

Fairview Park City Schools

Five-Year Forecast Spring Update

May 20, 2025



Rob Showalter, Treasurer

What is a Five Year Forecast?

- It is a three year look back and five year look ahead
- It has two parts: the numbers, and the assumptions (the story)
- It only covers the General Fund
- It is a snapshot in time of the big picture of what we currently know and what we think will happen, it is a living document
- It will change. The forecast is compiled using the best information available at the time the forecast is made.
- It is updated every six months and presented to the BOE for approval before being submitted to the ODE
- It will focus on the present (FY25) with an eye on the future (FY26-29)

Five Year Forecast - Outline

- Topics we are going to cover tonight:
 - General Fund
 - Revenues
 - Assumptions
 - Expenditures
 - Assumptions
 - Five Year Forecast Summary

Five Year Forecast - Outline

Reviewing Fiscal Year 2025

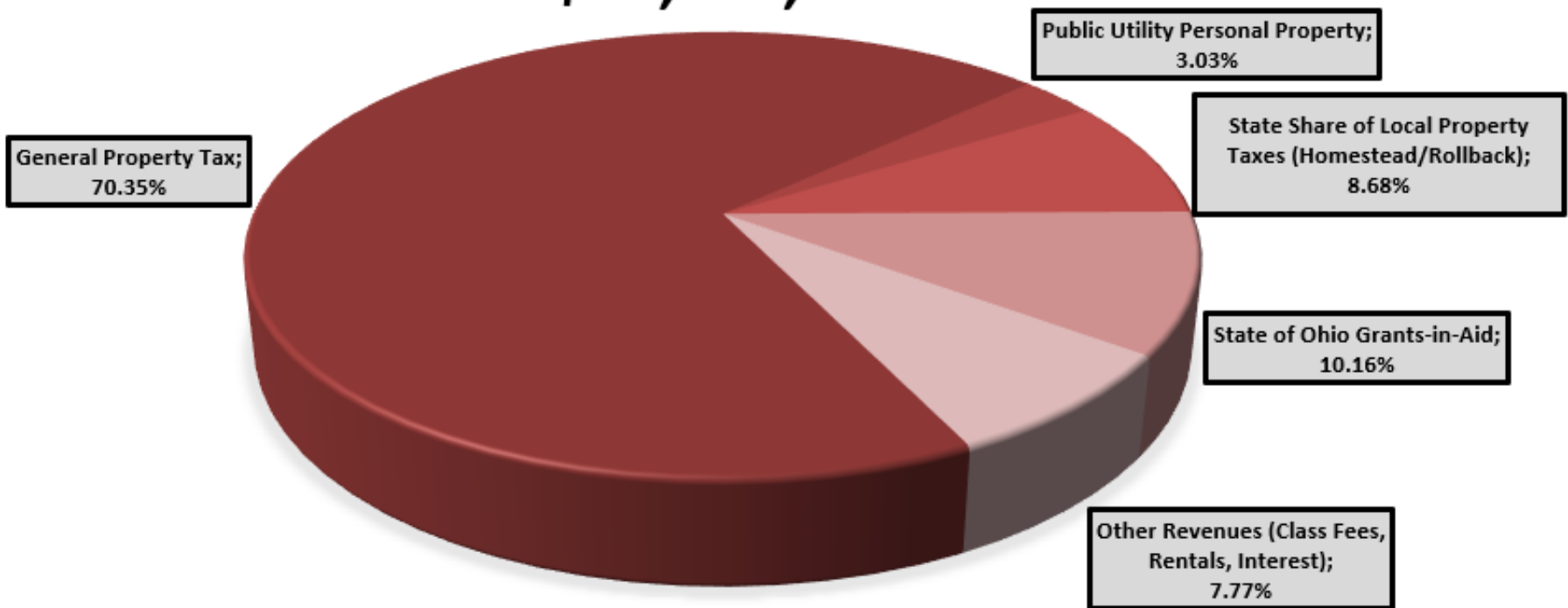
Comparing the November 2024 to the May 2025 forecasts:

- Total Revenues
 - November \$27,791,573 : May \$28,146,977 = **98.72% accurate**
- Total Expenditures
 - November \$27,353,406 : May \$27,036,255 = **98.84% accurate**

General Fund Revenues

FY25 - WHERE THE MONEY COMES FROM:

\$28,146,977



Revenue Assumptions

Revenue:

- General Property (Real Estate) Taxes (Line 1.010) = **\$19,801,550**
 - Fairview Park's property tax revenue is predicted to remain steady throughout the forecast, assuming that HB96 is implemented without a 30% cap on cash carryover balances for school districts.
- Public Utility Personal Property (PUPP) (Line 1.020) = **\$851,885**
 - Generated from telephone, natural gas, electric, and water lines and equipment. Values are determined by Ohio Department of Taxation.

Revenue Assumptions - Continued

Revenue:

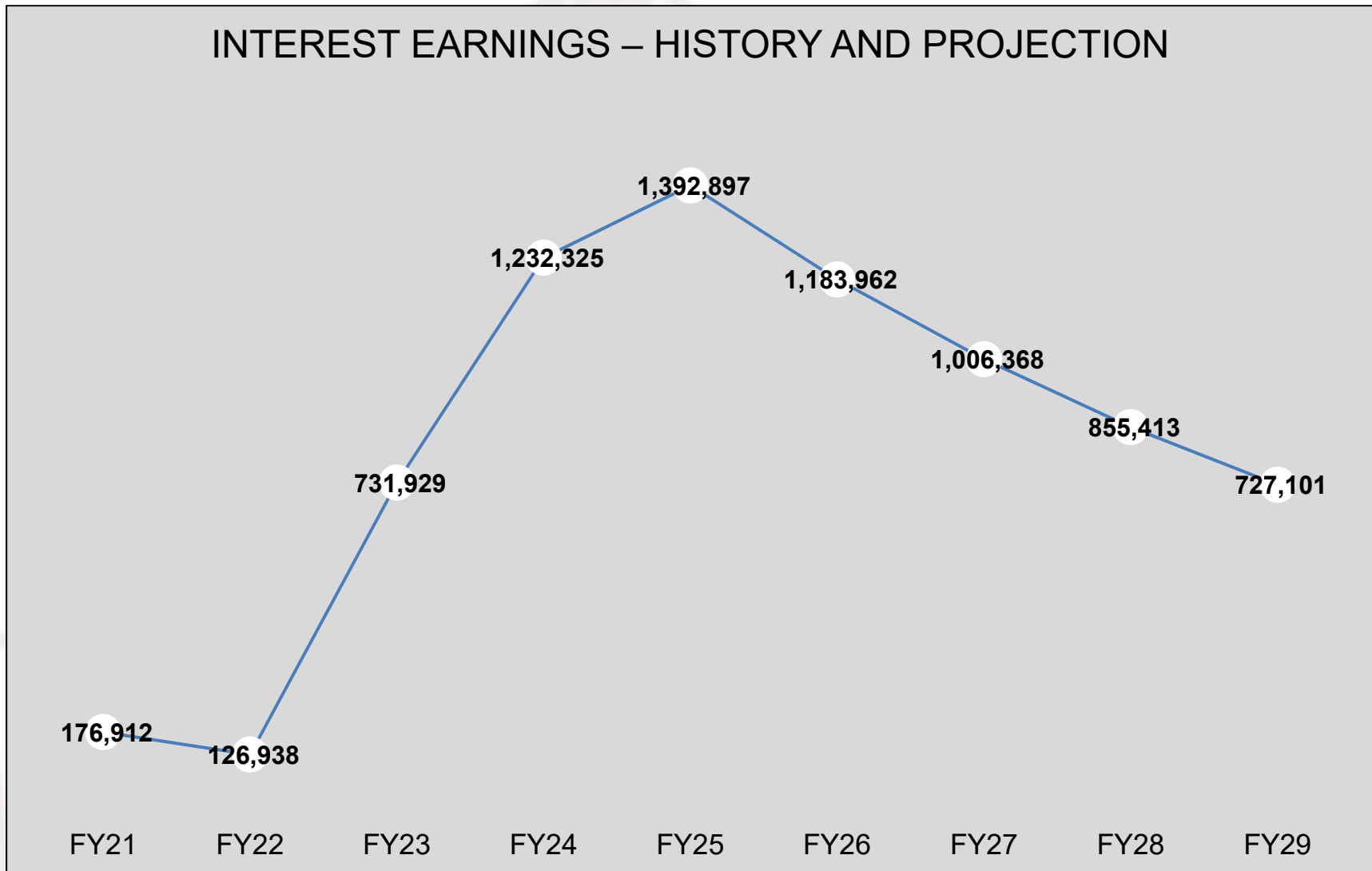
- Grants-in-Aid (Lines 1.035 + 1.040) = **\$2,861,123**
 - Our funding status for FY26-29 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB96 will be funded or continued beyond FY25.
 - The district is currently on a guarantee
 - For this reason, funding is predicted to be relatively constant for FY26 through FY29.
 - Restricted grants-in-aid spiked in FY24 and FY25 due to High Quality Instructional Materials and Science of Reading reimbursements, respectively.

Revenue Assumptions - Continued

Revenue:

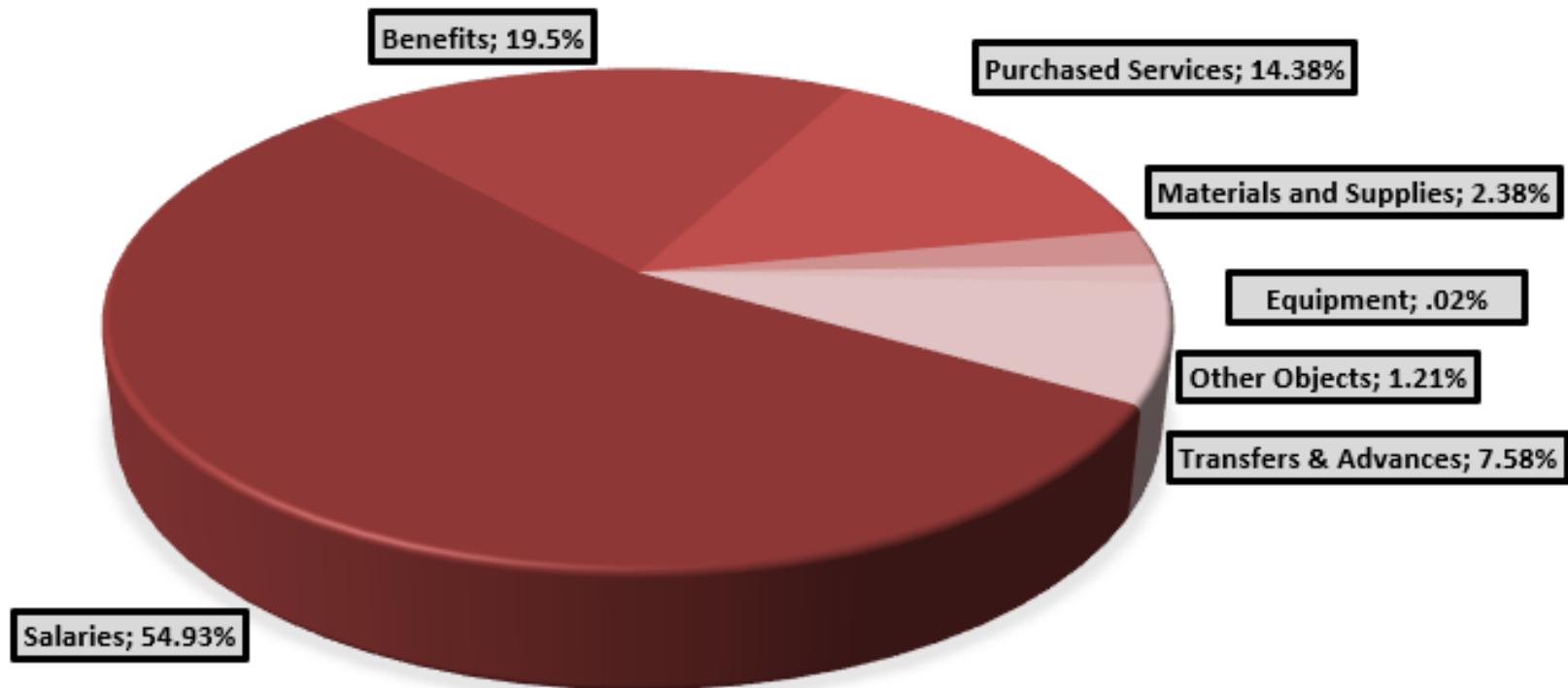
- State Share of Local Property Taxes (Line 1.050) = **\$2,444,298**
 - This represents reimbursements paid from the State of Ohio to the district for tax credits given to homeowners.
 - Projected to remain relatively flat throughout the forecast.
- All Other Operating Revenue (Lines 1.060 + 2.050 + 2.060) = **\$2,188,121**
 - Interest rate cuts have started taking place, which would decrease this line item moving forward.

Revenue Assumptions - Continued



General Fund Expenditures

FY25 - WHERE THE MONEY GOES: \$27,036,255



Expenditure Assumptions

Expenditures:

- Salaries and Wages (Line 3.010) = **\$14,850,116**
 - FY24 experienced an offset of expenses to ESSER funding of ~\$1.5 million. This is one-time funding, and that amount came back into FY25 and beyond.
 - Contracts are complete with FPEA and OAPSE through FY26
 - Increases are due to base increases, steps, and column changes.
 - FY26-29 does not have any attrition built in, because it is difficult to predict when exactly employees will retire in these times – people are working later into their lives now more than ever before.

Expenditure Assumptions - Continued

Expenditures:

- Employees' Retirement/Insurance Benefits (Line 3.020) = \$5,272,780
 - We are a service organization – our biggest expenses will be salaries and benefits.
 - Health insurance costs are still rising, but more slowly than in past years.
 - 6% increase happened in FY24
 - 3% increase happened in FY25
 - 1.51% increase scheduled for FY26
 - 6% increases assumed for FY27-29
 - Increases have slowed due to a recent run of low claims. However, claims can change overnight, and we need to project cautiously.

Expenditure Assumptions - Continued

Expenditures:

- Purchased Services (Line 3.030) = **\$3,887,500**
 - This line has been highly impacted by inflation and will need to be watched closely for any savings opportunities.
 - History of yearly increases since FY21: 7.17%, 15.72%, 13.86%, 5.87%
 - Although FY25's increase (5.87%) has slowed since the year before (13.86%), the four-year historical average of 10% is a real possibility for next year.
 - Going forward, 10% yearly increases are assumed but can hopefully be avoided as inflation is brought back under control.
 - Substitute teachers are a purchased service (not a salary line expense)

Expenditure Assumptions - Continued

Expenditures:

- Supplies and Materials (Line 3.040) = **\$642,121**
 - This line has a sharp spike in FY25 that reflects the purchase of a new reading curriculum at Gilles-Sweet of ~\$181,000. Approximately \$65,000 of this cost was offset from the ODEW.
 - Going forward, 5% yearly increases are assumed but can hopefully be avoided as inflation is brought back under control.

Expenditure Assumptions - Continued

Expenditures:

- Capital Outlay (Line 3.050), Other (Line 4.300) and Transfers/Advances (Lines 5.010 & 5.020) = **\$2,377,038**
 - Capital Outlay covers General Fund (GF) equipment purchases.
 - GF capital purchases are minimal, because the District transfers money to a Permanent Improvement Fund and other funds for those expenditures.
 - For FY25-29, the transfer out amount is estimated to be \$2.0 million.
 - These transfers help cover costs such as permanent improvements, debt, technology, buses, and severances.



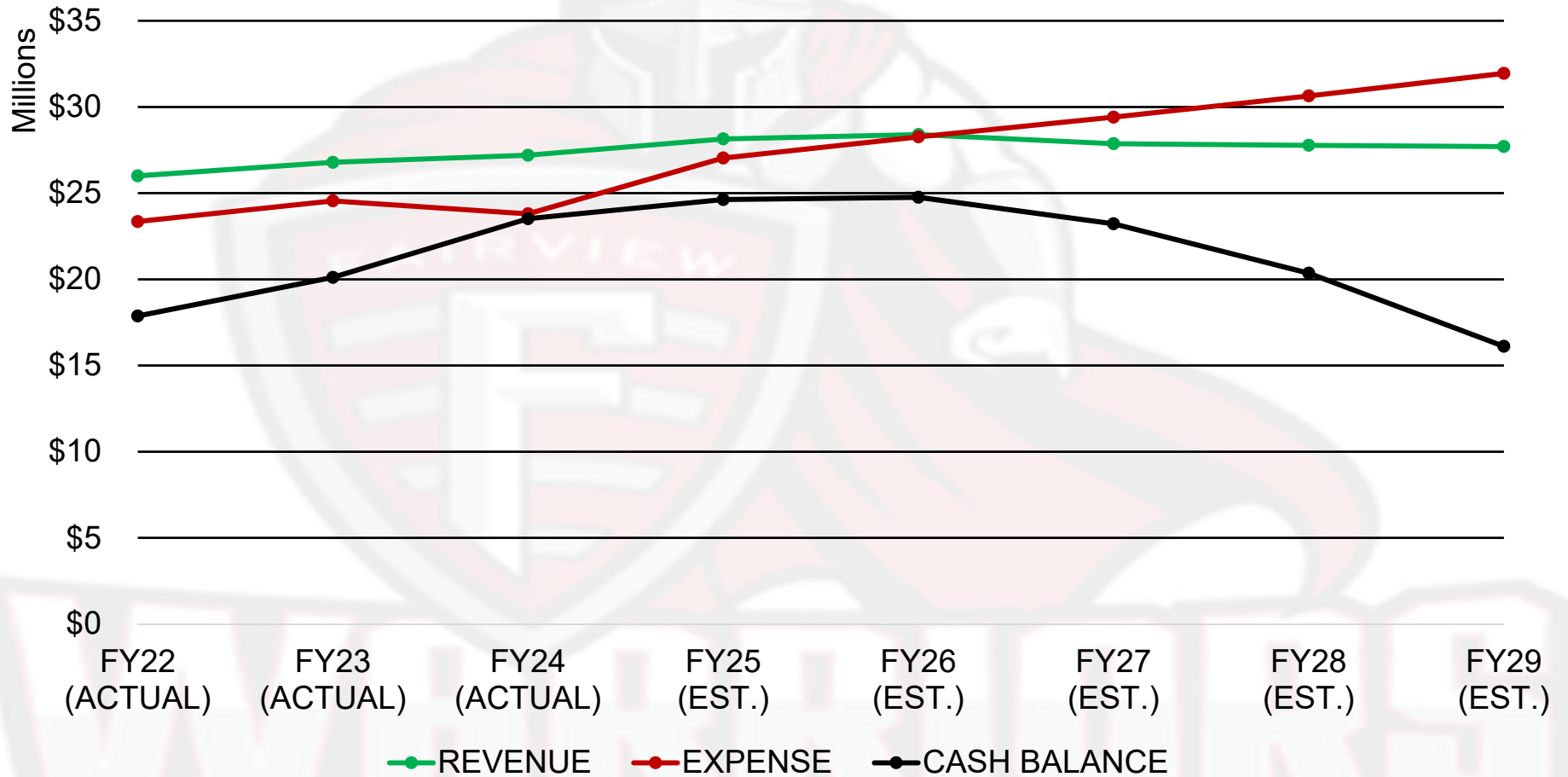
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General Fund Summary

- Total annual revenue is estimated to remain steady throughout the remainder of the forecast, while expenses are estimated to grow by an average of 3.9% per year.
- HB96 has been spoken about numerous times through many district channels. Capping the district's cash reserves will be very detrimental to the district's financial health.
 - The district has several long-term obligations that do not currently encumber the carryover cash amount. If the 30% cap is implemented, the district will need to quickly pivot and encumber those funds to be able to meet these financial obligations.

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General Fund Revenue & Expenditure Outlook



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May 2025 Five-Year Forecast

(in millions of dollars)

	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Beginning Cash	15.2	17.9	20.1	23.5	24.6	24.7	23.2	20.3
Total Revenues	26.0	26.8	27.2	28.1	28.4	27.9	27.7	27.7
Total Expenses	23.4	24.6	23.8	27.0	28.3	29.4	30.6	31.9
Revenue over Expenses	2.7	2.2	3.4	1.1	0.1	(1.5)	(2.9)	(4.2)
Ending Cash	17.9	20.1	23.5	24.6	24.7	23.2	20.3	16.1
Budget Reserve	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37
Unencumbered Balance	17.5	19.7	23.1	24.2	24.3	22.8	19.9	15.7

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HB96 Impact if 30% Cap is Implemented

Forecast Line and Description	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
07.010 : Beginning Cash Balance July 1	15,224,530	17,874,880	20,112,428	23,516,347	24,644,852	8,110,877	6,597,921	3,758,961
01.010 : General Property Tax (Real Estate)	19,339,950	19,530,124	19,263,685	19,801,550	3,689,531	20,052,154	20,102,080	20,151,004
02.080 : Total Revenue	26,002,213	26,789,922	27,201,776	28,164,760	11,731,923	27,894,619	27,800,727	27,730,073
05.050 : Total Expenditures	23,351,863	24,552,374	23,797,857	27,036,255	28,265,898	29,407,575	30,639,687	31,947,316
06.010 : Revenues over/(under) Expenditures	2,650,350	2,237,548	3,403,919	1,128,505	(16,533,975)	(1,512,956)	(2,838,960)	(4,217,243)
07.020 : Ending Cash Balance June 30	17,874,880	20,112,428	23,516,347	24,644,852	8,110,877	6,597,921	3,758,961	(458,282)
				OVER CAP				
PROPOSED CARRYOVER CAP - 30% OF PY EXPENSES				7,139,357	8,110,877	8,479,769	8,822,273	9,191,906
PROJECTED CASH CARRYOVER PERCENTAGE				104%	30%	23%	13%	-1%
Days of Cash, per Reserve Cash Balance Board Policy 8.24	294	314	350	378	110	85	47	(5)

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Helpful Information

Contact:

- Rob Showalter, Treasurer
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- (440) 331-5500 x 1119
- ☒ @FPSTreasurer
- This presentation will be available on our website:
 - www.fairviewparkschools.org
 - -> Departments
 - -> Treasurer
 - -> Financial Reports

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Discussion

