Sycamore Community Schools

Five Year Forecast Financial Report

May 17, 2023

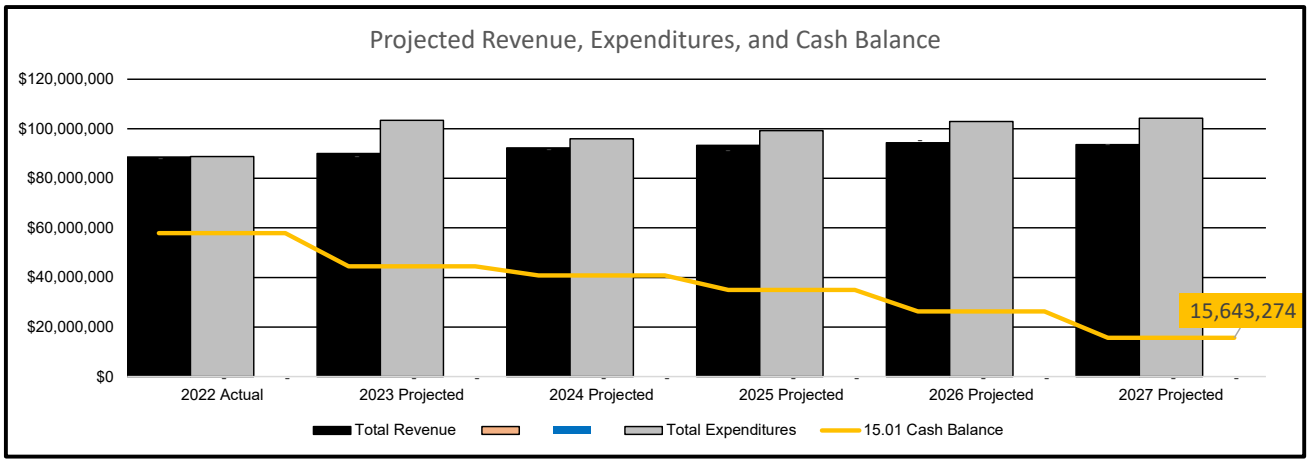
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Table of Contents

	Page
Table of Contents	2
Forecast Summary	3
Revenue Sources and Forecast Year-Over-Year Projected Overview	4
1.010 - General Property Tax (Real Estate)	5
1.020 - Public Utility Personal Property	6
1.030 - Income Tax	7
1.035 - Unrestricted Grants-in-Aid	8
1.040 & 1.045 - Restricted Grants-in-Aid	9
1.050 - Property Tax Allocation	10
1.060 - All Other Operating Revenues	11
2.070 - Total Other Financing Sources	12
Expenditures Overview	13
3.010 - Personnel Services	14
3.020 - Employee Benefits	15
3.030 - Purchased Services	16
3.040 - Supplies and Materials	17
3.050 - Capital Outlay	18
3.060 - 4.060 - Intergovernmental & Debt	19
4.300 - Other Objects	20
5.040 - Total Other Financing Uses	21
Five Year Forecast	22

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

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Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the 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	57,886,248	44,497,249	40,855,847	34,929,251	26,328,457
+ Revenue	90,006,000	92,327,000	93,301,500	94,337,000	93,623,000
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(103,395,000)	(95,968,401)	(99,228,097)	(102,937,793)	(104,308,184)
= Revenue Surplus or Deficit	(13,389,000)	(3,641,401)	(5,926,597)	(8,600,793)	(10,685,184)
Line 7.020 Ending Balance with renewal/new levies	44,497,249	40,855,847	34,929,251	26,328,457	15,643,274

Analysis Without Renewal Levies Included:

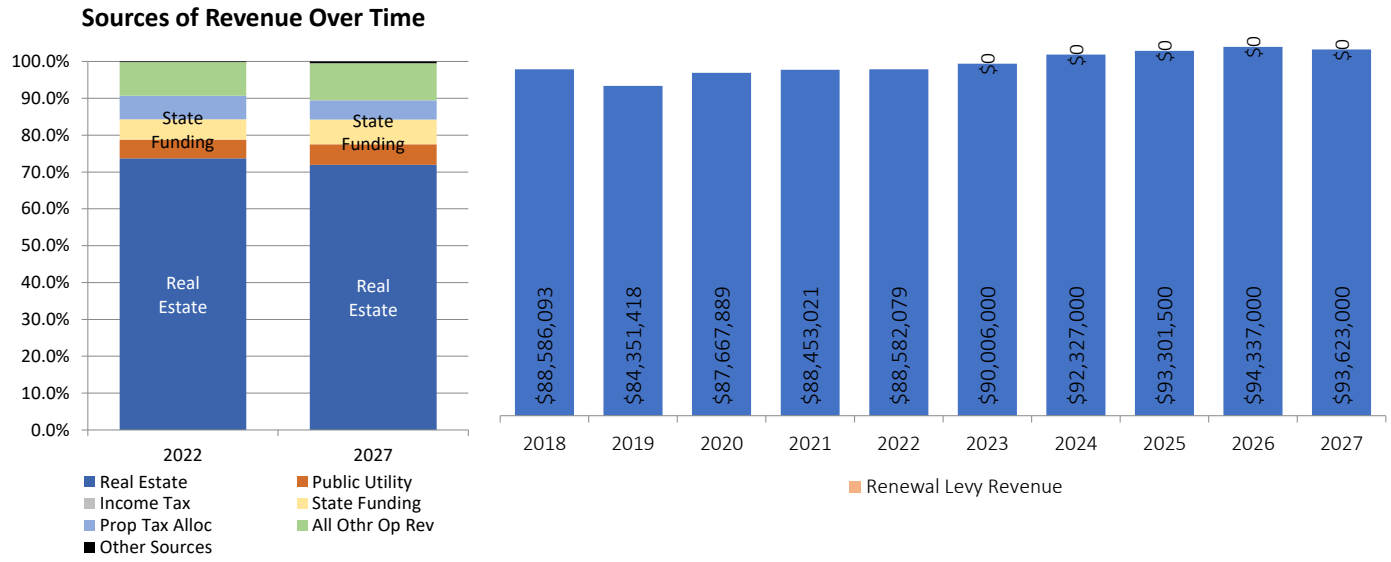
Revenue Surplus or Deficit w/o Levies	(13,389,000)	(3,641,401)	(5,926,597)	(8,600,793)	(10,685,184)
Ending Balance w/o Levies	44,497,249	40,855,847	34,929,251	26,328,457	15,643,274

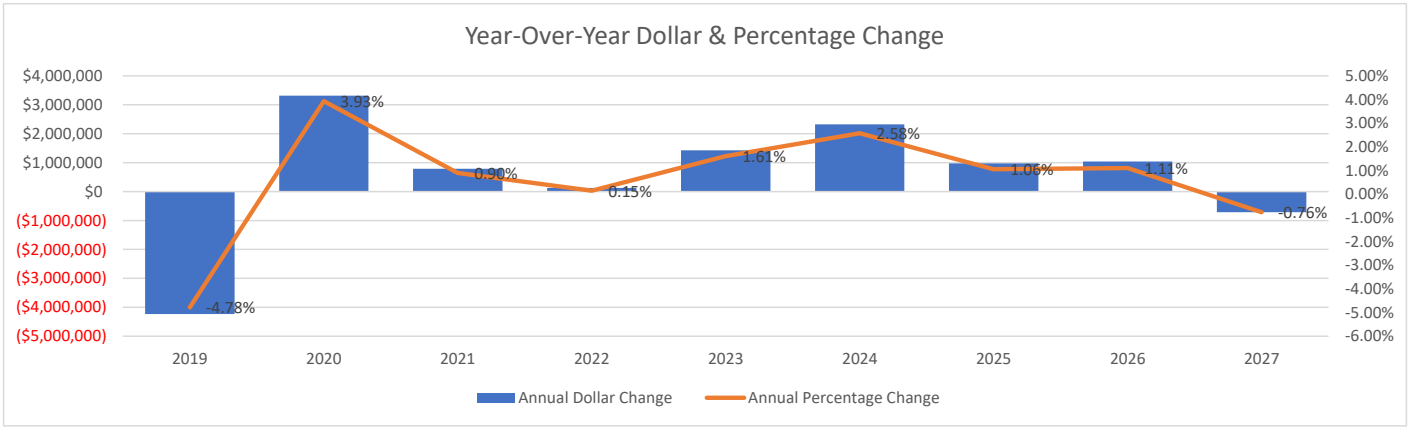
The district is experiencing deficit spending in FY23 due to utilization of the district's cash reserve for capital spending including fleet replacement, technology replacement and upkeep of facilities. The forecast also reflects funding for the district's transportation facility and the Seger Family Natatorium. The forecast includes the temporary use of the cash reserve through advances for the stadium and natatorium projects that will be repaid in future years.

Beginning in fiscal year 2024, deficit spending is due to a combination of use of reserves from capital improvements and the anticipated end of cycle from the 2016 levy for operations. The 2016 levy was anticipated to provide sufficient funding through 2021. The current forecast confirms extension of the levy cycle through at least 2024 while utilizing the cash reserve in support of the district's Master Facility Plan funded by the community in 2019.

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Revenue Sources and Forecast Year-Over-Year Projected Overview

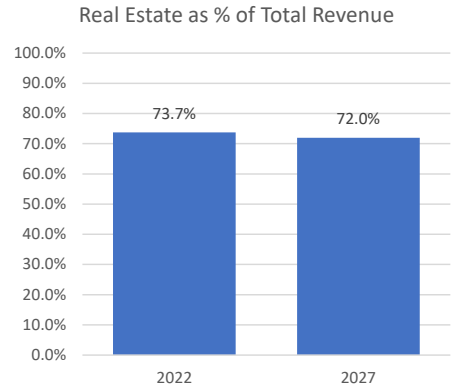


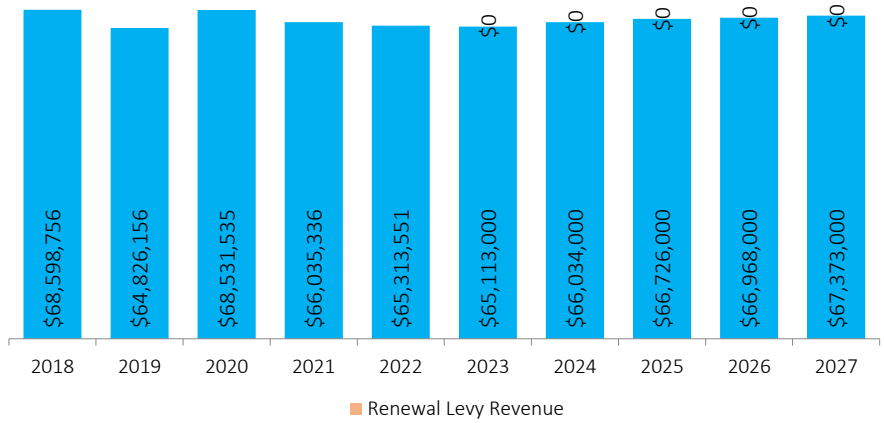


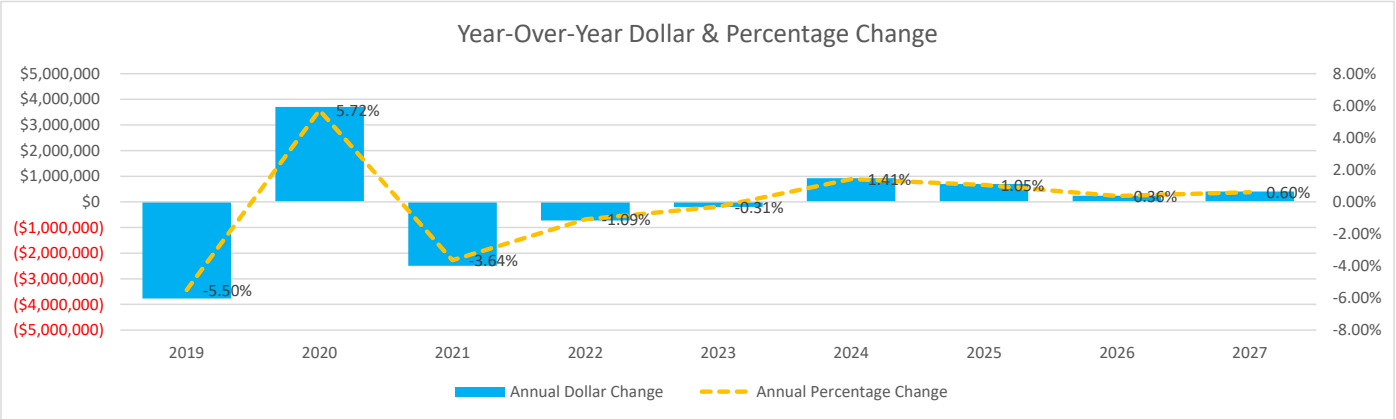
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1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).







Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2021	2,033,293,360	(14,250,080)	30.78	-	44.70	-	96.8%
2022	2,042,574,780	9,281,420	30.76	(0.02)	44.79	0.09	97.2%
2023	2,219,674,780	177,100,000	28.20	(2.56)	44.04	(0.75)	97.2%
2024	2,215,674,780	(4,000,000)	28.20	(0.00)	44.99	0.95	97.2%
2025	2,215,174,780	(500,000)	28.20	(0.00)	45.61	0.62	97.2%
2026	2,312,174,780	97,000,000	27.05	(1.15)	45.00	(0.62)	97.2%

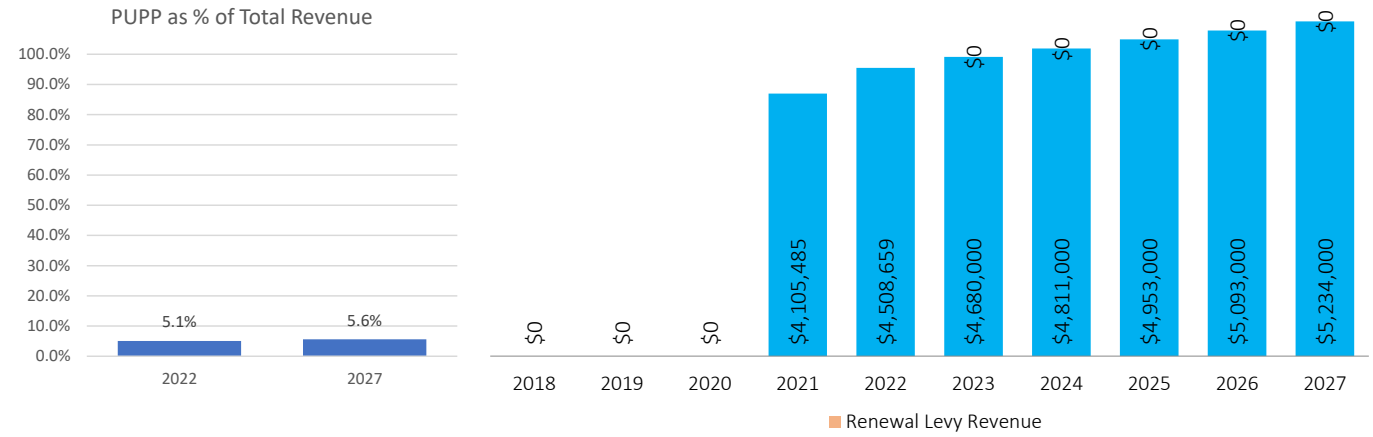
Property tax receipts are projected to remain stable in the forecast period. A county-wide property re-appraisal is scheduled for 2023. Tax collection based on new values will begin in 2024. While the district anticipates a significant increase in residential property values, a decline in commercial/industrial values is a possibility. Tax rates will be adjusted by the county auditor to collect revenue authorized by the levies when initially approved. Increases in revenue are generated by new construction. This forecast does not include new levies for operations, however it is likely that a request for additional property taxes will be presented to the community in the forecast period. NOTE: Public Utility Personal Property Tax receipts were included in the real estate tax category in 2018-2020.

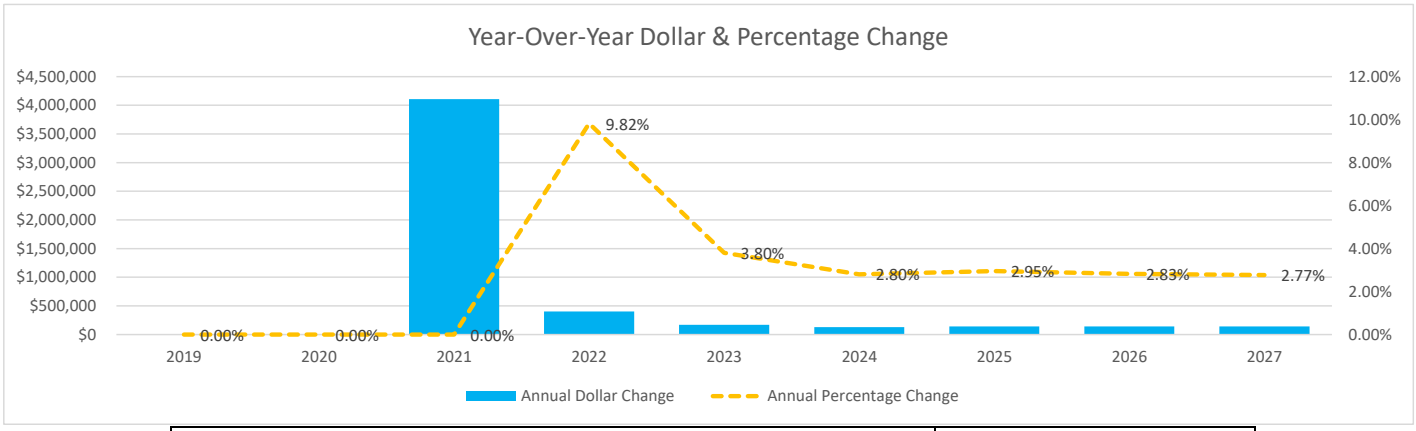
**Projected % trends include renewal levies*

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1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.





Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2021	65,560,410	4,164,740	70.45	-	100.0%
2022	67,283,520	1,723,110	70.45	-	100.0%
2023	69,283,520	2,000,000	70.45	-	100.0%
2024	71,283,520	2,000,000	70.45	-	100.0%
2025	73,283,520	2,000,000	70.45	-	100.0%
2026	75,283,520	2,000,000	70.45	-	100.0%

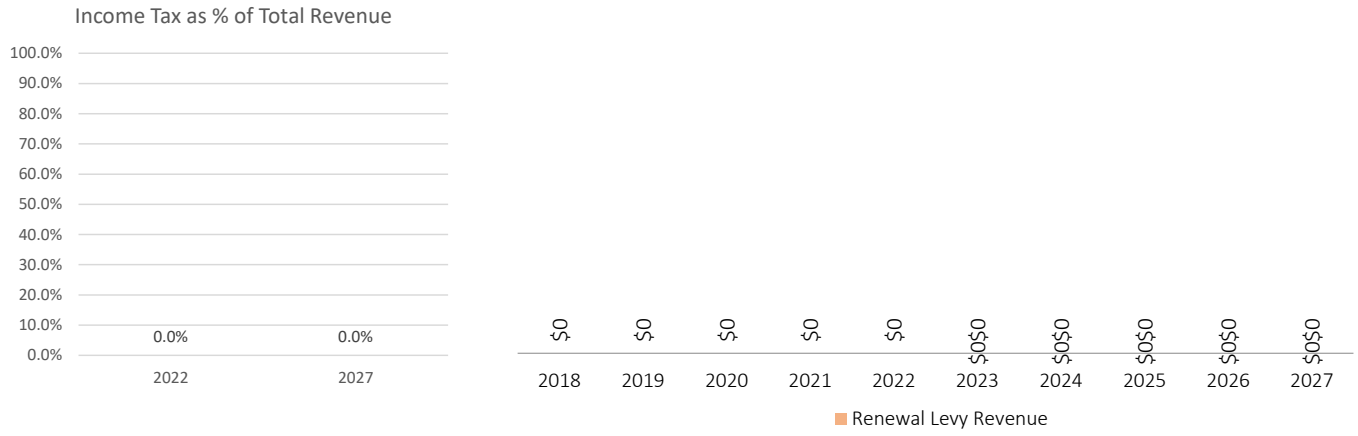
Public utility property tax revenue is generated from the personal property values, additions and depreciation reported by utility companies and is taxed at the full voted property tax rate. Annual valuation has been increased since the last forecast to better align with recent historical patterns. Impact of the natural gas pipeline is not included in the projections. NOTE: Public Utility Personal Property Tax receipts were included in the real estate category in 2018-2020.

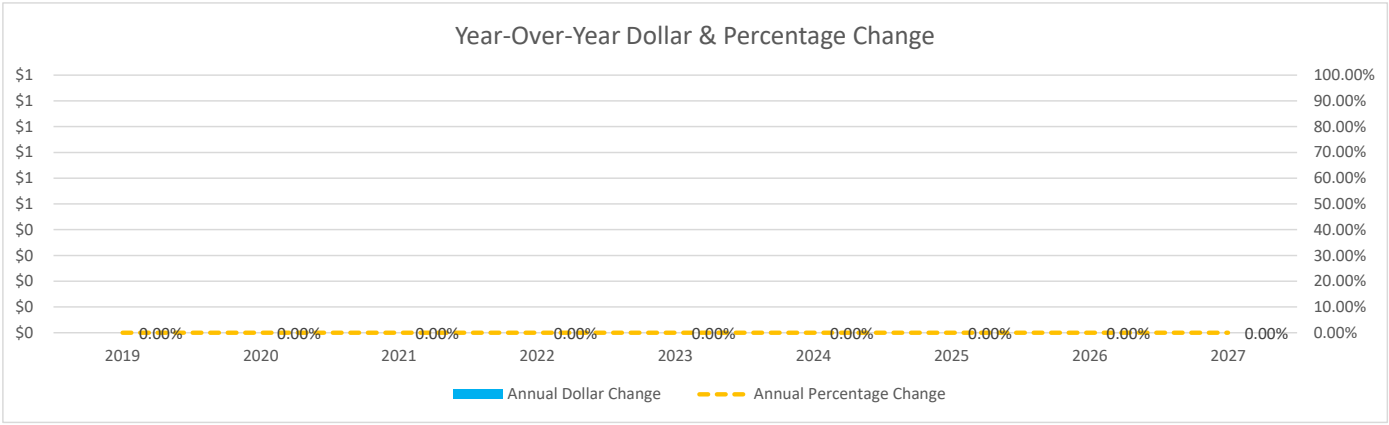
**Projected % trends include renewal levies*

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1.030 - No Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.





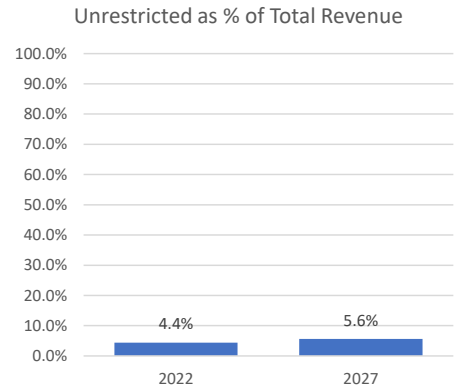
The district does not have an income tax levy.

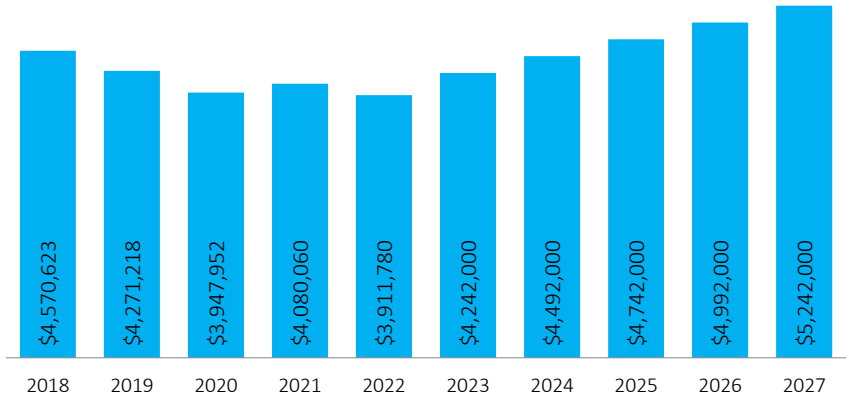
**Projected % trends include renewal levies*

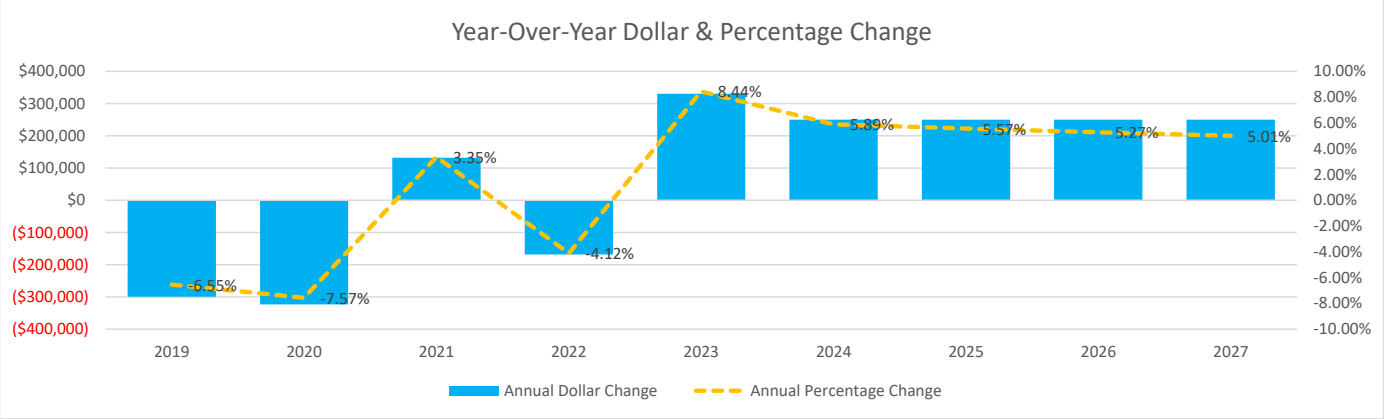
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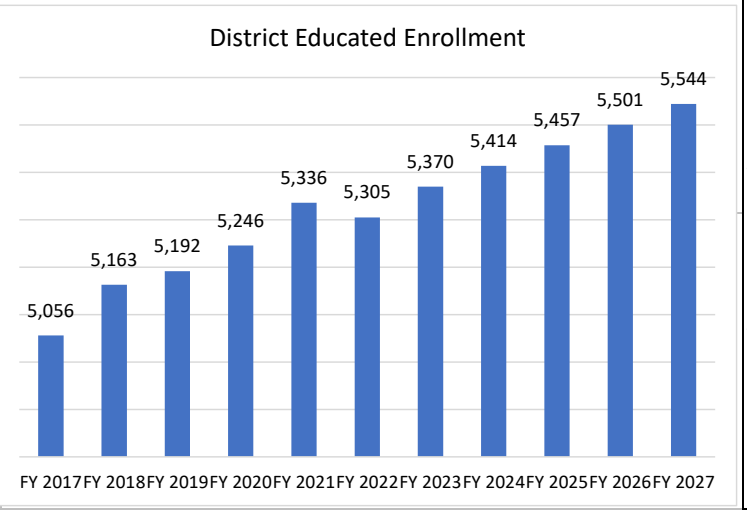
1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.









Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data. Casino revenue ($370K per year) is included in this category.

The funding decrease in FY22 is due in part to a reclassification of revenue from unrestricted to restricted for categorical funding.

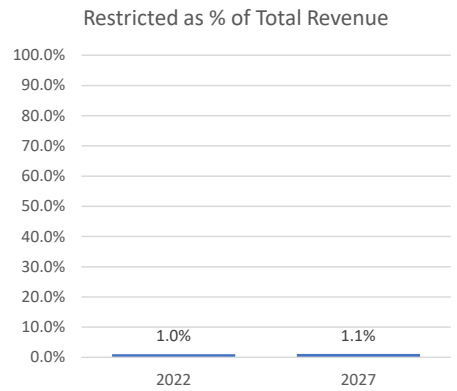
Projected funding increases in fiscal years 2023 to 2027 are due in part to increases in the state's contribution for transportation. The increase is not due to enrollment growth or funding per pupil. We receive approx. $690 per student.

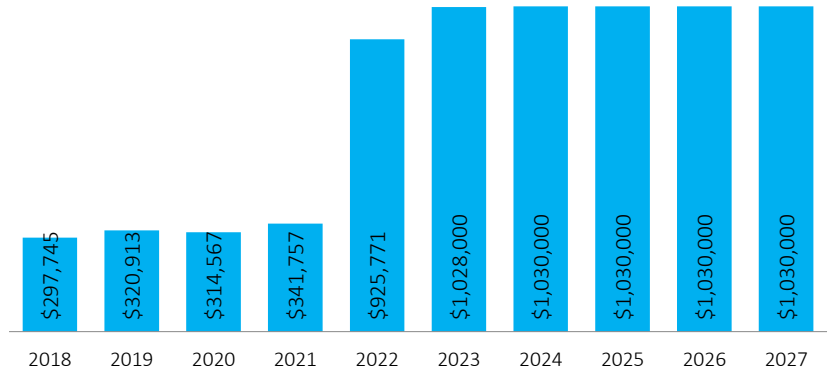
The biennium budget process in underway in the Ohio Legislature. The Governor and House of Representatives have continued the use of the Fair School Funding Plan as the model for public school funding and is anticipated to be adopted by the Senate. It is unlikely that the final funding scenario will have a material effect on the forecast.

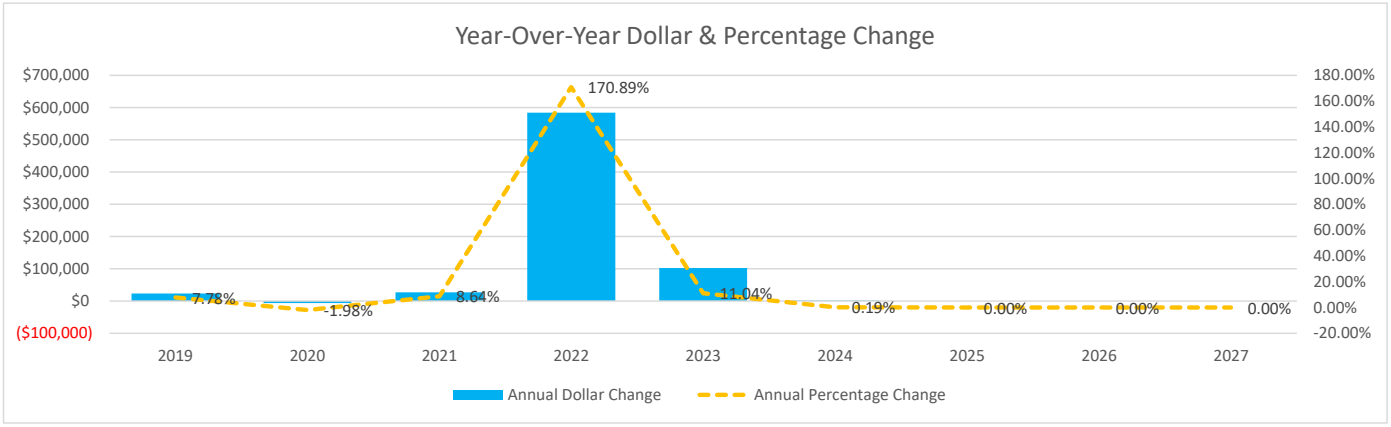
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1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.





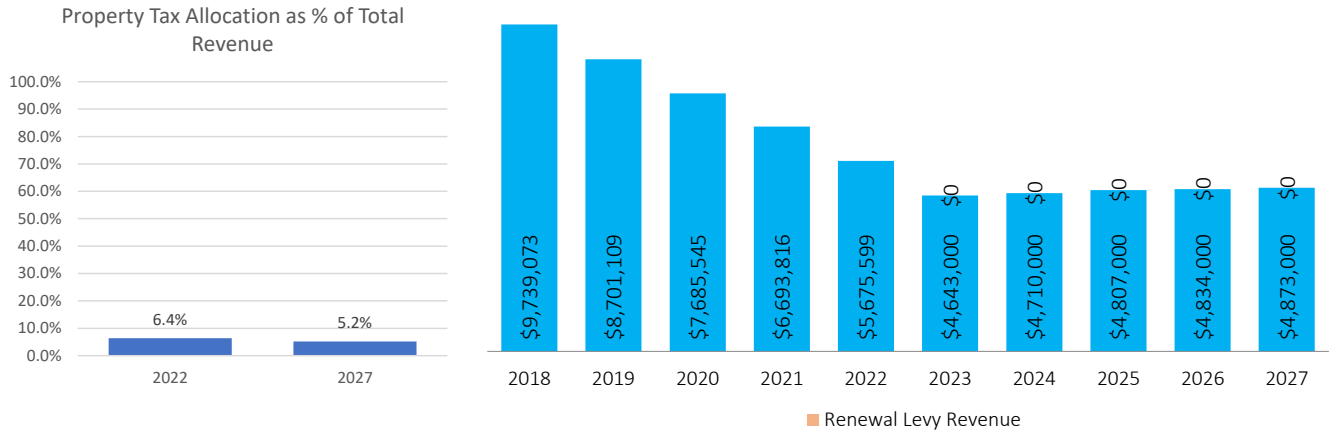


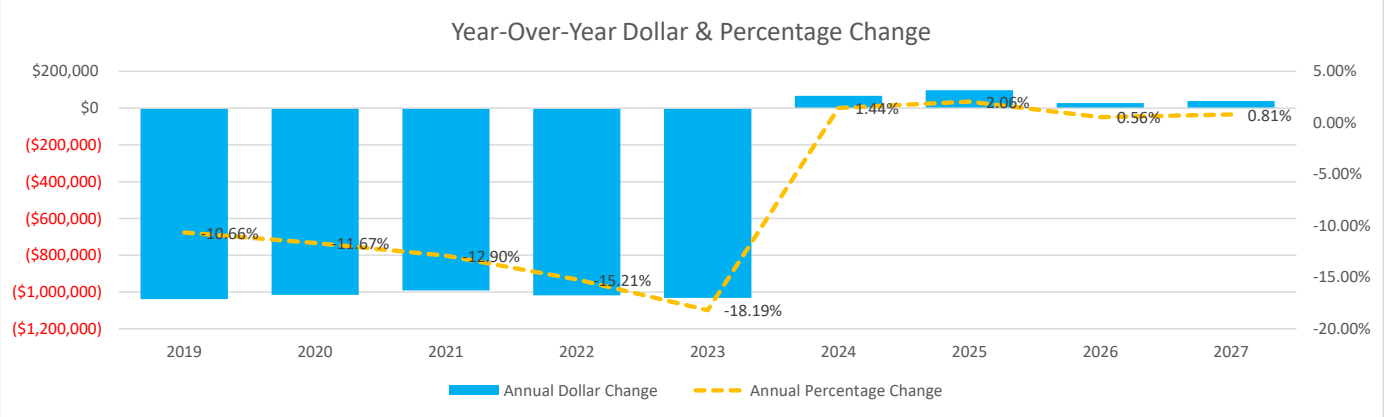
Restricted aid is the portion of state per pupil funding that must be classifed as restricted use. Starting in FY 2022 the district's Success & Wellness, gifted and ELL state funding is considered restricted. Restricted aid also includes funding to reimburse "catastrophic" cost for students with disabilities. The district also applies for reimbursement for Medicaid covered services such as speech therapy. The district anticipates that the changes in this funding category will continue in future years.

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1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.





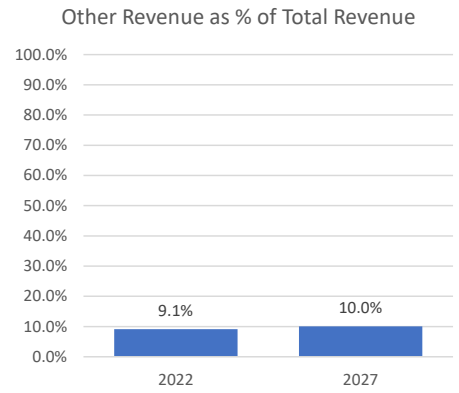
Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the localtaxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. For Sycamore,Tangible Personal Property (TPP) tax reimbursement was included in this category. This revenue source has declined at a rate of approximately $1 million per year as a result of the phase out. Fiscal year 2022 was the final year that the district received this revenue source.

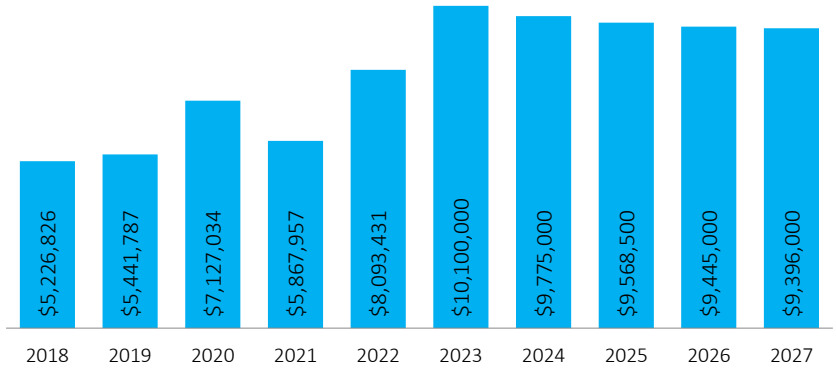
**Projected % trends include renewal levies*

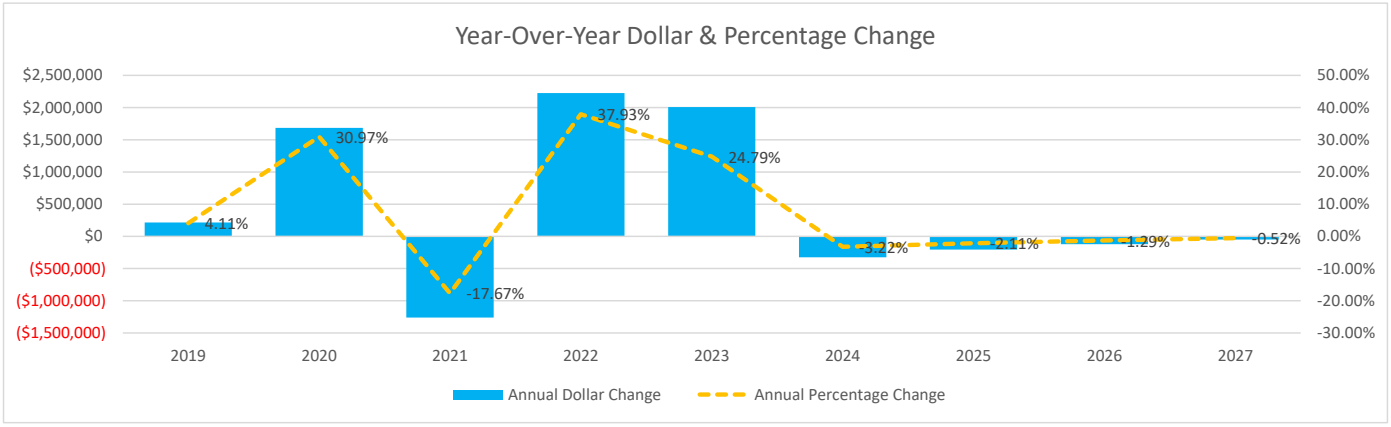
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1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.





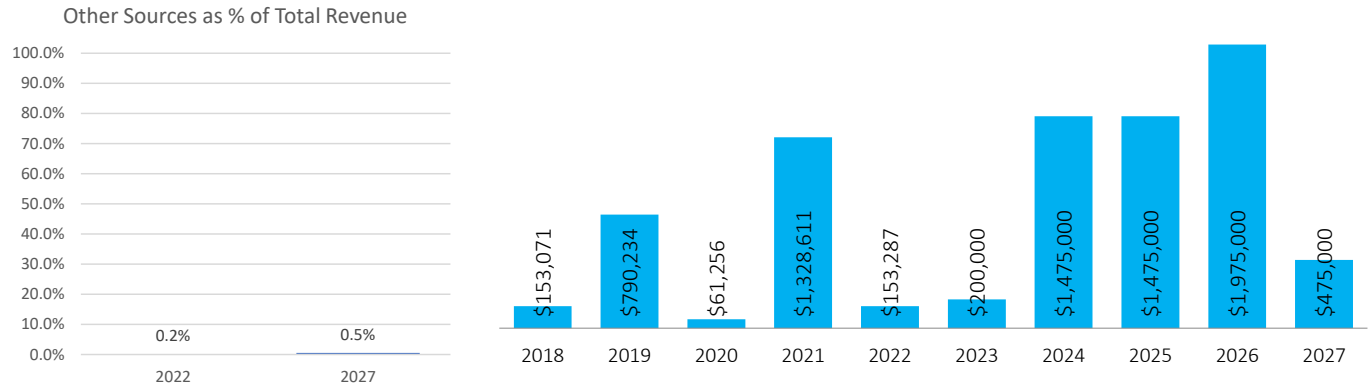


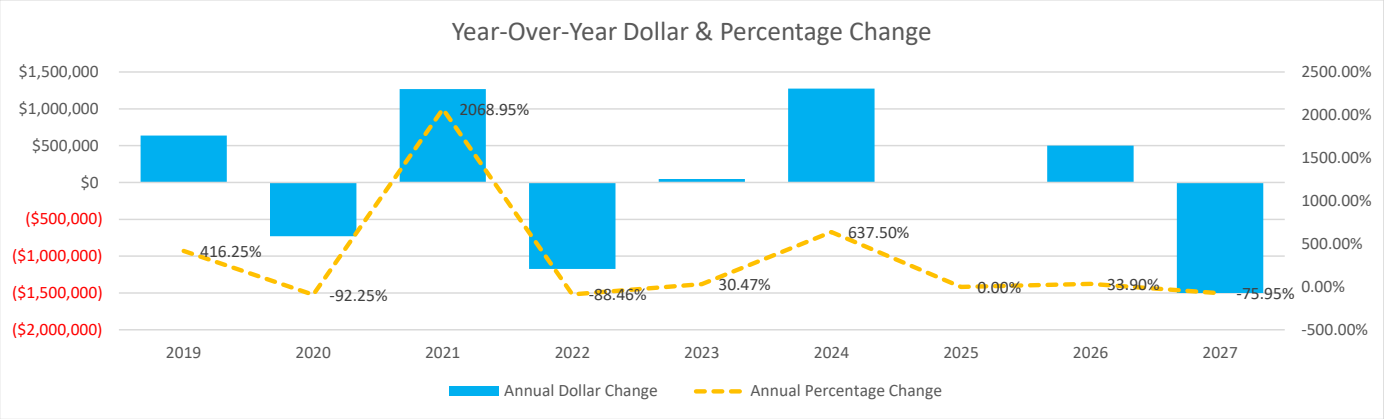
Other revenue includes student fees, tuition, and investment revenue. The primary source of revenue in this category is payment in lieu of property taxes generated from tax increment financing agreements with Blue Ash, Montgomery and Sycamore Township. The district projects additional TIF revenue from the Summit Park and Montgomery Quarter developments. This category increased in part due to changes in the state funding. In prior years, tuition for the Jon Peterson and autism scholarship programs was deducted from state aid. These funds are now paid directly by the State to providers of these programs. In FY23 the district will realize a significant increase in investment revenue due to recent rate hikes by the federal reserve. Income from this source will decline over the forecast period as cash reserves available for investment decline.

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2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.





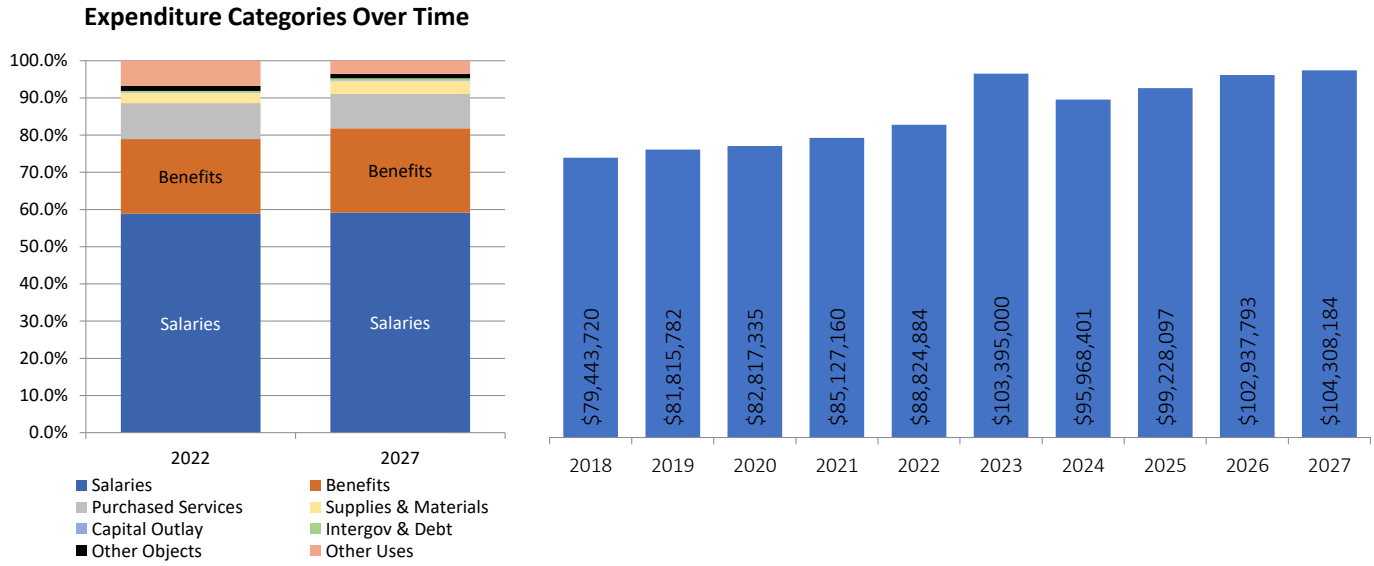
		FORECASTED				
	2022	2023	2024	2025	2026	2027
Transfers In	-	-	-	-	-	-
Advances In	76,930	200,000	1,475,000	1,475,000	1,975,000	475,000
All Other Financing Sources	76,357	-	-	-	-	-

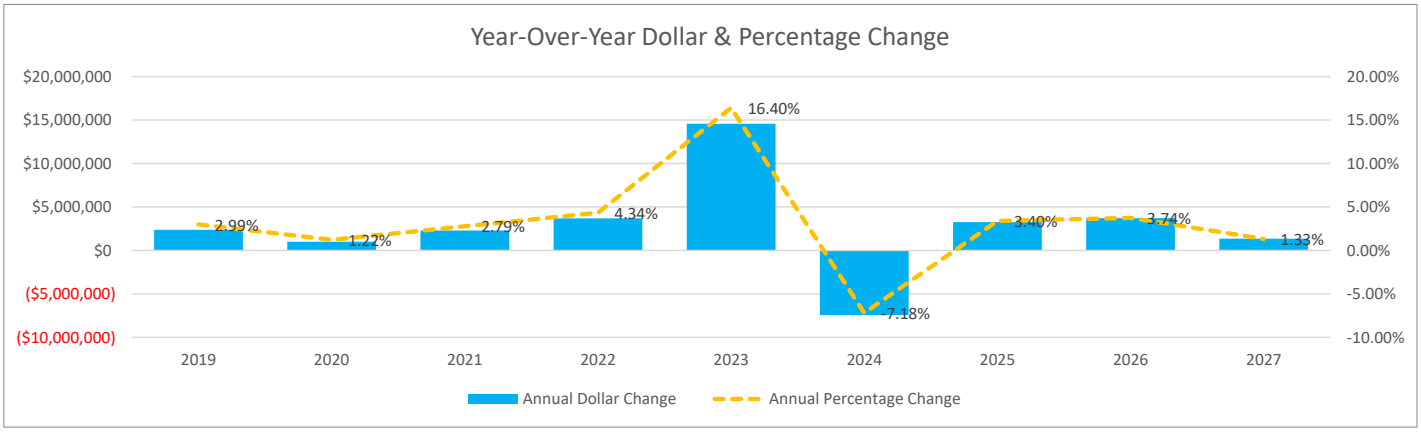
Other sources includes revenue that is generally classified as non-operating. It is typically in the form of advances in which are the repayment of temporary loans from the general fund to other district funds, primarily federal grants. In fiscal year 2021 the district received a dividend of approximately $1 million from the Ohio Bureau of Workers' Compensation as a form of COVID relief.

In fiscal year 2023, the district will temporarily advance approximately $5.1 million to fund construction of the Seger Family Natatorium and the Sycamore High School stadium. The forecast reflects the majority of repayment of those funds as donor pledges are collected.

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Expenditure Categories and Forecast Year-Over-Year Projected Overview

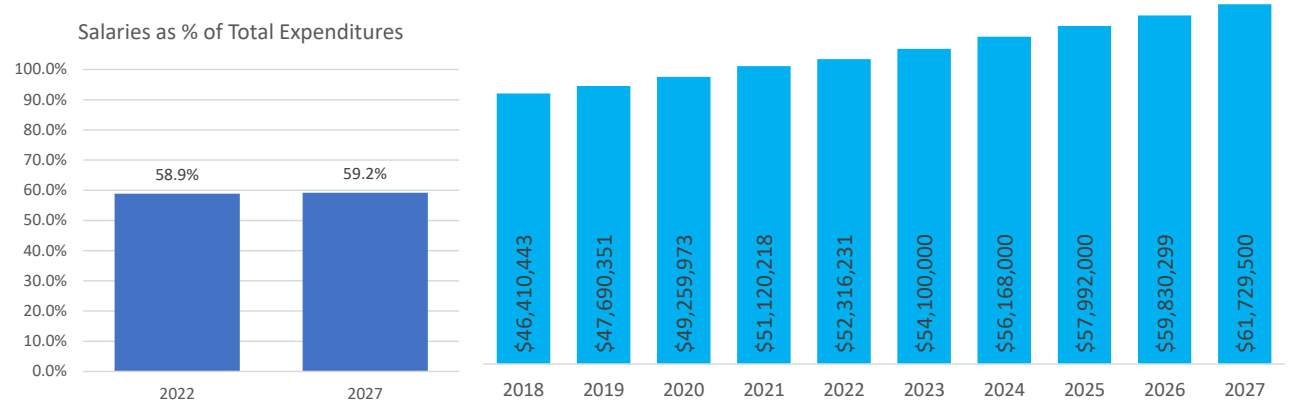


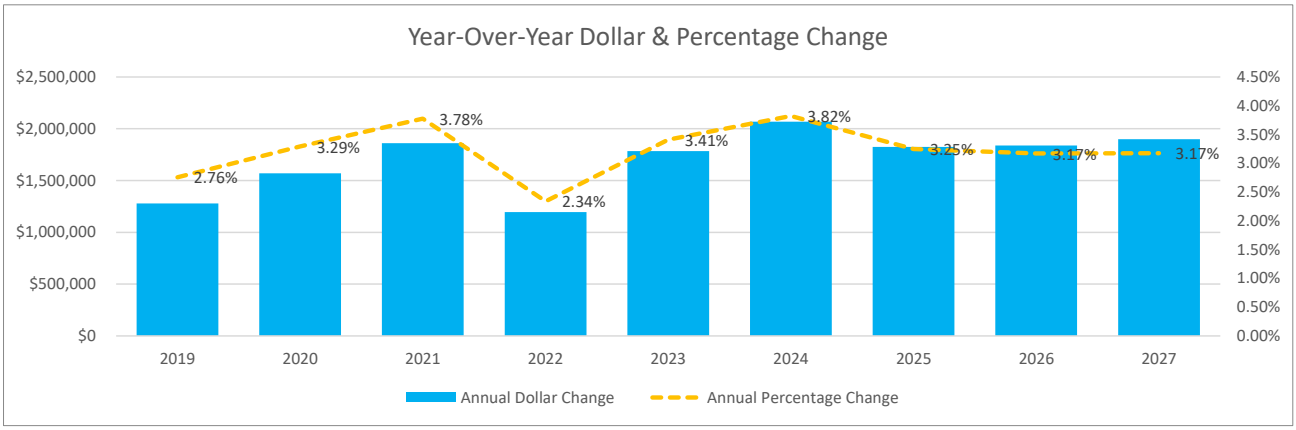


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3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



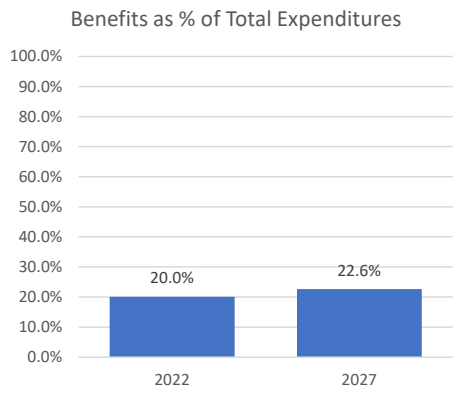


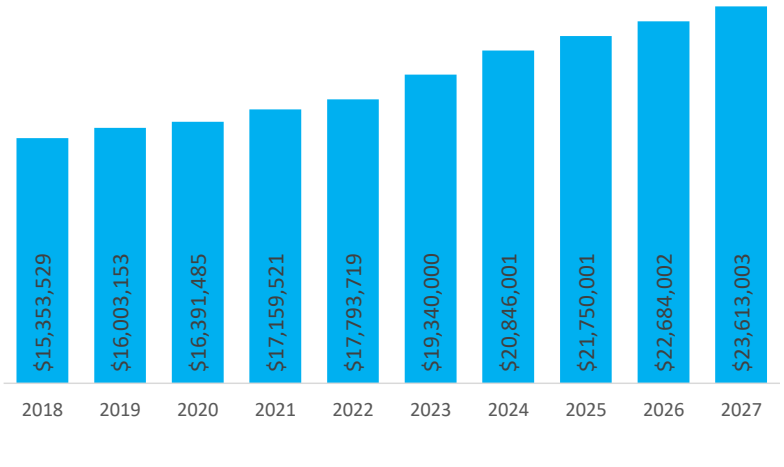
Personal services reflect the implementation of collective bargaining agreements with the SEA and OAPSE as well as increased staffing due to enrollment growth, implementation of the preschool expansion and the district's strategic plan.

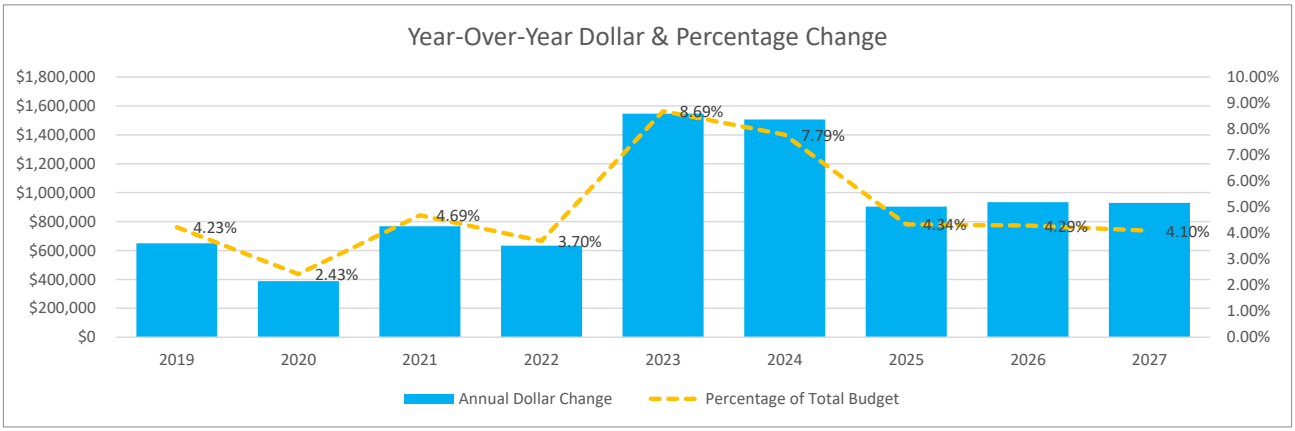
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3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.





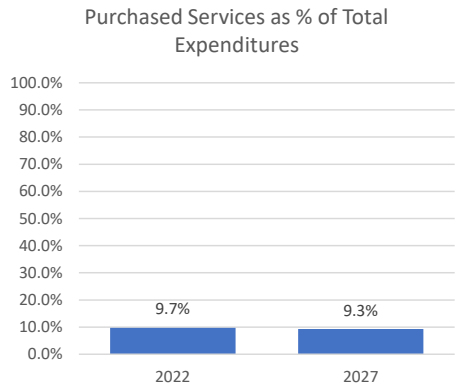


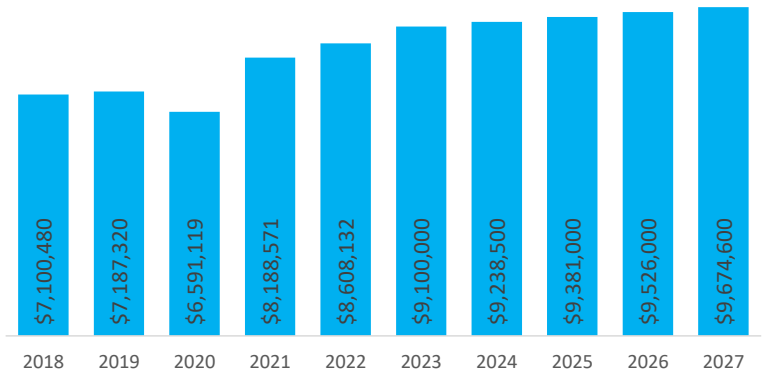
The forecast reflects salary related pension costs. Health insurance premiums increased by 9% in 2022 and 17.9% in 2023. Premium costs are projected to increase 5% per year in 2024-2027.

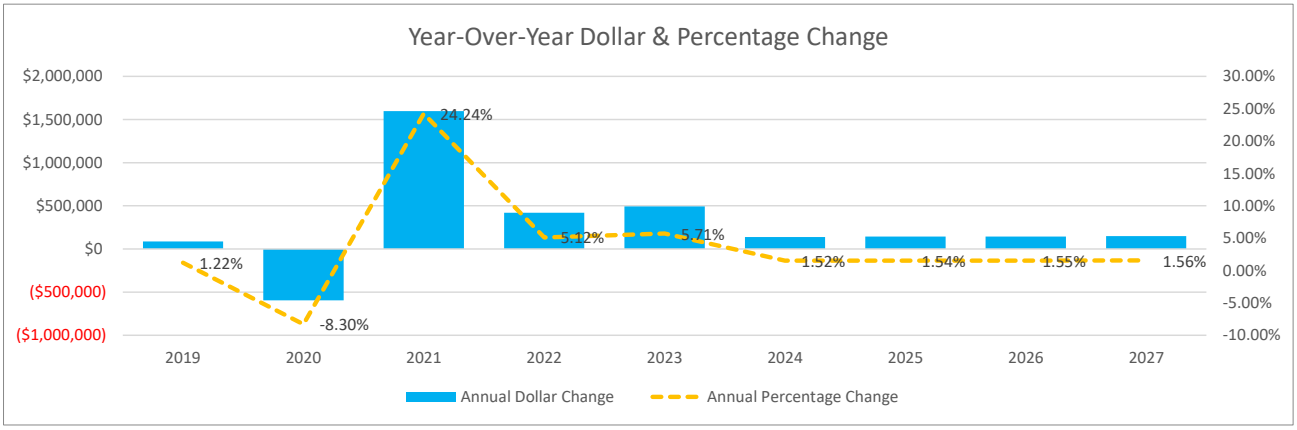
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3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.





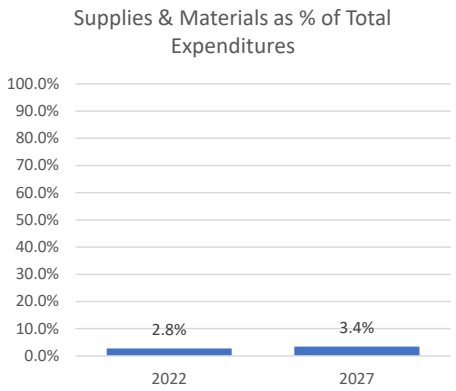


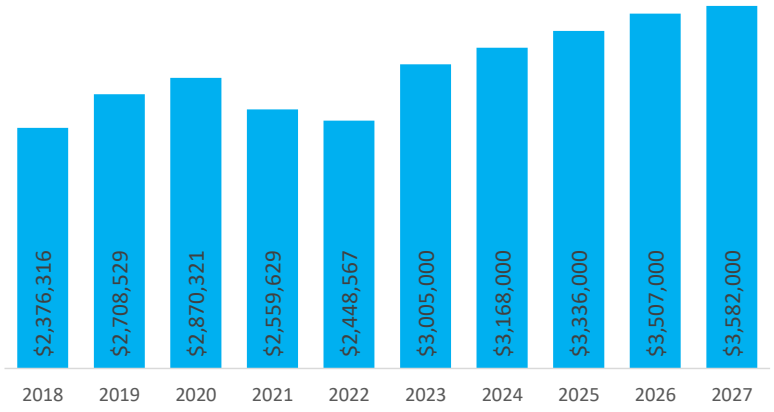
This category includes costs such as facility maintenance, utilities, contracted services and tuition for out of district placements.
Also included is the cost of facility rental, i.e. the Aves Academy facility and the temporary transportation site. The land lease for the new tranportation facility is included.

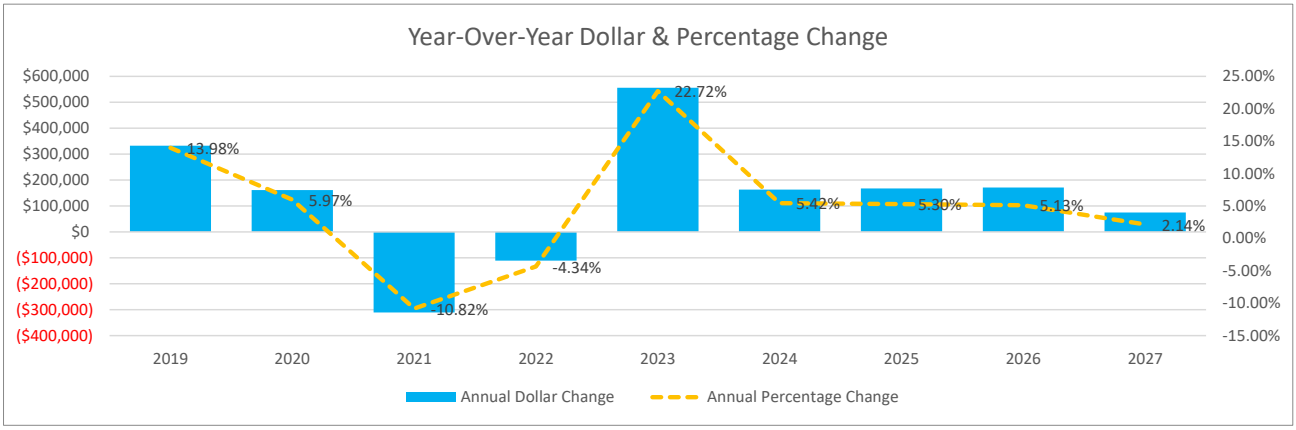
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3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.





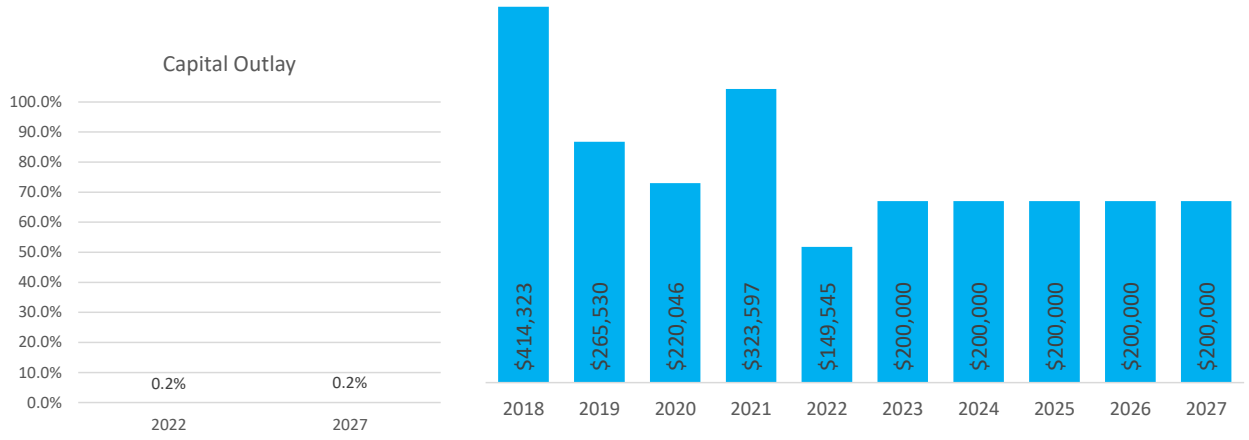


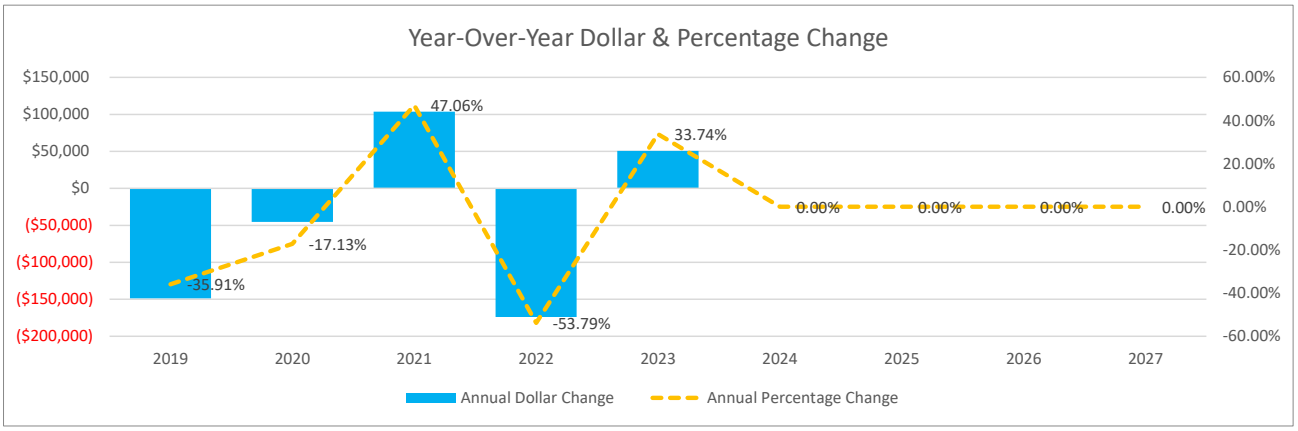
Supply Expenditures include instructional materials such as textbook licenses, software, etc. office and custodial supplies and fuel for buses. The district has experienced significant increases in this category due to the cost of fuel and implementation of new curriculum.

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3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



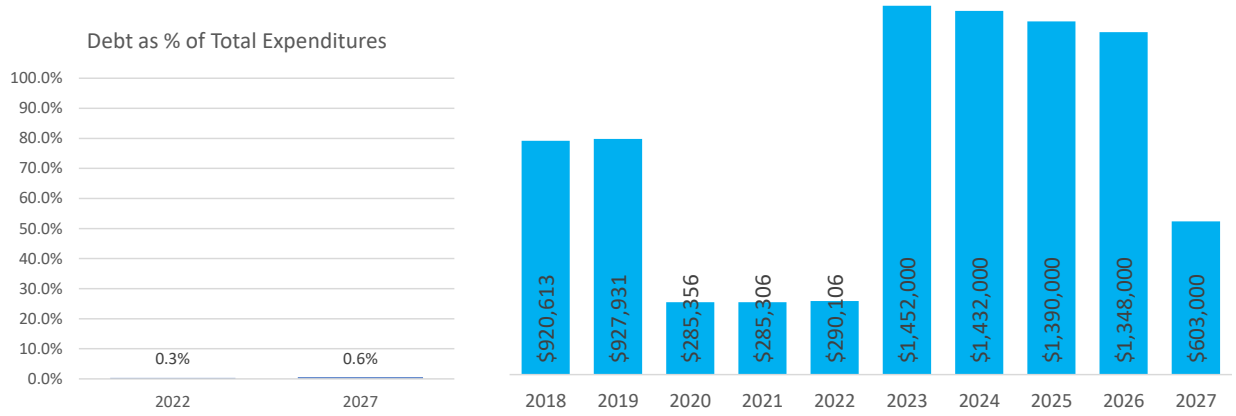


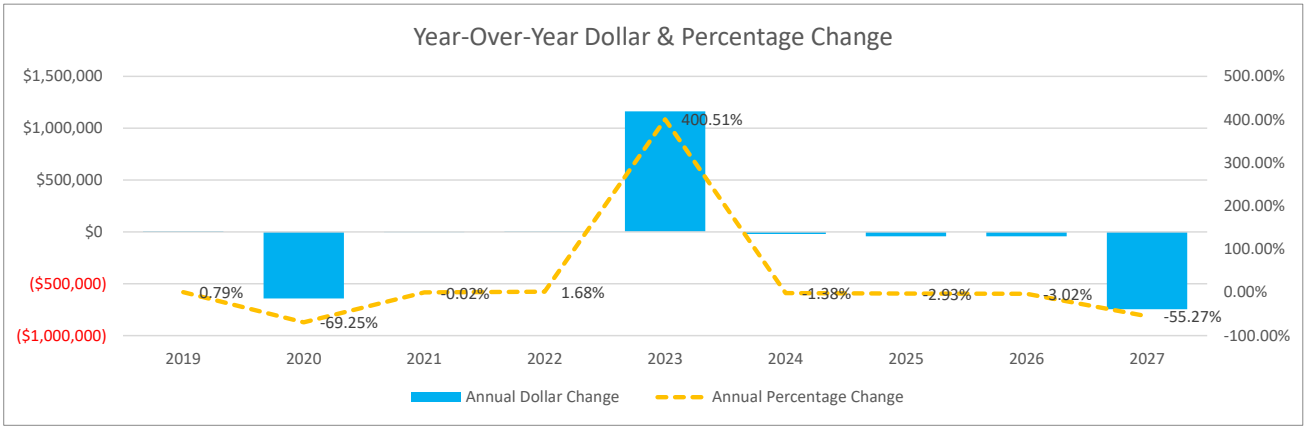
This category accounts for purchases of equipment from building and department budgets.

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3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



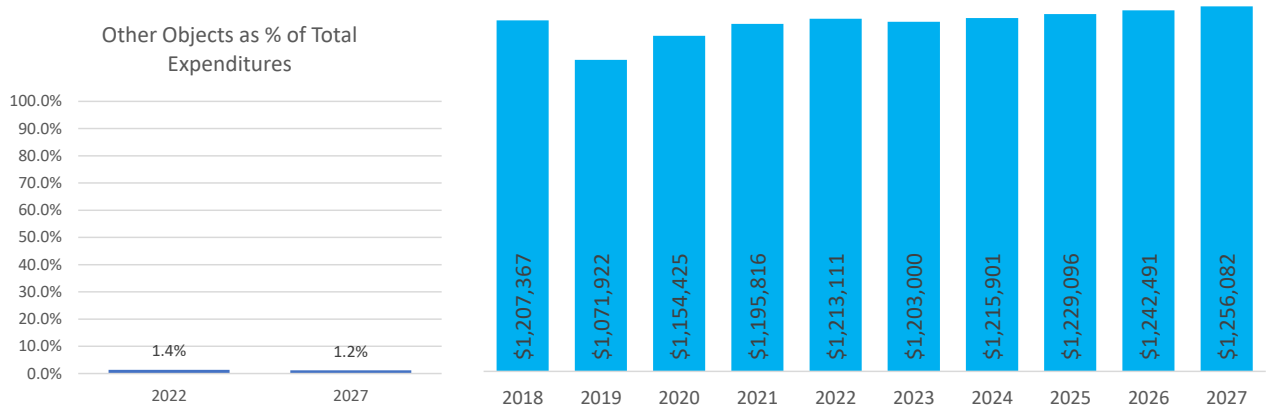


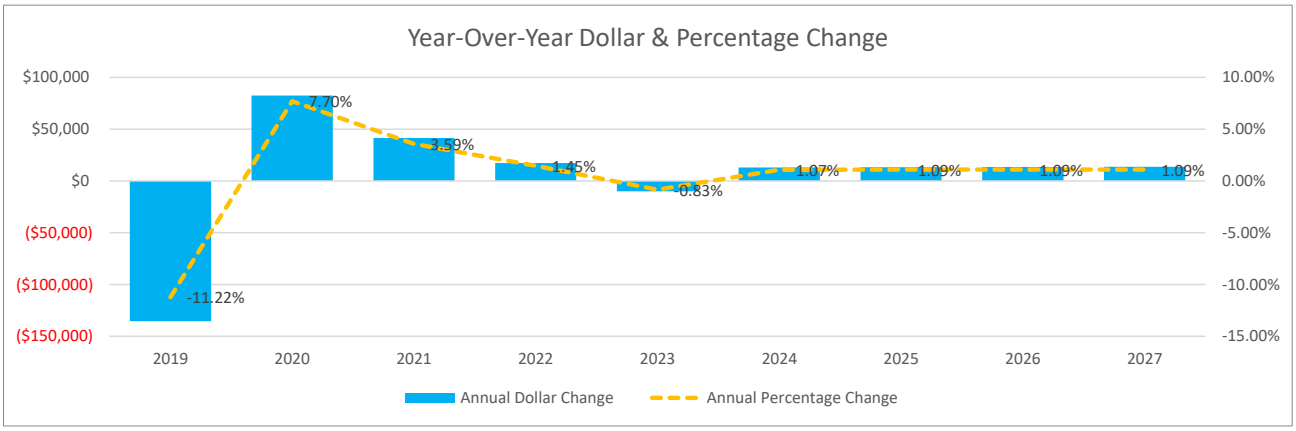
The debt category includes retirement of House Bill 264 energy conservation bonds, as well as certificates of participation for Blue Ash Elementary and the district office. This cost (approximately $1.2 million annually) was included in other financing uses in FY18-FY22 in this forecast tool. Final payment for the 2010 HB 264 bonds and the district office COP's occurs in final year 2026.

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4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



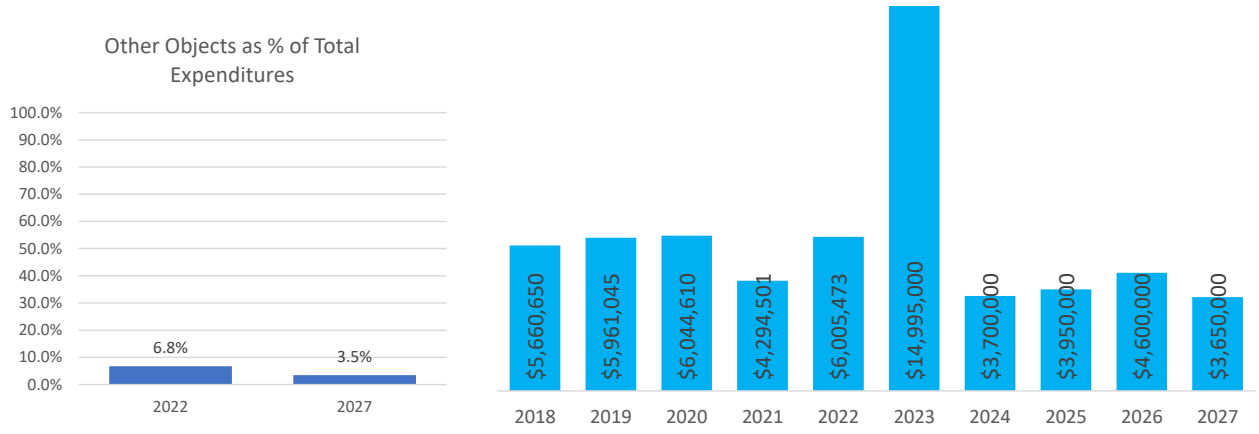


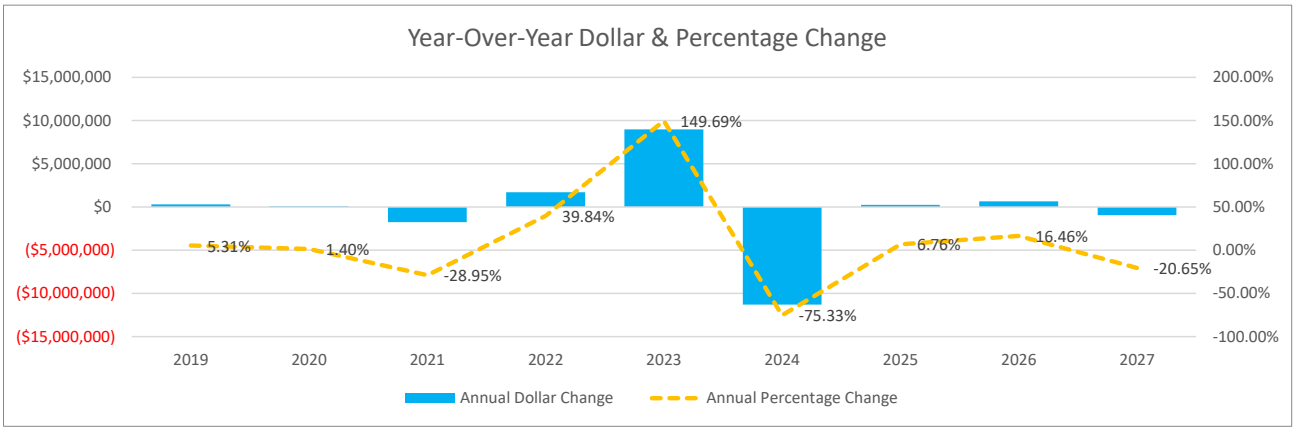
This category includes auditor and treasurer fees paid to Hamilton County, membership fees, liability insurance and fees for the annual district audit.

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5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.





		FORECASTED				
	2022	2023	2024	2025	2026	2027
Transfers Out	5,876,141	9,670,000	3,500,000	3,750,000	4,400,000	3,450,000
Advances Out	129,332	5,325,000	200,000	200,000	200,000	200,000
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. The district can also move general funds permanently to other funds and as the schedule above presents. The table above presents the district's planned advances and transfers for capital improvements as well as funding of the district's transportation facility, the Seger Family Natatorium. The forecast includes the temporary use of the cash reserve through advances in fiscal year 2023 for the stadium and natatorium projects that will be repaid in future years as Advances In.

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Sycamore Community Schools

Five Year Forecast

	Actual	FORECASTED				
Fiscal Year:	2022	2023	2024	2025	2026	2027
Revenue:						
1.010 - General Property Tax (Real Estate)	65,313,551	65,113,000	66,034,000	66,726,000	66,968,000	67,373,000
1.020 - Public Utility Personal Property	4,508,659	4,680,000	4,811,000	4,953,000	5,093,000	5,234,000
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	3,911,780	4,242,000	4,492,000	4,742,000	4,992,000	5,242,000
1.040 - Restricted Grants-in-Aid	925,771	1,028,000	1,030,000	1,030,000	1,030,000	1,030,000
1.050 - Property Tax Allocation	5,675,599	4,643,000	4,710,000	4,807,000	4,834,000	4,873,000
1.060 - All Other Operating Revenues	8,093,431	10,100,000	9,775,000	9,568,500	9,445,000	9,396,000
1.070 - Total Revenue	88,428,792	89,806,000	90,852,000	91,826,500	92,362,000	93,148,000
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	76,930	200,000	1,475,000	1,475,000	1,975,000	475,000
2.060 - All Other Financing Sources	76,357	-	-	-	-	-
2.070 - Total Other Financing Sources	153,287	200,000	1,475,000	1,475,000	1,975,000	475,000
2.080 - Total Rev & Other Sources	88,582,079	90,006,000	92,327,000	93,301,500	94,337,000	93,623,000
Expenditures:						
3.010 - Personnel Services	52,316,231	54,100,000	56,168,000	57,992,000	59,830,299	61,729,500
3.020 - Employee Benefits	17,793,719	19,340,000	20,846,001	21,750,001	22,684,002	23,613,003
3.030 - Purchased Services	8,608,132	9,100,000	9,238,500	9,381,000	9,526,000	9,674,600
3.040 - Supplies and Materials	2,448,567	3,005,000	3,168,000	3,336,000	3,507,000	3,582,000
3.050 - Capital Outlay	149,545	200,000	200,000	200,000	200,000	200,000
Intergovernmental & Debt Service	290,106	1,452,000	1,432,000	1,390,000	1,348,000	603,000
4.300 - Other Objects	1,213,111	1,203,000	1,215,901	1,229,096	1,242,491	1,256,082
4.500 - Total Expenditures	82,819,411	88,400,000	92,268,401	95,278,097	98,337,793	100,658,184
Other Financing Uses						
5.010 - Operating Transfers-Out	5,876,141	9,670,000	3,500,000	3,750,000	4,400,000	3,450,000
5.020 - Advances-Out	129,332	5,325,000	200,000	200,000	200,000	200,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	6,005,473	14,995,000	3,700,000	3,950,000	4,600,000	3,650,000
5.050 - Total Exp and Other Financing Uses	88,824,884	103,395,000	95,968,401	99,228,097	102,937,793	104,308,184
6.010 - Excess of Rev Over/(Under) Exp	(242,805)	(13,389,000)	(3,641,401)	(5,926,597)	(8,600,793)	(10,685,184)
7.010 - Cash Balance July 1 (No Levies)	58,129,053	57,886,248	44,497,249	40,855,847	34,929,251	26,328,457
7.020 - Cash Balance June 30 (No Levies)	57,886,248	44,497,249	40,855,847	34,929,251	26,328,457	15,643,274
		Reservations				
8.010 - Estimated Encumbrances June 30	600,000	600,000	600,000	600,000	600,000	600,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	57,286,248	43,897,249	40,255,847	34,329,251	25,728,457	15,043,274
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	57,286,248	43,897,249	40,255,847	34,329,251	25,728,457	15,043,274
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	57,286,248	43,897,249	40,255,847	34,329,251	25,728,457	15,043,274

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