



# Briarcliff Manor Union Free School District

## Long Range Financial Plan

March 2021

John Brucato, Assistant Superintendent for Finance & Operations



*"Inspire students through the care, dedication and diligence of teachers, staff, and parents, to become knowledgeable, skilled, and confident young men and women."*

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## District Summary

The Briarcliff School community is committed to a deep and well-rounded educational experience for all. Our students attend three award-winning schools -- Todd Elementary School for kindergarten through fifth grade, Briarcliff Middle School for grades six through eight, and Briarcliff High School for grades nine through twelve. The schools operate with the support of a five-member Board of Education whose goal it is to provide each student with a strong educational foundation and the tools necessary to find lifelong personal and academic success.

The Briarcliff Manor School District is committed to the philosophy of helping each student maximize his or her potential to become confident, academically successful adults who are able and willing to make positive contributions to society. Engaging students to this end is the shared responsibility of our schools, parents and the greater Briarcliff community. Together we endeavor to meet the needs of the whole child -- intellectual, physical, emotional, civic, and aesthetic. It is each school's primary responsibility to support the intellectual development of the child -- the acquisition of the tools, habits and dispositions for learning and the assimilation of a basic body of skills and knowledge. While certain aspects of learning require memorization of facts, the school must also encourage creative problem solving, collaboration and independent thinking. A student's ability is not static, all students can learn and each student develops at his or her own rate. Therefore, insofar as possible, our schools must try to meet the individual needs of each student by offering alternative methods of instruction, options in course selection, and a broad range of educational programs and activities for students with differing interests and talents. Within this broad educational program, we hope to engage, enlighten and inspire our student body so that it may be best prepared for life and opportunity in the 21st Century.

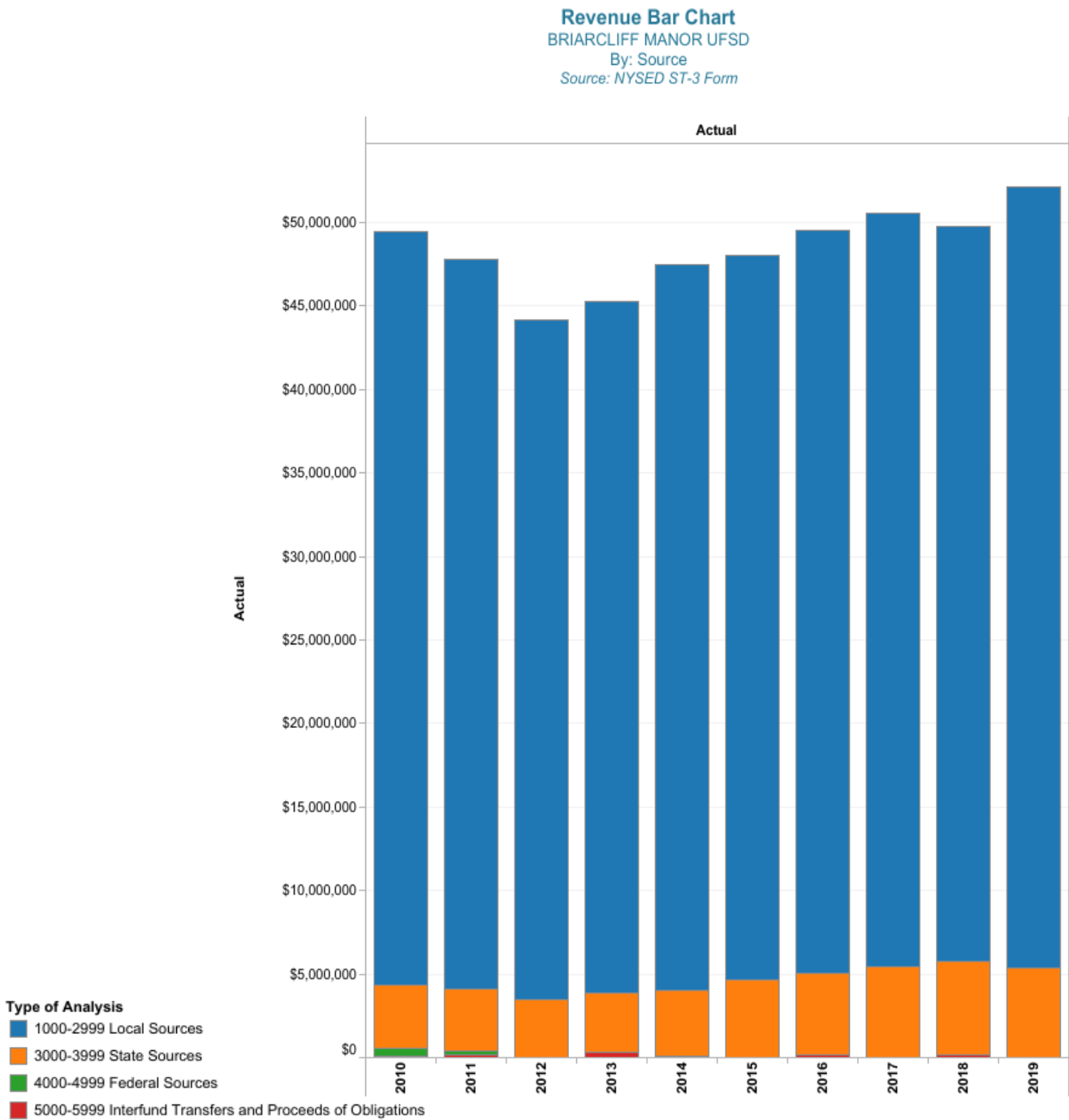
## Purpose of Long Range Financial Planning

Fiscal responsibility is one of the most critical aspects to ensuring the success of any school district. By creating and updating a five year financial plan, Briarcliff Manor UFSD is able to have a clearer picture of how the decisions that are made today can affect the District's financial health in the future. More importantly, financial planning allows the District to be in a stronger position to sustain and add to instructional programming. Factors such as instructional mandates, salaries, benefits, tuitions, utilities and technology are just some of the areas that are built into Briarcliff Manor UFSD's financial planning.

# Revenue History

## Revenue History by Source

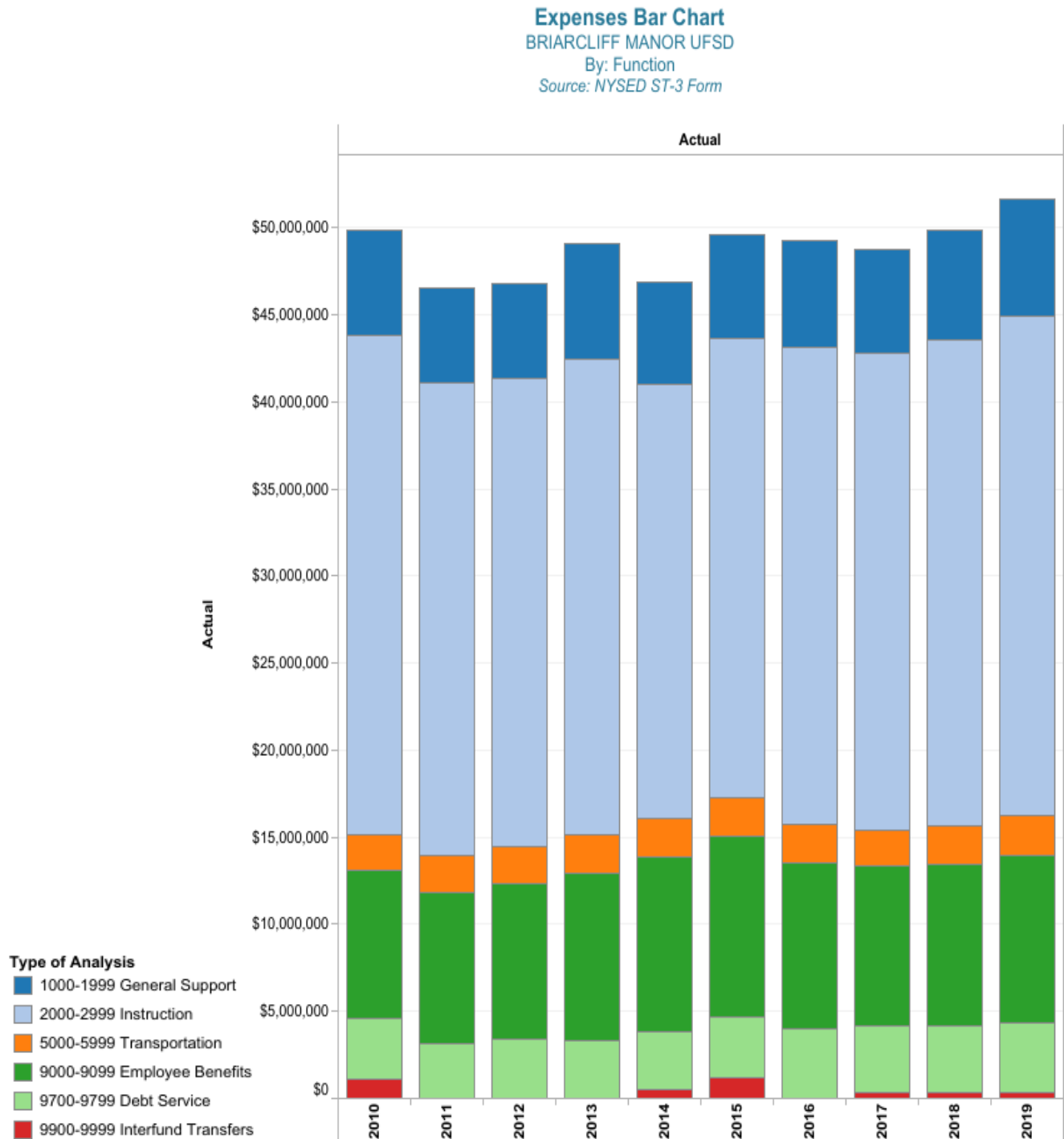
The following chart outlines Briarcliff Manor’s historic revenue sources. As with most New York State school districts, the majority of revenue in each budget comes from local sources (tax levy and tuition revenue)



# Expenditure History

## Expenditure History by Function

The following chart outlines Briarcliff Manor's expenditure history. Instructional expenditures are the majority of the budget, which include instructional salaries.



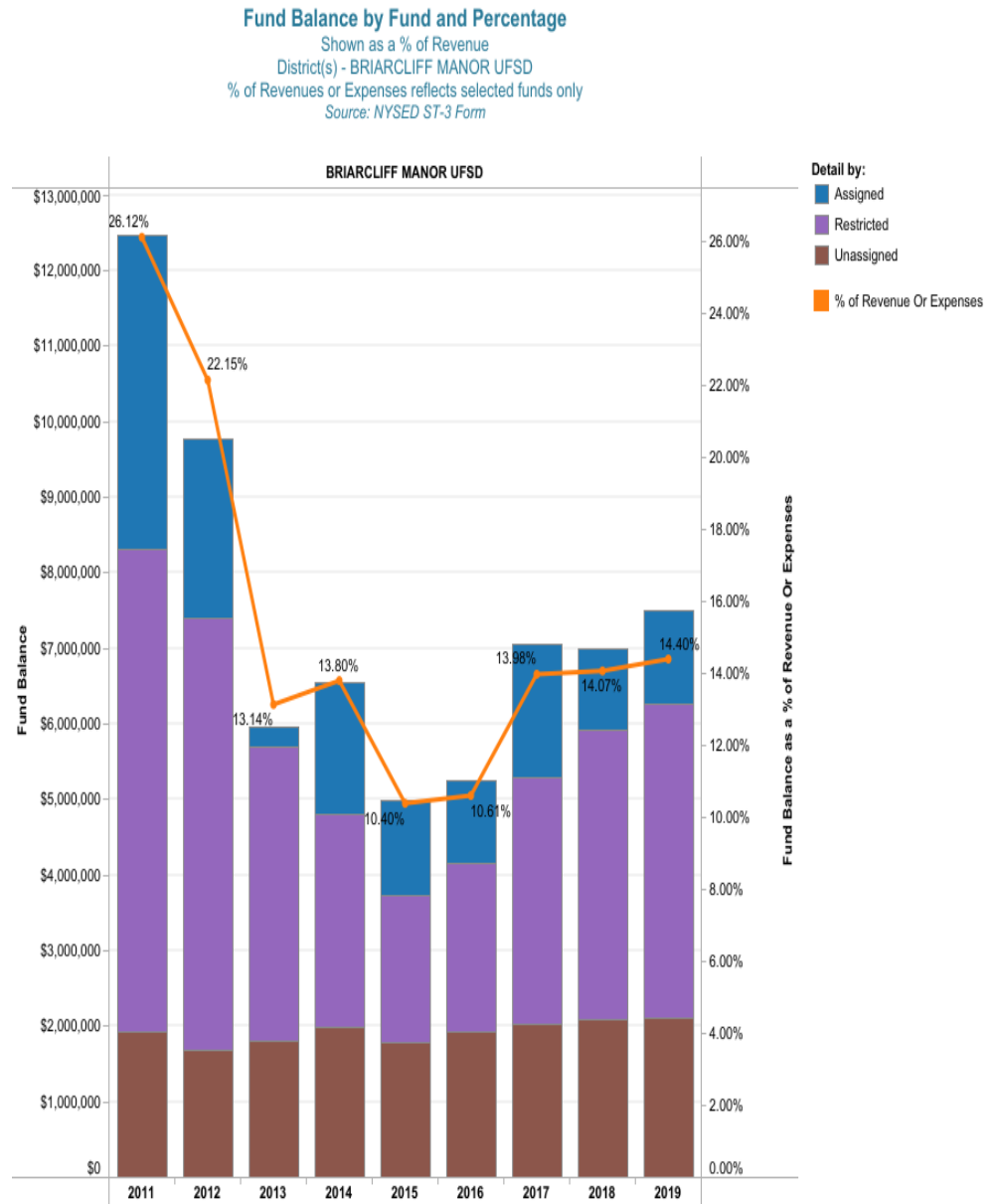
# Fund Balance History

## Fund Balance History by Category

The following chart outlines the use of and additions to fund balance. From 2011 to 2019, the District has reduced its total fund balance position by 40% (\$4,967,687). A large portion of the overall fund balance is determined by historical and projected Tax Certiorari proceedings.

On page 12, the General Fund Projection summary outlines a five year financial forecast for Briarcliff Manor UFSD. The District is faced with potential deficits moving forward if no corrective action is taken. In the short term, reserves can be used ideally for one time expenditures, but a long term reliance on a

district's "savings account" is not sustainable and will most certainly have adverse effects on the District's overall financial health. Waning reserves also have a negative effect on the District's credit rating which in turn reduces the borrowing power for future capital projects. Less can be done for the same overall borrowing amount due to the potential increased interest rates on Bond Anticipation Notes (BANs) and Bonds.





WCSPSDs averaged actual revenues .44% above budget, Briarcliff Manor averaged -2.25%.



In the past five years, Briarcliff Manor averaged actual revenues .17% above budget, .2% below the county average.



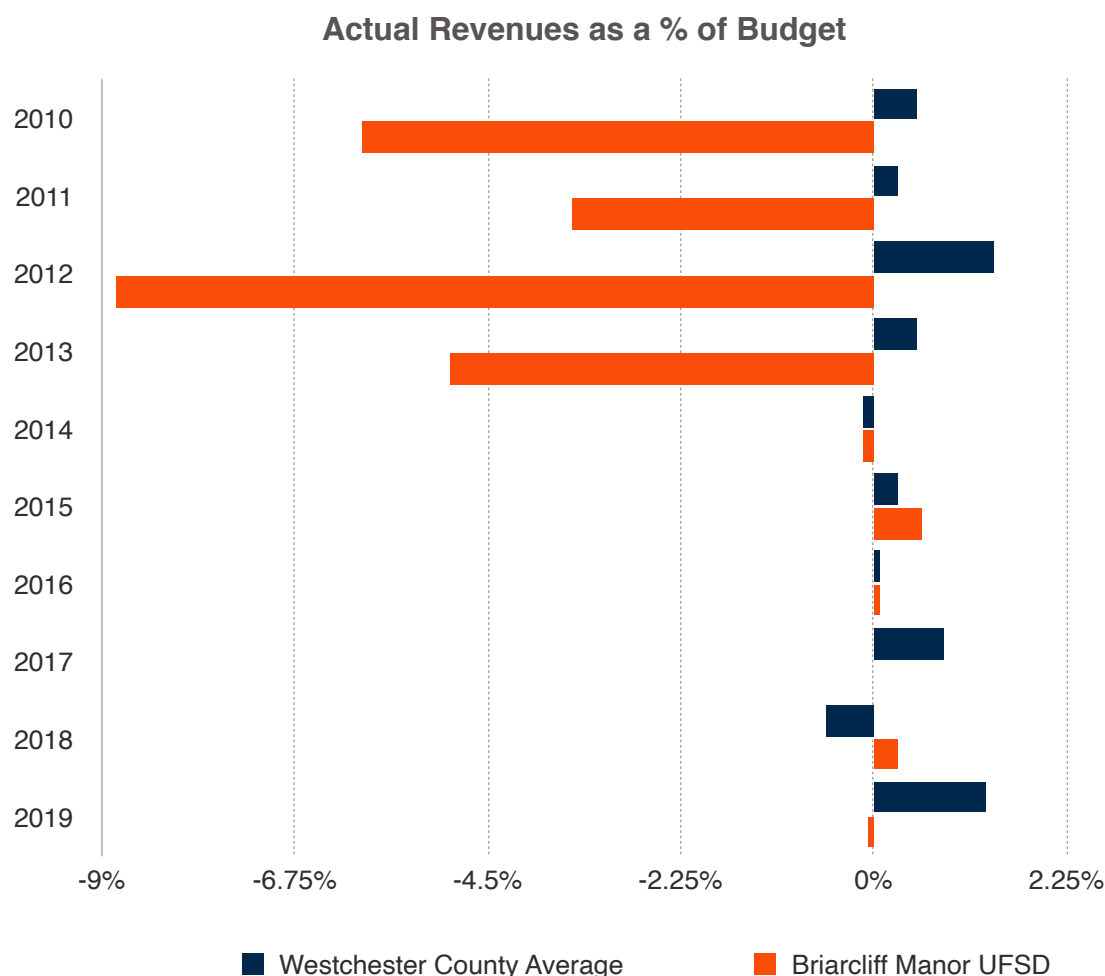
From 2010 - 2013, the variance in revenues are primarily attributed to larger than average appropriated fund balance allocations.

## Comparative Analysis

The comparative analysis gathers county-wide data to benchmark Briarcliff Manor's financial performance compared to Westchester County suburban public school districts (WCSPSDs).

### Revenue Performance

The following chart details Briarcliff Manor's revenue budget performance as it relates to the entirety of Westchester County suburban public school districts.



As detailed in the chart above, the District has historically finished each fiscal year below budgeted revenues. In the past five years from 2014 to 2019, actual revenues have finished on an average of .17% above budgeted revenues. This data demonstrates Briarcliff Manor's smaller than average margins as they relate to actual vs. budgeted revenues.



## Expenditure Performance

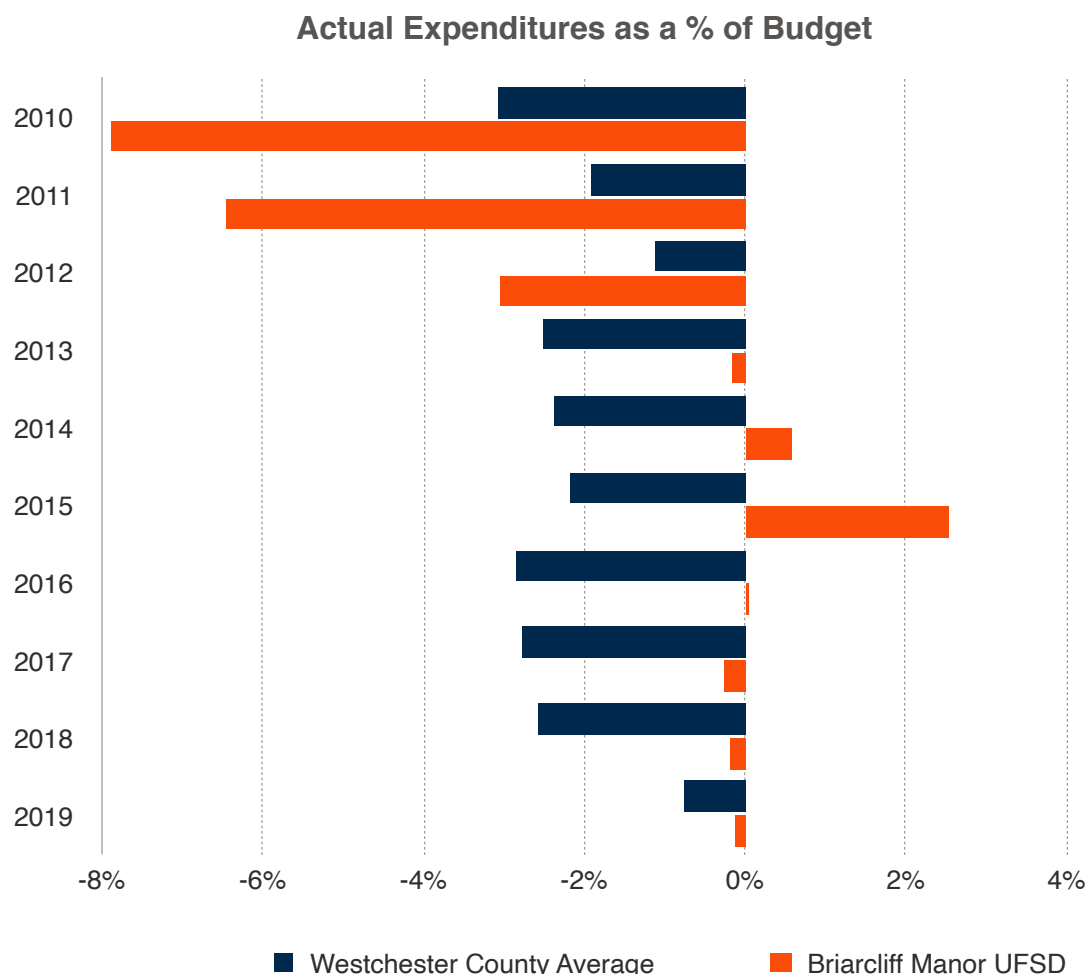
The following chart details Briarcliff Manor's expenditure budget performance as it relates to the entirety of Westchester County suburban public school districts.



5-year average of actual expenditures resulted in .4% over budget.



Briarcliff Manor UFSD, on average, has out performed budget to actual expenditures when compared to Westchester County Suburban School Districts by 2.62%.



When looking at expenditures, the District has a varied history with actual to budget performance. From 2010 - 2012, actual expenditures finished 7.87%, 6.47% and 3.04% below budgeted, respectively. Briarcliff Manor has made significant strides to budget closer to actual expenditures. In the past five years, the District averaged .4% of actual expenditures over budget, while the WCSPSD average was -2.22%. In comparison to the county average, the District has been particularly mindful of the local tax levy so as to not unnecessarily increase taxes.





Since 2010, WCSPSD average fund balance as a percentage of budget equalled 16.92%. Briarcliff has averaged 16.14%.

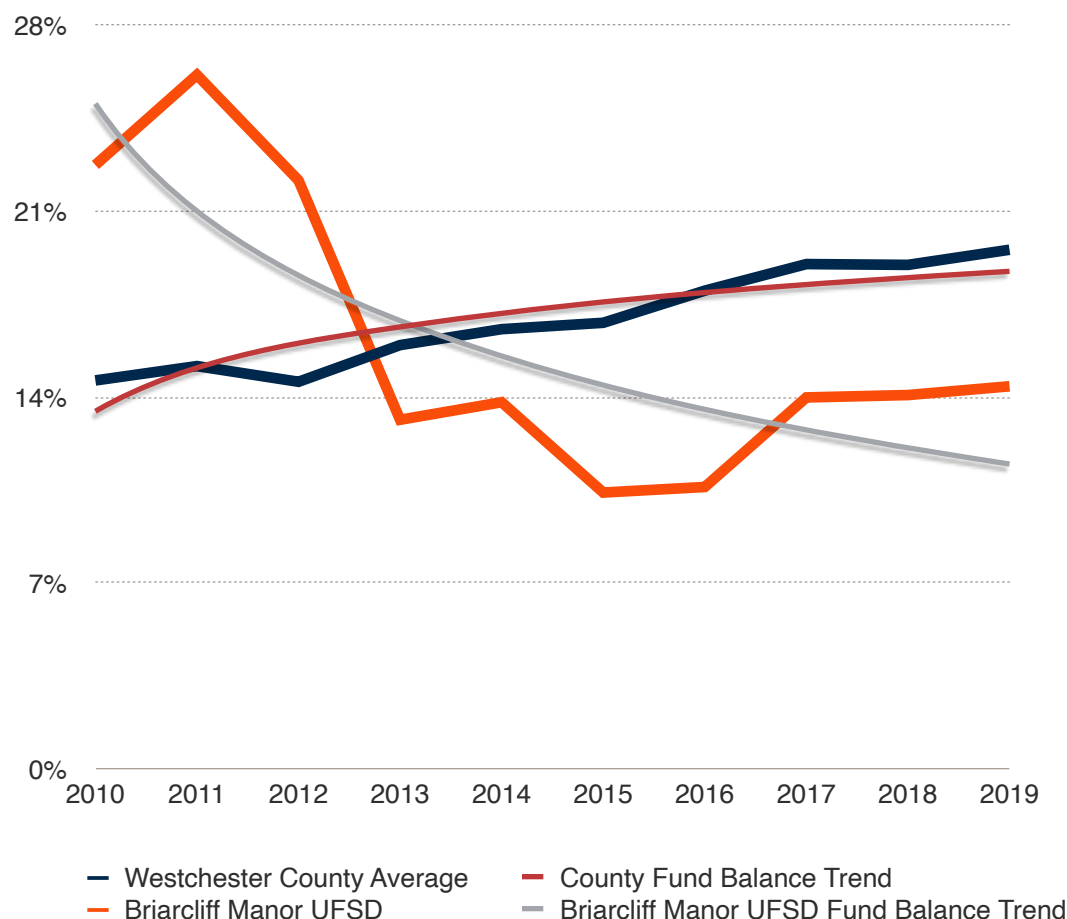
In the past five years, Briarcliff Manor has significantly lowered its fund balance and reserves. The WCSPSD average fund balance as a percentage of budget was 18.46% while Briarcliff Manor was 12.69%.

Trend lines demonstrate that while the WCSPSD fund balance average has steadily increased, Briarcliff has been fiscally prudent when managing fund balance and reserves.

## Fund Balance Performance

Fund balance and reserves are crucial pieces to a district's overall financial health. In order for a school district to add funds to its reserves, a surplus must be generated. Surpluses come from actual revenues coming in over budget or actual expenditures coming in less than budget. In either scenario, districts have the ability to appropriate to what is essentially their "savings account" in order to have funds available for specific purposes such as future retirement contribution expenses, reserving funds for tax settlements and many other state regulated purposes. Because a district must rely on a surplus to fund reserves, there must be careful consideration on the amount generated, especially when considering the impact on the tax levy. However, unexpected midyear changes to the budget may also contribute to a surplus such as decreased tuition expenses when students placed outside of a district return to their home district or stronger than predicted sales tax revenue is recognized. The following chart summarizes Briarcliff Manor's fund balance and reserve history:

Fund Balance as a % of Budget





## Debt Service

The term “debt service” refers to the amount of debt a school district has on its books as a result of financing capital /building construction projects. Similar to a residential mortgage, school districts oftentimes finance larger capital improvement projects. Unlike a traditional mortgage, school districts receive additional state revenue known as “Building Aid” to help pay for these projects. Each district in the State of New York has an assigned building aid ratio which determines how much state aid it will receive. In Briarcliff Manor, the state aid ratio is approximately 30% which means that for every dollar spent on qualifying capital work, the state will reimburse the district \$.30. As a result, if the District maintains its current debt service levels, future capital improvement work will not increase taxes.



Over the past ten years, Briarcliff Manor has maintained an average debt service level of 7.23% of budget with WCSPSD averaging 7.35%.

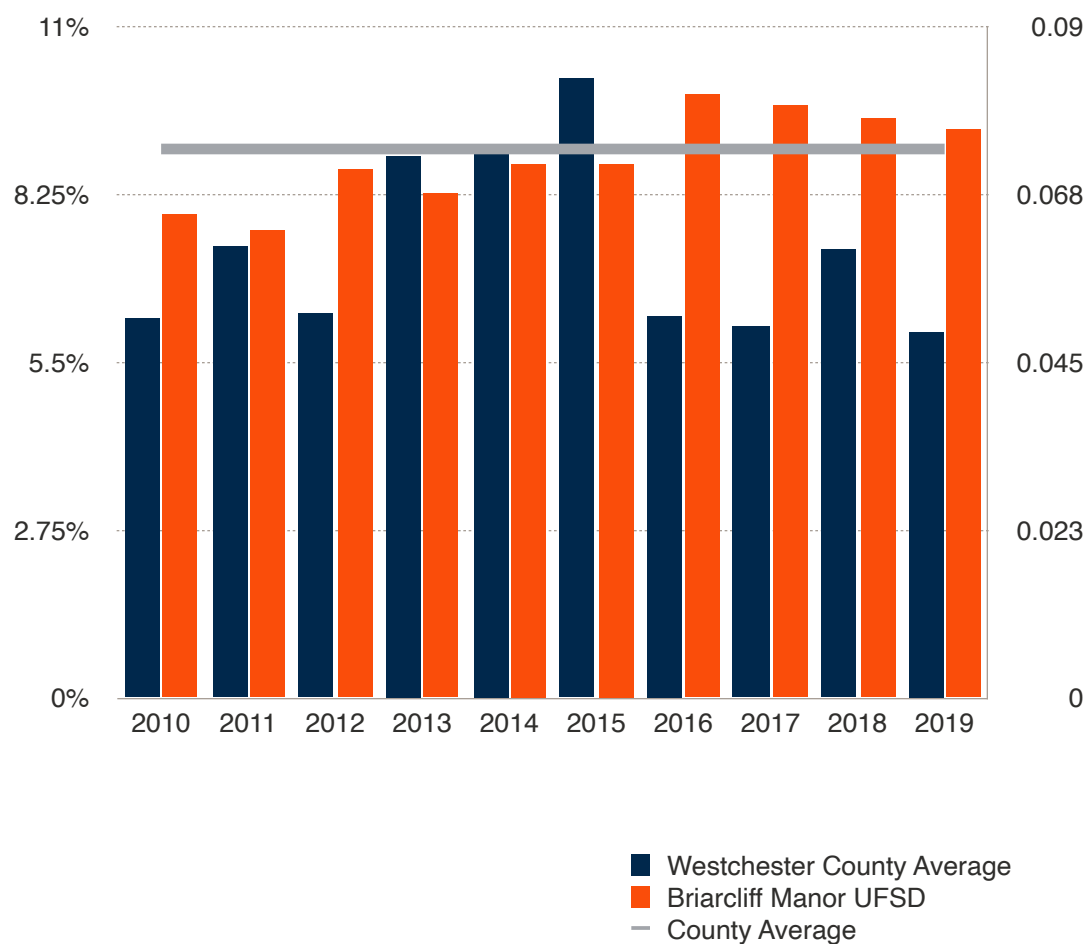


Briarcliff Manor is in line with the majority of the county as it relates to debt service levels with only a -.13% variance.



The District is seeking to maintain current debt service levels in order to improve and upgrade its facilities without impacting taxes. A recent facilities study has identified at least \$63 million in total capital improvement work to be addressed in future years.

Debt Service as a % of Budget



# Five Year Financial Plan

## Key Factors

- All assumptions made are at a single point in time. These factors can and will change over the upcoming years, but provide a basis for financial decision making.
- First year projections are based primarily on the District's rollover budget, carrying forward all current expenses with fluctuations in revenues. No adjustments have been made to staffing or programming.
- COVID-19 related expenditures have been carried forward into the 2021-22 school year through January, 2022. It is unknown the lasting effects of the pandemic in the out years, but it has been anticipated that the current operating procedures under COVID-19 will carry forward into next year.
- The forecast of revenues and expenditures are for five years. Anything beyond this time frame is less reliable and increasingly speculative.

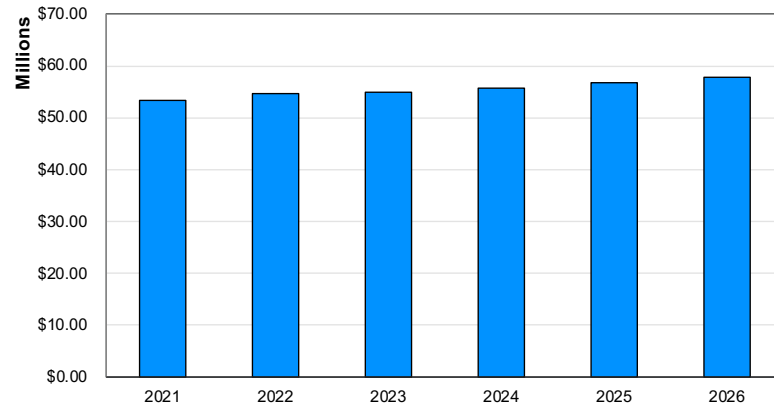
## Revenue Projections

- Average of 1.25% increase in state aid excluding BOCES, building, textbook, computer hardware, software and library aid.
- 2.48% average increase of the tax levy. Capital exclusions have the largest impact on tax levy limit formula.
- Sales tax was not impacted as much as anticipated during COVID-19. 50% of the 2020-21 reduction has been restored with modest increases in the out years.
- Reduction of appropriated fund balance from \$1.585 million to \$1 million over three years to reach a more sustainable figure.
- Overall tuition revenues have minor increases due to the fluctuations in the Non Resident Tuition Rate (NRT Rate). The NRT rate is determined by the State Education Department, taking into account multiple factors such as overall enrollment, special education enrollment and total district expenditures. The final NRT rate is not officially set until the following fall of each year as the data submitted is lagged by one year. The District routinely updates the current year information to project future tuitions as accurately as possible. Any variance in the NRT rate billed in the current year versus the final rate in the following year can result in either a refund to paying districts or additional billings.

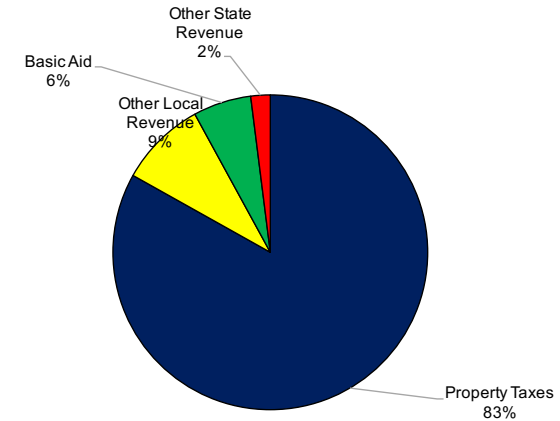
## General (A) Fund | Revenue Analysis

	BUDGET	REVENUE PROJECTIONS									
	2021	2022	%Δ	2023	%Δ	2024	%Δ	2025	%Δ	2026	%Δ
<b>LOCAL</b>											
Property Taxes	\$43,055,000	\$44,537,962	3.44%	\$44,952,576	0.93%	\$45,851,628	2.00%	\$46,768,660	2.00%	\$47,704,033	2.00%
Other Local Revenue	4,621,412	4,669,666	1.04%	4,799,601	2.78%	4,895,321	1.99%	4,986,510	1.86%	5,077,493	1.82%
<b>TOTAL LOCAL REVENUE</b>	<b>47,676,412</b>	<b>49,207,628</b>	<b>3.21%</b>	<b>49,752,177</b>	<b>1.11%</b>	<b>50,746,949</b>	<b>2.00%</b>	<b>51,755,170</b>	<b>1.99%</b>	<b>52,781,526</b>	<b>1.98%</b>
<b>STATE</b>											
Basic Aid	3,087,291	2,922,561	-5.34%	2,959,093	1.25%	2,996,082	1.25%	3,033,533	1.25%	3,071,452	1.25%
Other State Revenue	1,033,163	1,011,875	-2.06%	1,019,684	0.77%	1,027,594	0.78%	1,035,606	0.78%	1,043,721	0.78%
<b>TOTAL STATE REVENUE</b>	<b>4,120,454</b>	<b>3,934,436</b>	<b>-4.51%</b>	<b>3,978,777</b>	<b>1.13%</b>	<b>4,023,676</b>	<b>1.13%</b>	<b>4,069,139</b>	<b>1.13%</b>	<b>4,115,172</b>	<b>1.13%</b>
<b>TOTAL FEDERAL REVENUE</b>	<b>0</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>	
<b>OTHER FINANCING SOURCES</b>	<b>1,585,000</b>	<b>1,400,000</b>	<b>-11.67%</b>	<b>1,200,000</b>	<b>-14.29%</b>	<b>1,000,000</b>	<b>-16.67%</b>	<b>1,000,000</b>	<b>0.00%</b>	<b>1,000,000</b>	<b>0.00%</b>
<b>TOTAL REVENUE</b>	<b>\$53,381,866</b>	<b>\$54,542,064</b>	<b>2.17%</b>	<b>\$54,930,954</b>	<b>0.71%</b>	<b>\$55,770,625</b>	<b>1.53%</b>	<b>\$56,824,309</b>	<b>1.89%</b>	<b>\$57,896,698</b>	<b>1.89%</b>

Revenue Projection



Current Year Budgeted Revenues by Source



## Tax Levy Limit Projection

The Tax Levy Limit, commonly referred to as the “tax cap”, imposes a limit on the amount of taxes a school district can levy in a given year. Although 2% is most often associated with the “cap”, there are many other factors, specifically exclusions, that are part of the tax levy limit formula. Exclusions adjust the overall levy limit and can add or reduce to the total potential amount levied as outlined below. For Briarcliff Manor UFSD, the Capital Exclusion has a significant impact on the tax levy limit. Below is the current, 2020-21 tax levy limit and the projected limit for the next five years. Modest assumptions are made in both the Tax Base Growth Factor and the Allowable Growth Factor.

Tax Cap Calculator Results Report						
	BUDGET 2021	2022	2023	PROJECTIONS 2024	2025	2026
<b>Tax Levy Limit Before Adjustments and Exclusions</b>						
Prior FYE Tax Levy	\$41,920,000	\$43,055,000	\$44,537,962	\$44,952,576	\$45,851,628	\$46,768,660
Tax Cap Reserve Plus Interest from Two Years Ago Used to Reduce Previous Year	\$0	\$0	\$0	\$0	\$0	\$0
Total Tax Cap Reserve Amount (including interest earned from Prior FYE)	\$0	\$0	\$0	\$0	\$0	\$0
Tax Base Growth Factor	1.0097	1.0326	1.0100	1.0100	1.0100	1.0100
PILOTs Receivable from Prior FYE	\$0	\$0	\$0	\$0	\$0	\$0
Tort Exclusion Amount Claimed in Prior FYE	\$0	\$0	\$0	\$0	\$0	\$0
Capital Levy for Prior FYE	\$2,947,872	\$2,964,909	\$2,966,734	\$2,542,055	\$2,559,178	\$2,567,077
Allowable Growth Factor	1.0181	1.0123	1.0150	1.0150	1.0150	1.0150
PILOTs Receivable for Current FYE	\$0	\$0	\$0	\$0	\$0	\$0
Available Carryover from Prior FYE	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Levy Limit Before Adjustments and Exclusions</b>	<b>\$40,091,507</b>	<b>\$42,004,056</b>	<b>\$42,646,857</b>	<b>\$43,502,947</b>	<b>\$44,407,230</b>	<b>\$45,339,309</b>
<b>Exclusions</b>						
Tax Levy Necessary for Expenditures Resulting from Tort Judgements Over 5%	\$0	\$0	\$0	\$0	\$0	\$0
Capital Levy for Current FYE	\$2,964,909	\$2,966,734	\$2,542,055	\$2,559,178	\$2,567,077	\$2,891,952
ERS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
TRS contribution increase greater than 2%	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Exclusions</b>	<b>\$2,964,909</b>	<b>\$2,966,734</b>	<b>\$2,542,055</b>	<b>\$2,559,178</b>	<b>\$2,567,077</b>	<b>\$2,891,952</b>
<b>Tax Levy Limit, Adjusted For Transfers, Plus Exclusions</b>	<b>\$43,056,416</b>	<b>\$44,970,790</b>	<b>\$45,188,912</b>	<b>\$46,062,125</b>	<b>\$46,974,307</b>	<b>\$48,231,261</b>
Total Tax Cap Reserve Amount Used to Reduce Current FYE Levy	\$0	\$0	\$0	\$0	\$0	\$0
Current FYE Proposed Levy, Net of Reserve	\$43,055,000	\$44,537,962	\$44,952,576	\$0	\$0	\$0
OR Current FYE Proposed Levy, Net of Reserve %	0.00%	0.00%	0.00%	2.00%	2.00%	2.00%
	2021	2022	2023	2024	2025	2026
<b>CURRENT FYE PROPOSED LEVY, \$ entry</b>	<b>\$43,055,000</b>	<b>\$44,537,962</b>	<b>\$44,952,576</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>CURRENT FYE PROPOSED LEVY, % entry</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$45,851,628</b>	<b>\$46,768,660</b>	<b>\$47,704,033</b>
CURRENT FYE PROPOSED LEVY, NET OF RESERVE %	2.71%	3.44%	0.93%	2.00%	2.00%	2.00%
<b>TAX LEVY LIMIT %</b>	<b>2.71%</b>	<b>4.45%</b>	<b>1.46%</b>	<b>2.47%</b>	<b>2.45%</b>	<b>3.13%</b>
DIFFERENCE BETWEEN TAX LEVY LIMIT AND PROPOSED LEVY	\$1,416	\$432,828		\$210,498	\$205,647	\$527,227
YEAR OVER YEAR CHANGE IN CURRENT FYE PROPOSED LEVY	\$1,135,000	\$1,482,962	\$414,614	\$899,052	\$917,033	\$935,373

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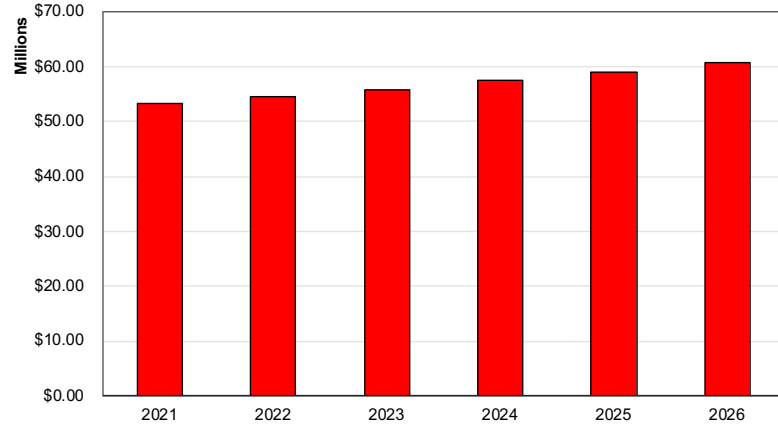
## Expenditure Projections

- Salary increases range from 2% - 4% as a result of percentage increases applied to steps and employee movement to higher steps. Current contract negotiations may have an additional impact on future year salary increases.
- Healthcare increases are estimated at an average of 5%.
- Utilities remain stable.
- ERS contributions increase to 16.4% in 2021-22 and slightly increase each year.
- TRS contributions to increase to 9.75% in 2021-22 and slightly increase each year.
- 2021 Capital Project Referendum.
  - \$26,000,000 project
  - Building Aid Ratio remains at 30%
  - Debt service payment for principal starts in 2023
  - Keeps local share obligation close 2020-21 levels

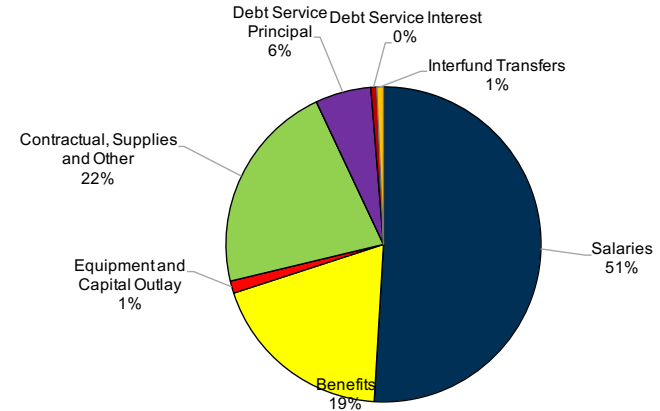
## General (A) Fund | Expenditure Analysis

	BUDGET	EXPENDITURE PROJECTIONS									
	2021	2022	%Δ	2023	%Δ	2024	%Δ	2025	%Δ	2026	%Δ
Salaries	\$27,195,997	\$28,352,375	4.25%	\$29,138,416	2.77%	\$30,246,758	3.80%	\$31,299,654	3.48%	\$32,327,391	3.28%
Benefits	10,167,409	10,381,876	2.11%	10,792,038	3.95%	11,206,875	3.84%	11,653,088	3.98%	12,124,670	4.05%
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>37,363,405</b>	<b>38,734,251</b>	<b>3.67%</b>	<b>39,930,454</b>	<b>3.09%</b>	<b>41,453,632</b>	<b>3.81%</b>	<b>42,952,742</b>	<b>3.62%</b>	<b>44,452,062</b>	<b>3.49%</b>
Equipment and Capital Outlay	671,271	760,920	13.36%	760,920	0.00%	760,920	0.00%	760,920	0.00%	760,920	0.00%
Contractual, Supplies and Other	11,608,743	11,637,756	0.25%	11,430,848	-1.78%	11,601,919	1.50%	11,776,842	1.51%	11,955,707	1.52%
Supplies	0	0		0		0		0		0	
Debt Service Principal	3,050,000	2,575,000	-15.57%	2,397,000	-6.91%	2,345,000	-2.17%	2,335,000	-0.43%	2,420,000	3.64%
Debt Service Interest	320,147	301,238	-5.91%	897,365	197.89%	917,724	2.27%	917,125	-0.07%	828,825	-9.63%
Interfund Transfers	368,300	532,899	44.69%	365,000	-31.51%	365,000	0.00%	365,000	0.00%	365,000	0.00%
<b>TOTAL ALL OTHER</b>	<b>16,018,461</b>	<b>15,807,813</b>	<b>-1.32%</b>	<b>15,851,133</b>	<b>0.27%</b>	<b>15,990,563</b>	<b>0.88%</b>	<b>16,154,887</b>	<b>1.03%</b>	<b>16,330,452</b>	<b>1.09%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$53,381,866</b>	<b>\$54,542,064</b>	<b>2.17%</b>	<b>\$55,781,587</b>	<b>2.27%</b>	<b>\$57,444,195</b>	<b>2.98%</b>	<b>\$59,107,629</b>	<b>2.90%</b>	<b>\$60,782,514</b>	<b>2.83%</b>

Expenditure Projection



Current Year Budgeted Expenditures by Object





## General Fund Projection Summary

The General Fund Projection Summary shows the surplus or deficit as part of the five year financial plan. A graphical representation of Revenues vs. Expenses is included as well as projected year end fund balances. In the current model, each year adds to an increasing deficit.

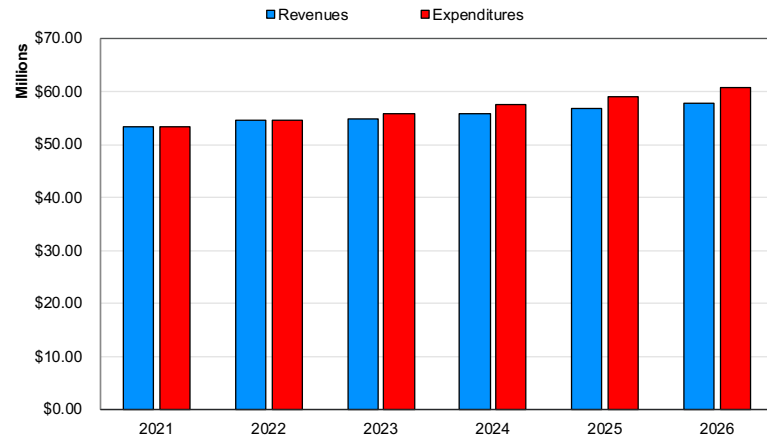
In order to eliminate the deficit, Briarcliff Manor must increase revenues, decrease expenditures or a combination of both options. The District has the most control over its expenditures and must consider the projected deficits when supporting instruction, negotiating contracts and performing additional capital work.



## General (A) Fund | Projection Summary

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	2021	2022	%Δ	2023	%Δ	2024	%Δ	2025	%Δ	2026	%Δ
REVENUE											
Local	\$47,676,412	\$49,207,628	3.21%	\$49,752,177	1.11%	\$50,746,949	2.00%	\$51,755,170	1.99%	\$52,781,526	1.98%
State	4,120,454	3,934,436	-4.51%	3,978,777	1.13%	4,023,676	1.13%	4,069,139	1.13%	4,115,172	1.13%
Federal	0	0		0		0		0		0	
Transfers / Other	1,585,000	1,400,000	-11.67%	1,200,000	-14.29%	1,000,000	-16.67%	1,000,000	0.00%	1,000,000	0.00%
TOTAL REVENUE	53,381,866	54,542,064	2.17%	54,930,954	0.71%	55,770,625	1.53%	56,824,309	1.89%	57,896,698	1.89%
EXPENDITURES											
Salary and Benefit Costs	37,363,405	38,734,251	3.67%	39,930,454	3.09%	41,453,632	3.81%	42,952,742	3.62%	44,452,062	3.49%
Other	16,018,461	15,807,813	-1.32%	15,851,133	0.27%	15,990,563	0.88%	16,154,887	1.03%	16,330,452	1.09%
TOTAL EXPENDITURES	53,381,866	54,542,064	2.17%	55,781,587	2.27%	57,444,195	2.98%	59,107,629	2.90%	60,782,514	2.83%
SURPLUS / DEFICIT	0	0		(850,633)		(1,673,570)		(2,283,320)		(2,885,816)	
BEGINNING FUND BALANCE	7,551,898	7,551,898		7,551,899		6,701,266		5,027,695		2,744,375	
PROJECTED YEAR END BALANCE	\$7,551,898	\$7,551,899		\$6,701,266		\$5,027,695		\$2,744,375		(\$141,440)	
FUND BALANCE AS % OF EXPENDITURES	14.15%	13.85%		12.01%		8.75%		4.64%		-0.23%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	1.70	1.66		1.44		1.05		0.56		-0.03	

Revenues Vs. Expenditures



Year-End Fund Balances

