General Fund
Five Year Forecast
July 1, 2024,
Through June 30,
2029

May 08, 2025

Presented By:
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Treasurer/CFO

O.R.C. and O.A.C. Requirements

- O.R.C. 5705.391 and O.A.C. 3301-92-04
  - Require a Board of Education to submit a five-year projection of operational revenues and expenditures along with assumptions to the Ohio Department of Education prior to November 30th and an update by May 31st of each fiscal year

  - Required funds to be included in the five-year forecast are:
    - General Funds (001)
    - Any special cost center associated with general fund money
    - Emergency levy funds (016)
    - Any debt service (002) activity that would otherwise have gone to the general fund

Purposes and Objectives of the Forecast



Engage the Board of Education and community in long range planning and discussions of financial issues facing our schools.



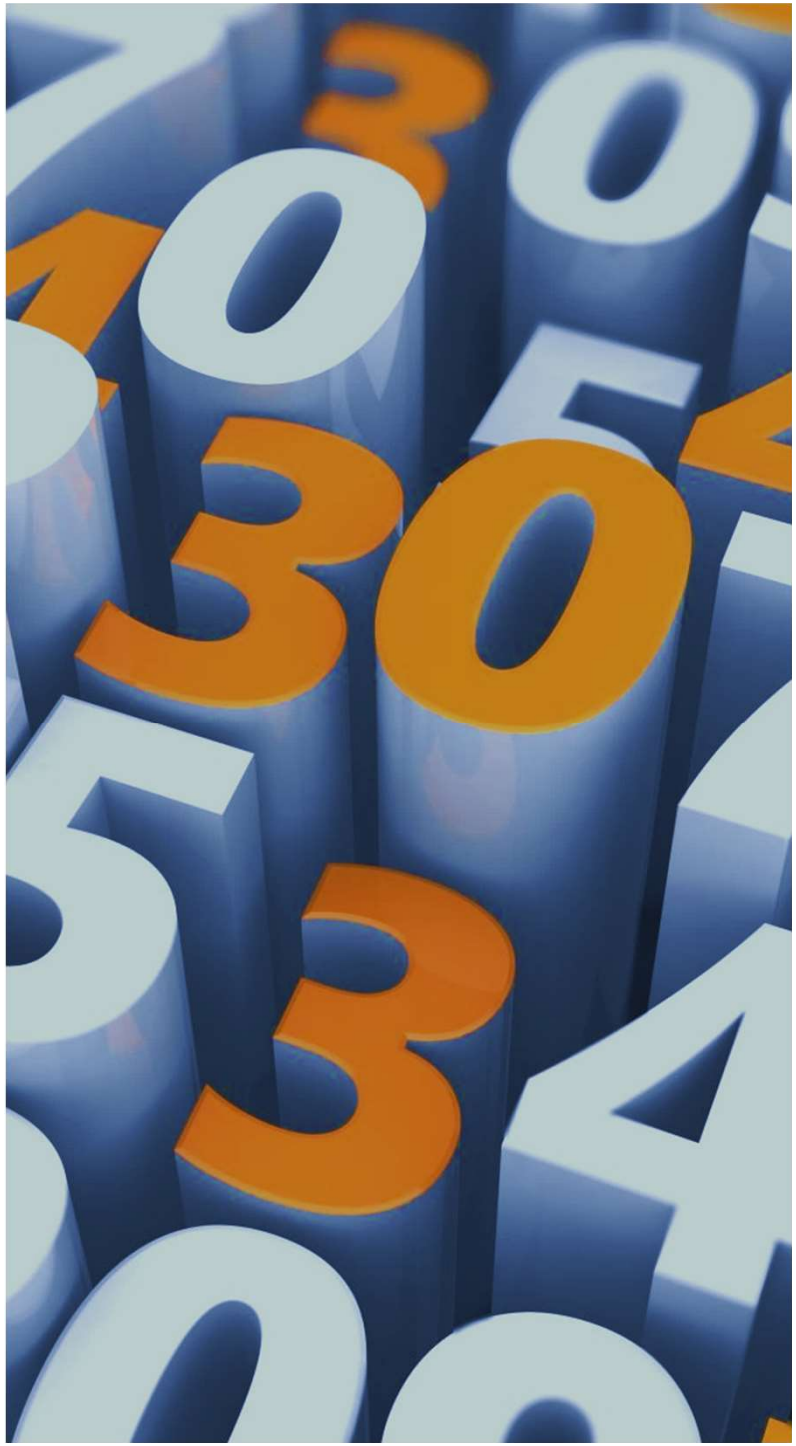
To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. 5705.412, commonly known as the "412 certificate".



To provide a method for the Ohio Department of Education and Auditor of State to identify school districts with potential financial problems.

Before we get to the numbers …

- A financial forecast is somewhat like a painting of the future based upon a snapshot of today.
- The five-year forecast is viewed as a key management tool and should be updated periodically.
- In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, one must review and consider the *Notes and Assumptions* before drawing conclusions or using the data as a basis for other calculations.
- The five-year forecast encourages district management teams to examine future years' projections and identify when challenges will arise.
- This helps district management to be proactive in meeting those challenges.



Key Line Items



The five-year forecast is divided into two sections: revenue and expenditures.

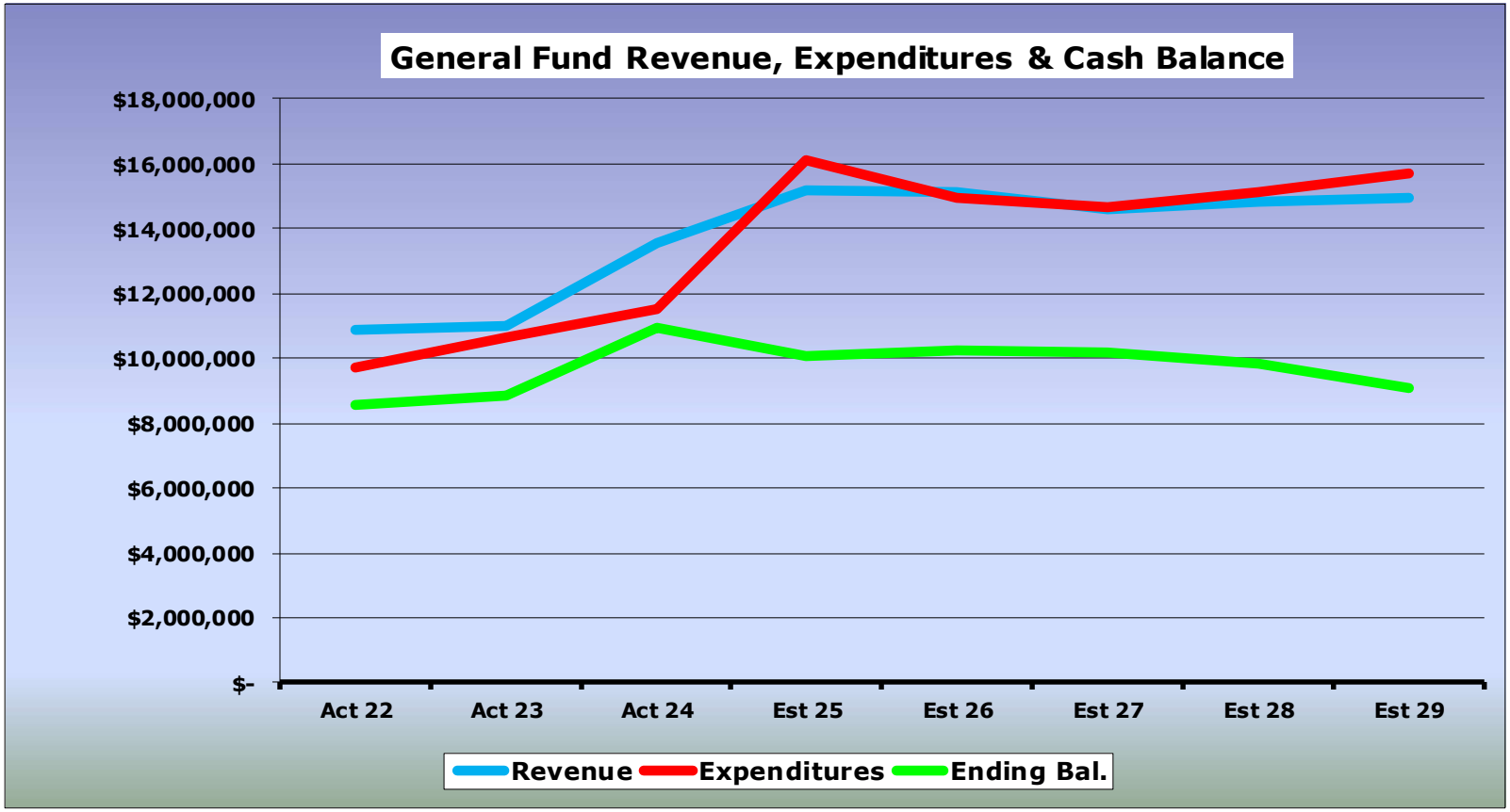


A district's revenue is made up of two main sources, local and state funding.



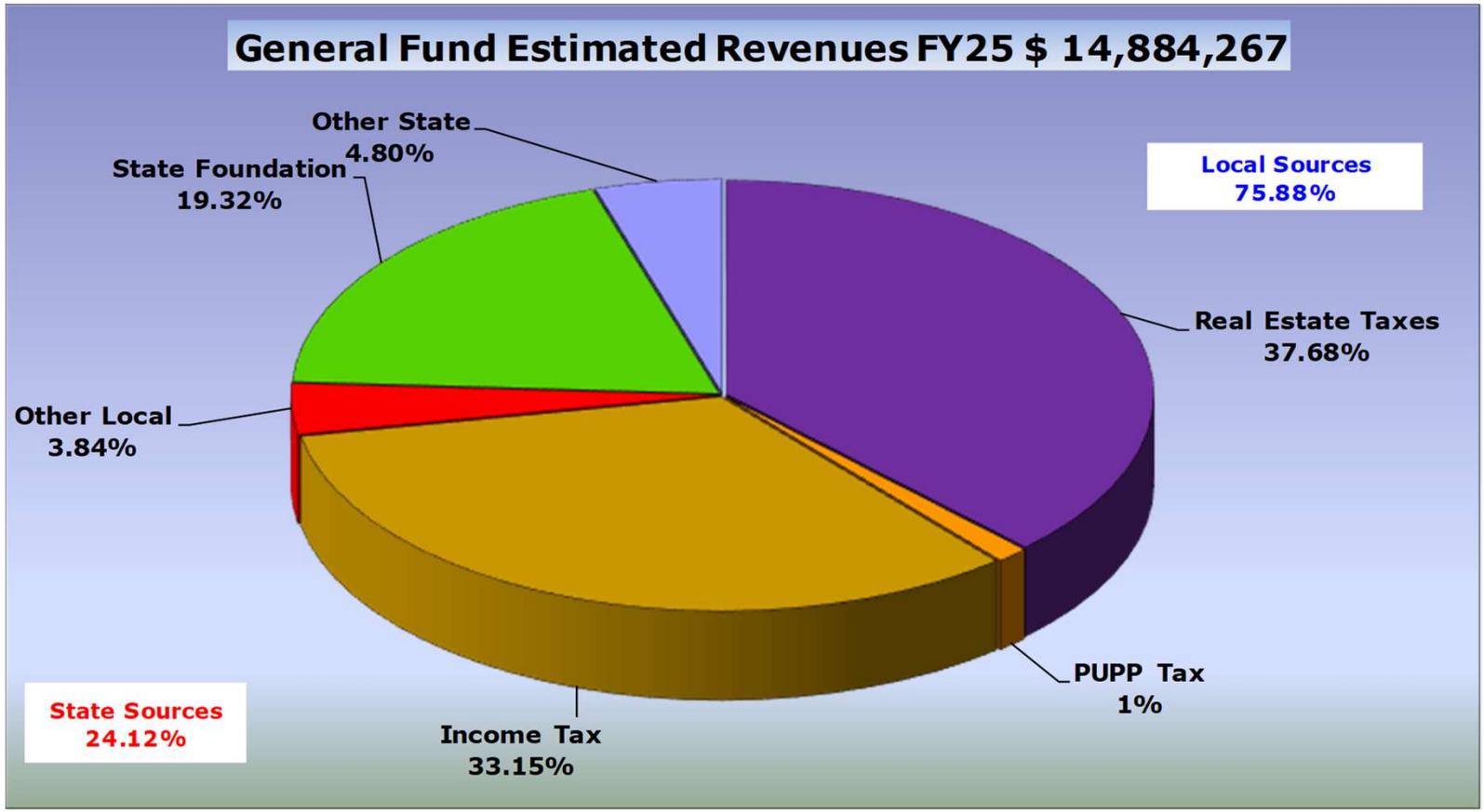
The expenditures are mainly salary and wages, benefits, purchased services, and supplies and materials.

Revenue vs Expenditure



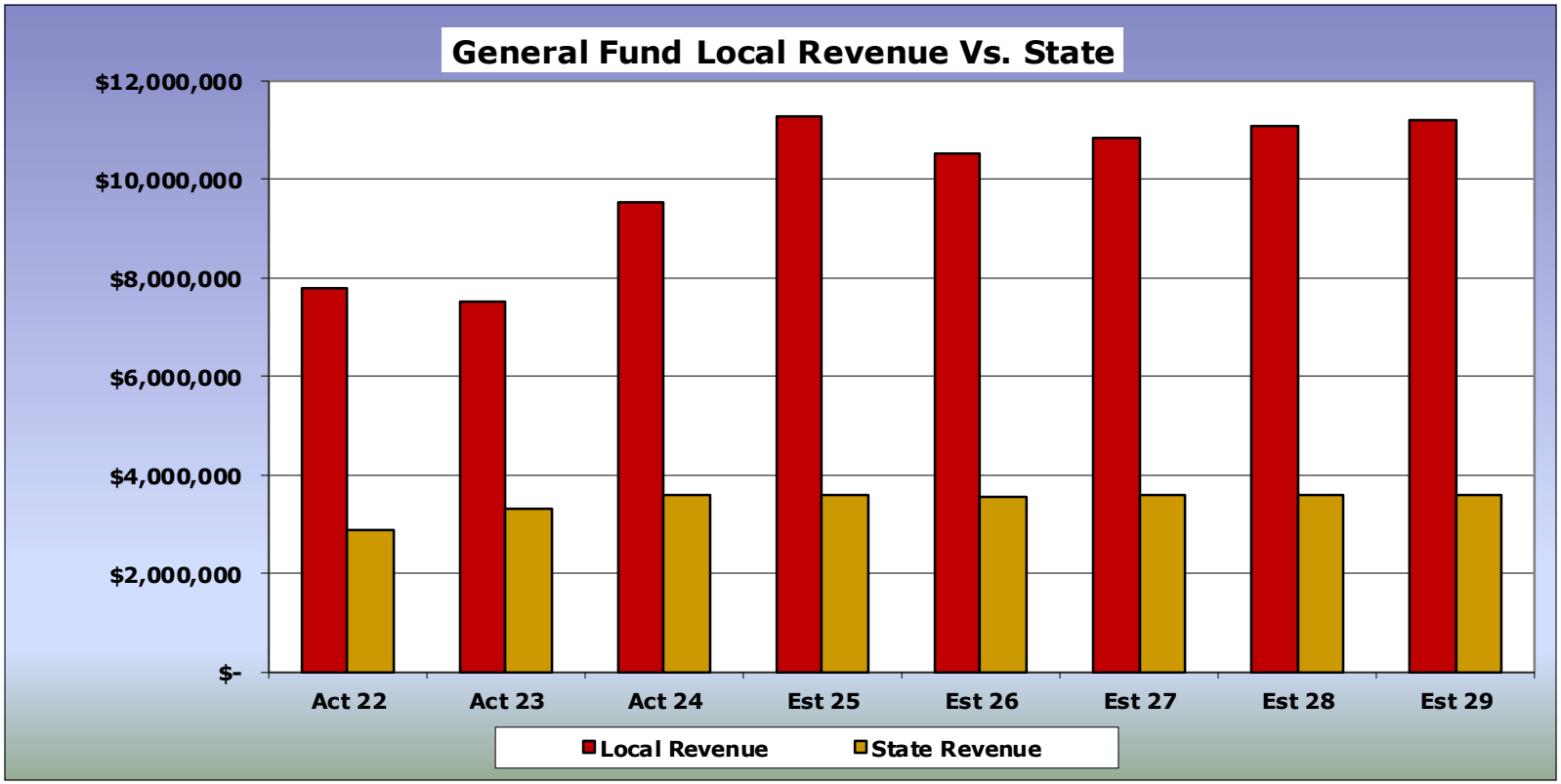
- Cash balance remains positive through FY28
- Deficit spending begins in FY25

Est. General Fund Revenue Sources FY25



- State funding includes foundation aid, DPIA, Gifted, ESL, SWSF, Homestead, and Rollback
- Local funding includes tax revenue, tuition, interest, and Medicaid

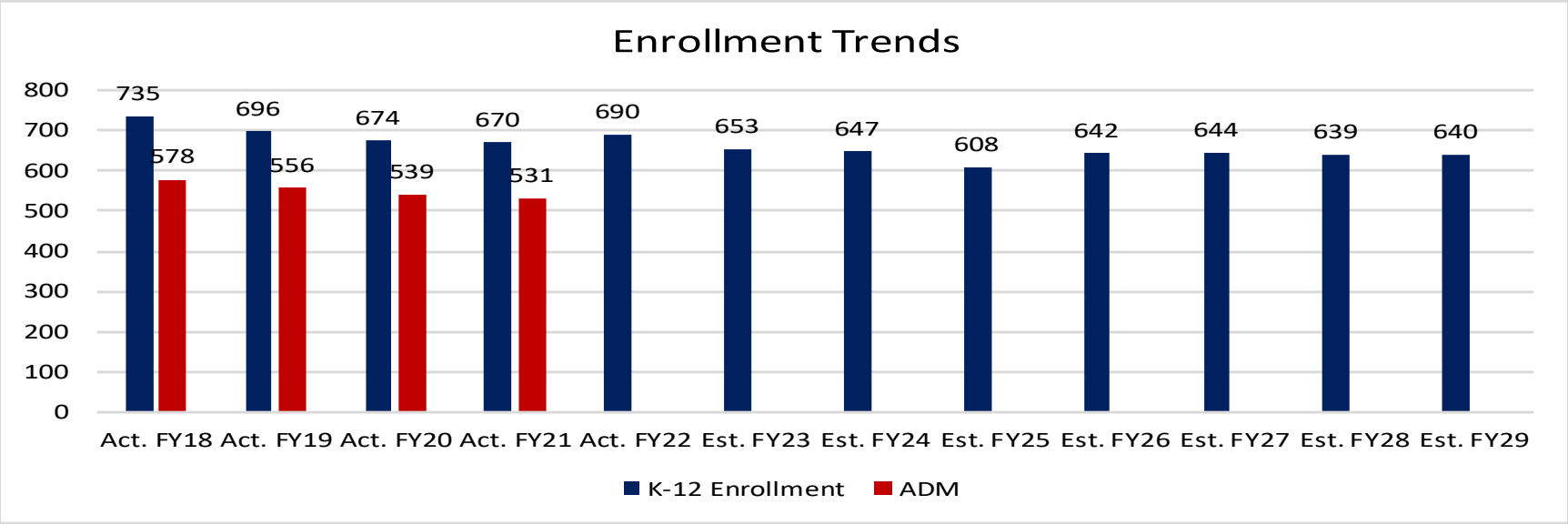
Local vs. State Funding



- The passage of the substitute levy is included in the local revenue
- Local funding includes the additional 1% income tax levy
- State funding is based on HB33 Fair School Funding Plan
- HB33 bases funding on the students enrolled in our district

Enrollment Trend for State Funding

- 101 students less in FY25 compared to FY18
- Funding is based on students that are enrolled in our district
- FY22 no longer uses ADM (Average Daily Membership)

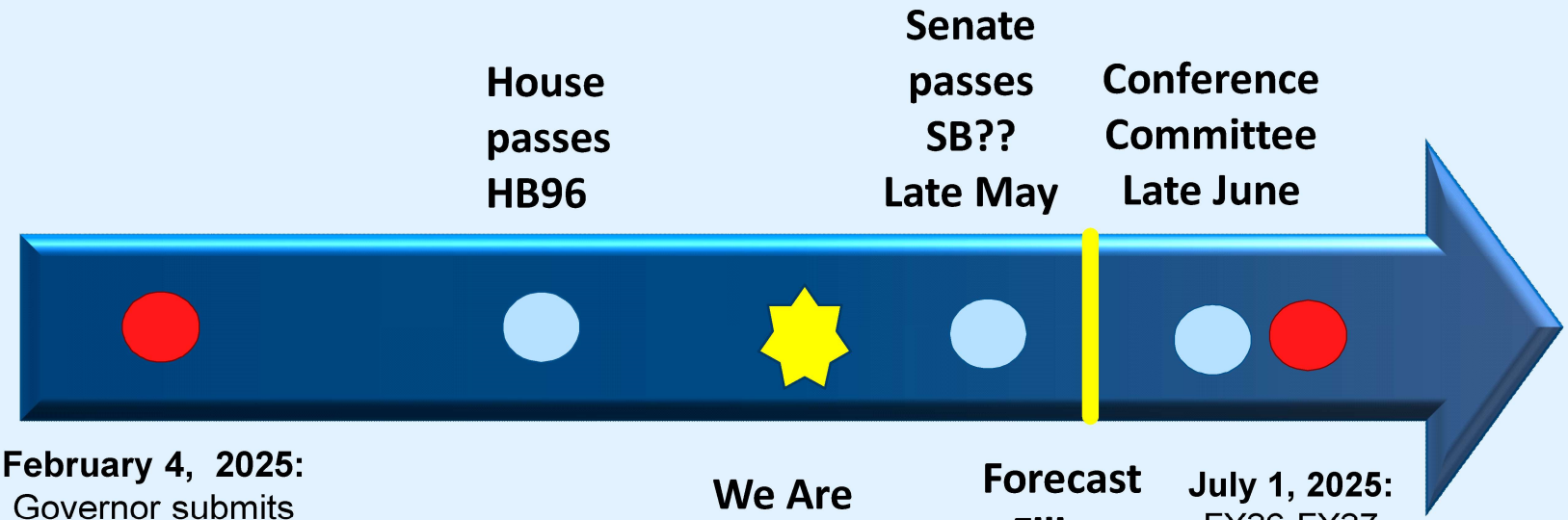


FY26-FY27 State Budget/Legislative Concerns

- The Governor's budget called for $103M less for public schools and $448 M more for vouchers for private schools.
- There are 14 (9 house and 5 senate) proposed laws to impact local property taxes and/or valuations that could reduce local funding for all public schools in Ohio.
- HB96 is among the most egregious and the most serious concern to all public school districts. It would:
- Eliminate the fair school funding plan calling it "temporary foundation funding" suspending 5th and 6th year phase in.
- Limit school district carryover cash balances to 30% of prior fiscal year expenditures.
- Empower county budget commissions to suspend voter approved levies and disregard the 20-mill floor.
- The property tax implications of HB96 would be devastating to public school districts.

FY26-27 State Budget Timeline

February - June 2025:
Budget moves through the legislative process



Will not get details of a complete state budget or potential property tax changes until October-November 2025 following budget approval the end of June.

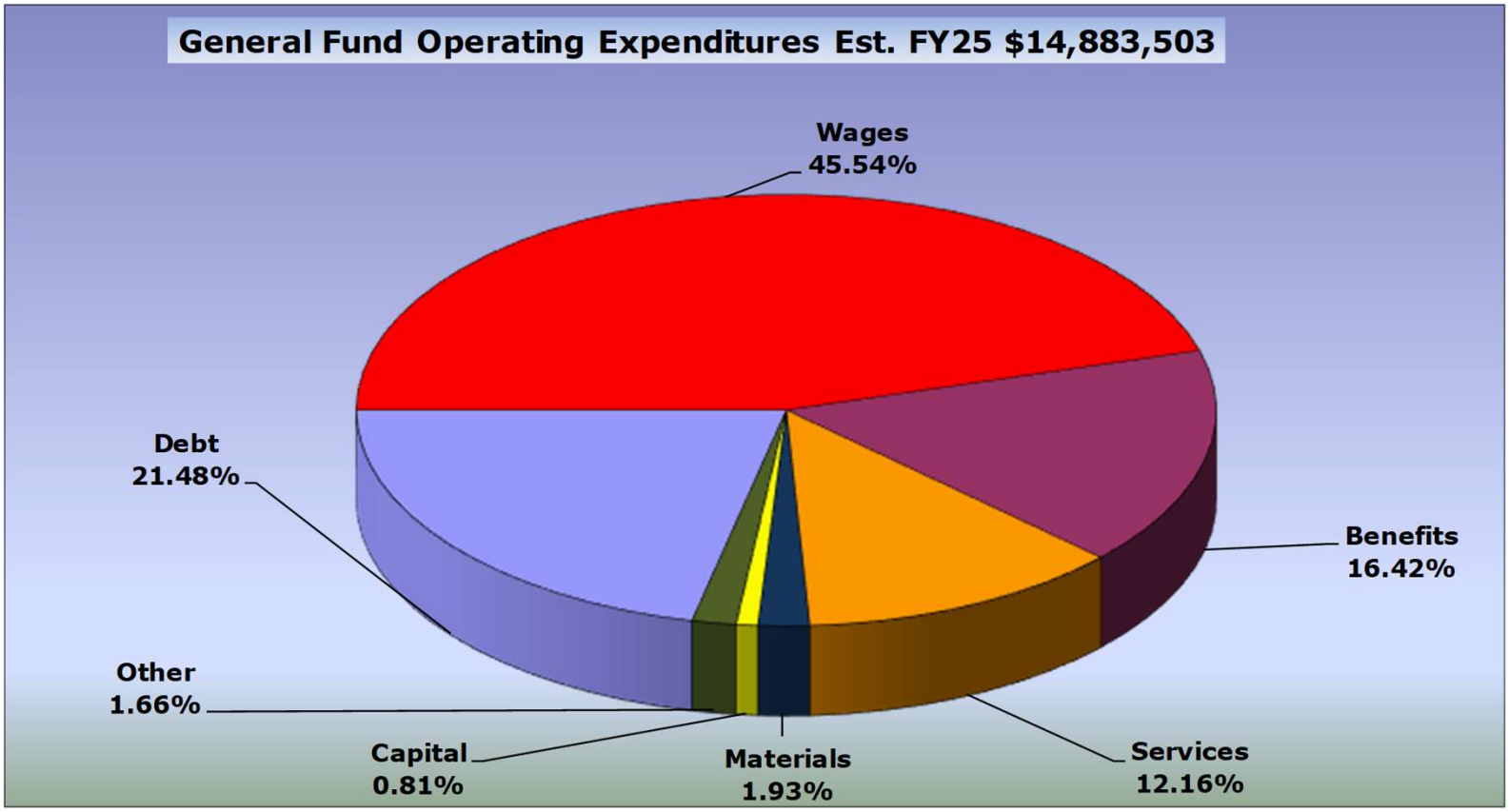
FY26-FY27 State Budget/Legislative Concerns

- The Senate is now deliberating state foundation funding and property taxation for schools.
- HB96 provisions will be taken up by the Senate and the outcome unknown at this time.
- The Senate has 5 pending pieces of legislation concerning property taxation.
- The state budget process will not be finalized until end of June.
- Our five-year forecast has to be filed by end of May.
- We will file the forecast with our current state funding level and property tax laws.
- Any changes, **which could be significant to state funding and property taxes** will need to be accounted for in the November forecast when data is available.

Challenges To Operating Revenues

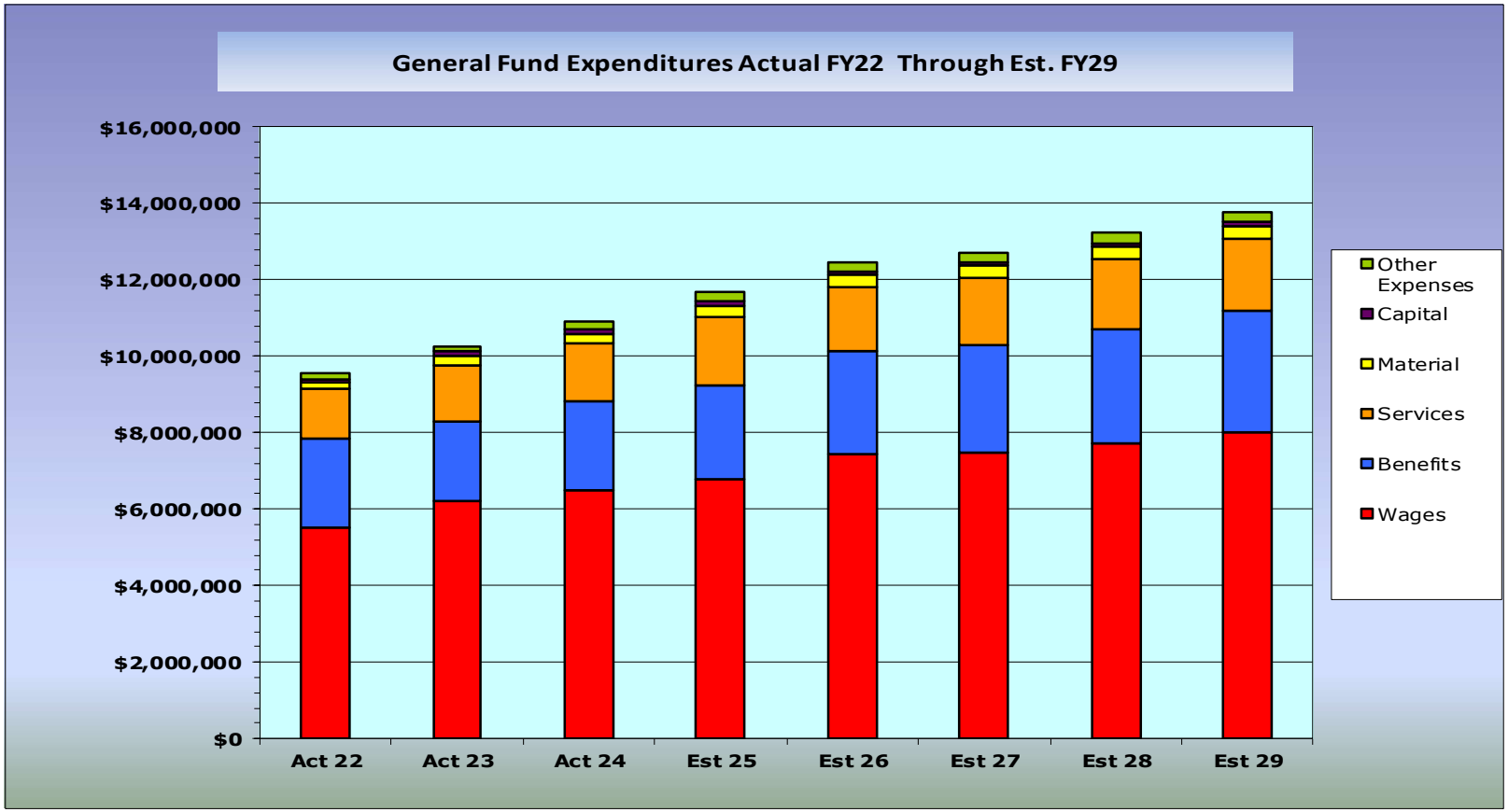
- Reappraisal in 2023 increase values by 26.32% for Class I, lowers the millage rate to the 20-mill floor
- There are several property tax reforms being proposed by the legislature that could impact our local revenues in the future.
- Income tax has seen a large increase in FY25 from a correction in Prior Tax Years, with 2% increase for future years
- HB33 Fair School Funding Plan made many changes to state funding payments and expenses
- Fair School Funding Plan bases funding on the enrolled students
- Enrollment decreases may translate into decreased revenues, since we are on the formula for state funding

Est. General Fund Expenditures FY25



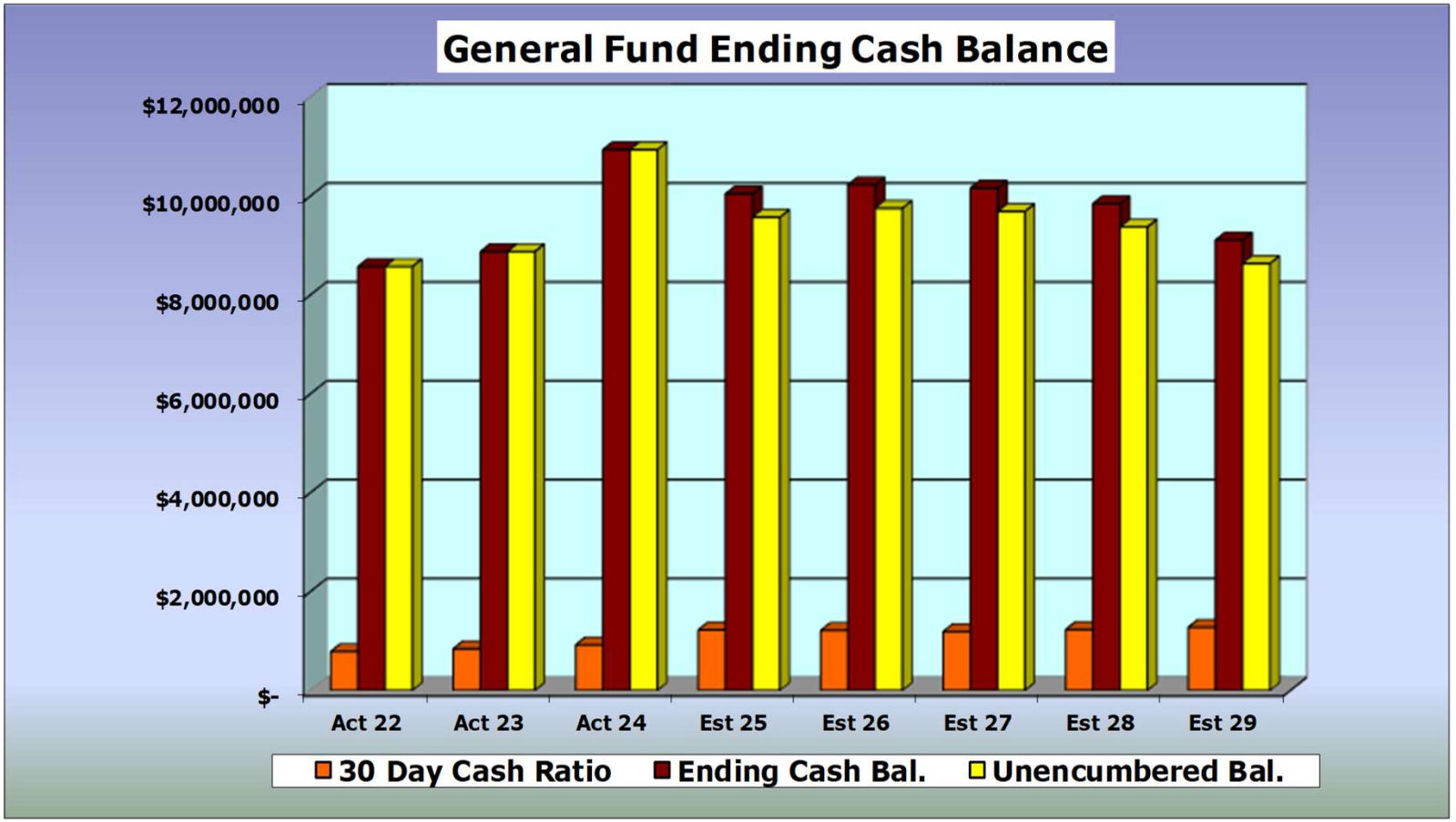
- Wages and benefits are estimated to be 63.24%
- Debt payments are for the building project

General Fund Expenditures By Object Act. FY22 through Est. FY 29



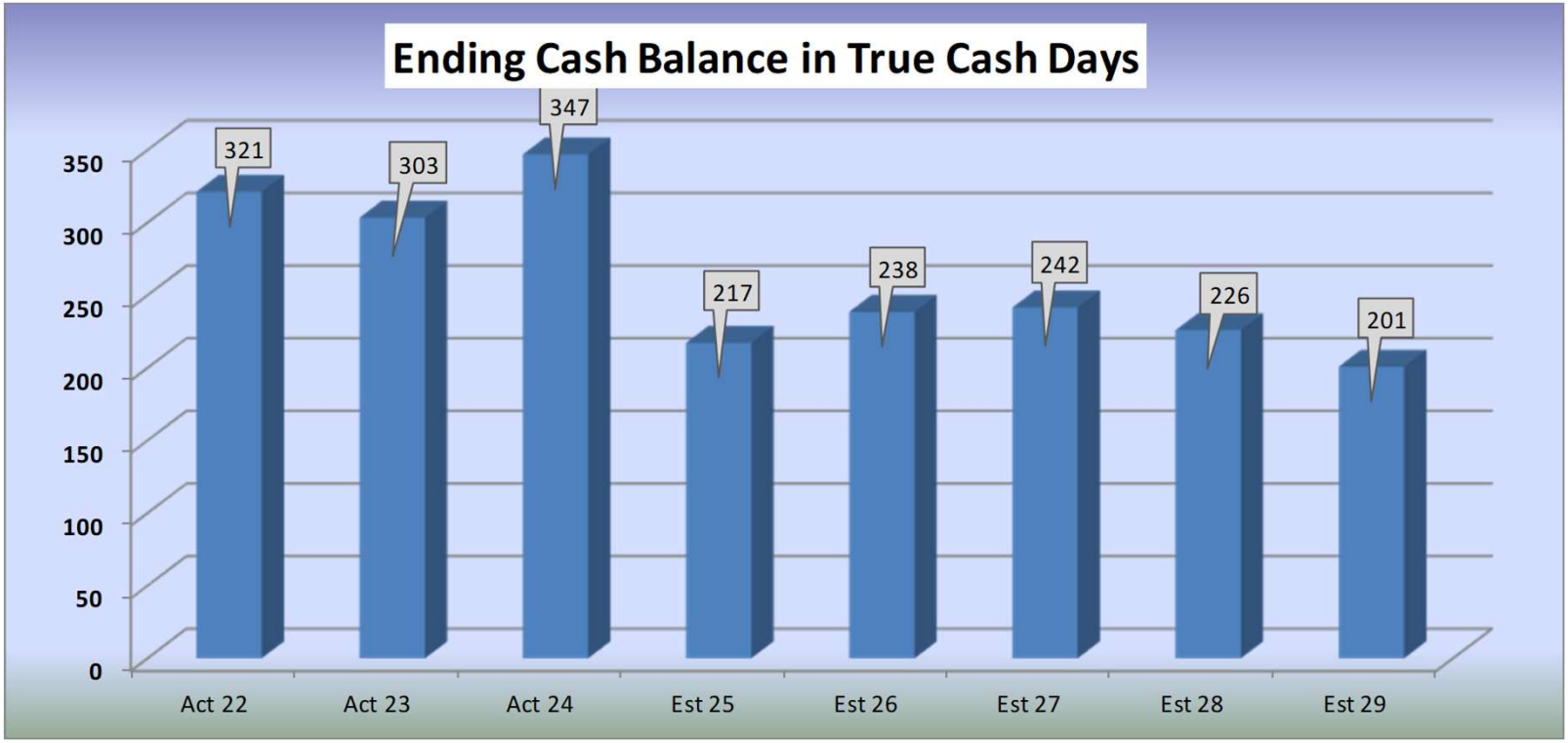
- Costs continue to rise with salaries and benefits the fastest growing cost.

Ending Cash Balance



- 30-60 Day Cash Balance is a responsible target to end year.
- No less than $-0- Required By Ohio Law.

True Cash Balance Days



- GFOA recommends 60 true cash day balance at the end of a fiscal year

Items to Consider About Our Finances

- Positive balance until FY29
- Deficit spending in FY25, we will need to monitor expenditures
- Passage of substitute levy for 10 years will help stabilize our finances
- Future funding is uncertain still for FY26-29 as continued implementation of the Fair School Funding Plan is not guaranteed.
- We are on the formula for state funding, which is affected by our enrollment

Thank You for Listening

Questions and Answers