

Sidney City Schools Five Year Forecast Assumptions

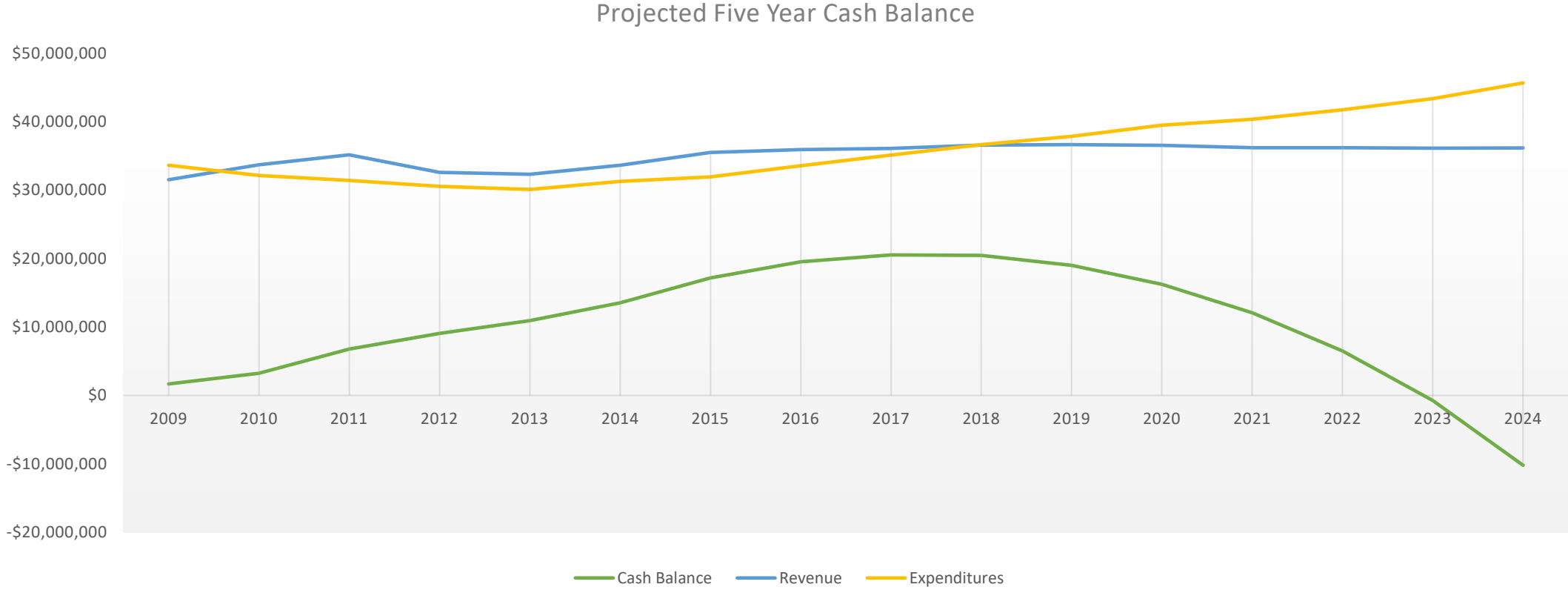
FISCAL YEARS 2020 THROUGH 2024

Cash Balance/Revenues/Expenditures History By the numbers

Ending Cash Balances/Revenues/Expenditures																	
History Item		Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Ending Cash Balance	Cash Balance	\$1,688,565	\$3,240,082	\$6,778,732	\$9,066,007	\$10,932,901	\$13,532,964	\$17,167,539	\$19,528,386	\$20,529,768	\$20,436,892	\$19,006,670	\$16,236,172	\$12,058,931	\$6,496,302	-\$745,022	-\$10,229,311
Revenue	Revenue	\$31,505,585	\$33,686,033	\$35,141,838	\$32,585,263	\$32,300,487	\$33,602,449	\$35,489,980	\$35,912,844	\$36,086,874	\$36,545,989	\$36,633,813	\$36,538,891	\$36,170,533	\$36,178,547	\$36,096,621	\$36,161,208
Expenditure	Expenditures	\$33,622,740	\$32,127,227	\$31,402,545	\$30,544,761	\$30,075,382	\$31,246,727	\$31,913,380	\$33,550,111	\$35,109,135	\$36,615,804	\$37,850,461	\$39,485,535	\$40,347,773	\$41,741,176	\$43,337,945	\$45,645,496

- FY2009 Ending Cash Balance - \$1,688,565
- FY2009 – Second half calendar year 2008, first half calendar year 2009
- Levy Passed - \$4,700,000 (1/2 year collections - \$2,350,000)
- \$1,688,565 - \$2,350,000 = (661,435)

Cash Balance/Revenues/Expenditures History



What Has Changed??

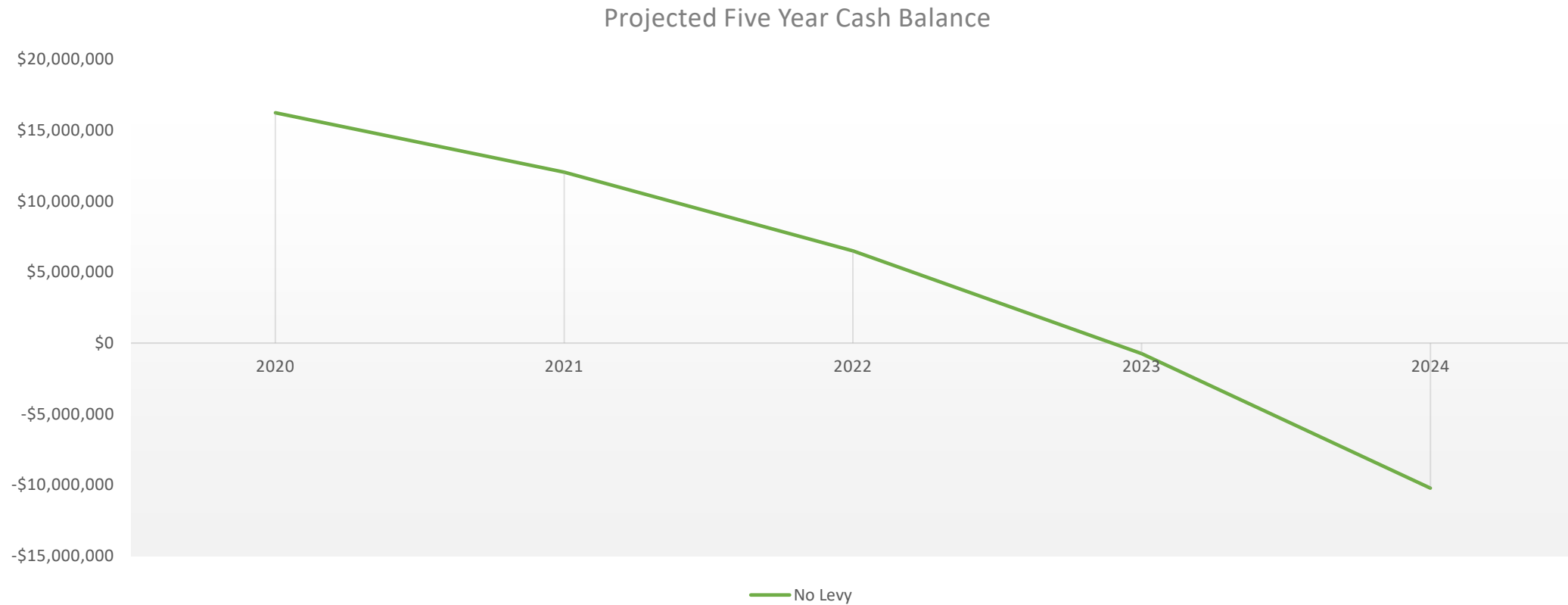
FY2017 Compared to FY2009 (9 Years)

- Revenue
 - ❖ Property Taxes – 10.84%
 - ❖ State Funding – 24.81%
 - ❖ Total Revenues – 14.54%
- Expenditures
 - ❖ Salaries/Benefits – (6.49)%
 - ❖ Purchased Services – 37.89%
 - ❖ Supplies – 2.37%
 - ❖ Capital Outlay – 53.96%
 - ❖ Other Expenses – (6.35)%
 - ❖ Total Expenses – 4.42%

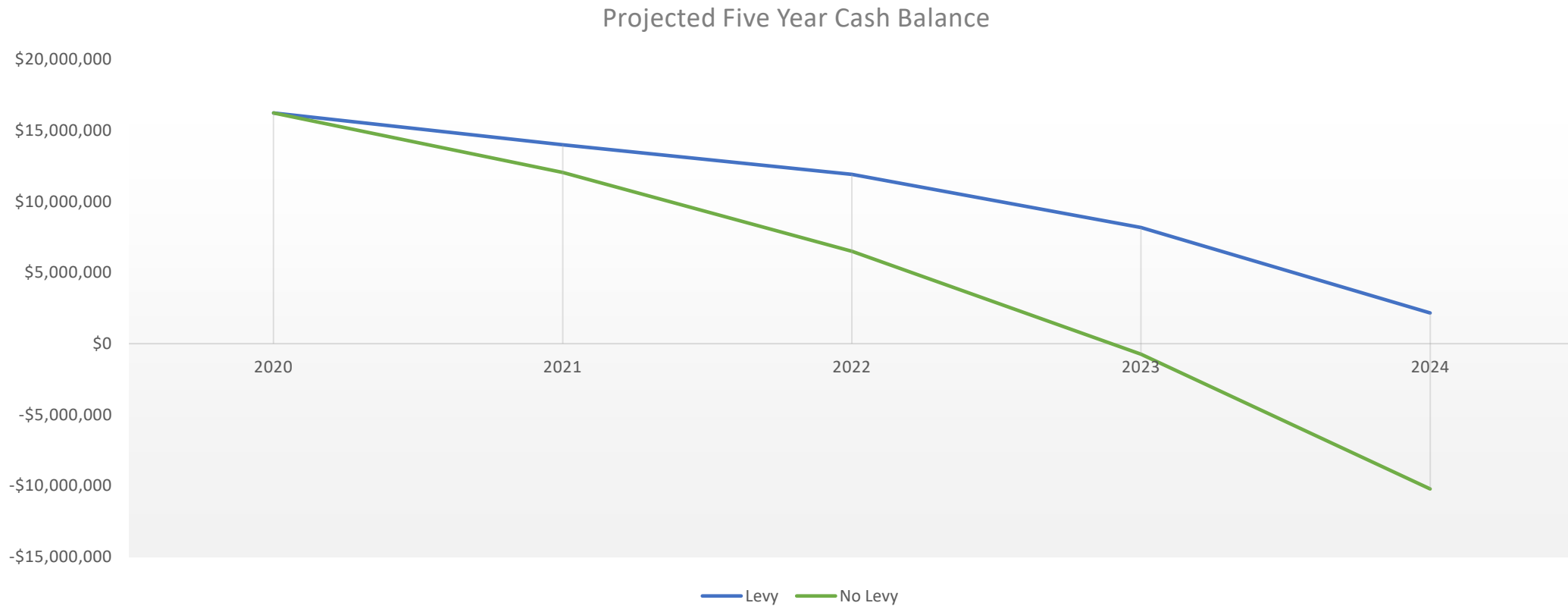
FY2020 Compared to FY2017 (4 Years)

- Revenue
 - ❖ Property Taxes – 3.06%
 - ❖ State Funding – 3.24%
 - ❖ Total Revenues – 1.25%
- Expenditures
 - ❖ Salaries/Benefits – 17.98% (34.04%)
 - ❖ Purchased Services – 11.41%
 - ❖ Supplies – (19.59)%
 - ❖ Capital Outlay – 4.18%
 - ❖ Other Expenses – 15.02%
 - ❖ Total Expenses – 12.47%

Projected Ending Cash Balance Without New Levy



Projected Ending Cash Balance With New Levy



New Developments

- COVID-19 and the Governor's Stay at Home Orders and Other Restrictions.
- State of Ohio projects that sales and income tax receipts to be \$866.5 million below estimates.
- State of Ohio announces General Revenue Fund reductions totaling \$775 million which included \$300 (3.72%) million for K-12 Education.
- The Ohio Department of Education announces funding reductions for public schools – Sidney City School's reduction in FY2020 state funding is \$646,286 (3.36%) and will be deducted from May and June's foundation payments.
- The legislature developed a formula that reduced state funding that was equalized base on a district's local capacity and wealth.

Forecast Assumptions

Revenue

- Property Tax Revenue:
 - ❖ Current Property Tax Collections remain relatively flat.
 - ❖ Assumes 7.3 mill Emergency Operating Levy passes in calendar year 2020. Collections would begin in January 2021 (Second half of Fiscal Year 2021).

- State Foundation Funding:
 - ❖ We will discuss this in more detail later.

- Property Tax Allocations/Hold Harmless/All Other Operating Revenues:
 - ❖ Flat revenues are forecast except for the Hold Harmless payments which are on a schedule to phase out by FY2022.

Forecast Assumptions

(Continued)

Expenditures

- Salary and Benefits:
 - ❖ Salary - FY21 Last of year of current contract, 2.75%; FY22 – FY24, 1.00%
 - ❖ Health Insurance – FY20: HDHP – 15%, PPO – 23%; FY21: HDHP/PPO – 7.5%; FY22 – FY24 – 10%
- Purchased Services:
 - ❖ FY21 – FY24, 6.75%
- Supplies:
 - ❖ Maintain current spending levels
- Capital Outlay:
 - ❖ Reduced budget by \$100,000
- All Other Expenses
 - ❖ Maintain current levels

Forecast Assumptions

(Continued)

Factors to Consider for Future Foundation Funding Reductions

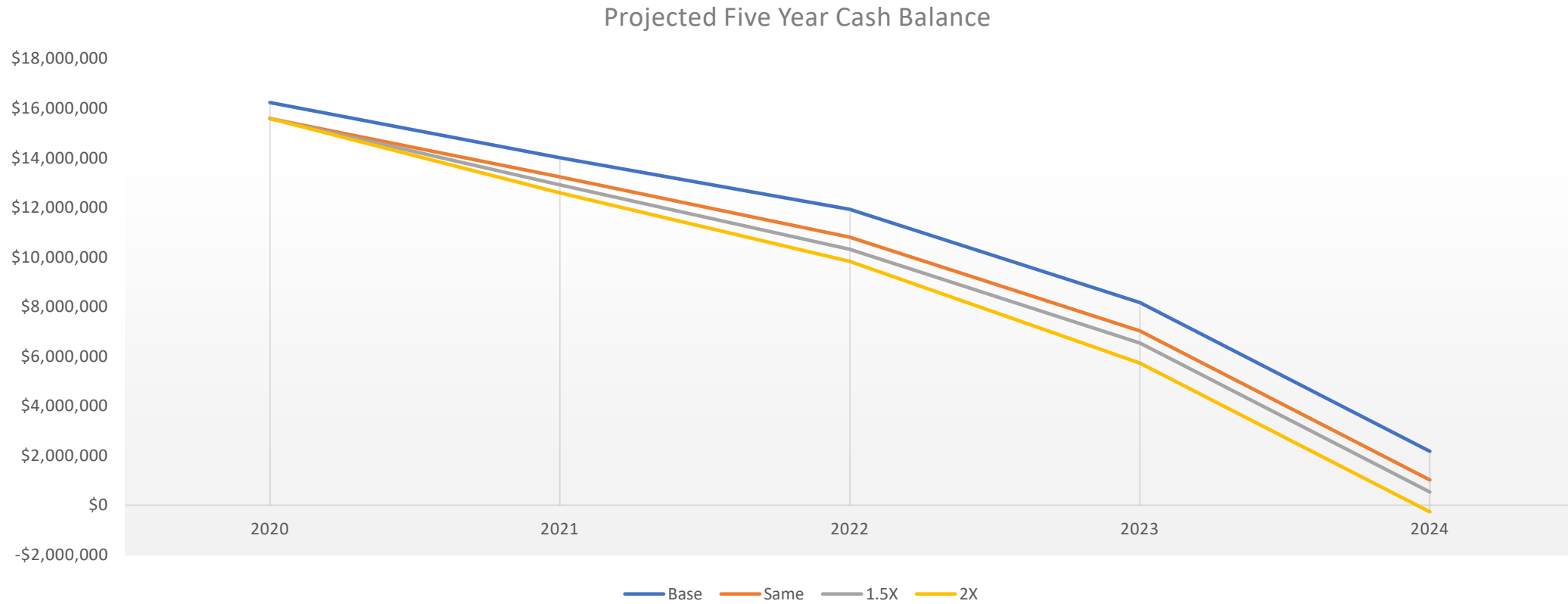
- How long will this last?
- Will the Governor tap into the state's rainy-day fund?
- Legislators have already established the methodology for the reduction formula.
- The underlying economy in Ohio has been good.

Forecast Assumptions

Foundation Funding Reduction Estimates

FY2020	FY2021			
<u>Same</u>	<u>1.5 X</u>	<u>2 X</u>	<u>2.5 X</u>	<u>3 X</u>
<u>April - June</u>	<u>July - Nov. 15</u>	<u>July - Dec.</u>	<u>July - Feb. 15</u>	<u>July - April</u>
3 Months	4.5 Months	6 Months	7.5 Months	9 Months
\$300,000,000	\$450,000,000	\$600,000,000	\$750,000,000	\$900,000,000
\$646,286	\$969,429	\$1,292,572	\$1,615,715	\$1,938,858
0.2154%				
3.34%	5.01%	6.68%	8.35%	10.02%
\$323,143	\$484,715	\$646,286	\$1,211,786	FY2022 - Reduction
		\$323,143	\$807,858	FY2023 - Reduction
			\$403,929	FY2024 - Reduction

Forecast Assumptions



Recommended Forecast

Sidney City Schools					
Simplified Financial Statement					
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Beginning Cash Balance	\$19,432,816	\$15,839,848	\$12,840,877	\$10,079,658	\$5,978,073
+ Revenue	\$35,892,567	\$34,826,551	\$35,496,376	\$35,752,780	\$36,161,208
+ Renewal Levies	\$0	\$0	\$0	\$0	\$0
+ New Levies	\$0	\$1,946,267	\$3,483,580	\$3,483,580	\$3,483,630
- Expenditures	\$39,485,535	\$39,771,789	\$41,741,175	\$43,337,945	\$45,645,494
= Revenue Surplus or Deficit	(\$3,592,968)	(\$2,998,971)	(\$2,761,219)	(\$4,101,585)	(\$6,000,656)
Ending Cash Balance with Levies	\$15,839,848	\$12,840,877	\$10,079,658	\$5,978,073	(\$22,583)
Revenue Surplus or Deficit without Levies	(\$3,592,968)	(\$4,945,238)	(\$6,244,799)	(\$7,585,165)	(\$9,484,286)
Ending Cash Balance without Levies	\$12,246,879	\$7,895,640	\$3,834,859	(\$1,607,091)	(\$9,506,869)