

OLMSTED FALLS CITY SCHOOL DISTRICT - CUYAHOGA COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2021, 2022, and 2023 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2024, THROUGH JUNE 30, 2028



Forecast Provided By
Brett Robson, Treasurer/CFO
Olmsted Falls City School District

May 23, 2024

Olmsted Falls City School District

Cuyahoga County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2021, 2022 and 2023 Actual;
Forecasted Fiscal Years Ending June 30, 2024 Through 2028

	Actual				Average Change	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
Revenues										
1.010	General Property Tax (Real Estate)	\$25,103,155	\$28,839,080	\$29,279,733	8.2%	\$29,946,875	\$30,079,751	\$30,435,649	\$30,591,305	\$30,807,975
1.020	Public Utility Personal Property Tax	1,777,688	1,929,583	2,028,853	6.8%	2,329,405	2,474,214	2,577,714	2,681,214	2,784,714
1.030	Income Tax	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
1.035	Unrestricted State Grants-in-Aid	14,060,250	13,040,539	13,195,257	-3.0%	13,155,915	12,993,780	12,995,715	12,999,850	13,004,752
1.040	Restricted State Grants-in-Aid	372,689	675,286	663,300	39.7%	888,823	739,363	739,363	739,363	739,363
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
1.050	State Share of Local Property Taxes	3,232,541	3,325,620	3,362,271	2.0%	3,530,929	3,340,887	3,388,683	3,409,111	3,438,273
1.060	All Other Revenues	1,048,749	1,505,695	1,538,947	22.9%	1,399,151	1,410,458	1,421,879	1,433,414	1,445,064
1.070	Total Revenues	\$45,595,072	\$49,315,803	\$50,068,361	4.8%	\$51,251,098	\$51,038,453	\$51,559,003	\$51,854,257	\$52,220,141
Other Financing Sources										
2.010	Proceeds from Sale of Notes	2,500,000	-	87,066	0.0%	\$0	\$0	\$0	\$0	\$0
2.020	State Emergency Loans (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	-	-	-	0.0%	-	-	-	-	-
2.050	Advances-In	30,000	-	-	0.0%	-	-	-	-	-
2.060	All Other Financing Sources	362,709	692,284	574,266	36.9%	\$574,266	\$574,266	\$574,266	\$574,266	\$574,266
2.070	Total Other Financing Sources	\$2,892,709	\$692,284	\$661,332	-40.3%	\$574,266	\$574,266	\$574,266	\$574,266	\$574,266
2.080	Total Revenues and Other Financing Sources	\$48,487,781	\$50,008,087	\$50,729,693	2.3%	\$51,825,364	\$51,612,719	\$52,133,269	\$52,428,523	\$52,794,407
Expenditures										
3.010	Personal Services	\$26,797,611	\$26,841,555	\$27,108,785	0.6%	\$27,882,353	\$29,063,739	\$30,424,153	\$31,844,378	\$32,712,309
3.020	Employees' Retirement/Insurance Benefits	9,780,689	10,729,432	11,909,618	10.3%	12,804,628	13,451,227	14,195,728	14,942,250	15,433,975
3.030	Purchased Services	4,796,096	4,710,390	6,308,582	16.1%	5,917,273	5,400,331	5,472,807	5,546,487	5,621,393
3.040	Supplies and Materials	1,042,545	1,277,207	1,418,663	16.8%	1,621,729	1,637,947	1,654,326	1,670,869	1,687,578
3.050	Capital Outlay	14,693	17,009	5,073	-27.2%	370,027	267,543	271,035	314,702	288,852
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
Debt Service:										
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
4.055	Principal-Other	-	898,400	1,837,357	0.0%	99,700	-	-	-	-
4.060	Interest and Fiscal Charges	-	60,109	64,636	0.0%	\$19,500	\$0	\$0	\$0	\$0
4.300	Other Objects	605,318	694,270	784,939	13.9%	852,789	811,318	819,431	827,625	835,902
4.500	Total Expenditures	\$43,036,952	\$45,228,372	\$49,437,653	7.2%	\$49,567,999	\$50,632,105	\$52,837,480	\$55,146,311	\$56,580,009
Other Financing Uses										
5.010	Operating Transfers-Out	\$1,150,000	\$900,000	\$1,087,066	-0.5%	\$850,000	\$875,000	\$875,000	\$875,000	\$875,000
5.020	Advances-Out	64,968	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
5.030	All Other Financing Uses	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
5.040	Total Other Financing Uses	\$1,214,968	\$900,000	\$1,087,066	-2.6%	\$850,000	\$875,000	\$875,000	\$875,000	\$875,000
5.050	Total Expenditures and Other Financing Uses	\$44,251,920	\$46,128,372	\$50,524,719	6.9%	\$50,417,999	\$51,507,105	\$53,712,480	\$56,021,311	\$57,455,009
6.010	Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$4,235,861	\$3,879,715	\$204,974	-51.6%	\$1,407,365	\$105,614	(\$1,579,211)	(\$3,592,788)	(\$4,660,602)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$1,941,889	\$6,177,750	\$10,057,465	140.5%	\$10,262,439	\$11,669,804	\$11,775,417	\$10,196,207	\$6,603,418
7.020	Cash Balance June 30	\$6,177,750	\$10,057,465	\$10,262,439	32.4%	\$11,669,804	\$11,775,417	\$10,196,207	\$6,603,418	\$1,942,816
8.010	Estimated Encumbrances June 30	\$1,332,168	\$916,368	\$1,516,161	17.1%	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Reservation of Fund Balance										
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030	Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.040	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080	Subtotal	-	-	-	0.0%	-	-	-	-	-
10.010	Fund Balance June 30 for Certification of Appropriations	\$4,845,582	\$9,141,097	\$8,746,278	42.2%	\$11,369,804	\$11,475,417	\$9,896,207	\$6,303,418	\$1,642,816

Olmsted Falls City School District

Cuyahoga County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2021, 2022 and 2023 Actual;
Forecasted Fiscal Years Ending June 30, 2024 Through 2028

	Actual				Average Change	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 from Replacement/Renewal Levies										
11.010 Income Tax - Renewal				0.0%	-	-	-	-	-	-
11.020 Property Tax - Renewal or Replacement				0.0%	-	-	-	-	-	-
11.300 Cumulative Balance of Renewal Levies				0.0%	-	-	-	-	-	-
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>										
	\$4,845,582	\$9,141,097	\$8,746,278	42.2%	\$11,369,804	\$11,475,417	\$9,896,207	\$6,303,418	\$1,642,816	
Revenue from New Levies										
13.010 Income Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0	
13.020 Property Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0	
13.030 Cumulative Balance of New Levies	-	-		0.0%	-	-	-	-	-	
14.010 Revenue from Future State Advancements				0.0%	-	-	-	-	-	
15.010 <i>Unreserved Fund Balance June 30</i>	\$4,845,582	\$9,141,097	\$8,746,278	42.2%	\$11,369,804	\$11,475,417	\$9,896,207	\$6,303,418	\$1,642,816	

Olmsted Falls City School District – Cuyahoga County
Notes to the Five Year Forecast
General Fund Only
May 23, 2024

Introduction to the Five-Year Forecast

A forecast is like a future painting based on a snapshot of today. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast enables 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 significantly change their forecast or, at a minimum when required under the 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 of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental 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 of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three essential 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-year financial forecast by November 30, 2023, and May 31, 2024, for the fiscal year 2024 (July 1, 2023, to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2024 (July 1, 2023-June 30, 2024) is the first year of the five-year forecast and is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the May 2024 filing.

May 2024 Updates:

Revenues FY24

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 \$959,511 or 1.91% higher than the November forecasted amount of \$50.29 million. This indicates that the November forecast was 98.09% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our most significant source of revenues at 62.9% and are estimated to be \$32.27 million, which is \$507,590 higher for FY24 than the original November estimate of \$31.76 million. Our estimates are 98.40% accurate for FY24 and should mean future projections are also on target.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be \$14.04 million, which is \$140,690 higher than the original estimate for FY24. We are pleased that we were able to be 98.99% accurate for FY24. We are currently on the formula and are expected to become a guarantee district for FY25 through FY28.

Line 1.06 - Other revenues are up \$100,000 over original estimates, primarily due to interest received by the district, which are somewhat unpredictable from year to year.

All areas of revenue are tracking as anticipated for FY24 based on our best information at this time.

Expenditures FY24

Total General Fund expenditures (line 4.5) are estimated to be \$49.57 million for FY24, which is \$443,200 higher than the original estimate of \$49.12 million in the November forecast, which is roughly .9% higher than initial estimates which means our expenditures projections are 99.1% accurate.

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

Unreserved Ending Cash Balance

With revenues increasing from estimates and expenditures increasing, our ending unreserved cash balance June 30, 2024, is anticipated to be roughly \$11.37 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2028 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 economic delays noted above but also due to state legislative changes that will occur in the spring of 2025 and 2027 due to deliberation of the following two (2) state biennium budgets for FY26-27 and FY28-29, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws currently in effect. The items below give a short description of the current issues and the affect that may occur in the forecast in the 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 growth in appraised values every three (3) years and new construction growth with 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 65.7% of the district's resources. We believe there is a low risk that local collections will fall below projections throughout the forecast.

The legislature has formed a "Joint Committee on Property Tax Review and Reform" which is pending as of this forecast. We are watching these deliberations closely as they could impact future reappraisals. We are watching the Joint Committee carefully and will adjust the forecast pending their outcome.

2) Our district has property values in both Cuyahoga and Lorain Counties and will experience a reappraisal in the 2024 tax year to be collected in 2025. We are anticipating value increases for Class I and II property of \$99.28 million for an overall weighted average increase of 14.44%. However, there is always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that now.

3) The state budget represents 34.3% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to high inflation or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. In this forecast, two forthcoming State Biennium Budgets cover FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY28. We have projected our state funding in FY24 and FY25 based on the additional phase-in of HB33 (the Fair School Funding Plan). This forecast reflects state revenue to align with the FY25 funding levels through FY28, which we feel is conservative and should be close to what the state approves for the FY26-FY28 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

4) HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY24 reflects 50% of the implementation cost at year three of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed. The FSFP has made many significant changes to how 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. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY25.

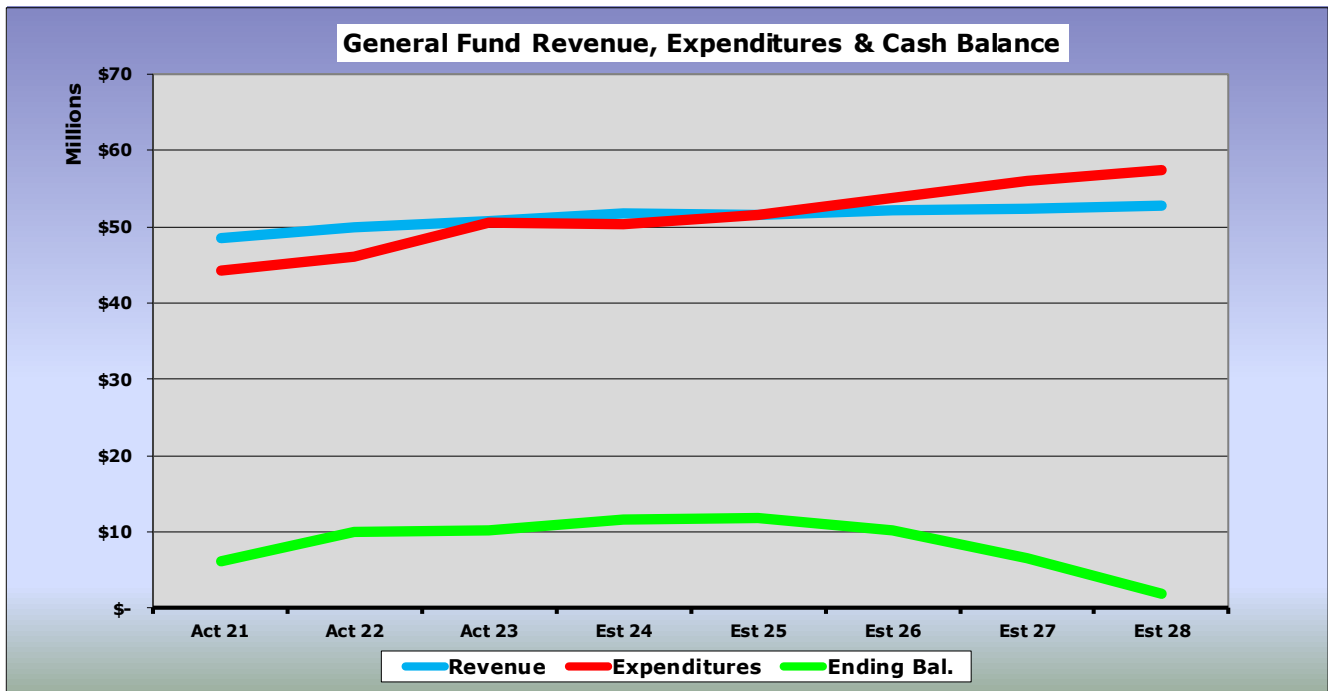
5) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid for by the state of Ohio can expose the district to new expenditures currently outside the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.

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. Our positive working relationship will continue and grow stronger as we move forward.

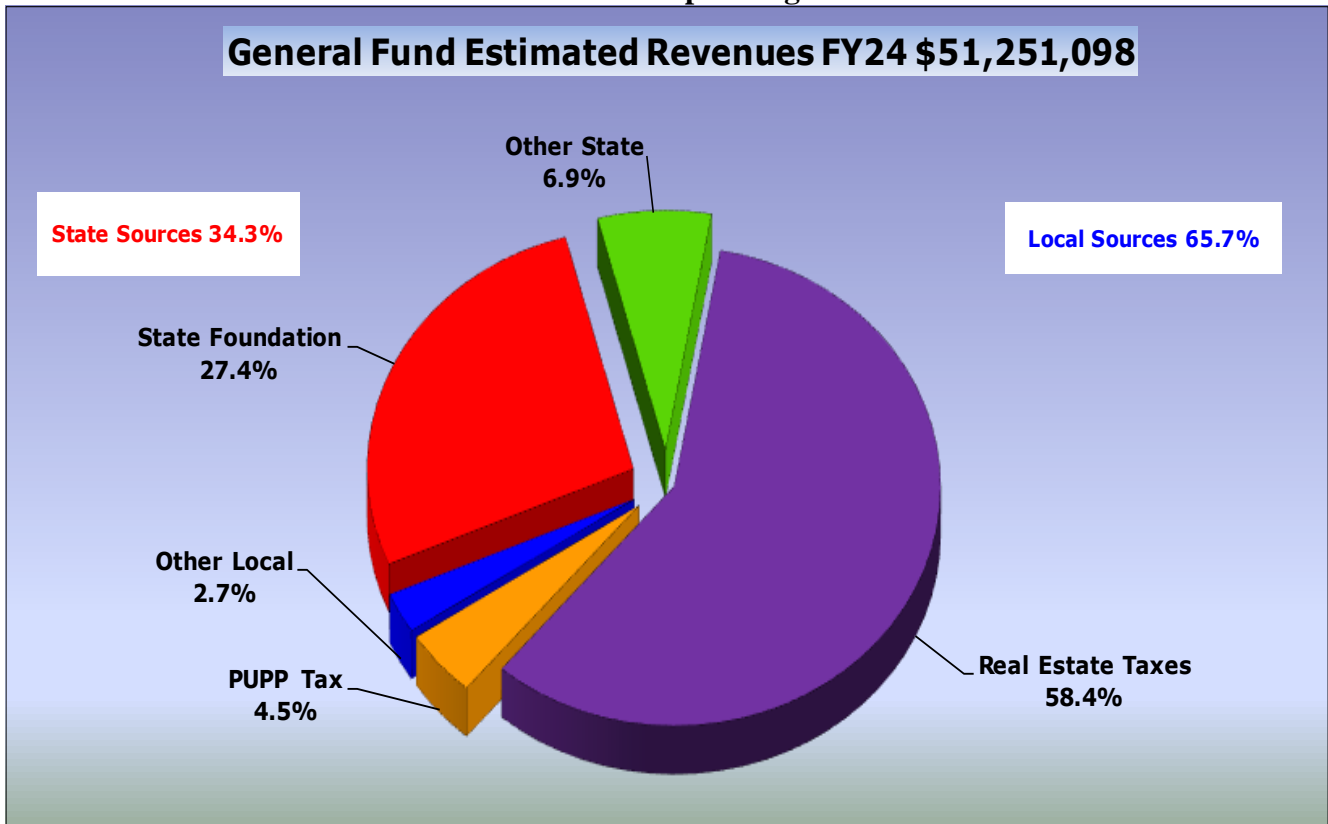
The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below to understand the overall financial forecast for our district. If you want further information, please contact Mr. Brett Robson, Treasurer/CFO, at 440.427.6000.

General Fund Revenue, Expenditures, and Ending Cash Balance Actual FY21-23 and Estimated FY24-28

The graph captures in one snapshot the operating scenario facing the District over the next few years, reflecting a slowly declining ending cash balance.



Revenue Assumptions Estimated General Fund Operating Revenues FY24



Real Estate Value Assumptions – Line #1.010

Property Values are established each year by the Cuyahoga and Lorain County Auditors based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Our district has property values in both Cuyahoga and Lorain Counties and will experience a reappraisal in the 2024 tax year to be collected in 2025. We are anticipating value increases for Class I and II property of \$99.28 million for an overall weighted average increase of 14.44%. However, there is always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that now.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
	TAX YEAR2023	TAX YEAR2024	TAX YEAR2025	TAX YEAR2026	TAX YEAR2027
<u>Classification</u>	<u>COLLECT 2024</u>	<u>COLLECT 2025</u>	<u>COLLECT 2026</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>
Res./Ag.	\$564,158,730	\$646,290,952	\$649,440,952	\$652,590,952	\$681,844,590
Comm./Ind.	123,594,630	140,747,878	140,597,878	140,447,878	141,702,357
Public Utility Personal Property (PUPP)	<u>23,405,450</u>	<u>24,405,450</u>	<u>25,405,450</u>	<u>26,405,450</u>	<u>27,405,450</u>
Total Assessed Value	<u>\$711,158,810</u>	<u>\$811,444,280</u>	<u>\$815,444,280</u>	<u>\$819,444,280</u>	<u>\$850,952,397</u>

ESTIMATED REAL ESTATE TAX (Line #1.010)

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Est. Real Estate Taxes	<u>\$29,946,875</u>	<u>\$30,079,751</u>	<u>\$30,435,649</u>	<u>\$30,591,305</u>	<u>\$30,807,975</u>

Property tax levies are estimated to be collected at 98.10% of the annual amount. This allows a 1.9% delinquency factor. In general, 52.50% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 47.50% in the August tax settlement.

The 8.9 mill property tax approved March 17, 2020, began collection activity in FY21 and was fully collected in FY22, which is why the reader will see a jump in collections from FY21 to FY22, for Lines 1.01, 1.02 and 1.05 of the forecast. All three (3) lines of the forecast will adjust due to the new levy.

New Tax Levies – Line #13.030 – No new levies are modeled in this forecast.

Estimated Public Utility Personal Property Tax (PUPP) – Line #1.020

The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted in the table above under P.U. Personal, which was \$23.4 million in assessed values in 2023 and is collected at the district’s gross voted millage rate. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor. The values in 2023 rose by 7.5% or \$1.64 million and are expected to grow by \$1 million each year of the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Public Utility Personal Property	<u>\$2,329,405</u>	<u>\$2,474,214</u>	<u>\$2,577,714</u>	<u>\$2,681,214</u>	<u>\$2,784,714</u>

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045
Current State Funding Model per HB33 through June 30, 2025

A) Unrestricted State Foundation & Casino Revenue – Line #1.035

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25. We have projected the funding in FY24 based on the April 2024 foundation settlement and funding factors for FY25 from the simulations provided by the Department of Education and Workforce.

Our district is currently a formula district in FY24 and is expected to be a guarantee district in FY25-FY28 due to reappraisal value increases. The state foundation funding formula has gone through many changes in recent years. The previous funding formula began in FY14. It was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, then HB110, as amended by HB583 for FY22 and FY23, with continuation of this formula in HB33 for FY24 and FY25. The current formula introduced 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 FY24 through FY28 compared to real data in FY21 through FY23 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecasts.

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.

Base Cost Approach - Unrestricted Basic Aid Foundation Funding

The current funding formula uses FY22 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 prices will not update for FY24 and FY25 and remain frozen at FY22 levels, while other factors impacting a district’s local capacity will update for FY24. Base costs per pupil include 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 \$8,242.19 per pupil in FY24, 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 be 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. HB33 increased the minimum state share from 5% in FY23 to 10% for FY24 and FY25. 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 the 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 the most recent three-year average federal adjusted gross income of district residents or the most recent year, whichever is lower, divided by base students enrolled.
- 3. 20% based on the most recent year’s federal median income of district 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 are added together, the total is 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 multiplied by the local share multiplier index for each district. The result is the local per pupil capacity 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). It 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, not a specific amount. 10% will be reduced from all districts' calculations to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding is 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 37.5% in FY24 and 41.67% in FY25.

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) – Formerly Economically Disadvantaged Funding is based on the number and concentration of economically disadvantaged students compared to the state average and multiplied by \$422 per pupil. Phase-in increases are limited to 50% for FY24 and 66.67% in FY25.
2. English Learners – Based on funded categories based on the time students 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.
5. Student Wellness and Success Funds – These funds are based on initiatives similar to those for DPIA. They are restricted funds for school climate, attendance, discipline, and academic achievement programs.

State Funding Phase-In FY24 and FY25 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, which was amended by HB583 in June 2022 and has now extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it will consist of a general phase-in percentage for most components of 50% in FY24 and 66.67% in FY25.

The funding formula 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 FY24 and FY25 than they received in FY21.

Future State Budget Projections beyond FY25

Our funding status for FY26-28 will depend on unknown (2) new state budgets. There is no guarantee that the current Fair School Funding Plan in HB33 will be funded or continued beyond FY25; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY26 through FY28.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of 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, beginning for the first time on January 31, 2013.

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY22, was \$109.39 million for schools or \$62.86 per pupil, in FY23, the funding totaled \$113.1 million or \$64.90 per pupil, and in FY24 the funding totaled \$114.11 million or \$65.44 average per pupil. We expect the casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Basic Aid-Unrestricted	\$12,403,604	\$12,203,397	\$12,203,397	\$12,203,397	\$12,203,397
Additional Aid Items	<u>528,057</u>	<u>562,377</u>	<u>562,377</u>	<u>562,377</u>	<u>562,377</u>
Basic Aid-Unrestricted Subtotal	\$12,931,661	\$12,765,774	\$12,765,774	\$12,765,774	\$12,765,774
Ohio Casino Commission ODT/Credentials	<u>224,254</u>	<u>228,006</u>	<u>229,941</u>	<u>234,076</u>	<u>238,978</u>
Total Unrestricted State Aid Line #1.035	<u>\$13,155,915</u>	<u>\$12,993,780</u>	<u>\$12,995,715</u>	<u>\$12,999,850</u>	<u>\$13,004,752</u>

B) Restricted State Foundation Revenue – Line #1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged Funding) and Career Technical funding. In addition, new restricted funds have been added under “Restricted Categorical Aid” for Gifted, English Learners (ESL), and Student Wellness. We have estimated revenues for these new restricted funding lines using current April funding factors and using the simulations from the Department of Education and Workforce for FY25. The amount of DPIA is limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY28 due to uncertainty on continued funding of the current funding formula.

HB33 set aside \$64 million state-wide to subsidize the cost of high-quality instructional materials (HQIM) purchased by schools and districts aligned to the Science of Reading. The funds are provided to support both high-quality core curriculum and instructional materials in English language areas and evidenced-based reading intervention programs. The district received \$152,670 from this one-time subsidy in FY24 and is required to maintain documentation as to how the funds were leveraged along with expenses incurred beyond the subsidy.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
DPIA	\$44,797	\$58,997	\$58,997	\$58,997	\$58,997
Career Tech - Restricted	5,648	2,948	2,948	2,948	2,948
Gifted	207,786	200,306	200,306	200,306	200,306
ESL	14,959	15,389	15,389	15,389	15,389
Student Wellness	462,963	461,723	461,723	461,723	461,723
Other Restricted State Funds	<u>152,670</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1.040	<u>\$888,823</u>	<u>\$739,363</u>	<u>\$739,363</u>	<u>\$739,363</u>	<u>\$739,363</u>

C) Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

<u>SUMMARY</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Unrestricted Line #1.035	\$13,155,915	\$12,993,780	\$12,995,715	\$12,999,850	\$13,004,752
Restricted Line #1.040	888,823	739,363	739,363	739,363	739,363
Rest. Federal Funds #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$14,044,738</u>	<u>\$13,733,143</u>	<u>\$13,735,078</u>	<u>\$13,739,213</u>	<u>\$13,744,115</u>

**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 before 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. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years or older or disabled, regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who still need to get their Homestead Exemption approved or those who did not get a new application approved for the tax year 2013 and who become eligible after that 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 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.

Summary of State Tax Reimbursement – Line #1.050

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Rollback and Homestead	<u>\$3,530,929</u>	<u>\$3,340,887</u>	<u>\$3,388,683</u>	<u>\$3,409,111</u>	<u>\$3,438,273</u>

Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been open enrollment, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees.

HB110, the previous state budget, stopped 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 FY24-FY28 Line 1.06 revenues and historical FY21 through FY23 revenues on the five-year forecast. Open-enrolled students will be counted in the enrolled student base at the school district where they are being educated, and state aid will follow the students. Open-enrolled student revenues will be included in Line 1.035 as basic state aid.

Interest income is up in FY24 is based on district cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. Once the economy stabilizes, there will be pressure on the Federal Reserve to lower interest rates, which we believe will be sometime in 2024, decreasing the opportunity for more significant interest income for the district. We will continue to monitor the investments for the district.

Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historical trends.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Service Provided Other Entities	\$148,721	\$150,208	\$151,710	\$153,227	\$154,759
Medicaid	68,192	68,874	69,563	70,259	70,962
Tuition payments	160,604	162,210	163,832	165,470	167,125
Interest	623,223	629,455	635,750	642,108	648,529
Dues & Fees	129,950	131,250	132,563	133,889	135,228
Miscellaneous Receipts	<u>268,461</u>	<u>268,461</u>	<u>268,461</u>	<u>268,461</u>	<u>268,461</u>
Total Other Local Revenue Line #1.060	<u>\$1,399,151</u>	<u>\$1,410,458</u>	<u>\$1,421,879</u>	<u>\$1,433,414</u>	<u>\$1,445,064</u>

Tax Anticipation Note Borrowing – Line #2.010

Ohio Revised Code 133.24 and 5705.21 allows the District to borrow up to 50% of the annual \$5,189,000 expected collection from the new operating levy. The District believed it was prudent to borrow these funds in FY21 in order to avoid any cash flow concerns that could occur over the course of the next few years. The District issued a \$2,500,000 Tax Anticipation Note (TAN) dated November 1, 2020, in FY21. The debt will be repaid over a three (3) year period at 1.87% interest, with annual interest and principal payments beginning November 1, 2021 and ending November 1, 2023, as noted on line 4.055.

Transfers In / Return of Advances – Line #2.040 & Line #2.050

These 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.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Transfers In - Line #2.040	<u>\$0</u>	\$0	\$0	\$0	\$0
Advance Returns - Line #2.050	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances In	\$0	\$0	\$0	\$0	\$0

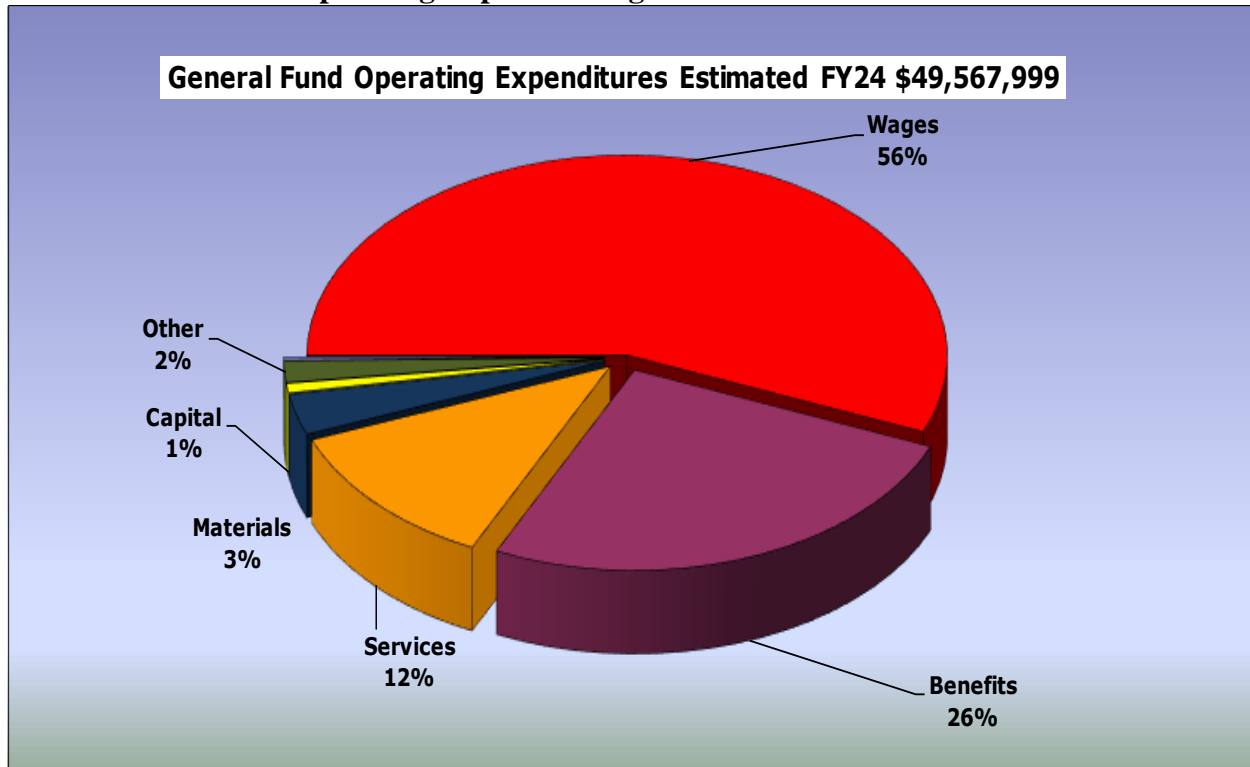
All Other Financial Sources – Line #2.060 & Line #14.010

This funding source is typically a refund of prior year expenditures that is very unpredictable. We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive additional refunds in the coming years. These revenues are inconsistent year to year, and we will not project that occurring in the remainder of the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Refund of prior years expenditures & Catastrophic	<u>\$574,266</u>	<u>\$574,266</u>	<u>\$574,266</u>	<u>\$574,266</u>	<u>\$574,266</u>

Expenditures Assumptions

All Operating Expense Categories – General Fund FY24



Wages – Line #3.010

During FY21, in order to reduce cost and work toward a balanced budget the District did not replace various employees resigning or retiring along with laying off 13.5 certified staff, 1 mechanic and 1 admin/exempt position. These cost savings will be permanent and future retirements and/or resignations will be handled in the same manner. The Board of Education approved a one year roll over for the expired OFEA and OAPSE union contract that called for a 0% base increase. There was a 0% base increases called for FY22-24 with a 3.0% base increase for FY25 through FY27 per the ratified collective bargaining agreements for both the OFEA and OAPSE Associations. ESSER II and ESSER III funds will be used to pay staff increases under continuity of services provisions of the CARES Act for FY22-FY24 with step and academic training increases coming from the General Fund. These federal dollars will help prevent us from reducing staff further so we can focus on closing the gaps in learning loss our students may have incurred due to COVID-19.

Trend and attrition savings have been made reducing costs by \$146,667 for FY22 and \$188,592 in FY23. Other staff changes have been made to reduce salaries and realign staff to further maintain savings already put in place for FY21 and continue to offer quality services. For instance, restructuring job reassignments in the central office resulted in no additional cost but provided an additional FTE for other work assignments.

Negotiations with bargaining unit members resulted in an agreement to include base increases of 3.0% for FY25 through FY27. Fiscal years 28 and beyond are noted as a 1.5% increase.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Base Wages	\$26,503,607	\$27,268,038	\$28,440,103	\$29,791,008	\$31,206,081
Base Increase	0	818,041	853,203	893,730	312,061
Steps & Training	471,764	477,191	497,702	521,343	546,106
Growth/Replacement Staff	292,667	49,333	0	0	0
Substitutes	158,852	163,618	168,527	169,033	174,104
Supplementals	455,463	460,018	464,618	469,264	473,957
Wage Adjustments & Cuts	0	(172,500)	0	0	0
Total Wages Line #3.010	<u>\$27,882,353</u>	<u>\$29,063,739</u>	<u>\$30,424,153</u>	<u>\$31,844,378</u>	<u>\$32,712,309</u>

Fringe Benefits Estimates Line #3.020

This area of the forecast captures all benefits and retirement costs. These payments and HSA costs are included in the table below. Trend and attrition adjustments for FY22 were made to reduce costs by \$53,460 and in FY23 \$68,742 to further tighten actual costs.

A) STRS/SERS will increase as Wages Increase

As the law requires, the BOE pays 14% of all employee wages to STRS or SERS. The district is also required to pay SERS Surcharge, an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance

We are realized an increase of 14% for FY24, and have been notified of a 6.6% increase for FY25. Fiscal Years 26 and 27 also have a planned increase of 6.6%, with a 3.5% planned increase for FY28.

The Further Consolidated Appropriations Act of 2020 included a full repeal of three taxes initially 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 uncertain factors for our healthcare costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately .25% of wages FY24– FY28. Unemployment is likely to remain at a shallow level FY24-FY28. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of wage increases 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

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
A) STRS/SERS	\$4,327,587	\$4,505,213	\$4,714,422	\$4,934,869	\$5,079,022
B) Insurance's	7,730,753	8,215,118	8,757,316	9,282,755	9,607,651
C) Workers Comp/Unemployment	69,918	72,339	76,018	79,427	81,510
D) Medicare	397,321	402,508	418,923	441,150	461,743
Other/Tuition/Incentive	<u>279,049</u>	<u>256,049</u>	<u>229,049</u>	<u>204,049</u>	<u>204,049</u>
Total Fringe Benefits Line #3.020	<u>\$12,804,628</u>	<u>\$13,451,227</u>	<u>\$14,195,728</u>	<u>\$14,942,250</u>	<u>\$15,433,975</u>

Purchased Services – Line #3.030

HB110, the previous state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education will directly pay these costs to the educating districts for open enrollment, community, and STEM schools and for scholarships granted to 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 offer these amounts below as zeros to help reflect the difference between projected FY24-FY28 Line 3.03 costs and historical FY21 through FY23 costs on the five-year forecast. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends.

College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. We reduced costs in purchased services for FY20 and 21 for the Fund 467 recoding for our SROs and then returned these costs to the General Fund in FY23-28.

We did spend \$600,000 in FY24 for track replacement and reducing costs bringing preschool back in-house to the district in FY24.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Legal Fees, PD, and Other Misc.	\$2,428,774	\$2,453,062	\$2,477,593	\$2,502,368	\$2,527,392
Contract Substitute	550,000	550,000	550,000	550,000	550,000
Repairs & Maint., Property Ins., Other Misc.	1,045,638	466,551	475,882	485,399	495,107
Tuition & Scholarship Costs	414,634	422,927	431,386	440,013	448,814
College Credit Plus	201,234	205,259	209,364	213,551	217,822
Transportation	362,337	369,583	376,975	384,515	392,205
Utilities	<u>914,656</u>	<u>932,949</u>	<u>951,608</u>	<u>970,640</u>	<u>990,053</u>
Total Purchased Services Line #3.030	<u>\$5,917,273</u>	<u>\$5,400,331</u>	<u>\$5,472,807</u>	<u>\$5,546,487</u>	<u>\$5,621,393</u>

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. The District has reduced costs for building supplies and is increasing costs for curriculum textbook of \$250,000 in FY24. Although this area is one of the smallest expenditure lines, it is also one of the most controllable when in a time of financial stress. Continued year over year reduction in costs can lead to prolonged replacement schedules for technology and maintenance items. Additional ESSER II and III funds have been or will be allocated to our district that can be used through September 30, 2023 and September 30, 2024 respectively, which will be used to purchase textbooks and materials in FY21 and offset costs through FY26. These purchases will help academic support for lost learning due to school closures as a result of the pandemic. We will also be looking for other approved areas such as HVAC improvements that ESSER funds can be used for through FY24.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
General Office Supplies and Materials	\$453,884	\$458,423	\$463,007	\$467,637	\$472,313
Textbooks	337,059	340,430	343,834	347,272	350,745
Building Maintenance	359,291	362,884	366,513	370,178	373,880
Transportation Fuel and Supplies	<u>471,495</u>	<u>476,210</u>	<u>480,972</u>	<u>485,782</u>	<u>490,640</u>
Total Line #3.040	<u>\$1,621,729</u>	<u>\$1,637,947</u>	<u>\$1,654,326</u>	<u>\$1,670,869</u>	<u>\$1,687,578</u>

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 category is used when the District purchases items over \$500 and with a useful life of 10 years or greater. Main cost that are reflected here are busses for the transportation fleet. With an average bus age of 12 years, the District needs to stick to a replacement schedule. For FY22 through FY25 we have entered into capital lease purchase agreement for 3 busses in FY22, and replacing one additional bus annually thereafter, with the payments noted below. In addition, we entered into a five (5) year lease purchase agreement for busses with payments beginning in FY23 that will add \$69,700 to the bus purchase line through FY27.

We added \$185,000 in FY24 for technology improvements and replacement.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Capital Outlay & Technology	\$190,327	\$69,843	\$73,335	\$77,002	\$80,852
Bus Purchases & Lease	<u>179,700</u>	<u>197,700</u>	<u>197,700</u>	<u>237,700</u>	<u>208,000</u>
Total Equipment Line #3.050	<u>\$370,027</u>	<u>\$267,543</u>	<u>\$271,035</u>	<u>\$314,702</u>	<u>\$288,852</u>

Tax Anticipation Note Principal and Interest Payment – Line #4.055 and #4.060

The District issued a \$2,500,000 Tax Anticipation Note (TAN) dated November 1, 2020, for a three (3) year period at 1.87% interest, with annual interest and principal payments beginning November 1, 2021 and ending November 1, 2023. The district paid the TAN off early in FY23 which is one year earlier than expected and will save the district interest costs. The district has no outstanding General Fund debt other than the bus leases which will pay off in FY27.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Principal TANS Line #4.020	\$0	\$0	\$0	\$0	\$0
Principal State Loans Line #4.030	0	0	0	0	0
Principal State Advances Line #4.040	0	0	0	0	0
Principal Operating Levy TANS Line #4.055	<u>99,700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Principal Payments	<u>\$99,700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Interest on TANS #4.060	<u>\$19,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. Increased auditor and treasurer fees for the new 8.9 mill levy are shown increasing in FY21 and FY22 as those will be added collection costs for the new levy.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
County Auditor & Treasurer Fees	\$578,953	\$584,743	\$590,590	\$596,496	\$602,461
ESC Deduction	22,184	22,406	22,630	22,856	23,085
Other expenses	<u>251,652</u>	<u>204,169</u>	<u>206,211</u>	<u>208,273</u>	<u>210,356</u>
Total Other Expenses Line #4.300	<u>\$852,789</u>	<u>\$811,318</u>	<u>\$819,431</u>	<u>\$827,625</u>	<u>\$835,902</u>

Transfers Out/Advances Out – Line #5.010

This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they can repay the General Fund. The table below presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table below. The forecast transfer out is for the general dollars that are used to pay supplemental wages from the Student Activity fund (300) and for the Food Service fund (006) to cover losses and maintain a positive cash position.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Operating Transfers Out Line #5.010	\$850,000	\$875,000	\$875,000	\$875,000	\$875,000
Advances Out Line #5.020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances Out	\$850,000	\$875,000	\$875,000	\$875,000	\$875,000

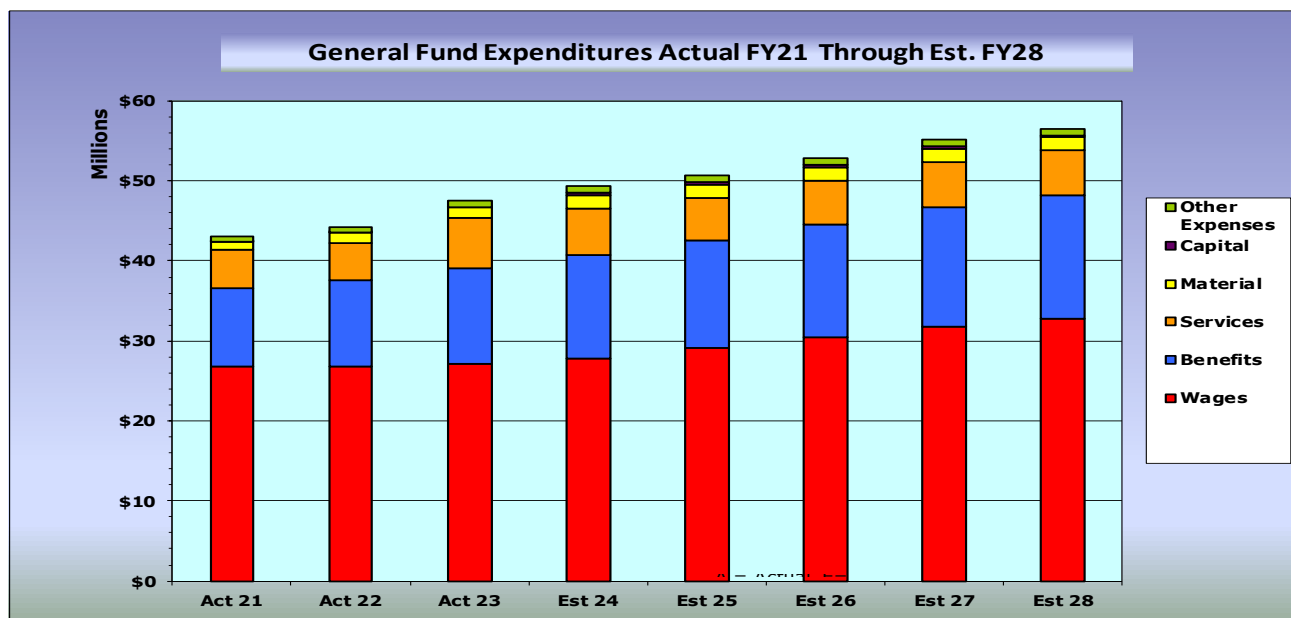
Encumbrances – Line #8.010

These outstanding purchase orders have yet to be approved for payment, as the goods were not received in the fiscal year in which they were ordered.

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Estimated Encumbrances	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>

Operating Expenditures Actual FY21 through FY23 and Estimated FY24-FY28

As the graph on the following page indicates, we have been diligent at reducing costs in reaction to lower and flat state revenues in FY20 and FY21. Reductions made in FY21 are noted in the graph for FY21 and FY22.



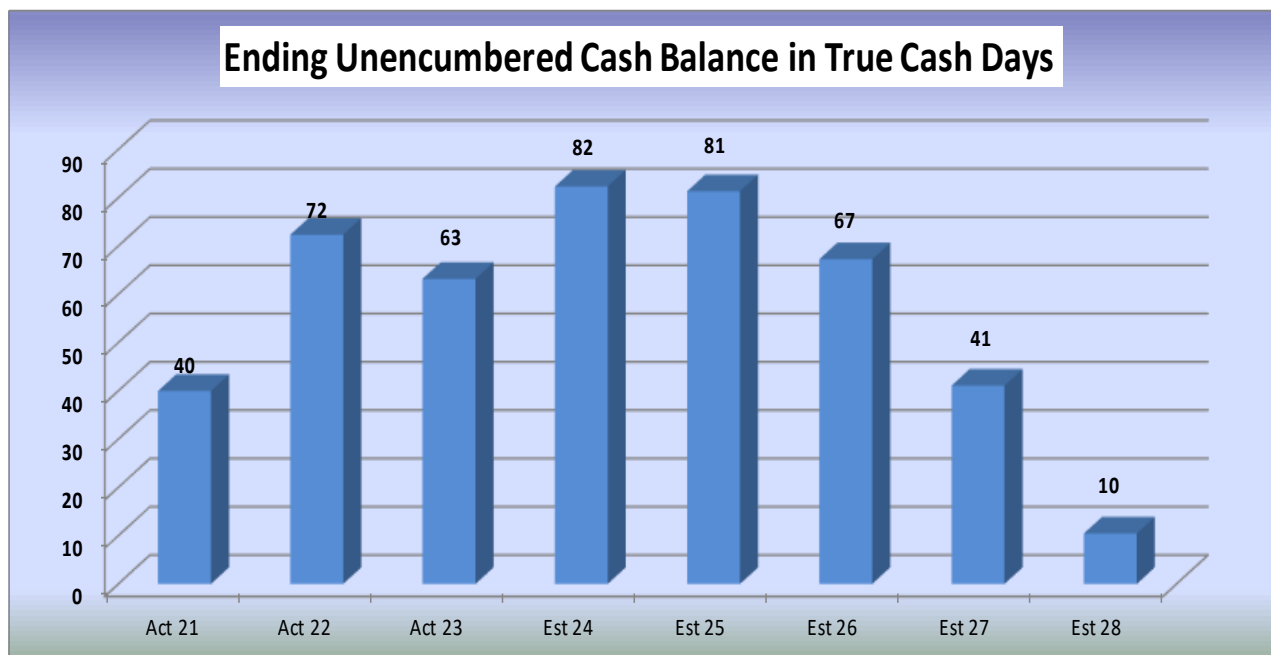
Ending Unencumbered Cash Balance – Line #15.010

This amount must not go below \$0, or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract knowingly signed those results in a negative unencumbered cash balance violates 5705.412, ORC, punishable by the personal liability of \$10,000. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about \$4.05 million for our district.

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Ending Cash Balance	<u>\$11,369,804</u>	<u>\$11,475,417</u>	<u>\$9,896,207</u>	<u>\$6,303,418</u>	<u>\$1,642,816</u>

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 Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The government Finance Officers Association recommends that no less than two (2) months or 60 days of cash is on hand at year-end. Still, it 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.



Conclusion

Olmsted Falls City School District receives 34.3% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

The district administration is grateful for the changes in the current state budget HB33 as it has reduced the amount that was deducted for programs that were not within the district’s control. However, future state budgets funding will need to be watched since the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in state budgets for FY26-FY28.

As the administration plans for the future, they will need to make sure that the district is able to obtain positive cash balance throughout the forecast. They will need to review the expenditures based on the current revenues in order to obtain this.

As you read through the notes and review the forecast, remember that the forecast is based on the best information that is available to us at the time the forecast is prepared.