

The background is a light blue gradient with several realistic water droplets of various sizes scattered across it. Some droplets are at the top, some at the bottom, and some on the sides, creating a fresh and clean aesthetic.

# **WATERFORD-HALFMOON UNION FREE SCHOOL DISTRICT 2021-22 BUDGET**

FINANCE COMMITTEE PRESENTATION

FEBRUARY 11, 2021

# AGENDA

- 2020-21 FINANCIAL PROJECTION: WHERE ARE WE TODAY?
- LONG-TERM FINANCIAL PLAN: WHERE ARE WE GOING?
- 2021-22 BUDGET: IMPLEMENTING A BUDGET STRATEGY TO ACHIEVE OUR LONG-TERM GOALS

# 2020-21 FINANCIAL PROJECTION: WHERE ARE WE TODAY?

## 2020-21 BUDGET REFRESHER:

- THE DISTRICT WAS FACED WITH ADOPTING A BUDGET WITH TWO SIGNIFICANT FISCAL UNCERTAINTIES:
  1. THE POTENTIAL FOR A 20% REDUCTION IN STATE AID TO BE MADE AT ANY TIME DURING THE YEAR
  2. UNKNOWN COSTS ASSOCIATED WITH REOPENING THE SCHOOL UNDER THE COVID-19 PANDEMIC
- THE BOARD OF EDUCATION (BOARD) APPROVED A BUDGET WHICH DID NOT INCORPORATE BUDGET REDUCTIONS RELATED TO THE TWO UNCERTAINTIES LISTED ABOVE. INSTEAD, THE BOARD AND DISTRICT ADMINISTRATION WORKED TO ACHIEVE 2020-21 COST SAVINGS AFTER THE BUDGET WAS APPROVED. COST REDUCTIONS/SAVINGS WERE REALIZED DUE TO THE FOLLOWING:
  1. WATERFORD TEACHERS' ASSOCIATION RETIREMENT INCENTIVE
  2. CSEA NEGOTIATIONS
  3. OTHER BUDGET REDUCTIONS (I.E., MATERIALS & SUPPLIES)
- NEW YORK STATE REDUCED 2019-20 END OF YEAR STATE AID PAYMENTS BY 20%. NO SUBSEQUENT REDUCTIONS WERE MADE AND THIS DID NOT AFFECT 2020-21 STATE AID. ADDITIONALLY NYS HAS RECENTLY INDICATED THAT IT WILL MAKE RESTORATIVE PAYMENTS FOR THE 20% WITHHELD FOR 2019-20 AID.

# 2020-21 FINANCIAL PROJECTION: WHERE ARE WE TODAY?

EXPENDITURES ARE PROJECTED TO BE APPROXIMATELY \$1.5 MILLION LESS THAN BUDGETED (THIS REPRESENTS APPROXIMATELY 7 PERCENT OF THE TOTAL BUDGET). THIS IS DUE TO COST SAVINGS MEASURES IDENTIFIED IN THE PRIOR SLIDES AND REDUCED SPENDING DUE TO COVID-19.\*\*

Category	Budget	Projected	Variance	Why?
Contractual	2,443,159	2,050,000	393,159	Savings in transportation & legal costs
Materials & Supplies	357,577	330,000	27,577	25% spending reductions
BOCES	2,419,600	2,020,000	399,600	Reduced special education tuition costs
Salaries	9,056,864	8,610,000	446,864	Retirement incentive & vacancies
Equipment	24,500	30,000	(5,500)	Carryover PO from 2019-20
Tuition	393,340	490,000	(96,660)	Additional special education & charter school enrollment
Benefits	4,420,000	4,200,000	220,000	Retirement incentive & negotiations
Debt	2,270,420	2,270,420	0	Based on debt schedules
Transfers	130,600	30,600	100,000	Did not move forward with 2020-21 100K project
<b>TOTAL</b>	<b>21,516,060</b>	<b>20,031,020</b>	<b>1,485,040</b>	



# 2020-21 FINANCIAL PROJECTION: WHERE ARE WE TODAY?

- REVENUES ARE EXPECTED TO EXCEED THE BUDGET BY APPROXIMATELY \$150,000 (THIS AMOUNT REPRESENTS A VARIANCE OF LESS THAN 1 PERCENT FROM THE ORIGINAL BUDGET)
  - STATE AID REDUCTIONS ARE NOT EXPECTED AT THIS TIME
  - THE DISTRICT RECEIVED MORE THAN ANTICIPATED FOR:
    - PAYMENTS IN LIEU OF TAXES
    - WSWHE BOCES SURPLUS PAYMENTS (REFUND OF PRIOR YEAR EXPENDITURES)

# 2020-21 FINANCIAL PROJECTION: WHERE ARE WE TODAY?

WE WILL LIKELY REALIZE MORE REVENUE THAN PLANNED AND SPEND LESS THAN PLANNED...

WHAT DOES THIS MEAN FOR US?

WE APPROPRIATED FUND BALANCE (UNRESTRICTED FUNDS) TO FUND APPROXIMATELY \$1.5 MILLION OF EXPENDITURES IN THE 2020-21 BUDGET. THIS MEANS WE WILL NOT NEED TO USE THAT \$1.5 MILLION OF UNRESTRICTED FUNDS AND INSTEAD WE WILL REALIZE A SMALL OPERATING SURPLUS OF APPROXIMATELY \$135,000 WHICH WILL INCREASE OUR FUND BALANCE.

Summary	Budget	Projected	Variance
Revenues	20,022,100	20,166,000	143,900
Expenditures	21,516,060	20,031,020	1,485,040
Surplus/(Deficit)*	(1,493,960)	134,980	Projected Surplus

\*Includes appropriated unrestricted funds as well as \$22,000 of appropriated reserve funds.

# LONG-TERM FINANCIAL PLAN: WHERE ARE WE GOING?

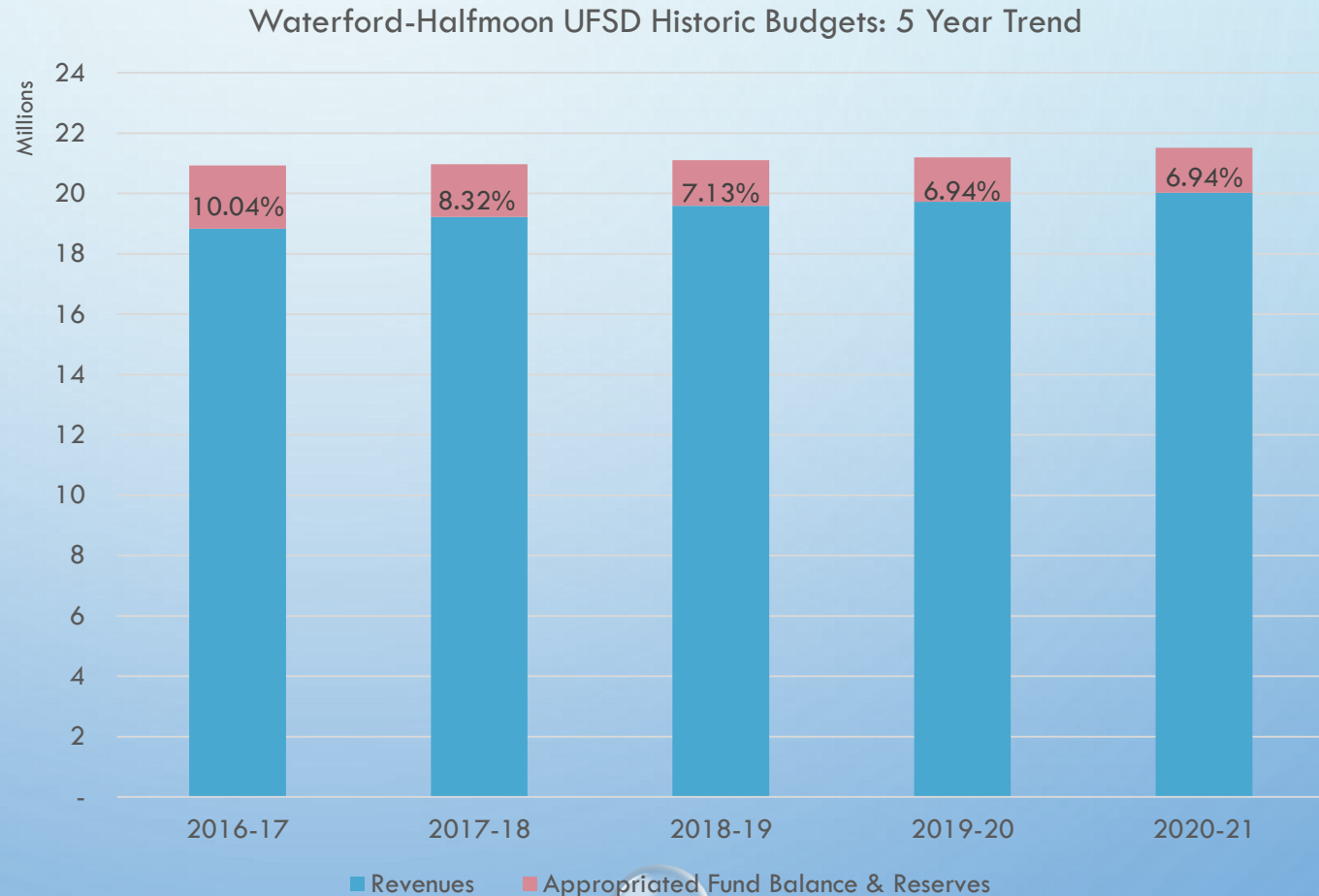
## LETS START WITH WHERE WE'VE BEEN!

- THE DISTRICT HAS HISTORICALLY APPROPRIATED FUND BALANCE (UNRESTRICTED FUNDS) TO FINANCE OPERATING EXPENDITURES.
- APPROPRIATED FUND BALANCE IS A “ONE-TIME” REVENUE AND GOOD FISCAL PRACTICES DICTATE THAT WE USE IT TO FINANCE “ONE-TIME” EXPENDITURES (I.E., CAPITAL IMPROVEMENTS, EQUIPMENT, ETC.). USING IT TO FINANCE RECURRING EXPENDITURES PUTS THE DISTRICT AT RISK BECAUSE WHEN FUND BALANCE IS USED UNTIL IT IS DEPLETED, IT LEAVES THE DISTRICT WITH A LARGE BUDGET GAP.
- THE AMOUNT APPROPRIATED IN THE LAST 5 YEARS BEGAN AT OVER 10% AND DECREASED TO APPROXIMATELY 7% FOR 2020-21. THIS FAR EXCEEDS AMOUNTS EXPENDED FOR “ONE TIME” COSTS – FUND BALANCE HAS BEEN APPROPRIATED TO FINANCE RECURRING EXPENDITURES.

# LONG-TERM FINANCIAL PLAN: WHERE ARE WE GOING?

NOTE THE RED COLUMN SECTION  
– THIS IS THE AMOUNT OF OUR  
BUDGET THAT WAS FUNDED WITH  
APPROPRIATED FUND BALANCE

THE PERCENTAGE LISTED IN THE  
RED SECTION IS THE PERCENT OF  
THE BUDGET FUNDED WITH  
APPROPRIATED FUND BALANCE





# LONG-TERM FINANCIAL PLAN: WHERE ARE WE GOING?

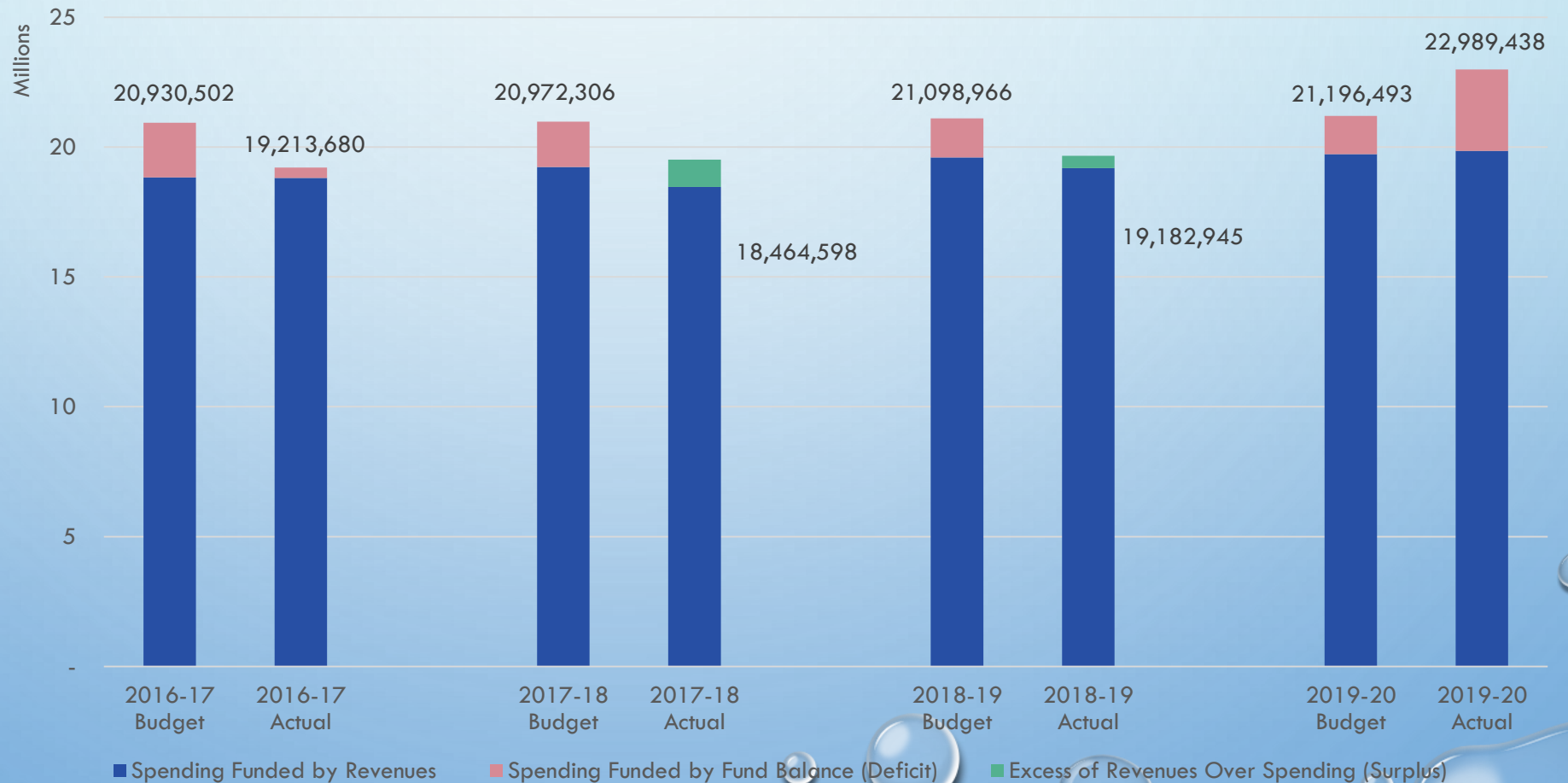
ALTHOUGH OUR BUDGETS HAVE HISTORICALLY RELIED ON APPROPRIATED FUND BALANCE TO FINANCE RECURRING EXPENDITURES, ACTUAL EXPENDITURES WERE OFTEN LESS THAN BUDGETED – AS A RESULT, APPROPRIATED FUND BALANCE WAS NOT USED AS PLANNED EACH YEAR.

ANY EXCESS OF REVENUES OVER EXPENDITURES WOULD RESULT IN AN OPERATING SURPLUS, WHICH WOULD THEN INCREASE OUR TOTAL FUND BALANCE.



# LONG-TERM FINANCIAL PLAN: WHERE ARE WE GOING?

Waterford-Halfmoon UFSD Historic Budget to Actual: 4 Year Trend



Total spending is reflected as the total shaded pink plus the total shaded blue.

Any amounts in green are a surplus realized above and beyond the spending (which would be reflected only in blue).

# LONG-TERM FINANCIAL PLAN: WHERE ARE WE GOING?

## LONG-TERM FISCAL GOALS:

1. MAINTAIN, AND WHEN POSSIBLE AND FISCALLY PRACTICAL, ENHANCE SERVICES
2. MAINTAIN A TAX LEVY THAT IS WITHIN THE TAX LEVY LIMIT (TAX CAP)
3. MAINTAIN UNRESTRICTED FUND BALANCE IN AN AMOUNT THAT COMPLIES WITH REAL PROPERTY TAX LAW
4. REDUCE RELIANCE ON APPROPRIATED FUND BALANCE (A “ONE-TIME” REVENUE) TO FINANCE RECURRING EXPENDITURES

# LONG-TERM FINANCIAL PLAN: WHERE ARE WE GOING?

## HOW DO WE ACCOMPLISH ALL OF THESE GOALS SIMULTANEOUSLY?

THE DISTRICT CURRENTLY HAS EXCESS UNRESTRICTED FUNDS; USING THESE FUNDS PRUDENTLY AND ENGAGING IN LONG-TERM FINANCIAL PLANNING WILL ALLOW US TO ACHIEVE OUR LONG-TERM GOALS. WHAT DOES IT MEAN TO USE THESE FUNDS PRUDENTLY?

- IT MEANS THAT WE SHOULD APPROPRIATE FUND BALANCE OVER AN EXTENDED PERIOD OF TIME. THIS ALLOWS US TO REDUCE FUND BALANCE, MAINTAIN SERVICES AND MAINTAIN TAX LEVY STABILITY.
- CONVERSELY, APPROPRIATING TOO MUCH UNRESTRICTED FUND BALANCE CAN VERY QUICKLY LEAD TO SEVERE FISCAL STRESS.

# LONG-TERM FINANCIAL PLAN: WHERE ARE WE GOING?

## DEMONSTRATION:

Note: This demonstration assumes that revenues and appropriations each increase by 2% annually.

Year 1: The District appropriates \$1.5 million in the budget and actually uses it.

Year 2: The District appropriates \$1.5 million but actually uses \$1.53 million.

Year 3: Only \$970,000 is available to appropriate in the budget. The District now has to fill a \$530,000 budget gap and does so by slashing spending.

Year 4: There is \$0 available to appropriate in its budget. The District again has to cut spending to levels from before year 1. The District also has no cushion for unforeseen events.

	Year 1	Year 2	Year 3	Year 4
<b>Total Fund Balance - Beginning of Year</b>	7,000,000	5,500,000	3,970,000	3,000,000
Restricted Fund Balance (Total Reserves)	3,000,000	3,000,000	3,000,000	3,000,000
<b>Appropriated to Fund Operations</b>	1,500,000	1,500,000	970,000	0
<b>Unrestricted Funds - Beginning of Year</b>	2,500,000	1,000,000	0	0
Actual Expenditures	20,000,000	20,400,000	20,217,400	19,632,348
Actual Revenues	18,500,000	18,870,000	19,247,400	19,632,348
Operating Deficit	(1,500,000)	(1,530,000)	(970,000)	0

\* These figures do not represent WHUFSD's finances, they are for demonstrative purposes only.



# LONG-TERM FINANCIAL PLAN: WHERE ARE WE GOING?

WE'VE DEVELOPED A PRELIMINARY LONG-TERM FINANCIAL PLAN BASED ON THE FOLLOWING KEY ASSUMPTIONS:

1. TAX LEVY GROWTH OF 2% ANNUALLY
2. STATE AID REMAINING FLAT OVER THE NEXT FIVE FISCAL YEARS (WITH THE EXCEPTION OF KNOWN INCREASES AND DECREASES IN EXPENSE BASED AIDS)
3. APPROPRIATION GROWTH BASED ON HISTORIC TRENDS AND KNOWN FUTURE COSTS
4. APPROPRIATED FUND BALANCE AMOUNTS BASED ON TARGETED USE OVER AN EXTENDED PERIOD OF TIME AND DECREASING APPROPRIATED FUND BALANCE TO A LEVEL WHERE IT IS NO LONGER USED TO FINANCE RECURRING EXPENDITURES.





# LONG-TERM FINANCIAL PLAN: WHERE ARE WE GOING?

WHAT DOES OUR LONG TERM PLAN LOOK LIKE IF WE SIMPLY APPROPRIATE FUND BALANCE TO BALANCE THE BUDGET?

TABLE 1	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026	6/30/2027
<b>Beginning Fund Balance</b>	<b>5,162,328</b>	<b>5,297,308</b>	<b>4,155,687</b>	<b>3,008,319</b>	<b>1,814,206</b>	<b>343,599</b>	<b>343,599</b>
Revenues	20,166,000	19,801,400	19,542,428	19,788,227	20,038,891	20,294,517	20,555,204
Expenditures	20,031,020	20,943,022	20,689,796	20,982,339	21,509,498	21,884,063	22,257,030
<b>Surplus/(Deficit / Appropriated Fund Balance)</b>	<b>134,980</b>	<b>(1,141,622)</b>	<b>(1,147,368)</b>	<b>(1,194,113)</b>	<b>(1,470,607)</b>	<b>(1,589,546)</b>	<b>(1,701,826)</b>
<b>Ending Fund Balance</b>	<b>5,297,308</b>	<b>4,155,687</b>	<b>3,008,319</b>	<b>1,814,206</b>	<b>343,599</b>	<b>(1,245,948)</b>	<b>(1,358,227)</b>
<i>Reserved Fund Balance</i>	<i>1,950,000</i>	<i>1,950,000</i>	<i>1,950,000</i>	<i>1,950,000</i>	<i>1,950,000</i>	<i>1,950,000</i>	<i>1,950,000</i>
<i>Fund Balance Appropriated for Ensuing Year</i>	<i>1,141,622</i>	<i>1,147,368</i>	<i>1,194,113</i>	<i>1,470,607</i>	<i>1,589,546</i>	<i>1,701,826</i>	<i>-</i>
<i>Unrestricted Fund Balance</i>	<i>2,205,687</i>	<i>1,058,319</i>	<i>(135,794)</i>	<i>(1,606,401)</i>	<i>(3,195,948)</i>	<i>(4,897,774)</i>	<i>(3,308,227)</i>

# LONG-TERM FINANCIAL PLAN: WHERE ARE WE GOING?

WHAT DOES OUR LONG TERM PLAN LOOK LIKE IF WE METHODICALLY APPROPRIATE FUND BALANCE IN SMALLER AND DECLINING AMOUNTS?

TABLE 2	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026	6/30/2027
<b>Beginning Fund Balance</b>	<b>5,162,328</b>	<b>5,297,308</b>	<b>4,497,308</b>	<b>3,797,308</b>	<b>3,197,308</b>	<b>2,697,308</b>	<b>2,297,308</b>
Revenues	20,166,000	19,801,400	19,542,428	19,788,227	20,038,891	20,294,517	20,555,204
Expenditures	20,031,020	20,943,022	20,689,796	20,982,339	21,509,498	21,884,063	22,257,030
<b>Surplus/(Deficit / Appropriated Fund Balance)</b>		<b>(800,000)</b>	<b>(700,000)</b>	<b>(600,000)</b>	<b>(500,000)</b>	<b>(400,000)</b>	<b>(300,000)</b>
<b>Budgetary Deficit</b>		<b>134,980</b>	<b>(341,622)</b>	<b>(447,368)</b>	<b>(594,113)</b>	<b>(970,607)</b>	<b>(1,401,826)</b>
<b>Ending Fund Balance</b>	<b>5,297,308</b>	<b>4,497,308</b>	<b>3,797,308</b>	<b>3,197,308</b>	<b>2,697,308</b>	<b>2,297,308</b>	<b>1,997,308</b>
<i>Reserved Fund Balance</i>	<i>1,950,000</i>	<i>1,950,000</i>	<i>1,950,000</i>	<i>1,950,000</i>	<i>1,950,000</i>	<i>1,950,000</i>	<i>1,950,000</i>
<i>Fund Balance Appropriated for Ensuing Year</i>	<i>800,000</i>	<i>700,000</i>	<i>600,000</i>	<i>500,000</i>	<i>400,000</i>	<i>300,000</i>	<i>200,000</i>
<i>Unrestricted Fund Balance</i>	<i>2,547,308</i>	<i>1,847,308</i>	<i>1,247,308</i>	<i>747,308</i>	<i>347,308</i>	<i>47,308</i>	<i>(152,692)</i>



# LONG-TERM FINANCIAL PLAN: WHERE ARE WE GOING?

## POTENTIAL EFFECT OF NYS BUDGET ON OUR LONG-TERM PLAN

- NEW YORK STATE IS IN A DEFICIT FINANCIAL POSITION WHICH IS BEING FUNDED, IN PART BY FEDERAL AID. NYS AID TO SCHOOLS FOR 2021-22 HAS BEEN REDUCED AND RESTORED WITH FEDERAL FUNDING.
- NYS WAS IN A SIMILAR POSITION ABOUT A DECADE AGO AND AS A RESULT, IMPLEMENTED THE GAP ELIMINATION ADJUSTMENT (GEA) WHICH REDUCED STATE AID TO SCHOOLS OVER A FIVE YEAR PERIOD (FROM 2010-11 THROUGH 2014-15).

# LONG-TERM FINANCIAL PLAN: WHERE ARE WE GOING?

EFFECT OF GEA ON WATERFORD-HALFMOON UFSD 2009-10 THROUGH 2015-16



# LONG-TERM FINANCIAL PLAN: WHERE ARE WE GOING?

## POTENTIAL EFFECT OF NYS BUDGET ON OUR LONG-TERM PLAN

WHILE WE DON'T HAVE ENOUGH INFORMATION TO PLAN FOR ANOTHER GEA RIGHT NOW, WE MUST REMAIN PERIPHERALLY AWARE THAT WE MAY IN FUTURE BE SIMILARLY IMPACTED.

IN PLANNING THE 2021-22 BUDGET AND OUR LONG-TERM PLAN, WE MUST REMAIN CONSERVATIVE AND BE POISED TO ACT IF SUCH STATE AID REDUCTIONS ARE IMPLEMENTED.



# 2021-22 BUDGET

IMPLEMENTING A BUDGET STRATEGY TO ACHIEVE OUR LONG-TERM GOALS

## 2021-22 BUDGET: REVENUES

### DRAFT 1: DECREASE APPROXIMATELY \$500,000 DUE TO THE LOSS OF NYS BUILDING AID

1. THE GOVERNOR'S EXECUTIVE BUDGET PROPOSAL MAINTAINS OUR FOUNDATION AID AT 2020-21 LEVELS;
2. LEGISLATIVE BUDGET IS DUE APRIL 1 AND MAY IMPACT OUR FOUNDATION AID
3. WE WILL SEE A \$500,000 REDUCTION IN STATE AID FOR BUILDING PROJECTS
4. THE PRELIMINARY TAX LEVY LIMIT (TAX CAP) IS \$11,795,000 WHICH REPRESENTS AN INCREASE OF \$225,000 OR 1.94% FROM THE 2020-21 TAX LEVY.
5. ALTHOUGH WHUFSD DIDN'T RECEIVE ANY ADDITIONAL FUNDS AS A RESULT OF THE MPM TAX CERTIORARI SETTLEMENT, WE DO RECOGNIZE THAT THIS GREATLY IMPACTED OUR TAXPAYERS .

# 2021-22 BUDGET

IMPLEMENTING A BUDGET STRATEGY TO ACHIEVE OUR LONG-TERM GOALS

## 2021-22 BUDGET: APPROPRIATIONS

### DRAFT 1: PROJECTED DECREASE OF \$550,000 FROM 2020-21 LEVELS, SERVICES MAINTAINED AND/OR RESTORED

1. DEBT SERVICE IS DECLINING APPROXIMATELY \$400,000 IN 2021-22
2. SALARIES AND BENEFITS ARE PROJECTED TO REMAIN AT APPROXIMATELY 2020-21 LEVELS. THIS IS DUE PRIMARILY TO SAVINGS ACHIEVED FROM THE RETIREMENT INCENTIVE AND NEGOTIATIONS.
3. CONTRACTUAL EXPENDITURES ARE PROJECTED TO DECLINE APPROXIMATELY \$250,000 IN 2021-22 DUE TO COST SAVINGS ACHIEVED FROM RENEGOTIATING TRANSPORTATION CONTRACTS AND DECREASED TAX CERTIORARI LEGAL FEES
4. EQUIPMENT PURCHASE APPROPRIATIONS (WHICH WERE CUT FROM THE 2020-21 BUDGET) WERE PARTIALLY RESTORED (APPROXIMATE \$125,000 INCREASE FROM 2020-21)
5. ALL OTHER CATEGORIES (MATERIALS & SUPPLIES, BOCES EXPENDITURES, TUITION, AND INTERFUND TRANSFERS) WILL REMAIN SUBSTANTIALLY AT 2020-21 LEVELS.

# 2021-22 BUDGET

IMPLEMENTING A BUDGET STRATEGY TO ACHIEVE OUR LONG-TERM GOALS

## 2021-22 BUDGET: APPROPRIATED FUND BALANCE/BUDGET GAP

AS THINGS STAND CURRENTLY, APPROPRIATIONS ARE SCHEDULED TO DECLINE BY \$550,000 AND REVENUES ARE SCHEDULED TO DECLINE BY \$500,000. THIS GIVES US AN ABILITY TO REDUCE THE AMOUNT OF APPROPRIATED FUND BALANCE FROM \$1.45 MILLION TO \$1.40 MILLION

BUT

OUR GOAL IS TO REDUCE APPROPRIATED FUND BALANCE TO LESS THAN \$1 MILLION. THIS MEANS WE HAVE A \$400,000+ BUDGETARY DEFICIT TO CORRECT. NOTE: THIS DOES NOT INCLUDE ANY AMOUNT WHICH MAY BE OFFSET BY ANY POTENTIAL TAX LEVY INCREASE.

# 2021-22 BUDGET

IMPLEMENTING A BUDGET STRATEGY TO ACHIEVE OUR LONG-TERM GOALS

WHY IS IT WE'VE HISTORICALLY BEEN ABLE TO APPROPRIATE A LARGE AMOUNT OF FUND BALANCE AND HAVEN'T HAD TO USE IT? WHY CAN'T WE DO THAT IN 2021-22?

1. HISTORICALLY OUR BUDGETS HAVE INCLUDED CONSERVATIVE ESTIMATES FOR APPROPRIATIONS. OFTEN FUNDS APPROPRIATED WERE NOT ULTIMATELY NEEDED AND SPENT DURING THE YEAR.
2. DUE TO EXPENDITURES INCREASING AT A MORE RAPID RATE THAN REVENUES, BUDGET ESTIMATES HAVE BECOME LESS AND LESS CONSERVATIVE AS A METHOD OF BALANCING THE BUDGET.
3. WE ARE NOW AT A PLACE WHERE THE BUDGET ESTIMATES ARE FAR MORE REFLECTIVE OF ACTUAL ANTICIPATED EXPENDITURES WITH THE EXCEPTION OF BUDGET ESTIMATES FOR VOLATILE COSTS (SUCH AS SPECIAL EDUCATION TUITION COSTS) WHICH REMAIN CONSERVATIVE.
4. TO DEMONSTRATE THE ANSWER TO THIS QUESTION – LETS GO GROCERY SHOPPING!



# 2021-22 BUDGET

WHY IS IT WE'VE HISTORICALLY BEEN ABLE TO APPROPRIATE A LARGE AMOUNT OF FUND

BALANCE AND HAVEN'T HAD TO USE IT?

Grocery Shopping	Year 1		Year 2		Year 3	
	Budget	Actual	Budget	Actual	Budget	Actual
Fresh Produce	\$18.00	\$14.00	\$18.36	\$14.70	\$18.73	\$15.44
Fresh Fruit	\$18.00	\$15.00	\$18.36	\$15.75	\$18.73	\$16.54
Deli Meat & Cheese	\$20.00	\$17.00	\$20.40	\$17.85	\$20.81	\$18.74
Bread	\$4.00	\$3.00	\$4.08	\$3.15	\$4.16	\$3.31
Chicken	\$20.00	\$18.00	\$20.40	\$18.90	\$20.81	\$19.85
Steak	\$15.00	\$12.00	\$15.30	\$12.60	\$15.61	\$13.23
Eggs	\$5.00	\$3.00	\$5.10	\$3.15	\$5.20	\$3.31
Waffles	\$10.00	\$8.00	\$10.20	\$8.40	\$10.40	\$8.82
Chips & Snacks	\$20.00	\$15.00	\$20.40	\$15.75	\$20.81	\$16.54
Soda	\$15.00	\$10.00	\$15.30	\$10.50	\$15.61	\$11.03
Total Grocery Bill	\$145.00	\$115.00	\$147.90	\$120.75	\$150.86	\$126.79
How are we paying?						
Paycheck	\$100.00	\$100.00	\$102.00	\$102.00	\$104.04	\$104.04
Savings	\$45.00	\$15.00	\$45.90	\$18.75	\$46.82	\$22.75
Savings Balance		\$70.00		\$55.00		\$36.25
Amount Actually Used		(\$15.00)		(\$18.75)		(\$22.75)
New Balance		\$55.00		\$36.25		\$13.50

LET'S GO GROCERY SHOPPING!

Example Assumptions:

1. We budget for grocery costs conservatively so we know we can get everything we need. Based on our grocery budget, we will need to dip into our savings to buy everything on our list.
2. We receive a 2% raise annually.
3. Grocery costs are actually increasing by 5% annually but we only increase our budgeted costs by 2%

Take Aways:

1. The amount of our savings we've been planning to use has increased very little because we aren't increasing our budgeted costs based on actual increases and instead are relying on our conservative estimates to get us through.
2. The amount of our savings we actually need is increasing exponentially more because costs are increasing more.
3. Eventually, if we don't cut our grocery list, we will use what we budget for from our savings – and in little time at all, our savings will be depleted.





# 2021-22 BUDGET

## WHAT SHOULD OUR GROCERY LIST LOOK LIKE?

Grocery Shopping	Year 1		Year 2		Year 3	
	Budget	Actual	Budget	Actual	Budget	Actual
Fresh Produce	\$18.00	\$14.00	\$14.75	\$14.70	\$15.49	\$15.44
Fresh Fruit	\$18.00	\$15.00	\$15.75	\$15.75	\$16.54	\$16.54
Deli Meat & Cheese	\$20.00	\$17.00	\$18.00	\$17.85	\$18.90	\$18.74
Bread	\$4.00	\$3.00	\$3.50	\$3.15	\$3.68	\$3.31
Chicken	\$20.00	\$18.00	\$19.00	\$18.90	\$19.95	\$19.85
Steak	\$15.00	\$12.00	\$8.00	\$8.00	\$5.00	\$5.00
Eggs	\$5.00	\$3.00	\$3.50	\$3.15	\$3.68	\$3.31
Waffles	\$10.00	\$8.00	\$8.50	\$8.40	\$8.93	\$8.82
Chips & Snacks	\$20.00	\$15.00	\$16.00	\$15.75	\$16.80	\$16.54
Soda	\$15.00	\$10.00	\$10.50	\$10.50	\$11.03	\$11.03
Total Grocery Bill	\$145.00	\$115.00	\$117.50	\$116.15	\$119.98	\$118.56
How are we paying?						
Paycheck	\$100.00	\$100.00	\$102.00	\$102.00	\$104.04	\$104.04
Savings	\$45.00	\$15.00	\$15.50	\$14.15	\$15.94	\$14.52
Savings Balance		\$70.00		\$55.00		\$40.85
Amount Actually Used		(\$15.00)		(\$14.15)		(\$14.52)
New Balance		\$55.00		\$40.85		\$26.33

### What SHOULD Happen:

Knowing that costs were increasing more rapidly than our income, and not wanting to deplete our savings account, in year 2, we aligned our budget with actual costs.

Because actual costs still required us to use more of our savings than we hoped (\$15), we also had to reduce our spending (see the green highlighted row for steak).

In year 3, the same occurred, not wanting to spend more than \$15 of our savings, we had to further reduce our spending on steak.

# 2021-22 BUDGET

IMPLEMENTING A BUDGET STRATEGY TO ACHIEVE OUR LONG-TERM GOALS

## QUESTIONS TO BE ANSWERED:

1. DO WE WANT TO MOVE FORWARD WITH A BUDGET THAT INCREASES THE TAX LEVY?
2. DO WE WANT TO MOVE FORWARD WITH A BUDGET THAT BEGINS IMPLEMENTING OUR LONG-TERM PLAN (I.E., REDUCES APPROPRIATED FUND BALANCE)?
3. HOW DO WE WANT TO REDUCE SERVICES TO ACHIEVE A BUDGET THAT ALLOWS FOR A REDUCED RELIANCE ON APPROPRIATED FUND BALANCE?

# MEETING SCHEDULE & OTHER IMPORTANT DATES

- FINANCE COMMITTEE MEETINGS

- MARCH 4, 2021, 6:00 PM
- MARCH 18, 2021, 6:00 PM
- MARCH 31, 2021, 6:00 PM

- OTHER IMPORTANT DATES:

- MARCH 1, 2021: TAX CAP DUE
- APRIL 1, 2021: NYS LEGISLATIVE BUDGET
- APRIL 22, 2021: BOE APPROVAL OF BUDGET
- MAY 6, 2021: BUDGET HEARING
- MAY 18, 2021: BUDGET VOTE

**QUESTIONS?**

