

## Five-Year Forecast Technical Assistance Guidance

Ohio Administrative Code (OAC 3301-92-04) requires all community schools to submit to the Ohio Department of Education a five-year forecast of revenues and expenditures for the current fiscal year and the succeeding four fiscal years. The forecast, historical information and all updates shall be submitted in the prescribed format. Upon review of the forecast, the Department may contact the community school or the school's sponsor to request additional information. Forecasts are due twice annually to the Department on or before Nov.30 and May 31.

The five-year forecast serves as one of the tools to assess the financial health of an individual community school. By identifying trends and potential financial risks early, sponsors can proactively work with their schools to eliminate shortfalls or minimize the effects of those risks.

The five-year forecast template is now standardized for all community schools. The format should not be altered by the user. The user should include all applicable actual and forecasted data. Please be sure to include all of the school's demographic information required in the heading of the forecast template.

**Incomplete forecasts, or those forecasts submitted using an altered format, will be returned for correction and resubmission.**

Please email any questions to [Community.Schools@education.ohio.gov](mailto:Community.Schools@education.ohio.gov). Include 'financial forecast' in the subject line.

**FYXX** – Please replace the X's with the applicable fiscal year and include month of submission.

**IRN** – Please indicate school's IRN.

**Type of School** – Please indicate if the school is categorized as a *Brick and Mortar* or *Internet/Computer-Based* school. (All schools using blended learning are considered 'brick and mortar' community schools.)

**Contract Term** – Please include the expiration date of the current sponsor-school contract.

**School Name** – Please include the name of the school.

**County** – Please indicate the county in which the school is located.

## Operating Receipts

All operating revenues received from the item codes below must be included for all applicable years.

### STATE FOUNDATION PAYMENTS

**3110 - SCHOOL FOUNDATION BASIC ALLOWANCE:** Money received through the state's Foundation Program that is not restricted to a particular use, including equity funding received under Ohio Revised Code 3317.0213. This account now includes the amounts previously reported as special education, vocational education and pupil transportation. (Educational service centers should see Appendix A.)

**3211 - POVERTY-BASED ASSISTANCE (formerly Disadvantaged Pupil Impact Aid):** Revenues received as grants directly from the state, which must be used for a categorical or specific purpose.

### CHARGES FOR SERVICES

**1500 - FOOD SERVICES:** Money received for dispensing food to students and adults.

### FEES

**1600 - EXTRACURRICULAR (STUDENT) ACTIVITIES:** Money received from school-sponsored activities.

**1700 - CLASSROOM MATERIALS AND FEES:** Money received from pupils from the sale of classroom supplies, workbooks and textbooks. Also included are monies received from the collection of class fees.

### OTHER

**1830 - SERVICES PROVIDED TO OTHER ENTITIES:** Revenue from services provided to other entities other than for tuition, transportation or food services. These services may include data processing, purchasing, maintenance, cleaning, consulting and guidance.

**1840 - REVENUE FROM COMMUNITY SERVICE ACTIVITIES:** Revenue from community service activities operated by the school district.

**1850 - COMMISSIONS:** Revenue earned as commission from such items as vending machines or telephone coin boxes.

**1860 - FINES:** Revenue earned as a result of fines being levied by the school district.

**1870 - CHARGES FOR SELF-INSURANCE:** Revenue from other funds and/or school districts received for self-insurance.

**1890 - OTHER MISCELLANEOUS RECEIPTS:** Other miscellaneous receipts not previously classified.

**3190 - OTHER UNRESTRICTED GRANTS-IN-AID:** Other unrestricted grants-in-aid from state funds, such as revenues from casino funds.

## Operating Disbursements

All operating expenses for the item codes below must be included for all applicable years. A school may combine all disbursements in the "Purchased Services" line item, but all schools are required to provide a breakdown of "Purchased Services" in the Assumptions portion of the template.

**100 - PERSONAL SERVICES - EMPLOYEES SALARIES AND WAGES:** Amounts paid to school district employees who hold positions of a permanent nature or who have been hired temporarily, such as substitutes for those in permanent positions. This category includes gross salary for personal services rendered while *on the payroll* of the school district and payments made to board members as compensation for their personal services.

- 200 - EMPLOYEES' RETIREMENT AND INSURANCE BENEFITS:** Amounts paid by the school district on behalf of employees. Not included in the gross salary, these amounts are over and above it. Such payments are not paid directly to employees; nevertheless, they are part of a school district's costs of salaries and benefits.
- 400 - PURCHASED SERVICES:** Amounts paid for personal services rendered by personnel who are not on the payroll of the school district and other services that the school district may purchase. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided in order to obtain the desired results. Other school districts are included under this definition.
- 500 - SUPPLIES AND MATERIALS:** Amounts paid for material items of an expendable nature that are consumed, worn out or deteriorated from use or items that lose their identity through fabrication or incorporation into different or more complex units or substances.
- 600, 700 - CAPITAL OUTLAY:** Expenditures for the acquisition of, or additions to, fixed assets. Included are expenditures for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, and initial and additional equipment, furnishings and vehicles.
- 800 - OTHER OBJECTS:** Amounts paid for goods and services not otherwise classified above, such as expenditures for the retirement of debt, the payment of interest on debt and the payment of dues and fees.
- 819 - OTHER DEBT:** Repayment of outstanding debt, including deductions from state funding to discharge outstanding FTE determination. All outstanding debt, including those resulting from an FTE determination, should be detailed in the chart included in the Assumptions portion of the template.

## Nonoperating Receipts/(Disbursements)

All non-operating revenues received from the shown item codes must be included for all applicable years. All debt taken on during a year should be entered in the "Debt Proceeds" line item. The line item "Debt Principal Retirement" includes all payments made on debt that do not include interest or fiscal charges. All "Interest and Fiscal Charges" would include any expenses incurred to carry debt.

## FEDERAL GRANTS

**All 4000 except fund 532 - RECEIPTS FROM FEDERAL SOURCES:** The acknowledgment of monies obtained by the district from federal sources. Grants-in-aid are contributions made by the federal government to a school district and are not related to specific revenue sources of the federal government; i.e., general, if related to specific revenue sources of the federal government, are distributed on some flat grant or equalization basis.

## STATE GRANTS

**3200, except 3211 - COMMUNITY SERVICES:** Payments made by the school district to support activities that do not directly relate to providing education for pupils in a school district. These include services such as community recreation programs, civic activities, public libraries, programs of custody and care of children and community welfare activities provided to the district for the community as a whole or for some segment of it (formerly all 3000).

**3219 - RESTRICTED GRANTS; COMMUNITY SCHOOL FACILITIES GRANT:** The acknowledgment of monies received specifically from the Community School Facilities Grant.

**1820 - CONTRIBUTIONS AND DONATIONS FROM PRIVATE SOURCES:** Money received from a philanthropic foundation, private individuals or private organizations for which no repayment or special service to the contributor is expected.

**1400 - EARNINGS ON INVESTMENTS:** Amounts received as profit from holdings for savings or speculation.

**1900 - Debt Proceeds:** Amounts received from the issuance of new debt for the community school, including outstanding loans from the school's sponsor or operator.

## Assumptions

### STAFFING/ENROLLMENT

All past and future student enrollment must be included for all applicable years. All past and future staffing for Instructional and Administrative must be included for all applicable years.

### PURCHASED SERVICES

A detailed breakdown of all purchased services must be provided in the chart provided in the Assumptions portion of the template. The total amount of purchased services detailed in the Assumptions chart should match the total amount of purchased services for the current fiscal year in the forecast portion of the template. Treasurers may note which of the figures included in the chart are provided by the school's operator in the Assumptions' narrative. The name of any operator(s) should also be included in the narrative.

### DEBT

All outstanding debt, including outstanding FTE determinations, loans (including those from a sponsor or operator), lines of credit, notes, bonds, capital leases and payables past due 180 days or more, must be detailed in the chart provided.

### FINANCIAL METRICS

This area contains calculations from entered data and is locked.

### ASSUMPTIONS NARRATIVE SUMMARY

**Forecasts must include a narrative summary explaining forecasting methods used and a description of assumptions used to support projections.** The narrative summary should provide sufficient information to support and explain all assumptions used in each forecast year; for instance:

- 1) Inflation should be taken into consideration during forecasting;
- 2) If the school leases the building from the operator, the school should submit a copy of the independent review of the lease; and
- 3) If the school has debt that is more than 25% of the operating revenue plus any carry-over funds, the treasurer should provide an explanation of steps being taken to reduce debt.