Osseo Area Schools

Five-Year Financial Projection - General Fund

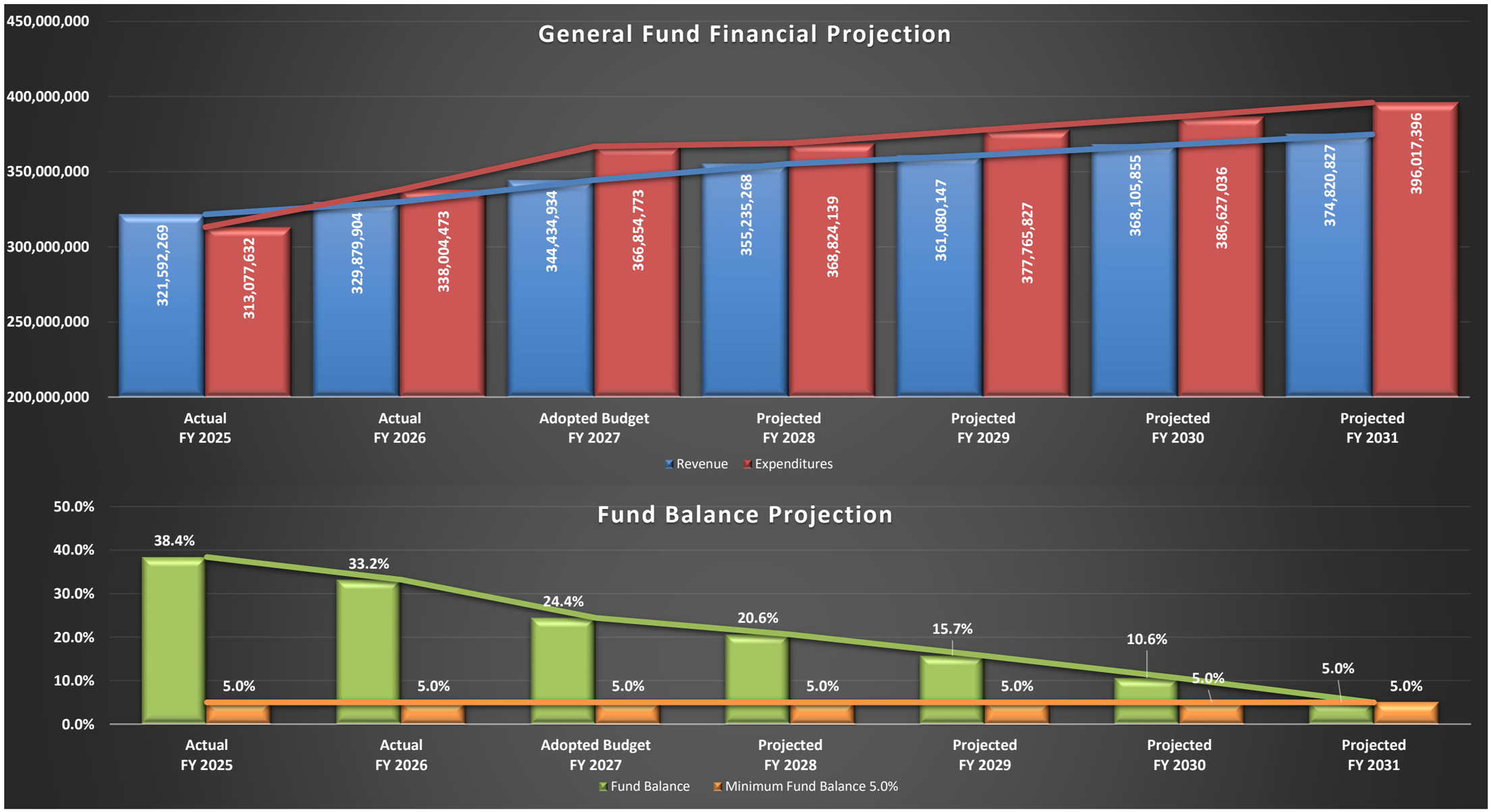
Categories	Actual FY 2025	Actual FY 2026	% Chg	Adopted Budget FY 2027	% Chg	Projected FY 2028	% Chg	Projected FY 2029	% Chg	Projected FY 2030	% Chg	Projected FY 2031	% Chg
Revenue	321,592,269	329,879,904	2.6%	344,434,934	4.4%	355,235,268	3.1%	361,080,147	1.6%	368,105,855	1.9%	374,820,827	1.8%
Expenditures	313,077,632	338,004,473	8.0%	366,854,773	8.5%	368,824,139	0.5%	377,765,827	2.4%	386,627,036	2.3%	396,017,396	2.4%
Difference over/(under)	8,514,637	(8,124,569)		(22,419,839)		(13,588,870)		(16,685,681)		(18,521,181)		(21,196,569)	
Assigned/Unassigned Fund Balance	120,205,774	112,081,205		89,661,366		76,072,496		59,386,815		40,865,634		19,669,065	
Fund Balance %	**38.4%**	**33.2%**		**24.4%**		**20.6%**		**15.7%**		**10.6%**		**5.0%**	
				Operational Adjustments		(5,000,000)		(5,000,000)		(5,000,000)		(5,000,000)	

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

(20,000,000) 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	$346,376,841	$359,256,610	$364,291,837	$371,891,576
Expenditures	313,077,632	338,004,473	367,761,108	381,528,964	385,013,583	394,208,284	402,321,596
Known adjustments to revenue			(5,155,099)	10,321,012	2,530,137	4,520,619	3,635,852
Known adjustments to expenditures			(906,335)	(6,323,596)	1,032,844	639,405	858,413
Baseline operating balance							
Fund Balance (beginning of year)	111,691,137	120,205,774	112,081,205	89,661,366	71,153,851	53,894,171	35,858,938
Fund Balance (end of year)	120,205,774	112,081,205	89,661,366	71,153,851	46,894,171	27,858,938	8,206,357
Change in fund balance	$8,514,637	($8,124,569)	($22,419,839)	($18,507,515)	($24,259,680)	($26,035,233)	($27,652,581)
Operational reductions to maintain fund balance at 5%				(5,000,000)	(7,000,000)	(8,000,000)	(8,000,000)
Adjusted fund balance	$120,205,774	$112,081,205	$89,661,366	$76,153,851	$58,894,171	$40,858,938	$21,206,357
Fund Balance as a % of Budgeted/Projected Expenditure	38.4%	33.2%	24.4%	20.6%	15.5%	10.6%	5.4%
Tactics							
Revenues with tactics	$321,592,269	$329,879,904	$349,590,033	$346,376,841	$358,550,009	$363,585,236	$371,184,975
Expenditures with tactics	313,077,632	338,004,473	367,761,108	381,528,964	383,577,104	392,876,460	402,092,117
Tactics related to revenue							
Basic formula allowance tied to inflation, minimum 2% increase & capped at 3% **(Known)**				4,754,424	3,463,768	3,764,775	3,635,852
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		
Prior year levy adjustments (equity, transition, local optional, reemployment, judgment) - one-time **(Known)**				(706,601)			
Current year levy changes (referendum, equity, transition, local optional) **(Known)**				1,801,111			
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)**			(5,155,099)				
MN Permanent School Fund constituitional amendment increase $33 per pupil unit estimate **(Known)**				755,984			
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)	298,701	718,018	639,405	858,413
Prior year enrollment loss based on November 1 **(Known)**				(4,248,764)			
Other - reduce trend to 3.5%				(1,834,274)	(1,844,121)	(1,888,829)	(1,933,135)
FY 2027 One-year strategic investment for special education staffing **(Known)**				(2,747,842)			
Transportation contract impact on expenditures **(Known)**				301,269	314,826		
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)	(5,000,000)	(5,000,000)
Baseline operating balance (post tactic)							
Fund Balance (beginning of year)	111,691,137	120,205,774	112,081,205	89,661,366	76,828,479	60,142,799	41,621,618
Fund Balance (end of year)	120,205,774	112,081,205	89,661,366	76,828,479	60,142,799	41,621,618	20,425,049
Change in fund balance	$8,514,637	($8,124,569)	($22,419,839)	($12,832,886)	($16,685,681)	($18,521,181)	($21,196,569)
Fund Balance Target							
Fund Balance as a % of Budgeted/Projected Expenditure	38.4%	33.2%	24.4%	20.8%	15.9%	10.8%	5.2%
5% of Budgeted/Projected Expenditures Minimum	$15,653,882	$16,900,224	$18,342,739	$18,441,207	$18,888,291	$19,331,352	$19,800,870
				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.