

# Clear Fork Valley Local School District

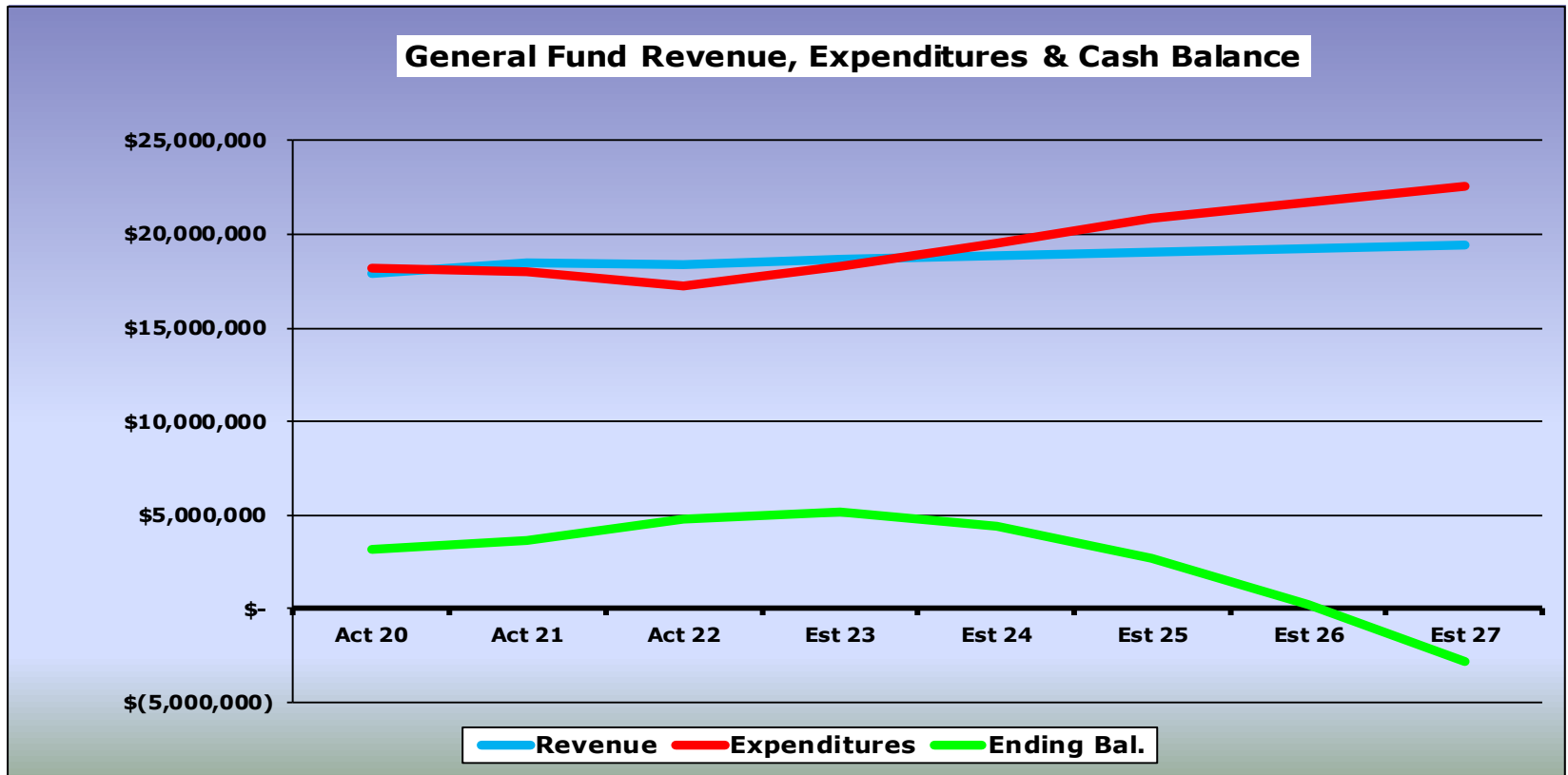


General Fund  
Five Year Forecast  
July 1, 2022 Through June 30, 2027  
December 15, 2022  
Presented By Jon Mason, Treasurer/CFO

# Key Items

- The five-year forecast serves as a tool to communicate to the Board of Education and the community the current financial condition of the district, and future projections.
- General Fund only.
- Divided into two main sections: revenue and expenditures.
- Revenue is made up of two main sources, local and state funding. (Real Estate, SD Income Tax, State Foundation)
- Expenditures are mainly salary wages and benefits, purchased services, and supplies and materials.

# Revenue vs. Expenditure

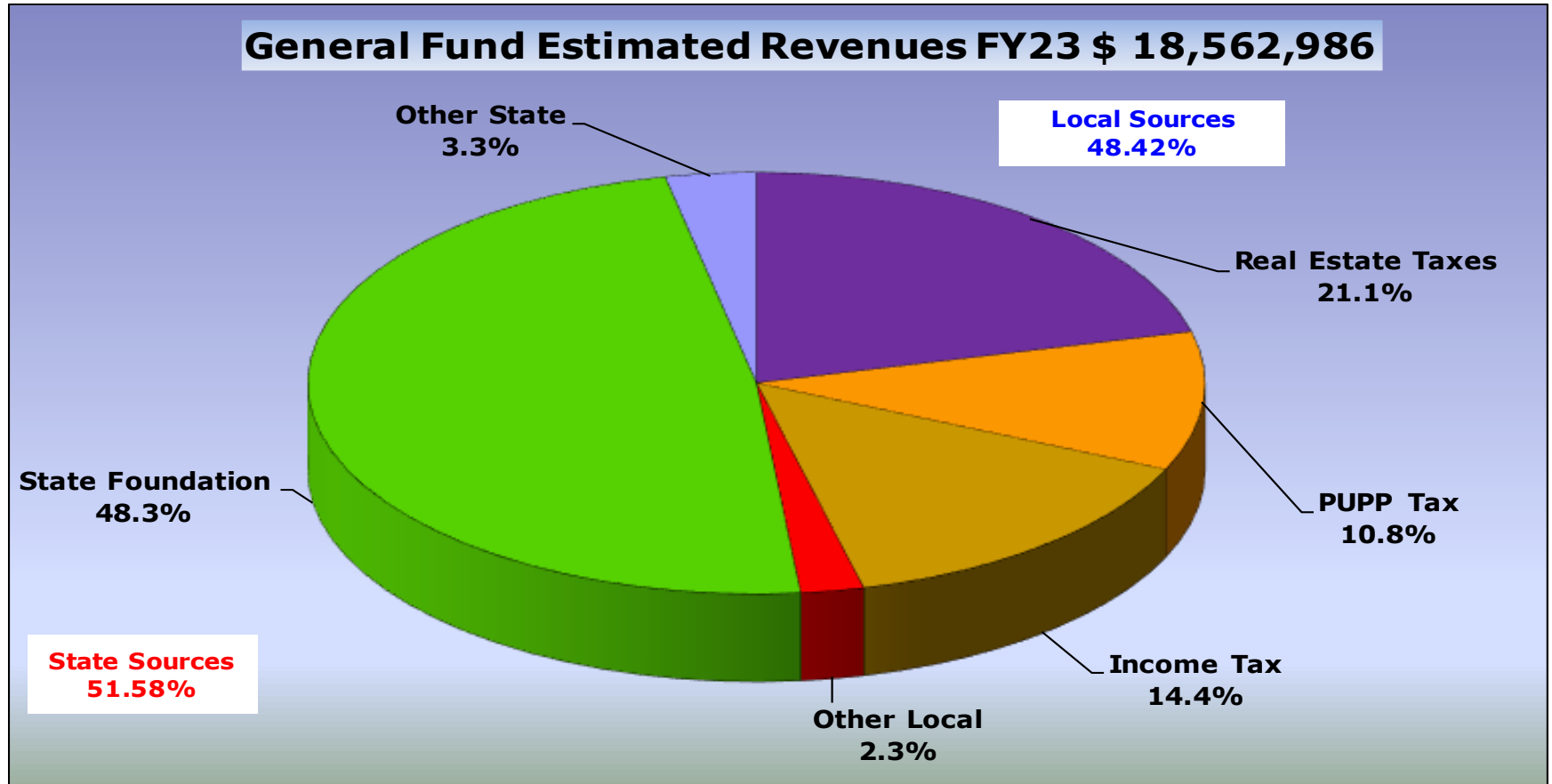


- Revenue is estimated increase at a steady pace
- Expenditures are increasing faster than revenues
- Covid funds have reduced expenses, increasing cash bal.
- Positive cash balance through FY26

# Notes About Our Operating Revenue

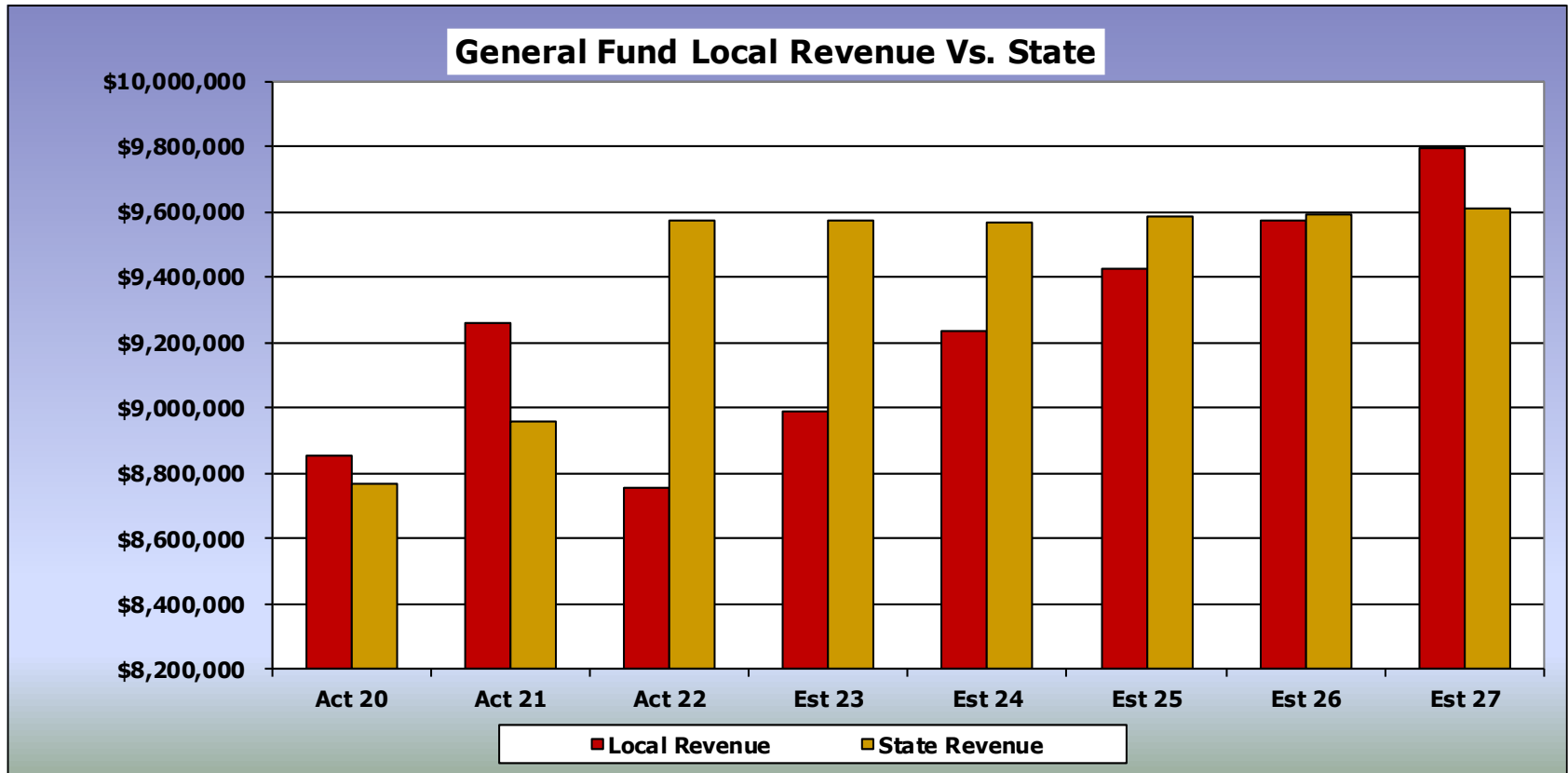
- Real estate values increased 2.7% in 2021. (\$265M valuation)
  - between reappraisal years, no major change to revenue
- Public Utility Personal Property – large increase
  - Utility expansion or upgrades
  - 2019 \$33M valuation to 2021 \$44.6M
  - Revenue increase FY20 to FY22 = \$616,000
- Fair School Funding Plan (FY22 and FY23) made several changes to state funding payments and expenses
- State Foundation funding FY21 \$8.3M, FY22 \$8.9M
- Eliminates open enrollment revenues and implements paying districts directly where students are educated
- FY21 OE from other districts \$1M, \$0 in FY22

# General Fund Revenue Sources FY23



- 51.58% dependent on the state for the district revenue
- Real Estate taxes is the largest source of local revenue

# Local vs. State Funding

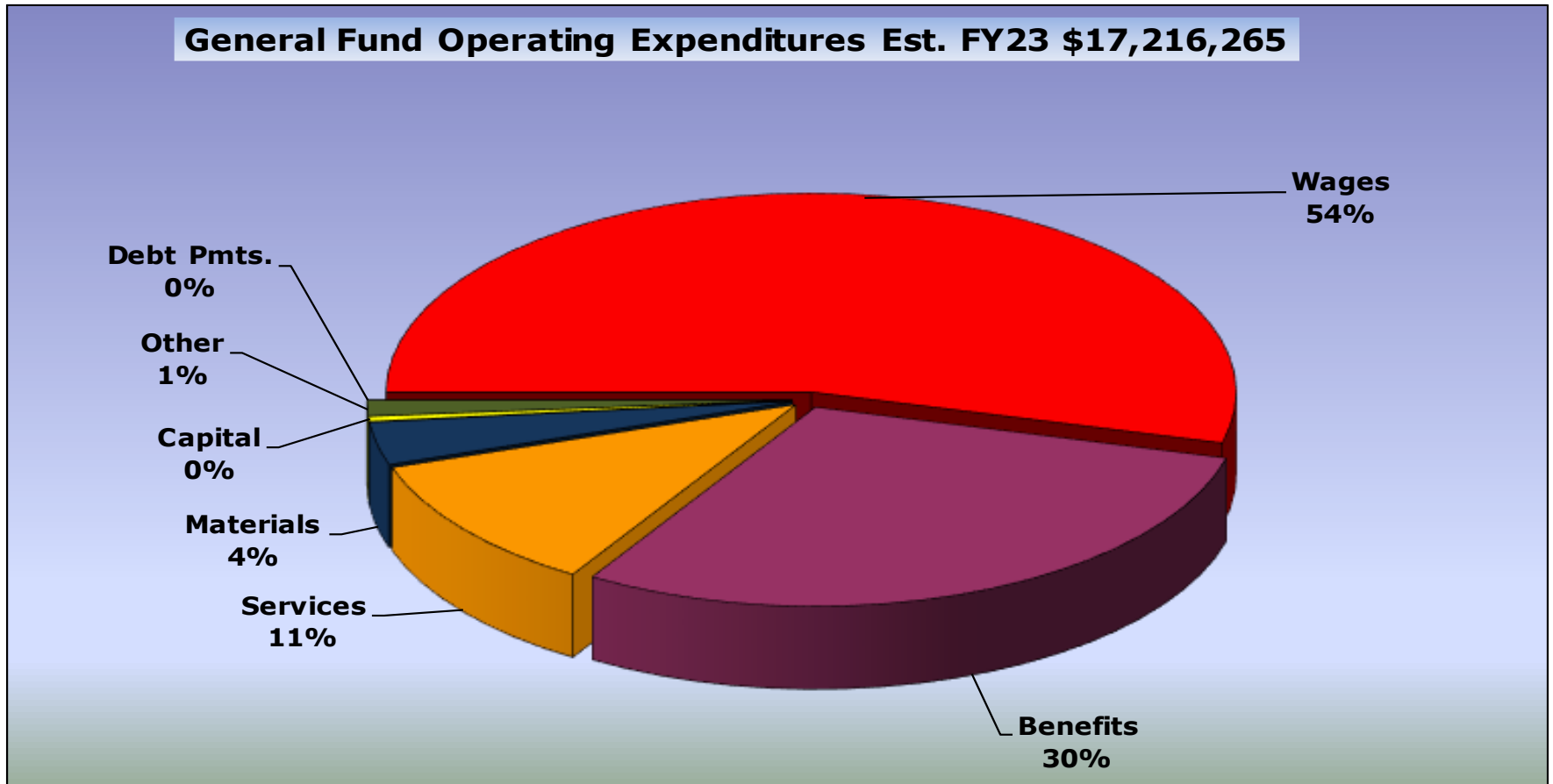


- Local Revenue decreased in FY22 due to no longer receiving funding for Open Enrollment student, that funding is now included in State Foundation Funding
- Local funding is increasing in FY23-FY27 for increases in real estate taxes and income taxes
- State funding shows very little increase throughout the forecast

# Notes About Our Operating Expenses

- Wage increase to staff approximately 3.75%
- Benefits include STRS/SERS retirement payments, health, dental, and vision insurance payments on behalf of the employees (typically 25% +/- for schools, ours 30%)
- Fair School Funding Plan in FY22 eliminated expenses for open enrolled and community school students attending other districts (-\$920,000 Purchased Services)
- Supplies reduced by Covid funding
- Bus replacement resumes in FY24, Capital Expense \$104,000 each year (FY22, FY23 esser funds)
- Fundamental changes will be necessary to reduce overall expenses by \$800,000. There is work to be done.

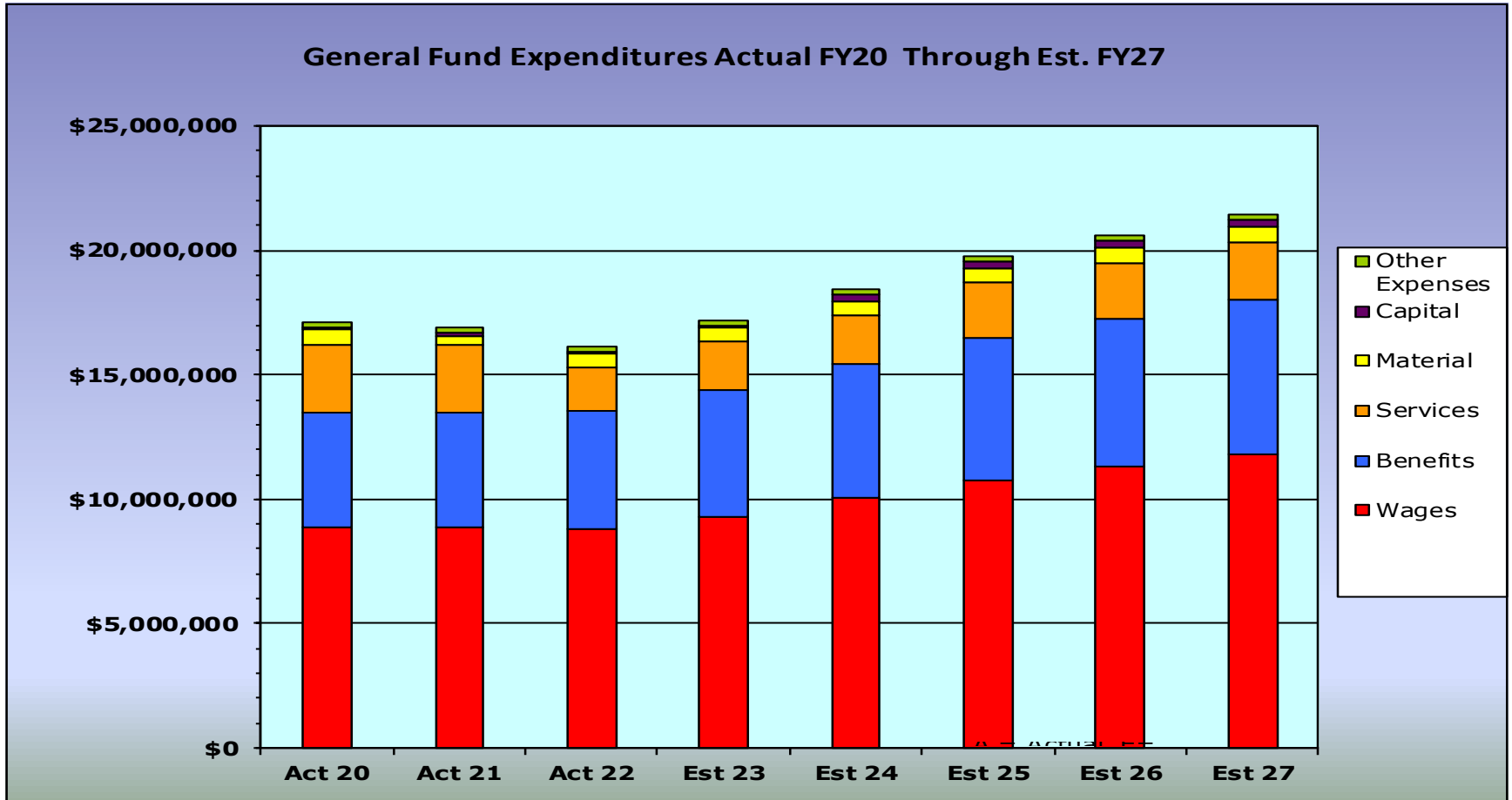
# General Fund Expenditures FY23



- Wages and Benefits are 84%, which are more than state average of 75.2%



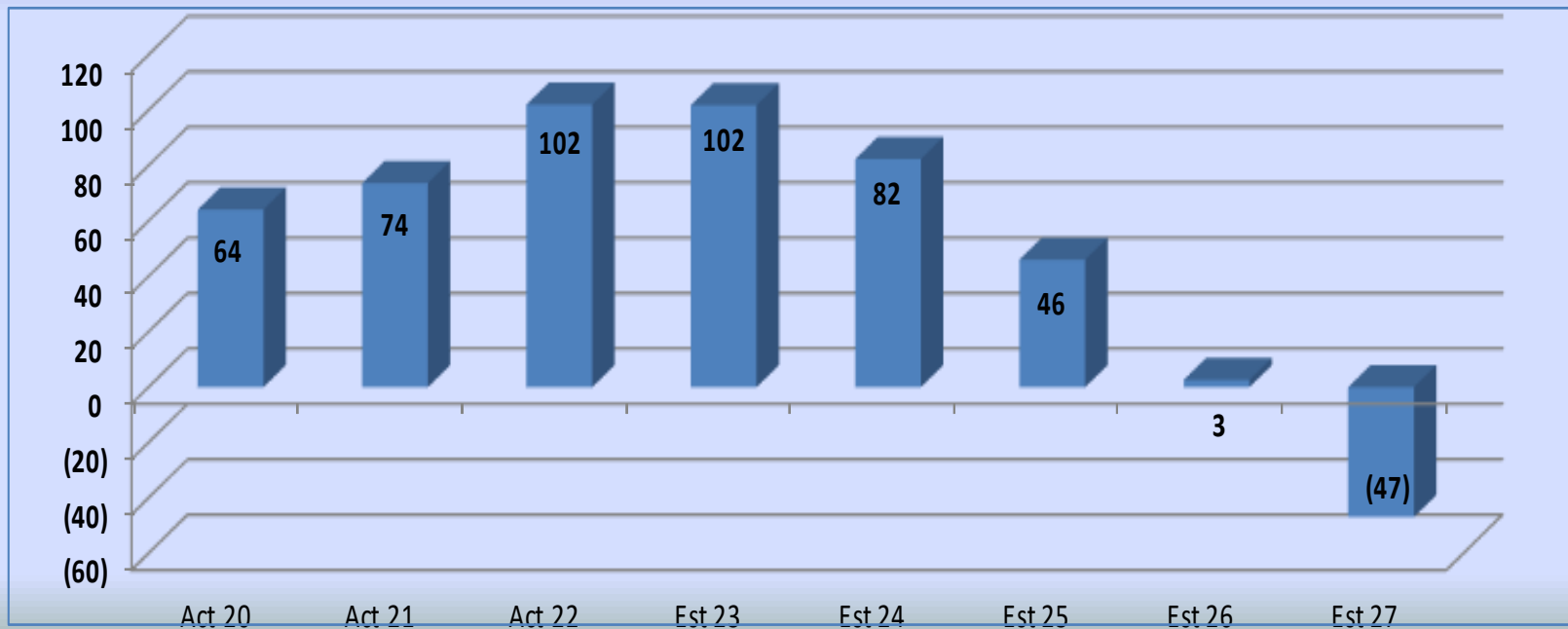
# General Fund Expenditures by category FY20 through est. FY 27



- Benefits are growing faster than the other areas of the forecast

# Days of True Cash

Ending Cash Balance in True Cash Days



- Recommendation is 60 days cash at the end of fiscal year

# Forecast Considerations

- State's new biennium budget June 2023 - will the Fair School Funding Plan continue?
- ESSER Funds have helped to reduce GF expenses and raise cash reserve. FY24 last year to spend.
- Close attention to staffing levels and employee benefits will be the focus – the largest expense factor.

# Thank You for listening.

- Questions?

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