

Clark-Shawnee Local School District

Five Year Forecast Financial Report

May, 2023

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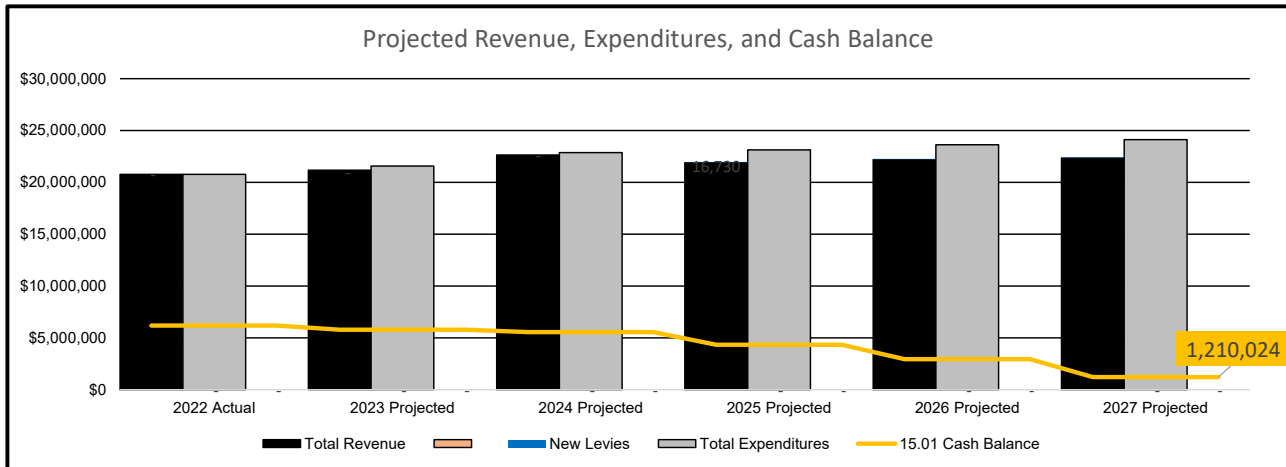
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Forecast Purpose/Objectives

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.



Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the forecast.

Financial Forecast

Financial Forecast	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	6,179,020	5,778,602	5,556,240	4,338,798	2,941,392
+ Revenue	21,174,025	22,641,810	21,904,111	22,192,774	22,352,530
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	16,730	33,460	34,803
- Expenditures	(21,574,444)	(22,864,172)	(23,138,282)	(23,623,640)	(24,118,700)
= Revenue Surplus or Deficit	(400,418)	(222,362)	(1,217,442)	(1,397,406)	(1,731,368)
Line 7.020 Ending Balance with renewal/new levies	5,778,602	5,556,240	4,338,798	2,941,392	1,210,024

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(400,418)	(222,362)	(1,234,172)	(1,430,866)	(1,766,171)
Ending Balance w/o Levies	5,778,602	5,556,240	4,322,068	2,891,202	1,125,031

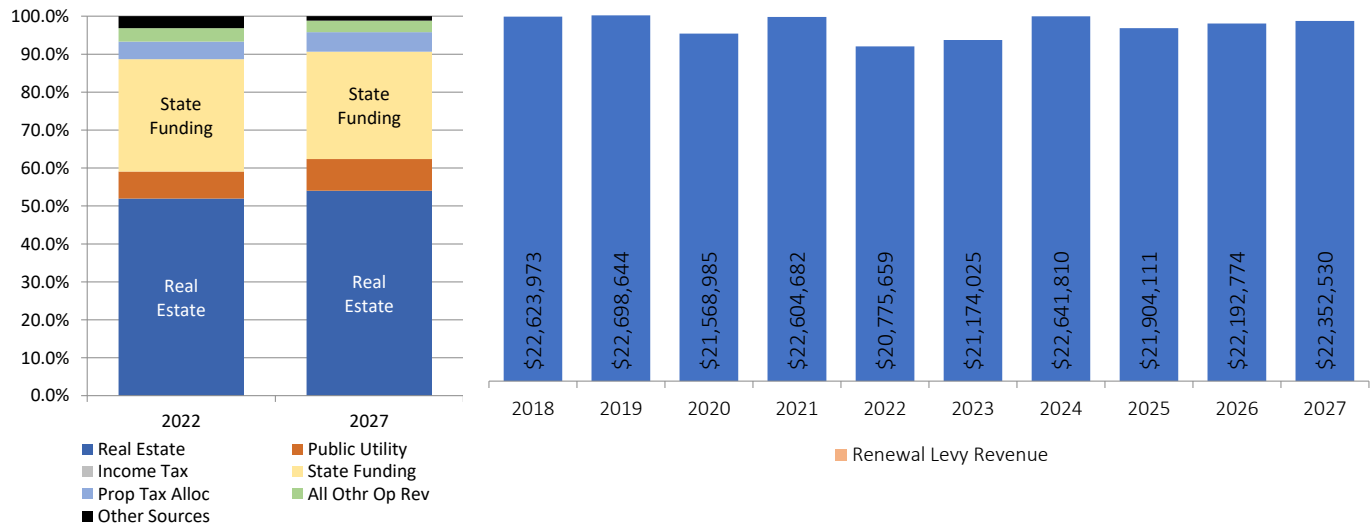
The Clark-Shawnee Local School District began the 2022-2023 year with \$6,179,020 for 104 days of cash. During the fiscal year which runs from July 1, 2022-June 30, 2023, the district will receive an estimated \$21,174,025 and will spend an estimated \$21,574,444. The treasurer is projecting that the district will spend \$400,418 more than received by June 30, 2023 and end the fiscal year with \$5,778,602 for 92 days of cash.

The cash balance will decline to \$5,556,240 for 87 days by June 30, 2024, and \$4,322,068 for 67 days by June 30, 2025.

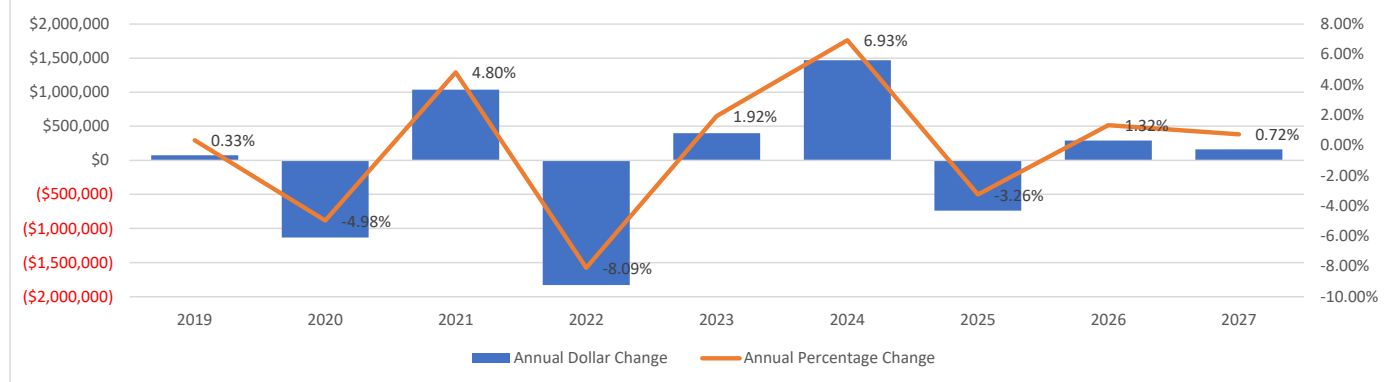
During the course of this document the reader should receive answers to questions and a better understanding of how the district is receiving and expending it's resources.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



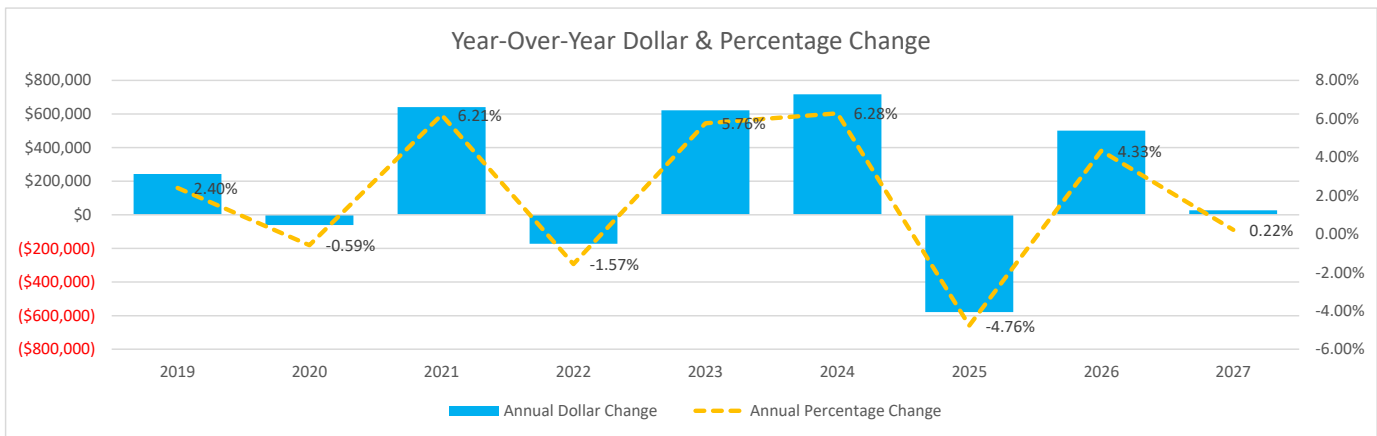
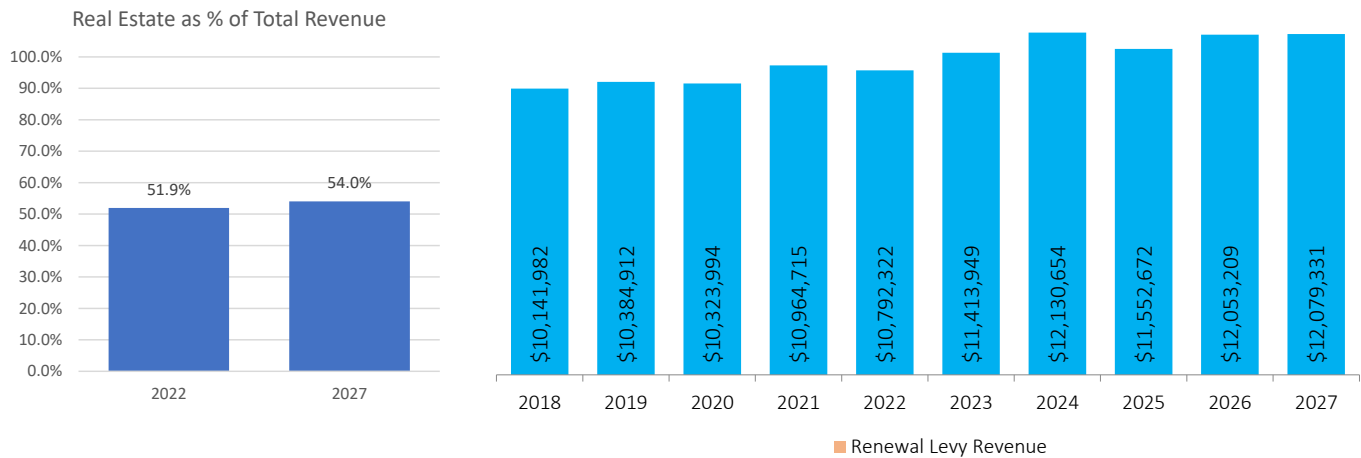
5-Year Historical Actual Average Annual Dollar Change Compared to 5-year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	
Real Estate	\$61,954	\$257,402	\$195,447	During the past 5 years the district's total revenue decreased 1.51% or \$333,550 annually which is attributed to a new state funding formula. Please refer to pages 8 and 11 for more information. The treasurer is projecting that during the next 5 years the districts revenue will increase an average of 1.43% annually or \$315,374. This is due to the 2022 real estate triannual update. The district's residential home values increased 28%. Please refer to page 5 for more information concerning property tax collections. Expenditures are expected to grow 3.22% per year which will outpace the projected revenue growth by \$354,248 per year. More information concerning expenditures can be found on pages 13-21.
Public Utility	\$100,675	\$74,370	(\$26,305)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$203,065)	\$35,248	\$238,313	
Prop Tax Alloc	(\$18,115)	\$38,411	\$56,525	
All Othr Op Rev	(\$336,424)	(\$10,554)	\$325,870	
Other Sources	\$61,425	(\$79,502)	(\$140,927)	
Total Average Annual Change	(\$333,550)	\$315,374	\$648,924	
	-1.51%	1.43%	2.94%	

Note: Expenditure average annual change is projected to be > \$669,622 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	
2021	353,467,820	6,599,790	32.17	-	35.05	-	98.2%
2022	420,984,390	67,516,570	30.30	(1.87)	32.74	(2.32)	99.5%
2023	425,009,390	4,025,000	30.18	(0.12)	32.62	(0.12)	99.5%
2024	428,309,890	3,300,500	30.08	(0.10)	32.52	(0.10)	99.5%
2025	434,737,139	6,427,249	29.92	(0.16)	31.96	(0.55)	99.5%
2026	435,012,139	275,000	29.89	(0.03)	31.93	(0.03)	99.5%

Local property taxes make up 51.95% of the district's revenue and are generated by taxing 35% of the appraised property values. 57.09% of the property tax revenue is generated by the residential/agricultural taxpayers and 42.91% is brought in through commercial/industrial taxpayers.

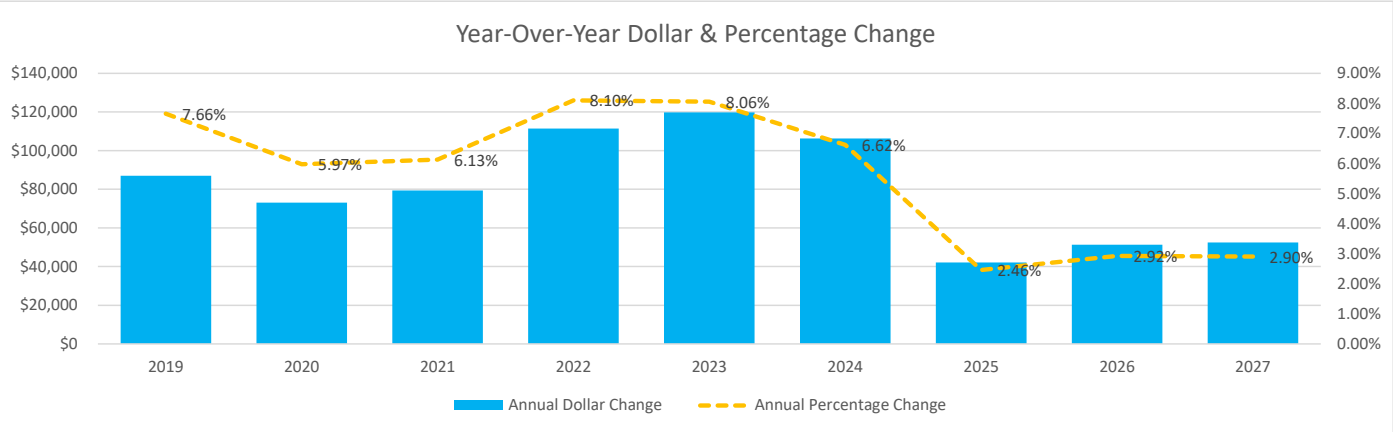
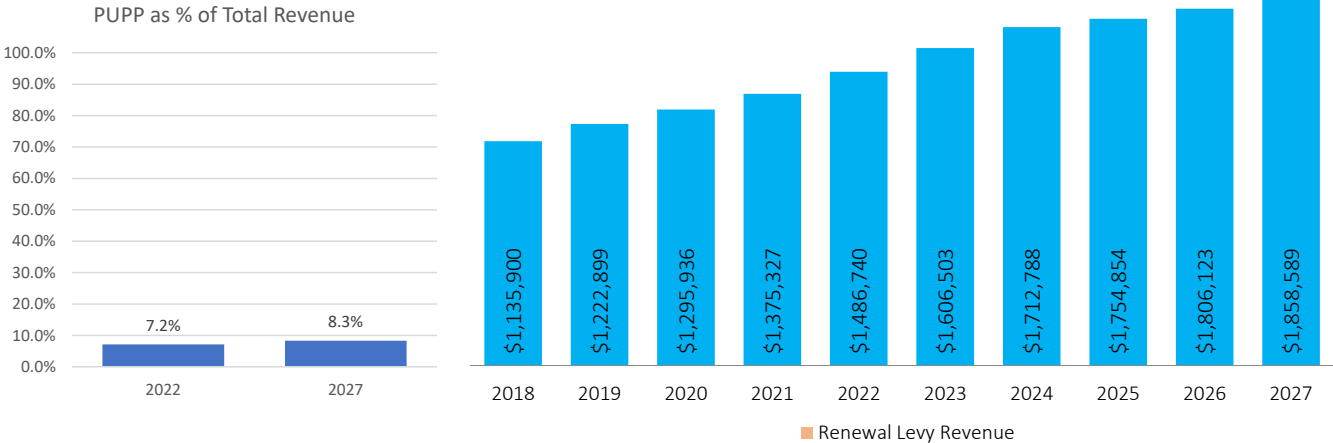
Property tax rates are calculated annually based on property values. Voted tax rates adjust based on the rising and falling of property values so that the district collects the same amount that was voted. Tax rates fall when values increase, and tax rates increase when values decrease. Increases in revenue can happen due to new construction, inside/non-voted millage and when a district is at the 20-mill floor. The 20-mill floor happens when values increase so much that a tax rate can no longer be adjusted down by law.

The increase that is projected is because the residential property values increased by 28% for 2022. This generates new money because the district is at the 20.00 mill floor for residential property values. The increase from 2022 to 2024 is mostly the result of the millage floor. In 2025, there is a one time payment for over collected property taxes from 2023 through 2024 on a new housing development.

The treasurer is not projecting any significant changes past 2025.

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	
2021	35,350,260	3,467,500	44.07	(0.33)	100.0%
2022	39,715,450	4,365,190	42.20	(1.87)	100.0%
2023	41,071,421	1,355,971	42.08	(0.12)	100.0%
2024	42,427,392	1,355,971	41.98	(0.10)	100.0%
2025	43,783,363	1,355,971	41.82	(0.16)	100.0%
2026	45,139,334	1,355,971	41.79	(0.03)	100.0%

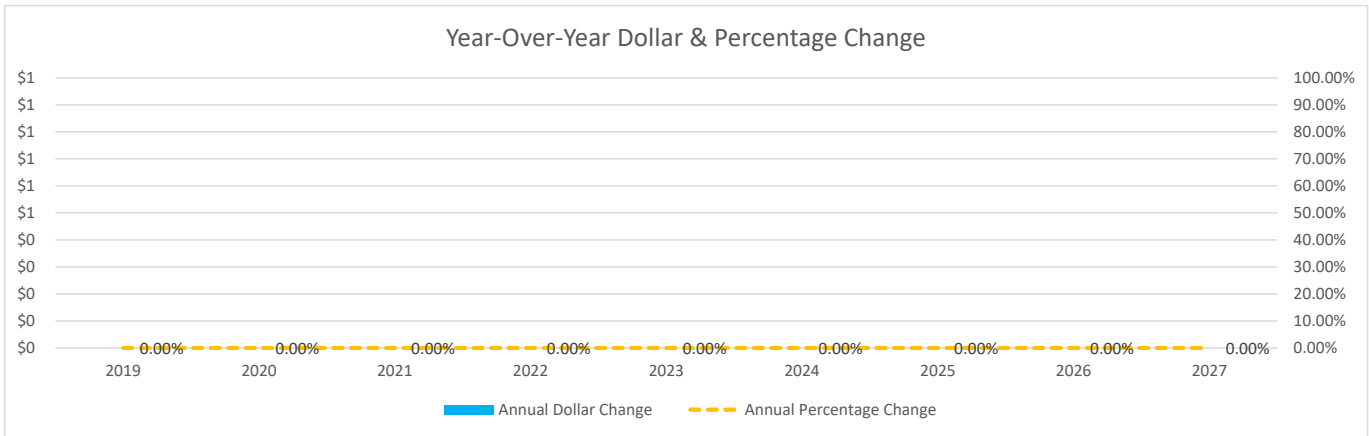
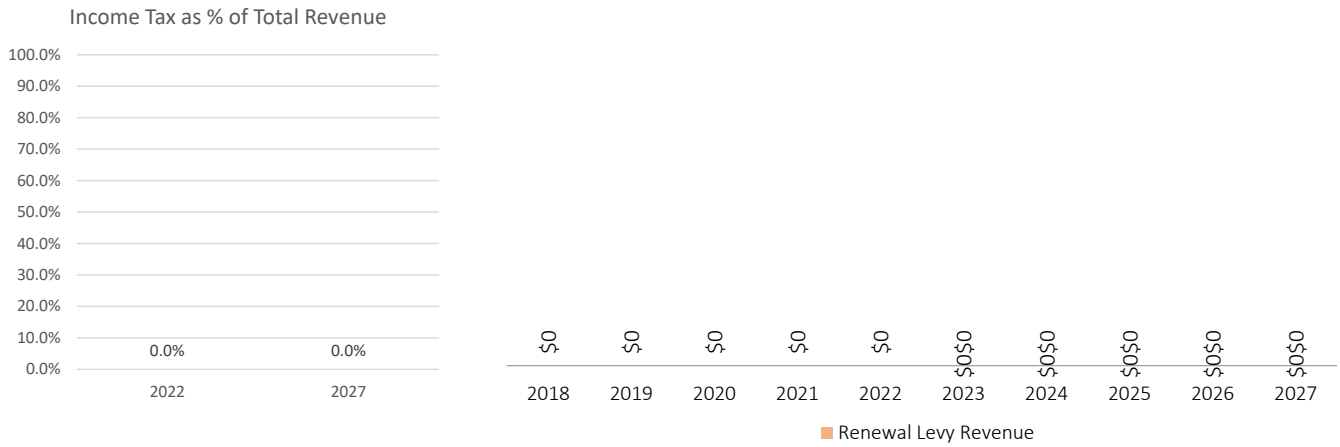
This is a tax levied against public utilities. Taxes on public utilities make up 7.16% of the total operating money for the district. Public utilities are taxed at the full voted millage and typically collect at 100% per year and will increase as values grow and decrease as values decline.

Public utility values are expected to grow an average of \$1,957,815 per year through 2027. This will generate an additional \$371,849 by 2027 or \$74,369 per year.

*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.

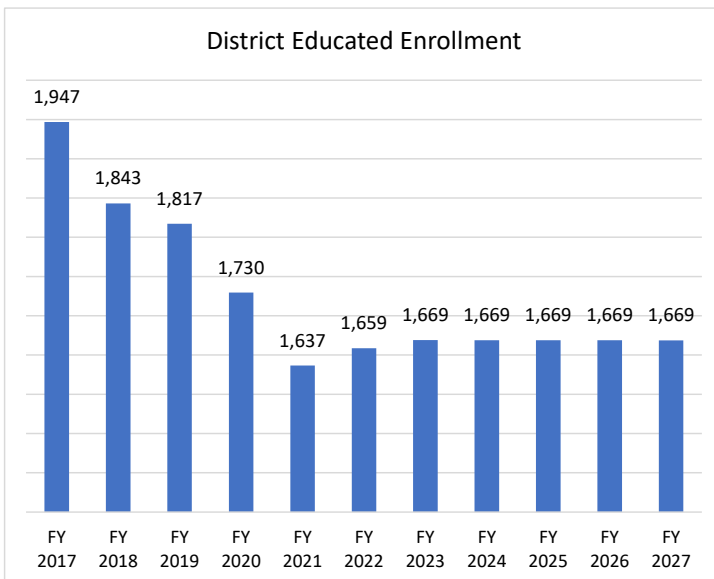
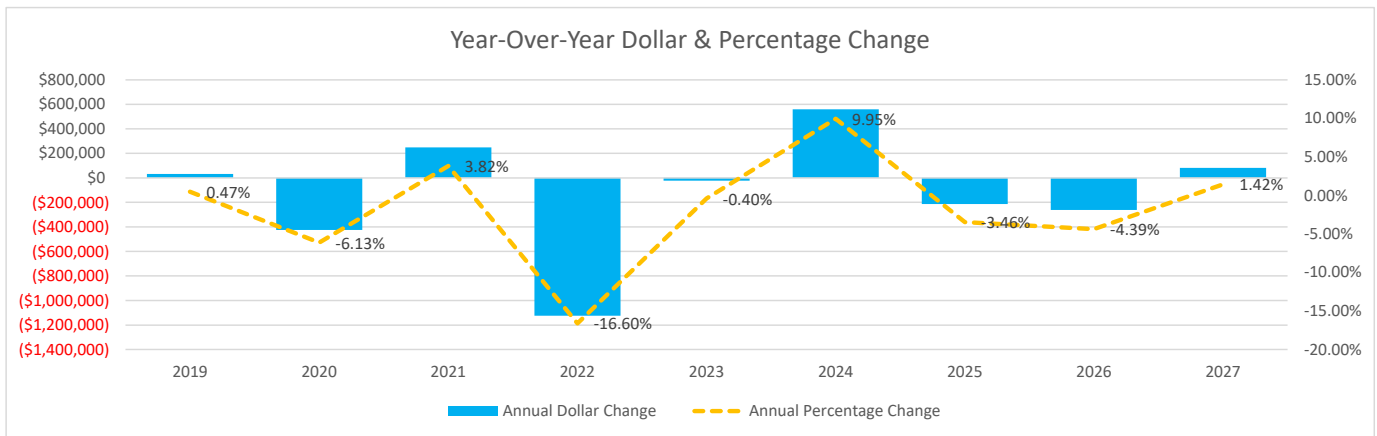
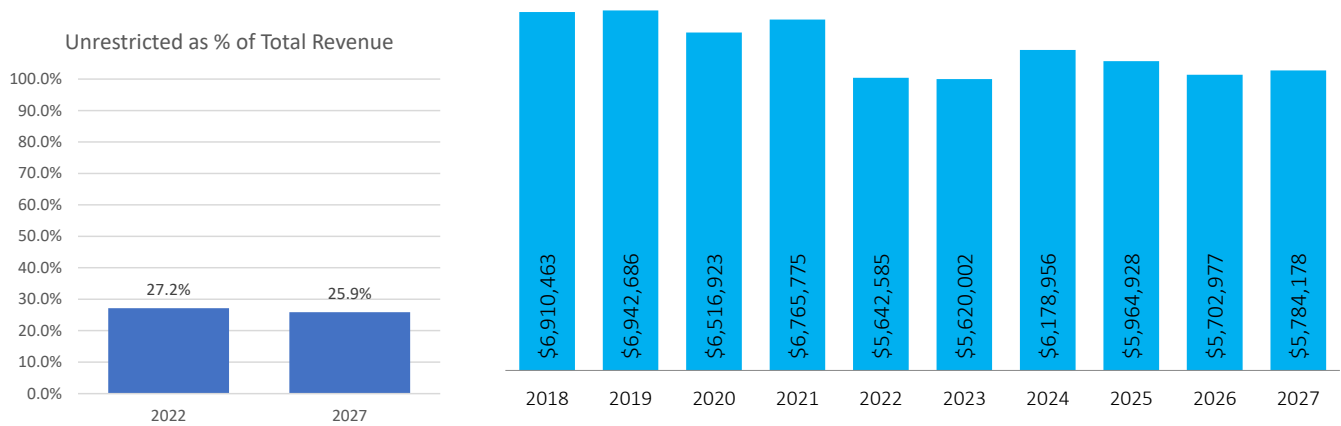


The district does not have an income tax levy.

**Projected % trends include renewal levies*

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



Unrestricted grants-in-aid is aid provided to the school district from the State of Ohio. It makes up 27.2% of the district's operating funds.

Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by the question "What does it cost to provide a public education to a student in the state of Ohio?". This cost is currently calculated for two years using a statewide average from historical actual data.

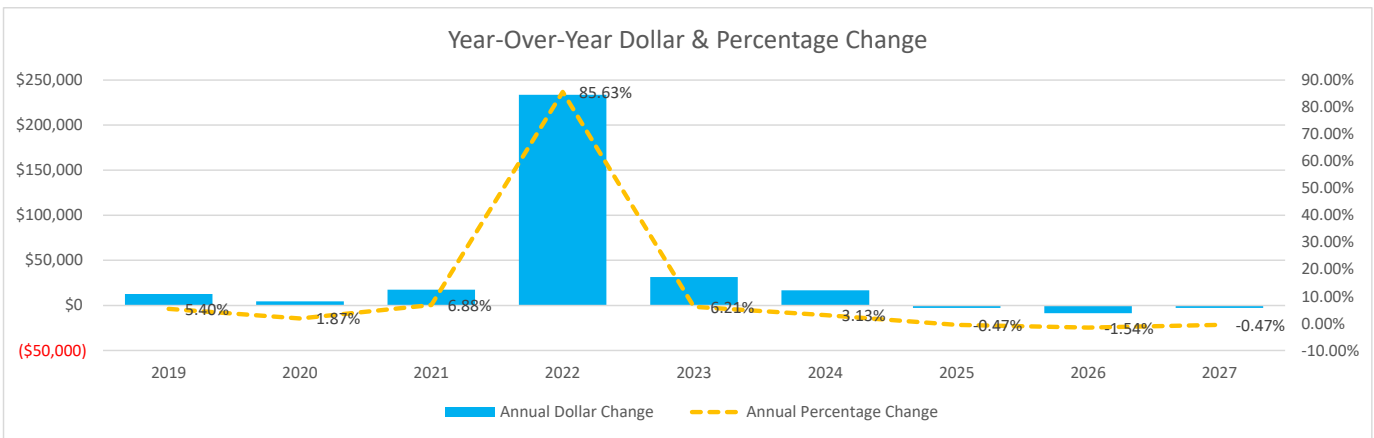
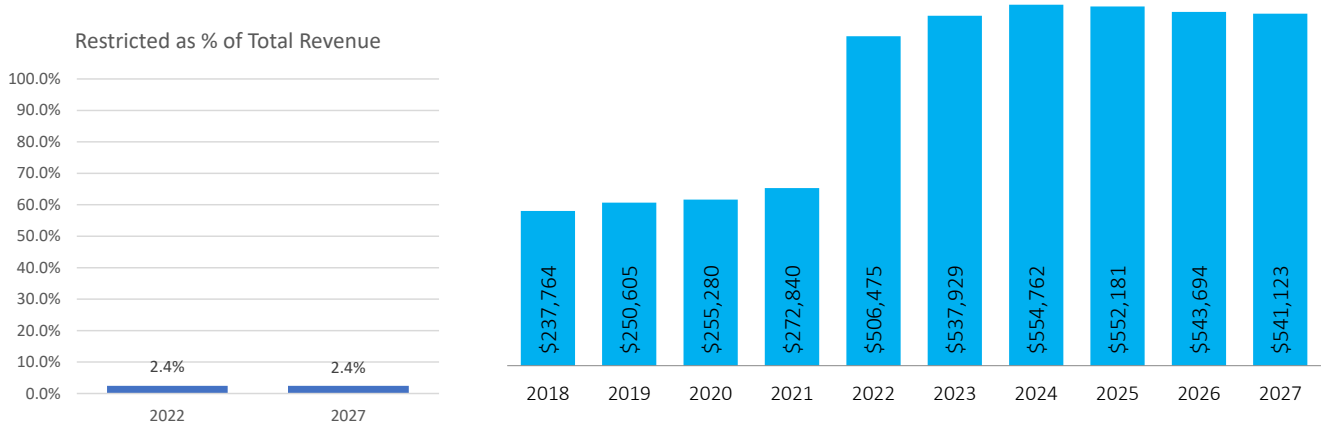
Clark-Shawnee's base cost to educate has been calculated to be \$12,100,873. The state is funding \$3,967,038 or 33% of that cost. This breaks down to \$2,377 per pupil.

The State of Ohio is currently drafting a new budget for the next 2 years. The current bill is increasing the base cost. The increase from 2023 to 2027 is the result of the draft budget, should it be approved.

Additional state funding comes from transportation of students, casino funding, preschool, and additional base funding for special education.

1.040 & 1.045 - Restricted Grants-in-Aid

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

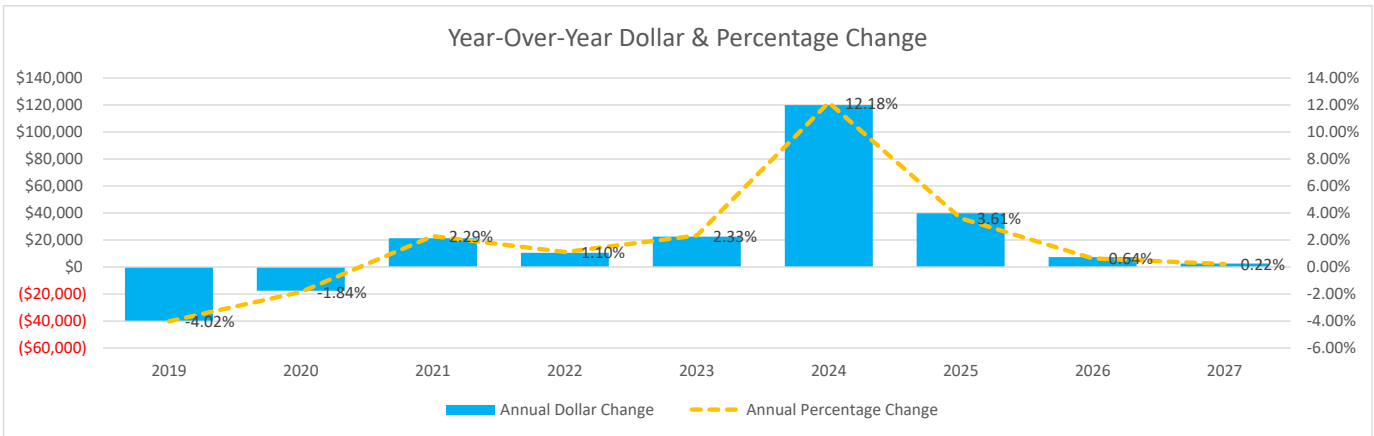
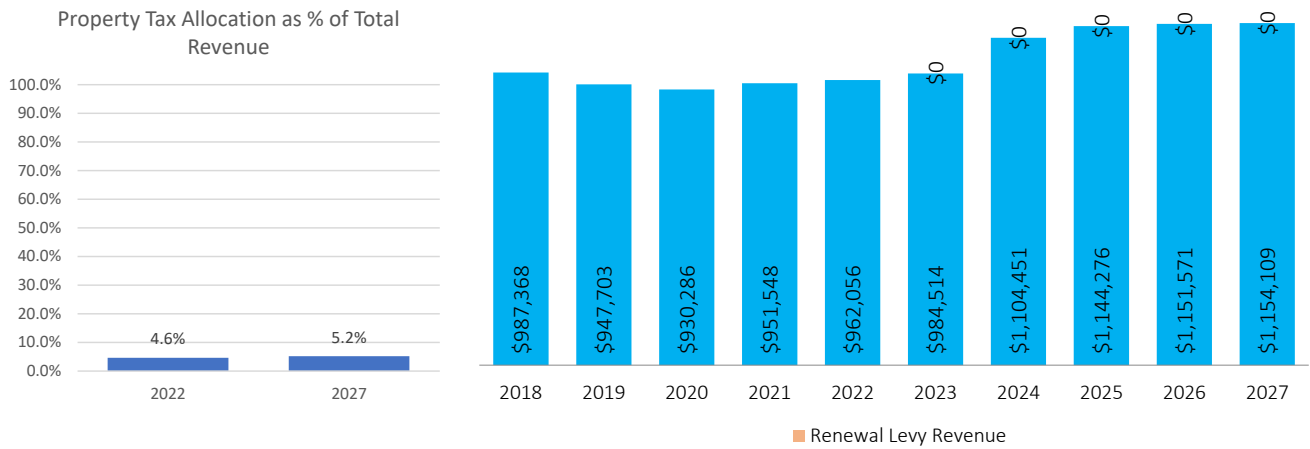


Restricted Grants-In-Aid are funds set aside for a specific purpose. The funding being reported for Clark-Shawnee is Career Technical funding, Economically Disadvantaged funding, Success and Wellness funding, and a reimbursement for special education students with severe needs. The increase from 2021 to 2022 is the move of the Success and Wellness funding into the general fund. This also moved the expenditures which were personnel into the general fund.

The treasurer is not anticipating any additional increase from 2023 through 2027.

1.050 - Property Tax Allocation

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



The state of Ohio reimburses a school district for the 10% reduction that is credited to each taxpayer’s real property tax bill as well as an additional 2.5% reduction granted to residents who live in their houses. Ohio also reimburses the district for the additional credit that some senior citizen homeowners receive.

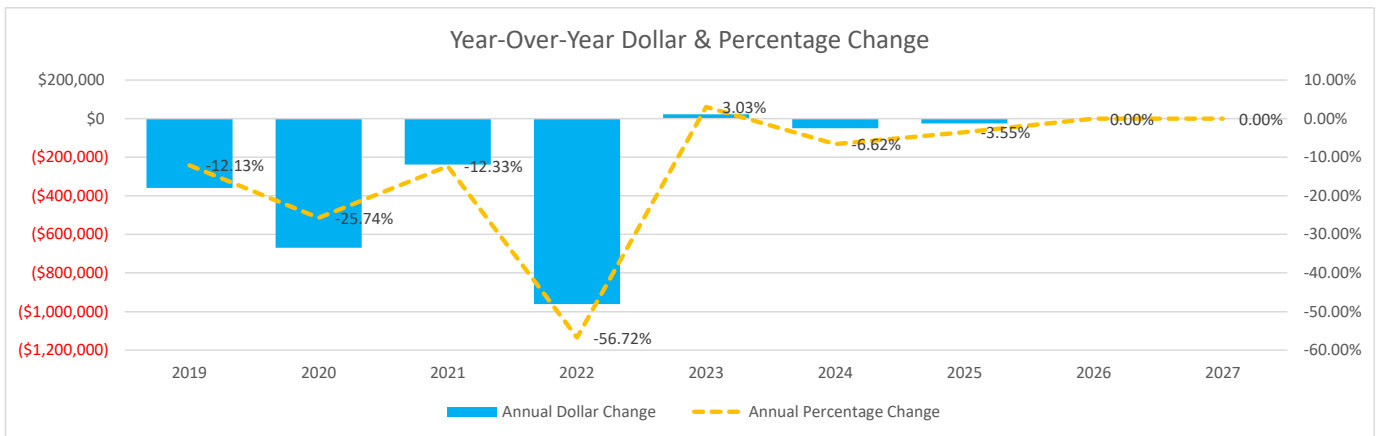
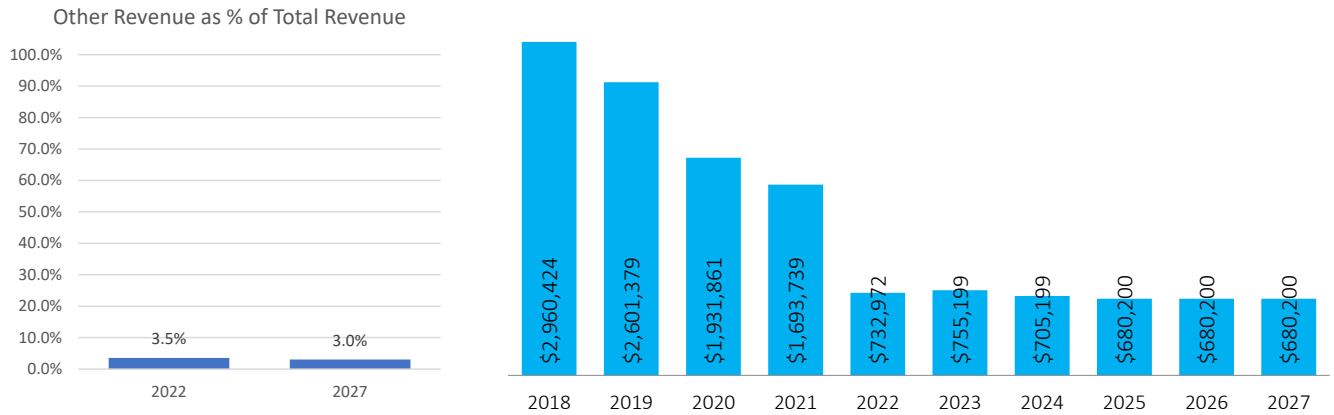
In FY 2023, approximately 9.6% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 3.6% will be reimbursed in the form of qualifying homestead exemption credits.

The increase from 2022 through 2027 is due to the 28% residential property value increase.

**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.



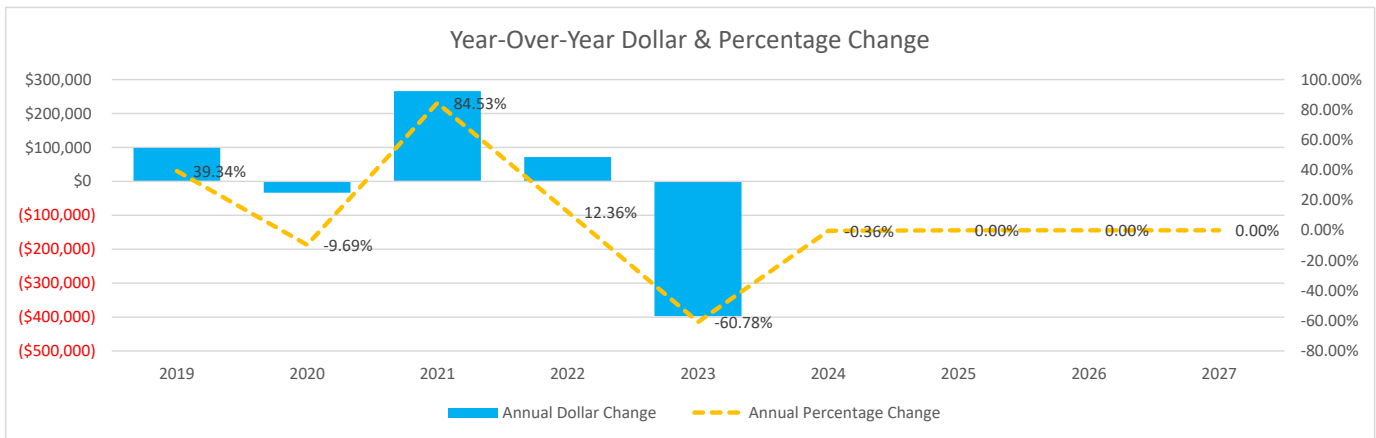
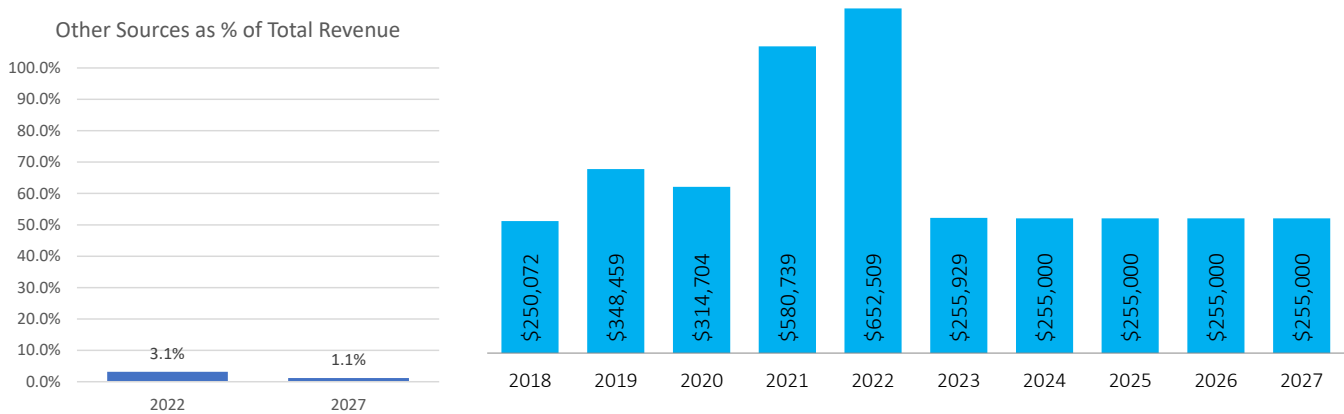
Included in this category are tuition from other districts, interest income, student fees, and open enrollment.

The Fair School Funding Plan funds students where they attend and the largest portion of this line, open enrollment, has been eliminated. This is noted by the sharp decline of \$960,767 from 2021 to 2022.

The treasurer is not anticipating any significant change from 2023 to 2027.

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.



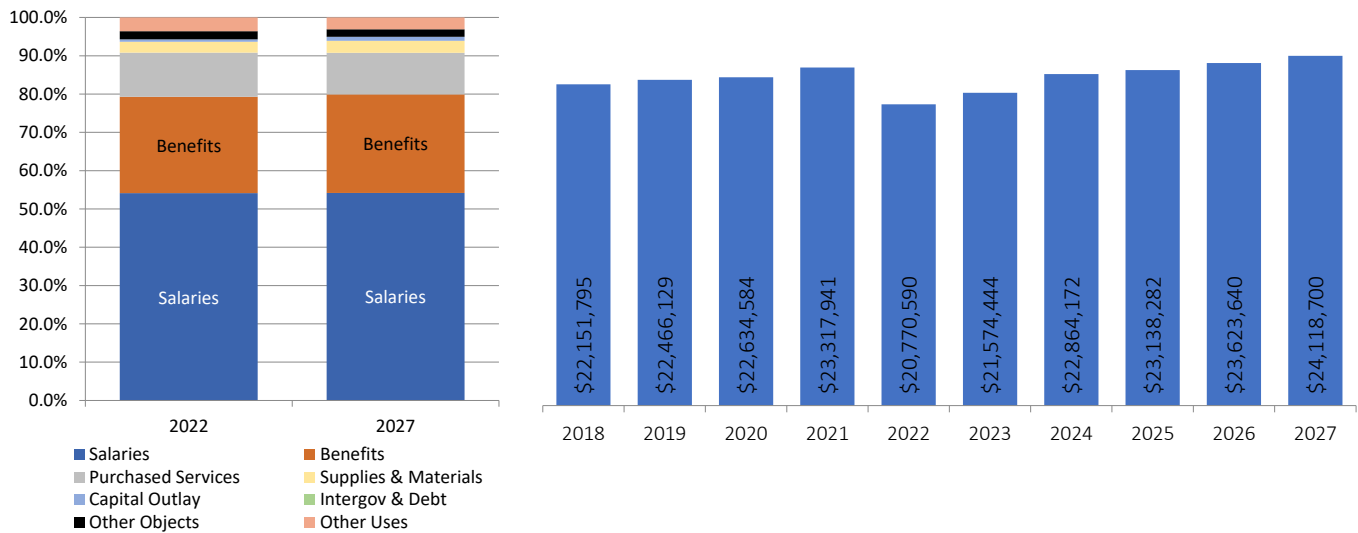
	2022	2023	FORECASTED			
			2024	2025	2026	2027
Transfers In	-	-	-	-	-	-
Advances In	\$487,676	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
All Other Financing Sources	\$164,833	\$165,929	\$165,000	\$165,000	\$165,000	\$165,000

This line includes the pay back of advances made to other funds to avoid a deficit in those funds. The district advanced the athletic and food service funds \$487,676 at the end of 2021. It was paid back in July 2021. In 2022, the district advanced the athletic fund \$90,000 and it was paid paid in July 2022.

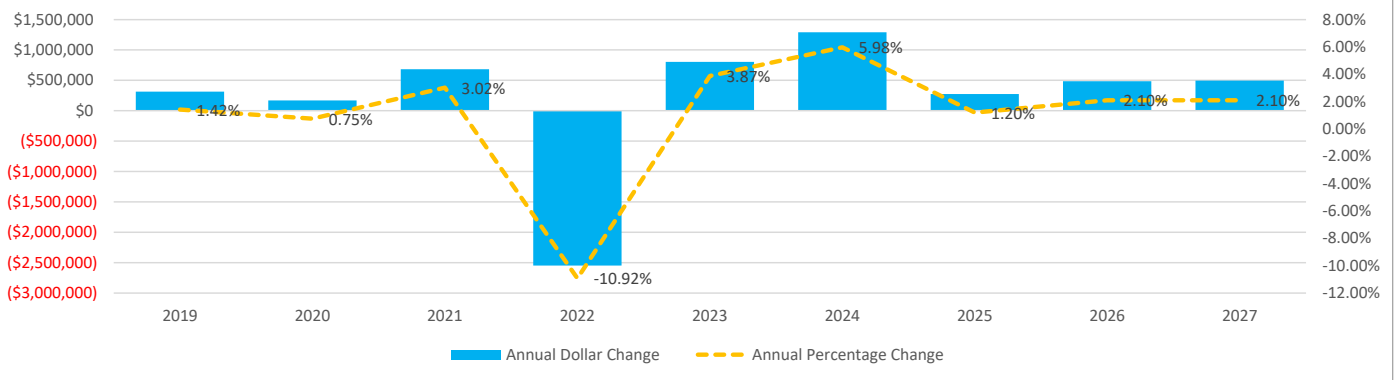
Additionally, included in this line are refunds and reimbursements of previous year's expenditures. These are mostly for billing excess cost for educating open enrolled and foster placed students to their home districts.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



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

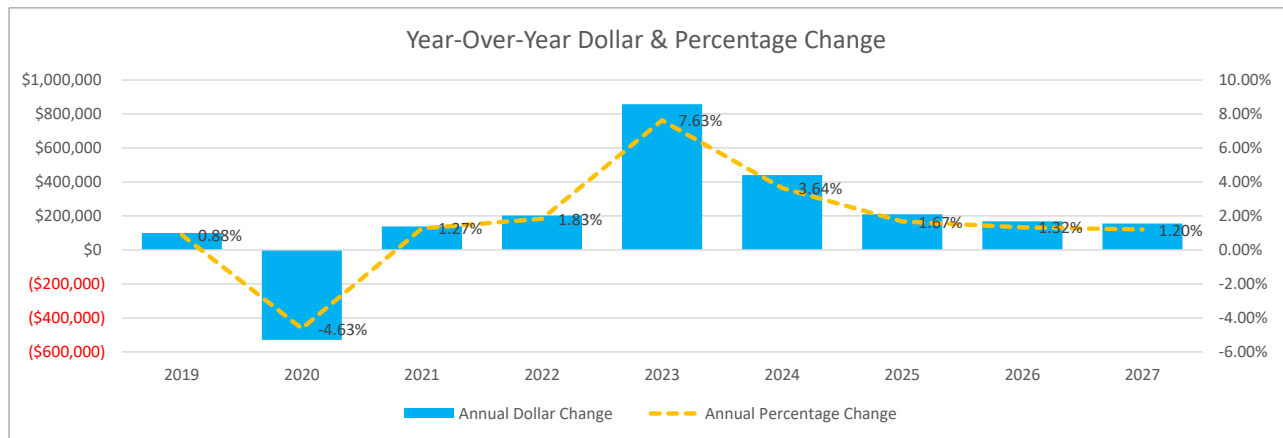
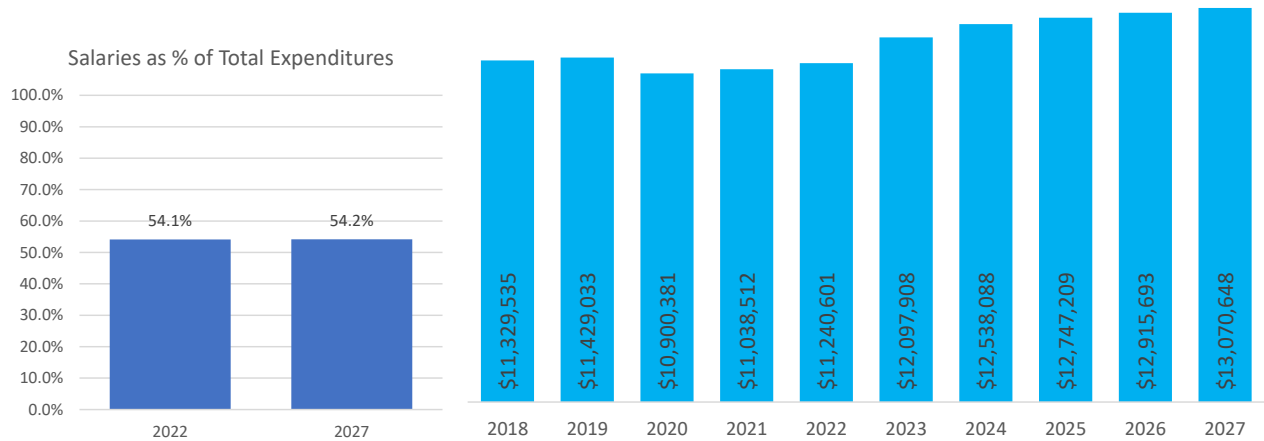
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	
Salaries	\$66,839	\$366,009	\$299,170	Expenditures declined .33% for the last five years for \$73,597. Under the Fair School Funding Plan, students are funded where they attend. This has resulted in over a 50% drop in purchase services which made up 21% of Clark-Shawnee's operating expenses in 2021. Please refer to page 16 for more information about purchase services. Expenditures are expected to grow an estimated 3.22% for \$669,622 per year for 5 years. Personnel and Benefits are the single biggest contributors to the average annual increase.
Benefits	\$156,535	\$195,524	\$38,989	
Purchased Services	(\$343,089)	\$44,747	\$387,836	
Supplies & Materials	\$20,511	\$33,071	\$12,560	
Capital Outlay	\$638	\$25,493	\$24,855	
Intergov & Debt	\$0	\$0	(\$0)	
Other Objects	\$22,267	\$5,037	(\$17,229)	
Other Uses	\$2,702	(\$261)	(\$2,962)	
Total Average Annual Change	(\$73,597)	\$669,622	\$743,219	
	-0.33%	3.22%	3.55%	

Note: Revenue average annual change is projected to be > \$315,374

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 make up 54.12% of the total budget and are projected to grow 2.89% or \$366,009 per year from 2023-2027.

Growth on this line in 2023, is the result of shifting 4% of the retirement contributions for certificated staff to salaries. Additionally, the district awarded certificated staff a 1.75% cost of living adjustment for the 2022-2023 school year and a 0% cost of living adjustments through 2027. Moreover, Non-Certificated staff salary schedules were adjusted to retain and attract employees with no cost-of-living adjustments for 2023 through 2027. Increases on this line from 2023 to 2027 are the result of steps awarded for years of experience and education along with staff added for bussing, custodial and special education. Additional growth is a movement of staff salaries from the federal stimulus funds back to the general fund.

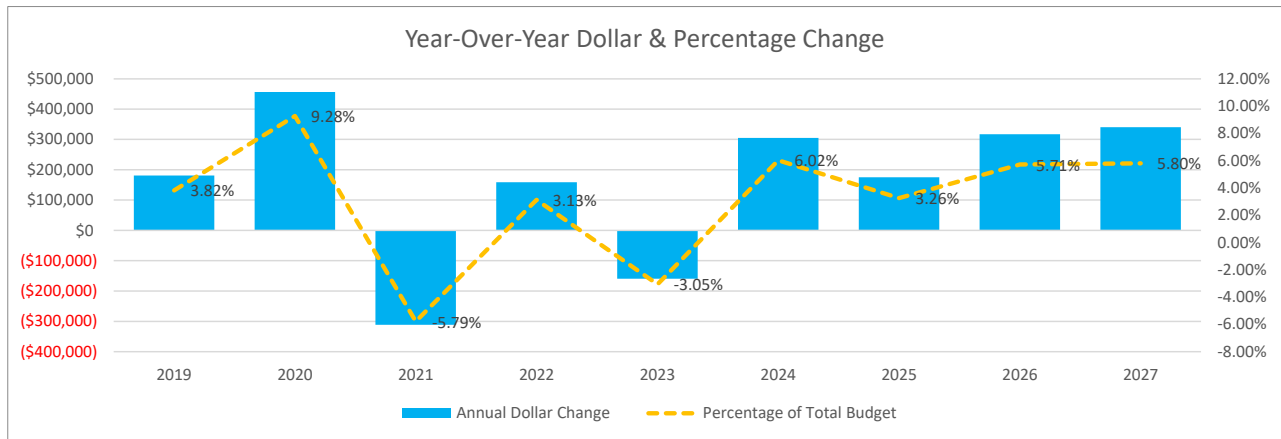
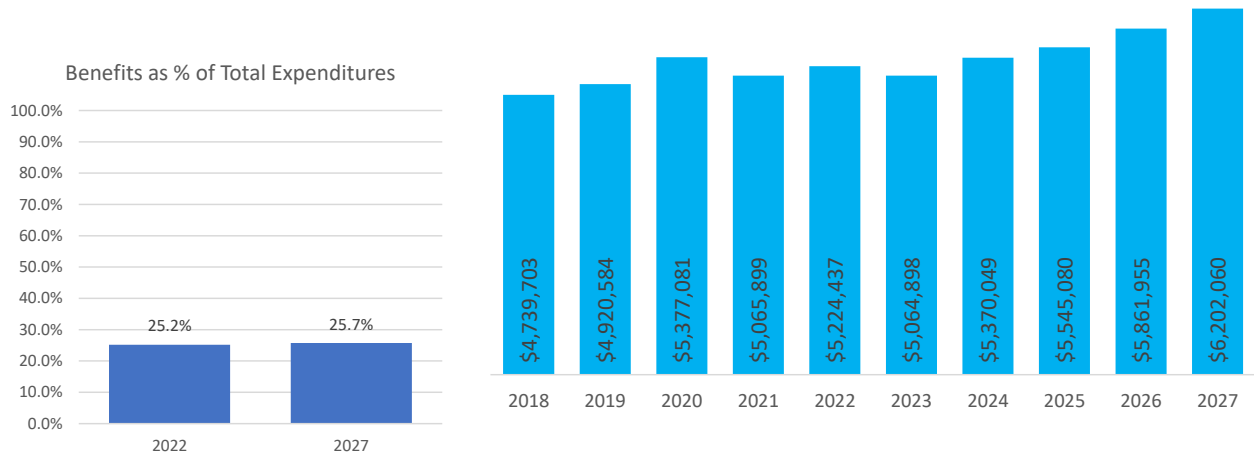
Lastly, the district will always look to control growth on this line because it is its single biggest expenditure.

This can be seen by reviewing past personnel expenditures. From 2019 to 2020 the district restricted open enrollment and reduced 4 teaching positions by attrition. Additionally, in 2021 the district reduced 1 Administrator, 2.5 Teachers, 1.5 Classified Staff to save an estimated \$305,077. The district once again evaluated staffing needs as it moved into the new primary building. It was decided at the April 2021 board meeting to reduce 2 additional teachers and 4 food service workers. This saved the general operating fund approximately \$109,123 in salaries annually and helped in the effort to ensure that food service will be self-sufficient so that future advances will not be necessary.

The district evaluated staffing for this current school year and decided it was not necessary to replace a physical education teacher or a 1st grade teacher in the primary that had resigned. This decision saved the district approximately \$115,107 per year. Finally, as we look to what is needed for next year, we are generating a savings of \$68,000 because we are being strategic about what staff is needed and how to replace positions.

3.020 - Employees' Benefits

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



Benefits make up 25.15% of budget. They include retirement contributions, Medicare, and Worker’s Compensation. These amounts are based on a percentage of the employee’s wages and therefore increase as wages increase or decrease as wages decrease. Benefits also include health insurance, severance pay, and any unemployment charges to the district.

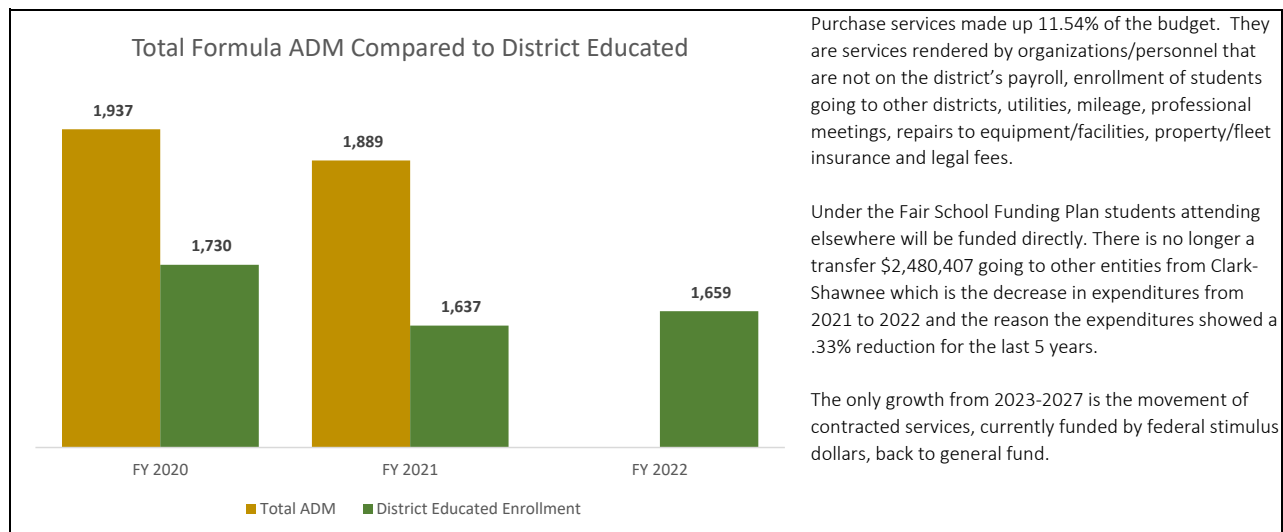
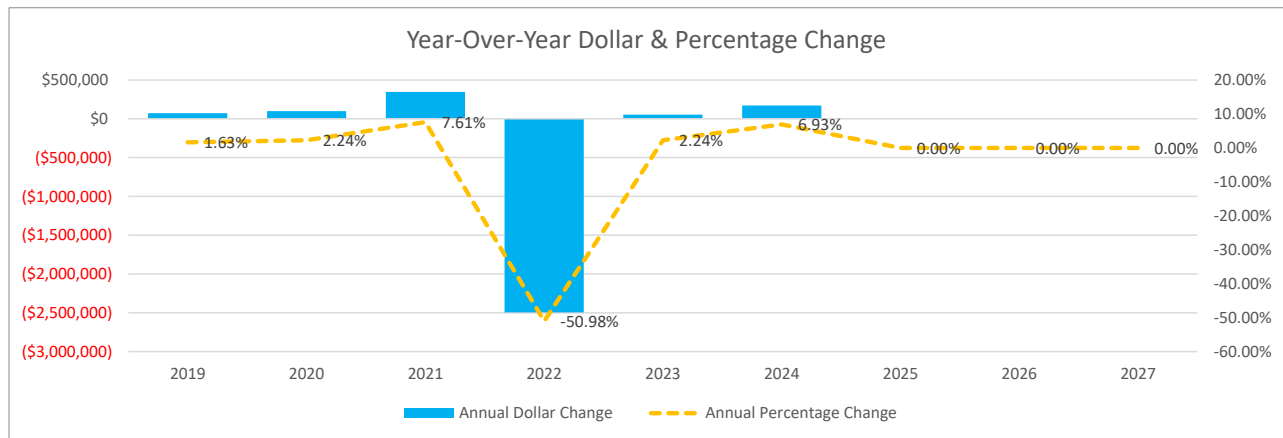
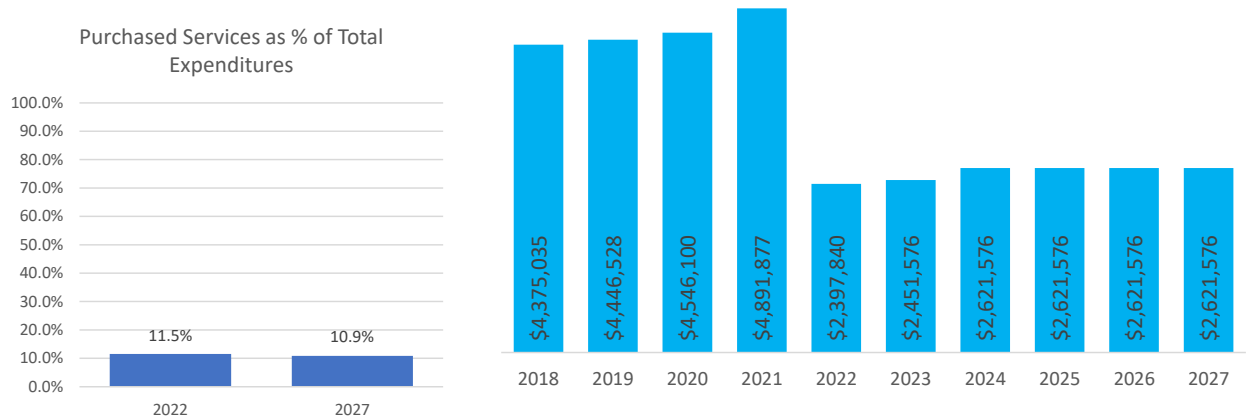
2023 will see a decrease due to the movement of a 4% retirement contribution for certificated staff to salaries.

Additionally, the district has worked to control costs by eliminating the PPO plan which was going up 17% in 2020 and offering a less expensive high deductible plan. The deductible was funded through a health savings account at 100% in 2020. The health savings account was funded at 50% in 2021 and 30% in 2022 and beyond.

Despite the districts efforts, the treasurer is estimating growth at 3.49% or \$195,524 per year for 2023-2027. The increase is mostly due to the rising cost of health insurance. Health insurance makes up 56% of the total benefits paid by the district and are estimated to increase and average of 7.75% per year from 2024 through 2027.

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.



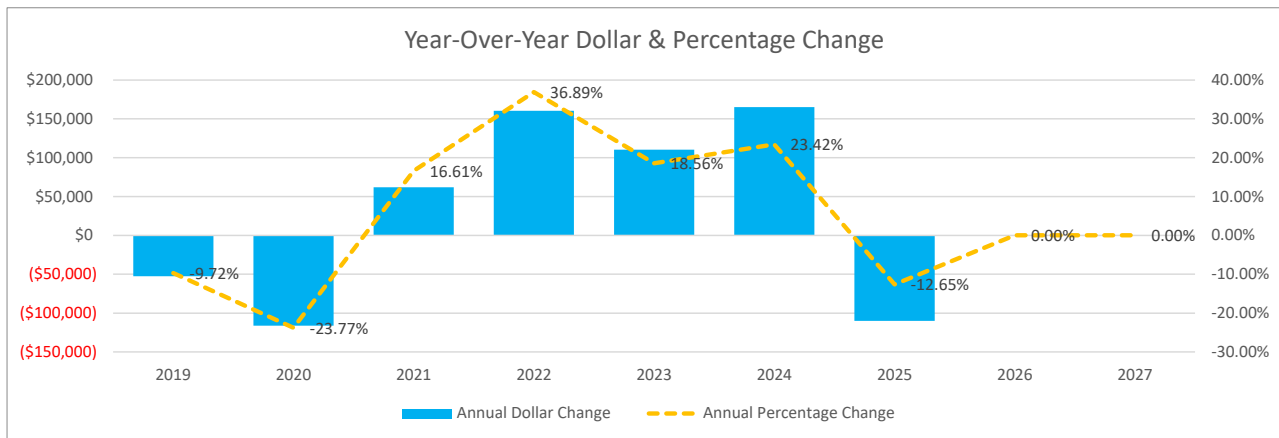
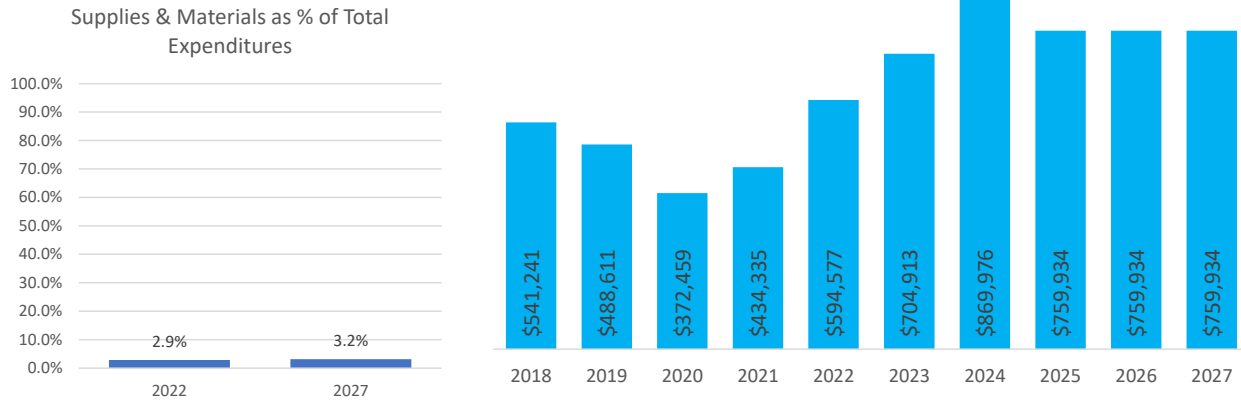
Purchase services made up 11.54% of the budget. They are services rendered by organizations/personnel that are not on the district's payroll, enrollment of students going to other districts, utilities, mileage, professional meetings, repairs to equipment/facilities, property/fleet insurance and legal fees.

Under the Fair School Funding Plan students attending elsewhere will be funded directly. There is no longer a transfer \$2,480,407 going to other entities from Clark-Shawnee which is the decrease in expenditures from 2021 to 2022 and the reason the expenditures showed a .33% reduction for the last 5 years.

The only growth from 2023-2027 is the movement of contracted services, currently funded by federal stimulus dollars, back to general fund.

3.040 - Supplies & Materials

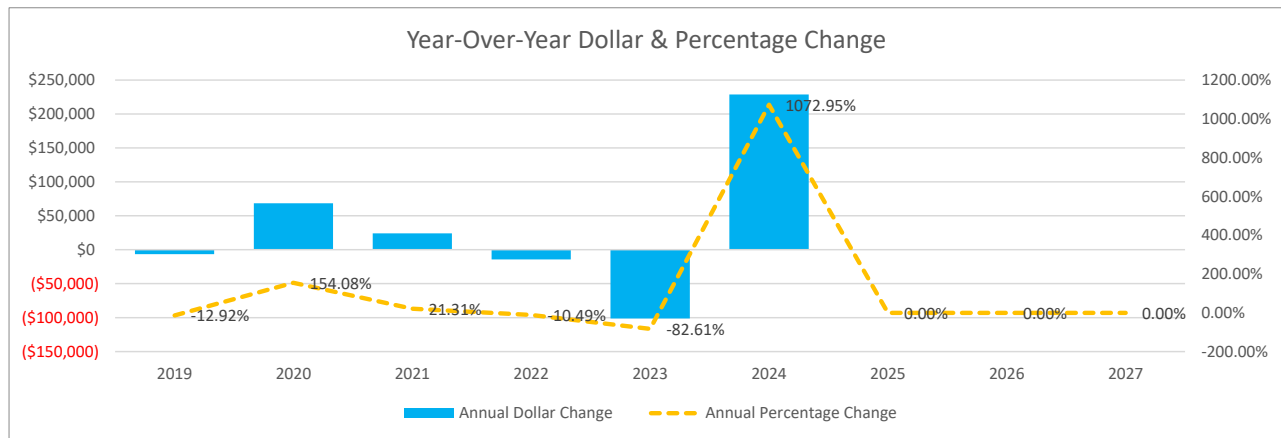
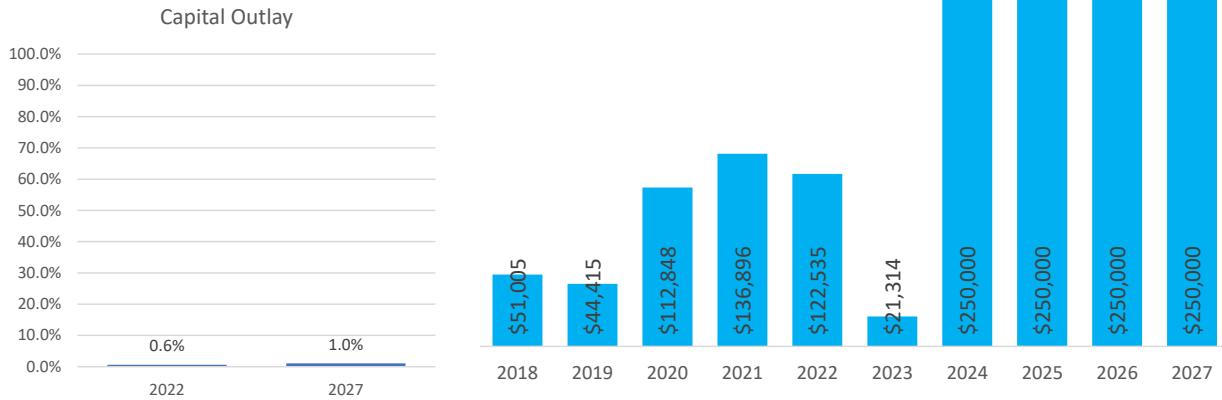
Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies and materials are items of an expendable nature due to being consumed, worn out, or deteriorated. These items may include textbooks, instructional supplies, office supplies, computer software, and fuel for buses. The main reason for the rise in supplies cost from 2022 through 2023 is the increased price of diesel fuel. In 2024, the district is planning a curriculum adoption.

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.



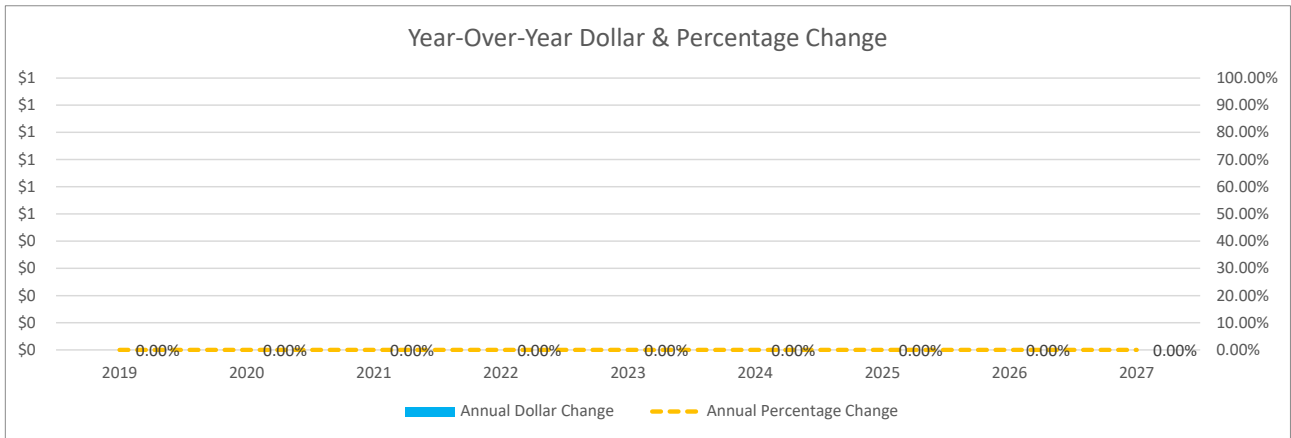
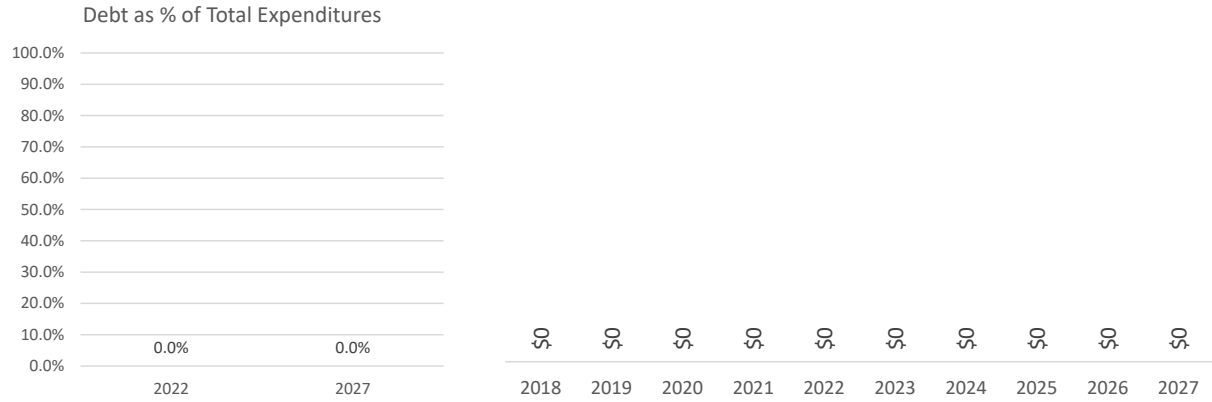
Capital outlay includes expenditures for the acquisition of, or addition to, fixed assets. Included are expenditures for land or existing buildings, improvement of grounds, construction of buildings, additions to buildings, initial and additional equipment, furnishings and vehicles. Expenditures are dependent on necessity of replacing existing equipment and the availability of funds to make necessary purchases.

The district does have a permanent improvement fund which constitutes the bulk of capital purchase. This line accounts for any additional capital purchase by our technology department or any purchases made by building principals from their building budgets which are not able to be purchased from the PI fund.

The treasurer has projected an annual cost of \$250,000 to fund a one to one device initiative for students, 7th through 12th grades. This will also maintain current devices for staff along with technology carts for preschool through 6th grade classrooms.

3.060-4.060 - Intergovernmental & Debt

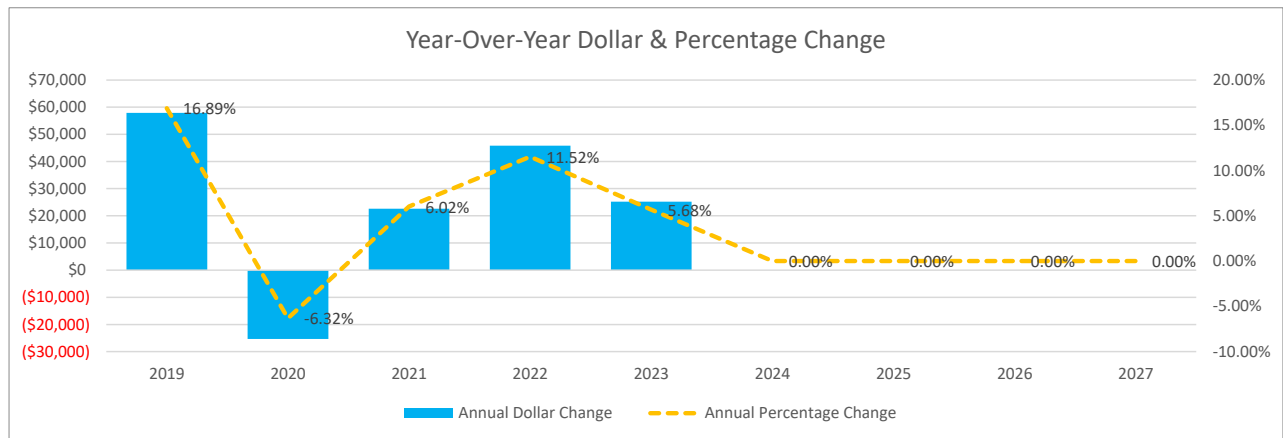
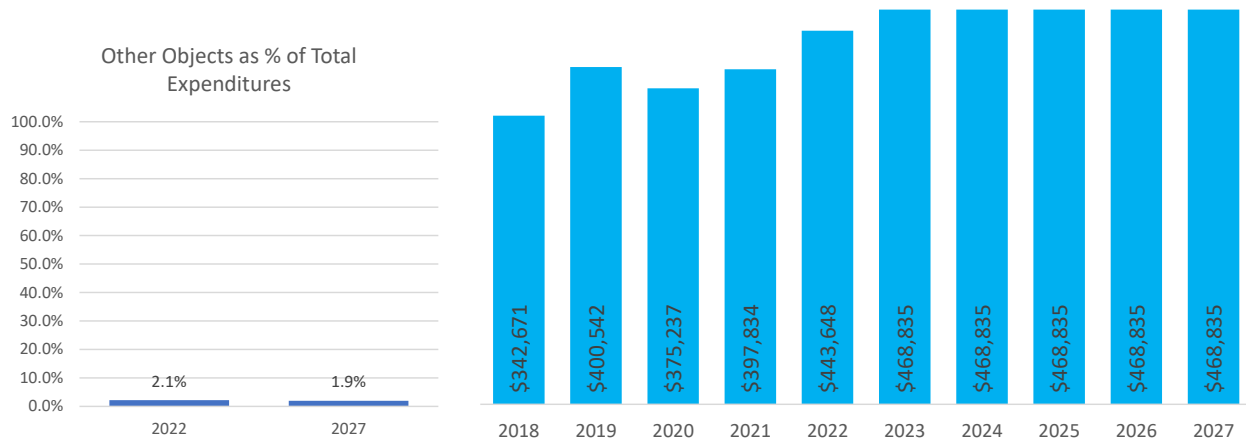
These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



The district does not have any intergovernmental debt.

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.

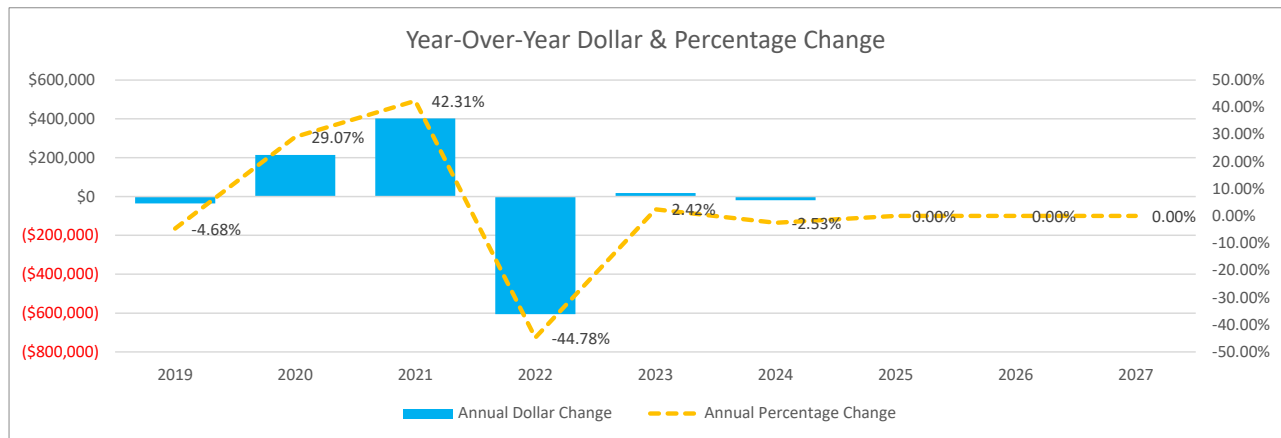
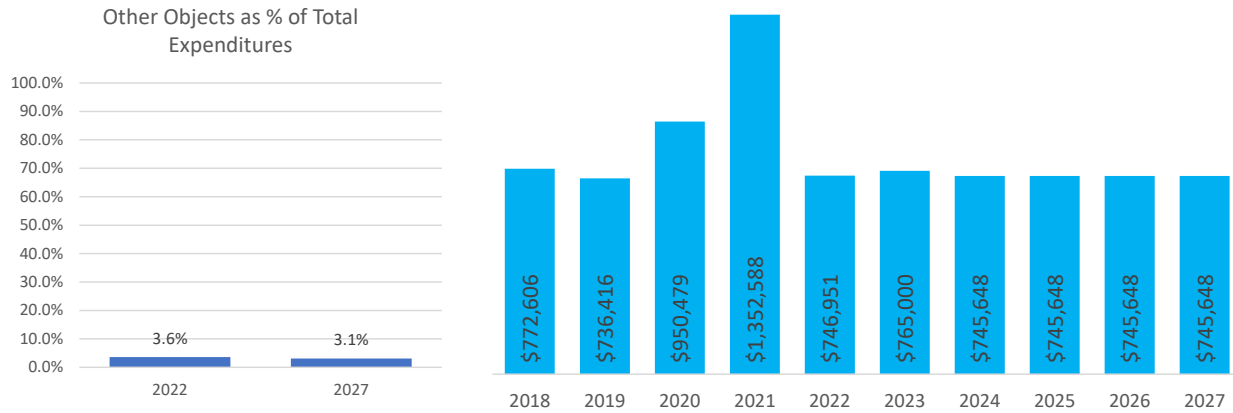


This line includes amounts paid for goods and services not otherwise classified in another specific code. Expenditures include liability insurance, election expenses, auditor and treasurer fees for collecting property taxes, educational service center contributions, and contributions made to the City of Springfield to connect to the city sewer at Shawnee High School, Shawnee Elementary and Administrative Building.

The treasurer is not projecting any increase from 2023 through 2027.

5.040 - Total Other Financing Uses

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



	2022	2023	2024	FORECASTED		
				2025	2026	2027
Transfers Out	655,648	675,000	655,648	655,648	655,648	655,648
Advances Out	90,000	90,000	90,000	90,000	90,000	90,000
Other Financing Uses	1,303	-	-	-	-	-

This line includes transfers and advances to other funds.

\$455,647 of this line is the result of the emergency levy renewal in November of 2012. This renewal included the renewal of the permanent improvement levy. Because of the nature of the law, in this case, it is necessary to post the revenue generated from this levy to the general fund and then transfer it to the permanent improvement fund. Additionally, the transfer of funds to the building maintenance fund, as dictated by the State of Ohio to participate in an Ohio School's Facility project, and the increased cost to purchase a school bus have caused the need to transfer an extra \$200,000 per year.

\$90,000 of this line is due to advancing the athletic fund to avoid a deficit.

The treasurer is not estimating any significant increase to this line.

Clark-Shawnee Local School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2022	2023	2024	2025	2026	2027
Revenue:						
1.010 - General Property Tax (Real Estate)	10,792,322	11,413,949	12,130,654	11,552,672	12,053,209	12,079,331
1.020 - Public Utility Personal Property	1,486,740	1,606,503	1,712,788	1,754,854	1,806,123	1,858,589
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	5,642,585	5,620,002	6,178,956	5,964,928	5,702,977	5,784,178
1.040 - Restricted Grants-in-Aid	506,475	537,929	554,762	552,181	543,694	541,123
1.050 - Property Tax Allocation	962,056	984,514	1,104,451	1,144,276	1,151,571	1,154,109
1.060 - All Other Operating Revenues	732,972	755,199	705,199	680,200	680,200	680,200
1.070 - Total Revenue	20,123,150	20,918,096	22,386,810	21,649,111	21,937,774	22,097,530
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	487,676	90,000	90,000	90,000	90,000	90,000
2.060 - All Other Financing Sources	164,833	165,929	165,000	165,000	165,000	165,000
2.070 - Total Other Financing Sources	652,509	255,929	255,000	255,000	255,000	255,000
2.080 - Total Rev & Other Sources	20,775,659	21,174,025	22,641,810	21,904,111	22,192,774	22,352,530
Expenditures:						
3.010 - Personnel Services	11,240,601	12,097,908	12,538,088	12,747,209	12,915,693	13,070,648
3.020 - Employee Benefits	5,224,437	5,064,898	5,370,049	5,545,080	5,861,955	6,202,060
3.030 - Purchased Services	2,397,840	2,451,576	2,621,576	2,621,576	2,621,576	2,621,576
3.040 - Supplies and Materials	594,577	704,913	869,976	759,934	759,934	759,934
3.050 - Capital Outlay	122,535	21,314	250,000	250,000	250,000	250,000
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	443,648	468,835	468,835	468,835	468,835	468,835
4.500 - Total Expenditures	20,023,639	20,809,444	22,118,524	22,392,634	22,877,992	23,373,052
Other Financing Uses						
5.010 - Operating Transfers-Out	655,648	675,000	655,648	655,648	655,648	655,648
5.020 - Advances-Out	90,000	90,000	90,000	90,000	90,000	90,000
5.030 - All Other Financing Uses	1,303	-	-	-	-	-
5.040 - Total Other Financing Uses	746,951	765,000	745,648	745,648	745,648	745,648
5.050 - Total Exp and Other Financing Uses	20,770,590	21,574,444	22,864,172	23,138,282	23,623,640	24,118,700
6.010 - Excess of Rev Over/(Under) Exp	5,069	(400,418)	(222,362)	(1,234,172)	(1,430,866)	(1,766,171)
7.010 - Cash Balance July 1 (No Levies)	6,173,951	6,179,020	5,778,602	5,556,240	4,322,068	2,891,202
7.020 - Cash Balance June 30 (No Levies)	6,179,020	5,778,602	5,556,240	4,322,068	2,891,202	1,125,031
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	6,179,020	5,778,602	5,556,240	4,322,068	2,891,202	1,125,031
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	6,179,020	5,778,602	5,556,240	4,322,068	2,891,202	1,125,031
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	16,730	33,460	34,803
13.030 - Cumulative Balance of New Levies	-	-	-	16,730	50,190	84,993
15.010 - Unreserved Fund Balance June 30	6,179,020	5,778,602	5,556,240	4,338,798	2,941,392	1,210,024

State Funding Budget Process and May Financial Forecast

At the start of the state's FY 2024 and 2025 budget process the Governor introduced these key elements regarding the Fair School Funding Plan which started July 1, 2022:

- The FSFP would continue.
- It would be funded at the same 2018 base cost calculations
- Original phase-ins of the new formula would continue

While there is no legislatively approved state budget, the May forecast as prepared assumes the Governor's proposal. The 2018 base cost components as used in FY 2022 and 2023 and proposed by the Governor would be extended as follows:

- Base per pupil cost (funding) is calculated at the 2018 level through FY 2027
- FSFP phase-in continues until culminating at 100% phased-in by FY 2027

The Ohio House of Representatives introduced an amendment to the Governor's proposal that would update the base cost components to the 2022 cost data. This change is potentially significant for many districts, however some districts will benefit only minimally or not at all. While the state budget deliberations continue the 2022 base cost was modeled to see the potential impact on the district's forecast. This is only an estimate and is intended to show relative potential significance. The modeling assumes:

- That the 2022 base cost components will be used in FY 2024 and 2025.
- The 2022 base cost components will be updated to 2024 cost data in FY 2026 and 2027.
- That the formula is fully phased-in by FY 2027.

For our district the annual impact on revenue Over/(Under) the current forecast modeling is reflected below along with a cumulative potential impact on the district's cash balance. If warranted the Board may be asked to approve an amended forecast in June.

Other Observations:

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