



Monthly Financials April 2022

- Fiscal Year is 10 months complete thru April 30, 2022.

FISCAL YEAR 2022 REVENUE AND EXPENDITURE ANALYSIS THROUGH APRIL

1. ACTUAL COMPARED TO FORECAST VARIANCE AND NET FAVORABILITY ANALYSIS

*CURRENT YEAR-TO-DATE
REVENUE COLLECTIONS
INDICATE A*

\$434,334

*FAVORABLE COMPARED TO
FORECAST*

*CURRENT YEAR-TO-DATE
EXPENDITURES INDICATE A*

\$44,638

*UNFAVORABLE COMPARED
TO FORECAST*

*POTENTIAL NET IMPACT
WOULD RESULT IN A*

\$389,696

*FAVORABLE IMPACT ON THE
CASH BALANCE*



Forecast Update May 2022

- Five Year forecast is required semi-annually in November and May.
 - Fall forecast was submitted and approved in November.
 - November forecast projected revenue shortfalls through 2026.
 - A cash balance deficit at June 30, 2024, was projected with declining cash through June 30, 2026.
 - Significant variables included spring property tax collections, ESSER and ARP federal funding and negotiations with classified employees.
 - Item of cost concern was health care.



Forecast Update May 2022

- Revenue and expenditure change incorporated into the May Update include:
 - Spring real estate tax collections
 - Updated 2022 Property Values
 - ESSER III and ARP Funding
 - Fair School Funding Model
 - Post COVID Expenses
 - Utilities, Professional Development, Building Supplies, Substitute Personnel and Overtime are examples of cost returning to post COVID levels.
 - Instructional Materials and Textbooks are migrating to digital subscription platforms shifting costs from capital funds to operating due to digital materials not having a 5-year useful life.
- Inflation Impact
 - Substitute personnel
 - Bus fuel
 - Paper
 - Utilities
 - Health Care



Forecast Update May 2022

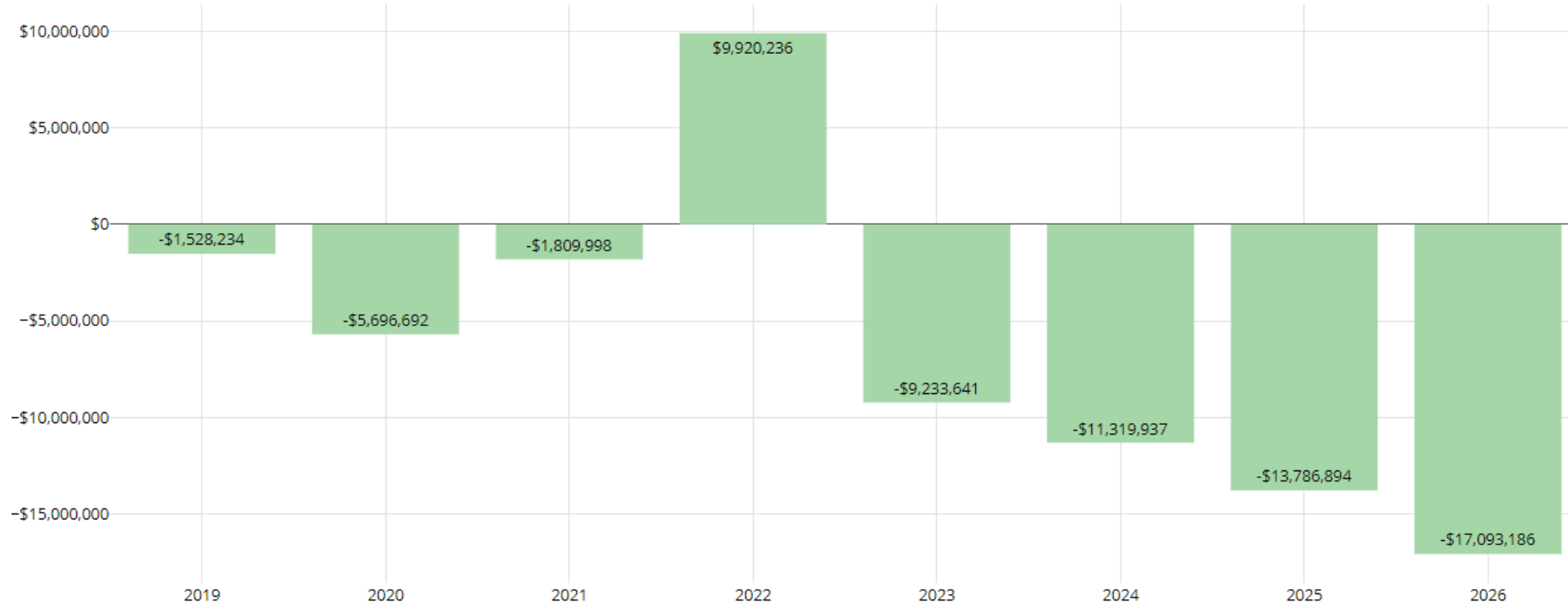
- Revenue Summary
 - Historical revenue has increased by 2.48% since 2018
 - Includes revenue from 2018 operating levy
 - Projected revenue is expected to increase by 1.17% in years 2023-2026.
- Expenditure Summary
 - Historical spending has increased by 3.55% since 2018
 - Projected spending is expected to increase by 3.94% in years 2023-2026.



Forecast Update May 2022

How does the trend compare? Base November Trend

Annual Revenue Surplus/(Shortfall) by Fiscal Year

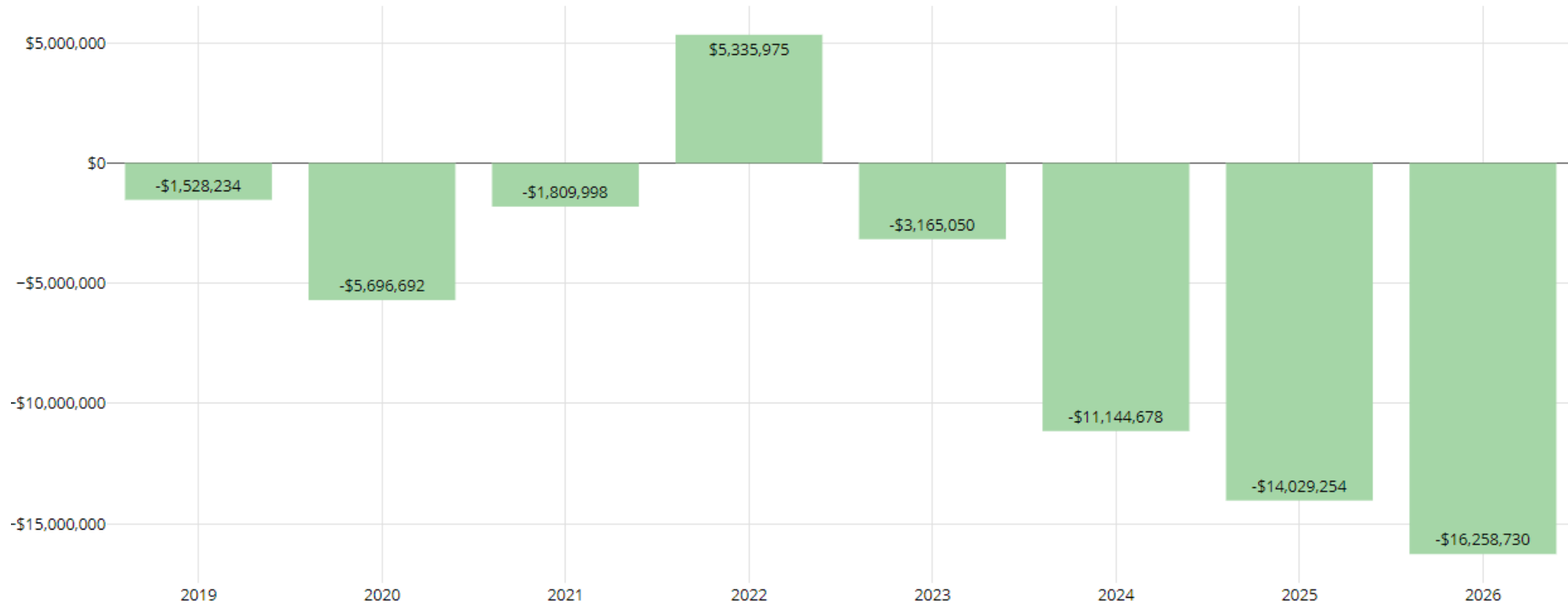




Forecast Update May 2022

How does the trend compare? May Update Trend

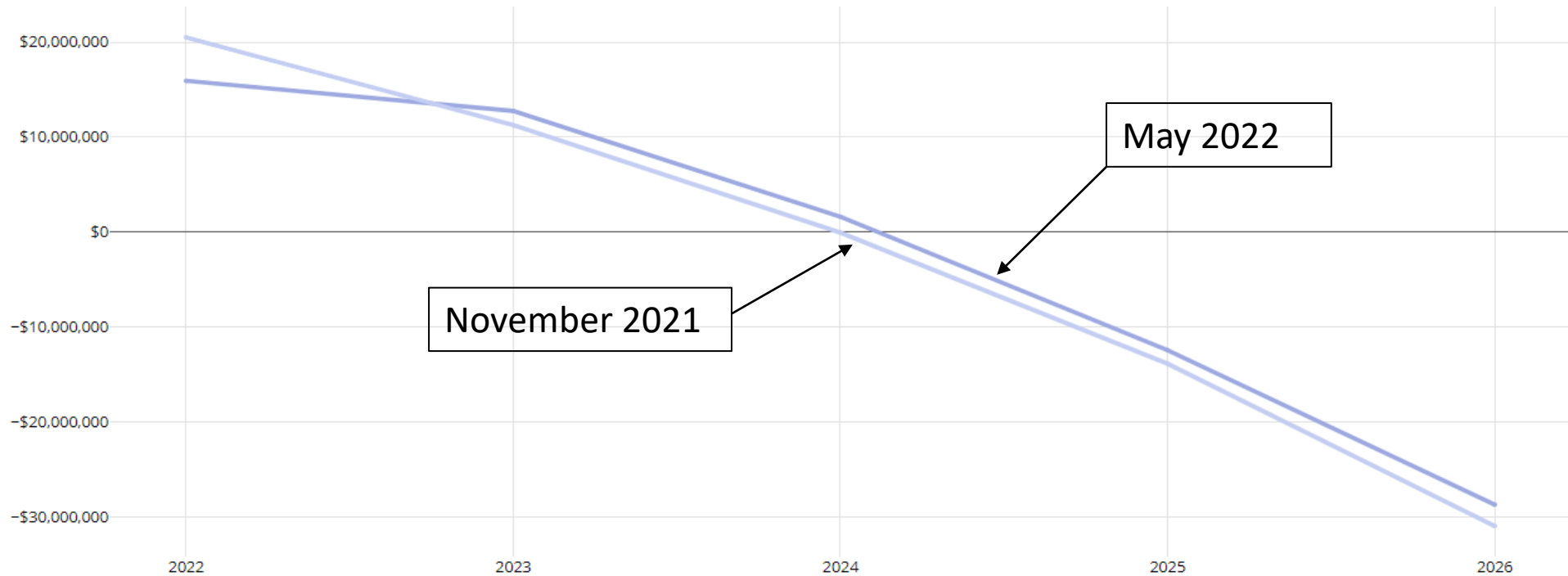
Annual Revenue Surplus/(Shortfall) by Fiscal Year





Forecast Update May 2022

Projected General Fund Cash Balance



Legend

- 2022.05.01 Forecast
- November 2021 Forecast as Filed



Forecast Update May 2022

- Key Revenue Assumptions

- Stable property values and tax collections. No new construction is assumed.
- Fair School Funding Model (FSFM) is assumed for FY 2022 and FY 2023 based on current law enacted by HB 1.
 - FSFM is designed to be phased in over a 6-Year period. (Approx. 16% annually)
 - Given the unpredictability of state funding and the biennial priorities of each legislative session a phase in of 2.5% is forecasted.
 - Full phase could generate in excess of \$10M annually for Kettering compared to forecast.
- ESSER and ARP money will be exhausted by December 31, 2022.



Forecast Update May 2022

• Key Expenditure Assumptions

- Salaries based on current labor agreements through July 31, 2024, with KEA and July 31, 2023, with OAPSE. Steps + 1% base increases assumed thereafter.
- No additional staffing and no reduction in staffing. Retirements and attrition based on historical trend is included in the forecast.
- Health care is based on 2023 renewal and a 7.5% inflation factor thereafter. No savings of the current health care initiative are forecasted. (EMS)
- Short-term savings from COVID shut down are in the historical data but are not assumed going forward.
- Expenditures for digital instructional materials and textbooks are shifting from capital funds to the operating fund (Approx. \$450K).
- Projections for Fuel, Utilities and Substitute Personnel have been adjusted upward due to inflationary pressure.



Forecast Update May 2022

- Trend of the forecast is not significantly changed from November.
- District has accumulated a cash reserve since 2018 levy and utilized ESSER and ARP federal pandemic support to continue services without interruption. District is positioned to utilize reserves and federal support to operate through June 30, 2024.
- May Forecast Update demonstrates the need for an operating levy in November 2022 to maintain current programs and services.
 - It takes 18 months for a new levy to be fully collected on a fiscal year basis.
 - District has a 24 month supply of cash at June 30, 2022.



Forecast Update May 2022

Board of Education Focus

- Review and approve Five-Year Forecast – May 17th regular meeting
- Financial Stability Discussion(s) – June 7th and June 21st
- Financial Stability Decision(s) – July 12th
- Revenue Decisions(s) – August 2nd