



Williamsville Central School District

November 2019

1. Financial Analysis of 2018-19 Audit
2. Review of Historical Budget Reductions

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Annual Financial Audit

Audit Requirement:

Education Law, Section 2116-a and the Regulations of the Commissioner, Section 170.2(r) requires annual audit by an independent auditor.

What is Audited?

General Fund, Special Aid fund– Federal grants (i.e. IDEA, Title I, Title II), Capital Project fund, School lunch fund, Debt service fund, Community Education fund and the Extra-classroom fund



Revenue and Expense

Description	2018-19 As of June 30, 2019	2017-18 As of June 30, 2018
Total Revenue	\$ 185,381,337	\$ 179,849,342
Total Expenses	<u>\$ 170,791,952</u>	<u>\$ 162,393,495</u>
Net Change in Fund Balance	\$ 14,589,385	\$ 17,455,847
Transfers (Debt service & Capital Projects)	<u>\$ (14,189,156)</u>	<u>\$ (10,985,005)</u>
Fund Balance	<u><u>\$ 400,229</u></u>	<u><u>\$ 6,470,842</u></u>

Explanation of Major Changes between June 30, 2019 vs. June 30, 2018:

- Revenue-Increase in Tax Levy +\$2.3m, Investments \$1.5m, State Aid \$1.9m
- Total Expense-Increase – Salaries - \$5.0m, BAN payment - \$3.3m



Balance Sheet

	Assets	=	Liabilities	+	Fund Balance
2018-19	\$ 86,795,662		\$ 13,237,370		\$ 73,558,292
2017-18	<u>\$ 84,536,024</u>		<u>\$ 11,377,961</u>		<u>\$ 73,158,063</u>
Change	<u>\$ 2,259,638</u>		<u>\$ 1,859,409</u>		<u>\$ 400,229</u>

Explanation of Major Changes:

- **Assets:** Interest Income - Increased
- **Liabilities:** New York State Retirement System \$1.0 million, district payables/liabilities \$800k - Increased

Reference - Audit page 14.



Fund Balance Definitions

Appropriated Fund Balance

Revenue allocation - Assigned as revenue 19-20 budget

Encumbrances – 18-19 purchase orders that will be paid in the 19-20 fiscal year

Unassigned Fund Balance:

Not committed for future use

Unassigned fund balance – New York State limits school districts to a maximum of 4% of their budget



Fund Balance Definitions

Definition of Restricted Reserves:

Only for use in their assigned category

- **Insurance** – Payments for uninsured losses
- **Unemployment** – Benefit claims
- **Tax Certiorari** – Article 7 refunds
- **Capital (Building)** Proposition ballot vote required
- **Workers compensation** - Self-funded workers compensation claims
- **Repair** – Board authorized repair reserve expenses (public hearing)
- **Employee benefit and accrued liability** – Accrued employee payments for sick time payable at retirement
- **Employee Retirement system (ERS)** – Payments made to New York State pension system

Williamsville Central Schools



General Fund Reserves: As of June 30, 2019 Reserves: Restricted, Assigned & Unassigned	Beginning Balances June 30, 2018	2018-19 Expenses Closed To Reserves	2018-19 Interest Posted To Reserves	Year-end Funding/Entry To Reserves	Accounting Entry for Appropriation	Ending Balances June 30, 2018	Restricted Assigned Unassigned	2018-19 Changes in Reserves
1. Reserves Designated as Restricted:								
Insurance - casualty losses	\$ 1,894,232	\$ -	\$ 40,036	\$ -	\$ -	\$ 1,934,268	\$ 1,934,268	\$ 40,036
Unemployment	\$ 320,697	\$ (23,380)	\$ 5,299	\$ -		\$ 302,616	\$ 302,616	\$ (18,081)
Tax Certiorari	\$ 400,000	\$ (332,158)	\$ 3,484	\$ 328,674		\$ 400,000	\$ 400,000	\$ -
<i>Capital Reserves Building:</i>						\$ -		
Building 2007	\$ 17,156	\$ (17,519)	\$ 363	\$ -		\$ -		\$ (17,156)
Building 2014	\$ 12,709,641	\$ (2,499,637)	\$ 265,598	\$ -		\$ 10,475,602		\$ (2,234,039)
Building 2016	\$ 6,631,621	\$ -	\$ 140,165	\$ 3,931,330		\$ 10,703,116		\$ 4,071,495
Building 2019	\$ -	\$ -		\$ 3,607,239		\$ 3,607,239		\$ 3,607,239
Total Capital Reserves- Building	\$ 19,358,418	\$ (2,517,156)	\$ 406,126	\$ 7,538,569			\$ 24,785,957	
Capital Reserve - Buses	\$ 3,343,952		\$ 70,677	\$ (3,414,629)		\$ -	\$ -	\$ (3,343,952)
Workers Compensation	\$ 3,740,658	\$ (600,000)	\$ 32,519	\$ -		\$ 3,173,177	\$ 3,173,177	\$ (567,481)
Repair	\$ 6,056,867	\$ (931,667)	\$ 121,042	\$ 250,000		\$ 5,496,242	\$ 5,496,242	\$ (560,625)
Employee Benefit	\$ 10,310,502	\$ (400,000)	\$ 209,468	\$ -		\$ 10,119,970	\$ 10,119,970	\$ (190,532)
Retirement Contribution	\$ 9,711,104	\$ (2,450,000)	\$ 153,470	\$ 2,100,000		\$ 9,514,574	\$ 9,514,574	\$ (196,530)
Total Restricted Reserves:	\$ 55,136,430				\$ -		\$ 55,726,804	
2. Reserves Designated as Assigned:								
Nonspendable - Cash value of life insurance	\$ 1,130,124	\$ -	\$ -		\$ (240,124)	\$ 890,000	\$ 890,000	\$ (240,124)
Encumbrances	\$ 3,835,159	\$ -	\$ -	\$ (24,064)		\$ 3,811,095	\$ 3,811,095	\$ (24,064)
2018-19 Appropriated Fund Balance	\$ 5,424,000	\$ -	\$ -	\$ -		\$ 5,424,000	\$ 5,424,000	\$ -
Total Assigned Reserves:	\$ 9,259,159	\$ -	\$ -				\$ 9,235,095	
3. Unassigned:								
Total Unassigned Fund Balance	\$ 7,632,350	\$ -	\$ -	\$ 74,043		\$ 7,706,393	\$ 7,706,393	\$ 74,043
Total Fund Balance	\$ 73,158,063	\$ (7,254,361)	\$ 1,042,121	\$ 10,267,222		\$ 73,558,292	\$ 73,558,292	\$ 400,229
							Cross-check	\$ 400,229

Reference – Audit p. 12, 14, 41



Financial Analysis on the Fund Balance Changes

- i. Capital Reserves – Outflows due to prior project(2015) authorizations (\$2.25) million
- ii. Capital Funding – Inflows from 18-19 +\$3.9 million
- iii. Capital Fund Transfer – Transportation (Bus) reserve funds to 2019 Capital reserve + \$3.4 million
- iv. Other reserve changes – Normal and required due to changing needs for these reserves. Adjustments supported by funding level documentation (\$1.4) million
- v. Reserve funding is stable



Impact on 2020-21 Budget Development

- i. Actual revenues and expenses were approximately equal +\$400,229
- ii. Key factor was the Bond Anticipation Note payment
- iii. Debt payment allows the District to plan for the May 2020 Capital Project for School Building Security
- iv. Financial Status of the District Budget:
Revenue and expense budgets are financially stable



Historical Budget Information

Summary of Thirteen Year Budgets

Total Budget Requests – All categories = \$83,484,877

Total Reductions – All categories = \$27,404,741

Total Budget Increases – All categories = \$56,080,136

Average Annual Budget Increase = \$4,313,857

2019-20 Budget Increase = \$4,369,149

Salary and benefits = 90.57% - \$50,795,816

Of the total net budget increases for the thirteen year report period.



Next Steps for Budget Development

Upcoming Budget Development Information:

Review the updated Long-Range Financial Plan

Review the Long-Range Reserve Plan