# Kenmore-Town of Tonawanda UFSD Long-Term Financial Plan for 2016-17 Budget Planning December 8, 2015

## **Assumptions in Constructing the Plan**

(This is an example of what could happen using the assumptions listed below. Obviously, changes in one factor would produce changes in many others. This model is an example, not a recommendation.)

#### **General Assumptions:**

- -Building project expense and state building aid beyond 2014-15 are not included since they will offset each other
- -Interest on reserve funds is not calculated and will offer more of a cushion than what is presented
- -The plan no longer assumes that Foundation Aid will be implemented according to the Governor's 2011-12 schedule
- -The plan assumes that the Gap Elimination Adjustment will be phased out by 2016-17
- -The plan includes very conservative savings from District reorganization in 2016-17

## -The District should seriously consider the establishment of a new Capital Reserve Fund in 2016-17

- -The existing Capital Reserve Fund will have little capacity and be close to expiring
- -Anticipated extra savings from reorganization can "jump start " this fund to help finance future building projects

### -The District should seriously consider the establishment of a new Employee Retirement Resrve in 2015-16

-Establishing this reserve will allow the District to save for unexpected increases while rates are lower

2016-1	7 Assumptions						
Revenue	Expenditures						
-Tax Levy up 1.0% (0% CPI possibility)	-Utilities up 3.0%						
-State Aid up 1.0% + second 1/2 of the GEA is restored	-Payroll up 0.5%						
-No longer use the Workers Compensation Reserve	-Health Insurance up 8.0%						
-No longer use the Tax Certiorari Reserve	-Retirement Contribution up 2.0%						
-Use \$350,000 of the Debt Service Reserve	-Other Benefits up 2.0%						
-No longer use the Employee Benefits Accrued Liability Reserve	-Other Expenditures up 2.0%						
-No longer use Unappropriated Fund Balance							
-Fund Employee Retirement Reserve by \$100,000 from EBALR							
-Appropriated Fund Balance at \$6 million	Current Estimated Deficit:	-\$6,204					

2017-18 Assumptions									
Revenue	Expenditures	Expenditures							
-Tax Levy up 2.0% (capped)	-Utilities up 3.0%								
-Sales Tax up \$200,000	-Payroll up 2.5%								
-State Aid up 3.0%	-Health Insurance up 7%								
-Use \$250,000 of the Debt Service Reserve	-Retirement Contribution up 3.0%								
-Appropriated Fund Balance at \$6 million	-Other Benefits up 3.0%								
-Fund Employee Retirement Reserve by \$100,000 from EBALR	-Other Expenditures up 1.5%								
	Current Estimated Deficit:	\$428,821							

2018-19 Assumptions										
Revenue	Expenditures	Expenditures								
-Tax Levy up 2.0% (capped)	-Utilities up 3.0%									
-Sales Tax increase - cost of goods and services	-Payroll up 2%									
-State Aid up 3.0%	-Health Insurance up 5.0%									
-Use \$250,000 of the Debt Service Reserve	-Retirement Contribution up 3.0%									
-Appropriated Fund Balance at \$6 million	-Other Benefits up 3.0%									
-Fund Employee Retirement Reserve by \$100,000 from EBALR	-Other Expenditures up 2.0%									
	Current Estimated Deficit:	\$415,805								

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	2014 45	2044.45	2044.45	2045 40	2015-16	2015-16	2016-17	2016-17	2016-17	2017-18	2017-18	2017-18	2018-19	2018-19	2018-19
Revenue	2014-15 Budget	2014-15 Net Actual	2014-15 Surplus	2015-16 Budget	Projected  Actual	Projected Surplus	Estimated Budget	Projected  Actual	Projected Surplus	Estimated Budget	Projected  Actual	Projected Surplus	Estimated Budget	Projected Actual	Projected Surplus
			•	-			_		•				_		•
Tax Levy	\$77,321,512	\$77,350,175	\$28,663	\$79,236,785	\$79,236,785	\$0	\$80,029,153	\$80,029,153	\$0	\$81,629,736	\$81,629,736	\$0	, , , , , , , , , , , , , , , , , , , ,	\$83,262,331	\$0
Sales Tax	\$8,200,000	\$8,158,846	-\$41,154	\$8,200,000	\$8,200,000	\$0	\$8,200,000	\$8,200,000	\$0	\$8,200,000	\$8,200,000	\$0	\$8,200,000	\$8,325,915	\$125,915
Charges for Services	\$1,681,000	\$2,267,123	\$586,123	\$1,700,000	\$1,800,000	\$100,000	\$1,700,000	\$1,900,000	\$200,000	\$1,800,000	\$2,000,000	\$200,000	\$1,700,000	\$2,100,000	\$400,000
State Aid	\$49,528,930	\$49,431,848	-\$97,082	\$53,399,000	\$53,426,676	\$27,676	\$55,960,943	\$55,960,943	\$0	\$57,639,771	\$57,639,771	\$0	\$59,368,964	\$59,568,964	\$200,000
Other	\$5,255,400	\$6,730,866	\$1,475,466	\$5,185,100	\$6,730,866	\$1,545,766	\$5,085,100	\$6,830,866	\$1,745,766	\$5,305,100	\$7,050,866	\$1,745,766	\$5,405,100	\$7,150,866	\$1,745,766
Subtotal	\$141,986,842	\$143,938,858	\$1,952,016	\$147,720,885	\$149,394,327	\$1,673,442	\$150,975,196	\$152,920,962	\$1,945,766	\$154,574,607	\$156,520,373	\$1,945,766	\$157,936,395	\$160,408,076	\$2,471,681
Use of F.B. & Reserves	\$9,825,000	\$7,575,000	-\$2,250,000	\$7,475,000	\$7,475,000	\$0	\$6,450,000	\$6,450,000	\$0	\$6,350,000	\$6,350,000	\$0	\$6,350,000	\$6,350,000	\$0
Revenue TBD			\$0			\$0			\$0			\$0			\$0
Total Revenue	\$151,811,842	\$151,513,858	-\$297,984	\$155,195,885	\$156,869,327	\$1,673,442	\$157,425,196	\$159,370,962	\$1,945,766	\$160,924,607	\$162,870,373	\$1,945,766	\$164,286,395	\$166,758,076	\$2,471,681
Deficit	\$0			\$0			-\$6,204				\$428,821		\$415,805		
Budget	\$151,811,842	1.88%		\$155,195,885 2.23%											
				2015-16	2015-16	2015-16	2016-17	2016-17	2016-17	2017-18	2017-18	2017-18	2018-19	2018-19	2018-19
	2014-15	2014-15	2014-15	Estimated	Projected	Projected	Estimated	Projected	Projected	Estimated	Projected	Projected	Estimated	Projected	Projected
Expenditures	Budget	Net Actual	Surplus	Budget	Actual	Surplus	Budget	Actual	Surplus	Budget	Actual	Surplus	Budget	Actual	Surplus
Utilities	\$2,773,800	\$1,558,872	\$1,214,928	\$2,931,490	\$1,621,227	\$1,310,263	\$2,950,000	\$1,669,864	\$1,280,136	\$2,850,000	\$1,719,960	\$1,130,040	\$2,950,000	\$1,771,558	\$1,178,442
Payroll	\$77,451,146	\$76,107,697	\$1,343,449	\$79,572,708	\$78,010,389	\$1,562,319	\$80,000,000	\$78,400,441	\$1,599,559	\$81,250,000	\$80,360,452	\$889,548	\$82,875,000	\$81,967,661	\$907,339
Health Insurance	\$13,481,654	\$13,631,846	-\$150,192	\$14,504,805	\$14,722,394	-\$217,589	\$15,665,189	\$15,900,185	-\$234,996	\$16,918,405	\$16,761,753	\$156,651	\$18,271,877	\$17,599,841	\$672,036
Retirement	\$13,991,599	\$13,212,784	\$778,815	\$11,762,954	\$11,344,168	\$418,786	\$11,998,213	\$11,571,051	\$427,162	\$12,238,177	\$11,918,183	\$319,994	\$12,605,323	\$12,275,728	\$329,594
Other Benefits	\$9,348,515	\$9,103,737	\$244,778	\$9,477,837	\$9,467,886	\$9,951	\$10,000,000	\$9,657,244	\$342,756	\$10,300,000	\$9,946,962	\$353,038	\$10,650,000	\$10,245,370	\$404,630
Other	\$34,765,128		\$2,477,408	\$36,946,091	\$34,853,263		\$36,805,589	\$35,558,506	\$1,247,083	\$37,796,846	\$36,091,884	\$1,704,962	\$37,350,000	\$36,813,722	\$536,278
Real Reductions TBD	, , , , , , , , , , , , , , , , , , , ,	, -: ,: 20	\$0		,,	\$0	,,,	, ,	\$0	,	,,	\$0		, ,	\$0
Total	\$151,811,842	\$145,902,656	\$5,909,186		\$150,019,327		\$157,418,991	\$152,757,292	\$4,661,699	\$161,353,428	\$156,799,193	\$4,554,234		\$160,673,881	\$4,028,319
10.00	ψ131,011,042	ψ143,302,030	φυ,συσ,100	ψ133,133,00 <u>3</u>	ψ1JU,U13,J2/	φ <b>υ</b> , ι <i>1</i> 0,υυδ	ψ1 <i>U1</i> , <del>11</del> 10,331	ψ1.52,1.51,232	φ <del>+</del> ,υυ1,υ33	ψ 101,000, <del>4</del> 20	ψ13U,133,133	ψ <del>+</del> ,υυ+, <b>८</b> 04	ψ104,102,200	ψιου,υτο,οσι	φ4,020,319
Total Generated Surplus			\$5,611,202			\$6,850,000			\$6,607,465			\$6,500,000			\$6,500,000

	2014-15	2014-15	Projected	2015-16	2015-16	Projected	2016-17	2016-17	Projected	2017-18	2017-18	Projected	2018-19	2018-19	Projected	
Current	Budget	Actual	Amount As Of	Budget	Projected	Amount As Of	Budget	Projected	Amount As Of	Budget	Projected	Amount As Of	Budget	Projected	Amount As Of	
Reserves	Usage	Additions	6/30/15	Usage	Additions	6/30/16	Usage	Additions	6/30/17	Usage	Additions	6/30/18	Usage	Additions	6/30/19	
Workers Comp.																
Linear play year and	\$0	\$221,225	\$1,072,849	-\$225,000	\$0	\$847,849	\$0	\$0	\$847,849	\$0	\$0	\$847,849	\$0	\$0	\$847,849	
Unemployment	4						•									
Encumbrances	-\$50,000	\$334	\$182,286	\$0	\$0	\$182,286	\$0	\$0	\$182,286	\$0	\$0	\$182,286	\$0	\$0	\$182,286	
	\$137,601	\$0	\$1,293,099	\$0	\$0	\$1,293,099	\$0	\$0	\$1,293,099	\$0	\$0	\$1,293,099	\$0	\$0	\$1,293,099	
Tax Certiorari	ψ.σ.,σσ.	Ψ0	ψ.,=σσ,σσσ	Ψ0	Ψ0	ψ.,200,000	Ψ	Ψ0	ψ.,200,000	Ψ0		ψ.,200,000	40	Ψ3	ψ.,=σσ,σσσ	
	-\$1,025,000	\$1,847	\$1,699,000	-\$600,000	\$0	\$1,099,000	\$0	\$0	\$1,099,000	\$0	\$0	\$1,099,000	\$0	\$0	\$1,099,000	
Capital															1	
Repair	-\$6,050,000	\$3,168	\$179,228	\$0	\$450,000	\$629,228	\$0	\$257,465	\$886,693	\$0	\$0	\$886,693	\$0	\$0	\$886,693	
ιτοραίΙ	**	<b>#4.605</b>	<b>#4 070 700</b>	60	••	<b>#4 070 700</b>	40	**	¢4 070 700	**	**	¢4 070 700	20	**	f4 070 700	
Debt Service	\$0	\$1,825	\$1,270,793	\$0	\$0	\$1,270,793	\$0	\$0	\$1,270,793	\$0	\$0	\$1,270,793	\$0	\$0	\$1,270,793	
	-\$300,000	\$9,140	\$1,702,271	-\$350,000	\$0	\$1,352,271	-\$350,000	\$0	\$1,002,271	-\$250,000	\$0	\$752,271	-\$250,000	\$0	\$502,271	
Employee Benefit Accrued Liab.	<del>\$555,555</del>	φο,ο	ψ.,. σΞ,Ξ.	\$300,000	Ψ0	ψ.,σσΞ,Ξ	<del>\$333,333</del>	Ψ0	Ψ.,σσΞ,Ξ	Ψ200,000		ψ. 02,2	Ψ200,000	Ψ3	φοσ2,2	
	\$0	\$2,673	\$4,059,418	-\$100,000	\$0	\$3,959,418	-\$100,000	\$0	\$3,859,418	-\$100,000	\$0	\$3,759,418	-\$100,000	\$0	\$3,659,418	
Life Insurance																
Employee Retirement Reserve	-\$225,000	\$0	\$2,220,000	\$0	\$0	\$2,220,000	\$0	\$0	\$2,220,000	\$0	\$0	\$2,220,000	\$0	\$0	\$2,220,000	
Employee Retirement Reserve	\$0	\$0	\$0	\$0	\$100,000	\$100,000	\$0	\$100,000	\$200,000	\$0	\$100,000	\$300,000	\$0	\$100,000	\$400,000	
Arbitration	<b>4</b> 0	Ψ	Ψ	Ψ0	ψιου,σου	<b>\$100,000</b>	Ψ	Ψ100,000	Ψ200,000	Ψ	Ψ100,000	<del>\$666,666</del>	ψ0	ψ100,000	<b>\$100,000</b>	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Reserves																
	-\$7,512,399	\$240,212	\$13,678,944	-\$1,275,000	\$550,000	\$12,953,944	-\$450,000	\$357,465	\$12,861,409	-\$350,000	\$100,000	\$12,611,409	-\$350,000	\$100,000	\$12,361,409	
Fund Balance & Other																
Appropriated Fund Balance																
	-\$7,000,000	\$6,200,000	\$6,200,000	-\$6,200,000	\$6,000,000	\$6,000,000	-\$6,000,000	\$6,000,000	\$6,000,000	-\$6,000,000	\$6,000,000	\$6,000,000	-\$6,000,000	\$6,000,000	\$6,000,000	
Unappropriated FB																
	-\$151,847	\$0	\$5,815,531	\$0	\$300,000	\$6,115,531	\$0	\$250,000	\$6,365,531	\$0	\$400,000	\$6,765,531	\$0	\$400,000	\$7,165,531	
			•	•			•								1	
Reduced Liabilities  Total Fund Balance & Other	\$0 I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0 	\$0	\$0	\$0 	\$0 I	\$0 I	\$0	
	-\$7,151,847	\$6,200,000	\$12,015,531	-\$6,200,000	\$6,300,000	\$12,115,531	-\$6,000,000	\$6,250,000	\$12,365,531	-\$6,000,000	\$6,400,000	\$12,765,531	-\$6,000,000	\$6,400,000	\$13,165,531	
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Total Reserves & Fund Balance	-\$14,664,246	\$6,440,212	\$25,694,475	-\$7,475,000	\$6,850,000	\$25,069,475	-\$6,450,000	\$6,607,465	\$25,226,940	-\$6,350,000	\$6,500,000	\$25,376,940	-\$6,350,000	\$6,500,000	\$25,526,940	
Total Nosel 105 & Fully Balance	ψ1 <del>7,004,240</del>	ψυ,τ+υ,212	Ψ20,034,473	Ψ1,+13,000	ψυ,υσυ,υυυ	ψ <b>2</b> 3,003,413	ΨΟ,ΟΟ,ΟΟΟ	ψυ,υυτ,+03	ψευ,εευ, <del>34</del> υ	-	ψυ,συυ,υυυ	ψ <b>2</b> -0,01 0,940		, <del>40,000,000</del>	Ψ <b>2</b> 3,3 <b>2</b> 0,340	
Capital Fund Amount	-\$6,050,000	\$4,993	\$1,450,021	\$0	\$450,000	\$1,900,021	\$0	\$257,465	\$2,157,486	\$0	\$0	\$2,157,486	\$0	\$0	\$2,157,486	
eapital Latia / Illiount	ψυ,υυυ,υυυ	Ψ+,233	ψ1,700,021	ΨΟ	ψ-του,υυυ	ψ1,500,021	ΨΟ	Ψ201, τ00	Ψ2,101,700	φυ	ΨΟ	Ψ2, 101, 700	ΨΟ	ΨΟ	Ψ2, 101, 400	