

Norwood City School District

# Five Year Forecast Financial Report

November, 2021

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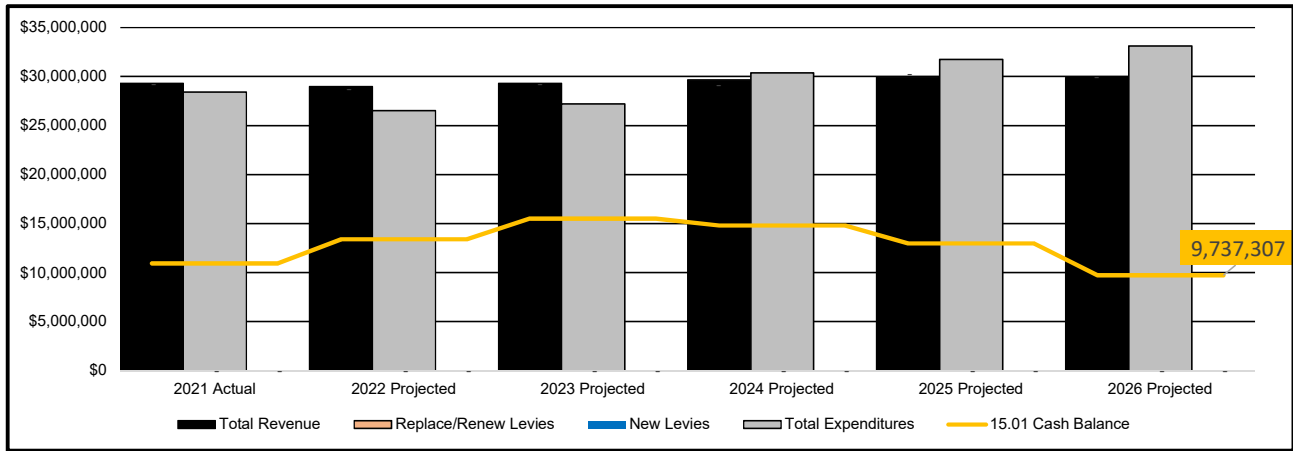
### Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the 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.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

### Forecast Summary



Note: Cash balance includes any existing levy modeled as renewed during the forecast.  
Cash balance is not reduced for encumbrances.

Financial Forecast

	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
Beginning Balance	11,144,445	13,606,509	15,711,972	14,993,847	13,168,412
+ Revenue	28,982,386	29,306,281	29,650,815	29,935,109	29,886,314
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(26,520,322)	(27,200,818)	(30,368,941)	(31,760,544)	(33,117,419)
= Revenue Surplus or Deficit	2,462,064	2,105,463	(718,125)	(1,825,435)	(3,231,105)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	13,606,509	15,711,972	14,993,847	13,168,412	9,937,307

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	2,462,064	2,105,463	(718,125)	(1,825,435)	(3,231,105)
Ending Balance w/o Levies	13,606,509	15,711,972	14,993,847	13,168,412	9,937,307

In FY 2022 a revenue surplus is expected. This means that expenditures are expected to be less than revenue by -\$2,462,064 in FY 2022. By the last year of the forecast, FY 2026, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$3,231,105. The district would need to cut its FY 2026 projected expenses by 9.76% in order to balance its budget without additional revenue.

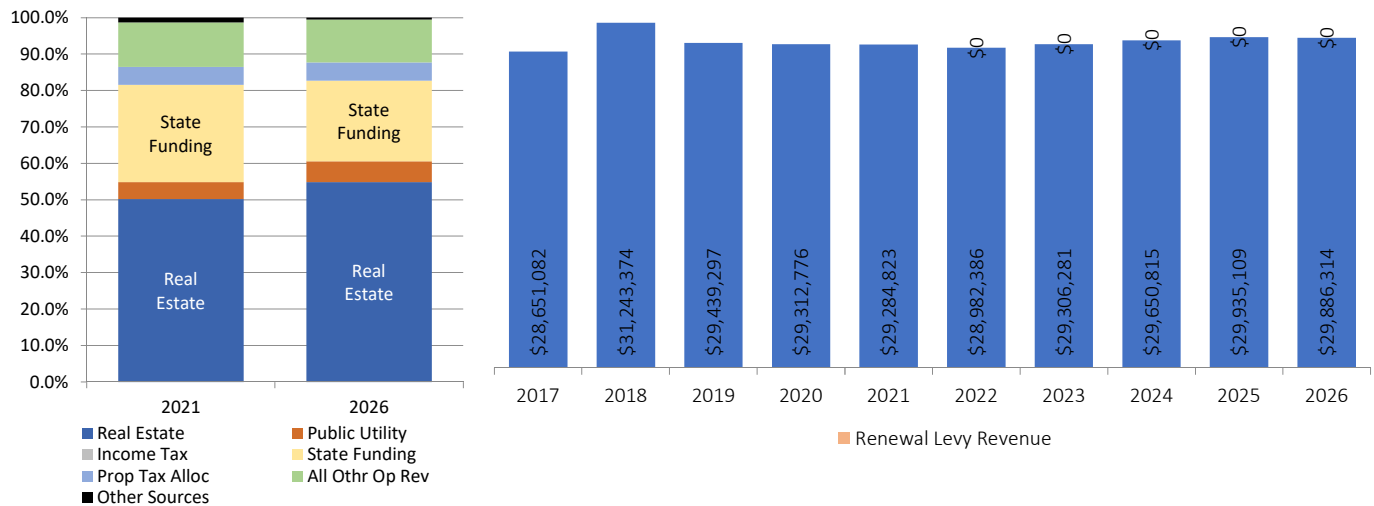
The district's cash balance is positive at year-end in FY 2022 and is projected to worsen by FY 2026. A worsening cash balance can erode the district's financial stability over time.

This forecast includes the Fair School Funding Plan (FSFP) adopted by Ohio starting in FY 2022. The district expects a combined impact of \$222,063 in FY 2022. This forecast includes a CFO adjusted trend calculation of the FSFP impact using current information. As information changes the estimates will be updated. The district is considered a guarantee district in FY 2022. A detailed state funding supplement to this forecast has been prepared and should be reviewed and considered part of the forecast assumptions.

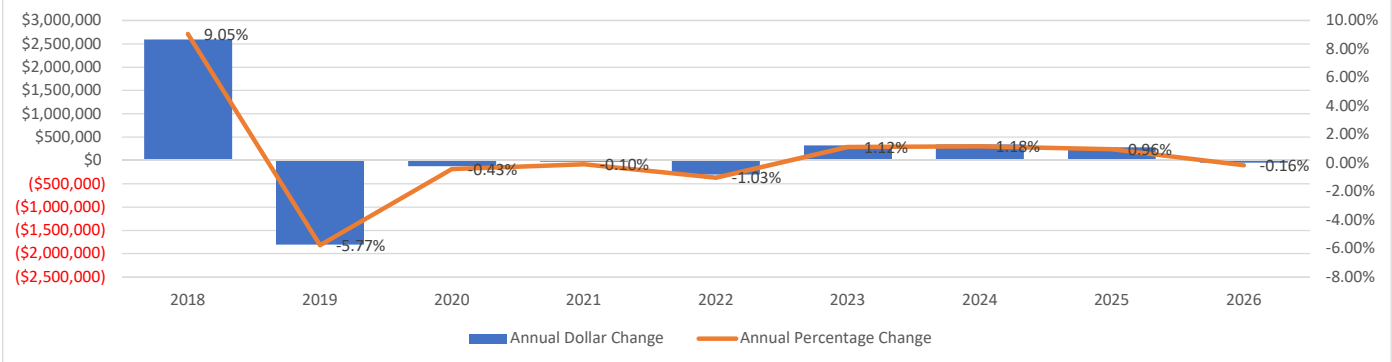
guarantee district in FY 2022.

## Revenue Sources and Forecast Year-Over-Year Projected Overview

### Sources of Revenue Over Time



### Year-Over-Year Dollar & Percentage Change



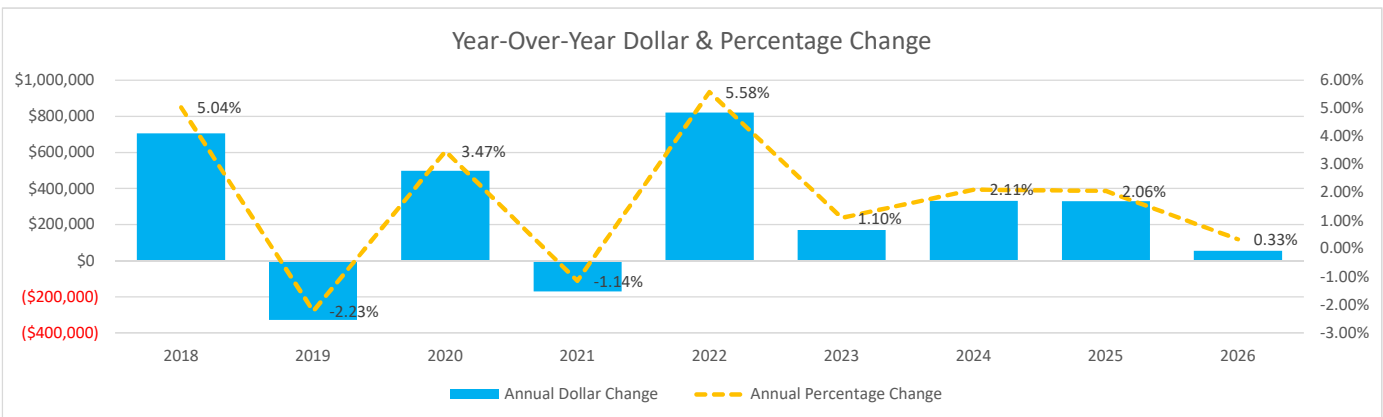
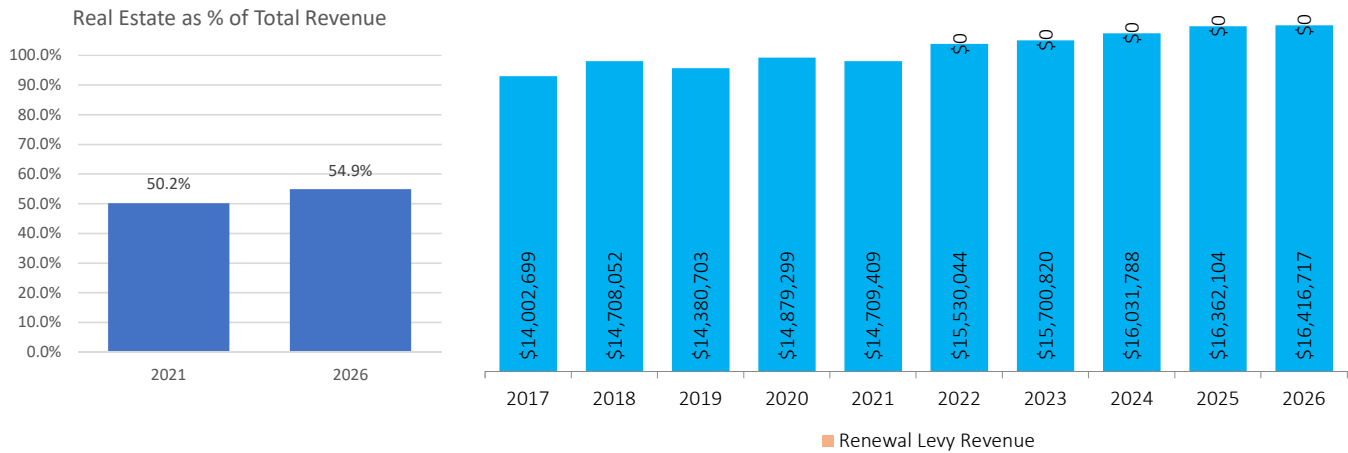
3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue decreased -2.22% or -\$652,850 annually during the past five years and is projected to increase 0.41% or \$120,298 annually through FY2026. Other Sources has the most projected average annual variance compared to the historical average at \$343,654
Real Estate	\$452	\$341,462	\$341,010	
Public Utility	\$67,021	\$63,583	(\$3,438)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$24,632)	(\$235,807)	(\$211,176)	
Prop Tax Alloc	(\$190,714)	\$10,466	\$201,180	
All Othr Op Rev	(\$118,748)	(\$16,829)	\$101,919	
Other Sources	(\$386,229)	(\$42,575)	\$343,654	
<b>Total Average Annual Change</b>	<b>(\$652,850)</b>	<b>\$120,298</b>	<b>\$773,149</b>	
	<b>-2.22%</b>	<b>0.41%</b>	<b>2.63%</b>	

Note: Expenditure average annual change is projected to be > \$938,085. On an annual average basis, expenditures are projected to grow faster than revenue.

### 1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2020	443,187,120	51,596,000	37.06	-	39.25	-	99.2%
2021	441,637,120	(1,550,000)	38.22	1.16	40.72	1.46	98.3%
2022	440,837,120	(800,000)	38.30	0.08	41.04	0.32	98.3%
2023	481,087,120	40,250,000	36.88	(1.42)	38.83	(2.21)	98.3%
2024	482,087,120	1,000,000	36.90	0.02	38.93	0.10	98.3%
2025	483,637,120	1,550,000	36.90	(0.00)	38.96	0.03	98.3%

Real estate property tax revenue accounts for 50.23% of total revenue. Class I or residential/agricultural taxes make up approximately 52.64% of the real estate property tax revenue. The Class I tax rate is 38.22 mills in tax year 2021. The projections reflect an average gross collection rate of 98.3% annually through tax year 2025. The revenue changed at an average annual historical rate of 0.00% and is projected to change at an average annual rate of 2.13% through FY 2026.

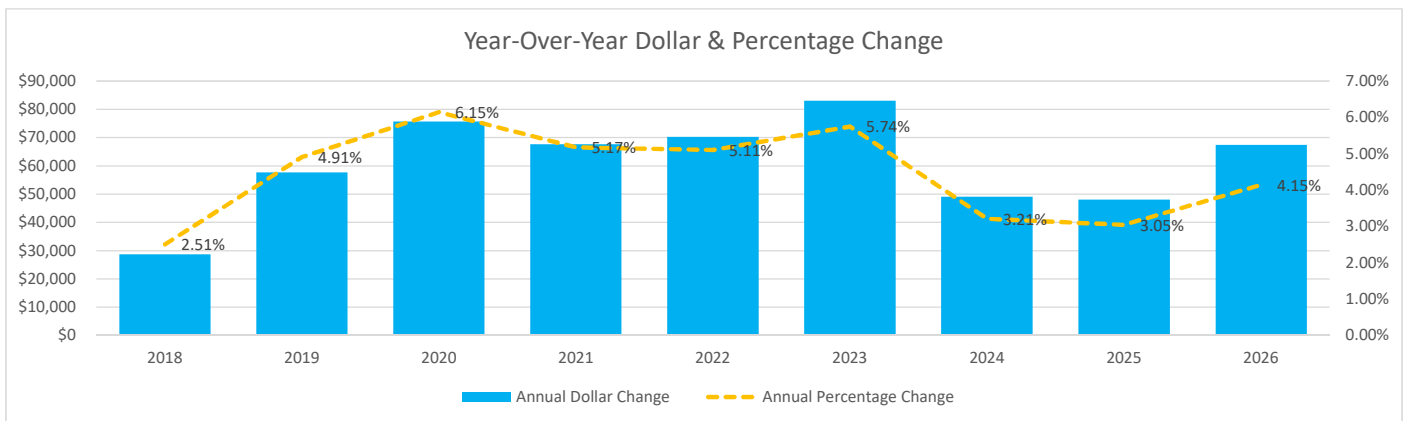
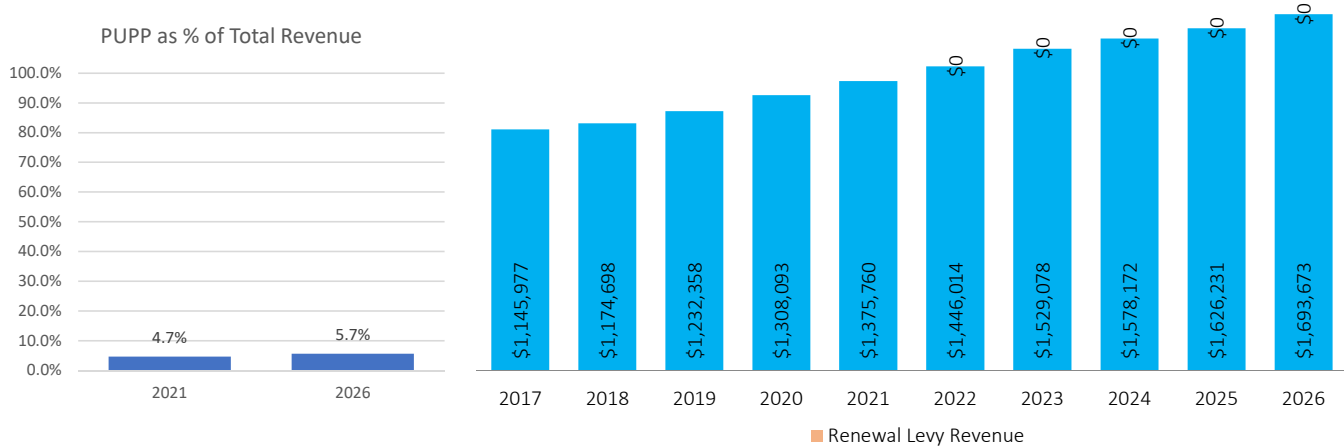
Hamilton County's revaluation in 2020 increased Norwood's residential valuation by nearly 18%. This increase was driven by Norwood homes selling rapidly at very high prices over the prior year. For the 2023 update year, forecasted estimates for residential growth are 11% as home prices continue to climb in Norwood. I will continue to watch homes sales and will adjust estimated valuations accordingly.

For commercial valuations, I expect some decreases in valuation as Board of Revision claims ramp up in response to COVID restricted commercial revenues. The 2023 commercial update is conservatively estimated at 4.5% growth.

\*Projected % trends include renewal levies

### 1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



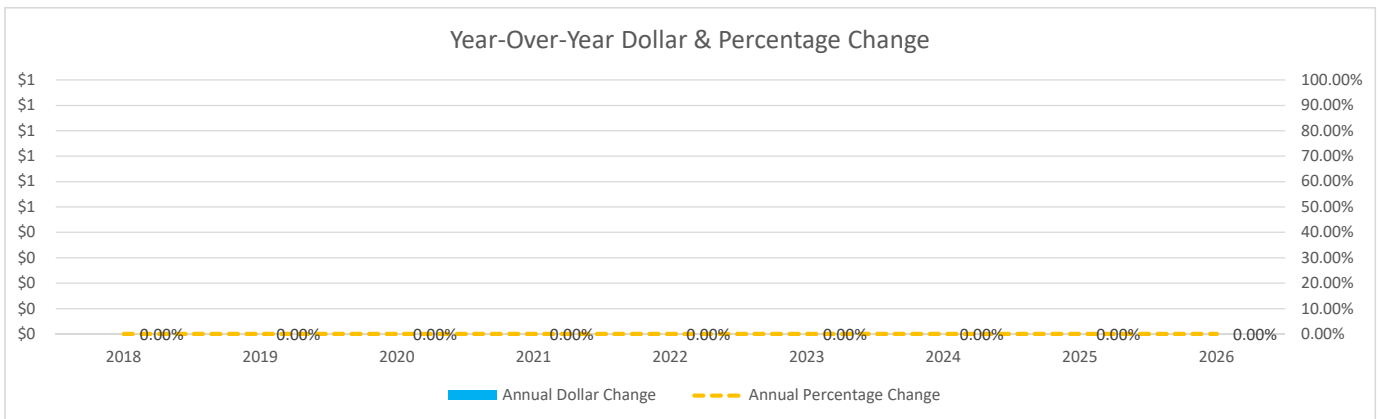
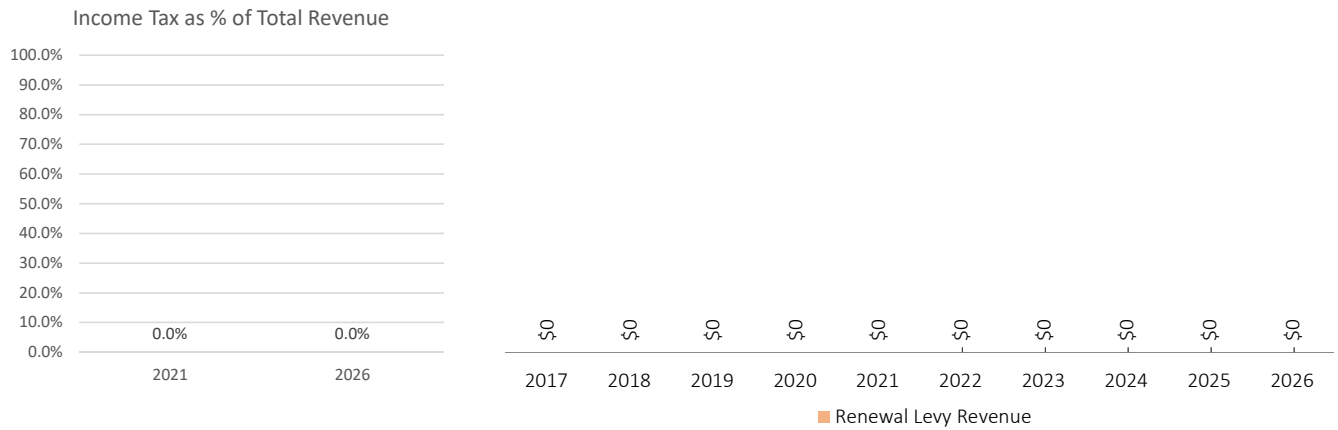
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2020	24,727,450	1,579,750	56.53	(1.95)	100.0%
2021	25,899,645	1,172,195	57.69	1.16	100.0%
2022	27,079,645	1,180,000	57.75	0.06	100.0%
2023	28,259,645	1,180,000	56.35	(1.41)	100.0%
2024	29,459,645	1,200,000	56.35	0.00	100.0%
2025	30,659,645	1,200,000	56.34	(0.01)	100.0%

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 4.70% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2021 is 57.69 mills. The forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dollar amount of \$67,021 and is projected to change at an average annual dollar amount of \$63,583 through FY 2026.

*\*Projected % trends include renewal levies*

### 1.030 - No Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.

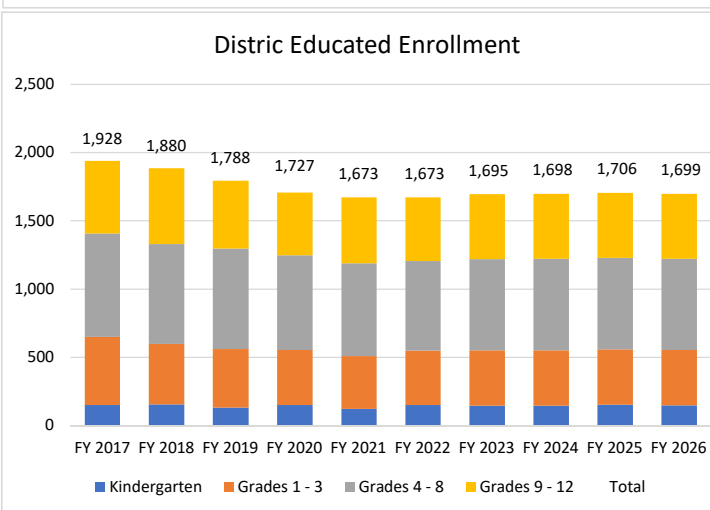
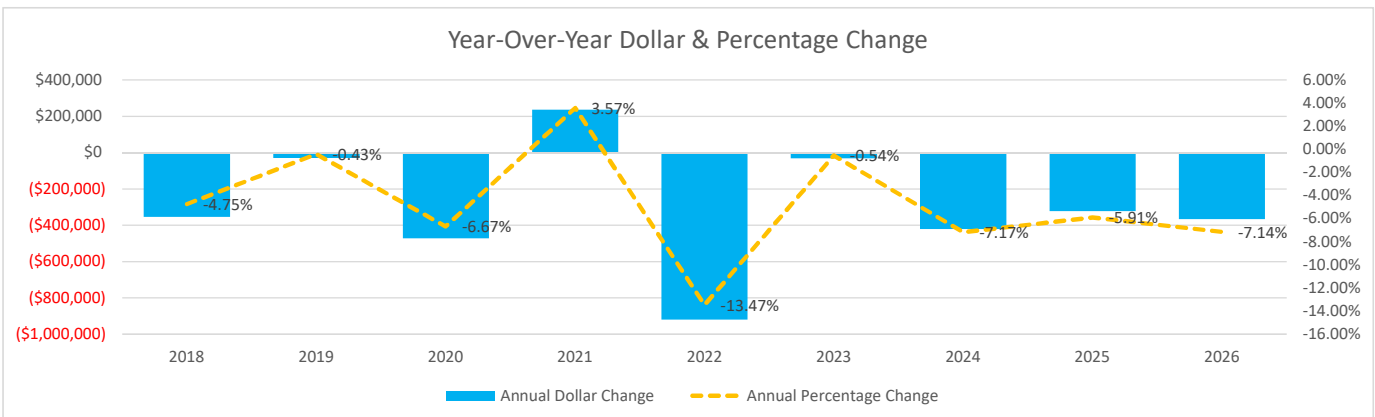
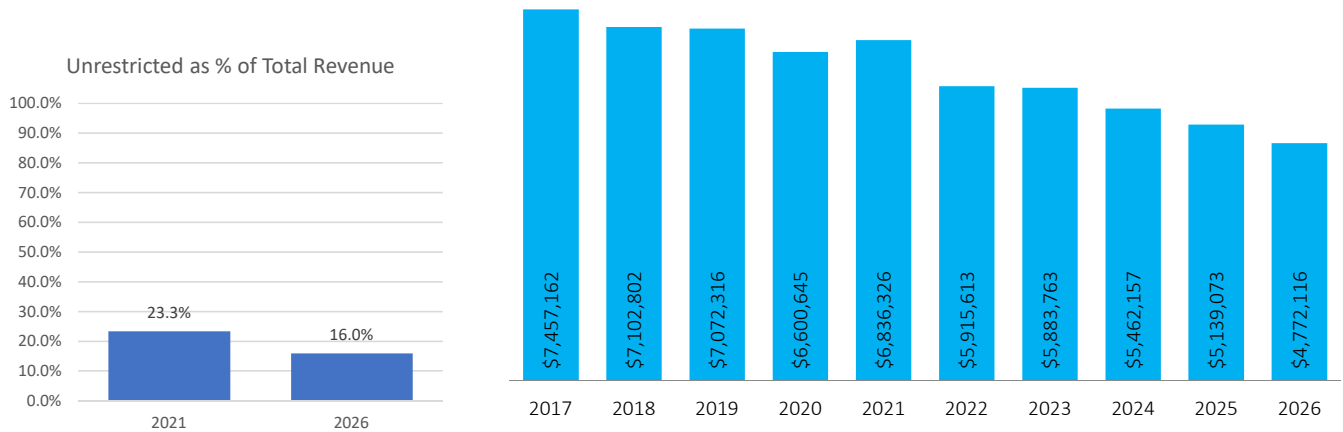


The district does not have an income tax levy.

*\*Projected % trends include renewal levies*

### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



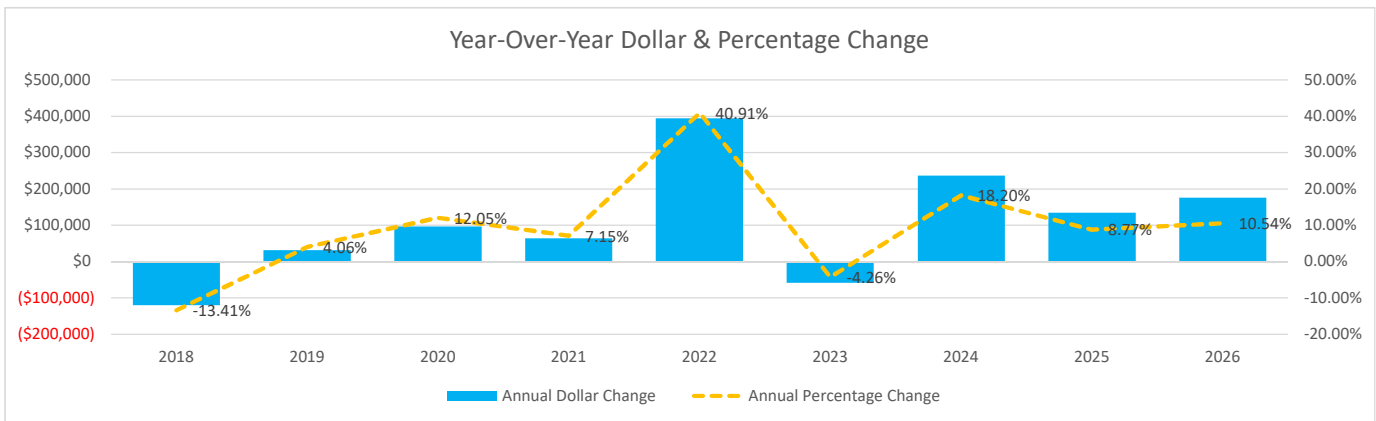
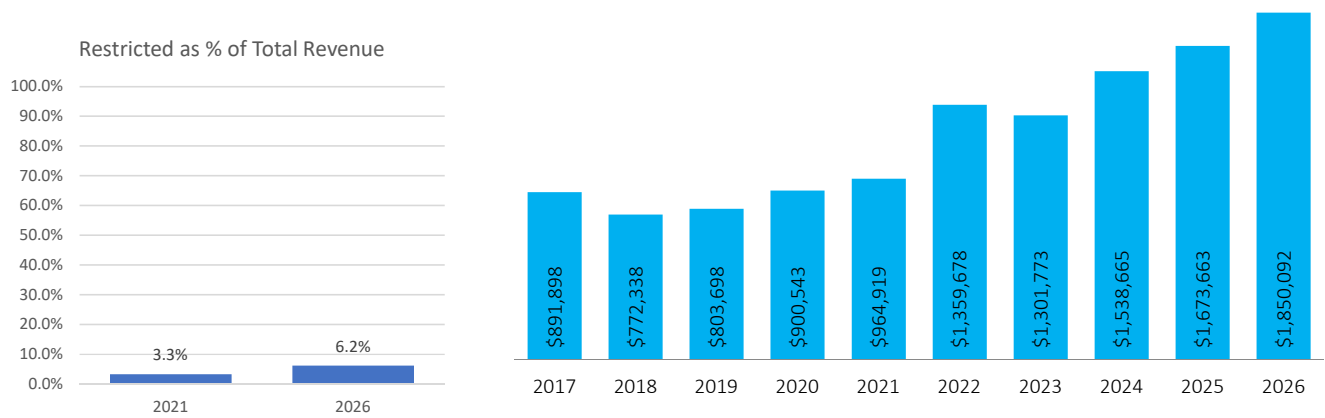
Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data. The district anticipates more stable student enrollment in the future due to changes in programming. For Norwood City School District the calculated Base Cost total is \$12,362,303 in FY 2022. The state's share of the calculated Base Cost total is \$4,007,242 or \$2,396 per pupil.

The FSFP change to district educated enrollment will reduce funded enrollment but also potentially reduce tuition cost. In FY 2021, the district had approximately \$1,365,719 in possible tuition cost reductions. These reductions will be reflected in the purchased services expenditure note.



### 1.040 & 1.045 - Restricted Grants-in-Aid

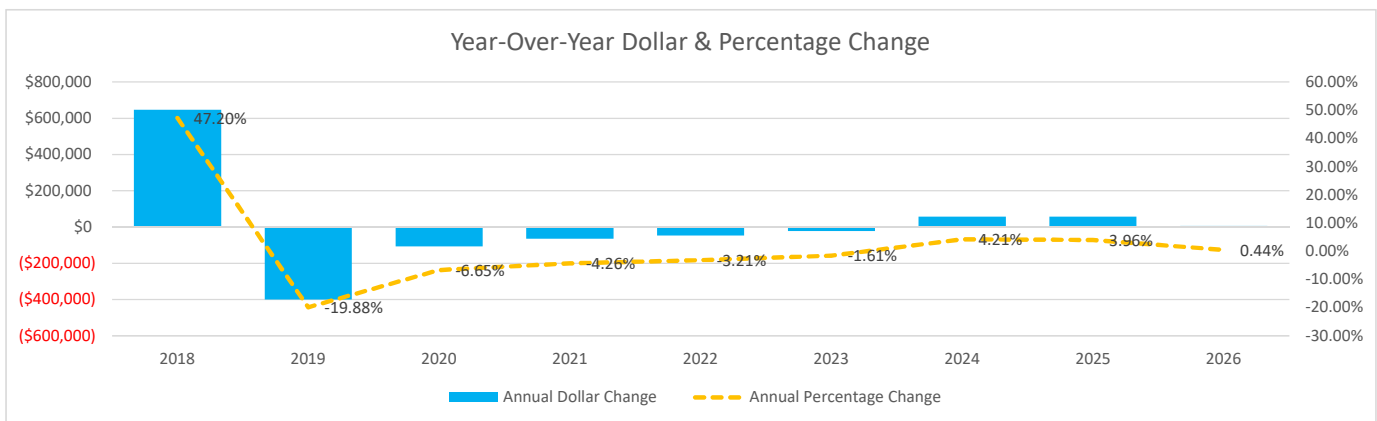
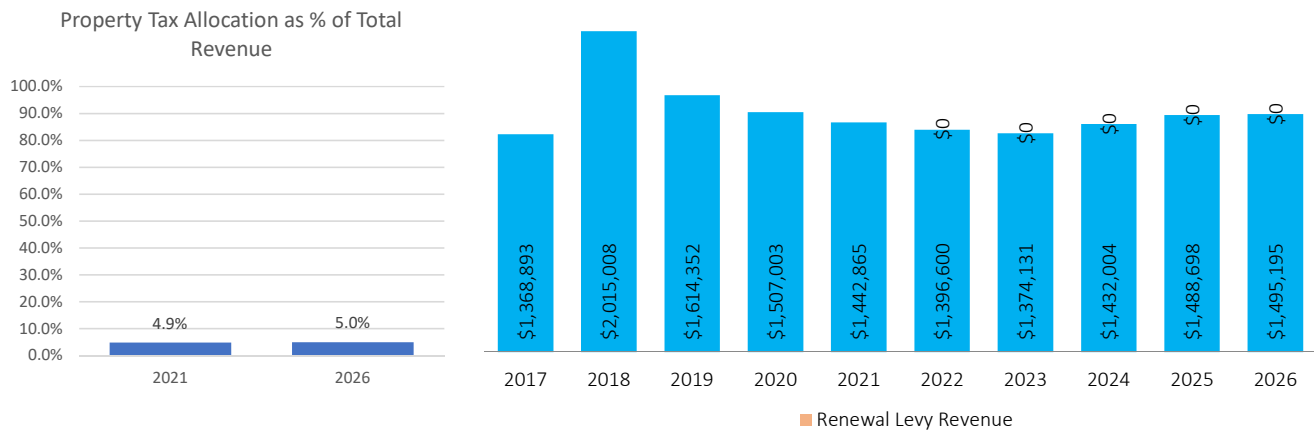
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by \$64,194 and is projected to change annually on average by \$177,035. Restricted funds represent 3.29% of total revenue. Starting in FY 2022 the district's Success & Wellness funding is considered restricted, the state's share of this funding is recorded as restricted is \$205,899. This funding has implications on general fund expenditures in that certain spending now occurring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

### 1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



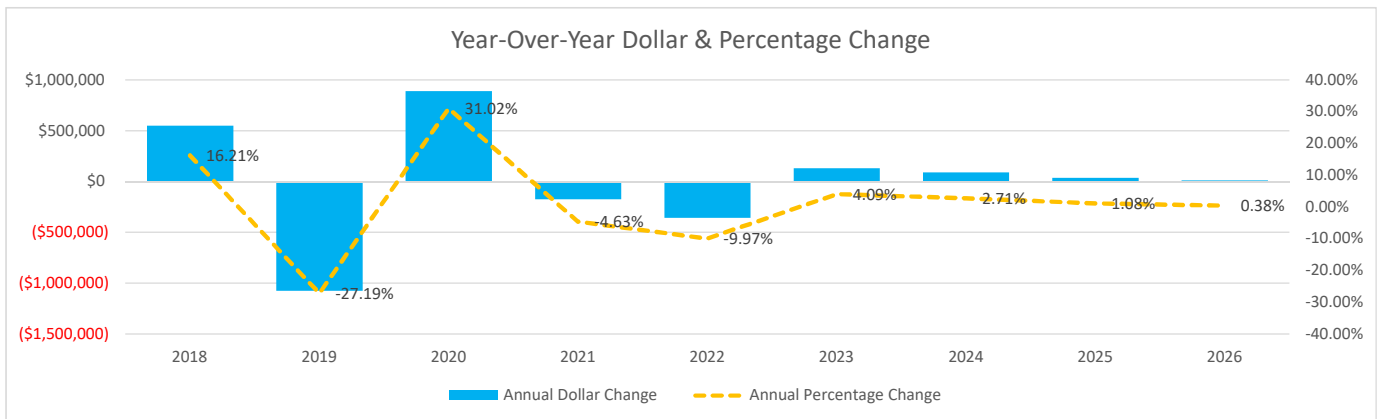
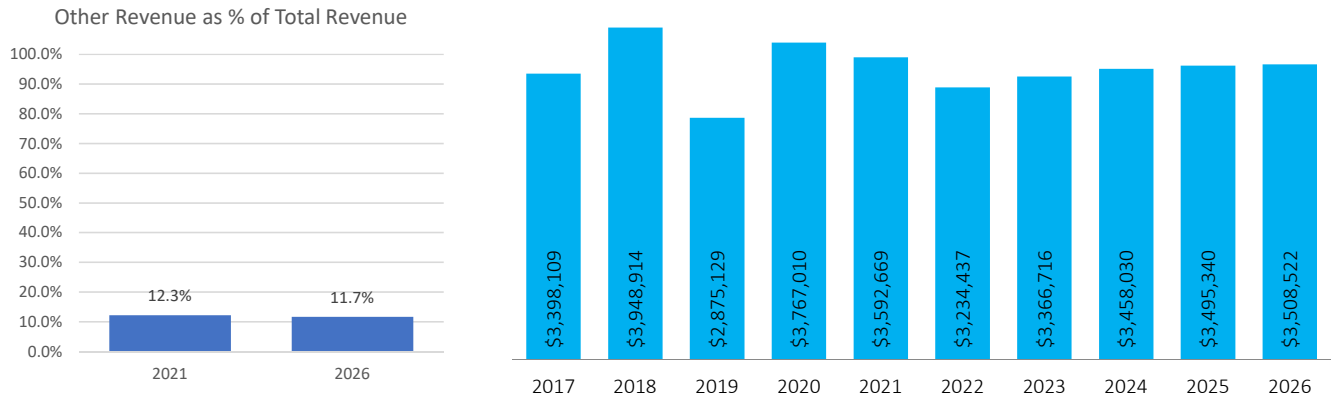
Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2022, approximately 11.6% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 2.0% will be reimbursed in the form of qualifying homestead exemption credits.

FY22 is the last year Norwood City Schools will see a Tangible Personal Property Tax Allocation payment from the State of Ohio. At one time, Norwood CSD received over \$2.2 million in annual tangible personal property taxes before the state removed this funding source and temporarily paid an allocation (replacement of tax).

*\*Projected % trends include renewal levies*

### 1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.

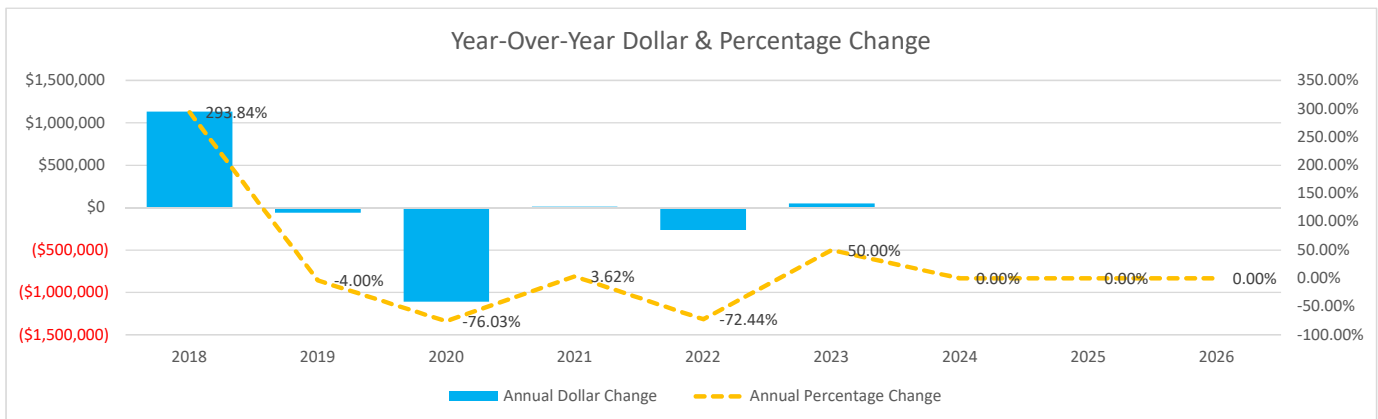
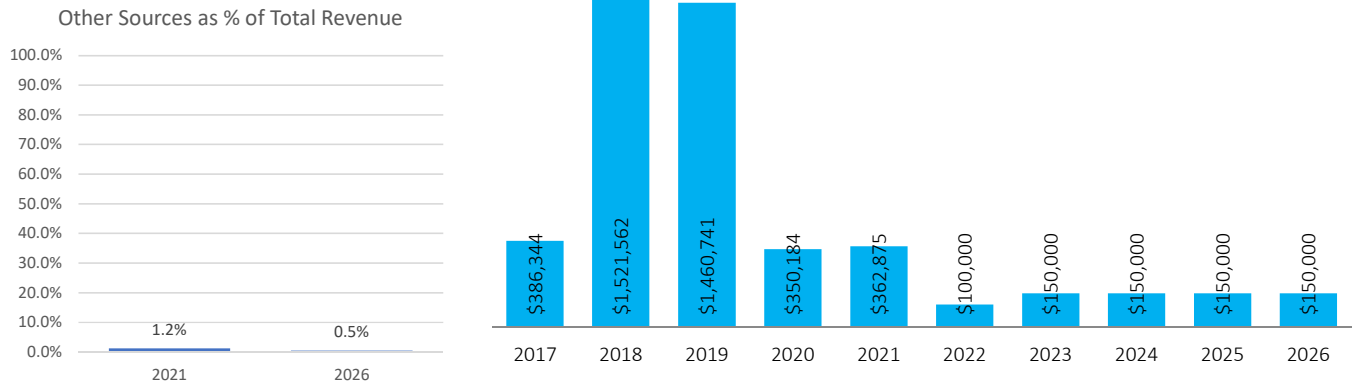


Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was -\$118,748. The projected average annual change is -\$16,829 through FY 2026. The FSFP includes per pupil funding for any open enrollment in students the district is educating. This revenue, if any, was recorded in 'other revenue' prior to FY 2022. Fiscal year 2022 and beyond will not include any open enrollment in revenue. The district did not post any revenue code 1227 open enrollment in revenue in FY 2021.

The district expects more than \$2.2 million annually in PILOT related to commercial development that has TIF payments. Conservative increases are projected in this category. Any new developments that contain TIF payments will be estimated in future forecasts.

## 2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.

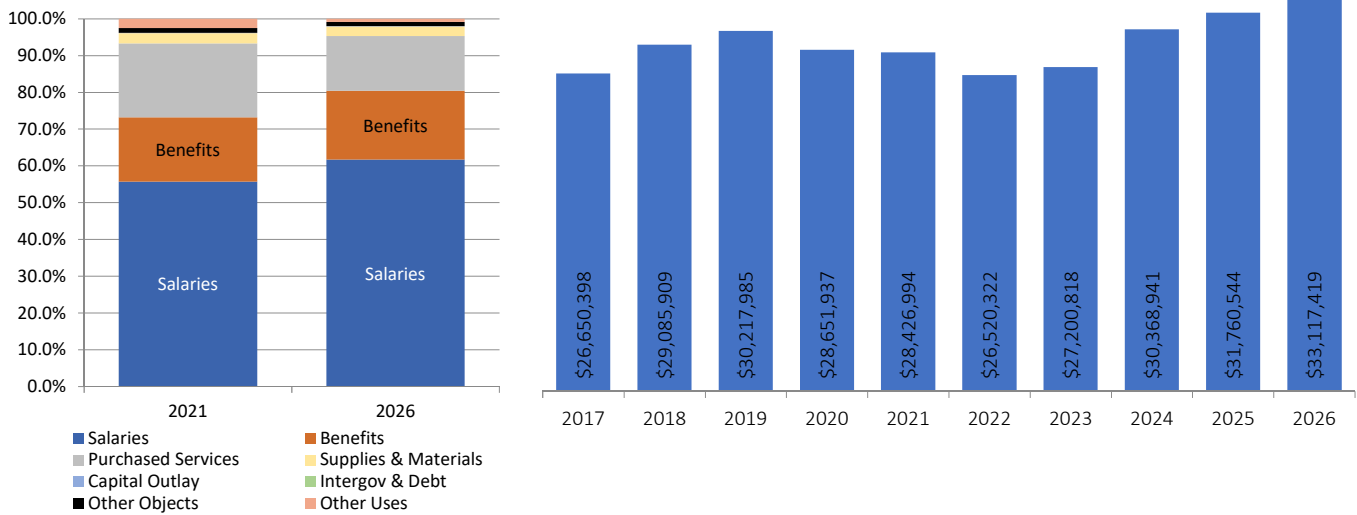


	FORECASTED					
	2021	2022	2023	2024	2025	2026
Transfers In	-	-	-	-	-	-
Advances In	245,688	(0)	50,000	50,000	50,000	50,000
All Other Financing Sources	117,187	100,000	100,000	100,000	100,000	100,000

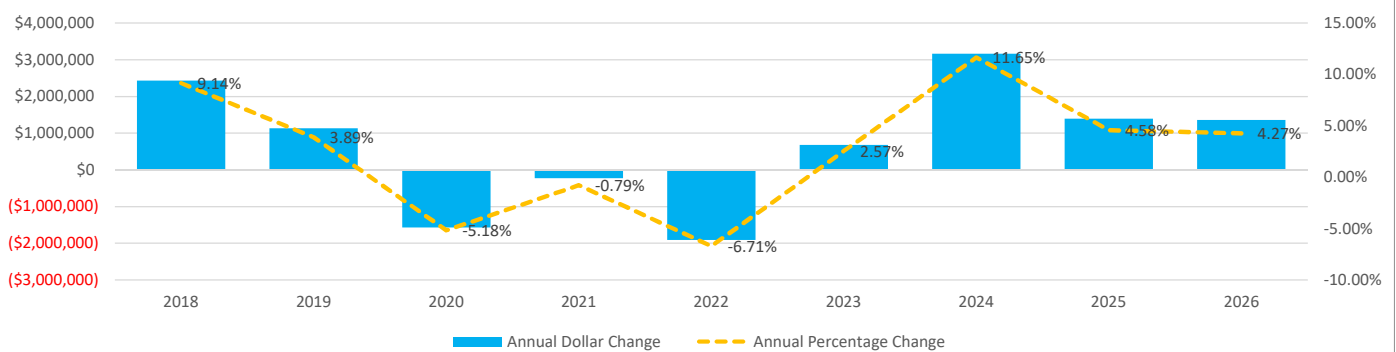
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2021 the district receipted \$245,688 as advances-in and is projecting advances of \$0 in FY 2022. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$100,000 in FY 2022 and average \$100,000 annually through FY 2026.

## Expenditure Categories and Forecast Year-Over-Year Projected Overview

### Expenditure Categories Over Time



### Year-Over-Year Dollar & Percentage Change



3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

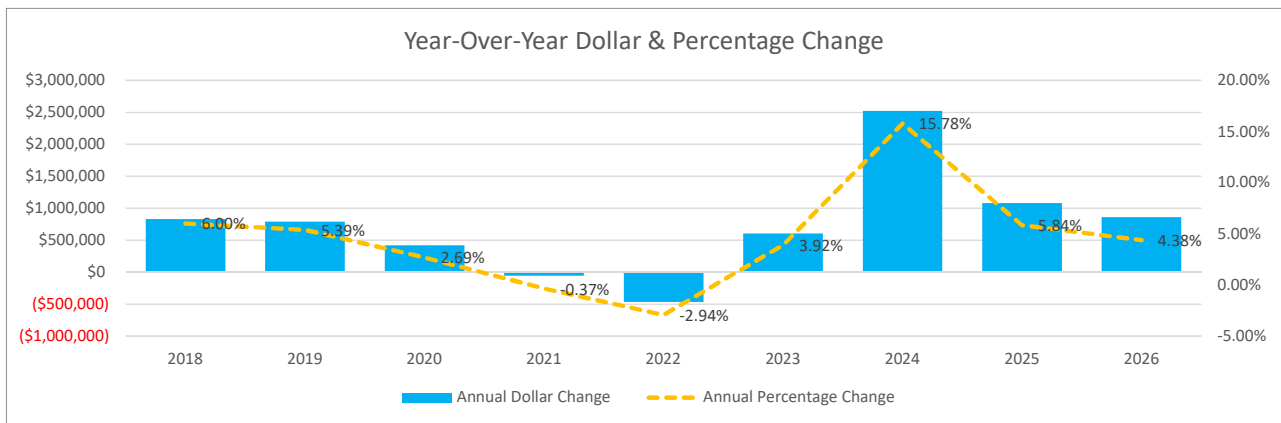
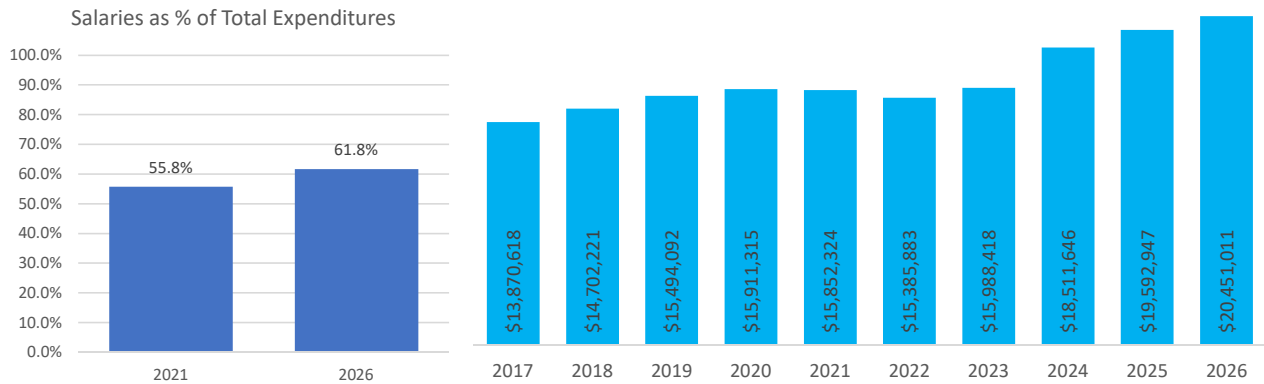
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	
Salaries	\$383,368	\$919,737	\$536,369	Total expenditures decreased -0.75% or -\$219,638 annually during the past five years and is projected to increase 3.30% or \$938,085 annually through FY2026. Other Uses has the largest projected average annual variance compared to the historical average at \$560,443.  Salaries in FY22 and 23 have decreased due to the allowed supplant of Federal ESSER funding. ESSER funding will be spent by FY24. In the stacking graph at the top of the page, you will see the large decrease in purchase services due to the state paying for school choice directly starting in FY22.
Benefits	\$122,012	\$247,760	\$125,748	
Purchased Services	(\$63,391)	(\$160,899)	(\$97,507)	
Supplies & Materials	(\$9,793)	\$15,864	\$25,658	
Capital Outlay	\$5,500	(\$2,934)	(\$8,434)	
Intergov & Debt	\$0	\$0	\$0	
Other Objects	(\$8,965)	\$6,481	\$15,446	
Other Uses	(\$648,369)	(\$87,925)	\$560,443	
<b>Total Average Annual Change</b>	<b>(\$219,638)</b>	<b>\$938,085</b>	<b>\$1,157,723</b>	
	-0.75%	3.30%	4.05%	

Note: Expenditure average annual change is projected to be > \$938,085

On an annual average basis, revenues are projected to grow slower than expenditures.

### 3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.

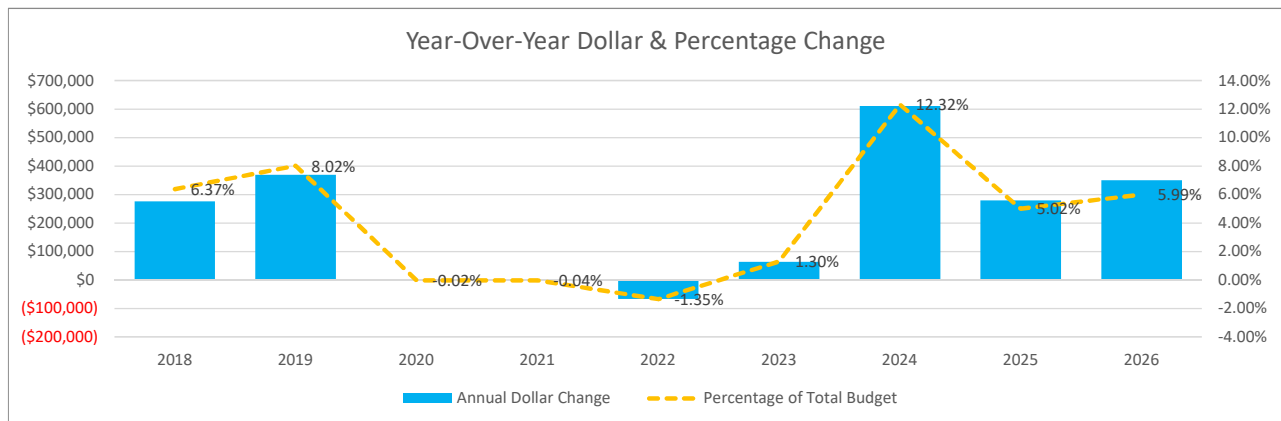
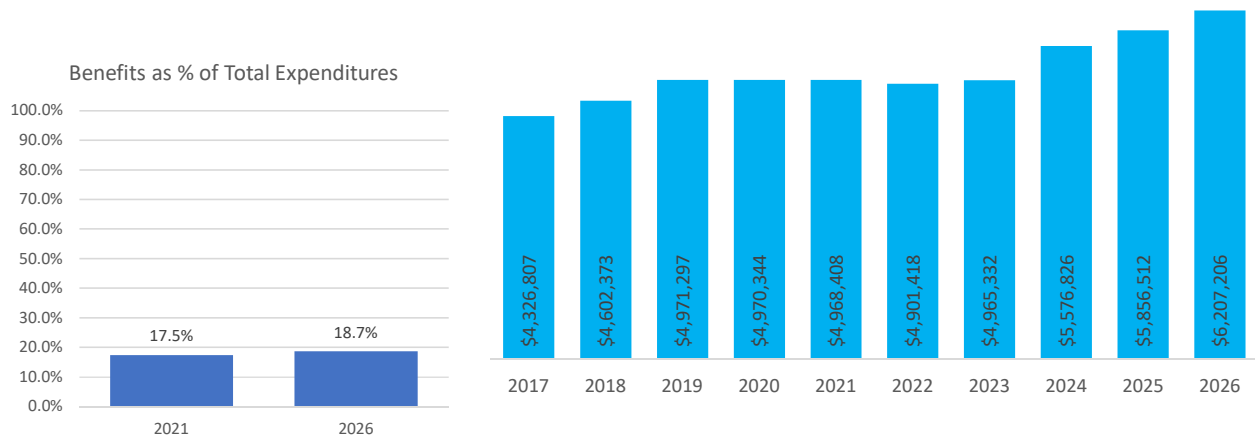


Salaries represent 55.77% of total expenditures and increased at a historical average annual rate of 2.43% or \$383,368. This category of expenditure is projected to grow at an annual average rate of 5.11% or \$919,737 through FY 2026. The projected average annual rate of change is 2.68% more than the five year historical annual average.

FY22 and FY23 Salaries are suppressed due to the legal supplant of Federal ESSER funds. FY24 shows the large increase in salaries when all the staff currently paid from ESSER will come back to the general fund causing an expenditure cliff.

### 3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.

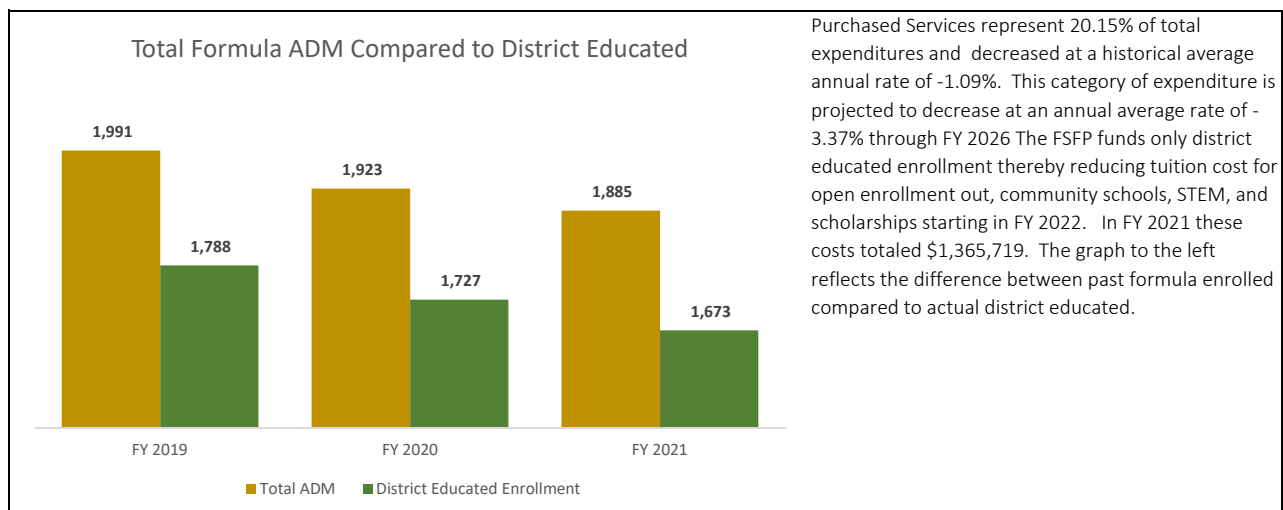
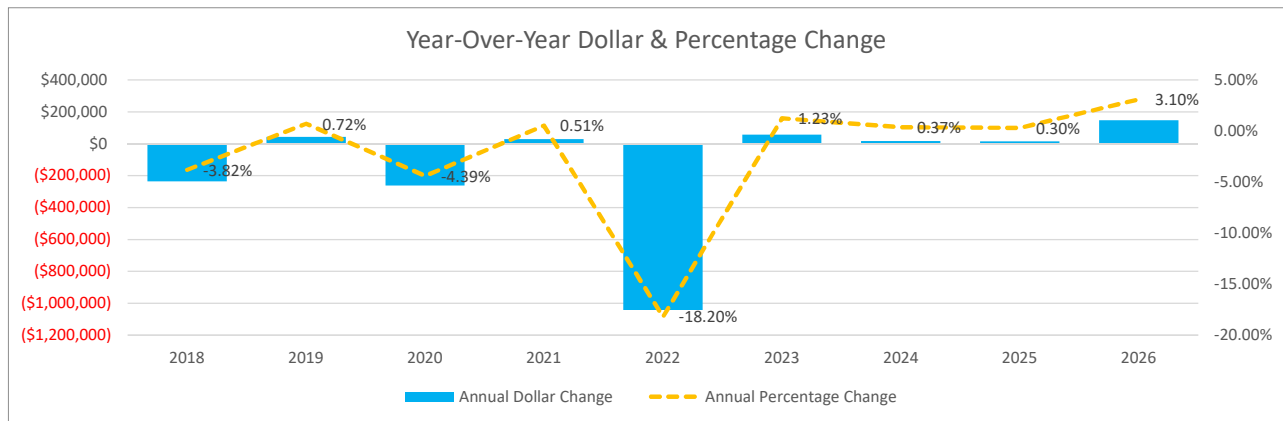
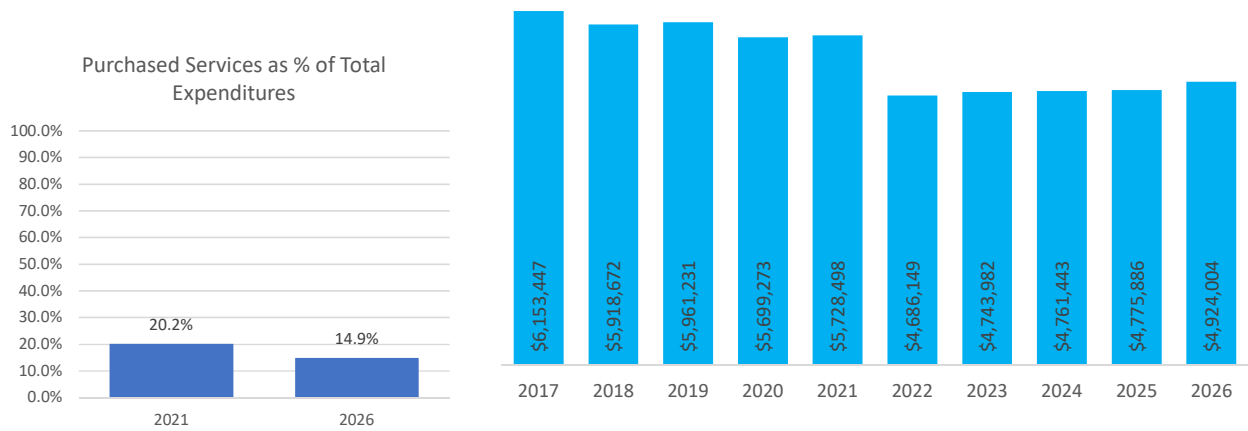


Benefits represent 17.48% of total expenditures and increased at a historical average annual rate of 2.45%. This category of expenditure is projected to grow at an annual average rate of 4.50% through FY 2026. The projected average annual rate of change is 2.05% more than the five year historical annual average.

FY22 and FY23 benefit expenditures are suppressed due to the legal supplant of Federal ESSER funds. FY24 shows the large increase when all staff being paid out of ESSER come back to the general fund, including their benefits. This causes an expenditure cliff easily seen in the top bar graph on the right.

### 3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.

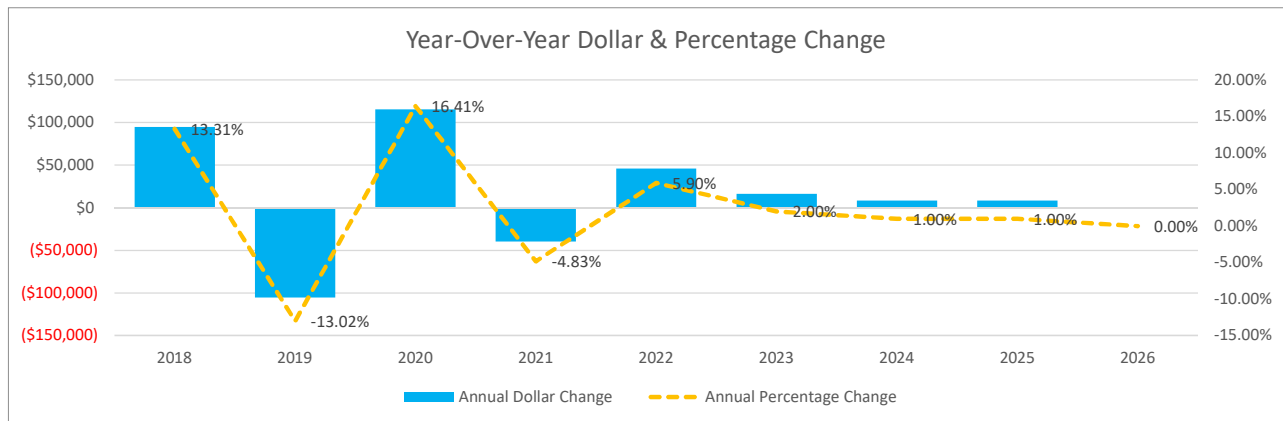
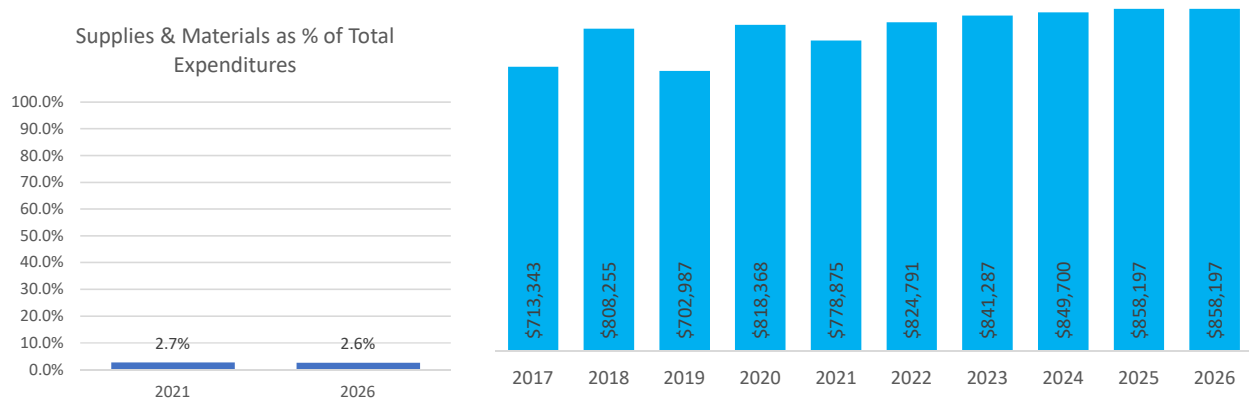


Purchased Services represent 20.15% of total expenditures and decreased at a historical average annual rate of -1.09%. This category of expenditure is projected to decrease at an annual average rate of -3.37% through FY 2026. The FSFP funds only district educated enrollment thereby reducing tuition cost for open enrollment out, community schools, STEM, and scholarships starting in FY 2022. In FY 2021 these costs totaled \$1,365,719. The graph to the left reflects the difference between past formula enrolled compared to actual district educated.



### 3.040 - Supplies & Materials

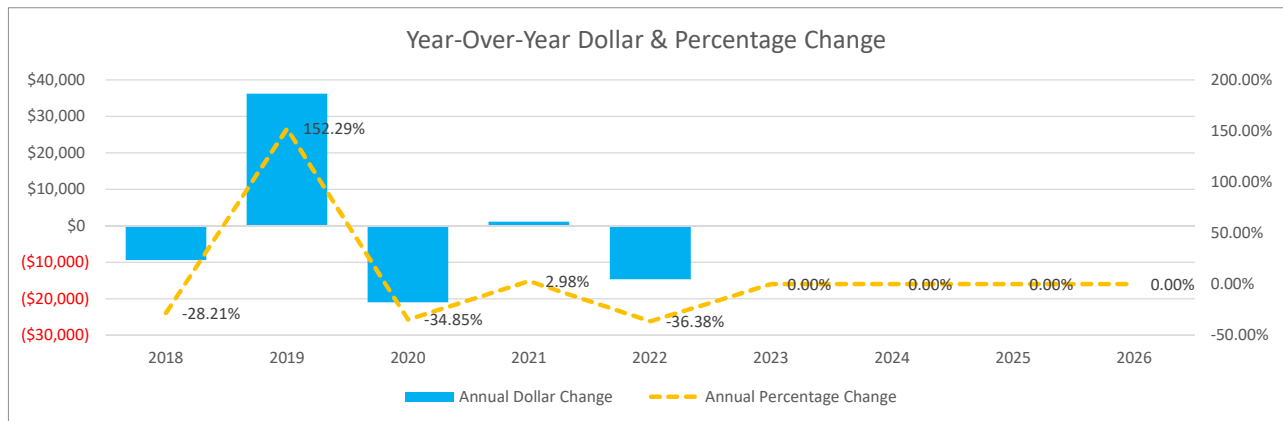
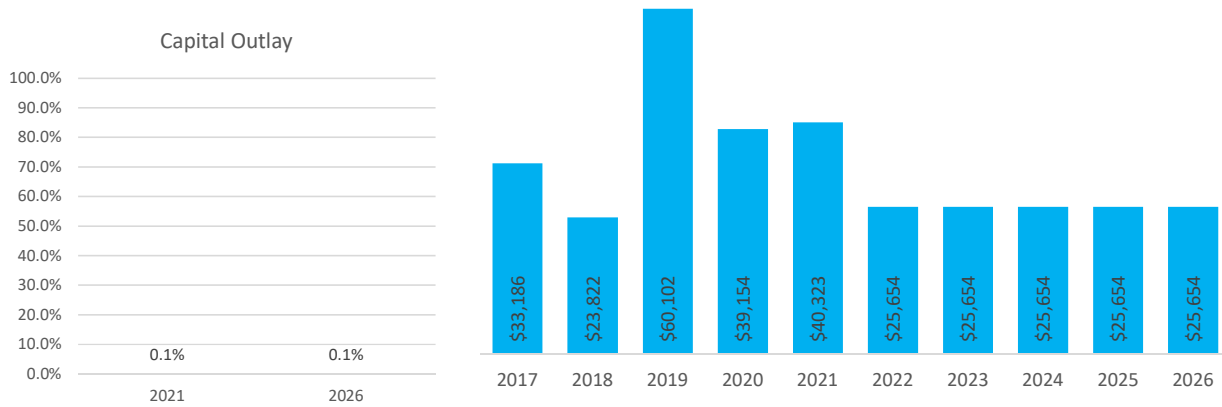
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies & Materials represent 2.74% of total expenditures and decreased at a historical average annual rate of -1.28%. This category of expenditure is projected to grow at an annual average rate of 1.87% through FY 2026. The projected average annual rate of change is 3.15% more than the five year historical annual average.

### 3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.

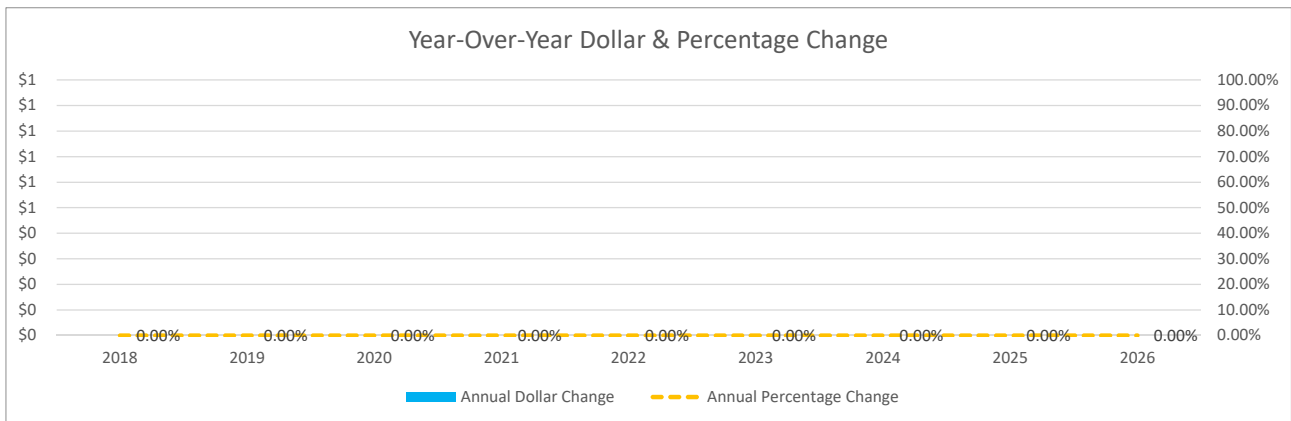
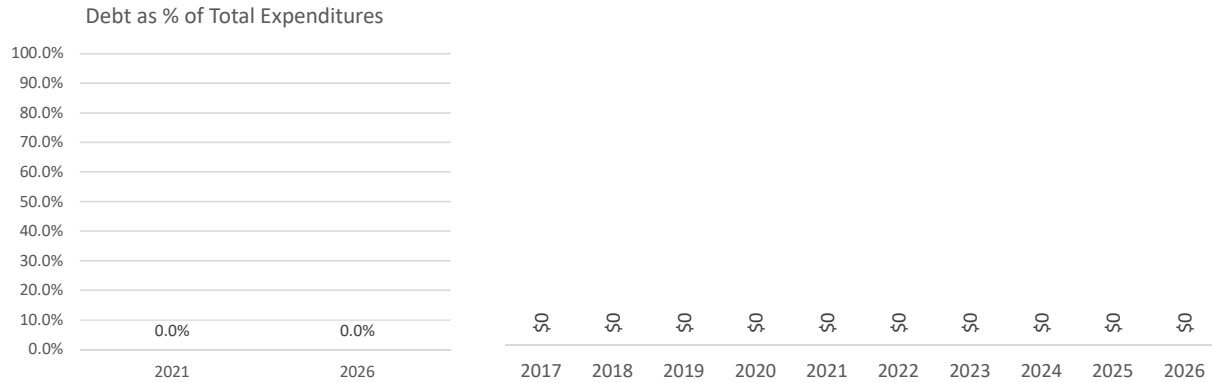


Capital Outlay represent 0.14% of total expenditures and increased at a historical average annual amount of \$5,500. This category of expenditure is projected to decrease at an annual average rate of -\$2,934 through FY 2026. The projected average annual change is less than the five year historical annual average.

The district has a PI levy that supports all capital improvements to buildings, capital purchases, and technology hardware. You will find a PI levy forecast on page 23 of this document.

### 3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.

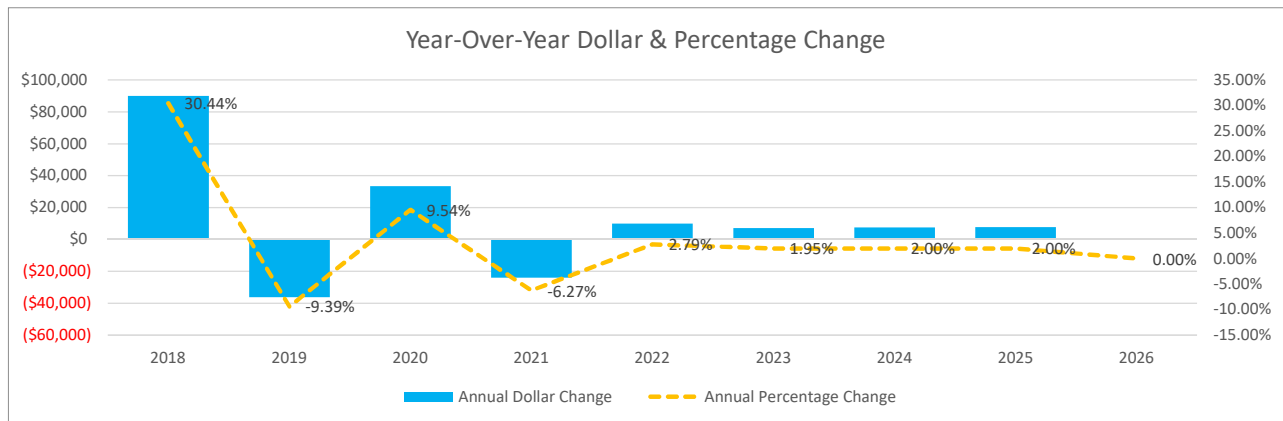
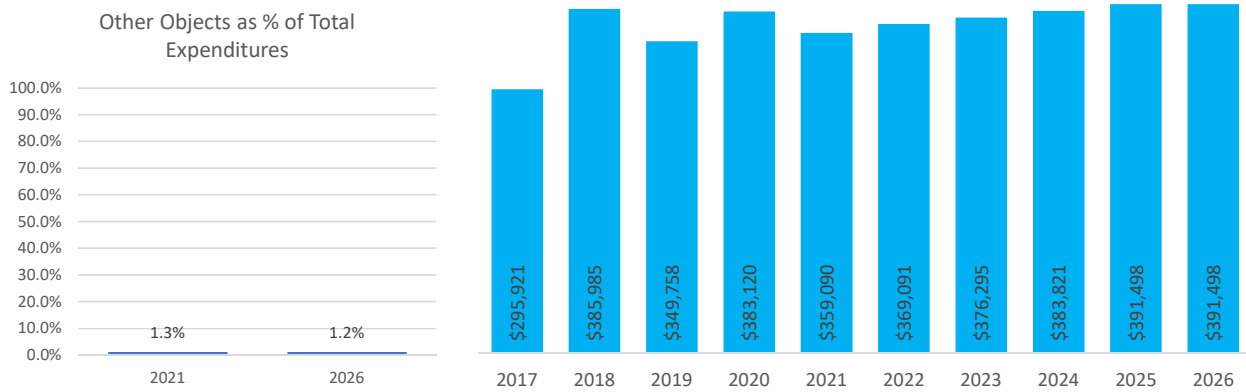


The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

The district has no debt payments coming from the general fund at this time.

### 4.300 - Other Objects

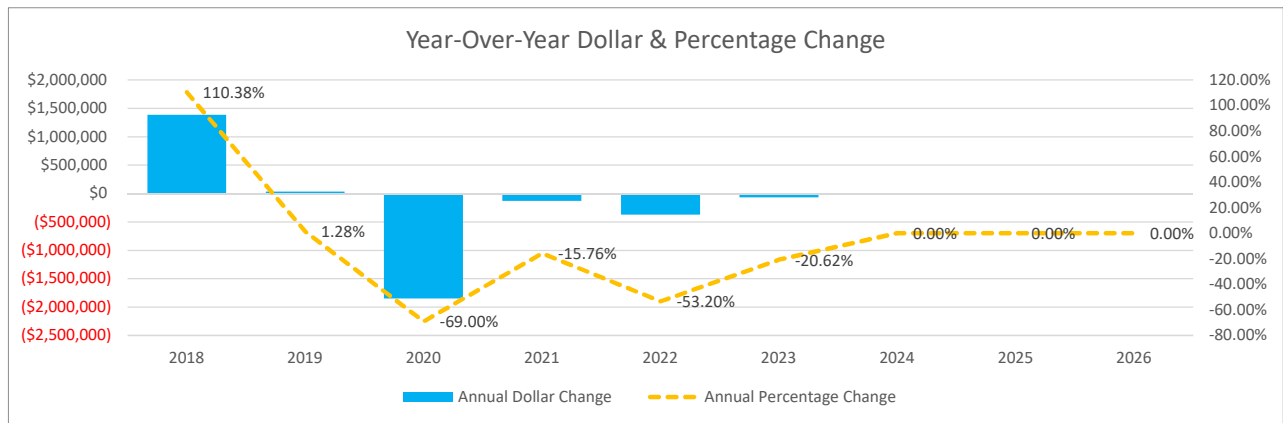
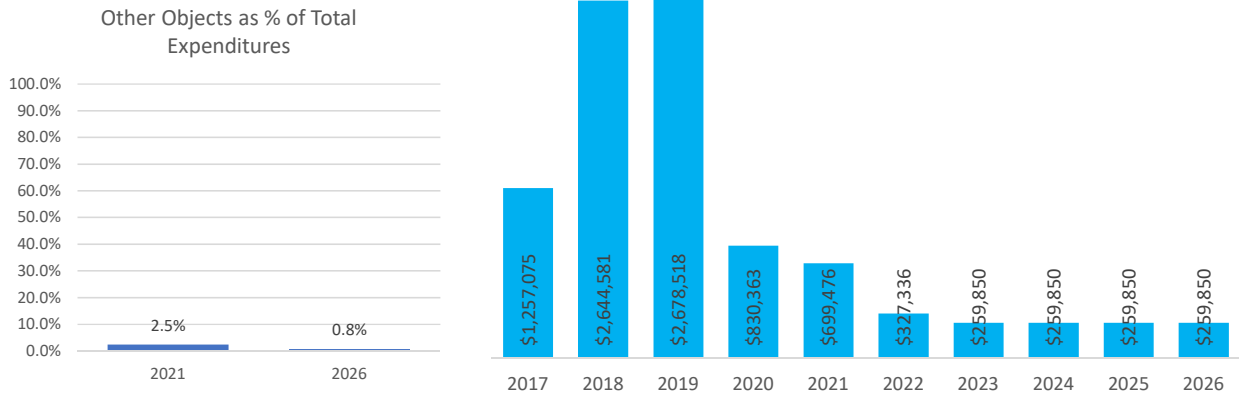
Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects represent 1.26% of total expenditures and decreased at a historical average annual rate of -2.46%. This category of expenditure is projected to grow at an annual average rate of 1.69% through FY 2026. The projected average annual rate of change is 4.16% more than the five year historical annual average.

### 5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



	FORECASTED					
	2021	2022	2023	2024	2025	2026
Transfers Out	699,476	277,336	209,850	209,850	209,850	209,850
Advances Out	-	50,000	50,000	50,000	50,000	50,000
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In FY 2021 the district had no advances-out and has advances-out forecasted through FY 2026. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2026. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

Norwood City School District

Five Year Forecast

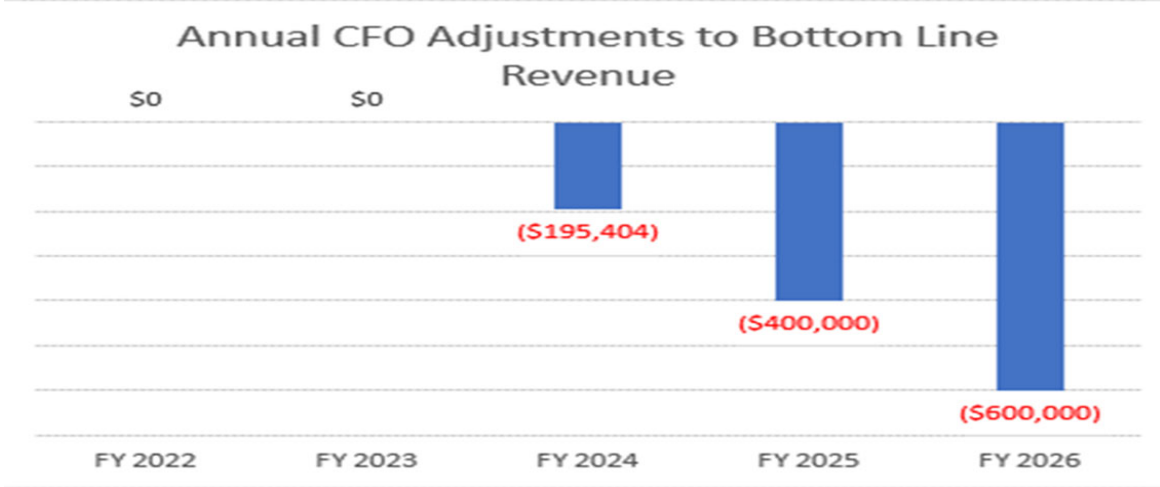
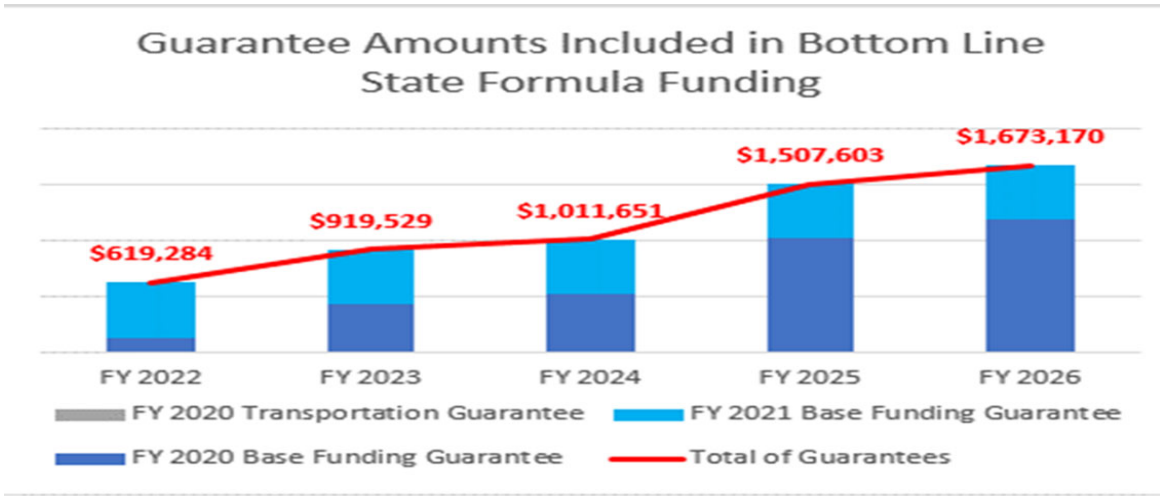
Fiscal Year:	Actual	FORECASTED				
	2021	2022	2023	2024	2025	2026
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	14,709,409	15,530,044	15,700,820	16,031,788	16,362,104	16,416,717
1.020 - Public Utility Personal Property	1,375,760	1,446,014	1,529,078	1,578,172	1,626,231	1,693,673
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	6,836,326	5,915,613	5,883,763	5,462,157	5,139,073	4,772,116
1.040 - Restricted Grants-in-Aid	964,919	1,359,678	1,301,773	1,538,665	1,673,663	1,850,092
1.050 - Property Tax Allocation	1,442,865	1,396,600	1,374,131	1,432,004	1,488,698	1,495,195
1.060 - All Other Operating Revenues	3,592,669	3,234,437	3,366,716	3,458,030	3,495,340	3,508,522
<b>1.070 - Total Revenue</b>	<b>28,921,948</b>	<b>28,882,386</b>	<b>29,156,281</b>	<b>29,500,816</b>	<b>29,785,109</b>	<b>29,736,315</b>
<b>Other Financing Sources:</b>						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	245,688	(0)	50,000	50,000	50,000	50,000
2.060 - All Other Financing Sources	117,187	100,000	100,000	100,000	100,000	100,000
2.070 - Total Other Financing Sources	362,875	100,000	150,000	150,000	150,000	150,000
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>29,284,823</b>	<b>28,982,386</b>	<b>29,306,281</b>	<b>29,650,815</b>	<b>29,935,109</b>	<b>29,886,314</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	15,852,324	15,385,883	15,988,418	18,511,646	19,592,947	20,451,011
3.020 - Employee Benefits	4,968,408	4,901,418	4,965,332	5,576,826	5,856,512	6,207,206
3.030 - Purchased Services	5,728,498	4,686,149	4,743,982	4,761,443	4,775,886	4,924,004
3.040 - Supplies and Materials	778,875	824,791	841,287	849,700	858,197	858,197
3.050 - Capital Outlay	40,323	25,654	25,654	25,654	25,654	25,654
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	359,090	369,091	376,295	383,821	391,498	391,498
<b>4.500 - Total Expenditures</b>	<b>27,727,518</b>	<b>26,192,986</b>	<b>26,940,968</b>	<b>30,109,091</b>	<b>31,500,694</b>	<b>32,857,569</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	699,476	277,336	209,850	209,850	209,850	209,850
5.020 - Advances-Out	-	50,000	50,000	50,000	50,000	50,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	699,476	327,336	259,850	259,850	259,850	259,850
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>28,426,994</b>	<b>26,520,322</b>	<b>27,200,818</b>	<b>30,368,941</b>	<b>31,760,544</b>	<b>33,117,419</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>857,829</b>	<b>2,462,064</b>	<b>2,105,463</b>	<b>(718,125)</b>	<b>(1,825,435)</b>	<b>(3,231,105)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>10,286,616</b>	<b>11,144,445</b>	<b>13,606,509</b>	<b>15,711,972</b>	<b>14,993,847</b>	<b>13,168,412</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>11,144,445</b>	<b>13,606,509</b>	<b>15,711,972</b>	<b>14,993,847</b>	<b>13,168,412</b>	<b>9,937,307</b>
		<b>Reservations</b>				
8.010 - Estimated Encumbrances June 30	200,000	200,000	200,000	200,000	200,000	200,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>10,944,445</b>	<b>13,406,509</b>	<b>15,511,972</b>	<b>14,793,847</b>	<b>12,968,412</b>	<b>9,737,307</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>10,944,445</b>	<b>13,406,509</b>	<b>15,511,972</b>	<b>14,793,847</b>	<b>12,968,412</b>	<b>9,737,307</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>10,944,445</b>	<b>13,406,509</b>	<b>15,511,972</b>	<b>14,793,847</b>	<b>12,968,412</b>	<b>9,737,307</b>

Norwood City Schools						
Permanent Improvement Fund Budgeting						
Cash Balance July 1,	Tax revenue	Other Revenue	Transfers in	debt payment	Expected expenditures	FY ending balance
<b>FY2021</b>						
\$ 5,534,107	\$ 971,011	\$ 14,121	\$ -		\$ 301,514	\$ 6,224,650
<b>FY2022</b>						
\$ 6,224,650	\$ 1,010,000	\$ 15,211	\$ -	\$ 450,000	\$ 1,523,541	\$ 5,276,321
<b>FY2023</b>						
\$ 5,276,321	\$ 1,044,397	\$ 16,064	\$ -	\$ 450,000	\$ 1,175,000	\$ 4,711,782
<b>FY2024</b>						
\$ 4,711,782	\$ 1,060,063	\$ 16,305	\$ -	\$ 450,000	\$ 600,000	\$ 4,738,149
<b>FY2025</b>						
\$ 4,738,149	\$ 1,075,964	\$ 16,550	\$ -	\$ 450,000	\$ 1,932,000	\$ 3,448,663

This account is funded by a permanent improvement levy passed in 2016. You will see that the addition of a debt payment to the expected expenditures of the PI levy has caused the balance to start to decline. When the PI levy was passed in November of 2016, it was understood that this fund would pay for additional debt services needed to finish the renovation project.

Also, as we finish our renovation project "Warm, Safe, and Dry" we see all future building improvements being paid for by the PI fund not bond proceeds.

We will continue to watch the balance of the PI fund for indications that additional funding is needed to support our century old buildings.



In the first part of the above graph, you will see the built in guarantees for our new funding formula in State Revenues. Norwood City Schools qualifies for two guarantees to help stabilize our state funding, the FY20 Base Funding Guarantee and the FY21 Base Funding Guarantee. Despite promises that guarantees would not be in the new funding formula, they were added during the legislative process in order to get the budget bill passed.

Because I don't believe it was intended to have four guarantees in the new funding formula, I have adjusted our funding levels to include a gradual phase out of the guarantee, detailed in the lower part of this graph in all blue. I expect that the state will begin to phase out all guarantees to districts with falling student enrollment by 3% of total state funding annually. FY22 and FY23 funding levels are already set in law so no need to reduce those guarantees but by FY24, we can expect some funding decreases for guarantee losses. These reductions are portrayed in the forecast so that the bottom line includes decreases to the guarantee.



**Norwood City School District**  
**Schedule Of Revenue, Expenditures and Changes In Fund Balances**  
**Actual and Forecasted Operating Fund**

	ACTUAL			FORECASTED				
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
<b>Revenue:</b>								
1.010 - General Property Tax (Real Estate)	14,380,703	14,879,299	14,709,409	15,530,044	15,700,820	16,031,788	16,362,104	16,416,717
1.020 - Public Utility Personal Property	1,232,358	1,308,093	1,375,760	1,446,014	1,529,078	1,578,172	1,626,231	1,693,673
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	7,072,316	6,600,645	6,836,326	5,915,613	5,883,763	5,462,157	5,139,073	4,772,116
1.040 - Restricted Grants-in-Aid	803,698	900,543	964,919	1,359,678	1,301,773	1,538,665	1,673,663	1,850,092
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	1,614,352	1,507,003	1,442,865	1,396,600	1,374,131	1,432,004	1,488,698	1,495,195
1.060 - All Other Operating Revenues	2,875,129	3,767,010	3,592,669	3,234,437	3,366,716	3,458,030	3,495,340	3,508,522
<b>1.070 - Total Revenue</b>	<b>27,978,556</b>	<b>28,962,593</b>	<b>28,921,948</b>	<b>28,882,386</b>	<b>29,156,281</b>	<b>29,500,816</b>	<b>29,785,109</b>	<b>29,736,315</b>
<b>Other Financing Sources:</b>								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	38,679	-	-	-	-	-	-
2.050 - Advances-In	1,105,289	112,680	245,688	(0)	50,000	50,000	50,000	50,000
2.060 - All Other Financing Sources	355,452	198,825	117,187	100,000	100,000	100,000	100,000	100,000
<b>2.070 - Total Other Financing Sources</b>	<b>1,460,741</b>	<b>350,184</b>	<b>362,875</b>	<b>100,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
<b>2.080 - Total Revenues and Other Financing Sources</b>	<b>29,439,297</b>	<b>29,312,776</b>	<b>29,284,823</b>	<b>28,982,386</b>	<b>29,306,281</b>	<b>29,650,815</b>	<b>29,935,109</b>	<b>29,886,314</b>
<b>Expenditures:</b>								
3.010 - Personnel Services	15,494,092	15,911,315	15,852,324	15,385,883	15,988,418	18,511,646	19,592,947	20,451,011
3.020 - Employees' Retirement/Insurance Benefits	4,971,297	4,970,344	4,968,408	4,901,418	4,965,332	5,576,826	5,856,512	6,207,206
3.030 - Purchased Services	5,961,231	5,699,273	5,728,498	4,686,149	4,743,982	4,761,443	4,775,886	4,924,004
3.040 - Supplies and Materials	702,987	818,368	778,875	824,791	841,287	849,700	858,197	858,197
3.050 - Capital Outlay	60,102	39,154	40,323	25,654	25,654	25,654	25,654	25,654
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
<b>Debt Service:</b>								
4.010 - Principal-All Years	-	-	-	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	-	-	-	-	-	-	-	-
4.300 - Other Objects	349,758	383,120	359,090	369,091	376,295	383,821	391,498	391,498
<b>4.500 - Total Expenditures</b>	<b>27,539,466</b>	<b>27,821,574</b>	<b>27,727,518</b>	<b>26,192,986</b>	<b>26,940,968</b>	<b>30,109,091</b>	<b>31,500,694</b>	<b>32,857,569</b>
<b>Other Financing Uses</b>								
5.010 - Operating Transfers-Out	2,008,732	584,675	699,476	277,336	209,850	209,850	209,850	209,850
5.020 - Advances-Out	669,786	245,688	-	50,000	50,000	50,000	50,000	50,000
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>2,678,518</b>	<b>830,363</b>	<b>699,476</b>	<b>327,336</b>	<b>259,850</b>	<b>259,850</b>	<b>259,850</b>	<b>259,850</b>
<b>5.050 - Total Expenditures and Other Financing Uses</b>	<b>30,217,985</b>	<b>28,651,937</b>	<b>28,426,994</b>	<b>26,520,322</b>	<b>27,200,818</b>	<b>30,368,941</b>	<b>31,760,544</b>	<b>33,117,419</b>
<b>Excess of Rev &amp; Other Financing Uses Over (Under)</b>								
<b>6.010 - Expenditures and Other Financing Uses</b>	<b>(778,688)</b>	<b>660,839</b>	<b>857,829</b>	<b>2,462,064</b>	<b>2,105,463</b>	<b>(718,125)</b>	<b>(1,825,435)</b>	<b>(3,231,105)</b>
<b>Cash Balance July 1 - Excluding Proposed Renewal/</b>								
<b>7.010 - Replacement and New Levies</b>	<b>10,404,465</b>	<b>9,625,777</b>	<b>10,286,616</b>	<b>11,144,445</b>	<b>13,606,509</b>	<b>15,711,972</b>	<b>14,993,847</b>	<b>13,168,412</b>
<b>7.020 - Cash Balance June 30</b>	<b>9,625,777</b>	<b>10,286,616</b>	<b>11,144,445</b>	<b>13,606,509</b>	<b>15,711,972</b>	<b>14,993,847</b>	<b>13,168,412</b>	<b>9,937,307</b>
8.010 - Estimated Encumbrances June 30	-	-	200,000	200,000	200,000	200,000	200,000	200,000
<b>Reservations of Fund Balance:</b>								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	-	-	-	-	-	-
9.040 - DPIA	-	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-	-
9.080 - Subtotal	-	-	-	-	-	-	-	-
<b>Fund Balance June 30 for Certification</b>								
<b>10.010 - of Appropriations</b>	<b>9,625,777</b>	<b>10,286,616</b>	<b>10,944,445</b>	<b>13,406,509</b>	<b>15,511,972</b>	<b>14,793,847</b>	<b>12,968,412</b>	<b>9,737,307</b>
<b>Rev from Replacement/Renewal Levies</b>								
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	-	-
<b>Fund Balance June 30 for Certification</b>								
<b>12.010 - of Contracts, Salary and Other Obligations</b>	<b>9,625,777</b>	<b>10,286,616</b>	<b>10,944,445</b>	<b>13,406,509</b>	<b>15,511,972</b>	<b>14,793,847</b>	<b>12,968,412</b>	<b>9,737,307</b>
<b>Revenue from New Levies</b>								
13.010 - Income Tax - New	-	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>9,625,777</b>	<b>10,286,616</b>	<b>10,944,445</b>	<b>13,406,509</b>	<b>15,511,972</b>	<b>14,793,847</b>	<b>12,968,412</b>	<b>9,737,307</b>