Williamsville Central Schools

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Long Range Financial Plan Fall 2016

Prepared by: Thomas Maturski, Assistant Superintendent for Finance & Management Services

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A. INTERPRETATION AND USAGE

The purpose of this five-year long-range financial plan is to support the annual budget development process. This long-range plan provides insight into how budgets decisions in one budget cycle will affect future budget cycles. The plan will clearly show the need for the district to make appropriate financial decisions in the current period in order to create balanced revenue and expense budgets for the future.

B. FINANCIAL BACKGROUND INFORMATION

a) Financial Operation and Oversight

The Williamsville Central School District operates under the supervision of the New York State Education Department and all applicable New York State Municipal Laws. In 2005, New York State enacted Fiscal Accountability Legislation that requires all school districts to establish an internal audit function and requires that all Board of Education members complete fiscal oversight training. The law mandates the New York State Comptroller to audit school districts once every five years. The last major provision of this law requires each school district to establish an audit committee. The Williamsville Central School District has established all of the necessary financial controls that are required by this law. The New York State Comptroller audited the District in 2010 and in 2016. The District's 2016 New York State Comptroller audit stated that the District's expenditure budget should include more realistic budget estimates and they commented on the District's unassigned fund balance levels. The District has issued a response to their report that support our budgeting practices and fund balance levels. This long-range report further addresses these audited areas and provides detailed information on the financial pressures that affect our annual budget development process.

b) Auditing – Internal and External Audits

The Fiscal Accountability Legislation requires that the District establish an internal audit function. The purpose of internal audits is to review the District's internal controls that are in place to safeguard district assets. In response to this item, the District issued a Request for Proposal (RFP) in 2006, 2010, 2015 to public accounting firms for these services. This law requires that the District follow an open RFP process as a means to select an accounting firm for the performance of this internal audit function. This process has resulted in the Board of Education awarding services to the accounting firm of Freed, Maxick & Battaglia to meet this legislative requirement.

In 2012, the internal auditor reviewed the District's budget development process and stated in their report that the District's budget and budget plan were "efficient and well communicated". The report further stated, "The long-term financial plan developed by the District appeared to be supported by historical financial information, well developed and easily understood." The auditor's professional review and positive findings on the District's budget development process should provide the reader of this report with a level of assurance that the financial information herein is reasonable and pertinent to the current financial condition of the district.

The District must have an independent external audit firm complete an annual financial audit each year. The purpose of the external audit is to have a professional accounting firm complete an independent review of the District's financial statements that

assures the Board of Education and the public sector that they fairly represent our financial condition. The Board of Education appointed the firm of Drescher & Malecki, LLP to complete the audit. In October 2016, the audit firm of Drescher & Malecki stated to the Audit Committee and the Board of Education that the District is financially sound based on their review of the 2015-16 financial records. Their message to the Board of Education emphasized that even though the district's current financial position is strong it must recognize the annual uncertainty of New York State Aid in future planning years to avoid fiscal stress. This long-range plan reviews known and projected financial situations that are monitored by the school district in order to continue to maintain a sound financial position that will support the District's instructional programs.

c) Government Accounting Standards Board (GASB)

The District's accounting methods must follow all Government Accounting Standards Board (GASB) announcements. All GASB changes are influenced by a variety of external groups including the Internal Revenue Service, Federal Government, American Institute of Certified Public Accountants, Government Accounting Standards Board and Financial Accounting Standards Board. Over the past ten years, there have been some major changes in the district's financial reporting due to the implementation of GASB 34 and GASB 45 statements. Simply stated, GASB 34 requires school districts to prepare financial statements in a form that is similar to the private sector. Specifically, it requires a detailed accounting for compensated absences, fixed assets, depreciation of fixed assets, and the inclusion of a management discussion and analysis section within the annual financial statements. The GASB 45 announcement requires school districts to provide accounting for all obligations that they are financially responsible for in the future on behalf of employees who have retired or separated from the District (e.g., accumulated sick time, vacation and other employee earned contractual time-off). This standard is the basis for the establishment of the Employee Benefit Liability Reserve. The District's external auditor reviews all accounting entries associated with GASB 34 and GASB 45 as part of the annual District audit. In 2011, the GASB 54 Standard became effective. This standard focuses on changing the terminology and financial statement reporting for fund balance and reserves. The District worked with the auditors and the District's Audit Committee to present the information in the new classification categories. The reclassification of reserve funds has had no financial impact on the District. In the next few fiscal years there will continue to be new GASB pronouncements that will require modifications to the district's financial statements. These pronouncements will address such items as pension reporting, post-employment benefit reporting, and the magnitude of tax abatements that the district participates in with other local, county, and state governments.

d) Accounting Method

The District utilizes a modified accrual method of accounting for all revenue and expenses. The underlying principle for this accounting method is to match revenues to expenses in the period that they are received and/or incurred. When this situation spans two different fiscal years, the District must accrue (account for) revenue and expenses related to the prior year in its accounting records.

C. BUDGET BUILDING PROCESS-BALANCED BUDGET

New York State law requires school districts to have a balanced budget. The definition of a balanced budget is that the expense budget must be fully supported by the revenue budget. Therefore, every budget expense increase requires an equal increase in the revenue budget. The result is a balanced budget.

The District begins the budget development process with a projection of the maximum revenue increase that it may obtain from the tax levy under a tax cap calculation. The next step is to add all other revenue increases it expects to receive in the next year to equal a total revenue number. The expense increases are totaled and they are compared to the total revenue budget. When the expense increases are higher than the revenue increases, the District must reduce the expense budget in order to equal the revenue budget.

a) Impact of Tax Cap

New York State has advertised the tax cap law as a 2% cap on taxes. Although State residents hear this message, the law does not actually limit the tax levy increase to 2%. The law states that school districts may not increase their tax levy revenue more than 2%, (if the consumer price index is 2% or greater) before considering the exclusionary expenses that are permitted in the calculation. The exclusionary items allow school districts to issue tax levies greater than the tax cap increase without violating the 2% maximum increase requirement of this law. The exclusionary items include New York State Retirement System payments that are greater than a 2% percentage point increase on the current rates set by each New York State retirement system. This law also excludes capital related expenses for pre-approved debt increases. It is important to state that the law does not provide exclusions for contractual salary payments, utility/fuel expenses, health insurance increases, and the additional expenses attributed to New York State mandates that school districts are required to comply with each year. This law is based on the CPI rate of each year so when the rate is below 2% school districts cannot raise their tax levy above this number unless they want to exceed the tax cap.

b) Tax Cap Override (Exceeding the Tax Cap)

The tax cap law provides no limit to a school district on the amount of the tax levy increase. If a district chooses to exceed the tax cap number, it must obtain at least 60% approval from their budget voters.

c) Tax Cap - Budget Defeat

An important change in the budget vote process under the tax cap law is that there are severe budget consequences for a defeated budget. Prior to the tax cap law, a district with a defeated budget could increase their prior year budget by multiplying it by a calculated increase that considered the CPI rate for that year. There was no punitive action for a defeated budget. Under the new law, after two-budget vote defeats the district must use the same tax levy that it had in the previous school year. To put this in perspective, the District's 2016-17 tax levy increase was 1.13% equaling $1,305,432. If the District's budget were defeated twice, then the allowed increase would have been zero. This type of situation could quickly result in financial difficulties for the district.

The following chart provides a visual perspective on the correlation between the maximum tax cap levels allowed by law versus the actual district tax levies. Also included in the chart are the actual district budget increases. The first bar in each year represents the budget increase. The second bar reflects the maximum calculated tax cap increase allowed

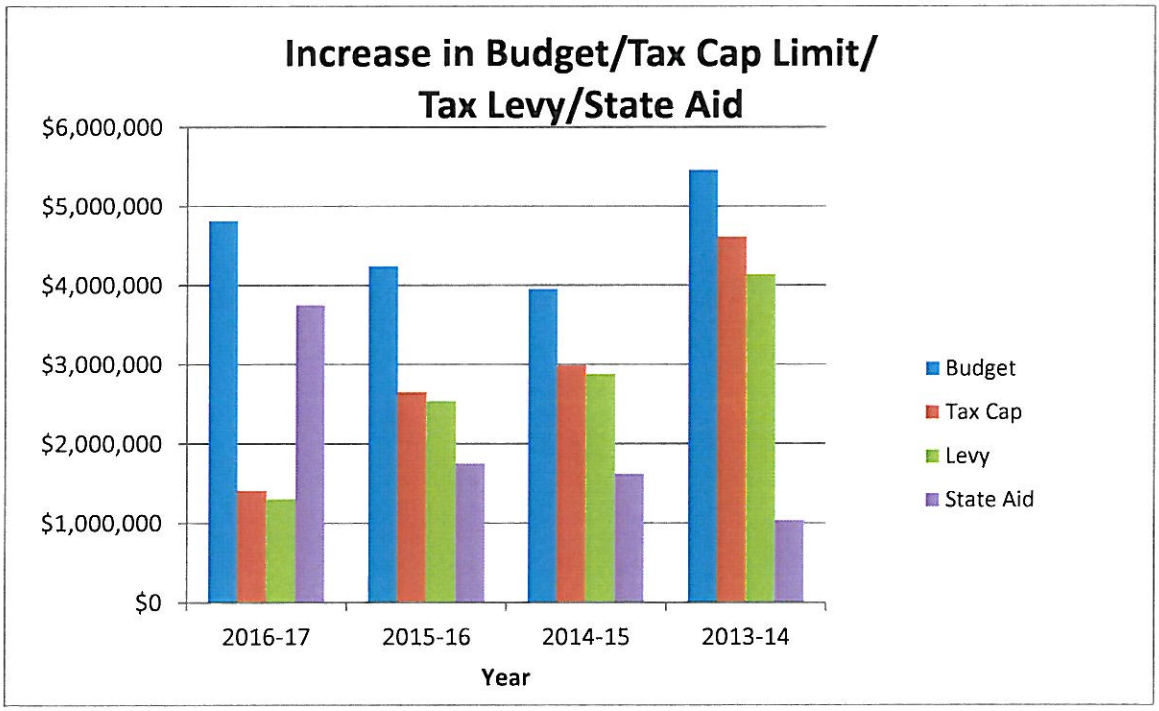
under New York State law and the third bar reflects the adopted tax levy increase. The last bar displays the district's increase in state aid.

The important points displayed in this chart are as follows:

1. Since the Tax Cap law has been in effect, the district has remained under the allowable increase level in each budget year.

2. The District's tax levy in 2016-17 represented 27% of the budget increase. This low percentage is the result of the restoration of the GAP Elimination Adjustment that was assessed to the district in the 2010-11 school year. Williamsville is scheduled to receive an additional $3,225,278 in State Aid in the 2016-17 school year. Prior to this date, the District's levy increase averaged 74% of the budget increase.

3. In summary, the chart illustrates how the district carefully managed revenue and expense increases to stay under the Tax Cap. It also shows how state aid increases can result in lower tax levy increases.



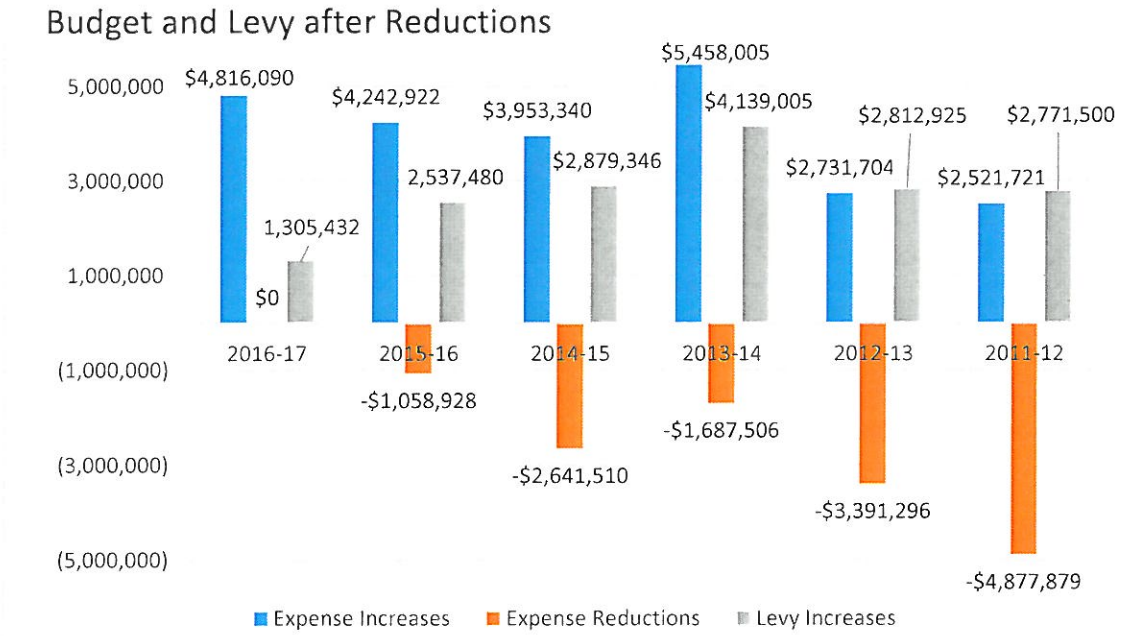
d) ***Consideration of Future Budget Development Cycles***

Due to the tax cap law, the District cannot assume that reductions in one planning process will minimize or eliminate required budget reductions in future budget cycles. The opposite is true. The chart below provides a more complete picture on how the school district reduces the tax levy by reducing expenses. Although the loss of revenue is not included on this chart, it is a major reason why there are substantial expense reductions in the budget years that are displayed on the chart. The key points to this chart are as follows:

1. The total revenue increase is the driving factor of the budget. If there is a low increase in revenue, this correlates with a need to have a larger expense reduction in the budget year. The opposite is also true. If there are higher revenues in a budget year, there will be a lower amount of expense reductions that are needed to balance the budget.

2. The tax levy increase is substantially less than the expense increase in four of the six years displayed in the chart.

3. When the tax levy was near the expense increase amount it was due to state aid reductions imposed on the district in those budgets. Those years also represent the largest budget reduction amounts which highlights the fact that the district did everything it could to minimize the levy increase to the community.



The budget balancing process that is reflected in this chart must occur every budget cycle. It is important for the District to address the expense projections attributed to the next budget year while not losing sight on the need to maintain a long-range balanced budget plan.

D. REVENUE FORECAST INFORMATION

Revenues are accounted for in specific revenue codes as defined by New York State law and the New York State Comptroller. The District uses approximately forty different revenue codes on an annual basis. Of the forty revenue codes used by the District, there are seven significant revenue categories.

a) State Aid

The governing bodies of New York State determine the District's annual state aid amount. Each year the State appropriates a portion of its budget to fund public school districts. The State creates state aid formulas to allocate aid to school districts. While the funding formulas have changed over the years, it is important to note that comparative funding levels by state region have remained relatively stable over time. This is important information for the community to understand because even when the Legislature and the Governor enact new state aid formulas, they attempt to maintain a stable allocation of state aid dollars throughout the state. This concentrated effort results in minimal changes in the percentage of total funding amounts to different geographic regions and shows how the final state funding level for school aid is directly affected by political issues, regional cost factors, and lobbying groups. Regardless of the political issues surrounding state aid, this revenue is critical to the District's future success in maintaining its educational programs.

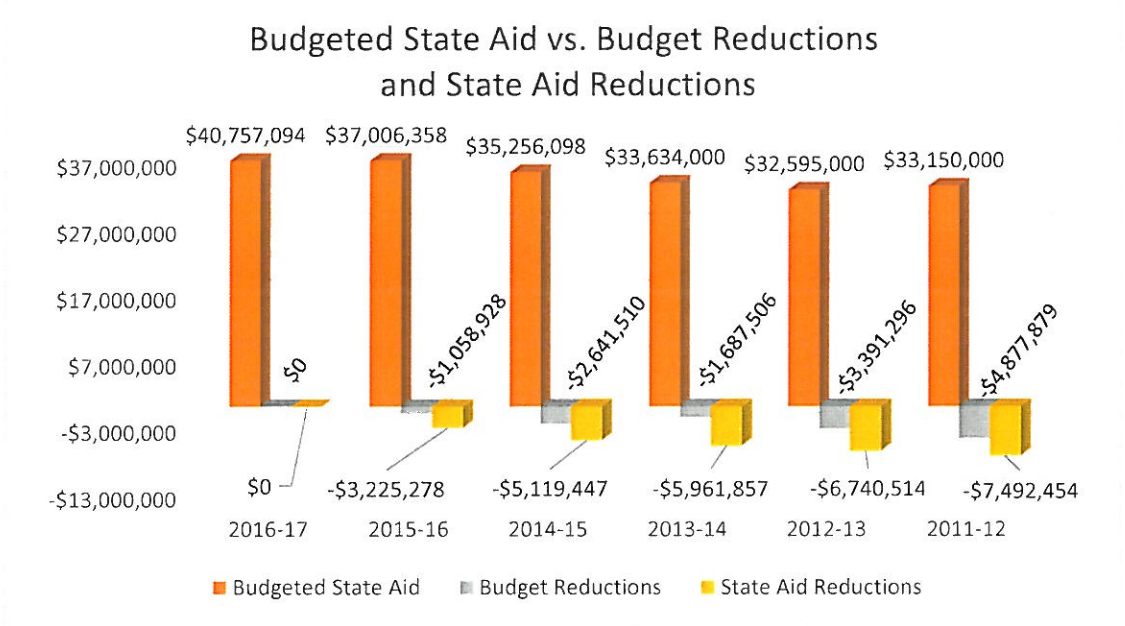
b) State Aid Reductions (Historical Information)

In the 2007-08 school year, New York State implemented a new state aid formula for public school funding. The new formula enacted was Foundation Aid and it replaced previous state aid formulas. The Foundation Aid calculation provided a major change from past formulas in that it estimated state aid amounts to all school districts for a four-year period. In the formula's second year of implementation the State did not meet the amount listed in its' multi-year funding plan. The impact of this shortfall for Williamsville was a reduction of almost fifty percent of the estimated increase amount listed in the multi-year Foundation Aid plan. Even though this plan is going to be ten years old, it is still relevant to the state aid equation.

In the 2009-10 school year, the Governor allocated a Deficit Reduction Assessment (DRA) amount to all school districts. This action essentially eliminated the new Foundation Aid plan as a multi-year revenue source for school districts to count on as they developed their annual budgets. New York State did receive Federal Stimulus dollars in March 2009 that were meant to stabilize public school district budgets. Initially the State had informed school districts that they could expect to receive the same 2009-10 Federal Stimulus dollar allocation amounts in the 2010-11 school year. Their plan changed due to the State's fiscal problems. The State used their Federal 2010-11 dollars to pay school districts their aid for the 2009-10 school year. Because of this action, the Williamsville School District did not receive the previously promised $4,310,472 in stimulus dollars in the 2010-11 school year. The District received $2,346,817, which is a decrease of $1,963,655 over the original amount. These dollars were permanently lost to the District. To counter the way States allocated the Federal ARRA funds to school districts the Federal government implemented a direct payment grant program to districts in the 2010-11 school year. The program was called the Federal Education Jobs Funds. This was a two-year program. The Williamsville Central School District decided not to access these dollars until the 2011-12 school year so that they could partially offset the loss of the $2,346,817 in ARRA funding that ended in 2010-11. The District's Federal Education Jobs Fund allocation was $1,964,276 and the difference between the prior year ARRA fund and this one-time Federal funding allocation

resulted in a $382,541 revenue budget gap for the 2011-12 school year. For the 2012-13 school year, the Federal Education Jobs Funds program expired resulting in a revenue reduction equal to the $1,964,276. The District's financial plan for the Federal dollars was to step-down the loss of aid as much as possible in order to spread the loss of this revenue over many years thereby allowing the district to access other revenues and institute budget reductions to balance its budgets.

The 2016-17 State budget process fully restored the remaining state aid reduction resulting in a large state aid increase of $3,750,736. The chart below illustrates how these reductions affected Williamsville's state aid budget. The State's initial reduction of $7.5 million dollars occurred six years ago and represented a 20.4% decrease in aid. The chart shows that over the six-year period-of-time the cumulative state aid loss to the District equaled $28,539,550. With the restoration of State aid it is unlikely that the District will receive a large increase in state aid in succeeding years. This will be an important factor to consider when developing future budgets.



c) ***What the District did to meet the State Aid Funding Loss***

The District implements financial planning strategies each year during the development of the annual budget. These planning initiatives have allowed the District to minimize the impact of state aid funding decreases on its programs. Through the implementation of long-range financial planning the District has methodically reduced the revenue and expense budgets without significantly affecting educational programs. The District supplemented its revenue with the use of reserves to create a short-term financing plan that has further protected the District's education programs. The District is appropriating a combined total of $9,274,000 of appropriated fund balance and reserve funds in the 2016-17 budget to preserve programs and the financial health of the district. A planned reduction on the use of these reserve funds continues to be necessary over the next five years.

The historical information pertaining to State aid is relevant to Williamsville's long-range plan for several important reasons:

1. The reduction and/or withholding of State Aid has occurred multiple times in the past. The actual reduction of State Aid to the District requires that it prudently consider the possibility of these reductions occurring in the future as it develops a long-range financial plan.
2. The New York State Comptroller's audit of the district comments on how the District's budget results in fund balance being available at the end of the fiscal year. The District's budgeting practice were directly responsible for protecting instructional programs and employment positions when New York State reduced the level of school funding to it over a five year period of time. The District must continue to recognize the fiscal reality that State budget reductions will occur in the future. It has happened multiple times and maintaining fund balance is the only available option that will protect our instructional progams.
3. It is clear that New York State school aid is a political process that will affect the financial operations of school districts. This process results in constant changes in funding and little stability from year to year and these facts must be considered when creating a long-range financial plan.

d) Tax Levy

The District's tax levy is the largest source of revenue for the District. The Board of Education is authorized to issue a tax levy by New York State law. This funding source has been in place for years and the justification for its existence is that local communities should have control over their education programs and therefore they should authorize the amount of taxes that they wish to pay for their school districts. New York State laws determine the amount of state aid that is provided to school districts. The amount of state aid received by a district is determined by many factors including the community's property wealth, income wealth, and student population. The difference between the total expense budget minus state aid and other revenues effectively becomes the school district's tax levy. In past years, this funding structure worked because school districts were able to allow their communities to decide on the amount of the tax levy that they would approve for the upcoming school year. The implementation of the tax cap has decreased the level of control that the Board of Education may use to establish the tax levy for the school district.

e) New York State Tax Rebate Program

New York State implemented a tax rebate program for residential property tax owners in 2014. This program began sending checks to homeowners in October 2014. A qualifying homeowner will receive a rebate check if a school district complies with the mandated tax cap calculation for their district. The 2016-17 school year will be the last year for this program to occur unless there is an amendment to the law.

f) Other Revenue

The other revenue category represents 8.49% of the District's revenue budget. Over fifteen different revenue items make up this small percentage. They include such items as collection of fees, sale of obsolete equipment, charges for facility usage, and receipt of payments from other school districts for services provided to their students who are attending private schools within our district boundaries. A description of the major items in these categories follows:

i. Payment in Lieu of Taxes (PILOT)

A business or corporation may enter into negotiations with an industrial development agency to obtain a special agreement that removes their building and property from the town's tax roll. Per this agreement, the business follows a reduced property tax payment schedule for the number of years stated in the agreement. During the term of this agreement, the District receives a PILOT payment each year and records it in this revenue category. The total PILOT payment amounts change each year and are based on the status of all agreements. The school district has little if any control over these agreements. The intent of PILOT agreements is for them to support economic development and add jobs to the community. The New York State Comptroller has stated that PILOT agreements may not fulfil the economic goals that were stated in their applications. When this situation occurs, it transfers a heavier tax levy burden to taxpayers whose property is included in the regular tax roll.

ii. Interest Earnings

Interest earning revenue is based upon the amount of funds (available cash) held by the District at any given point in time. The District receives the most interest earning revenue after the receipt of the tax levy. Throughout the year the District completes a cash flow analysis to determine the amount of funds that may be invested for interest earning purposes each month. It is very important to note that this revenue category fluctuates annually based on the economy and the interest rate markets. Any adjustment made by the Federal Reserve Bank directly impacts interest rates and interest revenue. The daily Federal Funds rate in October 2016 was trending at 0.30%. This has increased from the 0.13% in the prior year. These low rates have essentially eliminated interest-earning revenue for the school district and resulted in a two million dollar reduction in this revenue category over the last ten years.

iii. Sales Tax

The District resides within the County of Erie, which provides for the sharing of sales tax collections with public school districts. The allocation amount of sales tax revenues is directly correlated to the taxable sales that occur in Erie County each year. The fluctuation that occurs in this revenue is largely dependent on the economic health of the residents of Erie County. External forces may increase or decrease the total sales tax collections received by the County at various points in time. The long-term impact and sustainability of the health of the economy, cross-border shopping, border crossing issues, and the purchasing value of the Canadian dollar are best determined over time. Presently the Canadian dollar has decreased in value to the U.S. dollar. Historically, this situation results in a decrease in Canadian shoppers into the United States and this may negatively impact the District's total sales tax revenue. The District will review 2016 sales tax receipts closely when establishing the 2017-18 sales tax budget in order to identify negative revenue trends that may occur in this volatile budget category.

The allocation of sales tax revenues to school districts considers many items including the percentage of a District's enrollment when compared to the total enrollment of all school districts in Erie County. It is important to know that the District may receive a change in the sales tax allocation amount that may increase or decrease its share of sales tax revenues in a given year. This may

result in an adjustment in the budget of sales tax revenues by the District even though the total revenues collected by Erie County may not have changed from the prior year.

iv. ***Appropriated Fund Balance***

The Board of Education authorizes the District to save funds from the prior year budget and apply them to reduce future budgets by using appropriated fund balance. In order to mitigate future budget shortfalls the District must plan budget surpluses in its annual budgets. This means that the District must end the prior year with a surplus equal or greater to the appropriated fund balance amount. By maintaining a sustainable and stable funding level for this item, it eliminates significant fluctuations in the tax levy and tax rate in future budget years. In the 2016-17 budget, the District's appropriated fund balance is $5,424,000. This amount will continue to be appropriated in the 2017-18 budget.

v. ***Appropriated Reserves***

The current 2016-17 budget includes a total fund balance and reserve appropriation of $9,274,000. Of this amount, $3,850,000 is from reserves. The District's planned use of these reserves does not create a one-year funding gap because the current reserve appropriated amounts consider a long-range reserve appropriation plan.

There will be a future point in time when reserve appropriations will not be possible at present levels. This is why the district has begun decreasing reserve appropriation amounts in prior budgets. It is important to state that the district has several reserves that must be maintained in the future due to the fact that it is self-insured in these areas. The applicable reserves are workers compensation, and unemployment. The reserve balance amounts for these two self-funded accounts will fluctuate each year based on actual costs incurred by the District and projected future liabilities. Failure to maintain minimum reserve balances for these items will result in a financially deficient situation for the District in the future.

E. ANNUAL BUDGET DEVELOPMENT

a) Annual Budget Development Process

The District begins a detailed budget development process each year in October when the Board of Education approves the budget development calendar. This calendar is included as appendix A in this report. The budget development process includes a review of historical budget additions/reductions, presentation of the District's financial condition, presentation of appropriated reserves/fund balance, presentation of reserve/fund balance planning, and the presentation of program increase items for a two-year budget cycle.

The District will present the first Program Continuation-Required expense increase report to the Board of Education at the January 2017 meeting. This report's purpose is to state the expense increases that are associated with maintaining the District's current educational program. The Board of Education and the Community will receive updates to this report throughout the budget development process. A program enhancement report is also prepared that includes expense increases that are for new program initiatives or enhancements to existing programs. When the revenue budget is less than the expenditure budget a report is prepared that lists expense reductions. All three reports are critically important to the development of the proposed budget. In order to comply with New York State law the Board of Education must finalize and approve a proposed budget in April of each school year. Each year communities across New York State must vote on their school budgets on the third Tuesday of May.

F. LONG RANGE FINANCIAL BUDGET PLANNING

The long-range financial plan attached to this report has been developed by using revenue and expense projections that are based on forecasted future increases and decreases in expense and revenue categories. The financial projections are based on information available at a single point in time. This long-range plan will not be updated throughout the annual budget development process.

a) Development of Long-Range Budget Expenses

Budget information has been compiled by function code (major school expense category) for this analysis. The objective of the analysis is to concentrate on large expense items that may increase within each budget area. The expense items are normally included in the Program Continuation-Required Expense increase report. The forecast analysis also looks for budget areas that will provide budget savings to the district. All cost savings are researched to determine if they are permanent and if they can be incorporated into the long-range budget plan. In most situations these savings are projected in the first forecasted budget year and become part of the base budget that is projected into future budget years.

The long-range budget development process must also consider specific budget increases in general budget areas. Examples of these increases are utility costs for electricity and natural gas for building heat. Normally, the District applies a projected percent increase that is reflective of the Consumer Price Increase (CPI) rate issued by the Federal government to general expense items. In this 2016 long-range expense plan there are no CPI increases estimated for any item in the plan. The elimination of this planning increase is due to several reasons. First, the CPI rate continues to be low at 1.4%. Second, revenue increases are expected to be minimal thereby creating a situation where expense decreases will be required to balance the budget. Third, the budget areas that are impacted by CPI increases are in a stable budget position.

G. DEVELOPMENT ASSUMPTIONS FOR THE EXPENSE BUDGET

a) Human Resources Categories

The Human Resource expense areas have resulted in the majority of the District's budget increases in the last eleven years. The chart below provides historical budget information for salary and benefit increases over an eleven-year period-of-time.

Although salary has increased over the eleven-year period, the salary category decreased as a percentage of the total budget by -4.36%. The total budgeted benefits (as a percentage of the total budget) have increased 5.53% over this same period. The chart shows how the District has acted responsibly in mitigating a portion of the higher benefit increases by reducing salary increases. It also shows that the total salary and benefits increased an average of 1.17% on the percentage of total budget expenses over the eleven-year period.

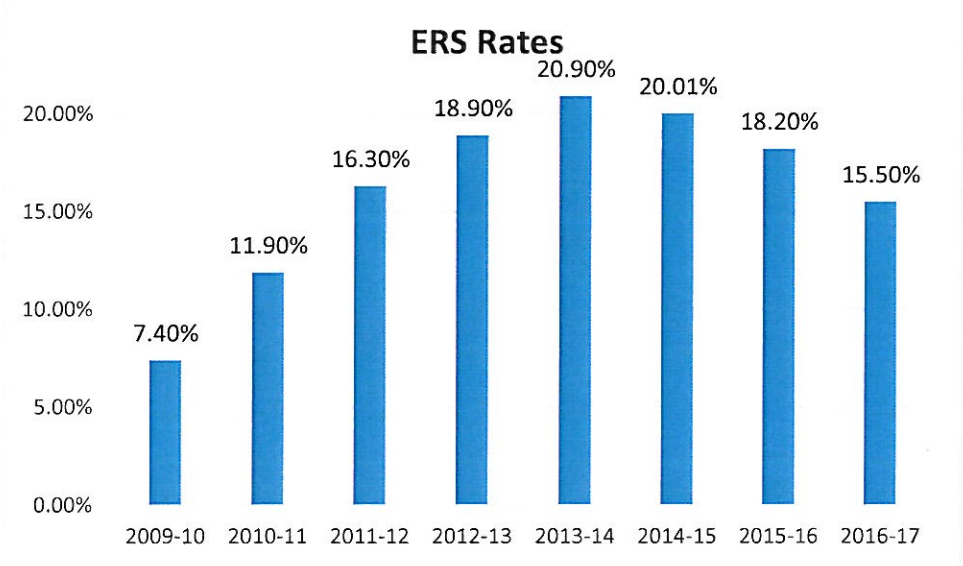
The increase in budgeted salary was 21.98% over the eleven-year period. This resulted in an annual increase of 2.20%. The increase in budgeted benefits over the eleven-year period was 71.48% resulting in an annual increase of 7.15%. During this time-period the U.S. all Urban Consumer Price Increase for the Northeast region had a total increase of 37.18% and an annual increase of 3.71%. This comparison shows that the District has controlled salary increases very well.

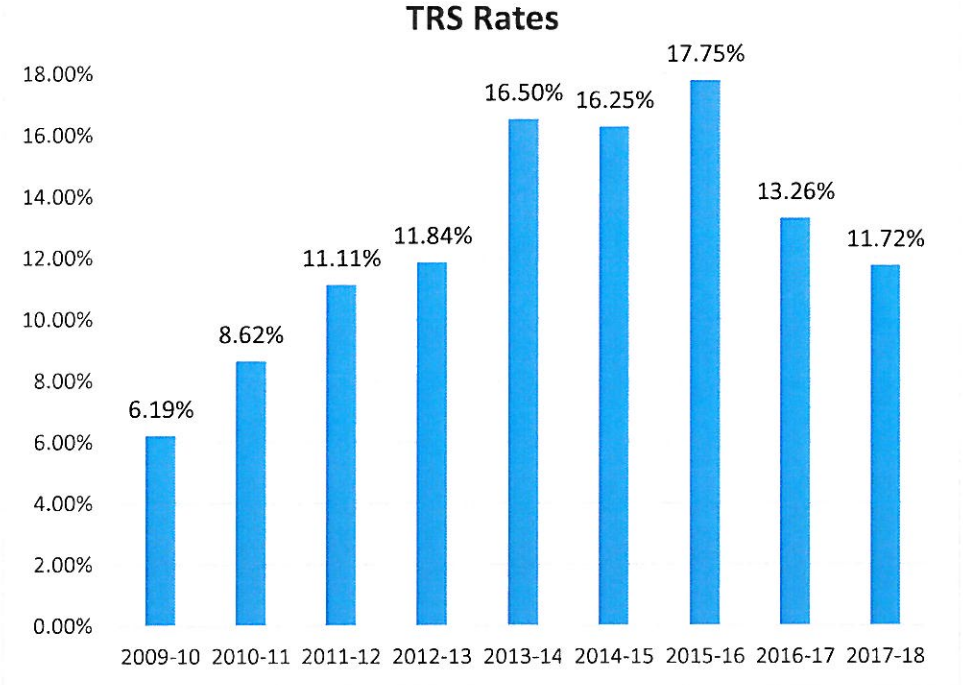
The 2014-15, 2015-16, and 2016-17 human resource budgets shows a significant change in the growth of the salary and benefit percentage against the total budget. This percentage has begun to fall in the last three years. The major reasons for the limited increases is due to budget savings obtained from self-funding health insurance plans and reduced costs attributed to the New York State retirement systems.

	Total Budget	Total Salary	Salary % of Budget	Total Benefits	Benefits % of Budget	Total Salary and Benefits	Salary & Benefits % of Total Budget
2006-07	$ 139,104,702	$ 83,153,060	59.8%	$ 25,332,882	18.2%	$ 108,485,942	78.0%
2007-08	$ 145,255,205	$ 86,282,914	59.4%	$ 27,170,927	18.7%	$ 113,453,841	78.1%
2008-09	$ 151,217,615	$ 88,709,443	58.7%	$ 29,169,844	19.3%	$ 117,879,287	78.0%
2009-10	$ 154,737,216	$ 91,096,686	58.9%	$ 29,867,013	19.3%	$ 120,963,699	78.2%
2010-11	$ 159,291,824	$ 94,183,152	59.1%	$ 31,944,451	20.1%	$ 126,127,603	79.2%
2011-12	$ 161,813,545	$ 91,987,964	56.8%	$ 36,540,480	22.6%	$ 128,528,444	79.4%
2012-13	$ 164,545,249	$ 93,304,071	56.7%	$ 37,741,605	22.9%	$ 131,045,676	79.6%
2013-14	$ 170,003,254	$ 94,744,126	55.7%	$ 41,576,953	24.5%	$ 136,321,079	80.2%
2014-15	$ 173,956,594	$ 96,178,682	55.3%	$ 42,735,177	24.6%	$ 138,913,859	79.9%
2015-16	$ 178,199,516	$ 98,603,454	55.3%	$ 43,560,177	24.4%	$ 142,163,631	79.8%
2016-17	$ 183,015,606	$101,430,863	55.4%	$ 43,441,794	23.7%	$ 144,872,657	79.2%
Percent Change over Ten Years			**-4.36%**		**5.53%**		**1.17%**

Forecasted Salary Payments – *Bargaining unit contracts and individual employment agreements were used to increase applicable salary lines in the long-range plan. The forecast projects increases of two and one half percent per year for the first three years of the forecast. The average salary increase falls to two percent for all bargaining units beginning in 2019-20. This increase equals the politically stated increase of the New York State Tax Cap.*

New York State Retirement Systems (Mandatory Contributions) – Employee Retirement System (ERS) & Teacher Retirement System (TRS) have been a major budget item in recent years. The following charts highlight the changes in these State mandated payments as currently projected for the 2017-18 budget. The ERS rates are projected to decrease from 18.20% to 15.50% for 2016-17. The TRS rates are projected to decrease from 13.26% to 11.72% in 2017-18. This represents a 34% reduction in the rate over a three-year period.





Forecasted Retirement System Payments - *The District has reduced the budget in both retirement systems for the 2017-18 budget forecast. It is important that the district consider how the rates have fluctuated significantly in the charts above since 2009-10. The district will establish these budgets by reviewing long-term trends. The intent of this plan is to minimize the large budget increases that the district was forced to make in our 2013-14 and 2015-16 budgets.*

Health Insurance – The percentage increases in this category are based on the projected health insurance claims that it expects to pay in the upcoming year. The district is self-funded for the payment of its health insurance plan. Additionally, the Williamsville Teachers Association Benefit Trust health insurance plan is also self-funded. The district works with a health insurance consultant on claim projections in order to develop an appropriate budget for health insurance. The self-funding of health insurance requires that the District budget for catastrophic claims each year. This results in a budget that will be greater than actual expenses to protect itself from the possibility that it will pay for a catastrophic claim. The District must follow this budget practice because New York State law does not allow a school district to have a reserve fund for self-funded health insurance. This is the reason why the District must budget conservatively in these codes.

It is important to note that the District transitioned to a self-funded insurance plan in the last six months of the 2013-14 school year. This resulted in savings that will continue to mitigate the increase in expense in the 2017-18 budget.

Forecasted Health Insurance Payments - *For 2017-18, a minimal increase is projected for the health insurance budget. In 2018-19 and 2019-20, an increase of 6.50% is being projected for health insurance. The District forecasts an increase at 8.00% for the final year of the forecast. The District's health insurance plans are segregated into two specific categories: The district is responsible for purchasing health insurance for about twenty percent of the employees in the*

district and the remaining employees have their health insurance purchased by a trust established by their bargaining unit.

b) Facilities Categories

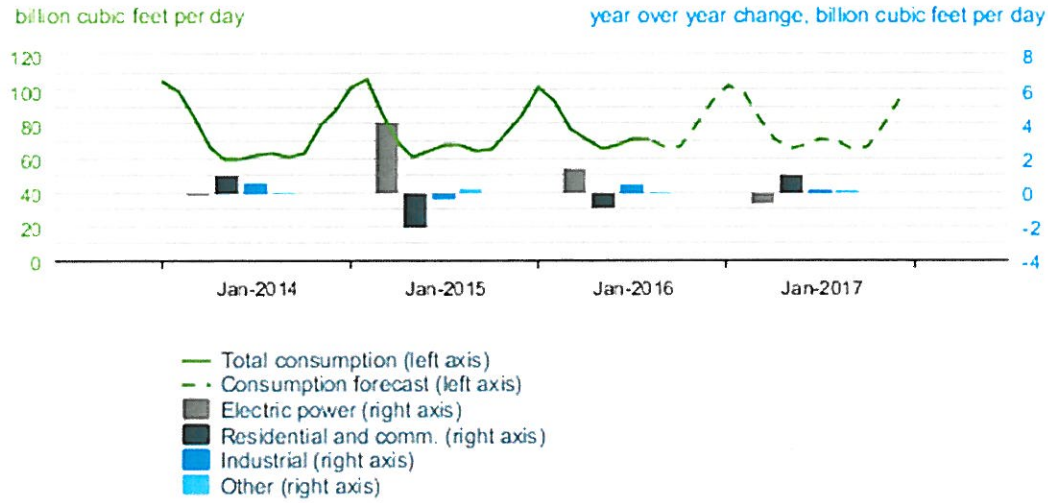
Utilities – The process for calculating future costs for electricity and natural gas is critical to a five-year long-range financial plan. The District has benefited financially from lower energy costs in recent budgets. The attached chart prepared by the Energy Information Administration (EIA) of the United States Government displays the historical consumption of natural gas from 2014 to the present date. They are projecting consumption to remain relatively unchanged in 2017. Therefore, natural gas prices should be stable in the 2017-18 budget. It is important to state that world events can quickly affect rates resulting in an increase in this budget category in a very short period of time. The two footnotes below are from the U.S. Energy Administration. The information mirrors the chart, which shows that the current outlook for natural gas is essentially the same as last year. The District reviews all of these items before establishing budgets for the next budget year as well as for future years that are reported in this long-range forecast.

(1) **Spread to the January futures price remains close to year-ago levels.** During the most recent storage week, the average natural gas spot price at the Henry Hub was $3.01/MMBtu, while the Nymex futures price of natural gas for delivery in January 2017 averaged $3.34/MMBtu, a difference of 33¢. A year ago, the premium was 35¢.

Temperatures remain higher than normal. Temperatures in the Lower 48 states averaged 69°F, 5°F higher than normal and the same as last year at this time. Cooling degree days (CDD) in the Lower 48 states totaled 42, compared with 39 last year and a normal of 2.

(1) U.S. Energy Information – release date October 6, 2016

U.S. natural gas consumption



eia Source: Short-Term Energy Outlook, September 2016

Forecasted Utility Payments – *There are no changes in the utility budget over the five-year plan. This is due to the fact that the current outlook for energy is stable and cost increases are expected to be manageable with our current budget. Future year budgets are being held constant due to the energy savings initiatives that the District is undertaking in related capital project work. These savings should mitigate normal budget increases that are expected to occur in the next five years.*

The District is beginning a New York Power Authority Energy Savings project in the 2016-17 school year. The savings obtained from this project will lower consumption levels in future school years. The monetary savings from the project will initially be used to fund the payment for the project's work. After the associated debt is paid off by the district, the reduced consumption of utilities will either offset higher rates or allow for a budget reduction.

It is important to note that energy costs can fluctuate instantly based on world events and severe weather situations. The reader of this report should be aware that if either of these items were to occur in the future that the stable energy budget forecast would no longer be applicable and future budget increases will be needed.

c) Facilities Budget

The ability to maintain fourteen school buildings, two support buildings and the athletic fields and grounds attached to all of these buildings requires constant maintenance and repairs. The facilities budget includes supplies for all school buildings. This includes cleaning solutions, paper products, pool chemicals, paint, heating system chemicals, plumbing, electrical, and mechanical supplies. It also includes contractual expenses for mandated inspections, maintenance, fees, and other required work.

Forecasted Facility Budget Increases - *Although the costs for all of these items will increase during the long-range plan, there is no increase in the budget for these items due to the need to limit budget increases to critical areas. The facilities department will look to implement efficiencies to offset and reallocate funds from energy savings to address rising costs in the facility budget. Presently, the District relies heavily on the repair reserve to address building issues that cannot be supported by their regular budget. If the repair reserve were not available to the Facility department it would require a substantial budget increase to support the current repairs being completed in the district. Without such an increase, the facility department would be limited to the number of repairs that they could address each year. The department would prioritize life-safety repairs as the first priority and complete non-essential repairs as secondary priorities.*

d) Transportation Categories

The District uses a private school bus contractor to supplement its own fleet to fulfill all of the transportation needs for the District. The District issued a request for proposal for transportation services in 2013. The accepted proposal covers five years and it defines the contractual increases for each school year.

Forecasted Transportation Budget Increases - *The forecast reallocates funds from the district's bus driver salary and district fuel codes to the contractor budget lines. This reallocation is necessary due to our inability to hire qualified bus drivers. The reallocation of funds represents $100,000. An additional $100,000 is added to the contractor budget for increases related to the contractual agreement. The 2017-18 budget also adds funds for the bus monitor pilot program. The bus monitor program is scheduled to begin in December 2016 and it will continue for the remaining part of the 2016-17 school year. The program will be analyzed once the pilot program is over. An increase of $495,000 is budgeted in the forecast to reflect the actual expense of the program. This increase is added to the forecast because it would not be unexpected that the District may extend the program into the next school year before making a final determination on whether it should become a permanent part of the transportation bus service program.*

H. ASSUMPTIONS MADE IN THE DEVELOPMENT OF THE LONG-RANGE REVENUE BUDGET

The major revenue assumptions that are included in the long-range revenue plan concentrate on state aid, federal funding, sales tax receipts, payment of lieu of tax payments interest earnings, and the usage of reserves and fund balance appropriations.

A) State Aid

The District received the full restoration of the Deficit Reduction Assessment (DRA) amount of ($3,225,278) in the 2016-17 school year. Now that this restoration of aid has been received, there are no other major aid increases that may be forthcoming to the District over the course of this long-range plan. There has been discussion by many school related groups on the need to review and address the Foundation aid category. If this were to be done, the current state aid formulas for this category do not benefit the Williamsville Central School District. In order for the District to benefit from increases in Foundation aid these formulas will need to be modified to benefit a district with our state aid statistical profile.

Forecasted State Aid *- The forecast provides for a two percent increase in Foundation aid each year. The increase is approximately $500,000 in each forecasted year. There is also an increase of $100,000 per year for transportation aid. This increase is based on actual expenses incurred by a school district and these expenses are increasing due to inflationary expenses in this category.*

B) Federal Grant Funding

The District received $4,138,005 in Federal funding in the 2015-16 school year. The budget available to the District for the 2016-17 year is projected to be near the same level. The long-range plan does not project an increase or decrease in the total amount of federal funds. A reduction in federal funding would have a detrimental impact on the District's general fund budget. The expenditure of federal grant funds must comply with specific grant guidelines.

Forecasted Federal Grant Funding *- It is important to state that this forecast does not consider a scenario where the District loses Federal funding.*

C) Sales Tax

The District has projected sales tax revenues to be stable over the course of the long-range plan.

Forecasted Sales Tax Receipts *– The plan reflects an average annual increase of $50,000.*

D) Interest Earnings

The United States Federal Reserve Bank's policy establishes the interest rate market for the financial markets. There is no indication that the current policy that supports low interest rates will change dramatically in the future. Interest rates may increase slightly

in the next twelve months. It is uncertain to what extent the interest rates will rise or fall for the remaining years of this long-range plan.

Forecasted Interest Earnings *- No change is budgeted in interest income revenue for the District throughout the plan.*

E) Appropriated Reserves/Fund Balance

A discussion about the usage of appropriated reserves and fund balance is an area that is difficult to understand by many people in our community. It is not uncommon for a resident to wonder why the District has a surplus at the end of the year. The New York State Comptroller's comments on these surpluses further complicates the purpose and relationship between these very important financial items. This section of the long-range plan will review the important financial points that affect the use of appropriated reserves and fund balance in the annual budget.

The term fund balance is defined as the total amount of revenue that exceeds the total expenses incurred by a district in a fiscal year. Fund balance may be allocated to various reserves and accounts based on New York State laws. When fund balance and reserves are appropriated as a revenue in the District's operating budget they are done with an understanding that they are considered temporary revenues. In other words, once expended there is no guarantee that the district will receive the same amount of excess funds from future budgets that will replace these funds. With a basic understanding of fund balance, it is important to answer the question as to why the district includes these items in its revenue budget. The use of reserves and fund balance are added to the District's budget to create a bridge for the losses of funding that occurred in prior years on the revenue side of the budget. These appropriations maintained our instructional programs. New York State has slowly increased state aid revenues to the District and this allowed for a reduction in the appropriated reserves included in the revenue budgets. The reduction of reserve appropriations will continue in the future. If the year-end fund balance does not equal the appropriated fund balance and appropriated reserve amounts in the budget there will be a revenue shortfall in the next budget year. This situation will necessitate the need for budget reductions. Therefore, it is important to attain a budget surplus each year while reducing the total reserve and fund balance appropriations over time. The long-range planning process continues to protect the District's instructional programs while maintaining financial stability that supports future budgets.

When fund balance is obtained at the end of a fiscal year, it is allocated to reserve funds that reduce future District expenditures. An example of this is the funding of the capital reserve accounts. The use of these accounts reduce capital project borrowing costs as well as future interest expense payments. This financing strategy has saved our community millions of dollars in interest expense over the last ten years.

Forecasted Appropriated Fund Balance and Reserves *- The financial plan continues to appropriate reserve amounts to support the revenue budget. The plan reduces the reserve appropriations by a total of $474,000 over the time-period of the plan. At the end of the plan, the combined fund balance and appropriated reserves are forecasted at $8,800,000. The sustainability of the fund balance and reserve plan must be reviewed annually due to changing financial conditions and other economic pressures that are placed on the District's finances.*

F) Tax Levy

The tax levy assumes that the tax cap growth factor that is part of the calculation will remain close to the current level throughout this plan. If the growth factor were to increase, it would permit an increase in the tax levy percentage above two percent. If the growth factor decreases, the allowable tax levy amount will decrease.

Forecasted Tax Levy – *The average tax levy increase is projected at 1.75%.*

I. LONG-RANGE BUDGET BALANCING

As the reader reviews the long-range financial reports that are the basis of the forecast, they will notice that each budget year includes a line at the bottom of both the revenue and expense plans that are titled, current year budget reductions required. Essentially, if this line is negative it represents a budget shortfall. If the line is zero or positive, it shows that there are sufficient funds on the revenue side of the budget to offset budget increases in the expense budget.

The most important concept in this long-range plan is to determine whether future district budgets can be financially stable based on the projected receipt of new revenues against the projected increase in expenses. The closer the required budget reductions are to zero, the closer the district is to having a balanced budget each year. If the budget decreases are relative small amounts, then the District is in a good financial position to support our education program in the future. It is important to emphasize that the forecast only includes program continuation expenses. The forecast and long-range plan does not include any program enhancements.

J. SUMMARY

It is important that the Board of Education, Superintendent, and the Community understand the methodology that supports this long-range plan. There are inherent difficulties in developing a financial report that attempts to project the future revenue and expenses of a school district. The report has highlighted the fact that the District has limited control over revenue budget items. Although the District controls the tax levy, it must adhere to the New York State tax cap calculation formula. This has essentially reduced all flexibility in establishing tax levies in a manner that would benefit a strategic financial plan. Essentially, the tax cap calculation establishes the District's tax levy each school year.

On the expense side of the budget, we have seen that the greatest expense is in the area of human resources. The ability for the district to control these expenses is somewhat limited. New labor agreements do provide some opportunity to reduce budgets, however, bargaining units are not easily convinced that they should concede salary and benefit changes to the district. The District does review revenue challenges with bargaining units during contract negotiations and this information will continue to be a focal point of current and future labor negotiations. The district has benefited from its own decision to self-fund health insurance plans. This positive financial position can change quickly if several participants incur high medical bills. Essentially, past health insurance costs do not guarantee that future expenses will continue to be limited to moderate increases. The reduction in the New York State retirement system rates has positively affected this long-range plan. The rates assigned to these retirement plans are directly correlated to the rate of return on their investments. Rates will go up if their market returns fall and vice versa. It is important to budget these areas carefully because annual budget adjustments that follow the financial markets closely will result in a budget that includes severe budget fluctuations each year. It is more appropriate to budget these items according to historical trends and mitigate the roller-coaster affect that would occur if you budget according to market rate changes.

The purpose of this report is to recognize that there are opportunities to positively impact the 2017-18 budget process while understanding the interrelationship between the current budget cycle and future budgets. This is important because the decisions made during the budget development process do affect future budgets. The District does not want to add an item in one budget cycle only to reduce the same item in the next budget cycle. Additionally, it is important to differentiate between an added expense that will grow over time such as the salary and benefits that will be attributed to a new position as opposed to the addition of a fixed amount for the purchase of a specific item. Since the forecast does show that reductions must occur to balance the budgets, the District must select budget increases and decreases carefully.

In summary, this long-range plan shows that if the district continues to proactively plan for changes in major expense categories it will be able to create a balanced budget situation that will protect educational programs, employee employment, facility infrastructure and result in a fiscal equilibrium that will be supported by the Williamsville School District's Community.

WILLIAMSVILLE CSD - 2016-17

LONG- RANGE REVENUE PROJECTION

REVENUE CATEGORY	YEAR 1 2016-17 Forecast	STATE AID INCREASE YEAR 2 2017-18	STATE AID INCREASE YEAR 3 2018-19	STATE AID INCREASE YEAR 4 2019-20	STATE AID INCREASE YEAR 5 2020-21
Foundation Aid	23,200,617	23,664,629	24,137,922	24,620,680	25,113,094
-- Building Aid	7,188,509	7,188,509	7,188,509	7,188,509	7,188,509
-- Transportation Aid	5,205,000	5,325,000	5,425,000	5,525,000	5,625,000
-- Excess Cost Aid	1,350,510	1,350,510	1,350,510	1,350,510	1,350,510
BOCES	2,425,000	2,400,000	2,400,000	2,400,000	2,400,000
TEXTBOOK, SOFTWARE, HARDWARE	1,049,163	1,025,000	1,000,000	975,000	950,000
Transportation Aid Increase		100,000	100,000	100,000	100,000
TOTAL STATE AID	40,757,904	41,053,648	41,601,941	42,159,699	42,727,113
Projected % Change in State Aid		*0.73%*	*1.34%*	*1.34%*	*1.35%*
Dollar Change in State Aid		*295,744*	*548,293*	*557,758*	*567,414*
TAX ITEMS					
SALES TAX	10,900,000	10,800,000	10,850,000	10,900,000	10,950,000
PROPERTY TAX (Stated as prior year amount)	117,227,512	117,227,512	118,985,925	120,770,714	123,186,128
PILOT	3,315,000	3,315,000	3,315,000	3,315,000	3,315,000
TOTAL TAX ITEMS	131,442,512	131,342,512	133,150,925	134,985,714	137,451,128
OTHER INCOME					
MISCELLANEOUS - (includes fees-charges)	1,329,190	1,300,000	1,300,000	1,300,000	1,300,000
INTEREST EARNED	70,000	70,000	70,000	70,000	70,000
TUITION	200,000	200,000	200,000	200,000	200,000
SERVICES - BOCES	60,000	60,000	60,000	60,000	60,000
MEDICAID REIMBURSEMENT	225,000	150,000	150,000	150,000	150,000
TOTAL OTHER INCOME	1,884,190	1,780,000	1,780,000	1,780,000	1,780,000
TOTAL REVENUE	174,084,606	174,176,160	176,532,866	178,925,413	181,958,241
Appropriated Reserves	3,850,000	3,700,000	3,600,000	3,500,000	3,500,000
Appropriated Fund Balance	5,424,000	5,424,000	5,324,000	5,324,000	5,300,000
Total Revenue Budget	183,358,606	183,300,160	185,456,866	187,749,413	190,758,241
LEVY INCREASE WITH TAX CAP EXCLUSIONS		1,758,413	1,784,789	2,415,414	2,463,723
TOTAL ESTIMATED LEVY in FORECAST YEAR		118,985,925	120,770,714	123,186,128	125,649,850
PERCENTAGE OF LEVY INCREASE		1.50%	1.50%	2.00%	2.00%
TOTAL REVENUE BUDGET	183,358,606	185,058,573	187,241,654	190,164,827	193,221,963
Projected % Change in Revenue Budget		1.12%	1.18%	1.56%	1.61%
Projected Expense Budgets prior to Reductions		186,349,402	189,150,254	191,473,037	194,005,691
Current Reductions Required to balance to Revenue Budget		(1,290,829)	(1,908,600)	(1,308,209)	(783,728)
ADJUSTED BUDGET - REVENUE = EXPENSE BUDGET		185,058,573	187,241,654	190,164,827	193,221,963

Williamsville CSD - 2017-18
Long-Range Expense Projection

Code No.	Budget Code Description	2016-17 Budget	Year 1 Current 2016-17 Forecast		Year 2 2017-18 Budget	Percent Increase	Year 3 2018-19 Budget	Percent Increase	Year 4 2019-20 Budget	Percent Increase	Year 5 2020-21 Budget	Percent Increase
1010	Board of Ed	68,241	68,241		69,057	1.20%	69,893	1.21%	70,578	0.98%	71,278	0.99%
1060	District Meeting	37,823	37,823		37,823	0.00%	37,823	0.00%	37,823	0.00%	37,823	0.00%
1240	Chief School Admin	335,365	351,808		359,683	7.25%	367,755	2.24%	374,374	1.80%	381,125	1.80%
1310	Bus Administration	375,683	375,683		384,823	2.43%	394,190	2.43%	401,872	1.95%	409,708	1.95%
1320	Auditing	93,000	93,000		93,000	0.00%	93,000	0.00%	93,000	0.00%	93,000	0.00%
1325	Treasurer	55,300	55,300		56,675	2.49%	58,084	2.49%	59,240	1.99%	60,419	1.99%
1330	Tax Collection	14,350	14,350		14,350	0.00%	14,350	0.00%	14,350	0.00%	14,350	0.00%
1345	Purchasing	78,136	78,136		79,990	2.37%	81,890	2.38%	83,449	1.90%	85,038	1.90%
1380	Fiscal Agent	5,500	5,500		5,500	0.00%	5,500	0.00%	5,500	0.00%	5,500	0.00%
1420	Legal	620,649	745,649		745,649	20.14%	745,649	0.00%	745,649	0.00%	745,649	0.00%
1430	Personnel	761,727	798,795		816,920	7.25%	835,498	2.27%	843,115	0.91%	858,502	1.82%
1460	Records	35,046	35,046		35,862	2.33%	36,698	2.33%	37,383	1.87%	38,083	1.87%
1480	Public Info	241,693	226,693		231,249	-4.32%	235,919	2.02%	239,748	1.62%	243,653	1.63%
1620	***Operation of Plant***	10,328,089	9,162,321		10,550,021	2.15%	10,641,164	0.86%	10,706,900	0.62%	10,774,952	0.64%
1621	Maint of Plant	3,221,803	2,859,142		3,200,392	-0.66%	3,292,673	2.88%	3,377,344	2.57%	3,462,708	2.53%
1660	Central Storeroom	157,504	140,200		152,200	-3.37%	154,250	1.35%	155,931	1.09%	157,646	1.10%
1670	Central Printing	347,801	329,801		343,268	-1.30%	346,822	1.04%	349,736	0.84%	352,709	0.85%
1680	Central Data Proc	877,671	877,671		927,671	5.70%	952,671	2.69%	977,671	2.62%	1,002,671	2.56%
1910	Insurance	414,355	389,355		414,355	0.00%	414,355	0.00%	439,355	6.03%	439,355	0.00%
1930	***Judgement/Claims***	721,000	721,000		721,000	0.00%	721,000	0.00%	721,000	0.00%	721,000	0.00%
1950	Assessments	114,600	114,600		114,600	0.00%	129,600	13.09%	144,600	11.57%	144,600	0.00%
1964	***Refund Prop Taxes***	155,000	155,000		155,000	0.00%	155,000	0.00%	155,000	0.00%	155,000	0.00%
1981	Admin Fee-BOCES	870,676	870,676		880,676	1.15%	890,676	1.14%	900,676	1.12%	910,676	1.11%
1989	Unclassified	5,500	5,500		5,500	0.00%	5,500	0.00%	5,500	0.00%	5,500	0.00%
2010	Curr Development	948,987	948,987		968,692	2.08%	988,889	2.09%	1,005,451	1.67%	1,022,345	1.68%
2020	***Supervision-Reg***	4,300,984	4,238,298		4,341,986	0.95%	4,448,265	2.45%	4,535,415	1.96%	4,624,307	1.96%
2040	Supervision-Sp Ed	29,502	29,502		30,221	2.44%	30,959	2.44%	31,563	1.95%	32,180	1.95%
2060	Research & Planning	278,076	313,135		318,885	14.68%	324,779	1.85%	329,612	1.49%	334,541	1.50%
2070	In Service	505,069	501,500		504,150	-0.18%	506,866	0.54%	509,094	0.44%	511,365	0.45%
2110	***Regular School***	65,807,425	65,470,732		67,084,237	1.94%	68,635,580	2.31%	69,907,681	1.85%	71,305,224	2.00%
2250	Prgm for HC	18,781,182	17,775,468		19,017,468	1.26%	19,368,018	1.84%	19,805,469	2.26%	20,248,669	2.24%
2280	Occ Ed	2,370,955	2,335,605		2,366,855	-0.17%	2,398,886	1.35%	2,425,152	1.09%	2,451,943	1.10%
2330	Other Special School	564,942	577,590		604,465	7.00%	616,637	2.01%	626,618	1.62%	636,798	1.62%
2610	School Library	1,496,820	1,459,249		1,513,012	1.08%	1,545,568	2.15%	1,572,264	1.73%	1,599,495	1.73%
2630	Computer Software	3,061,431	3,081,431		3,108,412	1.53%	3,156,067	1.53%	3,198,744	1.35%	3,241,875	1.35%

Williamsville CSD - 2017-18
Long-Range Expense Projection

Code No.	Budget Code Description	2016-17 Budget	Year 1 Current 2016-17 Forecast		Year 2 2017-18 Budget	Percent Increase	Year 3 2018-19 Budget	Percent Increase	Year 4 2019-20 Budget	Percent Increase	Year 5 2020-21 Budget	Percent Increase
2805	Attendance	43,054	38,875		39,100	-9.18%	39,331	0.59%	39,520	0.48%	39,713	0.49%
2810	Guidance Reg	3,069,375	2,923,093		2,995,593	-2.40%	3,069,906	2.48%	3,130,842	1.98%	3,192,997	1.99%
2815	Health Svcs	1,465,922	1,477,615		1,502,721	2.51%	1,528,455	1.71%	1,549,557	1.38%	1,571,081	1.39%
2820	Pyschology	294,635	234,888		240,488	-18.38%	246,228	2.39%	250,935	1.91%	255,736	1.91%
2825	Special Work	929,262	902,091		922,891	-0.69%	944,211	2.31%	961,693	1.85%	979,525	1.85%
2850	Cocurricular	367,746	367,746		376,822	2.47%	386,126	2.47%	393,754	1.98%	401,536	1.98%
2855	Interscholastic	1,578,910	1,578,814		1,608,607	1.88%	1,639,144	1.90%	1,664,184	1.53%	1,689,726	1.53%
5510	Transportation	2,103,145	1,962,736		2,102,986	-0.01%	2,044,242	-2.79%	2,093,072	2.39%	2,142,579	2.37%
5530	Garage Bldg	106,285	106,285		106,860	0.54%	107,449	0.55%	107,933	0.45%	108,426	0.46%
5540	Contract Transp	6,562,766	6,562,766		7,149,323	8.94%	7,644,323	6.92%	7,744,323	1.31%	7,844,323	1.29%
8060	Civic Activities	-	-		-		-		-		-	
8070	Census Supplies	19,005	6,750		6,750	-64.48%	6,750	0.00%	6,750	0.00%	6,750	0.00%
9010	ERS	3,642,823	3,042,823		3,492,823	-4.12%	3,392,823	-2.86%	3,342,823	-1.47%	3,292,823	-1.50%
9020	**TRS**	13,581,010	10,681,010		13,431,010	-1.10%	13,281,010	-1.12%	13,206,010	-0.56%	13,131,010	-0.57%
9030	**FICA**	6,969,654	7,019,654		7,019,654	0.72%	7,119,654	1.42%	7,194,654	1.05%	7,269,654	1.04%
9040	**Worker's Comp.**	-	-		-		-	0.00%	-	0.00%	-	0.00%
9045	Life Insurance	-	-		-		-	0.00%	-	0.00%	-	0.00%
9050	**Unemployment**	105,000	105,000		105,000	0.00%	105,000	0.00%	105,000	0.00%	105,000	0.00%
9060	Health Insurance	18,519,830	15,519,830		18,519,830	0.00%	19,723,618	6.50%	21,005,653	6.50%	22,686,108	8.00%
9070	Union Welfare	12,000	12,000		12,000	0.00%	12,000	0.00%	12,000	0.00%	12,000	0.00%
9089	Oth Benefits	611,477	611,477		611,477	0.00%	611,477	0.00%	611,477	0.00%	611,477	0.00%
9732	**Bus BANS**	-	-		-		-		-		-	
9770	RANS	-	-		-		-		-		-	
9901	Transfers	3,457,113	4,057,113		4,057,113	17.36%	4,057,113	0.00%	4,057,113	0.00%	4,057,113	0.00%
9950	Transfers Capital	1,400,000	1,400,000		1,400,000	0.00%	1,400,000	0.00%	1,400,000	0.00%	1,400,000	0.00%
TOTAL		$ 183,015,606	$ 173,948,062		$ 186,049,402	1.66%	$ 190,154,042	2.21%	$ 193,858,860	1.95%	$ 198,071,969	2.17%
BUDGET REDUCTIONS TO BALANCE TO REVENUE BUDGET					$ 185,058,573		$ 187,241,654		$ 190,164,827		$ 193,221,963	
Current Year Reductions Required					$ (990,829)		$ (2,912,388)		$ (3,694,032)		$ (4,850,006)	
Forecasted Budget Total					$ 185,058,573		$ 187,241,654		$ 190,164,827		$ 193,221,963	
NET BUDGET INCREASE AMOUNT					$ 3,033,796	1.66%	$ 4,104,641	2.21%	$ 3,704,817	1.95%	$ 4,213,110	2.17%

M. APPENDIX

BUDGET DEVELOPMENT CALENDAR
For the Fiscal Year of 2017-2018

1.	**October 18, 2016** *(Regular Board Meeting)* Review/Adopt Budget Development Calendar
2.	**November 15, 2016** (*Regular Board Meeting*) Overview of District's financial condition based on 2016 audit Review historical budget reductions made in prior budget development cycles
3.	**December 13, 2016** (*Regular Board Meeting*) Distribute Long-Range Budget Planning report Distribute Long-range Fund Balance and Reserve planning report
4.	**January 4 - January 27, 2017** District administration develops BOCES Budget
5.	**January 10, 2017** (*Regular Board Meeting*) Review of Program Continuation report – (Required Expense Increases)
6.	**February 14, 2017** (*Regular Board Meeting*) Review of Program Continuation report—(Required Expense Increases) Review of Tax Cap calculation 2017-2018 budget Review initial Revenue estimates for the 2017-2018 budget Discuss Budget Reduction options as needed
7.	**March 7, 2017** (*Regular Board Meeting)* Presentation of 2017-2018 Preliminary Budget Review Budget Reductions options Consider proposition resolutions
8.	**March 21, 2017** (*Budget Work Session # 1/Public Forum # 1*) Final review and discussion of 2017-2018 Preliminary Budget, pending the receipt of final New York State Aid reports. Adoption of proposition resolutions
9.	**April 4, 2017** (*Regular Board Meeting*) Final review and discussion of 2017-2018 Preliminary Budget Adopt 2017-2018 Proposed Budget
10.	**April 18, 2017** (*Special Board Meeting*) BOCES Administrative Budget Vote and Board Member Election
11.	**May 4, 2017** (Special Board Meeting and Budget Hearing) 2017-2018 Public Hearing on Proposed Budget, PTSA Candidates night
12.	**May 16, 2017**- 2017-2018 Vote on Proposed Budget and School Board Elections
13.	**May 23, 2017** – Adoption of 2017-2018 budget if approved by the community on May 16, 2017