

Norwood City School District

# Five Year Forecast Financial Report

May, 2023

*Julie A. Kamphaus, Treasurer/CFO*



## Table of Contents

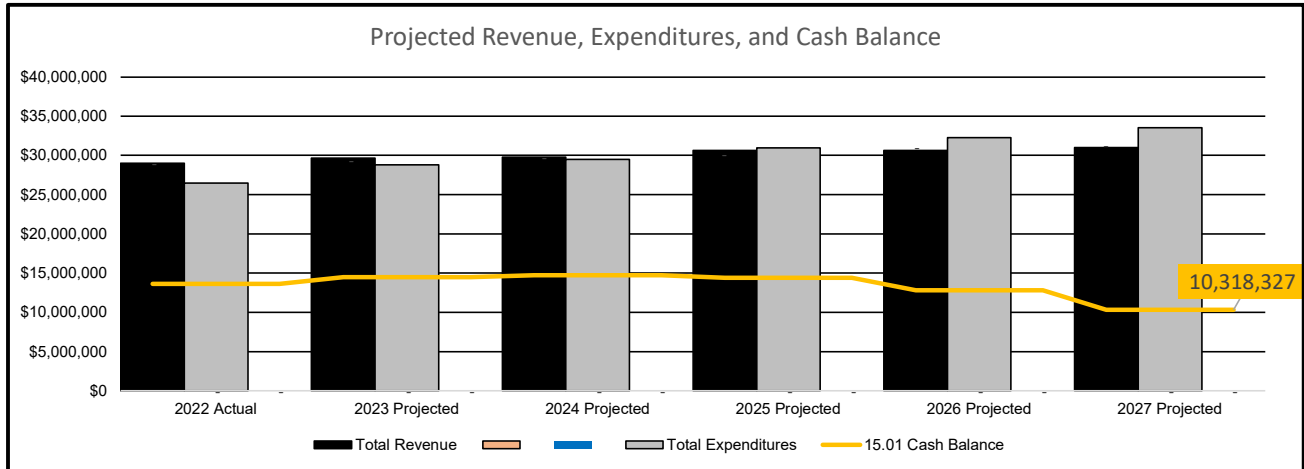
	<u>Page</u>
Table of Contents	2
Forecast Summary	3
Revenue Sources and Forecast Year-Over-Year Projected Overview	4
1.010 - General Property Tax (Real Estate)	5
1.020 - Public Utility Personal Property	6
1.030 - Income Tax	7
1.035 - Unrestricted Grants-in-Aid	8
1.040 & 1.045 - Restricted Grants-in-Aid	9
1.050 - Property Tax Allocation	10
1.060 - All Other Operating Revenues	11
2.070 - Total Other Financing Sources	12
Expenditures Overview	13
3.010 - Personnel Services	14
3.020 - Employee Benefits	15
3.030 - Purchased Services	16
3.040 - Supplies and Materials	17
3.050 - Capital Outlay	18
3.060 - 4.060 - Intergovernmental & Debt	19
4.300 - Other Objects	20
5.040 - Total Other Financing Uses	21
Five Year Forecast	22
State Funding Budget Process and May Financial Forecast	23
PI Fund Budget	24
Staffing Paid by ESSER & Return to GF	25

### 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

	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	13,635,980	14,483,942	14,738,405	14,430,111	12,808,108
+ Revenue	29,644,925	29,776,173	30,644,595	30,639,919	31,034,962
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(28,796,963)	(29,521,710)	(30,952,888)	(32,261,923)	(33,524,743)
= Revenue Surplus or Deficit	847,962	254,463	(308,294)	(1,622,004)	(2,489,781)
Line 7.020 Ending Balance with renewal/new levies	14,483,942	14,738,405	14,430,111	12,808,108	10,318,327

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	847,962	254,463	(308,294)	(1,622,004)	(2,489,781)
Ending Balance w/o Levies	14,483,942	14,738,405	14,430,111	12,808,108	10,318,327

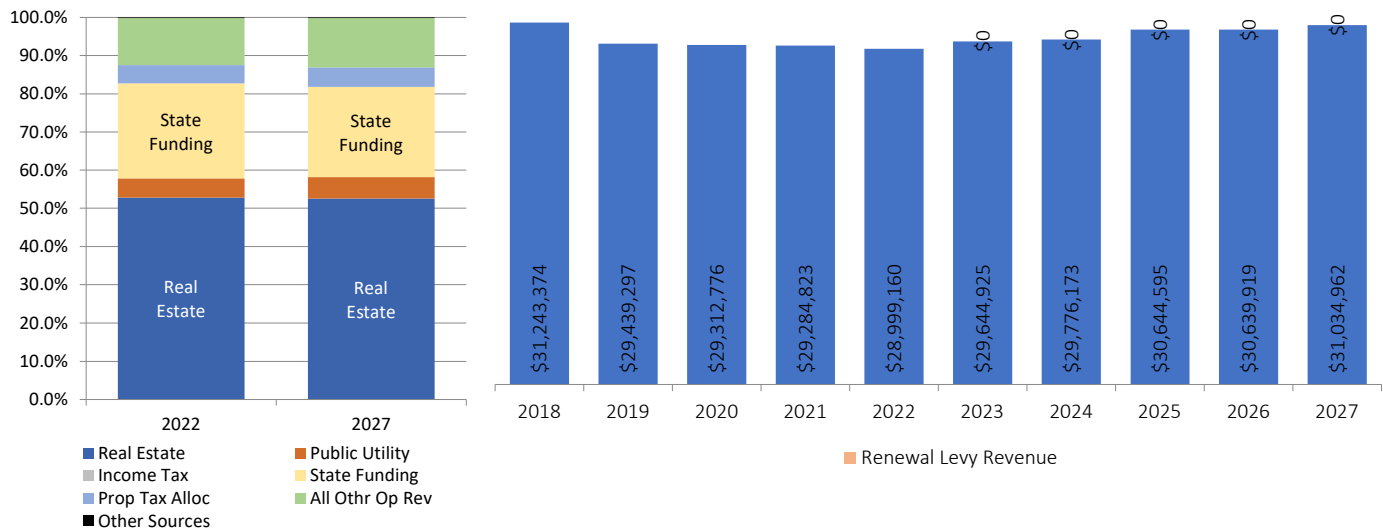
In FY 2023 and FY 2024 the district continues to keep spending controlled and within revenue estimates. This means that expenditures are expected to be less than revenue for the first two estimated years of the forecast. By the last year of the forecast, FY 2027, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$2,489,781. The district would need to cut its FY 2027 projected expenses by 7.43% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2023 & FY24 but is projected to worsen by FY 2027. A worsening cash balance can erode the district's financial stability over time.

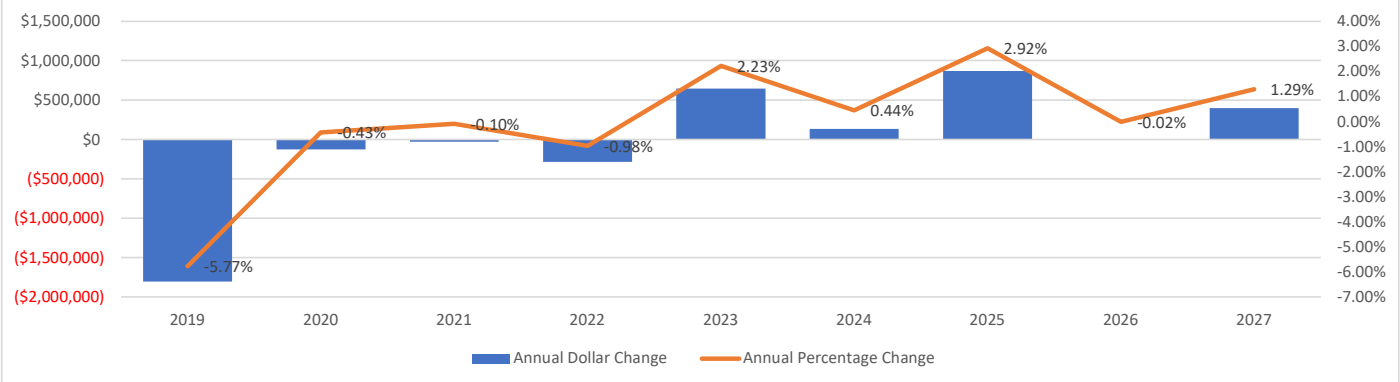
This forecast includes the Fair School Funding Plan (FSFP) adopted by Ohio starting in FY 2022. The district expects a combined impact of \$176,235 in FY 2023. This forecast includes a CFO adjusted trend calculation of the FSFP impact using current information. As information changes the estimates will be updated. The district is considered a guarantee district in FY 2023.

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

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



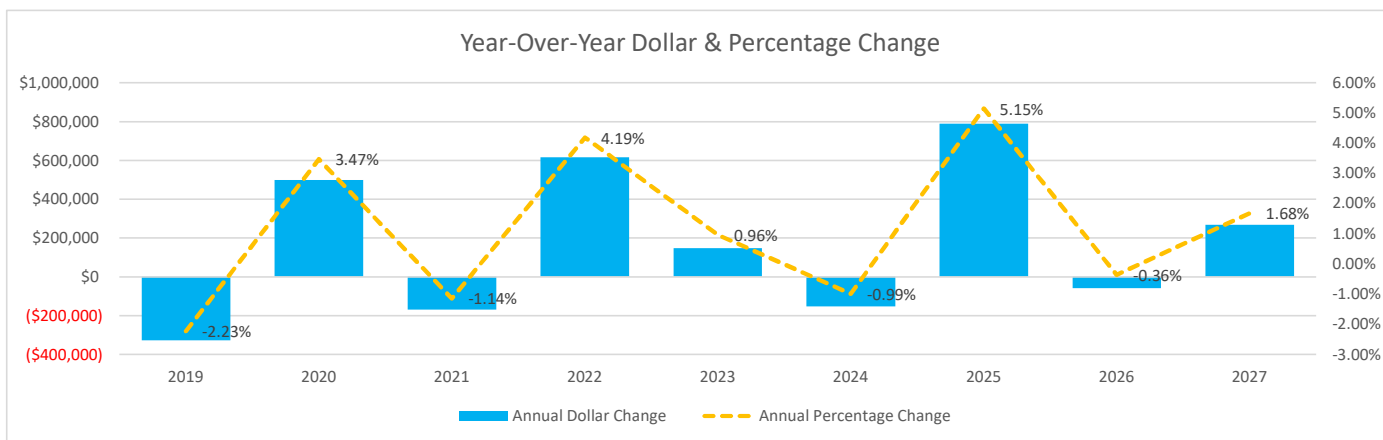
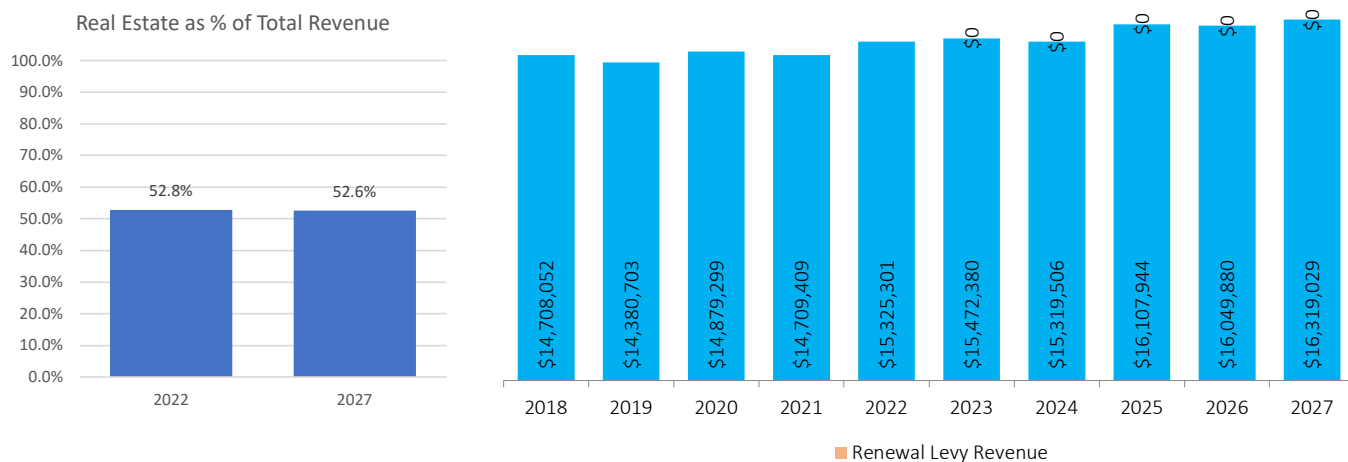
5-Year Historical Actual Average Annual Dollar Change Compared to 5-year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total funding since FY2019 has been stagnant at best. While estimated increases in revenue are expected in local taxes, all other sources of revenue are stagnant causing a very small expected increase in total revenue for the forecasted five years. Though state revenues are expected to increase very slightly, history shows annual losses in state funding.
Real Estate	397,656	198,746	(\$198,910)	
Public Utility	\$59,055	\$55,662	(\$3,393)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$223,919)	25,220	\$249,140	
Prop Tax Alloc	(\$130,754)	\$39,207	\$169,961	
All Othr Op Rev	\$33,541	\$89,631	\$56,091	
Other Sources	(\$65,963)	(\$1,306)	\$64,657	
<b>Total Average Annual Change</b>	69,615	407,160	\$337,545	
	0.23%	1.34%	1.11%	

Note: Expenditure average annual change is projected to be > \$1,403,424 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	432,877,870	(10,309,250)	37.54	-	40.93	-	96.0%
2022	438,274,240	5,396,370	37.42	(0.12)	40.64	(0.30)	97.3%
2023	488,224,240	49,950,000	35.75	(1.67)	38.13	(2.50)	98.3%
2024	482,549,240	(5,675,000)	35.95	0.20	39.18	1.04	98.3%
2025	484,374,240	1,825,000	35.92	(0.03)	39.20	0.03	97.3%
2026	522,474,240	38,100,000	34.85	(1.07)	37.70	(1.50)	97.3%

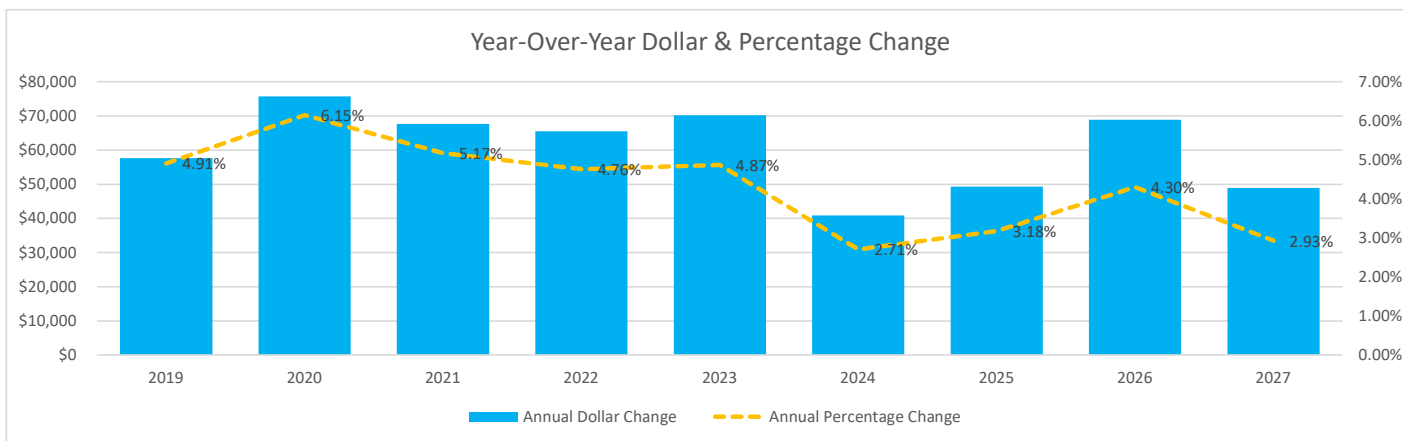
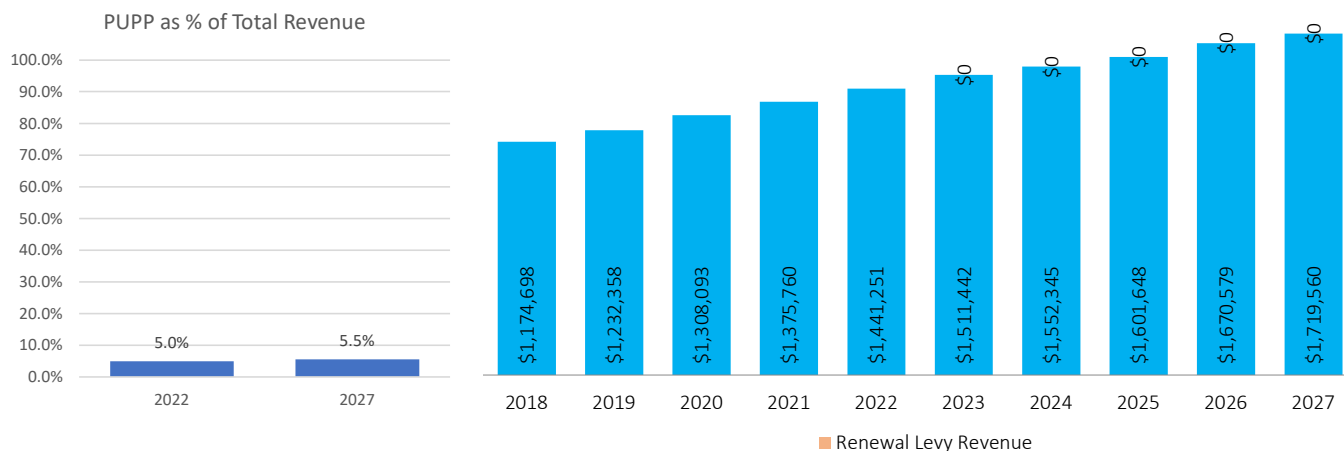
Real estate property tax revenue accounts for 52.85% of total revenue. Class I or residential taxes make up approximately 52.74% of the real estate property tax revenue. The Class I tax rate is 37.42 mills in tax year 2022. The projections reflect an average gross collection rate of 97.7% annually through tax year 2026. The revenue changed at an average annual historical rate of 2.69% and is projected to change at an average annual rate of 1.25% through FY 2027.

Hamilton County will go through a reappraisal process in 2023 & in 2026 and it is estimated that Norwood City Schools valuation will increase at that time. Rapidly increasing prices on home sales for the last three years are the base for the expected increase in valuation in 2023. In 2023 in the above graph, you will see that the increased valuation will cause millage rates to decrease in Class I and Class II rates, effectively eliminating some of the increased taxes that could go to the district. This result is due to HB920, which eliminates all inflationary growth on real estate taxes except for millage based on the 20 mill floor. It is expected that commercial values will fall through BOR claims in 2024, to remove all naturally occurring increases from 2023. This happened in 2021 also. Now that HB126 has passed, our ability to fight these claims has been hampered by legislature and we expect very little growth in commercial properties.

\*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.



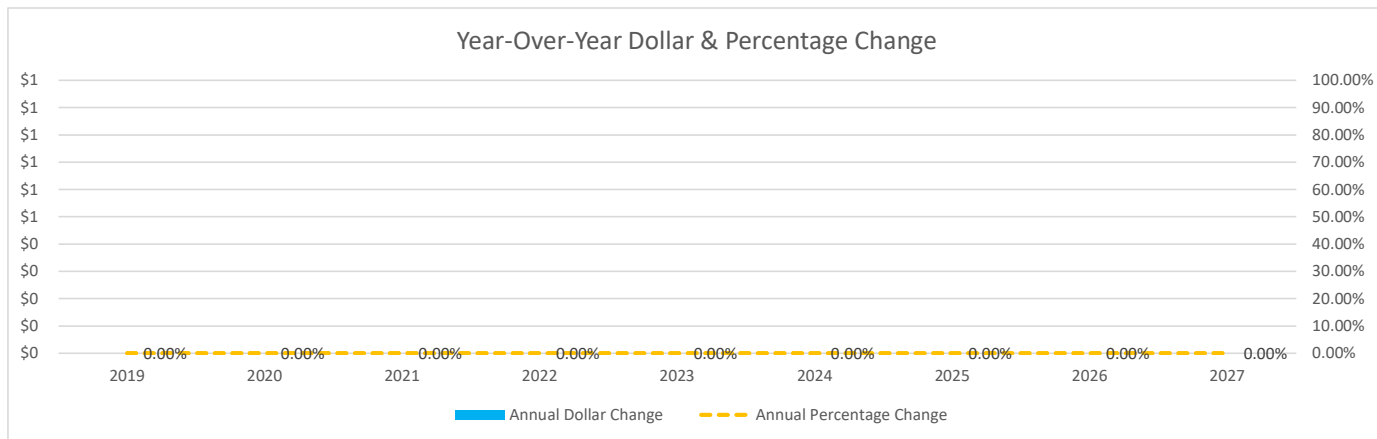
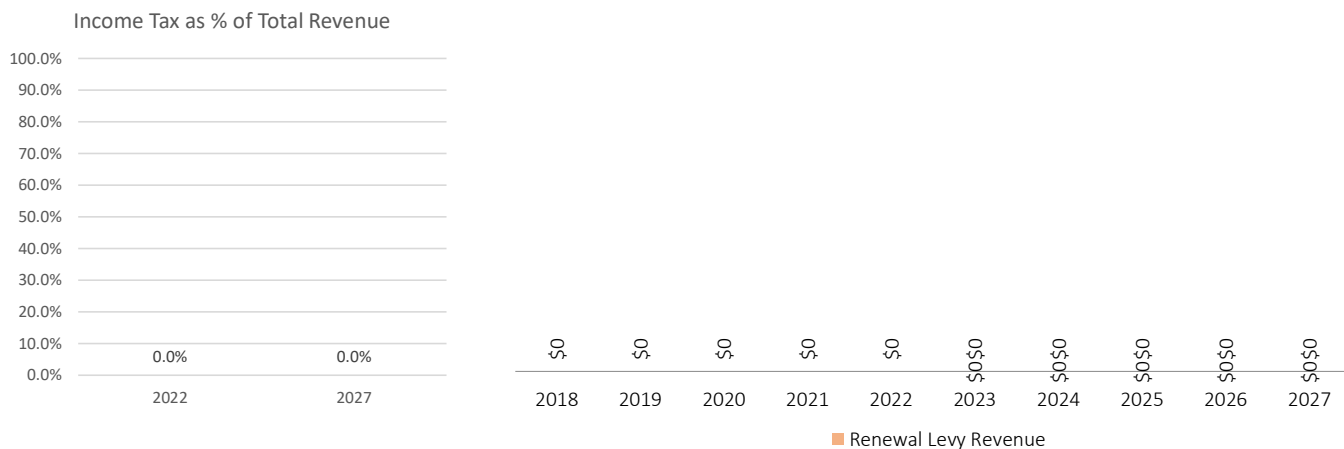
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2021	26,051,230	1,323,780	56.99	0.46	100.0%
2022	27,051,230	1,000,000	56.88	(0.11)	100.0%
2023	28,351,230	1,300,000	55.22	(1.66)	100.0%
2024	29,551,230	1,200,000	55.42	0.20	100.0%
2025	30,751,230	1,200,000	55.39	(0.03)	100.0%
2026	31,951,230	1,200,000	54.32	(1.07)	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 4.97% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2022 is 56.88 mills. The forecast is modeling an average gross collection rate of 100.00%. The revenue changed historically at an average annual dollar amount of \$59,055 and is projected to change at an average annual dollar amount of \$55,662 through FY 2027.

\*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.

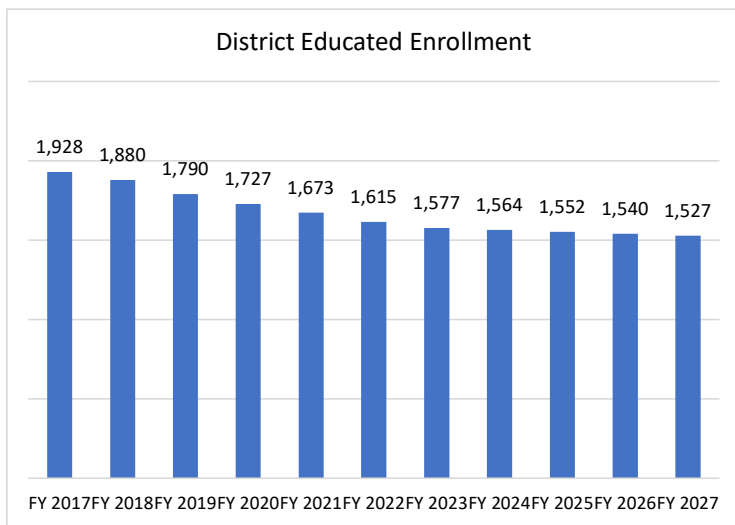
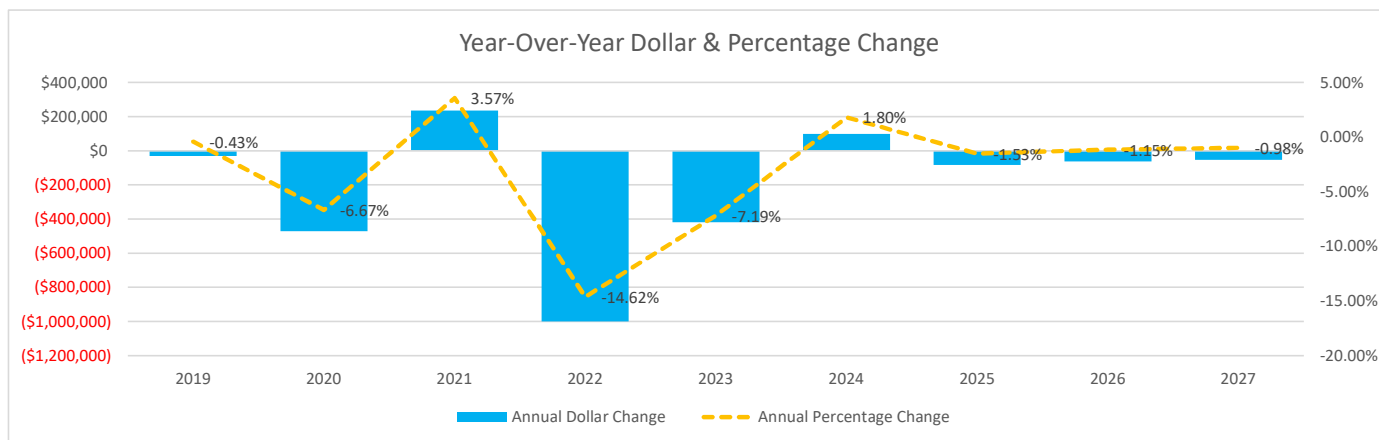
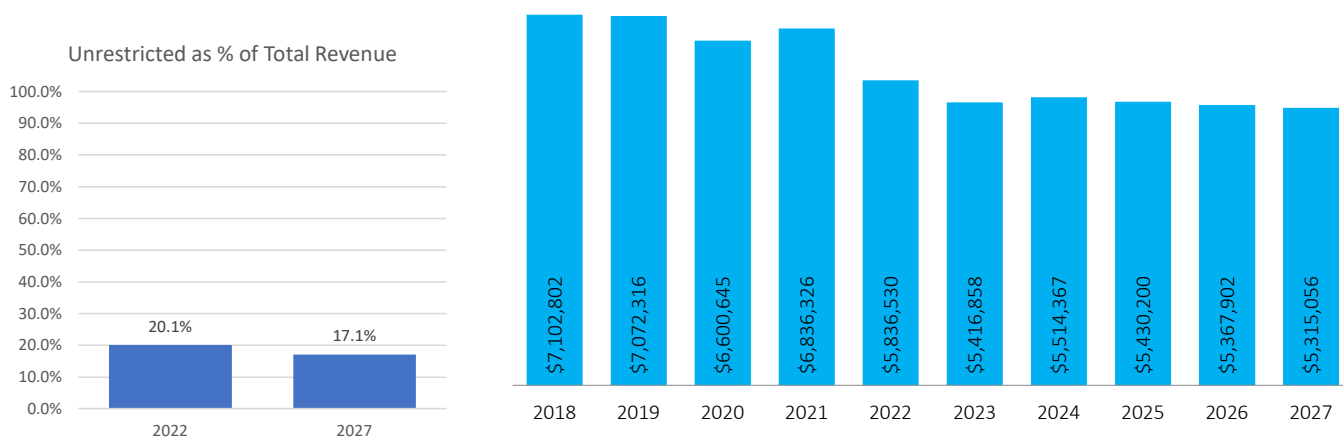


The district does not have an income tax levy.

*\*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.

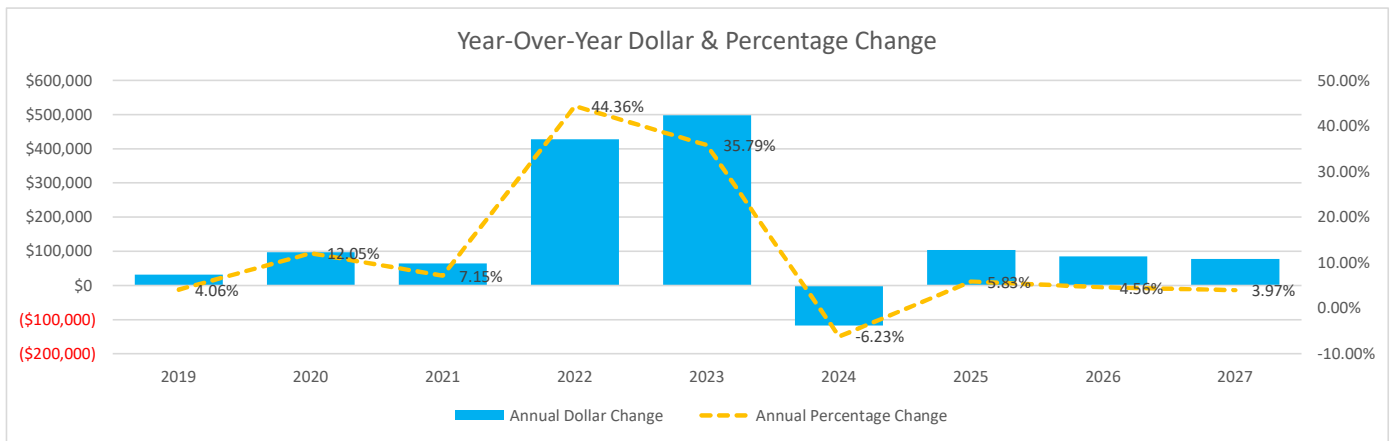
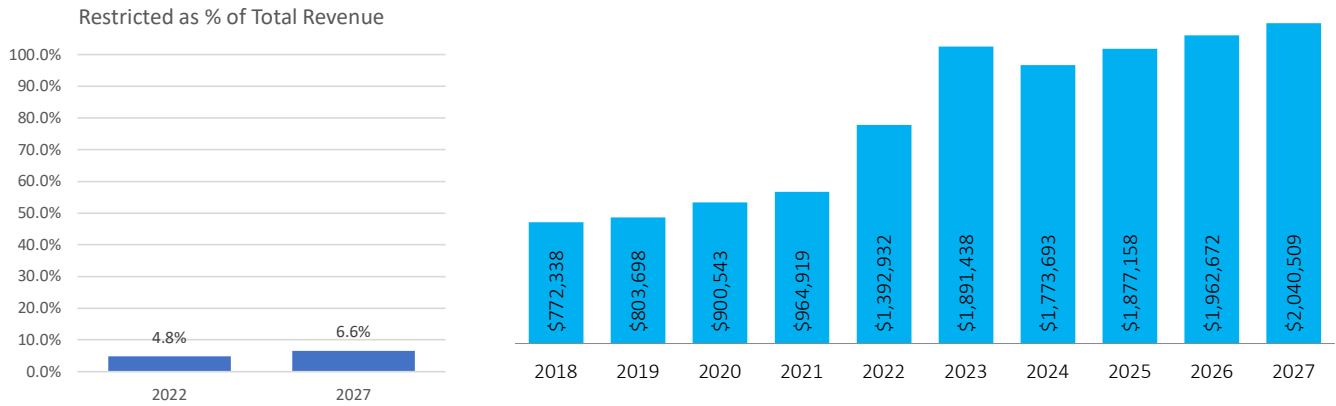
For Norwood City School District the calculated Base Cost total is \$12,174,205 in FY 2023. The state's share of the calculated Base Cost total is \$3,103,900 or \$1,969 per pupil.

For reference: The FSFP change to district educated enrollment could be lower than the district's historical formula funded enrollment but also potentially reduces 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

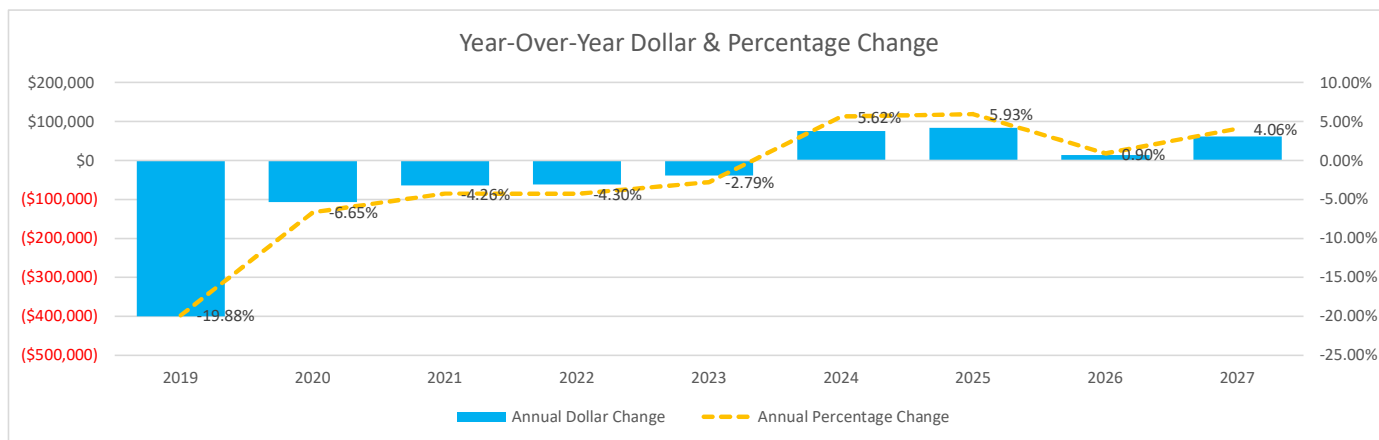
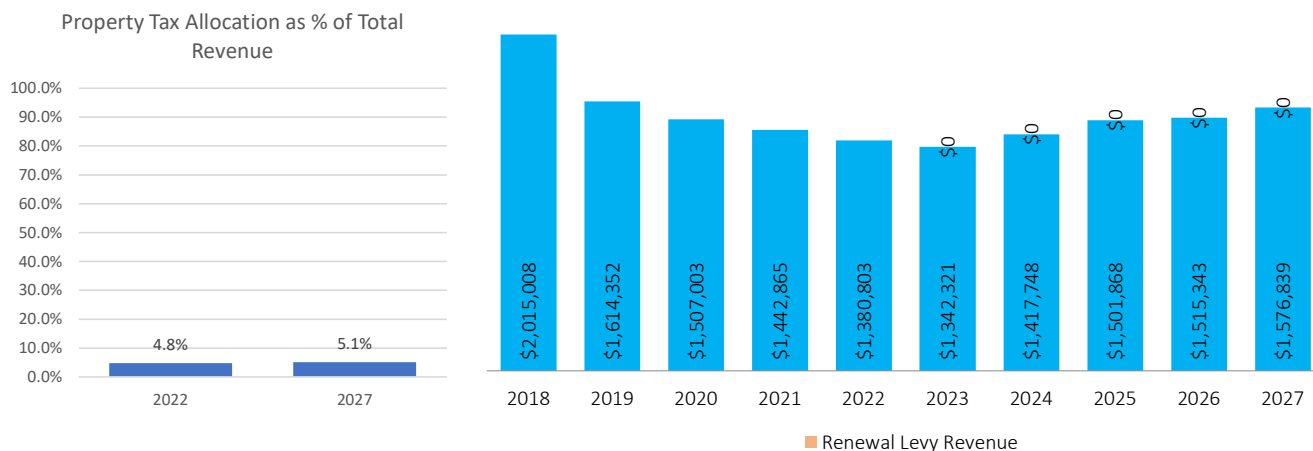
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



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 \$196,411 and is projected to change annually on average by \$129,515. Restricted funds represent 4.80% 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 \$194,135. 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.



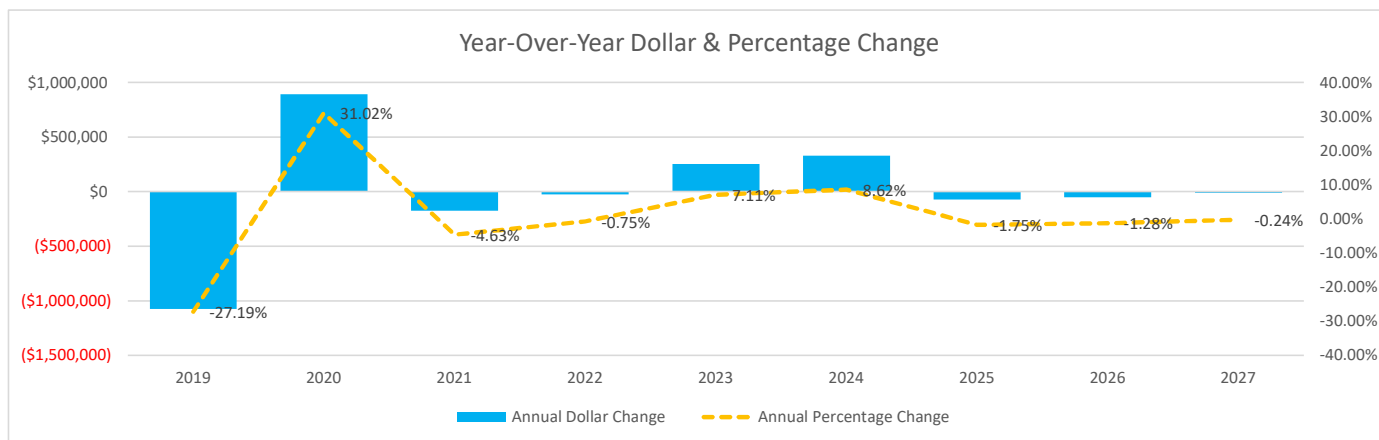
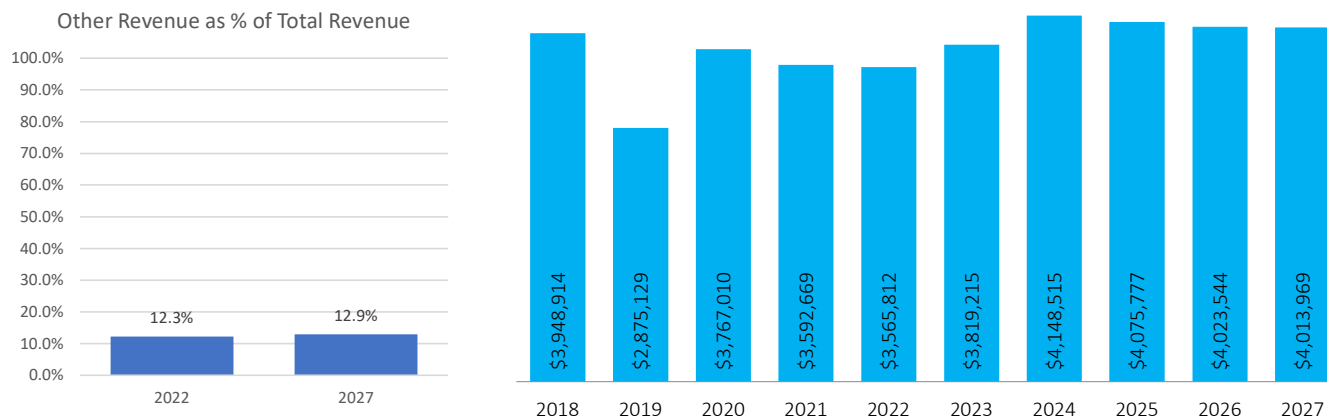
Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2023, approximately 11.6% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.9% will be reimbursed in the form of qualifying homestead exemption credits.

This category also used to include personal property tax reimbursements from the state of Ohio. At one time, Norwood received over \$3 Million annually in Tangible Personal Property Taxes, which the state forgave businesses from paying. Since then, the State has been paying a smaller and smaller portion of that revenue to schools in the form of TPP allocations. FY22 we received about \$50,000 and this year we received no TPP allocations for this once very important revenue stream to Norwood City Schools.

\*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.

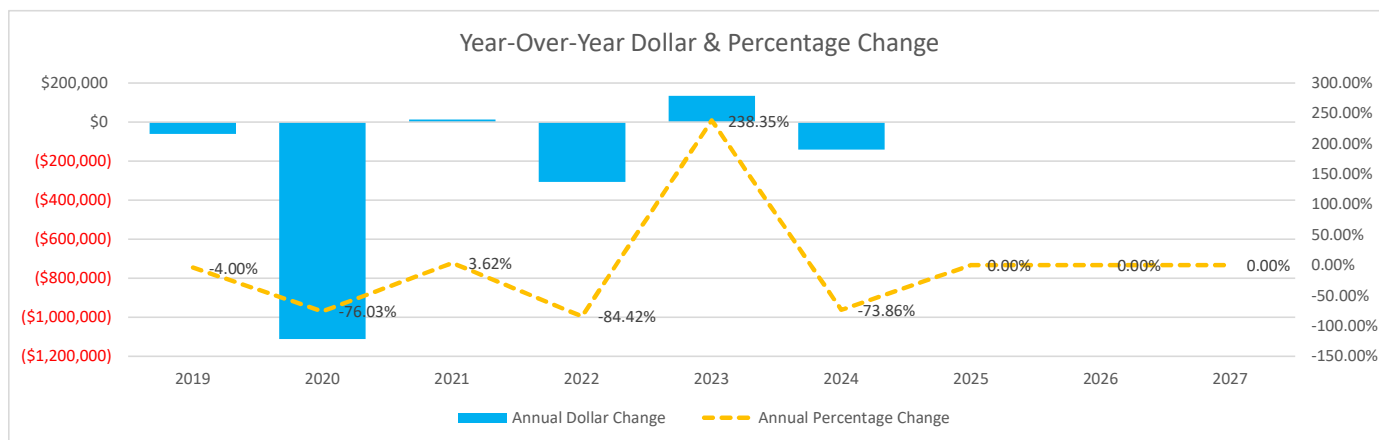
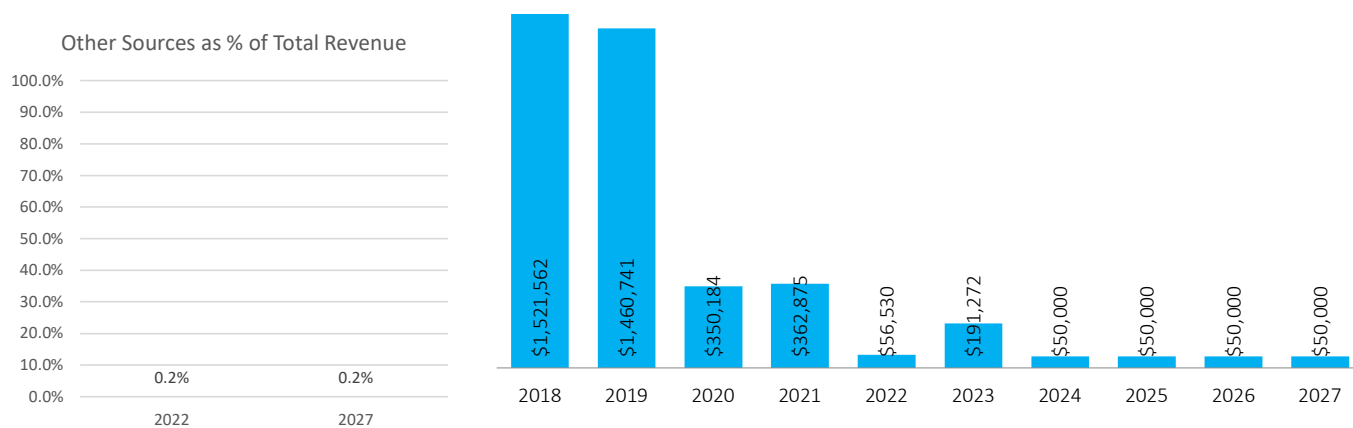


Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$33,541. The projected average annual change is \$89,631 through FY 2027. The FSPF 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.

Almost 70% of this category of funding for Norwood City Schools is from PILOT, payments in lieu of taxes. This occurs as a result of economic development opportunities offered to developers when they buy, demolish, and rebuild blighted properties in Norwood. The district considers each property carefully to protect district revenues and works with the City of Norwood to optimize development to benefit the residents of Norwood.

## 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.

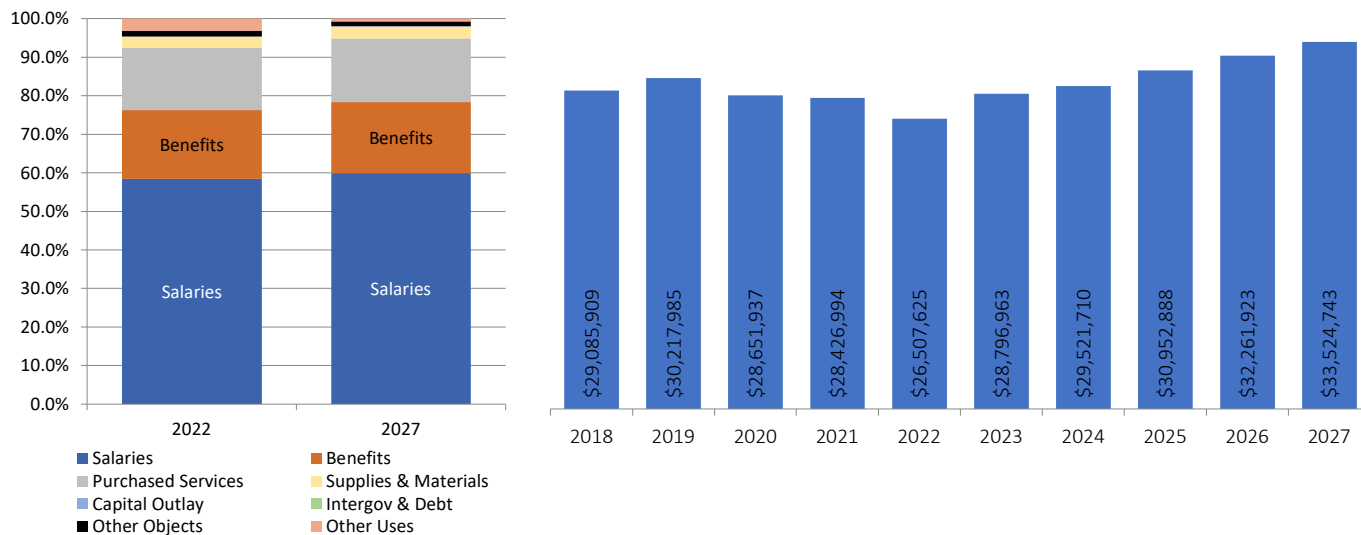


	2022	2023	2024	2025	2026	2027
Transfers In	-	70,636	-	-	-	-
Advances In	-	70,636	-	-	-	-
All Other Financing Sources	56,530	50,000	50,000	50,000	50,000	50,000

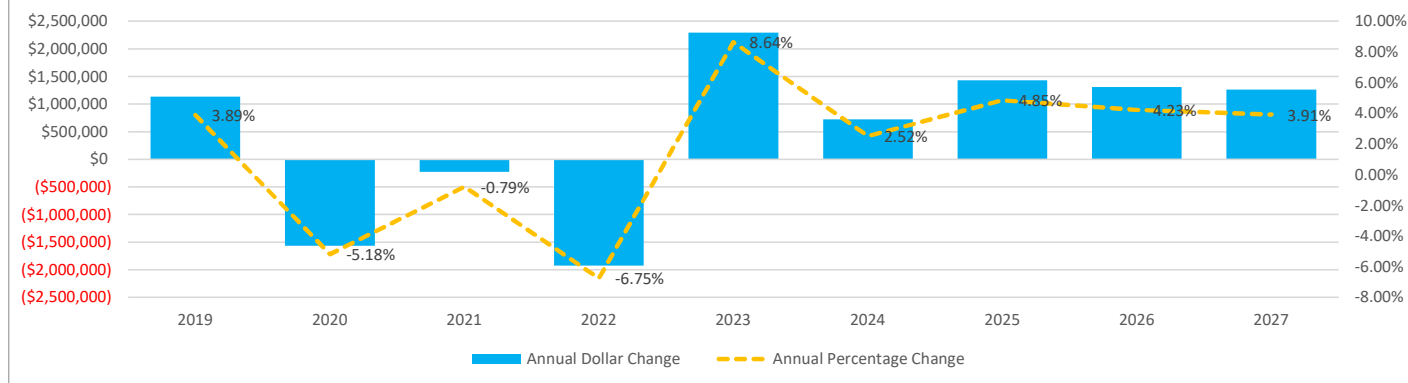
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2022 the district receipted \$0 as advances-in and is projecting advances of \$70,636 in FY 2023. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$50,000 in FY 2023 and average \$50,000 annually through FY 2027.

## 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

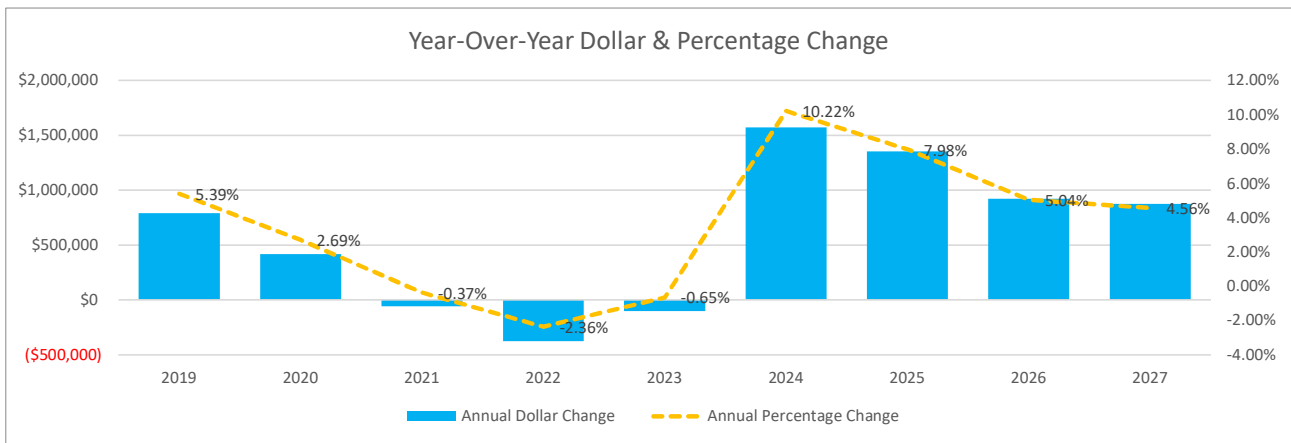
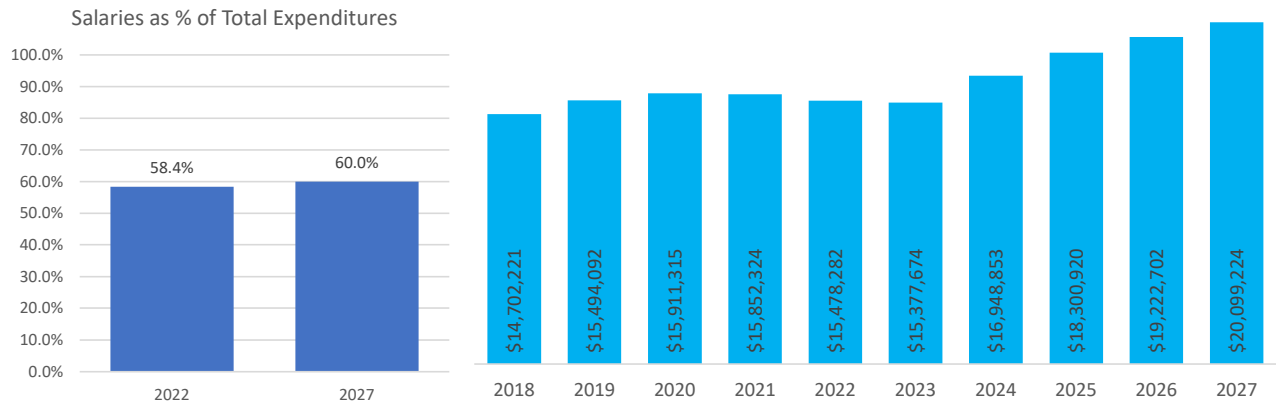
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total expenditures decreased -0.10% or -\$28,555 annually during the past 5-Year period and is projected to increase 5.29% or \$1,403,424 annually through FY2027. Purchased Services has the largest projected average annual variance compared to the historical average at \$605,350.
Salaries	321,533	924,188	\$602,655	The district has \$1.6 million in staff expenses returning to the general fund in FY2024 and another \$700,000 returning in FY2025 at the expiration and run out spending of ESSER, COVID Federal stimulus money
Benefits	\$78,370	\$290,546	\$212,175	
Purchased Services	(\$367,149)	\$238,201	\$605,350	
Supplies & Materials	\$8,733	\$57,122	\$48,389	
Capital Outlay	(\$4,452)	\$4,915	\$9,367	
Intergov & Debt	\$0	\$0	(\$0)	
Other Objects	\$21,620	\$2,657	(\$18,963)	
Other Uses	(\$87,210)	(\$114,205)	(\$26,994)	
<b>Total Average Annual Change</b>	<b>(\$28,555)</b>	<b>\$1,403,424</b>	<b>\$1,431,978</b>	
	-0.10%	5.29%	5.39%	

Note: Revenue average annual change is projected to be > \$407,160

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.

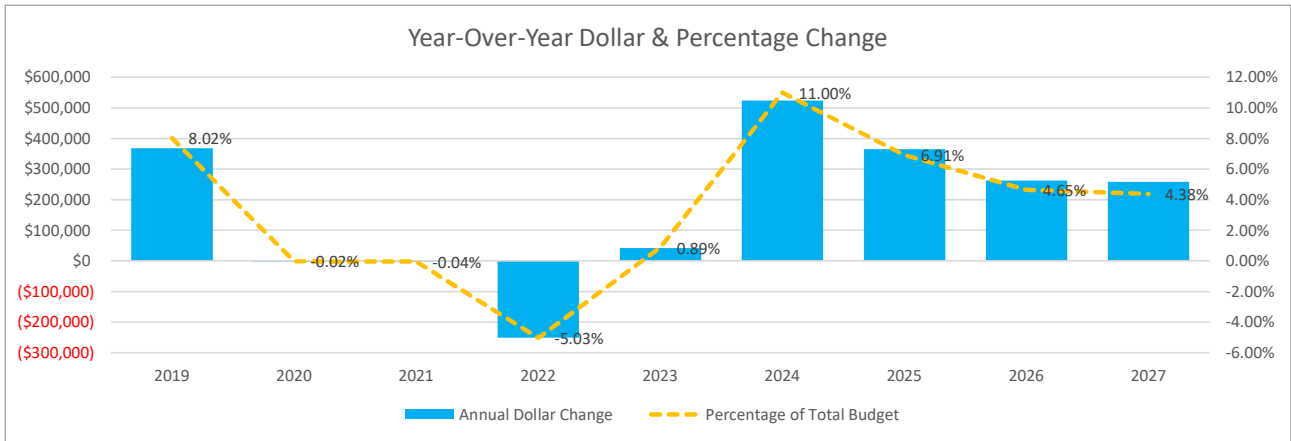
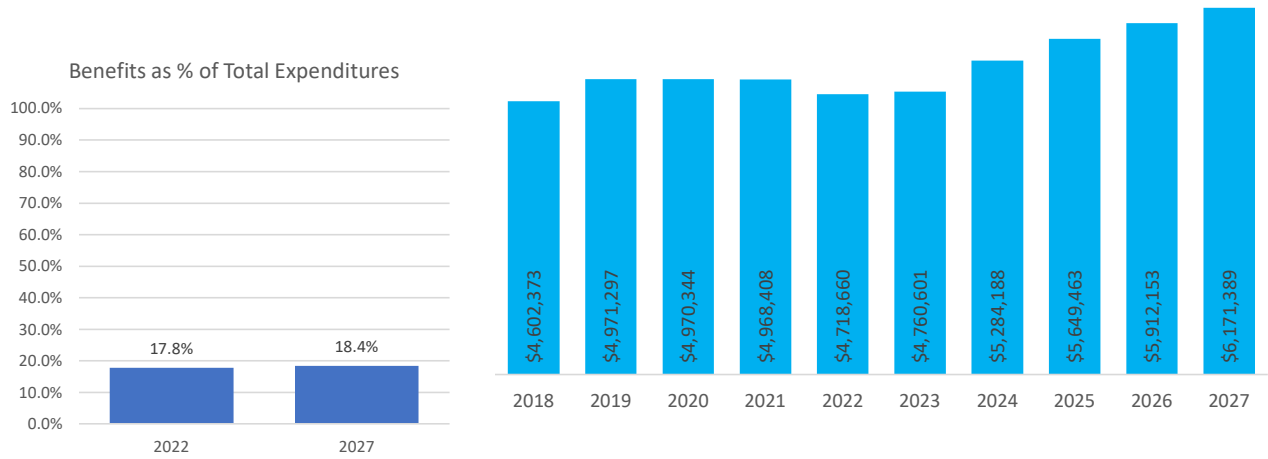


Salaries represent 58.39% of total expenditures and increased at a historical average annual rate of 2.08% or \$321,533. This category of expenditure is projected to grow at an annual average rate of 5.14% or \$924,188 through FY 2027. The projected average annual rate of change is 3.06% more than the five year historical annual average. General fund payroll is growing by over \$1.3 million in FY2024 due to the expiration of ESSER Federal grant funding. FY2025 will have almost \$600,000 return. Both years also have benefits returning to the general fund.

The district continues to evaluate staff hiring in order to contain costs. Over the past several years, the district has reduced teaching staff by 15% via attrition to better reflect smaller student counts and to reduce costs.

### 3.020 - Employees' Benefits

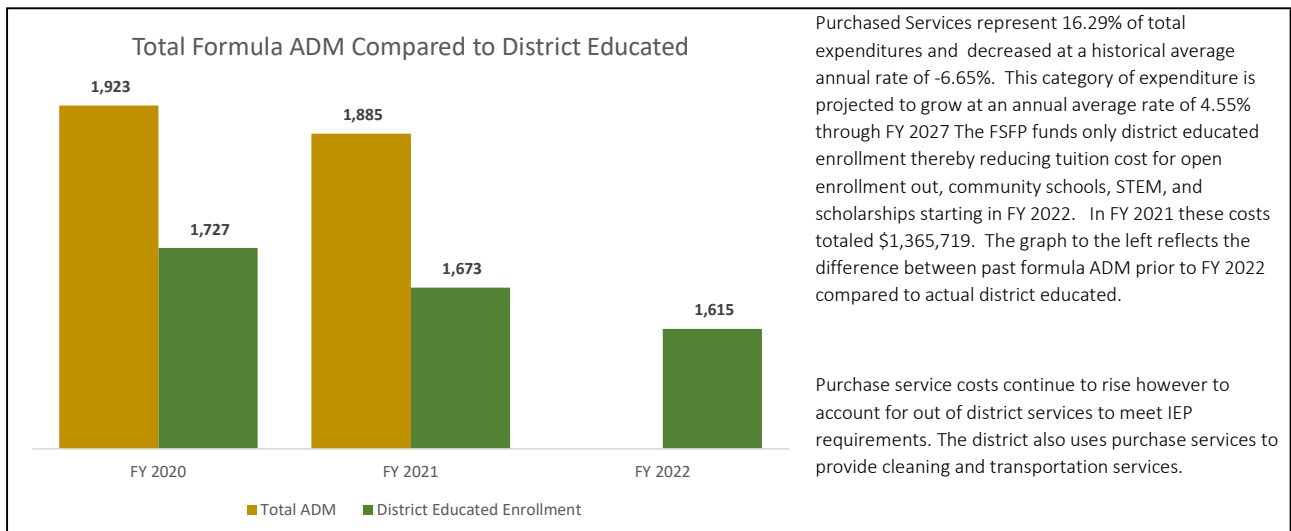
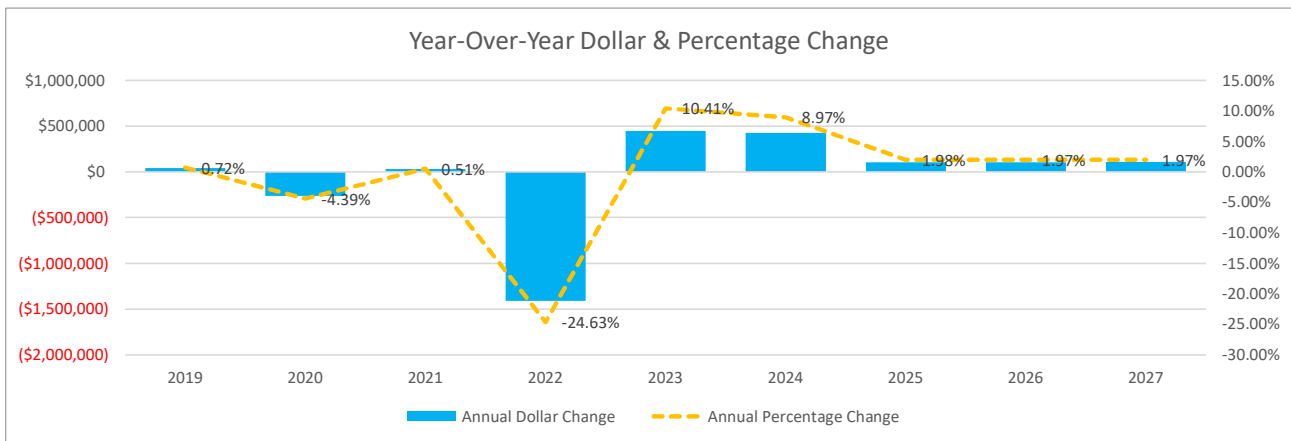
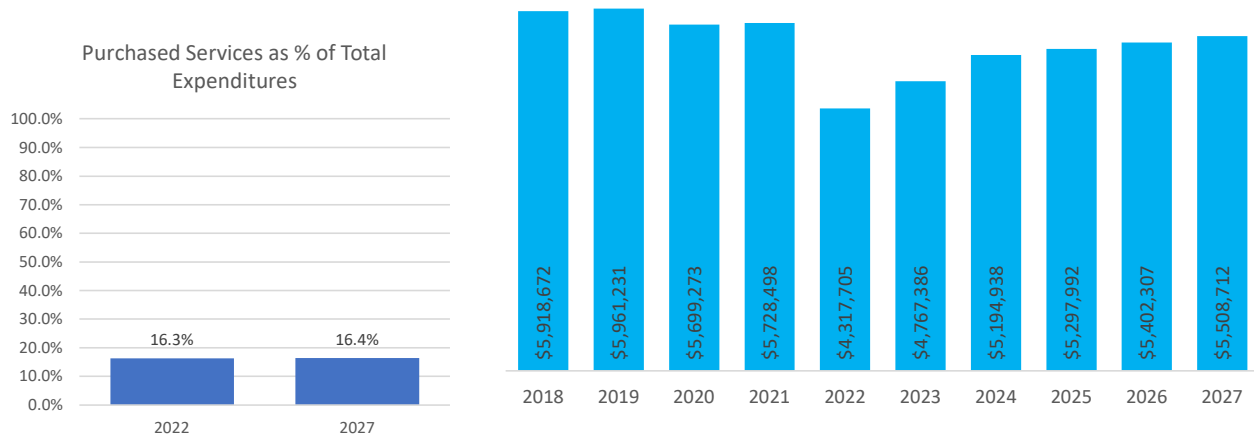
Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits represent 17.80% of total expenditures and increased at a historical average annual rate of 1.62%. This category of expenditure is projected to grow at an annual average rate of 5.23% through FY 2027. The projected average annual rate of change is 3.61% more than the five year historical annual average.

### 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.



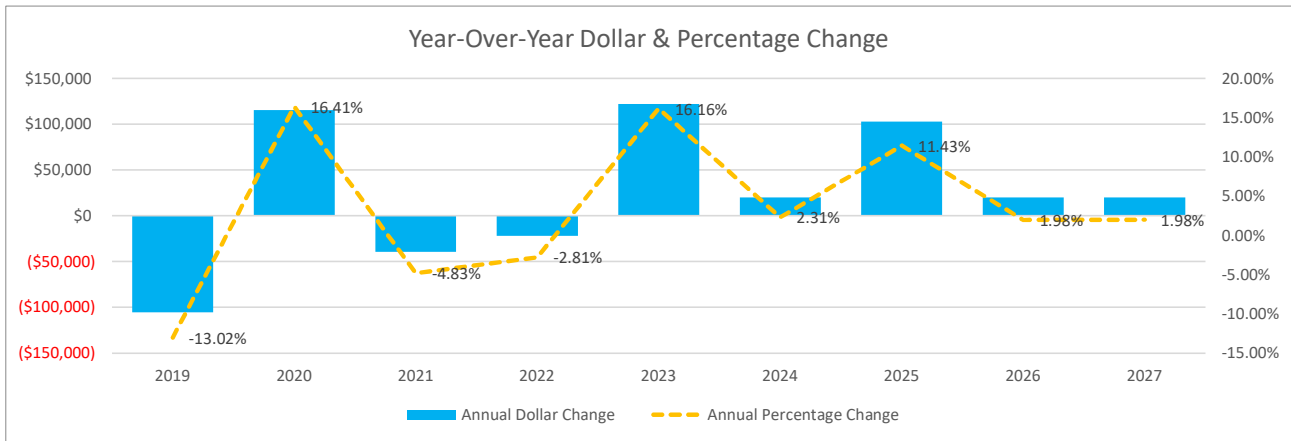
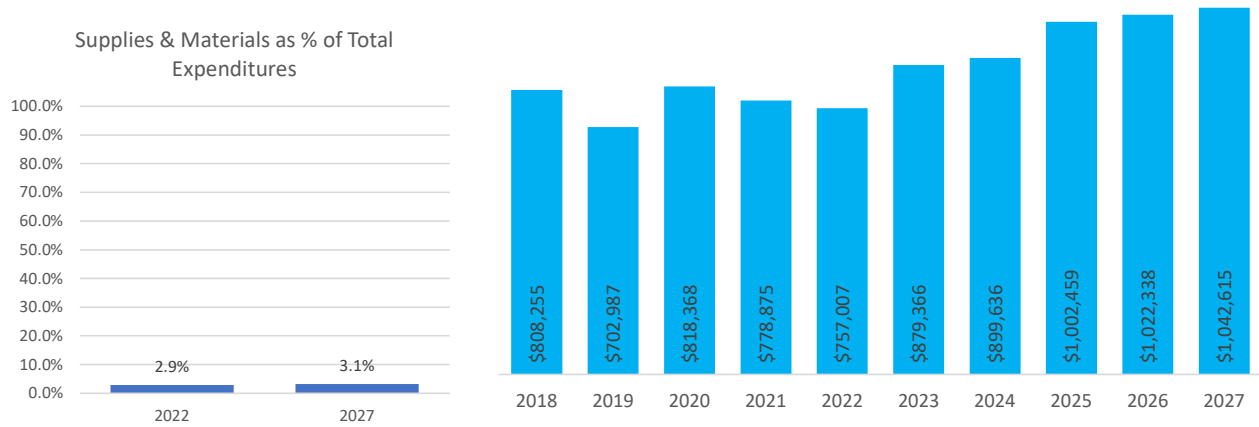
Purchased Services represent 16.29% of total expenditures and decreased at a historical average annual rate of -6.65%. This category of expenditure is projected to grow at an annual average rate of 4.55% through FY 2027. The FSFP funds only district educated enrollment thereby reducing tuition cost for 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 ADM prior to FY 2022 compared to actual district educated.

Purchase service costs continue to rise however to account for out of district services to meet IEP requirements. The district also uses purchase services to provide cleaning and transportation services.



### 3.040 - Supplies & Materials

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

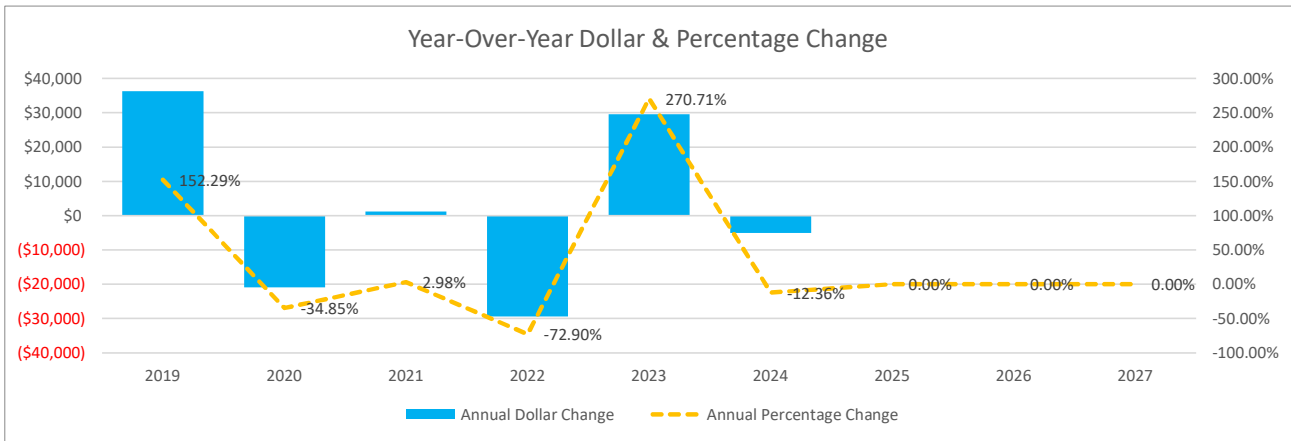
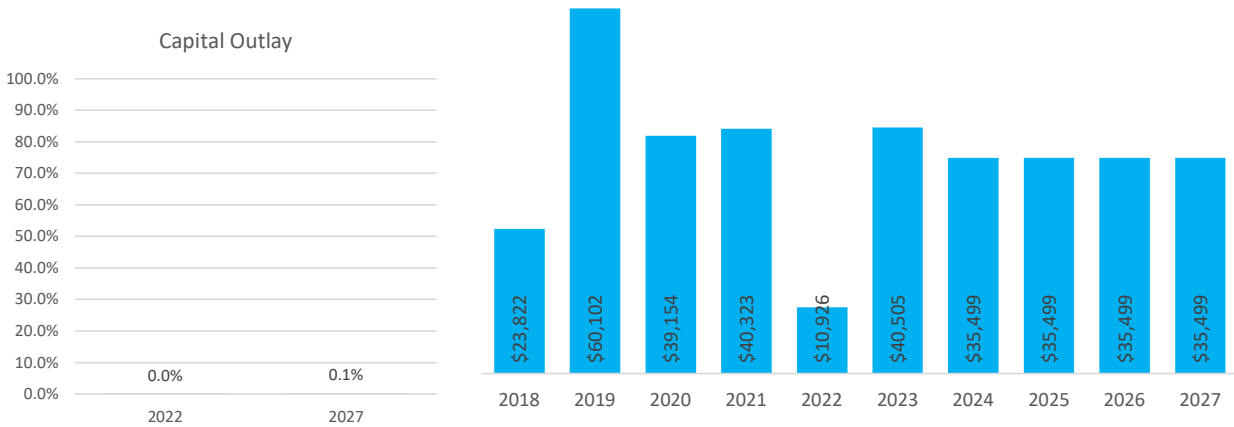


Supplies & Materials represent 2.86% of total expenditures and increased at a historical average annual rate of 1.13%. This category of expenditure is projected to grow at an annual average rate of 5.89% through FY 2027. The projected average annual rate of change is 4.76% more than the five year historical annual average.

Supplies and materials have increased in FY23 and estimated in the future due to instructional needs like textbooks and instructional software.

### 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.

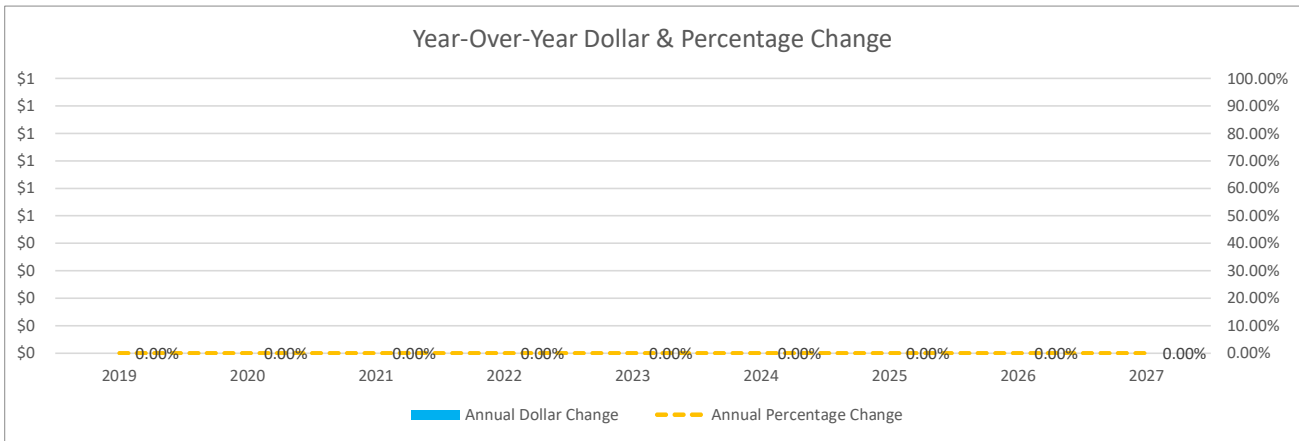
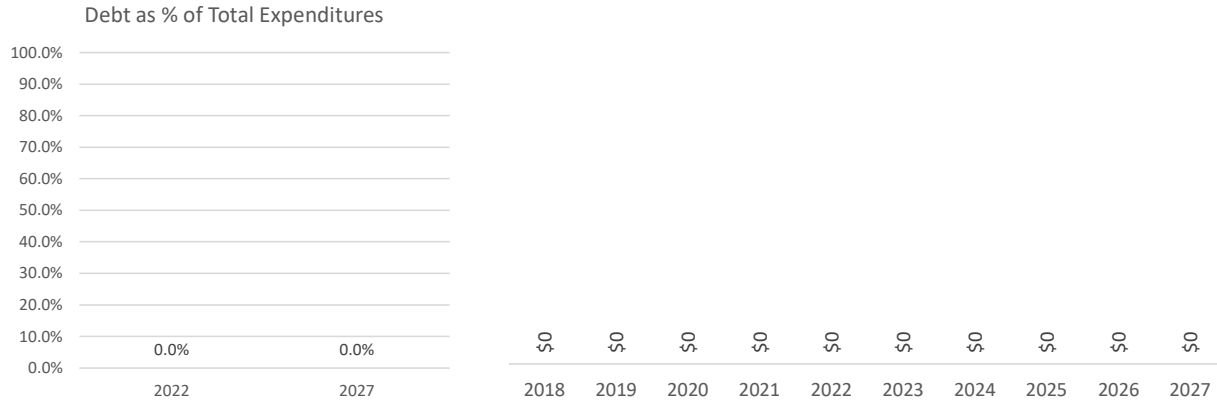


Capital Outlay represent 0.04% of total expenditures and decreased at a historical average annual amount of -\$4,452. This category of expenditure is projected to grow at an annual average rate of \$4,915 through FY 2027. The projected average annual change is more than the five year historical annual average.

Norwood City Schools has a permanent improvement fund and levy which provides all capital equipment purchases, building upgrades, and technology purchases. See page 24 for the PI levy budget and history.

### 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.

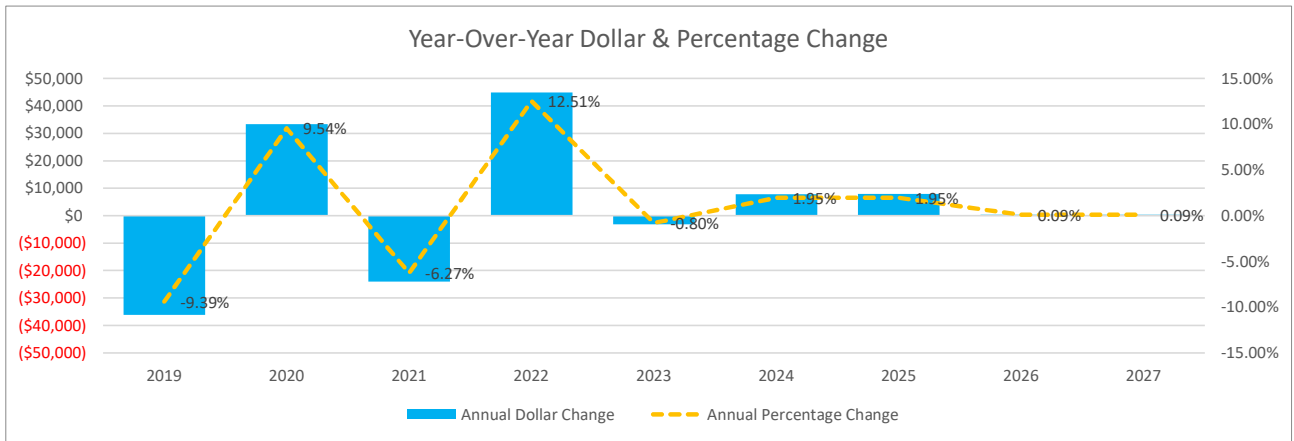
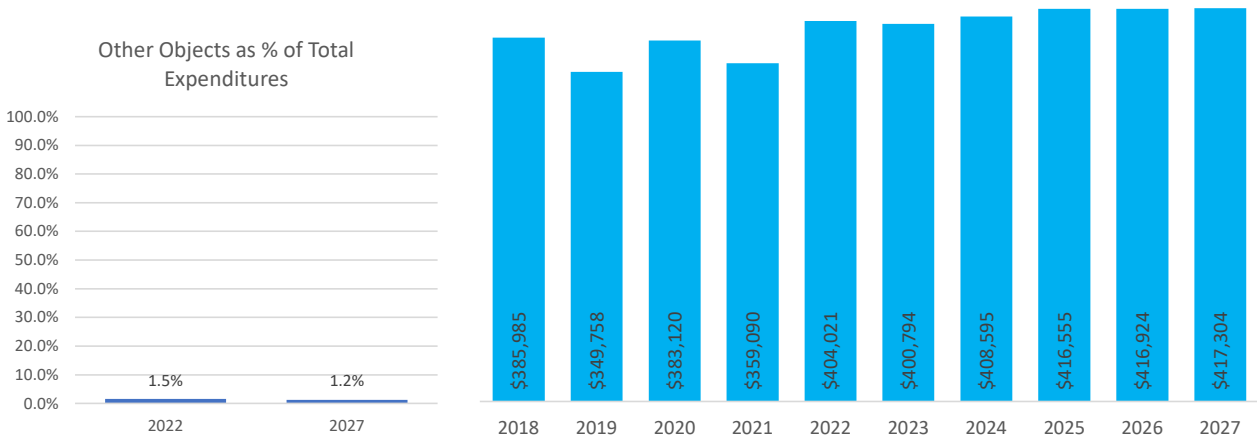


The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

The district has no general fund debt. All bond payments are paid from bond levy proceeds from the bond account, or from the PI levy. All bonds were used to provide renovation to our historic buildings in the levy called "Warm, Safe, and Dry."

### 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.

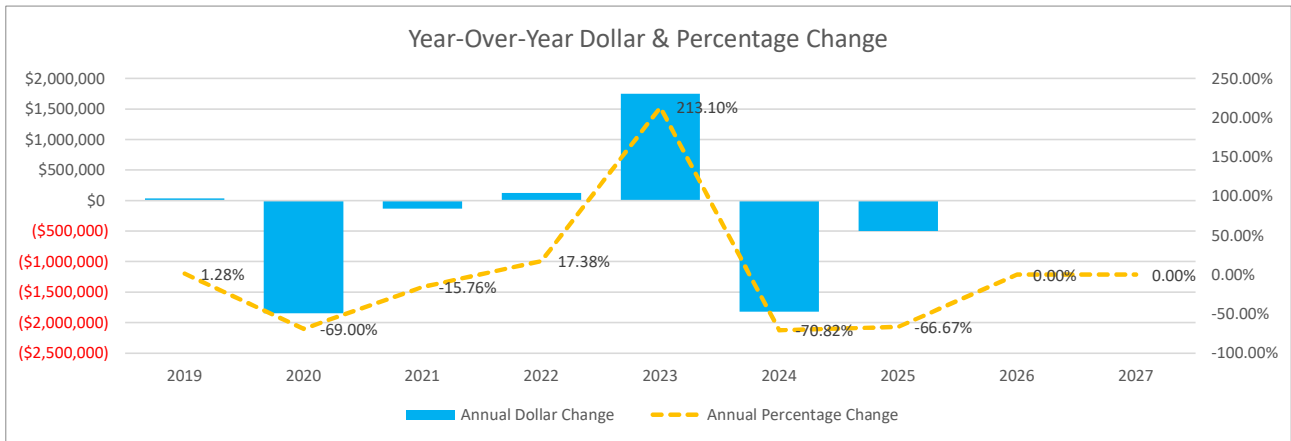
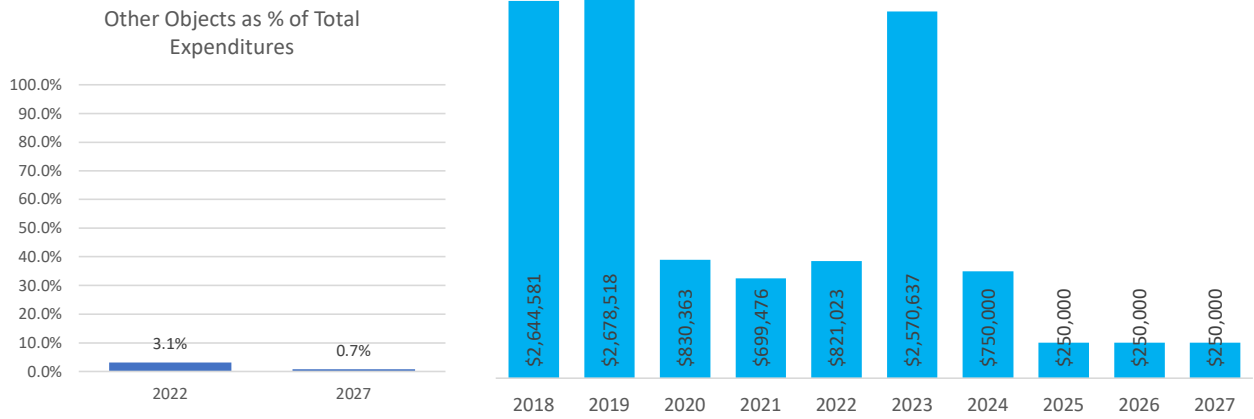


Other Objects represent 1.52% of total expenditures and increased at a historical average annual rate of 5.74%. This category of expenditure is projected to grow at an annual average rate of 0.64% through FY 2027. The projected average annual rate of change is -5.10% less than the five year historical annual average.

This category contains costs like Hamilton County Auditor Treasurer fees, banking fees, audit costs, etc.

### 5.040 - Total Other Financing Uses

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



	2022	2023	2024	2025	2026	2027
Transfers Out	821,023	2,500,000	750,000	250,000	250,000	250,000
Advances Out	-	70,637	-	-	-	-
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 2022 the district had no advances-out and has advances-out forecasted through FY 2027. The district can also move general funds permanently to other funds and as the schedule above presents, the district has transfers forecasted through FY 2027. 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.

The district has and is taking advantage of the artificially healthy general fund balance (due to Federal Stimulus money) in FY22, 23, and 24 to transfer cash to the PI fund for future building and technology needs. (\$750,000, \$2,000,000, \$500,000). Other transfers include funding the severance account for staff retirement one time payments and helping the athletic fund rebound from COVID losses.

## Norwood City School District

### Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2022	2023	2024	2025	2026	2027
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	15,325,301	15,472,380	15,319,506	16,107,944	16,049,880	16,319,029
1.020 - Public Utility Personal Property	1,441,251	1,511,442	1,552,345	1,601,648	1,670,579	1,719,560
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	5,836,530	5,416,858	5,514,367	5,430,200	5,367,902	5,315,056
1.040 - Restricted Grants-in-Aid	1,392,932	1,891,438	1,773,693	1,877,158	1,962,672	2,040,509
1.050 - Property Tax Allocation	1,380,803	1,342,321	1,417,748	1,501,868	1,515,343	1,576,839
1.060 - All Other Operating Revenues	3,565,812	3,819,215	4,148,515	4,075,777	4,023,544	4,013,969
<b>1.070 - Total Revenue</b>	<b>28,942,630</b>	<b>29,453,654</b>	<b>29,726,173</b>	<b>30,594,595</b>	<b>30,589,920</b>	<b>30,984,962</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	-	70,636	-	-	-	-
2.050 - Advances-In	-	70,636	-	-	-	-
2.060 - All Other Financing Sources	56,530	50,000	50,000	50,000	50,000	50,000
<b>2.070 - Total Other Financing Sources</b>	<b>56,530</b>	<b>191,272</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>28,999,160</b>	<b>29,644,925</b>	<b>29,776,173</b>	<b>30,644,595</b>	<b>30,639,919</b>	<b>31,034,962</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	15,478,282	15,377,674	16,948,853	18,300,920	19,222,702	20,099,224
3.020 - Employee Benefits	4,718,660	4,760,601	5,284,188	5,649,463	5,912,153	6,171,389
3.030 - Purchased Services	4,317,705	4,767,386	5,194,938	5,297,992	5,402,307	5,508,712
3.040 - Supplies and Materials	757,007	879,366	899,636	1,002,459	1,022,338	1,042,615
3.050 - Capital Outlay	10,926	40,505	35,499	35,499	35,499	35,499
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	404,021	400,794	408,595	416,555	416,924	417,304
<b>4.500 - Total Expenditures</b>	<b>25,686,602</b>	<b>26,226,327</b>	<b>28,771,710</b>	<b>30,702,888</b>	<b>32,011,923</b>	<b>33,274,743</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	821,023	2,500,000	750,000	250,000	250,000	250,000
5.020 - Advances-Out	-	70,637	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>821,023</b>	<b>2,570,637</b>	<b>750,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>26,507,625</b>	<b>28,796,963</b>	<b>29,521,710</b>	<b>30,952,888</b>	<b>32,261,923</b>	<b>33,524,743</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>2,491,535</b>	<b>847,962</b>	<b>254,463</b>	<b>(308,294)</b>	<b>(1,622,004)</b>	<b>(2,489,781)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>11,144,445</b>	<b>13,635,980</b>	<b>14,483,942</b>	<b>14,738,405</b>	<b>14,430,111</b>	<b>12,808,108</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>13,635,980</b>	<b>14,483,942</b>	<b>14,738,405</b>	<b>14,430,111</b>	<b>12,808,108</b>	<b>10,318,327</b>
		Reservations				
8.010 - Estimated Encumbrances June 30	456,595	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>13,179,386</b>	<b>14,283,942</b>	<b>14,538,405</b>	<b>14,230,111</b>	<b>12,608,108</b>	<b>10,118,327</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>13,179,386</b>	<b>14,283,942</b>	<b>14,538,405</b>	<b>14,230,111</b>	<b>12,608,108</b>	<b>10,118,327</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>13,179,386</b>	<b>14,283,942</b>	<b>14,538,405</b>	<b>14,230,111</b>	<b>12,608,108</b>	<b>10,118,327</b>

### 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. Norwood City Schools would see a decline in State Funding if the House of Representatives modifications are placed into law. As a guarantee district, we would need to see large increases in student counts to see an increase in funding. Any funding changes, at our current student count levels, just seem to redirect current funding from unrestricted to restricted funding, making it more difficult to spend. If warranted the Board may be asked to approve an amended forecast in June.

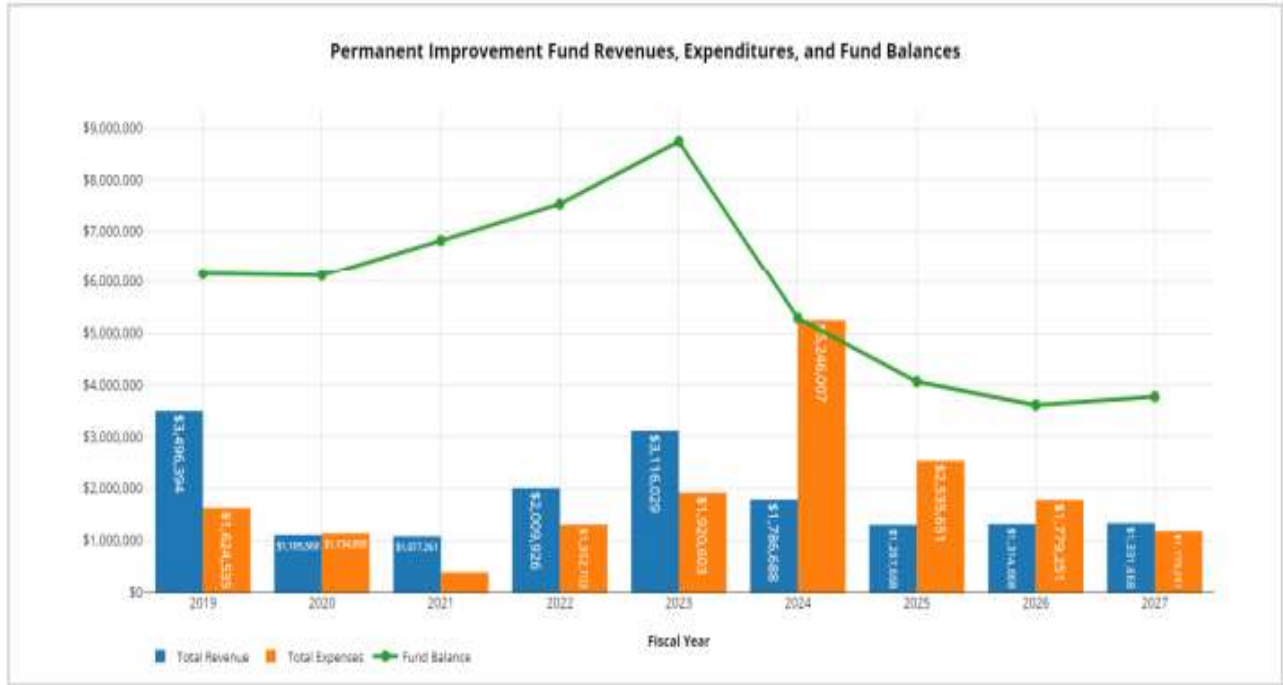
## Norwood City Schools City SD

*May Fy23 forecast-bridged webinar V2*

### Current Forecast Annual Difference (Over/Under) Compared to Base Forecast

State Line Item No	State Line Item No and Description	Amount				
		2023	2024	2025	2026	2027
<b>Total</b>		\$0	\$-4,723	\$-9,133	\$-21,422	\$-27,189
<b>Property Taxes</b>		\$0	\$0	\$0	\$0	\$0
	1.010 General Property Tax (Real Estate)	\$0	\$0	\$0	\$0	\$0
	1.020 Tangible Personal Property Tax	\$0	\$0	\$0	\$0	\$0
	1.050 Property Tax Allocation	\$0	\$0	\$0	\$0	\$0
	11.020 Property Tax - Renewal or Replacement	\$0	\$0	\$0	\$0	\$0
<b>Income Taxes</b>		\$0	\$0	\$0	\$0	\$0
	11.010 Income Tax - Renewal	\$0	\$0	\$0	\$0	\$0
<b>State Aid</b>		\$0	\$-4,723	\$-9,133	\$-21,422	\$-27,189
	1.035 Unrestricted State Grants-in-Aid	\$0	\$-48,594	\$-69,763	\$-141,985	\$-167,411
	1.040 Restricted State Grants-in-Aid	\$0	\$43,871	\$60,630	\$120,563	\$140,222

Norwood City Schools City SD  
 May FY23 forecast-bridged



This account is funded by a permanent improvement levy passed in 2016. In FY22, we added a debt payment to the expected expenditures of the PI levy fund and that has caused the expenditures to climb. When the PI levy was on the ballot, it was explained that the levy would pay for additional debt services needed to finish the renovation project called Warm, Safe, and Dry. Funding the original renovation project was hampered by debt limits and additional bonds were sold in 2022 to fund the rest of the project as intended. In fall of 2023, the renovation project should be finished and our century old buildings will be complete. The debt payments will continue from the PI fund for 20 years.

This fund also provides all maintenance and repair for our historic buildings.

We have large expenditures planned in FY24-25, the beautification project to improve playgrounds, greenspaces, and front entrances and renovation to Shea stadium. In FY26, we have planned purchases of new student chromebooks.

Transfers are coming from the general fund during years that have a positive cash balance. This will help fund the additional high dollar projects like the beautification project and Shea's renovations.

We will continue to watch the PI fund balance to make sure the amount will cover future renovation and repair needs of our beautiful century old buildings.



Norwood City Schools					
Grant expiring-update to Five Year Forecast					
Staff Hired for Pandemic recovery - paid with ESSER funds					
	FY23	FTE	Salary	Benefits	FY to return to general fund
<b>ESSER</b>					
<u>Classified</u>					
Maintenance	Hire	2	\$ 107,370	\$ 21,466	FY24
Technology staff	Hire	1	\$ 51,750	\$ 15,603	FY24
Health Aides	Hire	2	\$ 63,283	\$ 28,953	FY24
Translator	Hire	1	\$ 23,581	\$ 20,381	FY24
<b>ESSER</b>					
<u>Certified</u>					
Teachers-recalled from RIF	Hire	1	\$ 63,455	\$ 17,411	FY25
New hire-MS Math	Hire	2	\$ 97,538	\$ 30,284	FY25
Teachers - ELL	Rehire	1	\$ 74,544	\$ 28,256	FY25
Re-assigned teachers	Stem	1	\$ 83,878	\$ 13,359	FY25
Supplanting	Supplanting	14	\$ 1,059,973	\$ 321,403	FY24
Summer School & Bonus			\$ 281,500	\$ 43,633	
Return from SWSF	social workers	2	\$ 145,634	\$ 36,804	FY24