

# 2015 Financial Forecast

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Independent School District 877  
Buffalo-Hanover-Montrose  
Business Office



# 2015 Financial Forecast

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- General Fund only
- Revised budgets for 2014-15
- Projected fund balances for 2014-15
- 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 2014-2015

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

<b>2014-2015</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>\$ Change</b>	<b>Adjustment</b>
Local Property Taxes	5,284,291	4,665,431	(618,860)	Tax Shift and prior year correction
State Sources	48,571,391	49,625,123	1,053,732	Tax Shift correction Revised State Aids
Federal Sources	1,740,596	1,625,474	(115,122)	Revised Federal Aids
Other	2,108,989	2,012,873	(96,116)	Retiree insurance payments and other sources
<b>Total</b>	<b>57,705,267</b>	<b>57,928,901</b>	<b>223,634</b>	



# General Fund Expenditures 2014-2015

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

2014-2015	Original Budget	Revised Budget	\$ Change	Adjustment
Salaries	33,263,655	32,996,172	(267,483)	Revised Salary Projections
Emp. Benefits	12,757,011	12,584,285	(172,726)	Revised Salary Projections
Purchased Serv.	8,417,335	9,148,368	731,033	Transportation, Assigned for capital, and Revised Federal Budget
Supplies	2,246,635	2,415,734	169,099	T&L curriculum, lower O&M, & Revised Federal Budget
Capital Outlay	2,158,192	1,411,403	(746,789)	Assigned for capital and tech assignment
Other	485,269	558,736	73,467	Revised Federal Budget and contingency adjustments
<b>Total</b>	<b>59,328,097</b>	<b>59,114,698</b>	<b>(213,399)</b>	



# General Fund Balances 2014-2015

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

<b>Category</b>	<b>7/1/14</b>	<b>Original Change</b>	<b>Revised Change</b>	<b>Difference</b>	<b>Ending Balance 6/30/15</b>
Designated	323,415	235,631	(58,606)	(294,237)	264,809
Assigned	5,640,539	(538,671)	(171,844)	366,827	5,468,695
Unassigned	9,545,242	(1,319,790)	(955,347)	364,443	8,589,895
<b>Total</b>	<b>15,509,196</b>	<b>(1,622,830)</b>	<b>(1,185,797)</b>	<b>437,033</b>	<b>14,323,399</b>
Unassigned %	17.11%	-4.47%	-2.58%	1.89%	14.53%

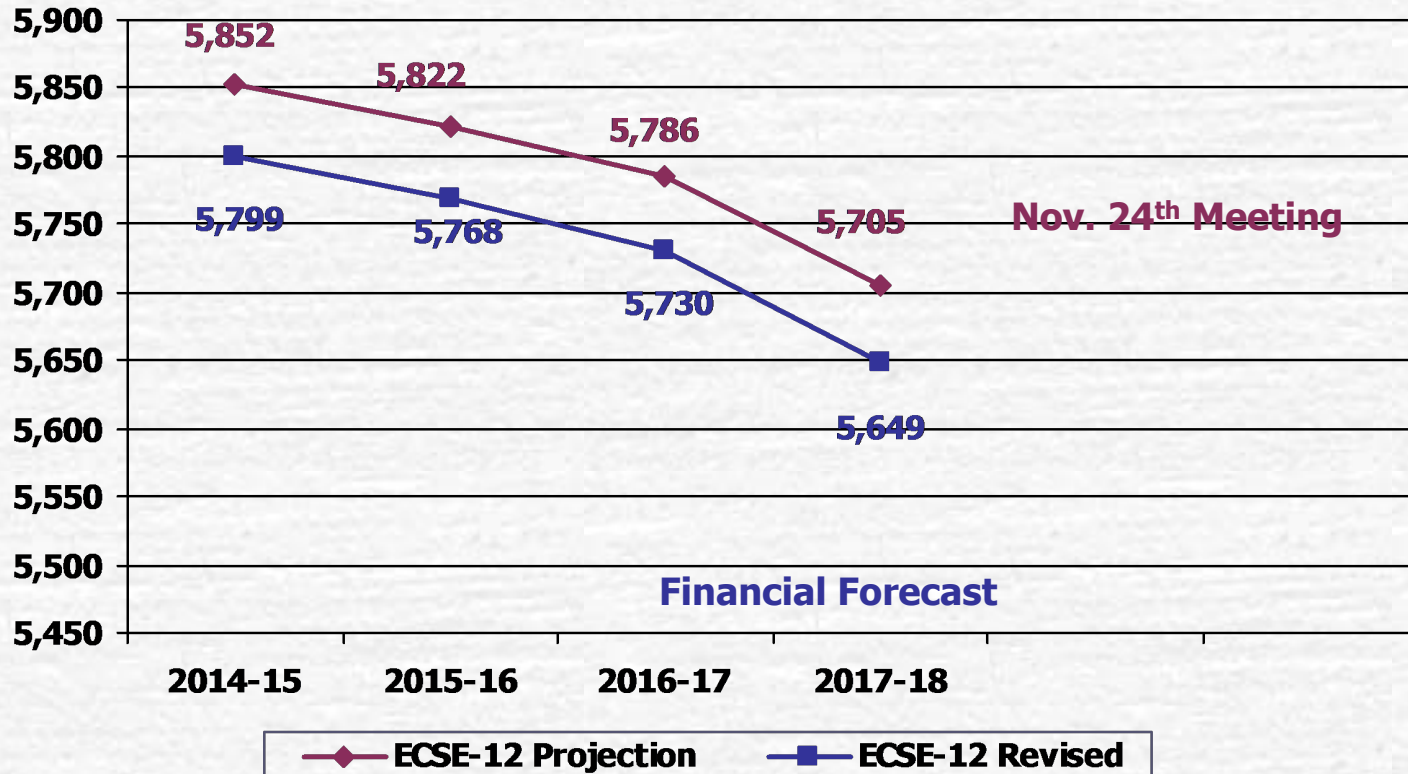


# Enrollment Assumptions

- Revised for the financial forecast – ECSE & BHS

	2014-15	2015-16	2016-17	2017-18
<b>ECSE</b>	60	60	60	62
<b>K</b>	419	377	370	363
<b>Gr. 1-5</b>	2,128	2,120	2,051	1,998
<b>Gr. 6-8</b>	1,402	1,345	1,358	1,310
<b>Gr. 9-12</b>	1,790	1,866	1,891	1,916
<b>Total</b>	<b>5,799</b>	<b>5,768</b>	<b>5,730</b>	<b>5,649</b>
<b>Adjust.</b>	53	54	56	56
<b>Projection (ECSE)</b>	<b>5,852 (141)</b>	<b>5,822 (127)</b>	<b>5,786 (124)</b>	<b>5,705 (122)</b>

# 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
- Special education additional 2.0 FTE contingency positions eliminated in all scenarios
- Supt. Contingency 4.3 FTE in Base, 2, & 4; 10.3 FTE in rest

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
<b>K</b>	19.124	19.541	19.593	19.281
<b>1-5</b>	90.312	90.270	87.286	82.044
<b>Gr. 6-8</b>	60.150	57.492	55.391	51.233
<b>Gr. 9-12</b>	71.945	73.772	76.762	80.748
<b>Total</b>	<b>241.531</b>	<b>241.075</b>	<b>239.032</b>	<b>233.306</b>
<b>Staffing Change</b>	<b>0</b>	<b>(.456)</b>	<b>(2.043)</b>	<b>(5.726)</b>



# Revenue Assumptions

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- General Education Aid – Base includes 0% 2015-16
- Scenarios 1 through 4 include 1% increase per year for 2015-16 and 2016-17
- Operating Referendums – Board approved \$189.55 in 2013
- No new operating referendums
- 97% of Kindergarten attend full day program
- Special Education aid – 0% each year of forecast in base – 1% increase in all other scenarios
- Integration program at 83% of 2012-13 levels for all years



# Expenditure Assumptions

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- Base plan and Scenarios 2 and 4 include 6 FTE Location Equity Revenue for 2015-16 only
- Scenarios 1 and 3 include 6 FTE Location Equity Revenue staff additions through 2016-17
- Additional 2.0 FTE Sped contingency eliminated for all years
- Salary and benefit increases based on expected market conditions and comparable settlements
- Non-salary, non-benefit costs 0%-3%
- Integration program at 83% of 2012-13 levels for all years



# Fund Balance Assumptions

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- District's undesignated, unreserved fund balance policy is 8-12% of General Fund expenditures
- School Board agreed to spend down part of the fund balance for 2010-11 or 2011-12, if needed
- Assigned for capital, technology, and curriculum ends 2014-15
- New assignment for technology increases \$400,000 each year to cap of \$2,000,000 over 5 years starting 2014-15
- 3<sup>rd</sup> party billing expenditures match revenues

# Financial Forecast Base Plan



**0.0% Aid Increase 2015-16 and 0.0% Increase in 2016-17 and 97% Kindergarten Attendance**

General Education Formula changes:

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

Includes 14-15 6.0 FTE LER Staff adds again for 15-16 only

100.00% of Revenues Realized

100.00% of Expenditures Realized

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
	<b>\$5,831</b>	<b>\$5,831</b>	<b>\$5,831</b>	<b>\$5,831</b>
Revenue	\$57,928,901	\$58,001,133	\$57,712,533	\$57,217,953
Expenditures	(\$59,114,698)	(\$60,093,914)	(\$60,768,785)	(\$61,819,172)
Fund Balance-Unassig	\$ 8,589,895	\$ 5,863,630	\$ 2,275,960	\$ (2,728,610)
Fund Balance %	<b>14.53%</b>	<b>9.76%</b>	<b>3.75%</b>	<b>-4.41%</b>

# Financial Forecast Scenario #1

**1.0% Aid Increase 2015-16 and 1.0% Increase in 2016-17 and 97% Kindergarten Attendance**



General Education Formula changes:

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

Includes 14-15 6.0 FTE LER Staff Adds for 15-16 and 16-17

Special Education Aid Increased 1% Each Year

100.00% of Revenues Realized

100.00% of Expenditures Realized

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
	<b>\$5,831</b>	<b>\$5,889</b>	<b>\$5,948</b>	<b>\$5,948</b>
Revenue	\$57,928,901	\$58,407,193	\$58,525,435	\$58,078,718
Expenditures	(\$59,114,698)	(\$60,093,914)	(\$61,828,285)	(\$62,520,457)
Fund Balance-Unassign	\$ 8,589,895	\$ 6,269,691	\$ 2,435,422	\$ (2,409,667)
Fund Balance %	<b>14.53%</b>	<b>10.43%</b>	<b>3.94%</b>	<b>-3.85%</b>



## Financial Forecast Scenario #2

**1.0% Aid Increase 2015-16 and 1.0% Increase in 2016-17 and 97% Kindergarten Attendance**

General Education Formula changes:

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

Includes 14-15 6.0 FTE LER Staff adds again for 15-16 only

Special Education Aid Increased 1% Each Year

100.00% of Revenues Realized

100.00% of Expenditures Realized

	<b>2014-15 \$5,831</b>	<b>2015-16 \$5,889</b>	<b>2016-17 \$5,948</b>	<b>2017-18 \$5,948</b>
Revenue	\$57,928,901	\$58,407,193	\$58,525,435	\$58,078,718
Expenditures	(\$59,114,698)	(\$60,093,914)	(\$60,768,785)	(\$61,819,172)
Fund Balance-Unassig	\$ 8,589,895	\$ 6,269,691	\$ 3,494,922	\$ (648,882)
Fund Balance %	<b>14.53%</b>	<b>10.43%</b>	<b>5.75%</b>	<b>-1.05%</b>

# Financial Forecast Scenario #3



## 1.0% Aid Increase 2015-16 and 1.0% Increase in 2016-17 and 97% Kindergarten Attendance

General Education Formula changes:

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

Includes 14-15 6.0 FTE LER Staff Adds for 15-16 and 16-17

Special Education Aid Increased 1% Each Year

100.00% of Revenues Realized

99.23% of Expenditures Realized

	<b>2014-15 \$5,831</b>	<b>2015-16 \$5,889</b>	<b>2016-17 \$5,948</b>	<b>2017-18 \$5,948</b>
Revenue	\$57,928,901	\$58,407,193	\$58,525,435	\$58,078,718
Expenditures	(\$58,657,165)	(\$59,628,802)	(\$61,349,749)	(\$62,036,564)
Fund Balance-Unassig	\$ 9,047,428	\$ 7,192,336	\$ 3,836,604	\$ (524,593)
Fund Balance %	<b>15.42%</b>	<b>12.06%</b>	<b>6.25%</b>	<b>-0.85%</b>



# Financial Forecast Scenario #4



## 1.0% Aid Increase 2015-16 and 1.0% Increase in 2016-17 and 97% Kindergarten Attendance

General Education Formula changes:

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

Includes 14-15 6.0 FTE LER Staff Adds for 15-16 Only

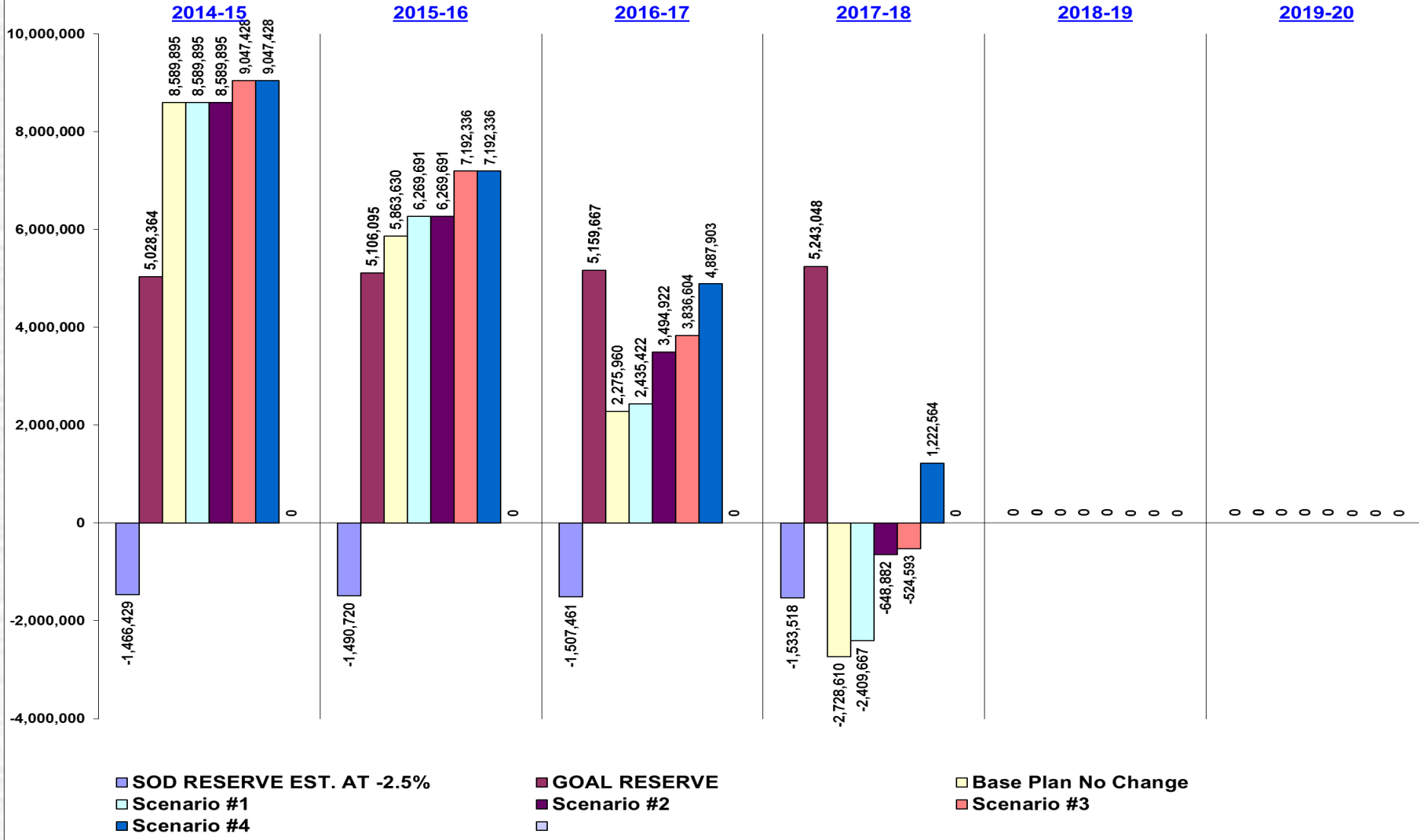
Special Education Aid Increased 1% Each Year

100.00% of Revenues Realized

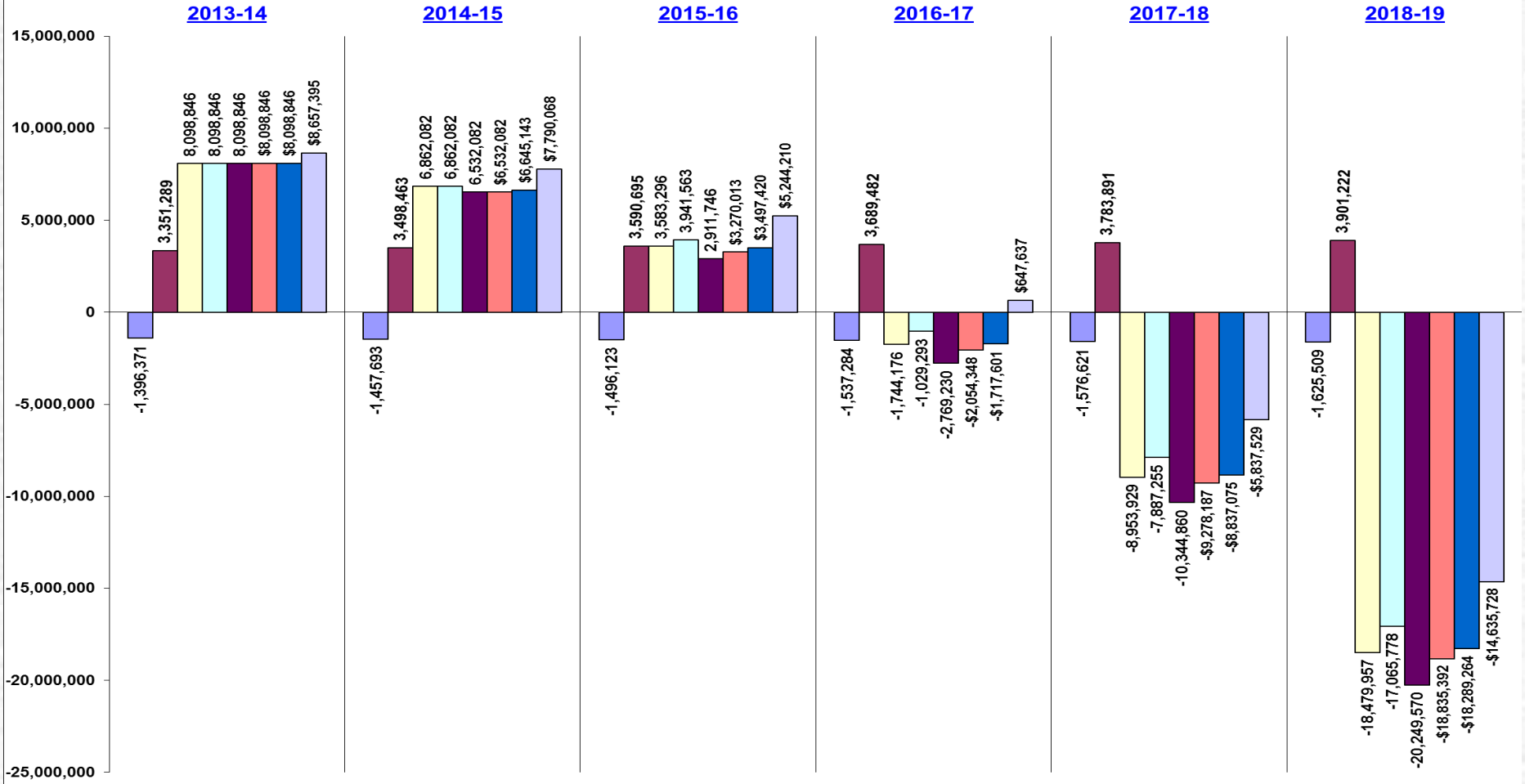
99.23% of Expenditures Realized

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
	<b>\$5,831</b>	<b>\$5,889</b>	<b>\$5,948</b>	<b>\$5,948</b>
Revenue	\$57,928,901	\$58,407,193	\$58,525,435	\$58,078,718
Expenditures	(\$58,657,165)	(\$59,628,802)	(\$60,298,450)	(\$61,340,707)
Fund Balance-Unassig	\$ 9,047,428	\$ 7,192,336	\$ 4,887,903	\$ 1,222,564
Fund Balance %	<b>15.42%</b>	<b>12.06%</b>	<b>8.11%</b>	<b>1.99%</b>

## 2015 Financial Forecast-General Fund Unassigned Fund Balance



## 2014 Financial Forecast-General Fund-Unassigned Fund Balance



■ SOD RESERVE EST. AT -2.5%     ■ GOAL RESERVE  
■ Scenario #1     ■ Scenario #2  
■ Scenario #4     ■ Scenario #5

■ Base Plan No Change  
■ Scenario #3

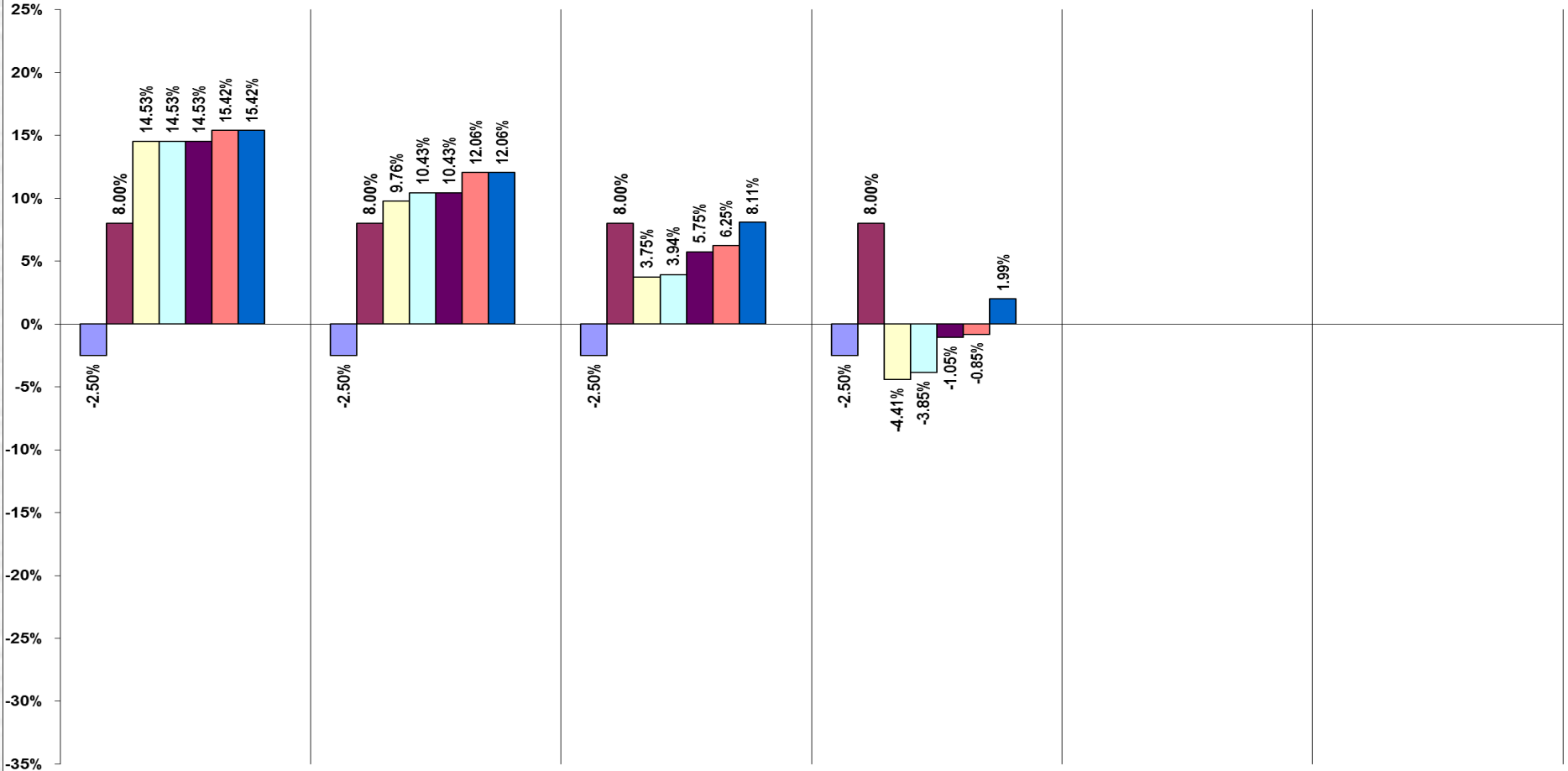
## 2015 Financial Forecast-General Fund-Unassigned Fund Balance %

**2014-15**

**2015-16**

**2016-17**

**2017-18**



■ SOD RESERVE EST. AT -2.5%   
 ■ GOAL RESERVE  
■ Scenario #1   
 ■ Scenario #2  
■ Scenario #4   
 ■

■ Base Plan No Change  
■ Scenario #3



# Summary

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- We will need \$ from the state to stay within our fund balance policy
- We may need to adjust our expenditures to stay within our fund balance policy
- We are establishing an assigned fund balance to be built up over the next five years to be spent down the following five years
- Call your legislator!