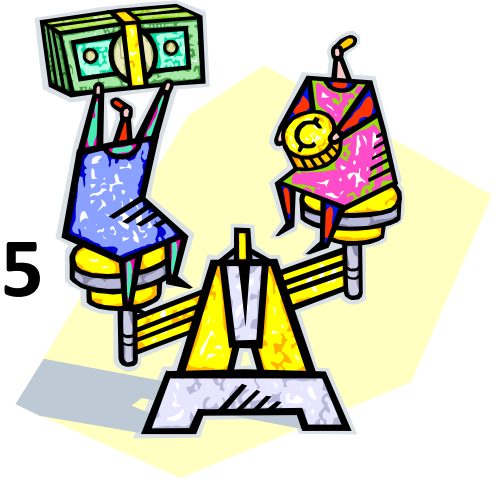


Arlington Central School District

Financial Forecast for the Years 2021-22 through 2024-2025



Presented on: October 12, 2021

Major Budget Drivers / Assumptions

- Property tax cap formula – Estimated at 2% CPI Increase
- State-Aid is approximately 30% of our budget and estimated at a 2% Increase
- Enrollment is stabilizing and needs to be continually monitored as we move forward in our planning processes
- Health insurance increase is forecast to be 8%; 2017-18 was 15.98%; 2018-19 was 6.9%; 2021-22 is 0%

Major Budget Drivers / Assumptions, cont.

- No change to ERS rate in this forecast: 13.97%
- No change to TRS rate in this forecast: 9.8%
- Assessed values are increasing which lowers tax rates
- Levy to levy increase is 2%
- The cost of salary and benefits for bargaining unit contracts
- Any major additions to programming

Management Decisions (2010 – Present)

- Closing of LaGrange Elementary School
- Moving the Central Office out of leased space
- Closing of Arlington Middle School
- Selling of Raymond Avenue
- Committing to full-day kindergarten
- Improving building infrastructure through an EPC Project at no additional cost to the budget
- Managing staff, class size and programs based on enrollment (“Right Sizing”)

Management Decisions, cont.

- Negotiating collective bargaining agreements, including adjustments to the health insurance plans and employee contributions offered by the District
- Updating the District's enrollment forecast to help long term planning
- Maintaining a 4.0% or less unrestricted fund balance
- Funding from operations the full cost of the 3.6 million health & safety proposition, therefore reducing the Districts long term debt obligation

Management Decisions, cont.

- Refinancing debt during 2015-16 to level out future debt payments
- Using \$8,500,000 from the Capital Reserve to create a tax neutral transportation and maintenance facilities improvement project
- Using \$1,518,000 from the Capital Reserve to create a tax neutral upgrade to the High School Athletic complex
- Increasing the amount of appropriated fund balance from \$5,743,000 to \$7,403,000 to lower tax burden

Unaudited

	Actual	Actual	Actual	Actual	Actual	Budget	Projected	Projected	Projected
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues									
Real Property Tax Items	120,434,987	\$122,674,450	\$126,256,693	\$130,893,106	\$134,975,121	\$147,420,288	\$150,368,693	\$153,376,066	\$156,443,587
Other Tax Items (includes STAR)	14,057,393	\$13,923,005	\$13,250,750	\$11,695,755	\$11,174,972	\$149,240	\$150,000	\$150,000	\$150,000
Charges for Services	2,217,474	1,968,474	1,974,614	1,972,046	2,010,031	1,928,000	1,928,000	1,928,000	1,928,000
State Aid	57,136,678	\$59,959,837	\$62,286,165	\$62,826,176	\$65,165,670	\$71,065,440	\$70,854,749	\$72,271,843	\$73,717,279
Federal Aid	75,749	136,493	189,855	247,414	65,275	125,000	125,000	125,000	125,000
Other (includes Sale of Property, Interest Income)	2,252,212	2,149,484	2,564,912	3,481,380	4,507,869	4,022,583	2,400,558	2,400,091	2,400,134
Interfund Transfers	777,297	16,699	82,941	1,288,580	1,852,175	1,468,449	0	0	0
Total Revenues and Other Sources	196,951,790	\$200,828,441	\$206,605,930	\$212,404,456	\$219,751,114	\$226,179,000	\$225,827,000	\$230,251,000	\$234,764,000
Dollar Change	2,573,527	\$3,876,652	\$5,777,488	\$5,798,527	\$13,145,184	\$6,427,886	(\$352,000)	\$4,424,000	\$4,513,000
Percent Change	1.32%	1.97%	2.88%	2.81%	6.36%	2.93%	-0.16%	1.96%	1.96%
						\$233,582,000	\$233,230,000	\$237,654,000	\$242,167,000
Expenditures by Object									
						0	(3,006,000)	(7,984,000)	(13,427,000)
Personal Services - Instructional	74,135,441	75,547,338	77,466,360	79,565,223	81,459,001	88,353,964	91,004,582	93,734,719	96,546,760
Personal Services - Noninstructional	20,320,762	21,452,625	21,797,273	22,271,670	21,953,381	24,538,939	25,275,107	26,033,360	26,814,360
Equipment and Capital Outlay	603,814	431,809	516,396	477,564	358,928	430,727	431,000	431,000	431,000
Contractual and Other	30,829,808	30,141,454	31,635,430	32,046,683	35,934,975	37,202,023	34,500,572	34,845,577	35,194,032
Employee Benefits	50,355,234	54,555,696	56,709,280	57,896,881	59,933,074	64,448,278	69,604,739	75,173,344	81,187,848
Debt Service (Principal and Interest)	14,125,299	14,669,803	13,937,004	13,918,073	14,189,668	15,028,069	15,100,000	15,100,000	15,100,000
Interfund Transfers	12,049,052	2,888,469	1,828,173	3,442,410	3,218,169	3,580,000	320,000	320,000	320,000
Assumes 3.4% of Budget Not Spent						-7,007,460	-7,087,080	-7,369,140	-7,667,820
Total Expenditures and Other Uses	202,419,411	\$199,687,194	\$203,889,917	\$209,618,503	\$217,047,195	\$226,574,540	\$229,148,920	\$238,268,860	\$247,926,180
Dollar Change	16,783,820	(\$2,732,217)	\$4,202,723	\$5,728,586	\$7,428,692	\$9,527,345	\$2,574,380	\$9,119,940	\$9,657,320
Percent Change	9.04%	-1.35%	2.10%	2.81%	3.54%	4.39%	1.14%	3.98%	4.05%
Operational Surplus (Deficit)	3,032,379	2,659,247	4,066,013	4,600,954					
Financial Statement Surplus (Deficit)	(5,467,621)	\$1,141,247	\$2,716,013	\$2,785,954	\$2,703,919	(\$395,540)	(\$3,321,920)	(\$8,017,860)	(\$13,162,180)

Unaudited

Budgetary Reserves

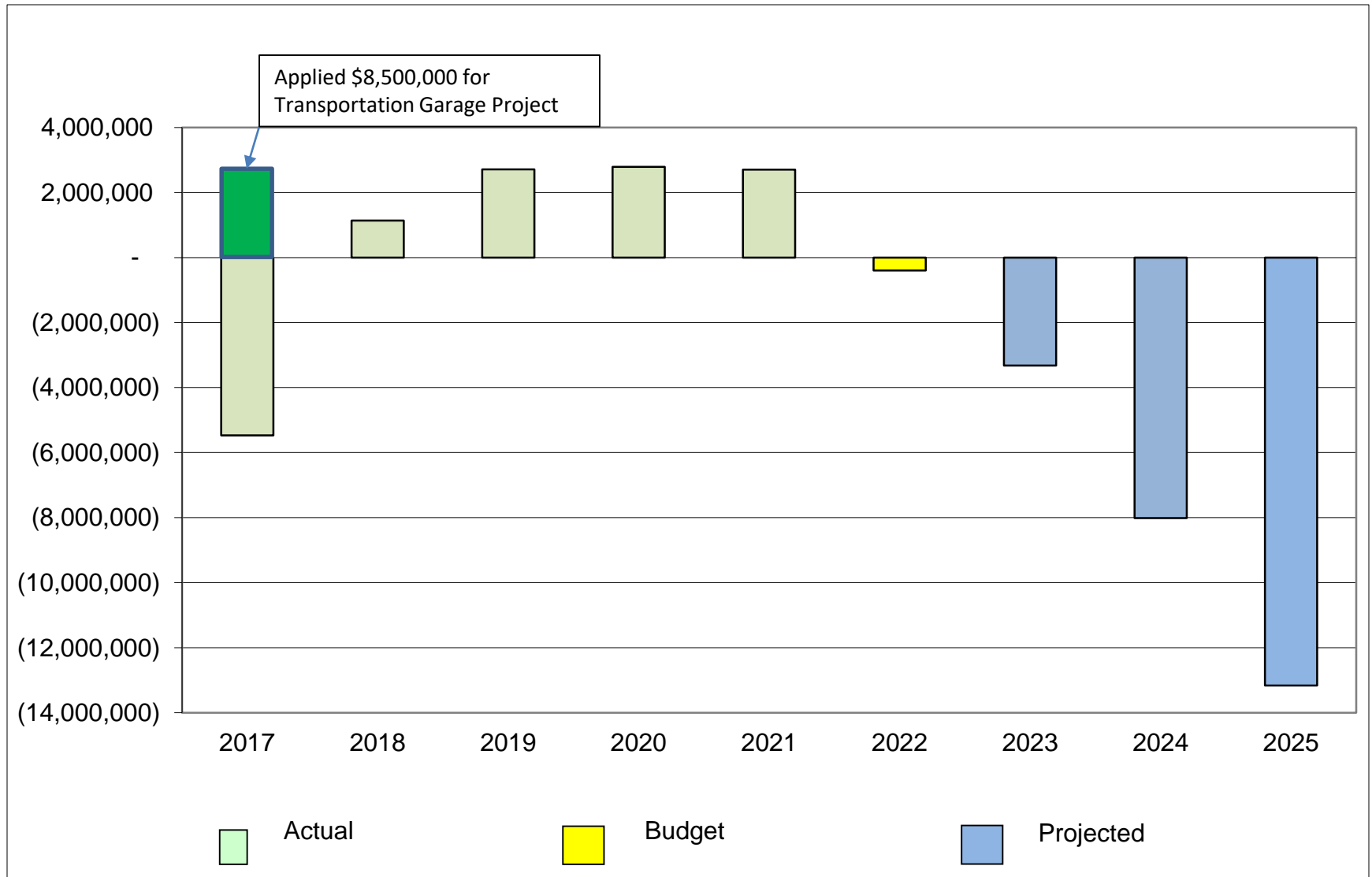
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fund Equity, Beg. of Year	27,795,766	\$22,328,146	\$23,469,393	\$26,185,406	\$28,971,360	\$31,675,279	\$31,279,739	\$27,957,819	\$19,939,958
Fund Equity, End of Year	22,328,146	23,469,393	26,185,406	28,971,360	31,675,279	31,279,739	27,957,819	19,939,958	6,777,778
Non-spendable and Restricted Fund Balance	7,556,775	8,048,311	10,430,256	12,554,168	15,120,440	15,120,440	15,120,440	15,120,440	15,120,440
Assigned	6,842,021	7,219,362	7,279,005	8,653,762	7,403,000	7,403,000	7,403,000	7,403,000	7,403,000
Unrestricted Fund Balance	7,929,350	8,201,719	8,476,145	7,763,430	9,151,839	8,756,299	5,434,379	(2,583,482)	(15,745,662)

Calculation for Adj. Fund Balance as a % of Budget

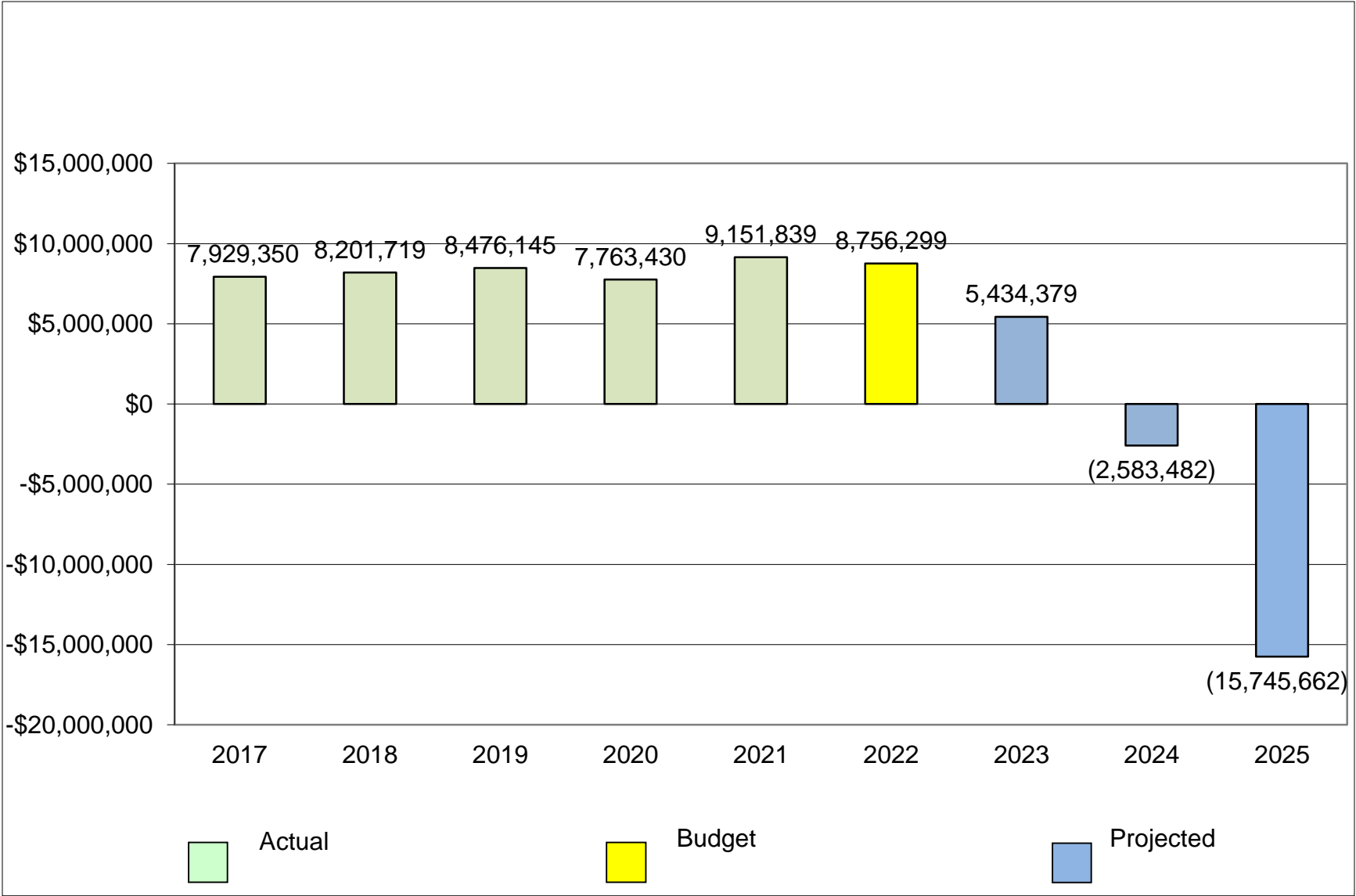
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenditure Budget	201,225,000	\$205,055,000	\$209,894,000	\$216,161,000	\$224,658,000	\$233,582,000	\$236,236,000	\$245,638,000	\$255,594,000
Budget to Budget Increase	2.57%	1.90%	2.36%	2.99%	3.93%	3.97%	1.14%	3.98%	4.05%
Total Fund Balance as a % of Subsequent Years Budget	11%	11%	12%	13%	14%	13%	11%	8%	3%
Unrestricted Fund Balance	7,929,350	8,201,719	8,476,145	7,763,430	9,151,839	8,756,299	5,434,379	(2,583,482)	(15,745,662)
Unrestricted Fund Balance (subject to 4% restriction)	3.9%	3.9%	3.9%	3.5%	3.9%	3.7%	2.2%	-1.0%	-6.0%
-Appropriated Fund Balance for next FY	5,000,000	\$5,743,000	\$5,743,000	\$7,403,000	\$7,403,000	\$7,403,000	\$7,403,000	\$7,403,000	\$7,403,000

Results of Operations on Fund Balance

Surplus (Deficit)



Unrestricted Fund Balance



Why estimate State-aid at 2%?

- The state has imposed a 2% or less spending plan for their budget and this forces all state dependent agencies to consider this when estimating future State aids.

Cumulative Tax Avoidance

Year	Tax Cap	Levy	Tax Levy Limit	Proposed Levy	Levy Annual Difference	Cumulative Savings (\$)
12-13	3.87%	2.0%	\$130,627,318	\$128,273,603	(\$2,353,715)	(2,353,715)
13-14	2.22%	2.0%	131,121,764	130,837,382	(284,382)	(2,638,097)
14-15	2.22%	2.0%	133,744,276	133,454,129	(290,147)	(2,928,244)
15-16	2.76%	1.48%	137,136,051	135,423,212	(1,712,839)	(4,641,083)
16-17	0.97%	-0.74%	136,737,238	134,423,212	(2,314,026)	(6,955,109)
17-18	2.84%	1.52%	138,239,240	136,465,676	(1,773,564)	(8,728,673)
18-19	2.40%	2.20%	139,739,673	139,467,921	(271,752)	(9,000,425)
19-20	2.55%	2.15%	143,025,554	142,467,840	(557,714)	(9,558,139)
20-21	2.47%	2.47%	145,989,118	145,987,196	(1,922)	(9,560,061)
21-22	1.98%	0.98%	148,878,956	147,420,288	(1,458,668)	(11,018,729)

Why does the financial forecast predict an increasing need to use fund balance as we get further away from the current year?

- It's a financial model that is based on assumed values that become less accurate the further we are away from the current year
- It does not take into account management's ability to make decisions as new information becomes available