

# OTSEGO FINANCIAL UPDATE

NEWSLETTER



October 2024

## Big News This Month:

### NEXUS -

Otsego and some surrounding schools have been dealing with NEXUS since 2018. As a quick recap, NEXUS was originally supposed to be providing over a million dollars a year of revenue to the district. As soon as the pipeline was finished, they appealed the appraisal method and reduced the amount they would be paying. This has been litigated for years statewide, with them paying 37% of the initial value during the litigation. Finally, the litigation has been settled for tax years 19, 20, and 21. NEXUS has been invoiced for a little over 300k for back payments they owe for the settled years. In past years we have not forecasted this revenue as it was unknown if and when it would be settled and the amounts we would receive.

## Year Over Year Comparisons of Revenue and Expenses

**\*\*A School's Fiscal Year runs July 1st through June 30th. We are currently in Fiscal Year 25 (FY25)\*\***

|                       | <b>FY24 Total</b>    | <b>FY24 To Date<br/>(July 1st, 2023-End of<br/>September 2023)</b> | <b>FY25 To Date<br/>(July 1st, 2024-End<br/>of September 2024)</b> | <b>Change</b>    |
|-----------------------|----------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|------------------|
| <b>Revenue</b>        | <b>\$18,7941,136</b> | <b>\$6,007,455</b>                                                 | <b>\$6,939,732</b>                                                 | <b>\$932,277</b> |
| <b>Expenses</b>       | <b>\$19,406,126</b>  | <b>\$5,335,687</b>                                                 | <b>\$5,732,278</b>                                                 | <b>\$396,591</b> |
| <b>Excess Revenue</b> | <b>-\$611,990</b>    | <b>\$671,768</b>                                                   | <b>\$1,207,454</b>                                                 | <b>\$535,686</b> |

Comparing the end of September from last year and this year, we have seen an increase in revenue higher than our increase in expenses. In the spring and summer we made many cuts, saving the district about 700k from FY25 expenses.

We are working on our annual fall forecast will be presented at the November Board Meeting. We will be presenting our expected Revenue and Expenses for this year and future years.



(419) 823-4381 ext. 1101



scarroll@otsegoknights.org

## **October Income Tax Payment**

Income Tax - We received our second Income Tax payment this week. Our payment of \$846k is about the same as last year's October payment. This put our Fiscal Year to Date revenue from Income Tax payments at 11.6% higher than last year.

## **Community Engagement**

We have tried to increase our accessibility to the public through community engagement events. I recognize with people's busy schedules, attending these could be challenging, so we have created a Google form to provide an opportunity to ask questions if you are unable to attend a meeting. Please click [here](#) to access the form.

## **Otsego Financial Quick Facts:**

- Otsego has a 1% Income Tax that generates approximately 4 million dollars a year for the district's General Fund.
- Our district covers 102 square miles, one of the largest in the area. To cover this area, our buses drive over 272,000 miles a year for regular routes.
- Considering all expenses for transportation, we have one of the lowest annual costs per rider in the area at \$775 per student for the school year.

## **UPCOMING EVENTS.**

- 11/12 Noon - Community Financial Talk at Grand Rapids Library
- 11/13 Noon - Community Financial Talk at Weston Library
- 11/13 5:30 - Community Financial Talk at Otsego High School Library
- 11/21 6:00 - Board Meeting At Otsego High School Library, Financial Forecast Presentation
- 12/5 5:30 - Community Financial Talk at Otsego High School Library

## **HELPFUL LINKS.**

- [Otsego School Website](#)
- [Otsego's Treasurer Website](#)
- [Community Engagement Calendar](#)
- [Current Board Approved 5 Year Forecast](#)



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[scarroll@otsegoknights.org](mailto:scarroll@otsegoknights.org)