

# Regular Monthly Board Meeting

Monday, November 3, 2025 5:30 PM

High School Media Center, 810 First Street North, Pine River, MN 56474

## 1. Call to Order and Pledge to the Flag

**Speaker(s):** Board Chair

**Members:** Leslie Bouchonville, Chris Cunningham, Roger D. Hoplin, Nicki Linsten-Lodge, Carrie Maurer-Ackerman, David Sheley, Ryan Trumble and Superintendent Jonathan Clark

## 2. Welcome to Visitors

**Speaker(s):** Board Chair

2.1. Public Comments and Time for Interaction with the Board on Agenda Items

**Speaker(s):** Board Chair

2.2. Fiscal Year 2025 Audit Report - Clifton Larson Allen will present the 2024-2025 district financial statements and audit report.

## 3. Approve Agenda

## 4. Approve Minutes of the October 6, 2025 Regular Board Meeting

**Speaker(s):** Board Chair

## 5. Informational Items

5.1. Principal Reports

5.2. Director Reports

5.3. Superintendent Report

5.4. Enrollment Report

## 6. Consent Calendar

6.1. Approve Bills Presented

6.2. Approve Investment Report

6.3. Approve Treasurer's Report

6.4. Approve Electronic Funds Transfers and Other Banking Transactions

6.5. Federal Funds

6.6. Adopt Resolution Accepting Monetary Awards and Donations

6.7. Approve Personnel Items as Listed

## 7. Discussion Items

7.1. Second Reading of the Academic Eligibility Policy

7.2. 2024-2025 Comprehensive Achievement and Civic Readiness Report

**8. Action Items**

- 8.1. Approve the 2025-2027 Master Agreement with Service Employees International Union, Local #284
- 8.2. Approve a Memorandum of Understanding with Pine River-Backus Education Minnesota Regarding Article VII, Section 6: Additional Class Sizes
- 8.3. Approve a Consortium Agreement for Cross-District High School Course Access
- 8.4. Approve the Fiscal Year 2025 Audit Report

**9. Open Forum**

**10. Adjourn**

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2025**



CPAs | CONSULTANTS | WEALTH ADVISORS

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INDEPENDENT SCHOOL DISTRICT NO. 2174  
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## **INTRODUCTORY SECTION**

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
BOARD OF EDUCATION AND ADMINISTRATION  
JUNE 30, 2025**

**BOARD OF EDUCATION**

<b><u>NAME</u></b>	<b><u>TERM ON BOARD EXPIRES</u></b>	<b><u>BOARD POSITION</u></b>
Chris Cunningham	January 1, 2027	Chairperson
Ryan Trumble	January 1, 2027	Vice-Chairperson
Leslie Bouchonville	January 1, 2027	Clerk
Roger Hoplin	January 1, 2029	Treasurer
Carrie Maurer-Ackerman	January 1, 2029	Director
Nicki Linsten-Lodge	January 1, 2027	Director
Dave Sheley	January 1, 2029	Director

**ADMINISTRATION**

Jon Clark	Superintendent
Jolene Bengtson	Business Manager
District Offices	Independent School District No. 2174 Pine River-Backus Public Schools 401 Murray Ave Pine River, MN 56474 218-587-8000

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Education  
Pine River-Backus Public Schools  
Independent School District No. 2174  
Pine River, Minnesota

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Independent School District No. 2174 (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

***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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – General Fund, budgetary comparison schedule – Food Service Fund, budgetary comparison schedule – Community Service Fund, schedule of changes in the District's OPEB liability and related ratios, schedule of the District's proportionate share of the net pension liability, and the schedule of District pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

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

***Other Information***

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

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

***Report on Summarized Comparative Information***

We have previously audited the District's 2024 financial statements, and we have expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated September 3, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Brainerd, Minnesota  
October 29, 2025

**REQUIRED SUPPLEMENTARY INFORMATION**

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

This section of Pine River-Backus Public Schools – Independent School District No. 2174's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2024 – 2025 fiscal years include the following:

- District-wide accrual basis net position increased by \$1,270,142 on revenues of \$15,903,742 compared to expenses of \$14,633,600.
- Total General Fund revenues were approximately \$14,217,000 as compared to \$13,340,000 of expenditures and transfers out.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.
  - The governmental funds statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

**District-Wide Statements**

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**District-Wide Statements (Continued)**

Two District-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall financial health of the District, you need to consider additional nonfinancial factors such as enrollment trends, changes in the District's property tax base, and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are shown in one category:

- Governmental activities – Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes, state aids, and federal aids finance most of these activities.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The District has one kind of fund:

- Governmental funds – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional reconciling information within the governmental funds statements to explain the relationship (or differences) between the funds.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position**

The District's combined net position was \$7,703,623 on June 30, 2025.

**Table A-1  
The District's Net Position**

	Governmental Activities as of June 30,		Percentage Change
	2025	2024	
Assets:			
Current and Other Assets	\$ 8,598,569	\$ 8,443,496	1.8 %
Capital and Noncurrent Assets	13,525,793	13,684,044	(1.2)
Total Assets	<u>22,124,362</u>	<u>22,127,540</u>	(0.0)
Deferred Outflows of Resources	1,960,075	2,268,381	(13.6)
Liabilities:			
Current Liabilities	2,351,002	2,990,953	(21.4)
Long-Term Liabilities	9,771,452	12,136,097	(19.5)
Total Liabilities	<u>12,122,454</u>	<u>15,127,050</u>	(19.9)
Deferred Inflows of Resources	<u>4,258,360</u>	<u>2,835,390</u>	50.2
Net Position:			
Net Investment in Capital Assets	10,274,002	9,206,793	11.6
Restricted	1,939,702	2,551,799	(24.0)
Unrestricted	<u>(4,510,081)</u>	<u>(5,325,111)</u>	(15.3)
Total Net Position	<u><u>\$ 7,703,623</u></u>	<u><u>\$ 6,433,481</u></u>	19.7

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**Changes in Net Position**

The District's total revenues were \$15,903,742 for the year ended June 30, 2025. Property taxes and state aid formula accounted for 55% of total revenue for the year. Another 40% came from other program-specific federal and state aid.

**Table A-2  
Change in Net Position**

	Governmental Activities for the Fiscal Year Ended June 30,		Total Percent Change
	2025	2024	
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 433,335	\$ 380,296	13.9 %
Operating Grants and Contributions	6,309,095	5,170,344	22.0
Capital Grants and Contributions	1,886	1,210,897	(99.8)
General Revenues:			
Property Taxes	2,144,427	1,801,280	19.1
Unrestricted Federal and State Aid	6,567,354	6,355,166	3.3
Investment Earnings	215,338	203,871	5.6
Other	232,307	299,592	(22.5)
Total Revenues	<u>15,903,742</u>	<u>15,421,446</u>	3.1
<b>Expenses</b>			
Administration	520,420	450,976	15.4
District Support Services	361,825	325,456	11.2
Regular Instruction	6,174,928	5,526,821	11.7
Vocational Education Instruction	84,103	104,402	(19.4)
Special Education Instruction	2,540,549	2,299,940	10.5
Instructional Support Services	353,742	389,091	(9.1)
Pupil Support Services	1,395,880	1,276,457	9.4
Sites and Buildings	1,586,987	1,540,177	3.0
Fiscal and Other Fixed Cost Programs	165,278	158,157	4.5
Food Service	817,542	835,972	(2.2)
Community Service	466,599	425,659	9.6
Unallocated - Depreciation	113,374	133,622	(15.2)
Interest and Fiscal Charges on Long-Term Liabilities	52,373	56,039	(6.5)
Total Expenses	<u>14,633,600</u>	<u>13,522,769</u>	8.2
<b>Increase in Net Position</b>	1,270,142	1,898,677	
Net Position - Beginning of Year	<u>6,433,481</u>	<u>4,534,804</u>	
<b>Net Position - End of Year</b>	<u>\$ 7,703,623</u>	<u>\$ 6,433,481</u>	

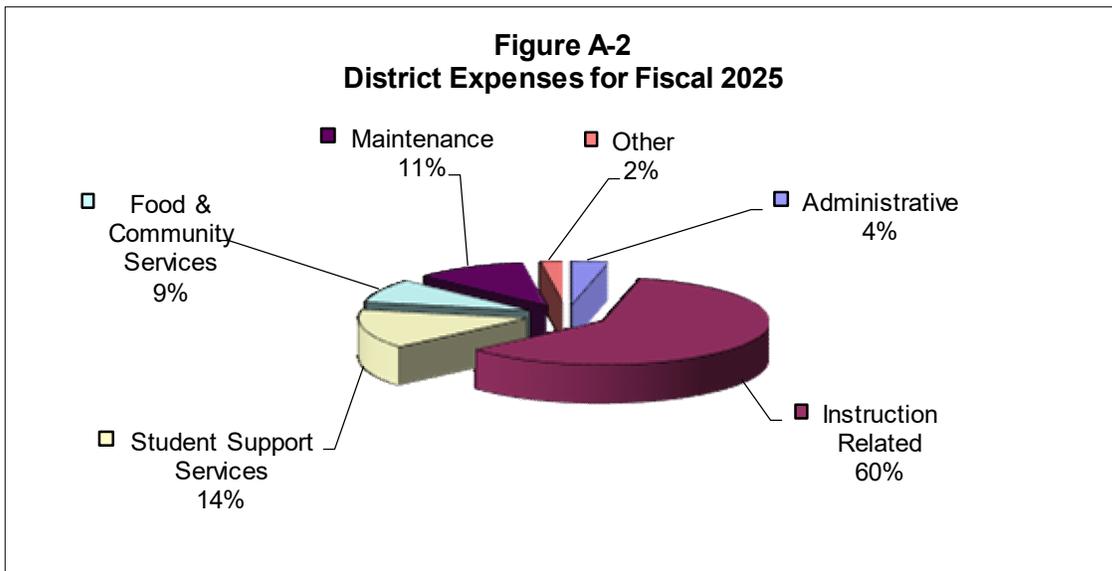
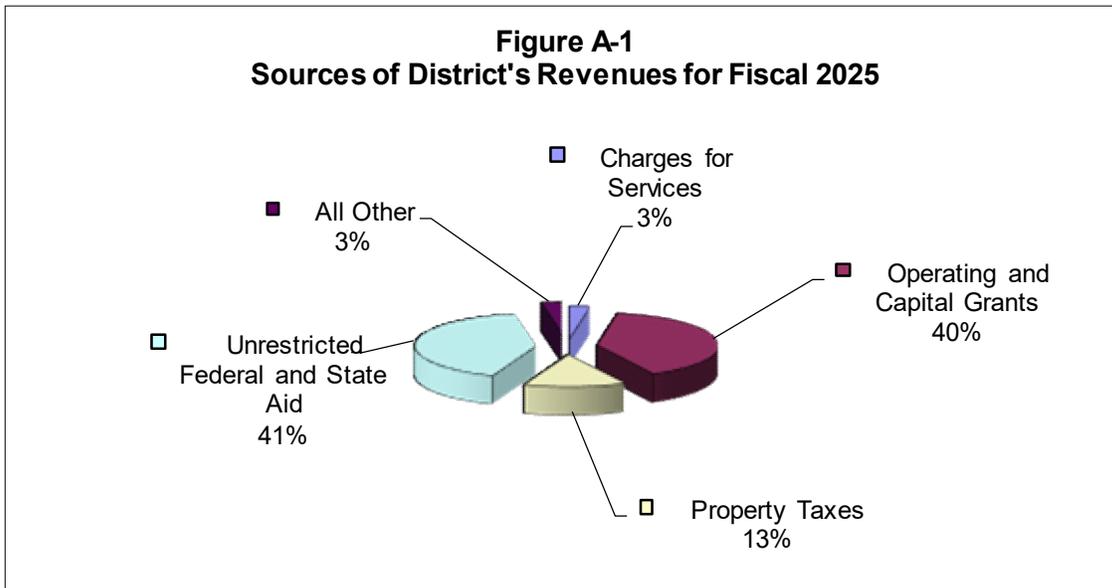
**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**Changes in Net Position (Continued)**

The cost of all governmental activities this year was \$14,633,600.

- Some of the cost was paid by the users of the District's programs (\$433,335).
- The federal and state governments subsidized certain programs with operating and capital grants and contributions (\$6,310,981).
- The remaining District's costs were paid by District taxpayers and the taxpayers of our state through property taxes and state aid based on the statewide education aid formula.



**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**Changes in Net Position (Continued)**

**Table A-3  
Cost and Net Cost of Services**

	Total Cost of Services			Net Cost of Services		
	2025	2024	Change	2025	2024	Change
Administration	\$ 520,420	\$ 450,976	15.4 %	\$ 444,789	\$ 428,276	3.9 %
District Support Services	361,825	325,456	11.2	361,825	325,456	11.2
Regular Instruction	6,174,928	5,526,821	11.7	3,506,456	3,098,403	13.2
Vocational Education Instruction	84,103	104,402	(19.4)	82,083	105,555	(22.2)
Special Education Instruction	2,540,549	2,299,940	10.5	412,340	719,931	(42.7)
Instructional Support Services	353,742	389,091	(9.1)	103,964	182,932	(43.2)
Pupil Support Services	1,395,880	1,276,457	9.4	627,659	538,023	16.7
Sites and Buildings	1,586,987	1,540,177	3.0	1,585,361	584,117	171.4
Fiscal and Other Fixed Cost Programs	165,278	158,157	4.5	165,278	158,157	4.5
Food Service	817,542	835,972	(2.2)	128,581	147,556	(12.9)
Community Service	466,599	425,659	9.6	305,201	283,165	7.8
Unallocated - Depreciation	113,374	133,622	(15.2)	113,374	133,622	(15.2)
Interest and Fiscal Charges on Long-Term Liabilities	52,373	56,039	(6.5)	52,373	56,039	(6.5)
<b>Total</b>	<b>\$ 14,633,600</b>	<b>\$ 13,522,769</b>	<b>8.2</b>	<b>\$ 7,889,284</b>	<b>\$ 6,761,232</b>	<b>16.7</b>

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$4,919,427.

Revenues for the District's governmental funds were \$15,773,863, while total expenditures were \$15,816,771.

**GENERAL FUND**

The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

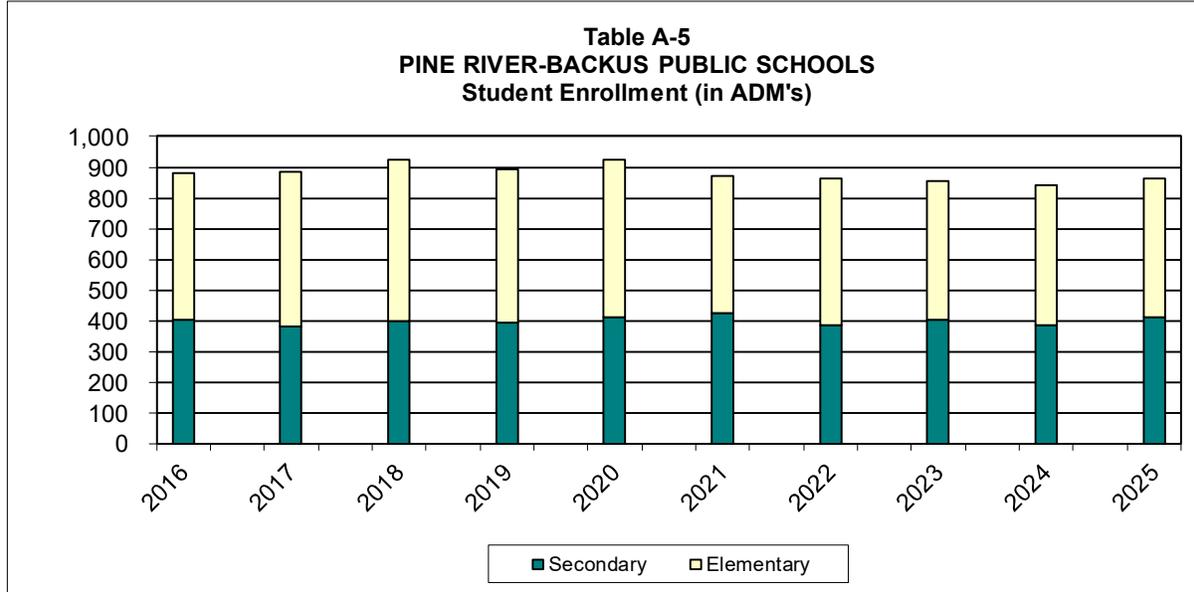
The following graph shows the trend in student counts over the past 10 years:

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Pre-K	9	11	25	33	32	27	32	33	33	30
HCP K	2	8	7	9	15	17	17	18	-	-
Reg K	61	60	63	44	63	39	48	40	55	63
Elementary	407	428	433	412	401	366	378	360	365	357
Secondary	402	379	398	396	411	423	387	403	387	411
<b>Total Students for Aid</b>	<b>881</b>	<b>886</b>	<b>926</b>	<b>894</b>	<b>922</b>	<b>872</b>	<b>862</b>	<b>854</b>	<b>840</b>	<b>861</b>
Percent Change	1.26%	0.57%	4.51%	-3.46%	3.13%	-5.42%	-1.15%	-0.93%	-1.64%	2.50%

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**GENERAL FUND (CONTINUED)**

**Student Enrollment (Average Daily Membership)**



The following schedule presents a summary of General Fund Revenues:

**Table A-6  
General Fund Revenues**

Fund	Year Ended		Change	
	June 30, 2025	June 30, 2024	Amount Increase (Decrease)	Percent Increase (Decrease)
Local Sources:				
Property Taxes	\$ 1,531,450	\$ 1,192,254	\$ 339,196	28.4 %
Earnings on Investments	161,895	127,357	34,538	27.1
Other	520,323	533,324	(13,001)	(2.4)
State Sources	11,572,507	10,462,474	1,110,033	10.6
Federal Sources	431,177	1,595,786	(1,164,609)	(73.0)
<b>Total General Fund Revenue</b>	<b>\$ 14,217,352</b>	<b>\$ 13,911,195</b>	<b>\$ 306,157</b>	<b>2.2</b>

Total General Fund revenue increased by \$306,157 or 2.2% from the prior year as show above. The increase relates to the increase in state funding and property taxes.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**GENERAL FUND (CONTINUED)**

The following schedule presents a summary of General Fund Expenditures:

**Table A-7  
General Fund Expenditures**

	Year Ended		Change	
	June 30, 2025	June 30, 2024	Amount of Increase (Decrease)	Percent Increase (Decrease)
Salaries	\$ 7,723,035	\$ 7,783,059	\$ (60,024)	(0.8)%
Employee Benefits	2,216,138	2,081,872	134,266	6.4
Purchased Services	1,806,320	2,006,733	(200,413)	(10.0)
Supplies and Materials	873,588	768,908	104,680	13.6
Capital Expenditures	599,631	1,482,259	(882,628)	(59.5)
Other Expenditures	91,857	97,423	(5,566)	(5.7)
Debt Service	29,404	-	29,404	100.0
Total Expenditures	<u>\$ 13,339,973</u>	<u>\$ 14,220,254</u>	<u>\$ (880,281)</u>	(6.2)

The decrease in capital outlay is due to the District spending ESSER monies in the prior year which were no longer available in the current year.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget two times. These budget amendments fall into two categories:

- Generally speaking, the first budget amendment concentrates on students and staff. Actual student counts from the beginning of the school year are tracked and matched against the student enrollment estimates used to project many of the revenue components in the preliminary budget revenue categories. Actual staffing and respective assignments are verified for accuracy against the projected staffing costs used to establish the preliminary budget expense for salaries and benefits.
- Because it occurs further into the fiscal year, the second amendment of the budget has a heavier concentration on the review and tracking of both actual revenue and expense categories toward the annual budgeted amounts.

In the case of either budget amendments, depending on how actual revenue and expense items are tracking against the preliminary budget amounts, adjustments are proposed to specific categories for review and approval by the school board.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**GENERAL FUND (CONTINUED)**

**General Fund Budgetary Highlights (Continued)**

Actual results differed from budget as follows:

- While the District's final budget for the General Fund anticipated that revenues would exceed expenditures by \$-520,033, actual revenues exceeded actual expenditures by \$877,379.
- Overall, actual revenues were \$645,892 more than budgeted, representing more than a 4.68% variation from budget to actual. Other revenues were over budget by \$302,023 due to student activities for the current year which are not budgeted. State revenues were higher than anticipated by \$233,780 due to higher general education aid and due to additional state funding.
- The actual expenditures for current year were \$288,546 more than budgeted, which represents about (2.21%) of budgeted expenditures. Special Education Instruction and Elementary and Secondary Regular Instruction were over budget by \$271,016 due to additional salaries and tuition.

**CONSTRUCTION PROJECTS AND DEBT SERVICE**

An annual levy is made to fund the bond payments of approximately \$405,000 in principal and \$80,000 of interest.

**CAPITAL ASSETS**

As shown in the table below, the District has invested \$27,425,015 in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices. More detailed information about capital assets can be found in Note 4 to the financial statements. Total depreciation expense for the year was \$757,275.

**Table A-8  
The District's Capital Assets**

	2025	2024	Percentage Change
Land	\$ 7,515	\$ 7,515	-
Land Improvements	1,758,827	1,758,827	-
Buildings and Improvements	21,721,806	21,551,746	0.8
Equipment	3,936,867	3,596,194	9.5
Less: Accumulated Depreciation	(13,899,222)	(13,230,238)	5.1
Total	<u>\$ 13,525,793</u>	<u>\$ 13,684,044</u>	(1.2)

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**LONG-TERM LIABILITIES**

At year-end, the District had \$3,065,000 in general obligation bonds outstanding as shown in Note 5 to the financial statements. The District also had an estimated \$5,000 in severance payable and \$206,000 in compensated absences at June 30, 2025.

**Table A-9  
The District's Long-Term Liabilities**

	2025	2024	Percentage Change
General Obligation Bonds	\$ 3,065,000	\$ 4,365,000	(29.8)%
Net Bond Premium and Discount	67,335	90,338	(25.5)
Finance Purchase Agreement	103,360	-	100.0
Severance Payable	4,750	7,305	(35.0)
Compensated Absences	206,179	-	100.0
Total	\$ 3,446,624	\$ 4,462,643	(22.8)
Long-Term Liabilities			
Due Within One Year	\$ 487,137	\$ 1,300,000	
Due in More Than One Year	2,959,487	3,162,643	
Total	\$ 3,446,624	\$ 4,462,643	

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

Student Enrollment

Pine-River Backus' student enrollment increased 13 students in the 2024-2025 school year. Enrollment is projected to remain constant over the next two years which a larger decline in the third year as declining numbers of incoming Kindergarten students offset larger graduating classes. The District continues to respond to its changing population by accessing funding streams specific to poverty indicators and effective and planned financial management. The District is intentional in balancing staffing and facility needs with efforts to maintain a healthy and liquid fund balance. All efforts are made to secure additional funding opportunities when available.

Political Environment

Despite continuous changes in school funding, the District continues to responsibly manage its revenues and expenditures. The District strives to maintain a balanced budget on an annual basis. The District plans to continue its conservative budget approach and consider nontraditional funding opportunities when available. The District will also consider educated risks, progressive concepts, and local public support in order to meet the rigor of today's academic standards and the challenges of local economic demands.

The political environment at the State and Federal level will have a significant effect on future finances. The State legislature sets the amount of revenue from aids and levies that Minnesota school districts will receive. Currently, the general education basic allowance, from which the District receives the single largest state aid, is set at \$7,138 per pupil unit. The Federal government controls Title funds and a large portion of Food Service meal reimbursements. The District makes every effort to balance the need for revenue with the added impact to local taxpayers.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025**

**FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)**

Labor Force

Exclusive of construction and debt service funds, the District's salaries, wages, and benefits account for 73% of the District's overall expenditures.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Manager at the District's office located at 401 Murray Ave, Pine River, Minnesota 56474 or by telephone at 218-587-4720.

## **BASIC FINANCIAL STATEMENTS**

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
STATEMENT OF NET POSITION  
JUNE 30, 2025  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2024)**

	Governmental Activities	
	2025	2024
<b>ASSETS</b>		
Cash and Investments	\$ 6,330,328	\$ 5,560,234
Restricted Cash	-	844,721
Receivables:		
Property Taxes	798,477	859,094
Other Governments	1,451,795	1,162,931
Other	4,011	235
Inventories	13,958	16,281
Capital Assets:		
Land	7,515	7,515
Other Capital Assets, Net of Depreciation	13,518,278	13,676,529
Total Assets	22,124,362	22,127,540
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related	1,842,249	2,112,905
OPEB Related	117,826	155,476
Total Deferred Outflows of Resources	1,960,075	2,268,381
<b>LIABILITIES</b>		
Salaries and Payroll Deductions Payable	1,413,271	1,407,793
Accounts and Contracts Payable	56,977	50,032
Accrued Interest	33,301	33,170
Due to Other Governmental Units	320,724	148,037
Unearned Revenue	8,806	9,625
Long-Term Liabilities:		
Portion Due Within One Year	487,137	1,300,000
Portion Due in More Than One Year	2,959,487	3,162,643
Net Pension Liability	6,469,885	8,589,143
Other Postemployment Benefits Liability, Due Within One Year	30,786	42,296
Other Postemployment Benefits Liability, Due in More Than One Year	342,080	384,311
Total Liabilities	12,122,454	15,127,050
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related	2,348,284	829,387
OPEB Related	56,986	16,166
Property Taxes Levied for Subsequent Year	1,836,994	1,967,924
Refunding Gain on Bonds	16,096	21,913
Total Deferred Inflows of Resources	4,258,360	2,835,390
<b>NET POSITION</b>		
Net Investment in Capital Assets	10,274,002	9,206,793
Restricted for:		
General Fund Operating Capital Purposes	15,101	152,063
General Fund State-Mandated Reserves	1,340,685	1,103,986
Food Service	384,186	310,867
Community Service	22,973	4,294
Debt Service	176,757	980,589
Unrestricted	(4,510,081)	(5,325,111)
Total Net Position	\$ 7,703,623	\$ 6,433,481

See accompanying Notes to Financial Statements.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2024)**

Functions	2025				2024	
	Expenses	Program Revenues			Net (Expense)	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and	Revenue and
					Changes in Net Position	Changes in Net Position
				Total	Total	
				Governmental	Governmental	
				Activities	Activities	
<b>GOVERNMENTAL ACTIVITIES</b>						
Administration	\$ 520,420	\$ -	\$ 75,631	\$ -	\$ (444,789)	\$ (428,276)
District Support Services	361,825	-	-	-	(361,825)	(325,456)
Regular Instruction	6,174,928	300,340	2,368,132	-	(3,506,456)	(3,098,403)
Vocational Education Instruction	84,103	-	2,020	-	(82,083)	(105,555)
Special Education Instruction	2,540,549	-	2,128,209	-	(412,340)	(719,931)
Instructional Support Services	353,742	-	249,778	-	(103,964)	(182,932)
Pupil Support Services	1,395,880	-	767,928	293	(627,659)	(538,023)
Sites and Buildings	1,586,987	-	33	1,593	(1,585,361)	(584,117)
Fiscal and Other Fixed Cost Programs	165,278	-	-	-	(165,278)	(158,157)
Food Service	817,542	34,034	654,927	-	(128,581)	(147,556)
Community Service	466,599	98,961	62,437	-	(305,201)	(283,165)
Interest and Fiscal Charges on Long-Term Liabilities	52,373	-	-	-	(52,373)	(56,039)
Unallocated Depreciation	113,374	-	-	-	(113,374)	(133,622)
Total School District	<u>\$ 14,633,600</u>	<u>\$ 433,335</u>	<u>\$ 6,309,095</u>	<u>\$ 1,886</u>	<u>(7,889,284)</u>	<u>(6,761,232)</u>
<b>GENERAL REVENUES</b>						
Property Taxes Levied for:						
General Purposes					1,533,515	1,184,412
Community Service					117,706	112,474
Debt Service					493,206	504,394
State Aid Not Restricted to Specific Purposes					6,567,354	6,355,166
Earnings on Investments					215,338	203,871
Miscellaneous					232,307	299,592
Total General Revenues					<u>9,159,426</u>	<u>8,659,909</u>
<b>CHANGE IN NET POSITION</b>					1,270,142	1,898,677
Net Position - Beginning of Year					<u>6,433,481</u>	<u>4,534,804</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 7,703,623</u>	<u>\$ 6,433,481</u>

See accompanying Notes to Financial Statements.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2024)**

	Major Funds				Total Governmental Funds	
	General	Food Service	Community Service	Debt Service	2025	2024
<b>ASSETS</b>						
Cash and Investments	\$ 5,430,199	\$ 412,037	\$ 43,354	\$ 444,738	\$ 6,330,328	\$ 5,560,234
Restricted Cash	-	-	-	-	-	844,721
Receivables:						
Current Property Taxes	495,974	-	52,183	207,950	756,107	818,789
Delinquent Property Taxes	28,299	-	2,627	11,444	42,370	40,305
Accounts and Interest Receivable	3,500	361	150	-	4,011	235
Due from Other Minnesota School Districts	52,997	-	-	-	52,997	36,478
Due from Minnesota Department of Education	1,144,891	-	8,348	4,354	1,157,593	1,098,944
Due from Federal through Minnesota Department of Education	189,519	-	-	-	189,519	7,033
Due from Other Governmental Units	36,235	-	11,981	3,470	51,686	20,476
Inventory	2,637	11,321	-	-	13,958	16,281
<b>Total Assets</b>	<b>\$ 7,384,251</b>	<b>\$ 423,719</b>	<b>\$ 118,643</b>	<b>\$ 671,956</b>	<b>\$ 8,598,569</b>	<b>\$ 8,443,496</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Salaries and Payroll Deductions Payable	\$ 1,325,001	\$ 30,451	\$ 57,819	\$ -	\$ 1,413,271	\$ 1,407,793
Accounts and Contracts Payable	54,985	276	1,716	-	56,977	50,032
Due to Other Minnesota School Districts	274,587	-	-	-	274,587	124,943
Due to Other Governmental Units	46,137	-	-	-	46,137	23,094
Unearned Revenue	-	8,806	-	-	8,806	9,625
<b>Total Liabilities</b>	<b>1,700,710</b>	<b>39,533</b>	<b>59,535</b>	<b>-</b>	<b>1,799,778</b>	<b>1,615,487</b>
<b>Deferred Inflows of Resources:</b>						
Property Taxes Levied for Subsequent Year	1,244,306	-	130,790	461,898	1,836,994	1,967,924
Unavailable Revenue - Delinquent Taxes	28,299	-	2,627	11,444	42,370	40,305
<b>Total Deferred Inflows of Resources</b>	<b>1,272,605</b>	<b>-</b>	<b>133,417</b>	<b>473,342</b>	<b>1,879,364</b>	<b>2,008,229</b>
<b>Fund Balance:</b>						
<b>Nonspendable:</b>						
Inventory	2,637	11,321	-	-	13,958	16,281
<b>Restricted:</b>						
Literacy Incentive Aid	5,256	-	-	-	5,256	(138)
American Indian Ed Aid	28,156	-	-	-	28,156	-
Operating Capital	15,101	-	-	-	15,101	152,063
Learning and Development	12,004	-	-	-	12,004	1,122
Area Learning Center	185,857	-	-	-	185,857	121,482
Gifted and Talented	33,540	-	-	-	33,540	34,975
Basic Skills Programs	274,515	-	-	-	274,515	201,356
Safe Schools - Crime	28,293	-	-	-	28,293	44,619
Teacher Comp Read Act	31,697	-	-	-	31,697	-
Early Childhood and Family Educations Programs	-	-	3,821	-	3,821	53,486
School Readiness	-	-	15,939	-	15,939	13,722
QZAB and QSCB Payments	-	-	-	-	-	844,721
Long-Term Facilities Maintenance	15,309	-	-	-	15,309	-
School Library Aid	848	-	-	-	848	2,062
Medical Assistance	155,031	-	-	-	155,031	129,220
Other Restricted	-	372,865	586	198,614	572,065	454,616
Student Activity Funds	144,385	-	-	-	144,385	171,197
Scholarship	391,848	-	-	-	391,848	398,091
Literacy Aid	33,946	-	-	-	33,946	-
Unassigned	3,052,513	-	(94,655)	-	2,957,858	2,180,905
<b>Total Fund Balances</b>	<b>4,410,936</b>	<b>384,186</b>	<b>(74,309)</b>	<b>198,614</b>	<b>4,919,427</b>	<b>4,819,780</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 7,384,251</b>	<b>\$ 423,719</b>	<b>\$ 118,643</b>	<b>\$ 671,956</b>	<b>\$ 8,598,569</b>	<b>\$ 8,443,496</b>

See accompanying Notes to Financial Statements.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
RECONCILIATION OF THE BALANCE SHEET  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
JUNE 30, 2025  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2024)**

	2025	2024
<b>Total Fund Balance for Governmental Funds</b>	<b>\$ 4,919,427</b>	<b>\$ 4,819,780</b>
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	7,515	7,515
Land Improvements, Net of Accumulated Depreciation	993,000	1,070,951
Buildings and Improvements, Net of Accumulated Depreciation	11,328,051	11,625,752
Equipment, Net of Accumulated Depreciation	1,197,227	979,826
The District's Net Pension Liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:		
Net Pension Liability	(6,469,885)	(8,589,143)
Deferred Inflows of Resources - Pension Related	(2,348,284)	(829,387)
Deferred Outflows of Resources - Pension Related	1,842,249	2,112,905
The District's OPEB Liability and related deferred outflows and inflows are recorded only on the Statement of Net Position. Balances at year-end are:		
OPEB Liability	(372,866)	(426,607)
Deferred Outflows of Resources - OPEB Related	117,826	155,476
Deferred Inflows of Resources - OPEB Related	(56,986)	(16,166)
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current-period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.		
	42,370	40,305
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
	(33,301)	(33,170)
Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position. Balances at year-end are:		
Bonds Payable	(3,065,000)	(4,365,000)
Unamortized Premiums	(67,335)	(90,338)
Refunding Gain on Bonds	(16,096)	(21,913)
Finance Purchase Agreement	(103,360)	-
Severance Payable	(4,750)	(7,305)
Compensated Absences	(206,179)	-
<b>Total Net Position of Governmental Activities</b>	<b>\$ 7,703,623</b>	<b>\$ 6,433,481</b>

See accompanying Notes to Financial Statements.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2024)**

	Major Funds				Total Governmental Funds	
	General	Food Service	Community Service	Debt Service	2025	2024
<b>REVENUES</b>						
Local:						
Property Taxes	\$ 1,531,450	\$ -	\$ 117,706	\$ 493,206	\$ 2,142,362	\$ 1,809,122
Earnings on Investments	161,895	11,581	746	41,116	215,338	203,871
Other	520,323	36,019	98,961	-	655,303	665,309
State Sources	11,572,507	117,266	58,712	43,537	11,792,022	10,688,519
Federal Sources	431,177	537,661	-	-	968,838	2,128,895
Total Revenues	<u>14,217,352</u>	<u>702,527</u>	<u>276,125</u>	<u>577,859</u>	<u>15,773,863</u>	<u>15,495,716</u>
<b>EXPENDITURES</b>						
Current:						
Administration	517,755	-	-	-	517,755	492,496
District Support Services	340,164	-	-	-	340,164	322,575
Regular Instruction	6,061,190	-	-	-	6,061,190	5,948,127
Vocational Education Instruction	84,036	-	-	-	84,036	113,632
Special Education Instruction	2,585,680	-	-	-	2,585,680	2,436,302
Instructional Support Services	354,350	-	-	-	354,350	408,810
Pupil Support Services	1,384,523	-	-	-	1,384,523	1,286,582
Sites and Buildings	1,217,962	-	-	-	1,217,962	1,571,314
Fiscal and Other Fixed Cost Programs	165,278	-	-	-	165,278	158,157
Food Service	-	609,199	-	-	609,199	644,924
Community Service	-	-	466,528	-	466,528	449,520
Capital Outlay	599,631	20,009	-	-	619,640	1,555,984
Debt Service:						
Principal	28,856	-	-	1,300,000	1,328,856	390,000
Interest and Fiscal Charges	548	-	-	81,062	81,610	93,624
Total Expenditures	<u>13,339,973</u>	<u>629,208</u>	<u>466,528</u>	<u>1,381,062</u>	<u>15,816,771</u>	<u>15,872,047</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	877,379	73,319	(190,403)	(803,203)	(42,908)	(376,331)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	114,421	-	114,421	116,439
Transfers Out	(114,421)	-	-	-	(114,421)	(116,439)
Insurance Proceeds	10,339	-	-	-	10,339	14,364
Issuance of Finance Purchase Agreement	132,216	-	-	-	132,216	-
Total Other Financing Sources (Uses)	<u>28,134</u>	<u>-</u>	<u>114,421</u>	<u>-</u>	<u>142,555</u>	<u>14,364</u>
<b>NET CHANGE IN FUND BALANCE</b>	905,513	73,319	(75,982)	(803,203)	99,647	(361,967)
Fund Balance - Beginning of Year	<u>3,505,423</u>	<u>310,867</u>	<u>1,673</u>	<u>1,001,817</u>	<u>4,819,780</u>	<u>5,181,747</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,410,936</u>	<u>\$ 384,186</u>	<u>\$ (74,309)</u>	<u>\$ 198,614</u>	<u>\$ 4,919,427</u>	<u>\$ 4,819,780</u>

See accompanying Notes to Financial Statements.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
YEAR ENDED JUNE 30, 2025  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2024)**

	2025	2024
<b>Net Change in Fund Balance-Total Governmental Funds</b>	<b>\$ 99,647</b>	<b>\$ (361,967)</b>
 Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlays	599,024	1,951,312
Net Depreciated Value of Assets Sold	-	(12,645)
Depreciation Expense	(757,275)	(737,048)
 Some capital asset additions are financed through finance purchase agreements. In governmental funds, a finance purchase agreement is considered a source of financing, but in the Statement of Net Position, the lease obligation is reported as a liability. Repayment of finance purchase agreement principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the Statement of Net Position.		
Issuance of Finance Purchase Agreement	(132,216)	-
Principal Payments - Finance Purchase Agreement	28,856	-
 Payment of OPEB benefits are recognized as expenditures at the fund level while the change in the OPEB liability and related deferred outflows and inflows are recognized in the Statement of Net Position.		
	(24,729)	(18,711)
 Pension expenditures on the governmental funds are measured by current year employer contributions. Pension expenses on the Statement of Activities are measured by the change in Net Pension Liability and the related deferred inflows and outflows of resources.		
	329,705	631,512
 The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the Statement of Activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:		
Net Bond (Premium) Discount Amortization	23,003	26,439
Refunding Gain on Bonds	5,817	6,741
Repayment of Bond Principal	1,300,000	390,000
Change in Accrued Interest Expense - General Obligation Bonds	(131)	4,405
 Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current-period's expenditures and, therefore, are unavailable in the funds.		
	2,065	(7,842)
 In the statement of activities, severance benefits are measured on the accrual basis. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		
	2,555	26,481
 In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		
	(206,179)	-
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 1,270,142</b>	<b>\$ 1,898,677</b>

See accompanying Notes to Financial Statements.

## **NOTES TO FINANCIAL STATEMENTS**

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The financial statements of Independent School District No. 2174 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**B. Financial Reporting Entity**

The District is an instrumentality of the state of Minnesota established to function as an educational institution. The elected Board of Education (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

GAAP require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units – entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the organization's governing body, significantly influencing the programs, projects, activities, or level of services performed or provided by the organization or receiving specific financial benefits from, or imposing specific financial burden on, the organization. These financial statements include all funds of the District. There are no other entities for which the District is financially accountable.

The District-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**C. Basic Financial Statement Presentation**

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position is available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. Generally, the effect of material interfund activity has been removed from the District-wide financial statements.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basic Financial Statement Presentation (Continued)**

Separate Fund financial statements are provided for governmental. Major individual governmental funds are reported as separate columns in the fund financial statements.

**D. Measurement Focus and Basis of Accounting**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

1. Revenue Recognition

Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State revenue is recognized in the year to which it applies according to Minnesota Statutes and GAAP. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Community service tuition, meal sales, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

2. Recording of Expenditures

Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**Description of Funds**

The existence of the various District funds has been established by the state of Minnesota, Department of Education. The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report is as follows:

*Major Governmental Funds*

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the District, as well as the capital related activities such as maintenance of facilities, equipment purchases, health and safety projects, and disabled accessibility projects.

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Revenues for the Food Service Fund are generated from user fees, federal reimbursements, and state aids.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs, or other similar services. Revenues for the Community Service Fund are generated primarily from user fees, local property taxes and state credits.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs.

**E. Budgeting**

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the Board of Education adopts an annual budget for the following fiscal year for the General, Food Service, and Community Service Funds. The approved budget is published in summary form in the District's legal newspaper by November 30 of each year. Reported budgeted amounts represent the amended budget as adopted by the Board of Education. Legal budgetary control is at the fund level.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgeting (Continued)**

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the Board of Education prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by Board of Education action. Revisions to budgeted amounts must be approved by the Board of Education.

Total fund expenditures in excess of the budget require approval of the Board of Education. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

Budgeted amounts include interim budget amendments that increased or decreased revenue and expenditure budgets as follows:

<u>Revenues</u>	Original Budget	Amendments	Amended Budget
General Fund	\$ 12,736,311	\$ 835,149	\$ 13,571,460
Special Revenue Funds:			
Food Service Fund	667,852	20,371	688,223
Community Service Fund	251,942	17,150	269,092
 <u>Expenditures</u>			
General Fund	13,007,902	43,525	13,051,427
Special Revenue Funds:			
Food Service Fund	706,863	(56,773)	650,090
Community Service Fund	456,291	11,122	467,413

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

At the end of each fiscal year, if the General Fund has a net unreserved deficit fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts which excludes certain reserves specified in Minnesota Statutes, exceeding 2.5% of expenditures, a condition referred to as "statutory operating debt" exists. That debt requires retirement through accumulation of subsequent operating surpluses in accordance with a "special operating plan" approved by the commissioner of the Department of Education.

**F. Cash and Investments**

Cash balances from all funds are combined and invested to the extent available in various securities as authorized by Minnesota Statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Cash and Investments (Continued)**

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, Bankers' acceptances, and U.S. Treasury and agency obligations.

**G. Accounts Receivable**

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary. The only receivables not expected to be collected within one year are property taxes receivable.

**H. Inventories**

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

**I. Property Taxes**

Property tax levies are established by the Board of Education in December each year and are certified to the County for collection the following calendar year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over taxable property. Such taxes become a lien on January 1. Taxes are due on May 15 and October 15. The county generally remits taxes to the District at periodic intervals as they are collected. A portion of property taxes levied is paid by through various state tax credits which are included in revenue from state sources in the financial statements.

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as deferred inflow of resources (property taxes levied for subsequent year).

The majority of District revenue in the General and Special Revenue Funds is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift."

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Property Taxes (Continued)**

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is unavailable because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material.

Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2025, are included in the Property Taxes Levied for Subsequent Year account to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

**J. Capital Assets**

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District's capital asset threshold for building improvements is \$25,000 and all other assets must have an individual cost of more than \$5,000. For bulk purchases of furniture, textbooks, or technology, the capitalization threshold is \$25,000 in aggregate. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the District-wide financial statement, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are generally sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 20 years for equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

**K. Deferred Outflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period. The District will not recognize the related outflow until a future event occurs.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Long-Term Obligations**

In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**M. Accrued Employee Benefits**

Vacation Pay

Certified staff and certain administrative employees do not receive paid vacations but are paid only for the number of days they are required to work, each in accordance with their respective contracts. Noncertified and other administrative employees are allowed vacation leave in varying amounts. In the event of termination most district employees are reimbursed for any unused accumulated vacation leave. Accrued vacation time must be taken within one year after the end of the fiscal year. Compensated absences payable for the amount representing the accumulated vacation payable at June 30, 2025 for these employees is reported in the District-wide financial statements.

The liability for compensated absences reported in the financial statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

In addition, Principals and all certified personnel who were employed prior to July 1, 1997, having reached the age of 52, and with 15 years of service and proper submission of resignation to the School Board may qualify for severance pay. The amount of pay is equal to 50% of outstanding sick leave up to a maximum of \$21,000 for Principals and \$21,000 for certified personnel, less the District's 403(b) matching contributions. See Note 5A for this severance liability amount.

**N. Deferred Inflows of Resources**

In addition to liabilities, the financial statements reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Pensions**

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

**P. Fund Balance**

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable portions of fund balance are related to prepaid items and inventories. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the Board of Education. The Board of Education passed a resolution authorizing the Business Manager to assign fund balances and its intended uses. Unassigned fund balances are considered the remaining amounts. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the District's policy to use committed first, then assigned, and finally unassigned fund balance.

It is also the District's policy to strive to maintain a minimum unassigned General Fund balance of 15% of the annual budget.

**Q. Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the District-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulation depreciation, reduced by the outstanding balance (less any unspent bond proceeds) of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the District-wide financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. The remaining net position is considered unrestricted.

**R. Summarized Comparative Information**

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which the summarized information was derived. Certain comparative information has been reclassified to conform with the current year presentation.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 2 STEWARDSHIP AND ACCOUNTABILITY**

**A. Transfers In/Transfers Out**

The District made an operating transfer from the General Fund to the Community Service Fund in the amount of \$114,421 during the year ended June 30, 2025. The transfer to the Community Service Fund to help cover the costs of a pre-kindergarten program run out of the Community Service Fund.

**NOTE 3 DEPOSITS AND INVESTMENTS**

**A. Deposits**

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Statement of Net Position and balance sheet as "Cash and Investments." In accordance with Minnesota Statutes the District maintains deposits at financial institutions which are authorized by the School District's Board.

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits. Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust departments of a commercial bank or other financial institution not owned or controlled by the depository.

The District's deposits in banks at June 30, 2025 was \$1,119,249. At June 30, 2025, the District's deposits were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

**B. Investments**

The District may invest idle funds as authorized by Minnesota Statutes Chapter 118A as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies;

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

- Shares of investment companies registered under the Investment Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less;
- General obligations rated “A” or better; revenue obligations rated “AA” or better;
- General obligations of the Minnesota Housing Finance Agency rate “A” or better;
- Bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System;
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less;
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories and repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

At June 30, 2025, the District had the following investments:

Type	Amount
MSDLAF+	\$ 10,162
MSDLAF Max	5,204,776
Total	<u>\$ 5,214,938</u>

The MSDLAF+ is an external investment pool (Pool) that is managed to maintain a dollar-weighted average portfolio maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The Pool elects to measure its investments at amortized cost in accordance with accounting statements issued by the Government Accounting Standards Board.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District’s policy is that the obligations at the time of purchase must be rated at the highest classification by at least two of the four standard rating services. The following chart summarizes year-end ratings for the District’s investments as rated by Moody’s Investors Service:

Type	Credit Quality Rating	Amount
MSDLAF+	A-1+, A-1	\$ 10,162
MSDLAF Max	A-1+, A-1	5,204,776
Total		<u>\$ 5,214,938</u>

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

The District's deposits (\$1,115,390) and investments (\$5,214,938) are presented in the financial statements as follows:

Cash and Investments	\$ 6,330,328
Total Cash and Investments	\$ 6,330,328

**NOTE 4 CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 7,515	\$ -	\$ -	\$ 7,515
Total Capital Assets, Not Being Depreciated	7,515	-	-	7,515
Capital Assets, Being Depreciated:				
Land Improvements	1,758,827	-	-	1,758,827
Buildings and Improvements	21,551,746	170,060	-	21,721,806
Equipment	3,596,194	428,964	(88,291)	3,936,867
Total Capital Assets, Being Depreciated	26,906,767	599,024	(88,291)	27,417,500
Accumulated Depreciation for:				
Land Improvements	(687,876)	(77,951)	-	(765,827)
Buildings and Improvements	(9,925,994)	(467,761)	-	(10,393,755)
Equipment	(2,616,368)	(211,563)	88,291	(2,739,640)
Total Accumulated Depreciation	(13,230,238)	(757,275)	88,291	(13,899,222)
Total Capital Assets, Being Depreciated, Net	13,676,529	(158,251)	-	13,518,278
Governmental Activities Capital Assets, Net	\$ 13,684,044	\$ (158,251)	\$ -	\$ 13,525,793

Depreciation expense was charged to functions of the District as follows:

Governmental Activities:	
Administration	\$ 598
District Support Services	2,018
Regular Instruction	48,757
Vocational Education Instruction	795
Special Education Instruction	1,024
Instructional Support Services	1,093
Pupil Support Services	199,298
Sites and Buildings	389,525
Community Service	793
Unallocated Depreciation	113,374
Total Depreciation Expense, Governmental Activities	\$ 757,275

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 5 LONG-TERM LIABILITIES**

**A. Components of General Long-Term Debt**

Description of Issue	Issue Date	Interest Rate	Issue	Final Maturity	Outstanding
Facilities Maintenance Bonds:					
Series 2017A	3/7/2017	2.44%	\$ 1,985,000	2/1/2032	\$ 1,020,000
Series 2020A	6/11/2020	2.00%	200,000	2/1/2031	120,000
Capital Facilities Bonds:					
Series 2020A	6/11/2020	2.00%	300,000	2/1/2031	185,000
School Building Refunding Bonds:					
Series 2020B	11/12/2020	1.05 - 3.00%	2,570,000	2/1/2032	<u>1,740,000</u>
Total General Obligation Bonds					3,065,000
Finance Purchase Agreement					
Bus 2025	06/01/12	3.45%	-	6/1/2017	103,360
Severance Payable					4,750
Compensated Absences					<u>206,179</u>
Total Long-Term Liabilities					<u><u>\$ 3,379,289</u></u>

**B. Minimum Debt Payments**

Minimum annual principal and interest payments required to retire long-term debt, not including compensated absences payable are as follows:

Year Ending June 30,	General Obligation Bonds Payable		Finance Purchase Agreement	
	Principal	Interest	Principal	Interest
2026	\$ 420,000	\$ 68,605	\$ 23,812	\$ 5,659
2027	425,000	57,180	25,116	4,355
2028	435,000	45,268	26,491	2,980
2029	445,000	33,068	27,941	1,530
2030	455,000	25,455	-	-
2031-2032	885,000	25,558	-	-
Total	<u>\$ 3,065,000</u>	<u>\$ 255,134</u>	<u>\$ 103,360</u>	<u>\$ 14,524</u>

**C. Description of Long-Term Debt**

1. General Obligation Bonds

On November 12, 2020, the District issued \$2,570,000 General Obligation School Building Refunding Bonds, Series 2020B to refund and defease outstanding General Obligation Alternative Facilities Bonds, Series 2012A; due in annual installments of \$185,000 to \$260,000, through February 1, 2032 with interest rate at 1.05% to 3.00%.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
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JUNE 30, 2025**

**NOTE 5 LONG-TERM LIABILITIES (CONTINUED)**

**D. Changes in Long-Term Debt**

	June 30, 2024	Net Additions	Retirements	June 30, 2025	Due Within One Year
General Obligation Bonds	\$ 3,470,000	\$ -	\$ 405,000	\$ 3,065,000	\$ 420,000
General Obligation Bonds - Direct					
Borrowings	895,000	-	895,000	-	-
Net Bond Premiums (Discount)	90,338	-	23,003	67,335	-
Finance Purchase Agreement	-	132,216	28,856	103,360	23,812
Subtotal	4,455,338	132,216	1,351,859	3,235,695	443,812
Severance Payable	7,305	-	2,555	4,750	-
Compensated Absences	*	206,179	-	206,179	43,325
Total	<u>\$ 4,462,643</u>	<u>\$ 338,395</u>	<u>\$ 1,354,414</u>	<u>\$ 3,446,624</u>	<u>\$ 487,137</u>

\* The change in the compensated absences payable is presented as a net change.

**NOTE 6 RESTRICTED FUND BALANCES**

**A. Restricted for Operating Capital**

Represents tax levies and state aid in the General Fund to be used for purchase of equipment and facilities.

**B. Restricted for Learning and Development**

Represents available general education revenues for learning and development.

**C. Restricted for Area Learning Centers**

Represents amounts restricted for students attending area learning centers.

**D. Restricted for Gifted and Talented**

Represents the part of general education aid revenue for the gifted and talented program that is unspent at year-end must be restricted in this balance sheet account.

**E. Restricted for Basic Skills Program**

Represents accumulated resources available to be used for the basic skills program.

**F. Restricted for Safe Schools – Crime**

Represents the unspent resources from the crime levy to be used for crime prevention, student and staff safety, and violence prevention measures.

**G. Restricted for Early Childhood and Family Education**

Represents the resources available to provide for services for Early Childhood Family Education programming.

**H. Restricted for School Readiness**

Represents the resources available to provide for School Readiness Program.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 RESTRICTED FUND BALANCES (CONTINUED)**

**I. Restricted for Literacy Incentive Aid**

Represents the resources available to support implementation of evidence-based reading instruction.

**J. Restricted for School Library Aid**

Represents available resources for school library uses.

**K. Restricted for American Indian Education Aid**

Represents available resources for American Indian Education uses.

**L. Restricted for Medical Assistance**

Represents available resources to be used for Medical Assistance expenditures.

**M. Restricted for Student Activities**

Represents available resources to be used for extracurricular activity funds raised by students.

**N. Restricted for Scholarship**

Represents available resources to be used for scholarship funds.

**O. Restricted for Literacy Aid**

Represents available resources available for literacy aid for evidence-based literacy supports for children in prekindergarten through grade 12 based on structured literacy.

**P. Restricted for Long-Term Facilities Maintenance (LTFM)**

Represents available resources to be used for LTFM projects in accordance with the District's 10 year plan.

**Q. Restricted for Teacher Compensation for Read Act Training**

Represents available resources available for teacher compensation for Read Act training.

**R. Restricted for Other Purposes**

Restricted for other purposes represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. See specific restrictions below:

Other Restricted:	
Restricted for Food Service	\$ 372,865
Restricted for Community Service	586
Restricted for Debt Service	198,614
Total Other Restricted	<u>\$ 572,065</u>

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
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JUNE 30, 2025**

**NOTE 7 PENSION PLANS**

**A. Plan Description**

1. General Employees Retirement Plan (General Employees Plan)

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

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

2. Teachers Retirement Fund (TRA)

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

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

**B. Benefits Provided**

General Employees Plan Benefits

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

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
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JUNE 30, 2025**

**NOTE 7 PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

General Employees Plan Benefits (Continued)

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

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

TRA Benefits

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

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

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JUNE 30, 2025**

**NOTE 7 PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

TRA Benefits (Continued)

Tier I	Step Rate Formula	Percentage
Basic	First Ten Years of Service	2.2% per Year
	All Years After	2.7% per Year
Coordinated	First Ten Years of Service are Up to July 1, 2006	1.2% per Year
	First Ten Years, If Service Years are July 1, 2006 or After	1.4% per Year
	All Other Years of Service If Service Years are Up to July 1, 2006	1.7% per Year
	All Other Years of Service If Services Years are July 1, 2006 or After	1.9% per Year

With these provisions:

- (a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- (b) 3.0% per year early retirement reduction factor for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

or

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

*Tier II Benefits*

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

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

TRA Benefits (Continued)

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

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

**C. Contributions**

1. General Employees Fund Contributions

*Minnesota Statutes* chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature. General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.50% for General Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2025 were \$175,067. The District's contributions were equal to the required contributions for each year as set by state statute.

2. TRA Contributions

Per *Minnesota Statutes*, Chapter 354 sets the contribution rates for employees and employers. Rates for the fiscal year 2025 for coordinated were 7.75% for the employee and 8.75% for the employer. Basic rates were 11.25% for the employee and 12.75% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2025 were \$529,390. The District's contributions were equal to the required contributions for each year as set by state statute.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
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JUNE 30, 2025**

**NOTE 7 PENSION PLANS (CONTINUED)**

**D. Pension Costs**

1. General Employees Plan Pension Costs

At June 30, 2025, the District reported a liability of \$960,689 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million. The state of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$24,841, for a total net pension liability of \$985,530 associated with the District. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.026% at the end of the measurement period and 0.025% for the beginning of the period.

For the year ended June 30, 2025, the District recognized pension expense of \$76,142 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$308 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2025, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The District recognized \$44,201 for the year ended June 30, 2025 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

**1. General Employees Plan Pension Costs (Continued)**

At June 30, 2025, the District reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 90,331	\$ -
Changes in Actuarial Assumptions	4,690	363,605
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	278,976
Changes in Proportion	46,472	10,452
District Contributions Subsequent to the Measurement Date	175,067	-
Total	<u>\$ 316,560</u>	<u>\$ 653,033</u>

\$175,067 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	Pension Expense Amount
2026	\$ (294,399)
2027	(41,296)
2028	(102,215)
2029	(73,630)

**2. TRA Pension Costs**

At June 30, 2025 the District reported a liability of \$5,509,196 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.0867% at the end of the measurement period and 0.0871% at the beginning of the period.

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

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

**2. TRA Pension Costs (Continued)**

Description	Amount
District's Proportionate Share of the TRA Net Pension Liability	\$ 5,509,196
State's Proportionate Share of TRA's Net Pension Liability Associated with the District	360,439
Total	<u>\$ 5,869,635</u>

For the year ended June 30, 2025, the District recognized pension expense of \$480,807. It also recognized (\$4,407) as a decrease to pension expense and grant revenue for the support provided by direct aid.

At June 30, 2025, the District reported its proportionate share of the TRA's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 262,645	\$ 71,396
Changes in Actuarial Assumptions	555,601	656,987
Net Difference Between Projected and Actual Investment Earnings	-	779,761
Changes in Proportion	178,053	187,107
District Contributions Subsequent to the Measurement Date	529,390	-
Total	<u>\$ 1,525,689</u>	<u>\$ 1,695,251</u>

The \$529,390 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to TRA will be recognized in pension expense as follows:

Year Ending June 30.	Pension Expense Amount
2026	\$ (339,119)
2027	487,343
2028	(388,110)
2029	(367,216)
2030	(91,850)

The District's total pension expense for all plans for the year ended June 30, 2025 was \$552,850.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 PENSION PLANS (CONTINUED)**

**E. Long-Term Expected Return on Investment**

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

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

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

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

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

**F. Actuarial Methods and Assumptions**

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7.0%. The 7.0% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.0% is within that range.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 PENSION PLANS (CONTINUED)**

**F. Actuarial Methods and Assumptions (Continued)**

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

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The tables are adjusted slightly to fit PERA's experience.

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

TRA pre-retirement mortality rates were based on the PubT-2010(A) Employee Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 scale. Healthy retirees mortality rates were based on the PubT-2010(A) Retiree Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 scale. Beneficiaries mortality rates were based on the Pub-2010(A) Contingent Survivor Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 scale. Disabled retirees mortality rates were based on the PubNS-2010 Disabled Retiree Mortality Table, male rates set forward one year and female rates unadjusted. Generational projection uses the MP-2021 scale.

Inflation is assumed to be 2.5% for TRA. TRA cost of living benefit increases 1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

Salary growth assumptions for TRA range in annual increments from 2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% after June 30, 2028.

The following changes in actuarial assumptions for PERA occurred in 2024:

Changes in Actuarial Assumptions:

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

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 PENSION PLANS (CONTINUED)**

**F. Actuarial Methods and Assumptions (Continued)**

Changes in Plan Provisions (Continued):

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

The following changes in actuarial assumptions for TRA occurred in 2024:

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

**G. Discount Rate**

The discount rate used to measure the total pension liability in 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 position of the General Employees, Police and Fire and Correctional Plans were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the TRA pension liability was 7.0%. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2024 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 7 PENSION PLANS (CONTINUED)**

**H. Pension Liability Sensitivity**

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

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
<u>General Employees Plan Discount Rate</u>	6.00%	7.00%	8.00%
District's Proportionate Share of the General Employees Plan Net Pension Liability	\$ 2,098,300	\$ 960,689	\$ 24,901
 <u>TRA Discount Rate</u>	 6.00%	 7.00%	 8.00%
District's Proportionate Share of the TRA Net Pension Liability	\$ 9,702,017	\$ 5,509,196	\$ 2,058,405

**I. Pension Plan Fiduciary Net Position**

Detailed information about General Employees Plan's fiduciary's net position is available in a separately-issued PERA financial report. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

Detailed information about TRA's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at [www.MinnesotaTRA.org](http://www.MinnesotaTRA.org); by writing to TRA at 60 Empire Drive #400, St. Paul, Minnesota, 55103-2088; or by calling 651-296-2409 or 1-800-657-3669.

**NOTE 8 DEFINED CONTRIBUTION PLAN**

The District provides eligible employees future retirement benefits through the District's 403(b) Plan (the Plan). Employees of the District are eligible to participate in the Plan commencing on the date of their employment. Eligible employees may elect to have a percentage of their pay contributed to the Plan. Some employees are eligible to receive a District match of employee contributions up to the qualifying amounts set forth in their respective collective bargaining agreements. Contributions are invested in tax deferred annuities selected and owned by Plan participants. The District contributions for the year ended June 30, 2025 were \$54,463. The related employee contributions were \$120,245 for the year ended June 30, 2025.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN**

**A. Plan Description**

The District administers a single employer postemployment defined benefit plan (the Plan) that provides health insurance to eligible employees and their spouses through the District's health insurance plan. Retiring employees are eligible to participate only if they are a participant in the District's health insurance at the time of retirement. The retiree is responsible for 100% of the premium. If a retiree chooses to drop their participation in either plan they cannot re-enroll back with the District's health plans. Upon the death of a retiree the retiree's spouse can continue participation only if the spouse was covered under the Plan at the time of the retiree's death. There are 132 active participants and 7 retired participants. The Plan does not issue a publicly available financial report.

**B. Funding Policy**

The District does not have assets accumulated in a trust to pay for OPEB related costs. For the fiscal year 2025, the District paid \$30,786 in OPEB benefits on a pay-as-you-go basis.

**C. Actuarial Methods and Assumptions**

The District's OPEB liability was measured as of June 30, 2024, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2024. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll-forward techniques.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%
Health Care Trend Rates	6.80%
	Decreasing to
	3.90%

Mortality Rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2015, and other adjustments for teachers and the Pub-2010 General mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments for non-teachers.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2023 to June 30, 2024.

The discount rate used to measure the total OPEB liability was 3.97%. The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**C. Actuarial Methods and Assumptions (Continued)**

Since the most recent valuation, the following changes have been made:

- The discount rate was changed from 3.86% to 3.97% based on 20-years municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the 7/1/2022 PERA General Employees Plan and 7/1/2022 Teachers Retirement Association valuations to the rates used in the 2023 experience studies.
- The percent of future retirees assumed to elect coverage at retirement changed from 40% to 35% to reflect recent plan experience.
- The percentage of future non Medicare eligible retirees electing each medical plan changed to reflect recent plan experience and new plan offerings. The following table provides the changes for the assumed percent electing each plan:

Medical Plan	Fiscal 2025 Valuation	Fiscal 2024 Valuation
Medica Choice Passport \$400 Deductible	15%	20%
Medica Choice Passport \$850 Deductible	10%	20%
Medica Choice Passport \$2,000 Deductible HSA	20%	60%
Medica Choice Passport \$2,500 Deductible HSA	30%	0%
Medica Essentia Network \$2,500 Deductible HSA	25%	0%

**D. Changes in the OPEB Liability**

	Total OPEB Liability
Balance at June 30, 2024	\$ 426,607
Changes for the Year:	
Service Cost	24,926
Interest	16,613
Change of Assumptions	(43,273)
Contributions-Employer	(42,296)
Benefit Payments	(9,711)
Net Changes	(53,741)
Balance at June 30, 2025	\$ 372,866

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**D. Changes in the OPEB Liability (Continued)**

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

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
OPEB Liability	\$ 395,800	\$ 372,866	\$ 350,910

The following presents the OPEB liability of the District, as well as what the District's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.8% decreasing to 2.9% over several years) or 1% higher (7.8% decreasing to 4.9% over several years) than the current healthcare cost trend rates:

	1% Decrease (5.8% Decreasing to 2.9%)	Current Trend Rates (6.8% Decreasing to 3.9%)	1% Increase (7.8% Decreasing to 4.9%)
Medical Trend Rate			
OPEB Liability	\$ 339,468	\$ 372,866	\$ 412,107

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 28,171	\$ 38,212
Changes in Actuarial Assumptions	58,869	18,774
District Benefit Payments Made Subsequent to the Measurement Date	30,786	-
Total	\$ 117,826	\$ 56,986

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)**

**D. Changes in the OPEB Liability (Continued)**

\$30,786 reported as deferred outflows of resources related to OPEB resulting from District benefit payments made subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Future Recognition</u>
2026	\$ 14,079
2027	11,111
2028	8,195
2029	5,793
2030	3,941
Thereafter	<u>(13,065)</u>
Total	<u>\$ 30,054</u>

For the year ended June 30, 2025, the District recognized OPEB expense of \$55,515.

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

**Federal and State Receivables**

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial. The financial assistance received is subject to audits by the grantor agency.

**NOTE 11 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and workers' compensation. The District purchases commercial insurance coverage for such risks.

There has been no significant reduction in insurance coverage from the previous year in any of the District's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Over (Under)
	Original	Final		Final Budget
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,539,904	\$ 1,539,904	\$ 1,531,450	\$ (8,454)
Earnings on Investments	120,510	125,510	161,895	36,385
Other	208,700	218,300	520,323	302,023
State Sources	10,508,104	11,338,727	11,572,507	233,780
Federal Sources	359,093	349,019	431,177	82,158
Total Revenues	<u>12,736,311</u>	<u>13,571,460</u>	<u>14,217,352</u>	<u>645,892</u>
<b>EXPENDITURES</b>				
Current:				
Administration	519,112	522,481	517,755	4,726
District Support Services	353,360	353,567	340,164	13,403
Elementary and Secondary Regular Instruction	5,865,023	5,919,715	6,061,190	(141,475)
Vocational Education Instruction	70,689	81,588	84,036	(2,448)
Special Education Instruction	2,472,360	2,456,139	2,585,680	(129,541)
Instructional Support Services	463,109	411,516	354,350	57,166
Pupil Support Services	1,411,159	1,413,472	1,384,523	28,949
Sites and Buildings	1,227,576	1,221,397	1,217,962	3,435
Fiscal and Other Fixed Cost Programs	166,465	156,183	165,278	(9,095)
Capital Outlay	429,645	485,965	599,631	(113,666)
Debt Service:				
Principal	28,856	28,856	28,856	-
Interest and Fiscal Charges	548	548	548	-
Total Expenditures	<u>13,007,902</u>	<u>13,051,427</u>	<u>13,339,973</u>	<u>(288,546)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(271,591)	520,033	877,379	357,346
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(110,000)	(110,000)	(114,421)	(4,421)
Insurance Proceeds	-	-	10,339	10,339
Capital Lease Proceeds	-	-	132,216	132,216
Total Other Financing Sources (Uses)	<u>(110,000)</u>	<u>(110,000)</u>	<u>28,134</u>	<u>138,134</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (381,591)</u>	<u>\$ 410,033</u>	<u>905,513</u>	<u>\$ 495,480</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>3,505,423</u>	
<b>END OF YEAR</b>			<u>\$ 4,410,936</u>	

See accompanying Notes to Required Supplementary Information.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
BUDGETARY COMPARISON SCHEDULE  
FOOD SERVICE FUND  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Earnings on Investments	\$ 4,000	\$ 10,000	\$ 11,581	\$ 1,581
Other - Primarily Meal Sales	28,180	35,680	36,019	339
State Sources	104,270	114,787	117,266	2,479
Federal Sources	531,402	527,756	537,661	9,905
Total Revenues	667,852	688,223	702,527	14,304
<b>EXPENDITURES</b>				
Current:				
Food Service	696,863	630,090	609,199	20,891
Capital Outlay	10,000	20,000	20,009	(9)
Total Expenditures	706,863	650,090	629,208	20,882
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (39,011)</b>	<b>\$ 38,133</b>	73,319	<b>\$ 35,186</b>
<b>FUND BALANCE</b>				
Beginning of Year			310,867	
End of Year			<b>\$ 384,186</b>	

See accompanying Notes to Required Supplementary Information.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
BUDGETARY COMPARISON SCHEDULE  
COMMUNITY SERVICE FUND  
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 117,811	\$ 117,811	\$ 117,706	\$ (105)
Earnings on Investments	3,000	3,000	746	(2,254)
Other - Primarily Tuition and Fees	76,000	93,150	98,961	5,811
State Sources	55,131	55,131	58,712	3,581
Total Revenues	251,942	269,092	276,125	7,033
<b>EXPENDITURES</b>				
Current:				
Community Service	456,291	467,413	466,528	885
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(204,349)	(198,321)	(190,403)	7,918
<b>OTHER FINANCING SOURCES</b>				
Transfer In	110,000	110,000	114,421	4,421
<b>NET CHANGE IN FUND BALANCE</b>	\$ (94,349)	\$ (88,321)	(75,982)	\$ 12,339
<b>FUND BALANCE</b>				
Beginning of Year			1,673	
End of Year			\$ (74,309)	

See accompanying Notes to Required Supplementary Information.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
SCHEDULE OF CHANGES IN THE DISTRICT'S OPEB LIABILITY AND RELATED RATIOS  
LAST TEN MEASUREMENT PERIODS**

Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:								
Service Cost	\$ 24,926	\$ 24,795	\$ 21,753	\$ 19,570	\$ 20,162	\$ 17,802	\$ 15,631	\$ 17,186
Interest	16,613	16,039	6,790	8,433	9,997	11,317	9,075	7,385
Differences Between Expected and Actual Experience	-	-	16,977	-	6,192	-	90,000	-
Changes of Assumptions	(43,273)	(4,067)	68,199	9,833	20,042	7,235	(37,368)	(9,185)
Benefit Payments	(9,711)	(40,077)	(31,367)	(29,786)	(32,228)	(31,657)	(16,249)	(15,542)
Employer Contributions	(42,296)	-	-	-	-	-	-	-
Net Change in Total OPEB Liability	(53,741)	(3,310)	82,352	8,050	24,165	4,697	61,089	(156)
Total OPEB Liability - Beginning	426,607	429,917	347,565	339,515	315,350	310,653	249,564	249,720
Total OPEB Liability - Ending (a)	\$ 372,866	\$ 426,607	\$ 429,917	\$ 347,565	\$ 339,515	\$ 315,350	\$ 310,653	\$ 249,564
Covered-Employee Payroll	\$ 7,640,875	\$ 7,283,048	\$ 6,916,692	\$ 6,519,262	\$ 6,572,965	\$ 6,612,230	\$ 6,258,832	\$ 5,757,953
District's OPEB Liability as a Percentage of Covered-Employee Payroll	4.88%	5.86%	6.22%	5.33%	5.17%	4.77%	4.96%	4.33%

**Note 1**

The District implemented GASB Statement No. 75 in fiscal year 2017, and the above table will be expanded to 10 years of information as the information becomes available.

**Note 2**

No assets are accumulated in a trust.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY  
LAST TEN MEASUREMENT PERIODS**

Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
<b>PERA - General Employees Fund</b>					
District's Proportion of the Net Pension Liability	0.0260%	0.0250%	0.0253%	0.0254%	0.0266%
District's Proportionate Share of the Net Pension Liability	\$ 960,689	\$ 1,397,972	\$ 2,003,768	\$ 1,084,694	\$ 1,594,792
State's Proportionate Share of the Net Pension Liability Associated with the District	24,841	38,553	58,876	33,155	49,141
Total of District's and State's Proportionate Share of the Net Pension Liability	<u>\$ 985,530</u>	<u>\$ 1,436,525</u>	<u>\$ 2,062,644</u>	<u>\$ 1,117,849</u>	<u>\$ 1,643,933</u>
District's Covered Payroll	\$ 2,177,053	\$ 1,967,307	\$ 1,912,853	\$ 1,823,760	\$ 1,878,467
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	44.13%	71.06%	104.75%	59.48%	84.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.08%	83.10%	76.70%	87.00%	79.06%
<b>TRA</b>					
District's Proportion of the Net Pension Liability	0.0867%	0.0871%	0.0891%	0.0860%	0.0875%
District's Proportionate Share of the Net Pension Liability	\$ 5,509,196	\$ 7,191,171	\$ 7,134,657	\$ 3,763,617	\$ 6,464,618
State's Proportionate Share of the Net Pension Liability Associated with the District	360,439	503,732	529,098	317,418	541,567
Total of District's and State's Proportionate Share of the Net Pension Liability	<u>\$ 5,869,635</u>	<u>\$ 7,694,903</u>	<u>\$ 7,663,755</u>	<u>\$ 4,081,035</u>	<u>\$ 7,006,185</u>
District's Covered Payroll	\$ 5,939,497	\$ 5,597,942	\$ 5,530,923	\$ 5,203,272	\$ 5,107,462
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	92.76%	128.46%	129.00%	72.33%	126.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.07%	76.42%	76.17%	86.63%	75.48%

See accompanying Notes to Required Supplementary Information.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY (CONTINUED)  
LAST TEN MEASUREMENT PERIODS**

Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
<b>PERA - General Employees Fund</b>					
District's Proportion of the Net Pension Liability	0.0275%	0.0283%	0.0291%	0.0311%	0.0314%
District's Proportionate Share of the Net Pension Liability	\$ 1,520,413	\$ 1,569,968	\$ 1,857,725	\$ 2,525,166	\$ 1,627,311
State's Proportionate Share of the Net Pension Liability Associated with the District	47,165	51,448	23,356	33,078	-
Total of District's and State's Proportionate Share of the Net Pension Liability	<u>\$ 1,567,578</u>	<u>\$ 1,621,416</u>	<u>\$ 1,881,081</u>	<u>\$ 2,558,244</u>	<u>\$ 1,627,311</u>
District's Covered Payroll	\$ 1,954,307	\$ 1,898,480	\$ 1,872,160	\$ 1,941,757	\$ 1,842,791
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	77.80%	82.70%	99.23%	130.05%	88.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.20%	79.53%	75.90%	68.91%	78.20%
<b>TRA</b>					
District's Proportion of the Net Pension Liability	0.0865%	0.0866%	0.0830%	0.0820%	0.0822%
District's Proportionate Share of the Net Pension Liability	\$ 5,513,528	\$ 5,441,473	\$ 16,568,306	\$ 19,558,957	\$ 5,084,883
State's Proportionate Share of the Net Pension Liability Associated with the District	487,931	511,380	1,601,194	1,962,542	623,827
Total of District's and State's Proportionate Share of the Net Pension Liability	<u>\$ 6,001,459</u>	<u>\$ 5,952,853</u>	<u>\$ 18,169,500</u>	<u>\$ 21,521,499</u>	<u>\$ 5,708,710</u>
District's Covered Payroll	\$ 4,949,689	\$ 4,833,147	\$ 4,536,947	\$ 4,253,305	\$ 4,183,985
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	111.39%	112.59%	365.19%	459.85%	121.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.07%	78.07%	51.57%	44.88%	76.80%

See accompanying Notes to Required Supplementary Information.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
LAST TEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>PERA - General Employees Fund</b>					
Contractually Required Contribution	\$ 175,060	\$ 163,279	\$ 147,548	\$ 143,464	\$ 136,782
Contributions in Relation to the Contractually Required Contribution	<u>(175,060)</u>	<u>(163,279)</u>	<u>(147,548)</u>	<u>(143,464)</u>	<u>(136,782)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
District's Covered Payroll	\$ 2,334,133	\$ 2,177,053	\$ 1,967,307	\$ 1,912,853	\$ 1,823,760
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%
<b>TRA</b>					
Contractually Required Contribution	\$ 529,390	\$ 519,706	\$ 478,624	\$ 461,279	\$ 423,026
Contributions in Relation to the Contractually Required Contribution	<u>(529,390)</u>	<u>(519,706)</u>	<u>(478,624)</u>	<u>(461,279)</u>	<u>(423,026)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
District's Covered Payroll	\$ 6,050,171	\$ 5,939,497	\$ 5,597,942	\$ 5,530,923	\$ 5,203,272
Contributions as a Percentage of Covered Payroll	8.75%	8.75%	8.55%	8.34%	8.13%

*See accompanying Notes to Required Supplementary Information.*

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
SCHEDULE OF DISTRICT CONTRIBUTIONS (CONTINUED)  
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>PERA - General Employees Fund</b>					
Contractually Required Contribution	\$ 140,885	\$ 146,573	\$ 142,386	\$ 140,412	\$ 145,575
Contributions in Relation to the Contractually Required Contribution	<u>(140,885)</u>	<u>(146,573)</u>	<u>(142,386)</u>	<u>(140,412)</u>	<u>(145,575)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
District's Covered Payroll	\$ 1,878,467	\$ 1,954,307	\$ 1,898,480	\$ 1,872,160	\$ 1,941,757
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%
<b>TRA</b>					
Contractually Required Contribution	\$ 404,511	\$ 381,621	\$ 362,486	\$ 340,271	\$ 319,097
Contributions in Relation to the Contractually Required Contribution	<u>(404,511)</u>	<u>(381,621)</u>	<u>(362,486)</u>	<u>(340,271)</u>	<u>(319,097)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
District's Covered Payroll	\$ 5,107,462	\$ 4,949,689	\$ 4,833,147	\$ 4,536,947	\$ 4,253,305
Contributions as a Percentage of Covered Payroll	7.92%	7.71%	7.50%	7.50%	7.50%

*See accompanying Notes to Required Supplementary Information.*

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 1 COMPLIANCE – BUDGETS**

The budget and actual amounts are both prepared on the modified accrual basis of accounting in accordance with GAAP.

**NOTE 2 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30:

**2024**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

**2023**

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5% to 7.00%.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay of early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 2 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,  
AND ASSUMPTIONS (CONTINUED)**

**2022**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2021**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020**

Changes in Actuarial Assumptions

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

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 2 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,  
AND ASSUMPTIONS (CONTINUED)**

**2020 (Continued)**

Changes in Actuarial Assumptions (Continued)

- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**2019**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreased from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

**2018**

Changes in Actuarial Assumption

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50% beginning January 1, 2019.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 2 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,  
AND ASSUMPTIONS (CONTINUED)**

**2018 (Continued)**

Changes in Plan Provisions (Continued)

- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017**

Changes in Actuarial Assumption

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

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

**2016**

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Actuarial Plan Provisions

- There have been no changes since the prior valuation.

**2015**

Changes in Actuarial Assumptions

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 2 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,  
AND ASSUMPTIONS (CONTINUED)**

**2015 (Continued)**

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increase the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

The following changes were reflected in the valuation performed on behalf of the Teachers Retirement Association for the year ended June 30:

**2024**

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2023**

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2022**

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 2 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,  
AND ASSUMPTIONS (CONTINUED)**

**2021**

Changes in Actuarial Assumptions

- The investment return assumption was changed from 7.50% to 7.00%.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2020**

Changes in Actuarial Assumptions

- Assumed termination rates were changed to more closely reflect actual experience.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back 5 years and female rates set back 7 years.
- Generational projection uses the MP-2015 scale. Assumed form of annuity election proportions were changed to more closely reflect actual experience for female retirees.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2019**

Changes in Actuarial Assumptions

- There have been no changes since the prior valuation.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2018**

Changes in Actuarial Assumptions

- The investment return assumption was changed from 8.5% to 7.5%.
- The price inflation assumption was lowered from 3.0% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The wage inflation assumption (above price inflation) was reduced from 0.75% to 0.35% for the next 10 years, and 0.75% thereafter.
- The total salary increase assumption was adjusted by the wage inflation change.
- The amortization date for the funding of the Unfunded Actuarial Accrual Liability (UAAL) was reset to June 30, 2048 (30 years).
- The mechanism in the law that provided the TRA Board with some authority is set contribution rates was eliminated.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 2 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,  
AND ASSUMPTIONS (CONTINUED)**

**2018 (Continued)**

Changes in Plan Provisions

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 4 years, (7.92% in 2019, 8.13% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

**2017**

Changes in Actuarial Assumptions

- The cost-of-living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- Adjustment were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The COLA was not assumed to increase to 2.5%, but remain at 2.0% for all future years.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for 10 years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 2 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS,  
AND ASSUMPTIONS (CONTINUED)**

**2016**

Changes in Actuarial Assumptions

- The cost of living adjustment was not assumed to increase (it remained at 2.0% for all future years).
- The price inflation assumption was lowered from 3.0% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes at some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP-2014 white collar employee table, male rates set back 6 years and female rates set back 5 years. Generational projection uses the MP-2015 scale.
- The post-retirement mortality assumption was changed to the RP-2014 white collar annuitant table, male rates set back 3 years and female rates set back 3 years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
- The post-disability mortality assumption was changed to the RP-2014 disabled retiree mortality table, without adjustments.
- Separate retirement assumptions for members hired before or after July 1, 1989 were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional forms of payment at retirement were made.

Changes in Plan Provisions

- There have been no changes since the prior valuation.

**2015**

Changes in Actuarial Assumptions

- The cost of living adjustment was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2037.
- The investment return assumption was changed from 8.25% to 8.0%.

Changes in Plan Provisions

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

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 2 CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**2014**

Changes in Actuarial Assumptions

- The cost of living adjustment was assumed to increase from 2.0% annually to 2.5% annually once the legally specified criteria was met. This was estimated to occur July 1, 2031.

Changes in Plan Provisions

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

**NOTE 3 CHANGES IN SIGNIFICANT OTHER POSTEMPLOYMENT BENEFIT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

**June 30, 2025**

- The discount rate was changed from 3.86% to 3.97% based on 20-years municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the 7/1/2022 PERA General Employees Plan and 7/1/2022 Teachers Retirement Association valuations to the rates used in the 2023 experience studies.
- The percent of future retirees assumed to elect coverage at retirement changed from 40% to 35% to reflect recent plan experience.
- The percentage of future non Medicare eligible retirees electing each medical plan changed to reflect recent plan experience and new plan offerings. The following table provides the changes for the assumed percent electing each plan:

<u>Medical Plan</u>	<u>Fiscal 2025 Valuation</u>	<u>Fiscal 2024 Valuation</u>
Medica Choice Passport \$400 Deductible	15%	20%
Medica Choice Passport \$850 Deductible	10%	20%
Medica Choice Passport \$2,000 Deductible HSA	20%	60%
Medica Choice Passport \$2,500 Deductible HSA	30%	0%
Medica Essentia Network \$2,500 Deductible HSA	25%	0%

**June 30, 2024**

- The discount rate was changed from 3.69% to 3.86%.
- The discount rate was changed from 3.69% to 3.86% based on updated 20-year municipal bond rates.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 3 CHANGES IN SIGNIFICANT OTHER POSTEMPLOYMENT BENEFIT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**June 30, 2023**

- The discount rate was changed from 1.92% to 3.69%.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capital claims costs were updated to reflect recent experience and new plan offerings.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2019 PERA General Employees Plan and the July 1, 2019 Teachers Retirement Association valuations to the rates used in the July 1, 2022 valuations.
- The percent of future retirees assumed to elect coverage at retirement changed from 25% to 40% to reflect recent plan experience.
- The percent of future retirees assumed to elect spouse coverage at retirement changed from 15% to 10% to reflect recent plan experience.
- The percent of future non Medicare eligible retirees electing each medical plan changed to reflect recent plan experience and new plan offerings.

**June 30, 2022**

- The discount rate was changed from 2.45% to 1.92%.

**June 30, 2021**

- The discount rate was changed from 3.13% to 2.45% based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations, including the repeal of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- Medical per capita claims costs were updated to reflect recent experience, including an adjustment to reflect age/gender based risk scored published by the Society of Actuaries.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the 7/1/2017 PERA General Employees Retirement Plan and 7/1/2017 Teachers Retirement Association valuations to the rates used in the 7/1/2019 valuations.
- The inflation assumption was changed from 2.75% to 2.50% based on an updated historical analysis of inflation rates and forward-looking market expectations.

**June 30, 2020**

- The discount rate was changed from 3.62% to 3.13%.

**June 30, 2019**

- The discount rate was changed from 3.53% to 3.62%.
- The health care trend rates were reset to reflect updated cost increase expectations, including an adjustment to reflect the impact of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- Medical per capita claims costs were updated to reflect recent experience.

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**NOTE 3 CHANGES IN SIGNIFICANT OTHER POSTEMPLOYMENT BENEFIT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

**June 30, 2017**

- The discount rate was changed from 3.5% to 3.53%.
- The health care trend rates were changed to better anticipate short-term and long-term medical increases.

## **SUPPLEMENTARY INFORMATION**

**PINE RIVER-BACKUS PUBLIC SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 2174  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING  
STANDARDS COMPLIANCE TABLE  
YEAR ENDED JUNE 30, 2025**

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
<b>01 GENERAL FUND</b>				<b>06 BUILDING CONSTRUCTION</b>			
Total Revenues	\$ 14,217,352	\$ 14,217,352	\$ -	Total Revenues	\$ -	\$ -	\$ -
Total Expenditures	\$ 13,339,973	\$ 13,339,977	\$ (4)	Total Expenditures	\$ -	\$ -	\$ -
<i>Non Spendable:</i>				<i>Non Spendable:</i>			
460 Non Spendable Fund Balance	\$ 2,637	\$ 2,637	\$ -	460 Non Spendable Fund Balance	\$ -	\$ -	\$ -
<i>Restricted/Reserve:</i>				<i>Restricted/Reserve:</i>			
401 Student Activities	\$ 144,385	\$ 144,385	\$ -	407 Capital Projects Levy	\$ -	\$ -	\$ -
402 Scholarship	\$ 391,848	\$ 391,848	\$ -	409 Alternative Fac. Program	\$ -	\$ -	\$ -
403 Staff Development	\$ -	\$ -	\$ -	413 Project Funded by COP	\$ -	\$ -	\$ -
407 Capital Project Levy	\$ -	\$ -	\$ -	467 LTFM	\$ -	\$ -	\$ -
408 Cooperative Rev.	\$ -	\$ -	\$ -	<i>Restricted:</i>			
412 Literacy Incentive Aid	\$ 5,256	\$ 5,256	\$ -	464 Restricted Fund Balance	\$ -	\$ -	\$ -
414 Operating Debt	\$ -	\$ -	\$ -	<i>Unassigned:</i>			
416 Levy Reduction	\$ -	\$ -	\$ -	463 Unassigned Fund Balance	\$ -	\$ -	\$ -
419 Encumbrances	\$ -	\$ -	\$ -				
420 American Indian Ed Aid	\$ 28,156	\$ 28,156	\$ -	<b>07 DEBT SERVICE</b>			
424 Operating Capital	\$ 15,101	\$ 15,101	\$ -	Total Revenues	\$ 577,859	\$ 577,859	\$ -
426 \$25 Taconite	\$ -	\$ -	\$ -	Total Expenditures	\$ 1,381,062	\$ 1,381,062	\$ -
427 Disabled Accessibility	\$ -	\$ -	\$ -	<i>Non Spendable:</i>			
428 Learning & Development	\$ 12,004	\$ 12,004	\$ -	460 Non Spendable Fund Balance	\$ -	\$ -	\$ -
434 Area Learning Center	\$ 185,857	\$ 185,857	\$ -	<i>Restricted/Reserve:</i>			
435 Contracted Alt. Programs	\$ -	\$ -	\$ -	425 Bond Refundings	\$ -	\$ -	\$ -
436 St. Approved Alt. Prog.	\$ -	\$ -	\$ -	451 QZAB Payments	\$ -	\$ -	\$ -
438 Gifted & Talented	\$ 33,540	\$ 33,540	\$ -	<i>Restricted:</i>			
440 Teacher Development & Eval	\$ -	\$ -	\$ -	464 Restricted Fund Balance	\$ 198,614	\$ 198,614	\$ -
441 Basic Skills	\$ 274,515	\$ 274,515	\$ -	<i>Unassigned:</i>			
443 School Library Aid	\$ 848	\$ 848	\$ -	463 Unassigned Fund Balance	\$ -	\$ -	\$ -
446 First Grade Preparedness	\$ -	\$ -	\$ -				
449 Safe Schools Levy	\$ 28,293	\$ 28,293	\$ -	<b>08 TRUST</b>			
450 Pre-Kindergarten	\$ -	\$ -	\$ -	Total Revenues	\$ -	\$ -	\$ -
456 Literacy Aid	\$ 33,946	\$ 33,946	\$ -	Total Expenditures	\$ -	\$ -	\$ -
457 Teacher Comp Read Act	\$ 31,697	\$ 31,697	\$ -	422 Net Position	\$ -	\$ -	\$ -
453 Unfunded Sev & Retirement Levy	\$ -	\$ -	\$ -				
467 Long-Term Facilities Maintenance	\$ 15,309	\$ 15,309	\$ -	<b>20 INTERNAL SERVICE</b>			
471 Student Support Personnel	\$ -	\$ -	\$ -	Total Revenues	\$ -	\$ -	\$ -
472 Medical Assistance	\$ 155,031	\$ 155,031	\$ -	Total Expenditures	\$ -	\$ -	\$ -
<i>Restricted:</i>				422 Net Position	\$ -	\$ -	\$ -
464 Restricted Fund Balance	\$ -	\$ -	\$ -				
<i>Assigned:</i>				<b>25 OPEB REVOCABLE TRUST</b>			
462 Assigned Fund Balance	\$ -	\$ -	\$ -	Total Revenues	\$ -	\$ -	\$ -
<i>Committed:</i>				Total Expenditures	\$ -	\$ -	\$ -
461 Committed Fund Balance	\$ -	\$ -	\$ -	422 Net Position	\$ -	\$ -	\$ -
<i>Unassigned:</i>							
422 Unassigned Fund Balance	\$ 3,052,513	\$ 3,052,511	\$ 2	<b>45 OPEB IRREVOCABLE TRUST</b>			
				Total Revenues	\$ -	\$ -	\$ -
<b>02 FOOD SERVICE</b>				Total Expenditures	\$ -	\$ -	\$ -
Total Revenues	\$ 702,527	\$ 702,526	\$ 1	422 Net Position	\$ -	\$ -	\$ -
Total Expenditures	\$ 629,208	\$ 629,209	\$ (1)				
<i>Non Spendable:</i>				<b>47 OPEB DEBT SERVICE</b>			
460 Non Spendable Fund Balance	\$ 11,321	\$ 11,321	\$ -	Total Revenues	\$ -	\$ -	\$ -
<i>Restricted:</i>				Total Expenditures	\$ -	\$ -	\$ -
452 OPEB Liab. Not in Trust	\$ -	\$ -	\$ -	<i>Non Spendable:</i>			
464 Restricted Fund Balance	\$ 372,865	\$ 372,863	\$ 2	460 Non Spendable Fund Balance	\$ -	\$ -	\$ -
<i>Unassigned:</i>				<i>Restricted:</i>			
463 Unassigned Fund Balance	\$ -	\$ -	\$ -	425 Bond Refundings	\$ -	\$ -	\$ -
				464 Restricted Fund Balance	\$ -	\$ -	\$ -
<b>04 COMMUNITY SERVICE</b>				<i>Unassigned:</i>			
Total Revenues	\$ 276,125	\$ 276,124	\$ 1	463 Unassigned Fund Balance	\$ -	\$ -	\$ -
Total Expenditures	\$ 466,528	\$ 466,524	\$ 4				
<i>Non Spendable:</i>							
460 Non Spendable Fund Balance	\$ -	\$ -	\$ -				
<i>Restricted/Reserve:</i>							
426 \$25 Taconite	\$ -	\$ -	\$ -				
431 Community Education	\$ (94,655)	\$ (94,655)	\$ -				
432 E.C.F.E.	\$ 3,821	\$ 3,821	\$ -				
444 School Readiness	\$ 15,939	\$ 15,940	\$ (1)				
447 Adult Basic Education	\$ -	\$ -	\$ -				
452 OPEB Liab. Not in Trust	\$ -	\$ -	\$ -				
<i>Restricted:</i>							
464 Restricted Fund Balance	\$ 586	\$ 586	\$ -				
<i>Unassigned:</i>							
463 Unassigned Fund Balance	\$ -	\$ -	\$ -				

\* Amounts differ from those reported on the fund level balance sheet due to the need to reclassify negative restricted fund balance to unassigned fund balance.



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Pine River-Backus Schools  
ISD No. 2174

Executive Audit Summary (EAS)  
Year Ended June 30, 2025

# Required Communications

- Our Responsibility Under Generally Accepted Auditing Standards, and Government Auditing Standards
  - Primary responsibility is to provide our opinion on the fairness of presentation of the financial statements
  - Reviewed internal accounting controls
  - Risk based audit approach
  - Based on internal controls, determined scopes and tests of transactions
  - Expressed opinion based on tests
  - Review internal controls and compliance – federal awards
- Planned Scope and Timing of the Audit
  - Communicated during the audit preliminary work and fieldwork
- Significant Accounting Policies
  - Outlined in Note 1 to the financial statements
  - Unusual transactions – none noted
  - Change in accounting principle – Implementation of GASB 101, Comp Abs



# Required Communications (Continued)

- Management Judgments and Accounting Estimates – Reasonable/Supported
  - None noted at higher risk
- Disclosures are Adequate, Clear and Complete
- Other Information in Documents Containing Audited Financial Statements
  - Required Supplementary Information - We made inquiries and evaluated the comparability – No opinion
  - Supplementary Information – We made inquiries and evaluated the content - Opinion
- Disagreements with Management
  - There have been no disagreements with management about matters that could be significant to the financial statements
- Management Representations
  - We have requested certain representations from management included in the management representation letter



# Required Communications (Continued)

- Consultations with Other Accountants
  - There were no consultations with other independent accountants
- Major Issues Discussed With Management Prior to Retention
  - No issues, other than normal planning issues, were discussed prior to our retention as auditors
- Difficulties Encountered in Performing the Audit (None)
  - Management was most cooperative and helpful
  - Personnel and records were available
- Corrected and Uncorrected Misstatements
  - Corrected – None noted
  - Uncorrected – Adjustment for GASB 101, deemed immaterial



# Summary of Audit Results

- Financial Statements
  - Unmodified (“clean”) opinion
- Internal Control Over Financial Reporting under Government Auditing Standards
  - One material weakness for financial statements:
    - Segregation of duties
- Compliance Reporting Over Financial Reporting under Government Auditing Standards
  - No issues noted
- Uniform Guidance ( Single Audit)
  - Unmodified opinion
  - Major program – Child Nutrition Cluster
  - One finding – proper review
- Minnesota Legal Compliance
  - None noted



**General Fund**

For the Year Ended June 30,	2025	2024	2023	2022	2021
Total Revenues	\$ 14,217,352	\$ 13,911,195	\$ 12,119,727	\$ 12,289,078	\$ 11,618,596
Total Expenditures	13,339,973	14,220,254	12,548,643	12,202,021	11,309,837
Other Financing Sources (Uses)	28,134	(102,075)	(99,043)	(179,201)	(88,387)
Net Change in Fund Balance	905,513	(411,134)	(527,959)	(92,144)	220,372
Change in Accounting Principle				-	-
Fund Balance - Beginning	3,505,423	3,916,557	4,444,516	4,536,660	4,316,288
Unassigned Fund Balance	3,052,513	2,246,440	2,630,535	3,368,127	3,502,826
Nonspendable Fund Balance	2,637	2,934	2,666	1,590	1,133
Restricted Fund Balance	1,355,786	1,256,049	918,730	1,074,799	1,032,701
Committed Fund Balance	-	-	364,626	-	-
<b>Fund Balance - Ending</b>	<b>\$ 4,410,936</b>	<b>\$ 3,505,423</b>	<b>\$ 3,916,557</b>	<b>\$ 4,444,516</b>	<b>\$ 4,536,660</b>

**General Fund**

For the Year Ended June 30, 2024	Actual	Budget	Difference
Total Revenues	\$ 14,217,352	\$ 13,571,460	645,892
Total Expenditures	13,339,973	13,051,427	\$ (288,546)
Other Financing Sources (uses)	28,134	(110,000)	138,134
Net Change in Fund Balance	905,513	410,033	495,480



### Food Service Fund

For the Year Ended June 30,	2025	2024	2023	2022	2021
Total Revenues	\$ 702,527	\$ 702,634	\$ 621,027	\$ 742,788	\$ 540,972
Total Expenditures	629,208	718,649	593,675	531,284	483,283
Other Financing Sources	-	-	-	-	-
Net Change in Fund Balance	73,319	(16,015)	27,352	211,504	57,689
Fund Balance - Beginning	310,867	326,882	299,530	88,026	30,337
Restricted Fund Balance	372,865	297,520	308,634	15,274	72,506
Nonspendable Fund Balance	11,321	13,347	18,248	284,256	15,520
Fund Balance - Ending	\$ 384,186	\$ 310,867	\$ 326,882	\$ 299,530	\$ 88,026

### Food Service Fund

For the Year Ended June 30, 2024	Actual	Budget	Difference
Total Revenues	\$ 702,527	\$ 688,223	\$ 14,304
Total Expenditures	629,208	650,090	\$ 20,882
Other Financing Sources (uses)	-	-	-
Net Change in Fund Balance	73,319	38,133	35,186



**Community Service Fund**

For the Year Ended June 30,	2025	2024	2023	2022	2021
Total Revenues	\$ 276,125	\$ 268,595	\$ 261,996	\$ 240,685	\$ 228,565
Total Expenditures	466,528	449,520	443,564	401,362	280,811
Other Financing Sources	114,421	116,439	109,586	101,206	88,387
Net Change in Fund Balance	(75,982)	(64,486)	(71,982)	(59,471)	36,141
Fund Balance - Beginning	1,673	66,159	138,141	197,612	161,471
Unassigned Fund Balance	(94,655)	(65,535)	(29,486)	-	-
Nonspendable Fund Balance	-	-	-	-	-
Restricted Fund Balance	19,760	67,208	95,645	138,141	197,612
Fund Balance - Ending	\$ (74,309)	\$ 1,673	\$ 66,159	\$ 138,141	\$ 197,612

**Community Service Fund**

For the Year Ended June 30, 2024	Actual	Budget	Difference
Total Revenues	\$ 276,125	\$ 269,092	\$ 7,033
Total Expenditures	466,528	467,413	\$ 885
Other Financing Sources (uses)	114,421	110,000	4,421
Net Change in Fund Balance	(75,982)	(88,321)	12,339



### Capital Projects Fund

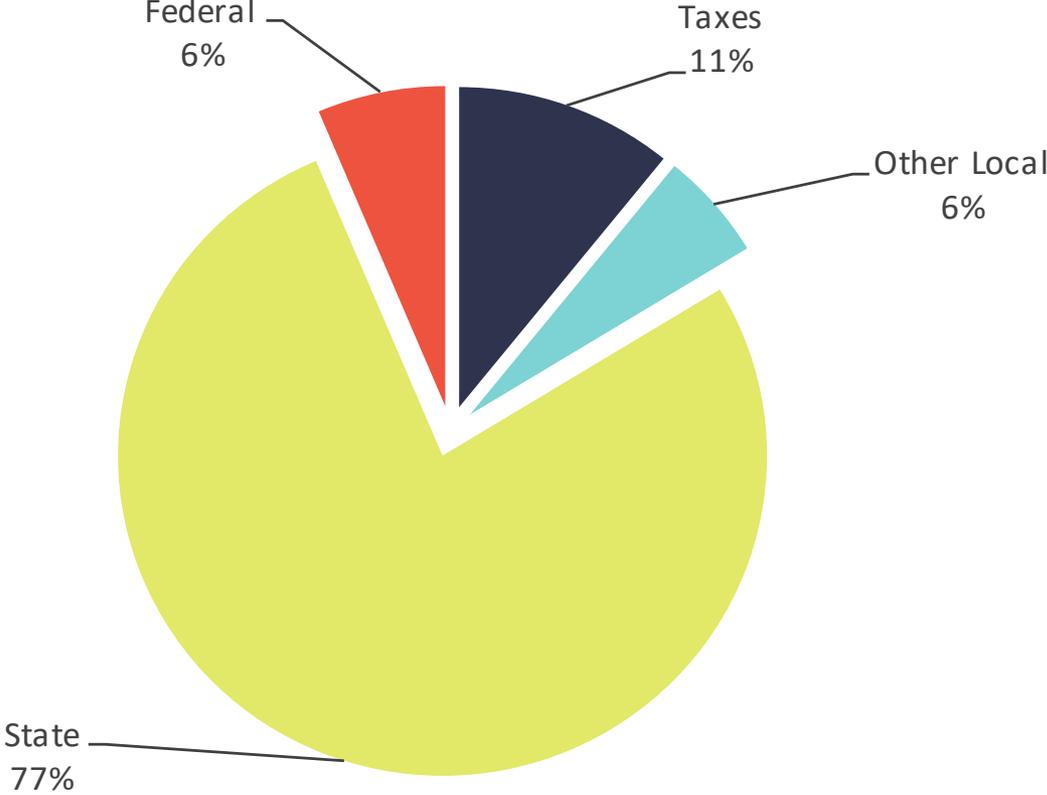
For the Year Ended June 30,	2025	2024	2023	2022	2021
Total Revenues	\$ -	\$ -	\$ -	\$ 16	\$ 351
Total Expenditures	-	-	-	313,220	212,610
Other Financing Sources	-	-	-	105,508	-
Net Change in Fund Balance	-	-	-	(207,696)	(212,259)
Fund Balance - Beginning	-	-	-	207,696	419,955
Unassigned Fund Balance	-	-	-	-	-
Restricted Fund Balance	-	-	-	-	207,696
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ 207,696

### Debt Service

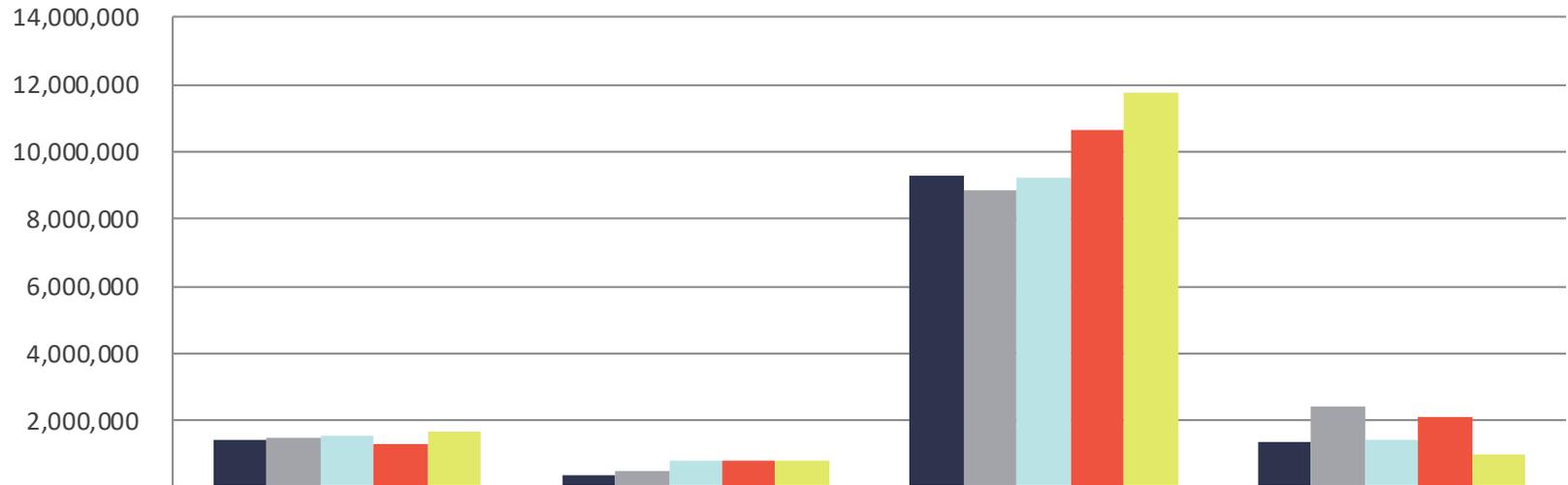
For the Year Ended June 30,	2025	2024	2023	2022	2021
Total Revenues	\$ 577,859	\$ 613,292	\$ 603,177	\$ 567,497	\$ 544,009
Total Expenditures	1,381,062	483,624	483,601	475,500	536,447
Other Financing Sources	-	-	-	-	80,467
Net Change in Fund Balance	(803,203)	129,668	119,576	91,997	88,029
Fund Balance - Beginning	1,001,817	872,149	752,573	660,576	572,547
Restricted Fund Balance - June 30	\$ 198,614	\$ 1,001,817	\$ 872,149	\$ 752,573	\$ 660,576



# Source of Revenues for ISD No. 2174 For the Year Ended June 30, 2025



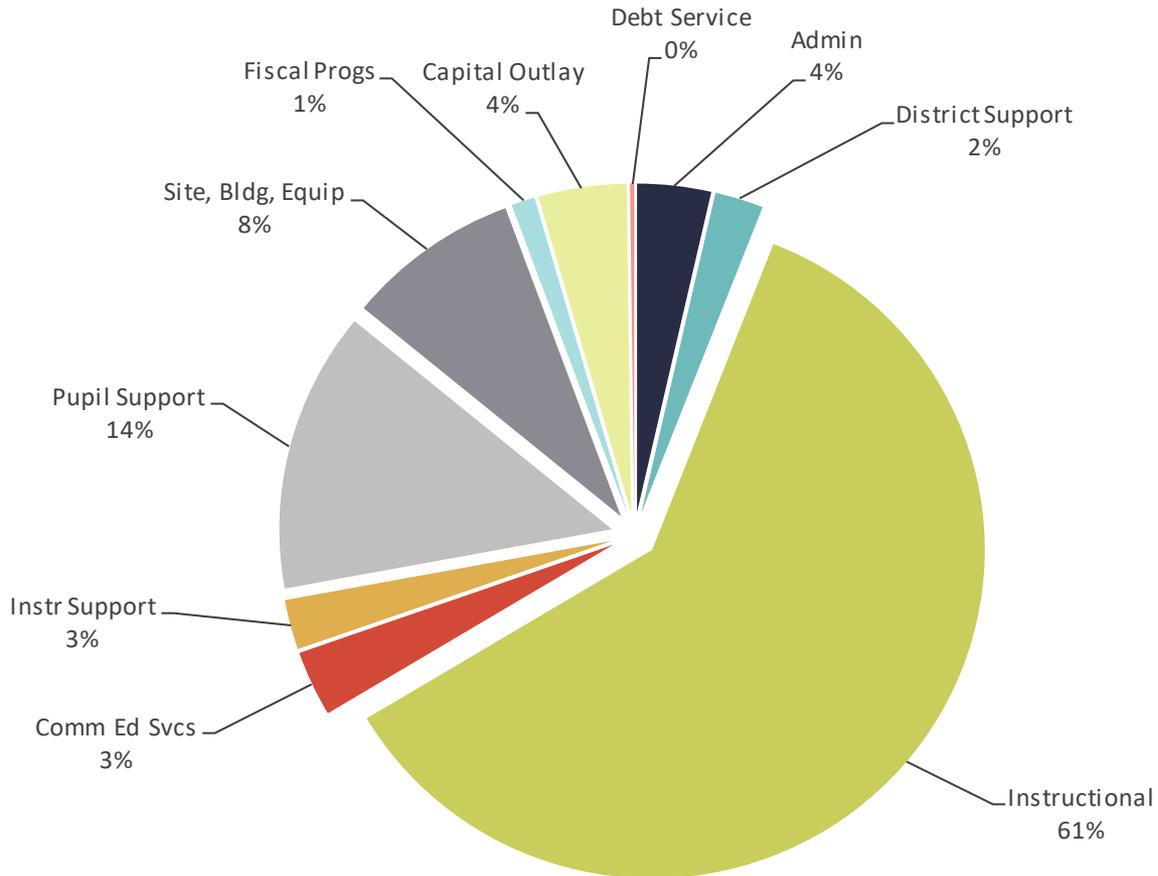
## Comparative Governmental Revenues of ISD No. 2174



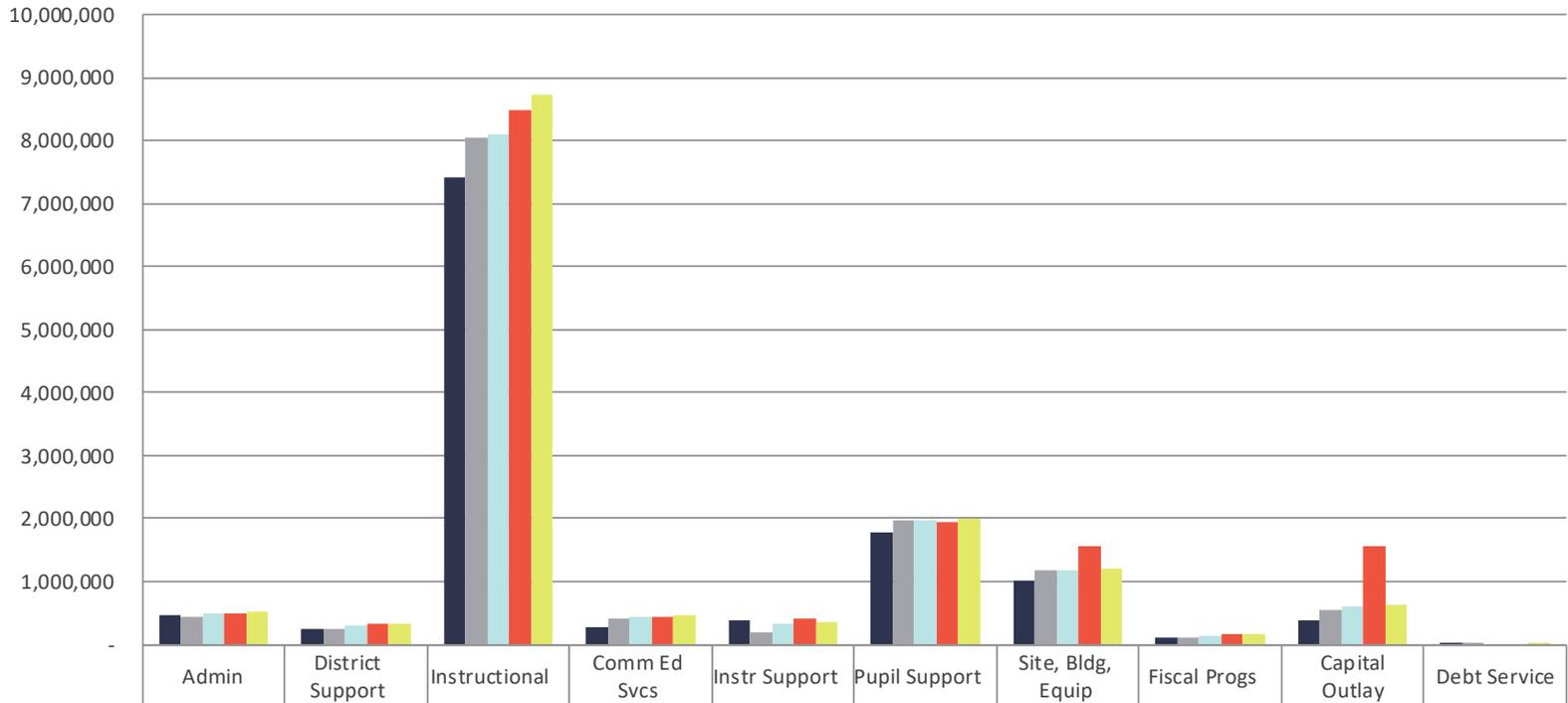
	Taxes	Other Local	State	Federal
■ 20-21	1,402,493	376,356	9,261,723	1,347,561
■ 21-22	1,484,833	511,615	8,870,774	2,405,329
■ 22-23	1,548,440	787,903	9,219,541	1,446,866
■ 23-24	1,304,728	806,149	10,642,652	2,128,895
■ 24-25	1,649,156	829,525	11,748,485	968,838



# Breakdown of Expenditures for ISD No. 2174 For the Year Ended June 30, 2025



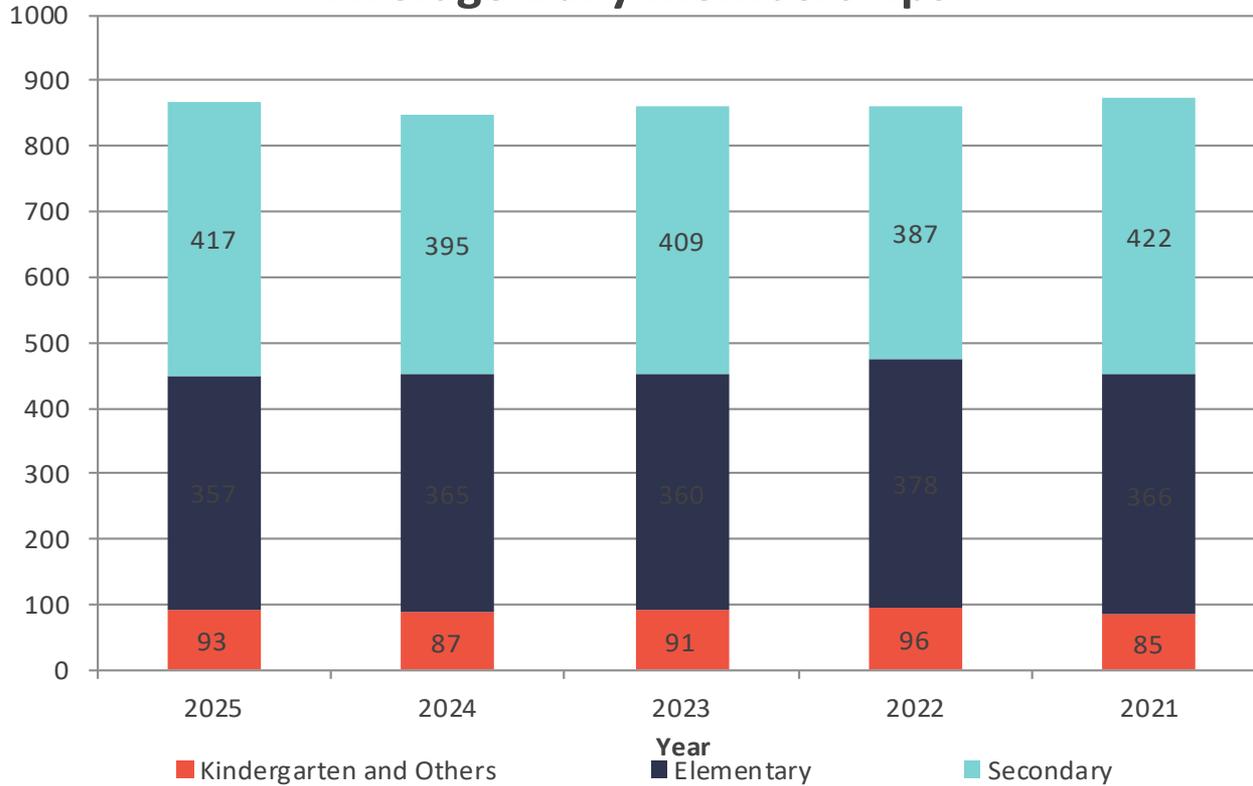
## Comparative Expenditures for Governmental Funds of ISD No. 2174



	Admin	District Support	Instructional	Comm Ed Svcs	Instr Support	Pupil Support	Site, Bldg, Equip	Fiscal Progs	Capital Outlay	Debt Service
■ 20-21	453,908	248,078	7,406,592	280,811	376,012	1,785,551	1,020,710	108,039	375,115	19,115
■ 21-22	452,255	252,204	8,045,477	401,362	193,748	1,959,500	1,166,365	103,950	540,691	19,115
■ 22-23	484,543	314,672	8,114,227	443,564	341,451	1,964,667	1,173,352	137,687	611,719	-
■ 23-24	492,496	322,575	8,498,061	449,520	408,810	1,931,506	1,571,314	158,157	1,555,984	-
■ 24-25	517,755	340,164	8,730,906	466,528	354,350	1,993,722	1,217,962	165,278	619,640	29,404



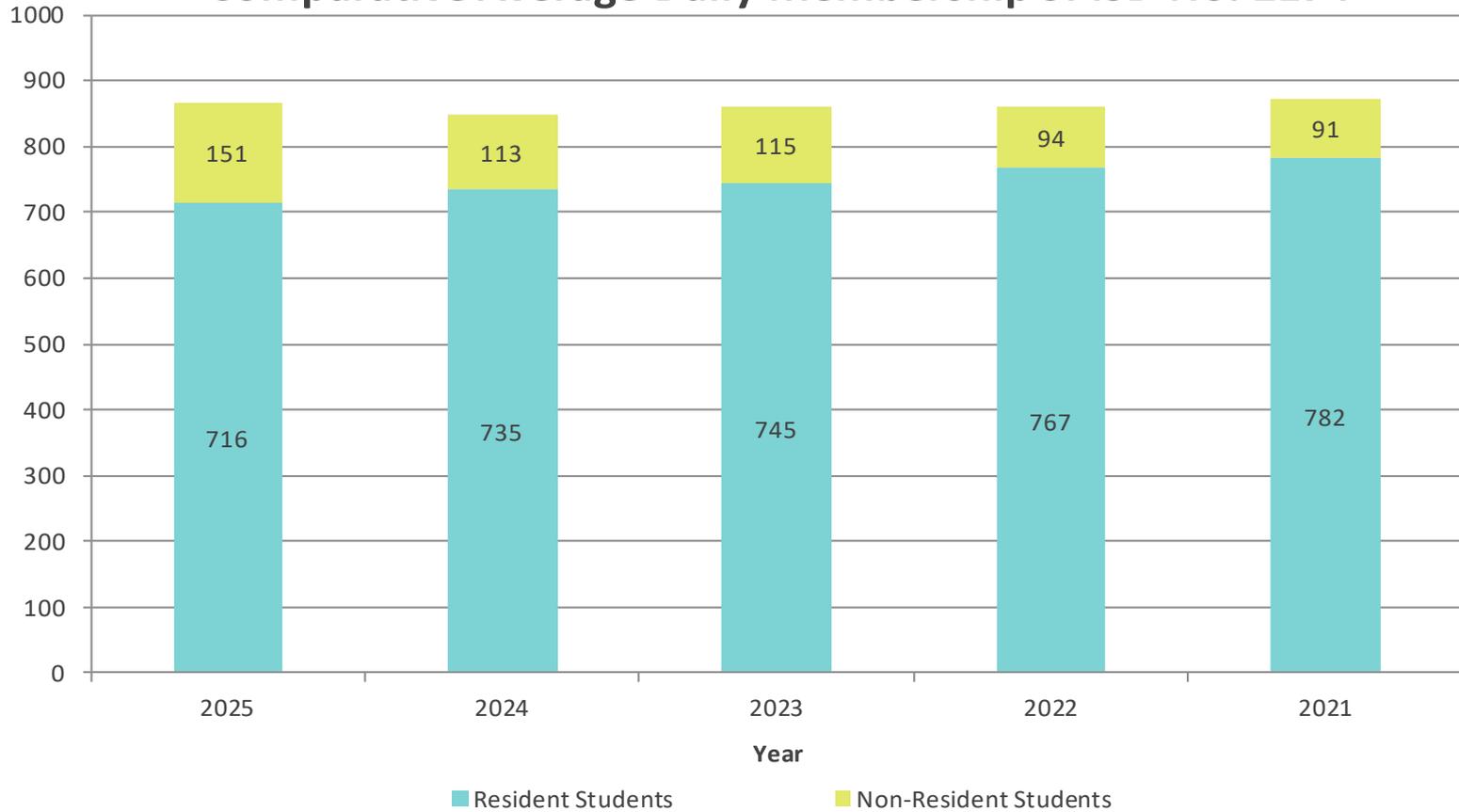
## Average Daily Memberships



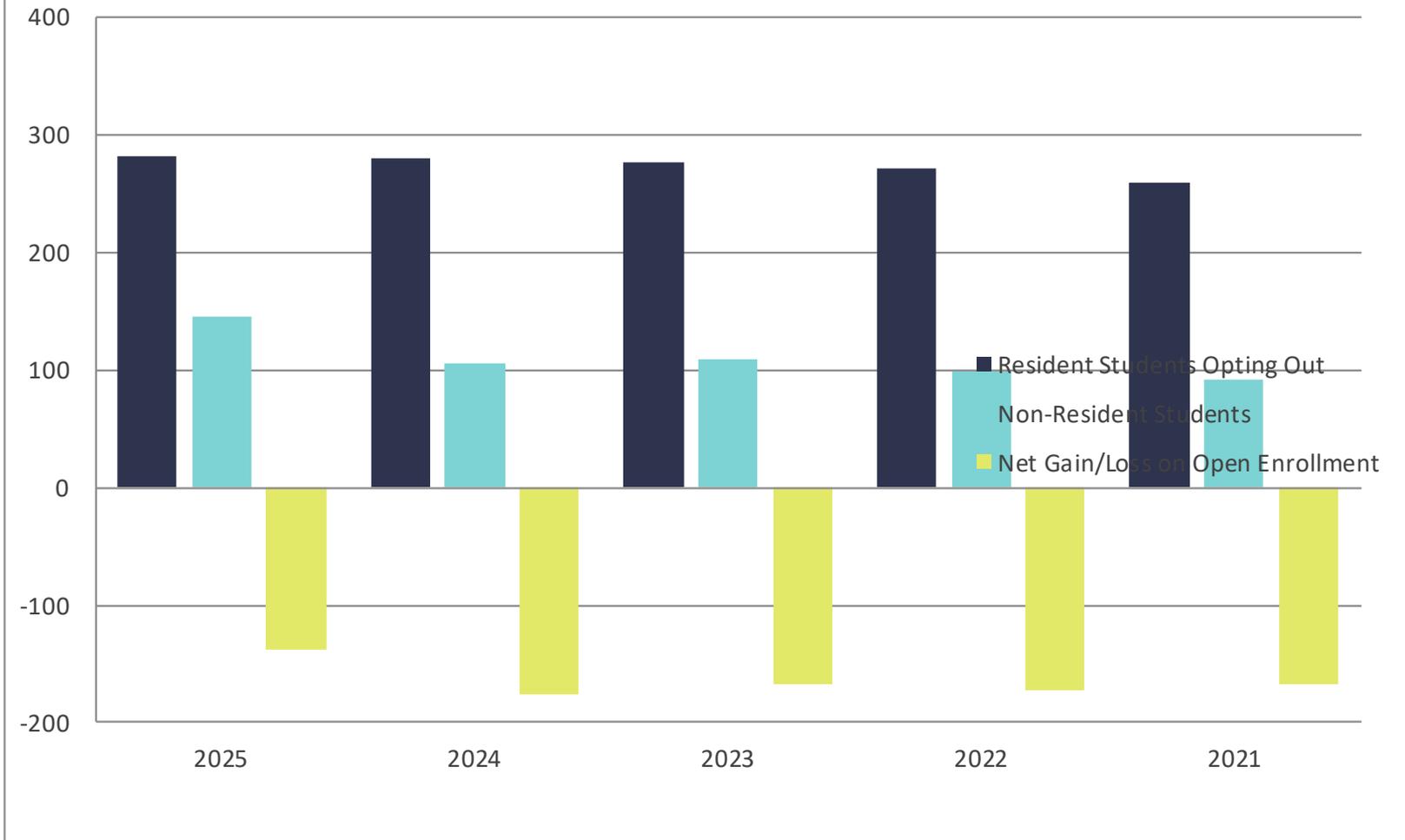
Resident Average Daily Membership (ADM)	2025	2024	2023	2022	2021
Kindergarten and Others	93	87	91	96	85
Elementary	357	365	360	378	366
Secondary	417	395	409	387	422
<b>Total ADM</b>	<b>867</b>	<b>848</b>	<b>860</b>	<b>861</b>	<b>873</b>
<b>Total Weighted ADM (WADM)</b>	<b>950</b>	<b>927</b>	<b>942</b>	<b>939</b>	<b>958</b>



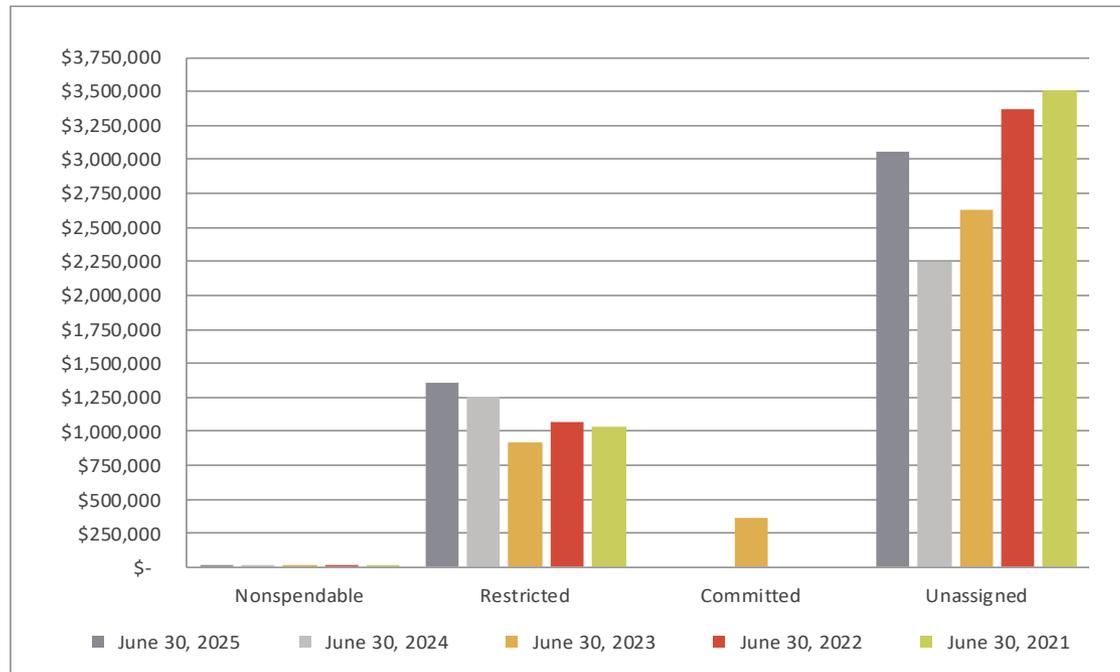
## Comparative Average Daily Membership of ISD No. 2174



# Open Enrollment Gain/Loss



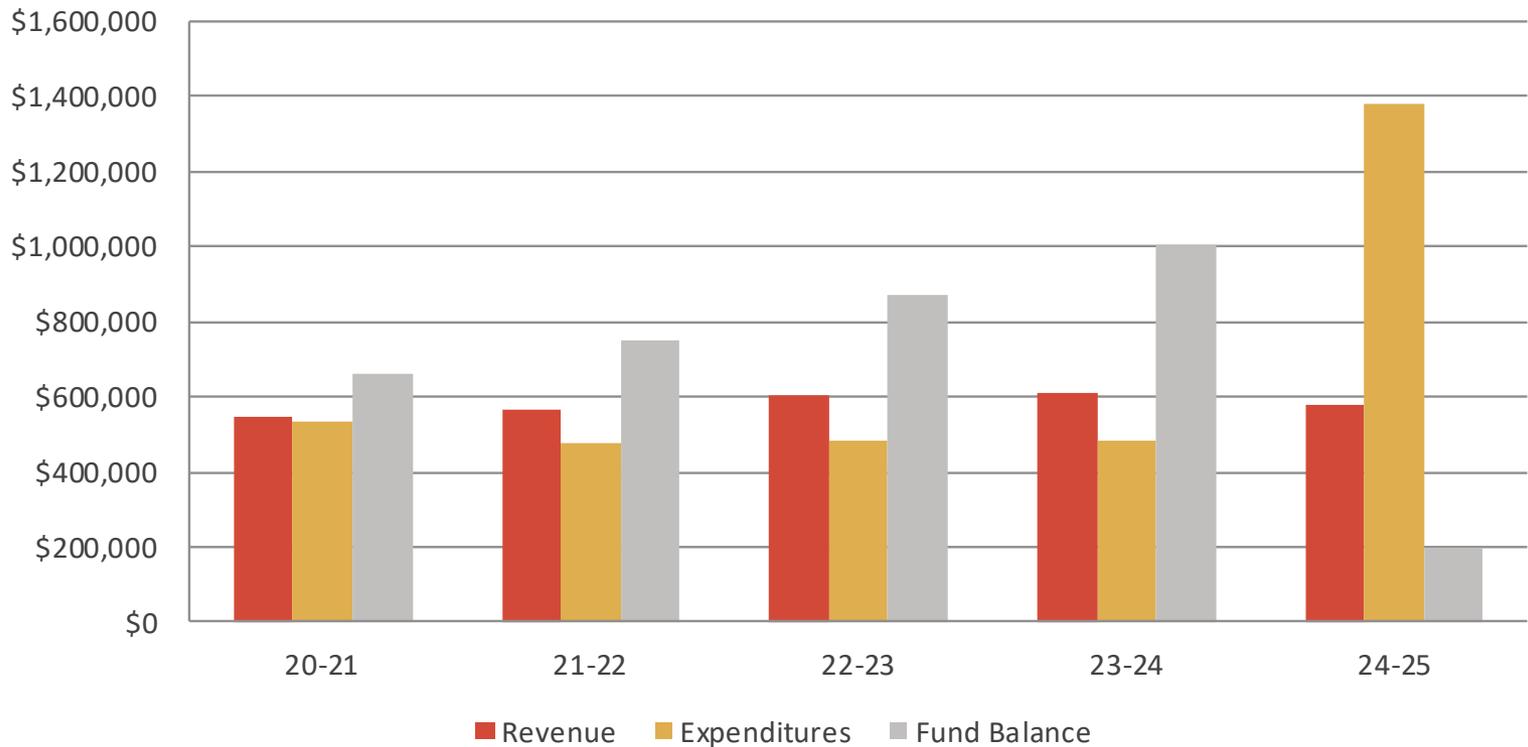
# General Fund – Fund Balance by Category



	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Fund Balance	\$ 3,055,148	\$ 2,511,163	\$ 2,997,824	\$ 3,396,110	\$ 3,507,962
Expenditures	\$ 9,932,489	\$ 11,626,035	\$ 10,373,921	\$ 10,367,146	\$ 9,297,769
SOD Calculation	30.76%	21.60%	28.90%	32.76%	37.73%

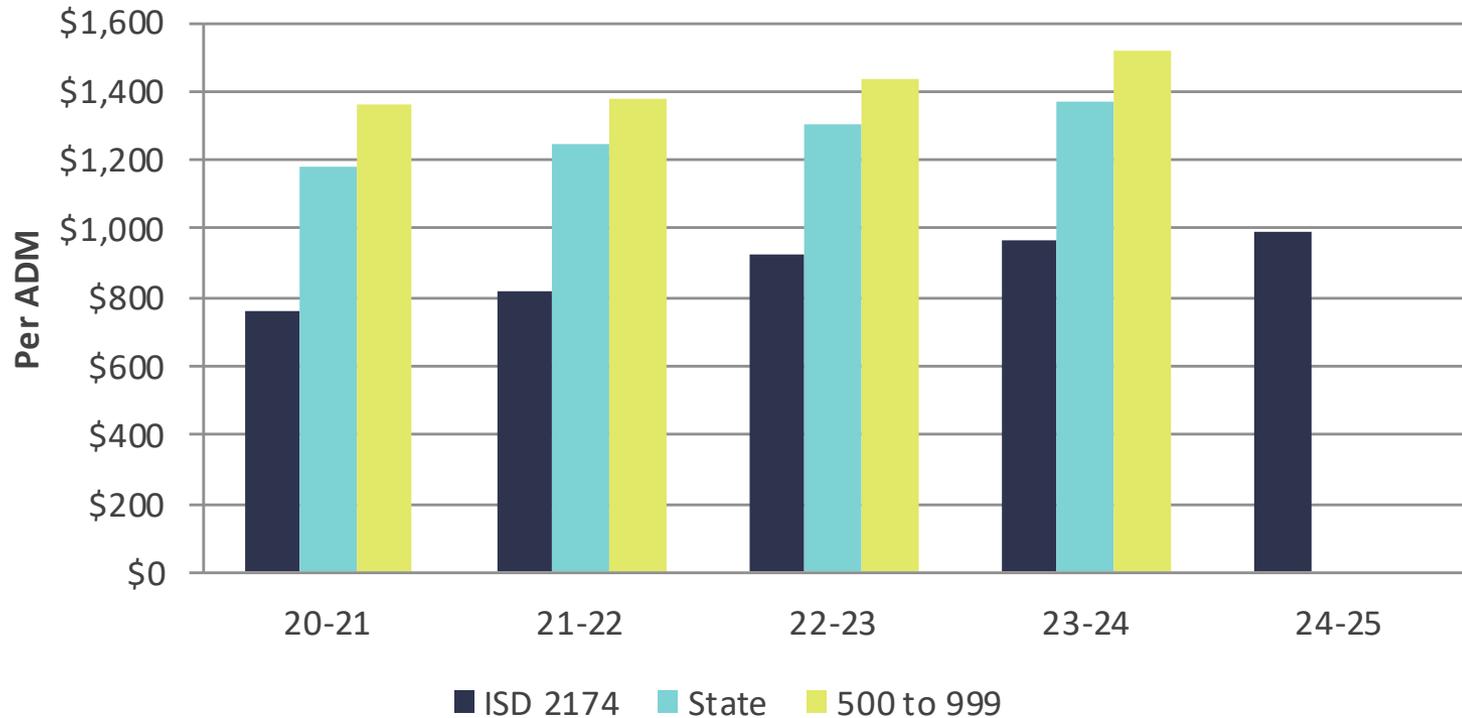


# ISD No. 2174 Pine River-Backus Schools Debt Service Fund Total Revenues, Total Expenditures, Total Fund Balance



# ISD No. 2174

## Administration and District Support per ADM

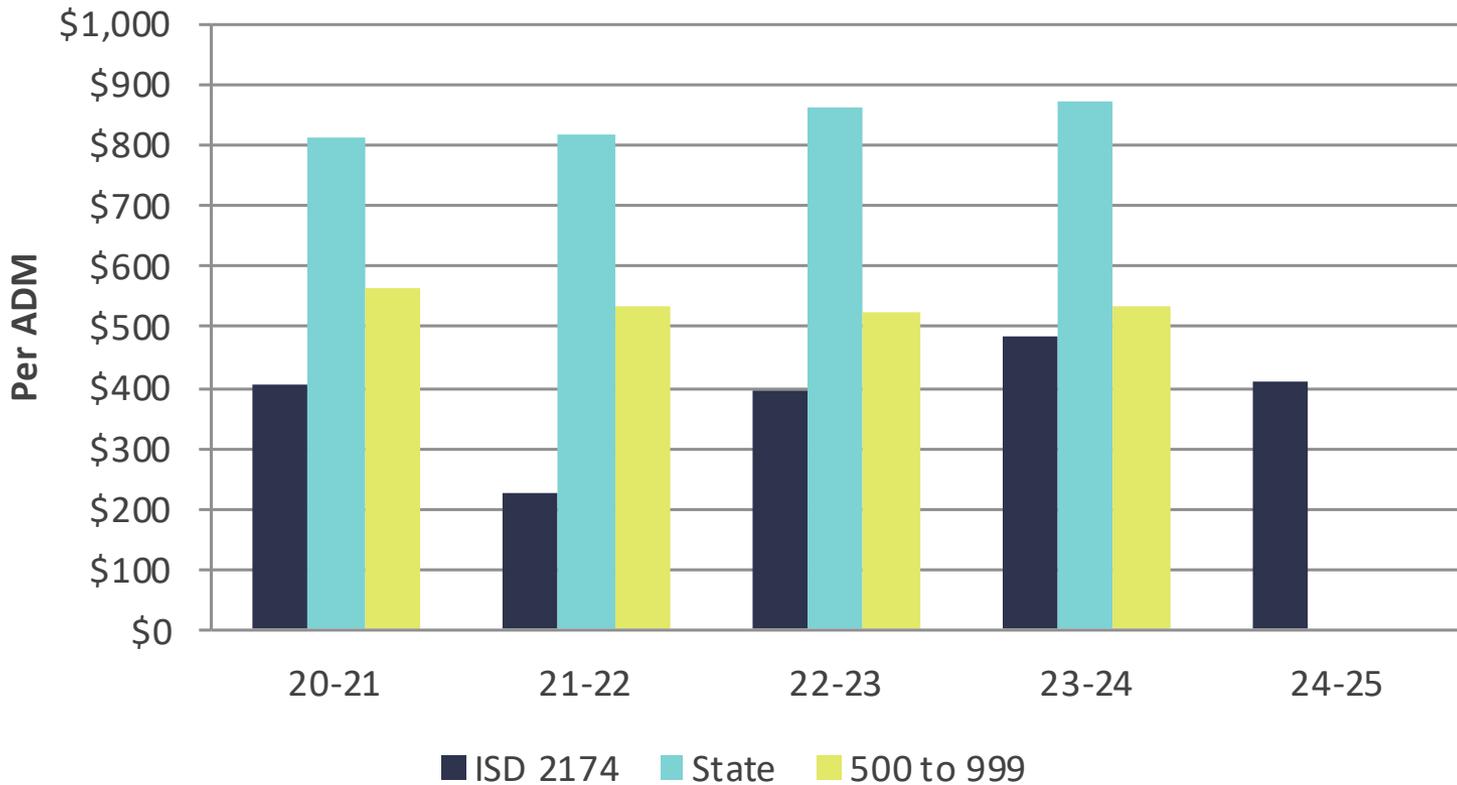


District and School Admin – all costs related to providing administration to the District (Board of Education, Superintendent, Assistant Superintendent, Principals, etc.) District Support Services – activities provided by Central Office (Business Services, Director of Building and Grounds, Legal, Data Processing, Other District-Wide support activities).



# ISD No. 2174

## Instructional Support per ADM

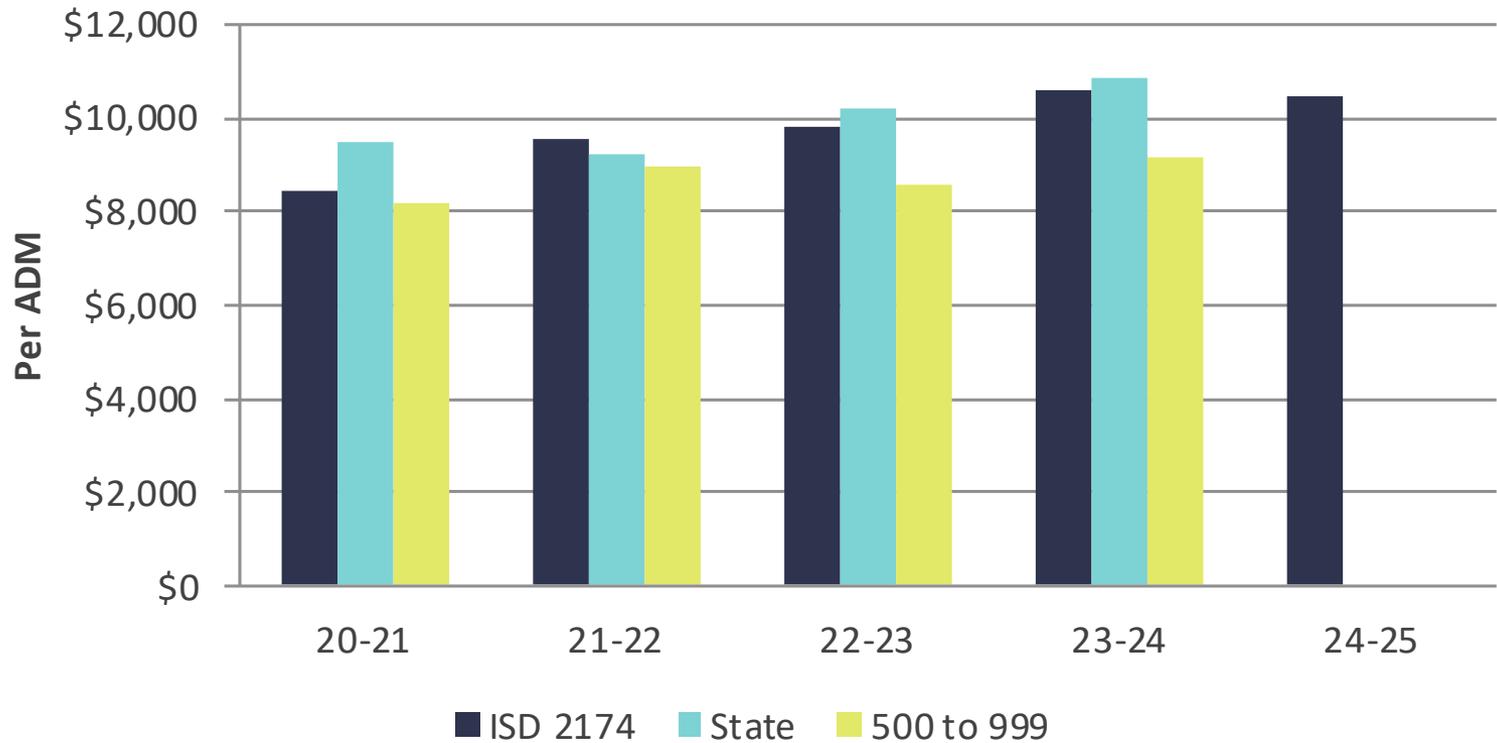


Instructional Support Services – activities to assist instructional staff with content & process of learning experiences  
For pupils in K-12 (curriculum, staff development, assistant principals, etc.).



# ISD No. 2174

## Total Instruction per ADM



Total Instruction – includes vocational instruction, special education instruction, and instructional support services.



# *Thank you for the opportunity to serve the Pine River-Backus School District.*

Mary Reedy, CPA, CGFM  
Principal  
320-203-5534  
Mary.reedy@CLAconnect.com

Mallory Carlson, CPA  
Director  
320-203-5562  
Mallory.carlson@CLAconnect.com



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A meeting of the Board of Education was held in the High School Media Center at 5:30 p.m. on Monday, October 6, 2025 with Chair Cunningham presiding.

Members present: Leslie Bouchonville, Chris Cunningham, Roger D. Hoplin, Nicki Linsten-Lodge, Carrie Maurer-Ackerman, David Sheley, Ryan Trumble and Superintendent Jonathan Clark.

The floor was opened for comments from the public on agenda items.

Motion by Trumble, second by Hoplin, to approve the agenda. All voted aye and the motion carried.

Motion by Bouchonville, second by Maurer-Ackerman, to approve the minutes of the September 8, 2025 regular board meeting and the September 22, 2025 special meeting. All voted aye and the motion carried.

Administrative team, director and enrollment reports were heard.

Consent Calendar - Motion by Hoplin, second by Linsten-Lodge, to approve the Consent Calendar, which consisted of the following items:

- Approve bills presented (checks 78160-78322 totaling \$136,580.92); approve the investment report; approve the treasurer's report; approve the report on electronic fund transfers and other banking transactions; adopt a resolution accepting monetary awards and donations; and
- Approve personnel items:
  - Approve the hiring of Rachel Lelwica as Student Council Advisor for the 2025-26 school year
  - Approve the hiring of Cassandra Youso as Adult Cub Care Assistant
- Approve the 2025-27 Classified Personnel Policies

All voted aye and the motion carried.

Discussion Items:

- 2026-27 school calendar options. Superintendent Clark presented preliminary drafts of two possible calendars for the 2026–27 school year: one beginning prior to Labor Day and one beginning after. Additional discussion will occur before the Board approves a final version.
- Zero Breach security window proposal. Raymond LeFavor, co-owner of Ballistic Vision Safety Glass in Pine River, Minnesota, presented information about the company and discussed options to enhance security at Pine River-Backus Schools.

Motion by Sheley, second by Maurer-Ackerman, to approve 2025-27 wage and benefit agreements with at-will staff. All voted aye and the motion carried.

Open forum – the meeting was opened for comments from the public.

Cunningham adjourned the meeting at 6:51 p.m.

Leslie Bouchonville, Clerk



## **School Board Report for Nov. 3rd, 2025** *Current Happenings at PR-B High School*

### **PRB District and High School Site Goals: (2025 in process)**

#### **(District Level)**

1. 80% of teachers will self-assess at a level of applying or innovating in Element 9 (Structured Practice Sessions).
2. 100% of certified staff will provide a positive message and photo to be posted on social media to their building principal by May 2026.

#### **(High School - Building Level)**

3. 100% of Pine River - Backus teachers in grades 7-12 will use at least two UDL strategies to give students multiple ways to engage, learn, and show what they know.

### **2025-2026 Level 1 Current Goals: Safe & Collaborative School**

- -Administer Level 1 and 2 Surveys to staff, parents, students (*Established*)
- -Utilize monitoring system to identify lagging indicators - *In-Action*
- -Continue to strengthen PBIS program - *ongoing*
- -Implementation of Catalyst Strategies at the habitual and systems level - *daily/ongoing (training in Catalyst 1 toward certification)*
- -Professional Learning Teams - *2 Wednesdays per month*
- -ALICE/Crisis Planning - *Ongoing*

### **Focus of Effective Instructional Practices: (HRS Level 2)**

- Standards, Rigor, Vocabulary, Common Model of Instruction, Instructional Rounds, REACH, Catalyst Strategies, Learning Goals Posted, HRS Framework
- -Marzano Art & Science of Teaching Learning Segment(s) (PLC focus)
- -Learning Goals Posted, Rigor, Vocabulary, Common Model of Instruction, Instructional Rounds

### **Professional Learning Teams**

- PLC's are starting to get going. Staff will begin their PLC this year by choosing an element from Robert Marzano's "Art & Science of Teaching". PLCs will also be concentrating on essential standards and best practice in the remote setting during this school year. PLC's are under way and the feedback from faculty and the PLC Learning Team notes prove that we are creating and facilitating a model that creates and fosters teaching and learning growth and development. This is very positive for our school!

Jon Clark, Superintendent  
Chris Halverson, High School Principal  
Josh Langseth, Elementary Principal  
Sue Peet, ALP Director  
Charity Crannel, Transportation Director  
Kevin Furst, Technology Director

# PINE RIVER-BACKUS SCHOOLS ISD 2174

Jolene Bengtson, Business Manager  
Cindy Felthous, Human Resources  
Jill Blanchard, Food Service Director  
Jim Leuer, Bldgs & Grounds Director  
Kyle Crocker, Activities Director



- The purpose of a professional learning community is: (BASE NORMS)
  - To ensure that students learn
  - To ensure a culture of professional collaboration for school improvement
  - To focus on results
  - To be action oriented

## **Safe Environment and Consistent Discipline**

- Fall Conferences have been rescheduled for November 6th.
- We held our Attendance Review Board Meeting to collaborate and address truancy and other student and family challenges. The collaboration and work together is much appreciated.

## **Staff Training and Professional Development:**

- Our PR-B High School Leadership Team met and discussed feedback and direction for our PLCs, Advisory/Tiger Time, instructional rounds, Professional Growth Goals / Student Learning Goals.
- I met with many teachers as we are completing our Professional Growth Plan and Student Learning Goal Fall Cycle. It is a very valuable part of our teaching and learning system that I truly enjoy.
- The PR-B Site Council Team met and discussed advisory "Tiger Time", Teacher Recognition strategies and upcoming staff get together opportunities.

## • **STUDENT ACHIEVEMENT/ACTIVITIES**

- We held our Student of the Month celebrations for grades 5-8 and 9-12. It continues to be one of my favorite times to interact with students and families who deserve the recognition for their work and dedication. GO TIGERS!!!
- Our National Honor Society Ceremony was very enjoyable and well attended. It is fun to spend time with our PR-B students and families. Thank you to Ms. Heisserer for her leadership and planning of this meaningful event for PR-B students.

## **Curriculum**

- Ms. LeFavor has been holding meetings and working on implementing ELA and Social Studies standards and alignment across the district. Both meetings were very collaborative and productive.

**Teach Inspire Grow Excel Reach Succeed! TIGERS!**

Jon Clark, Superintendent  
Chris Halverson, High School Principal  
Josh Langseth, Elementary Principal  
Sue Peet, ALP Director  
Charity Crannel, Transportation Director  
Kevin Furst, Technology Director

**PINE RIVER-BACKUS  
SCHOOLS  
ISD 2174**

Jolene Bengtson, Business Manager  
Cindy Felthous, Human Resources  
Jill Blanchard, Food Service Director  
Jim Leuer, Bldgs & Grounds Director  
Kyle Crocker, Activities Director



- **Upcoming events**

- **November 6th - Parent/Teacher Conferences**
- **November 20th and 21st - Student of the Month Celebrations**
- **November 27th and 28th - No School - Thanksgiving Break**
- **December 18th and 19th - Student of the Month Celebrations**
- **December 22nd - Teacher In-service**
- **December 23rd - January 4th - No School - Winter Break**

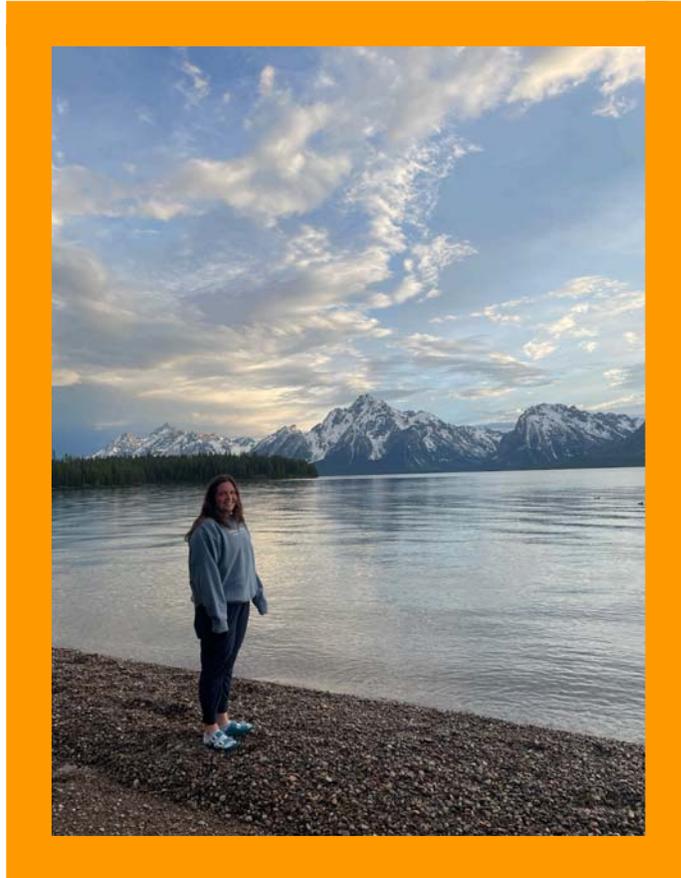
**Respectfully,  
Chris A. Halverson  
Proud PRB High School Principal**

**Teach Inspire Grow Excel Reach Succeed! **TIGERS!****

Jon Clark, Superintendent  
Chris Halverson, High School Principal  
Josh Langseth, Elementary Principal  
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# PINE RIVER-BACKUS SCHOOLS ISD 2174

Jolene Bengtson, Business Manager  
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Kyle Crocker, Activities Director



## **Meet Ms. Molly Stockman :** **2025 - #1 Draft Pick PRB HS - Special Education Teacher**

*Hello! I was born in Brainerd, MN. I graduated from Pine River-Backus High School. My first job teaching was out in Western North Dakota. There was a great need for teachers with the oil boom and we had students from all 50 states and 20 different countries in Watford City. My birthday is April 18th. My parents are Brad and Nancy. I have 3 brothers, 6 nephews, and one niece. My favorite foods are steak or pizza. Besides my family, the one thing I could not live without is coffee. If I were not working at PRB, I would want to be doing something outdoors and working with other people. When I am not at school I love to spend time with friends and family, go to concerts, garden, and read. My favorite part of being a teacher at PRB is all of my colleagues and students I get to work with. If I were to take a dream vacation, it would be New Zealand.*

**Teach Inspire Grow Excel Reach Succeed! **TIGERS!****

Jon Clark, Superintendent  
Chris Halverson, High School Principal  
Josh Langseth, Elementary Principal  
Sue Peet, ALP Director  
Charity Crannel, Transportation Director  
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# PINE RIVER-BACKUS SCHOOLS ISD 2174

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Kyle Crocker, Activities Director



## 2025- National Honor Society Inductees

Teach Inspire Grow Excel Reach Succeed! TIGERS!



# Pine River-Backus

## PUBLIC SCHOOLS - PINE RIVER, MN

### School Board Report PRB Elementary School November 3, 2025

#### GOALS:

##### District Goal:

1. 80% of teachers will self-assess at a level of applying or innovating in Element 9 (Structured Practice Sessions).
2. 100% of certified staff will provide a positive message and photo to be posted on social media to their building principal by May 2026.

**Building Goal #1:** HRS 3.4 - The school establishes clear and measurable growth goals that are focused on critical needs regarding improving overall student achievement at grade levels.

**PBIS School -Wide Goal** - By Spring 2026, 100% of students will get a good news call of the day from staff.

#### SAFE ENVIRONMENT AND CONSISTENT DISCIPLINE - Level 1: Safe, Supportive, and Collaborative Culture

- Supervision is appropriately in place in all areas of our school (classroom, hallway, cafeteria, playground).
  - We have made adjustments as needed and things are in a good spot.
- Staff are positively and consistently reinforcing behaviors and re-teaching as needed.
- We have averaged 1.6 major or minor referrals per day so far this year. Approximately 55% of referrals have been issued on the bus.
- We have participated in fire and lockdown drills, with the alert systems being adjusted as needed.

#### STAFF TRAINING & PROFESSIONAL DEVELOPMENT

- Our staff meetings this year will focus on science of reading and continuing to build our understanding while also revisiting key concepts. We have put together a committee to help plan and outline the important items to cover each month.
- Our English Language Arts Committee met as a group to review the final two options for adoption in the 2026-27 year.
- We will have three of our staff and myself involved this year in the HRS Summit in Texas. I look forward to expanding our knowledge and networking.

#### STUDENT ACHIEVEMENT

- Our MTSS process and FastBridge data is helping support and ensure all students are getting what they need to succeed. We are having some conversations at different grade levels about how to deliver materials to reach all the different levels of students needs and differentiation.
- I have been able to make it into most classrooms and connect with students as a part of introducing myself. It has already made a difference in the hallways and my interactions with the students.

#### Misc. information

- Parent-Teacher Conferences will be held Thursday, November 6th. Families with students in grades PreK-4 received an electronic link to sign up for a time. Our 5th & 6th grade families can attend anytime and meet with teachers. We are hoping for a great turnout! We will also be running a book fair at this time through PaperPie company, excited to give families an opportunity to explore book as a family.

#### UPCOMING - November

11/3: Start of Quarter 2  
11/3: Elementary CST @ 7:30  
11/3: School Board meeting @ 5:30  
11/4: Mr. Langseth @ Sourcewell  
1/6: Conferences/Book Fair: 1:30-7:00  
11/7: Early Childhood CST @ 12:30  
11/18: HRS Leadership Training @ Sourcewell  
11/20: 5th & 6th Student on the month  
11/24: CIP Meeting: 8:00-12:00  
27-28 - NO SCHOOL Thanksgiving Break



# Pine River-Buckus

PUBLIC SCHOOLS - PINE RIVER, MN

<b>Early Childhood</b>	
Kids Together	20
School Readiness	46
Headstart	16
	<b>82</b>
<b>Kindergarten</b>	
Dallas	16
Travis	20
Wilson	18
	<b>54</b>
<b>Grade 1</b>	
Hicks	18
Jordan	17
Kamholz	20
	<b>55</b>
<b>Grade 2</b>	
Ackerman	18
Kralovetz	18
Norman	17
	<b>53</b>
<b>Grade 3</b>	
Hoffarth	17
Palmer	21
Rice	20
	<b>58</b>
<b>Grade 4</b>	
Gregory	19
Rowell	20
Vry	18
	<b>57</b>
<b>Grade 5</b>	
Ackerman	20
Freeman	18
Johnson	19
	<b>57</b>
<b>Grade 6</b>	
Diederich	26
Dinnel	29
Vetsch	26
	<b>81</b>
<b>TOTAL</b>	<b>415</b>
<b>TOTAL WITH EARLY CHILDHOOD</b>	<b>497</b>

# OCTOBER TIGER PRIDE NOMINEES!!

Student	Teacher	October Character Trait: Friendship	
Jase Owczynsky	Ms. Dallas		
Lilly Swenson	Mrs. Travis		
Raevyn Sprau	Ms. Aimee		
Remington Zollner	Mrs. Hicks		
Havyn Snavely	Mrs. Jordan		
Blayke Brennan	Mrs. Kamholz		
Eli Brickweg	Mr. Ackerman		
Kody Tessmer	Mrs. Kralovetz		
Avery Christensen	Mrs. Norman		
Alexis Huesmann	Mr. Hoffarth		
Jax Crawford	Mrs. Palmer		
Karter Crawford	Mrs. Rice		
Lee Bisted	Ms. Robbi		
Calvin Dabill	Mrs. Rowell		
Ruby Shackle	Mrs. Vry		
5-6 Grade Level			
Jace Griffith	Mr. Ackerman		
Maverik Kamholz	Mrs. Freeman		
Otto Hagen	Mr. Johnson		
Brooklynn Dabill	Mrs. Diederich		
Elsie Brickweg	Mr. Dinnel		
Jace Norman	Mr. Vetsch		
Chevy Carlson	Mrs. Davis	Adalie Steinert	
Jeremiah Nieman	Mrs. Shackle		
Fernanda Angueve-Garcia	Ms. Arnold	Easton Gordon	
Harper Crawford	Mrs. Sether	Oliver Granger	
Cynthia Blair	Mr. Morse	Brayden DeLong	
Everlee Atwater	Mr. Casperson	Brayson Brogle	
Penelope Sams	Ms. Benson	Nola Brickweg	
Maci Turner	Ms. Determan		
Haven Kreller	Ms. Kardell		
Sara Blanchard	Mrs. Bergem		
Cooper Sechser	Mrs. Dinnel		
James Hedstrom	Mrs. Humphrey		
	Mr. Lupella		
Autumn Boyles	Mrs. Odens		
Jaxx Frausto	Mrs. Wheeler		
Kora Karp	Mrs. Loge		



*Pine River-Backus*  
PUBLIC SCHOOLS - PINE RIVER, MN

October 24, 2025  
School Board Report

**Health Insurance Renewal:** We will be renewing our 2026 group health insurance plan with our current provider, Medica, through the Minnesota Health Care Consortium. The plan includes a 9.9% rate increase. Open enrollment will take place November 10–14.

**Minnesota Paid Family and Medical Leave:** Starting January 1 2026, Minnesota's Paid Family and Medical Leave program will be active. The program will allow employees to take paid time off for family or medical reasons, such as their own serious health condition or caring for a family member. The program is funded through a state-run insurance system supported by a payroll tax of .88% shared equally between employers and employees. During approved leave, employees will receive a portion of their regular pay, based on income, through the state program rather than the employer's payroll system.

**Minnesota Association of School Business Officials (MASBO) fall conference:** I will be attending the MASBO fall conference November 6. The conference will include sessions on Minnesota Paid Family and Medical Leave and Earned Sick and Safe Time.

Cindy Felthous  
Human Resource Director

November, 2025

I virtually attended the first session of 4 on Updating Wellness Policy before Administrative Review. Also, met with Selena from Cass County SHIP to begin work on getting a Wellness Committee active again.

New Service Line equipment has been installed. Looks great! I have had a lot of positive feedback. We are able to raise food shields and allow older students to self-serve some items. This gives some flexibility in staffing, helps cover when I am short a sub.

Discussion has started on this year's Back to Basics event. We will again be preparing and serving this event.

Things are going well, working hard at providing the best meal service we can!

Jilline Blanchard  
Food Service Director



## **Tiger Activities Update – November 2025**

Fall activities have just about come to a close, and it has been a strong season for our student-athletes across all programs. With fall activities concluding, I want to commend our students and coaches for their hard work, growth, and positive representation of PRB. As we transition into the winter season, preparations are well underway for our upcoming sports and activities, including scheduling, registrations, and program planning to ensure a smooth start.

### **Football**

Recent Results:

- Oct. 3 – Loss: PRB 0 vs. Mahnomon/Waubun 52
- Oct. 10 – Win: PRB 25 vs. Spectrum 20 (*Senior Night*)
- Section Playoffs – Loss: PRB 6 vs. Otter Tail Central 30

The football team completed its season with a 3–4 record, including a notable Senior Night victory over Spectrum (25–20). The team faced a challenging schedule, achieving wins against Nevis, Red Lake, and Spectrum, and concluding the season with a Section playoff appearance against Otter Tail Central (6–30). Throughout the season, players and coaches demonstrated steady improvement, commitment, and sportsmanship.

*Head Coach: Nate Fischer*

### **Volleyball**

The Pine River-Backus volleyball team completed the season with an 18–10 record, finishing second in the East Subsection standings. This placement earned the team two home playoff matches, where the Tigers secured decisive 3–0 victories over East Central and Mille Lacs. The Tigers will compete for the subsection championship vs Swanville Tuesday 10/28 in Crosby for a chance to go to the section finals. The team's performance this season showcased consistent growth, strong teamwork, and competitive play in both regular season and postseason contests.

*Head Coach: Crysta Blake*

### **Cross Country**

The cross country team competed strongly at the Section 7A Championship, showing

consistent effort and competitive performance. Notable results from the boys' team included:

- **Jayce Compton (10th grade)** – 18:49.4, 42nd place
- **William Adams (11th grade)** – 19:47.1, 67th place
- **Dean Wynn (10th grade)** – 20:36.3, 86th place
- **Reece Trumble (12th grade)** – 21:24.6, 92nd place
- **Dennis Rahm (12th grade)** – 22:09.6, 99th place

For the girls' team, **River Crawford (12th grade)** competed and finished in 87th place with a time of 25:05.2.

These results reflect the dedication and improvement of our athletes throughout the season. The team represented Pine River-Backus with effort, sportsmanship, and commitment, building momentum for the future.

*Head Coach: Karl Ludeman*

## **Robotics**

The Pine River-Backus Robotics team had an exciting season, highlighted by strong performance at the recent NMRC championship event hosted by Brainerd High School. Entering the finals as the 3rd seed, the team competed in a highly competitive field and advanced to the Quarter-Finals. Although they did not move past this round, the students demonstrated skill, teamwork, and enthusiasm throughout the competition. The event featured dynamic game-play and a strong showing of support from peers and the community, making it the closest championship venue yet. We thank Brainerd High School for hosting and the students, families, and fans for their support of the team.

*Head Coach: Mike Shetka*

## **Winter Sports**

Girls Basketball- Start Date, Nov 10th- Head Coach Tucker Sheley  
Wrestling- Start Date, Nov 10th- Head Coach Justin Franke  
Boys Basketball- Start Date, Nov 17th- Head Coach Micah Eveland

## **Youth Sports**

Registration is now open for youth basketball for both girls and boys in grades 3 through 6. The program provides young athletes with an opportunity to develop fundamental skills, learn teamwork, and participate in a positive, structured environment. Coaches and volunteers are preparing for the upcoming season to ensure a safe and enjoyable experience for all participants.

**Additional Information**

## Fall Musical Dates

- 11/14 7PM
- 11/15 7PM
- 11/16 2PM

## Band Concert Date

- 11/18 7PM

**For questions regarding any of the programs or activities listed above, please feel free to reach out.**

Kyle Crocker

[Kcrocker@prbschools.org](mailto:Kcrocker@prbschools.org)

218-587-8029

Activities Director

Pine River-Backus Schools



Bengtson, Jolene <[jbengtson@prbschools.org](mailto:jbengtson@prbschools.org)>

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## Transportation Report

1 message

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**Charity Crannell** <[ccrannell@prbschools.org](mailto:ccrannell@prbschools.org)>  
To: Jolene Bengtson <[jbengtson@prbschools.org](mailto:jbengtson@prbschools.org)>

Tue, Oct 28, 2025 at 2:32 PM

Everything has been going well. Not much new to report.  
Just gearing up for winter weather. hehehe.  
Been struggling with some minor student behaviors on a couple buses. We have a bus rider to help remind these students of our bus expectations and safety. Taking it week by week as needed.

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Thank You

Charity Crannell  
PRB Transportation  
(218)587-2026

Confidentiality Notice: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

Bengtson, Jolene <[jbengtson@prbschools.org](mailto:jbengtson@prbschools.org)>

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## School Board Report

1 message

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**Haman, Camille** <[chaman@prbschools.org](mailto:chaman@prbschools.org)>  
To: Jolene Bengtson <[jbengtson@prbschools.org](mailto:jbengtson@prbschools.org)>

Tue, Oct 28, 2025 at 2:26 PM

### Community Ed & Cub Care

#### Cub Care

- 3 new students starting after school care in November

#### October Highlights

- Successful classes: Wave Serving Board, Ice Dye T-Shirts for adults, and start of Hoop Group for 1st–2nd graders
- Youth wrapped up volleyball, football, and our first-ever Soccer Camp with **71 participants**. Planning to do another session this spring!

#### Upcoming November Classes

- Beginner & Intermediate Crochet
- Homemade Lefse
- Navigating Conflict Around the Holiday Dinner Table Workshop
- Vikings Day Trip (Partnered w/ PLHS)
- Chanhassen Dinner Theater Day Trip (Partnered w/ PLHS)

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### Camille Haman

Community Education Coordinator  
Pine River-Backus Schools  
[chaman@prbschools.org](mailto:chaman@prbschools.org)



**Pine River-Backus**  
PUBLIC SCHOOLS - PINE RIVER, MN

**Director of Buildings and Grounds**  
**James Leuer**

**November 3, 2025**

**School Board Report**

**Mr. Clark and School Board Members,**

**Thank you for the opportunity to provide an update on the latest activities within the Buildings & Grounds Department.**

#### **Staffing**

**Since the start of the school year, our department has experienced ongoing staffing challenges—at times operating short by one or two team members, and occasionally with only two night staff responsible for cleaning the entire building. This is not my preferred way to operate, but some factors are beyond our control. New state employment laws taking effect on January 1st will likely add additional complexity to scheduling and staffing flexibility.**

#### **Department Work and Projects**

**During the MEA break, staff focused on deep cleaning restrooms, locker rooms, and other high-use areas. We also received cabinetry for Elementary School rooms 12 and 44; unfortunately, the manufacturer shipped incorrect units. We are working with the supplier to correct this and expect proper installation the Friday after Thanksgiving.**

**This past week, I began developing an inventory control system, collaborating with several team members to define our needs. The plan is to complete a full inventory during winter break and maintain it using Google Docs for ongoing accuracy and accessibility.**

**We have also ordered a new radio communication system to improve coverage throughout the building and grounds. The new system ensures clear communication in every area of the facility, including outdoors. Although it currently does not connect with bus radios or emergency dispatch, the vendor is exploring a technology bridge that would allow future integration.**

Finally, we are preparing for snow season—servicing and testing all snow-removal equipment to ensure readiness. In addition, I've begun reviewing summer 2026 projects aligned with Capital Levy funds, which are expected to become available in the coming year.

Thank you for your continued support of our Buildings & Grounds team and for recognizing the daily effort it takes to maintain safe, efficient, and welcoming facilities for our students and staff.

Respectfully,  
James Leuer  
Director of Buildings & Grounds



*Pine River-Backus*  
PUBLIC SCHOOLS - PINE RIVER, MN

## November 3rd School Board Report Alternative Learning Program

The ALP continues to be busy. We currently have 45 full-time students and 17 part time students enrolled. We have 14 dual enrolled students from the high school who are enrolled for credit recovery and attend on Tuesdays after school or in the mornings before school. We have a very full schedule.

We are struggling to get past Graduates in the building. The limited hours of availability for the Math and Social Studies teacher is a scheduling challenge. Many of the older students still working on a diploma have a full-time job, so this makes access to teachers with limited schedules difficult. This is also an issue when scheduling part time students from the high school during the day for credit recovery. If students are only here for one hour, it has to be scheduled where the teacher for the course or courses is available, which limits options or forces students to also return after school for credit recovery, which we are finding few of them do.

It has been challenging to meet student needs with the current teacher scheduling, but we are doing our best.

We have Fast Bridge testing for all students and are compiling results to adjust to meet student needs. We are continuing to assess students new to our District who have enrolled in order to determine appropriate instructional levels.

We are working on ideas for a new incentive program to increase student attendance and progress. If you have any questions, please contact me.

Thank you, Sue Peet

(218) 587-8090

[speet@prbschools.org](mailto:speet@prbschools.org)

**October Technology Department Updates:**

1. Football stadium speaker is back from warranty repair. Going to remount and do some testing. Have heard comments that sound has been better out on the field. (Of the 4 speakers, someone fiddled with things and disabled 2 of them, and 1 was non-functioning due to someone turning it up too high and blowing the speaker.)
2. Commons graphics installation is complete. New perforated wrap graphics were added to the Commons' windows and doors to complement the other school graphics. Exterior tinting was added to the emergency exit doors such that they match the exterior windows. The combination of the wrap and tinting accomplishes increased security goals for that area.
3. Currently working replacing classroom number door signs/plaques in the high school. New versions would match what you currently see in the Great Hall
4. Digital off-campus lunch check out/check has been running smoothly in the high school. This requires students that have open lunch or leave for a PSEO class to scan out and back in so we have info about their whereabouts for safety.
5. This week we launched digital check/out of the library for PSEO and online students. This helps us have a correct and updated list of students in the library at any time in case of fire or emergency
6. Next week, we'll launch another station in the HS office for students that arrive late to school. An automatic hall pass printer will generate a hall pass and adjust the student's attendance record accordingly.
7. As a reminder, we'll be going to digital hall passes in the high school classrooms too in the next month.

**Kevin Furst**

Technology Director  
Pine River-Backus Schools  
o | 218.587.8030  
@ | [kfurst@prbschools.org](mailto:kfurst@prbschools.org)



## TEACHING & LEARNING UPDATE 10/6/2025

1. HRS Updates
  - a. Those traveling to San Antonio are:
    - i. Elem - April Rice, Alexis Humphrey, Erik Vetsch
    - ii. HS - Melanie Lindquist, Greg Gentry, Molly Stockman
  - b. Our first Instructional Rounds began today with our Leadership Team members facilitating each discussion.
2. Comprehensive Achievement and Civic Readiness
  - a. [Summary](#)
  - b. [Lifelong Learners](#)
3. Assessment Updates
  - a. Our MN Student Survey Results have been sent to me. They are not available online yet but you can take a look at them [HERE](#) if you are interested.
  - b. NAEP testing is in its planning phases. I can not complete any next steps until December 8th, and must wait for them to choose a testing date for us.
4. Curriculum Updates
  - a. October 23 was a FULL day of ELA work with our High School team. They did a lot of heavy lifting with unpacking and bundling standards.



- b. Benchmark Advance and Wonders Reps were here on October 24th and gave our teachers A LOT to think about. Our next steps are piloting the two curricula and I am in the process of talking with each rep to find out good places in each to have teachers work.



5. READ Act Updates
  - a. Once you see this, I will have completed our first Paraprofessional Structured Literacy Training session. 😊 Session #2 is scheduled for November 6th.
  - b. We have created a Continued Learning Task Force at the elementary to determine topics to bring to staff meetings that will keep our learning from last year fresh and ongoing.
6. Professional Development
  - a. Upcoming - we have a full day of Cultural Competence training happening on December 22nd. Rachel Logan with Sourcewell will be leading this training for us. PELSB has changed requirements for cultural competency relicensure and all teachers must have a minimum of 6 hours to renew their license so we are providing this opportunity in-district.
7. Career Pathways Updates
  - a. Be watching for staff signs to be hung in the HS halls!



*Pine River-Backus*  
PUBLIC SCHOOLS - PINE RIVER, MN

October 29, 2025

School Board Report  
Business Office

2024-2025 Audit Report

The audit team from Clifton Larson Allen will present audited financial data at the November 3<sup>rd</sup> Board Meeting. This report will only be the main district audit. The single audit of Federal funds will be held until the compliance supplement is released. The Department of Education has granted an extension on the single audit but is holding to previously set deadlines on the state portion of district audits.

Capital Project Levy – Facility Planning

Jon, Jim and myself have been working through the planning phase of getting the first round of projects done with our new Capital Project Levy funds. Flooring in the great hall/commons, High School DCD Classroom, High School Gym roof and other projects are being considered.

Should you have any questions, please feel free to contact me at (218) 587-8082 or [jbengtson@prbschools.org](mailto:jbengtson@prbschools.org).

Thank you.

Sincerely,

Jolene Bengtson  
Business Manager

PO Box 610  
401 Murray Ave  
Pine River, MN 56474

*Go Tigers!*  
ISD 2174

P. 218-587-8000  
F. 218-587-4120  
[prbschools.org](http://prbschools.org)

2025-26 SCHOOL YEAR  
ENROLLMENT REPORT

	<u>2024-25</u>	<u>9/1/2025</u>	<u>10/1/2025</u>	<u>11/1/2025</u>	<u>12/1/2025</u>	<u>1/1/2026</u>	<u>2/1/2026</u>	<u>3/1/2026</u>	<u>4/1/2026</u>	<u>5/1/2026</u>	<u>6/1/2026</u>	2025-26 YTD Average
<b>ELEMENTARY:</b>												
Kindergarten	62	57	55	54								55
First	48	57	55	55								56
Second	63	51	53	53								52
Third	58	58	58	58								58
Fourth	57	57	57	57								57
Fifth	78	59	58	57								58
Sixth	50	82	83	81								82
Total Elementary	416	421	419	415	0	0	0	0	0	0	0	418
<b>HIGH SCHOOL:</b>												
Seventh	71	52	51	51								51
Eighth	57	71	71	71								71
Ninth	71	57	56	55								56
Tenth	57	71	71	71								71
Eleventh	61	50	50	49								50
Twelfth	57	59	58	58								58
Total High School	374	360	357	355	0	0	0	0	0	0	0	357
Total w/o FT ALC	790	781	776	770	0	0	0	0	0	0	0	778
<b>ALP: Grade levels based on credits earned, not age</b>												
Ninth	3	0	3	4								2
Tenth	13	0	11	11								7
Eleventh	12	0	12	12								8
Twelfth (includes 12th +)	20	0	16	16								11
Total Full-time ALP	48	0	42	43	0	0	0	0	0	0	0	28
<b>DISTRICT TOTAL</b>	<b>838</b>	<b>781</b>	<b>818</b>	<b>813</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>807</b>
<b><u>PUPIL UNITS:</u></b>												
ECSE	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Kindergarten	62.0	57.0	55.0	54.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	55.3
Elementary 1-3	169.0	166.0	166.0	166.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	166.0
Elementary 4-6	185.0	198.0	198.0	195.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	197.0
Secondary	448.8	432.0	428.4	426.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	428.8
ALP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Pupil Units	880.8	869.0	863.4	857.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	863.1

ADM ALP (full and part-time) is included in last year's data and budget data but the ALC is budgeted based on total average daily membership and attendance. In addition, the full-time ALP is not included in the pupil units section because it would not reflect an accurate picture of the ALP pupil units due to the nature of the program.

# PINE RIVER BACKUS SCHOOLS

## Check Register by Bank and Check

**Check Number: 78323-2147483647    Payment Date: 7/1/2025-10/31/2025    Period: 0-99999999**

Batch	Bank	Pymt No	Check No	Pay Type	Grp	Code	Rcd	Vendor	Print	Recon	Void	Pmt/Void Date	Amount
	CHEC	80002	78323	Check	1	104384		ABBOTT, BECKY	Yes	No	No	10/01/2025	200.00
		80001	78324	Check	1	104225		HIRSCH, MISSY	Yes	No	No	10/01/2025	200.00
		80003	78325	Check	1	105520		HOLLENHORST, BRADLEY	Yes	No	No	10/01/2025	135.00
		80005	78326	Check	1	105981		LARSON-ADAMS, RILEY	Yes	No	No	10/01/2025	200.00
		80000	78327	Check	1	101867		RUNYAN, JIM	Yes	No	No	10/01/2025	125.00
		80006	78328	Check	1	105982		SCHENK, MOLLY	Yes	No	No	10/01/2025	135.00
		80004	78329	Check	1	105819		SOBIECH, JOHN	Yes	No	No	10/01/2025	125.00
		80007	78330	Check	1	105963		SMITH, BRIAN L.	Yes	No	No	10/02/2025	125.00
		80035	78331	Check	1	105556		BECKER, OLIVIA	Yes	No	No	10/08/2025	74.83
		80034	78332	Check	1	105405		BEST OIL COMPANY	Yes	No	No	10/08/2025	8,060.95
		80029	78333	Check	1	104348		BIX PRODUCE CO.	Yes	No	No	10/08/2025	4,282.41
		80031	78334	Check	1	105003		BRAGSTAD, LANCE & ROBYN	Yes	No	No	10/08/2025	38.75
		80013	78335	Check	1	00257		BRAINERD MEDICAL SUPPLY	Yes	No	No	10/08/2025	283.00
		80018	78336	Check	1	10045		BRIDGE OF HARMONY	Yes	No	No	10/08/2025	348.72
		80027	78337	Check	1	103797		BSN SPORTS LLC	Yes	No	No	10/08/2025	135.00
		80025	78338	Check	1	102716		CENEX CREDIT CARD	Yes	No	No	10/08/2025	2,285.43
		80021	78339	Check	1	101604		CENTRAL MCGOWAN, INC - 139156	Yes	No	No	10/08/2025	53.75
		80039	78340	Check	1	105769		COLUMN SOFTWARE PBC	Yes	No	No	10/08/2025	207.91
		80045	78341	Check	1	105968		COORDINATED BUSINESS SYSTEMS	Yes	No	No	10/08/2025	2,525.57
		80044	78342	Check	1	105957		CROCKER, KYLE	Yes	No	No	10/08/2025	146.30
		80049	78343	Check	1	18200		CULLIGAN	Yes	No	No	10/08/2025	276.00
		80014	78344	Check	1	00418		DACOTAH PAPER CO	Yes	No	No	10/08/2025	2,056.94
		80036	78345	Check	1	105573		FIRST	Yes	No	No	10/08/2025	6,300.00
		80050	78346	Check	1	30600		FRESHWATER EDUCATION DISTRICT	Yes	No	No	10/08/2025	608.02
		80051	78347	Check	1	31800		GARDINER HARDWARE	Yes	No	No	10/08/2025	1,076.75
		80033	78348	Check	1	105146		HEALY AWARDS, INC.	Yes	No	No	10/08/2025	103.47
		80052	78349	Check	1	36000		HEARTLAND TIRE SERVICE INC.	Yes	No	No	10/08/2025	825.00
		80041	78350	Check	1	105828		HUGO'S FAMILY MARKET PLACE	Yes	No	No	10/08/2025	736.80
		80015	78351	Check	1	00427		IND SCHOOL DIST #182	Yes	No	No	10/08/2025	175.00
		80053	78352	Check	1	40800		IND SCHOOL DIST #186	Yes	No	No	10/08/2025	150.00
		80026	78353	Check	1	102997		INFINITY ONLINE	Yes	No	No	10/08/2025	3,400.00
		80023	78354	Check	1	102101		INNOVATIVE OFFICE SOLUTIONS	Yes	No	No	10/08/2025	217.31
		80046	78355	Check	1	105971		KELLY SERVICES INC	Yes	No	No	10/08/2025	2,296.43
		80054	78356	Check	1	51950		KEMPS, LLC	Yes	No	No	10/08/2025	5,743.43
		80037	78357	Check	1	105664		KESLER SCIENCE	Yes	No	No	10/08/2025	319.92
		80038	78358	Check	1	105681		LAPOSKY, MELISSA	Yes	No	No	10/08/2025	150.00
		80020	78359	Check	1	100836		LEARNING RESOURCES	Yes	No	No	10/08/2025	174.93
		80042	78360	Check	1	105844		LELWICA, RACHEL	Yes	No	No	10/08/2025	193.95
		80048	78361	Check	1	105984		MAGNAN, NICOLE	Yes	No	No	10/08/2025	230.40

**PINE RIVER BACKUS SCHOOLS**  
**Check Register by Bank and Check**

Check Number: 78323-2147483647 Payment Date: 7/1/2025-10/31/2025 Period: 0-99999999

Batch	Bank	Pymt No	Check No	Pay Type	Grp	Code	Rcd	Vendor	Print	Recon	Void	Pmt/Void Date	Amount
	CHEC	80028	78362	Check	1	104156		MARCHWICK CHIROPRACTIC	Yes	No	No	10/08/2025	100.00
		80024	78363	Check	1	102659		MN DEPT OF LABOR AND INDUSTRY	Yes	No	No	10/08/2025	275.00
		80055	78364	Check	1	62176		NORTHERN PINES MENTAL HEALTH	Yes	No	No	10/08/2025	3,622.00
		80012	78365	Check	1	00195		PEET, SUE	Yes	No	No	10/08/2025	257.23
		80056	78366	Check	1	67575		PINE RIVER AREA SANITARY DIST.	Yes	No	No	10/08/2025	2,832.12
		80032	78367	Check	1	105078		SCHENDEL, ARIANA	Yes	No	No	10/08/2025	35.22
		80017	78368	Check	1	100434		SCHOOL SPECIALTY	Yes	No	No	10/08/2025	720.50
		80022	78369	Check	1	101712		SHETKA, MIKE	Yes	No	No	10/08/2025	193.84
		80030	78370	Check	1	104789		SOURCEWELL	Yes	No	No	10/08/2025	6,200.00
		80040	78371	Check	1	105780		STUDIO WRAPS	Yes	No	No	10/08/2025	3,875.00
		80047	78372	Check	1	105983		THE SENSORY PATH	Yes	No	No	10/08/2025	1,425.00
		80043	78373	Check	1	105870		TRACTOR SUPPLY CREDIT PLAN	Yes	No	No	10/08/2025	189.64
		80016	78374	Check	1	00872		TRAINING ROOM INC	Yes	No	No	10/08/2025	535.38
		80019	78375	Check	1	100701		WASTE PARTNERS	Yes	No	No	10/08/2025	2,495.01
		80057	78376	Check	1	105150		AVIBEN	Yes	No	No	10/09/2025	283.41
		80058	78377	Check	1	105497		BLAKE, LEOLA	Yes	No	No	10/09/2025	135.00
		80059	78378	Check	1	105518		HOLMGREN, BRENDA	Yes	No	No	10/09/2025	135.00
		80064	78379	Check	1	105382		MARZANO RESOURCES LLC	Yes	No	No	10/13/2025	6,072.00
		80066	78380	Check	1	103861		LAWRENCE, THOMAS C.	Yes	No	No	10/13/2025	125.00
		80067	78381	Check	1	104277		POEGEL, MARVIN L. JR.	Yes	No	No	10/13/2025	125.00
		80068	78383	Check	1	105963		SMITH, BRIAN L.	Yes	No	No	10/13/2025	125.00
		80076	78384	Check	1	02080		AFLAC	Yes	No	No	10/15/2025	100.00
		80077	78385	Check	1	105549		MetLife	Yes	No	No	10/15/2025	1,499.41
		80078	78386	Check	1	68350		PINE RIVER-BACKUS	Yes	No	No	10/15/2025	4,656.08
		80079	78387	Check	1	77300		SCHOOL SERVICE EMPLOYEES	Yes	No	No	10/15/2025	1,242.98
		80083	78388	Check	1	105512		BROCKPAHLER, ALEX	Yes	No	No	10/15/2025	150.00
		80080	78389	Check	1	100971		ESALA, GREG	Yes	No	No	10/15/2025	222.00
		80082	78390	Check	1	105318		KOSTYNICK, JOHN	Yes	No	No	10/15/2025	150.00
		80081	78391	Check	1	105317		TUMBERG, KEVIN	Yes	No	No	10/15/2025	150.00
		80084	78392	Check	1	105839		WENIGER, LUKE	Yes	No	No	10/15/2025	150.00
		80114	78393	Check	1	105985		AED SUPERSTORE	Yes	No	No	10/16/2025	2,856.00
		80106	78394	Check	1	105683		ALL STATE COMMUNICATIONS LLC	Yes	No	No	10/16/2025	700.00
		80095	78395	Check	1	103613		BRETH-ZENZEN FIRE PROTECTION I	Yes	No	No	10/16/2025	625.00
		80086	78396	Check	1	01119		CLIMATE MAKERS	Yes	No	No	10/16/2025	6,071.36
		80119	78397	Check	1	105990		COMPTON, KELSI	Yes	No	No	10/16/2025	198.50
		80100	78398	Check	1	104342		DIEDERICH, CAMMEY	Yes	No	No	10/16/2025	64.30
		80120	78399	Check	1	105991		EPIC SPORTS	Yes	No	No	10/16/2025	782.45
		80105	78400	Check	1	105622		GENTRY, GREG	Yes	No	No	10/16/2025	53.41
		80094	78401	Check	1	103397		GLS PROMOTIONS	Yes	No	No	10/16/2025	628.45

**PINE RIVER BACKUS SCHOOLS**  
**Check Register by Bank and Check**

Check Number: 78323-2147483647 Payment Date: 7/1/2025-10/31/2025 Period: 0-99999999

Batch	Bank	Pymt No	Check No	Pay Type	Grp	Code	Rcd	Vendor	Print	Recon	Void	Pmt/Void Date	Amount
	CHEC	80093	78402	Check	1	102806		HANDYMANS HARDWARE	Yes	No	No	10/16/2025	143.92
		80121	78403	Check	1	37650		HILLYARD/HUTCHINSON	Yes	No	No	10/16/2025	4,783.72
		80101	78404	Check	1	104441		HOFFARTH, MOLLY	Yes	No	No	10/16/2025	24.12
		80092	78405	Check	1	102101		INNOVATIVE OFFICE SOLUTIONS	Yes	No	No	10/16/2025	222.66
		80115	78406	Check	1	105986		INTEGROW	Yes	No	No	10/16/2025	141.35
		80122	78407	Check	1	44820		K & K BUILDING SUPPLY, INC.	Yes	No	No	10/16/2025	637.20
		80112	78408	Check	1	105971		KELLY SERVICES INC	Yes	No	No	10/16/2025	2,935.69
		80099	78409	Check	1	104222		KINSER, BEN	Yes	No	No	10/16/2025	805.30
		80088	78411	Check	1	100595		LAKES COUNTRY SERVICE COOP	Yes	No	No	10/16/2025	117.54
		80123	78412	Check	1	46875		LAKESHORE	Yes	No	No	10/16/2025	108.17
		80091	78413	Check	1	101855		MENARDS	Yes	No	No	10/16/2025	1,243.81
		80124	78414	Check	1	56850		MINNESOTA UI FUND	Yes	No	No	10/16/2025	58,612.83
		80110	78415	Check	1	105843		MOSQUITO SQUAD OF NORTH CENT	Yes	No	No	10/16/2025	269.00
		80109	78416	Check	1	105841		MRI SOFTWARE LLC	Yes	No	No	10/16/2025	85.00
		80111	78417	Check	1	105958		NEW DOMINION SCHOOL	Yes	No	No	10/16/2025	7,357.60
		80103	78418	Check	1	104667		NMRC	Yes	No	No	10/16/2025	170.00
		80107	78419	Check	1	105695		NORTH CENTRAL BUS & EQUIPMEN	Yes	No	No	10/16/2025	1,950.49
		80097	78420	Check	1	104077		OFFICE SUPPLY. COM	Yes	No	No	10/16/2025	165.61
		80087	78421	Check	1	100459		PAN-O-GOLD BAKING CO	Yes	No	No	10/16/2025	871.44
		80113	78422	Check	1	105980		PERFORMANCE FOODSERVICE - TW	Yes	No	No	10/16/2025	321.97
		80104	78423	Check	1	105107		R & J BROADCASTING, INC.	Yes	No	No	10/16/2025	2,990.00
		80096	78424	Check	1	103851		RASINSKI TOTAL DOOR SERVICE LL	Yes	No	No	10/16/2025	4,063.28
		80118	78425	Check	1	105989		READY, RACHEL	Yes	No	No	10/16/2025	531.92
		80090	78426	Check	1	101729		REICHERT BUS SERVICE	Yes	No	No	10/16/2025	3,160.50
		80116	78427	Check	1	105987		SANTA BARBARA MUSIC PUBLISHING	Yes	No	No	10/16/2025	400.00
		80098	78428	Check	1	104135		TEE HIVE	Yes	No	No	10/16/2025	216.00
		80117	78429	Check	1	105988		THOMPSON, JENNA	Yes	No	No	10/16/2025	398.94
		80102	78430	Check	1	104658		VARGO, ERIN	Yes	No	No	10/16/2025	65.56
		80089	78431	Check	1	101131		WILLIAM V MACGILL & CO	Yes	No	No	10/16/2025	159.85
		80125	78432	Check	1	104077		OFFICE SUPPLY. COM	Yes	No	No	10/16/2025	119.43
		80126	78433	Check	1	104817		Minnesota Life Insurance Company	Yes	No	No	10/17/2025	905.73
		80128	78434	Check	1	105368		COLONIAL LIFE	Yes	No	No	10/20/2025	3,883.99
		80127	78435	Check	1	03175		NATIONAL INSURANCE SERVICES	Yes	No	No	10/20/2025	739.95
		80158	78436	Check	1	105871		AITKIN QUARTERBACKS BASKETBAL	Yes	No	No	10/24/2025	700.00
		80144	78437	Check	1	103794		ANDERSON, ALEXIS	Yes	No	No	10/24/2025	44.42
		80153	78438	Check	1	105531		ANDRUS, CHLOE	Yes	No	No	10/24/2025	80.00
		80148	78439	Check	1	103994		AULIE, RICK	Yes	No	No	10/24/2025	55.00
		80165	78440	Check	1	105997		BRAVES BOYS HOOPS	Yes	No	No	10/24/2025	500.00
		80133	78441	Check	1	00893		CRAGUNS CONFERENCE CENTER	Yes	No	No	10/24/2025	278.02

**PINE RIVER BACKUS SCHOOLS**  
**Check Register by Bank and Check**

Check Number: 78323-2147483647 Payment Date: 7/1/2025-10/31/2025 Period: 0-99999999

Batch	Bank	Pymt No	Check No	Pay Type	Grp	Code	Rcd	Vendor	Print	Recon	Void	Pmt/Void Date	Amount
	CHEC	80147	78442	Check	1	103992		CRANNELL, CHARITY	Yes	No	No	10/24/2025	89.71
		80160	78443	Check	1	105992		DAHL, ALAURA	Yes	No	No	10/24/2025	80.00
		80161	78444	Check	1	105993		DIERS, ALAN	Yes	No	No	10/24/2025	120.00
		80139	78446	Check	1	101770		ERICKSON, AMY	Yes	No	No	10/24/2025	384.00
		80143	78447	Check	1	103668		ESSENTIA HEALTH	Yes	No	No	10/24/2025	96.00
		80166	78448	Check	1	105998		FRAZEE FASTBREAK CLUB	Yes	No	No	10/24/2025	600.00
		80162	78449	Check	1	105994		FREEMAN, BRYLEE	Yes	No	No	10/24/2025	150.00
		80150	78450	Check	1	104435		FREEMAN, LEAH	Yes	No	No	10/24/2025	64.30
		80142	78451	Check	1	103228		HERDEY, DALE	Yes	No	No	10/24/2025	440.00
		80168	78452	Check	1	37650		HILLYARD/HUTCHINSON	Yes	No	No	10/24/2025	1,710.81
		80157	78453	Check	1	105837		HIRSCHEY, EMMA	Yes	No	No	10/24/2025	500.00
		80146	78454	Check	1	103966		IEA INC	Yes	No	No	10/24/2025	16,190.33
		80131	78455	Check	1	00553		IND SCHOOL DIST #116	Yes	No	No	10/24/2025	600.00
		80130	78456	Check	1	00421		IND SCHOOL DIST #2170	Yes	No	No	10/24/2025	600.00
		80132	78457	Check	1	00650		IND SCHOOL DIST #32	Yes	No	No	10/24/2025	800.00
		80141	78458	Check	1	102101		INNOVATIVE OFFICE SOLUTIONS	Yes	No	No	10/24/2025	212.15
		80138	78459	Check	1	101369		INTERQUEST DETECTION CANINES	Yes	No	No	10/24/2025	340.00
		80159	78460	Check	1	105971		KELLY SERVICES INC	Yes	No	No	10/24/2025	3,539.51
		80156	78461	Check	1	105818		KRALOVETZ, KIERSTEN	Yes	No	No	10/24/2025	24.95
		80134	78462	Check	1	01075		LAKES AREA MAT RATS	Yes	No	No	10/24/2025	400.00
		80137	78463	Check	1	100595		LAKES COUNTRY SERVICE COOP	Yes	No	No	10/24/2025	210.00
		80149	78464	Check	1	104156		MARCHWICK CHIROPRACTIC	Yes	No	No	10/24/2025	100.00
		80152	78465	Check	1	104890		NEE MINNESOTA PROJECTS LLC	Yes	No	No	10/24/2025	6,243.43
		80154	78466	Check	1	105535		NORMAN, BRENT	Yes	No	No	10/24/2025	120.00
		80140	78467	Check	1	102067		NORMAN, ERICA	Yes	No	No	10/24/2025	82.80
		80169	78468	Check	1	62855		NORTH PINE RIVER TIRE SERVICE	Yes	No	No	10/24/2025	474.62
		80145	78469	Check	1	103854		NORTHSTAR CABINETS	Yes	No	No	10/24/2025	20,150.00
		80170	78470	Check	1	69635		POPPLERS MUSIC STORE	Yes	No	No	10/24/2025	45.00
		80163	78471	Check	1	105995		RONO, LORALI	Yes	No	No	10/24/2025	35.00
		80151	78472	Check	1	104682		SCENARIO LEARNING LLC	Yes	No	No	10/24/2025	1,697.78
		80136	78473	Check	1	100434		SCHOOL SPECIALTY	Yes	No	No	10/24/2025	186.29
		80135	78474	Check	1	04800		TDS TELECOM	Yes	No	No	10/24/2025	5,017.14
		80155	78475	Check	1	105536		TRAUTMAN, CURTIS	Yes	No	No	10/24/2025	120.00
		80164	78476	Check	1	105996		ZUBKE, EMMA	Yes	No	No	10/24/2025	35.00
		80172	78477	Check	1	105769		COLUMN SOFTWARE PBC	Yes	No	No	10/24/2025	230.44
		80191	78478	Check	1	59100		AUTO VALUE PARTS STORE	Yes	No	No	10/29/2025	51.36
		80184	78479	Check	1	105556		BECKER, OLIVIA	Yes	No	No	10/29/2025	439.31
		80179	78480	Check	1	103797		BSN SPORTS LLC	Yes	No	No	10/29/2025	2,213.26
		80190	78481	Check	1	13500		CENTRAL MINNESOTA ERDC	Yes	No	No	10/29/2025	4,458.38

**PINE RIVER BACKUS SCHOOLS**  
**Check Register by Bank and Check**

Check Number: 78323-2147483647 Payment Date: 7/1/2025-10/31/2025 Period: 0-99999999

Batch	Bank	Pymt No	Check No	Pay Type	Grp	Code	Rcd	Vendor	Print	Recon	Void	Pmt/Void Date	Amount
	CHEC	80187	78482	Check	1	105968		COORDINATED BUSINESS SYSTEMS	Yes	No	No	10/29/2025	90.00
		80173	78483	Check	1	00418		DACOTAH PAPER CO	Yes	No	No	10/29/2025	64.16
		80175	78484	Check	1	100195		DAY'S SANITARY SEWER SVC	Yes	No	No	10/29/2025	372.00
		80183	78485	Check	1	105291		GIPPER MEDIA, INC.	Yes	No	No	10/29/2025	1,500.00
		80180	78486	Check	1	104156		MARCHWICK CHIROPRACTIC	Yes	No	No	10/29/2025	100.00
		80176	78487	Check	1	101855		MENARDS	Yes	No	No	10/29/2025	119.30
		80181	78488	Check	1	104376		NORMAN, RANDI	Yes	No	No	10/29/2025	119.63
		80192	78489	Check	1	62855		NORTH PINE RIVER TIRE SERVICE	Yes	No	No	10/29/2025	130.00
		80189	78490	Check	1	105999		OSTENDORF, MEGAN	Yes	No	No	10/29/2025	524.78
		80177	78491	Check	1	102809		PINE RIVER BAKERY	Yes	No	No	10/29/2025	60.00
		80182	78492	Check	1	104789		SOURCEWELL	Yes	No	No	10/29/2025	613.00
		80185	78493	Check	1	105780		STUDIO WRAPS	Yes	No	No	10/29/2025	3,875.00
		80178	78494	Check	1	103628		VERIZON WIRELESS	Yes	No	No	10/29/2025	49.56
		80186	78495	Check	1	105847		VERSATILE VEHICLES, INC.	Yes	No	No	10/29/2025	600.00
		80188	78496	Check	1	105978		WALTON, ELIZABETH	Yes	No	No	10/29/2025	50.63
		80174	78497	Check	1	00566		XCEL ENERGY	Yes	No	No	10/29/2025	2,075.02
Bank Total: CHEC												\$274,232.92	
Report Total:												\$274,232.92	

**PINE RIVER-BACKUS SCHOOLS**

Investment Report

November 3, 2025

**Investments in Local Banks**

							<u>Accrued Interest</u>
Pine River State Bank	Pine River, MN	10/11/2025	10/11/2026	12	\$	274,889.35	2.00% \$ 74,889.35
First National Bank of Walker	Backus, MN	7/18/2025	2/18/2025	7	\$	112,170.96	4.10% \$ 13,170.96
						<u>\$ 387,060.31</u>	

**MN School District Liquid Asset Fund**

<u>Name of Account / Bank</u>	<u>Orig Date</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Percent</u>	<u>Interest To Date</u>
MSDLAF Max & Liquid Class	NA	NA	5,003,257.95	Blended	NA
<i>Total MSDLAF</i>			<u>\$ 5,003,257.95</u>		
			<u>\$ -</u>		

**Scholarship Funds**

<u>Name of Fund</u>	<u>Maturity Date</u>	<u>Term</u>	<u>Amount</u>	<u>Percent</u>
Good Citizen Scholarship Savings Acct			289.27	0.15%
Marshall Scholarship CD	11/23/2026	13	28,894.51	4.06%
Marshall Savings			5,262.27	0.15%
Alfred Weise Scholarship CD	11/23/2026	13	2,290.13	4.06%
Alfred Weise Scholarship Savings			1,520.74	0.15%
Fillings (Reighard) Scholarship CD	11/23/2026	13	6,996.43	4.06%
Fillings (Reighard) Scholarship Savings Acct			569.44	0.15%
Evelyn W. Berg Savings			5,154.26	0.15%
Sheila Joan Anderson Savings Acct			2,436.53	0.15%
Dennis Heemstra Scholarship CD - FNB	2/18/2026	7	128,990.84	4.10%
Dennis Heemstra Scholarship CD - FNB	2/18/2026	7	113,710.84	4.10%
Dennis Heemstra Scholarship Savings - PRSB			27,241.52	0.50%
PR-B Scholarship CD	10/11/2026	12	11,580.94	2.00%
PR-B Scholarship Savings Acct			42,244.63	0.65%
Evan Lindquist Memorial Scholarship CD	11/23/2026	13	28,002.82	4.06%
Evan Lindquist Memorial Scholarship Savings			4,497.19	0.15%
Earl & Violet Fenton CD	11/23/2026	13	3,229.12	4.06%
Earl & Violet Fenton Savings Acct			506.95	0.15%
<i>Total Pine River State Bank / First National Bank Walker</i>			<u>\$ 413,418.43</u>	

**TOTAL INVESTMENTS**

\$ 5,803,736.69

**Notes & Changes from prior report:**

*Balances updated per bank statements - PRSB CDs, MSDLAF, QZAB and Scholarships  
 New terms for scholarship CD's - 4.06% with maturity dates of 11/23/2026.  
 Funds moved CD to savings on scholarship accounts with payments coming due in March 2026.*

**PINE RIVER BACKUS SCHOOLS**  
**Multi Year Fd, Obj Series**

Sequence: Fd, O/S	Description	202404			202504			202604		
		Budget rbud24	Year to Date	%	Budget rbud25	Year to Date	%	Budget pbud26	Year to Date	%
01	General Fund									
	100 Salaries & Wages	7,269,495.00	1,362,223.39	19%	7,198,548.00	1,403,384.27	19%	7,125,189.00	1,441,388.81	20%
	200 Employee Benefits	1,991,357.00	441,400.67	22%	2,087,781.00	527,558.53	25%	2,216,808.00	576,460.00	26%
	300 Purchased Services	1,509,542.00	383,704.01	25%	1,573,042.00	386,152.43	25%	1,536,406.00	349,200.62	23%
	400 Supplies & Materials	468,415.00	207,984.25	44%	466,515.00	166,423.11	36%	486,150.00	163,233.65	34%
	500 Capital Expenditures	0.00	14,195.99	0%	0.00	0.00	0%	0.00	5,057.94	0%
	800 Other Expenditures	24,565.00	18,413.20	75%	25,493.00	25,986.50	102%	25,493.00	23,864.00	94%
	900 Other Financing Uses	110,000.00	0.00	0%	110,000.00	0.00	0%	110,000.00	0.00	0%
01	General Fund	11,373,374.00	2,427,921.51	21%	11,461,379.00	2,509,504.84	22%	11,500,046.00	2,559,205.02	22%
02	Food Service Fund									
	100 Salaries & Wages	214,847.00	41,605.26	19%	207,993.00	40,299.23	19%	220,683.00	45,890.43	21%
	200 Employee Benefits	60,549.00	13,072.06	22%	54,252.00	13,061.73	24%	55,804.00	14,341.51	26%
	300 Purchased Services	21,645.00	6,504.99	30%	19,645.00	5,357.59	27%	19,645.00	2,517.63	13%
	400 Supplies & Materials	360,300.00	67,500.94	19%	345,700.00	61,470.91	18%	345,700.00	64,717.96	19%
	500 Capital Expenditures	70,000.00	16,593.72	24%	20,000.00	8,635.77	43%	20,000.00	0.00	0%
	800 Other Expenditures	2,500.00	2,292.90	92%	2,500.00	2,286.30	91%	2,500.00	3,631.54	145%
02	Food Service Fund	729,841.00	147,569.87	20%	650,090.00	131,111.53	20%	664,332.00	131,099.07	20%
03	Transportation Fund									
	100 Salaries & Wages	469,564.00	82,859.62	18%	515,110.00	89,032.93	17%	515,110.00	94,681.66	18%
	200 Employee Benefits	84,290.00	17,939.10	21%	90,701.00	24,143.72	27%	91,762.00	24,628.51	27%
	300 Purchased Services	21,738.00	36,908.38	170%	15,905.00	32,944.09	207%	19,658.00	31,868.98	162%
	400 Supplies & Materials	186,000.00	22,575.63	12%	186,000.00	21,259.41	11%	186,000.00	23,953.40	13%
	500 Capital Expenditures	130,000.00	77,125.00	59%	161,639.00	0.00	0%	175,000.00	143,294.74	82%
	800 Other Expenditures	5,150.00	5,150.00	100%	5,209.00	5,209.25	100%	5,209.00	5,150.00	99%
03	Transportation Fund	896,742.00	242,557.73	27%	974,564.00	172,589.40	18%	992,739.00	323,577.29	33%
04	Community Service									
	100 Salaries & Wages	291,323.00	49,525.37	17%	270,597.00	46,060.22	17%	271,033.00	54,893.92	20%
	200 Employee Benefits	93,307.00	18,915.34	20%	102,119.00	24,369.32	24%	90,305.00	19,997.45	22%
	300 Purchased Services	51,385.00	6,501.36	13%	80,662.00	18,531.22	23%	80,662.00	24,235.31	30%
	400 Supplies & Materials	13,100.00	3,869.52	30%	12,100.00	5,019.07	41%	12,100.00	6,192.43	51%

## PINE RIVER BACKUS SCHOOLS Multi Year Fd, Obj Series

Sequence: Fd, O/S	202404			202504			202604		
Description	Budget rbud24	Year to Date	%	Budget rbud25	Year to Date	%	Budget pbud26	Year to Date	%
04 Community Service									
800 Other Expenditures	700.00	0.00	0%	1,935.00	0.00	0%	1,935.00	0.00	0%
<b>04 Community Service</b>	<b>449,815.00</b>	<b>78,811.59</b>	<b>18%</b>	<b>467,413.00</b>	<b>93,979.83</b>	<b>20%</b>	<b>456,035.00</b>	<b>105,319.11</b>	<b>23%</b>
05 Capital Expenditure									
300 Purchased Services	488,180.00	257,895.63	53%	84,830.00	53,535.19	63%	86,220.00	61,670.91	72%
400 Supplies & Materials	79,100.00	2,280.99	3%	80,100.00	22,182.11	28%	80,100.00	2,080.90	3%
500 Capital Expenditures	1,392,383.00	1,014,061.05	73%	324,326.00	299,740.05	92%	212,239.00	123,886.87	58%
<b>05 Capital Expenditure</b>	<b>1,959,663.00</b>	<b>1,274,237.67</b>	<b>65%</b>	<b>489,256.00</b>	<b>375,457.35</b>	<b>77%</b>	<b>378,559.00</b>	<b>187,638.68</b>	<b>50%</b>
07 Debt Redemption Fund									
700 Debt Service	531,801.00	94,663.09	18%	1,431,226.00	88,905.54	6%	492,105.00	35,277.50	7%
<b>07 Debt Redemption Fund</b>	<b>531,801.00</b>	<b>94,663.09</b>	<b>18%</b>	<b>1,431,226.00</b>	<b>88,905.54</b>	<b>6%</b>	<b>492,105.00</b>	<b>35,277.50</b>	<b>7%</b>
08 Scholarship									
800 Other Expenditures	73,800.00	3,000.00	4%	64,450.00	0.00	0%	64,350.00	0.00	0%
<b>08 Scholarship</b>	<b>73,800.00</b>	<b>3,000.00</b>	<b>4%</b>	<b>64,450.00</b>	<b>0.00</b>	<b>0%</b>	<b>64,350.00</b>	<b>0.00</b>	<b>0%</b>
20 Student Activity Fund									
400 Supplies & Materials	151,898.71	14,953.53	10%	172,277.84	22,730.01	13%	145,641.75	24,183.73	17%
<b>20 Student Activity Fund</b>	<b>151,898.71</b>	<b>14,953.53</b>	<b>10%</b>	<b>172,277.84</b>	<b>22,730.01</b>	<b>13%</b>	<b>145,641.75</b>	<b>24,183.73</b>	<b>17%</b>
<b>Report Totals:</b>	<b>16,166,934.71</b>	<b>4,283,714.99</b>	<b>26%</b>	<b>15,710,655.84</b>	<b>3,394,278.50</b>	<b>22%</b>	<b>14,693,807.75</b>	<b>3,366,300.40</b>	<b>23%</b>

# PINE RIVER BACKUS SCHOOLS

## Payment Reg by Bank and Check

Bank	Batch	Pmt No	Check No	Pay Type	Grp Code	Rcd	Vendor	Tax Class	Print	Recon	Void	Pay/Void		Amount
												Date		
CHEC		79999		Wire	1	105548	FIDELITY SECURITY LIFE INSURANCE		No	No	No	10/01/2025		181.24
CHEC		80008		Wire	1	104651	PEPSI BEVERAGES COMPANY		No	No	No	10/02/2025		3,552.52
CHEC		80009		Wire	1	104109	SYSCO WESTERN MINNESOTA		No	No	No	10/07/2025		25,478.08
CHEC		80010		Wire	1	104109	SYSCO WESTERN MINNESOTA		No	No	No	10/07/2025		312.35
CHEC		80011		Wire	1	105712	ELAN FINANCIAL SERVICES		No	No	No	10/08/2025		5,478.52
CHEC		80060		Wire	1	102302	PUBLIC EMPLOYEE RETIRE ASSOC		No	No	No	10/10/2025		1,362.28
CHEC		80061		Wire	1	102303	STATE OF MN TAX WITHHOLDING		No	No	No	10/10/2025		137.00
CHEC		80062		Wire	1	102304	US GOVT TAX WITHHOLDING		No	No	No	10/10/2025		1,981.58
CHEC		80063		Wire	1	83400	MN TEACHERS RETIREMENT ASSOC		No	No	No	10/10/2025		330.74
CHEC		80069		Wire	1	102302	PUBLIC EMPLOYEE RETIRE ASSOC		No	No	No	10/15/2025		30,069.61
CHEC		80070		Wire	1	102303	STATE OF MN TAX WITHHOLDING		No	No	No	10/15/2025		24,126.24
CHEC		80071		Wire	1	102304	US GOVT TAX WITHHOLDING		No	No	No	10/15/2025		151,169.30
CHEC		80072		Wire	1	104996	Minnesota State Retirement System		No	No	No	10/15/2025		550.00
CHEC		80073		Wire	1	105150	AVIBEN		No	No	No	10/15/2025		15,457.80
CHEC		80074		Wire	1	105867	Health Equity		No	No	No	10/15/2025		7,493.09
CHEC		80075		Wire	1	83400	MN TEACHERS RETIREMENT ASSOC		No	No	No	10/15/2025		87,341.51
CHEC		80085		Wire	1	102304	US GOVT TAX WITHHOLDING		No	No	No	10/16/2025		15.30
CHEC		80171		Wire	1	105867	Health Equity		No	No	No	10/24/2025		258.53

Bank Total: \$355,295.69

Report Total: \$355,295.69

**FEDERAL FUNDS UPDATE - Allocation, Budget, Spending 10/6/2025**

**FEDERAL TITLE FUNDS:**

State Fiscal Year	Finance Code	Description	Funds Available	Funds Budgeted	Balance Unbudgeted	YTD SPENT 2025-2026	Carry Forward to FY2027	Application Status	Budget Status	Proposed Use of Funds
2026	401	Formula - 401 - SFY 2026, Title I, Part A: Improving the Academic Achievement of the Disadvantaged	\$310,903.79	\$272,243.91	\$38,659.88	\$0.00	\$272,243.91	Application Submitted 6/30/2025	Revised Application Approved 10/10/2025	3.0 fte Title I Teachers - Elementary
										\$154,534.11 Title I Salary
										\$99,145.00 Title I Benefits
										\$9,600.00 Title I Fees for Services
										\$3,365.27 Title I Supplies/Materials
										\$5,599.53 Title I Indirect Admin Costs
2026	414	Formula - 414 - SFY 2026, Title II, Part A: Teacher and Principal Training and Recruitment	\$40,785.14	\$59,470.56	\$0.00	\$0.00	\$59,470.56	Application Submitted 8/25/2025	Application Approved 10/10/2025	0.4 FTE Director of Teaching & Learning as Professional Development
										\$47,499.56 Title I Salary
										\$11,971.00 Title I Benefits
2026	433	Formula - 433 - SFY 2026, Title IV, Part A, Student Support and Academic Enrichment	\$18,685.42	\$0.00	\$0.00	\$0.00	\$0.00	No Application Needed	N/A	All Title IV Funds transferred to Title II (414). No FY2026 application in Title IV.
<b>FEDERAL TITLE FUNDS TOTAL</b>			<b>\$370,374.35</b>	<b>\$331,714.47</b>	<b>\$38,659.88</b>	<b>\$0.00</b>	<b>\$331,714.47</b>			

## Resolution Accepting Monetary Awards and Donations

Be it resolved by the School Board of Independent School District No 2174 that we hereby acknowledge and accept the following monetary awards and donations received in October 2025:

<u>Name</u>	<u>Amount</u>	<u>Purpose</u>
Pine River American Legion	\$100.00	ALP Rewards Program
United HealthGroup Giving Fund	\$265.00	Volleyball Program
Gardiner Family Gift Fund	\$10,000.00	General Education
Drew Zart Construction	\$250.00	JH Volleyball Trip
John and Thelma Rife	\$50.00	Elementary Art

**ISD #2174**  
**Regular School Board Meeting**  
**November 3, 2025**

**PERSONNEL UPDATES**

**Resignations/Terminations**

<b>Name</b>	<b>Position</b>	<b>Effective</b>	<b>Notes</b>
John Edelman	Route Bus Driver	11/7/2025	
Lisa Dabrowski	Cook	12/31/2025	Lisa has been with PRB for 25 years.

**Hire:**

<b>Name</b>	<b>Position</b>	<b>Effective</b>	<b>Notes</b>
Julian Kitchenhoff	Route Bus Driver	11/5/2025	Julian will be assigned to the route vacated by John Edelman's resignation (see above).

**Extra-Curricular:**

<b>Name</b>	<b>Position</b>	<b>Effective</b>	<b>Notes</b>
Greg Gentry	Senior High Knowledge Bowl Advisor	2025-26 Season	
Melanie Lindquist	Junior High Knowledge Bowl Advisor	2025-26 Season	
Mike Shetka	Robotics Coach	2025 Fall Season	
Andrew Rudlang	Robotics Coach	2025 Fall Season	
Micah Eveland	Varsity Boys Basketball Coach	2025-26 Season	
Gene Hamilton	Asst Boys Basketball Coach	2025-26 Season	
Henry Krecklau	Asst Boys Basketball Coach	2025-26 Season	
John Bueckers	Jr High Boys Basketball Coach	2025-26 Season	
Tucker Sheley	Varsity Girls Basketball Coach	2025-26 Season	
Jennifer Travis	Asst Girls Basketball Coach	2025-26 Season	
Justin Burnard	Jr High Girls Basketball Coach	2025-26 Season	
Justin Franke	Varsity Wrestling Coach	2025-26 Season	
Tom Demars	Asst Wrestling Coach	2025-26 Season	
Alex Diaz	Asst Wrestling Coach	2025-26 Season	
Jon Rowell	Asst Wrestling Coach	2025-26 Season	
Kevin O'Brien	Jr High Wrestling Coach	2025-26 Season	
Karen Goodenough	Cheerleading Coach	2025-26 Boys Basketball Season	
Courtney Benson	Speech Coach	2025-26 Season	
Katie Verschelde	Prom Advisor	2026 Event	

Jonathan Clark, Superintendent  
Chris Halverson, High School Principal  
Josh Langseth, Elementary Principal  
Sue Peet, ALC Director  
Charity Crannell Transportation Director  
Kevin Furst, Technology Director

# PINE RIVER-BACKUS SCHOOLS ISD 2174

Joell Tvedt, Community Ed Director  
Jolene Bengtson, Business Manager  
Cindy Felthous, Human Resources  
Jill Blanchard, Food Service Director  
Jim Leuer, Bldgs & Grounds Director  
Kyle Crocker, Activities Director



## Pine River-Backus Schools

### Eligibility Checks

**Students participating in extra-curricular activities** will have their grades monitored **every two weeks** while in-season, using dates established by administration.

On the **Monday (or first day of the school week)** following a two-week grade check, students will be notified if they have an **F in any class**.

Students who have an F at any two-week grade cutoff will be placed on **two weeks of probation**.

---

### Probation Period

The probation period serves as a warning to students that they will become ineligible if they do not improve their grades.

While on probation, students remain **fully eligible** to participate in their extra-curricular activities.

Students on probation will have **until the following grade check (Two Weeks)** to improve all grades to a passing level.

If a student does not improve their grades by the time of the **next grade check**, that student becomes **academically ineligible**.

To regain eligibility, the student, **Coach and AD** must receive **written notification from each of their teachers** indicating that the student is **passing their class or in good standing**.

---

### Ineligibility Guidelines

- Ineligible students **may practice** but **cannot participate** in events.
  - Ineligible students **may not miss any part of the school day** to attend an athletic event in which they are academically ineligible to participate.
-

Jonathan Clark, Superintendent  
Chris Halverson, High School Principal  
Josh Langseth, Elementary Principal  
Sue Peet, ALC Director  
Charity Crannell Transportation Director  
Kevin Furst, Technology Director

# PINE RIVER-BACKUS SCHOOLS ISD 2174

Joell Tvedt, Community Ed Director  
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Jill Blanchard, Food Service Director  
Jim Leuer, Bldgs & Grounds Director  
Kyle Crocker, Activities Director



## Quarter and Semester Eligibility

Any student-athlete who has **two or more Fs** at the end of a quarter will be ineligible for **two events or two weeks (whichever is greater)** of their current or upcoming activity.

*(Note: Semester grades will be used for eligibility purposes at the end of the 2nd and 4th quarters.)*

If a student makes up the credit from failed classes through **summer school or ALP opportunities**, they will **regain eligibility**.

Teachers have **48 hours** from the time a student's work is submitted to post any grade that may change the student's eligibility status.

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## IEP/504 Student-Athlete Policy

The school district will provide students with disabilities an **equal opportunity** to participate in its existing extracurricular athletic programs.

The district will make an individualized inquiry to determine if reasonable **modifications, aids, or services** can be provided to allow a student with a disability to take part in the activity.

Students with IEPs or 504 Plans are **not subject to the "pass all" rule**.

A student may not be denied eligibility based on grades if they are making **adequate progress**, as determined by school officials, toward the goals and objectives in their IEP or 504 Plan.

*(All students on an IEP or 504 Plan will be monitored individually by administration, the athletic director, and the IEP/504 case manager to ensure they are making progress toward graduation — MSHSL.)*

---

## Eligibility Review Committee

The **Athletic Director** will convene a committee if there are any difficult or questionable eligibility decisions regarding a student.

This committee may include the **Activities Director, Coach, Teacher, Dean of Students, Principal**, and the **IEP/504 case manager**.

MASTER AGREEMENT

between

INDEPENDENT SCHOOL DISTRICT NO. 2174

and the

SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL #284

JULY 1, 2025 – JUNE 30, 2027

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Article I  
Purpose

This Agreement is entered into between Independent School District 2174, Pine River-Backus, Minnesota, hereinafter referred to as the District or the School District, and the Service Employees International Union, Local 284, hereinafter referred to as the exclusive representative, pursuant to and in compliance with the Public Employment Labor Relations Act of 1971, as amended, hereinafter referred to as the PELRA, to provide the terms and conditions of employment for all employees of the School District who are support staff and whose employment service exceeds the lesser of fourteen (14) hours per week or 35% of the normal work week in the appropriate unit and more than sixty-seven (67) days per year excluding the following: confidential employees, supervisory employees, and such other employees excluded by law. For purposes of this Agreement, the term, "appropriate unit," shall include all support staff employees in classifications of custodian, maintenance, administrative assistant, paraprofessional and behavior management specialist.

Article II  
Recognition of Exclusive Representative

Section 1. Recognition: In accordance with the PELRA, the School District recognizes Service Employees International Union, Local 284 as the exclusive representative for all employees of the District and are so recognized in Article I.

Section 2. Exclusive Representative: The exclusive representative shall represent all employees of the District contained in the appropriate unit as defined in Article I of the Agreement until such time as it shall lose an election held pursuant to the PELRA or until it shall be decertified by a court of competent jurisdiction or by the Commissioner of the Minnesota Bureau of Mediation Services (BMS) as authorized by the PELRA.

Article III  
Definitions

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

Section 2. School District or District: For purposes of administering this Agreement, the term, "School District," or the term, "District," shall mean the School Board or its designated representative(s).

Section 3. Other Terms: Terms not defined in this Agreement shall have those meanings as defined by the PELRA.

Article IV  
School District Rights

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

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

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

Section 4. Reservation of Managerial Rights: The foregoing enumeration of School District rights and duties shall not be deemed to exclude other inherent managerial rights and management functions not expressly reserved herein and all management rights and management functions not expressly delegated in the Agreement are reserved to the School District.

## Article V Employee Rights

Section 1. Employee Rights: Nothing contained in this Agreement shall be construed to limit, impair or affect the right of any employee or his/her representative to the expression or communication of a view, grievance, complaint, or opinion on any matter related to the conditions or compensation of public employment or their betterment, so long as the same is not designed to or does not interfere with the full, faithful and proper performance of the duties of employment or circumvent the rights of the exclusive representative.

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

Section 3. Request for Dues Check-Off: With the authorization of the employee, each employee shall have the right to request and be allowed dues check off for the Union. The employee request shall be in the form of a written authorization, online sign-up or audio-recorded phone authorization submitted to the Union. The Union shall provide the District with the appropriate form of authorization (examples of appropriate form are: paper, electronic file, audio file) for dues/premier member dues deduction. The School District agrees to honor and implement all the terms of dues-check off authorization submitted by the Union and agreed to by the employee. The School District shall adhere to the specific provisions in each dues check-off authorization regarding the duration, renewal, procedure for revocation, amount of dues deducted (including premier member) and all other provisions agreed to by the employee as stated in the authorization. Such dues shall be remitted to the Union monthly.

Section 4. Exclusive Representative Leave: At the beginning of every school year, the exclusive representative shall be credited with five (5) days, non-accumulative, for the purpose of conducting the duties of the exclusive representative, to be used by the employees who are officers or agents of the exclusive representative. The exclusive representative agrees to notify the District in writing prior to using said leave. The exclusive representative agrees to reimburse the cost of the substitutes.

Section 5. New Employee Information:

Subd.1. Within ten calendar days from the date of hire of an employee, the District will provide the following contract information to the Union: name, job title, worksite location (including location within a facility when appropriate), home address, work telephone number, home and personal cell phone numbers on file with the District, date of hire, work email address, personal email address on file with the district, wage, number of hours normally scheduled in a day,

number of duty days contracted for, and whether the position is a nine (9) month or twelve (12) month assignment. The District will provide this information to the Union in a format acceptable to the Union.

Subd. 2. Every 120 calendar days the District shall provide to the Union in an Excel file or similar format agreed to by the Union the following information for all bargaining unit employees: name; job title; worksite location, including location within a facility when appropriate; home address; work telephone number; home and personal cell phone numbers on file with the District; date of hire; and work email address and personal email address on file with the District.

Subd. 3. The District must notify an exclusive representative within ten (10) calendar days of the separation of employment or transfer out of the bargaining unit of a bargaining unit employee.

#### Section 6. Union Orientation:

Subd. 1. The School District will provide the Union steward(s) with the name and work location of each new employee when that employee begins work with the school district. The School District will also provide the union steward's name and work location to each new employee.

Subd. 2. The District will allow a Union designated representative to meet in person with newly hired employees for thirty minutes within thirty calendar days from the date of hire. All employees participating in these meetings will be in pay status. The designated union representatives shall notify the District when union orientations shall take place no less than five (5) business days prior to the scheduled orientation.

#### Section 7. Union Access:

Subd. 1. The District will allow the Union to communicate with bargaining unit members using their employer-issued email addresses regarding collective bargaining, the administration of the collective bargaining agreement, the investigation of grievances, other workplace-related complaints and issues, and internal matters involving the governance or business of the Union, consistent with the District's generally applicable technology use policies.

Subd. 2. The District will allow the Union to meet with bargaining unit members in District facilities regarding collective bargaining, the administration of the collective bargaining agreement, grievances and other workplace-related complaints and issues, and internal matters involving the governance or business of the Union, provided such use does not interfere with the District's business operations.

Subd. 3. Bulletin Boards. The District shall provide bulletin boards in each building which may be used by the Union for the purpose of posting official Union business, notices, and information. The Union is permitted to use space adjacent to the bulletin boards for one (1) information folder.

### Article VI Rates of Pay

Section 1. Rates of Pay: The wages and salaries, including the night shift differentials, for the period commencing July 1, 2025, through June 30, 2027, are set forth in the salary schedules, which are attached hereto and made a part hereof.

Section 2. Duration: In the event a successor Agreement is not entered into prior to the expiration of this Agreement, employees shall be compensated according to their current rate until a successor Agreement is entered into, with the approved salary schedules retroactive to July 1, 2027. The District reserves the right to withhold a salary increase in individual cases, but shall give written notice to the exclusive representative

at least ten (10) days prior to withholding the pay increase. The notice shall state the reason for such action.

Section 3. Departments will be defined as:

- Custodial Maintenance – will include the following classifications: Custodial, Maintenance Worker I and Maintenance Worker II.
- Paraprofessional/BMS – will include the following classifications: Paraprofessional and Behavior Management Specialist.
- Administrative Assistant – will include the following classifications: Administrative Assistant I and Administrative Assistant II.

Section 4. New Employees, Rehires or Change in Classification: All new employees or employees who have resigned and/or were terminated, at the time of hire or rehire shall start at an administratively placed step determined by work experience and training. In the case of an employee who moves from one position to a higher classification within the same department or between classifications, the rate of pay will be a lateral step move. The district will ensure the employee is kept whole. In the case of an employee moving or being reduced to a lower classification within the same department, the rate of pay will be a lateral step move.

Section 5. Substitute Pay:

Subd. 1. Employees will not go down in pay if substituting in a lower category.

Subd. 2. Employees substituting in their current job classification shall retain their current rate of pay.

Subd. 3. At the request of the building principal or director, qualified employees substituting in a higher job grade will be paid at the higher job grade probationary rate for the duration of the substitute period.

Subd. 4. No employee shall be paid less (inclusive of shift differential) when substituting for another employee, filling a vacant position and/or called to come in on a day shift.

Subd. 5. The loss of shift differential occurs when an employee is working days on school breaks and is not substituting for another employee, filling a vacant position and/or is contracted to come in on a day shift.

## Article VII Group Insurance

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

Section 2. Claims Against the School District: The School District's only obligation is to purchase an insurance policy and pay such amounts as agreed to herein, and no claim shall be made against the School District as a result of a denial of insurance benefits by an insurance carrier.

Section 3. Duration of Insurance Contribution: An employee is eligible for School District contribution as negotiated as long as the employee is employed by the District, on paid status and enrolled in the School District's group insurance plans. Upon termination of employment, all District contribution shall cease.

Section 4. Eligibility: Insurance benefits shall be provided for all eligible employees. In order to be eligible, an employee must work an average of twenty (20) hours per week for 4 weeks.

Section 5. Health Insurance Coverage: The School District shall contribute a sum of up to \$689 per month for the 2025-26 school year; and \$722 per month for the 2026-27 school year toward the District's group health insurance plan for each employee who qualifies for and is enrolled in said plan.

Section 6. Life Insurance Coverage: The School District shall provide term life insurance in the amount of \$20,000. Premiums for term life insurance shall be paid by the District for as long as the employee is employed by the School District.

Section 7. Retirement Eligibility: Upon retirement, employees who are at least 55 years of age and have at least fifteen years of service to the School District, shall be eligible to remain in the existing group health and hospitalization insurance plan per MN 471.61 (Group benefits for officers, employees, retirees). Employees shall pay the premium for such coverage.

#### Article VIII Leaves of Absence

Section 1. Sick Leave: The employees covered under this Agreement shall earn sick leave at the rate of one and one-fourth days for each month of service in the employ of the District. In order to be eligible, an employee must work an average of twenty (20) hours per week for four (4) weeks. An employee working less than twenty (20) hours per week shall accrue one (1) hour of sick time for every thirty (30) hours worked. Annual sick leave shall accrue monthly as it is earned on a proportionate basis to the employee's work year. Instructional Assistants who work a minimum of 4 hours per day during the summer school sessions will earn additional sick leave based on the following formula:  $1.25/20 \text{ days} = .0625 \times \text{number of days worked}$  (example  $1.25 / 20 = .0625 \times 24 \text{ days} = 1.5 \text{ days of sick leave earned}$ ).

Subd. 1. Unused sick leave days may accumulate to a maximum credit of 100 days.

Subd. 2. Sick leave with pay shall be allowed by the School District whenever an employee's absence is found to have been due to illness, injury or any other reasons in accordance with Minnesota Department of Labor and Industry Earned Sick and Safe Time Regulations.

Subd. 3. If an employee is absent for three (3) or more days, the District may require the employee to furnish a medical certificate from a qualified physician as evidence of illness, in order to qualify for sick leave pay. However, the final determination as to the eligibility of an employee for sick leave is reserved to the School District. In the event a medical certificate will be required, the employee will be so advised. The District may require an employee to furnish a medical certificate from a qualified physician as evidence of fitness to return to work.

Subd. 4. Sick leave allowed shall be deducted from the accrued sick leave days earned by the employee.

Subd. 5. Sick leave pay shall be approved upon submission of a signed sick leave form.

Subd. 6. Employees who are planning for retirement may be eligible for a one-time stipend for their unused sick leave, provided they meet certain criteria. To qualify, employees must have completed a minimum of twenty (20) years of service with the District and submit a written resignation a minimum of four (4) weeks prior to the date of resignation. Nine (9) month employees must submit a resignation by the end of the school year if they do not plan on returning in the fall. Employees who qualify under these criteria and have 100 days in their sick leave bank at the time of retirement shall be paid a one-time stipend of \$2,000. Employees who qualify under previous criteria with 95-99 accrued days will receive \$1,000. This payment will be included in the monthly payroll following the employee's last day of service.

Section 2. Funeral Leave: Up to five (5) days of funeral leave per year with pay shall be allowed for making funeral arrangements and attending the funeral of a spouse, child, mother, father, brother, sister,

grandparents, grandchildren, and corresponding in-laws. Up to two (2) days funeral leave per year with pay will be allowed to attend funerals for individuals not set forth above. All days granted shall be deducted from accumulated sick leave.

### Section 3. Child Care Leave:

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

Subd. 2. An employee making application for child care leave shall inform the Superintendent in writing of the intention to take the leave at least three (3) calendar months before commencement of the intended leave.

Subd. 3. A pregnant employee will provide, at the time of the leave application, a statement from her physician indicating the expected date of delivery. Employee shall be eligible for sick leave pursuant to the sick leave provisions during the period of physical disability. However, an employee shall not be eligible for sick leave during a period of time covered by a child care leave.

Subd. 4. In making a determination concerning the commencement and duration of a child care leave, the School Board shall not, in any event, be required to:

1. Grant any leave more than twelve (12) months in duration.
2. Permit the employee to return to employment prior to the date designated in the request for child care leave.

Subd. 5. An employee returning from child care leave shall be reemployed in a like or similar position for which he/she is qualified unless previously discharged or placed on unrequested leave of absence. The employee shall retain all previous seniority credit, pay and all accrued pre-leave benefits.

Subd. 6. Failure of the employee to return pursuant to the date determined under this section shall constitute grounds for termination unless the School District and the employee mutually agree in writing to an extension in the leave.

Subd. 7. Leave under this section shall be without pay or fringe benefits.

### Section 4. Medical Leave:

Subd. 1. Any employee who has completed his/her probationary period and who is unable to perform his/her duties because of illness or injury and who has exhausted all sick leave credit, may upon written request, be granted a medical leave of absence without pay up to 6 months at the discretion of the District.

Subd. 2. A request for leave of absence under this section shall be accompanied by a written statement from a qualified physician outlining the condition of health and estimated time at which the employee is expected to be able to assume normal responsibilities.

Subd. 3. An employee making application for a medical leave shall inform the Superintendent in writing thirty (30) days in advance of the start of the medical leave, when the reason for the leave is foreseeable.

### Section 5. Personal Leave

Subd. 1. All Employees are granted up to two (2) days of personal leave with pay per year. Employees who have ten (10) years or more of continuous service as of the first day of the fiscal year shall be granted one (1) additional day of personal leave. Personal leave is accumulative to

five (5) days for situations that arise requiring the employee's personal attention and which are not covered under other provisions of this Agreement. Employees under ten (10) years of continuous service will be able to carry over three (3) days and employees with more than ten (10) years of continuous service may be able to carry over two (2) days from the prior year.

Subd. 2. No explanation needs to be given for personal leave.

Subd. 3. The employee shall state in writing prior to the absence, that the leave is to be taken as personal leave, and the leave shall be requested with three (3) day, advance, written notification to the Superintendent or the Superintendent's designee. The three (3) day, advance, written notification will be waived and approval may be granted by the Superintendent or the Superintendent's designee upon written notification when the personal leave is needed due to an emergency situation.

Subd. 4. Personal leave will be granted in minimum of one (1) hour increments.

Subd. 5. The number of personal leave requests granted on any given day shall be limited to 10% of the employee group by job class. More employees may be granted personal leave at the discretion of the Superintendent. Personal leave will be granted in the order the requests are received by the School District office.

Subd. 6. Employees shall not use personal leave on these two occasions:

1. During or on in-service days that are part of the employee's work schedule,
2. During the first and last five (5) student contact days.

Employees will make every effort to avoid taking personal leave on days preceding or following holidays.

Section 6. Emergency Leave: An employee may be granted an emergency leave up to five (5) days per year – a day is based on the number of the employee's contracted hours worked on one day. Emergency leave is non-accumulative and the days are to be deducted from sick leave and used for emergencies that arise which require the employee's immediate, personal attention. Leave for any catastrophic episode that would exceed the five (5) days per year shall be allowed at the discretion of the School District. All emergency leave days shall be deducted from sick leave.

Subd. 1. Personal or natural disasters are examples of situations for which this leave shall be granted by the School District.

Subd. 2. Requests for emergency leave must be made to the superintendent or his/her designee as soon as possible. The request shall state the reason for the emergency leave request. To qualify for pay, all leaves must be approved in writing. The School District reserves the right to refuse to grant such leave if, under the circumstances involved, the School District determines that such leave shall not be granted.

Section 7. FMLA Leave: Each employee in the unit shall be entitled to rights enumerated in the federal Family Medical Leave Act, regardless of hours worked annually.

Section 8. Insurance Application: An employee on unpaid leave is eligible to continue to participate in group insurance programs if permitted under the insurance policy provisions. The employee shall pay the entire premium for such insurance commencing with the beginning of the leave and shall pay to the School District the monthly premium in advance.

Section 9. Jury Duty: All employees shall be granted pay by the School District amounting to the difference between their regular pay and the jury duty pay if required to serve on jury duty during hours which conflict with the employee's regular work day.

Article IX  
403(b) Matching Annuity Benefit

Section 1. 403(b) Matching Annuity Benefit Eligibility: An employee working six (6) hours or more per day shall be entitled to a matching School District contribution to an approved Minnesota 403(b) pursuant to M.S. 356.24. The District shall contribute annually an amount equal to the amount contributed by the employee, not to exceed the limits set forth in Section 2. Employees working less than six (6) hours but more than three (3) hours per day shall receive a prorated amount.

Section 2. 403(b) District Match Benefit: The District's annual maximum benefit is as follows:

<u>Years of Service</u>	<u>District Matching Annual Contribution</u>
0-3 years	\$ 0.00
4-10 years	\$ 250.00
11-20 years	\$ 500.00
21+ years	\$1,000.00

Article X  
Work Week and Work Year

Section 1. Basic Work Year: The basic work year shall be from July 1 to June 30.

Section 2. Work Week: The work week shall commence at 12:01 a.m. on Sunday and conclude at midnight the following Saturday. This work week shall be used to determine overtime as defined by Federal guidelines.

Section 3. School Closings: Support staff shall not experience a reduction in pay if school is called off early or starts late due to an emergency. In the event school is closed for a full day for any reason the District will schedule make-up days for the first two days school is closed in any year. The District will determine work activities for make-up days and may include student contact, professional development and/or other appropriate work activities.

Section 4. Overtime: Overtime will be paid at the rate of time and one-half for hours in excess of forty hours worked per week. No overtime will be allowed without prior written approval of the employee's immediate supervisor. When compensatory time is earned for overtime work, it will also be earned at the rate of time and one half for hours in excess of forty hours worked per week, but can only be earned with the supervisor's approval (Fair Labor Standards Act Sec 7(0)(1)).

Section 5. Notification: Any employee not previously notified of job continuation and who is not going to be offered a position in the upcoming school year will be notified by August 15.

Section 6. Lunch Period: Employees working more than four (4) hours per day shall be provided a duty-free unpaid lunch period of at least thirty (30) minutes.

Section 7. Breaks: Employees working 6-8 hours per day will be granted two (2) breaks not to exceed ten (10) minutes each. Employees working eight (8) or more hours a day will be granted (2) breaks not to exceed fifteen (15) minutes each. All breaks will be scheduled at the employee's discretion at a time consistent with meeting the needs of students and approved by the supervisor.

Section 8. Paraprofessional In-Service Time: All paraprofessionals will be scheduled for a minimum of thirteen hours of in-service training annually. Time will be scheduled within the contractual work schedule when possible. If training time is scheduled during extended time, the time will be compensated via a time card and paid at the paraprofessional's hourly rate.

Article XI  
Probationary Period

An employee working less than twelve (12) months under the provisions of this Agreement shall serve a probationary period of ninety (90) workdays. A twelve (12) month employee shall serve a probationary period of 120 workdays. During this probationary period, the District shall have the unqualified right to suspend without pay, discharge or otherwise discipline such employee and during the probationary period the employee shall have no recourse to the grievance procedure, insofar as suspension, discharge, or other discipline is concerned. However, a probationary employee shall have the right to bring grievance on any other provisions of the Master Agreement alleged to have been violated.

Article XII  
Holidays

Section 1. Holidays:

Subd. 1. There shall be 12 paid holidays for eligible employees working 11 or more months: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving, Friday after Thanksgiving, Christmas Eve, Christmas and New Years Eve.

Subd. 4. There shall be 6 paid holidays for eligible employees working less than 11 months: New Year's Day, Memorial Day, Labor Day, Thanksgiving, Friday after Thanksgiving and Christmas.

Section 2. Weekends: Holidays that fall on a weekend will be observed on Friday or Monday whichever is closest.

Section 3. Vacation: Any paid holiday which falls within an employee's vacation period shall not be counted as a vacation day.

Article XIII  
Earned Vacation

Section 1. Employees who work 1900-2080 hours per year shall accrue vacation as follows:

- a. Five (5) days after one year,
- b. Ten (10) days after two years,
- c. Fifteen (15) days after seven years,
- d. Twenty (20) days after twenty years.

Section 2. Employees who work 1450-1899 hours per year shall accrue vacation as follows: Prorata vacation time as per Section 1.

Section 3. Application:

Subd. 1. If the employee resigns before completing the first full year of service, the employee shall not be entitled to any vacation pay. An employee who has completed at least one full year of service shall be entitled to receive the prorata pay for unused vacation time provided such employee provides the District with at least 2 weeks advance, written notice of the employee's resignation time.

Subd. 2. The scheduling of all vacation time shall be approved in writing by the immediate supervisor.

Subd. 3. Full year of service or advancement date is the employee's employment anniversary date.

Subd. 4. Employees will be able to carry over up to ten (10) vacation days each year based on individual anniversary dates. Vacation days in excess of ten (10) days will be lost. In the spring a meet-and-confer will be held to decide whether a worker shortage has prevented employees from using their vacation days. If so determined, any unused days will be paid out at the employee's regular hourly rate.

Section 4. Current district employees that do not receive vacation and are awarded a position that earns vacation shall be credited for prior service proportionate to their work year. (e.g. a 10 month employee working 9 years would have 90 months of credit, resulting in 7 years credit on the vacation schedule and 15 vacation days awarded).

#### Article XIV Lay-off and Recall Procedure

Section 1. Seniority Rights: All employees covered by this Agreement are accorded seniority rights within their department. The District shall provide a current District wide seniority list yearly.

Section 2. Lay-off Procedure:

Subd. 1. The School District recognizes that the purpose of seniority is to provide a declared policy as to the order of layoff and recall of employees. Seniority shall be determined by total years of continuous employment within the department. Employees with the least continuous service will be laid off first. If an employee's position is eliminated or his/her hours are reduced by more than fifteen (15) minutes per day, or the employee becomes unable to perform the duties of the higher classification, the employee shall have the right to displace any employee with lesser seniority within their department. In applying the fifteen (15) minute reduction provision, employees will need to bump into an entire job and shall not be allowed to extract 15 minute blocks from other current positions. If an opening subsequently occurs, the laid off employee with the most seniority within their department shall be recalled first. If a laid-off employee elects not to return to work when recalled, the employee shall forfeit recall rights. Employees shall remain on the recall list for twelve (12) calendar months from the date of the lay-off and must accept or decline the District's recall in writing within two (2) weeks of the date of notification.

Subd. 2. When possible, employees shall be notified in writing by the Superintendent or designee no less than 14 days prior to the effective date of a position elimination or reduction. Affected employees will be notified in writing prior to any School Board action.

Section 3. Tie-Breaker: For purposes of lay-off and recall, the School District will determine which employee is most senior by first determining each employee's first day of employment. If a tie still exists, the School District will secondly determine the date each employee was hired by the School Board action. If a tie still exists, the School District will then determine the most senior employee by declaring the employee first hired by the School Board motion to be the most senior employee.

Section 4. An employee moving between job classifications will be subject to a new probationary period. The employee moving between job classifications will not be terminated without just cause but may be moved back to their previous classification during the probationary period. Upon completion of the probationary period, employees shall have the right to recall in the event such positions are eliminated and then reinstated. Such employees shall retain their seniority, layoff, bumping and recall rights afforded under this Article to their former classification within their department, regardless of completion of the new probationary period.

#### Article XV Job Posting, Vacancies and Added Time

Section 1. Job Posting and Vacancies:

Subd. 1. Posting of Vacancies: All vacancies and/or new positions and job postings shall be internally posted for a period of six (6) working days concurrent with any other method of job posting. All employees will be provided the opportunity to apply for posted positions. At the close of the posting, said position shall be awarded within ten (10) working days of School Board ratification.

Subd. 2. Summer Work: The posting procedure for the summer months will be to notify the union steward. The union steward will inform employees who are not working the summer months of said postings.

Subd. 3. Applications: All current employees who formally, in writing, apply for all or part of a posted position shall receive an interview with the appropriate administrator responsible.

Subd. 4. Filling of Positions: Following the interview, positions shall be filled by the School District with the most qualified candidate as determined by the School District. If not selected to fill the position the applicant shall receive a response from the appropriate administrator as to the reason(s).

Section 2. Added Time: Additional work time of one (1) hour or more per week, when such time becomes available, shall be provided to employee(s) who apply through the posting procedure and are qualified and the assignment is workable under their schedule. The procedure shall be as follows: if the District agrees to additional time, employees in that category will be given consideration before any further interviewing. Said positions for added time will only be posted if they exceed twenty (20) working days in duration.

Subd. 1. Overtime Posting: If the need for overtime is known for a period of greater than five (5) work days before the scheduled overtime, all custodial/maintenance staff shall be notified of overtime opportunities.

## Article XVI Grievance Procedure

Section 1. Grievance Definition: A grievance shall mean an allegation by an employee resulting in a dispute or disagreement between the employee and the School District as to the interpretation or application of terms and conditions contained in this Agreement.

Section 2. Representative: The employee, administrator, or School Board may be represented during any step of the procedure by any person or agent designated by such party to act in the party's behalf.

Section 3. Definitions and Interpretation:

Subd. 1. Extension: Time limits specified in this Agreement may be extended by mutual agreement.

Subd. 2. Days: Reference to days regarding time periods in this procedure shall refer to working days.

Subd. 3. Computation of Time: In computing any period of time prescribed or allowed by procedures herein, the date of the act, event, or default for which the designated period of time begins to run shall not be included. The last day of the period so computed shall be counted, unless it is a Saturday, Sunday or legal holiday in which event the period runs until the end of the next work day which is not a Saturday, Sunday or legal holiday.

Subd. 4. Filing and Postmark: The filing or service of any notice or document herein shall be timely if it is personally served or if it bears a certified postmark of the United States Postal Service within the time period.

Section 4. Time Limitation and Waiver: Grievances shall not be valid for consideration unless the grievance is submitted in writing to the office of the Superintendent, setting forth the facts and the specific provision(s) of the Agreement allegedly violated and the particular relief sought within twenty days after the date of the first event giving rise to the grievance occurred. Failure to file a grievance within such period shall be deemed a waiver thereof. Failure to appeal a grievance from one level to another within the time periods hereafter provided shall constitute a waiver of the grievance.

Section 5. Adjustments of Grievance: The School District and the employee shall attempt to adjust all grievances which may arise during the course of employment of any employee with the School District in the following manner.

Subd. 1. Level I. If the grievance is not resolved through informal discussions, the Superintendent shall give a written decision on the grievance within fifteen days after receipt of the written grievance.

Subd. 2. Level II. In the event the grievance is not resolved in Level I, the decision rendered may be appealed to the School Board, provided such appeal is made in writing within ten days after receipt of the decision. If a grievance is properly appealed at the School Board, the School Board shall set a time to hear the grievance within twenty days after receipt of the appeal. Within twenty days after the meeting, the School Board shall issue its decision in writing to the parties involved. At the option of the School Board, a committee or representative(s) of the School Board may be designated to hear the appeal at this level and report findings and recommendations back to the School Board. The School Board shall then render its decision.

Section 6. Denial of a Grievance: Failure by the School Board or its representative(s) to issue a decision within the time periods provided herein shall constitute a denial of the grievance and the employee may appeal it to the next level.

Section 7. Arbitration Procedures: In the event the employee and the School Board are unable to resolve any grievance, the grievance may be submitted to arbitration as defined herein:

Subd. 1. Request: A request to submit a grievance to arbitration must be in writing, signed by the aggrieved party, and such request must be filed in the office of the Superintendent within ten days following the decision in Level II of the grievance procedure.

Subd. 2. Prior Procedure Required: No grievance shall be considered by the arbitrator which has not been first duly processed in accordance with the grievance procedure and appeal provisions.

Subd. 3. Selection of Arbitrator: Upon the proper submission of a grievance under the terms of this procedure, either party may request the Bureau of Mediation Services to appoint an arbitrator, pursuant to the PELRA, providing such request is made within ten days after request for arbitration. The request shall ask the appointment be made within thirty days after the receipt of said request. Failure to agree upon an arbitrator or the failure to request an arbitrator from the BMS within the time periods provided herein shall constitute a waiver of the grievance.

Subd. 4. Submission of Grievance Information: Upon appointment of the arbitrator, the appealing party shall within five days after notice of appointment, to forward to the arbitrator, with a copy to the School Board, the submission of the grievance, which shall include the following:

1. The issues involved.
2. Statement of the facts
3. Position of the grievant.
4. The written documents relating to Section 5 above of the grievance procedure.

The School District may make a similar submission of information relating to the grievance either before or at the time of the hearing.

Subd. 5. Hearing: The grievance shall be heard by a single arbitrator and both parties may be represented by such person or persons as they may choose and designate, and the parties shall have the right to a hearing at which time both parties will have the opportunity to submit evidence, offer testimony, and make oral or written arguments relating to the issues before the arbitrator. The proceeding before the arbitrator shall be a hearing denovo.

Subd. 6. Decision: The decision by the arbitrator shall be rendered within thirty days after the close of the hearing.

Subd. 7. Expenses: Each party shall bear its own expenses in connection with arbitration including expenses relating to the party's representatives, witnesses, and any other expenses which the party incurs in connection with presenting its case in arbitration. A transcript or recording of the hearing shall be made at the request of either party. The parties shall share equally fees and expenses of the arbitrator, the cost of the transcript or recording if requested by either or both parties, and any other expenses which the parties mutually agree are necessary for the conduct of the arbitration.

Subd. 8. The arbitrator shall have jurisdiction over disputes or disagreements relating to grievances properly before the arbitrator pursuant to the terms of this procedure. The jurisdiction of the arbitrator shall not extend to proposed changes in terms and conditions of employment as defined herein and contained in this written Agreement; nor shall an arbitrator have jurisdiction over any grievance which has not been submitted to arbitration in compliance with the terms of the grievance and arbitration procedure as outlined herein; nor shall the jurisdiction of the arbitrator extend to matters of inherent managerial policy, which shall include but are not limited to such areas of discretion or policy as the functions and programs of the District, its overall budget, utilization of technology, the organizational structure, and selection and direction and number of personnel. In considering any issue in dispute, in his/her order, the arbitrator shall give due consideration to the statutory rights and obligations of the School Board to efficiently manage and conduct its operations within the legal limitations surrounding the financing of such operations.

Section 8. Elections of Remedies and Waiver: The party instituting any action, proceeding or complaint in a federal or state court of law, or before an administrative tribunal, federal agency, state agency, or seeking relief through any statutory process for which relief may be granted, the subject matter of which may constitute a grievance under this Agreement, shall immediately thereupon waive any and all rights to pursue a grievance under this article. Upon instituting a proceeding in another forum as outlined herein, the employee shall waive the right to initiate a grievance pursuant to this article or if the grievance is pending in the grievance procedure, the right to pursue it further shall be immediately waived. This section shall not apply to actions to compel arbitration as provided in this Agreement or to enforce the award of an arbitrator.

## ARTICLE XVII Discipline and Discharge

Section 1. Purpose: Disciplinary action shall be imposed on employees only for just cause and will be handled in a professional manner. All disciplinary actions are subject to the grievance procedure established by this contract.

## Article XIX Duration

Section 1. Terms and Reopening Negotiations: This Agreement shall remain in full force for a period commencing on its date of execution, through June 30, 2025, and thereafter until modifications are made.

Unless otherwise mutually agreed, the parties shall not commence negotiations more than 90 days prior to the expiration of the Agreement.

Section 2. Effect: This Agreement constitutes the full and complete Agreement between the School District and the designated employees. The provisions herein relating to terms and conditions of employment supersede any and all prior Agreements, resolutions, practices, School District policies, rules or regulations concerning terms and conditions of employment inconsistent with these provisions, unless mutually agreed upon between employees and the District. Nothing in this Agreement shall be construed to obligate the District from exercising all management rights and prerogatives, except insofar as this exercise would be in express violation of any term of the Agreement.

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

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

Service Employees International Union, Local 284

Independent School District 2174

Date \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Union Representative

\_\_\_\_\_  
School Board Chair

\_\_\_\_\_  
Union Steward

\_\_\_\_\_  
School Board Clerk

Appendix A – Wage Rates

2025-2026

Step	Para	AA I	AA II	Behavior Mgmt	Custodian	MW I	MW II
1	\$17.67	\$18.91	\$20.41	\$22.86	\$18.37	\$22.16	\$20.27
2	\$18.21	\$19.45	\$20.95	\$23.19	\$18.91	\$22.70	\$20.81
3	\$18.75	\$20.00	\$21.50	\$23.51	\$19.45	\$23.24	\$21.35
4	\$19.29	\$20.54	\$22.04	\$23.84	\$20.00	\$23.78	\$21.89
5	\$19.83	\$21.08	\$22.58	\$24.16	\$20.54	\$24.32	\$22.43
6	\$20.37	\$21.62	\$23.12	\$24.49	\$21.08	\$24.86	\$22.97
7	\$20.64	\$21.89	\$23.39	\$24.65	\$21.35	\$25.14	\$23.24
8	\$20.92	\$22.16	\$23.66	\$24.81	\$21.62	\$25.41	\$23.51
9	\$21.19	\$22.43	\$23.93	\$25.08	\$21.89	\$25.68	\$23.78

2026-2027

Step	Para	AA I	AA II	Behavior Mgmt	Custodian	MW I	MW II
1	\$18.42	\$19.66	\$21.16	\$23.61	\$19.12	\$22.91	\$21.02
2	\$18.96	\$20.20	\$21.70	\$23.94	\$19.66	\$23.45	\$21.56
3	\$19.50	\$20.75	\$22.25	\$24.26	\$20.20	\$23.99	\$22.10
4	\$20.04	\$21.29	\$22.79	\$24.59	\$20.75	\$24.53	\$22.64
5	\$20.58	\$21.83	\$23.33	\$24.91	\$21.29	\$25.07	\$23.18
6	\$21.12	\$22.37	\$23.87	\$25.24	\$21.83	\$25.61	\$23.72
7	\$21.39	\$22.64	\$24.14	\$25.40	\$22.10	\$25.89	\$23.99
8	\$21.67	\$22.91	\$24.41	\$25.56	\$22.37	\$26.16	\$24.26
9	\$21.94	\$23.18	\$24.68	\$25.83	\$22.64	\$26.43	\$24.53

Employees will advance one step only at the beginning of each school year. Employees must have completed the probationary period to qualify for step advancements.

**Other Considerations for Maintenance and Custodians**

1. Assistant to the supervisor shall be paid 20 cents an hour above schedule.
2. Night supervisors shall be paid 20 cents an hour above schedule.
3. Boiler checks shall be paid at time and one-half times the hourly rate of pay on weekends and at a rate of double the hourly rate of pay on holidays. This shall apply to routine boiler checks only. Additional weekend or holiday time worked shall be compensated at regular and overtime rates as appropriate. If a holiday falls on a weekend, the actual date of the holiday shall be used to pay double time. Employees performing boiler checks shall be paid a minimum of two (2) hours.
4. All 2<sup>nd</sup> shift employees shall be paid 50 cents an hour above schedule.
5. Employees substituting for the Director of Buildings and Grounds: In the event that a maintenance worker employee substitutes for the Director of Buildings and Grounds when he/she is on leave for

more than five (5) days, said employee will be compensated an additional \$4.00 per hour beginning on the sixth (6) day to reflect the additional responsibility and supervision needed to substitute in this capacity. Substitute hours must be authorized by the Director of Buildings and Grounds.

6. Footwear allowance: Full-time, twelve-month contracted custodial and maintenance workers who have passed their probationary period will be reimbursed up to \$250 once each two-year period upon submission of an original receipt for one time safety-toed boots/shoes only when no other foot protection is provided by the District.
7. Boiler license exam: Full-time, twelve-month contracted custodial and maintenance workers will be reimbursed the fee for a boiler license exam upon proof of a passing score and a receipt showing the cost of the exam.
8. Boiler License Differentials: Employees who hold boiler licenses shall be paid the following amounts in addition to their hourly wage rates and other differentials:

<u>License</u>	<u>Amount</u>
2 <sup>nd</sup>	Custodial employees will be moved to the Maintenance II job title
1 <sup>st</sup>	\$.50 (for employees who are Maintenance II only)

For further clarification see job descriptions in District Office.

#### **Other Considerations for Paraprofessionals**

1. Paraprofessionals working with students Kindergarten through Grade 12 assigned to a Level III Program or to a student who is identified as in need of Level III services in the IEP shall be paid \$2.50 an hour above schedule. The time spent in the program or with the student should be a minimum of 5 hours per week or an average of 1 hour per day. Any time less than that requires principal approval. Paraprofessionals who are needed to substitute, at the direction of the building principal, in a Level III program or with a student receiving Level III services documented in their IEP shall record their time and be paid \$2.50 an hour above schedule for time. The additional pay will begin with the first full hour of subbing in this capacity. (Level III follows the federal regulation description and is defined as a student who requires special education services outside of the regular education classroom for more than 60 percent of the day. The Level III distinction may change due to changes in service minutes documented in the IEP.)
2. Paraprofessionals who are assigned to a student who is identified as needing a behavior management specialist in the IEP or substituting for a behavior management specialist shall record their time and be paid at step 1 of the behavior management specialist wage according to the current wage matrix.
3. In the event a paraprofessional supervises the classroom when the teacher is out of the building without a replacement teacher or has supervisory duties of a classroom when a teacher is not present shall be compensated an additional \$4 per hour to reflect the additional responsibility and supervision needed in this capacity. If the classroom/program has multiple paraprofessionals to support the classroom/program one paraprofessional will be designated in this capacity. The additional pay will begin with the first full hour of supervision.

**MEMORANDUM OF  
UNDERSTANDING**

**Off Schedule Pay Rates**

WHEREAS, SEIU, Local 284 and the Pine River-Backus School District have reached an agreement on the contract for 2025-2027; and

WHEREAS, there are two employees whose hourly wage remains at a rate which exceeds the schedule established for their assigned classification.

THEREFORE, BE IT RESOLVED and agreed that the individual employee will be assigned wage rates representing an increase in an amount equivalent to the increase applied to the wage-schedule for the 2025-2026 and 2026-2027, establishing hourly rates as follows:

	<u>2025-2026</u>	<u>2026-2027</u>
Lori Flategraff	\$22.60	\$23.35
Lori Kish	\$21.93	\$22.68

SEUI Local 284

PINE RIVER-BACKUS ISD 2174

\_\_\_\_\_  
Local 284 Union Representative

\_\_\_\_\_  
Board Chair

\_\_\_\_\_  
Union Steward

\_\_\_\_\_  
Board Clerk

Date: \_\_\_\_\_

Date: \_\_\_\_\_

MASTER AGREEMENT

between

INDEPENDENT SCHOOL DISTRICT NO. 2174

and the

SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL #284

~~JULY 1, 2023 – JUNE 30, 2025~~  
JULY 1, 2025 – JUNE 30, 2027

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Article I  
Purpose

This Agreement is entered into between Independent School District 2174, Pine River-Backus, Minnesota, hereinafter referred to as the District or the School District, and the Service Employees International Union, Local 284, hereinafter referred to as the exclusive representative, pursuant to and in compliance with the Public Employment Labor Relations Act of 1971, as amended, hereinafter referred to as the PELRA, to provide the terms and conditions of employment for all employees of the School District who are support staff and whose employment service exceeds the lesser of fourteen (14) hours per week or 35% of the normal work week in the appropriate unit and more than sixty-seven (67) days per year excluding the following: confidential employees, supervisory employees, and such other employees excluded by law. For purposes of this Agreement, the term, "appropriate unit," shall include all support staff employees in classifications of custodian, maintenance, administrative assistant, paraprofessional and behavior management specialist.

Article II  
Recognition of Exclusive Representative

Section 1. Recognition: In accordance with the PELRA, the School District recognizes Service Employees International Union, Local 284 as the exclusive representative for all employees of the District and are so recognized in Article I.

Section 2. Exclusive Representative: The exclusive representative shall represent all employees of the District contained in the appropriate unit as defined in Article I of the Agreement until such time as it shall lose an election held pursuant to the PELRA or until it shall be decertified by a court of competent jurisdiction or by the Commissioner of the Minnesota Bureau of Mediation Services (BMS) as authorized by the PELRA.

Article III  
Definitions

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

Section 2. School District or District: For purposes of administering this Agreement, the term, "School District," or the term, "District," shall mean the School Board or its designated representative(s).

Section 3. Other Terms: Terms not defined in this Agreement shall have those meanings as defined by the PELRA.

Article IV  
School District Rights

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

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

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

Section 4. Reservation of Managerial Rights: The foregoing enumeration of School District rights and duties shall not be deemed to exclude other inherent managerial rights and management functions not expressly reserved herein and all management rights and management functions not expressly delegated in the Agreement are reserved to the School District.

## Article V Employee Rights

Section 1. Employee Rights: Nothing contained in this Agreement shall be construed to limit, impair or affect the right of any employee or his/her representative to the expression or communication of a view, grievance, complaint, or opinion on any matter related to the conditions or compensation of public employment or their betterment, so long as the same is not designed to or does not interfere with the full, faithful and proper performance of the duties of employment or circumvent the rights of the exclusive representative.

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

Section 3. Request for Dues Check-Off: With the authorization of the employee, each employee shall have the right to request and be allowed dues check off for the Union. The employee request shall be in the form of a written authorization, online sign-up or audio-recorded phone authorization submitted to the Union. The Union shall provide the District with the appropriate form of authorization (examples of appropriate form are: paper, electronic file, audio file) for dues/premier member dues deduction. The School District agrees to honor and implement all the terms of dues-check off authorization submitted by the Union and agreed to by the employee. The School District shall adhere to the specific provisions in each dues check-off authorization regarding the duration, renewal, procedure for revocation, amount of dues deducted (including premier member) and all other provisions agreed to by the employee as stated in the authorization. Such dues shall be remitted to the Union monthly.

Section 4. Exclusive Representative Leave: At the beginning of every school year, the exclusive representative shall be credited with five (5) days, non-accumulative, for the purpose of conducting the duties of the exclusive representative, to be used by the employees who are officers or agents of the exclusive representative. The exclusive representative agrees to notify the District in writing prior to using said leave. The exclusive representative agrees to reimburse the cost of the substitutes.

### Section 5. New Employee Information:

Subd.1. Within ten calendar days from the date of hire of an employee, the District will provide the following contract information to the Union: name, job title, worksite location (including location within a facility when appropriate), home address, work telephone number, home and personal cell phone numbers on file with the District, date of hire, work email address, personal email address on file with the district, wage, number of hours normally scheduled in a day,

number of duty days contracted for, and whether the position is a nine (9) month or twelve (12) month assignment. The District will provide this information to the Union in a format acceptable to the Union.

Subd. 2. Every 120 calendar days the District shall provide to the Union in an Excel file or similar format agreed to by the Union the following information for all bargaining unit employees: name; job title; worksite location, including location within a facility when appropriate; home address; work telephone number; home and personal cell phone numbers on file with the District; date of hire; and work email address and personal email address on file with the District.

Subd. 3. The District must notify an exclusive representative within ten (10) calendar days of the separation of employment or transfer out of the bargaining unit of a bargaining unit employee.

#### Section 6. Union Orientation:

Subd. 1. The School District will provide the Union steward(s) with the name and work location of each new employee when that employee begins work with the school district. The School District will also provide the union steward's name and work location to each new employee.

Subd. 2. The District will allow a Union designated representative to meet in person with newly hired employees for thirty minutes within thirty calendar days from the date of hire. All employees participating in these meetings will be in pay status. The designated union representatives shall notify the District when union orientations shall take place no less than five (5) business days prior to the scheduled orientation.

#### Section 7. Union Access:

Subd. 1. The District will allow the Union to communicate with bargaining unit members using their employer-issued email addresses regarding collective bargaining, the administration of the collective bargaining agreement, the investigation of grievances, other workplace-related complaints and issues, and internal matters involving the governance or business of the Union, consistent with the District's generally applicable technology use policies.

Subd. 2. The District will allow the Union to meet with bargaining unit members in District facilities regarding collective bargaining, the administration of the collective bargaining agreement, grievances and other workplace-related complaints and issues, and internal matters involving the governance or business of the Union, provided such use does not interfere with the District's business operations.

Subd. 3. Bulletin Boards. The District shall provide bulletin boards in each building which may be used by the Union for the purpose of posting official Union business, notices, and information. The Union is permitted to use space adjacent to the bulletin boards for one (1) information folder.

### Article VI Rates of Pay

Section 1. Rates of Pay: The wages and salaries, including the night shift differentials, for the period commencing July 1, ~~2023-2025~~, through June 30, ~~2025-2027~~, are set forth in the salary schedules, which are attached hereto and made a part hereof.

Section 2. Duration: In the event a successor Agreement is not entered into prior to the expiration of this Agreement, employees shall be compensated according to their current rate until a successor Agreement is entered into, with the approved salary schedules retroactive to July 1, ~~2025~~ 2027. The District reserves the right to withhold a salary increase in individual cases, but shall give written notice to the exclusive representative at least ten (10) days prior to withholding the pay increase. The notice shall state the reason for such action.

Section 3. Departments will be defined as:

- Custodial Maintenance – will include the following classifications: Custodial, Maintenance Worker I and Maintenance Worker II.
- Paraprofessional/BMS – will include the following classifications: Paraprofessional and Behavior Management Specialist.
- Administrative Assistant – will include the ~~Administrative Assistant~~ following classifications: **Administrative Assistant I and Administrative Assistant II.**

Section 4. New Employees, Rehires or Change in Classification: All new employees or employees who have resigned and/or were terminated, at the time of hire or rehire shall start at an administratively placed step determined by work experience and training. In the case of an employee who moves from one position to a higher classification within the same department or between classifications, the rate of pay will be a lateral step move. The district will ensure the employee is kept whole. In the case of an employee moving or being reduced to a lower classification within the same department, the rate of pay will be a lateral step move.

Section 5. Substitute Pay: ~~A Maintenance II employee with a current first class boilers license substituting for a Maintenance I employee for ten (10) or more consecutive days shall be paid the current regular Maintenance I rate of pay or the said substitute's rate of pay whichever is higher commencing on the 11<sup>th</sup> day.~~

Subd. 1. Employees will not go down in pay if substituting in a lower category.

Subd. 2. Employees substituting in their current job classification shall retain their current rate of pay.

Subd. 3. At the request of the building principal or director, qualified employees substituting in a higher job grade will be paid at the higher job grade probationary rate for the duration of the substitute period.

Subd. 4. No employee shall be paid less (inclusive of shift differential) when substituting for another employee, filling a vacant position and/or called to come in on a day shift.

Subd. 5. The loss of shift differential occurs when an employee is working days on school breaks and is not substituting for another employee, filling a vacant position and/or is contracted to come in on a day shift.

## Article VII Group Insurance

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

Section 2. Claims Against the School District: The School District's only obligation is to purchase an insurance policy and pay such amounts as agreed to herein, and no claim shall be made against the School District as a result of a denial of insurance benefits by an insurance carrier.

Section 3. Duration of Insurance Contribution: An employee is eligible for School District contribution as negotiated as long as the employee is employed by the District, on paid status and enrolled in the School District's group insurance plans. Upon termination of employment, all District contribution shall cease.

Section 4. Eligibility: Insurance benefits shall be provided for all eligible employees. In order to be eligible, an employee must work an average of twenty (20) hours per week for 4 weeks.

Section 5. Health Insurance Coverage: The School District shall contribute a sum of up to ~~\$640~~ \$689 per month for the ~~2023-24~~ 2025-26 school year; and ~~\$689~~ \$722 per month for the ~~2024-25~~ 2026-27 school year toward the District's group health insurance plan for each employee who qualifies for and is enrolled in said plan.

Section 6. Life Insurance Coverage: The School District shall provide term life insurance in the amount of \$20,000. Premiums for term life insurance shall be paid by the District for as long as the employee is employed by the School District.

Section 7. Retirement Eligibility: Upon retirement, employees who are at least 55 years of age and have at least fifteen years of service to the School District, shall be eligible to remain in the existing group health and hospitalization insurance plan per MN 471.61 (Group benefits for officers, employees, retirees). Employees shall pay the premium for such coverage.

## Article VIII Leaves of Absence

Section 1. Sick Leave: The employees covered under this Agreement shall earn sick leave at the rate of one and one-fourth days for each month of service in the employ of the District. In order to be eligible, an employee must work an average of twenty (20) hours per week for four (4) weeks. ~~An employee working less than twenty (20) hours per week shall accrue one (1) hour of sick time for every thirty (30) hours worked.~~ Annual sick leave shall accrue monthly as it is earned on a proportionate basis to the employee's work year. Instructional Assistants who work a minimum of 4 hours per day during the summer school sessions will earn additional sick leave based on the following formula:  $1.25/20 \text{ days} = .0625 \times \text{number of days worked}$  (example  $1.25 / 20 = .0625 \times 24 \text{ days} = 1.5 \text{ days of sick leave earned}$ ).

Subd. 1. Unused sick leave days may accumulate to a maximum credit of 100 days.

Subd. 2. Sick leave with pay shall be allowed by the School District whenever an employee's absence is found to have been due to illness, injury ~~or any other reasons in which prevented his/her attendance at school and performance of duties on that day or days.~~ ~~Employees may also use their sick leave for serious illness or injury of the employee's spouse, children, adult children, parents, mother-in-law, father-in-law, sibling, grandchild, grandparent or stepparent when it requires the employee's absence from work.~~ ~~Serious illness or injury will generally be interpreted to mean such disability requiring hospitalization, emergency room treatment or close bedside supervision.~~ ~~Employees may use sick leave~~ in accordance with ~~Minnesota Statutes 181.9413~~ Minnesota Department of Labor and Industry Earned Sick and Safe Time Regulations.

Subd. 3. If an employee is absent for three (3) or more days, the District may require the employee to furnish a medical certificate from a qualified physician as evidence of illness, in order to qualify for sick leave pay. However, the final determination as to the eligibility of an employee for sick leave is reserved to the School District. In the event a medical certificate will be required, the employee will be so advised. The District may require an employee to furnish a medical certificate from a qualified physician as evidence of fitness to return to work.

Subd. 4. Sick leave allowed shall be deducted from the accrued sick leave days earned by the employee.

Subd. 5. Sick leave pay shall be approved upon submission of a signed sick leave form.

~~Subd. 6. Employees who are planning for retirement may be eligible for a one-time stipend for their unused sick leave, provided they meet certain criteria. To qualify, employees must have completed a minimum of twenty (20) years of service with the District and submit a written resignation a minimum of four (4) weeks prior to the date of resignation. Nine (9) month employees must submit a resignation by the end of the school year if they do not plan on returning~~

in the fall. Employees who qualify under these criteria and have 100 days in their sick leave bank at the time of retirement shall be paid a one-time stipend of \$2,000. Employees who qualify under previous criteria with 95-99 accrued days will receive \$1,000. This payment will be included in the monthly payroll following the employee's last day of service.

Section 2. Funeral Leave: Up to five (5) days of funeral leave per year with pay shall be allowed for making funeral arrangements and attending the funeral of a spouse, child, mother, father, brother, sister, grandparents, grandchildren, and corresponding in-laws. Up to two (2) days funeral leave per year with pay will be allowed to attend funerals for individuals not set forth above. All days granted shall be deducted from accumulated sick leave.

Section 3. Child Care Leave:

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

Subd. 2. An employee making application for child care leave shall inform the Superintendent in writing of the intention to take the leave at least three (3) calendar months before commencement of the intended leave.

Subd. 3. A pregnant employee will provide, at the time of the leave application, a statement from her physician indicating the expected date of delivery. Employee shall be eligible for sick leave pursuant to the sick leave provisions during the period of physical disability. However, an employee shall not be eligible for sick leave during a period of time covered by a child care leave.

Subd. 4. In making a determination concerning the commencement and duration of a child care leave, the School Board shall not, in any event, be required to:

1. Grant any leave more than twelve (12) months in duration.
2. Permit the employee to return to employment prior to the date designated in the request for child care leave.

Subd. 5. An employee returning from child care leave shall be reemployed in a like or similar position for which he/she is qualified unless previously discharged or placed on unrequested leave of absence. The employee shall retain all previous seniority credit, pay and all accrued pre-leave benefits.

Subd. 6. Failure of the employee to return pursuant to the date determined under this section shall constitute grounds for termination unless the School District and the employee mutually agree in writing to an extension in the leave.

Subd. 7. Leave under this section shall be without pay or fringe benefits.

Section 4. Medical Leave:

Subd. 1. Any employee who has completed his/her probationary period and who is unable to perform his/her duties because of illness or injury and who has exhausted all sick leave credit, may upon written request, be granted a medical leave of absence without pay up to 6 months at the discretion of the District.

Subd. 2. A request for leave of absence under this section shall be accompanied by a written statement from a qualified physician outlining the condition of health and estimated time at which the employee is expected to be able to assume normal responsibilities.

Subd. 3. An employee making application for a medical leave shall inform the Superintendent in writing thirty (30) days in advance of the start of the medical leave, when the reason for the leave is foreseeable.

## Section 5. Personal Leave

Subd. 1. All Employees are granted up to ~~three (3)~~ two (2) days of personal leave with pay per year. Employees who have ten (10) years or more of continuous service as of the first day of the fiscal year shall be granted one (1) additional day of personal leave. Personal leave is accumulative to five (5) days, ~~to be deducted from accumulated sick leave,~~ for situations that arise requiring the employee's personal attention and which are not covered under other provisions of this Agreement. Employees under ten (10) years of continuous service will be able to carry over ~~two (2)~~ three (3) days and employees with more than ten (10) years of continuous service may be able to carry over ~~one (1) day~~ two (2) days from the prior year.

Subd. 2. No explanation needs to be given for personal leave.

Subd. 3. The employee shall state in writing prior to the absence, that the leave is to be taken as personal leave, and the leave shall be requested with three (3) day, advance, written notification to the Superintendent or the Superintendent's designee. The three (3) day, advance, written notification will be waived and approval may be granted by the Superintendent or the Superintendent's designee upon written notification when the personal leave is needed due to an emergency situation.

Subd. 4. Personal leave will be granted in minimum of one (1) hour increments.

Subd. 5. The number of personal leave requests granted on any given day shall be limited to 10% of the employee group by job class. More employees may be granted personal leave at the discretion of the Superintendent. Personal leave will be granted in the order the requests are received by the School District office.

Subd. 6. Employees shall not use personal leave on these two occasions:

1. During or on in-service days that are part of the employee's work schedule,
2. During the first and last five (5) student contact days.

Employees will make every effort to avoid taking personal leave on days preceding or following holidays.

Section 6. Emergency Leave: An employee may be granted an emergency leave up to five (5) days per year – a day is based on the number of the employee's contracted hours worked on one day. Emergency leave is non-accumulative and the days are to be deducted from sick leave and used for emergencies that arise which require the employee's immediate, personal attention. Leave for any catastrophic episode that would exceed the five (5) days per year shall be allowed at the discretion of the School District. All emergency leave days shall be deducted from sick leave.

Subd. 1. Personal or natural disasters are examples of situations for which this leave shall be granted by the School District.

Subd. 2. Requests for emergency leave must be made to the superintendent or his/her designee as soon as possible. The request shall state the reason for the emergency leave request. To qualify for pay, all leaves must be approved in writing. The School District reserves the right to refuse to grant such leave if, under the circumstances involved, the School District determines that such leave shall not be granted.

Section 7. FMLA Leave: Each employee in the unit shall be entitled to rights enumerated in the federal Family Medical Leave Act, regardless of hours worked annually.

Section 8. Insurance Application: An employee on unpaid leave is eligible to continue to participate in group insurance programs if permitted under the insurance policy provisions. The employee shall pay the entire premium for such insurance commencing with the beginning of the leave and shall pay to the School District the monthly premium in advance.

Section 9. Jury Duty: All employees shall be granted pay by the School District amounting to the difference between their regular pay and the jury duty pay if required to serve on jury duty during hours which conflict with the employee's regular work day.

Article IX  
403(b) Matching Annuity Benefit

Section 1. 403(b) Matching Annuity Benefit Eligibility: An employee working six (6) hours or more per day shall be entitled to a matching School District contribution to an approved Minnesota 403(b) pursuant to M.S. 356.24. The District shall contribute annually an amount equal to the amount contributed by the employee, not to exceed the limits set forth in Section 2. Employees working less than six (6) hours but more than three (3) hours per day shall receive a prorated amount.

Section 2. 403(b) District Match Benefit: The District's annual maximum benefit is as follows:

<u>Years of Service</u>	<u>District Matching Annual Contribution</u>
0-3 years	\$ 0.00
4-10 years	\$ 250.00
11-20 years	\$ 500.00
21+ years	\$1,000.00

Article X  
Work Week and Work Year

Section 1. Basic Work Year: The basic work year shall be from July 1 to June 30.

Section 2. Work Week: The work week shall commence at 12:01 a.m. on Sunday and conclude at midnight the following Saturday. This work week shall be used to determine overtime as defined by Federal guidelines.

Section 3. School Closings: Support staff shall not experience a reduction in pay if school is called off early or starts late due to an emergency. In the event school is closed for a full day for any reason the District will schedule make-up days for the first two days school is closed in any year. The District will determine work activities for make-up days and may include student contact, professional development and/or other appropriate work activities.

Section 4. Overtime: Overtime will be paid at the rate of time and one-half for hours in excess of forty hours worked per week. No overtime will be allowed without prior written approval of the employee's immediate supervisor. When compensatory time is earned for overtime work, it will also be earned at the rate of time and one half for hours in excess of forty hours worked per week, but can only be earned with the supervisor's approval (Fair Labor Standards Act Sec 7(0)(1)).

Section 5. Notification: Any employee not previously notified of job continuation and who is not going to be offered a position in the upcoming school year will be notified by August 15.

Section 6. Lunch Period: Employees working more than four (4) hours per day shall be provided a duty-free unpaid lunch period of at least thirty (30) minutes.

Section 7. Breaks: Employees working 6-8 hours per day will be granted two (2) breaks not to exceed ten (10) minutes each. Employees working eight (8) or more hours a day will be granted (2) breaks not to exceed fifteen (15) minutes each. All breaks will be scheduled at the employee's discretion at a time consistent with meeting the needs of students and approved by the supervisor.

Section 8. Paraprofessional In-Service Time: All paraprofessionals ~~working 6.5 hours or more per day~~ will be scheduled for a minimum of thirteen hours of in-service training annually. ~~Paraprofessionals working less than 6.5 hours per day will receive a minimum amount of in-service training equal to two days' worth of their contracted hours per day.~~ Time will be scheduled within the contractual work schedule when possible. If training time is scheduled during extended time, the time will be compensated via a time card and paid at the paraprofessional's hourly rate.

#### Article XI Probationary Period

An employee working less than twelve (12) months under the provisions of this Agreement shall serve a probationary period of ninety (90) workdays. A twelve (12) month employee shall serve a probationary period of 120 workdays. During this probationary period, the District shall have the unqualified right to suspend without pay, discharge or otherwise discipline such employee and during the probationary period the employee shall have no recourse to the grievance procedure, insofar as suspension, discharge, or other discipline is concerned. However, a probationary employee shall have the right to bring grievance on any other provisions of the Master Agreement alleged to have been violated.

#### Article XII Holidays

Section 1. Holidays:

Subd. 1. There shall be ~~11~~ 12 paid holidays for eligible employees working 11 or more months: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving, Friday after Thanksgiving, Christmas Eve, Christmas and New Years Eve.

Subd. 4. There shall be 6 paid holidays for eligible employees working less than 11 months: New Year's Day, Memorial Day, Labor Day, Thanksgiving, Friday after Thanksgiving and Christmas.

Section 2. Weekends: Holidays that fall on a weekend will be observed on Friday or Monday whichever is closest.

Section 3. Vacation: Any paid holiday which falls within an employee's vacation period shall not be counted as a vacation day.

#### Article XIII Earned Vacation

Section 1. Employees who work 1900-2080 hours per year shall accrue vacation as follows:

- a. Five (5) days after one year,
- b. Ten (10) days after two years,
- c. Fifteen (15) days after seven years,
- d. Twenty (20) days after twenty years.

Section 2. Employees who work 1450-1899 hours per year shall accrue vacation as follows: Prorata vacation time as per Section 1.

Section 3. Application:

Subd. 1. If the employee resigns before completing the first full year of service, the employee shall not be entitled to any vacation pay. An employee who has completed at least one full year of service shall be entitled to receive the prorata pay for unused vacation time provided such employee provides the District with at least 2 weeks advance, written notice of the employee's resignation time.

Subd. 2. The scheduling of all vacation time shall be approved in writing by the immediate supervisor.

Subd. 3. Full year of service or advancement date is the employee's employment anniversary date.

Subd. 4. Employees will be able to carry over up to ten (10) vacation days each year based on individual anniversary dates. Vacation days in excess of ten (10) days will be lost. **In the spring a meet-and-confer will be held to decide whether a worker shortage has prevented employees from using their vacation days. If so determined, any unused days will be paid out at the employee's regular hourly rate.**

Section 4. Current district employees that do not receive vacation and are awarded a position that earns vacation shall be credited for prior service proportionate to their work year. (e.g. a 10 month employee working 9 years would have 90 months of credit, resulting in 7 years credit on the vacation schedule and 15 vacation days awarded).

Article XIV

Lay-off and Recall Procedure

Section 1. Seniority Rights: All employees covered by this Agreement are accorded seniority rights within their department. The District shall provide a current District wide seniority list yearly.

Section 2. Lay-off Procedure:

Subd. 1. The School District recognizes that the purpose of seniority is to provide a declared policy as to the order of layoff and recall of employees. Seniority shall be determined by total years of continuous employment within the department. Employees with the least continuous service will be laid off first. If an employee's position is eliminated or his/her hours are reduced by more than fifteen (15) minutes per day, or the employee becomes unable to perform the duties of the higher classification, the employee shall have the right to displace any employee with lesser seniority within their department. In applying the fifteen (15) minute reduction provision, employees will need to bump into an entire job and shall not be allowed to extract 15 minute blocks from other current positions. If an opening subsequently occurs, the laid off employee with the most seniority within their department shall be recalled first. If a laid-off employee elects not to return to work when recalled, the employee shall forfeit recall rights. Employees shall remain on the recall list for twelve (12) calendar months from the date of the lay-off and must accept or decline the District's recall in writing within two (2) weeks of the date of notification.

Subd. 2. When possible, employees shall be notified in writing by the Superintendent or designee no less than 14 days prior to the effective date of a position elimination or reduction. Affected employees will be notified in writing prior to any School Board action.

Section 3. Tie-Breaker: For purposes of lay-off and recall, the School District will determine which employee is most senior by first determining each employee's first day of employment. If a tie still exists, the School District will secondly determine the date each employee was hired by the School Board action. If a tie still exists, the School District will then determine the most senior employee by declaring the employee first hired by the School Board motion to be the most senior employee.

Section 4. An employee moving between job classifications will be subject to a new probationary period. The employee moving between job classifications will not be terminated without just cause but may be moved back to their previous classification during the probationary period. Upon completion of the probationary period, employees shall have the right to recall in the event such positions are eliminated and then reinstated. Such employees shall retain their seniority, layoff, bumping and recall rights afforded under this Article to their former classification within their department, regardless of completion of the new probationary period.

Article XV  
Job Posting, Vacancies and Added Time

Section 1. Job Posting and Vacancies:

Subd. 1. **Posting of Vacancies:** All vacancies and/or new positions and job postings shall be internally posted for a period of six (6) working days concurrent with any other method of job posting. All employees will be provided the opportunity to apply for posted positions. At the close of the posting, said position shall be awarded within ten (10) working days of School Board ratification.

Subd. 2. **Summer Work:** The posting procedure for the summer months will be to notify the union steward. The union steward will inform employees who are not working the summer months of said postings.

Subd. 3. **Applications:** All current employees who formally, in writing, apply for all or part of a posted position shall receive an interview with the appropriate administrator responsible. ~~Following the interview, if not selected to fill the position the applicant shall receive a response from the appropriate administrator as to the reason(s).~~

Subd. 4. **Filling of Positions:** ~~Following the interview, positions shall be filled by the School District with the most qualified candidate as determined by the School District. If not selected to fill the position the applicant shall receive a response from the appropriate administrator as to the reason(s).~~

Section 2. Added Time: Additional work time of one (1) hour or more per week, when such time becomes available, shall be provided to employee(s) who apply through the posting procedure and are qualified and the assignment is workable under their schedule. The procedure shall be as follows: if the District agrees to additional time, employees in that category will be given consideration before any further interviewing. Said positions for added time will only be posted if they exceed twenty (20) working days in duration.

Subd. 1. **Overtime Posting:** ~~If the need for overtime is known for a period of greater than five (5) work days before the scheduled overtime, all custodial/maintenance staff shall be notified of overtime opportunities.~~

Article XVI  
Grievance Procedure

Section 1. Grievance Definition: A grievance shall mean an allegation by an employee resulting in a dispute or disagreement between the employee and the School District as to the interpretation or application of terms and conditions contained in this Agreement.

Section 2. Representative: The employee, administrator, or School Board may be represented during any step of the procedure by any person or agent designated by such party to act in the party's behalf.

Section 3. Definitions and Interpretation:

Subd. 1. Extension: Time limits specified in this Agreement may be extended by mutual agreement.

Subd. 2. Days: Reference to days regarding time periods in this procedure shall refer to working days.

Subd. 3. Computation of Time: In computing any period of time prescribed or allowed by procedures herein, the date of the act, event, or default for which the designated period of time begins to run shall not be included. The last day of the period so computed shall be counted, unless it is a Saturday, Sunday or legal holiday in which event the period runs until the end of the next work day which is not a Saturday, Sunday or legal holiday.

Subd. 4. Filing and Postmark: The filing or service of any notice or document herein shall be timely if it is personally served or if it bears a certified postmark of the United States Postal Service within the time period.

Section 4. Time Limitation and Waiver: Grievances shall not be valid for consideration unless the grievance is submitted in writing to the office of the Superintendent, setting forth the facts and the specific provision(s) of the Agreement allegedly violated and the particular relief sought within twenty days after the date of the first event giving rise to the grievance occurred. Failure to file a grievance within such period shall be deemed a waiver thereof. Failure to appeal a grievance from one level to another within the time periods hereafter provided shall constitute a waiver of the grievance.

Section 5. Adjustments of Grievance: The School District and the employee shall attempt to adjust all grievances which may arise during the course of employment of any employee with the School District in the following manner.

Subd. 1. Level I. If the grievance is not resolved through informal discussions, the Superintendent shall give a written decision on the grievance within fifteen days after receipt of the written grievance.

Subd. 2. Level II. In the event the grievance is not resolved in Level I, the decision rendered may be appealed to the School Board, provided such appeal is made in writing within ten days after receipt of the decision. If a grievance is properly appealed at the School Board, the School Board shall set a time to hear the grievance within twenty days after receipt of the appeal. Within twenty days after the meeting, the School Board shall issue its decision in writing to the parties involved. At the option of the School Board, a committee or representative(s) of the School Board may be designated to hear the appeal at this level and report findings and recommendations back to the School Board. The School Board shall then render its decision.

Section 6. Denial of a Grievance: Failure by the School Board or its representative(s) to issue a decision within the time periods provided herein shall constitute a denial of the grievance and the employee may appeal it to the next level.

Section 7. Arbitration Procedures: In the event the employee and the School Board are unable to resolve any grievance, the grievance may be submitted to arbitration as defined herein:

Subd. 1. Request: A request to submit a grievance to arbitration must be in writing, signed by the aggrieved party, and such request must be filed in the office of the Superintendent within ten days following the decision in Level II of the grievance procedure.

Subd. 2. Prior Procedure Required: No grievance shall be considered by the arbitrator which has not been first duly processed in accordance with the grievance procedure and appeal provisions.

Subd. 3. Selection of Arbitrator: Upon the proper submission of a grievance under the terms of this procedure, either party may request the Bureau of Mediation Services to appoint an arbitrator, pursuant to the PELRA, providing such request is made within ten days after request for arbitration. The request shall ask the appointment be made within thirty days after the receipt of said request. Failure to agree upon an arbitrator or the failure to request an arbitrator from the BMS within the time periods provided herein shall constitute a waiver of the grievance.

Subd. 4. Submission of Grievance Information: Upon appointment of the arbitrator, the appealing party shall within five days after notice of appointment, to forward to the arbitrator, with a copy to the School Board, the submission of the grievance, which shall include the following:

1. The issues involved.
2. Statement of the facts
3. Position of the grievant.
4. The written documents relating to Section 5 above of the grievance procedure.

The School District may make a similar submission of information relating to the grievance either before or at the time of the hearing.

Subd. 5. Hearing: The grievance shall be heard by a single arbitrator and both parties may be represented by such person or persons as they may choose and designate, and the parties shall have the right to a hearing at which time both parties will have the opportunity to submit evidence, offer testimony, and make oral or written arguments relating to the issues before the arbitrator. The proceeding before the arbitrator shall be a hearing denovo.

Subd. 6. Decision: The decision by the arbitrator shall be rendered within thirty days after the close of the hearing.

Subd. 7. Expenses: Each party shall bear its own expenses in connection with arbitration including expenses relating to the party's representatives, witnesses, and any other expenses which the party incurs in connection with presenting its case in arbitration. A transcript or recording of the hearing shall be made at the request of either party. The parties shall share equally fees and expenses of the arbitrator, the cost of the transcript or recording if requested by either or both parties, and any other expenses which the parties mutually agree are necessary for the conduct of the arbitration.

Subd. 8. The arbitrator shall have jurisdiction over disputes or disagreements relating to grievances properly before the arbitrator pursuant to the terms of this procedure. The jurisdiction of the arbitrator shall not extend to proposed changes in terms and conditions of employment as defined herein and contained in this written Agreement; nor shall an arbitrator have jurisdiction over any grievance which has not been submitted to arbitration in compliance with the terms of the grievance and arbitration procedure as outlined herein; nor shall the jurisdiction of the arbitrator extend to matters of inherent managerial policy, which shall include but are not limited to such areas of discretion or policy as the functions and programs of the District, its overall budget, utilization of technology, the organizational structure, and selection and direction and number of personnel. In considering any issue in dispute, in his/her order, the arbitrator shall give due consideration to the statutory rights and obligations of the School Board to efficiently manage and conduct its operations within the legal limitations surrounding the financing of such operations.

Section 8. Elections of Remedies and Waiver: The party instituting any action, proceeding or complaint in a federal or state court of law, or before an administrative tribunal, federal agency, state agency, or seeking relief through any statutory process for which relief may be granted, the subject matter of which may constitute a grievance under this Agreement, shall immediately thereupon waive any and all rights to pursue a grievance under this article. Upon instituting a proceeding in another forum as outlined herein, the employee shall waive the right to initiate a grievance pursuant to this article or if the grievance is pending in the grievance procedure, the right to pursue it further shall be immediately waived. This section shall not apply to actions to compel arbitration as provided in this Agreement or to enforce the award of an arbitrator.

**ARTICLE XVII**  
**Discipline and Discharge**

**Section 1. Purpose: Disciplinary action shall be imposed on employees only for just cause and will be handled in a professional manner. All disciplinary actions are subject to the grievance procedure established by this contract.**

Article ~~XVII~~-XIX  
Duration

Section 1. Terms and Reopening Negotiations: This Agreement shall remain in full force for a period commencing on its date of execution, through June 30, 2025, and thereafter until modifications are made. Unless otherwise mutually agreed, the parties shall not commence negotiations more than 90 days prior to the expiration of the Agreement.

Section 2. Effect: This Agreement constitutes the full and complete Agreement between the School District and the designated employees. The provisions herein relating to terms and conditions of employment supersede any and all prior Agreements, resolutions, practices, School District policies, rules or regulations concerning terms and conditions of employment inconsistent with these provisions, unless mutually agreed upon between employees and the District. Nothing in this Agreement shall be construed to obligate the District from exercising all management rights and prerogatives, except insofar as this exercise would be in express violation of any term of the Agreement.

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

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

Service Employees International Union, Local 284

Independent School District 2174

Date \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Union Representative

\_\_\_\_\_  
School Board Chair

\_\_\_\_\_  
Union Steward

\_\_\_\_\_  
School Board Clerk

Appendix A – Wage Rates

**2023-2024**

Step	Para-professional	Administrative Assistant	Behavior Mgmt	Custodian	Maintenance Worker I	Maintenance Worker II
1	\$15.42	\$16.66	\$20.61	\$16.12	\$19.91	\$18.02
2	\$15.96	\$17.20	\$20.94	\$16.66	\$20.45	\$18.56
3	\$16.50	\$17.75	\$21.26	\$17.20	\$20.99	\$19.10
4	\$17.04	\$18.29	\$21.59	\$17.75	\$21.53	\$19.64
5	\$17.58	\$18.83	\$21.91	\$18.29	\$22.07	\$20.18
6	\$18.12	\$19.37	\$22.24	\$18.83	\$22.61	\$20.72
7	\$18.39	\$19.64	\$22.40	\$19.10	\$22.89	\$20.99
8	\$18.67	\$19.91	\$22.56	\$19.37	\$23.16	\$21.26
9	\$18.94	\$20.18	\$22.83	\$19.64	\$23.43	\$21.53

**2024-2025**

Step	Para-professional	Administrative Assistant	Behavior Mgmt	Custodian	Maintenance Worker I	Maintenance Worker II
1	\$16.42	\$17.66	\$21.61	\$17.12	\$20.91	\$19.02
2	\$16.96	\$18.20	\$21.94	\$17.66	\$21.45	\$19.56
3	\$17.50	\$18.75	\$22.26	\$18.20	\$21.99	\$20.10
4	\$18.04	\$19.29	\$22.59	\$18.75	\$22.53	\$20.64
5	\$18.58	\$19.83	\$22.91	\$19.29	\$23.07	\$21.18
6	\$19.12	\$20.37	\$23.24	\$19.83	\$23.61	\$21.72
7	\$19.39	\$20.64	\$23.40	\$20.10	\$23.89	\$21.99
8	\$19.67	\$20.91	\$23.56	\$20.37	\$24.16	\$22.26
9	\$19.94	\$21.18	\$23.83	\$20.64	\$24.43	\$22.53

**2025-2026**

Step	Para	AA I	AA II	Behavior Mgmt	Custodian	MW I	MW II
1	\$17.67	\$18.91	\$20.41	\$22.86	\$18.37	\$22.16	\$20.27
2	\$18.21	\$19.45	\$20.95	\$23.19	\$18.91	\$22.70	\$20.81
3	\$18.75	\$20.00	\$21.50	\$23.51	\$19.45	\$23.24	\$21.35
4	\$19.29	\$20.54	\$22.04	\$23.84	\$20.00	\$23.78	\$21.89
5	\$19.83	\$21.08	\$22.58	\$24.16	\$20.54	\$24.32	\$22.43
6	\$20.37	\$21.62	\$23.12	\$24.49	\$21.08	\$24.86	\$22.97
7	\$20.64	\$21.89	\$23.39	\$24.65	\$21.35	\$25.14	\$23.24
8	\$20.92	\$22.16	\$23.66	\$24.81	\$21.62	\$25.41	\$23.51
9	\$21.19	\$22.43	\$23.93	\$25.08	\$21.89	\$25.68	\$23.78

**2026-2027**

Step	Para	AA I	AA II	Behavior Mgmt	Custodian	MW I	MW II
1	\$18.42	\$19.66	\$21.16	\$23.61	\$19.12	\$22.91	\$21.02
2	\$18.96	\$20.20	\$21.70	\$23.94	\$19.66	\$23.45	\$21.56
3	\$19.50	\$20.75	\$22.25	\$24.26	\$20.20	\$23.99	\$22.10

4	\$20.04	\$21.29	\$22.79	\$24.59	\$20.75	\$24.53	\$22.64
5	\$20.58	\$21.83	\$23.33	\$24.91	\$21.29	\$25.07	\$23.18
6	\$21.12	\$22.37	\$23.87	\$25.24	\$21.83	\$25.61	\$23.72
7	\$21.39	\$22.64	\$24.14	\$25.40	\$22.10	\$25.89	\$23.99
8	\$21.67	\$22.91	\$24.41	\$25.56	\$22.37	\$26.16	\$24.26
9	\$21.94	\$23.18	\$24.68	\$25.83	\$22.64	\$26.43	\$24.53

Employees will advance one step only at the beginning of each school year. Employees must have completed the probationary period to qualify for step advancements.

### Other Considerations for Maintenance and Custodians

- Assistant to the supervisor shall be paid 20 cents an hour above schedule.
- Night supervisors shall be paid 20 cents an hour above schedule.
- Boiler checks shall be paid at time and one-half times the hourly rate of pay on weekends and at a rate of double the hourly rate of pay on holidays. This shall apply to routine boiler checks only. Additional weekend or holiday time worked shall be compensated at regular and overtime rates as appropriate. If a holiday falls on a weekend, the actual date of the holiday shall be used to pay double time. Employees performing boiler checks shall be paid a minimum of two (2) hours.
- All 2<sup>nd</sup> shift employees shall be paid ~~40~~ 50 cents an hour above schedule.
- Employees substituting for the Director of Buildings and Grounds: In the event that a maintenance worker employee substitutes for the Director of Buildings and Grounds when he/she is on leave for more than five (5) days, said employee will be compensated an additional \$4.00 per hour beginning on the sixth (6) day to reflect the additional responsibility and supervision needed to substitute in this capacity. Substitute hours must be authorized by the Director of Buildings and Grounds.
- Footwear allowance: Full-time, twelve-month contracted custodial and maintenance workers who have passed their probationary period will be reimbursed up to ~~\$200~~ \$250 once each two-year period upon submission of an original receipt for one pair time safety-toed boots/shoes only when no other foot protection is provided by the District.
- Boiler license exam: Full-time, twelve-month contracted custodial and maintenance workers will be reimbursed the fee for a boiler license exam upon proof of a passing score and a receipt showing the cost of the exam.
- Boiler License Differentials: Employees who hold boiler licenses shall be paid the following amounts in addition to their hourly wage rates and other differentials:

<u>License</u>	<u>Amount</u>
2 <sup>nd</sup>	Custodial employees will be moved to the Maintenance II job title
1 <sup>st</sup>	\$.50 (for employees who are Maintenance II only)

For further clarification see job descriptions in District Office.

### Other Considerations for Paraprofessionals

- Paraprofessionals working with students Kindergarten through Grade 12 assigned to a Level III Program or to a student who is identified as in need of Level III services in the IEP shall be paid \$2.50 an hour above schedule. The time spent in the program or with the student should be a minimum of 5

hours per week or an average of 1 hour per day. Any time less than that requires principal approval. Paraprofessionals who are needed to substitute, at the direction of the building principal, in a Level III program or with a student receiving Level III services documented in their IEP shall record their time and be paid \$2.50 an hour above schedule for time. The additional pay will begin with the first full hour of subbing in this capacity. (Level III follows the federal regulation description and is defined as a student who requires special education services outside of the regular education classroom for more than 60 percent of the day. The Level III distinction may change due to changes in service minutes documented in the IEP.)

2. Paraprofessionals who are assigned to a student who is identified as needing a behavior management specialist in the IEP or substituting for a behavior management specialist shall record their time and be paid at step 1 of the behavior management specialist wage according to the current wage matrix.
3. In the event a paraprofessional supervises the classroom when the teacher is out of the building without a replacement teacher or has supervisory duties of a classroom when a teacher is not present shall be compensated an additional \$4 per hour to reflect the additional responsibility and supervision needed in this capacity. If the classroom/program has multiple paraprofessionals to support the classroom/program one paraprofessional will be designated in this capacity. The additional pay will begin with the first full hour of supervision.

## **MEMORANDUM OF AGREEMENT**

This Memorandum of Agreement (“MOA”) is entered into by and between Service Employees International Union, Local 284 (“Union”) and Independent School District No. 2174 (“District”).

WHEREAS, the Union and the District are parties to a collective bargaining agreement (“CBA”) governing the negotiated terms and conditions of employment for custodial staff, maintenance staff, clerical staff, behavior management specialists and paraprofessionals (“employees”) who are employed by the District;

WHEREAS, the current CBA has a two-year term that began on July 1, 2023 and ends on June 30, 2025;

WHEREAS, Article VIII of the CBA addresses Leaves of Absence but does not address unpaid leave. The School District has had a practice of allowing unpaid leave to employees. The School District wishes to enter into an agreement with the Union that will expire at the end of the current 2023-2025 contract.

WHEREAS, the Union and the District want to modify the CBA to allow employees to use up to three (3) days of unpaid leave each school year until a new CBA is entered into;

NOW, THEREFORE, IN CONSIDERATION OF the mutual promises contained in this MOA, the Union and the District agree as follows:

1. ~~**Modification of Article VIII.** Effective upon execution of this memorandum of agreement, the Union and the District agree to allow employees who have exhausted their personal leave, or in combination with, up to three (3) days of unpaid leave per school year. The number of unpaid leave requests granted on any given day shall normally be limited to 10% of the employee group by department. More employees may be granted at the discretion of the Superintendent. Unpaid leave requests will be granted in the order the requests are received by the School District Office.~~
2. ~~**Equal drafting.** In the event any person asserts that a provision of this MOA is ambiguous, this MOA must be construed to have been drafted equally by the parties.~~
3. ~~**Entire Agreement.** This MOA constitutes the entire agreement between the parties relating to changes in Articles VIII that are described above. This MOA controls to the extent that it conflicts with terms of the CBA. No party has relied upon any statements or promises that are not set forth in this MOA. No changes to this MOA are valid unless they are in writing and signed by both parties.~~

~~Memorandum of Understanding  
Between  
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL #284  
And  
PINE RIVER BACKUS SCHOOL DISTRICT #2174~~

~~Regarding: Article XIII – Earned Vacation –~~

~~The Pine River Backus Local #284 and Pine River Backus School District #2174 hereby mutually agree to amend their collective bargaining agreement for the period of July 1, 2023 to June 30, 2025. The purpose for this memorandum is to ensure employees are compensated at their hourly rate for earned vacation time that voluntarily went unused during this time of worker shortage in order to meet student, building cleaning and maintenance needs. It is also the intent that no employee will lose vacation time as described in Section 3, Subd. 4.~~

~~Article XIII – Earned Vacation –~~

~~Section 1. Employees who work 1900-2080 hours per year shall accrue vacation as follows:~~

- ~~e. Five (5) days after one year;~~
- ~~f. Ten (10) days after two years;~~
- ~~g. Fifteen (15) days after seven years;~~
- ~~h. Twenty (20) days after twenty years.~~

~~Section 2. Employees who work 1650-1450-1899 hours per year shall accrue vacation as follows: Prorata vacation time as per Section 1. Proration based on months worked as defined under Article VII, Section 5.~~

~~Section 3. Application:~~

~~Subd. 1. If the employee resigns before completing the first full year of service, the employee shall not be entitled to any vacation pay. An employee who has completed at least one full year of service shall be entitled to receive the prorata pay for unused vacation time provided such employee provides the District with at least 2 weeks advance, written notice of the employee's resignation time.~~

~~Subd. 2. The scheduling of all vacation time shall be approved in writing by the immediate supervisor.~~

~~Subd. 3. Full year of service or advancement date is the employee's employment anniversary date.~~

~~Subd. 4. Employees will be able to carry over up to ten (10) vacation days each year based on individual anniversary dates. Vacation days in excess of ten (10) days will be paid at the employee's hourly rate.~~

~~Section 4. Current district employees that do not receive vacation and are awarded a position that earns vacation shall be credited for prior service proportionate to their work year. (e.g. a 10 month employee working 9 years would have 90 months of credit, resulting in 7 years credit on the vacation schedule and 15 vacation days awarded).~~

~~This language will be reviewed during the negotiations of the 2025-2027 master agreement.~~

**MEMORANDUM OF  
UNDERSTANDING**

**Off Schedule Pay Rates**

WHEREAS, SEIU, Local 284 and the Pine River-Backus School District have reached an agreement on the contract for ~~2023-2025~~ 2025-2027; and

WHEREAS, there are two employees whose hourly wage remains at a rate which exceeds the schedule established for their assigned classification.

THEREFORE, BE IT RESOLVED and agreed that the individual employee will be assigned wage rates representing an increase in an amount equivalent to the increase applied to the wage-schedule for the ~~2023/24 and 2024/25~~ 2025-2026 and 2026-2027, establishing hourly rates as follows:

	<del>2023-24</del>	<del>2024-25</del>
<del>Lori Flategraff</del>	<del>\$20.35</del>	<del>\$21.35</del>
<del>Lori Kish</del>	<del>\$19.68</del>	<del>\$20.68</del>
	<u>2025-2026</u>	<u>2026-2027</u>
Lori Flategraff	\$22.60	\$23.35
Lori Kish	\$21.93	\$22.68

SEUI Local 284

PINE RIVER-BACKUS ISD 2174

\_\_\_\_\_  
Local 284 Union Representative

\_\_\_\_\_  
Board Chair

\_\_\_\_\_  
Union Steward

\_\_\_\_\_  
Board Clerk

Date: \_\_\_\_\_

Date: \_\_\_\_\_

~~Memorandum of Understanding  
Between  
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 284  
And  
PINE RIVER BACKUS SCHOOL DISTRICT #2174~~

~~Regarding: Article XII Holidays~~

~~In accordance with Minnesota Statutes 645.44 Pine River Backus Schools will be closed on Juneteenth and no business will occur on that date. The School Service International Union, Local 284 (union) and Pine River Backus School District #2174 (district) hereby mutually agree to amend their collective bargaining agreement effective immediately to include the following:~~

~~Article XII, Section 1, Holidays: Juneteenth will be added as a paid holiday for eligible employees working 11 or more months.~~

~~Memorandum of Understanding  
Between  
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL #284  
And  
PINE RIVER BACKUS SCHOOL DISTRICT #2174  
-  
Regarding: Appendix A—Wage Rates  
Other Considerations for Maintenance and Custodians~~

~~WHEREAS, Jim Niskanen, Maintenance Worker I, has been placed in the role of Interim Director of Buildings and Grounds from April 22, 2024 until a new Director is hired and assumes duties.~~

~~THEREFORE BE IT RESOLVED and agreed that the individual employee will be compensated an additional \$7.00 per hour above current hourly rate to reflect the additional responsibility and supervision needed to fill this role.~~

~~This Memorandum of Understanding will terminate upon the Director of Buildings and Grounds position being filled.~~

Memorandum of Understanding  
Between  
PINE RIVER-BACKUS EDUCATION MINNESOTA #7210  
And  
PINE RIVER-BACKUS SCHOOL DISTRICT #2174

Regarding: Article VII, Section 6 Additional Class Assignments

Pine River-Backus Education Minnesota and Pine River-Backus School District #2174 hereby mutually agree to amend their collective bargaining agreement for the period of July 1, 2025 to June 30, 2027 to include the following (added language is underlined):

Article VII, Section 6, Subd. 1:

In emergency situations, all teachers may be assigned using a rotation of available teachers, at the direction of the supervising principal, to substitute teach a class for a period of time in lieu of their preparation time or to assume students from another classroom in addition to their current class. Teachers will be compensated at an hourly rate based on Lane 1/Step 1 of the salary schedule. Compensation earned prior to December 1 will be paid on the December paycheck, time earned during the remainder of the year will be paid on the June paycheck. If at the end of the school year additional teacher days have been added as a result of school cancellations and no professional development has been scheduled, a teacher may use the earned time as compensatory leave in lieu of paid compensation for the last added day.

Note: When building schedules all attempts possible will be made to have three (3) teachers on their preparation time each period. When teaching staff are unavailable, the Dean of Students, HS Counselor and Athletic Director will also be assigned to cover classrooms and will be eligible for compensation.

This language will be included in the 2027-2029 master agreement.

In witness thereof, the parties have executed the Agreement as follows:

FOR:

Pine River-Backus Education Minnesota

By: \_\_\_\_\_  
Teacher Representative

Dated: \_\_\_\_\_

FOR:

Pine River-Backus School District

By: \_\_\_\_\_  
Board Chair

Dated: \_\_\_\_\_

## **Consortium Agreement Cross-District High School Course Access**

This Cross-District High School Course Access Agreement (the “Agreement”) is entered into by and between the following entities, collectively referred to as “the Parties”:

Independent School District No. 484, Pierz, MN  
Independent School District No. 181, Brainerd, MN  
Independent School District No. 186, Pequot Lakes, MN  
Independent School District No. 182, Crosby, MN  
Independent School District No. 116, Pillager, MN  
Independent School District No. 2174, Pine River, MN

### **Purpose**

The purpose of this Agreement is to establish a framework that enables the Parties to share access to approved concurrent enrollment courses, across district boundaries. This cooperative effort is designed to expand educational opportunities for students, particularly in specialized, advanced, or low-enrollment courses that may not be feasible for a single district to offer independently.

The Parties agree as follows:

### **Process**

1. The courses outlined in this agreement are online asynchronous concurrent enrollment classes (“the classes”).
2. High School Principals will fill the classes with students from their own school district prior to offering the class to students from other districts.
3. At an agreed-upon date, if the classes still have room for enrollment, they will be open to students from other districts.
4. Students will enroll in the class on a first-come, first-served basis until the capacity is met.
5. All courses will be online using D2L and offered through Central Lakes College.

### **Reimbursement**

1. The deadline for the add/drop period for the classes is the Friday after the second week of class.
2. At the conclusion of the add/drop period, the host district will bill the students’ home district \$250 per semester class.

### Credit Recognition and Transcription

1. Credits earned by a student through an approved shared course shall:
  - a. Be recorded on the student's official transcript by their home district;
  - b. Count toward the student's graduation requirements as equivalent to an in-district course.

### Data Sharing and Confidentiality

1. The Parties agree to comply with all applicable federal and state laws governing student privacy, including the Family Educational Rights and Privacy Act (FERPA).
2. Any exchange of student information necessary to support enrollment, instruction, or credit recording shall be conducted securely and only to the extent necessary.

### Individual School District Termination

1. Any district may terminate its participation in this Agreement, for any reason, with 90 calendar days' written notice to all other participating parties.
2. Termination by one district shall not affect the rights or obligations of the remaining parties.

### Duration

1. This Agreement is effective from January 1, 2026, through June 30, 2026.
2. The Agreement shall not automatically renew.
3. Continuation or renewal requires a written agreement signed by all participating parties.

### Governing Law

1. This Agreement shall be construed and interpreted in accordance with the laws of the State of Minnesota.

### Severability

1. If any provision of this Agreement is found to be illegal or unenforceable, that provision shall be severed or modified to the extent necessary to make it enforceable, and the remainder of this Agreement shall remain in full force and effect.

### Complete Agreement

1. This document constitutes the entire agreement among the Parties regarding cross-district high school course access.
2. Any amendments or addenda must be made in writing and signed by all Parties.

Signatures

By signing below, each Party acknowledges that it has read this Agreement, has had the opportunity to consult with legal counsel, is school board approved, and agrees to the terms and conditions set forth herein.

Independent School District No. 484, Pierz, MN

Superintendent: \_\_\_\_\_ Date: \_\_\_\_\_

Independent School District No. 181, Brainerd, MN

Superintendent: \_\_\_\_\_ Date: \_\_\_\_\_

Independent School District No. 186, Pequot Lakes, MN

Superintendent: Kurt Slu Date: 10/20/25

Independent School District No. 182, Crosby, MN

Superintendent: \_\_\_\_\_ Date: \_\_\_\_\_

Independent School District No. 116, Pillager, MN

Superintendent: \_\_\_\_\_ Date: \_\_\_\_\_

Independent School District No. 2174, Pine River, MN

Superintendent: \_\_\_\_\_ Date: \_\_\_\_\_

