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**EXHIBIT THREE (3)**



# Budget Considerations for Local Control

# Budget Considerations under Local Control:

## *Assumptions in Analysis*

- Assumes continued declining enrollment in the school district consistent with previous year patterns, i.e., 5% less ADM from FY21 to FY22
- Applies reduce ADM figures to adjust available revenue for the subsequent fiscal year, e.g., foundation funding, one-time revenue, etc.
- Expenditures assume a 3% increase in labor associated line items consistent with prior year patterns
- Non-labor expenditures assume no change from FY21 to FY22 planned expenditures

## Dollarway SD: Revenue & Expenditures Trend<sup>1</sup>

Year	Total Revenue	Total Expenditures	Difference	Ending Balance
FY 2017	\$10,751,690	\$10,741,590	\$10,100	\$3,220,100
FY 2018	\$11,040,150	\$12,049,608	\$(1,009,457)	\$2,210,642
FY 2019	\$11,056,340	\$11,748,084	\$(691,775)	\$1,518,898
FY 2020	\$9,272,412	\$10,354,049	\$(1,081,636)	\$437,262
FY 2021 (budget)	\$9,658,324	\$9,942,604	\$(284,280)	\$152,982
FY 2022 (projected)	\$9,437,549	\$10,091,791	\$(654,242)	\$(501,261)

<sup>1</sup> – Is the unrestricted resources available for the school district. While restricted resources would be available for the school district's use they should not be relied upon as a source of ongoing, core revenue support.

## Budget Considerations under Local Control:

### *Results and Implications from Analysis*

- Without any further expenditure adjustments, the Dollarway SD will have a negative ending fund balance by the end of FY 2022.
- Cash analysis of available revenue and expenditures in FY 2022 suggest that Dollarway's fund balance would go negative in the spring 2022.
- In order to balance the budget and retain a marginal ending balance, Dollarway SD would have to initiate expenditure reduction plans in January 2021 of approximately \$700,000 on a projected \$10.1 million budget (or nearly 7% reduction in ongoing expenses)