



# Carmel Central School District

## Cultivating Opportunities

### Tax Cap Primer and Long-Range Financial Analysis

Data Driven Fiscal Planning



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



Municipal Securities Rulemaking Board



***Dr. Rick Timbs***

***President / CEO***

***R. G. Timbs, Inc.***

***[Expert@rgtimbsinc.net](mailto:Expert@rgtimbsinc.net)***

***School District:***

***Finance***

***Strategic Plans***

***Leadership***

***Educational Development***

Besides the impact of the State Aid funding for the School District, the Property Tax Cap Law has a significant impact on the revenues of the District. In June of 2011, the New York State Legislature passed a Property Tax Cap Law, which began with the 2012 – 2013 school year budget. The legislation provides a calculation for a tax levy limit, which caps the amount of revenues the District can raise through the levy of taxes. In the circumstance of a defeat of an original budget with a tax levy increase calculated in accordance with the legislation and a resubmitted/revised budget defeat, the Board of Education is mandated by this legislation to adopt a budget that levies a tax no greater than that of the prior year; a zero percent tax levy increase. For the 2021-2022 school year the district operated under a contingent budget with no increase in the tax levy from the previous year.

Under the Tax Cap Legislation, the District would have been allowed to increase the proposed tax levy for the 2022-23 budget by 3.57%. The Board of Education decided to only increase the proposed 2022-23 tax levy by 0.97%. While the voters approved the 2022-23 budget, the lower tax levy limit could have a future impact on the District's finances as each succeeding year's tax levy is determined by using the preceding tax levy as the base from which any increase is applied.

In a similar fashion, for the 2023-2024 budget, the tax levy could have been increased by 2.64% but the Board of Education decided to only propose an increase of 1.86%. Again, the voters approved the 2023-2024 budget at the lower levy limit, but this could have a future impact on the District's finances and the District recognizes that awards in Foundation Aid for subsequent years may not be as significant.

## CARMEL CENTRAL SCHOOL DISTRICT

### FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2023

RAYMOND G. PREUSSER, CPA, P.C.

**Almost identical verbiage is  
contained in the 2021-22 and 2022-  
23 audits as in this 2023-24 audit.**

School Board Obligation under 8 NYCRR  
§170 and EL§2102:

*"...monitoring financial condition and  
maintaining school district fiscal  
health..."*

OSC: [Local Government Management Guide -  
Financial Condition Analysis \(ny.gov\)](#)

BOR: [Statement on the Governance Role of a  
Trustee or Board Member | Board of Regents  
\(nysed.gov\)](#)



|              |   |
|--------------|---|
| Book         | Carmel Central School District Board Policies |
| Section      | 6000 - Fiscal Management                      |
| Title        | Fiscal Management Goals                       |
| Code         | 6000  |
| Status       | Active  |
| Adopted      | June 18, 2001                                 |
| Last Revised | November 28, 2006                             |

The Board of Education recognizes that effective fiscal management is crucial to the support for the school program. To make that support as effective as possible, the Board intends:

1. to encourage advance planning through the best possible budget procedures;
2. to explore all practical and legal sources of revenue;
3. to achieve the greatest educational returns through efficient expenditure of funds; and
4. to maintain a level of expenditure needed to provide high quality education within the district's available resources.

The Board seeks to engage in thorough advance planning of budgets and to devise expenditures which achieve the greatest educational returns given the district's available resources. The annual budget will be prepared in accordance with the Education Law of the State of New York.

# School Finance Long Range Budget Analysis and Planning

## Tax Cap –Stability Issues

Original

| Tax Cap Calculation - Estimate<br>2021-2022 |        |               |
|---|--------|---------------|
| Tax Levy - 2020-21                          |        | \$98,548,088  |
| x Tax Base Growth Factor                    |        | 1.0049        |
|   | Net    | \$99,030,974  |
| + PILOTs 2020-21                            |        | \$5,144       |
| - Capital Levy 2020-21                      |        | (\$2,315,066) |
|   | Net    | \$96,721,052  |
| Allow. Growth Factor (CPI) - Est.           |        | 1.0123        |
|   |        | \$97,910,721  |
| - Est. PILOTs 2021-22                       |        | (\$5,358)     |
| + Available Carryover                       |        | \$0           |
| Levy Before Adjustments                     |        | \$97,905,363  |
| + Capital Levy 2021-22                      |        | \$1,702,822   |
| Levy Limit 2021-22                          |        | \$99,608,185  |
|   | Change | 1.0757%       |
| Potential Yield                             |        | \$1,060,097   |

| Tax Cap Calculation - Estimate<br>2022-2023 |        |               |
|---|--------|---------------|
| Tax Levy - 2021-22                          |        | \$99,608,185  |
| x Tax Base Growth Factor                    |        | 1.0068        |
|   | Net    | \$100,285,520 |
| + PILOTs 2021-22                            |        | \$5,358       |
| - Capital Levy 2021-22                      |        | (\$1,702,822) |
|   | Net    | \$98,588,056  |
| Allow. Growth Factor (CPI) - Est.           |        | 1.0200        |
|   |        | \$100,559,817 |
| - Est. PILOTs 2022-23                       |        | (\$5,607)     |
| + Available Carryover                       |        | \$0           |
| Levy Before Adjustments                     |        | \$100,554,210 |
| + Capital Levy 2022-23                      |        | \$2,604,373   |
| Levy Limit 2022-23                          |        | \$103,158,583 |
|   | Change | 3.5644%       |
| Potential Yield                             |        | \$3,550,399   |

# School Finance Long Range Budget Analysis and Planning

## Tax Cap –Stability Issues

| Original                                    |               | Recalculation                               |               |
|---|---------------|---|---------------|
| Tax Cap Calculation - Estimate<br>2021-2022 |               | Tax Cap Calculation - Estimate<br>2021-2022 |               |
| Tax Levy - 2020-21                          | \$98,548,088  | Tax Levy - 2020-21                          | \$98,548,088  |
| x Tax Base Growth Factor                    | 1.0049        | x Tax Base Growth Factor                    | 1.0049        |
| Net   | \$99,030,974  | Net   | \$99,030,974  |
| + PILOTs 2020-21                            | \$5,144       | + PILOTs 2020-21                            | \$5,144       |
| - Capital Levy 2020-21                      | (\$2,315,066) | - Capital Levy 2020-21                      | (\$2,315,066) |
| Net   | \$96,721,052  | Net   | \$96,721,052  |
| Allow. Growth Factor (CPI) - Est.           | 1.0123        | Allow. Growth Factor (CPI) - Est.           | 1.0123        |
|   | \$97,910,721  |   | \$97,910,721  |
| - Est. PILOTs 2021-22                       | (\$5,358)     | - Est. PILOTs 2021-22                       | (\$5,358)     |
| +Available Carryover                        | \$0           | +Available Carryover                        | \$0           |
| Levy Before Adjustments                     | \$97,905,363  | Levy Before Adjustments                     | \$97,905,363  |
| + Capital Levy 2021-22                      | \$1,702,822   | + Capital Levy 2021-22                      | \$1,702,822   |
| Levy Limit 2021-22                          | \$99,608,185  | Levy Limit 2021-22                          | \$99,608,185  |
| Change                                      | 1.0757%       | Change                                      | 0.0470%       |
| Potential Yield                             | \$1,060,097   | New Potential Yield                         | \$46,298      |
|   |               | New Levy                                    | \$98,594,386  |

# School Finance Long Range Budget Analysis and Planning

## Tax Cap –Stability Issues

| Original                                    |                     |   |                      |
|---|---------------------|---|----------------------|
| Tax Cap Calculation - Estimate<br>2021-2022 |                     | Tax Cap Calculation - Estimate<br>2022-2023 |                      |
| Tax Levy - 2020-21                          | \$98,548,088        | Tax Levy - 2021-22                          | \$99,608,185         |
| x Tax Base Growth Factor                    | 1.0049              | x Tax Base Growth Factor                    | 1.0068               |
| Net   | \$99,030,974        | Net   | \$100,285,520        |
| + PILOTs 2020-21                            | \$5,144             | + PILOTs 2021-22                            | \$5,358              |
| - Capital Levy 2020-21                      | (\$2,315,066)       | - Capital Levy 2021-22                      | (\$1,702,822)        |
| Net   | \$96,721,052        | Net   | \$98,588,056         |
| Allow. Growth Factor (CPI) - Est.           | 1.0123              | Allow. Growth Factor (CPI) - Est.           | 1.0200               |
|   | \$97,910,721        |   | \$100,559,817        |
| - Est. PILOTs 2021-22                       | (\$5,358)           | - Est. PILOTs 2022-23                       | (\$5,607)            |
| + Available Carryover                       | \$0                 | + Available Carryover                       | \$0                  |
| Levy Before Adjustments                     | \$97,905,363        | Levy Before Adjustments                     | \$100,554,210        |
| + Capital Levy 2021-22                      | \$1,702,822         | + Capital Levy 2022-23                      | \$2,604,373          |
| Levy Limit 2021-22                          | <b>\$99,608,185</b> | Levy Limit 2022-23                          | <b>\$103,158,583</b> |
| Change                                      | 1.0757%             | Change                                      | 3.5644%              |
| Potential Yield                             | <b>\$1,060,097</b>  | Potential Yield                             | <b>\$3,550,399</b>   |

| Recalculation                               |                     |   |                      |
|---|---------------------|---|----------------------|
| Tax Cap Calculation - Estimate<br>2021-2022 |                     | Tax Cap Calculation - Estimate<br>2022-2023 |                      |
| Tax Levy - 2020-21                          | \$98,548,088        | Tax Levy - 2021-22                          | \$98,594,386         |
| x Tax Base Growth Factor                    | 1.0049              | x Tax Base Growth Factor                    | 1.0068               |
| Net   | \$99,030,974        | Net   | \$99,264,828         |
| + PILOTs 2020-21                            | \$5,144             | + PILOTs 2021-22                            | \$5,358              |
| - Capital Levy 2020-21                      | (\$2,315,066)       | - Capital Levy 2021-22                      | (\$1,702,822)        |
| Net   | \$96,721,052        | Net   | \$97,567,364         |
| Allow. Growth Factor (CPI) - Est.           | 1.0123              | Allow. Growth Factor (CPI) - Est.           | 1.0200               |
|   | \$97,910,721        |   | \$99,518,711         |
| - Est. PILOTs 2021-22                       | (\$5,358)           | - Est. PILOTs 2022-23                       | (\$5,607)            |
| + Available Carryover                       | \$0                 | + Available Carryover                       | \$0                  |
| Levy Before Adjustments                     | \$97,905,363        | Levy Before Adjustments                     | \$99,513,104         |
| + Capital Levy 2021-22                      | \$1,702,822         | + Capital Levy 2022-23                      | \$2,604,373          |
| Levy Limit 2021-22                          | <b>\$99,608,185</b> | Levy Limit 2022-23                          | <b>\$102,117,477</b> |
| Change                                      | 0.0470%             | Change                                      | 0.9700%              |
| New Potential Yield                         | <b>\$46,298</b>     | New Potential Yield                         | <b>\$956,366</b>     |
| New Levy                                    | <b>\$98,594,386</b> | New Levy                                    | <b>\$99,550,752</b>  |



# School Finance Long Range Budget Analysis and Planning

## Tax Cap –Stability Issues

| Original                                    |               |   |               |   |               |   |               |   |               |   |               |   |               |   |               |  |  |
|---|---------------|---|---------------|---|---------------|---|---------------|---|---------------|---|---------------|---|---------------|---|---------------|--|--|
| Tax Cap Calculation - Estimate<br>2021-2022 |               | Tax Cap Calculation - Estimate<br>2022-2023 |               | Tax Cap Calculation - Estimate<br>2023-2024 |               | Tax Cap Calculation - Estimate<br>2024-2025 |               | Tax Cap Calculation - Estimate<br>2025-2026 |               | Tax Cap Calculation - Estimate<br>2026-2027 |               | Tax Cap Calculation - Estimate<br>2027-2028 |               | Tax Cap Calculation - Estimate<br>2028-29 |               |  |  |
| Tax Levy - 2020-21                          | \$98,548,088  | Tax Levy - 2021-22                          | \$99,608,185  | Tax Levy - 2022-23                          | \$103,158,583 | Tax Levy - 2023-24                          | \$105,870,840 | Tax Levy - 2024-25                          | \$109,559,741 | Tax Levy - 2025-26                          | \$112,372,389 | Tax Levy - 2026-27                          | \$115,259,076 | Tax Levy - 2027-28                        | \$118,221,752 |  |  |
| x Tax Base Growth Factor                    | 1.0049        | x Tax Base Growth Factor                    | 1.0068        | x Tax Base Growth Factor                    | 1.0065        | x Tax Base Growth Factor                    | 1.0062        | x Tax Base Growth Factor                    | 1.0062        | x Tax Base Growth Factor                    | 1.0062        | x Tax Base Growth Factor                    | 1.0062        | x Tax Base Growth Factor                  | 1.0062        |  |  |
| Net   | \$99,030,974  | Net   | \$100,285,520 | Net   | \$103,829,114 | Net   | \$106,527,239 | Net   | \$110,239,012 | Net   | \$113,069,097 | Net   | \$115,973,682 | Net                                       | \$118,954,727 |  |  |
| + PILOTs 2020-21                            | \$5,144       | + PILOTs 2021-22                            | \$5,358       | + PILOTs 2022-23                            | \$5,609       | + PILOTs 2023-24                            | \$5,905       | + PILOTs 2024-25                            | \$7,749       | + PILOTs 2025-26                            | \$7,749       | + PILOTs 2026-27                            | \$7,749       | + PILOTs 2027-28                          | \$7,749       |  |  |
| - Capital Levy 2020-21                      | (\$2,315,066) | - Capital Levy 2021-22                      | (\$1,702,822) | - Capital Levy 2022-23                      | (\$2,604,373) | - Capital Levy 2023-24                      | (\$2,637,587) | - Capital Levy 2024-25                      | (\$3,577,927) | - Capital Levy 2025-26                      | (\$3,577,927) | - Capital Levy 2026-27                      | (\$3,577,927) | - Capital Levy 2027-28                    | (\$3,577,927) |  |  |
| Net   | \$96,721,052  | Net   | \$98,588,056  | Net   | \$101,230,350 | Net   | \$103,895,557 | Net   | \$106,668,834 | Net   | \$109,498,919 | Net   | \$112,403,504 | Net                                       | \$115,384,549 |  |  |
| Allow. Growth Factor (CPI) - Est.           | 1.0123        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.         | 1.0200        |  |  |
|   | \$97,910,721  |   | \$100,559,817 |   | \$103,254,957 |   | \$105,973,468 |   | \$108,802,211 |   | \$111,688,898 |   | \$114,651,574 |   | \$117,692,240 |  |  |
| - Est. PILOTs 2021-22                       | (\$5,358)     | - Est. PILOTs 2022-23                       | (\$5,607)     | - Est. PILOTs 2023-24                       | (\$5,609)     | - Est. PILOTs 2024-25                       | (\$7,749)     | - PILOTs 2025-26                            | (\$7,749)     | - Est. PILOTs 2026-27                       | (\$7,749)     | - PILOTs 2027-28                            | (\$7,749)     | - Est. PILOTs 2028-29                     | (\$7,749)     |  |  |
| +Available Carryover                        | \$0           | +Available Carryover                        | \$0           | +Available Carryover                        | \$0           | +Available ERS                              | \$16,095      | +Available Carryover                        | \$0           | +Available Carryover                        | \$0           | +Available Carryover                        | \$0           | +Available Carryover                      | \$0           |  |  |
| Levy Before Adjustments                     | \$97,905,363  | Levy Before Adjustments                     | \$100,554,210 | Levy Before Adjustments                     | \$103,249,348 | Levy Before Adjustments                     | \$105,981,814 | Levy Before Adjustments                     | \$108,794,462 | Levy Before Adjustments                     | \$111,681,149 | Levy Before Adjustments                     | \$114,643,825 | Levy Before Adjustments                   | \$117,684,491 |  |  |
| + Capital Levy 2021-22                      | \$1,702,822   | + Capital Levy 2022-23                      | \$2,604,373   | + Capital Levy 2023-24                      | \$2,637,587   | + Capital Levy 2024-25                      | \$3,577,927   | + Capital Levy 2025-26                      | \$3,577,927   | + Capital Levy 2026-27                      | \$3,577,927   | + Capital Levy 2027-28                      | \$3,577,927   | + Capital Levy 2028-29                    | \$3,577,927   |  |  |
| Levy Limit 2021-22                          | \$99,608,185  | Levy Limit 2022-23                          | \$103,158,583 | Levy Limit 2023-24                          | \$105,886,935 | Levy Limit 2024-25                          | \$109,559,741 | Levy Limit 2025-26                          | \$112,372,389 | Levy Limit 2026-27                          | \$115,259,076 | Levy Limit 2027-28                          | \$118,221,752 | Levy Limit 2028-29                        | \$121,262,418 |  |  |
| Change                                      | 1.0757%       | Change                                      | 3.5644%       | Change                                      | 2.6448%       | Change                                      | 3.4843%       | Change                                      | 2.5672%       | Change                                      | 2.5689%       | Change                                      | 2.5704%       | Change                                    | 2.5720%       |  |  |
| Potential Yield                             | \$1,060,097   | Potential Yield                             | \$3,550,399   | Potential Yield                             | \$2,728,352   | Potential Yield                             | \$3,688,901   | Potential Yield                             | \$2,812,647   | Potential Yield                             | \$2,886,687   | Potential Yield                             | \$2,962,676   | Potential Yield                           | \$3,040,666   |  |  |

Assumptions:

Collect Tax Cap (Levy Limit) Every Year

Percent Change is Collected Every Year

Debt Service Capital Levy Change for 2024-25

ERS exclusion for 2024-25

PILOT Changes Every Year

Tax Base Growth Factor Changes Over Time

# School Finance Long Range Budget Analysis and Planning

## Tax Cap –Stability Issues

Original

| Tax Cap Calculation - Estimate<br>2021-2022 |               |
|---|---------------|
| Tax Levy - 2020-21                          | \$98,548,088  |
| x Tax Base Growth Factor                    | 1.0049        |
| Net   | \$99,030,974  |
| + PILOTs 2020-21                            | \$5,144       |
| - Capital Levy 2020-21                      | (\$2,315,066) |
| Net   | \$96,721,052  |
| Allow. Growth Factor (CPI) - Est.           | 1.0123        |
|   | \$97,910,721  |
| - Est. PILOTs 2021-22                       | (\$5,358)     |
| +Available Carryover                        | \$0           |
| Levy Before Adjustments                     | \$97,905,363  |
| + Capital Levy 2021-22                      | \$1,702,822   |
| Levy Limit 2021-22                          | \$99,608,185  |
| Change                                      | 1.0757%       |

|                 |             |
|-----------------|-------------|
| Potential Yield | \$1,060,097 |
|-----------------|-------------|

Recalculation

| Tax Cap Calculation - Estimate<br>2021-2022 |               |
|---|---------------|
| Tax Levy - 2020-21                          | \$98,548,088  |
| x Tax Base Growth Factor                    | 1.0049        |
| Net   | \$99,030,974  |
| + PILOTs 2020-21                            | \$5,144       |
| - Capital Levy 2020-21                      | (\$2,315,066) |
| Net   | \$96,721,052  |
| Allow. Growth Factor (CPI) - Est.           | 1.0123        |
|   | \$97,910,721  |
| - Est. PILOTs 2021-22                       | (\$5,358)     |
| +Available Carryover                        | \$0           |
| Levy Before Adjustments                     | \$97,905,363  |
| + Capital Levy 2021-22                      | \$1,702,822   |
| Levy Limit 2021-22                          | \$99,608,185  |
| Change                                      | 0.0470%       |

|                     |          |
|---------------------|----------|
| New Potential Yield | \$46,298 |
|---------------------|----------|

|          |              |
|----------|--------------|
| New Levy | \$98,594,386 |
|----------|--------------|

|                             |               |
|-----------------------------|---------------|
| Loss compared to could have | (\$1,013,799) |
|-----------------------------|---------------|



# School Finance Long Range Budget Analysis and Planning

## Tax Cap –Stability Issues

| Original                                    |               |   |               |   |               |   |               |   |               |   |               |   |               |   |               |  |  |
|---|---------------|---|---------------|---|---------------|---|---------------|---|---------------|---|---------------|---|---------------|---|---------------|--|--|
| Tax Cap Calculation - Estimate<br>2021-2022 |               | Tax Cap Calculation - Estimate<br>2022-2023 |               | Tax Cap Calculation - Estimate<br>2023-2024 |               | Tax Cap Calculation - Estimate<br>2024-2025 |               | Tax Cap Calculation - Estimate<br>2025-2026 |               | Tax Cap Calculation - Estimate<br>2026-2027 |               | Tax Cap Calculation - Estimate<br>2027-2028 |               | Tax Cap Calculation - Estimate<br>2028-29 |               |  |  |
| Tax Levy - 2020-21                          | \$98,548,088  | Tax Levy - 2021-22                          | \$99,608,185  | Tax Levy - 2022-23                          | \$103,158,583 | Tax Levy - 2023-24                          | \$105,870,840 | Tax Levy - 2024-25                          | \$109,559,741 | Tax Levy - 2025-26                          | \$112,372,389 | Tax Levy - 2026-27                          | \$115,259,076 | Tax Levy - 2027-28                        | \$118,221,752 |  |  |
| x Tax Base Growth Factor                    | 1.0049        | x Tax Base Growth Factor                    | 1.0068        | x Tax Base Growth Factor                    | 1.0065        | x Tax Base Growth Factor                    | 1.0062        | x Tax Base Growth Factor                    | 1.0062        | x Tax Base Growth Factor                    | 1.0062        | x Tax Base Growth Factor                    | 1.0062        | x Tax Base Growth Factor                  | 1.0062        |  |  |
| Net   | \$99,030,974  | Net   | \$100,285,520 | Net   | \$103,829,114 | Net   | \$106,527,239 | Net   | \$110,239,012 | Net   | \$113,069,097 | Net   | \$115,973,682 | Net                                       | \$118,954,727 |  |  |
| + PILOTs 2020-21                            | \$5,144       | + PILOTs 2021-22                            | \$5,358       | + PILOTs 2022-23                            | \$5,609       | + PILOTs 2023-24                            | \$5,905       | + PILOTs 2024-25                            | \$7,749       | + PILOTs 2025-26                            | \$7,749       | + PILOTs 2026-27                            | \$7,749       | + PILOTs 2027-28                          | \$7,749       |  |  |
| - Capital Levy 2020-21                      | (\$2,315,066) | - Capital Levy 2021-22                      | (\$1,702,822) | - Capital Levy 2022-23                      | (\$2,604,373) | - Capital Levy 2023-24                      | (\$2,637,587) | - Capital Levy 2024-25                      | (\$3,577,927) | - Capital Levy 2025-26                      | (\$3,577,927) | - Capital Levy 2026-27                      | (\$3,577,927) | - Capital Levy 2027-28                    | (\$3,577,927) |  |  |
| Net   | \$96,721,052  | Net   | \$98,588,056  | Net   | \$101,230,350 | Net   | \$103,895,557 | Net   | \$106,668,834 | Net   | \$109,498,919 | Net   | \$112,403,504 | Net                                       | \$115,384,549 |  |  |
| Allow. Growth Factor (CPI) - Est.           | 1.0123        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.         | 1.0200        |  |  |
|   | \$97,910,721  |   | \$100,559,817 |   | \$103,254,957 |   | \$105,973,468 |   | \$108,802,211 |   | \$111,688,898 |   | \$114,651,574 |   | \$117,692,240 |  |  |
| - Est. PILOTs 2021-22                       | (\$5,358)     | - Est. PILOTs 2022-23                       | (\$5,607)     | - Est. PILOTs 2023-24                       | (\$5,609)     | - Est. PILOTs 2024-25                       | (\$7,749)     | - PILOTs 2025-26                            | (\$7,749)     | - Est. PILOTs 2026-27                       | (\$7,749)     | - PILOTs 2027-28                            | (\$7,749)     | - Est. PILOTs 2028-29                     | (\$7,749)     |  |  |
| +Available Carryover                        | \$0           | +Available Carryover                        | \$0           | +Available Carryover                        | \$0           | +Available ERS                              | \$16,095      | +Available Carryover                        | \$0           | +Available Carryover                        | \$0           | +Available Carryover                        | \$0           | +Available Carryover                      | \$0           |  |  |
| Levy Before Adjustments                     | \$97,905,363  | Levy Before Adjustments                     | \$100,554,210 | Levy Before Adjustments                     | \$103,249,348 | Levy Before Adjustments                     | \$105,981,814 | Levy Before Adjustments                     | \$108,794,462 | Levy Before Adjustments                     | \$111,681,149 | Levy Before Adjustments                     | \$114,643,825 | Levy Before Adjustments                   | \$117,684,491 |  |  |
| + Capital Levy 2021-22                      | \$1,702,822   | + Capital Levy 2022-23                      | \$2,604,373   | + Capital Levy 2023-24                      | \$2,637,587   | + Capital Levy 2024-25                      | \$3,577,927   | + Capital Levy 2025-26                      | \$3,577,927   | + Capital Levy 2026-27                      | \$3,577,927   | + Capital Levy 2027-28                      | \$3,577,927   | + Capital Levy 2028-29                    | \$3,577,927   |  |  |
| Levy Limit 2021-22                          | \$99,608,185  | Levy Limit 2022-23                          | \$103,158,583 | Levy Limit 2023-24                          | \$105,886,935 | Levy Limit 2024-25                          | \$109,559,741 | Levy Limit 2025-26                          | \$112,372,389 | Levy Limit 2026-27                          | \$115,259,076 | Levy Limit 2027-28                          | \$118,221,752 | Levy Limit 2028-29                        | \$121,262,418 |  |  |
| Change                                      | 1.0757%       | Change                                      | 3.5644%       | Change                                      | 2.6448%       | Change                                      | 3.4843%       | Change                                      | 2.5672%       | Change                                      | 2.5689%       | Change                                      | 2.5704%       | Change                                    | 2.5720%       |  |  |
| Potential Yield                             | \$1,060,097   | Potential Yield                             | \$3,550,399   | Potential Yield                             | \$2,728,352   | Potential Yield                             | \$3,688,901   | Potential Yield                             | \$2,812,647   | Potential Yield                             | \$2,886,687   | Potential Yield                             | \$2,962,676   | Potential Yield                           | \$3,040,666   |  |  |
| Recalculation                               |               |   |               |   |               |   |               |   |               |   |               |   |               |   |               |  |  |
| Tax Cap Calculation - Estimate<br>2021-2022 |               | Tax Cap Calculation - Estimate<br>2022-2023 |               | Tax Cap Calculation - Estimate<br>2023-2024 |               | Tax Cap Calculation - Estimate<br>2024-2025 |               | Tax Cap Calculation - Estimate<br>2025-2026 |               | Tax Cap Calculation - Estimate<br>2026-2027 |               | Tax Cap Calculation - Estimate<br>2027-2028 |               | Tax Cap Calculation - Estimate<br>2028-29 |               |  |  |
| Tax Levy - 2020-21                          | \$98,548,088  | Tax Levy - 2021-22                          | \$98,594,386  | Tax Levy - 2022-23                          | \$99,550,752  | Tax Levy - 2023-24                          | \$101,399,438 | Tax Levy - 2024-25                          | \$103,427,427 | Tax Levy - 2025-26                          | \$106,078,647 | Tax Levy - 2026-27                          | \$108,799,658 | Tax Levy - 2027-28                        | \$111,592,296 |  |  |
| x Tax Base Growth Factor                    | 1.0049        | x Tax Base Growth Factor                    | 1.0068        | x Tax Base Growth Factor                    | 1.0065        | x Tax Base Growth Factor                    | 1.0062        | x Tax Base Growth Factor                    | 1.0062        | x Tax Base Growth Factor                    | 1.0062        | x Tax Base Growth Factor                    | 1.0062        | x Tax Base Growth Factor                  | 1.0062        |  |  |
| Net   | \$99,030,974  | Net   | \$99,264,828  | Net   | \$100,197,831 | Net   | \$102,028,115 | Net   | \$104,068,677 | Net   | \$106,736,335 | Net   | \$109,474,216 | Net                                       | \$112,284,169 |  |  |
| + PILOTs 2020-21                            | \$5,144       | + PILOTs 2021-22                            | \$5,358       | + PILOTs 2022-23                            | \$5,609       | + PILOTs 2023-24                            | \$5,609       | + PILOTs 2024-25                            | \$7,749       | + PILOTs 2025-26                            | \$7,749       | + PILOTs 2026-27                            | \$7,749       | + PILOTs 2027-28                          | \$7,749       |  |  |
| - Capital Levy 2020-21                      | (\$2,315,066) | - Capital Levy 2021-22                      | (\$1,702,822) | - Capital Levy 2022-23                      | (\$2,604,373) | - Capital Levy 2023-24                      | (\$2,637,587) | - Capital Levy 2024-25                      | (\$3,577,927) | - Capital Levy 2025-26                      | (\$3,577,927) | - Capital Levy 2026-27                      | (\$3,577,927) | - Capital Levy 2027-28                    | (\$3,577,927) |  |  |
| Net   | \$96,721,052  | Net   | \$97,567,364  | Net   | \$97,599,067  | Net   | \$99,396,137  | Net   | \$100,498,499 | Net   | \$103,166,157 | Net   | \$105,904,038 | Net                                       | \$108,713,991 |  |  |
| Allow. Growth Factor (CPI) - Est.           | 1.0123        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.           | 1.0200        | Allow. Growth Factor (CPI) - Est.         | 1.0200        |  |  |
|   | \$97,910,721  |   | \$99,518,711  |   | \$99,551,049  |   | \$101,384,060 |   | \$102,508,469 |   | \$105,229,480 |   | \$108,022,118 |   | \$110,888,270 |  |  |
| - Est. PILOTs 2021-22                       | (\$5,358)     | - Est. PILOTs 2022-23                       | (\$5,607)     | - Est. PILOTs 2023-24                       | (\$5,609)     | - Est. PILOTs 2024-25                       | (\$7,749)     | - PILOTs 2025-26                            | (\$7,749)     | - Est. PILOTs 2026-27                       | (\$7,749)     | - PILOTs 2027-28                            | (\$7,749)     | - Est. PILOTs 2028-29                     | (\$7,749)     |  |  |
| +Available Carryover                        | \$0           | +Available Carryover                        | \$0           | +Available Carryover                        | \$0           | +Available ERS                              | \$16,095      | +Available Carryover                        | \$0           | +Available Carryover                        | \$0           | +Available Carryover                        | \$0           | +Available Carryover+ ERS                 | \$0           |  |  |
| Levy Before Adjustments                     | \$97,905,363  | Levy Before Adjustments                     | \$99,513,104  | Levy Before Adjustments                     | \$99,545,440  | Levy Before Adjustments                     | \$101,392,406 | Levy Before Adjustments                     | \$102,500,720 | Levy Before Adjustments                     | \$105,221,731 | Levy Before Adjustments                     | \$108,014,369 | Levy Before Adjustments                   | \$110,880,521 |  |  |
| + Capital Levy 2021-22                      | \$1,702,822   | + Capital Levy 2022-23                      | \$2,604,373   | + Capital Levy 2023-24                      | \$2,637,587   | + Capital Levy 2024-25                      | \$3,577,927   | + Capital Levy 2025-26                      | \$3,577,927   | + Capital Levy 2026-27                      | \$3,577,927   | + Capital Levy 2027-28                      | \$3,577,927   | + Capital Levy 2028-29                    | \$3,577,927   |  |  |
| Levy Limit 2021-22                          | \$99,608,185  | Levy Limit 2022-23                          | \$102,117,477 | Levy Limit 2023-24                          | \$102,183,026 | Levy Limit 2024-25                          | \$104,970,333 | Levy Limit 2025-26                          | \$106,078,647 | Levy Limit 2026-27                          | \$108,799,658 | Levy Limit 2027-28                          | \$111,592,296 | Levy Limit 2028-29                        | \$114,458,448 |  |  |
| Change                                      | 0.0470%       | Change                                      | 0.9700%       | Change                                      | 1.8570%       | Change                                      | 2.0000%       | Change                                      | 2.5634%       | Change                                      | 2.5651%       | Change                                      | 2.5668%       | Change                                    | 2.5684%       |  |  |
| New Potential Yield                         | \$46,298      | New Potential Yield                         | \$956,366     | New Potential Yield                         | \$1,848,687   | New Potential Yield                         | \$2,027,989   | New Potential Yield                         | \$2,651,220   | New Potential Yield                         | \$2,721,011   | New Potential Yield                         | \$2,792,639   | New Potential Yield                       | \$2,866,152   |  |  |
| New Levy                                    | \$98,594,386  | New Levy                                    | \$99,550,752  | New Levy                                    | \$101,399,438 | New Levy                                    | \$103,427,427 | New Levy                                    | \$106,078,647 | New Levy                                    | \$108,799,658 | New Levy                                    | \$111,592,296 | New Levy                                  | \$114,458,448 |  |  |

## Tax Cap –Stability Issues



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**Trend Report for Carmel Central School**

**Property Tax Cap**

(Data elements presented below are "as submitted" by the local government, and have not been modified or certified by OSC)

**Tax Levy Limit (Cap) before Exclusions**

|                                     | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Tax Levy Prior Year                 | \$82,997,263 | \$84,640,608 | \$87,161,788 | \$88,371,871 | \$90,242,289 | \$90,994,870 | \$91,857,888 | \$93,642,581 | \$95,963,498 | \$98,548,088 | \$98,594,386 | \$99,550,752 |
| Prior Year Reserve Offset           | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          |
| Reserve Amount                      | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          |
| Tax Base Growth Factor              | 1.0015       | 1.0046       | 1.0021       | 1.0028       | 1.0043       | 1.0020       | 1.0015       | 1.0061       | 1.0051       | 1.0049       | 1.0068       | 1.0065       |
| PILOTS Receivable Prior Year        | \$4,403      | \$4,402      | \$4,561      | \$4,537      | \$4,537      | \$4,569      | \$4,552      | \$4,940      | \$4,940      | \$5,144      | \$5,358      | \$5,609      |
| Tort/Judgment Exclusion Prior Year  | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          |
| Capital Tax Levy for Prior Year     | \$2,070,415  | \$2,041,569  | \$1,609,419  | \$1,391,063  | \$1,700,869  | \$2,127,710  | \$1,938,824  | \$1,823,256  | \$1,867,028  | \$2,315,066  | \$1,702,822  | \$2,604,373  |
| Allowable Levy Growth Factor        | 1.0200       | 1.0200       | 1.0146       | 1.0162       | 1.0012       | 1.0126       | 1.0200       | 1.0200       | 1.0181       | 1.0123       | 1.0200       | 1.0200       |
| PILOTS Receivable Current Year      | \$4,541      | \$4,561      | \$4,537      | \$4,537      | \$4,569      | \$4,552      | \$4,940      | \$4,940      | \$5,144      | \$5,358      | \$5,607      | \$5,609      |
| Available Carryover from Prior Year | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          |
| Total Levy Limit before Exclusions  | \$82,672,321 | \$84,648,083 | \$86,987,236 | \$88,641,420 | \$89,036,151 | \$90,171,244 | \$91,857,691 | \$94,238,454 | \$96,297,774 | \$97,905,363 | \$99,513,104 | \$99,545,440 |

**Exclusions**

|  |              |              |              |              |              |              |              |              |              |              |               |               |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Tax levy necessary for expenditures resulting from tort orders/judgments over 5% Prior Year Tax Levy | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           | \$0           |
| Capital Tax Levy for Current Year  | \$2,116,895  | \$1,609,419  | \$1,391,063  | \$1,700,869  | \$2,127,710  | \$1,938,824  | \$1,823,256  | \$1,867,028  | \$2,315,066  | \$1,702,822  | \$2,604,373   | \$2,637,587   |
| Tax levy for pension contribution expense  |              |              |              |              |              |              |              |              |              |              |               |               |
| TRs  | \$0          | \$1,180,900  | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           | \$0           |
| ERS  | \$75,096     | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           | \$0           |
| Total Exclusions   | \$2,191,991  | \$2,790,319  | \$1,391,063  | \$1,700,869  | \$2,127,710  | \$1,938,824  | \$1,823,256  | \$1,867,028  | \$2,315,066  | \$1,702,822  | \$2,604,373   | \$2,637,587   |
| Total Tax Levy Limit, Adjusted for Transfers Plus Exclusions   | \$84,864,312 | \$87,438,402 | \$88,378,299 | \$90,342,289 | \$91,163,861 | \$92,110,068 | \$93,680,947 | \$96,105,482 | \$98,612,840 | \$99,608,185 | \$102,117,477 | \$102,183,027 |
| Reserve Amount Used to Reduce Current Year Levy  | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0           | \$0           |
| Proposed Levy for Current Year, Net of Reserve   | \$84,864,312 | \$87,400,000 | \$88,378,299 | \$90,242,289 | \$91,113,861 | \$92,044,427 | \$93,674,489 | \$96,095,650 | \$98,594,386 | \$98,594,386 | \$99,550,752  | \$101,399,438 |
| Total Tax Levy Limit Adjusted for Transfers Plus Exclusions compared to the Prior Year Tax Levy      | 2.2%         | 3.3%         | 1.4%         | 2.2%         | 1.0%         | 1.2%         | 2.0%         | 2.6%         | 2.8%         | 1.1%         | 3.6%          | 2.6%          |
| Difference between Tax Levy Limit Plus Exclusions and Current Year Proposed Levy                     | \$0          | \$38,402     | \$0          | \$100,000    | \$50,000     | \$65,641     | \$6,458      | \$9,832      | \$18,454     | \$1,013,799  | \$2,566,725   | \$783,589     |
| Planning to Override the Cap   | No           | No           | No           | No           | No           | No           | No           | No           | No           | No           | No            | No            |



## 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 Cap 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)
- Collective Bargaining Salary and Benefit Obligations
- Projected Teachers Retirement System Rates and Employees Retirement System Rates
- Interviews with the Assistant Superintendent for Business and the Business Office Manager



| Ratios                           | 2023  | 2024  | 2025  |
|----------------------------------|-------|-------|-------|
| State Aid as Percent of Revenues | 24.2% | 26.6% | 26.6% |
| State Aid as Percent of Budget   | 24.0% | 26.4% | 25.4% |

## State Aid

|  |              | Carmel CSD   |             |              |            |              |             |              |             |              |             |              |             |
|--|--------------|--------------|-------------|--------------|------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|
| State Aid Source                           | Year 1       | Year 2       | 2023 to 24  | Year 3       | 2024 to 25 | Year 4       | 2025 to 26  | Year 4       | 2026 to 27  | Year 5       | 2027 to 28  | Year 5       | 2028 to 29  |
| Aid Descriptions                           | 2022-23      | 2023-24      | Difference  | 2024-25      | Difference | 2025-26      | Difference  | 2026-27      | Difference  | 2027-28      | Difference  | 2028-29      | Difference  |
| FOUNDATION AID                             | \$21,520,115 | \$26,153,618 | \$4,633,503 | \$26,119,952 | (\$33,666) | \$26,119,952 | \$0         | \$26,119,952 | \$0         | \$26,119,952 | \$0         | \$26,119,952 | \$0         |
| HIGH TAX AID                               | \$1,733,245  | \$1,733,245  | \$0         | \$1,733,245  | \$0        | \$1,733,245  | \$0         | \$1,733,245  | \$0         | \$1,733,245  | \$0         | \$1,733,245  | \$0         |
| SUMMER TRANSPORTATION AID                  | \$46,874     | \$0          | (\$46,874)  | \$0          | \$0        | \$0          | \$0         | \$0          | \$0         | \$0          | \$0         | \$0          | \$0         |
| TRANSPORTATION AID W/O SUMMER              | \$4,378,665  | \$4,487,062  | \$108,397   | \$4,487,062  | \$0        | \$4,487,062  | \$0         | \$4,487,062  | \$0         | \$4,487,062  | \$0         | \$4,487,062  | \$0         |
| BUILDING AID                               | \$1,870,421  | \$2,674,912  | \$804,491   | \$ 3,127,184 | \$452,272  | \$ 2,721,701 | (\$405,483) | 2,333,201    | (\$388,501) | 1,610,127    | (\$723,074) | 1,453,479    | (\$156,648) |
| BOCES AID                                  | \$1,826,504  | \$2,710,219  | \$883,715   | \$2,710,219  | \$0        | \$2,710,219  | \$0         | \$2,710,219  | \$0         | \$2,710,219  | \$0         | \$2,710,219  | \$0         |
| PUBLIC EC HIGH COST AID                    | \$684,619    | \$700,000    | \$15,381    | \$780,859    | \$80,859   | \$780,859    | \$0         | \$780,859    | \$0         | \$780,859    | \$0         | \$780,859    | \$0         |
| PRIVATE EXCESS COST AID                    | \$502,196    | \$502,474    | \$278       | \$502,474    | \$0        | \$502,474    | \$0         | \$502,474    | \$0         | \$502,474    | \$0         | \$502,474    | \$0         |
| SOFTWARE AID                               | \$59,635     | \$58,647     | (\$988)     | \$58,647     | \$0        | \$58,647     | \$0         | \$58,647     | \$0         | \$58,647     | \$0         | \$58,647     | \$0         |
| LIBRARY MATERIALS AID                      | \$24,881     | \$23,595     | (\$1,286)   | \$23,595     | \$0        | \$23,595     | \$0         | \$23,595     | \$0         | \$23,595     | \$0         | \$23,595     | \$0         |
| TEXTBOOK AID                               | \$236,961    | \$233,525    | (\$3,436)   | \$233,525    | \$0        | \$233,525    | \$0         | \$233,525    | \$0         | \$233,525    | \$0         | \$233,525    | \$0         |
| HARDWARE & TECHNOLOGY AID                  | \$53,372     | \$52,204     | (\$1,168)   | \$52,204     | \$0        | \$52,204     | \$0         | \$52,204     | \$0         | \$52,204     | \$0         | \$52,204     | \$0         |
| UNIV PREKINDERGARTEN AID                   | \$669,600    | \$415,800    | (\$253,800) | \$415,800    | \$0        | \$415,800    | \$0         | \$415,800    | \$0         | \$415,800    | \$0         | \$415,800    | \$0         |
| SUPPLEMENTAL PUB EXCESS COST               | \$96,582     | \$96,582     | \$0         | \$96,582     | \$0        | \$96,582     | \$0         | \$96,582     | \$0         | \$96,582     | \$0         | \$96,582     | \$0         |
| TOTAL AID                                  | \$33,703,670 | \$39,841,883 | \$6,138,213 | \$40,341,348 | \$499,465  | \$39,935,865 | (\$405,483) | \$39,547,365 | (\$388,501) | \$38,824,291 | (\$723,074) | \$38,667,643 | (\$156,648) |
| OVERALL Aid Increase/ Decrease without UPK | \$33,034,070 | \$39,426,083 | \$6,392,013 | \$39,925,548 | \$499,465  | \$39,520,065 | (\$405,483) | \$39,131,565 | (\$388,501) | \$38,408,491 | (\$723,074) | \$38,251,843 | (\$156,648) |
|  |              |              | 21.5%       |              | -0.1%      |              | 0.0%        |              | 0.0%        |              | 0.0%        |              | 0.0%        |

|  |  |
|--|--|
| Foundation Aid Payable<br>2023-24 by Current Formula | Difference Between Foundation Aid Payable<br>and Foundation Aid Paid 2023-24 |
| \$26,441,316   | (\$321,364)  |



## Carmel CSD

### Analysis of Fund Balances and Reserves

|  | June 2019          | June 2020          | June 2021          | June 2022           | June 2023           | June 2024           | June 2025           | June 2026           | June 2027           | June 2028           | June 2029           |
|--|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Restricted Fund Balance:</b>                            |                    |                    |                    |                     |                     |                     |                     |                     |                     |                     |                     |
| Workers' Compensation Reserve                              | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Unemployment Insurance Reserve                             | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Reserve for Retirement Contributions ERS                   | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Reserve for Retirement Contributions TRS                   | \$0                | \$500,000          | \$500,000          | \$1,500,000         | \$2,000,000         | \$2,000,000         | \$2,000,000         | \$2,000,000         | \$2,000,000         | \$2,000,000         | \$2,000,000         |
| Reserve for Property Loss                                  | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Reserve for Liability Claims                               | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Insurance Reserve  | \$0                | \$0                | \$0                | \$1,000,000         | \$1,500,000         | \$1,500,000         | \$1,500,000         | \$1,500,000         | \$1,500,000         | \$1,500,000         | \$1,500,000         |
| Reserve for Tax Certiorari                                 | \$1,909,495        | \$1,798,316        | \$2,000,000        | \$2,412,216         | \$2,450,991         | \$2,450,991         | \$2,450,991         | \$2,450,991         | \$2,450,991         | \$2,450,991         | \$2,450,991         |
| Reserve for Employee Benefits and Accrued Liabilities      | \$1,231,532        | \$1,732,281        | \$3,551,441        | \$4,000,000         | \$4,290,771         | \$4,290,771         | \$4,290,771         | \$4,290,771         | \$4,290,771         | \$4,290,771         | \$4,290,771         |
| Capital Reserve Technology/Equipment XXyr 20XX \$X000,000  | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Capital Reserve Vehicles XX Yr 20XX \$X000,000             | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Capital Reserve Capital Construction 15Yr 2015 \$3,000,000 | \$953,717          | \$1,103,717        | \$1,603,717        | \$2,900,000         | \$1,900,000         | \$1,900,000         | \$1,900,000         | \$1,900,000         | \$1,900,000         | \$1,900,000         | \$1,900,000         |
| Capital Reserve Capital Construction 15Yr 2024 \$5,000,000 | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Reserve for Repair   | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Reserve for Debt   | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 |                     |                     |                     |                     |                     |
| Other Restricted Fund Balance                              | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>Total Restricted Fund Balance</b>                       | <b>\$4,094,744</b> | <b>\$5,134,314</b> | <b>\$7,655,158</b> | <b>\$11,812,216</b> | <b>\$12,141,762</b> | <b>\$12,141,762</b> | <b>\$12,141,762</b> | <b>\$12,141,762</b> | <b>\$12,141,762</b> | <b>\$12,141,762</b> | <b>\$12,141,762</b> |

| Ratios                         | 2023 | 2024 | 2025 |
|--------------------------------|------|------|------|
| Reserves at Percent of Revenue | 8.8% | 8.7% | 8.4% |
| Reserves as Percent of Budget  | 8.8% | 8.6% | 8.0% |

## Scenario 1

|                              |       |       | At Tax Cap |
|------------------------------|-------|-------|------------|
| Ratios                       | 2023  | 2024  | 2025       |
| Taxes as Percent of Revenues | 74.5% | 72.5% | 72.5%      |
| Taxes as Percent of Budget   | 73.9% | 71.9% | 69.1%      |

| Ratios                           | 2023  | 2024  | 2025  |
|----------------------------------|-------|-------|-------|
| State Aid as Percent of Revenues | 24.2% | 26.6% | 26.6% |
| State Aid as Percent of Budget   | 24.0% | 26.4% | 25.4% |

### Assumptions

#### Revenues:

Tax Increase Variable % Each Year at the Tax Cap  
State Aid Save Harmless Increase but then Decreased Foundation Aid

Variable BOCES and Public Excess Cost Aids  
Variable Building Aid follows Debt Service Schedule\*  
Federal Aid (Medicaid) remains Stable

#### Expenditures:

Follow contractual Obligations  
No notable changes in staff patterns  
Stable ERS and TRS increased costs\*  
Inflationary Costs Escalate Expenditures Rapidly

#### Other

**LOSS OF FUND BALANCE AFTER NEW Federal Grants**

### Carmel CSD

### 5 Year Financial Projections

**Tax Levy % Increases are an example only and do not represent official Tax Cap calculation 2026 and forward**

| Fiscal Year Ending June 30:          | 2023          | 2024          | 2025          | 2026          | 2027          | 2028          | 2029          |        |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------|
| <b>REVENUES:</b>                     |               | 1.86%         | 3.52%         | 2.56%         | 2.56%         | 2.56%         | 2.56%         |        |
| <b>Real Property Taxes</b>           | \$99,605,752  | \$101,399,438 | \$104,970,634 | \$107,657,882 | \$110,413,924 | \$113,240,521 | \$116,139,478 | 14.5%  |
| PILOT (based on current agreements)  | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |        |
| State Aid                            | \$26,100,629  | \$30,065,986  | \$30,909,868  | \$32,311,302  | \$32,311,302  | \$32,311,302  | \$32,311,302  | 7.5%   |
| Building Aid                         | \$1,870,421   | \$2,674,912   | \$3,127,184   | \$2,721,701   | \$2,333,201   | \$1,610,127   | \$1,453,479   | -45.7% |
| Transportation Aid                   | \$4,425,539   | \$4,487,062   | \$4,487,062   | \$4,487,062   | \$4,487,062   | \$4,487,062   | \$4,487,062   | 0.0%   |
| Federal Aid (Medicaid only)          | \$100,000     | \$100,000     | \$100,000     | \$100,000     | \$100,000     | \$100,000     | \$100,000     | 0.0%   |
| Interfund Transfers Reserves         | \$125,000     | \$150,000     | \$150,000     | \$150,000     | \$150,000     | \$150,000     | \$150,000     | 0.0%   |
| Other                                | \$1,446,846   | \$972,300     | \$1,029,800   | \$1,029,800   | \$1,029,800   | \$1,029,800   | \$1,029,800   | 5.9%   |
| <b>Total Revenues</b>                | \$133,674,187 | \$139,849,698 | \$144,774,548 | \$148,457,748 | \$150,825,289 | \$152,928,812 | \$155,671,121 | 11.3%  |
| <b>Amount of Change Year to Year</b> |               | \$6,175,511   | \$4,924,850   | \$3,683,199   | \$2,367,541   | \$2,103,523   | \$2,742,309   |        |
|                                      |               | 4.6%          | 3.5%          | 2.5%          | 1.6%          | 1.4%          | 1.8%          | 16     |

## Scenario 1

|                                       |               |               |               |               |               |               |               |        |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------|
| Total Revenues                        | \$133,674,187 | \$139,849,698 | \$144,774,548 | \$148,457,748 | \$150,825,289 | \$152,928,812 | \$155,671,121 | 11.3%  |
| Amount of Change Year to Year         |               | \$6,175,511   | \$4,924,850   | \$3,683,199   | \$2,367,541   | \$2,103,523   | \$2,742,309   |        |
|                                       |               | 4.6%          | 3.5%          | 2.5%          | 1.6%          | 1.4%          | 1.8%          |        |
| EXPENSES:                             | 2023          | 2024          | 2025          | 2026          | 2027          | 2028          | 2029          |        |
| General Support                       |               |               |               |               |               |               |               |        |
| Salaries                              | \$6,545,728   | \$6,416,596   | \$6,562,771   | \$6,792,468   | \$7,030,204   | \$7,276,262   | \$7,530,931   | 17.4%  |
| Other                                 | \$6,574,547   | \$6,925,344   | \$7,573,226   | \$7,849,343   | \$8,135,124   | \$8,430,907   | \$8,737,043   | 26.2%  |
| Instruction                           |               |               |               |               |               |               |               |        |
| Salaries                              | \$60,727,691  | \$62,910,918  | \$65,519,073  | \$67,767,713  | \$70,095,055  | \$72,503,854  | \$74,996,961  | 19.2%  |
| Other                                 | \$10,770,172  | \$12,154,430  | \$14,036,570  | \$14,538,904  | \$15,058,819  | \$15,596,932  | \$16,153,879  | 32.9%  |
| Transportation                        |               |               |               |               |               |               |               |        |
| Salaries                              | \$4,744,160   | \$4,701,653   | \$5,200,590   | \$5,381,050   | \$5,567,826   | \$5,761,140   | \$5,961,220   | 26.8%  |
| Other                                 | \$1,409,475   | \$1,366,846   | \$1,675,050   | \$1,761,681   | \$1,851,995   | \$1,946,146   | \$2,044,300   | 49.6%  |
| Community Service                     | \$365,000     | \$365,000     | \$399,642     | \$399,642     | \$399,642     | \$399,642     | \$399,642     | 9.5%   |
| Employee Benefits                     |               |               |               |               |               |               |               |        |
| Retirement                            | \$7,951,370   | \$7,675,684   | \$8,465,634   | \$8,731,325   | \$9,041,996   | \$9,363,540   | \$9,696,338   | 26.3%  |
| Social Security                       | \$5,478,851   | \$5,631,730   | \$5,818,970   | \$6,161,995   | \$6,372,512   | \$6,590,397   | \$6,815,908   | 21.0%  |
| Workers' Compensation                 | \$438,692     | \$438,703     | \$456,156     | \$474,402     | \$493,378     | \$513,114     | \$533,638     | 21.6%  |
| Health                                | \$22,938,221  | \$25,139,733  | \$27,534,615  | \$29,859,121  | \$32,392,833  | \$35,154,578  | \$38,164,881  | 51.8%  |
| Other                                 | \$1,589,023   | \$1,609,475   | \$2,577,433   | \$2,730,582   | \$2,890,240   | \$3,056,683   | \$3,230,201   | 100.7% |
| Debt Service:                         |               |               |               |               |               |               |               |        |
| Buildings - Principal                 | \$3,864,755   | \$3,720,945   | \$3,837,945   | \$3,837,945   | \$3,951,551   | \$3,047,420   | \$1,890,890   | -49.2% |
| Interest                              | \$1,015,477   | \$1,238,337   | \$1,123,433   | \$1,123,433   | \$1,000,847   | \$866,764     | \$758,437     | -38.8% |
| Buses & Other - Principal             | \$354,399     | \$559,442     | \$778,032     | \$1,072,135   | \$1,377,300   | \$1,434,355   | \$1,517,356   | 171.2% |
| Interest                              | \$6,626       | \$79,862      | \$194,273     | \$190,170     | \$195,005     | \$176,924     | \$155,643     | 94.9%  |
| RAN/TAN - Interest                    | \$0           | \$15,000      | \$15,000      | \$15,000      | \$15,000      | \$15,000      | \$15,000      | 0.0%   |
| Interfund Transfers (Sch Lunch, 4408) | \$0           | \$0           | \$105,000     | \$105,000     | \$105,000     | \$105,000     | \$105,000     |        |
| Total Expenses                        | \$134,774,187 | \$140,949,698 | \$151,873,413 | \$158,791,909 | \$165,974,326 | \$172,238,659 | \$178,707,266 | 26.8%  |
| Amount of Change Year to Year         |               | \$6,175,511   | \$10,923,715  | \$6,918,496   | \$7,182,417   | \$6,264,333   | \$6,468,607   |        |
|                                       |               | 4.6%          | 7.8%          | 4.6%          | 4.5%          | 3.8%          | 3.8%          |        |

## Scenario 1

| Fiscal Year Ending June 30:        | 2023          | 2024          | 2025          | 2026          | 2027           | 2028           | 2029           |       |
|------------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|-------|
| Total Revenues                     | \$133,674,187 | \$139,849,698 | \$144,774,548 | \$148,457,748 | \$150,825,289  | \$152,928,812  | \$155,671,121  | 11.3% |
| Amount of Change Year to Year      |               | \$6,175,511   | \$4,924,850   | \$3,683,199   | \$2,367,541    | \$2,103,523    | \$2,742,309    |       |
|                                    |               | 4.6%          | 3.5%          | 2.5%          | 1.6%           | 1.4%           | 1.8%           |       |
| Total Expenses                     | \$134,774,187 | \$140,949,698 | \$151,873,413 | \$158,791,909 | \$165,974,326  | \$172,238,659  | \$178,707,266  | 26.8% |
| Amount of Change Year to Year      |               | \$6,175,511   | \$10,923,715  | \$6,918,496   | \$7,182,417    | \$6,264,333    | \$6,468,607    |       |
|                                    |               | 4.6%          | 7.8%          | 4.6%          | 4.5%           | 3.8%           | 3.8%           |       |
| Adjustments (Carry Over, etc.)     | \$2,410,454   | \$3,911,256   | \$3,011,256   | \$3,011,256   | \$3,011,256    | \$3,011,256    | \$3,011,256    |       |
| Adjustments Use of Reserves        | \$0           | \$0           | \$0           | \$0           | \$0            | \$0            | \$0            |       |
| 4% of Expenses                     | \$5,637,988   | \$6,074,937   | \$6,351,676   | \$6,638,973   | \$6,889,546    | \$7,148,291    | \$7,148,291    |       |
| Assigned Appropriated Fund Balance | \$1,100,000   | \$7,098,865   | \$10,334,162  | \$15,149,037  | \$19,309,847   | \$23,036,146   | \$23,036,146   |       |
| Assigned Unappropriated            | \$1,176,658   | \$1,176,658   | \$1,176,658   | \$1,176,658   | \$1,176,658    | \$1,176,658    | \$1,176,658    |       |
| Unassigned Fund Balance            | \$5,637,988   | \$6,074,937   | \$6,351,676   | (\$4,495,645) | (\$20,794,237) | (\$40,819,126) | (\$60,844,016) |       |
| Nonspendable                       | \$1,250       | \$1,250       | \$1,250       | \$1,250       | \$1,250        | \$1,250        | \$1,250        |       |
| Reserved Fund Balance              | \$12,141,762  | \$8,888,855   | \$1,289,210   | \$0           | \$0            | \$0            | \$0            |       |
| Total Fund Balance June 30         | \$19,252,651  | \$22,063,907  | \$17,976,298  | \$10,653,392  | (\$1,484,389)  | (\$17,782,981) | (\$37,807,870) |       |
| Revenue to Expenditure Difference  | (\$1,100,000) | (\$1,100,000) | (\$7,098,865) | \$10,334,162  | (\$15,149,037) | (\$19,309,847) | (\$23,036,146) |       |
| Additional Needed                  |               |               | (\$5,998,865) | (\$3,235,296) | (\$4,814,876)  | (\$4,160,810)  | (\$3,726,298)  |       |



# FINDINGS

## Carmel CSD

### 5 Year Financial Projections

| <u>Fiscal Year Ending June 30:</u>   | <u>2023</u>          | <u>2024</u>          | <u>2025</u>          | <u>2026</u>          | <u>2027</u>          | <u>2028</u>          | <u>2029</u>          |                     |              |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|--------------|
| <b>REVENUES:</b>                     |                      | 1.86%                | 3.52%                | 2.56%                | 2.56%                | 2.56%                | 2.56%                |                     |              |
| <b>Real Property Taxes</b>           | \$99,605,752         | \$101,399,438        | \$104,970,634        | \$107,657,882        | \$110,413,924        | \$113,240,521        | \$116,139,478        | \$14,740,040        | 14.5%        |
| PILOT (based on current agreements)  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                 |              |
| State Aid                            | \$26,100,629         | \$30,065,986         | \$30,909,868         | \$32,311,302         | \$32,311,302         | \$32,311,302         | \$32,311,302         | \$2,245,316         | 7.5%         |
| Building Aid                         | \$1,870,421          | \$2,674,912          | \$3,127,184          | \$2,721,701          | \$2,333,201          | \$1,610,127          | \$1,453,479          | (\$1,221,433)       | -45.7%       |
| Transportation Aid                   | \$4,425,539          | \$4,487,062          | \$4,487,062          | \$4,487,062          | \$4,487,062          | \$4,487,062          | \$4,487,062          | \$0                 | 0.0%         |
| Federal Aid (Medicaid only)          | \$100,000            | \$100,000            | \$100,000            | \$100,000            | \$100,000            | \$100,000            | \$100,000            | \$0                 | 0.0%         |
| Interfund Transfers Reserves         | \$125,000            | \$150,000            | \$150,000            | \$150,000            | \$150,000            | \$150,000            | \$150,000            | \$0                 | 0.0%         |
| Other                                | \$1,446,846          | \$972,300            | \$1,029,800          | \$1,029,800          | \$1,029,800          | \$1,029,800          | \$1,029,800          | \$57,500            | 5.9%         |
| <b>Total Revenues</b>                | <b>\$133,674,187</b> | <b>\$139,849,698</b> | <b>\$144,774,548</b> | <b>\$148,457,748</b> | <b>\$150,825,289</b> | <b>\$152,928,812</b> | <b>\$155,671,121</b> | <b>\$15,821,423</b> | <b>11.3%</b> |
| <b>Amount of Change Year to Year</b> |                      | <b>\$6,175,511</b>   | <b>\$4,924,850</b>   | <b>\$3,683,199</b>   | <b>\$2,367,541</b>   | <b>\$2,103,523</b>   | <b>\$2,742,309</b>   |                     |              |
|                                      |                      | 4.6%                 | 3.5%                 | 2.5%                 | 1.6%                 | 1.4%                 | 1.8%                 |                     |              |

1. Staying at Tax Cap in a key Ingredient to Fiscal Health because Future Revenues help to determine Future Fiscal Health.
2. Resident Reluctance to support school budgets translates into significantly smaller school budget because of the removal of expenses (loss or curtailment of programs of all types) immediately as costs escalate and compound.
3. Federal and State Support has ebbed and will diminish. The significant Federal Support (**\$5,712,150** in CRRSA and ARPA funds used to support district expenses will be done.)

From 2022-23 Audit: *“In an effort to address the financial challenges and “learning loss” brought on by the COVID-19 Pandemic, the State provided funding through the Federal ARP Grant in the amount of \$3,046,449 and the Federal CRSSA Grant in the amount of \$2,665,701. Funds from these Grants were used to provide technology enhancements, address learning loss, implement after school comprehension programs, summer enrichment, and provide additional funds for Special Education Programs”*

# FINDINGS

| EXPENSES:                             |           | 2023          | 2024          | 2025          | 2026          | 2027          | 2028          | 2029          |               |        |
|---------------------------------------|-----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------|
| General Support                       |           |               |               |               |               |               |               |               |               |        |
| Salaries                              |           | \$6,545,728   | \$6,416,596   | \$6,562,771   | \$6,792,468   | \$7,030,204   | \$7,276,262   | \$7,530,931   | \$1,114,335   | 17.4%  |
| Other                                 |           | \$6,574,547   | \$6,925,344   | \$7,573,226   | \$7,849,343   | \$8,135,124   | \$8,430,907   | \$8,737,043   | \$1,811,699   | 26.2%  |
| Instruction                           |           |               |               |               |               |               |               |               |               |        |
| Salaries                              |           | \$60,727,691  | \$62,910,918  | \$65,519,073  | \$67,767,713  | \$70,095,055  | \$72,503,854  | \$74,996,961  | \$12,086,043  | 19.2%  |
| Other                                 |           | \$10,770,172  | \$12,154,430  | \$14,036,570  | \$14,538,904  | \$15,058,819  | \$15,596,932  | \$16,153,879  | \$3,999,449   | 32.9%  |
| Transportation                        |           |               |               |               |               |               |               |               |               |        |
| Salaries                              |           | \$4,744,160   | \$4,701,653   | \$5,200,590   | \$5,381,050   | \$5,567,826   | \$5,761,140   | \$5,961,220   | \$1,259,567   | 26.8%  |
| Other                                 |           | \$1,409,475   | \$1,366,846   | \$1,675,050   | \$1,761,681   | \$1,851,995   | \$1,946,146   | \$2,044,300   | \$677,454     | 49.6%  |
| Community Service                     |           | \$365,000     | \$365,000     | \$399,642     | \$399,642     | \$399,642     | \$399,642     | \$399,642     | \$34,642      | 9.5%   |
| Employee Benefits                     |           |               |               |               |               |               |               |               |               |        |
| Retirement                            |           | \$7,951,370   | \$7,675,684   | \$8,465,634   | \$8,731,325   | \$9,041,996   | \$9,363,540   | \$9,696,338   | \$2,020,654   | 26.3%  |
| Social Security                       |           | \$5,478,851   | \$5,631,730   | \$5,818,970   | \$6,161,995   | \$6,372,512   | \$6,590,397   | \$6,815,908   | \$1,184,178   | 21.0%  |
| Workers' Compensation                 |           | \$438,692     | \$438,703     | \$456,156     | \$474,402     | \$493,378     | \$513,114     | \$533,638     | \$94,935      | 21.6%  |
| Health                                |           | \$22,938,221  | \$25,139,733  | \$27,534,615  | \$29,859,121  | \$32,392,833  | \$35,154,578  | \$38,164,881  | \$13,025,148  | 51.8%  |
| Other                                 |           | \$1,589,023   | \$1,609,475   | \$2,577,433   | \$2,730,582   | \$2,890,240   | \$3,056,683   | \$3,230,201   | \$1,620,726   | 100.7% |
| Debt Service:                         |           |               |               |               |               |               |               |               |               |        |
| Buildings -                           | Principal | \$3,864,755   | \$3,720,945   | \$3,837,945   | \$3,837,945   | \$3,951,551   | \$3,047,420   | \$1,890,890   | (\$1,830,055) | -49.2% |
|                                       | Interest  | \$1,015,477   | \$1,238,337   | \$1,123,433   | \$1,123,433   | \$1,000,847   | \$866,764     | \$758,437     | (\$479,900)   | -38.8% |
| Buses & Other -                       | Principal | \$354,399     | \$559,442     | \$778,032     | \$1,072,135   | \$1,377,300   | \$1,434,355   | \$1,517,356   | \$957,914     | 171.2% |
|                                       | Interest  | \$6,626       | \$79,862      | \$194,273     | \$190,170     | \$195,005     | \$176,924     | \$155,643     | \$75,781      | 94.9%  |
| RAN/TAN -                             | Interest  | \$0           | \$15,000      | \$15,000      | \$15,000      | \$15,000      | \$15,000      | \$15,000      | \$0           | 0.0%   |
| Interfund Transfers (Sch Lunch, 4408) |           | \$0           | \$0           | \$105,000     | \$105,000     | \$105,000     | \$105,000     | \$105,000     | \$105,000     |        |
| Total Expenses                        |           | \$134,774,187 | \$140,949,698 | \$151,873,413 | \$158,791,909 | \$165,974,326 | \$172,238,659 | \$178,707,266 | \$37,757,568  | 26.8%  |
| Amount of Change Year to Year         |           |               | \$6,175,511   | \$10,923,715  | \$6,918,496   | \$7,182,417   | \$6,264,333   | \$6,468,607   |               |        |
|                                       |           |               | 4.6%          | 7.8%          | 4.6%          | 4.5%          | 3.8%          | 3.8%          |               |        |

2023-24 Budget Revenues:\$139,849,698 Staff as a % of Revenues: 82%

2023-24 Budget Expenses:\$140,949,698 Staff as a % of Expenses: 81%

2024-25 Budget Revenues:\$144,774,548 Staff as a % of Revenues: 84%

2024-25 Budget Expenses: \$151,873,413 Staff as a % of Expenses: 80%

The district still faces significant financial challenges:

Capital Project (Use of Reserves, Loss of State Building Aid, costs of delay)

\*Loss of Enrollment with simultaneous Foundation Aid Final Full-Funding to Save-Harmless

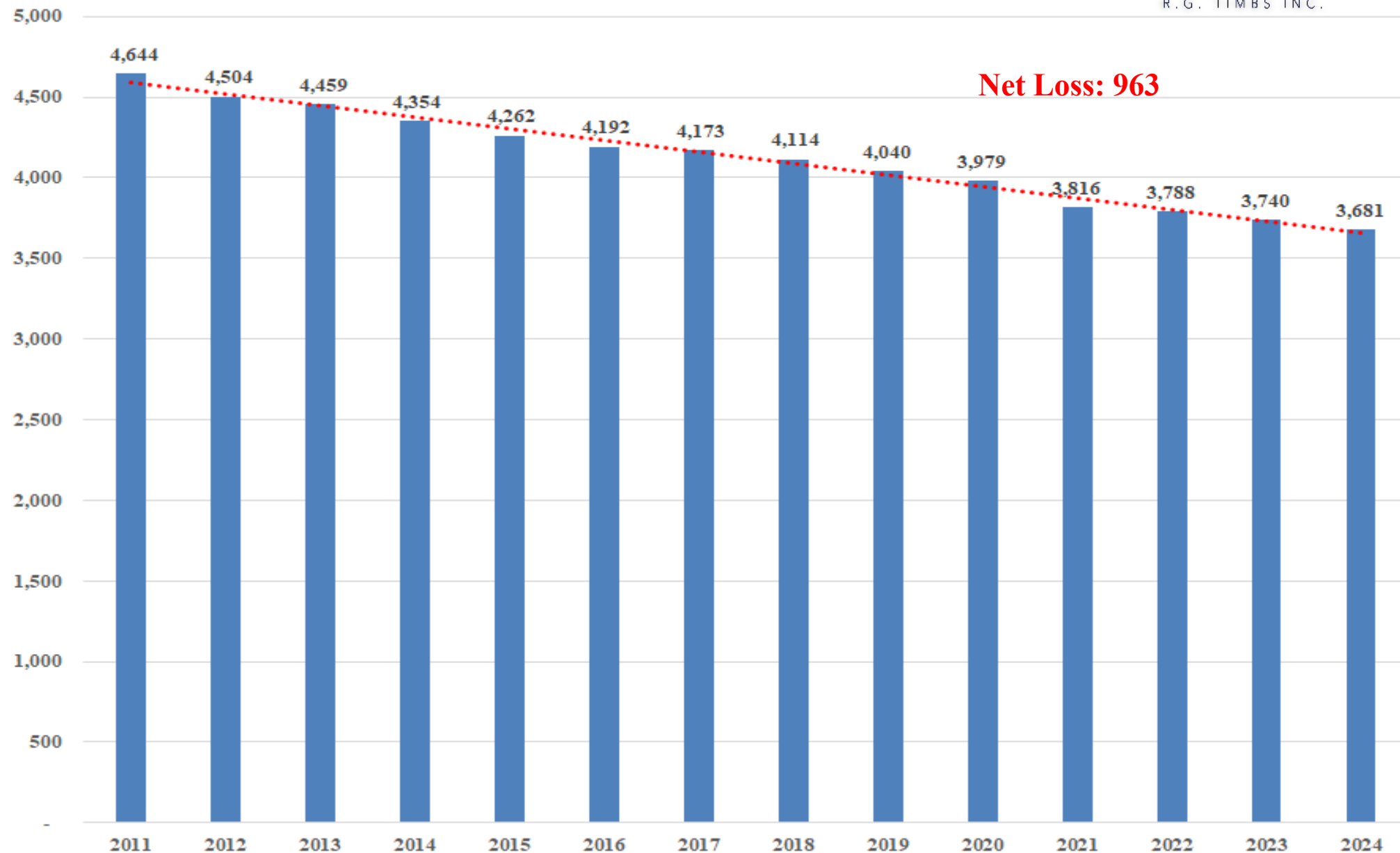
Status curtails state support coupled with Loss of Federal Grants;

\*Continued inflation, Below Tax Cap financial support; future operational needs

| Ratios                         | 2023  | 2024  | 2025  |
|--------------------------------|-------|-------|-------|
| Taxes as Percent of Revenues   | 74.5% | 72.5% | 72.5% |
| Taxes as Percent of Budget     | 24.2% | 26.6% | 26.6% |
| Reserves at Percent of Revenue | 8.8%  | 8.7%  | 8.4%  |
| Reserves as Percent of Budget  | 8.8%  | 8.6%  | 8.0%  |



# Carmel CSD Enrollment 2010-11 to 2023-24



## Limitations of the study:

- a) Examine 2023-24 budget for sustainability and other issues (Carry Over/Reallocations).
- b) Budget process is always difficult due to the number of assumptions (Extrapolate cost estimates).

## RECOMMENDATIONS

### Carefully and Strategically ...

1. Address fiscal constraints on the budget in both Revenues and Expenses:
  - a) Create a new plan for public and inhouse outreach. Note what Resident surveys have told you. Resident support for the expenses of the school district is required for the survival of the current educational programs. Your Options?
  - b) Anticipate criticism but focus on the future needs of the school district.
  - c) Maintain adequate cash flow to ensure maintenance of any quality educational program.
  - d) Attempts for cost reductions should be examined (those away from student programs first) to mitigate escalation of expenses.
  - e) Immediate Fiscal Triage is needed. Focus on the needs of the school district mission.
    - i. “Right Size” Budget Expenses to Revenues : “Mission Critical Status”
    - ii. Recognize that Reserves and Fund Balances will deteriorate more quickly the longer it takes to “Right Size”.
    - iii. Recognize that certain programs will require significant escalating and ongoing financial resources for “defined” success.
    - iv. Reevaluate major purchases and staff needs. The district future needs include buses, vehicles, technology, equipment and other items
    - v. Examine the possibility of attrition and breakage.
    - vi. Aim for greater efficiency.
2. Monitor the Tax Cap... note growing use of Appropriated Fund Balance

## Limitations of the study:

- a) Examine 2023-24 budget for sustainability and other issues (Carry Over/Reallocations).
- b) Budget process is always difficult due to the number of assumptions (Extrapolate cost estimates).

## RECOMMENDATIONS

### Carefully and Strategically ...

## Keep in Mind:

- a) The district cannot change its fiscal history. Resident support is required to maintain any budget.
- b) Currently and into the future inflation and other cost pressures will be substantial.
- c) Beware of possible State Aid Fiscal Cliff 2025-26 and thereafter
- d) The Federal Funding streams (Fiscal Cliff 2024-25 and 2025-26) means the loss of additional Fund Balance generation
- e) State Aid: Increases in Foundation Aid have ebbed and begin to decrease to a degree unknown due to Save-Harmless Status
- f) The reallocation of a significant amount of Reserves over time will be used to support the Budget
- g) Consider the Capital Project Plan with attention to options and district goals. (Security and Finances)

## Consider:

- a) Currently, the use of Capital Reserves to ensure Building Integrity and Eliminate or Minimize Tax escalation due to Capital Construction and Simultaneously Maximize Aid will stabilize revenues and expenses.
- b) However, postponement of this project or any additional Capital Construction Projects in the future will likely require additional tax support.

# Questions from the Board of Education?

## Carmel Central School District

### Cultivating Opportunities

#### Tax Cap Primer and Long-Range Financial Analysis

Data Driven Fiscal Planning

##### School Board Obligations

8 NYCRR §170 and EL§2102:

*”...monitoring financial condition and  
maintaining school district fiscal health...”*

OSC: [Local Government Management Guide  
- Financial Condition Analysis \(ny.gov\)](#)

BOR: [Statement on the Governance Role of a  
Trustee or Board Member | Board of Regents  
\(nysed.gov\)](#)



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