Planning for the Future

An Overview of the IUFSD Long-Range Financial Plan

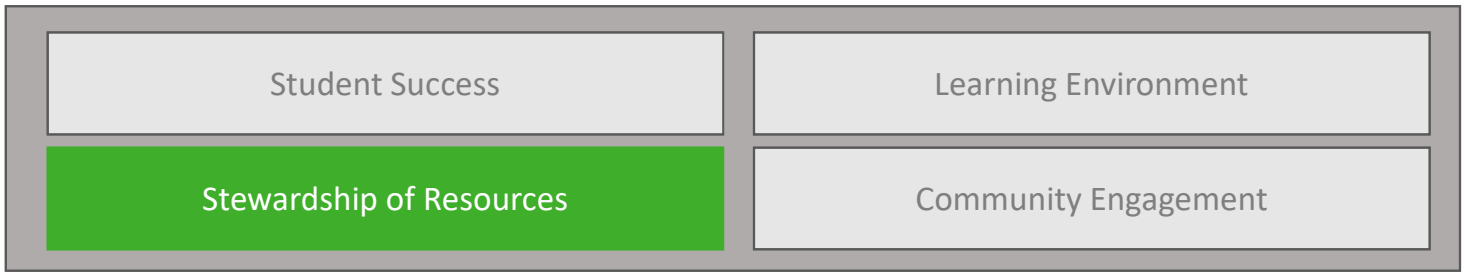
December 16, 2025

Our Strategic Plan underpins our decisions
throughout the budget process 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 contributes to success for the other priorities.

Stewardship of Resources

- Maintain sufficient fund balance to preserve and enhance equitable academic programming.
- Propose responsible budgets that review prior spending and consider new needs
- 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.

The Board of Education should contemplate that:

- A long-range plan is useful as a guide only - no crystal ball to the future
- Tax levy is ~86% 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. Look at trends.
  - Examples: Special Ed student placements and interest income
- 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

This plan projects a push-ahead view: maintaining all existing programs and services with no additions or new initiatives

Enrollment Projections

- Enrollment has decreased slightly and then will continue to be steady. Trends across the tri-state area generally show declining enrollment.

- Enrollment of kindergarten students exceeds live births leading to the conclusion that families are moving to Irvington for our schools. Recent years show that percentage was declining but this year it increased again.

- Live birth data and the ration of live births to enrollment predicts larger Kindergarten classes for 2026-27 and 2027-28.

- There are currently 139 resident students enrolled in ~30 private schools. This number fluctuates and could impact enrollment at any time. These students are not reflected in our enrollment charts shown here, however, we do have costs associated with this population, including transportation and books.

- As the District of Location, we are required to provide nursing and related services for students at the John Cardinal O'Connor School. We bill these costs back to the student's District of Residence. There is considerable administrative/clerical time needed to accomplish this. Recent enrollment trends at JCOS are declining.

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**	**2029-30**	**2030-31**
Live Birth Year:	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Total Live Births	106	85	84	76	76	90	85	74	94	98	88	88	88
Kindergarten Enrollment	125	129	124	117	130	123	109	121	142	147	129	130	134
Enrollment/Live Births Ratio	117.92%	151.76%	147.62%	153.95%	171.05%	136.67%	128.24%	163.51%	150.68%	150.03%	145.83%	147.66%	151.54%

For our current school year 2025-26, live birth data plus a 5 year average of the ratio of enrollment to live births predicted a robust Kindergarten class of 109. Yet we currently have 121 enrolled.

The next two years may result in larger enrollment for Kindergarten based on the live birth data.

Live Birth Data has been released up until 2022. A 5 year average was used for 2023 -2025 and for the ratio.

Enrollment Projections

Grade Level Retention Rate by Year												
Grade	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
1	100.00%	98.45%	105.65%	105.13%	106.15%	100.00%	103.88%	103.21%	103.21%	103.21%	103.21%	103.21%
2	105.22%	101.60%	108.66%	98.47%	96.75%	102.17%	98.37%	101.01%	101.01%	101.01%	101.01%	101.01%
3	103.55%	99.17%	100.79%	108.70%	102.33%	105.04%	97.87%	102.32%	102.32%	102.32%	102.32%	102.32%
4	97.06%	97.95%	101.67%	99.22%	96.67%	104.55%	102.40%	100.41%	100.41%	100.41%	100.41%	100.41%
5	97.18%	100.00%	99.30%	97.54%	96.85%	95.86%	99.28%	98.14%	98.14%	98.14%	98.14%	98.14%
6	104.48%	102.17%	103.03%	102.11%	100.00%	103.25%	94.24%	100.80%	100.80%	100.80%	100.80%	100.80%
7	102.04%	97.86%	101.42%	99.26%	101.38%	102.52%	101.57%	100.67%	100.67%	100.67%	100.67%	100.67%
8	104.93%	98.67%	98.54%	102.10%	105.93%	97.28%	99.18%	100.28%	100.28%	100.28%	100.28%	100.28%
9	101.55%	87.92%	95.95%	97.04%	95.89%	95.10%	97.20%	94.85%	94.85%	94.85%	94.85%	94.85%
10	100.00%	93.89%	98.47%	103.52%	103.05%	89.29%	96.32%	97.43%	97.43%	97.43%	97.43%	97.43%
11	103.10%	94.85%	97.56%	103.88%	103.40%	97.78%	99.20%	99.44%	99.44%	99.44%	99.44%	99.44%
12	97.14%	96.24%	96.90%	102.50%	105.97%	94.74%	100.76%	99.52%	99.52%	99.52%	99.52%	99.52%

Cohort Retention Rate Averages							
Grade	7-Year	6-Year	5-Year	4-Year	3-Year	2-Year	1-Year
1	102.75%	103.21%	104.16%	103.79%	103.35%	101.94%	103.88%
2	101.61%	101.01%	100.89%	98.94%	99.10%	100.27%	98.37%
3	102.49%	102.32%	102.94%	103.48%	101.75%	101.46%	97.87%
4	99.93%	100.41%	100.90%	100.71%	101.20%	103.47%	102.40%
5	98.00%	98.14%	97.77%	97.38%	97.33%	97.57%	99.28%
6	101.33%	100.80%	100.53%	99.90%	99.17%	98.75%	94.24%
7	100.87%	100.67%	101.23%	101.18%	101.83%	102.05%	101.57%
8	100.95%	100.28%	100.60%	101.12%	100.80%	98.23%	99.18%
9	95.81%	94.85%	96.24%	96.31%	96.07%	96.15%	97.20%
10	97.79%	97.43%	98.13%	98.05%	96.22%	92.80%	96.32%
11	99.97%	99.44%	100.36%	101.06%	100.13%	98.49%	99.20%
12	99.18%	99.52%	100.17%	100.99%	100.49%	97.75%	100.76%
		Total 6 year Avg					
		99.74%					

Source: Forecast 5 Analytics

The retention 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 but some trends are visible and assist with planning for the future.

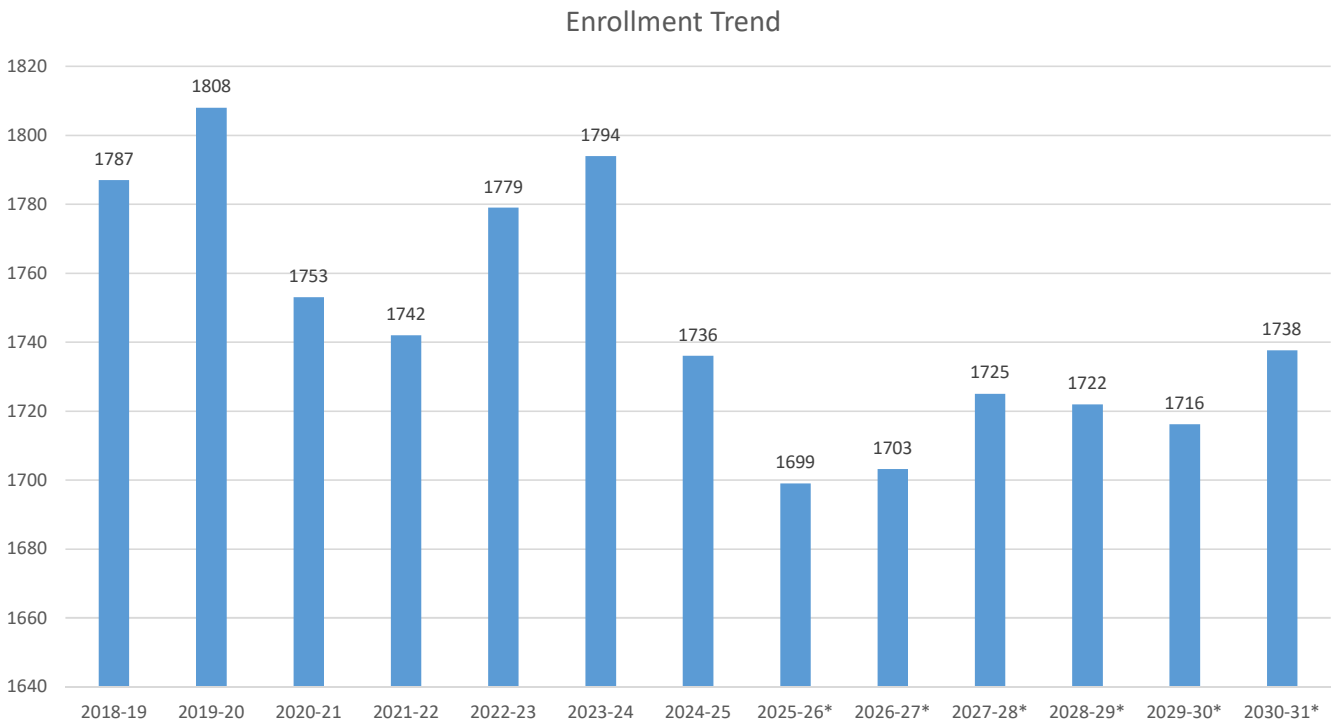
Enrollment Projections

	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**	**2029-30**	**2030-31**
Kindergarten	125	129	124	117	130	123	103	121	142	147	129	130	134
1	115	125	127	131	123	138	123	107	125	146	152	133	134
2	141	121	127	138	129	119	141	121	108	126	148	153	134
3	136	146	120	128	150	132	125	138	124	111	129	151	157
4	142	132	143	122	127	145	138	128	139	124	111	130	152
5	134	138	132	142	119	123	139	137	126	136	122	109	127
6	147	140	141	136	145	119	127	131	138	127	137	123	110
7	142	150	137	143	135	147	122	129	132	139	127	138	124
8	129	149	148	135	146	143	143	121	129	132	139	128	138
9	136	131	131	142	131	140	136	139	115	123	125	132	121
10	129	136	123	129	147	135	125	131	135	112	120	122	129
11	140	133	129	120	134	152	132	124	130	135	111	119	122
12	137	136	128	125	123	142	144	133	123	130	134	111	118
Ungraded	10	10	16	14	14	12	11	11	12	12	12	12	12
Total K-12	**1,763**	**1,776**	**1,726**	**1,722**	**1,753**	**1,770**	**1,709**	**1,671**	**1,678**	**1,699**	**1,696**	**1,690**	**1,711**
Placed out of District	24	32	27	20	26	24	27	28	25	26	26	26	26
Total District	**1,787**	**1,808**	**1,753**	**1,742**	**1,779**	**1,794**	**1,736**	**1,699**	**1,703**	**1,725**	**1,722**	**1,716**	**1,738**
Annual Change		21	(55)	(11)	37	15	(58)	(37)	4	22	(3)	(6)	21
Annual Change %		1.18%	-3.04%	-0.63%	2.12%	0.84%	-3.23%	-2.13%	0.25%	1.28%	-0.18%	-0.34%	1.25%

This projection uses a 6 year cohort retention rate average shown on the previous slide.

2025-26 is current enrollment on BEDS day. This enrollment includes residents only and does not include students paying tuition by parent or placing school district. In reality, enrollment fluctuates all year long.

Enrollment Projections

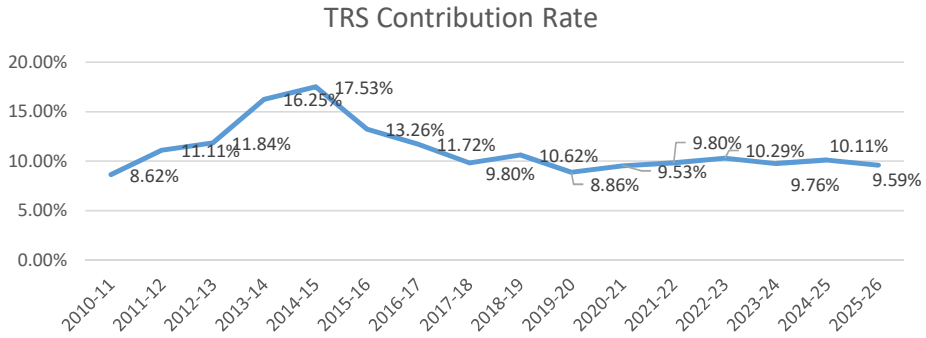


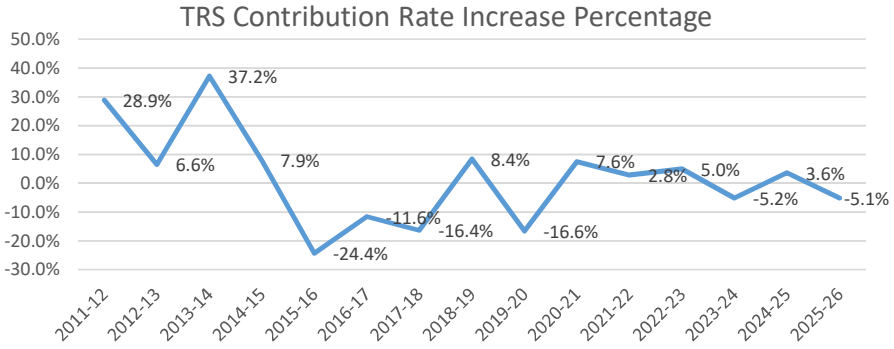
* Projected Enrollment includes only District resident students

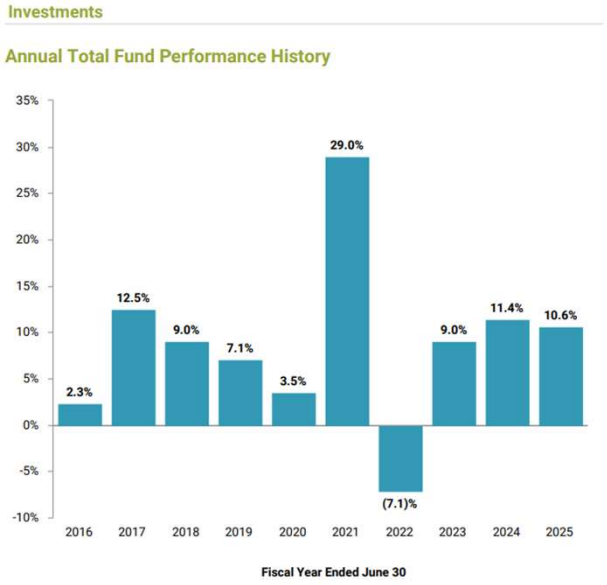
Long-Range Financial Plan:

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 2026-27 salaries from 2025-26 is 8.25-8.75% which is an approximately 5% decrease from the current fiscal year.





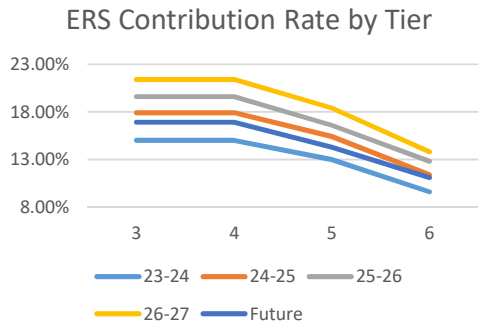


Long-Range Financial Plan:

Historical Review of Key Financial Factors

ERS Contribution Rates are considerably above the TRS contribution rate but are set by Tier. The rates are especially lower for our newer employees in Tier 6. The percent of employees by tier changes through retirements and resignations.

	23-24 Actual		24-25 Actual		25-26 Actual		26-27 Projected		Projected Rates from ERS for future years
Tier	Employer Contribution Rate	Percent of Employee Salary in Tier	Employer Contribution Rate	Percent of Employee Salary in Tier	Employer Contribution Rate	Percent of Employee Salary in Tier	Employer Contribution Rate	Percent of Employee Salary in Tier	Employer Contribution Rate
3	15.00%	2.5%	17.90%	1.3%	19.6%	1.3%	21.4%	1.3%	16.9%
4	15.00%	51.7%	17.90%	48.4%	19.6%	47.0%	21.4%	46.5%	16.9%
5	13.00%	2.0%	15.40%	1.8%	16.6%	1.9%	18.4%	1.9%	14.3%
6	9.60%	43.8%	11.40%	48.5%	12.8%	49.8%	13.8%	50.3%	11.1%

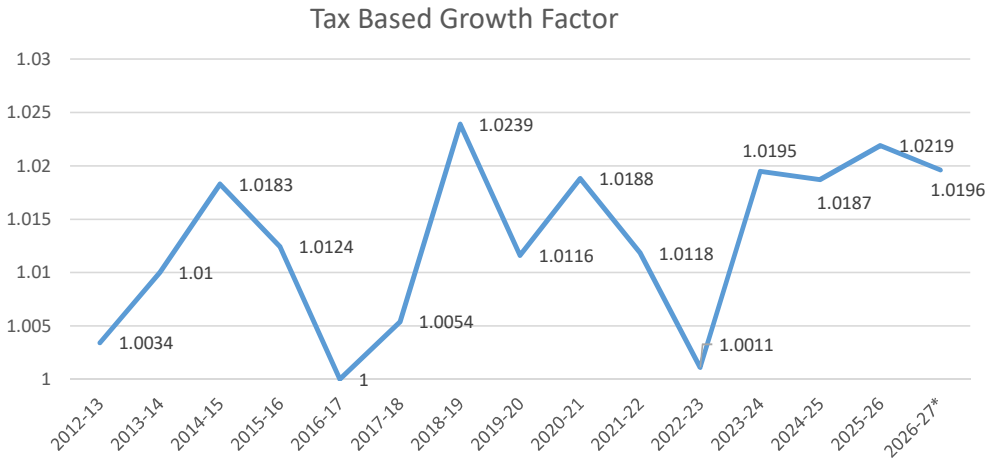


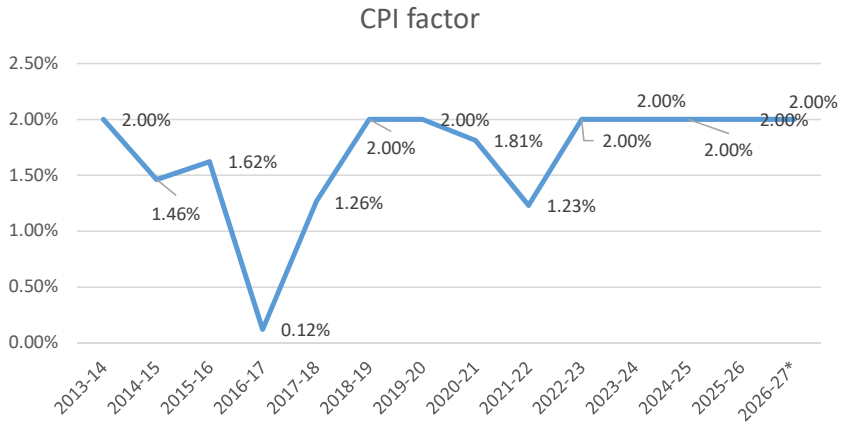
Long-Range Financial Plan:

Historical Review of Key Financial Factors

Growth/CPI factors used in Tax Levy Cap formula

- We are seeing stability with the Consumer Price Index (CPI) factor however, it is typically below inflation as it is capped at 2%. Also CPI does not include salaries, which are ~ 50% of our budget. We have also experienced fairly consistent growth factors recently.





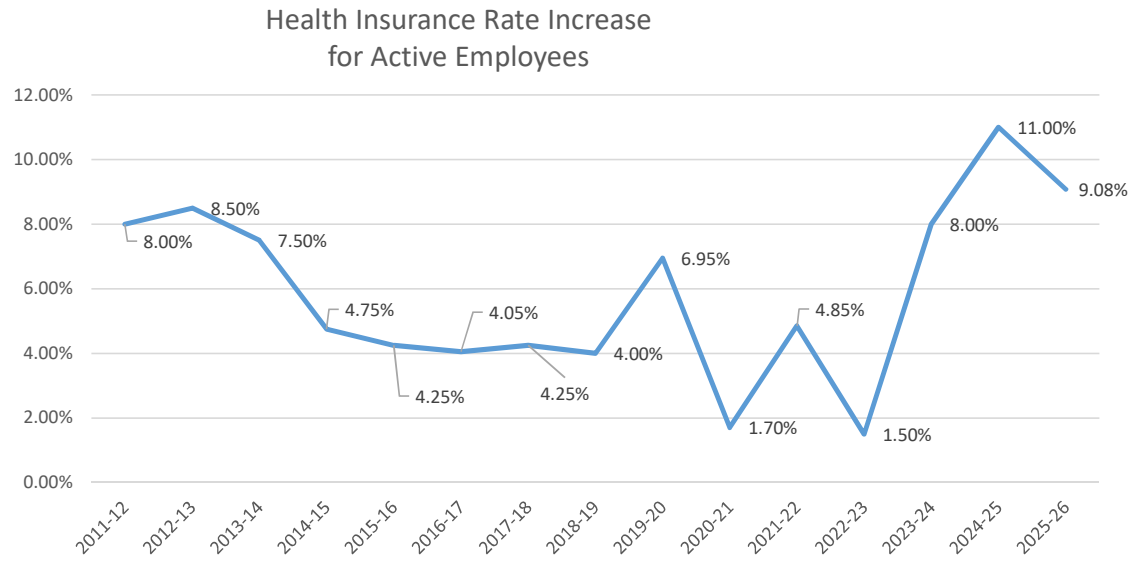
The Quantity Change Factor adjusts the tax levy limit to reflect an increase in the full value of taxable real property in a school district due to physical or quantity change – i.e., new growth or significant additions to existing properties. The Commissioner of Taxation and Finance will issue a Quantity 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)

* 2026-27 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 similar increase percentages to continue for the foreseeable future and this is always an area of concern.

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.

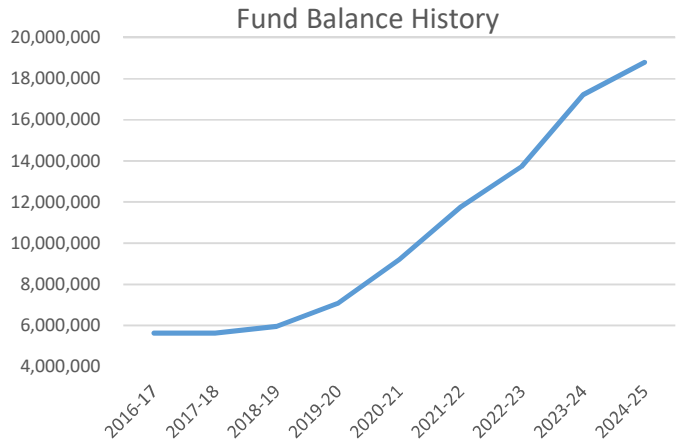
A Look at District Reserves

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". Reserve levels impact our borrowing rates. A June 2024 ratings report resulted in maintaining the Aa2 rating.

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

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Undesignated	2,364,020	2,453,927	2,518,142	2,582,259	2,654,469	2,738,999	2,923,163	3,043,523	3,183,056
Reserves for Encumbrances	161,424	18,684	76,509	362,968	214,305	469,229	838,274	330,459	581,962
Appropriated for Revenue	422,500	422,500	422,500	422,500	422,500	422,500	422,500	422,500	422,500
Tax Certiorari	1,541,753	1,476,548	1,513,923	1,980,758	3,369,291	4,713,182	4,423,699	4,690,922	4,819,607
Employee Benefit Liability	502,949	460,619	434,670	321,588	421,668	622,128	658,522	602,353	859,764
Worker Compensation	341,273	393,825	475,922	436,556	800,062	916,737	1,010,948	895,950	733,929
Capital	301,340	403,593	460,866	566,322	766,462	1,117,300	2,421,184	4,034,571	4,505,596
ERS/TRS Retirement Contribution			50,000	400,592	550,691	751,293	1,037,525	1,246,301	1,649,132
Liability Claims								1,750,000	1,424,182
Insurance								200,000	608,478
Total Fund Balance	**5,635,259**	**5,629,696**	**5,952,532**	**7,073,543**	**9,199,448**	**11,751,368**	**13,735,815**	**17,216,579**	**18,788,206**
Increase/(Decrease)	(445,512)	(5,563)	322,836	1,121,011	2,125,905	2,551,920	1,984,447	3,480,764	1,571,627



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.

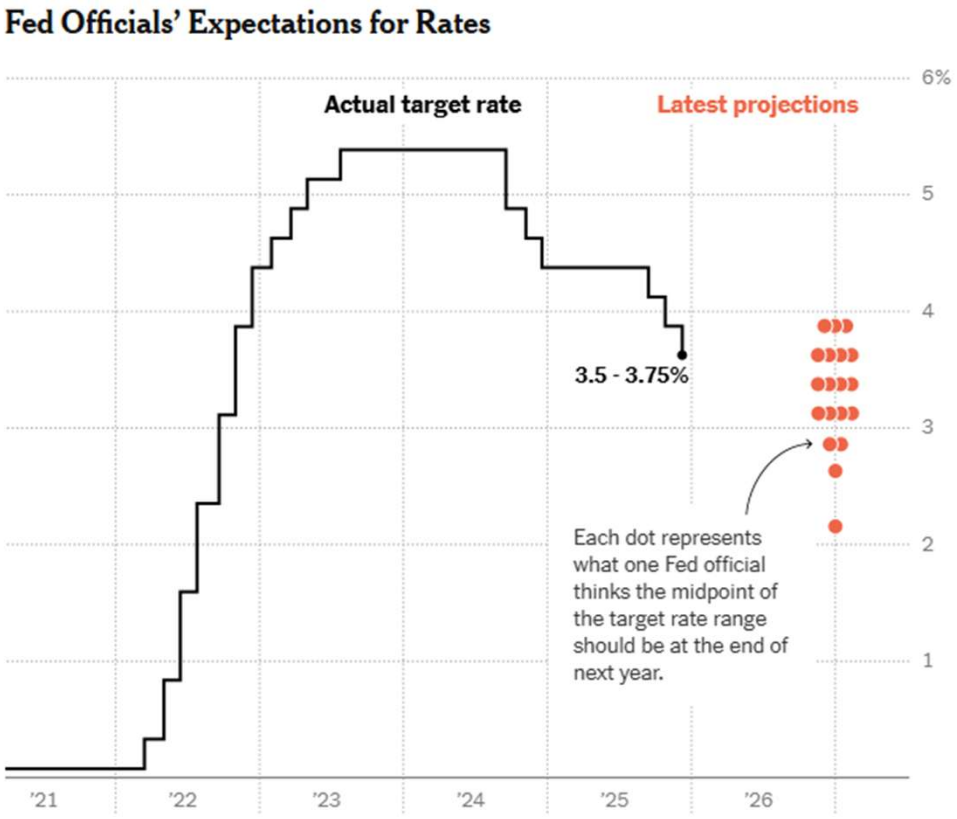
Long-Range Financial Plan:

Key Revenue Assumptions

Revenue Assumptions Base Plan:	
Tax Levy Cap	
Growth Factor	1.0196, then 1.015
CPI Factor	2.00%
State Aid	2%
	Prior Year Aid owed to District has been indefinitely deferred and not included
Other Key Revenues	
Sales Tax Share	3.5% for 26-27, then 2% increase
BOCES Rental	$0
Tuition Revenue	Currently enrolled students in special classes projected out
Health Services	Decrease due to declining enrollment at private school located in our district
Interest Income	One time adjustment to match current rate environment, then gradually reduced to reflect expected reduced interest rates

Long-Range Financial Plan:

Key Revenue Assumptions – Interest Environment



Note: The actual target rate shows the midpoint of the federal funds target rate range. Source: Federal Reserve By Jacqueline Gu

Source: The New York Times on Dec. 10, 2025

Long-Range Plan Revenue Outlook

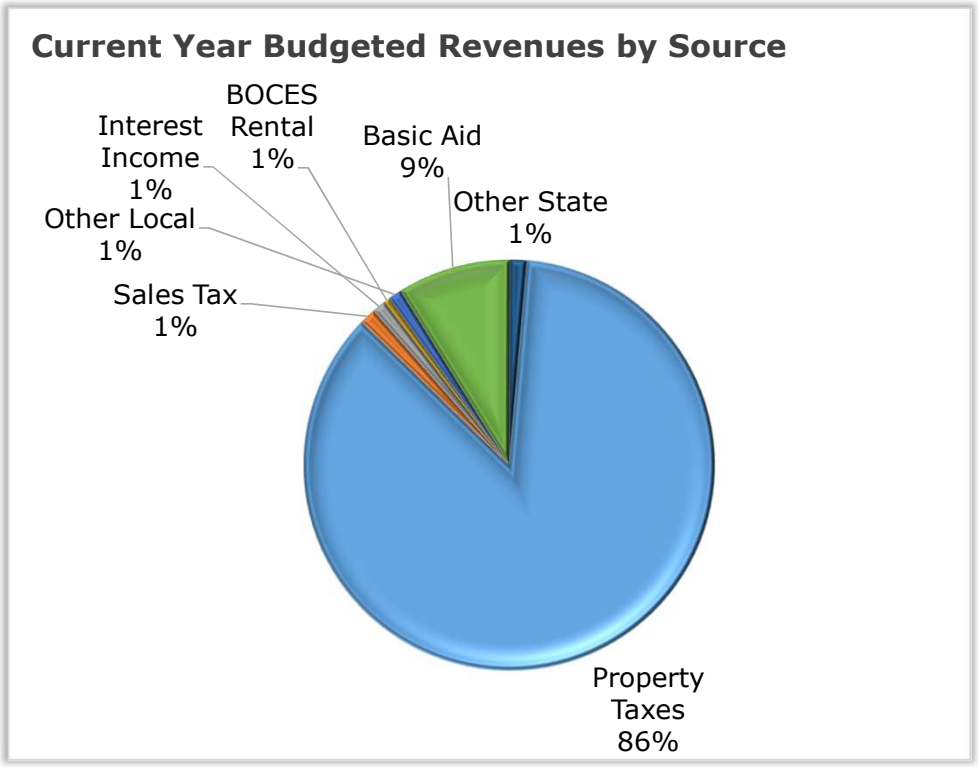
General (A) Fund | Revenue Analysis

Base Scenario

	BUDGET	REVENUE PROJECTIONS									
	2026	2027	%Δ	2028	%Δ	2029	%Δ	2030	%Δ	2031	%Δ
LOCAL											
Property Taxes	$67,970,747	$70,653,818	3.95%	$73,100,823	3.46%	$75,639,693	3.47%	$78,261,761	3.47%	$80,612,269	3.00%
Sales Tax	$1,000,000	$1,050,000	5.00%	$1,071,000	2.00%	$1,092,420	2.00%	$1,114,268	2.00%	$1,136,554	2.00%
Interest Income	$865,455	$980,455	13.29%	$931,432	-5.00%	$884,861	-5.00%	$840,618	-5.00%	$798,587	-5.00%
BOCES Rental	$344,672	$0	-100.00%	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%
Other Local Revenue	$857,935	$903,315	5.29%	$1,010,211	11.83%	$1,019,375	0.91%	$1,028,865	0.93%	$1,038,680	0.95%
TOTAL LOCAL REVENUE	**71,038,809**	**73,587,588**	**3.59%**	**76,113,467**	**3.43%**	**78,636,349**	**3.31%**	**81,245,512**	**3.32%**	**83,586,089**	**2.88%**
STATE											
Basic Aid	7,067,483	7,208,833	2.00%	7,353,009	2.00%	7,500,070	2.00%	7,650,071	2.00%	7,803,072	2.00%
Other State Revenue	1,047,608	1,068,560	2.00%	1,089,931	2.00%	1,111,730	2.00%	1,133,965	2.00%	1,156,644	2.00%
TOTAL STATE REVENUE	**8,115,091**	**8,277,393**	**2.00%**	**8,442,941**	**2.00%**	**8,611,799**	**2.00%**	**8,784,035**	**2.00%**	**8,959,716**	**2.00%**
Assigned Fund Balance	**422,500**	**422,500**	**0.00%**	**422,500**	**0.00%**	**422,500**	**0.00%**	**422,500**	**0.00%**	**422,500**	**0.00%**
TOTAL REVENUE	**$79,576,400**	**$82,287,481**	**3.41%**	**$84,978,907**	**3.27%**	**$87,670,648**	**3.17%**	**$90,452,047**	**3.17%**	**$92,968,305**	**2.78%**

Revenue drives the budget. Typically, over 90% of the District's revenue comes from the tax levy/STAR payment. With recent increases in State Aid, this percentage has reduced to 86%. We do not expect state aid to increase much and have a concern it could be reduced. Sales Tax revenue and Interest Income have been positive which this scenario reflects with adjustments in 2026-27 year.

Long-Range Plan Revenue Outlook



Other Local Revenue
Tuition from other Districts/Parents
Health Servics
Facilities Use Rental Income
Refunds from BOCES
Reimbursement of Related Service Expenses for JCOS
CPSE Reimbursement from Westchester County
E-Rate
Miscellaneous

Basic State Aid
Foundation Aid
Excess Cost Aid
Transportation Aid
Building Aid
Other State Revenue
Textbook, Software Library, Computer Hardware Aid
BOCES Aid

Long-Range Financial Plan:

Key Expense Assumptions

Expense Assumptions Base Plan:	
Pension Employer Contribution rates:	
TRS	8.75% (2026-27 estimate is 8.25-8.75%); 9.25%,9.75%,10%,10%
ERS (reflects gradual change of tier mix)	15%, 14.8%, 14.6%, 14.4%, 14.2% 14% ERS provides a long range outlook of 11.1% to 16.9% based on tier
Annual Percent Increases:	
Health Insurance	8%
Contractual and Supplies	Varies between 2-4% depending on type
BOCES (varies if salary related)	2%
BOCES Administrative Fee	2.5%
Utilities	5.0%
Special Education Tuitions	Reductions to reflect more in-house programming
Transportation	4% for contract except 8% in 27-28; 2% for management services
Other:	
Contractual salary increases based on known contracts and estimates for outlying years	
Capital expenses in Facilities is flat: $275,000 per year	
Equipment expenses of ~$300,000 for Facilities and Technology infrastructure and student/staffdevices	
Debt Service per schedule and assumes no new borrowings	
Tax Certs - No budget allocation. Utilize reserve.	
Other one time adjustments based on known information and prior expenditure history	

Long-Range Plan Expenditure Outlook

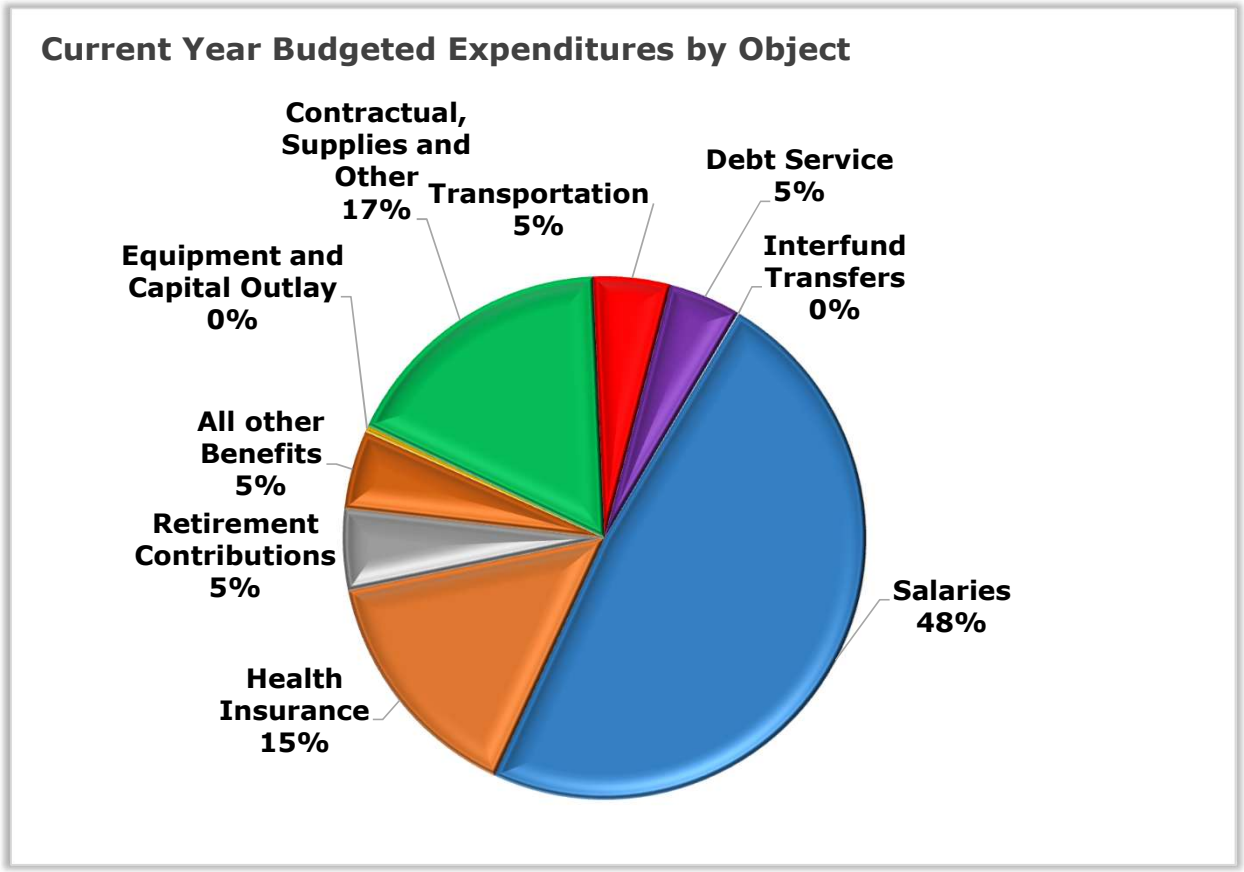
General (A) Fund | Expenditure Analysis

Base Scenario

	BUDGET	EXPENDITURE PROJECTIONS									
	2026	2027	% Δ	2028	% Δ	2029	% Δ	2030	% Δ	2031	% Δ
Salaries	$38,426,912	$39,868,791	3.75%	$41,060,208	2.99%	$42,389,150	3.24%	$43,769,116	3.26%	$45,105,159	3.05%
Health Insurance	$11,829,106	$12,775,434	8.00%	$13,797,469	8.00%	$14,901,267	8.00%	$16,093,368	8.00%	$17,380,838	8.00%
Retirement Contributions	$4,000,898	$3,956,227	-1.12%	$4,237,712	7.11%	$4,541,139	7.16%	$4,783,832	5.34%	$4,931,741	3.09%
All other Benefits	$3,882,421	$3,967,028	2.18%	$4,054,026	2.19%	$4,143,067	2.20%	$4,234,199	2.20%	$4,327,474	2.20%
TOTAL SALARIES & BENEFITS	**58,139,337**	**60,567,480**	**4.18%**	**63,149,415**	**4.26%**	**65,974,623**	**4.47%**	**68,880,515**	**4.40%**	**71,745,212**	**4.16%**
Equipment and Capital Outlay	303,170	306,000	0.93%	306,000	0.00%	306,000	0.00%	306,000	0.00%	306,000	0.00%
Contractual, Supplies and Other	13,723,711	13,736,570	0.09%	13,611,863	-0.91%	13,786,153	1.28%	14,066,506	2.03%	14,397,475	2.35%
Transportation	3,791,225	3,942,874	4.00%	4,258,304	8.00%	4,428,636	4.00%	4,605,782	4.00%	4,790,013	4.00%
Debt Service	3,538,956	3,551,300	0.35%	3,547,662	-0.10%	3,549,437	0.05%	3,544,824	-0.13%	3,162,000	-10.80%
Interfund Transfers	80,000	81,600	2.00%	83,232	2.00%	83,232	0.00%	83,232	0.00%	83,232	0.00%
TOTAL ALL OTHER	**21,437,063**	**21,618,344**	**0.85%**	**21,807,062**	**0.87%**	**22,153,458**	**1.59%**	**22,606,344**	**2.04%**	**22,738,720**	**0.59%**
TOTAL EXPENDITURES	**$79,576,400**	**$82,185,824**	**3.28%**	**$84,956,477**	**3.37%**	**$88,128,081**	**3.73%**	**$91,486,859**	**3.81%**	**$94,483,932**	**3.28%**

Expenses are largely influenced by salary and benefit costs.

Long-Range Plan Expenditure Outlook



Long-Range Plan Financial Outlook

General (A) Fund | Summary

Base Scenario

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2026	2027	%Δ	2028	%Δ	2029	%Δ	2030	%Δ	2031	%Δ
REVENUE											
Local	$71,038,809	$73,587,588	3.59%	$76,113,467	3.43%	$78,636,349	3.31%	$81,245,512	3.32%	$83,586,089	2.88%
State	8,115,091	8,277,393	2.00%	8,442,941	2.00%	8,611,799	2.00%	8,784,035	2.00%	8,959,716	2.00%
Assigned Fund Balance	422,500	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%
TOTAL REVENUE	**79,576,400**	**82,287,481**	**3.41%**	**84,978,907**	**3.27%**	**87,670,648**	**3.17%**	**90,452,047**	**3.17%**	**92,968,305**	**2.78%**
EXPENDITURES											
Salary and Benefit Costs	58,139,337	60,567,480	4.18%	63,149,415	4.26%	65,974,623	4.47%	68,880,515	4.40%	71,745,212	4.16%
Other	21,437,063	21,618,344	0.85%	21,807,062	0.87%	22,153,458	1.59%	22,606,344	2.04%	22,738,720	0.59%
TOTAL EXPENDITURES	**79,576,400**	**82,185,824**	**3.28%**	**84,956,477**	**3.37%**	**88,128,081**	**3.73%**	**91,486,859**	**3.81%**	**94,483,932**	**3.28%**
SURPLUS / DEFICIT	**$0**	**$101,656**		**$22,430**		**($457,433)**		**($1,034,812)**		**($1,515,626)**	

Expenses must equal expected revenue when preparing a budget. 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 two 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									
	2026	2027	%Δ	2028	%Δ	2029	%Δ	2030	%Δ	2031	%Δ
REVENUE											
Local	$71,038,809	$73,587,588	3.59%	$76,113,467	3.43%	$78,636,349	3.31%	$81,245,512	3.32%	$83,586,089	2.88%
State	8,115,091	8,277,393	2.00%	8,442,941	2.00%	8,611,799	2.00%	8,784,035	2.00%	8,959,716	2.00%
Assigned Fund Balance	422,500	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%
TOTAL REVENUE	**79,576,400**	**82,287,481**	**3.41%**	**84,978,907**	**3.27%**	**87,670,648**	**3.17%**	**90,452,047**	**3.17%**	**92,968,305**	**2.78%**
EXPENDITURES											
Salary and Benefit Costs	58,139,337	60,567,480	4.18%	63,149,415	4.26%	65,974,623	4.47%	68,880,515	4.40%	71,745,212	4.16%
Other	21,437,063	21,618,344	0.85%	21,807,062	0.87%	22,153,458	1.59%	22,606,344	2.04%	22,738,720	0.59%
TOTAL EXPENDITURES	**79,576,400**	**82,185,824**	**3.28%**	**84,956,477**	**3.37%**	**88,128,081**	**3.73%**	**91,486,859**	**3.81%**	**94,483,932**	**3.28%**
SURPLUS / DEFICIT	**0**	**101,656**		**22,430**		**(457,433)**		**(1,034,812)**		**(1,515,626)**	
BEGINNING FUND BALANCE	**18,365,705**	**18,365,705**		**18,467,361**		**18,489,791**		**18,032,359**		**16,997,547**	
PROJECTED YEAR END BALANCE	**$18,365,705**	**$18,467,361**		**$18,489,791**		**$18,032,359**		**$16,997,547**		**$15,481,920**	
FUND BALANCE AS % OF EXPENDITURES	**23.08%**	**22.47%**		**21.76%**		**20.46%**		**18.58%**		**16.39%**	
FUND BALANCE AS # OF MONTHS OF EXPEND.	**2.77**	**2.70**		**2.61**		**2.46**		**2.23**		**1.97**	

This illustrates how fund balance /reserve would be affected if no other changes were made. Alternatively, this shows the level of reserves needed to sustain expenditures with the assumptions used in this model.

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 for the next two years.
- A second scenario changes the assumed increase of health insurance rates from an 8% increase to a 9% increase.
- 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.
- Reductions in expenditures, or use of reserves, would be needed should this scenario occur.

Long-Range Financial Outlook:

A More Pessimistic View

General (A) Fund | Summary

Scenario 2 - Health Insurance at 9% increase

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2026	2027	%Δ	2028	%Δ	2029	%Δ	2030	%Δ	2031	%Δ
REVENUE											
Local	$71,038,809	$73,587,588	3.59%	$76,113,467	3.43%	$78,636,349	3.31%	$81,245,512	3.32%	$83,586,089	2.88%
State	8,115,091	8,277,393	2.00%	8,442,941	2.00%	8,611,799	2.00%	8,784,035	2.00%	8,959,716	2.00%
Assigned Fund Balance	422,500	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%	422,500	0.00%
TOTAL REVENUE	**79,576,400**	**82,287,481**	**3.41%**	**84,978,907**	**3.27%**	**87,670,648**	**3.17%**	**90,452,047**	**3.17%**	**92,968,305**	**2.78%**
EXPENDITURES											
Salary and Benefit Costs	58,139,337	60,685,772	4.38%	63,406,107	4.48%	66,392,392	4.71%	69,484,895	4.66%	72,564,920	4.43%
Other	21,437,063	21,618,344	0.85%	21,807,062	0.87%	22,153,458	1.59%	22,606,344	2.04%	22,738,720	0.59%
TOTAL EXPENDITURES	**79,576,400**	**82,304,116**	**3.43%**	**85,213,169**	**3.53%**	**88,545,850**	**3.91%**	**92,091,239**	**4.00%**	**95,303,640**	**3.49%**
SURPLUS / DEFICIT	**$0**	**($16,635)**		**($234,261)**		**($875,201)**		**($1,639,192)**		**($2,335,335)**	

This illustrates that the increase of health insurance increase percentage from 8% to 9% creates a situation that would require other cuts. The increased cost of ~$118,000 when 9% is used causes a deficit that increases exponentially over the next few years.

Long-Range Plan Related Strategies

- Review any larger one-time revenues or expenses – creates opportunities for program enhancements or reserves
- Time borrowing for new 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 – use in the year with a negative surplus projected for example
  - Tax Cert Reserve
  - Worker's Comp Reserve
  - Liability Reserve
  - Capital Reserve
- Plan to budget expenditures within budgeted revenues
  - Based on projection, would a large one time change in expenditures or decrease in revenue be sustainable?
- Review allocations of fund balance to support budget and ensure it is sustainable

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 continues to be an integral component of District operations.
- Annually, plans are updated and reprioritized based upon current needs and information.
- Budget proposals will be guided by the long-range plans and projections and strategic plan.
- 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.