

SOLON CITY SCHOOL DISTRICT
Schedule Of Revenue, Expenditures and Changes In Fund Balances
Actual and Forecasted Operating Fund

	ACTUAL			FORECASTED				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Revenue:								
1.010 - General Property Tax (Real Estate)	61,525,757	63,101,035	64,998,910	65,072,371	65,367,232	65,635,470	65,635,787	65,817,069
1.020 - Public Utility Personal Property	3,759,303	3,920,142	4,088,305	4,214,545	4,218,760	4,222,979	4,227,202	4,231,429
1.030 - Income Tax								
1.035 - Unrestricted Grants-in-Aid	3,479,029	3,493,388	3,616,513	4,932,926	5,572,987	5,579,987	5,579,987	5,579,987
1.040 - Restricted Grants-in-Aid	14,882	290,821	284,578	208,070	210,790	210,790	210,790	210,790
1.045 - Restricted Federal Grants-in-Aid - SFSF								
1.050 - Property Tax Allocation	7,609,661	6,880,750	6,144,591	5,259,851	4,995,017	5,019,992	5,045,092	5,070,317
1.060 - All Other Operating Revenues	4,035,843	4,430,338	5,085,601	4,661,029	4,684,334	3,907,756	3,927,295	3,946,931
1.070 - Total Revenue	80,424,476	82,116,474	84,218,498	84,348,793	85,049,119	84,576,973	84,626,152	84,856,523
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes								
2.020 - State Emergency Loans and Advancements								
2.040 - Operating Transfers-In			2,205,934					
2.050 - Advances-In	210,000	75,000	288,000	4,180,000	300,000	300,000	300,000	300,000
2.060 - All Other Financing Sources								
2.070 - Total Other Financing Sources	210,000	75,000	2,493,934	4,180,000	300,000	300,000	300,000	300,000
2.080 - Total Revenues and Other Financing Sources	80,634,476	82,191,474	86,712,432	88,528,793	85,349,119	84,876,973	84,926,152	85,156,523
Expenditures:								
3.010 - Personnel Services	46,514,092	47,724,908	47,667,462	50,980,686	52,637,559	54,085,092	55,572,432	57,100,674
3.020 - Employees' Retirement/Insurance Benefits	17,899,607	18,503,084	18,162,790	19,447,564	20,265,983	21,078,573	21,926,582	22,811,637
3.030 - Purchased Services	7,181,167	7,025,184	12,366,915	8,537,922	8,094,060	8,336,882	8,586,988	8,844,598
3.040 - Supplies and Materials	1,753,283	2,058,039	2,222,374	2,289,045	2,357,717	2,428,448	2,501,302	2,576,341
3.050 - Capital Outlay	3,056,079	7,402,035	7,220,402	2,437,014	2,010,124	2,070,428	2,132,541	2,196,517
Debt Service:								
4.300 - Other Objects	933,551	1,047,569	1,137,704	1,171,835	1,206,990	1,243,200	1,280,496	1,318,911
4.500 - Total Expenditures	77,337,779	83,760,820	88,777,647	84,864,068	86,572,433	89,242,623	92,000,341	94,848,677
Other Financing Uses								
5.010 - Operating Transfers-Out	2,000,000	-	1,983	200,000	200,000	200,000	200,000	200,000
5.020 - Advances-Out	75,000	273,000	4,195,000	300,000	300,000	300,000	300,000	300,000
5.030 - All Other Financing Uses	-	-	-					
5.040 - Total Other Financing Uses	2,075,000	273,000	4,196,983	500,000	500,000	500,000	500,000	500,000
5.050 - Total Expenditures and Other Financing Uses	79,412,779	84,033,820	92,974,630	85,364,068	87,072,433	89,742,623	92,500,341	95,348,677
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	1,221,697	(1,842,346)	(6,262,198)	3,164,725	(1,723,314)	(4,865,650)	(7,574,189)	(10,192,154)
Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies	42,769,752	43,991,449	42,149,103	35,886,905	39,051,630	37,328,316	32,462,666	24,888,478
7.020 - Cash Balance June 30	43,991,449	42,149,103	35,886,905	39,051,630	37,328,316	32,462,666	24,888,478	14,696,324
8.010 - Estimated Encumbrances June 30	12,598,936	12,232,525	3,359,376	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
15.010 - Unreserved Fund Balance June 30	31,392,513	29,916,578	32,527,529	34,051,630	32,328,316	27,462,666	19,888,478	9,696,324

**Solon City School District
Cuyahoga County**

**Significant Forecast Assumptions
Fiscal Years 2024 through 2028**

Summary of Information

The Five-Year Financial Forecast for the Solon City School District is based on assumptions derived from the best information as of this point in time. The forecast will change as the financial components pertaining to the district's funding changes.

Solon CSD has been consistently rated one of the top academic public-school districts in the state of Ohio over the last couple of decades. The district has held the outstanding academic distinction of being rated an excellent public school district for 24 years. This distinction has been attained while only receiving approximately 5% of its total operating revenues from the State of Ohio's foundation funding formula. Local community and businesses have placed a significant emphasis on providing an outstanding education to its students and have always supported the district.

Solon CSD is in a delicate position continuing to provide an excellent education while battling minimal state formula funding, as well as significant changes in Tangible Personal Property (TPP) tax law. TPP originally accounted for 17% of the district's operating revenues. As recent as fiscal year 2017, TPP reimbursements accounted for 12%, or \$8,300,000, of the district's operating revenues. A significant TPP reduction was realized by the district in fiscal year 2018, which resulted in actual TPP revenues being reduced to approximately \$4,800,000. An annual TPP phase-out of approximately \$770,000 per year exists until the district's entire remaining TPP funds are eliminated. TPP dollars anticipated to be received by the district in fiscal year 2024 are approximately \$300,000.

Line 1.01

General Property Tax is estimated to be \$65,072,371 for fiscal year 2024. Future fiscal years project an average increase of under .50% in property value, which is primarily attributed to new construction.

Line 1.02

Public Utility Personal Property Tax is projected to be \$4,214,545 in fiscal year 2024 and allows for a slight increase each year through fiscal year 2028.

Line 1.035

Unrestricted Grants-in-Aid is estimated to be \$4,932,926 during fiscal year 2024 based on information from the state funding report, the current biennium budget, and actual receipts to date. In addition to the State's funding formula, casino revenues are currently projected to be received in this line item, which are included in the projection listed above.

Fiscal years 2024 and 2025 project significant increases in state funding due to a change in the funding formula. This is currently a material revenue increase in state funding. However, please note, there is concern about

potential future private school vouchers being introduced that could offset this revenue increase with significantly increased expenditures. These expenses are not currently projected due to nothing being passed at the state level at this point that would increase district expenses for private school vouchers. This is a future concern worth noting.

Line 1.04 and 1.045

Restricted Grants-in-Aid is estimated to be \$208,070 during fiscal year 2024 based on state funding information at this point in time. Remaining projections for fiscal years 2025 through 2028 allow for a slight increase each year.

Line 1.05

Property Tax Allocation is projected to be \$5,259,851 in fiscal year 2024. The primary revenue source for this line item is homestead and rollback tax revenues. Another major revenue source in this line item is the state's tangible personal property tax reimbursement.

In fiscal year 2011 TPP dollars were \$10,700,000. In fiscal year 2024 approximately \$300,000 of those funds remain. Based on current law there will be an annual reduction of approximately \$770,000 until the district's entire remaining funding received for TPP is eliminated.

Line 1.06

All Other Revenues are projected to be \$4,661,029 for fiscal year 2024. The primary sources of revenue for this line item are tuition, excess cost, investments, rentals, and donations.

Line 2.04

Transfers-In are projected to be \$0 for fiscal years 2024 through 2028. Fiscal year 2023's transfer-in is due to the school district's change in insurance. This money was the remaining reserve balance in the 024 self-insurance fund, which is now dissolved. The General Fund in turn paid out this money during fiscal year 2023 to the Stark County Council of Government's (COG) self-insurance fund to help meet the district's new insurance reserve requirement.

Line 2.05

Advances-In are projected to be \$4,180,000 in fiscal year 2024 and \$300,000 for fiscal years 2025 through 2028 based on advances already made, history of advances, and anticipated repayment of advances-in and advances-out throughout each fiscal year. Activity in this line item is primarily due to a result of cash flow operating procedures. Advances-Out from the previous year will offset this line-item.

Line 3.01

Personnel Service costs are estimated to be \$50,980,686 for fiscal year 2024. Fiscal Year 2023 included a one-time reduction of approximately \$1.3 million due to ESSER grant funding. During calendar year 2022, new three year negotiated agreements were entered into with both Certified and Classified bargaining units. Fiscal years 2023 through 2025 project a 2.5% base salary increase plus limited incremental increases (if applicable). Fiscal years 2026, 2027 and 2028 project a 2.0% base salary increase plus limited incremental increases (if applicable).

Line 3.02

Fringe Benefits are estimated to be \$19,447,564 for the fiscal year 2024. The primary portions of this line item are the district's health insurance coverage, as well as employer contributions to STRS and SERS. This results in a blended rate of approximately a 4% increase per year fiscal years 2025 through 2028 being projected.

Fiscal year 2023 expenses are deflated due to ESSER grant funding one-time reductions.

Line 3.03

Purchased Services are anticipated to be approximately \$8,537,922 for fiscal year 2024. Fiscal year 2023 expenses were inflated due to paying the district's reserve requirement for the new COG self-insurance plan. The majority of this expense was offset with the transfer-in mentioned in line item 2.04. Additional expenses were related to construction projects for fiscal year 2023. An increase of approximately 3.00% per year is projected for fiscal years 2026 through 2028 based on history of this expenditure line item.

Line 3.04

Supplies and Materials are projected to be \$2,289,045 for the fiscal year 2023. An increase of approximately 3.00% per year is projected fiscal years 2025 through 2028.

Line 3.05

Capital Outlay is anticipated to be \$2,437,014 for fiscal year 2024. Fiscal years 2021, 2022, and 2023 reflect significant project work throughout most of the district's educational buildings. This work includes items such as HVAC, masonry, asphalt, and roofing. An increase of approximately 3.00% per year is projected for fiscal years 2026 through 2028.

Line 4.30

Other Objects expenditures are projected to be \$1,171,835 for fiscal year 2024. Other Objects expenditures are projected to increase 3.00% for fiscal years 2025 through 2028.

Line 5.01

Operating Transfers-Out are projected at \$200,000 for fiscal years 2024 through 2028. The primary reason for the transfers is to supplement the Food Service and Athletic programs.

Line 5.02

Advances-Out are projected at \$300,000 for fiscal years 2024 through 2028 based on advances already made, history of advances, and anticipated repayment of advances-in and advances-out throughout each fiscal year. Activity in this line item is primarily due to a result of cash flow operating procedures. Advances-In will offset this line-item.

Line 8.01

Estimated Encumbrances are projected to be \$5,000,000 fiscal years 2024 through 2028.

"Please visit the Ohio Department of Education website at <ftp://ftp.ode.state.oh.us/geodoc/5-yrForecast/>."