



Long Range Financial Analysis  
Data Driven Fiscal Planning



# Salem Washington Academy

## SALEM CENTRAL SCHOOL DISTRICT

*Every Student Future Ready*

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



*Dr. Rick Timbs  
President / CEO  
R. G. Timbs, Inc.  
[Expert@rgtimbsinc.net](mailto:Expert@rgtimbsinc.net)  
March 2024*

*School District:  
Finance  
Strategic Plans  
Leadership  
Educational Development*

## Data Sources:

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

**Salem CSD**  
**Analysis of Fund Balances and Reserves**

| <b>Restricted Fund Balance:</b>                                    | June 2019          | June 2020          | June 2021          | June 2022          | June 2023          | June 2024          | June 2025          | June 2026          | June 2027          | June 2028          | June 2029          | June 2030          |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Workers' Compensation Reserve                                      | \$217,500          | \$217,500          | \$217,500          | \$310,500          | \$310,500          | \$310,500          | \$310,500          | \$310,500          | \$310,500          | \$310,500          | \$310,500          | \$310,500          |
| Unemployment Insurance Reserve                                     | \$0                | \$0                | \$0                | \$0                | \$0                | \$100,000          | \$100,000          | \$100,000          | \$100,000          | \$100,000          | \$100,000          | \$100,000          |
| Reserve for Retirement Contributions ERS                           | \$894,708          | \$894,708          | \$894,708          | \$894,708          | \$894,708          | \$894,708          | \$894,708          | \$894,708          | \$894,708          | \$894,708          | \$894,708          | \$894,708          |
| Reserve for Retirement Contributions TRS                           | \$26,796           | \$26,796           | \$26,796           | \$73,796           | \$73,796           | \$73,796           | \$73,796           | \$73,796           | \$73,796           | \$73,796           | \$73,796           | \$73,796           |
| Reserve for Property Loss  | \$0                | \$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                | \$0                |
| Insurance Reserve  | \$144,000          | \$144,000          | \$144,000          | \$192,000          | \$192,000          | \$192,000          | \$192,000          | \$192,000          | \$192,000          | \$192,000          | \$192,000          | \$192,000          |
| Reserve for Tax Certiorari   | \$45,000           | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Reserve for Employee Benefits and Accrued Liabilities              | \$419,697          | \$392,445          | \$379,406          | \$379,406          | \$342,282          | \$311,185          | \$294,054          | \$294,054          | \$294,054          | \$294,054          | \$294,054          | \$294,054          |
| Capital Reserve Capital Projects 10Yr 2022 \$1,500,000 Max         | \$0                | \$0                | \$0                | \$1,500,000        | \$1,500,000        | \$1,500,000        | \$1,500,000        | \$1,500,000        | \$1,500,000        | \$0                | \$0                | \$0                |
| Capital Reserve Equipment & Vehicle 10Yr 2022 \$1,000,000 Max      | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Capital Reserve Technology 10 yr 2025 \$2,000,000                  | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Capital Reserve Equipment 10 Yr? 2014 \$1,000,00 (Capital Project) | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Capital Reserve Capital Construction 10Yr 2020 \$5,000,000         | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Capital Reserve Capital Construction 10 Yr 2009 \$5,000,000        | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Capital Reserve Transportation Vehicle 5Yr 2020 \$2,000,000        | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Reserve for Repair   | \$340,012          | \$340,012          | \$340,012          | \$340,012          | \$340,012          | \$340,012          | \$340,012          | \$340,012          | \$340,012          | \$340,012          | \$340,012          | \$340,012          |
| Reserve for Debt   | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| Other Restricted Fund Balance                                      | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |
| <b>Total Restricted Fund Balance</b>                               | <b>\$2,087,713</b> | <b>\$2,015,461</b> | <b>\$2,002,422</b> | <b>\$3,690,422</b> | <b>\$3,653,298</b> | <b>\$3,722,201</b> | <b>\$3,705,070</b> | <b>\$3,705,070</b> | <b>\$3,705,070</b> | <b>\$2,205,070</b> | <b>\$2,205,070</b> | <b>\$2,205,070</b> |

|  |                    |                      |                      |                    |                    |                    |
|--|--------------------|----------------------|----------------------|--------------------|--------------------|--------------------|
| <b>RPT Law §1318 Allowance 4%</b>        | <b>\$550,800</b>   | <b>\$564,902</b>     | <b>\$625,248</b>     | <b>\$628,120</b>   | <b>\$692,848</b>   | <b>\$715,771</b>   |
| <b>Difference (Over/Under)</b>           | <b>(\$502,660)</b> | <b>(\$1,157,224)</b> | <b>(\$1,694,491)</b> | <b>(\$300,134)</b> | <b>(\$482,315)</b> | <b>(\$390,489)</b> |
| <b>Total Unassigned (cash on hand) %</b> | <b>8.96%</b>       | <b>12.19%</b>        | <b>15.00%</b>        | <b>5.91%</b>       | <b>6.785%</b>      | <b>6.182%</b>      |

Capital Project Long Range Plan and Timing  
Vehicle Purchases  
Technology & Equipment Purchases

None of this is getting less expensive

Currently, Capital Project Reserves account for **40.3%** of all reserves

I suggest that much of the Repair Reserve be considered for use in a capital project if conditions warrant the need financially or to offset tax impact..

|                          | June 2019        | June 2020        | June 2021        | June 2022        | June 2023        | June 2024        |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Debt Service Fund</b> | <b>\$274,206</b> | <b>\$274,417</b> | <b>\$274,534</b> | <b>\$277,160</b> | <b>\$327,465</b> | <b>\$332,556</b> |
|                          |                  | <b>\$211</b>     | <b>\$117</b>     | <b>\$2,626</b>   | <b>\$50,305</b>  | <b>\$5,091</b>   |
| <b>School Lunch Fund</b> | <b>\$61,721</b>  | <b>\$92,297</b>  | <b>\$105,599</b> | <b>\$193,872</b> | <b>\$171,900</b> | <b>\$165,229</b> |

# State Aid

|   | Salem CSD          |                     |                                 |                     |                  |                     |                 |                     |                  |                     |                  |                     |                  |                     |                  |
|---|--------------------|---------------------|---------------------------------|---------------------|------------------|---------------------|-----------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|
| State Aid Source                                  | Prior Year         |                     | 2023 to 24                      | Current Year        | 2024 to 25       | Year 1              | 2025 to 26      | Year 2              | 2026 to 27       | Year 3              | 2027 to 28       | Year 4              | 2028 to 29       | Year 5              | 2029 to 30       |
| Aid Descriptions                                  | 2022-23            | 2023-24             | Difference                      | 2024-25             | Difference       | 2025-26             | Difference      | 2026-27             | Difference       | 2027-28             | Difference       | 2028-29             | Difference       | 2029-30             | Difference       |
| <b>FOUNDATION AID</b>                             | \$5,902,424        | \$6,771,153         | \$868,729                       | \$6,795,398         | \$24,245         | \$7,149,093         | \$353,695       | \$7,435,057         | \$285,964        | \$7,732,459         | \$297,402        | \$8,041,757         | \$309,298        | \$8,363,428         | \$321,670        |
| HIGH TAX AID                                      | \$127,523          | \$127,523           | \$0                             | \$127,523           | \$0              | \$127,523           | \$0             | \$127,523           | \$0              | \$127,523           | \$0              | \$127,523           | \$0              | \$127,523           | \$0              |
| SUMMER TRANSPORTATION AID                         | \$1,561            | \$3,418             | \$1,857                         | \$2,083             | (\$1,335)        | \$2,760             | \$677           | \$2,760             | \$0              | \$2,760             | \$0              | \$2,760             | \$0              | \$2,760             | \$0              |
| TRANSPORTATION AID W/O SUMMER                     | \$779,324          | \$936,285           | \$156,961                       | \$1,195,177         | \$258,892        | \$1,152,195         | (\$42,982)      | \$1,152,195         | \$0              | \$1,152,195         | \$0              | \$1,152,195         | \$0              | \$1,152,195         | \$0              |
| BUILDING AID                                      | \$1,570,148        | \$1,600,051         | \$29,903                        | \$1,608,777         | \$8,726          | \$1,452,843         | (\$155,934)     | \$1,436,911         | (\$15,932)       | \$1,381,948         | (\$54,963)       | \$1,963,109         | \$581,161        | 1,963,109           | \$0              |
| BOCES AID   | \$704,571          | \$652,063           | (\$52,508)                      | \$815,984           | \$163,921        | \$699,159           | (\$116,825)     | \$699,159           | \$0              | \$699,159           | \$0              | \$699,159           | \$0              | \$699,159           | \$0              |
| PUBLIC EC HIGH COST AID                           | \$200,625          | \$161,333           | (\$39,292)                      | \$287,579           | \$126,246        | \$260,612           | (\$26,967)      | \$260,612           | \$0              | \$260,612           | \$0              | \$260,612           | \$0              | \$260,612           | \$0              |
| PRIVATE EXCESS COST AID                           | \$42,328           | \$70,404            | \$28,076                        | \$70,475            | \$71             | \$74,943            | \$4,468         | \$74,943            | \$0              | \$74,943            | \$0              | \$74,943            | \$0              | \$74,943            | \$0              |
| SOFTWARE AID                                      | \$6,679            | \$8,165             | \$1,486                         | \$8,026             | (\$139)          | \$7,730             | (\$296)         | \$7,434             | (\$296)          | \$7,138             | (\$296)          | \$6,842             | (\$296)          | \$6,546             | (\$296)          |
| LIBRARY MATERIALS AID                             | \$3,393            | \$3,406             | \$13                            | \$3,295             | (\$111)          | \$3,225             | (\$70)          | \$3,155             | (\$70)           | \$3,085             | (\$70)           | \$3,015             | (\$70)           | \$2,945             | (\$70)           |
| TEXTBOOK AID                                      | \$15,002           | \$31,164            | \$16,162                        | \$21,452            | (\$9,712)        | \$30,301            | \$8,849         | \$39,150            | \$8,849          | \$47,999            | \$8,849          | \$56,848            | \$8,849          | \$65,697            | \$8,849          |
| HARDWARE & TECHNOLOGY AID                         | \$8,327            | \$9,444             | \$1,117                         | \$9,102             | (\$342)          | \$8,566             | (\$536)         | \$8,030             | (\$536)          | \$7,494             | (\$536)          | \$6,958             | (\$536)          | \$6,422             | (\$536)          |
| UNIV PREKINDERGARTEN AID                          | \$177,140          | \$177,140           | \$0                             | \$177,140           | \$0              | \$177,140           | \$0             | \$177,140           | \$0              | \$177,140           | \$0              | \$177,140           | \$0              | \$177,140           | \$0              |
| <b>TOTAL AID</b>                                  | <b>\$9,539,045</b> | <b>\$10,551,549</b> | <b>\$1,012,504</b>              | <b>\$11,122,011</b> | <b>\$570,462</b> | <b>\$11,146,090</b> | <b>\$24,079</b> | <b>\$11,424,069</b> | <b>\$277,979</b> | <b>\$11,674,455</b> | <b>\$250,386</b> | <b>\$12,572,861</b> | <b>\$898,406</b> | <b>\$12,902,479</b> | <b>\$329,617</b> |
| <b>OVERALL Aid Increase/ Decrease Without UPK</b> | <b>\$9,361,905</b> | <b>\$10,374,409</b> | <b>\$1,012,504</b>              | <b>\$10,944,871</b> | <b>\$570,462</b> | <b>\$10,968,950</b> | <b>\$24,079</b> | <b>\$11,246,929</b> | <b>\$277,979</b> | <b>\$11,497,315</b> | <b>\$250,386</b> | <b>\$12,395,721</b> | <b>\$898,406</b> | <b>\$12,725,339</b> | <b>\$329,617</b> |
|   |                    |                     | <b>Foundation Aid Increases</b> | 14.7%               |                  | 0.4%                |                 | 5.2%                |                  | 4.0%                |                  | 4.0%                |                  | 4.0%                |                  |

**Based on the Executive Budget (Governor)**  
**Includes updated metrics for SAIPE (Census) and Economically Disadvantaged (FRPL)**  
**But not updated Pupil Counts in Foundation Aid/ other state aid categories (Will occur in Final Budget)**

**Assumptions**  
Revenues:  
 Estimates for Tax Levy Stay at Tax Cap 2026 and thereafter...  
 State Aid 2025-26 slight Increase in Foundation Aid  
 Stable Transportation Aid  
 Building Aid follows Debt Service Schedule\*  
Expenditures:  
 Follow contractual Obligations  
 No notable changes in staff patterns after 2025-26 (2025-26 Contains ~\$470,000 in budgeted reductions)  
 Stable ERS and TRS increased costs  
 Probable Health Insurance Escalation\*

| <b>Salem CSD</b>   |              |              |              |              |              |              |              |                   |       |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|-------|
| <b>5 Year Financial Projections</b>  |              |              |              |              |              |              |              |                   |       |
| <b>Tax Levy % Increase is an example only and does not represent exact Tax Cap calculation</b> |              |              |              |              |              |              |              |                   |       |
| Fiscal Year Ending June 30:  | 2024         | 2025         | 2026         | 2027         | 2028         | 2029         | 2030         | 2025-2030         |       |
| <b>REVENUES:</b>   |              | 2.91%        | 2.08%        | 2.55%        | 2.65%        | 2.85%        | 2.99%        | <b>Difference</b> |       |
| <b>Real Property Taxes</b>   | \$5,071,670  | \$5,090,208  | \$5,196,047  | \$5,328,547  | \$5,469,753  | \$5,625,641  | \$5,793,848  | \$703,640         | 13.8% |
| State Aid  | \$8,526,157  | \$8,617,765  | \$8,191,663  | \$8,655,063  | \$8,960,412  | \$9,277,657  | \$9,607,275  | \$989,510         |       |
| Building Aid   | \$1,570,148  | \$1,600,051  | \$1,582,110  | \$1,436,911  | \$1,381,948  | \$1,963,109  | \$1,963,109  | \$363,058         |       |
| Transportation Aid   | \$780,885    | \$939,703    | \$1,195,177  | \$1,154,955  | \$1,154,955  | \$1,154,955  | \$1,154,955  | \$215,252         |       |
| Federal Aid (Medicaid only)  | \$165,000    | \$165,000    | \$165,000    | \$165,000    | \$165,000    | \$165,000    | \$165,000    | \$0               |       |
| Interfund Transfers Reserves?  | \$258,795    | \$250,000    | \$40,000     | \$40,000     | \$40,000     | \$40,000     | \$40,000     | (\$210,000)       |       |
| Other Revenues (Not including AFB)   | \$146,050    | \$251,550    | \$409,000    | \$409,000    | \$409,000    | \$409,000    | \$409,000    | \$157,450         |       |
| <b>Total Revenues</b>  | \$16,518,705 | \$16,914,277 | \$16,778,997 | \$17,189,475 | \$17,581,068 | \$18,635,362 | \$19,133,186 | \$2,218,909       | 13.1% |
| Amount of Change Year to Year  |              | \$395,572    | (\$135,280)  | \$410,478    | \$391,593    | \$1,054,294  | \$497,824    |                   |       |
|  |              | 2.4%         | -0.8%        | 2.4%         | 2.3%         | 6.0%         | 2.7%         |                   |       |

|                               |              |              |              |              |              |              |              |             |            |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|------------|
| Total Revenues                | \$16,518,705 | \$16,914,277 | \$16,778,997 | \$17,189,475 | \$17,581,068 | \$18,635,362 | \$19,133,186 | \$2,218,909 | 13.1%      |
| Amount of Change Year to Year |              | \$395,572    | (\$135,280)  | \$410,478    | \$391,593    | \$1,054,294  | \$497,824    |             | Scenario 1 |
|                               |              | 2.4%         | -0.8%        | 2.4%         | 2.3%         | 6.0%         | 2.7%         |             |            |



| EXPENSES:                             | 2024        | 2025        | 2026        | 2027        | 2028        | 2029        | 2030        | 2025-2030   |       |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------|
|                                       |             |             |             |             |             |             |             | Difference  |       |
| <b>General Support</b>                |             |             |             |             |             |             |             |             |       |
| Salaries                              | \$887,179   | \$842,197   | \$884,829   | \$918,010   | \$950,140   | \$983,395   | \$1,017,814 | \$175,617   | 20.9% |
| Other                                 | \$1,039,506 | \$1,160,920 | \$1,151,525 | \$1,176,724 | \$1,202,554 | \$1,229,029 | \$1,256,166 | \$95,246    | 8.2%  |
| <b>Instruction</b>                    |             |             |             |             |             |             |             |             |       |
| Salaries                              | \$6,997,133 | \$6,198,167 | \$5,963,819 | \$6,173,677 | \$6,376,888 | \$6,587,212 | \$6,804,897 | \$606,730   | 9.8%  |
| Other                                 | \$1,840,198 | \$2,692,193 | \$2,465,114 | \$2,557,977 | \$2,654,554 | \$2,754,994 | \$2,859,452 | \$167,259   | 6.2%  |
| <b>Transportation</b>                 |             |             |             |             |             |             |             |             |       |
| Salaries                              | \$404,160   | \$553,620   | \$687,875   | \$717,898   | \$746,970   | \$777,059   | \$808,202   | \$254,582   | 46.0% |
| Other                                 | \$958,795   | \$654,036   | \$846,693   | \$864,930   | \$883,624   | \$902,785   | \$922,425   | \$268,389   | 41.0% |
| <b>Employee Benefits</b>              |             |             |             |             |             |             |             |             |       |
| Retirement                            | \$873,221   | \$884,989   | \$834,739   | \$868,129   | \$902,854   | \$938,968   | \$976,527   | \$91,538    | 10.3% |
| Social Security                       | \$615,035   | \$593,495   | \$574,841   | \$597,835   | \$621,748   | \$646,618   | \$672,483   | \$78,988    | 13.3% |
| Workers' Compensation                 | \$95,555    | \$76,057    | \$75,644    | \$76,022    | \$76,592    | \$77,167    | \$77,746    | \$1,689     | 2.2%  |
| Health                                | \$2,284,726 | \$2,528,633 | \$2,576,200 | \$2,924,324 | \$3,244,598 | \$3,603,305 | \$4,005,056 | \$1,476,423 | 58.4% |
| Other                                 | \$250       | \$4,500     | \$4,500     | \$4,500     | \$4,500     | \$4,500     | \$4,500     | \$0         | 0.0%  |
| <b>Debt Service:</b>                  |             |             |             |             |             |             |             |             |       |
| Buildings -                           |             |             |             |             |             |             |             |             |       |
| Principal                             | \$1,125,000 | \$1,153,571 | \$1,188,671 | \$1,051,630 | \$1,028,375 | \$1,175,167 | \$1,437,005 | \$283,434   | 24.6% |
| Interest                              | \$300,447   | \$282,695   | \$249,071   | \$223,375   | \$220,617   | \$690,658   | \$427,025   | \$144,330   | 51.1% |
| RAN/TAN -                             |             |             |             |             |             |             |             |             |       |
| Interest                              | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |       |
| Interfund Transfers (Sch Lunch, 4408) | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |       |

|                               |              |              |              |              |              |              |              |             |                    |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------------|
| Total Expenses                | \$17,638,464 | \$17,894,277 | \$17,784,533 | \$18,487,615 | \$19,349,153 | \$20,839,356 | \$21,788,292 | \$3,894,015 | 21.8%              |
| Amount of Change Year to Year |              | \$255,813    | -\$109,744   | \$703,082    | \$861,538    | \$1,490,203  | \$948,936    | \$2,683,878 | Yellow Cells Total |
|                               |              | 1.5%         | -0.6%        | 4.0%         | 4.7%         | 7.7%         | 4.6%         |             |                    |

**Scenario 1**

|                                    | 2024         | 2025         | 2026         | 2027         | 2028          | 2029         | 2030         |             |       |
|------------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|-------------|-------|
| Total Revenues                     | \$16,518,705 | \$16,914,277 | \$16,778,997 | \$17,189,475 | \$17,581,068  | \$18,635,362 | \$19,133,186 | \$2,218,909 | 13.1% |
| Amount of Change Year to Year      |              | \$395,572    | (\$135,280)  | \$410,478    | \$391,593     | \$1,054,294  | \$497,824    |             |       |
|                                    |              | 2.4%         | -0.8%        | 2.4%         | 2.3%          | 6.0%         | 2.7%         |             |       |
| Total Expenses                     | \$17,638,464 | \$17,894,277 | \$17,784,533 | \$18,487,615 | \$19,349,153  | \$20,839,356 | \$21,788,292 | \$3,894,015 | 21.8% |
| Amount of Change Year to Year      |              | \$255,813    | -\$109,744   | \$703,082    | \$861,538     | \$1,490,203  | \$948,936    |             |       |
|                                    |              | 1.5%         | -0.6%        | 4.0%         | 4.7%          | 7.7%         | 4.6%         |             |       |
| Adjustments (Carry Over, etc.)     | \$1,589,555  | \$974,817    | \$1,045,536  | \$1,045,536  | \$1,045,536   | \$1,045,536  | \$1,045,536  |             |       |
| Adjustments Use of Reserves        | \$0          | \$0          | \$0          | \$0          | (\$1,500,000) | \$0          | \$0          |             |       |
| 4% of Expenses                     | \$715,771    | \$711,381    | \$739,505    | \$773,966    | \$833,574     | \$871,532    | \$871,532    |             |       |
| Assigned Appropriated Fund Balance | \$1,588,255  | \$1,005,535  | \$1,298,140  | \$1,768,085  | \$2,203,994   | \$2,655,106  | \$2,655,106  |             |       |
| Unassigned Fund Balance            | \$1,175,163  | \$711,381    | \$739,505    | \$773,966    | \$833,574     | \$727,062    | -\$882,507   |             |       |
| Reserved Fund Balance              | \$3,653,298  | \$3,722,201  | \$4,978,134  | \$4,221,124  | \$1,503,058   | \$0          | \$0          |             |       |
| Total Fund Balance June 30         | \$6,416,716  | \$6,975,778  | \$7,015,779  | \$6,763,175  | \$4,540,626   | \$3,382,168  | \$1,772,598  |             |       |
| Revenue to Expenditure Difference  | -\$1,119,759 | -\$980,000   | -\$1,005,535 | \$1,298,140  | -\$1,768,085  | -\$2,203,994 | -\$2,655,106 |             |       |

Has the Ability to use \$1,500,000 in Capital Construction Reserves been lost?

**Let's talk about the Tax Cap...**

*The Tax Cap-Best Practices*  
*Data Driven Decision-Making*  
*How the Tax Cap Really Works*



| Original                          |                       |
|-----------------------------------|-----------------------|
| Tax Cap Calculation - Estimate    |                       |
| <u>2021-2022</u>                  |                       |
| Tax Levy - 2020-21                | \$40,000,000          |
| x Tax Base Growth Factor          | 1.0041                |
|                                   | Net \$40,164,000      |
| + PILOTs 2020-21                  | \$170,999             |
| - Capital Levy 2020-21            | (\$517,037)           |
|                                   | Net \$39,817,962      |
| Allow. Growth Factor (CPI) - Est. | 1.0123                |
|                                   | \$40,307,723          |
| - Est. PILOTs 2021-22             | (\$182,999)           |
| + Available Carryover             | \$0                   |
| Levy Before Adjustments           | \$40,124,724          |
| + Capital Levy 2021-22            | \$801,618             |
| Levy Limit 2021-22                | <b>\$40,926,342</b>   |
|                                   | <b>Change 2.3159%</b> |
| Potential Yield                   | <b>\$926,342</b>      |

| Original   |                     |  |  |                    |
|--|---------------------|--|--|--------------------|
| Tax Cap Calculation - Estimate<br><u>2021-2022</u> |                     |  | Tax Cap Calculation - Estimate<br><u>2022-2023</u> |                    |
| Tax Levy - 2020-21                                 | \$40,000,000        |  | Tax Levy - 2021-22                                 | \$40,926,342       |
| x Tax Base Growth Factor                           | <u>1.0041</u>       |  | x Tax Base Growth Factor                           | <u>1.0041</u>      |
| Net  | \$40,164,000        |  | Net  | \$41,094,140       |
| + PILOTs 2020-21                                   | \$170,999           |  | + PILOTs 2021-22                                   | \$182,999          |
| - Capital Levy 2020-21                             | <b>(\$517,037)</b>  |  | - Capital Levy 2021-22                             | <b>(\$801,618)</b> |
| Net  | \$39,817,962        |  | Net  | \$40,475,521       |
| Allow. Growth Factor (CPI) - Est.                  | <u>1.0123</u>       |  | Allow. Growth Factor (CPI) - Est.                  | <u>1.0123</u>      |
|  | \$40,307,723        |  |  | \$40,973,370       |
| - Est. PILOTs 2021-22                              | <b>(\$182,999)</b>  |  | - Est. PILOTs 2022-23                              | <b>(\$182,999)</b> |
| + Available Carryover                              | \$0                 |  | + Available Carryover                              | \$0                |
| Levy Before Adjustments                            | \$40,124,724        |  | Levy Before Adjustments                            | \$40,790,371       |
| + Capital Levy 2021-22                             | \$801,618           |  | + Capital Levy 2022-23                             | \$801,618          |
| Levy Limit 2021-22                                 | <b>\$40,926,342</b> |  | Levy Limit 2021-22                                 | \$41,591,989       |
| Change   | <b>2.3159%</b>      |  | Change   | <b>1.6265%</b>     |
| Potential Yield                                    | <b>\$926,342</b>    |  | Potential Yield                                    | <b>\$665,647</b>   |

| 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 Levy - 2020-21                          | \$40,000,000 | Tax Levy - 2021-22                          | \$40,926,342 | Tax Levy - 2022-23                          | \$41,591,989 | Tax Levy - 2023-24                          | \$42,268,586 | Tax Levy - 2024-25                          | \$42,956,313 |
| x Tax Base Growth Factor                    | 1.0041       |
| Net   | \$40,164,000 | Net   | \$41,094,140 | Net   | \$41,762,516 | Net   | \$42,441,887 | Net   | \$43,132,434 |
| + PILOTs 2020-21                            | \$170,999    | + PILOTs 2021-22                            | \$182,999    | + PILOTs 2022-23                            | \$182,999    | + PILOTs 2023-24                            | \$182,999    | + PILOTs 2024-25                            | \$182,999    |
| - Capital Levy 2020-21                      | (\$517,037)  | - Capital Levy 2021-22                      | (\$801,618)  | - Capital Levy 2022-23                      | (\$801,618)  | - Capital Levy 2023-24                      | (\$801,618)  | - Capital Levy 2024-25                      | (\$801,618)  |
| Net   | \$39,817,962 | Net   | \$40,475,521 | Net   | \$41,143,897 | Net   | \$41,823,268 | Net   | \$42,513,815 |
| Allow. Growth Factor (CPI) - Est.           | 1.0123       | Allow. Growth Factor (CPI) - Est.           | 1.0123       | Allow. Growth Factor (CPI) - Est.           | 1.0123       | Allow. Growth Factor (CPI) - Est.           | 1.0123       | Allow. Growth Factor (CPI) - Est.           | 1.0123       |
|   | \$40,307,723 |   | \$40,973,370 |   | \$41,649,967 |   | \$42,337,694 |   | \$43,036,735 |
| - Est. PILOTs 2021-22                       | (\$182,999)  | - Est. PILOTs 2022-23                       | (\$182,999)  | - Est. PILOTs 2023-24                       | (\$182,999)  | - Est. PILOTs 2024-25                       | (\$182,999)  | -PILOTs 2025-26                             | (\$182,999)  |
| +Available Carryover                        | \$0          |
| Levy Before Adjustments                     | \$40,124,724 | Levy Before Adjustments                     | \$40,790,371 | Levy Before Adjustments                     | \$41,466,968 | Levy Before Adjustments                     | \$42,154,695 | Levy Before Adjustments                     | \$42,853,736 |
| + Capital Levy 2021-22                      | \$801,618    | + Capital Levy 2022-23                      | \$801,618    | + Capital Levy 2023-24                      | \$801,618    | + Capital Levy 2024-25                      | \$801,618    | + Capital Levy 2025-26                      | \$801,618    |
| Levy Limit 2021-22                          | \$40,926,342 | Levy Limit 2021-22                          | \$41,591,989 | Levy Limit 2023-24                          | \$42,268,586 | Levy Limit 2024-25                          | \$42,956,313 | Levy Limit 2025-26                          | \$43,655,354 |
| Change                                      | 2.3159%      | Change                                      | 1.6265%      | Change                                      | 1.6267%      | Change                                      | 1.6270%      | Change                                      | 1.6273%      |
| Potential Yield                             | \$926,342    | Potential Yield                             | \$665,647    | Potential Yield                             | \$676,597    | Potential Yield                             | \$687,727    | Potential Yield                             | \$699,041    |

**But what happens if a district does not stay at the Tax Cap?**

| Original   |                     |
|--|---------------------|
| Tax Cap Calculation - Estimate<br><u>2021-2022</u> |                     |
| Tax Levy - 2020-21                                 | \$40,000,000        |
| x Tax Base Growth Factor                           | <u>1.0041</u>       |
| Net  | \$40,164,000        |
| + PILOTs 2020-21                                   | \$170,999           |
| - Capital Levy 2020-21                             | (\$517,037)         |
| Net  | \$39,817,962        |
| Allow. Growth Factor (CPI) - Est.                  | <u>1.0123</u>       |
|  | \$40,307,723        |
| - Est. PILOTs 2021-22                              | (\$182,999)         |
| + Available Carryover                              | \$0                 |
| Levy Before Adjustments                            | \$40,124,724        |
| + Capital Levy 2021-22                             | <u>\$801,618</u>    |
| Levy Limit 2021-22                                 | <b>\$40,926,342</b> |
| Change   | <b>2.3159%</b>      |
| Potential Yield                                    | <b>\$926,342</b>    |

| Recalculation                                      |                     |
|--|---------------------|
| Tax Cap Calculation - Estimate<br><u>2021-2022</u> |                     |
| Tax Levy - 2020-21                                 | \$40,000,000        |
| x Tax Base Growth Factor                           | <u>1.0041</u>       |
| Net  | \$40,164,000        |
| + PILOTs 2020-21                                   | \$170,999           |
| - Capital Levy 2020-21                             | (\$517,037)         |
| Net  | \$39,817,962        |
| Allow. Growth Factor (CPI) - Est.                  | <u>1.0123</u>       |
|  | \$40,307,723        |
| - Est. PILOTs 2021-22                              | (\$182,999)         |
| + Available Carryover                              | \$0                 |
| Levy Before Adjustments                            | \$40,124,724        |
| + Capital Levy 2021-22                             | <u>\$801,618</u>    |
| Levy Limit 2021-22                                 | <b>\$40,926,342</b> |
| Change   | <b>1.9900%</b>      |
| New Potential Yield                                | <b>\$796,000</b>    |
| New Levy   | <b>\$40,796,000</b> |
| Loss compared to could have                        | (\$130,342)         |

| Recalculation                               |                         |                                   |                     |   |  |
|---|-------------------------|-----------------------------------|---------------------|---|--|
| Tax Cap Calculation - Estimate<br>2021-2022 |                         |                                   |                     | Tax Cap Calculation - Estimate<br>2022-2023 |  |
| Tax Levy - 2020-21                          | \$40,000,000            | Tax Levy - 2021-22                | \$40,796,000        |   |  |
| x Tax Base Growth Factor                    | 1.0041                  | x Tax Base Growth Factor          | 1.0041              |   |  |
|   | Net \$40,164,000        |                                   | Net \$40,963,264    |   |  |
| + PILOTs 2020-21                            | \$170,999               | + PILOTs 2021-22                  | \$182,999           |   |  |
| - Capital Levy 2020-21                      | (\$517,037)             | - Capital Levy 2021-22            | (\$801,618)         |   |  |
|   | Net \$39,817,962        |                                   | Net \$40,344,645    |   |  |
| Allow. Growth Factor (CPI) - Est.           | 1.0123                  | Allow. Growth Factor (CPI) - Est. | 1.0123              |   |  |
|   | \$40,307,723            |                                   | \$40,840,884        |   |  |
| - Est. PILOTs 2021-22                       | (\$182,999)             | - Est. PILOTs 2022-23             | (\$182,999)         |   |  |
| + Available Carryover                       | \$0                     | + Available Carryover             | \$0                 |   |  |
| Levy Before Adjustments                     | \$40,124,724            | Levy Before Adjustments           | \$40,657,885        |   |  |
| + Capital Levy 2021-22                      | \$801,618               | + Capital Levy 2022-23            | \$801,618           |   |  |
| Levy Limit 2021-22                          | <del>\$40,926,342</del> | Levy Limit 2021-22                | \$41,459,503        |   |  |
| <b>Change</b>                               | <b>1.9900%</b>          | <b>Change</b>                     | <b>1.6264%</b>      |   |  |
| New Potential Yield                         | \$796,000               | New Potential Yield               | \$663,503           |   |  |
| <b>New Levy</b>                             | <b>\$40,796,000</b>     | <b>New Levy</b>                   | <b>\$41,459,503</b> |   |  |
| Loss compared to could have                 | (\$130,342)             | Loss compared to could have       | (\$2,144)           |   |  |

| 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 Levy - 2020-21                          | \$40,000,000 | Tax Levy - 2021-22                          | \$40,926,342 | Tax Levy - 2022-23                          | \$41,591,989 | Tax Levy - 2023-24                          | \$42,268,586 | Tax Levy - 2024-25                          | \$42,956,313 |
| x Tax Base Growth Factor                    | 1.0041       |
| Net   | \$40,164,000 | Net   | \$41,094,140 | Net   | \$41,762,516 | Net   | \$42,441,887 | Net   | \$43,132,434 |

+ PILOTs 2020-21 - Capital Levy 2020-21

| 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 Levy - 2020-21                          | \$40,000,000   | Tax Levy - 2021-22                          | \$40,796,000   | Tax Levy - 2022-23                          | \$41,459,503   | Tax Levy - 2023-24                          | \$42,133,920   | Tax Levy - 2024-25                          | \$42,819,432   |
| x Tax Base Growth Factor                    | 1.0041         |
| Net   | \$40,164,000   | Net   | \$40,963,264   | Net   | \$41,629,487   | Net   | \$42,306,669   | Net   | \$42,994,992   |
| + PILOTs 2020-21                            | \$170,999      | + PILOTs 2021-22                            | \$182,999      | + PILOTs 2022-23                            | \$182,999      | + PILOTs 2023-24                            | \$182,999      | + PILOTs 2024-25                            | \$182,999      |
| - Capital Levy 2020-21                      | (\$517,037)    | - Capital Levy 2021-22                      | (\$801,618)    | - Capital Levy 2022-23                      | (\$801,618)    | - Capital Levy 2023-24                      | (\$801,618)    | - Capital Levy 2024-25                      | (\$801,618)    |
| Net   | \$39,817,962   | Net   | \$40,344,645   | Net   | \$41,010,868   | Net   | \$41,688,050   | Net   | \$42,376,373   |
| Allow. Growth Factor (CPI) - Est.           | 1.0123         | Allow. Growth Factor (CPI) - Est.           | 1.0123         | Allow. Growth Factor (CPI) - Est.           | 1.0123         | Allow. Growth Factor (CPI) - Est.           | 1.0123         | Allow. Growth Factor (CPI) - Est.           | 1.0123         |
| Potential Yield                             | \$40,307,723   | Potential Yield                             | \$40,840,884   | Potential Yield                             | \$41,515,301   | Potential Yield                             | \$42,200,813   | Potential Yield                             | \$42,897,603   |
| - Est. PILOTs 2021-22                       | (\$182,999)    | - Est. PILOTs 2022-23                       | (\$182,999)    | - Est. PILOTs 2023-24                       | (\$182,999)    | - Est. PILOTs 2024-25                       | (\$182,999)    | - PILOTs 2025-26                            | (\$182,999)    |
| + Available Carryover                       | \$0            |
| Levy Before Adjustments                     | \$40,124,724   | Levy Before Adjustments                     | \$40,657,885   | Levy Before Adjustments                     | \$41,332,302   | Levy Before Adjustments                     | \$42,017,814   | Levy Before Adjustments                     | \$42,714,604   |
| + Capital Levy 2021-22                      | \$801,618      | + Capital Levy 2022-23                      | \$801,618      | + Capital Levy 2023-24                      | \$801,618      | + Capital Levy 2024-25                      | \$801,618      | + Capital Levy 2025-26                      | \$801,618      |
| Levy Limit 2021-22                          | \$40,926,342   | Levy Limit 2021-22                          | \$41,459,503   | Levy Limit 2023-24                          | \$42,133,920   | Levy Limit 2024-25                          | \$42,819,432   | Levy Limit 2025-26                          | \$43,516,222   |
| <b>Change</b>                               | <b>1.9900%</b> | <b>Change</b>                               | <b>1.6264%</b> | <b>Change</b>                               | <b>1.6267%</b> | <b>Change</b>                               | <b>1.6270%</b> | <b>Change</b>                               | <b>1.6273%</b> |
| New Potential Yield                         | \$796,000      | New Potential Yield                         | \$663,503      | New Potential Yield                         | \$674,418      | New Potential Yield                         | \$685,512      | New Potential Yield                         | \$696,789      |
| New Levy                                    | \$40,796,000   | New Levy                                    | \$41,459,503   | New Levy                                    | \$42,133,920   | New Levy                                    | \$42,819,432   | New Levy                                    | \$43,516,222   |
| Loss compared to could have                 | (\$130,342)    | Loss compared to could have                 | (\$2,144)      | Loss compared to could have                 | (\$2,179)      | Loss compared to could have                 | (\$2,215)      | Loss compared to could have                 | (\$2,252)      |
| Reoccurring Loss from 20-21                 | \$0            |
| Reoccurring Loss from 21-22                 | (\$130,342)    |
|   |                | Reoccurring Loss from 22-23                 | (\$2,144)      |
|   |                |   |                | Reoccurring Loss from 23-24                 | (\$2,179)      | Reoccurring Loss from 23-24                 | (\$2,179)      | Reoccurring Loss from 23-24                 | (\$2,179)      |
|   |                |   |                |   |                | Reoccurring Loss from 24-25                 | (\$2,215)      | Reoccurring Loss from 24-25                 | (\$2,215)      |
|   |                |   |                |   |                |   |                | Reoccurring Loss from 25-26                 | (\$2,252)      |
| Total Reoccurring Lost this year            | (\$130,342)    | Total Reoccurring Lost this year            | (\$132,486)    | Total Reoccurring Lost this year            | (\$134,666)    | Total Reoccurring Lost this year            | (\$136,881)    | Total Reoccurring Lost this year            | (\$139,133)    |
|   |                |   |                |   |                |   |                | Grand Total Loss                            | (\$673,507)    |
|   |                |   |                |   |                |   |                | Levy Difference                             | (\$139,133)    |
|   |                |   |                |   |                |   |                | Compound Loss                               | (\$812,640)    |

**Single Year Dip in Levy with Stable Capital Exclusion**

| Original                          |              | Original                                 |              | Original                                 |              | Original                                 |              | Original                                 |              | Original                                 |              |
|-----------------------------------|--------------|--|--------------|--|--------------|--|--------------|--|--------------|--|--------------|
| Tax Cap Calculation 2020-2021     |              | Tax Cap Calculation - Estimate 2021-2022 |              | Tax Cap Calculation - Estimate 2022-2023 |              | Tax Cap Calculation - Estimate 2023-2024 |              | Tax Cap Calculation - Estimate 2024-2025 |              | Tax Cap Calculation - Estimate 2025-2026 |              |
| Tax Levy - 2019-20                | \$39,750,000 | Tax Levy - 2020-21                       | \$40,000,000 | Tax Levy - 2021-22                       | \$40,926,342 | Tax Levy - 2022-23                       | \$41,591,989 | Tax Levy - 2023-24                       | \$42,268,586 | Tax Levy - 2024-25                       | \$42,956,313 |
| x Tax Base Growth Factor          | 1.0005       | x Tax Base Growth Factor                 | 1.0041       |
| Net                               | \$39,769,874 | Net                                      | \$40,164,000 | Net                                      | \$41,094,140 | Net                                      | \$41,762,516 | Net                                      | \$42,441,887 | Net                                      | \$43,132,434 |
| + PILOTs 2019-20                  | \$134,199    | + PILOTs 2020-21                         | \$170,999    | + PILOTs 2021-22                         | \$182,999    | + PILOTs 2022-23                         | \$182,999    | + PILOTs 2023-24                         | \$182,999    | + PILOTs 2024-25                         | \$182,999    |
| - Capital Levy 2019-20            | (\$356,264)  | - Capital Levy 2020-21                   | (\$517,037)  | - Capital Levy 2021-22                   | (\$801,618)  | - Capital Levy 2022-23                   | (\$801,618)  | - Capital Levy 2023-24                   | (\$801,618)  | - Capital Levy 2024-25                   | (\$801,618)  |
| Net                               | \$39,547,809 | Net                                      | \$39,817,962 | Net                                      | \$40,475,521 | Net                                      | \$41,143,897 | Net                                      | \$41,823,268 | Net                                      | \$42,513,815 |
| Allow. Growth Factor (CPI) - Est. | 1.0181       | Allow. Growth Factor (CPI) - Est.        | 1.0123       | Allow. Growth Factor (CPI) - Est.        | 1.0123       | Allow. Growth Factor (CPI) - Est.        | 1.0123       | Allow. Growth Factor (CPI) - Est.        | 1.0123       | Allow. Growth Factor (CPI) - Est.        | 1.0123       |
|                                   | \$40,263,625 |  | \$40,307,723 |  | \$40,973,370 |  | \$41,649,967 |  | \$42,337,694 |  | \$43,036,735 |
| - Est. PILOTs 2020-21             | (\$170,999)  | - Est. PILOTs 2021-22                    | (\$182,999)  | - Est. PILOTs 2022-23                    | (\$182,999)  | - Est. PILOTs 2023-24                    | (\$182,999)  | - Est. PILOTs 2024-25                    | (\$182,999)  | - Est. PILOTs 2025-26                    | (\$182,999)  |
| + Available Carryover             | \$0          | + Available Carryover                    | \$0          | + Available Carryover                    | \$0          | + Available Carryover                    | \$0          | + Available Carryover                    | \$0          | + Available Carryover                    | \$0          |
| Levy Before Adjustments           | \$40,092,626 | Levy Before Adjustments                  | \$40,124,724 | Levy Before Adjustments                  | \$40,790,371 | Levy Before Adjustments                  | \$41,466,968 | Levy Before Adjustments                  | \$42,154,695 | Levy Before Adjustments                  | \$42,853,736 |
| + Capital Levy 2020-21            | \$517,037    | + Capital Levy 2021-22                   | \$801,618    | + Capital Levy 2022-23                   | \$801,618    | + Capital Levy 2023-24                   | \$801,618    | + Capital Levy 2024-25                   | \$801,618    | + Capital Levy 2025-26                   | \$801,618    |
| Levy Limit 2020-21                | \$40,609,663 | Levy Limit 2021-22                       | \$40,926,342 | Levy Limit 2021-22                       | \$41,591,989 | Levy Limit 2023-24                       | \$42,268,586 | Levy Limit 2024-25                       | \$42,956,313 | Levy Limit 2025-26                       | \$43,655,354 |
| Change                            | 2.1627%      | Change                                   | 2.3159%      | Change                                   | 1.6265%      | Change                                   | 1.6267%      | Change                                   | 1.6270%      | Change                                   | 1.6273%      |
| Potential Yield                   | \$ 859,663   | Potential Yield                          | \$926,342    | Potential Yield                          | \$665,647    | Potential Yield                          | \$676,597    | Potential Yield                          | \$687,727    | Potential Yield                          | \$699,041    |

| Recalculation                     |              | Recalculation                            |              | Recalculation                            |              | Recalculation                            |              | Recalculation                            |              | Recalculation                            |               |
|-----------------------------------|--------------|--|--------------|--|--------------|--|--------------|--|--------------|--|---------------|
| Tax Cap Calculation 2020-2021     |              | Tax Cap Calculation - Estimate 2021-2022 |              | Tax Cap Calculation - Estimate 2022-2023 |              | Tax Cap Calculation - Estimate 2023-2024 |              | Tax Cap Calculation - Estimate 2024-2025 |              | Tax Cap Calculation - Estimate 2025-2026 |               |
| Tax Levy - 2019-20                | \$39,750,000 | Tax Levy - 2020-21                       | \$40,000,000 | Tax Levy - 2021-22                       | \$40,796,000 | Tax Levy - 2022-23                       | \$41,459,503 | Tax Levy - 2023-24                       | \$42,133,920 | Tax Levy - 2024-25                       | \$42,819,432  |
| x Tax Base Growth Factor          | 1.0005       | x Tax Base Growth Factor                 | 1.0041        |
| Net                               | \$39,769,875 | Net                                      | \$40,164,000 | Net                                      | \$40,963,264 | Net                                      | \$41,629,487 | Net                                      | \$42,306,669 | Net                                      | \$42,994,992  |
| + PILOTs 2019-20                  | \$134,199    | + PILOTs 2020-21                         | \$170,999    | + PILOTs 2021-22                         | \$182,999    | + PILOTs 2022-23                         | \$182,999    | + PILOTs 2023-24                         | \$182,999    | + PILOTs 2024-25                         | \$182,999     |
| - Capital Levy 2019-20            | (\$356,264)  | - Capital Levy 2020-21                   | (\$517,037)  | - Capital Levy 2021-22                   | (\$801,618)  | - Capital Levy 2022-23                   | (\$801,618)  | - Capital Levy 2023-24                   | (\$801,618)  | - Capital Levy 2024-25                   | (\$801,618)   |
| Net                               | \$39,547,810 | Net                                      | \$39,817,962 | Net                                      | \$40,344,645 | Net                                      | \$41,010,868 | Net                                      | \$41,688,050 | Net                                      | \$42,376,373  |
| Allow. Growth Factor (CPI) - Est. | 1.0181       | Allow. Growth Factor (CPI) - Est.        | 1.0123       | Allow. Growth Factor (CPI) - Est.        | 1.0123       | Allow. Growth Factor (CPI) - Est.        | 1.0123       | Allow. Growth Factor (CPI) - Est.        | 1.0123       | Allow. Growth Factor (CPI) - Est.        | 1.0123        |
|                                   | \$40,263,625 |  | \$40,307,723 |  | \$40,840,884 |  | \$41,515,301 |  | \$42,200,813 |  | \$42,897,603  |
| - Est. PILOTs 2020-21             | (\$170,999)  | - Est. PILOTs 2021-22                    | (\$182,999)  | - Est. PILOTs 2022-23                    | (\$182,999)  | - Est. PILOTs 2023-24                    | (\$182,999)  | - Est. PILOTs 2024-25                    | (\$182,999)  | - Est. PILOTs 2025-26                    | (\$182,999)   |
| + Available Carryover             | \$0          | + Available Carryover                    | \$0          | + Available Carryover                    | \$0          | + Available Carryover                    | \$0          | + Available Carryover                    | \$0          | + Available Carryover                    | \$0           |
| Levy Before Adjustments           | \$40,092,626 | Levy Before Adjustments                  | \$40,124,724 | Levy Before Adjustments                  | \$40,657,885 | Levy Before Adjustments                  | \$41,332,302 | Levy Before Adjustments                  | \$42,017,814 | Levy Before Adjustments                  | \$42,714,604  |
| + Capital Levy 2020-21            | \$517,037    | + Capital Levy 2021-22                   | \$801,618    | + Capital Levy 2022-23                   | \$801,618    | + Capital Levy 2023-24                   | \$801,618    | + Capital Levy 2024-25                   | \$801,618    | + Capital Levy 2025-26                   | \$801,618     |
| Levy Limit 2020-21                | \$40,609,663 | Levy Limit 2021-22                       | \$40,926,342 | Levy Limit 2021-22                       | \$41,459,503 | Levy Limit 2023-24                       | \$42,133,920 | Levy Limit 2024-25                       | \$42,819,432 | Levy Limit 2025-26                       | \$43,516,222  |
| Change                            | 1.7546%      | Change                                   | 1.9900%      | Change                                   | 1.6264%      | Change                                   | 1.6267%      | Change                                   | 1.6270%      | Change                                   | 1.6273%       |
| New Potential Yield               | \$697,454    | New Potential Yield                      | \$796,000    | New Potential Yield                      | \$663,503    | New Potential Yield                      | \$674,418    | New Potential Yield                      | \$685,512    | New Potential Yield                      | \$696,789     |
| New Levy                          | \$40,447,454 | New Levy                                 | \$40,796,000 | New Levy                                 | \$41,459,503 | New Levy                                 | \$42,133,920 | New Levy                                 | \$42,819,432 | New Levy                                 | \$43,516,222  |
| Loss compared to could have       | (\$162,210)  | Loss compared to could have              | (\$130,342)  | Loss compared to could have              | (\$2,144)    | Loss compared to could have              | (\$2,179)    | Loss compared to could have              | (\$2,215)    | Loss compared to could have              | (\$2,252)     |
| Recurring Loss from 20-21         | (\$162,210)  | Recurring Loss from 20-21                | (\$162,210)  | Recurring Loss from 20-21                | (\$162,210)  | Recurring Loss from 20-21                | (\$162,210)  | Recurring Loss from 20-21                | (\$162,210)  | Recurring Loss from 20-21                | (\$162,210)   |
| Recurring Loss from 21-22         |              | Recurring Loss from 21-22                | (\$130,342)   |
| Recurring Loss from 22-23         |              |  |              | Recurring Loss from 22-23                | (\$2,144)     |
| Recurring Loss from 23-24         |              |  |              |  |              | Recurring Loss from 23-24                | (\$2,179)    | Recurring Loss from 23-24                | (\$2,179)    | Recurring Loss from 23-24                | (\$2,179)     |
| Recurring Loss from 24-25         |              |  |              |  |              |  |              | Recurring Loss from 24-25                | (\$2,215)    | Recurring Loss from 24-25                | (\$2,215)     |
| Recurring Loss from 25-26         |              |  |              |  |              |  |              |  |              | Recurring Loss from 25-26                | (\$2,252)     |
| Total Recurring Lost this year    | (\$162,210)  | Total Recurring Lost this year           | (\$292,552)  | Total Recurring Lost this year           | (\$294,696)  | Total Recurring Lost this year           | (\$296,875)  | Total Recurring Lost this year           | (\$299,091)  | Total Recurring Lost this year           | (\$301,342)   |
| Grand Total Loss                  |              |  |              |  |              |  |              |  |              | Grand Total Loss                         | (\$1,646,766) |
| Levy Difference                   |              |  |              |  |              |  |              |  |              | Levy Difference                          | (\$139,133)   |
|                                   |              |  |              |  |              |  |              |  |              | Compound Loss                            | (\$1,785,899) |

Double Year Dip in Levy with Stable Capital Exclusion

## The Effect of the CPI on Tax Cap Calculations

| Tax Cap Calculation - Estimate<br>2021-2022 |             |
|---|-------------|
| Tax Levy - 2020-21                          | \$9,064,567 |
| x Tax Base Growth Factor                    | 1.0010      |
| Net   | \$9,073,632 |
| + PILOTs 2020-21                            | \$100,000   |
| - Capital Levy 2019-20                      | (\$350,000) |
| Net   | \$8,823,632 |
| Allow. Growth Factor (CPI) - Est.           | 1.0181      |
|   | \$8,983,340 |
| - Est. PILOTs 2021-22                       | (\$100,000) |
| + Available Carryover                       | \$0         |
| Levy Before Adjustments                     | \$8,883,340 |
| + Capital Levy 2021-22                      | \$350,000   |
| Levy Limit 2021-22                          | \$9,233,340 |
| Change                                      | 1.8619%     |
| Potential Yield                             | \$168,772   |

| Tax Cap Calculation - Estimate<br>2021-2022 |             |
|---|-------------|
| Tax Levy - 2020-21                          | \$9,064,567 |
| x Tax Base Growth Factor                    | 1.0010      |
| Net   | \$9,073,632 |
| + PILOTs 2020-21                            | \$100,000   |
| - Capital Levy 2019-20                      | (\$350,000) |
| Net   | \$8,823,632 |
| Allow. Growth Factor (CPI) - Est.           | 1.0123      |
|   | \$8,932,163 |
| - Est. PILOTs 2021-22                       | (\$100,000) |
| + Available Carryover                       | \$0         |
| Levy Before Adjustments                     | \$8,832,163 |
| + Capital Levy 2021-22                      | \$350,000   |
| Levy Limit 2021-22                          | \$9,182,163 |
| Change                                      | 1.2973%     |
| Potential Yield                             | \$117,595   |

| Tax Cap Calculation - Estimate<br>2021-2022 |             |
|---|-------------|
| Tax Levy - 2020-21                          | \$9,064,567 |
| x Tax Base Growth Factor                    | 1.0010      |
| Net   | \$9,073,632 |
| + PILOTs 2020-21                            | \$100,000   |
| - Capital Levy 2019-20                      | (\$350,000) |
| Net   | \$8,823,632 |
| Allow. Growth Factor (CPI) - Est.           | 1.0200      |
|   | \$9,000,104 |
| - Est. PILOTs 2021-22                       | (\$100,000) |
| + Available Carryover                       | \$0         |
| Levy Before Adjustments                     | \$8,900,104 |
| + Capital Levy 2021-22                      | \$350,000   |
| Levy Limit 2021-22                          | \$9,250,104 |
| Change                                      | 2.0468%     |
| Potential Yield                             | \$185,537   |

All Data Remains the same, only the CPI Changes

## Tax Cap –Stability Issues

### Tax Cap –PILOT Fluctuation Scenario

| 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 Levy - 2020-21                          | \$10,000,000 | Tax Levy - 2021-22                          | \$10,249,001 | Tax Levy - 2022-23                          | \$10,390,171 | Tax Levy - 2023-24                          | \$10,636,755 | Tax Levy - 2024-25                          | \$11,089,302 |
| x Tax Base Growth Factor                    | 1.0041       |
| Net   | \$10,041,000 | Net   | \$10,291,022 | Net   | \$10,432,771 | Net   | \$10,680,366 | Net   | \$11,134,768 |
| + PILOTs 2020-21                            | \$170,999    | + PILOTs 2021-22                            | \$182,999    | + PILOTs 2022-23                            | \$282,999    | + PILOTs 2023-24                            | \$282,999    | + PILOTs 2024-25                            | \$82,999     |
| - Capital Levy 2020-21                      | (\$417,037)  | - Capital Levy 2021-22                      | (\$516,560)  | - Capital Levy 2022-23                      | (\$516,560)  | - Capital Levy 2023-24                      | (\$516,560)  | - Capital Levy 2024-25                      | (\$516,560)  |
| Net   | \$9,794,962  | Net   | \$9,957,461  | Net   | 10,199,210   | Net   | \$10,446,805 | Net   | \$10,701,207 |
| 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       |
|   | \$9,915,440  |   | \$10,156,610 |   | \$10,403,194 |   | \$10,655,741 |   | \$10,915,231 |
| - Est. PILOTs 2021-22                       | (\$182,999)  | - Est. PILOTs 2022-23                       | (\$282,999)  | - Est. PILOTs 2023-24                       | (\$282,999)  | - Est. PILOTs 2024-25                       | (\$82,999)   | -PILOTs 2025-26                             | (\$182,999)  |
| +Available Carryover                        | \$0          |
| Levy Before Adjustments                     | \$9,732,441  | Levy Before Adjustments                     | \$9,873,611  | Levy Before Adjustments                     | \$10,120,195 | Levy Before Adjustments                     | \$10,572,742 | Levy Before Adjustments                     | \$10,732,232 |
| + Capital Levy 2021-22                      | \$516,560    | + Capital Levy 2022-23                      | \$516,560    | + Capital Levy 2023-24                      | \$516,560    | + Capital Levy 2024-25                      | \$516,560    | + Capital Levy 2025-26                      | \$516,560    |
| Levy Limit 2021-22                          | \$10,249,001 | Levy Limit 2022-23                          | \$10,390,171 | Levy Limit 2023-24                          | \$10,636,755 | Levy Limit 2024-25                          | \$11,089,302 | Levy Limit 2025-26                          | \$11,248,792 |
| Change                                      | 2.4900%      | Change                                      | 1.3774%      | Change                                      | 2.3732%      | Change                                      | 4.2546%      | Change                                      | 1.4382%      |
| Potential Yield                             | \$249,001    | Potential Yield                             | \$141,170    | Potential Yield                             | \$246,584    | Potential Yield                             | \$452,547    | Potential Yield                             | \$159,490    |

**From one year to the next if the PILOT INCREASES it tends to depress the cap**

**From one year to the next if the PILOT DECREASES it tends to expand the cap**

## Tax Cap –Stability Issues

### Tax Cap –Local Share Debt Service Fluctuation Scenario

| Original                                 |              |  |              |  |              |  |              |  |              |
|--|--------------|--|--------------|--|--------------|--|--------------|--|--------------|
| Tax Cap Calculation - Estimate 2021-2022 |              | Tax Cap Calculation - Estimate 2022-2023 |              | Tax Cap Calculation - Estimate 2023-2024 |              | Tax Cap Calculation - Estimate 2024-2025 |              | Tax Cap Calculation - Estimate 2025-2026 |              |
| Tax Levy - 2020-21                       | \$10,000,000 | Tax Levy - 2021-22                       | \$10,249,001 | Tax Levy - 2022-23                       | \$10,490,171 | Tax Levy - 2023-24                       | \$10,637,173 | Tax Levy - 2024-25                       | \$10,989,730 |
| x Tax Base Growth Factor                 | 1.0041       |
| Net                                      | \$10,041,000 | Net                                      | \$10,291,022 | Net                                      | \$10,533,181 | Net                                      | \$10,680,786 | Net                                      | \$11,034,788 |
| + PILOTs 2020-21                         | \$170,999    | + PILOTs 2021-22                         | \$182,999    | + PILOTs 2022-23                         | \$182,999    | + PILOTs 2023-24                         | \$182,999    | + PILOTs 2024-25                         | \$182,999    |
| - Capital Levy 2020-21                   | (\$417,037)  | - Capital Levy 2021-22                   | (\$516,560)  | - Capital Levy 2022-23                   | (\$516,560)  | - Capital Levy 2023-24                   | (\$416,560)  | - Capital Levy 2024-25                   | (\$516,560)  |
| Net                                      | \$9,794,962  | Net                                      | \$9,957,461  | Net                                      | 10,199,620   | Net                                      | \$10,447,225 | Net                                      | \$10,701,227 |
| 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       |
|  | \$9,915,440  |  | \$10,156,610 |  | \$10,403,612 |  | \$10,656,169 |  | \$10,915,252 |
| - Est. PILOTs 2021-22                    | (\$182,999)  | - Est. PILOTs 2022-23                    | (\$182,999)  | - Est. PILOTs 2023-24                    | (\$182,999)  | - Est. PILOTs 2024-25                    | (\$182,999)  | - PILOTs 2025-26                         | (\$182,999)  |
| + Available Carryover                    | \$0          |
| Levy Before Adjustments                  | \$9,732,441  | Levy Before Adjustments                  | \$9,973,611  | Levy Before Adjustments                  | \$10,220,613 | Levy Before Adjustments                  | \$10,473,170 | Levy Before Adjustments                  | \$10,732,253 |
| + Capital Levy 2021-22                   | \$516,560    | + Capital Levy 2022-23                   | \$516,560    | + Capital Levy 2023-24                   | \$416,560    | + Capital Levy 2024-25                   | \$516,560    | + Capital Levy 2025-26                   | \$516,560    |
| Levy Limit 2021-22                       | \$10,249,001 | Levy Limit 2022-23                       | \$10,490,171 | Levy Limit 2023-24                       | \$10,637,173 | Levy Limit 2024-25                       | \$10,989,730 | Levy Limit 2025-26                       | \$11,248,813 |
| Change                                   | 2.4900%      | Change                                   | 2.3531%      | Change                                   | 1.4013%      | Change                                   | 3.3144%      | Change                                   | 2.3575%      |
| Potential Yield                          | \$249,001    | Potential Yield                          | \$241,170    | Potential Yield                          | \$147,002    | Potential Yield                          | \$352,557    | Potential Yield                          | \$259,082    |

**From one year to the next if the PILOT DECREASES it tends to depress the cap**

**From one year to the next if the Capital Levy INCREASES it tends to expand the cap**

**Let's talk about the Tax Cap...**

**Salem CSD Tax Cap Calculations.. As if the district stayed at the cap**



| Original                     | 2012-13     | 2013-14     | 2014-15     | 2015-16     | 2016-17     | 2017-18     | 2018-19     | 2019-20     | 2020-21     | 2021-22     | 2022-23     | 2023-24     | 2024-25     |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Tax Cap Calculation</b>   |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Tax Levy Prior Year          | \$4,642,417 | \$4,717,407 | \$4,993,364 | \$5,057,182 | \$5,088,254 | \$5,164,103 | \$5,302,949 | \$5,428,474 | \$5,579,588 | \$5,866,952 | \$5,878,491 | \$5,777,849 | \$5,704,969 |
| X Tax Base Growth Factor     | 1.0024      | 1.0056      | 1.0024      | 1.0008      | 1.0039      | 1.0033      | 1.0071      | 1.0045      | 1.0046      | 1.0000      | 1.0000      | 1.0011      | 1.0003      |
| Net                          | \$4,653,559 | \$4,743,824 | \$5,005,348 | \$5,061,228 | \$5,108,098 | \$5,181,145 | \$5,340,600 | \$5,452,902 | \$5,605,254 | \$5,866,952 | \$5,878,491 | \$5,784,204 | \$5,706,680 |
| Reserve Amount               | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | -\$228,354  | \$288,354   | \$0         |
| - Previous Capital Exclusion | \$55,070    | \$18,493    | \$79,422    | \$59,338    | \$5,333     | \$65,888    | \$123,240   | \$106,767   | \$126,530   | \$289,063   | \$231,994   | \$479,697   | \$0         |
| Net                          | \$4,598,489 | \$4,725,331 | \$4,925,926 | \$5,001,890 | \$5,102,765 | \$5,115,257 | \$5,217,360 | \$5,346,135 | \$5,478,724 | \$5,577,889 | \$5,418,143 | \$5,592,861 | \$5,706,680 |
| X Allow. Growth Factor (CPI) | 1.0200      | 1.0200      | 1.0146      | 1.0162      | 1.0012      | 1.0126      | 1.0200      | 1.0200      | 1.0181      | 1.0123      | 1.0200      | 1.0200      | 1.0200      |
| Levy Before Adjustments      | \$4,690,459 | \$4,819,838 | \$4,997,844 | \$5,082,921 | \$5,108,888 | \$5,179,709 | \$5,321,707 | \$5,453,058 | \$5,577,889 | \$5,646,497 | \$5,526,506 | \$5,704,719 | \$5,820,814 |
| Reserve to reduce levy       | \$0         | \$0         | \$0         | \$0         | \$10,673    | \$0         | \$0         | \$0         | \$0         | \$0         | \$228,354   | \$0         | \$0         |
| + Available Carryover        | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
| Levy Before Adjustments      | \$4,690,459 | \$4,819,838 | \$4,997,844 | \$5,082,921 | \$5,098,215 | \$5,179,709 | \$5,321,707 | \$5,453,058 | \$5,577,889 | \$5,646,497 | \$5,298,152 | \$5,704,969 | \$5,820,814 |
| + Pension Exclusion TRS      | \$0         | \$94,104    | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         |
| + Pension Exclusion ERS      | \$8,455     | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$0         | \$2,105     |
| + Capital Exclusion          | \$18,493    | \$79,422    | \$59,338    | \$5,333     | \$65,888    | \$123,240   | \$106,767   | \$126,530   | \$289,063   | \$231,994   | \$479,697   | \$0         | \$43,091    |
| Levy Limit                   | \$4,717,407 | \$4,993,364 | \$5,057,182 | \$5,088,254 | \$5,164,103 | \$5,302,949 | \$5,428,474 | \$5,579,588 | \$5,866,952 | \$5,878,491 | \$5,777,849 | \$5,704,969 | \$5,866,010 |
| Change                       | 1.6153%     | 5.8498%     | 1.2781%     | 0.6144%     | 1.4907%     | 2.6887%     | 2.3671%     | 2.7837%     | 5.1503%     | 0.1967%     | -1.7120%    | -1.2614%    | 2.8228%     |
| Potential Yield              | \$74,990    | \$ 275,957  | \$63,819    | \$31,071    | \$75,850    | \$138,846   | \$ 125,525  | \$151,114   | \$287,364   | \$11,539    | -\$100,642  | \$ (72,880) | \$161,041   |

# Salem CSD Tax Cap Calculations.. Actual Tax Cap History

| Recalculation                     |              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                           |
|-----------------------------------|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|
| Tax Cap Calculation               | 2012-23      | 2013-14*           | 2014-15            | 2015-16            | 2016-17            | 2017-18            | 2018-19            | 2019-20            | 2020-21            | 2021-22            | 2022-23            | 2023-24            | 2024-25            |                           |
| Tax Levy Prior Year               | \$4,642,417  | \$4,717,406        | \$4,868,163        | \$4,927,399        | \$4,926,599        | \$4,924,086        | \$5,021,222        | \$5,026,001        | \$5,121,303        | \$5,220,256        | \$5,210,175        | \$5,095,164        | \$4,946,670        |                           |
| X Tax Base Growth Factor          | 1.0024       | 1.0056             | 1.0024             | 1.0008             | 1.0039             | 1.0033             | 1.0071             | 1.0045             | 1.0046             | 1.0000             | 1.0000             | 1.0011             | 1.0003             |                           |
| Net                               | \$4,653,559  | \$4,743,823        | \$4,879,847        | \$4,931,341        | \$4,945,813        | \$4,940,335        | \$5,056,873        | \$5,048,618        | \$5,144,861        | \$5,220,256        | \$5,210,175        | \$5,100,769        | \$4,948,154        |                           |
| + Previous Year PILOTs            | \$0          | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | -\$228,354         | \$228,354          | \$0                |                           |
| - Previous Capital Exclusion      | \$55,070     | \$18,493           | \$79,422           | \$59,338           | \$5,333            | \$65,888           | \$123,240          | \$106,767          | \$126,530          | \$289,063          | \$231,994          | \$479,697          | \$0                |                           |
| Net                               | \$4,598,489  | \$4,725,330        | \$4,800,425        | \$4,872,003        | \$4,940,480        | \$4,874,447        | \$4,933,633        | \$4,941,851        | \$5,018,331        | \$4,931,193        | \$4,749,827        | \$4,849,426        | \$4,948,154        |                           |
| X Allow. Growth Factor (CPI)      | 1.0200       | 1.0200             | 1.0146             | 1.0162             | 1.0012             | 1.0126             | 1.0200             | 1.0200             | 1.0181             | 1.0123             | 1.0200             | 1.0200             | 1.0200             |                           |
|                                   | \$4,690,459  | \$4,819,837        | \$4,870,511        | \$4,950,929        | \$4,946,408        | \$4,935,866        | \$5,032,305        | \$5,040,688        | \$5,109,163        | \$4,991,847        | \$4,844,824        | \$4,946,670        | \$5,047,117        |                           |
| Reserve to reduce levy            | \$0          | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$228,354          | \$0                | \$0                |                           |
| + Available Carryover             | \$0          | \$0                | \$0                | \$0                | \$10,673           | \$32,995           | \$0                | \$6,304            | \$0                | \$0                | \$0                | \$0                | \$0                |                           |
| Levy Before Adjustments           | \$4,690,459  | \$4,819,837        | \$4,870,511        | \$4,950,929        | \$4,957,081        | \$4,968,861        | \$5,032,305        | \$5,046,992        | \$5,109,163        | \$4,991,847        | \$4,616,470        | \$4,946,670        | \$5,047,117        |                           |
| + Pension Exclusion TRS           | \$0          | \$94,104           | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |                           |
| + Pension Exclusion ERS           | \$8,455      | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$2,105            |                           |
| + Capital Exclusion               | \$18,493     | \$79,422           | \$59,338           | \$5,333            | \$65,888           | \$123,240          | \$106,767          | \$126,530          | \$289,063          | \$231,994          | \$479,697          | \$0                | \$43,091           |                           |
| Levy Limit                        | \$4,717,407  | \$4,993,363        | \$4,929,849        | \$4,956,262        | \$5,022,969        | \$5,092,101        | \$5,139,072        | \$5,173,522        | \$5,398,226        | \$5,223,841        | \$5,096,167        | \$4,946,670        | \$5,092,313        |                           |
|                                   | 1.6153%      | 5.8498%            | 1.2671%            | 0.5858%            | 1.9561%            | 3.4121%            | 2.3470%            | 2.9352%            | 5.4073%            | 0.0687%            | -2.1882%           | -2.9144%           | 2.9443%            |                           |
| Original Potential Yield          | \$74,990     | \$ 275,957         | \$61,686           | \$28,863           | \$96,370           | \$168,015          | \$ 117,850         | \$147,521          | \$276,923          | \$3,585            | -\$114,008         | \$ (148,494)       | \$145,643          |                           |
| Enacted Change                    | 1.6153%      | 3.1958%            | 1.2168%            | -0.0162%           | -0.0510%           | 1.9727%            | 0.0952%            | 1.8962%            | 1.9322%            | -0.1931%           | -2.2074%           | -2.9144%           | 2.9017%            |                           |
| Enacted Yield                     | \$74,989     | \$150,757          | \$59,236           | -\$800             | -\$2,513           | \$97,136           | \$4,779            | \$95,302           | \$98,953           | -\$10,081          | -\$115,011         | -\$148,494         | \$143,538          |                           |
| Enacted Levy                      | \$4,717,406  | \$4,868,163        | \$4,927,399        | \$4,926,599        | \$4,924,086        | \$5,021,222        | \$5,026,001        | \$5,121,303        | \$5,220,256        | \$5,210,175        | \$5,095,164        | \$4,946,670        | \$5,090,208        |                           |
| Loss compared to could have       | (\$1)        | (\$125,200)        | (\$2,450)          | (\$29,663)         | (\$98,883)         | (\$70,879)         | (\$113,071)        | (\$52,219)         | (\$177,970)        | (\$13,666)         | (\$1,003)          | (\$0)              | (\$2,105)          |                           |
| OCS Reoccurring Loss from 12-13   | (\$1)        | (\$1)              | (\$1)              | (\$1)              | (\$1)              | (\$1)              | (\$1)              | (\$1)              | (\$1)              | (\$1)              | (\$1)              | (\$1)              | (\$1)              |                           |
| OCS Reoccurring Loss from 13-14   |              | (\$125,200)        | (\$125,200)        | (\$125,200)        | (\$125,200)        | (\$125,200)        | (\$125,200)        | (\$125,200)        | (\$125,200)        | (\$125,200)        | (\$125,200)        | (\$125,200)        | (\$125,200)        |                           |
| OCS Reoccurring Loss from 14-15   |              |                    | (\$2,450)          | (\$2,450)          | (\$2,450)          | (\$2,450)          | (\$2,450)          | (\$2,450)          | (\$2,450)          | (\$2,450)          | (\$2,450)          | (\$2,450)          | (\$2,450)          |                           |
| OCS Reoccurring Loss from 15-16   |              |                    |                    | (\$29,663)         | (\$29,663)         | (\$29,663)         | (\$29,663)         | (\$29,663)         | (\$29,663)         | (\$29,663)         | (\$29,663)         | (\$29,663)         | (\$29,663)         |                           |
| OCS Reoccurring Loss from 16-17   |              |                    |                    |                    | (\$98,883)         | (\$98,883)         | (\$98,883)         | (\$98,883)         | (\$98,883)         | (\$98,883)         | (\$98,883)         | (\$98,883)         | (\$98,883)         |                           |
| OCS Reoccurring Loss from 17-18   |              |                    |                    |                    |                    | (\$70,879)         | (\$70,879)         | (\$70,879)         | (\$70,879)         | (\$70,879)         | (\$70,879)         | (\$70,879)         | (\$70,879)         |                           |
| OCS Reoccurring Loss from 18-19   |              |                    |                    |                    |                    |                    | (\$113,071)        | (\$113,071)        | (\$113,071)        | (\$113,071)        | (\$113,071)        | (\$113,071)        | (\$113,071)        |                           |
| OCS Reoccurring Loss from 19-20   |              |                    |                    |                    |                    |                    |                    | (\$52,219)         | (\$52,219)         | (\$52,219)         | (\$52,219)         | (\$52,219)         | (\$52,219)         |                           |
| OCS Reoccurring Loss from 20-21   |              |                    |                    |                    |                    |                    |                    |                    | (\$177,970)        | (\$177,970)        | (\$177,970)        | (\$177,970)        | (\$177,970)        |                           |
| OCS Reoccurring Loss from 21-22   |              |                    |                    |                    |                    |                    |                    |                    |                    | (\$13,666)         | (\$13,666)         | (\$13,666)         | (\$13,666)         |                           |
| OCS Reoccurring Loss from 22-23   |              |                    |                    |                    |                    |                    |                    |                    |                    |                    | (\$1,003)          | (\$1,003)          | (\$1,003)          |                           |
| OCS Reoccurring Loss from 23-24   |              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    | (\$0)              | (\$0)              |                           |
| OCS Reoccurring Loss from 24-25   |              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    | (\$2,105)          |                           |
| <b>Total OCS Reoccurring Loss</b> | <b>(\$1)</b> | <b>(\$125,201)</b> | <b>(\$127,650)</b> | <b>(\$157,314)</b> | <b>(\$256,197)</b> | <b>(\$327,076)</b> | <b>(\$440,147)</b> | <b>(\$492,366)</b> | <b>(\$670,336)</b> | <b>(\$684,001)</b> | <b>(\$685,004)</b> | <b>(\$685,004)</b> | <b>(\$687,109)</b> | <b>(\$5,337,406)</b>      |
| Levy Difference                   |              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    | (\$775,802) (\$6,113,208) |
|                                   | Monday       | Tuesday            | Wednesday          | Thursday           | Friday             | Monday             | Tuesday            | Wednesday          | Thursday           | Friday             | Monday             | Tuesday            | Wednesday          |                           |



# Salem CSD Tax Cap Calculations.. Actual Tax Cap History (Just Last 5 Years)

| Original                          |                    |                    |                    |                    |                    | Recalculation                     |                    |                    |                    |                    |                    |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Tax Cap Calculation               | 2020-21            | 2021-22            | 2022-23            | 2023-24            | 2024-25            | Tax Cap Calculation               | 2020-21            | 2021-22            | 2022-23            | 2023-24            | 2024-25            |
| Tax Levy Prior Year               | \$5,121,303        | \$5,398,226        | \$5,403,999        | \$5,522,222        | \$5,443,942        | Tax Levy Prior Year               | \$5,121,303        | \$5,220,256        | \$5,210,175        | \$5,095,164        | \$4,946,670        |
| X Tax Base Growth Factor          | 1.0046             | 1.0000             | 1.0000             | 1.0011             | 1.0003             | X Tax Base Growth Factor          | 1.0046             | 1.0000             | 1.0000             | 1.0011             | 1.0003             |
| Net                               | \$5,144,861        | \$5,398,226        | \$5,403,999        | \$5,528,296        | \$5,445,575        | Net                               | \$5,144,861        | \$5,220,256        | \$5,210,175        | \$5,100,769        | \$4,948,154        |
| Reserve Amount                    | \$0                | \$0                | -\$228,354         | \$288,354          | \$0                | + Previous Year PILOTs            | \$0                | \$0                | -\$228,354         | \$228,354          | \$0                |
| - Previous Capital Exclusion      | \$126,530          | \$289,063          | \$231,994          | \$479,697          | \$0                | - Previous Capital Exclusion      | \$126,530          | \$289,063          | \$231,994          | \$479,697          | \$0                |
| Net                               | \$5,018,331        | \$5,109,163        | \$4,943,651        | \$5,336,953        | \$5,445,575        | Net                               | \$5,018,331        | \$4,931,193        | \$4,749,827        | \$4,849,426        | \$4,948,154        |
| X Allow. Growth Factor (CPI)      | 1.0181             | 1.0123             | 1.0200             | 1.0200             | 1.0200             | X Allow. Growth Factor (CPI)      | 1.0181             | 1.0123             | 1.0200             | 1.0200             | 1.0200             |
| Net                               | \$5,109,163        | \$5,172,005        | \$5,042,525        | \$5,443,692        | \$5,554,487        | Net                               | \$5,109,163        | \$4,991,847        | \$4,844,824        | \$4,946,414        | \$5,047,117        |
| Reserve to reduce levy            | \$0                | \$0                | \$0                | \$0                | \$0                | - Est. PILOTs 2020-21             | \$0                | \$0                | \$228,354          | \$0                | \$0                |
| + Available Carryover             | \$0                | \$0                | \$0                | \$0                | \$0                | + Available Carryover             | \$0                | \$0                | \$0                | \$0                | \$0                |
| Levy Before Adjustments           | \$5,109,163        | \$5,172,005        | \$5,042,525        | \$5,443,942        | \$5,554,487        | Levy Before Adjustments           | \$5,109,163        | \$4,991,847        | \$4,616,470        | \$4,946,670        | \$5,047,116        |
| + Pension Exclusion TRS           | \$0                | \$0                | \$0                | \$0                | \$0                | + Pension Exclusion TRS           | \$0                | \$0                | \$0                | \$0                | \$0                |
| + Pension Exclusion ERS           | \$0                | \$0                | \$0                | \$0                | \$2,105            | + Pension Exclusion ERS           | \$0                | \$0                | \$0                | \$0                | \$2,105            |
| + Capital Exclusion               | \$289,063          | \$231,994          | \$479,697          | \$0                | \$43,091           | + Capital Exclusion               | \$289,063          | \$231,994          | \$479,697          | \$0                | \$43,091           |
| Levy Limit                        | \$5,398,226        | \$5,403,999        | \$5,522,222        | \$5,443,942        | \$5,599,683        | Levy Limit                        | \$5,398,226        | \$5,223,841        | \$5,096,167        | \$4,946,670        | \$5,092,313        |
| Change                            | 5.4073%            | 0.1070%            | 2.1877%            | -1.4175%           | 2.8608%            | Change                            | 5.4073%            | 0.0687%            | -2.1882%           | -2.9144%           | 2.9443%            |
| Potential Yield                   | \$276,923          | \$5,774            | \$118,222          | \$ (78,279)        | \$155,741          | Original Potential Yield          | \$276,923          | \$3,585            | -\$114,008         | \$ (148,494)       | \$145,643          |
| Enacted Change                    | 1.9322%            | -0.1931%           | -2.2074%           | -2.9144%           | 2.9017%            | Enacted Change                    | 1.9322%            | -0.1931%           | -2.2074%           | -2.9144%           | 2.9017%            |
| Enacted Yield                     | \$98,953           | -\$10,081          | -\$115,011         | -\$148,494         | \$143,538          | Enacted Yield                     | \$98,953           | -\$10,081          | -\$115,011         | -\$148,494         | \$143,538          |
| Enacted Levy                      | \$5,220,256        | \$5,210,175        | \$5,095,164        | \$4,946,670        | \$5,090,208        | Enacted Levy                      | \$5,220,256        | \$5,210,175        | \$5,095,164        | \$4,946,670        | \$5,090,208        |
| Loss compared to could have       | (\$177,970)        | (\$13,666)         | (\$1,003)          | (\$0)              | (\$2,105)          | Loss compared to could have       | (\$177,970)        | (\$13,666)         | (\$1,003)          | (\$0)              | (\$2,105)          |
| OCS Reoccurring Loss from 20-21   | (\$177,970)        | (\$177,970)        | (\$177,970)        | (\$177,970)        | (\$177,970)        | OCS Reoccurring Loss from 20-21   | (\$177,970)        | (\$177,970)        | (\$177,970)        | (\$177,970)        | (\$177,970)        |
| OCS Reoccurring Loss from 21-22   |                    | (\$13,666)         | (\$13,666)         | (\$13,666)         | (\$13,666)         | OCS Reoccurring Loss from 21-22   |                    | (\$13,666)         | (\$13,666)         | (\$13,666)         | (\$13,666)         |
| OCS Reoccurring Loss from 22-23   |                    |                    | (\$1,003)          | (\$1,003)          | (\$1,003)          | OCS Reoccurring Loss from 22-23   |                    |                    | (\$1,003)          | (\$1,003)          | (\$1,003)          |
| OCS Reoccurring Loss from 23-24   |                    |                    |                    | (\$0)              | (\$0)              | OCS Reoccurring Loss from 23-24   |                    |                    |                    | (\$0)              | (\$0)              |
| OCS Reoccurring Loss from 24-25   |                    |                    |                    |                    | (\$2,105)          | OCS Reoccurring Loss from 24-25   |                    |                    |                    |                    | (\$2,105)          |
| <b>Total OCS Reoccurring Loss</b> | <b>(\$177,970)</b> | <b>(\$191,635)</b> | <b>(\$192,638)</b> | <b>(\$192,638)</b> | <b>(\$194,743)</b> | <b>Total OCS Reoccurring Loss</b> | <b>(\$177,970)</b> | <b>(\$191,635)</b> | <b>(\$192,638)</b> | <b>(\$192,638)</b> | <b>(\$194,743)</b> |
| Levy Difference                   |                    |                    |                    |                    | (\$509,475)        | Levy Difference                   |                    |                    |                    |                    | (\$1,459,099)      |
|                                   | Monday             | Tuesday            | Wednesday          | Thursday           | Friday             |                                   | Monday             | Tuesday            | Wednesday          | Thursday           | Friday             |



**Assumptions**

Revenues:

Estimates for Tax Levy to generally help solve Revenue Shortfall then Stay at Tax Cap thereafter?

State Aid 2025-26 slight Increase in Foundation Aid

Stable Transportation Aid

Building Aid follows Debt Service Schedule\*

Expenditures:

Follow contractual Obligations

No notable changes in staff patterns after 2025-26 (2025-26 Contains ~\$470,000 in budgeted reductions)

Stable ERS and TRS increased costs

Probable Health Insurance Escalation\*

**Scenario 2**  
**Change Revenues**  
**with significant**  
**increase in taxes only**

**Salem CSD**

**5 Year Financial Projections**

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

| Fiscal Year Ending June 30:          | 2024                | 2025                | 2026                | 2027                | 2028                | 2029                | 2030                | 2025-2030          |              |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------|
| <b>REVENUES:</b>                     |                     | 2.91%               | 18.00%              | 2.55%               | 2.65%               | 2.85%               | 2.99%               | <b>Difference</b>  |              |
| <b>Real Property Taxes</b>           | \$5,071,670         | \$5,090,208         | \$6,006,408         | \$6,159,572         | \$6,322,801         | \$6,503,000         | \$6,697,440         | \$1,607,232        | 31.6%        |
| State Aid                            | \$8,526,157         | \$8,617,765         | \$8,191,663         | \$8,655,063         | \$8,960,412         | \$9,277,657         | \$9,607,275         | \$989,510          |              |
| Building Aid                         | \$1,570,148         | \$1,600,051         | \$1,582,110         | \$1,436,911         | \$1,381,948         | \$1,963,109         | \$1,963,109         | \$363,058          |              |
| Transportation Aid                   | \$780,885           | \$939,703           | \$1,195,177         | \$1,154,955         | \$1,154,955         | \$1,154,955         | \$1,154,955         | \$215,252          |              |
| Federal Aid (Medicaid only)          | \$165,000           | \$165,000           | \$165,000           | \$165,000           | \$165,000           | \$165,000           | \$165,000           | \$0                |              |
| Interfund Transfers Reserves?        | \$258,795           | \$250,000           | \$40,000            | \$40,000            | \$40,000            | \$40,000            | \$40,000            | (\$210,000)        |              |
| Other Revenues (Not including AFB)   | \$146,050           | \$251,550           | \$409,000           | \$409,000           | \$409,000           | \$409,000           | \$409,000           | \$157,450          |              |
| <b>Total Revenues</b>                | <b>\$16,518,705</b> | <b>\$16,914,277</b> | <b>\$17,589,358</b> | <b>\$18,020,501</b> | <b>\$18,434,115</b> | <b>\$19,512,722</b> | <b>\$20,036,779</b> | <b>\$3,122,502</b> | <b>18.5%</b> |
| <b>Amount of Change Year to Year</b> |                     | <b>\$395,572</b>    | <b>\$675,081</b>    | <b>\$431,142</b>    | <b>\$413,615</b>    | <b>\$1,078,606</b>  | <b>\$524,057</b>    |                    |              |
|                                      |                     | 2.4%                | 4.0%                | 2.5%                | 2.3%                | 5.9%                | 2.7%                |                    |              |

|  | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |  |  |
|--|------|------|------|------|------|------|------|--|--|
|--|------|------|------|------|------|------|------|--|--|

|                               |              |              |              |              |              |              |              |             |       |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------|
| Total Revenues                | \$16,518,705 | \$16,914,277 | \$17,589,358 | \$18,020,501 | \$18,434,115 | \$19,512,722 | \$20,036,779 | \$3,122,502 | 18.5% |
| Amount of Change Year to Year |              | \$395,572    | \$675,081    | \$431,142    | \$413,615    | \$1,078,606  | \$524,057    |             |       |
|                               |              | 2.4%         | 4.0%         | 2.5%         | 2.3%         | 5.9%         | 2.7%         |             |       |

|                               |              |              |              |              |              |              |              |             |       |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------|
| Total Expenses                | \$17,638,464 | \$17,894,277 | \$17,784,533 | \$18,487,615 | \$19,349,153 | \$20,839,356 | \$21,788,292 | \$3,894,015 | 21.8% |
| Amount of Change Year to Year |              | \$255,813    | -\$109,744   | \$703,082    | \$861,538    | \$1,490,203  | \$948,936    |             |       |
|                               |              | 1.5%         | -0.6%        | 4.0%         | 4.7%         | 7.7%         | 4.6%         |             |       |

|                                    |              |             |             |             |               |              |              |  |  |
|------------------------------------|--------------|-------------|-------------|-------------|---------------|--------------|--------------|--|--|
| Adjustments (Carry Over, etc.)     | \$1,589,555  | \$974,817   | \$1,045,536 | \$1,045,536 | \$1,045,536   | \$1,045,536  | \$1,045,536  |  |  |
| Adjustments Use of Reserves        | \$0          | \$0         | \$0         | \$0         | (\$1,500,000) | \$0          | \$0          |  |  |
| 4% of Expenses                     | \$715,771    | \$711,381   | \$739,505   | \$773,966   | \$833,574     | \$871,532    | \$871,532    |  |  |
| Assigned Appropriated Fund Balance | \$1,588,255  | \$195,174   | \$467,114   | \$915,037   | \$1,326,634   | \$1,751,514  | \$1,751,514  |  |  |
| Unassigned Fund Balance            | \$1,175,163  | \$711,381   | \$739,505   | \$773,966   | \$833,574     | \$871,532    | \$871,532    |  |  |
| Reserved Fund Balance              | \$3,653,298  | \$3,722,201 | \$6,619,521 | \$6,715,558 | \$4,874,851   | \$4,130,916  | \$3,424,939  |  |  |
| Total Fund Balance June 30         | \$6,416,716  | \$6,975,778 | \$7,826,140 | \$8,404,561 | \$7,035,060   | \$6,753,962  | \$6,047,984  |  |  |
| Revenue to Expenditure Difference  | -\$1,119,759 | -\$980,000  | -\$195,174  | -\$467,114  | -\$915,037    | -\$1,326,634 | -\$1,751,514 |  |  |

**Scenario 2**  
**Change Revenues**  
**with significant**  
**increase in taxes only**

Has the Ability to use \$1,500,000 in Capital Construction Reserves been lost?

### Scenario 3 Increase taxes and significant reductions of expenses

**Assumptions**

Revenues:  
 Estimates for Tax Levy to partially help solve Revenue Shortfall then Stay at Tax Cap thereafter?  
 State Aid 2025-26 slight Increase in Foundation Aid  
 Stable Transportation Aid  
 Building Aid follows Debt Service Schedule\*

Expenditures:  
 Follow contractual Obligations  
 Additional changes in staff patterns in 2025-26 (Additional \$375,000 beyond ~\$470,000 2025-26 budgeted reductions)  
 Stable ERS and TRS increased costs  
 Probable Health Insurance Escalation\*

| <b>Salem CSD</b>   |              |              |              |              |              |              |              |                   |       |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|-------|
| <b>5 Year Financial Projections</b>  |              |              |              |              |              |              |              |                   |       |
| <b>Tax Levy % Increase is an example only and does not represent exact Tax Cap calculation</b> |              |              |              |              |              |              |              |                   |       |
| Fiscal Year Ending June 30:  | 2024         | 2025         | 2026         | 2027         | 2028         | 2029         | 2030         | 2025-2030         |       |
| <b>REVENUES:</b>   |              | 2.91%        | 8.00%        | 2.55%        | 2.65%        | 2.85%        | 2.99%        | <b>Difference</b> |       |
| <b>Real Property Taxes</b>   | \$5,071,670  | \$5,090,208  | \$5,497,388  | \$5,637,571  | \$5,786,967  | \$5,951,895  | \$6,129,857  | \$1,039,649       | 20.4% |
| State Aid  | \$8,526,157  | \$8,617,765  | \$8,191,663  | \$8,655,063  | \$8,960,412  | \$9,277,657  | \$9,607,275  | \$989,510         |       |
| Building Aid   | \$1,570,148  | \$1,600,051  | \$1,582,110  | \$1,436,911  | \$1,381,948  | \$1,963,109  | \$1,963,109  | \$363,058         |       |
| Transportation Aid   | \$780,885    | \$939,703    | \$1,195,177  | \$1,154,955  | \$1,154,955  | \$1,154,955  | \$1,154,955  | \$215,252         |       |
| Federal Aid (Medicaid only)  | \$165,000    | \$165,000    | \$165,000    | \$165,000    | \$165,000    | \$165,000    | \$165,000    | \$0               |       |
| Interfund Transfers Reserves?  | \$258,795    | \$250,000    | \$40,000     | \$40,000     | \$40,000     | \$40,000     | \$40,000     | (\$210,000)       |       |
| Other Revenues (Not including AFB)   | \$146,050    | \$251,550    | \$409,000    | \$409,000    | \$409,000    | \$409,000    | \$409,000    | \$157,450         |       |
| <b>Total Revenues</b>  | \$16,518,705 | \$16,914,277 | \$17,080,338 | \$17,498,500 | \$17,898,282 | \$18,961,617 | \$19,469,196 | \$2,554,919       | 15.1% |
| <b>Amount of Change Year to Year</b>   |              | \$395,572    | \$166,061    | \$418,162    | \$399,782    | \$1,063,335  | \$507,579    |                   |       |
|  |              | 2.4%         | 1.0%         | 2.4%         | 2.3%         | 5.9%         | 2.7%         |                   |       |

|                               |              |              |              |              |              |              |              |             |       |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------|
| Total Revenues                | \$16,518,705 | \$16,914,277 | \$17,080,338 | \$17,498,500 | \$17,898,282 | \$18,961,617 | \$19,469,196 | \$2,554,919 | 15.1% |
| Amount of Change Year to Year |              | \$395,572    | \$166,061    | \$418,162    | \$399,782    | \$1,063,335  | \$507,579    |             |       |
|                               |              | 2.4%         | 1.0%         | 2.4%         | 2.3%         | 5.9%         | 2.7%         |             |       |

Scenario 3



| EXPENSES:                     | 2024         | 2025         | 2026         | 2027         | 2028         | 2029         | 2030         | 2025-2030   |       |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------|
|                               |              |              |              |              |              |              |              | Difference  |       |
| General Support               |              |              |              |              |              |              |              |             |       |
| Salaries                      | \$887,179    | \$842,197    | \$884,829    | \$918,010    | \$950,140    | \$983,395    | \$1,017,814  | \$175,617   | 20.9% |
| Other                         | \$1,039,506  | \$1,160,920  | \$1,151,525  | \$1,176,724  | \$1,202,554  | \$1,229,029  | \$1,256,166  | \$95,246    | 8.2%  |
| Instruction                   |              |              |              |              |              |              |              |             |       |
| Salaries                      | \$6,997,133  | \$6,198,167  | \$5,663,819  | \$5,862,427  | \$6,054,744  | \$6,253,793  | \$6,459,809  | \$261,642   | 4.2%  |
| Other                         | \$1,840,198  | \$2,692,193  | \$2,465,114  | \$2,557,977  | \$2,654,554  | \$2,754,994  | \$2,859,452  | \$167,259   | 6.2%  |
| Transportation                |              |              |              |              |              |              |              |             |       |
| Salaries                      | \$404,160    | \$553,620    | \$687,875    | \$717,898    | \$746,970    | \$777,059    | \$808,202    | \$254,582   | 46.0% |
| Other                         | \$958,795    | \$654,036    | \$846,693    | \$864,930    | \$883,624    | \$902,785    | \$922,425    | \$268,389   | 41.0% |
| Employee Benefits             |              |              |              |              |              |              |              |             |       |
| Retirement                    | \$873,221    | \$884,989    | \$834,739    | \$868,129    | \$902,854    | \$938,968    | \$976,527    | \$91,538    | 10.3% |
| Social Security               | \$615,035    | \$593,495    | \$574,841    | \$597,835    | \$621,748    | \$646,618    | \$672,483    | \$78,988    | 13.3% |
| Workers' Compensation         | \$95,555     | \$76,057     | \$75,644     | \$76,022     | \$76,592     | \$77,167     | \$77,746     | \$1,689     | 2.2%  |
| Health                        | \$2,284,726  | \$2,528,633  | \$2,501,200  | \$2,838,074  | \$3,147,998  | \$3,495,113  | \$3,883,881  | \$1,355,248 | 53.6% |
| Other                         | \$250        | \$4,500      | \$4,500      | \$4,500      | \$4,500      | \$4,500      | \$4,500      | \$0         | 0.0%  |
| Total Expenses                | \$17,638,464 | \$17,894,277 | \$17,409,533 | \$18,090,115 | \$18,930,409 | \$20,397,745 | \$21,322,029 | \$3,427,752 | 19.2% |
| Amount of Change Year to Year |              | \$255,813    | -\$484,744   | \$680,582    | \$840,294    | \$1,467,336  | \$924,284    |             |       |
|                               |              | 1.5%         | -2.7%        | 3.9%         | 4.6%         | 7.8%         | 4.5%         |             |       |

|  | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |  |  |
|--|------|------|------|------|------|------|------|--|--|
|--|------|------|------|------|------|------|------|--|--|

**Scenario 2**

|                               |              |              |              |              |              |              |              |             |       |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------|
| Total Revenues                | \$16,518,705 | \$16,914,277 | \$17,080,338 | \$17,498,500 | \$17,898,282 | \$18,961,617 | \$19,469,196 | \$2,554,919 | 15.1% |
| Amount of Change Year to Year |              | \$395,572    | \$166,061    | \$418,162    | \$399,782    | \$1,063,335  | \$507,579    |             |       |
|                               |              | 2.4%         | 1.0%         | 2.4%         | 2.3%         | 5.9%         | 2.7%         |             |       |

|                               |              |              |              |              |              |              |              |             |       |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------|
| Total Expenses                | \$17,638,464 | \$17,894,277 | \$17,409,533 | \$18,090,115 | \$18,930,409 | \$20,397,745 | \$21,322,029 | \$3,427,752 | 19.2% |
| Amount of Change Year to Year |              | \$255,813    | -\$484,744   | \$680,582    | \$840,294    | \$1,467,336  | \$924,284    |             |       |
|                               |              | 1.5%         | -2.7%        | 3.9%         | 4.6%         | 7.8%         | 4.5%         |             |       |

|                                |             |           |             |             |               |             |             |  |  |
|--------------------------------|-------------|-----------|-------------|-------------|---------------|-------------|-------------|--|--|
| Adjustments (Carry Over, etc.) | \$1,589,555 | \$974,817 | \$1,045,536 | \$1,045,536 | \$1,045,536   | \$1,045,536 | \$1,045,536 |  |  |
| Adjustments Use of Reserves    | \$0         | \$0       | \$0         | \$0         | (\$1,500,000) | \$0         | \$0         |  |  |
| 4% of Expenses                 | \$715,771   | \$696,381 | \$723,605   | \$757,216   | \$815,910     | \$852,881   | \$852,881   |  |  |

**Scenario 3**  
**Increase taxes and significant reductions of expenses**

|                                    |              |             |             |             |              |              |              |
|------------------------------------|--------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Assigned Appropriated Fund Balance | \$1,588,255  | \$329,195   | \$591,615   | \$1,032,127 | \$1,436,129  | \$1,852,833  | \$1,852,833  |
| Unassigned Fund Balance            | \$1,175,163  | \$696,381   | \$723,605   | \$757,216   | \$815,910    | \$852,881    | \$852,881    |
| Reserved Fund Balance              | \$3,653,298  | \$3,722,201 | \$6,376,899 | \$6,356,696 | \$4,407,410  | \$3,563,141  | \$2,755,844  |
| Total Fund Balance June 30         | \$6,416,716  | \$6,975,778 | \$7,692,119 | \$8,146,040 | \$6,659,448  | \$6,268,856  | \$5,461,558  |
| Revenue to Expenditure Difference  | -\$1,119,759 | -\$980,000  | -\$329,195  | -\$591,615  | -\$1,032,127 | -\$1,436,129 | -\$1,852,833 |

Has the Ability to use \$1,500,000 in Capital Construction Reserves been lost?

### Scenario 1

Revenues:

Estimates for Tax Levy 2.08% Stay at Tax Cap 2026 and thereafter...

Expenditures:

No notable changes in staff patterns after 2025-26 (2025-26 Contains ~\$470,000 in budgeted reductions)

|                                    | 2024         | 2025        | 2026         | 2027         | 2028         | 2029         | 2030         |
|------------------------------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|
| Assigned Appropriated Fund Balance | \$1,588,255  | \$1,005,535 | \$1,298,140  | \$1,768,085  | \$2,203,994  | \$2,655,106  | \$2,655,106  |
| Unassigned Fund Balance            | \$1,175,163  | \$711,381   | \$739,505    | \$773,966    | \$833,574    | \$727,062    | -\$882,507   |
| Reserved Fund Balance              | \$3,653,298  | \$3,722,201 | \$4,978,134  | \$4,221,124  | \$1,503,058  | \$0          | \$0          |
| Total Fund Balance June 30         | \$6,416,716  | \$6,975,778 | \$7,015,779  | \$6,763,175  | \$4,540,626  | \$3,382,168  | \$1,772,598  |
| Revenue to Expenditure Difference  | -\$1,119,759 | -\$980,000  | -\$1,005,535 | -\$1,298,140 | -\$1,768,085 | -\$2,203,994 | -\$2,655,106 |

### Scenario 2

Revenues:

Estimates for Tax Levy 18% to generally help solve Revenue Shortfall then Stay at Tax Cap thereafter?

Expenditures:

No notable changes in staff patterns after 2025-26 (2025-26 Contains ~\$470,000 in budgeted reductions)

|                                    | 2024         | 2025        | 2026        | 2027        | 2028        | 2029         | 2030         |
|------------------------------------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|
| Assigned Appropriated Fund Balance | \$1,588,255  | \$195,174   | \$467,114   | \$915,037   | \$1,326,634 | \$1,751,514  | \$1,751,514  |
| Unassigned Fund Balance            | \$1,175,163  | \$711,381   | \$739,505   | \$773,966   | \$833,574   | \$871,532    | \$871,532    |
| Reserved Fund Balance              | \$3,653,298  | \$3,722,201 | \$6,619,521 | \$6,715,558 | \$4,874,851 | \$4,130,916  | \$3,424,939  |
| Total Fund Balance June 30         | \$6,416,716  | \$6,975,778 | \$7,826,140 | \$8,404,561 | \$7,035,060 | \$6,753,962  | \$6,047,984  |
| Revenue to Expenditure Difference  | -\$1,119,759 | -\$980,000  | -\$195,174  | -\$467,114  | -\$915,037  | -\$1,326,634 | -\$1,751,514 |

### Scenario 3

Revenues:

Estimates for Tax Levy 8% to partially help solve Revenue Shortfall then Stay at Tax Cap thereafter?

Expenditures:

Additional changes in staff patterns in 2025-26 (Additional \$375,000 beyond ~\$470,000 2025-26 budgeted reductions)

|                                    | 2024         | 2025        | 2026        | 2027        | 2028         | 2029         | 2030         |
|------------------------------------|--------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Assigned Appropriated Fund Balance | \$1,588,255  | \$329,195   | \$591,615   | \$1,032,127 | \$1,436,129  | \$1,852,833  | \$1,852,833  |
| Unassigned Fund Balance            | \$1,175,163  | \$696,381   | \$723,605   | \$757,216   | \$815,910    | \$852,881    | \$852,881    |
| Reserved Fund Balance              | \$3,653,298  | \$3,722,201 | \$6,376,899 | \$6,356,696 | \$4,407,410  | \$3,563,141  | \$2,755,844  |
| Total Fund Balance June 30         | \$6,416,716  | \$6,975,778 | \$7,692,119 | \$8,146,040 | \$6,659,448  | \$6,268,856  | \$5,461,558  |
| Revenue to Expenditure Difference  | -\$1,119,759 | -\$980,000  | -\$329,195  | -\$591,615  | -\$1,032,127 | -\$1,436,129 | -\$1,852,833 |

# The Financial Status of the District is Strong ...And should remain Strong through 2027-28\*



## RECOMMENDATIONS

### Strategically and Operationally Examine Long Range Budget Implications for all of the district's obligations...Educational, Financial and Infrastructure.

1. Maintain a stable the budget by tracking expenses and revenues:
  - a) Re-Examine 2024-25 budget for fund balances (Carry Over/Reallocations).
  - b) Be mindful that the Budget process is always difficult due to the number of assumptions (Extrapolate cost estimates). Update estimates as possible for both Revenues and Expenses.
  - c) Attempts at cost reductions should be examined (those away from student programs first) to mitigate escalation of expenses. Aim for greater economies of scale, effectiveness and efficiencies.
  - d) “School” inflation Costs escalations of supplies, materials and equipment is a concern.
  - e) Reevaluate purchases and staff need. Examine the possibility of attrition and breakage, where possible but monitor certain labor scarcity issues. While this is difficult it will be necessary.

# The Financial Status of the District is Strong ...And should remain Strong through 2027-28\*

## RECOMMENDATIONS

### Strategically and Operationally Examine Long Range Budget Implications for all of the district's obligations...Educational, Financial and Infrastructure.

1. Maintain a stable the budget by tracking expenses and revenues: (continued)
  - f) Note the escalations in Long-term Expenditures in the financial plan compared to limitations on Revenues.
  - g) At the current overall budget trajectory, salaries and benefits will overwhelm the district's finances vs. any potential Revenue gains.
  - h) Failure to act immediately and over the next few years will make it more difficult to sustain the district's financial potency.
  - i) Develop a Long-Range thoughtful plan to prepare for possible State Fiscal Funding Cliff beyond 2026-27.
    - Do not count on increases in state aid to create and then sustain a more positive financial plan.
2. Annually reevaluate Reserve and Fund Balance amounts for sustainability and liabilities.

# RECOMMENDATIONS

## Strategically and Operationally Examine Long Range Budget Implications...

3. Long-range financial and capital plans help to stabilize the Tax Cap and are a useful strategy.
  - Past capital projects have helped some infrastructure, but more will need to be done.
4. Recent “right sizing” has successfully assisted the district financially. But more needs to be done.
  - State Aid: Foundation Aid the district currently slated for **5.2%** Increase in Foundation Aid in 2025-26; (It is hoped that more Foundation Aid may be forthcoming in Final NYS Budget).
  - Currently Expense driven aid continues as in current law for only partial reimbursements.
5. The district must continue to “right size” the relationship between expenses and revenue, based on diminished enrollments and trend data, course offerings, class sizes and other metrics.
  - Be mindful that the “student needs” demographics of the district are also changing as there are more students with special needs.
6. Absent the significant sums of previously available Federal Grants (CRRSA and ARPA) the ability of the district to sustain:
  - immediate Covid and post-Covid staff levels,
  - programs and class size levels within that period, and/or
  - to create and maintain fund balances currently and into the future are non-existent.
7. The costs associated with the Zero-Emissions bus mandate are expensive even with contract transportation systems -develop a plan/lobby hard

# RECOMMENDATIONS

## Strategically and Operationally Examine Long Range Budget Implications...

8. Monitor the Tax Cap... note growing use of Appropriated Fund Balance and be aware of Super Majority Tax Levy Limit implications.
9. The distance between anticipated revenues and expenses has grown significantly over the past few years. The distance between anticipated revenues and expenditures becomes more magnified as expenses escalate faster than revenues. The district has little control over revenues but significant control over expenses.
  - The attempt to challenge the Tax Cap last year was wise. The district could see the future need for revenue enhancement. However, the belief that it could or would save jobs was unrealistic as the finances of the district were becoming more precarious.
  - If last year's challenge to the Tax Cap initiative had passed, it would have helped toward the amelioration of the district's escalating and continuing financial issues. It would have represented a positive step toward financial improvement, but it would not be enough.
  - Expense cuts to the previous year's budget proved to be helpful, but not enough, to corral the depletion of the district's strain on revenues to resolve the district's financial projections long-term.
10. Immediately, and long term note that: Significant decreases in expenses must be made simultaneously with the maintenance of the physical structural integrity of the district's buildings.

Questions  
from the  
Board of Education?  
Long Range Financial Analysis  
Data Driven Fiscal Planning



**Salem Washington Academy**  
SALEM CENTRAL SCHOOL DISTRICT

---

*Every Student Future Ready*

