

OVERVIEW OF FINANCIAL STATUS

Harpursville Central School
District

February 7, 2024

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Controller, Central Business Office



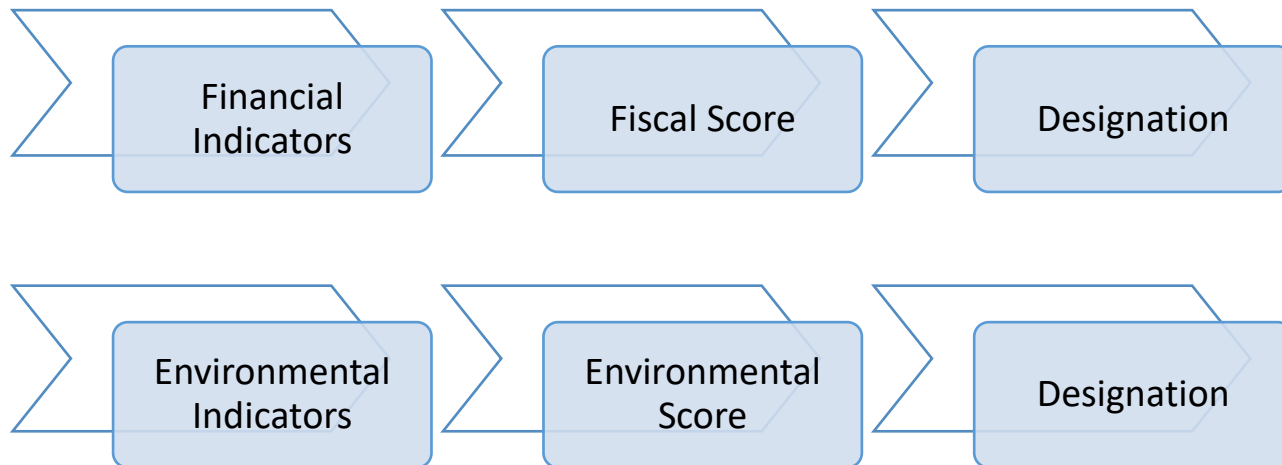


Tonight's Topics

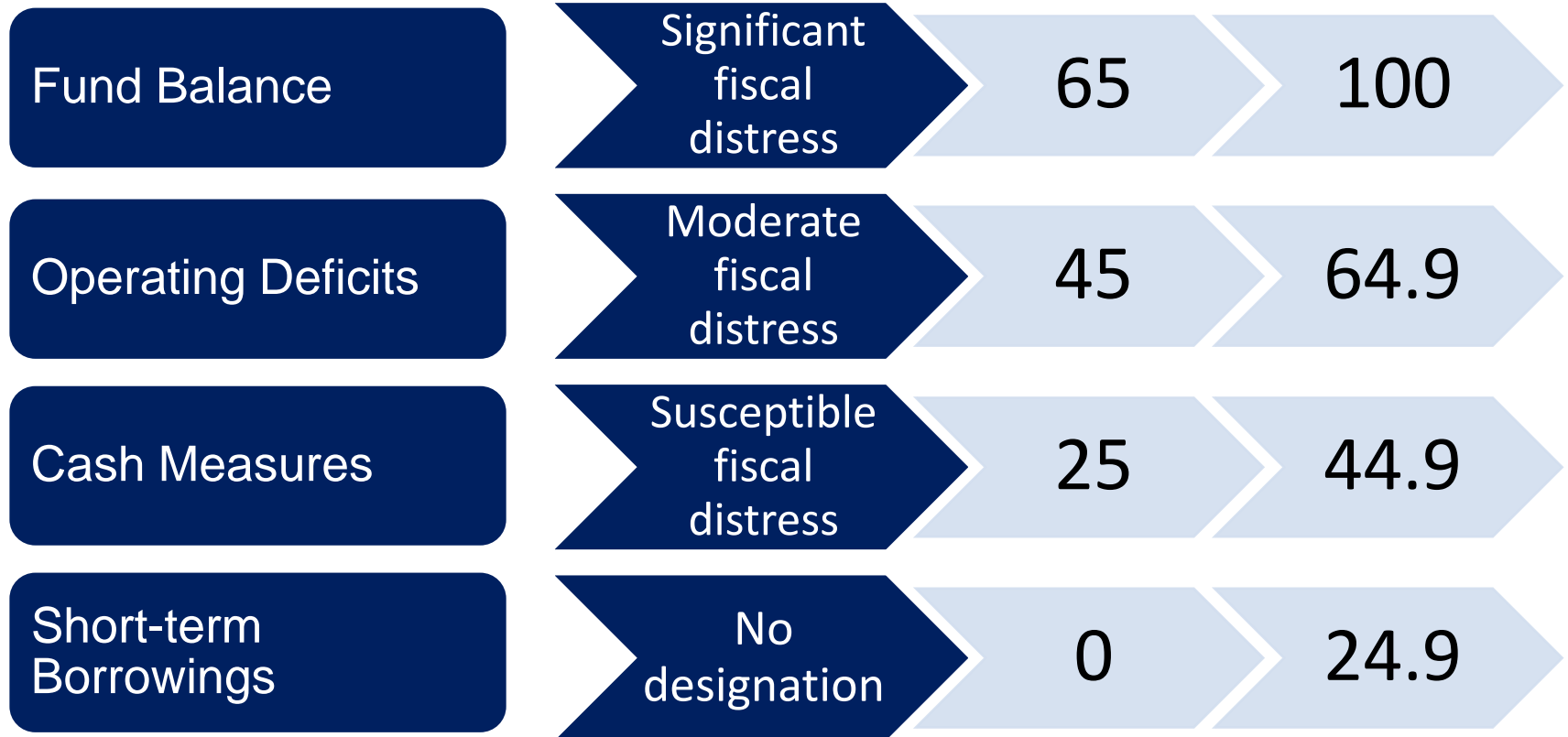
- Fiscal Monitoring System
 - Fiscal Stress Calculation
 - Environmental Stress Calculation
- 2023-24 Projected Performance
- Long Range Plan
- Executive Budget Summary
- Tax Levy Limit
- Questions



Fiscal Monitoring System



Fiscal Stress Categories & Scoring



Fund Balance

Year-end Fund Balance - Weighted 50%

Unassigned Fund
Balance/ Expenditures

4.4%

Zero Points

Total Fund
Balance/Expenditures

24.6%

Zero Points

Score = Zero points



Operating deficits

Operating Deficits - Weighted 20%

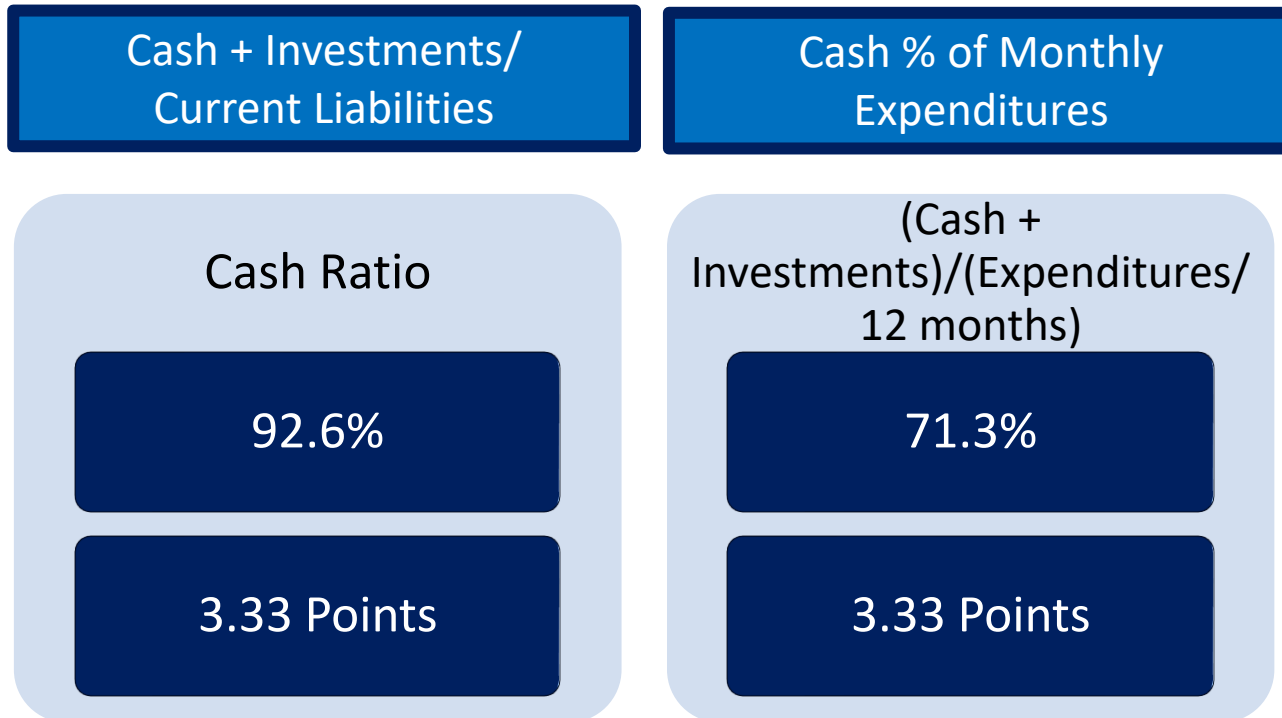
Revenue - Expenditures/ Expenditures		
2020-21	2021-22	2022-23
6.6%	9.3%	7.0%
0 points	0 points	0 points

Score = Zero points



Cash indicators

Cash Indicators - Weighted 20%



Score = 6.66 points



Reliance on Short-term Cash flow Debt

Use of Short-Term Debt - Weighted 10%

Reliance on Short-term Cash Flow Debt

Change in total borrowing (RANS & TANS) from 2022 to 2023

0 points out of 10 point maximum

Score = Zero points



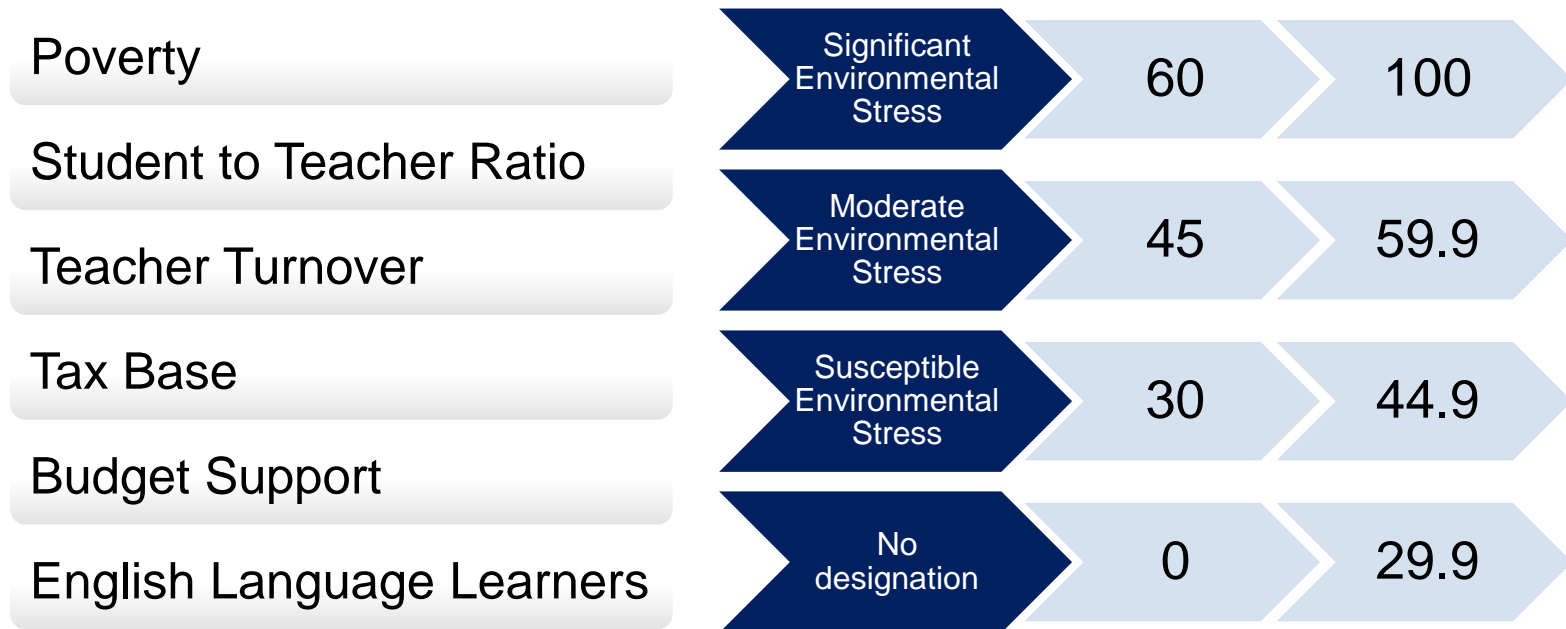
Summary

Indicator	2022-23	2021-22	2020-21	2019-20	2018-19
Fund Balance	0.0	0.0	0.0	0.0	0.0
Operating Deficit	0.0	0.0	0.0	0.0	6.67
Cash	6.66	13.34	10.00	3.33	13.34
Short-term Debt	0.0	0.0	0.0	0.0	0.0
TOTAL	6.66	13.34	10.00	3.33	20.01

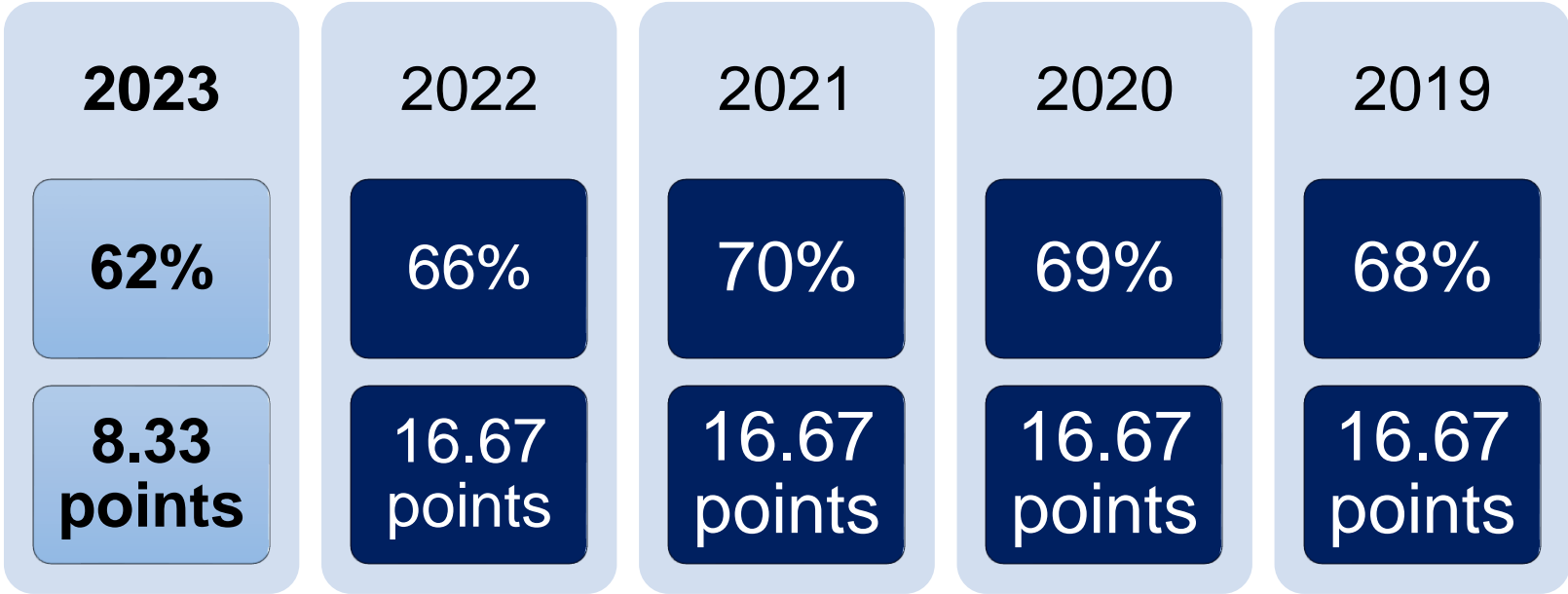
**Harpursville Classification:
No Designation**



Fiscal Monitoring System Environmental Stress Indicators

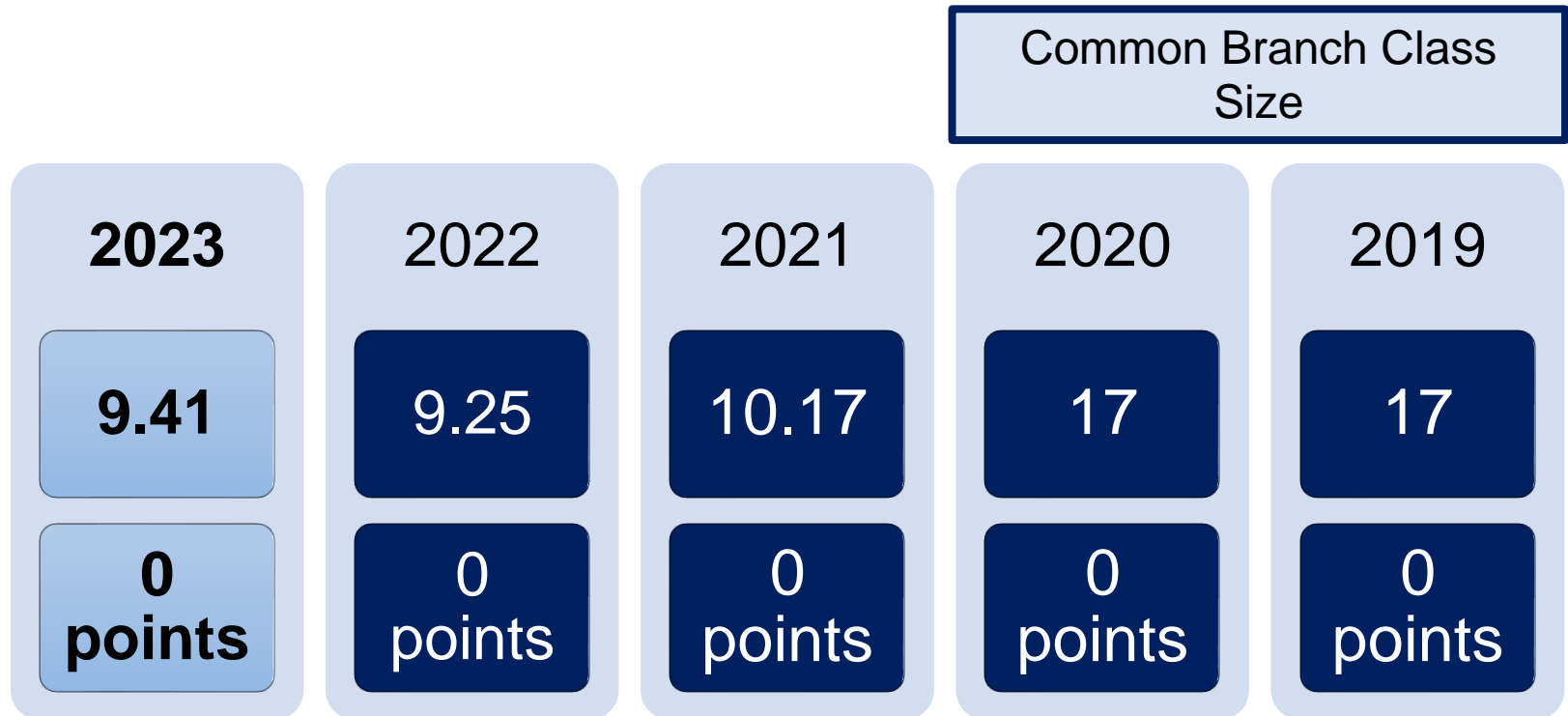


Poverty Indicator Percentage of Economically Disadvantaged



Student-to-Teacher Ratio Indicator

Number of Students per Teacher



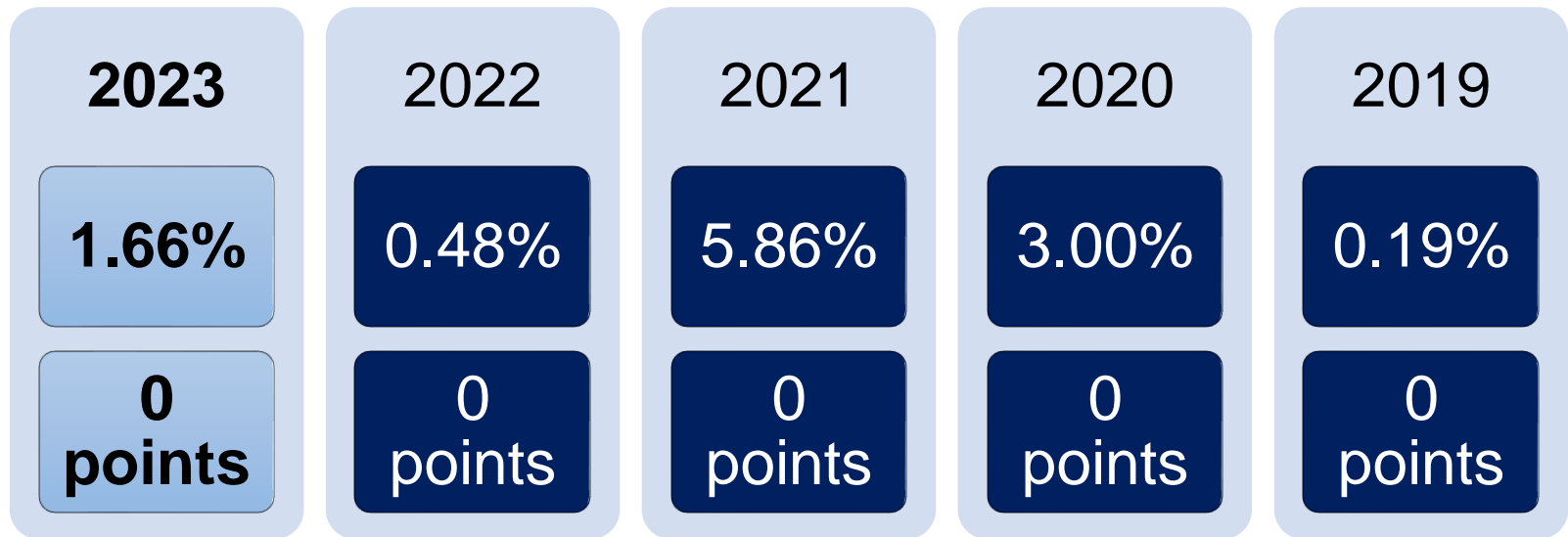
Teacher Turnover Indicator

Turnover Rate of All Teachers



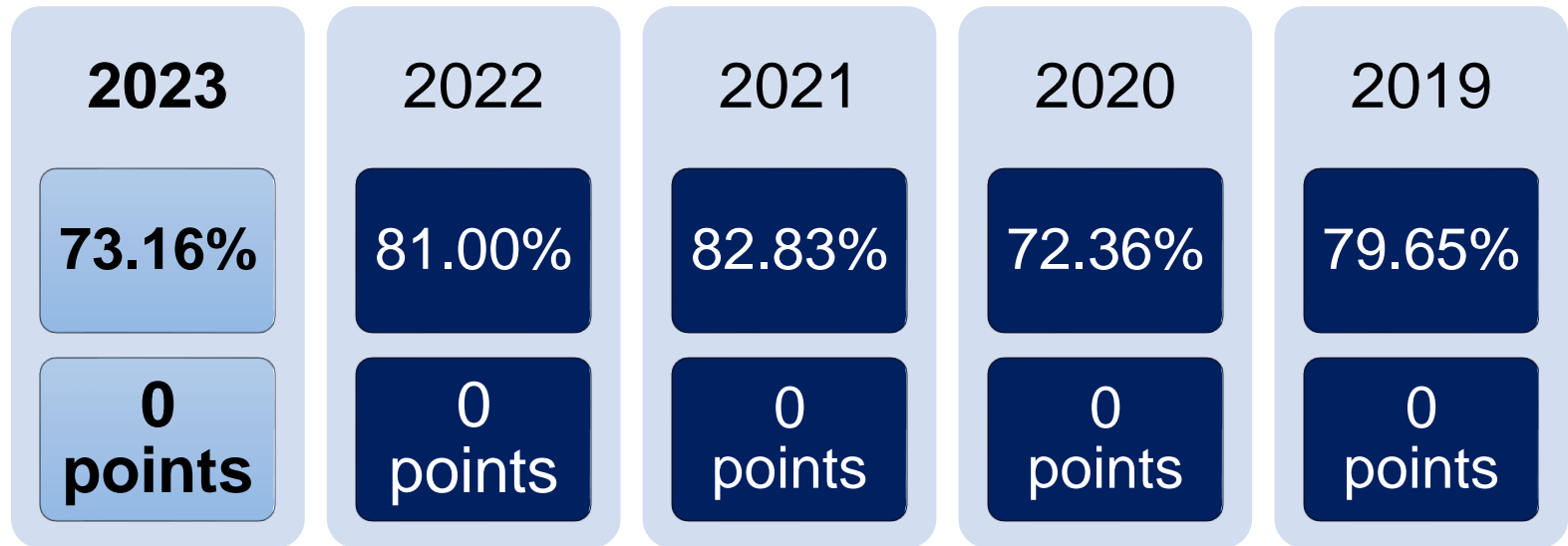
Tax Base Indicator

Percent Change in Property Value



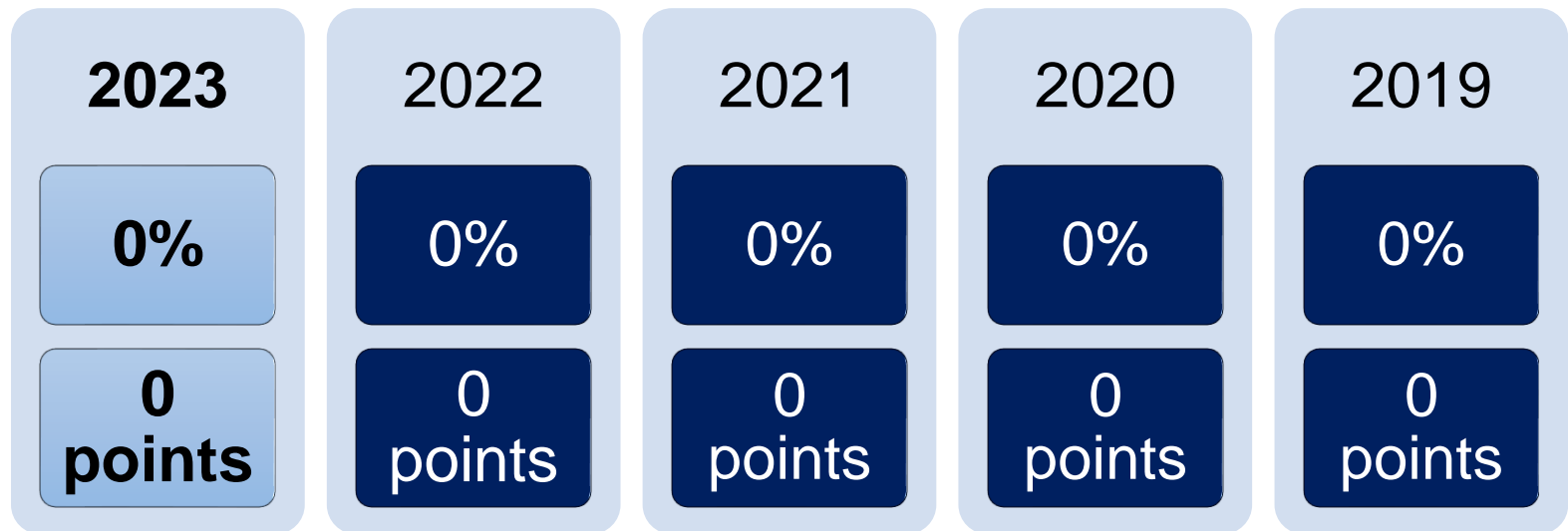
Budget Support Indicator

Budget Voter Approval Percent



English Language Learners Indicator

Percent of English Language Learners



Environmental Stress Scores

Indicator	2023	2022	2021	2020	2019
% Disadvantaged Students	8.33	16.67	16.67	16.67	16.67
Class Size	-0-	-0-	-0-	-0-	-0-
Teacher Turnover	10.00	-0-	10.00	10.00	5.00
Tax Base	-0-	-0-	-0-	-0-	-0-
Budget Support	-0-	-0-	-0-	-0-	-0-
ELL	-0-	-0-	-0-	-0-	-0-
Total	18.33 points	16.67 points	26.67 points	26.67 points	21.67 points

**Harpursville Classification:
No Designation**



Projection of 2023-24

This projection is expected to be refined as additional information becomes available.

	2023-2024
Projected Revenues	\$22,929,057
Projected Expenditures	\$22,048,287
Projected Operating Surplus/(Deficit)	\$880,770
Projected Gain (Loss) in Total Fund Balance	\$880,770



Projected Status of Fund Balance 6/30/2024

	2022-23 Actual	2023-24 Projected	Increase/ (Decrease)
Restricted Reserves	\$3,562,032	\$4,290,670	\$728,638
Appropriated FB	\$500,000	\$750,000	\$250,000
Encumbrances	\$119,930	\$0	(\$119,930)
Unassigned FB	\$902,125	\$924,187	\$22,062
TOTAL FUND BALANCE	\$5,084,087	\$5,964,857	\$880,770



Status of Reserves 6/30/2024

	2022-23 Actual	2056224 Projected	Increase/ (Decrease)
Unemployment Insurance	\$217,250	\$223,284	\$6,034
Insurance Reserve	\$53,441	\$54,926	\$1,485
Employee Benefit Acc Liability	\$1,041,705	\$1,060,335	\$18,630
Retirement Contribution (ERS)	\$1,045,381	\$1,084,420	\$39,039
RCR Sub-fund (TRS)	\$502,451	\$506,408	\$3,957
Repair Reserve	\$213,766	\$219,704	\$5,938
Capital Reserve	\$488,038	\$501,593	\$13,555
Potential Funding of Reserves	\$ -0-	\$640,000	\$640,000
TOTAL RESERVES	\$3,562,032	\$4,290,670	\$728,638

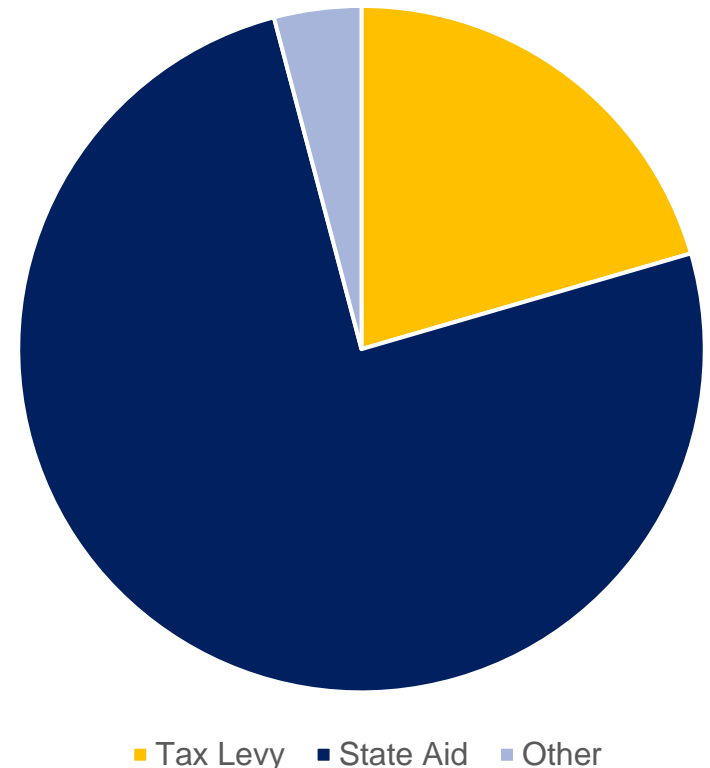


Assumptions in the long-range projection

Revenues:

- State Aid assumes a minimum Foundation Aid increase of 2% per year
- Expenditure Driven State Aid (excluding Building Aid) are projected to increase modestly
- The tax levy is projected at an estimated Tax Levy Limit

Projected Revenues

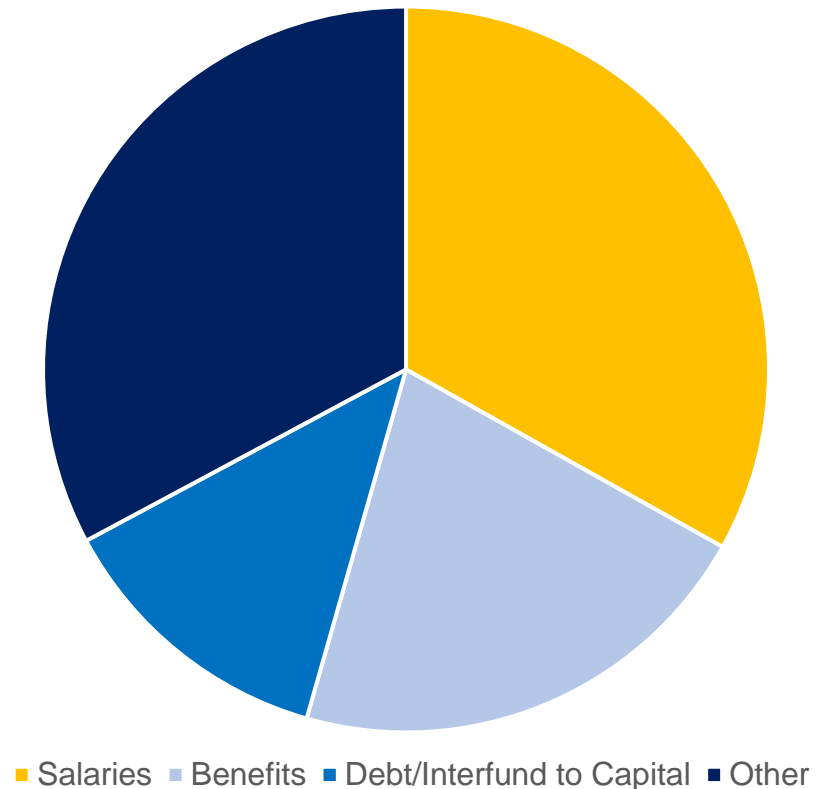


Assumptions in the long-range projection

Expenditures:

- Salaries are based on projected salaries, including previously funded ARP positions
- The modified health Insurance rate is projected at an estimated 6.34% increase in 24-25, then 6.00% each year thereafter
- Teacher Retirement System (TRS) WILL INCREASE FOR 2024-25 and Employee Retirement System (ERS) costs are projected to hold constant
- Other costs, including BOCES are projected to increase modestly

Projected Expenditures



Long Range Projection

	2023-24	2024-25	2025-26	2026-27	2027-28
Tax Levy %	2.42%	3.13%	2.74%	2.70%	3.42%
Beginning Fund Balance	\$5,084,087	\$5,964,856	\$6,041,110	\$5,539,437	\$4,439,683
Operating Surplus/ (Deficit)	\$880,769	\$76,254	(\$501,673)	(\$1,099,754)	(\$1,731,543)
Ending Fund Balance	\$5,964,856	\$6,041,110	\$5,539,437	\$4,439,683	\$2,708,140





Executive Budget Summary

FOUNDATION AID PROPOSED CHANGES

There are 3 major changes to Foundation Aid proposed:

1. Removal of the “save harmless” calculation
2. Change in the inflation figure
3. Removal of a minimum increase





Executive Budget Summary

FOUNDATION AID PROPOSED CHANGES

1. Removal of the “save harmless” calculation

Current law: districts that have calculated foundation aid less than what they are currently receiving usually due to declining enrollment are held “harmless” and receive aid equivalent to the prior year. In past years, the budget has usually included a minimum increase on top of this.

Proposed change: these districts would receive aid based on the formula and then a “transition adjustment” of 50% - 91% of the variance between the calculated aid and 23-24 foundation aid

- In other words, these districts would receive a 9%-50% reduction of the calculated variance in foundation aid
- This adjustment is based on wealth factors





Executive Budget Summary

FOUNDATION AID PROPOSED CHANGES

2. Change in the inflation figure

Current law: the inflationary increase to the base amount per student is based on the average CPI change over the previous calendar year. This would be 4.1% for calendar year 2023 (for 24-25 aid). It was 8% for 23-24 aid.

Proposed change: the inflationary increase would be based on the average of the last 10 years dropping the high and the low. This would mean a 2.4% increase for 24-25 aid. For the Broome-Tioga BOCES region this is a difference of \$4.8M.

- For Harpursville Central School District this is \$36,000.





Executive Budget Summary

FOUNDATION AID PROPOSED CHANGES

3. Removal of a minimum increase

Current law: as mentioned, districts “over funded” are held harmless and typically receive a minimum 1-3% increase in aid each year.

Proposed change: there would be no minimum increase (and in fact a reduction). Impacted districts would not only have a reduction from prior year but would also lose this normal increase.

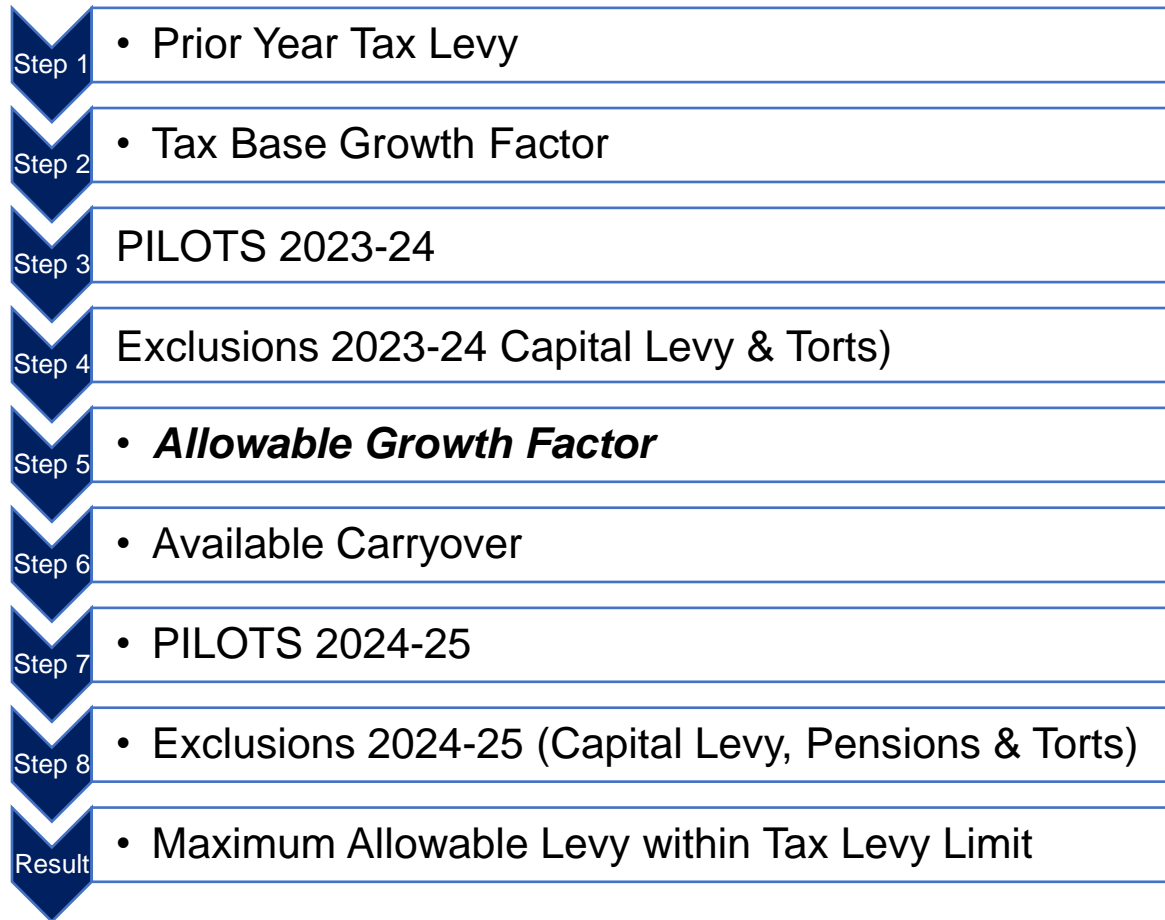


Long Range Projection – based on Executive Proposal

	2023-24	2024-25	2025-26	2026-27	2027-28
Tax Levy %	2.42%	3.13%	2.74%	2.70%	3.42%
Beginning Fund Balance	\$5,084,087	\$5,964,856	\$5,258,053	\$3,189,273	\$2,043,217
Operating Surplus/ (Deficit)	\$880,769	(\$706,803)	(\$2,068,780)	(\$3,428,174)	(\$4,800,004)
Ending Fund Balance	\$5,964,856	\$5,258,053	\$3,189,273	(\$238,901)	(\$5,038,905)



Tax Levy Limit Calculation



Maximum Allowable Levy Limit

STEPS			
Step 1		Prior Tax Levy	\$ 4,700,324
Step 2	x	Tax Base Growth Factor	<u>1.0055</u>
			\$ 4,726,176
Step 3	+	PILOTS current year	\$ 12,504
Step 4	-	Exclusion: Capital Levy, current year	<u>(\$ 299,639)</u>
			\$ 4,439,041
Step 5	x	Allowable Growth Factor	<u>2.00%</u>
			\$ 4,527,821
Step 6	+	Available Carryover	-0-
Step 7	-	PILOTS next year	<u>(\$ 13,176)</u>
		TAX LEVY LIMIT	\$ 4,541,645
Step 8	+	Allowable Retirement exemption	2,127
	+	Exclusion: Capital Levy, next year	\$ 330,486
		MAXIMUM ALLOWABLE LEVY LIMIT	\$ 4,847,258



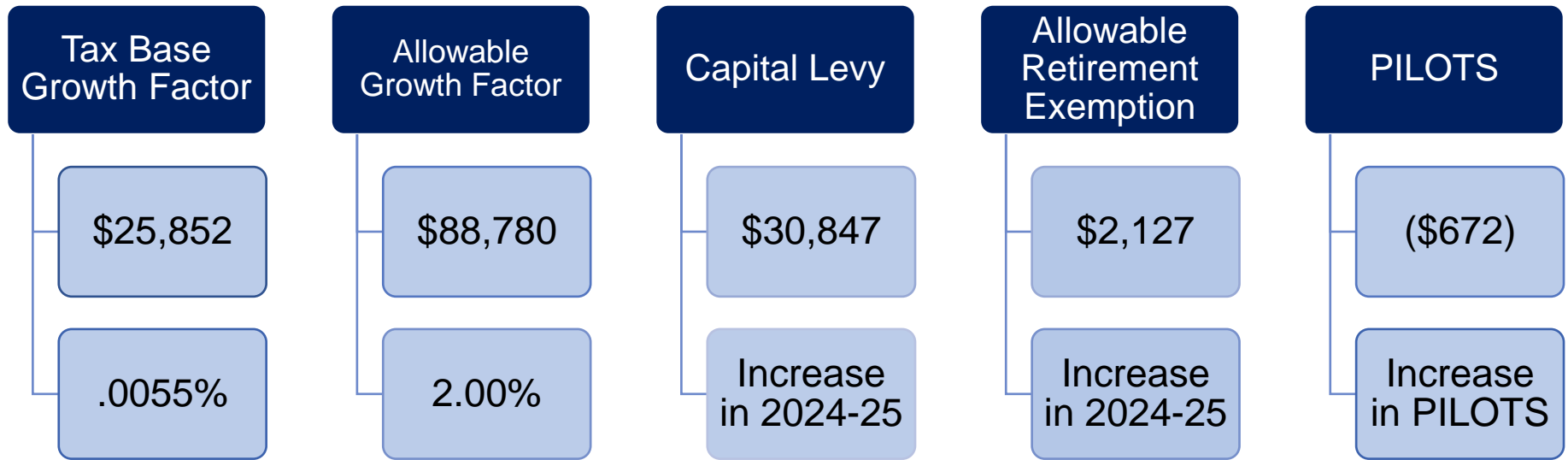
Maximum Allowable Levy Limit

Maximum Tax Levy Increase without “Super Majority”	
2024-25 Maximum Allowable Tax Levy*	\$4,847,258
2023-24 Tax Levy	\$4,700,324
Maximum increase in Tax Levy to remain under Tax Levy Limit	\$ 146,934
Percentage Increase	3.13%

*Without voter approval in excess of 60%



Variables impacting levy limit



Total = \$146,934



Questions

