



Enlarged City School District



Budget 2025-2026

Cortland Enlarged City School District
March 25, 2025

Kristopher Williamson, Business Administrator



Barry Primary



Smith Intermediate



Randall Middle



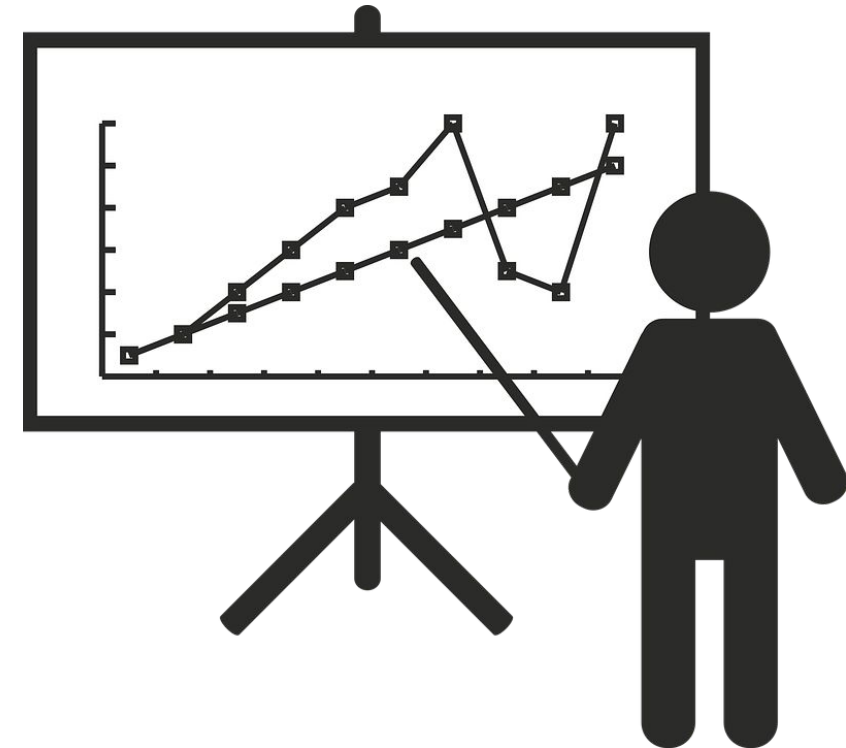
Junior High School



Cortland High School

Budget Presentation #7

- Draft Expense Budget
 - Categorical Breakdown
- Draft Revenue Budget
 - Fund Balance
 - Reserves
- Closing the Gap
 - Options to Increase Fund Balance
 - Additional Budget Adjustments
- RAN Recommendation

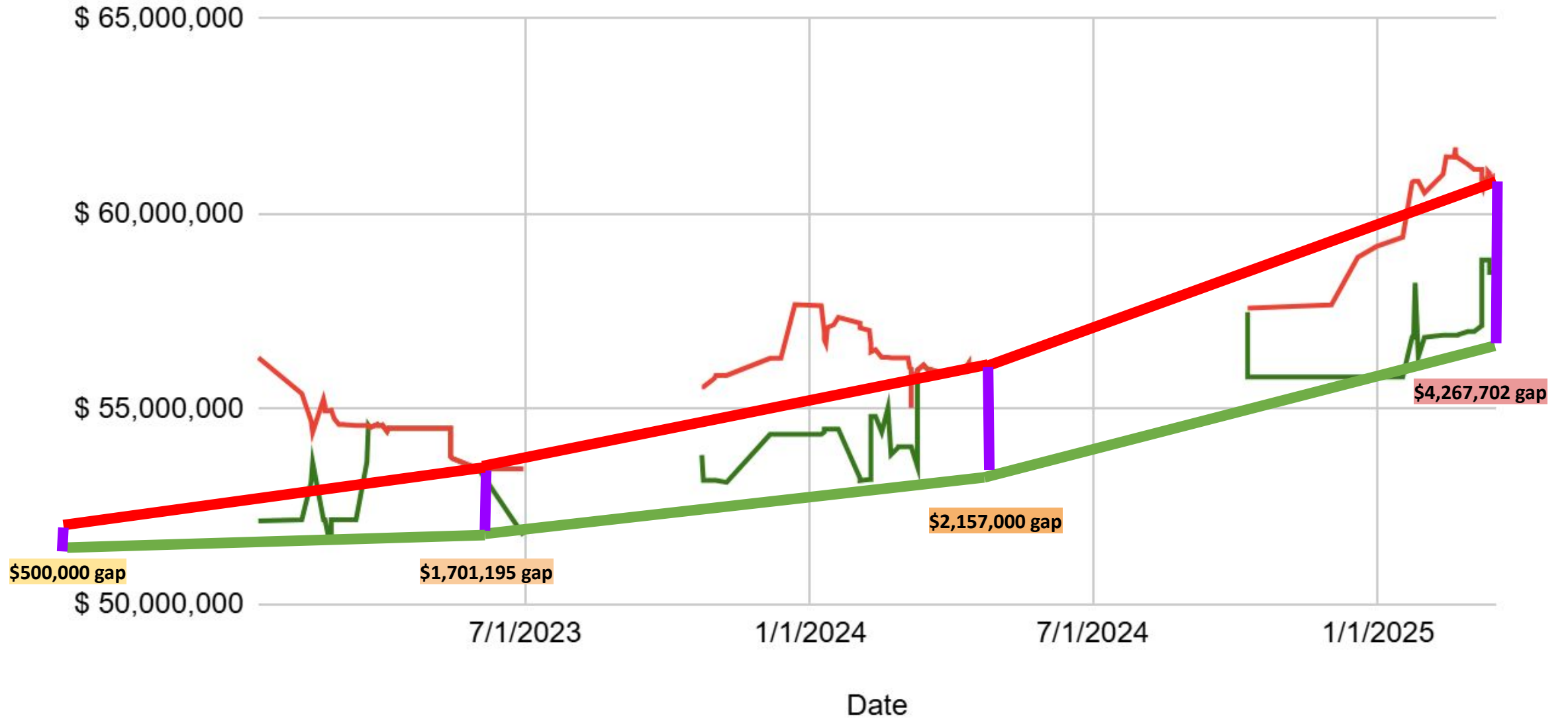


Budget Journey (23-24, 24-25, 25-26)



Budget Journey (23-24, 24-25, 25-26)

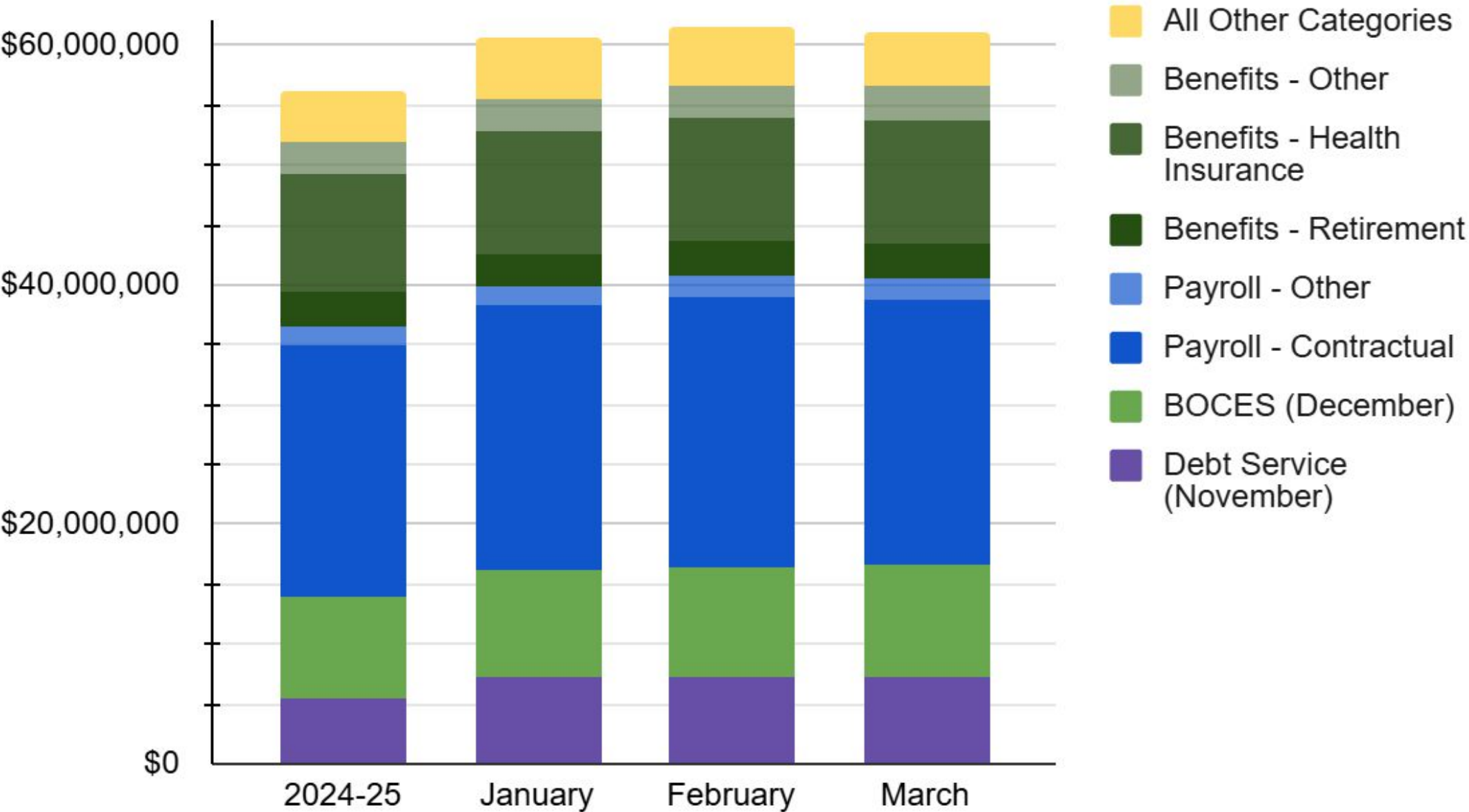
Revenues Expenses



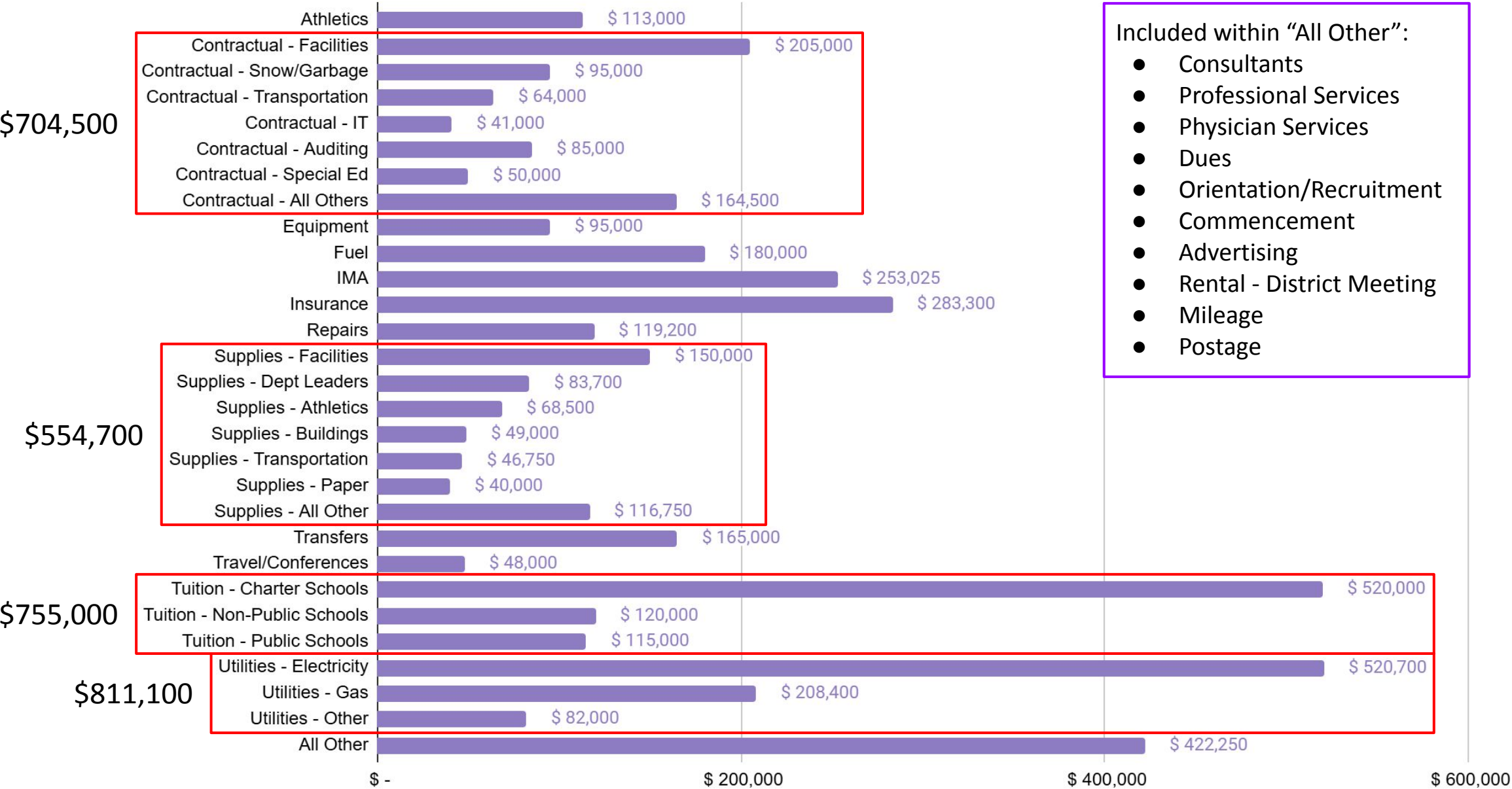
Draft Expense Budget

| | 2024-25 | 2025-26 | Change | |
|------------------------------|---------------------|---------------------|--------------------|--------------|
| ➤ Debt Service | \$5,495,625 | \$7,254,194 | \$1,758,569 | 32.0% |
| ➤ BOCES | \$8,388,213 | \$9,283,900 | \$895,687 | 10.7% |
| ➤ Payroll - Contractual | \$21,174,198 | \$22,204,972 | \$1,030,774 | 4.87% |
| ➤ Payroll - All Other | \$1,478,185 | \$1,884,496 | \$406,311 | 27.5% |
| ➤ Benefits - Retirement | \$2,779,653 | \$2,782,400 | \$2,747 | 0.10% |
| ➤ Benefits - Health | \$9,831,249 | \$10,281,984 | \$450,735 | 4.58% |
| ➤ Benefits - All Other | \$2,731,720 | \$2,838,545 | \$106,825 | 3.91% |
| ➤ Tuition | \$805,000 | \$755,000 | - \$50,000 | -6.25% |
| ➤ Utilities | \$735,682 | \$811,100 | \$75,418 | 10.25% |
| ➤ <u>All Other</u> | <u>\$2,715,625</u> | <u>\$2,937,975</u> | <u>\$222,350</u> | <u>8.19%</u> |
| | \$56,135,150 | \$61,034,566 | \$4,899,416 | 8.73% |
| <i>Without Debt Service:</i> | <i>\$50,639,525</i> | <i>\$53,780,371</i> | <i>\$3,140,847</i> | <i>6.20%</i> |

Current Year Budget and Projected Budget



Budgeted Expenses in All Other Categories for 2025-26



Tax Levy Update

| | 2022 | 2023 | 2024 | 2025 | 2026 Adjusted |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Tax Base Growth Factor | 1.0000 | 1.0000 | 1.0047 | 1.0074 | 1.0032 |
| Allowable Levy Growth Factor | 1.0123 | 1.0200 | 1.0200 | 1.0200 | 1.0200 |
| PILOTs Received | \$149,600 | \$160,600 | \$165,730 | \$154,124 | \$167,601 |
| Levy Limit Before Exclusions | \$17,359,136 | \$17,698,311 | \$18,137,744 | \$18,655,611 | \$19,087,115 |
| Total Exclusions | \$748,224 | \$529,548 | \$435,525 | \$672,818 | \$703,796 |
| Levy Limit with Exclusions | \$18,107,360 | \$18,227,859 | \$18,573,269 | \$19,328,429 | \$19,790,911 |
| Tax Levy for Fiscal Year | \$18,107,360 | \$18,227,859 | \$18,573,269 | \$19,328,429 | \$19,790,911 |
| Difference | \$0 | \$0 | \$0 | \$0 | \$0 |
| Percent Increase | 2.01% | 0.67% | 1.89% | 4.07% | 2.39% |

Draft Revenue Budget

| | 2024-25 | 2025-26 | Change | |
|--------------------------------|---------------------|---------------------|--------------------|--------------|
| ➤ Local Tax Levy | \$19,328,429 | \$19,790,911 | \$462,482 | 2.39% |
| ➤ PILOTs | \$154,124 | \$167,601 | \$13,477 | 8.74% |
| ➤ Foundation Aid | \$23,328,075 | \$23,794,636 | \$466,561 | 2.00% |
| ➤ Building Aid | \$4,403,340 | \$5,745,618 | \$1,342,278 | 30.5% |
| ➤ Transportation Aid | \$1,600,000 | \$1,650,000 | \$50,000 | 3.13% |
| ➤ BOCES Aid | \$2,580,000 | \$2,800,000 | \$220,000 | 8.53% |
| ➤ High Cost Aid | \$847,000 | \$820,000 | - \$27,000 | -3.19% |
| ➤ Other State Aid | \$314,875 | \$198,318 | - \$116,557 | -37.0% |
| ➤ Miscellaneous | \$1,422,307 | \$1,799,780 | \$377,473 | 26.5% |
| ➤ <u>Fund Balance/Reserves</u> | <u>\$2,157,000</u> | <u>\$4,267,702</u> | <u>\$2,110,702</u> | <u>97.9%</u> |
| TOTALS | \$56,135,150 | \$61,034,566 | \$4,899,416 | 8.73% |
| ➤ Sustainable Revenues: | \$53,978,150 | \$56,766,864 | \$2,788,714 | 5.17% |

Fund Balance Projections

- Regular reviews of Fund Balance projections
- Current projection: \$3,294,700
- Current 4% RPTL Limit: \$2,441,400
- **Current projected excess: \$853,300**

Allocating Excess Fund Balance:

- Fund TRS Reserve: \$350,000
- **Appropriated Fund Balance for 2025-26: \$403,300**
- Fund other Reserves: \$0

Reserve Balances

| | Projected | Eligible | 2025-26 | |
|---------------------------|------------------|--------------------|--------------------|----------------|
| | EOY 2025 | Expenses | Budgeted | Remaining |
| ➤ Workers Compensation | \$384,567 | \$146,445 | > \$145,000 | \$239,567 |
| ➤ Unemployment | \$317,015 | \$12,000 | > \$10,000 | \$307,015 |
| ➤ Retirement - ERS | \$872,983 | \$800,000 | > \$725,000 | \$147,983 |
| ➤ Insurance | \$110,459 | ----- | ----- | \$110,459 |
| ➤ Accrued Benefits | \$613,773 | \$300,000 | > \$280,000 | \$333,773 |
| ➤ Repair | \$690,707 | \$159,200 | > \$100,000 | \$590,707 |
| ➤ Tax Certiorari | \$215,427 | ----- | ----- | \$215,427 |
| ➤ <u>Retirement - TRS</u> | <u>\$745,839</u> | <u>\$1,982,400</u> | > <u>\$740,000</u> | <u>\$5,839</u> |
| TOTALS: | \$3,950,770 | \$3,400,045 | > \$2,000,000 | \$1,950,770 |

Closing the Gap - Considerations

- Options to Increase Fund Balance or Sustainable Revenues
 - Foundation Aid Formula -If Legislature approves Current Law for Cortland
 - \$623,849 increase from Governor's revision to FA Formula
 - New GASB rules regarding Compensated Absences
 - Potential to increase Fund Balance by around \$800K
 - Excess Cost Aid -Additional STACs could increase projected aid
 - Reserve Accounts -BOE could declare some as overfunded
 - Workers Compensation Reserve? \$239,567 remaining
 - Unemployment Reserve? \$307,015 remaining
 - Tax Certiorari Reserve? \$215,427 remaining
 - Tax Levy Override?
 - 2.39% Levy Limit (Requires 50% +1 approval)
 - 4.99% Levy Increase (Requires 60% approval)
 - Additional \$502K in sustainable revenues

Closing the \$4,267,702 Budget Gap

➤ Best-Case Scenario for Sustainable Revenues

- | | | |
|-------------------|-------------|--------------------|
| ○ Foundation Aid | + \$623,849 | added to State Aid |
| ○ New GASB rules | + \$800,000 | added to FB |
| ○ Excess Cost Aid | + \$150,000 | added to State Aid |

■ **Revised Budget Gap: \$2,693,853**

➤ BOE Resolutions to transfer Reserves to Fund Balance

- | | | |
|---------------------------------|-------------|-------------|
| ○ Workers Compensation Reserve? | + \$239,567 | added to FB |
| ○ Unemployment Reserve? | + \$307,015 | added to FB |
| ○ Tax Certiorari Reserve? | + \$215,427 | added to FB |

■ **Revised Budget Gap: \$1,931,844**

➤ Tax Levy Override

- | | | |
|----------------------------|-------------|-------------------|
| ○ Tax Levy Override? 4.99% | + \$502,000 | added to Tax Levy |
|----------------------------|-------------|-------------------|

■ **Revised Budget Gap: \$1,429,844**

Large Use of Fund Balance/Reserves

- Projected EOY Fund Balance is currently: \$3,294,700
- Current Budget Gap: \$4,267,702
- Max Reserve Allocations: - \$2,000,000
- Remainder to come from Fund Balance: **\$2,267,702**
- **Adjusted Projected Unassigned Fund Balance: \$1,026,998**
 - This would be 1.68% of the subsequent budget, w/o funding TRS Reserve
 - Potential for increase in the amount and length of time for a RAN
 - Comptroller's Fiscal Stress Level could change to "Susceptible Fiscal Stress"

RAN Recommendation

➤ Cash Flow Projections for July 1 - October 15, 2025

| | | |
|--------------------------------------|-------------|---------------------------|
| ○ Anticipated Accounts Payable: | \$5,500,000 | |
| ○ Anticipated Payroll: | \$4,200,000 | |
| ○ Anticipated Cash-on-Hand on 7/1: | \$2,000,000 | |
| ○ Anticipated 23-24 Revenue by 9/30: | \$2,000,000 | (BOCES, Excess High Cost) |
| ○ Anticipated Revenue through 9/15: | \$210,000 | (Miscellaneous) |
| ○ Budgeted Reserves | \$2,000,000 | |

➤ Recommendation

| | |
|---|-------------------|
| ○ Short-Term (July - October) \$3,000,000 RAN | |
| ■ Anticipated Premium: | \$4,000 |
| ■ Anticipated Interest: | - <u>\$45,000</u> |
| ■ Net Cost to Budget: | \$39,000 |

Key Take-Aways

- **Budget Gap continues to be large compared with previous years**
 - \$4,267,702 gap between sustainable revenues and anticipated expenses
 - \$2,000,000 planned use of Reserves
 - Consideration for BOE resolutions at April BOE meeting to increase Fund Balance from Reserve accounts - *To be discussed at April Finance Committee Meeting*
- **Continued Uncertainty with Some Revenue Projections**
 - Foundation Aid - Hold Harmless or Current Law?
 - New GASB rule - Impact on EOY Fund Balance
- **Recommend \$3,000,000 RAN**
 - Anticipated net impact to budget: \$39K
 - Larger RAN may be needed if unable to maintain 4% Unassigned FB

Anticipated 2026 Local Tax Levy:

2.39% Increase



Next Steps in Budget Process



➤ Final Budget Adjustments

- Final review of all budget lines
- Review anticipated staffing needs
- Review and submit Final BOCES Requests (Due April 9)

➤ Continue to update Revenue Projections

- Updates from the Governor's proposed budget and Final Legislative Budget
- Closer review of new GASB rule
- Discussion at Finance Committee Meeting on Reserves and Fund Balance

Next Presentation - April 21

- BOCES Budget Adopted (Admin/Rent/Capital)
- Final Draft of 2025-26 Revenue and Expense Budgets
 - Broken down by category
 - Adopted by BOE

Budget Hearing → May 6 at 6pm

Annual Meeting → May 20 from 11am-8pm*



Questions?

