FY 2024-2025

Preliminary Budget Executive Summary











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Fiscal Year 2024-2025

Preliminary Budget Executive Summary

Robyn Vosberg-Torgerson, Director of Business Services
Approved by the School Board on June 20, 2024

This budget has been designed to give readers a better understanding of the financial structure and budgeting process of the District.

All budgets have been organized using a pyramid approach so readers may progress from an overview to greater levels of detail (macro to micro). This approach starts with a summary of all fund categories and then presents individual funds. Readers are able to work their way “down” the pyramid and budget details become more specific as they move from the beginning to the end of the document.

School Board

Lori Berg, Chair
Term Expires: January 2025

Jeff Lindeman, Vice Chair
Term Expires: January 2025

Jennifer Penzenstadler, Secretary
Term Expires: January 2027

Brenda Carlson, Treasurer
Term Expires: January 2025

Josh Soderlund, Director
Term Expires: January 2027

Sarah Aadland, Director
Term Expires: January 2027

Brian Dietz, Superintendent











GOVERNMENTAL FUND STRUCTURE

To understand this budget document, it is helpful to know that there are several legal restrictions on how school districts must spend and account for the public funds that they receive. Per state requirements and Generally Accepted Accounting Principles of the United States, Chisago Lakes Public Schools separates its money into five areas.

They are as follows:

General Fund
Used to account for the general operations of the school district. This fund includes salaries and benefits for teachers, principals, custodians, administrative support staff, paraprofessionals, and administrators; costs of supplies, textbooks, contracted services, utilities, repairs and equipment. This fund is also used for long-term facilities maintenance (LTFM) projects and capital expenditures.

Food Service Fund
Used for all expenditures related to operating the District's food service program. This includes food, salaries, benefits, supplies, and equipment. Food Service revenues come primarily from federal and state aid along with sales of second meals to students, ala carte and adult meals.

Community Services Fund
Used for expenditures related to community education programs including Early Childhood Family Education, Preschool, Wildcat Community Center, Kids Club, youth enrichment classes, and Community Education Programs. Community Services revenue primarily comes from fees charged for the programs and property tax revenue dedicated to community services.

Debt Service Fund
Used to accumulate and account for resources that fund principal and interest payments on bonds sold to finance construction. These are akin to a homeowner's payments on a mortgage.

Custodial Fund
Used to represent a flow through mechanism in which the School District receives funds and distributes these funds to an organization. There is no financial benefit to the School District.

Why is this information important? It is important to understand the fund structure because, with very few exceptions, money cannot be transferred from one fund to another. For example, raising a la carte prices or Kids Club tuition is not a solution to a shortfall in the General Fund. Similarly, the resources of the Debt Service Fund or the Custodial Fund cannot be used to pay teacher salaries.

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EXPENDITURES BY PROGRAM

The school district budget consists of expenditures made for the following programs or activities:

Administration
Includes all costs for general administration, instructional administration and school site administration. This area also covers the school board, superintendent, principals, and directors.

District Support Services
Consists of activities related to general administrative support not listed above. This area covers federal programs, human resources, business and finance, government relations, school elections, and miscellaneous district administration not otherwise classified. Anticipated salary increases and district contingency reserves have temporarily been budgeted here.

Elementary and Secondary Regular Instruction
Elementary and secondary regular instruction consists of all activities dealing directly with the teaching of pupils, the interaction between teachers and pupils in the classroom and co-curricular activities at the kindergarten, elementary and secondary levels.

Vocational Instruction
Courses and activities which develop knowledge, skills, attitudes and behavioral characteristics for students seeking career exploration and employability.

Special Education Instruction
Activities providing learning experiences for pupils of any age who, because of certain atypical characteristics or conditions, need, or who would benefit by, educational programs different from those provided pupils in regular or vocational instruction.

Instructional Support Services
Activities for assisting the instructional staff with the content and process of providing learning experiences for pupils in kindergarten through twelfth grade.

Pupil Support Services
Includes all services provided to pupils who do not qualify to be classified as instructional services (counseling/guidance, health, psychological, social work, transportation, other).

Sites and Buildings
Activities related to the acquisition, operation, maintenance, repair and remodeling of all physical plant, facilities and grounds of the school district.

Fiscal and Other Fixed Costs
Fiscal and fixed cost activities that are not recorded elsewhere.

EXPENDITURES BY OBJECT

The school district budget consists of the following types of expenditures:

Salaries
Regular salary related to personnel positions, extra-curricular assignments, overtime, and substitute costs.

Benefits
Health, dental, life, long-term disability, workers' compensation, state pension contributions, retirement plans and recording of post-retirement benefits for current employees.

Purchased Services
Includes consultants, postage, insurance,repair and maintenance services, utilities, student transportation contracts, travel/conferences, payments to other districts, and tuition.

Supplies and Materials
Textbooks, instructional supplies, office and custodial supplies, computer software, and related copier costs. Includes fuel for buildings.

Capital
Building construction, equipment, facility repair and maintenance, vehicles, and computer equipment.

Debt Service
Principal and interest payments for bonded debt.

Other Expenditures
All other expenditures not classified in other areas.

Fiscal Year 2024-2025

Preliminary Budget Executive Summary

BUDGET OVERVIEW

The annual budget presented includes an analysis of the actual financial results of the District at June 30, 2023, and the anticipated positions at June 30, 2024 and June 30, 2025.

The budget was prepared in accordance with generally accepted accounting principles and District Policy 701, and includes all governmental funds. Each fund is treated as an independent accounting entity in accordance with statutory requirements and state and federal regulations governing the District's various revenue sources and expenditure purposes.

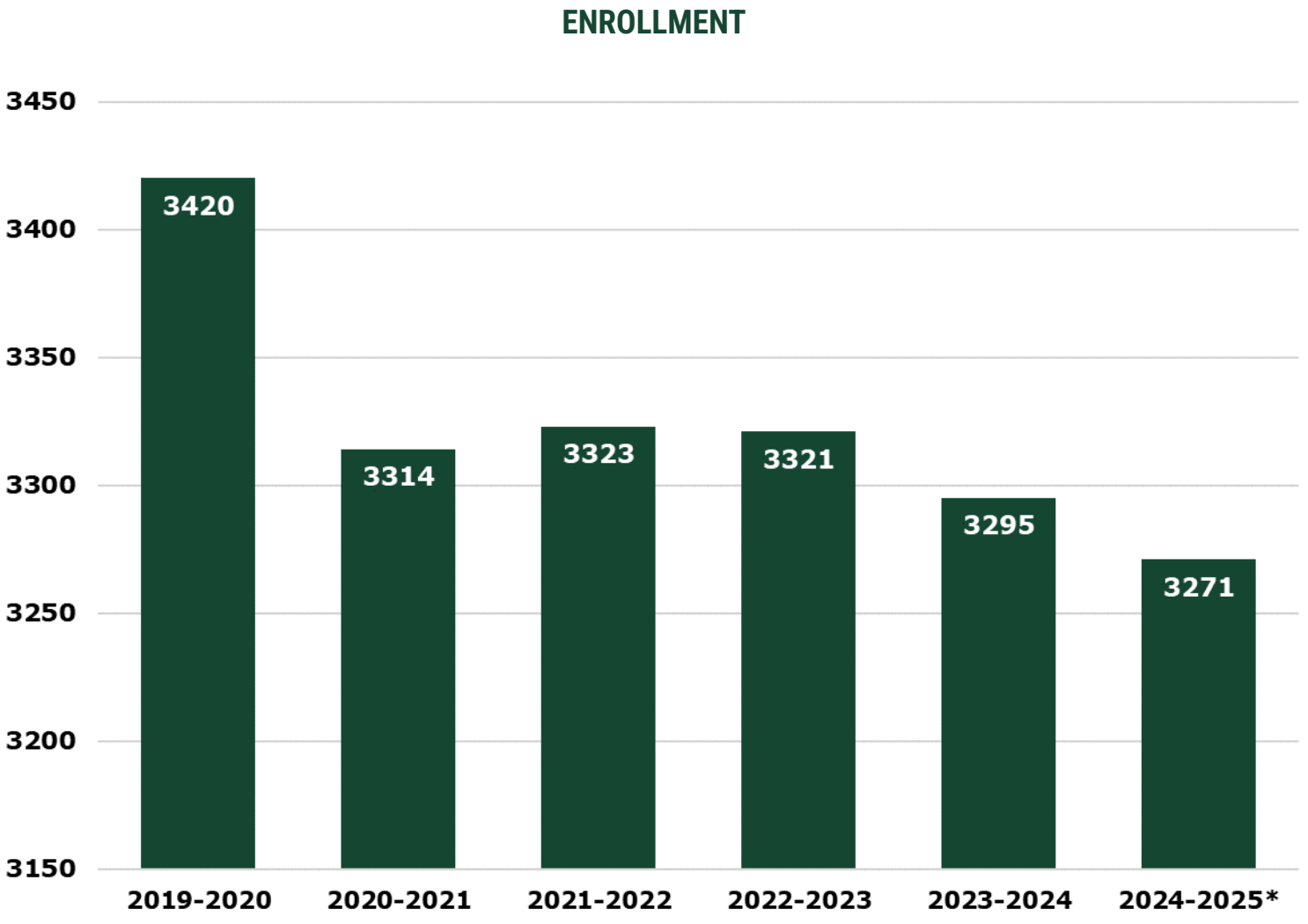
Minnesota Education Laws 2023 were used as the basis for building the fiscal year 2024-2025 budget which includes a 2.0% increase in the state basic education revenue formula.

	Preliminary Budget Fiscal Year 2025		
	FY 2023 Audited Results	FY 2024 Revised Budget	FY 2025 Preliminary Budget
Revenues			
General Fund	46,072,433	47,238,378	48,161,468
Food Service	2,111,616	2,489,250	2,527,750
Community Service	2,562,847	2,745,089	2,707,156
Debt Service	5,248,650	5,432,115	5,442,850
Custodial	32,590	30,000	35,000
Total Revenue	**56,028,136**	**57,934,832**	**58,874,224**
Expenditures			
General Fund	46,462,179	47,836,258	48,874,610
Food Service	1,956,349	2,425,296	2,567,265
Community Service	2,604,139	2,796,783	2,907,627
Debt Service	5,219,525	5,168,064	5,222,664
Custodial	29,250	30,000	35,000
Total Expenditures	**56,271,442**	**58,256,401**	**59,607,166**

ENROLLMENT HISTORY & PROJECTIONS

During the 2020-21 school year the District, like many throughout the state and country, experienced a one-time enrollment loss due to the COVID-19 pandemic. In 2024-25 enrollment of Chisago Lakes School District is projected to decrease by 24 students to 3,271.

Enrollment projections are based upon demographic studies commissioned by the District that are updated periodically and monitored regularly in regards to capacity at school buildings. The District's last demographic and enrollment study was completed in January 2022. The District is in the process of refreshing the study to better understand changes to housing, resident enrollment, and open enrollment trends.



**The enrollment figure for the 2024-2025 school year is an estimate. The enrollment figures for the other years that are presented represent actual student enrollment (average daily membership).*

GENERAL FUND

The General Fund contains all revenue and expenditures for the general, day-to-day operations of the school district. This includes salaries and benefits for teachers, administrators, custodians, secretaries, and para-professionals; instructional supplies, technology, transportation, textbooks, and money spent to operate and repair district buildings. In some ways, it is clearer to express the General Fund in terms of what it does not cover. The General Fund does not cover food service, Community Education programs, debt service payments on voter-approved bonds issued by the District, and the cost of major construction projects financed through the issuance of bonds.

	Preliminary Budget Fiscal Year 2025		
	FY 2023 Audited Results	FY 2024 Revised Budget	FY 2025 Preliminary Budget
Revenues			
Local Property Taxes	5,938,849	5,981,777	6,021,491
Investment Earnings	326,856	250,000	250,000
Other Local Revenue	3,117,172	3,264,699	3,264 699
State Aid	34,043,634	37,358,760	38,242,136
Federal Aid	2,645,922	383,142	383,142
Total Revenue	**46,072,433**	**47,238,378**	**48,161,468**
Expenditures			
Salaries & Benefits	32,572,956	34,381,766	34,541,279
Purchased Services	8,650,054	8,819,826	9,087,433
Supplies & Materials	2,168,789	1,965,980	2,002,589
Capital/LTFM	2,922,963	2,487,906	3,062,529
Other	147,417	180,780	180,780
Total Expenditures	**46,462,179**	**47,836,258**	**48,874,610**
Fund Balances			
Net Change	***(389,746)***	***(597,879)***	***(713,142)***
Beginning of Year	***8,079,795***	***7,690,049***	***7,092,170***
End of Year	***7,690,049***	***7,092,170***	***6,379,028***

FUND BALANCE POLICY

The level of spending is set with a number of considerations in mind, but one of the primary considerations is to maintain an adequate level of reserves for unanticipated events. The District has a formal policy calling for an unassigned fund balance in the General Fund equal to at least 7.0% to 10.0% of total expenditures. This balance could be considered to be the District's "savings account." Maintaining a prudent fund balance is important for the stability of the district, and is a key measure that bond rating agencies examine when assigning a credit rating to a District's debt issuances. The projected unassigned General Fund balance as of June 30, 2025 is $2,531,232. This is 5.2% of the unassigned expenditure budget. Unanticipated events that could occur that would require the District to dip into its unassigned fund balance include:

- Enrollment fluctuations
- Unanticipated price increases for essential purchases, e.g. fuel for heating, other utilities, transportation
- State aid revenue reductions or 'pro-rations'
- Unforeseen public health emergencies or severe weather/natural disasters
- Federal sequestration

FOOD SERVICE FUND

The District's food service operation provides meals and nutrition services that fully comply with regulations set forth by the United States Department of Agriculture. All revenues and expenditures associated with the program must be accounted for in a separate fund. By law, revenues generated by the program can only be used to provide meals and to pay for certain closely related expenditures.

During the 2023 legislative session a bill to provide free meals to all students attending public schools was enacted, effective July 1, 2023. All students of the District will receive one free breakfast and one free lunch each school day.

	Preliminary Budget Fiscal Year 2025		
	FY 2023 Audited Results	**FY 2024 Revised Budget**	**FY 2025 Preliminary Budget**
Revenues			
Sales	1,021,232	377,000	352,000
Federal Aid	901,543	863,250	876,250
State Aid	154,164	1,204,000	1,254,500
Other	34,677	45,000	45,000
Total Revenue	**2,111,616**	**2,489,250**	**2,527,750**
Expenditures			
Salaries & Benefits	861,631	995,196	1,042,665
Purchased Services	63,642	93,600	95,600
Supplies & Materials	1,013,323	1,132,500	1,172,000
Capital Equipment	15,527	200,000	250,000
Other	2,226	4,000	7,000
Total Expenditures	**1,956,349**	**2,425,296**	**2,567,265**
Fund Balances			
Net Change	***155,267***	***63,954***	***(39,515)***
Beginning of Year	***864,306***	***1,019,573***	***1,083,527***
End of Year	***1,019,573***	***1,083,527***	***1,044,012***

Preliminary Budget Executive Summary

COMMUNITY SERVICE FUND

Community Education exists to help our E-12 students and families thrive and be successful in school and life. Community Education designs, operates and participates in hundreds of important programs year-round that make life and learning better for all people who live, work and attend school in the district. Programs include Kid's Club childcare, facility rentals, youth camps and classes, adult classes, adult basic education, and volunteering. Community Education also offers Early Childhood Family Education, full- and part-day preschool, early childhood screening, intervention and outreach for our community's youngest learners.

	Preliminary Budget Fiscal Year 2025		
	FY 2023 Audited Results	**FY 2024 Revised Budget**	**FY 2025 Preliminary Budget**
Revenues			
Local Property Taxes	334,154	341,456	333,761
Tuition & Fees	1,906,471	2,071,848	2,030,587
Other Local Revenues	48,731	50,000	40,000
State Sources	272,741	281,785	302,808
Federal Sources	750	0	0
Total Revenue	**2,562,847**	**2,745,089**	**2,707,156**
Expenditures			
Salaries & Benefits	2,143,046	2,295,264	2,410,027
Purchased Services	352,556	399,069	393,100
Supplies & Materials	90,476	93,700	95,000
Capital	15,294	7,650	8,000
Other	2,767	1,100	1,500
Total Expenditures	**2,604,139**	**2,796,783**	**2,907,627**
Fund Balances			
Net Change	***(41,292)***	***(51,694)***	***(200,471)***
Beginning of Year	***898,860***	***857,568***	***805,874***
End of Year	***857,568***	***805,874***	***605,403***

DEBT SERVICE FUND

The Debt Service Fund exists to account for revenues and expenditures associated with the repayment of the District's bonded indebtedness. The District issues bonds primarily for the purpose of financing the acquisition, construction, improvement and equipping of the District's buildings. Also, the District occasionally issues bonds to refund or refinance existing debt at a more favorable interest rate. By state law, revenues and expenditures for debt service must be maintained in a separate fund. Borrowing from the Debt Service Fund is not allowed; all resources held by the fund are held exclusively for the purposes of debt repayment and related Activity.

	Preliminary Budget Fiscal Year 2025		
	FY 2023 Audited Results	**FY 2024 Revised Budget**	**FY 2025 Preliminary Budget**
Revenues			
Local Property Taxes	4,858,230	5,000,000	5,058,450
Investment Earnings	88,524	125,000	100,000
State Sources	301,896	307,115	284,400
Total Revenue	**5,248,650**	**5,432,115**	**5,442,850**
Expenditures			
Principal	3,025,000	3,105,000	3,305,000
Interest	2,194,525	2,061,564	1,914,664
Fiscal Charges & Other	0	1,500	3,000
Total Expenditures	**5,219,525**	**5,168,064**	**5,222,664**
Fund Balances			
Net Change	***29,125***	***264,051***	***220,186***
Beginning of Year	***1,027,369***	***1,056,494***	***1,320,545***
End of Year	***1,056,494***	***1,320,545***	***1,540,731***

CUSTODIAL FUND

The Custodial Fund exists to account for revenues and expenditures associated with the scholarships for students.

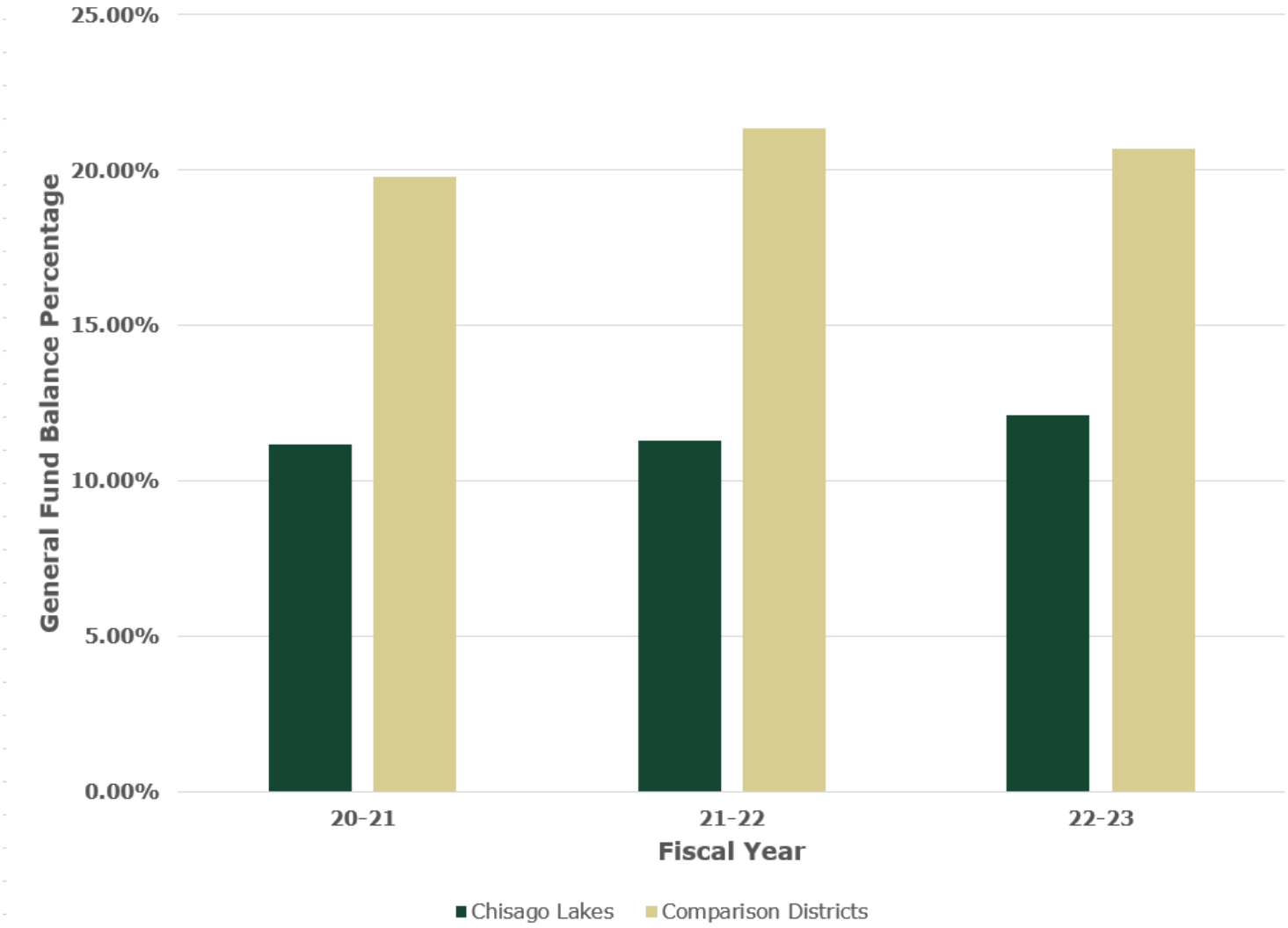
	Preliminary Budget Fiscal Year 2025		
	FY 2023 Audited Results	FY 2024 Revised Budget	FY 2025 Preliminary Budget
Revenues			
Donations	32,590	30,000	35,000
Total Revenue	**32,590**	**30,000**	**35,000**
Expenditures			
Scholarships	29,250	30,000	35,000
Total Expenditures	**29,250**	**30,000**	**35,000**
Fund Balances			
Net Change	***3,340***	***0***	***0***
Beginning of Year	***11,778***	***15,118***	***15,118***
End of Year	***15,118***	***15,118***	***15,118***

FUND BALANCE REPORT

FUND BALANCE REPORT

	Audited Fund Balance June 30, 2023
General Fund:	
Nonspendable	
Total Nonspendable	**$908,147**
Restricted:	
Basic Skills	$2,030
Gifted & Talented	$84,069
Learning & Development	$0
Long-Term Facilities Maintenance	$1,184,476
Medical Assistance	$414
Operating Capital	$1,064,818
Safe Schools	$0
Staff Development	$27,106
Student Activities	$306,559
Total Restricted	**$2,669,472**
Assigned	
OPEB & Severance	$1,396,187
Total Assigned	**$1,396,187**
Unassigned Fund Balance	$2,716,243
Total General Fund	$7,690,049
Food Service Fund:	
Nonspendable - Inventory	$68,672
Restricted - Food Service	$950,900
Total Food Service Fund	**$1,019,572**
Community Service Fund:	
Restricted - Community Education	$192,385
Restricted - ECFE	$399,943
Restricted - School Readiness	$259,426
Nonspendable	$5,812
Total Community Service Fund	**$857,566**
Debt Service Fund:	
Restricted - Debt Service	$1,056,493
Total Debt Service Fund	**$1,056,493**
Custodial Fund:	
Restricted - Scholarships	$15,118
Total Custodial Fund	**$15,118**

General Fund Balance History & Comparisons



**The fund balance categories included in the stated figures are those used by the Department of Education to calculate statutory operating debt.*

***Our comparison school districts are Albert Lea, Big Lake, Cambridge-Isanti, Princeton and Waconia.*

****One comparison school district has been removed due to being in statutory operating debt.*

Scheduled Debt Service Activity
For the Fiscal Year Ended June 30, 2025

Debt Issue	Issue Date	Coupon Rate	Final Maturity	Balance at June 30, 2024	Principal Payments	Interest Payments	Balance at June 30,2025
GO Bonds, Series 2017A	8/3/2017	3.00%-5.00%	2/1/2038	$53,005,000	2,930,000	1,822,344	50,075,000
GO LTFM Bonds, Series 2018A	3/29/2018	3.00%-3.10%	2/1/2033	$2,570,000	255,000	77,420	2,315,000
GO LTFM Bonds, Series 2020A	5/7/2020	2.00%	2/1/2030	$745,000	120,000	14,900	625,000
			Total	**56,320,000**	**3,305,000**	**1,914,664**	**53,015,000**