HUNTINGTON UFSD



Long-Range Financial Plan

Part 2 - Forecasting & Fiscal Modeling

Summary

- **Purpose of Long-Range Financial Planning**
  - Promotes predictability, transparency, and fiscal stability by projecting future revenues, expenditures, and fund balance trends.
  - Supports proactive decision-making by identifying emerging financial challenges and opportunities before they impact educational programs or taxpayers.

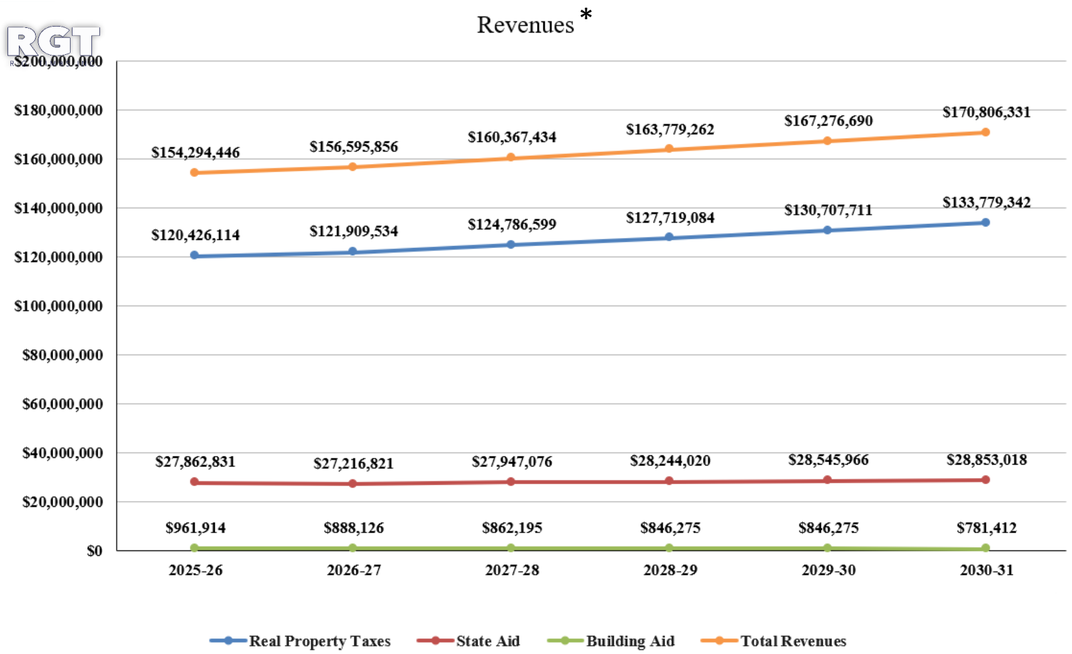
- **Purpose of the Five-Year Financial Analysis**
  - Provides a snapshot of projected financial conditions based on current assumptions, anticipated trends, and contractual obligations.
  - Identifies potential structural imbalances and supports strategic planning to address financial challenges before they materialize.

- **Revenue Outlook**
  - Examines anticipated revenue trends, including property taxes, State Aid, and other funding sources that support District operations.
  - Highlights the limitations and uncertainties surrounding future revenue growth and their impact on financial sustainability.

- **Expenditure Outlook**
  - Projects anticipated increases in salaries, employee benefits, transportation, and other significant operating costs.
  - Identifies expenditure pressures and opportunities for cost containment through staffing adjustments, attrition, and operational efficiencies.

- **Budget Development & Long-Term Financial Stability**
  - Utilizes five-year financial projections to inform annual budget decisions, evaluate operational priorities, and identify opportunities for cost containment.
  - Emphasizes aligning recurring expenditures with available revenues while maintaining educational programs, fiscal responsibility, and long-term financial sustainability.

Revenue & Expenditure Outlook

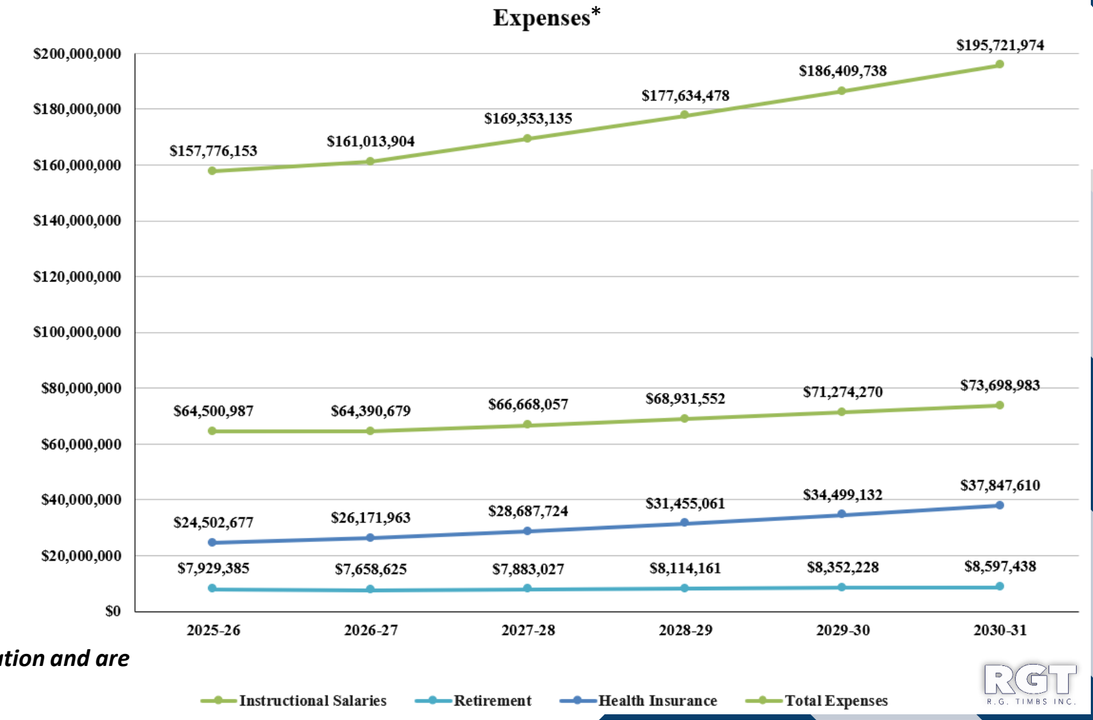


Revenue Outlook

- **Primary Revenue Sources:** Property taxes, State Aid, PILOT payments, interest earnings, and other local revenues.
- **Revenue Growth Limitations:** Property tax increases are influenced by New York State's tax levy limit, while future State Aid remains uncertain due to funding formulas, enrollment trends, and State fiscal conditions.
- **Financial Implications:** Anticipated revenue growth may not be sufficient to offset increasing operating costs, requiring continued evaluation of available resources and expenditure commitments.

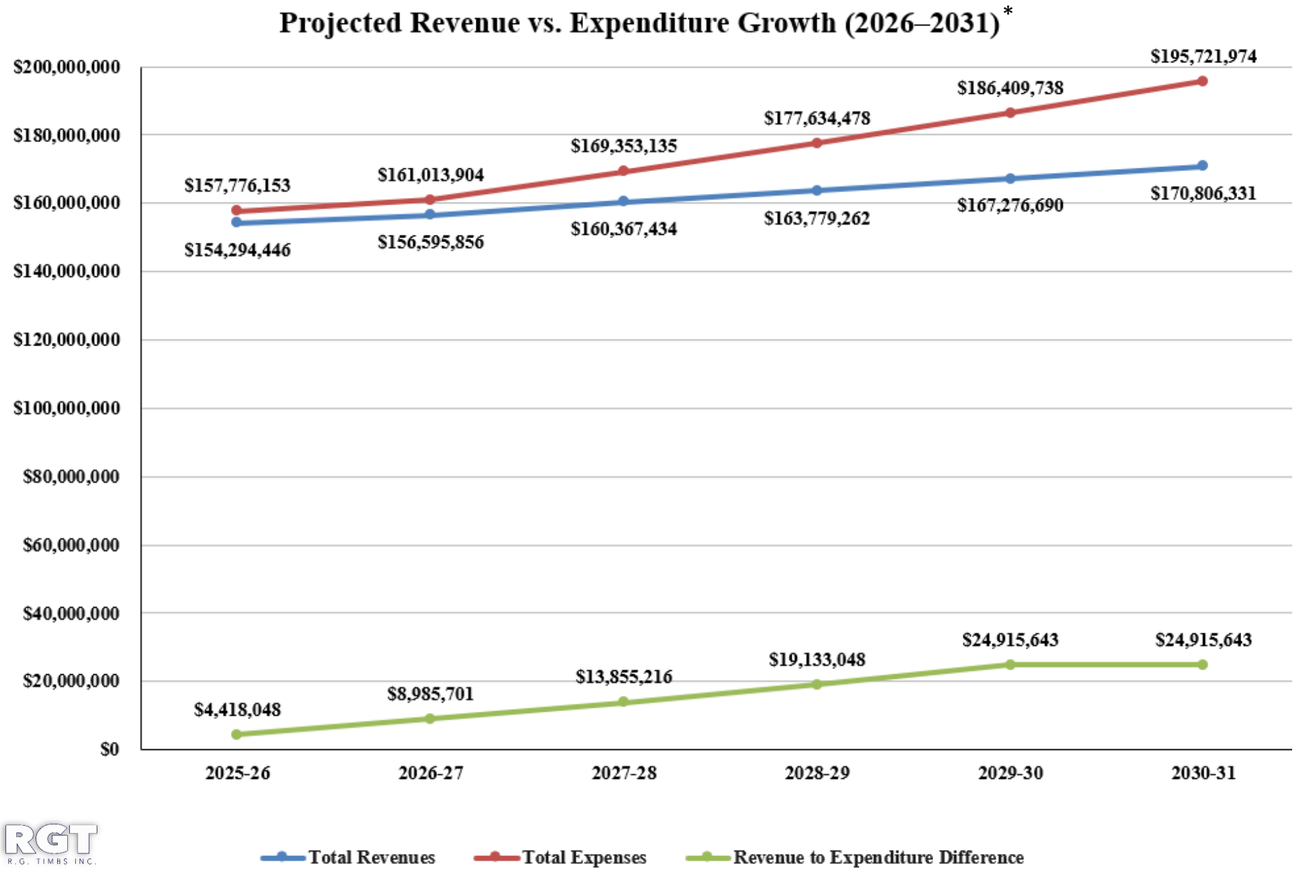
Expenditure Outlook

- **Major Expenditure Drivers:** Salaries, employee benefits, transportation, special education, and other operational costs represent significant areas of anticipated expenditure growth.
- **Projected Cost Pressures:** Contractual salary obligations, health insurance premiums, retirement contributions, and inflation contribute to rising operating expenditures.
- **Ongoing Adjustments:** Projections are subject to change based on retirements, attrition, staffing realignments, negotiated agreements, and operational efficiencies identified through annual budget development.



Note: Financial projections reflect assumptions available at the time of preparation and are subject to change through the District's ongoing budget development process.

Five-Year General Fund Financial Outlook



Projected Revenue vs. Expenditure Growth

- Financial projections indicate that operating expenditures may grow at a faster rate than available recurring revenues over the five-year period.
- The widening difference illustrates potential financial pressures if current assumptions continue without corresponding budgetary adjustments.

Understanding the Projected Financial Gap

- The projected gap represents a planning scenario based on assumptions available at the time of preparation, not a predetermined budget deficit.
- Actual budget outcomes will reflect future decisions involving staffing, retirements, operational efficiencies, revenue adjustments, and expenditure priorities.

Long-Term Financial Considerations

- Continued differences between revenue and expenditure growth may limit the District's ability to generate year-end surpluses and strengthen reserves.
- Proactive financial planning allows the District to evaluate potential challenges and make informed decisions before financial pressures become more significant.

Note: The projected $24.9 million funding gap in 2030–31 represents a potential financial condition under the assumptions incorporated into the model, before future budgetary adjustments. It does not represent a predetermined operating deficit.

Budget Development & Long-Term Financial Stability

Annual Budget Development

- Financial projections serve as a planning tool to guide annual budget decisions and identify potential financial challenges.
- Each budget cycle includes a comprehensive review of staffing, enrollment, programmatic needs, contractual obligations, and operating expenditures.

Expenditure Management

- Evaluate opportunities for cost containment through retirements, attrition, staffing realignments, and operational efficiencies.
- Prioritize expenditures based on educational necessity, operational requirements, and available financial resources.

Fund Balance & Reserve Planning

- Continue evaluating reserve balances, anticipated liabilities, and future capital needs to maintain financial flexibility.
- Recognize that reduced year-end surpluses may limit opportunities to strengthen reserves and support future capital improvements.

Long-Term Financial Sustainability

- Regularly update financial projections to reflect actual operating results, changing assumptions, and evolving District needs.
- Align recurring expenditures with anticipated recurring revenues while preserving high-quality educational opportunities for students.

Recommendations & Next Steps

Financial Planning & Oversight

- Continue monitoring projected revenues, expenditures, and emerging financial pressures to support informed decision-making.
- Regularly update the five-year financial model to reflect changing assumptions, actual results, and evolving District needs.

Staffing & Operational Priorities

- Evaluate staffing allocations, enrollment trends, educational programs, and departmental expenditures to identify opportunities for efficiencies.
- Consider retirements, attrition, and organizational adjustments while maintaining essential educational programs and student support services.

Revenue & Expenditure Considerations

- Monitor State Aid, tax levy limitations, PILOT revenues, and emerging State mandates that may impact future financial resources.
- Evaluate major expenditure drivers, including salaries, employee benefits, transportation, and special education.

Long-Term Financial Commitments

- Maintain responsible fund balance and reserve management while evaluating anticipated liabilities and capital improvement needs.
- Prioritize recurring expenditures within available financial resources to support long-term fiscal sustainability.