

FINANCIAL PROSPECTUS

2025



Message from the Treasurer/CFO James Corbeil



At Pleasant Local Schools, we are committed to financial transparency, strategic planning, and responsible stewardship of taxpayer dollars. The goal of this Financial Prospectus is to provide you with a clear picture of our district's financial health, the challenges ahead, and the proactive steps we are taking to ensure long-term sustainability.

Since Fiscal Year 2020 (FY20), Pleasant Local Schools has taken meaningful steps to improve its financial position. We've been able to correct prior cash flow concerns through a number of initiatives that have allowed us to reinvest directly into student success and facility improvements. These initiatives include, but are not limited to, the 1 percent earned income tax levy, the closing of the Pleasant Community Academy, the use of federal Elementary and Secondary School Emergency Relief (ESSER) funds, successful investment strategies, and the establishment of a permanent improvement fund.

We recognize that ongoing challenges such as inflation, rising personnel costs, and uncertainty around state funding will continue to impact our financial outlook. That's why we rely on the expertise of a financial advisory committee, which meets regularly to review the budget and forecast. This group plays a vital role in helping Pleasant focus on making proactive financial adjustments as we plan for the future.

Through thoughtful financial planning and strong community support, we remain focused on securing a sustainable future for Pleasant Local Schools.

Learn More About
Our Financial Outlook



Message from the Superintendent Tom McDonnell



Providing a quality education while maintaining financial responsibility is a challenge we embrace at Pleasant Local Schools. With strong community support and sound financial management, we continue to adapt and grow while keeping students at the center of every decision.

We deliver great value and are doing more with less—earning a 4.5 out of 5 star rating on the Ohio State Report Card, the highest in Marion County, while keeping per-pupil costs below the state average by roughly \$683 per student.

One of our most critical initiatives is the completion of our Master Facilities Plan, ensuring that our students and staff have modern, high-quality learning environments. Thanks to our partnership with the Ohio Facilities Construction Commission (OFCC) and community support, we are moving forward in this process.

Your trust and partnership empower us to make wise financial choices. Together, we are ensuring Pleasant Local Schools remains strong, sustainable, and student-focused for years to come.



Managing Taxpayer Dollars Effectively



Reallocated 1.65 mills to establish a Permanent Improvement Fund for facility, curriculum, technology, and transportation upgrades



Leveraged federal ESSER funds to save \$1.5 million by offsetting salaries and benefits



Maximize interest revenues with strategic investments



Implemented energy efficiency initiatives to lower operational costs

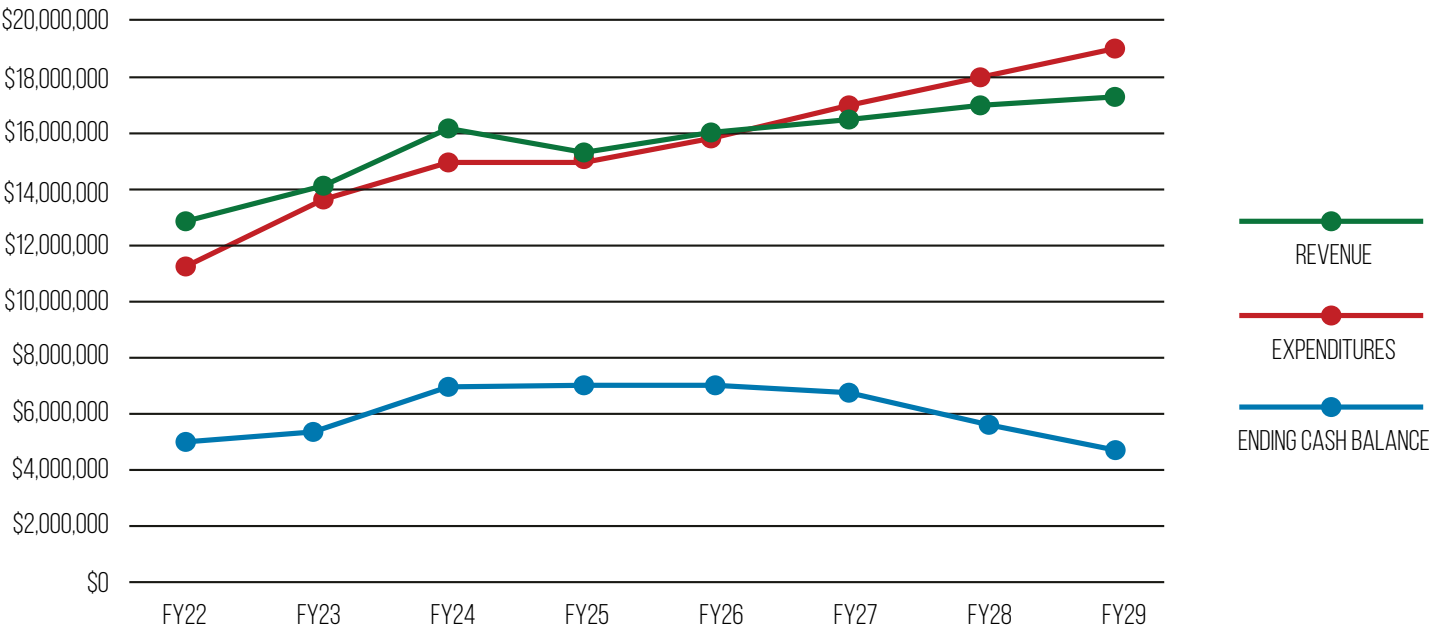


Actively negotiating vendor contracts to reduce necessary expenditures

5-YEAR FORECAST

Ohio public schools are required by law to complete two five-year forecasts each fiscal year, in November and May, to demonstrate the district's projected financial position. Below is an overview of the district's most recent five-year forecast, adopted in November 2024. The forecast shows that while we are maintaining a positive cash balance through FY29, updated projections indicate deficit spending will begin in FY26.

Positive Cash Balance Through FY29, With Deficit Spending Starting FY26



Pleasant Local Schools - Five-Year Forecast Overview

Why is a five-year forecast important?

- It helps the district plan ahead, address financial challenges early, and maintain stability.

What is deficit spending?

- Spending more money than the district receives in revenue. This can lead to budget shortfalls if not addressed.

What does Pleasant's forecast indicate?

- PLS is fiscally responsible and thoughtful in its budgeting; however, deficit spending is projected to begin in FY26 if no changes are made.

Should we be concerned?

- We continue to proactively monitor the financial outlook and make thoughtful adjustments. We invest in what students need to succeed.

Planning now ensures a stable future for Pleasant Local Schools

District Revenue Sources Breakdown

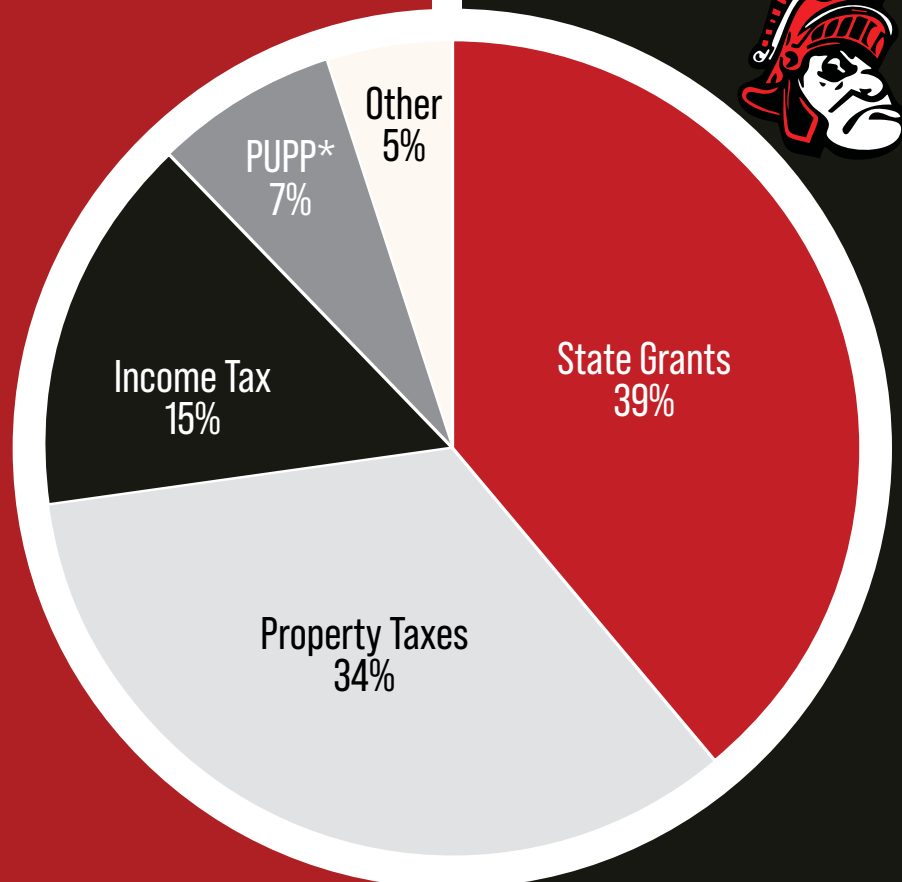
Over the past decade, PLS has averaged a 3.5 percent annual revenue increase. However, starting in FY25, we project a 4.5 percent decrease due to two key factors:

Interest Rate Changes

The Federal Reserve is projecting three interest rate reductions in 2025. In anticipation of these reductions, we are already seeing a negative impact in our high-yield money market accounts, which account for roughly 25 percent of our cash. Additionally, as existing investments mature, lower rates in securities will impact future interest revenue.

Fair School Funding Formula

While the state's new funding formula brings long-term benefits, it will result in lower state revenue for PLS over the next three years, beginning in FY25. These cuts will significantly impact PLS budgets as costs outpace revenue.



*Public Utility Personal Property (PUPP) is income that the district receives from public utilities.



Expenditures Where Does the Money go?

Over the past decade, PLS has averaged a 3.6 percent annual increase in expenditures. In FY25, we project a 6.5 percent increase, driven by two key factors:

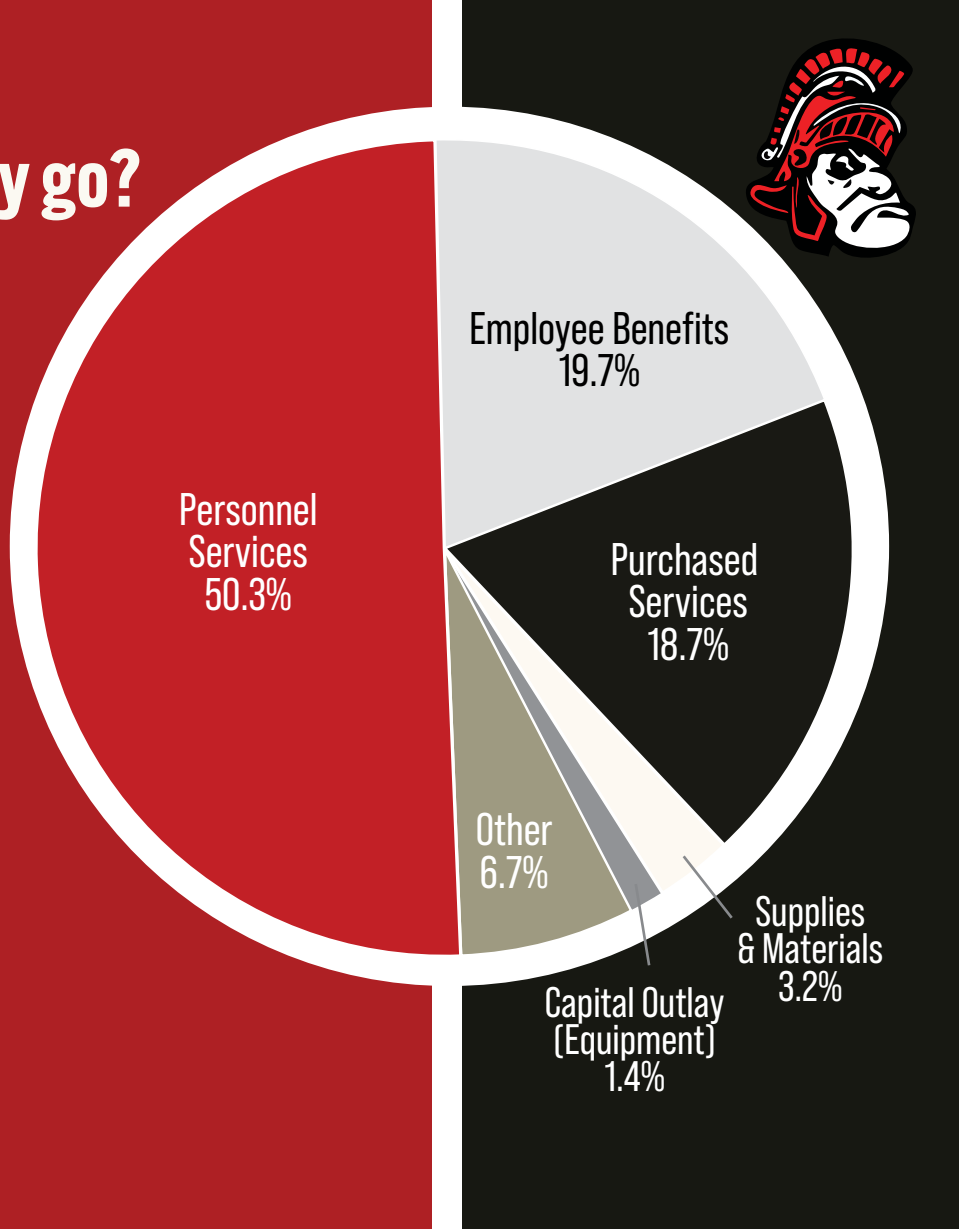
Contract Negotiations

In 2024, the district finalized agreements with the Pleasant Teachers Association and the Ohio Association of Public School Employees, focusing on salary adjustments, benefits, and additional special education support.

Purchased Services

These make up 19 percent of total district expenditures and include utilities, construction/maintenance, professional development, legal fees, technology, communications, College Credit Plus, Preschool, and special education services.

These factors reflect the district's commitment to supporting staff and maintaining essential services while managing financial sustainability.



Master Facilities Plan

Completing our Master Facilities Plan remains a top priority. Thanks to your support, the 2018 bond levy allowed us to begin this work in partnership with the Ohio Facilities Construction Commission (OFCC).

Although anticipated OFCC funding did not come through in 2019, we proactively entered the Expedited Local Partnership Program (ELPP), using local funds to begin work on the secondary school project. By securing construction contracts before the pandemic, we avoided inflation-driven cost increases—ultimately saving the district millions of dollars.

Now, we've secured state funding and are moving forward with our elementary building projects.

We continue to actively pursue solutions, including:



Meeting with Valerie Montoya (OFCC) to discuss funding, credits for the elementary project, and rising costs.



Hosting Representative Richardson at Pleasant to advocate for state funding and share our vision for repurposing the old elementary school.



Exploring how this project aligns with Governor DeWine's workforce initiatives, including childcare expansion, early learning pathways, and growing Marion's educator pool.

We remain committed to securing the necessary state funding and will continue to provide updates as we move forward with construction.



Superintendent Tom McDonnell, Treasurer James Corbeil, Pleasant Local Schools Board of Education (BOE) President Vicki Kimmel, BOE Vice President Bret Bowers, and Dr. Shelly Dason met with Representative Tracy Richardson at the Statehouse to advocate for prioritizing Pleasant Local Schools' OFCC project. Thank you, Representative Richardson, for your time and support of our schools.



Understanding the Impact of State Funding Cuts on Ohio's Schools

State Funding Reductions

Under the proposed state budget, Pleasant Local Schools (PLS)—like many districts across Ohio—faces an annual loss of nearly 10 percent in state funding for each of the next two years. State officials have stated that the new funding formula for public schools is unsustainable.

Proposed Legislative Limits on Local Revenue

A pending Ohio House amendment would require districts to lower property tax rates if cash reserves exceed 30 percent of the prior year's expenses. While this may seem taxpayer-friendly, it restricts healthy financial planning and could force schools to seek levies more often.

Rising Operational Costs

Inflation and increasing expenses for staffing, transportation, and instructional materials are driving up costs across the board.

The Bottom Line: Greater Dependence on Local Levies

As state support declines, financial flexibility is constrained, and expenditures outpace revenue growth, PLS and other districts must increasingly rely on local property tax levies just to sustain essential programs and services.

Community Support Strengthens Our Schools



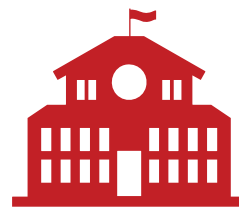
1% earned income tax levy (2019)

generating \$2.1M per year to support general operating expenditures.



9.5 mill bond levy (2018)

funding major school construction and improvements.



1.65 mills Permanent Improvement Fund

Generating roughly \$450,000 per year, and is utilized for facility and campus improvements.

Committed to Excellence: Strong Schools, Responsible Spending

The financial stewardship of Pleasant Local Schools reflects the shared responsibility of our community, staff, and leadership. Managing taxpayer dollars wisely—while delivering a high-quality education for every student—remains a top priority. We appreciate your continued trust and engagement in our schools' financial future.

Stay involved / Ongoing Engagement

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Superintendent Tom McDonnell, Board of Education President Vicki Kimmel and Treasurer James Corbeil met with Senator Bill Reineke at the Statehouse to discuss the future of education and opportunities for Pleasant Local Schools. Thank you, Senator Reineke, for your time and support of our schools.





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