

# Financial Projections

Board of Education

Committee-of-the-Whole: Finance

February 6, 2017

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# Assumptions – Revenue

## 1 | CPI

- Actual 2016: 2.1% (impacts 2017-18 and 2018-19 revenues)
- Future Years: 1%

## 2 | State and Federal Funding

- Remains unchanged (\$6M/year)

# Assumptions – Expenditures

## 1 | Additional Staffing - Enrollment

- Cohort Survival projections
- 4 classroom teachers
- 1 special area

## 2 | Additional Staffing - “Bubbles”

- 1 classroom teacher

## 3 | Salaries Adjusted Based on CBAs

- First 3 years of contract

# Assumptions - Expenditures

## 4 | Salaries - Retirement Incentive

- 31 known retirements in 2 years
- Net savings:
  - 2017-18: \$410K
  - 2018-19: \$1.4M
  - 2019-20: \$1.6M

## 5 | O&M ongoing maintenance

- Continuing \$500K/year

## 6 | Debt Certificates

- \$800K/year beginning 2017-18

# Conservative Approach

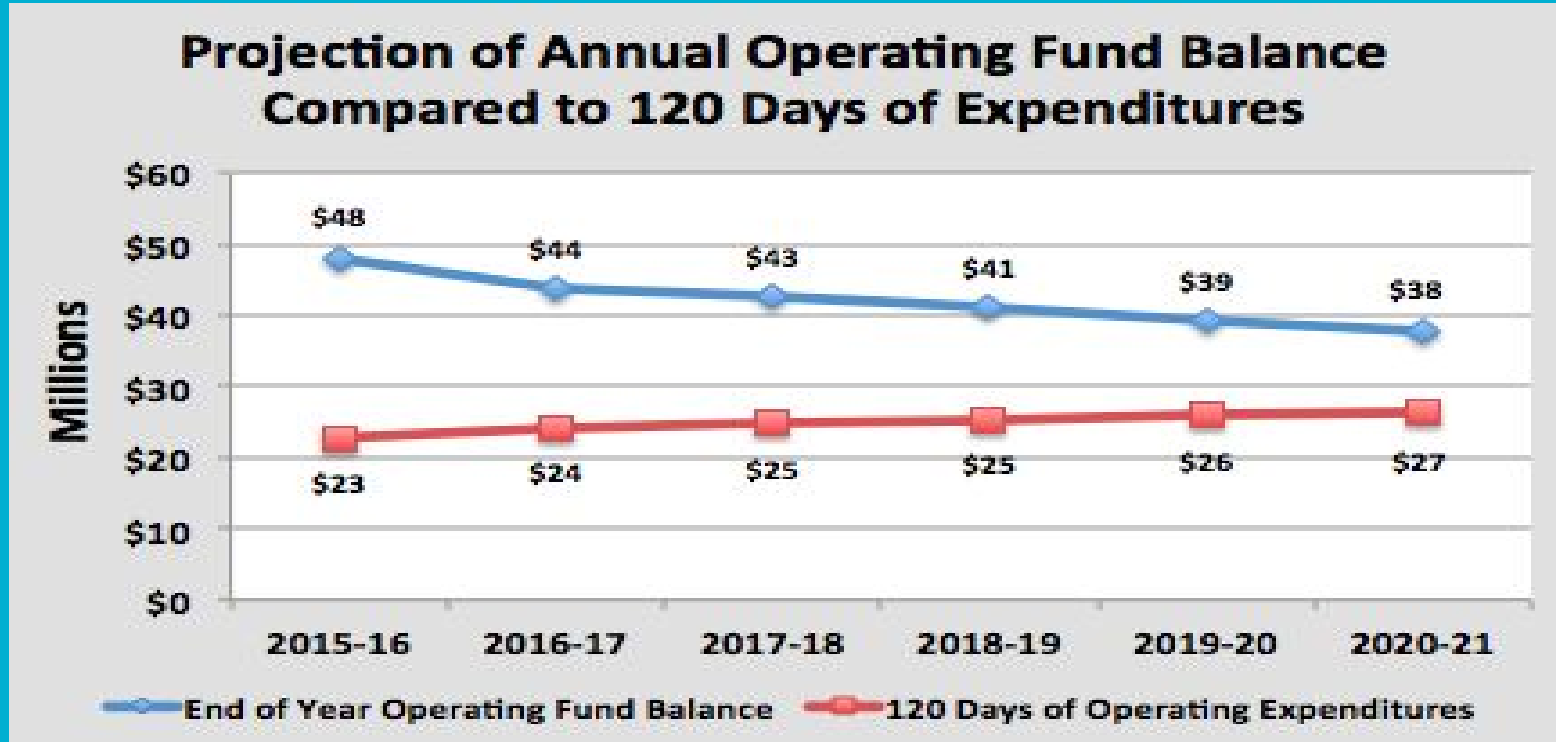
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- **Pension cost shift:** 0.5% first year of certified salaries, increasing 0.5% annually. **This is built into our projections.**

# Summary of Financial Projections

	Audited Actuals 2015-16		Adopted Budget 2016-17		Projected Budget 2017-18		Projected Budget 2018-19		Projected Budget 2019-20		Projected Budget 2020-21
<b>TOTAL REVENUES</b>	\$ 73,280,588	-0.3%	\$ 73,044,167	0.9%	\$ 73,692,458	1.6%	\$ 74,835,937	1.5%	\$ 75,968,064	3.1%	\$ 78,302,998
<b>TOTAL EXPENDITURES</b>	\$ 68,355,722	6.3%	\$ 72,662,332	2.5%	\$ 74,503,963	2.3%	\$ 76,183,967	1.9%	\$ 77,607,207	2.6%	\$ 79,625,079
<b>EXCESS (DEFICIT) FOR YEAR</b>	\$ 4,924,866		\$ 381,835		\$ (811,505)		\$ (1,348,030)		\$ (1,639,144)		\$ (1,322,081)
<b>Other Financing Sources (Uses)</b>	\$ (5,696,807)		\$ (4,857,195)		\$ (248,803)		\$ (244,427)		\$ (162,688)		\$ (110,999)
<b>BALANCE, BEGINNING:</b>	\$ 48,883,709		\$ 48,111,767		\$ 43,636,407		\$ 42,576,099		\$ 40,983,642		\$ 39,181,810
<b>BALANCE, END-OF-YEAR</b>	\$ 48,111,767	-9.3%	\$ 43,636,407	-2.4%	\$ 42,576,099	-3.7%	\$ 40,983,642	-4.4%	\$ 39,181,810	-3.7%	\$ 37,748,730
<b>OPERATING FUND BALANCE:</b>	70.38%		60.05%		57.15%		53.80%		50.49%		47.41%
<b>DAYS CASH ON HAND</b>	257		219		209		196		184		173

# Operating Fund Balance to Expense Graph



# Conservative Approach: Other Unknowns?

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- Possible **property tax freeze?**
  - *Which budget year and how much?*
- **Changes in federal and/or state funding?**



## Next Steps

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- **\$33 million funding framework for facilities within timeline of *2020 Vision* Strategic Plan**