

To: Mr. Andrew Johnson
From: Kelsey Baker, Assistant Superintendent
Date: 5/14/2026
Re: Budget Notes

Please find attached the FY26 proposed budget summary. Please note the following:

- a. The anticipated **Education** fund deficit is **(\$1,686,629)**. Contingency funds have been added for unforeseen issues. Discretionary spending will be closely monitored. (i.e. capital outlay, supplies, purchased services, etc.). This budget includes:
- i. Increased salaries for both certified and non-certified staff. Including Certified contract.
 - 1. In FY25 Fund 10 salaries and benefits were \$20,919,614.
 - 2. In FY26 we are budgeting for \$22,339,828 in salaries and benefits
 - ii. Textbook adoption (\$715,000)
 - iii. Increased operating costs (utilities, food costs, tec)
- If all revenues are realized and all expense line items are spent (at 100%) the estimated ending fund balance would be \$7,813,103 on June 30, 2026.**

- b. The **O&M** fund is estimated to have a deficit of **(\$120,714)**. Contingency funds are built into the budget to cover issues that arise every year. Major items contributing to this fund include:
- i. Staff salary increases
 - ii. Increased operating costs
- The estimated O&M fund balance on June 30, 2026 is \$861,327**

- c. In the **Transportation** Fund, it is estimated the fund will have a surplus of **\$411,953**, which includes the new lease of:
- i. Nine buses
- The Fund balance at the end of the fiscal year is anticipated to be \$4,567,822.**

- d. It is estimated the **Working Cash** fund will show an increase in FY26 of **\$411,717** and ending fund balance of **\$3,409,614**.

Other Funds:

- e. It is estimated the **Bond and Interest** fund will show an decrease in FY26 of **(\$144,641)** causing an estimated ending fund balance of **\$25,966**.
- f. It is estimated the **Municipal Retirement** fund will show a decrease in FY26 of **(\$95,212)** causing an estimated ending fund balance of **\$470,815**. Contributing to the loss is the increase of non-certified staff.
- g. It is estimated the **Tort** fund will show an increase in FY26 of **\$816,309** causing an estimated ending fund balance of **\$1,347,826**.
- h. It is estimated the **HLS** fund will show a gain in FY26 of **\$143,581** causing an estimated ending fund balance of **\$960,367**.

Summary: Looking at all funds, we are planning to end the total budget year with a deficit of **(\$263,636)**. This is almost a balanced budget which is very challenging in a **\$39,722,516** budget. Auditor is predicting our financial rating to be 3.8-4.0 the highest it has ever been.