Osseo Area Schools

Five-Year Financial Projection - General Fund

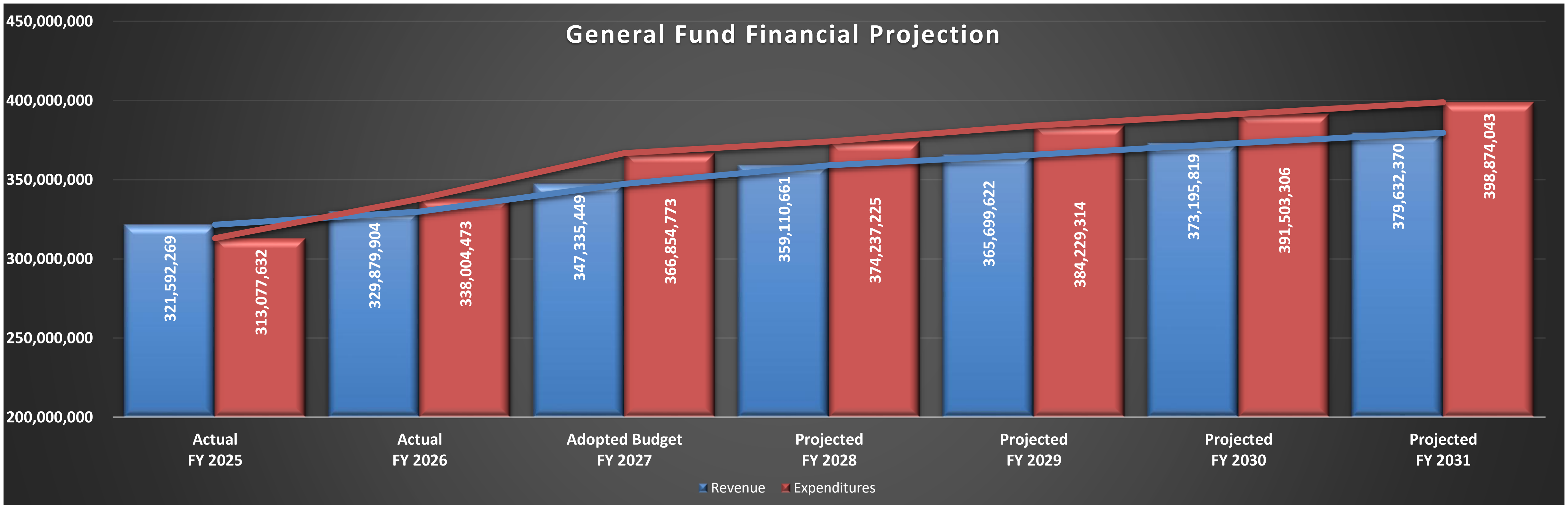
Categories	Actual FY 2025	Actual FY 2026	% Chg	Adopted Budget FY 2027	% Chg	Projected FY 2028	% Chg	Projected FY 2029	% Chg	Projected FY 2030	% Chg	Projected FY 2031	% Chg
Revenue	321,592,269	329,879,904	2.6%	347,335,449	5.3%	359,110,661	3.4%	365,699,622	1.8%	373,195,819	2.0%	379,632,370	1.7%
Expenditures	313,077,632	338,004,473	8.0%	366,854,773	8.5%	374,237,225	2.0%	384,229,314	2.7%	391,503,306	1.9%	398,874,043	1.9%
Difference over/(under)	8,514,637	(8,124,569)		(19,519,324)		(15,126,564)		(18,529,692)		(18,307,487)		(19,241,673)	
Assigned/Unassigned Fund Balance	120,205,774	112,081,205		92,561,881		77,435,317		58,905,625		40,598,138		21,356,465	
Fund Balance %	**38.4%**	**33.2%**		**25.2%**		**20.7%**		**15.3%**		**10.4%**		**5.4%**	
Operational Adjustments						(5,000,000)		(5,000,000)		(7,000,000)		(7,000,000)	

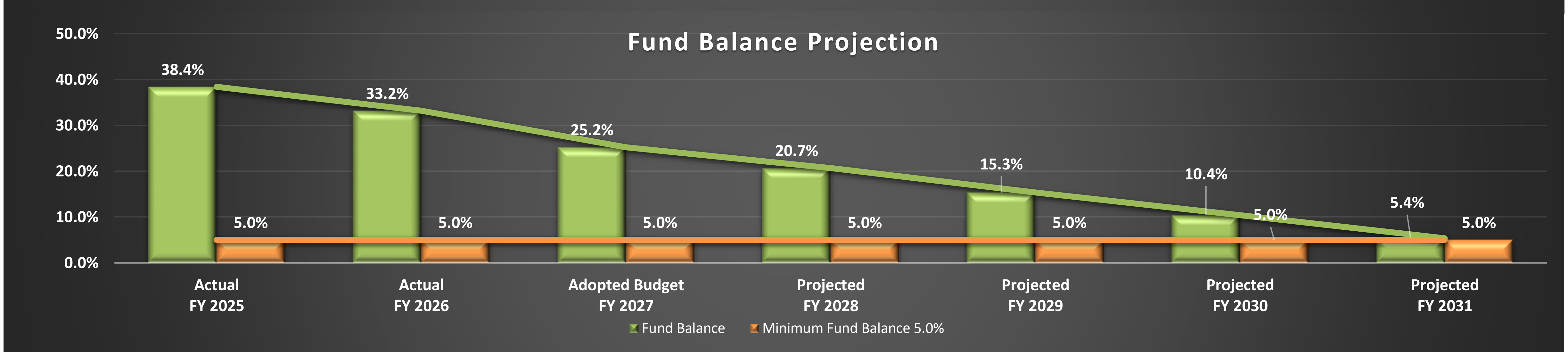
Assumptions

General Formula increase estimates 2.72% FY 2028, 2% FY 2029, 2.1% FY 2030, 2% FY 2031, future years 2% minimum and 3% cap tied to inflation

Expenditure increase of 3.5% annually

(24,000,000) total operational adjustments





Osseo Area Schools
General Fund
FY 2028 Budget Planning Scenario Financial Forecast

	Actual 2025	Actual 2026	Adopted 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031
Baseline							
Revenues	$321,592,269	$329,879,904	$349,590,033	$351,346,743	$363,119,786	$368,627,217	$375,946,098
Expenditures	313,077,632	338,004,473	367,761,108	381,528,964	389,603,193	399,876,859	407,370,937
Known adjustments to revenue			(2,254,584)	7,763,917	2,579,836	4,568,602	3,686,272
Known adjustments to expenditures			(906,335)	(910,509)	1,893,786	825,966	668,121
Baseline operating balance							
Fund Balance (beginning of year)	111,691,137	120,205,774	112,081,205	92,561,881	71,054,087	52,256,730	33,749,725
Fund Balance (end of year)	120,205,774	112,081,205	92,561,881	71,054,087	45,256,730	24,749,725	5,343,037
Change in fund balance	$8,514,637	($8,124,569)	($19,519,324)	($21,507,794)	($25,797,357)	($27,507,005)	($28,406,688)
Operational reductions to maintain fund balance at 5%				(6,000,000)	(7,000,000)	(9,000,000)	(9,000,000)
Adjusted fund balance	$120,205,774	$112,081,205	$92,561,881	$77,054,087	$58,256,730	$39,749,725	$20,343,037
Fund Balance as a % of Budgeted/Projected Expenditure	38.4%	33.2%	25.2%	20.6%	15.2%	10.1%	5.1%
Tactics							
Revenues with tactics	$321,592,269	$329,879,904	$349,590,033	$351,346,743	$363,119,786	$368,627,217	$375,946,098
Expenditures with tactics	313,077,632	338,004,473	367,761,108	381,528,964	389,206,714	399,598,487	407,163,438
Tactics related to revenue							
Basic formula allowance tied to inflation, minimum 2% increase & capped at 3% **(Known)**				4,754,424	3,513,467	3,812,758	3,686,272
FY 2027 One-year strategic investment for special education staffing **(Known)**				1,923,489	(1,923,489)		
Transportation contract impact on revenue **(Known)**				1,120,591	762,767	755,844	
Special education decrease from FY 2027 LRFP adjustments **(Known)**				(107,628)			
English Learner (EL) increase from FY 2027 LRFP adjustments on 25% EL cross subsidy **(Known)**					227,091		
Student support personnel aid $30.05 (FY2026 & FY2027) to $34.32 (FY2028) per APU **(Known)**				99,963			
School library aid $10.27 (FY2026 & FY2027)to $9.12 (FY2028) per APU **(Known)**				(26,922)			
Estimated students below projection **(Known)**			(2,254,584)				
Operating referendum timeline (10 year)	**2 (GE)**	**3**	**4 (GE)**	**5**	**6 (GE)**	**7**	**8 (GE)**
Tactics related to expenditures							
Enrollment alignment adjustment **(Known)**			(906,335)	1,312,389	1,421,547	825,966	668,121
Other - reduce trend to 3.5%				(1,834,274)	(1,871,186)	(1,921,147)	(1,957,517)
FY 2027 One-year strategic investment for special education staffing **(Known)**				(2,747,842)			
Transportation contract impact on expenditures **(Known)**				451,903	472,239		
Student support personnel aid expenditure reduction due to revenue change **(Known)**				99,963			
School library aid expenditures reduction due to revenue change **(Known)**				(26,922)			
Teacher substitute additional cost estimate due to staffing change in FY 2027				453,044			
Operational additions/(reductions)				(5,000,000)	(5,000,000)	(7,000,000)	(7,000,000)
Baseline operating balance (post tactic)							
Fund Balance (beginning of year)	111,691,137	120,205,774	112,081,205	92,561,881	77,435,317	58,905,625	40,598,138
Fund Balance (end of year)	120,205,774	112,081,205	92,561,881	77,435,317	58,905,625	40,598,138	21,356,465
Change in fund balance	$8,514,637	($8,124,569)	($19,519,324)	($15,126,564)	($18,529,692)	($18,307,487)	($19,241,673)
Fund Balance Target							
Fund Balance as a % of Budgeted/Projected Expenditure	38.4%	33.2%	25.2%	20.7%	15.3%	10.4%	5.4%
5% of Budgeted/Projected Expenditures Minimum	$15,653,882	$16,900,224	$18,342,739	$18,711,861	$19,211,466	$19,575,165	$19,943,702
						Projected Revenue Assumption (FY 2028 - FY2031)	0.0%
						Projected Expenditure Assumption (FY 2028 - FY2031)	4.0%

Note: Projected revenue also includes fiscal year projected enrollment change and projected increase for voter-approved operating referendum inflation.

GE - General Election year

*** Operating referendum approved November 2022 for 10 years expires in FY 2033; also if voters approve the operating referendum at the cap for FY 2029 it would generate an additional $1.4 million annually**