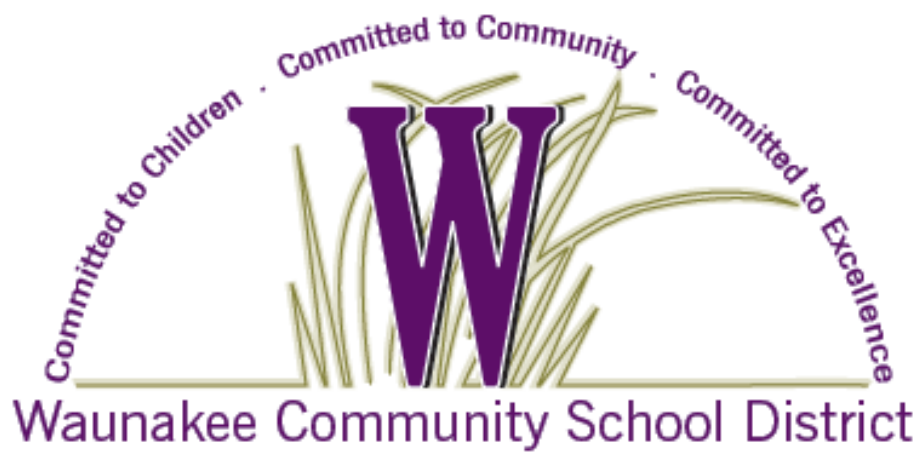


Budget Forecast
2009-2010 to 2013-2014



December 14, 2009
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 (revenue caps, state equalization aid, etc.)**
- **Enrollment projections scenarios are close to actual**
- **Personnel costs increase at 4.0%**
- **Non-personnel costs do not increase except transportation and utilities**
- **7.0 FTE added in 10-11, all other years add 1 FTE for every 20 additional students**
- **Revenue cap increase is based on \$200/student for 10-11, and then returns to \$275/student**
- **Savings from staff retirements is not included**
- **Data is less accurate as years progress**

Enrollment History

Grade	2005-06	2006-07	2007-08	2008-09	2009-10
EC/Sprouts	83	80	44	45	53
K	231	230	250	253	270
1	215	257	243	264	257
2	209	224	269	255	268
3	194	222	236	276	262
4	253	219	240	240	281
TOTAL	1185	1232	1282	1333	1391
ELEM					
5	232	266	229	258	258
6	241	246	280	235	260
TOTAL	473	512	509	493	518
INTER.					
7	293	271	271	309	250
8	254	296	281	272	315
TOTAL	547	567	552	581	565
MIDDLE					
9	245	266	297	284	278
10	278	247	277	299	282
11	252	283	251	282	300
12	220	254	288	256	283
TOTAL	995	1050	1113	1121	1143
HIGH					
TOTAL	3200	3361	3456	3528	3617
DISTRICT					

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

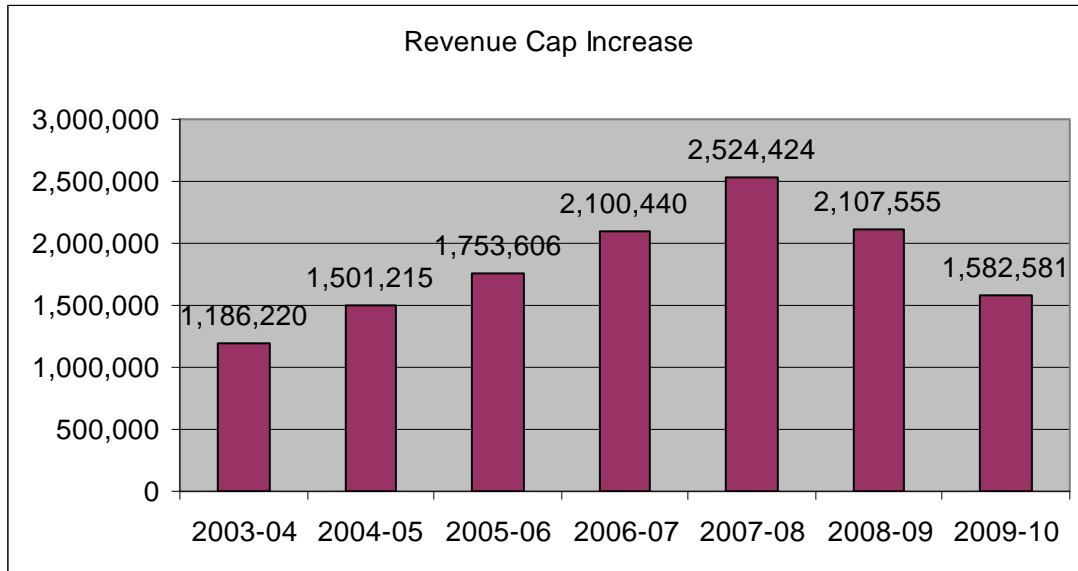
Enrollment Increase “New” Students

- **2005-06 3.2%**
- **2006-07 3.7%**
- **2007-08 3.3% (adjusted for Sprouts)**
- **2008-09 2.2%**
- **2009-10 1.3%**

- **Five year average is 2.74%**

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.

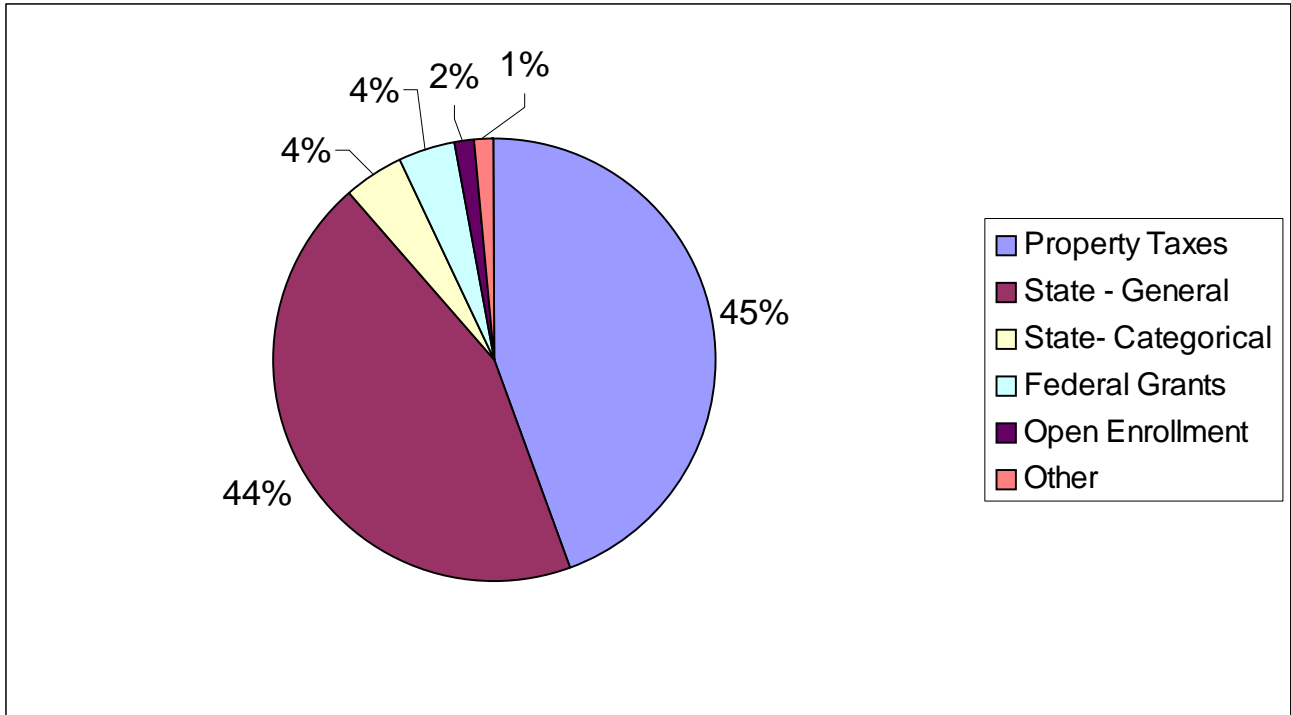
Revenue Cap Increase History



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.

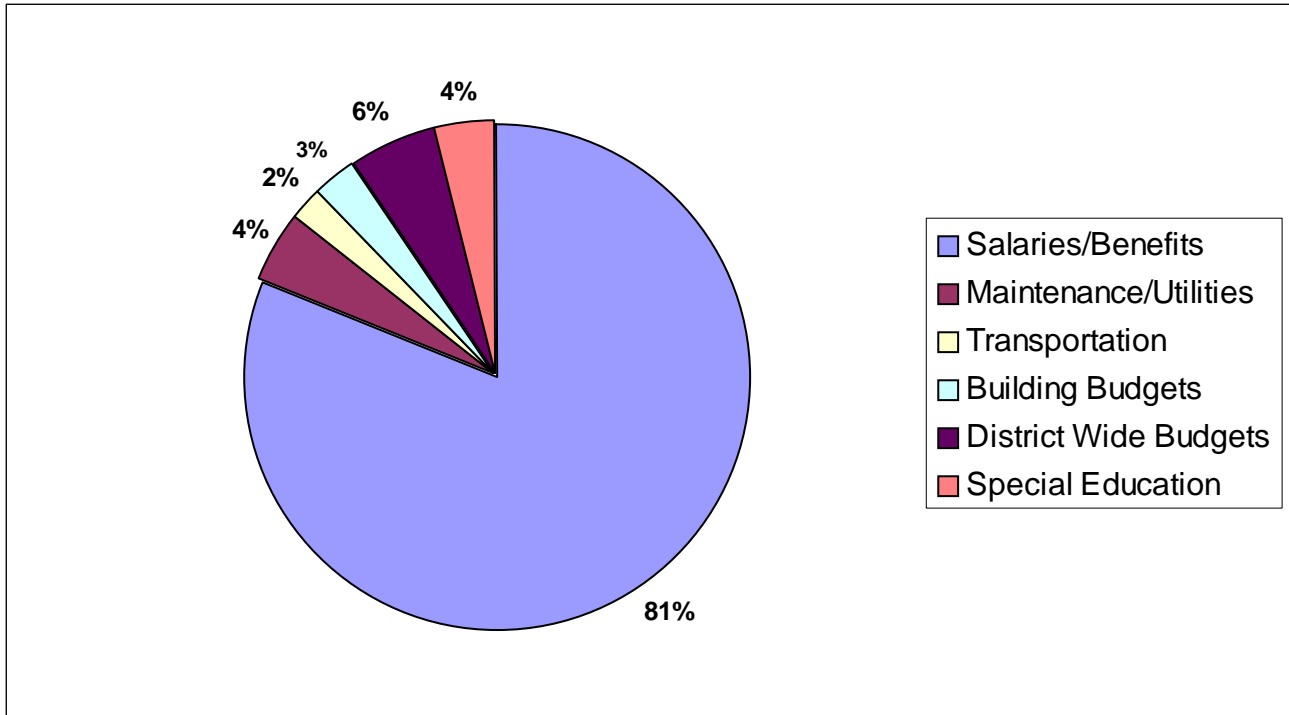
2009-10 Revenue Sources



Revenue Sources History-%

Revenue	2005-06	2006-07	2007-08	2008-09	2009-10
State-General	53	50	48	49	44
Property Taxes	39	41	43	42	45
State-Categorical	4	4	4	4	4
Federal Grants	2	2	2	2	4
Open Enrollment	1	1	1	1	2
Other	1	2	2	2	1
TOTAL	100	100	100	100	100

2009-10 Expenses



Expense History-%

Expense	2005-06	2006-07	2007-08	2008-09	2009-10
Salaries/ Benefits	81	80	82	82	81
(% special ed)	(18)	(18)	(18)	(18)	(19)
(% regular ed)	(82)	(82)	(82)	(82)	(81)
Maintenance/ Utilities	6	6	5	5	4
Transportation	2	2	2	2	2
Building Budgets	3	3	3	3	3
District Wide	6	7	6	6	6
Special Education	2	2	2	2	4
TOTAL	100	100	100	100	100

Future Debt Service Payments – Fund 38

FISCAL YEAR	AMOUNT DUE
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
2027-2028	0
2028-2029	0
TOTAL DUE	\$1,470,421.25

Future Debt Service Payments – Fund 39

FISCAL YEAR	AMOUNT DUE
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
2026-2027	0
2027-2028	0
2028-2029	0
TOTAL DUE	\$74,113,291

Enrollment Numbers – No Growth

Grade	2009-10	2010-11	2011-12	2012-13	2013-14
EC/Sprouts	53	50	50	50	50
K	270	280	280	280	280
1	257	270	280	280	280
2	268	257	270	280	280
3	262	268	257	270	280
4	281	262	268	257	270
TOTAL	1391	1387	1405	1417	1440
ELEM					
5	258	281	262	268	257
6	260	258	281	262	268
TOTAL	518	539	543	530	525
INTER.					
7	250	290	288	311	292
8	315	250	290	288	311
TOTAL	565	540	578	599	603
MIDDLE					
9	278	315	250	290	288
10	282	278	315	250	290
11	300	282	278	315	250
12	283	300	282	278	315
TOTAL	1143	1175	1125	1133	1143
HIGH					
TOTAL	3617	3641	3651	3679	3711
DISTRICT	2009-10	2010-11	2011-12	2012-13	2013-14

Assumptions Made

- **K classes estimated at 280**
- **30 students enroll in 7th grade from private schools**
- **No student growth**

Scenario A: Student Growth 2.7%

Grade	2009-10	2010-11	2011-12	2012-13	2013-14
EC/Sprouts	53	50	50	50	50
K	270	280	280	280	280
1	257	270	280	280	280
2	268	257	270	280	280
3	262	268	257	270	280
4	281	262	268	257	270
TOTAL	1391	1387	1405	1417	1440
ELEM					
5	258	281	262	268	257
6	260	258	281	262	268
TOTAL	518	539	543	530	525
INTER.					
7	250	290	288	311	292
8	315	250	290	288	311
TOTAL	565	540	578	599	603
MIDDLE					
9	278	315	250	290	288
10	282	278	315	250	290
11	300	282	278	315	250
12	283	300	282	278	315
TOTAL	1143	1175	1125	1133	1143
HIGH					
NEW		98	199	303	411
TOTAL	3617	3739	3850	3982	4122
DISTRICT					

Assumptions Made

- K classes estimated at 280
- 30 students enroll in 7th grade from private schools
- Student growth at 2.7% of grand total

Please see financial Scenario A on page 14

Scenario B: Student Growth 2%

Grade	2009-10	2010-11	2011-12	2012-13	2013-14
EC/Sprouts	53	50	50	50	50
K	270	280	280	280	280
1	257	270	280	280	280
2	268	257	270	280	280
3	262	268	257	270	280
4	281	262	268	257	270
TOTAL	1391	1387	1405	1417	1440
ELEM					
5	258	281	262	268	257
6	260	258	281	262	268
TOTAL	518	539	543	530	525
INTER.					
7	250	290	288	311	292
8	315	250	290	288	311
TOTAL	565	540	578	599	603
MIDDLE					
9	278	315	250	290	288
10	282	278	315	250	290
11	300	282	278	315	250
12	283	300	282	278	315
TOTAL	1143	1175	1125	1133	1143
HIGH					
NEW		72	146	222	300
TOTAL	3617	3713	3797	3901	4011
DISTRICT					

Assumptions Made

- K classes estimated at 280
- 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	2009-10	2010-11	2011-12	2012-13	2013-14
EC/Sprouts	53	50	50	50	50
K	270	280	280	280	280
1	257	270	280	280	280
2	268	257	270	280	280
3	262	268	257	270	280
4	281	262	268	257	270
TOTAL	1391	1387	1405	1417	1440
ELEM					
5	258	281	262	268	257
6	260	258	281	262	268
TOTAL	518	539	543	530	525
INTER.					
7	250	290	288	311	292
8	315	250	290	288	311
TOTAL	565	540	578	599	603
MIDDLE					
9	278	315	250	290	288
10	282	278	315	250	290
11	300	282	278	315	250
12	283	300	282	278	315
TOTAL	1143	1175	1125	1133	1143
HIGH					
NEW		36	73	110	148
TOTAL	3617	3677	3724	3789	3859
DISTRICT					

Assumptions Made

- K classes estimated at 280
- 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, 2008, and 2009 than the past**
- **Interest rates are still low from historical standards, but loan requirements have increased from the recent past**
- **Real estate sales have declined 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 or 2011?)**

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 – 2.7% Growth

- **Small deficit projected in 2010-11, positive budget balances in 11-12 to 13-14**
- **Salary and benefits at 4.0%, any reductions below this level by .10% reduce expenses by \$32,570/year**
- **State aid increase highest in 11-12 (4.0%), lowest in 12-13 (1.5%), and averages 2.6%**
- **Property tax increase highest in 12-13 and 13-14 (8.2%), lowest in 10-11 (4.3%), and averages 6.6%**
- **Property tax rate highest in 13-14 (12.39), lowest in 10-11 (10.95), and averages 11.59**

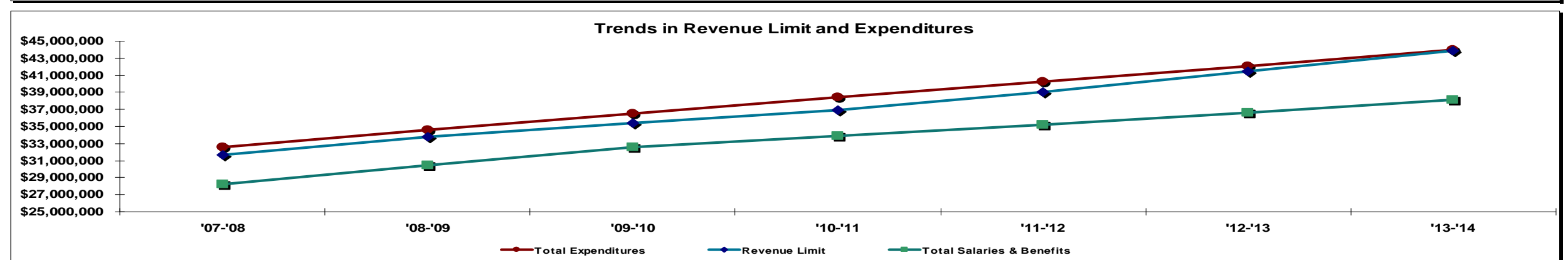
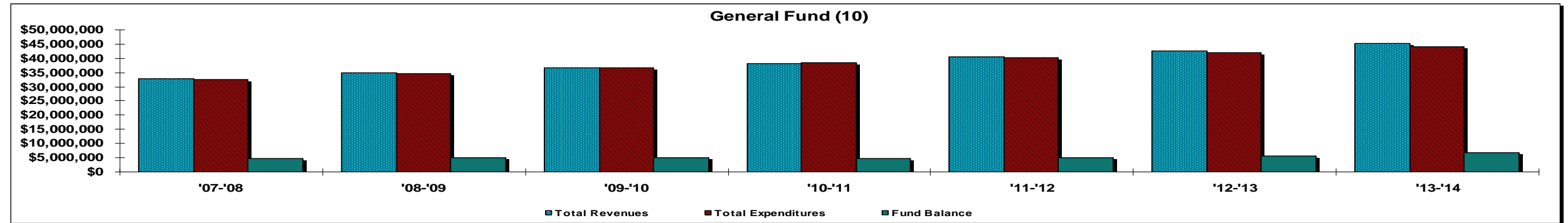
Scenario B – 2.0% Growth

- **Small deficits projected in 2010-11 and 11-13, positive budget balances in 12-13 to 13-14**
- **Salary and benefits at 4.0%, any reductions below this level by .10% reduce expenses by \$32,570/year**
- **State aid increase highest in 10-11 (3.0%), lowest in 12-13 (.4%), and averages 1.8%**
- **Property tax increase highest in 12-13 (7.8%), lowest in 10-11 (3.9%), and averages 6.3%**
- **Property tax rate highest in 13-14 (12.24), lowest in 10-11 (10.91), and averages 11.52**

Scenario C – 1.0% Growth

- **Small deficits projected in 10-11 through 13-14**
- **Salary and benefits at 4.0%, any reductions below this level by .10% reduce expenses by \$32,570/year**
- **State aid increase highest in 10-11 (3.0%), lowest in 12-13 (-.95%), and averages .74%**
- **Property tax increase highest in 12-13 (7.2%), lowest in 10-11 (3.3%), and averages 5.8%**
- **Property tax rate highest in 13-14 (12.04), lowest in 10-11 (10.85), and averages 11.41**

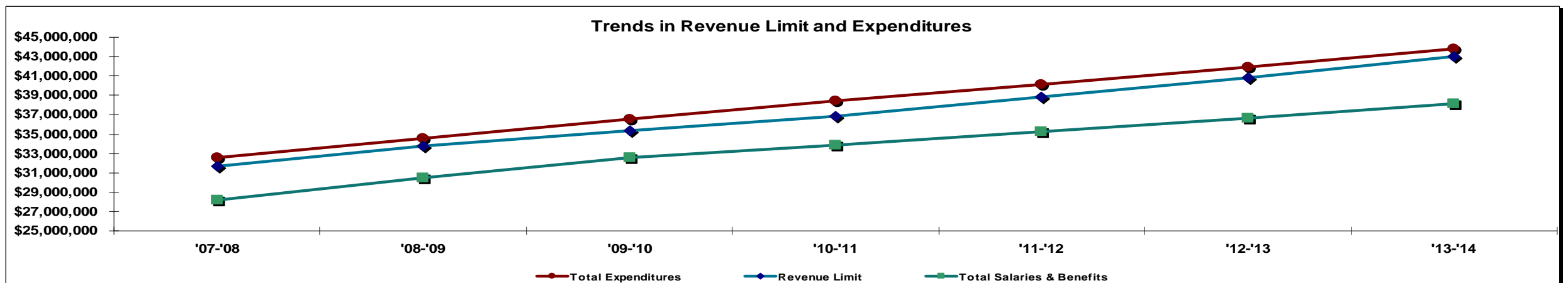
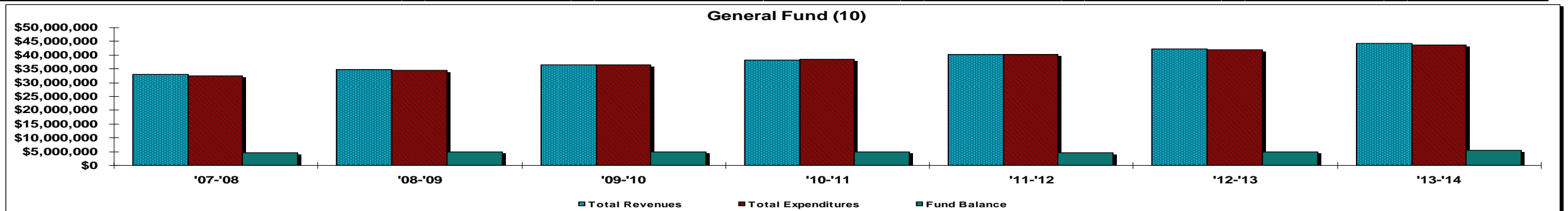
Forecast Model Scenario: Scenario A: Student Growth		2.7%						
	'07-'08	'08-'09	'09-'10	'10-'11	'11-'12	'12-'13	'13-'14	
Enrollment Growth:								
Equalized Valuation Growth:	3.59%	1.56%	2.22%	2.70%	2.70%	2.70%	2.70%	
Fund 10 Revenues		5.33%	-1.24%	3.00%	3.00%	3.00%	3.00%	
Fund 10 Expenditures	\$32,933,172	\$34,908,897	\$36,550,025	\$38,294,114	\$40,403,210	\$42,738,806	\$45,213,169	
Surplus (Deficit)	\$32,605,255	\$34,594,483	\$36,550,025	\$38,450,802	\$40,222,170	\$42,032,892	\$44,032,144	
Fund Balance	\$327,917	\$314,414	\$0	(\$156,688)	\$181,040	\$705,914	\$1,181,025	
Fund Balance as % of Expenditures	\$4,679,996	\$4,994,410	\$4,994,410	\$4,837,723	\$5,018,763	\$5,724,677	\$6,905,702	
Total Tax Rate per \$1,000 Equalized Valuation	14.35%	14.44%	13.66%	12.58%	12.48%	13.62%	15.68%	
Enrollment Growth:	\$9.57	\$9.76	\$10.82	\$10.95	\$11.23	\$11.79	\$12.39	



Forecast Model Scenario: 2%

Scenario B: Student Growth

	'07-'08	'08-'09	'09-'10	'10-'11	'11-'12	'12-'13	'13-'14
Enrollment Growth:	3.59%	1.56%	2.22%	2.00%	2.00%	2.00%	2.00%
Equalized Valuation Growth:		5.33%	-1.24%	3.00%	3.00%	3.00%	3.00%
Fund 10 Revenues	\$32,933,172	\$34,908,897	\$36,550,025	\$38,202,044	\$40,129,435	\$42,165,780	\$44,303,854
Fund 10 Expenditures	\$32,605,255	\$34,594,483	\$36,550,025	\$38,450,802	\$40,146,570	\$41,875,168	\$43,782,611
Surplus (Deficit)	\$327,917	\$314,414	\$0	(\$248,758)	(\$17,134)	\$290,612	\$521,244
Fund Balance	\$4,679,996	\$4,994,410	\$4,994,410	\$4,745,652	\$4,728,518	\$5,019,130	\$5,540,374
Fund Balance as % of Expenditures	14.35%	14.44%	13.66%	12.34%	11.78%	11.99%	12.65%
Total Tax Rate per \$1,000 Equalized Valuation	\$9.57	\$9.76	\$10.82	\$10.91	\$11.20	\$11.71	\$12.24



Forecast Model Scenario: 1%

Scenario C: Student Growth									
	'07-'08	'08-'09	'09-'10	'10-'11	'11-'12	'12-'13	'13-'14		
Enrollment Growth:	3.59%	1.56%	2.22%	1.00%	1.00%	1.00%	1.00%		
Equalized Valuation Growth:		5.33%	-1.24%	3.00%	3.00%	3.00%	3.00%		
Fund 10 Revenues	\$32,933,172	\$34,908,897	\$36,550,025	\$38,079,283	\$39,750,324	\$41,365,653	\$43,061,812		
Fund 10 Expenditures	\$32,605,255	\$34,594,483	\$36,550,025	\$38,450,802	\$40,042,970	\$41,657,249	\$43,441,975		
Surplus (Deficit)	\$327,917	\$314,414	\$0	(\$371,519)	(\$292,646)	(\$291,596)	(\$380,163)		
Fund Balance	\$4,679,996	\$4,994,410	\$4,994,410	\$4,622,892	\$4,330,246	\$4,038,651	\$3,658,488		
Fund Balance as % of Expenditures	14.35%	14.44%	13.66%	12.02%	10.81%	9.69%	8.42%		
Total Tax Rate per \$1,000 Equalized Valuation	\$9.57	\$9.76	\$10.82	\$10.85	\$11.15	\$11.60	\$12.04		

