

# Galway CSD Multiyear Financial Plan (MFP)

MAINTAINING FINANCIAL STABILITY

# What We Will Cover

- Executive Summary
  - District Goals
  - Assumptions
- MFP Components
  - Expenditures
  - Revenues
  - Fund Balance
- Conclusion
  - Maintaining Financial Stability
  - Maintaining Programs
  - What Have We Discussed?

# Galway District Goals

1. Student Learning and Achievement
2. Quality Instruction
3. Creative and Critical Thinking Skills
4. Partnerships
5. School Climate and Culture

# Executive Summary

- Plan will be based on major revenue and expense categories
- Galway CSD is in a good financial position
- Revenues
- Expenditures
- Fund Balance

# Current Assumptions

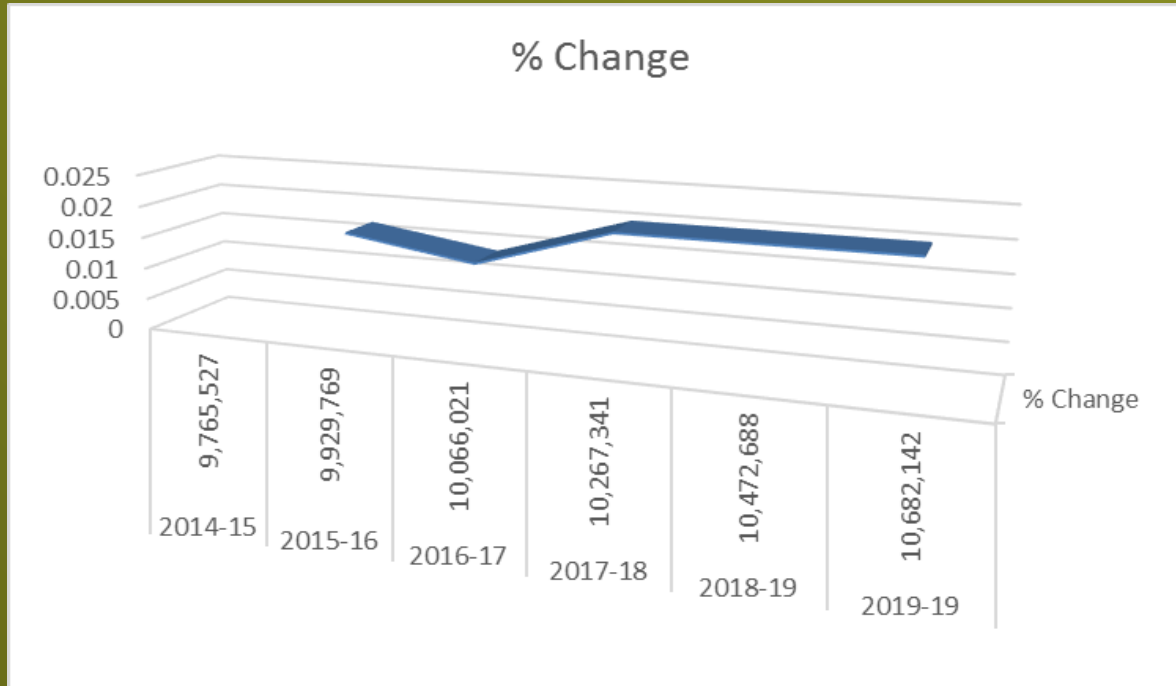
- The District is in a solid financial position
- Unreserved fund balance is at over 7% allowing for targeted one time expenditures
- Recent increases in State Aid (GEA Restoration) have shored up the financial picture
- Sound budget capacity assists in adding to fund balance

# Future Assumptions

- Revenues will not meet expenditures
  - Flat State Aid
  - 2% Tax Levy Cap
  - Staffing/salary costs rising by 3% a year
  - Health insurance premiums rising annually by 5 – 10%
- By NYS Property Tax Law – 1318, maintaining a unreserved fund balance of > 4% requires continued use of reserved fund balance to offset the tax levy
- The solution to these challenges are in the Multiyear Financial Plan (MFP)

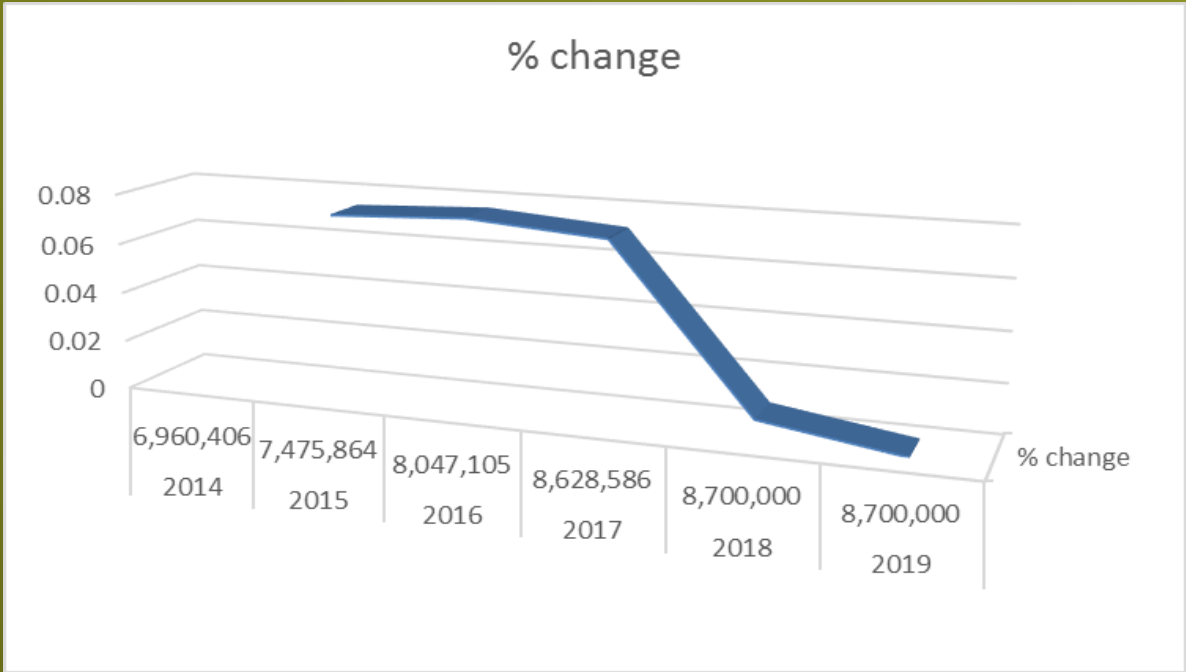


# Tax Levy



		% Change
2014-15	9,765,527	
2015-16	9,929,769	<b>1.7%</b>
2016-17	10,066,021	<b>1.4%</b>
2017-18	10,267,341	<b>2.0%</b>
2018-19	10,472,688	<b>2.0%</b>
2019-19	10,682,142	<b>2.0%</b>

# State Aid Trend



	% change	
2014-15	7,475,864	
2015-16	8,047,105	7.64%
2016-17	8,628,586	7.23%
2017-18	8,700,000	0.83%
2018-19	8,700,000	0.00%



# Revenue Projection

	2016-2017	2017-2018	2018-2019	2019-20
Real Property Tax Items	8,570,477	9,000,000	9,248,688	9,433,662
Other Tax Items (includes STAR)	1,495,544	1,267,341	1,224,000	1,248,480
Non-Property Tax Items (PILOTS)	265,000	250,000	252,500	255,025
Assigned Fund Balance	1,200,000	1,000,000	800,00	600,00
State Aid	8,628,586	8,700,000	8,700,000	8,700,000

# Fixed Costs Percent of Budget

Staffing = 45%

Benefits = 24%

TOTAL Staffing & Benefits = 69%

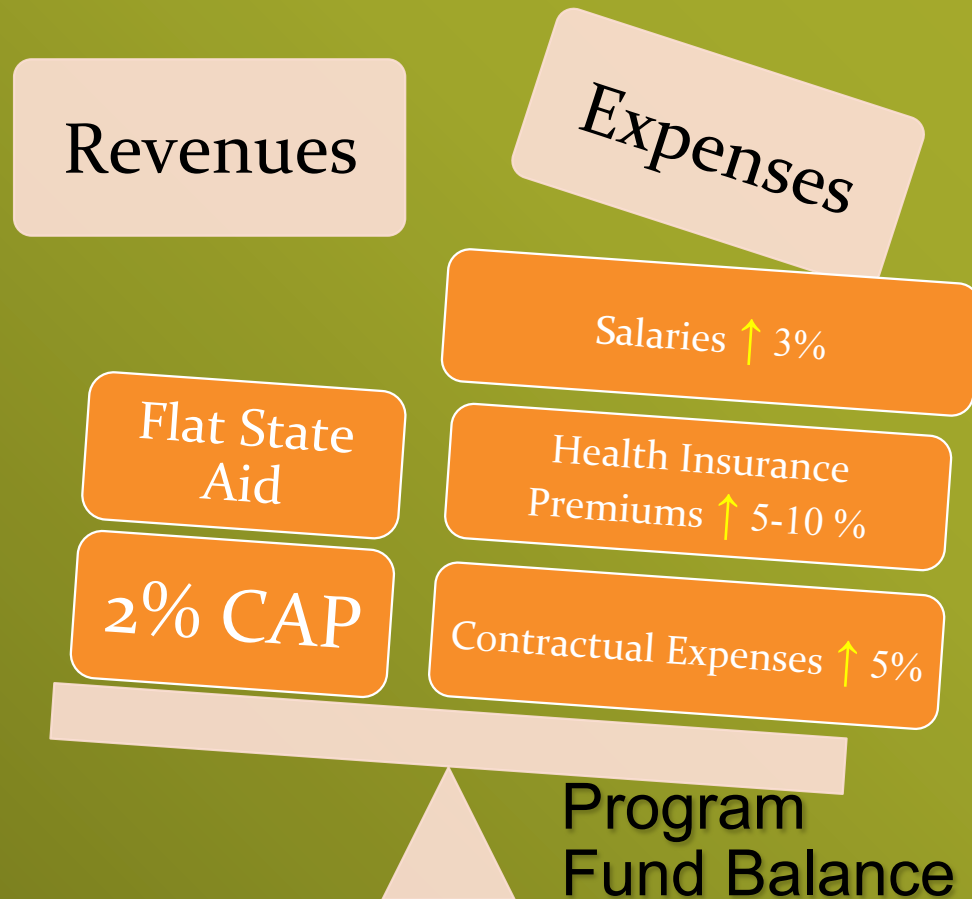
# Expenditure Projection

Category	2016-17	Percentage of 2016-17	2017-18 Projection	Percent of 2017-18	2018-19 Projections	Percent of 2018-19
BOCES Services	\$2,434,306	12.08%	\$2,556,022	12.18%	2,658,262	12.51%
Transportation Services excludes BOCES	\$1,213,161	6.02%	\$1,273,819	6.07%	\$1,324,772	6.23%
All other Contract Services	\$2,197,439	10.90%	\$2,307,311	11.00%	\$2,376,530	10.87%
All Other Categories (supplies, equipment)	\$372,509	1.85%	\$391,134	1.86%	\$400,000	1.83%
Transfer to Capital	\$0	0.00%	\$100,000	0.48%	\$100,000	0.46%
<b><i>Sub-Total Budget Excluding Transfer to Capital</i></b>	<b>\$6,217,415</b>	<b>30.84%</b>	<b>\$6,528,286</b>	<b>31.11%</b>	<b>\$6,874,460</b>	<b>31.44%</b>

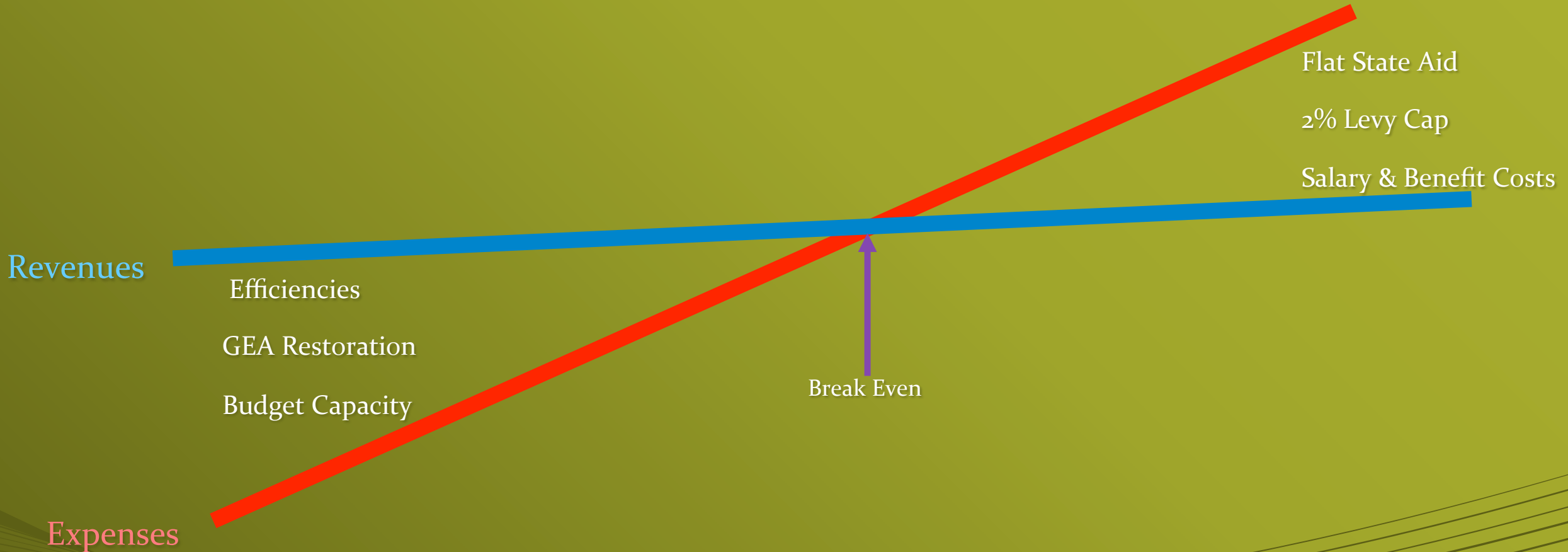
# Staffing Benefits Projection

Category	2016-17	Percentage of 2016-17	2017-18 Projection	Percentage of 2017-18	2018-19 Projections	Percentage of 2018-19
Salaries	9,186,900	45.57%	\$9,462,508	45.09%	\$9,746,383	44.58%
Benefits	4,755,291	23.59%	\$4,993,056	23.79%	\$5,242,708	23.98%
<b><i>Sub-total Salaries and Benefits</i></b>	<b>\$13,942,192</b>	<b>69.16%</b>	<b>\$14,455,563</b>	<b>68.89%</b>	<b>\$14,989,091</b>	<b>68.56%</b>

# Revenues Will Not Keep Pace With Expenses



# Expenses Will Ultimately Outpace Revenues



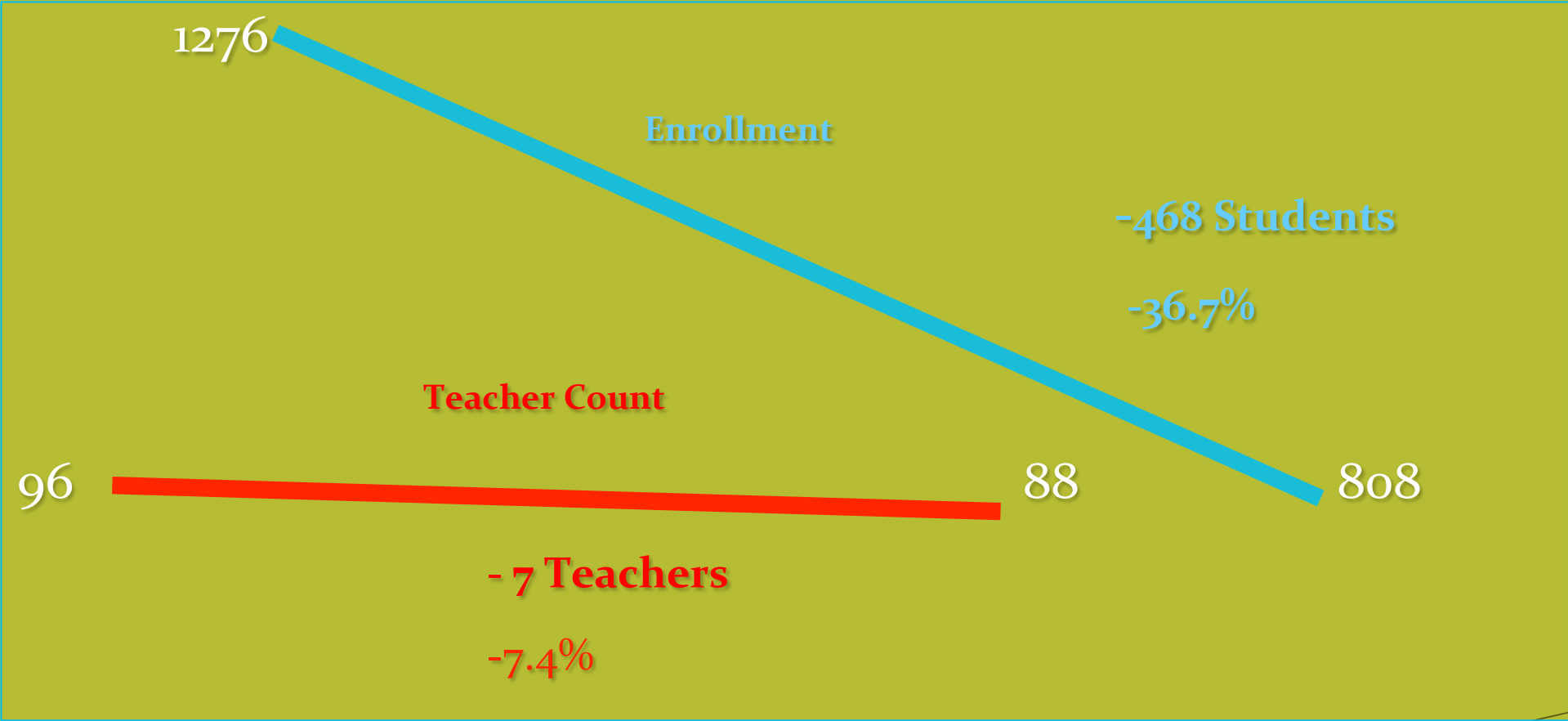
**The Solution is in the Budget**



# Enrollment & Staffing Trends

Year	Enrollment	Teaching Staff
2006-07	1,276	95
2007-08	1,211	95
2008-09	1,127	97
2009-10	1,112	91
2010-11	1,090	93
2011-12	1,059	84
2012-13	924	77
2013-14	927	81
2014-15	874	83
2015-16	827	86
2016-17	808	88
<b>Enrollment &amp; Staffing Loss</b>	<b>- 468</b>	<b>- 7</b>
<b>Percentage Lost</b>	<b>36.7%</b>	<b>7.4%</b>

# Enrollment to Teachers



# Addressing the GAP

Align Staffing  
To Enrollment

Benefit Cost  
Reduction

Increase Budget  
Capacity

While Maintaining  
Instruction

# Fund Balance Analysis

Budget Capacity = (Revenues – Expenses)

Budget Capacity  Fund Balance

Future Budget Capacity Limited

2% Tax Levy Cap

Reduced revenue reduces ability to increase budget

# Fund Balance Analysis

Capital Reserve not included

	2014-15	2015-16	2016-17	2017-18	2018-19
”					
Repair Reserve	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
Unemployment Insurance	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
ERS	\$600,000	\$300,000	\$600,000	\$600,000	\$600,000
Debt Service Employee Benefit Accrued liability	\$0	\$0	\$0	\$0	\$0
	\$38,968	\$38,968	\$38,968	\$38,968	\$38,968
<b>restricted fund balance</b>	<b>\$843,968</b>	<b>\$543,968</b>	<b>\$843,968</b>	<b>\$843,968</b>	<b>\$714,098</b>
Assigned	\$1,249,677	\$1,226,604	\$1,200,000	\$1,000,000	\$800,000
Unassigned	\$1,175,120	\$1,491,910	\$1,200,000	\$1,091,910	\$900,000
<b>unrestricted fund balance</b>	<b>\$2,424,797</b>	<b>\$2,718,514</b>	<b>\$2,400,000</b>	<b>\$2,091,910</b>	<b>\$1,700,000</b>
	\$3,268,765	\$3,262,482	\$3,243,968	\$2,935,878	\$2,414,098

# Year End - Fund Balance Analysis

## Percentage of Unassigned Fund Balance

2015-16	7.40%
2016-17	6.0%
2017-18	5.28%
2018-19	4.27%

# Conclusions

The District is currently in a solid financial position

Short term initiatives include:

Targeted one time expenditures :

Track Resurfacing

ADA Playground Accessibility

Evans' Way

Outside Maintenance Storage

Other Equipment and Facility Upgrades

Maintaining fund balance capacity by funding reserves such as ERS



# Conclusions

## Long Term Considerations

Ultimately expenditures will outpace revenues

Staffing and benefits are 70% of the budget

To remain in a solid financial position, staffing should be proportional to enrollment

To maintain the Board's goal in relation to unreserved fund balance, the amount of assigned fund balance should be gradually reduced

# QUESTIONS

# Budget Analysis

<u>Budget Year</u>	<u>Budget</u>	<u>% Change</u>
2013-14	17,944,933	
2014-15	18,704,120	4.2%
2015-16	19,551,380	4.5%
2016-17	20,150,607	3.1%
2017-18	20,865,193	2.5%
2018-19	21,595,475	2.0%

Expenses



5-8%