

# 2017 Financial Forecast

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Independent School District 877  
Buffalo-Hanover-Montrose  
Business Office



# 2017 Financial Forecast

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- General Fund only
- Revised budgets for 2016-17
- Projected fund balances for 2016-17
- Enrollment assumptions
- Staffing 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



# General Fund Revenues 2016-2017

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

2016-17	Original Budget	1ST REVISED Budget	\$ Change	Adjustment
Local Property Taxes	6,044,687	6,024,361	(20,326)	County apportionment adjustment and misc. tax adjustments
State Sources	50,726,388	52,307,133	1,580,745	TRA in-kind contribution, revised pupil units, revised special ed aid, and increased telecom equity aid
Federal Sources	1,551,915	1,551,915	-	Federal aid
Other	1,807,680	1,950,947	143,267	Fund 9 revisions, increased interest earnings, and other miscellaneous revenue adjustments
Total	60,130,670	61,834,356	1,703,686	





# General Fund Expenditures 2016-2017

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

2016-17	Original Budget	1ST REVISED Budget	\$ Change	Adjustment
Salaries	36,268,717	35,969,270	(299,447)	Rev. salary projections and known contract settlements
Employee Benefits	12,893,279	13,558,486	665,207	Revised benefits projections, contract settlements, and TRA in-kind contribution
Purchased Serv.	9,161,659	9,404,497	242,838	Revised tuition, lease, finance software, and transportation expense
Supplies	2,292,979	2,388,443	95,464	Fund 9 revisions
Capital Outlay	1,442,810	1,429,960	(12,850)	Fund 9 revisions
Other	413,073	467,587	54,514	Fund 9 revisions, tuition expense re-code, ACA fees reduction
Total	62,472,517	63,218,243	745,726	



# General Fund Balances 2016-2017

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

Category	Ending Balance 06/30/2016	Original Change	Revised Change	Difference	Ending Balance 06/30/2017
Designated	715,582	(29,980)	43,062	73,042	758,644
Comitted or Assigned	6,239,274	376,403	356,090	(20,313)	6,595,364
Unassigned	10,001,876	(2,688,270)	(1,783,039)	905,231	8,218,837
Total	16,956,732	(2,341,847)	(1,383,887)	957,960	15,572,845
Unassigned %	16.48%	-4.78%	-3.48%	1.29%	13.00%



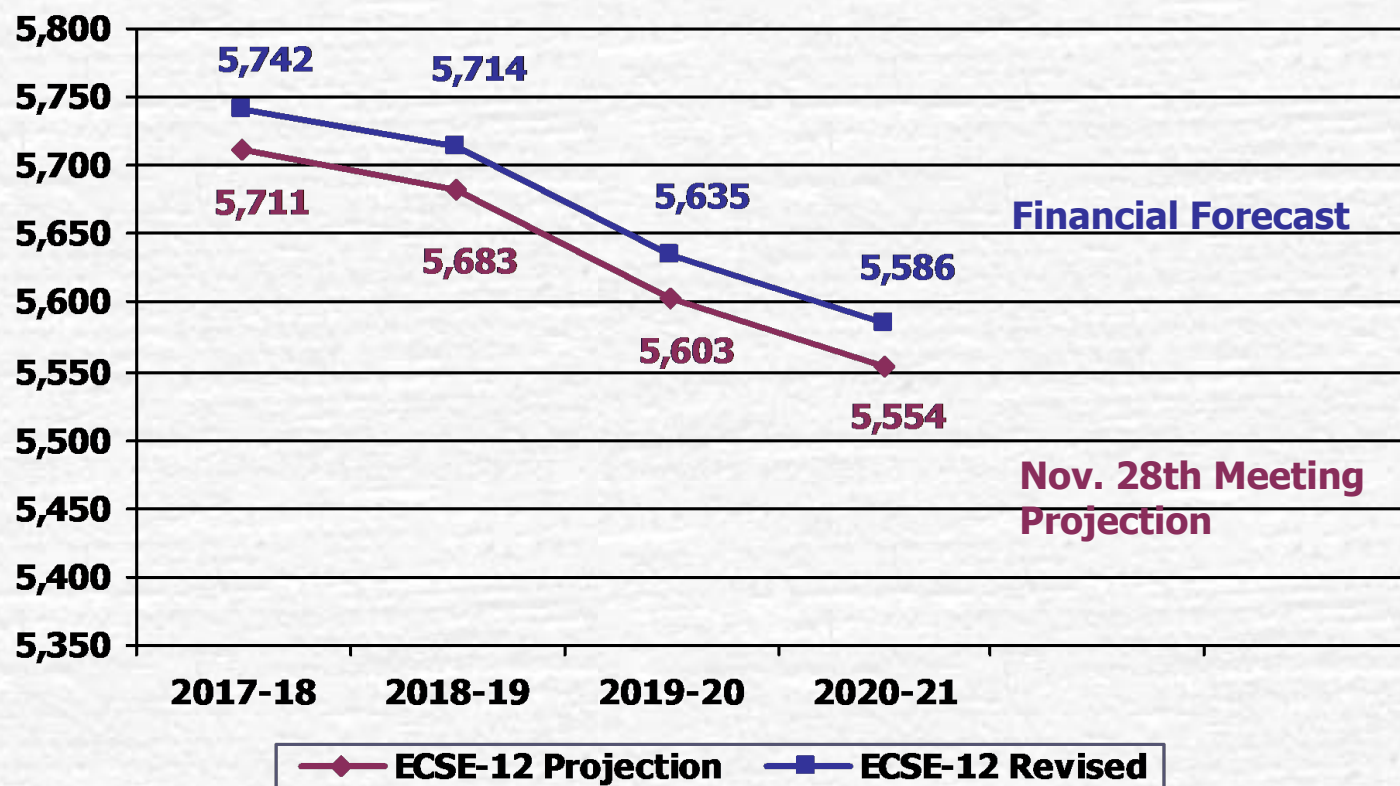
# Enrollment Assumptions

- Revised for the financial forecast – tuition & early exit

Grade level	2017-18	2018-19	2019-20	2020-21
Pre-K	57	57	57	57
K	355	347	349	342
Gr. 1-5	2,097	2,044	1,995	1,937
Gr. 6-8	1,336	1,369	1,356	1,379
Gr. 9-12	1,866	1,866	1,846	1,839
Total	5,711	5,683	5,603	5,554
Adjust. For Early Exit	(33)	(33)	(32)	(32)
Adjusted Pre-K-12	5,678	5,650	5,571	5,522
Tuition	64	64	64	64
Total for forecast	5,742	5,714	5,635	5,586



# Enrollment Assumptions- ECSE-Grade 12 Projection vs. Revised for Forecast







# Staffing Assumptions

- Staffing stays with planned ratios determined for 2009-10 plus 2013-14 board initiative adds and full ADED K staff
- Supt. Contingency 12.3 FTE-includes 14-15, LER 6.0 adds and special ed staffing contingencies

	2016-17	2017-18	2018-19	2019-20
<b>K-5</b>	112.178	113.194	110.378	108.208
<b>Gr. 6-8</b>	57.645	57.175	58.587	58.031
<b>Gr. 9-12</b>	74.026	74.815	74.815	73.985
<b>Total</b>	<b>243.850</b>	<b>245.184</b>	<b>243.780</b>	<b>240.224</b>
<b>Staffing Change</b>	<b>0</b>	<b>1.334</b>	<b>(1.404)</b>	<b>(3.556)</b>



# Revenue Assumptions

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- General Education Aid – Base includes 0% 2017-18 and 0% in 2018-19
- Operating Referendums – Board approved \$189.55 in 2013
- No new operating referendums but board renews board approved operating referendum for 2019-20 fiscal year
- 99% of Kindergarten attend full-day program
- Special Education aid – 1% each year of forecast
- Qcomp in all years to match expenditures
- Projected increase in LTFM revenue



# Expenditure Assumptions

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- Base plan includes 6 FTE Location Equity Revenue for all years and supt. contingency of 12.0 FTE
- 1.0 FTE for the MN Transfer Curriculum
- Salary and benefit increases based on expected market conditions and comparable settlements
- Non-salary, non-benefit costs 0%-3%
- Qcomp in at match to revenue for all years
- Projected increase in LTFM expenditures to match revenue



# Fund Balance Assumptions

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- District's undesignated, unreserved fund balance policy is 8-12% of General Fund expenditures
- Assignment for technology increases \$400,000 each year to cap of approximately \$2,000,000 through 2018-19
- Slight spend down of 3<sup>rd</sup> party fund balance



# Financial Forecast Base



## 0.0% Aid Increase 2017-18 and 0.0% Increase in 2018-19 and 99% Kindergarten Attendance

General Education Formula changes:

0.0%, 0.0%, 0.0%, 0.0%, 0.0%

Retains 14-15 6.0 FTE LER and Class Size Reduction Staff For All Years

Special Education Aid Increased 1% Each Year

100.00% of Revenues Realized

100.00% of Expenditures Realized

		2016-17	2017-18	2018-19	2019-20
		\$6,067	\$6,067	\$6,067	\$6,067
Revenue		\$61,834,356	\$62,238,119	\$62,637,785	\$62,196,000
Expenditures		(\$63,218,243)	(\$65,092,736)	(\$67,027,844)	(\$68,318,325)
Fund Balance-Unassig		\$ 8,218,838	\$ 5,133,944	\$ 484,511	\$ (5,019,750)
Fund Balance %		13.00%	7.89%	0.72%	-7.35%

# Financial Forecast Scenario #1



## 1.0% Aid Increase 2017-18 and 0.0% Increase in 2018-19 and 99% Kindergarten Attendance

General Education Formula changes:

1.0%, 0.0%, 0.0%, 0.0%, 0.0%

Retains 14-15 6.0 FTE LER and Class Size Reduction Staff For All Years

Special Education Aid Increased 1% Each Year

100.00% of Revenues Realized

100.00% of Expenditures Realized

		2016-17	2017-18	2018-19	2019-20
		\$6,067	\$6,128	\$6,128	\$6,128
Revenue		\$61,834,356	\$62,601,667	\$62,999,593	\$62,554,008
Expenditures		(\$63,218,243)	(\$65,092,736)	(\$67,027,844)	(\$68,318,325)
Fund Balance-Unassig		\$ 8,218,838	\$ 5,497,492	\$ 1,209,866	\$ (3,936,386)
Fund Balance %		13.00%	8.45%	1.81%	-5.76%

# Financial Forecast Scenario #2



## 1.0% Aid Increase 2017-18 and 1.0% Increase in 2018-19 and 99% Kindergarten Attendance

General Education Formula changes:

1.0%, 1.0%, 0.0%, 0.0%, 0.0%

Retains 14-15 6.0 FTE LER and Class Size Reduction Staff For All Years

Special Education Aid Increased 1% Each Year

100.00% of Revenues Realized

100.00% of Expenditures Realized

		2016-17	2017-18	2018-19	2019-20
		\$6,067	\$6,128	\$6,189	\$6,189
Revenue		\$61,834,356	\$62,601,667	\$63,361,474	\$62,912,088
Expenditures		(\$63,218,243)	(\$65,092,736)	(\$67,027,844)	(\$68,318,325)
Fund Balance-Unassig		\$ 8,218,838	\$ 5,497,492	\$ 1,571,747	\$ (3,216,426)
Fund Balance %		13.00%	8.45%	2.34%	-4.71%



## Forecast Scenario #3 \$500 Op. Ref. 18-19



### 1.0% Aid Increase 2017-18 and 1.0% Increase in 2018-19 and 99% Kindergarten Attendance

General Education Formula changes:

1.0%, 1.0%, 0.0%, 0.0%, 0.0%

Retains 14-15 6.0 FTE LER and Class Size Reduction Staff For All Years

Special Education Aid Increased 1% Each Year

100.00% of Revenues Realized

100.00% of Expenditures Realized

		2016-17	2017-18	2018-19	2019-20
		\$6,067	\$6,128	\$6,189	\$6,189
Revenue		\$61,834,356	\$62,601,667	\$66,323,724	\$65,835,319
Expenditures		(\$63,218,243)	(\$65,092,736)	(\$67,027,844)	(\$68,318,325)
Fund Balance-Unassign		\$ 8,218,838	\$ 5,497,492	\$ 4,533,997	\$ 2,669,056
Fund Balance %		13.00%	8.45%	6.76%	3.91%



## Forecast Scenario #4 \$1,000 Ref. 18-19



### 1.0% Aid Increase 2017-18 and 1.0% Increase in 2018-19 and 99% Kindergarten Attendance

General Education Formula changes:

1.0%, 1.0%, 0.0%, 0.0%, 0.0%

Retains 14-15 6.0 FTE LER and Class Size Reduction Staff For All Years

Special Education Aid Increased 1% Each Year

100.00% of Revenues Realized

100.00% of Expenditures Realized

		2016-17	2017-18	2018-19	2019-20
		\$6,067	\$6,128	\$6,189	\$6,189
Revenue		\$61,834,356	\$62,601,667	\$69,286,047	\$68,758,623
Expenditures		(\$63,218,243)	(\$65,092,736)	(\$67,027,844)	(\$68,318,325)
Fund Balance-Unassig		\$ 8,218,838	\$ 5,497,492	\$ 7,496,320	\$ 8,554,682
Fund Balance %		13.00%	8.45%	11.18%	12.52%

# Financial Forecast Scenario #5



## 1.0% Aid Increase 2017-18 and 1.0% Increase in 2018-19 and 99% Kindergarten Attendance

General Education Formula changes:

1.0%, 1.0%, 0.0%, 0.0%, 0.0%

Retains 14-15 6.0 FTE LER and Class Size Reduction Staff For All Years

Special Education Aid Increased 1% Each Year

100.50% of Revenues Realized

99.00% of Expenditures Realized

		2016-17	2017-18	2018-19	2019-20
		\$6,067	\$6,128	\$6,189	\$6,189
Revenue		\$62,143,528	\$62,914,675	\$63,678,281	\$63,226,648
Expenditures		(\$62,586,061)	(\$64,441,809)	(\$66,357,566)	(\$67,635,142)
Fund Balance-Unassig		\$ 9,160,192	\$ 7,402,782	\$ 4,464,122	\$ 673,693
Fund Balance %		14.64%	11.49%	6.73%	1.00%



# Summary

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- We will need \$ from the state to stay within our fund balance policy for 17-18
- We will need to adjust our expenditures or increase revenue to stay within our fund balance policy long term
- We will continue to build the assigned fund balance for technology to be built up through 2018-19 to be spent down the following five years
- Call your legislator!