PMA Securities part of:
PTMA FINANCIAL SOLUTIONS

DAWSON-BOYD PUBLIC SCHOOLS

REFERENDUM BACKGROUND

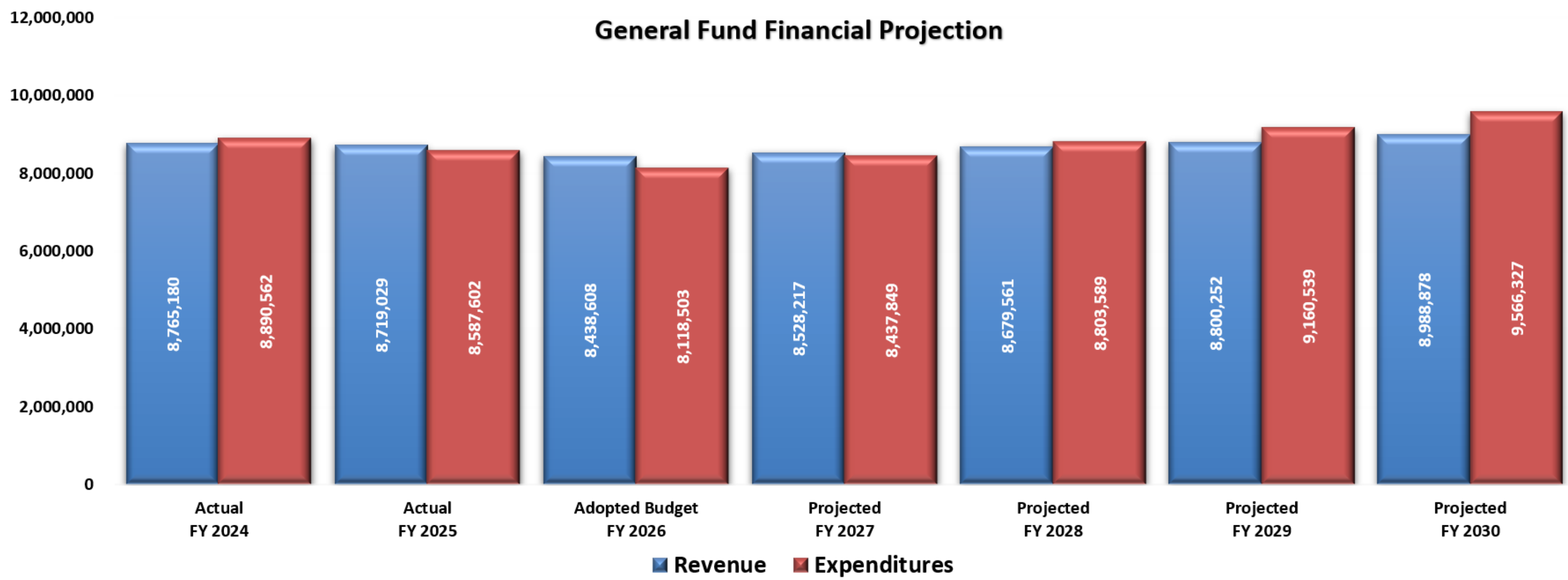
DAWSON-BOYD
BLACKJACKS
Small School. Big Opportunities.

July 13, 2026

PTMA FINANCIAL SOLUTIONS

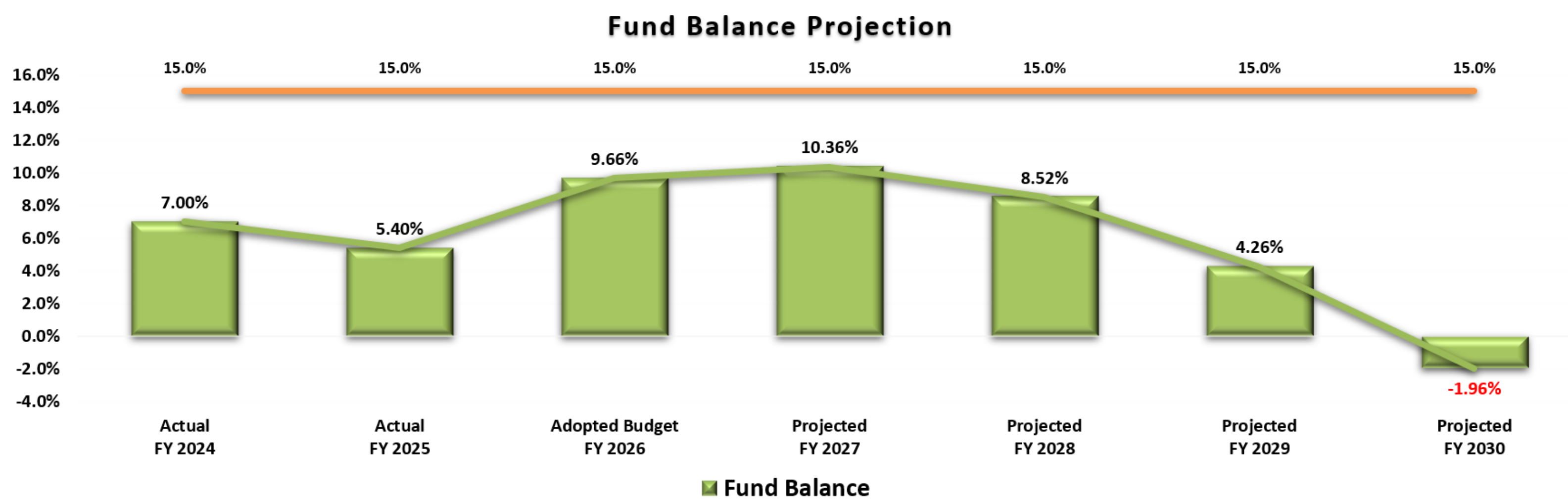
ISD 378
FINANCIAL PROJECTIONS

Financial Projections



- Expenditures grow faster than revenues over time
- Recent budget reductions have created small surpluses in FY 2025 and FY 2026 but these will not be sustained in future years

Fund Balance Policy



- School board policy that reserves funds equal at least 15% of annual expenditures

- Not currently meeting this target

- Fund Balance necessary as funds are not received evenly through the year and provides buffer for future uncertainties

- Current policy in line with recommendations from GFOA

Balancing the Budget

Revenues

- State revenue increases already built into forecast.
- Additional revenue options require voter approval to increase property taxes

Expenditures

- 80% of expenses in general funds are people
- Many other costs not discretionary
  - Utilities, Fuel, Insurance, state and federal mandates

Balancing the Budget

- Budget Reductions
  - Reduced programming
  - Larger class sizes

Potential impacts on enrollment?

- Additional Revenue
  - Operating Referendum
  - Capital Projects Levy

Create tax impacts

OPERATING REFERENDUM

Statewide Operating Referendum

FY 2027

- 329 public school districts
  - 73% with voter approved referendum
  - 27% without voter approved referendum

- State Median Referendum = $635
- Metro Median Referendum = $1,893
  - Only 4 districts out of 57 in seven county metro do not have an operating referendum

2021 Operating Referendum Authority

November 2, 2021
SCHOOL DISTRICT QUESTION 1 (ISD #378)

Approval of New School District Referendum Revenue Authorization
The board of Independent School District No. 378 (Dawson-Boyd), Minnesota has proposed to increase the School District's general education revenue to $460 per pupil, which is $190.46 per pupil over the existing referendum levy authorization of $269.54 per pupil that is scheduled to expire after taxes payable in 2021. The proposed new referendum revenue authorization would be levied in 2021 for taxes payable in 2022 and applicable for ten (10) years unless otherwise revoked or reduced as provided by law. Shall the increase in the general education revenue proposed by the board of Independent School District No. 378 (Dawson-Boyd), Minnesota be approved? BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE

- Results
  - 381 Yes (72%)
  - 149 No (28%)
- Expires after taxes payable in 2031

Current Operating Referendum (Pay 2026 / FY 2027)

$460 per Pupil

X

640.20 Adjusted Pupil Units

=

$294,492

Current Referendum Revenue prior to adjustments for taxes payable in 2026 for Fiscal Year 2027

2024 Operating Referendum Question

November 5, 2024
SCHOOL DISTRICT QUESTION 1 (ISD #378)

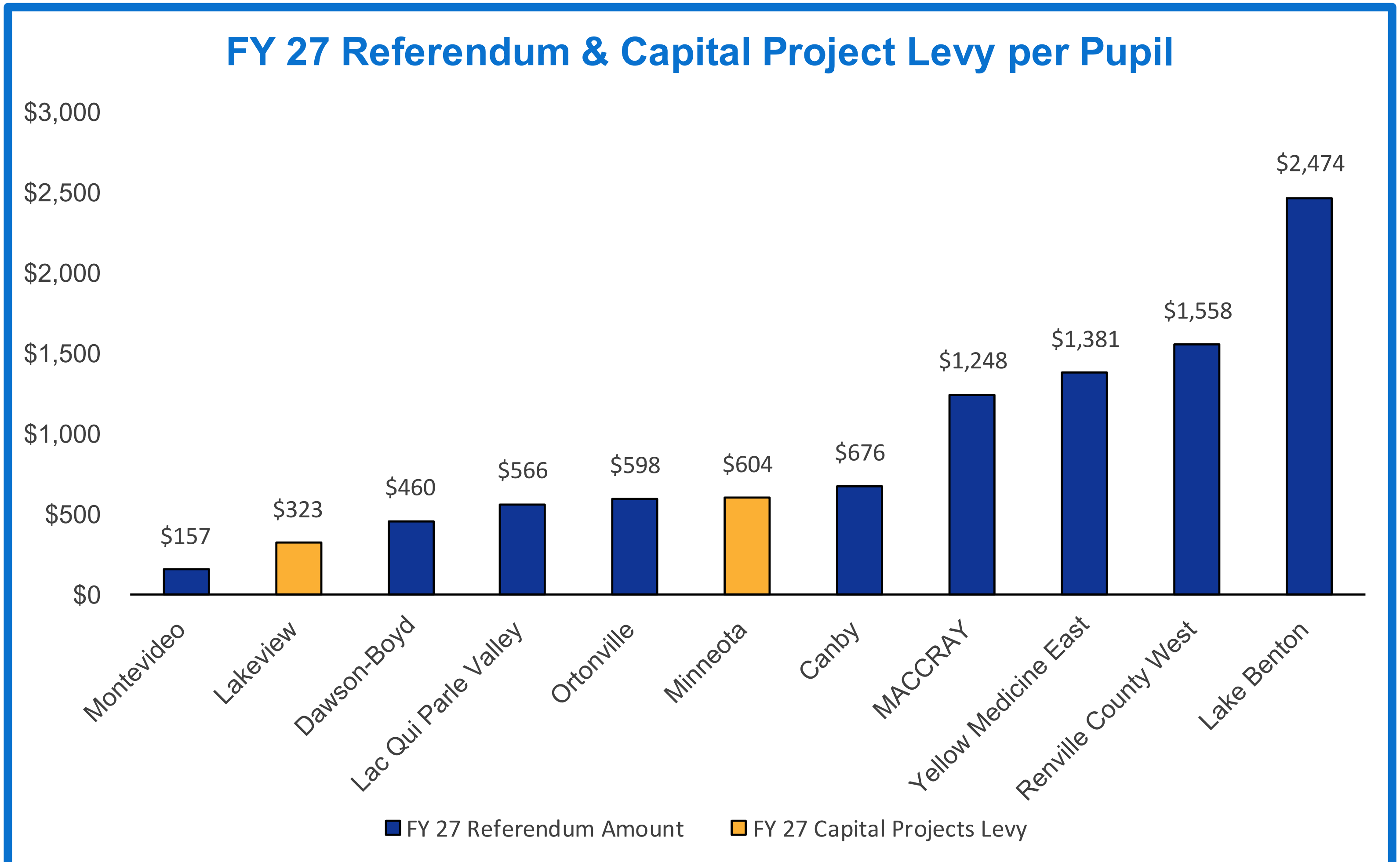
Revoking Existing Referendum Revenue Authorization; Approving New Authorization
The board of Independent School District No. 378 (Dawson-Boyd), Minnesota has proposed to revoke the School District's existing referendum revenue authorization of $460 per pupil and replace that authorization with a new authorization of $1500 per pupil, subject to an annual increase at the rate of inflation. The proposed new referendum revenue authorization would be first levied in 2024 for taxes payable in 2025 and applicable for ten (10) years unless otherwise revoked or reduced as provided by law. Shall the revocation of the existing referendum authorization and the new authorization proposed by the Board of Independent School District No. 378 (Dawson-Boyd), Minnesota be approved? BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE

- Results
  - 525 Yes (33%)
  - 1,037 No (67%)
- Expires after taxes payable in 2031

Failed 2024 Referendum

- $600,000 projected revenue increase annually
- $403 projected tax increase for $150,000 home

Operating Referendum & Capital Projects Levy Comparison FY 2027



Data sourced from Minnesota Department of Education

Operating Referendum Question

- May include inflationary increase
- May have more than one defined increase/decrease built into question(s)
- 10-year limit
- Implementation can be delayed one year
- One or multiple questions on the same ballot
- Election held in November except if using mail in ballot or District in SOD

Process/Timeline

Winter/Spring	Summer	Mid August	November
Review financial information and scenarios to determine right path	Select best operating referendum question(s)	Final Date for board to call for election	Election Day

- For question in November 2026, tax levy begins with taxes payable in 2027
- New revenue realized by school district for FY 2028

OPERATING REFERENDUM OPTIONS

Operating Referendum Tax Impacts

ISD 378, Dawson-Boyd Public Schools

OPERATING REFERENDUM & EQUITY REVENUES

Date: 6/29/2026

	Scenario A		Scenario B		Scenario C		Scenario D		Scenario E	
New Total Referendum	$950		$1,100		$1,200		$1,300		$1,400	
Referendum Increase	$490		$640		$740		$840		$940	
Revenue Increase*	**$300,958**		**$393,091**		**$454,510**		**$515,929**		**$577,348**	
	Estimated Tax Impact - Based on Referendum Levy Changes Only									
Referendum Market Value	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly
$50,000	$65	$5	$85	$7	$99	$8	$112	$9	$125	$10
$75,000	$98	$8	$128	$11	$148	$12	$168	$14	$188	$16
$100,000	$131	$11	$171	$14	$197	$16	$224	$19	$251	$21
$125,000	$163	$14	$214	$18	$247	$21	$280	$23	$314	$26
$150,000	$196	$16	$256	$21	$296	$25	$336	$28	$376	$31
$200,000	$262	$22	$342	$28	$395	$33	$448	$37	$502	$42
$250,000	$327	$27	$427	$36	$494	$41	$560	$47	$627	$52
$300,000	$392	$33	$512	$43	$592	$49	$673	$56	$753	$63
$400,000	$523	$44	$683	$57	$790	$66	$897	$75	$1,003	$84
$500,000	$654	$54	$854	$71	$987	$82	$1,121	$93	$1,254	$105

*Additional Revenue is based on changes to the operating referendum and equity revenues.

*Assumes APU of 640.2

- Note: Agricultural property only pays tax based on the value of the house garage and first acre of land. All other land and buildings are exempt.

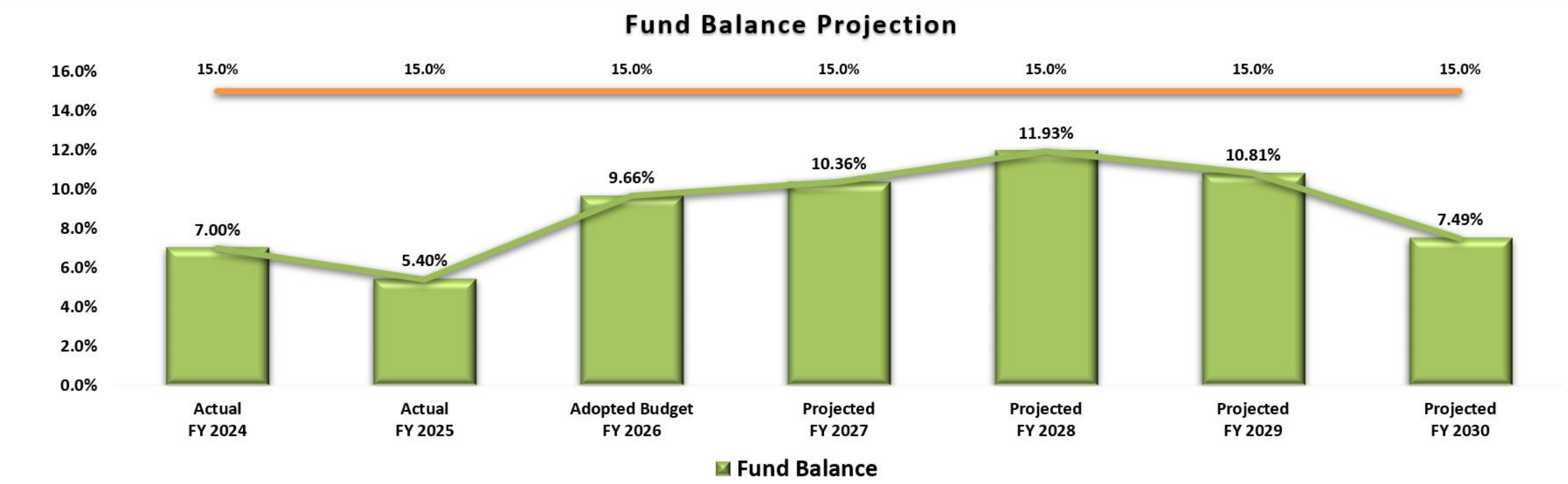
$950 per pupil - $300K new revenue

- $16 per month on $150,000 property

Dawson-Boyd Public School - ISD #378

Five-Year Financial Projection - General Fund

Categories	Actual FY 2024	Actual FY 2025	% Chg	Adopted Budget FY 2026	% Chg	Projected FY 2027	% Chg	Projected FY 2028	% Chg	Projected FY 2029	% Chg	Projected FY 2030	% Chg
Revenue	8,765,180	8,719,029	-0.5%	8,438,608	-3.2%	8,528,217	1.1%	8,979,561	5.3%	9,100,252	1.3%	9,293,126	2.1%
Expenditures	8,890,562	8,587,602	-3.4%	8,118,503	-5.5%	8,437,849	3.9%	8,803,589	4.3%	9,160,539	4.1%	9,566,327	4.4%
Difference over/(under)	(125,382)	131,427		320,105		90,368		175,973		(60,287)		(273,201)	
Assigned/Unassigned Fund Balance	621,947	463,753		783,858		874,226		1,050,199		989,912		716,711	
Fund Balance %	**7.0%**	**5.4%**		**9.66%**		**10.36%**		**11.93%**		**10.81%**		**7.49%**	



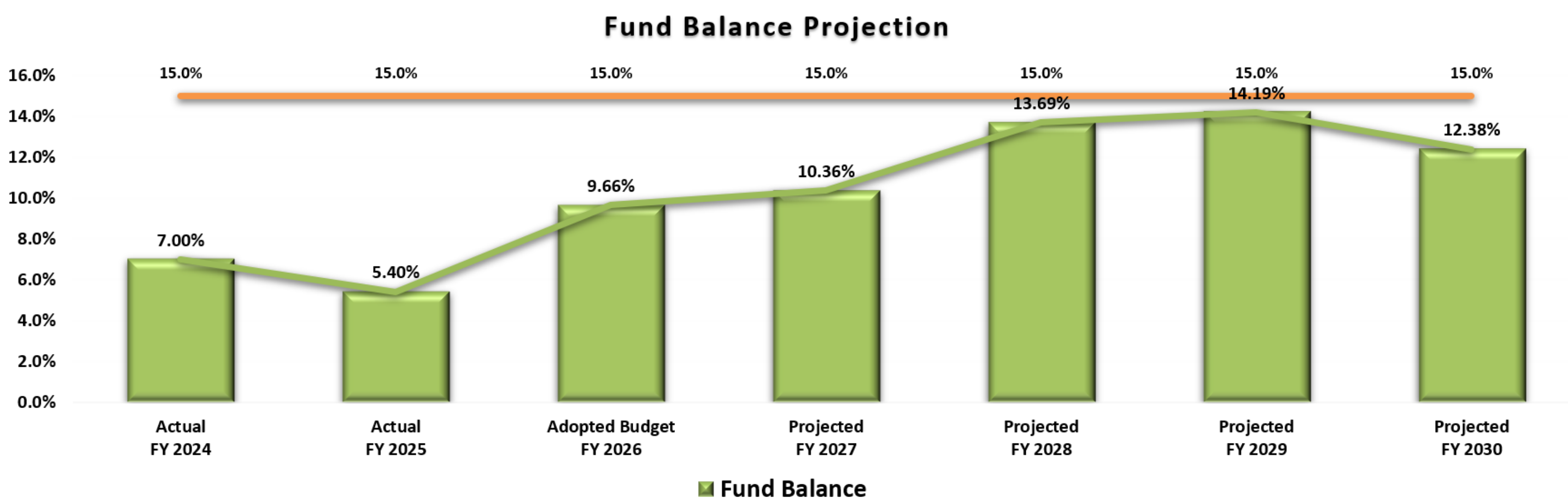
$1,200 per pupil - $455K new revenue

- $25 per month on $150,000 property

Dawson-Boyd Public School - ISD #378

Five-Year Financial Projection - General Fund

Categories	Actual FY 2024	Actual FY 2025	% Chg	Adopted Budget FY 2026	% Chg	Projected FY 2027	% Chg	Projected FY 2028	% Chg	Projected FY 2029	% Chg	Projected FY 2030	% Chg
Revenue	8,765,180	8,719,029	-0.5%	8,438,608	-3.2%	8,528,217	1.1%	9,134,561	7.1%	9,255,252	1.3%	9,450,321	2.1%
Expenditures	8,890,562	8,587,602	-3.4%	8,118,503	-5.5%	8,437,849	3.9%	8,803,589	4.3%	9,160,539	4.1%	9,566,327	4.4%
Difference over/(under)	(125,382)	131,427		320,105		90,368		330,973		94,713		(116,006)	
Assigned/Unassigned Fund Balance	621,947	463,753		783,858		874,226		1,205,199		1,299,912		1,183,906	
Fund Balance %	**7.0%**	**5.4%**		**9.66%**		**10.36%**		**13.69%**		**14.19%**		**12.38%**	



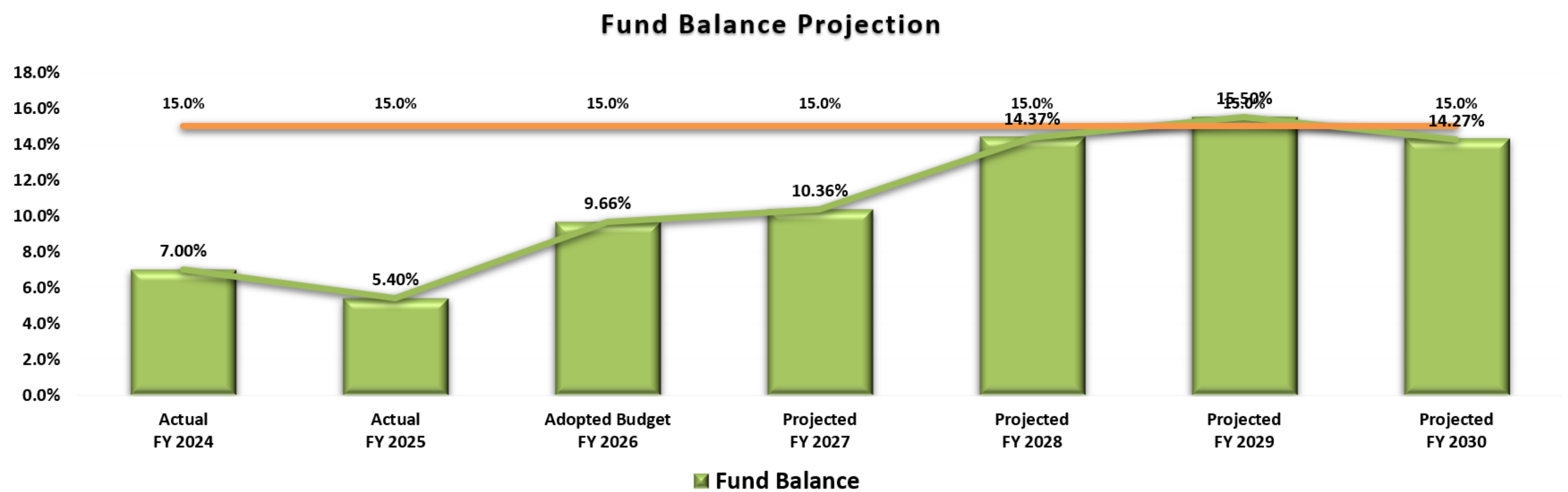
$1,300 per pupil - $515K new revenue

- $28 per month on $150,000 property

Dawson-Boyd Public School - ISD #378

Five-Year Financial Projection - General Fund

Categories	Actual FY 2024	Actual FY 2025	% Chg	Adopted Budget FY 2026	% Chg	Projected FY 2027	% Chg	Projected FY 2028	% Chg	Projected FY 2029	% Chg	Projected FY 2030	% Chg
Revenue	8,765,180	8,719,029	-0.5%	8,438,608	-3.2%	8,528,217	1.1%	9,194,561	7.8%	9,315,252	1.3%	9,511,171	2.1%
Expenditures	8,890,562	8,587,602	-3.4%	8,118,503	-5.5%	8,437,849	3.9%	8,803,589	4.3%	9,160,539	4.1%	9,566,327	4.4%
Difference over/(under)	(125,382)	131,427		320,105		90,368		390,973		154,713		(55,156)	
Assigned/Unassigned Fund Balance	621,947	463,753		783,858		874,226		1,265,199		1,419,912		1,364,756	
Fund Balance %	**7.0%**	**5.4%**		**9.66%**		**10.36%**		**14.37%**		**15.50%**		**14.27%**	



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