2025-26 Reserve Funds Analysis

Enhanced Reporting

Managing Year-End Surplus

Maintain Unrestricted Fund Balance

- Up to the statutory 4% limit
- Provides fiscal stability and protects against unforeseen expenditures

Fund Legally Authorized Reserves

- Direct surplus toward identified future liabilities and capital needs

Use Surplus for One-Time Expenditures

- Capital improvements

Reduce Future Tax Levy Requirements

- Apply available surplus to offset the following year's tax levy

Actual 2025-26 Results

$8.3M Surplus

The District generated approximately $8.3 Million in operating surplus in the 2025-26 fiscal year.

Reserve Strategy

Fund operating reserves so overall balance is not declining, transferring remaining balance to Capital Reserve.

Proposed Allocations

- **$3.21M** to ERS Reserve
- **$5.06M** to 2023 Capital Reserve

Financial Stability

Operating reserves increase from **$25.5M** to **$26.9M**.

Demonstrating continued stability

Looking Ahead

Board Motion & Closeout

Board accepts the motion authorizing these transfers to the named reserves and closes the books for the 2025-26 fiscal year.

Annual Audit Presentation

The auditing firm of R.S. Abrams will present the completed annual report and opinion to the Board of Education on October 16, 2026.

Capital Proposition

Transfer to 2023 Capital Reserve enables a May 2027 Expenditure Proposition for voters, continuing funding for our 5-Year Capital Plan.

Questions?