FY 2026

PRELIMINARY BUDGET EXECUTIVE SUMMARY









Presented By:

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Fiscal Year 2025-2026

Preliminary Budget Executive Summary

Robyn Vosberg-Torgerson, Director of Business Services
Approved by the School Board on June 26, 2025

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 2028

Jeff Lindeman, Vice Chair
Term Expires: January 2028

Jennifer Penzenstadler, Secretary
Term Expires: January 2027

Brenda Carlson, Treasurer
Term Expires: January 2028

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, transportation, 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.

Fiscal Year 2025-2026

Preliminary Budget Executive Summary

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.

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 characteristics or conditions, need, or who would benefit by, educational programs differentiated from those provided pupils in regular or vocational instruction.

Instructional Support Services
Activities for assisting instructional staff with the curriculum development, curriculum implementation, and the 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, etc.).

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 and overtime.

Benefits
Medical, dental, life, long-term disability, workers' compensation, state pension contributions and retirement plans.

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, technology equipment and other items with a useful life of more than one year.

Debt Service
Principal and interest payments for bonded debt.

Other Expenditures
All other expenditures not classified in other areas.

Fiscal Year 2025-2026

Preliminary Budget Executive Summary

BUDGET OVERVIEW

The annual budget presented includes an analysis of the actual financial results of the District at June 30, 2024, and the anticipated positions at June 30, 2025 and June 30, 2026.

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.

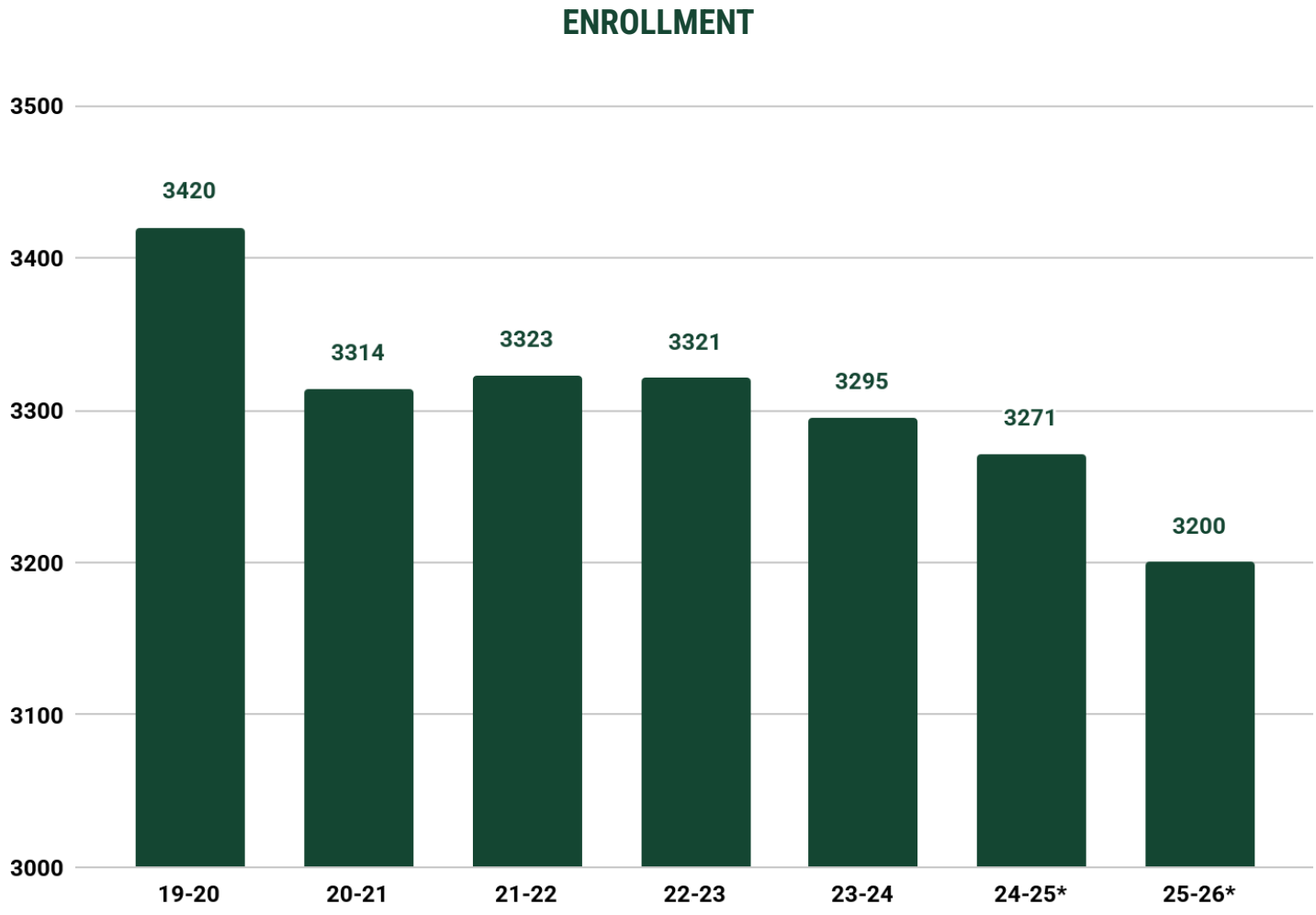
Minnesota Education Laws 2025 were used as the basis for building the fiscal year 2025-2026 budget which includes a 2.74% increase in the state basic education revenue formula.

A school district's budget can be one of the most meaningful and useful documents in public school administration. It depicts the priorities of the School Board, administration, staff and community. The District's preliminary budget for the fiscal year 2026 is shown above.

	Preliminary Budget Fiscal Year 2026		
	FY 2024 Audited Results	**FY 2025 Revised Budget**	**FY 2026 Preliminary Budget**
Revenues			
General Fund	46,836,032	48,044,493	47,884,363
Food Service	2,731,806	2,632,300	2,630,900
Community Service	3,051,340	3,276,940	3,223,902
Debt Service	5,446,362	5,537,744	5,636,336
Custodial	51,535	28,000	35,000
Total Revenue	**58,117,075**	**59,519,477**	**59,410,501**
Expenditures			
General Fund	45,513,327	49,229,281	48,979,983
Food Service	2,522,878	2,845,196	2,662,003
Community Service	3,256,431	3,275,004	3,102,079
Debt Service	5,167,989	5,221,089	5,221,114
Custodial	28,250	47,000	35,000
Total Expenditures	**56,488,875**	**60,617,570**	**60,000,179**

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 2025-26 enrollment of Chisago Lakes School District is projected to decrease by 71 students to 3,200.



**The enrollment figure for the 2024-2025 and 2025-2026 school years are estimates. The enrollment figures for the other years that are presented represent actual student enrollment (average daily membership).*

Fiscal Year 2025-2026

Preliminary Budget Executive Summary

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 2026		
	FY 2024 Audited Results	**FY 2025 Revised Budget**	**FY 2026 Preliminary Budget**
Revenues			
Local Property Taxes	6,027,145	6,021,491	5,993,674
Investment Earnings	532,617	350,000	350,000
Other Local Revenue	2,697,023	3,047,724	2,806,235
State Aid	37,033,855	38,242,136	38,351,312
Federal Aid	545,392	383,142	383,142
Total Revenue	**46,836,032**	**48,044,493**	**47,884.363**
Expenditures			
Salaries & Benefits	33,827,093	34,895,950	35,473,677
Purchased Services	8,293,117	9,087,433	9,097,805
Supplies & Materials	1,883,935	2,002,589	1,768,459
Capital/LTFM	1,448,722	3,062,529	2,540,042
Other	60,460	180,780	100,000
Total Expenditures	**45,513,327**	**49,229,281**	**48,979,983**
Fund Balances			
Net Change	***1,322,705***	***(1,184,788)***	***(1,095,620)***
Beginning of Year	***7,690,049***	***9,012,754***	***7,827,966***
End of Year	***9,012,754***	***7,827,966***	***6,732,346***

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 insurance policy against the unforeseen. Maintaining an adequate fund balance is important for the stability of the district, and is a key measure that credit rating agencies examine when assigning a credit rating to a District, which can have a material impact to resident taxpayers.. The projected unassigned General Fund balance as of June 30, 2026 is $3,191,178. This is 6.52% of the 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

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. This program will continue in FY2026.

	Preliminary Budget Fiscal Year 2026		
	FY 2024 Audited Results	**FY 2025 Revised Budget**	**FY 2026 Preliminary Budget**
Revenues			
Sales	271,774	282,000	372,000
Federal Aid	964,982	939,300	838,900
State Aid	1,398,080	1,366,000	1,375,000
Other	96,647	45,000	45,000
Total Revenue	**2,731,806**	**2,632,300**	**2,630,900**
Expenditures			
Salaries & Benefits	954,042	1,071,096	1,102,598
Purchased Services	107,105	103,100	106,005
Supplies & Materials	1,281,881	1,364,000	1,228,400
Capital Equipment	174,376	300,000	220,000
Other	5,474	7,000	5,000
Total Expenditures	**2,522,878**	**2,845,196**	**2,662,003**
Fund Balances			
Net Change	***208,928***	***(212,896)***	***(31,103)***
Beginning of Year	***939,909***	***1,148,837***	***935,941***
End of Year	***1,148,837***	***935,941***	***904,838***

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 2026		
	FY 2024 Audited Results	**FY 2025 Revised Budget**	**FY 2026 Preliminary Budget**
Revenues			
Local Property Taxes	339,990	333,761	247,401
Tuition & Fees	2,280,341	2,605,371	2,532,108
Other Local Revenues	67,251	35,000	35,000
State Sources	355,428	302,808	409,393
Federal Sources	8,333	0	0
Total Revenue	**3,051,343**	**3,276,940**	**3,223,902**
Expenditures			
Salaries & Benefits	2,601,670	2,777,404	2,452,921
Purchased Services	506,058	393,100	569,794
Supplies & Materials	134,713	95,000	79,364
Capital	1,971	9,500	0
Other	12,019	0	0
Total Expenditures	**3,256,431**	**3,275,004**	**3,102,079**
Fund Balances			
Net Change	***(205,088)***	***1,936***	***121,823***
Beginning of Year	***857,568***	***652,480***	***654,416***
End of Year	***652,480***	***654,416***	***776,239***

Preliminary Budget Executive Summary

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 2026		
	FY 2024 Audited Results	**FY 2025 Revised Budget**	**FY 2026 Preliminary Budget**
Revenues			
Local Property Taxes	4,991,914	5,076,000	5,242,088
Investment Earnings	131,820	150,000	125,000
State Sources	322,628	311,744	269,248
Total Revenue	**5,446,362**	**5,537,744**	**5,636,336**
Expenditures			
Principal	3,105,000	3,305,000	3,460,000
Interest	2,062,989	1,914,664	1,758,114
Fiscal Charges & Other	0	1,425	3,000
Total Expenditures	**5,167,989**	**5,221,089**	**5,221,114**
Fund Balances			
Net Change	***278,373***	***316,655***	***415,222***
Beginning of Year	***1,056,494***	***1,334,867***	***1,651,522***
End of Year	***1,334,867***	***1,651,522***	***2,066,744***

CUSTODIAL FUND

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

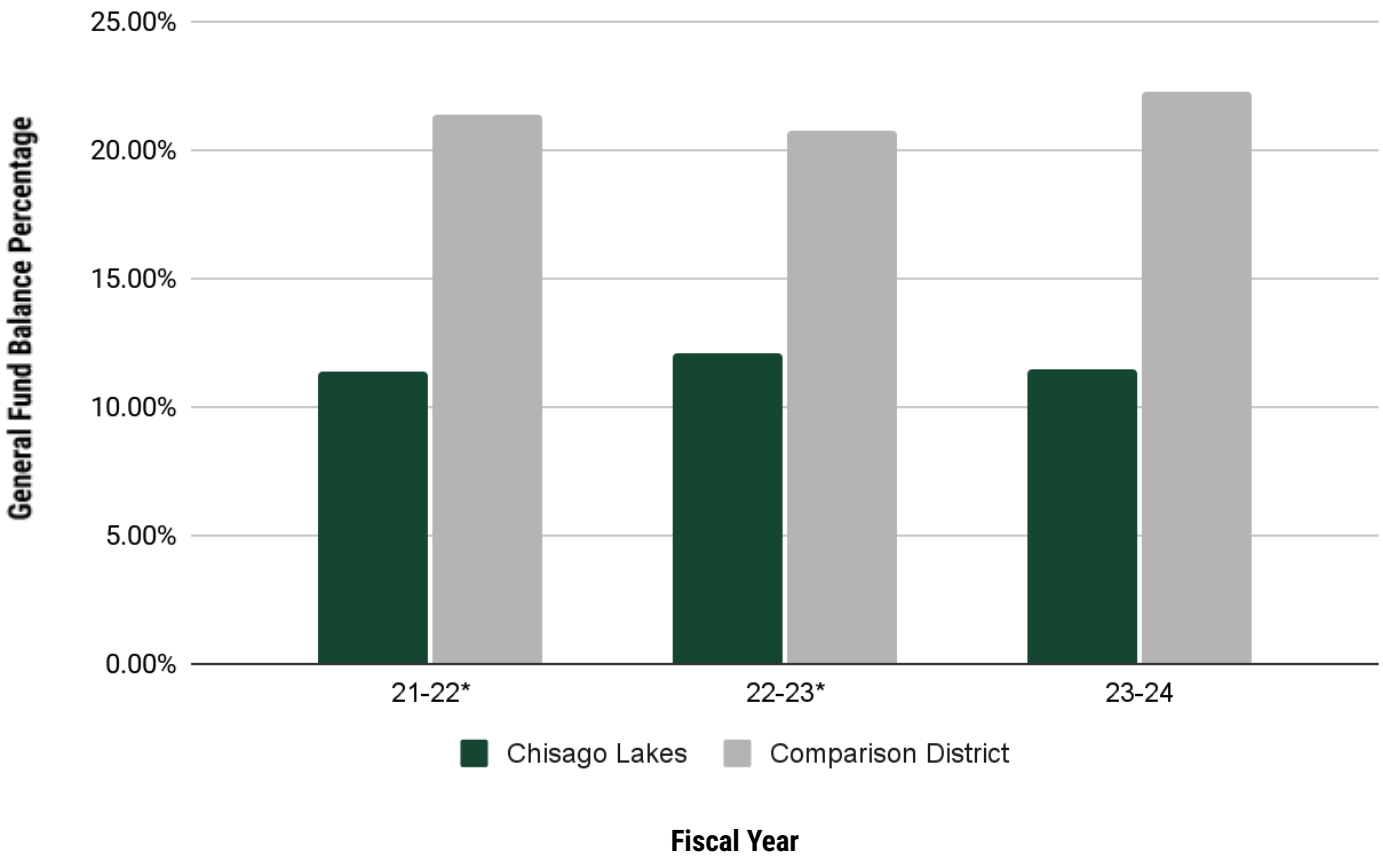
	Preliminary Budget Fiscal Year 2026		
	FY 2024 Audited Results	FY 2025 Revised Budget	FY 2026 Preliminary Budget
Revenues			
Donations	51,535	28,000	35,000
Total Revenue	**51,535**	**30,000**	**35,000**
Expenditures			
Scholarships	28,250	47,000	35,000
Total Expenditures	**28,250**	**30,000**	**35,000**
Fund Balances			
Net Change	***23,285***	***(19,000)***	***0***
Beginning of Year	***15,118***	***38,403***	***19,403***
End of Year	***38,403***	***19,403***	***19,403***

FUND BALANCE REPORT

FUND BALANCE REPORT

	Audited Fund Balance June 30, 2024
General Fund:	
Nonspendable	
Total Nonspendable	**$499,644**
Restricted:	
Basic Skills	$580,869
Gifted & Talented	$98,636
Learning & Development	$287,919
Long-Term Facilities Maintenance	$1,133,814
Medical Assistance	$34,451
Operating Capital	$1,634,953
Safe Schools	$0
Staff Development	$47,855
Student Activities	$373,025
Total Restricted	**$4,191,522**
Assigned	
OPEB & Severance	$1,307,578
Total Assigned	**$1,307,578**
Unassigned Fund Balance	**$3,014,011**
Total General Fund	**$9,012,755**
Food Service Fund:	
Nonspendable - Inventory	$79,666
Restricted - Food Service	$1,148,837
Total Food Service Fund	**$1,228,503**
Community Service Fund:	
Restricted - Community Education	$(142,911)
Restricted - ECFE	$481,375
Restricted - School Readiness	$314,016
Nonspendable	$0
Total Community Service Fund	**$652,480**
Debt Service Fund:	
Restricted - Debt Service	$1,334,867
Total Debt Service Fund	**$1,334,867**
Custodial Fund:	
Restricted - Scholarships	$38,403
Total Custodial Fund	**$38,403**

General Fund Balance History & Comparisons



**One comparison school district has been removed for 2021-2022 and 2022-2023 due to being in statutory operating debt. They are included in 2023-2024.*

***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.*

Scheduled Debt Service Activity
For the Fiscal Year Ended June 30, 2026

Debt Issue	Issue Date	Coupon Rate	Final Maturity	Balance at June 30, 2025	Principal Payments	Interest Payments	Balance at June 30,2026
GO Bonds, Series 2017A	8/3/2017	3.00%-5.00%	2/1/2038	$50,075,000	3,080,000	1,675,844	46,995,000
GO LTFM Bonds, Series 2018A	3/29/2018	3.00%-3.10%	2/1/2033	$2,315,000	260,000	69,770	2,055,000
GO LTFM Bonds, Series 2020A	5/7/2020	2.00%	2/1/2030	$625,000	120,000	12,500	505,000
			Total	**53,015,000**	**3,460,000**	**1,758,114**	**49,555,000**