

General Fund  
Five Year Forecast  
July 1, 2024 Through  
June 30, 2029

November 19 , 2024

Presented By:  
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Treasurer



## O.R.C. and O.A.C. Requirements

- O.R.C. 5705.391 and O.A.C. 3301-92-04
  - Require a Board of Education to submit a five-year projection of operational revenues and expenditures along with assumptions to the Ohio Department of Education prior to November 30th and an update by May 31st of each fiscal year
- Required funds to be included in the five-year forecast are:
  - General Funds (001)
  - Any special cost center associated with general fund money
  - Emergency levy funds (016)
  - Any debt service (002) activity that would otherwise have gone to the general fund

# Purposes and Objectives of the Forecast

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

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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".

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

# 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.



# Key Line Items



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

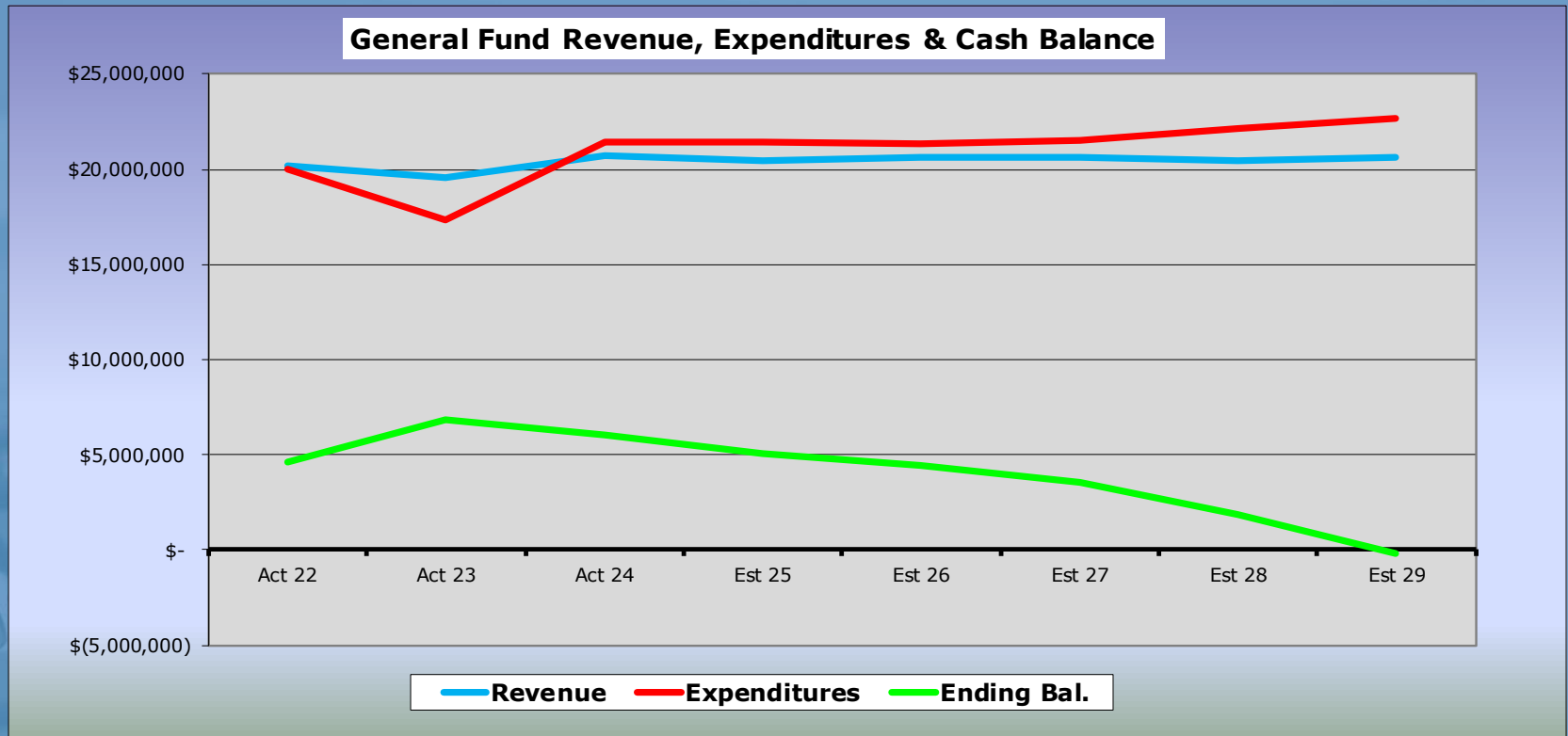


A district's revenue is made up of two main sources, local and state funding.



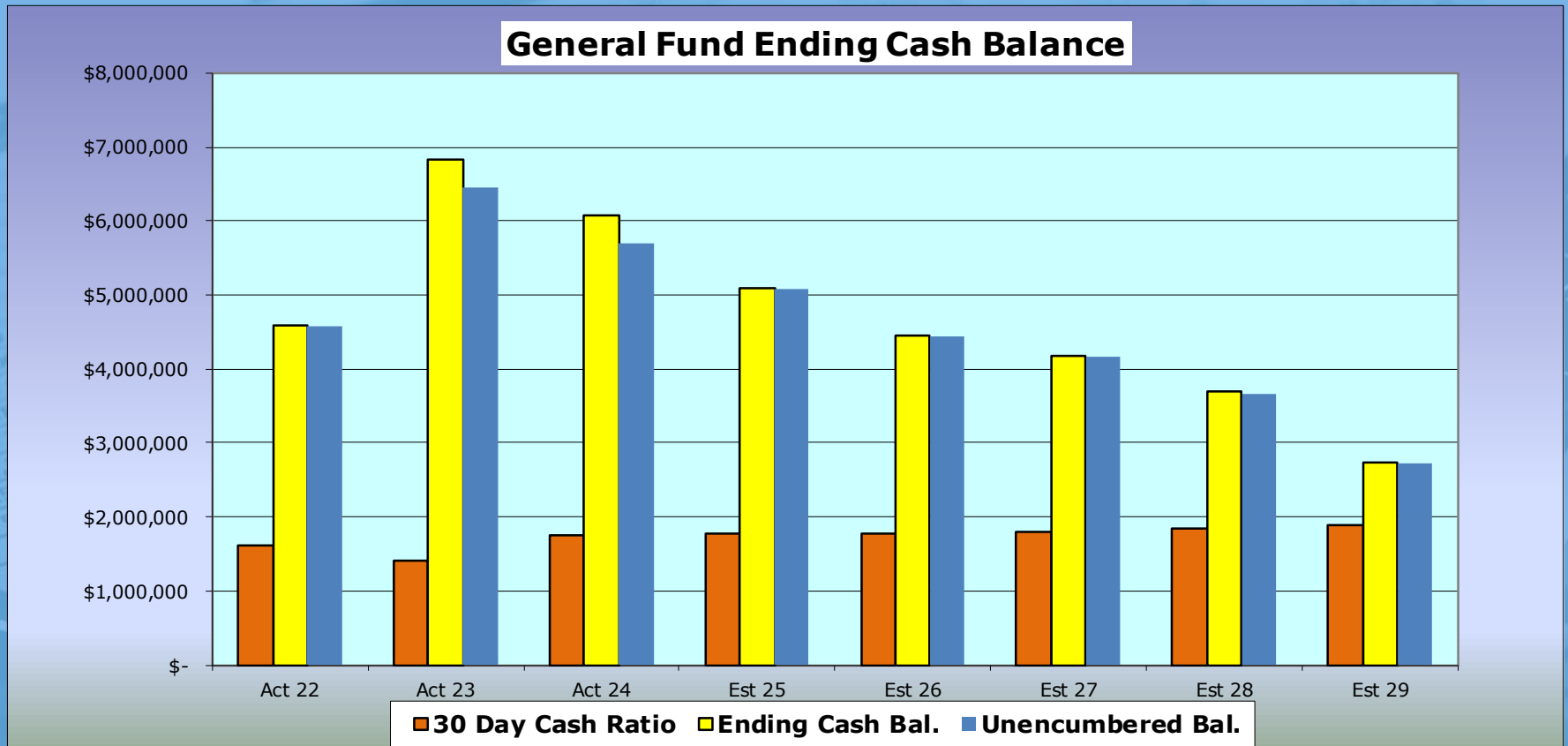
The expenditures are mainly salary and wages, benefits, purchased services, and supplies and materials.

# Revenue vs Expenditure



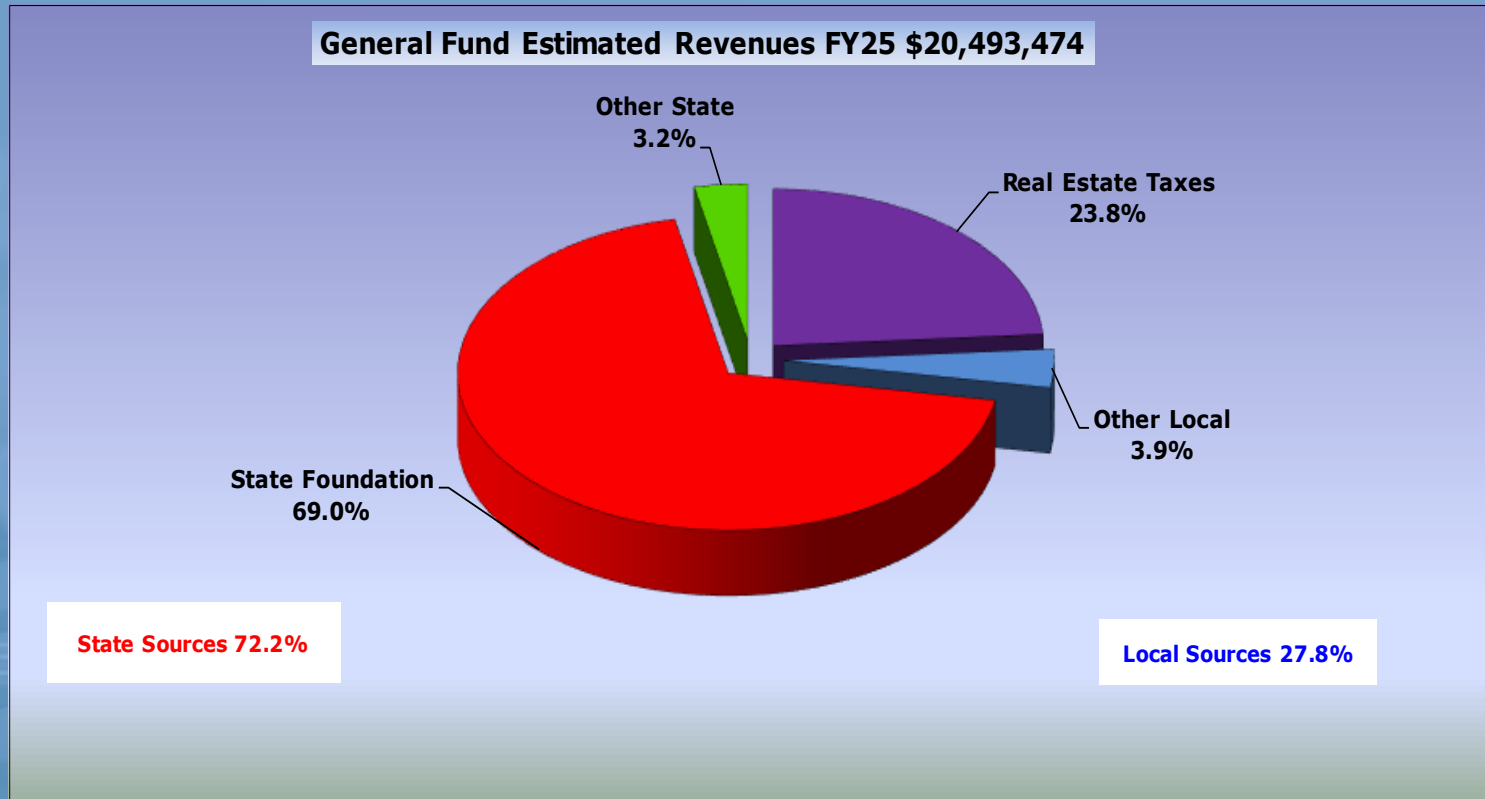
- Spending more than bringing in began in FY24.
- We are working to have expenses match revenues.
- FY22 valley and spikes is due to HB110 the new state funding model.
- Dip in FY23 due to using ESSER funds to help General Fund.

# Ending Cash Balance



- 30 – 60 Day Cash Balance a responsible target to end year.
- No less than \$-0- required by Ohio law.

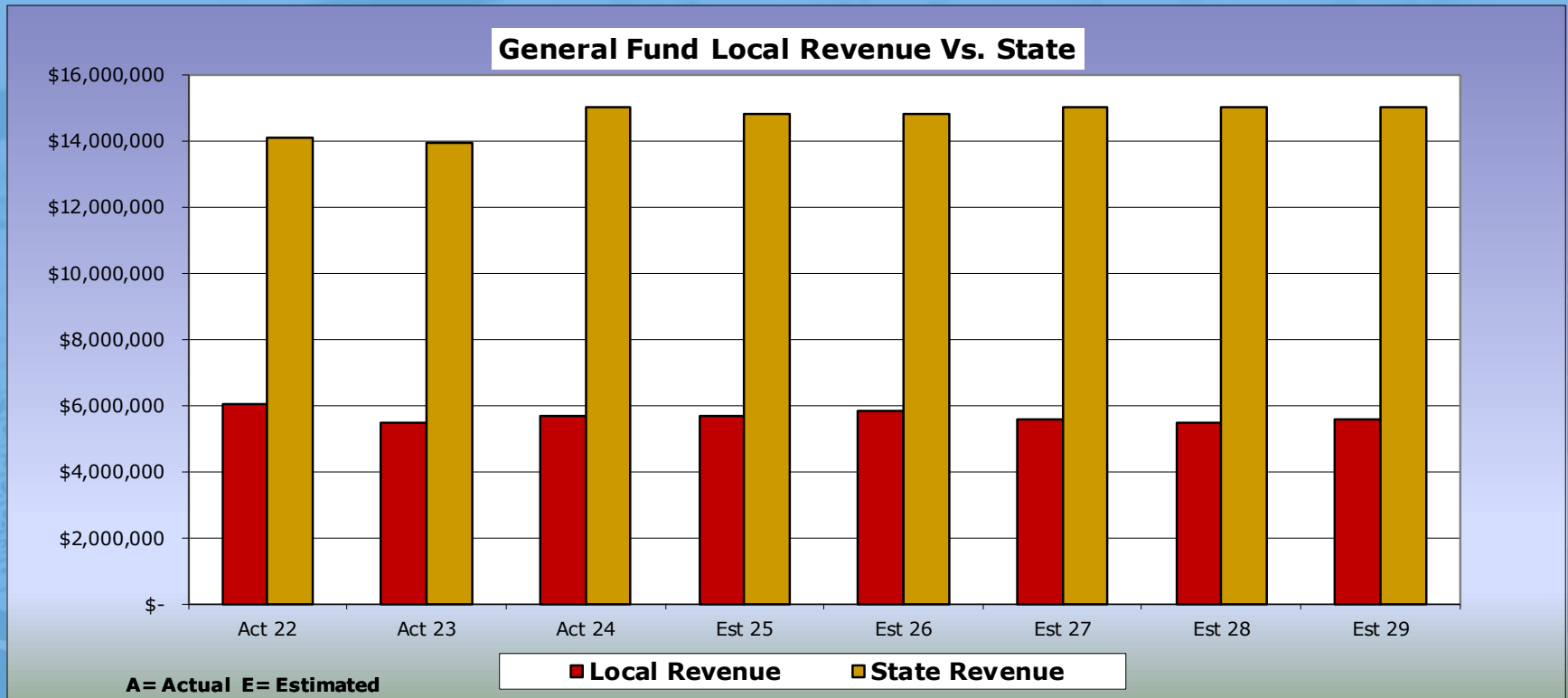
# Est. General Fund Revenue Sources FY25



- State of Ohio contributes 72.2% in FY25.



# Local vs. State Funding



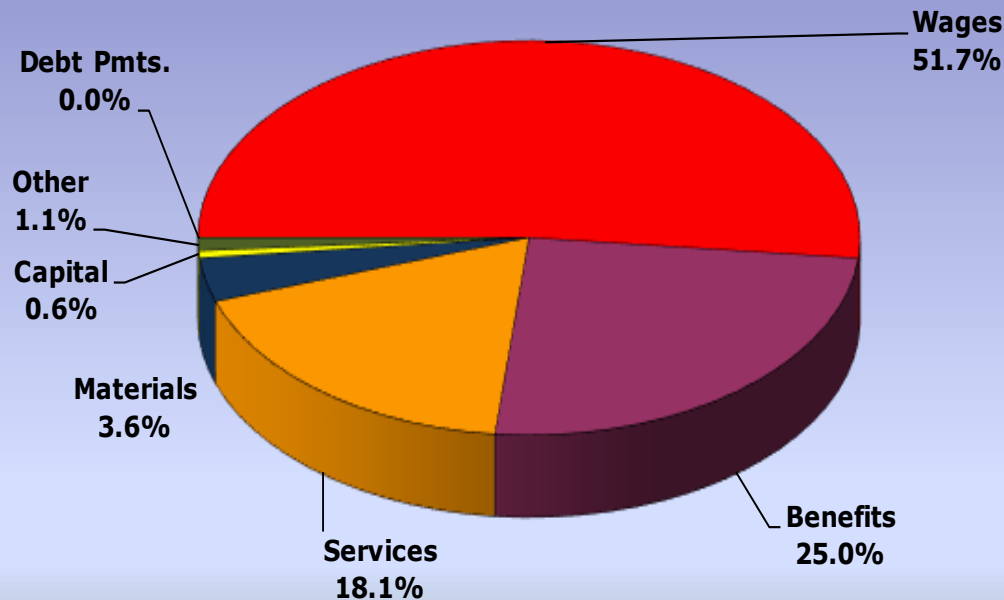
- HB33 establishes minimum funding to FY21 levels when considering direct payments. But not much in state increases to our district.

# Operating Revenue

- HB33 continued the fair school funding plan we anticipate it will be continued in FY26 and FY27 biennium budget.
- HB33 the fair school funding plan helped us in FY24 & FY25.
- The foundation program had us on the formula in FY24 & FY25.
- Total revenue is estimated to grow 2% annually over the next 5 years while expense are estimated to grow by 1.52% a year as the district slowly reduces costs to match revenues.
- HB126 severely limits our ability to challenge valuation reductions which will impact property values and taxes.
- Enrollment growth will translate into added revenues if we are on the foundation formula.
- We have some positive news about revenue in FY24 & FY25.
- Continued phase-in of the fair school funding plan depends on the biennium budget action in spring 2025.

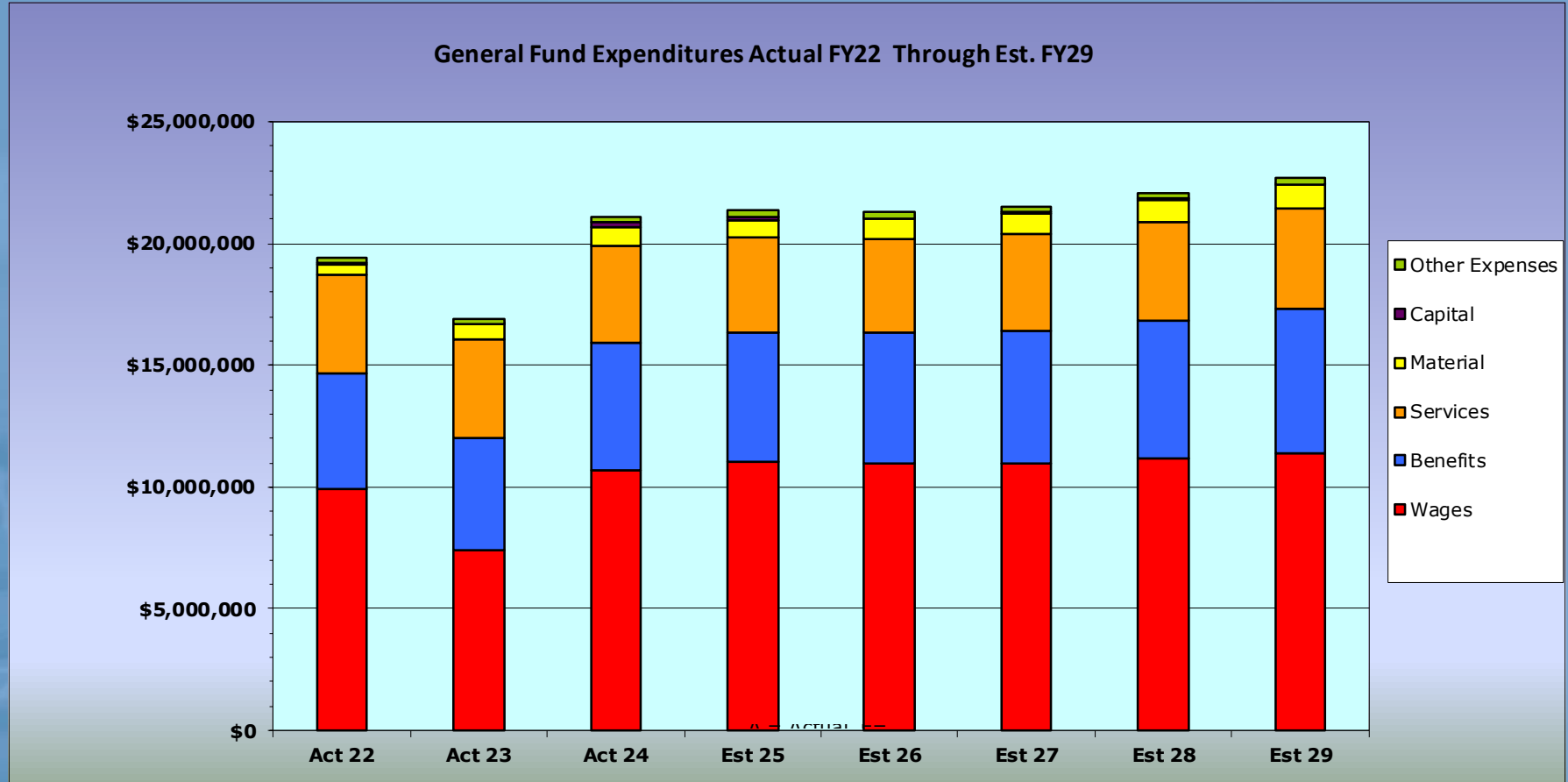
# Est. General Fund Expenditures FY25

General Fund Operating Expenditures Estimated FY25 \$21,344,313



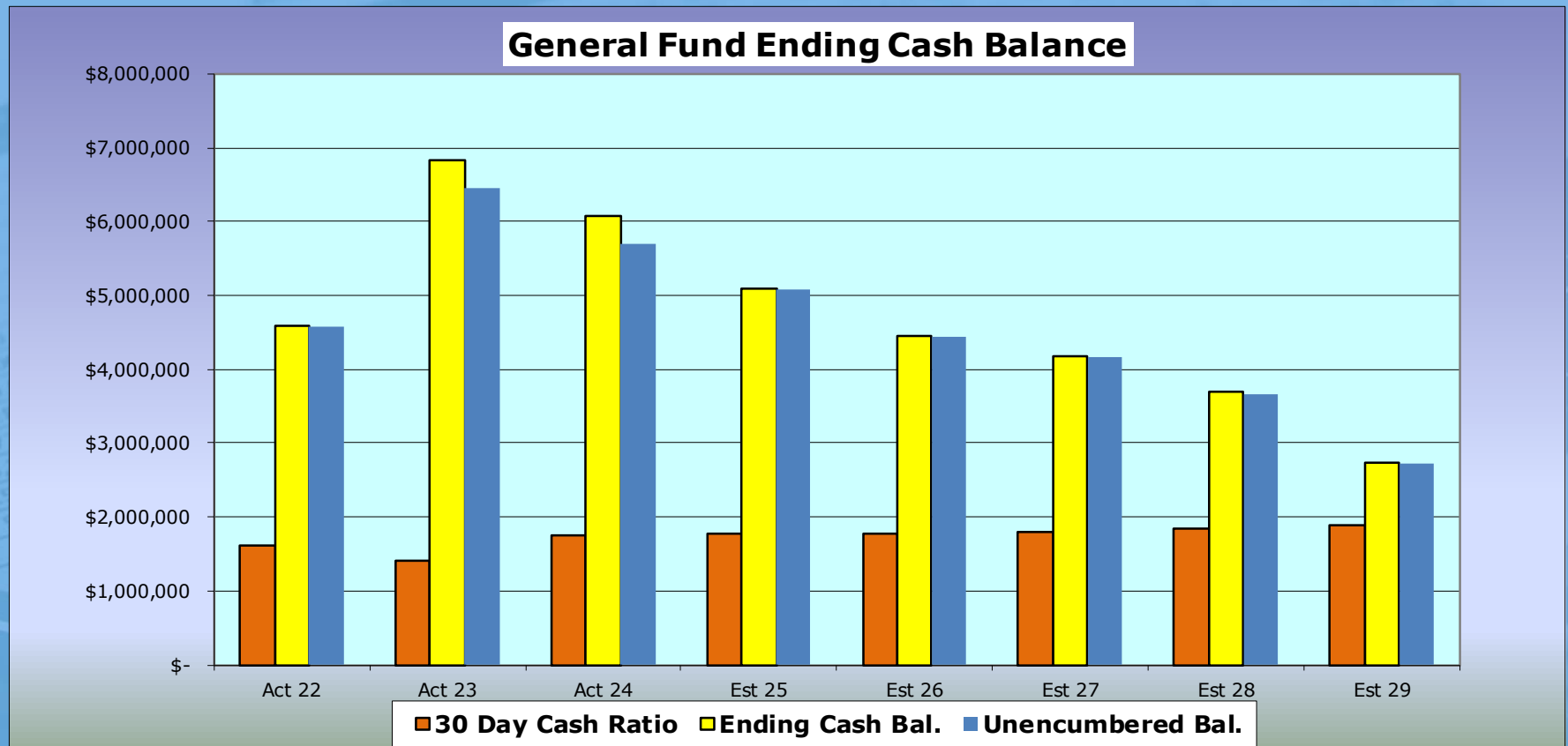
➤ Wages and benefits are estimated to be 76.7%.

# General Fund Expenditures By Object FY22 through Est. FY29



- Costs continue to rise faster than inflation...note that benefits continue growing the fastest.
- Dip in FY23 due to using ESSER funds to help General Fund.

# Ending Cash Balance



- GFOA recommends 60 true cash day balance 30 days long term is a reasonable target.

# Items to Consider About Our Finances

- HB33 provided our district with new money in FY24 & FY25.
- 72.2% of our revenues controlled by the state budget process.
- Current funding has us on the formula through FY25.
- ESSER Funds that helped reduce General Fund costs in FY21-24 will be gone after FY24.
- Future funding is uncertain still for FY26-29 as Fair School Funding Plan not funded beyond FY25
- Other proposals like College Credit Plus, excess costs and tuition are expected to increase our costs going forward.
- Expenses need to match revenues to remain viable long term.
- Watch SB 271 that may limit tax growth to 5% for qualified taxpayers and Joint Committee on Property Tax Reform.



Questions and  
Answers

Thank You  
for  
Listening

