FY2026-27 Preliminary Budget Presentation

June 22, 2026
School Board Meeting

Agenda

- Background information along with Assumptions & Components that go into the creation of the budgets
- Overview information of the Preliminary FY2026-27 Budgets
- Review of the following budgets:
  - Fund 01 (General Fund)
  - Fund 02 (Food Service)
  - Fund 04 (Community Ed)
  - Fund 06 (Construction Fund)
  - Fund 07 (Debt Service)
- Questions

FY2026-27 Preliminary Wayzata Public Schools Budget

OVERVIEW & BACKGROUND INFORMATION

Government Fund Structure

General Fund

Used to account for the general operations of the school district. This fund includes salaries and benefits for teachers, principals, custodians, secretaries, paraprofessionals, and administrators; cost of supplies, textbooks, transportation contracts, utilities, repairs, and equipment. This fund is also used for long-term facility maintenance projects of less than $2,000,000 and for the capital projects (technology) levy.

Food Service Fund

Used for all expenditures related to operating Wayzata Cafés, including food, salaries, benefits, supplies, and equipment. Food Service revenues typically come primarily from the sale of meals to students and adults. This year, the Minnesota Legislature enacted free meals for all students. State aid now provides a greater portion of revenue.

Community Services Fund

Used for expenditures related to community education programs such as Early Childhood Family Education, Adult Basic Education, Wayzata Kids (afterschool and summer childcare programs), youth classes and Community Ed programs.

Community Services revenue primarily comes from fees charged for the programs and property tax revenue dedicated to community services.

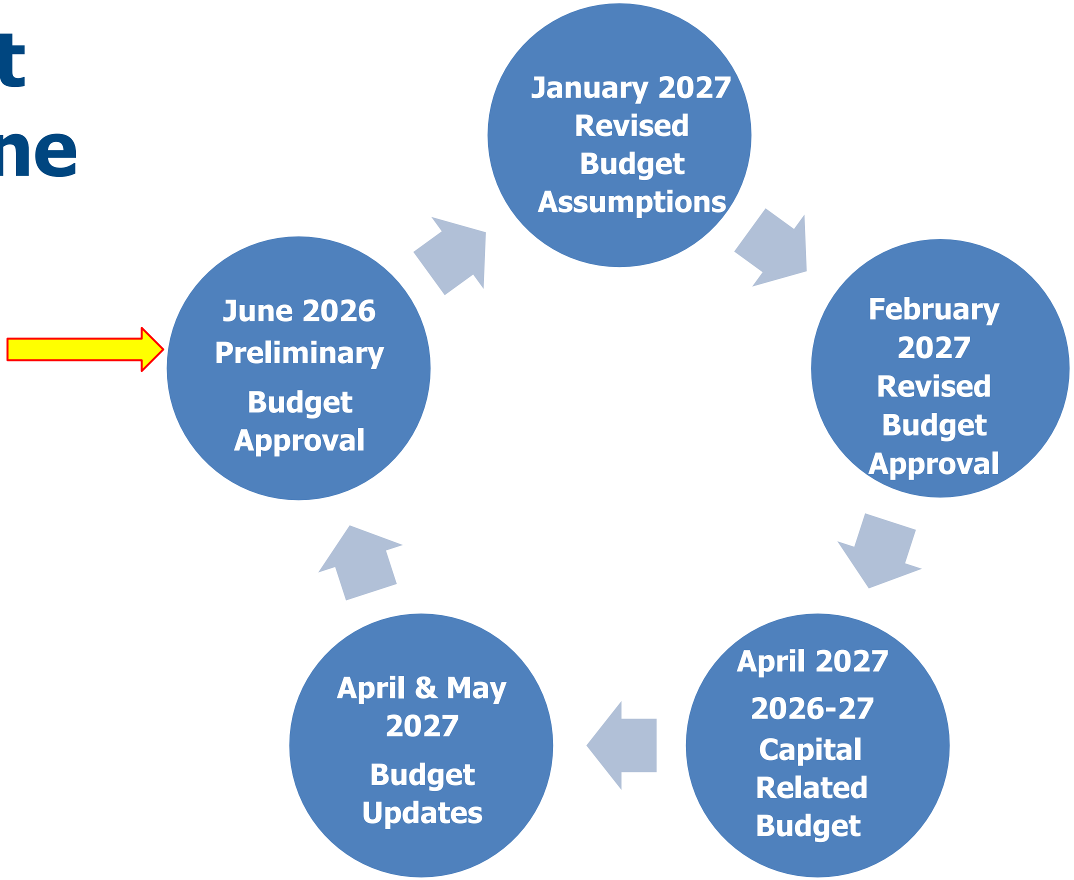
Building Construction Fund

Used for expenditures of major building projects. Proceeds from the sale of bonds authorized in an election are placed in this fund. This fund is also used for long-term facility maintenance projects exceeding $2,000,000.

Debt Service Fund

Used to accumulate and account for resources that fund principal and interest payments on bonds sold to finance construction. These are akin to a homeowner's payments on a mortgage.

Budget Timeline

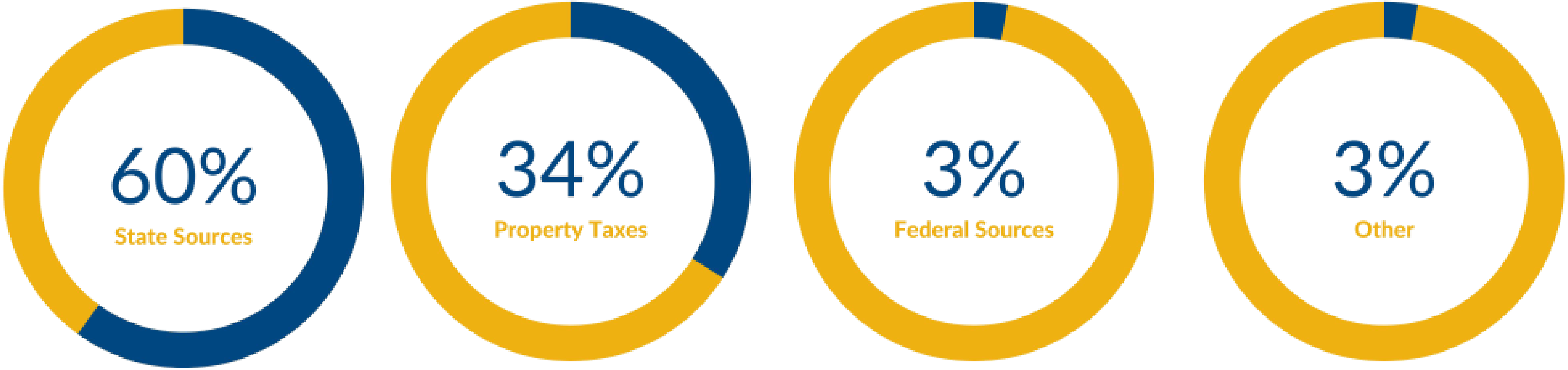


FY2026-27 Preliminary General Fund Budget

Key Budget Assumption(s)

WAYZATA PUBLIC SCHOOLS

General Fund – Source of Revenue 2026-27
(estimated)



Key Budget Assumption Formula Allowance

Fiscal Year	Formula Increase	Formula Amount	Formula Increase Amount
FY24	4.0%	$7,138	$275
FY25	2.0%	$7,281	$143
FY26	2.74%	$7,481	$200
FY27	2.69%	$7,683	$202

Formula Allowance for FY2026-27:

- The dollar amount per pupil unit used to calculate each district's basic general education revenue.
- The district received 2.74% on the formula in FY 2025-26 but ***will now see that adjusted to 2.69% for FY2026-27.***

FY28 and FY29, and beyond: actual increase equal to Consumer Price Index Urban (CPI-U) with a floor of 2.00% and cap of 3.00%. CPI-U determined based upon prior two fourth quarter totals. Language including inflationary increases does not prevent future legislatures from additional increases in the formula.

WAYZATA PUBLIC SCHOOLS

Key Budget Assumption
FY 2026-27 Enrollment Projection

- Enrollment is one of the key driver for projecting revenue (Pupil driven revenue system)
- Projections were based on a combination of internal trend data and demographic studies data from the Fall of 2024.
    - Original Assumptions: High Migration / Low Kindergarten
    - Updated Assumptions based on enrollment we are experiencing along with the considerations for new developments actively building in our community.
    - For the FY 26-27 Preliminary Budget, the district is using an estimate of 13,349
        - This is a 285 increase over PY revised estimate
- Growing enrollment is a key factor that generates additional revenue that can create a cushion against the General Education Formula Allowance not keeping pace with inflation & expenditures. It can also allow districts to avoid cuts and offer such things as smaller class sizes and new programs that without the growth would not be possible or very challenging.

FY2026-27 Actual GenEd Formula Allowance:	$7,683
Increased student projection for FY2026-27 Prelim Budget:	285
Estimated Revenue from increased projected enrollment:	**$2,189,655**

FY2026-27 Revenue Projection information

Enrollment Increases for FY2026-27

- Using enrollment of 13,349 for FY2026-27 which is up from 13,064 used for the FY2025-26 Revised Budget
- This is an increase of 285 students

Formula Allowance (roughly 60% of Revenue Budget)

- 2.69% in FY2026-27 which is down slightly from 2.74% in FY2025-26
- $7,481 PPU to $7,683 PPU for FY2026-27 ($202 increase)

Levy Dollars (roughly 30% of Revenue Budget)

- Roughly 5% increase with adjustments for FY2026-27

Federal allocations

- Forecasting similar revenues to current year

FY2026-27 Expenditure Projection Information

Salaries & Benefits:

- Salaries: Per Settled Contract or Board Parameters
  - Currently negotiating with multiple groups that will impact the FY2026-27 Budget
    - Budget built within board parameters
- 7% increase in Health Insurance Costs
- No increase in Dental Insurance Costs

Transportation:

- Budgeted an increase of roughly 5% from FY2026-27

Utilities:

- Budgeted an overall increase of roughly 3% from FY2026-27

LTFM:

- Projecting similar expenditures as current year (planning for roughly $15M)

Special Education:

- Budgeted an increase of more than 7% due to higher projected needs and increases expected into the future along with shifting $1.5M of costs from Federal to State Special Education
  - These costs are mainly captured inside the Salaries & Benefits portion of the budget.

Technology:

- Increase in Expenditures but offset with increased Revenues

WAYZATA PUBLIC SCHOOLS

Quick Recap: Budget Assumptions - Expenditures

Category	FY 2025-26	FY 2026-27
Salaries	Per Contract or Board Parameters	Per Contract or Board Parameters
Health Insurance	7.00%	7.00%
Dental Insurance	2.00%	0.00%
TRA Rate (July 1)	9.81%	9.81%
PERA Rate (July 1)	7.50%	7.50%
Supplies	2.00%	2.00%
Fuel/Utilities	2.00%	3.00%
Transportation	6.00%	5.00%

WAYZATA PUBLIC SCHOOLS

General Fund – Expenditures 2026-27

(estimated)

Preliminary FY2026-27 General Fund Budget

FY2026-27
General Fund Budget (Fund 01)

All areas included (*LTFM Adjustment*)

General Fund Information:
The General Fund contains all revenue and expenses for the general, day-to-day operations of the school district. This includes salaries and benefits for teachers, administrators, custodians, administrative professionals, and para-professionals; instructional supplies, technology, transportation, textbooks, and money spent to operate and repair district buildings. In some ways, it is clearer to express the General Fund in terms of what it does not cover. The General Fund does not cover Wayzata Cafés; Community Services; debt service payments on bonds issued by the District; and the cost of major construction projects financed through the issuance of bonds.

The General Fund includes expenses associated with the capital projects (technology) levy. The focus of this program is curriculum and classroom technology, particularly expansion of classroom tools: projection and sound systems, smartboards, and software. The General Fund also includes expenses funded with the Long-Term Facility Maintenance (LTFM) levy for projects less than $2.0 million. Projects over $2 million are recorded in the Building Construction Funds. It is important to note that LTFM expenditures can fluctuate considerably from year to year and can impact the overall view of the District's funding picture.
The level of spending is set with a number of considerations in mind, but one of the primary considerations is to maintain an adequate level of reserves for unanticipated events. The District has a formal policy calling for an unassigned fund balance in the General Fund equal to at least 5% to 7% of one year's expenditures. This balance could be considered to be the District's "savings account."

2026-27 Preliminary Budget (LFTM included)

	2025-26 Revised Budget	Change ($)	2026-27 Preliminary Budget
Revenue			
Local Property Taxes	$76,686,067	$4,427,566	$81,113,633
State Aid	$149,078,153	$9,845,290	$158,923,443
Federal Aid	$4,154,907	-$609,146	$3,545,761
Other Local Revenues	$7,533,040	-$772,948	$6,760,092
Total Revenues	**$237,452,167**	**$12,890,762**	**$250,342,929**
Expenditures			
Salaries and Benefits	$173,940,204	$10,157,674	$184,097,878
Purchased Services	$36,892,234	-$572,887	$36,319,347
Supplies and Materials	$8,879,867	$759,258	$9,639,125
Capital	$21,187,487	-$490,304	$20,697,183
Misc./Other	$1,166,491	-$34,855	$1,131,636
Transfers to Other Funds	$0	$0	$0
Total Expenditures	**$242,066,283**	**$9,818,886**	**$251,885,169**
Revenue over Expenditures:	**-$4,614,116**	**$3,071,876**	**-$1,542,240**

FY2026-27 General Fund Budget

2026-27 Preliminary Budget (Excluding LTFM)		
	2025-26 Revised Budget	2026-27 Preliminary Budget
Revenue		
Local Property Taxes	$70,105,593	$69,955,130
State Aid	$149,078,153	$158,923,443
Federal Aid	$4,154,907	$3,545,761
Other Local Revenues	$7,533,040	$6,760,092
Total Revenues	**$230,871,693**	**$239,184,426**
Expenditures		
Salaries and Benefits	$173,784,270	$183,937,117
Purchased Services	$31,782,360	$33,087,679
Supplies and Materials	$8,847,401	$9,601,426
Capital	$11,349,887	$9,000,183
Misc./Other	$1,166,491	$1,131,636
Transfers to Other Funds	$0	$0
Total Expenditures	**$226,930,409**	**$236,758,041**
Revenue over Expenditures:	**$3,941,284**	**$2,426,385**

**** This excludes LTFM (PayGo levy) and LTFM levy adjustment to show a more realistic view of the FY2026-27 Preliminary Budget***

Preliminary FY2026-27 Wayzata Cafés (Fund 02) & Community Ed (Fund 04) Budgets

WAYZATA PUBLIC SCHOOLS

FY2026-27 Wayzata Cafés Budget (Fund 02)

The Food Service Fund is used to record financial activities of a school district's food service program. Food service includes activities for the purpose of preparation and service of milk, meals, and snacks in connection with school and community service activities.
All expenditures relating to meal preparation must be recorded in the Food Service Fund. Eligible expenditures include application processing, meal accountability, food preparation, meal service, and kitchen custodial service (Minn. Stat. 124D.111, subd. 3 [2023]).

2026-27 Preliminary Budget (Wayzata Cafés Fund 02)

	2025-26 Revised Budget	Change	2026-27 Preliminary Budget
Revenue			
Meal Sales	$1,442,395	-$27,610	$1,414,785
Federal Aid	$2,722,840	$184,074	$2,906,914
State Aid	$6,345,000	$258,075	$6,603,075
Total Revenues	**$10,510,235**	**$414,539**	**$10,924,774**
Expenditures			
Salaries and Benefits	$4,370,433	$309,265	$4,679,698
Food	$4,795,840	$314,854	$5,110,694
Misc./Other	$2,013,350	-$934,725	$1,078,625
Total Expenditures	**$11,179,623**	**-$310,606**	**$10,869,017**
Revenue over Expenditures:	**-$669,388**	**$725,145**	**$55,757**

Wayzata Public Schools

FY2026-27 Community Ed Budget (Fund 04)

The Community Service Fund is used to record all financial activities of the Community Service program. The Community Service Fund is comprised of five components, each with its own fund balance:

–Community Education, Restricted/Reserved Fund Balance 431
–Community Education, Restricted Fund Balance 464
–Early Childhood Family Education (ECFE), Restricted/Reserved Fund Balance 432
–School Readiness, Restricted/Reserved Fund Balance 444
–Adult Basic Education (ABE), Restricted/Reserved Fund Balance 447

Community Education includes only those activities authorized in Minnesota Statutes 2023, section 124D.19.
The focus of these activities is enrichment programs for any age level that are not part of the K-12 education program. This section may also be used for K-12 summer school enrichment activities which, although educational in nature, are not for credit and are not required for graduation.
A district may spend up to 10% of its community education revenue (levy, aids, and fees) to purchase or lease computers and related items, equipment for instructional programs, and library books used exclusively for community education (Minn. Stat. 124D.20, subd. 8 [2023]).

2026-27 Preliminary Budget (Community Ed Fund 04)

	2025-26 Revised Budget	Change	2026-27 Preliminary Budget
Revenue			
Local Property Taxes	$2,094,232	$146,901	$2,241,134
State Aids	$1,337,017	$53,292	$1,390,309
Fee Based Revenues	$12,693,094	$964,301	$13,657,395
Total Revenues	**$16,124,343**	**$1,164,494**	**$17,288,838**
Expenditures			
Salaries and Benefits	$13,083,306	$1,234,101	$14,317,407
Purchase Services, Supplies, Education Materials	$2,804,433	-$424,414	$2,380,019
Capital & Technology	87,100	-$17,600	69,500
Dues & Memberships	$6,650	-$1,300	$5,350
Total Expenditures	**$15,981,489**	**$790,787**	**$16,772,276**
Revenue over Expenditures:	**$142,854**	**$373,708**	**$516,562**

Wayzata Public Schools

Preliminary FY2026-27 Debt Service (Fund 07) & Construction (Fund 06) Budgets

WAYZATA PUBLIC SCHOOLS

FY2026-27 Construction Budget (Fund 06)

The Building Construction Fund is used to record all operations of a district's building construction program that are funded by the sale of bonds, capital loans, or major capital projects costing $2,000,000 or more.
Construction for buildings and additions may be comprised of the following: expenditures for general construction; advertisement for contracts; payments on contracts of construction; installations of plumbing, heating, lighting, ventilating and electrical systems; expenditures for lockers, elevators, and other equipment; architectural and engineering services; travel expenses; paint and decorating expenses, technology and technology upgrades; and any other related costs. Include the costs of floating the bond issue in this fund by reclassification from the General Fund. Note: This is a partial list of items.

As a reminder, the General Fund includes expenses funded with the Long-Term Facility Maintenance (LTFM) levy for projects less than $2.0 million.
However, projects over $2 million are recorded in the Building Construction Fund (Fund 06). As noted earlier, it is important to note that LTFM expenditures can fluctuate considerably from year to year and can impact the overall view of the District's funding picture.

WAYZATA PUBLIC SCHOOLS

2026-27 Preliminary Budget (Construction Fund 06)

	2025-26 Revised Budget	Change	2026-27 Preliminary Budget
Revenue			
Local Property Taxes	$0	$0	$0
Sale of Bonds	$6,076,000	-$6,076,000	$0
State Aids	$0	$0	$0
Other Local Revenues	$200,000	-$200,000	$0
Total Revenues	**$6,276,000**	**-$6,276,000**	**$0**
Expenditures			
Salaries and Benefits	$0	$0	$0
Purchased Services	$1,326,000	-$1,188,930	$137,070
Supplies and Materials	$0	$0	$0
Capital	$6,580,000	-$5,184,770	$1,395,230
Misc./Other	$0	$0	$0
Transfers to Other Funds	$0	$0	$0
Total Expenditures	**$7,656,000**	**-$6,373,700**	**$1,532,300**
Revenue over Expenditures:	**-$1,630,000**	**$97,700**	**-$1,532,300**

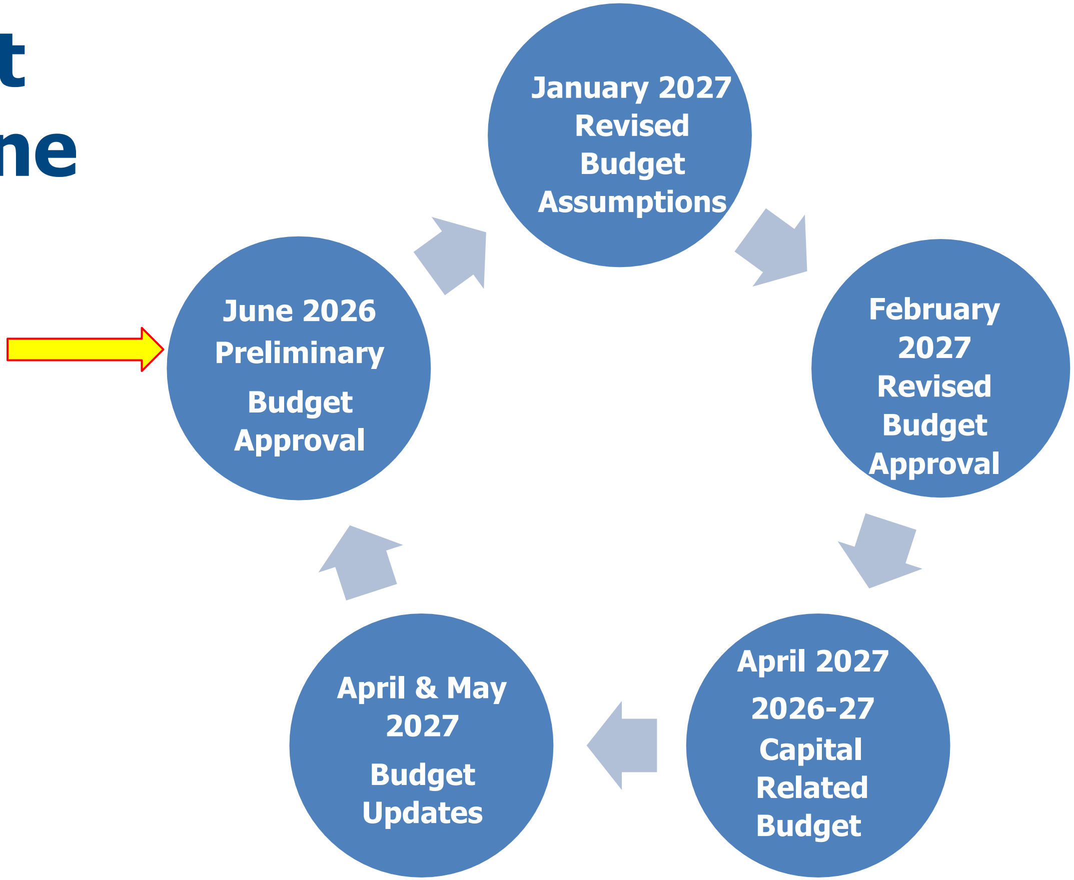
FY2026-27 Debt Service Budget (Fund 07)

The Debt Service Fund is used to record revenues and expenditures for a school district's outstanding bonded indebtedness, whether for building construction or operating capital, and whether for initial or refunding bonds.

2026-27 Preliminary Budget (Debt Service Fund 07)			
	2025-26 Revised Budget	Change	2026-27 Preliminary Budget
Revenue			
Local Property Taxes	$18,717,215	$1,349,847	$20,067,062
Sale of Bonds	$0	$0	$0
State Aids	$9,405	-$9,405	$0
Other Local Revenues	$0	$0	$0
Total Revenues	**$18,726,620**	**$1,340,442**	**$20,067,062**
Expenditures			
Bond Principal	$13,620,000	$580,000	$14,200,000
Bond Interest	$4,922,000	$80,232	$5,002,232
Bond Refunding Payments	$0	$0	$0
Bank Fees	$2,900	$0	$2,900
Misc./Other	$0	$0	$0
Transfers to Other Funds	$0	$0	$0
Total Expenditures	**$18,544,992**	**$660,232**	**$19,205,132**
Revenue over Expenditures:	**$181,628**	**$680,210**	**$861,930**

Wayzata Public Schools

Budget Timeline



Questions?

THANK YOU

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