



Cherry Valley-Springfield Central School District

Long Range Financial Analysis

Data Driven Fiscal Planning



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President / CEO

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March 2023

School District:
Finance
Strategic Plans
Leadership
Educational
Development

R. G. Timbs, Inc. is Registered with:



Data Sources:

- District Submissions to SED of the Form ST-3 (5 years prior)
- State Education Department (NYSED) website financial calculations
- School District's External Auditor Reports/Recommendations
- Documents of Capital Expenses, Debt etc.
- Transportation and Capital Projects Data:
 - Bonds, Bond Anticipation Notes
 - Use of Capital Reserves
 - Debt Service Schedules
- All Other Expense Driven State Aid
- Examination of Tax Implications
- Use of Debt Service Fund or Reserves
- Reports of the Comptroller of the State of New York (OSC)
- Use of Funds (Appropriated Fund Balances, Unappropriated Fund Balances)
- Projected Teachers Retirement System Rates and Employees Retirement System Rates
- Federal Grants-CRRSA and ARPA
- Interviews with the School Business Official

Cherry Valley Springfield Analysis of Fund Balances and Reserves

	June 2021	June 2022	June 2023	June 2024	June 2025	June 2026
Restricted Fund Balance:						
Workers' Compensation Reserve	\$0	\$0	\$0	\$0	\$0	\$0
Unemployment Insurance Reserve	\$272,812	\$272,812	\$272,812	\$272,812	\$272,812	\$272,812
Reserve for Retirement Contributions ERS	\$221,513	\$336,687	\$336,687	\$336,687	\$336,687	\$336,687
Reserve for Retirement Contributions TRS	\$125,635	\$180,724	\$180,724	\$180,724	\$180,724	\$180,724
Reserve for Property Loss	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Liability Claims	\$0	\$0	\$0	\$0	\$0	\$0
Insurance Reserve	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Tax Certiorari	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Employee Benefits and Accrued Liabilities	\$859,992	\$859,992	\$859,992	\$859,992	\$859,992	\$859,992
Capital Reserve (Amount=\$2,000,000) Date: 5/17/16, 10 YRS CONST	\$1,065,368	\$1,859,877	\$1,859,877	\$1,859,877	\$659,877	\$659,877
Capital Reserve (Amount=\$2,000,000) Date: 5/15/18, 10 YRS Equipment	\$692,127	\$692,670	\$692,670	\$692,670	\$692,670	\$692,670
Capital Reserve Buses	\$0	\$0	\$0	\$0	\$0	\$0
Capital Reserve Technology	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Repairs	\$161,539	\$161,654	\$161,654	\$161,654	\$161,654	\$161,654
Reserve for Debt	\$0	\$0	\$0	\$0	\$0	\$0
Other Restricted Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0
Total Restricted Fund Balance	\$3,398,986	\$4,364,416	\$4,364,416	\$4,364,416	\$3,164,416	\$3,164,416



	Cherry Valley Springfield										
State Aid Source		Year 1	2022 to 23	Year 2	2023 to 24	Year 3	2024 to 25	Year 4	2025 to 26	Year 5	2026 to 27
Aid Descriptions	2021-22	2022-23	Difference	2023-24	Difference	2024-25	Difference	2025-26	Difference	2026-27	Difference
FOUNDATION AID	\$5,475,371	\$5,639,632	\$164,261	\$5,808,820	\$169,188	\$5,983,085	\$174,265	\$6,162,577	\$179,493	\$6,347,454	\$184,877
HIGH TAX AID	\$148,902	\$148,902	\$0	\$148,902	\$0	\$148,902	\$0	\$148,902	\$0	\$148,902	\$0
TRANSPORTATION AID W/O SUMMER	\$679,120	\$584,147	(\$94,973)	\$701,765	\$117,618	\$701,765	\$0	\$701,765	\$0	\$701,765	\$0
BUILDING AID	\$848,749	\$943,434	\$94,685	\$963,961	\$20,527	\$943,435	(\$20,526)	925,000	(\$18,435)	567,465	(\$357,535)
BOCES AID	\$366,085	\$417,639	\$51,554	\$532,046	\$114,407	\$532,046	\$0	\$532,046	\$0	\$532,046	\$0
PUBLIC EC HIGH COST AID	\$14,177	\$5,194	(\$8,983)	\$2,071	(\$3,123)	\$2,071	\$0	\$2,071	\$0	\$2,071	\$0
PRIVATE EXCESS COST AID	\$263,791	\$233,456	(\$30,335)	\$275,206	\$41,750	\$275,206	\$0	\$275,206	\$0	\$275,206	\$0
SOFTWARE AID	\$3,552	\$6,382	\$2,830	\$6,606	\$224	\$6,606	\$0	\$6,606	\$0	\$6,606	\$0
LIBRARY MATERIALS AID	\$2,593	\$2,662	\$69	\$2,756	\$94	\$2,850	\$94	\$2,944	\$94	\$3,038	\$94
TEXTBOOK AID	\$24,582	\$21,106	(\$3,476)	\$26,213	\$5,107	\$31,320	\$5,107	\$36,427	\$5,107	\$41,534	\$5,107
HARDWARE & TECHNOLOGY AID	\$4,982	\$4,959	(\$23)	\$5,635	\$676	\$6,311	\$676	\$6,987	\$676	\$7,663	\$676
UNIV PREKINDERGARTEN AID	\$71,973	\$71,973	\$0	\$71,973	\$0	\$71,973	\$0	\$71,973	\$0	\$71,973	\$0
TOTAL AID	\$7,903,877	\$8,079,486	\$175,609	\$8,545,954	\$466,468	\$8,705,570	\$159,616	\$8,872,504	\$166,935	\$8,705,723	(\$166,781)
OVERALL Aid Increase/ Decrease without UPK	\$7,831,904	\$8,007,513	\$175,609	\$8,473,981	\$466,468	\$8,633,597	\$159,616	\$8,800,531	\$166,935	\$8,633,750	(\$166,781)

Scenario 1

Assumptions

Revenues:
 Estimates for Tax Levy Are 2%
 State Aid 2023-24 Significant Increase, Thereafter Stable Increase
 Stable Transportation Aid
 Building Aid follows Debt Service Schedule*
 Federal Aid remains Stable

Expenditures:
 Follow contractual Obligations
 No notable changes in staff patterns
 Stable ERS and TRS increased costs*

Cherry Valley Springfield							
5 Year Financial Projections							
Fiscal Year Ending June 30:	<u>Budget 2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	
REVENUES:		2.00%	2.00%	2.00%	2.00%	2.00%	
Real Property Taxes	\$5,308,039	\$5,414,104	\$5,522,386	\$5,632,834	\$5,745,490	\$5,860,400	10.4%
State Aid	\$5,974,437	\$6,517,278	\$6,559,253	\$6,988,397	\$7,173,766	\$7,364,520	
Building Aid	\$848,749	\$943,434	\$963,961	\$943,435	\$925,000	\$567,465	
Transportation Aid	\$679,120	\$584,147	\$701,765	\$701,765	\$701,765	\$701,765	
Other	\$271,933	\$223,500	\$245,500	\$245,500	\$245,500	\$245,500	
Total Revenues	\$13,082,278	\$13,682,463	\$13,992,865	\$14,511,930	\$14,791,521	\$14,739,651	12.7%
Amount of Change Year to Year		\$600,185	\$310,402	\$519,065	\$279,591	-\$51,871	

Tax Levy % Increase is an example only and does not represent at Tax Cap calculation

Scenario 1

Total Revenues	\$13,082,278	\$13,682,463	\$13,992,865	\$14,511,930	\$14,791,521	\$14,739,651	12.7%
Amount of Change Year to Year		\$600,185	\$310,402	\$519,065	\$279,591	-\$51,871	
EXPENSES:	Budget 2022	2023	2024	2025	2026	2027	
General Support							
Salaries	\$669,286	\$651,905	\$745,685	\$771,784	\$798,797	\$826,755	23.5%
Other	\$1,107,953	\$1,185,684	\$1,169,452	\$1,195,971	\$1,223,272	\$1,251,379	12.9%
Instruction							
Salaries	\$3,959,921	\$4,152,094	\$4,254,635	\$4,410,256	\$4,572,102	\$4,740,421	19.7%
Other	\$2,252,262	\$2,153,224	\$2,253,997	\$2,312,510	\$2,372,749	\$2,434,765	
Transportation							
Salaries	\$432,350	\$535,739	\$480,171	\$492,226	\$504,703	\$517,617	19.7%
Other	\$257,662	\$341,137	\$253,930	\$258,898	\$264,012	\$269,277	
Community Service	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	
Employee Benefits							
Retirement	\$502,628	\$479,763	\$480,038	\$568,353	\$589,684	\$611,848	21.7%
Social Security	\$379,937	\$382,221	\$398,152	\$436,302	\$451,704	\$467,708	
Workers' Compensation	\$65,500	\$65,500	\$65,500	\$66,810	\$68,146	\$69,509	
Health	\$2,945,098	\$3,149,427	\$3,288,564	\$3,518,391	\$3,765,455	\$4,031,048	36.9%
Other	\$55,570	\$61,725	\$51,225	\$52,239	\$53,274	\$54,329	
Debt Service:							
Buildings -							
Principal	\$808,593	\$755,000	\$795,000	\$830,000	\$490,000	\$170,000	
Interest	\$227,305	\$212,400	\$175,400	\$136,450	\$95,750	\$72,050	
Buses & Other -							
Principal	\$189,754	\$195,000	\$227,000	\$246,000	\$281,947	\$301,738	
Interest	\$13,795	\$14,250	\$22,672	\$22,530	\$26,608	\$29,602	
RAN/TAN -							
Interest	\$0	\$0	\$0	\$0	\$0	\$0	
Interfund Transfers (Cap outlay, 4408)	\$10,000	\$0	\$0	\$0	\$0	\$0	
Total Expenses	\$13,879,113	\$14,336,568	\$14,662,921	\$15,320,220	\$15,559,703	\$15,849,546	14.2%
Amount of Change Year to Year		\$457,455	\$326,352	\$657,299	\$239,483	\$289,843	



Scenario 1



Cherry Valley Springfield 5 Year Financial Projections

Fiscal Year Ending June 30:	Budget 2022	2023	2024	2025	2026	2027	
Total Revenues	\$13,082,278	\$13,682,463	\$13,992,865	\$14,511,930	\$14,791,521	\$14,739,651	12.7%
Amount of Change Year to Year		\$600,185	\$310,402	\$519,065	\$279,591	-\$51,871	
Total Expenses	\$13,879,113	\$14,336,568	\$14,662,921	\$15,320,220	\$15,559,703	\$15,849,546	14.2%
Amount of Change Year to Year		\$457,455	\$326,352	\$657,299	\$239,483	\$289,843	
Adjustments (Carry Over, etc.)	\$1,934,057	\$1,331,091	\$1,301,091	\$1,301,091	\$1,301,091	\$1,301,091	
Use of Reserves (Capital Project)	\$0	\$0	\$0	(\$1,200,000)	\$0	\$0	Does NOT include Additional Use of Reserves for Zero-Emission Bus Purchases
4% of Expenses	\$573,463	\$586,517	\$612,809	\$622,388	\$633,982	\$633,982	
Assigned Appropriated Fund Balance	\$654,105	\$670,056	\$808,289	\$768,181	\$1,109,895	\$1,109,895	Does NOT include Additional Use of Reserves for Bus Garage Renovations
Assigned Unappropriated	\$157,355	\$136,921	\$136,921	\$136,921	\$136,921	\$136,921	
Unassigned Fund Balance	\$533,773	\$568,003	\$612,809	\$622,388	\$633,982	\$633,982	
Reserved Fund Balance	\$4,364,416	\$5,306,263	\$5,754,259	\$5,077,589	\$5,257,191	\$5,448,387	
Total Fund Balance June 30	\$5,867,336	\$6,544,322	\$7,175,357	\$6,468,159	\$7,001,068	\$7,192,264	
Revenue to Expenditure Difference	(\$796,835)	(\$654,105)	(\$670,056)	(\$808,289)	(\$768,181)	(\$1,109,895)	

Scenario 2

Assumptions

Revenues:
 Estimates for Tax Levy 2% and then 1.5% Thereafter
 State Aid 2023-24 Significant Increase, Thereafter Stable Increase
 Stable Transportation Aid
 Building Aid follows Debt Service Schedule*
 Federal Aid remains Stable

Expenditures:
 Follow contractual Obligations
 No notable changes in staff patterns
 Stable ERS and TRS increased costs*

Cherry Valley Springfield 5 Year Financial Projections

Fiscal Year Ending June 30:	<u>Budget 2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	
REVENUES:		2.00%	1.50%	1.50%	1.50%	1.50%	
Real Property Taxes	\$5,308,039	\$5,414,104	\$5,495,315	\$5,577,745	\$5,661,411	\$5,746,332	8.3%
State Aid	\$5,974,437	\$6,517,278	\$6,559,253	\$6,988,397	\$7,173,766	\$7,364,520	
Building Aid	\$848,749	\$943,434	\$963,961	\$943,435	\$925,000	\$567,465	
Transportation Aid	\$679,120	\$584,147	\$701,765	\$701,765	\$701,765	\$701,765	
Other	<u>\$271,933</u>	<u>\$223,500</u>	<u>\$245,500</u>	<u>\$245,500</u>	<u>\$245,500</u>	<u>\$245,500</u>	
Total Revenues	\$13,082,278	\$13,682,463	\$13,965,794	\$14,456,842	\$14,707,442	\$14,625,583	11.8%
Amount of Change Year to Year		\$600,185	\$283,332	\$491,047	\$250,601	-\$81,860	

Tax Levy % Increase is an example only and does not represent at Tax Cap calculation

Scenario 2

Cherry Valley Springfield 5 Year Financial Projections

Fiscal Year Ending June 30:	Budget 2022	2023	2024	2025	2026	2027	
Total Revenues	\$13,082,278	\$13,682,463	\$13,965,794	\$14,456,842	\$14,707,442	\$14,625,583	11.8%
Amount of Change Year to Year		\$600,185	\$283,332	\$491,047	\$250,601	-\$81,860	
Total Expenses	\$13,879,113	\$14,336,568	\$14,662,921	\$15,320,220	\$15,559,703	\$15,849,546	14.2%
Amount of Change Year to Year		\$457,455	\$326,352	\$657,299	\$239,483	\$289,843	
Adjustments (Carry Over, etc.)	\$1,934,057	\$1,331,091	\$1,301,091	\$1,301,091	\$1,301,091	\$1,301,091	
Use of Reserves (Capital Project)	\$0	\$0	\$0	(\$1,200,000)	\$0	\$0	Does NOT include Additional Use of Reserves for Zero-Emission Bus Purchases
4% of Expenses	\$573,463	\$586,517	\$612,809	\$622,388	\$633,982	\$633,982	
Assigned Appropriated Fund Balance	\$654,105	\$697,126	\$863,378	\$852,260	\$1,223,963	\$1,223,963	Does NOT include Additional Use of Reserves for Bus Garage Renovations
Assigned Unappropriated	\$157,355	\$136,921	\$136,921	\$136,921	\$136,921	\$136,921	
Unassigned Fund Balance	\$533,773	\$568,003	\$612,809	\$622,388	\$633,982	\$633,982	
Reserved Fund Balance	\$4,364,416	\$5,279,193	\$5,672,100	\$4,911,351	\$4,976,885	\$5,054,013	
Total Fund Balance June 30	\$5,867,336	\$6,544,322	\$7,148,287	\$6,386,000	\$6,834,830	\$6,911,958	
Revenue to Expenditure Difference	(\$796,835)	(\$654,105)	(\$697,126)	(\$863,378)	(\$852,260)	(\$1,223,963)	

The Financial Status of the District is Strong
...And should remain very strong through 2026-27



RECOMMENDATIONS

Strategically and Operationally Examine Long Range Budget Implications...

Maintain a stable the budget by tracking expenses and revenues:

- a) Re-Examine 2022-23 budget for fund balances (Carry Over/Reallocations).
- b) Budget process is always difficult due to the number of assumptions (Extrapolate cost estimates). Update estimates as possible for both Revenues and Expenses.
- c) Attempts for cost reductions should be examined (those away from student programs first) to mitigate escalation of expenses.
- d) Reevaluate purchases and staff need. Examine the possibility of attrition and breakage, where possible but monitor certain labor scarcity issues.
- e) Monitor Long-term Expenditures to the financial plan and limitations on Revenues
- f) Develop a Long-Range thoughtful plan to prepare for possible State Fiscal Funding Cliff 2024-25 and beyond

RECOMMENDATIONS

Strategically and Operationally Examine Long Range Budget Implications...



2. Annually reevaluate Reserve and Fund Balance amounts for sustainability and liabilities. When and if possible:
 - b) When possible, continue to build TRS Reserve to cover potential escalations in cost as labor contracts escalate
 - c) As in the past, build and Use New Capital Reserves to ensure Building Integrity and Eliminate Tax impact of Capital Construction
 - d) As in the past, continue, when possible, to build and Use new Capital Reserves to Eliminate Tax impact of these periodic expenditures (Buses, Vehicles, Equipment, Technology for instance)
3. The Longevity of the New Federal Grants could be problematic. Exhibit caution with use of new Federal Funding streams (Fiscal Cliff 2024-25, 2025-26)
4. State Aid: Foundation Aid the district currently slated for just a 3% Increase in Foundation Aid in 2023-24; Save Harmless status; expense driven aid continues in current law.
5. The costs associated with the Zero-Emissions bus mandate are expensive-develop a plan
6. Monitor the Tax Cap... note growing use of Appropriated Fund Balance and be aware of Super Majority Tax Levy Limit implications.

Questions
from the
Board of Education?
Cherry Valley-Springfield Central School District



RGT
R.G. TIMBS INC.