

# 2022

## Financial Forecast

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Independent School District 877  
Buffalo-Hanover-Montrose  
Business Office

# 2022 Financial Forecast

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- General Fund only
- Revised budgets for 2021-22
- Projected fund balances for 2021-22
- Enrollment assumptions
- Revenue assumptions
- Expenditure assumptions
- Fund balance assumptions
- Forecast scenarios

# General Fund Definition

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- General Fund – fund 01
- Capital Outlay – fund 05
- Student Activities – fund 09
- Student Activities – fund 51

# General Fund Revenues 2021-2022

- 1<sup>st</sup> Budget Revision

Revenues				
2021-22	Original Budget	1st revised Budget	\$ Change	Adjustment
<b>Local Property Taxes</b>	12,223,346	12,186,210	<b>(37,136)</b>	Miscellaneous tax adjustments
<b>State Sources</b>	55,133,493	54,967,347	<b>(166,146)</b>	Revised pupil units, special ed aid, and aid entitlement adjustments
<b>Federal Sources</b>	2,313,419	2,497,712	<b>184,293</b>	Revised entitlements + FPRF Funding
<b>Other</b>	2,201,914	2,101,953	<b>(99,961)</b>	Revised Tuition from other Districts
<b>Total</b>	<b>71,872,172</b>	<b>71,753,222</b>	<b>(118,950)</b>	



# General Fund Expenditures 2021-2022

- 1<sup>st</sup> Budget Revision

Expenditures				
2021-22	Original Budget	1st revised Budget	\$ Change	Adjustment
Salaries	39,773,468	39,531,877	(241,591)	Revised salary projections
Employee Benefits	15,704,961	15,656,492	(48,469)	Revised benefits projections and revised cobra/retiree insurance contributions
Purchased Serv.	11,110,270	11,110,270	-	
Supplies	2,587,606	2,587,606	-	
Capital Outlay	2,834,662	2,834,662	-	
Other	636,988	636,988	-	
Total	72,647,955	72,357,895	(290,060)	

# General Fund Balances 2021-2022

- 1<sup>st</sup> Budget Revision

Category	Ending Balance 06/30/2020	Projected Ending Balance 06/30/2021	Audited Ending Balance 06/30/2021	2020-21 Fund Balance Change	2021-22 Original Ending Balance 6/30/21	2021-22 Original Projected Change	2021-22 1st Revision Projected Change	Difference Revision vs. Original	Projected Ending Balance 06/30/2022
Designated	1,208,745	1,537,506	2,033,046	495,540	1,756,788	219,282	50,897	(168,385)	<b>2,083,943</b>
Comitted or Assigned	6,148,829	5,636,460	5,380,109	(256,351)	5,039,104	(597,356)	(546,065)	51,291	<b>4,834,044</b>
Unassigned	<b>8,409,807</b>	<b>10,033,048</b>	<b>10,620,905</b>	<b>587,857</b>	<b>9,635,339</b>	<b>(397,709)</b>	<b>(109,505)</b>	<b>288,204</b>	<b>10,511,400</b>
Total	15,767,381	17,207,014	18,034,060	827,046	16,431,231	(775,783)	(604,673)	171,110	<b>17,429,387</b>
Unassigned %	<b>12.48%</b>	<b>13.84%</b>	<b>15.00%</b>	<b>1.16%</b>	<b>13.84%</b>	<b>0.00%</b>	<b>-0.47%</b>	<b>-0.47%</b>	<b>14.53%</b>

# Enrollment Assumptions

- Revised for the financial forecast – tuition & early exit

Grade Level	2022-23	2023-24	2024-25	2025-26
<b>Pre-K</b>	61	61	61	61
<b>K</b>	372	431	427	418
<b>Gr.1-5</b>	1,913	1,851	1,824	1804
<b>Gr.6-8</b>	1,143	1,128	1,170	1186
<b>Gr. 9-12</b>	1,861	1,840	1,723	1605
<b>Budget Total</b>	<b>5,350</b>	<b>5,311</b>	<b>5,205</b>	<b>5,074</b>
<b>Projection for Served K-12</b>	<b>5,219</b>	<b>5,122</b>	<b>5,018</b>	<b>4,889</b>



# Revenue Assumptions

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- General Education Aid - Base includes 2% in 2022-23 and 1% for remaining years
- Includes \$750 per pupil operating referendum for 2022-23 through 2023-24 - no inflation factor - ends FY 2024-25
- Special Education aid – 1.5% increase each year of forecast
- Qcomp (PPD) in all years – Expenditures reduced to match revenue
- Non-CARES act federal funds remain the same-MESI STEAM grant ends after 2022-23
- Federal Pandemic Relief funds will increase and be part of the budget through 2022-23



# Expenditure Assumptions

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- Base plan includes 2019-20 staffing ratios applied to student enrollment for all years of the forecast
- Supt. contingency of 2.95 FTE positions and Special Ed contingency of 1.0 FTE positions
- Salary and benefit increases based on expected market conditions and comparable settlements
- Non-salary, non-benefit costs 0%-3%
- Qcomp (PPD) reduced to match revenue for all years
- LTFM expenditures to match revenue except for \$100,000 annual set aside for field turf

# Fund Balance Assumptions

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- District's undesignated, unreserved fund balance policy is 8-12% of General Fund expenditures
- Maintaining expenditures will result in quick depletion of the assigned fund balance by 2023-24
- Committed severance balance set to match actuarial estimates for all years
- After the passage of the referendum of 2019, plan was to build fund balance and spend down through the five years of the ballot question through 2024-25

# Other Factors That Could Impact the Forecast

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- Enrollment due to COVID19 pandemic
  - Will our student body stabilize?
- Federal Pandemic Relief Funds will be utilized through 2023-24



## Base Scenario

General Education Formula changes:  
2%, 1% ongoing

	2021-22	2022-23	2023-24	2024-25	2025-26
	\$6,728	\$6,863	\$6,932	\$7,001	\$7,071
Revenue	\$71,753,222	\$71,191,346	\$71,472,064	\$70,615,229	\$69,891,037
Expenditures	(\$72,357,895)	(\$73,565,375)	(\$75,500,366)	(\$76,701,448)	(\$78,508,050)
Enrollment change		9.00	(99.00)	(106.00)	(131.00)
Staffing change		0	0	0	0
Fund Balance-Unassigned	\$ 10,511,400	\$ 7,494,764	\$ 3,016,083	\$ (3,684,694)	\$ (13,165,319)
Change in fund Balance		\$ (3,016,636)	\$ (4,478,681)	\$ (6,700,777)	\$ (9,480,625)
Fund Balance %	14.53%	10.19%	3.99%	-4.80%	-16.77%

# Forecast Summary

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- Fund balance will need to be watched closely as student counts continue in declining pattern
- We will need to continue to be cost conscious
- We will continue to spend down the assigned fund balance for technology in 2021-22 with our final year being 2023-24
- PPD will need to be reviewed to align expenditures with revenues for 2021-22 and beyond
- We will likely need to look at budget modifications for 2022-23 or 2023-24