Long Range Financial Analysis Update

Data Driven Strategic Financial Planning

Dunkirk City School District

Learning For All...Whatever It Takes!

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February 2025

School District:
Finance
Strategic Plans
Leadership
Educational
Development

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

MSRB
Municipal Securities Rulemaking Board

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Data Sources:

- District Submissions to SED of the Form ST-3 (5 years prior)
- State Education Department (NYSED) website financial calculations
- School District's External Auditor Reports/Recommendations
- Documents of Capital Expenses, Debt etc.
- Transportation and Capital Projects Data:
    - Bonds, Bond Anticipation Notes
    - Use of Capital Reserves
    - Debt Service Schedules
- All Other Expense Driven State Aid
- Examination of Tax Implications
- 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
- Recognition of the District's Educational and Facilities Internal Reorganization and Master Plan
- Recognition of the School District as a community partner.
- Interviews with the Interim Business Official and Superintendent

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State Aid

Foundation Aid in Flux:
There are at least 3 potential values for Foundation Aid:
SED Updates
The Governor's proposal based on older data and changes to the formula
The Final Budget based on newer data and additional changes if any are made by the Legislature and Governor.

		Dunkirk CSD													
State Aid Source	Prior Year	Full Fund	2023 to 24	Current Year	2024 to 25	Year 1	2025 to 26	Year 2	2026 to 27	Year 3	2027 to 28	Year 4	2028 to 29	Year 5	2029 to 30
Aid Descriptions	2022-23	2023-24	Difference	2024-25	Difference	2025-26	Difference	2026-27	Difference	2027-28	Difference	2028-29	Difference	2029-30	Difference
FOUNDATION AID	$26,949,952	$32,205,790	$5,255,838	$33,545,446	$1,339,656	$34,502,954	$957,508	$35,434,534	$931,580	$36,851,915	$1,417,381	$38,325,992	$1,474,077	$39,859,031	$1,533,040
TRANSPORTATION AID W/O SUMMER	$1,227,284	$1,013,043	($214,241)	$1,120,139	$107,096	$1,165,196	$45,057	$1,165,196	$0	$1,165,196	$0	$1,165,196	$0	$1,165,196	$0
BUILDING AID	$4,524,290	$4,681,487	$157,197	$5,360,426	$678,939	$4,934,196	($426,230)	$7,994,792	$3,060,596	$7,232,322	($762,470)	$7,939,583	$707,261	7,606,903	($332,680)
BOCES AID	$2,855,508	$2,895,064	$39,556	$2,833,219	($61,845)	$2,835,938	$2,719	$2,835,938	$0	$2,835,938	$0	$2,835,938	$0	$2,835,938	$0
PUBLIC EC HIGH COST AID	$872,269	$882,116	$9,847	$1,344,929	$462,813	$1,275,923	($69,006)	$1,275,923	$0	$1,275,923	$0	$1,275,923	$0	$1,275,923	$0
PRIVATE EXCESS COST AID	$432,401	$536,858	$104,457	$689,158	$152,300	$691,930	$2,772	$691,930	$0	$691,930	$0	$691,930	$0	$691,930	$0
SOFTWARE AID	$33,271	$32,387	($884)	$32,088	($299)	$31,293	($795)	$30,498	($795)	$29,703	($795)	$28,908	($795)	$28,113	($795)
LIBRARY MATERIALS AID	$13,881	$13,512	($369)	$12,750	($762)	$13,056	$306	$13,362	$306	$13,668	$306	$13,974	$306	$14,280	$306
TEXTBOOK AID	$123,141	$119,471	($3,670)	$119,413	($58)	$117,840	($1,573)	$116,267	($1,573)	$114,694	($1,573)	$113,121	($1,573)	$111,548	($1,573)
HARDWARE & TECHNOLOGY AID	$44,772	$44,525	($247)	$43,750	($775)	$42,616	($1,134)	$41,482	($1,134)	$40,348	($1,134)	$39,214	($1,134)	$38,080	($1,134)
UNIV PREKINDERGARTEN AID	$2,202,569	$2,478,781	$276,212	$2,478,781	$0	$2,478,781	$0	$2,478,781	$0	$2,478,781	$0	$2,478,781	$0	$2,478,781	$0
TOTAL AID	$39,279,338	$44,903,034	$5,623,696	$47,580,099	$2,677,065	$48,089,723	$509,624	$52,078,703	$3,988,980	$52,730,418	$651,715	$54,908,559	$2,178,141	$56,105,723	$1,197,164
OVERALL Aid Increase/ Decrease Without UPK	$37,076,769	$42,424,253	$5,347,484	$45,101,318	$2,677,065	$45,610,942	$509,624	$49,599,922	$3,988,980	$50,251,637	$651,715	$52,429,778	$2,178,141	$53,626,942	$1,197,164
			19.5%		4.2%		2.9%		2.7%		4.0%		4.0%		

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Dunkirk CSD

Analysis of Fund Balances and Reserves

Restricted Fund Balance:	June 2020	June 2021	June 2022	June 2023	June 2024	June 2025	June 2026	June 2027	June 2028	June 2029	June 2030
Workers' Compensation Reserve	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Unemployment Insurance Reserve	$5,113,240	$5,119,132	$3,769,931	$1,300,281	$4,387,904	$287,904	$287,904	$287,904	$287,904	$287,904	$287,904
Reserve for Retirement Contributions ERS	$7,983,765	$7,992,964	$7,994,703	$8,097,455	$8,529,019	$8,529,019	$8,529,019	$8,529,019	$8,529,019	$8,529,019	$8,529,019
Reserve for Retirement Contributions TRS	$360,603	$361,019	$763,100	$772,890	$814,427	$814,427	$814,427	$814,427	$814,427	$814,427	$814,427
Reserve for Property Loss	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Reserve for Liability Claims	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Insurance Reserve	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Reserve for Tax Certiorari	$1,250,596	$251,797	$0	$0	$0	$0	$0	$0	$0	$0	$0
Reserve for Employee Benefits and Accrued Liabilities	$328,410	$328,789	$328,860	$333,089	$351,174	$351,174	$351,174	$351,174	$351,174	$351,174	$351,174
Capital Reserve Capital Construction 10Yr 2011 $5,000,000	$1,268,980	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Capital Reserve Capital Construction 10 Yr 2025 $10,000,000	$0	$0		$0	$0	$4,100,000	$4,100,000	$4,100,000	$4,100,000	$4,100,000	$4,100,000
Capital Reserve Capital Construction 10 Yr 2020 $5,000,000	$0	$0	$5,000,315	$9,066,132	$0	$0	$0	$0	$0	$0	$0
Reserve for Repair	$301,990	$302,338	$302,404	$0	$0	$0	$0	$0	$0	$0	$0
Reserve for Debt	$23,646	$23,673	$23,678	$23,982	$41,264	$41,264	$41,264	$41,264	$41,264	$41,264	$41,264
Other Restricted Fund Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Restricted Fund Balance	$16,631,230	$14,379,712	$18,182,991	$19,593,829	$14,123,788	$14,123,788	$14,123,788	$14,123,788	$14,123,788	$14,123,788	$14,123,788

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Assumptions

Revenues:

Tax Increase Variable % Each Year under Cap 2025-26
State Aid Significant Increase (Foundation Aid)
Variable BOCES and Public Excess Cost Aids
Variable Building Aid follows Debt Service Schedule*
Federal Aid (Medicaid) remains Stable
Hopefully Interest earnings are maintained

Expenditures:

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

For the 2025-26 FY Tax levy
What is just 2% worth that year as lost revenue? $215,752

Total value in lost revenue by 2029-30? >$1,078,760

Dunkirk CSD
5 Year Financial Projections

Fiscal Year Ending June 30:	2024	2025	2026	2027	2028	2029	2030	2025-2030	
REVENUES:			0.00%	2.00%	2.00%	2.00%	2.00%	Difference	
Real Property Taxes	$10,574,607	$10,786,099	$10,786,099	$11,001,821	$11,221,857	$11,446,295	$11,675,220	$889,121	8.2%
PILOT (based on current agreements)	$188,419	$332,228	$373,531	$373,531	$373,531	$373,531	$373,531		
State Aid	$37,087,141	$39,287,125	$39,945,950	$40,439,934	$41,854,119	$43,325,000	$44,854,843		
Building Aid	$4,524,290	$4,681,487	$5,360,430	$7,994,792	$7,232,322	$7,939,583	$7,606,903	$2,925,416	62.5%
Transportation Aid	$1,227,284	$1,013,043	$1,120,139	$1,165,196	$1,165,196	$1,165,196	$1,165,196		
Federal Aid (Medicaid only)	$100,000	$100,000	$200,000	$200,000	$200,000	$200,000	$200,000		
Interfund Transfers Reserves?	$1,578	$1,578	$1,578	$1,578	$1,578	$1,578	$1,578		
Other Revenues (Not including AFB)	$514,900	$524,900	$1,052,500	$1,052,500	$1,052,500	$1,052,500	$1,052,500		
Total Revenues	$54,218,219	$56,726,460	$58,840,227	$62,229,352	$63,101,103	$65,503,682	$66,929,772	$10,203,312	18.0%
Amount of Change Year to Year		$2,508,241	$2,113,767	$3,389,125	$871,751	$2,402,579	$1,426,090		
		4.6%	3.7%	5.8%	1.4%	3.8%	2.2%		

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Total Revenues		$54,218,219	$56,726,460	$58,840,227	$62,229,352	$63,101,103	$65,503,682	$66,929,772	$10,203,312	18.0%
Amount of Change Year to Year			$2,508,241	$2,113,767	$3,389,125	$871,751	$2,402,579	$1,426,090		
			4.6%	3.7%	5.8%	1.4%	3.8%	2.2%		

EXPENSES:		2024	2025	2026	2027	2028	2029	2030	2025-2030 Difference	
General Support										
Salaries		$2,446,681	$2,418,535	$2,673,034	$2,773,273	$2,877,271	$2,985,169	$3,097,112	$678,577	28.1%
Other		$3,098,932	$3,108,724	$3,160,892	$3,191,705	$3,222,825	$3,254,257	$3,286,003	$177,279	5.7%
Instruction										
Salaries		$22,214,707	$22,946,421	$24,130,809	$25,011,566	$25,925,351	$26,873,402	$27,857,006	$4,910,585	21.4%
Other		$9,347,904	$10,447,022	$11,198,994	$11,476,977	$11,761,910	$12,053,967	$12,353,324	$1,906,302	18.2%
Transportation										
Salaries		$54,588	$55,928	$44,207	$45,134	$46,096	$47,094	$48,129	($7,799)	-13.9%
Other		$1,459,856	$1,678,250	$1,880,786	$1,918,001	$1,955,961	$1,994,680	$2,034,173	$355,923	21.2%
Community Service		$85,838	$88,634	$94,363	$94,363	$94,363	$94,363	$94,363	$5,729	6.5%
Employee Benefits										
Retirement		$3,268,769	$3,568,927	$3,750,000	$3,935,015	$4,049,888	$4,169,070	$4,292,720	$723,793	20.3%
Social Security		$1,976,332	$2,057,647	$2,200,000	$2,169,615	$2,247,549	$2,328,405	$2,412,294	$354,647	17.2%
Workers' Compensation		$184,013	$184,013	$190,000	$190,000	$190,000	$190,000	$190,000	$5,987	3.3%
Health		$6,287,048	$6,602,951	$6,755,711	$6,921,346	$7,091,536	$7,266,407	$7,446,086	$843,135	12.8%
Other		$340,000	$124,741	$350,000	$350,000	$350,000	$350,000	$350,000	$225,259	180.6%
Debt Service:										
Buildings -	Principal	$4,110,000	$4,305,000	$3,655,000	$5,202,458	$4,370,000	$5,160,118	$5,075,000	$770,000	17.9%
	Interest	$1,226,017	$983,207	$801,875	$3,356,905	$3,504,768	$3,342,744	$3,097,113	$2,113,906	215.0%
RAN/TAN -	Interest	$0	$0	$0	$0	$0	$0	$0	$0	
Interfund Transfers (Sch Lunch, 4408)		$350,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$0	
Total Expenses		$56,450,685	$58,770,000	$61,085,671	$66,836,358	$67,887,519	$70,309,675	$71,833,324	$13,063,324	22.2%
Amount of Change Year to Year			$2,319,315	$2,315,671	$5,750,687	$1,051,161	$2,422,156	$1,523,649		
			4.1%	3.9%	9.4%	1.6%	3.6%	2.2%		

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Increased targeted staff needs to address specific student populations

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Total Revenues	$54,218,219	$56,726,460	$58,840,227	$62,229,352	$63,101,103	$65,503,682	$66,929,772	$10,203,312	18.0%
Amount of Change Year to Year		$2,508,241	$2,113,767	$3,389,125	$871,751	$2,402,579	$1,426,090		
		4.6%	3.7%	5.8%	1.4%	3.8%	2.2%		
Total Expenses	$56,450,685	$58,770,000	$61,085,671	$66,836,358	$67,887,519	$70,309,675	$71,833,324	$13,063,324	22.2%
Amount of Change Year to Year		$2,319,315	$2,315,671	$5,750,687	$1,051,161	$2,422,156	$1,523,649		
		4.1%	3.9%	9.4%	1.6%	3.6%	2.2%		
Adjustments (Carry Over, etc.)	$6,790,806	$4,684,744	$3,000,000	$3,000,000	$3,000,000	$3,000,000	$3,000,000		
Adjustments Use of Reserves	$0	$0	$0	$0	$0	$0	$0		
4% of Expenses	$2,350,800	$2,443,427	$2,673,454	$2,715,501	$2,812,387	$2,873,333	$2,873,333		
Assigned Approriated Fund Balance	$2,237,467	$2,245,444	$4,607,006	$4,786,415	$4,805,993	$4,903,552	$4,903,552		
Assigned Unappropriated	$251,011	$251,011	$251,011	$251,011	$251,011	$251,011	$251,011		
Unassigned Fund Balance	$2,210,148	$2,443,427	$2,673,454	$2,715,501	$2,812,387	$2,873,333	$2,873,333		
Reserved Fund Balance	$14,123,788	$22,244,789	$20,407,755	$18,579,294	$16,676,415	$14,711,917	$12,808,364		
Total Fund Balance June 30	$18,546,803	$26,933,660	$27,688,216	$26,081,210	$24,294,794	$22,488,802	$20,585,250		
Revenue to Expenditure Difference	-$2,232,466	-$2,043,540	-$2,245,444	$4,607,006	-$4,786,415	-$4,805,993	-$4,903,552		

>$1,078,760
+$12,808,364
$13,887,124

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RECOMMENDATIONS

Carefully and Strategically …

1. Maintain a stable the budget by tracking expenses:
   a) Examine 2024-25 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) Attempts for cost reductions should be examined (those away from student programs first) to mitigate escalation of expenses.
   d) Recognize that certain programs will require significant escalating and ongoing resources for success. (Alternative Education/ Students with Special Needs) Note growing strain on budget with economically disadvantaged youth and students with special needs that translate into targeted staff needs.
   e) Reevaluate purchases and staff needs. Examine the possibility of attrition and breakage. Aim for greater efficiency. Consider the efficacy of a retirement incentive.
   f) Inflation and other cost pressures will be substantial.
   g) Beware of possible State Aid Fiscal Cliff 2026-27 and thereafter

2. Annually reevaluate Reserve and Fund Balance amounts for sustainability and liabilities. When and if possible:
   a) Reallocate a significant amount of Unemployment Reserve, to perhaps over time to district support or other pursuits such as:
      - Use new Capital Reserves to ensure Building Integrity and Eliminate or Minimize Tax escalation due to Capital Construction and Simultaneously Maximize Aid
   b) Complete your sound Financial Plan to complete District internal reorganization process and Facilities Master Plan.

3. State Aid: Increases in Foundation Aid will be helpful due to some formula changes

4. Practice attrition and scrutinize expenditures everywhere possible and move to Tax Cap if expenses cannot be seriously curtailed

5. Monitor the Tax Cap… note growing use of Appropriated Fund Balance

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Long Range Financial Analysis- Update **Questions?**

Data Driven Strategic Financial Planning

Dunkirk City School District

Learning For All...Whatever It Takes!

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