



ISD #727 – Big Lake 2022-2023 Original Budget

June 16th, 2022

ISD 727 Big Lake 2022-2023 Budget

Minnesota statutes require
School Board approval of
revenue and expenditure
budget by June 30th



22-23 GENERAL FUND

**Beginning Unassigned Fund Balance:
\$7,598,040**

Fund Balance Available for General Operations

Ending Unassigned Fund Balance \$5,473,662

- 14.8% of 22-23 unassigned expenditures
- In compliance with 8% fund balance policy
- Unassigned Fund Balance Deficit of \$2,124,315
 - General education aid increase 2%, or \$729,925 in revenue
 - Gen ed aid revenue is less than inflation and not sufficient to fund operations
 - As a result, unassigned fund balance draw down
 - Deficit will not be sustainable

ISD #727 2022-2023 Original Budget

June 16th, 2022

	Budgeted	Revenue	Expenditure	Projected		
	Fund Balance	Budget	Budget	Net Change		Budgeted
	June 30,2022	22-23	22-23	Incr(Decr)	Transfers	Fund Balance
				in Fund Balance		June 30,2023
General:						
Restricted -						
Long Term Facilities Maintenance	\$ 101,251	\$ 346,639	\$ 348,160	\$ (1,521)	\$ -	\$ 99,730
Operating Capital	\$ 497,883	\$ 771,227	\$ 1,122,222	\$ (350,995)	\$ -	\$ 146,888
Capital Projects Levy	\$ 456,660	\$ 606,298	\$ 614,889	\$ (8,591)	\$ -	\$ 448,069
Staff Development	\$ 109,671	\$ 477,896	\$ 493,385	\$ (15,489)	\$ -	\$ 94,182
Third Party/Medical Assistance	\$ 182,855	\$ 50,000	\$ 105,020	\$ (55,020)	\$ -	\$ 127,835
Area Learning Center (ALC)	\$ 29,969	\$ 409,317	\$ 410,103	\$ (786)	\$ -	\$ 29,183
Scholarships	\$ 15,150	\$ 12,000	\$ 12,000	\$ -	\$ -	\$ 15,150
Student Activities	\$ 30,542	\$ 9,500	\$ 7,100	\$ 2,400	\$ -	\$ 32,942
Safe Schools Levy	\$ -	\$ 124,291	\$ 124,354	\$ (63)	\$ 63	\$ -
Committed for Severance	\$ 862,327	\$ -	\$ 34,098	\$ (34,098)	\$ -	\$ 828,229
Committed for Liberty Shelter	\$ 29,120	\$ -	\$ 29,120	\$ (29,120)	\$ -	\$ -
Assigned for Q Comp	\$ 78,576	\$ 793,696	\$ 850,862	\$ (57,166)	\$ -	\$ 21,410
Assigned for Athletics and Activities	\$ 217,144	\$ 1,031,321	\$ 1,045,197	\$ (13,876)	\$ -	\$ 203,268
Assigned for Building Level Activities	\$ 115,097	\$ 15,766	\$ 26,545	\$ (10,779)	\$ -	\$ 104,318
Other Assigned Fund Balances	\$ 499,222	\$ 44,654	\$ 392,263	\$ (347,609)	\$ -	\$ 151,613
Nonspendable for Prepaid Items	\$ 156,596	\$ -	\$ -	\$ -	\$ -	\$ 156,596
Unassigned	\$ 7,598,040	\$ 34,823,502	\$ 36,947,817	\$ (2,124,315)	\$ (63)	\$ 5,473,662
Subtotal	\$ 10,980,103	\$ 39,516,107	\$ 42,563,135	\$ (3,047,028)	\$ -	\$ 7,933,075
Food Service:						
Restricted	\$ 427,401	\$ 1,953,831	\$ 1,953,831	\$ -	\$ -	\$ 427,401
Nonspendable for Inventory	\$ 36,087	\$ -	\$ -	\$ -	\$ -	\$ 36,087
Subtotal	\$ 463,488	\$ 1,953,831	\$ 1,953,831	\$ -	\$ -	\$ 463,488
Community Service:						
Restricted -						
Community Education	\$ 606,129	\$ 1,453,852	\$ 1,594,332	\$ (140,480)	\$ -	\$ 465,649
ECFE	\$ 108,514	\$ 268,759	\$ 268,461	\$ 298	\$ -	\$ 108,812
School Readiness	\$ (24,421)	\$ 361,788	\$ 465,330	\$ (103,542)	\$ -	\$ (127,963)
Preschool Screening	\$ 9,816	\$ 18,800	\$ 16,826	\$ 1,974	\$ -	\$ 11,790
Subtotal	\$ 700,038	\$ 2,103,199	\$ 2,344,949	\$ (241,750)	\$ -	\$ 458,288
Building Construction Fund						
Restricted -						
Long-Term Facilities Maintenance	\$ 428,663	\$ 3,500	\$ 432,163	\$ (428,663)	\$ -	\$ -
Referendum Projects	\$ 27,195,631	\$ 100,000	\$ 9,066,303	\$ (8,966,303)	\$ -	\$ 18,229,328
	\$ 27,624,294	\$ 103,500	\$ 9,498,466	\$ (9,394,966)	\$ -	\$ 18,229,328
Debt Service - Restricted	\$ 1,526,818	\$ 5,833,601	\$ 6,049,549	\$ (215,948)	\$ -	\$ 1,310,870
OPEB Irrevocable Trust Fund	\$ 1,385,257	\$ 20,000	\$ 279,643	\$ (259,643)	\$ -	\$ 1,125,614
Total	\$ 42,679,998	\$ 49,530,238	\$ 62,689,573	\$ (13,159,335)	\$ -	\$ 29,520,663

General Fund Revenues

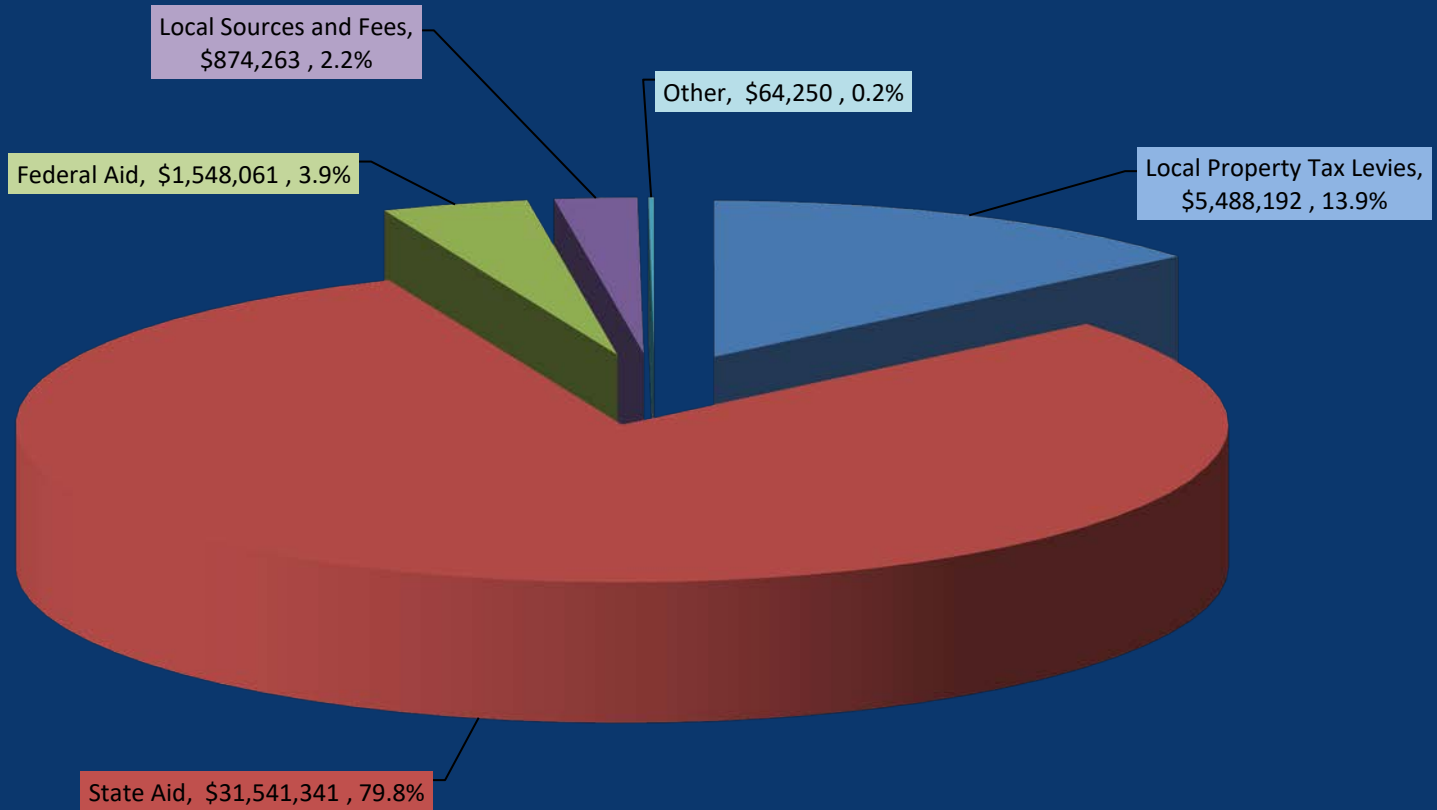
Total Revenues: \$39,516,107

- **General Education Aid \$27,304,901**
 - \$729,925 increase. 2% increase to \$6,863 per adjusted ADM
 - Total budgeted ADM: 3,173; Kindergarten assumption: 250
 - 28 ADM increase using 3 year weighted average cohort analysis
- **Special Education Aid \$ 3,679,802**
- **Property Tax Levy \$ 5,427,192**
- **Federal Aid: \$1,548,061**
 - Titles \$222,709 (Title I decrease of \$104,581-notified May 31st)
 - ESSER III \$770,823; Other COVID grants \$138,028
 - Summer and learning recovery federal grants \$108,982
 - Federal SPED \$91,403; PCN grant: \$216,116

2022-2023 General Fund Budget

Revenues by Major Source

Budget \$ 39,516,107



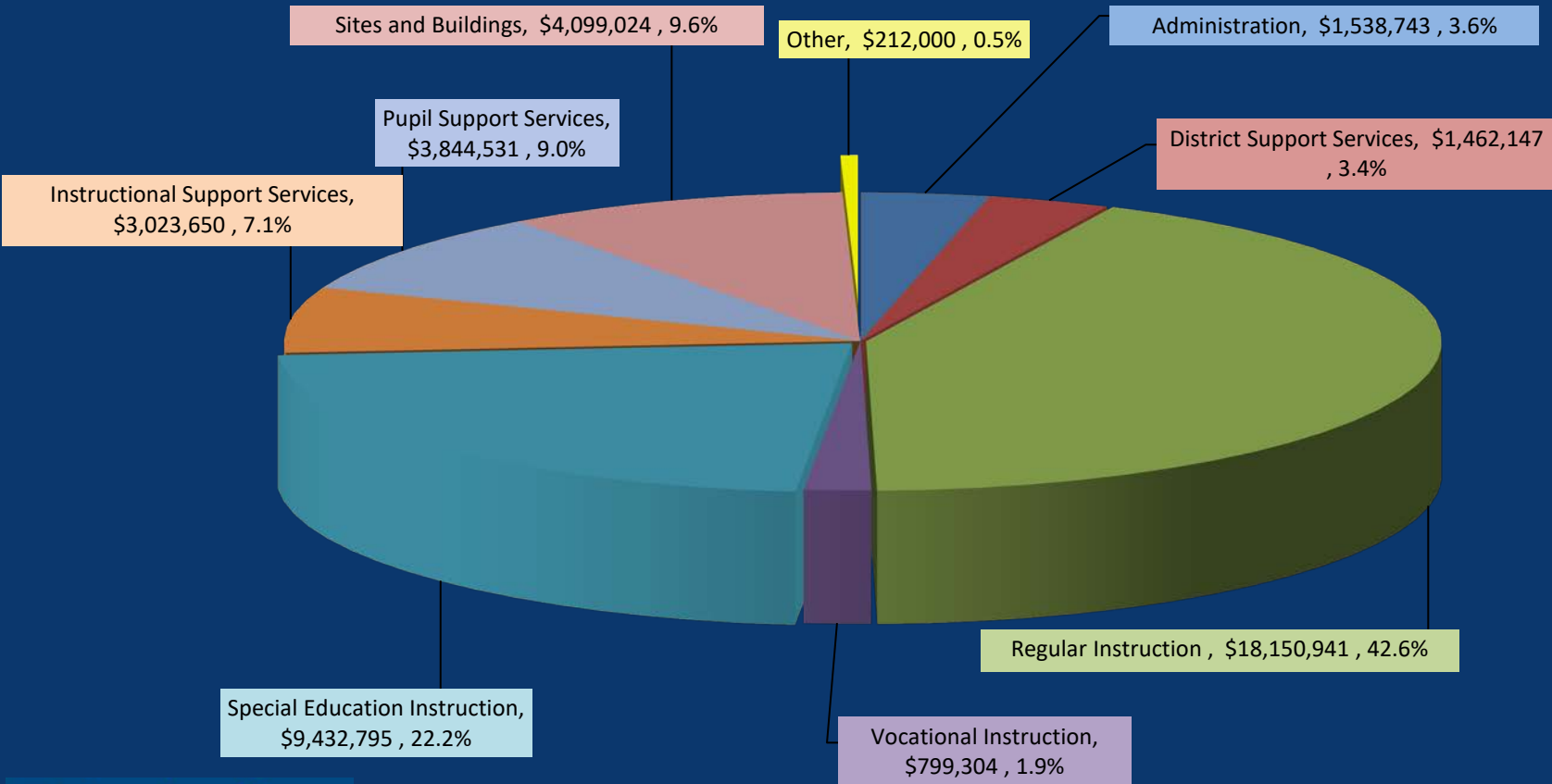
General Fund Expenditures

Total Expenditures: \$42,563,135

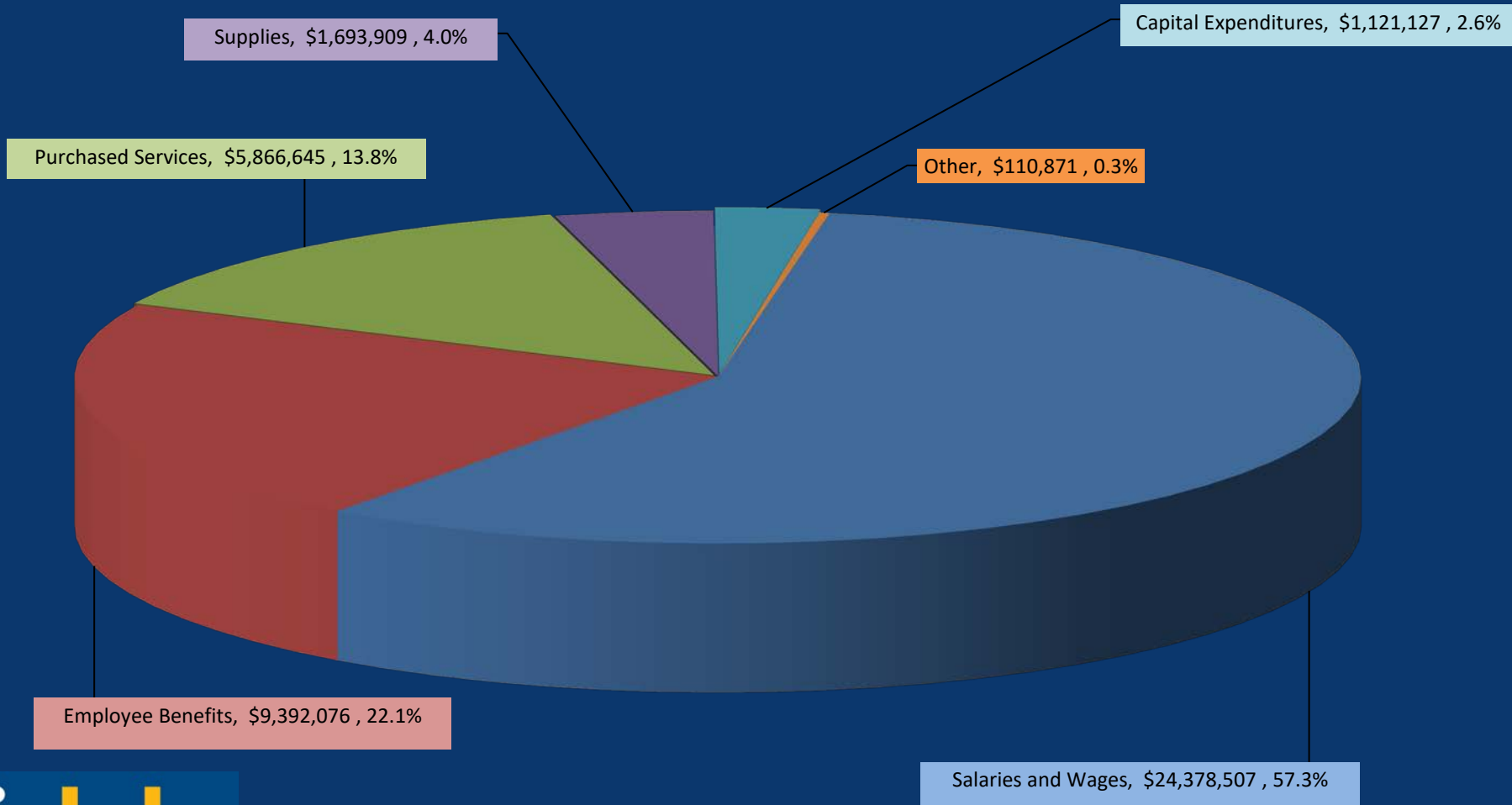
- **Salaries/Benefits: \$33.8 million**
 - New positions approved by the School Board:
 - Two 1st grade teachers
 - HS CTE (Career and Tech Ed) teacher
 - District Wide DAPE (Adaptive Phy Ed) teacher
 - ECSE teacher and EA
 - MS EBD teacher
 - District Wide SPED Lead Teachers
 - .5 FTE Liberty teacher due to mid year retirement
 - Big Lake Online administrative assistant
- **Purchased Services: \$5.8 million**
 - Transportation, utilities, repairs, property & liability insurance
- **Supplies, Capital, Other: \$2.9 million**
 - Curriculum, technology, and capital projects



2022-2023 General Fund Budget Expenditures by Program Area Budget \$ 42,563,135



2022-2023 General Fund Budget Expenditures by Object Category Budget \$ 42,563,135



General Fund Results

- \$3,047,028 general fund deficit
 - Unassigned deficit \$2,124,315
 - While unassigned fund balance can endure 22-23's deficit, it is not sustainable
 - \$350,995 Operating Capital deficit
 - Delayed projects from 21-22 budgeted in 22-23
 - \$347,609 Other Assigned Fund Balance deficit
 - Delayed projects from 21-22 budgeted in 22-23 (MS Sound System)
 - \$57,166 Assigned for Q comp deficit
 - Program restructure will be required to sustain benefit levels
- **Unassigned Fund Balance: \$5,473,662**
 - 14.8% of Unassigned expenditures

Food Service Fund

- Revenue: \$ 1,953,831
- Expenditures: \$ 1,953,881
- Total Fund Balance: \$ 463,488
 - In compliance with federal guidelines
- \$125,000 Chartwells operations guarantee
- Equipment replacements (coolers, kitchen appliances)
- Return to normal! Meals are NOT free.
- Free and reduced applications available in early July

Community Service Fund

- Revenue: \$ 2,103,199
- Expenditures: \$ 2,344,949
- Planned spenddown of fund balance
 - No fees were increased for 22-23
- Projected ending fund balance: \$458,288
- Budget was reviewed by Community Education Advisory Council

Building Construction Fund

- Revenue: \$ 103,500
- Expenditures: \$ 9,498,466
- Construction Projects
 - Continuation of November 2021 bond referendum projects
 - HS & Liberty Controls, Roofing, Independence Renovations, HS Renovations, HS Dehumidification

Other Funds

- Debt Service
 - District mortgage payments
 - Revenues = \$5,833,601
 - Expenditures = \$6,049,549
 - Fund Balance regulated by MDE - excess levy dollars returned to District taxpayers
 - Capitalized interest paid from fund balance

Other Funds

- OPEB Irrevocable Trust Fund
 - Other Post Employment Benefits
 - Proceeds from 2009 OPEB bonds
 - 2009 bonds are paid off
 - Revenues = \$ 20,000
 - Expenditures = \$ 279,643

General Fund Future

Ending Unassigned Fund Balance \$5,473,662

Without ESSER III and Other COVID funding: \$4,564,811

- Additional ESSER III federal funding available to fund learning recovery costs in 22-23, 23-24, and part of 24-25
- 22-23 \$2,124,315 unassigned deficit will continue to grow since general education and special education aid not sufficient to fund operations
 - Without expenditure adjustments or significant increases to general education aid or special education cross subsidy aid, Unassigned Fund Balance could fall below 8% fund balance policy as early as 24-25
- Financial cliff in 24-25 after one-time federal funding expires
- Potential operating referendum could take effect in 25-26

While the 22-23 Unassigned Fund Balance is above the District's 8% fund balance policy, it is needed to fund operations for the next two fiscal years

School Board Action

Approval of 2022-2023 District revenue and expenditure budgets

Total Revenue:	\$ 49,530,238
Total Expenditures:	<u>\$ 62,689,573</u>
Deficit	\$ (13,159,335)
Spenddown of Bldg Construction Fd	<u>\$ 9,394,966</u>
Net District Deficit	\$ (3,764,369)

Net District Deficit mainly result of planned spenddown in fund balance reserves and \$2,124,315 deficit in unassigned fund balance

