



General Fund Budget Update

May 12, 2026 School Board Meeting

Presentation Purpose

The purpose of this presentation is to provide information for approval of:


✓ **Mid-year FY2026 General Fund budget update**

✓ **FY2027 budget assumptions**



D a t a	July 2025	Individual Budget Managers	Review FY2025 Actuals and FY2026 Budget
	September 17, 2025	Budget Managers	Review YTD Expenditures
	September 29, 2025	Finance Advisory Committee	1. Overview of plan/expectations 2. Understand Budget Timeline
	September 30, 2025	School Board Regular Meeting	Approve Preliminary Pay 2026 Levy
	October 20, 2025	Finance Advisory Committee	Begin budget analysis & FY2027 enrollment projections
	October 22, 2025	Budget Managers	Review YTD Expenditures
	November 10, 2025	Finance Advisory Committee	Enrollment focus
	November 19, 2025	Budget Managers	Review YTD Expenditures
	November 25, 2025	School Board Regular Meeting	Fall Enrollment Report
	December 8, 2025	Finance Advisory Committee	1. FY2027 enrollment projections 2. FY2027 Fund Balance assumptions 3. FY2027 other assumptions
	December 9, 2025	School Board Regular Meeting	1. Tax Hearing 2. Approve final Pay 2026 levy 3. Accept FY2025 Audit Results
	December 17, 2025	Budget Managers	Review YTD Expenditures
P r e p a r a t i o n	January 13, 2026	School Board Regular Meeting	FY2026 budget update and future outlook
	January 22, 2026	Budget Managers	Review YTD Expenditures
	January 26, 2026	Finance Advisory Committee	1. Draft final budget assumptions 2. Begin draft of Spring 2026 FAC Report
	February 17, 2026	Finance Advisory Committee	1. Finalize budget assumptions 2. Spring 2026 FAC Report
	February 18, 2026	Budget Managers	Review YTD Expenditures
	February 24, 2026	School Board Regular Meeting	FAC Presentation
	March 18, 2026	Budget Managers	Review YTD Expenditures
	March 23, 2026	Finance Advisory Committee	Continue Expenditure analysis and plan for next year
A p p r o v a l	April 22, 2026	Budget Managers	Review YTD Expenditures
	April 28, 2026	School Board Regular Meeting	FY2026 Mid-Year Budget and FY2027 Budget Assumptions Presentation
	May 12, 2026	School Board Regular Meeting	Approve FY2026 Mid-Year Budget and FY2027 Budget Assumptions
	May 20, 2026	Budget Managers	Review YTD Expenditures
	May 2026	MN Legislative session ends	
	June 9, 2026	School Board Study Session	Preview final FY2027 Budgets for all funds; prepare to take action at June 23 regular meeting
	June 23, 2026	School Board Regular Meeting	Approve final FY2027 budget for all funds



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	July 2026	Business Services	Prepare for FY2026 Audit



FY2026 Mid-Year Budget Update

General Fund Summary

Mid-year estimates are relatively stable compared to the original budget.

Revenue: **\$768,000 increase**

- Enrollment rise leads to higher General Ed Aid
- Increased Basic Skills revenue
- Tax revenue lower due to abatements & delinquency
- Special education lower due to proration

Expenditures: **\$293,900 increase**

- Updates for salary settlements, severance projections
- Updates for substitute teachers, utilities, and transportation budgets.
- Expense re-direction among technology levy, LTFM, and operating capital.

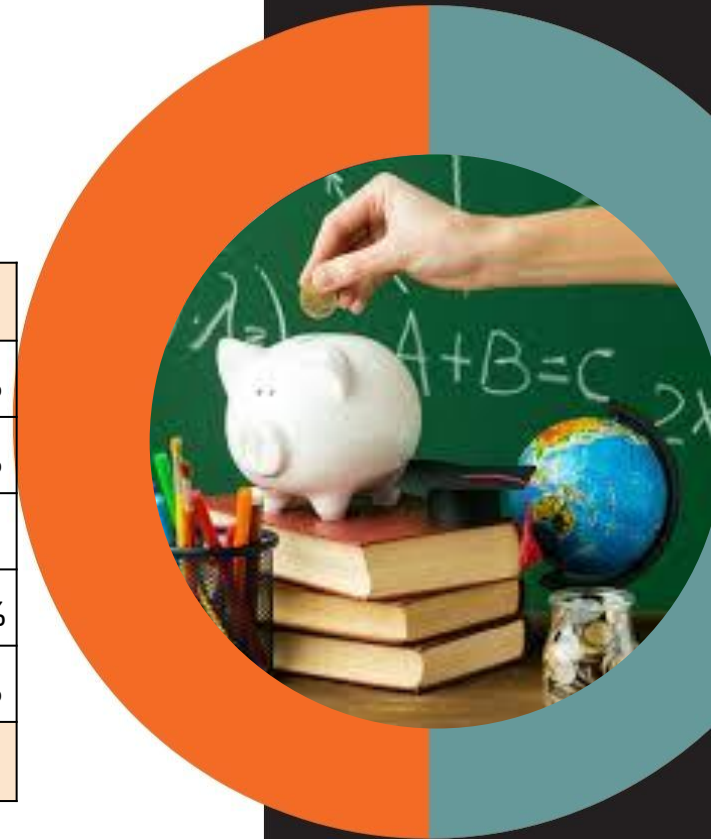
Mid Year Revenue

Revenue Source	FY2026 Mid-Year	FY2026 Original	Budget Change	
Property Taxes	23,412,000	24,006,000	-594,000	-2.47%
State Aid	59,277,000	57,970,000	1,307,000	2.25%
Federal Revenue	2,314,000	2,314,000	0	0.00%
Other	1,136,000	1,081,000	55,000	5.09%
Total	86,139,000	85,371,000	768,000	0.90%



Mid Year Expenditures

Expenditure Category	FY2026 Mid-Year	FY2026 Original	Budget Change	
Salaries	47,756,900	48,231,000	-474,100	-0.98%
Benefits	18,909,000	19,097,000	-188,000	-0.98%
Purchased Services	14,465,000	13,938,932	526,068	3.77%
Supplies/Materials	3,123,000	2,605,653	517,347	19.85%
Equipment/Other	2,222,000	2,309,415	-87,415	-3.79%
Total	86,475,900	86,182,000	293,900	0.34%



General Fund Balance

GENERAL FUND	6/30/2025 Actual Fund Balance	2025-26 Mid-Year Budget Revenue	2025-26 Mid Year Budget Expenditures	6/30/2026 Mid-Year Budget Fund Balance	Original Budget	Budget Change
Unassigned	6,097,099	71,059,000	70,682,880	6,930,797	6,064,099	866,698
TRA/PERA	0	200,000	200,000	0	0	0
Unassigned FB % of expenditures	10.35%			9.81%	9.38%	0.43%
Assigned for Severance Payments	1,076,578	0	0	0	676,578	-676,578
Restricted	3,688,187	14,880,000	15,593,020	3,594,167	3,310,187	283,980
TOTAL GENERAL FUND	10,861,864	86,139,000	86,475,900	10,524,964	10,050,864	474,100



School Board Action

Approve the Mid-Year Fiscal Year 2026 Budget as follows:

- Revenue = \$86,139,000
- Expenditures = \$86,475,900





FY2027 Budget Assumptions

Finance Advisory Committee Recommendations

- 01. Fund Balance Percentage:** above 8% using MDE calculation
- 02. Balanced Budget:** avoids further fund balance erosion
- 03. Per Pupil Funding Formula:** \$7,683
- 04. Student Enrollment:** 4,460 APU K-12
- 05. Student Fees:** increase HS parking to \$200
- 06. District-Wide Fee Structure:** comprehensive review
- 07. Class Sizes:** no change
- 08. Cost Drivers & Cost Containment:** focus on expenditure reduction



School Board Action

Approve the FY2027 FAC recommendations as presented.



Next Steps

01

June 9, 2026

FY2027 Budget Preview

Previewed at the School Board Study Session.

02

June 23, 2026

Final FY2027 Budget Approval

Official approval of the FY2027 budget for all funds at the regular meeting.

