



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 25, 2024 Work Session

Windom City Council Chamber

444 9th Street

Windom, MN 56101

November 25, 2024

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 the Agenda (revise as necessary)
Joel Bordewyk
4. Presentation of FY2024 (2023-2024 school year) Audit by Tom Olinger from Abdo Solutions - Informational
Peggy Pfeffer
The annual audit was completed by Abdo again this year. Tom Olinger will be presenting the information regarding the process and results.
5. Approve FY2024 Audit Report - Action
Peggy Pfeffer
The audit report is in the packet for approval.
6. Approve Resolution 11252024A calling for Public Hearing on Proposed Tax Abatement for New Residential Project-for 40504 44th Avenue, Windom
7. Approve Notice of Public Hearing for Tax Abatement for 40504 44th Avenue, Windom, MN Monday, December 9, 2024 at 6:30PM.
8. Approve Resolution 11252024B calling for Public Hearing on Proposed Tax Abatement for New Residential Project 1946 Bud Road, Windom
9. Approve Notice of Public Hearing for Tax Abatement for 1946 Bud Road, Windom, MN Monday December 9, 2024 at 6:30PM
10. Approve Windom Education Support Professionals (WESP) contract beginning July 1, 2024 to June 30, 2026 - Action
Jamie Frank
The Custodians, Food Service and Secretarial employees union group moved to new representation, Education Minnesota, in May 2024. We started the negotiations in October 2024, and enclosed is the final contract ratified by WESP.

The final costing for this contract is a Year 1 increase of 2.86% and \$36,795.92 and Year 2 increase of 5% and \$66,172.62. The total two-year increase is 8% and \$102,968.54.

Enclosed is the new contract for board approval.

11. Approve FY2024 Revised Budget - Action

Peggy Pfeffer

The budget sheet included in the packet is reflective of the final audited figures for FY2024. The FY2025 budget has been revised based on current enrollment figures, newly approved contracts and other current revenue and expenses.

12. Adjourn



Lighting the path forward

Independent School District No. 177

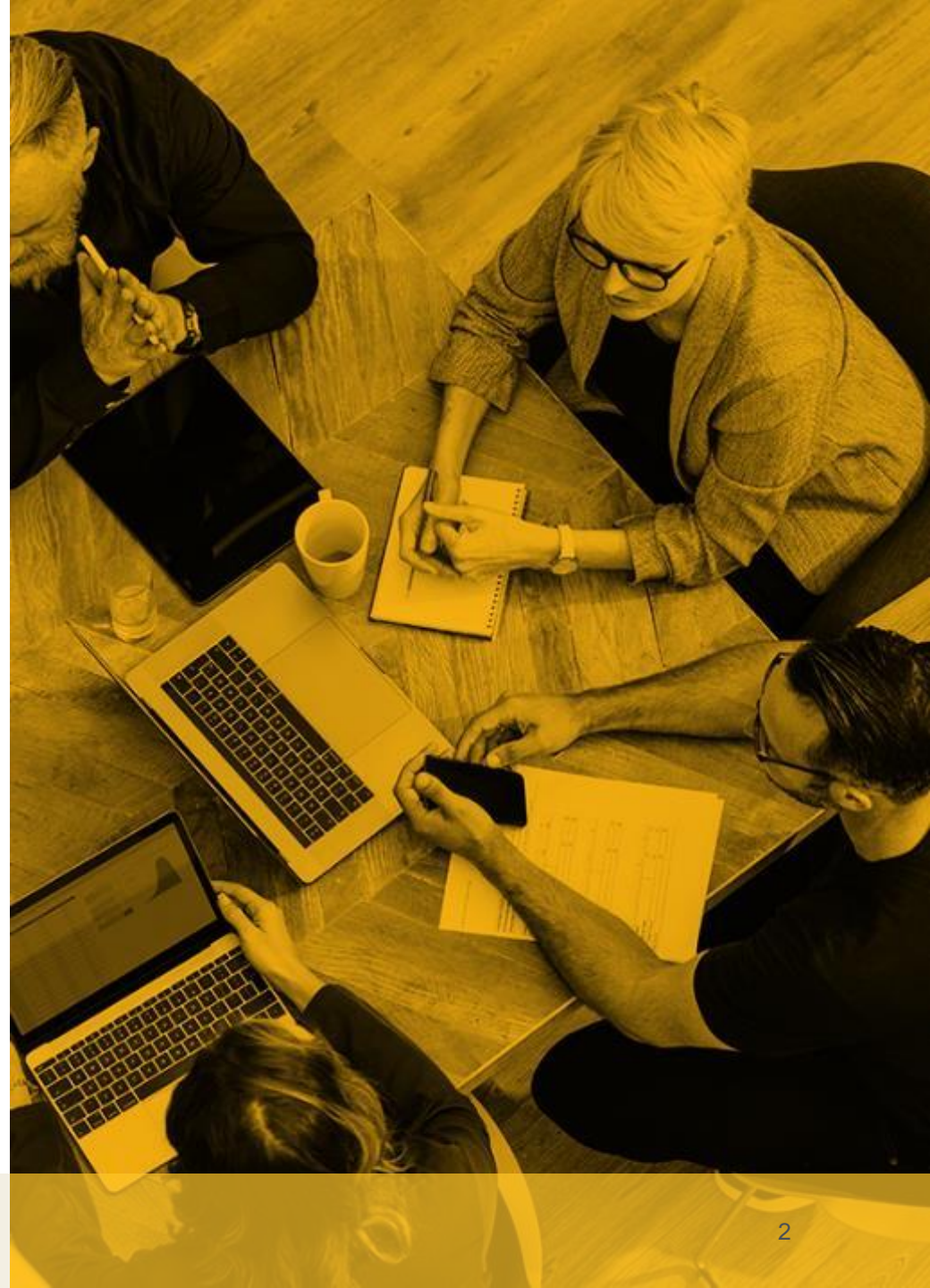
2023 - 2024

Financial Statement Audit



Introduction

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



Audit Results

Auditor's Responsibility



Unmodified opinion under GAAP

Minnesota Legal Compliance Report



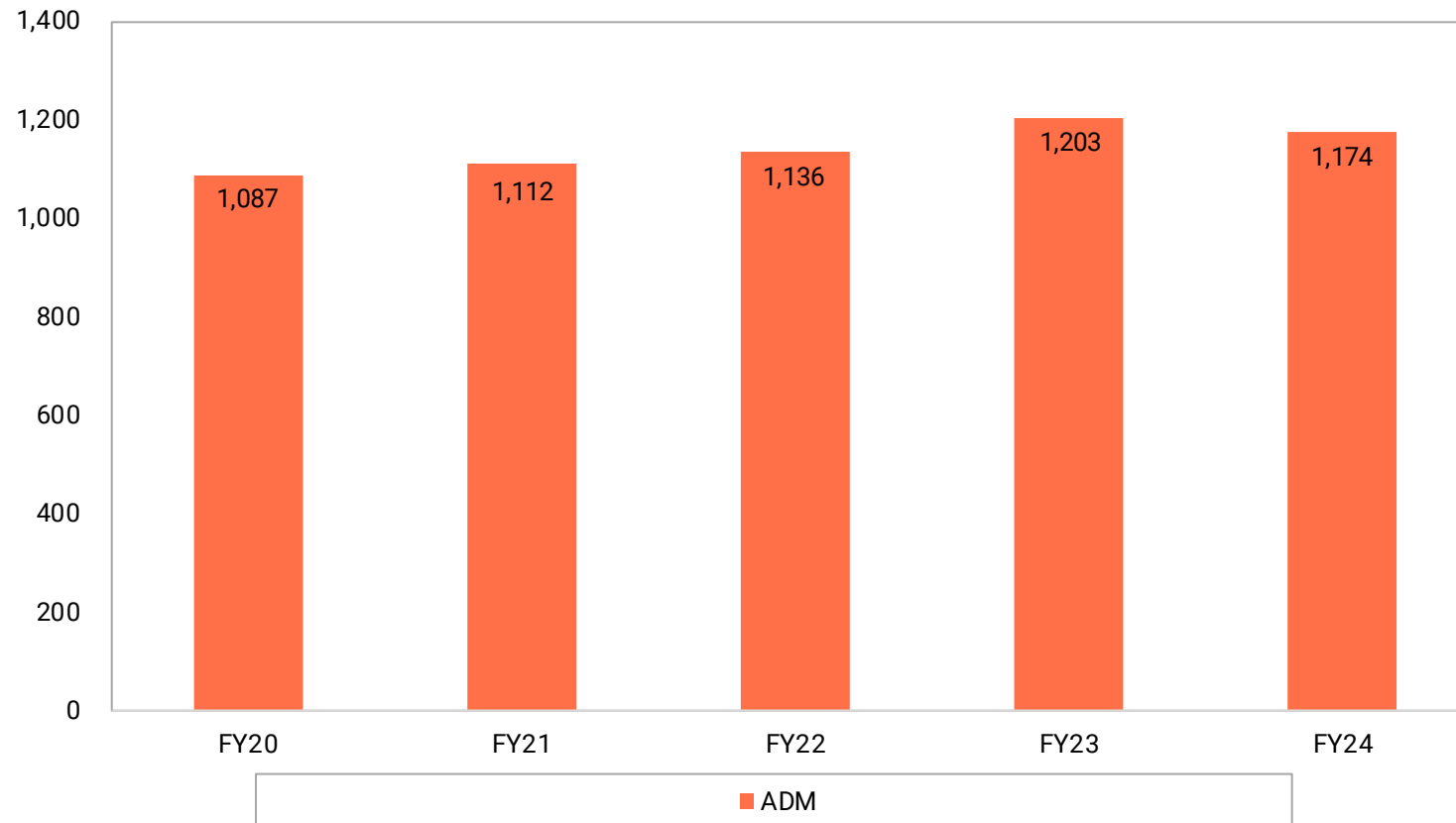
No instances of noncompliance

Single Audit Report

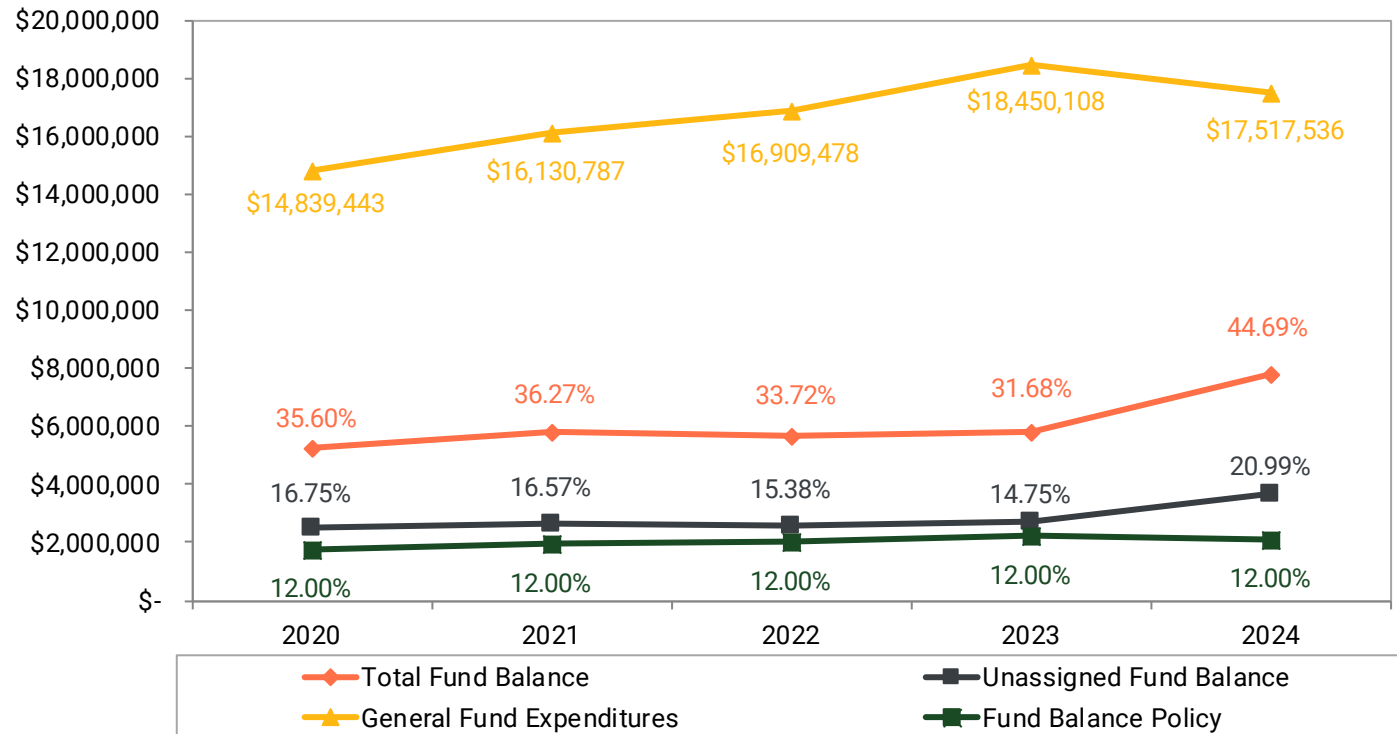


No instances of noncompliance with OMB Compliance Supplement requirements

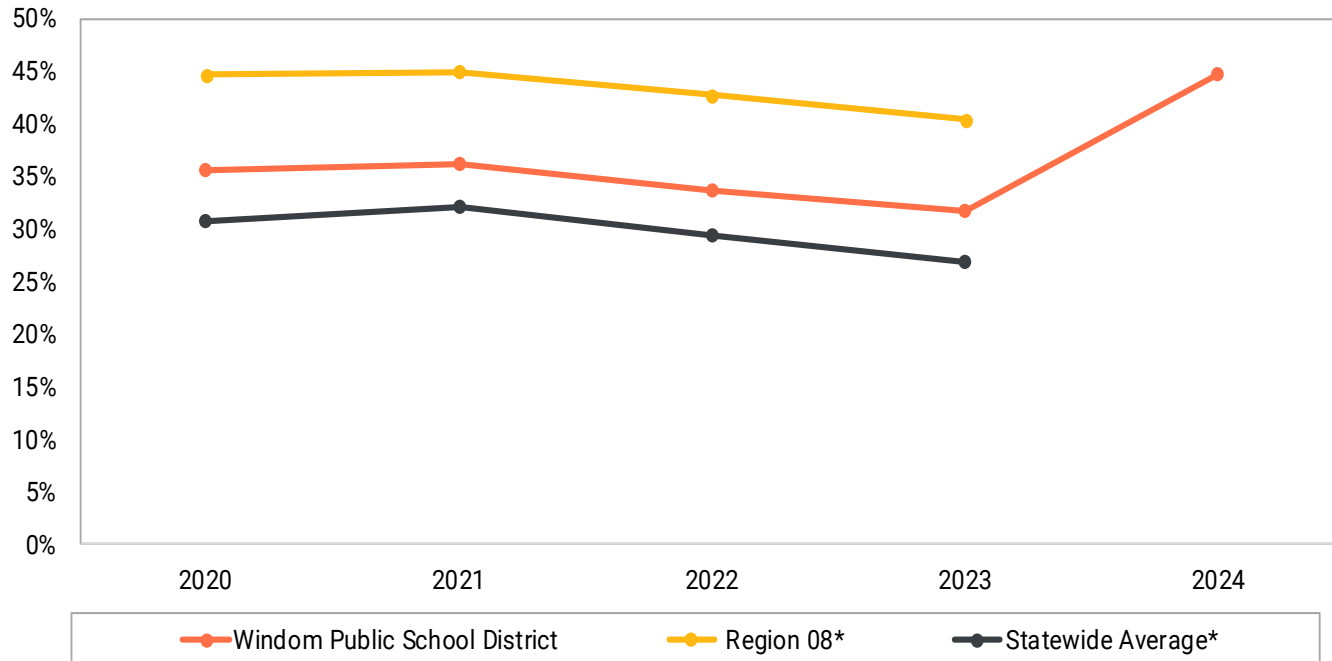
Average Daily Membership



General Fund Fund Balances



General Fund Balances as a Percentage of Expenditures



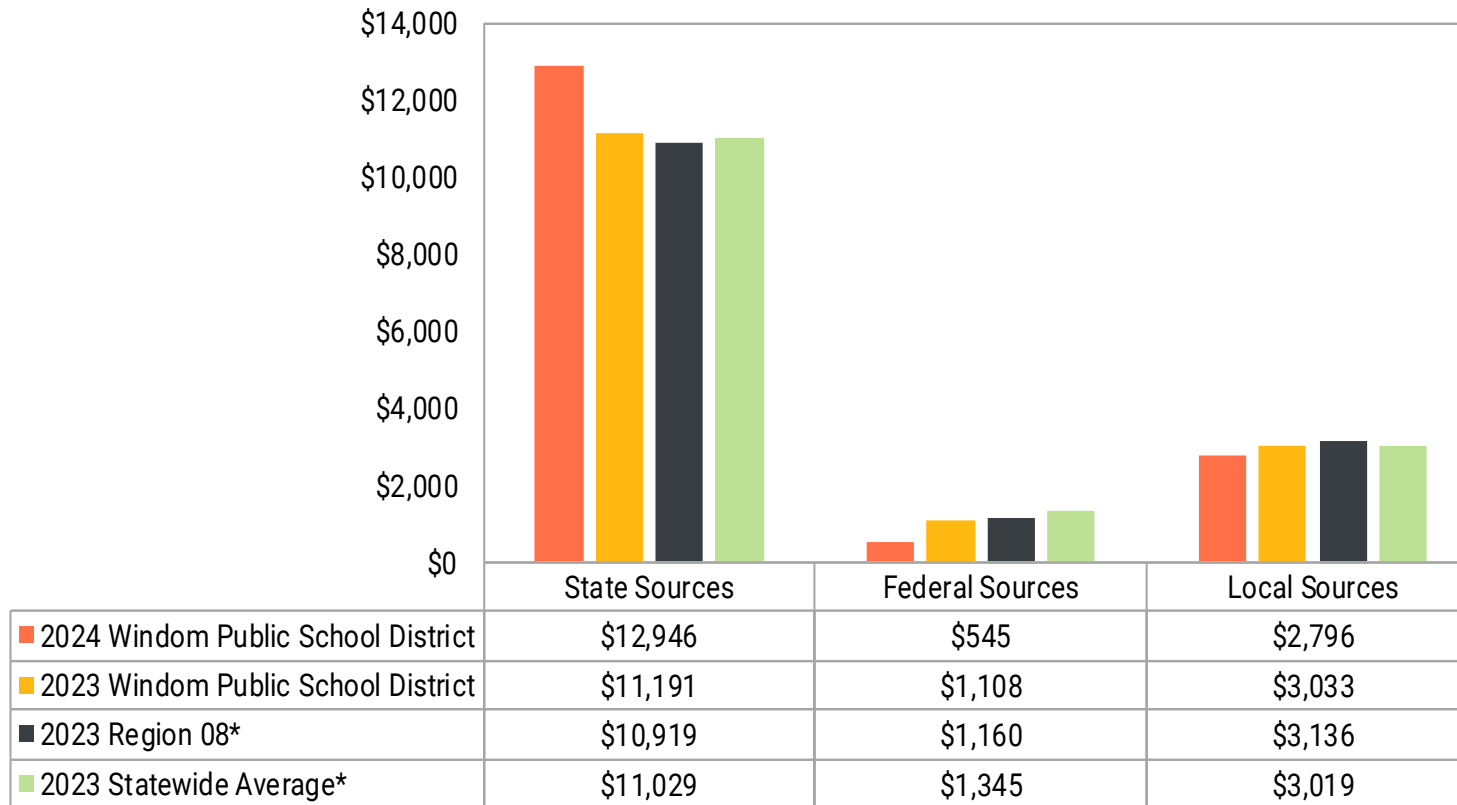
* Information obtained from School District Profile reports published by the MDE

Key Performance Indicators

General Fund Budget to Actual

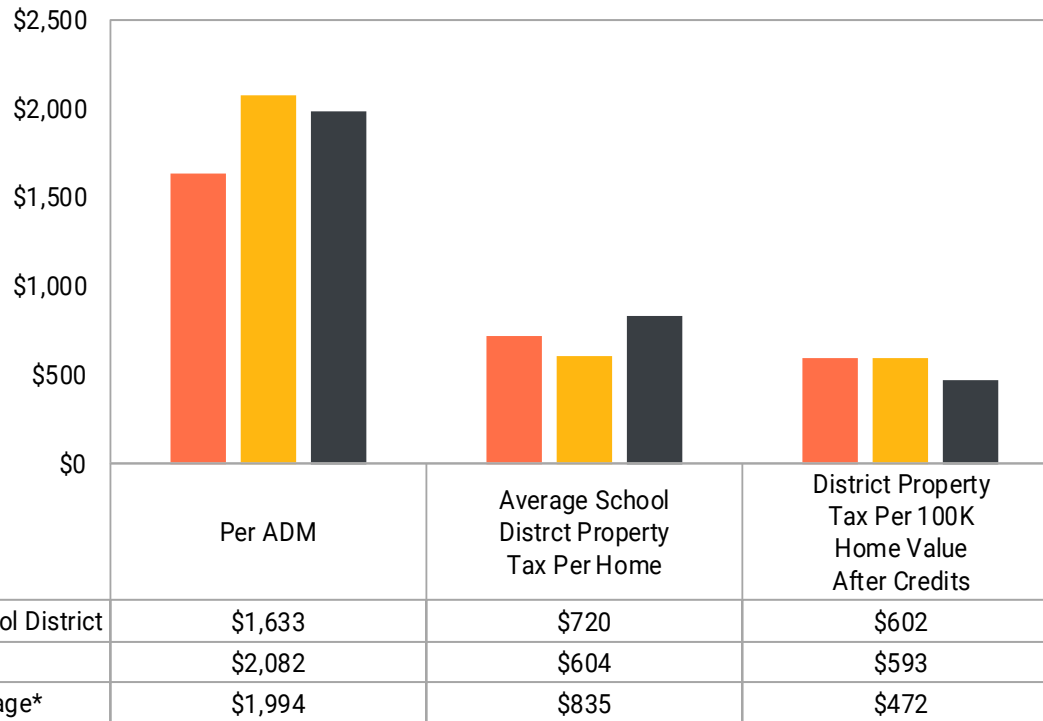
	Final Budget	Actual Amounts	Variance with Final Budget -
Revenues	\$ 18,945,318	\$ 19,528,733	\$ 583,415
Expenditures	<u>18,407,973</u>	<u>17,517,536</u>	<u>890,437</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>537,345</u>	<u>2,011,197</u>	<u>1,473,852</u>
Other Financing Sources (Uses)			
Insurance proceeds	16,000	16,000	-
Transfers out	<u>(79,225)</u>	<u>(42,275)</u>	<u>36,950</u>
Total Other Financing Sources (Uses)	<u>(63,225)</u>	<u>(26,275)</u>	<u>36,950</u>
Net Change in Fund Balances	474,120	1,984,922	1,510,802
Fund Balances, July 1	<u>5,844,373</u>	<u>5,844,373</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 6,318,493</u>	<u>\$ 7,829,295</u>	<u>\$ 1,510,802</u>

General Fund Revenues per ADM



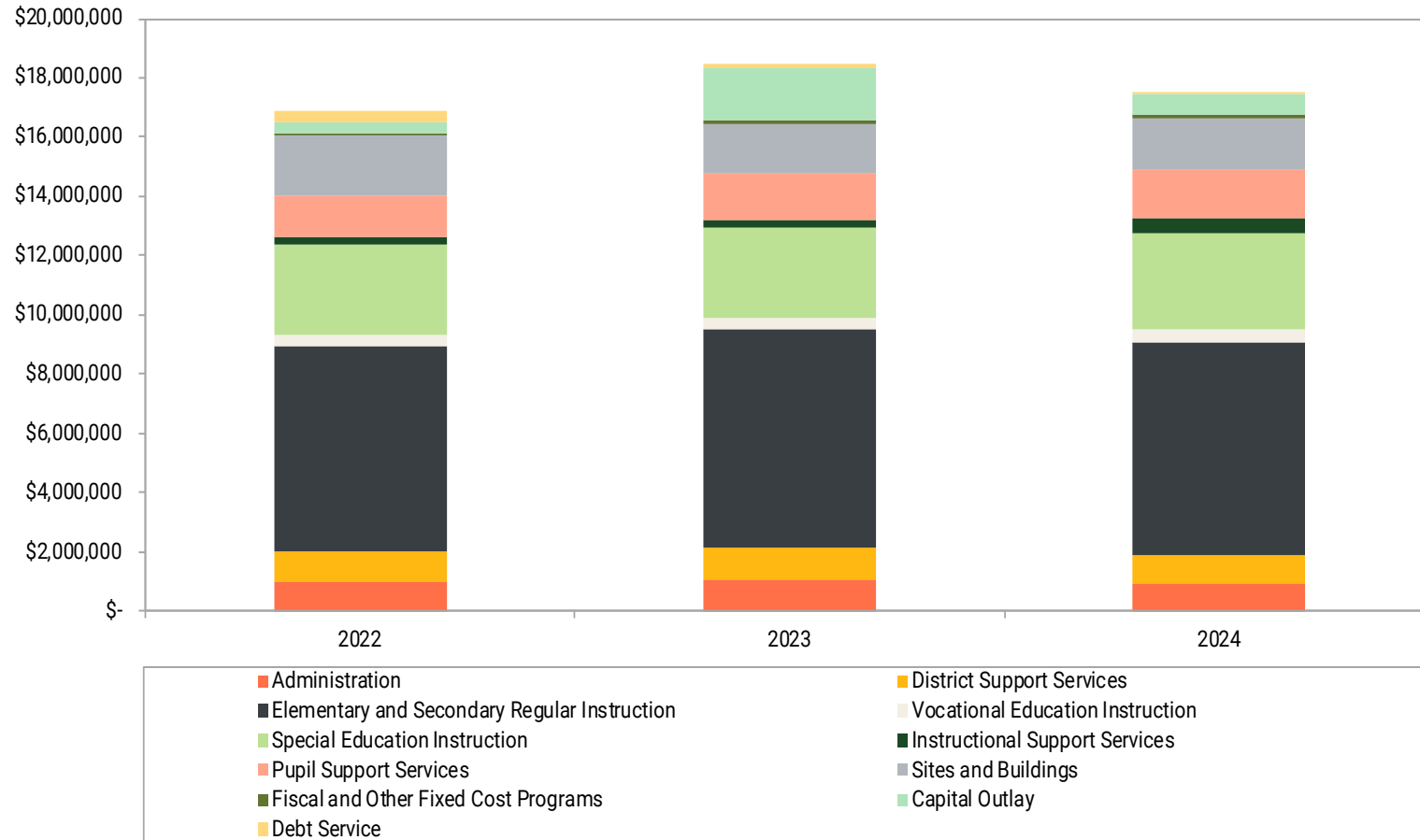
* Information obtained from School District Profile reports published by the MDE

Property Taxes

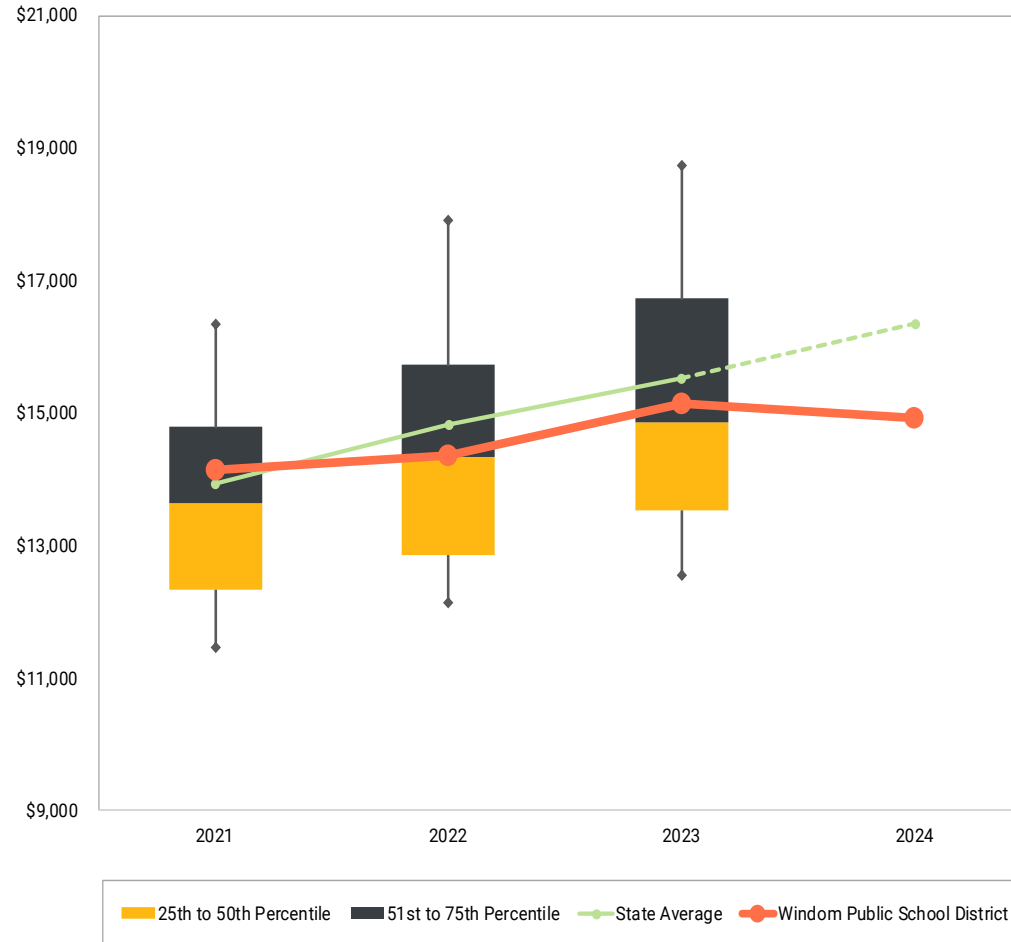


Key Performance Indicators

General Fund Expenditures



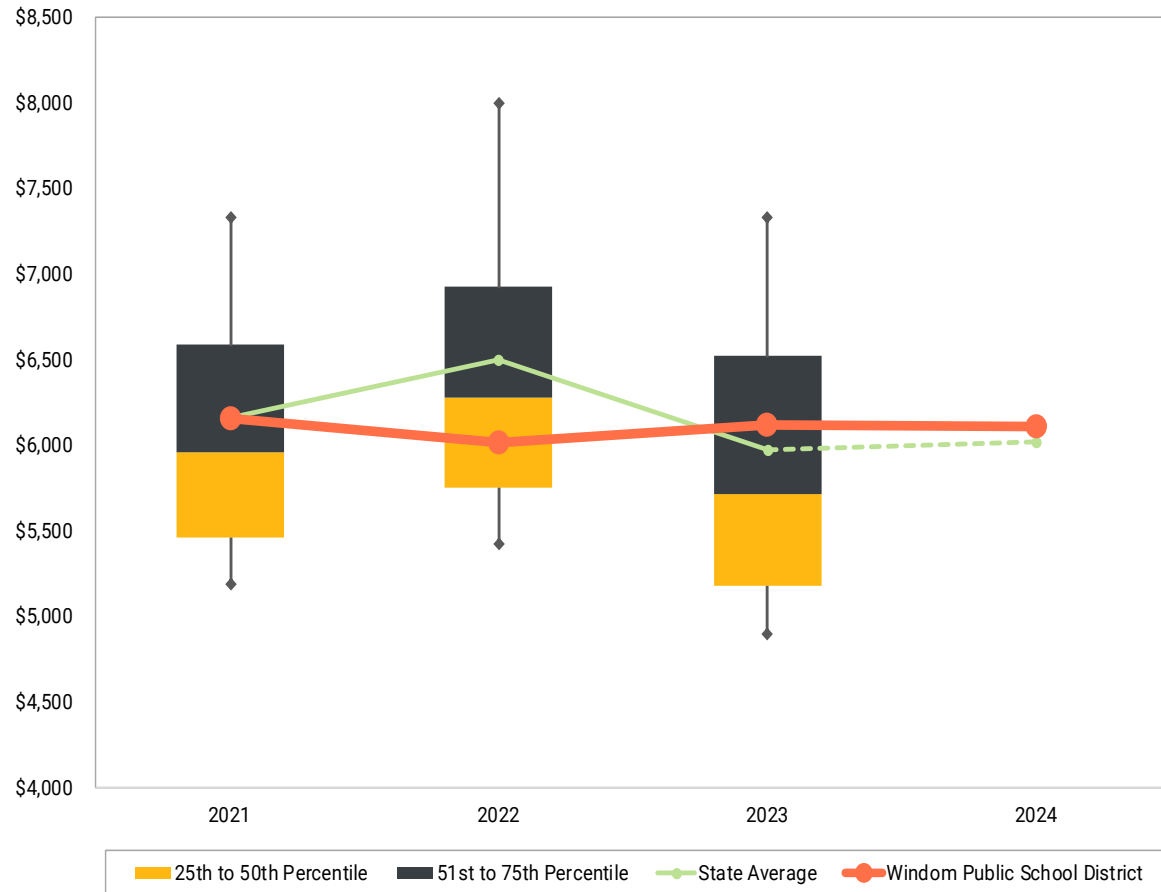
General Fund Expenditures per ADM



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

Elementary and Secondary Regular Instruction per ADM

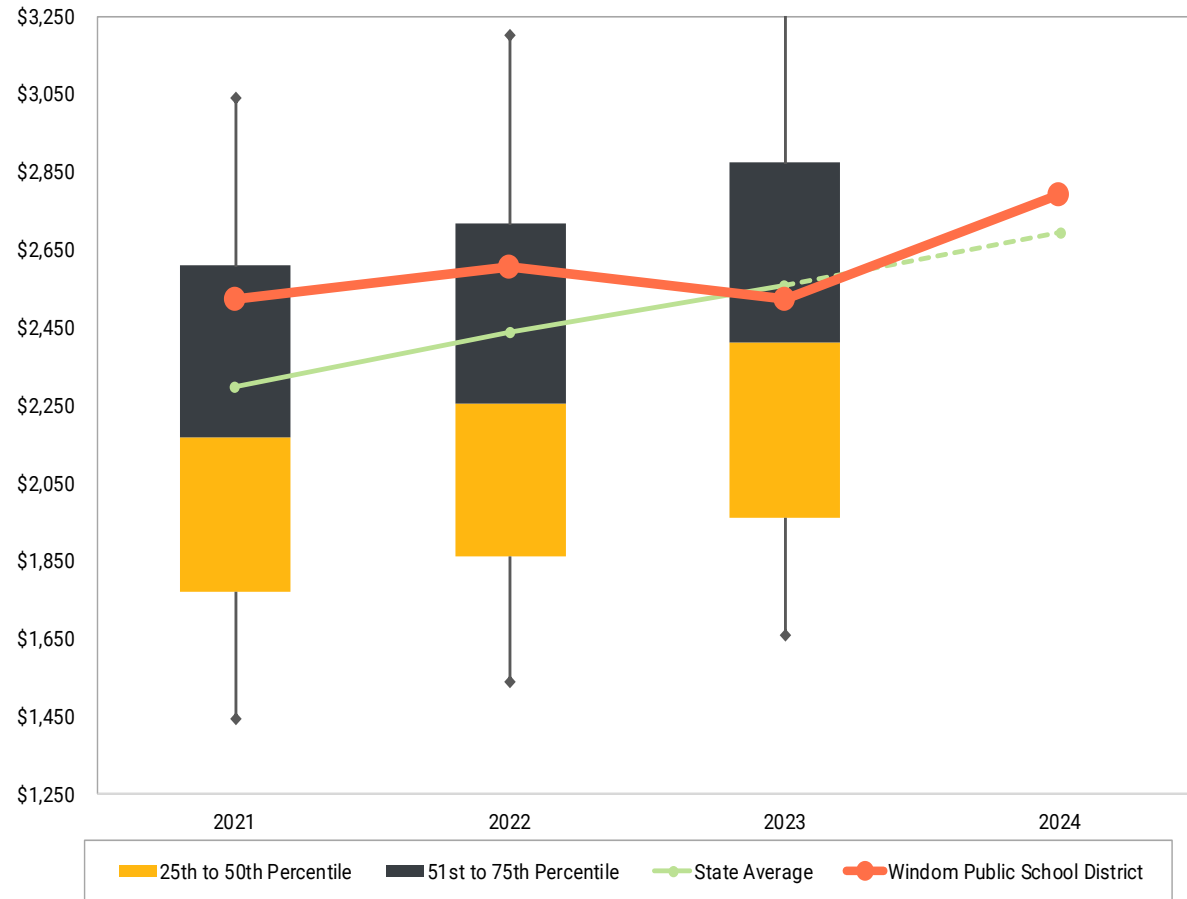
Key Performance Indicators



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

Special Education Expenditures per ADM

Key Performance Indicators

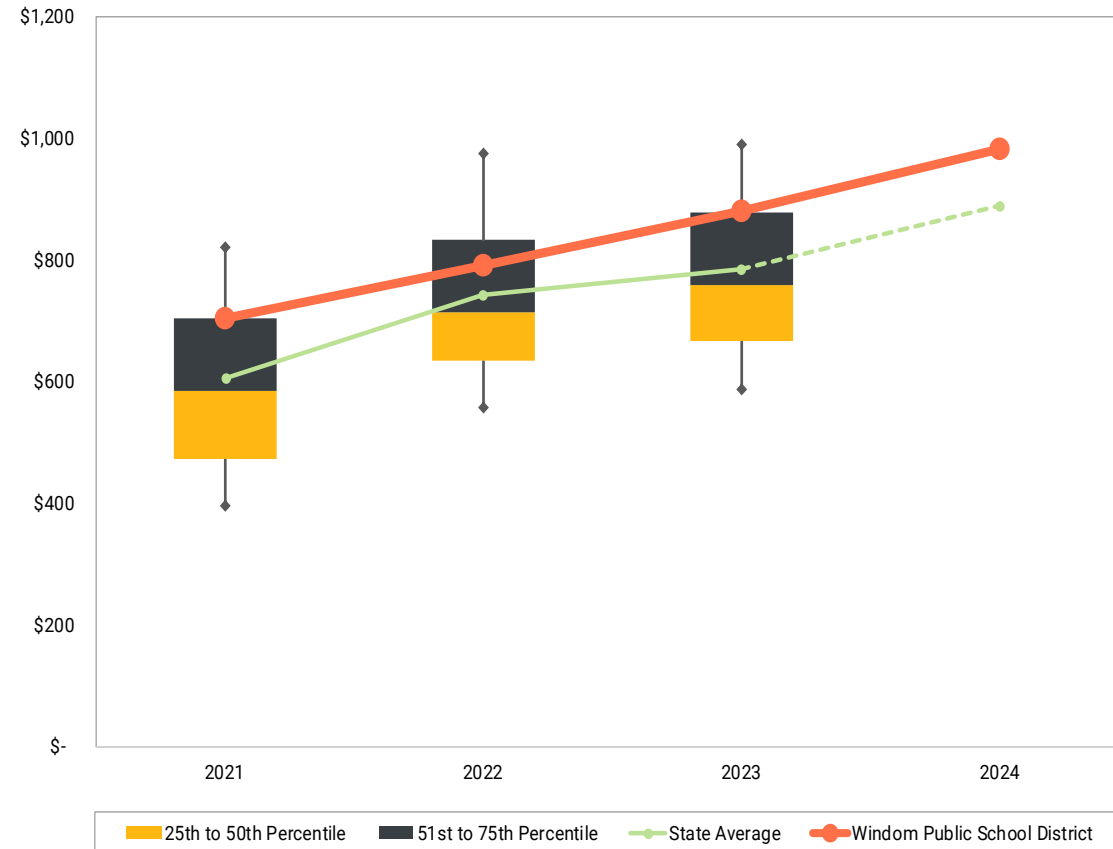


* Percentile data and state average obtained from School District Profile reports published by the MDE

Food Service Fund – Budget to Actual

	Final Budget	Actual Amounts	Variance with Final Budget -
Revenues	\$ 1,092,118	\$ 1,227,518	\$ 135,400
Expenditures	<u>1,134,408</u>	<u>1,153,143</u>	<u>(18,735)</u>
Excess (deficiency) of revenues over (under) expenditures	(42,290)	74,375	116,665
Fund Balances, July 1	<u>239,533</u>	<u>239,533</u>	<u>-</u>
Fund Balances, June 30	<u><u>\$ 197,243</u></u>	<u><u>\$ 313,908</u></u>	<u><u>\$ 116,665</u></u>

Food Service Fund Expenditures per ADM Comparison

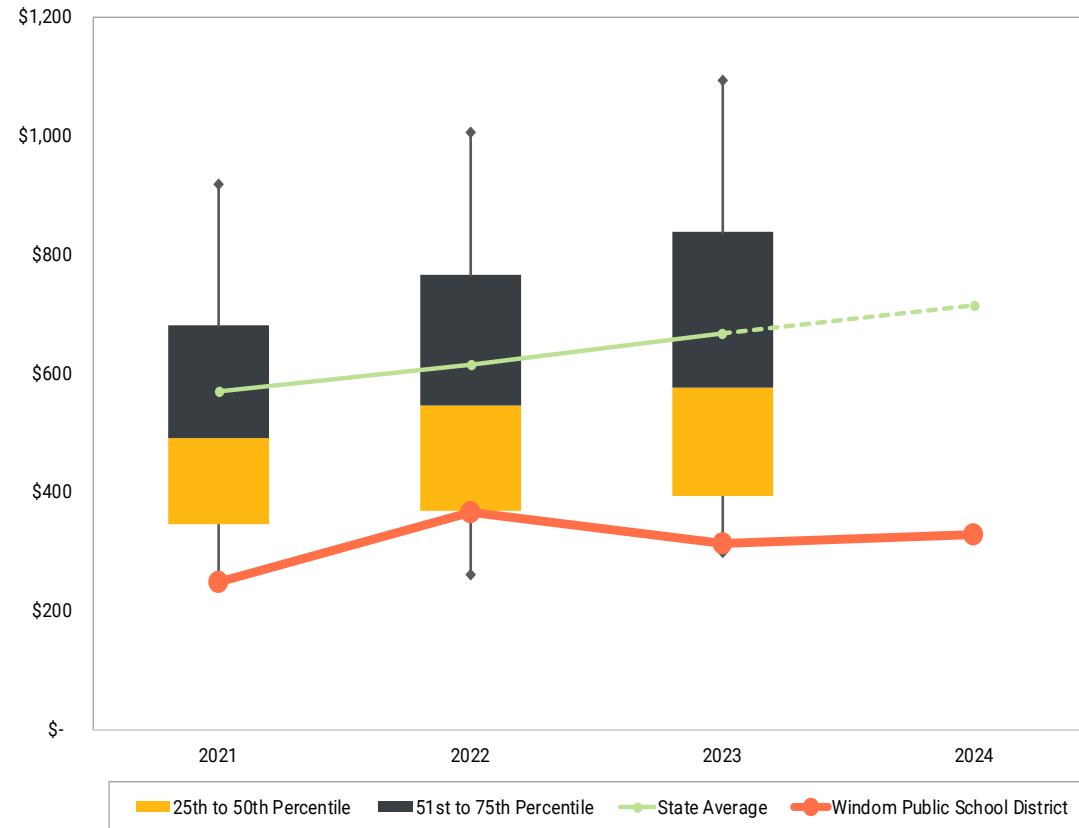


* Percentile data and state average obtained from School District Profile reports published by the MDE

Community Service Fund – Budget to Actual

	Final Budget	Actual Amounts	Variance with Final Budget -
Revenues	\$ 361,685	\$ 413,838	\$ 52,153
Expenditures	429,289	385,876	43,413
Excess (deficiency) of revenues over (under) expenditures	(67,604)	27,962	95,566
Other financing sources			
Transfers in	79,225	42,275	(36,950)
Net Change in Fund Balances	11,621	70,237	58,616
Fund Balances, July 1	182,746	182,746	-
Fund Balances, June 30	\$ 194,367	\$ 252,983	\$ 58,616

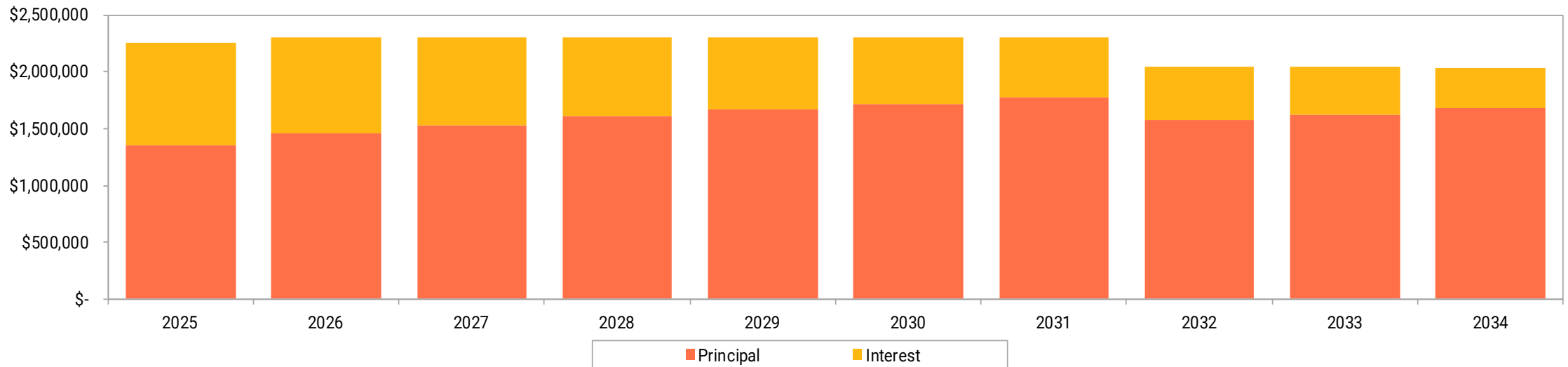
Community Service Fund Expenditures per ADM Comparison



* 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	\$ 1,150,000	\$ 23,675,000
G.O. Facility Maintenance Bonds 2019A	04/04/19	3.00-5.00	2,440,000	02/01/31	200,000	1,590,000
Total G.O. Bonds Payable					\$ 1,350,000	\$ 25,265,000
					Total Remaining Interest Payments	\$ 7,157,881



Your Abdo Team



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ANNUAL FINANCIAL REPORT

INDEPENDENT SCHOOL DISTRICT NO. 177
WINDOM, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2024

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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, 2024

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Independent School District No 177
Windom, Minnesota
School District Officials
For the Year Ended June 30, 2024

Board of Education

<u>Name</u>	<u>Term on Board Expires</u>	<u>Position</u>
Joel Bordewyk	1/6/2025	Chairman
Angela Klassen	1/9/2027	Vice-Chairman
Bruce Mews	1/9/2027	Clerk
Dustin Stevens	1/6/2025	Treasurer
Barbara Jones	1/6/2025	Director
Joseph LaCanne	1/6/2025	Director
Brianne Miller	1/9/2027	Director

Administration

Jamie Frank	Superintendent
Peggy Pfeffer	Business Manager

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FINANCIAL SECTION
INDEPENDENT SCHOOL DISTRICT NO. 177
WINDOM, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2024

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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, 2024, 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, 2024, 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; this includes 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.

Other Matters

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 75 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, schedules, table and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund financial statements, schedules, table and schedule of expenditures of federal awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.



Other Information

Management is responsible for the other information 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 4, 2024, 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 4, 2024



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Management's Discussion and Analysis

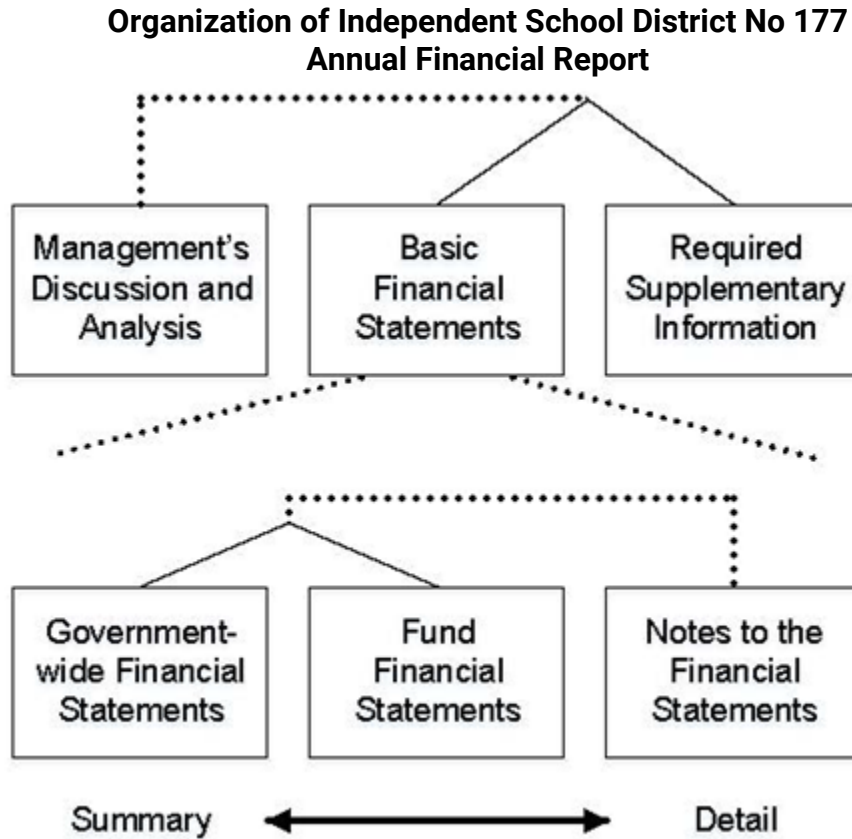
As management of the Independent School District No 177, Windom, Minnesota (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

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.
- 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 five 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 three 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 72 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 82 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)	
	2024	2023	Amount	Percent
Current and Other Assets	\$ 13,830,378	\$ 12,057,771	\$ 1,772,607	14.7 %
Capital Assets	41,479,373	42,518,257	(1,038,884)	(2.4)
Total Assets	<u>55,309,751</u>	<u>54,576,028</u>	<u>733,723</u>	1.3
Deferred Outflows of Resources	<u>2,609,067</u>	<u>3,502,150</u>	<u>(893,083)</u>	(25.5)
Long-term Liabilities Outstanding	37,804,157	39,899,244	(2,095,087)	(5.3)
Other Liabilities	1,012,936	1,165,201	(152,265)	(13.1)
Total Liabilities	<u>38,817,093</u>	<u>41,064,445</u>	<u>(2,247,352)</u>	(5.5)
Deferred Inflows of Resources	<u>5,186,393</u>	<u>6,355,949</u>	<u>(1,169,556)</u>	(18.4)
Net Position				
Net investment in capital assets	15,442,053	15,057,179	384,874	2.6
Restricted	3,761,034	3,260,925	500,109	15.3
Unrestricted	<u>(5,287,755)</u>	<u>(7,660,320)</u>	<u>2,372,565</u>	(31.0)
Total Net Position	<u>\$ 13,915,332</u>	<u>\$ 10,657,784</u>	<u>\$ 3,257,548</u>	30.6
Net Position as a Percent of Total				
Net investment in capital assets	111.0 %	141.3 %		
Restricted	27.0	30.6		
Unrestricted	<u>(38.0)</u>	<u>(71.9)</u>		
	<u>100.0 %</u>	<u>100.0 %</u>		

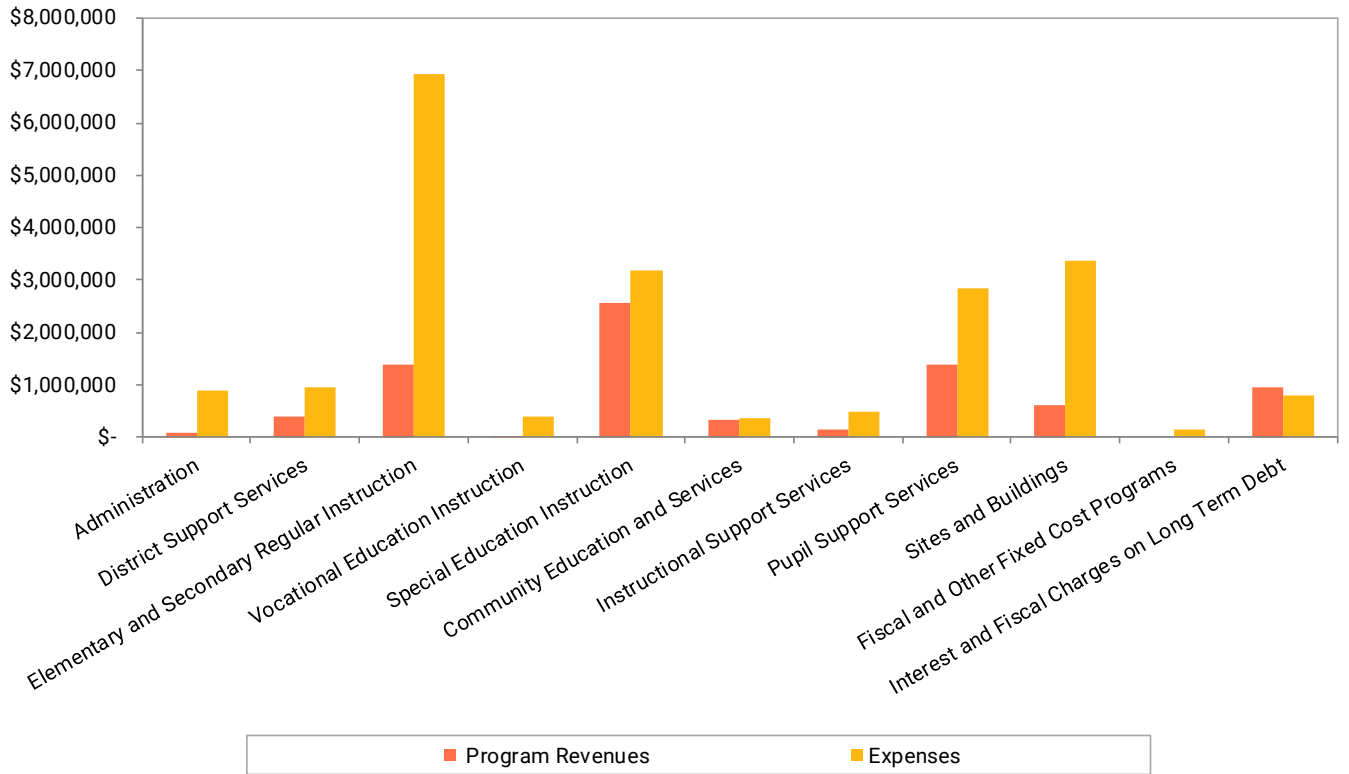
At the end of the current fiscal year, the District reports a positive balance in the net investment in capital assets and restricted categories of net position and a negative balance in the unrestricted category.

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.

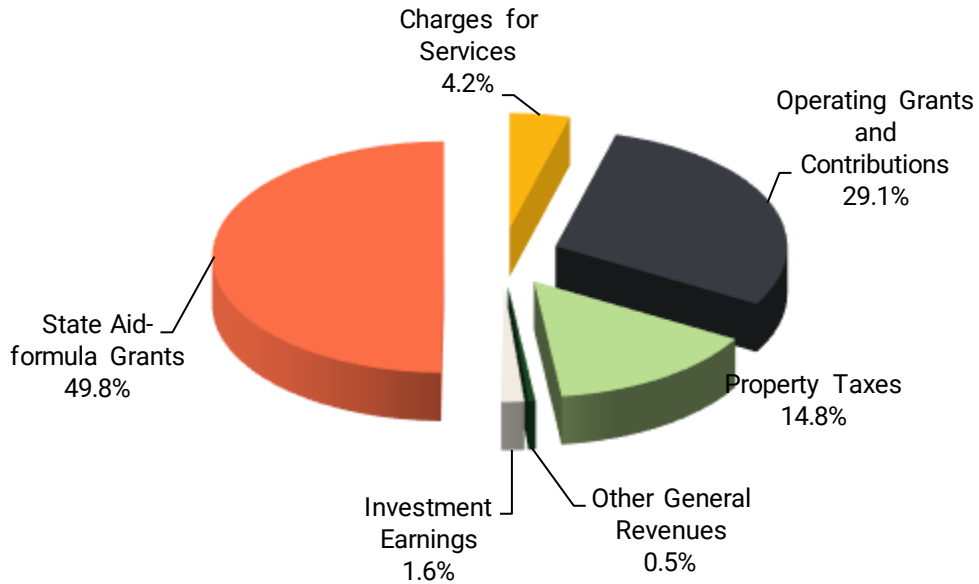
Independent School District No 177’s Changes in Net Position

	Governmental Activities		Increase (Decrease)	
	2024	2023	Amounts	Percent
Revenues				
Program revenues				
Charges for services	\$ 997,152	\$ 937,757	\$ 59,395	6.3 %
Operating grants and contributions	6,868,971	5,080,782	1,788,189	35.2
Capital grants and contributions	-	1,943	(1,943)	(100.0)
General revenues				
Property taxes	3,489,984	3,623,616	(133,632)	(3.7)
State aid-formula grants and other contribution:	11,764,257	11,941,647	(177,390)	(1.5)
Other general revenues	109,623	500,721	(391,098)	(78.1)
Investment earnings	388,829	225,708	163,121	72.3
Sale of assets	-	4,399	(4,399)	(100.0)
Total Revenues	23,618,816	22,316,573	1,302,243	5.8
Expenses				
Administration	897,289	675,475	221,814	32.8
District support services	955,966	961,683	(5,717)	(0.6)
Elementary and secondary regular instruction	6,925,776	6,363,516	562,260	8.8
Vocational education instruction	387,919	322,872	65,047	20.1
Special education instruction	3,195,719	2,788,899	406,820	14.6
Community education and services	370,929	330,987	39,942	12.1
Instructional support services	473,868	227,410	246,458	108.4
Pupil support services	2,841,742	2,506,695	335,047	13.4
Sites and buildings	3,368,449	3,079,383	289,066	9.4
Fiscal and other fixed cost programs	137,159	88,450	48,709	55.1
Interest and fiscal charges on long-term debt	806,452	814,210	(7,758)	(1.0)
Total Expenses	20,361,268	18,159,580	2,201,688	12.1
Change in Net Position	3,257,548	4,156,993	(899,445)	(21.6)
Net Position, July 1	10,657,784	6,500,791	4,156,993	(63.9)
Net Position, June 30	\$ 13,915,332	\$ 10,657,784	\$ 3,257,548	30.6

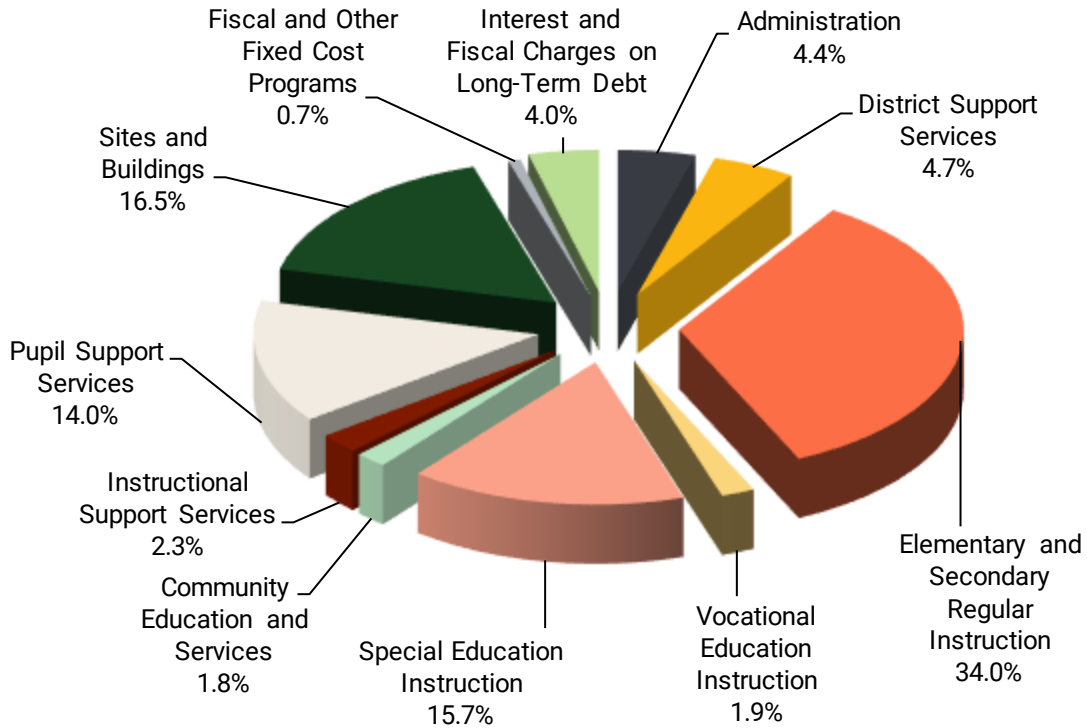
Expenses and Program Revenues - Governmental Activities



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, 2024.

	General	Debt Service	Other Governmental Funds	Total	Prior Year Total	Increase/Decrease
Fund Balances						
Nonspendable	\$ 287,733	\$ -	\$ 17,224	\$ 304,957	\$ 142,940	\$ 162,017
Restricted	3,028,069	530,600	549,667	4,108,336	3,780,834	327,502
Assigned	837,324	-	-	837,324	266,261	571,063
Unassigned	3,676,169	-	-	3,676,169	2,721,833	954,336
Total Fund Balances	<u>\$ 7,829,295</u>	<u>\$ 530,600</u>	<u>\$ 566,891</u>	<u>\$ 8,926,786</u>	<u>\$ 6,911,868</u>	<u>\$ 2,014,918</u>

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	\$ 287,733	\$ 124,659	\$ 163,074
Restricted	3,028,069	2,731,620	296,449
Assigned	837,324	266,261	571,063
Unassigned	<u>3,676,169</u>	<u>2,721,833</u>	<u>954,336</u>
	<u>\$ 7,829,295</u>	<u>\$ 5,844,373</u>	<u>\$ 1,984,922</u>
General fund expenditures	\$ 17,517,536	\$ 18,450,108	
Unassigned as a percent of expenditures	21%	15%	
Total fund balance as a percent of expenditures	45%	32%	

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	\$ 17,974,683	\$ 970,635	\$ 18,945,318	\$ 19,528,733	\$ 583,415
Expenditures	<u>17,881,706</u>	<u>526,267</u>	<u>18,407,973</u>	<u>17,517,536</u>	<u>890,437</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	92,977	444,368	537,345	2,011,197	1,473,852
Other Financing Sources (Uses)	<u>(82,958)</u>	<u>19,733</u>	<u>(63,225)</u>	<u>(26,275)</u>	<u>36,950</u>
Net Change in Fund Balances	10,019	464,101	474,120	1,984,922	1,510,802
Fund Balances, July 1	<u>5,844,373</u>	<u>-</u>	<u>5,844,373</u>	<u>5,844,373</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 5,854,392</u>	<u>\$ 464,101</u>	<u>\$ 6,318,493</u>	<u>\$ 7,829,295</u>	<u>\$ 1,510,802</u>

The District's General fund budget was amended during the year as shown above. The budget amendment increased revenues relating to other local revenues & state resources and increased expenditures relating mostly to administration and elementary & secondary regular instruction. 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, 2024, 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 \$1,649,793. The following is a schedule of capital assets as of June 30, 2024.

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

	Governmental Activities		
	2024	2023	Increase (Decrease)
Land	\$ 120,572	\$ 120,572	\$ -
Land Improvements	704,474	698,511	5,963
Buildings	39,282,614	40,255,150	(972,536)
Equipment	1,371,713	1,444,024	(72,311)
Total	<u>\$ 41,479,373</u>	<u>\$ 42,518,257</u>	<u>\$ (1,038,884)</u>
Percent increase (decrease)			-2.4%

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		
	2024	2023	Increase (Decrease)
General Obligation Bonds	\$ 25,265,000	\$ 26,615,000	\$ (1,350,000)
Finance Purchase Agreement	139,090	225,704	(86,614)
Total	<u>\$ 25,404,090</u>	<u>\$ 26,840,704</u>	<u>\$ (1,436,614)</u>
Percent increase (decrease)			-5.4%

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 \$4,801,230.378 or 31.77% of the General fund operating expenditures, prior year figures was \$3,112,755 or 21.44%. The large increase has several components; Hy Life closure funds of \$160,000 were received from the state as one-time funding, increased Compensatory Revenue/Basic Skills funding of \$341,000 more than prior year, increased Special Education revenue over \$407,000 more than prior year due to new cross-aid subsidy, new revenue from the state in areas of School Library and Student Support Personnel of \$80,000, and spending only 95% of the revised budget in fund 01 expenses.

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. COVID changed our school community dramatically. The additional funding received from both the federal and state government has been spent. Unfortunately, we continue to struggle with the mental, social and emotional health of our students and staff caused by COVID as well as the learning loss that affected our students during this time.

The diversity and economic status of our students has 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 2023-2024 school year was our 5th grade class with an ADM served at 76 students followed closely with our 9th and 12th classes with ADM served at 77 students each. The rest of the grade levels have ADM's served ranging from 79 (1st grade) to 102 (2nd grade) students.

Unfortunately, we didn't receive any Voluntary Pre-Kindergarten (VPK) funding for the 2023-2024 school year, but we were awarded VPK seats beginning in FY2025 that will be used for our 4-year-old Bridges Preschool Program during the 2024-2025 school year. The legislature increased the VPK funding which allowed us to receive some of this additional funding.

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 2023 we completed the replacement of an air handling unit at the MSHS as well as replaced several compressor units, but realize we still have several that are aging out. The hot water conversion at the MSHS was also completed as well as some tuckpointing being completed on the Highland building. The Toro outdoor classroom at our Environmental Center was also completed, a big thank you to Toro for their \$100,000 grant to make this happen. The district must continue to financially plan to keep the district's facilities in good condition for the future.

In June 2024 the Windom Community saw some historical levels of flooding, while our school buildings did not sustain any damage, our baseball and football fields located at Island Park were flooded with over 3 feet of water. This is the 2nd time in 6 years that this Island Park location has sustained damage. A FEMA application has been submitted to help restore these fields, but it has also pushed our board to start the process of looking at an Arts and Athletic Facility plan located at the MSHS location.

The Board is continually focusing on the Career/Technology educational needs of our high school students, this includes STEAM courses and vocational training opportunities for our students. The administration is continually reviewing and adding additional CTE courses for our students. These courses along with the college courses already offered will provide a solid base for whatever career path is chosen by our 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, 2024

Independent School District No 177

Windom, Minnesota
 Statement of Net Position
 June 30, 2024

	<u>Governmental Activities</u>
Assets	
Cash and temporary investments	\$ 8,915,386
Receivables	
Taxes	2,547,092
Accounts and interest	58,859
Due from other school districts	12,993
Intergovernmental	1,847,273
Lease	143,818
Inventories	17,024
Prepaid items	287,933
Capital assets not being depreciated	120,572
Capital assets net of accumulated depreciation	<u>41,358,801</u>
Total Assets	<u>55,309,751</u>
Deferred Outflows of Resources	
Deferred pension resources	2,454,386
Deferred other postemployment benefit resources	154,681
Total Deferred Outflows of Resources	<u>2,609,067</u>
Liabilities	
Salaries and wages payable	78,912
Accounts payables	84,140
Accrued interest payable	379,484
Due to other school districts	104,583
Due to other governments	95,232
Accrued expenses	262,475
Unearned revenue	8,110
Noncurrent liabilities	
Due within one year	
Long-term liabilities	1,434,265
Other postemployment benefits	81,564
Due in more than one year	
Long-term liabilities	24,603,055
Net pension liability	10,891,416
Other postemployment benefits	<u>793,857</u>
Total Liabilities	<u>38,817,093</u>
Deferred Inflows of Resources	
Property taxes levied for subsequent year	4,134,785
Deferred pension resources	828,691
Deferred other postemployment benefits resources	102,520
Deferred lease resources	<u>120,397</u>
Total Deferred Inflows of Resources	<u>5,186,393</u>
Net Position	
Net investment in capital assets	15,442,053
Restricted	
Debt service	159,674
Food service	313,908
Educational purposes	3,287,452
Unrestricted	<u>(5,287,755)</u>
Total Net Position	<u>\$ 13,915,332</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, 2024

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental Activities					
Administration	\$ 897,289	\$ 85,434	\$ 870	\$ -	\$ (810,985)
District support services	955,966	41,990	343,151	-	(570,825)
Elementary and secondary regular instruction	6,925,776	289,544	1,105,474	-	(5,530,758)
Vocational education instruction	387,919	6,529	8,605	-	(372,785)
Special education instruction	3,195,719	-	2,557,035	-	(638,684)
Community education and services	370,929	199,152	126,716	-	(45,061)
Instructional support services	473,868	79	160,175	-	(313,614)
Pupil support services	2,841,742	91,322	1,281,641	-	(1,468,779)
Sites and buildings	3,368,449	283,102	328,629	-	(2,756,718)
Fiscal and other fixed cost programs	137,159	-	-	-	(137,159)
Interest and fiscal charges on long term debt	806,452	-	956,675	-	150,223
Total Governmental Activities	\$ 20,361,268	\$ 997,152	\$ 6,868,971	\$ -	(12,495,145)
General Revenues					
Taxes					
					2,069,741
					77,780
					1,342,463
					11,764,257
					109,623
					388,829
					<u>15,752,693</u>
Change in Net Position					3,257,548
Net Position, July 1					<u>10,657,784</u>
Net Position, June 30					<u>\$ 13,915,332</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, 2024

Independent School District No 177

Windom, Minnesota
 Balance Sheet
 Governmental Funds
 June 30, 2024

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and temporary investments	\$ 7,229,098	\$ 1,093,257	\$ 593,031	\$ 8,915,386
Receivables				
Taxes				
Current	973,452	1,521,643	37,039	2,532,134
Delinquent	5,726	8,558	674	14,958
Accounts and interest	51,353	-	7,506	58,859
Due from other school districts	-	-	12,993	12,993
Intergovernmental	1,734,291	95,763	17,219	1,847,273
Lease	143,818	-	-	143,818
Inventories	-	-	17,024	17,024
Prepaid items	287,733	-	200	287,933
	<u>\$ 10,425,471</u>	<u>\$ 2,719,221</u>	<u>\$ 685,686</u>	<u>\$ 13,830,378</u>
Liabilities				
Salaries and wages payable	\$ 57,508	\$ -	\$ 21,404	\$ 78,912
Accounts payable	74,110	-	10,030	84,140
Due to other school districts	104,583	-	-	104,583
Due to other governments	95,232	-	-	95,232
Accrued expenses	262,475	-	-	262,475
Unearned revenue	-	-	8,110	8,110
Total Liabilities	<u>593,908</u>	<u>-</u>	<u>39,544</u>	<u>633,452</u>
Deferred Inflows of Resources				
Property taxes levied for subsequent year	1,876,145	2,180,063	78,577	4,134,785
Unavailable revenue				
Delinquent property taxes	5,726	8,558	674	14,958
Deferred lease resources	120,397	-	-	120,397
Total Deferred Inflows of Resources	<u>2,002,268</u>	<u>2,188,621</u>	<u>79,251</u>	<u>4,270,140</u>
Fund Balances				
Nonspendable	287,733	-	17,224	304,957
Restricted	3,028,069	530,600	549,667	4,108,336
Assigned	837,324	-	-	837,324
Unassigned	3,676,169	-	-	3,676,169
Total Fund Balances	<u>7,829,295</u>	<u>530,600</u>	<u>566,891</u>	<u>8,926,786</u>
	<u>\$ 10,425,471</u>	<u>\$ 2,719,221</u>	<u>\$ 685,686</u>	<u>\$ 13,830,378</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances				

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, 2024

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

Total Fund Balances - Governmental Funds	\$ 8,926,786
Net capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the funds.	41,479,373
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	(25,265,000)
Financed purchased arrangements	(139,090)
Unamortized bond premium	(633,230)
Other postemployment benefits liability	(875,421)
Net pension liability	(10,891,416)
Long-term assets are not available to pay current-period expenditures and, therefore, are unavailable in the funds.	
Delinquent property taxes receivable	14,958
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	2,454,386
Deferred inflows of pension resources	(828,691)
Governmental funds do not report long-term amounts related to other post employment benefit resources.	
Deferred outflows of other post employment benefit resources	154,681
Deferred inflows of other post employment benefit resources	(102,520)
Governmental funds do not report a liability for accrued interest until due and payable.	<u>(379,484)</u>
Total Net Position - Governmental Activities	<u><u>\$ 13,915,332</u></u>

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, 2024

	General	Debt Service	Other Governmental Funds	Total
Revenues				
Local property tax levies	\$ 2,069,456	\$ 1,344,525	\$ 77,736	\$ 3,491,717
Other local and county revenue	1,213,187	-	206,386	1,419,573
Interest earned on investments	322,900	45,877	20,052	388,829
Revenue from state sources	15,198,965	956,675	528,296	16,683,936
Revenue from federal sources	640,160	-	728,257	1,368,417
Sales and other conversion of assets	84,065	-	82,578	166,643
Total Revenues	<u>19,528,733</u>	<u>2,347,077</u>	<u>1,643,305</u>	<u>23,519,115</u>
Expenditures				
Current				
Administration	942,856	-	-	942,856
District support services	974,149	-	-	974,149
Elementary and secondary regular instruction	7,169,581	-	-	7,169,581
Vocational education instruction	412,105	-	-	412,105
Special education instruction	3,279,235	-	-	3,279,235
Community education and services	-	-	385,876	385,876
Instructional support services	484,039	-	-	484,039
Pupil support services	1,677,126	-	1,135,979	2,813,105
Sites and buildings	1,674,050	-	-	1,674,050
Fiscal and other fixed cost programs	137,209	-	-	137,209
Capital outlay	679,351	-	169,105	848,456
Debt service				
Principal	86,614	1,350,000	-	1,436,614
Interest and other charges	1,221	961,701	-	962,922
Total Expenditures	<u>17,517,536</u>	<u>2,311,701</u>	<u>1,690,960</u>	<u>21,520,197</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,011,197</u>	<u>35,376</u>	<u>(47,655)</u>	<u>1,998,918</u>
Other Financing Sources (Uses)				
Insurance proceeds	16,000	-	-	16,000
Transfers in	-	-	42,275	42,275
Transfers out	(42,275)	-	-	(42,275)
Total Other Financing Sources (Uses)	<u>(26,275)</u>	<u>-</u>	<u>42,275</u>	<u>16,000</u>
Net Change in Fund Balances	1,984,922	35,376	(5,380)	2,014,918
Fund Balances, July 1	<u>5,844,373</u>	<u>495,224</u>	<u>572,271</u>	<u>6,911,868</u>
Fund Balances, June 30	<u>\$ 7,829,295</u>	<u>\$ 530,600</u>	<u>\$ 566,891</u>	<u>\$ 8,926,786</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, 2024

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

Total Net Change in Fund Balances - Governmental Funds	\$ 2,014,918
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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.

Capital outlays	610,909
Depreciation expense	(1,649,793)

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.

Principal repayments	1,350,000
Amortization of bond premiums	137,136
Retirement of financed purchase arrangement	86,614

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.

	19,334
--	--------

Long-term pension activity is not reported in governmental funds.

Pension expense	587,670
Direct aid contributions	85,434

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.

	(1,733)
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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.

Other postemployment benefits costs	17,059
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Change in Net Position - Governmental Activities	\$ 3,257,548
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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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Local property tax levies	\$ 2,096,984	\$ 2,105,480	\$ 2,069,456	\$ (36,024)
Other local and county revenue	838,437	1,037,482	1,213,187	175,705
Interest earned on investments	35,300	150,510	322,900	172,390
Revenue from state sources	14,468,336	14,965,967	15,198,965	232,998
Revenue from federal sources	510,926	636,179	640,160	3,981
Sales and other conversion of assets	24,700	49,700	84,065	34,365
Total Revenues	<u>17,974,683</u>	<u>18,945,318</u>	<u>19,528,733</u>	<u>583,415</u>
Expenditures				
Current				
Administration	950,763	1,056,175	942,856	113,319
District support services	1,047,829	1,059,671	974,149	85,522
Elementary and secondary regular instruction	7,167,725	7,341,015	7,169,581	171,434
Vocational education instruction	400,932	400,697	412,105	(11,408)
Special education instruction	3,416,174	3,346,306	3,279,235	67,071
Instructional support services	283,607	303,746	484,039	(180,293)
Pupil support services	1,814,969	1,896,919	1,677,126	219,793
Sites and buildings	2,079,612	1,993,662	1,674,050	319,612
Fiscal and other fixed cost programs	259,800	276,518	137,209	139,309
Capital outlay				
District support services	2,000	2,055	4,018	(1,963)
Elementary and secondary regular instruction	170,700	195,940	180,340	15,600
Special education instruction	1,000	1,000	1,290	(290)
Pupil support services	20,595	35,595	47,291	(11,696)
Sites and buildings	261,000	421,274	446,412	(25,138)
Debt service				
Principal	5,000	77,400	86,614	(9,214)
Interest and other charges	-	-	1,221	(1,221)
Total Expenditures	<u>17,881,706</u>	<u>18,407,973</u>	<u>17,517,536</u>	<u>890,437</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>92,977</u>	<u>537,345</u>	<u>2,011,197</u>	<u>1,473,852</u>
Other Financing Sources (Uses)				
Insurance proceeds	-	16,000	16,000	-
Transfers out	(82,958)	(79,225)	(42,275)	36,950
Total Other Financing Sources (Uses)	<u>(82,958)</u>	<u>(63,225)</u>	<u>(26,275)</u>	<u>36,950</u>
Net Change in Fund Balances	10,019	474,120	1,984,922	1,510,802
Fund Balances, July 1	<u>5,844,373</u>	<u>5,844,373</u>	<u>5,844,373</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 5,854,392</u>	<u>\$ 6,318,493</u>	<u>\$ 7,829,295</u>	<u>\$ 1,510,802</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, 2024

	<u>Custodial Fund Scholarships</u>
Assets	
Cash and temporary investments	<u>\$ 8,966</u>
Net Position	
Restricted	
Held in trust for scholarships	<u>\$ 8,966</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, 2024

	Custodial Fund Scholarships
Additions	
Donations	\$ 8,750
Investment earnings	680
Total Additions	9,430
Deductions	
Scholarships	11,250
Change in Net Position	(1,820)
Net Position, July 1	10,786
Net Position, June 30	\$ 8,966

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, 2024

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, 2024

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.

The *Building Construction* fund accounts for all resources used for the acquisition and/or construction of major capital facilities.

Independent School District No 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Independent School District No 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 2024 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 2023 and collectible in 2024. 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 are delinquent property taxes receivable and a lease 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.

Independent School District No 177
 Windom, Minnesota
 Notes to the Financial Statements
 June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Receivable

The District’s lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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.

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 and all fiduciary fund 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.

Independent School District No 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Severance Pay - The District maintains a severance pay plan for its teachers. 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, 2024, 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.

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.

Independent School District No 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

	GERP	TRA	Total All Plans
District's proportionate share	\$ 373,167	\$ (211,563)	\$ 161,604
Proportionate share of State's contribution	272	85,162	85,434
Total pension expense	\$ 373,439	\$ (126,401)	\$ 247,038

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. Lastly, the District has one item, deferred lease resources, that is recognized in both the statement of net position and the governmental funds balance sheet as deferred inflows of resources.

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.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the District School Board (the Board), which is the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board modifies or rescinds the commitment by resolution.

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.

Independent School District No 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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, 2024 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.

Independent School District No 177
 Windom, Minnesota
 Notes to the Financial Statements
 June 30, 2024

Note 2: Stewardship, Compliance and Accountability (Continued)

B. Excess of Actual Expenditures over Appropriations

For the year ended June 30, 2024, expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess
Food Service	\$ 1,134,408	\$ 1,153,143	\$ 18,735
Debt Service	2,310,663	2,311,701	1,038

The excess expenditures were funded by actual revenues in excess of budget and budgeted increases.

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.

Independent School District No 177
 Windom, Minnesota
 Notes to the Financial Statements
 June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

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	\$ 745,282
Bank balance	\$ 818,534
Covered by FDIC	(250,000)
Collateralized with securities pledged in District's name	\$ 568,534

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.

Independent School District No 177
 Windom, Minnesota
 Notes to the Financial Statements
 June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

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.

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, 2024, 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	\$ 1,685
Minnesota School District MAX Asset Fund (MSDLAF)	N/A	less than 6 months	<u>8,177,180</u>
Total Investments			<u><u>\$ 8,178,865</u></u>

Independent School District No 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

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 AAAM. 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	\$ 205
Deposits	745,282
Investments	8,178,865
Total	8,924,352
Less Fiduciary Fund Cash and Temporary Investments	(8,966)
Total Cash and Temporary Investments	\$ 8,915,386

B. Property Taxes

Current property taxes receivable is recorded for taxes levied in 2023 and payable in 2024. A portion of the current property taxes receivable is recognized as revenue in the fiscal year ended June 30, 2024 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:

	General	Community Service	Debt Service	Total
Current Taxes	\$ 973,452	\$ 37,039	\$ 1,521,643	\$ 2,532,134
Delinquent Taxes	5,726	674	8,558	14,958
Total Taxes Receivable	\$ 979,178	\$ 37,713	\$ 1,530,201	\$ 2,547,092
Property Taxes Levied for Subsequent Year	\$ 1,876,145	\$ 78,577	\$ 2,180,063	\$ 4,134,785

Independent School District No 177
 Windom, Minnesota
 Notes to the Financial Statements
 June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

C. Interfund Transfers

During the year, the District transferred \$42,275 from the General fund to the Community Service fund their bridges preschool program due to inadequate funding from the state.

D. Lease Receivable

The City leases building space to Southwest West Central Service Cooperative. This agreement is set to expire on June 30, 2025. Activity for the year ended June 30, 2024 was as follows:

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
Winfair Property	07/01/20	4.0 %	\$ 148,020	<u>\$ 143,818</u>

The annual receipts to maturity for lease receivables are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	<u>\$ 143,818</u>	<u>4,202</u>	<u>\$ 148,020</u>

Independent School District No 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

E. Capital Assets

Capital asset activity for the District for the year ended June 30, 2024 was as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 120,572	\$ -	\$ -	\$ 120,572
Capital Assets Being Depreciated				
Land Improvements	1,646,116	60,511	-	1,706,627
Buildings	57,369,388	359,554	-	57,728,942
Equipment	4,400,479	190,844	(25,817)	4,565,506
Total Capital Assets Being Depreciated	<u>63,415,983</u>	<u>610,909</u>	<u>(25,817)</u>	<u>64,001,075</u>
Less Accumulated Depreciation				
Land Improvements	(947,605)	(54,548)	-	(1,002,153)
Buildings	(17,114,238)	(1,332,090)	-	(18,446,328)
Equipment	(2,956,455)	(263,155)	25,817	(3,193,793)
Total Accumulated Depreciation	<u>(21,018,298)</u>	<u>(1,649,793)</u>	<u>25,817</u>	<u>(22,642,274)</u>
Total Capital Assets Being Depreciated, Net	<u>42,397,685</u>	<u>(1,038,884)</u>	<u>-</u>	<u>41,358,801</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 42,518,257</u>	<u>\$ (1,038,884)</u>	<u>\$ -</u>	<u>\$ 41,479,373</u>

Depreciation Expense was charged to governmental activities as follows:

Administration	\$ 65,242
District Support Services	485
Elementary and Secondary Regular Instruction	99,727
Vocational Education Instruction	4,596
Instructional Support Services	960
Pupil Support Services	22,512
Sites, Buildings and Equipment	<u>1,456,271</u>
Total Depreciation Expense	<u>\$ 1,649,793</u>

Independent School District No 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

F. 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	\$ 23,675,000	\$ 1,150,000
G.O. Facility Maintenance Bonds, Series 2019A	2,440,000	3.00-5.00	04/04/19	02/01/31	1,590,000	200,000
Total General Obligation Bonds					<u>\$ 25,265,000</u>	<u>\$ 1,350,000</u>

The annual requirements to amortize all bonds outstanding at June 30, 2024 are as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2025	\$ 1,350,000	910,763	\$ 2,260,763
2026	1,460,000	843,263	2,303,263
2027	1,535,000	770,263	2,305,263
2028	1,615,000	693,513	2,308,513
2029	1,670,000	631,263	2,301,263
2030 - 2034	8,375,000	2,357,638	10,732,638
2035 - 2039	9,260,000	951,180	10,211,180
Total	<u>\$ 25,265,000</u>	<u>\$ 7,157,881</u>	<u>\$ 32,422,881</u>

Financed Purchased Arrangements

The 2022 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 4/03/2022 and ends on 4/03/2025. The interest rate for the lease is 4.0%.

Independent School District No 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

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.

The details are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End	Due Within One Year
2022 Apple Equipment	\$ 94,227	4.00 %	04/03/22	04/03/25	\$ 29,440	\$ 29,440
2023 Apple Equipment	164,475	-	06/20/23	07/10/25	109,650	54,825
Total Financed Purchase Arrangements Payable					<u>\$ 139,090</u>	<u>\$ 84,265</u>

The annual requirements to amortize all financed purchase arrangements at June 30, 2024 are as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2025	\$ 84,265	\$ 616	\$ 84,881
2026	54,825	-	54,825
Total	<u>\$ 139,090</u>	<u>\$ 616</u>	<u>\$ 139,706</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable					
General obligation revenue bonds	\$ 26,615,000	\$ -	\$ (1,350,000)	\$ 25,265,000	\$ 1,350,000
Unamortized premium	770,366	-	(137,136)	633,230	-
Other Liabilities					
Finance purchase agreements	225,704	-	(86,614)	139,090	84,265
Total Long-term Liabilities	<u>\$ 27,611,070</u>	<u>\$ -</u>	<u>\$ (1,573,750)</u>	<u>\$ 26,037,320</u>	<u>\$ 1,434,265</u>

Independent School District No 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

G. Components of Fund Balance

At June 30, 2024, 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	\$ -	\$ 17,024	\$ -	\$ -	\$ 17,024
Prepaid items	287,733	200	-	-	287,933
Total Nonspendable	<u>\$ 287,733</u>	<u>\$ 17,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304,957</u>
Restricted for					
Scholarships	\$ 18,379	\$ -	\$ -	\$ -	\$ 18,379
Student activities	227,163	-	-	-	227,163
Staff development	379,640	-	-	-	379,640
Operating capital	1,262,977	-	-	-	1,262,977
Safe schools - crime levy	89,759	-	-	-	89,759
Long term facility maintenance	1,050,151	-	-	-	1,050,151
Food service	-	296,684	-	-	296,684
Community education	-	-	153,421	-	153,421
Early childhood and family education	-	-	95,801	-	95,801
School readiness	-	-	133	-	133
Adult basic education	-	-	721	-	721
Community service	-	-	2,907	-	2,907
Debt service	-	-	-	530,600	530,600
Total Restricted	<u>\$3,028,069</u>	<u>\$ 296,684</u>	<u>\$ 252,983</u>	<u>\$ 530,600</u>	<u>\$4,108,336</u>
Assigned	<u>837,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 837,324</u>
Unassigned	<u>\$ 3,676,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,676,169</u>

Independent School District No 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2024

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

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, 2024

Note 4: Defined Benefit Pension Plans - Statewide

A. Teachers 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 or coverage through the Defined Contribution Retirement Plan (DCR) administered by Minnesota State.

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 five consecutive years of allowable service, age, and a formula multiplier based on years of credit at termination of service.

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	1st 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. Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or
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, 2024

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

Tier II:

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. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statute. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and

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.

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. Contribution Rates

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2022, June 30, 2023, June 30, 2024 were:

Plan	Ending June 30, 2022		Ending June 30, 2023		Ending June 30, 2024	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic	11.00%	12.34%	11.00%	12.55%	11.25%	12.75%
Coordinated	7.50%	8.34%	7.50%	8.55%	7.75%	8.75%

The District's contributions to TRA for the year ending June 30, 2024, 2023, and 2022 were \$593,861, \$572,589, and \$537,387, respectively. The District's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

The following is a reconciliation of employer contributions in TRA's fiscal year 2023 ACFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations.

Employer Contributions Reported in TRA's Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	\$ 508,764,000
Deduct Employer Contributions not Related to Future Contribution Efforts	(87,000)
Deduct TRA's contributions not included in allocation	<u>(643,000)</u>
 Total Employer Contributions	 508,034,000
Total Non-employer Contributions	<u>35,587,000</u>
 Total Contributions Reported in Schedule of Employer and Non-employer Pension Allocations	 <u>\$ 543,621,000</u>

Amounts reported in the allocation schedules may not precisely agree with financial statement amounts or actuarial valuations due to the number of decimal places used in the allocations. TRA has rounded percentage amounts to the nearest ten

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2024

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

4. Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	
Valuation Date	July 1, 2023
Experience Study	June 30, 2023
	June 28, 2019 (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% thereafter
Projected Salary Increase	2.85% to 8.85% before July 1, 2028 and 3.5% to 9.25% thereafter
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	RP - 2014 white collar employee table, male rates set back six years and female rates set back seven years Generational projection uses the MP - 2015 scale.
Post-retirement	RP - 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP - 2015 scale.
Post-disability	RP - 2014 disabled retiree mortality table, without adjustments.

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:

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

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2023 is six years. The Difference between Expected and Actual Experience, Changes of Assumptions, and Changes in Proportion use the amortization period of six years in the schedule presented. The amortization period for Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments is five years as required by GASB 68.

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2024

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

Changes in actuarial assumptions since the 2022 valuation:

The 2023 Tax Finance and Policy Bill, effective July 1, 2025

- 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 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.

The 2024 Omnibus Pensions and Retirement Bill:

- 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.

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 2023 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. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

6. Net Pension Liability

On June 30, 2024, The District reported a liability of \$8,693,804 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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 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 0.1053% at the end of the measurement period and 0.1041% 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	\$ 8,693,804
State's Proportionate Share of Net Pension Liability Associated with the District	<u>609,154</u>
 Total	 <u><u>\$ 9,302,958</u></u>

For the year ended June 30, 2024, the District recognized negative pension expense of \$211,563. It also recognized recognized \$85,162 as an increase to pension expense for the support provided by direct aid.

On June 30, 2024, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 83,457	\$ 125,615
Changes in Actuarial Assumptions	1,000,174	-
Net Difference Between Projected and Actual Investment Earnings	111,346	-
Changes in Proportion	-	14,021
Contributions Paid to PERA Subsequent to the Measurement Date	<u>593,861</u>	<u>-</u>
 Total	 <u><u>\$ 1,788,838</u></u>	 <u><u>\$ 139,636</u></u>

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2024

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

Deferred outflows of resources totaling \$593,861 related to pensions resulting from the District's contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

2025	\$ (47,166)
2026	(167,825)
2027	845,231
2028	523,967
2029	(85,606)
Thereafter	(13,260)

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.

	District's Proportionate Share of NPL		
	1 Percent Decrease (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
	Teachers Retirement Association	\$ 13,865,978	\$ 8,693,804

The District's proportion of the net pension liability was based on the employer contributions to TRA in relation to TRA's total employer contributions including direct aid contributions from the State of Minnesota, City of Minneapolis, and Minneapolis School District.

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.

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). PERA's defined benefit pension plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

All full-time and certain part-time employees of the District are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

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.

Independent School District No. 177

Windom, Minnesota

Notes to the Financial Statements

June 30, 2024

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

General Employees Plan Benefits

General Employees Plan 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 PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

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. 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 reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

3. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 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, 2024, 2023, and 2022 were \$240,851, \$235,541 and \$223,685, 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, 2024, the District reported a liability of \$2,197,612 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 \$60,455. The net pension liability was measured as of June 30, 2023, 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 proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024 relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0393 percent at the end of the measurement period and 0.0396 percent for the beginning of the period.

District's Proportionate Share of Net Pension Liability	\$ 2,197,612
State's Proportionate Share of Net Pension Liability Associated with the District	<u>60,455</u>
Total	<u>\$ 2,258,067</u>

For the year ended June 30, 2024, the District recognized pension expense of \$373,167 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized \$272 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.

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2024

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

At June 30, 2024, the District reported its proportionate share of the General Employees Plan's 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	\$ 72,303	\$ 14,985
Changes in Actuarial Assumptions	352,394	602,347
Net Difference Between Projected and Actual Investment Earnings	-	71,723
Contributions Paid to PERA Subsequent to the Measurement Date	240,851	-
Total	\$ 665,548	\$ 689,055

The \$240,851 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, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ 52,921
2026	(323,064)
2027	53,458
2028	(47,673)

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 %	

6. Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0 percent was deemed to be within that range of reasonableness for financial reporting purposes.

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

Independent School District No. 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2024

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

General Employees Fund

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.0 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- 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.

7. Discount Rate

The discount rate used to measure the total pension liability in 2023 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 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.

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 (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
General Employees Fund	\$ 3,887,752	\$ 2,197,612	\$ 807,407

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, 2024

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, 2024, the following employees were covered by the benefit terms:

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

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, 2024 the District's average contribution rate was 10.10 percent of covered-employee payroll. For fiscal year 2024, the District directly contributed \$12,566 to the Plan, while implicit contributions totaled \$78,617.

C. Actuarial Methods and Assumptions

The District's total OPEB liability of \$875,421 was measured as of July 1, 2024.

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	Vary by service and contract group
Medical Trend Rate	6.50% in 2023 grading to 5.00% over 6 year and then to 4.00% over the next 48 years

The discount rate used to measure the total OPEB liability was 3.90 percent. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the 20-year municipal bond rate. The equivalent single rate is the discount rate.

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

The actuarial assumptions used in the July 1, 2023 valuation were based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information as well as for consistency with the other economic assumptions.

Independent School District No 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2024

Note 5: Postemployment Benefits Other Than Pensions (Continued)

D. Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at June 30, 2023	\$ 816,064
Changes for the Year:	
Service cost	91,884
Interest cost	32,850
Assumption changes	12,367
Plan changes	9,999
Benefit payments	(87,743)
Net Changes	59,357
Balances at June 30, 2024	\$ 875,421

Since the prior measurement date, the following assumptions changed:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2021 Generational Improvement Scale.
- The discount rate was changed from 3.80% to 3.90%

Since the prior measurement date, there have been no changes in benefit terms.

E. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

1 Percent Decrease (2.90%)	Current (3.90%)	1 Percent Increase (4.90%)
\$ 932,785	\$ 875,421	\$ 820,961

Independent School District No 177
 Windom, Minnesota
 Notes to the Financial Statements
 June 30, 2024

Note 5: Postemployment Benefits Other Than Pensions (Continued)

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a Healthcare Cost Trend Rates that is 1-percentage point lower or 1-percentage-point higher than the current cost trend rate:

1 Percent Decrease (5.50% decreasing to 4.00% then 3.00%)	Healthcare Cost Trend Rates (6.50% decreasing to 5.00% then 4.00%)	1 Percent Increase (7.50% decreasing to 6.00% then 5.00%)
\$ 788,523	\$ 875,421	\$ 979,471

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

For the year ended June 30, 2024, the District recognized negative OPEB expense of \$17,053. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 34,429	\$ 46,402
Changes in Actuarial Assumptions	29,069	56,118
Contributions to OPEB Subsequent to the Measurement Date	91,183	-
Total	\$ 154,681	\$ 102,520

Deferred outflows of resources totaling \$91,183 related to OPEB resulting from the District's contributions to the plan subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2025	\$ (50,597)
2026	7,213
2027	3,458
2028	3,453
2029	(5,745)
Thereafter	3,196

Independent School District No 177
Windom, Minnesota
Notes to the Financial Statements
June 30, 2024

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.

The Southwest /West Central Services Cooperative Health Insurance Fund was formed under a joint powers agreement. The agreement is to provide a cooperative program of group funding and risk management of employee health and medical claims for the employees of the member school districts. The fund is not intended to function as an insurance company for the districts. Rather, it is a means of combining the administration of claims and of obtaining lower insurance rates. Although premiums billed to the districts are determined on an actuarial basis, the districts' liability for claims is limited to the amount of premiums paid.

REQUIRED SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 177
WINDOM, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2024

Independent School District No. 177
 Windom, Minnesota
 Required Supplementary Information
 June 30, 2024

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
06/30/23	0.1053 %	\$ 8,693,804	\$ 609,154	\$ 9,302,958	\$ 6,696,947	129.8 %	76.4 %
06/30/22	0.1041	8,335,777	618,456	8,954,233	6,443,489	129.4	76.2
06/30/21	0.1040	4,551,351	383,953	4,935,304	6,226,175	73.1	86.6
06/30/20	0.0995	7,351,193	615,832	7,967,025	5,781,452	127.2	75.5
06/30/19	0.1006	6,412,265	567,452	6,979,717	5,631,543	113.9	78.2
06/30/18	0.0991	6,223,666	584,742	6,808,408	5,474,520	113.7	78.1
06/30/17	0.1012	20,201,356	1,953,105	22,154,461	5,449,227	370.7	51.6
06/30/16	0.1003	23,923,943	2,402,047	26,325,990	5,216,173	458.6	44.9
06/30/15	0.0955	5,907,619	724,531	6,632,150	4,848,960	121.8	76.8
06/30/14	0.0907	4,179,391	294,073	4,473,464	261,187	1,600.2	81.1

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)
06/30/24	\$ 593,861	\$ 593,861	\$ -	\$ 6,786,982	8.75 %
06/30/23	572,589	572,589	-	6,696,947	8.55
06/30/22	537,387	537,387	-	6,443,489	8.34
06/30/21	506,188	506,188	-	6,226,175	8.13
06/30/20	457,891	457,891	-	5,781,452	7.92
06/30/19	434,192	434,192	-	5,631,543	7.71
06/30/18	410,589	410,589	-	5,474,520	7.50
06/30/17	408,692	408,692	-	5,449,227	7.50
06/30/16	391,213	391,213	-	5,216,173	7.50
06/30/15	363,672	363,672	-	4,848,960	7.50

Independent School District No. 177
Windom, Minnesota
Required Supplementary Information
June 30, 2024

Notes to the Required Supplementary Information - TRA

Changes in Actuarial Assumptions

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 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.
- 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.

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

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

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.

2014 - The cost of living adjustment was assumed to increase from 2.0 percent annually to 2.5 percent annually on July 1, 2034.

Independent School District No. 177
Windom, Minnesota
Required Supplementary Information
June 30, 2024

Notes to the Required Supplementary Information – TRA (Continued)

Changes in Plan Provisions

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.

2014 - The increase in the post-retirement benefit adjustment (COLA) will be made once the plan is 90% funded (on a market value basis) in two consecutive years, rather than just one year.

Independent School District No. 177
 Windom, Minnesota
 Required Supplementary Information
 June 30, 2024

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 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
06/30/23	0.0393 %	\$ 2,197,612	\$ 60,455	\$ 2,258,067	\$ 3,140,553	70.0	83.1 %
06/30/22	0.0396	3,136,333	91,810	3,228,143	2,982,467	105.2	76.7
06/30/21	0.0389	1,661,204	50,745	1,711,949	2,820,880	58.9	87.0
06/30/20	0.0365	2,188,342	67,435	2,255,777	2,617,240	83.6	79.0
06/30/19	0.0322	1,780,266	55,331	1,835,597	2,293,187	77.6	80.2
06/30/18	0.0337	1,869,538	61,315	1,930,853	2,273,867	82.2	79.5
06/30/17	0.0321	2,049,243	25,779	2,075,022	2,068,880	99.1	75.9
06/30/16	0.0293	2,379,015	-	2,379,015	1,829,960	130.0	68.9
06/30/15	0.0289	1,497,748	-	1,497,748	1,677,907	89.3	78.2
06/30/14	0.0326	1,531,385	-	1,531,385	1,663,147	92.1	78.7

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)
06/30/24	\$ 240,851	\$ 240,851	\$ -	\$ 3,211,340	7.50 %
06/30/23	235,541	235,541	-	3,140,553	7.50
06/30/22	223,685	223,685	-	2,982,467	7.50
06/30/21	211,566	211,566	-	2,820,880	7.50
06/30/20	196,293	196,293	-	2,617,240	7.50
06/30/19	171,989	171,989	-	2,293,187	7.50
06/30/18	170,540	170,540	-	2,273,867	7.50
06/30/17	155,166	155,166	-	2,068,880	7.50
06/30/16	137,247	137,247	-	1,829,960	7.50
06/30/15	125,843	125,843	-	1,677,907	7.50

Independent School District No. 177
Windom, Minnesota
Required Supplementary Information
June 30, 2024

Notes to the Required Supplementary Information - PERA

Changes in Actuarial Assumptions

2023 - The investment return assumption and single discount rate 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
June 30, 2024

Notes to the Required Supplementary Information – PERA (Continued)

Changes in Plan Provisions

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 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 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 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 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 - No changes noted.

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, 2024

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

	2024	2023	2022	2021	2020
Total OPEB Liability					
Service cost	\$ 91,884	\$ 64,266	\$ 79,611	\$ 58,742	\$ 51,377
Interest cost	32,850	19,119	20,366	24,446	38,194
Changes in assumptions	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 payments	(87,743)	(101,266)	(64,737)	(68,355)	(100,900)
Net Change in Total OPEB Liability	59,357	(80,468)	95,390	37,388	(358,254)
Total OPEB Liability - Beginning	816,064	896,532	801,142	763,754	1,122,008
Total OPEB Liability - Ending	<u>\$ 875,421</u>	<u>\$ 816,064</u>	<u>\$ 896,532</u>	<u>\$ 801,142</u>	<u>\$ 763,754</u>
Covered - Employee Payroll	\$ 8,981,590	\$ 8,722,996	\$ 8,468,928	\$ 7,936,251	\$ 7,705,098
District's Total OPEB Liability as a Percentage of Covered Employee Payroll	9.7 %	9.4 %	10.6 %	10.1 %	9.9 %

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Changes in Benefits

2024 - None

2023 - None

2022 - None

2021 - The maximum matching contribution limit for Teachers increased from \$35,000 to \$40,000.

2020 - None

2019 - None

2018 - The matching contribution amounts for Teachers increased. Note that these contributions are not included in the liability in the GASB 75 valuation, but they are used as an offset to the post-employment subsidized benefits.

Independent School District No 177
Windom, Minnesota
Required Supplementary Information (Continued)
For the Year Ended June 30, 2024

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

Changes in Actuarial Assumptions

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 changed from 2.50% to 2.00%. The discount rate was changed from 2.40% to 2.10%.

2020 - The discount rate was changed from 3.10% to 2.40%.

2019 - The health care trend rates were changed to better anticipate short term and long term medical increases. The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Teachers) with MP-2018 Generational Improvement Scale. The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group. The discount rate was changed from 3.40% to 3.10%. These changes decreased the liability \$10,197.

2018 - None

Changes in Method

2023 - None

2023 - None

2022 - None

2021 - None

2020 - None

2019 - None

2018 - 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, 2024

Independent School District No 177

Windom, Minnesota

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2024

	Special Revenue		Capital Projects	Totals
	Food Service	Community Service	Building Construction	
Assets				
Cash and temporary investments	\$ 308,317	\$ 284,714	\$ -	\$ 593,031
Receivables				
Taxes				
Current	-	37,039	-	37,039
Delinquent	-	674	-	674
Accounts and interest	2,997	4,509	-	7,506
Due from other school districts	-	12,993	-	12,993
Intergovernmental	7,605	9,614	-	17,219
Inventories	17,024	-	-	17,024
Prepaid items	200	-	-	200
Total Assets	<u>\$ 336,143</u>	<u>\$ 349,543</u>	<u>\$ -</u>	<u>\$ 685,686</u>
Liabilities				
Salaries and wages payable	\$ 7,163	\$ 14,241	\$ -	\$ 21,404
Accounts payable	6,962	3,068	-	10,030
Unearned revenue	8,110	-	-	8,110
Total Liabilities	<u>22,235</u>	<u>17,309</u>	<u>-</u>	<u>39,544</u>
Deferred Inflows of Resources				
Property taxes levied for subsequent year	-	78,577	-	78,577
Unavailable revenue - delinquent property taxes	-	674	-	674
Total Deferred Inflows of Resources	<u>-</u>	<u>79,251</u>	<u>-</u>	<u>79,251</u>
Fund Balances				
Nonspendable	17,224	-	-	17,224
Restricted	296,684	252,983	-	549,667
Total Fund Balances	<u>313,908</u>	<u>252,983</u>	<u>-</u>	<u>566,891</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 336,143</u>	<u>\$ 349,543</u>	<u>\$ -</u>	<u>\$ 685,686</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, 2024

	<u>Special Revenue</u>		<u>Capital Projects</u>	<u>Total</u>
	<u>Food Service</u>	<u>Community Service</u>	<u>Building Construction</u>	
Revenues				
Local property tax levies	\$ -	\$ 77,736	\$ -	\$ 77,736
Other local and county revenue	5,635	200,751	-	206,386
Interest earned on investments	7,869	10,234	1,949	20,052
Revenue from state sources	403,179	125,117	-	528,296
Revenue from federal sources	728,257	-	-	728,257
Sales and other conversion of assets	82,578	-	-	82,578
Total Revenues	<u>1,227,518</u>	<u>413,838</u>	<u>1,949</u>	<u>1,643,305</u>
Expenditures				
Current expenditures				
Community education and services	-	385,876	-	385,876
Pupil support services	1,135,979	-	-	1,135,979
Capital outlay	17,164	-	151,941	169,105
Total Expenditures	<u>1,153,143</u>	<u>385,876</u>	<u>151,941</u>	<u>1,690,960</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	74,375	27,962	(149,992)	(47,655)
Other Financing Sources (Uses)				
Transfers in	<u>-</u>	<u>42,275</u>	<u>-</u>	<u>42,275</u>
Net Change in Fund Balances	74,375	70,237	(149,992)	(5,380)
Fund Balances, July 1	<u>239,533</u>	<u>182,746</u>	<u>149,992</u>	<u>572,271</u>
Fund Balances, June 30	<u>\$ 313,908</u>	<u>\$ 252,983</u>	<u>\$ -</u>	<u>\$ 566,891</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, 2024

(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			Amounts
Revenues					
Local property tax levies	\$ 2,096,984	\$ 2,105,480	\$ 2,069,456	\$ (36,024)	\$ 2,062,693
Other local and county revenue	838,437	1,037,482	1,213,187	175,705	1,328,663
Interest earned on investments	35,300	150,510	322,900	172,390	174,627
Revenue from state sources	14,468,336	14,965,967	15,198,965	232,998	13,508,378
Revenue from federal sources	510,926	636,179	640,160	3,981	1,337,169
Sales and other conversion of assets	24,700	49,700	84,065	34,365	88,311
Total Revenues	17,974,683	18,945,318	19,528,733	583,415	18,499,841
Expenditures					
Current					
Administration					
Salaries	642,327	641,637	598,390	43,247	705,172
Employee benefits	257,986	363,308	350,923	12,385	311,522
Purchased services	26,500	23,080	7,763	15,317	49,560
Supplies and materials	10,625	15,170	10,338	4,832	7,929
Other expenditures	13,325	12,980	(24,558)	37,538	263
Total administration	950,763	1,056,175	942,856	113,319	1,074,446
District support services					
Salaries	702,480	659,232	656,121	3,111	655,532
Employee benefits	225,101	261,491	226,753	34,738	219,744
Purchased services	91,000	114,000	76,628	37,372	107,543
Supplies and materials	29,248	24,948	14,647	10,301	68,421
Total district support services	1,047,829	1,059,671	974,149	85,522	1,051,240
Elementary and secondary regular instruction					
Salaries	4,617,293	4,716,925	4,636,570	80,355	4,674,249
Employee benefits	1,484,417	1,476,051	1,494,227	(18,176)	1,519,247
Purchased services	437,767	428,301	478,670	(50,369)	493,765
Supplies and materials	617,963	704,828	551,247	153,581	611,687
Other expenditures	10,285	14,910	8,867	6,043	12,138
Total elementary and secondary regular instruction	7,167,725	7,341,015	7,169,581	171,434	7,311,086
Vocational education instruction					
Salaries	278,894	285,715	288,430	(2,715)	265,792
Employee benefits	98,213	91,882	90,287	1,595	95,769
Purchased services	1,075	100	5,971	(5,871)	10,566
Supplies and materials	22,750	23,000	27,417	(4,417)	32,742
Total vocational education instruction	400,932	400,697	412,105	(11,408)	404,869
Special education instruction					
Salaries	2,323,897	2,268,888	2,276,300	(7,412)	2,082,576
Employee benefits	717,855	650,289	595,988	54,301	632,985
Purchased services	352,497	398,569	387,590	10,979	313,433
Supplies and materials	21,925	28,560	19,104	9,456	17,243
Other Expenditures	-	-	253	(253)	-
Total special education instruction	3,416,174	3,346,306	3,279,235	67,071	3,046,237

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, 2024

(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Expenditures (Continued)					
Current (continued)					
Instructional support services					
Salaries	\$ 161,588	\$ 182,337	\$ 239,760	\$ (57,423)	\$ 156,233
Employee benefits	36,319	37,459	48,677	(11,218)	34,793
Purchased services	65,000	60,000	166,037	(106,037)	33,498
Supplies and materials	20,700	23,950	29,565	(5,615)	22,541
Total instructional support services	<u>283,607</u>	<u>303,746</u>	<u>484,039</u>	<u>(180,293)</u>	<u>247,065</u>
Pupil support services					
Salaries	408,637	429,215	421,538	7,677	404,206
Employee benefits	131,090	130,531	133,025	(2,494)	132,161
Purchased services	1,253,712	1,312,318	1,084,777	227,541	1,017,452
Supplies and materials	21,105	24,155	37,379	(13,224)	23,717
Other expenditures	425	700	407	293	477
Total pupil support services	<u>1,814,969</u>	<u>1,896,919</u>	<u>1,677,126</u>	<u>219,793</u>	<u>1,578,013</u>
Sites and buildings					
Salaries	720,070	734,962	697,191	37,771	671,199
Employee benefits	253,039	242,750	270,484	(27,734)	259,523
Purchased services	782,503	676,950	449,979	226,971	476,478
Supplies and materials	324,000	339,000	256,396	82,604	261,851
Total sites, buildings and equipment	<u>2,079,612</u>	<u>1,993,662</u>	<u>1,674,050</u>	<u>319,612</u>	<u>1,669,051</u>
Fiscal and other fixed cost programs					
Employee benefits	119,800	131,018	-	131,018	-
Purchased services	140,000	145,500	137,209	8,291	88,614
Total fiscal and other fixed cost programs	<u>259,800</u>	<u>276,518</u>	<u>137,209</u>	<u>139,309</u>	<u>88,614</u>
Total current	<u>17,421,411</u>	<u>17,674,709</u>	<u>16,750,350</u>	<u>924,359</u>	<u>16,470,621</u>
Capital outlay					
Administration	-	-	-	-	329
District support services	2,000	2,055	4,018	(1,963)	5,919
Elementary and secondary regular instruction	170,700	195,940	180,340	15,600	115,232
Vocational education instruction	-	-	-	-	2,692
Special education instruction	1,000	1,000	1,290	(290)	1,126
Pupil support services	20,595	35,595	47,291	(11,696)	6,762
Sites and buildings	261,000	421,274	446,412	(25,138)	1,739,167
Total capital outlay	<u>455,295</u>	<u>655,864</u>	<u>679,351</u>	<u>(23,487)</u>	<u>1,871,227</u>
Debt service					
Principal	5,000	77,400	86,614	(9,214)	107,915
Interest and other charges	-	-	1,221	(1,221)	345
Total debt service	<u>5,000</u>	<u>77,400</u>	<u>87,835</u>	<u>(10,435)</u>	<u>108,260</u>
Total Expenditures	<u>17,881,706</u>	<u>18,407,973</u>	<u>17,517,536</u>	<u>890,437</u>	<u>18,450,108</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, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 92,977	\$ 537,345	\$ 2,011,197	\$ 1,473,852	\$ 49,733
Other Financing Sources (Uses)					
Insurance proceeds	-	16,000	16,000	-	7,065
Financed purchase arrangements issued	-	-	-	-	164,475
Transfers out	(82,958)	(79,225)	(42,275)	36,950	(79,220)
Total Other Financing Sources (Uses)	(82,958)	(63,225)	(26,275)	36,950	92,320
Net Change in Fund Balances	10,019	474,120	1,984,922	1,510,802	142,053
Fund Balances, July 1	5,844,373	5,844,373	5,844,373	-	5,702,320
Fund Balances, June 30	\$ 5,854,392	\$ 6,318,493	\$ 7,829,295	\$ 1,510,802	\$ 5,844,373

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, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Other local and county revenue	\$ 2,100	\$ 3,500	\$ 5,635	\$ 2,135	\$ 8,989
Interest earned on investments	1,000	6,000	7,869	1,869	6,483
Revenue from state sources	20,200	300,625	403,179	102,554	50,596
Revenue from federal sources	973,250	693,393	728,257	34,864	677,675
Sales and other conversion of assets	62,800	88,600	82,578	(6,022)	254,988
Total Revenues	<u>1,059,350</u>	<u>1,092,118</u>	<u>1,227,518</u>	<u>135,400</u>	<u>998,731</u>
Expenditures					
Current					
Pupil support services					
Salaries	343,472	355,125	344,302	10,823	321,219
Employee benefits	98,915	84,850	89,742	(4,892)	87,870
Purchased services	29,625	31,970	27,664	4,306	26,787
Supplies and materials	523,600	596,173	635,619	(39,446)	512,223
Other expenditures	13,010	13,790	38,652	(24,862)	12,259
Total current	<u>1,008,622</u>	<u>1,081,908</u>	<u>1,135,979</u>	<u>(54,071)</u>	<u>960,358</u>
Capital outlay					
Pupil support services	64,000	52,500	17,164	35,336	102,789
Total Expenditures	<u>1,072,622</u>	<u>1,134,408</u>	<u>1,153,143</u>	<u>(18,735)</u>	<u>1,063,147</u>
Excess (deficiency) of revenues over (under) expenditures	(13,272)	(42,290)	74,375	116,665	(64,416)
Other financing sources (uses)					
Sale of assets	-	-	-	-	4,399
Net Change in Fund Balances	(13,272)	(42,290)	74,375	116,665	(60,017)
Fund Balances, July 1	<u>239,533</u>	<u>239,533</u>	<u>239,533</u>	-	<u>299,550</u>
Fund Balances, June 30	<u>\$ 226,261</u>	<u>\$ 197,243</u>	<u>\$ 313,908</u>	<u>\$ 116,665</u>	<u>\$ 239,533</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, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024				2023
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
Revenues					
Local property tax levies	\$ 79,873	\$ 78,175	\$ 77,736	\$ (439)	\$ 75,400
Other local and county revenue	176,838	182,388	200,751	18,363	163,195
Interest earned on investments	500	5,000	10,234	5,234	5,341
Revenue from state sources	176,323	96,122	125,117	28,995	100,573
Revenue from federal sources	-	-	-	-	6,875
Total Revenues	<u>433,534</u>	<u>361,685</u>	<u>413,838</u>	<u>52,153</u>	<u>351,384</u>
Expenditures					
Current					
Community education and services					
Salaries	285,425	301,378	268,745	32,633	263,288
Employee benefits	71,330	76,351	76,569	(218)	71,070
Purchased services	29,965	36,785	28,781	8,004	27,342
Supplies and materials	14,106	14,775	11,781	2,994	13,616
Total current	<u>400,826</u>	<u>429,289</u>	<u>385,876</u>	<u>43,413</u>	<u>375,316</u>
Capital outlay					
Community education and services	-	-	-	-	3,150
Total Expenditures	<u>400,826</u>	<u>429,289</u>	<u>385,876</u>	<u>43,413</u>	<u>378,466</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	32,708	(67,604)	27,962	95,566	(27,082)
Other Financing Sources (Uses)					
Transfers in	-	79,225	42,275	(36,950)	79,220
Net Change In Fund Balances					
	32,708	11,621	70,237	58,616	52,138
Fund Balances, July 1					
	<u>182,746</u>	<u>182,746</u>	<u>182,746</u>	<u>-</u>	<u>130,608</u>
Fund Balances, June 30					
	<u>\$ 215,454</u>	<u>\$ 194,367</u>	<u>\$ 252,983</u>	<u>\$ 58,616</u>	<u>\$ 182,746</u>

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, 2024
 (With Comparative Actual Amounts for the Year Ended June 30, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
Revenues					
Local property tax levies	\$ 1,389,591	\$ 1,351,454	\$ 1,344,525	\$ (6,929)	\$ 1,491,983
Interest earned on investments	4,000	25,000	45,877	20,877	27,957
Revenue from state sources	942,344	955,356	956,675	1,319	830,886
Total Revenues	<u>2,335,935</u>	<u>2,331,810</u>	<u>2,347,077</u>	<u>15,267</u>	<u>2,350,826</u>
Expenditures					
Debt service					
Principal	1,350,000	1,350,000	1,350,000	-	1,310,000
Interest and other costs	960,863	960,663	961,701	(1,038)	1,003,238
Total Expenditures	<u>2,310,863</u>	<u>2,310,663</u>	<u>2,311,701</u>	<u>(1,038)</u>	<u>2,313,238</u>
Net Change in Fund Balances	25,072	21,147	35,376	14,229	37,588
Fund Balances, July 1	<u>495,224</u>	<u>495,224</u>	<u>495,224</u>	-	457,636
Fund Balances, June 30	<u>\$ 520,296</u>	<u>\$ 516,371</u>	<u>\$ 530,600</u>	<u>\$ 14,229</u>	<u>\$ 495,224</u>

Independent School District No 177
 Windom, Minnesota
 Combining Statement of Fiduciary Net Position
 Fiduciary Fund
 June 30, 2024

	Marcus Behrends Scholarship	Krueger Family Scholarship	Vern Carey Scholarship	Total
Assets				
Cash and temporary investments	\$ 88	\$ 8,878	\$ -	\$ 8,966
Fund Balances				
Restricted				
Held in trust for scholarships	\$ 88	\$ 8,878	\$ -	\$ 8,966

Independent School District No 177
Windom, Minnesota
Combining Statement of Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2024

	<u>Marcus Behrends Scholarship</u>	<u>Krueger Family Scholarship</u>	<u>Vern Carey Scholarship</u>	<u>Total</u>
Additions				
Donations	\$ -	\$ 6,500	\$ 2,250	\$ 8,750
Investment earnings	4	676	-	680
Total Additions	<u>4</u>	<u>7,176</u>	<u>2,250</u>	<u>9,430</u>
Deductions				
Scholarships	<u>-</u>	<u>9,000</u>	<u>2,250</u>	<u>11,250</u>
Net Increase (Decrease) in Fiduciary Net Position	4	(1,824)	-	(1,820)
Net Position, July 1	<u>84</u>	<u>10,702</u>	<u>-</u>	<u>10,786</u>
Net Position, June 30	<u>\$ 88</u>	<u>\$ 8,878</u>	<u>\$ -</u>	<u>\$ 8,966</u>

Independent School District No 177
 Windom, Minnesota
 Schedules of Tax Capacity, Tax Levy and Tax Rates
 For the Years Ended June 30, 2024 and 2023

	2024	2023
Tax Capacity		
Agricultural	\$ 10,792,559	\$ 7,034,230
Nonagricultural	6,668,896	5,691,569
Total	\$ 17,461,455	\$ 12,725,799
Tax Levy		
General	\$ 2,061,727	\$ 2,023,833
Community Service	78,577	80,045
Debt Service	2,180,062	2,226,124
Total	\$ 4,320,366	\$ 4,330,002
Tax Capacity Rates		
General	4.151 %	5.625 %
Community Service	0.450	0.629
Debt Service	12.485	17.493
Total	17.086 %	23.747 %



Fiscal Compliance Report - 6/30/2024
District: WINDOM (177-1)

	Audit	UFARS	Audit - UFARS
01 GENERAL FUND			
Total Revenue	\$19,528,733	<u>\$19,528,727</u>	<u>\$6</u>
Total Expenditures	\$17,517,536	<u>\$17,517,529</u>	<u>\$7</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$287,733	<u>\$287,733</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$227,163	<u>\$227,162</u>	<u>\$1</u>
4.02 Scholarships	\$18,379	<u>\$18,378</u>	<u>\$1</u>
4.03 Staff Development	\$379,640	<u>\$379,640</u>	<u>\$0</u>
4.07 Capital Projects Levy	\$0	<u>\$0</u>	<u>\$0</u>
4.08 Cooperative Revenue	\$0	<u>\$0</u>	<u>\$0</u>
4.12 Literacy Incentive Aid	\$0	<u>\$0</u>	<u>\$0</u>
4.14 Operating Debt	\$0	<u>\$0</u>	<u>\$0</u>
4.16 Levy Reduction	\$0	<u>\$0</u>	<u>\$0</u>
4.17 Taconite Building Maint	\$0	<u>\$0</u>	<u>\$0</u>
4.20 American Indian Education Aid	\$0	<u>\$0</u>	<u>\$0</u>
4.24 Operating Capital	\$1,262,977	<u>\$1,262,976</u>	<u>\$1</u>
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>
4.27 Disabled Accessibility	\$0	<u>\$0</u>	<u>\$0</u>
4.28 Learning & Development	\$0	<u>\$0</u>	<u>\$0</u>
4.34 Area Learning Center	\$0	<u>\$0</u>	<u>\$0</u>
4.35 Contracted Alt. Programs	\$0	<u>\$0</u>	<u>\$0</u>
4.36 State Approved Alt. Program	\$0	<u>\$0</u>	<u>\$0</u>
4.38 Gifted & Talented	\$0	<u>\$0</u>	<u>\$0</u>
4.39 English Learner	\$0	<u>\$0</u>	<u>\$0</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>
4.41 Basic Skills Programs	\$0	<u>\$0</u>	<u>\$0</u>
4.43 School Library Aid	\$0	<u>\$0</u>	<u>\$0</u>
4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>
4.49 Safe Schools Levy	\$89,759	<u>\$89,758</u>	<u>\$1</u>
4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	<u>\$0</u>
4.53 Unfunded Sev & Retiremt Levy	\$0	<u>\$0</u>	<u>\$0</u>
4.59 Basic Skills Extended Time	\$0	<u>\$0</u>	<u>\$0</u>
4.67 LTFM	\$1,050,151	<u>\$1,050,150</u>	<u>\$1</u>
4.71 Student Support Personnel Aid	\$0	<u>\$0</u>	<u>\$0</u>
4.72 Medical Assistance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>			
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>
4.76 Payments in Lieu of Taxes	\$0	<u>\$0</u>	<u>\$0</u>
<i>Committed:</i>			
4.18 Committed for Separation	\$0	<u>\$0</u>	<u>\$0</u>
4.61 Committed Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Assigned:</i>			
4.62 Assigned Fund Balance	\$837,324	<u>\$837,328</u>	<u>(\$4)</u>
<i>Unassigned:</i>			
4.22 Unassigned Fund Balance	\$3,676,169	<u>\$3,676,169</u>	<u>\$0</u>

02 FOOD SERVICES			
Total Revenue	\$1,227,518	<u>\$1,227,513</u>	<u>\$5</u>
Total Expenditures	\$1,153,143	<u>\$1,153,139</u>	<u>\$4</u>
<i>Non Spendable:</i>			

	Audit	UFARS	Audit - UFARS
06 BUILDING CONSTRUCTION			
Total Revenue	\$1,949	<u>\$1,949</u>	<u>\$0</u>
Total Expenditures	\$151,941	<u>\$151,941</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>			
4.07 Capital Projects Levy	\$0	<u>\$0</u>	<u>\$0</u>
4.13 Funded by COP/FP	\$0	<u>\$0</u>	<u>\$0</u>
4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>			
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>
07 DEBT SERVICE			
Total Revenue	\$2,347,077	<u>\$2,347,076</u>	<u>\$1</u>
Total Expenditures	\$2,311,701	<u>\$2,311,700</u>	<u>\$1</u>
<i>Non Spendable:</i>			
4.60 Non Spendable Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>			
4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.33 Maximum Effort Loan Aid	\$0	<u>\$0</u>	<u>\$0</u>
4.51 QZAB Payments	\$0	<u>\$0</u>	<u>\$0</u>
4.67 LTFM	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted:</i>			
4.64 Restricted Fund Balance	\$530,600	<u>\$530,601</u>	<u>(\$1)</u>
<i>Unassigned:</i>			
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

08 TRUST			
Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
4.02 Scholarships	\$0	<u>\$0</u>	<u>\$0</u>
4.22 Unassigned Fund Balance (Net Assets)	\$0	<u>\$0</u>	<u>\$0</u>

18 CUSTODIAL			
Total Revenue	\$9,430	<u>\$9,430</u>	<u>\$0</u>
Total Expenditures	\$11,250	<u>\$11,250</u>	<u>\$0</u>
<i>Restricted / Reserved:</i>			
4.01 Student Activities	\$0	<u>\$0</u>	<u>\$0</u>
4.02 Scholarships	\$8,966	<u>\$8,966</u>	<u>\$0</u>
4.48 Achievement and Integration	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

20 INTERNAL SERVICE			
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>

25 OPEB REVOCABLE TRUST			
Total Revenue	\$0	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	<u>\$0</u>	<u>\$0</u>

Minnesota Department of Education

4.60 Non Spendable Fund Balance <i>Restricted / Reserved:</i>	\$17,224	<u>\$17,224</u>	<u>\$0</u>
4.52 OPEB Liab Not In Trust <i>Restricted:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance <i>Unassigned:</i>	\$296,684	<u>\$296,684</u>	<u>\$0</u>
4.63 Unassigned Fund Balance	\$0	<u>\$0</u>	<u>\$0</u>

04 COMMUNITY SERVICE

Total Revenue	\$413,838	<u>\$413,840</u>	<u>(\$2)</u>
Total Expenditures <i>Non Spendable:</i>	\$385,876	<u>\$385,875</u>	<u>\$1</u>
4.60 Non Spendable Fund Balance <i>Restricted / Reserved:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.26 \$25 Taconite	\$0	<u>\$0</u>	<u>\$0</u>
4.31 Community Education	\$153,421	<u>\$153,422</u>	<u>(\$1)</u>
4.32 E.C.F.E	\$95,801	<u>\$95,800</u>	<u>\$1</u>
4.40 Teacher Development and Evaluation	\$0	<u>\$0</u>	<u>\$0</u>
4.44 School Readiness	\$133	<u>\$132</u>	<u>\$1</u>
4.47 Adult Basic Education	\$721	<u>\$722</u>	<u>(\$1)</u>
4.52 OPEB Liab Not In Trust <i>Restricted:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance <i>Unassigned:</i>	\$2,907	<u>\$2,908</u>	<u>(\$1)</u>
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 <i>Non Spendable:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.60 Non Spendable Fund Balance <i>Restricted:</i>	\$0	<u>\$0</u>	<u>\$0</u>
4.25 Bond Refundings	\$0	<u>\$0</u>	<u>\$0</u>
4.64 Restricted Fund Balance <i>Unassigned:</i>	\$0	<u>\$0</u>	<u>\$0</u>
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, 2024

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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, 2024, and the related notes to the financial statements, and have issued our report thereon dated November 4, 2024.

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 4, 2024

**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, 2024, 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 4, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 4, 2024



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FEDERAL AWARD PROGRAMS
INDEPENDENT SCHOOL DISTRICT NO. 177
WINDOM, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2024

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Independent School District No 177, Windom, Minnesota with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District 's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that,

individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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



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

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



Abdo
Mankato, Minnesota
November 4, 2024



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Independent School District No 177
Windom, Minnesota
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Funding Source	Administering Department	Program Name	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Program Clusters	Total Federal Expenditures
U.S. Department of Agriculture	Minnesota Department of Education	National School Lunch Program	10.555	1000003850	\$ 62,681	
U.S. Department of Agriculture	Minnesota Department of Education	Free and Reduced	10.555	1000003850	322,673	
U.S. Department of Agriculture	Minnesota Department of Education	Healthy, Hunger-Free Kids	10.555	1000003850	12,536	
U.S. Department of Agriculture	Minnesota Department of Education	Food Distribution Program	10.555	1000003850	5,293	
U.S. Department of Agriculture	Minnesota Department of Education	Supply Chain Assistance	10.555C	1000003850	33,392	
U.S. Department of Agriculture	Minnesota Department of Education	Noncash - Commodity Supplemental Food Program	10.555	1000003850	88,820	
U.S. Department of Agriculture	Minnesota Department of Education	School Breakfast Program	10.553	1000003850	152,557	
U.S. Department of Agriculture	Minnesota Department of Education	Summer Food Service Program for Children	10.559	1000003850	22,514	
U.S. Department of Agriculture	Minnesota Department of Education	Fresh Fruit and Vegetable Program	10.582	1000003850	<u>27,780</u>	
		Total Child Nutrition Cluster				\$ 728,246
U.S. Department of Education	SW/WC Service Cooperatives Flow through payments	Special Education Grants to States	84.027	N/A	99,441	
U.S. Department of Education	SW/WC Service Cooperatives Flow through payments	Special Education Preschool Grants	84.173	N/A	<u>950</u>	
		Total Special Education cluster				100,391
U.S. Department of Education	Minnesota Department of Education	Title I Grants to Local Educational Agencies	84.010	S010A210023A		192,543
U.S. Department of Education	Minnesota Department of Education	Career and Technical Education-Basic Grants to States	84.048	N/A		6,043
U.S. Department of Education	Minnesota Department of Education	Javits Gifted and Talented Students Education	84.206	N/A		60,152
U.S. Department of Education	Minnesota Department of Education	English Language Acquisition Grants	84.365	S365A210023A		32,180
U.S. Department of Education	Minnesota Department of Education	Improving Teacher Quality State Grants	84.367	S367A210022		29,130
U.S. Department of Education	Minnesota Department of Education	Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act - Elementary and Secondary School Education Relief (ESSER) III 90% Formula Allocation	84.425UC	N/A		28,644
U.S. Department of Education	Minnesota Department of Education	Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act - Elementary and Secondary School Education Relief (ESSER) III 90% Learning Loss	84.425UC	N/A		<u>191,088</u>
		Total Expended				<u>\$ 1,368,417</u>

Independent School District No 177
Windom, Minnesota
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Independent School District No 177, Windom, Minnesota (the District). The District's reporting entity is defined in Note 1A to the District's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). All federal awards received directly from Federal agencies as well as Federal awards passed through other government agencies are included on the schedule.

Note 2: Summary of Significant Accounting Policies for Expenditures

Expenditures reported on this schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, Cost Principles for Non-Profit-Organizations, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Pass-Through Entity Identifying Numbers

Pass-through entity identifying numbers, if any, are presented where available.

Note 4: Subrecipients

No federal expenditures presented in this schedule were provided to subrecipients.

Note 5: Indirect Cost Rate

During the year ended June 30, 2024, the District did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Independent School District No 177
 Windom, Minnesota
 Schedule of Findings, Responses and Questioned Costs
 For the Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No

Identification of Major Programs/Projects

	ALN No.
Child Nutrition Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
COVID-19 Supply Chain Assistance	10.555C
Summer Food Service Program for Children	10.559
Fresh Fruit and Vegetable Program	10.582
Dollar threshold used to distinguish between Type A and Type B Programs	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

None

Section III - Major Federal Award Findings and Questioned Costs

There are no significant deficiencies, material weaknesses, or instances of noncompliance including questioned costs that are required to be reported in accordance with the Uniform Guidance.

Other Issues

A Corrective Action Plan is not required because there were no findings required to be reported under the Federal Single Audit Act.



Executive Governance Summary

Independent School District No 177

Windom, Minnesota

For the year ended June 30, 2024



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 4, 2024

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, 2024, and have issued our report thereon dated November 4, 2024. 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 July 2, 2024. 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. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Compliance Supplement" applicable to each of its major Federal programs for the purpose of expressing an opinion on the District's compliance with those requirements and for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the District's compliance with those requirements. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported in accordance with the *Uniform Guidance, 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, 2024. 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.
- Management's estimate of its lease receivable is based on the present value of lease payments expected to be received during the lease term.

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 4, 2024.

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, schedules, table and schedule of expenditure of federal awards), 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. 101 - *Compensated Absences* *Effective: 06/30/2025*

GASB Statement No. 102 - *Certain Risk Disclosures* *Effective: 06/30/2025*

GASB Statement No. 103 - *Financial Reporting Model Improvements* *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 4, 2024



November 13, 2024

To: Cottonwood County Home Initiative Administrator
c/o Tiffany Lamb, Executive Director
Economic Development Authority of Windom
444 Ninth Street
P. O. Box 38
Windom, MN 56101

Re: Request for Residential Tax Abatement

Dear Tiffany:

I plan to construct a new single-family home on an acreage in the West Half of Section 17 in Great Bend Township. I am requesting residential property tax abatement pursuant to the Cottonwood County Home Initiative Program. My plans are to begin construction of the new home this year.

My application includes:

1. This letter requesting abatement;
2. Legal description, address, Parcel ID No. of the property and estimated market value of the new house to be constructed on the property;
3. Aerial showing the lot lines of the property;
4. A sketch showing the proposed location of the new home on the property;
5. Floor plans for the new home;
6. Building Setback Permit issued by Cottonwood County;
7. Certificate of Compliance for the Septic System issued by Cottonwood County.

Should you have any questions or need additional information, please contact me.

Sincerely,

Property Owner/Applicant

Thomas Meyeraan

Thomas J. Meyeraan

Applicant's Contact Address: 40504 440th Avenue, Windom, Minnesota
Contact Phone No.: 507-360-6178
Mailing Address: P. O. Box 337, Windom, MN 56101

ATTACHMENT
to
COTTONWOOD COUNTY HOME INITIATIVE APPLICATION

Applicant and Property Owner: Thomas J. Meyeraan

Parcel ID No.: 08-017-0200

Address of the Property: 40504 440th Avenue, Windom, MN 56101

Property Owner's Mailing Address: P. O. Box 337, Windom, MN 56101

Legal Description of the Property: Part of the Northwest Quarter of the Southwest Quarter (NW¼ SW¼) and part of the South Half of the Northwest Quarter (S½ NW¼) all in Section 17, Township 105 North, Range 36 West, in Cottonwood County, Minnesota. Tract contains 5.37 acres, more or less. *(Abbreviated Description – See attached copy of legal description.)*

Estimated Construction Costs of the New House: \$1,086,627

Utilities to be provided by: Red Rock Rural Water, South Central Electric, and LP gas.

EXHIBIT "A"

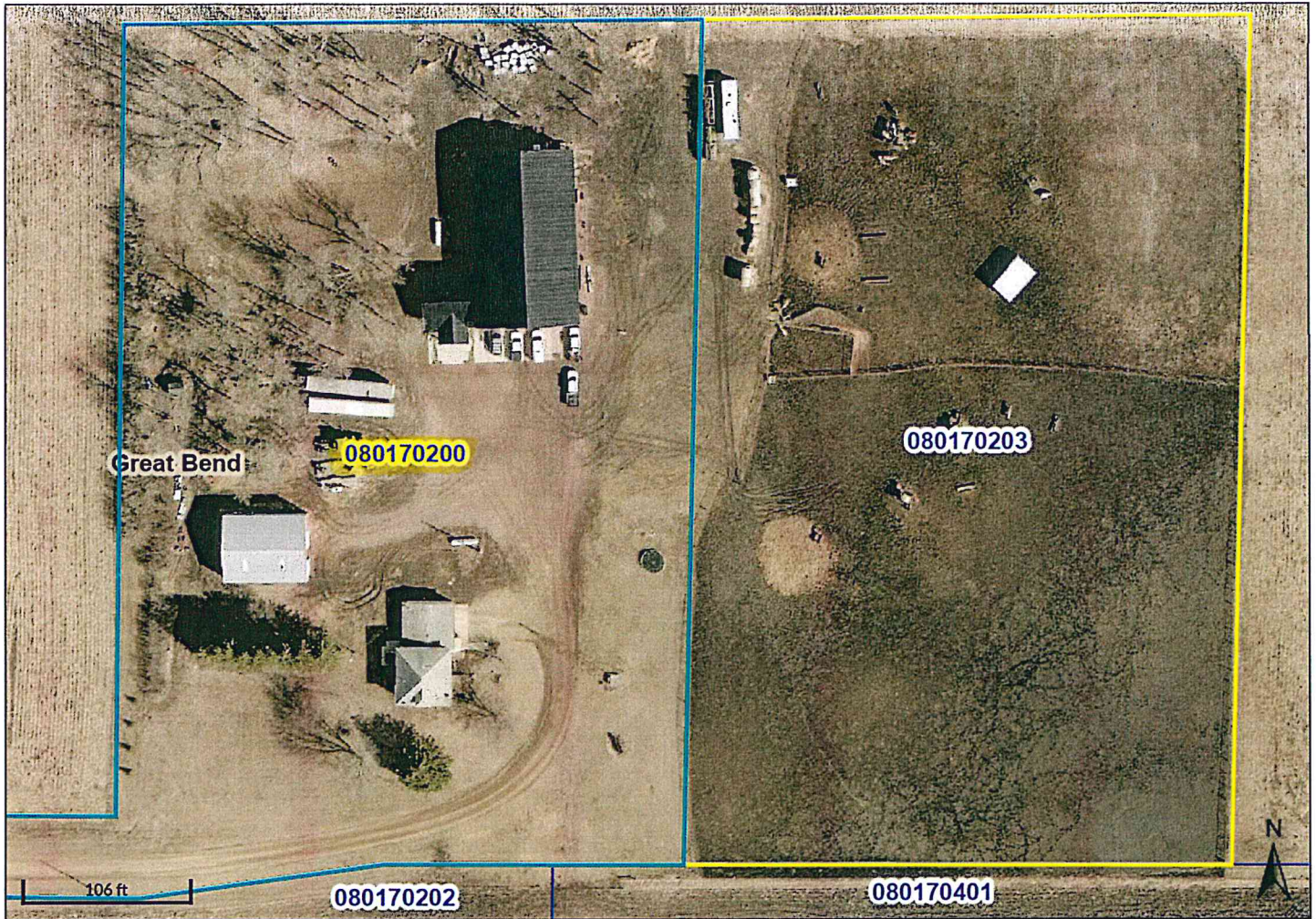
Part of the Northwest Quarter of the Southwest Quarter (NW $\frac{1}{4}$ SW $\frac{1}{4}$) and part of the South Half of the Northwest Quarter (S $\frac{1}{2}$ NW $\frac{1}{4}$), all in Section 17, Township 105 North, Range 36 West of the Fifth Principal Meridian, Cottonwood County, Minnesota, described as follows:

Beginning at an iron monument at the Northwest corner of the Southwest Quarter (SW $\frac{1}{4}$) of said Section 17; thence South 89 degrees 48 minutes 53 seconds East, bearing based on Cottonwood County Coordinate System, along the North line of said Southwest Quarter (SW $\frac{1}{4}$), a distance of 1,216.92 feet; thence South 82 degrees 06 minutes 22 seconds West, a distance of 151.70 feet; thence North 89 degrees 19 minutes 38 seconds West, a distance of 1,066.89 feet, to the West line of said Southwest Quarter (SW $\frac{1}{4}$); thence North 00 degrees 48 minutes 46 seconds East, along said West line and along the centerline of the township road, as exists, a distance of 12.24 feet, to the point of beginning;

AND ALSO:

Beginning at an iron monument at the Southwest corner of the Northwest Quarter (NW $\frac{1}{4}$) of said Section 17; thence North 00 degrees 49 minutes 39 seconds East, along the West line of said Northwest Quarter (NW $\frac{1}{4}$) and along the centerline of the township road, as exists, a distance of 33.83 feet; thence South 89 degrees 33 minutes 36 seconds East, a distance of 1,052.63 feet; thence North 00 degrees 36 minutes 24 seconds East, a distance of 485.97 feet; thence North 89 degrees 33 minutes 10 seconds East, a distance of 353.53 feet; thence South 01 degree 19 minutes 27 seconds West, a distance of 519.11 feet, to the South line of said Northwest Quarter (NW $\frac{1}{4}$); thence North 89 degrees 48 minutes 53 seconds West, along said South line, a distance of 1,399.76 feet, to the point of beginning.

This tract contains 5.37 acres, more or less.



Parcel ID	080170200	Alternate ID	n/a	Owner Address	MEYERAAN/THOMAS J
Sec/Twp/Rng	17-105-36	Class	RESIDENTIALSINGLE UNIT		PO BOX 337
Property Address	40504 440TH AVE GREAT BEND	Acreage	5.37		WINDOM MN 56101
District	n/a				
Brief Tax Description	TRACT IN SW1/4; TRACT IN NW1/4 5.37 AC (Note: Not to be used on legal documents)				

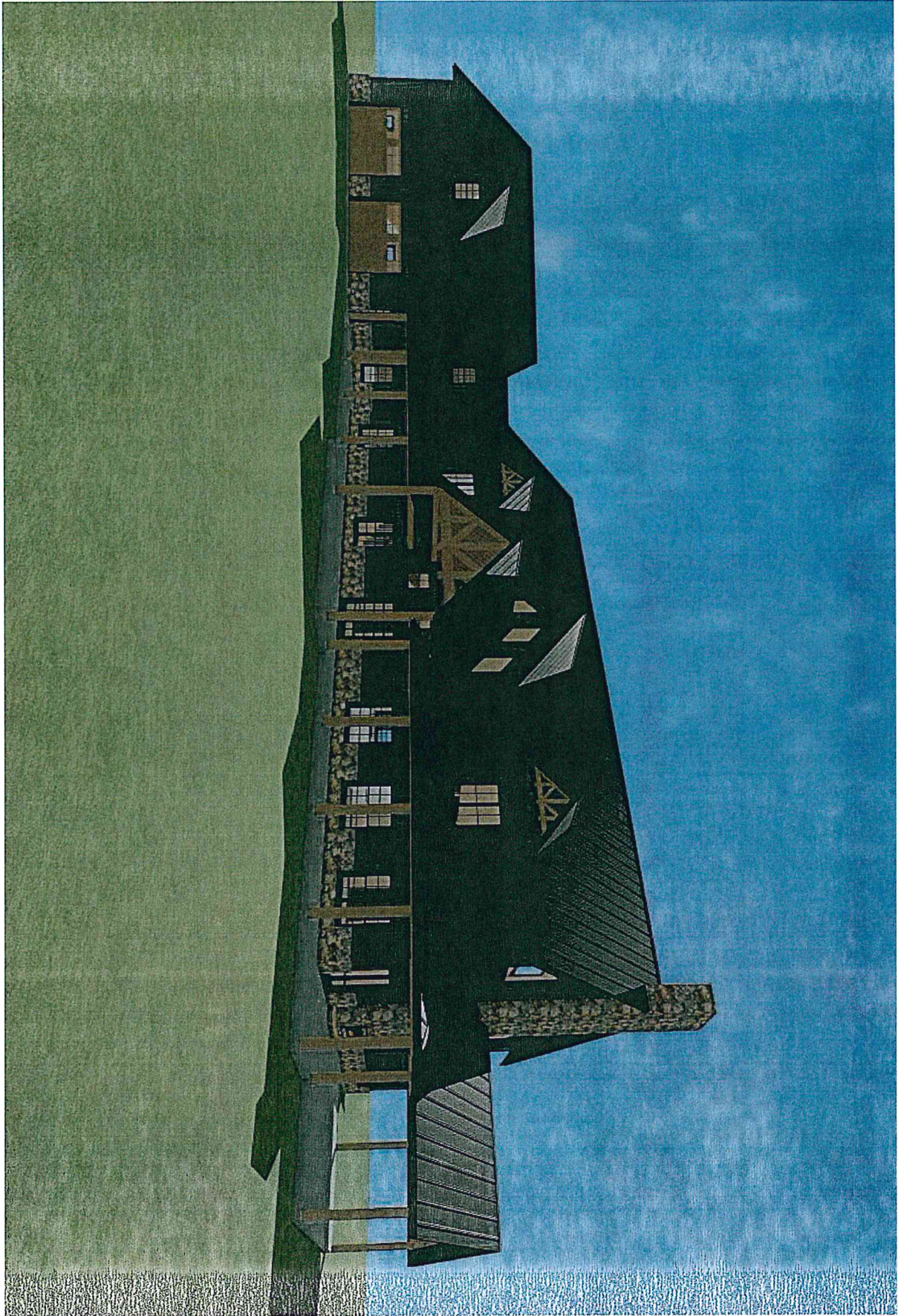
Date created: 11/5/2024
 Last Data Uploaded: 11/5/2024 4:53:15 AM

Developed by  **SCHNEIDER**
 GEOSPATIAL



Parcel ID 080170200
Twp/Rng 17-105-36
Property Address 40504 440TH AVE
GREAT BEND

Alternate ID n/a
Class RESIDENTIAL/SINGLE UNIT
Acreage 5.37

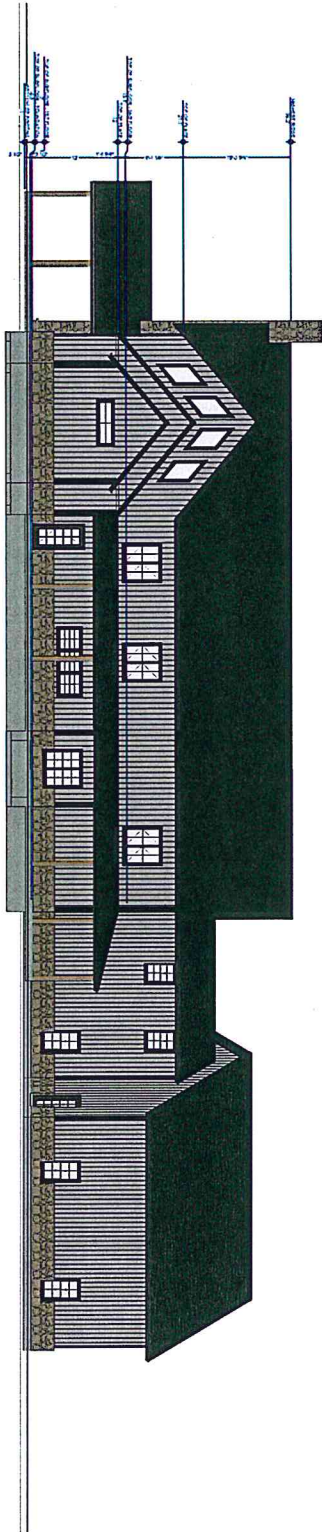


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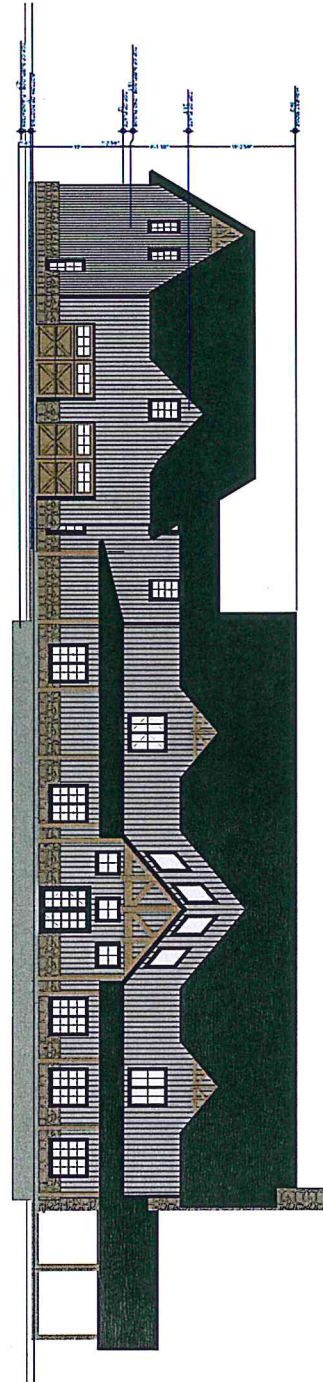


Meyeraan Plans

HOMEOWNER & CONTRACTOR: TO VERIFY ALL DIMENSIONS, STRUCTURAL DETAILS, AND BUILDING CODES, AND GRADE REQUIREMENTS. BUCKEYE BARNDOMINIUM DESIGNS, LLC WILL ASSUME NO LIABILITY FOR ANY ERRORS ONCE CONSTRUCTION BEGINS.



Elevation 2



Elevation 1

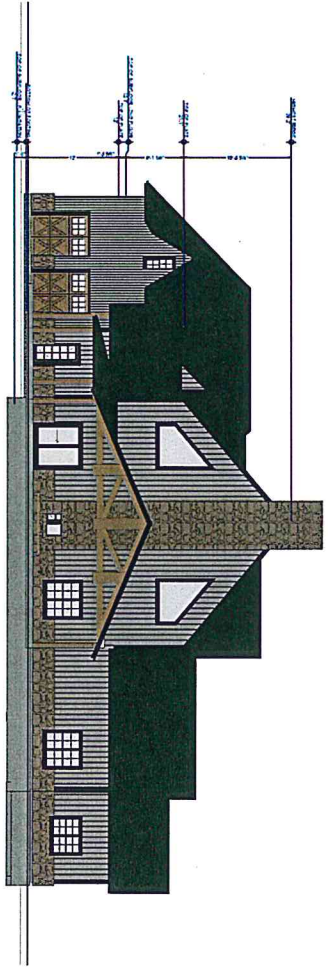
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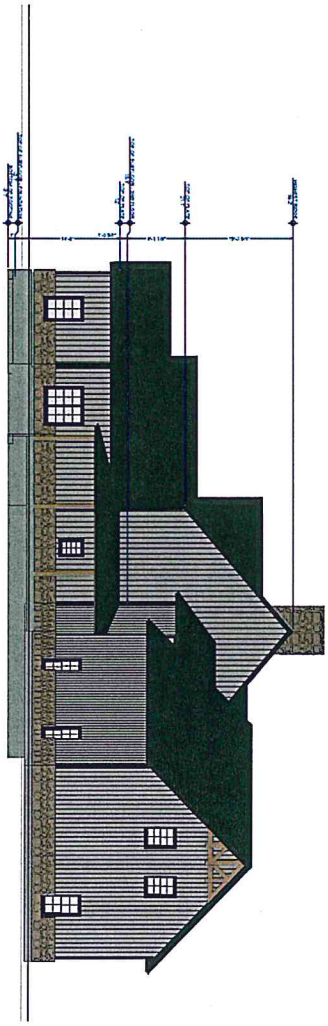


Meyeraan Plans

HOMEOWNER & CONTRACTOR: TO VERIFY ALL DIMENSIONS, STRUCTURAL DETAILS, AND BUILDING CODES, AND GRADE REQUIREMENTS. BUCKEYE BARNDOMINIUM DESIGNS, LLC WILL ASSUME NO LIABILITY FOR ANY ERRORS ONCE CONSTRUCTION BEGINS.



Elevation 3



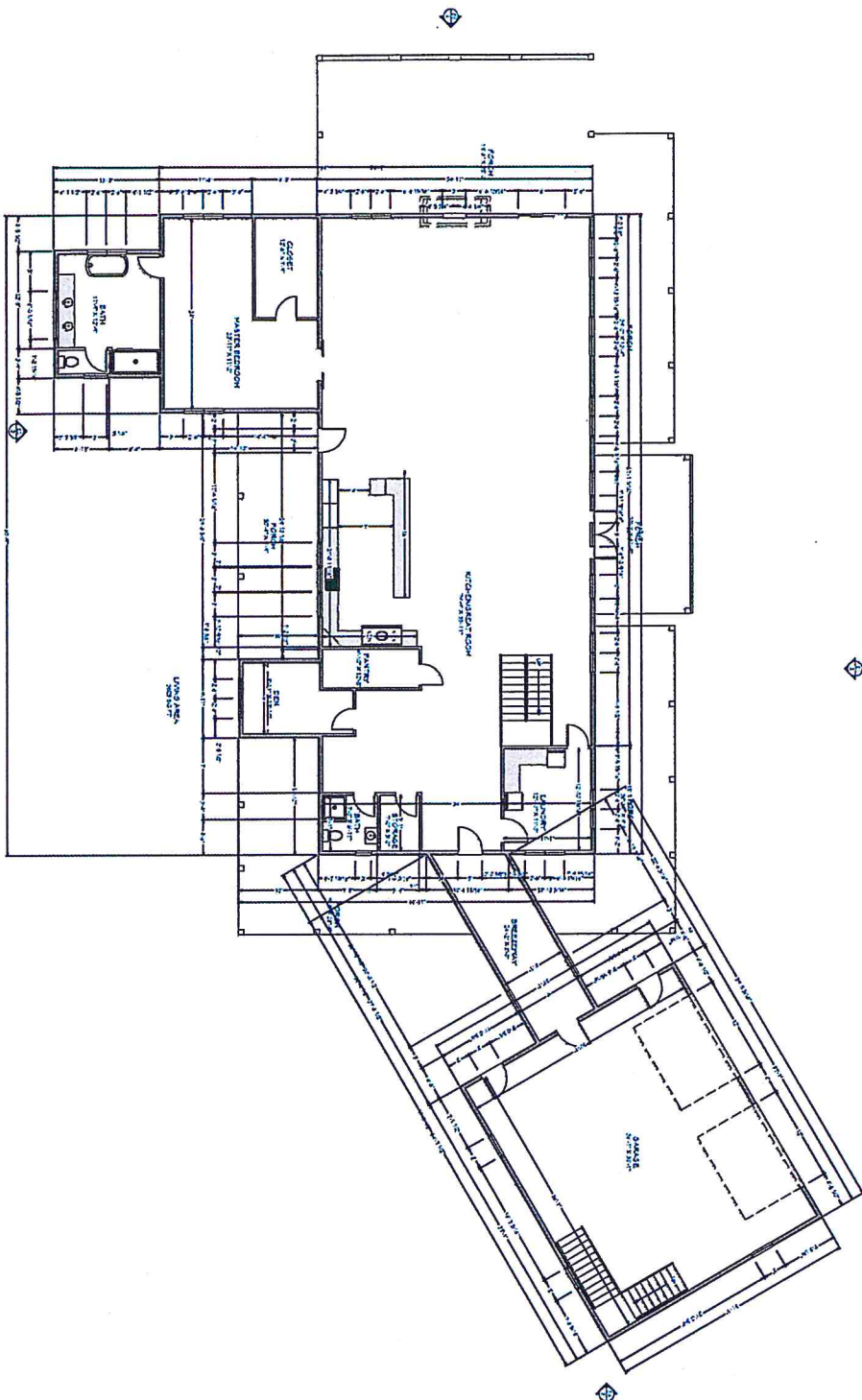
Elevation 4

HOMEOWNER & CONTRACTOR: TO VERIFY ALL DIMENSIONS, STRUCTURAL DETAILS, AND BUILDING CODES, AND GRADE REQUIREMENTS. BUCKEYE BARNDOMINIUM DESIGNS, LLC WILL ASSUME NO LIABILITY FOR ANY ERRORS ONCE CONSTRUCTION BEGINS.

Meyeraan Plans



DATE: 4/3/2023
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Floor Plan View Dimensioned



Meyeraan Plans

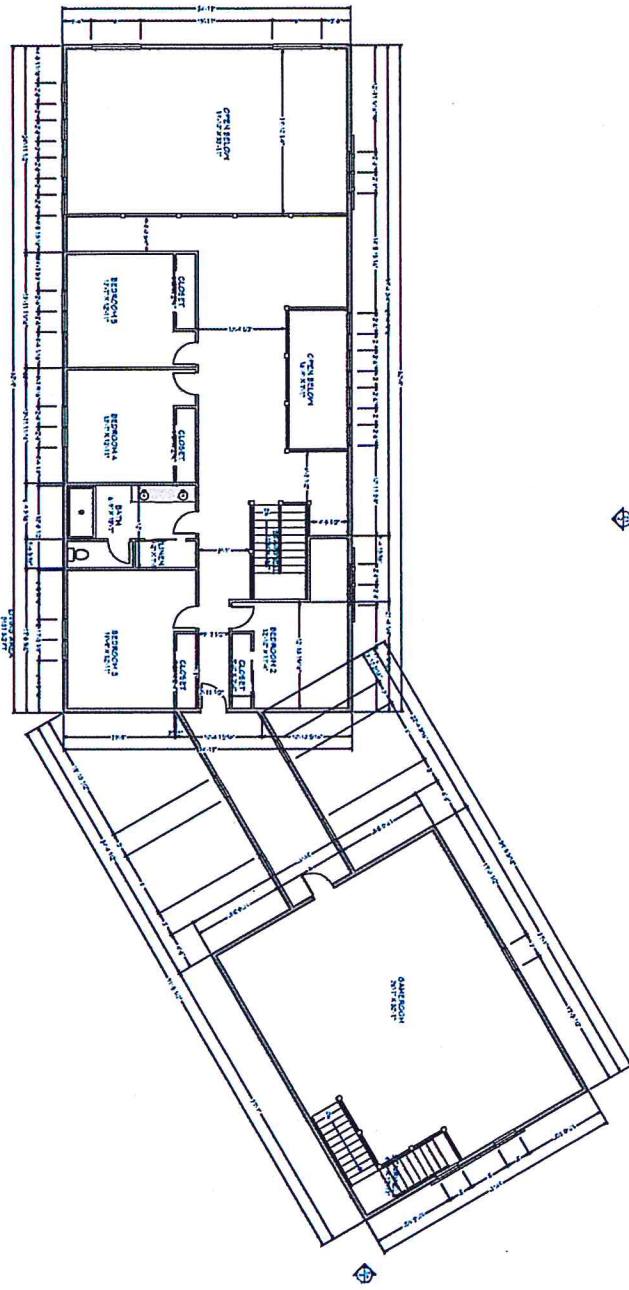
HOMEOWNER & CONTRACTOR: TO VERIFY ALL DIMENSIONS, STRUCTURAL DETAILS, AND BUILDING CODES, AND GRADE REQUIREMENTS. BUCKEYE BARNDOMINIUM DESIGNS, LLC WILL ASSUME NO LIABILITY FOR ANY ERRORS ONCE CONSTRUCTION BEGINS.

DATE:

4/3/2023

SCALE: 1/8" = 1'

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2nd Floor Plan View Dimensioned



Meyeraan Plans

HOMEOWNER & CONTRACTOR: TO VERIFY ALL DIMENSIONS, STRUCTURAL DETAILS, AND BUILDING CODES, AND GRADE REQUIREMENTS. BUCKEYE BARNDOMINIUM DESIGNS, LLC WILL ASSUME NO LIABILITY FOR ANY ERRORS ONCE CONSTRUCTION BEGINS.

DATE:

4/3/2023

SCALE: 1/8" = 1'

Print: 24"x36"



Agricultural-1 / Single-Family Dwelling (New) Permit
Permit Set 40504 440TH AVE P# CO-2024-011 R# 080170200

INFORMATION

Applicant: Alex Schultz
Applicant, Property owner: Thomas Meyeraan
40504 440th ave
Windom, MN 56101

LOCATION OF WORK

Address: 40504 440TH AVE
Zoning: [blank]
Legal description: TRACT IN SW1/4; TRACT IN NW1/4 5.37 AC

Section: Great Bend
Township: 17
PIN: 080170200

PERMIT INFORMATION

Permit number: CO-2024-011
Date applied: 11/07/2024
Date issued: 11/07/2024
Status: Issued
Issuer: Alex Schultz
Expiration date: 11/30/2026
Reviewed by: [blank]

GRANTED TO

Applicant: Alex Schultz
Applicant, Property owner: Thomas Meyeraan
40504 440th ave
Windom, MN 56101

THIS PERMIT IS ISSUED FOR THE PURPOSE OF AUTHORIZING WORK AS REPRESENTED IN THE APPLICATION AND CONSTRUCTION DOCUMENTS TO BE KEPT ON SITE UNTIL COMPLETION AND FINAL APPROVAL. ANY CHANGES TO THOSE DOCUMENTS MUST BE SUBMITTED TO THE BUILDING AND PLANNING DEPARTMENT FOR REREVIEW AND APPROVAL.

THIS PERMIT BECOMES NULL AND VOID IF THE WORK OR CONSTRUCTION AUTHORIZED IF WORK OR CONSTRUCTION IS SUSPENDED OR ABANDONED AFTER WORK IS COMMENCED. THIS PERMIT IS NOT VALID UNLESS ALL PERMIT FEES HAVE BEEN PAID IN FULL.

IF A CERTIFICATE OF OCCUPANCY (C/O) IS REQUIRED, THE BUILDING SHALL NOT BE OCCUPIED UNTIL ALL FINAL INSPECTIONS HAVE BEEN APPROVED AND THE C/O HAS BEEN ISSUED. IF A C/O IS NOT REQUIRED, THE PORTION OF THE BUILDING AFFECTED BY THE AUTHORIZED WORK SHALL NOT BE USED OR OCCUPIED UNTIL ALL FINAL INSPECTIONS HAVE BEEN APPROVED.





REQUIRED INSPECTIONS

Name	Description
Framing	Construction of all structural framing and stairs. (Rough Plumbing and Heating passed and doors, windows & roofing installed.) Engineered drawings must be provided for roof trusses.

INSTRUCTIONS

THE PERMIT HOLDER AND/OR PROPERTY OWNER IS RESPONSIBLE FOR ENSURING THAT ALL REQUIRED/APPLICABLE INSPECTIONS ARE SCHEDULED AND THAT THE PERMIT IS COMPLETE

WHAT INFORMATION MUST BE PROVIDED AT THE TIME OF INSPECTION?

- THE PERMIT
- THE APPROVED SET OF PLANS THAT HAVE BEEN INCLUDED WITH YOUR PERMIT PACKAGE
- ANY TEST RECORDS OR RELEVANT DOCUMENTATION
- SAFE ACCESS TO THE SITE AND THE AREAS WHERE INSPECTION ARE TO BE PERFORMED.

Building Setback Permit Application
Cottonwood County Environmental Office

210 10th St.
Windom MN 56101
Phone (507) 831-1458

Building Information			
City Windom			
Section Great Bend		Township 17	
Use: New House			
Size:	Height	Length: 120.0 ft	Width: 33.0 ft
Who is Constructing the Project: Meyeraan/ Prairie Grave Metals		Please provide Phone Number 5073606178	
Estimated Cost of Construction 1093610 USD			
Stage of Septic System Construction (only Applicable for New Houses, House Additions, or Shops with Floor Drains): Compliant			
Shoreland (300 ft from river, 1000 ft from a Lake) none			

COTTONWOOD COUNTY
NEW/REPLACEMENT SSTS FINAL INSPECTION REPORT FOR ABOVE GROUND SYSTEMS
CERTIFICATE OF COMPLIANCE

Name: Thomas Meyer

Permit #: 20.19.08.017.0200

Address: 40504 440th Ave

Installer: Quad Bros

City, State, Zip: Windom MN 56101

Installation Date: tank 10-8-2020 STA 10-9-2020

Parcel #: 08.017.0200

Inspection Date: tank 10-8-2020 STA 10-9-2020

Legal Description: Cottonwood County

Tank mfg. co. Belle Plaine

Township: Great Bend

Model or serial #: 2250 combo

T: 105 R: 36 Section: 17 ¼: NW

Construction material: Concrete Plastic Other

Watershed: Des Moines Shoreland? Y N

Combo tank Y N Septic tank capacity: 1500 Gal.

Use: Residential Other: _____

Pump tank capacity: 750 Gallons: Cover depth: 4'

of bedrooms: 5 Design flow: 750 GPD

Are all tank openings brought to surface Y N

Soil Type: loam

Risers or inspection pipes over all baffles Y N

Soil sizing Factor: .6 Depth to PHWL: 2.7

Riser Material: dual wall Length: 4'

Maximum depth of System: +12"

Are risers watertight Y N

Sand lift required: Y N

Lift Pump connections accessible at ground level: Y N

Type of System: At grade Mound Type: 1

Tank alarm installed Y N Effluent screen: Y N

Dispersal media: Rock Chambers Other _____

Effluent screen alarm installed: Y N

Dispersal media dimensions: 42.5 W 10 D 1

Pump Mfg Gould Model PE51

Cleanouts: no hard 90's Y N 4" inspection pipe Y N

laterals 3 Lat diam 2" Lat spacing 3'

Laterals: 1-2 ft. from edge Y N

Perforation spacing: 3' Perf diam: 1/4"

Elevations - Benchmark Description: bottom siding lip on metal shed Elevation: 100

Ground elev at system is 90.97 minus depth to PHWL 2.7 = PHWL elev 88.27.

For At-grade - Top of rock elev _____

For Mound - top of sand lift (system bottom) elev 91.97 minus PHWL elev 88.27 = separation 3.7 ft or inches

Separation from PHWL maintained? Yes No

Top of tank elev: 89.19 (To be used for future reference if Benchmark is not available)

COTTONWOOD COUNTY
NEW/REPLACEMENT SSTS FINAL INSPECTION REPORT FOR ABOVE GROUND SYSTEMS
CERTIFICATE OF COMPLIANCE

Well setbacks: Y N Pressure tested sewer lines (5 PSI for 15 minutes) must be 20 feet away, all other parts of system must be 50 feet away from well (100' STA if <50' casing)

Lake or stream: Y N (NA) Bluff 20', Lakes & streams 50 to 150', Protected wetland

Property Lines: Y N All parts of system must be 10 ft from property lines, unless variance has been granted.

Road Setbacks: Y N 10 feet from ditch line, or 33 ft from center of Twp., 66 feet from center of County road.

Building setbacks: Y N 10 feet for everything except absorption area, which is 20 feet.

Water lines: Y N Waterlines must be 10 feet from all parts of system. Or sewer line must be 12" below water line.

Any existing systems must be properly abandoned and an abandonment report filed with the as-built

Expiration date of Certificate of Compliance (5 years from date of inspection): 10-9-2025

Comments or drawing:

Certification: I hereby certify as a State of Minnesota Licensed installer, that this system was installed according to the design submitted and approved by the permitting authority, and that any changes have been noted on the As-Built drawing which I will submit to the local Government unit within 15 business days of the completion of this work.

Installer Signature: *[Signature]* License #: 3835

I hereby certify as a State of Minnesota Licensed, Qualified Employee, That my observations recorded on this form are accurate, as of the date of inspection for the site above, and that all inspection work was completed according to applicable requirements. No determination of future hydraulic performance can be made due to unknown conditions during system construction, future water usage during the life of the system, abuse or inadequate maintenance, all of which may affect the life of the system.

Inspector Signature: *[Signature]* Certification # 9562

WINDOM PUBLIC SCHOOL DISTRICT

RESOLUTION NO. 11252024A

INTRODUCED:

SECONDED:

VOTED: Aye:
Nay:
Absent:
Abstained:

**Resolution Calling for a Public Hearing on Proposed
Tax Abatement for New Residential Project**

WHEREAS, the Windom Public School District (the “School District”) is committed to the best interests of the students in the School District and the best interests of the School District as a whole; and

WHEREAS, Minnesota Statutes §469.1813 gives authority to a School to grant an abatement of a percentage of the property taxes imposed by the School if certain criteria are met; and

WHEREAS, in addition to the statutory requirements, in December 2022 the Windom Board of Education (“School Board”) approved the Cottonwood County Home Initiative Guidelines for the application period of January 1, 2023, through December 31, 2025, (the “Guidelines”) and participation in the Cottonwood County Home Initiative Program (the “Program”); and

WHEREAS, as part of the approval of the School District’s participation in the Program, the School Board established a valuation cap of \$320,000 per new single-family home eligible for tax abatement by the School District; and

WHEREAS, Thomas J. Meyeraan (“Meyeraan”) is the Applicant for tax abatement covering the following described real estate within Cottonwood County, Minnesota:

Parcel #: 08-017-0200

Address of Property: 40504 440th Avenue, Windom, Minnesota 56101

Legal Description of Property: Part of the Northwest Quarter of the Southwest Quarter (NW¼ SW¼) and part of the South Half of the Northwest Quarter (S½ NW¼) all in Section 17, Township 105 North, Range 36 West, in Cottonwood County, Minnesota. Tract contains 5.37 acres, more or less. (*Abbreviated Description – See Application Packet for full legal description*); and

WHEREAS, Meyeraan proposes to a construct a new home on this property; and

WHEREAS, Meyeraan has requested tax abatement on this property pursuant to the Guidelines; and

WHEREAS, the abatement of taxes on the above-described parcel would be for the period of five (5) years commencing on the first year of taxes payable for the full assessed value related to the capital improvements as outlined in Cottonwood County Home Initiative Guidelines; and

WHEREAS, the School District cannot abate more than sixty percent (60%) of the property taxes which it receives from each parcel; and

WHEREAS, the estimated construction costs for the new home, submitted by the Applicant, are \$1,086,627; and

WHEREAS, based on an Estimated Market Value capped at \$320,000 for the new home and based on 2024 tax rates, the estimated tax abatement for the School District for this property would be approximately \$514.34 per year. The total estimated tax abatement by the School District for the five-year period is approximately \$2,571.70. (These figures were calculated using 2024 tax rates. The market value for the project is only an estimate, since the building has not yet been constructed. The tax rates will also change each year.)

WHEREAS, Minnesota Statutes require that a public hearing be held prior to the approval of the proposed tax abatement.

Now, therefore, **BE IT RESOLVED by the WINDOM BOARD OF EDUCATION** as follows:

1. Public Hearing. A public hearing to consider the proposed tax abatement, as set forth above, shall be held on Monday, December 9, 2024, in the Windom City Council Chambers at City Hall, 444 Ninth Street, Windom, Minnesota, during the School Board Meeting which begins at 6:30 p.m.
2. Notice of Public Hearing. The School Superintendent is authorized and directed to cause notice of the hearing to be published once in a newspaper of general circulation in the County at least 10 days, but less than 30 days, prior to the date for the hearing. The public hearing notice shall include notice that the School Board is considering a residential tax abatement, a description of the property for which the abatement is being considered, and the total estimated amount of the proposed tax abatement based on current information.

Adopted this 25th day of November, 2024.

ATTEST:

Bruce Mews, Clerk

Joel Bordewyk, Chair

WINDOM PUBLIC SCHOOL DISTRICT
PUBLIC HEARING NOTICE
RESIDENTIAL PROPERTY TAX ABATEMENT

A Public Hearing will be held by the Windom Board of Education on Monday, December 9, 2024, at the Board Meeting which begins at 6:30 P.M. in the Windom City Council Chambers at City Hall, 444 Ninth Street, Windom, Minnesota, to consider granting a residential property tax abatement pursuant to Minnesota Statutes §469.1813.

Request submitted by Thomas J. Meyeraan. Abatement period – 5 years commencing on first year of taxes payable for full assessed value related to new home. Based on 2024 tax rates, **estimated** total abatement could be approximately \$2,571.70.

Address of Property: 40504 440th Avenue, Windom, MN 56101

Legal Description of Property: A tract (approx. 5.37 acres) briefly described as Part of the Northwest Quarter of the Southwest Quarter (NW¹/₄ SW¹/₄) and part of the South Half of the Northwest Quarter (S¹/₂ NW¹/₄) all in Section 17, Township 105 North, Range 36 West, in Cottonwood County, Minnesota.

Parcel #: 08-017-0200

All parties interested in commenting on this proposed abatement may attend the public hearing or submit written comments to the address below prior to the hearing.

BY ORDER OF THE WINDOM BOARD OF EDUCATION

Bruce Mews, Clerk
Windom Public School District
1400 17th Street
P. O. Box 177
Windom, MN 56101
Phone: 507-831-6901, Ext. 502

Published: November 27, 2024
(COTTONWOOD COUNTY CITIZEN)

WINDOM PUBLIC SCHOOL DISTRICT

RESOLUTION NO. 11252024B

INTRODUCED:

SECONDED:

VOTED: Aye:
Nay:
Absent:
Abstained:

**Resolution Calling for a Public Hearing on Proposed
Tax Abatement for New Residential Project**

WHEREAS, the Windom Public School District (the “School District”) is committed to the best interests of the students in the School District and the best interests of the School District as a whole; and

WHEREAS, Minnesota Statutes §469.1813 gives authority to a School to grant an abatement of a percentage of the property taxes imposed by the School if certain criteria are met; and

WHEREAS, in addition to the statutory requirements, in December 2022 the Windom Board of Education (“School Board”) approved the Cottonwood County Home Initiative Guidelines for the application period of January 1, 2023, through December 31, 2025, (the “Guidelines”) and participation in the Cottonwood County Home Initiative Program (the “Program”); and

WHEREAS, as part of the approval of the School District’s participation in the Program, the School Board established a valuation cap of \$320,000 per new single-family home eligible for tax abatement by the School District; and

WHEREAS, Preferred Choice Homes, LLC, a Minnesota limited liability company, (“Preferred Choice”) is the owner of the following described real estate within Cottonwood County, Minnesota:

Parcel #: 25-320-0600

Address of Property: 1946 Bud Road, Windom, MN 56101

Legal Description of Property: Lot 6, Block 1 of Gove Acres Subdivision to the City of Windom, Cottonwood County, Minnesota; and

WHEREAS, Preferred Choice proposes to a construct a new home on this property; and

WHEREAS, Preferred Choice has requested tax abatement on this property pursuant to the Guidelines; and

WHEREAS, the abatement of taxes on the above-described parcel would be for the period of five (5) years commencing on the first year of taxes payable for the full assessed value related to the capital improvements as outlined in Cottonwood County Home Initiative Guidelines; and

WHEREAS, the School District cannot abate more than sixty percent (60%) of the property taxes which it receives from each parcel; and

WHEREAS, the estimated market value for the new home, submitted by the Applicants, is \$210,000; and

WHEREAS, based on an Estimated Market Value of \$210,000 for the new home and based on 2024 tax rates, the estimated tax abatement for the School District for this property would be approximately \$337.53 per year. The total estimated tax abatement by the School District for the five-year period is approximately \$1,687.65. (These figures were calculated using 2024 tax rates. The market value for the project is only an estimate, since the building has not yet been constructed. The tax rates will also change each year.)

WHEREAS, Minnesota Statutes require that a public hearing be held prior to the approval of the proposed tax abatement.

Now, therefore, **BE IT RESOLVED by the WINDOM BOARD OF EDUCATION** as follows:

1. Public Hearing. A public hearing to consider the proposed tax abatement, as set forth above, shall be held on Monday, December 9, 2024, in the Windom City Council Chambers at City Hall, 444 Ninth Street, Windom, Minnesota, during the School Board Meeting which begins at 6:30 p.m.
2. Notice of Public Hearing. The School Superintendent is authorized and directed to cause notice of the hearing to be published once in a newspaper of general circulation in the County at least 10 days, but less than 30 days, prior to the date for the hearing. The public hearing notice shall include notice that the School Board is considering a residential tax abatement, a description of the property for which the abatement is being considered, and the total estimated amount of the proposed tax abatement based on current information.

Adopted this 25th day of November, 2024.

ATTEST:

Bruce Mews, Clerk

Joel Bordewyk, Chair

November 20, 2024

To: Cottonwood County Home Initiative Administrator
c/o Tiffany Lamb, Executive Director
Economic Development Authority of Windom
444 Ninth Street
P. O. Box 38
Windom, MN 56101

Re: Request for Residential Tax Abatement

Dear Tiffany:

We plan to construct a new single-family home on Lot 6, Block 1 of Gove Acres Subdivision in Windom. On behalf of "Preferred Choice Homes, LLC" (the property owner), we are requesting residential tax abatement for the new home pursuant to the Cottonwood County Home Initiative Program. Our plans are to begin construction of the new home this year.

Our application includes:

1. This letter requesting abatement;
2. Legal description, address, and Parcel ID No. of the property;
3. Aerial or plat map showing the lot lines of the property;
4. A site plan showing the proposed location and dimensions of the new home on the property;
5. Floor plans for the new home;
6. Estimated market value of the new home.

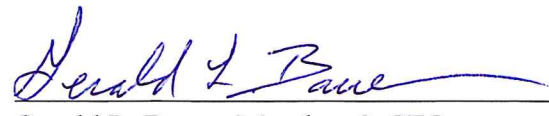
A copy of the Building Permit issued by the Windom Building & Zoning Office will be provided when available.

Should you have any questions or need additional information, please contact us.

Sincerely,

PREFERRED CHOICE HOMES, LLC


Lindsey A. Cartwright, Member & CEO


Gerald L. Bauer, Member & CFO

Applicant: Preferred Choice Homes, LLC

Contact Address: 247 Buckwheat Ave, Windom, MN 56101

Contact Phone Nos.: Cartwright - 507-830-1305 Bauer - 507-822-3700

ATTACHMENT
to
COTTONWOOD COUNTY HOME INITIATIVE APPLICATION

Applicant: Preferred Choice Homes, LLC

Parcel ID No.: 25.320.0600

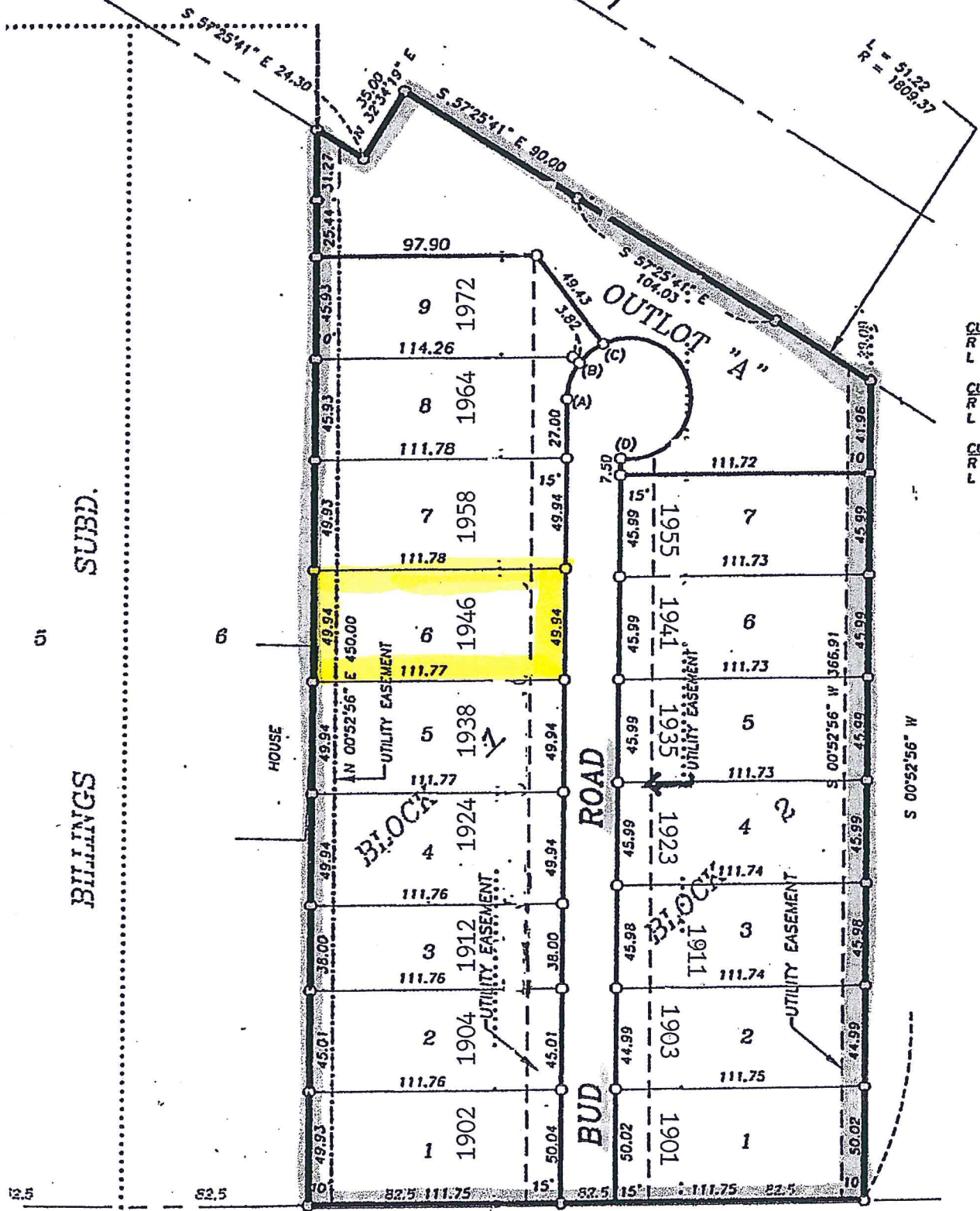
Address of the Property: 1946 Bud Road, Windom, Minnesota 56101

Legal Description of the Property: Lot 6, Block 1 of Gove Acres Subdivision to the City of Windom, Cottonwood County, Minnesota.

Estimated Market Value of the New Home: \$210,000

Gove Acres Subdivision

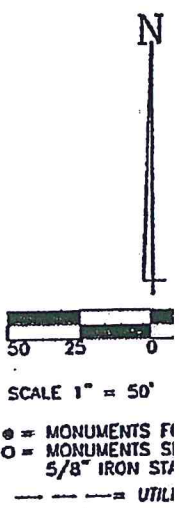
U.S. Highway 71



CURVE (A)-(B)
 R = 27.53
 L = 17.46

CURVE (B)-(C)
 R = 27.53
 L = 13.68

CURVE (C)-(D)
 R = 27.53
 L = 102.29

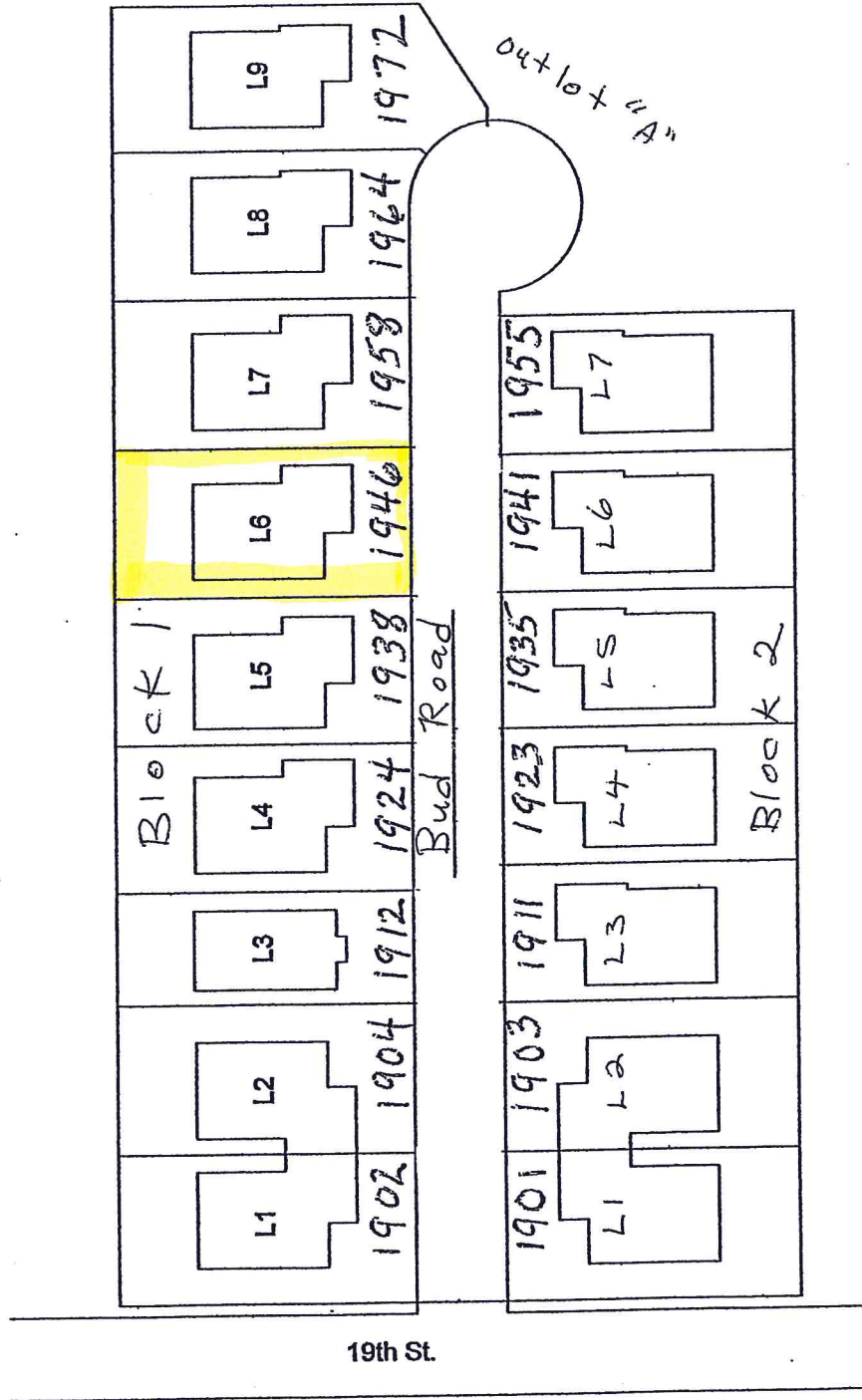


● = MONUMENTS FI
 ○ = MONUMENTS SI
 5/8" IRON ST
 --- = UTIL

BILLINGS SUBD.

19th Street N 89°37'10" W 247.50

Addresses Gove Acres



Approved By:

Issue Date: 10-28-2020
 Plan: Lot Layout

Project: Senior Cottage PUD

Set: Approval Set 2

Contact: Lindsey Canwright
 Phone: 507-530-1305

Scale: 1/8" = 1'-0"

Drawn By: MC

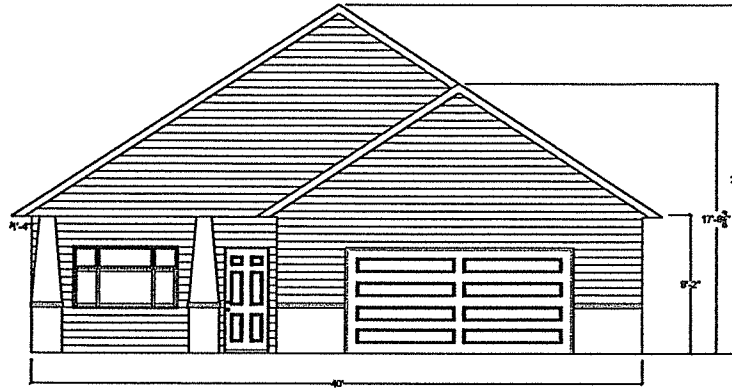
Contact: Jerry Bauer
 Phone: 507-622-5700

Page: —

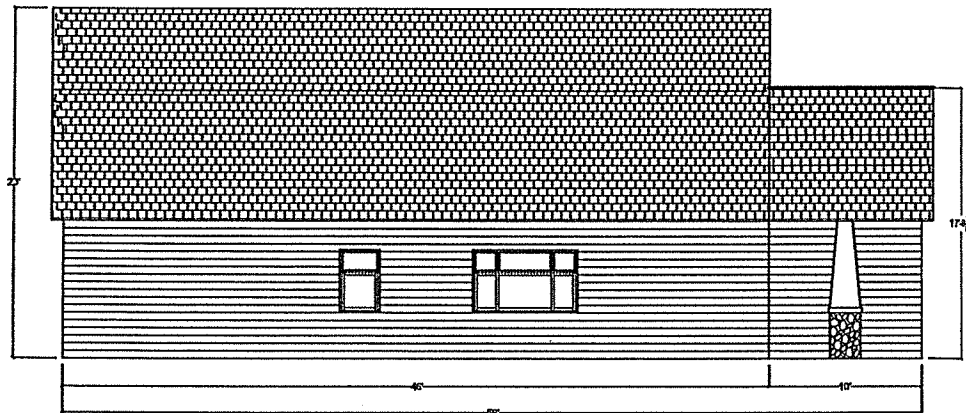
Sheet:

LOT




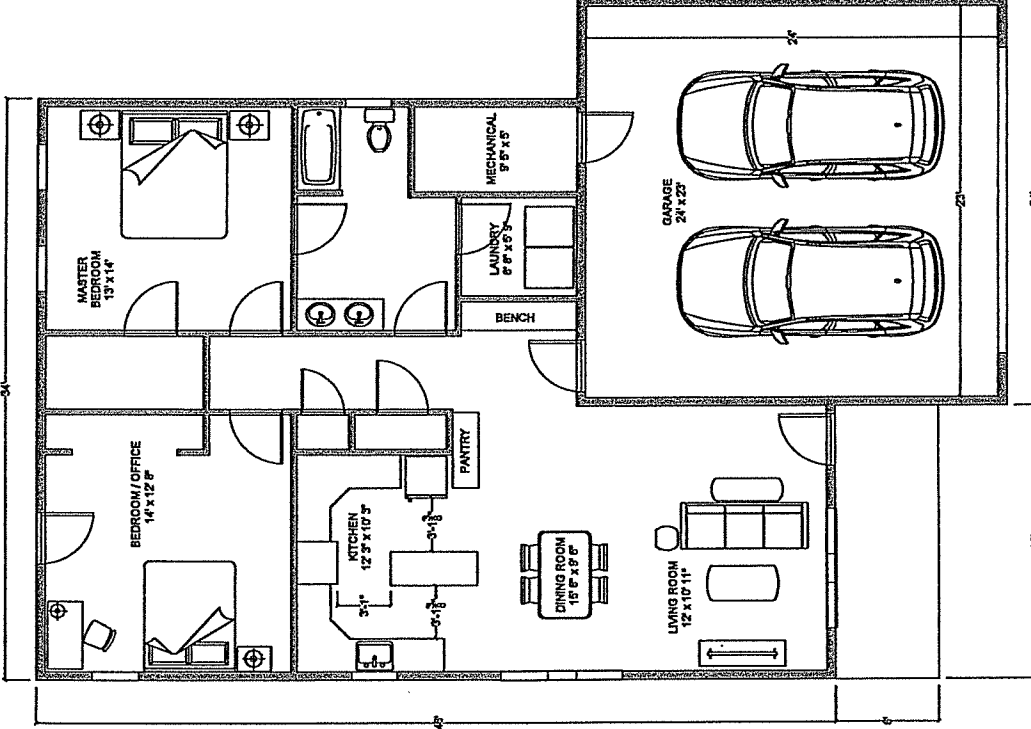
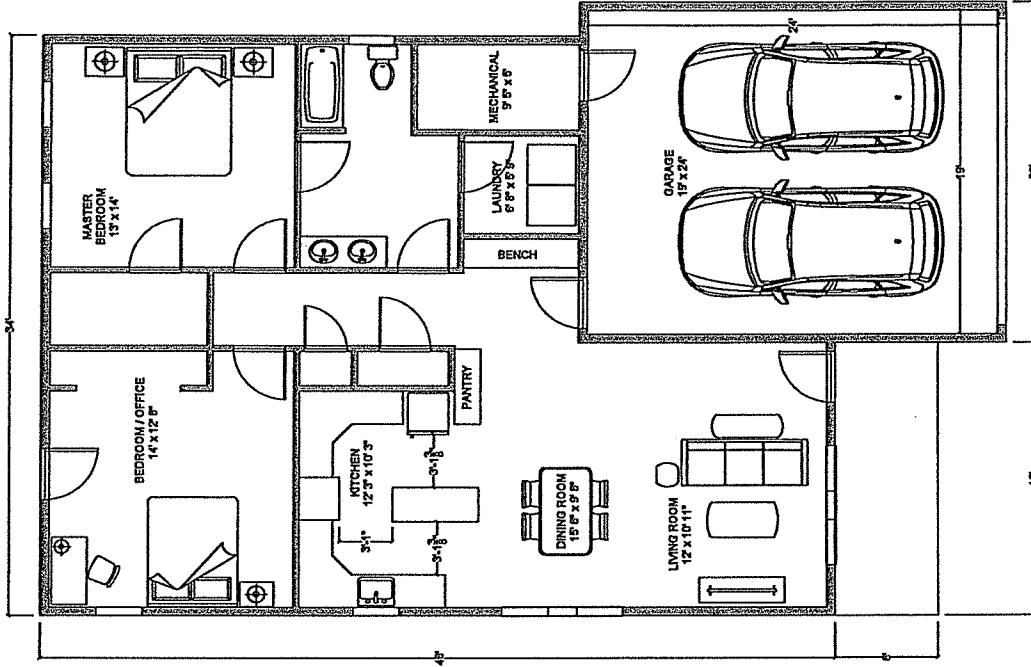


ⓑ ELEVATION
SCALE: 1/8" = 1'-0"



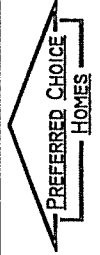
ⓑ ELEVATION
SCALE: 1/8" = 1'-0"

Approved By:	Issue Date: 9-29-2020	Project: Senior Cottage PUD	
	Contact: Lindsey Cartwright Phone: 507-830-1305	Plan: Cottage Plan	
	Contact: Jerry Bauer Phone: 507-822-3700	Set: Preliminary 1 Scale: 3/16" = 1'-0"	Sheet: B
	Drawn By: MC Page: 2 of 6		



FURNITURE PLANS
SCALE: 3/16" = 1'-0"

Approved By:	Issue Date:	Project: Senior Cottage PUD
	10-28-2020	Plan: Furniture Plan
	Contact: Lindsey Cartwright Phone: 507-590-1305	Set: Approval Set 2
	Contact: Jerry Bauer Phone: 507-622-3700	Scale: 3/16" = 1'-0"
		Drawn By: MC
		Page: 0



WINDOM PUBLIC SCHOOL DISTRICT
PUBLIC HEARING NOTICE
RESIDENTIAL PROPERTY TAX ABATEMENT

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Request submitted by Preferred Choice Homes, LLC. Abatement period – 5 years commencing on first year of taxes payable for full assessed value related to new home. Based on 2024 tax rates, **estimated** total abatement could be approximately \$1,687.65.

Address of Property: 1946 Bud Road, Windom, MN 56101

Legal Description of Property: Lot 6, Block 1 of Gove Acres Subdivision to the City of Windom, Cottonwood County, Minnesota.

Parcel #: 25-320-0600

All parties interested in commenting on this proposed abatement may attend the public hearing or submit written comments to the address below prior to the hearing.

BY ORDER OF THE WINDOM BOARD OF EDUCATION

Bruce Mews, Clerk
Windom Public School District
1400 17th Street
P. O. Box 177
Windom, MN 56101
Phone: 507-831-6901, Ext. 502

Published: November 27, 2024
(COTTONWOOD COUNTY CITIZEN)

AGREEMENT

between

**INDEPENDENT SCHOOL DISTRICT NO. 177
WINDOM, MINNESOTA**

and

**THE MINNESOTA SCHOOL EMPLOYEES ASSOCIATION
WINDOM EDUCATION SUPPORT PROFESSIONALS**

representing

CUSTODIAL, FOOD SERVICE, AND SECRETARIAL EMPLOYEES

Effective July 1, 2022 2024 through June 30, 2024 2026

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ARTICLE I PURPOSE

Section 1. Parties: This Agreement is entered into between Independent School District No. 177, Windom, Minnesota, hereinafter referred to as the School District, and the ~~Minnesota School Employees Association (MSEA)~~ Windom Education Support Professionals, hereinafter referred to as exclusive representative, 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 Custodial, Food Service, and Secretarial Employees.

ARTICLE II RECOGNITION OF EXCLUSIVE REPRESENTATIVE

Section 1. Recognition: In accordance with the P.E.L.R.A., the School District recognizes the ~~MSEA Windom Education Support Professionals~~ as the exclusive representative for Custodial, Food Service, and Secretarial Employees, excluding the District Office Staff, employed by the School District, which exclusive representative shall have those rights and duties as prescribed by the P.E.L.R.A., and as described in the provisions of this Agreement.

Section 2. Appropriate Unit: The exclusive representative shall represent all such employees of the District contained in the appropriate unit as defined in Article III, Section 2 of this Agreement and the P.E.L.R.A. and in certification by the Director of Mediation Services ~~on May 2nd, 2024 via BMS Case No. 24PRE1753.~~

ARTICLE III DEFINITIONS

Section 1. Terms and Conditions of Employment: Terms and conditions of employment shall mean the hours of employment, the compensation therefore including fringe benefits except retirement contributions or benefit, and the employer's personnel policies affecting the working conditions of the employees.

Section 2. Description of Appropriate/Bargaining Unit: For purposes of this Agreement the term "Custodial, Food Service, and Secretarial Employee" shall mean an employee within the appropriate bargaining unit employed by the School District in such classification excluding the following: confidential employees, supervisory employees, essential employees, part-time employees whose services do not exceed the lesser of 14 hours per week or 35% of the normal work week in the employees' bargaining unit, employees who hold positions of a temporary or seasonal character for a period not in excess of 67 working days (as detailed in Article III, Section 4), emergency employees, the district office staff and such other employees excluded by law.

Subd. 1. Food Service Normal Work Week Defined: For the purposes of this Agreement, the normal work week is twenty-two and one half (22 1/2) hours for Food Service employees. Thirty-five percent of the normal work week is eight (8) hours.

Section 3. School District: For purposes of administering this Agreement, the term "School District" shall mean the Board of Education or its designated representative.

Section 4. Day: For the purpose of administering this agreement, Day is defined as the number of regularly scheduled hours for a given employee.

Section 5 Full-time Employees: A regular workweek for full-time employees shall consist of 40 hours, exclusive of meal period. Employees working less than such regular workweek shall not be considered full-time.

Section 6. Permanent Part-time Employees: A permanent part-time employee is an employee who works a regular schedule of less than 8 hours per day 5 days per week.

Section 7. Temporary/Casual Employees: The School District reserves the right to employ such personnel as it deems desirable or necessary on a temporary or casual basis.

Section 8. Other Terms: Terms not defined in this Agreement shall have those meanings as defined by the P.E.L.R.A.

ARTICLE IV SCHOOL BOARD RIGHTS

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

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

Section 3. Effect of Laws, Rules and Regulations: The exclusive representative recognizes that all employees covered by this Agreement shall perform the services and duties prescribed by the Board of Education and shall be governed by the laws of the State of Minnesota, and by Board of Education rules, regulations, directives and orders, issued by properly designated officials of the School District. The exclusive representative also recognizes the right, obligation and duty of the Board of Education and its duly designated officials to promulgate rules, regulations, directives and orders from time to time as deemed necessary by the Board of Education insofar as such rules, regulations, directives and orders are not inconsistent with the terms of this Agreement and recognizes that the Board of Education, all employees covered by this Agreement, and all provisions of this Agreement are subject to the laws of the State. Any

provision of this 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: The foregoing enumeration of rights and duties shall not be deemed to exclude other inherent management rights and management functions not expressly reviewed herein, and all management rights and management functions not expressly delegated in this Agreement are reserved to the School District.

ARTICLE V EMPLOYEE RIGHTS

Section 1. Right to Views: Nothing contained in this Agreement shall be construed to limit, impair or affect the right of any employee or her/his representative to the expression or communication of a view, grievance, complaint or opinion on any matter related to the conditions or compensation of public employment or her/his betterment, so long as the same is not designed to and does not interfere with the full, faithful and proper performance of the duties of employment or circumvent the rights of the exclusive representative, if there be one; nor shall it be construed to require any public employee to perform labor or services against her/his will. Failure to perform labor or services unless such tasks are illegal or endanger the employee or others, may be grounds for discipline.

Section 2. Right to Join: Employees shall have the right to form and join labor or employee organizations, and shall have the right not to form and join such organizations. Employees in an appropriate unit shall have the right by secret ballot to designate an exclusive representative for the purpose of negotiating grievance procedures and the terms and conditions of employment for employees of such unit with the School District.

Section 3. Request for Dues Check Off: The exclusive representative shall be allowed dues check off for its members, provided that dues check off and proceeds thereof shall not be allowed to any exclusive representative that has lost its rights to dues check off. Upon receipt of a properly executed authorization card of the employee involved, the School District will deduct from the employee's paycheck the dues that the employee has agreed to pay to the employee organization in **ten nine** equal installments, **beginning with the first pay period in September, beginning no earlier than October 15th and the district will continue collecting dues from year-to-year until it receives notification of a valid revocation from the local. All dues information must be received by the payroll office by the 6th of each month.**

Section 4. Financial Information: The School District shall provide, upon request of the exclusive representative, information pertaining to the School District's budget, both present fiscal year and proposed fiscal years' revenues and other financial information. The exclusive representative shall indicate in writing which financial information it is requesting. All costs of duplication of the information shall be borne by the exclusive representative.

Section 5. Personnel File: Any employee shall have the right to inspect her/his personnel file during regular business hours. The employee may be accompanied by a representative of her/his choice, may reproduce contents of the file, at their own expense, and may attach a statement of

explanation or rebuttal to any information contained in the file. No material shall be kept in the employee personnel file without a copy being provided to the employee within ten (10) days of its receipts or creation by the District.

ARTICLE VI RATES OF PAY

Section 1. Rates of Pay:

Subd. 1. The wages and salaries reflected in Schedule A attached hereto, shall be a part of the Agreement for the period commencing July 1, ~~2022~~ **2024** through June 30, ~~2024~~ **2026**.

For any new hires and employees who do not work during the summer months and do not receive a paycheck in the month of August, any hours worked from September 1st to the 10th of the month will be paid prior to September 30th. Hours worked from September 11th to the 30th will be paid on the normal October 20th payroll. For any new hires who start during the school year will then have any hours worked from the 1st to the 10th of the month paid prior to the last day of the month. All future paychecks will be on the regular 20th of the month payroll.

Subd. 2. Employees who have not reached the top salary level will be eligible for salary level increases on July 1 of each year providing they have been continuously employed in the bargaining unit for the preceding six months.

Subd. 3. New employees shall be paid at the entry level rate as indicated on the attached schedules. When circumstances require, the superintendent may allow a new employee to be paid at a higher rate of step/pay.

Subd. 4. The District will determine what the minimum staffing levels are at each building to determine when substitutes will be called.

Subd. 5. Regular food service employees who are substituting for an absent food service employee earning a higher rate of pay for three (3) consecutive days or more, shall receive that higher rate of pay. This pay adjustment shall be retroactive to the first day of the assignment. The employee must notify the payroll office within 30 calendar days to receive the wage adjustment.

Section 2. Overtime:

Subd. 1. Time and one-half the employee's regular hourly rate shall be paid for all hours worked over eight hours per day or forty hours per week. For these purposes, sick leave and holidays are considered hours worked, but vacation and personal leave are not. Please refer to Article IX, Hours of Service, Section 7 Work Day and Work Week, Paragraph 2.

Section 3. Sunday and Holiday Work:

Subd. 1. Custodians and Food Service. All authorized work on Sundays and Holidays will be compensated at two (2) times the regular hourly rate of pay.

Section 4. Kitchen Utilization:

Subd. 1. Any utilization of the kitchen by an outside group or activity requires a food service employee to be present. Opportunities will be offered on a rotational basis by seniority. Notice of work will be posted.

Section 5. Mileage: Employees who are required to use their personal vehicles when performing their job duties, or who are required to commute between buildings, will be reimbursed at the IRS rate, authorized in advance by the their supervisor.

Section 6. Licensure Renewal: Because the school district requires all custodial staff to maintain a current Class C or higher boiler license, the district will pay the annual renewal fee, up to a maximum of \$50.00 for each custodian.

Section 7. Responsibility and Shift Differentials: The following differentials will be paid above the regular rate (day) of pay.

All shifts starting at 12:00 p.m. noon	\$.30/hour
Advanced Custodian	\$.40/hour
Head or Lead Custodian	\$.70/hour
Split Shift Differential	\$1.00/hour Effective 7/1/02 and continuing

Custodians will receive only one of the above shift differentials, that being the largest amount appropriate to their job assignment.

If the District directs a change in shift starting time during a non-student day(s) or to provide coverage for absent head/lead position, night custodians will retain their shift differential rate of pay.

Section 8. Call Back: Custodians called back to work by their supervisor or emergency personnel outside their scheduled hours shall be compensated for all time worked, with a minimum of two (2) hours of pay.

Section 9. Building Checks: Custodians will be compensated at two (2) times their regular hourly rate for all hours worked when performing Sunday, and Holiday building checks and one and one half (1 1/2) times their regular hourly rate for all hours worked when performing Saturday building checks. Only qualified custodians, on a voluntary basis, will conduct building checks as approved in advance by the Building and Grounds Supervisor or his/her designee. If no volunteers, it will be assigned on a rotating basis. The need for building checks will be at the discretion of the District. Custodians conducting building checks during their regularly scheduled hours as part of their regular work assignment shall only receive their regular rate of pay.

Section 10. Severance Pay: Employees who retire from the School District, or resign, shall be granted the following percentage of their accumulated sick leave days with pay:

Length of Employment:	0-9 years	No Withdrawal
	10-14 years	25%
	15 years plus	50%

The rate of pay for each day to be calculated on the average daily salary of the employee at the time they terminate their employment.

On behalf of any person covered by the agreement, the School District will deposit 100% into the Health Care Savings Plan (HCSP) and 0% into the Special Pay Deferral Plan (SPDP) of the amount of severance calculated above. This severance/retirement deposit plan is authorized and permitted under the Internal Revenue Code. Employees will not be entitled to receive this amount in the form of taxable cash compensation unless the severance amount is under the minimum amounts allowed for the HCSP and SPDP or if the entire bargaining unit members decide not to participate in the HCSP or SPDP.

In the event of the death of the employee before all or a portion of the severance pay has been disbursed, the balance due shall be paid as a lump sum into the Special Pay Deferral Plan (SPDP) for access by the employee's estate.

All administrative fees incurred at the time of initial set up will be borne by the School District, subsequent fees including any and all transactions fees will be borne by the employee.

Section 11. Matching Deferred Compensation Plan:

Subd. 1. Matching deferred compensation is available to all regular employees covered by this Agreement. The District will match contributions as outlined below for all employees who work half time or more in their classification not to exceed a total contribution of \$30,000. Part-time employees who work less than fifty percent (50%) of the full time equivalent in their classification shall be eligible to participate on a prorated basis to the percentage of time they are employed.

Years of Service	Yearly dollar match by the District
0 - 2 years	\$0
3 - 5 years	\$215
6-10 years	\$415
11- 15 years	\$815
16 plus years	\$1,115

Subd. 2. Any employee with less than 10 years of service experience by July 1, 2000 will not be eligible for severance pay, but may participate in the Matching deferred compensation plan.

~~**Subd. 3.** Any employee with 10 years of service or more as of July 1, 2000 may participate in both the Matching deferred compensation plan and the Severance Plan. Upon retirement an employees' severance pay will be calculated and all matching contributions under the provision of the matching deferred compensation plan contributed by the District will be subtracted from the qualifying severance amount.~~

Subd. 4. Participants must designate the carrier and the amount of the matched annuity by September 1 and March 1, to establish or make any changes in carrier and amount. The employees must complete a salary reduction authorization prior to any authorization/agreement for tax-sheltered annuity purposes may be made in any fiscal year. Changes will be allowed by contacting the District Office.

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. 5.** No employee hired after July 1, 2000, shall be eligible for severance pay.~~

Subd. 6. Employees on an unpaid leave of absence for more than thirty (30) days shall not be eligible to receive the District's contribution toward the match in the Matching Deferred Compensation Plan. The Districts contribution towards match shall resume once the employee reports back to duty.

Subd. 7. This program shall be subject to the current Minnesota statute and all IRS regulations.

Section 12. Custodial Payroll Option: Employees will be paid over a twelve (12) month period, payable monthly. Hourly personnel (full time) will be paid their normal rate of pay times the hours in the year (rate of pay times 2,080 hours). Overtime hours will be paid in the ensuing month after working the hours of overtime.

Section 13. Shoe Allowance: The School district will reimburse up to a maximum of One Hundred Twenty-Five Dollars (\$125) per fiscal year for work-related shoes for each custodial and food service employee, upon successful completion of the probationary period. An itemized receipt must be turned into the Business Office no later than May 31 of each fiscal year and the purchase must have been made from July 1 to May 31 of that fiscal year. Reimbursement will occur on the employee's payroll check and employee must be an active custodial or food service employee to receive reimbursement. This does not apply to any substitutes. The shoe allowance payment will be prorated for employees who do not complete a full year of employment.

ARTICLE VII LEAVES OF ABSENCE

Section 1. Sick and Safe Leave:

Subd. 1. All Employees shall earn sick leave at the rate of one day (one day equals the number of regularly scheduled hours for that employee) for each month of service in the employ of the School District. Annual sick leave shall accrue monthly as it is earned on a proportionate basis to the employee's work year. One day shall be equivalent to the normal standard work day of the employee based in hours.

Subd. 2. Unused sick leave days may accumulate to a maximum credit of 140 days of sick leave per employee.

Subd. 3. Sick leave with pay shall be allowed whenever an employee's absence is found to have been due to illness, which prevented her/his attendance and performance of duties on that day or days. **An employee may use his/her accumulated sick leave and the school board limits use as permissible as all state statutes will be followed.** Sick leave pay shall be approved once entered into Absence Management or any electronic system provided by the district prior to the absence.

Subd. 4. Sick leave with pay may also be granted to the employee due to the serious illness of a member of the immediate family when such illness requires the presence of the employee. Immediate family shall be defined as spouse, children, parents, spouse's parents, siblings, brother-in-law, sister-in-law, daughter-in-law, son-in-law, grandparents of employee, grandchildren, aunts and uncles. Leaves in excess of three consecutive days will require medical certificate as indicated in Subd. 5, except in the case of minor children pursuant to state statute.

Subd. 5. The School District may require an employee to furnish a medical certificate from a qualified physician as evidence of illness, indicating such absence was due to illness, in order to qualify for sick leave pay. However, the final determination as to eligibility of an employee for sick leave is reserved to the School District. In the event that a medical certificate will be required, the employee will be so advised.

The School Board or its designee may require that the employee undergo a physical examination by the licensed physician designated by the Superintendent. Such physician's opinion shall be determined as to the period of disability. The cost of such physical examination shall be borne by the School District.

Subd. 6. Sick leave allowed shall be deducted from the accrued sick leave days earned by the employee.

Subd. 7. Sick leave pay shall be equivalent to the employee's regular hourly wage rate for the regularly scheduled hours of work missed due to illness (as defined in Subd. 5) and shall not exceed 8 hours of pay for each day, or portion thereof, granted. Leave in

excess of three consecutive days must be approved by the superintendent, or his/her designee.

Subd. 8. Reduced Hours and Unused Sick Leave Accumulation Maximums: If an employee's regular hours are reduced and their unused sick leave exceeds the new maximum number of hours allowed, no hours of unused sick leave already accumulated will be deducted from the employee's unused sick leave balance. Once the level of unused sick leave accumulation falls below the new maximum allowed, new hours of unused sick leave will begin to accumulate the next pay period.

Section 2. Workers Compensation:

Subd. 1. Upon the request of an employee who is absent from work as a result of a compensable injury incurred in the service of the School District, under the provisions of the Workers Compensation Act, the School District will pay the difference between the compensation received pursuant to the Workers Compensation Act by the employee and the employee's regular rate of pay to the extent of the employee's earned accrual of sick leave and/or vacation pay.

Subd. 2. A deduction shall be made from the employee's accumulated vacation or sick leave accrual time according to the pro rata portions of days of sick leave or vacation time which is used to supplement Workers Compensation.

Subd. 3. Such payment shall be paid by the School District to the employee during the period of disability.

Subd. 4. In no event shall the additional compensation paid to the employee by virtue of sick leave or vacation pay result in the payment of a total daily, weekly, or monthly compensation that exceeds the normal compensation of the employee.

Subd. 5. An employee who is absent from work as a result of an injury compensable under the Workers Compensation Act shall submit her/his Workers Compensation check, endorsed to the School District, prior to receiving payment from the School District for her/his absence.

Section 3. Jury Duty: Employees who serve as jurors shall do so without loss of salary. However, any per diem, excluding mileage or other reimbursed expenses received for such jury service, shall be paid to the School District.

Section 4. Paid Personal Leave:

Subd. 1. A Food Service Employee may be granted personal leave at the discretion of the School District **per the chart below:**

# of Years Completed	# of Personal Days
0-4	3
5-9	4
10-19	5
20 or more	6

~~of no more than three days with pay~~ (one day equals the number of regularly scheduled hours for that employee) per year, which can be carried over to the next school year for a maximum of ~~four (4)~~ **six (6)** days that can be used for personal leave, for situations that arise requiring the employee's emergency attention, which cannot be attended to outside of the employee's duty day, and which are not covered under other provisions of this Agreement.

Subd. 2. Custodians may be granted personal leave at the discretion of the School District of no more than three days (24 hours) per year, non-accumulative, for situations that arise requiring the employee's attention which cannot be attended to outside of the employee's duty day, and which are not covered under other provisions of this Agreement. Part-time custodians may be granted paid personal leave on a pro-rate basis.

1. Any custodian hired or transferred into the department after July 1, 2018 shall not be eligible for personal leave.

Subd. 3. A 12-month secretary may be granted personal leave at the discretion of the School District of no more than three (3) days per year, which can be carried over to the next school year for a maximum of four (4) days that can be used for personal leave, for situations that arise requiring the employee's attention which cannot be attended to outside of the employee's duty day, and which are not covered under other provisions of this Agreement.

1. Any 12-month secretary hired, changed from 9 or 10 month to 12 month status or transferred into the department after July 1, 2018 shall not be eligible for personal leave.

Subd. 4. A 10-month secretary may be granted personal leave at the discretion of the School District of no more than three (3) days per year, which can be carried over to the next school year for a maximum of four (4) days that can be used for personal leave, for situations that arise requiring the employee's attention which cannot be attended to outside of the employee's duty day, and which are not covered under other provisions of this Agreement. Upon completion of an employee's first (1) year of employment with the district, the employee will earn two (2) additional personal leave days for a total accumulation of five (5) days. Upon completion of an employee's fifth (5) year of

employment with the district, the employee will earn two (2) additional personal leave days for a total accumulation of seven (7) days. Upon completion of an employee's tenth (10) year of employment with the district, the employee will earn one (1) additional personal leave day for a total accumulation of eight (8) days. Upon completion of an employee's fifteenth (15) year of employment with the district, the employee will earn one (1) additional personal leave day for a total accumulation of nine (9) days.

# of Years Completed	# of Personal Days
0	3
1 - 4	5
5 - 9	7
10 - 14	8
15 or more	9

Subd. 5. A school year 9 month secretarial employee may be granted personal leave at the discretion of the School District of no more than three (3) days per year, which can be carried over to the next school year for a maximum of four (4) days that can be used for personal leave, for situations that arise requiring the employee's attention which cannot be attended to outside of the employee's duty day, and which are not covered under other provisions of this Agreement.

Subd. 6. Request for personal leave must be in Absence Management or any electronic system provided by the district at least three (3) days in advance, except in the event of an emergency. The School District reserves the right to refuse to grant such leave. All leaves must have prior approval.

Subd. 7. A personal leave day may be granted for the day preceding or the day following holidays or vacations, with prior approval of the supervisor.

Subd. 8. The district will allow up to 3 unpaid personal leave days per year for food service and secretarial employees. **Total maximum of paid or unpaid personal leave days is not to exceed 6 days for food service employees.** Any additional unpaid personal leave days needed for emergency situations will be approved by the superintendent on a case by case situation. These unpaid personal leave days are non-cumulative.

Section 5.

Subd. 1. Bereavement Leave: Up to five (5) days of bereavement leave, deductible from accumulated sick, **personal or vacation** leave **(if available)**, may be taken after approval by the Superintendent to attend the funeral of member of the immediate family, including spouse, children, parents, grandparents, grandchildren, brothers, sisters, father-in-law, mother-in-law, brother-in-law, sister-in-law, daughter-in-law, son-in-law,

spouse's grandparents, aunts, and uncles. An additional one (1) day per year shall be allowed in the event of a death not covered by the definitions above, deductible from accumulated sick, **personal or vacation** leave **(if available)**. Unpaid bereavement leave for any other individual with whom there was a close relationship may be granted through prior approval by the Superintendent. Individuals requesting the approval of bereavement leave shall submit such request in writing to the Superintendent. Any leave for this purpose beyond five days must be approved by the Superintendent and **will be evaluated on a case by case basis and designated with or without pay.**

Section 6. Exclusive Representative Leave:

Subd 1. Exclusive representative leave will be granted to the exclusive representative for three (3) days (one day equals the number of regularly scheduled hours for that employee) without deduction in any school year for the purpose of conducting organizational business.

Subd. 2. The exclusive representative must notify the Superintendent or his/her designated representative at least five (5) days prior to the use of such leave.

Section 7. Leave of Absence: Employees may be granted a leave of absence of up to one year without pay at the discretion of the Board of Education.

Section 8. Miscellaneous Leave Provisions:

Subd. 1. Generally, employees will be notified of the granting or denial of leaves within three (3) days after the leave request was submitted.

Subd. 2. All decisions to grant or deny leave requests may be appealed to the Superintendent.

Section 9. Family and Medical Leave: In accordance with the Family Medical Leave Act of 1993, (FMLA), as amended, employees shall be eligible for twelve (12) work weeks of leave in a twelve (12) month period under the following conditions:

1. Birth of a child or the placement of a child for adoption or foster care;
2. To care for a family member (child, spouse or parent) with a serious health condition;
or
3. An employee's own serious health condition that prevents the employee from doing his/her job.

Subd. 1. An employee may take this leave on an intermittent basis rather than all at once, or the employee may work a part-time schedule.

Subd. 2. All health insurance benefits shall be maintained while an employee is on this leave with the District and employee continuing their contribution requirements towards the premiums. This right to continue participation in such insurance programs will

terminate if the employee does not return to the District pursuant to this Section. If the employee terminates their employment in the District, the employee shall have all rights to continue insurance benefits under C.O.B.R.A. laws.

Subd. 3. Employee's shall provide the District with a thirty (30) calendar day notice of any foreseeable leaves under this Section. If a medical emergency prevents an employee from giving the thirty (30) calendar day notice, a notice is required as soon as practical.

Subd. 4. Employee's shall provide the District with verification or certification of qualifying condition or need for leave, when requested, by a health care provider/agency.

Subd. 5. Employee's shall have the right to return to the same position or an equivalent position, with equivalent pay, benefits and working conditions at the conclusion of the leave. Employees who passed their probationary period, they shall retain all seniority benefits while on leave. Employee's still in their probationary period at the commencement of leave, shall not have actual leave time count towards the probationary period requirement.

Subd. 6. Employees shall be allowed to use any accumulated sick, vacation or personal time to offset any unpaid leave with paid leave.

Subd. 7. Failure of the employee to return pursuant to the date determined as the end of their leave shall constitute a resignation of the employee's position in the District.

Subd. 8. An employee may be allowed additional unpaid leave, not to exceed twelve (12) months, provided the employee follow the procedure outlined in this section.

Subd. 9. Eligibility: To be eligible for the benefits of this section, an employee 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.

Section 10. Voting Leave: This leave will be granted pursuant to current Minnesota statute.

Subd. 1: The District must also provide an employee paid time off to serve as an election judge, provided the employee gives the District at least twenty (20) days advance written notice. The District may reduce the employee's pay by the amount the employee is paid to serve as an election judge.

Section 11. Good Attendance Incentive:

Subd. 1. Any employee who has used Sick Leave, Worker's Compensation, Personal Leave, Bereavement Leave, Exclusive Representative Leave, Leave of Absence, Miscellaneous Leave, Family and Medical Leave and Leave Without Pay will receive at the end of the school year the following stipend:

0 hours/days* = \$400
1-3 days* or less = \$300
4 days* or less = \$200
5 days* or less = \$100

*Days above are based on the hours per day listed on the seniority list.

Hired between July 1 and October 31 gets full amount
Hired between Nov 1 and December 31 gets 75%
Hired between Jan 1 and February 28 get 50%
Hired after March 1 and April 30 get 25%
Hired after May 1 not eligible

Subd. 2. Personal leave days used for Bad Weather School Closing Days, as stated in Article IX, Section 7, Jury Duty Leave, as stated in Article VII, Section 3 and Voting Leave as stated in Article VII, Section 10 will not apply to the days listed above. Any other leaves not listed in Subd. 1 above will be counted as an absence.

Subd. 3. The calculation of hours/days used shall be the time between the first in-service/staff development day at the start of the school year and the last in-service/staff development day at the end of the school year.

Section 12. Minnesota Paid Leave

All state statues will be followed.

ARTICLE VIII GROUP INSURANCE

Section 1. Selection of Carrier: The selection of the insurance carrier and policy shall be made by the School District as provided by law.

Subd. 1. 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.

Section 2. Health and Hospitalization Insurance:

Subd. 1. Eligibility and Qualification:

1. **Custodial and Secretarial:** Eligibility and qualification shall be in accordance with the health insurance plan document. All employees whose regular work assignment

is twenty (20) hours or more per week are eligible for enrollment in the group as provided by the plan document.

2. **Food Service:** Eligibility and qualification shall be in accordance with the health insurance plan document. All employees whose regular work assignment is thirty (30) hours or more per week are eligible for enrollment in the group as provided by the plan document.

Subd. 2. District Contribution:

1. **Custodial and Secretarial:** The District shall contribute up to the following dollar amount toward but not to exceed the premiums for full-time regularly assigned eligible employees who qualify for and are enrolled in the District group health plan. Permanent part-time employees working twenty (20) hours or more per week will be allowed District contributions on the basis proportional to the percent of time they are regularly employed. Any additional cost of the premium shall be borne by the permanent part-time or permanent full-time employee and paid by payroll deduction.

The District reserves the right to increase the contribution on an individual basis in order to avoid any fines or penalties imposed by the Affordable Care Act (ACA). This is due to the W-2 affordability 9.5% test.

2. **Food Service:** The District shall contribute up to the following dollar amount toward but not to exceed the premiums for full-time regularly assigned eligible employees who qualify for and are enrolled in the District group health plan. Permanent part-time employees working thirty (30) hours or more per week will be allowed District contributions on the basis proportional to the percent of time they are regularly employed. Any additional cost of the premium shall be borne by the permanent part-time or permanent full-time employee and paid by payroll deduction.

The District reserves the right to increase the contribution on an individual basis in order to avoid any fines or penalties imposed by the Affordable Care Act (ACA). This is due to the W-2 affordability 9.5% test.

Custodial, & Secretarial, & Food Service employees who work over 30 hours per week

Premium Allowance	2022-2023	2023-2024
	\$9,791.02	\$10,280.57
	(\$815.92 per month)	(\$856.72 per month)
	2024-2025	2025-2026
	\$10,434.78	\$10,591.30
	(\$869.57 per month)	(\$882.61 per month)

Prior to school starting, a secretary/food service employee who worked during the summer will have his/her hours totaled and if he/she works 160 hours, he/she will received an extra month benefits (health insurance contribution). Benefits will be pro-

rated based upon hours worked during the summer. These hours must have prior authorization of the Superintendent.

Any employee who is not a 12 month employee who is on the district's single health insurance plan their monthly premium allowance will be figured for the year and spread out to pay for 12 months of premium first. Any contribution in excess of the monthly premium will be put into a VEBA/HSA account.

Subd. 3. Married Couples Employed by District: Married couples who are both employed by the District and eligible for insurance may pool their insurance premium allowance to purchase one family plan versus two individual plans. The District contribution will not exceed the premium allowance each employee would be eligible to receive on an individual basis.

Subd. 4. Retirement: Upon retirement, employees who are enrolled in the group health insurance plan, who are at least 55 years of age or older, may continue to remain a part of the health insurance group if they agree to pay all premiums at their own expense.

Subd. 5. Group Health Plans: The School District shall also make available group health insurance plans, to its employees and eligible retirees.

With respect to all qualified bargaining unit members, the School District shall contribute up to the dollar amount listed in Subd. 2 towards the monthly premium costs of these group health plans. If a "Voluntary Employee Benefit Arrangement" (VEBA/HRA Plan) or "Health Savings Account" (HSA Plan) is chosen, Subd. 6. below will apply.

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

Subd. 6 Establishment of VEBA/HRA and HSA: The School District adopted 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.

1. **Benefits provided through the VEBA/HRA and HSA:** 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 Employees.
2. **Payment of Administrative Fees:** Administrative and investment fees allocable to individual accounts of active employees shall be paid from the account. Administrative and investment fees allocable to individual accounts of active employee, who have accrued a balance in the VEBA/HRA or HSA Plan but change coverage, so that they are no longer entitled to employer contributions, shall be paid from the account. Administrative and investment fees allocable to the individual accounts of former employees, including retirees, shall be paid from the account. If the VEBA/HRA or HSA Plan is terminated, or if Employer Contributions cease by agreement between the parties, administrative and investment fees shall be paid from the account.
3. **High Deductible Group Health Plan:** The School District shall make available VEBA/HRA and HSA group health plans, the School District shall contribute the monthly premium cost up to the premium allowance list in Subd. 2.

In the event that two School District bargaining unit employees are either married or a bargaining unit employee marries another school employee the School District who is eligible for School District provided health and hospitalization insurance, the School District shall contribute an amount on the health insurance plan equal to the above contribution for each employee but not to exceed full family health insurance coverage if family coverage is selected by the married couple in only one (1) of the members name. Employees who are employed less than full time shall be eligible to participate on a prorated basis to the percentage of the time they are employed with the School District.

- A. In addition the employer contribution listed above, any grant available from the SWWC Service Cooperative will be deposited into the employee's VEBA/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 from separation of employment.

4.5. The district will apply the collectively bargained health insurance amount to insurance premium first and the remainder will be funded, on a monthly basis, to an HSA or VEBA/HRA account. This amount will be prorated on an annual basis as a result of insurance premium changes or collective bargaining levels. All HSA contribution amount will not exceed the amount as set by the IRS per year for individual or family coverage.

Subd. 7. Statewide Health Plan: Should a statewide health insurance plan become available during the course of this agreement, then both parties agree that bargaining may reopen on the health insurance provision.

Section 3. Long Term Disability (LTD) Insurance: The School District will pay 100% of the premium for long term disability insurance for each employee meeting the insurance carrier's minimum qualifications. Benefits shall be payable according to the insurance carrier's schedule of benefits.

Section 4. Life Insurance: The District shall provide a group life insurance program and shall pay the premium for ten thousand dollars (\$10,000) of coverage, with an Accidental Death & Dismemberment feature, for each eligible employee. To be eligible for this coverage an employee must work an average of twenty (20) hours per week in a position or positions covered by this agreement meeting the insurance carrier's minimum qualifications. The School District will not be held responsible for the regulations of the carrier.

Section 5. Claims against the School District: It is understood that the School District's only obligation is to purchase an insurance policy and pay such amounts as agreed to herein and no claim shall be made against the School District as a result of denial of insurance benefits by an insurance carrier.

Section 6. Duration of Insurance Contribution: An employee is eligible for School District contribution as provided in this Article as long as the employee is employed by the School District. Upon termination of employment, all District contribution shall cease.

Section 7. Flexible Benefits Plan: The District shall adopt a payroll-system flexible benefits plan from a Flexible Benefits Plan vendor agreed upon by the parties, provided that in all events such vendor shall have substantial experience with School Districts, shall take legal responsibility for the Plan, shall give the employees tax advice with respect to their participation in the plan, shall have comprehensive orientation services for employees including 24-hour per day consultation for employees and opportunity for the employees spouses to have their questions answered about the plan. The School District shall assume all financial costs for the operation of the Flexible Benefit Plan.

Effective December 31, 2016 the medical flexible benefits plan will be terminated or changed to a limited flexible benefit plan for dental and vision only due to Affordable Care Act (ACA) rules. Dependent flexible benefits plan will still be an option.

ARTICLE IX HOURS OF SERVICE

Section 1. Shifts and Starting Time: All employees will be assigned starting time and shifts as determined by the School District. Employees working summer months may work with their supervisor/Superintendent to set their work hours/schedules. The School District has the right to refuse an alternative schedule.

Section 2. Meal Period: Custodial and Secretarial Employees shall be provided a duty free meal period of at least 30 minutes.

Section 3 Break Times: Employees working at least four (4) hours per day will receive one (1) fifteen minute break; employees working six (6) or more hours per day will receive two (2) fifteen minute breaks. Break time is taken at the building they are currently working in.

Section 4 Extra Work: Food Service: Regular part-time employees, based upon food service personnel seniority, shall have the first option to work any additional hours or sub for others, (bringing their total weekly hours up to 40), which are due to school workday or school functions for which they are qualified. Qualified employees shall have the first option to work any extra hours created by non-school organizations functions, based upon seniority within food service employees. First option to work extra assignments will be given to the building crew where the extra work exists.

Subd. 1 Summer Work: During the summer food service meal program the District will create two teams of food service employees that will work a one or two-week rotational schedule. Employees shall not be compensated during their off week(s).

Section 5 Extra Work: Custodial and Secretarial: Regular part-time employees shall have the first option to work any additional hours (bringing their total weekly hours up to 40), which are due to school functions for which they are qualified. Employees shall have the first option to work any extra hours created by non-school organizations functions. First option to work extra assignments will be given to the building crew where the extra work exists.

Section 6 Work Day and Work Week: Custodial: The basic work week will consist of five (5) consecutive days beginning with the first shift that each custodian works on Monday or Tuesday that week. The normal basic workday shall consist of 8 hours per day. All regular employees shall have the right to work their full 40 hour week as provided for in the contract before any part-time employees are called.

Employees may be required to work flexible schedules totaling 40 hours per week over 6 days, Monday through Saturday upon mutual agreement between the employee and the District. However, the District must give prior approval to any flexible schedules. The district may schedule a 40 hour shift Tuesday through Saturday.

Section 7 School Closing: In the event that school is closed for any reason and the employees are not required to perform services, the employees shall have the option of using a personal leave day, or the employee's compensation shall be reduced accordingly. Leave must be applied for within the pay period the school closing occurred.

Subd. 1. Custodial School Closing. An employee may make-up the hours lost due to a school closing not to exceed the actual hours lost. Employees must schedule make-up time with their supervisor. Employees making up lost time waive their daily premium pay rates and will earn their regular rate of pay for the make-up hours. All make-up time must occur within the work week of the school closing. Leave must be applied for within

the pay period the school closing occurred. Part time employees will have the opportunity to work extra time for hours worked missed due to weather. Work hours can be made up in the same work week, with the exception of severe inclement weather or school closings.

Refer to the current Windom e-Learning Plan shared with all employees; all state statutes will be followed.

Section 8. Late Start: Food Service and Secretarial: If school starts late employees who report for work will be paid for all regularly scheduled hours for that day. When school starts late due to inclement weather or is "district called" food service and secretarial personnel will report to their assigned building not less than one and one-half (1 ½) hours prior to the announced start time.

Section 9. Early Dismissal:

Subd. 1. Custodial Early Dismissal. When school is dismissed early due to weather or other emergency, all custodians will work the same number of hours on each shift; a minimum of two (2) hours to be paid for all regularly scheduled hours, not to exceed eight (8) hours for the day. The custodians who are already working when the early dismissal is called shall work a minimum of two (2) hours after school is dismissed or to the end of their scheduled shift, whichever occurs first. All custodians reporting to work after school is dismissed shall work a minimum of two (2) hours once they arrive to work but not before the school dismissal time and shall work the same number of hours as the prior shift. If the building is closed due to weather conditions or other emergency conditions, the custodians can use personal or vacation leave to meet the number of hours needed on their shift. Part time employees will have the opportunity to work extra time for hours worked missed due to weather. Work hours can be made up in the same work week, with the exception of severe inclement weather or school closings. If the school day has ended already, employees will be required to stay at their assigned building until they have been released by the Buildings and Grounds Supervisor or Superintendent. Building closure will be done by Superintendent or his/her designee.

Subd. 2. Food Service Early Dismissal. If school is closed after employees report for work at their regularly scheduled start time, they will be paid for all regularly scheduled hours for that day.

Subd. 3. Secretarial Early Dismissal. Secretarial personnel will be required to stay at their assigned building until one of the following occurs:

1. District buses have returned to the bus barn; or
2. They have been released by their building principal; or
3. End of regularly scheduled shift.

**ARTICLE X
HOLIDAYS**

Section 1.

Subd. 1. Food Service and nine month employees shall be granted the following paid holidays provided the holidays fall during the normal school year:

New Year's Day	Good Friday	Easter Monday
Memorial Day	Labor Day	Thanksgiving Day
Day Following Thanksgiving Day	Christmas Day	Christmas Eve Day

Juneteenth and Independence Day will be paid to the Summer Food Service team that is working the week of this holiday or on the day established by the School District.

Note: Memorial Day will continue to be paid during the Flexible Learning Year application.

Subd. 2. Full-time custodial, ten month, and 12 month secretarial employees shall be granted the following paid holidays:

New Year's Day	Good Friday	Easter Monday
Memorial Day	Juneteenth	Independence Day
Labor Day	Thanksgiving Day	Day Following Thanksgiving Day
Christmas Eve Day	Christmas Day	

Holiday pay shall not exceed 8 hours of pay at the employee's regular hourly rate.

The District agrees to pay secretaries for Memorial Day and Labor Day if they work their scheduled day before Memorial Day and/or after Labor Day (unless on excused illness, leave or vacation).

Section 2. Weekends: Holidays that fall on weekends will be observed on a day established by the School District.

Section 3. School in Session: The School District reserves the right, if school is in session, to cancel any of the above holidays and establish another holiday in lieu thereof. Upon mutual agreement between the District and the Exclusive Representative, the District shall pay each employee their holiday pay equivalent in the event another holiday day off cannot be established. The establishment of the new holiday and employee notification of such, or the determination of pay for the holiday will be completed within one (1) week of the original cancellation of holiday. Any legal holiday or holiday, which falls within an employee's vacation period, shall not be counted as a vacation day.

Section 4. Eligibility: In order to be eligible for holiday pay, an employee must have worked his/her scheduled work day before and after the holiday unless he or she is on excused illness, leave, or on vacation under these provision.

ARTICLE XI VACATIONS

Section 1. Earned Vacation:

Subd. 1. Full-time, 12 month custodial and secretarial employees shall accrue vacation as follows:

- One week after six full months of employment and successful completion of probationary period
- Two weeks after one full year of employment
- Three weeks after five full years of employment
- Four weeks after fifteen years of employment.

Subd. 2. Regular part-time custodial and secretarial employees shall receive vacation on a pro rata basis according to hours worked.

Subd. 3. Custodial. Upon approval of the District, employees shall be allowed to carry over three (3) days of vacation each year. All other earned vacation days must be used by August 31st following the year it was earned. Any days carried over will be the first days used. Carry over days may never exceed three (3) days total. All hires after July 1, 2018 shall be allowed to carry over three (3) days of vacation each year, based on their hire date.

Subd. 4. Secretarial. Upon approval of the district, employees shall be allowed to carry over three days of vacation each year for use in the next year. Any days carried over will be the first days used. All hires after July 1, 2018 shall be allowed to carry over three (3) days of vacation each year, based on their hire date.

Section 2. Application:

Subd. 1. Vacations shall be determined as of July 1 of each year. Custodial and secretarial Employees hired between January 1 and July 1 are not eligible for vacation as a matter of rights until July 1 of the following year but may be permitted to take earned vacation at the discretion of the School District/Superintendent. All hires after July 1, 2018 shall use their anniversary/hired date as a custodian or 12 month secretary for accrual of vacation. Refer to Article VII, Section 4, Subd. 2, number 1 and Subd. 3, number 1.

Subd. 2. If the custodial and secretarial employee resigns before completing a full year of service he/she shall not be entitled to any vacation pay and he/she shall have the salary paid for any vacation days taken deducted from his/her final check. An custodial and secretarial employee who has completed at least one year of service shall be entitled to receive the pro rata pay for unused vacation time provided such employee provides the School District with at least two (2) weeks advance notice of his/her resignation time.

Subd. 3. Custodial. Vacations may be taken throughout the year. The scheduling of all vacation time shall be determined by the School District. Vacation requests of three (3) or more consecutive days at a time must be made in Absence Management or any electronic system provided by the district at least three (3) days in advance for approval. Incidental vacation requests of less than three (3) days must be made in Absence Management or any electronic system provided by the district for the supervisor to approve. The School District reserves the right to refuse to grant such leave based on district needs.

Subd. 4. 12 Month Secretarial. The schedule of all vacation time shall be determined by the School District. Vacation requests of three (3) or more consecutive days at a time must be made in Absence Management or any electronic system provided by the district at least three (3) days in advance for approval. Incidental vacation requests of less than three (3) days must be made in Absence Management or any electronic system provided by the district for the supervisor to approve. The School District reserves the right to refuse to grant such leave based on district needs.

ARTICLE XII DISCIPLINE, DISCHARGE, PROBATIONARY PERIOD, SUPERVISION, EVALUATION SYSTEM

Section 1. Probationary Period: An employee under the provisions of this Agreement shall serve a probationary period of 6 months of actual time worked in a position in the School District during which time the School District shall have the unqualified right to suspend without pay, discharge or otherwise discipline such employee; and during this probationary period, the employee shall have no recourse to the grievance procedure, insofar as suspension, discharge or other discipline is concerned. However, a probationary employee shall have the right to bring a grievance on any other provision of the contract alleged to have been violated. The parties agree any time period an employee is on unpaid leave shall not be counted in determining the completion of the probationary period.

Section 2. Just Cause: Disciplinary action may be imposed upon an employee who has satisfactorily completed the initial probationary period only for just cause. Discipline shall be imposed in a timely manner.

Section 3. Progressive Discipline: Disciplinary action shall normally include only the following measures and shall normally be administered progressively in the following order:

Subd. 1. Reprimands, either oral or written;

Subd. 2. Suspension from duty without pay;

Subd. 3. Demotion in position and pay;

Subd. 4. Discharge from employment.

The District reserves the right to move directly to a higher level of discipline based on the seriousness of the offense and other relevant factors.

Section 4. Meetings to Discuss Discipline Measures: If a supervisor meets with an employee to discuss written reprimand, suspension, or discharge, the employee has the right to have a union representative present.

Section 5. Discharge Due Process: No employee who has completed the probationary period, shall be discharged without having been afforded an opportunity to hear the reason(s) for the discharge and without an opportunity to offer an explanation of the relevant facts and circumstances surrounding the events which preceded the discharge and/or any extenuating or mitigating circumstances which the employee believes is relevant to the discharge decision. Whenever possible and practical, such opportunities shall be provided in a conference with the District which shall be conducted after advance notice to the employee and his/her Union representative who shall be permitted to attend the conference.

Section 6. Disciplinary Action Records: A written record of all disciplinary actions within the meaning of this article, shall be provided to the involved employee(s) and may be entered into the employee's personnel record. Investigations into conduct, which do not result in disciplinary action, however, shall not be entered into the employee's personnel record. The disciplined employee or Union representative shall be entitled to submit a written response to be included in the employee's personnel record.

Section 7. Food Service Classifications and Professional Development: The following classifications are as follows:

Cook/Manager
Baker/Cook Asst
Lunch Room Manager
General Cook's Assistant
Cooks Assistant
Cafeteria Helper

Subd. 1. Employees working towards state required certification for food service personnel, must notify the Food Service Director prior to the renewal of his/her SNA dues. The District will pay the SNA dues for interested employees. The District will provide paid in-service days as approved. The district will pay workshop fees, mileage, meals and other expenses incurred in workshop participation. Employees will be paid their regular hourly rate for all hours of in-service attendance, which may be different from the number of hours in their normal workday. The Food Service Director will determine which workshops are appropriate for individual employees. Differences may be appealed to the Superintendent.

Section 8. Change of Classification or Level: In addition to the initial probationary period an employee transferred, promoted, or otherwise occupying a different classification or level shall serve a new probationary period of 3 months in any such new classification or level unless

the Superintendent determines the employee's performance has fulfilled the probationary period. During this 3 month probationary period, if it is determined by the School District that the employee's performance in the new classification or level is unsatisfactory, the School District shall have the right to reassign the employee to her/his former classification or level. Provided however, if any employee is placed in a new position as a result of the exercise of seniority rights in respect to layoff or recall the School District may place such employee on layoff if her/his performance is unsatisfactory. The Superintendent or such person(s) as designated by the Superintendent shall determine whether an employee's performance is unsatisfactory. An employee may grieve, to the Board of Education level only, the determination by the Superintendent or designee that an employee's performance is unsatisfactory. The decision of the Board of Education shall be final and binding and shall not be subject to arbitration.

Section 9. Supervision and Evaluation: The District reserves the right to evaluate an employee. A meeting will be held with the employee to discuss the evaluation, and then a written report of the evaluation will be placed in the employee's personnel file with a copy provided to the employee.

Section 10. Conditions Of Employment.

Subd. 1. All food service staff must maintain training and have the ability to pass all safety and health trainings required by state statute or district policy. (ie Blood Borne Pathogen, chemical, etc.).

a). The district will pay for an employee's food service licensure which must be maintained by the employee to uphold the position hired for per job description.

Any training required by the district, state or federal law will be reimbursed upon successful completion by the school district for each employee. Employees will be paid for travel time for any training during the calendar year, with prior approval from the Food Service Director.

Subd. 2. The district will pay for successful completion of tests required by state statute or district policy for custodial employees. After two (2) unsuccessful attempts, there will be an employee review for proper assignment.

Subd. 3. All secretarial staff must maintain training and have the ability to pass all safety and health trainings required by state statute or district policy. (ie Blood Borne Pathogen, chemical, etc.).

ARTICLE XIII
SENIORITY, REDUCTION, LAYOFFS AND REEMPLOYMENT

Section 1. Recognition: The parties recognize the principle of seniority in the application of this Agreement within classification concerning reduction or increase in force and assignment of vacation period.

Section 2. Seniority Date:

Subd. 1 Classification Seniority: An employee's seniority commences on the first day of continuous service in a classification with positions not referring to classifications. If more than one (1) employee begins work on the same day, seniority ranking for such employee shall be determined first by whoever has more District seniority and then by lot.

Section 3. Layoffs:

Subd. 1. Custodial. In the event the School District reduces the work force covered by this agreement, employees shall be laid off by seniority as either full-time or part-time employees (as defined in Article IX) with all of the part-time employees being laid off before the least senior full-time employee. Notice of such layoff will be given two (2) weeks before the scheduled layoff except in work stoppages or in unforeseen circumstances. Recall shall be in reverse order of lay-off.

Subd. 2. Food Service. In the event the School District reduces the work force covered by this agreement, employees shall be laid off by seniority as one classification. Recall shall be in reverse order of layoff. Additional hours shall be given to those employees whose hours were reduced, whenever possible, before new employees are hired. An employee on layoff shall retain his/her seniority and right to recall for a period of 1 year after the date of layoff.

Subd. 3. Secretarial. In the event the School District reduces the work force covered by the agreement within the School District, such layoff shall occur as follows:

1. For secretaries, layoff shall occur in reverse seniority order.

Section 4. Layoff and Reduction of Hours:

Subd. 1. Custodial. In the event the School District reduces the work force covered by the agreement within the School District, such layoff shall occur in reverse seniority order beginning first with temporary and substitute employees, then part time, then full time employees.

Subd. 2. Food Service. In the event the School District reduces the work force covered by the agreement within the School District, such layoff shall occur in reverse seniority order within the classification and class involved.

Subd. 3. Notice of such layoffs or reduction in hours shall be given two (2) weeks before the scheduled layoff or reduction in hours except in the case of work stoppages or other unforeseen circumstances.

Subd. 4. Custodial. A senior employee will have seniority rights in regard to layoff or reduction of hours over the most junior employees with equal, or closest to equal, number of hours. An employee who is displaced by the exercise of seniority by a more senior employee pursuant to this section may in turn exercise seniority in the same fashion if qualified.

Subd. 5. Food Service. A senior employee will have seniority rights in regard to layoff or reduction of hours over the most junior employees with equal, or closest to equal, number of hours, in the same classification and classes, if a senior employee is unable to exercise seniority over a junior employee in their classification and class, such employee may exercise seniority over a junior employee in succeeding lower class within classification, if qualified for the position. An employee who is displaced by the exercise of seniority by a more senior employee pursuant to this section may in turn exercise seniority in the same fashion if qualified, provided, however, a lower class employee will not have seniority rights over a higher class employee.

Subd. 5. Secretarial. A senior secretary will have seniority rights in regard to layoff or reduction of hours over the most junior secretaries with equal, or closest to equal, number of hours. A secretary who is displaced by the exercise of seniority by a more senior secretary pursuant to this section may in turn exercise seniority in the same fashion if qualified.

Subd. 6 Custodial and Secretarial Staff: If the number of hours an employee is assigned to work is reduced, he or she shall be assigned to that position that is held by the least senior employee whose assignment is closest to, but not greater than, the assignment originally held by the employee whose hours are being reduced. The employee displaced by this reassignment may accept the assignment of the person whose hours are being reduced, or may request reassignment based on a reduction in hours. Any employee so affected may, at his or her discretion, be placed on layoff in lieu of accepting an assignment to a position with fewer hours. If a reduction of hours results in an employee not working enough hours for unit inclusion, such employee shall be considered on layoff status. Any employee with reduced hours shall retain his/her seniority and right to an equivalent increase of hours as the reduction in seniority order for a period of one (1) year after the date of the reduction.

Subd. 7. Food Service Reduction: If the number of hours an employee is assigned to work is reduced, he or she shall be assigned to that position within the same classification that is held by the least senior employee whose assignment is closest to, but not greater than, the assignment originally held by the employee whose hours are being reduced. The employee displaced by this reassignment may accept the assignment of the person whose hours are being reduced, or may request reassignment based on a reduction in hours. Any employee so affected may, at his or her discretion, be placed on layoff in lieu of accepting an assignment to a position with fewer hours. If a reduction of hours results in an employee not working enough hours for unit inclusion, such employee shall be considered on layoff status. Any employee with reduced hours shall retain his/her seniority and right to an equivalent increase of hours as the reduction within the same or

lower classification in seniority order for a period of one (1) year after the date of the reduction.

Subd. 8. An employee shall notify the School District of his or her intent to exercise seniority rights to a position in writing during the regular school year within 5 calendar days excluding Saturday, Sunday and holidays. If said notice is not given within the applicable time period, the right to exercise seniority is waived.

Subd. 9. An employee shall notify the School District of his or her intent to exercise seniority rights to a position in writing during the summer break within ten (10) calendar days excluding Saturday, Sunday, and holidays. If said notice is not given within the applicable time period, the right to exercise seniority is waived.

Section 5. Recall:

Subd. 1. Custodial. Employees will be recalled in seniority order. An employee recalled to his/her former position shall receive the current rate of pay for such position. Employees may be recalled to positions provided that the employee is qualified for the position.

Subd. 2. Food Service. Employees will be recalled in seniority order within classification and class. An employee recalled to his/her former position shall receive the current rate of pay for such position. Employees may be recalled to positions within classification other than the employees class provided that the employee is qualified for the position.

Subd. 3. Secretarial. Employees will be recalled in seniority order. An employee recalled to his/her former position shall receive the current rate of pay for such position. Employees may be recalled to positions within classification provided the employee is qualified for the position.

Subd. 4. Notice of recall shall be made by certified mail to the last known address of the employee being recalled. The employee shall forfeit rights to recall if the employee fails to return to an offered position within seven (7) calendar days after notice of recall, and in such event the employee's name shall be removed from the seniority and recall list. It is the responsibility of the employee on layoff to keep the School District advised of his/her current mailing address.

Subd. 5. An employee on layoff or reduction shall retain his/her seniority and right to recall for a period of one year after the date of layoff or reduction.

Subd. 6. No new employee will be hired in any position covered by this agreement while qualified employees are on layoff or reduction subject to the limitations set forth in the above subdivisions of this section.

Section 6. Qualified: The Superintendent or such person(s) as designated by the Superintendent shall determine whether an employee is qualified to exercise seniority for layoff or recall. An employee may grieve, to the School Board level only the determination by the Superintendent or designee that an employee is not qualified. The decision of the School Board shall be final and binding and shall not be subject to arbitration.

Section 7. Seniority List: A current seniority list shall be emailed out to all employees, with one paper copy to each Chief Steward. Date to contest the seniority list will be included in email and given to each Chief Steward. Said listing shall be updated as of January 1 of each year.

Section 8. Voluntary Termination and Re-employment: In the event that an employee, voluntarily terminates his/her employment from a bargaining unit position and is subsequently re-employed by the District under this bargaining unit within a time period of no greater than twelve (12) months after the date of termination, the employee shall:

Subd. 1. Be reinstated without loss of seniority or benefits and the years of service credit earned and accumulated as of the date of termination.

Subd. 2. Be reinstated without having to serve a new probationary period notwithstanding any other provision to the contrary.

Subd. 3. Be reinstated to a similar vacant position at the same rate of pay the employee last earned as of the date of termination.

The above subdivision does not apply if the employee retires from the school district and is receiving retirement benefits from PERA or is doing a Phased Retirement Option Agreement with PERA. These individuals will directly negotiate their re-employment terms with the district.

ARTICLE XIV VACANCIES, JOB POSTING AND ASSIGNMENTS

Section 1. Posting and Filing Vacancies:

Subd. 1. All permanent vacancies in regular positions or newly created positions will be posted at each work site for a period of five (5) working days prior to filling the vacancy. A permanent vacancy is defined as one anticipated to last more than six months. A temporary vacancy is defined as one anticipated to last six months or less. Vacancy positions shall contain, at a minimum, the anticipated duration of the job, hours, classification, and job duties.

Subd. 2. Application of Vacancies: All employees under this Agreement may submit a written application to the Office of the Superintendent for any vacancy or for any new regular position which is posted pursuant to this Article.

Subd. 3. Filling Vacancies: Notice of the candidate selected to fill the vacancy or the new regular position shall be given within five (5) working days after the filling of the position.

Subd. 4. The final decision as to the successful applicant shall be in the discretion of the Superintendent or such person(s) designated by the Superintendent. A vacancy or new position may be filled by either a current employee or by hiring a new employee except as otherwise specified in the subdivision below.

Subd. 5. A permanent vacancy or new position shall be filled, within classification, from existing staff if all the following conditions are met.

- i. At least one member of the existing staff must apply in a timely manner as specified in this Article.
- ii. The position sought by applicant(s) is a promotion.
- iii. At least one applicant seeking promotion must be qualified to satisfactorily perform the duties and responsibilities of the position.

Subd. 6. If more than one applicant is equally qualified, seniority rights shall be exercised.

Subd. 7. The filling of vacancies shall not be subject to the grievance procedure except as follows:

- i. An employee may grieve a failure of the School District to follow the posting procedures.
- ii. An employee may grieve, to the School Board level only, the failure of the School District to award a position to said employee pursuant to the subdivision above. The decision of the School Board shall be final and binding and shall not be subject to arbitration.

Subd. 8. The requirement of posting shall apply only to permanent vacancies and newly created positions. Posting is not required for transfers under Section 2 of this Article.

Subd. 9. The public employer shall provide a copy of each posting of vacancies to the Chief Steward of the local Association ~~and the MSEA office.~~

Subd. 10. Notification of the filling of vacancies, containing the employee's name and date of employment, shall be provided to the Local Association ~~President Chief Steward and the MSEA office.~~ The District shall provide all new employees with a copy of the current negotiated Agreement at the time of hiring.

Section 2. Transfers:

Subd. 1. A transfer shall mean assignment of employees between occupied positions.

Subd. 2. The Superintendent or such person(s) as designated by the Superintendent shall have the discretion to transfer employees to different positions including transfers between classifications and levels.

Subd. 3. The School District may not transfer an employee to a position with a lower hourly rate of pay or fewer hours without the consent of the employee except for just cause.

Subd. 4. The transfer of an employee shall not be subject to the grievance procedure except that an employee may grieve an involuntary transfer to a position with a lower hourly rate of pay.

Section 3. Increases in Hours: If the District determines it's necessary to increase the number of hours of service to a position covered by the Agreement, it may do so, at its discretion, by offering the assignment to the most senior employee holding such a position, who is available for that particular time frame.

Subd. 1. Permanent Increases: When an increase in hours of an employee lasts for more than sixty-seven (67) calendar days in any school year, that increase shall be considered permanent and the increased assignment shall be subject to the terms and conditions of this Agreement.

Subd. 2. Effects on Benefits: Once an increase in hours has become permanent, all benefits shall be recalculated based on the new hours. Changes to benefits shall become effective on the first scheduled work day following the 67th calendar day and shall be prorated when appropriate.

ARTICLE XV GRIEVANCE PROCEDURE

Section 1. A claim by an employee or the Association that there has been an alleged violation, misinterpretation or misapplication of any provisions of this contract may be processed as a grievance as hereinafter provided.

Section 2.

Subd. 1. Custodial. The time limits provided in this Article shall be strictly observed but may be extended by written agreement of the parties. The employee, administrator, or Board of Education may be represented during any step of the procedure by any person or agent designated by such party, to act on his or her behalf.

Subd. 2. Food Service and Secretarial. 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 Board and Association shall use their best efforts to process such grievance prior to the end of the school term or as soon thereafter

as possible. The employee, 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 his or her behalf.

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

Section 4.

Subd. 1. In computing any period of time prescribed or allowed by procedures herein, the date of the act, event or default for which the designated period of time begins to run shall not be included. The last day of the period so computed shall be counted, unless it is a Saturday, Sunday or legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday or legal holiday.

Section 5. In the event that an employee believes there is a basis for a grievance, she/he shall first discuss the grievance with her/his building principal or supervisor either personally or accompanied by the Association.

Section 6. Grievances shall not be valid for consideration unless the grievance is submitted in writing to the School District's designee, setting forth the facts and the specific provisions of the Agreement allegedly violated and the particular relief sought within thirty calendar 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 a waiver thereof. Failure to appeal a grievance from one level to another with the time periods hereinafter provided shall constitute a waiver of the grievance. An effort shall first be made to adjust an alleged grievance informally between the employee and the School District's designee.

Section 7. Within five (5) working days of receipt of the grievance, the Building Principal or Supervisor shall meet with the grievant in an effort to resolve the grievance. The Building Principal or Supervisor shall indicate her disposition of the grievance, in writing within five (5) days of such meeting, and shall furnish a copy thereof to the grievant and the Exclusive Representative.

Section 8. If the grievant is not satisfied with the disposition of the grievance, or if no disposition has been made within five (5) working days of such meeting (or ten (10) working 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 with ten (10) calendar days of receipt of the decision. Within seven (7) working 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 five (5) working days of such meeting and shall furnish a copy thereof to the grievant and the Exclusive Representative

Section 9. If the grievant is not satisfied with the disposition of the grievance by the Superintendent or her/his designee, or if no disposition has been made within five (5) working days of such meeting (or ten (10) working days from the date of filing, whichever shall be later)

the grievance may be appealed to the Board by filing a written copy thereof with the clerk or other designee of the Board, provided such appeal is made in writing within ten (10) calendar days of receipt of the decision. Disposition of the grievance in writing by the Board shall be made no later than the next regular board meeting or twenty (20) calendar days, whichever is later. A copy of such disposition shall be furnished to the grievant and the Association.

Section 10. If the grievant is not satisfied with the disposition of the grievance by the School Board, or if no disposition has been made within the period above provided, 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 or the Exclusive Representative., and such request must be filed with the Superintendent within ten (10) working days following the decision of the School Board.

Section 11. Upon the proper submission of the grievance under the terms of this procedure, the parties shall, within ten days after the request to arbitrate, attempt to agree upon the selection of any arbitrator. If no agreement on an arbitrator is reached, either party may request the Bureau of Mediation Services (“BMS”) to appoint an arbitrator, pursuant to current MINN. STAT., providing such request is made within thirty days after request for arbitration. The request shall ask that the appointment be made within thirty days after the receipt of said request. Failure to request an arbitrator from the Bureau of Mediation Services (“BMS”) with the time periods provided herein shall constitute a waiver of the grievance.

Section 12. The arbitrator shall have no power to alter, add to or subtract from the terms of this Contract.

Section 13. 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 14. 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 15. No reprisals of any kind will be taken by the Board or the school administration against any employee because of her/his participation in the grievance procedure.

ARTICLE XVI PUBLIC OBLIGATION

The parties mutually recognize that their first obligation is to the public and that the right of students and residents of the School District to the continuous and uninterrupted operation of the school is of paramount importance.

ARTICLE XVII DURATION

Section 1. Terms and Reopening Negotiations: This Agreement shall remain in full force and effect for a period commencing on July 1, 2020-2024 through June 30, 2022 2026, and thereafter until modifications are made pursuant to the P.E.L.R.A. If either party desires to modify or

amend this Agreement commencing at its expiration, they shall give written notice of such intent pursuant to P.E.L.R.A. Unless otherwise mutually agreed, the parties shall not commence negotiations more than 90 days prior to the expiration of this Agreement.

Section 2. Effect: This Agreement constitutes the full and complete Agreement between the School District and the exclusive representative representing the employees. The provisions herein relating to terms and conditions of employment supersede any and all prior agreements, resolutions, practices, School District policies, rules or regulations concerning terms and conditions of employment inconsistent with these provisions.

Section 3. Finality: Any matters relating to the terms and conditions of employment, whether or not referred to in this Agreement, shall not be open for negotiation during the term of this Agreement.

Subd. 1. Pay Equity Compliance: The parties agree to meet and discuss if needed for the sole purpose of negotiating necessary changes to put the School District in compliance with the Minnesota Pay Equity Statute. Only areas requiring modification for compliance purposes, as identified by the Department of Employee Relations, will be open for negotiations.

Section 4. Severability: The provisions of this Agreement shall be severable, and if any provision thereof or the application of any such provision under any circumstance is held invalid, it shall not affect any other provisions of this Agreement or the application of any provisions thereof.

Section 5. Copies of Agreement: The School District shall provide a copy of the Agreement to all employees. This copy will be emailed to all employees and available on the schools website. Two copies shall be provided to the exclusive representative for its use. The **MSEA- Windom Education Support Professionals** shall be charged for any additional copies.

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

FOR:
MINNESOTA SCHOOL EMPLOYEES ASSOCIATION WINDOM EDUCATION SUPPORT PROFESSIONALS – CUSTODIANS,
FOOD SERVICE AND SECRETARIES

FOR:
INDEPENDENT SCHOOL
DISTRICT NO. 177

Custodial Negotiator

Chairman

Food Service Negotiator

Clerk

Secretarial Negotiator

MSEA Staff Representative

Dated this ____ day of _____ ~~2022~~ 2024

Dated this ____ day of _____ ~~2022~~ 2024

Schedule A

Wages

Secretaries 2022-2023 Salary Per Hour

1	2	3	4	5	6	10	15	20	25
\$ 17.55	\$ 18.17	\$ 18.46	\$ 18.79	\$ 19.04	\$ 19.33	\$ 19.98	\$ 20.08	\$ 20.18	\$ 20.43

Secretaries 2023-2024 Salary Per Hour

1	2	3	4	5	6	10	15	20	25
\$ 18.10	\$ 18.72	\$ 19.01	\$ 19.34	\$ 19.59	\$ 19.88	\$ 20.53	\$ 20.63	\$ 20.73	\$ 20.98

Custodian 2022-2023 Salary Per Hour

RESPONSIBILITY/SHIFT	START	1	2	3	4	5	10	15	20	25
REGULAR RATE (DAY)	\$ 16.61	\$ 17.51	\$ 18.00	\$ 18.22	\$ 18.45	\$ 18.64	\$ 19.34	\$ 19.54	\$ 19.79	\$ 20.04
NIGHT	\$ 16.91	\$ 17.81	\$ 18.30	\$ 18.52	\$ 18.75	\$ 18.94	\$ 19.64	\$ 19.84	\$ 20.09	\$ 20.34
ADVANCED	\$ 17.01	\$ 17.91	\$ 18.40	\$ 18.62	\$ 18.85	\$ 19.04	\$ 19.74	\$ 19.94	\$ 20.19	\$ 20.44
HEAD OR LEAD	\$ 17.31	\$ 18.21	\$ 18.70	\$ 18.92	\$ 19.15	\$ 19.34	\$ 20.04	\$ 20.24	\$ 20.49	\$ 20.74

Custodian 2023-2024 Salary Per Hour

RESPONSIBILITY/SHIFT	START	1	2	3	4	5	10	15	20	25
REGULAR RATE (DAY)	\$ 17.16	\$ 18.06	\$ 18.55	\$ 18.77	\$ 19.00	\$ 19.19	\$ 19.89	\$ 20.09	\$ 20.34	\$ 20.59
NIGHT	\$ 17.46	\$ 18.36	\$ 18.85	\$ 19.07	\$ 19.30	\$ 19.49	\$ 20.19	\$ 20.39	\$ 20.64	\$ 20.89
ADVANCED	\$ 17.56	\$ 18.46	\$ 18.95	\$ 19.17	\$ 19.40	\$ 19.59	\$ 20.29	\$ 20.49	\$ 20.74	\$ 20.99
HEAD OR LEAD	\$ 17.86	\$ 18.76	\$ 19.25	\$ 19.47	\$ 19.70	\$ 19.89	\$ 20.59	\$ 20.79	\$ 21.04	\$ 21.29

Food Service 2022-2023 Salary Per Hour

CLASS	1	2	3	4	6	10	15	20	25
COOK/MANAGER	\$ 17.26	\$ 18.38	\$ 19.01	\$ 19.80	\$ 19.90	\$ 20.55	\$ 20.65	\$ 20.75	\$ 21.00
BAKER/COOK/ASST	\$ 16.37	\$ 17.29	\$ 17.83	\$ 18.48	\$ 18.58	\$ 19.23	\$ 19.34	\$ 19.44	\$ 19.69
LUNCHROOM/MANAGER	\$ 16.27	\$ 17.20	\$ 17.85	\$ 18.65	\$ 18.76	\$ 19.41	\$ 19.51	\$ 19.61	\$ 19.86
GENERAL COOK/ASSISTANT	\$ 16.00	\$ 16.94	\$ 17.36	\$ 17.80	\$ 17.90	\$ 18.55	\$ 18.66	\$ 18.76	\$ 19.01
COOKS/ASSISTANT	\$ 15.84	\$ 16.78	\$ 16.99	\$ 17.20	\$ 17.30	\$ 17.96	\$ 18.06	\$ 18.16	\$ 18.41
CAFETERIA/HELPER	\$ 15.30	\$ 16.24	\$ 16.45	\$ 16.66	\$ 16.77	\$ 17.42	\$ 17.52	\$ 17.62	\$ 17.87

Food Service 2023-2024 Salary Per Hour

CLASS	1	2	3	4	6	10	15	20	25
COOK/MANAGER	\$ 17.81	\$ 18.93	\$ 19.56	\$ 20.35	\$ 20.45	\$ 21.10	\$ 21.20	\$ 21.30	\$ 21.55
BAKER/COOK/ASST	\$ 16.92	\$ 17.84	\$ 18.38	\$ 19.03	\$ 19.13	\$ 19.78	\$ 19.89	\$ 19.99	\$ 20.24
LUNCHROOM/MANAGER	\$ 16.82	\$ 17.75	\$ 18.40	\$ 19.20	\$ 19.31	\$ 19.96	\$ 20.06	\$ 20.16	\$ 20.41
GENERAL COOK/ASSISTANT	\$ 16.55	\$ 17.49	\$ 17.91	\$ 18.35	\$ 18.45	\$ 19.10	\$ 19.21	\$ 19.31	\$ 19.56
COOKS/ASSISTANT	\$ 16.39	\$ 17.33	\$ 17.54	\$ 17.75	\$ 17.85	\$ 18.51	\$ 18.61	\$ 18.71	\$ 18.96
CAFETERIA/HELPER	\$ 15.85	\$ 16.79	\$ 17.00	\$ 17.21	\$ 17.32	\$ 17.97	\$ 18.07	\$ 18.17	\$ 18.42

Schedule A Wages

Secretaries 2024-2025 Salary Per Hour

1	2	3	4	5	6	10	15	20	25
\$ 19.12	\$ 19.41	\$ 19.74	\$ 19.99	\$ 20.28	\$ 20.93	\$ 21.03	\$ 21.13	\$ 21.38	\$ 21.38

Secretaries 2025-2026 Salary Per Hour

1	2	3	4	5	6	10	15	20	25
\$ 18.81	\$ 19.44	\$ 19.73	\$ 20.07	\$ 20.32	\$ 20.62	\$ 21.28	\$ 21.38	\$ 21.48	\$ 21.74

Custodian 2024-2025 Salary Per Hour

RESPONSIBILITY/SHIFT	START	1	2	3	4	5	10	15	20	25
REGULAR RATE (DAY)	\$ 17.56	\$ 18.46	\$ 18.95	\$ 19.17	\$ 19.40	\$ 19.59	\$ 20.29	\$ 20.49	\$ 20.74	\$ 20.99
NIGHT	\$ 17.86	\$ 18.76	\$ 19.25	\$ 19.47	\$ 19.70	\$ 19.89	\$ 20.59	\$ 20.79	\$ 21.04	\$ 21.29
ADVANCED	\$ 17.96	\$ 18.86	\$ 19.35	\$ 19.57	\$ 19.80	\$ 19.99	\$ 20.69	\$ 20.89	\$ 21.14	\$ 21.39
HEAD OR LEAD	\$ 18.26	\$ 19.16	\$ 19.65	\$ 19.87	\$ 20.10	\$ 20.29	\$ 20.99	\$ 21.19	\$ 21.44	\$ 21.69

Custodian 2025-2026 Salary Per Hour

RESPONSIBILITY/SHIFT	START	1	2	3	4	5	10	15	20	25
REGULAR RATE (DAY)	\$ 17.85	\$ 18.77	\$ 19.27	\$ 19.49	\$ 19.72	\$ 19.92	\$ 20.63	\$ 20.83	\$ 21.08	\$ 21.33
NIGHT	\$ 18.15	\$ 19.07	\$ 19.57	\$ 19.79	\$ 20.02	\$ 20.22	\$ 20.93	\$ 21.13	\$ 21.38	\$ 21.63
ADVANCED	\$ 18.25	\$ 19.17	\$ 19.67	\$ 19.89	\$ 20.12	\$ 20.32	\$ 21.03	\$ 21.23	\$ 21.48	\$ 21.73
HEAD OR LEAD	\$ 18.55	\$ 19.47	\$ 19.97	\$ 20.19	\$ 20.42	\$ 20.62	\$ 21.33	\$ 21.53	\$ 21.78	\$ 22.03

Food Service 2024-2025 Salary Per Hour

CLASS	1	2	3	4	6	10	15	20	25
COOK MANAGER	\$ 18.21	\$ 19.33	\$ 19.96	\$ 20.75	\$ 20.85	\$ 21.50	\$ 21.60	\$ 21.70	\$ 21.95
BAKER/COOK ASST	\$ 17.32	\$ 18.24	\$ 18.78	\$ 19.43	\$ 19.53	\$ 20.18	\$ 20.28	\$ 20.38	\$ 20.63
LUNCHROOM MANAGER	\$ 17.22	\$ 18.15	\$ 18.80	\$ 19.60	\$ 19.71	\$ 20.36	\$ 20.46	\$ 20.56	\$ 20.81
GENERAL COOK ASSISTANT	\$ 16.95	\$ 17.89	\$ 18.31	\$ 18.75	\$ 18.85	\$ 19.50	\$ 19.60	\$ 19.70	\$ 19.95
COOKS ASSISTANT	\$ 16.79	\$ 17.73	\$ 17.94	\$ 18.15	\$ 18.25	\$ 18.91	\$ 19.01	\$ 19.11	\$ 19.36
CAFETERIA HELPER	\$ 16.25	\$ 17.19	\$ 17.40	\$ 17.61	\$ 17.72	\$ 18.37	\$ 18.47	\$ 18.57	\$ 18.82

Food Service 2025-2026 Salary Per Hour

CLASS	1	2	3	4	6	10	15	20	25
COOK MANAGER	\$ 18.51	\$ 19.65	\$ 20.29	\$ 21.10	\$ 21.20	\$ 21.86	\$ 21.96	\$ 22.06	\$ 22.31
BAKER/COOK ASST	\$ 17.61	\$ 18.54	\$ 19.09	\$ 19.75	\$ 19.86	\$ 20.52	\$ 20.62	\$ 20.72	\$ 20.97
LUNCHROOM MANAGER	\$ 17.51	\$ 18.45	\$ 19.11	\$ 19.93	\$ 20.04	\$ 20.70	\$ 20.80	\$ 20.90	\$ 21.15
GENERAL COOK ASSISTANT	\$ 17.23	\$ 18.19	\$ 18.62	\$ 19.06	\$ 19.16	\$ 19.83	\$ 19.93	\$ 20.03	\$ 20.28
COOKS ASSISTANT	\$ 17.07	\$ 18.03	\$ 18.24	\$ 18.45	\$ 18.55	\$ 19.23	\$ 19.33	\$ 19.43	\$ 19.68
CAFETERIA HELPER	\$ 16.52	\$ 17.48	\$ 17.69	\$ 17.90	\$ 18.02	\$ 18.68	\$ 18.78	\$ 18.88	\$ 19.13

AGREEMENT

between

**INDEPENDENT SCHOOL DISTRICT NO. 177
WINDOM, MINNESOTA**

and

WINDOM EDUCATION SUPPORT PROFESSIONALS

representing

CUSTODIAL, FOOD SERVICE, AND SECRETARIAL EMPLOYEES

Effective July 1, 2024 through June 30, 2026

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ARTICLE I PURPOSE

Section 1. Parties: This Agreement is entered into between Independent School District No. 177, Windom, Minnesota, hereinafter referred to as the School District, and the Windom Education Support Professionals, hereinafter referred to as exclusive representative, 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 Custodial, Food Service, and Secretarial Employees.

ARTICLE II RECOGNITION OF EXCLUSIVE REPRESENTATIVE

Section 1. Recognition: In accordance with the P.E.L.R.A., the School District recognizes the Windom Education Support Professionals as the exclusive representative for Custodial, Food Service, and Secretarial Employees, excluding the District Office Staff, employed by the School District, which exclusive representative shall have those rights and duties as prescribed by the P.E.L.R.A., and as described in the provisions of this Agreement.

Section 2. Appropriate Unit: The exclusive representative shall represent all such employees of the District contained in the appropriate unit as defined in Article III, Section 2 of this Agreement and the P.E.L.R.A. and in certification by the Director of Mediation Services on May 2nd, 2024 via BMS Case No. 24PRE1753.

ARTICLE III DEFINITIONS

Section 1. Terms and Conditions of Employment: Terms and conditions of employment shall mean the hours of employment, the compensation therefore including fringe benefits except retirement contributions or benefit, and the employer's personnel policies affecting the working conditions of the employees.

Section 2. Description of Appropriate/Bargaining Unit: For purposes of this Agreement the term "Custodial, Food Service, and Secretarial Employee" shall mean an employee within the appropriate bargaining unit employed by the School District in such classification excluding the following: confidential employees, supervisory employees, essential employees, part-time employees whose services do not exceed the lesser of 14 hours per week or 35% of the normal work week in the employees' bargaining unit, employees who hold positions of a temporary or seasonal character for a period not in excess of 67 working days (as detailed in Article III, Section 4), emergency employees, the district office staff and such other employees excluded by law.

Subd. 1. Food Service Normal Work Week Defined: For the purposes of this Agreement, the normal work week is twenty-two and one half (22 1/2) hours for Food Service employees. Thirty-five percent of the normal work week is eight (8) hours.

Section 3. School District: For purposes of administering this Agreement, the term "School District" shall mean the Board of Education or its designated representative.

Section 4. Day: For the purpose of administering this agreement, Day is defined as the number of regularly scheduled hours for a given employee.

Section 5 Full-time Employees: A regular workweek for full-time employees shall consist of 40 hours, exclusive of meal period. Employees working less than such regular workweek shall not be considered full-time.

Section 6. Permanent Part-time Employees: A permanent part-time employee is an employee who works a regular schedule of less than 8 hours per day 5 days per week.

Section 7. Temporary/Casual Employees: The School District reserves the right to employ such personnel as it deems desirable or necessary on a temporary or casual basis.

Section 8. Other Terms: Terms not defined in this Agreement shall have those meanings as defined by the P.E.L.R.A.

ARTICLE IV SCHOOL BOARD RIGHTS

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

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

Section 3. Effect of Laws, Rules and Regulations: The exclusive representative recognizes that all employees covered by this Agreement shall perform the services and duties prescribed by the Board of Education and shall be governed by the laws of the State of Minnesota, and by Board of Education rules, regulations, directives and orders, issued by properly designated officials of the School District. The exclusive representative also recognizes the right, obligation and duty of the Board of Education and its duly designated officials to promulgate rules, regulations, directives and orders from time to time as deemed necessary by the Board of Education insofar as such rules, regulations, directives and orders are not inconsistent with the terms of this Agreement and recognizes that the Board of Education, all employees covered by this Agreement, and all provisions of this Agreement are subject to the laws of the State. Any provision of this 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: The foregoing enumeration of rights and duties shall not be deemed to exclude other inherent management rights and management functions not expressly reviewed herein, and all management rights and management functions not expressly delegated in this Agreement are reserved to the School District.

ARTICLE V EMPLOYEE RIGHTS

Section 1. Right to Views: Nothing contained in this Agreement shall be construed to limit, impair or affect the right of any employee or her/his representative to the expression or communication of a view, grievance, complaint or opinion on any matter related to the conditions or compensation of public employment or her/his betterment, so long as the same is not designed to and does not interfere with the full, faithful and proper performance of the duties of employment or circumvent the rights of the exclusive representative, if there be one; nor shall it be construed to require any public employee to perform labor or services against her/his will. Failure to perform labor or services unless such tasks are illegal or endanger the employee or others, may be grounds for discipline.

Section 2. Right to Join: Employees shall have the right to form and join labor or employee organizations, and shall have the right not to form and join such organizations. Employees in an appropriate unit shall have the right by secret ballot to designate an exclusive representative for the purpose of negotiating grievance procedures and the terms and conditions of employment for employees of such unit with the School District.

Section 3. Request for Dues Check Off: The exclusive representative shall be allowed dues check off for its members, provided that dues check off and proceeds thereof shall not be allowed to any exclusive representative that has lost its rights to dues check off. Upon receipt of a properly executed authorization card of the employee involved, the School District will deduct from the employee's paycheck the dues that the employee has agreed to pay to the employee organization in nine equal installments, beginning no earlier than October 15th and the district will continue collecting dues from year-to-year until it receives notification of a valid revocation from the local. All dues information must be received by the payroll office by the 6th of each month.

Section 4. Financial Information: The School District shall provide, upon request of the exclusive representative, information pertaining to the School District's budget, both present fiscal year and proposed fiscal years' revenues and other financial information. The exclusive representative shall indicate in writing which financial information it is requesting. All costs of duplication of the information shall be borne by the exclusive representative.

Section 5. Personnel File: Any employee shall have the right to inspect her/his personnel file during regular business hours. The employee may be accompanied by a representative of her/his choice, may reproduce contents of the file, at their own expense, and may attach a statement of explanation or rebuttal to any information contained in the file. No material shall be kept in the employee personnel file without a copy being provided to the employee within ten (10) days of its receipts or creation by the District.

ARTICLE VI RATES OF PAY

Section 1. Rates of Pay:

Subd. 1. The wages and salaries reflected in Schedule A attached hereto, shall be a part of the Agreement for the period commencing July 1, 2024 through June 30, 2026.

For any new hires and employees who do not work during the summer months and do not receive a paycheck in the month of August, any hours worked from September 1st to the 10th of the month will be paid prior to September 30th. Hours worked from September 11th to the 30th will be paid on the normal October 20th payroll. For any new hires who start during the school year will then have any hours worked from the 1st to the 10th of the month paid prior to the last day of the month. All future paychecks will be on the regular 20th of the month payroll.

Subd. 2. Employees who have not reached the top salary level will be eligible for salary level increases on July 1 of each year providing they have been continuously employed in the bargaining unit for the preceding six months.

Subd. 3. New employees shall be paid at the entry level rate as indicated on the attached schedules. When circumstances require, the superintendent may allow a new employee to be paid at a higher rate of step/pay.

Subd. 4. The District will determine what the minimum staffing levels are at each building to determine when substitutes will be called.

Subd. 5. Regular food service employees who are substituting for an absent food service employee earning a higher rate of pay for three (3) consecutive days or more, shall receive that higher rate of pay. This pay adjustment shall be retroactive to the first day of the assignment. The employee must notify the payroll office within 30 calendar days to receive the wage adjustment.

Section 2. Overtime:

Subd. 1. Time and one-half the employee's regular hourly rate shall be paid for all hours worked over eight hours per day or forty hours per week. For these purposes, sick leave and holidays are considered hours worked, but vacation and personal leave are not. Please refer to Article IX, Hours of Service, Section 7 Work Day and Work Week, Paragraph 2.

Section 3. Sunday and Holiday Work:

Subd. 1. Custodians and Food Service. All authorized work on Sundays and Holidays will be compensated at two (2) times the regular hourly rate of pay.

Section 4. Kitchen Utilization:

Subd. 1. Any utilization of the kitchen by an outside group or activity requires a food service employee to be present. Opportunities will be offered on a rotational basis by seniority. Notice of work will be posted.

Section 5. Mileage: Employees who are required to use their personal vehicles when performing their job duties, or who are required to commute between buildings, will be reimbursed at the IRS rate, authorized in advance by the their supervisor.

Section 6. Licensure Renewal: Because the school district requires all custodial staff to maintain a current Class C or higher boiler license, the district will pay the annual renewal fee, up to a maximum of \$50.00 for each custodian.

Section 7. Responsibility and Shift Differentials: The following differentials will be paid above the regular rate (day) of pay.

All shifts starting at 11:00 am or later (night)	\$.30/hour
Advanced Custodian	\$.40/hour
Head or Lead Custodian	\$.70/hour
Split Shift Differential	\$1.00/hour

Custodians will receive only one of the above shift differentials, that being the largest amount appropriate to their job assignment.

If the District directs a change in shift starting time during a non-student day(s) or to provide coverage for absent head/lead position, night custodians will retain their shift differential rate of pay.

Section 8. Call Back: Custodians called back to work by their supervisor or emergency personnel outside their scheduled hours shall be compensated for all time worked, with a minimum of two (2) hours of pay.

Section 9. Building Checks: Custodians will be compensated at two (2) times their regular hourly rate for all hours worked when performing Sunday, and Holiday building checks and one and one half (1 1/2) times their regular hourly rate for all hours worked when performing Saturday building checks. Only qualified custodians, on a voluntary basis, will conduct building checks as approved in advance by the Building and Grounds Supervisor or his/her designee. If no volunteers, it will be assigned on a rotating basis. The need for building checks will be at the discretion of the District. Custodians conducting building checks during their regularly scheduled hours as part of their regular work assignment shall only receive their regular rate of pay.

Section 10. Matching Deferred Compensation Plan:

Subd. 1. Matching deferred compensation is available to all regular employees covered by this Agreement. The District will match contributions as outlined below for all employees who work half time or more in their classification not to exceed a total contribution of \$30,000. Part-time employees who work less than fifty percent (50%) of the full time equivalent in their classification shall be eligible to participate on a prorated basis to the percentage of time they are employed.

Years of Service	Yearly dollar match by the District
0 - 2 years	\$0
3 - 5 years	\$215
6-10 years	\$415
11- 15 years	\$815
16 plus years	\$1,115

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

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. 3. Employees on an unpaid leave of absence for more than thirty (30) days shall not be eligible to receive the District’s contribution toward the match in the Matching Deferred Compensation Plan. The Districts contribution towards match shall resume once the employee reports back to duty.

Subd. 4. This program shall be subject to the current Minnesota statute and all IRS regulations.

Section 11. Custodial Payroll Option: Employees will be paid over a twelve (12) month period, payable monthly. Hourly personnel (full time) will be paid their normal rate of pay times the hours in the year (rate of pay times 2,080 hours). Overtime hours will be paid in the ensuing month after working the hours of overtime.

Section 12. Shoe Allowance: The School district will reimburse up to a maximum of One Hundred Twenty-Five Dollars (\$125) per fiscal year for work-related shoes for each custodial and food service employee, upon successful completion of the probationary period. An itemized

receipt must be turned into the Business Office no later than May 31 of each fiscal year and the purchase must have been made from July 1 to May 31 of that fiscal year. Reimbursement will occur on the employee's payroll check and employee must be an active custodial or food service employee to receive reimbursement. This does not apply to any substitutes. The shoe allowance payment will be prorated for employees who do not complete a full year of employment.

ARTICLE VII LEAVES OF ABSENCE

Section 1. Sick and Safe Leave:

Subd. 1. All Employees shall earn sick leave at the rate of one day (one day equals the number of regularly scheduled hours for that employee) for each month of service in the employ of the School District. Annual sick leave shall accrue monthly as it is earned on a proportionate basis to the employee's work year. One day shall be equivalent to the normal standard work day of the employee based in hours.

Subd. 2. Unused sick leave days may accumulate to a maximum credit of 140 days of sick leave per employee.

Subd. 3. Sick leave with pay shall be allowed whenever an employee's absence is found to have been due to illness, which prevented her/his attendance and performance of duties on that day or days. An employee may use his/her accumulated sick leave and the school board limits use as permissible as all state statutes will be followed. Sick leave pay shall be approved once entered into Absence Management or any electronic system provided by the district prior to the absence.

Subd. 4. Sick leave with pay may also be granted to the employee due to the serious illness of a member of the immediate family when such illness requires the presence of the employee. Immediate family shall be defined as spouse, children, parents, spouse's parents, siblings, brother-in-law, sister-in-law, daughter-in-law, son-in-law, grandparents of employee, grandchildren, aunts and uncles. Leaves in excess of three consecutive days will require medical certificate as indicated in Subd. 5, except in the case of minor children pursuant to state statute.

Subd. 5. The School District may require an employee to furnish a medical certificate from a qualified physician as evidence of illness, indicating such absence was due to illness, in order to qualify for sick leave pay. However, the final determination as to eligibility of an employee for sick leave is reserved to the School District. In the event that a medical certificate will be required, the employee will be so advised.

The School Board or its designee may require that the employee undergo a physical examination by the licensed physician designated by the Superintendent. Such physician's opinion shall be determined as to the period of disability. The cost of such physical examination shall be borne by the School District.

Subd. 6. Sick leave allowed shall be deducted from the accrued sick leave days earned by the employee.

Subd. 7. Sick leave pay shall be equivalent to the employee's regular hourly wage rate for the regularly scheduled hours of work missed due to illness (as defined in Subd. 5) and shall not exceed 8 hours of pay for each day, or portion thereof, granted. Leave in excess of three consecutive days must be approved by the superintendent, or his/her designee.

Subd. 8. Reduced Hours and Unused Sick Leave Accumulation Maximums: If an employee's regular hours are reduced and their unused sick leave exceeds the new maximum number of hours allowed, no hours of unused sick leave already accumulated will be deducted from the employee's unused sick leave balance. Once the level of unused sick leave accumulation falls below the new maximum allowed, new hours of unused sick leave will begin to accumulate the next pay period.

Section 2. Workers Compensation:

Subd. 1. Upon the request of an employee who is absent from work as a result of a compensable injury incurred in the service of the School District, under the provisions of the Workers Compensation Act, the School District will pay the difference between the compensation received pursuant to the Workers Compensation Act by the employee and the employee's regular rate of pay to the extent of the employee's earned accrual of sick leave and/or vacation pay.

Subd. 2. A deduction shall be made from the employee's accumulated vacation or sick leave accrual time according to the pro rata portions of days of sick leave or vacation time which is used to supplement Workers Compensation.

Subd. 3. Such payment shall be paid by the School District to the employee during the period of disability.

Subd. 4. In no event shall the additional compensation paid to the employee by virtue of sick leave or vacation pay result in the payment of a total daily, weekly, or monthly compensation that exceeds the normal compensation of the employee.

Subd. 5. An employee who is absent from work as a result of an injury compensable under the Workers Compensation Act shall submit her/his Workers Compensation check, endorsed to the School District, prior to receiving payment from the School District for her/his absence.

Section 3. Jury Duty: Employees who serve as jurors shall do so without loss of salary. However, any per diem, excluding mileage or other reimbursed expenses received for such jury service, shall be paid to the School District.

Section 4. Paid Personal Leave:

Subd. 1. A Food Service Employee may be granted personal leave at the discretion of the School District per the chart below:

# of Years Completed	# of Personal Days
0-4	3
5-9	4
10-19	5
20 or more	6

(one day equals the number of regularly scheduled hours for that employee) per year, which can be carried over to the next school year for a maximum of six (6) days that can be used for personal leave, for situations that arise requiring the employee's emergency attention, which cannot be attended to outside of the employee's duty day, and which are not covered under other provisions of this Agreement.

Subd. 2. Custodians may be granted personal leave at the discretion of the School District of no more than three days (24 hours) per year, non-accumulative, for situations that arise requiring the employee's attention which cannot be attended to outside of the employee's duty day, and which are not covered under other provisions of this Agreement. Part-time custodians may be granted paid personal leave on a pro-rate basis.

1. Any custodian hired or transferred into the department after July 1, 2018 shall not be eligible for personal leave.

Subd. 3. A 12-month secretary may be granted personal leave at the discretion of the School District of no more than three (3) days per year, which can be carried over to the next school year for a maximum of four (4) days that can be used for personal leave, for situations that arise requiring the employee's attention which cannot be attended to outside of the employee's duty day, and which are not covered under other provisions of this Agreement.

1. Any 12-month secretary hired, changed from 9 or 10 month to 12 month status or transferred into the department after July 1, 2018 shall not be eligible for personal leave.

Subd. 4. A 10-month secretary may be granted personal leave at the discretion of the School District of no more than three (3) days per year, which can be carried over to the next school year for a maximum of four (4) days that can be used for personal leave, for situations that arise requiring the employee's attention which cannot be attended to outside of the employee's duty day, and which are not covered under other provisions of

this Agreement. Upon completion of an employee’s first (1) year of employment with the district, the employee will earn two (2) additional personal leave days for a total accumulation of five (5) days. Upon completion of an employee’s fifth (5) year of employment with the district, the employee will earn two (2) additional personal leave days for a total accumulation of seven (7) days. Upon completion of an employee’s tenth (10) year of employment with the district, the employee will earn one (1) additional personal leave day for a total accumulation of eight (8) days. Upon completion of an employee’s fifteenth (15) year of employment with the district, the employee will earn one (1) additional personal leave day for a total accumulation of nine (9) days.

# of Years Completed	# of Personal Days
0	3
1 - 4	5
5 - 9	7
10 - 14	8
15 or more	9

Subd. 5. A school year 9 month secretarial employee may be granted personal leave at the discretion of the School District of no more than three (3) days per year, which can be carried over to the next school year for a maximum of four (4) days that can be used for personal leave, for situations that arise requiring the employee's attention which cannot be attended to outside of the employee's duty day, and which are not covered under other provisions of this Agreement.

Subd. 6. Request for personal leave must be in Absence Management or any electronic system provided by the district at least three (3) days in advance, except in the event of an emergency. The School District reserves the right to refuse to grant such leave. All leaves must have prior approval.

Subd. 7. A personal leave day may be granted for the day preceding or the day following holidays or vacations, with prior approval of the supervisor.

Subd. 8. The district will allow up to 3 unpaid personal leave days per year for food service and secretarial employees. Total maximum of paid or unpaid personal leave days is not to exceed 6 days for food service employees. Any additional unpaid personal leave days needed for emergency situations will be approved by the superintendent on a case by case situation. These unpaid personal leave days are non-cumulative.

Section 5.

Subd. 1. Bereavement Leave: Up to five (5) days of bereavement leave, deductible from accumulated sick, personal or vacation leave (if available), may be taken after

approval by the Superintendent to attend the funeral of member of the immediate family, including spouse, children, parents, grandparents, grandchildren, brothers, sisters, father-in-law, mother-in-law, brother-in-law, sister-in-law, daughter-in-law, son-in-law, spouse's grandparents, aunts, and uncles. An additional one (1) day per year shall be allowed in the event of a death not covered by the definitions above, deductible from accumulated sick, personal or vacation leave (if available). Unpaid bereavement leave for any other individual with whom there was a close relationship may be granted through prior approval by the Superintendent. Individuals requesting the approval of bereavement leave shall submit such request in writing to the Superintendent. Any leave for this purpose beyond five days must be approved by the Superintendent and will be evaluated on a case by case basis.

Section 6. Exclusive Representative Leave:

Subd. 1. Exclusive representative leave will be granted to the exclusive representative for three (3) days (one day equals the number of regularly scheduled hours for that employee) without deduction in any school year for the purpose of conducting organizational business.

Subd. 2. The exclusive representative must notify the Superintendent or his/her designated representative at least five (5) days prior to the use of such leave.

Section 7. Leave of Absence: Employees may be granted a leave of absence of up to one year without pay at the discretion of the Board of Education.

Section 8. Miscellaneous Leave Provisions:

Subd. 1. Generally, employees will be notified of the granting or denial of leaves within three (3) days after the leave request was submitted.

Subd. 2. All decisions to grant or deny leave requests may be appealed to the Superintendent.

Section 9. Family and Medical Leave: In accordance with the Family Medical Leave Act of 1993, (FMLA), as amended, employees shall be eligible for twelve (12) work weeks of leave in a twelve (12) month period under the following conditions:

1. Birth of a child or the placement of a child for adoption or foster care;
2. To care for a family member (child, spouse or parent) with a serious health condition;
or
3. An employee's own serious health condition that prevents the employee from doing his/her job.

Subd. 1. An employee may take this leave on an intermittent basis rather than all at once, or the employee may work a part-time schedule.

Subd. 2. All health insurance benefits shall be maintained while an employee is on this leave with the District and employee continuing their contribution requirements towards the premiums. This right to continue participation in such insurance programs will terminate if the employee does not return to the District pursuant to this Section. If the employee terminates their employment in the District, the employee shall have all rights to continue insurance benefits under C.O.B.R.A. laws.

Subd. 3. Employee's shall provide the District with a thirty (30) calendar day notice of any foreseeable leaves under this Section. If a medical emergency prevents an employee from giving the thirty (30) calendar day notice, a notice is required as soon as practical.

Subd. 4. Employee's shall provide the District with verification or certification of qualifying condition or need for leave, when requested, by a health care provider/agency.

Subd. 5. Employee's shall have the right to return to the same position or an equivalent position, with equivalent pay, benefits and working conditions at the conclusion of the leave. Employees who passed their probationary period, they shall retain all seniority benefits while on leave. Employee's still in their probationary period at the commencement of leave, shall not have actual leave time count towards the probationary period requirement.

Subd. 6. Employees shall be allowed to use any accumulated sick, vacation or personal time to offset any unpaid leave with paid leave.

Subd. 7. Failure of the employee to return pursuant to the date determined as the end of their leave shall constitute a resignation of the employee's position in the District.

Subd. 8. An employee may be allowed additional unpaid leave, not to exceed twelve (12) months, provided the employee follow the procedure outlined in this section.

Subd. 9. Eligibility: To be eligible for the benefits of this section, an employee 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.

Section 10. Voting Leave: This leave will be granted pursuant to current Minnesota statute.

Subd. 1: The District must also provide an employee paid time off to serve as an election judge, provided the employee gives the District at least twenty (20) days advance written notice. The District may reduce the employee's pay by the amount the employee is paid to serve as an election judge.

Section 11. Good Attendance Incentive:

Subd. 1. Any employee who has used Sick Leave, Worker's Compensation, Personal Leave, Bereavement Leave, Exclusive Representative Leave, Leave of Absence,

Miscellaneous Leave, Family and Medical Leave and Leave Without Pay will receive at the end of the school year the following stipend:

- 0 hours/days* = \$400
- 1-3 days* or less = \$300
- 4 days* or less = \$200
- 5 days* or less = \$100

*Days above are based on the hours per day listed on the seniority list.

- Hired between July 1 and October 31 gets full amount
- Hired between Nov 1 and December 31 gets 75%
- Hired between Jan 1 and February 28 get 50%
- Hired after March 1 and April 30 get 25%
- Hired after May 1 not eligible

Subd. 2. Personal leave days used for Bad Weather School Closing Days, as stated in Article IX, Section 7, Jury Duty Leave, as stated in Article VII, Section 3 and Voting Leave as stated in Article VII, Section 10 will not apply to the days listed above. Any other leaves not listed in Subd. 1 above will be counted as an absence.

Subd. 3. The calculation of hours/days used shall be the time between the first in-service/staff development day at the start of the school year and the last in-service/staff development day at the end of the school year.

Section 12. Minnesota Paid Leave

All state statutes will be followed.

ARTICLE VIII GROUP INSURANCE

Section 1. Selection of Carrier: The selection of the insurance carrier and policy shall be made by the School District as provided by law.

Subd. 1. 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.

Section 2. Health and Hospitalization Insurance:

Subd. 1. Eligibility and Qualification:

1. **Custodial and Secretarial:** Eligibility and qualification shall be in accordance with the health insurance plan document. All employees whose regular work assignment is twenty (20) hours or more per week are eligible for enrollment in the group as provided by the plan document.
2. **Food Service:** Eligibility and qualification shall be in accordance with the health insurance plan document. All employees whose regular work assignment is thirty (30) hours or more per week are eligible for enrollment in the group as provided by the plan document.

Subd. 2. District Contribution:

1. **Custodial and Secretarial:** The District shall contribute up to the following dollar amount toward but not to exceed the premiums for full-time regularly assigned eligible employees who qualify for and are enrolled in the District group health plan. Permanent part-time employees working twenty (20) hours or more per week will be allowed District contributions on the basis proportional to the percent of time they are regularly employed. Any additional cost of the premium shall be borne by the permanent part-time or permanent full-time employee and paid by payroll deduction.

The District reserves the right to increase the contribution on an individual basis in order to avoid any fines or penalties imposed by the Affordable Care Act (ACA). This is due to the W-2 affordability 9.5% test.

2. **Food Service:** The District shall contribute up to the following dollar amount toward but not to exceed the premiums for full-time regularly assigned eligible employees who qualify for and are enrolled in the District group health plan. Permanent part-time employees working thirty (30) hours or more per week will be allowed District contributions on the basis proportional to the percent of time they are regularly employed. Any additional cost of the premium shall be borne by the permanent part-time or permanent full-time employee and paid by payroll deduction.

The District reserves the right to increase the contribution on an individual basis in order to avoid any fines or penalties imposed by the Affordable Care Act (ACA). This is due to the W-2 affordability 9.5% test.

Custodial, & Secretarial, & Food Service employees who work over 30 hours per week

Premium Allowance	<u>2024-2025</u>	<u>2025-2026</u>
	\$10,434.78	\$10,591.30
	(\$869.57 per month)	(\$882.61 per month)

Prior to school starting, a secretary/food service employee who worked during the summer will have his/her hours totaled and if he/she works 160 hours, he/she will received an extra month benefits (health insurance contribution). Benefits will be pro-

rated based upon hours worked during the summer. These hours must have prior authorization of the Superintendent.

Any employee who is not a 12 month employee who is on the district's single health insurance plan their monthly premium allowance will be figured for the year and spread out to pay for 12 months of premium first. Any contribution in excess of the monthly premium will be put into a VEBA/HSA account.

Subd. 3. Married Couples Employed by District: Married couples who are both employed by the District and eligible for insurance may pool their insurance premium allowance to purchase one family plan versus two individual plans. The District contribution will not exceed the premium allowance each employee would be eligible to receive on an individual basis.

Subd. 4. Retirement: Upon retirement, employees who are enrolled in the group health insurance plan, who are at least 55 years of age or older, may continue to remain a part of the health insurance group if they agree to pay all premiums at their own expense.

Subd. 5. Group Health Plans: The School District shall also make available group health insurance plans, to its employees and eligible retirees.

With respect to all qualified bargaining unit members, the School District shall contribute up to the dollar amount listed in Subd. 2 towards the monthly premium costs of these group health plans. If a "Voluntary Employee Benefit Arrangement" (VEBA/HRA Plan) or "Health Savings Account" (HSA Plan) is chosen, Subd. 6. below will apply.

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

Subd. 6 Establishment of VEBA/HRA and HSA: The School District adopted 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.

1. **Benefits provided through the VEBA/HRA and HSA:** 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 Employees.
2. **Payment of Administrative Fees:** Administrative and investment fees allocable to individual accounts of active employees shall be paid from the account. Administrative and investment fees allocable to individual accounts of active employee, who have accrued a balance in the VEBA/HRA or HSA Plan but change coverage, so that they are no longer entitled to employer contributions, shall be paid from the account. Administrative and investment fees allocable to the individual accounts of former employees, including retirees, shall be paid from the account. If the VEBA/HRA or HSA Plan is terminated, or if Employer Contributions cease by agreement between the parties, administrative and investment fees shall be paid from the account.
3. **High Deductible Group Health Plan:** The School District shall make available VEBA/HRA and HSA group health plans, the School District shall contribute the monthly premium cost up to the premium allowance list in Subd. 2.

In the event that two School District bargaining unit employees are either married or a bargaining unit employee marries another school employee the School District who is eligible for School District provided health and hospitalization insurance, the School District shall contribute an amount on the health insurance plan equal to the above contribution for each employee but not to exceed full family health insurance coverage if family coverage is selected by the married couple in only one (1) of the members name. Employees who are employed less than full time shall be eligible to participate on a prorated basis to the percentage of the time they are employed with the School District.

- A. In addition the employer contribution listed above, any grant available from the SWWC Service Cooperative will be deposited into the employee's VEBA/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 from separation of employment.
4. The district will apply the collectively bargained health insurance amount to insurance premium first and the remainder will be funded, on a monthly basis, to an HSA or VEBA/HRA account. This amount will be prorated on an annual basis as a result of insurance premium changes or collective bargaining levels. All HSA contribution amount will not exceed the amount as set by the IRS per year for individual or family coverage.

Subd. 7. Statewide Health Plan: Should a statewide health insurance plan become available during the course of this agreement, then both parties agree that bargaining may reopen on the health insurance provision.

Section 3. Long Term Disability (LTD) Insurance: The School District will pay 100% of the premium for long term disability insurance for each employee meeting the insurance carrier's minimum qualifications. Benefits shall be payable according to the insurance carrier's schedule of benefits.

Section 4. Life Insurance: The District shall provide a group life insurance program and shall pay the premium for ten thousand dollars (\$10,000) of coverage, with an Accidental Death & Dismemberment feature, for each eligible employee. To be eligible for this coverage an employee must work an average of twenty (20) hours per week in a position or positions covered by this agreement meeting the insurance carrier's minimum qualifications. The School District will not be held responsible for the regulations of the carrier.

Section 5. Claims against the School District: It is understood that the School District's only obligation is to purchase an insurance policy and pay such amounts as agreed to herein and no claim shall be made against the School District as a result of denial of insurance benefits by an insurance carrier.

Section 6. Duration of Insurance Contribution: An employee is eligible for School District contribution as provided in this Article as long as the employee is employed by the School District. Upon termination of employment, all District contribution shall cease.

Section 7. Flexible Benefits Plan: The District shall adopt a payroll-system flexible benefits plan from a Flexible Benefits Plan vendor agreed upon by the parties, provided that in all events such vendor shall have substantial experience with School Districts, shall take legal responsibility for the Plan, shall give the employees tax advice with respect to their participation in the plan, shall have comprehensive orientation services for employees including 24-hour per day consultation for employees and opportunity for the employees spouses to have their questions answered about the plan. The School District shall assume all financial costs for the operation of the Flexible Benefit Plan.

Effective December 31, 2016 the medical flexible benefits plan will be terminated or changed to a limited flexible benefit plan for dental and vision only due to Affordable Care Act (ACA) rules. Dependent flexible benefits plan will still be an option.

ARTICLE IX HOURS OF SERVICE

Section 1. Shifts and Starting Time: All employees will be assigned starting time and shifts as determined by the School District. Employees working summer months may work with their supervisor/Superintendent to set their work hours/schedules. The School District has the right to refuse an alternative schedule.

Section 2. Meal Period: Custodial and Secretarial Employees shall be provided a duty free meal period of at least 30 minutes.

Section 3 Break Times: Employees working at least four (4) hours per day will receive one (1) fifteen minute break; employees working six (6) or more hours per day will receive two (2) fifteen minute breaks. Break time is taken at the building they are currently working in.

Section 4 Extra Work: Food Service: Regular part-time employees, based upon food service personnel seniority, shall have the first option to work any additional hours or sub for others, (bringing their total weekly hours up to 40), which are due to school workday or school functions for which they are qualified. Qualified employees shall have the first option to work any extra hours created by non-school organizations functions, based upon seniority within food service employees. First option to work extra assignments will be given to the building crew where the extra work exists.

Subd. 1 Summer Work: During the summer food service meal program the District will create two teams of food service employees that will work a one or two-week rotational schedule. Employees shall not be compensated during their off week(s).

Section 5 Extra Work: Custodial and Secretarial: Regular part-time employees shall have the first option to work any additional hours (bringing their total weekly hours up to 40), which are due to school functions for which they are qualified. Employees shall have the first option to work any extra hours created by non-school organizations functions. First option to work extra assignments will be given to the building crew where the extra work exists.

Section 6 Work Day and Work Week: Custodial: The basic work week will consist of five (5) consecutive days beginning with the first shift that each custodian works on Monday or Tuesday that week. The normal basic workday shall consist of 8 hours per day. All regular employees shall have the right to work their full 40 hour week as provided for in the contract before any part-time employees are called.

Employees may be required to work flexible schedules totaling 40 hours per week over 6 days, Monday through Saturday upon mutual agreement between the employee and the District. However, the District must give prior approval to any flexible schedules. The district may schedule a 40 hour shift Tuesday through Saturday.

Section 7 School Closing: In the event that school is closed for any reason and the employees are not required to perform services, the employees shall have the option of using a personal leave day, or the employee's compensation shall be reduced accordingly. Leave must be applied for within the pay period the school closing occurred.

Subd. 1. Custodial School Closing. An employee may make-up the hours lost due to a school closing not to exceed the actual hours lost. Employees must schedule make-up time with their supervisor. Employees making up lost time waive their daily premium pay rates and will earn their regular rate of pay for the make-up hours. All make-up time must occur within the work week of the school closing. Leave must be applied for within

the pay period the school closing occurred. Part time employees will have the opportunity to work extra time for hours worked missed due to weather. Work hours can be made up in the same work week, with the exception of severe inclement weather or school closings.

Refer to the current Windom e-Learning Plan shared with all employees; all state statutes will be followed.

Section 8. Late Start: Food Service and Secretarial: If school starts late employees who report for work will be paid for all regularly scheduled hours for that day. When school starts late due to inclement weather or is "district called" food service and secretarial personnel will report to their assigned building not less than one and one-half (1 ½) hours prior to the announced start time.

Section 9. Early Dismissal:

Subd. 1. Custodial Early Dismissal. When school is dismissed early due to weather or other emergency, all custodians will work the same number of hours on each shift; a minimum of two (2) hours to be paid for all regularly scheduled hours, not to exceed eight (8) hours for the day. The custodians who are already working when the early dismissal is called shall work a minimum of two (2) hours after school is dismissed or to the end of their scheduled shift, whichever occurs first. All custodians reporting to work after school is dismissed shall work a minimum of two (2) hours once they arrive to work but not before the school dismissal time and shall work the same number of hours as the prior shift. If the building is closed due to weather conditions or other emergency conditions, the custodians can use personal or vacation leave to meet the number of hours needed on their shift. Part time employees will have the opportunity to work extra time for hours worked missed due to weather. Work hours can be made up in the same work week, with the exception of severe inclement weather or school closings. If the school day has ended already, employees will be required to stay at their assigned building until they have been released by the Buildings and Grounds Supervisor or Superintendent. Building closure will be done by Superintendent or his/her designee.

Subd. 2. Food Service Early Dismissal. If school is closed after employees report for work at their regularly scheduled start time, they will be paid for all regularly scheduled hours for that day.

Subd. 3. Secretarial Early Dismissal. Secretarial personnel will be required to stay at their assigned building until one of the following occurs:

1. District buses have returned to the bus barn; or
2. They have been released by their building principal; or
3. End of regularly scheduled shift.

**ARTICLE X
HOLIDAYS**

Section 1.

Subd. 1. Food Service and nine month employees shall be granted the following paid holidays provided the holidays fall during the normal school year:

New Year's Day	Good Friday	Easter Monday
Memorial Day	Labor Day	Thanksgiving Day
Day Following Thanksgiving Day	Christmas Day	Christmas Eve Day

Juneteenth and Independence Day will be paid to the Summer Food Service team that is working the week of this holiday or on the day established by the School District.

Note: Memorial Day will continue to be paid during the Flexible Learning Year application.

Subd. 2. Full-time custodial, ten month, and 12 month secretarial employees shall be granted the following paid holidays:

New Year's Day	Good Friday	Easter Monday
Memorial Day	Juneteenth	Independence Day
Labor Day	Thanksgiving Day	Day Following Thanksgiving Day
Christmas Eve Day	Christmas Day	

Holiday pay shall not exceed 8 hours of pay at the employee's regular hourly rate.

The District agrees to pay secretaries for Memorial Day and Labor Day if they work their scheduled day before Memorial Day and/or after Labor Day (unless on excused illness, leave or vacation).

Section 2. Weekends: Holidays that fall on weekends will be observed on a day established by the School District.

Section 3. School in Session: The School District reserves the right, if school is in session, to cancel any of the above holidays and establish another holiday in lieu thereof. Upon mutual agreement between the District and the Exclusive Representative, the District shall pay each employee their holiday pay equivalent in the event another holiday day off cannot be established. The establishment of the new holiday and employee notification of such, or the determination of pay for the holiday will be completed within one (1) week of the original cancellation of holiday. Any legal holiday or holiday, which falls within an employee's vacation period, shall not be counted as a vacation day.

Section 4. Eligibility: In order to be eligible for holiday pay, an employee must have worked his/her scheduled work day before and after the holiday unless he or she is on excused illness, leave, or on vacation under these provision.

ARTICLE XI VACATIONS

Section 1. Earned Vacation:

Subd. 1. Full-time, 12 month custodial and secretarial employees shall accrue vacation as follows:

- One week after six full months of employment and successful completion of probationary period
- Two weeks after one full year of employment
- Three weeks after five full years of employment
- Four weeks after fifteen years of employment.

Subd. 2. Regular part-time custodial and secretarial employees shall receive vacation on a pro rata basis according to hours worked.

Subd. 3. Custodial. Upon approval of the District, employees shall be allowed to carry over three (3) days of vacation each year. All other earned vacation days must be used by August 31st following the year it was earned. Any days carried over will be the first days used. Carry over days may never exceed three (3) days total. All hires after July 1, 2018 shall be allowed to carry over three (3) days of vacation each year, based on their hire date.

Subd. 4. Secretarial. Upon approval of the district, employees shall be allowed to carry over three days of vacation each year for use in the next year. Any days carried over will be the first days used. All hires after July 1, 2018 shall be allowed to carry over three (3) days of vacation each year, based on their hire date.

Section 2. Application:

Subd. 1. Vacations shall be determined as of July 1 of each year. Custodial and secretarial Employees hired between January 1 and July 1 are not eligible for vacation as a matter of rights until July 1 of the following year but may be permitted to take earned vacation at the discretion of the School District/Superintendent. All hires after July 1, 2018 shall use their anniversary/hired date as a custodian or 12 month secretary for accrual of vacation. Refer to Article VII, Section 4, Subd. 2, number 1 and Subd. 3, number 1.

Subd. 2. If the custodial and secretarial employee resigns before completing a full year of service he/she shall not be entitled to any vacation pay and he/she shall have the salary paid for any vacation days taken deducted from his/her final check. An custodial and secretarial employee who has completed at least one year of service shall be entitled to receive the pro rata pay for unused vacation time provided such employee provides the School District with at least two (2) weeks advance notice of his/her resignation time.

Subd. 3. Custodial. Vacations may be taken throughout the year. The scheduling of all vacation time shall be determined by the School District. Vacation requests of three (3) or more consecutive days at a time must be made in Absence Management or any electronic system provided by the district at least three (3) days in advance for approval. Incidental vacation requests of less than three (3) days must be made in Absence Management or any electronic system provided by the district for the supervisor to approve. The School District reserves the right to refuse to grant such leave based on district needs.

Subd. 4. 12 Month Secretarial. The schedule of all vacation time shall be determined by the School District. Vacation requests of three (3) or more consecutive days at a time must be made in Absence Management or any electronic system provided by the district at least three (3) days in advance for approval. Incidental vacation requests of less than three (3) days must be made in Absence Management or any electronic system provided by the district for the supervisor to approve. The School District reserves the right to refuse to grant such leave based on district needs.

ARTICLE XII DISCIPLINE, DISCHARGE, PROBATIONARY PERIOD, SUPERVISION, EVALUATION SYSTEM

Section 1. Probationary Period: An employee under the provisions of this Agreement shall serve a probationary period of 6 months of actual time worked in a position in the School District during which time the School District shall have the unqualified right to suspend without pay, discharge or otherwise discipline such employee; and during this probationary period, the employee shall have no recourse to the grievance procedure, insofar as suspension, discharge or other discipline is concerned. However, a probationary employee shall have the right to bring a grievance on any other provision of the contract alleged to have been violated. The parties agree any time period an employee is on unpaid leave shall not be counted in determining the completion of the probationary period.

Section 2. Just Cause: Disciplinary action may be imposed upon an employee who has satisfactorily completed the initial probationary period only for just cause. Discipline shall be imposed in a timely manner.

Section 3. Progressive Discipline: Disciplinary action shall normally include only the following measures and shall normally be administered progressively in the following order:

Subd. 1. Reprimands, either oral or written;

Subd. 2. Suspension from duty without pay;

Subd. 3. Demotion in position and pay;

Subd. 4. Discharge from employment.

The District reserves the right to move directly to a higher level of discipline based on the seriousness of the offense and other relevant factors.

Section 4. Meetings to Discuss Discipline Measures: If a supervisor meets with an employee to discuss written reprimand, suspension, or discharge, the employee has the right to have a union representative present.

Section 5. Discharge Due Process: No employee who has completed the probationary period, shall be discharged without having been afforded an opportunity to hear the reason(s) for the discharge and without an opportunity to offer an explanation of the relevant facts and circumstances surrounding the events which preceded the discharge and/or any extenuating or mitigating circumstances which the employee believes is relevant to the discharge decision. Whenever possible and practical, such opportunities shall be provided in a conference with the District which shall be conducted after advance notice to the employee and his/her Union representative who shall be permitted to attend the conference.

Section 6. Disciplinary Action Records: A written record of all disciplinary actions within the meaning of this article, shall be provided to the involved employee(s) and may be entered into the employee's personnel record. Investigations into conduct, which do not result in disciplinary action, however, shall not be entered into the employee's personnel record. The disciplined employee or Union representative shall be entitled to submit a written response to be included in the employee's personnel record.

Section 7. Food Service Classifications and Professional Development: The following classifications are as follows:

Cook/Manager
Baker/Cook Asst
Lunch Room Manager
General Cook's Assistant
Cooks Assistant
Cafeteria Helper

Subd. 1. Employees working towards state required certification for food service personnel, must notify the Food Service Director prior to the renewal of his/her SNA dues. The District will pay the SNA dues for interested employees. The District will provide paid in-service days as approved. The district will pay workshop fees, mileage, meals and other expenses incurred in workshop participation. Employees will be paid their regular hourly rate for all hours of in-service attendance, which may be different from the number of hours in their normal workday. The Food Service Director will determine which workshops are appropriate for individual employees. Differences may be appealed to the Superintendent.

Section 8. Change of Classification or Level: In additional to the initial probationary period an employee transferred, promoted, or otherwise occupying a different classification or level shall serve a new probationary period of 3 months in any such new classification or level unless

the Superintendent determines the employee's performance has fulfilled the probationary period. During this 3 month probationary period, if it is determined by the School District that the employee's performance in the new classification or level is unsatisfactory, the School District shall have the right to reassign the employee to her/his former classification or level. Provided however, if any employee is placed in a new position as a result of the exercise of seniority rights in respect to layoff or recall the School District may place such employee on layoff if her/his performance is unsatisfactory. The Superintendent or such person(s) as designated by the Superintendent shall determine whether an employee's performance is unsatisfactory. An employee may grieve, to the Board of Education level only, the determination by the Superintendent or designee that an employee's performance is unsatisfactory. The decision of the Board of Education shall be final and binding and shall not be subject to arbitration.

Section 9. Supervision and Evaluation: The District reserves the right to evaluate an employee. A meeting will be held with the employee to discuss the evaluation, and then a written report of the evaluation will be placed in the employee's personnel file with a copy provided to the employee.

Section 10. Conditions Of Employment.

Subd. 1. All food service staff must maintain training and have the ability to pass all safety and health trainings required by state statute or district policy. (ie Blood Borne Pathogen, chemical, etc.).

- a). The district will pay for an employee's food service licensure which must be maintained by the employee to uphold the position hired for per job description.

Any training required by the district, state or federal law will be reimbursed upon successful completion by the school district for each employee. Employees will be paid for travel time for any training during the calendar year, with prior approval from the Food Service Director.

Subd. 2. The district will pay for successful completion of tests required by state statute or district policy for custodial employees. After two (2) unsuccessful attempts, there will be an employee review for proper assignment.

Subd. 3. All secretarial staff must maintain training and have the ability to pass all safety and health trainings required by state statute or district policy. (ie Blood Borne Pathogen, chemical, etc.).

**ARTICLE XIII
SENIORITY, REDUCTION, LAYOFFS AND REEMPLOYMENT**

Section 1. Recognition: The parties recognize the principle of seniority in the application of this Agreement within classification concerning reduction or increase in force and assignment of vacation period.

Section 2. Seniority Date:

Subd. 1 Classification Seniority: An employee's seniority commences on the first day of continuous service in a classification with positions not referring to classifications. If more than one (1) employee begins work on the same day, seniority ranking for such employee shall be determined first by whoever has more District seniority and then by lot.

Section 3. Layoffs:

Subd. 1. Custodial. In the event the School District reduces the work force covered by this agreement, employees shall be laid off by seniority as either full-time or part-time employees (as defined in Article IX) with all of the part-time employees being laid off before the least senior full-time employee. Notice of such layoff will be given two (2) weeks before the scheduled layoff except in work stoppages or in unforeseen circumstances. Recall shall be in reverse order of lay-off.

Subd. 2. Food Service. In the event the School District reduces the work force covered by this agreement, employees shall be laid off by seniority as one classification. Recall shall be in reverse order of layoff. Additional hours shall be given to those employees whose hours were reduced, whenever possible, before new employees are hired. An employee on layoff shall retain his/her seniority and right to recall for a period of 1 year after the date of layoff.

Subd. 3. Secretarial. In the event the School District reduces the work force covered by the agreement within the School District, such layoff shall occur as follows:

1. For secretaries, layoff shall occur in reverse seniority order.

Section 4. Layoff and Reduction of Hours:

Subd. 1. Custodial. In the event the School District reduces the work force covered by the agreement within the School District, such layoff shall occur in reverse seniority order beginning first with temporary and substitute employees, then part time, then full time employees.

Subd. 2. Food Service. In the event the School District reduces the work force covered by the agreement within the School District, such layoff shall occur in reverse seniority order within the classification and class involved.

Subd. 3. Notice of such layoffs or reduction in hours shall be given two (2) weeks before the scheduled layoff or reduction in hours except in the case of work stoppages or other unforeseen circumstances.

Subd. 4. Custodial. A senior employee will have seniority rights in regard to layoff or reduction of hours over the most junior employees with equal, or closest to equal, number

of hours. An employee who is displaced by the exercise of seniority by a more senior employee pursuant to this section may in turn exercise seniority in the same fashion if qualified.

Subd. 5. Food Service. A senior employee will have seniority rights in regard to layoff or reduction of hours over the most junior employees with equal, or closest to equal, number of hours, in the same classification and classes, if a senior employee is unable to exercise seniority over a junior employee in their classification and class, such employee may exercise seniority over a junior employee in succeeding lower class within classification, if qualified for the position. An employee who is displaced by the exercise of seniority by a more senior employee pursuant to this section may in turn exercise seniority in the same fashion if qualified, provided, however, a lower class employee will not have seniority rights over a higher class employee.

Subd. 5. Secretarial. A senior secretary will have seniority rights in regard to layoff or reduction of hours over the most junior secretaries with equal, or closest to equal, number of hours. A secretary who is displaced by the exercise of seniority by a more senior secretary pursuant to this section may in turn exercise seniority in the same fashion if qualified.

Subd. 6 Custodial and Secretarial Staff: If the number of hours an employee is assigned to work is reduced, he or she shall be assigned to that position that is held by the least senior employee whose assignment is closest to, but not greater than, the assignment originally held by the employee whose hours are being reduced. The employee displaced by this reassignment may accept the assignment of the person whose hours are being reduced, or may request reassignment based on a reduction in hours. Any employee so affected may, at his or her discretion, be placed on layoff in lieu of accepting an assignment to a position with fewer hours. If a reduction of hours results in an employee not working enough hours for unit inclusion, such employee shall be considered on layoff status. Any employee with reduced hours shall retain his/her seniority and right to an equivalent increase of hours as the reduction in seniority order for a period of one (1) year after the date of the reduction.

Subd. 7. Food Service Reduction: If the number of hours an employee is assigned to work is reduced, he or she shall be assigned to that position within the same classification that is held by the least senior employee whose assignment is closest to, but not greater than, the assignment originally held by the employee whose hours are being reduced. The employee displaced by this reassignment may accept the assignment of the person whose hours are being reduced, or may request reassignment based on a reduction in hours. Any employee so affected may, at his or her discretion, be placed on layoff in lieu of accepting an assignment to a position with fewer hours. If a reduction of hours results in an employee not working enough hours for unit inclusion, such employee shall be considered on layoff status. Any employee with reduced hours shall retain his/her seniority and right to an equivalent increase of hours as the reduction within the same or lower classification in seniority order for a period of one (1) year after the date of the reduction.

Subd. 8. An employee shall notify the School District of his or her intent to exercise seniority rights to a position in writing during the regular school year within 5 calendar days excluding Saturday, Sunday and holidays. If said notice is not given within the applicable time period, the right to exercise seniority is waived.

Subd. 9. An employee shall notify the School District of his or her intent to exercise seniority rights to a position in writing during the summer break within ten (10) calendar days excluding Saturday, Sunday, and holidays. If said notice is not given within the applicable time period, the right to exercise seniority is waived.

Section 5. Recall:

Subd. 1. Custodial. Employees will be recalled in seniority order. An employee recalled to his/her former position shall receive the current rate of pay for such position. Employees may be recalled to positions provided that the employee is qualified for the position.

Subd. 2. Food Service. Employees will be recalled in seniority order within classification and class. An employee recalled to his/her former position shall receive the current rate of pay for such position. Employees may be recalled to positions within classification other than the employees class provided that the employee is qualified for the position.

Subd. 3. Secretarial. Employees will be recalled in seniority order. An employee recalled to his/her former position shall receive the current rate of pay for such position. Employees may be recalled to positions within classification provided the employee is qualified for the position.

Subd. 4. Notice of recall shall be made by certified mail to the last known address of the employee being recalled. The employee shall forfeit rights to recall if the employee fails to return to an offered position within seven (7) calendar days after notice of recall, and in such event the employee's name shall be removed from the seniority and recall list. It is the responsibility of the employee on layoff to keep the School District advised of his/her current mailing address.

Subd. 5. An employee on layoff or reduction shall retain his/her seniority and right to recall for a period of one year after the date of layoff or reduction.

Subd. 6. No new employee will be hired in any position covered by this agreement while qualified employees are on layoff or reduction subject to the limitations set forth in the above subdivisions of this section.

Section 6. Qualified: The Superintendent or such person(s) as designated by the Superintendent shall determine whether an employee is qualified to exercise seniority for layoff or recall. An employee may grieve, to the School Board level only the determination by the

Superintendent or designee that an employee is not qualified. The decision of the School Board shall be final and binding and shall not be subject to arbitration.

Section 7. Seniority List: A current seniority list shall be emailed out to all employees, with one paper copy to each Chief Steward. Date to contest the seniority list will be included in email and given to each Chief Steward. Said listing shall be updated as of January 1 of each year.

Section 8. Voluntary Termination and Re-employment: In the event that an employee, voluntarily terminates his/her employment from a bargaining unit position and is subsequently re-employed by the District under this bargaining unit within a time period of no greater than twelve (12) months after the date of termination, the employee shall:

Subd. 1. Be reinstated without loss of seniority or benefits and the years of service credit earned and accumulated as of the date of termination.

Subd. 2. Be reinstated without having to serve a new probationary period notwithstanding any other provision to the contrary.

Subd. 3. Be reinstated to a similar vacant position at the same rate of pay the employee last earned as of the date of termination.

The above subdivision does not apply if the employee retires from the school district and is receiving retirement benefits from PERA or is doing a Phased Retirement Option Agreement with PERA. These individuals will directly negotiate their re-employment terms with the district.

ARTICLE XIV VACANCIES, JOB POSTING AND ASSIGNMENTS

Section 1. Posting and Filing Vacancies:

Subd. 1. All permanent vacancies in regular positions or newly created positions will be posted at each work site for a period of five (5) working days prior to filling the vacancy. A permanent vacancy is defined as one anticipated to last more than six months. A temporary vacancy is defined as one anticipated to last six months or less. Vacancy positions shall contain, at a minimum, the anticipated duration of the job, hours, classification, and job duties.

Subd. 2. Application of Vacancies: All employees under this Agreement may submit a written application to the Office of the Superintendent for any vacancy or for any new regular position which is posted pursuant to this Article.

Subd. 3. Filling Vacancies: Notice of the candidate selected to fill the vacancy or the new regular position shall be given within five (5) working days after the filling of the position.

Subd. 4. The final decision as to the successful applicant shall be in the discretion of the Superintendent or such person(s) designated by the Superintendent. A vacancy or new position may be filled by either a current employee or by hiring a new employee except as otherwise specified in the subdivision below.

Subd. 5. A permanent vacancy or new position shall be filled, within classification, from existing staff if all the following conditions are met.

- i. At least one member of the existing staff must apply in a timely manner as specified in this Article.
- ii. The position sought by applicant(s) is a promotion.
- iii. At least one applicant seeking promotion must be qualified to satisfactorily perform the duties and responsibilities of the position.

Subd. 6. If more than one applicant is equally qualified, seniority rights shall be exercised.

Subd. 7. The filling of vacancies shall not be subject to the grievance procedure except as follows:

- i. An employee may grieve a failure of the School District to follow the posting procedures.
- ii. An employee may grieve, to the School Board level only, the failure of the School District to award a position to said employee pursuant to the subdivision above. The decision of the School Board shall be final and binding and shall not be subject to arbitration.

Subd. 8. The requirement of posting shall apply only to permanent vacancies and newly created positions. Posting is not required for transfers under Section 2 of this Article.

Subd. 9. The public employer shall provide a copy of each posting of vacancies to the Chief Steward of the local Association.

Subd. 10. Notification of the filling of vacancies, containing the employee's name and date of employment, shall be provided to the Local Association President. The District shall provide all new employees with a copy of the current negotiated Agreement at the time of hiring.

Section 2. Transfers:

Subd. 1. A transfer shall mean assignment of employees between occupied positions.

Subd. 2. The Superintendent or such person(s) as designated by the Superintendent shall have the discretion to transfer employees to different positions including transfers between classifications and levels.

Subd. 3. The School District may not transfer an employee to a position with a lower hourly rate of pay or fewer hours without the consent of the employee except for just cause.

Subd. 4. The transfer of an employee shall not be subject to the grievance procedure except that an employee may grieve an involuntary transfer to a position with a lower hourly rate of pay.

Section 3. Increases in Hours: If the District determines it's necessary to increase the number of hours of service to a position covered by the Agreement, it may do so, at its discretion, by offering the assignment to the most senior employee holding such a position, who is available for that particular time frame.

Subd. 1. Permanent Increases: When an increase in hours of an employee lasts for more than sixty-seven (67) calendar days in any school year, that increase shall be considered permanent and the increased assignment shall be subject to the terms and conditions of this Agreement.

Subd. 2. Effects on Benefits: Once an increase in hours has become permanent, all benefits shall be recalculated based on the new hours. Changes to benefits shall become effective on the first scheduled work day following the 67th calendar day and shall be prorated when appropriate.

ARTICLE XV GRIEVANCE PROCEDURE

Section 1. A claim by an employee or the Association that there has been an alleged violation, misinterpretation or misapplication of any provisions of this contract may be processed as a grievance as hereinafter provided.

Section 2.

Subd. 1. Custodial. The time limits provided in this Article shall be strictly observed but may be extended by written agreement of the parties. The employee, administrator, or Board of Education may be represented during any step of the procedure by any person or agent designated by such party, to act on his or her behalf.

Subd. 2. Food Service and Secretarial. 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 Board and Association shall use their best efforts to process such grievance prior to the end of the school term or as soon thereafter as possible. The employee, 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 his or her behalf.

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

Section 4.

Subd. 1. In computing any period of time prescribed or allowed by procedures herein, the date of the act, event or default for which the designated period of time begins to run shall not be included. The last day of the period so computed shall be counted, unless it is a Saturday, Sunday or legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday or legal holiday.

Section 5. In the event that an employee believes there is a basis for a grievance, she/he shall first discuss the grievance with her/his building principal or supervisor either personally or accompanied by the Association.

Section 6. Grievances shall not be valid for consideration unless the grievance is submitted in writing to the School District's designee, setting forth the facts and the specific provisions of the Agreement allegedly violated and the particular relief sought within thirty calendar 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 a waiver thereof. Failure to appeal a grievance from one level to another with the time periods hereinafter provided shall constitute a waiver of the grievance. An effort shall first be made to adjust an alleged grievance informally between the employee and the School District's designee.

Section 7. Within five (5) working days of receipt of the grievance, the Building Principal or Supervisor shall meet with the grievant in an effort to resolve the grievance. The Building Principal or Supervisor shall indicate her disposition of the grievance, in writing within five (5) days of such meeting, and shall furnish a copy thereof to the grievant and the Exclusive Representative.

Section 8. If the grievant is not satisfied with the disposition of the grievance, or if no disposition has been made within five (5) working days of such meeting (or ten (10) working 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 with ten (10) calendar days of receipt of the decision. Within seven (7) working 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 five (5) working days of such meeting and shall furnish a copy thereof to the grievant and the Exclusive Representative

Section 9. If the grievant is not satisfied with the disposition of the grievance by the Superintendent or her/his designee, or if no disposition has been made within five (5) working days of such meeting (or ten (10) working days from the date of filing, whichever shall be later) the grievance may be appealed to the Board by filing a written copy thereof with the clerk or other designee of the Board, provided such appeal is made in writing within ten (10) calendar days of receipt of the decision. Disposition of the grievance in writing by the Board shall be

made no later than the next regular board meeting or twenty (20) calendar days, whichever is later. A copy of such disposition shall be furnished to the grievant and the Association.

Section 10. If the grievant is not satisfied with the disposition of the grievance by the School Board, or if no disposition has been made within the period above provided, 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 or the Exclusive Representative., and such request must be filed with the Superintendent within ten (10) working days following the decision of the School Board.

Section 11. Upon the proper submission of the grievance under the terms of this procedure, the parties shall, within ten days after the request to arbitrate, attempt to agree upon the selection of any arbitrator. If no agreement on an arbitrator is reached, either party may request the Bureau of Mediation Services (“BMS”) to appoint an arbitrator, pursuant to current MINN. STAT., providing such request is made within thirty days after request for arbitration. The request shall ask that the appointment be made within thirty days after the receipt of said request. Failure to request an arbitrator from the Bureau of Mediation Services (“BMS”) with the time periods provided herein shall constitute a waiver of the grievance.

Section 12. The arbitrator shall have no power to alter, add to or subtract from the terms of this Contract.

Section 13. 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 14. 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 15. No reprisals of any kind will be taken by the Board or the school administration against any employee because of her/his participation in the grievance procedure.

ARTICLE XVI PUBLIC OBLIGATION

The parties mutually recognize that their first obligation is to the public and that the right of students and residents of the School District to the continuous and uninterrupted operation of the school is of paramount importance.

ARTICLE XVII DURATION

Section 1. Terms and Reopening Negotiations: This Agreement shall remain in full force and effect for a period commencing on July 1, 2024 through June 30, 2026, and thereafter until modifications are made pursuant to the P.E.L.R.A. If either party desires to modify or amend this Agreement commencing at its expiration, they shall give written notice of such intent

pursuant to P.E.L.R.A. Unless otherwise mutually agreed, the parties shall not commence negotiations more than 90 days prior to the expiration of this Agreement.

Section 2. Effect: This Agreement constitutes the full and complete Agreement between the School District and the exclusive representative representing the employees. The provisions herein relating to terms and conditions of employment supersede any and all prior agreements, resolutions, practices, School District policies, rules or regulations concerning terms and conditions of employment inconsistent with these provisions.

Section 3. Finality: Any matters relating to the terms and conditions of employment, whether or not referred to in this Agreement, shall not be open for negotiation during the term of this Agreement.

Subd. 1. Pay Equity Compliance: The parties agree to meet and discuss if needed for the sole purpose of negotiating necessary changes to put the School District in compliance with the Minnesota Pay Equity Statute. Only areas requiring modification for compliance purposes, as identified by the Department of Employee Relations, will be open for negotiations.

Section 4. Severability: The provisions of this Agreement shall be severable, and if any provision thereof or the application of any such provision under any circumstance is held invalid, it shall not affect any other provisions of this Agreement or the application of any provisions thereof.

Section 5. Copies of Agreement: The School District shall provide a copy of the Agreement to all employees. This copy will be emailed to all employees and available on the schools website. Two copies shall be provided to the exclusive representative for its use. The Windom Education Support Professionals shall be charged for any additional copies.

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

FOR:
WINDOM EDUCATION SUPPORT
PROFESSIONALS – CUSTODIANS,
FOOD SERVICE AND SECRETARIES

FOR:
INDEPENDENT SCHOOL
DISTRICT NO. 177

Custodial Negotiator

Chairman

Food Service Negotiator

Clerk

Secretarial Negotiator

Dated this ____ day of _____ 2024 Dated this ____ day of _____ 2024

Schedule A

Wages

Secretaries 2024-2025 Salary Per Hour

1	2	3	4	5	6	10	15	20	25
\$ 19.12	\$ 19.41	\$ 19.74	\$ 19.99	\$ 20.28	\$ 20.93	\$ 21.03	\$ 21.13	\$ 21.38	\$ 21.38

Secretaries 2025-2026 Salary Per Hour

1	2	3	4	5	6	10	15	20	25
\$ 18.81	\$ 19.44	\$ 19.73	\$ 20.07	\$ 20.32	\$ 20.62	\$ 21.28	\$ 21.38	\$ 21.48	\$ 21.74

Custodian 2024-2025 Salary Per Hour

RESPONSIBILITY/SHIFT	START	1	2	3	4	5	10	15	20	25
REGULAR RATE (DAY)	\$ 17.56	\$ 18.46	\$ 18.95	\$ 19.17	\$ 19.40	\$ 19.59	\$ 20.29	\$ 20.49	\$ 20.74	\$ 20.99
NIGHT	\$ 17.86	\$ 18.76	\$ 19.25	\$ 19.47	\$ 19.70	\$ 19.89	\$ 20.59	\$ 20.79	\$ 21.04	\$ 21.29
ADVANCED	\$ 17.96	\$ 18.86	\$ 19.35	\$ 19.57	\$ 19.80	\$ 19.99	\$ 20.69	\$ 20.89	\$ 21.14	\$ 21.39
HEAD OR LEAD	\$ 18.26	\$ 19.16	\$ 19.65	\$ 19.87	\$ 20.10	\$ 20.29	\$ 20.99	\$ 21.19	\$ 21.44	\$ 21.69

Custodian 2025-2026 Salary Per Hour

RESPONSIBILITY/SHIFT	START	1	2	3	4	5	10	15	20	25
REGULAR RATE (DAY)	\$ 17.85	\$ 18.77	\$ 19.27	\$ 19.49	\$ 19.72	\$ 19.92	\$ 20.63	\$ 20.83	\$ 21.08	\$ 21.33
NIGHT	\$ 18.15	\$ 19.07	\$ 19.57	\$ 19.79	\$ 20.02	\$ 20.22	\$ 20.93	\$ 21.13	\$ 21.38	\$ 21.63
ADVANCED	\$ 18.25	\$ 19.17	\$ 19.67	\$ 19.89	\$ 20.12	\$ 20.32	\$ 21.03	\$ 21.23	\$ 21.48	\$ 21.73
HEAD OR LEAD	\$ 18.55	\$ 19.47	\$ 19.97	\$ 20.19	\$ 20.42	\$ 20.62	\$ 21.33	\$ 21.53	\$ 21.78	\$ 22.03

Food Service 2024-2025 Salary Per Hour

CLASS	1	2	3	4	6	10	15	20	25
COOK MANAGER	\$ 18.21	\$ 19.33	\$ 19.96	\$ 20.75	\$ 20.85	\$ 21.50	\$ 21.60	\$ 21.70	\$ 21.95
BAKER/COOK ASST	\$ 17.32	\$ 18.24	\$ 18.78	\$ 19.43	\$ 19.53	\$ 20.18	\$ 20.28	\$ 20.38	\$ 20.63
LUNCHROOM MANAGER	\$ 17.22	\$ 18.15	\$ 18.80	\$ 19.60	\$ 19.71	\$ 20.36	\$ 20.46	\$ 20.56	\$ 20.81
GENERAL COOK ASSISTANT	\$ 16.95	\$ 17.89	\$ 18.31	\$ 18.75	\$ 18.85	\$ 19.50	\$ 19.60	\$ 19.70	\$ 19.95
COOKS ASSISTANT	\$ 16.79	\$ 17.73	\$ 17.94	\$ 18.15	\$ 18.25	\$ 18.91	\$ 19.01	\$ 19.11	\$ 19.36
CAFETERIA HELPER	\$ 16.25	\$ 17.19	\$ 17.40	\$ 17.61	\$ 17.72	\$ 18.37	\$ 18.47	\$ 18.57	\$ 18.82

Food Service 2025-2026 Salary Per Hour

CLASS	1	2	3	4	6	10	15	20	25
COOK MANAGER	\$ 18.51	\$ 19.65	\$ 20.29	\$ 21.10	\$ 21.20	\$ 21.86	\$ 21.96	\$ 22.06	\$ 22.31
BAKER/COOK ASST	\$ 17.61	\$ 18.54	\$ 19.09	\$ 19.75	\$ 19.86	\$ 20.52	\$ 20.62	\$ 20.72	\$ 20.97
LUNCHROOM MANAGER	\$ 17.51	\$ 18.45	\$ 19.11	\$ 19.93	\$ 20.04	\$ 20.70	\$ 20.80	\$ 20.90	\$ 21.15
GENERAL COOK ASSISTANT	\$ 17.23	\$ 18.19	\$ 18.62	\$ 19.06	\$ 19.16	\$ 19.83	\$ 19.93	\$ 20.03	\$ 20.28
COOKS ASSISTANT	\$ 17.07	\$ 18.03	\$ 18.24	\$ 18.45	\$ 18.55	\$ 19.23	\$ 19.33	\$ 19.43	\$ 19.68
CAFETERIA HELPER	\$ 16.52	\$ 17.48	\$ 17.69	\$ 17.90	\$ 18.02	\$ 18.68	\$ 18.78	\$ 18.88	\$ 19.13

Minimum Fund Balance %

21.46%

21.44%

32.56%

30.55%

ADM Actual 1,168 FY2022 ADM Actual 1,203 VPK=12.5 FY2023 Revised budget based on 1,175 ADM/ Actual 1174 no VPK FY2024 Revised FY2024 Revised FY2024 Revised

Preliminary Budget based on 1,175 ADMS/Revised based on 1199.5 (VPK=26.5 ADM) FY2024 Preliminary FY2024 Preliminary FY2024 Preliminary

FUND DESCRIPTION	2021-22 ACTUAL BALANCE	2022-23 ACTUAL BALANCE	2023-24 ACTUAL REVENUES/TRANSFERS	2023-24 ACTUAL EXPENDITURES/TRANSFERS	2023-24 ACTUAL BALANCE	2024-25 REVISED REVENUES/TRANSFERS	2024-25 REVISED EXPENDITURES/TRANSFERS	2024-25 REVISED BALANCE
GENERAL FUND								
A. 1 - UNASSIGNED (422)	\$ 2,601,081	\$ 2,721,832	\$ 15,275,319	\$ 14,320,981	\$ 3,676,169	\$ 15,769,867	\$ 15,669,371	\$ 3,776,665
B. 2 - NON SPENDABLE (460)	\$ 146,588	\$ 124,659			\$ 287,733			\$ 287,733
C. 2 - COMMITTED (418)	\$ -	\$ -			\$ -			\$ -
D. 3 - ASSIGNED (462)	\$ 359,667	\$ 266,265	\$ 996,623	\$ 425,560	\$ 837,328	\$ 32,649	\$ 112,903	\$ 757,074
B. RESERVED FOR								
(1) STAFF DEVELOPMENT (403)	\$ 334,334	\$ 369,816	\$ 182,828	\$ 173,004	\$ 379,640	\$ 190,546	\$ 189,637	\$ 380,549
(2) LEARNING AND DEVELOPM (428)	\$ 0	\$ 0	\$ 271,801	\$ 271,801	\$ 0	\$ 268,483	\$ 268,483	\$ 0
(3) BASIC SKILLS (441)	\$ 0	\$ 0	\$ 1,146,803	\$ 1,146,803	\$ 0	\$ 1,320,515	\$ 1,320,515	\$ 0
(4) BASIC SKILLS EXTENDED TIME (459)	NA	NA	NA	NA	NA			NA
(5) GIFTED & TALENTED (438)	\$ 0	\$ 0	\$ 16,874	\$ 16,874	\$ 0	\$ 17,021	\$ 17,021	\$ 0
(6) SAFE SCHOOL LEVY (449)	\$ 84,152	\$ 101,694	\$ 46,737	\$ 58,672	\$ 89,759	\$ 47,483	\$ 35,665	\$ 101,577
(7) CAREER TECHNICAL PROG (445)	NA	NA	NA	NA	NA	NA	NA	NA
(8) OPERATING CAPITAL (424)	\$ 1,062,441	\$ 1,100,716	\$ 303,783	\$ 141,523	\$ 1,262,976	\$ 297,482	\$ 299,497	\$ 1,260,961
(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)	\$ 0	\$ 0	\$ 153,344	\$ 153,344	\$ 0	\$ 181,539	\$ 181,539	\$ 0
(12) LONG TERM FACILITIES MAINT. (467)	\$ 911,608	\$ 881,569	\$ 310,397	\$ 141,816	\$ 1,050,150	\$ 312,843	\$ 591,332	\$ 771,661
(13) MEDICAL ASSISTANCE (472)	\$ 0	\$ 0	\$ 124,774	\$ 124,774	\$ 0	\$ 120,000	\$ 120,000	\$ 0
(14) FEDERAL EIDL (474)	\$ 0	NA	NA	NA	NA	NA	NA	NA
(15) PAYMENT IN LIEU OF TAXES (476)	\$ 0	\$ 0	\$ 16,911	\$ 16,911	\$ 0	\$ 15,724	\$ 15,724	\$ 0
(16) SCHOLARSHIPS (402)	\$ 16,903	\$ 18,521	\$ 857	\$ 1,000	\$ 18,377	\$ 1,510	\$ 1,000	\$ 18,887
(17) STUDENT ACTIVITIES (401)	\$ 185,546	\$ 259,301	\$ 232,698	\$ 264,836	\$ 227,162	\$ 193,516	\$ 210,500	\$ 210,178
(18) LITERACY INCENTIVE AID (412)	NA	NA	\$ 50,941	\$ 50,941	\$ -	\$ 50,941	\$ 50,941	\$ -
(19) ENGLISH LEARNER (439)	NA	NA	\$ 369,565	\$ 369,565	\$ -	\$ 354,817	\$ 354,817	\$ -
(20) SCHOOL LIBRARY (443)	NA	NA	\$ 40,000	\$ 40,000	\$ -	\$ 40,000	\$ 40,000	\$ -
(21) Q COMP-ALT TEACHER PAY (437)	NA	NA	NA	NA	NA	\$ 345,734	\$ 300,900	\$ 44,834
(22) READ ACT LITERACY AID (456)	NA	NA	NA	NA	NA	\$ 45,950	\$ 45,950	\$ -
(23) READ ACT TEACHER COMP (457)	NA	NA	NA	NA	NA	\$ 41,469	\$ 41,469	\$ -
TOTAL GENERAL FUND (01)	\$ 5,702,321	\$ 5,844,374	\$ 19,580,252	\$ 17,595,329	\$ 7,829,298	\$ 19,648,088	\$ 19,867,264	\$ 7,610,122
TOTAL FOOD SERVICE (02)	\$ 299,549	\$ 239,533	\$ 1,227,513	\$ 1,153,139	\$ 313,907	\$ 1,196,520	\$ 1,232,042	\$ 278,385
COMMUNITY EDUCATION								
REGULAR COMMUNITY ED (431)	\$ 74,437	\$ 103,241	\$ 167,772	\$ 117,592	\$ 153,421	\$ 178,074	\$ 148,864	\$ 182,631
EARLY CHILDHOOD FAMILY ED (432)	\$ 51,251	\$ 73,348	\$ 71,211	\$ 48,759	\$ 95,800	\$ 71,566	\$ 52,740	\$ 114,626
SCHOOL READINESS (444)	\$ 20	\$ 19	\$ 181,877	\$ 181,764	\$ 132	\$ 200,637	\$ 200,646	\$ 123
ADULT BASIC EDUCATION (447)	\$ 945	\$ 856	\$ 29,256	\$ 29,391	\$ 722	\$ 33,000	\$ 33,130	\$ 592
RESTRICTED (464)	\$ 3,952	\$ 5,279	\$ 5,998	\$ 8,369	\$ 2,907	\$ 7,301	\$ 9,439	\$ 769
TOTAL COMMUNITY EDUCATION (04)	\$ 130,606	\$ 182,744	\$ 456,115	\$ 385,875	\$ 252,983	\$ 490,577	\$ 444,819	\$ 298,742
TOTAL DEBT SERVICE (07)	\$ 457,636	\$ 495,225	\$ 2,347,076	\$ 2,311,700	\$ 530,601	\$ 2,295,861	\$ 2,264,763	\$ 561,699
(1) NEW ELEMENTARY/CTE REMODEL (464-000)	\$ 648,201	\$ 149,992	\$ 1,949	\$ 151,941	\$ (0)	NA	NA	NA
(2) LTFM BONDS (467)	\$ 0	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)	\$ 648,201	\$ 149,992	\$ 1,949	\$ 151,941	\$ (0)	NA	NA	NA
TOTAL CUSTODIAL/SCHOLARSHIPS (18)	\$ 18,227	\$ 10,785	\$ 9,430	\$ 11,250	\$ 8,966	\$ 6,802	\$ 9,000	\$ 6,768
TOTAL DISTRICT WIDE	\$ 7,256,540	\$ 6,922,653	\$ 23,622,336	\$ 21,609,234	\$ 8,935,754	\$ 23,637,848	\$ 23,817,888	\$ 8,755,715

FY2024 Actual Budget Information	FY2025 Revised Budget Information
	This revised budget was built with information from the MN Dept of Education in October 2024 and uses 1,166 ADM's K-12 Students & Out of District Placements, 7 ADM's for ECSE and 26.5 ADM's for VPK
Fund 01 - Operating Capital Balance as of 6/30/2024	Estimated Operating Capital Balance as of 6/30/2025
Curriculum \$ 195,281.15	Curriculum \$ 86,281.15
Other Items \$ 1,067,695.11	Other Items \$ 1,174,680.24
TOTAL \$ 1,262,976.26	TOTAL \$ 1,260,961.39
Cross fund Bridges Preschool by \$42,275 - did not receive VPK funding \$25,000 funding from Comp Rev/Basic Skills	Cross fund Bridges Preschool by \$84,000 Unassigned and \$25,000 Basic Skills - with VPK funding we can't charge for 4 year old preschool
Cross fund Preschool screening not needed	Cross fund Preschool screening by \$500
Cross fund EL by \$35,524.79	Formula Allowance \$7,281 per APU

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.