ISD #727 – Big Lake
2026-2027 Original Budget

June 24th, 2026
Angie Manuel, Director of Business Services

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ISD 727 Big Lake 2026-2027 Budget

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

Big Lake SCHOOLS

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26-27 GENERAL FUND

Beginning Unassigned Fund Balance: $7,726,239

Fund Balance Available for General Operations

Ending Unassigned Fund Balance $6,768,763

- 15.75% of 26-27 unassigned expenditures
- In compliance with 9-12% minimum operating fund balance policy
- Unassigned Fund Balance Deficit of $ 957,476
    - 26-27 Budget reductions/enhancements $1,603,524
    - General education aid allowance $7,683/pupil
        - ✓ 2.69% increase or $202 per adjusted pupil unit
        - ✓ Minimum of 2% and maximum of 3%

ISD #727 Original 2026-2027 Budget

June 2026

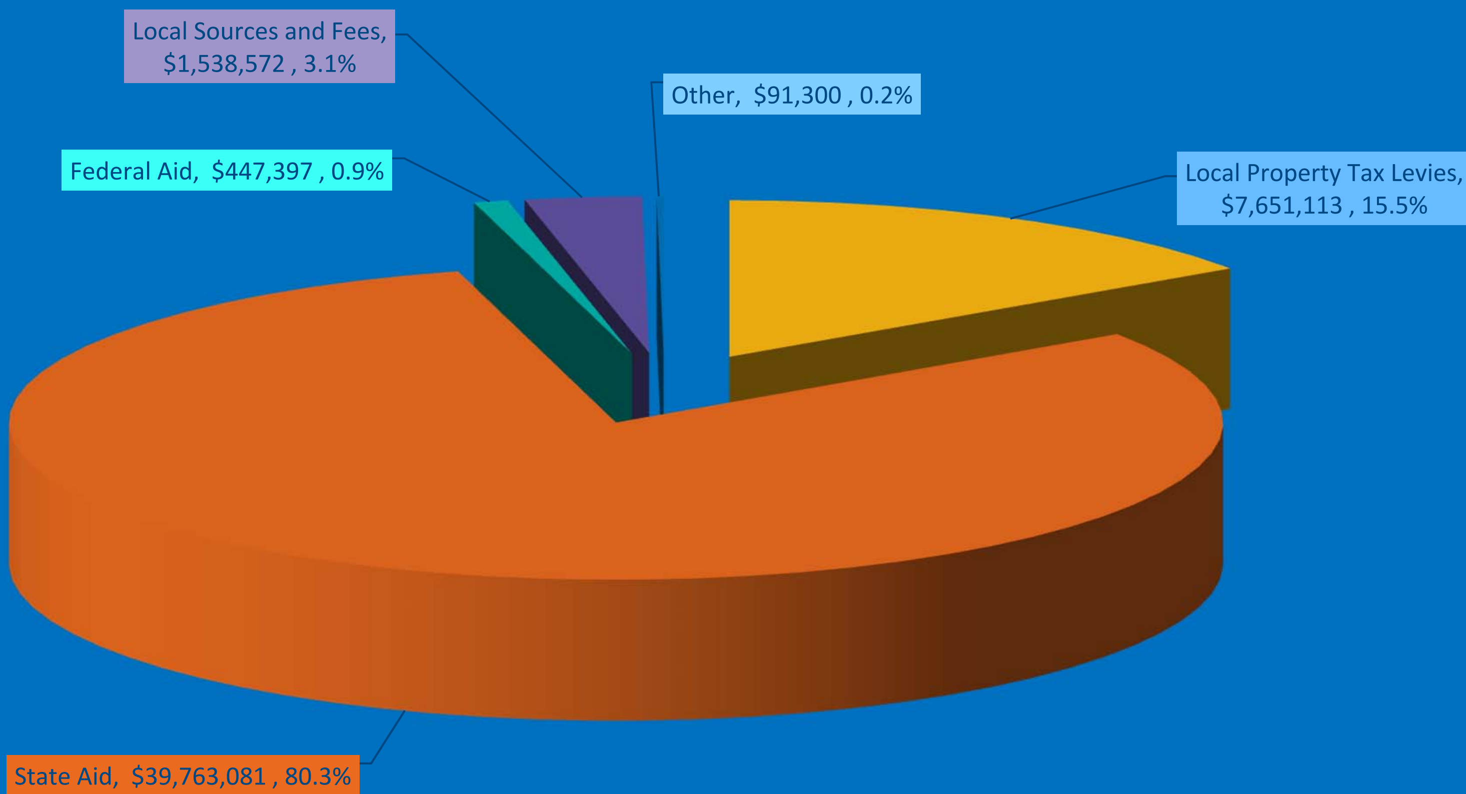
	Budgeted Fund Balance June 30,2026	Revenue Budget 26-27	Expenditure Budget 26-27	Projected Net Change Incr(Decr) in Fund Balance	Transfers	Budgeted Fund Balance June 30,2027
General:						
Restricted -						
Long Term Facilities Maintenance	$ (695,694)	$ 385,883	$ 305,260	$ 80,623	$ -	$ (615,071)
Operating Capital	$ 601,524	$ 751,506	$ 1,271,367	$ (519,861)	$ -	$ 81,663
Capital Projects Levy	$ 327,370	$ 930,860	$ 717,357	$ 213,503	$ -	$ 540,873
Staff Development	$ 259,131	$ 511,012	$ 549,074	$ (38,062)	$ -	$ 221,069
Basic Skills	$ 555,504	$ 1,852,028	$ 1,855,074	$ (3,046)	$ -	$ 552,458
Q Comp	$ 85,887	$ 810,340	$ 847,913	$ (37,573)	$ -	$ 48,314
School Library Aid	$ 28,170	$ 33,812	$ 49,023	$ (15,211)	$ -	$ 12,959
Literacy Incentive Aid	$ 38,276	$ 135,000	$ 130,513	$ 4,487	$ -	$ 42,763
Literacy Aid (READ Act)	$ 102,844	$ -	$ 50,876	$ (50,876)	$ -	$ 51,968
American Indian Education Aid	$ -	$ 63,500	$ 63,500	$ -	$ -	$ -
Third Party/Medical Assistance	$ 645,670	$ 200,000	$ 305,303	$ (105,303)	$ -	$ 540,367
Area Learning Center (ALC)	$ 109,212	$ 352,169	$ 406,648	$ (54,479)	$ -	$ 54,733
Scholarships	$ 29,354	$ -	$ 23,000	$ (23,000)	$ -	$ 6,354
Student Activities	$ 18,887	$ 9,400	$ 14,972	$ (5,572)	$ -	$ 13,315
Committed for Severance	$ 897,635	$ -	$ 264,769	$ (264,769)	$ -	$ 632,866
Assigned for Athletics and Activities	$ 102,520	$ 1,399,189	$ 1,495,335	$ (96,146)	$ -	$ 6,374
Assigned for Building Level Activities	$ 131,021	$ 28,200	$ 24,694	$ 3,506	$ -	$ 134,527
Other Assigned Fund Balances	$ 2,566,537	$ 5,000	$ 697,447	$ (692,447)	$ -	$ 1,874,090
Nonspendable for Prepaid Items	$ 57,354	$ -	$ -	$ -	$ -	$ 57,354
Unassigned Fund Balance	$ 7,726,239	$ 42,023,564	$ 42,981,040	$ (957,476)	$ -	$ 6,768,763
Subtotal	$ 13,587,441	$ 49,491,463	$ 52,053,165	$ (2,561,702)	$ -	$ 11,025,739
Food Service:						
Restricted	$ 736,601	$ 2,613,414	$ 2,757,459	$ (144,045)	$ -	$ 592,556
Nonspendable for Inventory	$ 34,186	$ -	$ -	$ -	$ -	$ 34,186
Subtotal	$ 770,787	$ 2,613,414	$ 2,757,459	$ (144,045)	$ -	$ 626,742
Community Service:						
Nonspendable for Prepaid Items	$ 11,600	$ -	$ -	$ -	$ -	$ 11,600
Restricted -						
Community Education	$ 1,204,127	$ 2,723,789	$ 2,752,131	$ (28,342)	$ -	$ 1,175,785
ECFE	$ 193,707	$ 287,472	$ 299,915	$ (12,443)	$ -	$ 181,264
School Readiness	$ (78,194)	$ 505,762	$ 560,580	$ (54,818)	$ -	$ (133,012)
Preschool Screening	$ 14,962	$ 18,000	$ 17,141	$ 859	$ -	$ 15,821
Subtotal	$ 1,346,202	$ 3,535,023	$ 3,629,767	$ (94,744)	$ -	$ 1,251,458
Building Construction Fund						
Restricted -						
Long-Term Facilities Maintenance	$ -	$ 2,410,000	$ 2,410,000	$ -	$ -	$ -
Referendum Projects	$ 400,190	$ 7,500	$ 407,690	$ (400,190)	$ -	$ -
	$ 400,190	$ 2,417,500	$ 2,817,690	$ (400,190)	$ -	$ -
Debt Service - Restricted	$ 2,406,791	$ 4,250,323	$ 4,429,825	$ (179,502)	$ -	$ 2,227,289
OPEB Irrevocable Trust Fund	$ 1,369,191	$ 100,000	$ 223,732	$ (123,732)	$ -	$ 1,245,459
Total	$ 19,880,602	$ 62,407,723	$ 65,911,638	$ (3,503,915)	$ -	$ 16,376,687

General Fund Revenues

Total Revenues: $49,491,463

- **General Education Aid $29,818,517**
  - 2.69% formula allowance increase to $7,683/adjusted pupil unit
  - Compensatory: $1,800,137, $83,490 increase from 25-26
  - Total budgeted ADM: 3,057; Kindergarten assumption: 216
    - 57 adm decrease due to smaller kindergarten vs prior year grade 12
- **Special Education Aid** $ 8,450,000
  - Special education cross-subsidy aid increases to 50%; aid based on 2026 costs
  - Aid to expense ratio 62.73%; prior year 63.75%
- **Property Tax Levy** $ 7,593,113
  - Decrease from prior year due to roofing projects LTFM levy recorded in construction fund
- **Federal Aid**: $ 447,397
  - Title grants, Federal Special Aid through SPED coop
  - Decrease due to completion of 5 year PCN grant in 2025-2026

2026-2027 General Fund Budget
Revenues by Major Source
Budget $ 49,491,463



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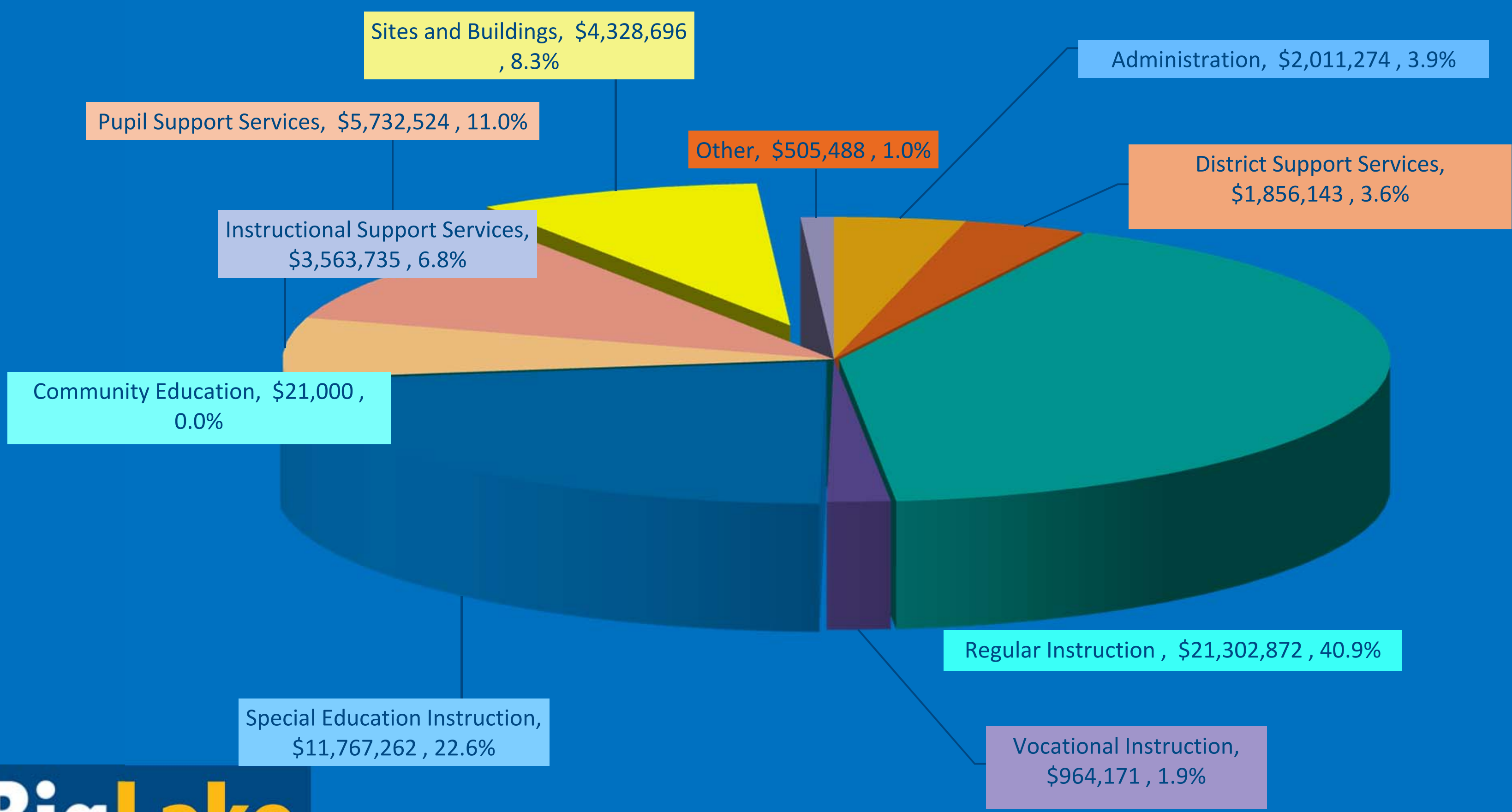
General Fund Expenditures

Total Expenditures: $52,053,165

- **Salaries/Benefits**: $40.7 million
  - 15.75 FTE's reduced for the 2026-2027 fiscal year:
    - 11.5 Teachers
    - 4 Paraeducators
    - .25 District Office
  - Summer Term Unemployment Costs: $350,000
    - Estimated 75% funding for 26-27
- **Purchased Services**: $7.6 million
  - Transportation, utilities, repairs, property/liability insurance
  - 4% increase on transportation rates
- **Supplies, Capital, Other**: $3.7 million
  - Curriculum, technology, and capital projects

2026-2027 General Fund Budget
Expenditures by Program Area
Budget $ 52,053,165



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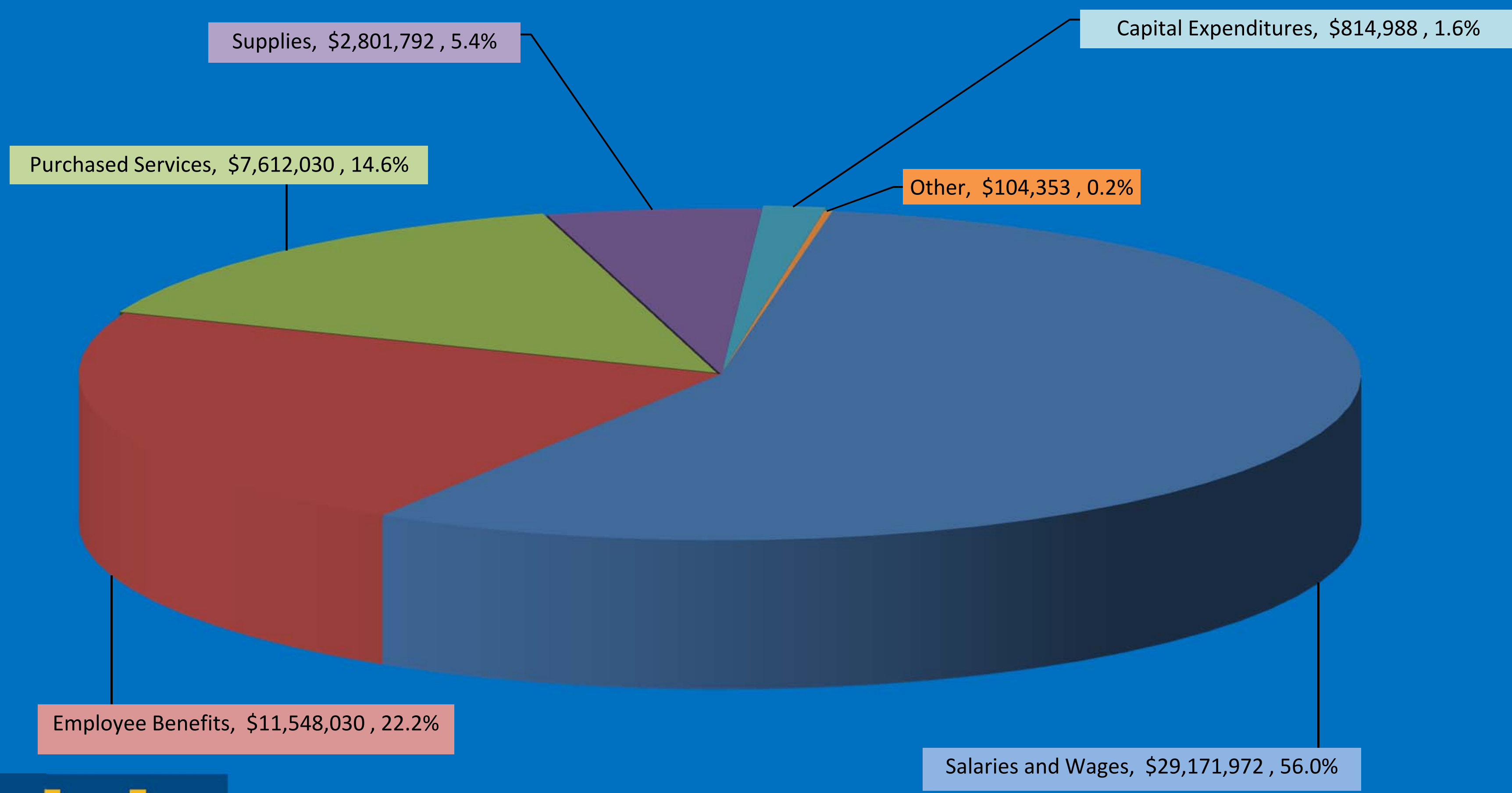
2026-2027 General Fund Budget
Expenditures by Object Category
Budget $ 52,053,165



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General Fund Results

- **$2,561,702 planned general fund deficit**
  - Unassigned deficit $ 957,476
  - $ 554,370 decrease in restricted reserves
    - Math and social studies curriculum adoption and training, spending down 1 time READ Act funding, SPED costs in Third Party/Medical Assistance reserve
  - $1,049,856 decrease in Committed/Assigned Fund Balance reserves
    - Retirements from Committed for Severance/Assigned for Compensated Absences
    - Curriculum adoption in Assigned for Curriculum Materials
    - Building repairs/construction in Assigned for Facilities Repairs and Replacement
- **Unassigned Fund Balance: $6,786,763**
  - 15.75% of Unassigned expenditures
  - In compliance with fund balance policy

Food Service Fund

• Revenue:	$ 2,613,414
• Expenditures:	$ <u>2,757,459</u>
• Deficit	$ 144,045

- Total Restricted Fund Balance: $ 592,556

- 4th year of universal free meals
- $320,397 equipment investment
  - HS kitchen flooring, Liberty and Independence walk-in freezers and coolers, Liberty serving line, MS gas kettle

Community Service Fund

• Revenue:	$ 3,535,023
• Expenditures:	$ 3,629,767
• Deficit	$ 94,744

- Projected ending fund balance: $ 1,251,458
- Budget was reviewed by Community Education Advisory Council in May

Building Construction Fund

- Revenue: $ 2,417,500
- Expenditures: $ 2,817,690

- Construction Projects:
  - $407,690 remaining for MS Renovations
  - District-wide roofing projects funded by LTFM property tax levy
    - $2,410,000 revenue and construction expenses

Big Lake SCHOOLS

Other Funds

- Debt Service
  - District mortgage payments
  - Revenues = $4,250,323
  - Expenditures = $4,429,825

  - Fund Balance regulated by MDE

Other Funds

- OPEB Irrevocable Trust Fund
  - Other Post Employment Benefits
  - Proceeds from 2009 OPEB bonds
    - 2009 bonds are paid
  - Revenues = $ 100,000
  - Expenditures = $ 223,732
  - Projected Ending Fund Balance: $1,245,459
    - Available for future other post employment benefit liabilities

Factors bearing on the District's Future

Projected Ending Unassigned Fund Balance $6,768,763

- Blue Ribbon Commission on Special Education
  - Must find $250 million in savings or SPED cross subsidy aid will decrease

- Labor negotiations: Big Lake Local 284 in fiscal year 2027

- Future operating levies: Despite $1.6 million in budget adjustments, the District continues to deficit spend. Without significant increases in state general or special education aid, further budget reductions will be necessary, potentially requiring the consideration of a future operating levy increase.

The General Fund Unassigned Fund Balance complies with the District's fund balance policy

School Board Action

Approval of 2026-2027 District revenue and expenditure budgets

Total Revenue:	$ 62,407,723
Total Expenditures:	$ 65,911,638
Deficit	$ (3,503,915)
Construction, Curriculum Adoption One Time Severance Obligations, Food Service Upgrades	$ 1,852,044
Net District Deficit	$ (1,651,871)