated differently):

- Maximum of 8 hours per day exclusive of lunch
- Teacher participation will be paid at a rate of \$23.00 per hour.
- Presenters will be paid at the rate of \$34.50 per hour plus 30 minutes of prep time for every hour of presentation.

- All federal grant pay rates will be at rates/amounts set within the grant
- All paid trainings must be approved in advance
- All additional paid amounts for trainings and/or additional work done during the regular school year needs to be turned into the payroll office on the district provided form by the last working day of the following month of the hours worked. If not turned in by this due date it will not be paid.

Subd. 2. Any instructional teaching assignments offered and voluntarily accepted outside the contract time (example: Extended Learning, Night Classes, Summer School, Credit Recovery, etc.) will be paid as MA+0 daily rate according to Article XIII Sections 1 & 2 in reference to hours per day and school year duty days.

2025-2026 MA Degree Hiring Schedule Appendix A is \$54,962 or \$39.83
 2026-2027 MA Degree Hiring Schedule Appendix A is \$56,319 or \$40.82

Section 3. Lost Days: In the event that the total number of student contact days is reduced per the school calendar for that year, the School District will reschedule days for make-up by the teachers either as non-contact (in-service) days or contact (with students) days. The total days of service will remain as provided in Section 2 above. The School District reserves the right to determine when and how make-up days shall be scheduled. However, the Association may meet with the School District to provide suggestions regarding the scheduling of make-up days.

Section 4. Lunch Period: All teachers must be provided with a 30-minute, duty-free lunch period regardless of other duties. Passing times between periods will not be included as part of that duty-free lunch period.

Section 5. Preparation Time: In accordance with M.S. 122A.50 and within the student day, for every 25 minutes of classroom instruction time, a minimum of 5 additional minutes of preparation time shall be provided to each teacher.

Section 6. Study Halls: In the event that a Study Hall period becomes available on the master schedule, the School District can assign this duty to available staff. If no teacher is available during this Study Hall period, a non-licensed staff will be assigned.

If by assigning this Study Hall period creates an overload for a teacher, the teacher shall have the first right of refusal prior to the School District assigning the duty to non-licensed staff.

Preparation time shall be provided in uninterrupted blocks of time not less than 20 minutes in length.

In the event circumstances preclude minimal allotment of preparation time, as stated above, the teacher's schedule will be adjusted by mutual consent of the Superintendent and the Association to reflect said adjustment for preparation time lost.

A teacher will not be required to perform duties defined as and including student contact, supervision, or transition between assignments that will diminish the statutory preparation time or that will take him/her beyond the terms and conditions in this article.

ARTICLE XIV
 PERSONNEL FILES

Pursuant to M.S. 122A.40, Subd. 19, all evaluations and files generated within the School District relating to each individual teacher shall be available

during regular School District business hours to each individual teacher upon his/her written request. The teacher shall have the right to reproduce any of the contents of the files at the teacher's expense and to submit for inclusion in the file written information in response to any material contained in it. However, the School District may destroy such files as provided by law.

ARTICLE XV
LEAVES

Section 1. Sabbatical Leave: A sabbatical leave may be granted at the sole discretion of the School Board to teachers for the purpose of professional improvement subject to the conditions established by the School Board and subject and pursuant to M.S. 122A.49.

Subd. 1. To be eligible for sabbatical leave, a teacher must have been continuously employed as a teacher for at least 5 years in the School District.

Subd. 2. Sabbatical leave for study shall be limited to a teacher centering his/her study in his/her area of teaching in the School District and shall not be used for retraining in a new area unless at the request of the School Board.

Subd. 3. The proposed program of study must be approved in writing and in advance by the Superintendent and then the School Board, and such program of study shall be in formal education course credits.

Subd. 4. Applications for sabbatical leave shall be submitted in writing to the Superintendent no later than January 1st of the year preceding the school year in which the leave is sought.

Subd. 5. The number of teachers on sabbatical leave shall be limited to 1 teacher in any single year. The granting of sabbatical leave, however, is purely within the discretion of the School Board, and the School Board reserves the right to refuse to grant any and all sabbatical leaves, if, in the judgment of the School Board, such leaves should not be granted.

Subd. 6. The compensation granted to a teacher on sabbatical leave shall be 65% of the basic 38-week contract salary (not including any extra-curricular pay or summer employment but to include full fringe benefits) of the teacher for the school term in which the application for the sabbatical leave is made.

Subd. 7. A teacher receiving a sabbatical leave of absence must agree in writing to return to the School District for at least 2 years of teaching service after completion of the sabbatical leave. A teacher who has received a sabbatical leave and fails to complete 2 years of teaching service with the School District shall refund the compensation received from the School District for sabbatical leave, and said refund shall be due and payable to the School District immediately upon the cessation of employment in the School District.

Subd. 8. The application for a sabbatical leave shall contain a detailed description of the intended activity and expected benefit to the School District, including, but not limited to, the institution where study will take place, courses and number of credits to be carried, and surrounding the program.

Subd. 9. If, in its discretion, the School Board grants a sabbatical leave, doing so may be contingent upon the ability of the School District to secure a satisfactory substitute.

Subd. 10. Sabbatical leave shall not exceed 1 individual teaching contract year and shall be awarded not more than once to any teacher in the School District.

Subd. 11. The School Board reserves the right to rescind a sabbatical leave approval.

Subd. 12. Upon satisfactory completion of a sabbatical leave, the teacher shall be assigned to a position commensurate with the one he/she occupied prior to the leave unless previously discharged or place on unrequested leave of absence.

Subd. 13. A teacher on sabbatical leave shall retain such amount of sick leave days and other accrued benefits which he/she had accrued, if any, at the time he/she went on sabbatical leave for use upon his/her return pursuant to Section 2. below. No additional sick leave shall accrue for the period of time that a teacher is on sabbatical leave.

Section 2. Sick and Safe Leave:

Subd. 1. A teacher shall be granted 12 days of sick leave each year to be used for the following reasons: 1. personal illness; 2. personal surgery; 3. personal medical appointments; 4. personal dental appointments; 5. serious illness in immediate family - spouse or designated significant other, child, parent, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, siblings, grandparents and grandchildren, aunts and uncles. This time shall be with pay which shall be allowed to be used whenever a teacher's absence is found to have been due to the teacher's illness and/or disability which prevented his/her attendance at school and performance of duties on that day or days. Sick and safe time is governed by MN Statutes 181.9445 *et seq.* Sick leave shall be approved once entered into the Absence Management or any electronic system provided by the district prior to the absence.

Subd. 2. Unused sick leave will accumulate to 150 days. A teacher shall receive full salary for the days of sick leave used to the extent of sick leave earned. The School District will allow the use of 12 sick days (above the 150 days accumulation cap) for catastrophic situations in the year the 12 days are earned. On an annual basis, teachers who have accumulated in excess of 138 days at the end of the school year can receive \$75 per accumulated, unused sick day. The maximum number of annual payout days for an individual teacher is 12. The district must be notified by May 15 of each year if the teacher plans to receive this payment. The union will submit the list to the Business Office for payment listing the teacher's name and number of sick day(s) they wish to receive payment for.

Subd. 3. After using all his/her sick leave days, a teacher who needs to be absent because of illness will receive the difference between his or her salary and the cost of the substitute teacher, if approved by the School Board.

Subd. 4. A certificate of illness by an attending physician may be required.

Subd. 5. Any teacher who uses sick leave under false pretenses may be disciplined pursuant to M.S. 122A.40 or by immediately losing all cumulative sick leave as well as losing salary for the days absent.

Section 3. Bereavement Leave: Up to 5 days of bereavement leave with full pay shall be allowed in the event of a death in the teacher's immediate family. These days are to be taken from accumulated sick leave days. An additional 5 days per year with full pay shall be allowed in the event of a death not covered in the definition of "immediate family" in Section 2., Subd. 1. These days are to be taken from accumulated sick leave days. Any additional bereavement leave days

will be subject to the discretion of the Superintendent depending on the circumstances.

Section 4. Leave of Absence: A teacher may request a leave of absence for an extended period of time if approval is obtained from the School Board. Written application for this leave must be made through the Superintendent, and the School Board has final authority to approve or deny the request. Teachers granted leaves of absence will forfeit their salaries for the time they are absent. Teachers who take this leave will be reinstated on the salary schedule at the same seniority level as they had when the leave was granted unless previously discharged or placed on unrequested leave of absence. Teachers on a leave of absence will be able to maintain health care coverage under the negotiated plan at their own expense. The terms of payment will be decided by the teacher and the School District before the leave commences.

The deadline to notify the School District of the teacher's intent to return to work must be received by April 1 of each year. This notification must be in writing and if not provided by April 1 of each year the teacher's rights to continuing contract status shall be terminated.

Section 5. Jury Duty Leave: A teacher who is called and serves on a jury may be granted leave without loss of pay or sick leave reduction. Notification for this type of leave must be made to the Superintendent. Any compensation received for this assignment shall be transmitted to the School District with exception of the compensation received for personal expenses such as travel.

A teacher who is subpoenaed for work-related matters may be granted professional leave without loss of pay or sick/personal leave reduction. Notification for this type of leave must be made to the Superintendent. Any compensation received for this assignment shall be transmitted to the School District with exception of the compensation received for personal expenses such as travel. Teachers subpoenaed for any personal matters must use either personal leave or receive a salary deduction for each day.

Section 6. Military Leave: Military Leave of absence given in accordance with current law.

Subd. 1. Military Support Leave: Immediate family or a designated significant other shall be granted accumulated personal leave first and no more than 3 accumulated sick days for military support leave.

Section 7. Family and Medical Leave (FMLA):

Subd. 1. Purpose: Pursuant to the FMLA, 29 U.S.C. § 2601 et. seq., an eligible teacher shall be granted, upon written request, up to a total of 12 weeks of unpaid leave per 12-month period in connection with the following:

- (1.) the birth and first-year care of his/her child;
- (2.) the adoption or foster placement of his/her child;
- (3.) the serious health condition of a teacher's spouse, child, or parent; and
- (4.) the teacher's own serious health condition.

Subd. 2. Salary and Fringe Benefits: Such leave shall be unpaid, except an eligible teacher, during such leave, shall be eligible for regular School District group health insurance contributions as provided in this Agreement for the period of the leave, notwithstanding any other provisions of this Agreement.

Subd. 3. Eligibility: To be eligible for the benefits of this section, a teacher must have been employed by the School District for the previous 12 months and must have been employed for at least 1,250 hours during such 12-month period.

Subd. 4. Paid Leave Under the Agreement: While FMLA leaves, except for eligible insurance contributions as provided in Subd. 2. above, are unpaid, nothing shall preclude a teacher from utilizing paid leave otherwise provided in this Agreement, provided the teacher qualifies for the paid leave; i.e., sick leave or personal leave, pursuant to the provisions of this Agreement governing such leaves. Nothing in this Agreement shall be construed to require the School District to combine leaves for a period of time that exceeds the leave provided by this section or the period of time for leaves provided in other sections of this Agreement.

Subd. 5. Notification: When the reason for leave is foreseeable, the teacher shall make a written request for said leave at least 90 days prior to the beginning of the leave. The teacher shall further make reasonable efforts to schedule any treatment so as to minimize disruption of the work of the School District.

Subd. 6. In the case of any teacher who becomes the mother or father of an adopted child, said teacher may apply immediately after such adoption for a child care leave of absence under the Family and Medical Leave Act (FMLA). The use of leave (either personal or sick or unpaid leave) may be used at the discretion of the Superintendent depending on the circumstances of the adoption.

Section 8. Child Care Leave:

Subd. 1. Use: A child care leave may be granted by the School District, subject to the provisions of this section, to 1 teacher-parent of a natural or adopted infant child, provided such teacher-parent is caring for the child on a full-time basis.

Subd. 2. Request: A teacher making application for child care leave shall inform the Superintendent in writing of the request to take the leave at least 3 calendar months before commencement of the intended leave.

Subd. 3. Medical Statement: A teacher will provide, at the time of the leave application, a statement giving the expected date of delivery.

Subd. 4. Date of Leave: The School District may adjust the proposed beginning or ending date of a child care leave so that the dates of the leave are coincident with some natural break in the school year - i.e., winter vacation, spring vacation, semester or quarter break, end of a grading period, end of the school year, or the like. The availability of a substitute teacher may also be considered by the School District in the granting of a child care leave or the duration thereof.

Subd. 5. Duration: In making a determination concerning the commencement and duration of a child care leave, the School Board shall not, in any event, be required to:

- (1.) grant any leave for more than 12 months in duration;
- (2.) permit the teacher to return to employment prior to the date designated in the request for child care leave.

Subd. 6. Reinstatement: A teacher returning from child care leave shall be reinstated in a position for which he/she is licensed and qualified unless previously discharged or placed on unrequested leave of absence. The teacher shall retain all seniority, salary, and fringe benefits, which he/she had accrued prior to taking child care leave.

Subd. 7. Failure to Return: Failure of the teacher to return pursuant to the date determined under this section shall constitute grounds for termination unless the School District and the teacher mutually agree in writing to an extension in the leave.

Subd. 8. Salary and Fringe Benefits: Leave under this section shall be without pay or fringe benefits.

Section 9. Personal Leave:

Subd. 1. Teachers will earn 3 personal leave days per year. Five days prior notification is required except in case of emergency and entered into the Absence Management or any electronic system provided by the district. This notification will state the reason for the leave. No more than 5 personal days maximum (paid or unpaid) per school year. For days that are unpaid, leave may be permitted by the Superintendent with salary deduction or substitute pay deduction for each day granted. Substitute pay deduction will only be allowed on a limited basis for extenuating circumstances.

An additional 5 days of pay deduction of current median substitute pay (\$195 per day for 2025-2026 school year) per school year will be granted only for a child's daycare closure.

Subd. 2. Any unused personal leave days may be carried over into the next school year to a maximum of 5 personal leave days per year or they could receive \$200.00 per unused personal day(s). The district must be notified by May 15 of each year if the teacher plans to receive this payment. The union will submit the list to the Business Office for payment listing the teacher's name and number of personal day(s) they wish to receive payment for.

Subd. 3. Personal leave days may not be used during the first five days of student contact time or the last five days of student contact time except in cases of emergency or as noted in subdivision 4.

Subd. 4. As per Minnesota Statute 181.9412 leave may be taken at any time up to a total of 16 hours during any 12-month period to attend school conferences or school-related activities related to the employee's child. If this leave falls within the first five days of student contact time or last five days of student contact time it will be unpaid unless personal leave is available. When requesting personal or unpaid leave a reason must be given so the tracking of hours for the school conference and activities leave can be accounted.

Subd. 5. Teacher is taking a full day of personal leave or sick leave day and school gets dismissed prior to 4th period/noon break due to bad weather. Teacher is charged for a full day of leave because it counts as a full contract day.

Teacher has a ½ day afternoon personal leave or sick leave day and school gets dismissed prior to 11:30 a.m./noon break due to bad weather. Teacher can cancel their ½ day leave as long as they are in attendance for the entire morning prior to the dismissal time and has fulfilled all of their morning duties. Day still counts as a full contract day and teacher has been in attendance and fulfilled all duties as required.

Section 10. Association Leave: Teachers who are officers or negotiators of the Association may request leave to conduct Association business. These days will be permitted without loss of salary or sick leave but the Association will reimburse the School District for substitute costs if one is required. All other Association leave will be reimbursed at the full daily rate of salary (1/184). Substitute costs and benefits for these days will be paid by the School District. These days may be granted by the Superintendent and shall be limited to 18 days in any school year. These days must be requested in writing by the Association president.

Section 11. Teacher on Special Assignment (TOSA):

Subd. 1. Definition: A teacher on Special Assignment (TOSA) will exist in order to provide leadership and/or coordination on educational projects, and/or specific teaching and administrative tasks. A teacher may not accept a TOSA assignment for more than 4 years, except: the assignment may be extended at the discretion of the School District.

Subd. 2. Eligibility and Assignment: Qualifications and compensation for the Special Assignment position shall be determined by the District. A job description shall be made public at or before the time of the posting. The job description must include a description of the duties to be performed and any additional days outside of the normal work year. Upon termination of the Special Assignment, the teacher shall be returned to the assignment which he/she held prior to the Special Assignment, except: if the teacher's former assignment does not exist in the district, the district shall follow Article XVI, Sections 3 and 4 as amended.

Section 12. Minnesota Paid Leave: All state statues will be followed. Refer to employee handbook for more information.

ARTICLE XVI
SENIORITY AND UNREQUESTED LEAVE OF ABSENCE (ULA)

Section 1. Purpose: The purpose of this article is to implement the provisions of M.S. 122A.40, Subd. 10. which article, when adopted, shall constitute a the required plan for ULA because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of school districts. M.S. 122.40 will be followed except in the following:

Section 2. Definitions: For purposes of this article, the terms defined shall have the meanings respectively ascribed to them.

Subd. 1. Teacher: "Teacher" shall mean those members of the bargaining unit as defined by PELRA and this Agreement, except the provisions of this article shall not be applicable to members of any other bargaining unit who are teachers as defined by M.S. 122A.40,

Subd. 2. Qualified: "Qualified" shall mean a teacher who, has the proper license issued by the state in the subject matter or field.

Section 3: Seniority List: The seniority list shall be developed and posted by the School District from its records by no later than November 5th of each school year. Any requests for change will be made within 10 days of receipt, the district will review and make a final decision.

Subd. 1. "Seniority" applies only to Tier 3 and Tier 4 qualified teachers commencing with the first day of continuous teaching service in the School District and shall exclude probationary teachers, those teachers who are substituting for teachers on leaves of absence, and part-time teachers employed less than an average of twenty (20) hours per week and one hundred (100) days in a school year.

Subd. 2. Request for Change: Any person whose name appears on such list and who may disagree with the findings of the School District and the order of seniority in said list shall notify the School District within 10 days after posting and supply written documentation, proof, and request for seniority change to the School District.

Section 4. Unrequested Leave of Absence (ULA):

Subd. 1. Terms: The School Board may place on ULA such teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes. Such leave of absence shall continue for a period of five (5) years, after which the

right to reinstatement shall terminate; provided the teacher's right to reinstatement shall also terminate if the teacher fails to file with the Superintendent, by April 1st of each year, a written statement requesting reinstatement.

Subd. 2. Notice: Teachers placed on such leave shall receive notice by June 30th of the school year prior to the commencement of such leave with reasons for said placement.

Subd. 3. Placement: Teachers shall be placed on ULA in inverse order of seniority in the field and subject matter employed. No continuing contract teacher will be placed on ULA if a probationary, tier 1 or tier 2 teacher with the same license is retained with the following exceptions:

1) If placing of any teacher on ULA before another teacher would eliminate a College Now, College in the Schools or Dual Enrollment opportunity for students, the district may retain the teacher with less seniority. Before retaining the less senior teacher, any more senior teacher may show that they are licensed and approved to teach the College Now, College in the Schools or Dual Enrollment course. This must be approved the by the college by May 1st in which the ULA is occurring.

2) Vocational and Career Technical Educational teachers will not be placed on ULA for Tier I and Tier II licenses due to seniority.

Subd. 4. If teacher requests a hearing pursuant to 122A.40 subd. 7 the school board will assign a hearing officer.

Section 5. Reinstatement will occur in inverse order in which the ULA process occurred. Teacher is required to hold a current valid MN license for the position in which reinstatement will occur.

Section 6. Tiebreaker Clause: In the event that 2 or more teachers have equal seniority, their placement on the seniority list will be determined in the following order:

1. the teacher with the greater number of years of total teaching experience shall be senior;
2. the teacher with the most advanced lane placement shall be senior;
3. the teacher with the greater number of licensure areas shall be more senior;
4. the teacher with the greater number of extra-curricular assignments shall be senior;
5. The senior teacher shall be the teacher who is serving on the most school district committees in the current school year.

ARTICLE XVII DEPARTMENT/GRADE LEVEL CHAIRPERSON

If a department or grade level chairperson is selected by the School District, the compensation for such duties is contained in Appendix B.

ARTICLE XVIII INSURANCE

Section 1. Health and Hospitalization Insurance:

Subd. 1. The School District shall provide health and hospitalization insurance for a 12 month period for each teacher and his/her eligible dependents. Part-time teachers shall be eligible to participate on a

prorated basis to the percentage of the time they are employed as teachers with the School District.

Subd. 2. Any recommendations from the School District's Insurance Committee regarding health insurance plan changes (change in aggregate value) does not need full union approval, just Insurance Committee approval. Insurance Committee voting structure is: Teachers - 3, Paraprofessionals - 2, Custodian/Secretarial/Food Service - 2, Administrators - 1, School Board (represented by Superintendent or Business Manager) - 1.

Teachers union still retains right pursuant to state statute regarding joining the Public Employees Insurance Plan (PEIP).

Subd. 3. Full-time teachers shall receive:

2025-2026

- A. Teacher on Single Health Insurance Plan \$10,600
- B. Teacher on Family Health Insurance Plan \$16,300
- C. Married Teachers on a Family Health Insurance Plan shall be provided 1 single contribution and 1 family contribution amount as stated above in A. and B. for a total of \$26,900

2026-2027

- A. Teacher on Single Health Insurance Plan \$11,300
- B. Teacher on Family Health Insurance Plan \$17,600
- C. Married Teachers on a Family Health Insurance Plan shall be provided 1 single contribution and 1 family contribution amount as stated above in A. and B. for a total of \$28,900

to be used towards health and hospitalization insurance plan of their choice. Part-time teachers shall be eligible to participate on a prorated basis to the percentage of the time they are employed as teachers with the School District.

Subd. 3. No cash payments will be allowed in lieu of School District contributions toward health and hospitalization insurance premiums.

Subd. 4. Teachers who retire will continue to receive the negotiated health and hospitalization insurance if they agree to pay all premiums at their own expense.

In event the state offers early retirement incentives in regard to health and hospitalization insurance costs and payments, the School District shall participate and pass any of the dollar savings to the teacher.

Subd. 5. The School District shall also make available group health and hospitalization insurance to teachers and eligible retirees.

With respect to all qualified teachers, the School District shall contribute up to the dollar amount listed in Subd. 2. above toward the monthly premium costs of the group health and hospitalization insurance. If a "Voluntary Employee Benefit Arrangement" (VEBA Plan) or "Health Savings Account" (HSA Plan) is chosen by the teacher, Subd. 7. below will apply.

All plans offered by the school district must meet the insurance carrier's policies and minimum qualification

Subd. 6. The School District shall adopt the Minnesota Service Cooperative VEBA Plan, HSA Plan and the Employee Benefits Trust Agreement for the benefit of qualifying employees who are members of this Collective Bargaining Agreement. Employer and employees assent to and ratify the appointment of the trustee and plan administrator in place on the adoption date of this agreement. It is intended that this arrangement constitute a

voluntary employee's beneficiary association under Section 501(c)(9) of the Internal Revenue Code.

If the School District maintains a cafeteria plan with a health flexible spending account (an FSA), the School District will specify the Adoption Agreement for the VEBA Plan document, before the first day of the FSA plan year, the eligible health expenses will be paid from the FSA first, until an individual's FSA account is exhausted, and from the VEBA plan second. If an employee chooses the HSA plan/account, the employee will follow all IRS regulations regarding having a HSA and how it works with an employee (and their spouse) if they have a Flexible Spending Account (FSA) or a VEBA account. All HSA contribution amounts will not exceed the amount as set by the IRS per year for individual or family coverage.

The School District shall provide the following welfare benefit arrangement through the VEBA/HRA and HSA Plan:

"The Health Reimbursement and Savings Arrangement for Active Teachers."

All administrative and investment fees allocable to individual teacher accounts shall be paid from those accounts.

The School District shall make available VEBA/HRA and HSA group health plans. With respect to qualifying teachers, the School District shall contribute the amount stated in Subd. 2. above and be applied as listed below:

Plans eligible for VEBA/HRA and/or HSA-

Single and Family - premium amount funded first and any contribution left will be deposited into VEBA/HRA or HSA account

In the event that 2 School District teachers are married and eligible for School District provided health and hospitalization insurance, the School District shall contribute the amount stated in Subd. 2. above in only 1 of the teacher's name

- A. In addition to the School District contributions listed above, any grant available from the SW/WC Service Cooperative will be deposited into the employee's HRA or HSA account until the grant expires.
- B. All contributions on behalf of a VEBA/HRA or HSA Plan participant shall cease on the date the participant is no longer covered under the high deductible health plan/VEBA/HRA or HSA Plan or the date of separation from employment.

Section 2. Long-Term Disability Insurance:

Subd. 1. The School District shall provide full long-term disability insurance for each teacher meeting the insurance carrier's minimum qualifications. Benefits shall be payable according to the insurance carrier's schedule of benefits.

Section 3. Term Life Insurance:

Subd. 1. The School District shall provide all full-time teachers with a \$25,000 term life insurance group policy to be paid for by the School District. Teachers must follow the carrier's qualifications and policies as they relate to accessing the benefit after age 65. The carrier may reduce the value of the term life policy. The School District will not be held responsible for the regulations of the carrier.

Subd. 2. Teachers who go on leave of absence of up to 1 year can remain in the group, provided they pay the premium while on leave.

Subd. 3. Teachers who are on leave more than 1 year will not be given coverage by the carrier during that time.

Subd. 4. Teachers who retire shall have to deal directly with the carrier on any limited amount of coverage available to them.

Section 4. Flexible Benefits Plan: The School District shall adopt a payroll-system flexible benefits plan from a flexible benefits plan vendor, provided that, in all events, such vendor shall have experience with school districts, shall take legal responsibility for the plan, shall give the teachers tax advice with respect to their participation in the plan, shall have orientation services for teachers to have their questions about the plan. The School District shall assume all financial costs for the operation of the flexible benefit plan.

Section 5. Claims Against the School District: The School District's only obligation is to purchase an insurance policy and pay such amounts as agreed to in this Agreement, and no claim shall be made against the School District as a result of a denial of insurance benefits by an insurance carrier.

ARTICLE XIX SALARIES

Section 1. Basic Salaries: All basic salaries of teachers are set forth in Appendix A which is attached to and incorporated in this Agreement. Such salaries shall remain in effect during the designated periods.

Section 2. Pay Day: Teachers' salaries will be paid on a regular basis once each month on or before the 20th day of each month starting September 20th to May 20th. Each check will be 1/12 of the teacher's contracted salary. The remaining 3/12ths will be issued on or before the 20th of June. If the payroll policy is changed to require a twice-a-month payroll or an every-other-week payroll, each check will be 1/24 or 1/26 respectively and 6/24 or 6/26 respectively.

Section 3. Status of Salary Increases: A teacher's advancement is subject to the right of the School District to withhold salary increases for just cause. An action withholding a salary increase shall be subject to the grievance procedure.

Upon the 16th year of service in the Windom School District a teacher will receive an additional \$1,500 in salary. Teachers less than a 1.0 FTE will receive this increase on a prorated basis, based on their 15th year of service FTE.

Section 4. Death: If a teacher dies before his/her salary has been disbursed, the balance due shall be paid the deceased's estate.

Section 5. Extra-duty Pay: Coaches and advisors will be paid monthly for their extra-duty assignments throughout the school year. If, for some reason, the coaching/advisor duties are not fulfilled, any payment that has been disbursed will be deducted from subsequent payroll checks.

Section 6. Lane Placement: The following subdivisions shall be applicable in determining the placement of a teacher on the salary schedule.

Subd. 1. The "Credit Evaluation Committee" shall determine those credits that may be used for lane advancement. The members of this committee shall consist of 2 administrators appointed by the superintendent and 2 teachers to be appointed by the president of the Association. Each teacher shall be appointed for a 3-year term.

Subd. 2. All credits, regardless of year earned, if recognized by the Higher Learning Commission and used for teaching College in the Schools program will be accepted.

Subd. 3. Credits to be considered for application on any lane may be germane to the teaching assignment as determined by the Credit Evaluation Committee.

Subd. 4. All credits beyond the bachelor's degree must be graduate credits and be approved by the Credit Evaluation Committee. A teacher shall not advance more than 4 lanes in any one school year.

Subd. 5. Subject to provisions of Section 2. above, individual teaching contracts may be modified to reflect qualified lane changes once every year effective at the beginning of the school year, providing an official transcript of qualified credits is submitted to the Superintendent's office no later than September 15th of each year. Credits submitted by official transcript after September 15th, even though otherwise qualifying, shall not be considered until the following school year. If an official transcript is not available by September 15th, other satisfactory evidence of successful completion of the course will be accepted pending receipt of the official transcript; however, any pay adjustment shall not be made until the official transcript is received.

Subd. 6. A teacher shall be paid on the master's degree lane or higher lane if the degree program is germane to the teaching assignment as approved by the School District upon recommendation by the Credit Evaluation Committee, and the degree program is approved in writing by the Superintendent in advance.

Subd. 7. Credits to apply to lanes beyond a particular lane must be earned subsequent to the earning of the degree and must be taken at an accredited college or university. No credits will be approved which involve primarily television viewing, correspondence work, or self-study, unless a written exception is granted in advance by the Superintendent.

Subd. 8. A lane change is worth \$1,500 per lane.

Section 7. The board may assess a \$2,500 penalty or apply for revocation of license for any resignation received after July 15 prior to the start of the school year.

Section 8. The following items will apply only for teachers instructing a college class or requested by superintendent to instruct a college course.

Subd 1. The number of credits and total cost of the certification shall be agreed upon in advance by the teacher and the School District Superintendent. This includes any teacher compensation for the cost of tuition, books, mileage and supplies for the certification as agreed upon by the teacher and the School District Superintendent.

Subd 2. Compensation:

a. \$500 per semester per period taught.

Subd 3. The teacher agrees to teach College In The Schools (Concurrent Enrollment) for a minimum of 5 years in the District. The teacher shall not be penalized if failure to teach the required class during the 5 year period is caused by School District action.

Subd 4. If the teacher leaves the district, the teacher shall reimburse the District an amount equal to 20% of the total certification amount per year for each year remaining of the 5-year period.

- Subd 5. If the teacher declines and the district is able to find a replacement for the College In The Schools assignment(s), after the district has paid for the credits the teacher shall:
- a. Reimburse the District an amount equal to 20% of the total certification amount per year for each year remaining of the 5-year period in which college courses have been taught, and
 - b. Any change to the teacher's lane placement, based on the additional credits, will be revoked. Unless the teacher agrees to pay full reimbursement for credits and or degree to the District.

ARTICLE XX
MATCHING DEFERRED COMPENSATION PLAN

Section 1. Matching Deferred-Compensation Plan:

Subd. 1. Matching deferred compensation is available to all teachers who have continuing contract status in the School District. The District will match contributions as outlined below for all teachers who teach full-time not to exceed a maximum total contribution per teacher of \$45,000, beginning with the 2026-2027 school year this amount will increase to \$50,000. Part-time teachers shall be eligible to participate on a prorated basis to the percentage of time they are employed. Documentation of previous teaching experience must be provided to the School District by the teacher.

Years of Experience in Teaching	<u>Yearly Dollar Match</u>
Tenure - 5 years	\$1,300
6 - 10 years	\$1,600
11 - 15 years	\$1,900
16 - 20 years	\$2,200
21 plus years	\$2,500

Subd. 2. Participants must designate the carrier and the amount of the matched annuity. The dates shall be September 1 and March 1 to establish any changes in carrier and amount. The teacher must complete a salary reduction authorization prior to any authorization/agreement for tax-sheltered annuity purposes to be made in any fiscal year. Changes will be allowed by contacting the School District.

Subd. 3. All vendors must be listed in the "Plan Document" as approved investment providers prior to receiving any funds. The list of these vendors is available from the School District. Any contributions, rollovers, loans, distributions, hardship withdrawals, transfers, and plan administration must follow the "Plan Document" and the third-party administrator's policies.

Subd. 4. Teachers on an unpaid leave of absence for more than 30 days shall not be eligible to participate in the matching deferred-compensation plan.

Subd. 5. This plan shall be subject to the regulations of the State of Minnesota, Statute 356.24 and IRS code 457.

IN WITNESS WHEREOF, the parties have executed this Agreement as follows:

FOR:

THE ASSOCIATION

FOR:

THE SCHOOL DISTRICT

Chairperson, Negotiations Committee

School Board Chairperson

Education Minnesota - Windom
Co-President

School Board Clerk

Dated this ____ day of _____ 2025.

Dated this ____ day of _____ 2025.

SALARIES

2025-2026

\$1,500 per FTE on current salary
Lanes at \$1,500 per lane

Hiring Schedule 0 Years of Experience

BA Degree	BA +10	BA +20	BA +30	MA Degree	MA +10	MA +20	MA +30	MA +40
\$48,962	\$50,462	\$51,962	\$53,462	\$54,962	\$56,462	\$57,962	\$59,462	\$60,962

2026-2027

3.18% per FTE on current salary
Lanes at \$1,500 per lane

Hiring Schedule 0 Years of Experience

BA Degree	BA +10	BA +20	BA +30	MA Degree	MA +10	MA +20	MA +30	MA +40
\$50,319	\$51,819	\$53,319	\$54,819	\$56,319	\$57,819	\$59,319	\$60,819	\$62,319

**Pay Schedule for Extra-Curricular Assignments
2025-2026**

Appendix B

Pay involves the full season for the activity - including pre-school, vacations, and post school practices.

ATHLETIC ASSIGNMENTS

Exp. 0-4 yrs. 5-9 yrs. 10+ yrs. 0-4 yrs. 5-9 yrs. 10+ yrs.

Football

Head	\$5,077	\$5,397	\$5,748
Asst.	\$3,610	\$3,865	\$4,153
7-8	\$2,590	\$2,782	\$3,004

Volleyball

Head	\$4,695	\$4,950	\$5,237
Asst.	\$3,227	\$3,419	\$3,643
7-8	\$2,558	\$2,686	\$2,876

Boys Basketball

Head	\$5,077	\$5,397	\$5,748
Asst.	\$3,610	\$3,865	\$4,153
7-8	\$2,590	\$2,782	\$3,004

Baseball

Head	\$4,408	\$4,667	\$5,237
Asst.	\$3,227	\$3,419	\$3,643
7-8	\$2,494	\$2,621	\$2,782

Wrestling

Head	\$5,077	\$5,397	\$5,748
Asst.	\$3,610	\$3,865	\$4,153
7-8	\$2,590	\$2,782	\$3,004

Gymnastics

Head	\$4,695	\$4,950	\$5,237
Asst.	\$3,227	\$3,419	\$3,643
7-8	\$2,558	\$2,686	\$2,876

Girls Basketball

Head	\$5,077	\$5,397	\$5,748
Asst.	\$3,610	\$3,865	\$4,153
7-8	\$2,590	\$2,782	\$3,004

Golf: Boys-Girls Combined

Head	\$4,025	\$4,281	\$4,536
Asst.	\$2,876	\$3,100	\$3,292

Track: Boys-Girls Combined

Head	\$4,695	\$4,950	\$5,237
Asst.	\$3,227	\$3,419	\$3,643
7-8	\$2,494	\$2,621	\$2,782

Softball

Head	\$4,408	\$4,667	\$5,237
Asst.	\$3,227	\$3,419	\$3,643
7-8	\$2,494	\$2,621	\$2,782

Cross Country: Boys-Girls Combined

Head	\$4,025	\$4,281	\$4,536
Asst.	\$2,876	\$3,100	\$3,292

Hockey: Boys-Girls

Head	\$5,077	\$5,397	\$5,748
Asst.	\$3,610	\$3,865	\$4,153

1. Experience is based on number of years coached while the sport is on an interscholastic basis.
2. A coach may move from a boys' or girls' sport to another boys' or girls' sport without loss of experience. Only experience in a like sport may be transferred. Like sports are: Basketball, Baseball/Softball, Hockey and Cross Country/Track)
3. Basketball coaches below 9th grade level may divide time between boys and girls at the discretion of the district.

In the event that a head coach/advisor and an assistant coach/advisor agree to combine the assignment duties, the School District will add the 2 salaries together and divide them evenly. Each coach/advisor shall be placed at the appropriate salary assignment.

**Pay Schedule for Extra-Curricular Assignments
2026-2027**

Appendix B

Pay involves the full season for the activity - including pre-school, vacations, and post school practices.

ATHLETIC ASSIGNMENTS

Exp. 0-4 yrs. 5-9 yrs. 10+ yrs. 0-4 yrs. 5-9 yrs. 10+ yrs.

Football

Head	\$5,153	\$5,478	\$5,834
Asst.	\$3,664	\$3,923	\$4,216
7-8	\$2,629	\$2,823	\$3,049

Volleyball

Head	\$4,765	\$5,025	\$5,316
Asst.	\$3,275	\$3,470	\$3,697
7-8	\$2,596	\$2,726	\$2,920

Boys Basketball

Head	\$5,153	\$5,478	\$5,834
Asst.	\$3,664	\$3,923	\$4,216
7-8	\$2,629	\$2,823	\$3,049

Baseball

Head	\$4,474	\$4,737	\$5,316
Asst.	\$3,275	\$3,470	\$3,697
7-8	\$2,531	\$2,660	\$2,823

Wrestling

Head	\$5,153	\$5,478	\$5,834
Asst.	\$3,664	\$3,923	\$4,216
7-8	\$2,629	\$2,823	\$3,049

Gymnastics

Head	\$4,765	\$5,025	\$5,316
Asst.	\$3,275	\$3,470	\$3,697
7-8	\$2,596	\$2,726	\$2,920

Girls Basketball

Head	\$5,153	\$5,478	\$5,834
Asst.	\$3,664	\$3,923	\$4,216
7-8	\$2,629	\$2,823	\$3,049

Golf: Boys-Girls Combined

Head	\$4,086	\$4,345	\$4,604
Asst.	\$2,920	\$3,147	\$3,341

Track: Boys-Girls Combined

Head	\$4,765	\$5,025	\$5,316
Asst.	\$3,275	\$3,470	\$3,697
7-8	\$2,531	\$2,660	\$2,823

Softball

Head	\$4,474	\$4,737	\$5,316
Asst.	\$3,275	\$3,470	\$3,697
7-8	\$2,531	\$2,660	\$2,823

Cross Country: Boys-Girls Combined

Head	\$4,086	\$4,345	\$4,604
Asst.	\$2,920	\$3,147	\$3,341

Hockey: Boys-Girls

Head	\$5,153	\$5,478	\$5,834
Asst.	\$3,664	\$3,923	\$4,216

4. Experience is based on number of years coached while the sport is on an interscholastic basis.
5. A coach may move from a boys' or girls' sport to another boys' or girls' sport without loss of experience. Only experience in a like sport may be transferred. Like sports are: Basketball, Baseball/Softball, Hockey and Cross Country/Track)
6. Basketball coaches below 9th grade level may divide time between boys and girls at the discretion of the district.

In the event that a head coach/advisor and an assistant coach/advisor agree to combine the assignment duties, the School District will add the 2 salaries together and divide them evenly. Each coach/advisor shall be placed at the appropriate salary assignment.

School Play Director		\$4,339
Technical Assistant		\$2,489
Vocal Assistant		\$2,692
Instrumental Assistant		\$2,028
Middle School Play		\$2,028
Yearbook 9-12		\$3,586
Yearbook 5-8		\$2,074
Yearbook K-4		\$2,074
Speech		\$3,382
Speech Assistant		\$2,679
One-Act or Winter Play		\$2,309
One-Act or Winter Play Assistant		\$1,608
Student Council		\$2,756
Middle School Student Council		\$1,494
M.S./H.S.	Extra Study Hall Assignment over 6.5 periods	\$3,526
	Extra Class Assignment over 6.5 periods	\$5,821
Elementary	Daily Student contact beyond 315 minutes	\$21.49 per day
	Daily Student contact beyond 330 minutes	\$36.62 per day
	Daily Student contact beyond 350 minutes	\$54.11 per day
Elementary Cafeteria Supervision		\$21.07 per hour
Asst. to Principal	Elementary (dependent on time commitment)	\$8,075 or \$3,019
Junior/Senior Prom		\$1,614
F.F.A. Advisor		\$3,382
Senior High Vocal		\$2,980
Pop Group		\$2,016
Senior High Band		\$2,980
Jazz Band		\$1,972
Band-Athletic Events		\$2,564
Knowledge Bowl 9-12		\$1,825
Knowledge Bowl Assistant 9-12		\$1,494
Knowledge Bowl 6-8		\$1,626
Knowledge Bowl Assistant 6-8		\$1,366
Fall Cheerleader Advisor		\$1,958
Fall Cheerleader Assistant Advisor	(if numbers warrant)	\$1,629
Winter Cheerleader Advisor		\$1,760
Winter Cheerleader Assistant Advisor	(if numbers warrant)	\$1,434
National Honor Society		\$1,231
Elem. Math Masters Advisor		\$702
Robotics Advisor		\$1,697
JH Robotics Advisor		\$1,154
JH Assistant Speech		\$1,914
Special Education Licensure and Consulting Requirement	(as long as required by state)	\$28.82 per hour

FFA Assistant		\$2,551
Peer Coach		\$1,679
Literacy Coach for FT position	Will be prorated if not FT or not filled for entire school year	\$2,806
Video Board Advisor		\$3,190
Strength and Conditioning Coach	Fall Season	\$2,850
Strength and Conditioning Coach	Winter Season	\$4,000
Strength and Conditioning Coach	Spring Season	\$2,850

School Play Director		\$4,404
Technical Assistant		\$2,526
Vocal Assistant		\$2,732
Instrumental Assistant		\$2,059
Middle School Play		\$2,059
Yearbook 9-12		\$3,640
Yearbook 5-8		\$2,105
Yearbook K-4		\$2,105
Speech		\$3,432
Speech Assistant		\$2,719
One-Act or Winter Play		\$2,344
One-Act or Winter Play Assistant		\$1,632
Student Council		\$2,797
Middle School Student Council		\$1,517
M.S./H.S.	Extra Study Hall Assignment over 6.5 periods	\$3,578
	Extra Class Assignment over 6.5 periods	\$5,908
Elementary	Daily Student contact beyond 315 minutes	\$21.82 per day
	Daily Student contact beyond 330 minutes	\$37.17 per day
	Daily Student contact beyond 350 minutes	\$54.93 per day
Elementary Cafeteria Supervision		\$21.39 per hour
Asst. to Principal	Elementary (dependent on time commitment)	\$8,196 or \$3,064
Junior/Senior Prom		\$1,638
F.F.A. Advisor		\$3,432
Senior High Vocal		\$3,025
Pop Group		\$2,047
Senior High Band		\$3,025
Jazz Band		\$2,001
Band-Athletic Events		\$2,603
Knowledge Bowl 9-12		\$1,852
Knowledge Bowl Assistant 9-12		\$1,517
Knowledge Bowl 6-8		\$1,651
Knowledge Bowl Assistant 6-8		\$1,387
Fall Cheerleader Advisor		\$1,987
Fall Cheerleader Assistant Advisor	(if numbers warrant)	\$1,653
Winter Cheerleader Advisor		\$1,786
Winter Cheerleader Assistant Advisor	(if numbers warrant)	\$1,456
National Honor Society		\$1,249
Elem. Math Masters Advisor		\$713
Robotics Advisor		\$1,722
JH Robotics Advisor		\$1,172
JH Assistant Speech		\$1,943

Special Education Licensure and Consulting Requirement	(as long as required by state)	\$29.26 per hour
FFA Assistant		\$2,590
Peer Coach		\$1,704
Literacy Coach for FT position	Will be prorated if not FT or not filled for entire school year	\$2,848
Video Board Advisor		\$3,238
Strength and Conditioning Coach	Fall Season	\$2,893
Strength and Conditioning Coach	Winter Season	\$4,060
Strength and Conditioning Coach	Spring Season	\$2,893

This contract should not be used for student teachers, interns, or substitute teachers.

**TEACHER CONTRACT FOR MINNESOTA
PUBLIC SCHOOL DISTRICTS**

The School Board of Independent School District No. 0177 of the State of Minnesota, Windom, Minnesota, enters into this contract, pursuant to M.S. 122A.40, as amended, with .(Name of Teacher)., a legally qualified licensed teacher who agrees to teach in the public schools of said district as .(General Assignment).

The following provisions shall apply and are a part of this contract:

1. **Basic Services:** Said teacher shall faithfully perform the services prescribed by the school board, or its designated representative, whether or not such services are specifically described in this contract, abide by the rules and regulations as established by the school board and the State of Minnesota, and any additions or amendments thereto, for the annual salary indicated below, and agrees to teach for the school district as assigned in such grades or subjects for which the teacher has the necessary license.
2. **Duration:** This contract is subject to the provisions of M.S. 122A.40, as amended, and to all laws, rules, and regulations of the State of Minnesota relevant to qualification, licensure, employment, termination, and discharge for cause of teachers. Thereafter, this contract shall remain in full force and effect except if modified by mutual consent of the school board and the teacher or unless terminated as provided by law, or by written resignation pursuant to M.S. 122A.40.
3. **Duty Year:** The teacher's duty year and vacation days shall be as adopted by the school board, and the teacher agrees to teach on those legal holidays on which the school board is authorized to conduct school if the school board so determines. In the event a duty day is lost due to any emergency, the teacher agrees to perform duties on such other day in lieu thereof as determined by the school board.
4. **Additional Services:** The school board, or its designated representative, may assign the teacher to extracurricular, cocurricular, or other assignments, subject to established compensation for such services which exceed the services authorized in paragraph 1. Said extracurricular, cocurricular, or other assignments may be described in paragraph 6 of this contract or by letter of assignment, together with a recitation of the compensation, if any, to be paid for said assignment. The school board, or its designated representative, may make any additions or amendments during the duty year as shall be necessary. Said extracurricular, cocurricular, or other assignments and compensation, if any, for such assignment shall not become a part of the teacher's Continuing Contract rights unless the words, "continuing contract," are recorded immediately following the assignment.
5. **Reference:** This contract shall be subject to the agreement between the school district and the exclusive representative, if any, and the provisions of the Public Employment Labor Relations Act, as amended.
6. **Special Provisions:** (Insert here any other contractual provisions).

In addition, said teacher agrees to perform the following additional services for the additional salary indicated.

Additional Service	Additional Compensation
1.	\$
2.	\$
3.	\$

7. In consideration thereof, the school board agrees to pay said teacher the following annual salary:
 \$For basic services
 \$For additional services as set forth in paragraph 6
 \$Total salary, exclusive of fringe benefits

Such salary shall be paid as authorized and in such installments during the term of the year as may be determined by appropriate school board regulation. This contract shall be effective only after it has been authorized by the school board in appropriate action, recorded in its minutes, and executed by the parties.

IN WITNESS THEREOF I have subscribed my signature this day of....., 20__.

Teacher.....

IN WITNESS THEREOF we have subscribed our signatures this day of, 20__.

INDEPENDENT SCHOOL DISTRICT NO. 0177

Chairperson.....

Clerk.....

WHITE – Board’s Copy
GREEN – Teacher’s Copy

GRIEVANCE MEDIATION AGREEMENT

The undersigned parties have agreed to submit the attached grievance to grievance mediation, which shall be governed by the following procedure:

1. Any waiver of grievance timelines shall terminate with the termination of the grievance mediation procedure. (See Paragraph 7, below.)
2. The parties shall request that the Commissioner of the Bureau of Mediation Services (BMS) assign a mediator at the earliest possible date, and that the site and date for the grievance mediation be established by the BMS.
3. No more than one day shall be established for the purpose of conducting grievance mediation, unless otherwise agreed by the Association and the School District.
4. The parties shall be free to determine who will represent them in grievance mediation.
5. The parties shall be responsible for their own expenses related to the mediation.
6. The mediator or the BMS shall not be empowered to compel a settlement upon the parties.
7. The grievance mediation process shall terminate when a) the mediator determines that settlement is not eminent; b) either party indicates their desire to disengage from mediation by serving written notice to the other party and to the BMS; or c) the parties reach a settlement.
8. If a settlement is not reached, proposals, offers, counter offers, statements or any discussion taking place during the mediation shall not be used in grievance arbitration. The mediator shall not be eligible to arbitrate the instant grievance and shall be prohibited from sharing any information or conferring with an arbitrator relative to the instant grievance.
9. If a settlement is reached, the parties shall commit the agreement to writing which shall be dated and signed by the parties. The signed agreement shall be binding on the parties.

ASSOCIATION REPRESENTATIVE

By _____

DATE: _____

EMPLOYER REPRESENTATIVE

By _____

DATE: _____

GRIEVANT _____

DATE: _____

Education Minnesota Negotiations

Thank you to Angie, Barb, Bruce, Holly and Peggy for serving on the EMW negotiations committee this year. The union ratified the contract last Thursday, and the final step is board approval.

The summary is below:

- \$1500 in salary for year 1
- 3.18 % in salary in year 2
- An increase in the **single insurance** contribution from \$10,000 to \$10,600 in year 1 and to \$11,300 in year 2. **\$1300 increase over two years**
- An increase in **family contribution** from \$15,000 to \$16,300 in year 1 and to \$17,600 in year 2. **\$2600 increase over two years**
- Language to allow the board to set the salary for occupational therapists, physical therapists, and speech and language teachers.
- Added a clause to clarify that teachers cannot leave when students leave when a half-day professional development day, PLCs, or work time is scheduled.
- Study Hall supervision may be assigned to a para, but all available teachers have the first right of refusal if this creates an overload.
- Teachers who have accumulated in excess of 138 sick days may request to be paid \$75 per day, with a maximum of 12 days.
- No more than 5 personal days will be granted in a year (paid or unpaid). The exception is a daycare closure. If a teacher has used all 5 personal days and daycare closure occurs, they may be absent (for up to 5 additional days) with a sub pay deduction.
- MN paid leave - All Statutes will be followed - refer to employee handbook.
- Raised maximum contribution for 403B \$50,000.
- Removed Extra Duty Assignments Page - set by administration
- 1.5% each year for extracurricular positions
- Total Package increase of 8.5% or \$749,294

October 29, 2025

Jamie Frank, Superintendent
Joel Bordewyk, Board of Education Chair
Windom ISD #177
PO Box 177
Windom, MN 56101

Jamie and Joel,

With this letter, I am officially notifying the school district that my last day will be December 31, 2025. I will continue to work on a part-time basis until the end of the calendar year as I complete the FY2025 audit and continue to train Holly Anderson. I appreciate the transition plan that was implemented, and I feel that this time training with Holly has gone extremely well, she is doing an amazing job learning all the various aspects of school finance.

Thank you again for letting me be a part of the Windom Schoos team. I will miss the people I work with; they are amazing and talented individuals that truly care about the students and staff in our school district.

Best Regards,

A handwritten signature in black ink, appearing to read 'Peggy Pfeffer', with a long horizontal flourish extending to the right.

Peggy Pfeffer

Professional Development Contract for Windom Area Schools Business Manager

Name: Peggy Pfeffer

Begin date: January 1, 2026

End date: December 31, 2026

Peggy Pfeffer will provide financial consultation, coaching, guidance, and training for Windom Schools Business Manager Holly Anderson and others, as determined by Superintendent Frank.

Rate of Pay: \$65 per hour FOR UP TO five hours per week. If more than five hours per week is needed, prior approval by the superintendent is required. Peggy Pfeffer will record her time on a timesheet and will submit it monthly to the payroll office. The time will vary based on the district's needs and the availability of Peggy Pfeffer. Some of this time may consist of virtual meetings and remote work.

A one-time payment of \$780 will be made to Peggy to cover unlimited calls, texts, and general questions.

No other benefits will be provided.

Other Items:

The District will provide a laptop with access to SMART Systems and the F Drive.

The District will provide access to business offices during business and non-business hours.

The District will provide access to the email address of ppfeffer@isd177.com

Notification: As a standard procedure, please be advised that the District may discontinue this position and/or terminate the employee at any time during the term of this contract pursuant to M.S. 123.35, subd 6.

School Finance Support Signature

Superintendent Signature

Date

Date