

Budget Forecast
2008-2009 to 2012-2013



December 11, 2008
First Draft

Benefits of a Budget Forecast

- **Recognize enrollment trends and the budgetary and facility impact**
- **Understand revenue trends including the property tax impact**
- **Understand expenditure trends**
- **Realize the future impact of current fiscal decisions**
- **Explore the outcomes of different data scenarios**

Steps in the Budget Forecast

- **Use enrollment projections to predict future enrollment scenarios**
- **Estimate revenue cap increases based on enrollment scenarios**
- **Estimate expenditure increases**
- **Analyze the outcomes and plan accordingly**

Assumptions Made

- **Current school finance system continues**
- **Enrollment projections scenarios are close to actual**
- **Personnel costs increase at 4.75%**
- **Non-personnel costs do not increase except transportation and utilities**
- **5.0 FTE added in 08-09, all other years add 1 FTE for every 20 additional students**
- **Revenue cap increase is based on current formula**
- **Savings from staff retirements is not included**
- **Data is less accurate as years progress**

Enrollment History

| Grade | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| EC/Sprouts | 73 | 83 | 80 | 44 | 45 |
| K | 211 | 231 | 230 | 250 | 253 |
| 1 | 195 | 215 | 257 | 243 | 264 |
| 2 | 182 | 209 | 224 | 269 | 255 |
| 3 | 241 | 194 | 222 | 236 | 276 |
| 4 | 223 | 253 | 219 | 240 | 240 |
| TOTAL | 1125 | 1185 | 1232 | 1282 | 1333 |
| ELEM | | | | | |
| 5 | 227 | 232 | 266 | 229 | 258 |
| 6 | 253 | 241 | 246 | 280 | 235 |
| TOTAL | 480 | 473 | 512 | 509 | 493 |
| INTER. | | | | | |
| 7 | 254 | 293 | 271 | 271 | 309 |
| 8 | 238 | 254 | 296 | 281 | 272 |
| TOTAL | 492 | 547 | 567 | 552 | 581 |
| MIDDLE | | | | | |
| 9 | 273 | 245 | 266 | 297 | 284 |
| 10 | 253 | 278 | 247 | 277 | 299 |
| 11 | 214 | 252 | 283 | 251 | 282 |
| 12 | 251 | 220 | 254 | 288 | 256 |
| TOTAL | 991 | 995 | 1050 | 1113 | 1121 |
| HIGH | | | | | |
| TOTAL | 3088 | 3200 | 3361 | 3456 | 3528 |
| DISTRICT | | | | | |

Enrollment History is from the Third Friday in September Count
(Residents plus Open Enrollment-In)

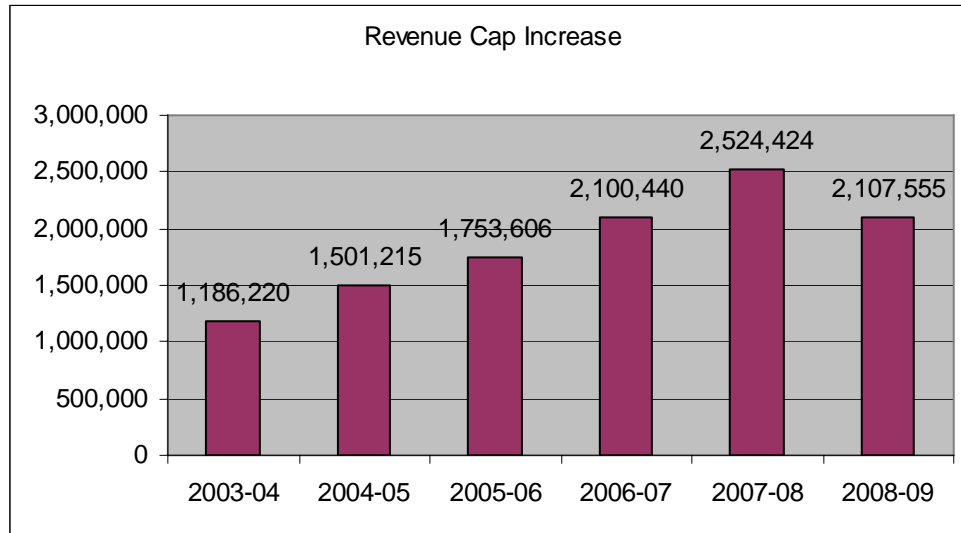
Enrollment Increase “New” Students

- **2004-05 1.5%**
- **2005-06 3.2%**
- **2006-07 3.7%**
- **2007-08 3.3% (adjusted for Sprouts)**
- **2008-09 2.2%**

- **Five year average is 2.78%**

Enrollment Increase is calculated by removing the 12th grade students, adding in K students, and adding in 30 students in 7th grade. The difference between years is the increase in “new” students.

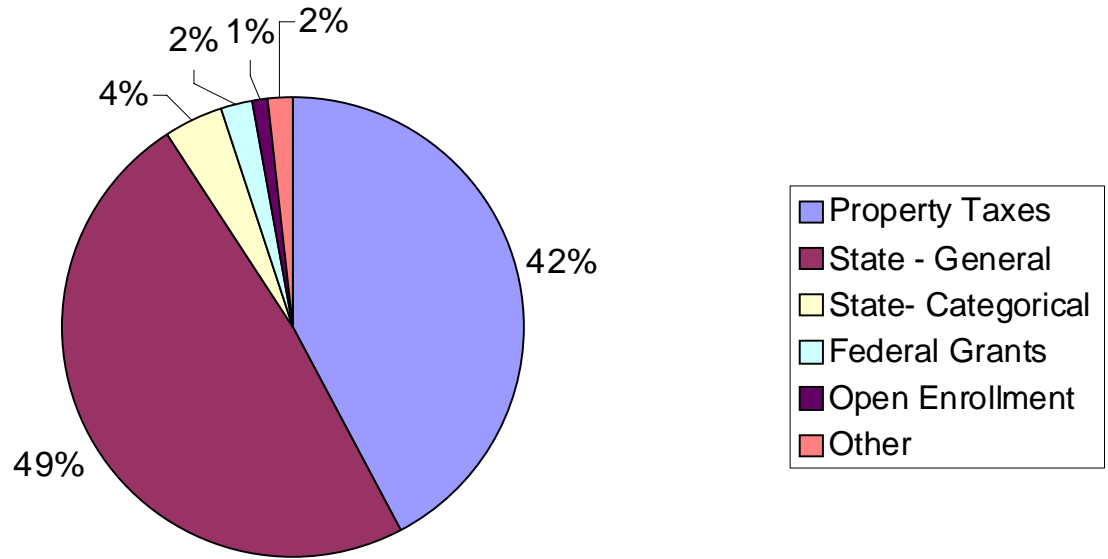
Revenue Cap Increase History



Please note that the years 2004-05 and 2005-06 included an additional \$300,000 per year due to the 2004 high school referendum.

Please note that the years 2006-07 and 2007-08 included an additional \$300,000 per year due to the 2005 K-8 referendum.

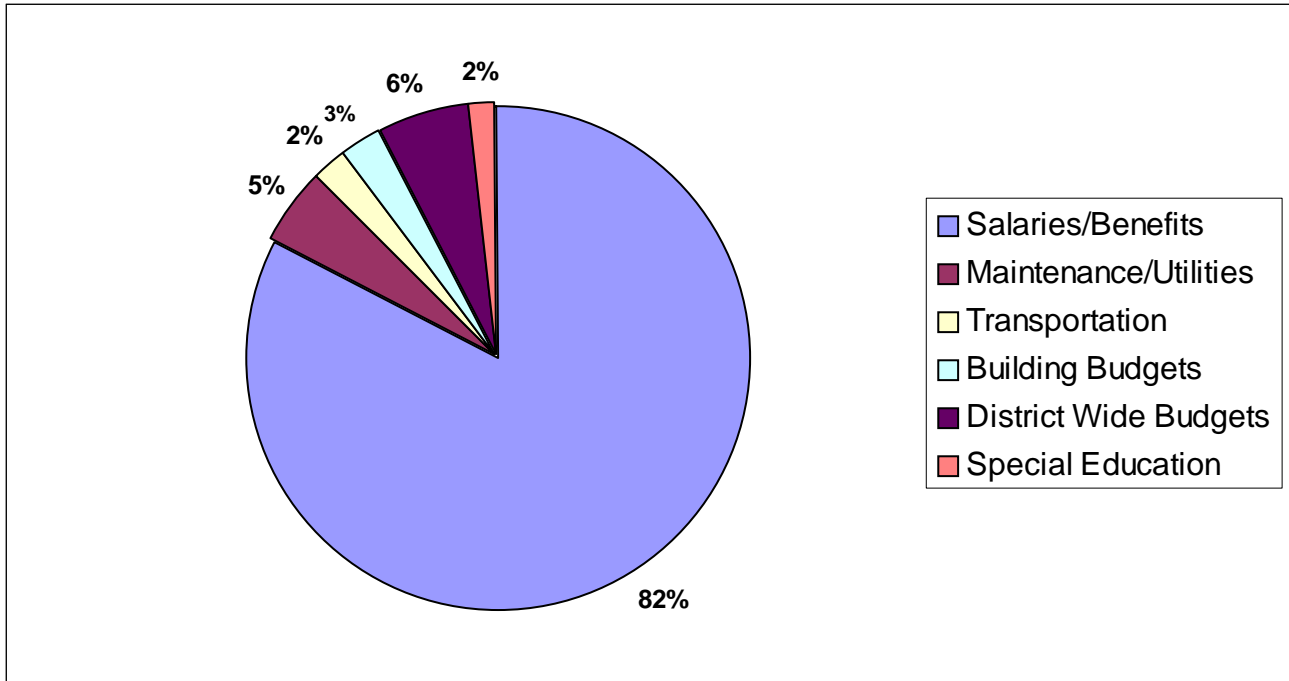
2008-09 Revenue Sources



Revenue Sources History-%

| Revenue | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
|-----------------------|------------|------------|------------|------------|------------|
| State- General | 50 | 53 | 50 | 48 | 49 |
| Property Taxes | 41 | 39 | 41 | 43 | 42 |
| State- Categorical | 4 | 4 | 4 | 4 | 4 |
| Federal Grants | 3 | 2 | 2 | 2 | 2 |
| Open Enrollment | 1 | 1 | 1 | 1 | 1 |
| Other | 1 | 1 | 2 | 2 | 2 |
| TOTAL | 100 | 100 | 100 | 100 | 100 |

2008-09 Expenses



Expense History-%

| Expense | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 |
|-----------------------------------|------------|------------|------------|------------|------------|
| Salaries/ Benefits | 80 | 81 | 80 | 82 | 82 |
| (% special ed) | (18) | (18) | (18) | (18) | (18) |
| (% regular ed) | (82) | (82) | (82) | (82) | (82) |
| Maintenance/ Utilities | 5 | 6 | 6 | 5 | 5 |
| Transportation | 2 | 2 | 2 | 2 | 2 |
| Building Budgets | 4 | 3 | 3 | 3 | 3 |
| District Wide | 7 | 6 | 7 | 6 | 6 |
| Special Education | 2 | 2 | 2 | 2 | 2 |
| TOTAL | 100 | 100 | 100 | 100 | 100 |

Future Debt Service Payments – Fund 38

| FISCAL YEAR | AMOUNT DUE |
|------------------|-----------------------|
| 2008-2009 | 83,895.00 |
| 2009-2010 | 82,460.00 |
| 2010-2011 | 81,025.00 |
| 2011-2012 | 79,590.00 |
| 2012-2013 | 83,052.50 |
| 2013-2014 | 81,412.50 |
| 2014-2015 | 79,772.50 |
| 2015-2016 | 83,030.00 |
| 2016-2017 | 81,185.00 |
| 2017-2018 | 83,887.50 |
| 2018-2019 | 81,137.50 |
| 2019-2020 | 83,250.00 |
| 2020-2021 | 80,225.00 |
| 2021-2022 | 82,062.50 |
| 2022-2023 | 83,543.75 |
| 2023-2024 | 79,806.25 |
| 2024-2025 | 80,925.00 |
| 2025-2026 | 81,756.25 |
| 2026-2027 | 82,300.00 |
| TOTAL DUE | \$1,554,316.25 |

Future Debt Service Payments – Fund 39

| FISCAL YEAR | AMOUNT DUE |
|------------------|---------------------|
| 2008-2009 | 4,996,769 |
| 2009-2010 | 4,985,157 |
| 2010-2011 | 4,722,604 |
| 2011-2012 | 4,675,259 |
| 2012-2013 | 4,674,150 |
| 2013-2014 | 4,672,198 |
| 2014-2015 | 4,669,428 |
| 2015-2016 | 4,673,999 |
| 2016-2017 | 4,665,701 |
| 2017-2018 | 4,665,180 |
| 2018-2019 | 4,671,191 |
| 2019-2020 | 4,672,563 |
| 2020-2021 | 4,669,245 |
| 2021-2022 | 4,674,525 |
| 2022-2023 | 4,667,363 |
| 2023-2024 | 4,629,981 |
| 2024-2025 | 2,592,125 |
| 2025-2026 | 1,132,625 |
| TOTAL DUE | \$79,110,060 |

Enrollment Numbers – No Growth

| Grade | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| EC/Sprouts | 45 | 45 | 45 | 45 | 45 |
| K | 253 | 260 | 260 | 260 | 260 |
| 1 | 264 | 253 | 260 | 260 | 260 |
| 2 | 255 | 264 | 253 | 260 | 260 |
| 3 | 276 | 255 | 264 | 253 | 260 |
| 4 | 240 | 276 | 255 | 264 | 253 |
| TOTAL | 1333 | 1353 | 1337 | 1342 | 1338 |
| ELEM | | | | | |
| 5 | 258 | 240 | 276 | 255 | 264 |
| 6 | 235 | 258 | 240 | 276 | 255 |
| TOTAL | 493 | 498 | 516 | 531 | 519 |
| INTER. | | | | | |
| 7 | 309 | 265 | 288 | 270 | 306 |
| 8 | 272 | 309 | 265 | 288 | 270 |
| TOTAL | 581 | 574 | 553 | 558 | 576 |
| MIDDLE | | | | | |
| 9 | 284 | 272 | 309 | 265 | 288 |
| 10 | 299 | 284 | 272 | 309 | 265 |
| 11 | 282 | 299 | 284 | 272 | 309 |
| 12 | 256 | 282 | 299 | 284 | 272 |
| TOTAL | 1121 | 1137 | 1164 | 1130 | 1134 |
| HIGH | | | | | |
| TOTAL | 3528 | 3562 | 3570 | 3561 | 3567 |
| DISTRICT | | | | | |

Assumptions Made

- **K classes estimated at 260**
- **30 students enroll in 7th grade from private schools**
- **No student growth**

Scenario A: Student Growth 2.8%

| Grade | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| EC/Sprouts | 45 | 45 | 45 | 45 | 45 |
| K | 253 | 260 | 260 | 260 | 260 |
| 1 | 264 | 253 | 260 | 260 | 260 |
| 2 | 255 | 264 | 253 | 260 | 260 |
| 3 | 276 | 255 | 264 | 253 | 260 |
| 4 | 240 | 276 | 255 | 264 | 253 |
| TOTAL | 1333 | 1353 | 1337 | 1342 | 1338 |
| ELEM | | | | | |
| 5 | 258 | 240 | 276 | 255 | 264 |
| 6 | 235 | 258 | 240 | 276 | 255 |
| TOTAL | 493 | 498 | 516 | 531 | 519 |
| INTER. | | | | | |
| 7 | 309 | 265 | 288 | 270 | 306 |
| 8 | 272 | 309 | 265 | 288 | 270 |
| TOTAL | 581 | 574 | 553 | 558 | 576 |
| MIDDLE | | | | | |
| 9 | 284 | 272 | 309 | 265 | 288 |
| 10 | 299 | 284 | 272 | 309 | 265 |
| 11 | 282 | 299 | 284 | 272 | 309 |
| 12 | 256 | 282 | 299 | 284 | 272 |
| TOTAL | 1121 | 1137 | 1164 | 1130 | 1134 |
| HIGH | | | | | |
| NEW | | 99 | 198 | 297 | 396 |
| TOTAL | 3528 | 3661 | 3768 | 3858 | 3963 |
| DISTRICT | | | | | |

Assumptions Made

- K classes estimated at 260
- 30 students enroll in 7th grade from private schools
- Student growth at 2.8% of grand total

Please see financial Scenario A on page 14

Scenario B: Student Growth 2%

| Grade | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| EC/Sprouts | 45 | 45 | 45 | 45 | 45 |
| K | 253 | 260 | 260 | 260 | 260 |
| 1 | 264 | 253 | 260 | 260 | 260 |
| 2 | 255 | 264 | 253 | 260 | 260 |
| 3 | 276 | 255 | 264 | 253 | 260 |
| 4 | 240 | 276 | 255 | 264 | 253 |
| TOTAL | 1333 | 1353 | 1337 | 1342 | 1338 |
| ELEM | | | | | |
| 5 | 258 | 240 | 276 | 255 | 264 |
| 6 | 235 | 258 | 240 | 276 | 255 |
| TOTAL | 493 | 498 | 516 | 531 | 519 |
| INTER. | | | | | |
| 7 | 309 | 265 | 288 | 270 | 306 |
| 8 | 272 | 309 | 265 | 288 | 270 |
| TOTAL | 581 | 574 | 553 | 558 | 576 |
| MIDDLE | | | | | |
| 9 | 284 | 272 | 309 | 265 | 288 |
| 10 | 299 | 284 | 272 | 309 | 265 |
| 11 | 282 | 299 | 284 | 272 | 309 |
| 12 | 256 | 282 | 299 | 284 | 272 |
| TOTAL | 1121 | 1137 | 1164 | 1130 | 1134 |
| HIGH | | | | | |
| NEW | | 71 | 142 | 213 | 284 |
| TOTAL | 3528 | 3633 | 3712 | 3774 | 3851 |
| DISTRICT | | | | | |

Assumptions Made

- K classes estimated at 260
- 30 students enroll in 7th grade from private schools
- Student growth at 2% of grand total

Please see the financial Scenario B on page 15

Scenario C: Student Growth 1%

| Grade | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| EC/Sprouts | 45 | 45 | 45 | 45 | 45 |
| K | 253 | 260 | 260 | 260 | 260 |
| 1 | 264 | 253 | 260 | 260 | 260 |
| 2 | 255 | 264 | 253 | 260 | 260 |
| 3 | 276 | 255 | 264 | 253 | 260 |
| 4 | 240 | 276 | 255 | 264 | 253 |
| TOTAL | 1333 | 1353 | 1337 | 1342 | 1338 |
| ELEM | | | | | |
| 5 | 258 | 240 | 276 | 255 | 264 |
| 6 | 235 | 258 | 240 | 276 | 255 |
| TOTAL | 493 | 498 | 516 | 531 | 519 |
| INTER. | | | | | |
| 7 | 309 | 265 | 288 | 270 | 306 |
| 8 | 272 | 309 | 265 | 288 | 270 |
| TOTAL | 581 | 574 | 553 | 558 | 576 |
| MIDDLE | | | | | |
| 9 | 284 | 272 | 309 | 265 | 288 |
| 10 | 299 | 284 | 272 | 309 | 265 |
| 11 | 282 | 299 | 284 | 272 | 309 |
| 12 | 256 | 282 | 299 | 284 | 272 |
| TOTAL | 1121 | 1137 | 1164 | 1130 | 1134 |
| HIGH | | | | | |
| NEW | | 35 | 70 | 105 | 140 |
| TOTAL | 3528 | 3597 | 3640 | 3666 | 3707 |
| DISTRICT | | | | | |

Assumptions Made

- K classes estimated at 260
- 30 students enroll in 7th grade from private schools
- Student growth at 1% of grand total

Please see the financial Scenario C on page 16

Economic Factors

- **New housing starts were lower in 2007 and 2008 than the recent past**
- **Interest rates are still low from historical standards, but loan requirements have increased from the recent past**
- **Real estate sales are slowing with a larger number of homes on the market than the recent past**
- **Overall economy is in an economic recession since December 2007**
- **New developments may not begin until economic recovery (2010?)**

Analysis

- **Scenario A is unlikely**
- **Scenario B is optimistic given current economy**
- **Scenario C is conservative, but may be the best planning model**

Scenario A

- Positive budget balances in 09-10 to 12-13
- Salary and benefits at 4.75%, any reductions below this level by .10% reduce expenses by \$30,800/year
- State aid increase highest in 10-11 (10.5%), lowest in 09-10 (6.7%), and averages 8.1%
- Property tax increase highest in 09-10 (4.1%), lowest in 10-11 (-1.0%), and averages 2.2%
- Property tax rate highest in 09-10 (9.67), lowest in 12-13 (8.75), and averages 9.11

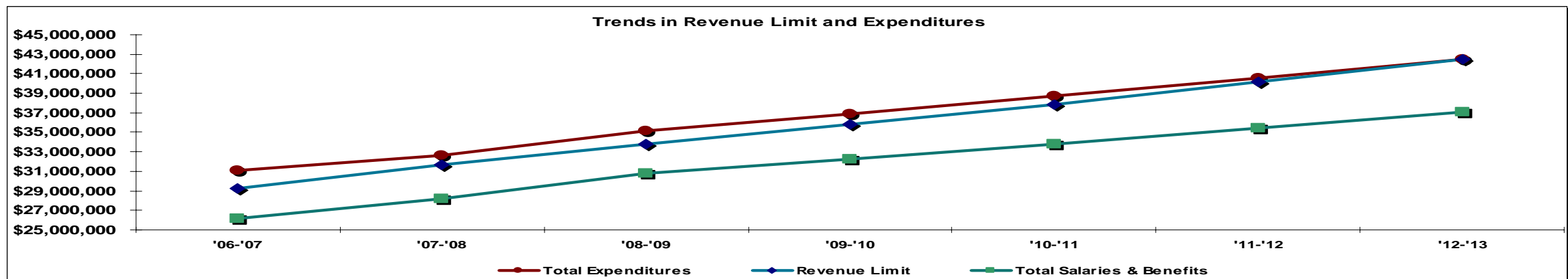
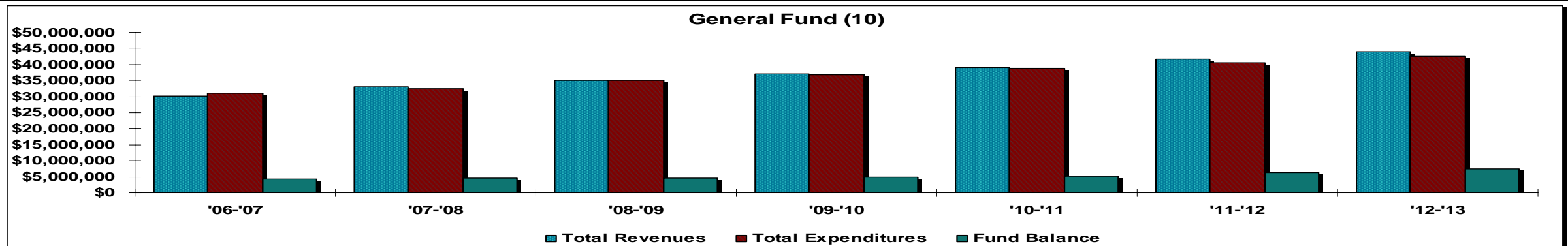
Scenario B

- Positive budget balances in 09-10 to 12-13
- Salary and benefits at 4.75%, any reductions below this level by .10% reduce expenses by \$30,800/year
- State aid increase highest in 10-11 (8.9%), lowest in 12-13 (5.9%), and averages 7.1%
- Property tax increase highest in 09-10 (3.6%), lowest in 10-11 (-.5%), and averages 2.1%
- Property tax rate highest in 09-10 (9.63), lowest in 12-13 (8.72), and averages 9.09

Scenario C

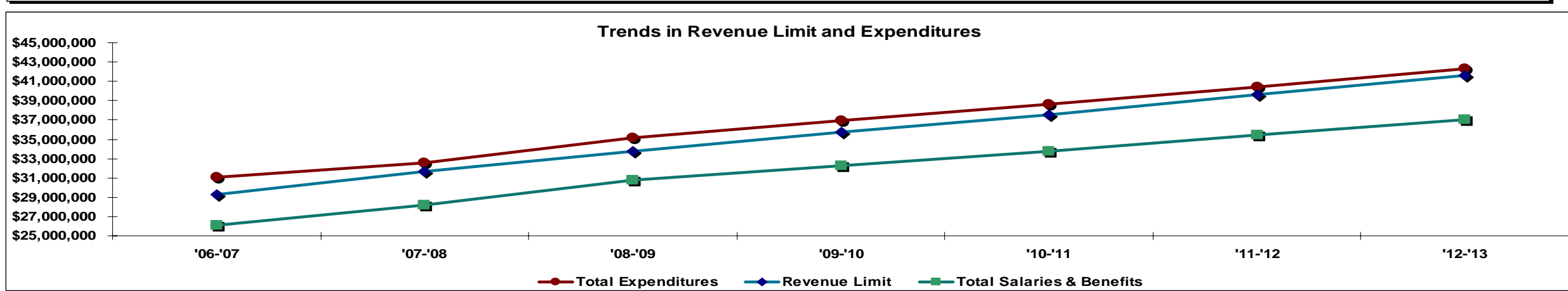
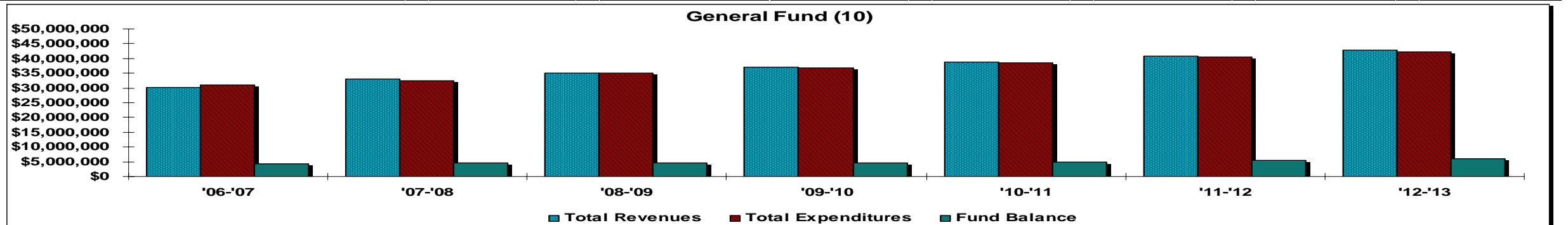
- Small positive budget balances in 09-10, and 10-11, small deficits projected in 11-12 and 12-13
- Salary and benefits at 4.75%, any reductions below this level by .10% reduce expenses by \$30,800/year
- State aid increase highest in 10-11 (6.9%), lowest in 12-13 (4.2%), and averages 5.8%
- Property tax increase highest in 09-10 and 12-13 (3.0%), lowest in 10-11 (.1%), and averages 2.1%
- Property tax rate highest in 09-10 (9.57), lowest in 12-13 (8.71), and averages 9.08

| Forecast Model Scenario: Scenario A: Student Growth | 2.8% | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
| | '06-'07 | '07-'08 | '08-'09 | '09-'10 | '10-'11 | '11-'12 | '12-'13 | |
| Enrollment Growth: | 4.88% | 3.59% | 1.56% | | | | | |
| Equalized Valuation Growth: | | 7.06% | 5.33% | 5.00% | 5.00% | 5.00% | 5.00% | |
| Fund 10 Revenues | \$30,291,920 | \$32,933,171 | \$35,123,500 | \$37,148,685 | \$39,221,961 | \$41,526,771 | \$43,842,461 | |
| Fund 10 Expenditures | \$31,078,266 | \$32,605,255 | \$35,123,500 | \$36,916,646 | \$38,711,592 | \$40,547,421 | \$42,514,078 | |
| Surplus (Deficit) | (\$786,346) | \$327,916 | \$0 | \$232,039 | \$510,370 | \$979,350 | \$1,328,384 | |
| Fund Balance | \$4,228,880 | \$4,556,796 | \$4,556,796 | \$4,788,835 | \$5,299,204 | \$6,278,554 | \$7,606,938 | |
| Fund Balance as % of Expenditures | 13.61% | 13.98% | 12.97% | 12.97% | 13.69% | 15.48% | 17.89% | |
| Total Tax Rate per \$1,000 Equalized Valuation | \$9.06 | \$9.57 | \$9.76 | \$9.67 | \$9.12 | \$8.90 | \$8.75 | |



**Forecast Model Scenario:
Scenario B: Student Growth 2%**

| | '06-'07 | '07-'08 | '08-'09 | '09-'10 | '10-'11 | '11-'12 | '12-'13 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Enrollment Growth: | 4.88% | 3.59% | 1.56% | | | | |
| Equalized Valuation Growth: | | 7.06% | 5.33% | 5.00% | 5.00% | 5.00% | 5.00% |
| Fund 10 Revenues | \$30,291,920 | \$32,933,171 | \$35,123,500 | \$37,047,192 | \$38,929,463 | \$40,924,473 | \$42,912,024 |
| Fund 10 Expenditures | \$31,078,266 | \$32,605,255 | \$35,123,500 | \$36,916,646 | \$38,634,592 | \$40,389,764 | \$42,271,931 |
| Surplus (Deficit) | (\$786,346) | \$327,916 | \$0 | \$130,546 | \$294,872 | \$534,709 | \$640,094 |
| Fund Balance | \$4,228,880 | \$4,556,796 | \$4,556,796 | \$4,687,342 | \$4,982,214 | \$5,516,922 | \$6,157,016 |
| Fund Balance as % of Expenditures | 13.61% | 13.98% | 12.97% | 12.70% | 12.90% | 13.66% | 14.57% |
| Total Tax Rate per \$1,000 Equalized Valuation | \$9.06 | \$9.57 | \$9.76 | \$9.63 | \$9.12 | \$8.89 | \$8.72 |



| Forecast Model Scenario: Scenario C: Student Growth | 1% | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | '06-'07 | '07-'08 | '08-'09 | '09-'10 | '10-'11 | '11-'12 | '12-'13 |
| Enrollment Growth: | 4.88% | 3.59% | 1.56% | | | | |
| Equalized Valuation Growth: | | 7.06% | 5.33% | 5.00% | 5.00% | 5.00% | 5.00% |
| Fund 10 Revenues | \$30,291,920 | \$32,933,171 | \$35,123,500 | \$36,925,401 | \$38,553,394 | \$40,150,090 | \$41,715,748 |
| Fund 10 Expenditures | \$31,078,266 | \$32,605,255 | \$35,123,500 | \$36,916,646 | \$38,535,592 | \$40,187,061 | \$41,960,601 |
| Surplus (Deficit) | (\$786,346) | \$327,916 | \$0 | \$8,755 | \$17,803 | (\$36,971) | (\$244,852) |
| Fund Balance | \$4,228,880 | \$4,556,796 | \$4,556,796 | \$4,565,551 | \$4,583,353 | \$4,546,382 | \$4,301,530 |
| Fund Balance as % of Expenditures | 13.61% | 13.98% | 12.97% | 12.37% | 11.89% | 11.31% | 10.25% |
| Total Tax Rate per \$1,000 Equalized Valuation | \$9.06 | \$9.57 | \$9.76 | \$9.57 | \$9.13 | \$8.89 | \$8.71 |

