



Five Year Forecast November 2019

Deb Armbruster, Treasurer / CFO

A New Style of Forecasting

- **Styles of Five Year Forecast estimation vary from Treasurer to Treasurer.**
 - **Methodology - Communication and analytics with key personnel to develop spending plans for a closer to actual projection of revenue and expenditures**
 - Superintendent - General Fund Personnel, Purchase Service, and Supplies
 - Director of Student Services - Special Education
 - Business Affairs - Permanent Improvement fund - effects on General Fund
 - Curriculum and Instruction - Textbooks
 - **Capitalized on grants and additional funding to relieve the General Fund**
 - Federal Grants
 - Student Wellness
 - State Grants (BWC, School Psych Intern, School Climate, Pilot, etc...)




Important to Remember:

- A five year forecast is an ESTIMATE. It represents what we know now.
- Circumstances in Ohio school finance are constantly changing.
- The forecast makes assumptions concerning numerous variables that are not yet known.
- The five year forecast represents only the General fund of the District.



May 2019 Estimate vs June 2019 Actual

| | <u>May 2019 Estimate</u> | <u>June 2019 Actual</u> |
|------------------------|------------------------------|--|
| Beginning Balance | 9,690,594 | 9,690,594 |
| + Revenue | 34,974,383 | 35,400,855 |
| - Expenditures | (33,482,197) | (32,494,288) |
| Annual Surplus/Deficit | 1,492,186 | 2,906,567 |
| Ending Cash Balance | 11,182,780 | 12,597,161  |

Cash Balance
Actual
1.4 Million
Ahead of Estimate



Why - savings from reconfiguration, and ½ year collections of the new 2018 operating levy.

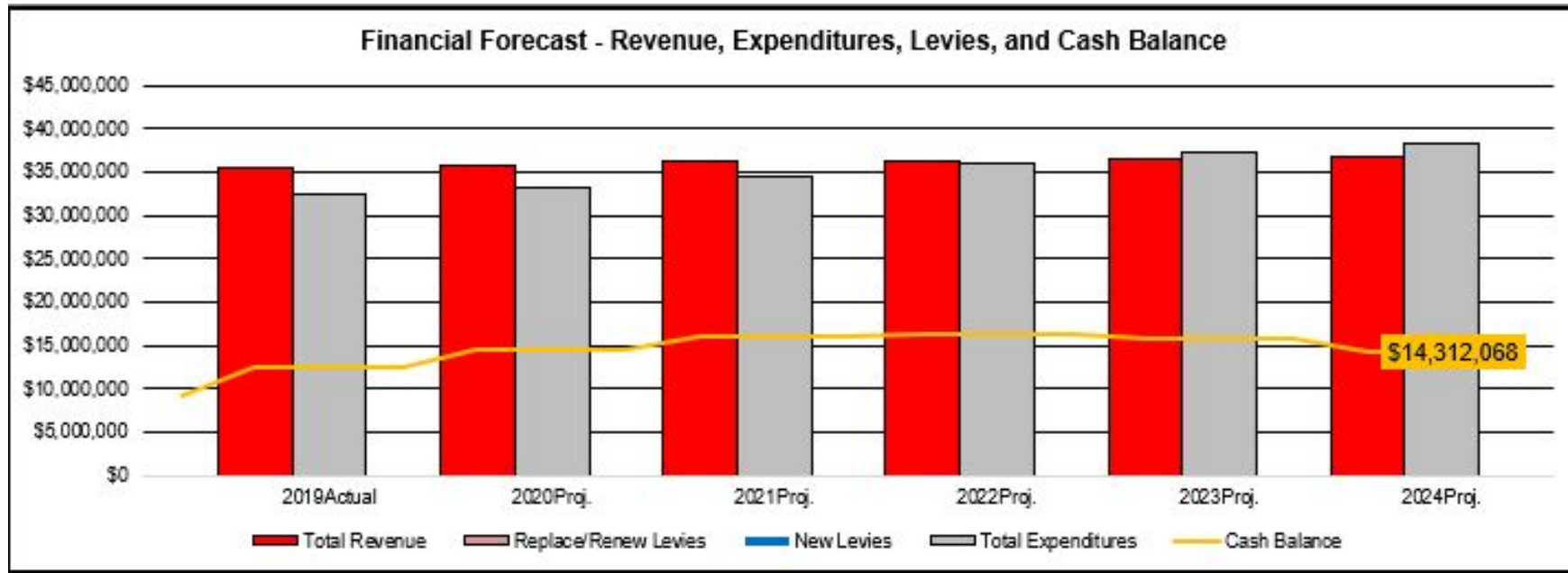
Results of the 2018 Operating Levy

| | <u>Fiscal Year 2018</u> <u>Actual</u> | <u>Fiscal Year 2019</u> <u>Actual</u> | <u>Fiscal Year 2020</u> <u>Estimate</u> |
|------------------------------|--|--|--|
| 1.01 General Property | 21,545,381 | 22,086,212 | 23,352,795 |
| 1.02 Public Utility | 1,662,083 | 1,787,974 | 1,862,135 |
| 1.05 Property Tax Allocation | 2,513,779 | 2,539,758 | 2,560,576 |
| Total Taxes | 25,721,243 | 26,413,944 | 27,775,506 |
| Projected Increase | | 692,701 | 1,361,562 |
| | | ½ Year Collection | Full Year Collection |

**1.3
Million
Dollar
Effect on
Forecast**



Maintaining Costs to Stretch the Tax Dollar



\$14,312,068 Includes Open Purchase Orders



The Plan - keep costs low while building our cash balance with the increased revenue.

Revenue May Estimates vs. November Estimates

| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|----------------------------------|-------------------|----------------|----------------|------------------|------------------|------------------------|
| Estimated Total Revenue May | 34,974,383 | 35,370,645 | 35,631,305 | 35,224,168 | 35,232,870 | |
| Estimated Total Revenue November | 35,400,855 | 35,735,321 | 36,138,056 | 36,335,125 | 36,523,457 | 36,747,494 |
| Difference | 426,472 | 364,676 | 506,750 | 1,110,956 | 1,290,587 | Higher than May |

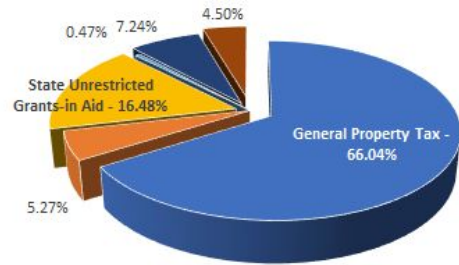
Total Revenue estimated conservative never exceeding the 1.3 million additional revenue generated from the operating levy.

Why - must allow for delinquent payments - collections.



2020 & 2021 Revenue

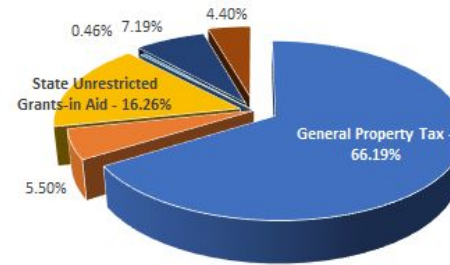
Estimated Revenue 2020



- 1.010 - General Property Tax (Real Estate)
- 1.030 - Income Tax
- 1.040 - Restricted Grants-in-Aid
- 1.050 - Property Tax Allocation
- 1.020 - Public Utility Personal Property
- 1.035 - Unrestricted Grants-in-Aid
- 1.045 - Restricted Federal Grants-in-Aid - SFSF
- 1.060 - All Other Operating Revenues

35,735,321

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36,138,056

Known: State revenue will remain the same for 2020 and 2021

Unknown: State revenue calculations after 2021.



Expenditure May Estimates vs. November Estimates

| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------------|
| Estimated Expenditure May | 33,482,197 | 34,476,621 | 35,920,344 | 37,542,706 | 39,179,297 | |
| Estimated Expenditure November | 32,494,288 | 33,281,588 | 34,544,802 | 36,058,648 | 37,172,260 | 38,207,249 |
| Difference | -987,909 | -1,195,033 | -1,375,542 | -1,181,004 | -1,484,058 | UNDER MAY Estimate |

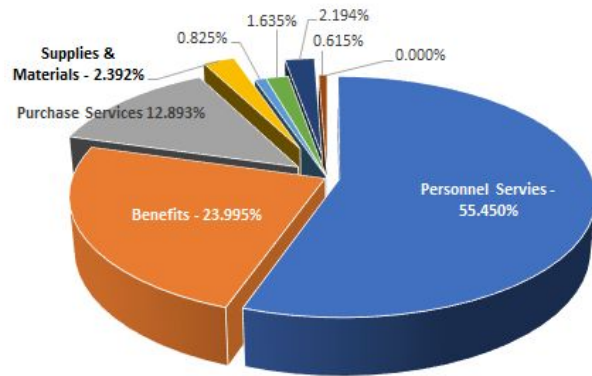
Actual expenditures were under forecast by about one million in 2019. November forecast keeps the percentage increases the same across the years including some additional savings.

Why - This is a direct reflection of fiscal responsibility within the district!



Expenditures

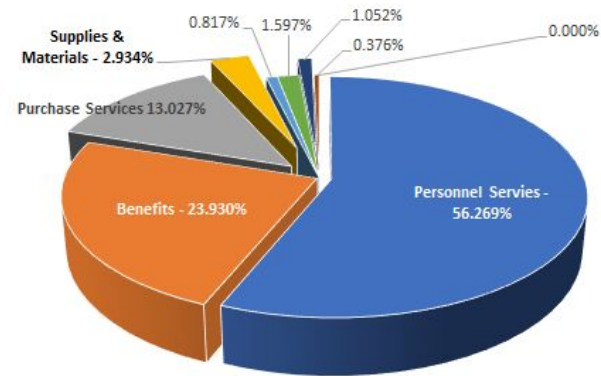
2019 Actual Expenditures



- 3.010 - Personnel Services
- 3.030 - Purchased Services
- 3.050 - Capital Outlay
- 5.010 - Operating Transfers-Out
- 5.030 - All Other Financing Uses
- 3.020 - Employees' Retirement/Insurance Benefits
- 3.040 - Supplies and Materials
- 4.300 - Other Objects
- 5.020 - Advances-Out

\$32,494,288

2020 Estimated Expenditures

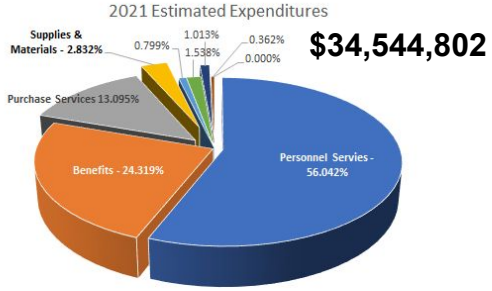


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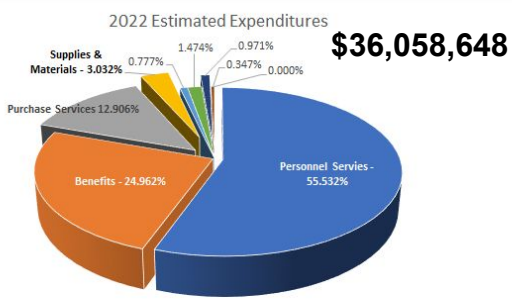
\$33,281,588

Expenditure growth continues at a moderate rate.



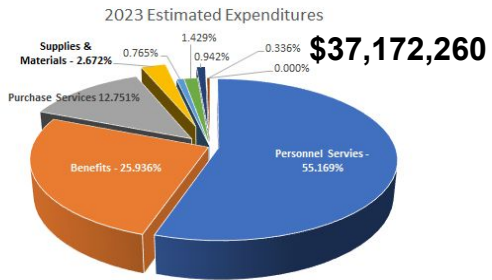


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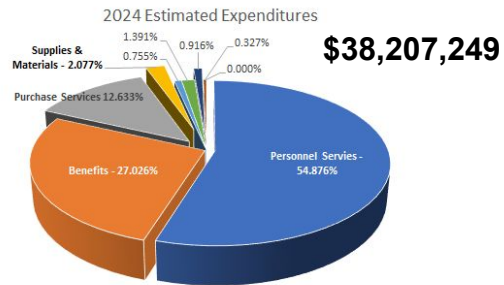


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Expenditures 2021 - 2024



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Expenditure percent to total is the same picture across the years.



Accomplishments

- The 2018 operating levy has created a solid financial position.
- Reconfiguration reduced expenditures.
- Negotiated agreements are included from 2020 - 2022.
- In-house preschool reduced purchase service expenditures.
- Technology capital assets have been reduced from the General Fund.
- Textbook replacement plan has been established for accuracy within supplies.
- Forecast style has been changed to reflect totals as close to actual as possible.



Effect on Cash Balance

Chardon Local School District

| Financial Forecast | Fiscal Year 2020 | Fiscal Year 2021 | Fiscal Year 2022 | Fiscal Year 2023 | Fiscal Year 2024 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Balance | 12,597,161 | 15,050,894 | 16,644,148 | 16,920,625 | 16,271,823 |
| + Revenue | 35,735,321 | 36,138,056 | 36,335,125 | 36,523,457 | 36,747,494 |
| + Proposed Renew/Replacement Levies | - | - | - | - | - |
| + Proposed New Levies | - | - | - | - | - |
| - Expenditures | (33,281,588) | (34,544,802) | (36,058,648) | (37,172,260) | (38,207,249) |
| = Revenue Surplus or Deficit | 2,453,733 | 1,593,254 | 276,477 | (648,803) | (1,459,755) |
| Ending Balance with renewal levies Note: Not Reduced for Encumbrances | 15,050,894 | 16,644,148 | 16,920,625 | 16,271,823 | 14,812,068 |

Analysis Without Renewal Levies Included:

| | | | | | |
|---------------------------------------|------------|------------|------------|------------|-------------|
| Revenue Surplus or Deficit w/o Levies | 2,453,733 | 1,593,254 | 276,477 | (648,803) | (1,459,755) |
| Ending Balance w/o Levies | 15,050,894 | 16,644,148 | 16,920,625 | 16,271,823 | 14,812,068 |

Including our operating levy and cost effective expenditures compounds our cash balance to reflect a total of **\$14,812,068** in 2024.

\$14,312,068 when including open purchase orders.



Reminder:

- A five year forecast is an ESTIMATE.
- The projected Cash Balance in 2024 is \$14,812,068 without open purchase orders included and \$14,312,068 when included.
- There are numerous variables that are out of our control that could significantly impact the General fund.
- The five year forecast is updated in May 2020 to reflect any possible changes that may occur during the school year.



Questions

