





# **FIVE YEAR FORECAST**

## **November 2024**

**TREASURER'S OFFICE**

Ryan Cook, MBA, LSSBB, SFO

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%

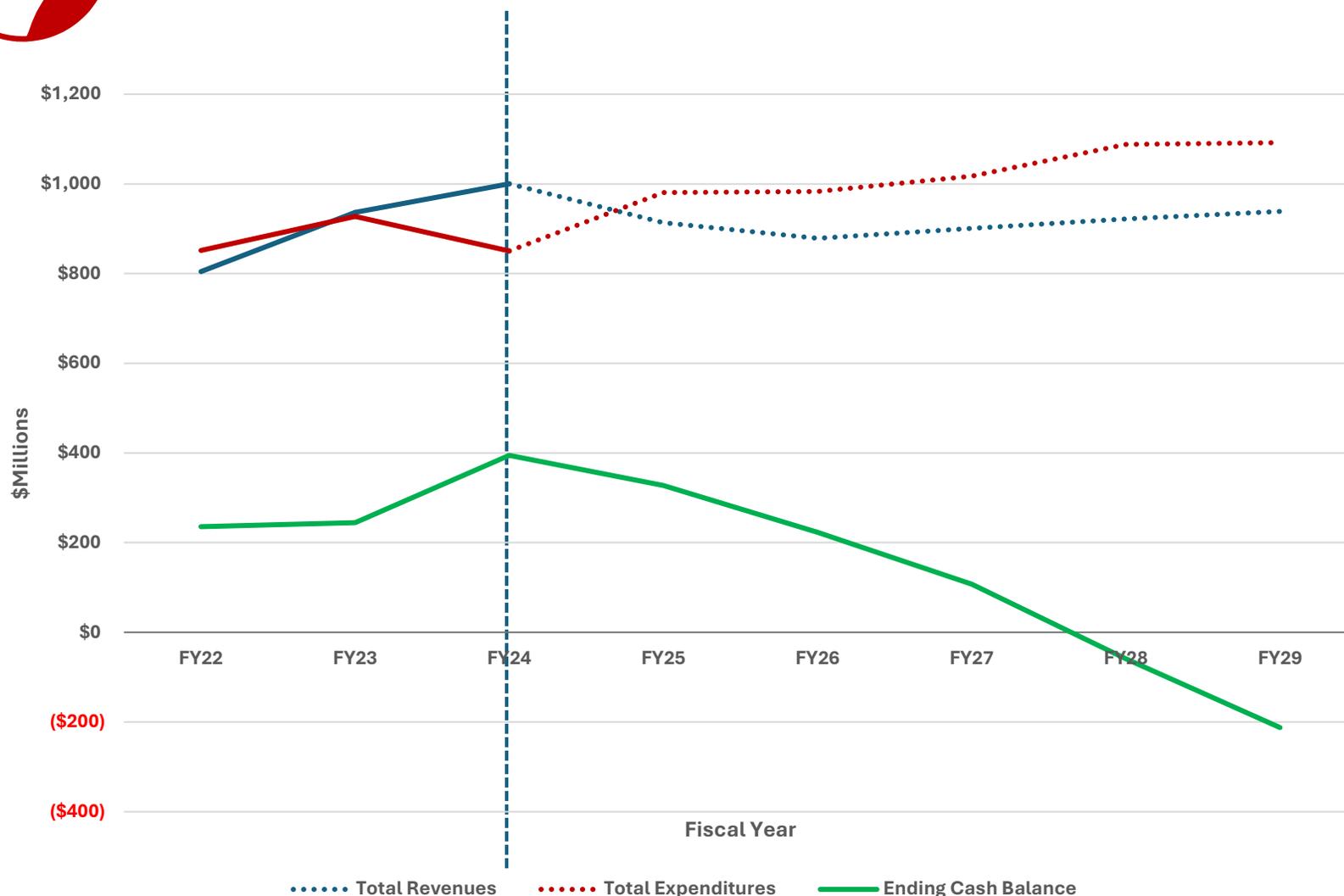


The expenditures are mainly salary and wages, benefits, purchased services, and supplies and materials.

- 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

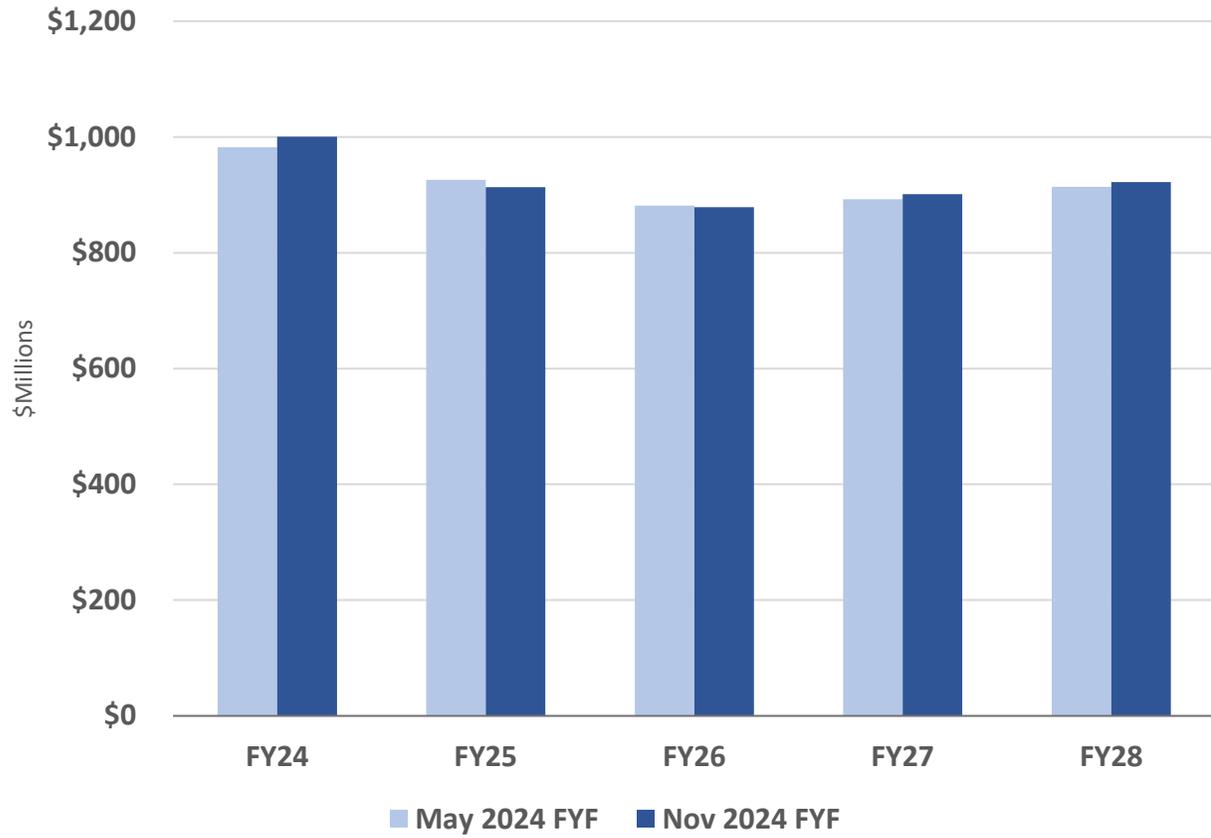
## **Expenditures:**

- Inclusion of an anticipated 27<sup>th</sup> 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

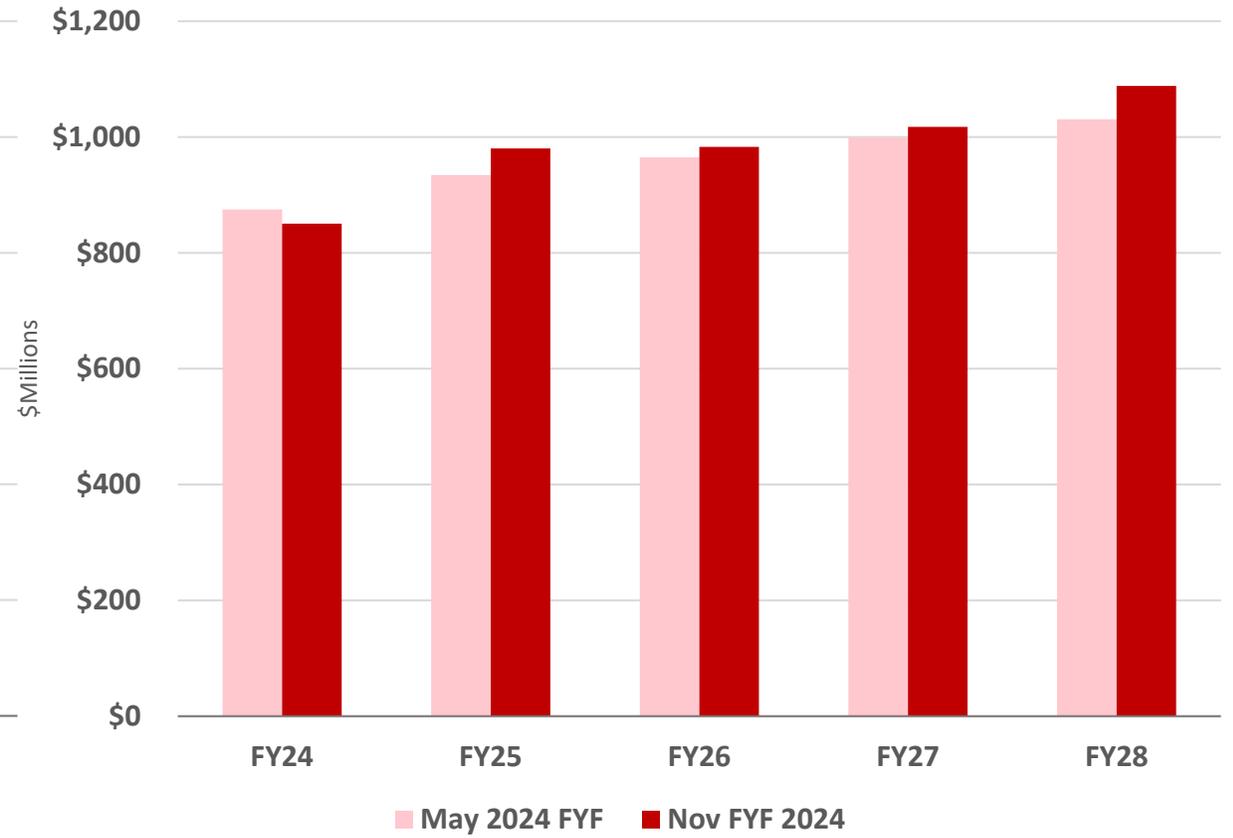


# November 2024 FYF vs. May 2024 FYF

### Total Revenues November 2024 vs May 2024 FYF



### Total Expenditures November 2024 vs May 2024 FYF

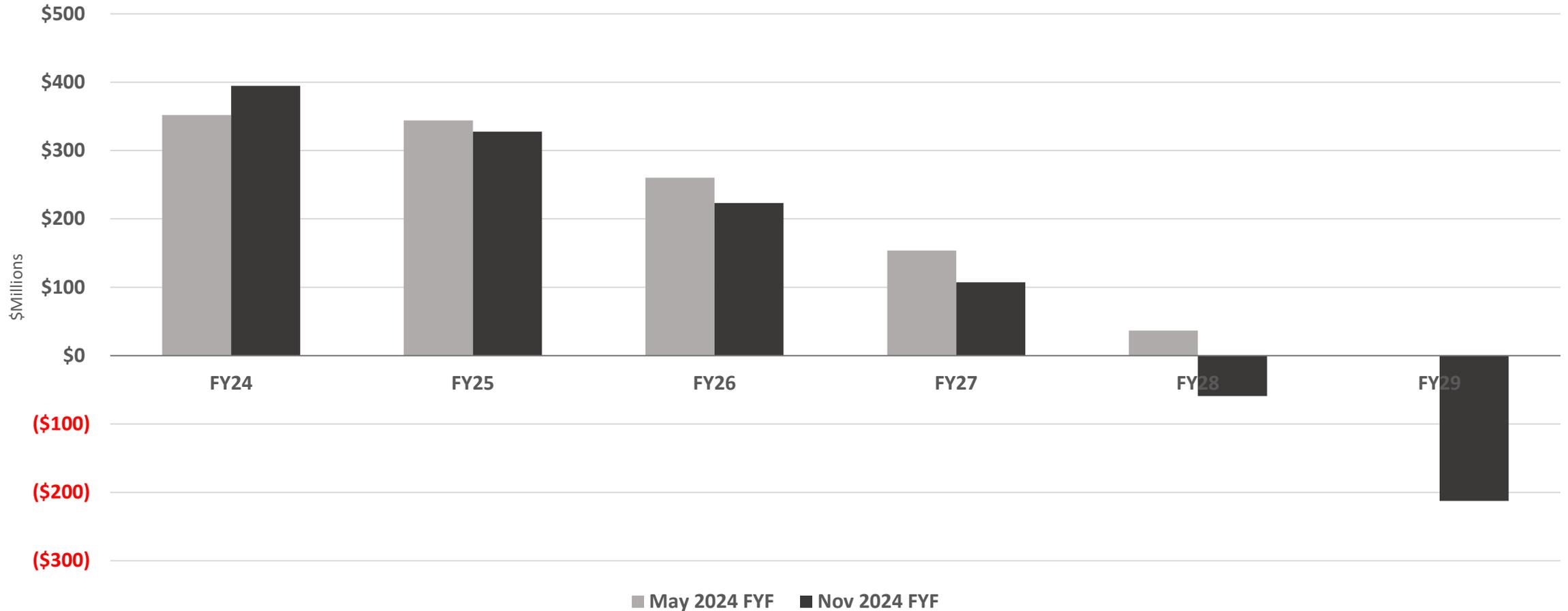




# November 2024 FYF vs. May 2024 FYF

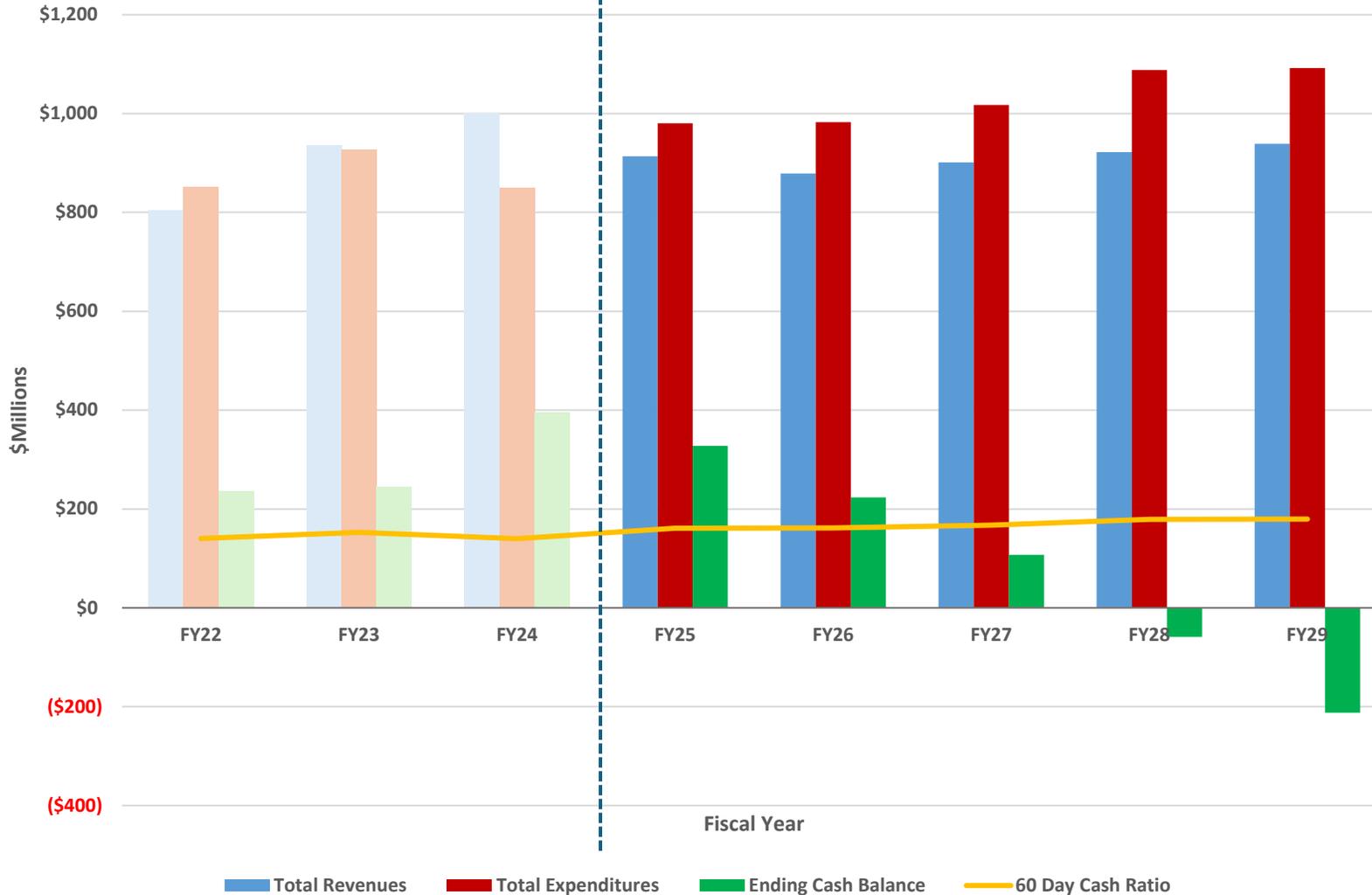


Ending Cash Balance November 2023 vs May 2024 FYF





# 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

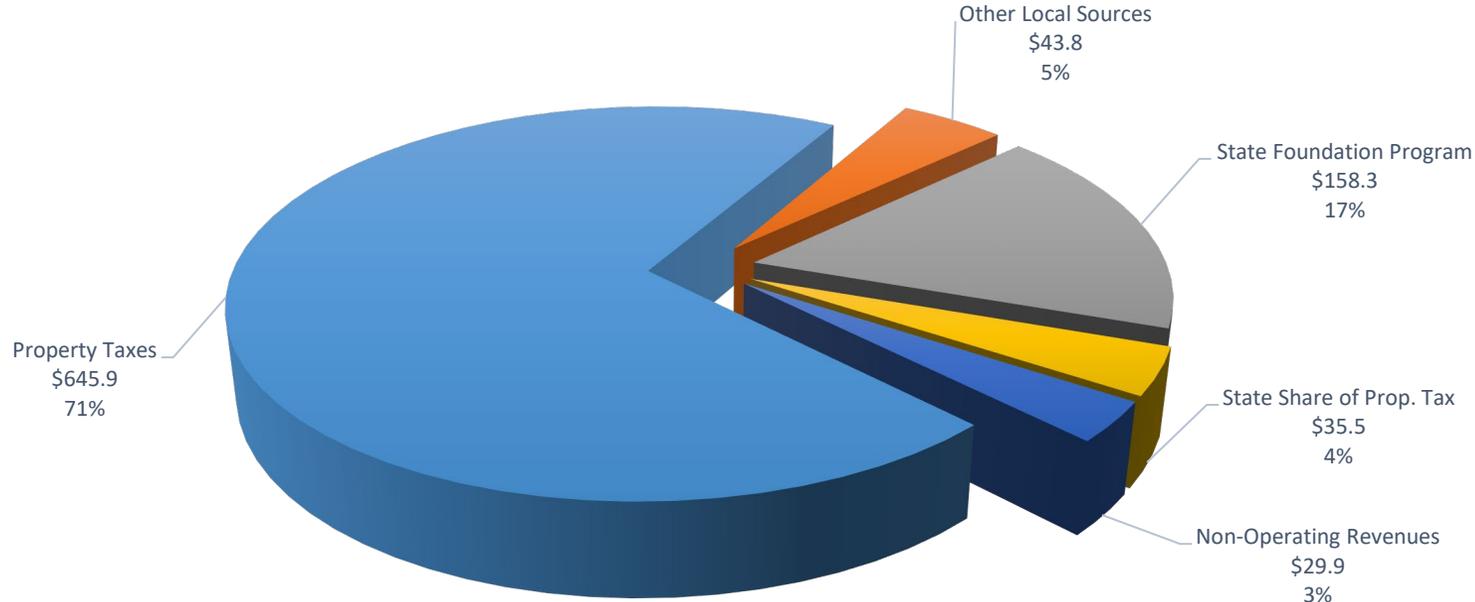
**State:**  
**\$193.8 Million**

**Local:**  
**\$689.7 Million**

**Non-Operating:**  
**\$29.9 Million**

**Total Revenues:**  
**\$913.4 Million**

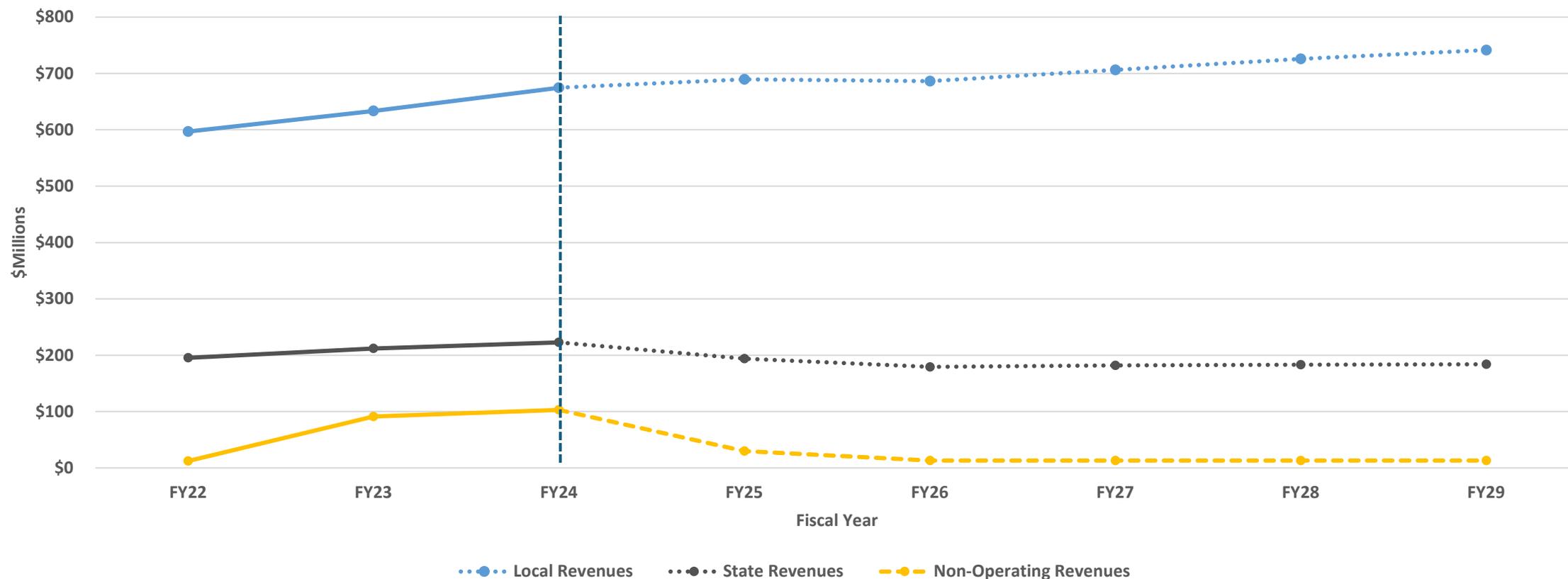
**FY25 Projected Revenue Sources**  
**\$millions**



■ Property Taxes ■ Other Local Sources ■ State Foundation Program ■ State Share of Prop. Tax ■ Non-Operating Revenues



# 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

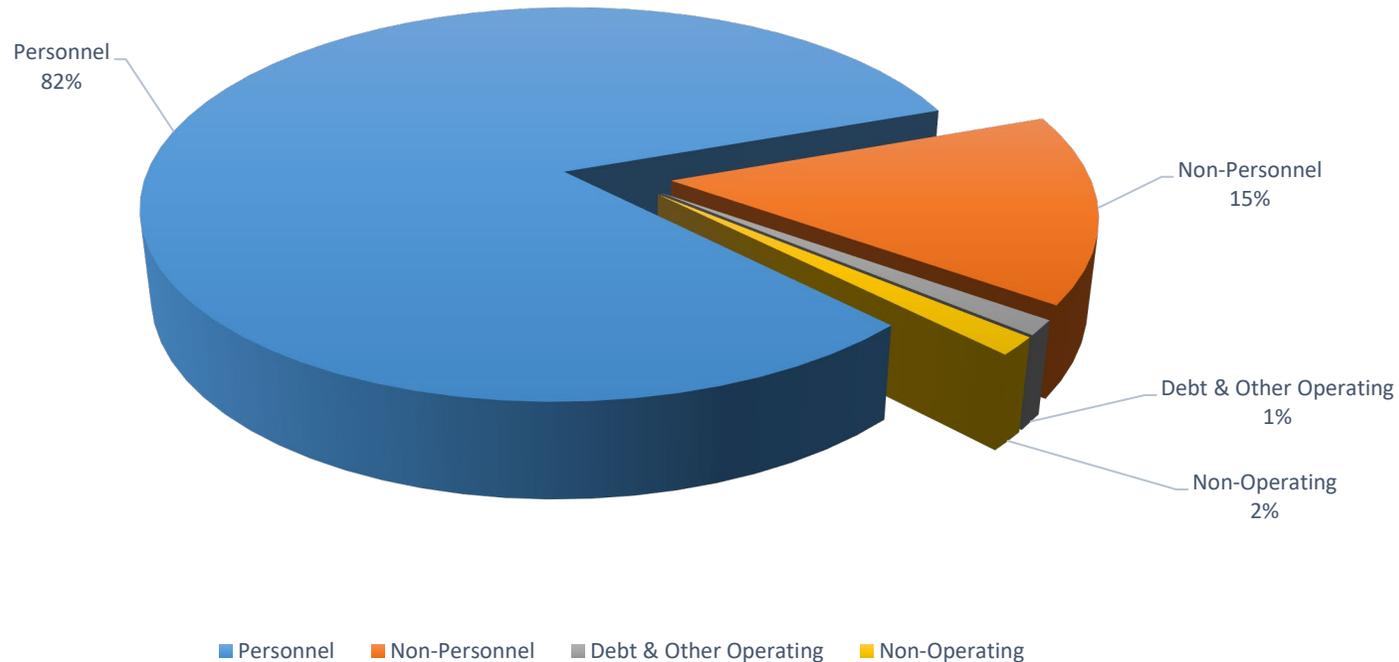
**Personnel:**  
**\$804.3 Million**

**Non-Personnel:**  
**\$149.9 Million**

**Other:**  
**\$26.3 Million**

**Total Expenditures:**  
**\$980.5 Million**

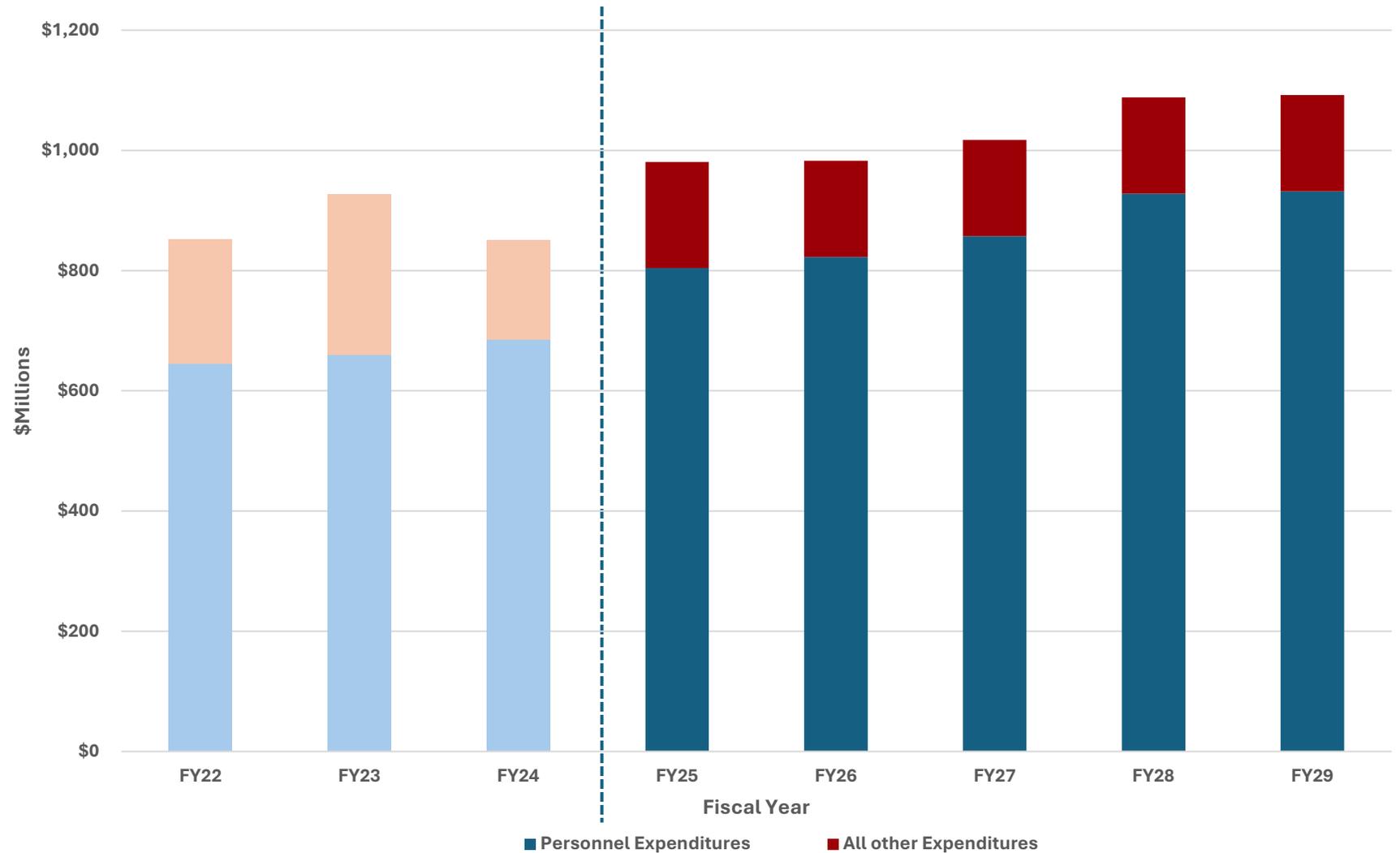
**FY25 Estimated Expenditure Categories**  
\$millions





# Expenditures Projected to Grow

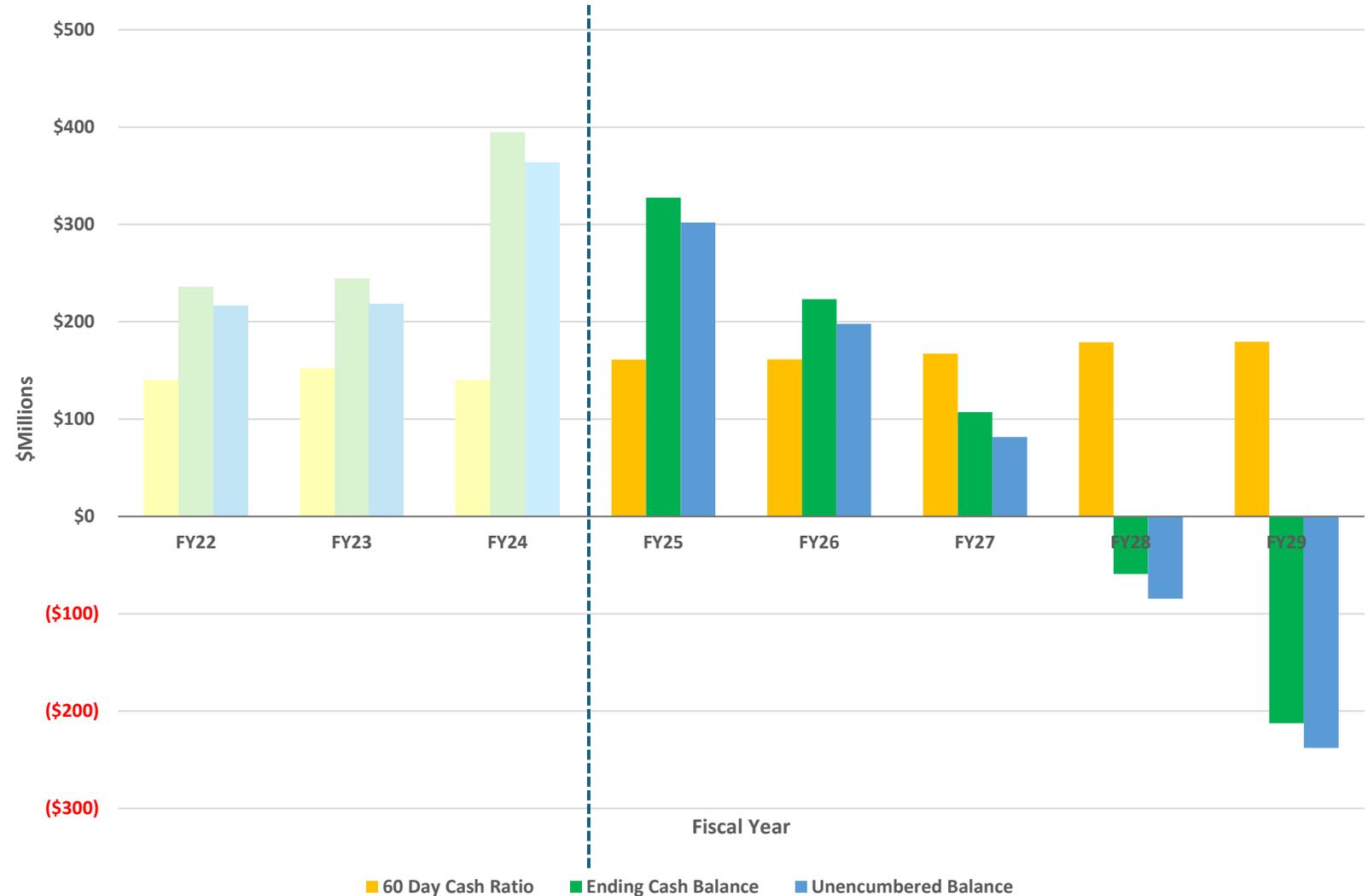
- Personnel projected to make up 85% of total expenditures in FY29





# Ending Cash Balance

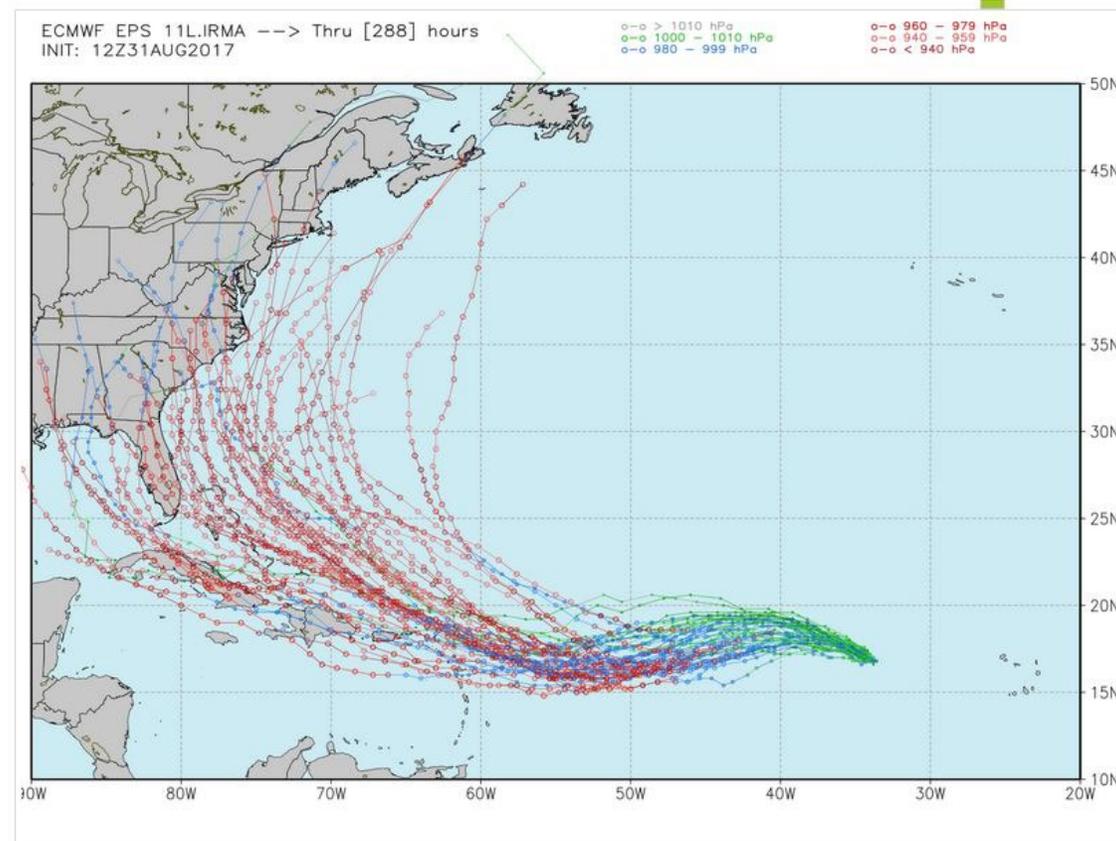
- 30 - 60 day cash balance is a responsible target to end year.
- No less than \$-0- required by Ohio law





# 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





**FIVE YEAR  
FORECAST  
November 2024**

TREASURER'S OFFICE

Ryan Cook, MBA, LSSBB, SFO

CFO/Treasurer