



Long Range Financial Analysis

Data Driven Strategic Fiscal Planning

Grand Island Central School District



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December 2021

School District:

Finance

Strategic Plans

Leadership

Educational Development

R. G. Timbs, Inc. is Registered with:



Data Sources:

- District Submissions to SED of the Form ST-3 (5 years prior)
- State Education Department (NYSED) website aid calculations
- School District's External Auditor Reports/Recommendations
- Documents of Capital Expenses, Debt etc. from previous Consultants of the District
- Buses and Capital Projects Data:
 - Bonds, Bond Anticipation Notes
 - Use of Capital Reserves
 - Debt Service Schedules
- All Other Related State Aid
- Interviews with the Assistant Superintendent for Finance and Support Services
- Discussion with the Superintendent of Schools
- Examination of Tax Cap Calculations
- Use of Debt Service Fund or Reserves
- Reports of the Comptroller of the State of New York (OSC)
- Use of Funds (Appropriated Fund Balances, Unappropriated Fund Balances)
- Projected Teachers Retirement System Rates and Employees Retirement System Rates

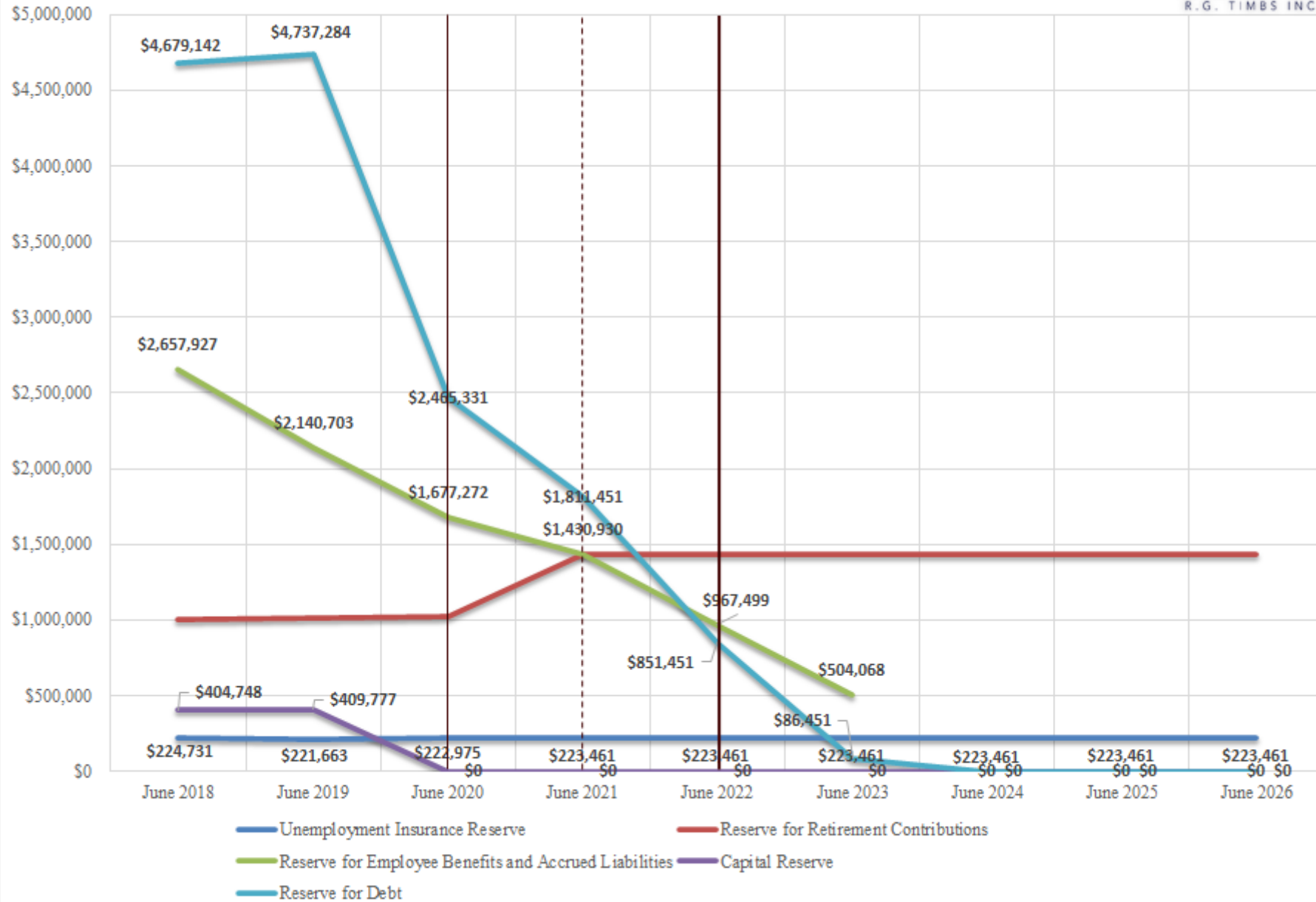
Grand Island Central School District					
Analysis of Budgeted and Actual Tax Expenditures and Revenues					
For the 2016 through 2020 Fiscal Years					
	2016	2017	2018	2019	2020
<u>EXPENSES:</u>					
Approved General Fund Budget	\$58,114,136	\$60,977,971	\$62,639,021	\$62,481,712	\$63,661,704
Modifications	\$0	\$0	\$0	\$0	\$0
Modified Budget per ST-3 Form:	\$58,114,136	\$60,977,971	\$62,639,021	\$62,481,712	\$63,661,704
Actual Expenditures per ST-3 Form:	\$55,473,220	\$60,831,246	\$59,674,866	\$59,393,432	\$61,363,095
Year End Encumbrances	\$43,843	\$104,466	\$153,208	\$461,645	\$228,220
Expenditure Variance	\$2,597,073	\$42,259	\$2,810,947	\$2,626,635	\$2,070,389
Percent of Modified Budget	4.5%	0.1%	4.5%	4.2%	3.3%
<u>REVENUES:</u>					
Budgeted Revenues	\$56,164,136	\$59,027,971	\$60,689,121	\$60,530,712	\$61,711,704
Modifications	\$0	\$0	(\$100)	\$0	\$0
Modified Revenue per ST-3 Form	\$56,164,136	\$59,027,971	\$60,689,021	\$60,530,712	\$61,711,704
Actual Revenues per ST-3 Form	\$52,824,092	\$63,799,617	\$58,726,327	\$59,007,835	\$59,166,406
Revenue Variance	(\$3,340,044)	\$4,771,646	(\$1,962,694)	(\$1,522,877)	(\$2,545,298)
Percent of Modified Budget	-5.9%	8.1%	-3.2%	-2.5%	-4.1%
<u>Modified to Modified Summary</u>	(\$742,971)	\$4,813,905	\$848,253	\$1,103,758	(\$474,909)
<u>Actual to Actual SUMMARY:</u>					
Actual Expenditures per ST-3 Form:	\$55,473,220	\$60,831,246	\$59,674,866	\$59,393,432	\$61,363,095
Actual Revenues per ST-3 Form	\$52,824,092	\$63,799,617	\$58,726,327	\$59,007,835	\$59,166,406
Difference Revenues to Expenditures	(\$2,649,128)	\$2,968,371	(\$948,539)	(\$385,597)	(\$2,196,689)
Assigned Appropriated Fund Balance	\$1,950,000	\$1,950,000	\$1,949,900	\$1,951,000	\$1,950,000

State Aid



State Aid Source DBSAA1		Year 1	2021 to 22	Year 2	2022 to 23	Year 3	2023 to 24	Year 4	2024 to 25	Year 5	2025 to 26
Aid Descriptions	2020-21	2021-22	Difference	2022-23	Difference	2023-24	Difference	2024-25	Difference	2025-26	Difference
E(FA0197) 00 FOUNDATION AID	\$11,671,355	\$12,333,627	\$662,272	\$13,437,056	\$1,103,429	\$14,540,485	\$1,103,429	\$14,903,997	\$363,512	\$15,276,597	\$372,600
G(FA0029) 00 HIGH TAX AID	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
H(FA0065) 00 TRANSPORTATION AID - PURCHASES	\$385,023	\$393,340	\$8,317	\$411,700	\$18,360	\$433,032	\$21,332	\$459,917	\$26,886	\$482,261	\$22,343
I(FA0069) 00 TRANSPORTATION AID W/O SUMMER	\$2,365,672	\$2,043,115	(\$322,557)	\$2,279,528	\$236,413	\$2,279,528	\$0	\$2,279,528	\$0	\$2,279,528	\$0
J(FA0073) 00 BUILDING AID	\$3,731,118	\$4,737,249	\$1,006,131	\$4,541,411	(\$195,838)	\$4,454,357	(\$87,054)	\$4,273,023	(\$181,334)	\$4,273,023	\$0
P(FA0093) 00 BOCES AID	\$1,721,120	\$1,506,430	(\$214,690)	\$1,773,837	\$267,407	\$1,773,837	\$0	\$1,773,837	\$0	\$1,773,837	\$0
Q(FA0097) 00 PUBLIC EC HIGH COST AID	\$300,364	\$289,436	(\$10,928)	\$242,512	(\$46,924)	\$242,512	\$0	\$242,512	\$0	\$242,512	\$0
R(FA0101) 00 PRIVATE EXCESS COST AID	\$809,916	\$465,471	(\$344,445)	\$515,936	\$50,465	\$515,936	\$0	\$515,936	\$0	\$515,936	\$0
S(FA0105) 00 SOFTWARE AID	\$45,944	\$44,461	(\$1,483)	\$45,374	\$913	\$46,287	\$913	\$47,200	\$913	\$48,113	\$913
T(FA0109) 00 LIBRARY MATERIALS AID	\$19,169	\$18,550	(\$619)	\$18,931	\$381	\$19,312	\$381	\$19,693	\$381	\$20,074	\$381
U(FA0113) 00 TEXTBOOK AID	\$187,507	\$182,090	(\$5,417)	\$187,216	\$5,126	\$192,342	\$5,126	\$197,468	\$5,126	\$202,594	\$5,126
V(FA0117) 00 HARDWARE & TECHNOLOGY AID	\$49,060	\$46,974	(\$2,086)	\$47,646	\$672	\$48,318	\$672	\$48,990	\$672	\$49,662	\$672
X(FA0125) 00 UNIV PREKINDERGARTEN AID	\$110,823	\$478,023	\$367,200	\$478,023	\$0	\$478,023	\$0	\$478,023	\$0	\$478,023	\$0
AA(CF0060) 00 PANDEMIC ADJUSTMENT	(\$433,483)										
AB(CF0062) 00 FEDERAL CARES RESTORATION	\$433,483										
AC(FA0189) 00 TOTAL AID	\$21,397,071	\$22,538,766	\$1,141,695	\$23,979,170	\$1,440,404	\$25,023,968	\$1,044,798	\$25,240,124	\$216,156	\$25,642,159	\$402,035
State Aid without UPK	\$21,286,248	\$22,060,743		\$23,501,147		\$24,545,945		\$24,762,101		\$25,164,136	\$402,035

Reserves- Grand Island CSD



GRAND ISLAND				
Analysis of Fund Balances and Reserves				
	June 2018	June 2019	June 2020	June 2021
Restricted Fund Balance:				
Workers' Compensation Reserve	\$0	\$0	\$0	\$0
Unemployment Insurance Reserve	\$224,731	\$221,663	\$222,975	\$223,461
Reserve for Retirement Contributions	\$1,000,000	\$1,012,246	\$1,018,239	\$1,429,460
Reserve for Retirement Contributions TRS	\$0	\$0	\$0	\$0
Reserve for Property Loss	\$0	\$0	\$0	\$0
Reserve for Liability Claims	\$0	\$0	\$0	\$0
Insurance Reserve	\$0	\$0	\$0	\$0
Reserve for Tax Certiorari	\$95,268	\$61,194	\$61,194	\$61,194
Reserve for Employee Benefits and Accrued Liabilities	\$2,657,927	\$2,140,703	\$1,677,272	\$1,430,930
Capital Reserve	\$404,748	\$409,777	\$0	\$0
Capital Reserve New Construction (Amount=\$X,000,000) Date:	\$0	\$0	\$0	\$0
Capital Reserve Transportation & Vehicles (Amount=\$X,000,000) Date:	\$0	\$0	\$0	\$0
Reserve for Repairs	\$0	\$0	\$0	\$0
Reserve for Debt	\$4,679,142	\$4,737,284	\$2,465,331	\$1,811,451
Other Restricted Fund Balance	\$0	\$0	\$0	\$0
Total Restricted Fund Balance	\$9,061,816	\$8,582,867	\$5,445,011	\$4,956,496

Note Significant Decrease (Use of Funds for Budget Support)

Note Significant Decrease (Use of Funds for Tax Cap Diminishment)

Fiscal Year Ending			
June 30:		Bus Purchases	
2021		\$685,000	BAN
2022		\$700,000	BAN
2023		\$735,000	BAN
2024		\$750,000	BAN
2025		\$750,000	BAN
2026		\$765,000	BAN

Scenario 1

Assumptions

Revenues:
 Tax increase 3.2% and 3.2% Thereafter
 State Aid Slight but Stable Increase
 Variable Transportation Aid
 Building Aid follows Debt Service Schedule*
 Federal Aid remains Stable

Expenditures:
 Follow contractual Obligations
 No notable changes in staff patterns
 Stable ERS and TRS increased costs*

Remove Staff from Budget to NEW Federal Grants; NO RETURN OF STAFF

GRAND ISLAND							
5 Year Financial Projections							
<u>Fiscal Year Ending June 30:</u>	<u>Budget 2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	
REVENUES:		3.20%	3.20%	3.20%	3.20%	3.20%	
Real Property Taxes	\$35,160,602	\$36,289,062	\$37,450,312	\$38,648,722	\$39,885,481	\$41,161,817	17.1%
PILOT	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	
State Aid	\$14,553,902	\$14,608,448	\$16,268,508	\$17,379,029	\$17,749,633	\$18,129,325	
Building Aid	\$3,731,118	\$4,737,249	\$4,541,411	\$4,454,357	\$4,273,023	\$4,273,023	
Transportation Aid	\$2,750,695	\$2,559,906	\$2,691,228	\$2,712,560	\$2,739,445	\$2,761,789	
Federal Aid	\$316,000	\$316,000	\$316,000	\$316,000	\$316,000	\$316,000	
Interfund Transfers (ERS, Unemp, EBL, Debt Serv)	\$2,660,000	\$0	\$0	\$0	\$0	\$0	
Other	\$3,479,251	\$3,537,099	\$3,537,099	\$3,537,099	\$3,537,099	\$3,537,099	
Total Revenues	\$62,676,568	\$62,072,764	\$64,829,558	\$67,072,767	\$68,525,682	\$70,204,052	12.0%

Total Revenues		\$62,676,568	\$62,072,764	\$64,829,558	\$67,072,767	\$68,525,682	\$70,204,052	12.0%
EXPENSES:		Budget 2021	2022	2023	2024	2025	2026	
General Support								
Salaries		\$3,060,767	\$3,068,809	\$3,140,737	\$3,214,463	\$3,290,032	\$3,367,491	10.0%
Other		\$3,835,564	\$3,808,103	\$3,836,593	\$3,865,368	\$3,894,430	\$3,923,783	
Instruction								
Salaries		\$27,358,876	\$27,202,201	\$27,977,334	\$28,775,720	\$29,598,058	\$30,445,067	11.3%
Other		\$5,769,521	\$6,136,317	\$6,343,404	\$6,558,775	\$6,782,760	\$7,015,705	
Transportation								
Salaries		\$2,085,926	\$2,148,079	\$2,205,940	\$2,265,537	\$2,326,922	\$2,390,149	
Other		\$647,626	\$674,486	\$686,777	\$699,375	\$712,288	\$725,524	
Community Service		\$17,045	\$17,045	\$17,045	\$17,045	\$17,045	\$17,045	
Employee Benefits								
Retirement		\$3,785,180	\$3,859,677	\$4,133,758	\$4,233,158	\$4,335,500	\$4,440,872	17.3%
Social Security		\$2,565,438	\$2,773,347	\$2,842,573	\$2,913,849	\$2,987,235	\$3,062,793	
Workers' Compensation		\$610,000	\$617,261	\$629,606	\$642,198	\$655,042	\$668,143	
Health		\$8,939,530	\$9,127,556	\$9,378,334	\$9,636,635	\$9,902,685	\$10,176,716	
Other		\$568,010	\$590,762	\$593,174	\$596,005	\$598,855	\$601,725	
Debt Service:								
Buildings -	Principal	\$2,765,000	\$4,034,738	\$3,560,000	\$4,020,000	\$3,950,000	\$4,155,000	
	Interest	\$1,777,085	\$1,803,747	\$2,221,541	\$1,762,130	\$1,564,050	\$1,361,425	
Buses & Other -	Principal	\$672,000	\$665,961	\$666,694	\$679,000	\$694,000	\$712,000	
	Interest	\$54,000	\$43,366	\$52,608	\$61,074	\$69,273	\$75,974	
BOCES Capital Proj. -	Principal	\$0	\$486,433	\$438,039	\$371,049	\$135,221	\$135,221	
RAN/TAN -	Interest	\$0	\$0	\$0	\$0	\$0	\$0	
Interfund Transfers (Cap Outlay, 4408, Food Serv)		\$115,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000	
Total Expenses		\$64,626,568	\$67,287,888	\$68,954,156	\$70,541,379	\$71,743,396	\$73,504,631	13.7%
Adjustments (Carry Over, etc.)		\$3,884,027	\$3,766,027	\$3,766,027	\$3,766,027	\$3,766,027	\$3,766,027	
Adjustments Use of Reserves		(\$488,515)	(\$960,000)	(\$765,000)	(\$86,451)	\$0	\$0	
Assigned Appropriated Fund Balance		\$5,215,123	\$4,124,597	\$3,468,612	\$3,217,714	\$3,300,579	\$3,300,579	
Assigned Unappropriated		\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	
Unassigned Fund Balance		\$2,691,516	\$2,758,166	\$2,821,655	\$2,869,736	\$2,940,185	\$2,940,185	
Reserved Fund Balance		\$3,778,060	\$2,392,838	\$1,861,764	\$2,275,545	\$2,670,543	\$3,135,991	
Total Fund Balance June 30		\$11,684,699	\$9,275,602	\$8,152,031	\$8,362,995	\$8,911,307	\$9,376,755	
Revenue to Expenditure Difference		(\$1,950,000)	(\$5,215,123)	(\$4,124,597)	(\$3,468,612)	(\$3,217,714)	(\$3,300,579)	

Scenario 2

Assumptions

Revenues:
 Tax increase 3.2% and 3.2% Thereafter
 State Aid Slight but Stable Increase
 Variable Transportation Aid
 Building Aid follows Debt Service Schedule*
 Federal Aid remains Stable

Expenditures:
 Follow contractual Obligations
 No notable changes in staff patterns
 Stable ERS and TRS increased costs*

Maintain Staff in Budget with NEW Federal Grant Support

GRAND ISLAND							
5 Year Financial Projections							
<u>Fiscal Year Ending June 30:</u>	<u>Budget 2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	
REVENUES:		3.20%	3.20%	3.20%	3.20%	3.20%	
Real Property Taxes	\$35,160,602	\$36,289,062	\$37,450,312	\$38,648,722	\$39,885,481	\$41,161,817	17.1%
PILOT	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	
State Aid	\$14,553,902	\$14,608,448	\$16,268,508	\$17,379,029	\$17,749,633	\$18,129,325	
Building Aid	\$3,731,118	\$4,737,249	\$4,541,411	\$4,454,357	\$4,273,023	\$4,273,023	
Transportation Aid	\$2,750,695	\$2,559,906	\$2,691,228	\$2,712,560	\$2,739,445	\$2,761,789	
Federal Aid	\$316,000	\$316,000	\$316,000	\$316,000	\$316,000	\$316,000	
Interfund Transfers (ERS, Unemp, EBL, Debt Serv)	\$2,660,000	\$0	\$0	\$0	\$0	\$0	
Other	\$3,479,251	\$3,537,099	\$3,537,099	\$3,537,099	\$3,537,099	\$3,537,099	
Total Revenues	\$62,676,568	\$62,072,764	\$64,829,558	\$67,072,767	\$68,525,682	\$70,204,052	12.0%

Total Revenues		\$62,676,568	\$62,072,764	\$64,829,558	\$67,072,767	\$68,525,682	\$70,204,052	12.0%
EXPENSES:		Budget 2021	2022	2023	2024	2025	2026	
General Support								
Salaries		\$3,060,767	\$3,068,809	\$3,140,737	\$3,214,463	\$3,290,032	\$3,367,491	10.0%
Other		\$3,835,564	\$3,808,103	\$3,836,593	\$3,865,368	\$3,894,430	\$3,923,783	
Instruction								
Salaries		\$27,358,876	\$27,202,201	\$27,977,334	\$28,775,720	\$29,598,058	\$30,445,067	11.3%
Other		\$5,769,521	\$6,136,317	\$6,343,404	\$6,558,775	\$6,782,760	\$7,015,705	
Transportation								
Salaries		\$2,085,926	\$2,148,079	\$2,205,940	\$2,265,537	\$2,326,922	\$2,390,149	
Other		\$647,626	\$674,486	\$686,777	\$699,375	\$712,288	\$725,524	
Community Service								
		\$17,045	\$17,045	\$17,045	\$17,045	\$17,045	\$17,045	
Employee Benefits								
Retirement		\$3,785,180	\$3,859,677	\$4,008,758	\$4,233,158	\$4,335,500	\$4,440,872	17.3%
Social Security		\$2,565,438	\$2,630,438	\$2,842,573	\$2,913,849	\$2,987,235	\$3,062,793	
Workers' Compensation		\$610,000	\$622,200	\$634,644	\$647,337	\$660,283	\$673,489	
Health		\$8,939,530	\$9,153,412	\$9,404,965	\$9,664,065	\$9,930,938	\$10,205,817	
Other		\$568,010	\$643,010	\$645,735	\$648,934	\$652,155	\$655,398	
Debt Service:								
Buildings -	Principal	\$2,765,000	\$4,034,738	\$3,560,000	\$4,020,000	\$3,950,000	\$4,155,000	
	Interest	\$1,777,085	\$1,803,747	\$2,221,541	\$1,762,130	\$1,564,050	\$1,361,425	
Buses & Other -	Principal	\$672,000	\$672,000	\$666,694	\$679,000	\$694,000	\$712,000	
	Interest	\$54,000	\$47,493	\$52,608	\$61,074	\$69,273	\$75,974	
BOCES Capital Proj. - Principal		\$0	\$359,011	\$308,069	\$238,479	\$0	\$0	
Interfund Transfers (Cap Outlay, 4408, Food Serv)		\$115,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000	
Total Expenses		\$64,626,568	\$67,110,766	\$69,283,417	\$70,994,307	\$71,694,969	\$73,457,531	13.7%
Adjustments (Carry Over, etc.)		\$3,884,027	\$3,766,027	\$3,766,027	\$3,766,027	\$3,766,027	\$3,766,027	
Adjustments Use of Reserves		(\$488,515)	(\$960,000)	(\$765,000)	(\$86,451)	\$0	\$0	
Assigned Appropriated Fund Balance		\$5,038,001	\$4,453,858	\$3,921,541	\$3,169,288	\$3,253,478	\$3,253,478	
Assigned Unappropriated		\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	
Unassigned Fund Balance		\$2,684,431	\$2,771,337	\$2,839,772	\$2,867,799	\$2,938,301	\$2,938,301	
Reserved Fund Balance		\$3,962,267	\$2,227,529	\$2,207,602	\$3,683,886	\$4,125,932	\$4,638,480	
Total Fund Balance June 30		\$11,684,699	\$9,452,724	\$8,968,915	\$9,720,972	\$10,317,711	\$10,830,259	
Revenue to Expenditure Difference		(\$1,950,000)	(\$5,038,001)	(\$4,453,858)	(\$3,921,541)	(\$3,169,288)	(\$3,253,478)	

Scenario 1

Assumptions

Revenues:
 Tax increase 3.2% and 3.2% Thereafter
 State Aid Slight but Stable Increase
 Variable Transportation Aid
 Building Aid follows Debt Service Schedule*
 Federal Aid remains Stable

Expenditures:
 Follow contractual Obligations
 No notable changes in staff patterns
 Stable ERS and TRS increased costs*

Remove Staff from Budget to NEW Federal Grants; NO RETURN OF STAFF

Fiscal Year Ending June 30:	Budget 2021	2022	2023	2024	2025	2026
Reserved Fund Balance	\$3,778,060	\$2,392,838	\$1,861,764	\$2,275,545	\$2,670,543	\$3,135,991

Scenario 2

Assumptions

Revenues:
 Tax increase 3.2% and 3.2% Thereafter
 State Aid Slight but Stable Increase
 Variable Transportation Aid
 Building Aid follows Debt Service Schedule*
 Federal Aid remains Stable

Expenditures:
 Follow contractual Obligations
 No notable changes in staff patterns
 Stable ERS and TRS increased costs*

Maintain Staff in Budget with NEW Federal Grant Support

Fiscal Year Ending June 30:	Budget 2021	2022	2023	2024	2025	2026
Reserved Fund Balance	\$3,962,267	\$2,227,529	\$2,207,602	\$3,683,886	\$4,125,932	\$4,638,480

RECOMMENDATIONS

Carefully and Strategically Alter the Course...



1. Maintain a stable the budget by tracking expenses:
 - a) Examine 2021-22 budget for sustainability and other issues (Carry Over/Reallocations).
 - b) Budget process is always difficult due to the number of assumptions (Extrapolate cost estimates).
 - c) Maintain adequate cash flow to ensure maintenance of quality educational program.
 - d) Attempts for cost reductions should be examined (those away from student programs first) to mitigate escalation of expenses.
 - e) Reevaluate purchases and staff needs. Examine the possibility of attrition and breakage.
 - f) Monitor Long-term expenditures to the financial plan (Bus Purchases- transition to cash when possible)
 - g) Beware of possible State Fiscal Cliff 2024-25

2. Annually reevaluate Reserve and Fund Balance amounts for sustainability and liabilities. When and if possible:
 - a) Build new TRS Reserve to cover potential escalations in cost
 - b) Further Build Use of ERS if rates rise
 - c) Further build and Use new Capital Reserves to ensure Building Integrity and Eliminate Tax impact of Capital Construction
 - d) Further build and Use new Capital Reserves to ensure Eliminate Tax impact of these periodic expenditures (Vehicles, Equipment, Technology for instance)

3. The Longevity of the New Federal Grants could be problematic.
 - a) Exhibit caution with use of new Federal Funding streams (Fiscal Cliff 2024-25 and 2025-26)
 - b) Use a combination of Supplement and Supplant as practicable.

4. State Aid: Foundation Aid may be increased slightly upon Save Harmless Status; expense driven aid continues in current law.

5. Examine the feasibly, pros and cons of a building project to use the “New” Debt Service Fund monies to offset tax cap implications strategically and to offset future increased costs in capital construction and sources of funds.

6. Monitor the Tax Cap... note growing use of Appropriated Fund Balance and be aware of Super Majority Tax Levy Limit.



Long Range Financial Analysis- **Questions?**

Data Driven Strategic Fiscal Planning

Grand Island Central School District



Dr. Rick Timbs

President / CEO

R. G. Timbs, Inc.

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December 2021