



Newark City Schools

OPPORTUNITY • HOPE • EXCELLENCE

General Fund

Five Year Forecast

July 1, 2020 Through June 30, 2025

May 10, 2021

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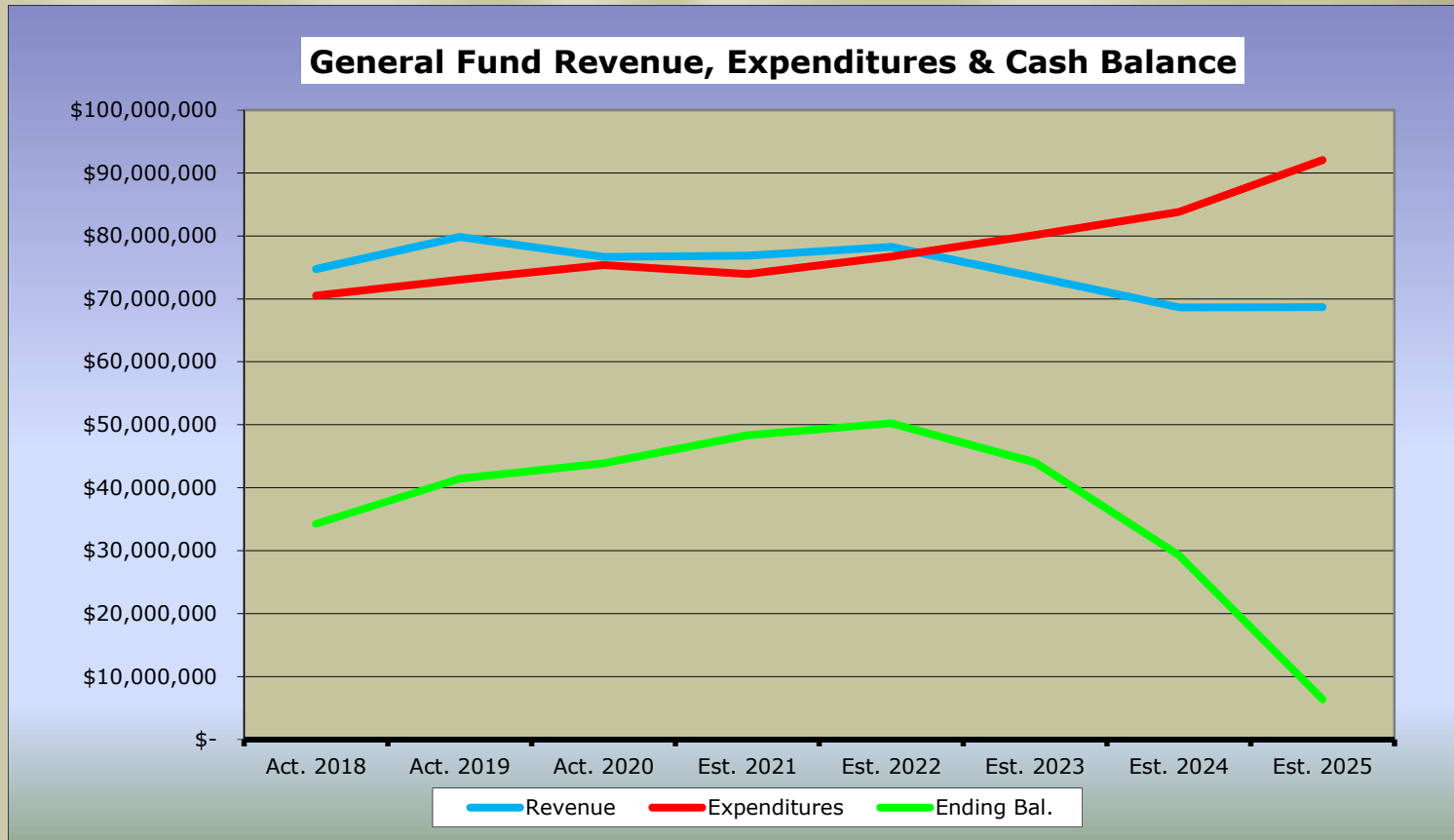
Forecast Overview

- **The pandemic has had a significant impact on our current and future finances. We have tried to estimate the impact with the information we have available.**
- **Revenues in the forecast increased by \$2.3 million for the current year and \$11.0M for the life of the forecast**
 - **Property taxes are up \$1.2M**
 - **State foundation increased \$.8M**
 - **Income tax collections increased \$.4M**
 - **Other revenues decreased \$.1M**
 - **The renewal of the income tax on line 11.010.**

Forecast Overview

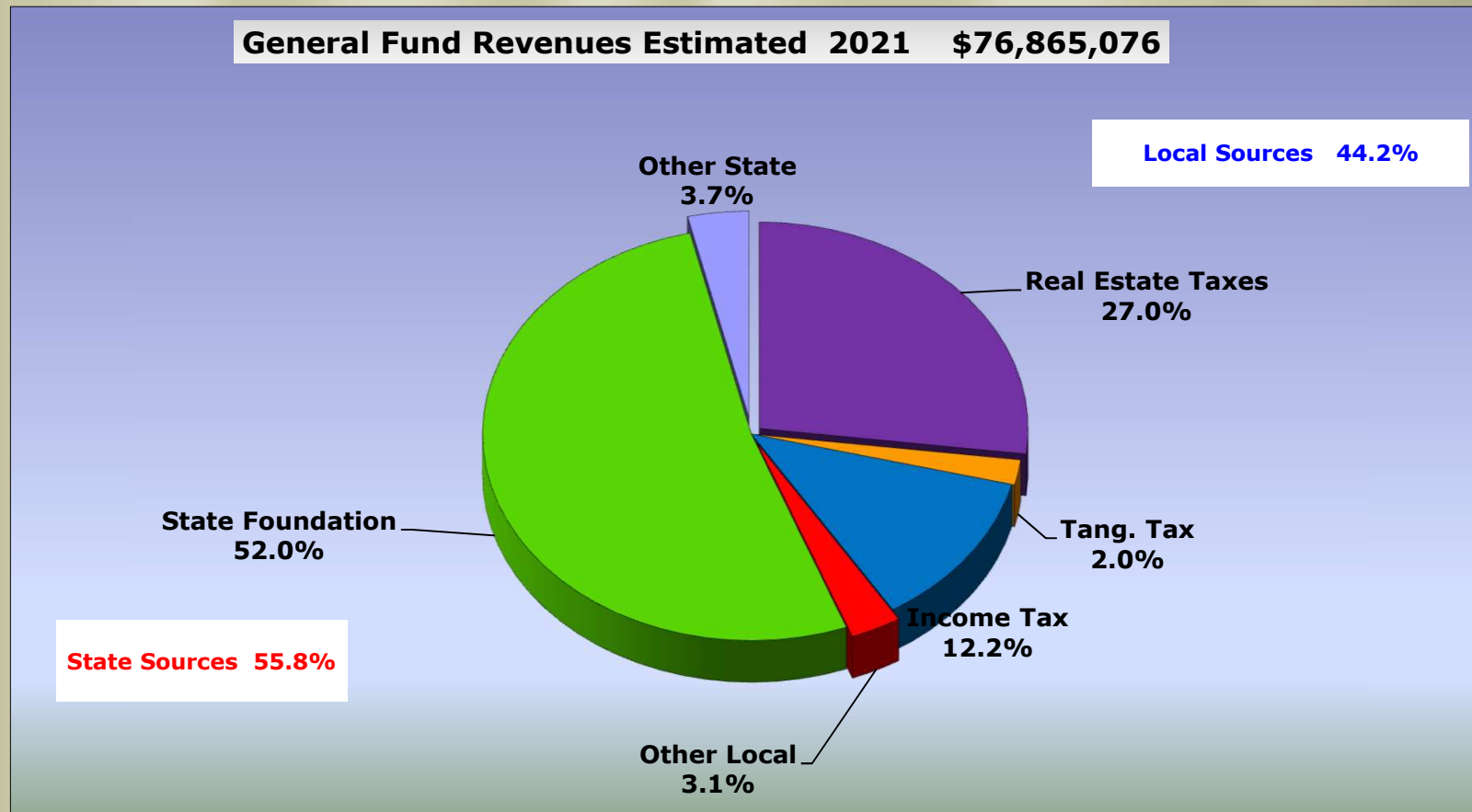
- **Expenditures have been decreased by \$10.5M over the life of the forecast.**
 - **Wages savings of \$3.7M**
 - **Benefits increase of \$2.2M**
 - **Utilities, Professional development and supplies savings of \$9.0M**
- **Expenditures are outpacing revenues starting in FY23, decreasing cash balance**
- **The need for a renewal of the income tax will be necessary in 2022**

Revenue Vs. Expenditure



- Expenses exceed revenues starting in FY23

Est. General Fund Revenue Sources FY21

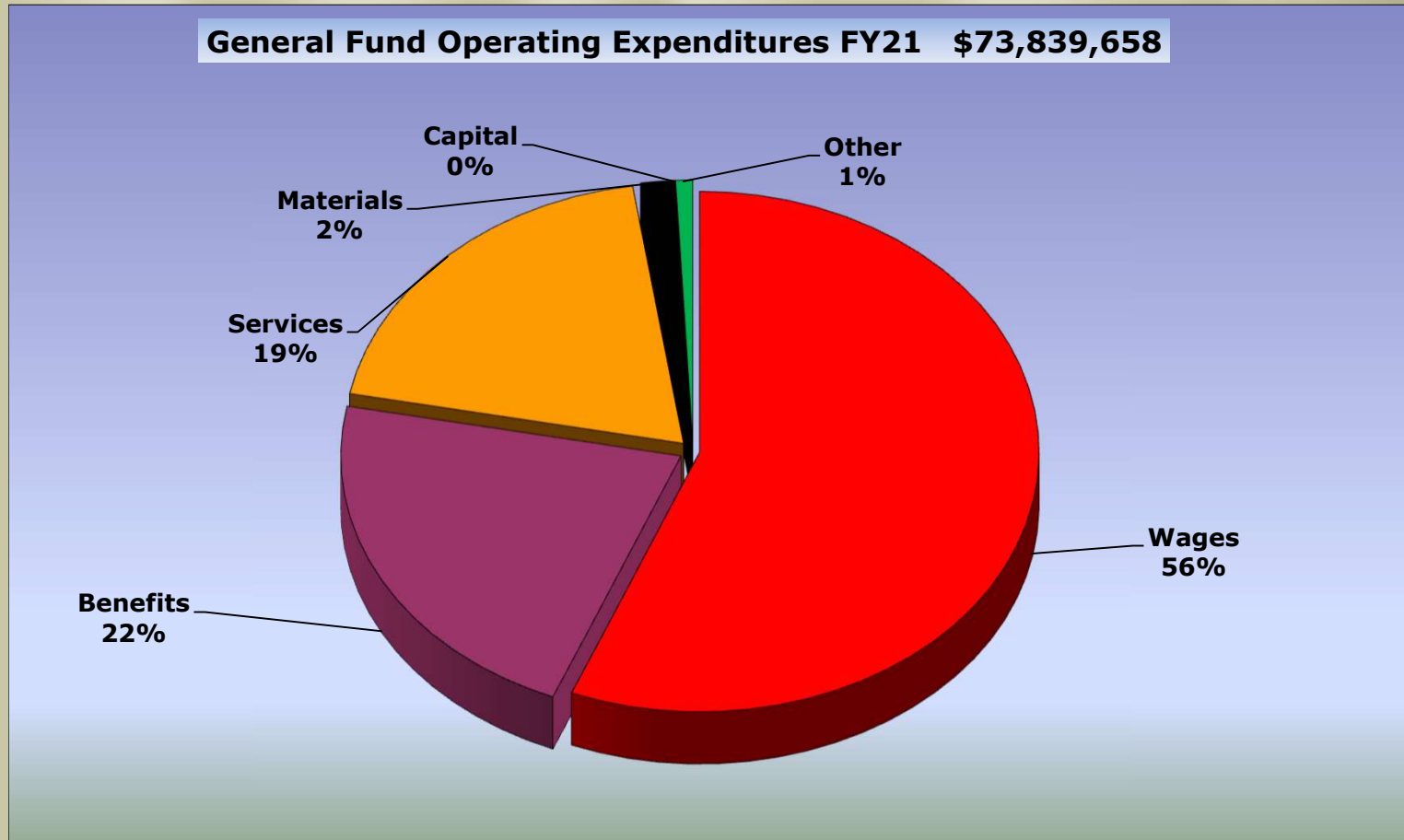


- District continues to have a high dependency on state revenues.

Challenges To Operating Revenue

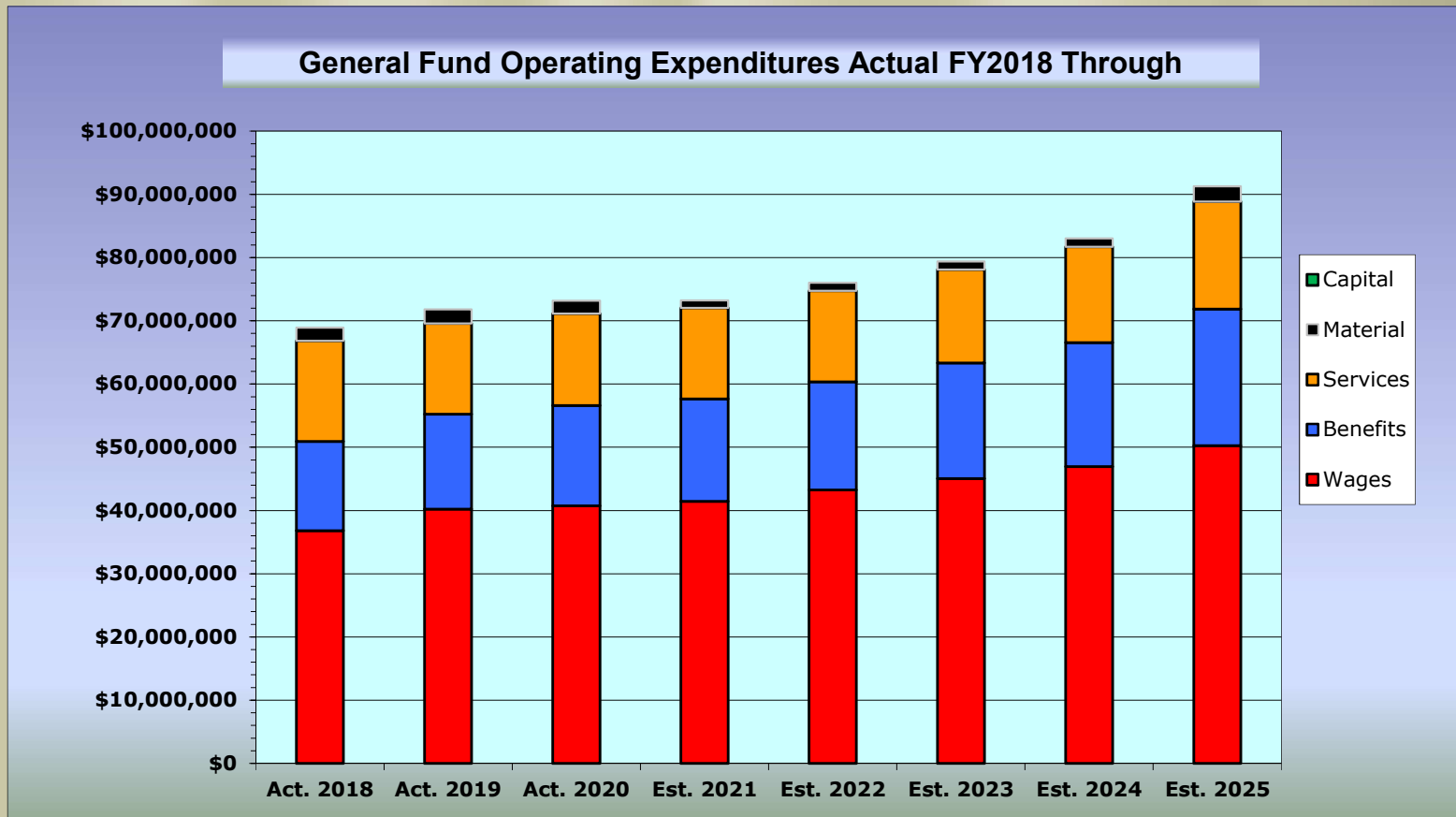
- Increasing local revenues with real estate property taxes and an income tax in the future.
- Uncertainty of future state
- Replenish unfunded mandates either from the federal government or state government.
- Replenish the offset of ESSER funds.

Est. General Fund Expenditures FY21



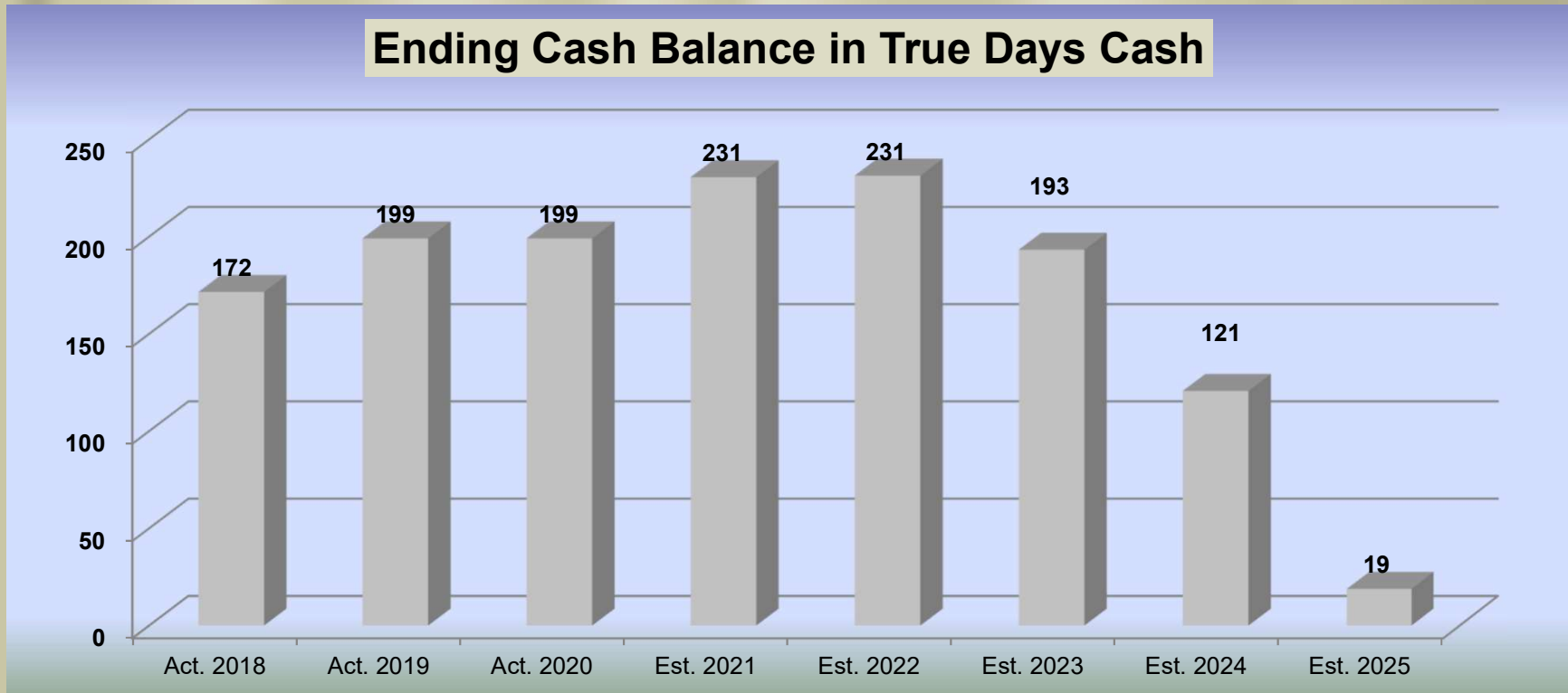
- **District Wages and benefits Est. is 78%**
Average Wages and benefits in neighbor districts is higher

General Fund Expenditures By Object FY18 through Est. FY 25



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

Conclusion

- **Due to the pandemic, we have been able to reduce expenditures for the near term**
- **Maintain stability of District's finances with timely renewal of income tax**
- **Continue to look at programs and implement cost measures to achieve sustainability**
- **Long-term: Need to watch the FY22 and FY24 state budget deliberations and continue to operate conservatively**

Thank You for Listening

- Questions and Answers

