



Lyncourt Union Free School District

LONG RANGE FINANCIAL PLAN

The Lyncourt Union Free School District, in partnership with the community, is committed to educating all learners to reach their full potential.”

Adopted by the Board of Education January 10, 2023

Prepared by Cathryn Marchese, School Business Administrator



District Summary

The Lyncourt School community is committed to provide a well-rounded educational experience for our youth. This unique district is home to PreK through 8th graders in the hamlet of Syracuse, Town of Salina. Under the direction of a five-member Board of Education, it is their goal to maintain the school building and support the staff toward continuing to provide an excellent educational foundation. Our small, yet mighty school district provides small class sizes, personal attention and a close-knit community.

The district offers a high school choice for our 9th through 12th grade students. Currently, our graduating 8th graders have a choice to attend one of two high schools. Lyncourt is responsible for the cost of educating our high school youth and we do so by paying tuition to the attending school.

Purpose of Long Range Planning

It is important to note that this plan should not be interpreted as a definitive financial forecast. The multiyear financial plan is requested of the New York State Office of the State Comptroller. The projections are estimates of increasing expenditures and expectations for increased revenues. The planned revenue is very hard to project and will likely differ as years approach. The school district's annual budget is based on more factual, available, and short term data such as state aid projections and expenditure increases that are known for the following next year.

According to the New York State Office of the State Comptroller a **multiyear financial plan** is an articulated plan of approach to project school district revenues and expenditures for several years into the future.

This plan is a **vital tool for the school district Board of Education**, especially during this era of difficult financial conditions for schools. Multiyear Finance Planning allows the School Board and Administration to set long-term priorities and work toward goals.

A plan could help our school community residents and Board Members see the impact of their fiscal decisions over time. They can then decide what program funding choices to make in advance, avoiding sudden tax increases or dramatic budget cuts.

Planning will provide **early identification of potential fiscal problems** and alleviate making decisions that will be detrimental to the fiscal well-being of the district. Considering the current trend of imbalances between revenues and expenditures, which will likely plague our budget cycles for the foreseeable future, it is imperative to look to the financial future.

The New York State Association of School Business Officials (NYSASBO) promotes multiyear planning as “**critical to maintaining sound fiscal health while maintaining educational programs for students.**” The NYSASBO further asserts that, “A long-range financial plan can link multi-year budgets to show what decisions are necessary to maintain programs and fiscal stability over the long term. They can assist administrators and school boards in understanding the long-term impact of decisions made today. They take into consideration community priorities, anticipated student enrollment, curriculum mandates, technology needs of students, facility needs, contractual provisions, rapidly increasing cost items, anticipated state resources, property tax caps and use of reserve funds.”

During the years 2010 through 2021 public schools across the state faced turbulent economic and policy environments:

- Freezing and subsequent reduction of state education aid;
- Restrictions to local property taxes through a statewide Tax Cap;
- Creation of incentives, in the form of property tax rebates, to ‘pressure’ local governments to keep tax levy proposals within the limit established by the Tax Cap;
- Policy changes affecting teacher evaluation, assessment, data privacy and learning standards with school district compliance to these policy changes ‘handcuffed’ to expected increases in state aid allocations.

In 2022 the state committed to fully funding Foundation Aid as part of settling a lawsuit. The phase-in takes place over the 2022, 2023, and 2024 school years. We anticipate that the state will follow through on this agreement. Given that the phase-in is being accomplished over three years of large State Aid increases, it is likely that in the following years any state aid increases beyond the formula will be extremely limited.

It is with this noted history of unpredictable state aid, that school districts need to leverage every funding source and tool to ensure effective and efficient management of their resources. A Multiyear Finance Plan increases our ability to do just that. The Lyncourt Union Free School District promotes multiyear planning as a method of maintaining efficient and effective management; ensuring our District remains in a solid financial standing.

Assumptions

The District's largest contractual increases are in active and retiree health insurance expenses, salary increases, tuition, and charter school costs. With the impending electric bus mandates, we can add transportation costs to that list.

- Health insurance annual increases average 8% or \$145,000 per year.
- Salary and additional pay item increases average \$160,000 per year.
- Charter school costs continue to increase, we have seen steady increases of \$60,000 per year.
- Additional mandates for electric buses will cause drastic increases in transportation costs.
- Student needs must be supported with the addition of social and behavioral specialists.
- Specialized personnel are necessary to keep up with technology and infrastructure.
- Our enrollment continues to steadily increase, which is unprecedented across the state.
- Foundation Aid increases during the three-year phase in will end after 2024.
- Unprecedented inflation rates and staffing shortages are creating financial stress that may continue.

Funding Sources

The District has two main revenue streams; property tax and state aid. The Tax Levy Limit has reduced the amount of revenue the district obtains through school property tax. Annual property tax increases based on the Tax Levy Limit do not support the annual expenditure increases of the district. The district then must rely on state aid to be fair and equitable toward covering our annual budget.

The permitted unrestricted fund balance, or savings, is 4% of a District's projected budget. For Lyncourt that allowable amount is \$460,000. Considering the historical aid cuts and typical expenditure increases, this permitted amount of fund balance could be depleted in a two year time period, or less. It is important to be conservative with spending and maintain healthy reserves and fund balance amounts in order to maintain stability and sustainability.

Grants such as E-Rate, Smart School Bond Act, American Recovery Funds and Bullet Aid provide additional funding that has helped the district financially. These revenues do enhance our ability to provide programs and technology we would not otherwise afford. They are dedicated to one-time or short-term spending. These revenues, provided by special funding sources, are not built into the general operating budget.

We continue to strive to offer state of the art instruction, technology and environment. The District's goal is to remain solvent and fiscally sound for the future of our community, students and staff.

Factors That Create Unpredictability and Uncertainty

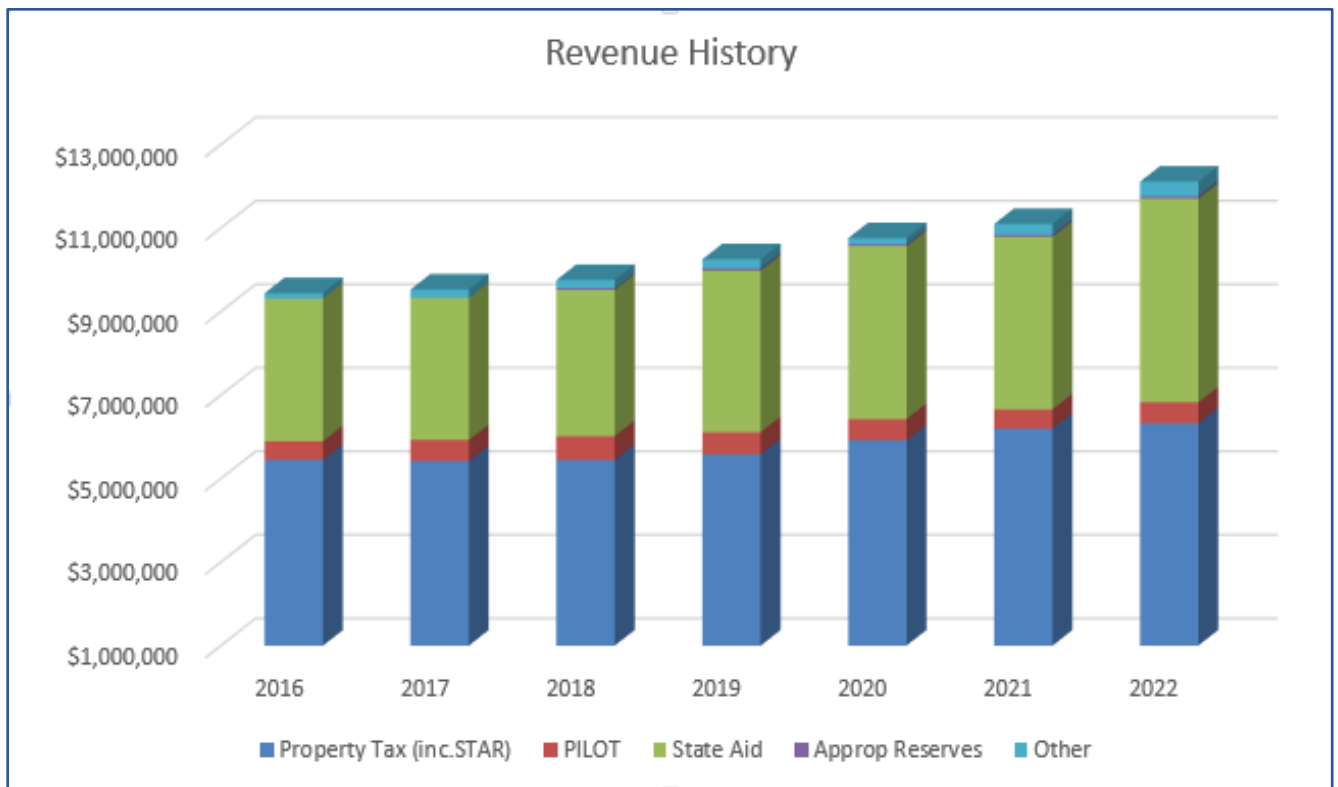
Lyncourt's enrollment has increased in the last ten years. This adds costs to the district for staffing, transportation, special programs and special education. The state lagged behind in funding this growth. Over these years, our enrollment increased while state aid remained steady and tax revenues did not cover our annual increased spending needs. In 2018 we began to see an increase in state aid. In 2022, the state promised to fully fund state foundation aid over a three year period. For Lyncourt this meant finally

getting the aid that our enrollment warranted. Over a very short period of time, this phase-in funding correction has our school district seeing some of the largest foundation aid increases across the state. The flood gates opened! Our Board of Education's financial planning decisions have gone from one extreme to another, from wondering how we will get by to wondering how we will responsibly use the drastic increases in funding to secure our future. This increase is funding that should have been available to us in previous years and spread slowly over many years. It would have eased our minds and given us the proper funds at that time to appropriately fund the district. Now, this funding is flooding in over three short years and then the increases will halt to a more typical slow pace once again! After which, the state further promises to provide annual and steady increases across the state. In reality it is more likely we will experience deep cuts once again. For example, in 2023-24, the last year of this foundation aid increase, Lyncourt has a 47% increase in foundation aid and the following year it is expected to be 3%. Knowing these large increases will cease and continuing state aid is unpredictable, the Board of Education will look carefully at both projection and historical data in its financial planning. It is important to plan well toward preserving the District for long term solvency.

Revenue History

The following data and chart shares Lyncourt’s historic revenue by source. The majority of public school district funding comes from two sources: local tax revenue and state aid. You can see in the graph that State Aid (colored green in the columns) was held steady until 2018, after which it began a slow and steady increase. This also depicts the Foundation Aid phase-in taking place in 2022. This phase-in is scheduled over a 3-year period to correct the district’s state aid proportionment. The large increases will end after 2024. It has been the effort of the Board of Education to keep property tax increases (colored blue in the columns) steady and predictable for the community.

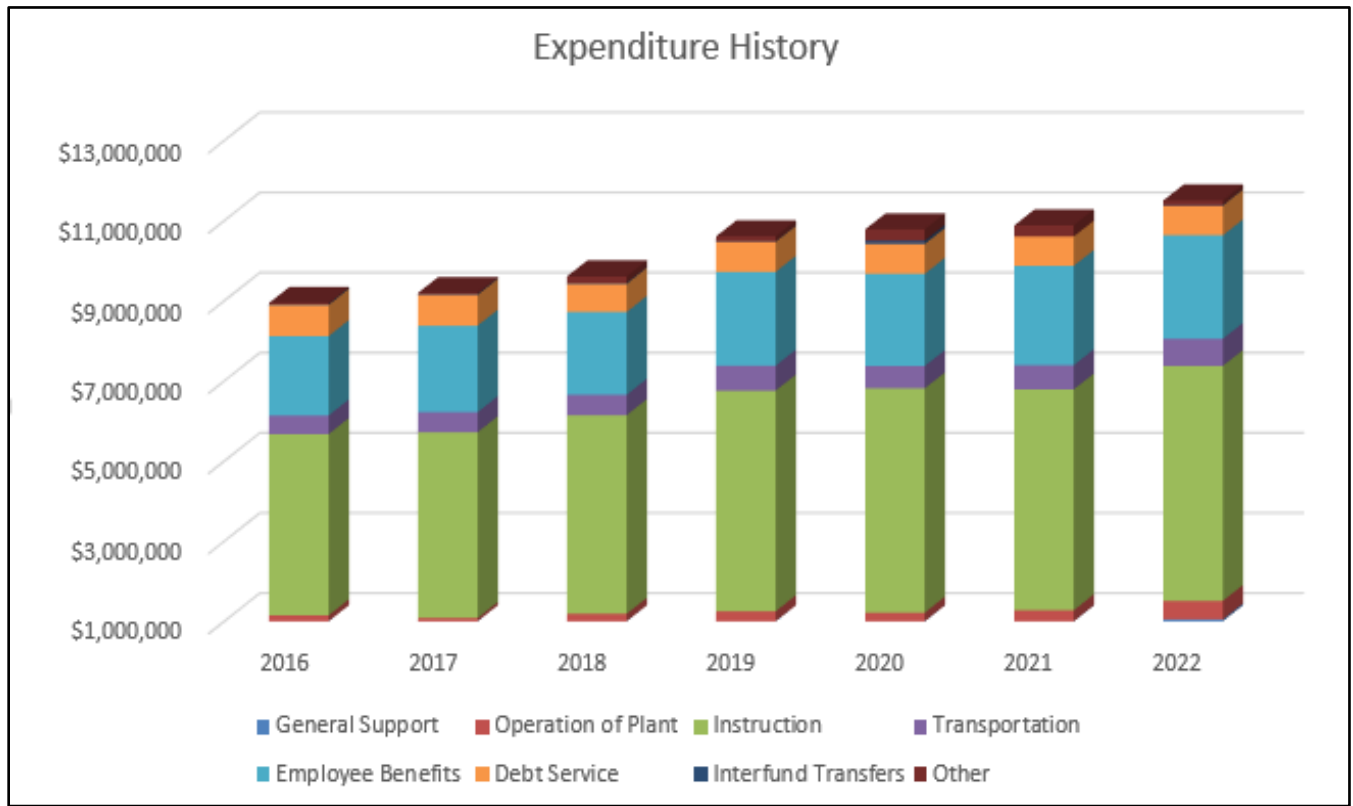
Revenue History	2016	2017	2018	2019	2020	2021	2022
Property Tax (inc.STAR)	\$ 5,451,897	\$ 5,419,026	\$ 5,446,072	\$ 5,580,721	\$ 5,917,786	\$ 6,197,379	\$ 6,322,678
PILOT	\$ 442,633	\$ 503,718	\$ 567,504	\$ 527,336	\$ 508,659	\$ 461,652	\$ 503,865
State Aid	\$ 3,417,220	\$ 3,403,520	\$ 3,505,755	\$ 3,872,475	\$ 4,145,203	\$ 4,133,131	\$ 4,876,015
Approp Reserves			\$ 39,699	\$ 53,761	\$ 41,427	\$ 50,153	\$ 61,922
Other	\$ 129,138	\$ 204,976	\$ 196,915	\$ 218,297	\$ 145,836	\$ 256,909	\$ 347,658
Total Calculated	9,440,888	9,531,240	9,755,945	10,252,590	10,758,911	11,099,224	12,112,138
\$ Increase		90,352	224,705	496,645	506,321	340,313	1,012,914
% Increase		1.00%	2.00%	5.00%	5.00%	3.00%	9.00%



Expenditure History

Spending while state aid was held steady or frozen was conservative. During these years the district has been dependent on partial or shared services to contain costs and get by. The graph below similarly follows the revenue trends seen on the previous page.

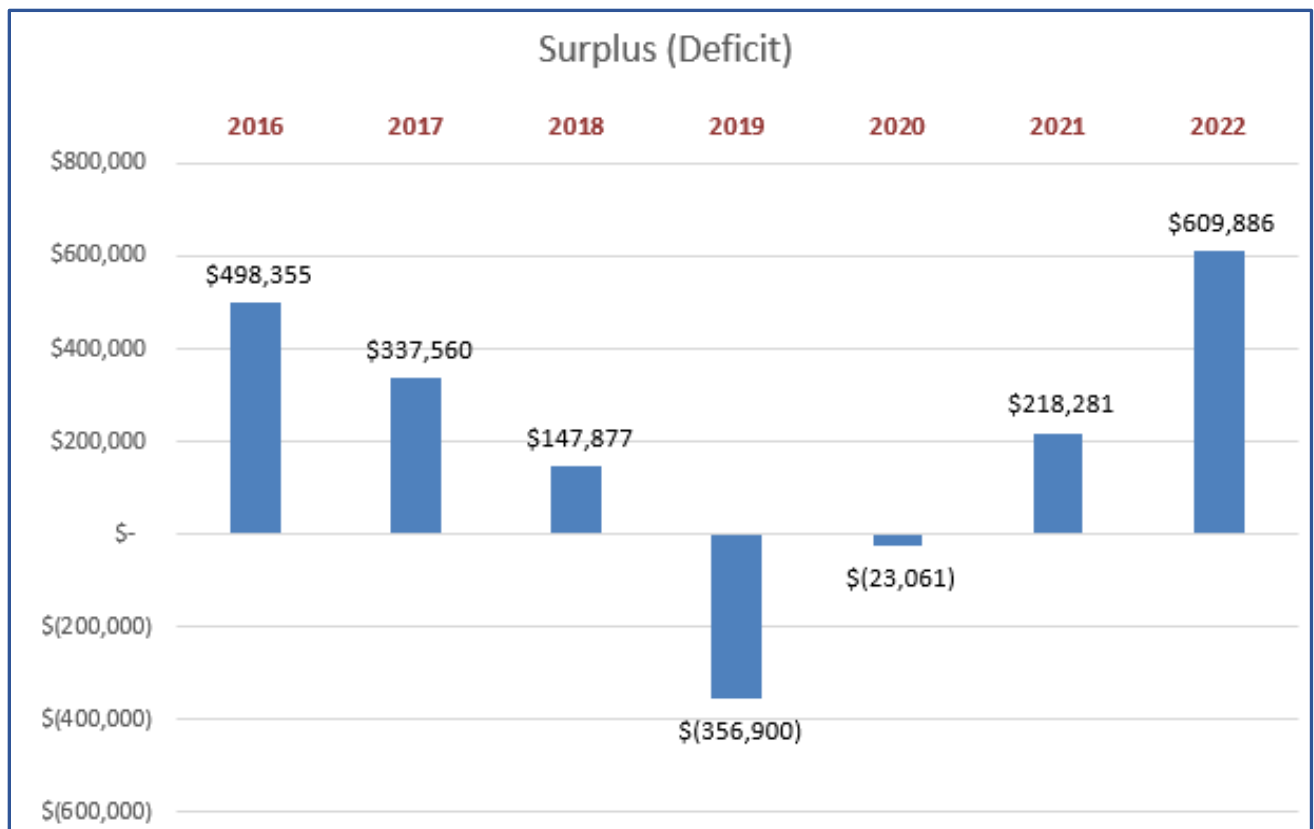
Expenditure History	2016	2017	2018	2019	2020	2021	2022
General Support	\$ 681,270	\$ 632,958	\$ 663,903	\$ 694,810	\$ 778,616	\$ 817,202	\$ 1,050,121
Operation of Plant	\$ 468,740	\$ 450,799	\$ 527,178	\$ 554,961	\$ 441,177	\$ 458,738	\$ 460,639
Instruction	\$ 4,522,849	\$ 4,633,319	\$ 4,952,691	\$ 5,508,025	\$ 5,593,258	\$ 5,510,931	\$ 5,864,168
Transportation	\$ 465,130	\$ 502,927	\$ 512,652	\$ 623,222	\$ 561,545	\$ 606,543	\$ 678,837
Employee Benefits	\$ 1,980,848	\$ 2,160,567	\$ 2,063,941	\$ 2,339,726	\$ 2,301,898	\$ 2,478,508	\$ 2,581,788
Debt Service	\$ 774,331	\$ 764,775	\$ 703,883	\$ 748,594	\$ 741,588	\$ 733,581	\$ 736,463
Interfund Transfers	\$ 24,818	\$ 22,730	\$ 19,247	\$ 12,988	\$ 80,429	\$ 1,020	\$ 13,547
Other	\$ 24,547	\$ 25,605	\$ 164,573	\$ 127,164	\$ 283,461	\$ 274,420	\$ 116,689
Total Calculated	8,942,533	9,193,680	9,608,068	10,609,490	10,781,971	10,880,943	11,502,252
\$ Increase		251,147	414,388	1,001,422	172,481	98,972	621,309
% Increase		3.00%	5.00%	10.00%	2.00%	1.00%	6.00%



Surplus/Deficit History

The following data and chart shows how unpredictable and ever changing the estimated budgets and revenues can be. School budgets are planned a year and a half prior to the end of the school year they are covering. This sometimes makes it difficult when predicting both expenses and the revenues we are depending upon. Areas that often change during this time are special education costs, staffing needs, mandate requirements, building maintenance emergencies and transportation expenses. In years that produce a surplus, funds have been set aside into reserves toward future obligations. See the next page for details on the district’s reserves. The Board of Education, together with the School District Administration, strive to build a fiscally responsible budget that will provide room for changing needs and rising costs over the school year ahead.

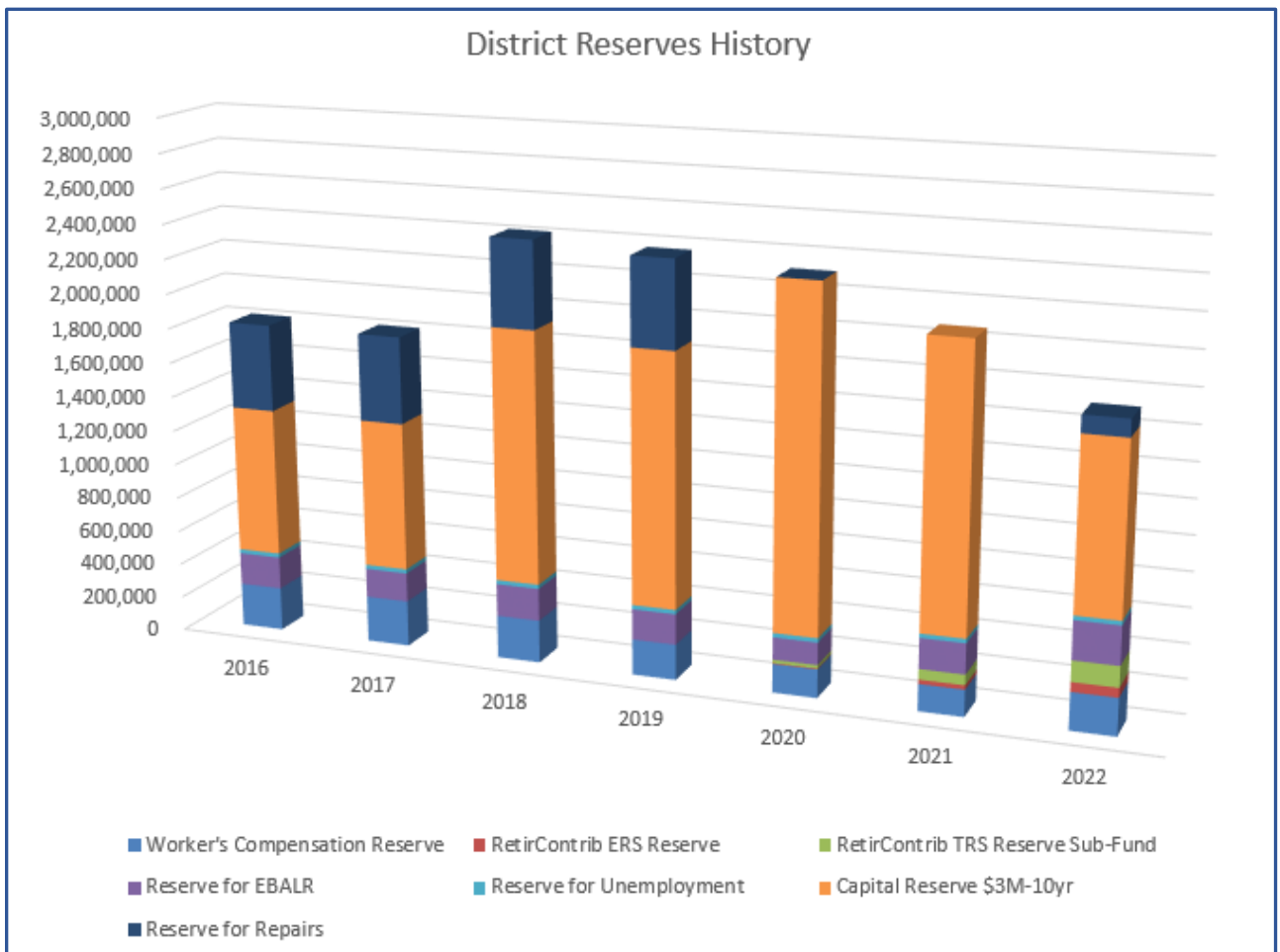
Surplus/Deficit History	2016	2017	2018	2019	2020	2021	2022
Revenue	\$ 9,440,888	\$ 9,531,240	\$ 9,755,945	\$ 10,252,590	\$ 10,758,911	\$ 11,499,224	\$ 12,112,138
Expenditures	\$ 8,942,533	\$ 9,193,680	\$ 9,608,068	\$ 10,609,490	\$ 10,781,971	\$ 11,280,943	\$ 11,502,252
Surplus (Deficit)	\$ 498,355	\$ 337,560	\$ 147,877	\$ (356,900)	\$ (23,061)	\$ 218,281	\$ 609,886



Reserves History

The Lyncourt School District Reserves from 2016 through 2022 are shown below. Reserves are limited to those authorized for school districts use toward future financial obligations. Large future obligations include capital improvement projects and retirement benefit obligations. The Capital Reserve builds a fund that is used to offset potential tax increases for building repair and renovations. In the years 2020-2022 \$1.4M was authorized by the voters to be used for the building project.

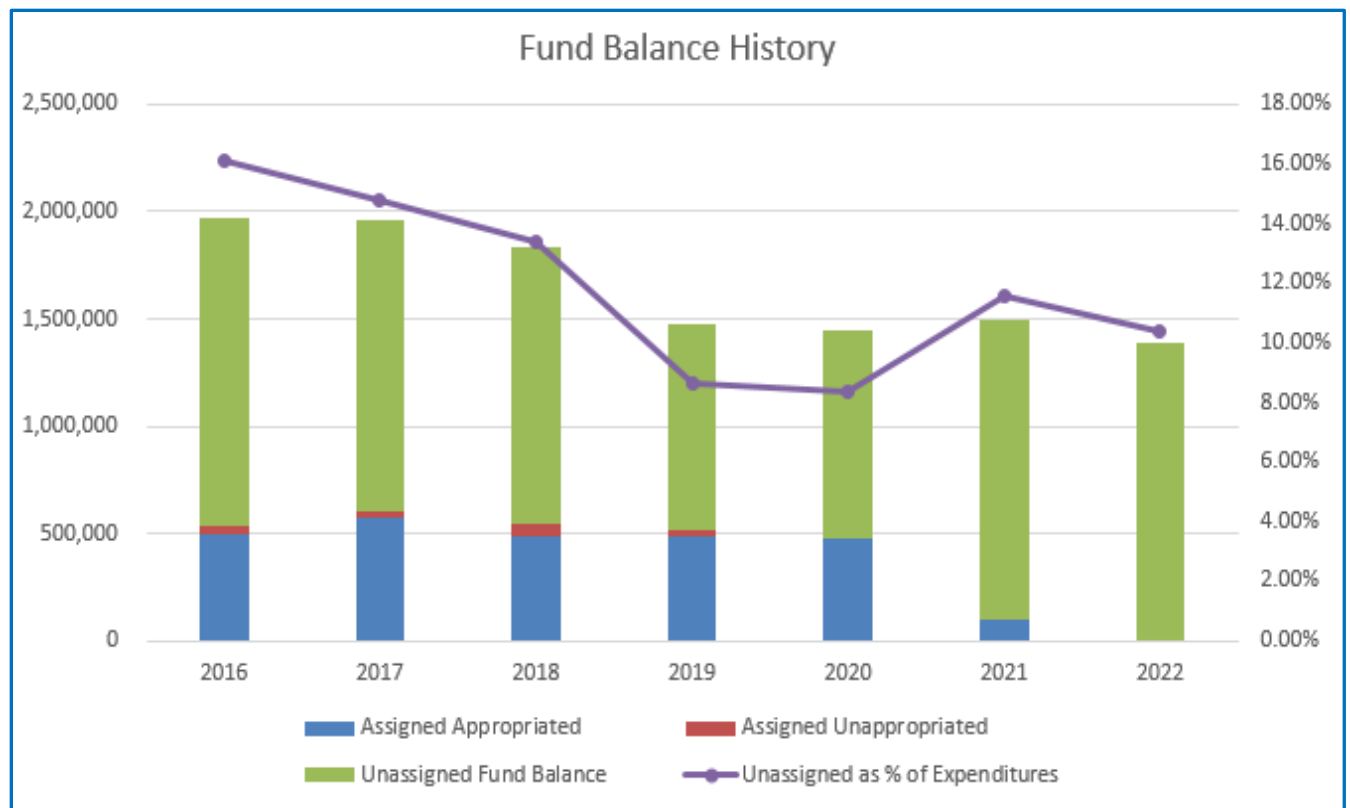
Reserves	2016	2017	2018	2019	2020	2021	2022
Worker's Compensation Reserve	251,404	266,644	247,542	206,051	165,157	155,021	216,556
RetirContrib ERS Reserve			New 5/2019	-	5,000	25,001	55,006
RetirContrib TRS Reserve Sub-Fund			New 5/2019	-	20,000	60,003	120,015
Reserve for EBALR	187,492	167,613	187,931	176,731	128,357	175,158	221,741
Reserve for Unemployment	25,016	25,040	25,106	25,180	25,261	25,265	25,270
Capital Reserve \$3M-10yr	853,998	854,560	1,456,804	1,460,368	1,967,385	1,627,578	977,730
Reserve for Repairs	\$500,319	500,797	502,114	503,597	Closed to Capital Rsv and Re-opened 2022		100,000
Total Reserves	\$ 1,818,229	\$ 1,814,654	\$ 2,419,497	\$ 2,371,927	\$ 2,311,160	\$ 2,068,026	\$ 1,716,318



Fund Balance History

The following depicts the recent history of Lyncourt’s Fund Balance or “savings”. Being fiscally responsible with both fund balance and reserves is a benefit to the district in many ways. The district is in good standing. We do not use short term borrowing, which would be costly to taxpayers, our capital project debt interest rates are low, and we can use the funds to lessen the impact of drastic fluctuations in expenses. Most important, the district can sustain through tough times and have the benefit of time to make important decisions. The Board of Education supports having a fiscally sound financial standing that provides the best future for our school, our students and community.

Fund Balance History:	2016	2017	2018	2019	2020	2021	2022
Assigned Appropriated	500,000	570,000	485,000	485,000	475,000	100,000	0
Assigned Unappropriated	32,605	31,932	61,990	26,525	575	764	962
Unassigned Fund Balance	\$1,438,357	\$1,360,165	1,288,442	960,816	969,346	1,395,420	1,386,184
Unassigned Fund Balance as % of Budget	16.08%	14.79%	13.41%	8.64%	8.38%	11.57%	10.38%



Tax Levy Limit Projection

Before we begin looking ahead, we can project the tax levy limit based on the assumption that the tax base growth factor will remain near 1% and the allowable tax levy growth of the maximum 2% is carried forward each year. The district does not anticipate any exclusions to the limit. Among others, allowable exclusions to the tax levy limit include any voter approved capital expenditures, or debt, greater than the off-set of state building aid to be received each year. Lyncourt’s building aid covers the debt expense it has issued for capital projects. Therefore, the district assumes going forward there will be no exclusions that may increase the property tax levy limit.

TAX LEVY LIMIT Projected Tax Levy, Most factors held at 2022-23 %'s							
Lyncourt Union Free School District							
		Current	Budget Year	Projections			
		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Tax Levy Limit Base							
Tax Levy Prior Base YEAR		6,208,518	6,323,138	6,524,345	6,649,772	6,781,257	6,915,373
Tax Base growth factor	x	1.0119	1.0168	1.0000	1.0000	1.0000	1.0000
Subtotal (C*D)	=	6,282,399	6,429,366	6,524,345	6,649,772	6,781,257	6,915,373
Base year PILOTS Receivable:	+	461,652	503,865	547,551	563,562	576,344	589,380
Base year Capital Expenditures net of Aid:	-	-	-	-	-	-	-
Adjusted Prior Year Tax Levy (E+F-G-H)	=	6,744,051	6,933,231	7,071,896	7,213,334	7,357,601	7,504,753
Allowable Levy growth factor (lesser of: 2% or CPI-U)	x	1.0123	1.02	1.02	1.02	1.02	1.02
Subtotal (I*K)		6,827,003	7,071,896	7,213,334	7,357,601	7,504,753	7,654,848
Budget year PILOTS Receivable:	-	503,865	547,551	563,562	576,344	589,380	602,678
Available Carryover from Prior Year (.00)	+	0	0	0	0	0	0
Tax Levy LIMIT BASE (before exclusions) (L-M+N)		\$ 6,323,138	\$ 6,524,345	\$ 6,649,772	\$ 6,781,257	\$ 6,915,373	\$ 7,052,170
Tax Rate Increase ALLOWABLE =		1.846%	3.182%	1.922%	1.977%	1.978%	1.978%
Tax dollar increase =			\$ 201,207	\$ 125,427	\$ 131,485	\$ 134,116	\$ 136,797

Financial Plan Assumptions in Detail

State Aid Increase, Finally!

The district has had frozen state aid for more than ten years while our enrollment is one of only a few districts in the state that has increased during that same time period. With that being said, the foundation aid formula continued to “run” while the state held the aid steady. Beginning in 2021-22 the state is fully funding our foundation aid with a phase in over three years. For Lyncourt, this means in the years 2021-22, 2022-23, and 2023-24 we have very large increases in our foundation aid revenue. After years of getting by with what we have while our enrollment increased, our district is finally receiving the funding to afford the growth we have experienced. In planning ahead, we caution that these large increases will end after 2024. It is suggested these funds be used for funding some of the following priorities:

- Transitioning Federal Stimulus programs that you wish to continue onto recurring funds
- Strengthening reserves and fund balance
- Programmatic investment

The Board of Education, together with the Administration, will analyze any spending decisions with careful consideration of being able to sustain ourselves should there be another long stretch of frozen state aid funding.

High School Choice

Lyncourt prides itself on the Prek through 8th grade model we have. It is unique and personal to the children of this community. It is a “private school feel in a public school”. Our high school choices bring greater opportunity for college and trade career readiness to our high school students. With added opportunity there is added expense, such as tuition and transportation. We strive to continue on this path, offering more opportunity and growth to our social and academic offerings both at the PreK-8th grade level and beyond.

Charter School

Lyncourt is responsible to pay forward the aid received per student to charter schools. This expense increases each year by \$30,000 - \$120,000 as more charter schools open in our local area and more students enroll in them. It is our hope that value is recognized in a Lyncourt Union Free School education, keeping students in our district among their neighbors and cohorts throughout their elementary and high school years.

Technology

It is no surprise that this is an ever changing and expensive area to keep up with. Our goal is to maintain a state of the art facility in the area of technology. There is also an increasing expense related to the safety and security of our network. Many grant funds have helped with this over the years. As those additional funding sources expire, the district must plan to add the expense into the general operating fund budget.

Financial Plan Assumptions in Detail (Continued)

Social Emotional needs and growth

This is another area of great need that extra federal grant funding is currently supporting with American Recovery Act funds. This funding will be expiring. Programs that have been implemented with these plans, such as after school enrichment, expanded summer school, and social/emotional support have proven to be beneficial and necessary to our students and community. These programs will be considered in future budgeting plans.

Contractual Obligations and Benefits

Medical Insurance benefits are difficult to contain. We assume a 6-12% increase each year. Salary increases range from 2% - 4%. Current contract negotiations have an impact on future expenditures.

Funding Reserves

Lyncourt will continue to fund reserves to protect our community from drastic financial impacts of future liability obligations and building projects. Protecting the local property tax payers from spikes and capital project outlay is important to the district.

General Operating Fund Projection

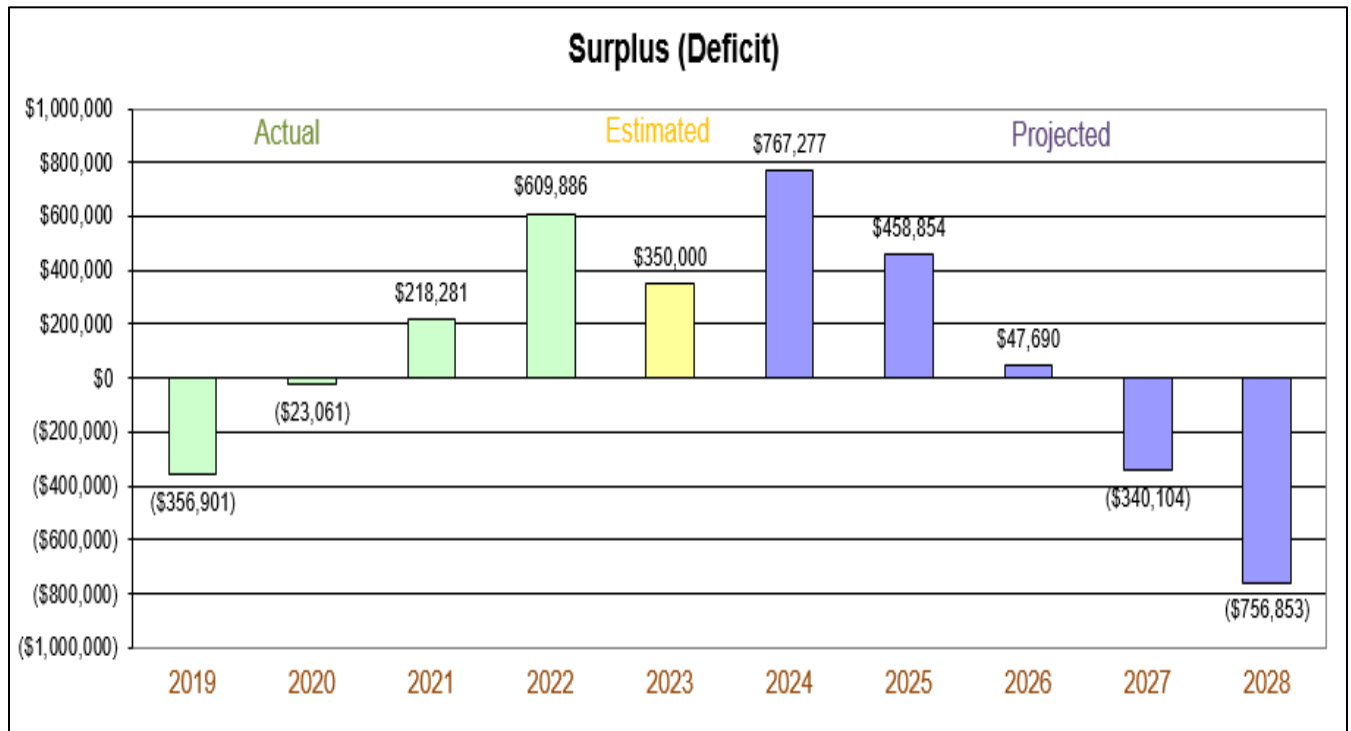
Given the assumptions, a five year projection is below. The expenses and revenues are estimates only and are based on the trends and expectations we currently are aware of.

Lyncourt Union Free School District					Five Year Financial Plan, Fiscal Years thru 2028					
General Fund										
	Actual				Budgeted	Projections based on last Actual Year				
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenues (without Appropriated Fund Balance)										
Real Property Tax (inc. STAR)	5,580,721	5,917,786	6,197,379	6,322,678	6,524,345	6,654,832	6,754,654	6,855,974	6,958,814	7,675,196
PILOT	527,336	508,659	461,652	503,865	547,551	563,562	576,344	589,380	602,678	0
Misc Income	168,816	117,776	207,925	171,878	61,804	90,000	95,000	98,000	100,000	100,000
State Aid	2,995,849	3,263,844	3,240,042	3,974,879	5,364,275	7,223,842	7,368,319	7,515,685	7,665,999	7,819,319
Building Aid	876,626	881,359	893,089	901,136	832,025	1,113,789	1,110,265	883,909	657,552	657,552
Federal Aid	47,481	28,060	48,984	55,780	20,000	50,000	50,000	50,000	50,000	50,000
Appropriated Reserves	53,761	41,427	50,153	61,922	0	0	60,000	63,000	66,000	66,000
Appropriated Fund Balance	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Transfers	2,000	0	0	120,000	0	0	0	0	0	0
Total Revenues and Other Sources	\$10,252,590	\$10,758,911	\$11,099,224	\$12,112,138	\$13,350,000	\$15,696,025	\$16,014,582	\$16,055,948	\$16,101,043	\$16,368,067
Increase in Revenues	\$721,350	506,321	\$340,313	\$1,012,914	\$1,237,862	\$2,346,025	\$318,557	\$41,366	\$45,095	\$267,024
Expenditures										
General Support	694,810	778,616	817,202	1,050,121	1,113,996	1,207,416	1,243,638	1,280,947	1,319,375	1,358,956
Operation of Plant	554,961	441,177	458,738	460,639	709,900	781,197	804,633	828,772	853,635	879,244
Instruction	3,966,395	3,846,138	3,920,487	4,050,918	4,687,274	4,929,359	5,077,240	5,229,557	5,386,444	5,548,037
Special Education	1,541,630	1,747,120	1,590,444	1,555,027	1,930,400	2,088,312	2,150,961	2,215,490	2,281,955	2,350,414
Charter School		155,483	161,428	258,223	334,000	394,000	454,000	514,000	514,000	514,000
Transportation	623,222	561,545	606,543	678,837	818,075	1,099,883	1,209,871	1,330,858	1,463,944	1,610,338
Community Svc	27,164	27,978	12,992	16,689	30,571	31,488	32,433	33,406	34,408	35,440
Employee Benefits	2,339,726	2,301,898	2,478,508	2,581,788	2,943,909	3,275,343	3,477,202	3,691,503	3,919,011	4,160,540
Debt Service (Principal and Interest)	748,594	741,588	733,581	736,463	651,875	996,750	977,750	754,725	536,375	532,950
One-time Capital Improvement Project	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Interfund Transfers	12,988	80,429	1,020	13,547	30,000	25,000	28,000	29,000	32,000	35,000
Total Expenditures and Other Uses	\$10,609,490	\$10,781,971	\$10,880,943	\$11,502,252	\$13,350,000	\$14,928,748	\$15,555,728	\$16,008,258	\$16,441,147	\$17,124,919
Budgeted	10,304,000	10,710,000	11,124,000	11,570,000						
Increase in Expenditures		172,481	98,972	621,309	1,847,748	1,578,748	626,981	452,530	432,889	683,773
Surplus (Deficit)	(\$356,901)	(\$23,061)	\$218,281	\$609,886	\$350,000	\$767,277	\$458,854	\$47,690	(\$340,104)	(\$756,853)

Projected General Fund Annual Surplus/(Deficit)

Based on the projected revenue and expenses, below is a related projection of the surplus and deficits we may see through 2028. This is an estimate and will continue to change as years go by. This clearly shows the effect of the state foundation aid phase-in that is providing unprecedented large increases in the years 2022 through 2024. After these significant revenue increases cease and level off, annual expense increases will very soon catch up and surpass further anticipated revenues. The prediction indicates how important it is use this information when making current financial decisions for the school district.

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
(356,901)	(23,061)	218,281	609,886	350,000	767,277	458,854	47,690	(340,104)	(756,853)



Financial Plan

Cautiously plan for the use of the Foundation Aid Phase-in catch-up funds. These funds were owed to the district and the large increases during the phase-in will end. These funds should be used to align the district with its enrollment size, educational improvements, and technology needs in areas that for years had to be shared or omitted from budgeting due to a lack of funds. The sustainability of on-going costs for additional programs will be considered while decisions are made to enhance and catch-up our instructional programs.

Continue to take advantage of the \$100,000 Capital Outlay Projects. Maintenance of our building is costly, continuous and important. The state offers the ability to budget for one-time \$100,000 capital improvement projects that will be aided the following year at the district's building aid rate. Our building aid rate is 84%. It is recommended the district continue to take advantage of this each year.

Continue to fund Capital Reserves. It is important that we continue to increase the Capital Reserve whenever possible. Our building is in constant need of improvement and upgrades. This will ease the tax burden toward future capital improvement projects.

Maintain Unrestricted Fund Balance. It is estimated, given current trends, the district will begin to have deficits again in 2027. It is important that reserves and fund balance are maintained so that the district is prepared to weather financially difficult years. Although our unrestricted fund balance is greater than the state allowable 4%, this Multi-Year Financial Plan supports maintaining the higher balance. The projections indicate that the increased revenue from the foundation aid catch up will be short-lived. It won't be long before state aid will once again fall short of predicted expenditures. It is recommended the Unrestricted Fund Balance is maintained at a level the Board of Education believes, with confidence, to be both reasonable and responsible to this community.

Advocate for approval of more school district reserves. Reserves for fiscally volatile areas such as special education expenses and retirement costs would be helpful toward a balanced budget.

Seek out grant opportunities. Again, given the revenue restrictions imposed on public schools, it will be in the district's best interest to have the time and resources to seek out and take advantage of all grant opportunities possible.

Evaluate efficiencies. As our enrollment grows and expenses increase, continue to evaluate efficiencies in staffing and contracted services.

Share services when possible. Seek out shared service and program opportunities that may reduce costs.

Maximize State Aid. As part of developing the district's long range financial planning we will seek a state aid review and a review of our reserves and debt service plan by Fiscal Advisors.

Conclusion

The Multi-Year Plan is projected at a fixed point in time with many unknowns. Circumstances and estimates change almost immediately upon its adoption. It is ever changing.

The plan should not be interpreted as a definite financial forecast. The projections are estimates, while our annual budget is based on more factual available and short term data, such as State Aid projections and expenditure increases that are known for the following next year.

The planned revenue is very hard to project and will likely be greater as years approach.

Currently, due to the Foundation Aid phase-in and catch-up, our expected revenue for the next year is greater than our expenditures. This scenario is unusually rare and will end abruptly. In subsequent years this will be followed by the more typical situation of expenditures always being greater than our expected revenue.

Our Annual Budget Must Balance:
Estimated Revenues = Estimated Expenditures

This plan is a tool to assist the School Board of Education in sound decision making and fiscally responsible planning.