



# Long Range Financial Plan

2025-2029

*Approved by the Lyncourt UFSD Board of Education*

*May 13, 2025*

# Table of Contents

I.	<b><u>District Summary</u></b>	<b>Page 3</b>
II.	<b><u>Purpose of Long-Range Planning</u></b>	<b>Page 4</b>
III.	<b><u>Revenues</u></b> History and Projections	<b>Page 5</b>
IV.	<b><u>Expenditures</u></b> History and Projections	<b>Page 10</b>
V.	<b><u>Annual Surplus (Deficit)</u></b> History and Projections	<b>Page 16</b>
VI.	<b><u>Savings</u></b> Unappropriated Fund Balance Reserves	<b>Page 17</b>
VII.	<b><u>Final Summary</u></b>	<b>Page 18</b>



## **I. District Summary**

The Lyncourt School community provides a well-rounded educational experience for our youth. This unique district is located just outside of Syracuse, New York in the Town of Salina. Under the direction of a five-member Board of Education, it is their goal to maintain the school building and support the staff toward providing an excellent educational foundation. Our tight-knit school district provides small class sizes, personal attention and a high level of community engagement.

Lyncourt provides a strong educational foundation to students in grades Pre-K through 8<sup>th</sup>. Our graduating 8<sup>th</sup> graders attend the nearby East Syracuse-Minoa High School. Lyncourt is responsible for the cost of educating our high school youth and we do so by paying tuition.

The Lyncourt Union Free School District's vision is "Lyncourt: A Thriving Learning Community for All". The District's Mission Statement is "Building Foundations for Lifelong Success". In 2024, Lyncourt UFSD approved a "Blueprint for Excellence" strategic plan which highlights the need for long-range fiscal planning as we educate our youth.

## **II. Purpose of Long-Range Planning**

The development of a multi-year financial plan is a recommendation of the New York State Office of the State Comptroller. According to the NYS Comptroller, a multi-year financial plan is an articulated plan of approach to project school district revenues and expenditures for several years into the future.

While a critical tool for long range success, it is important to note that this plan should not be interpreted as a definitive financial forecast. The projections are only estimates of future anticipated expenditures and revenues. The actual expenditures and revenues are very hard to project in the long run. The school district's annual budget is based on more short-term data such as state aid projections and expenditure increases that are anticipated for the following year.

This plan is a vital tool for the Board of Education, especially during this era of difficult financial conditions for schools. Multi-year financial planning allows the Board and Administration to set priorities and work toward long range goals. A strong financial plan will help our school community residents and Board Members see the impact of their fiscal decisions over time. They can then anticipate and make well informed decisions on topics such as appropriate levels of program funding, potential budget cuts, and local tax levy changes. Planning can provide quality information to support early identification of fiscal hurdles and assist in decisions that will be helpful to the financial strength of the district.

The New York State Association of School Business Officials (NYSASBO) promotes multi-year planning as "Critical to maintaining sound fiscal health while maintaining educational programs for students." The NYSASBO further asserts that "A long-range financial plan can link multi-year budgets to show what decisions are necessary to maintain programs and fiscal stability over the long term. They can assist administrators and school boards in understanding the long-term impact of decisions made today. They take into consideration community priorities, anticipated student enrollment, curriculum mandates, technology needs of students, facility needs, contractual provisions, rapidly increasing cost items, anticipated state resources, property tax caps and use of reserve funds."



### **III. Revenues – History and Projections**

The District has two primary revenue streams: State aid and the local tax levy. Other revenues come from a variety of sources including payments in lieu of taxes (PILOTs), Federal aid, payments for the use of our facility, interest earnings and more. Overall, the District experienced several positive financial revenue changes in recent history which give an optimistic picture for revenue in 2025 and 2026. However, concerns with State aid and a PILOT ending in 2029 give us reason to be conservative in our projections. To fully understand this, the sections below will focus on the three revenue streams which directly impact our operating budget: State aid, local taxes, and other revenues. We finish below with a summary of the full picture.

#### **State Aid History**

State aid accounts for approximately 52% of the school’s total revenue. As a result, the District is heavily dependent on State aid and all future projections are subject to budgetary decisions made at the State level. Historically since the early 2000’s, Lyncourt was underfunded as compared to the base Foundation aid calculation. However, since 2022, the District’s foundation aid was restored to appropriate levels. In the chart below, the growth of State aid is self-evident:

	Actual				Budgeted / Estimated
	2021	2022	2023	2024	2025
State Aid	4,133,131	4,876,015	6,129,914	8,152,670	8,831,485

This much needed increase has been a boon to the District’s financial picture, as total State aid nearly doubled from \$4.1M in 2021 to \$8.1M in 2024. Lyncourt will never see the lost twenty years of underfunding from the State, but being restored to appropriate levels is certainly welcome and has stabilized the funding of the District.

#### **State Aid Projection**

While State aid has climbed significantly, multiple sources indicate it is due for a leveling off. Projections as of the time of this document show another substantial increase into 2026, but after that, we’ve made the assumption of a steady 2% increase thereafter.

It should be noted that one component of State aid, called Building aid, is set to decrease in 2027. While we project a 2% increase in the base State aid revenue, an equal corresponding reduction of Building aid nets out to a 0% year-to-year change overall. Building aid is projected to remain stable in 2028 and 2029, so the 2% increase is projected in full for those years.

Additionally, State aid is tied closely to overall enrollment numbers. We will discuss this in more detail in the expenditures section, but for purposes of revenue, we project a stable enrollment picture in the coming years.

	Budgeted / Estimated	Projected			
	2025	2026	2027	2028	2029
State Aid	8,831,485	9,396,700	9,396,700	9,584,634	9,776,327

Two percent growth is an assumption due to the wide variety of factors. For example, it is well known that there is some cause for concern with NYS’s budget in the coming years. NYS Comptroller DiNapoli has released multiple statements, indicating the State is on the verge of a potential shortfall. As noted in the charts below from his office, there is a projected State shortfall based on a “structural imbalance”. The State’s fiscal gaps, coupled with recent Federal efforts to curtail governmental spending, speak to a reasonably high level of uncertainty at the State level. If the State cannot balance a budget in the coming years, due to its own budgetary issues or an unforeseen cut of Federal funds, school aid will be directly impacted. For now, we assume a steady 2% growth in the coming years, but this may be optimistic in any given year.

### State Comptroller DiNapoli Statement on the Governor's 2025 Executive Budget

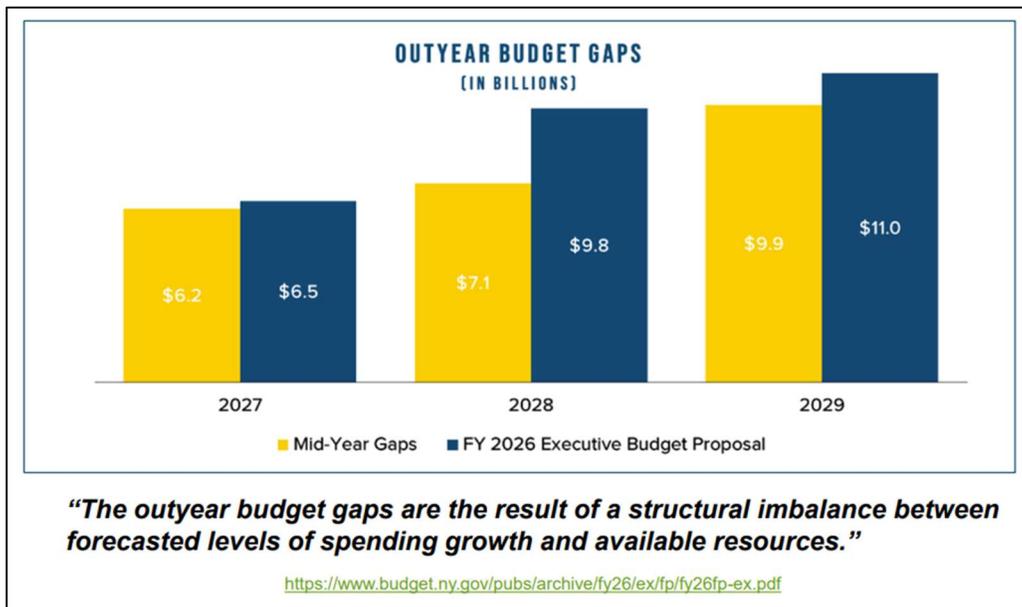
January 21, 2025

New York State Comptroller Thomas P. DiNapoli released the following statement on Governor Hochul’s Executive Budget proposal:

“The Executive Budget proposal put forth today by Governor Hochul comes at a time of continued economic growth and improving revenues. State Operating spending is projected to grow by 7.9%, which is above the rate of inflation. I’m particularly concerned about the out-year budget gaps of \$23.2 billion for the next three fiscal years, even as the Governor proposes to extend the personal income tax surcharge on high earners.

“The state needs to be prepared to assess any actions taken by the new administration in Washington and how they could affect New York’s finances. As we enter into a time of potential economic uncertainty, a focus on the long-term sustainability of the state’s finances and maintaining a commitment to increasing statutory reserves is necessary.

“My office will release a more detailed analysis of the Executive Budget in the coming weeks.”



### Local Tax Levy History

The local tax levy accounts for approximately 41.5% of total revenue. It is worthwhile to note that the local tax levy was held at a 0% increase in the 2024 and 2025 years, as shown in Figure 3 below. This frozen tax levy was due largely to the matching increases in State aid mentioned above. Payments in lieu of taxes (PILOTs) are agreements between the County and local businesses which result in payments to the district. They are not directly “taxes” per se, but operate in a similar fashion.

	Actual				Budgeted / Estimated
	2021	2022	2023	2024	2025
Real Property Tax Items (Incl STAR)	6,197,379	6,322,678	6,542,008	6,524,344	6,524,345
Other Tax Items (PILOT)	461,652	503,865	547,551	563,562	576,344

### Local Tax Levy Projection

For purposes of this projection, several assumptions were made with the local tax levy. First, in 2026, taxes were estimated to increase by 2.18%. The Board of Education and voters will be making this decision in the coming months. In 2027, the tax levy is projected at a 3.69% increase, based on the tax cap formula projections.

2028 is the most notable year for the local tax levy. In the chart below, it is important to note that our PILOTs provide \$0 of revenue in 2028. At Lyncourt, we only have one PILOT and it is set to expire that year. Instead of paying taxes via this agreement, the company will instead land on our local tax rolls, and taxes can increase by a near-equal amount to the PILOT.

While taxes CAN increase, this means the Board and local voters must approve an estimated 12.6% increase to the total tax levy. This high increase in local taxes is due to the PILOT ending and the company falling on our tax rolls. Interestingly, this 12.6% increase to the total levy may result in only a modest change, possibly a reduced tax rate.

That said, it is reasonable to expect that the face value of a 12.6% total tax levy increase could scare voters away. A 12.6% increase is assumed here for purposes of our projection but may be optimistic. Overall, this should be heavily considered in future planning.

In 2029, we anticipate a return to a more stable 3.71% estimated increase in local taxes.

	Budgeted / Estimated	Projected			
	2025	2026	2027	2028	2029
Real Property Tax Items (Incl STAR)	6,524,345	6,666,576	6,912,572	7,784,248	8,073,043
Other Tax Items (PILOT)	576,344	589,380	602,678	0	0

### Other Revenues History

Other revenues for the District come from a variety of sources including Federal aid, payments for the use of our facility, interest earnings and more. Most notably, interest rates saw a significant bump in 2024, resulting in additional revenues on our savings at the same time as additional State aid arrived. Also occurring in 2024, the District began working with the New York Cooperative Liquid Assets Securities System (NYCLASS). NYCLASS is a short-term, highly liquid investment fund which is designed specifically for the public sector. This combination of factors caused a jump in revenue in 2024 as noted in the chart below.

	Actual				Budgeted / Estimated
	2021	2022	2023	2024	2025
Federal Aid	48,984	55,780	55,379	80,687	55,000
Other	258,078	233,800	208,928	371,180	300,000
Interfund Transfers	0	120,000	0	0	0

### Other Revenues Projection

We project modest increases in Federal aid (3%) and Other (4%) categories. Increased use of the facility by outside entities, prior year BOCES refunds, insurance recoveries, Medicaid claims and more all figure in to these estimated.

	Budgeted / Estimated	Projected			
	2025	2026	2027	2028	2029
Federal Aid	55,000	57,200	59,488	61,868	64,342
Other	300,000	309,000	318,270	327,818	337,653
Interfund Transfers	0	0	0	0	0

### Total Revenue History

The chart below is a history of our revenue in total, from 2021 through 2025. Note that the section in yellow is estimated as of the time of this document. In the bottom row, we see a substantial increase from \$11,099,224 to \$16,287,174 over these five years. This is a net increase of \$5,187,950 or 46.74%.

	Actual				Budgeted / Estimated
	2021	2022	2023	2024	2025
Real Property Tax Items (Incl STAR)	6,197,379	6,322,678	6,542,008	6,524,344	6,524,345
Other Tax Items (PILOT)	461,652	503,865	547,551	563,562	576,344
State Aid	4,133,131	4,876,015	6,129,914	8,152,670	8,831,485
Federal Aid	48,984	55,780	55,379	80,687	55,000
Other	258,078	233,800	208,928	371,180	300,000
Interfund Transfers	0	120,000	0	0	0
<b>Total Revenues and Other Sources</b>	<b>\$11,099,224</b>	<b>\$12,112,138</b>	<b>\$13,483,780</b>	<b>\$15,692,443</b>	<b>\$16,287,174</b>

**Total Revenue Projection**

Recent history shows the District significantly trending upward in revenues. This would lead one to assume a positive projection moving forward. This positive trend is evident in the 2026 and 2027 school years. In these two years, revenues are supported by continued State aid and estimated local tax levy increases.

However, multiple factors give cause for concern moving forward. State aid could level off, given the fiscal health of NYS and the potential for Federal cuts. The end of our PILOT agreement in the 2028 school year could result in a net loss of revenue if a 12.8% tax increase is not supported by the Board and local voters.

	Budgeted / Estimated	Projected			
	2025	2026	2027	2028	2029
Real Property Tax Items (Incl STAR)	6,524,345	6,666,576	6,912,572	7,784,248	8,073,043
Other Tax Items (PILOT)	576,344	589,380	602,678	0	0
State Aid	8,831,485	9,396,700	9,396,700	9,584,634	9,776,327
Federal Aid	55,000	57,200	59,488	61,868	64,342
Other	300,000	309,000	318,270	327,818	337,653
Interfund Transfers	0	0	0	0	0
<b>Total Revenues and Other Sources</b>	<b>\$16,287,174</b>	<b>\$17,018,856</b>	<b>\$17,289,708</b>	<b>\$17,758,567</b>	<b>\$18,251,365</b>

Overall, we have confidence that the revenue picture is strong in 2026 and likely strong again in 2027. Years starting in 2028 will prove to be critical. State level concerns, coupled with PILOT and local tax levy concerns, could impact the District as a whole for years to come.



**IV. Expenditures – History and Projections**

**General Support History**

General Support encompasses the “administrative” expenses for the District. This includes expenses for management and overall support of the district such as Board of Education, central administration, maintenance, business office, insurance, security, legal fees and auditing services.

	Actual				Budgeted / Estimated
	2021	2022	2023	2024	2025
General Support	1,275,940	1,510,760	1,633,970	2,158,803	1,977,881

Costs in this category have remained relatively consistent over the past five years. Three factors caused an increase in 2024, however. The first is inflation, which reached peaks of 8% in that year. The second is the purchase of equipment, furniture and new preventative maintenance contracts. Third is the new collective bargaining agreement with SEIU and updates to salaries in district level administrative positions.

### General Support Projection

Costs in the General Support category are estimated to climb from their 2025 levels at a rate of 4.5% in years 2026 and 2027. The current SEIU contract expires at that point, so a 5.5% increase is projected in 2028 and 2029. Unknown factors such as inflation, the local job market, the impact of Micron and other local factors can all impact this projection.

	Budgeted / Estimated	Projected			
	2025	2026	2027	2028	2029
General Support	1,977,881	2,066,885	2,159,895	2,278,689	2,404,017

### Instruction History

Instruction encompasses the “teaching” expenses for the District. This includes all expenses related to students and their programmatic needs. Examples include curriculum development, building level administration, teacher salaries and supplies, special education, English language learning, summer school, library, computers, student support services, co-curriculars and athletics.

	Actual				Budgeted / Estimated
	2021	2022	2023	2024	2025
Instruction	5,672,359	5,864,168	6,288,431	7,200,624	7,439,417

Very similar to the “General Support” category, costs in the “Instruction” category have remained relatively consistent over the past five years. Three factors caused an increase in 2024, however. The first is inflation, which reached peaks of 8% in that year. The second is the purchase of computer infrastructure equipment. Third is the new collective bargaining agreements with LTA and SEIU, and updates to salaries in building level administrative positions.

### Instruction Projection

	Budgeted / Estimated	Projected			
	2025	2026	2027	2028	2029
Instruction	7,439,417	7,774,191	8,124,029	8,570,851	9,042,248

Again, similar to “General Support”, costs in this category are estimated to climb from their 2025 levels at a rate of 4.5% in years 2026 and 2027. The current SEIU and LTA contracts expire at that point, so a 5.5% increase is projected in 2028 and 2029.

It is important to note that certain demographic factors in the community play a role in expected costs in this area. Things like class sizes, the number of special education or ELL teachers, the number of students at charter schools and our agreements with ESM/STEAM for high school tuition costs all factor in. Future analyses could include a breakdown, but for the purposes of this report, a cursory view of class sizes will suffice:

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26 est.	Average
BEDS Enrollment PK-8	414	402	409	391	403	414	434	430	421	413
Enrollment Change		-12	7	-18	12	11	20	-4	-9	1
Enrollment Change %		-2.9%	1.7%	-4.4%	3.1%	2.7%	4.8%	-0.9%	-2.1%	0.26%
BEDS Enrollment K-8	380	366	373	373	375	385	381	388	379	378
Enrollment Change		-14	7	0	2	10	-4	7	-9	0
Enrollment Change %		-3.7%	1.9%	0.0%	0.5%	2.7%	-1.0%	1.8%	-2.3%	-0.03%

As we can see from the chart above, class sizes have remained steady in PK-8 since 2018. While there can be significant variance from year to year, the overall change is approaching zero. When accounting for PreK, there is a slight uptick, and we average around one new student per year during this time. For budgetary considerations, we should continue to monitor and assume there will be fluctuations in year to year. Should these fluctuations land in one specific grade level, additional or reduced staff may be warranted.

Technology is critical for the success for our students, and technology expenses generally fall into this category as well. Additionally, we have been working on long-range planning for our technology expenses. In 2024, an outside company completed a technology audit of our District. A 10-year roadmap was developed (see below) and the full comprehensive plan is attached to this long-range plan as a reference.

Much of the increased expense in the “Instruction” region in 2024 was due to upgrades recommended in this comprehensive plan. We were able to make several upgrades which improved our security systems, camera systems, exterior door access, PA system, wireless access points, servers and more. These upgrades improved the reliability of our technology, as well as cyber and physical security for our students and staff. In the coming year we anticipate work on one of our telecom rooms which is highlighted by the telecom room document attached. We anticipate additional expenditures as we meet the needs recommended by the roadmap in coming years as well.

# 4. Lyncourt UFSD Comprehensive Technology Planning: 10-Year Roadmap

**FUNDING SOURCES** **BOCES** BOCES Atdable **CP** Capital Improvement Project **E-Rate** E-Rate **S** State Hardware/Software Grants **SAFE** SAFE Schools Act **OPS** Operations

**SSA** Smart School Bond Act Allocation (\$12,000 remaining as of 11/8/2022) **CO** Capital Outlay Project **TR** Technology Reserve **ARP** American Rescue Plan (3.2021): LUFSD allocation \$1,104,951

All RCM cost estimates are based on current market pricing on the date this report was issued. These cost estimates are subject to change based on evolving market conditions including supply chains, inflation, labor availability, etc.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34			
<b>DISTRICT GOALS</b>	<b>LIST OF PLANNED PROJECTS</b>											<b>ESTIMATED GRAND TOTAL</b>	<b>\$8,059,000</b>	<b>VISION</b>
1 <b>Reliable Sustainable Technology Infrastructure</b>	1.1 Build/relocate standards-compliant Telecom Rooms \$199,000 <b>CP</b>													School of the Future
	1.2 Upgrade cable pathways \$17,000 <b>CP</b>													
	1.3 Upgrade to industry-standard cabling; remove legacy cable \$116,000 <b>CP</b>													
												<b>SUBTOTAL</b>	<b>\$332,000</b>	
2 <b>Highly Reliable Network Connectivity</b>	2.1 Refresh Core and Edge Switches \$72,000 <b>SAFE</b>													December 8, 2023
	2.2 Replace/refresh WiFi WAPs \$30,000 <b>SAFE</b>													
	2.2 Replace/refresh WiFi WAPs \$63,000 <b>SAFE</b> \$35,000 <b>SAFE</b>													
												<b>SUBTOTAL</b>	<b>\$362,000</b>	
3 <b>Enhanced Communications</b>	3.1 <b>SAFETY ISSUE</b> Correct PA System dead spots \$75,000 <b>CP</b>													886-434-1952
	3.1 Upgrade to Clock/PA Notification System \$194,000 <b>CP</b>													
												<b>SUBTOTAL</b>	<b>\$269,000</b>	
4 <b>Safe School Environment</b>	4.1 Add Video Surveillance Cameras to cover dead spots \$15,000 <b>CP</b>													www.MarketLibrary.com
	4.1 Upgrade Video Surveillance system \$194,000 <b>CP</b>													
												<b>SUBTOTAL</b>	<b>\$240,500</b>	
5 <b>Technology-Enriched Environment</b>	5.1 Refresh classroom Interactive Flat Panels \$35,000 <b>SAFE</b> \$36,000 <b>SAFE</b> \$37,000 <b>SAFE</b>													December 8, 2023
	5.1 Refresh classroom IFPs \$41,000 <b>SAFE</b> \$42,000 <b>SAFE</b>													
	5.2 Install classroom Audio Enhancement system \$45,000 <b>SAFE</b>													
	5.3 Install classroom Document Cameras \$8,000 <b>SAFE</b>													
5.4 Managed and Network Printing Services/Equipment \$36,000/year (x) 10 years = \$360,000 <b>SAFE</b>											<b>SUBTOTAL</b>	<b>\$604,000</b>		
6 <b>Personalized Learning</b>	6.1 Refresh student mobile devices \$68,000/year (x) 10 years = \$680,000 <b>SAFE</b>											<b>SUBTOTAL</b>	<b>\$680,000</b>	
7 <b>Teachers and Staff Computing Devices</b>	7.1 Refresh teachers' laptops \$30,000 <b>SAFE</b>													December 8, 2023
	7.2 Refresh admin desktops \$6,000 <b>SAFE</b>													
											<b>SUBTOTAL</b>	<b>\$77,000</b>		
8 <b>Annual Software Subscriptions</b>	8.1 Annual Instructional Software Subscriptions \$96,000/year (x) 10 years = \$960,000 <b>SAFE</b>													44-20231114
	8.1 Annual Administrative Software Subscriptions \$146,000/year (x) 10 years = \$1,460,000 <b>SAFE</b>													
												<b>SUBTOTAL</b>	<b>\$2,420,000</b>	
9 <b>Service Maintenance Agreements</b>	9.1 Hardware Maintenance Contracts \$90,600/year (x) 10 years = \$906,000 <b>SAFE</b>													
	9.2 BOCES Service and Support \$196,000/year (x) 10 years = \$1,960,000 <b>SAFE</b>													
	9.3 Internet Service Contracts \$47,000/year (x) 10 years = \$470,000 <b>SAFE</b>													
	9.4 Phone Teleco Service Contracts \$25,000/year (x) 10 years = \$250,000 <b>SAFE</b>													
												<b>SUBTOTAL</b>	<b>\$3,586,000</b>	

**Other Expenditure History**

	Actual				Budgeted / Estimated
	2021	2022	2023	2024	2025
Pupil Transportation	606,543	678,837	671,709	915,872	1,019,637
Community Service	12,992	16,689	39,737	62,398	60,643
Employee Benefits	2,478,508	2,581,788	2,679,326	2,945,378	3,387,368
Debt Service (Principal and Interest)	733,581	736,463	651,875	1,080,496	945,329
Interfund Transfers	101,020	113,547	111,675	162,897	130,000

Other expenditures cover a wide array of topics and encompasses about one third of the total costs the District faces. Transportation costs increased dramatically in 2024, due largely to a new electronic transportation system employed by our primary provider, East Syracuse-Minoa. In that year, this new system captured many routes that the District had not been charged for in the past. It set a “new normal” for our expenditures in this area, which are anticipated to continue in 2025.

Community Service includes only the fitness center and the Lyncourt Rec program. Costs have increased as these programs have been established, and coming out of COVID. Employee benefits remain one of the largest single components of our expenditure budget. Health Insurance and retirement costs rise significantly and steadily every year. Over the past five years, these expenses have grown by 8%, and show no signs of slowing down.

Debt service is closely watched and managed by our fiscal advisors. These numbers are planned out to ensure that building aid (mentioned earlier under State aid revenue) nearly matches our debt service cost. This ensures a net zero for debt service and building aid. Interfund transfers are costs associated with our annual \$100,00 capital outlay project, or amounts not paid to us for grants such as our special education summer program. Numbers jumped in 2024 but are expected to renormalize in 2025

**Other Expenditure Projection**

	Budgeted / Estimated	Projected			
	2025	2026	2027	2028	2029
Pupil Transportation	1,019,637	1,080,815	1,145,664	1,214,404	1,287,268
Community Service	60,643	63,069	65,591	68,215	70,944
Employee Benefits	3,387,368	3,658,357	3,951,026	4,267,108	4,608,477
Debt Service (Principal and Interest)	945,329	749,150	535,300	530,700	530,700
Interfund Transfers	130,000	133,900	137,917	142,055	146,316

For transportation we can anticipate costs to continue to rise. A “request for proposals” was put out in January 2025, but no local companies could compete with the costs and convenience provided by our neighboring district. We are budgeting a 6% increase every year here, but this number will jump should EV’s become the norm. Should the electric bus mandate be realized, costs will increase dramatically.

Community Service costs for fitness center and the Lyncourt Rec program are anticipated to level out in the next few years. We have held these at a manageable 4% increase each year. As mentioned above,

employee benefits have grown by 8% over the past five years. We have assumed this same rate moving forward. However, negotiations in 2028 will play a big role, particularly for health insurance. If these expenses can be minimized, it could reshape the long-term picture for expenses overall.

Also mentioned above, debt service is planned out to ensure that building aid nearly matches our debt service cost. This ensures a net zero for debt service and building aid. Interfund transfers are costs associated with our annual \$100,00 capital outlay project, or amounts not paid to us for grants such as our special education summer program. 7% growth was added for these expenses, which is perhaps a bit too conservative, but not out of the question either.

**Total Expenditure History**

Expenditures grew substantially in the 2021-2025 period. The largest jump came in 2024, driven largely by new collective bargaining agreements, one-time expenditures in equipment, and a jump in inflation. We anticipate leveling out in 2025 as compared to 2024, but at a new baseline when compared to 2021.

	Actual				Budgeted / Estimated
	2021	2022	2023	2024	2025
General Support	1,275,940	1,510,760	1,633,970	2,158,803	1,977,881
Instruction	5,672,359	5,864,168	6,288,431	7,200,624	7,439,417
Pupil Transportation	606,543	678,837	671,709	915,872	1,019,637
Community Service	12,992	16,689	39,737	62,398	60,643
Employee Benefits	2,478,508	2,581,788	2,679,326	2,945,378	3,387,368
Debt Service (Principal and Interest)	733,581	736,463	651,875	1,080,496	945,329
Interfund Transfers	101,020	113,547	111,675	162,897	130,000
<b>Total Expenditures and Other Uses</b>	<b>\$10,880,943</b>	<b>\$11,502,252</b>	<b>\$12,076,723</b>	<b>\$14,526,468</b>	<b>\$14,960,275</b>

**Total Expenditure Projection**

	Budgeted / Estimated	Projected			
	2025	2026	2027	2028	2029
General Support	1,977,881	2,066,885	2,159,895	2,278,689	2,404,017
Instruction	7,439,417	7,774,191	8,124,029	8,570,851	9,042,248
Pupil Transportation	1,019,637	1,080,815	1,145,664	1,214,404	1,287,268
Community Service	60,643	63,069	65,591	68,215	70,944
Employee Benefits	3,387,368	3,658,357	3,951,026	4,267,108	4,608,477
Debt Service (Principal and Interest)	945,329	749,150	535,300	530,700	530,700
Interfund Transfers	130,000	133,900	137,917	142,055	146,316
<b>Total Expenditures and Other Uses</b>	<b>\$14,960,275</b>	<b>\$15,526,368</b>	<b>\$16,119,424</b>	<b>\$17,072,023</b>	<b>\$18,089,970</b>

There is reason to be concerned with this picture. In 2028, we anticipate another jump in expenses as new collective bargaining agreements, coupled with local forces such as Micron, will force employee costs even higher. Employee benefits continue to rise at a steady 8% per year and show no signs of slowing down. Transportation costs could skyrocket if the EV mandate materializes. Overall, beginning to manage expenses now will directly impact the rate of growth, and significant curtailing may be necessary as soon as 2028.

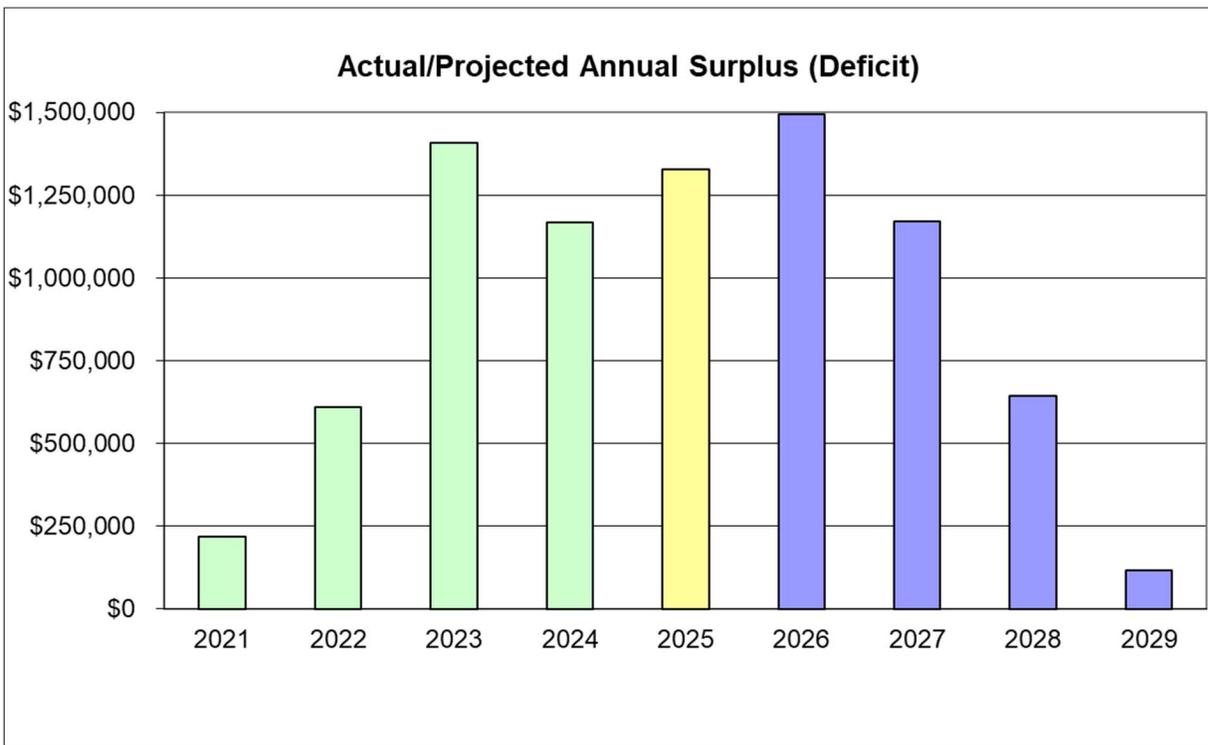
## V. Annual Surplus (Deficit)

A surplus arises when we take more money in than we spend. A deficit is the opposite, meaning we spend more than we earn.

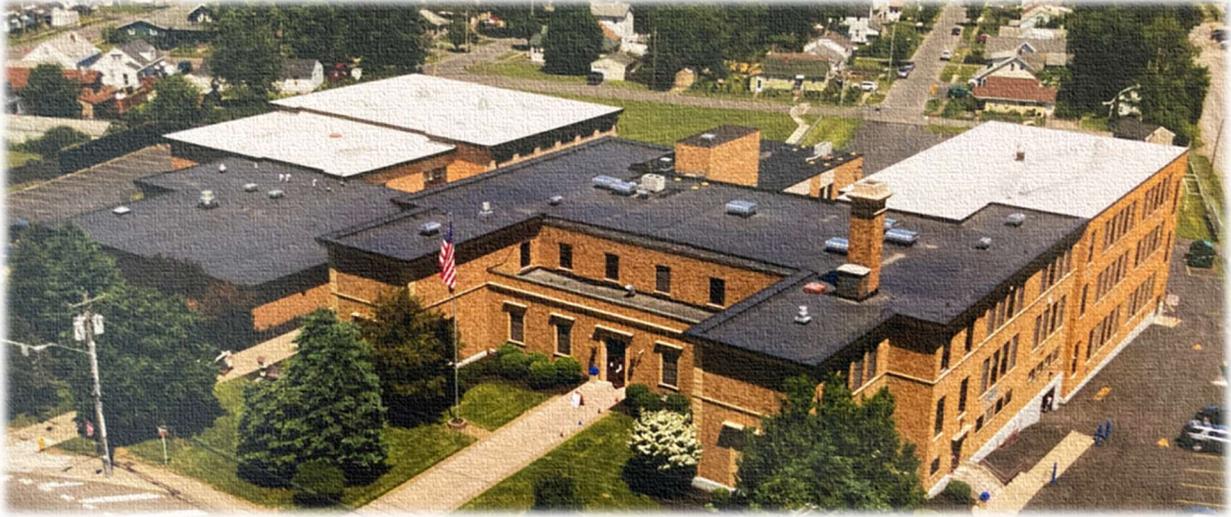
Below is are two charts showing our actual surplus (deficit) from 2021 through 2024, listed in green. It should be noted that these were very good years for the District, financially speaking, as we averaged a surplus of \$850,300 per year. Those overages were used to refill our reserves and fund balance (more on that in the next section).

In 2025, we anticipate another strong surplus, but are looking at possible one-time expenditures to minimize that amount. One possibility is paying down an outstanding loan, which will save the District a significant amount of interest payments over the long run. The yellow number shows 2025 with an estimated \$1.3M surplus.

Future years, shown in purple, indicate a fiscal cliff of sorts, and must be monitored to ensure the future financial health of the District.



	Actual				Budgeted / Estimated	Projected			
	2021	2022	2023	2024	2025	2026	2027	2028	2029
Annual Surplus (Deficit)	218,281	609,886	1,407,057	1,165,975	1,326,899	\$1,492,488	\$1,170,285	\$644,378	\$117,663



**VI. Savings**

**Unappropriated Fund Balance**

Holding a healthy amount of savings is essential for the long range success of any school district. Particularly for years with low State funding, unforeseen expenses or a wide variety of other unpredictable impacts on school funding, having free savings or “Unappropriated Fund Balance” can make all the difference. We do not use short term borrowing, which would be costly to taxpayers, our capital project debt interest rates are low, and we can use the funds to lessen the impact of drastic fluctuations in expenses. Most important, the district can sustain through tough times and have the benefit of time to make important decisions.

The following depicts the recent history of Lyncourt’s Unappropriated Fund Balance. Unappropriated Fund Balance is free for the District to use without restrictions that our reserves have (more on that in one moment). It should be noted that the Board of Education has approved a Fund Balance beyond the State mandated 4% limit every year, citing the need for long range planning to minimize the impact of tough financial years. We anticipate this trend will continue.

	Year End Unappropriated Fund Balance					
<b>FUND BALANCE</b>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Unappropriated Fund Balance	960,816	969,346	1,395,420	1,386,184	1,636,184	2,390,000
Unappropriated Fund Balance As a % of next years' budget	8.91%	8.91%	12.13%	10.38%	10.45%	14.97%

## Reserves

The Lyncourt School District Reserves from 2019 through 2024 are shown below. Reserves are limited to those authorized for school districts use toward specific financial obligations. Large future obligations include capital improvement projects, which are used to offset potential tax increases for future building projects. As surpluses exist, our reserves grow, allowing us to maintain our facility at a top-notch level, complete repairs, and prevent waves of financial instability in the years to come.

RESERVES	Year End Balance of Reserves					
	2019	2020	2021	2022	2023	2024
Worker's Compensation Reserve	206,051	165,157	155,021	216,556	243,339	300,000
ERS Reserve	New 5/2019	5,000	25,001	55,006	130,000	175,000
TRS Reserve	New 5/2019	20,000	60,003	120,015	203,682	298,000
Reserve for Unemployment	25,180	25,261	25,265	25,270	25,478	27,500
Reserve for EBALR	176,731	128,357	175,158	221,741	223,515	334,076
Capital Reserve 2015 \$3M	1,460,368	1,967,385	1,627,578	977,730	2,359,795	2,415,907
Capitla Reserve 2024 \$7M	-	-	-	-	New 5/2024	513,065
Reserve for Repairs	503,597	-	-	100,000	350,823	500,000
<b>Totals</b>	<b>\$ 2,371,927</b>	<b>\$ 2,311,160</b>	<b>\$ 2,068,026</b>	<b>\$ 1,716,318</b>	<b>\$ 3,536,632</b>	<b>\$ 4,563,548</b>

## VII. Final Summary

This Multi-Year Plan is projected at a fixed point in time with many unknowns. Circumstances and estimates change almost immediately upon its adoption. It is ever changing.

The plan should not be interpreted as a definite financial forecast. The projections herein are estimates, while our annual budget is based on more factual available and short-term data, such as State aid projections and expenditure increases that are known for the following next year. The long-range planned revenue is very hard to project due to the wide number of factors.

This plan is a tool to assist the School Board of Education in sound decision making and fiscally responsible planning.



The Lyncourt School District is in a very healthy position as of 2025. Due largely to a rapid increase of State aid which was long overdue, we were in a position to keep local taxes at a 0% increase for two years. We have been able to realize surpluses in the past four years, allowing for a growth of our savings. Overall, we are fiscally sound.

We can safely anticipate another strong year in 2026, and are confident for a good year in 2027. These years are prime for one-time expenditures in areas such as technology, equipment or other infrastructure.

2028 presents several concerns which, if all realized, will result in a fiscal cliff for the District. These concerns must be monitored closely to ensure recently realized gains are not washed away.

On the revenue side, one such concern is State aid. Especially given the current Federal environment, our projections are not optimistic. Should State aid falter, it will have an immediate and significant impact on our financial picture, and by 2028 we can reasonably expect a plateau of aid, at best. Another concern is the end of our PILOT. While the increased local tax support is welcome, the shift onto the tax rolls forces an increase to the levy by over 12%. Should the Board and/or voters not wish to approve that high of an increase, it will feel like a significant loss of revenue for the District.

Expenses are also concerning in 2028. Electric vehicle mandates, charter school enrollment, inflationary growth, health insurance, retirement costs and other external factors pose significant risks to this side of the ledger. Furthermore, the expiration of collective bargaining agreements in a worker-friendly environment maximizes the concern. This will be a critical year for negotiations, and long-range cost analysis of proposals will be necessary.

With both revenue and expenditure concerns landing in 2028, planning now is necessary. Due to our strong savings, we are able to weather the storm for a period of time. But structural changes that result in our expenses permanently outweighing our revenues cannot be managed in the long term. As such, we must monitor our expenses and maximizing our revenues now to ensure we don't overburden our financial system by 2029.