BEDFORD CITY SCHOOL DISTRICT-CUYAHOGA COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2020 and 2021 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2022 THROUGH JUNE 30, 2026



Forecast Provided By
Bedford City School District
Treasurer's Office
Mr. Bill Parkinson, Treasurer
May 19, 2022

Bedford City School District
Cuyahoga County
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;
Forecasted Fiscal Years Ending June 30, 2022 through 2026

		Actual			Average Change	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
	Revenues									
1.010	General Property Tax (Real Estate)	26,826,586	27,048,210	27,057,310	0%	27,614,960	29,041,360	29,082,090	29,131,670	29,180,730
1.020	Public Utility Personal Property Tax	5,951,383	6,165,416	6,580,537	5%	7,022,700	7,230,080	7,517,850	7,742,010	7,966,170
1.030	Income Tax	0	0	0	0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	8,459,767	7,630,933	8,183,731	-1%	7,238,160	7,646,240	7,649,790	7,653,400	7,657,080
1.040	Restricted State Grants-in-Aid	950,737	934,821	707,740	-13%	944,220	1,047,740	1,047,740	1,047,740	1,047,740
1.045	Restricted Federal Grants-in-Aid	0	0	0	0%	0	0	0	0	0
1.050	Property Tax Allocation	6,255,345	5,800,932	5,355,840	-7%	4,914,960	4,504,630	4,089,320	3,675,640	3,261,960
1.060	All Other Revenues	3,003,689	3,413,689	2,747,728	-3%	3,321,680	2,519,370	2,565,810	2,613,130	2,661,560
1.070	**Total Revenues**	**51,447,507**	**50,994,001**	**50,632,886**	**-1%**	**51,056,680**	**51,989,420**	**51,952,600**	**51,863,590**	**51,775,240**
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	0	0	0	0%	0	0	0	0	0
2.020	State Emergency Loans and Advancements	0	0	0	0%	0	0	0	0	0
2.040	Operating Transfers-In	0	0	108,812	0%	50,000	50,000	50,000	100,000	100,000
2.050	Advances-In	1,400,350	3,000,000	3,766,200	70%	2,900,000	2,900,000	2,000,000	2,000,000	2,000,000
2.060	All Other Financing Sources	260,411	425,792	996,484	99%	2,000	2,000	2,000	2,000	2,000
2.070	**Total Other Financing Sources**	**1,660,761**	**3,425,792**	**4,871,496**	**74%**	**2,952,000**	**2,952,000**	**2,052,000**	**2,102,000**	**2,102,000**
2.080	**Total Revenues and Other Financing Sources**	**53,108,268**	**54,419,793**	**55,504,382**	**2%**	**54,008,680**	**54,941,420**	**54,004,600**	**53,965,590**	**53,877,240**
	Expenditures									
3.010	Personal Services	27,078,764	27,899,348	28,471,034	3%	29,852,350	31,450,080	33,213,410	34,203,110	35,222,870
3.020	Retirement and Insurance Benefits	10,384,418	10,513,627	10,238,623	-1%	9,606,800	11,778,020	12,584,660	13,073,140	13,560,700
3.030	Purchased Services	8,322,908	8,534,097	8,462,053	1%	6,658,720	5,874,050	6,000,760	6,131,890	6,267,560
3.040	Supplies and Materials	1,482,795	1,312,076	1,734,276	10%	1,738,350	2,015,180	2,060,650	2,107,580	2,155,990
3.050	Capital Outlay	987,998	1,056,579	195,851	-37%	351,480	650,000	650,000	650,000	650,000
3.060	Intergovernmental	0	0	0	0%	0	0	0	0	0
	Debt Service:				0%					
4.010	Principal-All (Historical Only)	281,884	293,456	45,000	-40%	0	0	0	0	0
4.020	Principal-Notes	0	0	0	0%	0	0	0	0	0
4.030	Principal-State Loans	0	0	0	0%	0	0	0	0	0
4.040	Principal-State Advancements	0	0	0	0%	0	0	0	0	0
4.050	Principal-HB 264 Loans	0	0	305,504	0%	46,000	47,000	48,000	49,000	49,000
4.055	Principal-Other	0	0	0	0%	0	0	0	0	0
4.060	Interest and Fiscal Charges	36,163	24,591	23,716	-18%	10,110	9,020	7,910	6,770	6,770
4.300	Other Objects	719,026	794,515	761,054	3%	815,710	801,750	817,950	834,510	851,440
4.500	**Total Expenditures**	**49,293,956**	**50,428,289**	**50,237,111**	**1%**	**49,079,520**	**52,625,100**	**55,383,340**	**57,056,000**	**58,764,330**
	Other Financing Uses									
5.010	Operating Transfers-Out	489,655	417,754	250,698	-27%	100,000	100,000	100,000	100,000	100,000
5.020	Advances-Out	1,710,000	3,371,000	1,309,200	18%	2,900,000	2,000,000	2,000,000	2,000,000	2,000,000
5.030	All Other Financing Uses	0	0	0	0%	100	100	100	100	100
5.040	**Total Other Financing Uses**	**2,199,655**	**3,788,754**	**1,559,898**	**7%**	**3,000,100**	**2,100,100**	**2,100,100**	**2,100,100**	**2,100,100**
5.050	**Total Expenditures and Other Financing Uses**	**51,493,611**	**54,217,043**	**51,797,009**	**0%**	**52,079,620**	**54,725,200**	**57,483,440**	**59,156,100**	**60,864,430**
6.010	**Excess of Revenues & Other Financing Sources over (under) Expenditures & Other Financing Uses**	**1,614,657**	**202,750**	**3,707,373**	**821%**	**1,929,060**	**216,220**	**(3,478,840)**	**(5,190,510)**	**(6,987,190)**
7.010	**Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies**	**16,691,263**	**18,305,920**	**18,508,670**	**5%**	**22,216,040**	**24,145,100**	**24,361,320**	**20,882,480**	**15,691,970**
7.020	**Cash Balance June 30**	**18,305,920**	**18,508,670**	**22,216,043**	**11%**	**24,145,100**	**24,361,320**	**20,882,480**	**15,691,970**	**8,704,780**
8.010	Estimated Encumbrances June 30	1,153,981	1,711,783	1,832,706	28%	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
10.010	**Fund Balance June 30 for Certification of Appropriations**	**17,151,939**	**16,796,887**	**20,383,337**	**10%**	**22,645,100**	**22,861,320**	**19,382,480**	**14,191,970**	**7,204,780**

Bedford City School District
Cuyahoga County
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;
Forecasted Fiscal Years Ending June 30, 2022 through 2026

		Actual			Average Change	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
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	0	0	0	0%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0%	0	0	0	0	0
11.300	***Cumulative Balance of Replacement/Renewal Levies***	***0***	***0***	***0***	***0%***	***0***	***0***	***0***	***0***	***0***
12.010	**Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations**	**17,151,939**	**16,796,887**	**20,383,337**	**10%**	**22,645,100**	**22,861,320**	**19,382,480**	**14,191,970**	**7,204,780**
	Revenue from New Levies									
13.010	Income Tax - New	0	0	0	0%	0	0	0	0	0
13.020	Property Tax - New	0	0	0	0%	0	0	0	0	0
13.030	***Cumulative Balance of New Levies***	***0***	***0***	***0***	***0%***	***0***	***0***	***0***	***0***	***0***
14.010	Revenue from Future State Advancements	0	0	0	0%	0	0	0	0	0
15.010	**Unreserved Fund Balance June 30**	**17,151,939**	**16,796,887**	**20,383,337**	**10%**	**22,645,100**	**22,861,320**	**19,382,480**	**14,191,970**	**7,204,780**
20.010	Kindergarten -ADM count	211	213	206		206	206	206	206	206
20.015	Grades -ADM count	2,937	2,866	2,829		2,792	2,756	2,720	2,685	2,650

Bedford City School District – Cuyahoga County
Notes to the Five Year Forecast
General Fund Only
May 19, 2022

Introduction to the Five-Year Forecast

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

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

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

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

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

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022 is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the May 2022 filing.

Economic Outlook

This five-year forecast is being filed during the recovery from the COVID-19 Pandemic which began in early 2020. The effects of the pandemic continue to impact our state, country, and our globalized economy. Inflation during April hit a 40 year high not seen since the early 1980's. While increased inflation impacting district costs are expected to continue in the short-term, it remains to be seen if these costs are transitory or will last over the next few years which could have a significant impact on our forecast in addition to negative effects on state and local funding.

While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER), which began in fiscal year 2020, the most recent allocation of ESSER funds must be spent or encumbered by September 30, 2024.

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

May 2022 Updates:

Revenues FY22

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be $568,520 or 1.1% lower than the November forecasted amount of $51,625,200. This indicates the November forecast was 98.9% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our largest source of revenues at 67.8% and are estimated to be $34,637,660, which is $720,510 lower for FY22 than the original November estimate of $35,358,170. Our estimates are 98% accurate for FY22 and should mean future projections are on target as well.

Line 1.035 and 1.04 - State Aide began the year with a completely new funding formula with only Legislative Service Commission (LSC) estimates to anticipate our funding for FY22 and FY23. The LSC estimate provided little to no detail on how the funding level was calculated. The November forecast used components of the LSC simulations of HB110 to project anticipated funding. In January of 2022, the first formula calculations were released, in part, by the Ohio Department of Education. While there are still details unpublished at this time, we can see that through early April our state aid is estimated to be $8,182,380, which is $380,640 lower than the original estimate for FY22. We are pleased that with very little detail we were able to be 95.6% accurate for FY22. We are currently on the formula and are expected to remain a formula district for FY23 through FY26.

Line 1.06 - Other revenues are up $570,520 over original estimates, primarily due to miscellaneous revenue received by the district, which is somewhat unpredictable year to year.

All areas of revenue are tracking as anticipated for FY22 based on our best information at this time.

Expenditures FY22

Total General Fund expenditures (line 4.5) are estimated to be $49,079,520 for FY22, which is $3,525,840 lower than the original estimate of $52,605,360 in the November forecast, which is roughly 93.3% on target with original estimates. The expenditure line most significantly under projection is Fringe Benefits (line 3.02) due to various savings captured during FY22.

All other areas of expenses are expected to run on target with original projections for the year.

Unreserved Ending Cash Balance

With revenues increasing over estimates and expenditures decreasing, our ending unreserved cash balance June 30, 2022 is anticipated to be roughly $22.6 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2026 if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

Forecast Risks and Uncertainty

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

1. Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes as the pandemic ends, and the economy continues its recovery as anticipated. Total local revenues, which are predominately local taxes, equate to 74.3% of the district's resources. Our tax collections in the August 2021 and March 2022 settlements did fall due to increased delinquencies as anticipated due to the brief rise in unemployment due to the pandemic in 2020. Long-term, we believe there is a low risk that local collections would fall below projections throughout the forecast.

2. Cuyahoga County experienced a triennial update in the 2021 tax year to be collected in FY22. The 2021 update increased overall assessed values by $106 million or an increase of 16.2%. A reappraisal update will occur in tax year 2024 for collection in FY25. We anticipate value increases for Class I and II property by $4.4 million for an overall increase of 0.5%. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.

3. The state budget represents 25.7% of district revenues, which means it is a significant area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls due to record high inflation we are witnessing at this time, or the Fair School Funding Plan is not funded in future state budgets due to an economic downturn. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY26. We have projected our state funding to be in line with the FY23 funding levels through FY26, which we feel is conservative and should be close to whatever the state approves for the FY24-27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

4. HB110, the current state budget, implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula calculations was delayed until January 2022. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools, and scholarship recipients. The initial impact on the forecast will be noticed on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. The historic actual costs for FY19 through FY21 on these lines in the forecast will potentially reflect different trends. Longer-term there may be adjustments to state aid for FY23 as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula available as of this forecast.

5. HB110 direct pays costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from state aid and will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can expose the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any new proposed laws are introduced in the legislature.

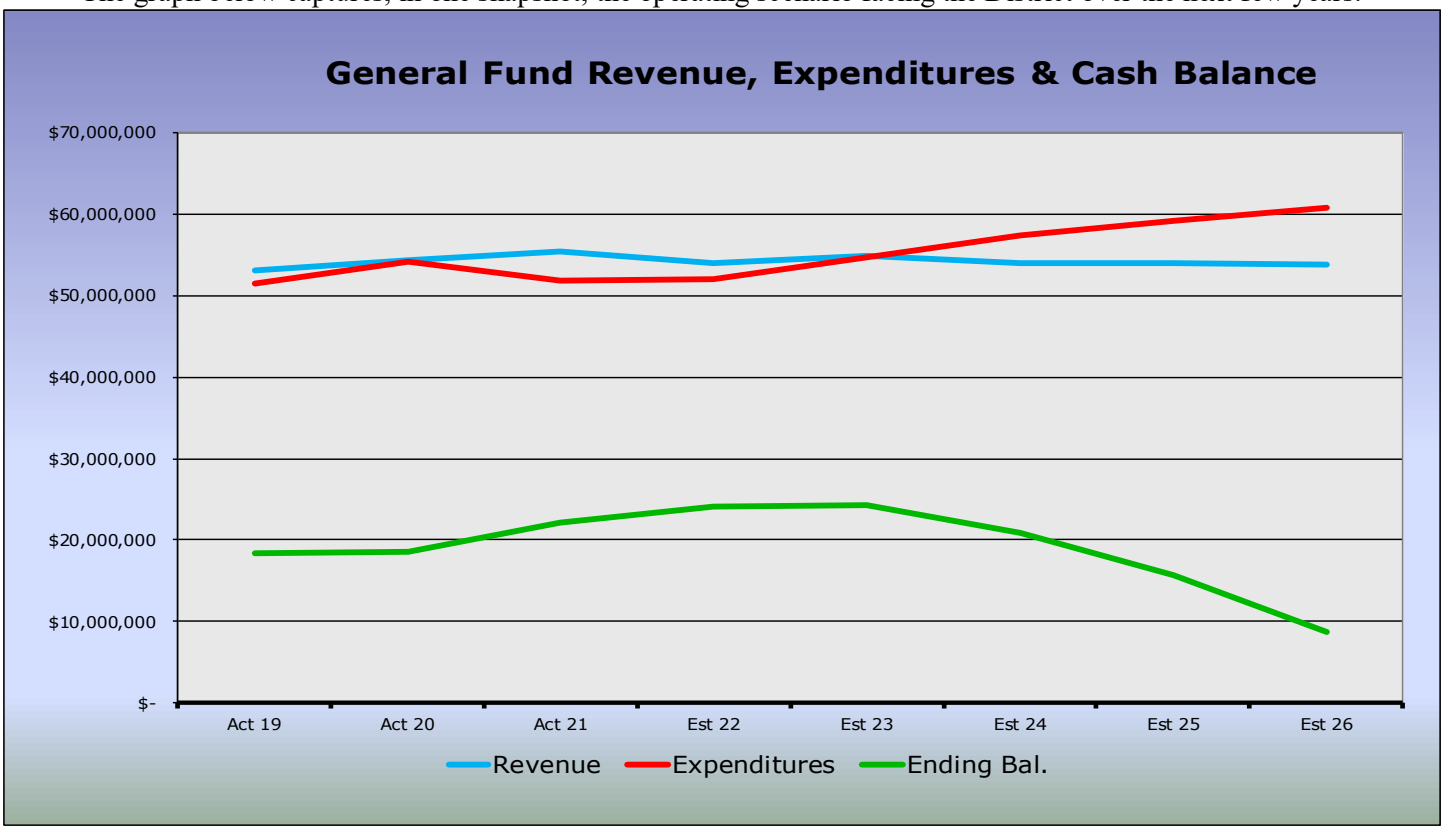
6. We are currently analyzing a potential ballot issue for new operating funds. District leadership will continue to prioritize programming and align student needs with expectations of the community. Legislative changes at the State level have continued to shift funding responsibility to the local tax payer.

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

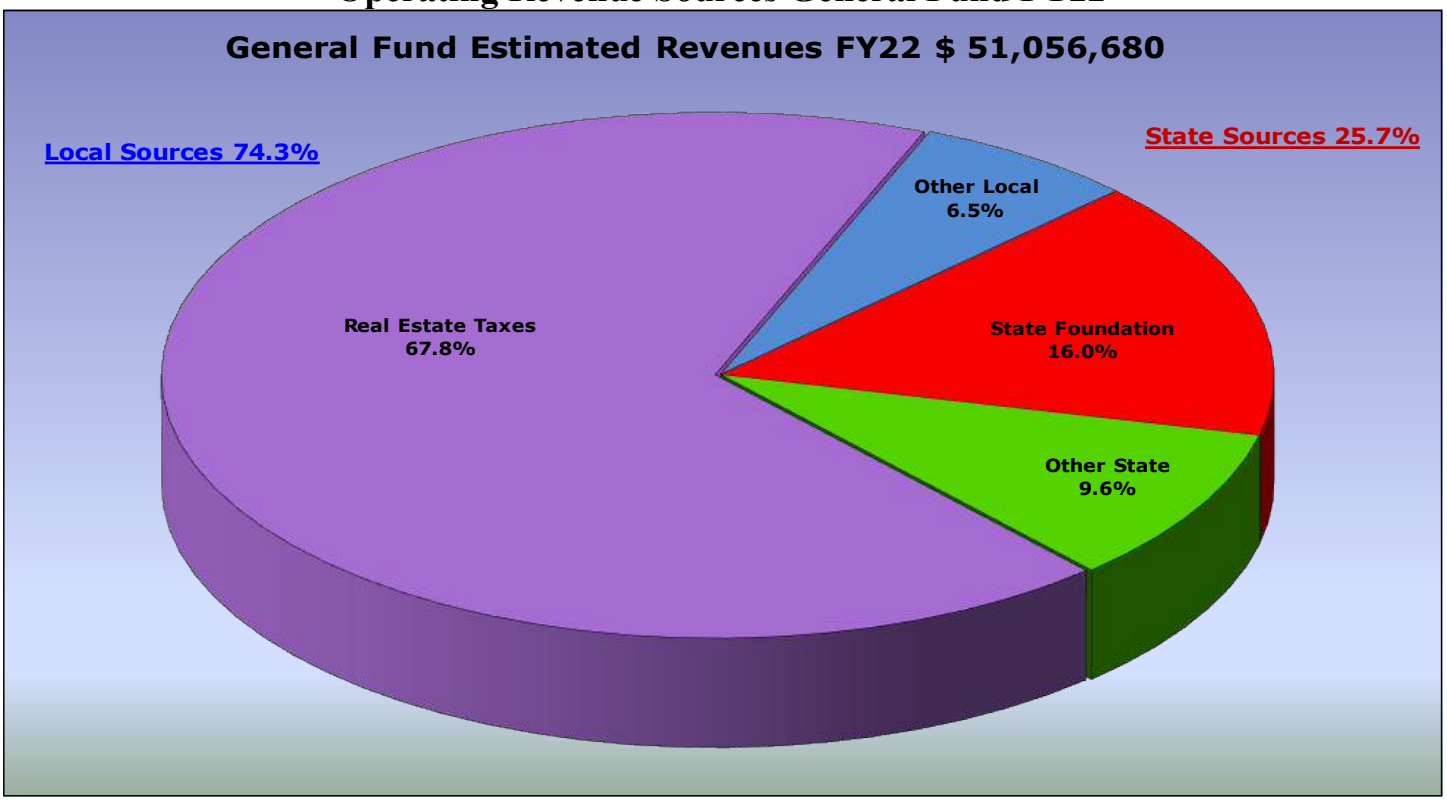
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item, and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Mr. Bill Parkinson, Treasurer.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY19-21 and Estimated FY22-26

The graph below captures, in one snapshot, the operating scenario facing the District over the next few years.



Revenue Assumptions
Operating Revenue Sources General Fund FY22



Real Estate Value Assumptions – Line # 1.010
Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Cuyahoga County experienced a triennial update for the 2021 tax year to be collected in 2022. Residential/agricultural values increased 18% or $67.6 million due to the update led by an improving housing market.

For tax year 2021 new construction in residential property was up 0.21% or $803 thousand in assessed value and commercial/industrial values increased $462 thousand. Overall values rose $106 million or 16.2%, which includes new construction for all classes of property.

A reappraisal update will occur in 2024 for collection in 2025 for which we are estimating a 1% increase in residential and a 1% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase $4.4 million or 0.58% overall, as a result of the reappraisal.

Public Utility Personal Property (PUPP) values increased by $4.6 million in tax year 2021. We expect our values to continue to grow by $3 million each year of the forecast.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR 2021 COLLECT 2022	Estimated TAX YEAR 2022 COLLECT 2023	Estimated TAX YEAR 2023 COLLECT 2024	Estimated TAX YEAR 2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026
Res./Ag.	$391,502,810	$392,052,810	$392,602,810	$450,039,310	$450,589,310
Comm./Ind.	291,089,340	291,289,340	291,489,340	319,529,990	319,729,990
Public Utility Personal Property (PUPP)	94,465,520	97,465,520	100,465,520	105,083,570	108,083,570
Total Assessed Value	$777,057,670	$780,807,670	$784,557,670	$874,652,870	$878,402,870

ESTIMATED REAL ESTATE TAX - Line #1.010

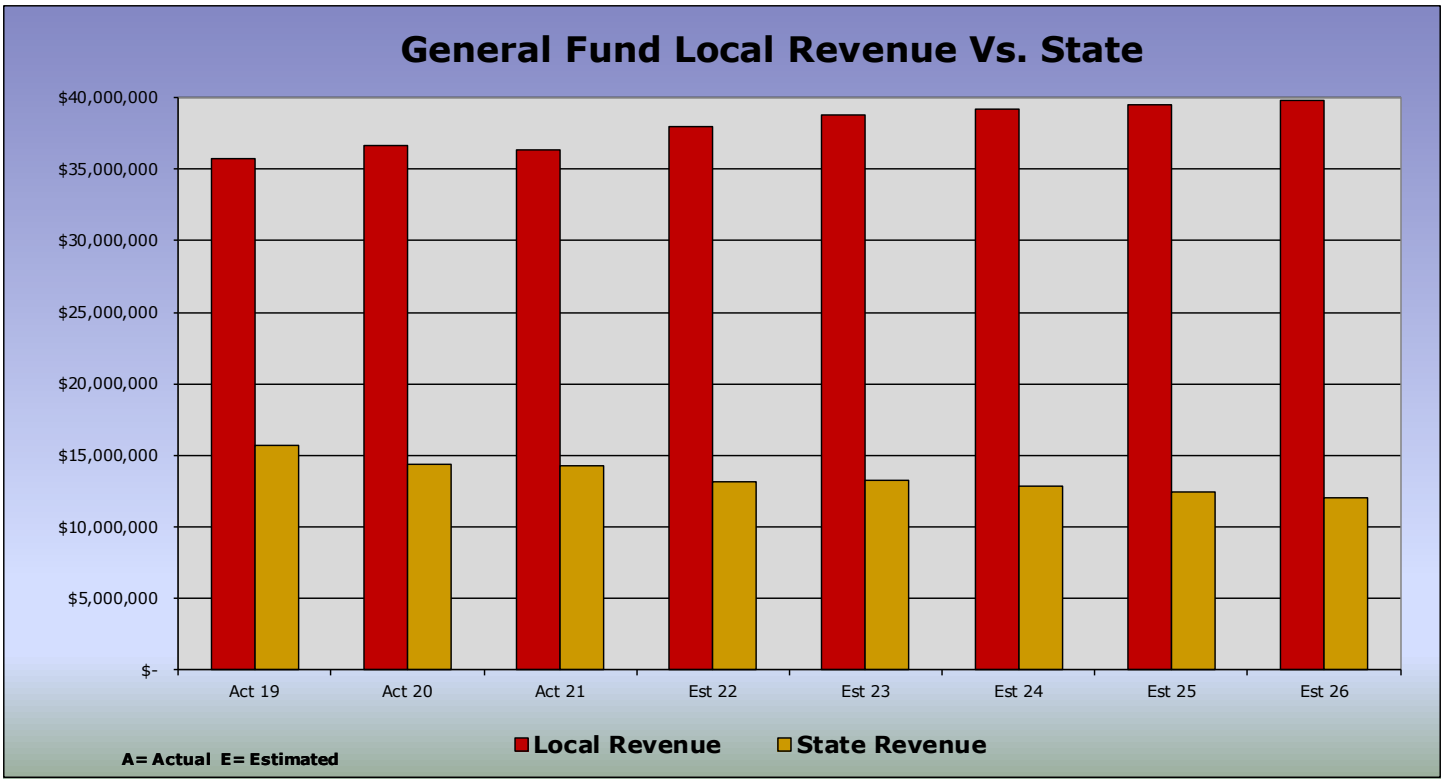
Source	FY22	FY23	FY24	FY25	FY26
General Property Taxes	$27,614,960	$29,041,360	$29,082,090	$29,131,670	$29,180,730

Estimated Real Estate Tax Collection
Property tax levies are estimated to be collected at 96% of the annual amount. This allows 4% delinquency factor. In general, 55% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 45% collected in the August tax settlement. Collections in FY22 were up $443 thousand due to additional delinquent taxes collected in the first half and second half tax settlements, which are expected to continue in FY23 and beyond.

New Tax Levies – Line #13.030
The district is not forecasting new levies at this time.

Estimated Public Utility Personal Tax – Line#1.020
Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under Public Utility (PUPP), which were $96 million in assessed values in 2021 and are collected at the district's gross voted millage rate. Collections are typically 51% in February and 49% in August along with the real estate settlements from the county auditor. The values in 2021 increased by 5% or $4.6 million, and are expected to grow by $3 million each year of the forecast.

Source	FY22	FY23	FY24	FY25	FY26
Public Utility Personal Property (Line#1.020)	$7,022,700	$7,230,080	$7,517,850	$7,742,010	$7,966,170
Total Line # 1.020	$7,022,700	$7,230,080	$7,517,850	$7,742,010	$7,966,170



State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Current State Funding Model per HB110 through June 30, 2023

A) Unrestricted State Foundation Revenue– Line #1.035

The partial release of the new Fair School Funding Plan (FSFP) formula occurred in January 2022, which was halfway through FY22. As of the date of this forecast, there are still some detailed calculations not released. We have projected FY22 and FY23 funding based on the April 2022 foundation settlement and funding factors.

Our district is currently a formula district in FY22 and is expected to be a formula district in FY23-26 on the new FSFP. The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110 implements the newest, and possibly the most complicated funding formula in recent years for FY22 and FY23. The current formula introduces many changes to how state foundation is calculated and expenses deducted from state funding, which will potentially make the actual five-year forecast look different with estimates FY22 through FY26 compared to actual data FY19 through FY21 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecast.

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

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

<u>Base Cost Approach - Unrestricted Basic Aid Foundation Funding</u>

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

1. Teacher Base Cost (4 subcomponents)
2. Student Support (7 subcomponents-including a restricted Student Wellness component)
3. District Leadership & Accountability (7 subcomponents)
4. Building Leadership & Operations (3 subcomponents)

5. Athletic Co-curricular (contingent on participation)

State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is currently at a state wide average of $7,350.77 per pupil in FY22, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage in concept will be higher for districts with less capacity (lower local wealth), and a lower state share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth, the lower the state share percentage. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income, and 20% on federal median income, as follows:

1. 60% based on most recent three (3) year average assessed values or the most recent year, whichever is lower divided by base students enrolled.
2. 20% based on most recent three (3) year average federal adjusted gross income of district's residents or the most recent year, whichever is lower, divided by base students enrolled.
3. 20% based on most recent year federal median income of district's residents multiplied by the number of returns in that year, divided by base students enrolled.
4. When the weighted values are calculated, and items 1 through 3 above added together, the total is then multiplied by a local share multiplier index from 0% for low wealth districts to a maximum of 2.5% for wealthy districts.

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

Categorical State Aid

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

Unrestricted Categorical State Aid

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

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding, is based on number and concentration of economically disadvantaged students compared to the state average, and multiplied by $422 per pupil. Phase-in increases are limited to 0% for FY22 and 14% in FY23.
2. English Learners – Based on funded categories, based on the time a student enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds – Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career-technical average daily membership and five (5) weighted funding categories students enrolled in.

State Funding Phase-In FY22 and FY23 and Guarantees

While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for

most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in at 0% in FY22 and 14% in FY23. Transportation categorical funds will not be subject to a phase-in.

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

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

Future State Budget Projections beyond FY23
Our funding status for the FY24-26 will depend on two (2) new state budgets, which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason, funding is held constant in the forecast for FY23 through FY26.

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

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 to pre-pandemic, FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to the COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a 0.4% decline in pupils to 1,778,441 and GCR increasing to $106.35 million or $59.80 per pupil. Actual payments in FY22 were $62.71 per pupil. FY22 Casino revenues have resumed their historical growth rate and we are assuming a 2% annual growth rate for the forecast period.

Source	FY22	FY23	FY24	FY25	FY26
Basic Aid-Unrestricted	$6,431,930	$6,836,540	$6,836,540	$6,836,540	$6,836,540
Other Adjustments	(282,460)	(282,460)	(282,460)	(282,460)	(282,460)
Additional Aid Items	519,110	519,110	519,110	519,110	519,110
Basic Aid-Unrestricted Subtotal	$6,668,580	$7,073,190	$7,073,190	$7,073,190	$7,073,190
Catstrophic Cost Reimbursement	395,690	395,690	395,690	395,690	395,690
Ohio Casino Commission ODT	173,890	177,360	180,910	184,520	188,200
Total Unrestricted State Aid Line # 1.035	$7,238,160	$7,646,240	$7,649,790	$7,653,400	$7,657,080

A) Restricted State Revenues – Line # 1.040
HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career-Technical funding. In addition, there have been new restricted funds added as noted above under "Restricted Categorical Aid" for Gifted, English Learners (ESL) and Student Wellness. Using current April funding factors, we have estimated revenues for

these new restricted funding lines. The amount of DPIA is limited to 0% phase-in growth for FY22 and 14% in FY23. We have flat lined funding at FY23 levels for FY24-26 due to uncertainty on continued funding of the current funding formula.

Source	FY22	FY23	FY24	FY25	FY26
DPIA	$498,730	$598,060	$598,060	$598,060	$598,060
Career Tech - Restricted	119,190	124,390	124,390	124,390	124,390
Gifted	100,170	96,930	96,930	96,930	96,930
ESL	17,190	19,420	19,420	19,420	19,420
Student Wellness and Success	208,940	208,940	208,940	208,940	208,940
Total Restricted State Revenues Line #1.040	$944,220	$1,047,740	$1,047,740	$1,047,740	$1,047,740

B) Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected FY22-26.

Summary of State Foundation Revenues	FY22	FY23	FY24	FY25	FY26
Unrestricted Line # 1.035	$7,238,160	$7,646,240	$7,649,790	$7,653,400	$7,657,080
Restricted Line # 1.040	944,220	1,047,740	1,047,740	1,047,740	1,047,740
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045	0	0	0	0	0
Total State Foundation Revenue	$8,182,380	$8,693,980	$8,697,530	$8,701,140	$8,704,820

State Taxes Reimbursement/Property Tax Allocation
Rollback and Homestead Reimbursement

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

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

b) Tangible Personal Property Reimbursements – Fixed Rate

State budget bill HB153 slashed these reimbursements to our district after FY12, reducing our state revenue each year starting in FY13. HB64, the FY16-17 state budget, reinstituted the phase out of TPP reimbursements to districts beginning in FY16, which included a TPP Supplemental Payment for some districts.

Beginning in FY18, SB 208 amended HB64 and became effective February 15, 2016. SB 208 provides that beginning in FY18, the TPP Fixed Rate funding will be phased out at 5/8ths (62.5%) of what 1 mill would raise in local taxes on the three (3) year average of assessed values. Based on our calculations, we will receive TPP Phase out payments through FY26. We project with the new phase-out calculation that TPP Fixed Rate reimbursements will be fully phased out for our district in tax year 2025.

Summary of State Tax Reimbursement – Line #1.050

Source	FY22	FY23	FY24	FY25	FY26
Rollback and Homestead	$2,371,220	$2,380,080	$2,383,950	$2,389,460	$2,394,960
b) TPP Reimbursement - Fixed Rate	2,543,740	2,124,550	1,705,370	1,286,180	867,000
Total Tax Reimb./Prop. Tax Allocations #1.050	$4,914,960	$4,504,630	$4,089,320	$3,675,640	$3,261,960

Other Local Revenues – Line #1.060
All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area have been open enrollment, tuition for court placed students, student fees, Payment In Lieu of Taxes, and general rental fees.

HB110, the new state budget, will stop paying open enrollment as an increase to other revenue for the district. This is projected below as zeros to help show the difference between projected FY22-26 Line 1.06 revenues and historical FY19 through FY21 revenues on the five-year forecast. Open enrolled students will be counted in the enrolled student base at the school district they are being educated at and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as state basic aid.

In FY21 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. Rentals are expected to remain somewhat lower due to COVID-19 restrictions and lower participation.

We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in FY22. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast. The district previously coded Manufactured Home settlements for the county Auditor in this section. It should be noted that this will now be reflected in line #1.01 of the forecast. In FY20 this collection was $41,509. All other revenues are expected to continue on historic trends.

Source	FY22	FY23	FY24	FY25	FY26
1200 - Tuitions	$1,829,510	$1,866,100	$1,903,480	$1,941,490	$1,980,340
1300 - Vocational	0	0	0	0	0
1410 - Interest Earnings	56,500	60,000	60,000	60,000	60,000
1700 - Student Fees	57,000	59,750	59,750	59,750	59,750
1810 - Rentals	19,200	19,200	19,200	19,200	19,200
1840 - Preschool	25,000	25,500	26,010	26,530	27,060
1851 - Commissions	500	500	500	500	500
1860 - Book Fines and Fees	10,000	10,000	10,000	10,000	10,000
1880 - TIF Payments	246,070	160,000	160,000	160,000	160,000
1890 - Misc. Revenue	1,077,900	318,320	326,870	335,660	344,710
Total Other Local Revenue Line #1.060	$3,321,680	$2,519,370	$2,565,810	$2,613,130	$2,661,560

Short-Term Borrowing – Lines #2.010 & Line #2.020
Short term borrowing is not projected in this forecast.

Transfers In / Return of Advances – Line #2.040 & Line #2.050
Transfers are made to cover negative fund balances or to establish reserve accounts. At this time the district is not anticipating Transfers out of the General Fund. Advances are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The advances out in the previous FY are planned to be repaid in following FY22-26.

Source	FY22	FY23	FY24	FY25	FY26
Transfers In - Line 2.040	$50,000	$50,000	$50,000	$100,000	$100,000
Advance Returns - Line 2.050	2,900,000	2,900,000	2,000,000	2,000,000	2,000,000
Total Transfer & Advances In	$2,950,000	$2,950,000	$2,050,000	$2,100,000	$2,100,000

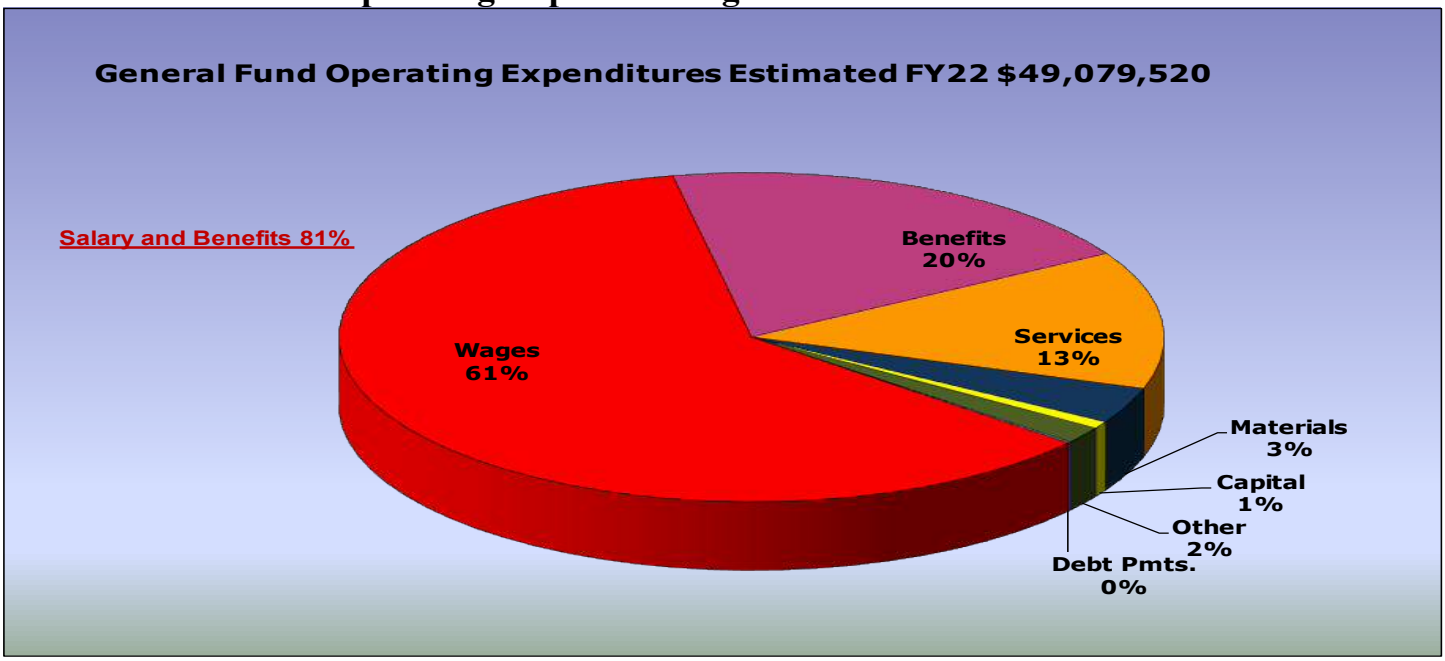
All Other Financial Sources – Line #2.060
This funding source is typically a refund of prior year expenditures and sales of assets which is very unpredictable.

Source	FY22	FY23	FY24	FY25	FY26
Sale of Personal Property	$1,000	$1,000	$1,000	$1,000	$1,000
Refund of prior years expenditures	1,000	1,000	1,000	1,000	1,000
Total Other Financing Sources Line #2.060	$2,000	$2,000	$2,000	$2,000	$2,000

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students, whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

All Operating Expense Categories - General Fund FY22



Wages – Line #3.010

Negotiations with bargaining unit members resulted in an agreement to include base increases of 2% for FY22 including step increases. This was due to an extension to the current negotiated agreement for an additional two years to include base increases of 2% for FY21 and 2% for FY22. The Certified contract was recently renewed for two years at 2.75% for FY23 and FY24. Negotiations with the Classified collective bargaining unit is still ongoing. The forecast as presented reflects a 0% base increase in FY25-26 for planning purposes only at this time.

Source	FY22	FY23	FY24	FY25	FY26
Base Wages	$27,081,150	$28,435,200	$30,070,230	$31,799,270	$32,753,250
Increases	541,620	781,970	826,930	0	0
All Staff - Steps and Training	812,430	853,060	902,110	953,980	982,600
Overtime and Stipends	372,410	391,000	411,000	432,000	454,000
Substitutes	462,550	476,430	490,720	505,440	520,600
Supplementals	493,670	493,670	493,670	493,670	493,670
Staff Increases/Reductions	0	0	0	0	0
Board of Education	19,625	18,750	18,750	18,750	18,750
Severance/Insurance Opt Out	68,895	0	0	0	0
Total Wages Line 3.010	$29,852,350	$31,450,080	$33,213,410	$34,203,110	$35,222,870

Fringe Benefits Estimates
This area of the forecast captures all costs associated with benefits and retirement costs. These payments along with healthcare costs are included in the table below.

A) STRS/SERS will increase as Wages Increase
The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The district is required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance
At this time we are estimating an increase of 5% for FY22-26 which reflects trend and the likely increase in health care costs as a result of actual claims incurred. This is based on our current employee census and claims data. The current contract states that any increase of more than 5% in healthcare will result in plan design changes to reduce the cost by 5%. If the Insurance Committee cannot come to consensus then they must take the recommendation of the healthcare committee consultant.

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

C) Workers Compensation & Unemployment Compensation
Workers Compensation is expected to be approximately 0.67% of wages FY22-26. Unemployment is expected to remain at a very low level FY22-26. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

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

Summary of Fringe Benefits – Line #3.020

Source	FY22	FY23	FY24	FY25	FY26
A) STRS/SERS	$5,147,660	$5,345,400	$5,642,730	$5,826,690	$6,000,610
B) Insurance's	4,963,483	6,065,240	6,585,850	6,915,140	7,260,900
C) Workers Comp/Unemployment	250,610	261,350	274,490	285,360	288,460
D) Medicare	431,860	456,030	481,590	495,950	510,730
Other Adjustments	(1,186,813)	(350,000)	(400,000)	(450,000)	(500,000)
Total Fringe Benefits Line #3.020	$9,606,800	$11,778,020	$12,584,660	$13,073,140	$13,560,700

Purchased Services – Line #3.030
HB110, the new state budget, will impact Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to show these amounts below as zeros to help reflect the difference between projected FY22-26 line 3.03 costs and historical FY19 through FY21 costs on the five-year forecast. College Credit Pus, excess costs, and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

Source	FY22	FY23	FY24	FY25	FY26
410 - Professional Services	$1,446,660	$1,127,000	$1,152,550	$1,178,700	$1,205,470
420 - Property Services	1,143,430	1,011,000	1,033,830	1,057,340	1,081,550
430 - Travel & Meeting	63,550	50,000	51,500	53,050	54,640
440 - Communications	252,320	222,500	228,300	234,260	240,390
450 - Utilities	916,260	993,360	1,043,030	1,095,190	1,149,950
460 - Contracted Services	214,550	68,070	68,630	69,200	69,780
470 - Tuition Payments	2,367,040	775,120	789,620	804,420	819,500
480 - Transportation Services	606,400	277,000	282,300	287,710	293,220
490 - Other Services	94,000	50,000	51,000	52,020	53,060
Outstanding Encumbrances (FY22-26 only)	1,290,650	1,300,000	1,300,000	1,300,000	1,300,000
Contingency	(1,736,140)	0	0	0	0
Total Purchased Services Line #3.030	$6,658,720	$5,874,050	$6,000,760	$6,131,890	$6,267,560

Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel.

Source	FY22	FY23	FY24	FY25	FY26
510 - General Supplies	$711,240	$528,000	$541,850	$556,080	$570,700
520 - Textbooks	319,600	275,500	282,100	288,900	295,900
530 - Library Supplies	13,500	5,000	5,000	5,000	5,000
540 - Newspapers & Periodicals	2,150	2,500	2,500	2,500	2,500
550 - Resale	0	0	0	0	0
560 - Student Snacks	2,600	0	0	0	0
570 - Maintenance & Repair	477,200	514,180	529,600	545,490	561,840
580 - Vehicle Maintenance	430,950	220,000	229,000	238,390	248,190
590 - Other Supplies and Materials	68,700	20,000	20,600	21,220	21,860
Outstanding Encumbrances (FY22-26 only)	448,250	450,000	450,000	450,000	450,000
Contingency	(735,840)	0	0	0	0
Total Supplies Line #3.040	$1,738,350	$2,015,180	$2,060,650	$2,107,580	$2,155,990

Equipment – Line # 3.050

The District does not anticipate costs increasing significantly in this line because most capital outlay is paid by the Permanent Improvement Fund. This line is utilized for purchases of technology, equipment, buses, and vehicles

Source	FY22	FY23	FY24	FY25	FY26
620 - Buildings	$50,000	$0	$0	$0	$0
630 - Improvements	$0	$0	$0	$0	$0
640 - Equipment	197,300	200,000	200,000	200,000	200,000
650 - Vehicles	85,000	85,000	85,000	85,000	85,000
660 - School Buses	340,000	340,000	340,000	340,000	340,000
Outstanding Encumbrances (FY22-26 only)	(320,820)	25,000	25,000	25,000	25,000
Total Equipment Line #3.050	$351,480	$650,000	$650,000	$650,000	$650,000

Principal and Interest Payment – Lines # 4.05 and 4.06

This section is made up of payments for HB264 debt payments.

Source	FY22	FY23	FY24	FY25	FY26
HB 264 Principal Line # 4.050	$46,000	$47,000	$48,000	$49,000	$49,000
Source	FY22	FY23	FY24	FY25	FY26
Interest HB 264 Total Line #4.060	$10,110	$9,020	$7,910	$6,770	$6,770

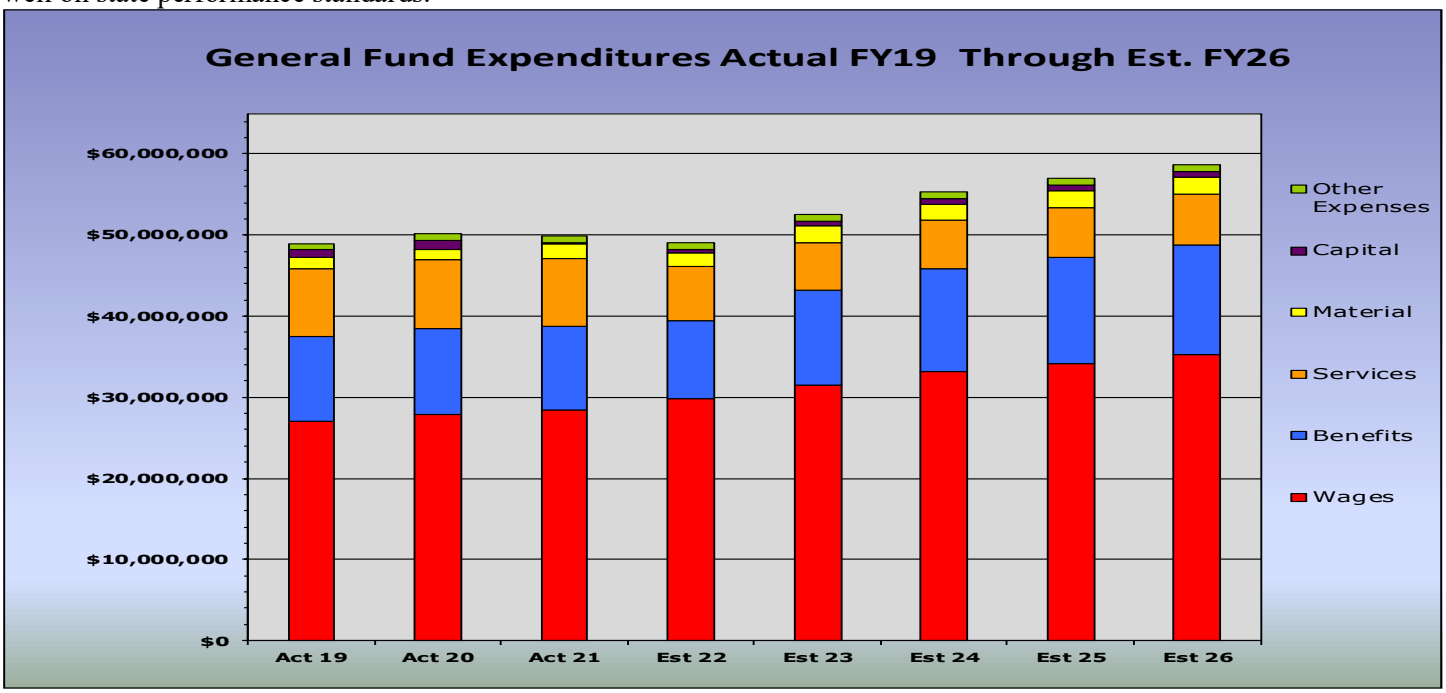
Other Expenses – Line #4.300

This category of expenses is primarily fees to the county auditors and treasurers for collecting property taxes. The other expense category is several small expenses with the largest being district liability insurance and dues and fees to organization such as OSBA.

Source	FY22	FY23	FY24	FY25	FY26
830 - Debt Service Fees	$0	$0	$0	$0	$0
840 - Dues and Fees	768,220	708,000	721,950	736,190	750,730
850 - Insurance	87,500	75,500	77,750	80,070	82,460
860 - Judgements	0	0	0	0	0
870 - Taxes and Assessments	0	0	0	0	0
880 - Awards and Prizes	8,700	0	0	0	0
890 - All Other	60,960	0	0	0	0
Total Other Expenses Line #4.300	$815,710	$801,750	$817,950	$834,510	$851,440

Operating Expenditures Actual FY19 through FY21 and Estimated FY22-26

As the following graph indicates, we have been diligent at reducing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.



Transfers Out/Advances Out – Line# 5.010

This account group covers fund to fund transfer and end of year short term loans or advances from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Advanced funds are anticipated to be paid back in full in the next fiscal year.

Source	FY22	FY23	FY24	FY25	FY26
910 - Operating Transfers Out	$100,000	$100,000	$100,000	$100,000	$100,000
920 - Advances Out	2,900,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Transfer & Advances Out	$3,000,000	$2,100,000	$2,100,000	$2,100,000	$2,100,000

Encumbrances –Line#8.010

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

	FY22	FY23	FY24	FY25	FY26
Estimated Encumbrances	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000

Ending Unencumbered Cash Balance – Line#15.010

This amount must not go below $0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, resulting in a negative unencumbered cash balance is a violation of O.R.C. §5705.412 and is punishable by personal liability of $10,000. It is recommended by the Government Finance Officers Association (GFOA), and other authoritative sources, that a district maintains a minimum of thirty (30) day cash balance, which is approximately $4 million for our district.

	FY22	FY23	FY24	FY25	FY26
Ending Unencumbered Cash Balance	$22,645,100	$22,861,320	$19,382,480	$14,191,970	$7,204,780

True Cash Days Ending Balance

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

