



2018 Financial Forecast

Independent School District 877
Buffalo-Hanover-Montrose
Business Office

2018 Financial Forecast

- General Fund only
- Revised budgets for 2017-18
- Projected fund balances for 2017-18
- Enrollment assumptions
- Staffing assumptions
- Revenue assumptions
- Expenditure assumptions
- Fund balance assumptions
- Forecast scenarios

General Fund Definition

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

General Fund Revenues 2017-2018

- 1st Budget Revision

Revenues				
2017-18	Original Budget	1st Revised Budget	\$ Change	Adjustment
Local Property Taxes	6,342,018	6,372,211	30,193	CTE and reemployment levy recognition adjustment and miscellaneous tax adjustments
State Sources	53,857,128	54,276,997	419,869	TRA in-kind contribution adj, revised pupil units, revised special ed aid, and aid entitlement adjustments
Federal Sources	1,583,370	1,654,349	70,979	Revised entitlements
Other	1,980,856	2,053,453	72,597	Fund 9 revisions, increased interest earnings, and other miscellaneous revenue adjustments
Total	63,763,372	64,357,010	593,638	

General Fund Expenditures 2017-2018

- 1st Budget Revision

Expenditures				
2017-18	Original Budget	1st Revised Budget	\$ Change	Adjustment
Salaries	36,948,602	37,003,675	55,073	Rev. salary projections
Employee Benefits	13,991,247	13,447,949	(543,298)	Revised benefits projections and TRA in-kind contribution recode
Purchased Serv.	9,812,389	10,162,205	349,816	Revised tuition, finance software fees, fund 9 trips, and utilities
Supplies	2,540,683	2,408,151	(132,532)	Fuel cost savings and supt. contingency adjustments to other categories
Capital Outlay	1,687,188	2,137,252	450,064	Middle School wall project, band trailer, and supt. cont. adjustments
Other	499,289	658,462	159,173	Fund 9 revisions, region tourney expenses, and TRA in-kind contribution recode
Total	65,479,398	65,817,694	338,296	

General Fund Balances 2017-2018

- 1st Budget Revision

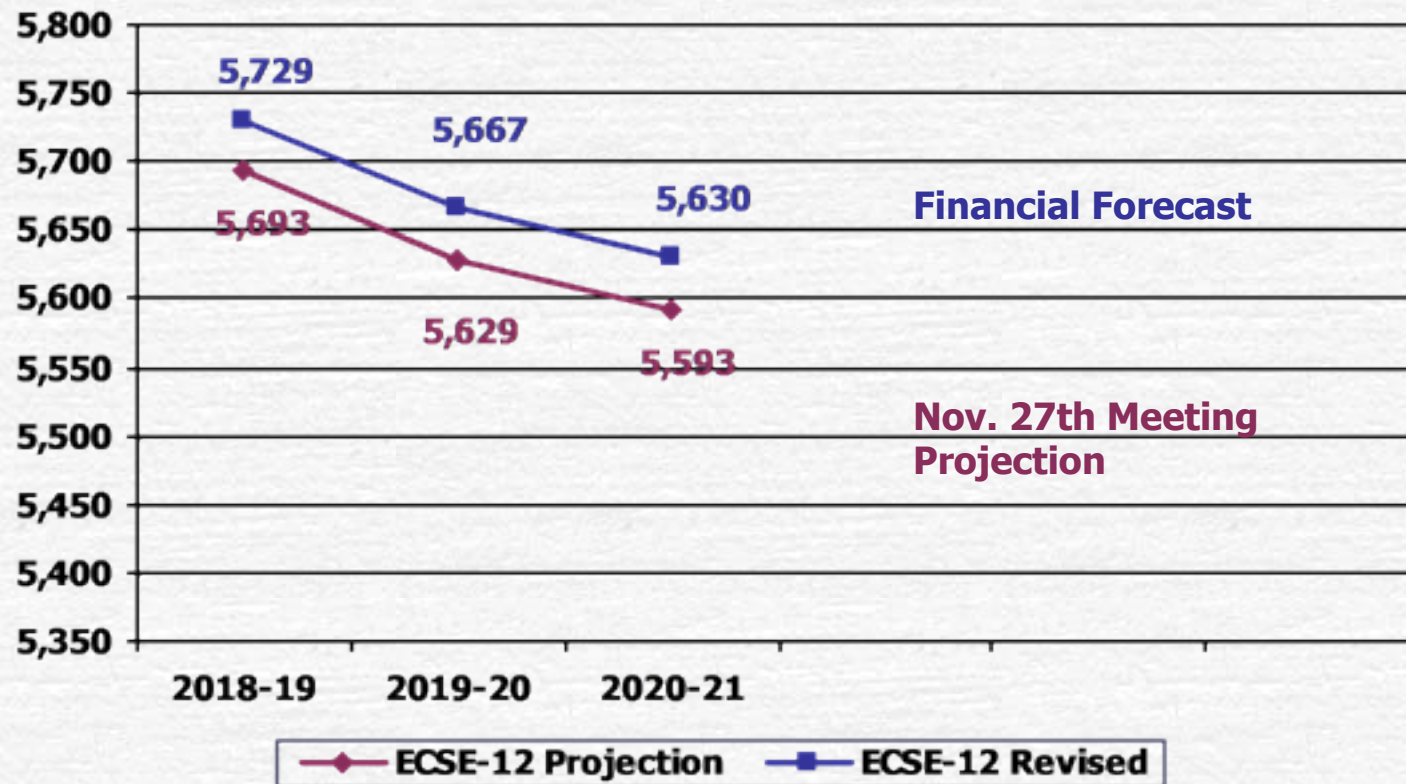
Category	Ending Balance 06/30/2016	Projected Ending Balance 06/30/2017	Audited Ending Balance 06/30/2017	2016-17 Fund Balance Change	2017-18 Original Projected Change	2017-18 1st Revised Projected Change	Difference Revision vs. Original	Projected Ending Balance 06/30/2018
Designated	715,582	678,667	989,971	311,304	333,915	(105,682)	(439,597)	884,289
Comitted or Assigned	6,239,274	5,940,238	6,037,929	97,691	472,247	324,457	(147,790)	6,362,386
Unassigned	10,001,876	9,488,249	10,343,061	854,812	(2,522,188)	(1,679,459)	842,729	8,663,602
Total	16,956,732	16,107,154	17,370,962	1,263,807	(1,716,026)	(1,460,684)	255,342	15,910,278
Unassigned %	16.48%	14.89%	16.67%	1.78%	-4.25%	-3.51%	0.75%	13.16%

Enrollment Assumptions

- Revised for the financial forecast – tuition & early exit

Grade level	2018-19	2019-20	2020-21
Pre-K	55	55	55
K	370	372	365
Gr. 1-5	2,039	2,007	1,971
Gr. 6-8	1,376	1,341	1,338
Gr. 9-12	1,853	1,854	1,864
Total	5,693	5,629	5,593
Adjust. For Early Exit	(37)	(35)	(36)
Adjusted Pre-K-12	5,656	5,594	5,557
Tuition	73	73	73
Total for forecast	5,729	5,667	5,630

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 12.95 FTE-includes 14-15 and Local Option Revenue 6.0 FTE adds
- Special Education 1.0 staffing contingency

	2017-18	2018-19	2019-20	2020-21
K-5	113.194	111.209	109.824	107.839
Grade 6-8	57.175	58.886	57.389	57.260
Grade 9-12	74.815	74.276	74.317	74.732
Total	245.184	244.371	241.529	239.831
Staffing Change		(0.813)	(2.841)	(1.698)

Revenue Assumptions

- General Education Aid- Base includes 2% 2018-19 and 1% in 2019-20
- Operating Referendums – Board approved \$189.55 in 2013
- No new operating referendums but board renews board approved operating referendum for 2019-20 fiscal year
- 99.5% of Kindergarten attend full day program
- Special Education aid – 2.5% each year of forecast
- Qcomp (PPD) in all years to match expenditures
- Full implementation of LTFM revenue

Expenditure Assumptions

- Base plan includes 6 FTE Location Equity Revenue for all years and supt. contingency of 12.95 FTE
- Special Ed contingency 1.0 FTE
- Salary and benefit increases based on expected market conditions and comparable settlements
- Non-salary, non-benefit costs 0%-3%
- Qcomp (PPD) in at match to revenue for all years
- LTFM expenditures to match revenue

Fund Balance Assumptions

- 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 3rd party (Medical Assistance) fund balance for 2018-19
- Spend down of Teacher Development fund balance in 2018-19

Is it really going to come down?



Base Model



2.0% Aid Increase 2018-19 and 1.0% Aid Increase in 2019-20

General Education Formula changes:

2.0%, 1.0%, 1.0%

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

Special Education Aid Increase 2.5% Increase in all years

100.00% of Revenues Realized

100.00% of Expenditures Realized

		2017-18	2018-19	2019-20	2020-21
		\$6,188	\$6,312	\$6,375	\$6,439
Revenue		\$64,357,010	\$66,250,400	\$66,227,302	\$66,441,090
Expenditures		(\$65,817,694)	(\$68,786,755)	(\$70,987,948)	(\$72,506,261)
Fund Balance-Unassig		\$ 8,663,602	\$ 5,926,427	\$ 1,694,089	\$ (3,888,808)
Fund Balance %		13.16%	8.62%	2.39%	-5.36%

Financial Forecast Scenario #1



2.0% Aid Increase 2018-19 and 2.0% Aid Increase in 2019-20

General Education Formula changes:

2.0%, 2.0%, 1.0%

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

Special Education Aid Increase 2.5% Increase in all years

100.00% of Revenues Realized

100.00% of Expenditures Realized

		2017-18	2018-19	2019-20	2020-21
		\$6,188	\$6,312	\$6,438	\$6,502
Revenue		\$64,357,010	\$66,250,400	\$66,598,117	\$66,809,206
Expenditures		(\$65,817,694)	(\$68,786,755)	(\$70,987,948)	(\$72,506,261)
Fund Balance-Unassig		\$ 8,663,602	\$ 5,926,427	\$ 2,064,904	\$ (3,149,877)
Fund Balance %		13.16%	8.62%	2.91%	-4.34%

Tut tut looks like rain...

Winnie the Pooh



Financial Forecast Scenario #2



2.0% Aid Increase 2018-19 and 2.0% Aid Increase in 2019-20

General Education Formula changes:

2.0%, 2.0%, 2.0%

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

Special Education Aid Increase 2.5% Increase in all years

100.00% of Revenues Realized

97.38% of Expenditures Realized

		2017-18	2018-19	2019-20	2020-21
		\$6,188	\$6,312	\$6,438	\$6,567
Revenue		\$64,357,010	\$66,250,400	\$66,598,117	\$67,188,924
Expenditures		(\$64,096,466)	(\$66,987,881)	(\$69,131,510)	(\$70,610,117)
Fund Balance-Unassig		\$ 10,384,830	\$ 9,446,529	\$ 7,441,444	\$ 4,502,525
Fund Balance %		16.20%	14.10%	10.76%	6.38%

Summary

- We will need \$ from the state to stay within our fund balance policy for 2019-20 and beyond.
- 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!