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

2016-17 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								
-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							

					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	2015-16	Projected	Projected	Estimated	Projected	Projected	Estimated	Projected	Projected	Estimated	Projected	Projected
Revenue	Budget	Net Actual	Surplus	Budget	Actual	Surplus	Budget	Actual	Surplus	Budget	Actual	Surplus	Budget	Actual	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	\$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									
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	\$32,287,720	\$2,477,408	\$36,946,091	\$34,853,263	\$2,092,828	\$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			\$0			\$0			\$0			\$0			\$0
Total	\$151,811,842	\$145,902,656			\$150,019,327	\$5,176,558	\$157,418,991	\$152,757,292	\$4,661,699	\$161,353,428	\$156,799,193	\$4,554,234	\$164,702,200	\$160,673,881	\$4,028,319
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.															
Linemployment	\$0	\$221,225	\$1,072,849	-\$225,000	\$0	\$847,849	\$0	\$0	\$847,849	\$0	\$0	\$847,849	\$0	\$0	\$847,849
Unemployment		•				• • • • • • • •			• • • • • • •			• · · · · · · ·			• • • • • • • •
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	\$101,001	ψ0	ψ1,200,000		ψu	¥1,200,000		ψ0	ψ1,200,000	ψu	Ψ0	¢1,200,000	ΨŬ		ψ1,200,000
	-\$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															
	-\$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
Repair															
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.	-\$300,000	\$9,140	\$1,702,271	-\$350,000		\$1,332,271	-\$350,000	φ0	\$1,002,271	-\$230,000	Φ 0	\$752,271	-\$250,000	φ 0	\$302,271
	\$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															
	-\$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															
Arbitration	\$0	\$0	\$0	\$0	\$100,000	\$100,000	\$0	\$100,000	\$200,000	\$0	\$100,000	\$300,000	\$0	\$100,000	\$400,000
, ibilialion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Reserves	φU	ψυ	\$ 0	ψ0		ψυ	ψ0	φ0	ψυ	φ0	φ0	\$0		ψυ	\$0
	-\$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					Г Г Г				1						
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
Reduced Liabilities Total Fund Balance & Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	¢c 400 000	¢40 765 504	-\$6,000,000	\$6,400,000	\$42 ACE E24
	-\$7,151,647	\$0,200,000	\$12,015,531	-\$6,200,000	\$0,300,000	\$12,115,531	-\$6,000,000	\$6,250,000	\$12,305,531	-\$6,000,000	\$6,400,000	\$12,765,531	-\$6,000,000	\$6,400,000	\$13,165,531
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
	Į						I						l		
									1						1
Capital Fund Amount	-\$6.050.000	¢4.002	¢1 450 004	ድብ	¢150.000	¢1 000 001	¢0.	COE7 100	¢0 157 /00	¢0.	¢.0	¢0 167 /00	¢0.	ድኅ	¢0 157 /00
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