2025-2026
Annual Budget

GRAND RAPIDS
AREA SCHOOLS

Resilience ✦ Readiness ✦ Excellence

Grand Rapids Area Schools
Board of Education and Administration

Board of Education

Member	Position	Term Expiration
Mark Schroeder	Chairperson	January 4, 2027
David Marty	Clerk	January 4, 2027
David Cowan	Treasurer	January 8, 2029
Dr. Malisa Bahr	Director	January 4, 2027
Ashley Goodman	Director	January 8, 2029
Tom Gustafson	Director	January 8, 2029

Administration Team

Staff	Position
Matt Grose	Superintendent
Anna Lloyd	Director of Special Services
Chris Larson	Technology Director
Dale Christy	Athletic Director
Darin Cherne	Facilities Director
Greig Olson	Transportation Director
Kara Lundin	Director of Business Services
Kasie VanQuekelberg	Director of Human Resources
Melanie Debay	Director of Community Education
Polly Podpeskar	Food Service Director

Principals

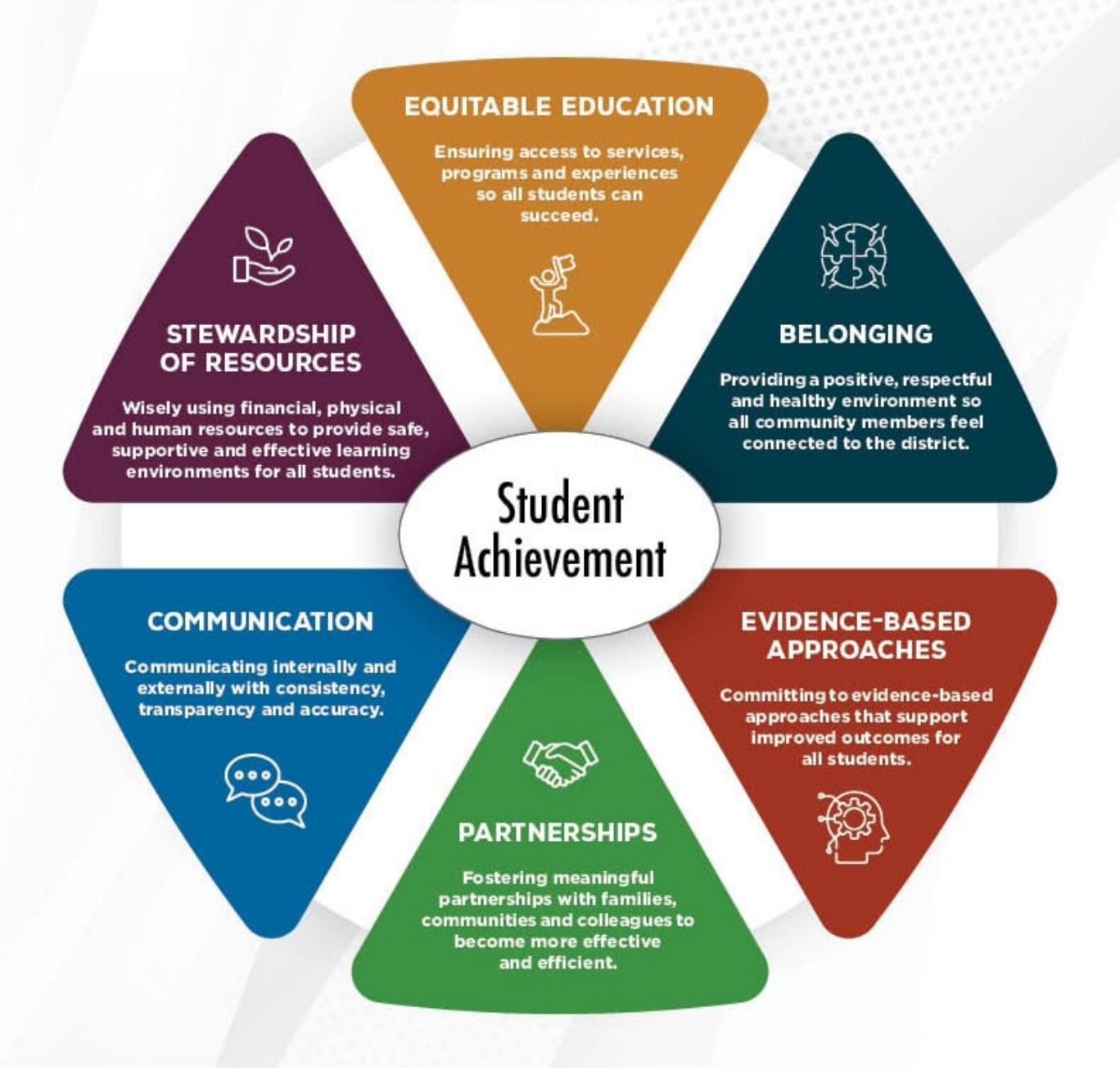
Staff	Building
Andy Forbort	Grand Rapids High School
Anna Lloyd	Grand Rapids ALC
Clayton Lindner	East and West Elementary
Dan Adams	Robert J Elkington Middle School
Darrin Hofstad	Grand Rapids High School
Jill Wheelock	East Elementary
Ken DeCoster	Bigfork School
Ryan Debay	Robert J Elkington Middle School
Ryan Debay	Itaskin Education Center
Ryan Siegle	Cohasset Elementary
Sean Martinson	West Elementary

Grand Rapids Area Schools
Strategic Directions

In the fall of 2021, the school district began the process of examining what our communities, families, staff, and students expect from our schools. We held focus groups around the district, talked to alumni, surveyed the community, met with students, and gathered information from staff, asking questions about their hopes and dreams, things the district is doing well, and things the district needs to improve upon.

Using this report, a strategy team was formed to identify trends and synthesize the information into district priorities, or Strategic Directions. Each direction not only lists the priority, but the "why" it is important as well as the "what" it looks like when the district is being successful.

The district's Operational Plan is developed based on these priorities and is updated as needed.



District Overview

ISD No. 318 is the third largest geographic district located in the state of Minnesota. The District is home to approximately 4,000 students. The District has 9 active educational locations plus the district education services center and the transportation and buildings and grounds location. The District has approximately 1,015,800 square feet of buildings. The District's 2026 fiscal year coincides with the school year, spanning from July 1, 2025 through June 30, 2026.

Locations	Students Served
Early Childhood Center	PreK
Cohasset Elementary	K - 5
Bigfork School	VPK - 12
East Elementary	3 - 5
West Elementary	VPK - 2
Itaskin Education Center	4 - 12
Grand Rapids Senior High	9 - 12
Area Learning Center	10 - 12
Robert J. Elkington Middle School	6 - 8

Overview of Funds

To understand this budget document, it is helpful to know there are significant legal restrictions on how school districts must spend and account for the public funds. It is important to be aware of the fund structure discussed because, with very few exceptions, money cannot be transferred from one fund to another. There are also revenue streams within the funds that are restrictive; Integration Aid, for example, can only be spent for items as noted in the District Integration plan, and may not be used for general classroom expenses.

General Fund

The General Fund contains all revenue and expenses for the general, day to day operations of the District. This includes salaries and benefits for teachers, paraprofessionals, administrators, custodians, and clerical; instructional supplies, technology, transportation, textbooks and money spent to operate and repair District assets. The District breaks out portions of this activity for internal tracking and budgeting purposes. Internal funds include (01) General Fund, (03) Transportation and (11) Student Activities.

The Transportation Fund contains all revenue and expenses for regular "to and from" school day transportation.

The Student Activity Fund is used to account for those activity groups that are for the students and run by the students. These groups have adult advisors, but the nature of activities is dictated by the students. Revenues usually consist of fundraising proceeds and donations, while expenses are most often food, clothing and travel.

Budget Development

The budget process consists of five key steps: planning, preparation, adoption, implementation, and evaluation.

The preparation of the budgets is a two-part process of analyzing projected revenues and anticipated expenditures. Both processes occur simultaneously during the planning stages. Analyzing projected revenues includes combining projected enrollment trends, current education finance formulas, and new statute variations under discussion in the Legislature.

Anticipating expenditures begins with the process of collecting information of current and proposed programs and initiatives throughout the District from administrative leaders. Since salaries and benefits constitute roughly 83% of all General Fund expenditures, special emphasis is given to employee assignments and reassignments to provide necessary services. All of these needs are balanced with the District mission and the revenue considerations available within the budgets. Once a balance has been reached, preliminary budgets are created.

The preliminary budgets of the District for the next fiscal year are adopted at the June Board meeting. Throughout the year, many things occur that require the District to revise current budgets. Our District generally makes one budget revision during the year depending on factors such as Legislative action, mid-year settlement of employee contracts, changes in enrollment, revenue or expenditures, and responding to educational program needs. The final step in the budget process is the evaluation of the budget to what is actually occurring on a daily basis. Necessary revisions to the existing budget and/or the impact of projected budgets in subsequent years are made.
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Budget Goals

The District's strategic direction, Stewardship of Resources states "It is the district's responsibility to wisely use entrusted resources to effectively meet the needs of students."

Our operations plan objectives tied to Stewardship of Resources are:

1. Balance the general fund budget
2. Maintain a fund balance in accordance with board policy
3. Build community awareness, trust and confidence regarding district finances
4. Eliminate excess building property and land
5. Improve school safety processes and procedures

Current evidence of progress toward this goal include:

- A balanced budget was accomplished in FY23 and FY24, and a balanced budget was approved for FY25 through budget reductions and judicious use of COVID funding.
- The general operating fund balance increased in FY23 and FY24 to bring the District into compliance with its fund balance policy
- A referendum was held in fall 2023, and despite losing, presented an opportunity for the District to raise awareness about the financial challenges.
- Consistent school district threat assessment and parent-student reunification processes were identified, trained, and implemented.
- Five excess district properties with no value to the school district were sold, decreasing district costs and improving the area tax base.

Through the FY26 budget we will continue to build on our current progress and work toward our goals.

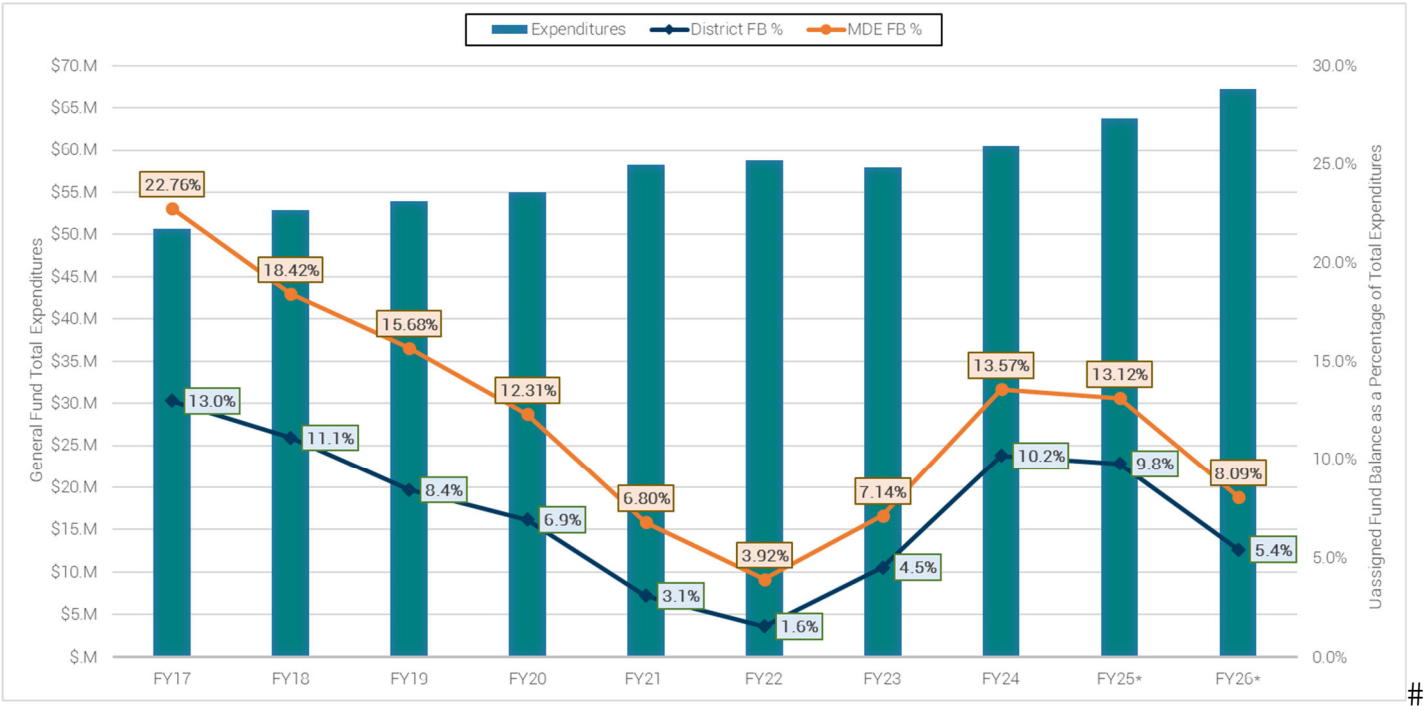
Fund Balance

The level of spending is set with several considerations in mind. One of the main concerns is to maintain an adequate level of reserves/fund balance, to be prepared for unanticipated events and to operate within the fund balance policy. The District's goal is to achieve an unassigned fund balance of 10 to 15 percent of the annual expenditure budget. This balance could be considered the District's savings account and maintaining a practical fund balance is important for the stability of the District. The unassigned projected fund balance for June 30, 2026 is anticipated to decrease for the first time in three years. Reasons for this are discussed starting on page 9. The chart below shows the District's unassigned fund balance as a percentage of those unrestricted expenditures. The navy line is the District's policy calculation and the orange line is MDE's calculation which is used when determining a District's financial health. In FY24, the average Minnesota District's unassigned fund balance was 23.9% of allowable expenditures.

Unanticipated events that could require the District to use its fund balance include:

- Property tax delinquencies and abatements
- Enrollment fluctuations
- Unanticipated price increases for essential purchases (e.g. utilities)
- State revenue reductions or aid "pro-rations"
- Reduction of Federal Awards
- Pandemic
- Damage to buildings or vehicles
- Trust expiration

Fund Balance



*Estimate

For the full Fund Balance Policy, see Policy 714 on the District's website

Enrollment

As the majority of the District's revenues are based on enrollment counts it is extremely important to get a reasonable estimate for enrollment. Based on currently enrolled students for FY26 kindergarten, student attrition and FY25 ending student counts, it is anticipated that the District will have approximately 3,788 students next year. This number includes 42 ADMs to be enrolled at the District's newly offered Grand Rapids Area Virtual Academy where students can enroll and take classes online.

EOY ADM ENROLLMENT - Adjusted

Fiscal Year	EC	VPK	KG	1	2	3	4	5	6	7	8	9	10	11	12	Total PK-12
2017	58	8	273	262	298	290	323	282	314	351	298	282	301	296	304	3,941
2018	62	3	299	257	263	296	294	340	279	337	355	293	290	294	297	3,959
2019	69	9	287	280	254	261	297	297	346	291	340	348	298	289	320	3,986
2020	70	5	285	281	280	260	258	305	289	348	285	345	349	291	296	3,946
2021	55	9	269	246	267	251	236	251	293	294	347	283	335	337	296	3,769
2022	51	6	281	293	260	290	276	257	256	312	307	346	291	328	340	3,894
2023	44	6	255	290	295	272	291	286	273	286	315	316	341	285	325	3,880
2024	49	8	274	260	287	311	282	299	296	286	285	320	320	339	303	3,919
2025*	43	34	238	260	259	276	304	284	302	291	283	277	310	303	327	3,791
2026*	42	41	232	239	263	254	273	298	297	319	290	283	294	332	331	3,788

Current FY25 Enrollment by Location

As the current year comes to a close, the students served is evaluated to determine the staffing needs and future enrollment. Students "served" are students that are receiving education services from our District, however, not all are enrolled at GRAS so we don't earn state aids or levy on their membership. When a student isn't enrolled at GRAS but receives services here, the resident district is billed for the services they receive. Below is a snapshot of served students by location.

FY25 Students Served

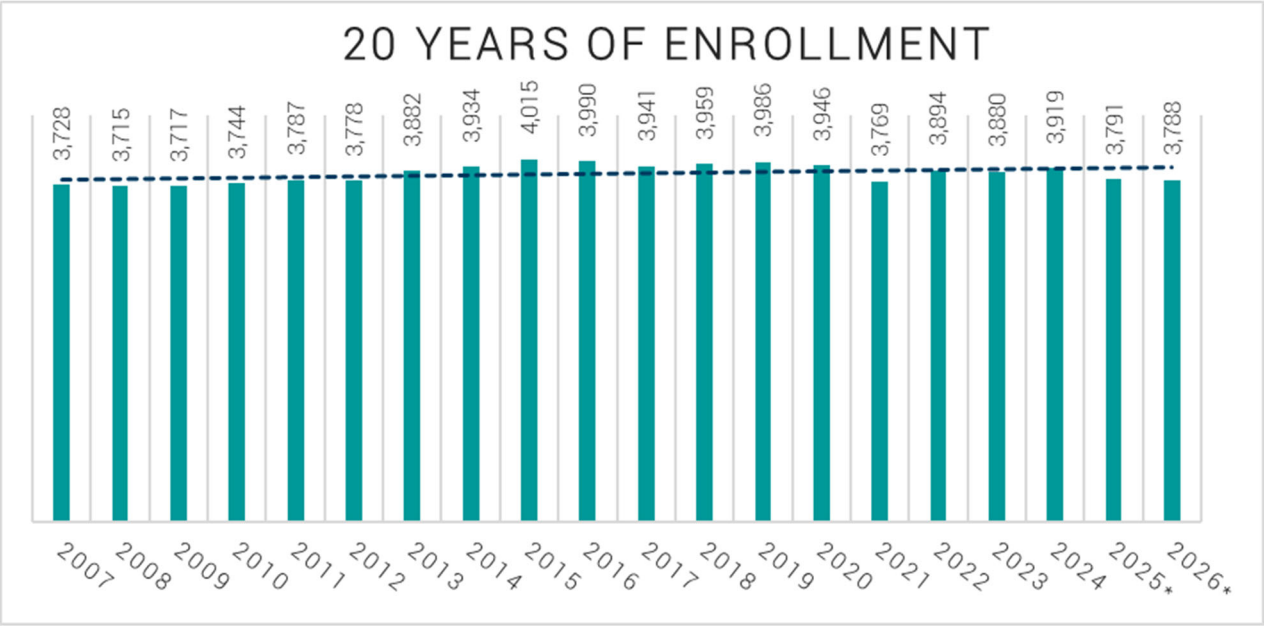
	Location									
Grade	Early Childhood	Cohasset	Bigfork	East	West	Itaskin Ed Center	GR Senior High	RJ Elkington ALC	RJ Elkington Middle School	Total
ECSE	33	-	3	-	11	-	-	-	-	47
VPK	-	-	4	-	29	-	-	-	-	33
K	-	45	17	-	175	-	-	-	-	237
1	-	59	16	-	183	-	-	-	-	258
2	-	52	12	-	189	-	-	-	-	253
3	-	50	22	201	-	-	-	-	-	273
4	-	58	19	221	-	1	-	-	-	299
5	-	48	23	209	-	2	-	-	-	282
6	-	-	15	-	-	5	-	-	285	305
7	-	-	21	-	-	5	-	-	268	294
8	-	-	23	-	-	6	-	-	258	287
9	-	-	21	-	-	8	257	-	-	286
10	-	-	25	-	-	9	281	4	-	319
11	-	-	16	-	-	4	247	37	-	304
12	-	-	19	-	-	1	233	75	-	328
Total	33	312	256	631	587	41	1,018	116	811	3,805

May 15, 2025 MARSS 15 Report, Total Served ADM

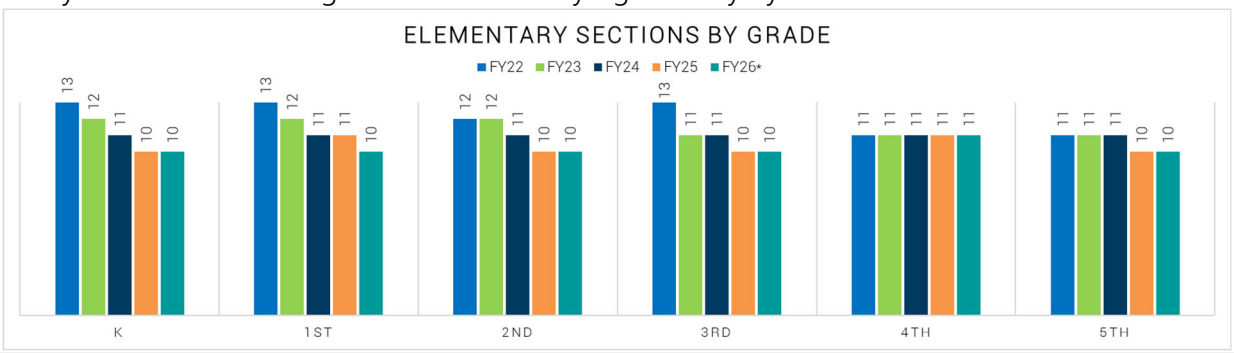
Historic and Estimated Enrollment

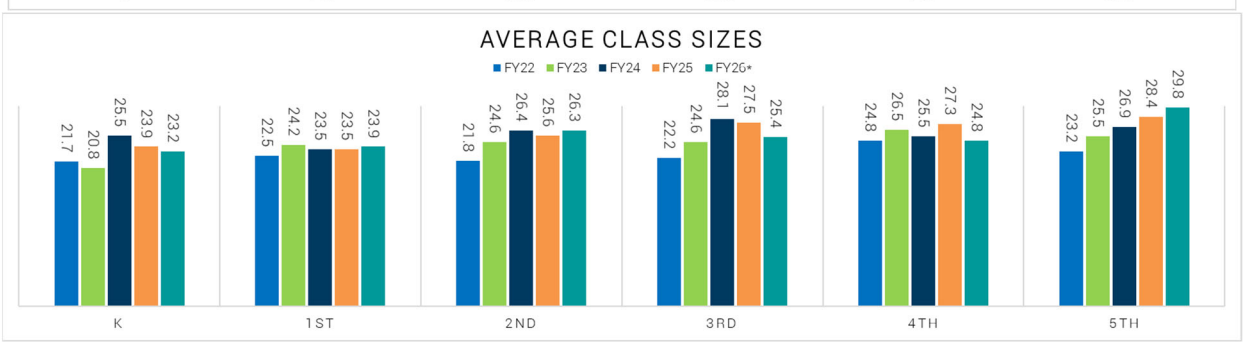
While the enrollment has decreased the past two years, it is important to realize that the FY26 enrollment is higher than the enrollment 15-20 years ago. Enrollment is lower than recent years' averages and that can be attributed to the addition of two new nonpublic schools and the migration to online options in other school districts. With the pandemic, many schools started to offer online courses so a student in Grand Rapids could enroll in a district or charter school located hundreds of miles away. To accommodate students who prefer alternative learning methods, the District established its own online school for next year.

For FY26 we are expecting another decrease in Kindergarten enrollment. Students eligible for kindergarten have many options as mentioned earlier.



As the District has had to make budget cuts, there have been reduction to class sections and a corresponding increase to class sizes. Below are two graphs that show the number of sections for each grade and the average class size in the elementary locations, in total. In reviewing this, keep in mind the prior chart showing the numbers of students by location. The average class size can vary significantly by location.





*Estimate

Financial Information

State Basic General Education Aid

The largest single funding source for the District is basic General Education Aid. The State Legislature sets the basic formula allowance for each school year. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units. Pupil units are calculated using a weighting system applied to the average daily membership. ADMs in voluntary Pre-K (VPK) are weighted at a .6 pupil unit, ADMs in grades K – 6th are weighted at a 1.0 pupil unit whereas ADMs in grades 7th – 12th are weighted at 1.2 pupil units.

Per Pupil Basic Formula Funding by Grade

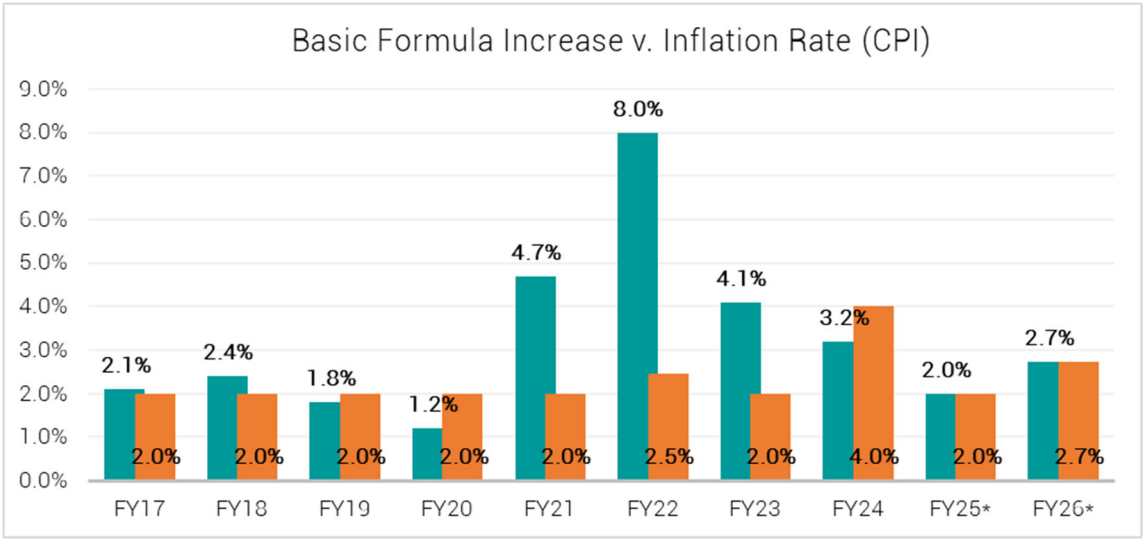
Grade	Weighting	Formula	Aid Per Pupil Unit
VPK	0.6	$7,480	$4,488
K-6	1	$7,480	$7,480
7-12	1.2	$7,480	$8,977

The 2024 legislature linked the basic education formula to the inflation factor. Based on this, the basic formula is increasing by 2.74% in FY26. The past 10 years' increases can be seen below.

Basic Education Formula Allowance

Year	Allowance	Increase
FY17	$6,067	2.00%
FY18	$6,188	2.00%
FY19	$6,312	2.00%
FY20	$6,438	2.00%
FY21	$6,567	2.00%
FY22	$6,728	2.45%
FY23	$6,863	2.00%
FY24	$7,137	4.00%
FY25	$7,281	2.00%
FY26	$7,480	2.74%

Basic general education aid budgeted for FY26 is $29,102,000 which is 45% of the General Fund revenues. It is important to understand that when the State gives the increase in the basic formula it doesn't mean that all expenses can increase by that amount. This aid is being linked to inflation for the first time since 2003. Since that time, the buying power of Districts has fallen drastically. Below is the difference between inflation and the increase in the basic formula allowance.

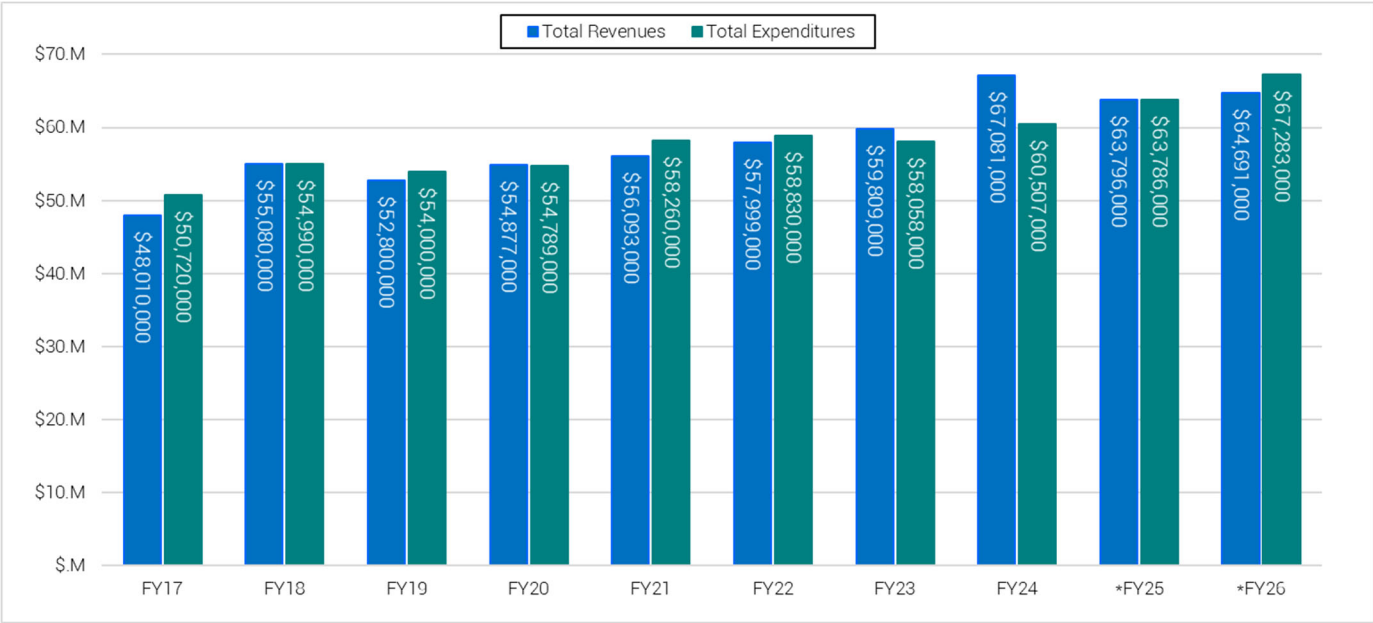


Source: CPI- Federal Reserve Bank of Minneapolis

General Fund Budget Summary

Below is a summary of the past three years of actual activity, the current (FY25) budget and the proposed FY26 budget. Details of this summary will be discussed on the following pages. The operating budget has a $1,208,000 surplus however, $3,800,000 in retiree benefits will need to be paid from the fund causing an overall operating deficit of $2,592,000.

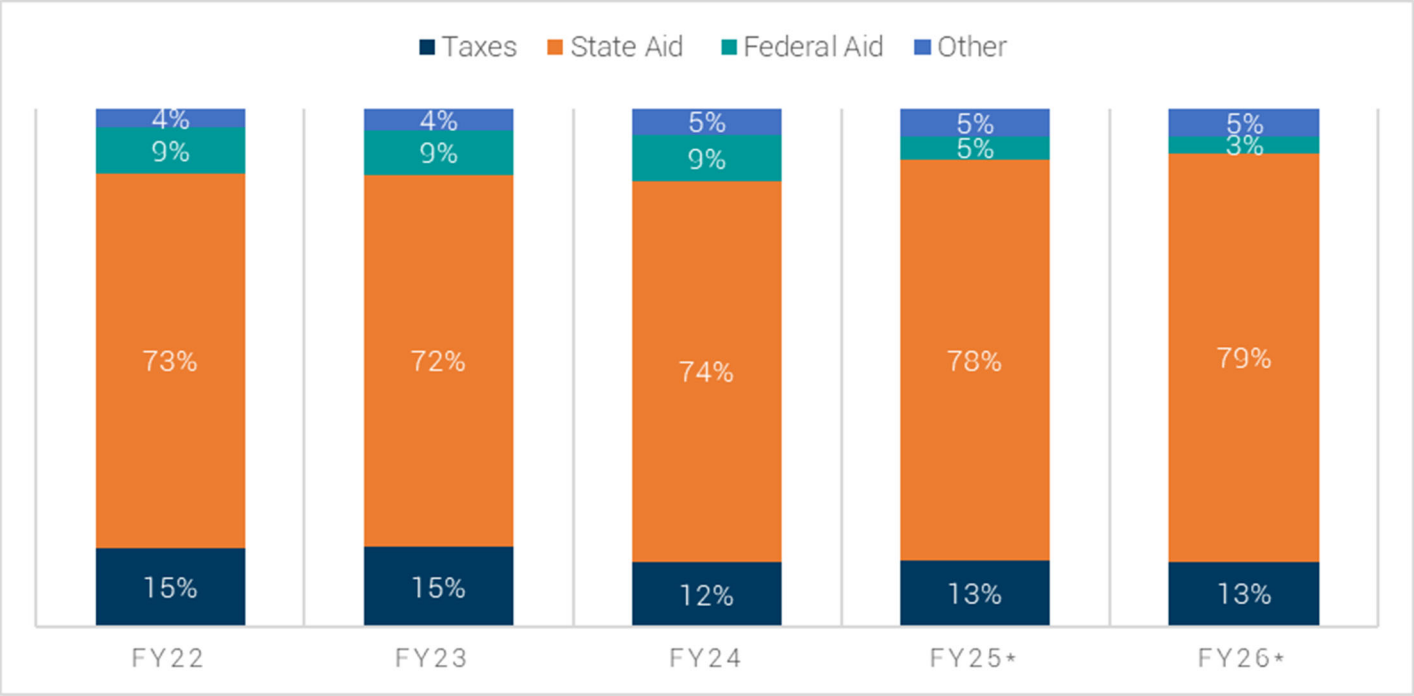
	Actuals			Budgets	
	FY22	**FY23**	**FY24**	**FY25 Final**	**FY26 Original**
Revenues					
Taxes	$ 8,748,000	$ 9,196,000	$ 8,295,000	$ 8,043,000	$ 8,135,000
Tuition and Fees	$ 1,131,000	$ 1,213,000	$ 1,257,000	$ 1,298,000	$ 1,360,000
State Aid	$ 42,088,000	$ 43,036,000	$ 49,499,000	$ 49,507,000	$ 50,989,000
Federal Aid	$ 5,108,000	$ 5,165,000	$ 5,915,000	$ 2,885,000	$ 2,107,000
Donations & Other	$ 924,000	$ 1,199,000	$ 2,115,000	$ 2,063,000	$ 2,100,000
Total Revenues	$ 57,999,000	$ 59,809,000	$ 67,081,000	$ 63,796,000	$ 64,691,000
Expenditures					
Salaries	$ 34,610,000	$ 33,285,000	$ 33,800,000	$ 35,412,000	$ 35,477,000
Benefits	$ 14,080,000	$ 15,377,000	$ 16,052,000	$ 16,549,000	$ 20,611,000
Contracted Services	$ 5,350,000	$ 5,384,000	$ 5,056,000	$ 5,899,000	$ 6,160,000
Supplies	$ 3,010,000	$ 2,517,000	$ 3,468,000	$ 3,923,000	$ 3,256,000
Capital	$ 1,500,000	$ 1,337,000	$ 1,865,000	$ 1,756,000	$ 1,487,000
Other	$ 290,000	$ 158,000	$ 266,000	$ 247,000	$ 292,000
Total Expenditures	$ 58,840,000	$ 58,058,000	$ 60,507,000	$ 63,786,000	$ 67,283,000
Operating Surplus/(Loss)	**$ (841,000)**	**$ 1,751,000**	**$ 6,574,000**	**$ 10,000**	**$ (2,592,000)**
Beginning Fund Balance	$ 5,705,000	$ 4,864,000	$ 6,615,000	$ 13,189,000	$ 13,199,000
Ending Fund Balance	$ 4,864,000	$ 6,615,000	$ 13,189,000	$ 13,199,000	$ 10,607,000



*Budget

Revenues

The composition of the General Fund revenues continues to change. Below is the source composition for five years.



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State Aids

The District's largest revenue source is state aids which has been between 72% and 79% of the total revenue budget over the past 5 years.

	Actuals			Budgets	
State Aids	FY22	FY23	FY24	FY25*	FY26*
General Education Aid	$ 33,270,000	$ 33,855,000	$ 37,630,000	$ 37,086,000	$ 37,877,000
Other State Aids	$ 1,170,000	$ 1,083,000	$ 1,594,000	$ 2,196,000	$ 1,944,000
Special Ed & ADSIS	$ 6,830,000	$ 7,491,000	$ 10,275,000	$ 10,225,000	$ 11,168,000
Total State Aids	**$ 41,270,000**	**$ 42,429,000**	**$ 49,499,000**	**$ 49,507,000**	**$ 50,989,000**

Changes to state aids include:

- **Basic Education Formula:** The basic education formula increased by 2.74%.
- **Compensatory Aid:** This component of general education aid is currently an estimate. Due to a legislative change in the calculation method, GRAS experienced a $605,000 decrease in funding compared to the prior year. As a result of the formula change, most districts across the state are projected to see reduced revenue. This amount is currently budgeted to decrease slightly from FY25, pending further legislative action on a potential new formula.
- **Special Education and ADSIS Reimbursements:** The Legislature increased reimbursement rates for both special education and the Alternative Delivery of Specialized Instructional Services (ADSIS). FY24 marked the first year of this change, with reimbursements increasing from $7.5 million to $10.3 million in a single year. The ADSIS program, which began in FY22, continues to expand. As with special education, the District receives reimbursement in the year following the expenditures.
- **Other State Aids:** Most other aid categories are projected to remain stable. However, both Student Support Aid and Library Aid are expected to decrease under the current Legislature. The exact amounts are not yet known.

Revenue (continued)
Federal Aids

Over the past three years, the majority of federal aid has come from COVID funding which expired in September 2024. In FY26, the District's Title award will decrease while the majority of the other programs will be stable. The federal Drug Free Grant will expire in September 2025 and the District has applied for 5 additional years of funding.

	Actuals			Budgets	
Federal Aids	FY22	FY23	FY24	FY25*	FY26*
Title Grants	$ 1,240,000	$ 933,000	$ 787,000	$ 973,000	$ 905,000
Special Education	$ 930,000	$ 1,007,000	$ 900,000	$ 984,000	$ 803,000
Other Federal Grants	$ 199,000	$ 561,000	$ 409,000	$ 395,000	$ 399,000
Covid Grants	$ 2,739,000	$ 2,664,000	$ 3,819,000	$ 533,000	$ -
Total Federal Aids	**$ 5,108,000**	**$ 5,165,000**	**$ 5,915,000**	**$ 2,885,000**	**$ 2,107,000**

Other Revenues

While the majority of the district's revenue is from the State of Minnesota, approximately 5% comes from miscellaneous sources.

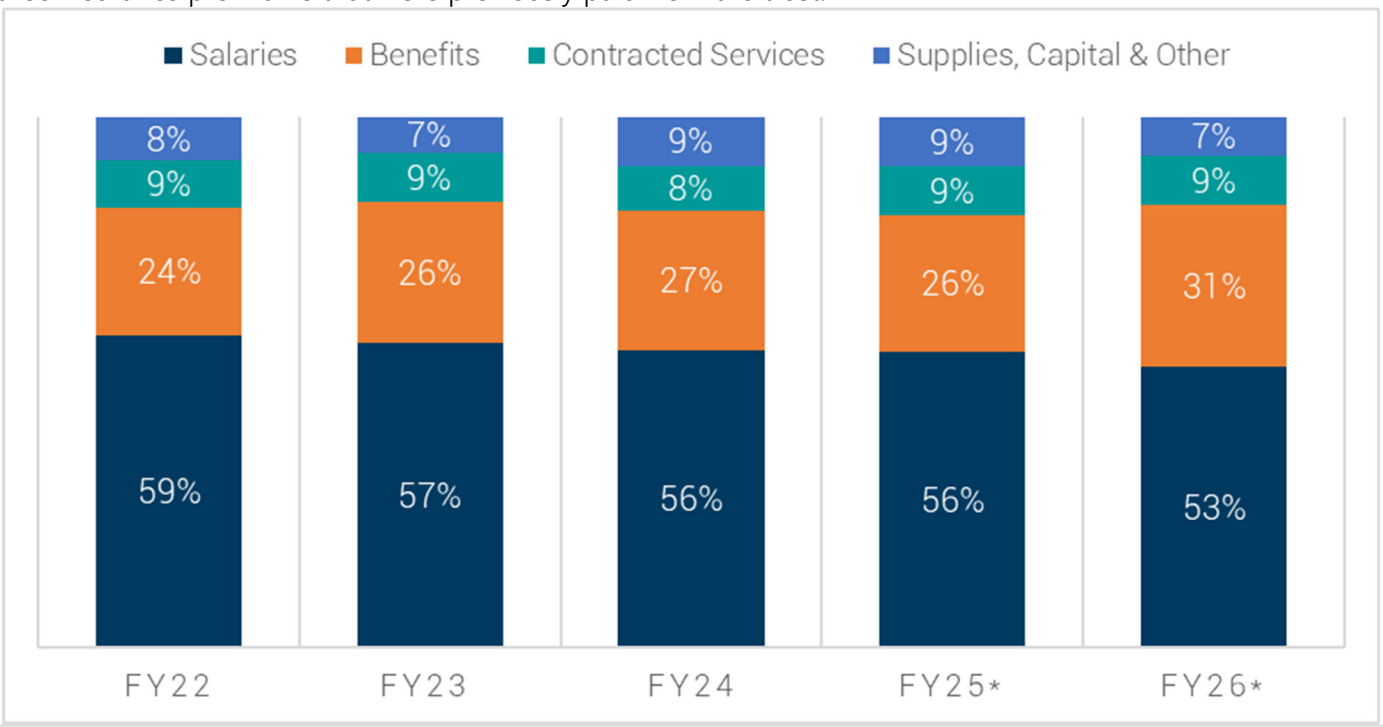
	Actuals			Budgets	
Other Revenues	FY22	FY23	FY24	FY25*	FY26*
Pymts from Ed Agencies	$ 630,000	$ 70,000	$ 588,000	$ 650,000	$ 650,000
Fees	$ 50,000	$ 46,000	$ 121,000	$ 320,000	$ 320,000
Rent	$ 66,000	$ 37,000	$ 79,000	$ 75,000	$ 90,000
Interest	$ 10,000	$ 63,000	$ 140,000	$ 140,000	$ 200,000
Student Activities	$ 130,000	$ 150,000	$ 132,000	$ 130,000	$ 135,000
Other, Miscellaneous	$ 306,000	$ 337,000	$ 65,500	$ 470,000	$ 395,000
MA Third Party Billings	$ 820,000	$ 600,000	$ 658,000	$ 700,000	$ 725,000
Donations and Endowment	$ 114,000	$ 307,000	$ 276,000	$ 208,000	$ 155,000
Erate	$ 160,000	$ 40,000	$ -	$ 20,000	$ 80,000
Athletics and Activities	$ 503,000	$ 514,000	$ 669,000	$ 648,000	$ 710,000
Total Other Revenues	**$ 2,789,000**	**$ 2,164,000**	**$ 2,728,500**	**$ 3,361,000**	**$ 3,460,000**

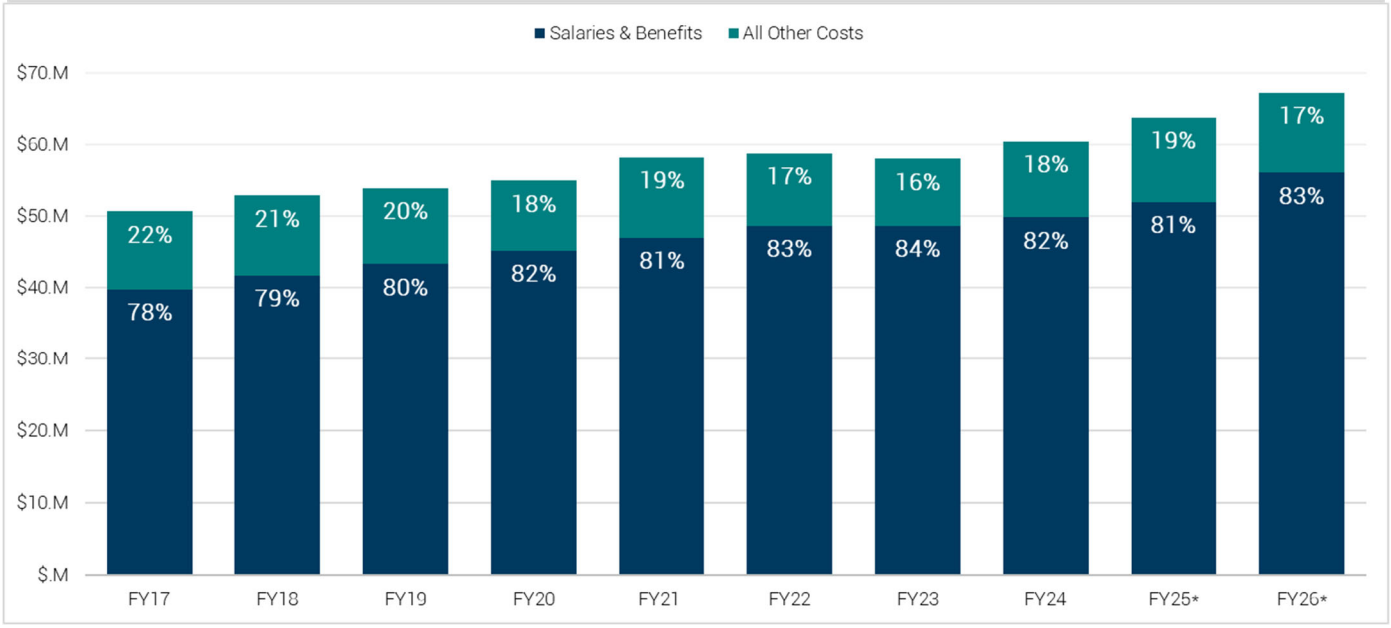
Explanation of FY26 Budgeted Amounts

- Payments from Education Agencies: This includes tuition billing for nonresident students attending the Itaskin Education Center, as well as reimbursements from IASC and other districts for services such as instructional staffing and the technology director.
- Interest Revenue: An increase is projected due to a higher cash balance and strong rates of return on investments.
- E-Rate Reimbursements: These are expected to rise in FY26 as a result of a Tier II technology project, which qualifies for a 70% reimbursement rate.
- Athletic and Activity Fees: Revenues have already exceeded the FY25 budgeted amount, driven by increased student participation and higher proceeds from poster sales. This trend is expected to continue into FY26.
- Fees for Services: These increased in FY24 and FY25 and are projected to remain at this level in FY26. They include technology device insurance, parking fees, and collections related to shared business services with ISD 319 – Nashwauk-Keewatin and IASC.

Expenditures

General Fund expenditures are budgeted to increase by $3,497,000 or 5%. Of that increase, $3,800,000 of it is retiree insurance premiums that were previously paid from the trust.





* Estimates

Assumptions and Known Factors

Salaries

- A salary freeze has been budgeted for FY26, with no matrix increases. However, step, lane, and longevity increases remain in effect.
- To balance the operating budget, a reduction of 3.0 FTE positions was made. This reduction was offset by:
  - A Literacy Lead position,
  - An additional kindergarten teacher to accommodate a potential increase in enrollment.

Expenditures (Continued)

Benefits

- **Health Insurance:** HSA plan premiums will increase by 6.5% for FY26.
- **TRA Contributions:** District contributions to the Teacher Retirement Association will rise from 8.75% to 9.81%. A portion of this increase will be reimbursed through state aid.
- **Unemployment Benefits:** Summer unemployment benefits will continue and be reimbursed with state aid.
- **Retiree Health Insurance:** An estimated $3,800,000 in retiree health premiums will be paid from the General Fund once the trust is depleted. This amount will be levied in the year following the expenditures.
- **Worker's Compensation:** Insurance premiums are projected to remain stable for FY26.

Contracted Services

- **Insurance:** Liability and cyber insurance premiums will decrease by 0.4%, attributed to favorable performance of both the self-insured pool and the District.
- **Online Learning:** Budget based on 42 students enrolled, at an average cost of $3,550 per student.
- **Repairs and Maintenance (LTFM):** Budgeted to decrease from FY25 due to several major repair needed in FY26.
- **VPK Tuition Pass-Through (EARLY EDge):** Budgeted based on 71 VPK seats at West and Bigfork Elementary Schools, along with ECSE students served in early childhood classrooms. The District receives full state funding for these students and passes a portion to EARLY EDge, the program operator.
    - Bigfork has offered VPK since FY17.
    - In FY25, 58 seats were awarded to West Elementary.
    - EARLY EDge had previously been supported by a 20-year, $2 million Blandin Foundation grant, which has now expired.

Supplies and Capital

- **Curriculum:** Decrease in expenditures due to the $600,000 English/Language Arts curriculum purchase in FY25. Additional curriculum purchases are anticipated in future years.
- **Software:** FY26 budget reflects a decrease based on FY25 actual expenditures.
- **Maintenance Supplies:** Budgeted decrease due to a reduction in major repair needs compared to FY25.
- **Transportation Supplies:**
    - FY25 will be under budget, and FY26 is projected to decrease further.
    - As of FY24, fuel expenses for special education routes are allocated to the special education budget, which is reimbursed at 100% the following year.
    - Other transportation supply costs have risen due to fewer new bus purchases, increasing maintenance costs for an aging fleet.
- **Vehicle Purchases:** Four buses and one truck were acquired in FY25. The FY26 budget includes funding for only two new buses.

General Fund Expenditure Details

	Actual			Budget			
	FY22	FY23	FY24	FY25*	FY26*	Change	
General Education							
Salaries	$ 24,769,000	$ 23,453,000	$ 23,473,000	$ 24,172,000	$ 24,252,000	$ 80,000	0.3%
Active Employee Benefits	$ 9,825,000	$ 10,494,000	$ 10,847,000	$ 11,414,000	$ 11,544,000	$ 130,000	1.1%
Retiree Benefits	$ -	$ -	$ 500,000	$ -	$ 3,800,000	$ 3,800,000	0.0%
Contracted Services							
IASC, Tech, Career Pathways, Other	$ 129,000	$ 250,000	$ 266,000	$ 400,000	$ 408,000	$ 8,000	2.0%
Leases and Rentals	$ 503,000	$ 492,000	$ 23,000	$ 40,000	$ 50,000	$ 10,000	25.0%
Legal, Data Process, Printing, Postage	$ 273,000	$ 166,000	$ 82,000	$ 116,000	$ 118,000	$ 2,000	1.7%
Liability & Cyber Insurance	$ 334,000	$ 379,000	$ 471,000	$ 490,000	$ 492,000	$ 2,000	0.4%
Online Learning	$ -	$ -	$ -	$ -	$ 149,000	$ 149,000	0.0%
Other Services	$ 608,000	$ 438,000	$ 118,000	$ 125,000	$ 149,000	$ 24,000	19.2%
PSEO & Pymts to Other Educational Agencies	$ 503,000	$ 479,000	$ 506,000	$ 550,000	$ 561,000	$ 11,000	2.0%
Repairs & Maintenance	$ 331,000	$ 513,000	$ 678,000	$ 875,000	$ 730,000	$ (145,000)	-16.6%
Resource Officers	$ 146,000	$ 154,000	$ 155,000	$ 91,000	$ 99,000	$ 8,000	8.8%
Staff Development & Travel	$ 160,000	$ 207,000	$ 162,000	$ 193,000	$ 204,000	$ 11,000	5.7%
Utilities	$ 1,672,000	$ 1,628,000	$ 1,486,000	$ 1,579,000	$ 1,571,000	$ (8,000)	-0.5%
VPK Services to Early Edge	$ -	$ -	$ 71,000	$ 300,000	$ 487,000	$ 187,000	62.3%
Total Contracted Services	$ 4,659,000	$ 4,706,000	$ 4,018,000	$ 4,759,000	$ 5,018,000	$ 259,000	5.4%
Supplies							
Software	$ 370,000	$ 530,000	$ 754,000	$ 650,000	$ 575,000	$ (75,000)	-11.5%
Technology	$ 728,000	$ 57,000	$ 632,000	$ 400,000	$ 435,000	$ 35,000	8.8%
Instructional	$ 522,000	$ 295,000	$ 419,000	$ 971,000	$ 536,000	$ (435,000)	-44.8%
Maintenance	$ 337,000	$ 318,000	$ 416,000	$ 500,000	$ 425,000	$ (75,000)	-15.0%
Transportation	$ 407,000	$ 559,000	$ 366,000	$ 625,000	$ 525,000	$ (100,000)	-16.0%
Other General	$ 316,000	$ 398,000	$ 502,000	$ 407,000	$ 395,000	$ (12,000)	-2.9%
Total Supplies	$ 2,680,000	$ 2,157,000	$ 3,089,000	$ 3,553,000	$ 2,891,000	$ (662,000)	-18.6%
Capital							
Vehicles	$ 531,000	$ 119,000	$ 68,000	$ 600,000	$ 350,000	$ (250,000)	-41.7%
Buildings	$ 694,000	$ 894,000	$ 1,090,000	$ 550,000	$ 500,000	$ (50,000)	-9.1%
Equip & Tech	$ 135,000	$ 155,000	$ 198,000	$ 100,000	$ 120,000	$ 20,000	20.0%
Capital Leases	$ 122,000	$ 122,000	$ 505,000	$ 495,000	$ 506,000	$ 11,000	2.2%
Total Capital	$ 1,482,000	$ 1,290,000	$ 1,861,000	$ 1,745,000	$ 1,476,000	$ (269,000)	-15.4%

	Actual			Budget		Change	
	FY22	FY23	FY24	FY25*	FY26*		
Athletics and Activities							
Salaries and Benefits	$ 964,000	$ 908,000	$ 896,000	$ 943,000	$ 989,000	$ 46,000	4.9%
Contracted Services	$ 428,000	$ 439,000	$ 539,000	$ 540,000	$ 530,000	$ (10,000)	-1.9%
Supplies and Other	$ 116,000	$ 140,000	$ 118,000	$ 151,000	$ 154,000	$ 3,000	2.0%
Total Athletics and Activities	$ 1,508,000	$ 1,487,000	$ 1,553,000	$ 1,634,000	$ 1,673,000	$ 39,000	2.4%
ADSIS and Title							
Salaries and Benefits	$ 1,734,000	$ 1,741,000	$ 1,912,000	$ 2,028,000	$ 2,021,000	$ (7,000)	-0.3%
Contracted Services	$ 64,000	$ 36,000	$ 51,000	$ 100,000	$ 102,000	$ 2,000	2.0%
Supplies and Other	$ 22,000	$ 11,000	$ 10,000	$ 20,000	$ 8,000	$ (12,000)	-60.0%
Total ADSIS and Title	$ 1,820,000	$ 1,788,000	$ 1,973,000	$ 2,148,000	$ 2,131,000	$ (17,000)	-0.8%
Special Education							
Salaries and Benefits	$ 11,397,000	$ 12,066,000	$ 12,224,000	$ 13,405,000	$ 13,483,000	$ 78,000	0.6%
Contracted Services	$ 202,000	$ 203,000	$ 448,000	$ 500,000	$ 510,000	$ 10,000	2.0%
Supplies and Other	$ 272,000	$ 270,000	$ 304,000	$ 222,000	$ 225,000	$ 3,000	1.4%
Total Special Education	$ 11,871,000	$ 12,539,000	$ 12,976,000	$ 14,127,000	$ 14,218,000	$ 91,000	0.6%
Due, Memberships and Other	$ 216,000	$ 144,000	$ 217,000	$ 234,000	$ 280,000	$ 46,000	19.7%
Total Expenditures	$ 58,830,000	$ 58,058,000	$ 60,507,000	$ 63,786,000	$ 67,283,000	$ 3,497,000	5.5%

Other Fund Budgets

Food Service Fund

The Food Service Fund (02) contains all revenue and expenses for the school breakfast, lunch and summer food service programs. The funding for these programs includes local fees, state aids and federal aids. The Minnesota Department of Education (MDE) requires all funding to follow federal guidelines and therefore is extremely restrictive on allowable expenses. For example, the fund could be used to purchase an oven for the kitchen, but may not be used to purchase cafeteria tables.

The food service fund has seen an increase in its fund balance with the change to every student eating for free. With the residual effects of COVID funding in FY22, the fund had high revenues from federal sources. In FY24 the State of Minnesota implemented free meals for all students. This increased the state revenue and increased the number of meals served. In FY25 and FY26, operations have leveled out and are more stable.

	Actuals			Budgets	
	FY22	**FY23**	**FY24**	**FY25**	**FY26**
Revenues					
Other Local	$ -	$ 34,000	$ 27,000	$ -	$ -
State Sources	$ 73,000	$ 92,000	$ 946,000	$ 961,000	$ 1,104,000
Federal Sources	$ 2,301,000	$ 1,626,000	$ 1,640,000	$ 1,400,000	$ 1,340,000
Sales	$ 190,000	$ 612,000	$ 379,000	$ 292,000	$ 264,000
Total Revenues	**$ 2,564,000**	**$ 2,364,000**	**$ 2,992,000**	**$ 2,653,000**	**$ 2,708,000**
Expenditures					
Operating	$ 2,140,000	$ 2,351,000	$ 2,654,000	$ 2,635,000	$ 2,670,000
Capital	$ -	$ 3,000	$ 52,000	$ 5,000	$ 30,000
Total Expenditure	**$ 2,140,000**	**$ 2,354,000**	**$ 2,706,000**	**$ 2,640,000**	**$ 2,700,000**
Net change in fund balance	**$ 424,000**	**$ 10,000**	**$ 286,000**	**$ 13,000**	**$ 8,000**
Beginning fund balance	$ 412,000	$ 836,000	$ 846,000	$ 1,132,000	$ 1,145,000
Ending fund balance	**$ 836,000**	**$ 846,000**	**$ 1,132,000**	**$ 1,145,000**	**$ 1,153,000**

Other Fund Budgets (Continued)

Community Service Fund

The Community Service Fund (04) is used to track revenue and expenses for community education programs such as Early Childhood Family Education, School Readiness (preschool) and extended day programs. The fund is also used to track nonpublic school state aid flow through for textbooks, health and counselling. Other revenue comes from fees charged for programs the fund provides.

	Actuals			Budgets	
	FY22	FY23	FY24	FY25	FY26
Revenues					
Local Property Taxes	$ 334,000	$ 332,000	$ 339,000	$ 362,000	$ 370,000
Other Local	$ 213,000	$ 328,000	$ 191,000	$ 161,000	$ 188,000
State Sources	$ 476,000	$ 472,000	$ 474,000	$ 477,000	$ 506,000
Federal Sources	$ 270,000	$ 243,000	$ 149,000	$ -	$ -
Total Revenues	**$ 1,293,000**	**$ 1,375,000**	**$ 1,153,000**	**$ 1,000,000**	**$ 1,064,000**
Expenditures					
Operating	$ 1,245,000	$ 1,218,000	$ 1,071,000	$ 1,000,000	$ 1,064,000
Capital	$ -	$ -	$ -	$ -	$ -
Total Expenditures	**$ 1,245,000**	**$ 1,218,000**	**$ 1,071,000**	**$ 1,000,000**	**$ 1,064,000**
Net change in fund balance	**$ 48,000**	**$ 157,000**	**$ 82,000**	**$ -**	**$ -**
Beginning fund balance	$ 509,000	$ 557,000	$ 714,000	$ 796,000	$ 796,000
Ending fund balance	**$ 557,000**	**$ 714,000**	**$ 796,000**	**$ 796,000**	**$ 796,000**

Other Fund Budgets (Continued)

Debt Service Fund

The District's debt service fund (07) and OPEB Debt Service (47) are used to pay the debt service on bonds sold to finance construction or maintenance projects and retiree benefits. Revenues consist of tax levy and state aids to support the principal and interest payments. The OPEB bonds were paid off in FY25 and any remaining fund balance will be captured by the state through a negative levy adjustment.

	Actuals			Budgets	
	FY22	FY23	FY24	FY25	FY26
Revenues					
Local Property Taxes	$ 2,898,000	$ 3,431,000	$ 3,639,000	$ 3,630,000	$ 7,726,000
Other Local	$ 2,000	$ 79,000	$ 75,000	$ -	$ 100,000
State Sources	$ 205,000	$ 266,000	$ 280,000	$ 325,000	$ 741,000
Bond Proceeds	$ 23,000	$ -	$ -	$ -	$ -
Total Revenues	**$ 3,128,000**	**$ 3,776,000**	**$ 3,994,000**	**$ 3,955,000**	**$ 8,567,000**
Expenditures					
Principal	$ 230,000	$ 285,000	$ 340,000	$ 385,000	$ 4,615,000
Interest	$ 2,901,000	$ 3,202,000	$ 3,388,000	$ 3,302,000	$ 3,395,000
Total Expenditures	**$ 3,131,000**	**$ 3,487,000**	**$ 3,728,000**	**$ 3,687,000**	**$ 8,010,000**
Net change in fund balance	**$ (3,000)**	**$ 289,000**	**$ 266,000**	**$ 268,000**	**$ 557,000**
Beginning fund balance	$ 823,000	$ 820,000	$ 1,109,000	$ 1,375,000	$ 1,643,000
Ending fund balance	**$ 820,000**	**$ 1,109,000**	**$ 1,375,000**	**$ 1,643,000**	**$ 2,200,000**

OPEB Debt Service Fund

	Actuals			Budgets	
	FY22	FY23	FY24	FY25	FY26
Revenues					
Local Property Taxes	$ 4,829,000	$ 4,886,000	$ 4,489,000	$ 4,750,000	$ (2,120,000)
Other Local	$ -	$ -	$ 125,000	$ -	$ -
State Sources	$ 30,000	$ 28,000	$ 26,000	$ 63,000	$ -
Federal Sources	$ -	$ -	$ -	$ -	$ -
Total Revenues	**$ 4,859,000**	**$ 4,914,000**	**$ 4,640,000**	**$ 4,813,000**	**$ (2,120,000)**
Expenditures					
Operating	$ 4,225,000	$ 4,340,000	$ 4,465,000	$ 4,585,000	$ -
Capital	$ -	$ -	$ -	$ -	$ -
Total Expenditures	**$ 4,225,000**	**$ 4,340,000**	**$ 4,465,000**	**$ 4,585,000**	**$ -**
Net change in fund balance	**$ 634,000**	**$ 574,000**	**$ 175,000**	**$ 228,000**	**$ (2,120,000)**
Beginning fund balance	$ 509,000	$ 1,143,000	$ 1,717,000	$ 1,892,000	$ 2,120,000
Ending fund balance	**$ 1,143,000**	**$ 1,717,000**	**$ 1,892,000**	**$ 2,120,000**	**$ -**

Other Fund Budgets (Continued)

Debt Service Fund

Future Debt Obligations

Issuance	Original Issuance	Balance 6/30/2024	Issuance	Retirement	Balance 6/30/2025
G.O. Taxable OPEB Refunding Bonds, Series 2016A	$ 30,805,000	$ 4,585,000	$ -	$ 4,585,000	$ -
G.O. School Building Bonds, Series 2018A	$ 65,440,000	$ 65,440,000	$ -	$ -	$ 65,440,000
G.O. Facilities Maintenance Bonds, Series 2019A	$ 4,380,000	$ 3,215,000	$ -	$ 265,000	$ 2,950,000
G.O. Facilities Maintenance Bonds, Series 2022A	$ 13,260,000	$ 13,135,000	$ -	$ 120,000	$ 13,015,000
G.O. School Building Bonds, Series 2022B	$ 3,470,000	$ 3,470,000	$ -	$ -	$ 3,470,000
G.O. Facilities Maintenance Bonds, Series 2023A	$ 2,460,000	$ 2,460,000	$ -	$ 300,000	$ 2,160,000
Certificates of Participation, Series 2023B	$ 1,580,000	$ 1,470,000	$ -	$ 75,000	$ 1,395,000
	Total	**$ 93,775,000**	**$ -**	**$ 5,345,000**	**$ 88,430,000**

Year Ending June 30,	Principal	Interest	Total
2026	$ 4,695,000	$ 3,457,799	$ 8,152,799
2027	$ 4,915,000	$ 3,226,451	$ 8,141,451
2028	$ 5,180,000	$ 2,982,700	$ 8,162,700
2029	$ 5,430,000	$ 2,732,100	$ 8,162,100
2030	$ 5,705,000	$ 2,469,300	$ 8,174,300
2031-2035	$ 30,360,000	$ 8,815,250	$ 39,175,250
2036-2040	$ 32,145,000	$ 6,332,138	$ 38,477,138
Total	**$ 88,430,000**	**$ 30,015,738**	**$ 118,445,738**

Other Fund Budgets (Continued)

Retiree Trust Fund Internal Service Fund

The OPEB Irrevocable Trust Fund is an internal service fund that contains the proceeds from bonds that were issued to finance retiree benefits. Health insurance premiums are paid out of the trust account. Revenue into the account is interest earnings on the remaining bond proceeds and premium payments from retirees. The bond proceeds will be gone in FY26 and the payments for retiree benefits will then come from the General Fund.

	Actuals			Budgets	
	FY22	**FY23**	**FY24**	**FY25**	**FY26**
Revenues					
Contributions from Employees	$ 614,000	$ 659,000	$ 426,000	$ 600,000	$ 110,000
Interest Income/(Loss)	$ (1,965,000)	$ 784,000	$ 1,109,000	$ 800,000	$ 20,000
Total Revenues	**$ (1,351,000)**	**$ 1,443,000**	**$ 1,535,000**	**$ 1,400,000**	**$ 130,000**
Expenses					
Insurance Premiums	**$ 4,293,000**	**$ 5,051,000**	**$ 4,566,000**	**$ 5,650,000**	**$ 1,327,000**
Net change in fund balance	**$ (5,644,000)**	**$ (3,608,000)**	**$ (3,031,000)**	**$ (4,250,000)**	**$ (1,197,000)**
Beginning net position	$ 17,730,000	$ 12,086,000	$ 8,478,000	$ 5,447,000	$ 1,197,000
Ending net position	**$ 12,086,000**	**$ 8,478,000**	**$ 5,447,000**	**$ 1,197,000**	**$ -**

Health Insurance Internal Service Fund

This internal service fund accounts for the health and dental insurance activity for the District. Revenue is premiums paid by the District and employees and the expenses are medical, dental and prescription costs.

	Actuals			Budgets	
	FY22	**FY23**	**FY24**	**FY25**	**FY26**
Revenues					
Insurance Premiums	$ 14,352,000	$ 16,329,000	$ 14,225,000	$ 15,000,000	$ 16,050,000
Interest Income/(Loss)	$ (61,000)	$ 51,000	$ 206,000	$ 120,000	$ 145,000
Total Revenues	**$ 14,291,000**	**$ 16,380,000**	**$ 14,431,000**	**$ 15,120,000**	**$ 16,195,000**
Expenses					
Health and Dental	**$ 13,872,000**	**$ 15,300,000**	**$ 13,710,000**	**$ 14,179,000**	**$ 15,600,000**
Net change in fund balance	**$ 419,000**	**$ 1,080,000**	**$ 721,000**	**$ 941,000**	**$ 595,000**
Beginning net position	$ 744,000	$ 1,163,000	$ 2,243,000	$ 2,964,000	$ 3,905,000
Ending net position	**$ 1,163,000**	**$ 2,243,000**	**$ 2,964,000**	**$ 3,905,000**	**$ 4,500,000**

Capital Projects Fund

This fund is not budgeted in total but individually by project. Fund 06 handles any project that is bonded for or is estimated to cost over $1,000,000.

Contact

For any inquiries on the budget please reach out to the District's business office. Director of Business Services, Kara Lundin – 218-327-5775 or klundin@isd318.org