

MEMO



Date: May 13, 2026

To: Dr. Michael Thomas, Superintendent
Members, Board of Education

From: Lisa Rider, Executive Director of Business Services

RE: 2026-2027 Preliminary Budget (all funds) with 5 year Financial Projections

Below is a summary of the proposed 2026-2027 Preliminary Budget for your review.

Fund	Adopted FY27 Revenues	Adopted FY27 Expenditures	Incr (Decr) to Fund Balance
General Fund 01	\$ 130,347,586	\$ 129,877,401	\$ 470,185
Food Service Fund 02	6,724,139	6,620,731	103,408
Community Education Fund 04	8,443,765	8,964,625	(520,860)
Debt Service Fund 07	18,044,371	17,433,176	611,195
Trust Fund 08	970,000	50,000	920,000
Custodial Fund 18	4,000	4,000	-
Internal Services Fund 20	24,003,477	23,236,118	767,359
Revocable Trust (OPEB) Fund 25	835,000	1,415,000	(580,000)
Total	\$ 189,372,338	\$ 187,601,051	\$ 1,771,287

The 2026-2027 Budget was prepared in accordance with the following parameters:

GENERAL FUND

Overview

1. General Education Funding, on a per pupil basis, was \$7,683.
2. Elementary class sizes district-wide averaging 25.98 : 1 (resulting from a range of class sizes of 22-32 depending upon grade level) and secondary class sizes averaging 34 before considering additional supports within the building.

3. Enrollment decreased with estimates based on projected end of year Early Childhood through grade12 average daily membership of 8,568 for 2025-2026 and 8,443 for 2026-2027, a decrease of 125 average daily memberships.
4. There is a 13% increase in 2026-2027 health insurance premium costs for self-insured employee health benefits, and a 10% increase in 2026-2027 dental insurance premium costs.
5. The projected Unassigned Fund Balance for the General Fund is 8.46% and does not include Nonspendable and Assigned class size reduction and site carryover fund balances. This projected Unassigned Fund Balance is above the defined 8% minimum fund balance that we strive to maintain as outlined in board policy 701.2.
6. The FY27 projected Unassigned Fund Balance for the General Fund reflects an increase in fund balance due to revenues exceeding expenditures by \$470,185.

The adopted budget will be revised later in the 2026-2027 year to adjust for actual data relating to federal updates, enrollment, staffing, audited fund balances, etc.

Following is a list of the most significant assumptions used in developing the revenue budget:

Basic Allowance

The basic funding allowance is \$7,683 per pupil unit as per MDE.

Special Education

Special education categorical aid adjustments considered the changes to special education funding and will continue to be monitored for needed adjustments at budget revision. Since special education funding is received one year in arrears, the revenue is an estimate of the 2025-2026 school year special education expenditures that are not yet complete. Special education funding is an area of particular concern as there continues to be the cross-subsidy need for special education services and the legislature has called for a review of the funding by a Blue Ribbon Committee.

Referendum

The district's referendum authority of 2026-2027 is a \$623.97 per adjusted pupil unit. Total referendum revenue adjusts each year in direct proportion to adjusted pupil units served. Estimated referendum revenue for the 2026-2027 year is approximately \$5.7 million, or roughly 4% of the total General Fund revenues. There is not a CPI inflation factor in the levy so the amount stays constant year to year.

Alternative Teacher Compensation

Alternative Teacher Compensation revenue of approximately \$2.2 million is included in the 2026-2027 budget per the Q Comp plan agreed to between the Board of Education and Prior Lake-Savage Education Association.

Compensatory

Compensatory revenue 2026-2027 adopted budget includes \$1.4 million. Compensatory revenue has decreased with the new calculation based on the Direct Certified identified students served within our district in October of the prior year. This formula revenue is under review and a hold harmless may be approved in the current legislative session, yet is uncertain at this time. This funding continues to be dedicated to providing educational programs for at risk students through various district initiatives.

English Learners

English Learners revenue 2026-2027 adopted budget includes \$0.5 million. This revenue includes an anticipated cross subsidy as well that is to be calculated based upon prior year expenditures. As this is a new calculation, we are in transition to recording our expenditures outside of the compensatory past use and it is believed this revenue will continue to increase. The level of services required by English Learners vary and our assessment of students and the responding services will fluctuate. This area continues to require cross subsidy to fully meet the needs of our English Learners.

Enrollment

Enrollment is a crucial factor in determining a school district's revenue because most funding formulas are student based. The 2026-2027 adopted budget assumes a decline in estimated EC-12 enrollment from an estimated 8,568 for 2025-2026 and 8,443 for 2026-2027, a decrease of 125 average daily memberships. Enrollment uncertainty creates the potential for significant increases or decreases in student based revenue. With each student generating approximately \$11,857 in revenue, a small deviation in enrollment can produce a significant change in revenue.

Below is a table showing our K-12 ADM estimates at this time:

Table 1	K-12 ADM Est	Change	% Change
FY26	8,502		
FY27	8,380	-122	-1.43%
FY28	8,259	-121	-1.44%
FY29	8,181	-78	-0.94%
FY30	8,078	-103	-1.26%
FY31	7,957	-121	-1.50%

The district's K-12 enrollment projection (see Table 1 and Appendix 4) assumes continued slight declines over the next 5 years. The projection was created using a 4 year weighted ratio. The continued declines can be attributed to a continuation of the enrollment trend in recent years, including declining birth rates and an aging population in our community. Future projections are based

on historical averages and grade-to-grade progression of students as well as census data to estimate the kindergarten students starting school.

The district is predicting that enrollment will show a slight decline in ADMs¹. While this enrollment projection may be conservative, there is a possibility of future housing growth, which could lead to additional families choosing to reside in our community.

Revenue Restrictions

Restrictions on the use of general education revenue are offset with dedicated revenue. A full list of the restricted revenues can be found on the Fund Balance Summary sheet found in Appendix 1.

Operating Capital

The current District Services Center building will be sold and the proceeds of the sale are restricted to Operating Capital per MN Statute. This revenue is a one-time occurrence. Operating Capital expenditures are budgeted in the General Fund but are supported by revenue that is dedicated to this purpose. Operating Capital expenditures included in this budget amount to approximately \$2.4 million. Every effort will be made to maximize the use of the capital funds over general funds where possible.

Long-Term Facilities Maintenance Revenue

Since 2016-2017, the Long-Term Facilities Maintenance Revenue that rolls together the health and safety and the alternative facility projects is utilized within the general fund for health and safety and deferred maintenance projects. Both revenue and expenditures for projects must be recorded in the general fund for any projects funded by the Long-Term Facilities Maintenance Revenue.

Student Transportation

The student transportation budget is based on anticipated normal service levels and reflects the most recent contract entered into with Prior Lake School Bus Association.

Site Based Budgeting

The closure of WestWood Elementary building as a neighborhood school and relocation of the La ola del lago programming to WestWood has been incorporated in the site based budgeting. A large portion of the operating budget is expended at the site level based on ranges of class sizes determined by Principals and other Administrators in the staffing process. Instructional budgets, while determined on a uniform basis across the district, are distributed among various accounts and programs at the school building level.

FOOD SERVICE

The Food Service Fund budget shows a slight increase to fund balance estimated at \$103,408 for the 2026-2027 year.

COMMUNITY EDUCATION

The Community Service Fund shows a planned spend down to the fund balance of \$520,860. Community Education anticipates expanding programming as the District Service Center is sold and staff join Community Education in the new Educational Services Center at Grainwood.

DEBT REDEMPTION

The Debt Redemption Fund is used to record revenues and expenditures relating to principal and interest on bonded debt. These funds are dedicated to debt redemption and cannot be used for any other purpose.

SUMMARY

This budget was developed in accordance with direction provided by the Board of Education. There is potential for significant change as actual enrollment and staffing patterns are recognized. Our reality is that there are constant changes to staffing assignments as we adjust our staffing to best serve our students' needs; therefore, much of the staffing details will change but overall the number of positions approved by the board to fulfill its mission will remain within the guidelines of the proposed budget. The proposed adopted budget aligns with earlier projections.

Assumptions used in the 5-year projections:

Revenue

The Minnesota Department of Education uses current formulas in statute to calculate revenue. Our projections assume a 2% change in the state aid formula beginning in 2027-2028. The state legislature set the state aid formula, tied to inflation, not to exceed 3% per year. We also assume that compensatory revenue will remain flat; however, this may change with legislation as there is currently a hold harmless in place. As noted last year, the increase to the per-pupil amount for students who are identified as English Learners (EL) from \$704 to \$1,228, and the American Indian Education Aid increase, has been assumed to continue. The new entitlements for student support personnel and school libraries are assumed to continue while the specific READ Act revenue was considered one-time.

These projections anticipate various assumptions related to referendum formula with no change to tax base, grant and title funding other than the formula increases and ANTC (adjusted net tax capacity) increases included in the 2026-2027 revenue. The voter-approved referendum in the district is currently \$623.97 per student. There is not a CPI inflation factor in the levy so the amount stays constant year to year.

The 5-year projections for the district's general fund for fiscal years 2027 through 2031 and three possible scenarios:

- See Appendix 2: table A assuming the current voter approved operating levy is renewed by the school board according to statute and
- See Appendix 2: table B assuming a new voter approved revoke and replace operating levy is approved November, 2026 for \$1,386/APU (adjusted pupil unit) with inflationary factor and
- See Appendix 2: table C assuming a new voter approved revoke and replace-operating levy is approved November 2026 for \$1,741/APU with inflationary factor.

The District will continue to see a cross subsidy attributable to the revenue we receive for our special education despite changes in the percentage of cross-subsidy reduction aid. The State of Minnesota was providing aid at a rate of about 6% of the cross subsidy, although recent legislation changed that aid amount to 44% in 2024 and 50% in 2025 and later. There is a possibility this amount will be reduced again at the state level. Currently the District is still using about \$5 million each year over the amount we receive in revenue to support the special education students².

While making up less than 2% of the total district revenue, there are federal funds for various programs, including Title I, Title II, Title III and the Individuals with Disabilities Act (IDEA). These funds are restricted in how they can be used and are regulated and monitored at the federal level. The availability of federal funds have been assumed to continue into the future at a flat rate.

Expenditures

This forecast assumes a 2.5% increase to all wage scales during the FY26-31 collective bargaining cycle with adjustments for contractually obligated step increase in several contracts. The salary parameters are set by the Board of Education using information in this forecast. Contracts are negotiated every two years with teachers, and the remainder of the contracts are settled in alternating years. While the district is committed to attracting and retaining staff in a competitive market, there are limitations on what is possible within the limited resources available.

We make several expenditure assumptions throughout the model, including annual increases of 2.5% for salary costs, and 1% - 3% for services, supplies and equipment, as well as any miscellaneous costs. We are assuming that the district's dental insurance costs will increase 2-5% for all staff. Health insurance has taken an uptick in the market trend; a 10% increase annually has significantly influenced our projections. There are some costs that are beyond the control of the district including utilities, transportation and maintenance/capital making up about 12% of district expenditures. Because revenue is very closely tied to enrollment and we have no foreseen increase in the number of students attending our district, we must consider reductions in spending if we are to keep our expenditures within our projected revenue in the next 5 years.

Enrollment Projection

Enrollment is estimated to show a slight decline. In these projections, the assumptions, while we consider them reasonable, are forward looking and may differ from actual results. Differences could arise due to different internal decisions, external pressures, staffing decisions or other unforeseen circumstances. This projection is based on status-quo and forecasts what could happen if no structural or financial changes were to be made.

Analysis

The district will continue to be challenged with expenditures exceeding revenue. Without referendum options, it is expected that revenue will continue to remain constant but costs continue to increase for the near future. There is no realistic enrollment scenario where revenues will exceed expenditures, and net expenditure adjustments are required in each year to control costs. While there were significant resources added from the education-funding bill in legislation, the majority of the available resources are categorical, meaning they were given to a specific purpose. The district is committed to fair labor contracts and appropriate school resource levels and as such, approximately 83% of total expenditures are spent in salary and benefits.

Analysis reflects several important findings; first, any potential legislative relief that takes the form of a one-time infusion of funds or a regular increase in the formula aid as part of the state's biennial budget will not solve the district's cost structure issues or lead to financial sustainability. Even with the state increase in the state aid formula by 2-3% annually, the increase in funds will still be insufficient to cover the additional costs imposed districts due to inflation and salary increases. As indicated on the General Education Formula Allowance 2003-2026 graph, the gap between the dollars received through the formula allowance and the dollars received if the general education formula had been adjusted for pupil weight change and inflation has increased significantly in the past four years. One cannot assume total revenue is driven by inflation, but rather the general education formula allowance increases are lower than the inflation rate. Furthermore, enrollment increases alone are insufficient to prevent depletion of the district's fund balance in the end. Any scenario that we can generate, which results in long-term sustainability, is either unreasonable or impossible if enrollment is the only variable that we change. Our district currently has approximately 830 students who choose to open enroll elsewhere but also sees approximately 1,475 students open enroll from other districts. The open enroll numbers do not include the resident students who choose non-public or homeschool options. As of Fall 2025 Compulsory Report, approximately 894 resident students chose non-public or homeschool.

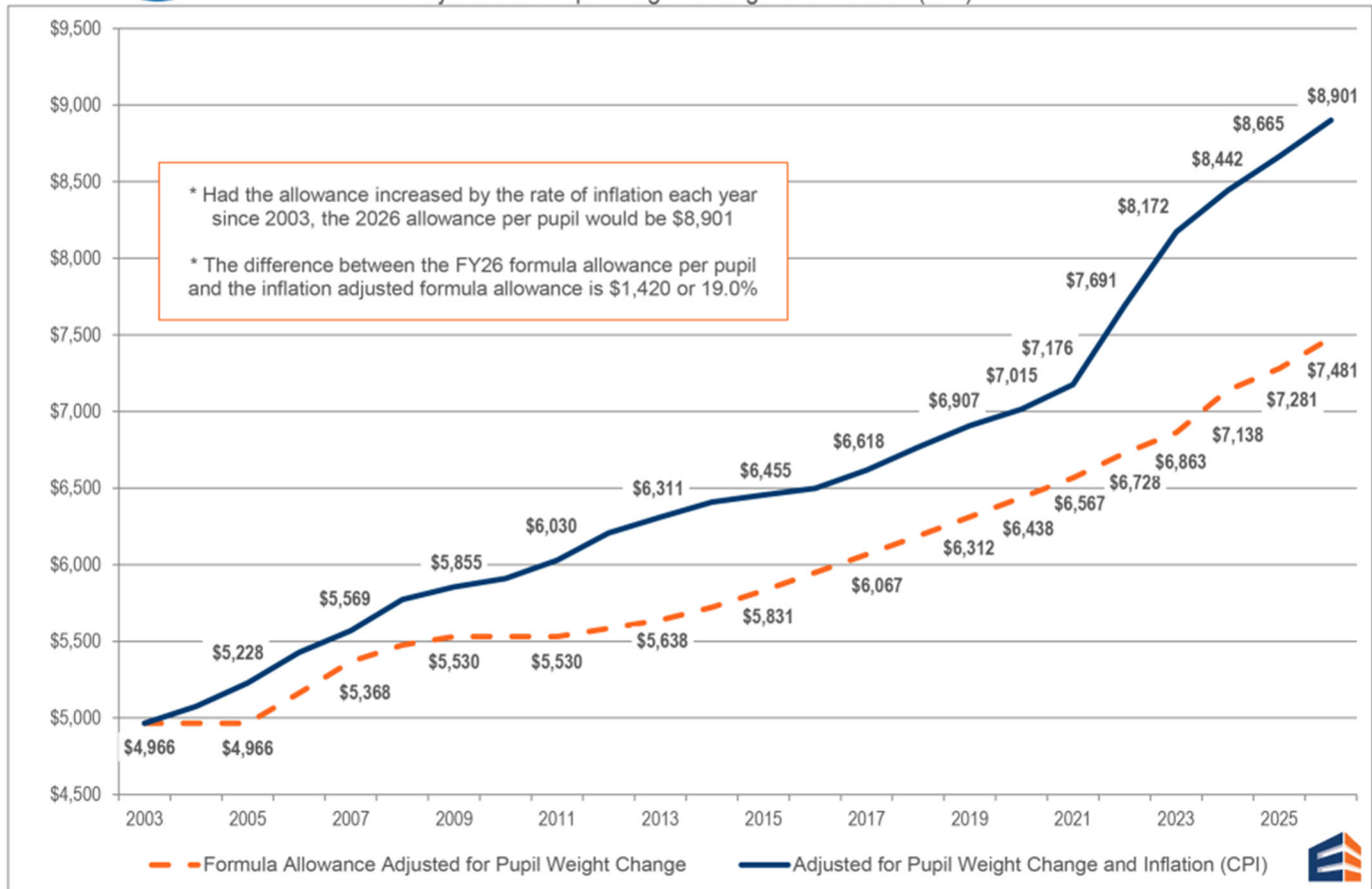
Finally, acting sooner rather than later will significantly reduce the number of people and programs that will be impacted as the district tries to remain solvent. Continuing to pay for programs that will have to be considered for elimination will use valuable reserves despite the future benefits of those programs being eventually lost. Making difficult but necessary decisions as early as possible will reduce the overall impact to the district as a whole. If the district waits until no other options are available, necessary cuts in impacted programs and positions will be greater. Programs may need to be cut that could have been saved by long-term planning. Even if a voter-approved referendum is renewed, there still needs to be long-range planning for reductions to offset the decline in enrollment and therefore revenue which does not keep pace with expenditure needs.

Minnesota Statute 126C.17 Subd. 2 gives districts the authority to ask for a voter-approved operating referendum. The same statute also allows districts to ask for an inflationary factor increase per year to be included in the voter-approved operating referendum. The district has a voter-approved operating referendum of \$623.97 per pupil unit and no inflationary factor. Districts are also allowed to ask for a capital projects levy, which can be used for capital needs, curriculum needs, technology infrastructure needs or to address safety needs. The district has not passed a capital projects levy; one may be considered, but is not presented in these projections. Our current operating referendum will expire at the beginning of the 2028-2029 school year and with new legislation could be renewed by the school board exactly as-is. Our current operating voter-approved referendum equates to about \$5.7M per year this is reflected in Appendix 2 Table A.



General Education Formula Allowance, 2003-2026

Adjusted for Pupil Weight Change and Inflation (CPI)



Source: MDE June 2025 CPI Inflation Estimates and Minnesota Laws 2023

Conclusion

Given the current cost structure of the district, we project that Prior Lake–Savage Area Schools could enter statutory operating debt status in FY29 without a board or voter-approved operating levy. In Minnesota, a school district is considered to be in statutory operating debt when they do not end the year with an unreserved fund balance exceeding 2.5% of operating expenditures. In the event that a district enters statutory operating debt, it is required to create a ‘Special Operating Plan’ to be approved by both the school board and the Commissioner of Education. Appendix 3 shows the three referendum options currently under consideration by the school board. Each of them drop below the minimum unassigned fund balance of 8% by 2030-2031, one as soon as 2027-2028.

Any 5-year plan leading to financial sustainability would need to include significant institutional and structural changes. Examples of the types of potential changes include larger class sizes, large reductions in non-salary expenditures, reduction in student support staff, reductions in positions providing mandated compliance reporting including payroll, staff hiring, building maintenance, technology support, and fiscal reporting. These changes would need to be part of a larger overall strategy. While an effective district requires a strong financial position, it is important that financial decisions be made as one piece of a broader vision. However, the fiscal gaps that the district faces cannot be solved by increasing enrollment or market share alone. Given the market limitations that exist in our current housing market and potential for new industry growth, it is not enough to assume enrollment or cost reductions will solve these problems. Instead, the district will need to consider how it might realign itself for its new fiscal reality.

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Appendix 1: Estimated Fund Balances with Preliminary 2026-2027 Revenue and Expenditure Budgets

PRIOR LAKE-SAVAGE AREA SCHOOLS						
ESTIMATED FUND BALANCES THROUGH JUNE 30, 2027						
	6/30/26	2026-27	TRANSFERS	2026-27	TRANSFERS	6/30/27
	PROJECTED	PROJECTED	INTO	PROJECTED	OUT OF	PROJECTED
FUND DESCRIPTION	BALANCE	REVENUES	FUNDS	EXPENDITURES	FUNDS	BALANCE
GENERAL FUND						
A. UNASSIGNED - OPERATING	\$10,671,561	\$113,338,494	\$0	\$112,642,910	\$377,984	\$10,989,161
NONSPENDABLE	134,164	0	0	0	0	134,164
ASSIGNED-CASH FLOW	472,500	0	0	472,500	0	0
ASSIGNED - CLASS SIZE REDUCTION	0	200,000	0	0	0	200,000
ASSIGNED-INNOVATIVE PROGRAMS	0	0	0	0	0	0
ASSIGNED-SITE CARRYOVER	102,832	75,000	0	75,000	0	102,832
TOTAL	\$11,381,057	\$113,613,494	\$0	\$113,190,410	\$377,984	\$11,426,157
						8.80%
B. RESTRICTED FOR						
STUDENT ACTIVITIES	\$176,715	\$221,200	\$0	\$221,200	\$0	\$176,715
AREA LEARNING CENTER/TARGETED SVC	0	1,017,300	220,852	1,238,152	0	0
STAFF DEVELOPMENT	0	1,431,773	0	1,426,613	0	5,160
ALT TEACHER COMP	0	2,258,549	0	2,258,549	0	0
MEDICAL ASSISTANCE	755,118	650,000	0	607,132	0	797,986
LEARNING AND DEVELOPMENT	0	1,770,612	0	1,770,612	0	0
GIFTED & TALENTED	0	121,131	155,994	277,125	0	0
LITERACY INCENTIVE AID	104,862	429,449	0	509,949	0	24,362
READ ACT - TRAINING AID	0	0	0	120,000	0	(120,000)
READ ACT - TEACHERS COMP	0	0	0	59,351	0	(59,351)
STU SUPPORT PERSONNEL AID (& COOP)	27,775	319,993	0	176,797	0	170,971
SCHOOL LIBRARY AID	0	95,376	1,138	96,514	0	0
AMERICAN INDIAN EDUCATION	24,876	131,270	0	131,720	0	24,426
BASIC SKILLS (EL)	0	535,916	0	586,973	0	(51,057)
BASIC SKILLS (COMPENSATORY)	177,937	1,443,821	0	1,424,137	0	197,621
ACHIEVEMENT AND INTEGRATION	0	993,640	0	993,640	0	0
SAFE SCHOOLS	38,940	352,332	0	360,259	0	31,013
LONG TERM FACILITY MAINTENANCE	1,443,828	1,212,581	0	2,064,094	0	592,315
OPERATING CAPITAL	45,655	3,749,149	0	2,364,174	0	1,430,630
TOTAL RESTRICTED	\$2,795,706	\$16,734,092	\$377,984	\$16,686,991	\$0	\$3,220,791
TOTAL GENERAL FUND (01)	\$14,176,763	\$130,347,586	\$377,984	\$129,877,401	\$377,984	\$14,646,948
TOTAL FOOD SERVICE (02)	\$2,839,461	\$6,724,139	\$0	\$6,620,731	\$0	\$2,942,869
TOTAL COMMUNITY EDUCATION (04)	\$5,690,564	\$8,443,765	\$0	\$8,964,625	\$0	\$5,169,704
TOTAL DEBT SERVICE FUND (07)	\$4,668,317	\$18,044,371	\$0	\$17,433,176	\$0	\$5,279,512
TOTAL TRUST FUND (08)	\$6,121,934	\$970,000	\$0	\$50,000	\$0	\$7,041,934
TOTAL CUSTODIAL FUND (18)	\$0	\$4,000	\$0	\$4,000	\$0	\$0
TOTAL INTERNAL SERVICE FUND (20)	\$10,524,692	\$24,003,477	\$0	\$23,236,118	\$0	\$11,292,051
TOTAL REVOCABLE TRUST* (OPEB 25)	-\$7,895,276	\$835,000	\$0	\$1,415,000	\$0	-\$8,475,276
*Revocable Trust estimated assets as of 6/30/2027: \$9,100,000						

Appendix 2A: 5 Year Financial Projection

Appendix 2: 5 Year Projections

Table A assumptions: Referendum expiring end of FY28 is board renewed, formula allowance increase 2% per year

General Fund

Schedule of Revenue, Expenditures and Changes in Fund Balances

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Revenue	Revised Budget	Estimate	Estimate	Estimate	Estimate	Estimate
Local Sources						
Referendum Property Taxes	\$ 5,667,020	\$ 5,721,674	\$ 5,784,327	\$ 5,736,780	\$ 5,672,262	\$ 5,589,648
Remaining Property Taxes	12,489,630	12,563,393	12,631,940	13,353,737	13,620,812	13,893,228
Investment Earnings (Losses)	830,504	900,000	1,000,000	1,000,000	1,000,000	1,000,000
Other **	3,453,680	3,376,530	3,376,530	3,376,530	3,376,530	3,376,530
Other Financed Sale	-	2,400,000	-	-	-	-
State Sources	102,155,959	103,606,560	102,749,334	103,254,426	103,657,197	103,782,874
Federal Sources	2,174,384	1,779,429	1,779,429	1,779,429	1,779,429	1,779,429
	-	-	-	-	-	-
Total Revenue	\$ 126,771,177	\$ 130,347,586	\$ 127,321,560	\$ 128,500,902	\$ 129,106,230	\$ 129,421,709
Change Year Over Year		2.8%	-2.3%	0.9%	0.5%	0.2%
Expenditures by Department						
Administration	\$ 3,475,881	\$ 3,293,984	\$ 3,444,083	\$ 3,602,927	\$ 3,771,115	\$ 3,949,294
District Support Services	5,695,761	5,993,675	6,136,031	6,286,218	6,444,802	6,612,393
Elem & Sec Regular Instruction	55,654,865	56,010,597	58,853,684	61,874,230	65,084,839	68,499,123
Vocational Education	1,373,176	1,254,458	1,325,368	1,400,906	1,481,413	1,567,260
Special Education Services	26,063,951	29,080,071	30,499,557	32,008,143	33,612,324	35,319,135
Instructional Support Services	10,216,322	9,460,977	9,834,101	10,229,090	10,647,489	11,090,967
Pupil Support Services	12,538,729	13,141,928	13,675,819	14,234,457	14,819,163	15,431,340
Sites & Buildings	10,105,890	10,670,993	10,898,422	11,136,782	11,386,826	11,649,369
Fiscal & Fixed Costs	1,000,000	970,718	1,067,790	1,174,569	1,292,025	1,421,228
Capital Outlay	-	-	-	-	-	-
Principal & Interest Debt Serv	-	-	-	-	-	-
Prior Year Adjustment(s)			-	(3,000,000)	(6,000,000)	(9,000,000)
Total Expenditures	\$ 126,124,575	\$ 129,877,401	\$ 135,734,855	\$ 138,947,322	\$ 142,539,996	\$ 146,540,109
Change Year Over Year		3.0%	4.5%	2.4%	2.6%	2.8%
Beginning Fund Balance	\$ 13,530,161	\$ 14,176,763	\$ 14,646,948	\$ 9,233,653	\$ 1,787,233	\$ (8,646,533)
Net Change (Rev less Exp)	646,602	470,185	(8,413,295)	(10,446,420)	(13,433,766)	(17,118,400)
Net Perm Adjust to Exp	-	-	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Unassigned Fund Balance	10,671,561	11,426,157	6,012,862	(1,433,558)	(11,867,324)	(25,985,724)
Assigned or Restricted Fund Bal	3,505,202	3,220,791	3,220,791	3,220,791	3,220,791	3,220,791
Ending Fund Balance	\$ 14,176,763	\$ 14,646,948	\$ 9,233,653	\$ 1,787,233	\$ (8,646,533)	\$ (22,764,933)
Unassigned Fd Bal%	8.46%	8.80%	4.53%	-1.05%	-8.50%	-18.10%
Expenditures by Type - without any adjustments shown						
Salaries	\$ 69,269,652	\$ 69,995,639	\$ 73,087,866	\$ 76,324,742	\$ 79,713,252	\$ 83,260,721
Benefits	29,154,817	31,798,458	33,948,793	36,278,764	38,804,743	41,544,665
Purchased Services	19,537,629	19,361,992	19,975,654	20,619,994	21,296,848	22,008,186
Supplies & Materials	3,741,348	3,384,762	3,385,992	3,387,272	3,388,603	3,389,987
Capital Expenditures	3,827,815	4,681,644	4,681,644	4,681,644	4,681,644	4,681,644
Other Expenses	593,314	654,906	654,906	654,906	654,906	654,906
Total Expenditures	\$ 126,124,575	\$ 129,877,401	\$ 135,734,855	\$ 141,947,322	\$ 148,539,996	\$ 155,540,109

Appendix 2B: 5 Year Financial Projection

Appendix 2: 5 Year Projections

Table B assumptions: Referendum expiring end of FY28 is revoked and replaced, formula allowance increase 2% per year
 revoke \$623.97 and replace with \$1,386/APU

General Fund

Schedule of Revenue, Expenditures and Changes in Fund Balances

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Revenue	Revised Budget	Estimate	Estimate	Estimate	Estimate	Estimate
Local Sources						
Referendum Property Taxes	\$ 5,667,020	\$ 5,721,674	\$ 12,733,598	\$ 12,889,600	\$ 12,995,448	\$ 13,061,303
Remaining Property Taxes	12,489,630	12,563,393	12,683,315	13,353,737	13,620,812	13,893,228
Investment Earnings (Losses)	830,504	900,000	1,000,000	1,000,000	1,000,000	1,000,000
Other	3,453,680	3,376,530	3,376,530	3,376,530	3,376,530	3,376,530
Other Financed Sale	-	2,400,000	-	-	-	-
State Sources	102,155,959	103,606,560	102,749,334	103,254,426	103,657,197	103,782,874
Federal Sources	2,174,384	1,779,429	1,779,429	1,779,429	1,779,429	1,779,429
	-	-	-	-	-	-
Total Revenue	\$ 126,771,177	\$ 130,347,586	\$ 134,322,206	\$ 135,653,722	\$ 136,429,416	\$ 136,893,364
Change Year Over Year		2.8%	3.0%	1.0%	0.6%	0.3%
Expenditures by Department						
Administration	\$ 3,475,881	\$ 3,293,984	\$ 3,444,083	\$ 3,602,927	\$ 3,771,115	\$ 3,949,294
District Support Services	5,695,761	5,993,675	6,136,031	6,286,218	6,444,802	6,612,393
Elem & Sec Regular Instruction	55,654,865	56,010,597	58,853,684	61,874,230	65,084,839	68,499,123
Vocational Education	1,373,176	1,254,458	1,325,368	1,400,906	1,481,413	1,567,260
Special Education Services	26,063,951	29,080,071	30,499,557	32,008,143	33,612,324	35,319,135
Instructional Support Services	10,216,322	9,460,977	9,834,101	10,229,090	10,647,489	11,090,967
Pupil Support Services	12,538,729	13,141,928	13,675,819	14,234,457	14,819,163	15,431,340
Sites & Buildings	10,105,890	10,670,993	10,898,422	11,136,782	11,386,826	11,649,369
Fiscal & Fixed Costs	1,000,000	970,718	1,067,790	1,174,569	1,292,025	1,421,228
Capital Outlay	-	-	-	-	-	-
Principal & Interest Debt Serv	-	-	-	-	-	-
Prior Year Adjustment(s)			-	(3,000,000)	(6,000,000)	(9,000,000)
Total Expenditures	\$ 126,124,575	\$ 129,877,401	\$ 135,734,855	\$ 138,947,322	\$ 142,539,996	\$ 146,540,109
Change Year Over Year		3.0%	4.5%	2.4%	2.6%	2.8%
Beginning Fund Balance	\$ 13,530,161	\$ 14,176,763	\$ 14,646,948	\$ 16,234,299	\$ 15,940,699	\$ 12,830,119
Net Change (Rev less Exp)	646,602	470,185	(1,412,649)	(3,293,600)	(6,110,580)	(9,646,745)
Net Perm Adjust to Exp	-	-	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Unassigned Fund Balance	10,671,561	11,426,157	13,013,508	12,719,908	9,609,328	2,962,583
Assigned or Restricted Fund Bal	3,505,202	3,220,791	3,220,791	3,220,791	3,220,791	3,220,791
Ending Fund Balance	\$ 14,176,763	\$ 14,646,948	\$ 16,234,299	\$ 15,940,699	\$ 12,830,119	\$ 6,183,374
Unassigned Fd Bal%	8.46%	8.80%	9.80%	9.36%	6.89%	2.06%
Expenditures by Type - without any adjustments shown						
Salaries	\$ 69,269,652	\$ 69,995,639	\$ 73,087,866	\$ 76,324,742	\$ 79,713,252	\$ 83,260,721
Benefits	29,154,817	31,798,458	33,948,793	36,278,764	38,804,743	41,544,665
Purchased Services	19,537,629	19,361,992	19,975,654	20,619,994	21,296,848	22,008,186
Supplies & Materials	3,741,348	3,384,762	3,385,992	3,387,272	3,388,603	3,389,987
Capital Expenditures	3,827,815	4,681,644	4,681,644	4,681,644	4,681,644	4,681,644
Other Expenses	593,314	654,906	654,906	654,906	654,906	654,906
Total Expenditures	\$ 126,124,575	\$ 129,877,401	\$ 135,734,855	\$ 141,947,322	\$ 148,539,996	\$ 155,540,109

Appendix 2C: 5 Year Financial Projection

Appendix 2: 5 Year Projections

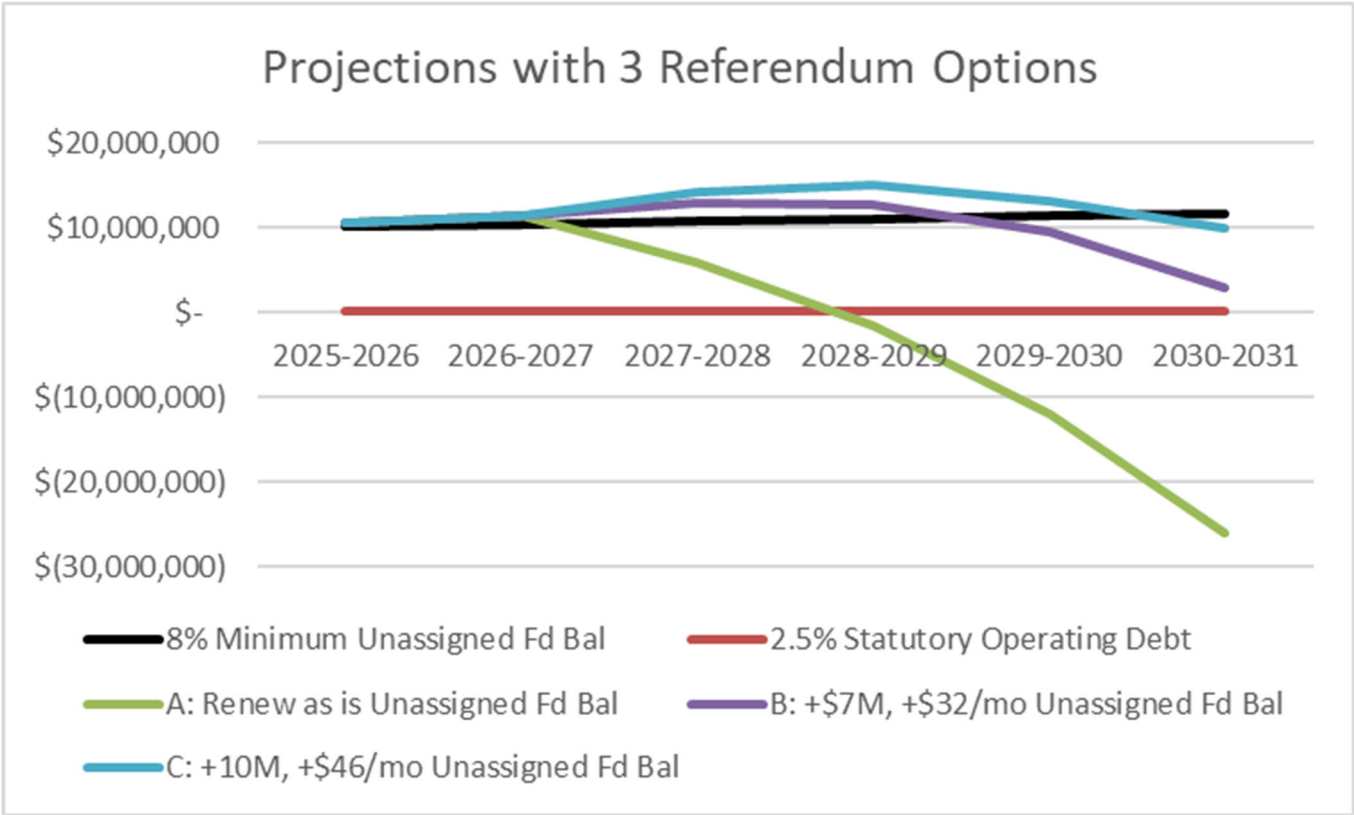
Table C assumptions: Referendum expiring end of FY28 is revoked and replaced, formula allowance increase 2% per year
revoke \$623.97 and replace with \$1,741/APU

General Fund

Schedule of Revenue, Expenditures and Changes in Fund Balances

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Revenue	Revised Budget	Estimate	Estimate	Estimate	Estimate	Estimate
Local Sources						
Referendum Property Taxes	\$ 5,667,020	\$ 5,721,674	\$ 15,994,567	\$ 16,189,483	\$ 16,329,925	\$ 16,408,762
Remaining Property Taxes	12,489,630	12,563,393	12,683,802	13,353,737	13,620,812	13,893,228
Investment Earnings (Losses)	830,504	900,000	1,000,000	1,000,000	1,000,000	1,000,000
Other	3,453,680	3,376,530	3,376,530	3,376,530	3,376,530	3,376,530
Other Financed Sale	-	2,400,000	-	-	-	-
State Sources	102,155,959	103,606,560	102,749,334	103,254,426	103,657,197	103,782,874
Federal Sources	2,174,384	1,779,429	1,779,429	1,779,429	1,779,429	1,779,429
	-	-	-	-	-	-
Total Revenue	\$ 126,771,177	\$ 130,347,586	\$ 137,583,662	\$ 138,953,605	\$ 139,763,893	\$ 140,240,823
Change Year Over Year		2.8%	5.6%	1.0%	0.6%	0.3%
Expenditures by Department						
Administration	\$ 3,475,881	\$ 3,293,984	\$ 3,444,083	\$ 3,602,927	\$ 3,771,115	\$ 3,949,294
District Support Services	5,695,761	5,993,675	6,136,031	6,286,218	6,444,802	6,612,393
Elem & Sec Regular Instruction	55,654,865	56,010,597	58,853,684	61,874,230	65,084,839	68,499,123
Vocational Education	1,373,176	1,254,458	1,325,368	1,400,906	1,481,413	1,567,260
Special Education Services	26,063,951	29,080,071	30,499,557	32,008,143	33,612,324	35,319,135
Instructional Support Services	10,216,322	9,460,977	9,834,101	10,229,090	10,647,489	11,090,967
Pupil Support Services	12,538,729	13,141,928	13,675,819	14,234,457	14,819,163	15,431,340
Sites & Buildings	10,105,890	10,670,993	10,898,422	11,136,782	11,386,826	11,649,369
Fiscal & Fixed Costs	1,000,000	970,718	1,067,790	1,174,569	1,292,025	1,421,228
Capital Outlay	-	-	-	-	-	-
Additional Improvements	-	-	2,000,000	2,100,000	2,205,000	-
Prior Year Adjustment(s)	-	-	-	(3,000,000)	(6,000,000)	(9,000,000)
	-	-	-	-	-	-
Total Expenditures	\$ 126,124,575	\$ 129,877,401	\$ 137,734,855	\$ 141,047,322	\$ 144,744,996	\$ 146,540,109
Change Year Over Year		3.0%	6.0%	2.4%	2.6%	1.2%
Beginning Fund Balance	\$ 13,530,161	\$ 14,176,763	\$ 14,646,948	\$ 17,495,755	\$ 18,402,038	\$ 16,420,935
Net Change (Rev less Exp)	646,602	470,185	(151,193)	(2,093,717)	(4,981,103)	(6,299,286)
Net Perm Adjust to Exp	-	-	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Unassigned Fund Balance	10,671,561	11,426,157	14,274,964	15,181,247	13,200,144	9,900,858
Assigned or Restricted Fund Bal	3,505,202	3,220,791	3,220,791	3,220,791	3,220,791	3,220,791
Ending Fund Balance	\$ 14,176,763	\$ 14,646,948	\$ 17,495,755	\$ 18,402,038	\$ 16,420,935	\$ 13,121,649
Unassigned Fd Bal%	8.46%	8.80%	10.59%	11.00%	9.31%	6.90%
Expenditures by Type - without any adjustments shown						
Salaries	\$ 69,269,652	\$ 69,995,639	\$ 75,087,866	\$ 78,424,742	\$ 81,918,252	\$ 83,260,721
Benefits	29,154,817	31,798,458	33,948,793	36,278,764	38,804,743	41,544,665
Purchased Services	19,537,629	19,361,992	19,975,654	20,619,994	21,296,848	22,008,186
Supplies & Materials	3,741,348	3,384,762	3,385,992	3,387,272	3,388,603	3,389,987
Capital Expenditures	3,827,815	4,681,644	4,681,644	4,681,644	4,681,644	4,681,644
Other Expenses	593,314	654,906	654,906	654,906	654,906	654,906
Total Expenditures	\$ 126,124,575	\$ 129,877,401	\$ 137,734,855	\$ 144,047,322	\$ 150,744,996	\$ 155,540,109

Appendix 3: Graph of Fund Balances Projected with A, B, C referendum options



Appendix 4: Enrollment Assumptions Detail

Total Enrollment Projection K Projection: District Entries for Kindergarten

Enrollment Projected by End of the Year Adjusted ADM								Using a 4 Year Weighted Average					
	Enrollment History							Enrollment Projections					
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
ECSE	62.9	64.2	65.2	66.0	71.7	67.3	56.3	52.9	54.1	54.8	55.3	55.7	55.2
Pre K	0.0	0.0	0.0	0.0	0.0	12.2	10.4	9.7	10.0	10.1	10.2	10.2	10.2
HK	66.5	63.9	64.2	68.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
K	530.0	491.2	529.5	527.8	571.5	551.3	520.4	489.0	500.0	506.5	510.9	514.7	509.9
1	650.0	573.4	584.2	610.2	603.3	579.6	548.4	524.2	492.5	503.6	510.2	514.6	518.4
2	647.5	612.3	606.1	574.4	610.4	614.3	569.0	546.5	522.4	490.8	501.9	508.4	512.8
3	656.2	630.0	638.5	621.1	579.8	620.2	616.3	575.0	552.2	527.9	496.0	507.2	513.7
4	647.3	633.6	651.9	642.5	620.2	585.3	618.8	617.7	576.3	553.5	529.1	497.1	508.3
5	650.0	625.9	629.5	635.7	649.0	627.4	611.7	631.8	630.7	588.4	565.1	540.2	507.6
6	697.9	698.6	657.1	648.7	676.9	674.6	665.1	643.5	664.6	663.5	619.0	594.5	568.3
7	744.8	710.1	708.9	649.8	660.6	685.4	691.1	675.8	653.8	675.3	674.1	628.9	604.1
8	699.7	757.4	717.9	705.4	660.4	672.7	706.4	705.3	689.7	667.3	689.2	688.0	641.8
9	720.7	734.2	809.6	749.1	744.5	715.5	745.1	765.4	764.2	747.3	723.0	746.7	745.4
10	705.8	718.4	726.9	781.5	749.2	756.7	722.9	749.3	769.7	768.5	751.5	727.1	750.9
11	729.0	708.7	717.3	709.1	767.1	725.7	748.4	708.5	734.3	754.4	753.1	736.5	712.6
12	668.9	767.9	716.1	709.2	701.0	759.1	737.9	748.5	708.6	734.5	754.5	753.3	736.7
K-12	8,814.2	8,725.6	8,757.6	8,632.8	8,593.9	8,567.7	8,501.5	8,380.4	8,259.1	8,181.3	8,077.5	7,957.1	7,830.5
ECSE-12	8,877.1	8,789.8	8,822.8	8,698.8	8,665.6	8,647.2	8,568.2	8,443.1	8,323.2	8,246.3	8,143.0	8,023.1	7,895.8
Adjusted Pupil Units	9,730.9	9,669.1	9,702.1	9,559.6	9,522.2	9,510.2	9,438.6	9,313.7	9,187.3	9,115.7	9,012.1	8,879.2	8,734.1
% Change K-12		-1.01%	0.37%	-1.42%	-0.45%	-0.30%	-0.77%	-1.42%	-1.45%	-0.94%	-1.27%	-1.49%	-1.59%