



Five Year Forecast May 6, 2019

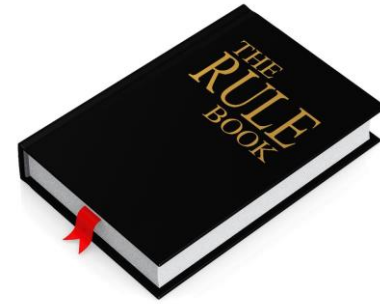
Presented by: Nicole Marshall, Treasurer

Purpose of the Forecast



- ▶ 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 (previously October 31st)
- ▶ 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

Revenues

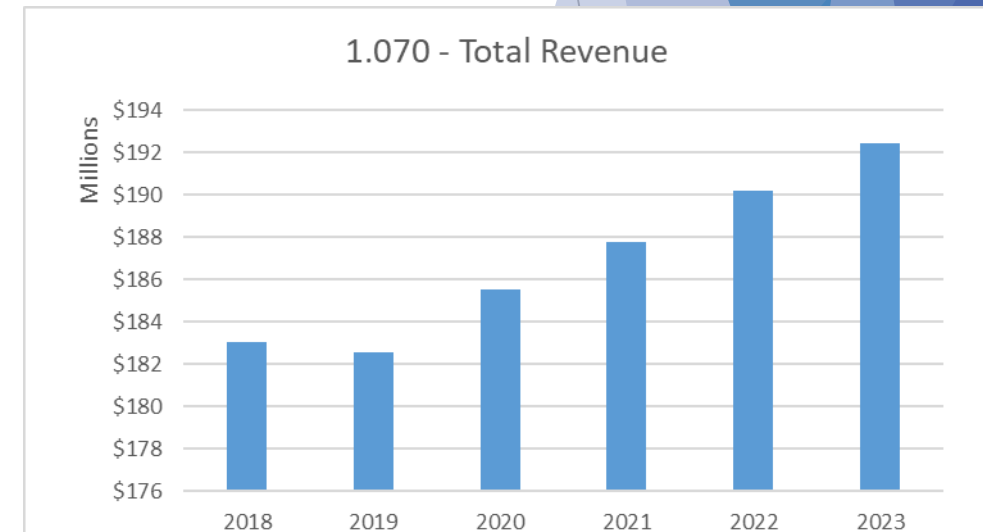
Fiscal Year	FORECASTED					
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Revenue:						
1.010 - General Property Tax (Real Estate)	108,504,413	106,946,556	109,376,290	110,669,834	111,920,909	112,879,365
1.020 - Public Utility Personal Property	3,537,139	3,647,743	3,761,676	3,875,958	3,974,840	4,087,403
1.035 - Unrestricted Grants-in-Aid	44,313,023	45,325,841	46,662,316	48,027,671	49,399,127	50,854,680
1.040 - Restricted Grants-in-Aid	1,256,974	1,423,657	1,342,634	1,072,563	1,085,813	1,103,783
1.050 - Property Tax Allocation	14,018,187	14,004,832	14,081,433	14,201,599	14,322,534	14,397,615
1.060 - All Other Operating Revenues	11,412,345	11,189,174	10,330,373	9,926,487	9,473,146	9,115,634
1.070 - Total Revenue	183,042,081	182,537,803	185,554,722	187,774,112	190,176,369	192,438,480
Other Financing Sources:						
2.060 - All Other Financing Sources	1,392,175	1,600,000	700,000	700,000	400,000	400,000
2.070 - Total Other Financing Sources	1,392,175	1,600,000	700,000	700,000	400,000	400,000
2.080 - Total Revenues and Other Financing Sources	184,434,256	184,137,803	186,254,722	188,474,112	190,576,369	192,838,480
Expenditures:						
3.010 - Personnel Services	93,657,721	98,895,760	105,284,851	111,978,274	118,834,644	130,552,769
3.020 - Employees' Retirement/Insurance Benefits	32,592,766	35,820,740	38,864,513	41,843,760	44,954,471	49,043,348
3.030 - Purchased Services	22,020,733	21,513,362	21,989,267	22,627,001	23,284,325	23,961,881
3.040 - Supplies and Materials	5,818,417	5,091,794	5,585,219	5,736,285	5,891,648	6,051,434
3.050 - Capital Outlay	1,585,767	2,296,003	2,702,423	2,934,471	2,467,160	2,500,503
4.300 - Other Objects	10,010,401	11,060,367	10,869,377	11,295,559	11,739,660	12,202,462
4.500 - Total Expenditures	165,685,805	174,678,026	185,295,650	196,415,350	207,171,908	224,312,397
Other Financing Uses						
5.010 - Operating Transfers-Out	90,500	115,000	115,000	115,000	115,000	115,000
5.050 - Total Expenditures and Other Financing Uses	165,776,305	174,793,026	185,410,650	196,530,350	207,286,908	224,427,397
Excess of Rev & Other Financing Uses Over (Under)						
6.010 - Expenditures and Other Financing Uses	18,657,951	9,344,777	844,072	(8,056,238)	(16,710,539)	(31,588,917)
Cash Balance July 1 - Excluding Proposed Renewal/						
7.010 - Replacement and New Levies	94,724,367	113,382,318	122,727,095	123,571,167	115,514,929	98,804,390
7.020 - Cash Balance June 30	113,382,318	122,727,095	123,571,167	115,514,929	98,804,390	67,215,473
8.010 - Estimated Encumbrances June 30	2,951,094	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
Reservations of Fund Balance:						
9.030 - Budget Reserve	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
15.010 - Unreserved Fund Balance June 30	91,431,224	100,827,095	101,671,167	93,614,929	76,904,390	45,315,473

Balances Expenditures

Revenues

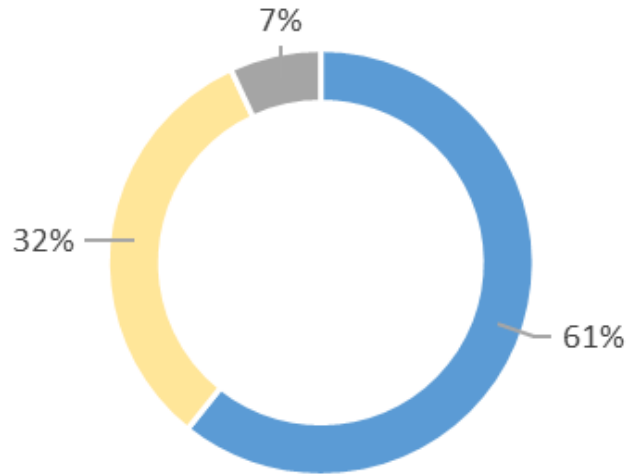
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1.035 - Unrestricted Grants-in-Aid	44,313,023	45,325,841	46,662,316	48,027,671	49,399,127	50,854,680
1.040 - Restricted Grants-in-Aid	1,256,974	1,423,657	1,342,634	1,072,563	1,085,813	1,103,783
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2.080 - Total Revenues and Other Financing Sources	184,434,256	184,137,803	186,254,722	188,474,112	190,576,369	192,838,480

► Slight increases anticipated in revenues beginning in FY2020



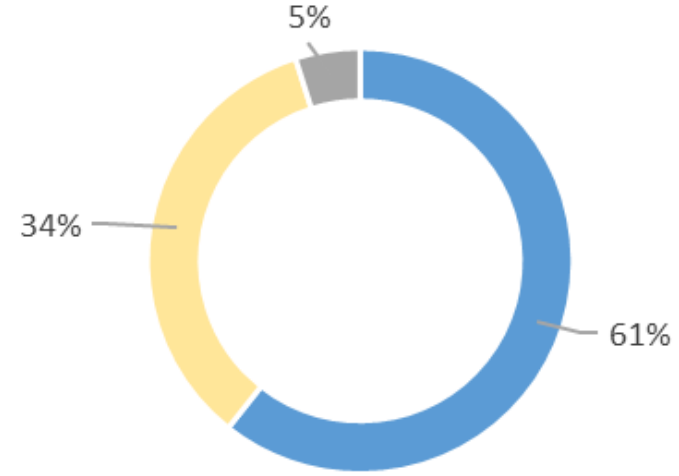
Revenues

FY2018 Actuals

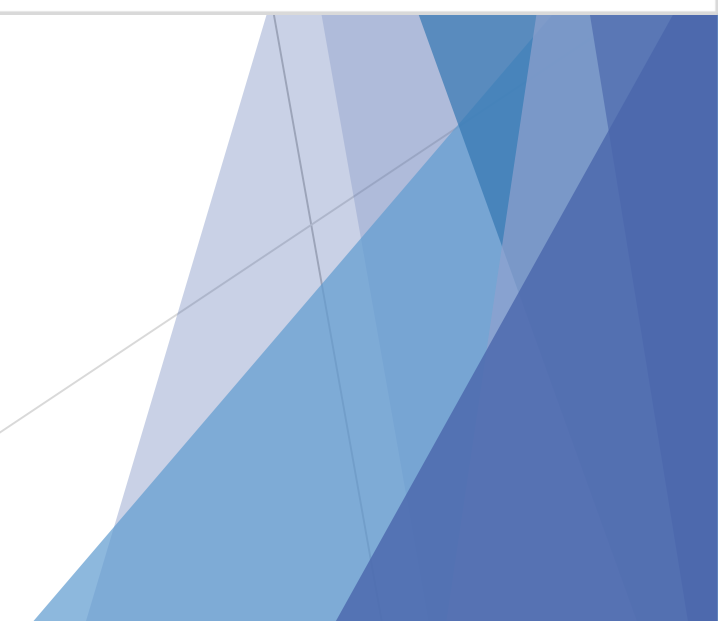


- Local Property Taxes
- State Foundation and Reimbursements
- Tuition, Fees and Other

FY 2023 Revenue Projections



- Local Property Taxes
- State Foundation and Reimbursements
- Tuition, Fees and Other



Local Property Taxes

Fiscal Year	FORECASTED					
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
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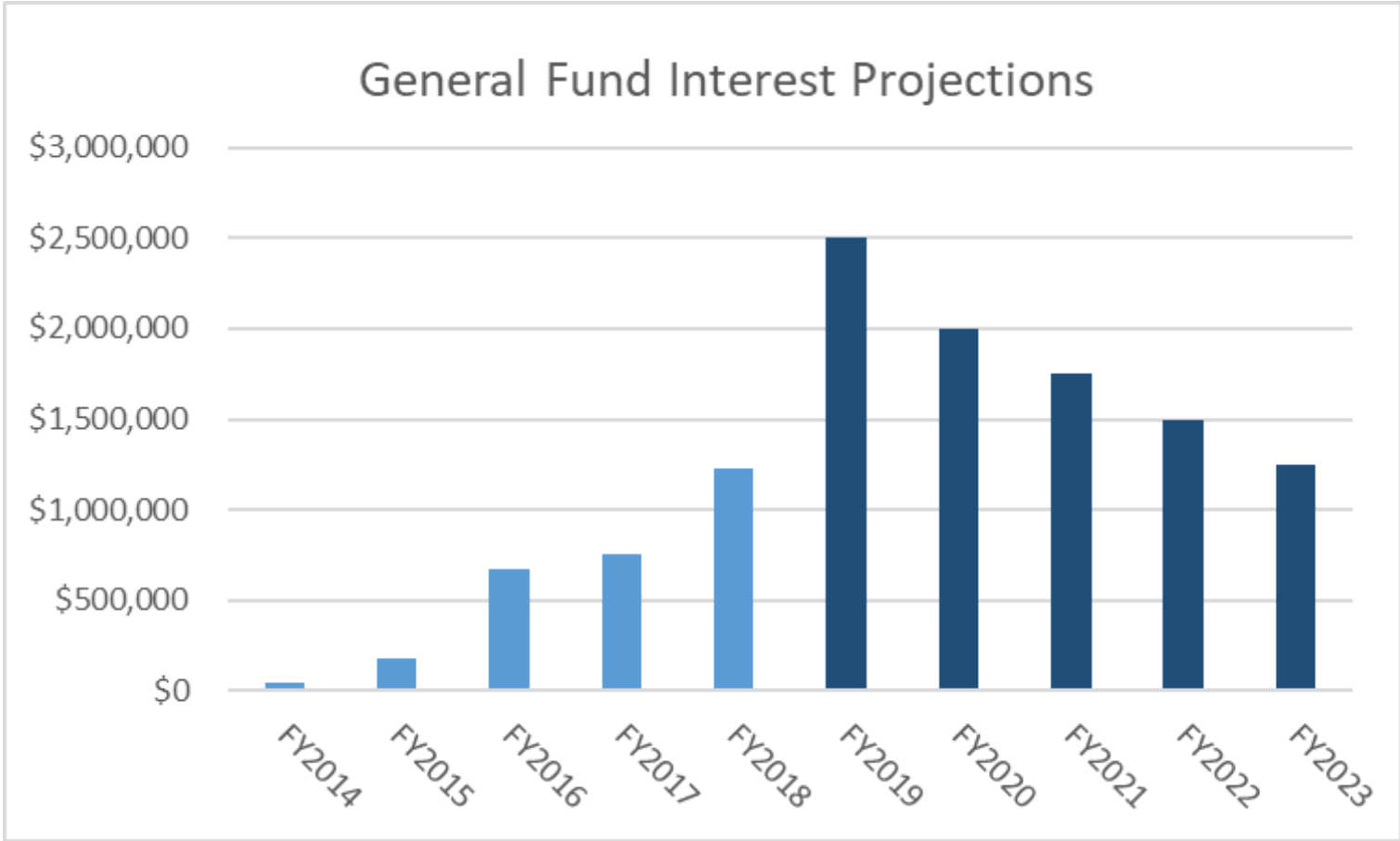
- ▶ General Property Taxes are 58% of total revenues
 - ▶ Increases expected from growth and expiring tax abatements
 - ▶ Reduction in FY2019 expected due to timing of payments due to federal tax law changes
- ▶ Public Utility Property Taxes are 2% of total revenues
 - ▶ Slight increases expected from growth

State Foundation and Reimbursements

	FORECASTED					
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Revenue:						
1.035 - Unrestricted Grants-in-Aid	44,313,023	45,325,841	46,662,316	48,027,671	49,399,127	50,854,680
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1.050 - Property Tax Allocation	14,018,187	14,004,832	14,081,433	14,201,599	14,322,534	14,397,615

- ▶ Unrestricted and Restricted Grants-in-Aid (State Foundation) are capped by 3% for FY2019
 - ▶ 2 new budget cycles during forecast period (FY2020 and FY2022)
 - ▶ Forecast assumes same funding model and a 3% cap for the forecast period
 - ▶ District lost \$12 million during FY2018 due to the cap
 - ▶ Another \$12 million loss expected for FY2019
- ▶ Property Tax Allocation are reimbursements and direct payments from the state for property tax rollback and homestead exemptions
 - ▶ Estimates follow property tax estimates

Interest



All Revenues Comparison of May Forecast

Forecasted as of:

	10/31/2018	5/6/2019		
	Fiscal Year 2019	Fiscal Year 2019	Dollar Difference	Percentage Variance
Revenue:				
1.010 - General Property Tax (Real Estate)	105,403,896	106,946,556	1,542,660	1.46%
1.020 - Public Utility Personal Property	3,531,600	3,647,743	116,143	3.29%
1.035 - Unrestricted Grants-in-Aid	45,353,284	45,325,841	(27,443)	-0.06%
1.040 - Restricted Grants-in-Aid	1,357,646	1,423,657	66,011	4.86%
1.050 - Property Tax Allocation	14,000,446	14,004,832	4,386	0.03%
1.060 - All Other Operating Revenues	10,189,174	11,189,174	1,000,000	9.81%
1.070 - Total Revenue	179,836,046	182,537,803	2,701,757	1.50%
2.070 - Total Other Financing Sources	1,220,000	1,600,000	380,000	31.15%
2.080 - Total Revenues and Other Financing Sources	181,056,046	184,137,803	3,081,757	1.70%

Revenue Uncertainty

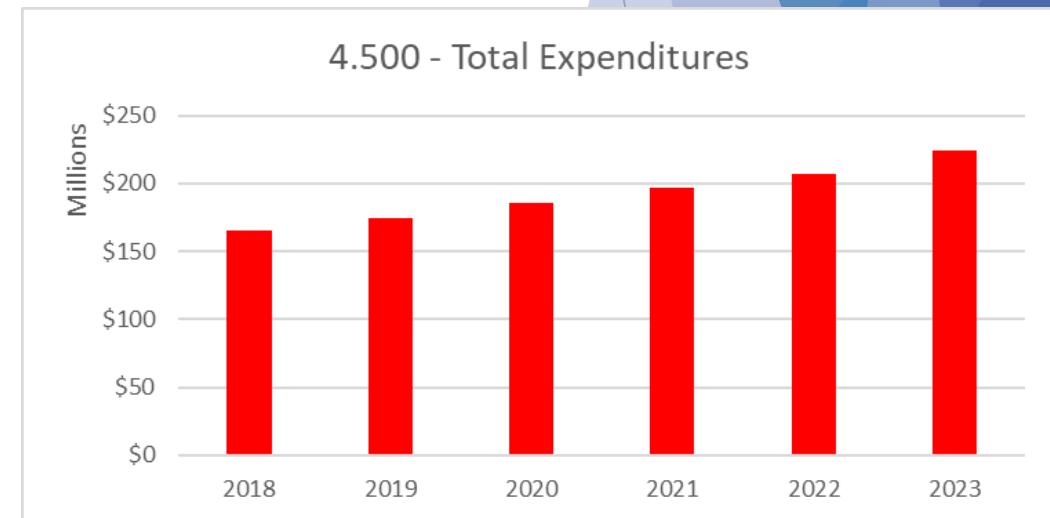
- ▶ State Funding - New Biennium Budgets in FY20/21 and FY22/23
 - ▶ Governor's Budget
 - ▶ Cupp-Patterson Workgroup
 - ▶ House Substitute Bill
- ▶ Property Values
- ▶ Economy
- ▶ Legislative Changes



Expenditures

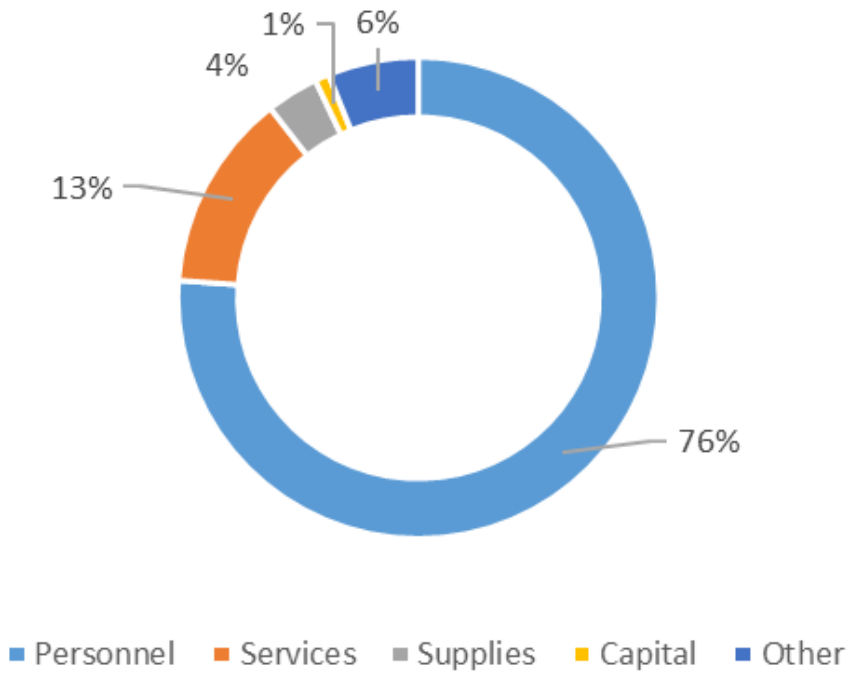
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Expenditures:						
3.010 - Personnel Services	93,657,721	98,895,760	105,284,851	111,978,274	118,834,644	130,552,769
3.020 - Employees' Retirement/Insurance Benefits	32,592,766	35,820,740	38,864,513	41,843,760	44,954,471	49,043,348
3.030 - Purchased Services	22,020,733	21,513,362	21,989,267	22,627,001	23,284,325	23,961,881
3.040 - Supplies and Materials	5,818,417	5,091,794	5,585,219	5,736,285	5,891,648	6,051,434
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5.050 - Total Expenditures and Other Financing Uses	165,776,305	174,793,026	185,410,650	196,530,350	207,286,908	224,427,397

► Expenditures are expected to outpace revenues by FY2021

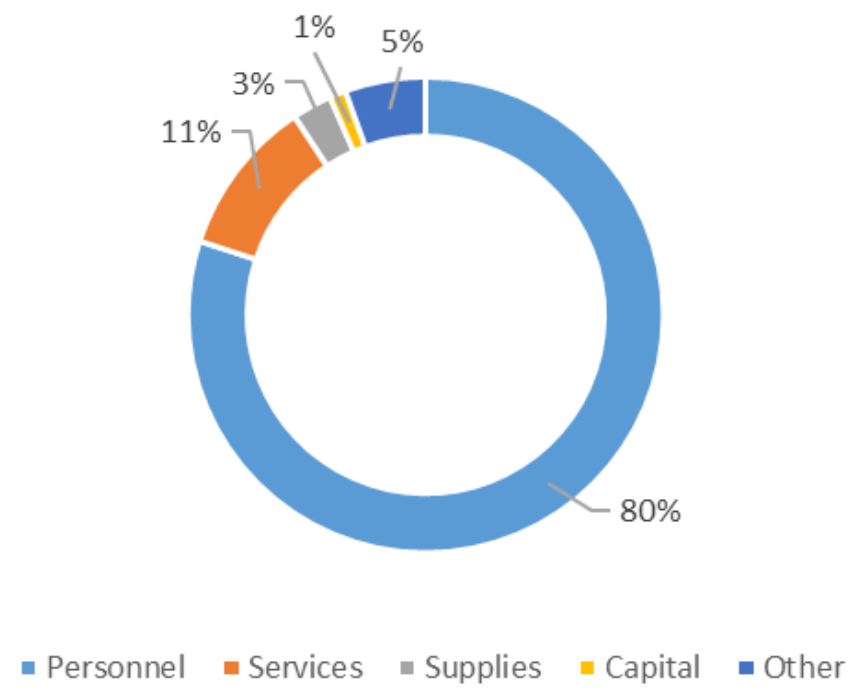


Expenditures

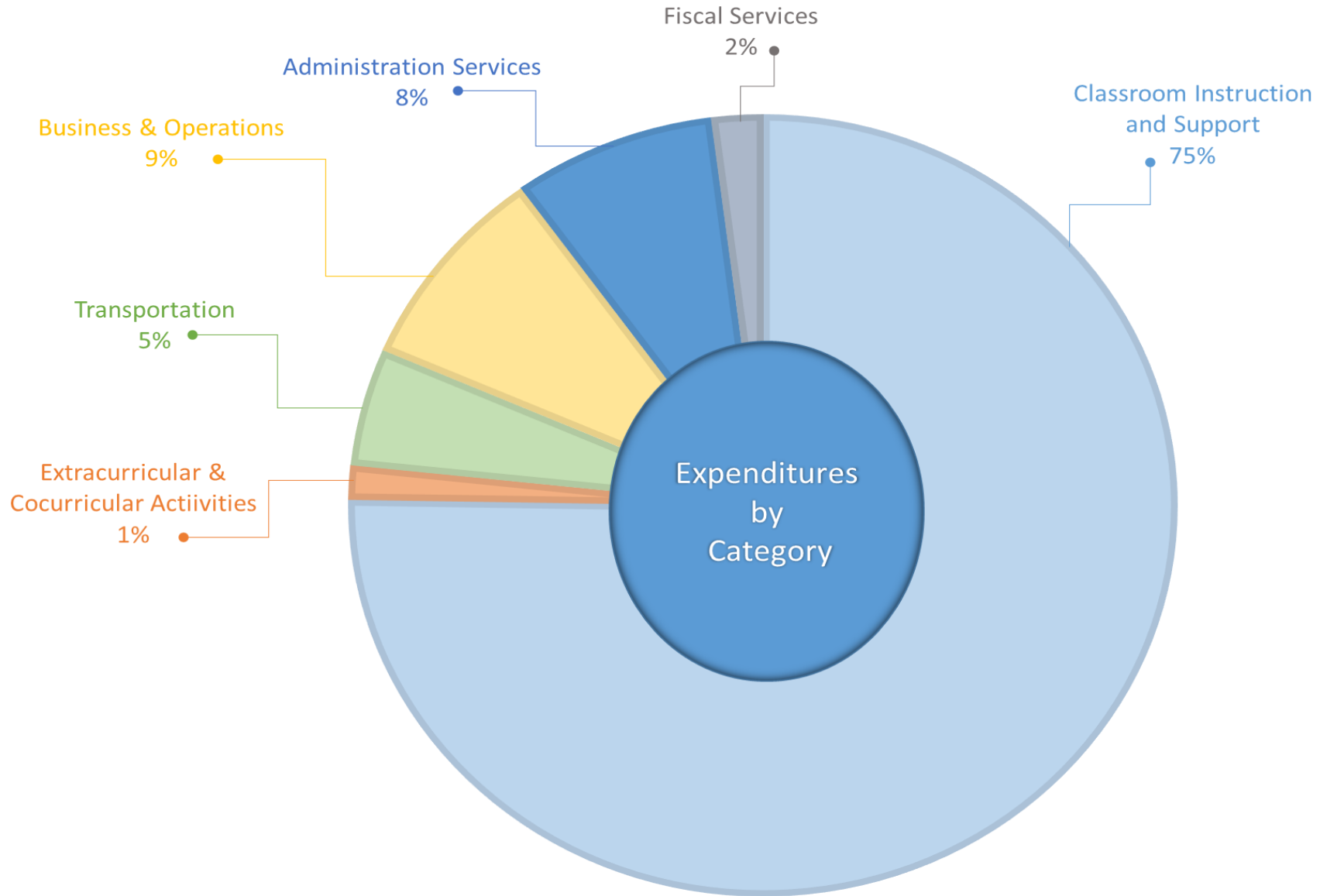
FY 2018 Actuals



FY 2023 Projections



GENERAL FUND FY2019 EXPENDITURES BUDGETED BY CATEGORY



Personnel

	FORECASTED					
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Expenditures:						
3.010 - Personnel Services	93,657,721	98,895,760	105,284,851	111,978,274	118,834,644	130,552,769
3.020 - Employees' Retirement/Insurance Benefits	32,592,766	35,820,740	38,864,513	41,843,760	44,954,471	49,043,348

- ▶ 76% of total expenditures
- ▶ Teachers had pay spread out over 27 pays during FY2018 due to payroll creep
- ▶ Forecast includes adding 11 FTE for FY2019, 11 FTE for FY2020 and 10 FTE for FY2021 through FY2023
 - ▶ Growth anticipated in enrollment and special education needs
 - ▶ My Van drivers paid through ESCCO in FY2019, planned to be hired in district beginning in FY2020
- ▶ FY2023 Personnel Services inflated by approximately \$4.5 million due to 27 pay dates in fiscal year
- ▶ Health insurances anticipated to increase by approximately 9% throughout the forecast period



Other Expenditures

	FORECASTED					
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Expenditures:						
3.030 - Purchased Services	22,020,733	21,513,362	21,989,267	22,627,001	23,284,325	23,961,881
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5.050 - Total Expenditures and Other Financing Uses	165,776,305	174,793,026	185,410,650	196,530,350	207,286,908	224,427,397

- ▶ Purchased Services includes payments to other districts for tuition for special needs and other students, payments to charter schools, utilities and other services
 - ▶ Decrease anticipated from new My Van Program - Costs are shifted to Other Objects
- ▶ 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



All Expenditures Comparison to May Forecast

Forecasted as of:

	10/31/2018	5/6/2019		
	Fiscal Year 2019	Fiscal Year 2019	Dollar Difference	Percentage Variance
Expenditures:				
3.010 - Personnel Services	100,221,661	98,895,760	(1,325,901)	-1.32%
3.020 - Employees' Retirement/Insurance Benefits	34,599,551	35,820,740	1,221,189	3.53%
3.030 - Purchased Services	21,712,495	21,513,362	(199,133)	-0.92%
3.040 - Supplies and Materials	5,441,794	5,091,794	(350,000)	-6.43%
3.050 - Capital Outlay	2,621,003	2,296,003	(325,000)	-12.40%
4.300 - Other Objects	11,060,367	11,060,367	-	0.00%
4.500 - Total Expenditures	175,656,871	174,678,026	(978,845)	-0.56%
5.040 - Total Other Financing Uses	115,000	115,000	-	0.00%
5.050 - Total Expenditures and Other Financing Uses	175,771,871	174,793,026	(978,845)	-0.56%

Expenditure Uncertainty

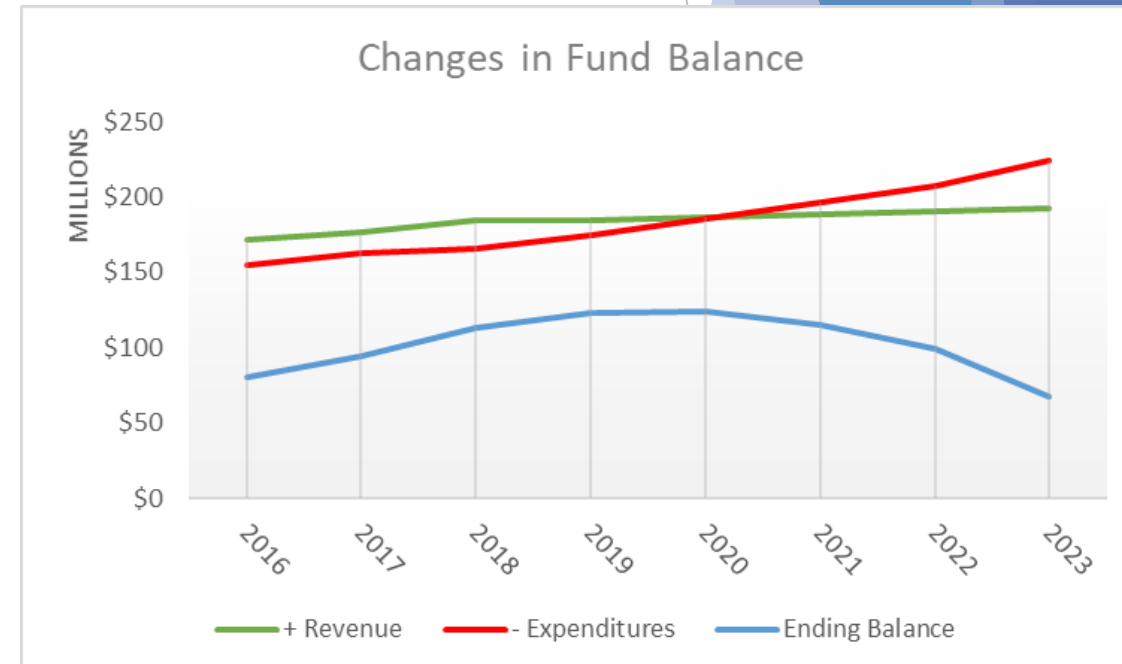
- ▶ Staffing Needs
- ▶ Educational Needs of Students
- ▶ Economy/Inflation
- ▶ Healthcare Costs
- ▶ Legislative Mandates



Changes in Balances

	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Beginning Balance	63,954,991	80,620,365	94,724,367	113,382,318	122,727,095	123,571,167	115,514,929	98,804,390
+ Revenue	171,952,921	176,506,937	184,434,256	184,137,803	186,254,722	188,474,112	190,576,369	192,838,480
- Expenditures	155,287,547	162,402,935	165,776,305	174,793,026	185,410,650	196,530,350	207,286,908	224,427,397
= Revenue Surplus or Deficit	16,665,374	14,104,002	18,657,951	9,344,777	844,072	(8,056,238)	(16,710,539)	(31,588,917)
Ending Balance	80,620,365	94,724,367	113,382,318	122,727,095	123,571,167	115,514,929	98,804,390	67,215,473

- ▶ Deficit spending expected to begin in FY2021
- ▶ State has historically underfunded the district
 - ▶ \$12 million in FY2018 and approximately \$12 million annually projected throughout the forecast period
- ▶ District will need to evaluate future levy options to help offset state shortfall



Questions?