

The seal of the Irvington Union Free School District is a circular emblem. The outer ring contains the text "IRVINGTON" at the top and "UNION FREE SCHOOL DISTRICT" at the bottom. Inside this ring, the words "NEW YORK" and the year "1856" are visible. The center of the seal features a large, stylized letter "I".

Planning for the Future

An Overview of the IUFSD Long-Range Financial Plan

December 5, 2023

Being mindful of our Strategic Plan underpins our decisions throughout the budget process and for allocation of funds.

This presentation highlights the Strategic Priority of

Stewardship of Resources

Strategic Priorities



The development and maintenance of a long-range financial plan is a key goal and component to achieve success in this priority and will contribute to success for the other priorities.

Stewardship of Resources

- Maintain sufficient fund balance to preserve and enhance equitable academic programming.
- Ensure modern and well-maintained buildings and grounds that are utilized effectively to provide a safe, secure, and appropriate learning environment.
- Improve and sustain technology infrastructure, furniture, and other supplies to align with instructional programs.
- Uphold and promote sustainable practices.

Presentation Goal

In an effort to attain the Irvington UFSD Strategic Objectives, we will develop an understanding of the District's fiscal future, through the lens of our long-range financial projections.

In doing so, the Board of Education should contemplate:

- Long-range plan is useful as a guide only - no crystal ball
- Tax levy is ~90% of revenue so CPI and growth rate assumptions heavily impact projections
- Other key drivers are required pension match rates, health insurance premiums, utility costs and transportation expenses in addition to salary
- Economic environments change. Inflation, interest rates, major health events, world events etc. create future uncertainty
- Past years show one can never accurately predict the future

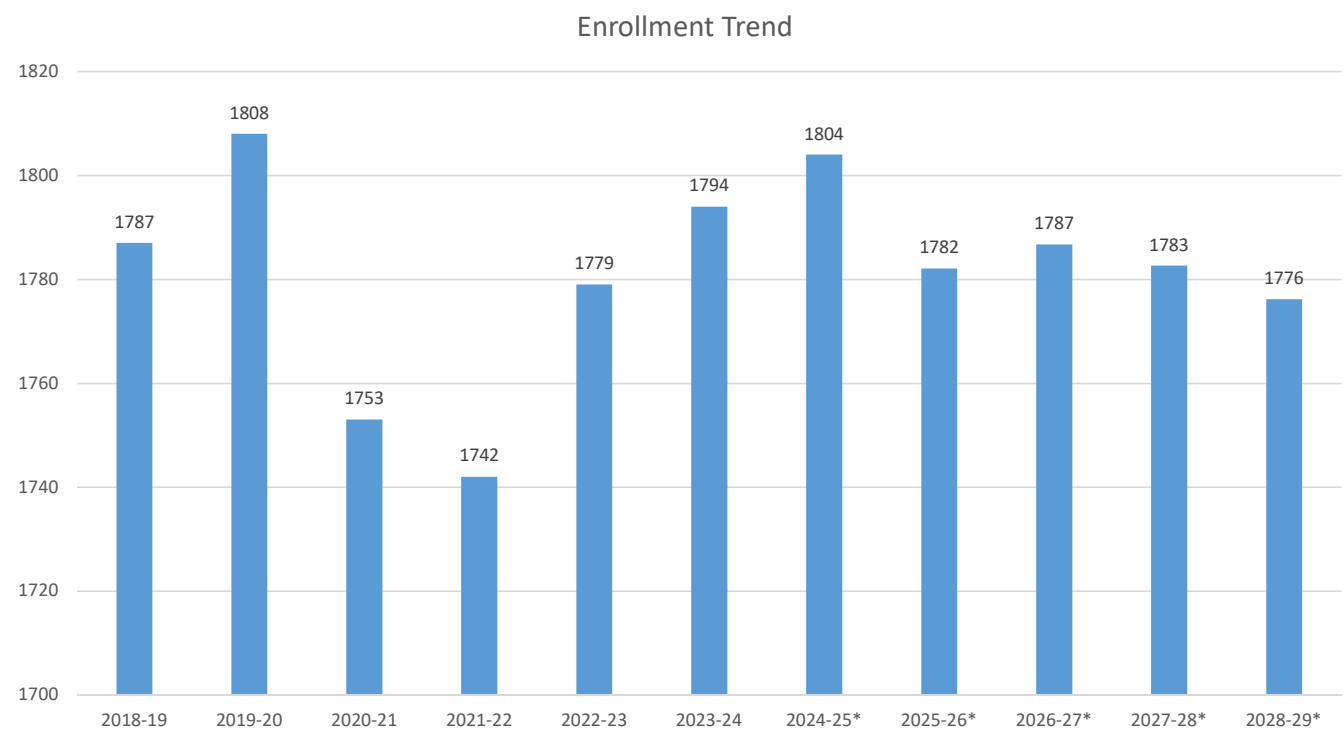
Long-Range Financial Plan

- Useful tool to consider financial outlook of the District and identify financial opportunities and obstacles
- Past information guides forecasts to some extent, but may not be relevant to future
 - Example: Special Ed student placements
- Some information is known well in advance
 - Debt schedule
- Contractual salaries for settled contracts
- Much relies on assumptions and *educated estimations/outlooks*
 - Tax Cap CPI and growth factors
 - Pension contribution rates
 - Health insurance costs
 - Utility costs
 - Transportation contracts
- Projects a push-ahead budget: maintaining all existing programs and services with no additions or new initiatives

Enrollment Projections

- Utilizing Forecast 5 and live birth data, we can see that enrollment has grown slightly and then will continue to be steady after experiencing some small decreases. Trends across the tri-state area generally show declining enrollment. Many districts did not rebound as well as IUFSO after the pandemic.
- Enrollment of kindergarten students exceeds live births over the last six years (average of 147%), leading to the conclusion that families are moving to Irvington for our schools.
- For many years, the live birth rate is predictive of the Kindergarten class size 5 years later, however, one is calendar year and one is school year. We are also noticing a trend that parents wait to start their children in Kindergarten, especially for students with fall birthdays.
- We may have one future year of a smaller Kindergarten class (2025-26), but the other years will average 124.
- There are approximately 160 resident students enrolled in 38 private schools. This number fluctuates and could impact enrollment at any time.

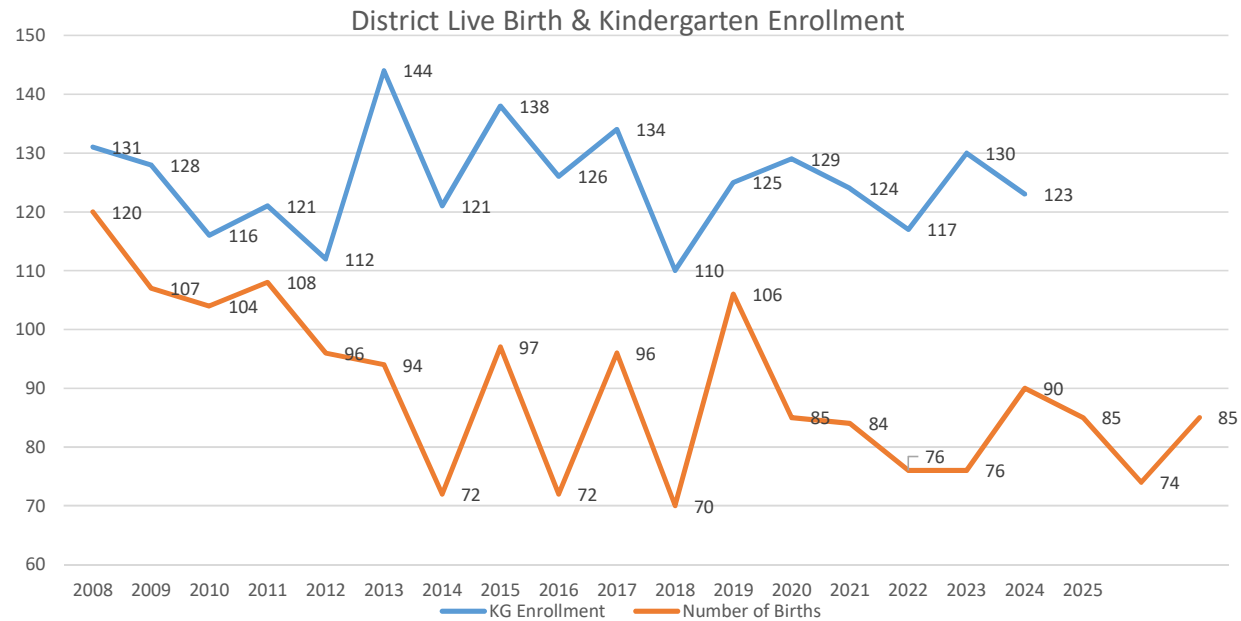
Enrollment Projections



*Projected
Source: Forecast 5 Analytics

Enrollment Projections

		History					Projection					
	Kindergarten	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Live Birth Year:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Total Live Births	106	85	84	76	76	90	85	74	85	85	85
	Kindergarten Enrollment	125	129	124	117	130	123	125	108	124	124	124
	Enrollment/Live Births Ratio	117.92%	151.76%	147.62%	153.95%	171.05%	136.67%	146.50%	146.50%	146.50%	146.50%	146.50%



Live Birth Data for 2022 or 2023 is not yet released, used multi year average

Source: Forecast 5 Analytics

Enrollment Projections

	History					Projection					
Grade	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Kindergarten	125	129	124	117	130	123	125	108	124	124	124
1	115	125	127	131	123	138	129	131	114	130	130
2	141	121	127	138	129	119	136	127	129	112	128
3	136	146	120	128	150	132	129	148	138	140	122
4	142	132	143	122	127	145	131	128	147	137	139
5	134	138	132	142	119	123	141	128	125	143	134
6	147	140	141	136	145	119	126	144	130	128	146
7	142	150	137	143	135	147	118	125	143	129	127
8	129	149	148	135	146	143	150	121	127	146	132
9	136	131	131	142	131	140	139	146	117	124	142
10	129	136	123	129	147	135	145	144	151	121	128
11	140	133	129	120	134	152	140	151	149	157	126
12	137	136	128	125	123	142	156	144	154	153	161
Ungraded	10	10	16	14	14	12	13	14	13	13	13
Total K-12	1,763	1,776	1,726	1,722	1,753	1,770	1,778	1,758	1,763	1,758	1,752
Placed out of District	24	32	27	20	26	24	26	25	24	25	25
Total District	1,787	1,808	1,753	1,742	1,779	1,794	1,804	1,782	1,787	1,783	1,776
Annual Change		21	(55)	(11)	37	15	10	(22)	5	(4)	(6)
Annual Change %		1.18%	-3.04%	-0.63%	2.12%	0.84%	0.56%	-1.21%	0.26%	-0.23%	-0.36%

Source: Forecast 5 Analytics

This projection uses a cohort survival rate which is the ratio of the number of students enrolling in a grade in one year to the number of students that were in the earlier grade the previous year.

Enrollment Projections

Grade Level Survival Rate by Year										
Grade	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
1	100.00%	98.45%	105.65%	105.13%	106.15%	105.13%	105.13%	105.13%	105.13%	105.13%
2	105.22%	101.60%	108.66%	98.47%	96.75%	98.47%	98.47%	98.47%	98.47%	98.47%
3	103.55%	99.17%	100.79%	108.70%	102.33%	108.70%	108.70%	108.70%	108.70%	108.70%
4	97.06%	97.95%	101.67%	99.22%	96.67%	99.22%	99.22%	99.22%	99.22%	99.22%
5	97.18%	100.00%	99.30%	97.54%	96.85%	97.54%	97.54%	97.54%	97.54%	97.54%
6	104.48%	102.17%	103.03%	102.11%	100.00%	102.11%	102.11%	102.11%	102.11%	102.11%
7	102.04%	97.86%	101.42%	99.26%	101.38%	99.26%	99.26%	99.26%	99.26%	99.26%
8	104.93%	98.67%	98.54%	102.10%	105.93%	102.10%	102.10%	102.10%	102.10%	102.10%
9	101.55%	87.92%	95.95%	97.04%	95.89%	97.04%	97.04%	97.04%	97.04%	97.04%
10	100.00%	93.89%	98.47%	103.52%	103.05%	103.52%	103.52%	103.52%	103.52%	103.52%
11	103.10%	94.85%	97.56%	103.88%	103.40%	103.88%	103.88%	103.88%	103.88%	103.88%
12	97.14%	96.24%	96.90%	102.50%	105.97%	102.50%	102.50%	102.50%	102.50%	102.50%

Cohort Survival Rate Averages				
Grade	4-Year	3-Year	2-Year	1-Year
1	102.31%	103.07%	105.39%	105.13%
2	103.49%	102.91%	103.57%	98.47%
3	103.05%	102.89%	104.74%	108.70%
4	98.97%	99.61%	100.44%	99.22%
5	98.51%	98.95%	98.42%	97.54%
6	102.95%	102.44%	102.57%	102.11%
7	100.15%	99.51%	100.34%	99.26%
8	101.06%	99.77%	100.32%	102.10%
9	95.61%	93.63%	96.49%	97.04%
10	98.97%	98.63%	101.00%	103.52%
11	99.85%	98.76%	100.72%	103.88%
12	98.20%	98.55%	99.70%	102.50%

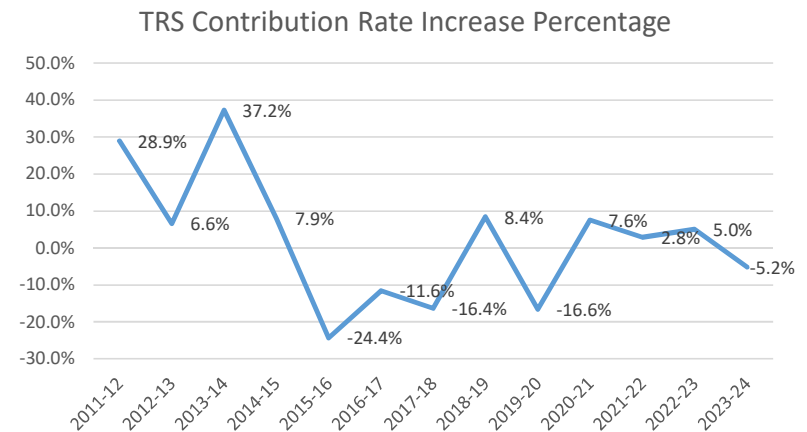
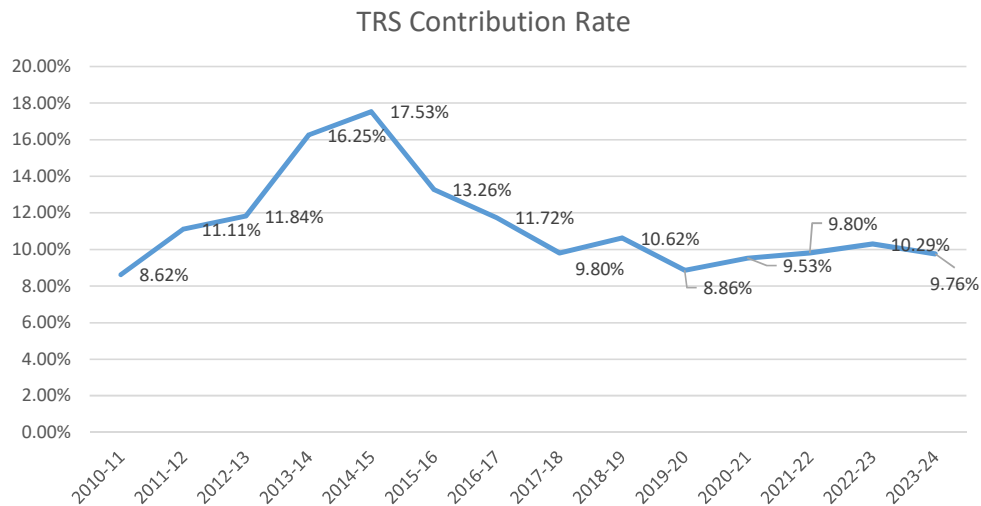
Source: Forecast 5 Analytics

The survival rate is the ratio of the number of students enrolling in a grade in one year to the number of students that were in the earlier grade the previous year. This number is affected by withdrawals and new entrants. Overall, these rates show a very stable enrollment picture.

Long-Range Financial Plan:

Historical Review of Key Financial Factors

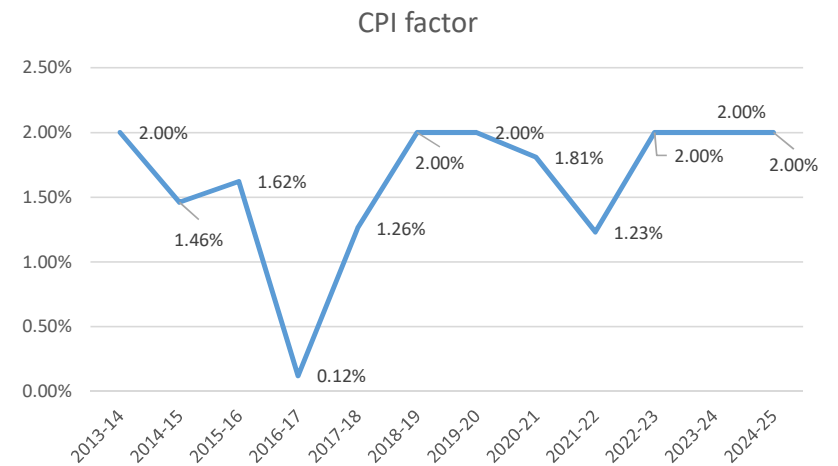
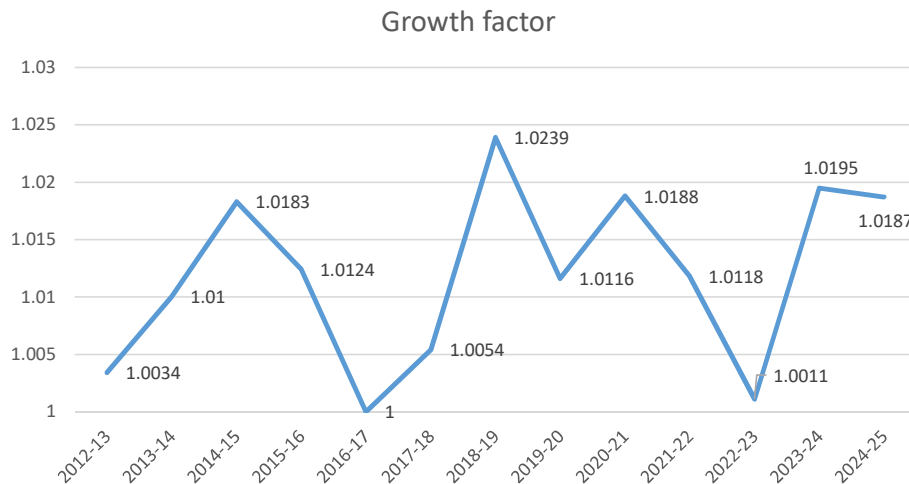
TRS Contribution Rate increases may seem small on a basis point viewpoint but often result in increases well above CPI. The estimate for the contribution rate for 2023-24 salaries payable in 2024-25 is 9.75-10.25%.



Long-Range Financial Plan:

Historical Review of Key Financial Factors

Growth/CPI factors used in Tax Levy Cap formula

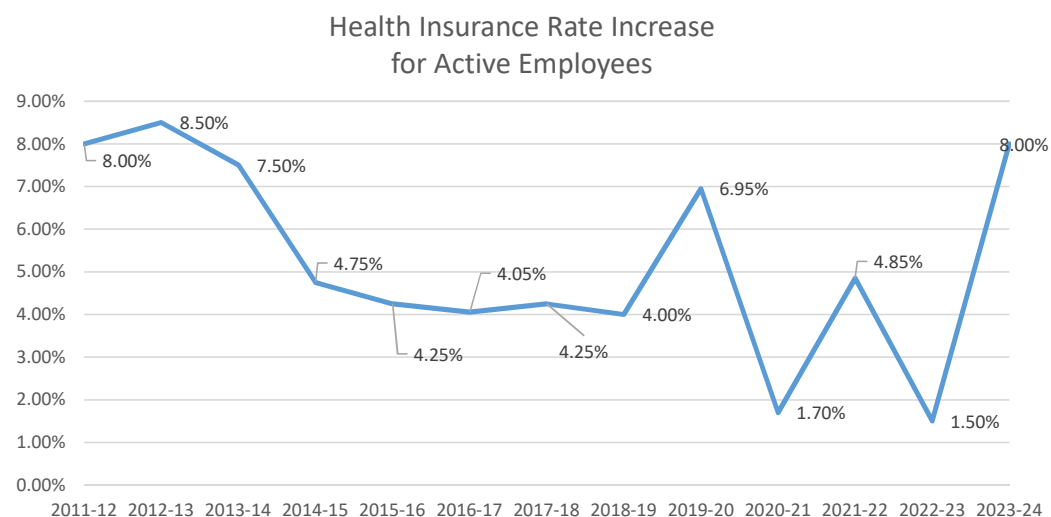


* 2024-25 Expected

Long-Range Financial Plan:

Historical Review of Key Financial Factors

Health insurance premiums percentage rate increases.



Rates across the country are increasing with inflation. We expect a similar increase percentage to continue for the foreseeable future, especially with life expectancy remaining in the high 70's.

A Look at District Reserves

- Fund Balance results when actual expenditures are lower than revenues.
- The District's fund balance policy designates 4% of the next year's budget to be "undesignated". This is the allowable and recommended amount per State Comptroller.
- Typically, a set amount is designated for appropriation as a revenue source for the following year's budget.
- Funds are also designated for "carry over" encumbrances.
- The remaining surplus is allocated to specific reserve funds – spending is with Board approval except for the Capital Reserve, which requires public approval.
- Reserves assist school districts with "weathering storms" and "managing ups and downs" in key cost drivers to minimize impacts on instructional programs.
- The level of a district's reserves is part of the OSC Fiscal Stress score. Our recent trend of improved fund balances has led to a designation of no stress.

A Look at District Reserves

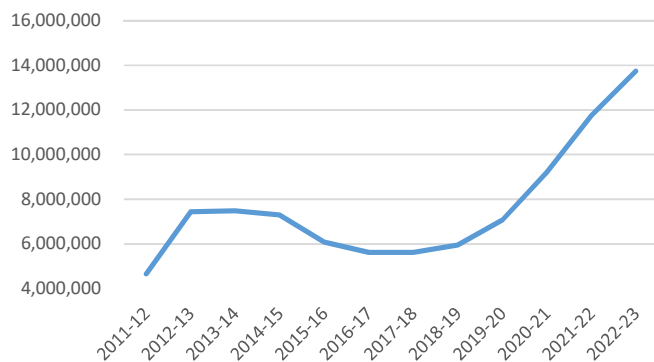
Healthy reserves are factored into Bond Debt ratings. Just prior to our recent borrowing for the capital project, Moody's upgraded Irvington from Aa3 to Aa2, citing a "return to structurally balanced financial operations", yet also noted that "Reserves and liquidity [are] below similarly rated districts". This positively affected our borrowing rates.

Aaa	Obligations rated Aaa are judged to be of the highest quality, with minimal risk
Aa	Obligations rated Aa are judged to be of high quality and are subject to very low credit risk
A	Obligations rated A are considered upper medium-grade and are subject to low credit risk
Baa	Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics.
Ba	Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk
B	Obligations rated B are considered speculative and are subject to high credit risk
	Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa.
1	indicates obligation ranks in the higher end of its generic rating category
2	indicates obligation ranks in a mid-range ranking of its generic rating category
3	indicates obligation ranks in a ranking in the lower end of that generic rating category
	(Source: www.moodys.com)

A Look at District Reserves

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Undesignated	2,012,996	2,162,802	2,251,761	2,306,559	2,333,200	2,364,020	2,453,927	2,518,142	2,582,259	2,654,469	2,738,999	2,923,163
Reserves for Encumbrances	134,037	184,907	300,761	541,161	636,386	161,424	18,684	76,509	362,968	214,305	469,229	838,274
Appropriated for Revenue	422,000	422,000	422,000	422,000	530,000	422,500	422,500	422,500	422,500	422,500	422,500	422,500
Tax Certiorari	1,936,742	4,514,753	3,464,315	2,991,481	1,336,831	1,541,753	1,476,548	1,513,923	1,980,758	3,369,291	4,713,182	4,423,699
Employee Benefit Liability	156,629	156,629	854,354	854,354	854,354	502,949	460,619	434,670	321,588	421,668	622,128	658,522
Worker Compensation			190,000	190,000	190,000	341,273	393,825	475,922	436,556	800,062	916,737	1,010,948
Capital					200,000	301,340	403,593	460,866	566,322	766,462	1,117,300	2,421,184
ERS/TRS Retirement Contribution								50,000	400,592	550,691	751,293	1,037,525
Total Fund Balance	4,662,404	7,441,091	7,483,191	7,305,555	6,080,771	5,635,259	5,629,696	5,952,532	7,073,543	9,199,448	11,751,368	13,735,815
Increase/(Decrease)		2,778,687	42,100	(177,636)	(1,224,784)	(445,512)	(5,563)	322,836	1,121,011	2,125,905	2,551,920	1,984,447
Note: Increase in Tax Certiorari Reserve in 2012-13 resulted from borrowing funds												

Fund Balance History



Fund Balance is shown as a year-end number. During the year, funds may be transferred out to support needs through a board resolution. At year's end, surplus is allocated to the reserves if available and need exists.

Tax cert exposure at June year end was \$21,301,309. With settlement history, a realistic exposure is \$4,448,029. The reserve is thus in line with the exposure.

Long-Range Financial Plan:

Key Revenue Assumptions

Revenue Assumptions Base Plan:	
Tax Levy Cap	
Growth Factor	1.0187, then 1.015
CPI Factor	2.00%
State Aid	1% increase in Foundation aid
	Used average of past 3 years for excess cost, instructional materials, BOCES, and transportation aids adjusted with updated aid ratios
	Building aid increases due to new projects
	Prior Year Aid owed to District has been indefinitely deferred and not included
Other Key Revenues	
Sales Tax Share	One time adjustment, then 2% increase
BOCES Rental	2%
Tuition Revenue	Current students projected out
Health Services	Flat enrollment projected for JCOS
	One time adjustment to match current rate environment, then gradually reduced to reflect probability of reduced interest rates
Interest Income	

Long-Range Financial Plan:

Key Expense Assumptions

Expense Assumptions Base Plan:	
Pension Employer Contribution rates:	
TRS	10% (2024-25 estimate is 9.75-10.25%)
ERS (reflects gradual change of tier mix)	15%, then reduced by 20 basis points each year due to improved tier mix
Annual Percent Increases:	
Health Insurance	8%
Contractual and Supplies	Varies between 2-4% depending on type
Tax Certs	\$75,000 per year, utilize reserve
BOCES (varies if salary related)	2%
BOCES Administrative Fee	2.5%
Utilities	5.0%
Special Education Tuitions	2%
Transportation	4% for contract, 2% for management services
Other:	
Contractual salary increases based on known contracts	
Capital expenses in Facilities is flat: \$295,000 per year	
Debt Service per schedule and assumes no new Tax Cert borrowings	
Other one time adjustments based on known information, eg. reduced Worker's Comp tail claim expenses	

Long-Range Plan Revenue Outlook

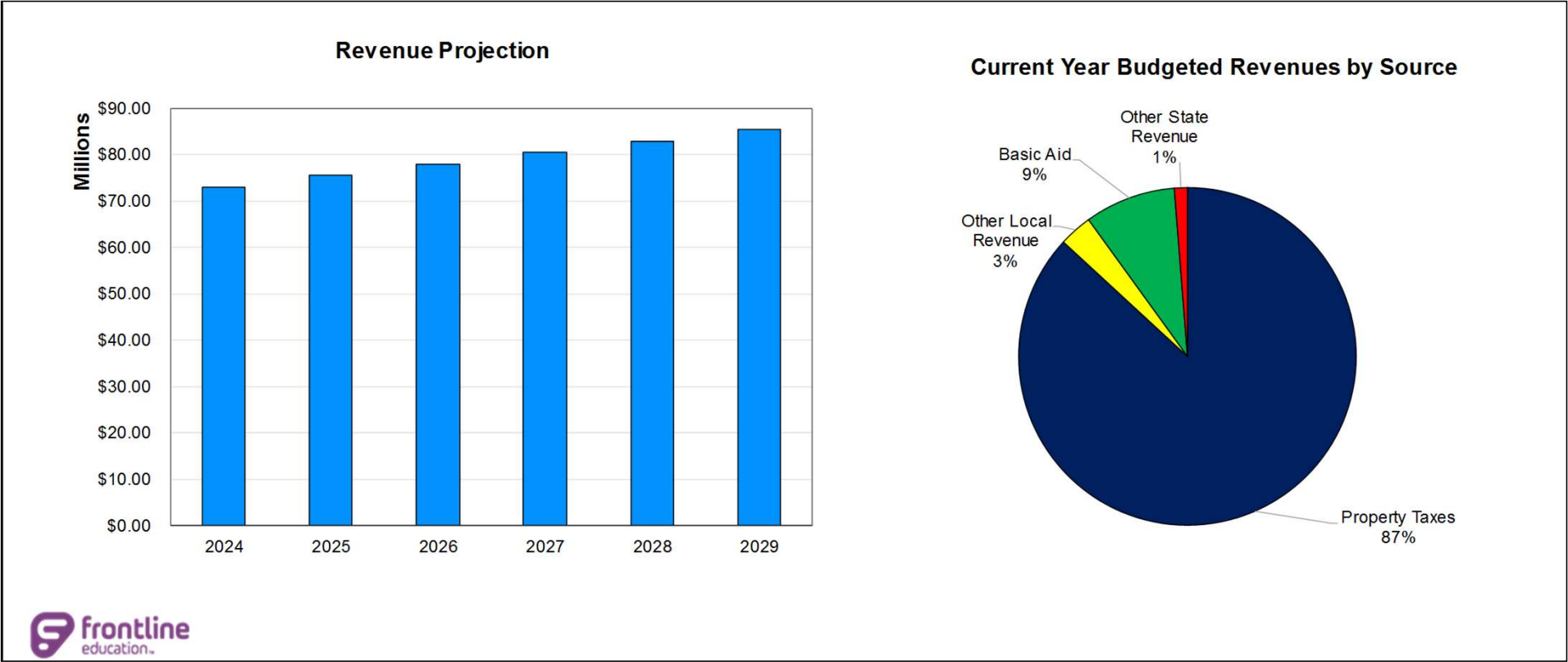
General (A) Fund | Revenue Analysis

Base Scenario

	BUDGET	REVENUE PROJECTIONS									
	2024	2025	% Δ	2026	% Δ	2027	% Δ	2028	% Δ	2029	% Δ
LOCAL											
Property Taxes	\$63,107,973	\$65,339,779	3.54%	\$67,605,366	3.47%	\$69,946,835	3.46%	\$72,366,989	3.46%	\$74,878,040	3.47%
Other Local Revenue	2,303,071	2,442,079	6.04%	2,474,199	1.32%	2,481,962	0.31%	2,490,360	0.34%	2,499,446	0.36%
TOTAL LOCAL REVENUE	65,411,044	67,781,858	3.62%	70,079,565	3.39%	72,428,797	3.35%	74,857,349	3.35%	77,377,486	3.37%
STATE											
Basic Aid	6,340,328	6,592,178	3.97%	6,633,633	0.63%	6,692,198	0.88%	6,752,497	0.90%	6,819,172	0.99%
Other State Revenue	905,248	914,328	1.00%	929,613	1.67%	945,474	1.71%	961,921	1.74%	978,399	1.71%
TOTAL STATE REVENUE	7,245,576	7,506,506	3.60%	7,563,246	0.76%	7,637,672	0.98%	7,714,418	1.00%	7,797,571	1.08%
OTHER FINANCING SOURCES	422,500	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%
TOTAL REVENUE	\$73,079,120	\$75,710,864	3.60%	\$78,065,311	3.11%	\$80,488,969	3.10%	\$82,994,267	3.11%	\$85,597,557	3.14%

Revenue drives the budget. Typically, over 90% of the District's revenue comes from the tax levy/STAR payment. With the recent large increase in State Aid due to the settlement of the Foundation Aid lawsuit, this percentage has reduced to 87%. Sales Tax revenue and Interest Income have also been positive which this scenario reflects.

Long-Range Plan Revenue Outlook



Long-Range Plan Expenditure Outlook

General (A) Fund | Expenditure Analysis

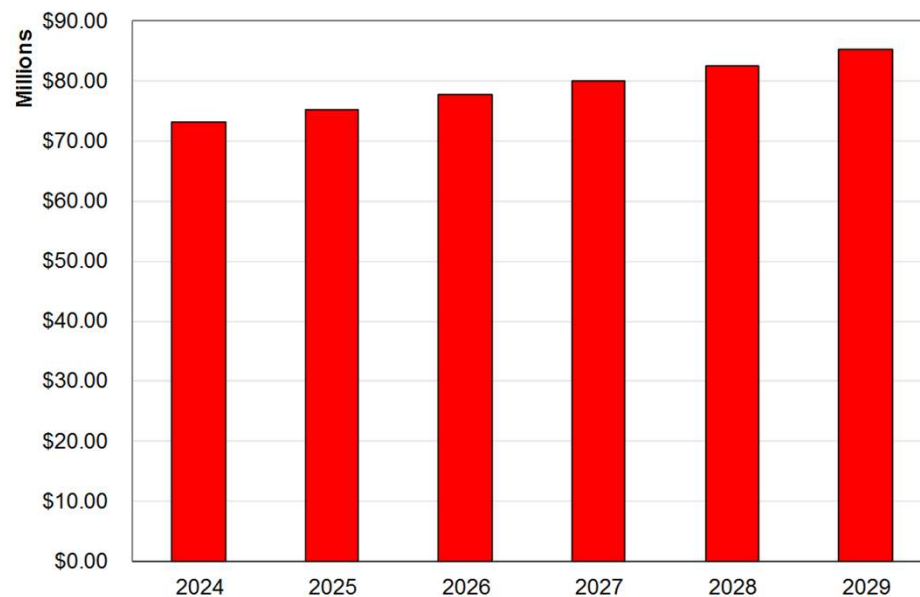
Base Scenario

	BUDGET	EXPENDITURE PROJECTIONS									
	2024	2025	%Δ	2026	%Δ	2027	%Δ	2028	%Δ	2029	%Δ
Salaries	\$35,696,179	\$36,565,464	2.44%	\$37,430,965	2.37%	\$38,307,015	2.34%	\$39,198,783	2.33%	\$40,158,506	2.45%
Benefits	17,015,116	18,093,634	6.34%	19,118,047	5.66%	20,211,378	5.72%	21,338,186	5.58%	22,553,299	5.69%
TOTAL SALARIES & BENEFITS	52,711,295	54,659,098	3.70%	56,549,012	3.46%	58,518,393	3.48%	60,536,970	3.45%	62,711,806	3.59%
Equipment and Capital Outlay	323,785	333,499	3.00%	340,169	2.00%	346,972	2.00%	353,911	2.00%	357,859	1.12%
Contractual, Supplies and Other	16,257,858	16,707,936	2.77%	17,134,615	2.55%	17,574,100	2.56%	18,026,829	2.58%	18,483,716	2.53%
Debt Service	3,711,181	3,546,606	-4.43%	3,550,956	0.12%	3,551,300	0.01%	3,547,662	-0.10%	3,549,437	0.05%
Interfund Transfers	75,000	75,000	0.00%	75,000	0.00%	75,000	0.00%	75,000	0.00%	75,000	0.00%
TOTAL ALL OTHER	20,367,825	20,663,041	1.45%	21,100,740	2.12%	21,547,372	2.12%	22,003,403	2.12%	22,466,013	2.10%
TOTAL EXPENDITURES	\$73,079,120	\$75,322,139	3.07%	\$77,649,752	3.09%	\$80,065,765	3.11%	\$82,540,372	3.09%	\$85,177,818	3.20%

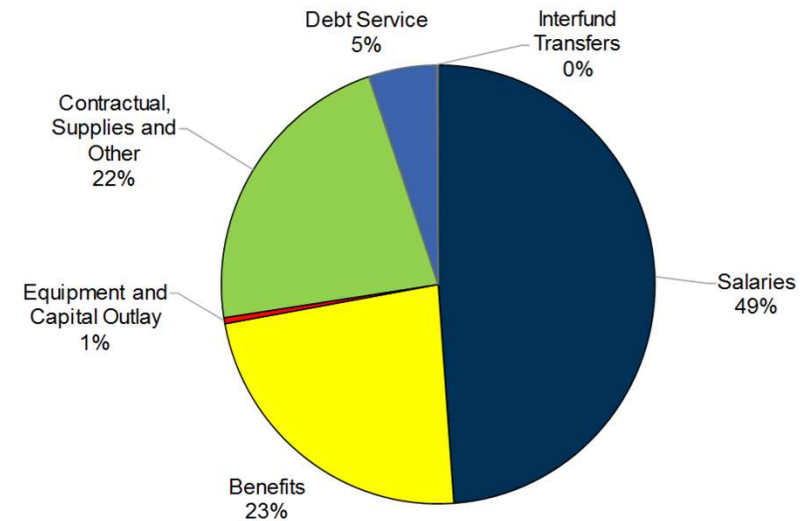
Expenses are largely influenced by salary and benefit costs.

Long-Range Plan Expenditure Outlook

Expenditure Projection



Current Year Budgeted Expenditures by Object



Long-Range Plan Financial Outlook

General (A) Fund | Summary

Base Scenario

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2024	2025	% Δ	2026	% Δ	2027	% Δ	2028	% Δ	2029	% Δ
REVENUE											
Local	\$65,411,044	\$67,781,858	3.62%	\$70,079,565	3.39%	\$72,428,797	3.35%	\$74,857,349	3.35%	\$77,377,486	3.37%
State	7,245,576	7,506,506	3.60%	7,563,246	0.76%	7,637,672	0.98%	7,714,418	1.00%	7,797,571	1.08%
Transfers / Other	422,500	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%
TOTAL REVENUE	73,079,120	75,710,864 	3.60%	78,065,311 	3.11%	80,488,969 	3.10%	82,994,267 	3.11%	85,597,557	3.14%
EXPENDITURES											
Salary and Benefit Costs	52,711,295	54,659,098	3.70%	56,549,012	3.46%	58,518,393	3.48%	60,536,970	3.45%	62,711,806	3.59%
Other	20,367,825	20,663,041	1.45%	21,100,740	2.12%	21,547,372	2.12%	22,003,403	2.12%	22,466,013	2.10%
TOTAL EXPENDITURES	73,079,120	75,322,139 	3.07%	77,649,752 	3.09%	80,065,765 	3.11%	82,540,372 	3.09%	85,177,818	3.20%
SURPLUS / DEFICIT	\$0	\$388,726		\$415,559		\$423,204		\$453,894		\$419,738	

Expenses must equal expected revenue. If expenses are below expected revenue, a surplus results. If it exceeds revenue, a deficit results. This scenario shows positive financial health over the next five years resulting from the assumption of a 2% tax levy cap factor and other assumptions used in creating the base plan.

Long-Range Plan Fund Balance Outlook

General (A) Fund | Projection Summary

Base Scenario

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2024	2025	% Δ	2026	% Δ	2027	% Δ	2028	% Δ	2029	% Δ
REVENUE											
Local	\$65,411,044	\$67,781,858	3.62%	\$70,079,565	3.39%	\$72,428,797	3.35%	\$74,857,349	3.35%	\$77,377,486	3.37%
State	7,245,576	7,506,506	3.60%	7,563,246	0.76%	7,637,672	0.98%	7,714,418	1.00%	7,797,571	1.08%
Transfers / Other	422,500	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%
TOTAL REVENUE	73,079,120	75,710,864	3.60%	78,065,311	3.11% 	80,488,969	3.10% 	82,994,267	3.11% 	85,597,557	3.14%
EXPENDITURES											
Salary and Benefit Costs	52,711,295	54,659,098	3.70%	56,549,012	3.46%	58,518,393	3.48%	60,536,970	3.45%	62,711,806	3.59%
Other	20,367,825	20,663,041	1.45%	21,100,740	2.12%	21,547,372	2.12%	22,003,403	2.12%	22,466,013	2.10%
TOTAL EXPENDITURES	73,079,120	75,322,139	3.07%	77,649,752	3.09%	80,065,765	3.11%	82,540,372	3.09%	85,177,818	3.20%
SURPLUS / DEFICIT	0	388,726		415,559		423,204		453,894		419,738	
BEGINNING FUND BALANCE	13,735,815	13,735,815		14,124,541		14,540,100		14,963,304		15,417,198	
PROJECTED YEAR END BALANCE	\$13,735,815	\$14,124,541		\$14,540,100		\$14,963,304		\$15,417,198		\$15,836,936	
FUND BALANCE AS % OF EXPENDITURES	18.80%	18.75%		18.73%		18.69%		18.68%		18.59%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	2.26	2.25		2.25		2.24		2.24		2.23	

This slide displays the cumulative effect of surplus generation on fund balance. While it appears a surplus is generated each year, in actuality the District would essentially break even over the next 5 years as the surplus generated would be about the same as the surplus applied as a revenue source. Assuming all expenditures were actually spent, when the surplus is less than the “transfer” amount, total fund balance would decline.

Long-Range Plan Fund Balance Outlook

General (A) Fund | Summary

Base Scenario

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2024	2025	%Δ	2026	%Δ	2027	%Δ	2028	%Δ	2029	%Δ
REVENUE											
Local	\$65,411,044	\$67,781,858	3.62%	\$70,079,565	3.39%	\$72,428,797	3.35%	\$74,857,349	3.35%	\$77,377,486	3.37%
State	7,245,576	7,506,506	3.60%	7,563,246	0.76%	7,637,672	0.98%	7,714,418	1.00%	7,797,571	1.08%
Federal	0	0		0		0		0		0	
Transfers / Other	0	0		0		0		0		0	
TOTAL REVENUE	72,656,620	75,288,364	3.62%	77,642,811	3.13%	80,066,469	3.12%	82,571,767	3.13%	85,175,057	3.15%
EXPENDITURES											
Salary and Benefit Costs	52,711,295	54,659,098	3.70%	56,549,012	3.46%	58,518,393	3.48%	60,536,970	3.45%	62,711,806	3.59%
Other	20,367,825	20,663,041	1.45%	21,100,740	2.12%	21,547,372	2.12%	22,003,403	2.12%	22,466,013	2.10%
TOTAL EXPENDITURES	73,079,120	75,322,139	3.07%	77,649,752	3.09%	80,065,765	3.11%	82,540,372	3.09%	85,177,818	3.20%
SURPLUS / DEFICIT	(422,500)	(33,774)		(6,941)		704		31,394		(2,762)	
Assigned Fund Balance	422,500										
ADJUSTED SURPLUS / DEFICIT	\$0	(\$33,774)		(\$6,941)		\$704		\$31,394		(\$2,762)	

This illustrates that without assigning fund balance the revenues would not fully support the expenditures predicted in the model each of the 5 years in this outlook.

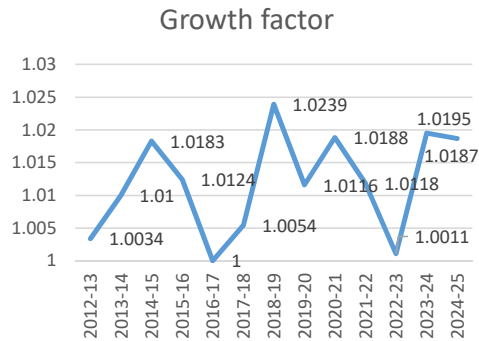
Long-Range Plan Related Strategies

- Review any larger one-time revenues or expenses – creates opportunities for program enhancements or reserves
- Time capital projects when debt is reduced due to expiring/paid issues
- Plan to build/maintain reserves to offset larger increases/swings that could affect instructional programs and reduce need to borrow
 - TRS/ERS Reserve
 - Tax Cert Reserve
 - Worker's Comp Reserve
 - Capital Reserve
- Plan to budget expenditures within budgeted revenues
- Review allocations of fund balance to support budget and ensure it is sustainable

What is the Effect of a Key Financial Driver?

- The Base Scenario has fairly favorable assumptions for the tax levy cap and stable foundation aid, which creates a positive revenue outlook and supports expected expenditures
- A second scenario reduces the Tax Base Growth Factor from 1.015 to 1.01. This is not a factor we can control in the School District as it is set by the NYS Office of Real Property
 - The Quantity Change Factor adjusts the tax levy limit to reflect an increase in the full value of taxable real property in a school district due to physical or quantity change – i.e., new growth or significant additions to existing properties. The Commissioner of Taxation and Finance will issue a Quantity Change Factor for all school districts that have experienced an increase in the full value of taxable real property due to a physical or quantity change. Increases in full value due to changes in assessment only do not constitute a basis for a quantity change factor. In addition, a physical or quantity change does not result from the splitting or merging of parcels. Moreover, property returning to the tax rolls after the expiration of a PILOT does not constitute a basis for a Quantity Change Factor. (Source: The Property Tax Cap – Guidelines for Implementation by the NYS Department of Taxation and Finance and the NYS Department of State)
- No other revenue/expenditure assumptions are changed – not realistic, but done to show the effect of the key financial driver
- This scenario will show the reduction of revenue and cumulative effect over the next few years
- In Years 3-5, reductions in expenditures, or use of reserves, would be needed should this scenario occur

Long-Range Financial Outlook: A More Pessimistic View



Here you can see that the change from 1.015 to 1.01 in the growth factor might result in an average revenue loss of \$350,955. HOWEVER....

Scenario 1 - Tax Cap growth factor is lower						
	BUDGET 2024	2025	2026	2027	2028	2029
Tax Levy Limit (Cap) Before Exclusions						
Tax Levy Prior Year	\$61,027,484	\$63,107,972	\$65,339,779	\$67,605,366	\$69,946,835	\$72,366,989
Prior Year Reserve Offset	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Amount	\$0	\$0	\$0	\$0	\$0	\$0
Tax Base Growth Factor - Changed from 1.015	1.0195	1.0187	1.0100	1.0100	1.0100	1.0100
PILOTs Receivable Prior Year	\$14,557	\$14,557	\$14,577	\$14,577	\$14,577	\$14,557
Tort/ Judgement Exclusion Prior Year	\$0	\$0	\$0	\$0	\$0	\$0
Capital Tax Levy for Prior Year	\$2,761,507	\$2,462,548	\$2,277,454	\$2,281,804	\$2,282,148	\$2,278,510
Allowable Levy Growth Factor	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200
PILOTs Receivable Current FYE	\$14,557	\$14,577	\$14,577	\$14,577	\$14,557	\$14,557
Available Carryover from Prior FYE	\$0	\$0	\$0	\$0	\$0	\$0
Total Levy Limit Before Exclusions	\$60,645,424	\$63,062,325	\$64,990,329	\$67,319,900	\$69,731,750	\$72,228,683
Exclusions						
Tax Levy Necessary Resulting from Tort Judgements Over 5%	\$0	\$0	\$0	\$0	\$0	\$0
Capital Levy for Current Year	\$2,462,548	\$2,277,454	\$2,281,804	\$2,282,148	\$2,278,510	\$2,280,285
ERS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
TRS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
Total Exclusions	\$2,462,548	\$2,277,454	\$2,281,804	\$2,282,148	\$2,278,510	\$2,280,285
Tax Levy Limit, Adjusted For Transfers, Plus Exclusions	\$63,107,972	\$65,339,779	\$67,272,133	\$69,602,048	\$72,010,260	\$74,508,968
Reserve Amount Used to Reduce Current Year Levy	\$0	\$0	\$0	\$0	\$0	\$0
Proposed Levy for Current Year, Base Scenario	\$63,107,972	\$65,339,779	\$67,605,366	\$69,946,835	\$72,366,989	\$74,878,040
	2024	2025	2026	2027	2028	2029
CURRENT FYE PROPOSED LEVY, NET OF RESERVE %	3.41%	3.54%	3.47%	3.46%	3.46%	3.47%
TAX LEVY LIMIT %	3.41%	3.54%	2.96%	2.95%	2.95%	2.96%
DIFFERENCE BETWEEN TAX LEVY LIMIT AND PROPOSED LEVY	\$0	\$0	(\$333,233)	(\$344,787)	(\$356,729)	(\$369,072)

Long-Range Financial Outlook: A More Pessimistic View

In actuality, the change from 1.015 to 1.01 in the growth factor really results in an average revenue loss of \$888,439 over the next 4 years or a cumulative total of \$3,553,756.

Tax Cap Calculator Results Report						
Scenario 1 - Tax Cap growth factor is lower						
	Cumulative Effect					
	BUDGET	PROJECTIONS				
	2024	2025	2026	2027	2028	2029
Tax Levy Limit (Cap) Before Exclusions						
Tax Levy Prior Year	\$61,027,484	\$63,107,972	\$65,339,779	\$67,272,133	\$69,258,751	\$71,301,396
Prior Year Reserve Offset	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Amount	\$0	\$0	\$0	\$0	\$0	\$0
Tax Base Growth Factor - Changed from 1.015	1.0195	1.0187	1.0100	1.0100	1.0100	1.0100
PILOTS Receivable Prior Year	\$14,557	\$14,557	\$14,577	\$14,577	\$14,577	\$14,557
Tort/ Judgement Exclusion Prior Year	\$0	\$0	\$0	\$0	\$0	\$0
Capital Tax Levy for Prior Year	\$2,761,507	\$2,462,548	\$2,277,454	\$2,281,804	\$2,282,148	\$2,278,510
Allowable Levy Growth Factor	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200
PILOTS Receivable Current FYE	\$14,557	\$14,577	\$14,577	\$14,577	\$14,557	\$14,557
Available Carryover from Prior FYE	\$0	\$0	\$0	\$0	\$0	\$0
Total Levy Limit Before Exclusions	\$60,645,424	\$63,062,325	\$64,990,329	\$66,976,603	\$69,022,886	\$71,130,909
Exclusions						
Tax Levy Necessary from Tort Judgements Over 5%	\$0	\$0	\$0	\$0	\$0	\$0
Capital Levy for Current Year	\$2,462,548	\$2,277,454	\$2,281,804	\$2,282,148	\$2,278,510	\$2,280,285
ERS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
TRS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
Total Exclusions	\$2,462,548	\$2,277,454	\$2,281,804	\$2,282,148	\$2,278,510	\$2,280,285
Tax Levy Limit, Adjusted For Transfers, Plus Exclusions	\$63,107,972	\$65,339,779	\$67,272,133	\$69,258,751	\$71,301,396	\$73,411,194
Reserve Amount Used to Reduce Current Year Levy	\$0	\$0	\$0	\$0	\$0	\$0
Proposed Levy for Current Year, Net of Reserve \$	\$63,107,972	\$65,339,779	\$67,605,366	\$69,946,835	\$72,366,989	\$74,878,040
	2024	2025	2026	2027	2028	2029
CURRENT FYE PROPOSED LEVY, \$ entry	\$63,107,972	\$65,339,779	\$67,272,133	\$69,258,751	\$71,301,396	\$73,411,194
CURRENT FYE PROPOSED LEVY, % entry	\$0	\$0	\$0	\$0	\$0	\$0
CURRENT FYE PROPOSED LEVY, NET OF RESERVE %	3.41%	3.54%	2.96%	2.95%	2.95%	2.96%
TAX LEVY LIMIT %	3.41%	3.54%	2.96%	2.95%	2.95%	2.96%
DIFFERENCE BETWEEN TAX LEVY LIMIT AND PROPOSED LEVY	\$0	\$0	(\$333,233)	(\$688,084)	(\$1,065,593)	(\$1,466,846)

Long-Range Financial Outlook: A More Pessimistic View

General (A) Fund | Summary

Scenario 1 - Tax Cap growth factor is lower

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2024	2025	% Δ	2026	% Δ	2027	% Δ	2028	% Δ	2029	% Δ
REVENUE											
Local	\$65,411,044	\$67,781,858	3.62%	\$69,746,332	2.90%	\$71,740,713	2.86%	\$73,791,756	2.86%	\$75,910,640	2.87%
State	7,245,576	7,506,506	3.60%	7,563,246	0.76%	7,637,672	0.98%	7,714,418	1.00%	7,797,571	1.08%
Transfers / Other	422,500	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%
TOTAL REVENUE	73,079,120	75,710,864	3.60%	77,732,078	2.67%	79,800,885	2.66%	81,928,674	2.67%	84,130,711	2.69%
EXPENDITURES											
Salary and Benefit Costs	52,711,295	54,659,098	3.70%	56,549,012	3.46%	58,518,393	3.48%	60,536,970	3.45%	62,711,806	3.59%
Other	20,367,825	20,663,041	1.45%	21,100,740	2.12%	21,547,372	2.12%	22,003,403	2.12%	22,466,013	2.10%
TOTAL EXPENDITURES	73,079,120	75,322,139	3.07%	77,649,752	3.09%	80,065,765	3.11%	82,540,372	3.09%	85,177,818	3.20%
SURPLUS / DEFICIT	\$0	\$388,726		\$82,326		(\$264,880)		(\$611,699)		(\$1,047,108)	

This scenario shows a deficit results in the outer years resulting from the assumption of a 1.01 growth tax cap factor and all other assumptions used in creating the base plan.

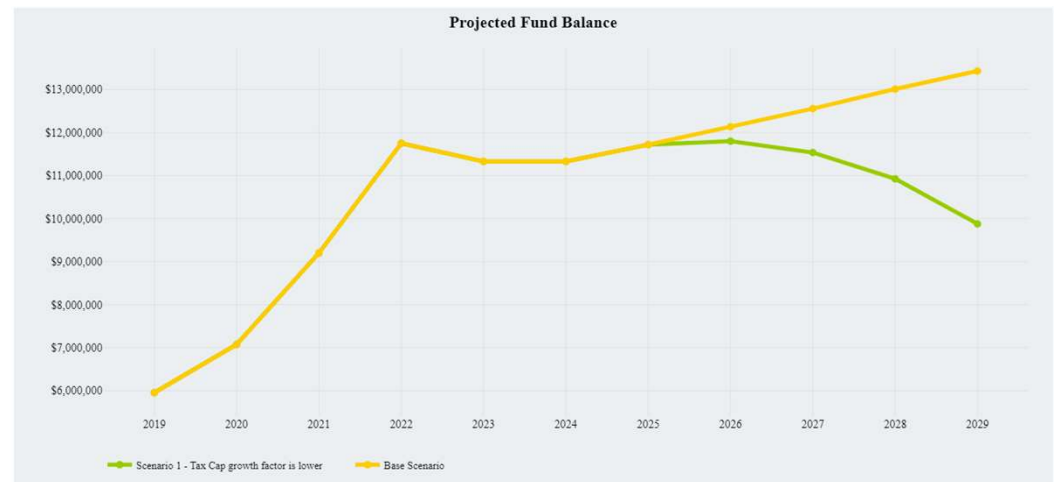
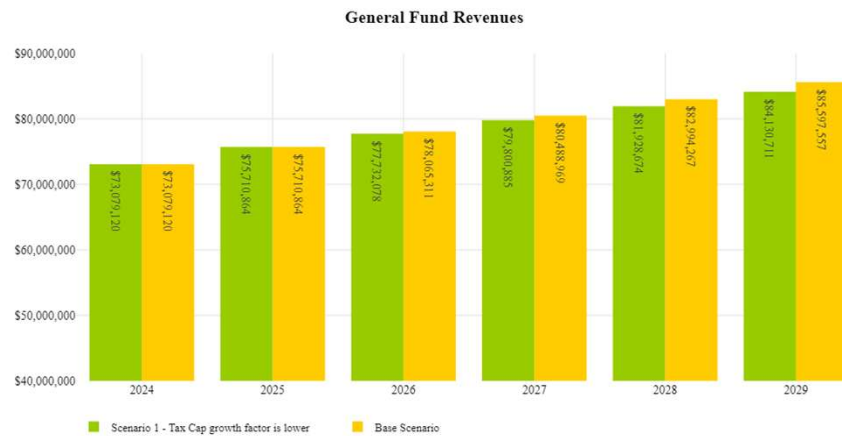
Long-Range Financial Outlook: A More Pessimistic View

When the change from 1.015 to 1.01 in the growth factor is for only one year, the cumulative loss to revenue reduces from \$3,553,756 to \$1,405,188 but is still quite significant.

Lower Growth Factor for Only One Year						
	BUDGET	PROJECTIONS				
	2024	2025	2026	2027	2028	2029
Tax Levy Limit (Cap) Before Exclusions						
Tax Levy Prior Year	\$61,027,484	\$63,107,972	\$65,339,779	\$67,272,133	\$69,601,839	\$72,009,814
Prior Year Reserve Offset	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Amount	\$0	\$0	\$0	\$0	\$0	\$0
Tax Base Growth Factor	1.0195	1.0187	1.0100	1.0150	1.0150	1.0150
PILOTS Receivable Prior Year	\$14,557	\$14,557	\$14,577	\$14,577	\$14,577	\$14,557
Tort/ Judgement Exclusion Prior Year	\$0	\$0	\$0	\$0	\$0	\$0
Capital Tax Levy for Prior Year	\$2,761,507	\$2,462,548	\$2,277,454	\$2,281,804	\$2,282,148	\$2,278,510
Allowable Levy Growth Factor	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200
PILOTS Receivable Current FYE	\$14,557	\$14,577	\$14,577	\$14,577	\$14,557	\$14,557
Available Carryover from Prior FYE	\$0	\$0	\$0	\$0	\$0	\$0
Total Levy Limit Before Exclusions	\$60,645,424	\$63,062,325	\$64,990,329	\$67,319,691	\$69,731,304	\$72,227,971
Exclusions						
Tax Levy Necessary Resulting from Tort Judgements Over 5%	\$0	\$0	\$0	\$0	\$0	\$0
Capital Levy for Current Year	\$2,462,548	\$2,277,454	\$2,281,804	\$2,282,148	\$2,278,510	\$2,280,285
ERS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
TRS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
Total Exclusions	\$2,462,548	\$2,277,454	\$2,281,804	\$2,282,148	\$2,278,510	\$2,280,285
Tax Levy Limit, Adjusted For Transfers, Plus Exclusions	\$63,107,972	\$65,339,779	\$67,272,133	\$69,601,839	\$72,009,814	\$74,508,256
Reserve Amount Used to Reduce Current Year Levy	\$0	\$0	\$0	\$0	\$0	\$0
Proposed Levy for Current Year, Net of Reserve \$	\$63,107,972	\$65,339,779	\$67,605,366	\$69,946,835	\$72,366,989	\$74,878,040
	2024	2025	2026	2027	2028	2029
CURRENT FYE PROPOSED LEVY, \$ entry	\$63,107,972	\$65,339,779	\$67,272,133	\$69,601,839	\$72,009,814	\$74,508,256
CURRENT FYE PROPOSED LEVY, % entry	\$0	\$0	\$0	\$0	\$0	\$0
CURRENT FYE PROPOSED LEVY, NET OF RESERVE %	3.41%	3.54%	2.96%	3.46%	3.46%	3.47%
TAX LEVY LIMIT %	3.41%	3.54%	2.96%	3.46%	3.46%	3.47%
DIFFERENCE BETWEEN TAX LEVY LIMIT AND PROPOSED LEVY	\$0	\$0	(\$333,233)	(\$344,996)	(\$357,175)	(\$369,784)

Long-Range Financial Outlook:

Comparison of Base Plan to Scenario with Lower Tax Base Growth Factor



In this comparison, the revenues decrease with the same assumed expenditures. There would have to be a reduction in expenses or a much higher allocation of fund balance as a source of revenue.

Long-Range Financial Outlook:

Determining the Effect of a Planning Change

General (A) Fund | Summary

Scenario 2 - Loss of BOCES rental income

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2024	2025	%Δ	2026	%Δ	2027	%Δ	2028	%Δ	2029	%Δ
REVENUE											
Local	\$65,411,044	\$67,450,796	3.12%	\$69,741,882	3.40%	\$72,084,360	3.36%	\$74,506,023	3.36%	\$77,019,133	3.37%
State	7,245,576	7,506,506	3.60%	7,563,246	0.76%	7,637,672	0.98%	7,714,418	1.00%	7,797,571	1.08%
Federal	0	0		0		0		0		0	
Transfers / Other	422,500	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%
TOTAL REVENUE	73,079,120	75,379,802	3.15%	77,727,628	3.11%	80,144,532	3.11%	82,642,941	3.12%	85,239,204	3.14%
EXPENDITURES											
Salary and Benefit Costs	52,711,295	54,659,098	3.70%	56,549,012	3.46%	58,518,393	3.48%	60,536,970	3.45%	62,711,806	3.59%
Other	20,367,825	20,663,041	1.45%	21,100,740	2.12%	21,547,372	2.12%	22,003,403	2.12%	22,466,013	2.10%
TOTAL EXPENDITURES	73,079,120	75,322,139	3.07%	77,649,752	3.09%	80,065,765	3.11%	82,540,372	3.09%	85,177,818	3.20%
SURPLUS / DEFICIT	\$0	\$57,663		\$77,876		\$78,767		\$102,568		\$61,386	

This illustrates that the loss of the BOCES revenue would not create a deficit IF the other revenues and expenditures predicted in the model were to happen and if the District could maintain the annual Fund Balance appropriation.

Summary

- Clearly, there is no crystal ball with long-range planning! Each year, we have to plan the budget and manage fund balance to accommodate the key variables.
- Long-range planning has become an integral component of District operations.
- Annually, plans will be updated and reprioritized based upon current needs and information.
- Budget proposals will be guided by the long-range plans and projections.
- Proposals will be supported by data and/or rationale demonstrating need and priority.
- Impacts to the Tax Levy and Tax Rate are calculated and brought to the Board of Education for consideration.