July 1, 2026

2026 – 2027 ADOPTED BUDGET

Freeman School District

How Freeman is funded, what it costs to run our schools, and where we stand financially.

Presented by Alan Steinolfson, Director of Finance

What This Budget Does

01

Estimates revenue

Projects every dollar we expect to receive — state, local, and federal.

02

Allocates spending

Assigns spending estimates to each program the district operates.

03

Guides operations

Serves as the district's financial roadmap for the entire school year.

04

Authorizes spending

Board adoption legally authorizes a specific level of spending.

The adopted budget is a plan, not a spending requirement — actual results are reported to the Board monthly.

Five Separate Funds

1	**General Fund** Regular operating budget — staff, classrooms, transportation, nutrition services	$14,661,457
2	**Associated Student Body** Student activities, clubs, and athletics — student driven	$434,775
3	**Debt Service** Tax revenue that pays bond principal and interest	$2,465,001
4	**Capital Projects** Technology, safety, security and major renovations	$1,356,160
5	**Transportation Vehicle** State depreciation revenue that pays for school buses	$263,148

2026-27 budgeted expenditures by fund (Capital Projects includes $536,160 in debt payments)

The General Fund Budget at a Glance

2.7%
Pay increase for all staff, plus step increases

$1,656
MSOC funding per student FTE, up from $1,614 in 25-26

$1,374
SEBB insurance per employee, per month, up from $1,307

+$62,415
Projected positive cash flow at end of fiscal year

Cost controls that held firm

- Supplies and purchased services held to a lean budget
- Enrollment projected down approx. 50 FTE, which reduces state revenue
- Staffing levels reduced through attrition

What grew

- Salaries and benefits — 83% of the total budget
- SEBB insurance, up $67 per employee per month
- MSOC allocation, up $42 per student FTE

FUND 1 OF 5

General Fund

The regular operating budget — 76% of all district spending

Budget Summary

$14.74M
Total revenues

$14.68M
Total expenditures

$62,415
Net cash flow

$859,460
Projected ending fund balance

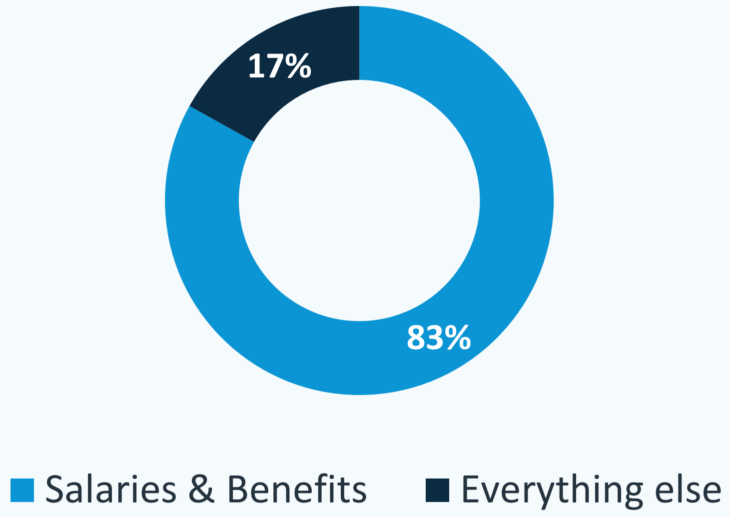
Total Revenues	$14,738,513
Total Expenditures	$14,661,457
Other Financing Uses	$14,641
Profit / (Loss)	**$62,415**
Beginning Fund Balance	$797,045
Ending Fund Balance	**$859,460**

Reading this table

- Revenue exceeds spending by $62,415
- Fund balance grows from $797,045 to $859,460
- That ending balance equals 5.9% of operating expenses

Highlights

83% of the budget is people



821.42

Total enrollment FTE

Down about 50 FTE from 2025-26 — TK capped at 20 funded fte

5.9%

Projected ending fund balance

Board policy minimum is 5%; Board goal is 7%

$12.18M

Salaries and benefits

83% of all General Fund expenditures

How Our Reserve Compares to Policy

The Board raised both thresholds in Fall 2025 — the policy minimum from 3% to 5%, and the goal from 5% to 7%.

5.9%

Projected 2026-27 ending fund balance as a share of operating expenses

5%

Board policy minimum

Met

7%

Board goal

Not yet

12%

ESD 101 goal

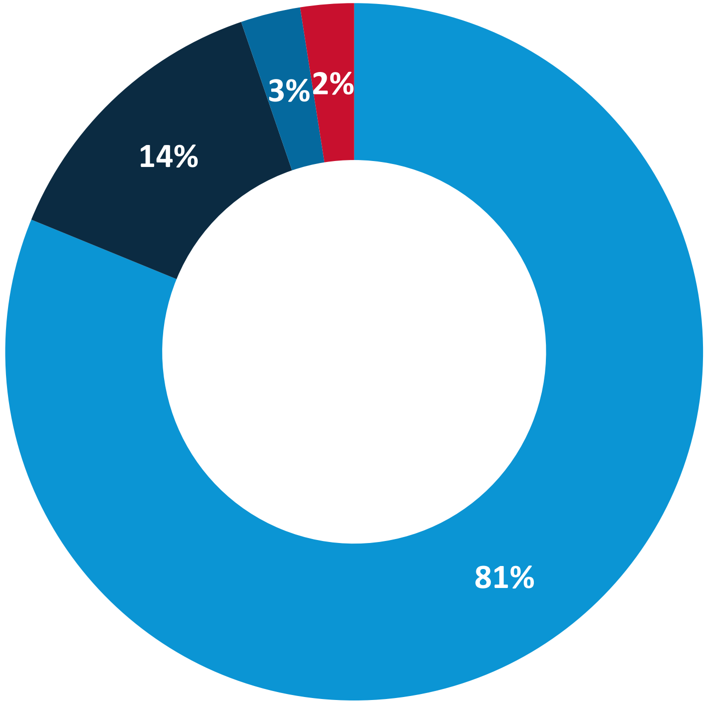
Longer-term target

Where we stand

Freeman clears the 5% policy minimum for the first time under the new standard and is about $170,000 short of the 7% Board goal. Reserves have grown for three consecutive years.

Where the Money Comes From

Estimated revenues: $14,738,513



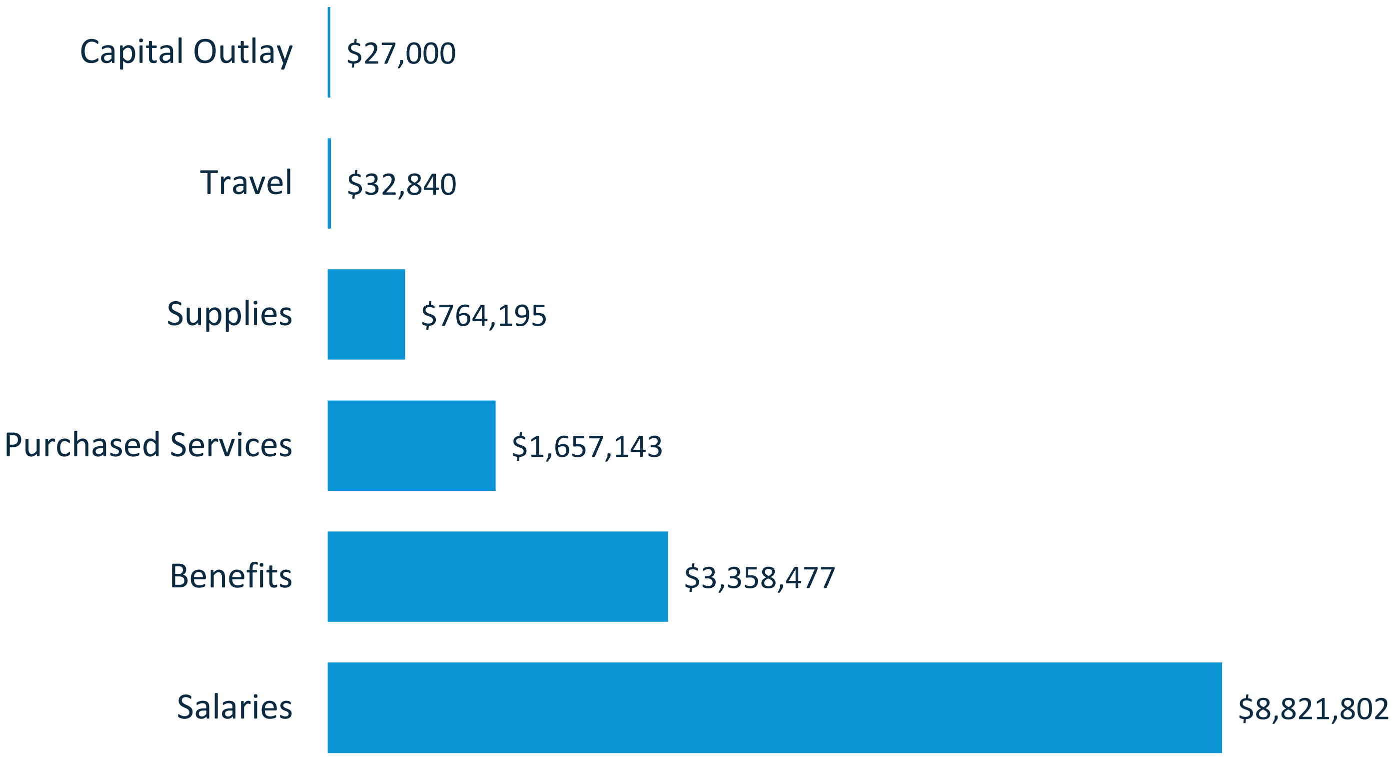
State Revenue	$11,965,955
Property Taxes	$1,998,997
Other Local Revenue	$408,500
Federal Revenue	$365,061

What "Other Local Revenue" includes

- Donations, rebates, and After Care
- Breakfast and lunch payments
- Investment earnings, student fines and fees

Where the Money Goes — by Type of Cost

Estimated expenditures: $14,661,457



$12.18M

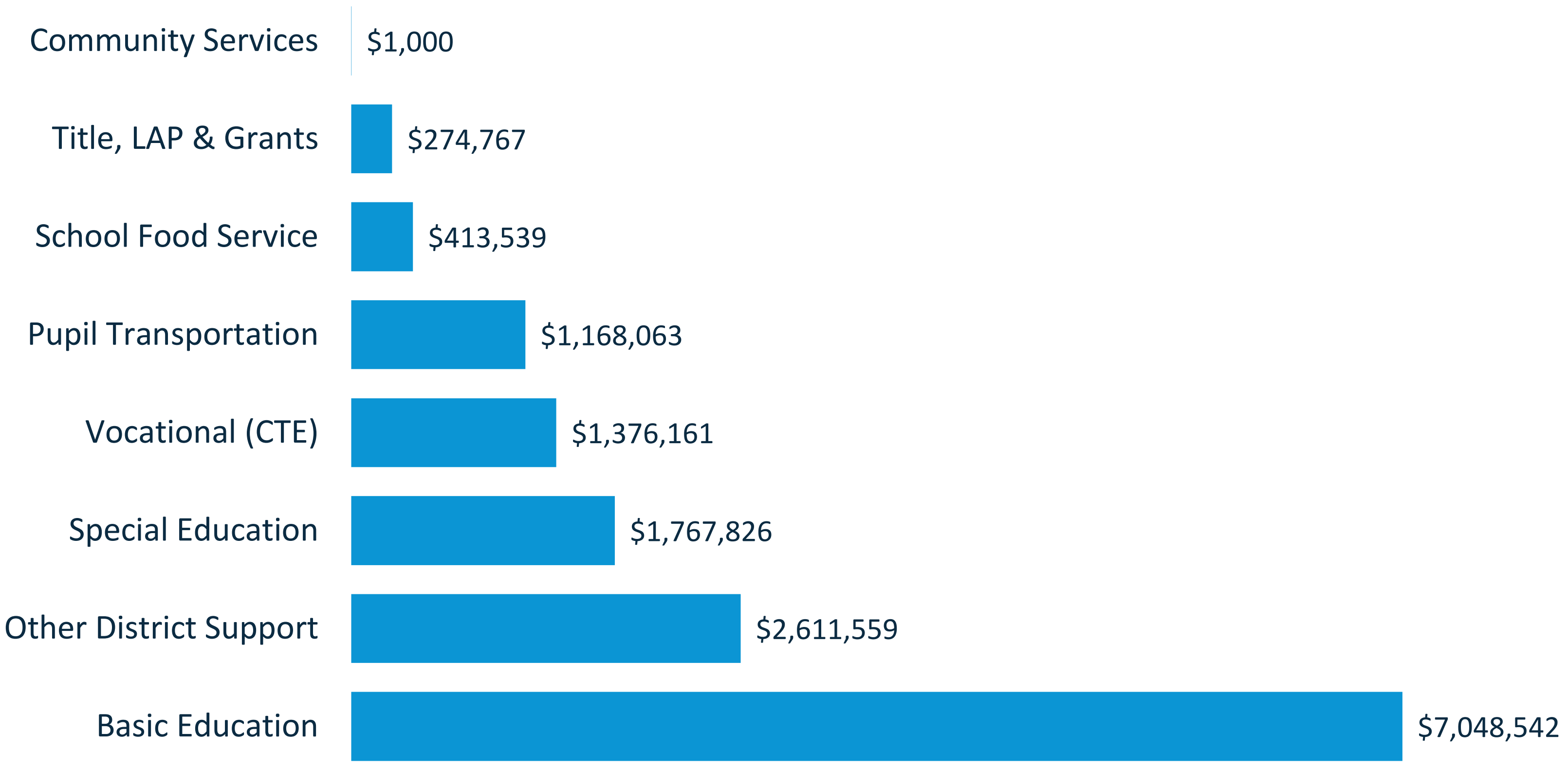
Salaries and benefits combined — 83% of General Fund spending

The rest of the dollar

- Purchased services: $1,657,143
- Supplies and curriculum: $764,195
- Travel and capital outlay: $59,840

Where the Money Goes — by Program

Estimated expenditures: $14,661,457



48%

of spending goes to Basic Education which impacts every student at Freeman.

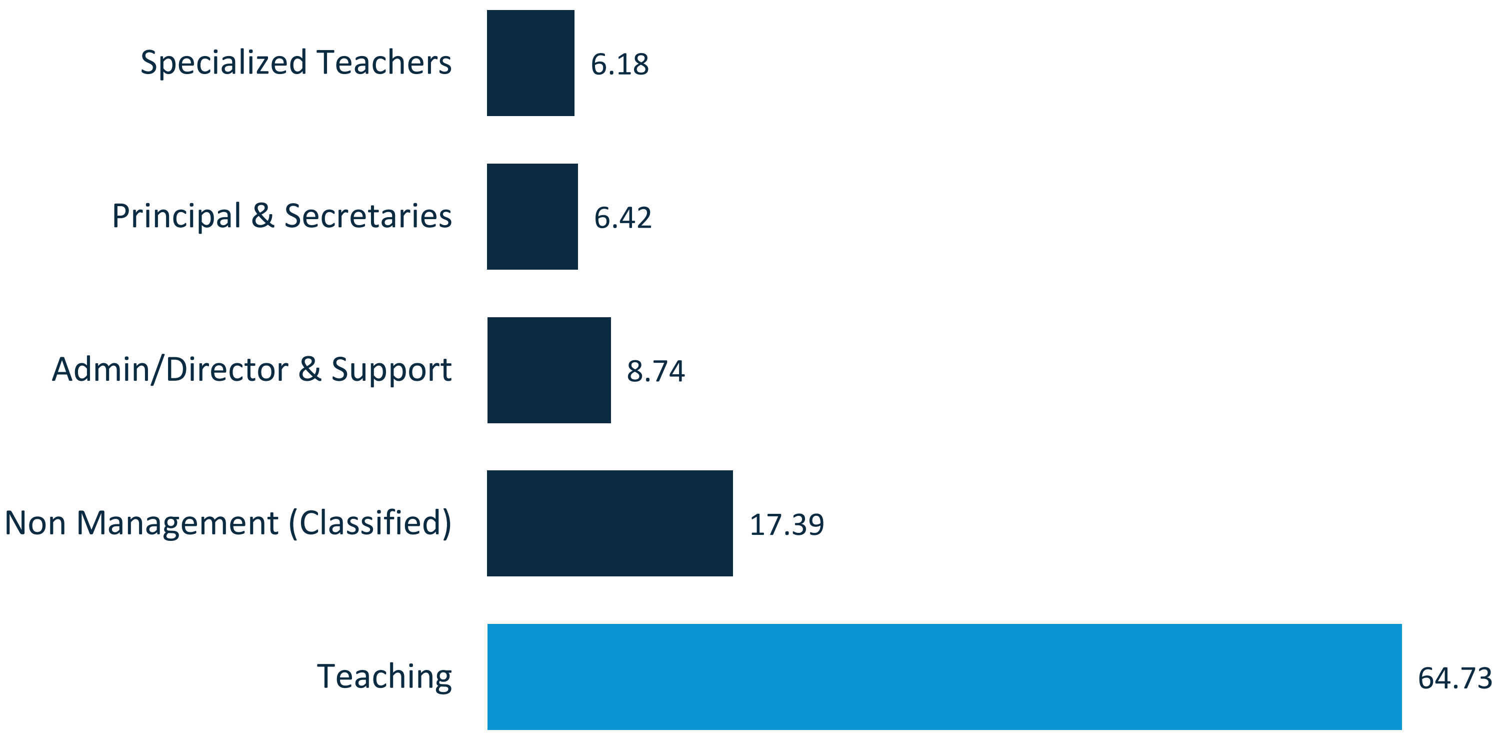
12% +

goes to Special Education - a projection of 110 students averaged over the year.

GENERAL FUND

Who Works at Freeman

103.46 full-time equivalent staff



70.91

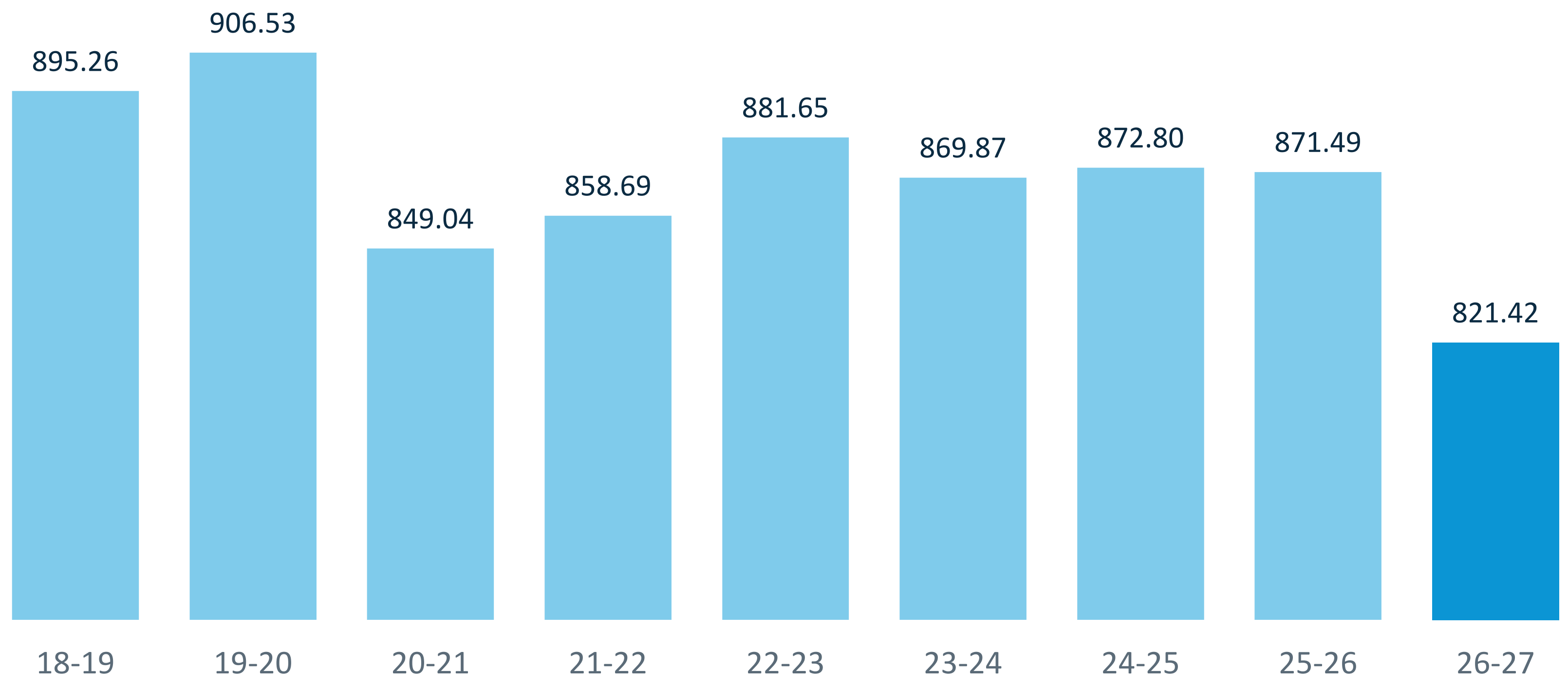
Certificated teaching FTE — teachers and specialized teachers combined

Ratio check

- 821.42 student FTE
- 70.91 teaching FTE

Total Enrollment Trend

Includes ALE, Running Start and Transition to Kindergarten



821.42

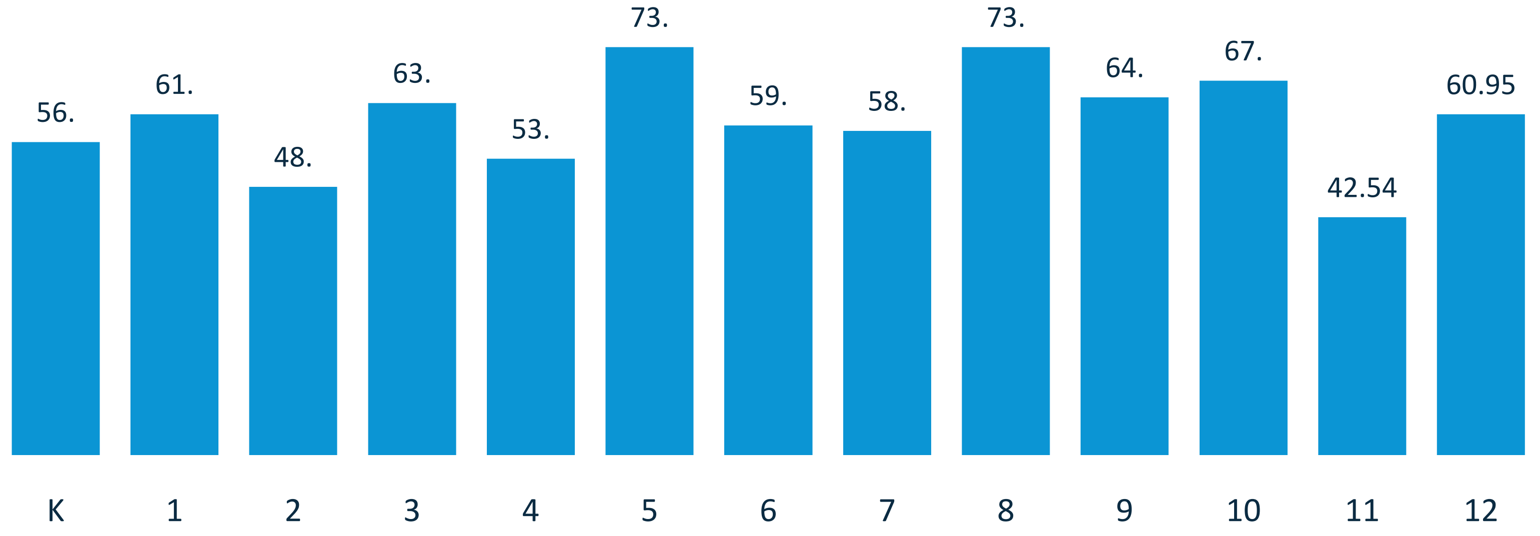
Budgeted 2026-27 enrollment FTE

The takeaway

- Enrollment held near 870 FTE for four years
- 2026-27 is projected to be the lowest in nine years

2026-27 PROJECTION

Enrollment by Grade



Elementary (K-5)	**354.00**
Middle School (6-8)	**190.00**
High School (9-12)	**234.49**
Transition to Kindergarten	**20.00**
Budgeted K-12 total	**778.49**

778.49
K-12 FTE

20.00
Transition to Kindergarten (TK)

12.64
Running Start FTE

10.29
ALE FTE
Freeman ConnectEd

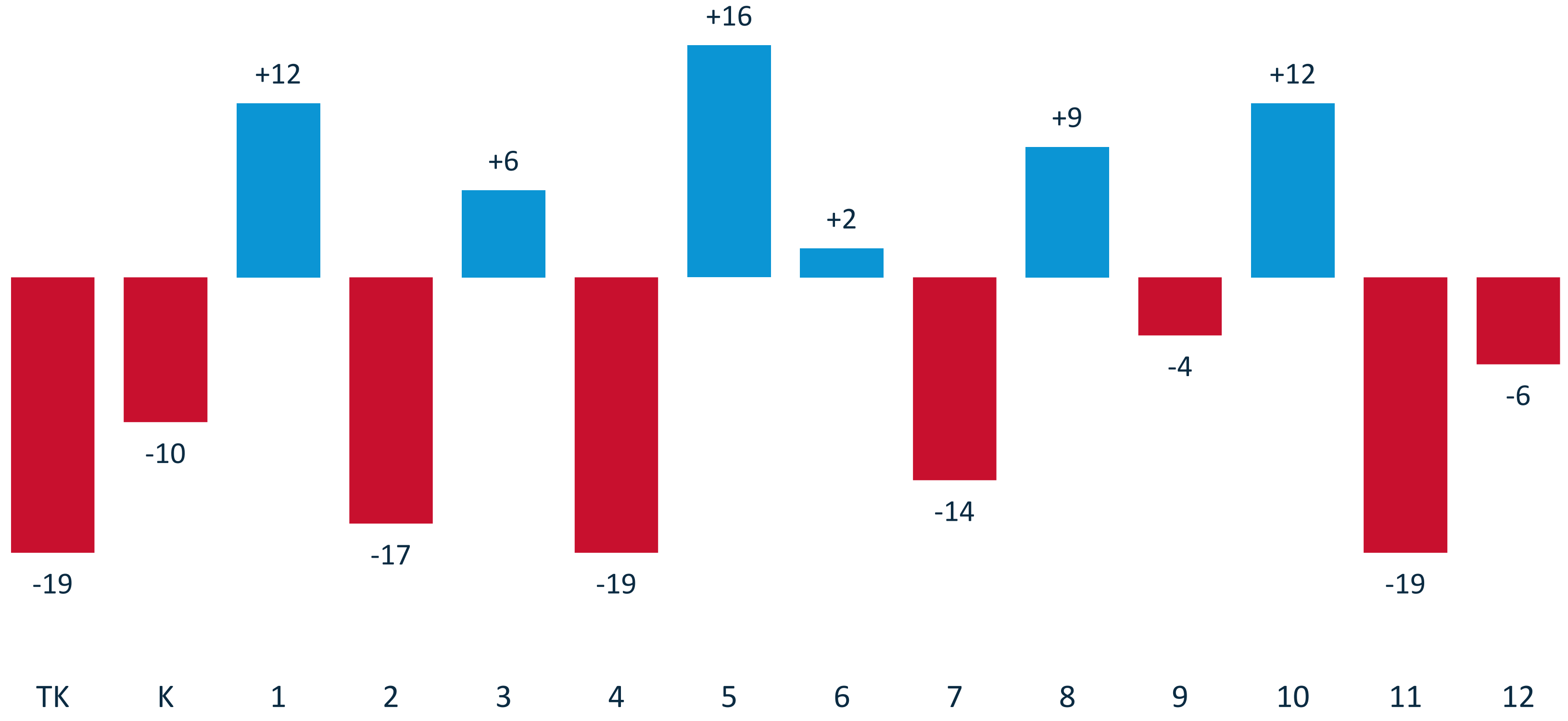
110.00
Special Education

**TK is funded separately from general apportionment.*

ENROLLMENT TREND

Where the Students Went

Change in FTE by grade level, 2025-26 budget to 2026-27 budget



–51

Net FTE change from 2025-26, including TK

Biggest movers

- TK down 19 — state allocation dropped to 20
- Grades 4 and 11 each down 19

Transition to Kindergarten (TK)

20

students allocated by the state for 2026-27

$258,367

budgeted TK revenue

State funded program

TK is a free full day program for eligible 4-year-olds' who may need additional preparation before kindergarten. Helping build social, emotional & academic readiness.

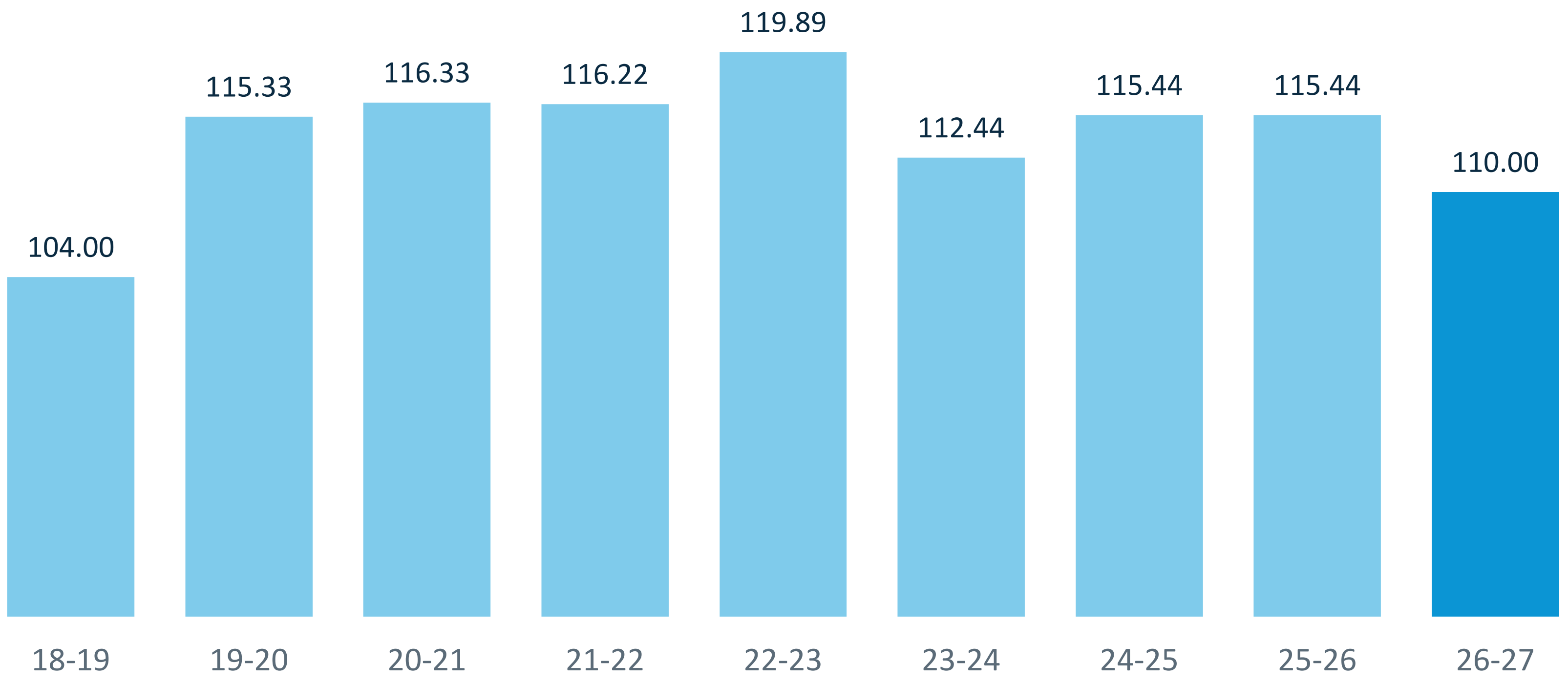
Funded outside general apportionment

TK money arrives separately from general apportionment, therefore, all expenditures are tracked separately as well. TK Financials must be isolated.

Local Levy Dollars

Will support additional students over the state allocated 20 that we are funded for.

Special Education Enrollment



110

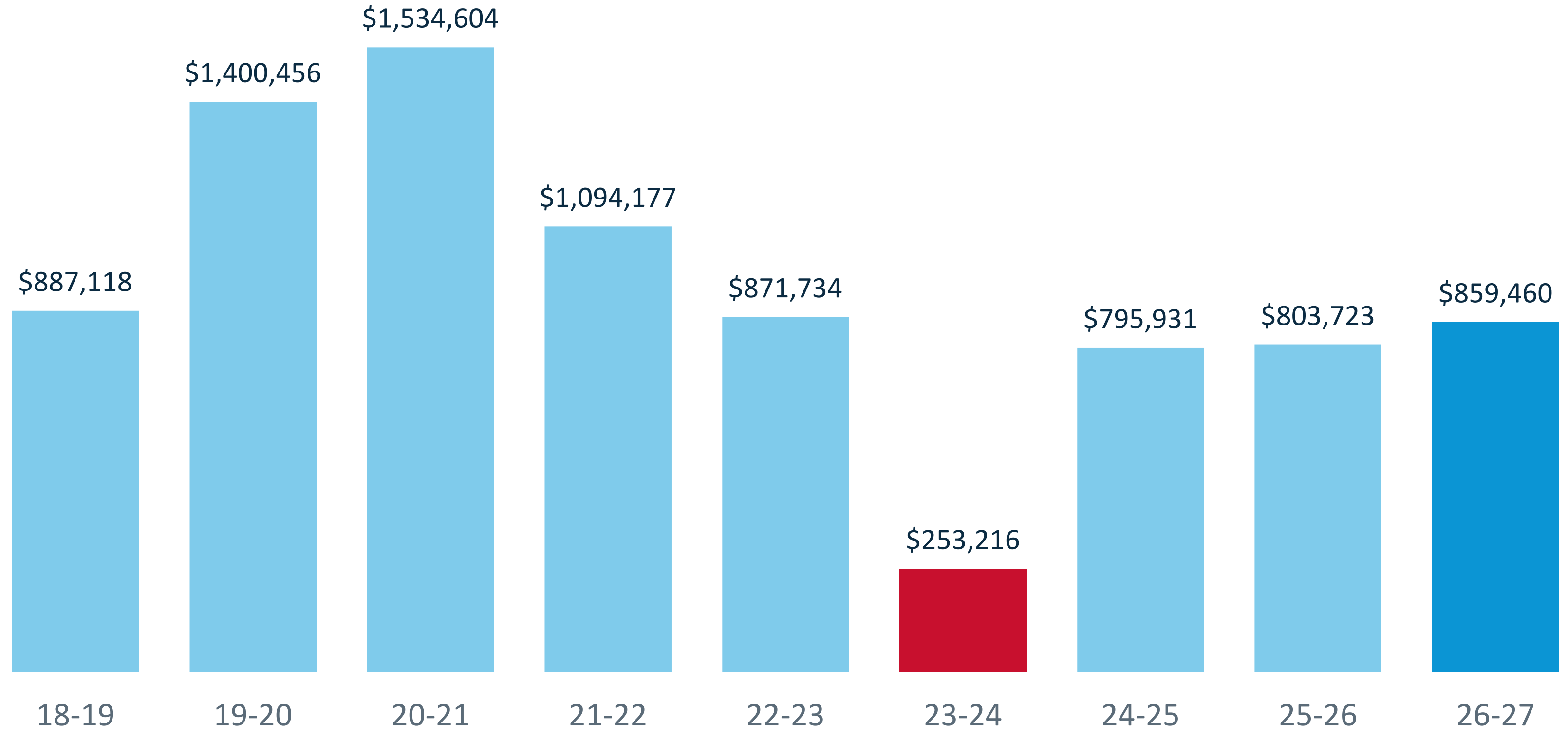
students budgeted for special education services

Budget impact

- $1,767,826 budgeted for special education
- 12% of all General Fund spending

NINE-YEAR HISTORY

General Fund Ending Fund Balance



The 2023-24 low

- Fund balance fell to $253,216 — roughly 1.6% of expenses
- Below the policy minimum in place at the time

$859,460

Projected 2026-27 ending balance — a third consecutive year of rebuilding reserves.

STATE DISCLOSURE REQUIREMENT

2026-27 MSOC Disclosure

Districts must disclose how Materials, Supplies and Operating Costs allocations compare to budgeted spending.

$1,114,837
Regular Instruction allocation

$51,689
Grades 9-12 additional allocation

$1,166,526
Total projected MSOC allocation

$1,679,068
Total budgeted MSOC expenditures

Objects of expenditure	Prg 01 Basic Ed	Prg 02 ALE	Prg 03 Open Door	Prg 97 District Support	Total
Object 5 — Supplies, Materials, Curriculum	$144,095	$1,000	—	$96,750	$241,845
Object 7 — Purchased Services	$231,793	$1,000	—	$1,184,040	$1,416,833
Object 8 — Travel	$9,390	$1,500	—	$9,500	$20,390
Object 9 — Capital Outlay	—	—	—	—	—
Total budgeted expenditures	**$385,278**	**$3,500**	**—**	**$1,290,290**	**$1,679,068**

Difference: ($512,542) — The state does not fully fund materials, supplies and operating costs for Freeman School District.

FUNDS 2 THROUGH 5

The Other Four Funds

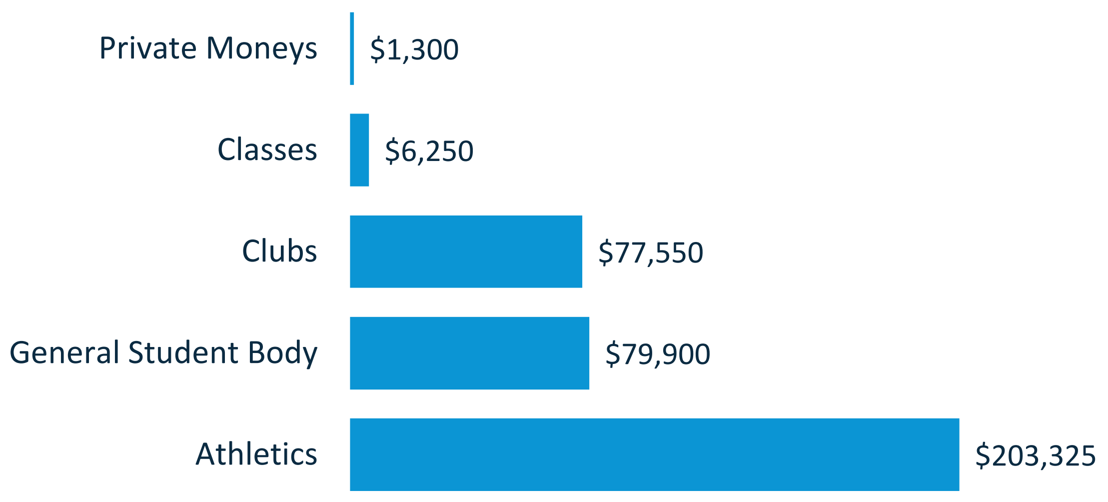
· Associated Student Body
· Debt Service
·Capital Projects
· Transportation Vehicle

Student Activities and Involvement

Accounts for both the High School and the Middle School / Elementary. This fund student driven.

Total Revenues	**$368,325**
Total Expenditures	**$434,775**
Other Financing Uses	**$0**
Profit / (Loss)	**($66,450)**
Beginning Fund Balance	**$343,145**
Ending Fund Balance	**$276,695**

Revenue by source



Planned drawdown

- ASB plans to spend $66,450 more than it will collect, using accumulated student fund balance

Athletics leads

- Athletics generates $203,325 — 55% of all ASB revenue

Paying Off Voter-Approved Bonds

Total Revenues	$2,459,308
Total Expenditures	$2,465,001
Other Financing Uses	$0
Profit / (Loss)	**($5,692)**
Beginning Fund Balance	$1,368,907
Ending Fund Balance	**$1,363,214**

Freeman carries a $1.36M ending balance in this fund, enough to cover the next payment cycle.

$5,445,000

outstanding across two bonds

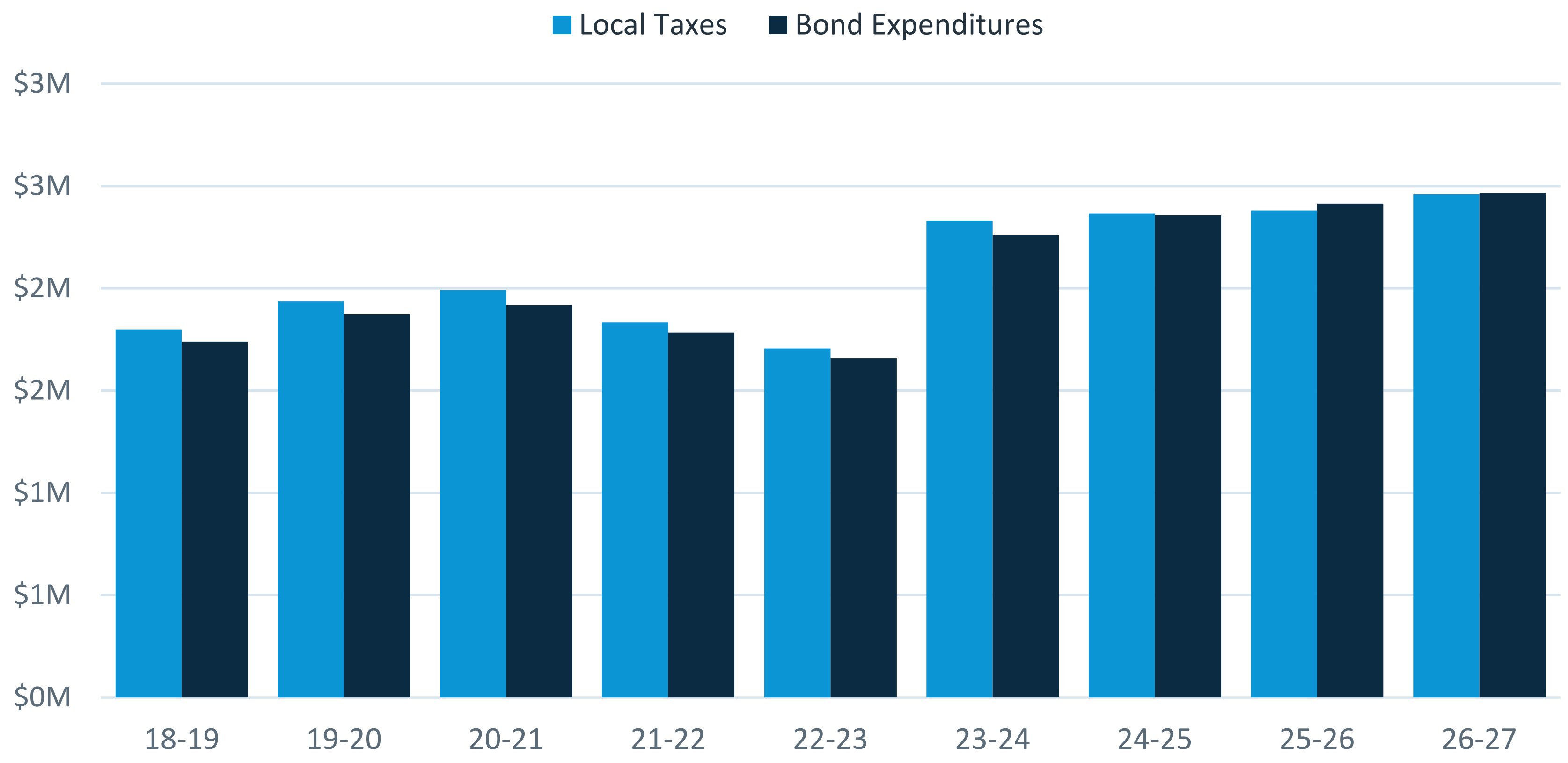
Estimated payoff dates: 2027 and 2028

How this fund works

- Bond principal and interest are paid entirely from local tax revenue
- This fund is legally separate — it cannot be used for operations
- Debt dropped from $7.01M to $5.45M over the past year

Local Taxes vs. Bond Expenditures

Tax collections have tracked closely against bond payments every year.



Prior-year figures are shown for trend context.

$2.46M

in local taxes budgeted for debt service in 2026-27

What to watch

- Payments peak as the bonds approach their 2027 and 2028 payoff dates

Construction and Major Renovations

Total Revenues	$1,585,929
Total Expenditures	$820,000
Other Financing Uses	$536,160
Profit / (Loss)	**$229,769**
Beginning Fund Balance	$69,707
Ending Fund Balance	**$299,476**

Levy revenue is back

Collection of the 2025 levy began in 2026, restoring capital revenue after the one-year gap caused by the 2024 double levy failure.

Revenue projected to rise from $948,668 in 2025-26 to $1,585,929 in 2026-27 fiscal year.

$299,476
Projected ending fund balance

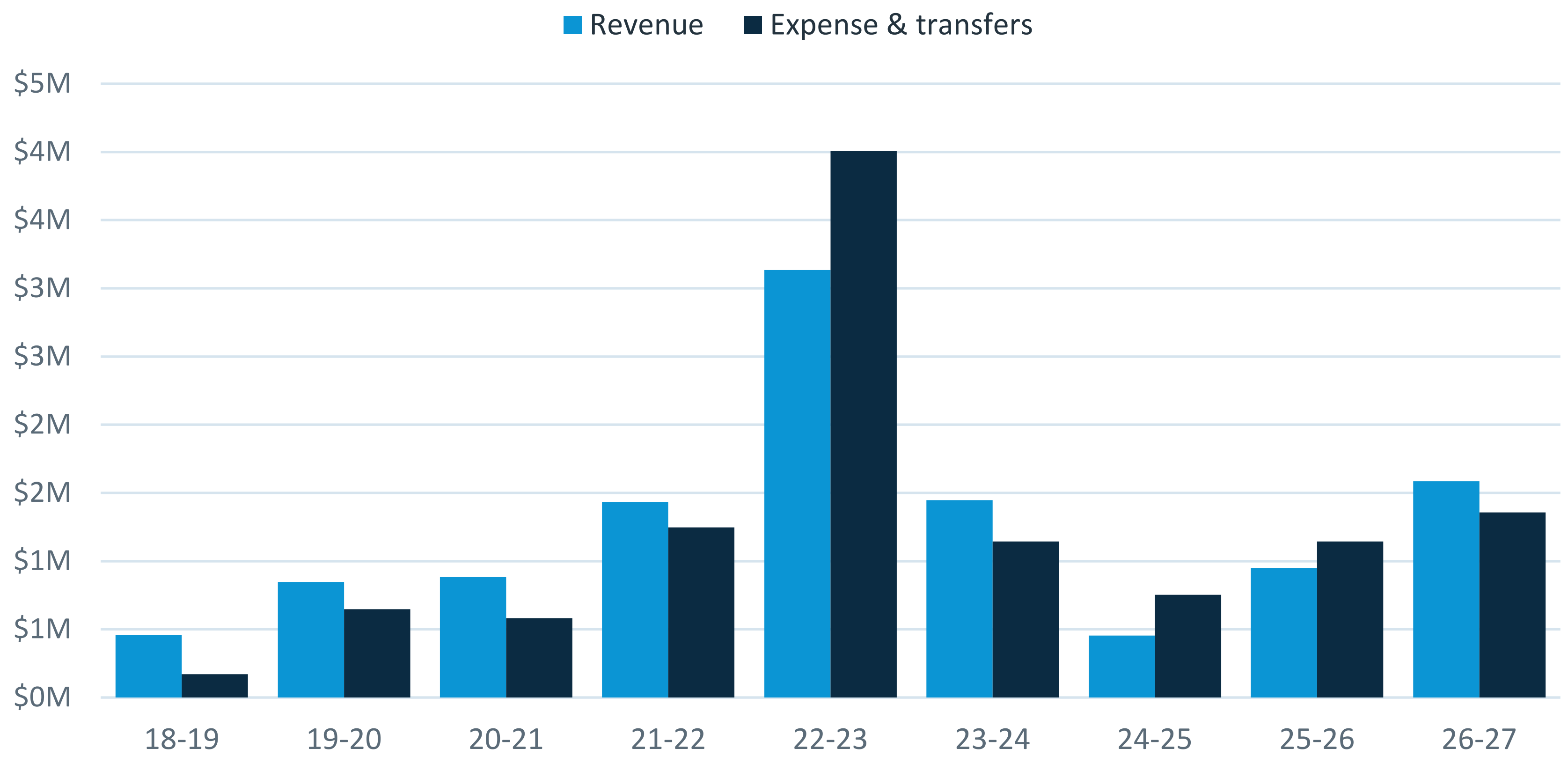
+$229,769
Net gain for the year

$820,000
Budgeted capital expenditures

$536,160
Transfers out for debt payments.

Revenue vs. Expense History

The 2022-23 spike reflects levy-funded project work; 2025-26 reflects the gap in levy collection.



Prior-year figures are shown for trend context.

2026-27 plan

- $1,585,929 in revenue
- $1.36M in expenses and transfers
- Net gain of $229,769

Rebuilding

- Fund balance recovers from $69,707 to $299,476

Buying and Replacing School Buses

Total Revenues	$250,559
Total Expenditures	$263,148
Other Financing Uses	$0
Profit / (Loss)	**($12,589)**
Beginning Fund Balance	$263,149
Ending Fund Balance	**$250,560**

The fund retains $250,560 at year end — enough to keep the replacement cycle on schedule.

One bus

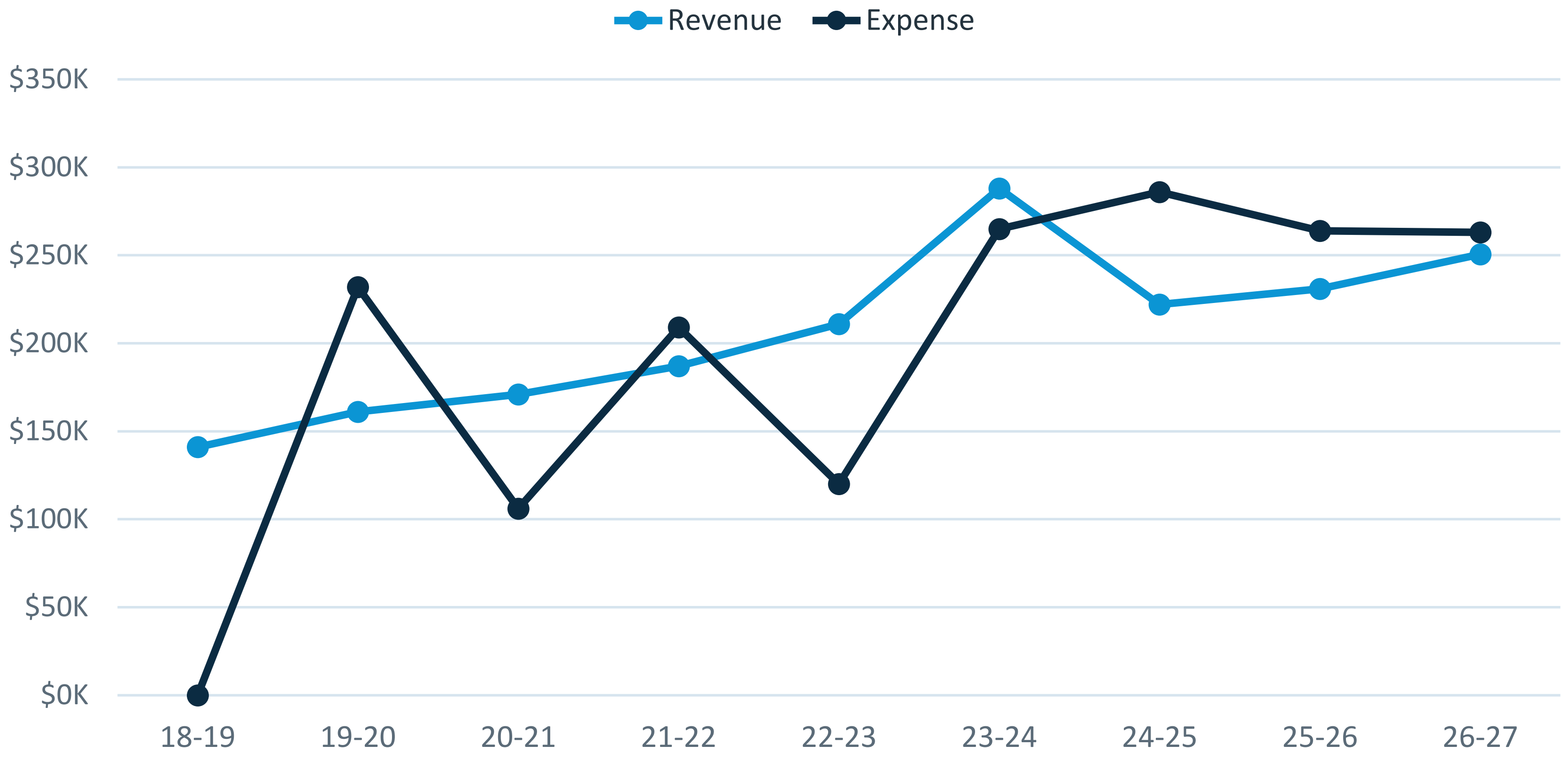
planned for purchase in 2026-27, with budgeted capacity for a passenger van.

How this fund is financed

- Revenue comes from state depreciation payments on the bus fleet
- The state funds depreciation at the end of the year, not the beginning
- The state changed and extended depreciation payment schedules in 2025-26

Revenue vs. Expense History

Expenses are volatile because in even fiscal years 2 buses are purchased and in odd years 1 bus is purchased.



2026-27 plan

- $250,559 in depreciation revenue
- $263,148 budgeted for a bus and a passenger van

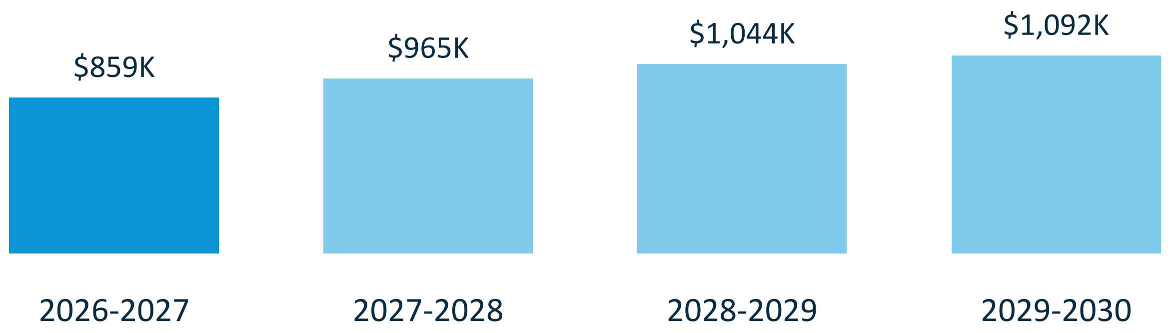
Steady growth

- Depreciation revenue has nearly doubled since 2018-19 due to inflation as prices of buses have increased significantly

Prior-year figures are shown for trend context.

Four-Year Financial Projection

Description	2026-2027	2027-2028	2028-2029	2029-2030
Total Revenue	14,738,513	15,207,001	15,633,452	16,068,064
Total Expenditures	14,661,457	15,101,271	15,554,279	16,020,878
Transfer Out	14,641	—	—	—
Excess of Revenue Over / (Under)	62,415	105,730	79,173	47,186
Total Ending Fund Balance	**859,460**	**965,190**	**1,044,363**	**1,091,549**
Fund Balance %	**6%**	**6%**	**7%**	**7%**



Assumptions behind the projection

- Enrollment: grade roll-ups and historical trends
- Revenue FY28-FY30: new levy plus 2.5% growth
- Expenditures FY28-FY30: 3% increase each year

QUESTIONS?

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