

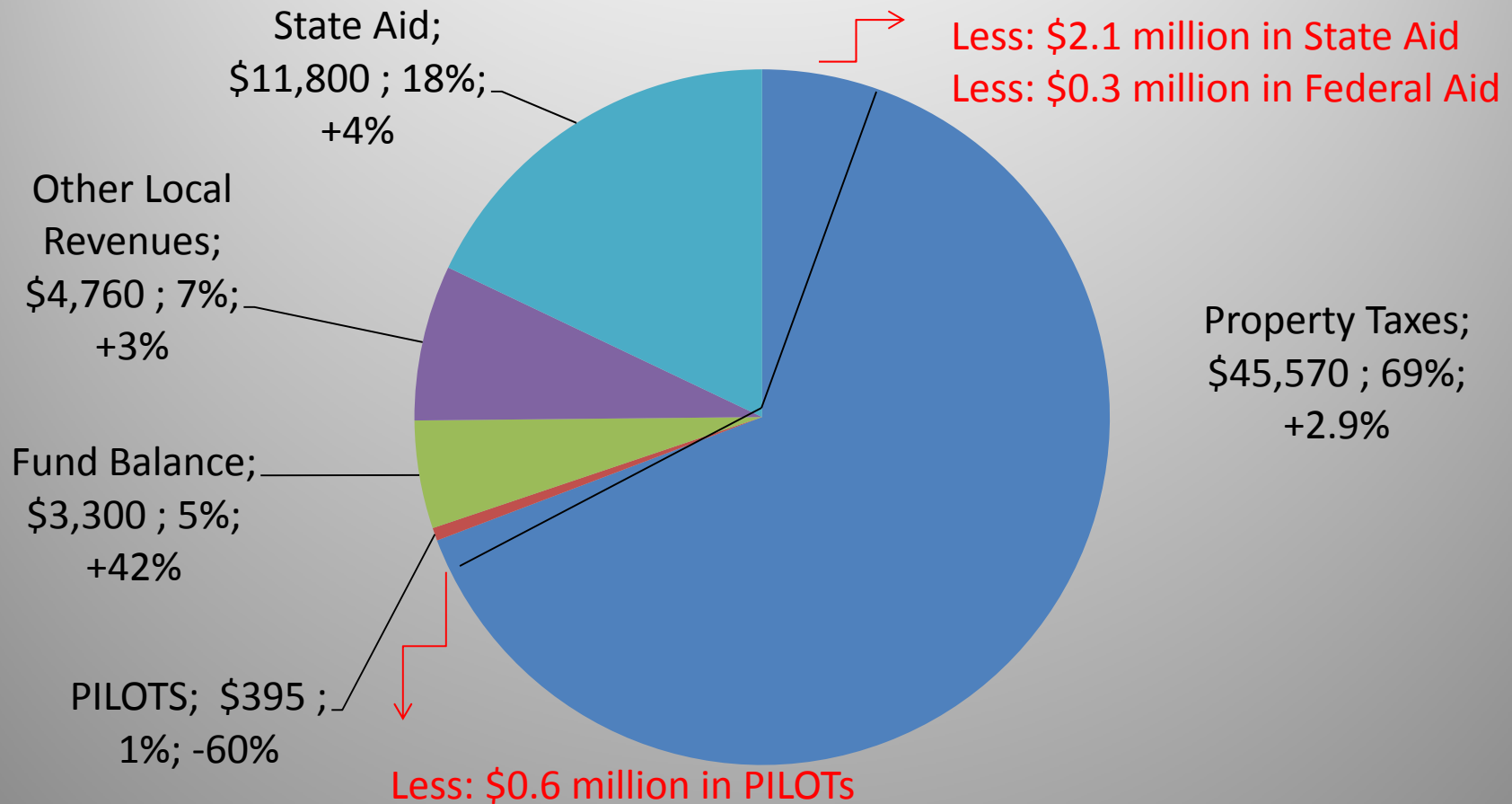


Revenues and Use of Reserves

March 6, 2012

Preliminary Revenues

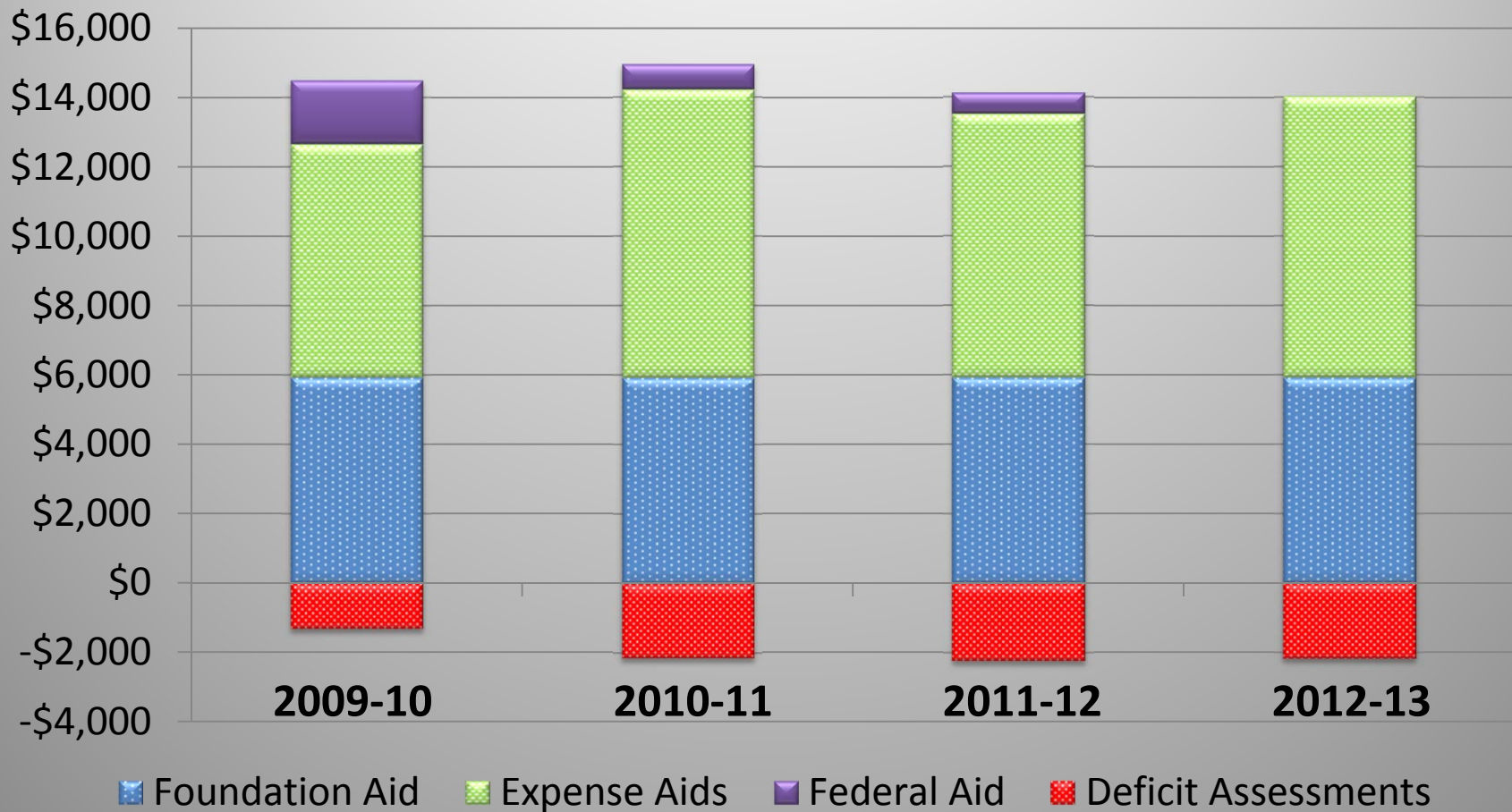
Budgeted Revenues; % of Total; % Change



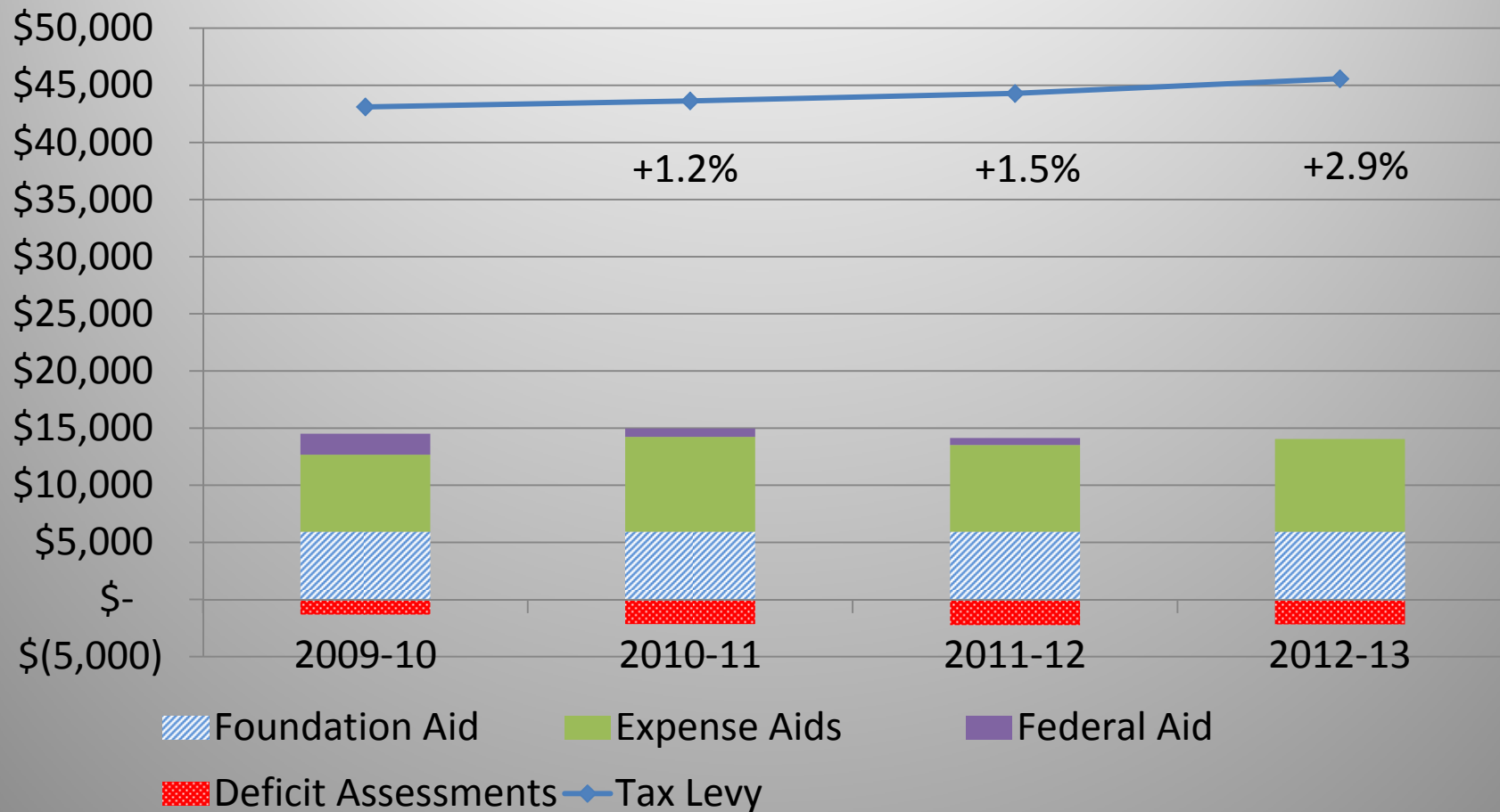
Overview of Revenues

	<u>2011-12 Budget</u>	<u>2012-13 Budget</u>	<u>Difference</u>	
Payments in Lieu of Taxes	\$ 955,705	\$ 385,295	\$ (570,410)	
Monroe County Sales Tax	2,700,000	2,781,000	81,000	
Sales Tax Settlement - Exp 7/1/2014	-	100,000	100,000	
Tuitions and Other Charges	1,030,000	1,024,100	(5,900)	
Interest and Earnings	100,000	75,000	(25,000)	
Rent of Real Property	238,000	229,500	(8,500)	
Refund of Prior Year Expense	-	45,000	45,000	
Other Tax Receipts and Charges	300,000	295,000	(5,000)	
State Aid			-	
Basic Formula Aid-Gen Aid	9,580,000	9,598,186	18,186	
BOCES Aid	1,300,000	1,327,798	27,798	
Chapter Group Homes		200,000	200,000	
Categorical Aids	310,000	443,147	133,147	
State Supported Schools	-	255,400	255,400	
Federal Aids	340,000	30,000	(310,000)	
Interfund Transfers	100,000	162,000	62,000	
Subtotal State and Local Revenues	<u>\$ 16,953,705</u>	<u>\$ 16,951,426</u>	<u>\$ (2,279)</u>	0.0%
Uses of Fund Balance and Reserves	\$ 2,320,000	\$ 3,300,000	\$ 980,000	42.2%
Property Tax Levy	44,286,586	45,570,897	1,284,311	2.9%
Total Budget	<u>\$ 63,560,291</u>	<u>\$ 65,822,323</u>	<u>\$ 2,262,032</u>	3.6%

State Aid Trends



State Aid and Property Taxes



Fund Balance and Reserves

Fund Balance and Reserves	Balance 7/1/2011	Amounts to be Used in 2011-12	Est 2011-12 Surplus	Est Balance 6/30/2012
Capital Reserves				
Building Reserve	6,334,357	(1,416,000)		4,918,357
Technology Reserve	3,899,032	(400,000)		3,499,032
Total Capital Reserves	\$ 10,233,389	\$ (1,816,000)	\$ -	\$ 8,417,389
Risk-Based Reserves				
Unemployment	552,290			552,290
Retirement Contribution	2,775,768	(400,000)		2,375,768
Tax Certiorari	59,100			59,100
Employee Benefits Liability	613,021			613,021
Total Risk-Based Reserves	\$ 4,000,179	\$ (400,000)	\$ -	\$ 3,600,179
Liquid Fund Balance				
Fund Balance	4,462,423	(1,920,000)	4,000,000	6,542,423
Total Fund Balance and Reserves	\$ 18,695,991	\$ (4,136,000)	\$ 4,000,000	\$ 18,559,991

Preliminary Recommendations

- Estimated 2011-12 Fund Balance from Operations = \$4,000,000
- Recommended Use of Fund Balance and Reserves:
 - \$3,300,000 Appropriated to Reduce Taxes in 2012-13
 - \$700,000 Replenish the Capital Reserve
- Increases amount of fund balance and reserves \$980,000 for 2012-13
 - 2011-12 = \$2,320,000
 - 2012-13 = \$3,300,000

Scenario 1 – Consistent Operating Results

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Revenue:						
Appropriated Fund Balance	\$2,500 A	\$2,500 B	\$2,500 C	\$2,500 D	\$2,500 E	\$2,500 F
Retirement Contribution Reserve	\$800	\$800	\$800	\$800	\$580	\$576
	<u>\$3,300</u>	<u>\$3,300</u>	<u>\$3,300</u>	<u>\$3,300</u>	<u>\$3,080</u>	<u>\$3,076</u>
Yearly Impact on Tax Levy	<u>(\$980)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$220</u>	<u>\$4</u>
Fund Balance and Reserves:						
Unappropriated Fund Balance (4%)	\$2,618	\$2,668	\$2,718	\$2,768	\$2,818	\$2,868
		\$50 B	\$50 B	\$50 B	\$50 B	\$50
Retirement Contribution - Beginning Bal	\$2,375	\$1,575	\$1,225	\$875	\$525	\$395
Amount to be Used to Reduce Taxes	(\$800)	(\$800)	(\$800)	(\$800)	(\$580)	(\$576)
Amount Replenished from Operations	\$0 A	\$450 B	\$450 C	\$450 D	\$450	\$450 F
Ending Balance	<u>\$1,575</u>	<u>\$1,225</u>	<u>\$875</u>	<u>\$525</u>	<u>\$395</u>	<u>\$269</u>
Building Reserve - Beginning Balance	\$5,718	\$4,803	\$3,388	\$1,973	\$558	\$0
Technology Reserve - Beginning Balance	\$3,499	\$3,074	\$2,674	\$2,274	\$1,874	\$1,474
Use of Building Reserve	(\$1,415)	(\$1,415)	(\$1,415)	(\$1,415)	(\$558)	\$0
Use of Technology Reserve	(\$425)	(\$400)	(\$400)	(\$400)	(\$400)	
Transfer to Capital Reserve from Surplus	\$500 A	\$0 B	\$0 C	\$0 D	\$0 E	\$0 F
	<u>\$7,877</u>	<u>\$6,062</u>	<u>\$4,247</u>	<u>\$2,432</u>	<u>\$1,474</u>	<u>\$1,474</u>
	Sum A	Sum B	Sum C	Sum D	Sum E	Sum F
Required Surplus from Operations	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000

Scenario 1 – Risk of Volatility

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Revenue:						
Appropriated Fund Balance	\$2,500 A	\$1,500 B	\$2,000 C	\$3,000 D	\$2,500 E	\$2,500 F
Retirement Contribution Reserve	\$800	\$1,575	\$0	\$0	\$0	\$576
	<u>\$3,300</u>	<u>\$3,075</u>	<u>\$2,000</u>	<u>\$3,000</u>	<u>\$2,500</u>	<u>\$3,076</u>
Yearly Impact on Tax Levy	(\$980)	\$225	\$1,075	(\$1,000)	\$500	(\$576)
Fund Balance and Reserves:						
Unappropriated Fund Balance (4%)						
	\$2,618	\$2,618	\$2,618	\$2,668	\$2,718	\$2,768
		\$0 B	\$0 B	\$50 B	\$50 B	\$50
Retirement Contribution - Beginning Bal						
	\$2,375	\$1,575	\$0	\$0	\$0	\$0
Amount to be Used to Reduce Taxes	(\$800)	(\$1,575)	\$0	\$0	\$0	(\$576)
Amount Replenished from Operations	\$0 A	\$0 B	\$0 C	\$0 D	\$0	\$450 F
Ending Balance	<u>\$1,575</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$126)</u>
Building Reserve - Beginning Balance						
	\$5,718	\$4,803	\$3,388	\$1,973	\$558	\$0
Technology Reserve - Beginning Balance						
	\$3,499	\$3,074	\$2,674	\$2,274	\$1,874	\$1,474
Use of Building Reserve	(\$1,415)	(\$1,415)	(\$1,415)	(\$1,415)	(\$558)	\$0
Use of Technology Reserve	(\$425)	(\$400)	(\$400)	(\$400)	(\$400)	
Transfer to Capital Reserve from Surplus	\$500 A	\$0 B	\$0 C	\$0 D	\$0 E	\$0 F
	<u>\$7,877</u>	<u>\$6,062</u>	<u>\$4,247</u>	<u>\$2,432</u>	<u>\$1,474</u>	<u>\$1,474</u>
Surplus from Operations						
	Sum A	Sum B	Sum C	Sum D	Sum E	Sum F
	\$3,000	\$1,500	\$2,000	\$3,050	\$2,550	\$3,000

Fund Balance Considerations

Use of Surplus / Reserves

- Year-end funds, surplus, are a one-time and unpredictable source of revenue generated from unspent budget or greater and anticipated revenues.
- Any increase in use of surplus from one year to the next as General Fund revenue has a corresponding reduction in the tax levy.
- Any decrease in use of surplus from one year to the next as General Fund revenue has a corresponding increase in the tax levy.
- Surplus, reserve funds, should be used when they can be sustained over a long period of time.
- A long range financial plan should not include the use of one-time surplus to fund ongoing yearly expenses unless the same level of surplus is available in future years.

Fund Balance Considerations

- Strategic Questions:
 - What is the sustainability and long-term impact of increasing reliance on fund balance and reserves?
 - How long will the money last?
 - How will it be replenished?
 - Operating surplus/Unbudgeted revenues?
 - » if there was no surplus in a given year, is the savings account sufficient to match what was used in the prior year?
 - What is the contingency plan if it is not replenished or when it is consumed?