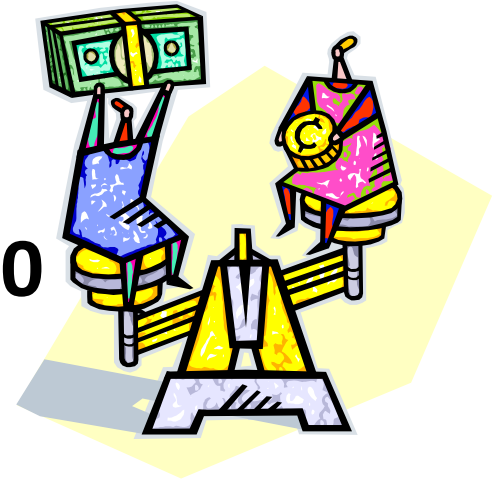


Arlington Central School District

Financial Forecast for the Years 2016-17 through 2019-2020



Presented on: November 22, 2016

Major Budget Drivers / Variables

- Property tax cap formula – Estimated at 1% CPI Increase for 2017-18
- State-Aid remains 29% of our budget and a major factor in the budget development process
- Enrollment is decreasing – study December 2015
- Health insurance increase is expected to be approximately 9%

Major Budget Drivers / Variables, cont.

- ERS rates may be less in 2017-18
- TRS rates will be less in 2017-18
- Assessed values are stabilizing – last year there was a slight increase year over year and this helps to stabilize the tax rates
- The cost of salary and benefits for bargaining unit contracts

Management Decisions

- Closing of LaGrange Elementary School
- Moving the Central Office out of leased space
- Closing of Arlington Middle School
- Selling of Raymond Avenue
- Committing to full-day kindergarten
- Improving building infrastructure through an EPC Project at no additional cost to the budget
- Managing staff, class size and programs based on enrollment (“Right Sizing”)

Management Decisions, cont.

- Negotiating collective bargaining agreements, including adjustments to the health insurance plans offered by the District
- Updating the District's enrollment forecast to help long term planning
- Maintaining a 4% unrestricted fund balance
- Funding from operations the full cost of the 3.6 million health & safety proposition, therefore reducing the Districts long term debt obligation
- Reducing tax levy by \$1,000,000 in 2016-17
- Purchasing propane buses to reduce overall operating costs

Management Decisions, cont.

- Refinancing debt during 2015-16 will level out future debt payments
- Establishing Capital Reserve Fund to prepare for a building project that will add space and renovate the existing bus garages and O&M facilities without the need to raise additional taxes

Arlington Central School District

Three Year Financial Forecast, Fiscal
Years

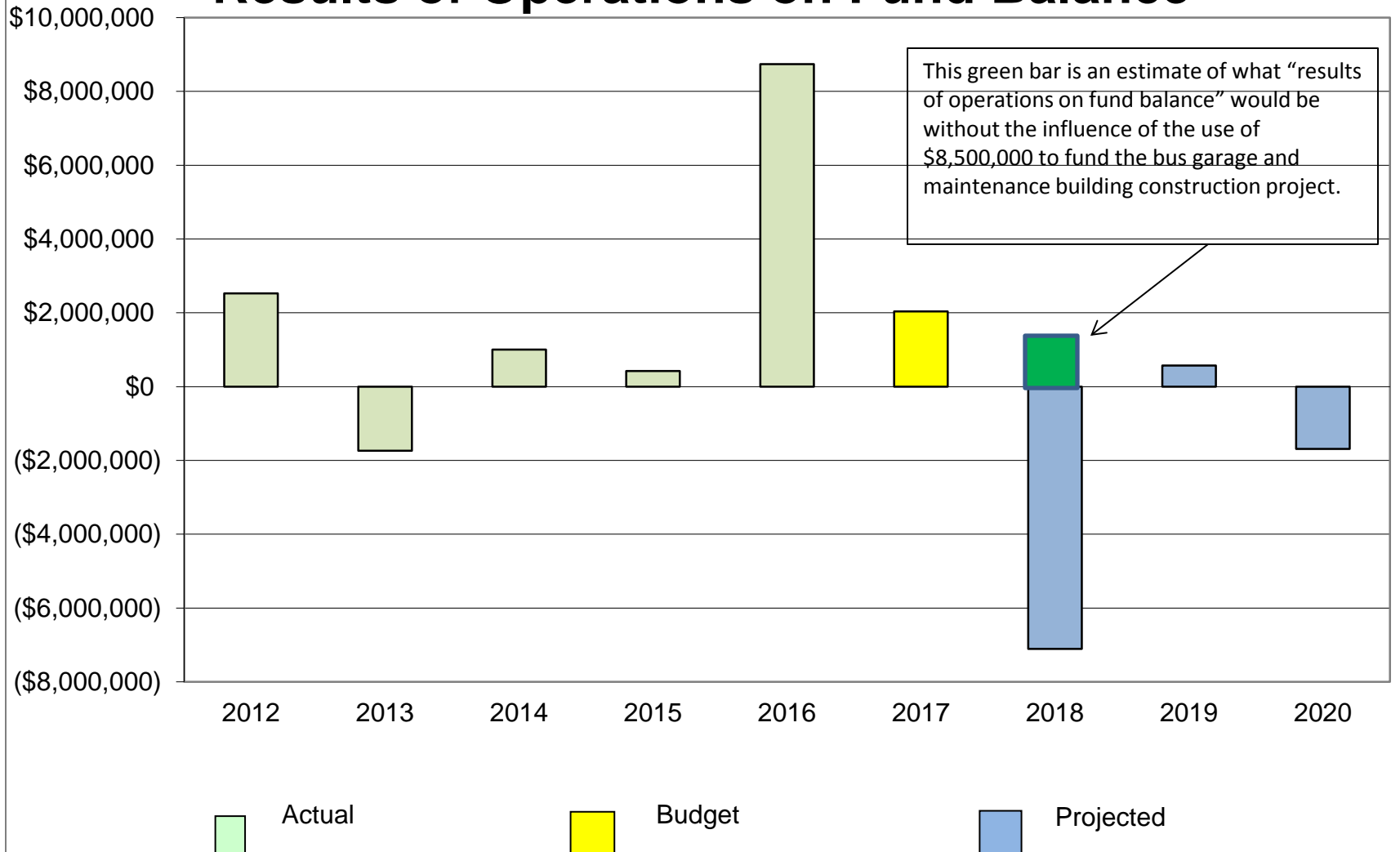
General Fund

	Actual	Actual	Actual	Actual	Actual	Budget	Projected	Projected	Projected
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues									
Real Property Tax Items	110,950,501	111,836,787	115,560,875	118,375,058	120,468,027	\$134,423,212	\$135,767,444	\$137,803,956	\$139,871,015
Other Tax Items (includes STAR)	14,794,843	15,144,423	15,332,704	15,139,279	15,016,544	0	\$0	\$0	\$0
Charges for Services	827,028	1,674,916	1,273,999	1,699,883	1,923,040	1,725,412	1,725,412	1,749,315	1,749,938
State Aid	45,294,066	47,397,973	51,906,210	52,302,308	54,490,547	59,060,267	\$60,241,472	\$61,446,302	\$62,675,228
Federal Aid	21,844	21,874	23,258	25,435	45,701	25,000	25,000	25,000	25,000
Other (includes Sale of Property, Misc.)	1,297,180	1,644,500	1,220,432	1,727,720	2,240,745	1,231,015	1,725,672	1,702,427	1,702,819
Interfund Transfers	86,400	37,572	1,263	1,047,144	193,660	760,094	0	0	0
Total Revenues and Other Sources	\$173,271,862	\$177,758,045	\$185,318,742	\$190,316,827	194,378,263	\$197,225,000	\$199,485,000	\$202,727,000	\$206,024,000
Dollar Change	\$843,037	\$4,486,183	\$7,560,697	\$4,998,085	4,061,436	\$2,846,737	\$2,260,000	\$3,241,999	\$3,297,001
Percent Change	0.49%	2.59%	4.25%	2.70%	2.13%	1.46%	1.15%	1.63%	1.63%
Expenditures by Object									
Personal Services - Instructional	64,952,638	68,718,091	69,917,968	69,650,723	71,539,408	75,736,455	78,008,549	80,348,805	82,759,270
Personal Services - Noninstructional	19,568,105	19,402,430	19,851,100	19,732,612	20,169,684	21,770,997	22,369,699	22,984,866	23,616,950
Equipment and Capital Outlay	218,748	196,940	282,948	357,150	559,224	523,873	353,750	353,750	353,750
Contractual and Other	29,349,199	31,283,510	30,876,308	30,298,686	29,452,035	32,383,070	33,037,003	33,697,743	34,371,429
Employee Benefits	43,215,845	46,564,675	50,203,269	53,042,038	50,197,149	53,061,291	55,344,667	57,491,654	59,791,320
Debt Service (Principal and Interest)	13,235,929	12,965,587	12,782,563	12,762,276	13,101,949	14,141,689	14,021,332	12,740,182	12,769,282
Interfund Transfers	203,423	361,519	399,536	4,046,707	616,143	3,607,625	9,850,000	790,000	475,000
Assumes 3.0% of Budget Not Spent						-6,036,750	-6,389,550	-6,252,210	-6,424,110
Total Expenditures and Other Uses	\$170,743,887	\$179,492,752	\$184,313,693	\$189,890,194	185,635,590	\$195,188,250	\$206,595,450	\$202,154,790	\$207,712,890
Dollar Change	\$1,039,383	\$8,748,865	\$4,820,941	\$5,576,501	(4,254,603)	\$9,552,660	\$11,407,200	(\$4,440,660)	\$5,558,100
Percent Change	0.61%	5.12%	2.69%	3.03%	-2.24%	5.15%	5.84%	-2.15%	2.75%
Surplus (Deficit)	\$2,527,975	(\$1,734,707)	\$1,005,049	\$426,633	8,742,673	\$2,036,750	(\$7,110,450)	\$572,210	(\$1,688,890)

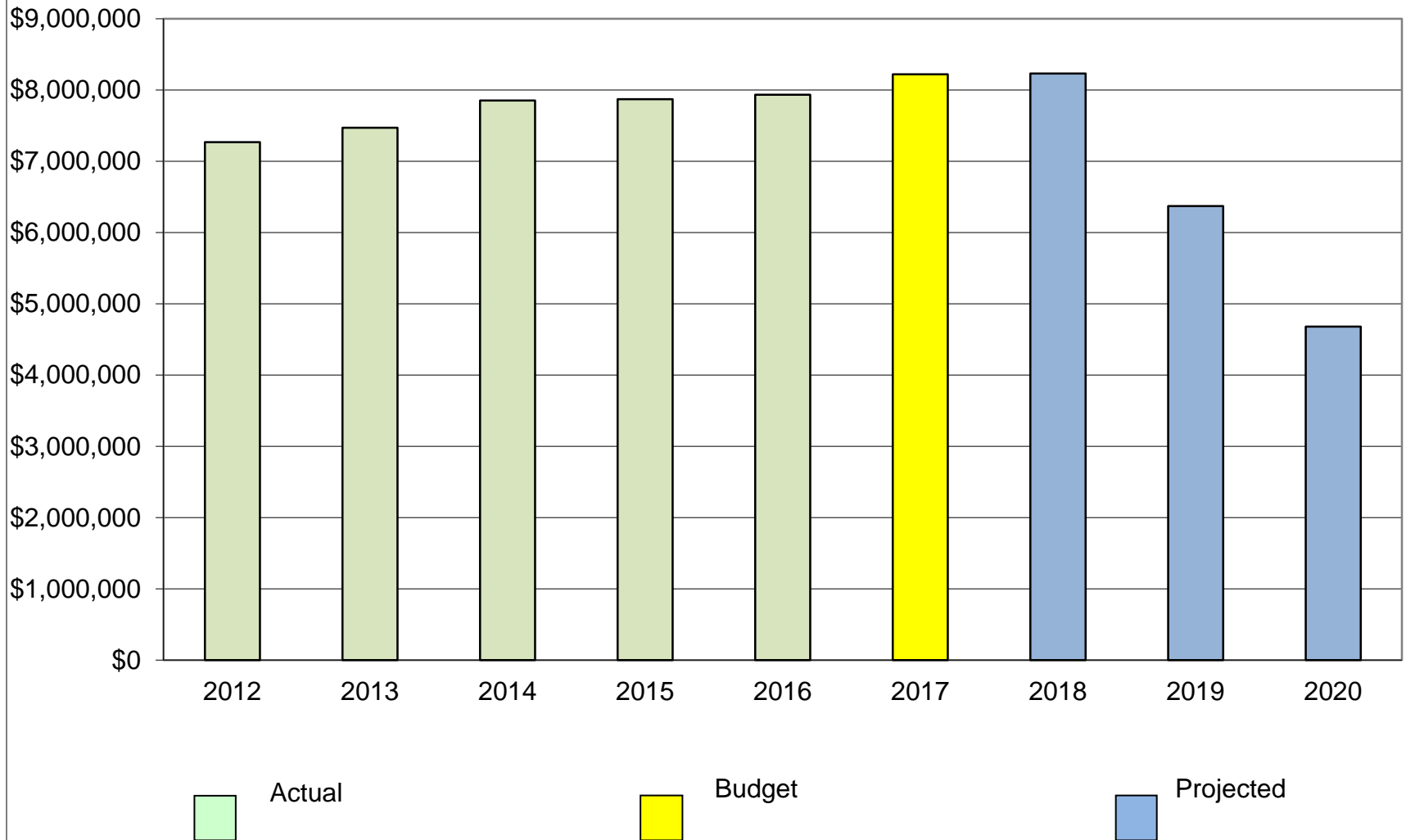
	Actual	Actual	Actual	Actual	Actual	Budget	Projected	Projected	Projected
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Budgetary Reserves									
Fund Equity, Beg. of Year	\$16,828,143	\$19,356,118	\$17,621,411	\$18,626,460	19,053,094	\$27,795,766	\$29,832,516	\$22,722,067	\$23,294,277
Fund Equity, End of Year	19,356,118	17,621,411	18,626,460	19,053,094	27,795,766	29,832,516	22,722,067	23,294,277	21,605,387
Non-spendable and Restricted Fund Balance	5,012,385	4,322,440	4,901,040	5,904,257	14,211,231	15,211,231	7,411,231	7,411,231	7,411,231
Assigned	7,074,842	5,829,522	5,874,536	5,279,566	5,650,972	6,400,000	7,080,000	9,513,000	9,513,000
Unrestricted Fund Balance	7,268,891	7,469,449	7,850,884	7,869,271	7,933,563	8,221,285	8,230,836	6,370,046	4,681,156
Calculation for Adj. Fund Balance as a % of Budget									
	2012	2013	2014	2015	2016	2017	2018	2019	2020
	179,406,656	182,244,964	191,133,727	193,518,394	196,191,000	\$201,225,000	\$212,985,000	\$208,407,000	\$214,137,000
Budget to Budget Increase	2.4%	1.6%	4.9%	1.2%	1.4%	2.6%	5.8%	-2.1%	2.7%
Total Fund Balance as a % of Subsequent Years Budget	11%	9%	10%	10%	14%	14%	11%	11%	10%
Unrestricted Fund Balance	7,268,891	7,469,449	7,850,884	7,869,271	7,933,563	8,221,285	8,230,836	6,370,046	4,681,156
Unrestricted Fund Balance (subject to 4% restriction)	4.0%	3.9%	4.1%	4.0%	3.9%	3.9%	3.9%	3.0%	2.1%
-Appropriated Fund Balance for next FY	\$4,800,000	\$4,800,000	\$4,600,000	\$3,860,000	4,000,000	\$5,000,000	\$5,680,000	\$8,113,000	\$8,113,000
						\$8,500,000			

Surplus (Deficit)

Results of Operations on Fund Balance



Unrestricted Fund Balance



Why estimate State-aid at 2%?

- The state has imposed a 2% or less spending plan for their budget and this forces all state dependent agencies to consider this when estimating future State aids.

Why estimate the tax levy increase at 1.0%, 1.5% and 1.5%?

- The tax cap is a formula that is used to calculate a tax levy percent increase. One of the major components of this formula is the Consumer Price Index or CPI.
- CPI as of September 2016 is 1.08%. The average for these seven years is 1.6%.

2010	2011	2012	2013	2014	2015	2016
1.6%	3.2%	2.1%	1.5%	1.6%	.1%	1.08%

- This forecast is a conservative approach.

Cumulative taxpayer savings from taxing below the tax levy cap

	Tax Cap Limit	Levy % increase	Tax Levy Limit	Tax Levy	Levy Annual Difference	Accumulated Taxpayer Savings
12-13	3.87%	2.0%	\$130,627,318	\$128,273,603	\$-2,353,715	\$-2,353,715
13-14	2.22%	2.0%	\$131,121,764	\$130,837,382	\$-284,382	\$-2,638,097
14-15	2.22%	2.0%	\$133,744,276	\$133,454,129	\$-290,147	\$-2,928,244
15-16	2.76%	1.48%	\$137,136,051	\$135,423,212	\$-1,712,839	\$-4,641,083
16-17	.97%	-.74%	\$136,737,238	\$134,423,212	\$-2,314,026	\$-6,955,109

Question and Answer