

Cornwall Central School District

2025 – 2026 Proposed Budget

March 10, 2025

"Striving for Excellence Every Day"



Vision

We envision a school district in which every staff member is a source of knowledge and inspiration, every building is a place of safety and support, every leader is a pillar of integrity, and every student is a source of pride.



Agenda

1. Budget Goals, 1st Steps & Next Steps
2. Budget Development Process
3. Preliminary & Revised Expenditures
4. Revised Budget – The How?
5. Preliminary & Revised Revenues
6. Preliminary & Revised Budget Summary
7. Revised Budget Recap
8. Budget Goals
9. Fund Balance and Reserves
10. CCSD – Farm Analogy
11. Budget Calendar & Questions



2025-26 Budget Goals, 1st Steps & Next Steps

2025-26 Budget Goals:

- 🌱 Lowest possible tax levy increase, but above all -- stay within the Property Tax Cap.
- 🌱 Maintain current programs.
- 🌱 Continue to support and grow instructional and operational programs.

2025-26 Budget – 1st Steps

- 🌱 Identify the “roll-over” budget to continue serving the needs being addressed in 2024-25. If the need does not exist after 2024-25, it is not in the roll-over budget.

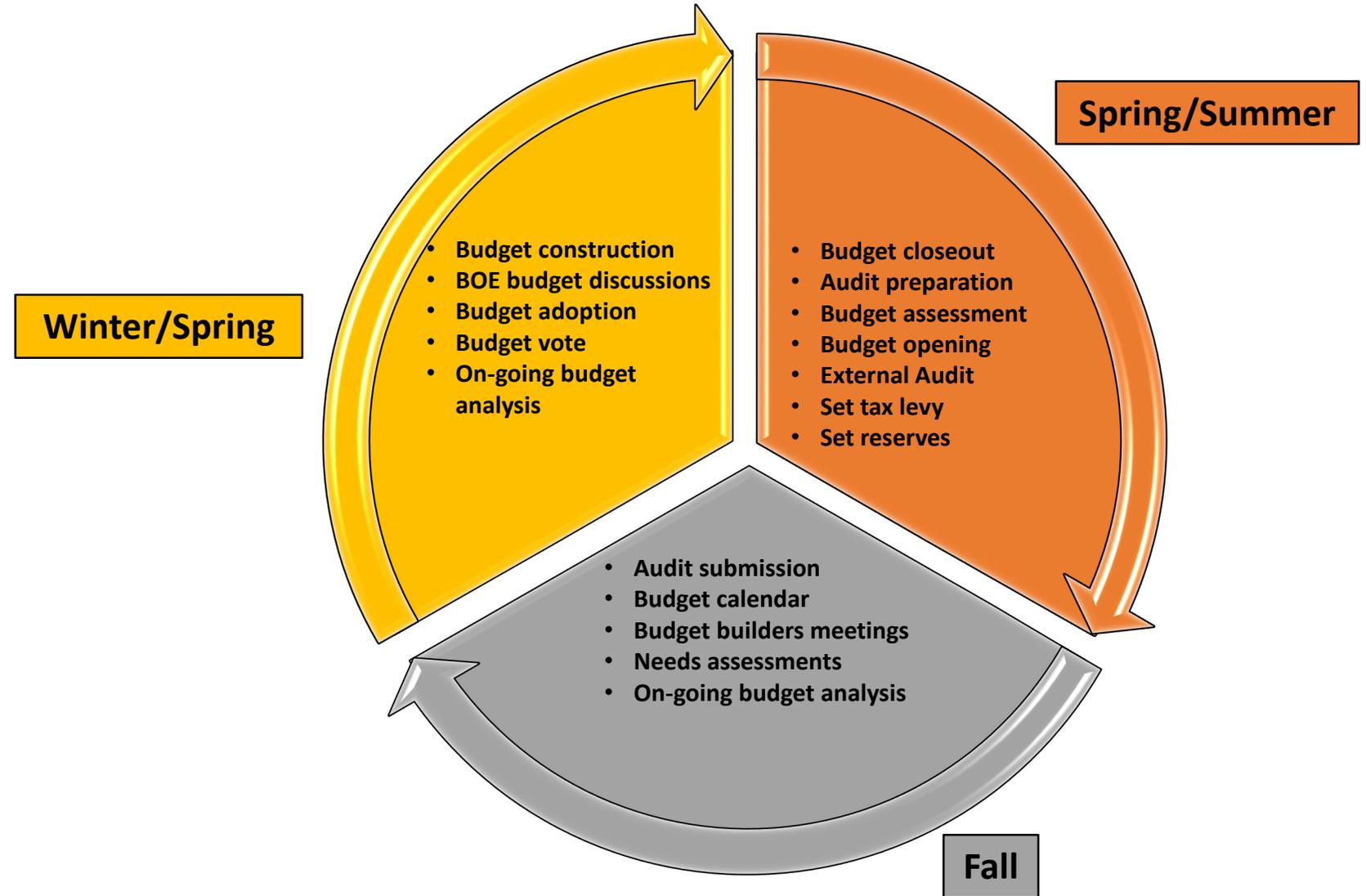
2025-26 Budget – Next Steps

- 🌱 Reengage leadership team.
- 🌱 Request more information and require feedback.
- 🌱 Reevaluate and reconsider proposed expenditures.
- 🌱 Redistribute proposed allocations.
- 🌱 Reconcile any discrepancies.
- 🌱 Readjust priorities if necessary.
- 🌱 Realize Success!



Budget Development Process

The development of the budget is a continuous, year-round process.



2025-26 Preliminary Expenditures (Budget)

2025-26 Preliminary Budget <i>(roll-over budget)</i>	2024-25 Approved Budget	Budget-to-Budget Increase
\$ 93,448,962	\$ 90,260,773	\$ 3,188,189

Open Items:

- Special education annual reviews
 - Out-of-district placements
 - Required related services (e.g., OT, PT, Speech, Counseling, 1:1 Aides)
 - Graduating students
 - Pre-school students moving up into District
- Contract Negotiations
 - Teachers, Administrators and Clerical Units



2025-26 Revised Expenditures (Budget)

2025-26 Revised Budget	2024-25 Approved Budget	Budget-to-Budget Increase
\$ 92,721,136	\$ 90,260,773	\$ 2,460,363

Open Items:

- Special education annual reviews
 - Out-of-district placements
 - Required related services (e.g., OT, PT, Speech, Counseling, 1:1 Aides)
 - Graduating students
 - Pre-school students moving up into District
- Contract Negotiations
 - Teachers, Administrators and Clerical Units



2025-26 Revised Budget – The How?

🌿 Teacher Attrition:

- 🌿 Teachers leaving the profession– retiring.

🌿 As of June 30, 2025

- 🌿 10 total teacher retirements.
 - 🌿 5 teachers positions will be filled through traditional posting and hiring process.
 - 🌿 5 teachers positions can be filled based on redistribution of staff due to enrollment or program shifts.
- 🌿 No teachers or staff will be but cut or excessed.
- 🌿 Instructional programs will continue to develop.



2025-26 Preliminary Revenue Projections

2025-26 Preliminary Revenue Projections	2024-25 Projected Revenue	Budget-to-Budget Increase
\$ 90,626,690	\$ 87,435,879	\$ 3,190,811

Assumptions:

- Maximum allowable property tax levy increase = 3.08% = \$1,615,813
- 3.00% property tax levy increase used in revenue projection = \$1,573,862**
- Increase in State Aid = \$1,020,442
- Increase in miscellaneous revenue = \$232,131

Open Items:

- Final State Aid Figures



2025-26 Revised Revenue Projections

2025-26 Revised Revenue Projections	2024-25 Projected Revenue	Budget-to-Budget Increase
\$ 90,364,365	\$ 87,435,879	\$ 2,928,486

Assumptions:

- Maximum allowable property tax levy increase = 3.08% = \$1,615,813
- 2.50% property tax levy increase used in revenue projection = \$1,311,537**
- Increase in State Aid = \$1,020,442
- Increase in miscellaneous revenue = \$232,131

Open Items:

- Final State Aid Figures



2025-26 Preliminary Budget Summary

	Amount
Preliminary Budget (“roll-over” expenditures)	\$ 93,448,962
Preliminary Revenues:	
Property Tax Levy (3.00% increase)	54,036,225
State Aid	34,997,138
Miscellaneous	1,593,327
Total Preliminary Revenues	90,626,690
Current Shortfall – without Assigned Fund Balance	\$ (2,822,272)
Preliminary Assigned Fund Balance	2,500,000
Current Deficit for Instructional and Operational Needs – with Assigned Fund Balance	\$ (322,272)



2025-26 Revised Budget Summary

	Amount
Revised Budget (revised expenditures)	\$ 92,721,136
Revised Revenues:	
Property Tax Levy (2.50% increase)	53,773,900
State Aid	34,997,138
Miscellaneous	1,593,327
Total Revised Revenues	90,364,365
Current Shortfall – without Assigned Fund Balance	\$ (2,356,771)
Revised Assigned Fund Balance	2,356,771
Current Deficit for Instructional and Operational Needs – with Assigned Fund Balance	\$ 0



2025-26 Revised Budget – Recap

2025-26 Revised Budget	2025-26 Revised Revenue Projections	Current Shortfall – without Assigned Fund Balance	Current Shortfall – with Assigned Fund Balance of \$2,356,711
\$ 92,721,136	\$ 90,364,365	\$ (2,356,711)	\$ 0

Assumptions:

- Maximum allowable property tax levy increase = 3.08% = \$1,615,813
- 2.50% property tax levy increase used in revenue projection = \$1,311,537**
- Increase in State Aid = \$1,020,442
- Increase in miscellaneous revenue = \$232,131

Open Items:

- Special education annual reviews
 - Out-of-district placements
 - Required related services (e.g., OT, PT, Speech, Counseling, 1:1 Aides)
 - Graduating students
 - Pre-school students moving up into District
- Contract Negotiations
 - Teachers, Administrators and Clerical Units
- Final State Aid Figures



2025-26 Budget Goals

2025-26 Budget Goals:

- ✓ Lowest possible tax levy increase, but above all -- stay within the Property Tax Cap.
2.5% Property Tax Levy.
- ✓ Maintain current programs.
No programs or staff were eliminated.
- ✓ Continue to support and grow instructional and operational programs.
Instructional and operational programs will continue to develop.

2025-26 Additional Budget Accomplishments:

- ✓ Reduce reliance on appropriated fund balance:(More info to come.)
2025-26 = \$2,356,711
2024-25 = \$2,824,894
2023-24 = \$2,500,000



Fund Balances and Reserve Accounts

The following reflects the District's various fund balances and reserves over the past three years:

Account	Balance at Year-end		
	6/30/2024	6/30/2023	6/30/2022
Unassigned Fund Balance	3,931,336	3,489,707	3,258,064
Appropriated Fund Balance (to reduce Tax Levy)	2,824,894	2,500,000	4,110,420
Tax Certiorari Reserve	886,715	841,571	812,038
ERS Pension Contribution Reserve	1,250,977	1,200,000	918,491
TRS Pension Contribution Reserve	2,057,788	2,000,000	1,645,320
Employee Benefit Accrued Liability Reserve	563,175	534,503	515,746
Unemployment Insurance Reserve	16,212	15,388	14,848
Capital Reserve #1	0	0	4,994,592
Capital Reserve #2	4,924,554	2,997,888	300,000
Total	16,455,651	13,579,057	16,569,519



Fund Balances and Reserve Accounts

Account	Balance at Year-end		
	6/30/2024	6/30/2023	6/30/2022
Unassigned Fund Balance	3,931,336	3,489,707	3,258,064

Unassigned Fund Balance

- 🌿 This is the District's rainy-day fund, which does not have to designate an immediate purpose. NYS limits the Unassigned Fund Balance to 4% of the total budget.
- 🌿 The current Unassigned Fund Balance of \$3,931,336 reflects the full 4%.

Account	Balance at Year-end		
	6/30/2024	6/30/2023	6/30/2022
Appropriated Fund Balance (to reduce Tax Levy)	2,824,894	2,500,000	4,110,420

Appropriated Fund Balance

- 🌿 This is the amount the District uses to help fund the budget (expenditures). In doing so, it reduces the amount of the total tax levy and resulting school tax increase.
- 🌿 This amount must always be kept to a sustainable and realistic amount each year or the District risks a funding gap in the next year's budget.
- 🌿 Appropriating too much fund balance also impacts the amount that could be dedicated to a specific reserve account.
- 🌿 Looking at the District's financial history and barring an unforeseen expenditure or revenue anomaly, a sustainable and realistic amount would be \$2M to \$2.5M per year.



Fund Balances and Reserve Accounts

Account	Balance at Year-end		
	6/30/2021	6/30/2020	6/30/2019
Appropriated Fund Balance (to reduce Tax Levy)	2,250,000	4,100,000	2,400,000

Account	Balance at Year-end		
	6/30/2018	6/30/2017	6/30/2016
Appropriated Fund Balance (to reduce Tax Levy)	2,300,000	2,500,000	2,400,000

Potential downside to using fund balance and reserve accounts to balance a budget

- Use of fund balance and reserves to balance the budget must be carefully managed in the short-term to avoid long-term negative consequences.
- Fund balance and reserve accounts should not be used as recurring sources of revenue; continued use over time will create revenue gaps that will eventually require cuts to balance the budget.
- If there are unanticipated increases in expenditures or loss of revenues, these gaps may need to be funded through borrowing or a budget freeze.



Fund Balances and Reserve Accounts

Account	Balance at Year-end		
	6/30/2024	6/30/2023	6/30/2022
Tax Certiorari Reserve	886,715	841,571	812,038

Tax Certiorari Reserve

-  This reserve provides funding for school tax refunds the District is ordered to pay upon a taxpayer's successful challenge to their taxable assessed value.
-  The projected liability / payout on open challenges is currently approximately \$1.25 million.
-  The projected liability / payout will fluctuate from year to year but the reserve should strive to be fully funded based on the projection at each year end.



Fund Balances and Reserve Accounts

Account	Balance at Year-end		
	6/30/2024	6/30/2023	6/30/2022
ERS Pension Contribution Reserve	1,250,977	1,200,000	918,491
TRS Pension Contribution Reserve	2,057,788	2,000,000	1,645,320

ERS Pension Contribution Reserve / TRS Pension Contribution Reserve

- These reserves provide funding for future pension obligations for staff who are part of the NYS Teachers' Retirement System (TRS) or NYS Employee's Retirement System (ERS).
- The use of these reserves provide budgetary stability in those years that experience a dramatic increase in the respective employer contribution rate.
- With both retirement funds tied to the volatility of the stock market and global economic picture, a continuous funding strategy to these reserves would favorably position the District for any kind of downturn.



Fund Balances and Reserve Accounts

Account	Balance at Year-end		
	6/30/2024	6/30/2023	6/30/2022
Employee Benefit Accrued Liability Reserve	563,175	534,503	515,746

Employee Benefit Accrued Liability Reserve

- 🌿 This reserve provides funding for contractual benefit obligations when staff retire (e.g., unused sick time and unused vacation time).
- 🌿 Based on the historic level of retirements each year, the current reserve level is deemed adequate.

Account	Balance at Year-end		
	6/30/2024	6/30/2023	6/30/2022
Unemployment Insurance Reserve	16,212	15,388	14,848

Unemployment Insurance Reserve

- 🌿 This reserve provides funding for NYS unemployment insurance claims related to former employees.
- 🌿 The District is required to pay 100% of all unemployment claims paid by NYS.
- 🌿 Adequate funding of this reserve would total approximately two years of anticipated high claims, or ~\$150,000.



Fund Balances and Reserve Accounts

Account	Balance at Year-end		
	6/30/2024	6/30/2023	6/30/2022
Capital Reserve #1	0	0	4,994,592
Capital Reserve #2	4,924,554	2,997,888	300,000

Capital Reserve #1 and #2

-  A capital reserve provides funding for future capital improvements to District facilities.
-  By using a capital reserve, a District can reduce / eliminate the local taxpayer share of a capital project that is not covered by building aid – thereby, reducing the school tax impact.
-  Capital Reserve #1 was established in 2018 with a maximum funding amount of \$5,000,000. It was subsequently earmarked for a \$23M District-wide capital project approved by taxpayers at the May 20, 2022 Budget Vote.
-  Capital Reserve #2 was established in May 2022 with a maximum funding amount of \$5,000,000.



Revenues, Expenditures, Fund Balance and Reserve Accounts - Operationalized

Revenues

Tax Levy
State Aid
Miscellaneous

Funding to pay expenditures

Surplus revenue accumulates into fund balance after all expenditures are paid

Deficits in revenue must be funded by fund balance and reserves

Expenditures

Salaries Program
Capital Benefits
Debts

Funded by revenues

Surplus expenditures accumulates into fund balance

Deficits in expenditures must be funded by revenues through fund balance

Fund Balance

Assigned Appropriated
Restricted Unassigned

Funded by surplus revenue and expenses

Assigned – pay year end expenses
Appropriated – designated to lower property taxes
Restricted – set aside for legally allowed expenses
Unassigned – 4% limit for emergencies

Reserves

Tax Certiorari
ERS Pension
TRS Pension
Employee Accrued Liability
Unemployment
Capital

Restricted – set aside for legally allowed expenses

Funded through fund balance

Accessible through established rules

CORNWALL CENTRAL SCHOOL DISTRICT – FARM ANALOGY

2025-26 Budget Calendar & Questions

March 24, 2025

(Monday)

BOE Budget Session (7 pm – Cornwall Elementary)

April 7, 2025

(Monday)

BOE Budget Session (7 pm – Cornwall Elementary)

April 24, 2025

(Thursday)

BOE Budget Session (7 pm – Cornwall Elementary)
(2025-26 Budget adoption)

May 20, 2025

(Tuesday)

Budget vote and Board of Education Election
(6 am to 9 pm – Cornwall Middle School Gymnasium)

