

The background features a large, faint, light green circular seal of the Irvington Union Free School District. The seal contains the text "IRVINGTON" at the top, "NEW YORK" and "1856" on the left and right sides respectively, and "UNION FREE SCHOOL DISTRICT" at the bottom. In the center of the seal is a stylized building icon. The Latin motto "PER ASPERA AD ASTRA" is visible at the bottom of the seal.

# Planning for the Future

An Overview of the IUFSD Long-Range Financial Plan

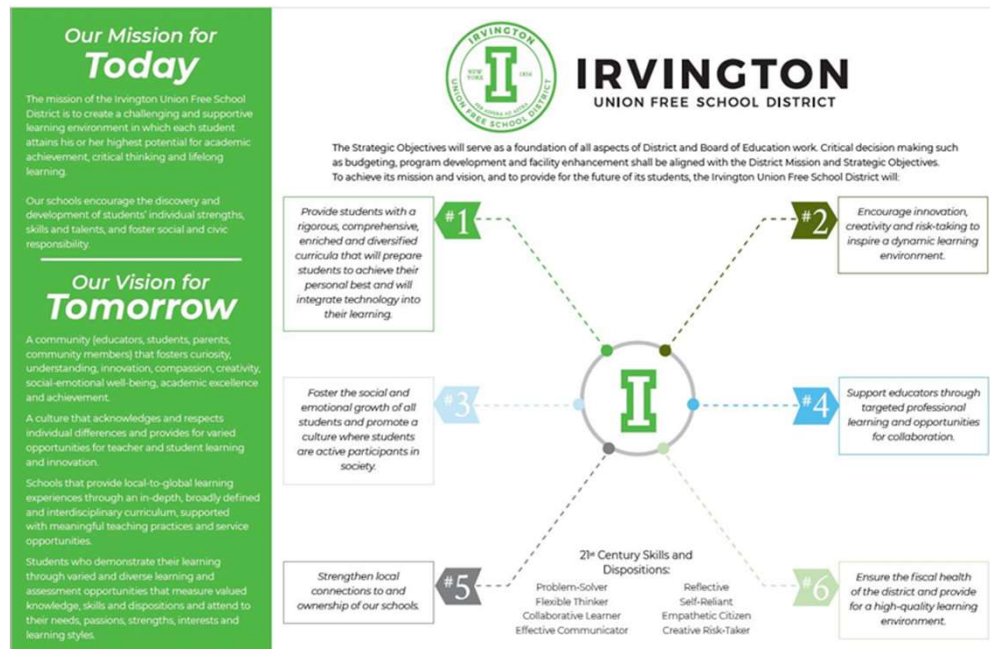
December 6, 2022

Each year, the District has taken responsible steps to enhance our planning.

Using the District's Strategic Plan,

*Our Vision for Tomorrow,*

our efforts are always grounded in our six Strategic Objectives.



# Strategic Objectives

To achieve its mission and vision, and to provide for the future of its students, the Irvington Union Free School District will:

1. Provide students with a rigorous, comprehensive, enriched and diversified curricula that will prepare students to achieve their personal best, and will integrate technology in their learning.
2. Encourage innovation, creativity and risk taking to inspire a dynamic learning environment.
3. Foster the social and emotional growth of all students and promote a culture where students are active participants in society.
4. Support educators through targeted professional learning and opportunities for collaboration.
5. Strengthen local connections to and ownership of our schools.
6. Ensure the fiscal health of the district and provide for a high quality learning environment.

# Financial Planning:

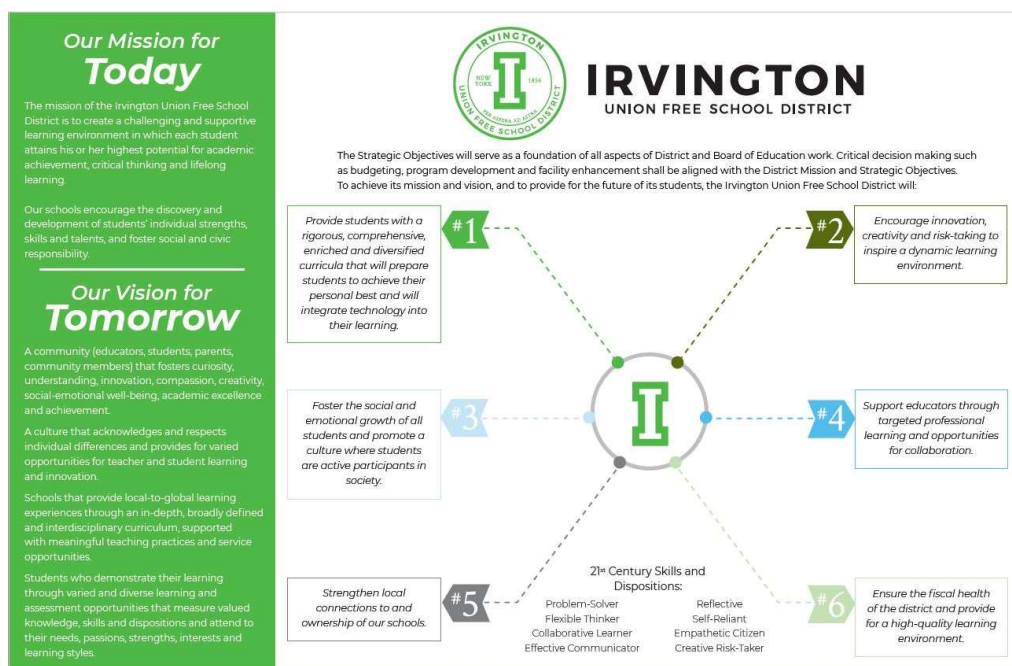
## *Our Vision for Tomorrow: Strategic Plan Key Action*

### Strategic Objective #6

- Ensure the fiscal health of the District and provide for a high-quality learning environment

### Key Action:

- Development and maintenance of a long-range financial plan



# Primary Areas of Focus District-wide

The following three goals have been developed and are aligned with the District Theories of Action and Strategic Objectives:

- **Focus #1: Strategic Leadership: Implementing *Our Vision for Tomorrow***
  - Objective A: Advancing the Strategic Plan
  - Objective B: Identify opportunities to increase stakeholder engagement
- **Focus #2: Instructional Leadership: Curriculum and Instruction**
  - Objective A: Implement instructional practices that elevate student thinking and understanding
  - Objective B: Develop a balanced assessment system that measures students' content knowledge, skills, and dispositional thinking
  - Objective C: Increase the use of data to inform instruction and planning
- **Focus #3: Financial and Operational Leadership**
  - Objective A: The Business and Operations initiatives shall support the Strategic Plan and the District's finances and operations

# 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
- Current economic environment of high inflation creates future uncertainty.
- Past years show one can never accurately predict the future

# Long-Range Financial Plan

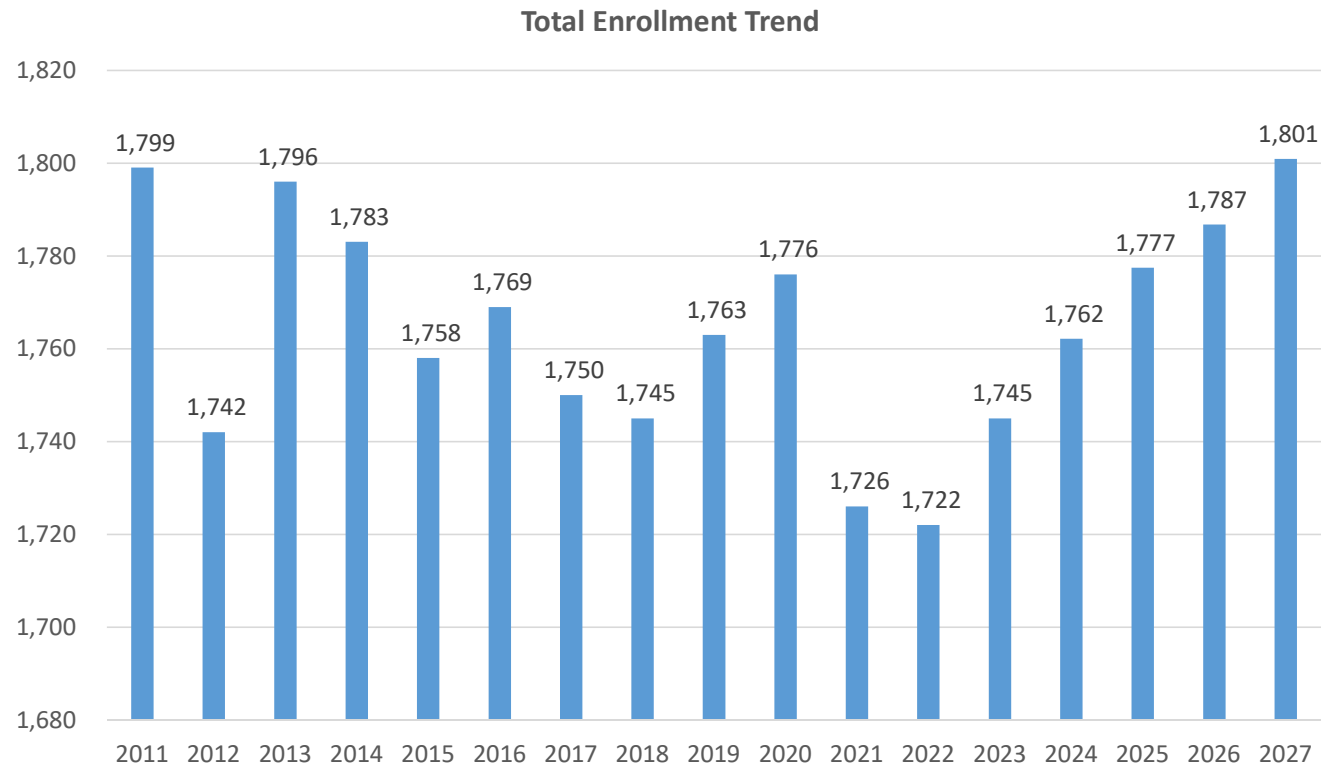
- Useful tool to consider financial outlook of the District and identify financial opportunities and obstacles
- Past information guides forecasts to some extent, but often not relevant to future
  - Example: Special Ed student placements
- Some information is known well in advance
  - Debt schedule
- 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 will continue to be steady and perhaps slightly increase after experiencing some recent small decreases. Trends across the tri state area generally show declining enrollment.
- Enrollment of kindergarten students exceeds live births over the last ten years (average of 153%), leading to the conclusion that families are moving to Irvington for our schools.
- Kindergarten enrollment to live birth ratio in 2022-23 was 174%, considerably above the average. Was this pandemic related?
  - Moving from NYC ?
  - Delayed enrollment?
- However, live birth data suggests a similarly sized kindergarten class in 2023-24 and 2024-25 as the number is slightly above the average for more recent years.
- There are approximately 125 resident students enrolled in private schools. This number fluctuates and could impact enrollment at any time.



# Enrollment Projections

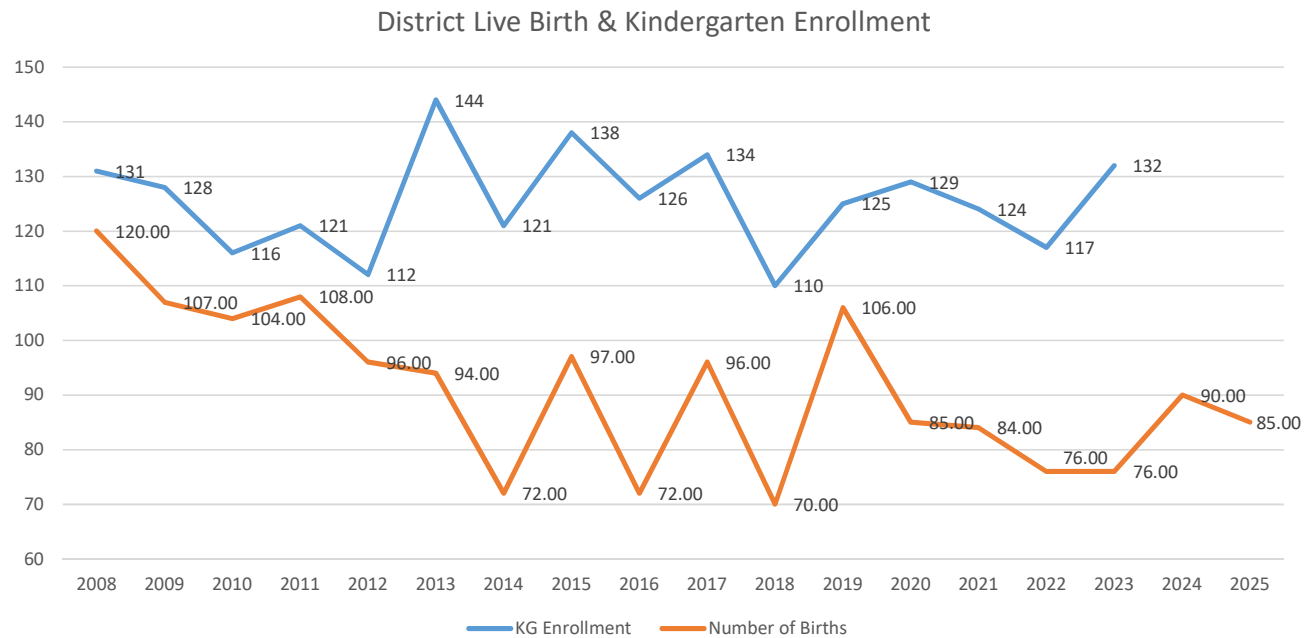


Enrollment figures do not include out-of-district placements for special education

Source: Forecast 5 Analytics

# Enrollment Projections

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Live births	72	97	72	96	70	106	85	84	76	76	90	85	82	82
Enrollment/Live Births Ratio	168.1%	142.3%	175.0%	139.6%	157.1%	117.9%	151.8%	147.6%	153.9%	173.7%	149.0%	155.2%	155.9%	157.5%
KG Enrollment	121	138	126	134	110	125	129	124	117	132	134	132	128	129
Annual Change	-19.0%	12.3%	-9.5%	6.0%	-21.8%	12.0%	3.1%	-4.0%	-6.0%	11.4%	1.6%	-1.6%	-3.0%	0.6%



Live Birth Data for 2021 or 2022 not released yet, used 5 year average

Source: Forecast 5 Analytics

# Enrollment Projections

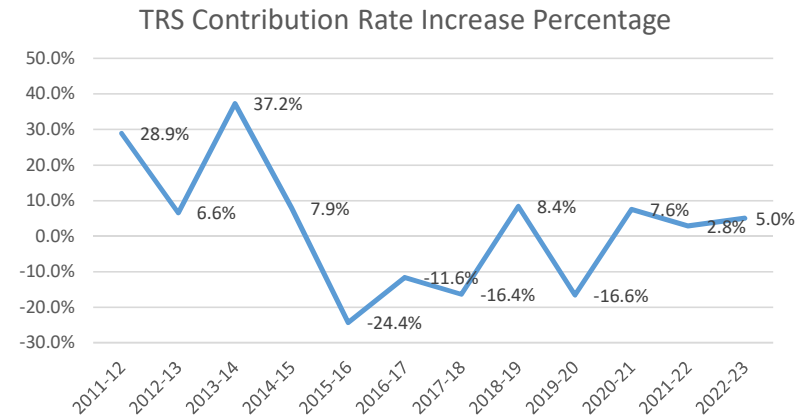
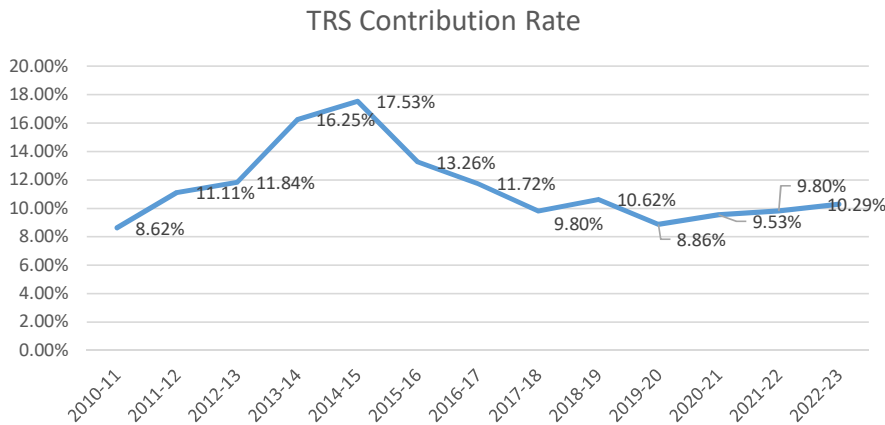
Grade	History								Projected					2023-2027 Trendline
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Kindergarten	138	126	134	110	125	129	124	117	132	132	134	132	128	
1	125	147	130	134	115	125	127	131	125	139	139	142	139	
2	146	126	141	131	141	121	127	138	132	136	152	152	154	
3	127	142	129	144	136	146	120	128	150	133	137	153	153	
4	124	136	146	128	142	132	143	122	128	153	135	139	155	
5	140	126	133	144	134	138	132	142	119	127	151	134	138	
6	128	144	132	139	147	140	141	136	145	123	131	156	138	
7	137	127	136	132	142	150	137	143	136	147	124	133	158	
8	139	139	131	129	129	149	148	135	143	134	145	123	131	
9	121	139	134	133	136	131	131	142	136	137	129	139	118	
10	137	117	140	133	129	136	123	129	142	134	135	127	137	
11	149	135	118	139	140	133	129	120	133	139	131	132	124	
12	131	151	132	129	137	136	128	125	124	129	134	127	128	
Ungraded	16	14	14	20	10	10	16	14						
<b>Total K-12</b>	<b>1,758</b>	<b>1,769</b>	<b>1,750</b>	<b>1,745</b>	<b>1,763</b>	<b>1,776</b>	<b>1,726</b>	<b>1,722</b>	<b>1,745</b>	<b>1,762</b>	<b>1,777</b>	<b>1,787</b>	<b>1,801</b>	
<b>Placed Out of District</b>	<b>22</b>	<b>22</b>	<b>29</b>	<b>23</b>	<b>24</b>	<b>32</b>	<b>27</b>	<b>20</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>25</b>	<b>25</b>	
<b>Total District</b>	<b>1,780</b>	<b>1,791</b>	<b>1,779</b>	<b>1,768</b>	<b>1,787</b>	<b>1,808</b>	<b>1,753</b>	<b>1,742</b>	<b>1,771</b>	<b>1,788</b>	<b>1,804</b>	<b>1,812</b>	<b>1,825</b>	
<b>Annual Change</b>	<b>-1.3%</b>	<b>0.6%</b>	<b>-0.7%</b>	<b>-0.6%</b>	<b>1.1%</b>	<b>1.2%</b>	<b>-3.0%</b>	<b>-0.6%</b>	<b>1.7%</b>	<b>1.0%</b>	<b>0.9%</b>	<b>0.5%</b>	<b>0.8%</b>	

This model 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.

# Long-Range Financial Plan –

## Historical Review of Key Financial Factors

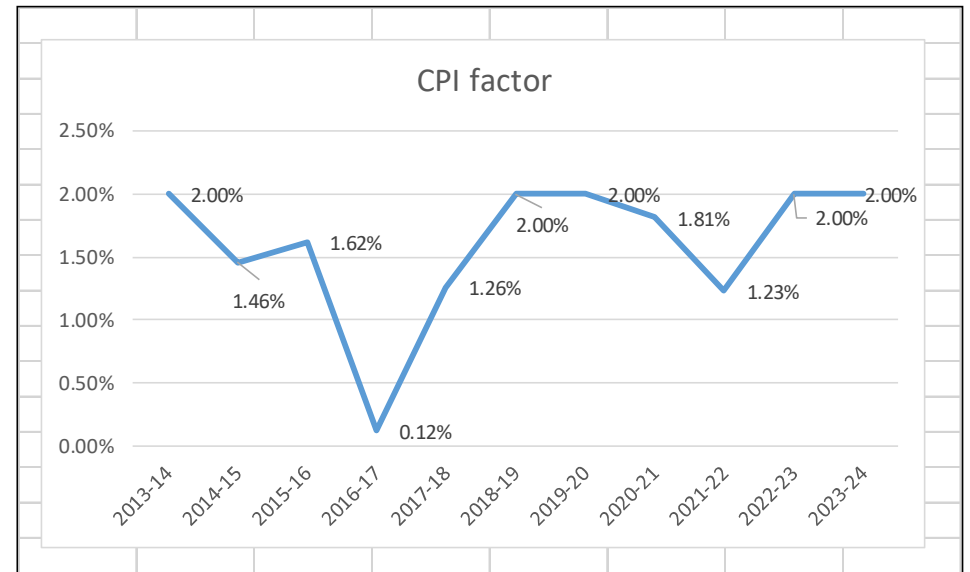
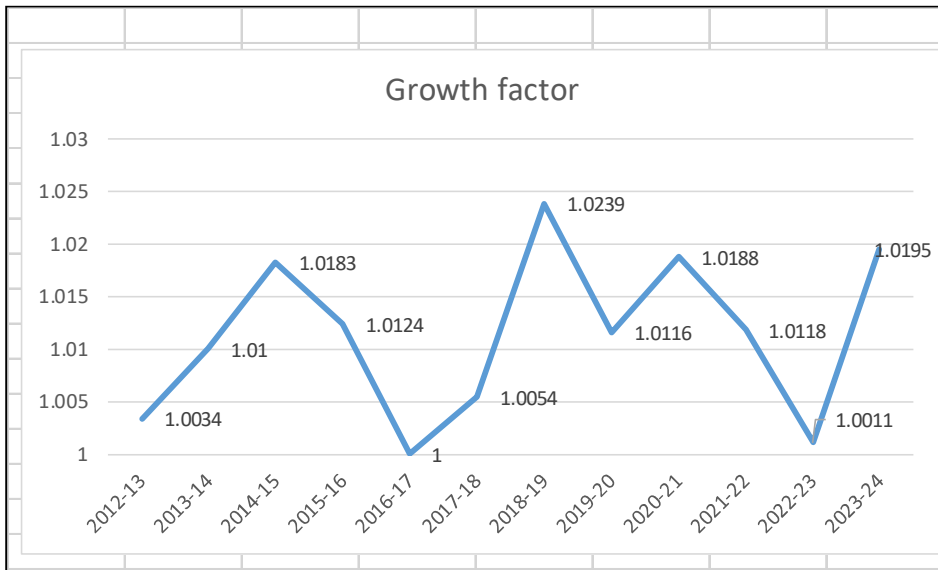
TRS Contribution Rate increases may seem small on a basis point viewpoint but often result in increases well above CPI



# Long-Range Financial Plan –

## Historical Review of Key Financial Factors

Growth/CPI factors used in Tax Levy Cap formula

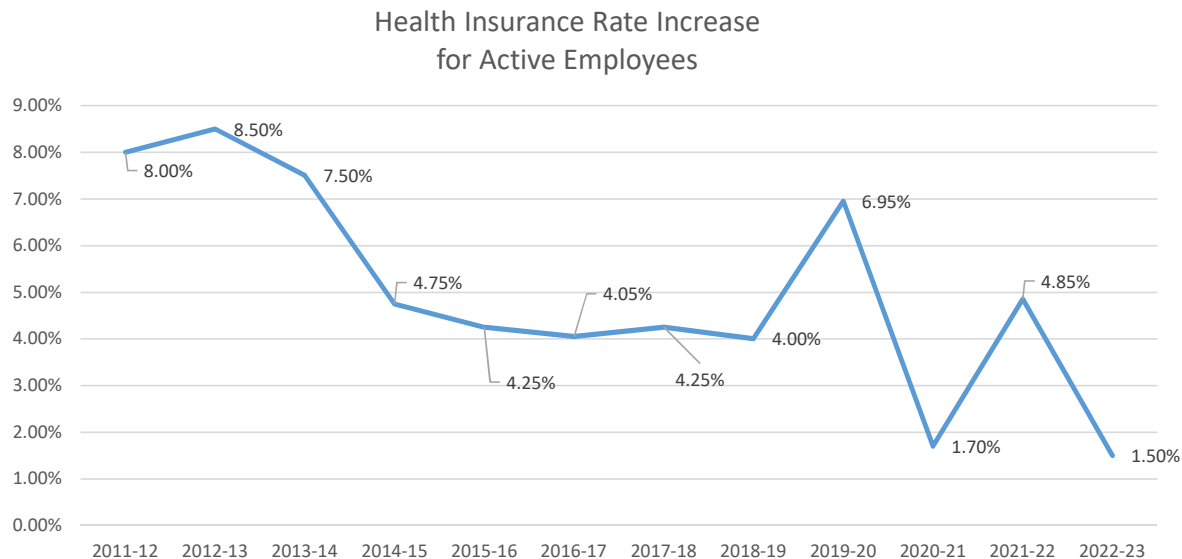


\* 2023-24 Expected

# 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 do not expect such favorable increase percentages to continue.

# 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 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. Last year, 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".

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.
<b>1</b>	indicates obligation ranks in the higher end of its generic rating category
<b>2</b>	indicates obligation ranks in a mid-range ranking of its generic rating category
<b>3</b>	indicates obligation ranks in a ranking in the lower end of that generic rating category
	(Source: www.moodys.com)

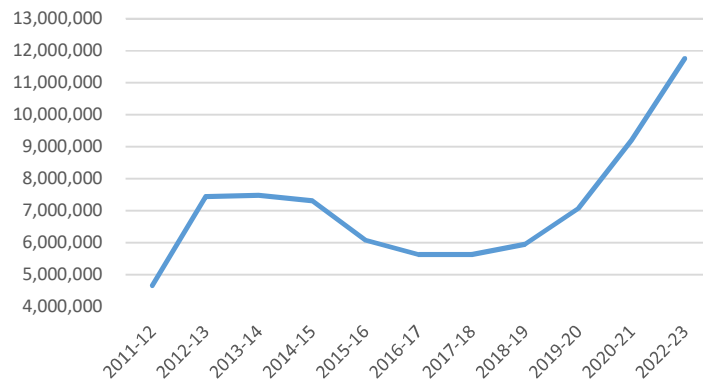


# A Look at District Reserves

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Undesignated</b>	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
<b>Reserves for Encumbrances</b>	134,037	184,907	300,761	541,161	636,386	161,424	18,684	76,509	362,968	214,305	469,229
<b>Appropriated for Revenue</b>	422,000	422,000	422,000	422,000	530,000	422,500	422,500	422,500	422,500	422,500	422,500
<b>Tax Certiorari</b>	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
<b>Employee Benefit Liability</b>	156,629	156,629	854,354	854,354	854,354	502,949	460,619	434,670	321,588	421,668	622,128
<b>Worker Compensation</b>			190,000	190,000	190,000	341,273	393,825	475,922	436,556	800,062	916,737
<b>Capital</b>					200,000	301,340	403,593	460,866	566,322	766,462	1,117,300
<b>ERS/TRS Retirement Contribution</b>								50,000	400,592	550,691	751,293
<b>Total Fund Balance</b>	<b>4,662,404</b>	<b>7,441,091</b>	<b>7,483,191</b>	<b>7,305,555</b>	<b>6,080,771</b>	<b>5,635,259</b>	<b>5,629,696</b>	<b>5,952,532</b>	<b>7,073,543</b>	<b>9,199,448</b>	<b>11,751,368</b>
<b>Increase/(Decrease)</b>		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

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 end, surplus is allocated to the reserves if available and need exists.

# Long-Range Financial Plan:

## Key Revenue Assumptions

Revenue Assumptions Base Plan:	
<b>Tax Levy Cap</b>	
Growth Factor	1.0195, 1.005 , 1.01, 1.005, 1.01
CPI Factor	2% 2%, then 1.5%
<b>State Aid</b>	Large increase in Foundation aid for 23-24, then 1% increase
	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
<b>Other Key Revenues</b>	
Sales Tax Share	One time adjustment, then 2% increase
BOCES Rental	2%, then 1.5% - matches CPI
Tuition Revenue	Current students projected out
Health Services	Flat enrollment projected for JCOS
Interest Income	One time adjustment, then 2% increase

# Long-Range Financial Plan:

## Key Revenue Assumptions

Expense Assumptions Base Plan:	
<b>Pension Employer Contribution rates:</b>	
TRS	10.00%
ERS (reflects gradual change of tier mix)	11.00%
<b>Annual Percent Increases:</b>	
Health Insurance	7%
Contractual and Supplies	Varies between 3-4% depending on type
Tax Certs	\$75,000 per year, utilize reserve
BOCES (varies if salary related)	2%
BOCES Administrative Fee	2.5%
Utilities	10.6%, then 4.3%
	(Electric up 15% , Gas up 10%)
Special Education Tuitions	2%
Transportation	5%, 5%, 4%, 4%, 4%
<b>Other:</b>	
Contractual salary increases based on known contracts	
Capital expenses in Facilities is flat: \$125,000 per year, also includes \$100,000 to capital account	
Debt Service per schedule,including new bond in 22-23, and assumes no new Tax Cert borrowings	
Other one time adjustments based on known information	

# Long-Range Revenue Outlook

## General (A) Fund | Revenue Analysis

### Base Scenario

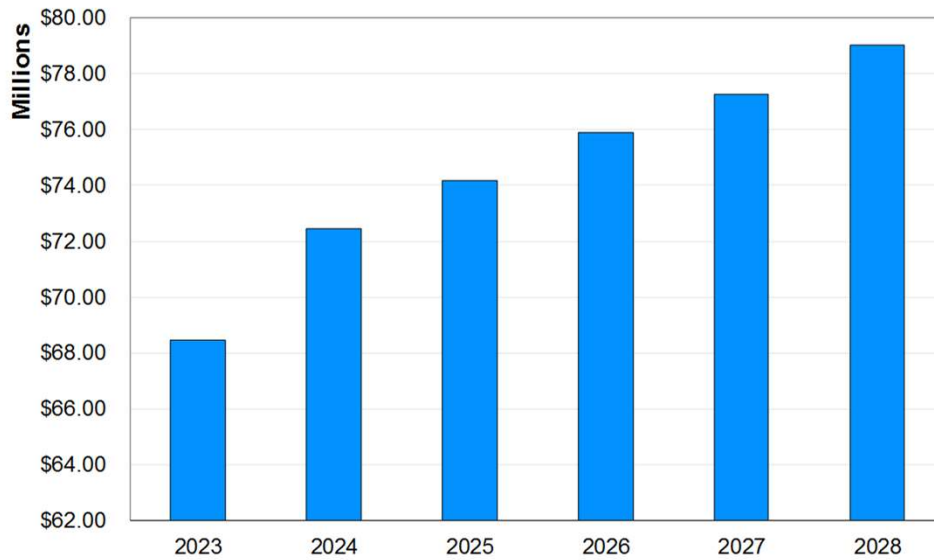
	BUDGET		REVENUE PROJECTIONS									
	2023	2024	%Δ	2025	%Δ	2026	%Δ	2027	%Δ	2028	%Δ	
<b>LOCAL</b>												
Property Taxes	\$61,027,484	\$63,024,314	3.27%	\$64,458,066	2.27%	\$66,049,357	2.47%	\$67,341,398	1.96%	\$68,997,148	2.46%	
Other Local Revenue	2,031,543	2,334,785	14.93%	2,371,238	1.56%	2,408,421	1.57%	2,446,348	1.57%	2,485,032	1.58%	
<b>TOTAL LOCAL REVENUE</b>	<b>63,059,027</b>	<b>65,359,099</b>	<b>3.65%</b>	<b>66,829,304</b>	<b>2.25%</b>	<b>68,457,778</b>	<b>2.44%</b>	<b>69,787,746</b>	<b>1.94%</b>	<b>71,482,180</b>	<b>2.43%</b>	
<b>STATE</b>												
Basic Aid *	4,311,725	5,942,352	37.82%	6,193,178	4.22%	6,244,601	0.83%	6,296,628	0.83%	6,349,267	0.84%	
BOCES & Instructional Materials Aid	681,748	735,687	7.91%	747,302	1.58%	759,149	1.59%	771,233	1.59%	783,559	1.60%	
<b>TOTAL STATE REVENUE</b>	<b>4,993,473</b>	<b>6,678,039</b>	<b>33.74%</b>	<b>6,940,480</b>	<b>3.93%</b>	<b>7,003,750</b>	<b>0.91%</b>	<b>7,067,861</b>	<b>0.92%</b>	<b>7,132,826</b>	<b>0.92%</b>	
<b>OTHER FINANCING SOURCES</b>	<b>422,500</b>	<b>422,500</b>	<b>0.00%</b>	<b>422,500</b>	<b>0.00%</b>	<b>422,500</b>	<b>0.00%</b>	<b>422,500</b>	<b>0.00%</b>	<b>422,500</b>	<b>0.00%</b>	
<b>TOTAL REVENUE</b>	<b>\$68,475,000</b>	<b>\$72,459,638</b>	<b>5.82%</b>	<b>\$74,192,284</b>	<b>2.39%</b>	<b>\$75,884,028</b>	<b>2.28%</b>	<b>\$77,278,107</b>	<b>1.84%</b>	<b>\$79,037,506</b>	<b>2.28%</b>	

\* Includes Foundation, Building, Transportation & Excess Cost Aid

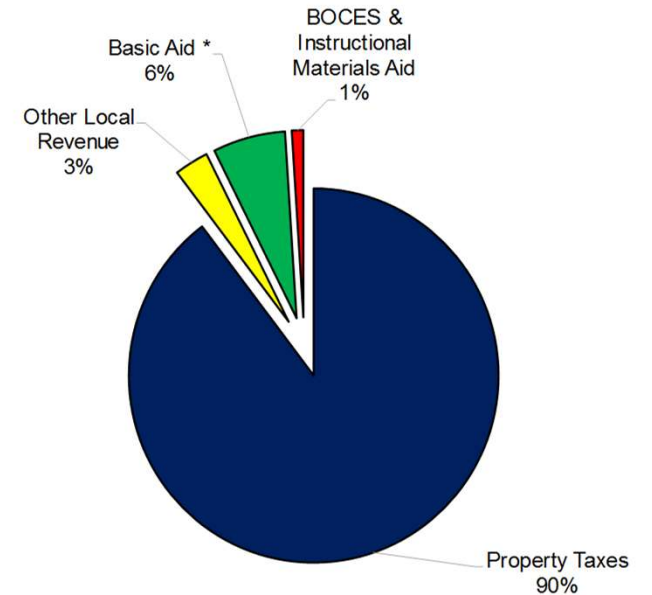
Revenue drives the budget. Typically, over 90% of the District's revenue comes from the tax levy/STAR payment. For next year, the District expects a large increase in State Aid due to the settlement of the Foundation Aid lawsuit. Sales Tax revenue and Interest Income have also been adjusted to reflect more recent information.

# Long-Range Revenue Outlook

### Revenue Projection



### Current Year Budgeted Revenues by Source



# Long-Range Expenditure Outlook

## General (A) Fund | Expenditure Analysis

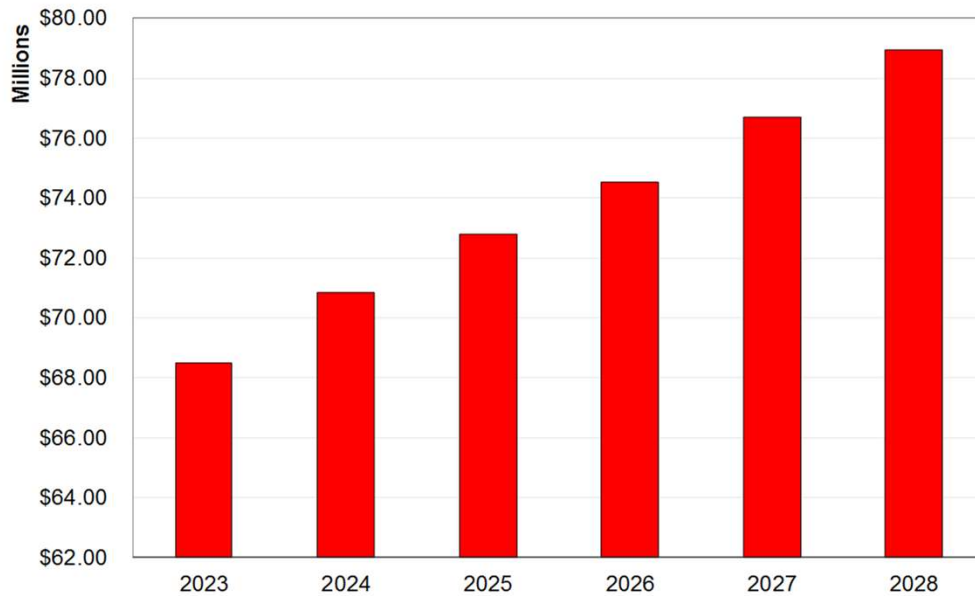
### Base Scenario

	BUDGET		EXPENDITURE PROJECTIONS									
	2023	2024	%Δ	2025	%Δ	2026	%Δ	2027	%Δ	2028	%Δ	
Salaries	\$33,960,028	\$34,976,636	2.99%	\$35,831,853	2.45%	\$36,683,759	2.38%	\$37,545,917	2.35%	\$38,423,289	2.34%	
Benefits	16,094,333	16,926,411	5.17%	17,753,756	4.89%	18,626,977	4.92%	19,551,957	4.97%	20,533,107	5.02%	
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>50,054,361</b>	<b>51,903,047</b>	<b>3.69%</b>	<b>53,585,609</b>	<b>3.24%</b>	<b>55,310,736</b>	<b>3.22%</b>	<b>57,097,874</b>	<b>3.23%</b>	<b>58,956,397</b>	<b>3.25%</b>	
Equipment and Capital Outlay	237,000	246,480	4.00%	253,874	3.00%	258,952	2.00%	264,131	2.00%	269,414	2.00%	
Contractual, Supplies and Other	13,909,876	14,445,745	3.85%	14,840,733	2.73%	15,217,073	2.54%	15,604,627	2.55%	16,003,784	2.56%	
Debt Service Total	4,103,763	4,091,161	-0.31%	3,926,586	-4.02%	3,550,936	-9.57%	3,551,280	0.01%	3,547,642	-0.10%	
Interfund Transfers	170,000	170,000	0.00%	170,000	0.00%	170,000	0.00%	170,000	0.00%	170,000	0.00%	
<b>TOTAL ALL OTHER</b>	<b>18,420,639</b>	<b>18,953,387</b>	<b>2.89%</b>	<b>19,191,194</b>	<b>1.25%</b>	<b>19,196,961</b>	<b>0.03%</b>	<b>19,590,039</b>	<b>2.05%</b>	<b>19,990,839</b>	<b>2.05%</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$68,475,000</b>	<b>\$70,856,433</b>	<b>3.48%</b>	<b>\$72,776,803</b>	<b>2.71%</b>	<b>\$74,507,697</b>	<b>2.38%</b>	<b>\$76,687,913</b>	<b>2.93%</b>	<b>\$78,947,236</b>	<b>2.95%</b>	

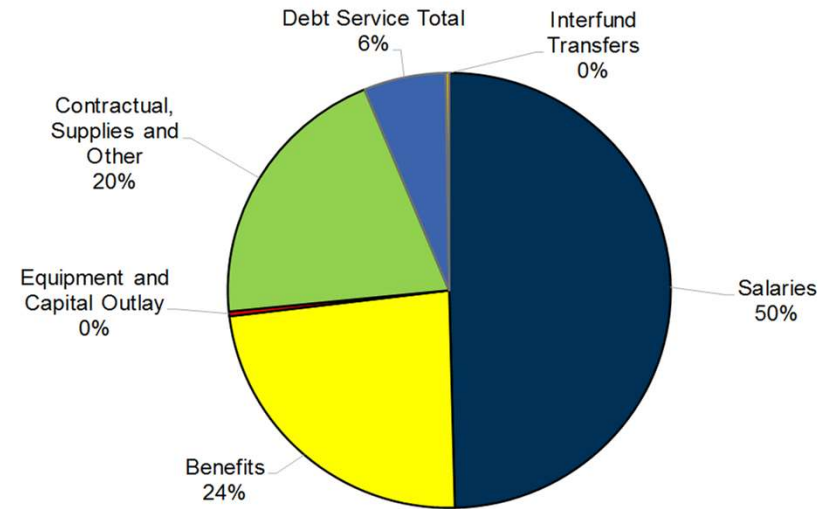
Expenses are largely influenced by salary and benefit costs.

# Long-Range Expenditure Outlook

### Expenditure Projection



### Current Year Budgeted Expenditures by Object



# Long-Range Financial Outlook

## General (A) Fund | Summary

### Base Scenario

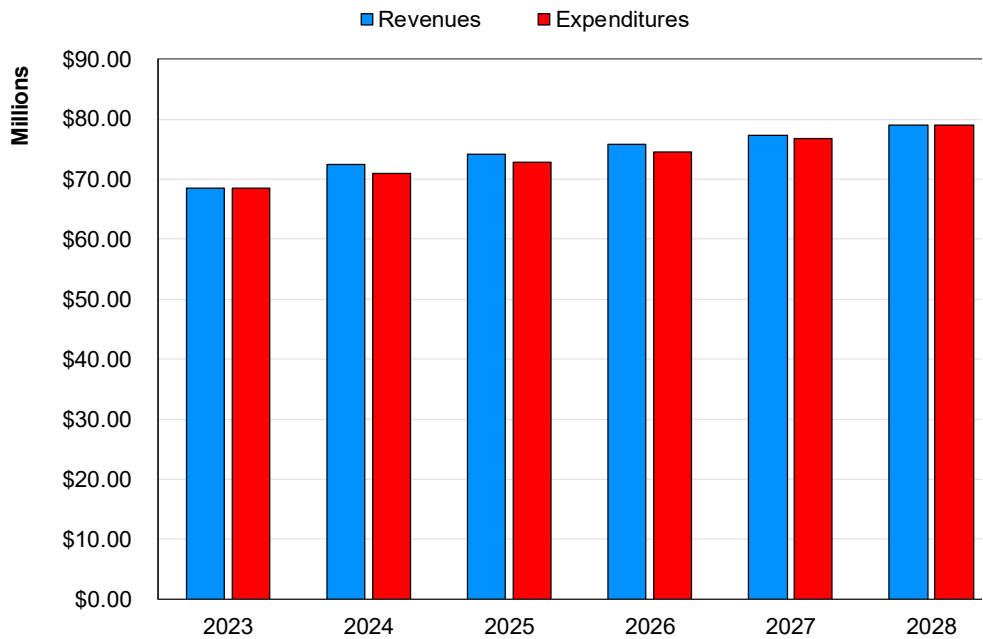
	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2023	2024	%Δ	2025	%Δ	2026	%Δ	2027	%Δ	2028	%Δ
<b>REVENUE</b>											
Local	\$63,059,027	\$65,359,099	3.65%	\$66,829,304	2.25%	\$68,457,778	2.44%	\$69,787,746	1.94%	\$71,482,180	2.43%
State Aid	4,993,473	6,678,039	33.74%	6,940,480	3.93%	7,003,750	0.91%	7,067,861	0.92%	7,132,826	0.92%
Transfers / Other	422,500	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%
<b>TOTAL REVENUE</b>	<b>68,475,000</b>	<b>72,459,638</b>	<b>5.82%</b>	<b>74,192,284</b>	<b>2.39%</b>	<b>75,884,028</b>	<b>2.28%</b>	<b>77,278,107</b>	<b>1.84%</b>	<b>79,037,506</b>	<b>2.28%</b>
<b>EXPENDITURES</b>											
Salary and Benefit Costs	50,054,361	51,903,047	3.69%	53,585,609	3.24%	55,310,736	3.22%	57,097,874	3.23%	58,956,397	3.25%
Other	18,420,639	18,953,387	2.89%	19,191,194	1.25%	19,196,961	0.03%	19,590,039	2.05%	19,990,839	2.05%
<b>TOTAL EXPENDITURES</b>	<b>68,475,000</b>	<b>70,856,433</b>	<b>3.48%</b>	<b>72,776,803</b>	<b>2.71%</b>	<b>74,507,697</b>	<b>2.38%</b>	<b>76,687,913</b>	<b>2.93%</b>	<b>78,947,236</b>	<b>2.95%</b>
<b>SURPLUS / DEFICIT</b>	<b>\$0</b>	<b>\$1,603,205</b>		<b>\$1,415,481</b>		<b>\$1,376,331</b>		<b>\$590,194</b>		<b>\$90,270</b>	

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 as the infusion of new State Aid, coupled with strong tax cap factors creates a favorable outlook for 2023-24 which then carries to the future years, given the assumptions used in creating the base plan.

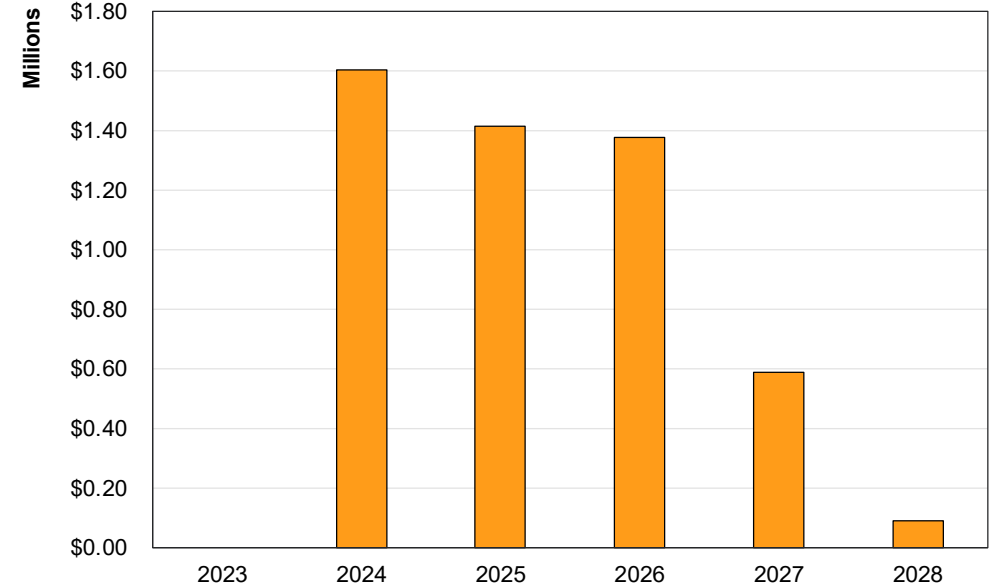


# Long-Range Financial Outlook

### Revenues Vs. Expenditures



### Surplus / Deficit



# Long-Range Fund Balance Outlook

## General (A) Fund | Projection Summary

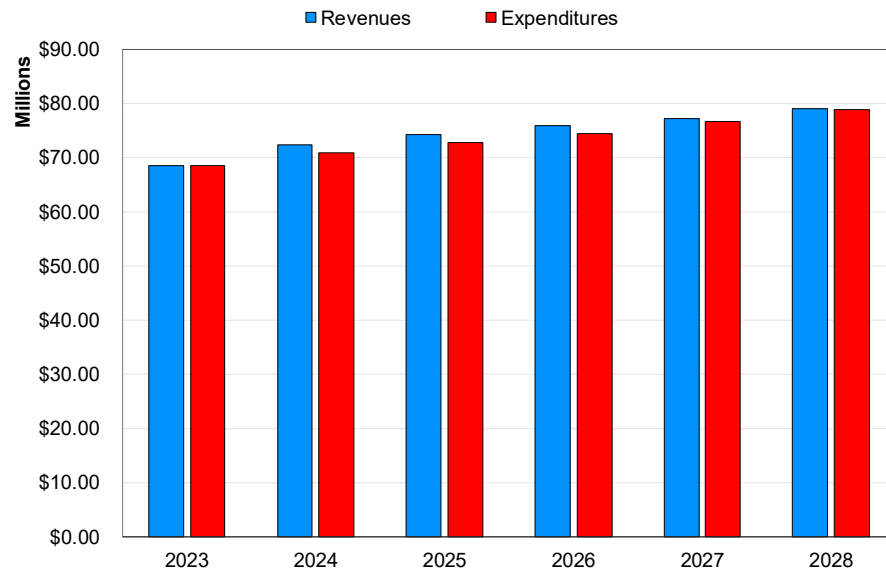
### Base Scenario

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2023	2024	%Δ	2025	%Δ	2026	%Δ	2027	%Δ	2028	%Δ
<b>REVENUE</b>											
Local	\$63,059,027	\$65,359,099	3.65%	\$66,829,304	2.25%	\$68,457,778	2.44%	\$69,787,746	1.94%	\$71,482,180	2.43%
State	4,993,473	6,678,039	33.74%	6,940,480	3.93%	7,003,750	0.91%	7,067,861	0.92%	7,132,826	0.92%
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%
<b>TOTAL REVENUE</b>	<b>68,475,000</b>	<b>72,459,638</b>	<b>5.82%</b>	<b>74,192,284</b>	<b>2.39%</b>	<b>75,884,028</b>	<b>2.28%</b>	<b>77,278,107</b>	<b>1.84%</b>	<b>79,037,506</b>	<b>2.28%</b>
<b>EXPENDITURES</b>											
Salary and Benefit Costs	50,054,361	51,903,047	3.69%	53,585,609	3.24%	55,310,736	3.22%	57,097,874	3.23%	58,956,397	3.25%
Other	18,420,639	18,953,387	2.89%	19,191,194	1.25%	19,196,961	0.03%	19,590,039	2.05%	19,990,839	2.05%
<b>TOTAL EXPENDITURES</b>	<b>68,475,000</b>	<b>70,856,433</b>	<b>3.48%</b>	<b>72,776,803</b>	<b>2.71%</b>	<b>74,507,697</b>	<b>2.38%</b>	<b>76,687,913</b>	<b>2.93%</b>	<b>78,947,236</b>	<b>2.95%</b>
<b>SURPLUS / DEFICIT</b>	<b>0</b>	<b>1,603,205</b>		<b>1,415,481</b>		<b>1,376,331</b>		<b>590,194</b>		<b>90,270</b>	
<b>BEGINNING FUND BALANCE</b>	<b>11,751,368</b>	<b>11,751,368</b>		<b>13,354,573</b>		<b>14,770,054</b>		<b>16,146,385</b>		<b>16,736,578</b>	
<b>PROJECTED YEAR END BALANCE</b>	<b>\$11,751,368</b>	<b>\$13,354,573</b>		<b>\$14,770,054</b>		<b>\$16,146,385</b>		<b>\$16,736,578</b>		<b>\$16,826,849</b>	
<b>FUND BALANCE AS % OF EXPENDITURES</b>	<b>17.16%</b>	<b>18.85%</b>		<b>20.30%</b>		<b>21.67%</b>		<b>21.82%</b>		<b>21.31%</b>	
<b>FUND BALANCE AS # OF MONTHS OF EXPEND.</b>	<b>2.06</b>	<b>2.26</b>		<b>2.44</b>		<b>2.60</b>		<b>2.62</b>		<b>2.56</b>	

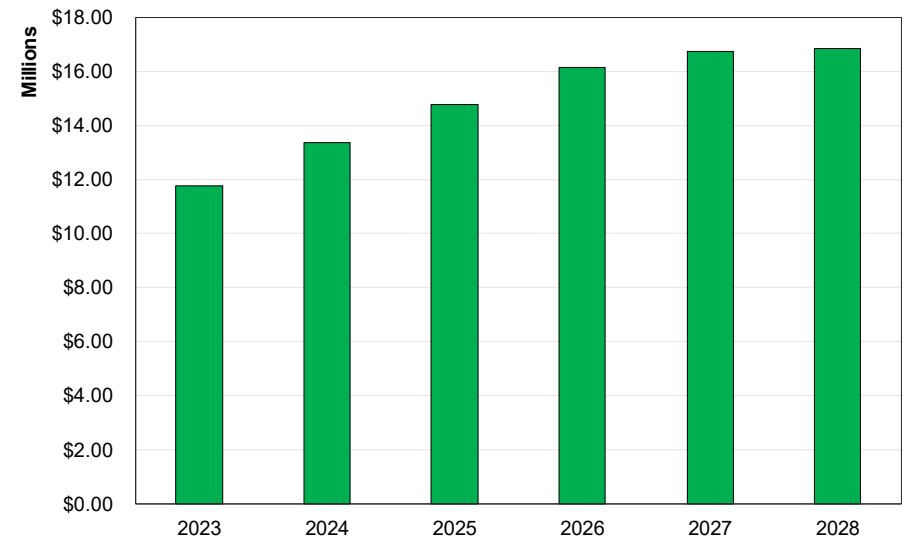
This slide displays the cumulative effect of surplus generation on fund balance. This scenario illustrates that the District may have an opportunity to reduce the allocation of Fund Balance as a source of revenue as the projection shows a healthy fund balance by the end of the five years, despite the small surplus in Year 5.

# Long-Range Fund Balance Outlook

### Revenues Vs. Expenditures



### Year-End Fund Balances



## Long-Range 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

## What is the Effect of a Key Financial Driver?

- The Base Scenario has fairly favorable assumptions for the tax levy cap and when combined with the favorable increase in foundation aid, creates a positive revenue outlook.
- A second scenario uses the base plan and increases the TRS employer contribution rates from the flat 10% to 11.5% for 2024-25 and beyond. ERS also increases from 11% to 12.5%. Here we assume that the stock market is not as favorable which greatly affects the state pension revenue. Realistically, the contribution rate will vary from year to year.
- No other revenue/expenditure assumptions are changed – not realistic, but done to show the effect of the key financial driver
- Scenario shows need to maintain the same fund balance appropriations and results in a deficit by Year 5
- In Years 4 and 5, reductions in expenditures, or use of reserves, will be important considerations should this scenario occur

# Long-Range Financial Outlook – A More Pessimistic View

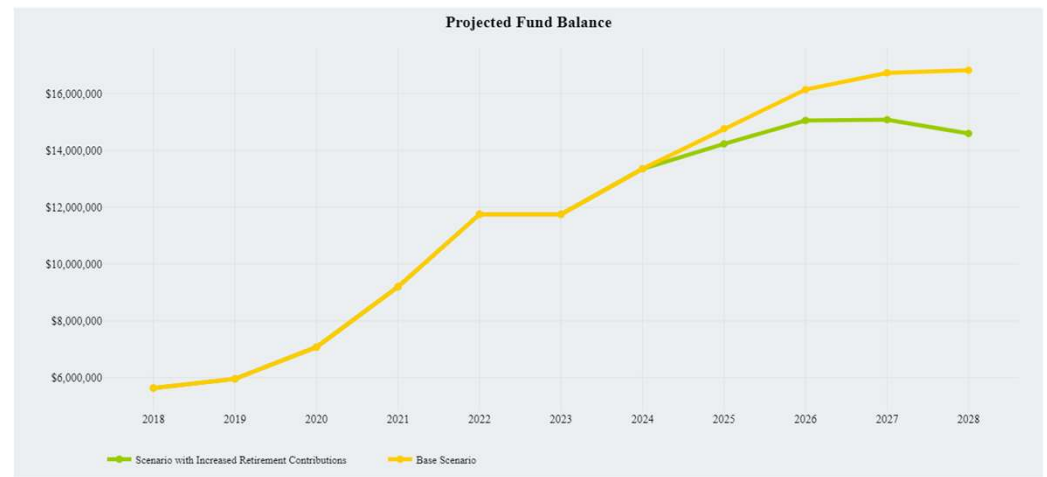
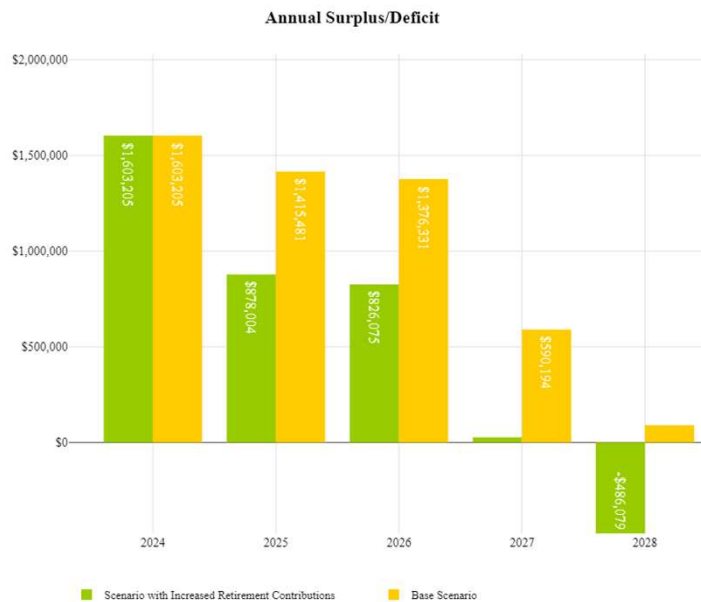
## General (A) Fund | Summary

### Scenario with Increased Retirement Contributions

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2023	2024	%Δ	2025	%Δ	2026	%Δ	2027	%Δ	2028	%Δ
<b>REVENUE</b>											
Local	\$63,059,027	\$65,359,099	3.65%	\$66,829,304	2.25%	\$68,457,778	2.44%	\$69,787,746	1.94%	\$71,482,180	2.43%
State Aid	4,993,473	6,678,039	33.74%	6,940,480	3.93%	7,003,750	0.91%	7,067,861	0.92%	7,132,826	0.92%
Transfers / Other	422,500	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%
<b>TOTAL REVENUE</b>	<b>68,475,000</b>	<b>72,459,638</b>	<b>5.82%</b>	<b>74,192,284</b>	<b>2.39%</b>	<b>75,884,028</b>	<b>2.28%</b>	<b>77,278,107</b>	<b>1.84%</b>	<b>79,037,506</b>	<b>2.28%</b>
<b>EXPENDITURES</b>											
Salary and Benefit Costs	50,054,361	51,903,047	3.69%	54,123,086	4.28%	55,860,992	3.21%	57,661,062	3.22%	59,532,746	3.25%
Other	18,420,639	18,953,387	2.89%	19,191,194	1.25%	19,196,961	0.03%	19,590,039	2.05%	19,990,839	2.05%
<b>TOTAL EXPENDITURES</b>	<b>68,475,000</b>	<b>70,856,433</b>	<b>3.48%</b>	<b>73,314,280</b>	<b>3.47%</b>	<b>75,057,953</b>	<b>2.38%</b>	<b>77,251,101</b>	<b>2.92%</b>	<b>79,523,585</b>	<b>2.94%</b>
<b>SURPLUS / DEFICIT</b>	<b>\$0</b>	<b>\$1,603,205</b>		<b>\$878,004</b>		<b>\$826,075</b>		<b>\$27,006</b>		<b>(\$486,079)</b>	
TRS Rate - Base Plan	10%	10%		10%		10%		10%		10%	
TRS Rate - This Scenario	10%	10%		11.5%		11.5%		11.5%		11.5%	
ERS Rate - Base Plan	11%	11%		11%		11%		11%		11%	
ERS Rate - This Scenario	11%	11%		12.5%		12.5%		12.5%		12.5%	

# Long-Range Financial Outlook –

## Comparison of Base Plan to Scenario with Increased Pension Contribution Rates



In this comparison, the expenditures increase but revenues assumptions remain the same. Thus if the retirement contribution increases, additional expense would lead to a smaller surplus over time if nothing else is changed. The probability for reliance on fund balance increases.

## 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/rationale demonstrating need and priority.
- Impacts to the Tax Levy and Tax Rate are calculated and brought to the Board of Education for consideration.