



Five Year Forecast Update May 24, 2021

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Purpose of the Forecast



Planning for the Future

- ▶ Valuable long-range planning tool
- ▶ To serve as a basis for determining a district's ability to sign the "412" certificate
- ▶ To provide a method for the Ohio Department of Education (ODE) and the Auditor of State to identify districts headed toward financial difficulties.

Requirements of Forecast



- ▶ File a five year projection no later than November 30th each year with ODE
- ▶ Current fiscal year and ensuing four fiscal years
- ▶ Update five year projection no later than May 31st each year with ODE
- ▶ Three years actual information is included for historical purposes

Forecast

- ▶ Includes the General Fund Only
- ▶ Revenues
 - ▶ Lines 1.010 through 2.080
- ▶ Expenditures
 - ▶ Lines 3.010 through 5.050
- ▶ Balances and Reserves
 - ▶ 6.010 through 15.010

	Revenues
1.010	General Property Tax (Real Estate)
1.020	Tangible Personal Property
1.035	Unrestricted State Grants-in-Aid
1.040	Restricted State Grants-in-Aid
1.050	Property Tax Allocation
1.060	All Other Revenues
1.070	<i>Total Revenues</i>
	Other Financing Sources
2.040	Operating Transfers-In
2.060	All Other Financing Sources
2.070	<i>Total Other Financing Sources</i>
2.080	<i>Total Revenues and Other Financing Sources</i>
	Expenditures
3.010	Personal Services
3.020	Employees' Retirement/Insurance Benefits
3.030	Purchased Services
3.040	Supplies and Materials
3.050	Capital Outlay
4.300	Other Objects
4.500	<i>Total Expenditures</i>
	Other Financing Uses
5.010	Operating Transfers-Out
5.040	<i>Total Other Financing Uses</i>
5.050	<i>Total Expenditures and Other Financing Uses</i>
6.010	<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies
7.020	<i>Cash Balance June 30</i>
8.010	<i>Estimated Encumbrances June 30</i>
	Reservation of Fund Balance
9.030	Budget Reserve
9.080	<i>Subtotal</i>
10.010	<i>Fund Balance June 30 for Certification of Appropriations</i>
	Revenue from New Levies
13.020	Property Tax - New
13.030	Cumulative Balance of New Levies
15.010	<i>Unreserved Fund Balance June 30</i>

Challenges for Current Forecast

- ▶ State Funding
- ▶ Legislative Changes
- ▶ Property Tax Collections
- ▶ Federal Funding

Projections are based on the information we have available today and may change going forward

Student Wellness and Success State Funds

- ▶ Student Wellness and Success Funds provided for wrap around services (restricted revenue in fund 467, not included in the general fund revenues)
 - ▶ FY2020 \$1,211,512
 - ▶ FY2021 \$850,868
 - ▶ Anticipated to continue through at least FY2023

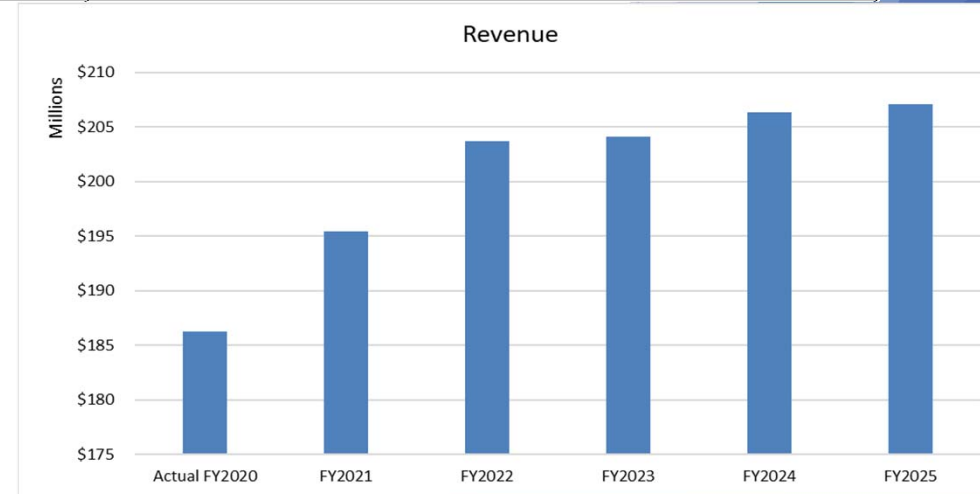
ESSER Federal Funds

- ▶ Elementary and Secondary School Emergency Relief (ESSER) are federal funds meant to support efforts by schools to respond to the COVID-19 Pandemic (restricted revenue in fund 507, not included in the general fund revenues)
 - ▶ ESSER I \$2 million (March 13, 2020 through September 30, 2022)
 - ▶ ESSER II \$9.5 million (March 13, 2020 through September 30, 2023)
 - ▶ ESSER III \$23.7 million (March 13, 2020 through September 30, 2024)
- ▶ Portions of ESSER I & II have been used to cover expenditures normally paid out of the general fund to help offset revenue loss to sustain operations due to the COVID-19 Pandemic
- ▶ ESSER III is in the planning development stage at this time and does not affect this forecast

Revenues

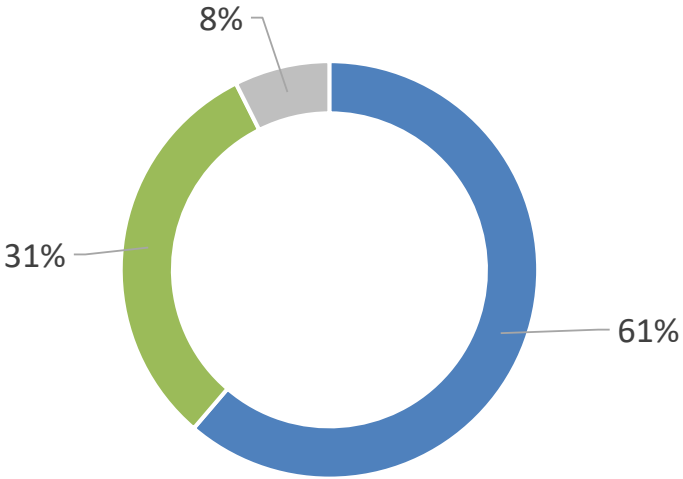
	Actual				Forecasted				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Average Change	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Revenues									
General Property Tax (Real Estate)	\$108,504,413	\$106,946,557	\$110,252,584	0.8%	\$118,771,781	\$128,605,036	\$129,250,549	\$131,382,092	\$132,051,255
Public Utility Personal Property Tax	3,537,139	3,647,599	3,864,364	4.5%	4,343,615	4,769,123	4,876,160	4,974,189	5,062,823
Unrestricted State Grants-in-Aid	44,313,023	45,528,630	42,912,080	-1.5%	44,575,783	44,626,340	44,646,548	44,667,262	44,688,497
Restricted State Grants-in-Aid	1,256,974	1,377,618	1,380,590	4.9%	1,380,588	1,380,588	1,380,588	1,380,588	1,380,588
Property Tax Allocation	14,018,187	13,986,506	14,043,108	0.1%	14,167,466	14,266,166	14,167,133	14,231,253	14,296,522
All Other Revenues	11,412,343	11,903,088	11,949,242	2.3%	9,385,788	9,593,615	9,322,165	9,201,974	9,108,621
Total Revenues	\$183,042,079	\$183,389,998	\$184,401,968	0.4%	\$192,625,021	\$203,240,868	\$203,643,143	\$205,837,358	\$206,588,306
Other Financing Sources									
All Other Financing Sources	1,392,175	1,528,051	1,834,696	14.9%	2,776,056	500,000	500,000	500,000	500,000
Total Other Financing Sources	\$1,392,175	\$1,528,051	\$1,834,696	14.9%	\$2,776,056	\$500,000	\$500,000	\$500,000	\$500,000
Total Revenues and Other Financing Sources	\$184,434,254	\$184,918,049	\$186,236,664	0.5%	\$195,401,077	\$203,740,868	\$204,143,143	\$206,337,358	\$207,088,306

- ▶ Issue 8 provides additional property tax revenue beginning in calendar year 2021
- ▶ Change in State Funding Assumptions



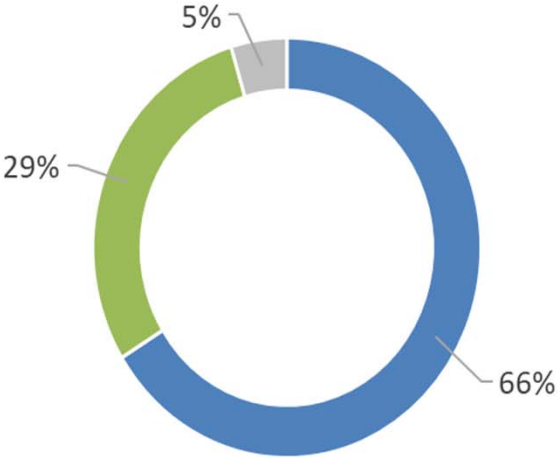
Revenues

FY2020



■ Local Property Taxes ■ State Foundation and Reimbursements ■ Other

FY2025



■ Local Property Taxes ■ State Foundation and Reimbursements ■ Other



Local Property Taxes

	Fiscal Year 2020	Forecasted				
		Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Revenues						
General Property Tax (Real Estate)	\$110,252,584	\$118,771,781	\$128,605,036	\$129,250,549	\$131,382,092	\$132,051,255
Public Utility Personal Property Tax	3,864,364	4,343,615	4,769,123	4,876,160	4,974,189	5,062,823

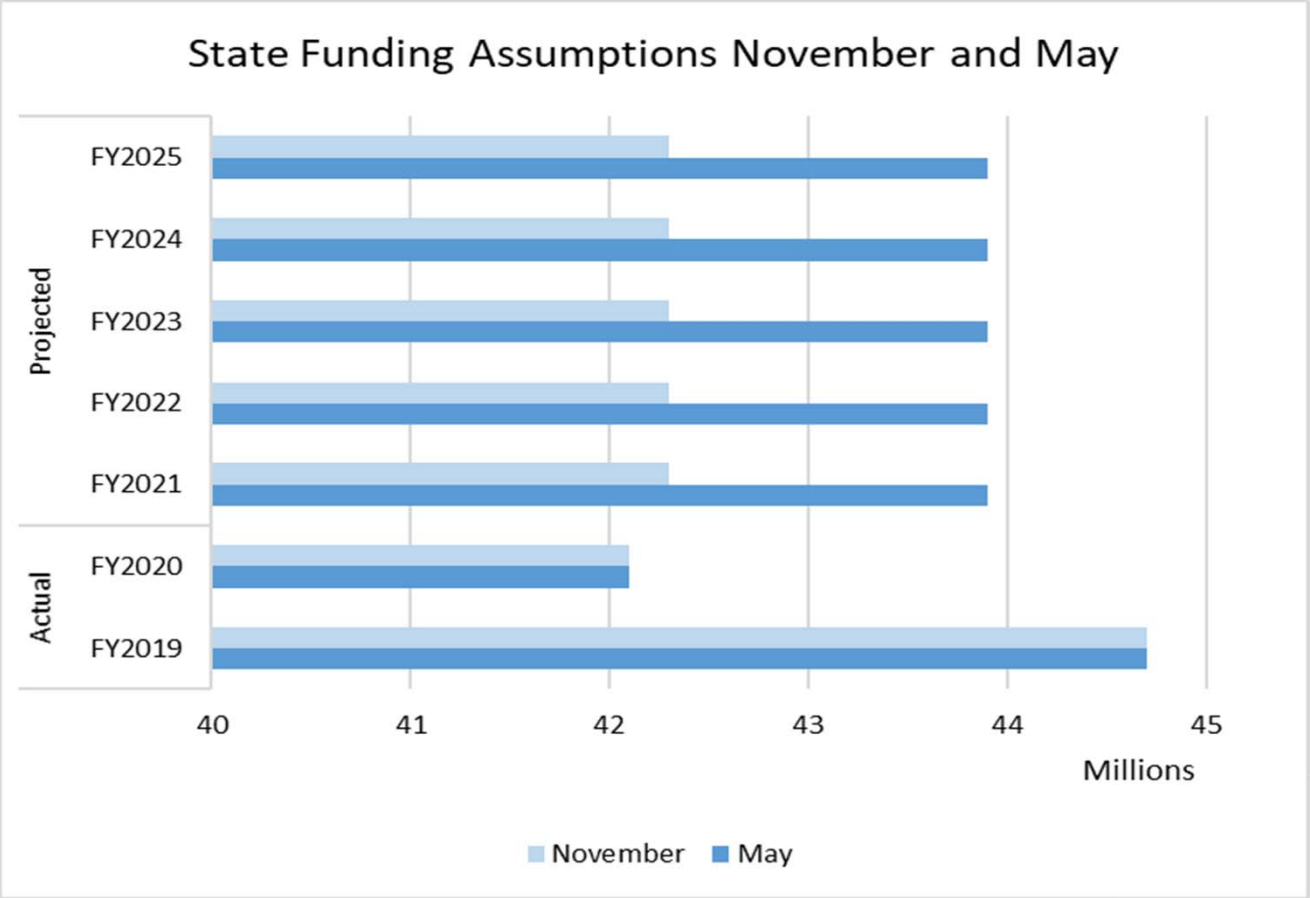
- ▶ Total Property Taxes projected to be 63% of total revenues in FY2021
 - ▶ Collection rate (usually 99%) anticipated to slightly reduced due to pandemic
 - ▶ FY2021 and FY2022 estimated at 98.6%
 - ▶ FY2023 thru FY2025 estimated at 99%
 - ▶ 5.9 mill operating levy approved by voters on November 5, 2019
 - ▶ Collections began in calendar year 2021
- ▶ Tangible Personal (Public Utility) Property Taxes are 2% of total revenues
 - ▶ Slight increases expected from growth and new operating levy

State Foundation and Reimbursements

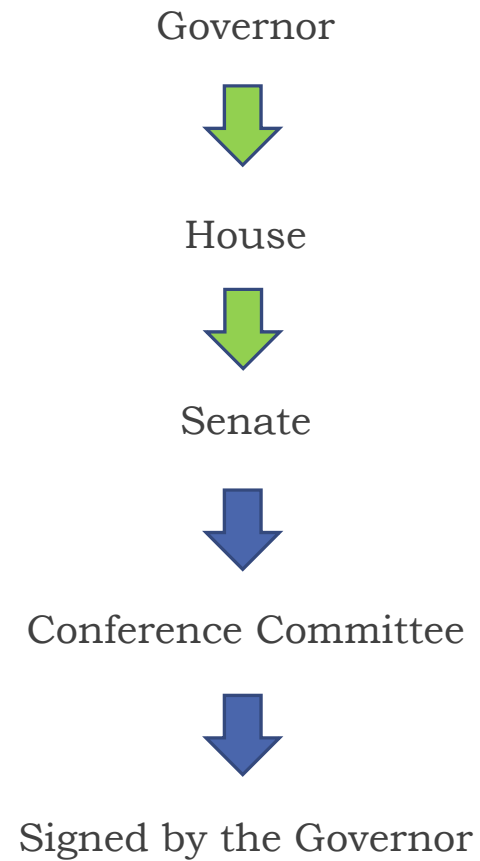
	Forecasted					
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Revenues						
Unrestricted State Grants-in-Aid	42,912,080	44,575,783	44,626,340	44,646,548	44,667,262	44,688,497
Restricted State Grants-in-Aid	1,380,590	1,380,588	1,380,588	1,380,588	1,380,588	1,380,588
Property Tax Allocation	14,043,108	14,167,466	14,266,166	14,167,133	14,231,253	14,296,522

- ▶ State aid reduced for the current biennium based on FY2019 levels that were already underfunded by \$11.5 million due to capped funding
 - ▶ 2 new budget cycles during forecast period (FY2022 and FY2024)
 - ▶ Forecast assumes same funding model through FY2025
- ▶ Property Tax Allocation are reimbursements and direct payments from the state for property tax rollback and homestead exemptions
 - ▶ Estimates follow property tax estimates
 - ▶ Forecast assumes allocation will remain exempt from cuts

November vs May Assumptions



State Budget Process



HB 110 Budget Bill for
FY2022 and FY2023

All Other Revenues

	Fiscal Year 2020	Forecasted				
		Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
All Other Revenues	11,949,242	9,385,788	9,593,615	9,322,165	9,201,974	9,108,621
All Other Financing Sources	1,834,696	2,776,056	500,000	500,000	500,000	500,000

- ▶ All Other Revenues include payments in lieu of taxes (PILOT), board of revision settlements, interest revenue, tuition, student fees and other miscellaneous receipts
 - ▶ Decreases anticipated in interest revenue, PILOT payments, tuition and rent
 - ▶ Interest rates decreased significantly due to pandemic
 - ▶ Rent revenue decreased significantly due to pandemic
 - ▶ ADK tuition charged at 50% while blended and 0% while remote
- ▶ All Other Financing Sources include refund of prior year expenditures
 - ▶ FY2020 includes receipts for BWC refunds and prior year reimbursements from Medicaid
 - ▶ \$2.5 million received from BWC in FY2021 used to offset revenue losses
 - ▶ One time receipts

Revenue Uncertainty

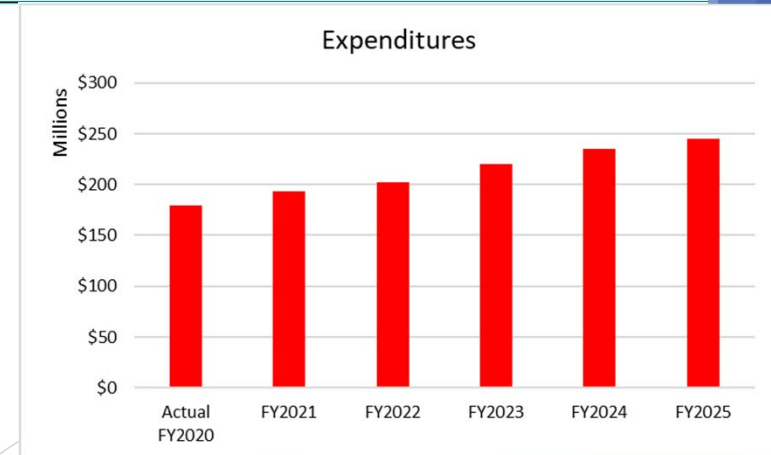
- ▶ State Funding
 - ▶ Cuts made in FY2020
 - ▶ Partial cuts extended into FY2021
 - ▶ New Biennium Budgets in FY2022/FY2023 and FY2024/FY2025
- ▶ Property Values
- ▶ Property Tax Collections
- ▶ Economy
- ▶ Legislative Changes



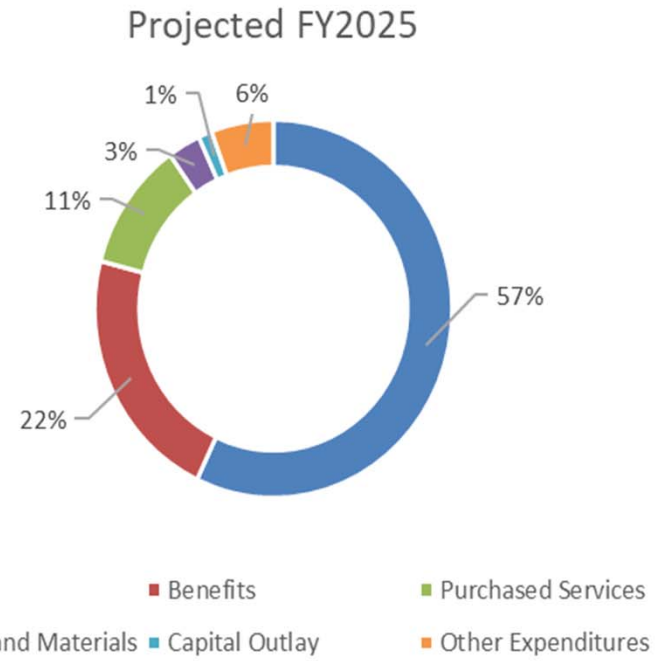
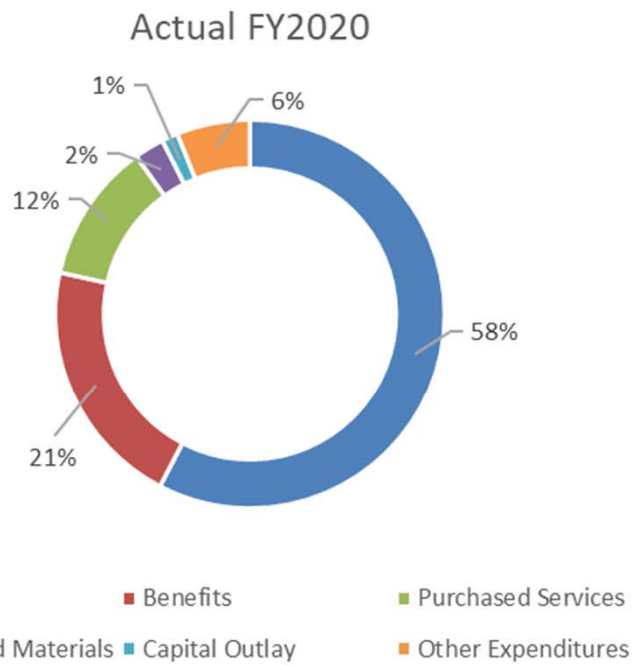
Expenditures

	Forecasted					
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Expenditures						
Personal Services	\$103,482,520	\$108,621,615	\$113,492,083	\$125,974,244	\$134,306,694	\$139,867,718
Employees' Retirement/Insurance Benefits	37,360,809	38,838,570	41,837,629	46,021,801	50,167,086	54,022,123
Purchased Services	20,872,837	23,343,721	24,099,353	25,132,079	26,350,567	27,210,772
Supplies and Materials	4,481,553	6,664,368	6,503,620	7,118,054	7,180,349	7,299,012
Capital Outlay	2,402,650	4,029,472	3,778,585	3,419,405	3,860,312	3,018,257
Other Objects	10,925,391	11,411,489	12,138,731	12,666,344	13,218,751	13,797,160
Total Expenditures	\$179,525,760	\$192,909,235	\$201,850,001	\$220,331,927	\$235,083,759	\$245,215,042
Other Financing Uses						
Operating Transfers-Out	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Total Other Financing Uses	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Total Expenditures and Other Financing Uses	\$179,590,760	\$192,974,235	\$201,915,001	\$220,396,927	\$235,148,759	\$245,280,042

- ▶ Expenditures anticipated to increase annually
 - ▶ Includes opening new elementary in FY2023 and new middle school in FY2024
 - ▶ Portions of ESSER I & ESSER II used to offset revenue losses and help sustain operations



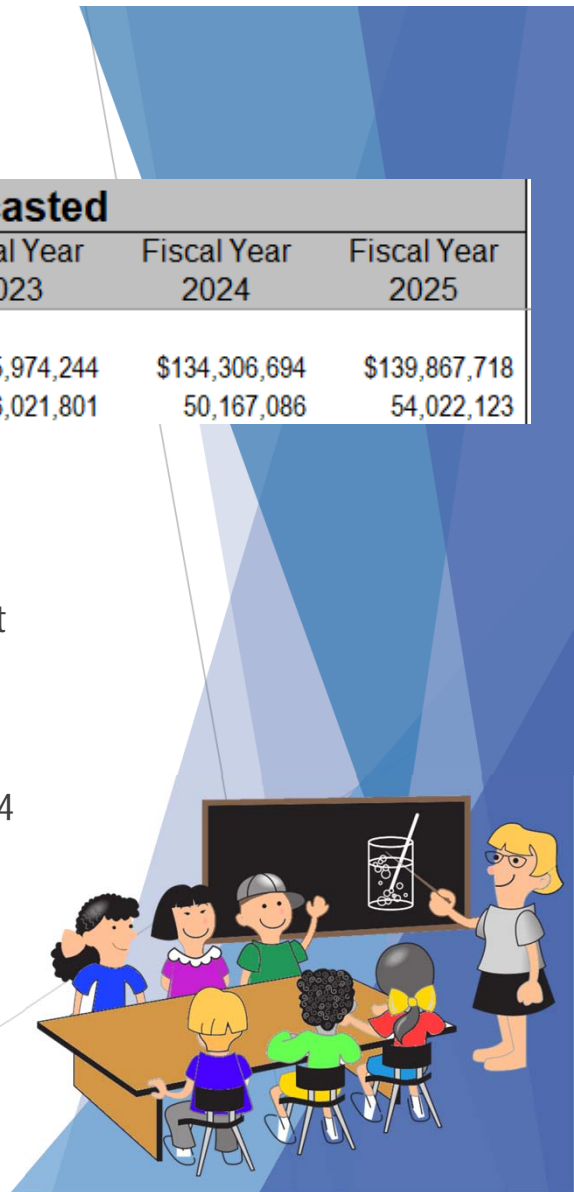
Expenditures



Personnel

	Forecasted					
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Expenditures						
Personal Services	\$103,482,520	\$108,621,615	\$113,492,083	\$125,974,244	\$134,306,694	\$139,867,718
Employees' Retirement/Insurance Benefits	37,360,809	38,838,570	41,837,629	46,021,801	50,167,086	54,022,123

- ▶ Approximately 78% of total expenditures
- ▶ My Van drivers paid through ESCCO in FY2019, hired in district in FY2020
- ▶ FY2021 includes adding 12.4 certified FTE and one time costs for Virtual Student Success Coaches
- ▶ FY2022 through FY2025 includes adding 10 certified and 1.5 classified FTE annually for growth
- ▶ New Staff for new elementary school in FY2023 and new middle school in FY2024
- ▶ Personnel costs for mental health staff were shifted to Fund 467 during FY2020 and will be added back beginning in FY2024
- ▶ FY2023 Personnel Services inflated by approximately \$4.5 million due to 27 pay dates in fiscal year
- ▶ ESSER I provides \$2 million and ESSER II provides \$6 million in funding (forecast includes reduced expenditures) that is used to offset revenue loss in FY2021



Other Expenditures

	Forecasted					
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Expenditures						
Purchased Services	20,872,837	23,343,721	24,099,353	25,132,079	26,350,567	27,210,772
Supplies and Materials	4,481,553	6,664,368	6,503,620	7,118,054	7,180,349	7,299,012
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Other Objects	10,925,391	11,411,489	12,138,731	12,666,344	13,218,751	13,797,160
Total Expenditures	\$179,525,760	\$192,909,235	\$201,850,001	\$220,331,927	\$235,083,759	\$245,215,042
Other Financing Uses						
Operating Transfers-Out	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000

- ▶ Purchased Services includes payments to other districts for tuition for special needs and other students, payments to charter schools, state mandated scholarships, utilities and other services
- ▶ Materials and Supplies includes textbooks, software licenses, consumable items that do not have long-term useful lives
- ▶ Capital Outlay includes equipment, technology and other items with long-term useful lives
- ▶ Other Objects includes services purchased from ESCCO - van drivers costs shifted to salaries and benefits beginning in FY2020
- ▶ Operating Transfers-Out include transfer to Permanent Improvement Fund for turf replacement
- ▶ Expenditures anticipated to return to pre-pandemic levels going forward



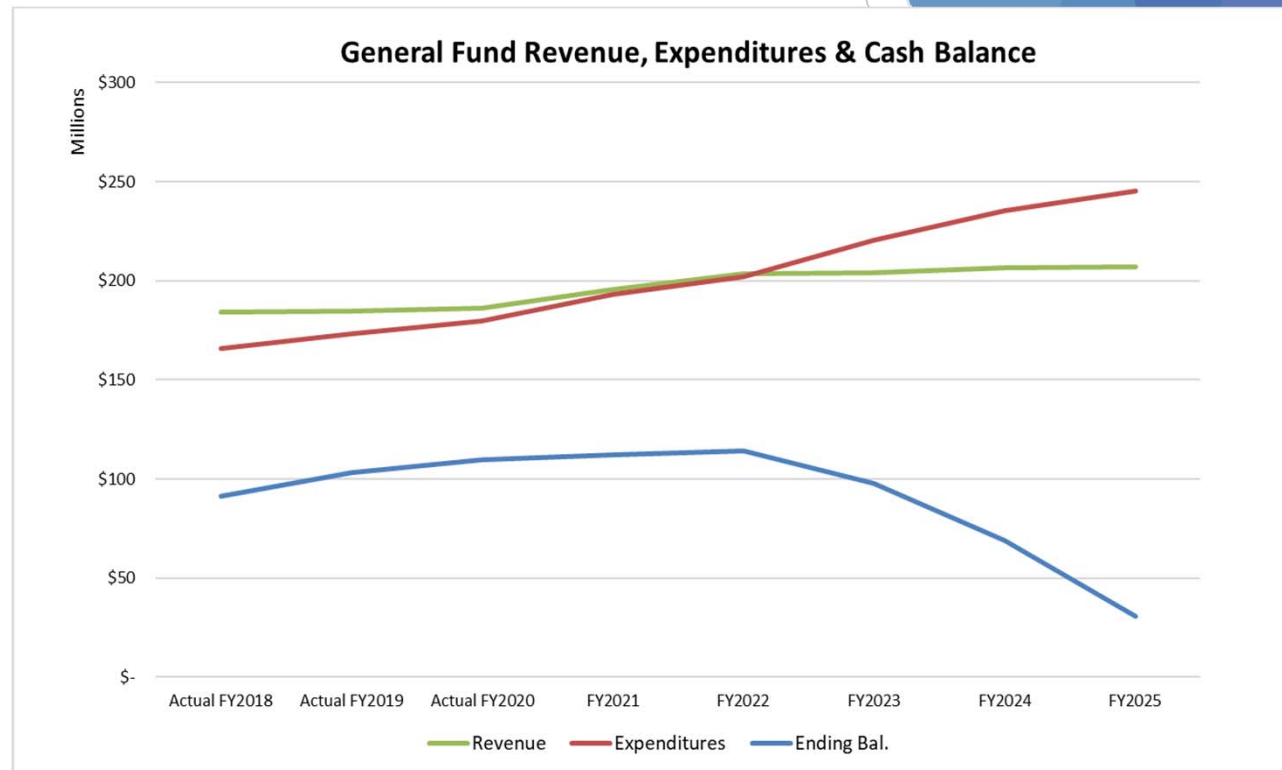
Expenditure Uncertainty

- ▶ Staffing Needs
- ▶ Educational Needs of Students
- ▶ Economy/Inflation
- ▶ Healthcare Costs
- ▶ Legislative Mandates
 - ▶ Voucher Expansion



Changes in Balances

- ▶ 5.9 mill operating levy passed by voters on November 5, 2019
- ▶ New elementary school to open in FY2023
- ▶ New middle school to open in FY2024
- ▶ 46 day unreserved cash balance projected in FY2025
- ▶ Any future levy plans will depend on future state budgets
- ▶ Forecast assumes flat state funding and would change if funding is reduced or increased



Questions?

