

CRESTWOOD LOCAL SCHOOL DISTRICT



November 2023 Five Year Forecast Presentation

Presented by:
Kathryn Hoffmeister
Treasurer/CFO
November 14th 2023

November Forecast Considerations

- The Portage County Health Consortium has stated health care premiums are projected to continue to rise in coming years.
- In 2025 Portage county will conduct property tax re-appraisals.
- The Board of Governors of the Federal Reserve System has set the current interest rate at 5.4%.
- We are nearing our last payment on the Primary and Intermediate buildings. Thus, in January of 2024, local property taxes will decrease due to the expiration of the classroom facilities levy (.50 mills) and the bond levy (1.79 mills).
- Due to the expiration of the classroom Facilities levy. Once all dollars are spent, the General Fund & Permanent improve fund will assume costs that were otherwise covered by the Classroom Facilities fund in the past
- District wide lighting project to cut cost on energy usage.



November Forecast Considerations

- Union negotiations will begin Spring of 2024.
- District phone system and network upgrades are scheduled for Summer of 2024 and FY25.
- District wide inventory and appraisal is tentatively scheduled for Summer of 2024.
- There are several expenditures that we are anticipating in the upcoming years; 7-12 Gym Floor replacement, Track replacement, Playground surface replacement and Roof repairs at the 7-12 campus .
- We spent \$258,000.00 for the purchase of 4 new buses. These replaced buses that were 20 years old. 3 of the 4 new buses arrived in October 2023.



Issue 20: Emergency Levy Renewal

- Last passed in November 2023 and will remain for 4 years. Originally passed in 2012.
- Renewal will generate the same \$1.4 million as in previous years.

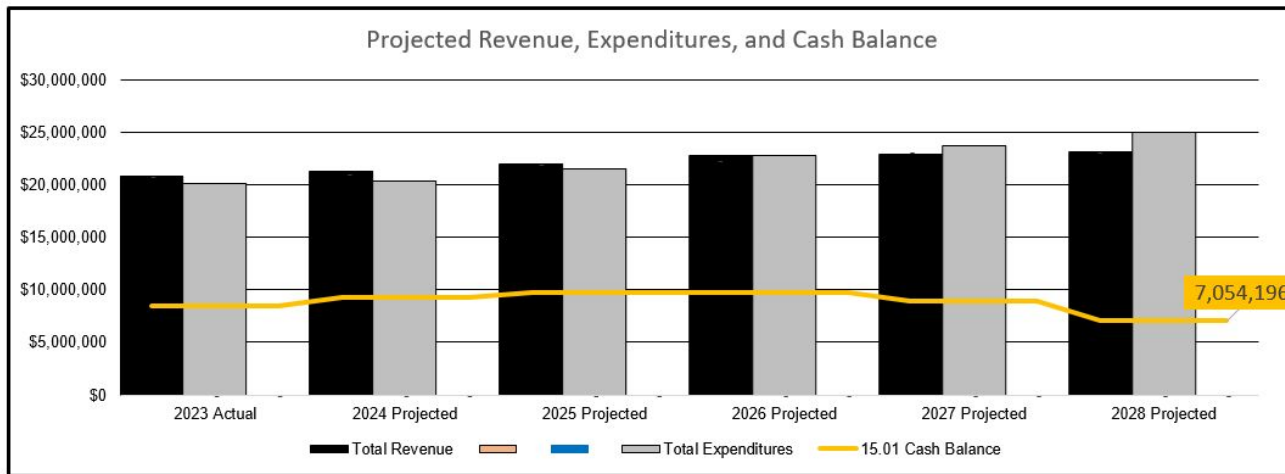
Crestwood City Schools Issue 20 School levy

Choices	Total Votes	% Votes
For	2,877	55.7%
Against	2,287	44.3%

**Thank you Crestwood Community for
supporting your schools!**



Forecast Overview



Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the forecast.

- The district's cash balance is positive at year-end FY 2024. However, it is projected to worsen by FY 2028. A worsening cash balance can erode the district's financial stability over time.
- This Forecast includes the newly adopted and continued phase in for the Fair School Funding Plan which was passed as part of HB33 in July 2023.
- Crestwood is considered a guarantee district in FY 2024 and is expected to remain in the guarantee for the entirety of this forecast.



Financial Forecast Summary

Financial Forecast	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Beginning Balance (Line 7.010) Plus	8,416,537	9,337,081	9,777,376	9,800,075	8,928,875
+ Revenue	21,272,201	22,006,951	22,796,862	22,858,779	23,082,745
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(20,351,656)	(21,566,656)	(22,774,163)	(23,729,978)	(24,957,424)
= Revenue Surplus or Deficit	920,544	440,295	22,699	(871,200)	(1,874,679)
Line 7.020 Ending Balance with renewal/new levies	9,337,081	9,777,376	9,800,075	8,928,875	7,054,196

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	920,544	440,295	22,699	(871,200)	(1,874,679)
Ending Balance w/o Levies	9,337,081	9,777,376	9,800,075	8,928,875	7,054,196

In FY 2024 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by \$920,544. By the last year of the forecast, FY 2028, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$1,874,679. The district would need to cut its FY 2028 projected expenses by 7.51% in order to balance the budget without additional revenue. At this time no new levies are being considered.

Ending Cash Balances (with renewal):

Fiscal Year 2024: \$9,337,081

Fiscal Year 2025: \$9,777,376

Fiscal Year 2026: \$9,800,075

Fiscal Year 2027: \$8,928,875 (\$871,200 deficit)

Fiscal Year 2028: \$7,054,196 (\$1,874,679 deficit)



Forecast Comparison:

May 2023 to November 2023

- November 2023 FIVE YEAR FORECAST

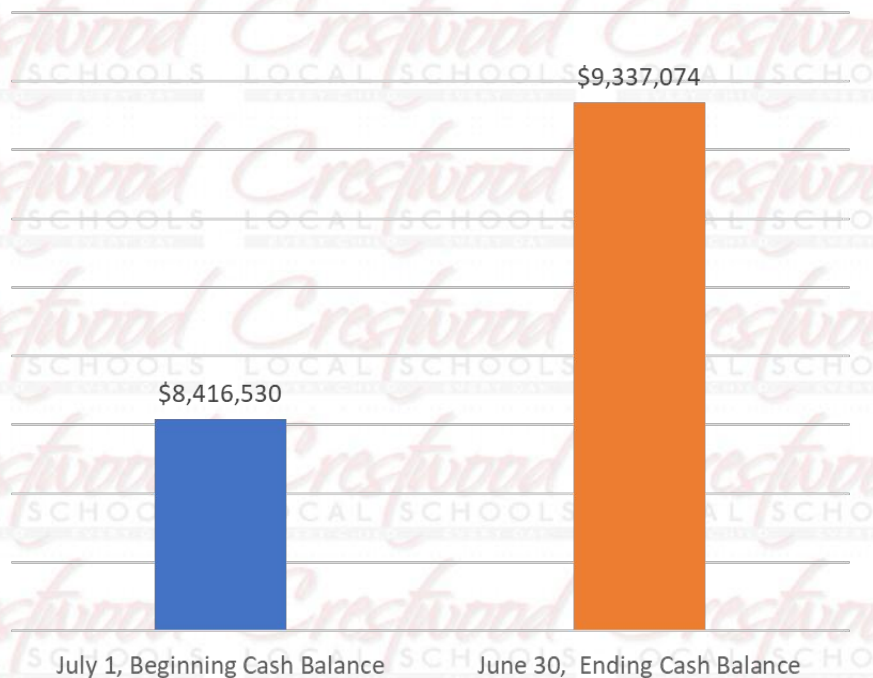
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- May 2023 FIVE YEAR FORECAST

Financial Forecast	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	7,630,474	8,508,841	8,969,727	9,407,390	9,270,736
+ Revenue	20,801,942	20,694,492	20,637,682	20,451,893	20,508,962
+ Proposed Renew/Replacement Levies	-	-	685,687	1,371,394	1,371,432
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(19,923,575)	(20,233,606)	(20,885,705)	(21,959,941)	(22,778,937)
= Revenue Surplus or Deficit	878,367	460,886	437,664	(136,654)	(898,543)
Line 7.020 Ending Balance with renewal/new levies	8,508,841	8,969,727	9,407,390	9,270,736	8,372,194



Current Fiscal Year Projected Financial Analysis



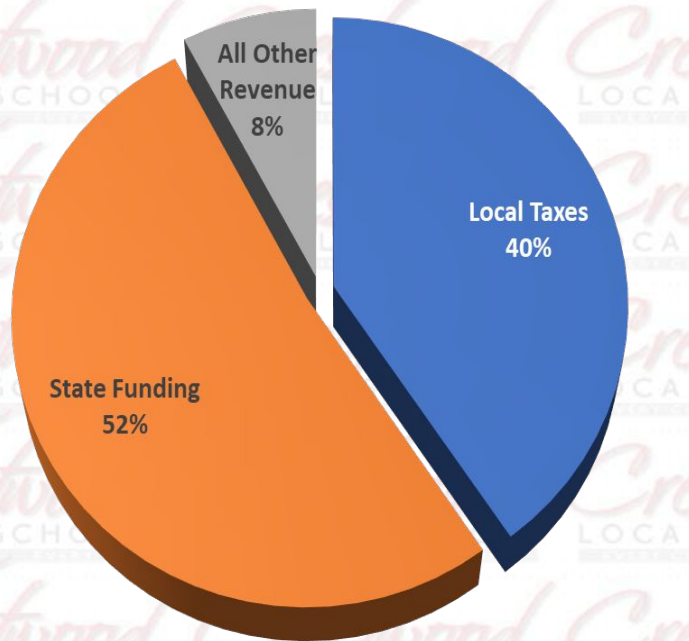
Projected General Fund Revenue \$21,272,201

Projected General Fund Expenditures \$20,351,656

Projected Gain For The Year Is \$920,544



Current Fiscal Year Projected Revenue Analysis



Projected Local Taxes	\$8,597,760
Real Estate Property Taxes	\$7,652,133
Public Utility Property Taxes	\$945,627
Income Taxes	\$0

Projected State Funding	\$10,992,325
Fair School Funding Plan	\$9,322,828
Restricted State Funding	\$518,905
State Share of Local Taxes	\$1,150,592

Projected All Other Revenue	\$1,682,116
Other Operating Revenue	\$1,386,027
Other Sources	\$296,089



Current Fiscal Year Projected Expenditure Analysis



Projected Personnel Costs	\$15,608,931
Salaries	\$10,838,538
Benefits	\$4,770,393

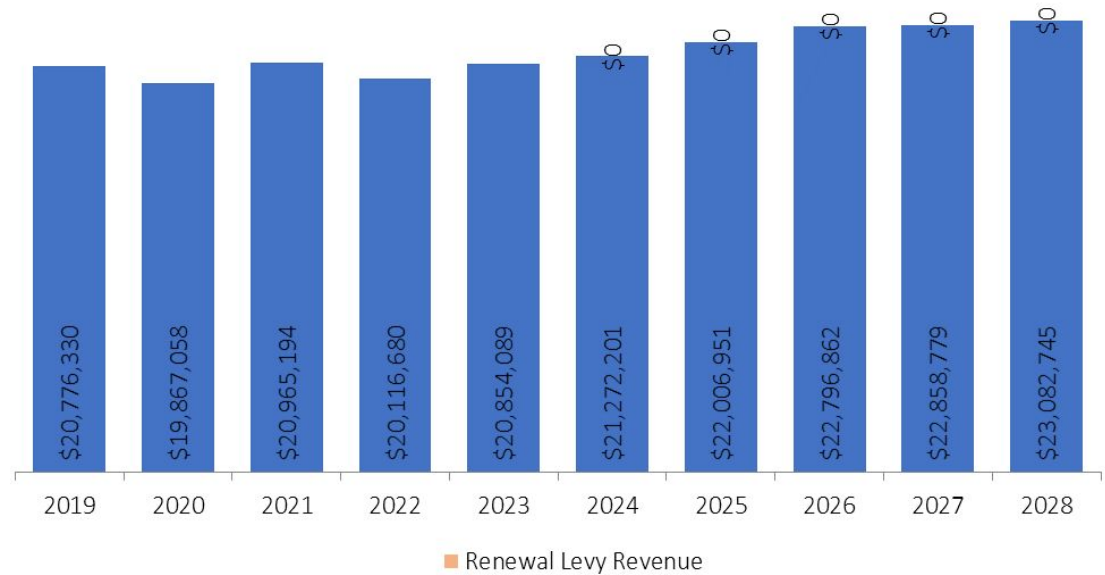
Projected Purchased Services	\$2,795,545
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Projected All Other Expenditures	\$1,947,180
Supplies, Capital, Debt, Other Operating	\$1,802,180
Advances, Transfer, Other Uses	\$145,000



Revenue Sources and Year-Over-Year Projected Overview

Sources of Revenue Over Time

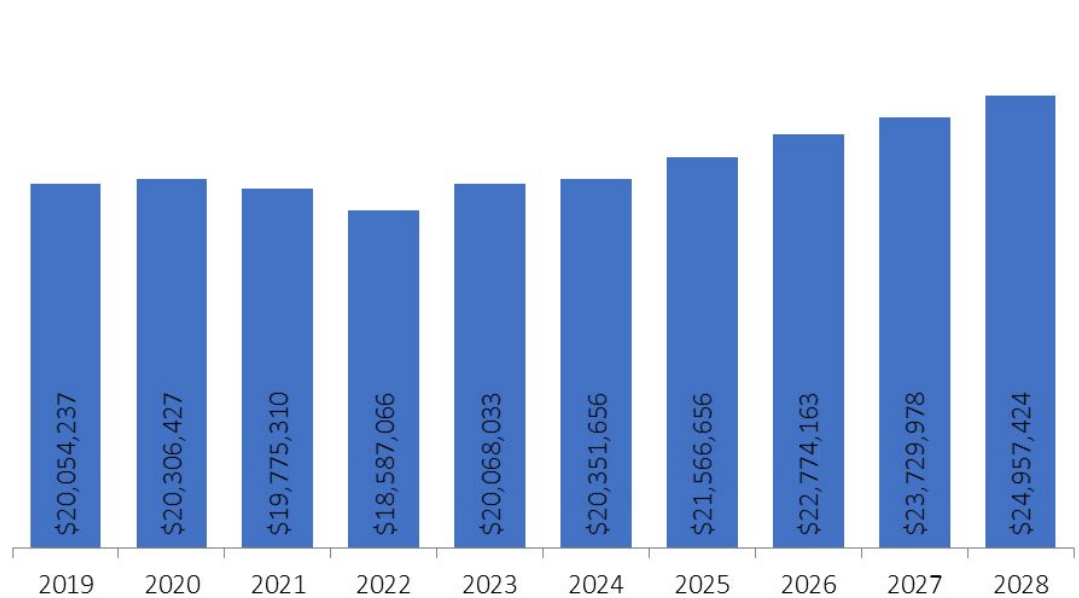
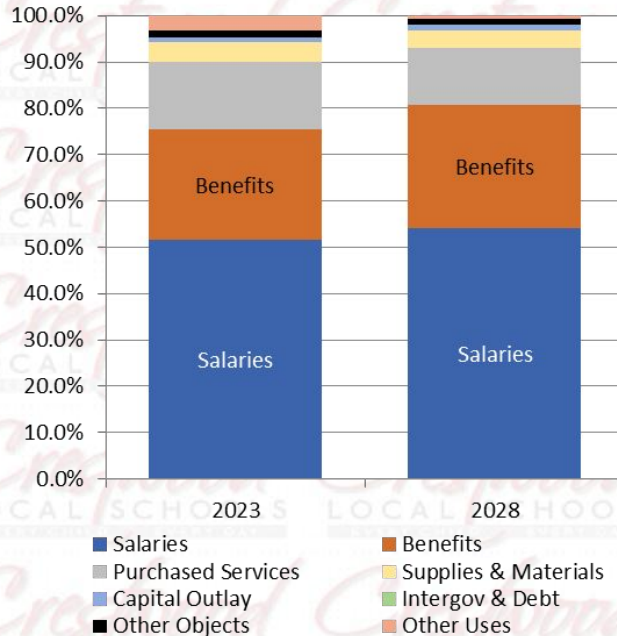


Total revenue increased 0.19% (\$19,440) annually during the last 4-Year period and is projected to increase 2.06% (\$445,731) annually through FY 2028. State Funding has the highest projected Average Annual Variance compared to the historical average at \$204,549.



Expenditure Overview

Expenditure Categories Over Time

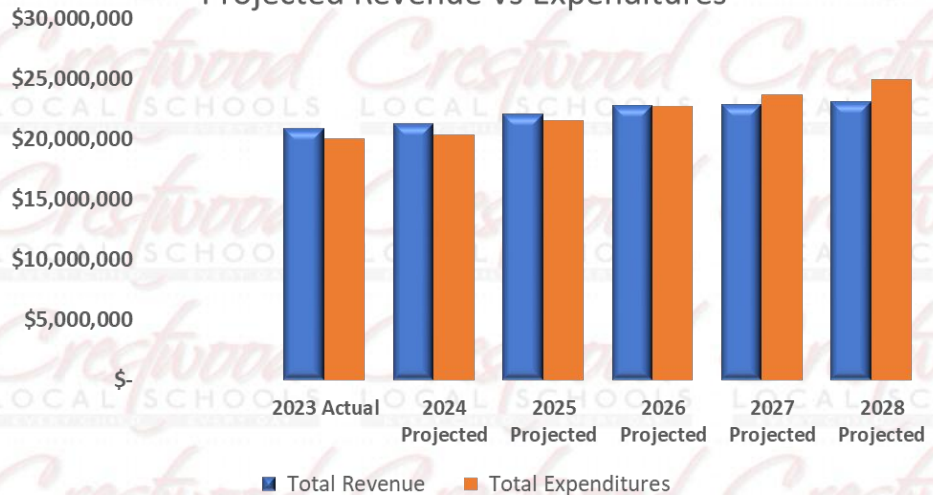


Total expenditures increased 0.15% (\$3,449) annually during the last 4-Year period and is projected to increase 4.87% (\$977,878) annually through FY 2028. Salaries have the largest projected Average Annual Variance compared to the historical average at \$712,751.

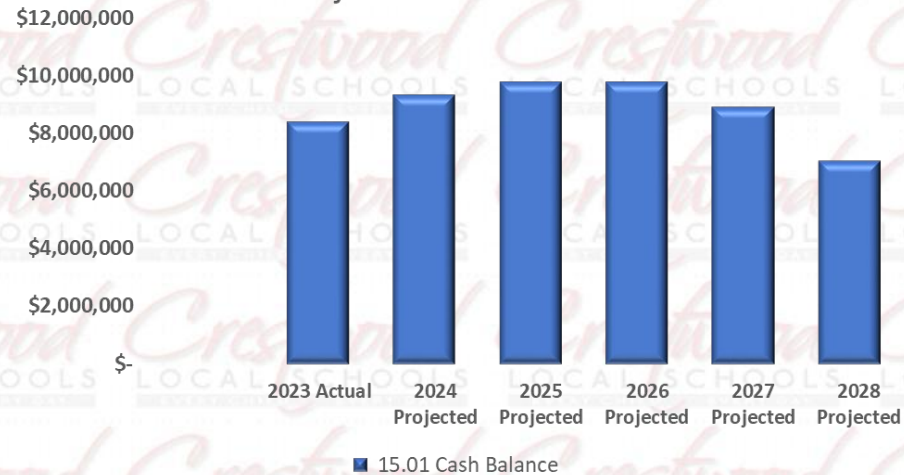


Revenue, Expenditures, and Cash Balance

Projected Revenue vs Expenditures



Projected Cash Balance

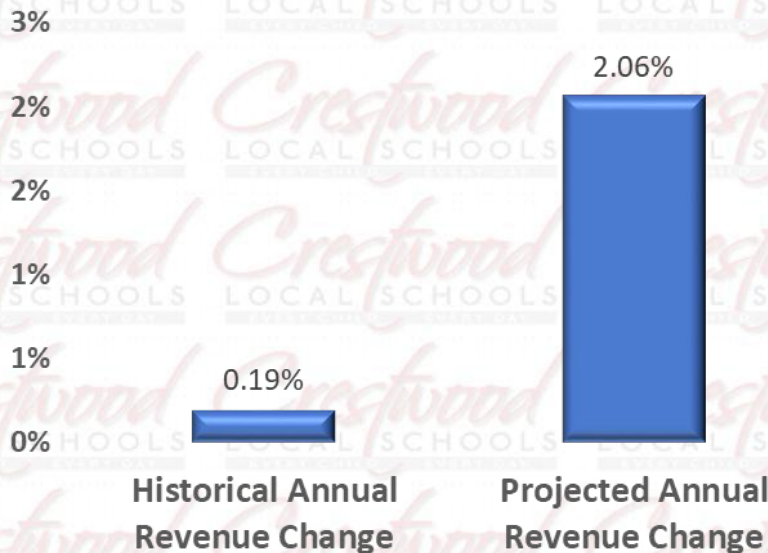


Revenue shortfall can be an indication of additional revenue and/or budget cuts needed to balance the budget. The revenue shortfall in two years is the target indicator for the need of revenue and/or budget cuts.



Average Annual Change in Key Revenue and Expenditure Assumptions

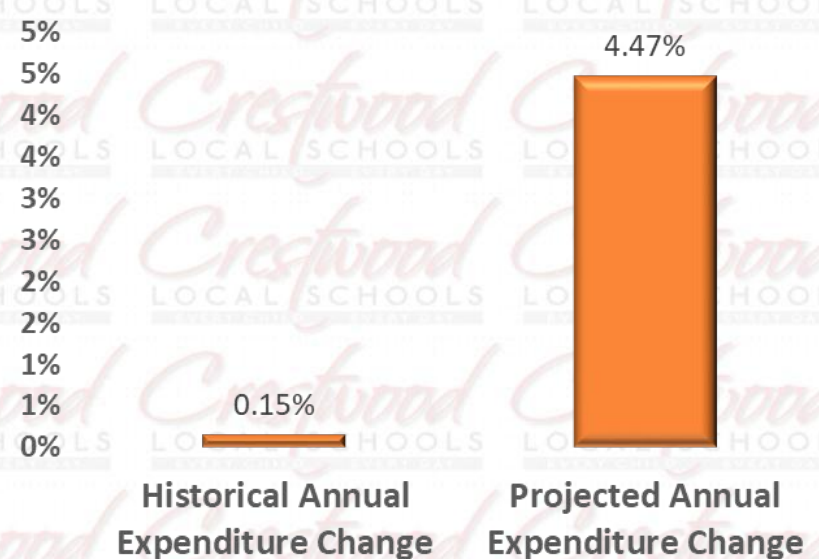
ANNUAL CHANGE IN REVENUE



Historically Revenue Change Averaged 0.19% Annually From FY 2020-2023

Revenue is Projected to Change an Average of 2.06% Annually From FY 2024-2028

ANNUAL CHANGE IN EXPENSES



Historically Expenditure Change Averaged 0.15% Annually From FY 2020-2023

Expenditures are Projected to Change an Average of 4.47% Annually From FY 2024-2028



Revenue Surplus vs. Deficit

Annual Revenue Surplus/(Shortfall) by Fiscal Year



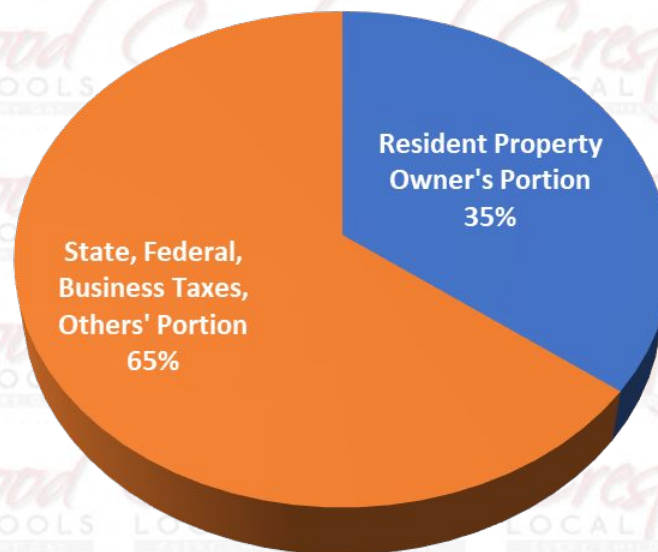
Cost to Educate a Student

Daily Cost Per Pupil



FY 2024

FY 2024 Per Pupil Expenditure Support



Final Insights and Considerations

- We plan to look into alternative revenue sources to decrease deficit spending in the future while providing best possible education for our students.
- The district will stay up to date on fair school funding model phase in and statewide educational mandates.
- The district will stay up to date on House Bill 187 and any state changes on county reappraisals.
- As we increase educational opportunities we expect to see growth in overall district enrollment.



Five Year Forecast

Crestwood Local School District

Five Year Forecast

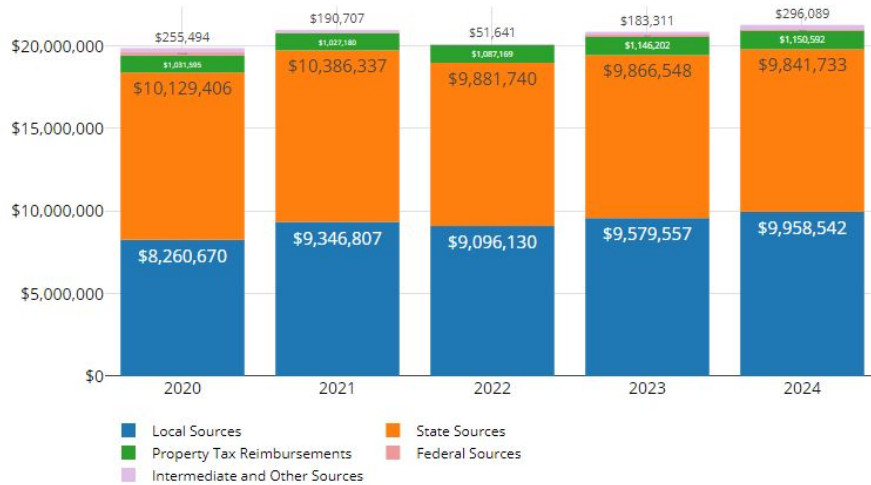
November, 2023

Fiscal Year:	Actual			FORECASTED				
	2021	2022	2023	2024	2025	2026	2027	2028
Revenue:								
1.010 - General Property Tax (Real Estate)	6,989,926	7,020,462	7,696,782	7,652,133	8,451,489	9,117,506	9,147,192	9,383,113
1.020 - Public Utility Personal Property	828,269	1,037,725	909,794	945,627	971,320	997,831	1,030,400	1,061,338
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	10,170,738	9,229,606	9,280,951	9,322,828	9,475,181	9,625,775	9,767,096	9,695,179
1.040 - Restricted Grants-in-Aid	215,599	652,134	585,597	518,905	394,672	300,729	227,302	283,138
1.050 - State Share-Local Property Taxes	1,027,180	1,087,169	1,146,202	1,150,592	1,270,742	1,390,938	1,389,416	1,424,125
1.060 - All Other Operating Revenues	1,542,776	1,037,943	1,051,452	1,386,027	1,328,547	1,249,083	1,182,373	1,120,852
1.070 - Total Revenue	20,774,488	20,065,038	20,670,778	20,976,112	21,891,951	22,681,862	22,743,779	22,967,745
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-	-	-
2.050 - Advances-In	175,547	6,618	136,006	251,089	70,000	70,000	70,000	70,000
2.060 - All Other Financing Sources	15,159	45,024	47,305	45,000	45,000	45,000	45,000	45,000
2.070 - Total Other Financing Sources	190,707	51,641	183,311	296,089	115,000	115,000	115,000	115,000
2.080 - Total Rev & Other Sources	20,965,194	20,116,680	20,854,089	21,272,201	22,006,951	22,796,862	22,858,779	23,082,745
Expenditures:								
3.010 - Personnel Services	10,467,008	10,210,069	10,356,965	10,838,538	11,458,941	12,177,042	12,951,738	13,488,917
3.020 - Employee Benefits	4,786,072	4,745,814	4,800,727	4,770,393	5,243,062	5,694,001	6,187,426	6,676,172
3.030 - Purchased Services	3,637,686	2,396,850	2,930,133	2,795,545	2,981,680	2,929,640	2,999,236	3,070,508
3.040 - Supplies and Materials	525,064	742,888	846,890	847,784	882,778	903,082	923,853	945,102
3.050 - Capital Outlay	52,264	78,639	179,284	600,000	545,000	609,000	200,000	309,000
Intergovernmental & Debt Service	-	-	-	50,281	-	-	-	-
4.300 - Other Objects	257,959	276,800	309,771	304,115	310,196	316,398	322,725	322,725
4.500 - Total Expenditures	19,726,053	18,451,060	19,417,770	20,206,656	21,421,656	22,629,163	23,584,978	24,812,424
Other Financing Uses								
5.010 - Operating Transfers-Out	42,639	-	399,174	75,000	75,000	75,000	75,000	75,000
5.020 - Advances-Out	6,618	136,006	251,089	70,000	70,000	70,000	70,000	70,000
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	49,257	136,006	650,263	145,000	145,000	145,000	145,000	145,000
5.050 - Total Exp and Other Financing Uses	19,775,310	18,587,066	20,068,033	20,351,656	21,566,656	22,774,163	23,729,978	24,957,424
6.010 - Excess of Rev Over/(Under) Exp	1,189,884	1,529,613	786,056	920,544	440,295	22,699	(871,200)	(1,874,679)
7.010 - Cash Balance July 1 (No Levies)	4,910,983	6,100,867	7,630,481	8,416,537	9,337,081	9,777,376	9,800,075	8,928,875
7.020 - Cash Balance June 30 (No Levies)	6,100,867	7,630,481	8,416,537	9,337,081	9,777,376	9,800,075	8,928,875	7,054,196
Reservations								
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	6,100,867	7,630,481	8,416,537	9,337,081	9,777,376	9,800,075	8,928,875	7,054,196
Rev from Replacement/Renewal Levies								
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	6,100,867	7,630,481	8,416,537	9,337,081	9,777,376	9,800,075	8,928,875	7,054,196
Revenue from New Levies								
13.010 & 13.020 - New Levies	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	6,100,867	7,630,481	8,416,537	9,337,081	9,777,376	9,800,075	8,928,875	7,054,196

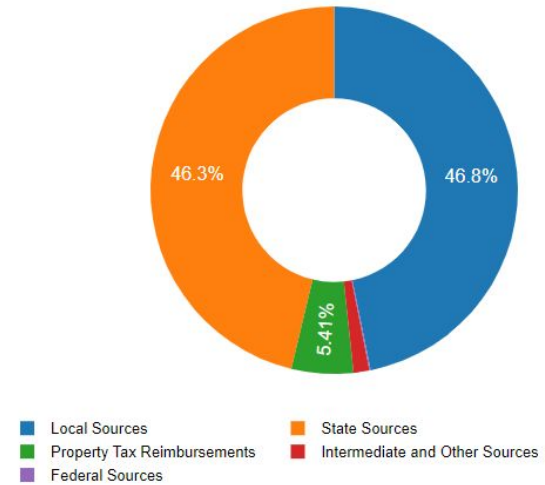


Forecast at a Glance

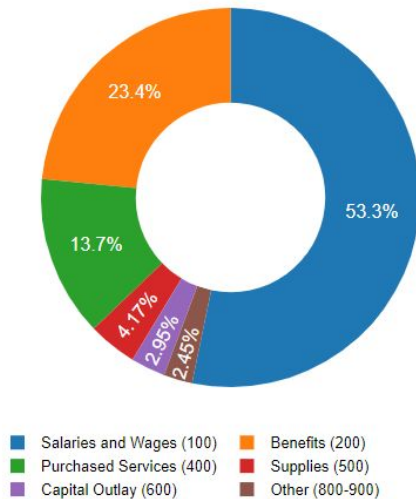
Historical General Fund Revenue by Source



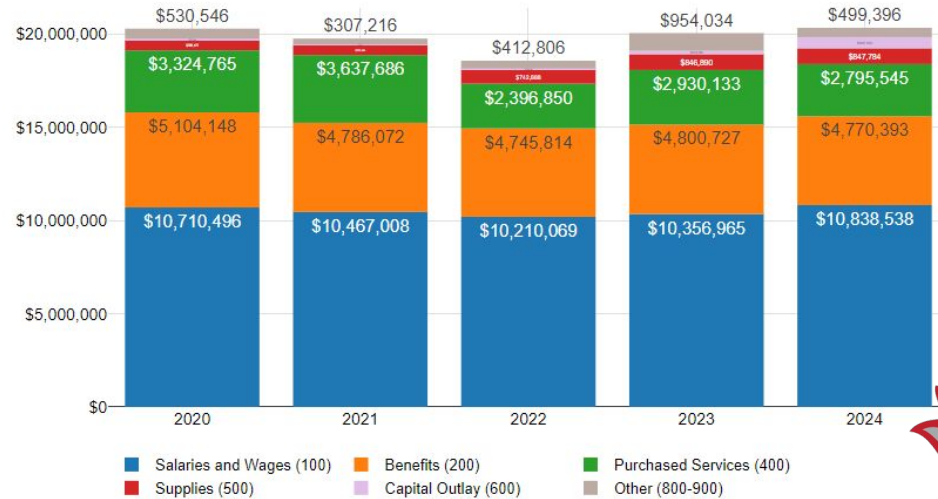
General Fund Current Year Revenue by Source



General Fund Current Year Expenses by Object



Historical General Fund Expenses by Object



**Thank you for your continued support
of Crestwood Local Schools**