

BOARD REPORT

TO: Board of Education
FROM: Director of Business Services Heather Aune
DATE: Monday, June 22, 2026



TOPIC/PURPOSE OF REPORT: 2025-2026 Budget Adoption

REFERENCE TO POLICY/STRATEGIC PLAN: Policy 701 School District Budget Adoption

RECOMMENDED BOARD ACTION: Action Item

DATE FOR BOARD ACTION: Monday, June 22, 2026

REPORT

Heather Aune, Director of Business Services, will provide an update on the 2026-2027 Proposed Adopted Budget. This information has been shared with the board over the last several months.

Fund	Revenues	Expenditures
General	\$61,423,438	\$61,573,528
Student Activities (General)	\$50,000	\$50,000
Subtotal	\$61,473,438	\$61,623,528
Food Service	2,911,281	3,310,919
Community Service	2,410,080	2,382,067
Debt Services	1,804,088	1,718,500
Total Governmental	<u>68,598,887</u>	<u>69,035,014</u>
Dental Self Insurance	540,000	490,000
OPEB	500,000	500,000
OPEB Trust	3,651,250	3,474,565
All Funds	<u>\$73,290,137</u>	<u>\$73,499,579</u>

General Fund

Causes for the deficit:

- Paying more for the same products and services due to inflation
- State funding reductions

- Federal Funding Reductions
- Lower enrollment: Incoming Kindergarten class being smaller than graduating Seniors

Previous projection over budget:	\$461,962
Administrative Reductions	-333,759
Teacher Leadership Additions	228,838
Right-Sizing Reductions:	-447,338
Right-Sizing Additions:	370,386
ML Cross Subsidy Revenue Allocation	-60,000
Compensatory Education not yet Allocated	<u>-220,000</u>
Updated Deficit	\$150,090

Proposed 2026-27 Adopted Budget:

General Fund Revenue =	61,423,438
General Fund Expenditures =	<u>61,573,528</u>
Deficit =	-150,090
Use of 3rd Party Billing Restricted funds	<u>150,090</u>
Updated Deficit	\$0

Food Service Fund

- Projections based on 25-26 participation
- Includes increased food and staffing costs
- Ended 2024-2025 with \$1,335,400.57 fund balance
- Fund balance should be 3 months of operation - about \$750,000

Food Service Fund Revenue =	\$2,911,281
Food Service Fund Expenditures =	<u>\$3,310,919</u>
Deficit =	-\$399,628

Community Service Fund

- Includes projections on participation
- Includes increased staffing expenditures

Community Education Fund Revenue =	\$2,410,080
Community Education Fund Expenditures =	<u>\$2,382,067</u>
Surplus =	\$28,013

OPEB (Other Post Employee Benefits)

OPEB Fund Revenue =	\$500,000
OPEB Fund Expenditures =	\$500,000

- This fund fluctuates significantly from year to year
- Revisions may be necessary once retirees are identified and interest adjusted to the market in Spring 2027 budget revisions

Debt Services

Debt Services budgets are based on payments due and levy calculations.

Dental Self Insurance

- Fluctuates each month but overall predicted to end in a surplus
- Any fund balance remains in this restricted fund to pay for future dental insurance claims

Dental Fund Revenue =	\$540,000
Dental Fund Expenditures =	<u>\$490,000</u>
Surplus =	\$50,000

RECOMMENDATION

For the board of education to approve the 2026-2027 Budget Adoption.