

**BRECKSVILLE-BROADVIEW HEIGHTS 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  
Brecksville-Broadview Heights City School District  
Treasurer's Office  
Craig Yaniglos, Treasurer/CFO  
May 22, 2024**

# Brecksville-Broadview Heights 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	
<b>Revenues</b>										
1.010 General Property Tax (Real Estate)	\$38,695,637	\$39,287,331	\$39,770,524	1.4%	\$40,356,140	\$40,496,768	\$40,786,640	\$40,933,353	\$41,225,930	
1.020 Public Utility Personal Property Tax	2,448,994	2,539,154	2,650,582	4.0%	2,791,183	2,771,197	2,810,412	2,849,627	2,909,592	
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0	
1.035 Unrestricted State Grants-in-Aid	4,831,990	4,208,925	4,588,410	-1.9%	4,733,594	5,044,793	4,950,987	4,857,312	4,863,806	
1.040 Restricted State Grants-in-Aid	299,714	764,977	708,505	73.9%	901,574	683,429	683,429	683,429	683,429	
1.045 Restricted Federal Grants-in-Aid	0	0	0	0.0%	0	0	0	0	0	
1.050 State Share of Local Property Taxes	4,113,356	4,139,716	4,155,231	0.5%	4,181,098	4,259,700	4,330,123	4,338,827	4,367,666	
1.060 All Other Revenues	1,835,592	1,915,686	2,533,136	18.3%	3,145,598	2,424,031	2,349,218	2,230,240	2,134,419	
1.070 <b>Total Revenues</b>	<b>\$52,225,283</b>	<b>\$52,855,789</b>	<b>\$54,406,188</b>	<b>2.1%</b>	<b>\$56,109,187</b>	<b>\$55,679,918</b>	<b>\$55,910,809</b>	<b>\$55,892,788</b>	<b>\$56,184,842</b>	
<b>Other Financing Sources</b>										
2.010 Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0	
2.020 State Emergency Loans	0	0	0	0.0%	0	0	0	0	0	
2.040 Operating Transfers-In	0	0	0	0.0%	0	0	0	0	0	
2.050 Advances-In	0	0	0	0.0%	0	0	0	0	0	
2.060 All Other Financing Sources	36,898	156,817	38,209	124.7%	25,000	25,000	25,000	25,000	25,000	
2.070 <b>Total Other Financing Sources</b>	<b>\$36,898</b>	<b>\$156,817</b>	<b>\$38,209</b>	<b>124.7%</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>\$52,262,181</b>	<b>\$53,012,606</b>	<b>\$54,444,397</b>	<b>2.1%</b>	<b>\$56,134,187</b>	<b>\$55,704,918</b>	<b>\$55,935,809</b>	<b>\$55,917,788</b>	<b>\$56,209,842</b>	
<b>Expenditures</b>										
3.010 Personal Services	\$31,330,176	\$33,544,558	\$33,691,592	3.8%	\$34,377,784	\$35,712,488	\$36,155,622	\$37,686,286	\$38,723,112	
3.020 Employees' Retirement/Insurance Benefits	11,689,970	11,300,619	11,626,692	-0.2%	12,718,685	13,475,896	14,431,315	15,476,764	16,561,744	
3.030 Purchased Services	5,055,890	4,650,532	4,931,465	-1.0%	5,435,146	5,481,524	5,528,366	5,575,677	5,623,461	
3.040 Supplies and Materials	1,284,739	1,221,510	1,095,081	-7.6%	1,265,000	1,277,650	1,290,427	1,303,331	1,316,365	
3.050 Capital Outlay	101,099	21,328	72,485	80.5%	80,000	80,000	80,000	80,000	80,000	
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0	
Debt Service:				0.0%						
4.010 Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0	
4.020 Principal-Notes	0	0	0	0.0%	0	0	0	0	0	
4.030 Principal-State Loans	0	0	0	0.0%	0	0	0	0	0	
4.040 Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0	
4.050 Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0	
4.055 Principal-Other	0	0	0	0.0%	0	0	0	0	0	
4.060 Interest and Fiscal Charges	0	0	-	0.0%	0	0	0	0	0	
4.300 Other Objects	742,607	767,097	804,849	4.1%	849,527	849,527	849,527	849,527	849,527	
4.500 <b>Total Expenditures</b>	<b>\$50,204,481</b>	<b>\$51,505,644</b>	<b>\$52,222,164</b>	<b>2.0%</b>	<b>\$54,726,142</b>	<b>\$56,877,085</b>	<b>\$58,335,257</b>	<b>\$60,971,585</b>	<b>\$63,154,209</b>	
<b>Other Financing Uses</b>										
5.010 Operating Transfers-Out	\$632,564	\$93,627	\$185,113	6.3%	\$210,000	\$150,000	\$150,000	\$150,000	\$150,000	
5.020 Advances-Out	0	0	0	0.0%	0	0	0	0	0	
5.030 All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0	
5.040 <b>Total Other Financing Uses</b>	<b>\$632,564</b>	<b>\$93,627</b>	<b>\$185,113</b>	<b>6.3%</b>	<b>\$210,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>\$50,837,045</b>	<b>\$51,599,271</b>	<b>\$52,407,277</b>	<b>1.5%</b>	<b>\$54,936,142</b>	<b>\$57,027,085</b>	<b>\$58,485,257</b>	<b>\$61,121,585</b>	<b>\$63,304,209</b>	
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses</b>	<b>\$1,425,136</b>	<b>\$1,413,335</b>	<b>\$2,037,120</b>	<b>21.7%</b>	<b>\$1,198,045</b>	<b>(\$1,322,167)</b>	<b>(\$2,549,448)</b>	<b>(\$5,203,797)</b>	<b>(\$7,094,367)</b>	
7.010 <b>Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies</b>	<b>\$19,867,228</b>	<b>\$21,292,364</b>	<b>\$22,705,699</b>	<b>6.9%</b>	<b>\$24,742,819</b>	<b>\$25,940,864</b>	<b>\$24,618,697</b>	<b>\$22,069,249</b>	<b>\$16,865,452</b>	
7.020 <b>Cash Balance June 30</b>	<b>\$21,292,364</b>	<b>\$22,705,699</b>	<b>\$24,742,819</b>	<b>7.8%</b>	<b>\$25,940,864</b>	<b>\$24,618,697</b>	<b>\$22,069,249</b>	<b>\$16,865,452</b>	<b>\$9,771,085</b>	
8.010 <b>Estimated Encumbrances June 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	
<b>Reservation of Fund Balance</b>										
9.010 Textbooks and Instructional Materials	0	0	0	0.0%	0	0	0	0	0	
9.020 Capital Improvements	0	0	0	0.0%	0	0	0	0	0	
9.030 Budget Reserve	0	0	0	0.0%	0	0	0	0	0	
9.040 DPIA	0	0	0	0.0%	0	0	0	0	0	
9.045 Fiscal Stabilization	0	0	0	0.0%	0	0	0	0	0	
9.050 Debt Service	0	0	0	0.0%	0	0	0	0	0	
9.060 Property Tax Advances	0	0	0	0.0%	0	0	0	0	0	
9.070 Bus Purchases	0	0	0	0.0%	0	0	0	0	0	
9.080 <b>Subtotal Reservations of fund Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
10.010 <b>Fund Balance June 30 for Certification of Appropriations</b>	<b>\$21,292,364</b>	<b>\$22,705,699</b>	<b>\$24,742,819</b>	<b>7.8%</b>	<b>\$25,840,864</b>	<b>\$24,518,697</b>	<b>\$21,969,249</b>	<b>\$16,765,452</b>	<b>\$9,671,085</b>	

# Brecksville-Broadview Heights 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
<b>Revenue from Replacement/Renewal Levies</b>										
11.010	Income Tax - Renewal	0	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	0
11.300	Cumulative Balance of Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>										
12.010		\$21,292,364	\$22,705,699	\$24,742,819	7.8%	\$25,840,864	\$24,518,697	\$21,969,249	\$16,765,452	\$9,671,085
<b>Revenue from New Levies</b>										
13.010	Income Tax - New	0	0	0	0.0%	0	0	0	0	0
13.020	Property Tax - New	0	0	0	0.0%	0	0	0	4,573,502	8,846,233
13.030	Cumulative Balance of New Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$4,573,502	\$13,419,735
14.010	Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010	Unreserved Fund Balance June 30	\$21,292,364	\$22,705,699	\$24,742,819	7.8%	\$25,840,864	\$24,518,697	\$21,969,249	\$21,338,954	\$23,090,820

**Brecksville-Broadview Heights City School District – Cuyahoga County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**May 22, 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 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.

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-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 \$56.1 million or 2.44% higher than the November forecasted amount.

Line 1.01 and 1.02 - Property tax revenues represent our most significant source of revenues at 76.9% and are estimated to be \$43.1 million, which is higher than the original November estimate.

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 \$5.6 million, higher the original estimate for FY24 due to the restricted funding allocation for High Quality Instructional Materials.

Line 1.06 - Other revenues are up 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 \$54.7 million for FY24, which is on target with the original estimate in the November forecast.

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 ending primarily on target, our ending unreserved cash balance June 30, 2024, is anticipated to be roughly \$25.9 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 how they may affect our forecast in the long term:

- I. 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, predominately local taxes, equate to 82.5% of the district's resources. Our tax collections in the spring and fall settlements showed average collection trends. We believe there is a low risk that local collections would 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 and they could impact future reappraisals and possibly the impact of the 20 mill floor currently in law. We are watching the Joint Committee carefully and will adjust the forecast pending their outcome.

- II. Cuyahoga County experienced a reappraisal update in the 2021 tax year to be collected in FY22. The 2021 update increased overall assessed values by \$153.7 million or an increase of 13.8%. A reappraisal will occur in tax year 2024 for collection in FY25. The values are estimated to increase for Class I and II property by \$204 million for an overall increase of 16.04%. 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.
- III. The state budget represented 17.5% of district revenues, which means it is a significant area of risk to revenue. The future risk comes in FY26 and beyond if the state economy stalls due to the record 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.

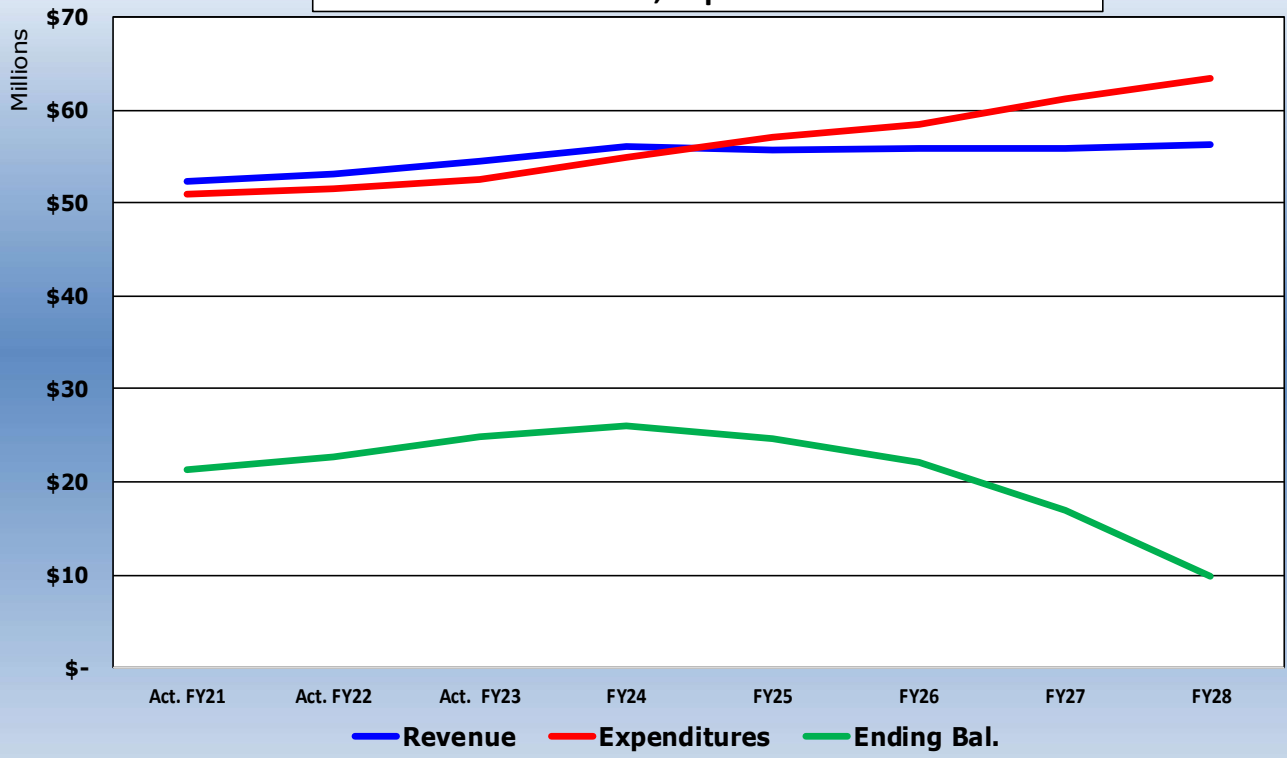
Future uncertainty in the state foundation funding formula and the state's economy make this area an elevated risk to district funding long-range through FY28. We have projected our state funding in FY24 and FY25 based on the additional phase-in of HB33 (the fair school funding plan). This forecast reflects 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 the future years as we have data to help guide this decision.

- IV. 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 FY24 and FY25.
- V. HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships including EdChoice Scholarships. These costs will no longer be deducted from our state aid. However, education option programs such as College Credit Plus continue to be deducted from state aid, increasing 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.
- VI. 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 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 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 Mrs. Craig Yaniglos, Treasurer of Brecksville-Broadview Heights City School District.

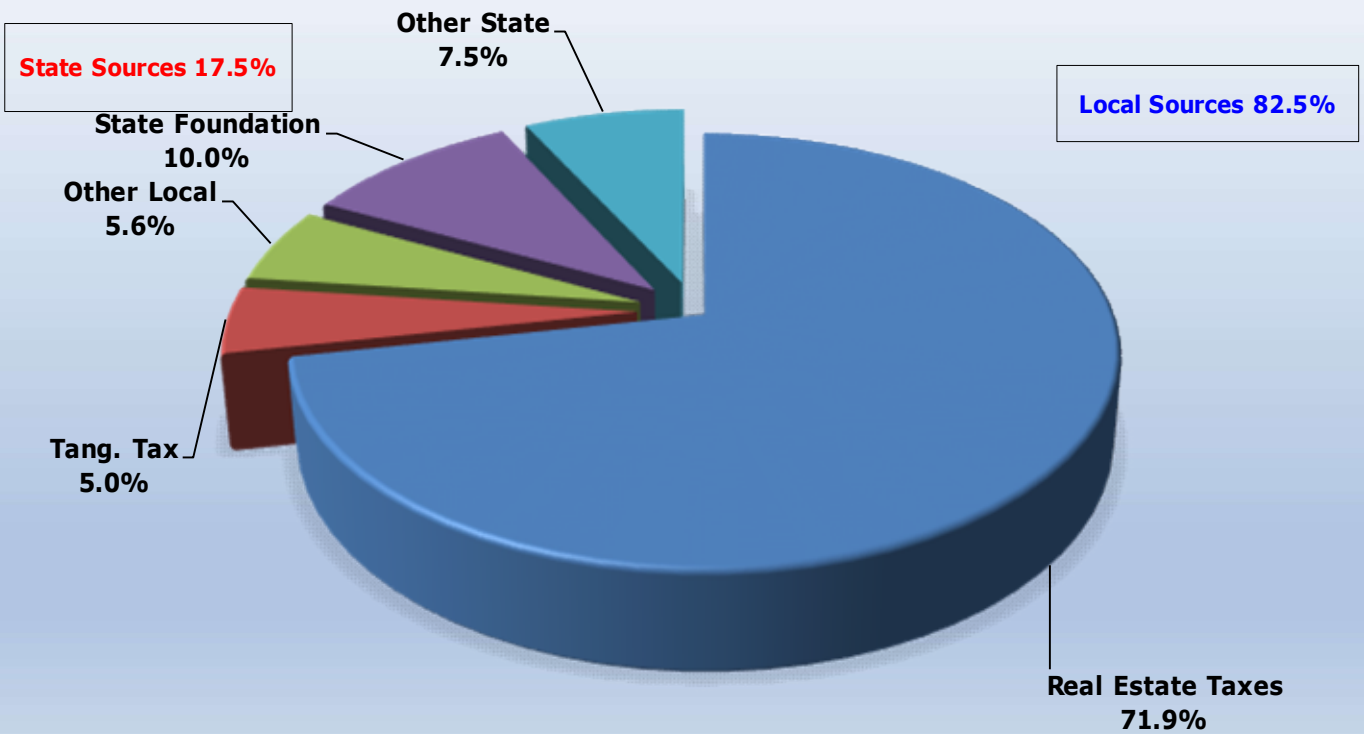
**General Fund Revenue, Expenditures and Ending Cash Balance Actual FY21-23 and Estimated FY24-28**  
The graph captures in one snapshot the operating scenario facing the District over the next few years.

**General Fund Revenue, Expenditures & Cash Balance**



**Revenue Assumptions  
Estimated General Fund Operating Revenues FY24**

**GENERAL FUND ESTIMATED REVENUES FY24 \$56,109,187**



**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 reappraisal update in Tax Year 2021 for collection in 2022. We realized an overall increase in our total tax base of 13.8% due to inflation and new construction.

A full reappraisal will occur in 2024 in Cuyahoga County and we estimate a 18.15% increase in residential and 4.89% in commercial property values. Residential/Agricultural and Commercial/Industrial values are estimated to increase by \$204 million or 16.04% overall.

Public Utility Personal Property (PUPP) values increased by \$1.62 million in Tax Year 2022. We expect our values to continue to grow by \$500,000 each year of the forecast.

**ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEAR**

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2023	TAX YEAR 2024	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027
Classification	COLLECT 2024	COLLECT 2025	COLLECT 2026	COLLECT 2027	COLLECT 2028
Res./Ag.	\$1,071,334,280	\$1,265,824,450	\$1,267,474,450	\$1,269,124,450	\$1,334,230,673
Comm./Ind.	203,299,030	213,230,991	215,030,991	216,830,991	222,967,611
Public Utility Personal Property (PUPP)	<u>35,053,380</u>	<u>35,553,380</u>	<u>36,053,380</u>	<u>36,553,380</u>	<u>37,053,380</u>
Total Assessed Value	<u>\$1,309,686,690</u>	<u>\$1,514,608,822</u>	<u>\$1,518,558,822</u>	<u>\$1,522,508,822</u>	<u>\$1,594,251,664</u>

**Tax Rate Assumptions**

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all general fund levies is 78.43 mills while the Class I effective millage rate is 29.10 mills and the Class II effective millage rate is 42.13 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is not on the floor for either Class I or Class II.

**ESTIMATED REAL ESTATE TAX (Line #1.010)**

Source	FY24	FY25	FY26	FY27	FY28
Est. Real Estate Taxes	<u>\$40,356,140</u>	<u>\$40,496,768</u>	<u>\$40,786,640</u>	<u>\$40,933,353</u>	<u>\$41,225,930</u>
Total Line #1.01 Real Estate Taxes	<u>\$40,356,140</u>	<u>\$40,496,768</u>	<u>\$40,786,640</u>	<u>\$40,933,353</u>	<u>\$41,225,930</u>

Property tax levies are estimated to be collected at 96% of the annual amount. This allows 4% delinquency factor. In general, 53.70% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 46.30% collected in the August tax settlement.

Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in March and 50% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

The district has entered into a Tax Increment Financing (TIF) Agreement. There is an estimated \$300,000 in revenue expected from the land value. Due to the timing of the land purchase, construction and other factors related to the agreement, we are holding off on reflecting this in the forecast until the actual impact becomes clear.

**New Tax Levies – Line #13.030** - The district is planning on a new property tax levy that will come on during the 2027 fiscal year.

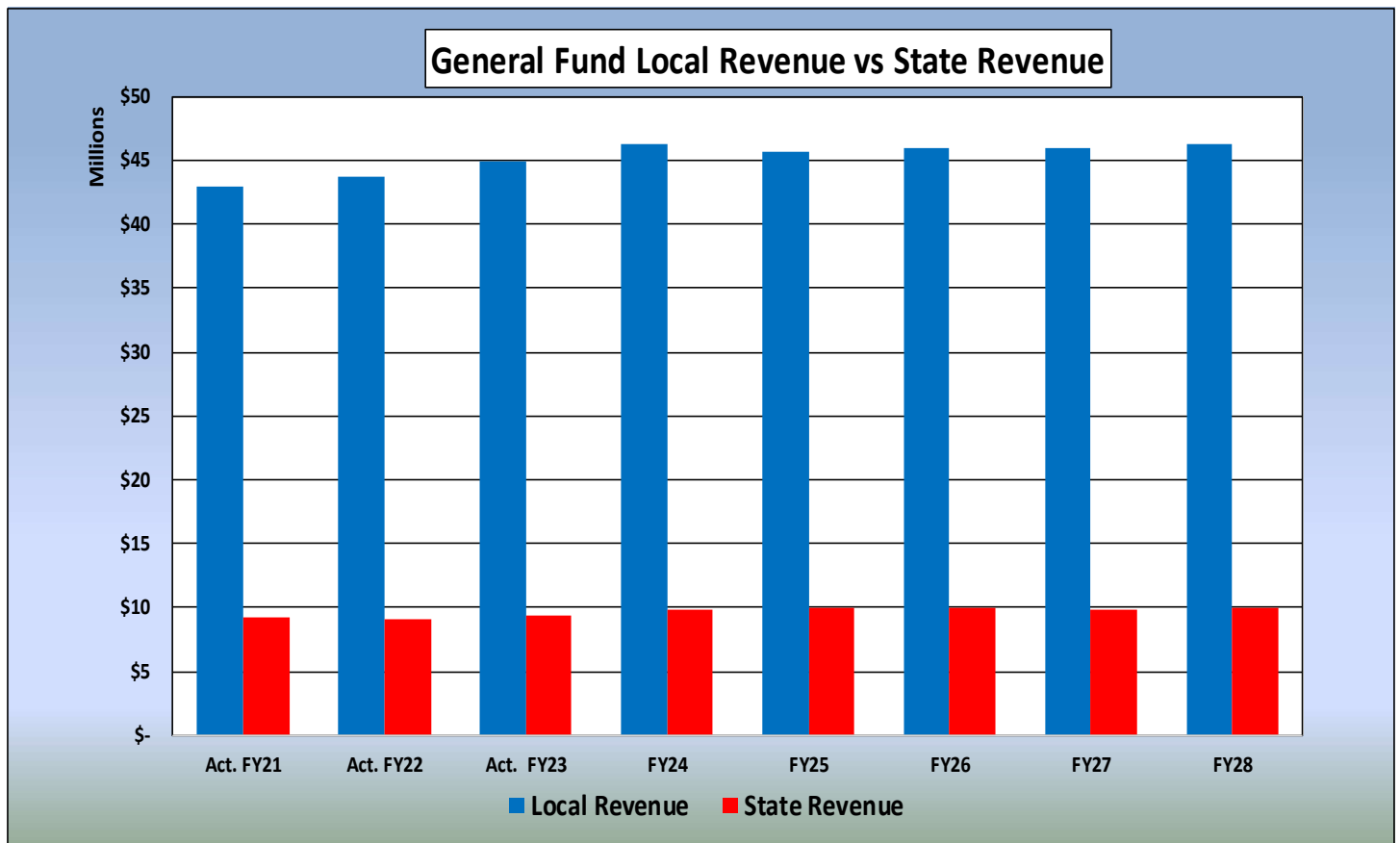
**Estimated Public Utility Personal Property Tax (PUPP) – Line #1.020**

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 \$35.1 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 minimally and are expected to grow by \$500,000 each year of the forecast.

Source	FY24	FY25	FY26	FY27	FY28
Public Utility Personal Property	\$2,791,183	\$2,771,197	\$2,810,412	\$2,849,627	\$2,909,592
Total PUPP Tax Line #1.020	\$2,791,183	\$2,771,197	\$2,810,412	\$2,849,627	\$2,909,592

**Comparison of Local Revenue and State Revenue:**

The following graph clearly shows that local taxpayers are the chief source of district operating dollars as the state funding formula is not attempting to help fund districts considered wealthy by the state. It is also apparent that revenue growth from the state has been and is projected to be mostly flat.



**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 Revenue– Line #1.035**

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25. We have projected FY24 funding based on the October 2023 foundation settlement and funding factors.

Our district is currently a guarantee district in FY24 and is expected to continue as a guarantee district in FY25-FY28 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14. It was then 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 actual data FY21 through FY23 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
- C. Personal Income of District Residents
- D. Historical Funding- CAPS and Guarantees from prior funding formulas

**Base Cost Approach- Unrestricted Basic Aid Foundation Funding**

The new 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 that includes base 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 two new unknown 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 for the opening of four (4) casinos one each 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% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31<sup>st</sup> of January and August each year which began 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 \$113.11 million or \$65.02 average per pupil. We expect the casino revenues to have resumed their historical growth rate and are assuming a 2.0% annual growth rate for the remainder of the forecast.

Source	FY24	FY25	FY26	FY27	FY28
Basic Aid-Unrestricted	\$3,961,928	\$4,223,626	\$4,123,626	\$4,023,626	\$4,023,626
Additional Aid Items	<u>531,404</u>	<u>574,876</u>	<u>574,876</u>	<u>574,876</u>	<u>574,876</u>
Basic Aid-Unrestricted Subtotal	4,493,332	4,798,502	4,698,502	4,598,502	4,598,502
Ohio Casino Commission ODT	<u>240,262</u>	<u>246,291</u>	<u>252,485</u>	<u>258,810</u>	<u>265,304</u>
Total Unrestricted State Aid Line #1.035	<u>\$4,733,594</u>	<u>\$5,044,793</u>	<u>\$4,950,987</u>	<u>\$4,857,312</u>	<u>\$4,863,806</u>

### B) Restricted State Revenues – 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. The district has elected to also post Catastrophic Aid for special education as restricted revenues. We have estimated revenues for these new restricted funding lines using current October funding factors. 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 \$204,304 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.

Source	FY24	FY25	FY26	FY27	FY28
Economically Disadvantaged Aid	\$13,007	\$15,157	\$15,157	\$15,157	\$15,157
ESL	11,057	12,340	12,340	12,340	12,340
Gifted	132,837	115,518	115,518	115,518	115,518
Career Tech - Restricted	0	0	0	0	0
Student Wellness	140,369	140,414	140,414	140,414	140,414
Other Restricted	204,304				
Catastrophic Aid	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
Total Restricted State Revenues Line #1.040	<u>\$901,574</u>	<u>\$683,429</u>	<u>\$683,429</u>	<u>\$683,429</u>	<u>\$683,429</u>

### C) Restricted Federal Grants in Aid – Line #1.045

No federal unrestricted grants are 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	\$4,733,594	\$5,044,793	\$4,950,987	\$4,857,312	\$4,863,806
Restricted Line #1.040	901,574	683,429	683,429	683,429	683,429
Rest. Federal Funds #1.045	0	0	0	0	0
Total State Foundation Revenue	<u>\$5,635,168</u>	<u>\$5,728,222</u>	<u>\$5,634,416</u>	<u>\$5,540,741</u>	<u>\$5,547,235</u>

### State Share of Local Property Tax – Line #1.050

#### a) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax 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. 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.

#### 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>\$4,181,098</u>	<u>\$4,259,700</u>	<u>\$4,330,123</u>	<u>\$4,338,827</u>	<u>\$4,367,666</u>
b) TPP Reimbursement - Fixed Rate	0	0	0	0	0
c) TPP Reimbursement - Fixed Sum	0	0	0	0	0
Total Tax Reimbursements #1.050	<u>\$4,181,098</u>	<u>\$4,259,700</u>	<u>\$4,330,123</u>	<u>\$4,338,827</u>	<u>\$4,367,666</u>

### 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, interest, student fees, Medicaid payments and general rental fees.

Interest income is based on the district's 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.

They district is expected to begin collecting TIF revenue from the recent TIF agreement. We are reflecting this revenue the forecast. The current estimates on TIF revenue have changed significantly from the original estimates as the projects and agreements have changed.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Tuition Related Payments	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Medicaid	250,000	75,000	75,000	75,000	75,000
Class & Sports Oriented Fees	278,951	278,951	278,951	278,951	278,951
Interest Earnings	1,300,000	700,000	600,000	480,000	384,000
Payments In Lieu of Taxes (TIF)	61,647	115,080	140,267	141,289	141,468
Rental Related Fees	25,000	25,000	25,000	25,000	25,000
Erate	0	0	0	0	0
Miscellaneous	<u>230,000</u>	<u>230,000</u>	<u>230,000</u>	<u>230,000</u>	<u>230,000</u>
Total Other Local Revenue Line #1.060	<u>\$3,145,598</u>	<u>\$2,424,031</u>	<u>\$2,349,218</u>	<u>\$2,230,240</u>	<u>\$2,134,419</u>

**Short-Term Borrowing – Lines #2.010 & Line #2.020**

There is no short-term borrowing projected in this forecast.

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

The district does not have any projected revenue in these lines.

**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. For future years we are estimating an amount of refunds that align with historical collections. Due to the nature of these collections, this forecast does not assume future collections in this section.

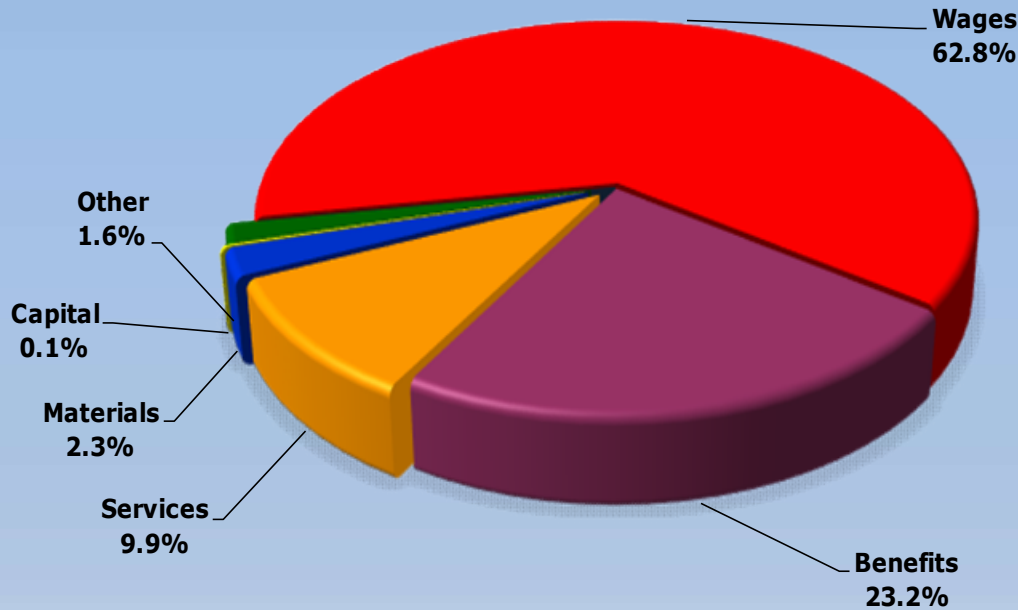
<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Refund of prior years expenditures	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>

**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.

**Estimated General Fund Operating Expenditures for FY24**

**GENERAL FUND OPERATING EXPENDITURES EST. FY24  
\$54,726,142**



**Personnel Services – Employee’s Salaries & Wages – Line #3.010**

Negotiations with bargaining unit members resulted in an agreement to include base increases of 2.75% for FY24. The newest agreement includes a base increase of 2.75% in FY25, 2.85% in FY26 and 3.25% in FY27 for certified and a base increase of 2.85% in FY25, 3.0% in FY26 and 3.00% in FY27 for classified. For planning purposes a 1.75% base increase is planned FY28.

Source	FY24	FY25	FY26	FY27	FY28
Base Wages	\$32,200,000	\$33,137,784	\$33,731,263	\$35,057,120	\$36,567,520
Based Pay Increase	885,500	911,289	961,341	1,139,356	639,932
Steps & Academic Training	251,000	300,000	364,516	371,044	385,628
Growth Staff	0	(600,000)	0	0	0
New Building Staff	53,192	8,905	0	0	0
Substitutes	275,000	275,000	275,000	275,000	275,000
Supplementals	590,000	606,225	623,502	643,766	655,032
Severance	375,000	1,100,000	200,000	200,000	200,000
SWSF & CARES Adjustments	0	0	0	0	0
Other Adjustments/Reductions	(251,908)	(26,715)	0	0	0
<b>Total Wages Line #3.010</b>	<b>\$34,377,784</b>	<b>\$35,712,488</b>	<b>\$36,155,622</b>	<b>\$37,686,286</b>	<b>\$38,723,112</b>

**Employee’s Retirement & Insurance Benefits Estimates Line #3.02**

This area of the forecast captures all costs associated with benefits and retirement costs, all of which are directly related to the wages paid with the exception of health and life insurance benefits.

**A) STRS/SERS**

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 must pay SERS Surcharge, which is an additional employer charge based on the salaries of lower-paid members.

**B) Insurance**

The district has a 13.5% increase in premiums estimated for FY24 and 12% increases estimated for FY25. For FY26 we are estimating a 11% increase and FY27 – FY28 we are showing increases of 10% each year. By FY27, the district will pay 83.5% instead of the previous rate of 85%.

**C) Workers Compensation & Unemployment Compensation**

Workers Compensation is expected to remain at about 0.56% of wages in fiscal year FY24. FY25 through FY28 we are showing a slight decrease. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

**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.

**E) Other/Tuition**

The district reimburses employees for the tuition to further their education to maintain licensure for teaching. The district does not anticipate any increase during the forecast.

**Summary of Fringe Benefits – Line #3.02**

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
A) STRS/SERS	\$5,278,657	\$5,346,556	\$5,539,756	\$5,773,937	\$5,941,748
B) Insurance's	6,785,846	7,450,804	8,193,392	8,975,731	9,873,304
C) Workers Comp/Unemployment	146,500	151,500	164,705	171,440	176,002
D) Medicare	498,477	517,831	524,257	546,451	561,485
Other/Tuition/Annuities	<u>9,205</u>	<u>9,205</u>	<u>9,205</u>	<u>9,205</u>	<u>9,205</u>
Total Fringe Benefits Line #3.020	<u>\$12,718,685</u>	<u>\$13,475,896</u>	<u>\$14,431,315</u>	<u>\$15,476,764</u>	<u>\$16,561,744</u>

**Purchased Services – Line #3.030**

HB110, the previous state budget, impacted Purchased Services as the Ohio Department of Education will began 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. We have continued to show these amounts below as zeros to help reflect the difference between projected FY24-FY28 Line 3.03 costs and previous years. 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.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Professional & Technical Services, ESC	\$2,700,000	\$2,727,000	\$2,754,270	\$2,781,813	\$2,809,631
Maintenance, Insurance & Garbage Removal	530,000	535,300	540,653	546,060	551,521
Professional Development	75,000	75,750	76,508	77,273	78,046
Communications, Postage, & Telephone	88,000	88,880	89,769	90,667	91,574
Utilities	1,150,000	1,161,500	1,173,115	1,184,846	1,196,694
Contracted Trades & Services	94,798	95,746	96,703	97,670	98,647
Tuition, Excess Costs & Scholarship Costs	600,000	600,000	600,000	600,000	600,000
Open Enrollment & Community School Costs	0	0	0	0	0
College Credit Plus	100,000	100,000	100,000	100,000	100,000
Contract Transportation	97,348	97,348	97,348	97,348	97,348
Other Adjustments SWSF, CARES, Etc.	0	0	0	0	0
Miscellaneous Purchased Services	0	0	0	0	0
Total Purchased Services Line #3.030	<u>\$5,435,146</u>	<u>\$5,481,524</u>	<u>\$5,528,366</u>	<u>\$5,575,677</u>	<u>\$5,623,461</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.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
General Office Supplies & Materials	\$550,000	\$555,500	\$561,055	\$566,666	\$572,333
Textbooks & Instructional Supplies	40,000	40,400	40,804	41,212	41,624
Facility Supplies & Materials	250,000	252,500	255,025	257,575	260,151
Transportation Fuel & Supplies	425,000	429,250	433,543	437,878	442,257
Other adjustments SWSF, CARES, Etc.	0	0	0	0	0
Total Supplies Line #3.040	<u>\$1,265,000</u>	<u>\$1,277,650</u>	<u>\$1,290,427</u>	<u>\$1,303,331</u>	<u>\$1,316,365</u>

### Capital Outlay – 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.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Capital Outlay & Maintenance	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Technology/Curriculum Purchases	30,000	30,000	30,000	30,000	30,000
Busses & Other Vehicles	0	0	0	0	0
Other adjustments SWSF, CARES, Etc.	0	0	0	0	0
Total Equipment Line #3.050	<u>\$80,000</u>	<u>\$80,000</u>	<u>\$80,000</u>	<u>\$80,000</u>	<u>\$80,000</u>

### Principal and Interest Payment – Lines #4.010 through 4.060

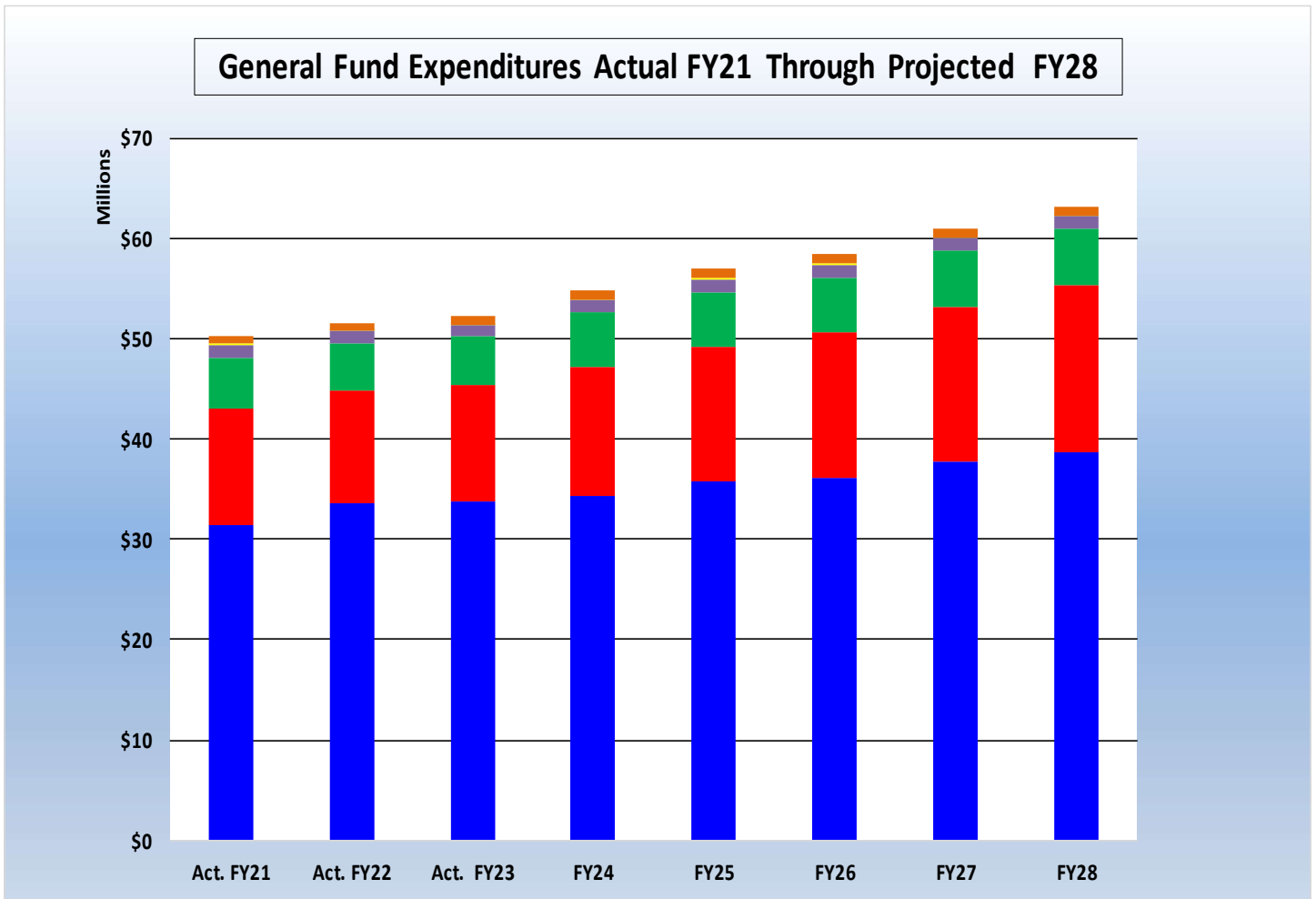
There are no borrowings planned in the forecast period.

### Other Objects – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. We are projecting no increase in this area.

Source	FY24	FY25	FY26	FY27	FY28
County Auditor & Treasurer Fees	\$575,000	\$575,000	\$575,000	\$575,000	\$575,000
ESC Deduction	23,095	23,095	23,095	23,095	23,095
Increased A&T Fees for New Levies	0	0	0	0	0
Dues, Fees & other Expenses	<u>251,432</u>	<u>251,432</u>	<u>251,432</u>	<u>251,432</u>	<u>251,432</u>
Total Other Expenses Line #4.300	<u>\$849,527</u>	<u>\$849,527</u>	<u>\$849,527</u>	<u>\$849,527</u>	<u>\$849,527</u>

**Total Expenditure Categories Actual Fiscal Year 2021 through Fiscal Year 2023 and Estimated Fiscal Year 2024 through Fiscal Year 2028**



**Transfers Out/Advances Out – Line #5.010**

This account group covers fund to fund transfers and end of year short term loans from the General Fund to other funds until they have received reimbursements to repay the General Fund.

Source	FY24	FY25	FY26	FY27	FY28
Operating Transfers Out Line #5.010	\$210,000	\$150,000	\$150,000	\$150,000	\$150,000
Advances Out Line #5.020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances Out	<u>\$210,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>

**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.

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Estimated Encumbrances Line #8.010	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>

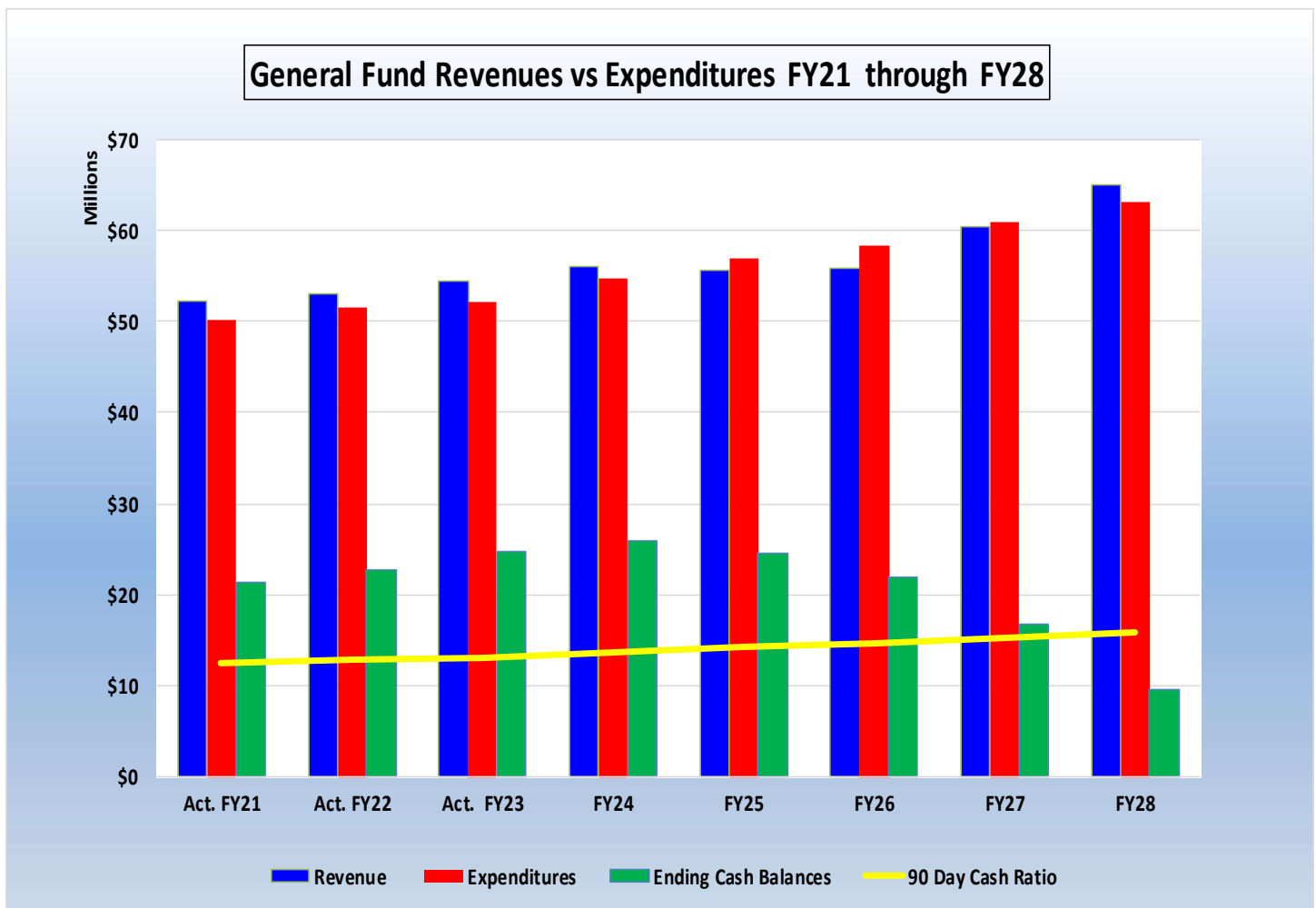
**Ending Unencumbered Cash Balance “The Bottom-line” – Line #15.010**

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 which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000. It is recommended by the GFOA and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance.

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Ending Unreserved Cash Balance Line #15.01	<u>\$25,840,864</u>	<u>\$24,518,697</u>	<u>\$21,969,249</u>	<u>\$21,338,954</u>	<u>\$23,090,820</u>

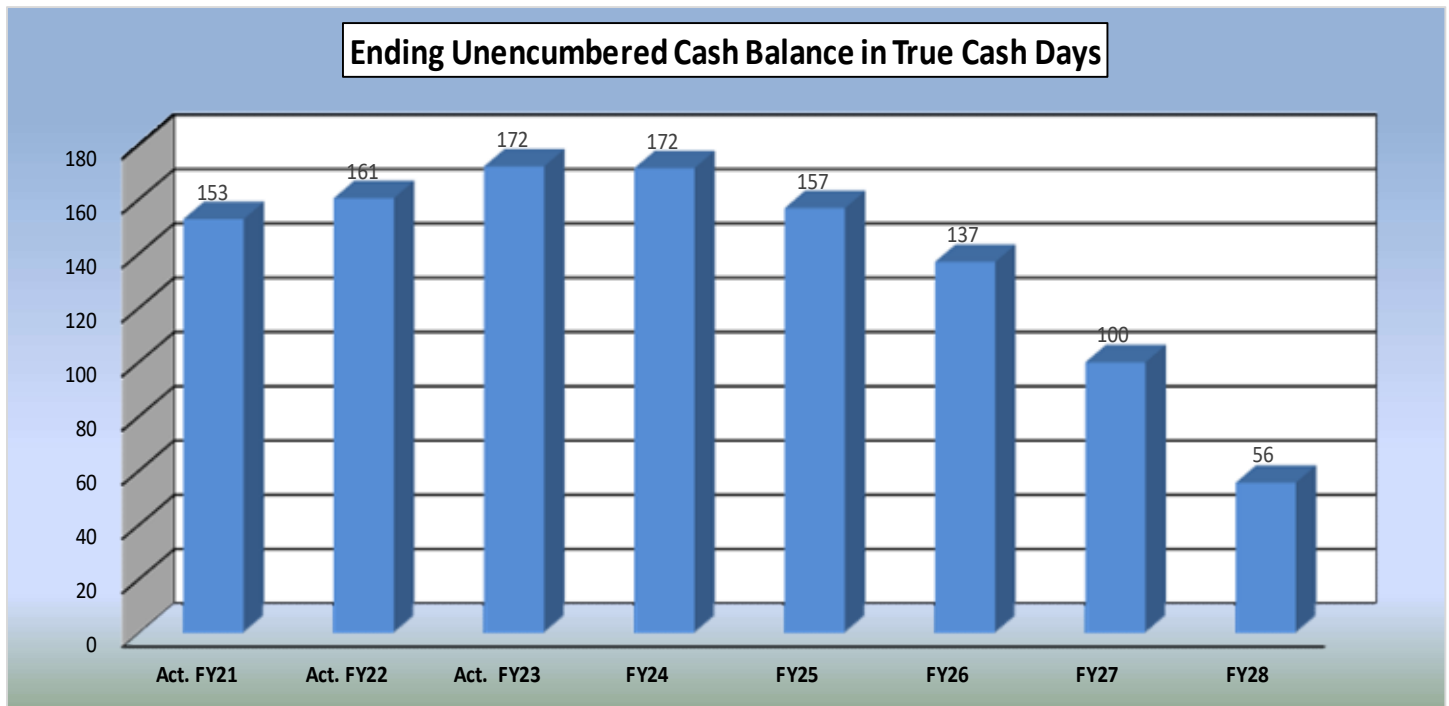
**Operating Expenditures Actual FY21 through FY23 and Estimated FY24-FY28**

As the graph on the following page indicates, we have been diligent at managing 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.



### 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 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. The district adopted a cash balance policy requiring a minimum of 90 days of true days cash in order to maintain financial stability.



### CONCLUSION

Brecksville-Broadview Heights City School District receives 17.5% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

District administrations appreciate the supportive Brecksville-Broadview Heights community and are actively planning for the future needs of our students while keeping an eye on the financial stability of the district. The administration is mindful that there are many risks and uncertainties that will need to be considered in future planning.

As you read through the notes and review the forecast, remember that the forecast is based on the information that is known at the time that it is prepared.