

OLMSTED FALLS CITY SCHOOL DISTRICT - CUYAHOGA COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2020, 2021, and 2022 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2023, THROUGH JUNE 30, 2027



Forecast Provided By
Brett Robson, Treasurer/CFO
Olmsted Falls City School District

May 15, 2023

Olmsted Falls City School District

Cuyahoga County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2020, 2021 and 2022 Actual;
Forecasted Fiscal Years Ending June 30, 2023 Through 2027

	Actual				Average Change	Forecasted				
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022			Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Revenues										
1.010	\$22,399,077	\$25,103,155	\$28,839,080	13.5%	\$29,337,618	\$29,381,125	\$29,774,387	\$30,129,140	\$30,284,783	
1.020	1,552,793	1,777,688	1,929,583	11.5%	2,170,262	2,304,202	2,407,702	2,511,202	2,614,702	
1.030	-	-	-	0.0%	-	-	-	-	-	
1.035	13,689,974	14,060,250	13,040,539	-2.3%	13,052,678	13,054,004	13,059,000	13,059,849	13,062,891	
1.040	282,229	372,689	675,286	56.6%	661,915	661,915	661,915	661,915	661,915	
1.045	-	-	-	0.0%	-	-	-	-	-	
1.050	2,992,050	3,232,541	3,325,620	5.5%	3,399,130	3,319,211	3,368,293	3,416,129	3,436,660	
1.060	1,387,717	1,048,749	1,505,695	9.6%	1,352,851	1,109,359	1,115,933	1,122,574	1,129,280	
1.070	\$42,303,840	\$45,595,072	\$49,315,803	8.0%	\$49,974,454	\$49,829,816	\$50,387,230	\$50,900,809	\$51,190,231	
Other Financing Sources										
2.010	-	2,500,000	-	0.0%	-	-	-	-	-	
2.020	-	-	-	0.0%	-	-	-	-	-	
2.040	-	-	-	0.0%	-	-	-	-	-	
2.050	81,750	30,000	-	-81.7%	-	-	-	-	125,000	
2.060	111,994	362,709	692,284	157.4%	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000	
2.070	\$193,744	\$2,892,709	\$692,284	658.5%	\$650,000	\$650,000	\$650,000	\$650,000	\$775,000	
2.080	\$42,497,584	\$48,487,781	\$50,008,087	8.6%	\$50,624,454	\$50,479,816	\$51,037,230	\$51,550,809	\$51,965,231	
Expenditures										
3.010	\$27,283,751	\$26,797,611	\$26,841,555	-0.8%	\$27,250,369	\$27,942,144	\$28,882,588	\$29,804,140	\$30,755,519	
3.020	10,672,387	9,780,689	10,729,432	0.7%	11,945,585	12,803,823	13,661,311	14,494,061	15,293,063	
3.030	5,668,448	4,796,096	4,710,390	-8.6%	6,203,493	5,615,873	5,117,379	5,209,027	5,302,626	
3.040	1,182,732	1,042,545	1,277,207	5.3%	1,548,096	1,619,255	1,640,250	1,661,551	1,683,163	
3.050	151,624	14,693	17,009	-37.3%	139,559	198,452	217,390	218,375	259,409	
3.060	-	-	-	0.0%	-	-	-	-	-	
Debt Service:										
4.010	-	-	-	0.0%	-	-	-	-	-	
4.020	-	-	-	0.0%	-	-	-	-	-	
4.030	-	-	-	0.0%	-	-	-	-	-	
4.040	-	-	-	0.0%	-	-	-	-	-	
4.050	-	-	-	0.0%	-	-	-	-	-	
4.055	-	-	898,400	0.0%	1,681,000	-	-	-	-	
4.060	-	-	60,109	0.0%	\$31,435	\$0	\$0	\$0	\$0	
4.300	450,193	605,318	694,270	24.6%	650,296	656,799	663,367	670,000	676,700	
4.500	\$45,409,135	\$43,036,952	\$45,228,372	-0.1%	\$49,449,832	\$48,836,346	\$50,182,285	\$52,057,154	\$53,970,479	
Other Financing Uses										
5.010	\$1,000,000	\$1,150,000	\$900,000	-3.4%	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	
5.020	-	64,968	-	0.0%	\$0	\$0	\$0	\$0	\$125,000	
5.030	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0	
5.040	\$1,000,000	\$1,214,968	\$900,000	-2.2%	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,125,000	
5.050	\$46,409,135	\$44,251,920	\$46,128,372	-0.2%	\$50,449,832	\$49,836,346	\$51,182,285	\$53,057,154	\$55,095,479	
6.010	(\$3,911,551)	\$4,235,861	\$3,879,715	-108.3%	\$174,622	\$643,470	(\$145,055)	(\$1,506,345)	(\$3,130,248)	
7.010	\$5,853,440	\$1,941,889	\$6,177,750	75.7%	\$10,057,465	\$10,232,086	\$10,875,556	\$10,730,501	\$9,224,156	
7.020	\$1,941,889	\$6,177,750	\$10,057,465	140.5%	\$10,232,086	\$10,875,556	\$10,730,501	\$9,224,156	\$6,093,908	
8.010	\$592,057	\$1,332,168	\$916,368	46.9%	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	
Reservation of Fund Balance										
9.010	-	-	-	0.0%	-	-	-	-	-	
9.020	-	-	-	0.0%	-	-	-	-	-	
9.030	-	-	-	0.0%	-	-	-	-	-	
9.040	-	-	-	0.0%	-	-	-	-	-	
9.045	-	-	-	0.0%	-	-	-	-	-	
9.050	-	-	-	0.0%	-	-	-	-	-	
9.060	-	-	-	0.0%	-	-	-	-	-	
9.070	-	-	-	0.0%	-	-	-	-	-	
9.080	-	-	-	0.0%	-	-	-	-	-	
10.010	\$1,349,832	\$4,845,582	\$9,141,097	173.8%	\$9,932,086	\$10,575,556	\$10,430,501	\$8,924,156	\$5,793,908	

Olmsted Falls City School District

Cuyahoga County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2020, 2021 and 2022 Actual;
Forecasted Fiscal Years Ending June 30, 2023 Through 2027

	Actual				Average Change	Forecasted				
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022			Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal				0.0%	-	-	-	-	-	-
11.020 Property Tax - Renewal or Replacement				0.0%	-	-	-	-	-	-
11.300 Cumulative Balance of Renewal Levies				0.0%	-	-	-	-	-	-
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>										
	\$1,349,832	\$4,845,582	\$9,141,097	173.8%	\$9,932,086	\$10,575,556	\$10,430,501	\$8,924,156	\$5,793,908	
Revenue from New Levies										
13.010 Income Tax - New				0.0%	-	-	-	-	-	-
13.020 Property Tax - New				0.0%	-	-	-	-	-	-
13.030 Cumulative Balance of New Levies	-	-		0.0%	-	-	-	-	-	
14.010 Revenue from Future State Advancements				0.0%	-	-	-	-	-	
15.010 <i>Unreserved Fund Balance June 30</i>	\$1,349,832	\$4,845,582	\$9,141,097	173.8%	\$9,932,086	\$10,575,556	\$10,430,501	\$8,924,156	\$5,793,908	

Olmsted Falls City School District – Cuyahoga County
Notes to the Five Year Forecast
General Fund Only
May 15, 2023

Introduction to the Five-Year Forecast

A forecast is somewhat like a future painting based on a snapshot of today. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. A variety of events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast enables district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with ODE when events significantly change their forecast or, at a minimum, when required under the statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three essential purposes or objectives of the five-year forecast:

- (1) To engage the local board of education and the community in long-range planning and discussions of financial issues facing the school district
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate"
- (3) To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five (5) year financial forecast by November 30, 2022, and May 31, 2023, for the fiscal year 2023 (July 1, 2022, to June 30, 2023). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2023 (July 1, 2022-June 30, 2023) is the first year of the five-year forecast and is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the November 2022 filing.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

May 2023 Updates:

Revenues FY23

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$529,499 higher than the November forecasted amount. This indicates the November forecast was 98.93% accurate.

Line 1.01 and 1.02 - Property tax revenues represent 63% of our operating revenue and are estimated to be \$31.5 million. We received \$416,897 more than estimated and we feel our future projections are on target.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be \$13.7 million, which is \$34,143 higher than the original estimate for FY23. We are currently on the guarantee and are expected to remain as a guarantee district for FY24 through FY27.

Line 1.06 - Other revenues are on par with original estimates. This revenue source consists of tuition related payments, PILOT payments, interest income and Medicaid reimbursements. This revenue category can be somewhat unpredictable year to year.

All areas of revenue are tracking as anticipated for FY23 based on our best information at this time.

Expenditures FY23

Total General Fund expenditures (line 4.5) are estimated to be \$49.4 million for FY23, which is \$854,213 more than the original estimate, which is roughly 98.24% on target with original estimates. Wages, fringe benefits and Purchased Services all were a little more than originally estimated in FY23. All other areas of expenses are expected to remain on target with original projections for the year.

Unreserved Ending Cash Balance

Our ending unreserved cash balance June 30, 2023, is anticipated to be roughly \$9.9 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2027 if assumptions we have made for property tax collections, state aid in future state budgets as well as expenditure assumptions remain close to our estimates.

Forecast Risks and Uncertainty:

A five-year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the next two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

- 1) Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project growth in appraised values every three (3) years, and new construction growth with modest increases in local taxes as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues, predominately local taxes, equating to 65.8% of the district's resources. Our tax collections in the August 2022 and March 2023 settlements showed average collection trends and higher than normal delinquency collections. We believe there is a low risk that local collections would fall below projections throughout the forecast.
- 2) Our district has property values in both Cuyahoga and Lorain Counties and will experience a reappraisal in the 2024 tax year to be collected in 2025. We are anticipating value increases for Class I and II property of \$98.7 million for an overall weighted average increase of 14.4%. There is, however, always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that at this time.
- 3) The state budget represented 27.4% of district revenues, which means it is a significant area of risk to the revenue. The future risk comes in FY24 and beyond if the state economy stalls due to the inflation we are witnessing at this time. Two future State Biennium Budgets are covering the period from FY24-25, and FY26-27 in this forecast. We have projected our state funding to be in line with the FY23 funding levels through

FY27 which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets.

4) The current proposed state budget for FY24-25, HB33 was introduced on February 15, 2023 and proposes to continue the implementation of the Fair School Funding Plan (FSFP). In the initial proposal of HB33, the base cost statewide factors are the area of most significance and remain at FY18 levels. Formula districts would benefit from the continued phase-in of the FSFP, while ensuring districts would not receive less than FY21 foundation funding. Certainty surrounding these and other significant funding components will not likely be known until late June 2023, after the filing of this forecast. We will be closely monitoring the progress of HB33 as it works its way through the legislative process.

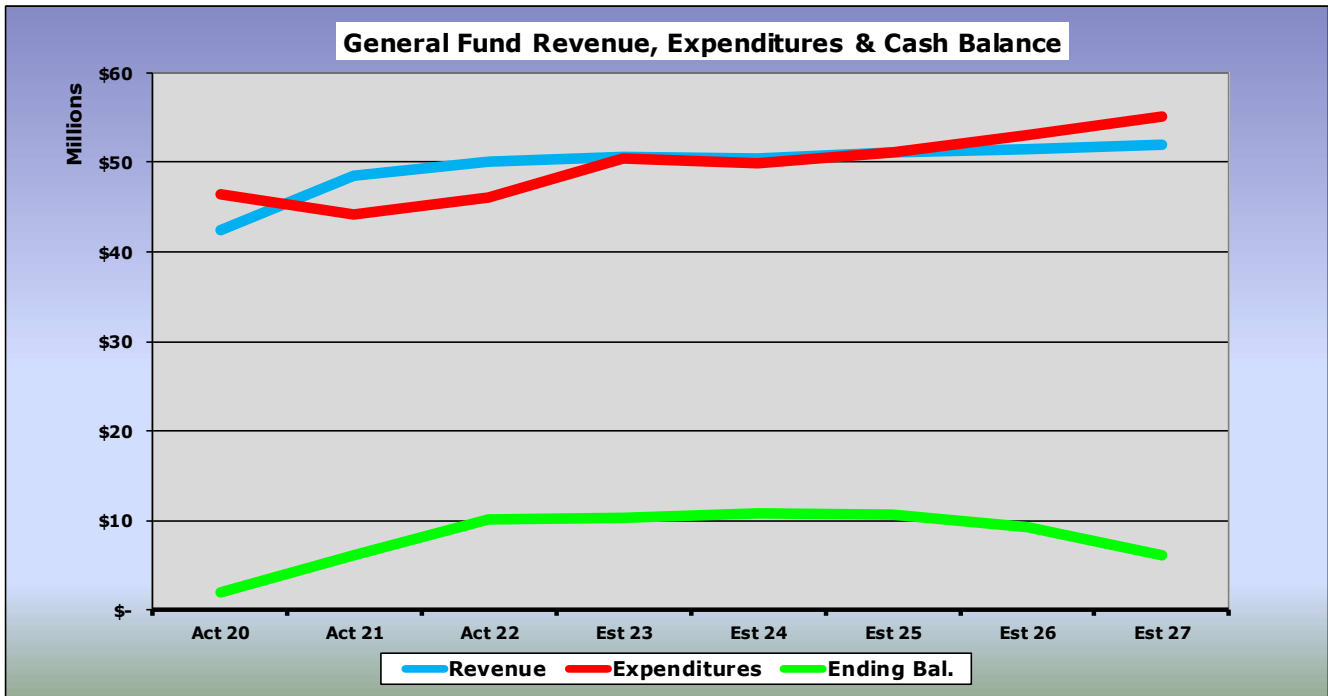
5) The legislature has introduced House Bill 1 (HB1), which proposes to modify the law regarding property taxation and Ohio income tax rates. Proposed changes to existing law include applying a single income tax rate of 2.75%, eliminating the 10% property tax rollback reimbursement, revising the 2.5% owner-occupied property tax rollback to be a flat \$125 credit, indexing the homestead exemption amounts to inflation, and reducing the property tax assessment percentage for Class I and II property from 35% to 31.5% to offset the 10% rollback which would be paid by local taxpayers. HB1 as currently written would increase the effective rates for local property owners through HB920 due to the reduction in the assessed valuation for Class I and II property. HB920, enacted in 1976, states that voted school district levies collect the amount of tax revenues stated on the ballot at the time of passage and no more. As property values grow, the “effective” millage rate on voted levies will decrease. If HB1 causes the assessed property values to decrease by changing the taxable values from 35% to 31.5%, this would cause “effective” millage rates to increase and would increase local taxpayers’ property tax liability in nearly all cases. Taxpayers would, however, see a reduction in their tax liability on inside millage, which local governments are granted by the Ohio Constitution, and would also be a direct loss of revenue for our district. The House Ways and Means Committee had its fifth hearing in regard to HB1 on Mar. 28, 2023. As this bill is facing opposition from various entities due to the significant implications to the taxable valuation of property statewide, it will remain an area of increased risk and uncertainty and will be closely monitored to determine who the outcome will be.

Labor relations in our district have been amicable, with all parties working for the best interest of students and realizing the resource challenges we face. We believe that as we move forward, our positive working relationship will continue and will only grow stronger.

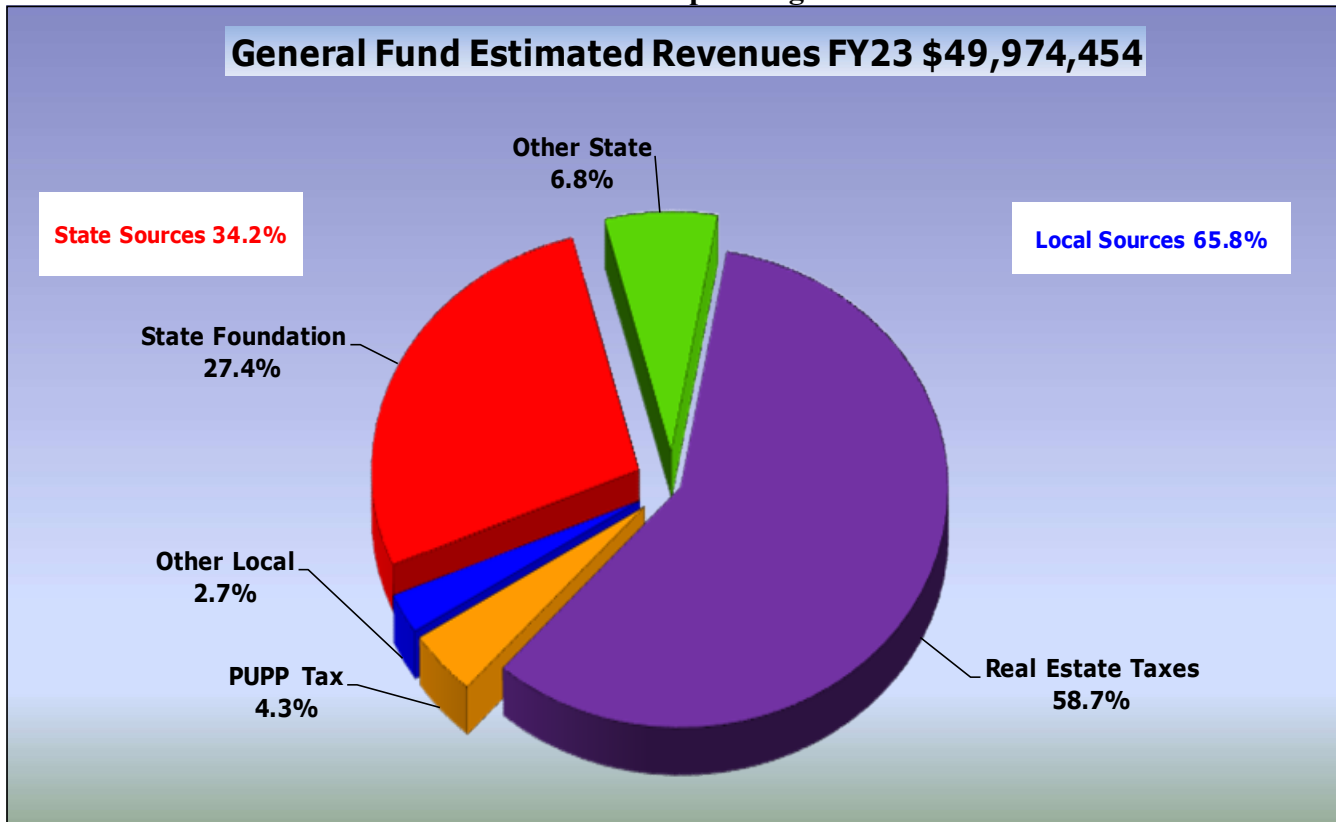
The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please contact Mr. Brett Robson, Treasurer/CFO, at 440.427.6000.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY20-22 and Estimated FY23-27

The graph captures in one snapshot the operating scenario facing the District over the next few years, reflecting a slowly declining ending cash balance.



Revenue Assumptions
Estimated General Fund Operating Revenues FY23



Real Estate Value Assumptions – Line #1.010

Property Values are established each year by the Cuyahoga and Lorain County Auditors based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values.

A full reappraisal will occur in 2024 for collection in 2025 for which we are estimating a 14% increase in residential and a 14% increase for commercial/industrial property. Current Agricultural Use Values (CAUV) represent .5% of Class I residential/agricultural values, and even though HB49 authorized a reduction in CAUV computations, this will have little to no impact on our valuation. We anticipate value increases for Class I and II property by \$98.7 million for an overall increase of 14.4%.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
	TAX YEAR2022	TAX YEAR2023	TAX YEAR2024	TAX YEAR2025	TAX YEAR2026
<u>Classification</u>	<u>COLLECT 2023</u>	<u>COLLECT 2024</u>	<u>COLLECT 2025</u>	<u>COLLECT 2026</u>	<u>COLLECT 2027</u>
Res./Ag.	\$557,764,610	\$560,914,610	\$642,592,655	\$645,742,655	\$648,892,655
Comm./Ind.	122,155,490	123,227,045	140,328,831	140,178,831	140,028,831
Public Utility Personal Property (PUPP)	<u>21,762,820</u>	<u>22,762,820</u>	<u>23,762,820</u>	<u>24,762,820</u>	<u>25,762,820</u>
Total Assessed Value	<u>\$701,682,920</u>	<u>\$706,904,475</u>	<u>\$806,684,307</u>	<u>\$810,684,307</u>	<u>\$814,684,307</u>

ESTIMATED REAL ESTATE TAX (Line #1.010)

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Est. Real Estate Taxes	<u>\$29,337,618</u>	<u>\$29,381,125</u>	<u>\$29,774,387</u>	<u>\$30,129,140</u>	<u>\$30,284,783</u>

Property tax levies are estimated to be collected at 98.10% of the annual amount. This allows a 1.9% delinquency factor. In general, 52.50% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 47.50% in the August tax settlement.

The 8.9 mill property tax approved March 17, 2020 began collection activity in FY21 and was fully collected in FY22, which is why the reader will see a jump in collections from FY20 to FY22, for Lines 1.01, 1.02 and 1.05 of the forecast. All three (3) lines of the forecast will adjust due to the new levy.

New Tax Levies – Line #13.030 – No new levies are modeled in this forecast.

Estimated Public Utility Personal Property Tax (PUPP) – Line #1.020

The phase out of TPP taxes as noted earlier began in FY06 with HB66 that was adopted in June 2005. TPP tax assessments ended in FY11. The only amounts received after FY11 are from delinquent TPP taxes outstanding as of 2010.

Amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under P.U. Personal, which was \$20.36 million in assessed values in 2021 and is collected at the district’s gross voted millage rate. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor. The values in 2021 rose by 16.98% or \$100.58 million and are expected to grow by \$1 million each year of the forecast.

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Public Utility Personal Property	<u>\$2,170,262</u>	<u>\$2,304,202</u>	<u>\$2,407,702</u>	<u>\$2,511,202</u>	<u>\$2,614,702</u>

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045 Current State Funding Model per HB110 through June 30, 2023

A) Unrestricted State Foundation & Casino Revenue – Line #1.035

The full release of the new Fair School Funding Plan formula occurred in March 2022 and was amended in HB583, passed in June 2022. We have projected FY23 funding based on the April #2 2023 foundation settlement and adjustments from FY22.

Our district is currently a guarantee district in FY23 and is expected to continue on the guarantee in FY24-FY27 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14. It was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110, as amended by HB583, implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. The current formula introduces many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five-year forecast look different with estimates FY23 through FY27 compared to actual data FY20 through FY21 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecast.

Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan

- A. Student Population and Demographics
- B. Property Valuation Per Pupil
- C. Personal Income of District Residents Per Pupil
- D. Historical Funding - CAPS and Guarantees from prior funding formulas “Funding Bases” for guarantees.

Base Cost Approach - Unrestricted Basic Aid Foundation Funding

The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student-teacher ratios to calculate a unique base cost for each district. Newer, more up-to-date statewide average prices will not update for FY23 and remain frozen at FY18 levels, while other factors impacting a district’s local capacity will update for FY23. Base costs per pupil include funding for five (5) areas:

1. Teacher Base Cost (4 subcomponents)
2. Student Support (7 subcomponents-including a restricted Student Wellness component)
3. District Leadership & Accountability (7 subcomponents)
4. Building Leadership & Operations (3 subcomponents)
5. Athletic Co-curricular (contingent on participation)

State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is currently at a state-wide average of \$7,351.71 per pupil in FY23, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage, in concept, will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district’s ability to raise taxes based on local wealth, the lower the state share percentage. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income, and 20% on federal median income, as follows:

1. 60% based on the most recent three (3) year average assessed values or the most recent year, whichever is lower, divided by base students enrolled.

2. 20% based on the most recent three (3) year average federal adjusted gross income of district residents or the most recent year, whichever is lower divided by base students enrolled.
3. 20% based on the most recent year federal median income of district residents multiplied by the number of returns in that year divided by base students enrolled.
4. When the weighted values are calculated, and items 1 through 3 above are added together, the total is multiplied by a Local Share Multiplier Index from 0% for low-wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open enrolled students being educated in each district) and finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity of the base per pupil funding amount.

Categorical State Aid

In addition to the base state foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). It also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount, not a specific amount. An amount of 10% will be reduced from all districts’ calculations to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding is based on all resident students who ride, including preschool students and those living within 1 mile of school. Provides supplemental transportation for low-density districts. Increases state minimum share to 29.17% in FY22 and 33.33% in FY23. In general, districts whose state share is less than 33.33% will benefit from the increase to 33.33% funding.

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on the number and concentration of economically disadvantaged students compared to the state average and multiplied by \$422 per pupil. Phase-in increases are limited to 0% for FY22 and 33.34% in FY23. English Learners – Based on funded categories based on the time student enrolled in schools and multiplied by a weighted amount per pupil.
2. Gifted Funds – Based on average daily membership multiplied by a weighted amount per pupil.
3. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
4. Student Wellness and Success Funds- These funds in FY20 and FY21 were accounted for in Fund 467 but are now restricted funds to be accounted for in the General Fund as part of the foundation formula.

State Funding Phase-In FY22 and FY23 and Guarantees

While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110, which was amended in HB583 in June 2022. The FSFP does not include caps on funding; instead, it will consist of a general phase-in percentage for most components of 16.67% in FY22 and 33.33% in FY23 DPIA funding was phased in at 0% in FY22 but has now been included in the overall phase in at 33.34% in FY23. Transportation categorical funds will not be subject to phase-in

HB110 includes three (3) guarantees: 1) “Formula Transition Aid”; 2) Supplemental Targeted Assistance, and 3) Formula Transition Supplement. The three (3) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY22 and FY23 than they received in FY21. The guarantee level of funding for FY22 is a calculated funding guarantee level based on total state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items. It is estimated that nearly 420 districts are on one form of guarantee in FY22. In general, the same number will occur in FY23 since state average costs were frozen at FY18 in the Base Cost calculations. In contrast, property values and Federal Adjusted Gross Income will be allowed to update and increase for FY23, pushing districts toward one of the three (3) guarantees.

Student Wellness and Success Funds (SWSF) - (Restricted Fund 467)

In FY20 and FY21, HB166 provided Student Wellness and Success Funds (SWSF) to be deposited in Special Revenue Fund 467. HB110, the new state budget, essentially eliminated these funds by merging them into state aid and wrapped them into the expanded funding and mission of DPIA funds noted above and on Line 1.04 below. A small portion remains devoted to SWSF. Any remaining funds in Special Revenue Fund 467 from FY20 and FY21 will be required to be used for the restricted purposes governing these funds until entirely spent.

Future State Budget Projections beyond FY23

Our funding status for FY24-27 will depend on two new state budgets. The current proposed state budget for FY24-25, HB33, was introduced on February 15, 2023, and continues the implementation of the FSFP, **with the following changes.**

Unrestricted Basic Aid Foundation Funding

- a) The statewide average base cost per pupil will remain at FY18 levels in FY24-25.
- b) Increases the general phase-in percentage from 33.33% in FY23 to 50% in FY24 and 67% in FY25.
- c) Extends payment of the temporary transitional aid and the formula transition supplement to ensure districts are guaranteed to be funded at FY21 levels, at a minimum through FY25.

Unrestricted Categorical State Aid

- a) Transportation Aid - Increases the minimum state share percentage from 33.33% in FY23 to 37.5% in FY24 and 41.67% in FY25.

Restricted Categorical State Aid

- a) Disadvantage Pupil Impact Aid (DPIA) - Increases phase-in percentage from 33.34% in FY23 to 50% in FY24 and 67% in FY25.
- b) Gifted Funds - Increases per pupil funding for the gifted professional development component from \$14 in FY23 to \$21 in FY24 and \$28 in FY25.
- c) Student Wellness and Success Funds
 - a. Expenditures for either physical or mental health-based initiatives, or a combination of both, must comprise at least 50% of these funds.
 - b. Any SWSF funds received between FY20-23 must be expended by June 30, 2025, or the funds must be returned to the ODE.
 - c. School resource officer funding will be allocated on a per building basis. Funds are able to support existing SROs.

Additionally, there are two other funding components in HB33 which provide additional support for districts. The first is the sports gaming profits education fund, which is projected to appropriate \$30 million in each year of the biennium, of which \$15 million is targeted toward eliminating or reducing pay to participate fees. The

second component is information technology support for schools and districts, which is projected to appropriate \$14.3 million over the course of the biennium for cybersecurity and building connectivity. We are still awaiting concrete information on how the funds will be allocated to schools.

With these still unknown changes to the state funding for FY24-25, we will continue to project our unrestricted and categorical state funding to be in line with the FY23 funding levels through the remainder of the forecast. The state budget for FY26-27 is unknown; however, we believe that our state funding estimates are reasonable, and we will adjust the forecast in the future when we have authoritative data to work with.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and casinos closing for over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as casino revenues appear to have dipped mainly due to their closure and not in response to the economic downturn. Before the COVID-19 closure, casino revenues grew modestly as the economy improved. Original projections for FY23-27 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to \$106.35 million or \$59.80 per pupil; actual payments in FY22 were \$62.87 per pupil. FY23 Casino revenues have resumed their historical growth rate and assume a 2% annual growth rate for the forecast period.

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Basic Aid-Unrestricted	\$12,302,203	\$12,298,828	\$12,298,828	\$12,298,828	\$12,298,828
Additional Aid Items	<u>525,563</u>	<u>525,563</u>	<u>525,563</u>	<u>525,563</u>	<u>525,563</u>
Basic Aid-Unrestricted Subtotal	\$12,827,766	\$12,824,391	\$12,824,391	\$12,824,391	\$12,824,391
Ohio Casino Commission ODT/Credentials	<u>224,912</u>	<u>229,613</u>	<u>234,609</u>	<u>235,458</u>	<u>238,500</u>
Total Unrestricted State Aid Line #1.035	<u>\$13,052,678</u>	<u>\$13,054,004</u>	<u>\$13,059,000</u>	<u>\$13,059,849</u>	<u>\$13,062,891</u>

B) Restricted State Foundation Revenue – Line #1.040

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economically Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under “Restricted Categorical Aid” for Gifted, English Learners (ESL) and Student Wellness Using current April funding factors, we have estimated revenues for these new restricted funding lines. The amount of DPIA is limited to 0% phase-in growth for FY22 and 33.34% in FY23. We have flat lined funding at FY23 levels for FY24-27 due to uncertainty on continued funding of the current funding formula.

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
DPIA	\$14,455	\$14,455	\$14,455	\$14,455	\$14,455
Career Tech - Restricted	2,023	2,023	2,023	2,023	2,023
Gifted	194,537	194,537	194,537	194,537	194,537
ESL	8,426	8,426	8,426	8,426	8,426
Student Wellness	<u>442,474</u>	<u>442,474</u>	<u>442,474</u>	<u>442,474</u>	<u>442,474</u>
Total Restricted State Revenues Line #1.040	<u>\$661,915</u>	<u>\$661,915</u>	<u>\$661,915</u>	<u>\$661,915</u>	<u>\$661,915</u>

C) Restricted Federal Grants in Aid – Line #1.045

No unrestricted federal grants are projected for FY23-27.

<u>SUMMARY</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Unrestricted Line #1.035	\$13,052,678	\$13,054,004	\$13,059,000	\$13,059,849	\$13,062,891
Restricted Line #1.040	661,915	661,915	661,915	661,915	661,915
Rest. Federal Funds #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$13,714,593</u>	<u>\$13,715,919</u>	<u>\$13,720,915</u>	<u>\$13,721,764</u>	<u>\$13,724,806</u>

**State Taxes Reimbursement/Property Tax Allocation
Rollback and Homestead Reimbursement**

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years or older or disabled regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who did not get a new application approved for the tax year 2013 and who become eligible after that will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013, will not lose it and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Summary of State Tax Reimbursement – Line #1.050

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Rollback and Homestead	<u>\$3,399,130</u>	<u>\$3,319,211</u>	<u>\$3,368,293</u>	<u>\$3,416,129</u>	<u>\$3,436,660</u>

Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area have been open enrollment, tuition for court placed students, student fees, Payment In Lieu of Taxes, and general rental fees. HB110, the new state budget, will stop paying open enrollment as an increase to other revenue for the district. Open enrolled students will be counted in the enrolled student base at the school

district they are being educated at and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as state basic aid. In FY21 and FY22, interest income fell due to fed rate reductions. With rates rising again we have reversed the downward trend for future years. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historical trends.

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Service Provided Other Entities	\$115,838	\$116,996	\$118,166	\$119,348	\$120,541
Medicaid	251,836	254,354	256,898	259,467	262,062
Tuition payments	132,718	134,045	135,385	136,739	138,106
Interest	37,040	37,410	37,784	38,162	38,544
Dues & Fees	113,502	114,637	115,783	116,941	118,110
Miscellaneous Receipts	<u>701,917</u>	<u>451,917</u>	<u>451,917</u>	<u>451,917</u>	<u>451,917</u>
Total Other Local Revenue Line #1.060	<u>\$1,352,851</u>	<u>\$1,109,359</u>	<u>\$1,115,933</u>	<u>\$1,122,574</u>	<u>\$1,129,280</u>

Tax Anticipation Note Borrowing – Line #2.010

Ohio Revised Code 133.24 and 5705.21 allows the District to borrow up to 50% of the annual \$5,189,000 expected collection from the new operating levy. The District believed it was prudent to borrow these funds in FY21 in order to avoid any cash flow concerns that could occur over the course of the next few years. The District issued a \$2,500,000 Tax Anticipation Note (TAN) dated November 1, 2020, in FY21. The debt will be repaid over a three (3) year period at 1.87% interest, with annual interest and principal payments beginning November 1, 2021 and ending November 1, 2023, as noted on line 4.055.

Transfers In / Return of Advances – Line #2.040 & Line #2.050

These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year.

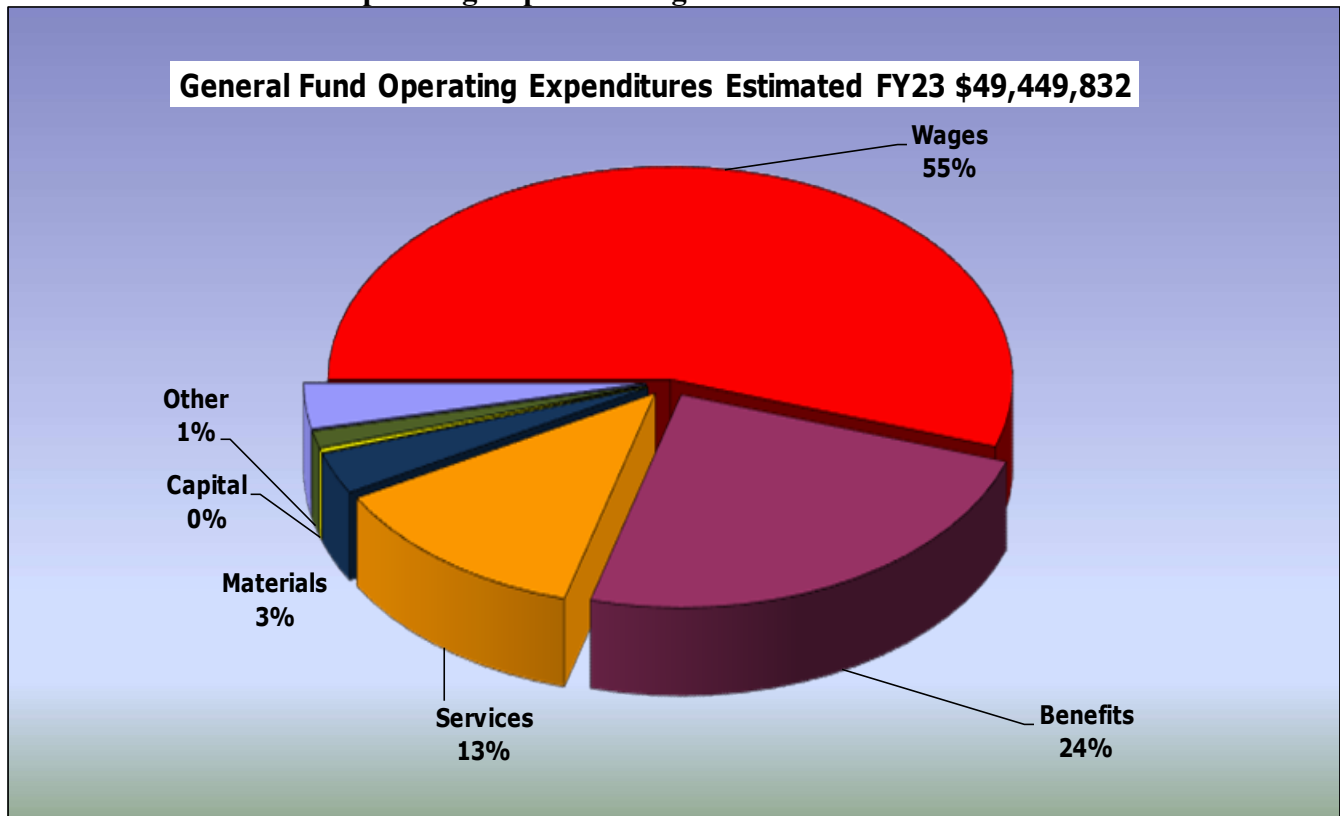
<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Transfers In - Line #2.040	<u>\$0</u>	\$0	\$0	\$0	\$0
Advance Returns - Line #2.050	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>125,000</u>
Total Transfer & Advances In	\$0	\$0	\$0	\$0	\$125,000

All Other Financial Sources – Line #2.060 & Line #14.010

This funding source is typically a refund of prior year expenditures that is very unpredictable. We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in FY23. We also post Catastrophic Aid reimbursement for prior years in this line as well. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Refund of prior years expenditures & Catastrophic	<u>\$650,000</u>	<u>\$650,000</u>	<u>\$650,000</u>	<u>\$650,000</u>	<u>\$650,000</u>

Expenditures Assumptions
All Operating Expense Categories – General Fund FY23



Wages – Line #3.010

During FY21, in order to reduce cost and work toward a balanced budget the District did not replace various employees resigning or retiring along with laying off 13.5 certified staff, 1 mechanic and 1 admin/exempt position. These cost savings will be permanent and future retirements and/or resignations will be handled in the same manner. The Board of Education approved a one year roll over for the expired OFEA and OAPSE union contract that called for a 0% base increase. There are 0% base increases called for FY22-24 with a 1.5% base increase for planning purposes in FY25 through FY27. ESSER II and ESSER III funds will be used to pay staff increases under continuity of services provisions of the CARES Act for FY22-FY24 with step and academic training increases coming from the General Fund. These federal dollars will help prevent us from reducing staff further so we can focus on closing the gaps in learning loss our students may have incurred due to COVID-19.

Trend and attrition savings have been made reducing costs by \$146,667 for FY22 and \$188,592 in FY23. Other staff changes have been made to reduce salaries and realign staff to further maintain savings already put in place for FY21 and continue to offer quality services. For instance, restructuring job reassignments in the central office resulted in no additional cost but provided an additional FTE for other work assignments.

Negotiations with bargaining unit members resulted in an agreement to include base increases of 0.0% for FY22 through FY24 with stipends coming from ESSER II and III. For planning purposes a 1.5% base increase is planned FY25 through FY27.

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Base Wages	\$26,185,641	\$26,569,253	\$27,255,779	\$28,190,925	\$29,107,130
Base Increase	0	0	408,837	422,864	436,607
Steps & Training	500,146	472,933	476,976	493,341	509,375
Growth/Replacement Staff	42,058	292,667	49,333	0	0
Substitutes	194,496	195,079	195,664	196,251	196,840
Supplementals	466,620	471,286	475,999	480,759	485,567
Severance	20,000	20,000	20,000	20,000	20,000
Wage Adjustments & Cuts	<u>(158,592)</u>	<u>(79,073)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Wages Line #3.010	<u>\$27,250,369</u>	<u>\$27,942,144</u>	<u>\$28,882,588</u>	<u>\$29,804,140</u>	<u>\$30,755,519</u>

Fringe Benefits Estimates Line #3.020

This area of the forecast captures all costs associated with benefits and retirement costs. These payments along with HSA costs are included in the table below. Trend and attrition adjustments for FY22 were made to reduce costs by \$53,460 and in FY23 \$68,742 to further tighten actual costs.

A) STRS/SERS will increase as Wages Increase

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The district is required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members.

B) Insurance

We realized an increase of 0% for FY21, and negotiations have taken place to reduce the original estimated insurance cost of 10% to 7.3% for FY22. We are estimating an increase of 14% for FY23, 14% for FY24, 9% for FY25, 8% for FY26, and 7% for FY27, which reflects the trend of our current employee census and claims data.

The Further Consolidated Appropriations Act of 2020 included a full repeal of three taxes initially imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. “Cadillac Tax”), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately .25% of wages FY23– FY27. Unemployment is likely to remain at a shallow level FY23-FY27. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of increases in wages and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
A) STRS/SERS	\$4,231,221	\$4,334,208	\$4,476,856	\$4,620,834	\$4,768,686
B) Insurance's	6,717,287	7,702,562	8,406,153	9,078,645	9,714,150
C) Workers Comp/Unemployment	67,972	69,823	72,270	74,482	76,765
D) Medicare	387,513	395,638	404,440	418,508	431,870
Other/Tuition/Incentive	<u>541,592</u>	<u>301,592</u>	<u>301,592</u>	<u>301,592</u>	<u>301,592</u>
Total Fringe Benefits Line #3.020	<u>\$11,945,585</u>	<u>\$12,803,823</u>	<u>\$13,661,311</u>	<u>\$14,494,061</u>	<u>\$15,293,063</u>

Purchased Services – Line #3.030

HB110, the new state budget, will impact Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to show these amounts below as zeros to help reflect the difference between projected FY23-FY27 Line 3.03 costs and historical FY20 through FY21 costs on the five-year forecast. College Credit Plus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend. We reduced costs in purchased services for FY20 and 21 for the Fund 467 recoding for our SRO's and then returned these costs to the General Fund in FY23-27. Effective FY24, preschool services are no longer procured through the Educational Service Center as a purchased service. These individuals are now employees of the district, with wages and benefits reflected accordingly in sections 3.01 and 3.02.

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Legal Fees, PD, and Other Misc.	\$1,598,079	\$1,360,041	\$1,387,242	\$1,414,987	\$1,443,286
Contract Substitute	450,000	400,000	400,000	400,000	400,000
Repairs & Maint., Property Ins., Other Misc.	2,022,809	1,683,493	1,117,163	1,139,506	1,162,296
Tuition & Scholarship Costs	465,126	479,080	493,453	508,256	523,504
Community School, OE and CC+	215,072	221,524	228,170	235,015	242,066
Transportation	480,388	489,996	499,796	509,792	519,988
Utilities	<u>972,018</u>	<u>981,738</u>	<u>991,555</u>	<u>1,001,471</u>	<u>1,011,485</u>
Total Purchased Services Line #3.030	<u>\$6,203,493</u>	<u>\$5,615,873</u>	<u>\$5,117,379</u>	<u>\$5,209,027</u>	<u>\$5,302,626</u>

Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. The District has reduced costs for building supplies and is increasing costs for curriculum textbook of \$250,000 in FY24. Although this area is one of the smallest expenditure lines, it is also one of the most controllable when in a time of financial stress. Continued year over year reduction in costs can lead to prolonged replacement schedules for technology and maintenance items. Additional ESSER II and III funds have been or will be allocated to our district that can be used through September 30, 2023 and September 30, 2024 respectively, which will be used to purchase textbooks and materials in FY21 and offset costs through FY26. These purchases will help academic support for lost learning due to school closures as a result of the pandemic. We will also be looking for other approved areas such as HVAC improvements that ESSER funds can be used for through FY24.

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
General Office Supplies and Materials	\$667,893	\$480,251	\$489,856	\$499,653	\$509,646
Textbooks	87,016	337,886	341,265	344,678	348,125
Building Maintenance	235,749	238,106	240,487	242,892	245,321
Transportation Fuel and Supplies	<u>557,438</u>	<u>563,012</u>	<u>568,642</u>	#REF!	<u>580,071</u>
Total Line #3.040	<u>\$1,548,096</u>	<u>\$1,619,255</u>	<u>\$1,640,250</u>	<u>\$1,661,551</u>	<u>\$1,683,163</u>

Equipment – Line #3.050

The District does not anticipate costs increasing significantly in this line because most capital outlay is paid by the Permanent Improvement Fund. This category is used when the District purchases items over \$500 and with a useful life of 10 years or greater. Main cost that are reflected here are busses for the transportation fleet. With an average bus age of 12 years, the District needs to stick to a replacement schedule. For FY22 through FY25 we have entered into capital lease purchase agreement for 3 busses in FY22, and replacing one additional bus annually thereafter, with the payments noted below. In addition, we entered into a five (5) year lease purchase agreement for busses with payments beginning in FY23 that will add \$69,700 to the bus purchase line through FY27.

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Capital Outlay & Technology	\$17,859	\$18,752	\$19,690	\$20,675	\$21,709
Bus Purchases & Lease	<u>121,700</u>	<u>179,700</u>	<u>197,700</u>	<u>197,700</u>	<u>237,700</u>
Total Equipment Line #3.050	<u>\$139,559</u>	<u>\$198,452</u>	<u>\$217,390</u>	<u>\$218,375</u>	<u>\$259,409</u>

Tax Anticipation Note Principal and Interest Payment – Line #4.055 and #4.060

The District issued a \$2,500,000 Tax Anticipation Note (TAN) dated November 1, 2020, for a three (3) year period at 1.87% interest, with annual interest and principal payments beginning November 1, 2021 and ending November 1, 2023. We anticipate paying the TAN off in FY23 which is one year earlier than expected and will save the district interest costs.

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Principal TANS Line #4.020	\$0	\$0	\$0	\$0	\$0
Principal State Loans Line #4.030	0	0	0	0	0
Principal State Advances Line #4.040	0	0	0	0	0
Principal Operating Levy TANS Line #4.055	<u>1,681,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Principal Payments	<u>\$1,681,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Interest on TANS #4.060	<u>\$31,435</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. Increased auditor and treasurer fees for the new 8.9 mill levy are shown increasing in FY21 and FY22 as those will be added collection costs for the new levy.

<u>Source</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
County Auditor & Treasurer Fees	\$478,236	\$483,018	\$487,848	\$492,726	\$497,653
ESC Deduction	21,987	22,207	22,429	22,653	22,880
Other expenses	150,073	151,574	153,090	154,621	156,167
Increased A&T Fees for New Levies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Expenses Line #4.300	<u>\$650,296</u>	<u>\$656,799</u>	<u>\$663,367</u>	<u>\$670,000</u>	<u>\$676,700</u>

Transfers Out/Advances Out – Line #5.010

This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they can repay the General Fund. The table below presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table below. The forecast transfer out is for the general dollars that are used to pay supplemental wages from the Student Activity fund (300) and for the Food Service fund (006) to cover losses and maintain a positive cash position.

Source	FY23	FY24	FY25	FY26	FY27
Operating Transfers Out Line #5.010	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Advances Out Line #5.020	0	0	0	0	125,000
Total Transfer & Advances Out	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,125,000

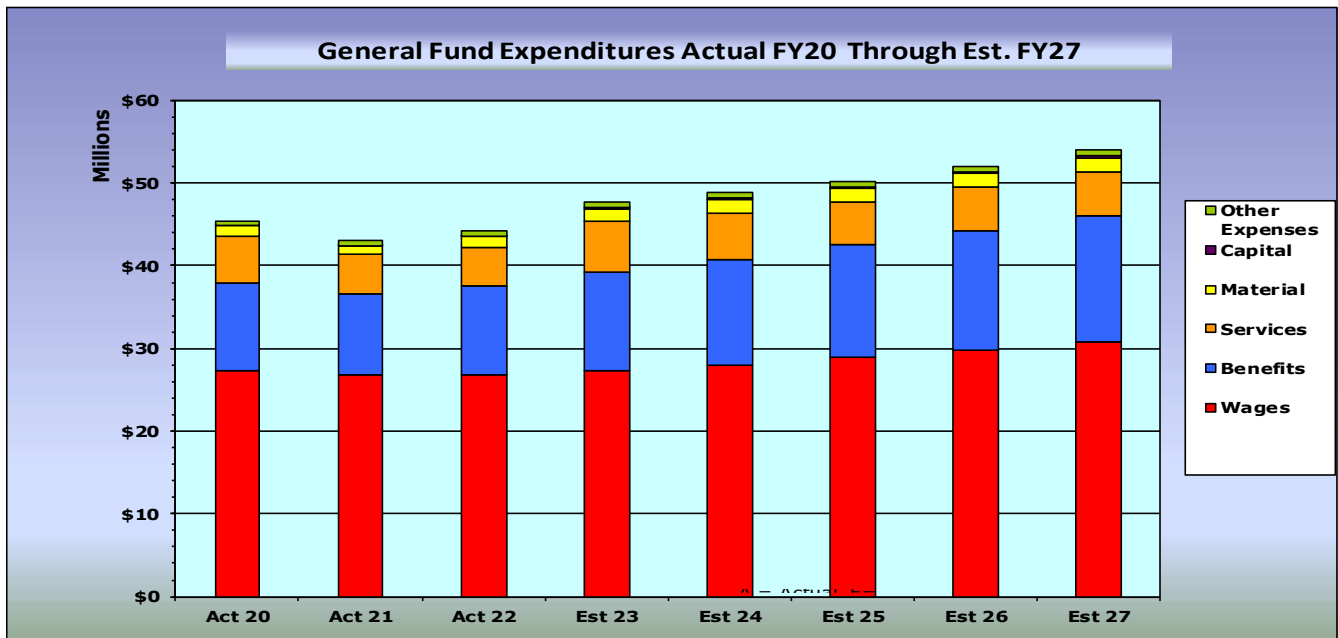
Encumbrances – Line #8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	FY23	FY24	FY25	FY26	FY27
Estimated Encumbrances	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000

Operating Expenditures Actual FY20 through FY22 and Estimated FY23-FY27

As the graph on the following page indicates, we have been diligent at reducing costs in reaction to lower and flat state revenues in FY20 and FY21. Reductions made in FY21 are noted in the graph.



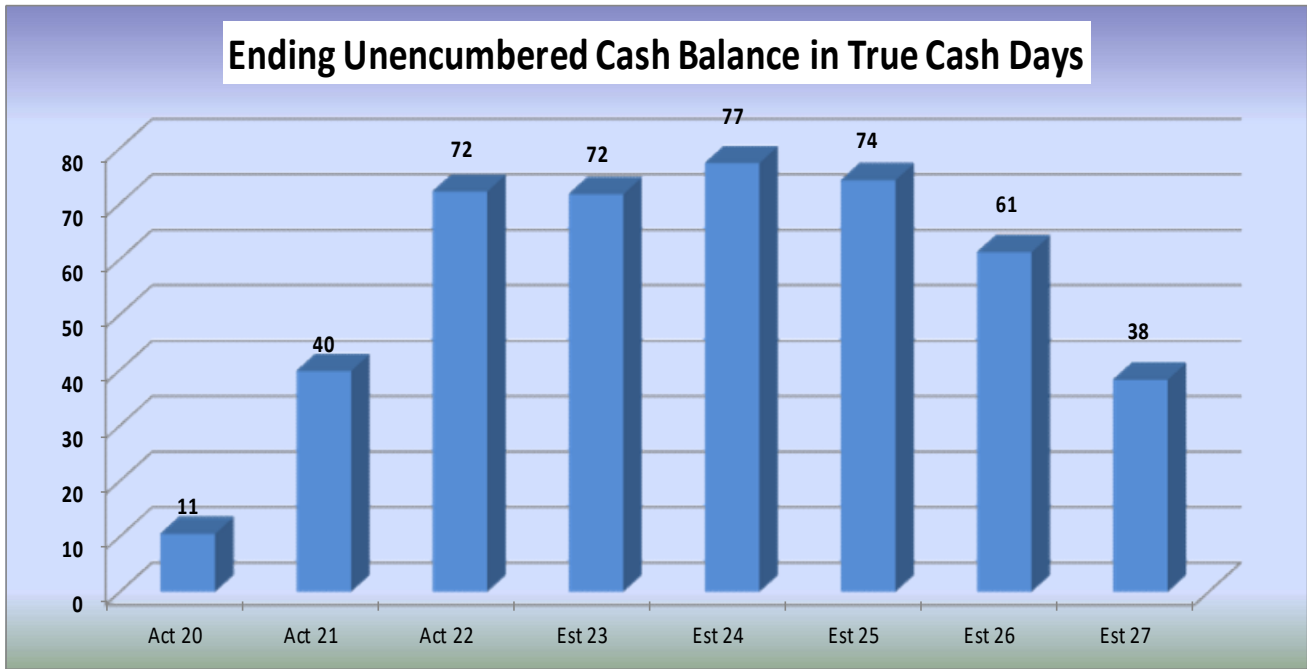
Ending Unencumbered Cash Balance – Line #15.010

This amount must not go below \$0, or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract knowingly signed that results in a negative unencumbered cash balance violate 5705.412, ORC, punishable by the personal liability of \$10,000. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about \$3.95 million for our district.

	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Ending Cash Balance	<u>\$9,932,086</u>	<u>\$10,575,556</u>	<u>\$10,430,501</u>	<u>\$8,924,156</u>	<u>\$5,793,908</u>

True Cash Days Ending Balance

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year-end if no additional revenues were received? This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends that no less than two (2) months or 60 days of cash is on hand at year-end but could be more depending on each district's complexity and risk factors for revenue collection. This is calculated, including transfers, as this is a predictable funding source for other funds such as capital, athletics, and severance reserves.



As you read through the notes and review the forecast, remember that the forecast is based on the best information available to us when the forecast is prepared.