



Preliminary Budget

Fiscal Year 2024

Robyn Vosberg-Torgerson
Director of Business Services

June 22, 2023

School District Financial Structure



Financial Reporting Entity:

Chisago Lakes Public Schools operates as a fiscally independent public school system under a locally elected, six-member board form of government.

The District's financial records and reports are maintained and prepared on a modified or full accrual basis of accounting in accordance with the Uniform financial Accounting and Reporting System for Minnesota School Districts (UFARS) as well as the standards of the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. These records are audited annually by an independent certified public accountant as required by Minnesota law.

*Budgetary control is maintained through an annual budget adopted by the School Board for all funds as required by state statutes (MN Statute 123B.77) and School Board policy. The adopted budget serves as the authorizing document for all expenditures, although the School board approves all checks issued on a monthly basis. The Superintendent and Director of Business Services are authorized to make financial commitments within budgetary guidelines. The District has a School Board policy recommending a minimum unassigned general fund balance between **7 and 10 percent** of general fund expenditures.*

The budget is adopted by the School board by June 30th of each year for the following fiscal year beginning July 1. If needed, the budget is revised at least once per year based upon enrollment changes, effects of negotiated employee contracts, or other new information impacting revenues or expenditures. The revised budget is presented to the School Board for approval.

Budget Overview



Purpose of the Budget

The purpose of the budget is to **provide a financial plan** with estimates of proposed expenditures for a given period and purpose, along with the proposed means of financing the plan. To achieve the basic objective, a comprehensive budget system is integrated within the financial accounting system. The budget reflects the school district's **priorities and expectations** and is a guide for future activities. The structure and format provided by a well-designed budget promotes sound decision making when allocating resources and prioritizing the importance of school district services.

Funds

General Fund

Food Service Fund

Community Service Fund

Debt Service Fund

Custodial Fund

General Fund

The General Fund is used to account for all revenues and expenditures of the school district not accounted for elsewhere. The General Fund is used to account for educational activities, district instructional and student support programs, expenditures for the superintendent, district administration, normal operations and maintenance, pupil transportation, capital expenditures, and legal school district expenditures not specifically designated to be accounted for in any other fund.



General Fund - Fund Balances

Non-Spendable
Assigned
Unassigned
Reserved:

- Student Activities
- Staff Development
- Operating Capital
- Safe Schools Levy
- Long Term Facilities Maintenance

Original Assumptions



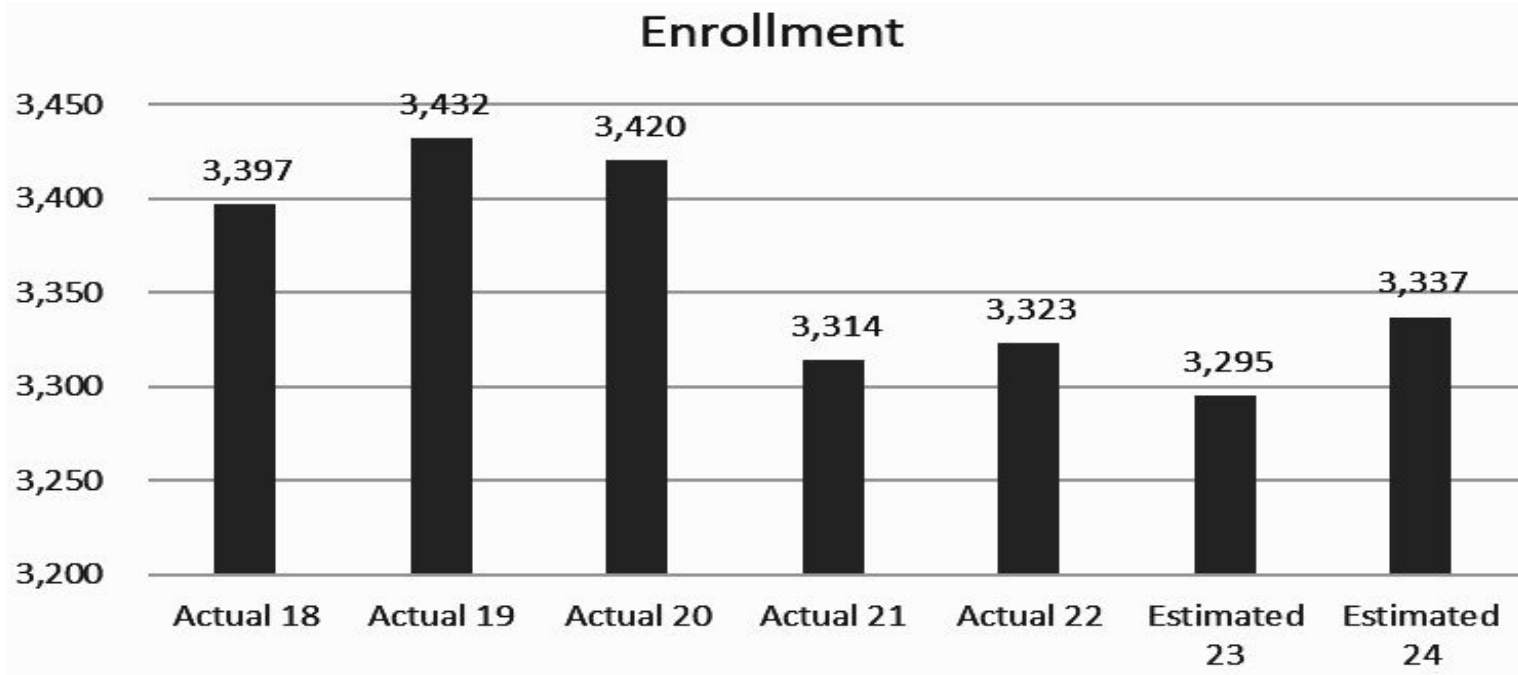
- Enrollment = 3,337
- General Education Basic Formula = \$7,069 (3% increase)
 - Kindergarten - Grade 6 = \$7,069
 - Grade 7 - 12 = \$8,483
- Compensatory Revenue Increase = 530,534
- Special Education Revenue = 2% increase
- Expenditure increase = 2.5% average
- Reduction of Federal Grants = -\$1,600,000
- Contracts Open: CLEM, Custodians, Food Service, Technology, Singles

Updated Assumptions



- Enrollment = 3,337
- General Education Basic Formula = \$7,138 (4% increase)
 - Kindergarten - Grade 6 = \$7,138
 - Grade 7 - 12 = \$8,566
- Compensatory Revenue Increase = 631,084
- Special Education Cross Subsidy = \$1,200,000
- Special Education Revenue = 2% increase
- Expenditure increase = 5.5% average
- Reduction of Federal Grants = -\$1,600,000
- Contracts Open: CLEM, Custodians, Food Service, Technology, Singles

Change in Enrollment





General Fund

Estimated Fund Balance at 6/30/2023

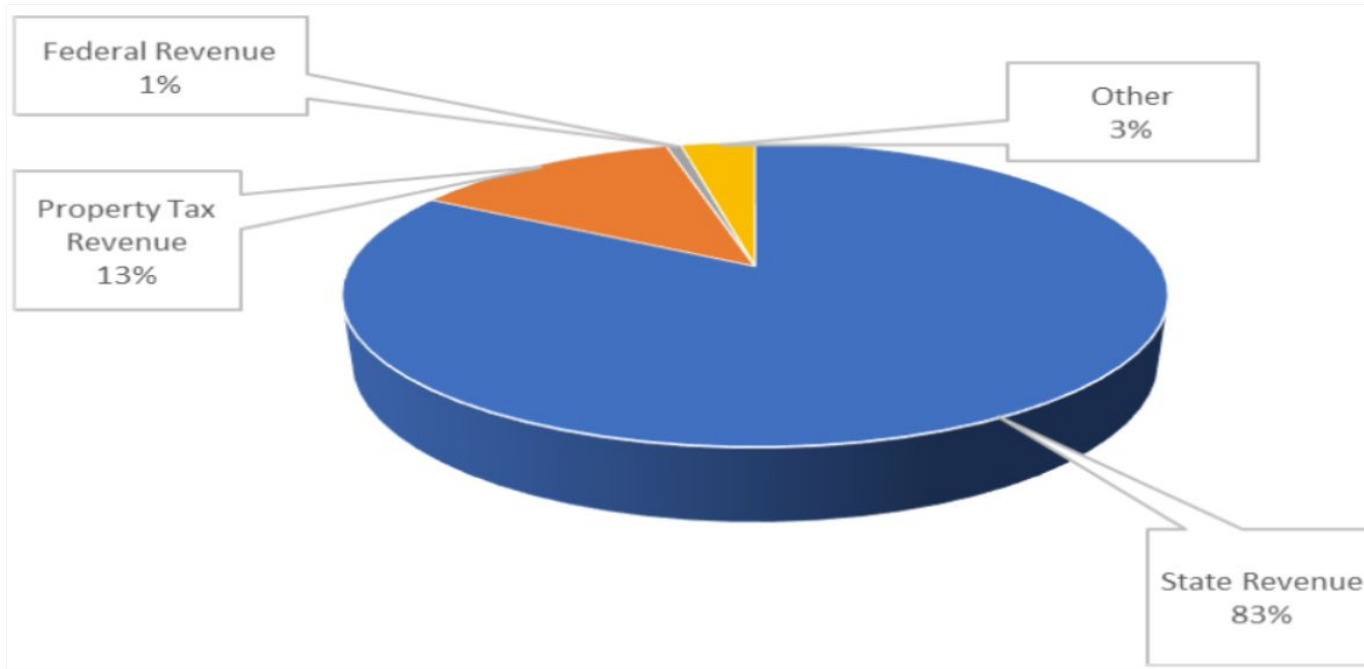
- \$8,515,304

Revenue	\$44,951,561
Expenditures	<u>(\$45,500,424)</u>
	(\$548,863)

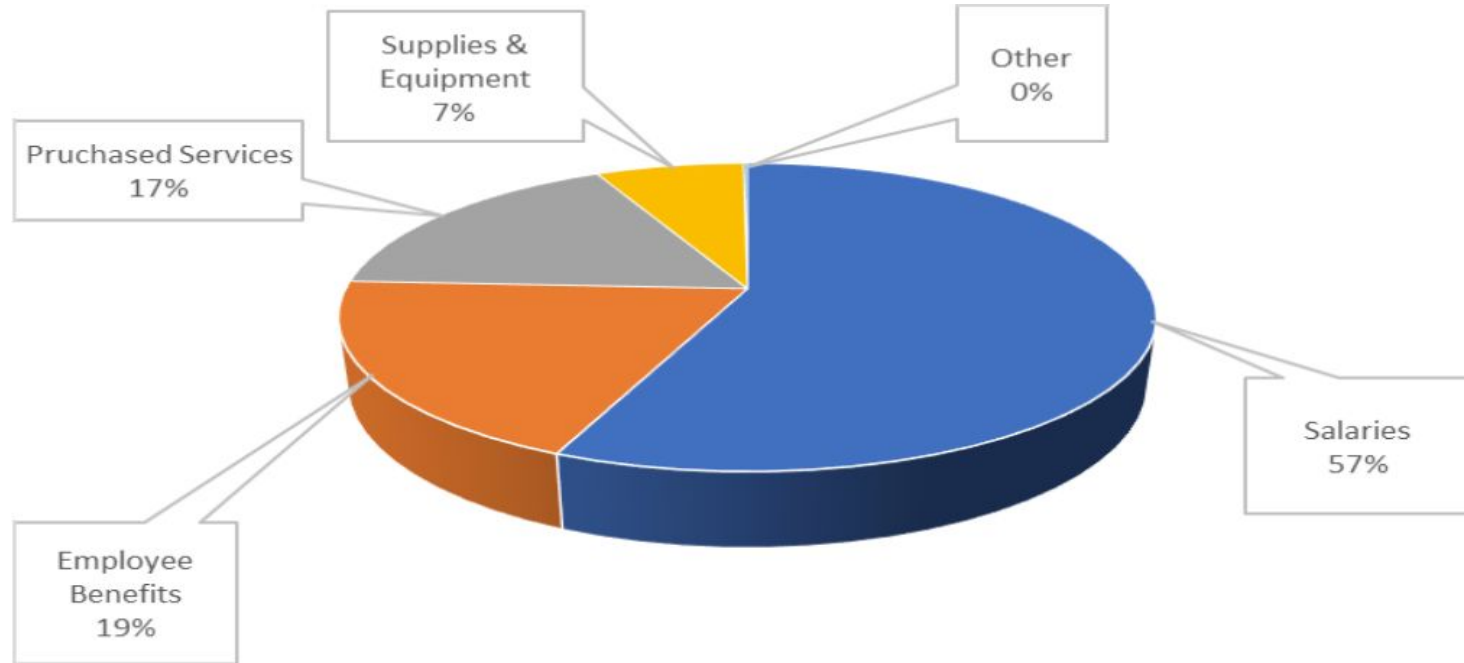
Estimated Fund Balance at 6/30/2024

- \$7,966,441

General Fund Revenue



General Fund Expenditures



Fund Balance Projection



	6/30/2022	Projected 6/30/2023	Projected 6/30/2024
Restricted Assigned Nonspendable	\$6,067,006	\$5,576,840	\$5,354,560
Unassigned	\$2,012,789	\$2,938,464	\$2,611,881
Total Fund Balance	\$8,079,795	\$8,515,304	\$7,966,441

Fund Balance Policy

The school district will strive to maintain a minimum unassigned general fund balance between 7% and 10% of general fund expenditures.

Unassigned Fund Balance Projection

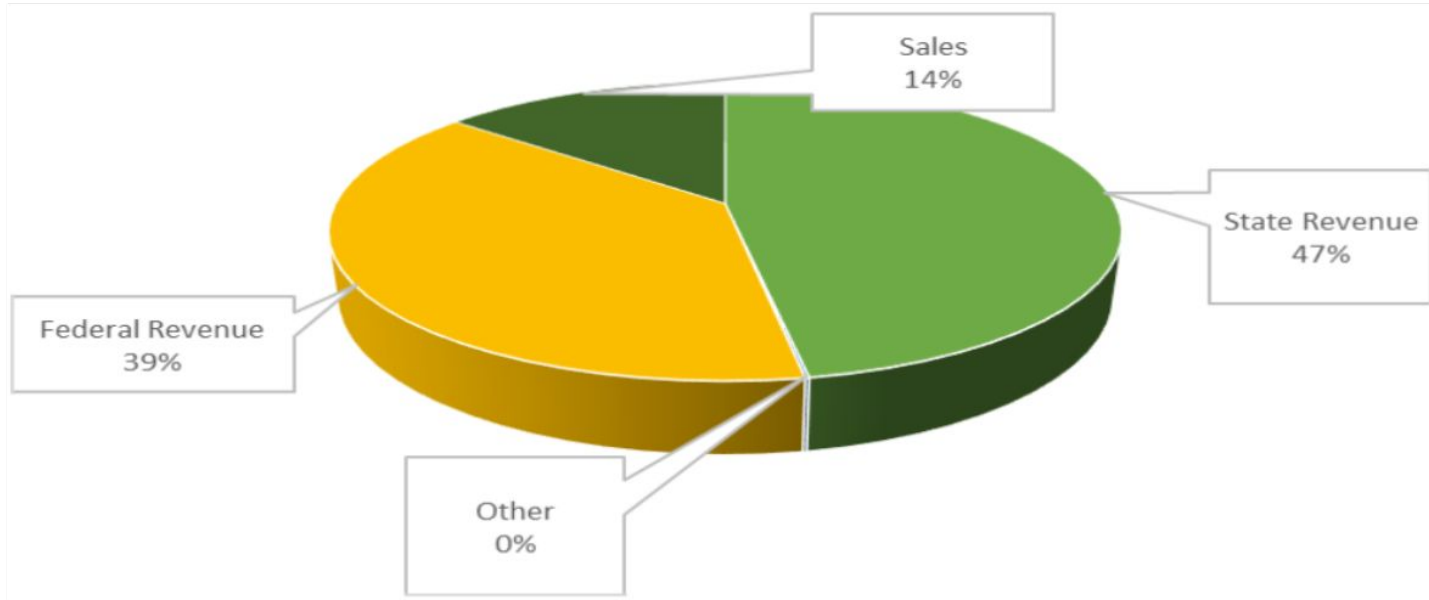


	Actual 6/30/2022	Projected 6/30/2023	Projected 6/30/2024
Unassigned	\$2,012,789	\$2,938,464	\$2,611,881
Expenditures	\$42,958,711	\$43,143,841	\$45,500,424
% of Expenditures	4.7%	6.8%	5.7%

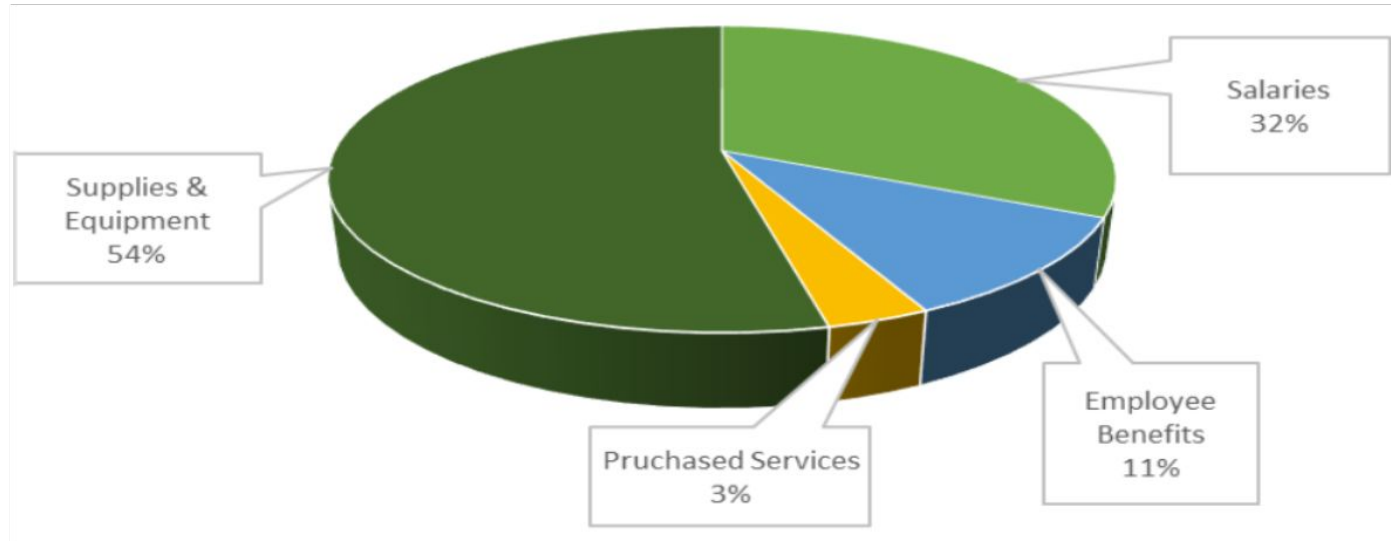
Food Service Fund

The Food Service Fund is used to record financial activities of a school district's food service program. Food service includes activities for the purpose of preparation and service of milk, meals, and snacks in connection with school and community service activities. All expenditures relating to meal preparation must be recorded in the Food Service Fund. Eligible expenditures include application processing, meal accountability, food preparation, meal service, and kitchen custodial service (Minn. Stat. § 124D.111, subd. 3). Generally excluded from the Food Service Fund are the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, or any other administrative costs that are the responsibility of the General Fund.

Food Service Revenue



Food Service Expenditures





Food Service Fund

Estimated Fund Balance at 6/30/2023

- \$782,573

Revenue \$2,130,000

Expenditures (\$2,149,653)

(\$19,653)

Estimated Fund Balance at 6/30/2024

- \$762,920

Community Service Fund

The Community Service Fund is used to record all financial activities of the Community Service program. The Community Service Fund is comprised of five components, each with its own fund balance:

- Community Education, Restricted/Reserved Fund Balance 431
- Community Education, Restricted Fund Balance 464
- Early Childhood Family Education (ECFE) 432
- School Readiness, Restricted/Reserved Fund Balance 444
- Adult Basic Education (ABE), Restricted/Reserved Fund Balance 447



Community Service Fund

Estimated Fund Balance at 6/30/2023

- \$1,007,056

Revenue \$2,632,560

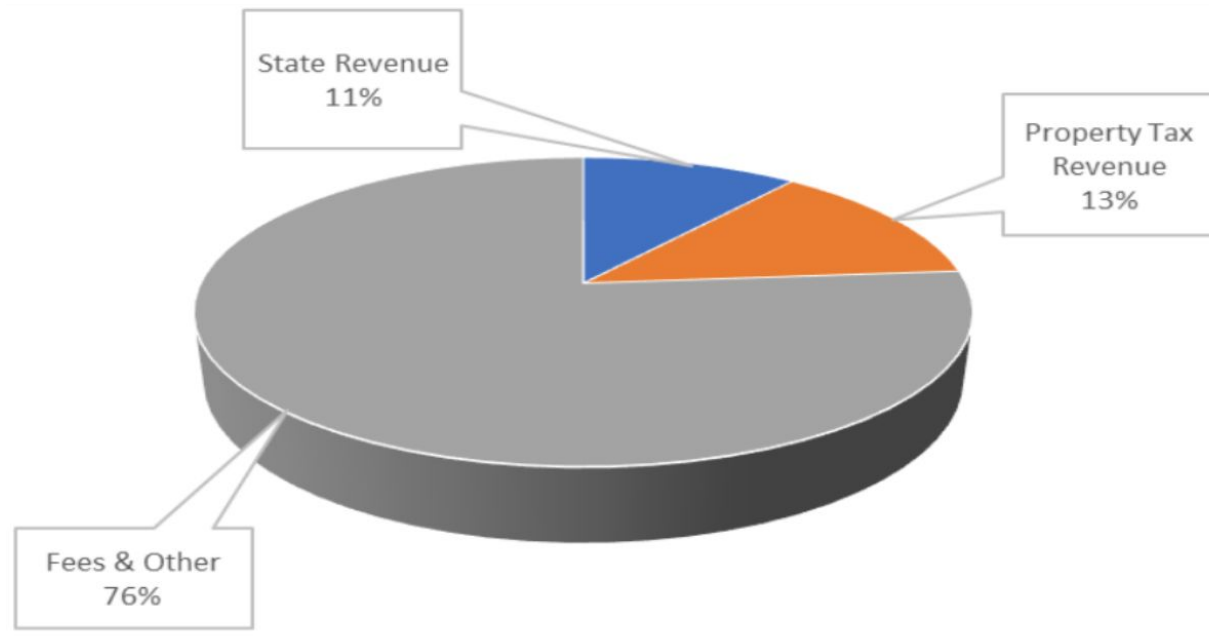
Expenditures (\$2,621,225)

\$11,335

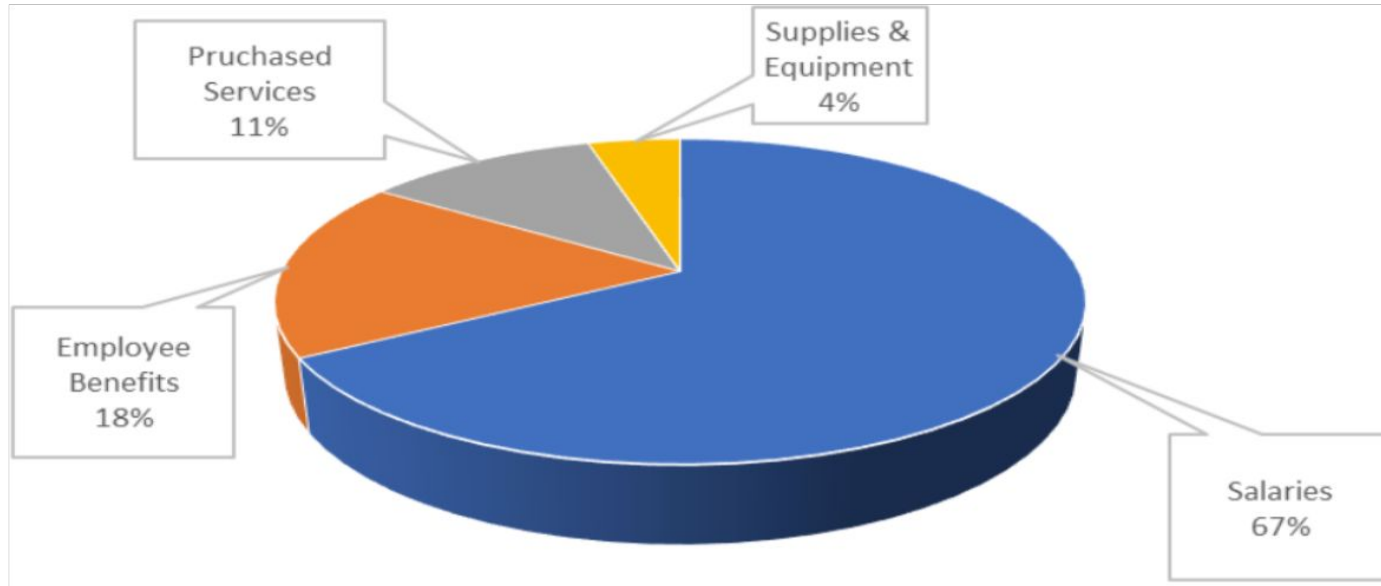
Estimated Fund Balance at 6/30/2024

- \$1,018,391

Community Service Revenue



Community Service Expenditures



Debt Service Fund

The Debt Service Fund is used to record revenues and expenditures for a school district's outstanding bonded indebtedness, whether for building construction or operating capital, and whether for initial or refunding bonds. When a bond issue is sold, the school board must levy a direct general tax upon the property of the district for the payment of principal and interest on such bonds as due. The revenue from such a tax and related state aid must be separately accounted for in the Debt Service Fund (Minn. Stat. § 475.61).



Debt Service Fund

Estimated Fund Balance at 6/30/2023

- \$1,092,415

Revenue \$5,290,068

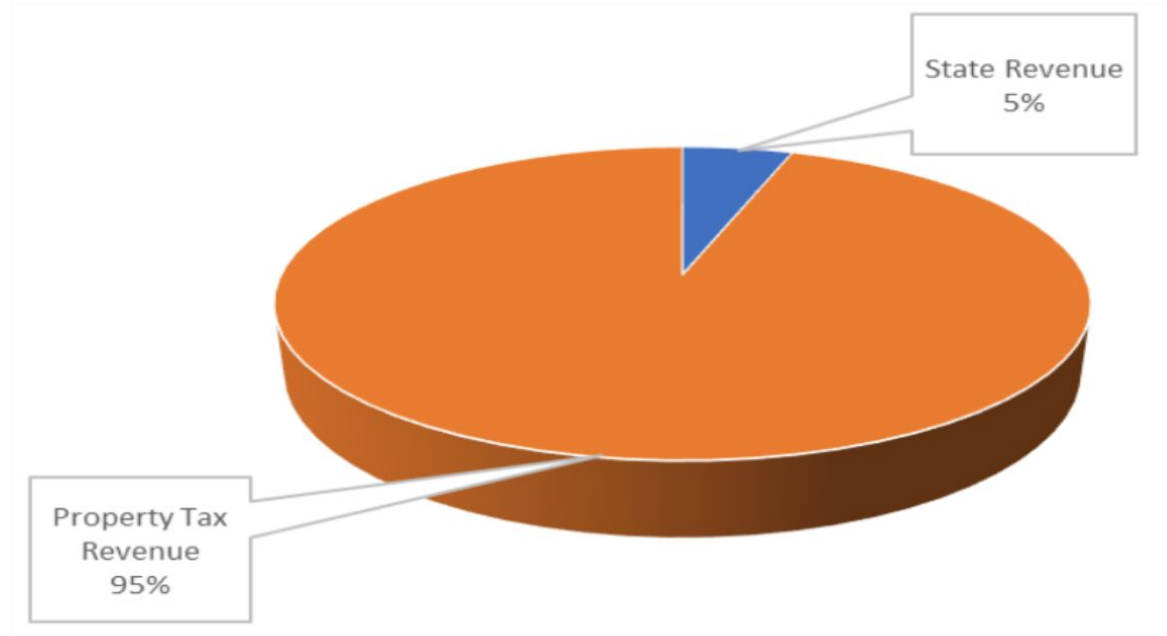
Expenditures (\$5,170,564)

\$119,504

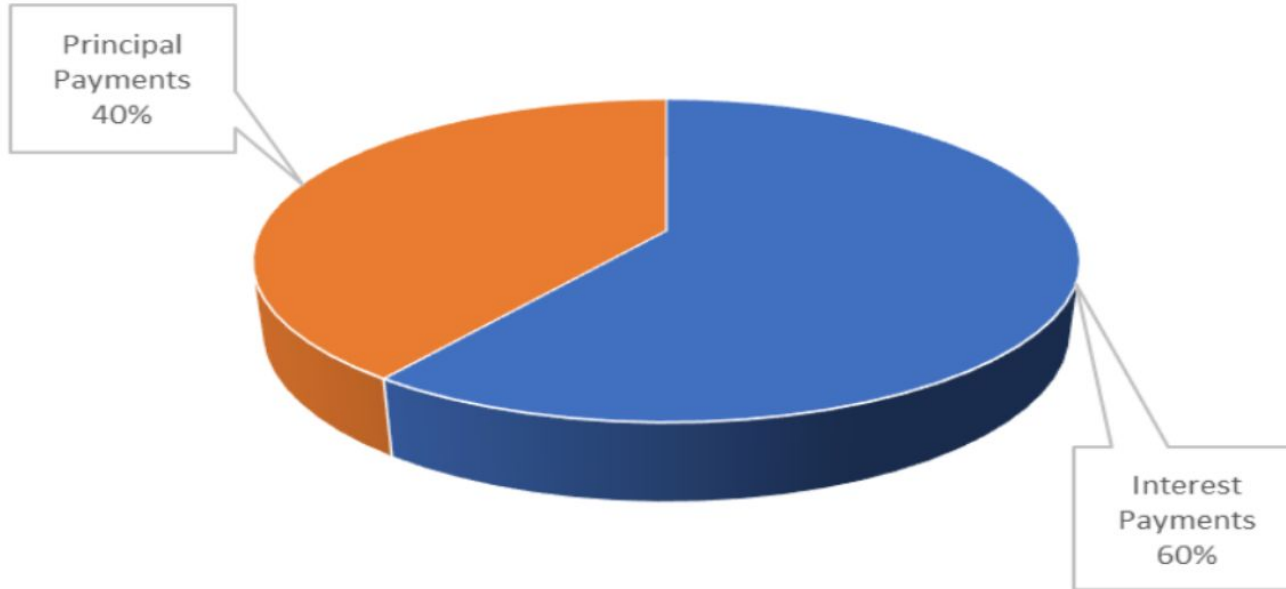
Estimated Fund Balance at 6/30/2024

- \$1,211,920

Debt Service Revenue



Debt Service Expenditures



Custodial (Scholarship) Fund

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust fund. Custodial funds represent a flow through mechanism in which the School District receives funds and distributes these funds to an organization, with no financial benefit to the School District.

In other words, we hold the Scholarship money and pay it out to recipients. We cannot use this money for District purposes.



Custodial (Scholarship) Fund

Estimated Fund Balance at 6/30/2023

- \$11,778

Revenue	\$30,000
Expenditures	<u>(\$30,000)</u>
	\$0

Estimated Fund Balance at 6/30/2024

- \$11,778

Estimated Change in Fund Balance



	FY 2024 Revenue	FY 2024 Expenses	Change in Fund Balance
General	\$44,951,561	\$45,500,424	(\$548,863)
Food Service	\$2,130,000	\$2,149,653	(\$19,653)
Community Service	\$2,632,560	\$2,621,225	\$11,335
Debt Service	\$5,290,068	\$5,170,564	\$119,504
Scholarship	\$30,000	\$30,000	\$0
Totals	\$55,034,189	\$55,471,866	(\$437,677)

Estimated Fund Balance



	Estimated 6/30/2023	Change	Estimated 6/30/2024
General Unassigned	\$2,938,464	(\$222,280)	\$2,703,529
General Assigned	\$5,576,840	(\$326,583)	\$5,250,257
Food Service	\$782,573	(\$19,653)	\$762,920
Community Service	\$1,007,056	\$11,335	\$1,018,391
Debt Service	\$1,092,415	\$119,504	\$1,211,920
Scholarship	\$11,778	\$0	\$11,778



Thank you!

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