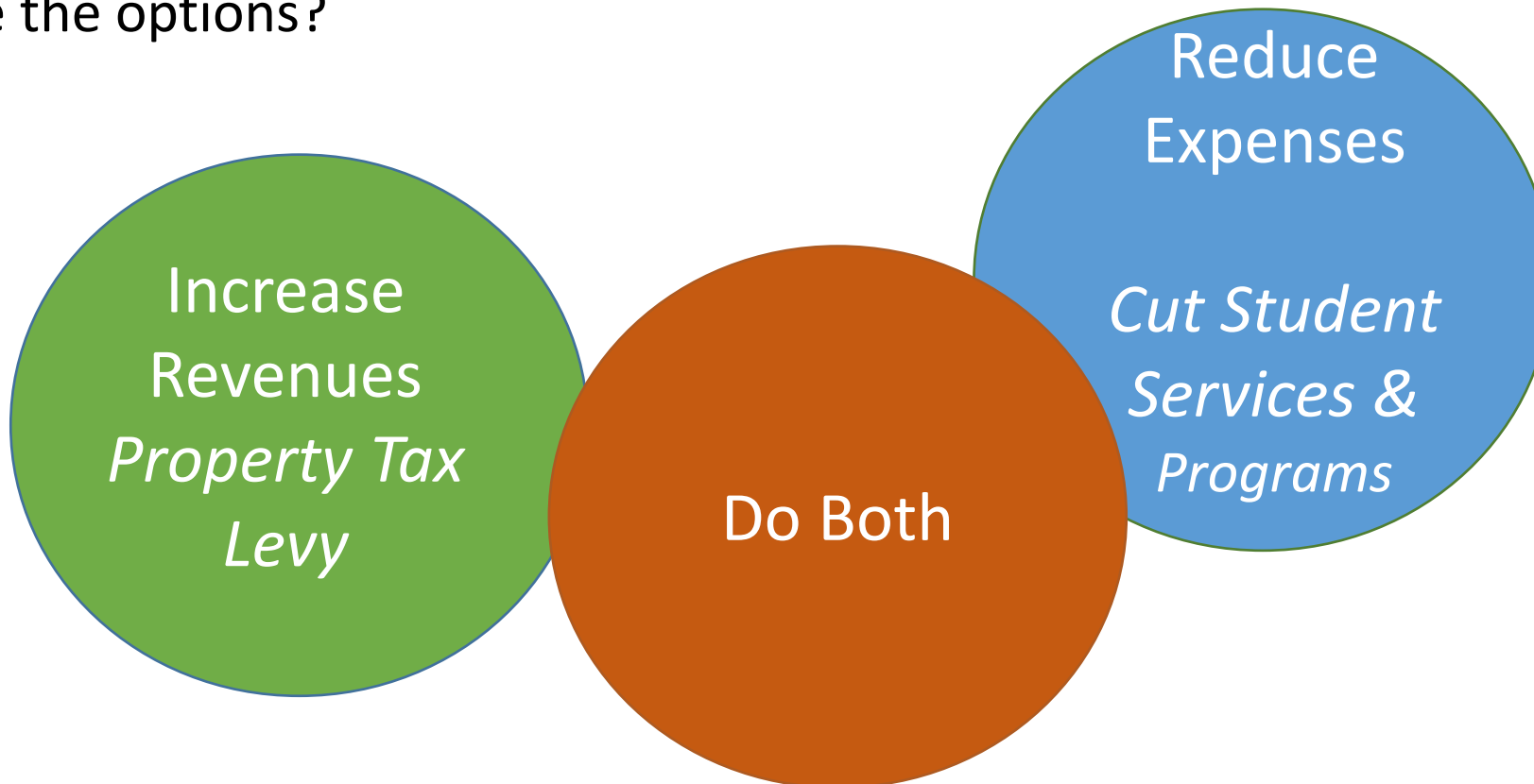




Maintaining Financial Stability

What are the options?





Maintaining Financial Stability

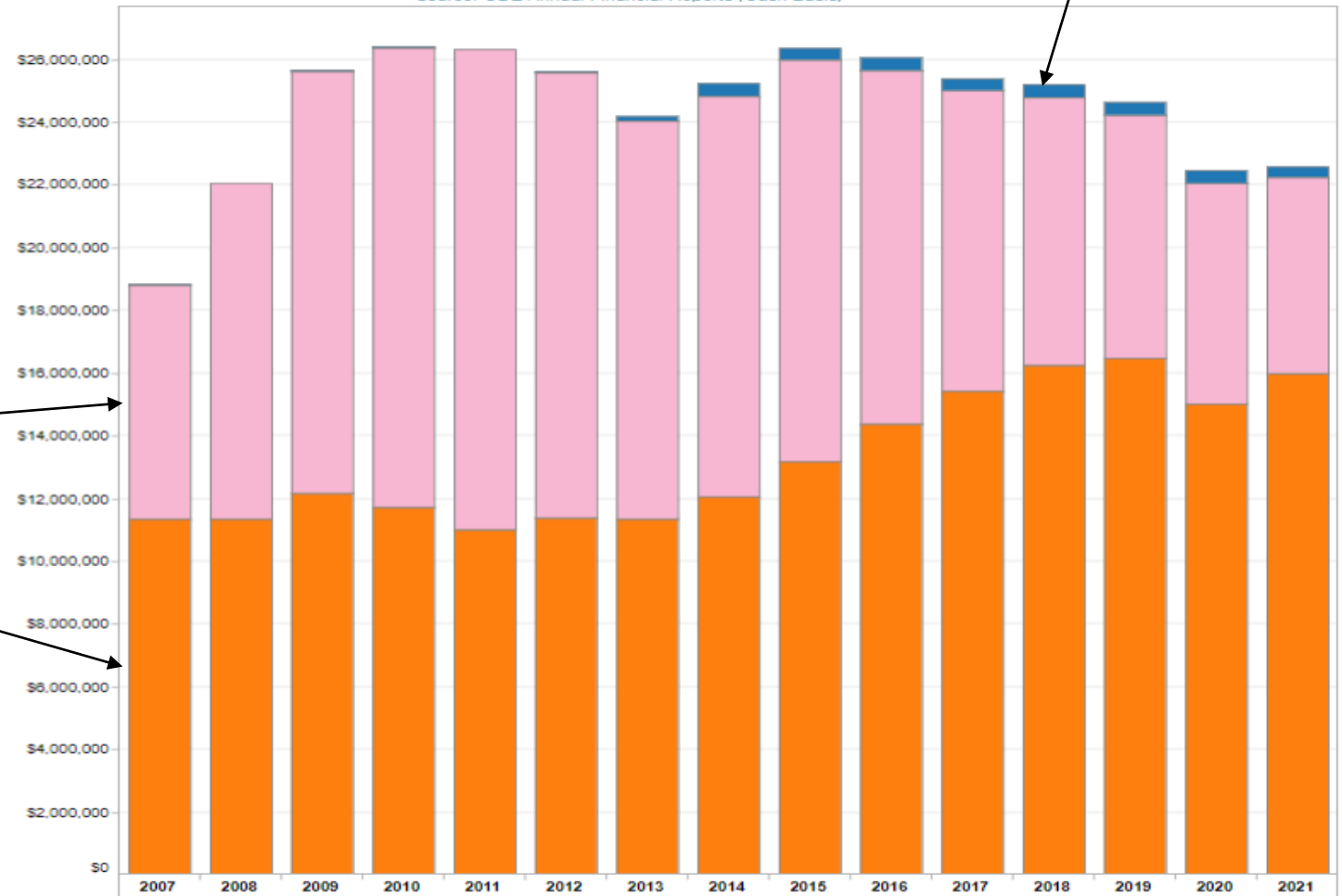
Why does Kettering need a levy?

The chart to right is historical State aid. Support from the State of Ohio has not kept up.

TPP Reimbursement

Basic Aid

Revenue Bar Chart
 Kettering City School District
 By: Detail Source
 Source: ODE Annual Financial Reports (Cash Basis)



- Analysis Type (Revenue)**
- 3190 OTHER UNRESTRICTED GRANTS-IN-AID
 - 3130 PROPERTY TAX ALLOCATION
 - 3110 SCHOOL FOUNDATION BASIC ALLOWANCE



Maintaining Financial Stability

Why does Kettering need a levy?

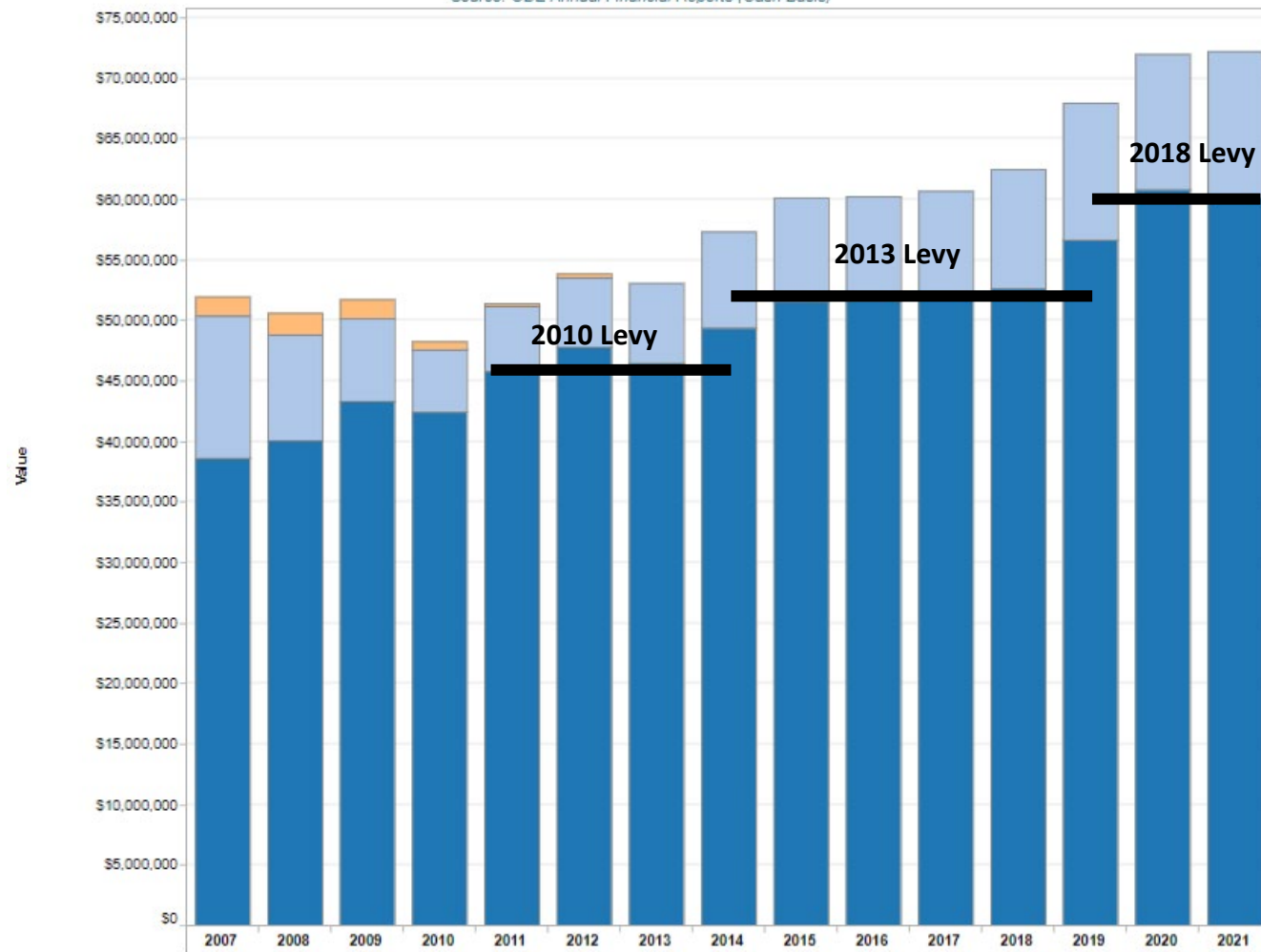
HB 920 Doesn't let existing levies grow with inflation.

The chart demonstrates that real estate revenue only grows with a levy approval.

Analysis Type (Revenue)

- 1190 OTHER RECEIPTS (LOCAL TAXES)
- 1120 TANGIBLE PERSONAL PROPERTY TAX (GRO...)
- 1110 GENERAL PROPERTY TAX-REAL ESTATE (GR...)

Revenue Bar Chart
 Kettering City School District
 By: Detail Source
 Source: ODE Annual Financial Reports (Cash Basis)





Maintaining Financial Stability

- District has utilized \$13.7M in federal pandemic relief from ESSER and ARP programs to preserve services over the past 2 years.
 - Federal funds-maintained class sizes, course offerings, co-curricular programs and extracurricular programs despite the virtual environment and lower enrollment.
 - The 2018 levy that was projected to last 3 years, was able to be stretched for (4) years through 2022.
- The District has continued to meet service level expectations of the community.



Maintaining Financial Stability

- May 2022 Five-Year Forecast projected an operating deficit(s) through June 30, 2026.
- District has accumulated a cash reserve since the 2018 levy and utilized ESSER and ARP federal pandemic support to continue services without interruption. The District is positioned to utilize reserves and federal support to operate through June 30, 2024, when cash reserves will be exhausted.
- May Forecast Update demonstrated a 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 on June 30, 2022.



Maintaining Financial Stability

New Money Operating Levy History – Past 20 years

- 6.90 mills March 2, 2004
- 4.90 mills November 6, 2007
- 4.90 mills November 2, 2010
- 4.89 mills November 5, 2013
- 5.99 mills November 6, 2018
- x.xx mills November 8, 2022

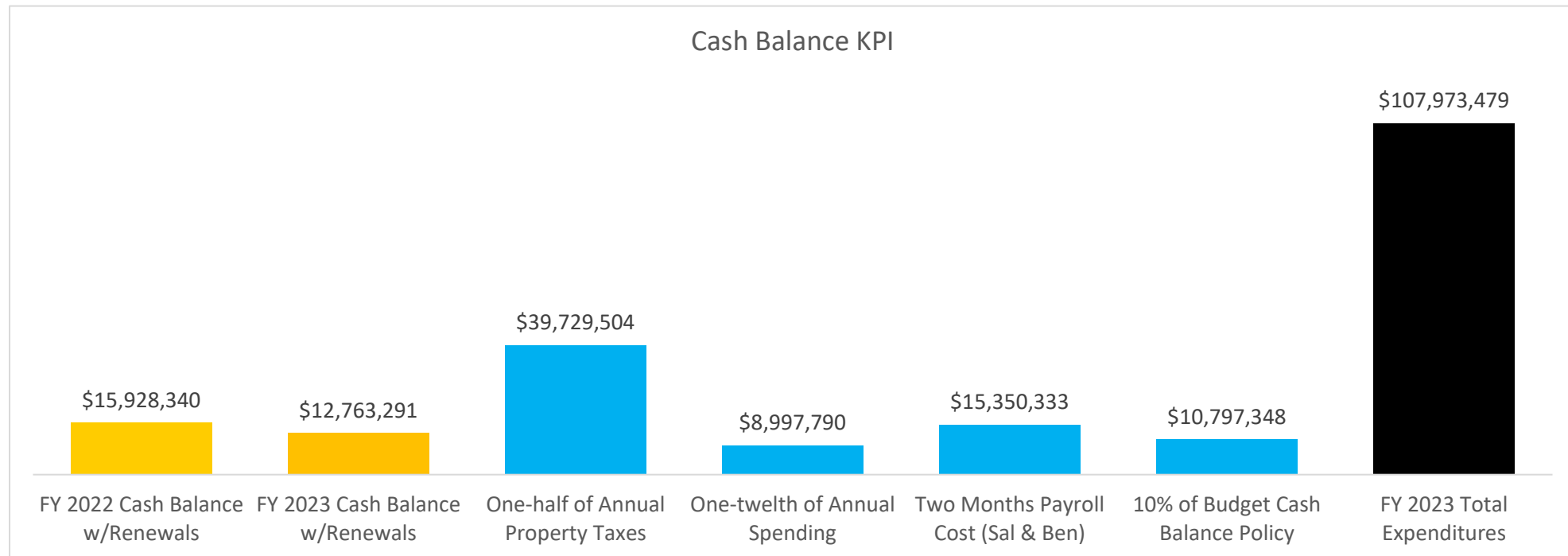
Historically, levy requests have been 3-4 years and 4-5 mills. The District has employed a “Just in Time” levy approach. Not asking for more than is needed or any sooner than needed.



Maintaining Financial Stability

How is a levy amount determined?

- Comparative analysis with Key Performance Indicators (KPI)
 - Cash Balances projected at June 30, 2022 and 2023 equal to or below most KPI
 - Projected cash balance at June 30, 2024, (+\$1,618,612) will be below all KPI





Maintaining Financial Stability

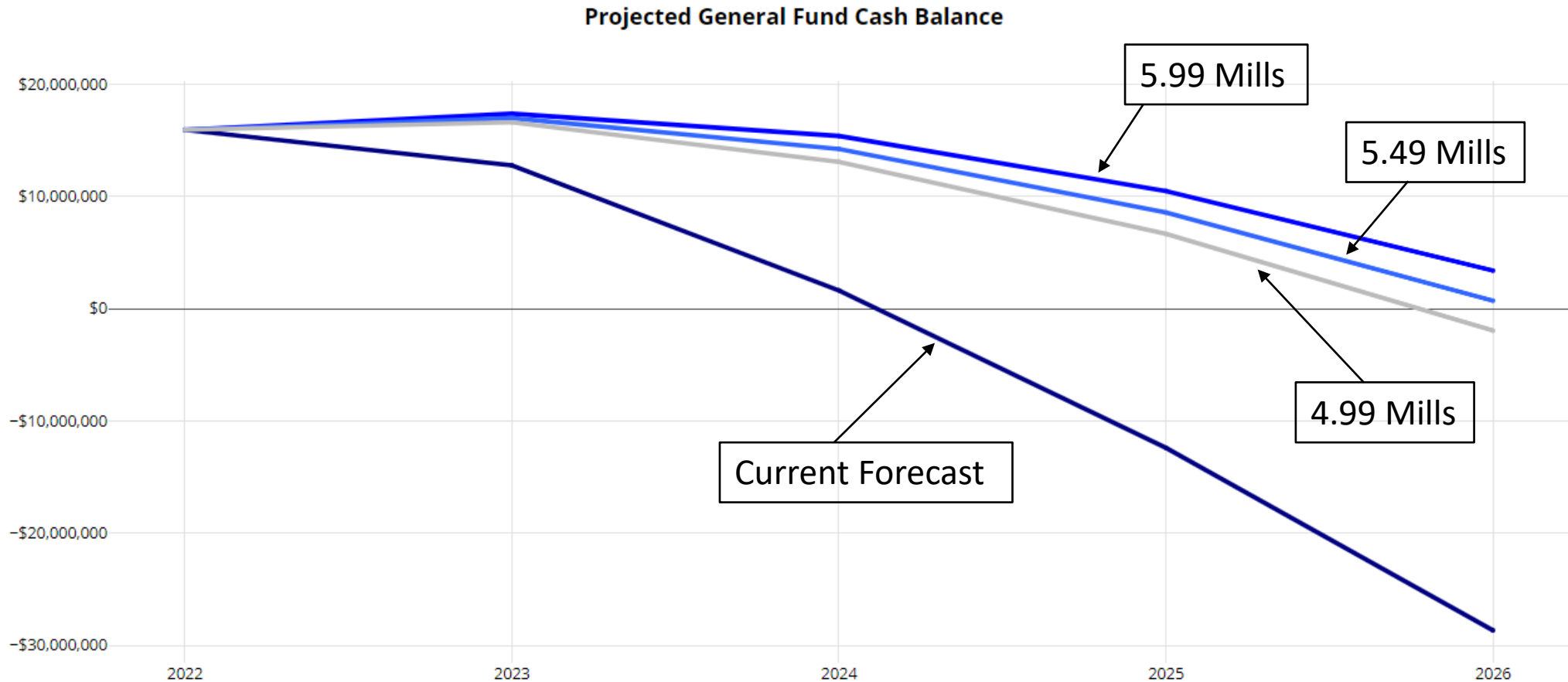
Three Options for the Board to consider

- Option 1 – 5.99 Mill Levy with 3 year estimated life
- Option 2 – 5.49 Mill Levy with 3 year estimated life
- Option 3 – 4.99 Mill Levy with 2-3 year estimated life



Maintaining Financial Stability

Cash Balance Comparison Dashboard (Five Year Forecast)





Maintaining Financial Stability

What would the levy millage amount be if Board waited until 2023?

- A new levy option would generate approximately \$9M annually. Waiting until 2023 or a levy failure in 2022 would cost \$9M in revenue.
- For a 2023 levy to be considered at the same millage as a 2022 levy the District would need to eliminate \$3M annually over the 3-year expected life of the levy.
- Or, the millage would have to be approximately 1.95 mills higher in 2023 than compared to 2022.



Maintaining Financial Stability

Board of Education Focus

- Financial Stability Discussion(s) – June 7th
- Financial Stability Decision(s) – June 21st
- Revenue Decisions(s) – July 12th