





FIVE YEAR FORECAST

November 2024

TREASURER'S OFFICE

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CFO/Treasurer



Before we get to the numbers ...

- A financial forecast is somewhat like a painting of the future based upon a snapshot of today.
- The five-year forecast is viewed as a key management tool and should be updated periodically.
- In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, one must review and consider the Notes and Assumptions before drawing conclusions or using the data as a basis for other calculations.
- The five-year forecast encourages district management teams to examine future years' projections and identify when challenges will arise.
- This helps district management to be proactive in meeting those challenges.





Why Does It Matter?



Engage the Board of Education and community in long range planning and discussions of financial issues facing our schools.



To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. 5705.412, commonly known as the "412 certificate".



To provide a method for the Ohio Department of Education & Workforce and Auditor of State to identify school districts with potential financial problems.



The five-year forecast is divided into two sections: revenue and expenditures.



A district's revenue is made up of two main sources, local and state funding.

- Local 75.4%
- State 21.3%
- Non-Operating 3.3%

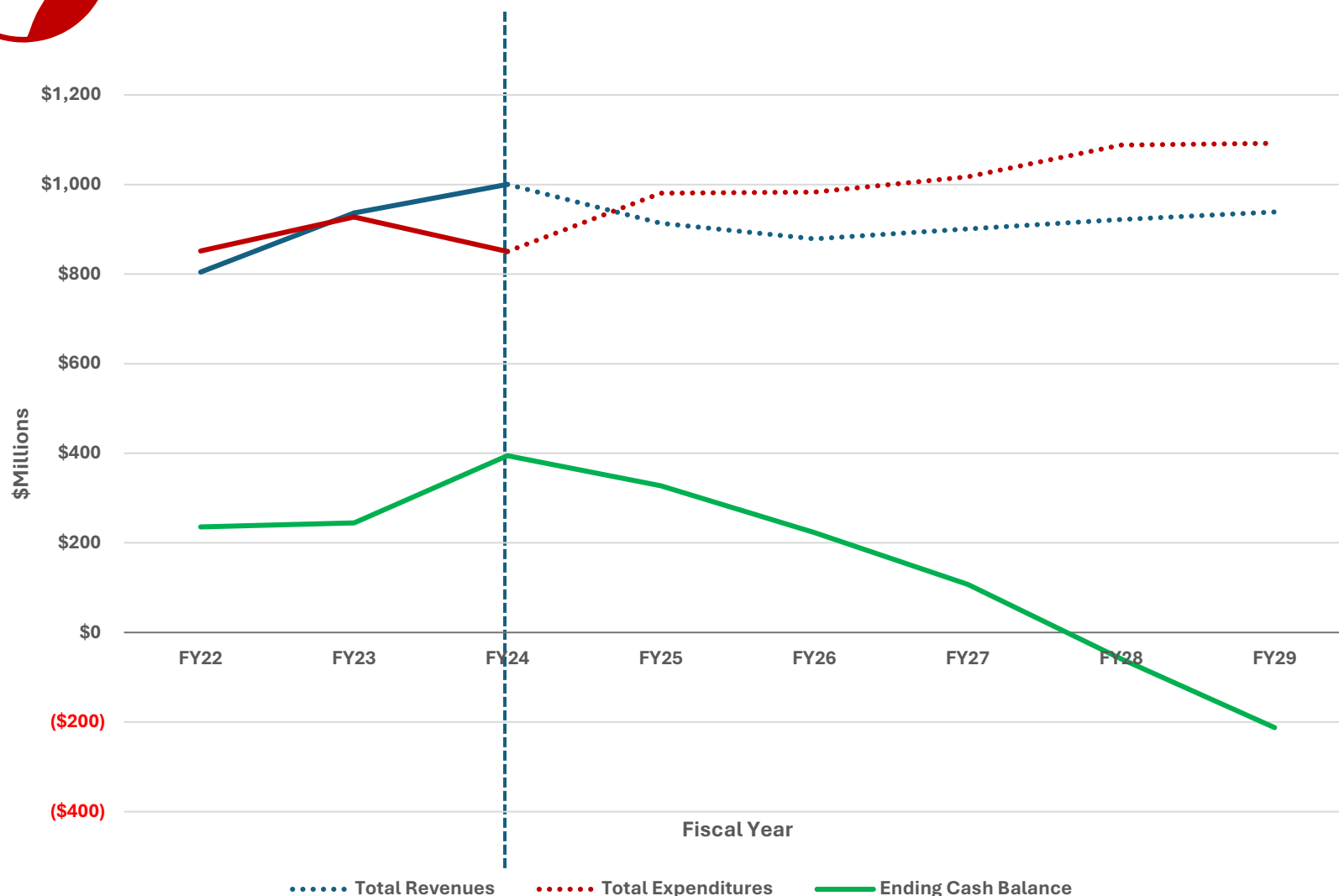


The expenditures are mainly salary and wages, benefits, purchased services, and supplies and materials.

- Personnel 82.0%
- Purchased Services 9.5%
- Supplies 3.8%
- Other 4.7%



November 2024 FYF



- Cash balance is positive through FY27
- Expenses Exceed Revenue starts FY25 (Deficit Spending)
- Cash deficit projected in FY 28 and FY29; \$59.1 million and \$212.4 million, respectively



Unchanged Assumptions from May 2024 FYF

Revenue:

- Transportation Penalty at \$15.0 million per fiscal year.
- State Funding Formula Phase-In set at 66.67%

Expenditures:

- 4.0% Base increases in FY25; 2.5% Estimated in FY26-29.
- Levy Promises reflected in the General Fund.



Updated Assumptions vs. May 2024 FYF

- Updated to actuals for FY24 and projected forward

Revenue:

- Property Tax collections for Calendar Year 2024 updates to actuals and projected forward
- State funding formula projected based on the September #1 Payment

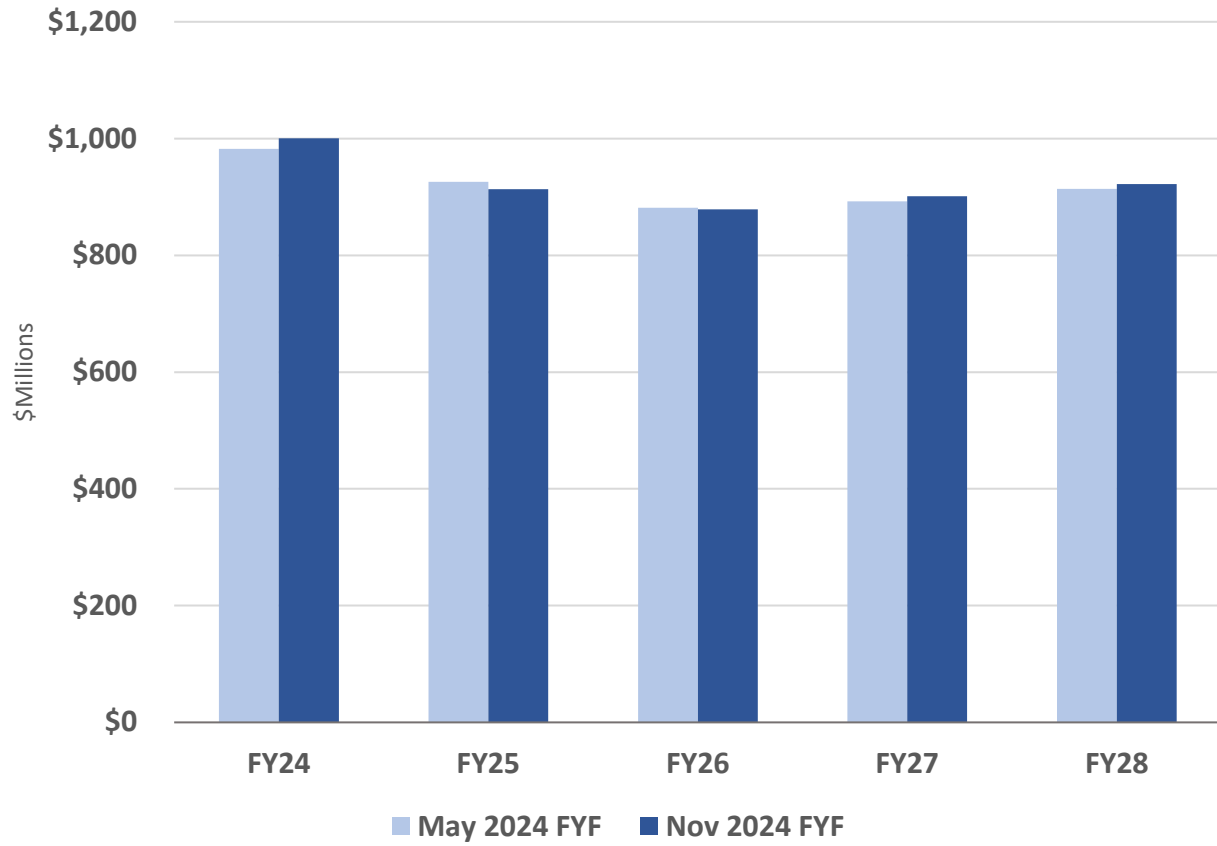
Expenditures:

- Inclusion of an anticipated 27th pay in FY28
- Additional Instructional Assistants moved to the General Fund
 - 53 Instructional Assistants moved to General Fund from the IDEA Grant
 - 30 additional Instructional Assistants to support Special Education Services
- Inclusion of increases in electricity costs due to increased energy costs industry wide

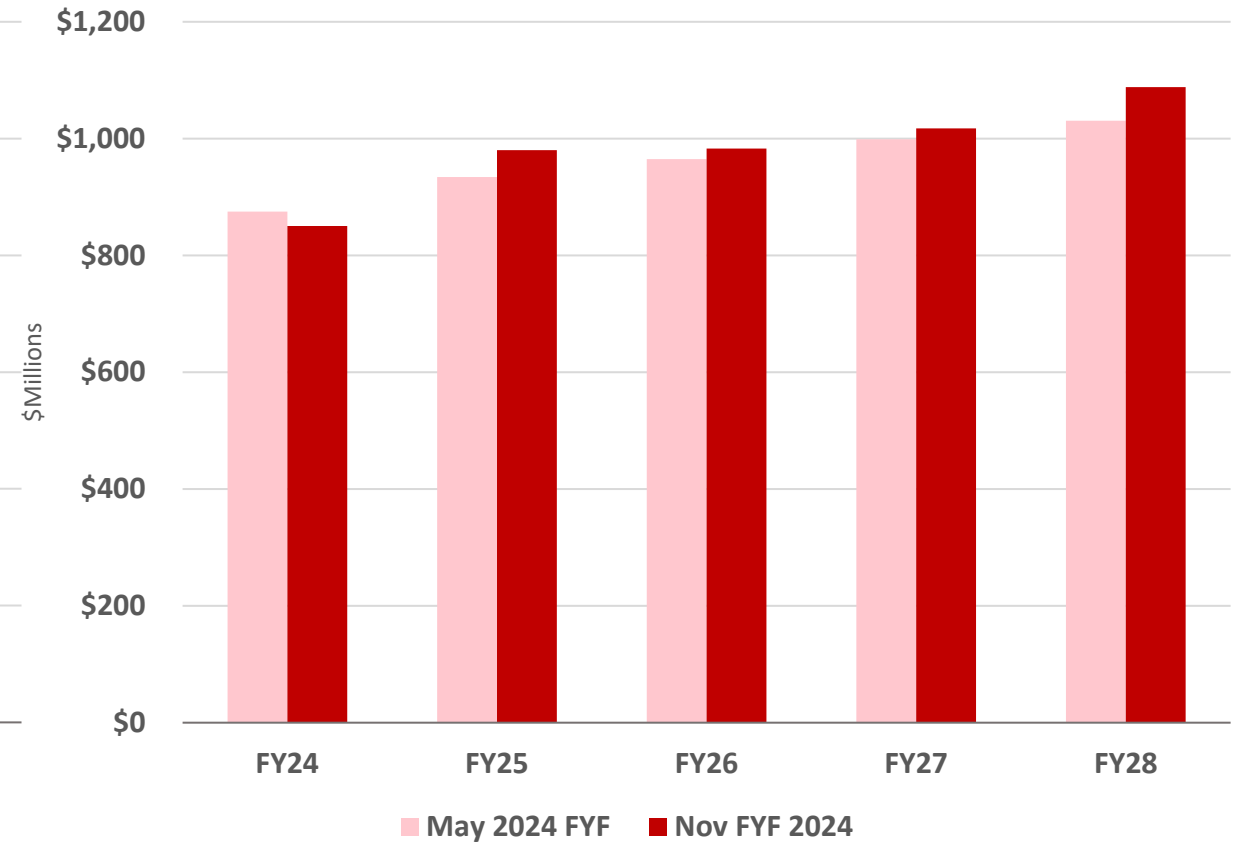


November 2024 FYF vs. May 2024 FYF

Total Revenues November 2024 vs May 2024 FYF



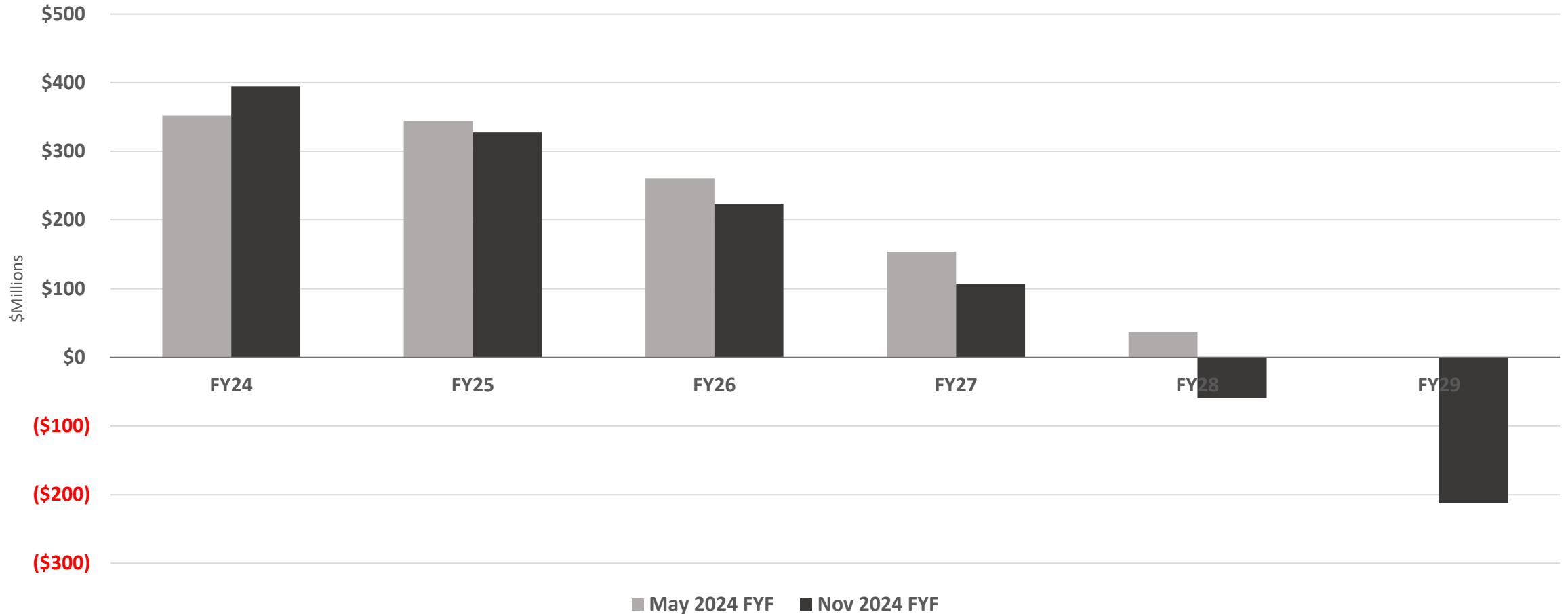
Total Expenditures November 2024 vs May 2024 FYF





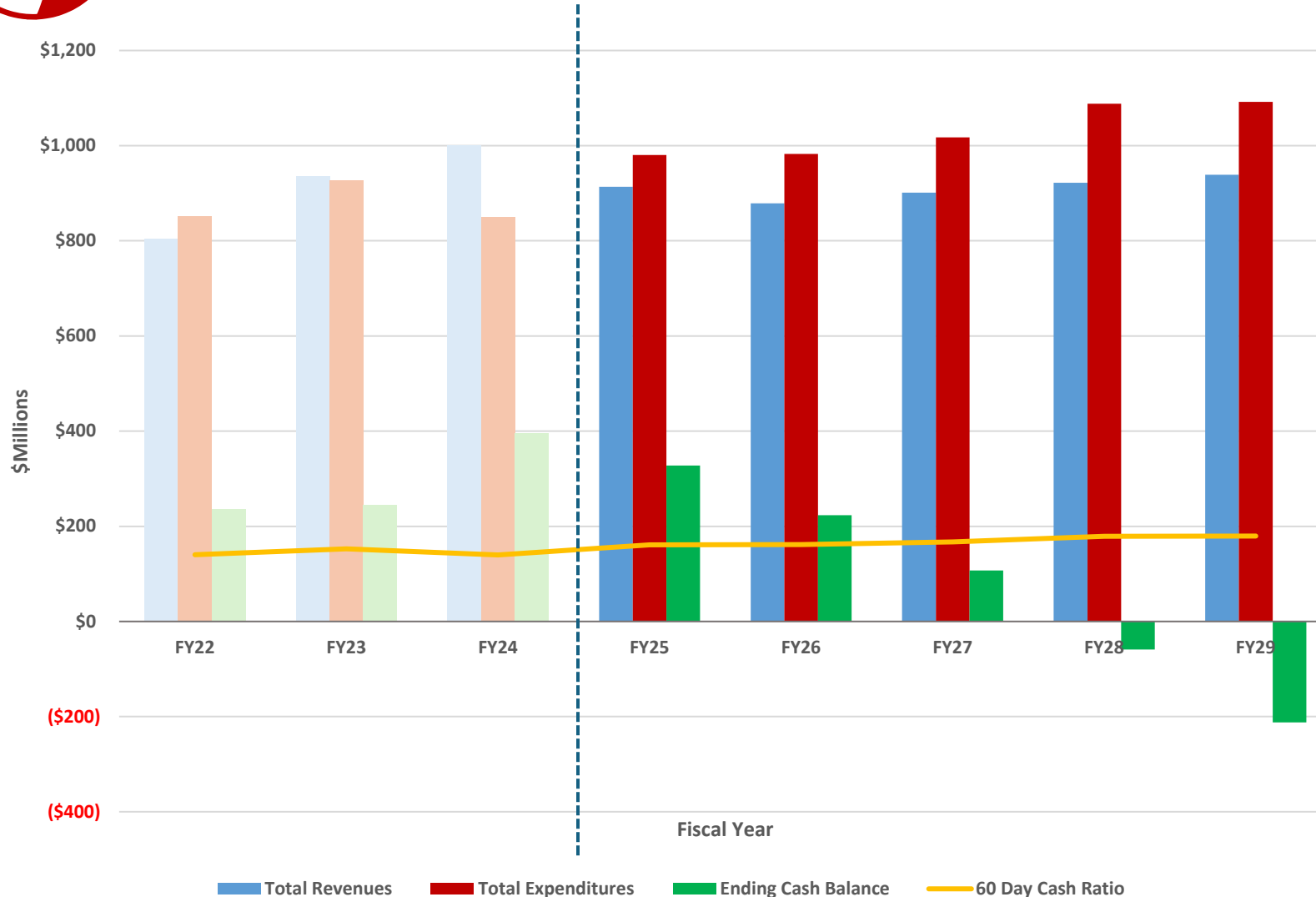
November 2024 FYF vs. May 2024 FYF

Ending Cash Balance November 2023 vs May 2024 FYF





November 2024 FYF Revenue Vs. Expenditure



- Cash balance positive through FY27
- Cash deficit projected in FY 28 and FY29; \$59.1 million and \$212.4 million, respectively
- Expenses exceed revenues starting in FY25
- **Days Cash on Hand**
 - **2025: 122**
 - **2026: 83**
 - **2027: 38**
 - **2028: (20)**
 - **2029: (71)**



Estimated General Fund Revenue Sources FY25

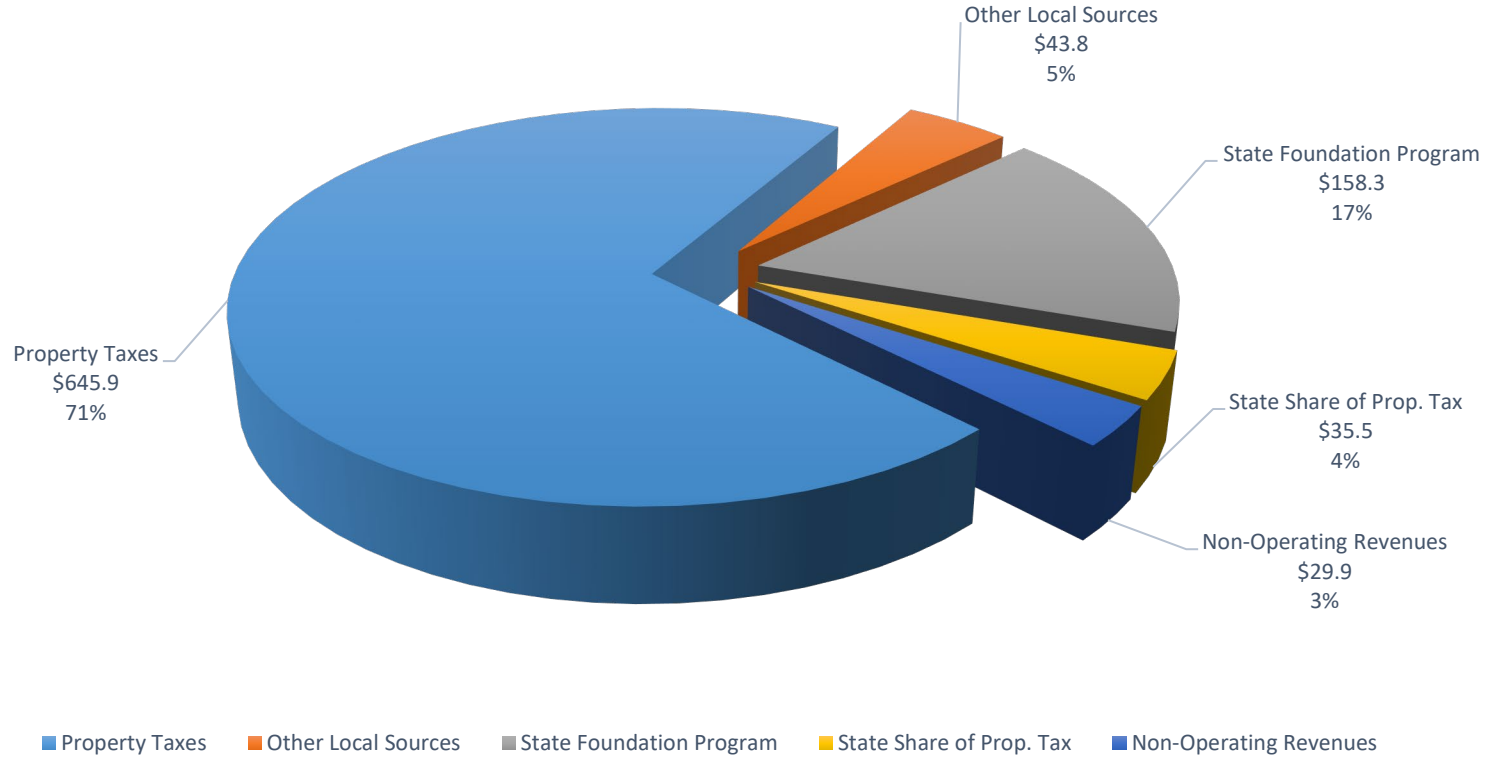
State:
\$193.8 Million

Local:
\$689.7 Million

Non-Operating:
\$29.9 Million

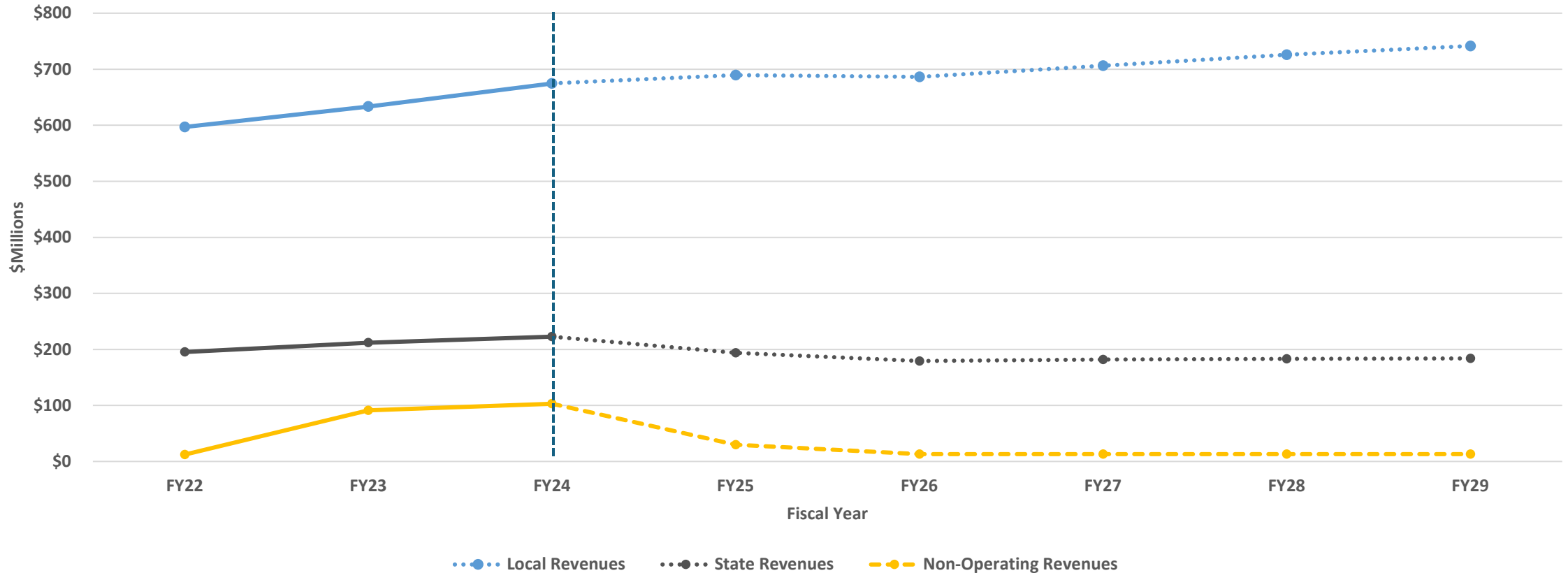
Total Revenues:
\$913.4 Million

FY25 Projected Revenue Sources
\$millions





Revenues Flatten Out



- Inside millage provide some growth in FY25
- State funding is heavily dependent on two new biennium budgets.
- Drop off in Non-Operating Revenue is reflective of the decrease in Advances In related to ESSER.



Estimated General Fund Expenditures FY25

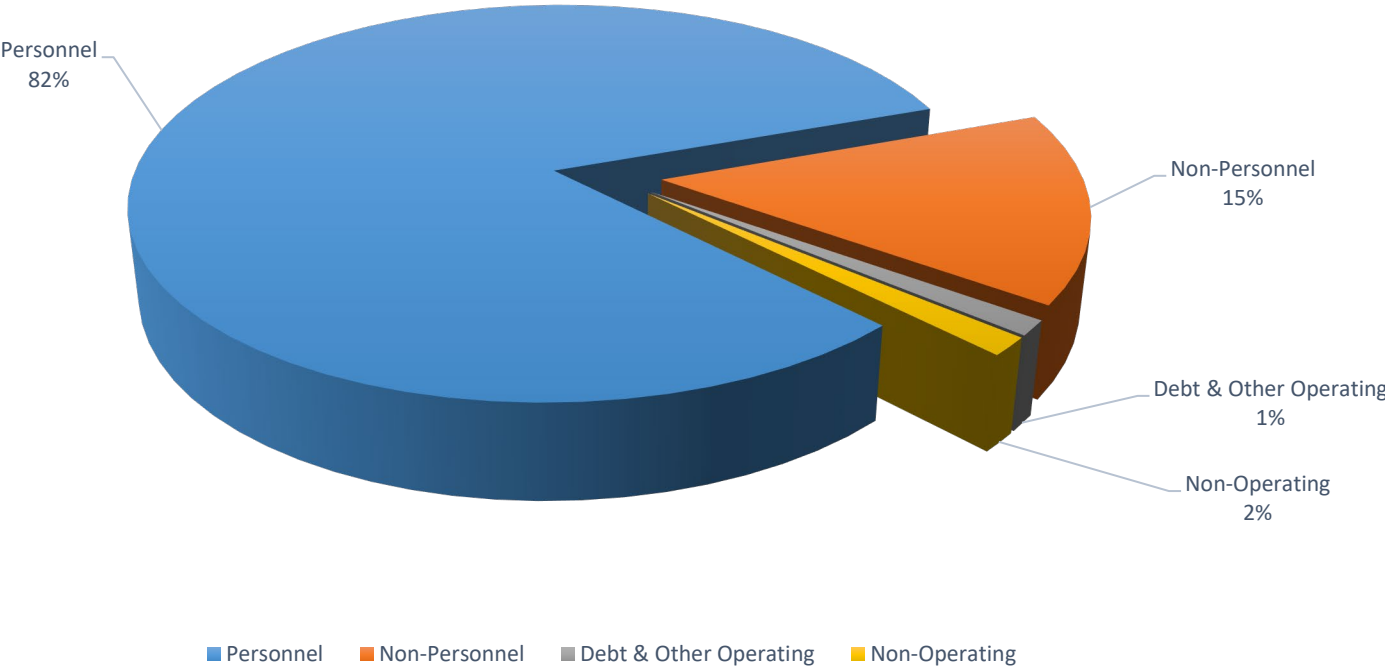
Personnel:
\$804.3 Million

Non-Personnel:
\$149.9 Million

Other:
\$26.3 Million

Total Expenditures:
\$980.5 Million

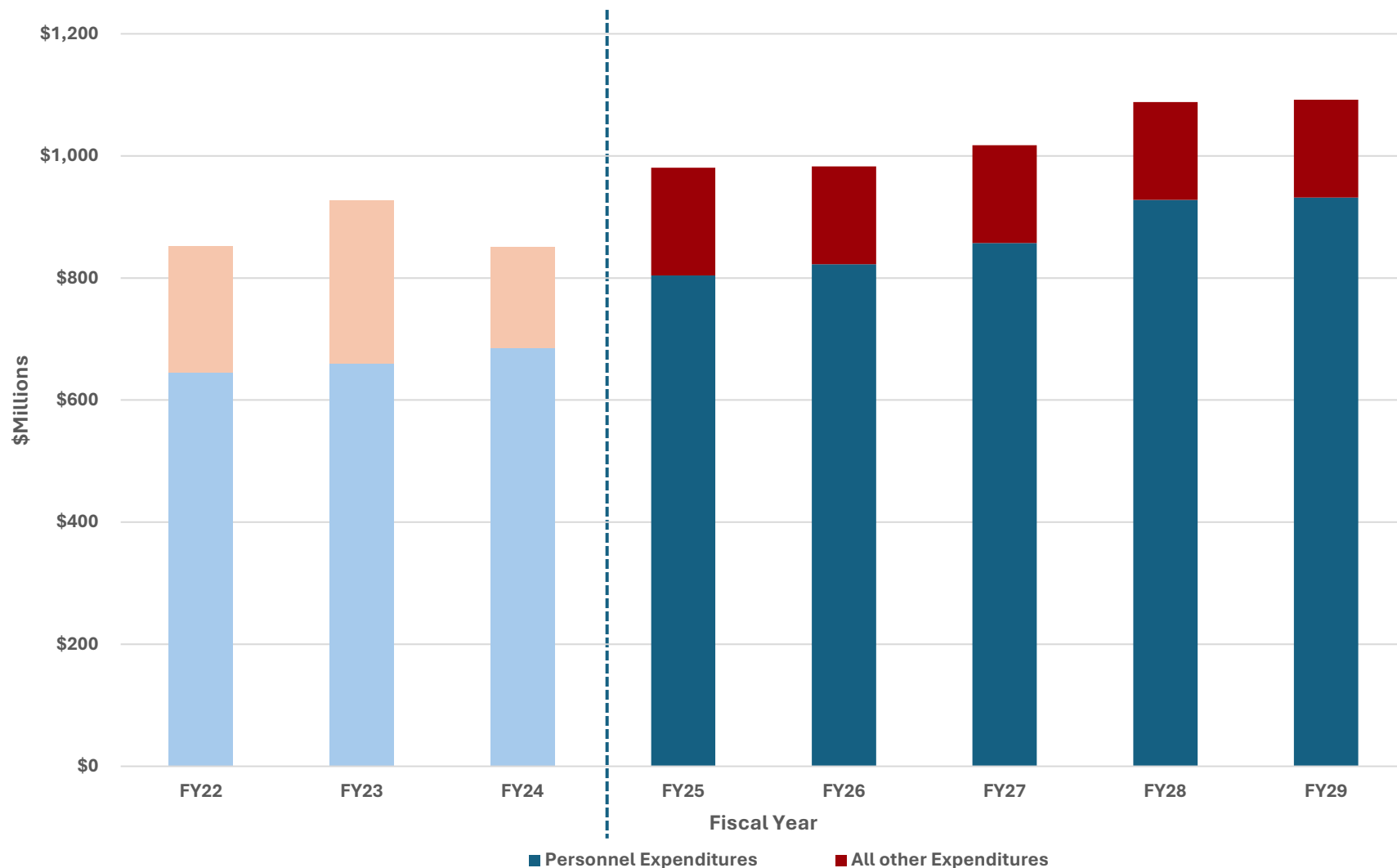
FY25 Estimated Expenditure Categories
\$millions





Expenditures Projected to Grow

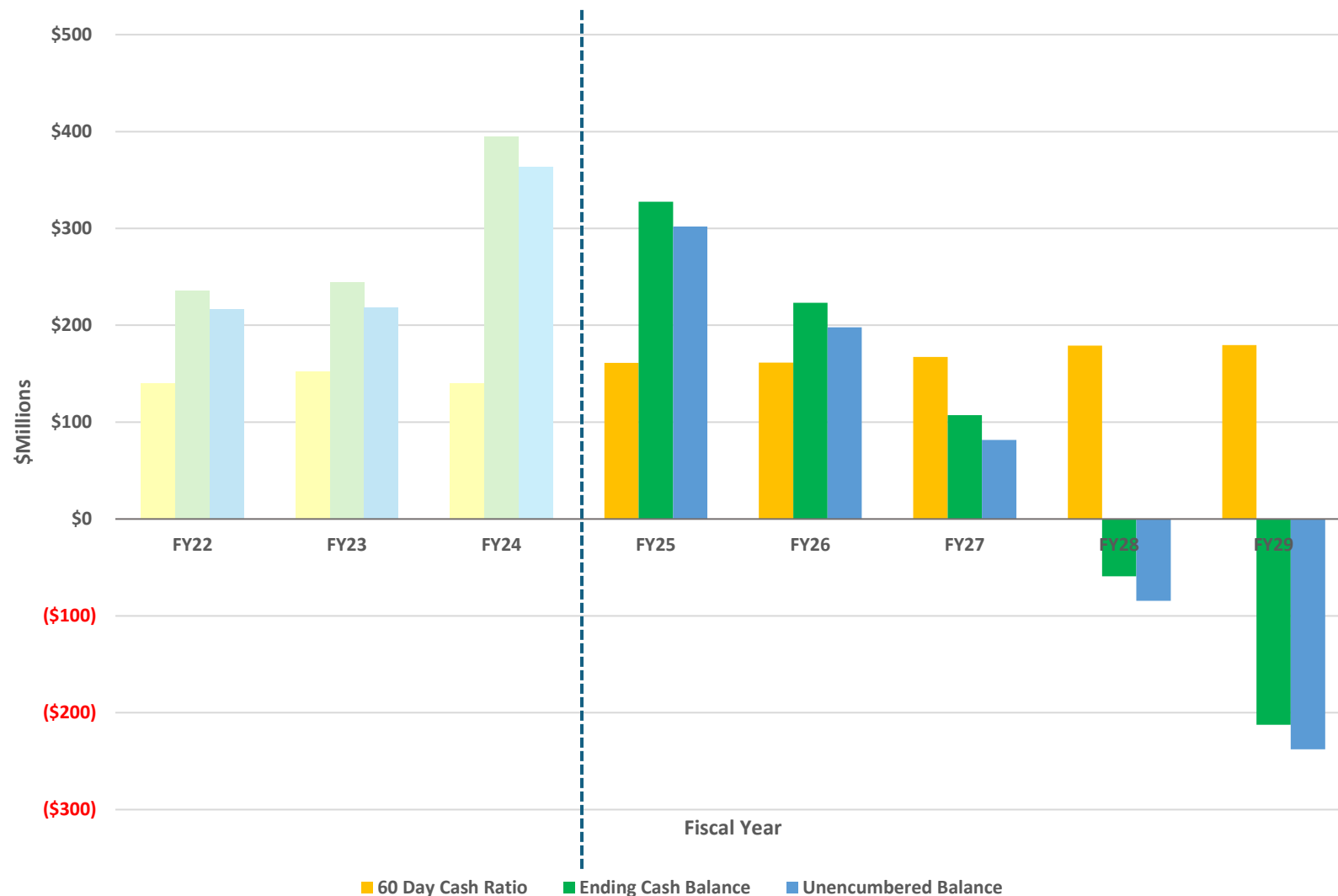
- Personnel projected to make up 85% of total expenditures in FY29





Ending Cash Balance

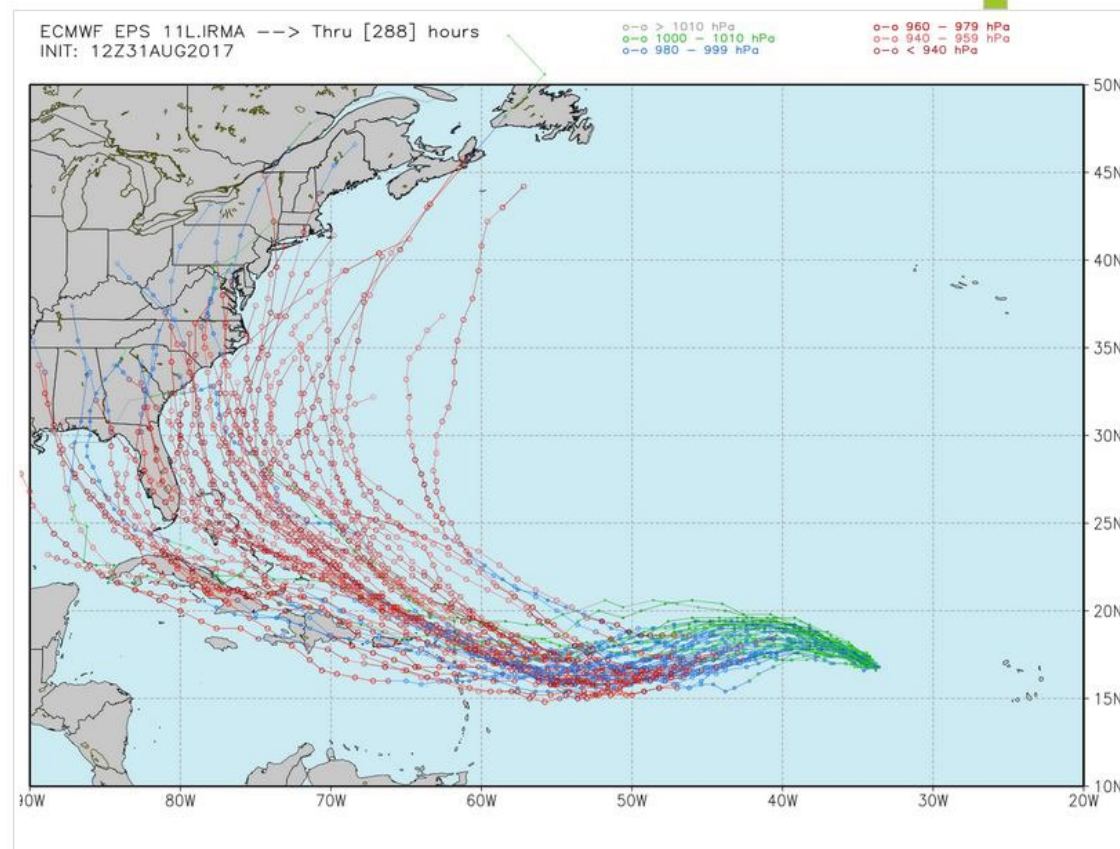
- 30 - 60 day cash balance is a responsible target to end year.
- No less than \$-0- required by Ohio law





In Conclusion

- Essentially revenues do not keep pace with expenses
 - Total revenue is estimated to decline by 1.3% annually over the next 5 years while expenses are estimated to grow by 5.1% a year.
- Ongoing Significant Uncertainties:
 - There is no information about the two new state budgets expected for FY26-FY29
 - Transportation Penalty that is currently forecasted at \$15.0 million per year
 - Upcoming personnel negotiations; current assumptions reflect a 2.5% base increase
- District will need to look at budget cuts (attrition), new revenues or a combination of both for long term sustainability





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