

North Union Local School District



General Fund

Five Year Forecast

July 1, 2024, Through June 30, 2029

November 18, 2024

Presented By Scott Maruniak, Treasurer/CFO

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



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 and Auditor of State to identify school districts with potential financial problems.

Before we get to the numbers ...

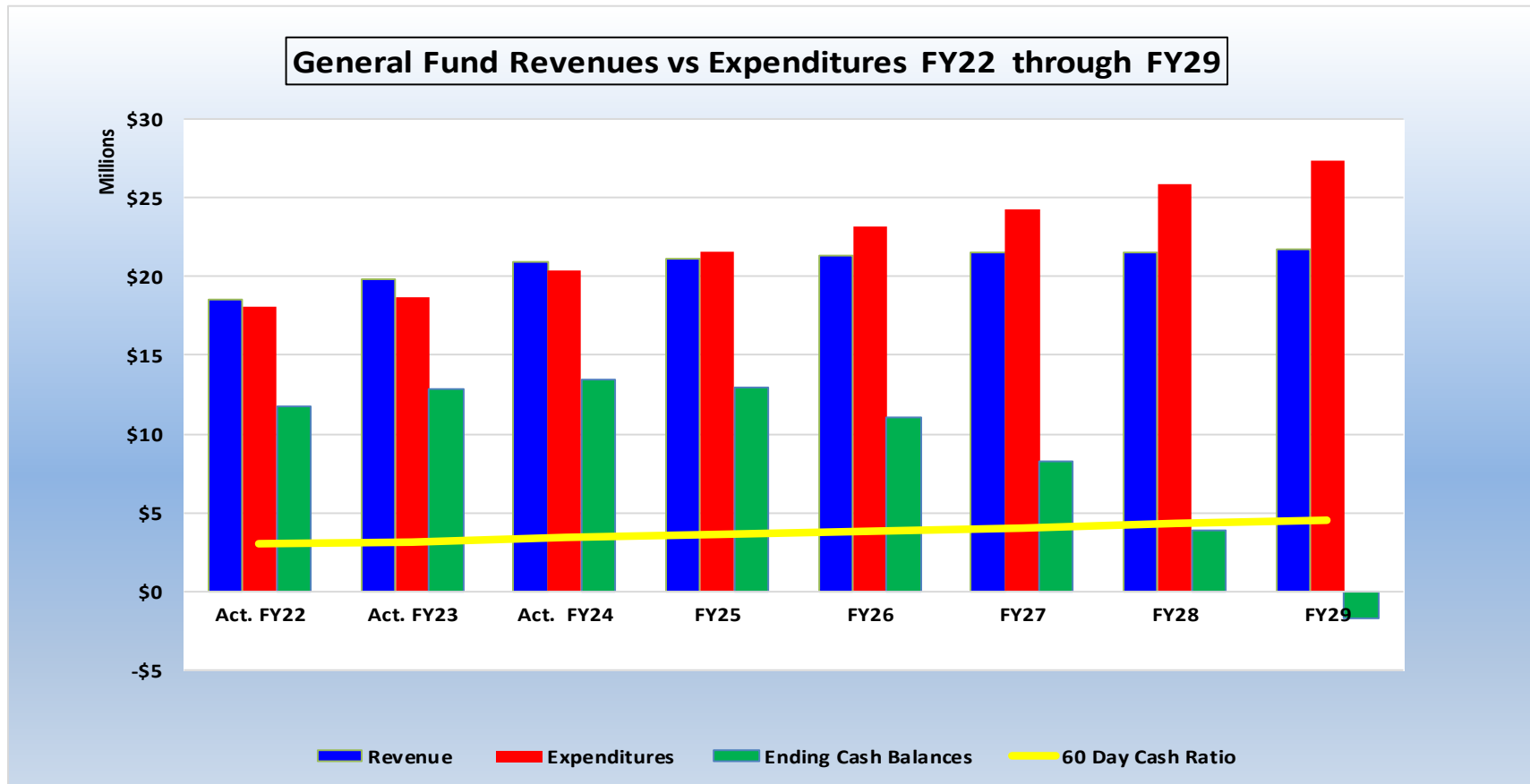
- A financial forecast is somewhat like a painting of the future based upon a snapshot of today.
- The five-year forecast is viewed as a key management tool and should be updated periodically.
- In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, 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

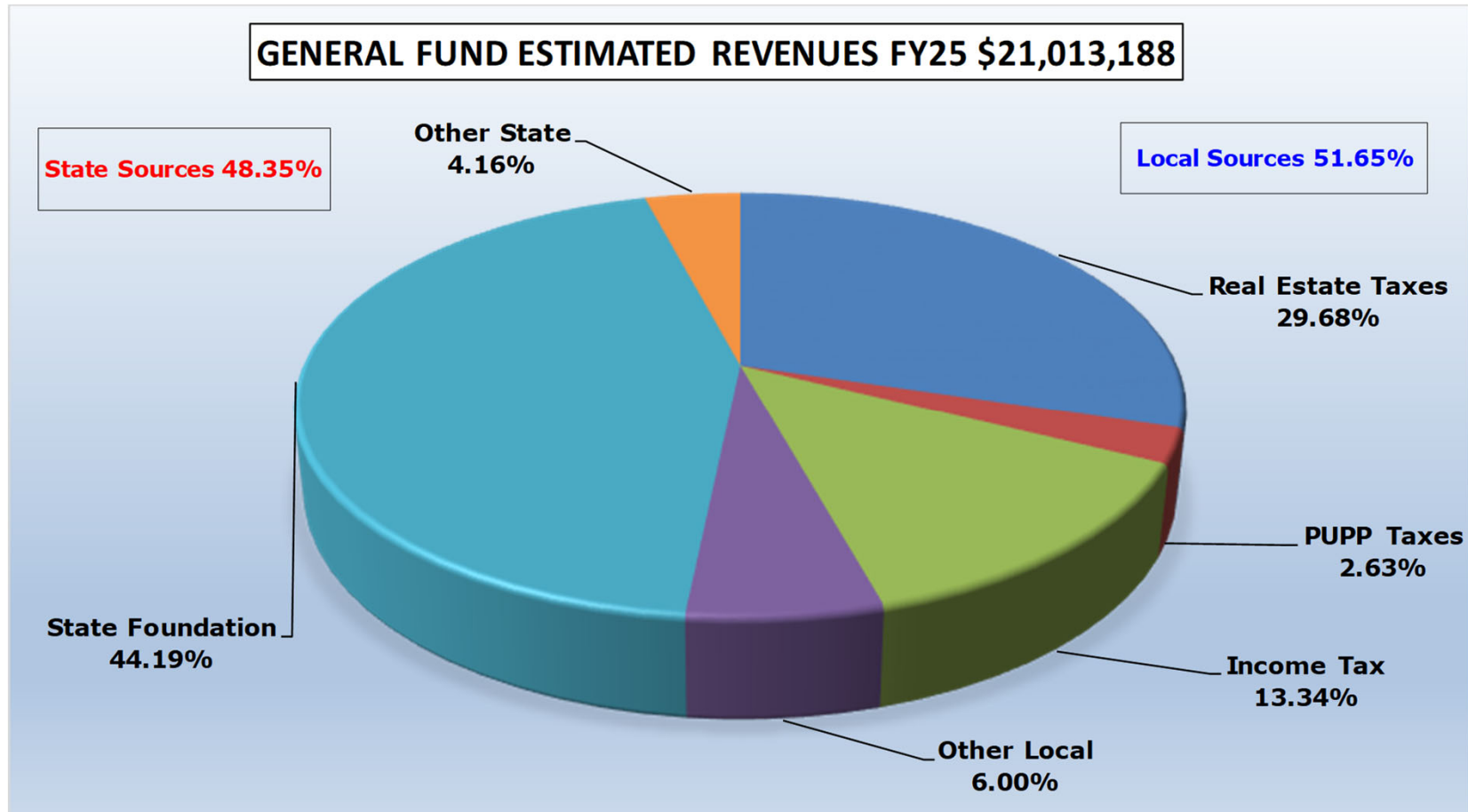
- The five-year forecast is divided into two sections: revenue and expenditures.
- A district's revenue is made up of two main sources, local and state funding.
- The expenditures are mainly salary and wages, benefits, purchased services, and supplies and materials.

Revenue Vs. Expenditure



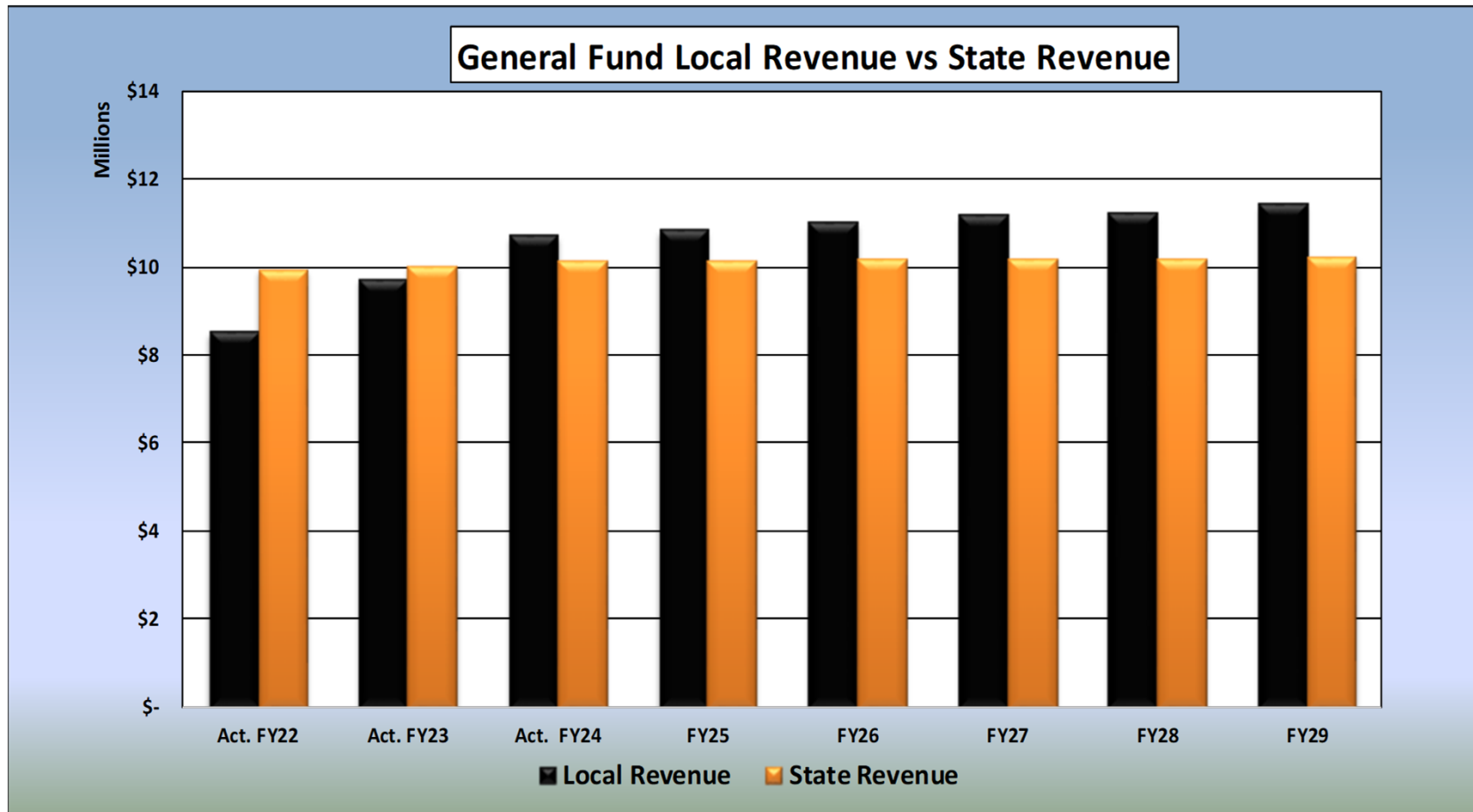
- Cash balance remains positive through FY28
- Ending cash balance stays above 60-day reserves through FY27
- Deficit spending begins in FY25

Est. General Fund Revenue Sources FY25



- 48.35% of our revenues come from the State of Ohio
- Income tax is increasing in FY25

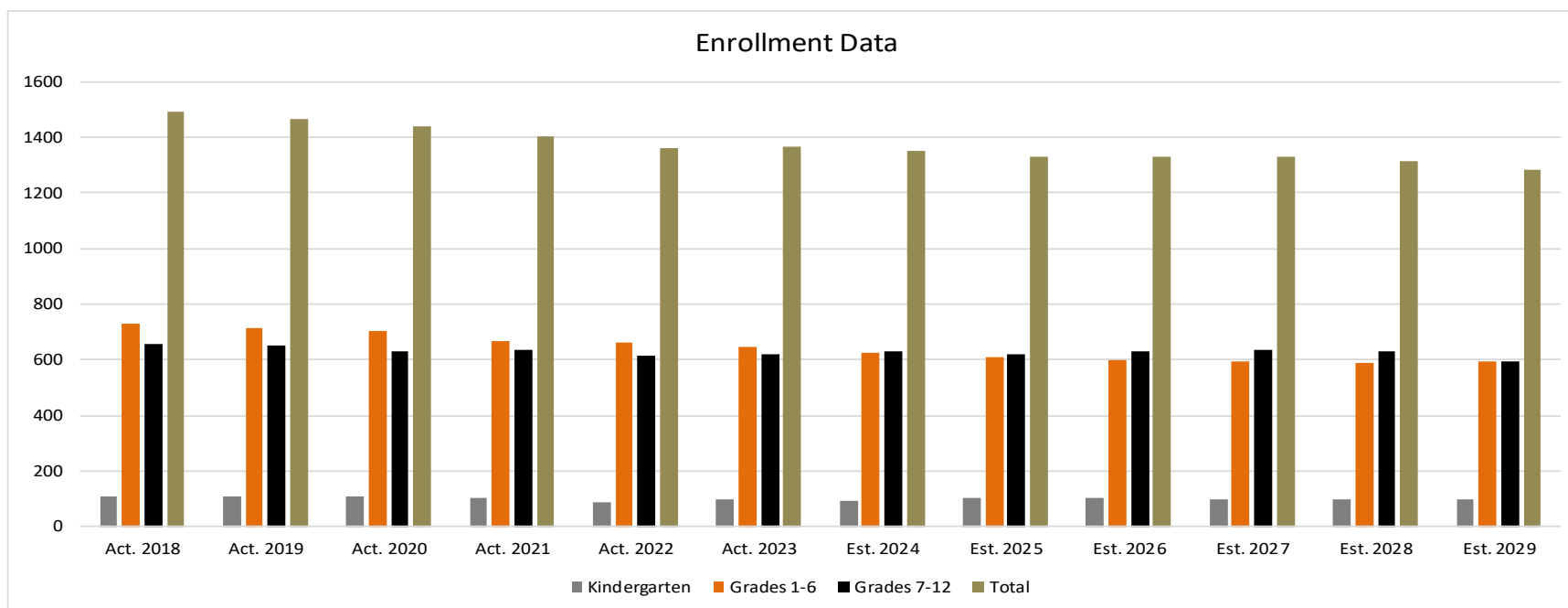
Revenue Sources FY25



- Local growth from real estate valuations and income tax
- HB33 continues implantation of Fair School Funding Plan for FY25

Enrollment Trends

- Enrollment is declining from 2018
- Funding is based on students that are enrolled in the district



Challenges to Operating Revenue



Real Estate values increased dramatically with the reappraisals from Union and Delaware Counties



HB33 the Fair School Funding Plan continues to fund students where they are educated

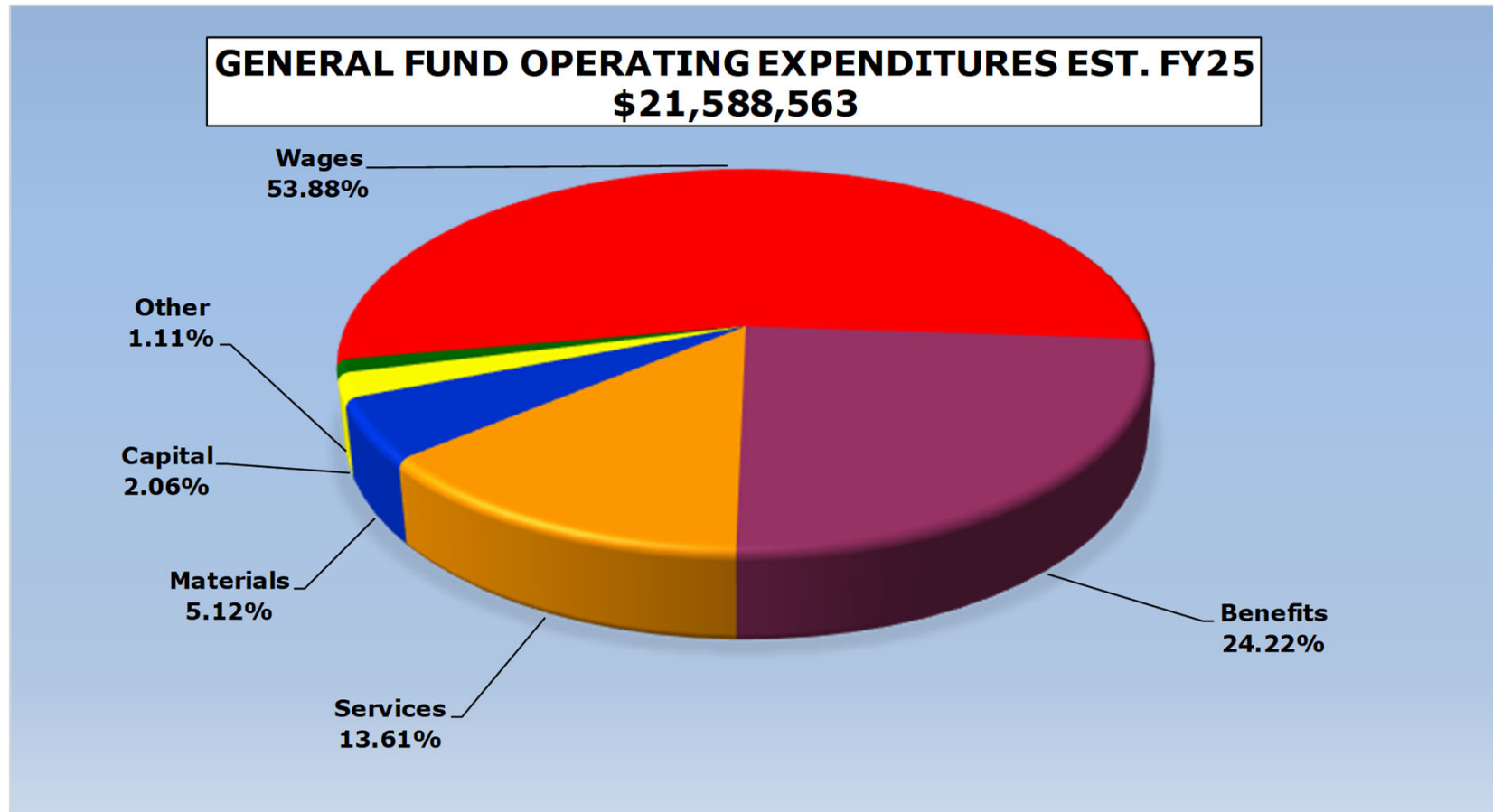


Income Tax increasing in FY25



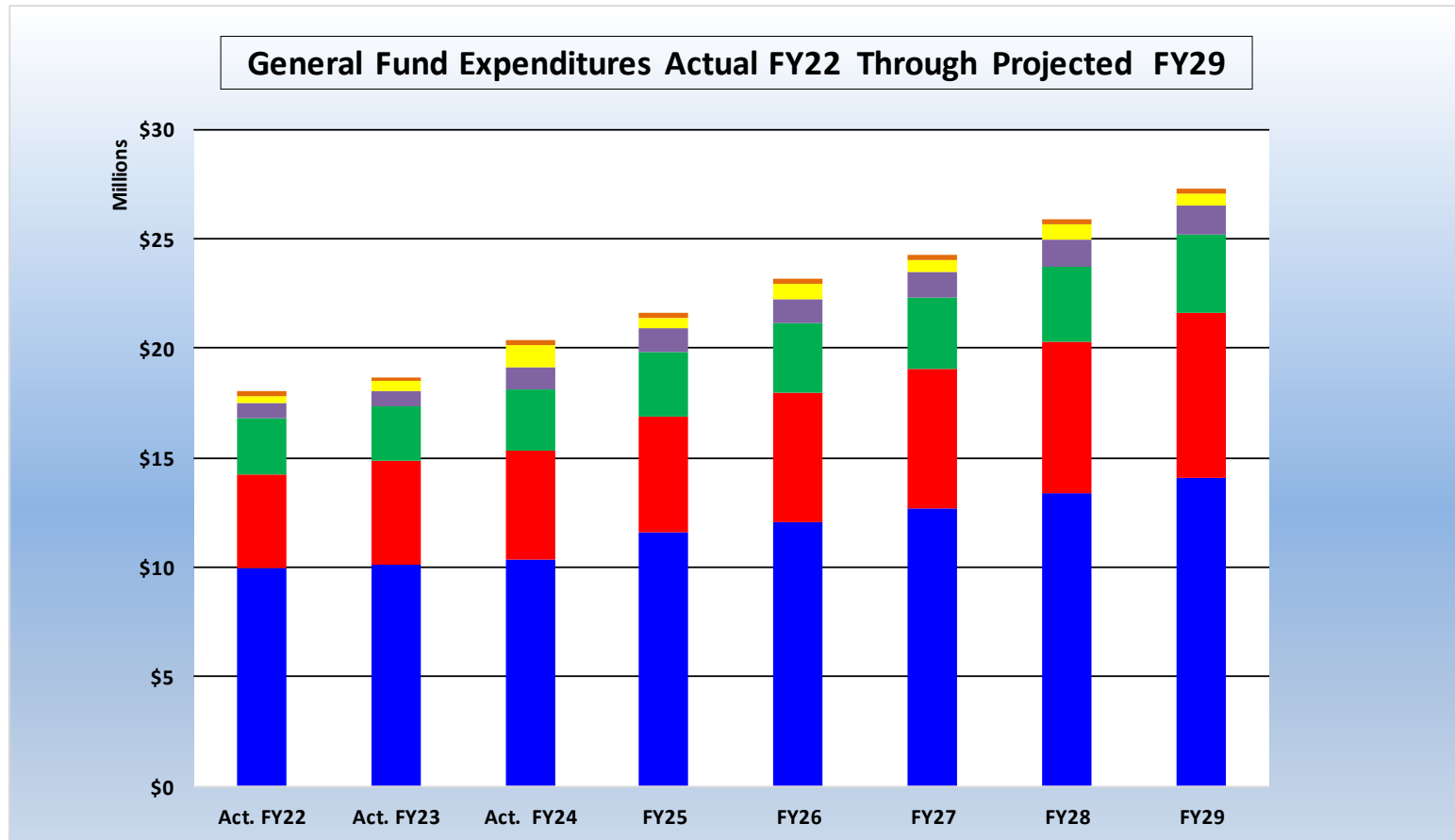
Enrollment decline may translate to loss of revenues if we become a formula aid district

Est. General Fund Expenditures FY25



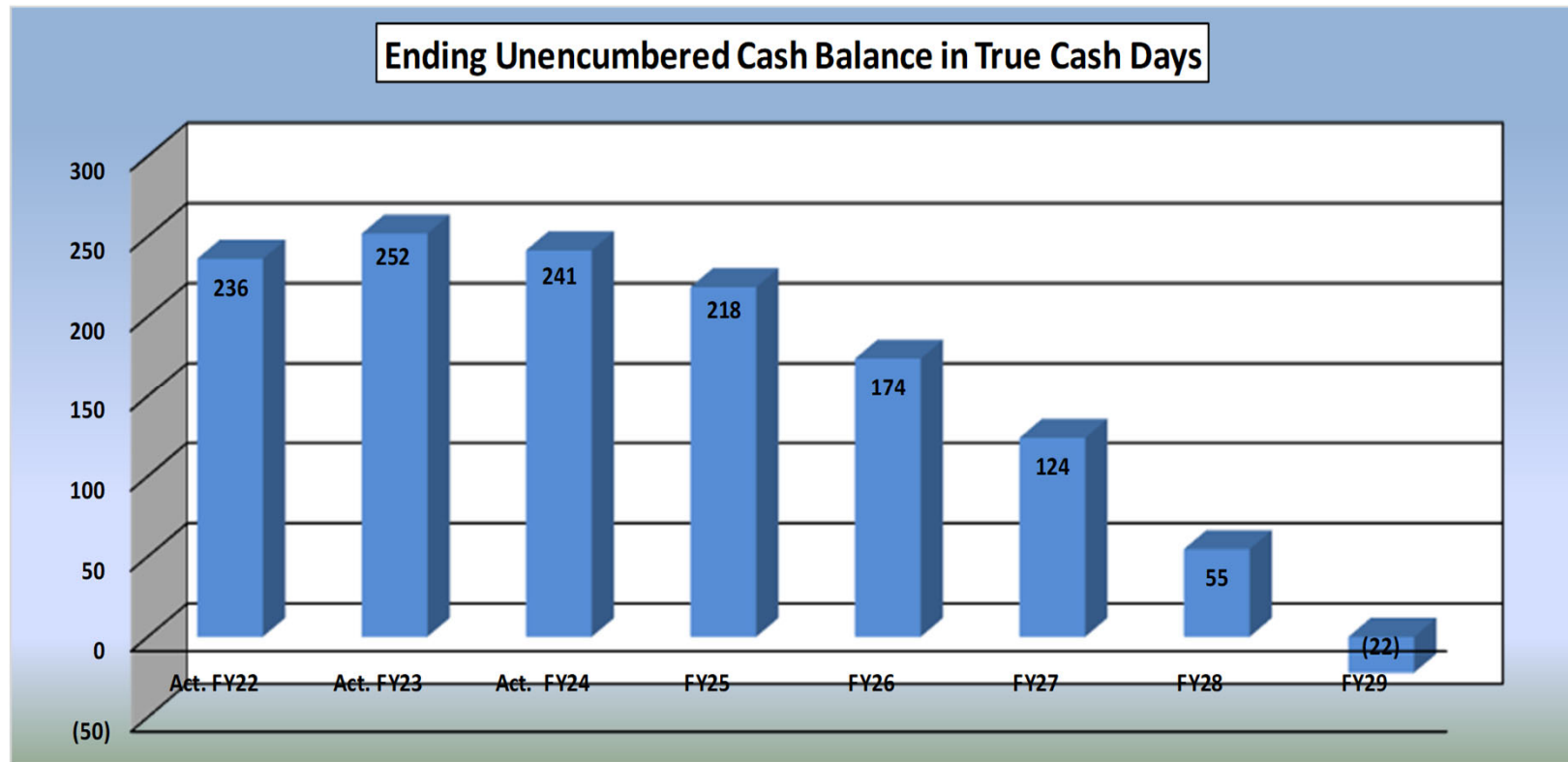
- Wages and benefits are 78.10%

General Fund Expenditures By Object FY22 through Est. FY 29



- Salaries and Benefits are growing rapidly

True Cash Days



- GFOA recommends 60 days of true cash days at the end of a fiscal year

Items to consider about our finances

Income tax is increasing in FY25 over FY24 that saw a loss

Future funding is uncertain still for FY26-29 as the Fair School Funding Plan is not funded beyond FY25.

Other proposals like College Credit Plus, excess costs and tuition are expected to increase our costs going forward.

The district has positive cash balance until FY28.

The legislature has formed a “Joint Committee on Property Tax Review and Reform” which is pending as of this forecast, may impact the 20-mill floor and emergency levies

Thank You for Listening

- Questions and Answers

