



# Five-Year Forecast

## May 2022

Deb Armbruster, Treasurer / CFO

# Forecast Methodology

- Methodology - Communication, collaboration, and analytics with key personnel to develop spending plans for a close to actual projection of revenue and expenditures
  - Superintendent
  - Director of Student Services
  - Business Affairs
  - Assistant Superintendent
  
- Capitalize on grants and additional funding to relieve the General Fund
  - Local Grants
  - State Grants
  - Federal Grants



# 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 continuation of COVID-19, the state funding formula, tax collections
- The forecast makes assumptions concerning numerous variables that are not yet known (property values, state funding past two years, inflation).
- The five-year forecast represents only the General Fund of the District.
- **Assumptions** are located in BoardDocs which contain more details.





**November 2021 Forecast compared to  
May 2022 - The starting point**

# Nov 2021 Estimate vs May 2022 Estimate

	<u>Nov 2021 Estimate</u>	<u>May 2022 Estimate</u>
Beginning Balance	20,022,725	20,022,725
+ Revenue	37,611,023	37,959,365
- Expenditures	(35,601,8025)	(35,100,926)
Annual Surplus/Deficit	2,009,221	2,858,440
Ending Cash Balance	<u>22,031,946</u>	<u>22,811,064</u>



\$780,000 Better than anticipated

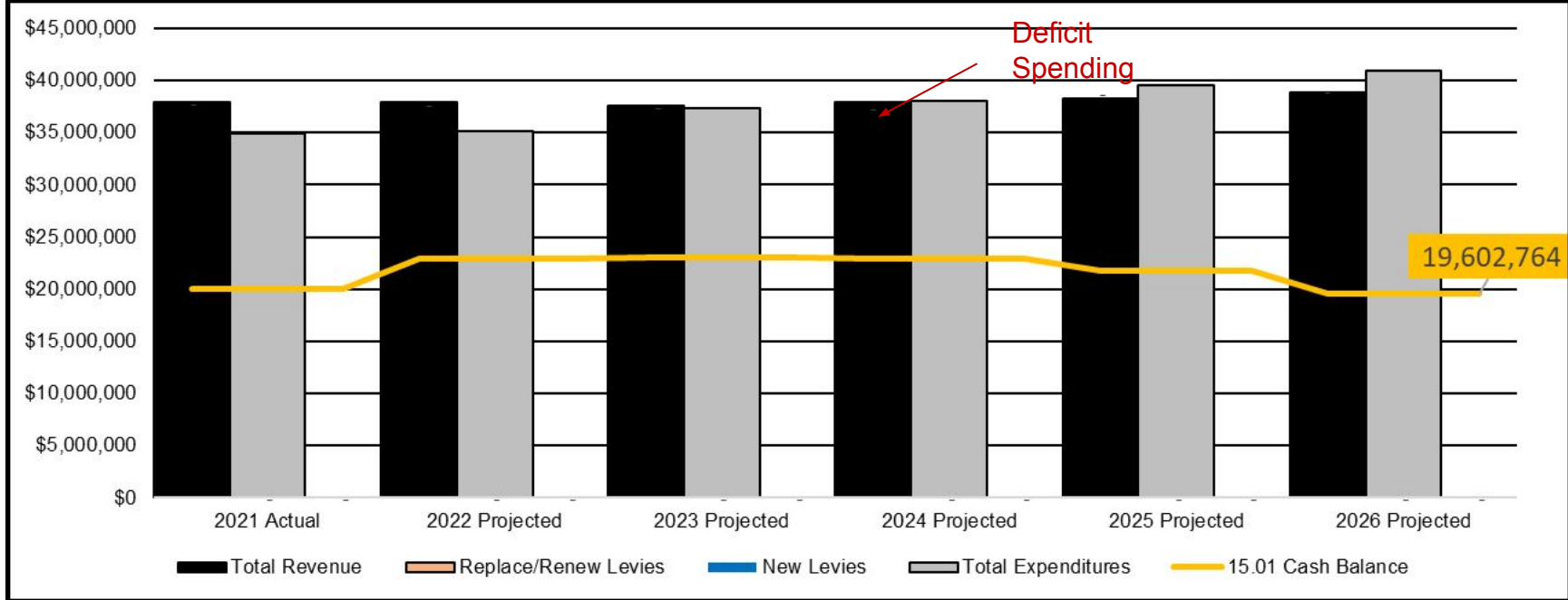


Why - increased collections, expenditure relief of COVID-19, and remaining under budget.



**May 2022 Forecast  
for Fiscal Year 2022**

# May 2022 Five-Year Forecast Summary



\$19,102,764 after open Purchase Orders

The Plan - Maintain costs, seek additional revenue, and keep expenditures under revenues for the next five years to balance the budget.





**Revenue**



# Nov (1.070) Revenue Estimates **vs.** May (1.070) Estimates

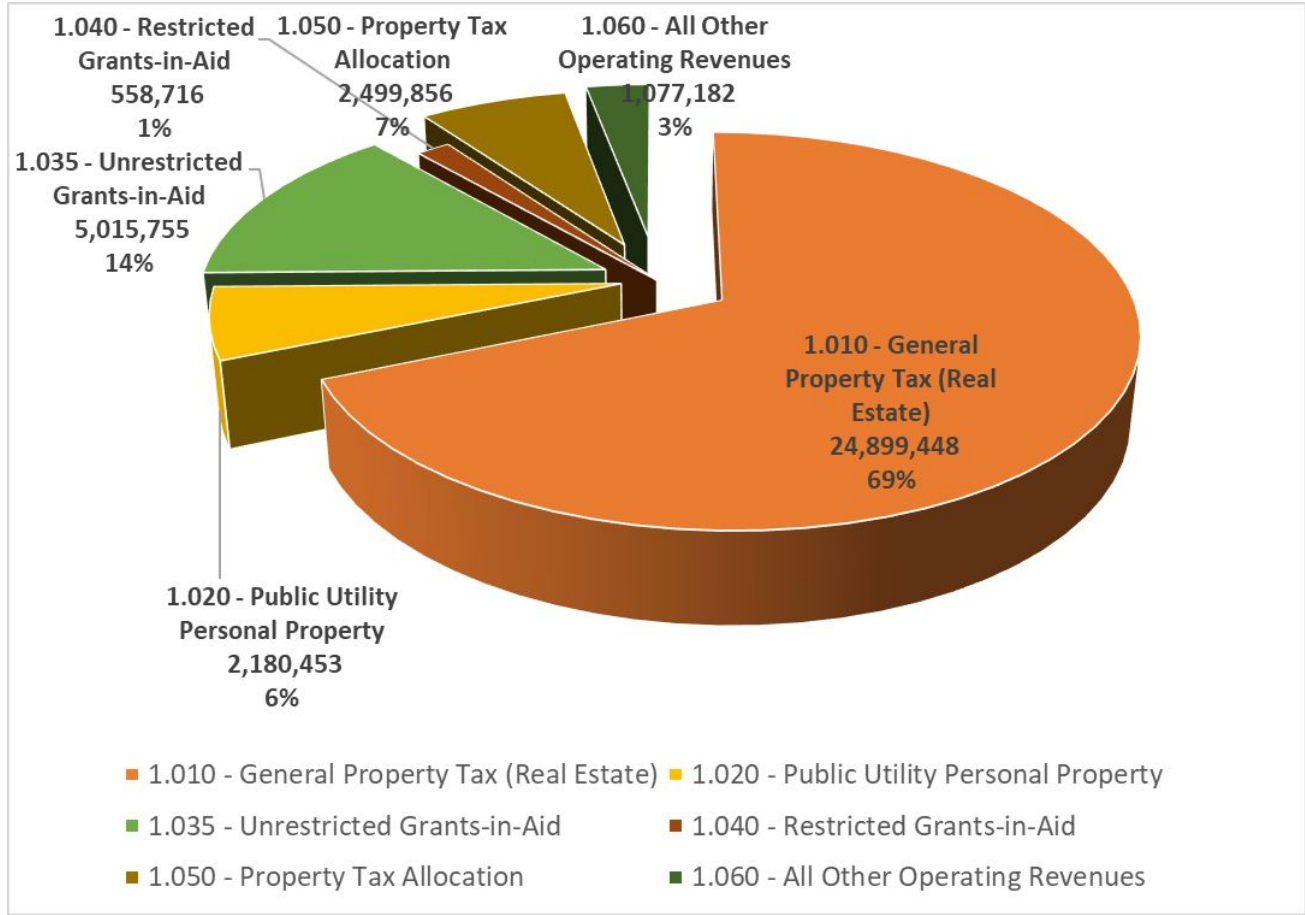
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Estimated (1.070) Revenue November	35,883,068	36,463,259	36,757,873	37,250,295	37,632,792
Estimated (1.070) Revenue May	36,231,410	36,403,289	36,757,288	37,192,556	37,691,267
<b>Difference (all higher than Nov)</b>	<b>+348,342</b> (increased tax collection)	<b>-59,970</b> (FSFP Reduction)	<b>-585</b> (FSFP Reduction)	<b>-57,739</b> (FSFP Reduction)	<b>-58,475</b> (FSFP Reduction)

Increased collections = increased revenue

- Why - certified collection rate of 98%, actual collected was 100.54%
- Delinquent payments were higher than anticipated.
- Reducing future years for a FSFP adjustment



# 2022 Total Revenue Estimate - Percent to total



## Summary of Revenue

1. Taxes - 82% Total
2. State - 15% Total
3. Other - 3% total



## **Revenue**

### **Taxes & State Funding**

(Two Largest Revenues)

(All revenues are detailed in the assumptions in BoardDocs)

# Tax Revenue Compare

(82% of Total)

	<u>Nov 2021</u> <u>For FY2022</u>	<u>May 2022</u> <u>For FY2022</u>	<u>Difference</u>
1.01 General Property	24,631,268	24,899,448	268,180
1.02 Public Utility	2,149,269	2,180,453	31,184
1.05 Property Tax Allocation	2,550,911	2,499,856	-51,055
Total Taxes	29,331,448	29,579,757	<b>248,349</b>

**\$248,349**  
**more taxes**  
**than originally**  
**estimated**

Increased tax collections and increased delinquent collections



# State Funding

(15% of total)

<u>Forecast Line #</u>	<u>Nov 2021 For FY2022</u>	<u>May 2022 For FY2022</u>	<u>Difference</u>
1.035 Unrestricted Grants-in-Aid (includes FSFP & Casino tax)	4,986,916	5,015,755	+28,838
1.040 Restricted Grants-in-Aid (Student Wellness Funds, Catastrophic Funds)	487,522	558,716	+71,194
<b>Total State Funding</b>	<b>5,474,438</b>	<b>5,574,471</b>	<b>+100,033</b>

- Casino tax was up
- Catastrophic Funding was increased
- **Unknown:** State revenue calculations after 2023 - FSFP is only approved for fiscal years 2022 and 2023



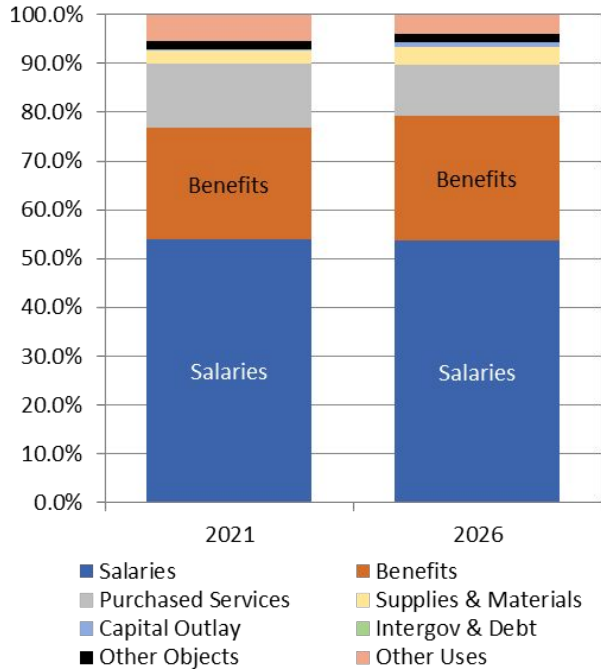
## Expenditures

# Expenditures - November 21 Estimates vs. May 22 Estimates

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Estimated Expenditure (4.50) November	34,089,111	35,064,468	36,286,346	37,516,068	38,637,395
Estimated Expenditure (4.50) May	33,588,235	35,576,997	36,420,840	37,928,128	39,378,838
Difference	<b>-500,876</b>	+512,529	+134,494	+412,059	+741,443

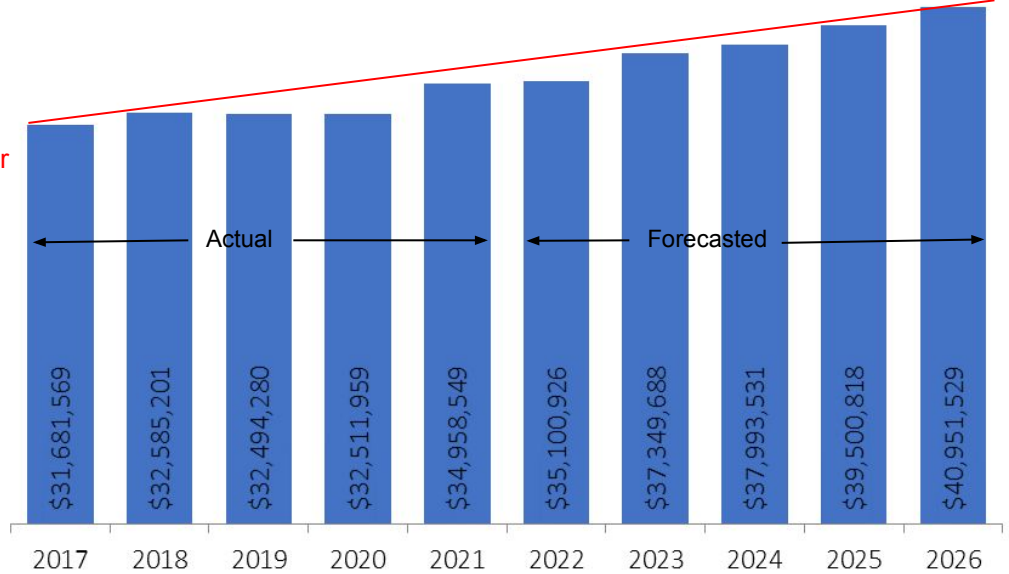
- Savings for 2022 - Purchase Services and Supplies
- 2023 - includes \$185K Front-line pay for Certified staff
- 2023 - 2025 includes Negotiated Contracts for Certified staff
- Purchase Services and Supplies were increase to account for a 7% inflation rate.
- 2023 - Includes textbook replacement for **Social Studies, Science, and Math**
- 2023-2026 Supplies budget Includes increased budget to **reduce fees for all students**
- 2023-2026 Transfers were increased from General Fund to **reduce athletic fees.**

## Expenditure Categories Over Time



## 10 Year - Year-over-Year Expenditures

Typical Expenditure Increase over time



- Expenditures flatline 2018-2020 - savings due to reconfiguration.
- 2020 COVID-19 - reduced spending
- 2021 & 2022 - increased expenditures to allow full in-class instruction.
- 2023 - 2026 - inflation, classroom supplies, reduced tuition, and salary base increases





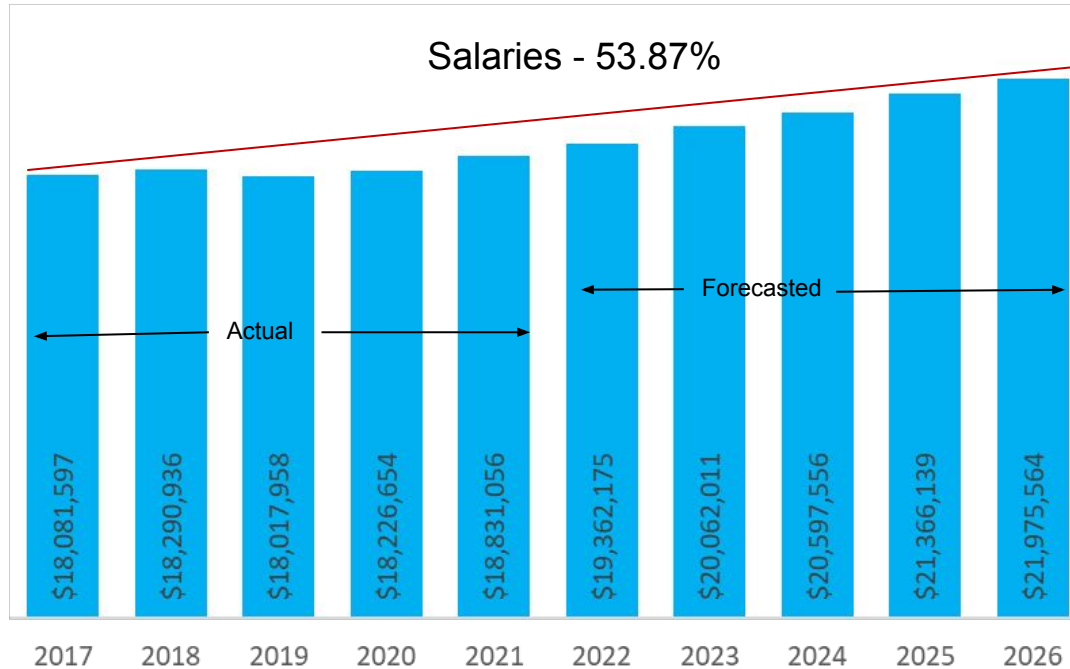
## **Expenditures**

### **Salaries and Benefits**

(Two Largest Expenditures)

(All expenditures are detailed in the assumptions in BoardDocs)

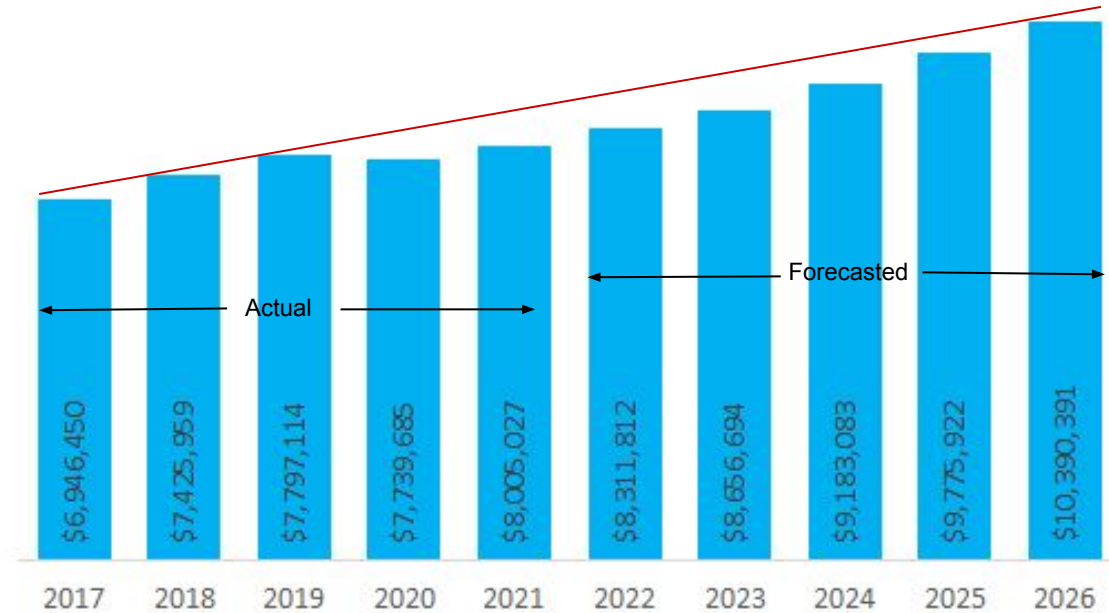
# Salaries Year-over-Year



- Salary Assumptions - very similar pattern to Total Expenditures - 53.87% of total.
- 2022 - staff reductions, 2% base plus step increase for certified & classified staff.
- 2023-2025 - 2.25% base plus step increase for certified staff plus \$1,000 Front-line pay.
- 2023-2025 - 1.5% base plus step increase for classified staff.
- 2026 - 1.0% base plus step increase for both certified and classified staff.

# Salaries & Benefits Year-over-Year

Benefits - 22.9%



- Benefit Assumptions - Steady increase - 22.9% of total.
- 2% increase in 2022, 8% for 2023, 8.5% for 2024, 9% increase remaining two years.
- Health Insurance increases are trending across the state

# The Latest Accomplishments

Negotiated agreements - 2021 - 2022 for all staff, 2023 - 2025 for the teaching staff at 2.25% for three years plus a one time \$1,000 stipend.

2023 - 2025 includes 1.5% base increase plus steps for classified staff.

Technology capital expenditures continue to be included in the General Fund. - although a grant offset this expenditure for 2023.

Some Permanent Improvement expenditures have been moved to the general fund.

Textbook replacement plan has been adjusted for accuracy within supplies.

Classroom supplies moved to the general fund to provide reduced fees for all students.

Larger transfers have been included to reduce athletic fees.



# Five-Year Effect on Cash Balance

Financial Forecast	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	20,022,725	22,881,164	23,052,956	22,934,905	21,744,834
+ Revenue	37,959,365	37,521,480	37,875,479	38,310,747	38,809,458
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(35,100,926)	(37,349,688)	(37,993,531)	(39,500,818)	(40,951,529)
= Revenue Surplus or Deficit	2,858,440	171,792	(118,052)	(1,190,071)	(2,142,071)
Line 7.020 Ending Balance with renewal/new levies	22,881,164	23,052,956	22,934,905	21,744,834	19,602,764
Analysis Without Renewal Levies Included:	<b>RPLUS</b>	<b>SURPLUS</b>	<b>DEFICIT</b>	<b>DEFICIT</b>	<b>DEFICIT</b>
Revenue Surplus or Deficit w/o Levies	2,858,440	171,792	(118,052)	(1,190,071)	(2,142,071)
Ending Balance w/o Levies	22,881,164	23,052,956	22,934,905	21,744,834	19,602,764



Assumption - Surplus Cash Balance for two years - deficit in year three through five.

Link: [Five-Year Forecast Report](#)

Link: [Five-Year Full Assumptions Report](#)

\$19,102,764 when including open purchase orders (\$500K).



# Reminder:

- A five year forecast is an ESTIMATE.
- The projected Cash Balance in 2026 is \$19,602,764 without open purchase orders included and \$19,102,764 when included.
- There are numerous variables that are out of our control that could significantly impact the General Fund such as ESSER funds, State Funding, Negotiations, and COVID-19.
- The five year forecast is updated every six months to allow for any changes that may occur.



# Questions

