

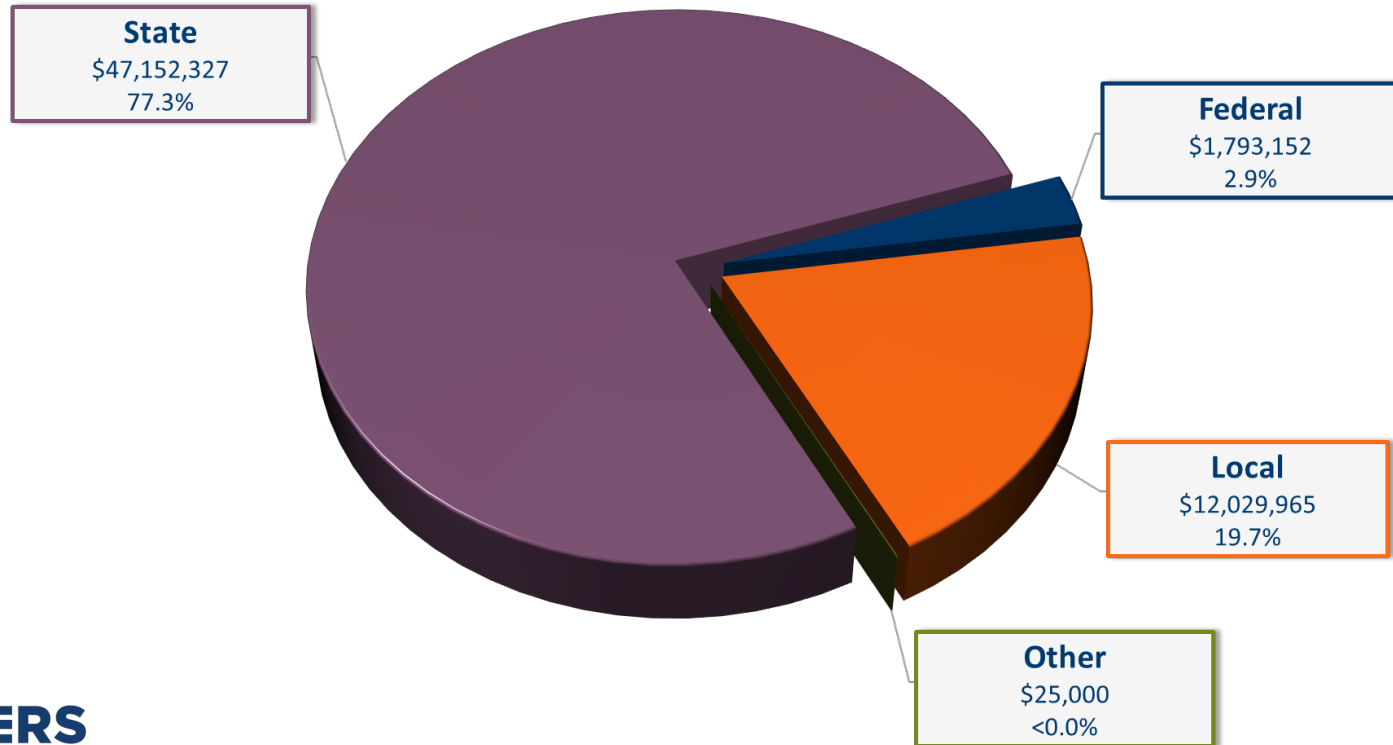


Budget Forecasting & Evaluating Voter Approved Revenue Options

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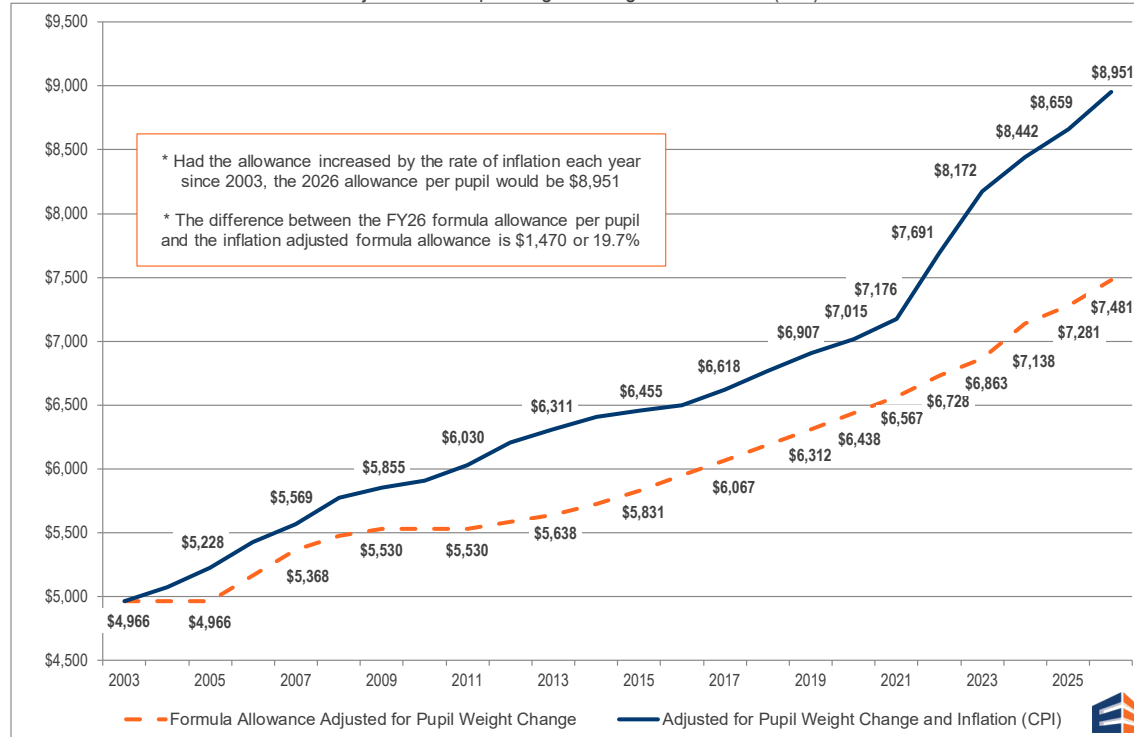
District Funding Allocation



Financial Trends – General Ed Revenue

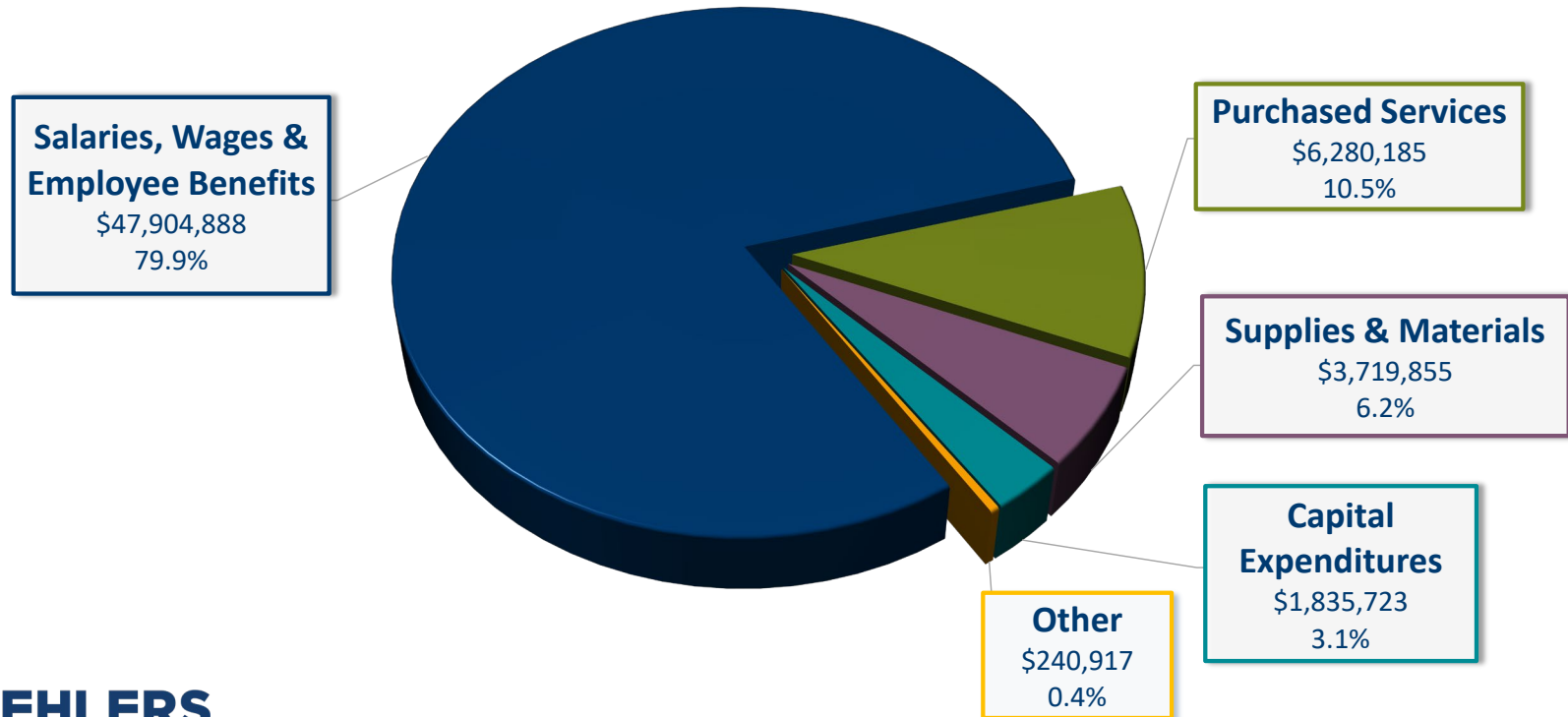
General Education Formula Allowance, 2003-2026

Adjusted for Pupil Weight Change and Inflation (CPI)



Source: MDE December 2024 CPI Inflation Estimates and Minnesota Laws 2023

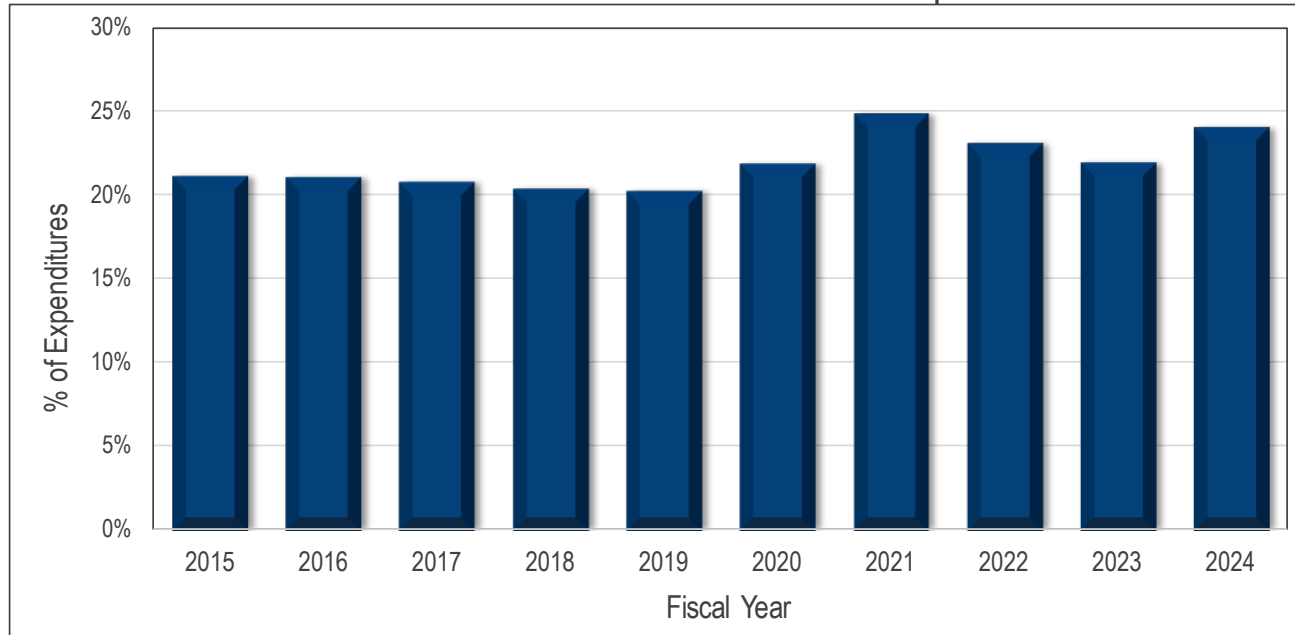
District Expenditures



Statewide Fund Balances

GENERAL FUND

Total Unreserved Fund Balance as a % of Expenditures

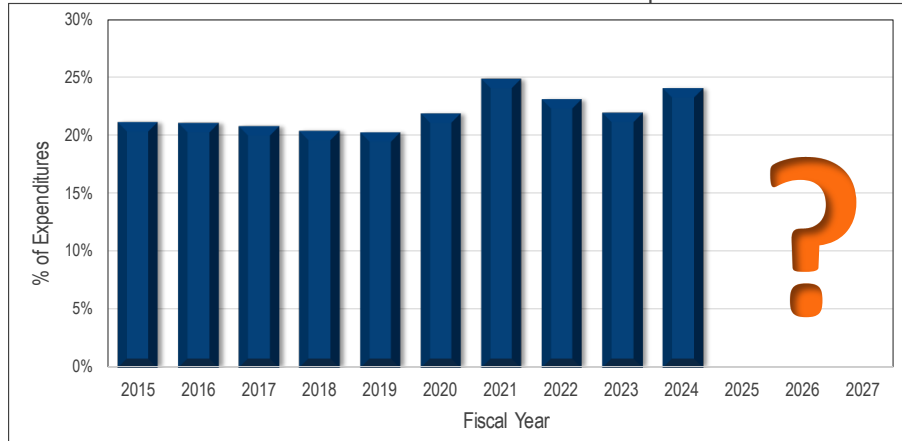


Source: Minnesota Department of Education Financial Trends

Going Forward...

GENERAL FUND

Total Unreserved Fund Balance as a % of Expenditures



Future challenges:

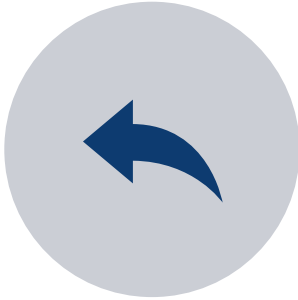
- Legislative changes & increases in funding
- Inflation
- Increased property valuations
- Expiration of ESSER funds
- Challenging enrollment
- Contract settlements



BUDGET FORECASTING

Financial Forecasting

- Fiscal management tool provides estimated data based on financial conditions from:



PAST



CURRENT

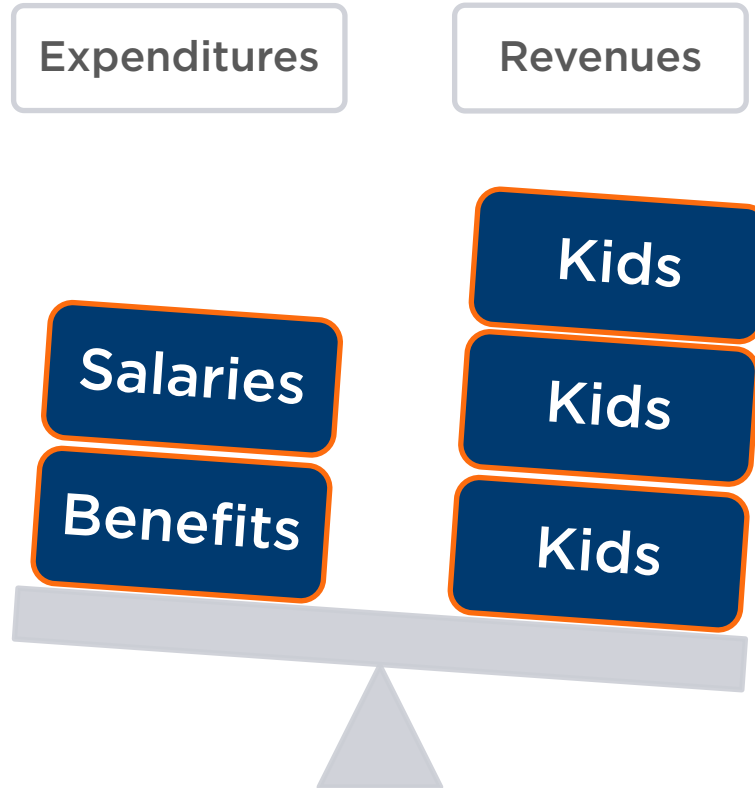


PROJECTED

Financial Forecasting

- Allows for consistency and stability
- Provides sustainability of programs
- Creates framework for addressing needs
- Promotes budget management discipline
- Ensures integrity
- Allows proactive v. reactive decision making
- Discourages unsustainable practices
- Assists with negotiation strategies
- Diminishes “surprises”
- Builds credibility
- Promotes transparency

Balanced Approach



General Fund: Budget Projections

Five Year General Fund Budget Projection Summary

Definitions	Actual 2023-2024	Budget 2024-2025	Projected 2025-2026	% Chg	Projected 2026-2027	% Chg	Projected 2027-2028	% Chg	Projected 2028-2029	% Chg	Projected 2029-2030	% Chg
Revenue	\$14,243,448	\$14,185,628	\$14,862,351	4.8%	\$14,964,049	0.7%	\$15,251,287	1.9%	\$15,449,248	1.3%	\$15,637,490	1.2%
Expenditures	\$14,058,011	\$14,873,976	\$15,295,218	2.8%	\$15,315,218	0.1%	\$15,624,747	2.0%	\$15,937,638	2.0%	\$16,257,857	2.0%
Revenue Over (Under) Expenditures	\$185,437	(\$688,348)	(\$432,867)		(\$351,170)		(\$373,460)		(\$488,390)		(\$620,368)	
Fund Balance	\$4,270,788	\$3,582,440	\$3,149,573		\$2,798,403		\$2,424,943		\$1,936,553		\$1,316,186	
Assigned Fund Balance	\$1,890,817	\$1,197,993	\$927,146		\$872,593		\$875,857		\$878,590		\$885,469	
Unassigned Fund Balance	\$2,379,971	\$2,384,447	\$2,222,427		\$1,925,810		\$1,549,087		\$1,057,963		\$430,716	
Percent Unassigned	16.9%	16.0%	14.5%		12.6%		9.9%		6.6%		2.6%	
Unassigned Target Fund Balance %	15.0%	15.0%	15.0%		15.0%		15.0%		15.0%		15.0%	
Minimum Unassigned Fund Balance	\$2,108,702	\$2,231,096	\$2,294,283		\$2,297,283		\$2,343,712		\$2,390,646		\$2,438,679	
Fund Balance Over (Under) Target	\$271,270	\$153,351	(\$71,856)		(\$371,472)		(\$794,625)		(\$1,332,683)		(\$2,007,962)	



Fund Balance

- General Fund Total Fund Balance
 - ✓ Unassigned
 - ✓ Assigned / Committed Fund Balances
 - ✓ Restricted Fund Balances
 - LTFM fund balance / future revenues
 - Operating capital fund balance / future revenues

General Fund Budget

- If budget is imbalanced (expenditures > revenues), district has two options:
 - ✓ Reduce expenditures
 - ✓ Increase revenues
 - Operating referendum
 - Capital project levy

Voter-Approved Funding



“Levies are for Learning”

- Operating Referendum
- Capital Project Levy



“Bonds are for Building”

- Building Bonds

When Would New Revenue be Available?

November 2025

- Operating Referendum Vote

December 2025

- School Board certifies the levy

Taxes Payable 2026

- 1st year of tax increase

Fiscal Year 2026-27

- 1st year District recognizes additional revenues

Operating Referendum vs Capital Project Levy

	Operating Referendum	Capital Project Levy
Tax Levy Based On	Referendum Market Value	Net Tax Capacity
Funding Source	Tax Levy / State Aid	Tax Levy
Authority	Per Pupil	Tax Rate
Inflationary Factor	Optional / CPI	No / Changes with Tax Base
Maximum Amount	\$2,266 per pupil	No maximum
Allowable Uses	Any Operating Expenditure	Technology / Capital Expenditures
Election Dates	November	Feb, Apr, May, Aug, Nov
Maximum Length	10 years	10 years
School Board Renewal	Yes (one-time)	No

Tax Impacts: OR vs CPL

School District: Hutchinson

Assessment Year 2023 (Taxes Payable 2024) Tax Base by Property Type

	Market Value	Percent of Total	Referendum Market Value*	Percent of Total	Net Tax Capacity**	Percent of Total
Totals	2,780,976,395	100.0%	2,069,795,738	100.0%	27,638,157	100.0%
Residential Homestead	1,485,297,970	53.4%	1,463,658,538	70.7%	14,040,739	50.8%
Other Residential	266,240,950	9.6%	262,860,825	12.7%	2,987,940	10.8%
Commercial / Industrial	265,232,400	9.5%	265,232,400	12.8%	5,001,576	18.1%
Non Qualifying Agricultural	79,430,275	2.9%	77,556,775	3.7%	737,677	2.7%
Qualifying Agriculture	669,712,600	24.1%	-	0.0%	5,010,258	18.1%
Seasonal Recreational	15,062,200	0.5%	487,200	0.0%	152,244	0.6%
TIF & FD					-292,278	-1.1%
			- Operating Referendum - Local Optional Revenue - Equity 33% of Total Levy		All other school taxes including building bonds 67% of Total Levy	

**Totals include TIF and Fiscal Disparities adjustments

Tax Impacts: OR vs CPL

Hutchinson Public Schools, ISD 423		Capital Project Levy	Operating Referendum Revenue	Difference
Taxes Payable 2026 (Revenue Fiscal Year 2026-27)		\$1,000,000	\$1,000,000	\$0
Type of Property	Estimated Market Value	Estimated Annual Tax Impact Taxes Payable in 2026*		
Residential Homestead	\$150,000	\$40	\$70	-\$30
	200,000	59	93	-34
	250,000	78	116	-38
	300,000	97	139	-42
	350,000	116	162	-46
	400,000	135	186	-51
	450,000	153	209	-56
	500,000	172	232	-60
	\$250,000	\$147	\$116	\$31
Commercial/Industrial	500,000	320	232	88
	750,000	493	348	145
	1,000,000	666	464	202
Agricultural Homestead**	\$7,000	\$1.21	\$0	\$1.21
	8,000	1.38	0	1.38
(average value per acre of land & buildings)	9,000	1.56	0	1.56
	10,000	1.73	0	1.73
Agricultural Non-Homestead**	\$7,000	\$2.42	\$0	\$2.42
	8,000	2.77	0	2.77
(average value per acre of land & buildings)	9,000	3.11	0	3.11
	10,000	3.46	0	3.46

Tax Impacts: OR vs CPL

School District: Pine River-Backus

Assessment Year 2023 (Taxes Payable 2024) Tax Base by Property Type

	Market Value	Percent of Total	Referendum Market Value*	Percent of Total	Net Tax Capacity**	Percent of Total
Totals	2,793,863,768	100.0%	1,277,307,257	100.0%	30,015,157	100.0%
Residential Homestead	836,488,307	29.9%	815,249,557	63.8%	8,163,428	27.2%
Other Residential	133,833,317	4.8%	133,452,942	10.4%	1,452,846	4.8%
Commercial / Industrial	236,804,979	8.5%	236,804,979	18.5%	4,595,480	15.3%
Non Qualifying Agricultural	75,097,580	2.7%	73,231,378	5.7%	687,671	2.3%
Qualifying Agriculture	377,599,385	13.5%	-	0.0%	3,081,295	10.3%
Seasonal Recreational	1,134,040,200	40.6%	18,568,400	1.5%	12,037,060	40.1%
TIF & FD					-2,622	0.0%
			- Operating Referendum - Local Optional Revenue - Equity 38% of Total Levy		All other school taxes including building bonds 62% of Total Levy	

**Totals include TIF and Fiscal Disparities adjustments

Tax Impacts: OR vs CPL

Pine River-Backus Public Schools, ISD 2174		Capital Project Levy	Operating Referendum Revenue	Variance
Change in Per Pupil Authority Taxes Payable 2026 (Revenue Fiscal Year 2026-27)		\$896,000	\$1,017.65 \$896,000	\$0
Type of Property	Estimated Market Value	Estimated Annual Tax Impact Taxes Payable in 2026*		
Residential	\$100,000	\$17	\$68	\$51
	150,000	32	102	70
	200,000	47	137	90
	250,000	62	171	109
	300,000	76	205	129
	350,000	91	239	148
Commercial/ Industrial	400,000	106	273	167
	500,000	136	342	206
	\$100,000	\$41	\$68	\$27
	250,000	116	171	55
Agricultural Homestead** (average value per acre of land & buildings)	500,000	252	342	90
	1,000,000	524	683	159
	\$2,000	\$0.27	\$0	-\$0.27
	3,000	0.41	0	-0.41
Agricultural Non-Homestead** (average value per acre of land & buildings)	4,000	0.54	0	-0.54
	5,000	0.68	0	-0.68
	\$2,000	\$0.54	\$0	-\$0.54
	3,000	0.82	0	-0.82
Seasonal Recreational Residential	4,000	1.09	0	-1.09
	5,000	1.36	0	-1.36
	\$100,000	\$27	\$0	-\$27
	200,000	54	0	-54
Residential	300,000	82	0	-82
	400,000	109	0	-109
	500,000	136	0	-136

General Fund: Budget Projections with New Operating Referendum

Five Year General Fund Budget Projection Summary

Definitions	Actual 2023-2024	Budget 2024-2025	Projected 2025-2026	% Chg	Projected 2026-2027	% Chg	Projected 2027-2028	% Chg	Projected 2028-2029	% Chg	Projected 2029-2030	% Chg
Revenue	\$14,243,448	\$14,185,628	\$14,862,351	4.8%	\$15,236,870	2.5%	\$15,533,035	1.9%	\$15,737,382	1.3%	\$15,931,561	1.2%
Expenditures	\$14,058,011	\$14,873,976	\$15,295,218	2.8%	\$15,315,218	0.1%	\$15,624,747	2.0%	\$15,937,638	2.0%	\$16,257,857	2.0%
Revenue Over (Under) Expenditures	\$185,437	(\$688,348)	(\$432,867)		(\$78,349)		(\$91,712)		(\$200,257)		(\$326,296)	
Fund Balance	\$4,270,788	\$3,582,440	\$3,149,573		\$3,071,224		\$2,979,512		\$2,779,256		\$2,452,959	
Assigned Fund Balance	\$1,890,817	\$1,197,993	\$927,146		\$872,593		\$875,857		\$878,590		\$885,469	
Unassigned Fund Balance	\$2,379,971	\$2,384,447	\$2,222,427		\$2,198,631		\$2,103,656		\$1,900,665		\$1,567,490	
Percent Unassigned	16.9%	16.0%	14.5%		14.4%		13.5%		11.9%		9.6%	
Unassigned Target Fund Balance %	15.0%	15.0%	15.0%		15.0%		15.0%		15.0%		15.0%	
Minimum Unassigned Fund Balance	\$2,108,702	\$2,231,096	\$2,294,283		\$2,297,283		\$2,343,712		\$2,390,646		\$2,438,679	
Fund Balance Over (Under) Target	\$271,270	\$153,351	(\$71,856)		(\$98,652)		(\$240,056)		(\$489,980)		(\$871,189)	

	Actual 2023-2024	Budget 2024-2025	Projected 2025-2026	% Chg	Projected 2026-2027	% Chg	Projected 2027-2028	% Chg	Projected 2028-2029	% Chg	Projected 2029-2030	% Chg
Basic Funding Formula	\$7,138	\$7,281	\$7,456	2.4%	\$7,631	2.4%	\$7,790	2.1%	\$7,972	2.3%	\$8,150	2.2%
Operating Referendum	\$200	\$200	\$200	0.0%	\$450	125.0%	\$455	1.2%	\$461	1.3%	\$467	1.3%
Total Adj Pupil Units	1,169	1,158	1,151	-0.6%	1,142	-0.8%	1,155	1.2%	1,154	-0.1%	1,152	-0.2%
Per Pupil Revenue	\$12,179	\$12,247	\$12,914	5.4%	\$13,348	3.4%	\$13,452	0.8%	\$13,637	1.4%	\$13,828	1.4%
Per Pupil Expenditures	\$12,021	\$12,842	\$13,290	3.5%	\$13,417	1.0%	\$13,531	0.9%	\$13,811	2.1%	\$14,112	2.2%

General Fund: Review

FY 2024-25 - Budget to Actual Comparison
Month Ended August 30, 2024

SUMMARY BY SOURCE, OBJECT
SERIES & PROGRAM SERIES

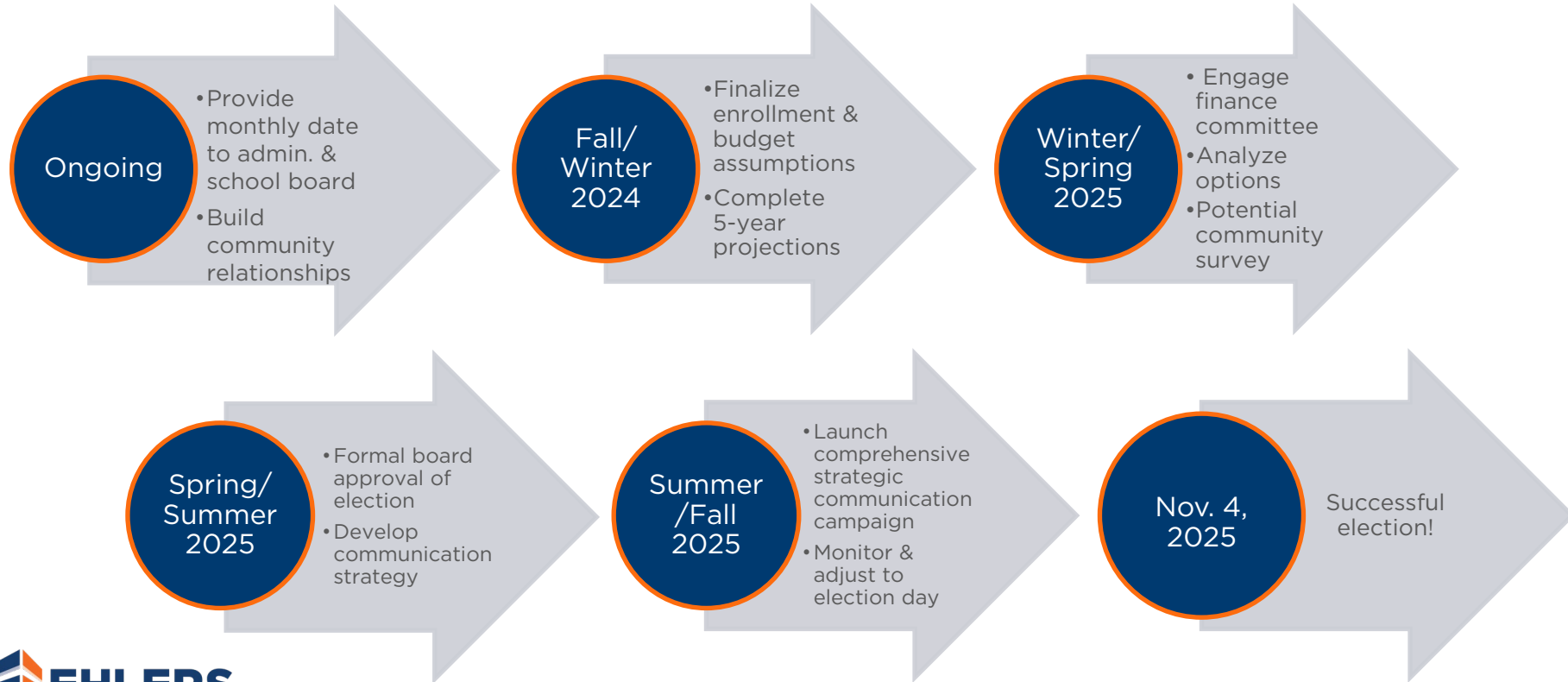
August 30, 2024

GENERAL FUND DETAILED

							August 30, 2024	August 30, 2023	August 30, 2022
REVENUE							% of Budget Received	% of Actuals Received	% of Actuals Received
REVENUE CATEGORIES	June 30, 2023	June 30, 2024	Adopted Budget	Revised Budget	Received YTD	Budget Remaining			
Property Tax	\$ 1,319,448	\$ 1,327,708	\$ 1,377,230	\$ -	\$ 278,923	\$ 1,098,307	20.25%	0.00%	37.47%
Local Revenue (Fees, Interest, Etc.)	\$ 854,678	\$ 1,016,132	\$ 732,910	\$ -	\$ 87,063	645,847	11.88%	6.94%	7.58%
State Revenue	\$ 8,822,930	\$ 9,622,420	\$ 9,214,640	\$ -	\$ 386,633	8,828,007	4.20%	5.15%	14.71%
Federal Revenue	\$ 421,612	\$ 266,045	\$ 67,570	\$ -	\$ -	67,570	0.00%	0.00%	11.52%
Other Revenue	\$ 56,815	\$ 53,534	\$ 65,350	\$ -	\$ (1,520)	66,870	-2.33%	0.46%	5.76%
TOTAL REVENUE	\$ 11,475,483	\$ 12,285,840	\$ 11,457,700	\$ -	\$ 751,098	\$ 10,706,602	6.56%	4.61%	16.64%

							August 30, 2024	August 30, 2023	August 30, 2022
EXPENDITURES							% of Budget Expended	% of Actuals Expended	% of Actuals Expended
OBJECT SERIES	June 30, 2023	June 30, 2024	Adopted Budget	Revised Budget	Expended YTD	Budget Remaining			
Salary & Wages	\$ 6,254,216	\$ 6,441,277	\$ 6,475,810	\$ -	\$ 215,293	\$ 6,260,517	3.32%	3.16%	3.30%
Employee Benefits	\$ 1,802,962	\$ 1,868,623	\$ 1,966,620	\$ -	\$ 84,384	1,882,236	4.29%	4.45%	4.62%
Purchased Services	\$ 2,152,028	\$ 2,175,646	\$ 2,198,530	\$ -	\$ 231,214	1,967,316	10.52%	13.15%	11.01%
Supplies & Materials	\$ 757,214	\$ 733,791	\$ 772,830	\$ -	\$ 140,320	632,510	18.16%	26.36%	19.77%
Capital Expenditures	\$ 301,581	\$ 422,823	\$ 294,040	\$ -	\$ 37,887	256,153	12.89%	8.61%	12.17%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	0	0.00%	0.00%	0.00%
Other Expenditures	\$ 106,303	\$ 105,635	\$ 44,040	\$ -	\$ 14,015	30,025	31.82%	14.48%	13.55%
Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	0	0.00%	0.00%	0.00%
TOTAL OBJECT SERIES	\$ 11,374,304	\$ 11,747,795	\$ 11,751,870	\$ -	\$ 723,113	\$ 11,028,757	6.15%	6.96%	6.40%

November 4, 2025 - Election Timeline





Important Disclosures

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