

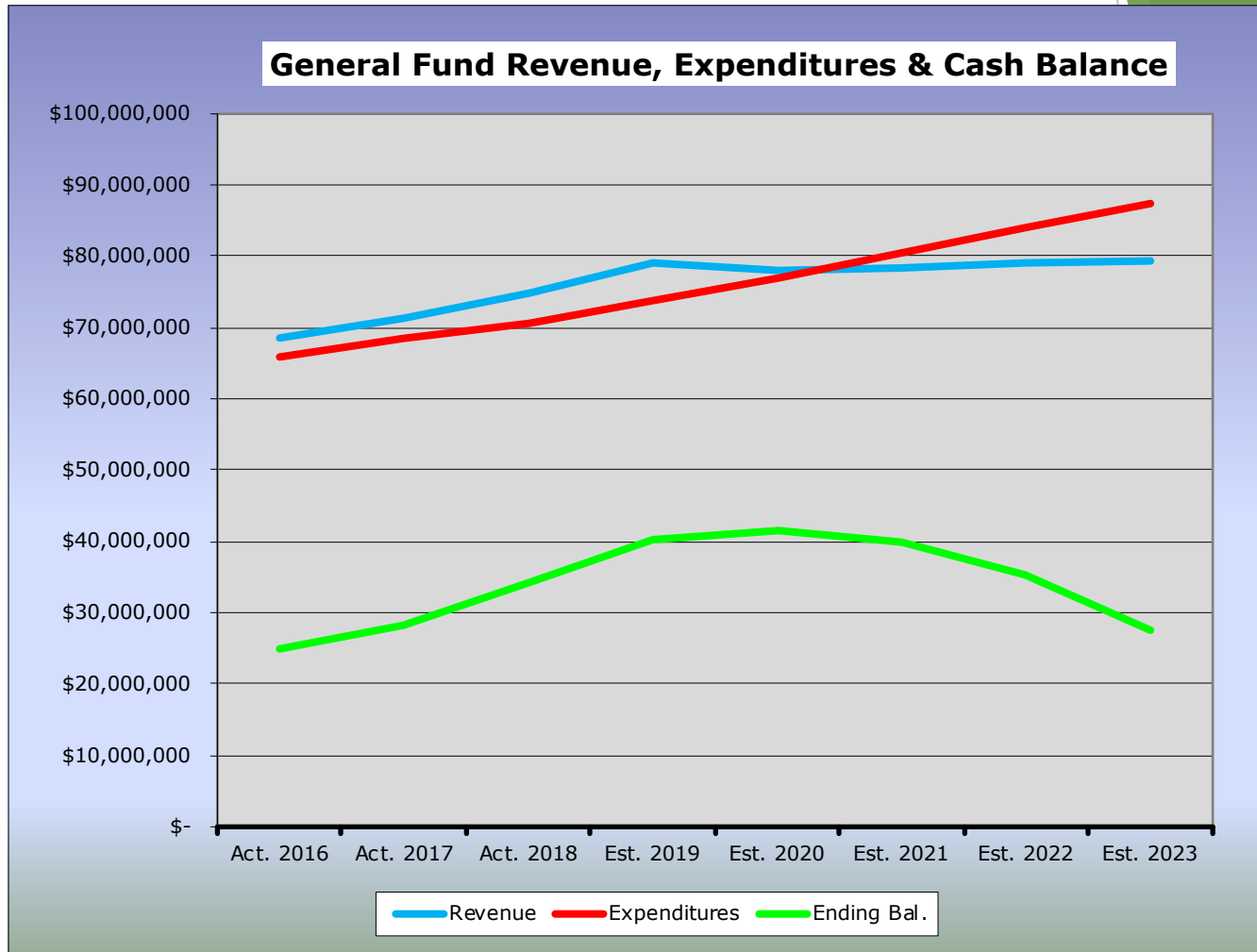
General Fund
Five Year Forecast
July 1, 2018 Through June 30, 2023
May 13, 2019
Presented By Julio Valladares, MBA,
Treasurer/CFO



Forecast Overview

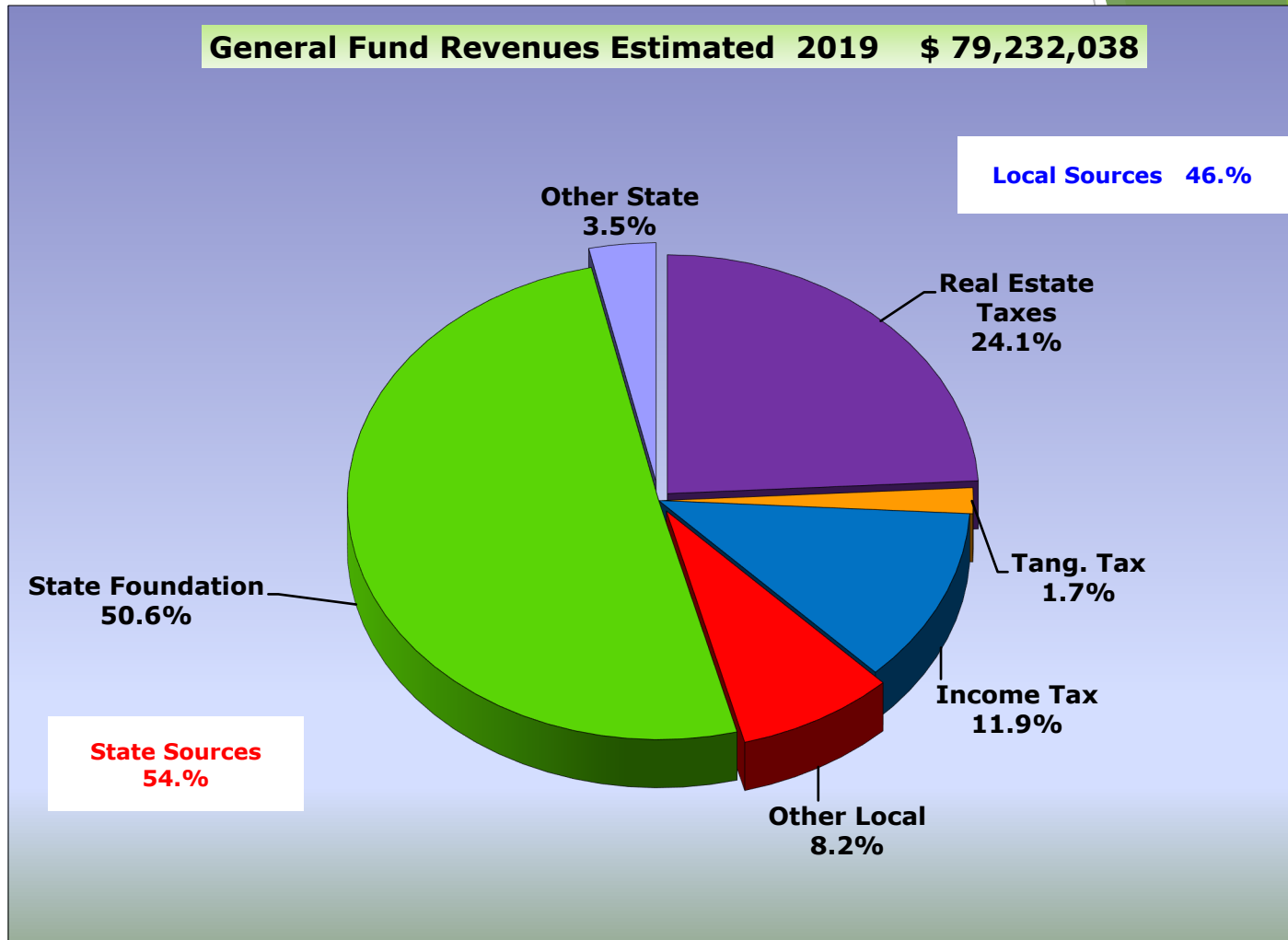
- **Revenues in FY19 increase slightly (2%) when compared to the October forecast. This is primarily due to taking in the cash balance from Newark Digital Academy and federal grants reallocations. And total FY19 revenues are expected to be up by 6% when compared to FY18 revenues.**
- **Expenditures in FY19 are down by less than 1 percent when compared to the October forecast. This is primarily due to less supplies and materials purchases. And total FY19 expenditures are expected to be up by 6% when compared to FY18 expenditures.**
- **Expenditures outpacing revenues starting in FY21, slightly decreasing cash balance in the years out.**
- **The need for a renewal of the income tax will be necessary in 2022**

Revenue Vs. Expenditure



- **Expenses exceed revenues starting in FY21**

Est. General Fund Revenue Sources FY19

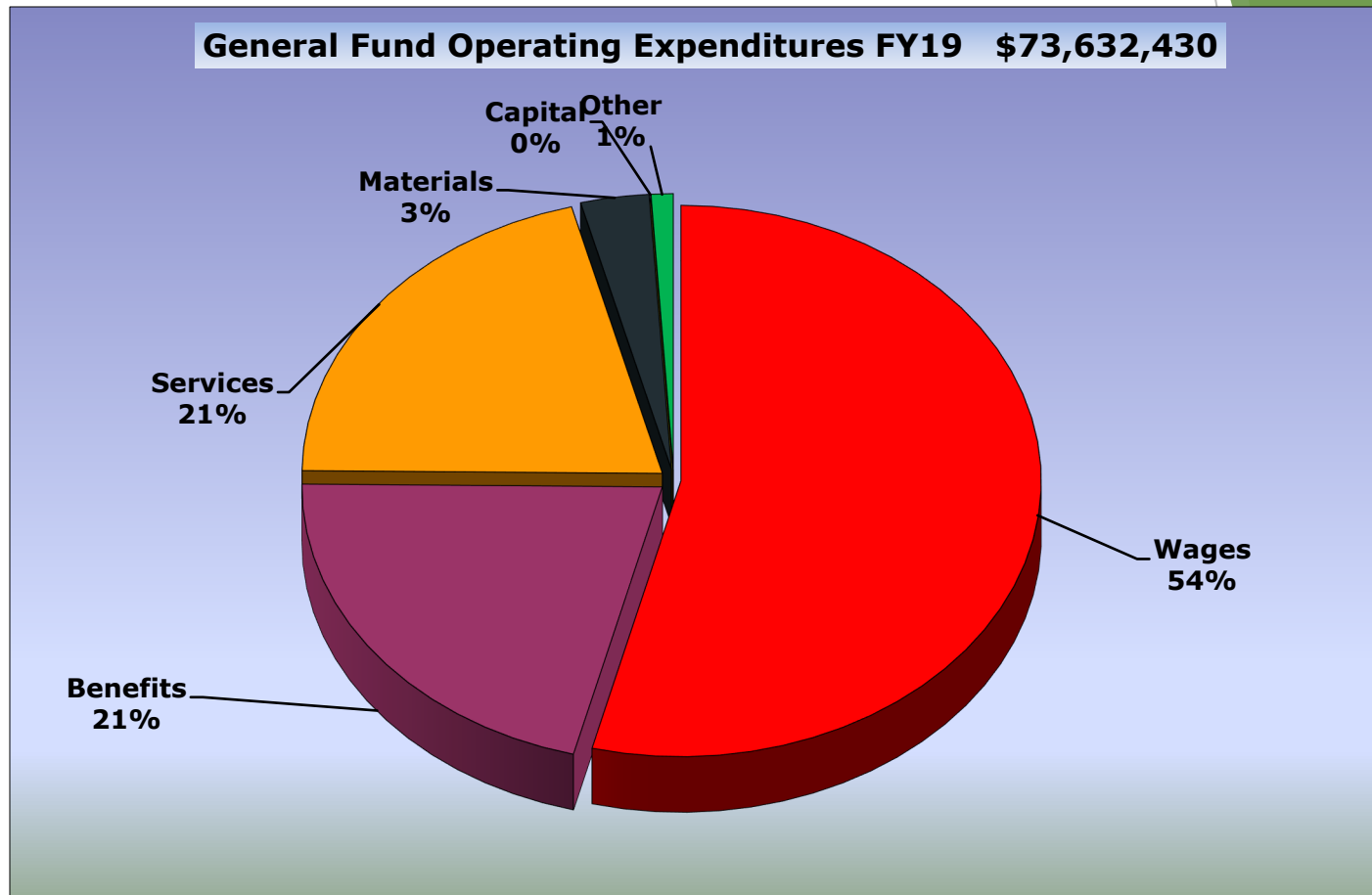


- **District continues to have a high dependency on state revenues.**

Challenges To Operating Revenue

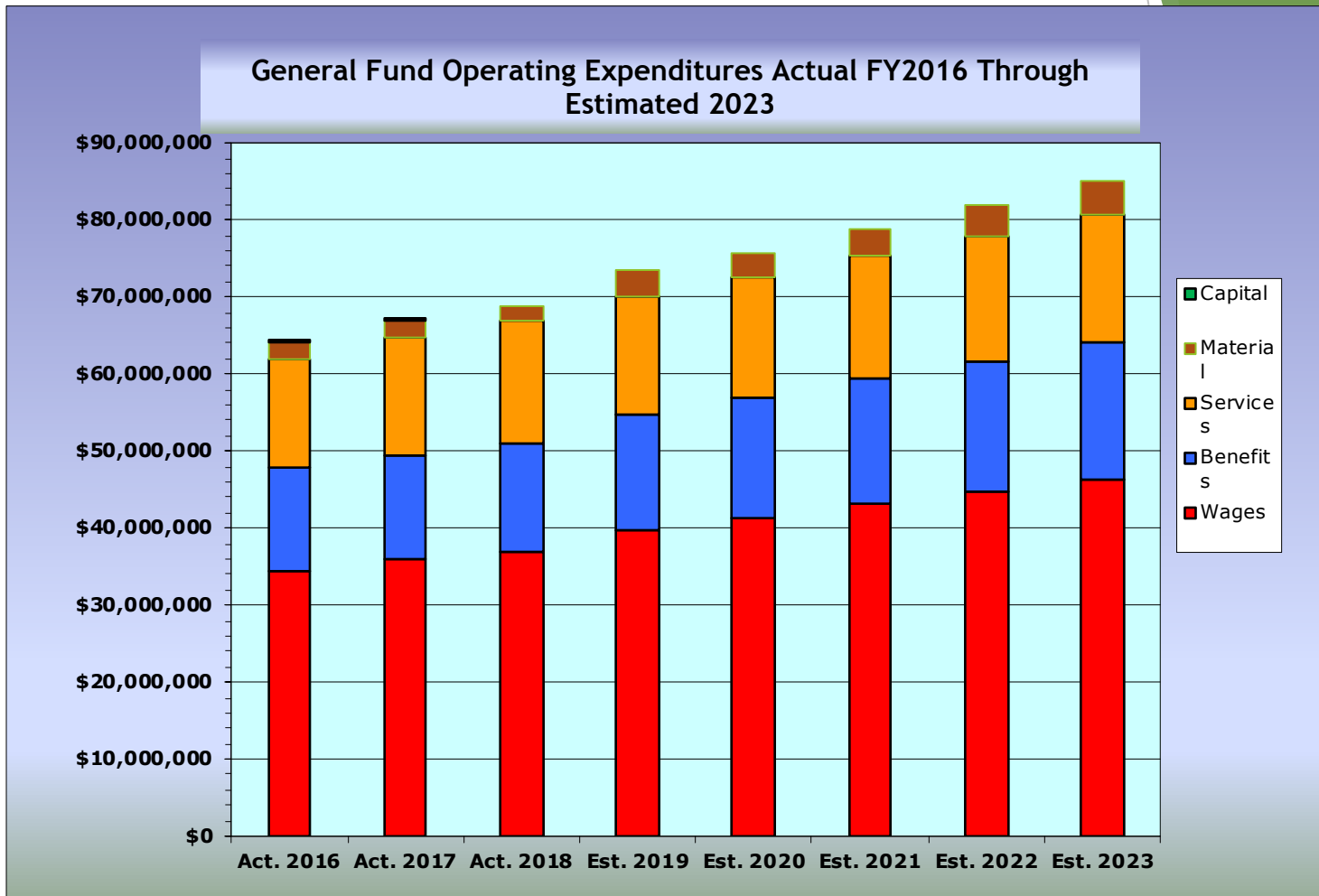
- ▶ Continue to increasing local revenues outside real estate property taxes and income tax revenues.
- ▶ Continue support of community to renew existing levy's
- ▶ Uncertainty of future state aide due to formula changes
 - ▶ Currently the District is a CAP District.
- ▶ Replenish unfunded mandates either from the federal government or state government.

Est. General Fund Expenditures FY19



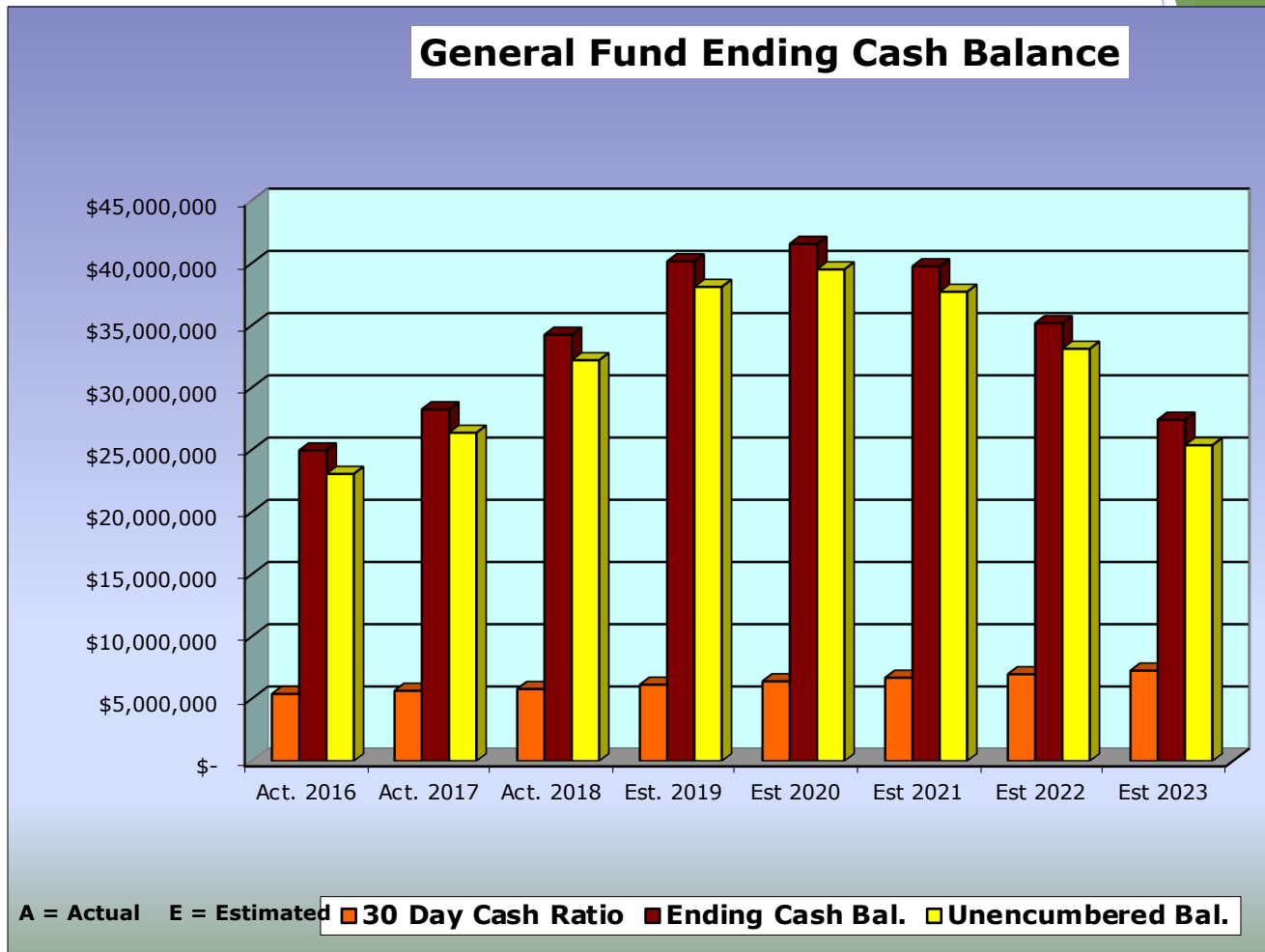
- **District wages and benefits estimate is 75%**
Average wages and benefits in some neighbor districts are higher

General Fund Expenditures By Object



Outside salary and wages, purchased services represents the next major category, which includes community school transfers, tuition to other institutions, ESC services, utilities, etc....

Ending Cash Balance



- **30 Day Cash Balance is a responsible target to end year**
- **No less than \$-0- Required By Ohio Law**

Conclusion

- ▶ Revenues continue to remain relatively flat over the forecast years to the tune of less than 1% year over year.
- ▶ Expenditures continue to increase at a year over year average of 4.3% and begin to exceed revenues in FY2021
- ▶ Continue to look at programs and implement cost measures to achieve sustainability while at the same time implement more social, emotional needs programs.
- ▶ Long-term: Need to watch future state budget deliberations and continue to operate conservatively
- ▶ Maintain stability of District's finances with timely renewal of income tax

Thank You for Listening

- Questions and Answers



Newark City Schools

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