

**BEMIDJI AREA SCHOOLS  
BEMIDJI, MINNESOTA**

**DATE: JANUARY 26, 2026**  
**TO: BOARD OF EDUCATION, BEMIDJI ISD #31**  
**FROM: ASHLEY EASTRIDGE, CPA, DIRECTOR OF BUSINESS SERVICES**  
**SUBJECT: FY 2025-2026 REVISED BUDGET**

**COMMENTS:**

The School Board is required to approve a preliminary budget prior to July 1st of each year. This budget is based on assumptions and estimates and acts as a baseline for fiscal planning. After the prior fiscal year is audited, in this case FY25, we are able to take that audited data, combine it with year-to-date information and compile a revised budget that provides a more accurate prediction of our anticipated revenues and expenditures.

The revised FY26 budget projects a \$2.7 million deficit, compared to the preliminary estimate of \$1.9 million. The increased deficit is primarily driven by payroll increasing \$1.1 million but is partially offset by State SPED revenue increasing \$486,000.

Our monthly tracking shows that payroll costs from September through December 2025 are averaging \$50,000 higher than budgeted. To date, we have only paid out step and lane increases. While this limited payout would normally place us under budget, we have revised our estimates to reflect the full anticipated costs of unsettled contracts.

The estimate for State SPED revenue increased due to updated entitlement reports from MDE using FY25 expenditure data that determines FY26 revenue.

**ACTION:**

The motion was offered by \_\_\_\_\_, seconded by \_\_\_\_\_ and the vote was \_\_\_\_\_ to approve the FY 2025-2026 revised budget as presented.

FISCAL YEAR 2025-2026 REVISED BUDGET						
General Fund (Funds 01, 03, 05, 10 and 20)						
	Beginning Balance 7/1/2025	Revenue 2025- 2026	Expenditures 2025-2026	Other Financing Sources (Uses)	Surplus/Deficit 2025-2026	Ending Balance 6/30/2026
General Fund General Operations						
Fund 01 General		64,514,705	66,851,259	-	(2,336,554)	
Fund 10 Special Schools		1,634,597	1,691,942	-	(57,345)	
Fund 20 Federal Programs		4,496,798	4,496,798	-	-	
Fund 03 Transportation		5,563,530	6,230,825	-	(667,295)	
<b>GFGO Total</b>	<b>12,025,768</b>	<b>76,209,630</b>	<b>79,270,824</b>	-	<b>(3,061,194)</b>	<b>8,964,574</b>
Fund 05 Capital Projects	2,856,457	1,795,083	2,206,561	-	(411,478)	2,444,979
<b>General Fund Total</b>	<b>14,882,225</b>	<b>78,004,713</b>	<b>81,477,385</b>	-	<b>(3,472,672)</b>	<b>11,409,553</b>
Fund 02 Food Service	1,402,227	4,436,710	4,518,598	-	(81,888)	1,320,339
Fund 04 Community Service	2,318,330	2,649,418	2,477,322	-	172,096	2,490,426
<b>Operating Funds Total</b>	<b>18,602,782</b>	<b>85,090,841</b>	<b>88,473,305</b>	-	<b>(3,382,464)</b>	<b>15,220,318</b>
Fund 06 Construction	1,005,150	30,000	1,035,150	-	(1,005,150)	-
Fund 07 Debt Service	825,965	4,286,631	3,965,117	-	321,514	1,147,479
Fund 45 OPEB Trust	1,022,548	33,000	43,813	-	(10,813)	1,011,735
Fund 47 OPEB Debt Service	-	-	-	-	-	-
<b>Total All Funds</b>	<b>21,456,445</b>	<b>89,440,472</b>	<b>93,517,385</b>	-	<b>(4,076,913)</b>	<b>17,379,532</b>