CITY COUNCIL MEETING
September 1, 2026
City Council Chamber
6:30 p.m.

CITY OF WINDOM, MN
444 Ninth Street, P. O. Box 38
Windom, MN 56101
Phone: 507-831-6129
Fax: 507-831-6127
www.windom-mn.com

AGENDA

Call to Order
Pledge of Allegiance

1. Consent Agenda
   - Minutes
     - City Council Minutes – August 18, 2026
   - Amplification Permit – Unspoken Truth – October 3, 2026
   - Exempt Gambling Permit – BARC – October 20, 2026
   - Regular Bills
2. Department Heads
3. Windom Area Health – 2026 Audit Presentation (Zoom)
4. Personnel – Abdo Market Study Presentation (Zoom)
5. Ambulance Equipment – Capital Expenses
   - Resolution Awarding Bid – Chassis Replacement
   - Power Cot Replacement
   - Telemedicine Services Agreement – Avel eCare
6. Penny Rounding for Cash Payments
7. Ordinance #212, 2nd Series – First Reading – Enacting and Adopting a Codified Supplement
8. Ordinance #211, 2nd Series – Veto Override/Sustain – Disposition of WindomNet
9. Contractor Payment – M&R Paving – Sealcoat Streets - $95,805.00
10. New Business
11. Old Business
12. Council Comments
13. Adjourn

Preliminary

Regular Council Meeting
City Hall, Council Chamber
August 18, 2026
6:30 p.m.

1. Call to Order:
   The meeting was called to order by Mayor Hilary Mathis at 6:30 pm.

2. Roll Call:

Council Present:	Mayor Hilary Mathis, Dennis Esplan, Jenny Quade, James Nelson, Jayesun Sherman and Scott Benson
Council Absent:	
City Staff Present:	Steve Nasby, City Administrator; Scott Peterson, Police Chief; Ben Derickson, Fire Chief; Jeff Dahna, Windomnet General Manager; Jon Ketzenberg, Streets & Parks Superintendent; John Nelson, Liquor Store Manager; James Hanson, EDA Director; Jordan Bussa, Outside Plant Tech; Brian Turner, Cable Tech; Andrew Rossow, NOC Tech and Devin Kopperud, Assistant Police Chief

3. Pledge of Allegiance

4. Consent Agenda:

- Minutes
  - Council Minutes – August 4, 2026
  - Community Center Commission – August 10, 2026
  - Economic Development Authority – August 10, 2026
  - Housing & Redevelopment Authority – August 8, 2026
  - Library Board – August 4, 2026
- Regular Bills

Motion by Benson second by Sherman to approve the Consent Agenda. Motion carried 5 – 0.

5. Department Heads:
   Scott Peterson, Chief and Devin Kopperud, Asst Chief, said that the Cottonwood County Vet Clinic stopped doing animal impounding. So, the Department does not have a place to house stray animals currently. At present there is not an alternative, but they are working on options. The Mayor, City Administrator along with himself and Kopperud are meeting with the Vet Clinic later this week and will report back at the next meeting with possible options.

6. Public Comment – Diane Kruger:
   Mathis noted that public comment is five minutes, please address the Council and to keep remarks respectful. Kruger said she lives at 605 Prospect Avenue and that she has some thoughts on Windomnet and is opposed to a sale. She wants her input heard and said that some Council appears to have their minds made up. There was a public meeting on the proposals but no questions from the public were taken. There is discussion about unity, but she sees 3-2 votes all through this process. Taxpayers are the investors in Windomnet and if a big corporation makes changes, they need the approval of investors so this should be voted on like when the system was created. Having representation on an advisory board is nice but it is not a decision making position like we have now.

Windomnet should have partnered with SMBS years ago. Getting fiber into the rural areas is good, but they have different needs than city customers. The $1.5 million from a construction off-set is not money we get today by definition so when is that paid as it is not assured to her. What about the $100,000 a year SMBS offered, what if they go away?

7. Resolution Accepting Donation – Windom Public Library:
Council Member Esplan introduced the Resolution No. 2026-43, entitled "AUTHORIZATION TO ACCEPT A DONATION FROM DOROTHY VAN NORMAN TO THE WINDOM PUBLIC LIBRARY" and moved its adoption. The Resolution was seconded by Sherman and on roll call vote: Aye: Esplan, Nelson, Quade, Benson and Sherman. Nay: None. Absent: None. Abstain: None. Resolution passed 5 - 0.

Mathis thanked Dorothy Van Norman for the generous $1,000 donation.

8. Minnesota Department of Transportation – Highway 60/71S Round-about Presentation:
Mary Loeffler and Anne Wolff, MN DOT, introduced themselves. Wolff said that they were in town meeting with businesses regarding the 2027 round-about project at the south junction of Highways 60 and 71. The public is looking for safety, lower speeds and getting the four lanes back. The construction timeline is anticipated to be a mid-June 2027 start and completion in late September or early October.

Loeffler said that there is an eight-foot sidewalk from the bridge going south to the round-about and this was modified from a six-foot width to accommodate City snow removal equipment. MN DOT will also put in a backflow prevention valve in a storm sewer at the City's request and they are working with the City water department on resolving a water main conflict.

Nelson asked about the bridge condition. Loeffler said the driving surface will be replaced, but a bridge replacement will not be done until the reconstruction project. Highway 60 will remain open to local traffic, but there is a detour planned for all other traffic.

Benson asked about the turn lane by Subway. Loeffler said that will be closed with the round-about project. Loeffler said the traffic light project for 2026 is still planned but they are seeing a delay in getting steel so the lights could be done yet this fall or in two phases with the 6th Street light this fall and 10th Street light in the spring.

Loeffler said that MN DOT will do a construction open house for the round-about project for the public in May or early June 2027.

Mathis asked if MN DOT visited all the businesses. Wolff said they got all that are along the highway in the construction area. They stopped at Toro but did not connect with anyone yet.

9. Resolution Awarding Bid – 18th Avenue Storm Sewer Drainage Improvement Project:
Mike Johnson, JEG Engineering, said they received three bids for the storm water drainage project and are recommending the bid be awarded to SVE LLC in the amount of $126,501.17. The bids ranged from $217,494.55 to $126,501.17.

Nasby asked about the timeline for the project. Johnson said they will take 1-2 weeks for contracts and the project will start soon thereafter and be completed by fall 2026.

Council Member Benson introduced the Resolution No. 2026-44, entitled "A RESOLUTION AWARDING THE CONTRACT FOR A PROJECT ENTITLED 18TH AVENUE STORM SEWER DRAINAGE IMPROVEMENT PROJECT" and moved its adoption. The Resolution

was seconded by Sherman and on roll call vote: Aye: Quade, Benson, Sherman, Esplan and Nelson. Nay: None. Absent: None. Abstain: None. Resolution passed 5 - 0.

10. 2nd Reading of Ordinance #211, 2nd Series – Disposition of Windomnet:
Nasby said that the City Council voted on July 28, 2026 to proceed with the sale of Windomnet and approved the first reading of an ordinance to sell real estate at the August 4, 2026 meeting. The City Charter requires that the sale of real estate be by ordinance, which requires two readings and publication. The action tonight is the second reading on the ordinance to sell the real estate. This sale of Windomnet contains two parts, the sale of the real estate and the sale of assets.

Motion by Benson second by Quade to approve the 2nd Reading of Ordinance #211, 2nd Series – Disposition of Windommet. Motion carried 3 – 2 (Esplan and Sherman).

Sherman said that his decision has been very clear and he believes it is best for the community and the future. He has previously stated his reasons on the record. We are best served by not selling to Federated and can deal with all the other things at a later date.

Mathis said she appreciated the public input she has gotten and it has been respectful. She has tried to remain open to all the options. She has been open to selling or keeping Windomnet. She has changed her mind due to the input, the numbers and all the discussion. This is an impossible situation for everyone and is not pressured into a certain direction and is looking at facts. The Charter has the veto for checks and balances. It is not to say the Council is wrong, as they would have ability to reconsider.

11. Economic Development Authority – Repayment of DEED Redevelopment Grant:
James Hanson, EDA Director, said that the City had a DEED grant for the demolition of the former Cemstone site. This $424,905 grant was contingent on new housing being built on the site. This goal has not been met. In mid-August the City was required to make the first repayment for 2026 in the amount of $21,245.25. Payments will be due February and August each year until the housing is completed or the grant is repaid. The August 2026 repayment was made using funds re-paid to the City by Premium Iowa Pork (PIP) as part of their business grant\loan.

Nasby said the housing goal was not met due to the multi-family developer not moving ahead with the project and only one home is currently on the site. As such, DEED is seeking repayment of the grant over a 10-year period which will be pro-rated depending on the development of housing toward the grant target. The PIP repayments will total $500,000 over five years and will provide sufficient funds to cover the demolition grant. The EDA is reaching out to other developers.

Hanson said the EDA Board is recommending that the City Council ratify the repayment to DEED for the Cemstone Redevelopment Project grant for August 2026 and to earmark the PIP loan repayment funds to cover this expense until the housing is completed on the former Cemstone site.

Motion by Sherman second by Quade to ratify the August 2026 DEED Redevelopment Grant repayment from PIP loan proceeds as presented. Motion carried 5 – 0.

Motion by Sherman second by Quade to earmark the PIP loan repayment funds to cover the DEED Redevelopment Grant repayments as needed. Motion carried 5 – 0.

12. Contractor Payment – 2026 Street Project – Pay Request #4:
Jon Ketzenberg, Streets & Parks Superintendent, said that the paving is nearly done. The road can be used, but workers are still finishing up so drivers need to be cautious. The engineers are recommending payment for pay request #4 for Svoboda Excavating in the amount of $408,724.67.

Motion by Benson second by Sherman to approve Pay Request #4 for the 2026 Street Project in the amount of $408,724.67. Motion carried 5 – 0.

13. Personnel:
John Nelson, Liquor Store Manager, said that he has another non-union, part-time clerk hiring recommendation for William Riley starting at $13.00/hour.

Motion by Benson second by Sherman to approve the hiring of William Riley for a non-union, part-time liquor clerk position. Motion carried 5 – 0.

14. Mayor Appointment – Park & Recreation Commission:
Mathis said she is requesting the appointment of Shelby Young to an unexpired term on the Parks & Recreation Commission through December 31, 2027.

Motion by Nelson second by Sherman to approve the appointment of Shelby Young to the unexpired term on the Parks & Recreation Commission. Motion carried 5 – 0.

15. New Business:
Mathis said the bank sent a notice on Friday about a possible penny shortage and wondered how it would impact the Liquor Store. Nasby said staff is aware of the notice and it does impact more departments than the Liquor Store so staff will discuss and come back with a proposal for the Council at the next meeting.

16. Old Business:
None.

17. Council Comments:
Benson said that the Police Department talked about stray animals and he asked the public to hold on to their pets and be aware of strays.

Nelson thanked Dorothy Van Norman for her donation to the Library and for all the other donations people give to the City.

Mathis thanked the Police for their work on the stray animals and impound. She encouraged people to tag their dogs. Last, she thanked the public again for making respectful comments.

18. Adjournment:
Mayor Mathis adjourned the meeting by unanimous consent at 7:22 p.m.

______________________________	Attest: ____________________________
Hilary Mathis, Mayor	Steve Nasby, City Administrator

City of Windom
Windom, Minnesota

Permit Application

For Use of Amplification Equipment in Public

State of Minnesota)
SS
County of Cottonwood)

To the City Council of the City of Windom in said County and State:

The undersigned hereby applies for a permit to allow the use of amplifying equipment in the City of Windom in said County and State in accordance with the information given below and City of Windom Code 90 Nuisances, Health and Safety - Excessive Noise :

Date of Event October 3rd 2026

Location Tegels Park

Hours 4-5:30 pm

Type of Event Parade

Application made this 8 day of 14, 2026 August 14, 2026

License Fee - None $0.00

Recommends

☑ Approval ☐ Denial

Street/Park Superintendent

Recommends

☑ Approval ☐ Denial

Scott

Police Chief

Unspoken Truth
Name of Individual/Organization

Signature

1261 5th Avenue Apt 1 Windom MN
Street Address

Windom MN
City State

507 621 8640
Telephone Number

Application ☐ APPROVED ☐ DISAPPROVED this ____day of______________, 20_____.

City Council

LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:
- conducts lawful gambling on five or fewer days, and
- awards less than $50,000 in prizes during a calendar year.

If total raffle prize value for the calendar year will be $1,500 or less, contact the Licensing Specialist assigned to your county by calling 651-539-1900.

Application Fee (non-refundable)

Applications are processed in the order received. If the application is postmarked or received 30 days or more before the event, the application fee is **$100**; otherwise the fee is **$150**.

Due to the high volume of exempt applications, payment of additional fees prior to 30 days before your event will not expedite service, nor are telephone requests for expedited service accepted.

ORGANIZATION INFORMATION

Organization Name: Business, Arts & Recreation Center, Inc.

Previous Gambling Permit Number: X-[redacted]

Minnesota Tax ID Number, if any: [redacted]

Federal Employer ID Number (FEIN), if any: [redacted]

Mailing Address: 1012 5th Avenue PO Box 123

City: Windom State: MN Zip: 56101 County: Cottonwood

Name of Chief Executive Officer (CEO): Loren Liepold

CEO Daytime Phone: [redacted] CEO Email: [redacted]

(permit will be emailed to this email address unless otherwise indicated below)

Email permit to (if other than the CEO): barcast@windomnet.com

NONPROFIT STATUS

Type of Nonprofit Organization (check one):

☐ Fraternal ☐ Religious ☐ Veterans ☑ Other Nonprofit Organization

Attach a copy of one of the following showing proof of nonprofit status:

(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)

☐ **A current calendar year Certificate of Good Standing**
Don't have a copy? Obtain this certificate from:
MN Secretary of State, Business Services Division
60 Empire Drive, Suite 100
St. Paul, MN 55103

Secretary of State website, phone numbers:
www.sos.state.mn.us
651-296-2803, or toll free 1-877-551-6767

☑ **IRS income tax exemption (501(c)) letter in your organization's name**
Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS toll free at 1-877-829-5500.

☐ **IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**
If your organization falls under a parent organization, attach copies of both of the following:
1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling; and
2. the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place): Business, Arts & Recreation Center, Inc.

Physical Address (do not use P.O. box): 1012 5th Avenue

Check one:

☑ City: Windom Zip: 56101 County: Cottonwood

☐ Township: Zip: County:

Date(s) of activity (for raffles, indicate the date of the drawing): October 20, 2026

Check each type of gambling activity that your organization will conduct:

☑ Bingo ☐ Paddlewheels ☐ Pull-Tabs ☐ Tipboards ☐ Raffle

Gambling equipment for bingo paper, bingo boards, raffle boards, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo ball selection devices may be borrowed from another organization authorized to conduct bingo. To find a licensed distributor, go to ***www.mn.gov/gcb*** and click on ***Distributors*** under the ***List of Licensees*** tab, or call 651-539-1900.

LG220 Application for Exempt Permit

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)

CITY APPROVAL
for a gambling premises
located within city limits

☐ The application is acknowledged with no waiting period.

☐ The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).

☐ The application is denied.

Print City Name: ____________________

Signature of City Personnel:

____

Title: ____________________ Date: ____________

The city or county must sign before submitting application to the Gambling Control Board.

COUNTY APPROVAL
for a gambling premises
located in a township

☐ The application is acknowledged with no waiting period.

☐ The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days.

☐ The application is denied.

Print County Name: ____________________

Signature of County Personnel:

____

Title: ____________________ Date: ____________

TOWNSHIP (if required by the county)
On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 349.213.)

Print Township Name: ____________________

Signature of Township Officer: ____________________

Title: ____________________ Date: ____________

CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer's Signature: ____________________ Date: Aug 27, 2026
(Signature must be CEO's signature; designee may not sign)

Print Name: Loren Liepold

REQUIREMENTS

Complete a separate application for:

- all gambling conducted on two or more consecutive days; or
- all gambling conducted on one day.

Only one application is required if one or more raffle drawings are conducted on the same day.

Financial report to be completed within 30 days after the gambling activity is done:
A financial report form will be mailed with your permit. Complete and return the financial report form to the Gambling Control Board.

Your organization must keep all exempt records and reports for 3-1/2 years (Minn. Statutes, section 349.166, subd. 2(f)).

MAIL APPLICATION AND ATTACHMENTS

Mail application with:

____ a copy of your proof of nonprofit status; and

____ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is **$100**; otherwise the fee is **$150**. Make check payable to **State of Minnesota**.

To: Minnesota Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, MN 55113

Questions?
Call the Licensing Section of the Gambling Control Board at 651-539-1900.

Expense Approval Report
By Fund

Windom, MN

Payment Dates 8/15/2026 - 8/28/2026

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Fund: 100 - GENERAL					
MN REVENUE	July 2026	08/26/2026	Sales Tax	100-20202	3,333.00
MN REVENUE	July 2026	08/26/2026	Sales Tax	100-20202	144.00
MN REVENUE	July 2026	08/26/2026	Sales Tax	100-20202	48.00
MN REVENUE	July 2026	08/26/2026	Sales Tax	100-20202	34,290.00
					37,815.00
Activity: 41110 - Mayor & Council					
KENNEDY & GRAVEN , CHART…	194640	08/11/2026	Legal Fees	100-41110-304	1,480.98
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-41110-326	27.51
CITIZEN PUBLISHING CO	07/31/2026	08/21/2026	Monthly Statement - July 2026	100-41110-350	132.40
COTTONWOOD CO ASSESSOR	August 2026 - August 2027	08/13/2026	Beacon Subscription	100-41110-433	57.14
CONVENT. & VISITOR BUREAU	August 2026	08/25/2026	August 2026 Lodging Tax	100-41110-491	5,324.32
			Activity 41110 - Mayor & Council Total:		**7,022.35**
Activity: 41310 - Administration					
WEX Health Inc	0002437038-IN	08/11/2026	PARTICIPANT FEE (ADMIN)	100-41310-217	91.25
A & B BUSINESS	IN1387989-2	08/26/2026	Maint Contract - Shortage	100-41310-217	6.43
WINDOM PRINTING LLC	T26267	08/12/2026	City Hall Supplies	100-41310-217	277.50
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-41310-321	71.64
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-41310-326	337.60
			Activity 41310 - Administration Total:		**784.42**
Activity: 41410 - Elections					
CITIZEN PUBLISHING CO	07/31/2026	08/21/2026	Monthly Statement - July 2026	100-41410-350	945.20
			Activity 41410 - Elections Total:		**945.20**
Activity: 41910 - Building & Zoning					
MN SECRETARY OF STATE	08/24/2026	08/24/2026	EDA- Supplies (Map Purchase)	100-41910-200	33.00
A & B BUSINESS	IN1387989-2	08/26/2026	Maint Contract - Shortage	100-41910-217	2.79
KENNEDY & GRAVEN , CHART…	EDA - WN210-00016	08/11/2026	Legal Fees	100-41910-304	102.50
KENNEDY & GRAVEN , CHART…	Zoning WN210-00003	08/11/2026	Legal Fee	100-41910-304	287.00
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-41910-321	57.71
COTTONWOOD CO ASSESSOR	August 2026 - August 2027	08/13/2026	Beacon Subscription	100-41910-433	57.15
			Activity 41910 - Building & Zoning Total:		**540.15**
Activity: 41940 - City Hall					
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-41940-381	720.09
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-41940-382	105.69
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-41940-385	209.51
CRISTINA MAZARIEGOS	July 1 - July 31	08/13/2026	Cleaning	100-41940-406	1,650.00
			Activity 41940 - City Hall Total:		**2,685.29**
Activity: 42120 - Crime Control					
STREICHER'S, INC	I1842287	08/14/2026	Police Dept- Uniforms	100-42120-218	379.89
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-42120-321	28.19
Midwest 911 Cars, Inc	INV-2600025	08/12/2026	Police Unit 26-2	100-42120-323	791.90
DANIEL GARDINER	73491672171018	08/14/2026	Police- Travel & Meals	100-42120-334	563.93
COTTONWOOD CO AUD/TREAS	September 2026	08/14/2026	September Jail Rent	100-42120-412	2,152.50
ENTERPRISE FM TRUST	613153-080526 Police	08/17/2026	Police- Vehicle Lease	100-42120-419	517.69
			Activity 42120 - Crime Control Total:		**4,434.10**
Activity: 42220 - Fire Fighting					
A & B BUSINESS	IN1387989-2	08/26/2026	Maint Contract - Shortage	100-42220-217	0.85
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-42220-321	43.02
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-42220-381	510.49
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-42220-382	19.19
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-42220-385	43.97
JORDAN BUSSA	Inv. 03	08/11/2026	July 2026 Mowing	100-42220-406	300.00

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
COTTONWOOD CO ASSESSOR	August 2026 - August 2027	08/13/2026	Beacon Subscription	100-42220-433	57.14
				Activity 42220 - Fire Fighting Total:	**974.66**
Activity: 42500 - Civil Defense					
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-42500-381	36.95
				Activity 42500 - Civil Defense Total:	**36.95**
Activity: 43100 - Streets					
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-43100-217	100.00
A & B BUSINESS	IN1387989-2	08/26/2026	Maint Contract - Shortage	100-43100-217	0.82
DUININCK	571762	08/21/2026	Street Materials	100-43100-224	801.00
UNIQUE PAVING MATERIALS ...	96271	08/12/2026	Street supplies	100-43100-224	2,418.32
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-43100-321	20.55
COTTONWOOD CO ASSESSOR	August 2026 - August 2027	08/13/2026	Beacon Subscription	100-43100-326	57.14
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-43100-381	315.99
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-43100-381	1,669.29
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-43100-382	21.02
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-43100-385	46.06
WINDOM AUTO VALUE	34338658	08/24/2026	Street- Materials	100-43100-405	2.99
				Activity 43100 - Streets Total:	**5,453.18**
Activity: 45120 - Recreation					
RON'S ELECTRIC INC	157442	08/24/2026	Ball Field AED Island Park	100-45120-217	748.37
FREEDOM SECURITY & SURVEI...	2729	08/14/2026	Recreation - Other Operating ...	100-45120-217	218.75
KULSETH LAWN LANDSCAPE &...	6862	08/04/2026	Parks & Rec Grounds	100-45120-217	2,002.50
				Activity 45120 - Recreation Total:	**2,969.62**
Activity: 45202 - Park Areas					
SCHILLING SUPPLY COMPANY	1064046-00	08/13/2026	Street - Supplies	100-45202-211	341.06
SCHILLING SUPPLY COMPANY	1064046-01	08/21/2026	Street- Supplies	100-45202-211	132.39
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-45202-326	266.67
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-45202-381	883.38
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-45202-382	163.19
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	100-45202-385	212.30
MTI DISTRIBUTING, INC	1536413-00	08/24/2026	Street - Materials	100-45202-404	374.82
WINDOM AUTO VALUE	34338828	08/24/2026	Street- Lawn Mower	100-45202-404	74.78
WINDOM AUTO VALUE	34338831	08/24/2026	Street- Lawn Mower	100-45202-404	91.98
KULSETH LAWN LANDSCAPE &...	6862	08/04/2026	Parks & Rec Grounds	100-45202-406	2,002.50
				Activity 45202 - Park Areas Total:	**4,543.07**
				Fund 100 - GENERAL Total:	**68,203.99**
Fund: 211 - LIBRARY					
Activity: 45501 - Library					
PLUM CREEK LIBRARY	000264	08/21/2026	Library- Supplies	211-45501-200	340.00
INDOFF, INC	3874928	08/14/2026	Library- Supplies	211-45501-200	58.90
DEMCO INC	7838734	08/10/2026	Library Books	211-45501-200	195.46
A & B BUSINESS	IN1387989-2	08/26/2026	Maint Contract - Shortage	211-45501-217	24.97
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	211-45501-321	166.03
PLUM CREEK LIBRARY	000261	08/21/2026	Library Books	211-45501-326	835.00
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	211-45501-326	95.00
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	211-45501-381	455.11
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	211-45501-382	21.67
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	211-45501-385	48.19
VESTIS GROUP, INC	2560518793	08/17/2026	Library- Supplies	211-45501-402	49.12
MICROMARKETING, LLC	1002392	08/10/2026	Library- Books	211-45501-435	29.74
INGRAM INDUSTRIES	98567131	08/21/2026	Library Books	211-45501-435	107.00
INGRAM INDUSTRIES	98635323	08/21/2026	Library- Books	211-45501-435	28.04
INGRAM INDUSTRIES	98695257	08/24/2026	Library - Books	211-45501-435	46.91
MICROMARKETING, LLC	999400	08/10/2026	Library- Books	211-45501-435	71.40
				Activity 45501 - Library Total:	**2,572.54**
				Fund 211 - LIBRARY Total:	**2,572.54**

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Fund: 225 - AIRPORT					
Activity: 45127 - Airport					
DOOLEY'S PETROLEUM, INC	914818	08/24/2026	Airport Jet Fuel	225-45127-264	12,000.00
SOUTHWEST MN BROADBAND...	08/15/2026	08/15/2026	Airport-TELEPHONE	225-45127-321	31.23
SOUTH CENTRAL ELECTRIC	July 1 - July 31 Airport 367400	08/24/2026	Airport - Electric Utility	225-45127-381	247.00
SOUTH CENTRAL ELECTRIC	July 1 - July 31 Airport 367403	08/24/2026	Airport - Electric Utility	225-45127-381	172.68
SYN-TECH SYSTEMS, INC	338067	08/12/2026	Airport Maintenance	225-45127-404	1,675.00
ENTERPRISE FM TRUST	613153-080526 Airport	08/17/2026	Airport - Vehicle Lease	225-45127-419	297.74
				Activity 45127 - Airport Total:	**14,423.65**
Activity: 49950 - Capital Outlay					
SEH	513305	08/13/2026	Airport Roof Project	225-49950-500	8,084.00
				Activity 49950 - Capital Outlay Total:	**8,084.00**
				Fund 225 - AIRPORT Total:	**22,507.65**
Fund: 235 - AMBULANCE					
WILLIAM JULIN	26-E1490395	08/14/2026	Ambulance - Refund	235-33436	777.00
Judith Ray	26-E498921	08/14/2026	Ambulance - Refund	235-33436	50.00
					827.00
Activity: 42153 - Ambulance					
A & B BUSINESS	IN1387989-2	08/26/2026	Maint Contract - Shortage	235-42153-217	0.39
KENNEDY & GRAVEN , CHART...	Ambulance WN210-00015	08/11/2026	Legal Fees	235-42153-304	512.50
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	235-42153-321	28.68
EMS MANAGEMENT &CONSU...	EMS-028894	08/14/2026	Ambulance - Services	235-42153-326	4,055.57
APRIL PETERSON	08/06/2026	08/17/2026	Ambulance Meals	235-42153-334	38.83
JENNA VACHUSKA	08/08/2026	08/17/2026	Ambulance Meals	235-42153-334	25.58
CYNDI HANSEN	08/12/2026	08/17/2026	Ambulance Meals	235-42153-334	23.80
JUSTIN HARRINGTON	08/12/2026-8/13/2026	08/17/2026	Ambulance- Meals	235-42153-334	55.71
MEGAN BRAMSTEDT	08/13/2026	08/17/2026	Ambulance Meals	235-42153-334	26.14
LEESA ARNDT	08/14/2026	08/17/2026	Ambulance Meals	235-42153-334	21.34
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	235-42153-381	340.32
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	235-42153-382	12.79
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	235-42153-385	29.32
PAUL MARSH	37819	08/12/2026	Ambulance Unit 27	235-42153-405	114.70
JORDAN BUSSA	Inv. 03	08/11/2026	July 2026 Mowing	235-42153-406	300.00
				Activity 42153 - Ambulance Total:	**5,585.67**
				Fund 235 - AMBULANCE Total:	**6,412.67**
Fund: 250 - EDA GENERAL					
Activity: 46520 - EDA					
A & B BUSINESS	IN1387989-2	08/26/2026	Maint Contract - Shortage	250-46520-217	2.77
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	250-46520-321	57.71
CITIZEN PUBLISHING CO	07/31/2026	08/21/2026	Monthly Statement - July 2026	250-46520-340	1,030.05
CITIZEN PUBLISHING CO	07/31/2026	08/21/2026	Monthly Statement - July 2026	250-46520-350	163.50
SOUTH CENTRAL ELECTRIC	07/01/2026 - 07/31/2026 NW...	08/24/2026	EDA- Electric Utility	250-46520-381	135.41
FEDERATED RURAL ELECTRIC	6/30/2026 - 7/31/2026 EDA	08/10/2026	Rate A Base Charge	250-46520-381	49.00
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	250-46520-381	58.37
COTTONWOOD CO ASSESSOR	August 2026 - August 2027	08/13/2026	Beacon Subscription	250-46520-433	57.15
				Activity 46520 - EDA Total:	**1,553.96**
				Fund 250 - EDA GENERAL Total:	**1,553.96**
Fund: 309 - 2025 STREET PROJECT					
Activity: 41000 - General Government					
DGR ENGINEERING	00285093	08/18/2026	2025 Alley Improvements	309-41000-303	667.50
				Activity 41000 - General Government Total:	**667.50**
				Fund 309 - 2025 STREET PROJECT Total:	**667.50**

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Fund: 312 - 2025 Storm Sewer Improvement - 18th Avenue					
Activity: 41000 - General Government					
CITIZEN PUBLISHING CO	07/31/2026	08/21/2026	Monthly Statement - July 2026	312-41000-480	557.75
				Activity 41000 - General Government Total:	**557.75**
				Fund 312 - 2025 Storm Sewer Improvement - 18th Avenue Total:	**557.75**
Fund: 313 - 2026 1ST AVENUE PROJECT					
Activity: 41000 - General Government					
DGR ENGINEERING	00285103	08/18/2026	2026 Street Improvements	313-41000-303	37,967.36
GEOTEK ENGINEERING & TEST…	0089908	08/21/2026	Street- First Avenue Project	313-41000-303	490.30
SVOBODA EXCAVATING, INC	7/17/2026 to 8/12/2026	08/14/2026	Payment # 4 First Avenue Pro…	313-41000-480	408,724.67
				Activity 41000 - General Government Total:	**447,182.33**
				Fund 313 - 2026 1ST AVENUE PROJECT Total:	**447,182.33**
Fund: 401 - GENERAL CAPITAL PROJECTS					
Activity: 49950 - Capital Outlay					
CITY OF WINDOM	7-8-2026 25-820-1000	07/17/2026	W6 of Alley Btw Lots 2 & 32 ; …	401-49950-503	6,260.00
				Activity 49950 - Capital Outlay Total:	**6,260.00**
				Fund 401 - GENERAL CAPITAL PROJECTS Total:	**6,260.00**
Fund: 601 - WATER					
Activity: 49400 - Water					
HAWKINS, INC	7540766	08/21/2026	Water / Wastewater Chemicals	601-49400-216	5,504.87
A & B BUSINESS	IN1387989-2	08/26/2026	Maint Contract - Shortage	601-49400-217	0.88
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	601-49400-321	51.66
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	601-49400-326	95.00
FEDERATED RURAL ELECTRIC	6/30/2026 - 7/31/2026 Water…	08/10/2026	July 2026	601-49400-381	44.00
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	601-49400-381	6,522.48
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	601-49400-382	21.08
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	601-49400-385	46.26
MN VALLEY TESTING	1371924	08/14/2026	Sewer- Lab Testing / Landfill	601-49400-386	2,790.00
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	601-49400-386	857.32
				Activity 49400 - Water Total:	**15,933.55**
				Fund 601 - WATER Total:	**15,933.55**
Fund: 602 - SEWER					
Activity: 49450 - Sewer					
HAWKINS, INC	7533822	08/17/2026	Water/ Sewer- Chemicals	602-49450-216	10.00
HAWKINS, INC	7540768	08/21/2026	Water/ Wastewater Chemicals	602-49450-216	1,450.31
A & B BUSINESS	IN1387989-2	08/26/2026	Maint Contract - Shortage	602-49450-217	3.07
MN VALLEY TESTING	1371341	08/12/2026	Sewer - Lab Testing	602-49450-310	126.00
MN VALLEY TESTING	1371529	08/13/2026	Sewer- Lab Testing	602-49450-310	266.80
MN VALLEY TESTING	1371537	08/13/2026	Sewer- Lab Testing	602-49450-310	141.60
MN VALLEY TESTING	1372376	08/19/2026	Lab Testing	602-49450-310	170.80
MN VALLEY TESTING	1372414	08/19/2026	Water - Wastewater Lab Testig	602-49450-310	153.20
MN VALLEY TESTING	1372416	08/19/2026	Water - Wastewater Lab Testi…	602-49450-310	266.80
MN VALLEY TESTING	1372465	08/19/2026	Water /Wastewater Lab Testi…	602-49450-310	126.00
MN VALLEY TESTING	1373201	08/25/2026	Water- Wastewater - Lab Test…	602-49450-310	186.80
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	602-49450-321	176.68
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	602-49450-326	95.00
SOUTH CENTRAL ELECTRIC	07/01/2026-07/31/2026 Sewer	08/24/2026	Sewer - Electric Utility	602-49450-381	110.58
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	602-49450-381	10,110.50
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	602-49450-382	51.84
INTERSTATE POWER SYSTEMS	R024098706	08/24/2026	GENERATOR SERVICE CONTR…	602-49450-408	1,804.00
INTERSTATE POWER SYSTEMS	R024098707	08/24/2026	GENERATOR SERVICE CONTR…	602-49450-408	1,895.00
CORE & MAIN LP	Z458987	08/24/2026	Water/Wastewater - Storm G…	602-49450-408	433.24
				Activity 49450 - Sewer Total:	**17,578.22**
				Fund 602 - SEWER Total:	**17,578.22**
Fund: 604 - ELECTRIC					
ELECTRIC FUND	# 801 Return	08/17/2026	Electric- Inventory	604-14200	230.34
ELECTRIC FUND	803 return	08/20/2026	inventory	604-14200	18.51

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
BORDER STATES	932998386	08/21/2026	supplies	604-14200	235.18
ELECTRIC FUND	1210	08/13/2026	Electric- Capital	604-16300	5,237.16
ELECTRIC FUND	1211	08/17/2026	Electric- Capital	604-16300	2,736.71
ELECTRIC FUND	1214	08/21/2026	Electric Capital 1st Ave Project	604-16300	656.53
TANTALUS SYSTEMS INC.	33118	08/18/2026	AMI Meter Project	604-16300	3,819.11
ELECTRIC FUND	8/03/2026 - 8/16/2026	08/17/2026	Electric- Improvements	604-16300	12,740.00
ELECTRIC FUND	804 Return	08/20/2026	Electric Capital First Avenue P...	604-16300	4.12
Yessy A Sarmiento Carpio	52016-7	08/11/2026	Electric Refund	604-22000	300.00
					25,977.66
Activity: 49550 - Electric					
JOHNSON HARDWARE	17750	08/20/2026	CHAIN SAW CASE	604-49550-217	49.95
BORDER STATES	932882843	07/31/2026	MMM - 35-RED-3/4X66FT COD...	604-49550-217	-136.80
DGR ENGINEERING	00285287	08/24/2026	Electric- Engineering Services	604-49550-303	343.50
DGR ENGINEERING	00285586	08/24/2026	Electric- Engineering Services	604-49550-303	71.50
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	604-49550-321	51.63
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	604-49550-326	114.66
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	604-49550-381	150.32
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	604-49550-382	79.89
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	604-49550-385	145.05
CARQUEST - SMITH AUTO SUP...	004774	08/20/2026	Electric- Vehicle Maint	604-49550-405	227.84
GRUNEWALD FRAME & GLASS...	026442	08/21/2026	Electric Vehicle Maint #350	604-49550-405	121.07
WINDOM AUTO VALUE	34337813	08/20/2026	Electric - Vehicle Maint.	604-49550-405	51.98
ELECTRIC FUND	1209	08/13/2026	Electric- Distribution	604-49550-408	45.17
ELECTRIC FUND	1212	08/20/2026	EL Truck Stock	604-49550-408	106.81
ELECTRIC FUND	1213	08/20/2026	604-408	604-49550-408	583.84
ELECTRIC FUND	800 RETURN	08/12/2026	Electric Inventory	604-49550-408	18.51
J. H. LARSON	S103678746.001	08/18/2026	Electric- Supplies	604-49550-408	40.44
COTTONWOOD CO ASSESSOR	August 2026 - August 2027	08/13/2026	Beacon Subscription	604-49550-433	57.14
MN REVENUE	July 2026	08/26/2026	Sales Tax	604-49550-460	467.00
				Activity 49550 - Electric Total:	**2,589.50**
				Fund 604 - ELECTRIC Total:	**28,567.16**
Fund: 609 - LIQUOR STORE					
MN REVENUE	July 2026	08/26/2026	Sales Tax	609-20202	22,162.00
					22,162.00
Activity: 49751 - Liquor Store					
VESTIS GROUP, INC	2560518795	08/13/2026	Liquor Store- Cleaning Supplies	609-49751-211	78.76
AH HERMEL COMPANY	1129422	08/12/2026	Liquor Store- Tobacco & Soft ...	609-49751-217	92.38
BELLBOY CORP	0212332700	08/20/2026	LIQUOR	609-49751-251	739.50
JOHNSON BROS.	1118221	08/13/2026	Liquor Store- Liquor	609-49751-251	1,424.27
JOHNSON BROS.	1122818	08/21/2026	liquor	609-49751-251	1,840.20
BREAKTHRU BEVERAGE MN W...	128367543	08/17/2026	Liquor Store- Liquor	609-49751-251	2,173.83
DOLL DISTRIBUTING, LLC	2117716	08/12/2026	Liquor Store- Liquor Credit	609-49751-251	-90.00
DOLL DISTRIBUTING, LLC	2119097	08/13/2026	BUD LT PLAT 6 PK BTL	609-49751-251	-74.48
DOLL DISTRIBUTING, LLC	2119098	08/13/2026	GOLDEN ROAD MANGO 12P	609-49751-251	247.50
DOLL DISTRIBUTING, LLC	2125073	08/20/2026	BEER	609-49751-251	43.38
DOLL DISTRIBUTING, LLC	2125075	08/20/2026	LOON VARIETY 12PKCN	609-49751-251	94.10
SOUTHERN GLAZER'S OF MN	2792177	08/14/2026	Liquor Store- Liquor	609-49751-251	2,603.68
SOUTHERN GLAZER'S OF MN	2792178	08/14/2026	Liquor Store- Liquor	609-49751-251	0.01
SOUTHERN GLAZER'S OF MN	2792178	08/14/2026	Liquor Store- Liquor	609-49751-251	-0.01
SOUTHERN GLAZER'S OF MN	2794840	08/20/2026	LIQUOR	609-49751-251	2,074.35
BEVERAGE WHOLESALERS	448809	08/13/2026	BEER	609-49751-251	432.00
BEVERAGE WHOLESALERS	449944	08/20/2026	BEER, LIQUOR	609-49751-251	420.80
PHILLIPS WINE & SPIRITS	5220710	08/13/2026	Liquor Store- Liquor	609-49751-251	2,454.83
PHILLIPS WINE & SPIRITS	5224273	08/20/2026	LIQUOR	609-49751-251	681.44
PHILLIPS WINE & SPIRITS	590107	08/17/2026	Liquor Store- Liquor	609-49751-251	-19.50
PHILLIPS WINE & SPIRITS	590108	08/17/2026	Liquor Store- Liquor	609-49751-251	-45.00
DOLL DISTRIBUTING, LLC	2119097	08/13/2026	BUD LT PLAT 6 PK BTL	609-49751-252	-22.04
DOLL DISTRIBUTING, LLC	2119098	08/13/2026	GOLDEN ROAD MANGO 12P	609-49751-252	5,205.20
DOLL DISTRIBUTING, LLC	2125073	08/20/2026	BEER	609-49751-252	-16.80

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
DOLL DISTRIBUTING, LLC	2125074	08/20/2026	BEER	609-49751-252	445.90
DOLL DISTRIBUTING, LLC	2125075	08/20/2026	LOON VARIETY 12PKCN	609-49751-252	10,604.10
ARTISAN BEER COMPANY	3880271	08/13/2026	Liquor Store- Beer	609-49751-252	30.75
ARTISAN BEER COMPANY	3882105	08/20/2026	BEER	609-49751-252	159.95
BEVERAGE WHOLESALERS	448809	08/13/2026	BEER	609-49751-252	6,155.75
BEVERAGE WHOLESALERS	449944	08/20/2026	BEER, LIQUOR	609-49751-252	12,693.30
ARTISAN BEER COMPANY	458972	08/21/2026	Liquor Store- Beer	609-49751-252	-15.36
DOLL DISTRIBUTING, LLC	921253	08/13/2026	BUD 18PK CAN	609-49751-252	16.45
JOHNSON BROS.	1118222	08/13/2026	Liquor Store- Wine	609-49751-253	498.84
JOHNSON BROS.	1122819	08/21/2026	Wine	609-49751-253	720.00
SOUTHERN GLAZER'S OF MN	2792179	08/14/2026	Liquor Store- Wine	609-49751-253	101.84
SOUTHERN GLAZER'S OF MN	2794841	08/20/2026	WINE	609-49751-253	385.90
PAUSTIS WINE COMPANY	301670	08/20/2026	Winehaven Strawberry\Rhuba…	609-49751-253	408.00
PHILLIPS WINE & SPIRITS	5220711	08/13/2026	Liquor Store- Wine	609-49751-253	264.00
PHILLIPS WINE & SPIRITS	5224274	08/20/2026	WINE	609-49751-253	167.90
JOHNSON BROTHERS LIQUOR …	7575740	08/13/2026	Liquor Store- Wine	609-49751-253	1,849.60
ATLANTIC COCA-COLA	1000234977	08/20/2026	pop	609-49751-254	256.56
JOHNSON BROS.	1122819	08/21/2026	Wine	609-49751-254	37.00
AH HERMEL COMPANY	1129422	08/12/2026	Liquor Store- Tobacco & Soft …	609-49751-254	25.38
AH HERMEL COMPANY	1129422	08/12/2026	Liquor Store- Tobacco & Soft …	609-49751-256	138.19
ARTISAN BEER COMPANY	3880272	08/13/2026	Liquor Store- THC	609-49751-258	539.10
DOLL DISTRIBUTING, LLC	2119098	08/13/2026	GOLDEN ROAD MANGO 12P	609-49751-259	141.50
DOLL DISTRIBUTING, LLC	2125073	08/20/2026	BEER	609-49751-259	33.60
DOLL DISTRIBUTING, LLC	2125075	08/20/2026	LOON VARIETY 12PKCN	609-49751-259	150.30
BEVERAGE WHOLESALERS	448809	08/13/2026	BEER	609-49751-259	32.00
BEVERAGE WHOLESALERS	449944	08/20/2026	BEER, LIQUOR	609-49751-259	59.70
BELLBOY CORP	0111533400	08/20/2026	BAR SUPPLIES	609-49751-261	207.70
AH HERMEL COMPANY	1129422	08/12/2026	Liquor Store- Tobacco & Soft …	609-49751-261	10.00
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	609-49751-321	226.90
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	609-49751-326	94.66
BELLBOY CORP	0111533400	08/20/2026	BAR SUPPLIES	609-49751-333	6.98
BELLBOY CORP	0212332700	08/20/2026	LIQUOR	609-49751-333	16.50
JOHNSON BROS.	1118221	08/13/2026	Liquor Store- Liquor	609-49751-333	21.28
JOHNSON BROS.	1118222	08/13/2026	Liquor Store- Wine	609-49751-333	13.37
JOHNSON BROS.	1122818	08/21/2026	liquor	609-49751-333	29.80
JOHNSON BROS.	1122819	08/21/2026	Wine	609-49751-333	27.43
AH HERMEL COMPANY	1129422	08/12/2026	Liquor Store- Tobacco & Soft …	609-49751-333	9.95
BREAKTHRU BEVERAGE MN W…	128367543	08/17/2026	Liquor Store- Liquor	609-49751-333	29.91
DOLL DISTRIBUTING, LLC	2119098	08/13/2026	GOLDEN ROAD MANGO 12P	609-49751-333	7.00
DOLL DISTRIBUTING, LLC	2125075	08/20/2026	LOON VARIETY 12PKCN	609-49751-333	7.00
SOUTHERN GLAZER'S OF MN	2792177	08/14/2026	Liquor Store- Liquor	609-49751-333	62.18
SOUTHERN GLAZER'S OF MN	2792178	08/14/2026	Liquor Store- Liquor	609-49751-333	10.25
SOUTHERN GLAZER'S OF MN	2792179	08/14/2026	Liquor Store- Wine	609-49751-333	4.10
SOUTHERN GLAZER'S OF MN	2794840	08/20/2026	LIQUOR	609-49751-333	29.72
SOUTHERN GLAZER'S OF MN	2794841	08/20/2026	WINE	609-49751-333	9.22
PAUSTIS WINE COMPANY	301670	08/20/2026	Winehaven Strawberry\Rhuba…	609-49751-333	10.00
BEVERAGE WHOLESALERS	448809	08/13/2026	BEER	609-49751-333	5.00
BEVERAGE WHOLESALERS	449944	08/20/2026	BEER, LIQUOR	609-49751-333	5.00
PHILLIPS WINE & SPIRITS	5220710	08/13/2026	Liquor Store- Liquor	609-49751-333	64.71
PHILLIPS WINE & SPIRITS	5220711	08/13/2026	Liquor Store- Wine	609-49751-333	12.66
PHILLIPS WINE & SPIRITS	5224273	08/20/2026	LIQUOR	609-49751-333	15.65
PHILLIPS WINE & SPIRITS	5224274	08/20/2026	WINE	609-49751-333	8.44
PHILLIPS WINE & SPIRITS	590108	08/17/2026	Liquor Store- Liquor	609-49751-333	-2.11
JOHNSON BROTHERS LIQUOR …	7575740	08/13/2026	Liquor Store- Wine	609-49751-333	40.09
WINDOM FIRE DEPT.	8/15/2026	08/20/2026	2027 Fire Department Calend…	609-49751-340	600.00
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	609-49751-381	1,091.20
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	609-49751-382	22.98
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	609-49751-385	47.86
MN REVENUE	July 2026	08/26/2026	Sales Tax	609-49751-460	15.00

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
WINDOM COMMUNITY CENT…	R202698	08/13/2026	MP Room Rent	609-49751-480	415.00
				Activity 49751 - Liquor Store Total:	**59,414.08**
				Fund 609 - LIQUOR STORE Total:	**81,576.08**
Fund: 614 - TELECOM					
INTERNAL REVENUE SERVICE	Aug 26	08/26/2026	Excise Tax Posting	614-20201	250.00
INTERNAL REVENUE SERVICE	Jul-26 Final	08/26/2026	Excise Tax Posting	614-20201	297.66
MN 9-1-1 PROGRAM	July 2026	08/14/2026	911 Services	614-20206	696.56
MN 9-1-1 PROGRAM	June 2026	08/14/2026	911 Services	614-20206	700.86
					1,945.08
Activity: 49870 - Telecom					
CITY LAUNDERING CO.	2265844	08/14/2026	Telecom- Cleaning Supplies	614-49870-211	30.67
AMAZON CAPITAL SERVICES, I…	1MD1-HK3K-LG74	08/18/2026	Telecom- Supplies	614-49870-217	278.38
AMAZON CAPITAL SERVICES, I…	1V43-CLJV-FKCK	08/21/2026	Desk Phone & Power Supply (2)	614-49870-217	757.38
COTTONWOOD CO ASSESSOR	August 2026 - August 2027	08/13/2026	Beacon Subscription	614-49870-217	57.14
A & B BUSINESS	IN1387989-2	08/26/2026	Maint Contract - Shortage	614-49870-217	1.40
KENNEDY & GRAVEN , CHART…	Telecom	08/11/2026	Legal Fees	614-49870-304	276.75
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	614-49870-321	192.18
NEUSTAR INFORMATION SERV…	L-0000055138	08/14/2026	Telecom- Data Processing	614-49870-326	3.75
CITIZEN PUBLISHING CO	07/31/2026	08/21/2026	Monthly Statement - July 2026	614-49870-350	209.00
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	614-49870-381	2,348.56
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	614-49870-382	21.98
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	614-49870-385	44.74
TITAN ENERGY SYSTEMS INC	#INV8152	08/19/2026	Telecom- Maint.	614-49870-404	1,509.00
VIKING AUTOMATIC SPRINKLE…	1025-F502657	08/11/2026	SEMI-ANNUAL: Inspection	614-49870-404	735.00
PAUL MARSH	37857	08/14/2026	Telecom- Vehicle Maint.	614-49870-405	774.02
ENTERPRISE FM TRUST	613153-080526 Telecom	08/17/2026	Telecom- Vehicle Lease	614-49870-419	537.16
CENTURY LINK	LX017082026234	08/25/2026	Directory Listings	614-49870-441	491.00
SOUTHWEST MN BROADBAND…	08/15/2026 Telecom	08/18/2026	Streaming Video Subs - July	614-49870-442	1,695.00
ICONECTIV	L-10687443	08/13/2026	Switch Fees	614-49870-445	661.08
MANKATO NETWORKS, LLC	390770	08/12/2026	Telecom- Internet Expense	614-49870-447	1,121.25
MANKATO NETWORKS, LLC	390774	08/12/2026	Telecom- Internet Expense	614-49870-447	1,342.42
CENTURY LINK	8/16/2026 - 9/15/2026	08/25/2026	Monthly Charges 507-831-10…	614-49870-451	97.65
MN REVENUE	July 2026	08/26/2026	Sales Tax	614-49870-460	211.00
				Activity 49870 - Telecom Total:	**13,396.51**
				Fund 614 - TELECOM Total:	**15,341.59**
Fund: 615 - ARENA					
Activity: 49850 - Arena					
DELL MARKETING L.P.	10874507765	08/14/2026	Arena- Supplies	615-49850-217	1,081.54
A & B BUSINESS	IN1387989-2	08/26/2026	Maint Contract - Shortage	615-49850-217	1.43
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	615-49850-321	127.72
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	615-49850-326	395.00
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	615-49850-381	2,820.53
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	615-49850-382	1,713.57
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	615-49850-385	97.64
BECKER ARENA PRODUCTS, INC	619874	08/06/2026	Arena- Supplies	615-49850-401	2,718.08
				Activity 49850 - Arena Total:	**8,955.51**
				Fund 615 - ARENA Total:	**8,955.51**
Fund: 617 - M/P CENTER					
MN REVENUE	July 2026	08/26/2026	Sales Tax	617-20202	570.00
					570.00
Activity: 49860 - M/P Center					
VESTIS GROUP, INC	2560518806	08/13/2026	Community Center- Cleaning …	617-49860-211	20.54
DOLL DISTRIBUTING, LLC	2119106	08/12/2026	Community Center - Liquor Or…	617-49860-251	105.30
DOLL DISTRIBUTING, LLC	2119106	08/12/2026	Beer	617-49860-252	73.15
BEVERAGE WHOLESALERS	733350	08/19/2026	WCC- Beer	617-49860-252	210.80
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	617-49860-321	66.17
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	617-49860-326	543.33
DOLL DISTRIBUTING, LLC	2119106	08/12/2026	Delivery fee	617-49860-333	7.00

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
BEVERAGE WHOLESALERS	733350	08/19/2026	WCC- Freight	617-49860-333	5.00
CITIZEN PUBLISHING CO	07/31/2026	08/21/2026	Monthly Statement - July 2026	617-49860-340	411.15
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	617-49860-381	1,682.21
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	617-49860-382	70.17
ELECTRIC FUND	CITY UTILITIES AUGUST 2026	08/13/2026	MONTHLY UTILITY	617-49860-385	152.75
MATTHEW L MASTERS	04/20/2026	08/21/2026	Bob Byers Fund - Grounds	617-49860-406	1,471.75
				Activity 49860 - M/P Center Total:	**4,819.32**
				Fund 617 - M/P CENTER Total:	**5,389.32**
Fund: 700 - PAYROLL					
Internal Revenue Service-Payr…	INV0002863	08/21/2026	Federal Tax Withholding	700-21701	11,798.17
MN Department of Revenue - …	INV0002864	08/21/2026	State Withholding	700-21702	6,670.27
Internal Revenue Service-Payr…	INV0002863	08/21/2026	Social Security	700-21703	15,650.02
MN Pera	INV0002861	08/21/2026	PERA	700-21704	10,308.22
MN Pera	INV0002861	08/21/2026	PERA	700-21704	17,649.89
MN Pera	INV0002861	08/21/2026	PERA	700-21704	933.66
MN State Deferred	INV0002862	08/21/2026	Deferred Compensation	700-21705	3,055.00
MN State Deferred	INV0002862	08/21/2026	Deferred Roth	700-21705	1,272.00
STATE OF MINNESOTA MANA…	September 2026	08/13/2026	Health Insurance - Dental PEIP	700-21706	28,146.64
NECA IBEW FAMILY MEDICAL …	September 2026	08/13/2026	Health Insurance	700-21706	48,689.14
LOCAL UNION #949	August 2026	08/12/2026	Union Dues	700-21707	1,849.49
LAW ENFORCEMENT LABOR S…	August 2026	08/12/2026	PD Union Dues	700-21708	584.00
Internal Revenue Service-Payr…	INV0002863	08/21/2026	Medicare Withholding	700-21711	4,639.92
WEX Health Inc	08/14/2026	08/18/2026	Flex Spending	700-21712	105.00
WEX Health Inc	08/21/2026	08/25/2026	Flex Spending	700-21712	50.00
WEX Health Inc	08/25/2026	08/25/2026	Flex Spending	700-21712	81.60
WEX Health Inc	8/13/2026	08/13/2026	Flex Spending	700-21712	295.06
WEX Health Inc	8/4/2026	08/13/2026	Flex Spending	700-21712	19.46
AFLAC	829342	08/13/2026	Insurance	700-21715	499.73
AFLAC	829342	08/13/2026	Insurance	700-21716	526.79
MN BENEFIT ASSOCIATION	2026-0404321	08/21/2026	Sept Premium	700-21719	765.35
WEX Health Inc	INV0002860	08/21/2026	VEBA Employer Contribution	700-21720	4,875.05
WEX Health Inc	INV0002859	08/21/2026	HSA Employer Contribution	700-21722	3,250.05
WEX Health Inc	INV0002858	08/21/2026	HSA Employee Contribution	700-21723	952.71
STATE OF MINNESOTA MANA…	September 2026	08/13/2026	Health Insurance - Dental PEIP	700-21725	1,237.40
BLUE CROSS/BLUE SHIELD	July 2026	08/13/2026	Vision Insurance	700-21726	170.02
					164,074.64
				Fund 700 - PAYROLL Total:	**164,074.64**
				Grand Total:	**893,334.46**

Report Summary

Fund Summary

Fund	Payment Amount
100 - GENERAL	68,203.99
211 - LIBRARY	2,572.54
225 - AIRPORT	22,507.65
235 - AMBULANCE	6,412.67
250 - EDA GENERAL	1,553.96
309 - 2025 STREET PROJECT	667.50
312 - 2025 Storm Sewer Improvement - 18th Avenue	557.75
313 - 2026 1ST AVENUE PROJECT	447,182.33
401 - GENERAL CAPITAL PROJECTS	6,260.00
601 - WATER	15,933.55
602 - SEWER	17,578.22
604 - ELECTRIC	28,567.16
609 - LIQUOR STORE	81,576.08
614 - TELECOM	15,341.59
615 - ARENA	8,955.51
617 - M/P CENTER	5,389.32
700 - PAYROLL	164,074.64
Grand Total:	**893,334.46**

Account Summary

Account Number	Account Name	Payment Amount
100-20202	Sales Tax Payable	37,815.00
100-41110-304	Legal Fees	1,480.98
100-41110-326	Data Processing	27.51
100-41110-350	Printing & Design	132.40
100-41110-433	Dues & Subscriptions	57.14
100-41110-491	Payments to Other Orga…	5,324.32
100-41310-217	Other Operating Supplies	375.18
100-41310-321	Telephone	71.64
100-41310-326	Data Processing	337.60
100-41410-350	Printing & Design	945.20
100-41910-200	Office Supplies	33.00
100-41910-217	Other Operating Supplies	2.79
100-41910-304	Legal Fees	389.50
100-41910-321	Telephone	57.71
100-41910-433	Dues & Subscriptions	57.15
100-41940-381	Electric Utility	720.09
100-41940-382	Water Utility	105.69
100-41940-385	Sewer Utility	209.51
100-41940-406	Repairs & Maint - Groun…	1,650.00
100-42120-218	Uniforms	379.89
100-42120-321	Telephone	28.19
100-42120-323	Radio Units	791.90
100-42120-334	Meals/Lodging	563.93
100-42120-412	Rentals - Building	2,152.50
100-42120-419	Vehicle Lease	517.69
100-42220-217	Other Operating Supplies	0.85
100-42220-321	Telephone	43.02
100-42220-381	Electric Utility	510.49
100-42220-382	Water Utility	19.19
100-42220-385	Sewer Utility	43.97
100-42220-406	Repairs & Maint - Groun…	300.00
100-42220-433	Dues & Subscriptions	57.14
100-42500-381	Electric Utility	36.95
100-43100-217	Other Operating Supplies	100.82
100-43100-224	Street Maint Materials	3,219.32
100-43100-321	Telephone	20.55

Account Summary

Account Number	Account Name	Payment Amount
100-43100-326	Data Processing	57.14
100-43100-381	Electric Utility	1,985.28
100-43100-382	Water Utility	21.02
100-43100-385	Sewer Utility	46.06
100-43100-405	Repairs & Maint - Vehicle	2.99
100-45120-217	Other Operating Supplies	2,969.62
100-45202-211	Cleaning Supplies	473.45
100-45202-326	Data Processing	266.67
100-45202-381	Electric Utility	883.38
100-45202-382	Water Utility	163.19
100-45202-385	Sewer Utility	212.30
100-45202-404	Repairs & Maint - M&E	541.58
100-45202-406	Repairs & Maint - Groun…	2,002.50
211-45501-200	Office Supplies	594.36
211-45501-217	Other Operating Supplies	24.97
211-45501-321	Telephone	166.03
211-45501-326	Data Processing	930.00
211-45501-381	Electric Utility	455.11
211-45501-382	Water Utility	21.67
211-45501-385	Sewer Utility	48.19
211-45501-402	Repairs & Maint - Struct…	49.12
211-45501-435	Books and Pamphlets	283.09
225-45127-264	Merchandise For Resale -..	12,000.00
225-45127-321	Telephone	31.23
225-45127-381	Electric Utility	419.68
225-45127-404	Repairs & Maint - M&E	1,675.00
225-45127-419	Vehicle Lease	297.74
225-49950-500	Capital Outlay	8,084.00
235-33436	Reimbursements	827.00
235-42153-217	Other Operating Supplies	0.39
235-42153-304	Legal Fees	512.50
235-42153-321	Telephone	28.68
235-42153-326	Data Processing	4,055.57
235-42153-334	Meals/Lodging	191.40
235-42153-381	Electric Utility	340.32
235-42153-382	Water Utility	12.79
235-42153-385	Sewer Utility	29.32
235-42153-405	Repairs & Maint - Vehicle	114.70
235-42153-406	Repairs & Maint - Groun…	300.00
250-46520-217	Other Operating Supplies	2.77
250-46520-321	Telephone	57.71
250-46520-340	Advertising & Promotions	1,030.05
250-46520-350	Printing & Design	163.50
250-46520-381	Electric Utility	242.78
250-46520-433	Dues & Subscriptions	57.15
309-41000-303	Engineering and Surveyi…	667.50
312-41000-480	Other Miscellaneous	557.75
313-41000-303	Engineering and Surveyi…	38,457.66
313-41000-480	Other Miscellaneous	408,724.67
401-49950-503	Capital Outlay - Streets	6,260.00
601-49400-216	Chemicals and Chemical …	5,504.87
601-49400-217	Other Operating Supplies	0.88
601-49400-321	Telephone	51.66
601-49400-326	Data Processing	95.00
601-49400-381	Electric Utility	6,566.48
601-49400-382	Water Utility	21.08
601-49400-385	Sewer Utility	46.26
601-49400-386	Landfill	3,647.32

Account Summary

Account Number	Account Name	Payment Amount
602-49450-216	Chemicals and Chemical …	1,460.31
602-49450-217	Other Operating Supplies	3.07
602-49450-310	Lab Testing	1,438.00
602-49450-321	Telephone	176.68
602-49450-326	Data Processing	95.00
602-49450-381	Electric Utility	10,221.08
602-49450-382	Water Utility	51.84
602-49450-408	Repairs & Maint - Distrib…	4,132.24
604-14200	Inventory	484.03
604-16300	Improvements Other Th…	25,193.63
604-22000	Prepayments	300.00
604-49550-217	Other Operating Supplies	-86.85
604-49550-303	Engineering and Surveyi…	415.00
604-49550-321	Telephone	51.63
604-49550-326	Data Processing	114.66
604-49550-381	Electric Utility	150.32
604-49550-382	Water Utility	79.89
604-49550-385	Sewer Utility	145.05
604-49550-405	Repairs & Maint - Vehicle	400.89
604-49550-408	Repairs & Maint - Distrib…	794.77
604-49550-433	Dues & Subscriptions	57.14
604-49550-460	Miscellaneous Taxes	467.00
609-20202	Sales Tax Payable	22,162.00
609-49751-211	Cleaning Supplies	78.76
609-49751-217	Other Operating Supplies	92.38
609-49751-251	Liquor	15,000.90
609-49751-252	Beer	35,257.20
609-49751-253	Wine	4,396.08
609-49751-254	Soft Drinks & Mix	318.94
609-49751-256	Tobacco Products	138.19
609-49751-258	Liquor Store THC	539.10
609-49751-259	Non- Alcholic	417.10
609-49751-261	Other Merchandise	217.70
609-49751-321	Telephone	226.90
609-49751-326	Data Processing	94.66
609-49751-333	Freight and Express	444.13
609-49751-340	Advertising & Promotions	600.00
609-49751-381	Electric Utility	1,091.20
609-49751-382	Water Utility	22.98
609-49751-385	Sewer Utility	47.86
609-49751-460	Miscellaneous Taxes	15.00
609-49751-480	Other Miscellaneous	415.00
614-20201	Excise Tax Payable	547.66
614-20206	911 988 TAP & TACIP Fe…	1,397.42
614-49870-211	Cleaning Supplies	30.67
614-49870-217	Other Operating Supplies	1,094.30
614-49870-304	Legal Fees	276.75
614-49870-321	Telephone	192.18
614-49870-326	Data Processing	3.75
614-49870-350	Printing & Design	209.00
614-49870-381	Electric Utility	2,348.56
614-49870-382	Water Utility	21.98
614-49870-385	Sewer Utility	44.74
614-49870-404	Repairs & Maint - M&E	2,244.00
614-49870-405	Repairs & Maint - Vehicle	774.02
614-49870-419	Vehicle Lease	537.16
614-49870-441	Transmission Fees	491.00
614-49870-442	Subscriber Fees	1,695.00

Account Summary

Account Number	Account Name	Payment Amount
614-49870-445	Switch Fees	661.08
614-49870-447	Internet Expense	2,463.67
614-49870-451	Call Completion	97.65
614-49870-460	Miscellaneous Taxes	211.00
615-49850-217	Other Operating Supplies	1,082.97
615-49850-321	Telephone	127.72
615-49850-326	Data Processing	395.00
615-49850-381	Electric Utility	2,820.53
615-49850-382	Water Utility	1,713.57
615-49850-385	Sewer Utility	97.64
615-49850-401	Repairs & Maint - Buildi...	2,718.08
617-20202	Sales Tax Payable	570.00
617-49860-211	Cleaning Supplies	20.54
617-49860-251	Liquor	105.30
617-49860-252	Beer	283.95
617-49860-321	Telephone	66.17
617-49860-326	Data Processing	543.33
617-49860-333	Freight and Express	12.00
617-49860-340	Advertising & Promotions	411.15
617-49860-381	Electric Utility	1,682.21
617-49860-382	Water Utility	70.17
617-49860-385	Sewer Utility	152.75
617-49860-406	Repairs & Maint - Groun...	1,471.75
700-21701	Federal Withholding	11,798.17
700-21702	State Withholding	6,670.27
700-21703	FICA Tax Withholding	15,650.02
700-21704	PERA Contributions	28,891.77
700-21705	Retirement	4,327.00
700-21706	Medical Insurance	76,835.78
700-21707	Union Dues	1,849.49
700-21708	PD Union Dues	584.00
700-21711	Medicare Tax Withholdi...	4,639.92
700-21712	Flex Account	551.12
700-21715	Individual Insurance-Afla...	499.73
700-21716	Individual Insurance-Afla...	526.79
700-21719	Individual Insurance-MB...	765.35
700-21720	VEBA Contributions	4,875.05
700-21722	HSA Contribution	3,250.05
700-21723	HSA Employee Contribut...	952.71
700-21725	Dental Insurance	1,237.40
700-21726	Vision Insurance	170.02
	Grand Total:	**893,334.46**

Donna Shelton

Project Account Summary

Project Account Key		Payment Amount
None		893,334.46
	Grand Total:	**893,334.46**

MB | KG
8/28/26

WINDOM AREA HEALTH
WINDOM, MINNESOTA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED APRIL 30, 2026 AND 2025

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

WINDOM AREA HEALTH
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YEARS ENDED APRIL 30, 2026 AND 2025

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Windom Area Health and Affiliate
Windom, Minnesota

Report on the Financial Statements

Opinion

We have audited the financial statements of Windom Area Health (the Hospital), an enterprise fund of the City of Windom, Minnesota, and its discretely presented component unit, which comprise the statements of net position as of April 30, 2026 and 2025, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of Windom Area Health and its discretely presented component unit as of April 30, 2026 and 2025, and the respective changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with the auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Windom Area Health and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Windom Area Health'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.

Auditors' 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 auditors' report that includes our opinion. 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 GAAS 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 GAAS 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 Windom Area Health'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 Windom Area Health's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Hospital's proportionate share of the net pension liability and the schedule of the Hospital's contributions 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.

Board of Directors
Windom Area Health and Affiliate

Required Supplementary Information (Continued)

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2026, on our consideration of Windom Area Health'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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 Windom Area Health's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 21, 2026

Introduction

Windom Area Health (the Hospital) offers readers of our financial statements this narrative overview and analysis of the financial activities of Windom Area Health for the fiscal years ended April 30, 2026 and 2025. We encourage readers to consider the information presented here in conjunction with the Hospital's financial statements, including the notes thereto.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Windom Area Health's audited financial statements. The financial statements are composed of the statement of net position, statement of revenues, expenses, and changes in net position, and the statement of cash flows. The financial statements also include notes to the financial statements that explain in more detail some of the information in the financial statements. The financial statements are designed to provide readers with a broad overview of the Hospital's finances.

The financial statements include the Hospital and Foundation finances. The mission of the Windom Area Hospital Foundation is to provide charitable support for medical and educational programs of Windom Area Health. Total Foundation net position was $494,350 at year-end.

Required Financial Statements

The Hospital's financial statements report information of Windom Area Health using accounting methods similar to those used by private sector healthcare organizations. These statements offer short- and long-term information about its activities. The statements of net position include all of the Hospital's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to Hospital creditors (liabilities). The statements of net position also provide the basis for evaluating the capital structure of the Hospital and assessing the liquidity and financial flexibility of the Hospital.

All of the current year's revenues and expenses are accounted for in the statements of revenues, expenses, and changes in net position. This statement can be used to determine whether the Hospital has successfully recovered all of its costs through its patient service revenue and other revenue sources. Revenues and expenses are reported on an accrual basis, which means the related cash could be received or paid in a subsequent period.

The final required statement is the statements of cash flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. It also provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Highlights

Hospital total assets and deferred outflows of resources increased by $9,436,479 to $75,549,458 in fiscal year (FY) 2026 and increased by $14,722,564 to $66,112,979 in FY 2025. Capital assets increased by $2,372,767 in FY 2026 and increased by $16,121,289 in FY 2025. Total liabilities and deferred inflows of resources increased by $8,323,856 in FY 2026 and increased by $12,282,065 in FY 2025. The total margin was 3.0%, 7.0%, and 7.0% for the years ended April 30, 2026, 2025, and 2024, respectively.

Financial Analysis of the Hospital

The statements of net position and the statements of revenues, expenses, and changes in net position report the net position of the Hospital and the changes in net position. The Hospital's net position – the difference between assets and liabilities – is a way to measure financial health or financial position. Over time, sustained increases or decreases in the Hospital's net position are one indicator of whether its financial health is improving or deteriorating. However, other nonfinancial factors such as changes in economic conditions, population growth, and new or changed governmental legislation should also be considered.

Net Position

A summary of the Hospital's statements of net position at April 30, 2026, 2025, and 2024 is presented below:

Table 1

Condensed Statements of Net Position (in Thousands)

	April 30,		
	2026	2025	(As Restated) 2024
Current Assets	$ 9,207	$ 9,544	$ 10,666
Noncurrent Cash and Investments	18,921	15,110	14,827
Capital and Right-to-Use Assets	42,535	39,490	23,736
Other Noncurrent Assets	2,582	139	108
Deferred Outflows of Resources	2,304	1,830	2,053
Total Assets and Deferred Outflows of Resources	$ 75,549	$ 66,113	$ 51,390
Current Liabilities	$ 6,626	$ 5,696	$ 4,169
Long-Term Debt	20,103	15,353	3,292
Other Noncurrent Liabilities	5,753	5,359	7,573
Deferred Inflows of Resources	5,349	3,098	2,191
Total Liabilities and Deferred Inflows of Resources	37,831	29,507	17,225
Net Position	37,718	36,606	34,165
Total Liabilities, Deferred Inflows, and Net Position	$ 75,549	$ 66,113	$ 51,390

As can be seen by Table 1, net position increased by approximately $1,113,000 to $37.7 million in fiscal year 2026. In fiscal year 2025, net position increased by approximately $2,440,000 to $36.6 million. The change in net position results primarily from operating results and the income impact of Government Accounting Standards Board (GASB) Statements 68.

Revenues, Expenses, and Changes in Net Position

The following table presents a summary of the Hospital's historical revenues and expenses for the fiscal years ended April 30, 2026, 2025, and 2024.

Table 2

Condensed Statements of Revenue, Expenses, and Changes in Net Position (in Thousands)

	Year Ended April 30,		
	2026	2025	(As Restated) 2024
Operating Revenues	$ 37,335	$ 32,637	$ 29,199
Operating Expenses	35,956	30,705	27,866
Operating Income	1,379	1,932	1,333
Nonoperating Income	(266)	394	750
Excess of Revenues over Expenses	1,113	2,326	2,083
Capital Grants, Contributions, Other	-	115	30
Prior Period Adjustment - GASB 101	-	-	(115)
Equity Distributions	-	-	(173)
Changes in Net Position	1,113	2,441	1,825
Total Net Position, Beginning of Year	36,606	34,165	32,340
Total Net Position, End of Year	$ 37,718	$ 36,606	$ 34,165

Operating and Financial Performance

Volume: Inpatient admissions (excluding newborns) for fiscal year 2026 were 355 compared to 341 in fiscal year 2025 and 317 in fiscal year 2024. This is an increase of 14 or approximately 4% between 2026 and 2025 and of 24 or 7% between 2025 and 2024. Patient days (excluding newborns) for fiscal year 2026 were 854 compared to 820 in fiscal year 2025 and 763 in fiscal year 2024. This is an increase of 34 or approximately 4% between 2026 and 2025 and of 57 or approximately 7% between 2025 and 2024. The length of stay decreased from 2.4 days in 2024 and 2025 and 2.3 days in 2026. Emergency department visits increased to 4,324 in fiscal year 2026 from 4,148 in fiscal year 2025. This is an increase of 176 visits or 4%. Emergency department visits in 2025 increased from 4,037 in 2024, which is an increase of 111 visits or 3%. All other outpatient visits for 2026 were 31,129 compared to 28,880 in 2025 and 30,364 in 2024. This is an increase of 2,249 visits from 2025 to 2026 and a decrease of 1,484 visits from 2024 to 2025. Total surgeries increased to 990 in fiscal year 2026 from 910 in fiscal year 2025. This is an increase of 80 surgeries or 9%. In fiscal year 2025, surgeries increased from 834 which is an increase of 76 surgeries or 9% compared to fiscal year 2024.

Net Patient Service Revenue: As a result of increased inpatient and surgical volume during the year, net patient service revenue increased $4,482,663 or approximately 14% compared to fiscal year 2025. Revenue deductions, the amount of patient service revenue uncollectible due to contractual agreements, government reimbursement policies, and bad debts increased to $36,856,001 from $31,594,275, an approximate 17% increase.

Other Operating Revenue: Other operating revenue increased $215,662 and $34,733 in fiscal years 2026 and 2025, respectively, from the previous year.

Nursing Services: Nursing service expenses increased $1,506,230 and $1,655,013 in fiscal years 2026 and 2025, respectively, from the previous year. The increase in both 2026 and 2025 is related to staffing and wage increases.

Other Professional Services: Other professional service expenses increased $1,688,759 and $802,342 in fiscal years 2026 and 2025, respectively, from the previous year. The increase in both 2026 and 2025 was mostly due to an overall increase in patient activities.

General Services: General service expenses increased $385,788 and $241,606 in fiscal years 2026 and 2025, respectively, when compared to the previous year. General services expense increased consistently with revenue growth over fiscal years 2026 and 2025.

Administrative and Fiscal Services: Expenses in this category increased $603,297 and $115,859 in fiscal years 2026 and 2025, respectively, when compared to the previous year. The changes mainly relate to the income impact of GASB 68 and in employee benefit costs.

Depreciation and Amortization: Depreciation and amortization increased $1,067,018 and $24,826 in fiscal years 2026 and 2025, respectively, when compared to the previous year. The increase in 2026 is due to the capitalization of a medical office building.

Nonoperating Revenue and Expenses: The total in this category decreased $660,275 and $355,667 in fiscal years 2026 and 2025, respectively, when compared to the previous year. The decrease in fiscal year 2026 is due to increased interest expense and slightly less favorable investment performance in comparison to fiscal year 2025.

Capital Grants and Contributions

For the years ended April 30, 2026, 2025, and 2024, the Hospital had a total of $-0-, $114,834, and $30,033, respectively, in capital grants and contributions.

Capital Assets

At the end of fiscal years 2026, 2025, and 2024, the Hospital had invested $40,447,876, $38,075,109, and $21,953,820, respectively, in capital assets. The $2,372,767 increase in capital assets in fiscal year 2026 is due to final asset additions related to the build of a new medical office building.

Long-Term Debt

During fiscal year 2015, the Hospital issued long-term debt for the purpose of funding a portion of the surgery and outreach construction project. During fiscal year 2024, the Hospital issued additional long-term debt for the purpose of funding the construction of a medical office building. As of year-end the Hospital had a total of $21,143,443 of short- and long-term debt, net of unamortized issue discount.

Economic and Other Factors and Next Year's Budget

Windom Area Health's board of directors and management considered many factors when setting the fiscal year 2026 budget. Of primary importance in setting the 2027 budget is the status of the economy, which takes into account market forces and environmental factors such as:

- Medicare and Medicaid reimbursement rates continued decline
- Recovery Audit Contractors
- Government pressure to computerize health records
- Increased expectations for quality at a lower price
- Workforce shortages
- Cost of supplies
- Increasing drug costs and drug shortages
- Aging equipment and building
- Healthcare reform and changes in other commercial contracts

Contacting the Hospital's Finance Department

Windom Area Health's financial statements are designed to present users with a general overview of the Hospital's finances and to demonstrate the Windom Area Health's accountability. If you have questions about the report or need additional financial information, please contact Administration at Windom Area Health, 2150 Hospital Drive, PO Box 339, Windom, Minnesota 56101.

WINDOM AREA HEALTH
WINDOM, MINNESOTA
STATEMENT OF NET POSITION
APRIL 30, 2026

ASSETS	Primary Enterprise (Hospital)	Component Unit (Foundation)	Total Reporting Entity (Memo Only)
CURRENT ASSETS			
Cash and Cash Equivalents	$ 1,672,780	$ 478,853	$ 2,151,633
Patient Accounts Receivable, Net	5,944,332	-	5,944,332
Accrued Interest Receivable	21,038	-	21,038
Other Receivables	125,072	15,497	140,569
Current Portion of Lease Receivable	199,397	-	199,397
Supplies	288,998	-	288,998
Prepaid Expenses	955,472	-	955,472
Total Current Assets	9,207,089	494,350	9,701,439
NONCURRENT CASH AND INVESTMENTS			
Board Designated for Capital Improvements	18,519,727	-	18,519,727
Debt Service Reserve Funds Held by Trustee	400,817	-	400,817
Total Noncurrent Cash and Investments	18,920,544	-	18,920,544
CAPITAL ASSETS			
Capital Assets	61,383,641	-	61,383,641
Less: Accumulated Depreciation	(20,935,765)	-	(20,935,765)
Net Capital Assets	40,447,876	-	40,447,876
OTHER ASSETS			
Right-to-Use Assets, Net	2,087,640	-	2,087,640
Investment in Joint Venture	175,716	-	175,716
Lease Receivable, Net of Current Portion	2,406,696	-	2,406,696
Total Other Assets	4,670,052	-	4,670,052
Total Assets	73,245,561	494,350	73,739,911
DEFERRED OUTFLOWS OF RESOURCES	2,303,897	-	2,303,897
Total Assets and Deferred Outflows of Resources	$ 75,549,458	$ 494,350	$ 76,043,808

See accompanying Notes to Financial Statements.

WINDOM AREA HEALTH
WINDOM, MINNESOTA
STATEMENT OF NET POSITION (CONTINUED)
APRIL 30, 2026

	Primary Enterprise (Hospital)	Component Unit (Foundation)	Total Reporting Entity (Memo Only)
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
CURRENT LIABILITIES			
Current Maturities of Long-Term Debt	$ 1,040,704	$ -	$ 1,040,704
Current Maturities of Finance Lease Obligations	582,253	-	582,253
Accounts Payable:			
Trade	789,346	-	789,346
Construction	733,754	-	733,754
Accrued Expenses	2,549,039	-	2,549,039
Estimated Third-Party Payor Settlements	930,975	-	930,975
Total Current Liabilities	6,626,071	-	6,626,071
NONCURRENT LIABILITIES			
Long-Term Debt, Net of Current Maturities	20,102,739	-	20,102,739
Finance Lease Obligations, Net of Current Maturities	1,297,694	-	1,297,694
Net Pension Liability	4,455,310	-	4,455,310
Total Noncurrent Liabilities	25,855,743	-	25,855,743
Total Liabilities	32,481,814	-	32,481,814
DEFERRED INFLOWS OF RESOURCES	5,349,158	-	5,349,158
NET POSITION			
Net Investment in Capital Assets	18,778,372	-	18,778,372
Restricted:			
Expendable for Specific Donor Restrictions	-	175,732	175,732
Expendable for Debt Service	400,817	-	400,817
Unrestricted	18,539,297	318,618	18,857,915
Total Net Position	37,718,486	494,350	38,212,836
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 75,549,458	$ 494,350	$ 76,043,808

See accompanying Notes to Financial Statements.

WINDOM AREA HEALTH
WINDOM, MINNESOTA
STATEMENT OF NET POSITION
APRIL 30, 2025

ASSETS	Primary Enterprise (Hospital)	Component Unit (Foundation)	Total Reporting Entity (Memo Only)
CURRENT ASSETS			
Cash and Cash Equivalents	$ 4,426,872	$ 482,268	$ 4,909,140
Patient Accounts Receivable, Net	4,361,200	-	4,361,200
Accrued Interest Receivable	29,106	-	29,106
Other Receivables	128,980	-	128,980
Supplies	263,168	-	263,168
Prepaid Expenses	334,185	-	334,185
Total Current Assets	9,543,511	482,268	10,025,779
NONCURRENT CASH AND INVESTMENTS			
Board Designated for Capital Improvements	14,709,131	-	14,709,131
Debt Service Reserve Funds Held by Trustee	400,765	-	400,765
Total Noncurrent Cash and Investments	15,109,896	-	15,109,896
CAPITAL ASSETS			
Capital Assets	60,714,565	-	60,714,565
Less: Accumulated Depreciation	(22,639,456)	-	(22,639,456)
Net Capital Assets	38,075,109	-	38,075,109
OTHER ASSETS			
Right-to-Use Assets, Net	1,415,107	-	1,415,107
Investment in Joint Venture	139,361	-	139,361
Total Other Assets	1,554,468	-	1,554,468
Total Assets	64,282,984	482,268	64,765,252
DEFERRED OUTFLOWS OF RESOURCES	1,829,995	-	1,829,995
Total Assets and Deferred Outflows of Resources	$ 66,112,979	$ 482,268	$ 66,595,247

See accompanying Notes to Financial Statements.

WINDOM AREA HEALTH
WINDOM, MINNESOTA
STATEMENT OF NET POSITION (CONTINUED)
APRIL 30, 2025

	Primary Enterprise (Hospital)	Component Unit (Foundation)	Total Reporting Entity (Memo Only)
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
CURRENT LIABILITIES			
Current Maturities of Long-Term Debt	$ 440,865	$ -	$ 440,865
Current Maturities of Finance Lease Obligations	467,430	-	467,430
Accounts Payable:			
Trade	1,003,609	-	1,003,609
Construction	1,626,927	-	1,626,927
Accrued Expenses	1,722,889	-	1,722,889
Estimated Third-Party Settlements	434,383	-	434,383
Total Current Liabilities	5,696,103	-	5,696,103
NONCURRENT LIABILITIES			
Long-Term Debt, Net of Current Maturities	15,353,423	-	15,353,423
Finance Lease Obligations, Net of Current Maturities	822,125	-	822,125
Net Pension Liability	4,537,209	-	4,537,209
Total Noncurrent Liabilities	20,712,757	-	20,712,757
Total Liabilities	26,408,860	-	26,408,860
DEFERRED INFLOWS OF RESOURCES	3,098,256	-	3,098,256
NET POSITION			
Net Investment in Capital Assets	20,779,446	-	20,779,446
Restricted:			
Expendable for Specific Donor Restrictions	-	154,225	154,225
Expendable for Debt Service	400,765	-	400,765
Unrestricted	15,425,652	328,043	15,753,695
Total Net Position	36,605,863	482,268	37,088,131
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 66,112,979	$ 482,268	$ 66,595,247

See accompanying Notes to Financial Statements.

WINDOM AREA HEALTH
WINDOM, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED APRIL 30, 2026

	Primary Enterprise (Hospital)	Component Unit (Foundation)	Total Reporting Entity (Memo Only)
REVENUE			
Net Patient Service Revenue	$ 36,529,409	$ -	$ 36,529,409
Other Revenue, Net	805,463	52,765	858,228
Total Revenue	37,334,872	52,765	37,387,637
EXPENSES			
Nursing Services	12,117,711	-	12,117,711
Other Professional Services	9,956,067	-	9,956,067
General Services	2,239,287	-	2,239,287
Administrative and Fiscal Services	8,629,788	25	8,629,813
Depreciation and Amortization	3,013,261	-	3,013,261
Total Expenses	35,956,114	25	35,956,139
INCOME FROM OPERATIONS	1,378,758	52,740	1,431,498
NONOPERATING REVENUE AND EXPENSES			
Investment Income	729,556	-	729,556
Interest Expense	(1,029,444)	-	(1,029,444)
Noncapital Grants and Contributions	37,430	55,830	93,260
Loss on Disposal of Assets	(3,677)	-	(3,677)
Total Nonoperating Revenue and Expenses	(266,135)	55,830	(210,305)
EXCESS OF REVENUES OVER EXPENSES BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	1,112,623	108,570	1,221,193
Expenses Paid on Behalf of Related Party	(96,488)	-	(96,488)
Related Party Transfers	96,488	(96,488)	-
Subtotal	-	(96,488)	(96,488)
INCREASE IN NET POSITION	1,112,623	12,082	1,124,705
NET POSITION			
Beginning of Year	36,605,863	482,268	37,088,131
End of Year	$ 37,718,486	$ 494,350	$ 38,212,836

See accompanying Notes to Financial Statements.

WINDOM AREA HEALTH
WINDOM, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED APRIL 30, 2025

	Primary Enterprise (Hospital)	Component Unit (Foundation)	Total Reporting Entity (Memo Only)
REVENUE			
Net Patient Service Revenue	$ 32,046,746	$ -	$ 32,046,746
Other Revenue, Net	589,801	29,915	619,716
Total Revenue	32,636,547	29,915	32,666,462
EXPENSES			
Nursing Services	10,611,481	-	10,611,481
Other Professional Services	8,267,308	-	8,267,308
General Services	1,853,499	-	1,853,499
Administrative and Fiscal Services	8,026,491	60	8,026,551
Depreciation and Amortization	1,946,243	-	1,946,243
Total Expenses	30,705,022	60	30,705,082
INCOME FROM OPERATIONS	1,931,525	29,855	1,961,380
NONOPERATING REVENUE AND EXPENSES			
Investment Income	673,892	-	673,892
Interest Expense	(422,573)	-	(422,573)
Noncapital Grants and Contributions	142,821	46,294	189,115
Total Nonoperating Revenue and Expenses	394,140	46,294	440,434
EXCESS OF REVENUES OVER EXPENSES BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	2,325,665	76,149	2,401,814
Capital Grants and Contributions	114,834	-	114,834
Expenses Paid on Behalf of Related Party	(77,239)	-	(77,239)
Related Party Transfers	77,239	(77,239)	-
Subtotal	114,834	(77,239)	37,595
INCREASE (DECREASE) IN NET POSITION	2,440,499	(1,090)	2,439,409
NET POSITION			
Beginning of Year	34,165,364	483,358	34,648,722
End of Year	$ 36,605,863	$ 482,268	$ 37,088,131

See accompanying Notes to Financial Statements.

WINDOM AREA HEALTH
WINDOM, MINNESOTA
STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2026

	Primary Enterprise (Hospital)	Component Unit (Foundation)	Total Reporting Entity (Memo Only)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from and on Behalf of Patients	$ 35,454,845	$ -	$ 35,454,845
Payments to Suppliers and Contractors	(21,206,722)	(25)	(21,206,747)
Payments to Employees	(13,779,529)	-	(13,779,529)
Other Receipts and Payments, Net	805,463	37,268	842,731
Net Cash Provided by Operating Activities	1,274,057	37,243	1,311,300
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Noncapital Grants and Contributions	37,430	55,830	93,260
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Expenditures	(4,936,608)	-	(4,936,608)
Principal Payments on Finance Lease Obligations	(535,238)	-	(535,238)
Proceeds from Issuance of Long-Term Debt	5,949,999	-	5,949,999
Principal Payments on Long-Term Debt	(600,844)	-	(600,844)
Interest and Issuance Costs on Long-Term Debt	(1,029,444)	-	(1,029,444)
Principal Lease Payments Received	167,648	-	167,648
Net Cash Used by Capital and Related Financing Activities	(984,487)	-	(984,487)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of Investments	(21,183,779)	-	(21,183,779)
Sale of Investments	17,373,131	-	17,373,131
Expenses Paid on Behalf of Related Party	(96,488)	-	(96,488)
Transfer from (to) Related Party	96,488	(96,488)	-
Interest Income	729,556	-	729,556
Net Cash Used by Investing Activities	(3,081,092)	(96,488)	(3,177,580)
DECREASE IN CASH AND CASH EQUIVALENTS	(2,754,092)	(3,415)	(2,757,507)
Cash and Cash Equivalents - Beginning of Year	4,426,872	482,268	4,909,140
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,672,780	$ 478,853	$ 2,151,633

See accompanying Notes to Financial Statements.

WINDOM AREA HEALTH
WINDOM, MINNESOTA
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED APRIL 30, 2026

	Primary Enterprise (Hospital)	Component Unit (Foundation)	Total Reporting Entity (Memo Only)
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND FINANCING ACTIVITIES			
Issuance of Lease Obligations	$ 1,125,630	$ -	$ 1,125,630
Lease Receivable and Deferred Inflow of Resources	2,773,741	2,773,741	5,547,482
Total Noncash Capital and Financing Activities	$ 3,899,371	$ 2,773,741	$ 6,673,112
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Income from Operations	$ 1,378,758	$ 52,740	$ 1,431,498
Adjustments to Reconcile Income from Operations to Net Cash Provided by Operating Activities:			
Depreciation and Amortization Expense	3,013,261	-	3,013,261
Provision for Bad Debts	761,861	-	761,861
Equity in Net Income of Joint Venture	(36,355)	-	(36,355)
(Increase) Decrease in:			
Patient Accounts Receivable	(2,344,993)	-	(2,344,993)
Deferred Outflows of Resources	(473,902)	-	(473,902)
Accrued Interest Receivable	8,068	-	8,068
Other Receivables	3,908	(15,497)	(11,589)
Supplies and Prepaid Expenses	(647,117)	-	(647,117)
Increase (Decrease) in:			
Accounts Payable	(1,107,436)	-	(1,107,436)
Net Pension Liability	(81,899)	-	(81,899)
Deferred Inflows of Resources	(522,839)	-	(522,839)
Due to Third-Party Payors	496,592	-	496,592
Accrued Expenses	826,150	-	826,150
Net Cash Provided by Operating Activities	$ 1,274,057	$ 37,243	$ 1,311,300

See accompanying Notes to Financial Statements.

WINDOM AREA HEALTH
WINDOM, MINNESOTA
STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2025

	Primary Enterprise (Hospital)	Component Unit (Foundation)	Total Reporting Entity (Memo Only)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from and on Behalf of Patients	$ 34,216,318	$ -	$ 34,216,318
Payments to Suppliers and Contractors	(15,904,274)	(60)	(15,904,334)
Payments to Employees	(12,428,691)	-	(12,428,691)
Other Receipts and Payments, Net	589,801	29,915	619,716
Net Cash Provided by Operating Activities	6,473,154	29,855	6,503,009
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Noncapital Grants and Contributions	142,821	46,294	189,115
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Expenditures	(17,699,985)	-	(17,699,985)
Principal Payments on Finance Lease Obligations	(447,211)	-	(447,211)
Proceeds from Issuance of Long-Term Debt	12,500,000	-	12,500,000
Principal Payments on Long-Term Debt	(262,340)	-	(262,340)
Interest and Issuance Costs on Long-Term Debt	(422,573)	-	(422,573)
Capital Grants and Contributions	114,834	-	114,834
Net Cash Used by Capital and Related Financing Activities	(6,217,275)	-	(6,217,275)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of Investments	(37,558,666)	-	(37,558,666)
Sale of Investments	37,275,604	-	37,275,604
Expenses Paid on Behalf of Related Party	(77,239)	-	(77,239)
Transfer from (to) Related Party	77,239	(77,239)	-
Interest Income	673,892	-	673,892
Net Cash Provided (Used) by Investing Activities	390,830	(77,239)	313,591
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	789,530	(1,090)	788,440
Cash and Cash Equivalents - Beginning of Year	3,637,342	483,358	4,120,700
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,426,872	$ 482,268	$ 4,909,140

See accompanying Notes to Financial Statements.

WINDOM AREA HEALTH
WINDOM, MINNESOTA
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED APRIL 30, 2025

	Primary Enterprise (Hospital)	Component Unit (Foundation)	Total Reporting Entity (Memo Only)
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Income from Operations	$ 1,931,525	$ 29,855	$ 1,961,380
Adjustments to Reconcile Income from Operations to Net Cash Provided by Operating Activities:			
Depreciation and Amortization Expense	1,946,243	-	1,946,243
Provision for Bad Debts	743,126	-	743,126
Equity in Net Income of Joint Venture	(31,190)	-	(31,190)
(Increase) Decrease in:			
Patient Accounts Receivable	1,170,236	-	1,170,236
Deferred Outflows of Resources	223,438	-	223,438
Accrued Interest Receivable	121,171	-	121,171
Other Receivables	92,710	-	92,710
Supplies and Prepaid Expenses	(215,721)	-	(215,721)
Increase (Decrease) in:			
Accounts Payable	1,038,014	-	1,038,014
Net Pension Liability	(1,746,245)	-	(1,746,245)
Deferred Inflows of Resources	906,974	-	906,974
Due to Third-Party Payors	42,329	-	42,329
Accrued Expenses	250,544	-	250,544
Net Cash Provided by Operating Activities	$ 6,473,154	$ 29,855	$ 6,503,009

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Windom Area Health (the Hospital), an enterprise fund of the City of Windom, Minnesota, is managed by a board of directors appointed by the City Council and is licensed to provide hospital services. The Hospital is exempt from federal and state income taxes.

For financial reporting purposes, the Hospital is divided into the "Primary Enterprise" and "Component Unit." The Primary Enterprise consists of the Hospital.

The Windom Area Health Foundation, Inc. (the Foundation) is a 501(c)(3) organization whose sole purpose is to support Windom Area Health. The Foundation conducts fundraising campaigns on behalf of Windom Area Health. The Foundation's operations have been discretely presented as a component unit of the Hospital.

The "Total Reporting Entity" totals aggregate the Primary Enterprise and its Component Unit. In accordance with governmental accounting standards, no consolidating or other eliminations were made in arriving at the totals; thus, they do not represent consolidated information.

Proprietary Fund Accounting

The Hospital utilizes the proprietary fund method of accounting whereby revenue and expenses are recognized on the accrual basis. Substantially all revenue and expenses are subject to accrual.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Grants and Contributions

From time to time, the Hospital receives grants and contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents are considered to be highly liquid investments with an original maturity of 90 days or less, and exclude assets limited as to use.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Uncollectible Accounts

The Hospital provides an allowance for uncollectible self-pay and miscellaneous commercial insurance accounts. Patients are not required to provide collateral for services rendered. Payment for services is required upon receipt of an invoice, after payment by insurance, if any. Self-pay accounts are analyzed for collectability based on the months past due and payment history. An allowance is estimated for these accounts based on the historical experience of the Hospital. Accounts that are determined to be uncollectible are sent to a collection agency and written off at that time. At April 30, 2026 and 2025, the allowance for uncollectible accounts was approximately $619,000 and $555,000, respectively.

Supplies

Supplies are stated at cost (principally on the first-in, first-out basis) not in excess of market value. Market value is determined by comparison with recent purchases or realizable value.

Noncurrent Cash and Investments

Noncurrent cash and investments include assets restricted by donors, assets restricted under debt agreements as reserve funds, and assets set aside by the board of directors for future capital improvements, over which the board retains control and may, at its discretion, subsequently use for other purposes. Noncurrent cash and investments are made up of cash, cash equivalents, money market accounts, and certificates of deposit which are carried at amortized cost, which approximates fair value.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and postemployment benefit expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

Capital Assets

Capital assets are stated at cost, if purchased, or at fair market value on the date received, if donated, less accumulated depreciation. All capital assets other than land and construction in progress are depreciated on a straight-line basis over the estimated useful lives of the property:

Land Improvements	8 to 20 Years
Buildings	10 to 40 Years
Fixed Equipment	5 to 20 Years
Moveable Equipment	3 to 20 Years

Policy for Care of the Underserved

The Hospital provides care to patients who meet certain criteria under their charity care policy without charge or at amounts less than their established rates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Policy for Care of the Underserved (Continued)

The Hospital believes the underserved are those persons who are unable through private resources, employer support, or public aid to provide payment for health care services or those unable to gain access to health related care because of limited resources, inadequate education, or discrimination. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Charges forgone for charity care were approximately $194,000 and $207,000 for the years ended April 30, 2026 and 2025, respectively.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Operating Revenues and Expenses

The Hospital's statement of revenues, expenses, and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services - the Hospital's principal activity. Operating revenues also include grants or contributions to replace lost revenues and added expense associated with providing health care services. Nonexchange revenues, including taxes, grants, and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, benefit payments (including refunds or employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources

Although certain revenues are measurable they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources represents the amount of assets that have been recognized, but the related revenue has not been recognized as the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources consist of pension and postemployment benefit related deferred inflows.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in Joint Venture

The Hospital reports its investment in Central Minnesota Diagnostic, Inc. (CMDI) on the equity method of accounting which approximates the Organization's equity in the underlying book value based on its most recent quarter ended March 31. The Hospital's share of net income from the investment totaling $73,162 and $31,190 for the years ended April 30, 2026 and 2025, respectively, is recognized as equity earnings included in other revenue in the statement of revenue, expenses and changes in net position.

Net Position

The net position of the Hospital is classified in three components. "Net Investment in Capital Assets" consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. "Restricted Expendable Net Position" is noncapital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Hospital. "Unrestricted Net Position" is remaining net position that does not meet the definition of "Net Investment in Capital Assets," net of related debt, or "Restricted."

Risk Management

The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses, and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters.

Fair Value Measurements

To the extent available, the Hospital's investments are recorded at fair value. GASB Statement No. 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources.

In contrast, unobservable inputs reflect an entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Hospital has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Leases - Lessee

The Hospital determines if an arrangement is a lease at inception. Leases are included in other assets and long-term liabilities in the statements of net position.

Lease assets represent the Hospital's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Hospital's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the Hospital will exercise that option.

The Hospital has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Hospital has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases – Lessee (Continued)

The Hospital accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the Hospital treats the components as a single lease unit.

Leases – Lessor

The Hospital is a lessor for a space lease. The Hospital recognizes a lease receivable and deferred inflow of resources in the financial statements.

At the commencement of a lease, the Hospital initially measures the lease receivable at the present value of payment expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The Hospital uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease.

Adoption of New Accounting Standards

Effective May 1, 2024, the Hospital implemented GASB Statement No. 101, *Compensated Absences*. The statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. The Hospital applied the provisions of this standard to the beginning of the earliest comparative period presented. As a result, certain 2024 and beginning 2025 amounts have been restated in the accompanying financial statements and management's discussion and analysis.

The impact of adopting GASB Statement No. 101 on the statement of net position as of April 30, 2025 was as follows:

	As Previously Stated	Adjustment	As Restated
Statement of Net Position:			
Current Liabilities:			
Accrued Expenses	$ 1,357,345	$ 115,000	$ 1,472,345
Net Position:			
Unrestricted	16,144,486	(115,000)	$ 16,029,486

Effective May 1, 2025, the Hospital implemented GASB Statement No. 102, Certain Risk Disclosures. The statement requires governments to disclose certain concentrations or constraints that make the government vulnerable to the risk of a substantial impact if an event associated with the concentration or constraint occurs. Implementation of this statement did not have a material effect on the Hospital's financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these financial statements, the Hospital has considered events and transactions that have occurred through August 21, 2026, the date in which the financial statements were available to be issued.

NOTE 2 NET PATIENT SERVICE REVENUE

The Hospital has agreements with third-party payors which provide for payments to the organization at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows.

Medicare

The Hospital has elected the Critical Access Hospital (CAH) designation. As a CAH, the Hospital is reimbursed for inpatient, outpatient, and swing bed services for Medicare patients on a reasonable cost basis. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed according to a prospective DRG payment system. Outpatient Medicaid services are reimbursed on reasonable cost.

Revenue from the Medicare programs accounted for approximately 51% and 52% for the years ended April 30, 2026 and 2025, and revenue from the Medicaid programs accounted for approximately 12% and 10% for the years ended April 30, 2026 and 2025, respectively, of the Hospital's net patient revenue. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The 2026 net patient service revenue decreased approximately $377,000 and the 2025 net patient service revenue increased approximately $279,000 due to the addition or removal of allowances previously estimated that are no longer considered necessary as a result of changes in estimates and years that are no longer subject to audits, reviews, and investigations.

Other

The Hospital has also entered into payment agreements with certain commercial insurance carriers. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

NOTE 2 NET PATIENT SERVICE REVENUE (CONTINUED)

Other (Continued)

The following is a reconciliation of gross patient service revenue to net patient service revenue:

	2026	2025
Gross Patient Service Revenue	$ 73,191,270	$ 63,433,951
Adjustments and Discounts:		
Medicare	(21,765,897)	(17,172,547)
Medicaid	(7,660,676)	(6,868,295)
Other	(6,473,427)	(6,603,237)
Provision for Bad Debt	(761,861)	(743,126)
Total Adjustments and Discounts	(36,661,861)	(31,387,205)
Net Patient Service Revenue	$ 36,529,409	$ 32,046,746

NOTE 3 ACCOUNTS RECEIVABLE

Patient accounts receivable reported as current assets by Windom Area Health at April 30 consist of these amounts:

	2026	2025
Receivable from Patients and Their Insurance Carriers	$ 3,094,506	$ 2,512,969
Receivable from Medicare	2,570,990	1,946,847
Receivable from Medicaid	897,836	456,384
Total Patient Accounts Receivable	6,563,332	4,916,200
Less: Allowance for Uncollectible Amounts	(619,000)	(555,000)
Net Patient Accounts Receivable	$ 5,944,332	$ 4,361,200

NOTE 4 DEPOSITS AND INVESTMENTS

Deposits

Minnesota statutes require that all city hospitals' deposits be protected by insurance, surety bonds, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota statutes also require that securities pledged as collateral be held in safekeeping by the Hospital or in a financial institution other than that furnishing the collateral.

At April 30, 2026, the Hospital's deposits in banks were covered by FDIC or FSLIC insurance protected by bond or collateral held by the Hospital's custodial bank in the Hospital's name.

Effective as of August 1, 2017, publicly owned hospitals are able to invest funds in a security recommended by an investment advisor, bank, or trust company, provided the funds are invested according to the hospital's written investment policies and procedures.

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

The Hospital has a policy that conforms to these requirements and had the following investments at April 30:

2026 Investment Type	Fair Value	Investment Maturity (in Years) Less than 1	1 to 5	6 to 10	More than 10
Cash and Cash Equivalents	$ 16,800,715	$ 16,800,715	$ -	$ -	$ -
Certificates of Deposit	4,271,462	4,271,462	-	-	-
Total	$ 21,072,177	$ 21,072,177	$ -	$ -	$ -

2025 Investment Type	Fair Value	Investment Maturity (in Years) Less than 1	1 to 5	6 to 10	More than 10
Cash and Cash Equivalents	$ 16,215,025	$ 16,215,025	$ -	$ -	$ -
Certificates of Deposit	3,804,011	3,804,011	-	-	-
Total	$ 20,019,036	$ 20,019,036	$ -	$ -	$ -

- **Certificates of Deposit (CD):** Consists of deposits with interest rates of 3.75% maturing in 2026.

Fair Value Measurements

The Hospital uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Hospital measures fair value refer to Note 1 – Summary of Significant Accounting Policies. Cash and cash equivalents are stated at cost but are included in the table for comparison purposes to the statement and net position. The following table presents the fair value hierarchy for the balances of the assets and liabilities of the Hospital measured at fair value on a recurring basis as of April 30:

2026 Investment Type	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 16,800,715	$ -	$ -	$ 16,800,715
Certificates of Deposit	-	4,271,462	-	4,271,462
Total	$ 16,800,715	$ 4,271,462	$ -	$ 21,072,177

2025 Investment Type	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 16,215,025	$ -	$ -	$ 16,215,025
Certificates of Deposit	-	3,804,011	-	3,804,011
Total	$ 16,215,025	$ 3,804,011	$ -	$ 20,019,036

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

At April 30, 2026 and 2025, the carrying amounts of deposits and investments are included in the Hospital's statements of net position as follows:

	2026	2025
Carrying Amount:		
Deposits	$ 2,552,450	$ 5,309,905
Investments	18,519,727	14,709,131
Total	$ 21,072,177	$ 20,019,036
Included in the Following Statement of Net Position Captions:		
Cash and Cash Equivalents - Hospital	$ 1,672,780	$ 4,426,872
Cash and Cash Equivalents - Foundation	478,853	482,268
Board Designated for Capital Improvements	18,519,727	14,709,131
Debt Service Reserve Funds Held by Trustee	400,817	400,765
Total	$ 21,072,177	$ 20,019,036

The Hospital's board of directors has designated certain assets for capital improvements. The board of directors retains control and may, at its discretion, subsequently use these assets for other purposes.

NOTE 5 CAPITAL ASSETS

Capital assets (in thousands) for the years ended April 30 consist of the following:

	Balance April 30, 2025	Additions and Transfers	Retirements	Balance April 30, 2026
Land	$ 271	$ -	$ -	$ 271
Land Improvements	3,367	2,402	(129)	5,640
Buildings	14,376	24,309	(291)	38,394
Fixed Equipment	10,121	460	(1,129)	9,452
Moveable Equipment	8,005	1,580	(2,749)	6,836
Construction in Progress	24,574	(23,783)	-	791
Total at Historical Cost	60,714	4,968	(4,298)	61,384
Less Accumulated Depreciation for:				
Land Improvements	(1,669)	(278)	129	(1,818)
Buildings	(9,455)	(1,198)	291	(10,362)
Fixed Equipment	(5,461)	(509)	1,129	(4,841)
Moveable Equipment	(6,054)	(610)	2,749	(3,915)
Total Accumulated Depreciation	(22,639)	(2,595)	4,298	(20,936)
Capital Assets, Net	$ 38,075	$ 2,373	$ -	$ 40,448

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Balance April 30, 2024	Additions and Transfers	Retirements	Balance April 30, 2025
Land	$ 271	$ -	$ -	$ 271
Land Improvements	3,367	-	-	3,367
Buildings	14,387	-	(11)	14,376
Fixed Equipment	10,121	-	-	10,121
Moveable Equipment	7,176	829	-	8,005
Construction in Progress	7,713	16,861	-	24,574
Total at Historical Cost	43,035	17,690	(11)	60,714
Less Accumulated Depreciation for:				
Land Improvements	(1,543)	(126)	-	(1,669)
Buildings	(9,000)	(466)	11	(9,455)
Fixed Equipment	(4,946)	(515)	-	(5,461)
Moveable Equipment	(5,592)	(462)	-	(6,054)
Total Accumulated Depreciation	(21,081)	(1,569)	11	(22,639)
Capital Assets, Net	$ 21,954	$ 16,121	$ -	$ 38,075

Construction in progress as of April 30, 2026 relates to final construction costs associated with a Medical Office Building (MOB) project that was capitalized during the current year. The project is being funded through issuance of the 2023A Health Care Facilities Gross Revenue Bonds and savings.

NOTE 6 LONG-TERM DEBT

Long-term debt consists of the following for the years ended April 30:

	Balance April 30, 2025	Additions	Reductions	Balance April 30, 2026
Gross Revenue Hospital Bonds, Series 2014A	$ 3,270,000	$ -	$ (270,000)	$ 3,000,000
Gross Revenue Hospital Bonds, Series 2023A	12,550,001	5,949,999	(333,504)	18,166,496
Bond Discount	(25,713)	-	2,660	(23,053)
Total Long-Term Debt	$ 15,794,288	$ 5,949,999	$ (600,844)	21,143,443
Less: Current Maturities				(1,040,704)
Total Long-Term Debt, Net of Current Maturities				$ 20,102,739

NOTE 6 LONG-TERM DEBT (CONTINUED)

	Balance April 30, 2024	Additions	Reductions	Balance April 30, 2025
Gross Revenue Hospital Bonds, Series 2014A	$ 3,535,000	$ -	$ (265,000)	$ 3,270,000
Gross Revenue Hospital Bonds, Series 2023A	50,001	12,500,000	-	12,550,001
Bond Discount	(28,373)	-	2,660	(25,713)
Total Long-Term Debt	$ 3,556,628	$ 12,500,000	$ (262,340)	15,794,288
Less: Current Maturities				(440,865)
Total Long-Term Debt, Net of Current Maturities				$ 15,353,423

- Gross Revenue Hospital Bonds, Series 2014A in the original amount of $5,600,000 with interest ranging from 1.00% to 4.15%. Principal payments are due annually commencing September 2015 to September 2034 with interest paid semi-annually. The bonds can be optionally redeemed beginning September 1, 2021, with a 1% premium through August 31, 2022, and thereafter no redemption premium. The bonds were issued for partial financing of a hospital expansion and renovation project. The bonds are payable from the "Gross Revenues" of the Hospital including patient service revenues (net of allowances and uncollectible accounts), other operating revenues, and nonoperating revenues, other than contributions restricted as to use so as not to be available for operating expenses or debt service.

- Gross Revenue Bonds, Series 2023A in the original issuance amount of $20,138,646 with an interest rate of 5.70%. Principal payments are due monthly upon completion of the construction of a medical office building in which the bonds were issued to finance. As of April 30, 2026 and 2025, there were draws of $5,949,999 and $12,500,000, respectively, of the bonds. The bonds are payable from the "Gross Revenues" of the Hospital including patient service revenues (net of allowances and uncollectible accounts), other operating revenues, and nonoperating revenues, other than contributions restricted as to use so as not to be available for operating expenses or debt service.

Under the Series 2014A bonds and 2023A bonds, the Hospital must meet certain operational and performance covenants and is limited in the amount of additional debt that can be incurred. Management believes the Hospital was in compliance with all debt covenants as of April 30, 2026.

NOTE 6 LONG-TERM DEBT (CONTINUED)

Scheduled principal and interest repayments on long-term debt are as follows:

	Long-Term Debt		
Year Ending April 30,	Principal	Interest	Total
2027	$ 1,040,704	$ 1,145,867	$ 2,186,571
2028	1,092,887	1,092,806	2,185,693
2029	1,152,905	1,031,236	2,184,141
2030	1,213,226	968,667	2,181,893
2031	1,281,533	902,213	2,183,746
Thereafter	15,385,241	4,765,378	20,150,619
Total	$ 21,166,496	$ 9,906,167	$ 31,072,663

NOTE 7 LEASES

Lessee Leases

The following is a summary of lease obligation transactions for the Hospital for the years ended April 30:

	Balance April 30, 2025	Additions	Reductions	Balance April 30, 2026
Lease Obligations	$ 1,289,555	$ 1,125,630	$ (535,238)	$ 1,879,947
Less: Current Maturities				(582,253)
Total Lease Obligations, Net of Current Maturities				$ 1,297,694

	Balance April 30, 2024	Additions	Reductions	Balance April 30, 2025
Lease Obligations	$ 1,736,766	$ -	$ (447,211)	$ 1,289,555
Less: Current Maturities				(467,430)
Total Lease Obligations, Net of Current Maturities				$ 822,125

Lease obligations consist of medical equipment. The leases have a combined monthly payment of $60,431, with an average interest rate of 4.9%, and maturity dates ranging in 2026 to 2033.

Capital assets include the following equipment under lease obligation:

	2026	2025
Equipment	$ 3,445,478	$ 2,319,849
Less: Accumulated Amortization	(1,357,838)	(904,742)
Total Right to Use Assets, Net	$ 2,087,640	$ 1,415,107

NOTE 7 LEASES (CONTINUED)

Scheduled principal and interest repayments on lease obligations are as follows:

	Finance Lease Obligations		
Year Ending April 30,	Principal	Interest	Total
2027	$ 582,253	$ 83,405	$ 665,658
2028	533,185	55,956	589,141
2029	203,995	36,324	240,319
2030	153,180	26,724	179,904
2031	132,161	19,084	151,245
Thereafter	275,173	14,583	289,756
Total	$ 1,879,947	$ 236,076	$ 2,116,023

Lessor Leases

The Hospital, acting as a lessor, leases certain space under noncancellable long-term lease agreements which commenced in June 2025. During the year ended April 30, 2026, the Hospital recognized $254,260 and $139,525 in lease revenue and interest income, respectively, pursuant to the lease contract.

Total future minimum lease payments to be received under the long-term agreement are as follows:

	Lease Receivable		
Year Ending April 30,	Principal	Interest	Total
2027	$ 199,397	$ 141,786	$ 341,183
2028	218,011	129,907	347,918
2029	238,028	116,930	354,958
2030	259,344	102,777	362,121
2031	282,119	87,371	369,490
Thereafter	1,409,194	168,977	1,578,171
Total	$ 2,606,093	$ 747,748	$ 3,353,841

NOTE 8 DEFINED BENEFIT PENSION PLAN

Plan Description

The Hospital participates in the following cost-sharing multiemployer defined benefit pension plans administered by the Public Employees Retirement Association (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.

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

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

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 1.20% of average salary for any five successive years of allowable service, age, and years of credit at termination of service. Under Method 2, the accrual rate for coordinated members is 1.70% of 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% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.00% and a maximum of 1.50%. 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. For 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. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

Contributions

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

Coordinated plan members were required to contribute 6.5% of their annual covered salary in fiscal years 2026 and 2025 and the Hospital was required to contribute 7.5% of pay for coordinated plan members. The Hospital's contributions to the General Employees Plan for the plan's fiscal years ended April 30, 2026, 2025, and 2024 were $1,053,622, $890,417, and $766,183, respectively. The Hospital's contributions were equal to the required contributions for each year as set by state statute.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Costs

At April 30, 2026 and 2025, the Hospital reported a liability of $4,455,310 and $4,537,209, respectively, for its proportionate share of the General Employees Fund's net pension liability. The Hospital's net pension liability reflected a reduction due to the state of Minnesota's contribution of $16 million to the fund. The state of Minnesota is considered a nonemployer 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 Hospital totaled $107,476 and $117,323 at April 30, 2026 and 2025, respectively. The net pension liability was measured as of June 30, 2025 and 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates.

The Hospital's proportion of the net pension liability was based on the Hospital's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025 and July 1, 2023 through June 30, 2024 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2025 and 2024 the Hospital's proportionate share was .1344% and .1227%, respectively.

There were no benefit provision changes during the measurement period.

For the years ended April 30, 2026 and 2025, the Hospital recognized pension expense of $267,237 and $666,132, respectively. These amounts consisted of the Hospital's proportionate share of the General Employees Plan's pension expense, plus additional amortized net expenses associated with differences between estimated and actual experience of various actuarial assumptions associated with the plan. In addition, the Hospital recognized an additional $16,485 and $2,253 during the years ended April 30, 2026 and 2025, respectively, as pension expense (and other revenue) for its proportionate share of the state of Minnesota's contribution of $16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the state of Minnesota contributed $170.1 million to the General Employees Fund. The State of Minnesota is not included as a nonemployer contributing entity in the General Employees Plan pension allocation schedules for the $170.1 million in direct state aid. The Hospital recognized $21,511 and $208,754, respectively, for the years ended April 30, 2026 and 2025 as other revenue and an offsetting reduction of net pension liability for its proportionate share of the state of Minnesota's on-behalf contributions to the General Employees Fund.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Costs (Continued)

At April 30, 2026 and 2025, the Hospital 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:

	2026	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 424,494	$ -
Changes of Assumptions	107,347	1,025,151
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,772,810
Changes in Proportion and Differences Between Hospital Contributions and Proportionate Share of Contributions	875,247	31,715
Hospital Contributions Subsequent to the Measurement Date	896,809	-
Total	$ 2,303,897	$ 2,829,676

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 426,617	$ -
Changes of Assumptions	22,152	1,717,259
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,317,568
Changes in Proportion and Differences Between Hospital Contributions and Proportionate Share of Contributions	610,576	63,429
Hospital Contributions Subsequent to the Measurement Date	770,650	-
Total	$ 1,829,995	$ 3,098,256

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Costs (Continued)

The $896,810 and $770,650 reported as deferred outflows of resources related to pensions resulting from the Hospital's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended April 30, 2026 and 2025, respectively. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending April 30,	2026	2025
2026	$ -	$ (1,222,090)
2027	(179,151)	(95,837)
2028	(486,050)	(373,234)
2029	(440,699)	(347,750)
2030	(316,688)	-
Total	$ (1,422,588)	$ (2,038,911)

Actuarial Assumptions

The total pension liability in the June 30, 2025, 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%. This assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of return and investment return rates were deemed to be reasonable by the actuary. An investment return of 7.0% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.5% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3.0% after 23 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 used in the June 30, 2025 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in 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.

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

The following changes in actuarial assumptions and plan provisions occurred in 2026:

Changes in Actuarial Assumptions

- The combined service annuity loading factors were changed from 15% to 19% for vested terminated members and from 3% to 44% for nonvested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.5%.

Changes in Plan Provisions

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.5%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1% and 1.5%.
- The 1% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

Long-Term Expected Return on Investments

The state Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	33.5 %	5.1 %
International Stocks	16.5	5.3
Fixed Income	25.0	0.8
Private Markets	25.0	5.9
Total	100.0 %	

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability in 2025 and 2024 was 7.0%. 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 positions of the General Employees Fund 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.

Pension Liability Sensitivity

The following presents the Hospital'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 Hospital's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	April 30, 2026		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Hospital's Proportionate Share of the Net Pension Liability	$ 2,946,128	$ 4,455,310	$ (193,001)

	April 30, 2025		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Hospital's Proportionate Share of the Net Pension Liability	$ 9,909,995	$ 4,537,209	$ 117,603

Pension Plan Fiduciary Net Position

Detailed information about each defined benefit 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.

NOTE 9 CONCENTRATIONS OF CREDIT RISK

The Hospital is located in Windom, Minnesota. The Hospital grants credit, without collateral, to its patients, most of whom are local residents and are insured under third-party payor agreements. The Hospital also grants credit, without collateral, for other miscellaneous receivables.

NOTE 10 COMMITMENTS AND CONTINGENCIES

Malpractice Claims

The Hospital's malpractice insurance is a claims made policy. Should this policy lapse and not be replaced with equivalent coverage, claims based upon occurrence during its term, but reported subsequent thereto, will be uninsured.

Compliance

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity had increased with respect to investigations and allegations concerning possible violations by health care providers, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues for patient services. Management believes the Hospital is in substantial compliance with current laws and regulations.

Other

In the normal course of business, there could be various outstanding contingent liabilities such as, but not limited to, the following:

- Lawsuits alleging negligence in care
- Environmental pollution
- Violation of regulatory body's rules and regulations
- Violation of federal and/or state laws

No contingent liabilities such as, but not limited to those described above, are reflected in the accompanying financial statements. No such liabilities have been asserted and, therefore, no estimate of loss, if any, is determinable.

NOTE 11 MANAGEMENT AGREEMENTS

The Hospital has a management agreement with Sanford Health Services (Sanford). This agreement gives Sanford, through the Hospital's administrator, full authority to implement and fulfill the policy decisions of the Hospital's board of directors. Either party may terminate this agreement with proper notice. Total management fees, including the administrator's salary and benefits, were $373,115 and $359,963 for the years ended April 30, 2026 and 2025, respectively.

The Hospital also purchases certain services, supplies and other items through Sanford's network. Amount due to Sanford was $135,000 and $131,000 at April 30, 2026 and 2025, respectively.

NOTE 11 MANAGEMENT AGREEMENTS (CONTINUED)

The Hospital entered into a management agreement with Healogics in fiscal year 2018 to begin providing wound care services. The Hospital provides space and employee staffing, and Healogics provides the necessary equipment. The Hospital pays management fees to Healogics in the amount of $18,980 per month.

WINDOM AREA HEALTH
WINDOM, MINNESOTA
SCHEDULE OF THE HOSPITAL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
APRIL 30, 2026
(UNAUDITED)

	2026	2025	2024	2023	2022
Hospital's Proportion of the Net Pension Liability	0.1344%	0.1227%	0.1111%	0.1132%	0.1087%
Hospital's Proportionate Share of the Net Pension Liability	$ 4,455,310	$ 4,537,209	$ 6,213,355	$ 8,965,476	$ 4,641,976
Hospital's Covered Payroll	$ 15,393,255	$ 12,690,902	$ 10,570,989	$ 8,906,242	$ 8,552,967
Hospital's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	28.94%	35.75%	58.78%	100.67%	54.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.78%	89.08%	83.10%	76.70%	87.00%

	2021	2020	2019	2018	2017
Hospital's Proportion of the Net Pension Liability	0.1048%	0.1029%	0.1002%	0.1010%	0.0953%
Hospital's Proportionate Share of the Net Pension Liability	$ 6,283,238	$ 5,689,110	$ 5,558,685	$ 6,447,773	$ 7,737,887
Hospital's Covered Payroll	$ 7,840,559	$ 7,521,193	$ 7,331,990	$ 6,825,836	$ 6,325,817
Hospital's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	80.14%	75.64%	75.81%	94.46%	122.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.06%	80.23%	79.50%	75.90%	68.90%

Note: GASB 68 requires 10 years of information to be presented in this table.

WINDOM AREA HEALTH
WINDOM, MINNESOTA
SCHEDULE OF THE HOSPITAL'S CONTRIBUTIONS
APRIL 30, 2026
(UNAUDITED)

	2026	2025	2024	2023	2022
Statutorily Required Contribution	$ 1,053,622	$ 890,417	$ 766,183	$ 650,753	$ 637,602
Contributions in Relation to the Statutorily Required Contribution	1,053,622	890,417	766,183	650,753	637,602
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Hospital Covered Payroll	$ 15,393,255	$ 12,690,902	$ 10,570,989	$ 8,906,242	$ 8,552,967
Contributions as a Percentage of Covered Payroll	6.84%	7.02%	7.25%	7.31%	7.45%

	2021	2020	2019	2018	2017
Statutorily Required Contribution	$ 576,285	$ 553,863	$ 569,906	$ 487,568	$ 452,945
Contributions in Relation to the Statutorily Required Contribution	576,285	553,863	569,906	487,568	452,945
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Hospital Covered Payroll	$ 7,840,559	$ 7,521,193	$ 7,331,990	$ 6,825,836	$ 6,325,817
Contributions as a Percentage of Covered Payroll	7.35%	7.36%	7.77%	7.14%	7.16%

Note: GASB 68 requires 10 years of information to be presented in this table.

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INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Directors
Windom Area Health
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 business-type activities of Windom Area Health and its discretely presented component unit (the Hospital) as of and for the year ended April 30, 2026 and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements and have issued our report thereon dated August 21, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that Windom Area Health failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. 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 Hospital'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 relating to the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 21, 2026

INDEPENDENT AUDITORS' 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

Board of Directors
Windom Area Health
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 business-type activities of Windom Area Health and its discretely presented component unit, as of and for the year ended April 30, 2026, and the related notes to the financial statements, which collectively comprise Windom Area Health's basic financial statements, and have issued our report thereon dated August 21, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Windom Area Health's internal control over financial reporting (internal control) as a basis for designing the 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 Windom Area Health's internal control. Accordingly, we do not express an opinion on the effectiveness of Windom Area Health's internal control over financial reporting.

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 preceding paragraph 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. We identified deficiencies in internal control, described in the accompanying schedule of findings as item 2026-001 that we consider to be a material weakness.

Board of Directors
Windom Area Health

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Windom Area Health's financial statements are free from 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 determination of financial statement amounts. 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*.

Windom Area Health's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Windom Area Health's response to the findings identified in our audit and are described in the accompanying schedule of findings. Windom Area Health's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Windom Area Health's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 21, 2026

WINDOM AREA HEALTH
WINDOM, MINNESOTA
SCHEDULE OF FINDINGS
YEAR ENDED APRIL 30, 2026

FINANCIAL STATEMENT FINDINGS

2026 – 001

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: A properly designed system of internal control over financial reporting includes the preparation of an entity's financial statements and accompanying notes to the financial statements by internal personnel of the entity. Management is responsible for establishing and maintaining internal control over financial reporting and procedures related to the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Criteria: The board of directors and management share the ultimate responsibility for the Hospital's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

The Hospital engages auditors to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, CliftonLarsonAllen LLP (CLA) cannot be considered part of the Hospital's internal control system. As part of its internal control over the preparation of its financial statements, including disclosures, the Hospital has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the Hospital's activities and operations.

The Hospital's personnel have not monitored recent accounting developments to the extent necessary to enable them to prepare the Hospital's financial statements and related disclosures, to provide a high level of assurance that potential omissions or other errors that are material would be identified and corrected on a timely basis.

Effect: The effect of this condition is that the year-end financial reporting is prepared by a party outside of the Hospital. The outside party does not have the constant contact with ongoing financial transactions that internal staff have. Furthermore, it is possible that new standards may not be adopted and applied timely to the interim financial reporting. It is the responsibility of the Hospital's management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Cause: The Hospital has not adopted a policy over the annual financial reporting under GAAP; however, they have reviewed and approved the annual financial statements as prepared by the audit firm.

Recommendation: We recommend that management continue reviewing operating procedures in order to obtain the maximum internal control over financial reporting possible under the circumstances to enable staff to draft the financial statements internally.

Management's Response: Management will continue to allow the audit firm to create the draft financial statements and related footnote disclosures and will review and approve these prior to the issuance of the annual financial statements.

We'll get you there.

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Windom Area Health

2026 Audit Results and Report to the Board of Directors

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Table of Contents

Executive Summary of Professional Services

Unmodified Audit Opinion

Significant Events and Transactions

- PERA Updates and Changes
- MOB construction project and related financing

Change in Accounting Policy

- No changes in 2026

Audit Adjustments

- Client proposed adjustments – no auditor proposed adjustments

Subsequent Events

- No subsequent events

Internal Control Communication

- Material Weakness
  - Control Over Financial Reporting

Your Business

Financial Ratios

Industry Benchmark Data

Windom Area Health (WAH)

- $36.5 Million Patient Service Revenue
- 2023 –2026 Data, Based on Audited Financial Statements

2023-2026

CliftonLarsonAllen CAH Clients (CLA)

- Critical Access Hospitals with Patient Service Revenue less than $50 Million

2023-2025

CliftonLarsonAllen Gold Standard (GS)

- Over 1300 fiscal year reports analyzed in preparation of ratios and benchmarks
- 35 Gold Standard Facilities

2023-2025

CliftonLarsonAllen MN CAH (MN-CAH)

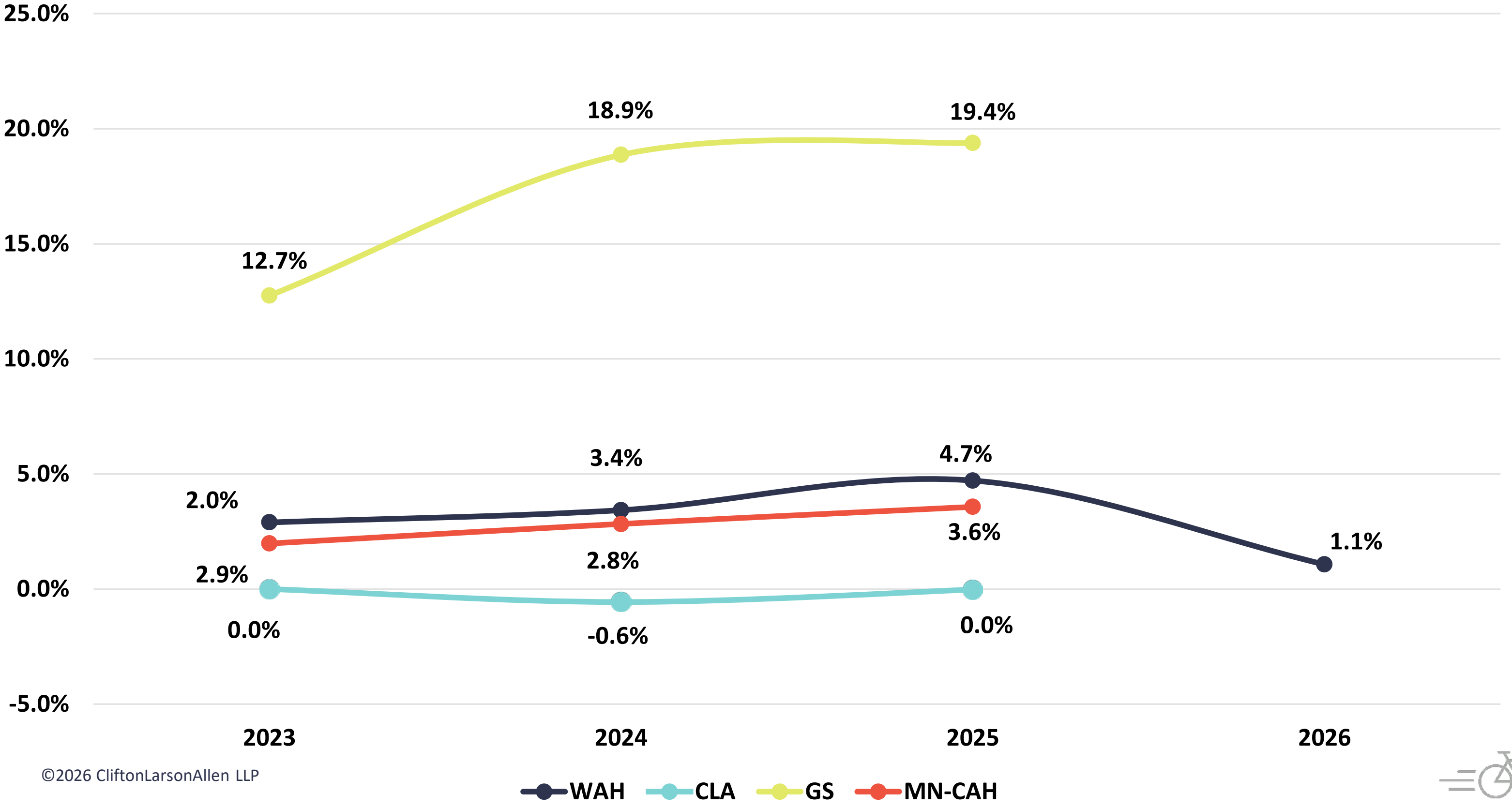
- All Minnesota CAH facilities from the Gold Standard Report

2023-2025

Operating Margin

Definition:

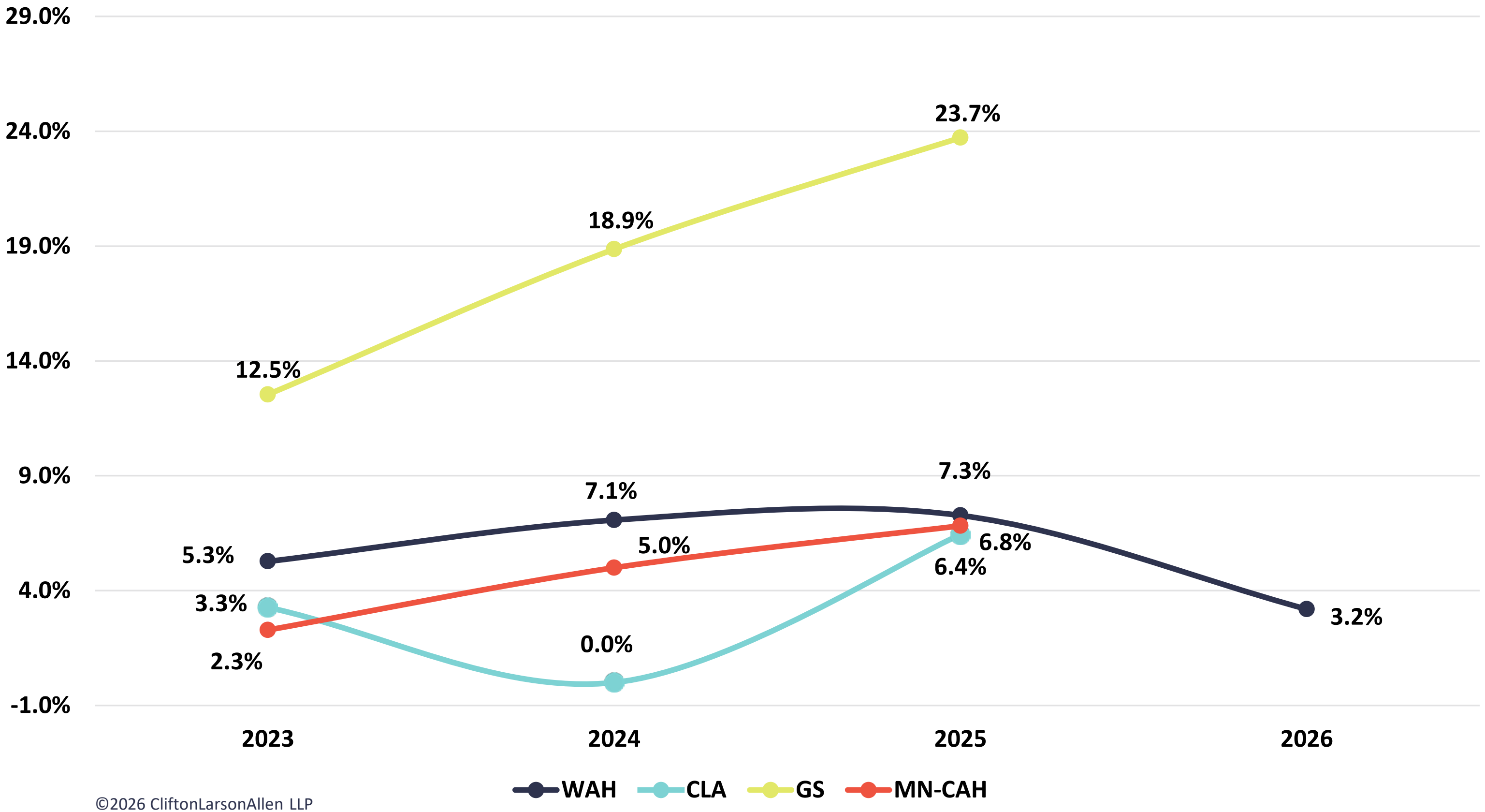
This ratio is operating margin as a percentage of net patient service revenue plus total other operating revenue. It is used to report the facility's return on revenues which relates to the main purpose of operations.



Total Margin

Definition:

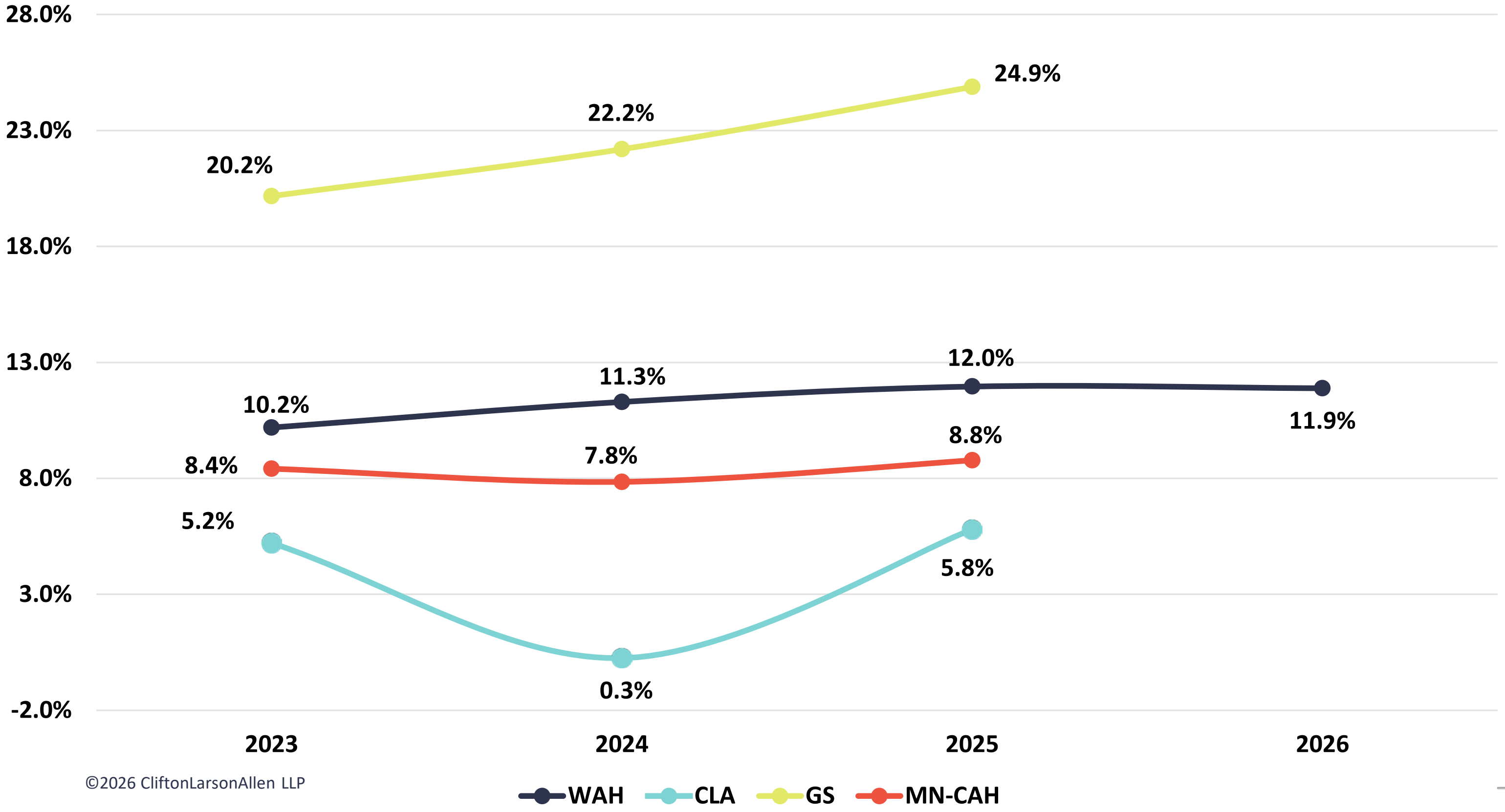
Total margin reflects excess of revenue over expenses as a percentage of total revenues, including nonoperating revenues.



Operating EBIDA

Definition:

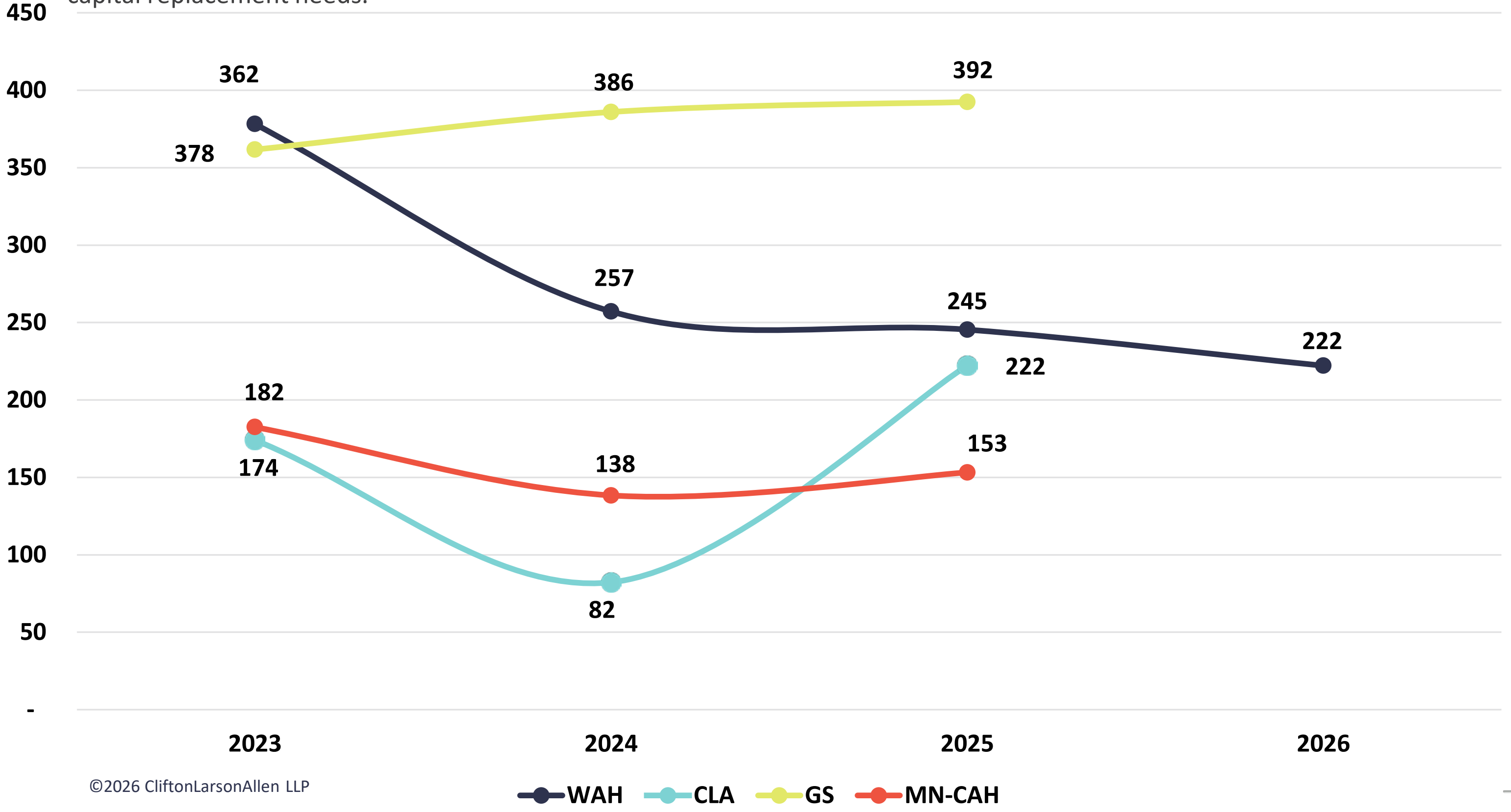
Operating EBIDA represents Earnings (operating income) Before Interest, Depreciation and Amortization divided by total operating revenues. It is used as a rough measure of cash flow in a facility. This ratio is often used when evaluating debt capacity.



Days Cash on Hand (All Sources)

Definition:

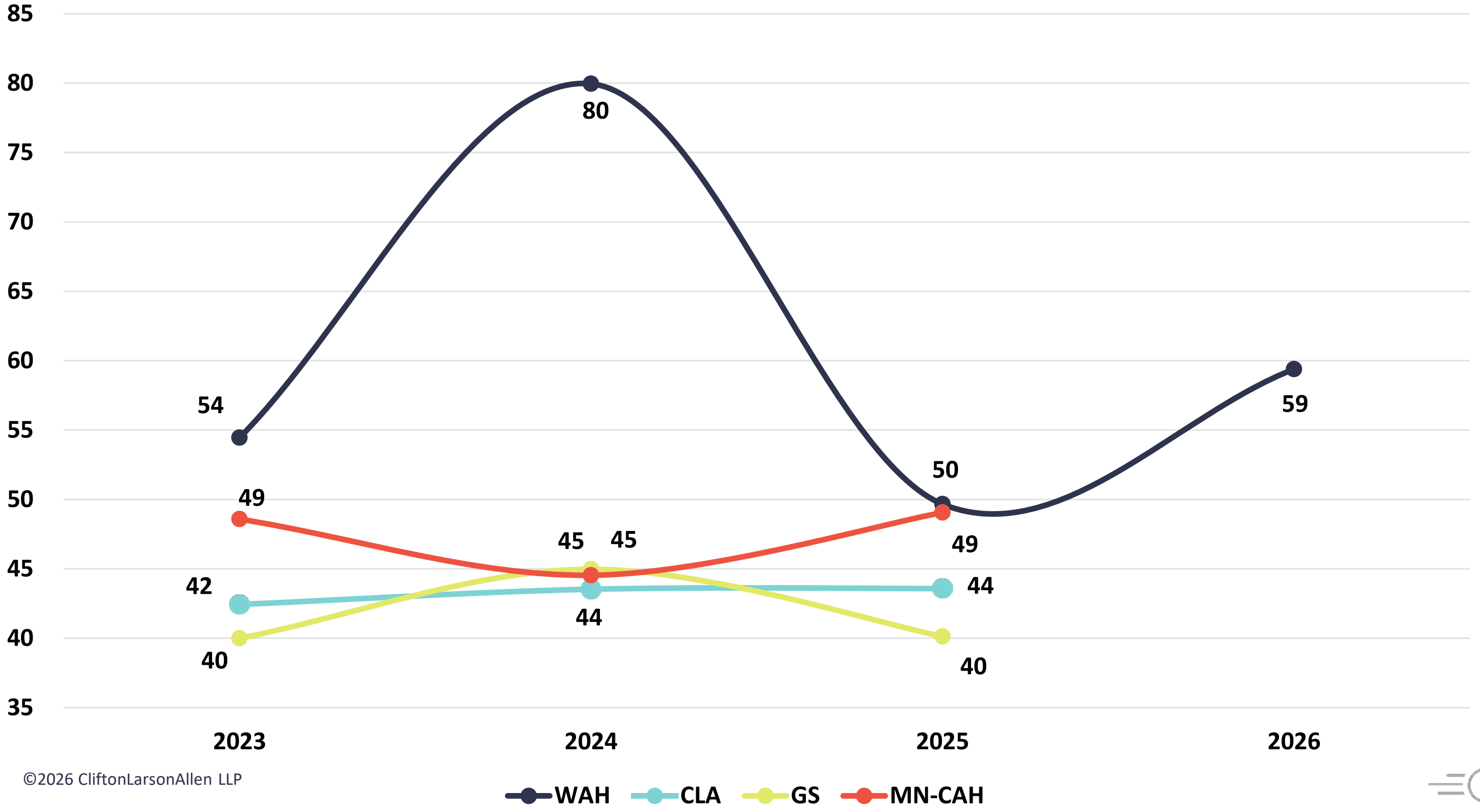
Days Cash on Hand measures the number of days of average cash expenses that the facility maintains in cash and amounts reserved for capital improvements. High values usually imply a greater ability to meet both short-term obligations and long-term capital replacement needs.



Net Days in Accounts Receivable

Definition:

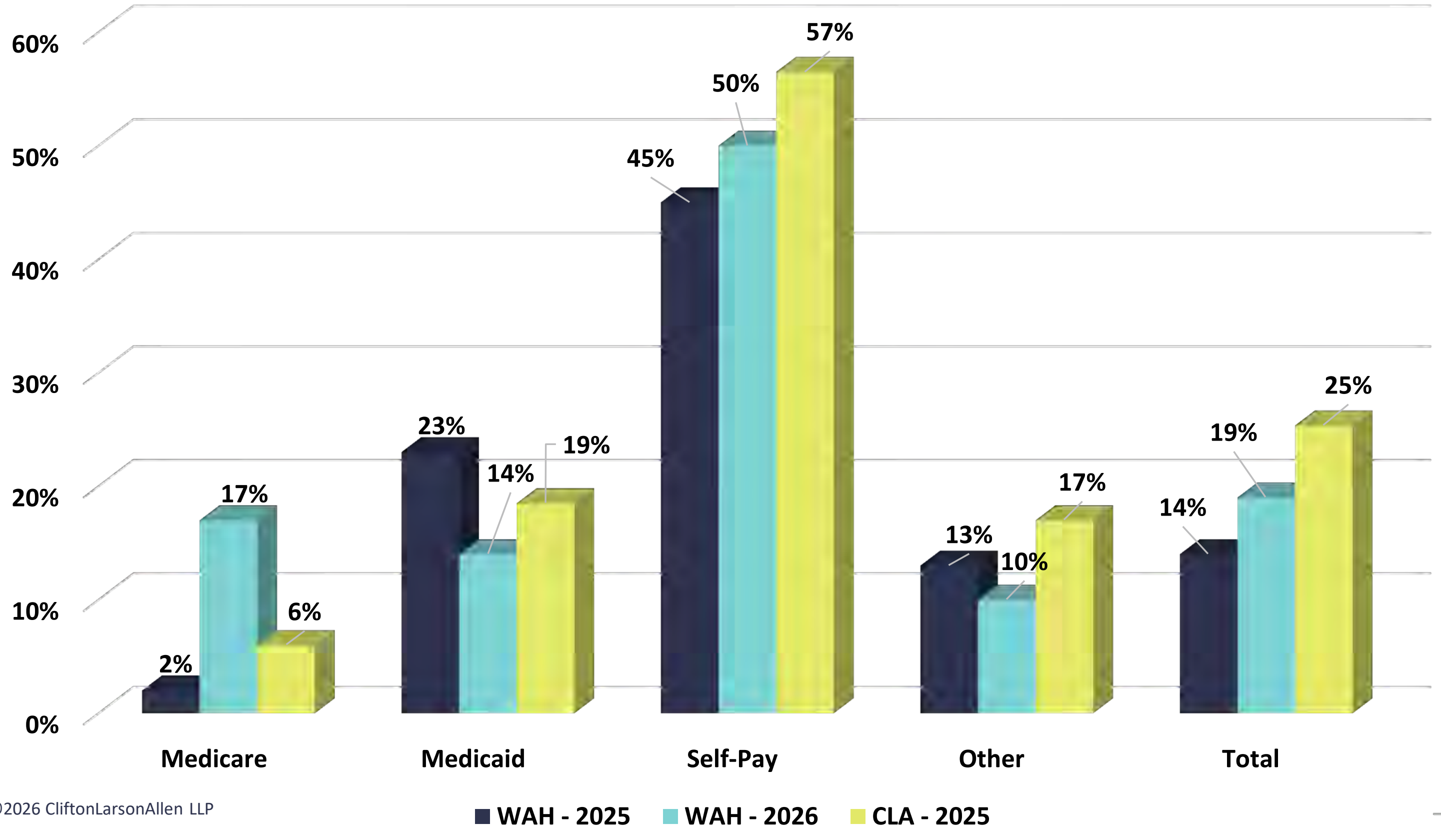
Days in patient accounts receivable is defined as the average time that receivables are outstanding, or the average collection period.



Accounts Receivable by Payor > 90 Days Old

Definition:

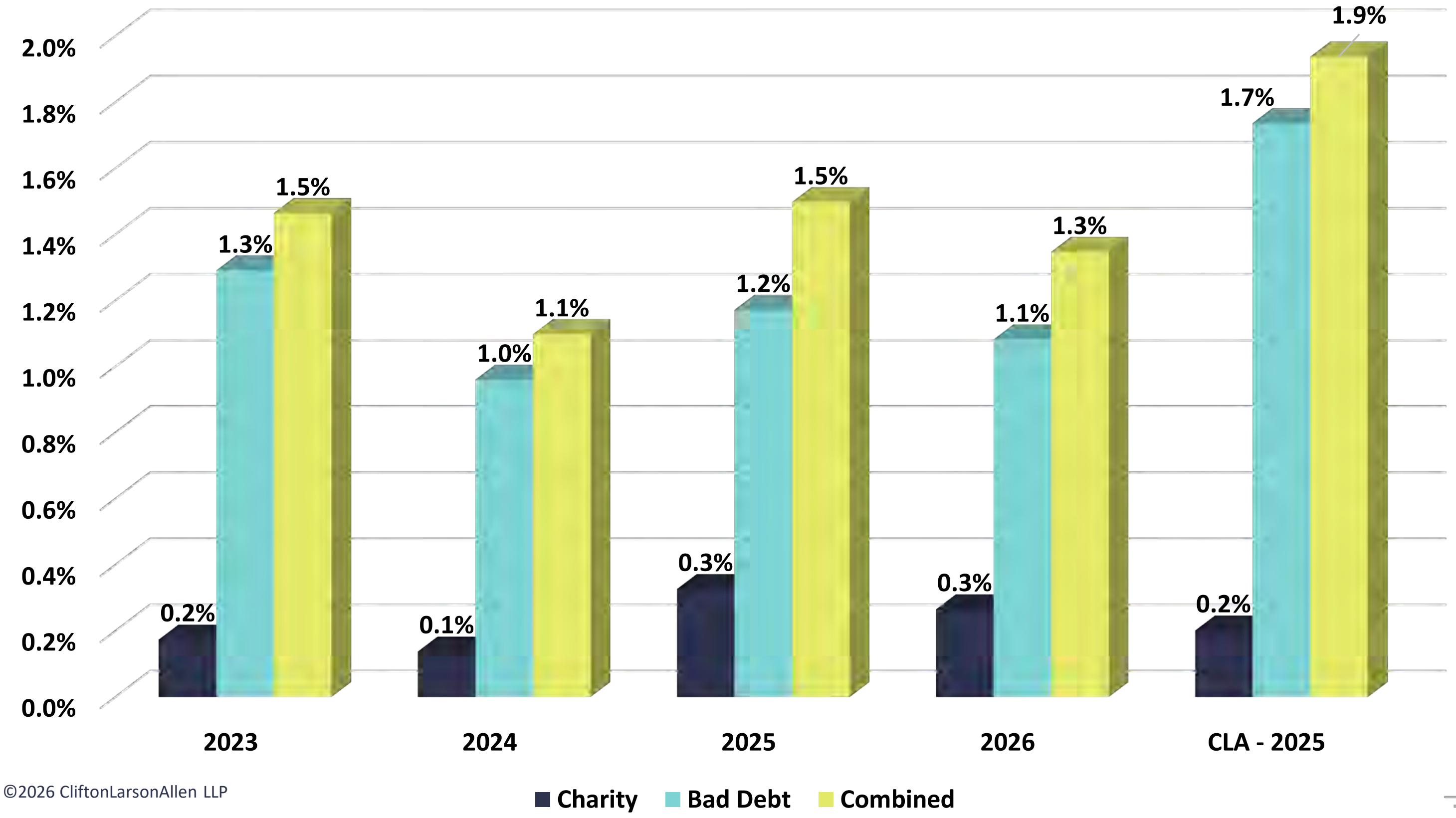
The portion of accounts receivable from each payor classification that is greater than 90 days old.



Bad Debt and Charity Care Combined

Definition:

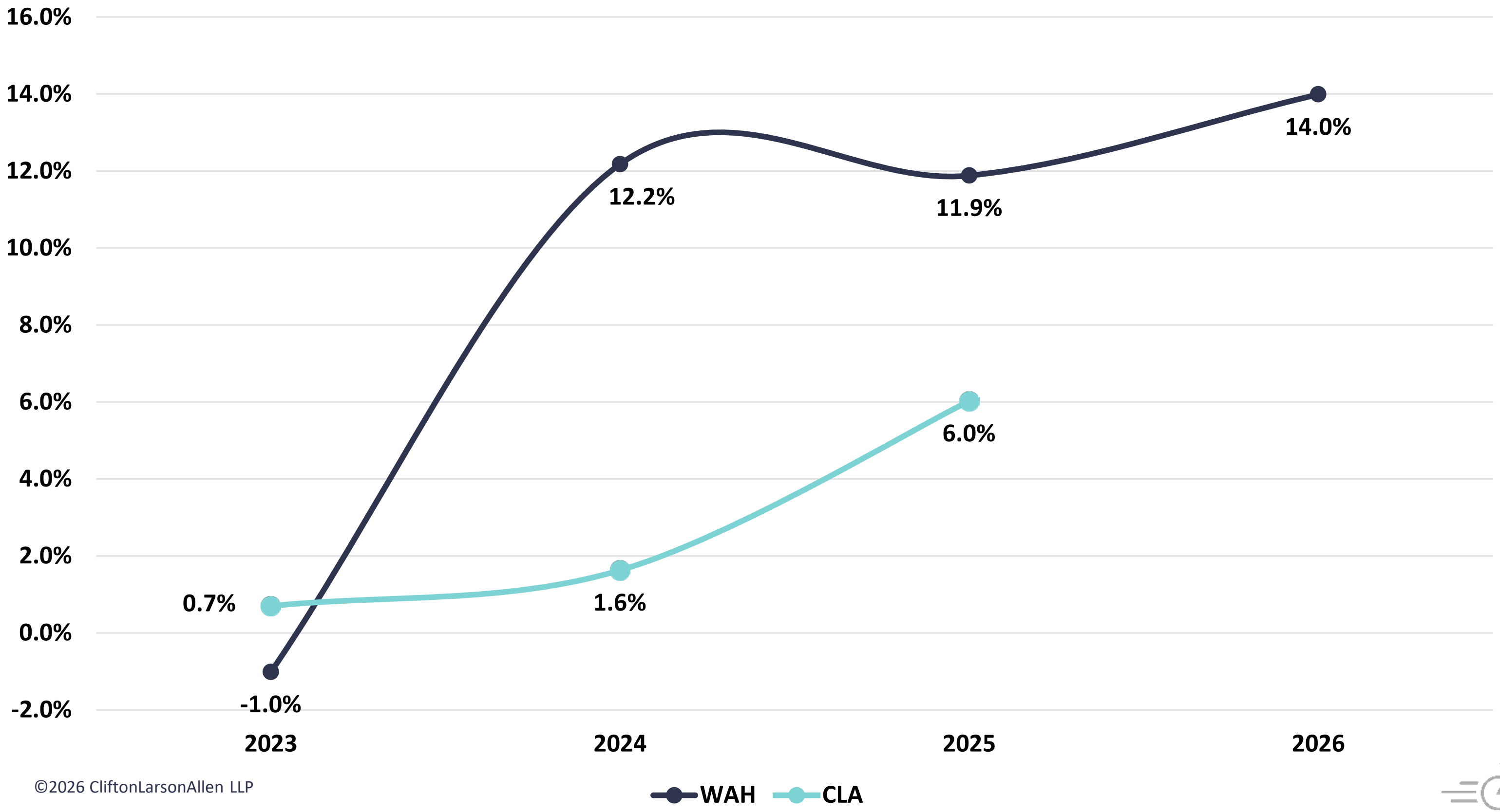
Bad debt and Charity Care as a percentage of gross revenue.



Growth in Net Patient Service Revenues

Definition:

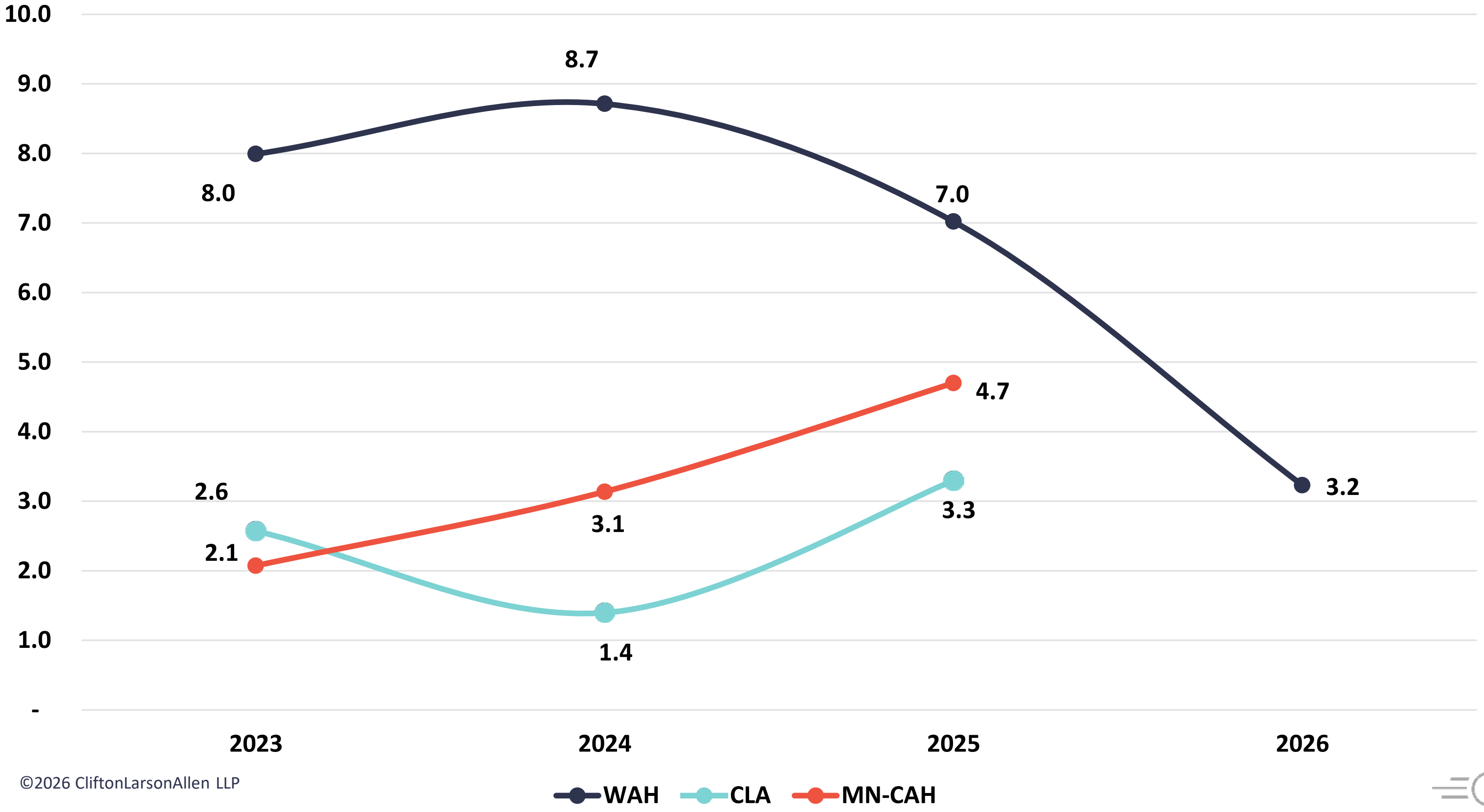
Percentage growth in net patient service revenue.



Debt Service Coverage

Definition:

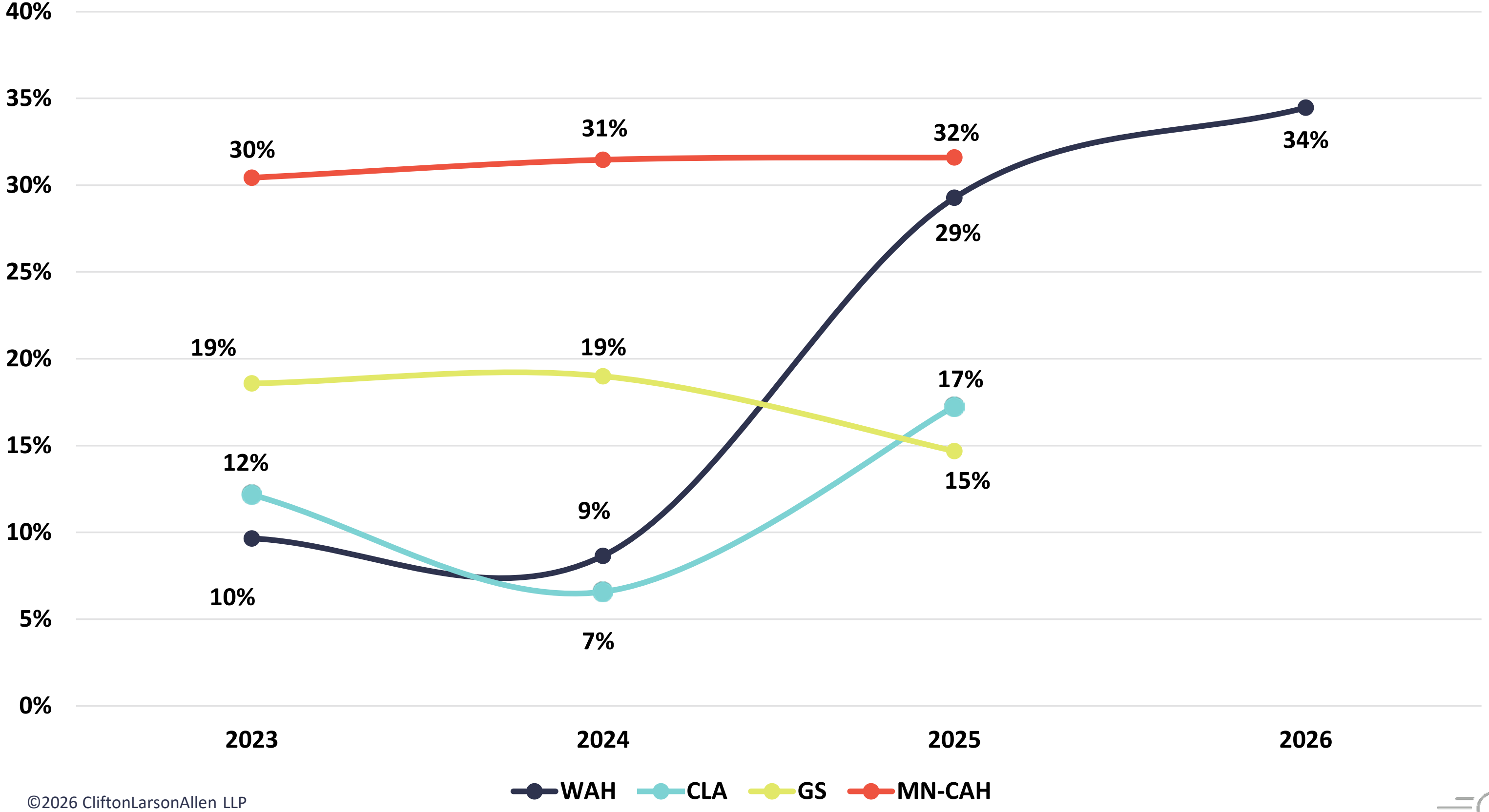
Debt service coverage is calculated as income available for debt service (net income + depreciation and amortization + interest expense) divided by the annual debt service requirements (principal payments made + interest expense).



Debt to Capitalization

Definition:

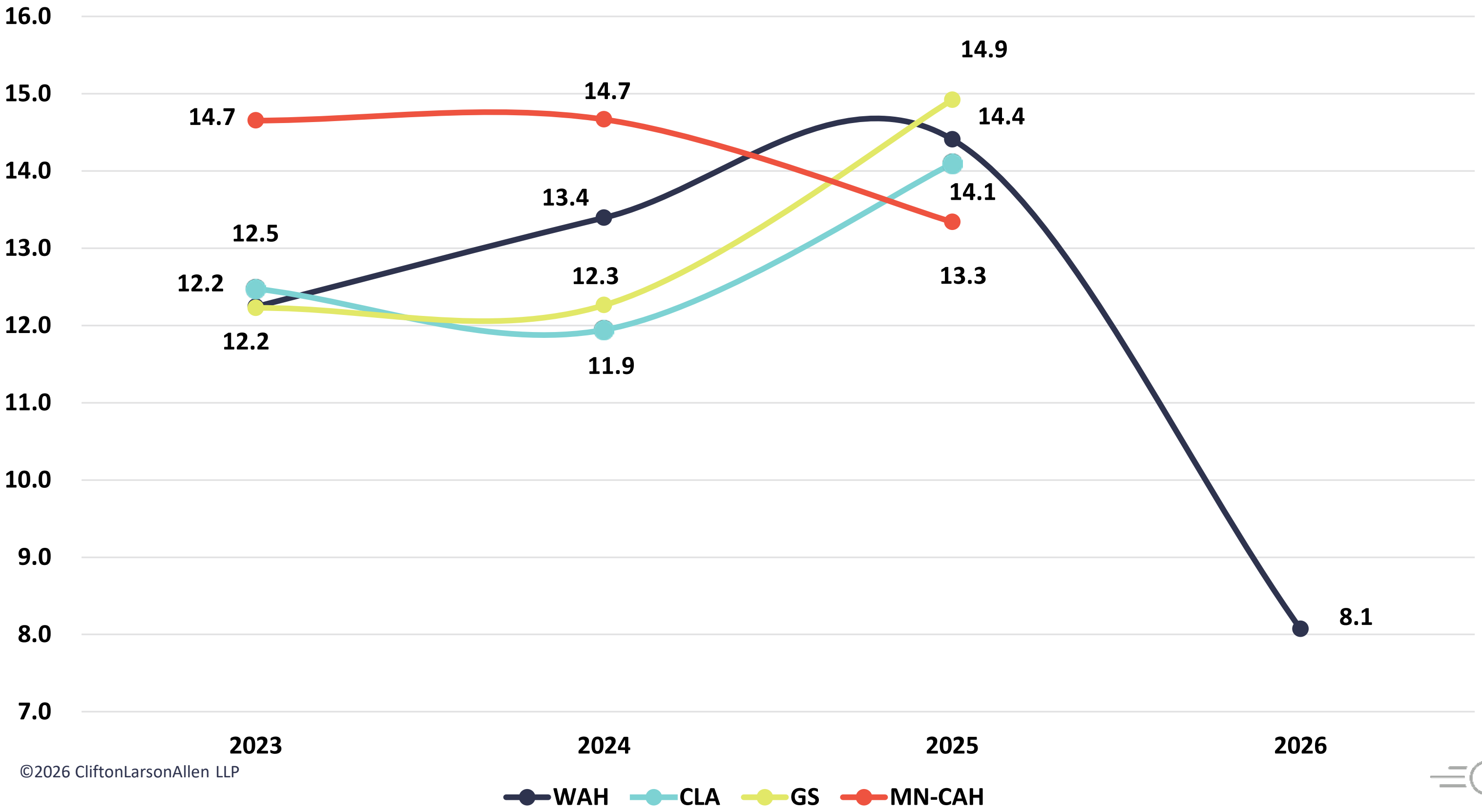
This ratio is defined as the proportion of long-term debt divided by long-term debt plus total net assets. Higher values for this ratio imply a greater reliance on debt financing and may imply reduced ability to carry additional debt.



Average Age of Plant

Definition:

Average age of plant attempts to approximate the average age of an organization's fixed assets. A low value is considered to be desirable as it indicates a newer facility.



Your Industry

2025 Outlook

We'll get you there.

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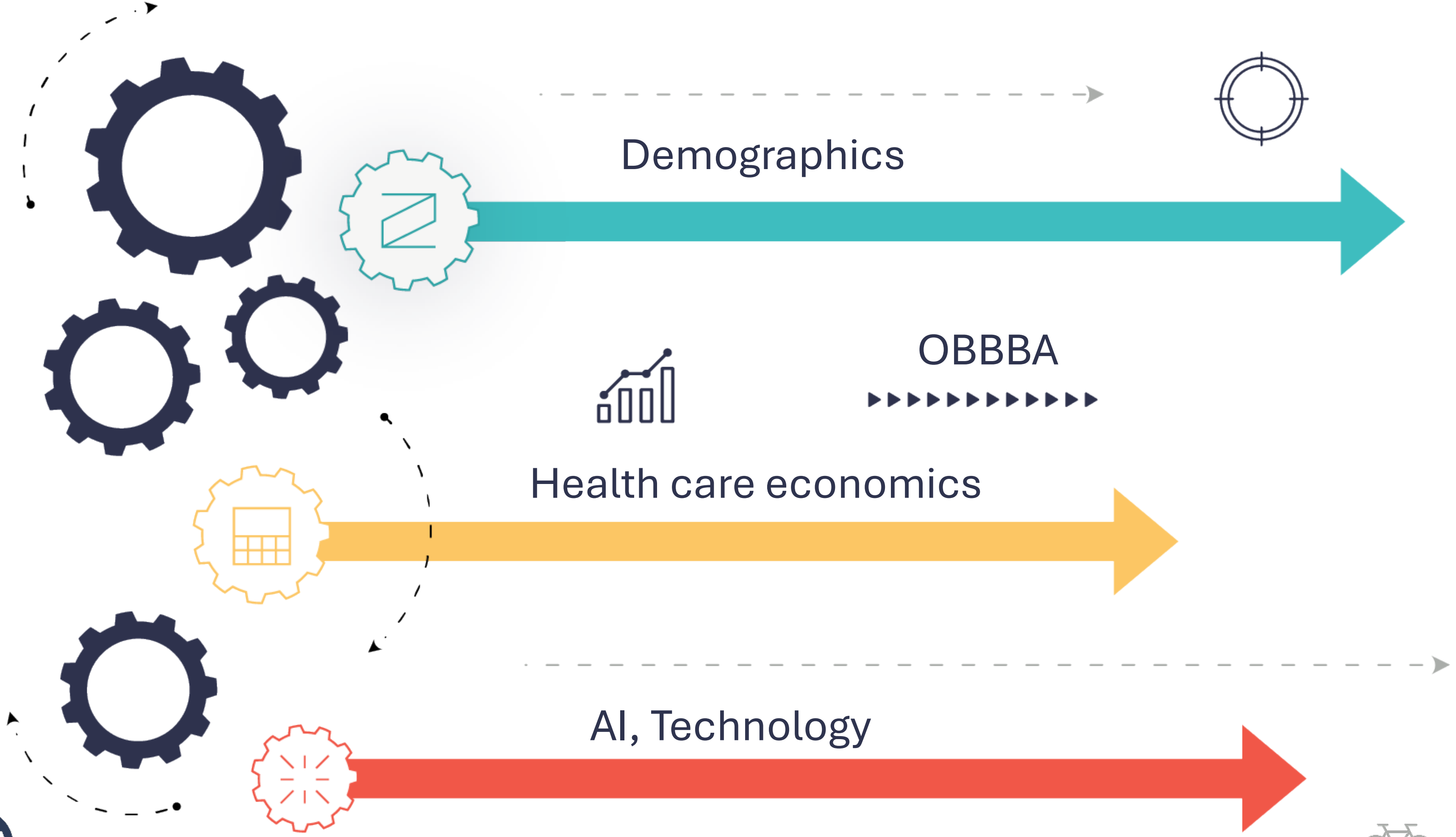
The Coming Decade: 2035

How Health Care and Life Sciences (HCLS) Can Meet The Future Today

Navigating the future

There are four major forces converging on health care and life sciences in the coming decade.

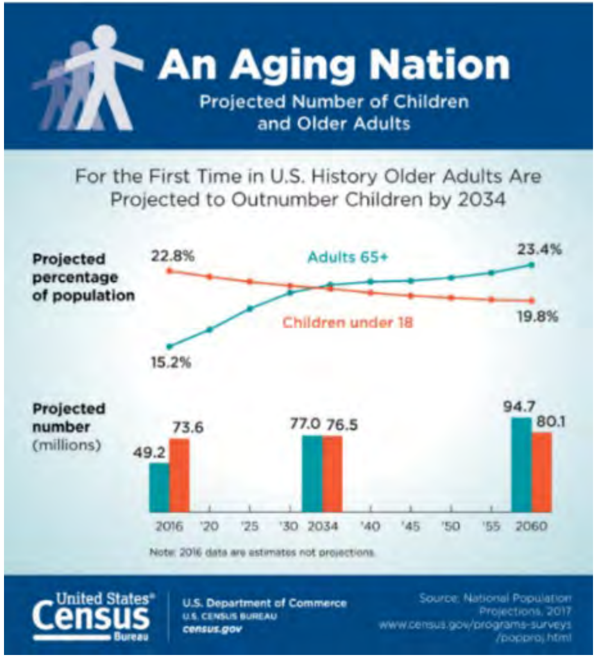

Demographics
OBBBA
Health care economics
AI, Technology

Demographics

Generational Cohorts

Generation	Birth Years	U.S. Population (Approx.)	Workforce
Silent Generation	1928–1945	19.0 million	Out of workforce
Baby Boomers	1946–1964	71+ million	Retired or retiring
Generation X	1965–1980	61 million	Later career, leadership years
Millennials (Gen Y)	1981–1996	74 million	Early-mid career
Generation Z	1997–2012	69 million	Early career or moving into workforce in coming years
Generation Alpha	2013–2024	51.5 million	Not in workforce yet
Generation Beta	2025–2039	Not yet measurable	Not in workforce

Demographics



[An Aging Nation: Projected Number of Children and Older Adults]

- An aging population
- Lower birth rates
- Longer life expectancy
- More chronic conditions

- Increasing need for care, services, housing
  - Senior housing
  - Aging in place
  - Holistic environments
- Increasing role for integrated care, care management
  - Prevention
  - Wellness
  - Breaking down silos
  - Alternative sites of service
- Increasing pressures on workforce supply
  - New pipelines
  - Top of scope
  - Employee needs, satisfaction
  - Upskilling

Health Care Economics

Demographics Impact Health Care Economics

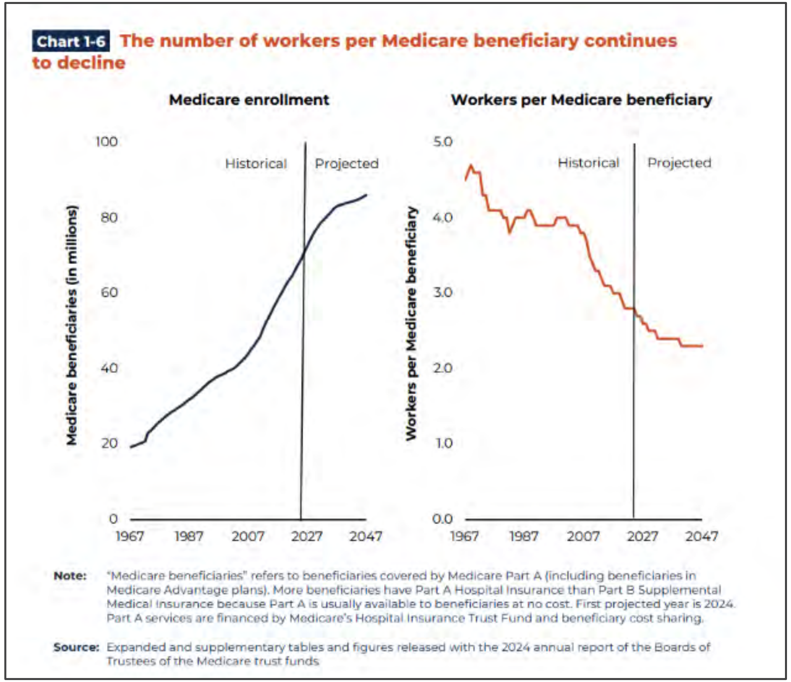
- Timing of generations, retirement waves
- Smaller working age-to-retirement ratios
- Longer life expectancy
- More chronic conditions
- Higher health care costs

For Context: Medicare

78 million people eligible for Medicare ***by 2030***

Workers paying into Medicare have declined

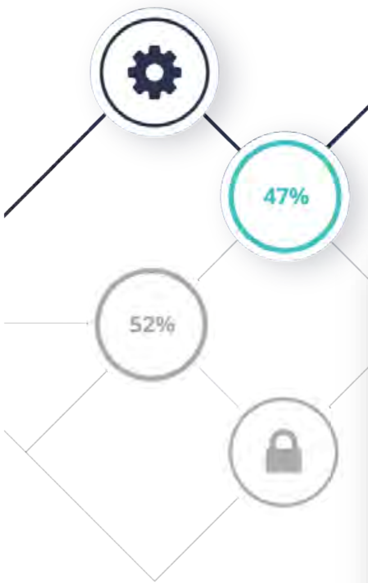
Part A Trust Fund Insolvency ***by 2033***

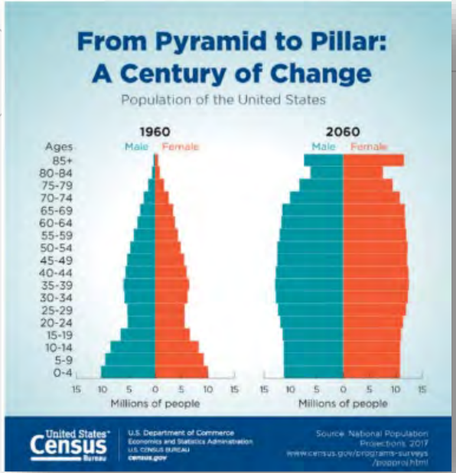


March 2025 Report to the Congress: Medicare Payment Policy – MedPAC

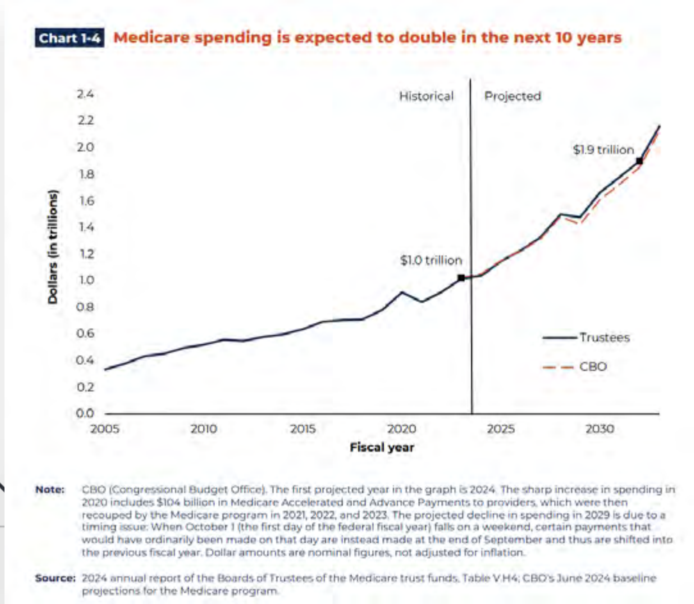
Medicare growth drivers

1. Number of beneficiaries
2. Utilization
3. Intensity of services





https://www.census.gov/library/visualizations/2018/comm/century-of-change.html

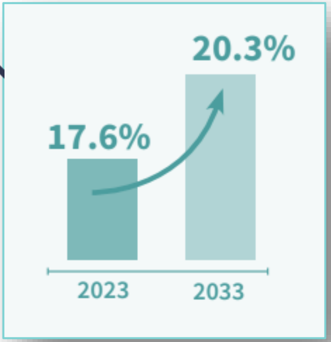


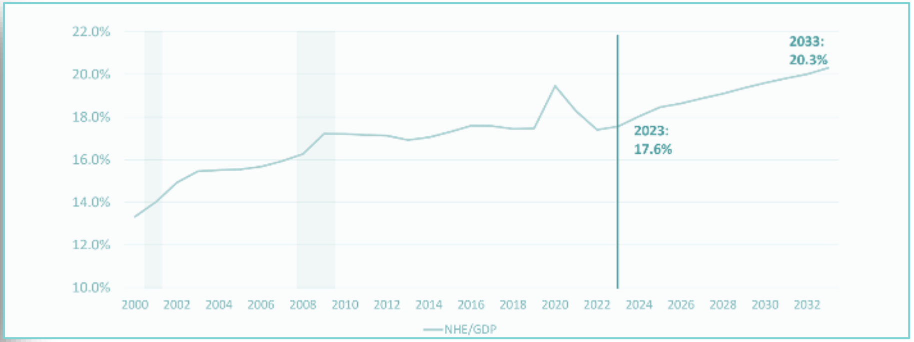
July2025_MedPAC_DataBook_Sec1_SEC.pdf

National Health Care Expenditures to GDP

In next decade...

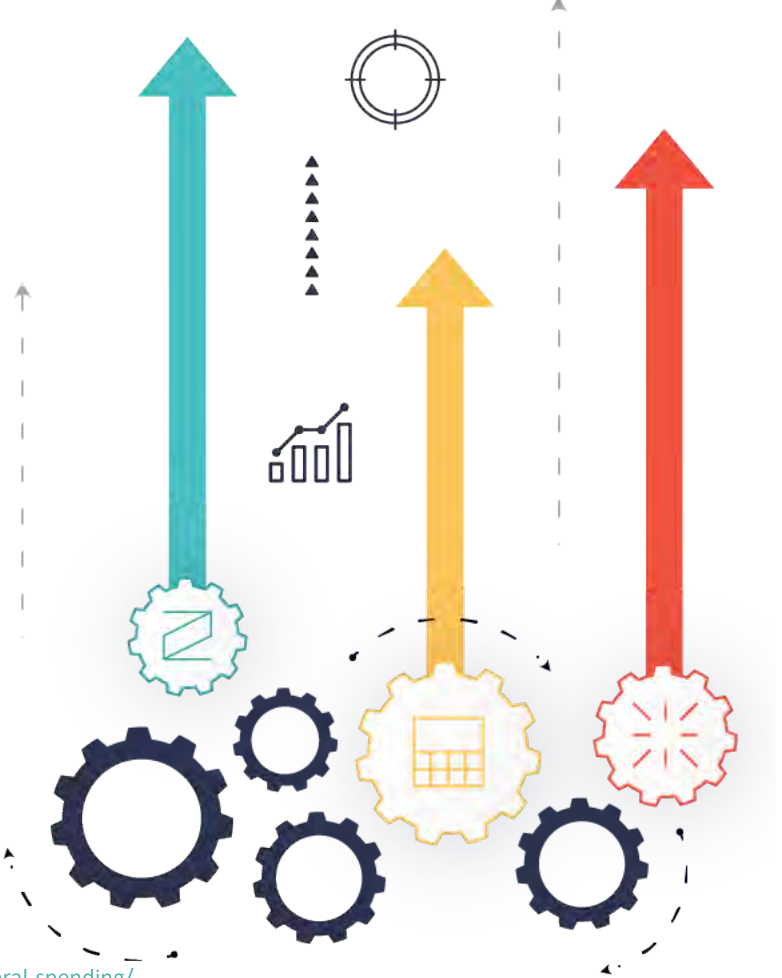
- NHE projected to grow annually at 5.8%
- GDP growth projected at 4.3%
- Health spending of GDP to go from 17.6% to 20.3% by 2033





The Coming Decade

- NHE up across all payers; Government will finance 50% of health care spend by 2033
- Macroeconomic trends, including tariff policies and geopolitical conditions, impact the cost of goods, supplies, building facilities etc.
- In 2025, federal government spent $355 billion to maintain the debt—that's 19% of federal spending
- Total government debt = $38 trillion
- Within two decades, federal spending on four items—Medicare, Medicaid, Social Security and federal debt payments—will exceed all federal revenues coming in.



https://www.cbo.gov/publication/61270
National Health Expenditure Projections 2024–33
https://fiscaldata.treasury.gov/americas-finance-guide/federal-spending/
Understanding the National Debt | U.S. Treasury Fiscal Data
https://www.medpac.gov/document/march-2025-report-to-the-congress-medicare-payment-policy/

Future

Increasing role of value, outcomes-based models, services, approaches

Strategic mergers and acquisitions throughout ecosystem

Significant changes in sites of services settings

Rapid technology and AI enablement uptake

More unique partnerships to maintain viability, compete or grow

OBBBA

Major Impact Areas

Medicaid Coverage and Financing Policies

$50 Billion in Rural Health Funds

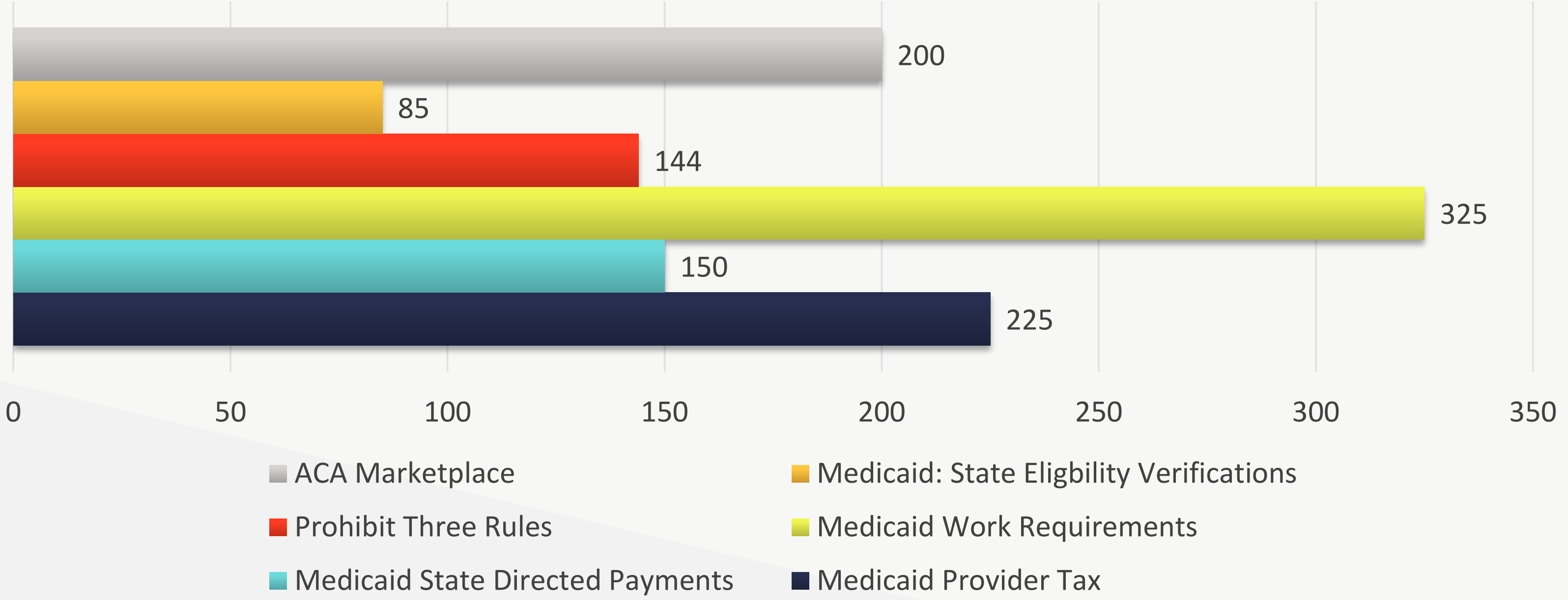
Tax, Credit Policies

10 Year Estimated Impacts (2025-2034)

Congressional Budget Office estimates OBBBA (Public Law 119-21) will result in a net budget deficit increase of $3.4 trillion.

- OBBBA reduces incoming federal revenues by $4.5 trillion
- OBBBA reduces outgoing federal spending by $1.1 trillion
  - $900+ billion in Medicaid funding reductions
- Results in net $3.4 trillion deficit

Quick Estimate: Major OBBBA Cuts
(in Billions)



[Estimated Budgetary Effects of Public Law 119-21, to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Relative to CBO's January 2025 Baseline | Congressional Budget Office]

Provider Taxes + SDP + ACA Expansion

	ACA Expansion	ACA Non-Expansion
State	All others	AL, FL, GA, KS, MS, SC, TN, TX, WI, WY
OBBBA Provider Tax Policy Impact	• No new provider taxes • Beginning phase down FFY 2028 as follows: *Year* — *Percentage* 2028 — 5.50% 2029 — 5.00% 2030 — 4.50% 2031 — 4.00% 2032 — 3.50% • Nursing home, ICF/ID exempted	• No New Taxes • Existing Taxes Frozen
OBBBA State Directed Payment Policy Impact	• Phases down to 100% Medicare • Begins CY 2028 • 10% reduction per year	• Phase down to 110% Medicare • Begins CY 2028 • 10% reduction per year

2026-2030: Rural Health Transformation Fund

$50 billion Total

$10 billion per year

50% of funds go to states equally

50% determined by HHS (ex: based on specific rural metrics and state application scoring)

Application

States submit 1 application for all five years

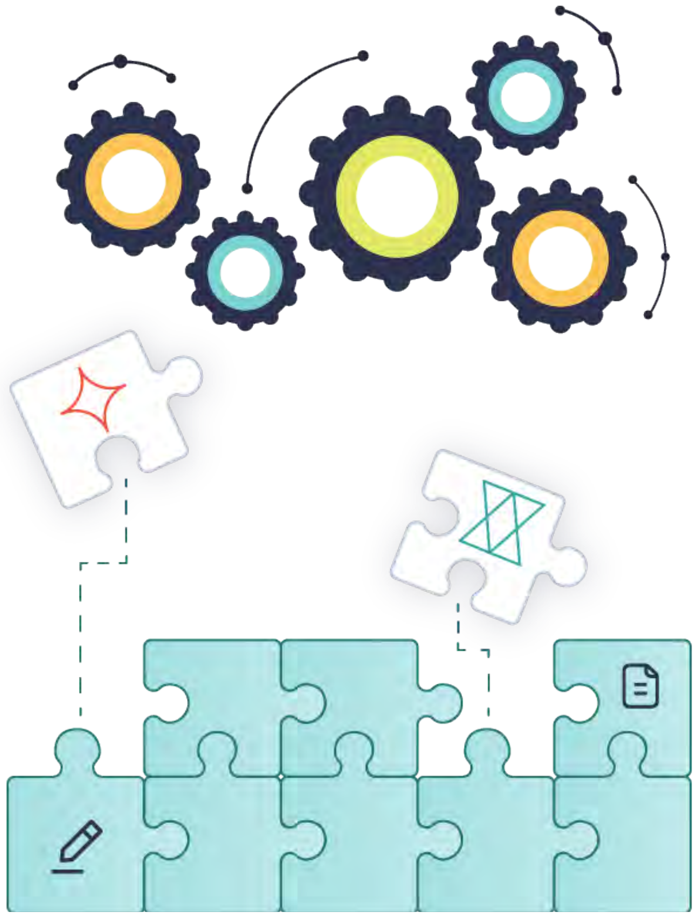
HHS approved applications Dec. 29, 2025

States will determine downstream distribution of funds

Each state's use of funds will differ

Rural Health Transformation (RHT) Program | CMS

H.R.1 - 119th Congress (2025-2026)| Congress.gov | Library of Congress



Cross-Cutting RHTF Themes

Technology. Addressing cybersecurity, remote care, telehealth, EHRs, interoperability

Workforce development. Recruiting and retaining workforce, expanded pipelines, rural residencies and rotations, emergency services

Chronic disease management, prevention. Promoting disease management, wellness

Maternal health care. Improving maternal and perinatal care, remote fetal monitoring, digital obstetrics, regionalized work

Sustainable, innovative care models. Creating hub-and-spoke models, shared-service networks, value-based payment reforms

Tax and Credits

R&D Credit (Section 174)

Business Interest Expense (Section 163(j))

Bonus Depreciation (Section 179)

Executive Comp Excise Tax (Tax-Exempt)

Artificial Intelligence

AI will transform health care and life sciences.

AI: The Coming Decade...

Low Hanging Fruit (now)	*Groundbreaking (coming)*
Administrative efficiency (ex: revenue cycle, workflows, patient experience)	Drug discoveries (ex: foundation models, digital twin)
Clinical documentation (ex: AI scribe, coding)	Clinical care (ex: AI diagnostics, AI driven care plans)
Connecting siloed data (ex: surfacing insights)	Robotics (surgeries)
Digital tools, apps (ex: wellness, prevention)	Personalized medicine (“bespoke”)
Predictive analytics (ex: scheduling, staffing, ACOs, population health, decompensation)	Brain-computer interfaces

Robust Governance, Cybersecurity

Closing Thoughts

Where to start?

- What is our current state? Where do want/need to be (future state)?
- How will shifting demographics (aging populations, diverse communities) change demand for our services, products, or workforce over the next decade?
- Are we prepared for the surge in chronic disease and long-term care needs associated with an aging population? How are we redesigning care models to meet them?
- What levers do we have to meaningfully reduce total cost of care while improving outcomes? Where are we currently creating unnecessary cost or friction?
- How will changes in Medicaid enrollment, OBBBA policy updates and state changes impact our revenue, patient mix, or operational risk?
- Are we proactively modeling multiple federal and state Medicaid/OBBBA policy scenarios to understand financial exposure?

Where to start?

- Where can AI and emerging technologies drive the most value today—administrative burden reduction, clinical decision support, R&D acceleration, supply chain optimization, or patient experience? In the future?
- Do we have a trustworthy and compliant data foundation that allows us to responsibly use AI without creating risk, bias, or inefficiency?
- Are we developing the workforce skills necessary for an AI-augmented healthcare environment—both to adopt technology and to manage the change?
- How are we creating simpler, more human patient and member experiences?
- Are we investing in capabilities that will still be relevant 5–10 years from now, or are we locked into legacy models that can't adapt to these forces (demographic, costs, policy, AI/technological)?

Frameworks, Tools, Models to Assist?

- PEST(LE)
- SWOT
- Porter’s Five Forces
- Survey tools, analysis
- Market analysis
- Financial modeling
- Scenario planning
- Feasibility study
- Risk assessments
- Workforce planning
- Succession planning
- AI (predictive analytics, forecasting)
- Many more

Call for HCLS is to understand sweeping changes, create plans, execute now to meet the coming decade

1. Use strategic advisors to stay abreast of disruptions, anticipate risks, and capitalize on emerging opportunities
2. Recalibrate your strategic plan to reflect evolving realities. Align your plan to both short-term pressures and long-term growth goals
3. Drive decisions with data, using tools like financial models, scenario planning to drive informed decisions
4. Accelerate digital transformation to enhance operational efficiency and create new value streams as the industry evolves
5. Fortify data governance and cybersecurity
6. Analyze opportunities for new partnerships or M&A to expand capabilities, drive scale, or for financial sustainability
7. Plan for future workforce needs and for leadership and ownership transitions now

Appendix

Required Communications

Topic	Communication
Our responsibility under Generally Accepted Auditing Standards and *Governmental Auditing Standards*	• Express an opinion on the fair presentation of the financial statements in conformity with GAAP • Audit also performed under *Governmental Auditing Standards* • Plan and perform the audit to obtain reasonable, nonabsolute assurance that the financial statements are free of material misstatement • Evaluate internal control over financial reporting • Utilize a risk-based audit approach • Evaluate significant policies and significant accounting estimates • Conclude whether there is substantial doubt about the entity's ability to continue as a going concern • Communicate significant matters to appropriate parties
Planned Scope and Timing of the Audit	• Performed the audit according to the planned scope and timing previously communicated
Other Information in Documents Containing the Audited Financial Statements	• Financial statements may only be used in their entirety • Our approval is required to use our audit report in a client prepared document • We have no responsibility to perform procedures beyond those related to the financial statements • Evaluate presentation of supplementary information related to the presentation of the financial statements as a whole

Required Communications (Continued)

Topic	Communication
Significant Accounting Policies	• Management is responsible for the accounting policies of the organization • Accounting policies are outlined in Note 1 to the financial statements • No significant changes to the accounting policies during the year • GASB 102 – *Certain Risk Disclosures* was adopted. See Note 1 to the financial statements. • Accounting policies deemed appropriate • No unusual transactions occurred
Significant Accounting Estimates	• An area of focus under a risk-based audit approach • Significant estimates include: **valuation of accounts receivable, third-party payor settlement estimates** • Estimates determined by management based on their knowledge and experience • No management bias indicated • Estimates were deemed reasonable • Estimate uncertainty is disclosed in the financial statements
Significant Financial Statement Disclosures	• Defined Benefit Pension Plan • Net Patient Service Revenue • Deposits and Investment Income • Long-Term Debt

Required Communications (Continued)

Topic	Communication
Required Supplemental Information	• MD&A, Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions • Method of preparing has not changed from the prior year
Management Representation Letter	• Management provided a signed representation letter prior to finalization of the audit reports
Other	• No difficulties encountered in performing the audit • No significant unusual transactions • No issues discussed prior to retention as independent auditors • No disagreements with management regarding accounting, reporting, or other matters • No consultations with other independent auditors • No other findings or issues were discussed with, or communicated to, management

Internal Control Matters

Topic	Communication
Purpose	• Express an opinion on the financial statements, not on the effectiveness of internal controls • Our consideration of internal controls 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. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls.
Material Weakness	• Reasonable possibility that a material misstatement would not be prevented, or detected and corrected on a timely basis
Significant Deficiencies	• Less significant than a material weakness, yet important enough to merit the attention of governance
Restricted Use	• This communication is intended solely for the information and use of management, the audit committee, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.
Results	• Material Weakness o Control Over the Financial Report Process

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ACTION ITEM

CITY OF WINDOM
444 9th Street
Windom, MN 56101
Phone: 507-831-6129
Fax: 507-831-6127
www.windom-mn.com

TO: City Council
FROM: Personnel Committee
DATE: August 28, 2026
RE: Presentation of 2026 Market Study
DEPT: Administration
CONTACT: City Administrator

Recommendations/Options/Action Requested

Personnel Committee recommends that the City Council take the following action:

1. Presentation of 2026 Market Study – No Action Needed at this time.

Issue Summary/Background

During the last labor negotiations, the City agreed to conduct a market study prior to the expiration of the labor agreement as a tool for guiding the new contact discussions. In early 2026 seven firms were contacted to provide a proposal for conducting a market study and four responses were received. An Ad Hoc Committee consisting of a representative from the IBEW union, LELS union, Department Heads and City Administrator was formed by the City Council to recommend a vendor and to guide the discussions on the market study. Abdo was recommended by the Ad Hoc Committee and the City Council approved the engagement. Over the last few months Abdo conducted the market study and has results to present.

The Personnel Committee met on August 19th to hear the Abdo market study presentation from Leah Davis, Abdo Partner. Abdo will be presenting the market study overview and summary to the City Council.

Fiscal Impact

Abdo market study was budgeted by the City Council for 2026 and the proposal was accepted at a cost of \$18,800. Upon completion of the final report from Abdo (currently 95%+ complete) the contact will be closed out.

Attachments

1. PowerPoint Presentation

MARKET COMPENSATION STUDY REPORT

City of Windom, MN

Abdo

8/19/2026

LET'S GET STARTED

Agenda

- Project overview
- Analysis process and methodology
- Summary of findings
- Next steps and questions

Project Overview

- Labor market selection
- Market analysis
- Benefits survey and analysis
- Compliance testing

Process and Methodology

Market Analysis

STEP 1

MARKET DATA

Utilized aged LMC survey data, manual surveying, and supplemental private sector, Economic Research Institute (ERI), data.

STEP 2

MATCHING

Matched similar market job titles/summary descriptions to Agency job descriptions.

STEP 3

ANALYSIS

Compared average minimum and maximum wages for each position.

MARKET WAGE ANALYSIS

Summary of Findings

Comparable Organizations

Organization Name
Benson
Byron
Cold Spring
Crookston
Glencoe
Kasson
Luverne
Montevideo
Park Rapids
Perham
Pine Island
Pipestone
Redwood Falls
Rice Lake
Saint Joseph
Sauk Centre
Sleepy Eye
Staples
Stewartville
Worthington
Zumbrota

BY POSITION RESULTS FOUND IN APPENDIX A OF THE REPORT

Market Analysis

- Pay range minimums 5% **below** market minimums
- Pay range maximums 6% **below** market maximums
- Since many individual employee pay rates fall anywhere within the current range, minimum and maximum market rate comparisons do not necessarily correlate to individual employee (incumbent) pay variances compared to market.

BENEIFT ANALYSIS

Summary of Findings

BENEFIT ANALYSIS SUMMARY REPORT PROVIDED SEPARATELY

Benefit Analysis

- Health insurance remains a significant component of total compensation, with most responding cities offering an HDHP and contributing to employee HSAs.
- All responding cities participate in PERA. About half reported offering an additional employer-funded retirement benefit.
- Leave practices are generally consistent across the responding cities, with most using separate vacation and sick leave banks rather than a combined PTO structure.
- Holiday offerings are generally consistent across the responding cities, with most providing a common set of core holidays and some offering additional floating or optional days.
- Some cities reported additional benefits beyond the core package, typically through targeted offerings related to retirement savings, leave flexibility, or employee support.

Pay Equity Compliance

All testing of current pay scales, in three (3) variants using City provided data, indicate passing scores

THANK YOU

Any Questions?

RESOLUTION #2026-

INTRODUCED:
SECONDED:
VOTED: Aye:
Nay:
Absent:

A RESOLUTION AWARDING THE CONTRACT FOR THE "AMBULANCE REMOUNT PROJECT"

WHEREAS, pursuant to an advertisement for bids for the project entitled "Ambulance Remount Project", bids were received, opened and tabulated according to law, and the following bids were in compliance with the advertisement:

	Bid Amount
Arrow Manufacturing	$77,892

AND WHEREAS, it appears that the lowest responsible bidder is:

Arrow Manufacturing $77,892

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WINDOM, MINNESOTA, AS FOLLOWS:

1. A "Notice of Award" shall be issued to the above low bidder.
2. The Mayor and City Administrator are hereby authorized and directed to enter into the contract with the above low bidder, in the name of the City of Windom, for the completion of the project entitled "Ambulance Remount Project" according to the plans and specifications. Copies of the specifications are on file in the Office of the City Administrator.

Adopted by the Council this 1st day of September, 2026.

____
Hilary Mathis, Mayor

Attest:______________________________
Steve Nasby, City Administrator

"Specializing in Emergency Vehicles"

August 19, 2026

Windom Ambulance Service
444 9th Street
Windom, MN 56101

Arrow Manufacturing Inc. hereby proposes to furnish to you, subject to your acceptance of this proposal the following vehicle and equipment in accordance with the attachments hereto:

$77,892 **Remount customer's ambulance module per bid and quote attached dated 8/19/26 on a new 2027 Ford E450 Gas chassis. Remounted with options as described per bid without exceptions. Includes all applicable and lifetime warranties. (attached)**

FOB: Rock Rapids, IA
Approximate Completion**: 30-45 days after receipt of signed proposal and down payment.** Completion is dependent on parts availability and any changes made by customer after receipt of order.

Terms: (40%) deposit with receipt of signed proposal. Balance due upon pick up. Payment required no more than 30 days after notice of final completion.

Arrow Manufacturing Inc. reserves the right to withdraw or amend this proposal if not accepted within **30 days**. **Please sign and fax/email back as your acceptance of this proposal.**

Respectfully Submitted by:
ARROW MFG. INC.

(signature)

8/19/2026
(proposal date)

Agreed and Accepted by:
WINDOM AMBULANCE SERVICE

(signature/title)

(acceptance date)

801 South East Street ~ P.O. Box 349
Rock Rapids, IA 51246
1-800-743-3157
FAX 712-472-3156
www.arrowmfginc.com ~ info@arrowmfginc.com

Quote for:

Windom Ambulance

Remount Customers T3 on new 2027 Ford E450 Chassis

good thru: 9/30/26 and pending chassis availability

TOTAL PRICE

$77,892

Qty	Option Code	Description
1.000		**CHASSIS**
1	1.119	Supply new 2027 Ford E450 (158"wb DRW) chassis; 7.3L V-8 gas engine
1	1.209	Transfer liquid spring from old chassis and install on new chassis
1	1.281	Extend chassis OEM exhaust to RR body corner
1	1.302	Re-Install customer's existing front console in new chassis
1	1.415	Re-install air horn system on new chassis
1	1.531	Install chassis high idle system
1	1.584	Factory remote mirrors pre-installed on chassis
1	1.606	Polish and Re-Install runningboards
1	1.751	Polish and Re-Install stainless steel wheel covers
1	1.961	Transfer LED light bar from old chassis and install on new
1	1.985	Install black rubber floor mats
2.000		**BODY**
1	2.001	Complete modular body structural integrity inspection
1	2.101	Remount body (T3-T3) installing new body pucks/hardware
1	2.111	Arrow Module
1	2.302	Polish and re-install fuel fill housing
1	2.801	Treat all exposed painted edges and any areas with dissimilar metal contact with ECK corrosion inhibitor
3.000		**PAINT/STRIPING/LETTERING**
1	3.501	Install graphics on cab to match body; as well as unit numbers and reverse ambulance w/ SOL
4.000		**EXTERIOR ELECTRICAL**
1	4.099	**ALL LED WARNING LIGHTS TO HAVE CLEAR LENSES (unless otherwise specified)**
1	4.131	Re-Install used warning lights in front grille
1	4.231	Re-Install used intersection warning lights on front fenders
1	4.889	Re-Install original shoreline connection
5.000		**INTERIOR ELECTRICAL**
1	5.102	Integrate existing vehicle electrical system and update as needed - Includes Arrow Lifetime Warranty
1	5.153	Utilize existing front and rear switch panels
1	5.201	Re-use existing siren head
1	5.299	Install Back-up Camera system
1	5.821	Re-use/Test existing inverter/charger to ensure functionality
1	5.903	Transfer Customer's radios
6.000		**HVAC/VENTILATION/OXYGEN/VACUUM**
1	6.116	Integrate existing Heat & A/C unit while installing new hoses/fittings as needed
1	6.501	Leak test oxygen system
1	6.801	Test suction pump for proper operation and inspect vacuum lines
1	6.901	Inspect patient compartment exhaust fan for proper operation
7.000		**OUTSIDE FINISH**
1	7.102	Polish and re-use stainless steel rock guards, rub rails, etc.
1	7.202	Polish and re-install rear bumper (T3-T3)
1	7.321	Install black rubber mud flaps behind rear wheels
1	7.401	Adjust and lubricate all compartment and entry door latches & hardware - replace as necessary
8.000		**INSIDE FINISH**
1	8.898	No Interior Modifications requested; Inspect/reconnect customers Power Load
9.000		**MISC**

1	9.101	Clean entire truck inside and outside **(Grade A)**	
1	9.109	Performance test entire vehicle and inspect with 100+ point checklist	
1	9.202	Chassis Trade-In Allowance - Chassis has blown motor	($4,000 Credit)
1	9.303	Ford E-series Fleet incentive (Comm Factory-Dealer) Customer w/ exitising FIN	
1	9.401	Loaner supplied by ARROW at no charge during build process (proof of insurance required)	
1	9.801	Transportation- Pick up customers ambulance and haul to Arrow	
1	9.901	Transfer customer's license plates to new truck	
1	9.902	Full tank of fuel	
1	9.992	Quote FOB Rock Rapids, IA	
1	9.993	Region 1 Discount	
1	9.997	Featured/Reference Discount	
1	9.998	Repeat Customer Discount	
1	9.999	Discount	

PROUDLY
MADE IN
THE USA
SINCE 1990

HERE'S EXACTLY WHAT YOU CAN EXPECT **WHEN YOU BUY FROM ARROW:**

CUSTOMER SERVICE

The Arrow Guarantee is our promise to always be available when you contact us and to work hard to fix whatever problem you're experiencing, no matter what the circumstances.

CRAFTSMANSHIP

Every component, every weld and every wire on your ambulance will be planned and installed with precision by our craftsmen who understand the importance of doing the job right.

DEPENDABILITY

We'll design and build a simple, easy-to-maintain ambulance that you can rely on every time you need to get a job done.

VALUE

Whether you're buying new, remounting an existing box, or utilizing Qualified Existing Components on a Gen2, we will work hard to deliver the best ambulance possible for your dollar.

PRIDE

We're truck people. While clean welds, strong engines, functional electronics, and flawless paint jobs all excite us, we find greater pride in knowing that our trucks are helping you save lives.

ACCREDITED, CERTIFIED & EXPERIENCED.

Arrow is certified by the National Highway Traffic Safety Administration (NHTSA), is accredited by the Commission on Accreditation of Ambulance Services (CAAS), and follows all vehicle manufacturing and ambulance remounting guidelines as defined by the CAAS Ground Vehicle Standard for Ambulances V4.0 (GVS).

The Arrow Guarantee

The Arrow Guarantee is more than our industry-standard ambulance warranty.

It's a promise to reply quickly when you call, text, or email us, and to work hard to solve whatever problem you're experiencing.

It's a promise to put in extra effort when you're in a pinch, whether that means providing a loaner ambulance or making an overnight trip to pick up an ambulance that needs immediate service.

It's a promise to know you by name and not by VIN, so we can build a factory-direct relationship and ultimately earn your trust as the only go-to ambulance sales, parts, and service company you want to work with.

NEW VEHICLE WARRANTY

Lifetime Structural

Our lifetime emergency vehicle structural and conversion warranty ensures your ambulances shall be free of substantial defects and shall include material and workmanship. We proudly put the Arrow badge on your emergency vehicle to show our confidence in our product.

Five Year PPG Paint

Our PPG ambulance paint conversion warranty shall be five years from the date of the delivery. Paint warranty shall cover any painting done by Arrow Manufacturing on the modular body and on the chassis. Corrosion is not included.

Lifetime Electrical System

Our lifetime electrical system conversion warranty covers all items manufactured or installed by Arrow Manufacturing, Inc. All other items shall be excluded and or otherwise covered under the warranty of the specific component manufacturer.

One Year General Warranty

Our one year general warranty covers defects in material and workmanship supplied or performed by Arrow Manufacturing under normal use and service. This warranty is valid one year after date of pick up/delivery to the original retail purchaser. See the list of items excluded by our General Warranty below.

ADDITIONAL DETAILS

Getting Your Vehicle Back on the Road

If you run into problems, call us first. We'll help you determine the best solution and method of getting your problem fixed. If warranty repairs are necessary, we work harder than anyone to get you back up and running. In most cases, we can work with your existing service providers to get you back up and running. And, in cases where repairs will take extra time we'll do our best to help you find a loaner vehicle.

Excluded from General Warranty

- Chassis or items supplied by chassis manufacturer
- Tires, tire balancing or wheel alignments
- General tightening, light bulbs or headlamp adjustments
- Separately manufactured items installed by Arrow including, but not limited to: batteries, sirens, battery chargers, inverters, light bars and similar equipment. These are covered by warranties supplied by the manufacturer of the components. Arrow will facilitate the warranty and replacement of the defective component.
- Normal wear, abuse, accident, negligence or unapproved alteration of original parts.
- Chassis warranty shall be covered by the chassis manufacturer.

WARRANTY CERTIFICATE

The following are the Warranties offered by Arrow Manufacturing, Inc.

Lifetime emergency vehicle Structural and Conversion Warranty. Ambulance shall be free of substantial defects and shall include material and workmanship.

Lifetime Electrical System Conversion Warranty on Emergency Vehicle. Items not manufactured or installed by Arrow Manufacturing, Inc. shall be excluded and or otherwise covered under the warranty of the specific component Manufacturer.

PPG Ambulance Paint Conversion Warranty shall be five (5) years from the date of delivery. Paint warranty shall cover any painting done by Arrow Manufacturing on the modular body and on the chassis. Corrosion is not included.

One (1) Year General Warranty from Date of Pick Up/Delivery to the original retail purchaser to be free from defects in material and workmanship supplied or performed by Arrow Manufacturing under normal use and service. The following items are excluded by Arrow Manufacturing warranty:

- **Chassis or items supplied by chassis manufacturer**
- **Tires, tire balancing, or wheel alignments**
- **General tightening, light bulbs or headlamp adjustments**
- **Separately manufactured items installed by Arrow including, but not limited to: batteries, sirens, battery chargers, inverters, lightbars and similar equipment. These are covered by warranties supplied by the manufacturer of the components. Arrow will facilitate the warranty and replacement of the defective component.**
- **Normal wear, abuse, accident, negligence or unapproved alteration of original parts.**

Should repairs become necessary under the terms of this warranty, the extent of that repair shall be determined solely by Arrow Manufacturing and shall be authorized prior to any work performed.

Chassis Warranty shall be covered by the Chassis Manufacturer.

"Specializing in Ambulance Remounts"
801 South East Street ~ P.O. Box 349
Rock Rapids, IA 51246
1-800-743-3157
FAX 712-472-3156
www.arrowmfginc.com ~ info@arrowmfginc.com

Yankton County EMS

Troy Cowman

605-668-9033

ycems@co.yankton.sd.us

Yankton, SD

CUSTOMER SINCE	DELIVERIES
2014	4

Lyon County Ambulance

Amy Borman

712-472-8570

ambulancedirector@co.lyon.ia.u

Rock Rapids, IA

CUSTOMER SINCE	DELIVERIES
2003	4

O'Neill Rural Fire Dist

Terry Miles

402-336-1220

news@holtindependent.com

O'Neill, NE

CUSTOMER SINCE	DELIVERIES
2014	3

Sioux Center Ambulance

Tracy Foltz

712-722-2453

tracyf@siouxcenterems.org

Sioux Center, IA

CUSTOMER SINCE	DELIVERIES
2001	3

El Dorado County

Cristy Jorgensen

cjorgensen@edcjpa.org

Diamond Springs, CA

CUSTOMER SINCE	DELIVERIES
2015	29

Burke Ambulance Service

Mark Green

(605) 830-2221

dups_06@hotmail.com

Burke, SD

CUSTOMER SINCE	DELIVERIES
2010	3

Osceola County EMS

Verlin Keninger

(712) 461-0082

vkeninger@gmail.com

Sibley, IA

CUSTOMER SINCE	DELIVERIES
2004	3

Huron Ambulance

Foster Knudson

605-350-4314

fireman_84_2000us@yahoo.com

Huron, SD

CUSTOMER SINCE	DELIVERIES
2012	3

Missoula Emergency Services

Don Whalen

406-549-2325

don@missoulaparamedics.com

Missoula, MT

CUSTOMER SINCE	DELIVERIES
2010	10

Bitterroot Health (formerly Marcus Daly Hospital)

Willie Torres

(406) 375-4754

WTorres@mdmh.org

Hamilton, MT

CUSTOMER SINCE	DELIVERIES
2016	4

Bonesteel-Fairfax Ambulance Service

Jeff Pistulka

605-830-2394

jpistulka@hotmail.com

Bonesteel, SD

CUSTOMER SINCE	DELIVERIES
2014	1

Sturgis Emergency Services

Shawn Fischer

(605) 347-5801

shawnf@sturgisgov.com

Sturgis, SD

CUSTOMER SINCE	DELIVERIES
2017	3

Crook County Medical Services

Anthony Vopat

307-283-3501

anthony.vopat@ccmsd.net

Sundance, WY

CUSTOMER SINCE	DELIVERIES
2020	2

Priority Medical Transport

Trev Kleinow

308-221-6912

trev@prioritymt.com

North Platte, NE

DELIVERIES
8

Monument Health

Matt Hardwick

(605) 280-0209

mhardwick@monument.health

Deadwood, SD

CUSTOMER SINCE	DELIVERIES
2020	2

Rosebud Sioux Tribe Ambulance Service

Eric Emery

605-747-2238

rasems@gwtc.net

Rosebud, SD

CUSTOMER SINCE	DELIVERIES
2014	10

Castle Rock Ambulance Service

Kim White

307-872-4545

kim.white@crhd.org

Green River, WY

CUSTOMER SINCE	DELIVERIES
2022	4

Great Falls Emergency Services

Justin Grohs

(406) 453-5300

jgrohs@gfes.net

Great Falls, MT

CUSTOMER SINCE	DELIVERIES
2010	10

Elmwood Rescue

Jacob Blunt

402-802-0078

rescueblunt@yahoo.com

Elmwood, NE

CUSTOMER SINCE	DELIVERIES
2019	2

Missouri Valley Ambulance Service

Katheryn Benton

(605) 234-4490

mva@midstatesd.net

Chamberlain, SD

CUSTOMER SINCE	DELIVERIES
2007	4

Falls City Volunteer Ambulance

Chip Ebel

(785) 288-0451

cebel@airlanco.com

Falls City, NE

CUSTOMER SINCE	DELIVERIES
2017	2

Custer Ambulance Service

Ruth Airheart

605-673-3334

casiems@gwtc.net

Custer, SD

CUSTOMER SINCE	DELIVERIES
2021	2

Westbrook Ambulance Service

Bret Lindaman

507-360-6653

blindaman@centurytel.net

Westbrook, MN

CUSTOMER SINCE	DELIVERIES
2012	2

Butte County Ambulance

Donnie Walding

605-892-2254

donnie.walding@bfems.com

Belle Fourche, SD

CUSTOMER SINCE	DELIVERIES
2016	4

ACTION ITEM

CITY OF WINDOM
444 9th Street
Windom, MN 56101
Phone: 507-831-6129
Fax: 507-831-6127
www.windom-mn.com

TO: CITY COUNCIL

FROM: KRISTEN PORATH, WINDOM AMBULANCE
CC MEETING DATE: SEPTEMBER 2, 2026
RE: AMBULANCE COT UPGRADE REPLACEMENT
DEPT: WINDOM AMBULANCE SERVICE
CONTACT: KRISTEN PORATH (kristen.porath@windommn.com) (507-832-8690)

Recommendations/Options/Action Requested

Staff recommends that the City Council take the following action;

1. Approve, by Motion, a new Power Pro 2 Cot for upgrade replacement of an existing 2007 cot.

Issue Summary/Background

In summary, the Windom Ambulance Service Unit 30 was found to have a bad motor. Windom Ambulance chassis rotation has typically been every five years. The year in which this rig would be replaced we add on an ambulance cot equipment upgrade replacement due to this rig's chassis/remount costing less versus the chassis/remount project for the diesel 4X4 rig. There are two cots left to upgrade that are 2007 and 2008 models. These cots are no longer able to be added onto a maintenance service plan due to the age. The next rig in this model for chassis/remount will not be until 2029 and then 2031. If council proceeds with approval of this cot, the quote has 2026 pricing. The original quote for cot replacement was received in Dec. 2025 valid through Mar. 2026. Stryker is continuing to honor that quote pricing although the charger and trade-in values has since changed, saving us $1,150.49 from the current increase. Stryker's next equipment increase is expected October 1, 2026 moving forward into 2027 between 3-5%, the increase has not yet been announced.

Fiscal Impact

Cot upgrade replacement was budgeted for 2028 with the current rig that will be getting an early chassis/remount due to a bad motor. Keeping a cot replacement with this rig will allow our equipment to stay on schedule with future chassis/remounts. Our capital budget for 2027 will be reduced due to the shift in the chassis/remount schedule due to this current unexpected project. Ambulance is self-funded and has funds to complete this project in 2026.

Attachments

1. **Quote from Stryker for cot upgrade replacement**

stryker

Quick Quote 8/25/2026 11:55 AM

Quote Number:	11362185	Remit to:	Stryker Sales, LLC 21343 NETWORK PLACE CHICAGO IL 60673-1213 USA
Version:	1	Division:	Medical
Prepared For:	WINDOM AMBULANCE SVC	Rep:	Nikolas Hess
	Attn:	Email:	nikolas.hess@stryker.com
		Phone Number:	
		Mobile:	+1 2177220648
Quote Date:	08/25/2026		
Expiration Date:	11/23/2026		

Delivery Address		**Sold To - Shipping**		**Bill To Account**	
Name:	WINDOM AMBULANCE SVC	Name:	WINDOM AMBULANCE SVC	Name:	WINDOM AMBULANCE SVC
Account #:	20113866	Account #:	20113866	Account #:	20113866
Address:	444 9TH ST BOX 38	Address:	444 9TH ST BOX 38	Address:	444 9th Street
	WINDOM		WINDOM		Windom
	Minnesota 56101-1641		Minnesota 56101-1641		Minnesota 56101

Equipment Products:

#	Product	Description	Qty	Sell Price	Total
1.0	650705550001	6507 POWER PRO 2, HIGH CONFIG	1	$34,635.63	$34,635.63
2.0	650707000002	KIT, ALVARIUM BATTERY, SERVICE	1	$794.25	$794.25
3.0	650700450301	ASSEMBLY, BATTERY CHARGER	1	$695.30	$695.30
4.0	650700450102	ASSEMBLY, POWER CORD, NORTH AM	1	$26.25	$26.25
			Equipment Total:		$36,151.43

Trade In Credit:

Product	Description	Qty	Credit Ea.	Total Credit
TR-SPCOT-PP2	TR-SYK PCOT TO PP2	1	-$4,000.00	-$4,000.00

Price Totals:

Estimated Sales Tax (0.000%):	$0.00
Shipping and Handling:	$499.37
Grand Total:	$32,645.01

stryker

Quick Quote 8/25/2026 11:55 AM

Quote Number:	11362185	Remit to:	Stryker Sales, LLC 21343 NETWORK PLACE CHICAGO IL 60673-1213 USA
Version:	1	Division:	Medical
Prepared For:	WINDOM AMBULANCE SVC	Rep:	Nikolas Hess
	Attn:	Email:	nikolas.hess@stryker.com
		Phone Number:	
		Mobile:	+1 2177220648
Quote Date:	08/25/2026		
Expiration Date:	11/23/2026		

Prices: In effect for 30 days

Terms: Net 30 Days

Shipping & Handling Includes:
Standard freight, special packaging, semi rigging cranes, labor & delivery of equipment to final location, removal of all packaging, pre-delivery site check, education/training

Terms and Conditions:
Deal Consummation: This is a quote and not a commitment. This quote is subject to final credit, pricing, and documentation approval. Legal documentation must be signed before your equipment can be delivered. Documentation will be provided upon completion of our review process and your selection of a payment schedule. Confidentiality Notice: Recipient will not disclose to any third party the terms of this quote or any other information, including any pricing or discounts, offered to be provided by Stryker to Recipient in connection with this quote, without Stryker's prior written approval, except as may be requested by law or by lawful order of any applicable government agency. A copy of Stryker Medical's terms and conditions can be found at https://techweb.stryker.com/Terms_Conditions/index.html.

ACTION ITEM

CITY OF WINDOM
444 9th Street
Windom, MN 56101
Phone: 507-831-6129
Fax: 507-831-6127
www.windom-mn.com

TO:	CITY COUNCIL
FROM:	KRISTEN PORATH, WINDOM AMBULANCE
CC MEETING DATE:	AUGUST 4, 2026
RE:	TELEMEDECINE SERVICES AGREEMENT FOR EMS AGENCIES
DEPT:	WINDOM AMBULANCE SERVICE
CONTACT:	KRISTEN PORATH (kristen.porath@windommn.com) (507-832-8690)

Recommendations/Options/Action Requested

Staff recommends that the City Council take the following action;

1. Approve, by Motion, the Telemedicine Services Agreement for EMS Agencies (Windom Ambulance, Windom, MN)

Issue Summary/Background

In summary, Southwest EMS submitted a grant proposal to the NHTSA Safe Streets 4 All (SS4A). The grant was awarded to Southwest EMS that will fund Avel eCare EMS Telemedicine to be installed in ambulances in the Southwest Region. Avel e-Care EMS Telemedicine supports first responder(s) in the back of the ambulance with: Triage, airway/ventilation/oxygenation, assessment skills, circulation, hemorrhage, or other cardiovascular needs, medical decisions ALS & BLS, peer to peer consultations, procedural decisions, time stamp documentation support, 12 lead EKG placement, interpretation, and decision support for STEMIs. This partnership maintains EMS telemedicine as a support role with Board Certified Emergency Physicians, ED Registered Nurses and Paramedics located in a telemedicine hub in Sioux Falls, SD.

A pilot project started in 2023 with Murray County Ambulance in Slayton and then adding Wabasso Ambulance, both reporting positive experiences and successes with the Avel eCare Telemedicine program.

Windom Ambulance has participated in SWEMS telemedicine surveys and informational meetings since 2024 regarding the implementation of Avel eCare EMS Telemedicine. Through the NHTSA grant, SWEMS and Avel e-Care are finalizing contracts and starting implementation in the Southwest Region. Windom ambulance has worked with Avel eCare and our City Attorney to finalize a contract to allow our service to implement telemedicine in our ambulance rigs. This will allow our EMT's to access medical control guidance when arriving on scene. Telemedicine will be an additional tool with medical guidance as needed which has been shown to reduce stress to EMS responders.

Fiscal Impact

There should be minimal fiscal impact to the city. This agreement will initially be paid by Southwest Minnesota EMS Corporation ("**Southwest EMS**") through the National Highway Traffic Safety Administration (NHTSA) Safe Streets And Roads For All Grant Program (the "**Grant**"), pursuant to Avel's Telemedicine Services Agreement with Southwest Minnesota EMS Corporation (the "**Southwest EMS Contract**"). The initial term will continue until April 15, 2031 with an option to renew for future continuation. Equipment and installation cost will be paid by SWEMS. Windom Ambulance will have all four ambulances installed with telemedicine equipment.

Windom Ambulance will be responsible for reasonable use of equipment. Grant funding will be used throughout the initial term of the grant for equipment repair and replacement as long as it is not negligent damage by the user. In the event that grant funding is exhausted, Windom Ambulance may be responsible for repairs and replacement.

Attachments

1. Telemedicine Services Agreement for EMS Agencies (Windom Ambulance, Windom, MN)

TELEMEDICINE SERVICES AGREEMENT FOR EMS AGENCIES
(Windom Ambulance in Windom, MN)

THIS TELEMEDICINE SERVICES AGREEMENT FOR EMS AGENCIES (this "**Agreement**") dated the 17th day of June 2026 (the "**Effective Date**"), is by and between Avel eCare Medical Group, P.C., a South Dakota professional corporation, located at 4500 N. Lewis Ave., Sioux Falls, SD 57104 ("**Avel**") and WINDOM AMBULANCE, located at 2150 Hospital Dr, Windom, MN 56101 ("**Agency**"). Avel and Agency are each sometimes referred to as a "Party" and together as the "Parties." Capitalized terms used throughout unless otherwise defined will have meanings provided in Appendix I attached hereto.

WHEREAS, Avel, through its employees, contracts with other providers, and affiliated health care facilities, provides telehealth Emergency Medical Services ("**EMS**") to EMS agencies, including the implementation and procurement of hardware, software, training, the professional services specified in Exhibit A, and related maintenance and support (the "**EMS Services**");

WHEREAS, Agency desires to obtain the EMS Services and equipment furnished by Avel to remotely support emergency medical technicians, paramedics, emergency medical volunteers, and other emergency medical personnel who are transporting patients to emergency departments of a hospital; and

WHEREAS, the fees under this Agreement will initially be paid by Southwest Minnesota EMS Corporation ("**Southwest EMS**") through the National Highway Traffic Safety Administration (NHTSA) Safe Streets And Roads For All Grant Program (the "**Grant**"), pursuant to Avel's Telemedicine Services Agreement with Southwest Minnesota EMS Corporation (the "**Southwest EMS Contract**"); and

WHEREAS, Southwest EMS is a non-profit organization dedicated to improving, training, and supporting emergency medical services across 18 counties in Southwest Minnesota, including Cottonwood County and Jackson County which are counties serviced by Agency.

NOW THEREFORE, for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties further agree as follows:

ARTICLE I
TERM

Section 1.1 Term; Renewal Term. This Agreement begins on the Effective Date and will continue until April 15, 2031 (the "**Initial Term**"). Upon expiration of the Initial Term, the Parties may renew this Agreement for successive one (1)-year terms (each, a "Renewal Term") only by mutual written agreement executed no later than sixty (60) days before the expiration of the then-current term. In connection with any proposed renewal, either Party may propose, and the Parties may negotiate, revisions to any terms or conditions of this Agreement. Any agreed revisions must be set forth in the written renewal agreement signed by both Parties. Unless the Parties execute such a written renewal agreement, this Agreement will expire at the end of the then-current term. As used in this Agreement, the "Term" includes the Initial Term, the First Renewal Term, and any subsequent Renewal Term(s).

ARTICLE II
EMS TELEMEDICINE SERVICES

Section 2.1 EMS Telemedicine Services. Avel will make available to Agency access to remote EMS Services in Agency's ambulances through the utilization of telemedicine technology as further described in Exhibit A, attached hereto and incorporated by this reference. EMS Services will be provided when requested by Agency in the manner specified by Avel.

Section 2.2 Hours of Availability. EMS Services will be available to Agency twenty-four hours per day, seven days a week through the Term.

ARTICLE III
AGENCY REPRESENTATIONS

Section 3.1 Agency Requirements for EMS Services. Agency agrees to use best efforts to cooperate with Avel's training and implementation requirements to help ensure EMS Services commence in a timely manner. Accordingly, Agency represents and warrants that throughout the term Agency will:

a) Require Agency staff, volunteers, and other EMS personnel participate in the initial education/planning session and any later educational events as reasonably required by Avel.
b) Assign a primary point of contact with whom Avel may contact to obtain feedback through the utilization of surveys, interviews, and other methods of gathering information used for the development of EMS telemedicine services.
c) Abide by local, state, and federal rules, regulations and laws of state associated with the services described in this Agreement as dictated by physical location of the patient.
d) Provide to Avel policies and procedures applicable to EMS Services, and thereafter, provide timely and complete communication of any updates to Agency policies and procedures.
e) Provide a roster of the ambulance crew and provide timely updates to Avel as Agency's staffing changes.
f) Provide a complete description of the equipment configuration of the ambulance.
g) Provide lists of all medications available onboard the ambulance
h) Collaborate with Avel IT and any third-party platform provider to the extent necessary to facilitate the utilization of the services, including providing physical access to the ambulance.
i) Not tamper, damage, modify, or use Avel's equipment for any purpose other than to obtain EMS Services or otherwise use equipment in a manner not expressly approved by Avel.
j) Other than the IPADs which are removable as needed, refrain from removing equipment from the ambulance, and ensure no outside equipment is connected to the Avel network or otherwise used to obtain EMS Services.
k) Place all documentation sent from Avel's hub relative to a specific patient in that patient's medical record, and otherwise, maintain patient's medical record in accordance with Agency's policies and procedures.
l) Obtain appropriate consents from patients for treatment via telemedicine and document same in Agency's EMR, or the reason Agency was unable to obtain consent.
m) Provide all Agency and Avel notice of privacy practices to patients and document same in Agency's EMR or the reason Agency was unable to provide such notices.

ARTICLE IV
FEES/PARTICIPATION IN DEVELOPMENT

Section 4.1 Grant Funding – Initial Term. During the Initial Term, the EMS Services will be funded by Southwest EMS pursuant to the Southwest EMS Contract. *Funding is limited to the Initial Term and is not guaranteed for any Renewal Term*. Upon any discontinuance of Grant funding, the Parties will negotiate in good faith the compensation and related terms for continued EMS Services, subject to the termination rights set forth in Article VIII.

A. Additional Units; Agency Responsibility. Any request by Agency to install or deploy additional units beyond those covered under the Southwest EMS Contract shall be subject to mutual agreement and shall be at Agency's sole cost and expense. Agency shall be responsible for all costs associated with such additional units, including, without limitation, equipment, installation, maintenance, and related services. Agency shall also be responsible for all costs and logistics associated with the transfer or relocation of any equipment between units.

Section 4.2 Fees/Payment Terms – Renewal Term. During any Renewal Term, if Agency elects to continue EMS Services following expiration or discontinuance of Grant funding, Agency agrees to pay Avel directly for the continued EMS Services in an amount equaling a three and a half percent increase in the fee amount paid during the previous Term from the Grant funding. During any subsequent Renewal Term, recurring fees will be subject to an annual increase of three and a half percent (3.5%) and will be invoiced by Avel monthly. Agency agrees to remit payment to Avel for all invoiced fees within thirty (30) days of the invoice date. Any amounts not paid within such time may incur a monthly finance charge equal to the lesser of one and one-half percent (1.5%) or the maximum rate permitted by law. In the event Avel pursues collection of unpaid amounts, Avel will be entitled to recover its reasonable attorneys' fees and legal costs from Agency.

Section 4.3 Service Development. Agency agrees to use best efforts to participate in and support Avel's efforts to develop the EMS Services service, and accommodate reasonable requests made by Avel in connection with the development of EMS Services throughout the Term. Such cooperation may include, without limitation, requests to complete surveys, interviews, and participation in other methods of gathering information used for the development of telemedicine services.

ARTICLE V
EQUIPMENT AND CONNECTIVITY

Section 5.1 Equipment. Avel will procure, configure, and install all Equipment required to provide the EMS Services and as set forth in Exhibit B. The Equipment will be acquired using Grant funding, remain the property of Avel, and be made available to Agency at no cost during the Initial Term and any subsequent term as mutually agreed upon, with all right, title, and interest retained by Avel. Avel will maintain service plans as reasonably necessary to keep the Equipment operational, including replacement parts and software updates/upgrades based on normal use, and may provide ongoing IT support for hardware and software troubleshooting during the Term. Avel will respond to requests for maintenance of Equipment, including replacement parts and software updates/upgrades, by Agency within ten (10) days of Agency sending notice to Avel's Emergency and EMS hub at 1-833-283-5367.

Agency agrees to the following:

1. Avel's provision of EMS Services to Agency is dependent upon service-owned Equipment remaining operable at all times during the Term;
2. Agency is responsible for the reasonable use of the Equipment during the Term and Avel is responsible for reasonable maintenance of the Equipment during the Term through service plans referenced in 5.1;
3. All Equipment procured by Avel in fulfilment of its obligations described herein has a warranty period of one year;
4. Avel will provide reasonable cooperation to facilitate replacing Equipment based on a failure covered by the Equipment's manufacturer's warranty; and
5. Agency will bear all financial responsibility for repairs, and replacement of Equipment that is damaged or determined inoperable following the warranty period.

Section 5.2 Return of Equipment. Agency shall, at Agency's expense, return to Avel all Equipment, in good working condition (reasonable wear and tear excepted), within ninety (90) days after the expiration of the Term or other termination of this Agreement.

Section 5.3 Connectivity. Equipment will utilize a cellular connection to create the remote connection necessary for EMS Services. Avel will configure and maintain a cellular connection. Avel will troubleshoot cellular issues with the understanding that Avel has no control over cellular coverage and areas of inefficient coverage preventing utilization of the services. Notwithstanding the foregoing, connectivity costs described herein will be funded under the Grant during the Initial Term. Avel and Agency will participate in connectivity and audio/video Equipment testing at intervals determined to be necessary by Avel.

Section 5.4 Agency IT Responsibilities. Throughout the Term, Agency agrees to promptly notify Avel IT prior to any Agency information systems or security systems upgrades or modifications, and any modifications to maintenance schedules. Agency agrees to collaborate with Avel IT for testing and ongoing support of Equipment throughout the term, and test equipment on such intervals as Avel determines to be reasonably necessary to ensure the reliability of the EMS Service.

ARTICLE VI
MARKETING AND INTELLECTUAL PROPERTY

Section 6.1 Marketing Assistance. If requested, Avel will assist Agency with development of marketing strategy and external communication materials. Agency agrees to abide by Avel's trademark guidelines as follows: Avel retains the right to use the trademark Avel eCare®. Agency may not use the registered trade name stated above without the prior written consent of Avel.

Section 6.2 Showcasing; Required Prior Notice. If showcasing the EMS Services for purposes other than recruiting and internal operations, Agency agrees to provide Avel timely notification prior to any occasion that may or will result in a "Competitor" of the Services participating in a demonstration of the Services. For the purposes of this Agreement, a "Competitor" shall mean any person or entity that provides or intends to provide services or business software relating to telemedicine services.

Section 6.3 Consent to Inclusion on Avel Marketing Materials. While this Agreement is in effect, Agency agrees and consents to the inclusion of its name and location in Avel eCare® Agency listings and service area maps. Agency also agrees and consents to the use of Agency's names in advertising Avel eCare® services with Avel so long as all such advertising is approved by Agency, as applicable, in writing and in advance.

Section 6.4 Intellectual Property. All Intellectual Property and any improvements to Avel's Services or tools utilized in the provision of Services which are created and developed during the Term, even if not ultimately marketed, shall remain the sole property of Avel. Agency disclaims any right to make ownership claims to any Intellectual Property , and shall execute or cause to be executed assignments and all other instruments and documents to the extent Avel determines to be reasonably necessary or appropriate to maintain Avel's ownership rights. Pursuant to Minnesota Government Data Practices Act ("MGDPA"), Avel will mark, as confidential, any data it believes not public data.

Section 6.5 Records & Cooperation. Each Party will maintain its own records for the EMS Services in accordance with its practices and retains all rights therein. Avel will not maintain records on behalf of Agency and is not the custodian of the patient's legal medical record. Upon reasonable request, each Party will cooperate in good faith to use best efforts in providing information as needed for research, treatment, payment, and healthcare operations in compliance with applicable law, with the disclosing Party responsible for obtaining any required consents or authorizations.

Section 6.6 Grant Compliance. Agency acknowledges EMS Services are funded under the Grant and subject to the research requirements associated with that Grant (Grant ID: SDPVD5PLKAV4). The Regents of the University of Minnesota serve as the primary research entity pursuant to Avel's agreements with Southwest EMS and the University of Minnesota (the "**University**"). Agency will use reasonable efforts to support these requirements ("Grant Compliance Requirements"), by providing such data and/or cooperation as may be reasonably requested by University from time to time, including without limitation: (a) providing requested data and access; (b) providing access to applicable Agency staff; (c) obtaining all consents and authorizations as necessary to satisfy the Grant Compliance Requirements; and

(d) supporting required training/resources. The Parties will comply with applicable confidentiality and security obligations and agree to negotiate in good faith such additional agreements as may be required to effectuate the activities contemplated by this provision, such as a data use agreement with the University, if necessary. Agency's cooperation obligations will survive for one (1) year after the Grant ends (including any extensions). For purposes of clarity, Agency understands that failure to meet the Grant Compliance Requirements may result in loss of Grant funding, in which case Agency will be responsible for all fees for the EMS Services.

ARTICLE VII
INSURANCE AND INDEMNITY

Section 7.1 Minimum Insurance Requirements. Each Party shall maintain at its sole cost and expense the following insurance with required limits being minimum limits and which limits may not adequately insure the exposure. Such insurance may be maintained through commercial underlying or excess insurance contracts, a plan of self-insurance approved by the governing body of the Party maintaining such self-insurance, a plan of self- insurance through a municipal insurance pool, a facility's participation in a state specific patient compensation fund or professional excess liability fund or a combination of any of the three. Evidence of required insurance shall be provided upon receipt of a written request:

7.1.1 General liability in the amount of One Million Dollars ($1,000,000) per occurrence; and

7.1.2 Professional liability insurance with minimum limits of One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) annual aggregate.

7.1.3 Applicable state statutory limits for workers' compensation.

In the event either Party procures a "claims-made" policy to meet the insurance requirements herein, such Party agrees, following the termination of the Agreement, to purchase an indefinite extended reporting endorsement "Tail" or to provide continuing coverage as required in the Agreement.

For purposes of this Agreement, the Parties agree that their respective employees are not employees of the other Party and are not eligible for workers' compensation coverage carried by the other Party. Each Party agrees to provide for its employees necessary workers' compensation protection, as required by law.

Regarding the Equipment, Agency shall maintain insurance sufficient to cover its liability for loss of or damage to Avel-owned Equipment caused by the negligent or wrongful acts or omissions of Agency, its employees, agents, or contractors. Agency shall not be responsible for loss of or damage to Equipment resulting from ordinary wear and tear, defects, casualty events, or causes not attributable to Agency. Agency shall be responsible for any deductible applicable to insurance proceeds covering such Agency-caused loss or damage.

Section 7.2 Mutual Indemnification. Avel agrees to hold harmless and indemnify Agency, and their respective officers, agents and employees, from and against any and all actions, suits, damages, liability or other proceedings which may arise as the result of the negligence, misconduct, error or omission of Avel or any of its officers, agents or employees . To the extent permitted by applicable law, Agency shall be responsible for its own acts and omissions and those of its officers, employees, and agents. Agency shall indemnify and hold harmless Avel and its officers, agents, and employees from claims, damages, or liabilities arising from the negligent acts or omissions of Agency or its officers, employees, or agents. Nothing in this Agreement shall be construed as a waiver of any statutory immunity, liability limitation, or other protection available under Minnesota law.

Section 7.3 Equipment Maintenance and Insurance. Avel will retain all right, title, and interest in and to all Equipment furnished to Agency pursuant to provider services, except to the extent Agency has purchased such Equipment from Avel. Avel may maintain service plans to provide for replacement parts, equipment and software updates as needed based on reasonable operation of any Avel-owned Equipment. Agency shall maintain insurance sufficient to cover its liability for loss of or damage to Avel-owned Equipment caused by the negligent or wrongful acts or omissions of Agency, its employees, agents, or contractors. Agency shall not be responsible for loss of or damage to Equipment resulting from ordinary wear and tear, defects, casualty events, or causes not attributable to Agency. Agency shall be responsible for any deductible applicable to insurance proceeds covering such Agency-caused loss or damage.

Section 7.4. Additional Insurance Avel. During the Term of this Agreement and for not less than two (2) years thereafter with respect to claims-made coverage, Avel shall maintain, at its own expense, insurance with insurers authorized to do business in the applicable jurisdiction and having commercially reasonable financial strength ratings, including:

(a) Medical Malpractice Insurance covering telemedicine and related professional services provided under this Agreement, with limits of not less than $1,000,000 per claim and $3,000,000 aggregate;

(b) Cyber Liability and Network Security/Privacy Liability Insurance, including coverage for data breaches, unauthorized access, ransomware, cyber extortion, privacy liability, regulatory proceedings where insurable, notification costs, credit monitoring, data restoration, and incident response expenses, with limits of not less than $2,000,000 per claim and in the aggregate.

ARTICLE VIII
TERMINATION

Section 8.1 Termination for Cause. This Agreement may be terminated by either Party "for cause" based upon the occurrence of any of the following: (i) a material breach of any term or condition of this Agreement, or any related Agreement, provided if the breach is capable of being cured the breaching Party shall be provided written notice describing the breach with a reasonable detail and thereafter be granted thirty (30) days from the receipt of such notice to remedy the identified material breach; (ii) if Agreement renewed beyond first term or if grant funding no longer covering the fees, Agency's failure to pay when due any amount owing to Avel which amount remains unpaid fifteen (15) days following any due date; (iii) the insolvency, receivership, or bankruptcy of either Party, (iv) the dissolution, liquidation, or substantial cessation of business of either Party, or (v) as otherwise provided in of this Agreement.

Section 8.2 Termination for Lack of Appropriation. The Parties acknowledge that Avel's ability to provide EMS Services is dependent upon the Grant funding under the Southwest EMS Contract. If at any time during the Term such Grant funding is reduced, withheld, or unavailable, Avel shall have the right to terminate this Agreement or propose alternative pricing to Agency. If the Parties in good faith are unable to agree upon the pricing of the EMS Services immediately following the discontinuation of such Grant funding, this Agreement will terminate and be of no further force or effect.

ARTICLE IX
GENERAL PROVISIONS

Section 9.1 Compliance. The Parties agree to maintain proper compliance with state and federal laws, ordinances and regulations. Avel represents and warrants that all clinicians providing services under this Agreement shall maintain all licenses, certifications, and credentials required by the state in which the patient is located.

Section 9.2 Participation in Government Programs. The Parties represent and warrant that their respective officers, directors and employees (a) are not currently excluded, debarred, or otherwise ineligible to participate in the federal health care programs as defined in 42 USC § 1320a-7b(f) (the "**Federal Healthcare Programs**"); (b) have not been convicted of a criminal offense related to the provision of healthcare items or services but have not yet been excluded, debarred, or otherwise declared ineligible to participate in the Federal Healthcare Programs, and (c) are not, to the best of its knowledge, under investigation or otherwise aware of any circumstances which may result in a Party being excluded from participation in the Federal Healthcare Programs. This shall be an ongoing representation and warranty during the Term of this Agreement and the Party shall immediately notify the other Party of any change in the status of the representations and warranty set forth in this section. Any breach of this section shall give a Party the right to terminate this Agreement immediately for cause.

Section 9.3 Confidentiality. Except as otherwise required under state law, all data and information and know-how, in whatever form transmitted, including, but not limited to, information concerning a Party's past, present and future business affairs, business plans, operations or systems, the terms of this Agreement, pricing information, personal information of any employee, and all operation manuals and procedures applicable to the provision of the services ("**Confidential Information**"), furnished from one Party ("**Disclosing Party**") to the other Party ("**Receiving Party**") shall be regarded as confidential, and shall remain the sole property of the Party initially providing the information, and shall be held in confidence and safekeeping for the sole use of the Parties under the terms of this Agreement. Confidential Information as used herein will expressly include any information the Disclosing Party has identified as being proprietary and/or confidential or that, by the nature of the circumstances surrounding the disclosure, ought in good faith to be treated as proprietary and/or confidential. The Receiving Party agrees to treat all Confidential Information with the same degree of care, and will make no use of such Confidential Information during the existence of this Agreement except pursuant to the receipt or delivery of services.

The Receiving Party shall have no obligation to maintain the confidentiality of information that: (i) it received rightfully from another party without restrictions on disclosure prior to its receipt from the Disclosing Party; (ii) the Disclosing Party has disclosed to an unaffiliated third party without any obligation to maintain such information in confidence; (iii) is required to be produced by state data laws, or court order or (iv) is independently developed by the Receiving Party. Except as otherwise provided, the Receiving Party shall not disclose, disseminate, distribute or use any of the Disclosing Party's Confidential Information to any third party without the Disclosing Party's prior written permission. The Parties agree that in the event of such breach or threatened breach the Disclosing Party shall be entitled to seek an injunction to prevent or attempt to mitigate the breach or threatened breach, in addition to remedies otherwise available for such specific performance or injunctive relief, that the Disclosing Party has an adequate remedy at law.

Section 9.4 Assignment. Neither this Agreement nor any rights or obligations hereunder shall be assigned by either Party without the prior written consent of the other Party, except that this Agreement may be assigned by Avel to the survivor in any merger or other business combination including Avel, or to the purchaser of substantially all of the assets of Avel, or to an entity controlling, controlled by, or under common control with Avel.

Section 9.5 Notices. Any notice or other communication required or permitted under this Agreement shall be in writing and shall be deemed to have been given on the date delivered personally or deposited in the United States Postal Service, certified mail, return receipt requested, with adequate postage affixed. Avel will send notice or other communication to Agency at the address listed in the preamble of this Agreement. If Agency sends Avel notice, it should be sent to the following address:

Avel:	Avel eCare 4500 North Lewis Avenue Sioux Falls, SD 57104 ATTN: President
With copy to:	Avel eCare 4500 North Lewis Avenue Sioux Falls, SD 57104 ATTN: Contracting Department

Either Party may change its address for notices under this Agreement by giving written notice of such change to the other Party in accordance with the terms of this paragraph.

Section 9.6 Governing Law. This Agreement and the rights and obligations to the Parties hereunder shall be construed and governed by the laws of the State of Minnesota and venue of any proceedings arising hereunder shall be in said state.

Section 9.7 Integration of Terms. This Agreement together with all ancillary agreements constitutes the entire agreement between the Parties, and supersedes any prior agreement or understanding between the Parties with respect to its subject matter. This Agreement may not be modified or amended except by a writing executed by both Parties.

Section 9.8 No Waiver. No waiver of breach or any failure of Avel to exercise any option, right, or privilege in accordance with the terms of this Agreement or any Avel act on any occasion or occasions shall be construed to be a waiver of the same or any other option, right, or privilege on any other occasion.

Section 9.9 Medicare Access. In accordance with 42 U.S.C. § 1395x(v)(I)(i) & (ii), until the expiration of four (4) years after the furnishing of services under this Agreement, the Parties shall make available, upon written request by the Secretary, U.S. Agency of Health and Human Services or upon request by the U.S. Comptroller General, or any of their duly authorized representatives, the contracts, books, documents and records that are necessary to certify the nature and extent of costs of any agreement between the Parties.

In the event of a request for access under the cited provisions, the Parties agree to notify each other immediately and to consult with each other regarding what response will be made to the request.

In the event that a Party fails to comply with the terms and provisions of this agreement relating to the retention and production of documents, that Party agrees to indemnify and make whole the other Party for any third-party reimbursement it may lose as the result of the refusal of that Party or its subcontractor to maintain or produce documents in accordance with the provisions herein.

The provisions relating to the retention and production of documents set forth herein is included because of the possible application of Section 1861(v)(1)(I) of the Social Security Act to such agreements or contracts between the Parties, and if this Section should be found to be inapplicable, then these clauses shall be deemed to be inoperative and without force and effect.

Section 9.10 Independent Contractor. Avel and Agency agree that the services to be rendered by Avel (or its designees) under the terms of this Agreement are the services of a professional working as an independent contractor and nothing under this Agreement is intended nor shall be construed to create between Agency and Avel an employer/employee relationship, a joint venture relationship, or a lease or landlord/tenant relationship, or to allow Agency to exercise control or direction over the manner or method by which Avel provides services that are the subject matter of this Agreement, provided that such services are rendered in a professional and competent manner in keeping with the policies and directives of Agency. Avel understands that Agency will not pay or withhold on behalf of Avel any sums for federal or state income tax, any other federal or state tax, unemployment insurance, social security or any other withholding pursuant to any law or requirement and that all such payments and withholdings are the sole responsibility of Avel. In the event a claim, demand, or action is brought against Agency for such taxes, premiums or other withholdings, Avel agrees to indemnify and hold harmless Agency for such claim and any related expenses (including attorney's fees).

[**Signature Page Follows**]

NOW, THEREFORE, the Parties agree to be bound to the above terms and conditions by signing below.

AVEL eCARE MEDICAL GROUP, P.C.	**WINDOM AMBULANCE**
By: ___________________________________	By: ___________________________________
Print Name: _____________________________	Print Name: ___________________________
Its: _____________________________________	Its:___________________________________
Date: __________________________________	Date: __________________________________

APPENDIX I
Definitions

Except where clearly indicated otherwise by the context of any particular Section herein, capitalized terms used in this Agreement have the following meanings:

"IT" means information technology and includes related services necessary to support connectivity and other technical components necessary for the delivery of EMS Services.

"Intellectual Property" means all proprietary rights of every kind and nature however denominated, throughout the world, including but not limited to rights in and to patents of any type or nature and patentable inventions; copyrights, industrial designs, and other works of authorship, whether or not registered, proprietary methods, processes, and procedures, confidential information, trade secrets, know how, and database rights; trademarks, trade names, service marks, service names, brands, trade dress, domain names, and logos, whether or not registered.

"Telemedicine" means the utilization of two-way audio and video technology to provide healthcare services where an Avel professional is in a different location than the individual who is undergoing a medical assessment or transport furnished by Agency.

"Term" will have the meaning provided in Article I, and will be inclusive of any renewal term(s).

EXHIBIT A
EMS Services Description

Avel eCare agrees to Provide 24/7/365 professional medical counseling services may include, but will not be limited to:

<u>Consulting services for EMS Ambulance Service Agencies</u>

- Triage
- Airway/Ventilation/Oxygenation
- Assessment skills
- Circulation, hemorrhage or other cardiovascular needs
- Trauma care
- Medication decisions as included in the Basic Life Support and Advance Life Support scope of practice
- Peer-to-peer consultation
- Procedural decisions
- 12 lead EKG placement, interpretation and decision support for STEMIs

Agency conclusively acknowledges that as of the Effective Date, the following will not be provided within Avel's proposed EMS Service:

- Avel will not take the place of EMS Medical Director or EMS documentation.
- Avel will not be the holder of the patient's permanent medical record.
- Avel will not be held responsible to advise on refusal of transport or refusal of service.
- Avel will not provide non-emergent primary care such as that provided through community paramedicine, CMS Emergency Triage, Treat, and Transport (ET3) programs, or comparable.
- Avel will not pronounce death.

Individual ambulance personnel will be responsible for working within their scope of practice and abilities as Avel Emergency will not be responsible for knowing each individual's current certification level.

<u>Service Disclaimer</u>. Agency acknowledges, EMS Services are dependent upon utilization of cellular networks and wireless technologies which may, from time to time, result in unavailability of services. Accordingly, Agency acknowledges and agrees, if services become unavailable Agency staff, volunteers, and/or other clinical personnel working at the direction of Agency will continue follow all existing medical direction and protocols, and Agency will not direct their personnel to stop an ambulance transporting a patient, or otherwise delay medical care in the event of technical or connectivity issue resulting in the unavailability of services. Failure to do so may result in harm to patient, and Agency agrees to hold avel harmless, indemnify, and defend Avel for any resulting harm.

EXHIBIT B
Number of Equipped Trucks; Equipment Per Truck

Number of anticipated initial equipped Agency trucks: 4

The EMS Equipment will be comprised of the following (or substantially similarly procured equipment):

Qty	Description
1	Apple iPad
1	iPad Mounting Dock
1	Full Motion Wall Mount
1	Microphone
1	Audio Amplifier
2	Speakers
1	Cradlepoint Unit w/ Data Plan
2	Panorama Antennas
1	Misc. Mounting Equipment and Cabling
1	Cradle Point Installation and Mounting Services

ACTION ITEM

CITY OF WINDOM
444 9th Street
Windom, MN 56101
Phone: 507-831-6129
Fax: 507-831-6127
www.windom-mn.com

TO:	City Council
FROM:	City Administrator and Department Heads
DATE:	August 28, 2026
RE:	Penny Rounding for Cash Payments
DEPT:	All
CONTACT:	City Administrator & Finance Director

Recommendations/Options/Action Requested

Staff recommends that the City Council take the following action:

1. Approve the City of Windom to adopt a penny rounding policy for all cash payments.

Issue Summary/Background

At the end of 2025 the Federal government announced the suspension of the minting of pennies. As such, there will be an anticipated upcoming shortage of pennies for cash transactions. The recommended solution is to round transactions to the nearest nickel.

Many businesses have already adopted a penny rounding solution and the City will need to follow this practice as the availability of pennies from the banks will be diminishing. Staff discussed this impact to the operations of our departments and are recommending that the City, as of November 1 2026, begin to round cash transactions to the nearest nickel, as sign showing this is included in the attachments. For example, the Liquor store transactions are 35% cash-based transactions and they typically go through \$5-\$10 in pennies a week depending on the week. The Finance Director is working with our financial software vendor and utility billing vendor on this matter and is confident penny rounding to the nearest nickel will be able to be met by November 1st.

Fiscal Impact

Only cash transactions are impacted so payments by credit card and check will continue to be for the exact amount. Cash transactions for utility bills, at present, would be rounded to the nearest nickel and either a small credit or amount due will be shown on the customer's next bill. The impact to the City and to the customer, using cash, will be minimal as some transactions will round higher and some lower.

Attachments

1. Minnesota Department of Revenue – Penny Shortage Notice
2. U.S. Treasury – Penny Production Cessation FAQs
3. Penny Rounding Chart\Sign

Penny Shortage

Impact on Cash Payments

The U.S. Treasury Department has stopped minting the penny. As a result, pennies are becoming scarce, and retailers may not be able to give exact change when customers pay in cash.

Until further notice, there is no change in how to calculate sales tax, regardless of whether the customer pays with cash, credit or debit card, or another method.

> **Note:** Our guidance may change following changes to state or federal law or policy. If there are changes, we will update this page.

Rounding

If you cannot give exact change when a customer pays in cash and choose to round the total amount due to the next lowest, next highest, or nearest nickel, it does not impact the amount of sales tax you must collect and remit. Charge sales tax on the sales price and do not make any adjustment due to rounding.

This guidance only applies to cash transactions and does not apply to any rounding greater than 4 cents.

It is important to keep good records to determine the correct amount of state and local taxes you owe.

Filing Your Sales and Use Tax Return in e-Services

When you file your sales tax return, report the full amount of taxable sales without rounding on the General Rate Sales Tax line and any applicable local tax lines. Do not adjust your taxable sales or gross receipts due to rounding.

How Are We Doing?
Rate Our Website

Penny Production Cessation FAQs

December 23, 2025

The following recommendations are non-binding guidance. All must comply with otherwise applicable restrictions.

Frequently Asked Questions: Businesses

Why is penny production being suspended?

Over the past 10 years, the total production cost of the penny has risen from 1.3 cents to 3.69 cents per penny. These production costs include materials, facilities, and overhead. The U.S. Mint projects an immediate annual savings of $56 million in reduced material costs by stopping penny production. Given the increasing number of non-cash transactions and the very low purchasing power of a single penny, the Department of the Treasury does not believe continued production is fiscally responsible or necessary to meet the needs of commerce in the United States. The Secretary of the Treasury has the authority under federal law (31 U.S.C. §§ 5111(a)(1) and 5112(a)(6)) to mint and issue pennies in amounts necessary to meet the needs of the United States. Secretary Bessent, working closely with President Trump, is exercising that authority to better steward taxpayer dollars.

When will the Government stop distributing the penny?

The federal government has stopped manufacturing new pennies, but the Federal Reserve will continue to recirculate the roughly 114 billion pennies currently in existence for as long as possible. How long existing pennies remain in circulation depends largely on consumer behavior.

The Treasury Department encourages the public to spend their on-hand pennies to support a smooth transition and allow retailers and point-of-sale (POS) system providers time to adapt. This initiative aims to help keep the existing supply in circulation, ensuring clarity and fairness at the point of sale during the transition.

How should my business respond as the supply of pennies drops?

As pennies fall out of circulation, merchants will need to round transactions either up or down to the nearest five cents. However, most states require sales tax to be calculated on the final sale price rounded to the nearest penny. How states and localities will ultimately amend their sales tax laws is the right and responsibility of those jurisdictions. Recent guidance from the National Council of State Legislators gives some indication how states may adapt. The NCSL's November 21, 2025 report entitled *Elimination of the Penny: Cents-able Considerations* states: "The most recommended form of rounding is symmetrical rounding whereby if the final digit of the total transaction amount (including taxes) is 1, 2, 6, or 7 cents, the amount is rounded down to the nearest multiple of five. If the final digit is 3, 4, 8, or 9 cents, the amount is rounded up. Transactions totaling exactly $0.01 or $0.02 might be rounded up to $0.05. Rounding rules would not apply to payments made via electronic methods, checks, gift cards, or other non-cash instruments."

Are businesses required to accept pennies after they are no longer distributed?

Retailers should continue accepting pennies and providing penny change for cash transactions while the coin remains in circulation. When penny change is not available, businesses may round the final amount of a cash transaction to the nearest five-cent increment, recognizing that states will approach this issue differently based on unique considerations. The penny will remain legal tender, meaning it retains its status as an acceptable form of payment.

We recommend that non-cash transactions, such as payments made by check, credit card, or debit card, continue being priced and processed to the exact cent.

Businesses should apply rounding practices in a fair, consistent, and transparent manner.

How will accepting foreign currencies, government checks, gift cards, and split payments be affected by rounding?

We recommend that rounding be applied only to cash payments. Payments made with foreign currencies, government checks, gift cards, or split payments can be settled to the exact amount without the need for rounding adjustments.

Will the price rounding increase overall consumer prices?

There is no impact on non-cash transactions. For cash transactions, final transaction prices will be rounded down just as often as they will be rounded up, so there should be no overall effect on consumer prices

When a consumer requests a refund, is the amount subject to rounding?

As is the case now, businesses can set their own refund policies. However, if a refund is paid in cash and pennies are not used, businesses should round the final amount in a fair and transparent manner.

Will businesses need to update cash registers for rounding?

This is a decision to be made by each individual business.

As pennies fall out of circulation and states adapt their laws and policies accordingly, we recommend rounding for cash payments should take place only after all duties, fees, and taxes have been calculated. Businesses may choose to update their point-of-sale systems to automatically apply rounding for cash transactions. Doing so can enhance transparency and improve the customer experience by clearly displaying the rounding adjustment on receipts.

To support a smooth transition, the Treasury Department is actively collaborating with point-of-sale (POS) system providers to ensure their systems are properly equipped to handle rounding and accurately calculate sales taxes.

Where can I find more information on the impact of phasing out the penny on sales taxes?

For more information on how the phase-out of the penny may affect sales taxes and income taxes, you can consult your state's tax authority for specific guidelines and updates.

Will businesses be able to redeem pennies with their financial institutions?

Businesses may continue to deposit pennies at their financial institutions. Pennies will continue to be legal tender and retain their nominal value in perpetuity.

Frequently Asked Questions: Consumers

Why is penny production being suspended?

Over the past 10 years, the total production cost of the penny has risen from 1.3 cents to 3.69 cents per penny. These production costs include materials, facilities, and overhead. The U.S. Mint projects an immediate annual savings of $56 million in reduced material costs by stopping penny production. Additional savings will accrue as facility usage is adjusted and other efficiencies are achieved with the reduced production. Given the increasing number of non-cash transactions and the very low purchasing power of a single penny, the Department of Treasury does not believe continued production is fiscally responsible or necessary to meet the needs of commerce in the United States. The Secretary of the Treasury has the authority under Federal Law (31 U.S.C. §§ 5111(a)(1) and 5112(a)(6)) to mint and issue pennies in amounts necessary to meet the needs of the United States. Secretary Bessent, working closely with President Trump, is exercising that authority to better steward taxpayer dollars.

When will the Government stop distributing the penny?

The federal government has stopped manufacturing new pennies but the Federal Reserve will continue to recirculate the roughly 114 billion pennies currently in existence for as long as possible. How long existing pennies remain in circulation depends largely on consumer behavior.

The Treasury Department encourages the public to spend their on-hand pennies to support a smooth transition and allow retailers and point-of-sale (POS) system providers time to adapt. This initiative aims to help keep the existing supply in circulation, ensuring clarity and fairness at the point of sale during the transition.

Can I still use pennies for buying goods and services?

Yes, the penny will retain its full monetary value indefinitely. It will continue to be recognized as legal tender, allowing consumers to use pennies for cash transactions at businesses that choose to accept them, even after new pennies are no longer produced and distributed.

However, as pennies gradually phase out of circulation, Point of Sale (POS) system providers are encouraged to collaborate closely with retailers to implement rounding functionality for cash transactions, rounding to the nearest five cents.

It is essential for retailers to proactively inform and train their employees on any updates to business procedures and POS system features ahead of this transition. Doing so will help ensure that cash transactions are rounded smoothly and accurately, while maintaining customer confidence.

Will the price rounding increase overall prices for the products I buy?

There is no impact on non-cash transactions. For cash transactions, as final transaction prices will be rounded down just as often as they will be rounded up, so there should be no overall effect on consumer prices.

Are financial institutions required to accept my pennies?

Consumers may continue to deposit pennies at their financial institutions. For deposit of larger quantities, some banks may require that coins be rolled or wrapped prior to deposit. It is recommended that consumers consult their bank in advance to confirm specific guidelines and ensure a smooth deposit process.

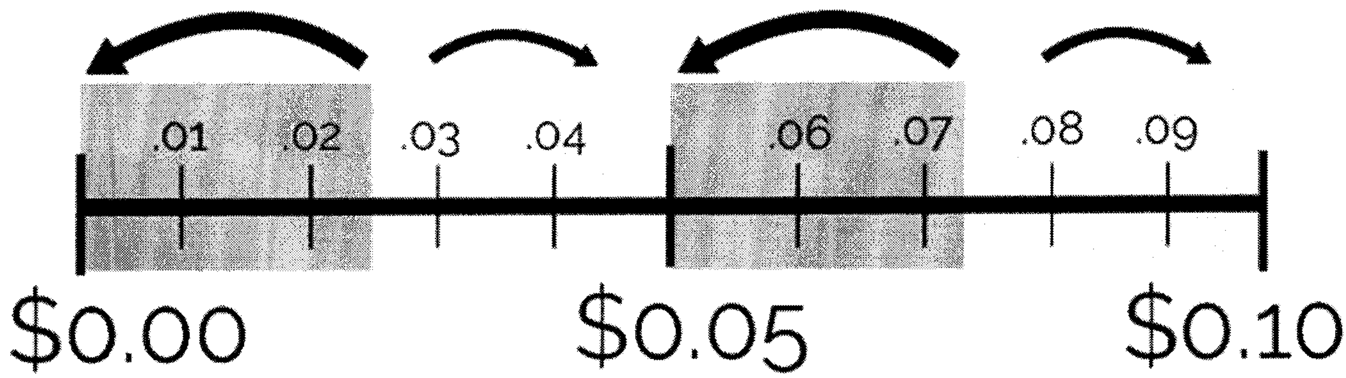
Will rounding affect the sales tax I have to pay?

The amount of sales tax is determined by state and local law, but in general, rounding for cash transactions should not impact the amount of sales tax consumers are required to pay. We anticipate that sales tax will continue to be calculated based on the exact total of a purchase before any rounding is applied. Individual states may approach this issue differently based on unique considerations.

Attention Customers
Paying with Cash

Due to the removal of pennies from circulation, cash purchases will be rounded to the nearest $0.05

If you choose to pay in cash,
please consult the following:



Example:

You Pay:		Total:	Total:		You Pay:
$10.00	⟵	$10.02	$10.03	⟶	**$10.05**

Exact change is still welcome.

Payments made with credit cards, debit cards, or other non-cash methods <u>will not be rounded.</u>

Rev. November 7, 2025

ACTION ITEM

CITY OF WINDOM
444 9th Street
Windom, MN 56101
Phone: 507-831-6129
Fax: 507-831-6127
www.windom-mn.com

TO:	CITY COUNCIL
FROM:	MATTHEW FAST, BUILDING & ZONING OFFICIAL
CC MEETING DATE:	SEPTEMBER 1, 2026
RE:	ORDINANCE ADOPTING A CODIFIED SUPPLEMENT TO CITY CODE
DEPT:	BUILDING & ZONING
CONTACT:	MATTHEW FAST (matthew.fast@windommn.com) (507-832-8660)

Recommendations/Options/Action Requested

Staff recommends that the City Council take the following action regarding a proposed new ordinance:

1. Approve first reading of Ordinance No. 212, 2nd Series enacting and adopting a codified supplement to the Code of Ordinances of the City of Windom.

Issue Summary/Background

Each year the City Council adopts numerous ordinances for items including revisions to the City Code, new additions to the City Code, rezoning of property, etc. These new ordinances are in effect upon the City Council's approval of the first and second reading of the ordinance and publication of the ordinance or a title and summary of the ordinance.

However, prior to adding the newly-adopted ordinance language to the City Code, the ordinances need to be reviewed by a codifier who then incorporates these provisions into new pages to be inserted in the City Code books. American Legal Publishing Corporation of Cincinnati, Ohio, has been the codifier for the City for many years. They have now provided the City with the latest Codified Supplement which includes provisions from Ordinance No. 196, 2nd Series through Ordinance No. 203, 2nd Series.

In summary, this codified supplement includes revisions to the existing City Code and additions of new City Code Sections concerning the following: Revisions to City Code Chapter 150 ("Building Regulations; Construction"), Chapter 151 ("Subdivisions"), and Chapter 152 ("Zoning") following a 2+ years code review of these Chapters guided by a code consultant and City Staff and reviewed by the Planning Commission. Subsequent ordinances included minor revisions to "Water" and "Sewer" Chapters in City Code, total revision of Chapter 56 covering "Individual Sewage Treatment Systems", minor Code revisions to existing definitions and chapters; addition of new Code Sections covering "Short-Term Rental Properties", "Cannabis and Hemp Businesses", and "Billboards"; and amending the zoning designations of three parcels on the zoning map to correspond with surrounding properties.

City Code revisions and additions adopted subsequent to Ordinance No. 203, 2nd Series are in effect and will appear in future Codified Supplements.

Fiscal Impact

There should be no fiscal impact to the City to adopt this ordinance.

Attachments

1. Ordinance No. 212, 2nd Series.

ORDINANCE NO. 212, 2ND SERIES

AN ORDINANCE ENACTING AND ADOPTING A CODIFIED SUPPLEMENT TO THE CODE OF ORDINANCES FOR THE CITY OF WINDOM

WHEREAS, American Legal Publishing Corporation of Cincinnati, Ohio, has completed the 2025 codified supplement to the Code of Ordinances of the City of Windom which contains all ordinances of a general and permanent nature enacted since the prior supplements of the codified and printed City Code of Ordinances Book; and

WHEREAS, it is necessary to adopt an ordinance to authorize the inclusion of the 2025 codified supplement in the codified and printed City Code of Ordinances Book.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WINDOM, MINNESOTA, DOES ORDAIN:

Section 1. That the 2025 codified supplement to the Code of Ordinances of the City of Windom, as submitted by American Legal Publishing Corporation of Cincinnati, Ohio, be and the same is hereby adopted by reference as if set out herein in its entirety.

Section 2. Such codified supplement shall be deemed published as of the day of its adoption and approval by the Windom City Council and the City Administrator is hereby authorized and ordered to insert such supplement into the copy of the Code of Ordinances kept on file in the Office of the City Administrator.

Adopted by the City Council of the City of Windom, Minnesota, this 15th day of September, 2026.

Hilary Mathis, Mayor

ATTEST:

Steven Nasby, City Administrator

1st Reading:	September 1, 2026
2nd Reading:	September 15, 2026
Adoption:	September 15, 2026
Published:	September 23, 2026

ORDINANCE NO. 211, 2ND SERIES

AN ORDINANCE OF THE CITY OF WINDOM, MINNESOTA, APPROVING THE SALE OF CITY-OWNED REAL ESTATE

THE CITY COUNCIL OF THE CITY OF WINDOM ORDAINS:

WHEREAS, the City of Windom, Minnesota, owns the following described real estate (the "**Real Estate**"):

> **Lots 20, 21, 22 and 23; the vacated alley located between Lots 21 and 22; and the North 12 feet of the vacated alley located between Lot 1 and Lots 20 through 25, EXCEPT the West 58.00 feet thereof; all in Block 18 of the Original Townsite of the Village (now City) of Windom in Cottonwood County, Minnesota** ("**Real Estate**"); and

WHEREAS, the City of Windom owns Windomnet, a public telecommunications utility, and all the real property, building, underground fiber optic lines, infrastructure, equipment, inventory, vehicles and other personal property associated with the operations of Windomnet (collectively "**Windomnet Assets**") and

WHEREAS, the City of Windom decided to sell both the Real Estate and Windomnet Assets; and

WHEREAS, the City of Windom solicited proposals to acquire the Real Estate and Windomnet Assets; and

WHEREAS, after reviewing the proposal submitted by Federated Rural Electric/Broadband **("Federated")** the Windom City Council determined that selling the Real Estate and Windomnet Assets to Federated is in the best interest of both the City of Windom and its citizens; and

WHEREAS, as a condition of selling the Real Estate and Windomnet Assets, Federated shall guarantee to operate Windomnet to serve the citizens of the City of Windom; and

WHEREAS, Section 8.02, of the Charter for the City of Windom titled "Sale of Property" states that no real property owned by the City of Windom shall be disposed of except by ordinance.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WINDOM, MINNESOTA, APPROVES AND ORDAINS:

That the real estate legally described as follows:

Lots 20, 21, 22 and 23; the vacated alley located between Lots 21 and 22; and the North 12 feet of the vacated alley located between Lot 1 and Lots 20 through 25, EXCEPT the West 58.00 feet thereof; all in Block 18 of the Original Townsite of the Village (now City) of Windom in Cottonwood County, Minnesota;

and all of Windomnet Assets shall be sold to Federated on the express condition that the City of Windom and Federated sign a mutually agreeable purchase agreement for the sale/purchase of all of Windomnet Assets, and the Real Estate.

THE CITY COUNCIL OF THE CITY OF WINDOM, MINNESOTA, FURTHER ORDAINS:

This ordinance, or an approved Title and Summary of this ordinance, shall be published in **the COTTONWOOD COUNTY CITIZEN; and this ordinance shall be** in **full force and effect immediately upon publication.**

ADOPTED AND PASSED by the City Council of the City of Windom, Minnesota, this 18th day of August, 2026.

____
Hilary Mathis, Mayor

ATTEST:

____
Steven Nasby, City Administrator

1st Reading:	August 4, 2026
2nd Reading:	August 18, 2026
Adoption:	August 18, 2026
Mayoral Veto:	August 21, 2026
Published:	September XXX, 2026

I am exercising the veto authority granted to the Mayor under Section 2.07 of the City of Windom Charter and returning this matter to the City Council for further review.

I believe the Council is split because there are still significant questions, the information has changed, and this decision is permanent. When reasonable people looking at the same information are reaching very different conclusions about a multimillion-dollar asset, that is exactly when I believe we should slow down, not speed up.

My objections are:

Insufficient and inconsistent information: I do not believe we currently have enough consistent, reliable information to make a permanent decision of this magnitude. Additional due diligence is needed regarding both the current telecom system and its financial condition, as well as the details contained in the proposed sale.

Significant changes and unanswered questions: Information regarding both the existing system and the proposed transaction have continued to change. Before making a final decision, I believe we need greater clarity and a shared understanding of the facts, financials, and long term implications.

Lack of sufficient consensus: This is a multimillion-dollar decision involving a significant city asset, and the Council vote was 3-2. The community is also deeply divided. While I do not believe every Council decision should be determined by public consensus, I believe a decision of this magnitude warrants a stronger level of confidence and consensus before it becomes permanent.

This veto is intended to allow further consideration- not to make the decision myself. I am not using the veto to declare that the telecom system must or must not be sold, and am not against a sale altogether- someday. Just not now under the circumstances we are facing.

I am using the authority provided to me to ensure that we have the opportunity to further examine the information, resolve outstanding questions, and make the best informed decision possible for the long-term interests of Windom.

For these reasons, I am vetoing the action and returning it to the City Council for further review and discussion.

WINDOM MAYOR

Sec. 2.06, MAYOR POWERS AND DUTIES: The mayor shall be the presiding officer of the council; except that the council member elected at large shall serve as president in the mayor's absence, and as acting mayor in case of the mayor's disability preventing performance of duties or in the case of the mayor's absence from the City. The mayor shall be the chief executive officer of the City. The mayor shall exercise all powers and perform all duties conferred and imposed upon that office by this charter, the ordinances of the City and the constitution and statutes of the State of Minnesota.

In the event of a vacancy in the office of mayor, whether by death, resignation or any other cause, the council forthwith shall order a special election to fill the vacancy for the unexpired term; provided that if such vacancy occurs less than six (6) months from the expiration of the term of said mayor, then no special election shall be held; but the duties of said mayor shall rest upon and be discharged by the council member elected at large serving as president pro tempore of said council as full and to all intents and purposes as if said president pro tempore were the duly elected and qualified mayor.

If a vacancy exists in the office of mayor and council member at large, then the remaining council members shall elect from themselves a chair to conduct the meeting and said person shall retain their voting rights.

Sec. 2.07, VETO POWER: Every ordinance or resolution of the council before it takes effect, shall be presented to the mayor for approval. If the mayor shall approve it, the mayor shall sign the same; but if the mayor disapproves it, it shall be returned to the council with the mayor's objections thereto, by depositing the same with the Administrator, to be presented to the council at its next regular meeting, or at a special meeting called for that purpose. Upon the return of any ordinance or resolution by the mayor, the vote by which the same was passed shall be deemed to have been reconsidered, and the question shall be put again upon the passage of same, notwithstanding the objection of the mayor; and if, upon such submission, the council shall pass the same by a four-fifths (4/5) vote of the council, it shall have the same effect as if approved by the mayor. If an ordinance or resolution shall not be deposited with the Administrator by the mayor within ten (10) days after it shall be presented to the mayor, the same shall have the same effect as if approved by the mayor.

Sec. 2.08, CITY ADMINISTRATOR, DEPUTY CITY ADMINISTRATOR, POWERS AND DUTIES: The City Administrator shall be the official 'city clerk' and 'city treasurer' for the City of Windom and shall be deemed as such when referenced in state laws. The City Administrator shall have the care and custody of the corporate seal of the City and of all papers, instruments, files, and records of the City. The City Administrator shall prepare and sign all orders and warrants and keep such records and accounts as shall be required by this Charter or by City Council. The City Administrator shall keep in permanent form minutes of all council meetings. The City Administrator shall also have the powers, rights and privileges granted by the City Council or by state law except as otherwise provided and shall perform all of the duties thereby imposed or granted.

All monies received and held by the City Administrator shall be turned over to a depository officially designated by the Council.

M.R.
PAVING & EXCAVATING, INC.

2020 North Spring Street
P.O. Box 787
New Ulm, MN 56073

Phone (507) 354-4171
Fax (507) 359-4156

Invoice No. 64022
Date: 8/25/2026
Terms Due upon receipt
Job No. 26-2024

Thank you for your business!

City of Windom-St. Dept.
80 County Road 26
P.O. Box 38
Windom MN 56101

Quantity	Description	Unit	Unit Price	Amount
53,225.00	Chip Seal Streets	SY	1.80	95,805.00

Subtotal:	95,805.00
	0.00
Total Amount Due:	**95,805.00**

Payment Terms: Payment due upon receipt of invoice.
1 1/2% Interest per month(annual rate of 18%)may be charged after 60 days.
Charges over 120 days old may be subject to collections.

Equal Opportunity Employer

EFFECTIVE 1/1/2024: CREDIT CARD PAYMENTS WILL BE SUBJECT TO A 3% SURCHARGE.