



Avoca Central School District

Long Range Financial &
Fund Balance Management Plan
Approved by the Board of Education
January 16, 2018



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The Financial Plan

Purpose:

This financial plan is prepared as a means to guide decision making by the Board of Education of the Avoca Central School District. Specific areas of concentration include: funding district reserves, plans for payment of long term debt, funding capital expenditures, and planning the annual district budget.

Assumptions:

The plan is based on assumptions and varying degrees of uncertainty. Personnel costs represent nearly 40% of the whole budget and collective bargaining agreement settlements have been estimated for this document. Health insurance costs are estimated to increase 6% per year based on projections from the Health Insurance Consortium. Debt service expenses reflect a schedule of outstanding capital project bonds as well as projected bonds for the proposed capital project currently in the planning stage. Transportation Purchases follow the bus replacement schedule previously presented to the board with consensus for proceeding.



Reserve Funds

Fund Balance and Reserve Plan

Reserve Funds, like other savings plans, are mechanisms for accumulating cash for future capital outlays and other allowable purchases. The practice of planning ahead and systematically saving for contingencies is considered prudent management. The District feels strongly that Reserves must be funded adequately in order to serve as a revenue source during periods of economic downturn and/or State Aid decreases. This helps safeguard against the loss of educational programming/services and dramatic increases in the tax levy. The District uses conservative budgeting practices to ensure adequate funding of the following reserves and fund balance categories:

Unassigned Fund Balance – These funds are unrestricted and may be used for any valid purpose. They are used for unanticipated, unbudgeted expenditures.

Funding Target: 10% of the ensuing year's budget.

Assigned Appropriated Fund Balance – These funds are set aside and returned to the community by lowering the required tax levy of the ensuing year’s budget. They also provided the necessary cash flow during the summer months.

Funding Target: \$300,000

Unemployment Reserve – This reserve fund is used to pay the cost of unemployment benefits. The district operates as a self-funded entity.

Funding Target: \$140,000 - \$160,000 (4-5% of payroll)

Workers’ Compensation Reserve – The purpose of this reserve fund is to pay for compensation benefits and other expenditures authorized by Article 2 of the Workers’ Compensation Law, and for payment of expenditures of administering this self-insurance program.

Funding Target: \$300,000 (Five years of contributions to be made for self - insurance)

Capital Reserves – The Capital Reserve Fund is used to pay the cost of any object or purpose for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve.

- 2007 Capital Reserve Funding Target: \$750,000 as authorized by the voters in May 2007. Voters authorized use of this reserve on December 19, 2017 to be used to offset costs in the upcoming capital project.
- 2017 Capital Reserve Funding Target: \$1,000,000 as authorized by the voters in May 2017. Will be used for future capital needs of the district.
- Transportation Vehicle Replacement Reserve Funding Target: \$1,500,000 as authorized by the voters in May 2014. Will be used annually to pay for all buses purchased. **Re-authorization to be requested in 2018 in order to accommodate new transportation aid received during 2017-18 and beyond.**

Employee Benefit Accrued Liability – The purpose of this account is to reserve funds for the payment of any accrued employee benefit due to an employee upon termination of the employee's service.

Funding Target: \$600,000 (Actual calculated short-term and long-term liability for employees' unused accumulated leave time)

Retirement Contribution Reserve – This reserve fund is used to pay for district expenses to the NYS Employees' Retirement System only.

Funding Target: \$659,715 (Five years of anticipated contribution amounts)

	<u>INSURANCE LIABILITY</u>	<u>UNEMPLOYMENT</u>	<u>RETIREMENT CONTRIBUTION</u>	<u>CAPITAL RESERVE TRANSPORTATION</u>	<u>CAPITAL</u>	<u>CAPITAL</u>	<u>EBLAR</u>	<u>LIABILITY</u>	<u>TAX CERTIORARI</u>
DATE AUTHORIZED OR RE-AUTHORIZED	6/27/2012	6/27/2012	6/27/2012	5/20/2014	5/15/2007	5/16/2017	6/27/2012	6/27/2012	6/27/2012
TERM	n/a	n/a	n/a	5 YEARS AND UNTIL LIQUIDATED	10 YEARS AND UNTIL LIQUIDATED	10 YEARS AND UNTIL LIQUIDATED	n/a	n/a	n/a
MAXIMUM TOTAL DEPOSITS			justified by documentation	\$ 1,500,000.00	\$ 750,000.00	\$ 1,000,000.00	justified by documentation	Not to exceed 3% of annual budget	justified by documentation
				must be reauthorized in 2018 in order to accept future payments					
Projected 17-18									
INTEREST	\$ 30.70	\$ 19.97	\$ 93.25	\$ 159.04	\$ 83.54	\$ 0.62	\$ 510.24	\$ -	\$ -
WITHDRAWALS		\$ 10,000.00		\$ 388,375.00	\$ 617,137.85		\$ 61,350.00		
DEPOSITS	\$ 30,000.00			\$ 100,000.00		\$ 100,000.00			
6/30/2018	\$ 182,668.85	\$ 146,519.49	\$ 543,541.93	\$ 719,161.08	\$ -	\$ 325,000.62	\$ 634,554.24	\$ 50,000.00	\$ 5,000.00
Projected 18-19									
INTEREST	\$ 30.70	\$ 19.97	\$ 93.25	\$ 159.04		\$ 0.62	\$ 510.24	\$ -	\$ -
PLANNED WITHDRAWALS	\$ 56,585.52	\$ 10,000.00	\$ 130,000.00	\$ 365,500.00			\$ 107,213.00		
DEPOSITS	\$ 30,000.00		\$ 70,000.00	\$ 150,000.00		\$ 200,000.00			
6/30/2019	\$ 156,114.03	\$ 136,539.46	\$ 483,635.18	\$ 503,820.12	\$ -	\$ 525,001.24	\$ 527,851.48	\$ 50,000.00	\$ 5,000.00
Projected 19-20									
INTEREST	\$ 30.70	\$ 19.97	\$ 93.25	\$ 159.04		\$ 0.62	\$ 510.24	\$ -	\$ -
PLANNED WITHDRAWALS	\$ 57,717.23	\$ 10,000.00	\$ 132,000.00	\$ 142,800.00	\$ -		\$ 90,813.00		
DEPOSITS	\$ 30,000.00		\$ 70,000.00	\$ 200,000.00		\$ 100,000.00			
6/30/2020	\$ 128,427.50	\$ 126,559.43	\$ 421,728.43	\$ 561,179.16	\$ -	\$ 625,001.86	\$ 437,548.72	\$ 50,000.00	\$ 5,000.00
Projected 20-21									
INTEREST	\$ 30.70	\$ 19.97	\$ 93.25	\$ 159.04	\$ -	\$ 0.62	\$ 510.24	\$ -	\$ -
PLANNED WITHDRAWALS	\$ 58,871.58	\$ 10,000.00	\$ 134,000.00	\$ 239,362.00					
DEPOSITS	\$ 30,000.00		\$ 70,000.00	\$ 175,000.00		\$ 100,000.00			
6/30/2021	\$ 99,586.62	\$ 116,579.40	\$ 357,821.68	\$ 496,976.20	\$ -	\$ 725,002.48	\$ 438,058.96	\$ 50,000.00	\$ 5,000.00
Projected 21-22						Begin planning for new project in 2022-23			
INTEREST	\$ 30.70	\$ 19.97	\$ 93.25	\$ 159.04	\$ -	\$ 0.62	\$ 510.24	\$ -	\$ -
PLANNED WITHDRAWALS	\$ 60,049.01	\$ 10,000.00	\$ 136,000.00	\$ 227,868.00			\$ 20,163.00		
DEPOSITS	\$ 30,000.00		\$ 70,000.00	\$ 236,458.00		\$ 100,000.00			
6/30/2022	\$ 69,568.32	\$ 106,599.37	\$ 291,914.93	\$ 505,725.24	\$ -	\$ 825,003.10	\$ 418,406.20	\$ 50,000.00	\$ 5,000.00

Debt Service

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
ANNUAL PRINCIPAL AND INTEREST PAYMENTS	2,294,213	2,300,563	1,537,250	1,532,850	1,534,600	1,538,850	833,300	236,000	236,250	237,000
ANNUAL ESTIMATED BLDG AID	2,394,416	2,394,416	1,824,248	1,824,248	1,824,248	1,824,248	996,518	302,721	302,721	302,721
POSITIVE CASH FLOW FROM EXCESS AID	(100,204)	(93,854)	(286,998)	(291,398)	(289,648)	(285,398)	(163,218)	(66,721)	(66,471)	(65,721)
ESTIMATED DEBT ON NEW PROJECT			335,551	928,210	974,000	970,000	844,750	749,250	752,250	749,000
ESTIMATED AID ON NEW PROJECT				342,257	684,515	684,515	684,515	684,515	684,515	684,515
CAPITALIZED INTEREST			50,000	295,000						
EXISTING & PROPOSED LOCAL SHARE	(100,204)	(93,854)	(1,447)	(445)	(163)	87	(2,983)	(1,986)	1,264	(1,236)

	<u>2027-28</u>	<u>2028-29</u>	<u>2029-30</u>	<u>2030-31</u>	<u>2031-32</u>	<u>2032-33</u>	<u>2033-34</u>	<u>2034-35</u>		
ANNUAL PRINCIPAL AND INTEREST PAYMENTS	236,250	-	-	-	0					
ANNUAL ESTIMATED BLDG AID	302,721	36,758	36,758	36,758	0	0	0	0	0	
POSITIVE CASH FLOW FROM EXCESS AID	(66,471)	(36,758)	(36,758)	(36,758)	-	-	-	-	-	
ESTIMATED DEBT ON NEW PROJECT	749,750	719,250	719,000	722,500	684,500	682,000	683,250	683,000	341,250	
ESTIMATED AID ON NEW PROJECT	684,515	684,515	684,515	684,515	684,515	684,515	684,515	684,515	342,257	
CAPITALIZED INTEREST										
EXISTING & PROPOSED LOCAL SHARE		(1,236)	(2,023)	(2,273)	1,227	(15)	(2,515)	(1,265)	(1,515)	(1,007)

Bus Purchases

STATE AID ESTIMATES ON PROPOSED FLEET PURCHASES									
				17-18	18-19	19-20	20-21	21-22	22-23
PLANNED PURCHASES	ANNUAL TOTAL COSTS ALL VEHICLES			\$388,375.00	\$365,500.00	\$142,800.00	\$239,362.00	\$227,868.00	\$232,462.00
New Bus Number	Approved Cost	Semi-Annual State Aid Amount	1617 Est Aidable DEBT SERVICE	1718 Est Aidable DEBT SERVICE	1819 Est Aidable DEBT SERVICE	1920 Est Aidable DEBT SERVICE	2021 Est Aidable DEBT SERVICE	2122 Est Aidable DEBT SERVICE	2223 Est Aidable DEBT SERVICE
105	\$ 90,182.00	\$ 9,363.00	\$ 18,726.00	\$ 18,726.00	\$ 9,363.00				
106	\$ 80,182.00	\$ 8,325.00	\$ 16,650.00	\$ 16,650.00	\$ 8,325.00				
107	\$ 91,852.00	\$ 9,568.00	\$ 19,136.00	\$ 19,136.00	\$ 19,136.00	\$ 19,136.00			
108	\$ 114,602.00	\$ 11,938.00	\$ 23,876.00	\$ 23,876.00	\$ 23,876.00	\$ 23,876.00			
109	\$ 80,257.00	\$ 8,360.00	\$ 16,720.00	\$ 16,720.00	\$ 16,720.00		\$ 8,360.00		
110 WC	\$ 131,565.00	\$ 13,408.00		\$ 26,816.00	\$ 26,816.00	\$ 26,816.00	\$ 26,816.00	\$ 26,816.00	
WC111	\$ 124,675.00	\$ 12,987.50		\$ 12,987.50	\$ 25,975.00	\$ 25,975.00	\$ 25,975.00	\$ 25,975.00	\$ 12,987.50
112	\$ 114,850.00	\$ 12,537.00		\$ 12,537.00	\$ 25,074.00	\$ 25,074.00	\$ 25,074.00	\$ 25,074.00	\$ 12,537.00
113	\$ 114,850.00	\$ 11,391.00		\$ 11,391.00	\$ 22,782.00	\$ 22,782.00	\$ 22,782.00	\$ 22,782.00	\$ 11,391.00
114	\$ 114,500.00	\$ 11,927.61			\$ 11,927.61	\$ 23,855.21	\$ 23,855.21	\$ 23,855.21	\$ 23,855.21
115	\$ 114,500.00	\$ 11,927.61			\$ 11,927.61	\$ 23,855.21	\$ 23,855.21	\$ 23,855.21	\$ 23,855.21
116	\$ 114,500.00	\$ 11,927.61			\$ 11,927.61	\$ 23,855.21	\$ 23,855.21	\$ 23,855.21	\$ 23,855.21
117	\$ 120,000.00	\$ 12,500.55				\$ 12,500.55	\$ 25,001.09	\$ 25,001.09	\$ 25,001.09
118	\$ 120,000.00	\$ 12,550.05					\$ 12,550.05	\$ 25,100.09	\$ 25,100.09
119	\$ 95,862.00	\$ 9,986.10					\$ 9,986.10	\$ 19,972.20	\$ 19,972.20
120	\$ 103,831.00	\$ 10,816.20						\$ 10,816.20	\$ 21,632.40
121	\$ 99,787.00	\$ 10,394.90						\$ 10,394.90	\$ 20,789.80
122	\$ 103,831.00	\$ 10,816.20							\$ 10,816.20
123	\$ 103,831.00	\$ 10,816.20							\$ 10,816.20
TOTAL AID BY YEAR FOR BUSES			\$ 170,426.00	\$ 158,839.50	\$ 213,849.82	\$ 244,445.18	\$ 228,109.88	\$ 263,497.12	\$ 242,609.12
C7	\$ 34,976.00	\$ 3,793.00							
C9	\$ 16,902.00	\$ 1,755.00	\$ 3,510.00	\$ 3,510.00	\$ 3,510.00				
A15	\$ 19,738.00	\$ 2,056.00	\$ 4,112.00	\$ 4,112.00	\$ 4,112.00	\$ 4,112.00			
A16	\$ 20,504.00	\$ 2,136.00	\$ 4,272.00	\$ 4,272.00	\$ 4,272.00	\$ 4,272.00	\$ 4,272.00		
A17	\$ 20,406.00	\$ 2,125.70	\$ 4,251.40	\$ 4,251.40	\$ 4,251.40	\$ 4,251.40	\$ 4,251.40		
A18	\$ 14,465.00	\$ 1,506.80		\$ 3,013.60	\$ 3,013.60	\$ 3,013.60	\$ 3,013.60	\$ 3,013.60	
A19	\$ 34,000.00	\$ 3,646.00		\$ 3,646.00	\$ 7,292.00	\$ 7,292.00	\$ 7,292.00	\$ 7,292.00	\$ 3,646.00
A20	\$ 22,000.00	\$ 2,290.80			\$ 2,290.80	\$ 4,581.60	\$ 4,581.60	\$ 4,581.60	\$ 4,581.60
A21	\$ 22,800.00	\$ 2,375.10				\$ 2,375.10	\$ 4,750.20	\$ 4,750.20	\$ 4,750.20
A22	\$ 23,500.00	\$ 2,448.00					\$ 2,448.00	\$ 4,896.00	\$ 4,896.00
A23	\$ 24,250.00	\$ 2,526.20						\$ 2,526.20	\$ 5,052.40
A24	\$ 24,800.00	\$ 2,583.45							\$ 2,583.45
TOTAL AID BY YEAR FOR OTHER VEHICLES			\$ 16,145.40	\$ 22,805.00	\$ 28,741.80	\$ 29,897.70	\$ 30,608.80	\$ 27,059.60	\$ 25,509.65
GRAND TOTAL AID BY YEAR FOR ALL BUSES AND OTHER VEHICLES			\$ 181,644.50	\$ 242,591.62	\$ 274,342.88	\$ 274,342.88	\$ 258,718.68	\$ 290,556.72	\$ 268,118.77

Five Year Projections

AVOCA CENTRAL SCHOOL DISTRICT PROJECTED REVENUES & EXPENDITURES General Fund

Year Ending June 30	Actual				Estimated	Projected			
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues									
Real Property Tax Items	1,992,816	2,005,279	2,025,190	2,027,833	1,955,972	1,995,091	1,995,091	1,995,091	1,995,091
Other Tax Items (includes STAR)	522,788	510,649	490,352	487,939	472,532	472,532	472,532	472,532	472,532
Non-Property Tax Items	6,462	6,735	7,140	7,256	5,500	6,898	7,170	7,452	7,746
Charges for Services	46,362	136,226	80,211	70,746	17,250	8,766	8,766	8,766	8,766
State Aid	8,924,197	8,964,574	9,698,729	9,663,427	9,798,043	9,977,140	9,556,266	10,196,117	10,338,216
Federal Aid	41,170	47,757	45,531	69,992	45,889	50,068	44,819	44,819	44,819
Other (includes Sale of Property, Misc.)	187,449	160,823	196,723	201,565	120,000	136,315	139,654	143,075	146,580
Total Revenues	\$11,721,244	\$11,832,043	\$12,543,876	\$12,528,758	\$12,415,186	\$12,646,810	\$12,224,298	\$12,867,853	\$13,013,750
Expenditures by Object									
Personal Services - Instructional	3,283,608	3,362,389	3,404,403	3,496,818	3,522,591	3,614,853	3,673,384	3,732,862	3,793,303
Personal Services - Noninstructional	950,412	988,117	993,308	923,892	925,922	944,440	963,329	982,596	1,002,248
Equipment and Capital Outlay	11,436	17,948	21,005	66,701	65,031	65,031	65,031	65,031	65,031
Contractual and Other	2,365,723	\$2,292,554	2,498,746	2,456,203	2,890,003	2,926,387	2,963,229	3,000,535	3,038,310
Employee Benefits	2,338,193	2,548,422	2,368,306	2,555,322	2,468,372	2,542,528	2,618,911	2,697,590	2,778,632
Debt Service (Principal and Interest)	2,369,540	2,371,090	2,296,340	2,295,413	2,294,213	2,300,563	1,872,801	2,461,060	2,508,600
Total Expenditures	11,318,912	11,580,520	11,582,108	11,794,349	12,166,132	12,393,802	12,156,685	12,939,673	13,186,123
Excess (deficiency) of revenue over expenditures	\$402,332	\$251,523	\$961,768	\$734,409	\$249,054	\$253,008	\$67,613	(\$71,820)	(\$172,373)
Other Sources & Uses									
Planned Use of Reserves					71,350	303,799	290,530	202,872	226,212
Operating Transfers In	13,159	13,432							
Operating Transfers Out	170,365	226,191	531,179	268,298	1,335,513	815,500	542,800	614,362	664,326
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$245,126	\$38,764	\$430,589	\$466,111	(\$1,015,109)	(\$258,694)	(\$184,657)	(\$483,311)	(\$610,487)
Fund Equity									
Fund Equity, Beg. of Year	\$4,688,420	\$4,933,546	\$4,972,310	\$5,402,899	\$5,869,010	\$4,853,901	\$4,595,207	\$4,410,551	\$3,927,240
Fund Equity, End of Year	4,933,546	4,972,310	5,402,899	5,869,010	4,853,901	4,595,207	4,410,551	3,927,240	3,316,753
Nonspendable and Restricted Fund Balance	2,954,085	3,368,840	3,100,526	3,452,412	2,606,446	2,387,962	2,355,445	2,289,025	2,272,217
Appropriated Fund Balance for next FY				112,240					
Other Adjustments including Encumbrances				13,913					
Unassigned Fund Balance	1,979,461	1,603,470	2,302,373	2,290,445	2,247,455	2,207,246	2,055,105	1,638,214	1,044,535
AUFB as a % of Budget (next year's expenditures)	17.1%	13.8%	19.5%	18.8%	18.1%	18.2%	15.9%	12.4%	