



# Niagara Wheatfield Central School District

## Long Range Financial Analysis

Data Driven Fiscal Planning



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*President / CEO*

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*March 2023*

*School District:*

*Finance*

*Strategic Plans*

*Leadership*

*Educational*

*Development*

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



## Data Sources:

- State Aid Data form the State Education Department (SED)(NYSED)
- District Submissions to SED of the Form ST-3 (3 years prior)
- NYSED website aid calculations
- School District's External Auditor Reports/Recommendations
- Documents of Capital Expenses and Budget Calculations
- Buses and Capital Projects Data:
  - Bonds, Bond Anticipation Notes
  - Use of Capital Reserves
  - Debt Service Schedules
  - Related State Aid
  - Federal Grants-CRRSA and ARPA
- Examination of Tax Cap Calculations
- Examination of PILOT Calculations
- Reports of the Comptroller of the State of New York (OSC)
- Projected Teachers Retirement System Rates and Employees Retirement System Rates
- Interviews with the Assistant Superintendent of Finance and Management

## Niagara Wheatfield Analysis of Fund Balances and Reserves

	June 2021	June 2022	June 2023	June 2024	June 2025	June 2026	June 2027
<b>Restricted Fund Balance:</b>							
Workers' Compensation Reserve	\$1,488,954	\$1,689,438	\$1,349,169	\$1,349,169	\$1,349,169	\$1,349,169	\$1,349,169
Unemployment Insurance Reserve	\$0	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Reserve for Retirement Contributions ERS	\$2,224,790	\$2,231,252	\$1,531,252	\$1,531,252	\$1,531,252	\$1,531,252	\$1,531,252
Reserve for Retirement Contributions TRS	\$779,694	\$1,169,947	\$869,947	\$869,947	\$869,947	\$869,947	\$869,947
Reserve for Property Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Liability Claims	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Tax Certiorari	\$0	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Reserve for Employee Benefits and Accrued Liabilities	\$1,031,323	\$931,658	\$931,658	\$931,658	\$931,658	\$931,658	\$931,658
2017 Capital Improvements Reserve (Amount=\$6,000,000)		\$194,751	\$194,632	\$194,632	\$194,632	\$194,632	\$194,632
2019 Capital Improvements Reserve (Amount=\$6,000,000)	\$4,871,412	\$4,623,263	\$0	\$0	\$0	\$0	\$0
2022 Capital Improvements Reserve (Amount=\$10,000,000)		\$10,000,000	\$2,443,382	\$2,443,382	\$2,823,263	\$2,823,263	\$2,823,263
2017 Capital Transportation Reserve (Amount=\$2,000,000)	\$594,875	\$119	\$0	\$0	\$0	\$0	\$0
2018 Capital Transportation Reserve (Amount=\$2,000,000)	\$2,036,260	\$1,734,330	\$924,449	\$114,449	\$0	\$0	\$0
2021 Capital Transportation Reserve (Amount=\$3,000,000)	\$3,000,000	\$3,000,975	\$3,000,975	\$3,000,975	\$2,215,424	\$1,315,424	\$415,424
2021 Capital Technology Reserve (Amount=\$2,000,000)	\$2,000,000	\$2,000,650	\$1,200,650	\$600,650	\$650	\$0	\$0
2022 Capital Technology Reserve (Amount=\$3,000,000)			\$500,000	\$500,000	\$500,000	\$0	\$0
Reserve for Repairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Restricted Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Restricted Fund Balance</b>	<b>\$18,027,307</b>	<b>\$27,926,383</b>	<b>\$13,296,114</b>	<b>\$11,886,114</b>	<b>\$10,765,995</b>	<b>\$9,365,345</b>	<b>\$8,465,345</b>
	Change From Previous		(\$14,630,268)	(\$1,410,000)	(\$1,120,119)	(\$1,400,650)	(\$900,000)

		Niagara Wheatfield									
State Aid Source		Year 1	2022 to 23	Year 2	2023 to 24	Year 3	2024 to 25	Year 4	2025 to 26	Year 5	2026 to 27
Aid Descriptions	2021-22	2022-23	Difference	2023-24	Difference	2024-25	Difference	2025-26	Difference	2026-27	Difference
<b>FOUNDATION AID</b>	\$21,975,685	\$22,898,309	\$922,624	\$24,831,625	\$1,933,316	\$25,576,574	\$744,949	\$26,343,871	\$767,297	\$27,134,187	\$790,316
TRANSPORTATION AID W/O SUMMER	\$3,497,591	\$3,811,274	\$313,683	\$4,258,771	\$447,497	\$4,258,771	\$0	\$4,258,771	\$0	\$4,258,771	\$0
BUILDING AID	\$4,142,819	\$3,998,751	(\$144,068)	\$4,041,726	\$42,975	\$3,845,450	(\$196,276)	\$4,659,812	\$814,362	\$6,981,037	\$2,321,225
BOCES AID	\$3,099,182	\$3,077,017	(\$22,165)	\$3,342,402	\$265,385	\$3,342,402	\$0	\$3,342,402	\$0	\$3,342,402	\$0
PUBLIC EC HIGH COST AID	\$670,547	\$683,874	\$13,327	\$570,055	(\$113,819)	\$570,055	\$0	\$570,055	\$0	\$570,055	\$0
PRIVATE EXCESS COST AID	\$917,928	\$823,404	(\$94,524)	\$955,685	\$132,281	\$955,685	\$0	\$955,685	\$0	\$955,685	\$0
SOFTWARE AID	\$60,759	\$59,666	(\$1,093)	\$58,452	(\$1,214)	\$58,452	\$0	\$58,452	\$0	\$58,452	\$0
LIBRARY MATERIALS AID	\$25,350	\$13,371	(\$11,979)	\$24,388	\$11,017	\$24,388	\$0	\$24,388	\$0	\$24,388	\$0
TEXTBOOK AID	\$203,915	\$212,322	\$8,407	\$208,710	(\$3,612)	\$208,710	\$0	\$208,710	\$0	\$208,710	\$0
HARDWARE & TECHNOLOGY AID	\$69,691	\$66,509	(\$3,182)	\$65,155	(\$1,354)	\$65,155	\$0	\$65,155	\$0	\$65,155	\$0
UNIV PREKINDERGARTEN AID	\$735,995	\$830,208	\$94,213	\$1,139,577	\$309,369	\$1,139,577	\$0	\$1,139,577	\$0	\$1,139,577	\$0
TOTAL AID	\$35,399,462	\$36,474,705	\$1,075,243	\$39,496,546	\$3,021,841	\$40,045,219	\$548,672	\$41,626,878	\$1,581,660	\$44,738,419	\$3,111,541
<b>OVERALL Aid Increase/ Decrease without UPK</b>	\$34,663,467	\$35,644,497	\$981,030	\$38,356,969	\$2,712,472	\$38,905,642	\$548,672	\$40,487,301	\$1,581,660	\$43,598,842	\$3,111,541

## Scenario 1

### Assumptions

#### Revenues:

Estimates for Tax Levy Are 2.18% (Cap) and 2% thereafter  
 State Aid 2023-24 Significant Increase, Thereafter Stable Increase  
 Stable Transportation Aid  
 Building Aid follows Debt Service Schedule\*  
 Federal Aid remains Stable

#### Expenditures:

Follow contractual Obligations  
 No notable changes in staff patterns  
 Stable ERS and TRS increased costs\*

### Niagara Wheatfield 5 Year Financial Projections

Fiscal Year Ending June 30:	Budget 2022	2023	2024	2025	2026	2027	
<b>REVENUES:</b>		1.99%	2.18%	2.00%	2.00%	2.00%	
<b>Real Property Taxes</b>	\$34,720,519	\$35,411,457	\$36,183,427	\$36,907,095	\$37,645,237	\$38,398,142	10.6%
PILOT (based on current agreements)	\$1,812,621	\$1,766,698	\$1,558,531	\$1,558,531	\$1,558,531	\$1,558,531	
State Aid	\$26,941,496	\$26,055,379	\$29,243,705	\$29,988,654	\$30,755,951	\$31,546,267	
Building Aid	\$4,142,819	\$3,998,751	\$4,041,726	\$3,845,450	\$4,659,812	\$6,981,037	
Transportation Aid	\$3,497,591	\$3,811,274	\$4,258,771	\$4,258,771	\$4,258,771	\$4,258,771	
Federal Aid	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	
Interfund Transfers (Power Authority)	\$594,751	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	
Other	\$4,472,804	\$5,378,269	\$5,378,269	\$5,378,269	\$5,378,269	\$5,378,269	
<b>Total Revenues</b>	<b>\$76,782,601</b>	<b>\$77,821,828</b>	<b>\$82,064,429</b>	<b>\$83,336,770</b>	<b>\$85,656,571</b>	<b>\$89,521,017</b>	<b>16.6%</b>
<b>Amount of Change Year to Year</b>		<b>\$1,039,227</b>	<b>\$4,242,601</b>	<b>\$1,272,341</b>	<b>\$2,319,802</b>	<b>\$3,864,446</b>	

Tax Levy % Increase is an example only and does not represent at Tax Cap calculation



## Scenario 1

Total Revenues	\$76,782,601	\$77,821,828	\$82,064,429	\$83,336,770	\$85,656,571	\$89,521,017	16.6%
Amount of Change Year to Year		\$1,039,227	\$4,242,601	\$1,272,341	\$2,319,802	\$3,864,446	
<b>EXPENSES:</b>	<b>Budget 2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	
General Support							
Salaries	\$3,303,767	\$3,625,266	\$3,783,540	\$3,916,491	\$4,054,759	\$4,198,558	27.1%
Other	\$4,270,631	\$4,390,480	\$4,814,859	\$4,908,222	\$5,003,453	\$5,100,588	19.4%
Instruction							
Salaries	\$29,528,211	\$29,783,326	\$30,946,999	\$32,353,768	\$33,774,695	\$35,428,854	20.0%
Other	\$12,027,739	\$13,238,445	\$15,202,209	\$15,954,985	\$16,745,399	\$17,575,335	46.1%
Transportation							
Salaries	\$2,683,435	\$2,502,966	\$2,603,085	\$2,707,208	\$2,815,497	\$2,928,116	9.1%
Other	\$2,496,215	\$2,547,385	\$2,664,530	\$2,762,932	\$2,865,269	\$2,971,700	19.0%
Employee Benefits							
Retirement	\$4,583,596	\$3,840,835	\$4,128,135	\$4,297,657	\$4,474,629	\$4,699,512	
Social Security	\$2,742,176	\$2,767,461	\$2,948,969	\$3,066,614	\$3,189,879	\$3,348,445	22.1%
Workers' Compensation	\$981,373	\$783,700	\$815,048	\$829,229	\$842,570	\$859,421	
Health	\$10,116,310	\$10,089,089	\$10,694,434	\$11,272,035	\$11,847,452	\$12,558,299	24.1%
Other	\$359,836	\$100,000	\$102,000	\$101,920	\$100,715	\$102,729	
Buildings - Principal	\$4,990,946	\$4,895,739	\$4,534,644	\$4,515,659	\$4,698,898	\$5,706,237	
Interest	\$1,013,272	\$1,096,445	\$1,469,047	\$1,269,566	\$2,840,309	\$3,075,487	
Interfund Transfers (4408-\$90,000, sch 1ch-\$75,000)	\$125,000	\$165,000	\$165,000	\$165,000	\$165,000	\$165,000	
Debt Service - RAN/TAN - Interest	\$0	\$0	\$0	\$0	\$0	\$0	
Total Expenses	\$79,222,507	\$79,826,137	\$84,872,499	\$88,121,287	\$93,418,523	\$98,718,282	24.6%
Amount of Change Year to Year		\$603,630	\$5,046,362	\$3,248,788	\$5,297,237	\$5,299,759	

## Scenario 1

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Total Revenues	\$76,782,601	\$77,821,828	\$82,064,429	\$83,336,770	\$85,656,571	\$89,521,017	16.6%
Amount of Change Year to Year		\$1,039,227	\$4,242,601	\$1,272,341	\$2,319,802	\$3,864,446	
Total Expenses	\$79,222,507	\$79,826,137	\$84,872,499	\$88,121,287	\$93,418,523	\$98,718,282	24.6%
Amount of Change Year to Year		\$603,630	\$5,046,362	\$3,248,788	\$5,297,237	\$5,299,759	

Adjustments (Carry Over, etc.)	\$5,967,168	\$4,481,451	\$4,481,451	\$4,481,451	\$4,481,451	\$4,481,451	
Adjustments Planned Use of Reserves		(\$14,630,268)	(\$1,410,000)	(\$1,120,119)	(\$1,400,650)	(\$900,000)	Does NOT include the Additional Use of Reserves for Zero-Emission Bus Purchases
4% of Expenses	\$3,193,045	\$3,394,900	\$3,533,350	\$3,758,029	\$3,969,952	\$3,969,952	
Assigned Appropriated Fund Balance	\$2,004,309	\$2,808,070	\$4,784,517	\$7,761,952	\$9,197,265	\$9,197,265	
Assigned Unappropriated	\$1,604,238	\$1,604,238	\$1,604,238	\$1,604,238	\$1,604,238	\$1,604,238	
Unassigned Fund Balance	\$3,193,045	\$3,394,900	\$3,524,851	\$3,736,741	\$3,948,731	\$3,948,731	Does NOT include Additional Use of Reserves for Bus Garage Renovations
Reserved Fund Balance	\$27,926,383	\$19,703,689	\$17,860,671	\$13,248,162	\$6,919,708	\$1,303,894	
Total Fund Balance June 30	\$38,059,785	\$25,906,659	\$26,170,040	\$24,746,855	\$20,065,704	\$14,449,890	
Revenue to Expenditure Difference	(\$2,439,906)	(\$2,004,309)	(\$2,808,070)	(\$4,784,517)	(\$7,761,952)	(\$9,197,265)	

## Scenario 2

### Assumptions

#### Revenues:

Estimates for Tax Levy 2.18% (Cap) then 2.25% Thereafter  
State Aid 2023-24 Significant Increase, Thereafter Stable Increase

Stable Transportation Aid

Building Aid follows Debt Service Schedule\*

Federal Aid remains Stable

#### Expenditures:

Follow contractual Obligations

No notable changes in staff patterns

Stable ERS and TRS increased costs\*

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Federal Aid	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	
Interfund Transfers (Power Authority)	\$594,751	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	
Other	\$4,472,804	\$5,378,269	\$5,378,269	\$5,378,269	\$5,378,269	\$5,378,269	
<b>Total Revenues</b>	<b>\$76,782,601</b>	<b>\$77,821,828</b>	<b>\$82,064,429</b>	<b>\$83,427,228</b>	<b>\$85,841,333</b>	<b>\$89,804,049</b>	<b>17.0%</b>
<b>Amount of Change Year to Year</b>		<b>\$1,039,227</b>	<b>\$4,242,601</b>	<b>\$1,362,799</b>	<b>\$2,414,105</b>	<b>\$3,962,716</b>	

Tax Levy % Increase is an example only and does not represent at Tax Cap calculation



## Scenario 2

### Niagara Wheatfield 5 Year Financial Projections

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Amount of Change Year to Year		\$1,039,227	\$4,242,601	\$1,362,799	\$2,414,105	\$3,962,716	
Total Expenses	\$79,222,507	\$79,826,137	\$84,872,499	\$88,121,287	\$93,418,523	\$98,718,282	24.6%
Amount of Change Year to Year		\$603,630	\$5,046,362	\$3,248,788	\$5,297,237	\$5,299,759	

Adjustments (Carry Over, etc.)	\$5,967,168	\$4,481,451	\$4,481,451	\$4,481,451	\$4,481,451	\$4,481,451	
Adjustments Planned Use of Reserves		(\$14,630,268)	(\$1,410,000)	(\$1,120,119)	(\$1,400,650)	(\$900,000)	Does NOT include the Additional Use of Reserves for Zero-Emission Bus Purchases
4% of Expenses	\$3,193,045	\$3,394,900	\$3,533,350	\$3,758,029	\$3,969,952	\$3,969,952	
Assigned Appropriated Fund Balance	\$2,004,309	\$2,808,070	\$4,694,058	\$7,577,190	\$8,914,233	\$8,914,233	Does NOT include Additional Use of Reserves for Bus Garage Renovations
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Unassigned Fund Balance	\$3,193,045	\$3,394,900	\$3,524,851	\$3,736,741	\$3,948,731	\$3,948,731	
Reserved Fund Balance	\$27,926,383	\$19,703,689	\$17,951,130	\$13,523,382	\$7,477,960	\$2,145,178	
Total Fund Balance June 30	\$38,059,785	\$25,906,659	\$26,170,040	\$24,837,314	\$20,340,924	\$15,008,142	
Revenue to Expenditure Difference	(\$2,439,906)	(\$2,004,309)	(\$2,808,070)	(\$4,694,058)	(\$7,577,190)	(\$8,914,233)	

# The Financial Status of the District is Strong ...And should remain very strong through 2026-27

## RECOMMENDATIONS

### Strategically and Operationally Examine Long Range Budget Implications...

Maintain a stable the budget by tracking expenses and revenues:

- a) Re-Examine 2022-23 budget for fund balances (Carry Over/Reallocations).
- b) Budget process is always difficult due to the number of assumptions (Extrapolate cost estimates). Update estimates as possible for both Revenues and Expenses.
- c) Attempts for cost reductions should be examined (those away from student programs first) to mitigate escalation of expenses.
- d) Reevaluate purchases and staff need. Examine the possibility of attrition and breakage, where possible but monitor certain labor scarcity issues.
- e) Monitor Long-term Expenditures to the financial plan and limitations on Revenues
- f) Develop a Long-Range thoughtful plan to prepare for possible State Fiscal Funding Cliff 2024-25 and beyond

2. Annually reevaluate Reserve and Fund Balance amounts for sustainability and liabilities. When and if possible:
  - b) When possible, continue to build TRS Reserve to cover potential escalations in cost as labor contracts escalate
  - c) As in the past, build and Use New Capital Reserves to ensure Building Integrity and Eliminate Tax impact of Capital Construction
  - d) As in the past, continue, when possible, to build and Use new Capital Reserves to Eliminate Tax impact of these periodic expenditures (Buses, Vehicles, Equipment, Technology for instance)
3. The Longevity of the New Federal Grants could be problematic. Exhibit caution with use of new Federal Funding streams (Fiscal Cliff 2024-25, 2025-26)
4. State Aid: Foundation Aid the district currently slated for a ~8.4% Increase in Foundation Aid in 2023-24; then have Save Harmless status; expense driven aid continues in current law.
5. The costs associated with the Zero-Emissions bus mandate are expensive-develop a plan
6. Monitor the Tax Cap... note growing use of Appropriated Fund Balance and be aware of Super Majority Tax Levy Limit implications.

Questions  
from the  
Board of Education?  
Niagara Wheatfield Central School District

