

## **Five Year Forecast**

**November 20<sup>th</sup>, 2023**

**Kyle Kiffer**

## Information for the Forecast

- To engage the Board of Education and the community in long range planning and discussions of financial issues facing the school district.
- To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. 5705.412, commonly known as the "412 certificate".
- To provide a method for the Ohio Department of Education and Workforce (DEW) and Auditor of State to identify school districts with potential financial problems.
- Committed to financial transparency to the Nordonia City School District community.

## Information for the Forecast (cont)

- A financial forecast is somewhat like a painting of the future based upon a snapshot of today.
- The five-year forecast is viewed as a key management tool and should be updated periodically.
- In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, one must review and consider the Notes and Assumptions before drawing conclusions or using the data as a basis for other calculations.
- The five-year forecast encourages district management teams to examine future years' projections and identify when challenges will arise.
- This helps district management to be proactive in meeting those challenges.

## What is a Five Year Forecast?

- Filed with ODE twice a year
- Three years of historical data
- Five years of financial projections
- Summary of key assumptions
- Covers only the General Fund (001)
- Focusing on the present with a vision toward the future (Actual FY22-23, Forecasted FY24-28)

## Contents

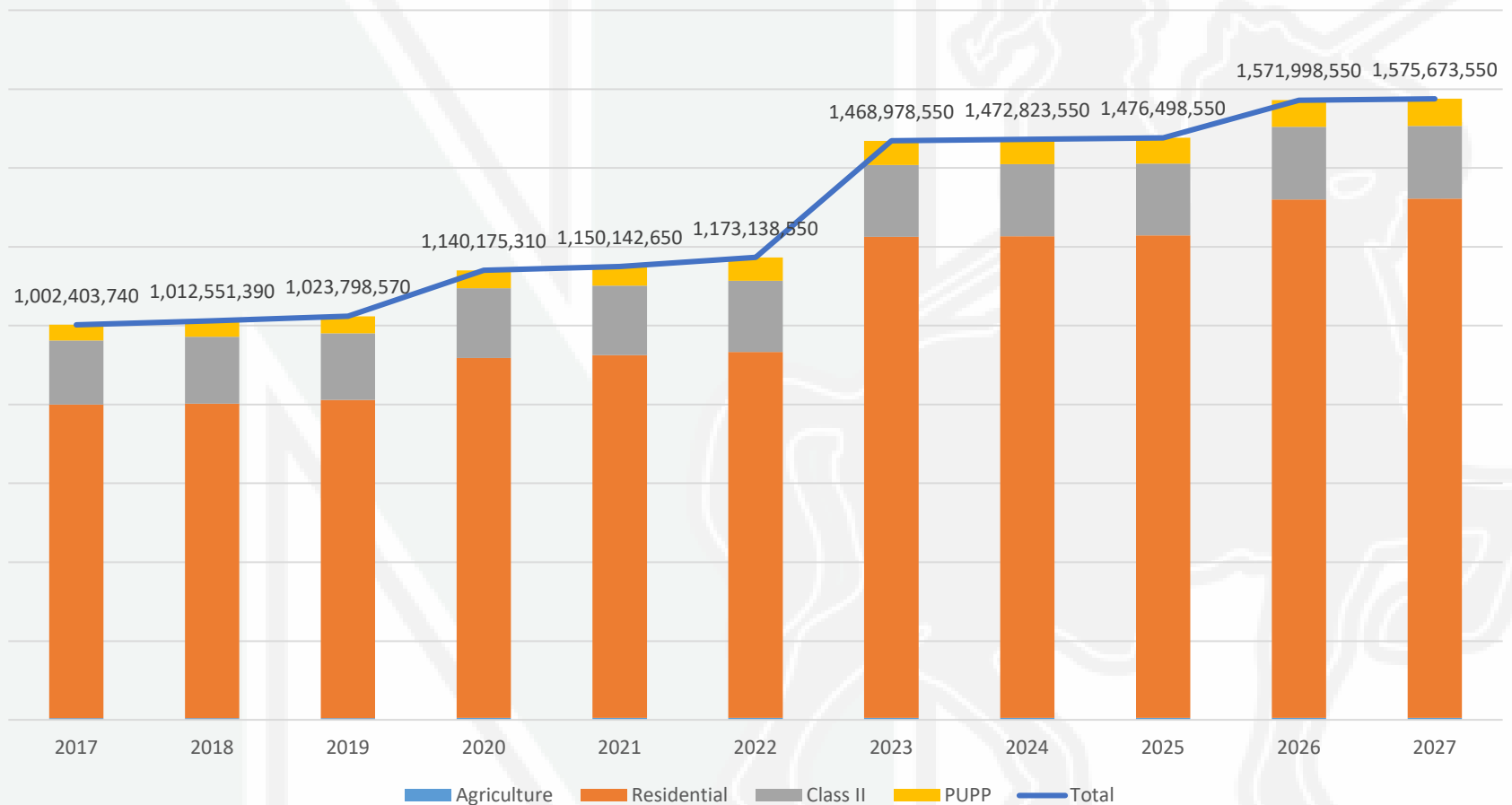
- Summit County Triennial Update
- Property Values
- Pandemic Funding
- Enrollment
- State Funding
- Cash Balance
- The five-year forecast is divided into two sections:
  - Revenue.
    - Revenues consist of property taxes, state foundation, and all other rev.
  - Expenditures
    - The expenditures consist of wages, benefits, purchased services, supplies and capital outlay (equipment)

# NORDONIA HILLS CITY SCHOOL DISTRICT

INSPIRING EVERY STUDENT TO VALUE LEARNING, COMMUNITY AND EXCELLENCE

## Summit County Triennial Update

District's Property Values by Tax Year



# NORDONIA HILLS CITY SCHOOL DISTRICT

INSPIRING EVERY STUDENT TO VALUE LEARNING, COMMUNITY AND EXCELLENCE

## We are not alone....

- Compared to the others, Summit's average value increase was middle-of-the-line.
- Clermont and Belmont counties in southwest Ohio went up 43% and 42%, respectively. Wayne County's values increased 38% while Ashtabula's went up 32%.



Source: Summit County Fiscal Office

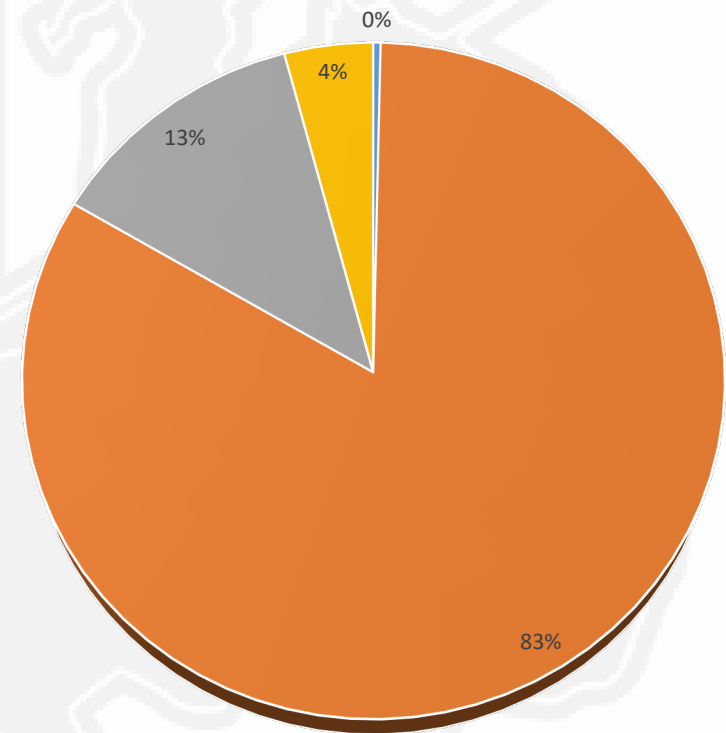
# NORDONIA HILLS CITY SCHOOL DISTRICT

INSPIRING EVERY STUDENT TO VALUE LEARNING, COMMUNITY AND EXCELLENCE

## Property Values – Tax Year 2023

Real Estate Property Values and Tax Rates

Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change
2022	1,113,726,600	12,506,240	35.58	-	40.77	-
2023	1,407,566,600	293,840,000	28.33 (7.26)		40.48 (0.30)	
2024	1,409,411,600	1,845,000	28.33	0.00	40.48 (0.00)	
2025	1,411,086,600	1,675,000	28.33	0.00	40.48 (0.00)	
2026	1,504,586,600	93,500,000	26.74 (1.59)		40.19 (0.29)	
2027	1,506,261,600	1,675,000	26.74	0.00	40.19 (0.00)	



■ Agriculture

■ Residential

■ Class II

■ PUPP

- Inside millage for Nordonia Hills is 4.97
- House Bill 920 Factor
  - See Tax Year 2022 to Tax Year 2023



## Enrollment

- Enrollment (ADM) count is a statistic that EMIS tabulates and communicates with the Treasurer (K-12).
- HB110 in FY22 District ADM is included in the *Base Cost* report.
- From the October #2 of FY2024 State Foundation Payment, the District is reporting the following K-12 enrollment for FY23 along with three prior fiscal years.
- This is a trend throughout Northeast Ohio and most public schools throughout Ohio.

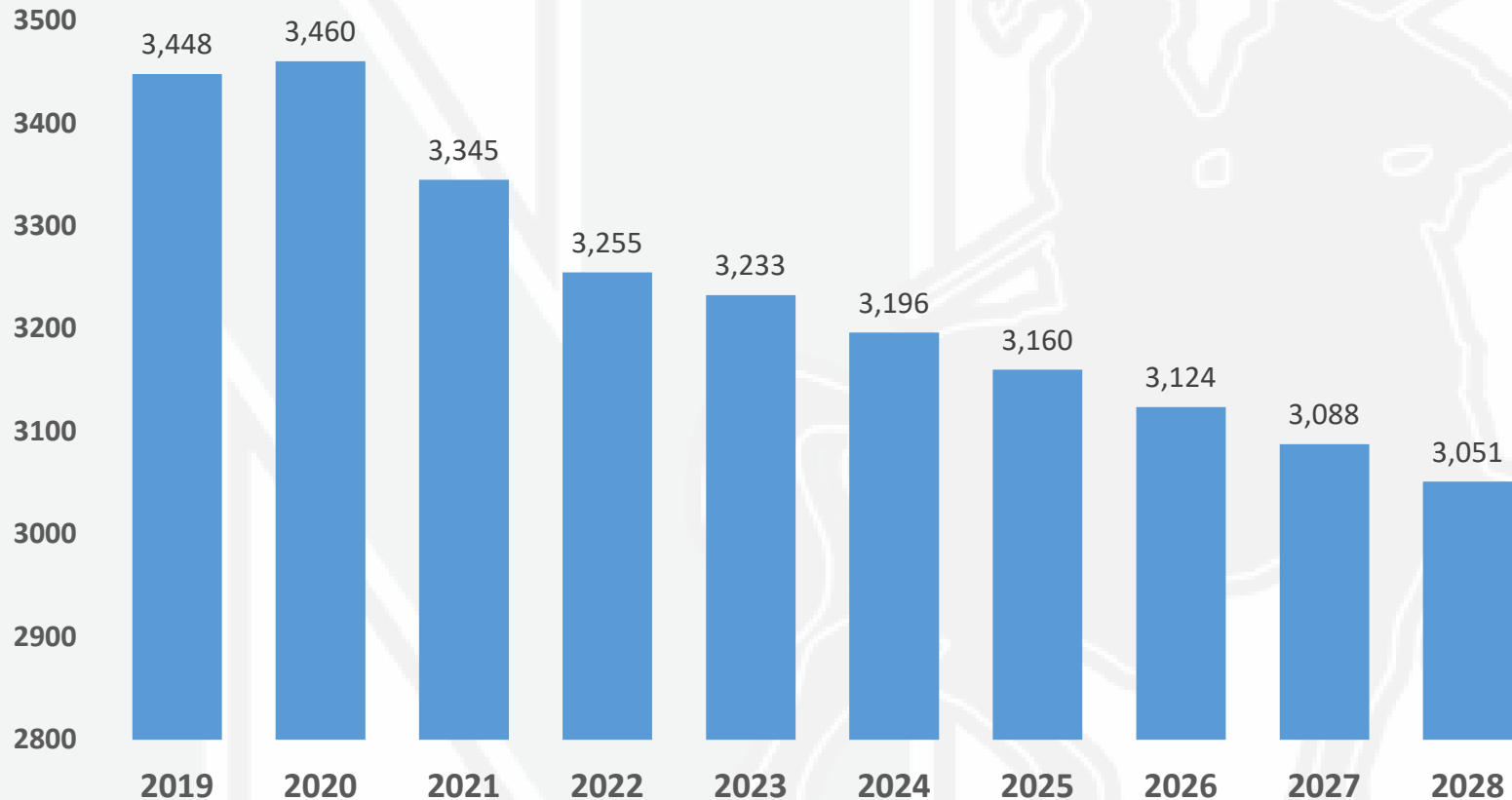


# NORDONIA HILLS CITY SCHOOL DISTRICT

INSPIRING EVERY STUDENT TO VALUE LEARNING, COMMUNITY AND EXCELLENCE

## Enrollment (projected)

District Educated Enrollment



# NORDONIA HILLS CITY SCHOOL DISTRICT

INSPIRING EVERY STUDENT TO VALUE LEARNING, COMMUNITY AND EXCELLENCE


## Local Capacity

Name: Nordonia Hills City


County: Summit

IRN: 050047

### Property Valuation Information

V1	Capacity Amount Assessed Valuation [lesser of V2 and $((V2+V3+V4)/3)$ ]			\$1,154,485,503
V2	TY22 Assessed Valuation			
V3	TY21 Assessed Valuation			
V4	TY20 Assessed Valuation			
			\$1,173,138,550 \$1,150,142,650 \$1,140,175,310	




### Income Information

I1	Capacity Amount Federal Adjusted Gross Income [lesser of I2 and $((I2+I3+I4)/3)$ ]			\$1,404,584,965
I2	TY21 Federal Adjusted Gross Income			
I3	TY20 Federal Adjusted Gross Income			
I4	TY19 Federal Adjusted Gross Income			
I5	TY21 Federal Median Income			
I6	TY21 Number of State Tax Returns			
I7	TY21 Statewide Federal Median Income			
			\$1,491,049,114 \$1,362,824,053 \$1,359,881,728 \$60,492.00 17,772 \$45,460.50	

### ADM Data

A1	Base Cost Enrolled ADM		3 277.49
----	------------------------	---	----------

### Detailed Calculation

C1	Assessed Valuation Per-Pupil $[V1/A1]$			\$352,246.84
C2	Gross Income Per-Pupil $[I1/A1]$			\$428,555.07
C3	Median Income Per-Pupil $[(I5*I6)/A1]$			\$328,014.37
C4	Ratio of TY21 District Federal Median Income to State $[I5/I7]$			1.33064968
C5	Ratio Calculated in C4 for the 40th Highest District			1.53454098
C6	Local Capacity Percentage [if $C4 \geq C5$ then 0.025] [if $C4 > 1$ but $C4 < C5$ then $((C4-1)*0.0025)/(C5-1)+0.0225]$ [if $C4 \leq 1$ then $C4*0.0225]$			2.404642%
C7	Local Capacity Per-Pupil Amount $[(C1*0.6)+(C2*0.2)+(C3*0.2))*C6]$	  		\$8,720.72

## State Foundation Funding Guarantee Analysis

- FY 2020 Base Transitional Aid Guarantee - \$ 138,220
- Calculated Formula Phased In - \$ 1,376,456
- State Base Cost Per Pupil Funding - \$ 812
- Hypethical Calculation – Additional students needed to receive \$ 1.00 more in Base cost State Funding
  - 170 students – FY24
  - 254 students – FY25
- Approximate State Funding Total Per pupil - Approximately \$ 1,450 per student
  - Includes Base Cost, Special Education, Gifted, Transportation, etc)

# NORDONIA HILLS CITY SCHOOL DISTRICT

INSPIRING EVERY STUDENT TO VALUE LEARNING, COMMUNITY AND EXCELLENCE

## Pandemic Funding

\*Assistance from the Federal and State Government\*

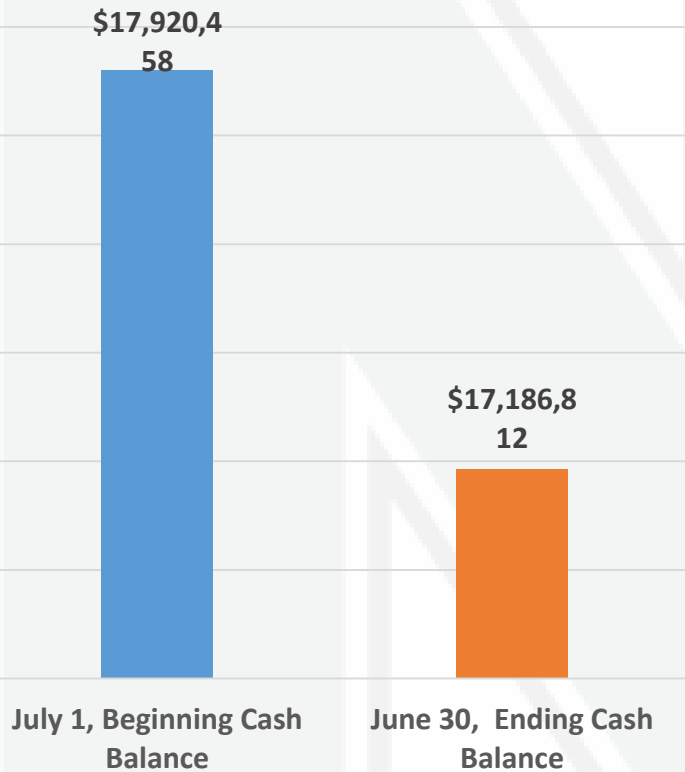
Type	Amount
Coronavirus Relief Fund (CRF)	\$ 191,462.42
ESSER State Activity	\$ 194,1910.22
ESSER I – Cares Act	\$ 252,098.00
ESSER II – Cares Act	\$ 990,787.01
ARP ESSER	\$ 2,226,747.37
ARP IDEA-B	195,567.66
Federal Pandemic Totals	\$ 4,050,792.68

- Pandemic dollars have been fully expended at 6/30/2023

# NORDONIA HILLS CITY SCHOOL DISTRICT

INSPIRING EVERY STUDENT TO VALUE LEARNING, COMMUNITY AND EXCELLENCE

## Cash Balance



**Projected General Fund Revenue**

**\$58,099,293**

**Projected General Fund Expenditures**

**\$58,832,939**

**Projected Loss For The Year Is**

**-\$733,646**

**Three Year Financial Outlook:**

By FY26 the District is expected  
a trend toward a cash balance of

**\$ 8,487,248**

**Three Year Financial Outlook:**

By FY28 the District is expected  
a trend toward a cash balance of

**- \$ 9,422,972**

# NORDONIA HILLS CITY SCHOOL DISTRICT

INSPIRING EVERY STUDENT TO VALUE LEARNING, COMMUNITY AND EXCELLENCE

## 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	17,920,463	17,186,817	14,197,832	8,487,248	1,041,798
+ Revenue	58,099,293	57,977,680	56,213,586	56,260,455	56,534,163
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(58,832,939)	(60,966,665)	(61,924,169)	(63,705,905)	(65,957,135)
= Revenue Surplus or Deficit	(733,646)	(2,988,985)	(5,710,583)	(7,445,451)	(9,422,972)
Line 7.020 Ending Balance with renewal/new levies	17,186,817	14,197,832	8,487,248	1,041,798	(8,381,174)

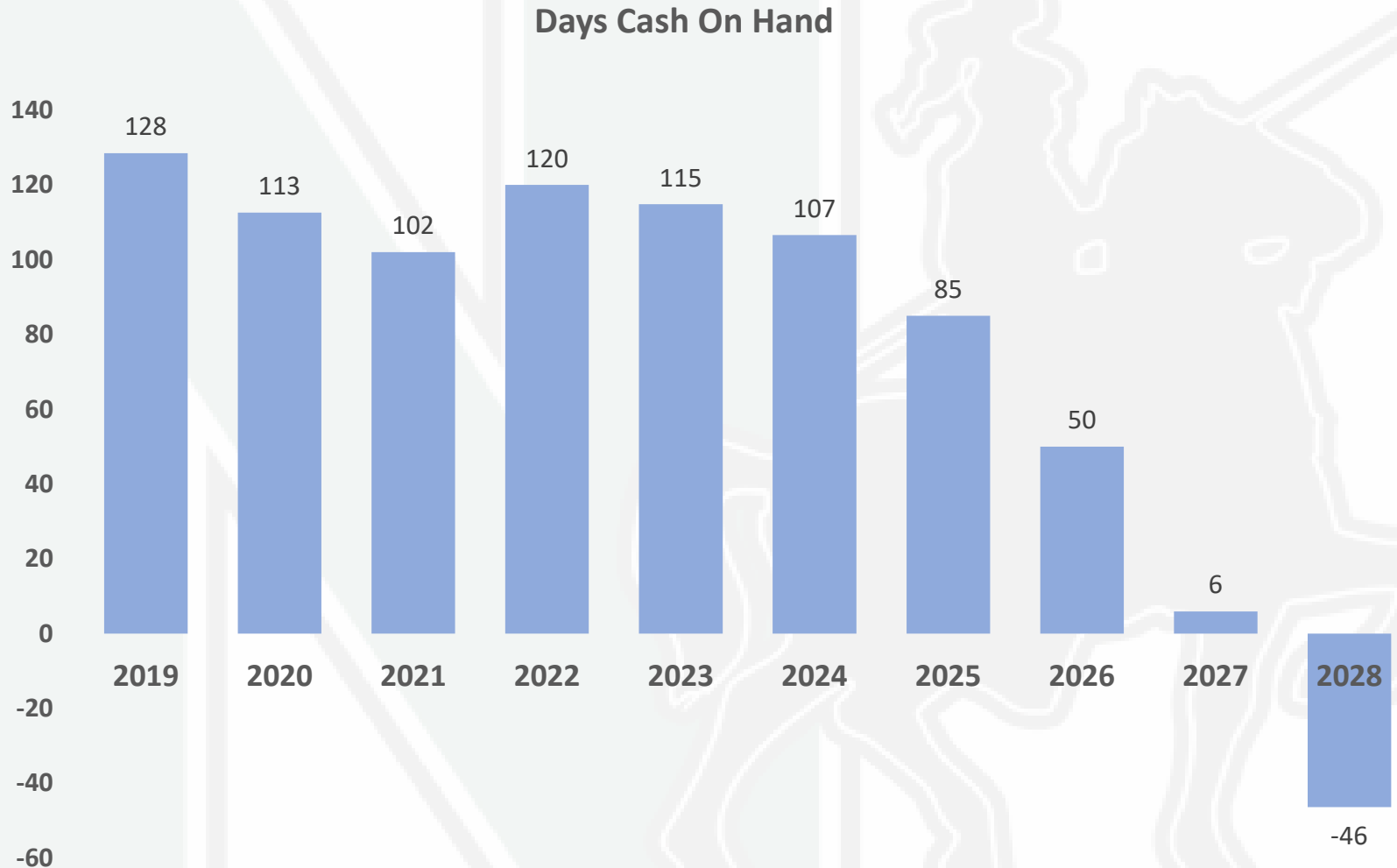
### Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(733,646)	(2,988,985)	(5,710,583)	(7,445,451)	(9,422,972)
Ending Balance w/o Levies	17,186,817	14,197,832	8,487,248	1,041,798	(8,381,174)

# NORDONIA HILLS CITY SCHOOL DISTRICT

INSPIRING EVERY STUDENT TO VALUE LEARNING, COMMUNITY AND EXCELLENCE

## Calendar Days Cash on Hand – Forecast Analysis



Note: Calculated on 365 Day Calendar Year

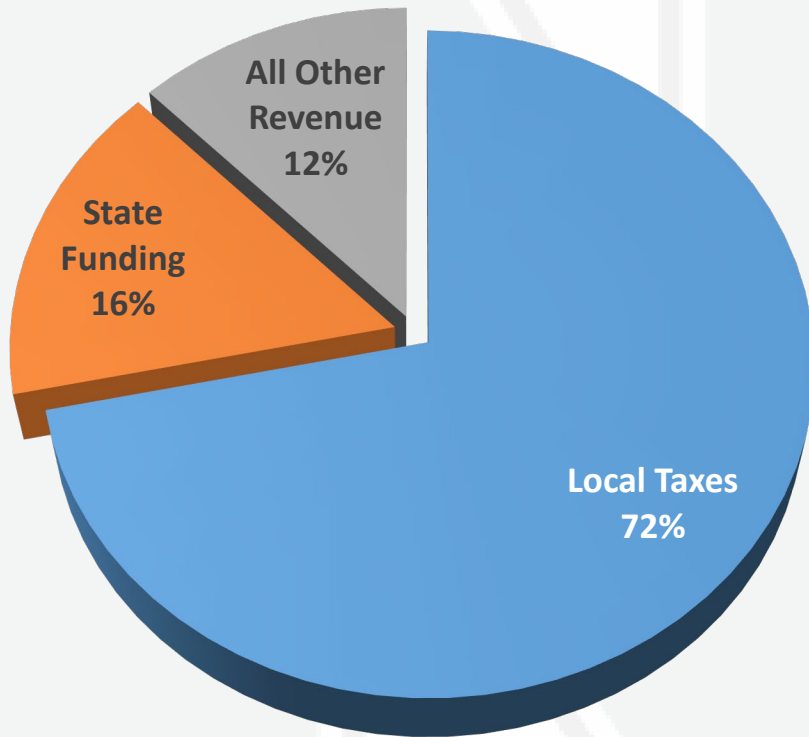


A large, light gray stylized letter 'N' serves as a background element. Overlaid on the right side of the 'N' is a silhouette of a knight in armor riding a horse and holding a lance. The knight is facing right, and the horse is in a galloping or trotting pose.

## General Revenues & Assumptions

## Where does the Money come from?

### FY24 Projected Revenue – Forecast Analysis



#### Projected Local Taxes **\$41,701,201**

Real Estate Property Taxes	\$37,334,625
Public Utility Property Taxes	\$4,366,576

#### Projected State Funding **\$9,203,755**

Fair School Funding Plan	\$4,727,388
Restricted State Funding	\$350,303
State Share of Local Taxes	\$4,126,064

#### Projected All Other Revenue **\$7,194,337**

Other Operating Revenue	\$7,153,337
Other Sources	\$41,000

## Revenue Assumptions

### 1.010 - General Property Tax (Real Estate)

- Approx 65.4% - Real estate property tax revenue accounts Class I or residential/agricultural taxes make up approximately 79.46% of the real estate state property tax revenue.
- The Class I tax rate is 28.33 mills in tax year 2023.

### 1.020 – Public Utility Personal Property

- Approx 7%
- The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 6.83% of total district revenue.

### State Foundation Aid – approx 16%

- 1.035 - Unrestricted Grants-In
- 1.040 & 1.045 - Restricted Grants-in-Aid
- 1.050 – State Share of Local Property Taxes
- The state reduces a local qualifying taxpayer bill with a 10% rollback credit and 2.5% owner occupied credit.

### 1.060 –All Other Operating – 12.2%

- Various agreements (payment in lieu), tuition, miscellaneous rev
- Will decrease over time

A large, light gray stylized letter 'N' serves as a background. Overlaid on the right side of the 'N' is a silhouette of a knight in armor riding a horse and holding a lance. The knight is facing right.

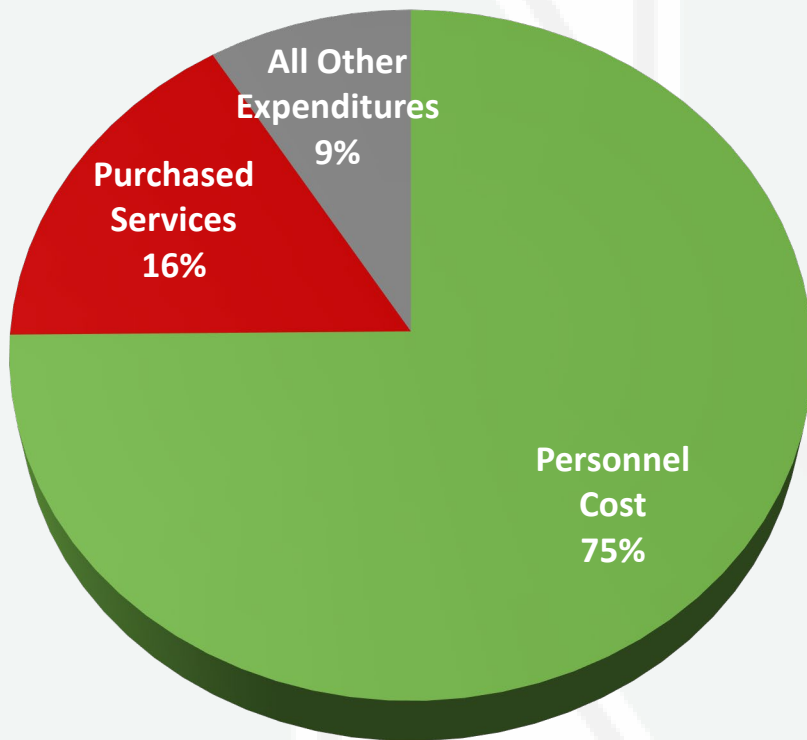
## General Expenditures & Assumptions

# NORDONIA HILLS CITY SCHOOL DISTRICT

INSPIRING EVERY STUDENT TO VALUE LEARNING, COMMUNITY AND EXCELLENCE

## Where does the Money go?

### FY24 Projected Expenditures – Forecast Analysis



**Projected Personnel Costs** **\$44,035,315**  
Salaries \$31,120,969  
Benefits \$12,914,346

**Projected Purchased Services** **\$9,627,805**

**Projected All Other Expenditures** **\$5,169,819**  
Supplies, Capital, Debt, Other Operating \$3,669,819  
Advances, Transfer, Other Uses \$1,500,000

## Expenditure Assumptions

- 3.010 – Salaries/Wages – 53.91%
  - This category of expenditure is projected to grow at an annual average rate of 2.48% or through FY 2028.
  - FY23 – Personnel savings due to retirement (severances paid out)
  - FY23 – ESSER additions to Fund 001
- 3.020 – Employee Benefits 21.5%
  - Increased at a historical average annual rate of 6.78%. Going forward, forecasting 9%+ through FY28.
  - This forecast does account for one premium holiday each fiscal year (28 years of data).
- 3.030 – Purchased Services - 16.1%
  - Personal services for team members who are not on the payroll of the school district.
  - Transportation contracts
  - Utility costs
  - SRO amounts
  - Tuition payments
  - Legal services
  - Projected to grow annually at 3.43% through FY2028
- 3.040 – Supplies and Material – 3.5%
  - Projected to grow at an annual average rate of 2.95% through FY 2028.

## Expenditure Assumptions

- \*3.050 Capital Outlay \*
  - 1% of total expenditures
  - Expected to grow, but uncertain.
- 4.300 Other Objects – 2%
  - ESC Contract deductions, county auditor fees, annual audits, etc.
- \*5.040 – Total Other Financing uses \*
  - Operating Transfers-Out, advances to other funds

## Comparison Analysis

\*Through one Settlement Agreement\*

REV - 1.060 –All Other Operating remaining

- FY24 - \$ 2,465,575
- FY25 - \$ 2,465,575
- FY26 - \$ 465,575

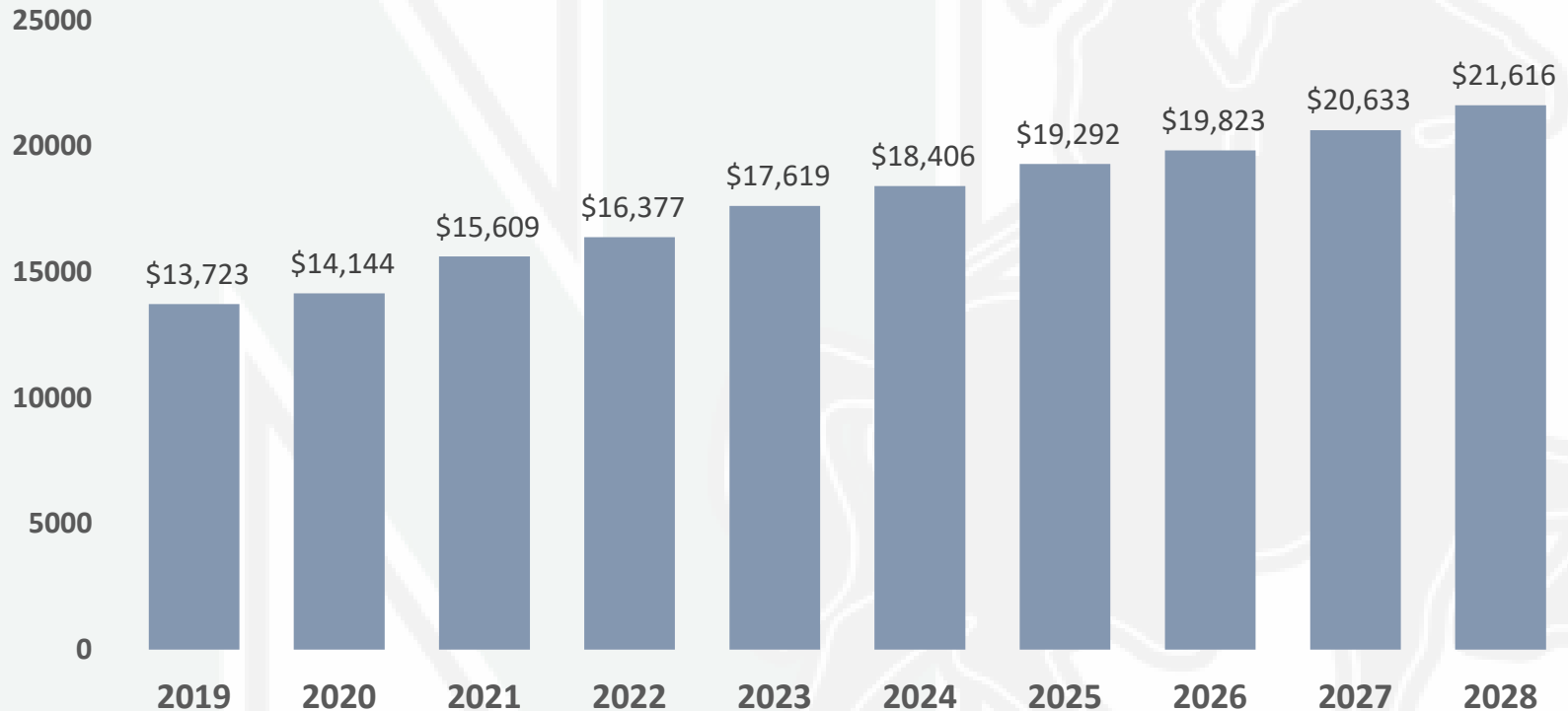
EXP – 5.040 – Transfers-Out to 003

- FY24 - \$ 1,500,000
- FY25 - \$ 1,500,000
- FY26 - \$ 465,575



## General Fund Per Pupil Expenditures

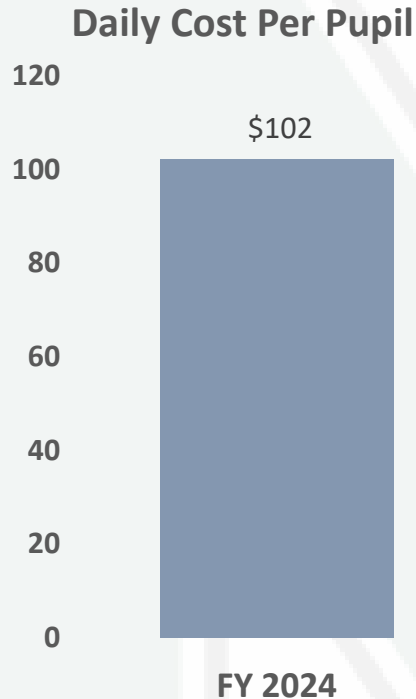
Per Pupil Expenditures – Forecast Analysis



Note: Total Expenditures Less Advances Out / District Educated Enrollment

## Daily Cost Per Pupil

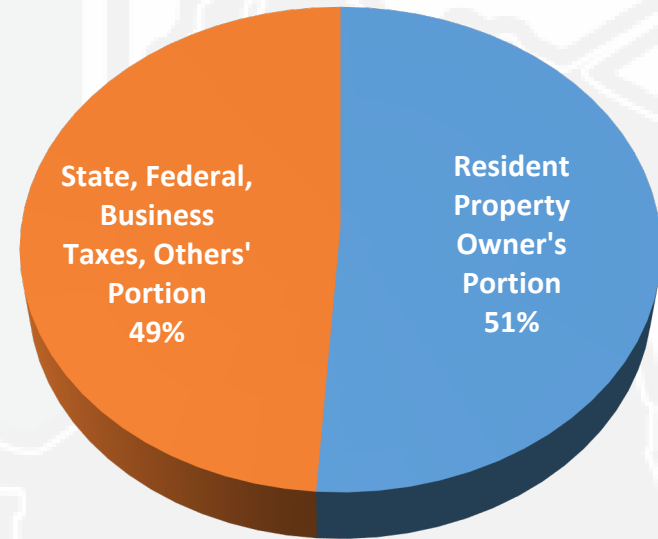
### FY24 Projected Daily Cost and Resident Share



**FY 2024**

Note: Assumes 180 Day School Year

### FY 2024 Per Pupil Expenditure Support



Note: Local share is calculated using a ratio of Class I property value, effective tax rate relative to total calculated property tax revenue.

## Questions

Kyle Kiffer  
Treasurer/CFO

[Kyle.Kiffer@nordoniaschools.org](mailto:Kyle.Kiffer@nordoniaschools.org)

<https://www.nordoniaschools.org/Treasurer.aspx>