

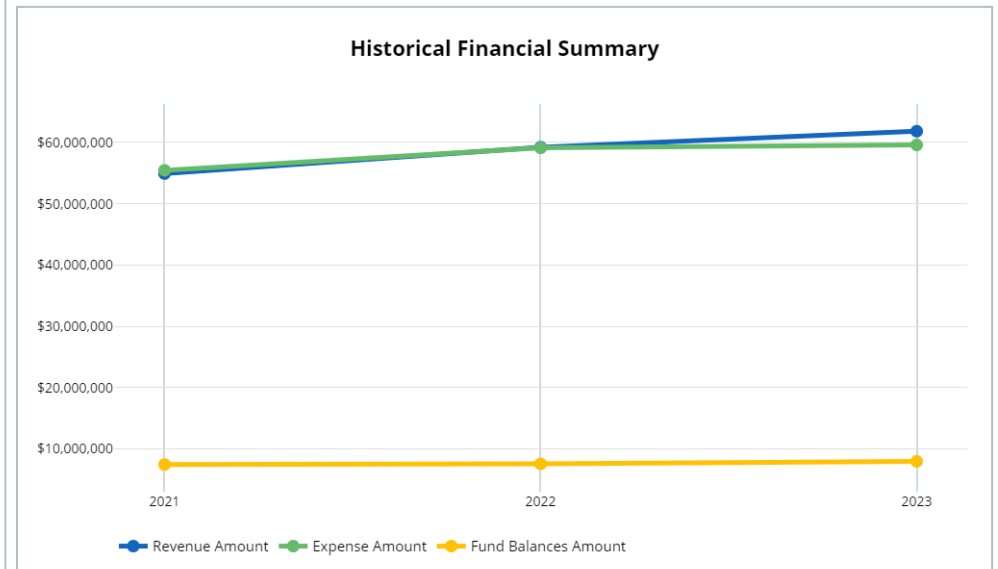
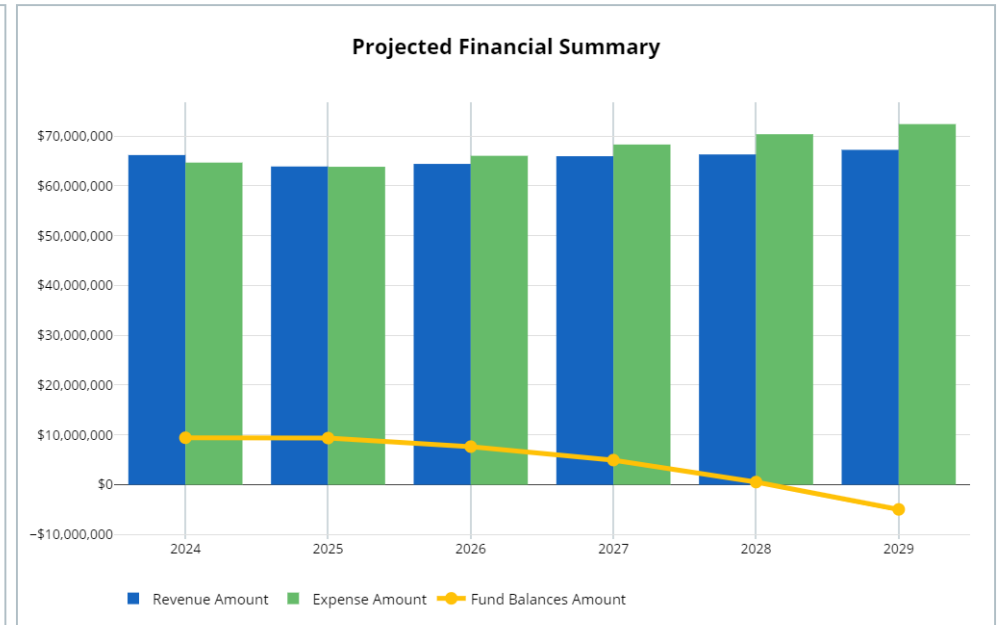
# Financial Forecast Summary - General Fund

FARIBAULT PUBLIC SCHOOL DISTRICT

Scenario: 5 Year Plan with FY24 data - SLG with 3M cuts

## Summary

- This summary is for the General Fund and covers fiscal year periods 2024–2029.
- For the current fiscal year period 2024, a favorable surplus condition is expected with revenues exceeding expenses by \$1,317,971. Based on the current year conditions and the assumptions for the forecast periods ending in 2029, this favorable condition will reverse itself with a recognized deficit of -\$5,383,651 in 2029.
- The cumulative change from the current year and forecasted periods ending in 2029 is a cumulative deficit of -\$12,866,033. In order to establish a structurally balanced budget where recurring revenues equal or exceed recurring expenditures over these periods, expenses would need to be reduced by an average of 3.2% for each year without additional revenues.
- Over the past historical periods (2019–2023) an aggregate deficit condition was recognized, with the expenses exceeding the revenues by an average of \$467,864, or a -0.8% unfavorable deficit (as a percentage of expenses).
- Based on the assumptions for the forecasted periods (2025–2029), total revenues are expected to increase by 0.3% per year on average including a decrease of -3.5% in 2025 caused by a drop in Federal Grants (-60.0%). Over the same period total expenses are expected to increase by 3.2% each year on average except for a decrease of -1.3% in 2025 caused by a drop in Salaries and Wages (-3.1%).
- For the historical periods (2019–2023), total revenues increased by 4.5% per year on average. Total expenses increased by 1.7% per year on average, with some variability year to year including a decrease of -5.4% in 2020, and an increase of 6.6% in 2022.
- Based on the assumptions for the current and forecasted periods, total General Fund balances are expected to decrease from \$9,303,483 in 2024 to -\$4,880,521 in 2029, representing a -152.5% change. [Note: These balance projections are based on the final balance of \$7,985,512 in the last historical period (2023) as a starting point, and are adjusted for the applied exclusions ( ) in revenues and expenses. These exclusions-related adjustments range between -\$311,637 in 2026 and +\$66,181 in 2029.]
- General Fund balances reported as a percent of total revenues and expenditures provide a comparative analysis for measuring the predictability and volatility of key revenue sources and expenditures. For the current year period 2024, the total balance of \$9,303,483 represents 14.1% of total revenue and 14.4% of total expenses in the General Fund. For the last year in the forecasted periods (2029), total General Fund balances are expected to decrease to -\$4,880,521 (-152.5%). This amount represents -7.3% of total revenue and -6.7% of total expenses. These fund balances fail to meet the established fund balance targets (50.0% of revenues/expenditures) in all of the years of the forecasted period (2024–2029), and are considered inadequate. The projected decrease in fund balance over the forecasted periods of -152.5% is considered material and may be an indicator of structurally imbalanced budget conditions related to recurring revenues and expenses and use of reserves or other short-term balancing actions.



Revenues

Property Tax Levy

- The current year (2024) plan amount for Property Tax Levy is \$9,022,563, a 10.5% increase over the prior year.
- Over the next 5 years (2025–2029) this amount is projected to increase by 1.7% per year on average including an increase of 6.8% in 2025 caused by a jump in 001 PROPERTY TAX LEVY-GENERAL (+6.8%). The 2029 amount of \$9,804,530 is noticeably larger compared to the remaining projections, with the difference caused by a jump in 001 PROPERTY TAX LEVY-GENERAL.
- Over the past historical periods (2019–2023) Property Tax Levy increased by 9.5% per year on average, with some variability year to year including an increase of 20.6% in 2022, and an increase of 1.9% in 2021.
- Three forecast period amounts (2027–2029) fall somewhat outside of the historical range and trend, potentially warranting further review. [Show more info.](#)

Other Property Taxes

- The current year plan amount for Other Property Taxes is \$250,850, a 366.1% increase over the prior year.
- Over the next 5 years this amount is projected to stay unchanged each year except for a decrease of -24.6% in 2025 caused by a drop in 010 COUNTY APPORTIONMENT (-25.5%).
- Over the past historical periods Other Property Taxes decreased by -12.9% per year on average, with significant variability year to year including a decrease of -78.5% in 2023, and an increase of 182.6% in 2022. The 2022 amount of \$250,565 was noticeably larger compared to the remaining historical periods, with the difference caused by a jump in 010 COUNTY APPORTIONMENT.

Property Tax Shift

- The current year plan amount for Property Tax Shift is \$0, unchanged from the prior year.
- Over the next 5 years this amount is projected to stay unchanged at \$0.
- Over the past historical periods Property Tax Shift stayed unchanged at \$0.

Other Local

- The current year plan amount for Other Local is \$1,712,571, a -19.8% decrease over the prior year.
- Over the next 5 years this amount is projected to increase by 1.8% per year on average, with some variability year to year including an increase of 20.2% in 2025 attributed mostly to a jump in 092 INTEREST EARNINGS (+126.0%), as well as a decrease of -4.4% in 2026.
- Over the past historical periods Other Local increased by 1.7% per year on average, with significant variability year to year including an increase of 36.9% in 2023, and a decrease of -19.6% in 2020.

General Education Aid

- The current year plan amount for General Education Aid is \$33,708,607, a 5.2% increase over the prior year.
- Over the next 5 years this amount is projected to stay mostly flat with the average yearly increase of 0.3%.
- Over the past historical periods General Education Aid decreased by -1.4% per year on average.

Special Education Aid

- The current year plan amount for Special Education Aid is \$11,192,191, a 54.5% increase over the prior year.
- Over the next 5 years this amount is projected to increase by 4.5% per year on average including an increase of 7.7% in 2027 caused by a jump in 360 STATE AID FOR SPECIAL EDUCATION (+7.7%).
- Over the past historical periods Special Education Aid increased by 6.6% per year on average, with significant variability year to year including an increase of 26.4% in 2021 caused by a jump in 360 STATE AID FOR SPECIAL EDUCATION (+26.4%), as well as a decrease of -1.1% in 2023.

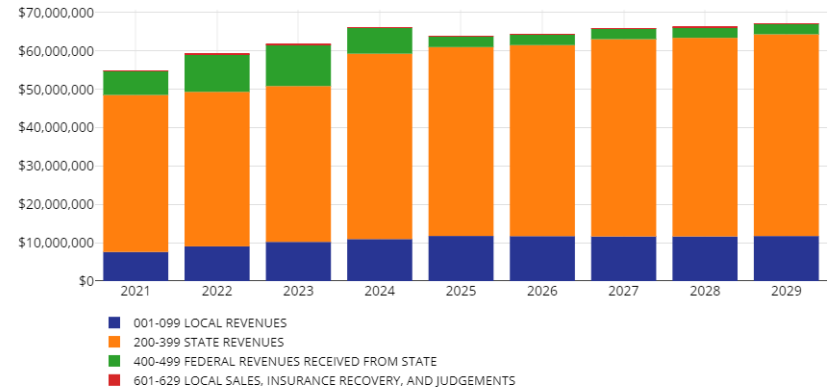
Other State Aid

- The current year plan amount for Other State Aid is \$3,249,392, a 140.9% increase over the prior year.
- Over the next 5 years this amount is projected to increase by 2.8% each year on average except for an increase of 16.3% in 2027 caused by a jump in 300 STATE AID (REQUIRES FIN CODE) (+20.6%).
- Over the past historical periods Other State Aid decreased by -5.0% per year on average, with significant variability year to year including an increase of 65.3% in 2020, and a decrease of -38.6% in 2021. The 2020 amount of \$2,735,293 was noticeably larger compared to the remaining historical periods, with the difference caused by a jump in 370 OTHER-MN DEPT OF EDUCATION.

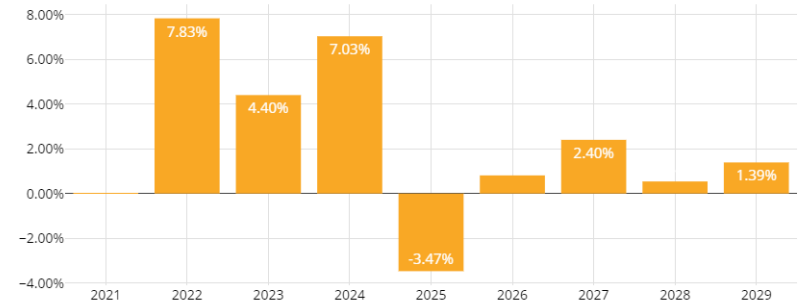
Federal Grants

- The current year plan amount for Federal Grants is \$6,838,216, a -36.9% decrease over the prior year.
- Over the next 5 years this amount is projected to decrease by 2.8% per year on average including a decrease of 6.8% in 2025 caused by a drop in 400

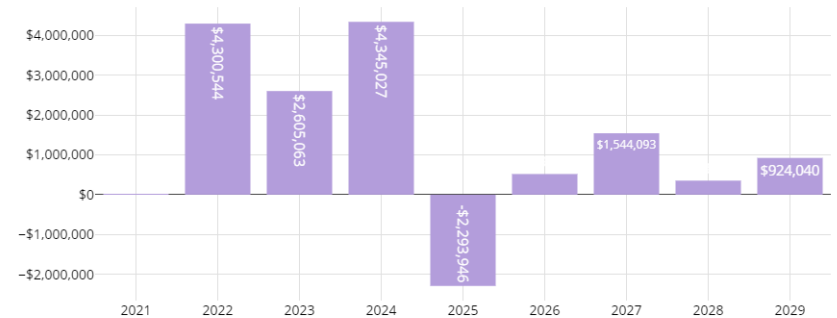
General Fund Revenue by Source



General Fund Revenue - YOY % of Change



General Fund Revenue - YOY \$ Change



## Expenses

### Salaries and Wages

- The current year (2024) plan amount for Salaries and Wages is \$37,643,585, a 12.9% increase over the prior year.
- Over the next 5 years (2025–2029) this amount is projected to increase by 3.2% each year except for a decrease of -3.1% in 2025 caused by a drop in 140 LICENSED CLASSROOM TEACHER (-3.6%).
- Over the past historical periods (2019–2023) Salaries and Wages increased by 3.6% per year on average.

### Employee Benefits

- The current year plan amount for Employee Benefits is \$12,770,372, a 5.9% increase over the prior year.
- Over the next 5 years this amount is projected to increase consistently with average yearly increase of 3.5%.
- Over the past historical periods Employee Benefits decreased by -3.6% per year on average, with significant variability year to year including a decrease of -18.7% in 2020 attributed mostly to a drop in 290 OPEB (EXCESS OF ARC) (-100.0%), as well as an increase of 7.4% in 2022. The 2019 amount of \$13,958,985 was noticeably larger compared to the remaining historical periods, with the difference attributed mostly to a jump in 290 OPEB (EXCESS OF ARC).

### Purchased Services

- The current year plan amount for Purchased Services is \$8,619,308, a 3.0% increase over the prior year.
- Over the next 5 years this amount is projected to increase by 3.5% per year on average including a smaller increase of 2.9% in 2029 caused by a drop (relative to the average rate of 3.5%) in 360 TRANSPORT CONTR <=\$25,000 (+2.5%).
- Over the past historical periods Purchased Services increased by 1.9% per year on average, with significant variability year to year including an increase of 24.3% in 2022 attributed mostly to jumps in 335 SHORT TERM LEASE PMTS OR RENTALS, 350 REPAIRS & MAINTENANCE (+126.2%), 304 FEDERAL SUB AWARD >\$25000, and 305 CONSULTING FEES/FEES FOR SERVICE (+40.5%), as well as a decrease of -8.5% in 2021.

### Supplies and Materials

- The current year plan amount for Supplies and Materials is \$3,183,757, a -15.9% decrease over the prior year.
- Over the next 5 years this amount is projected to stay unchanged each year except for a decrease of -6.6% in 2025 attributed mostly to drops in 440 FUELS (-6.6%), 401 SUPPLIES-NON INSTRUCTIONAL (-6.6%), 430 SUPPLIES & MATERIALS NON INDIV INSTR (-6.6%), and 466 INSTRUCTIONAL TECH DEVICES (-6.6%).
- Over the past historical periods Supplies and Materials increased by 15.9% per year on average, with significant variability year to year including an increase of 50.1% in 2021, and a decrease of -7.4% in 2020.
- Two forecast period amounts (2028–2029) fall somewhat outside of the historical range and trend, potentially warranting further review. [Show more info.](#)

### Capital Expenditures

- The current year plan amount for Capital Expenditures is \$1,894,485, a 15.3% increase over the prior year.
- Over the next 5 years this amount is projected to increase by 0.5% each year.
- Over the past historical periods Capital Expenditures decreased by -11.4% per year on average, with significant variability year to year including a decrease of -47.9% in 2022 attributed mostly to drops in 590 OTHER CAPITAL EXPENDITURES (-99.5%), and 580 PRINCIPAL ON CAPITAL LEASE (-53.9%), as well as an increase of 14.8% in 2021.

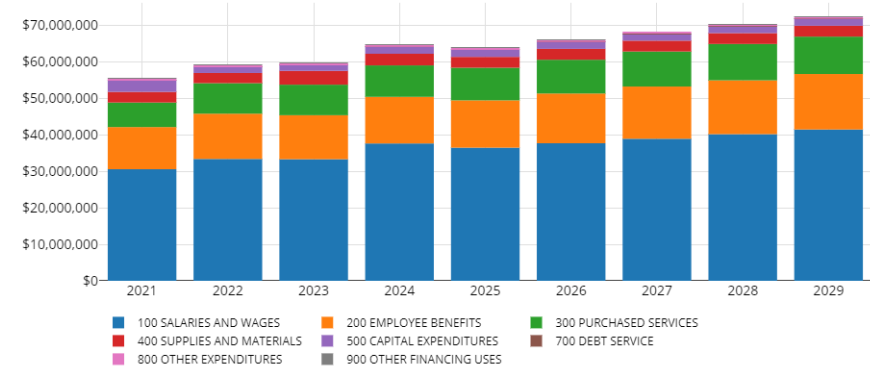
### Debt Service

- The current year plan amount for Debt Service is \$0, unchanged from the prior year.
- Over the next 5 years this amount is projected to stay unchanged at \$0.
- Over the past historical periods Debt Service stayed unchanged at \$0.

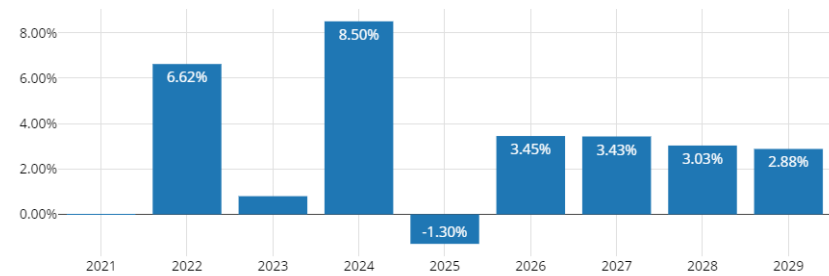
### Other Expenditures

- The current year plan amount for Other Expenditures is \$544,912, a 32.3% increase over the prior year.
- Over the next 5 years this amount is projected to stay unchanged.
- Over the past historical periods Other Expenditures increased by 13.8% per year on average, with significant variability year to year including a decrease of -5.7% in 2023, and an increase of 30.2% in 2021.
- Three forecast period amounts (2027–2029) fall somewhat or significantly outside of the historical range and trend, potentially warranting further review. [Show more info.](#)

General Fund Expenses by Object



General Fund Expenses - YOY % of Change



General Fund Expenses - YOY \$ Change

