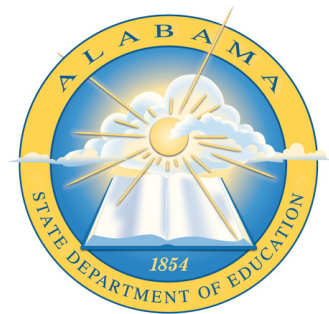


Alabama Association of School Boards 2019 Spring Conference

Financial Modeling for School Systems



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Deputy State Superintendent

Why Is Modeling Important?

- ▶ Aides decision making
 - ▶ Sustainability
 - ▶ Prioritization
- ▶ Helps See Entire Picture
 - ▶ Timing
 - ▶ Recurring/Non-Recurring
 - ▶ Understand the Financial Drivers
- ▶ Sound Planning - Integrate Strategic Initiatives
- ▶ Platform for “What if” Scenario analysis
- ▶ Avoid traps - 10 Mill Lag, Formula Growth Lag, Erratic Revenue Streams
- ▶ Achieve and Maintain Sound Financial Position



Sample School System

Summary Modeling Example

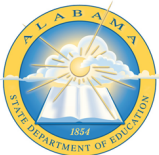


	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
STATE REVENUES					
Foundation Program	\$ 11,056,412	\$ 11,822,702	\$ 11,987,315	\$ 12,065,299	\$ 11,858,313
ETF Advancement & Technology	495,635	-	-	-	-
Other State Revenue	770,375	769,614	769,434	769,822	768,928
LOCAL REVENUES					
Property Tax	4,541,253	4,643,910	4,760,008	4,879,008	5,000,983
Sales Tax	836,273	844,636	853,082	861,613	870,229
Other Local Revenues	781,485	781,485	781,485	781,485	781,485
TOTAL REVENUES	18,481,433	18,862,347	19,151,324	19,357,227	19,279,938
SALARIES					
	10,142,629	10,040,662	10,127,639	10,023,763	10,127,639
BENEFITS					
	3,863,307	3,824,461	3,823,515	3,784,286	3,823,515
CNP TRANSFER					
	400,000	400,000	350,000	500,000	500,000
LEGAL FEES					
	43,276	44,936	44,936	44,936	44,936
SOFTWARE MAINTENANCE AGREEMENTS					
	87,563	93,483	87,563	87,563	87,563
UTILITIES					
	641,739	641,739	641,739	641,739	641,739
TEXTBOOKS					
	41,610	40,012	49,607	150,481	158,366
COMMUNICATION					
	429,690	429,690	429,690	429,690	429,690
PROPERTY SERVICES					
	102,600	102,600	102,600	102,600	102,600
LOCAL TRANSPORTATION BURDEN					
	323,000	295,000	245,000	245,000	245,000
LOCAL SCHOOL ALLOCATIONS					
	149,038	146,994	144,950	142,905	144,950
CLASSROOM TECHNOLOGY REFRESH					
	-	-	600,000	-	-
OTHER MISCELLANEOUS					
	1,136,583	1,159,315	1,170,908	1,182,617	1,194,443
	17,361,035	17,218,891	17,818,147	17,335,580	17,500,441
DEBT SERVICE					
Warrant Issue 2016	986,311	1,022,061	1,213,911	1,217,236	1,218,661
Warrant Issue - 2014	231,269	231,269	231,269	231,269	231,269
Warrant Issue - 2022	-	-	-	301,276	301,276
QZAB	80,000	80,000	80,000	80,000	80,000
	1,297,580	1,333,330	1,525,180	1,829,781	1,831,206
TOTAL EXPENDITURES	18,658,615	18,552,221	19,343,327	19,165,361	19,331,647
REVENUES OVER/(UNDER)					
EXPENDITURES	(177,182)	310,126	(192,003)	191,866	(51,709)
BEGINNING FUND BALANCE					
	1,625,000	1,447,818	1,757,943	1,565,940	1,757,807
ENDING FUND BALANCE					
	\$ 1,447,818	\$ 1,757,943	\$ 1,565,940	\$ 1,757,807	\$ 1,706,098
Months Operating Fund					
	0.93	1.14	0.97	1.10	1.06



Capital Project Fund

	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>
BEGINING FUND BALANCE	\$ 83,256	\$ 101,112	\$ 630,085	\$ 482,316	\$ 1,625,484
Fleet Renewal	263,970	277,305	280,000	282,275	280,000
Warrant Proceeds	-	-	-	4,176,573	-
Public School Fund	513,886	525,448	537,271	549,360	561,720
Capital Projects					
Mechanical Upgrade	(400,000)				
Bus Purchases	(360,000)	(273,780)	(365,040)	(365,040)	(279,471)
Roof Replacements			(600,000)		
Schools Renovation				(3,500,000)	(2,000,000)
ENDING FUND BALANCE	<u>\$ 101,112</u>	<u>\$ 630,085</u>	<u>\$ 482,316</u>	<u>\$ 1,625,484</u>	<u>\$ 187,733</u>



Description	Staffing Assumption - FTE's				
	2019	2020	2021	2022	2023
Teacher	122.81	120.81	118.81	116.81	118.81
Principal	6.00	6.00	6.00	6.00	6.00
Asst Principal	3.00	3.00	3.00	3.00	3.00
Counselor	6.50	6.50	6.50	6.50	6.50
Asst Career/Technical Administrator	1.00	1.00	1.00	1.00	1.00
Superintendent	1.00	1.00	1.00	1.00	1.00
Librarian (N-12)	5.50	5.50	5.50	5.50	5.50
Coordinator/Director	2.26	2.26	2.26	2.26	2.26
Consulting Teacher	1.00	1.00	1.00	1.00	1.00
Reading Coach	3.00	3.00	3.00	3.00	3.00
Psychometrist	0.30	0.30	0.30	0.30	0.30
Technology Coordinator - Certified	1.00	1.00	1.00	1.00	1.00
Other Certified Vacancy	0.50	0.50	0.50	0.50	0.50
Instruction Assistant	0.95	0.95	0.95	0.95	0.95
Health Assistant	1.00	1.00	1.00	1.00	1.00
Supervisor/Asst. Supervisor	0.50	0.50	0.50	0.50	0.50
Chief School Financial Officer	1.00	1.00	1.00	1.00	1.00
Registered Nurse	2.00	2.00	2.00	2.00	2.00
Accountant/Auditor	2.00	2.00	2.00	2.00	2.00
Other Professional	0.20	0.20	0.20	0.20	0.20
Computer Operator	2.00	2.00	2.00	2.00	2.00
Secretary	7.20	7.20	7.20	7.20	7.20
Receptionist	2.00	2.00	2.00	2.00	2.00
Clerk	2.00	2.00	2.00	2.00	2.00
Custodial	15.00	15.00	15.00	15.00	15.00
Helper	1.00	1.00	1.00	1.00	1.00
Worker	2.00	2.00	2.00	2.00	2.00
Security Guard	2.00	2.00	2.00	2.00	2.00
	<u>194.72</u>	<u>192.72</u>	<u>190.72</u>	<u>188.72</u>	<u>190.72</u>



Questions?



Conversations to Take Home

- Write down 1 – 2 things from this session that could lead to a productive conversation at your board table.