

Norwood City School District

Fiscal Year
2025
May

Five Year
Forecast
Report



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Forecast Purpose/Objectives

Ohio Department of Education and Workforce's purposes/objectives for the five-year forecast are:

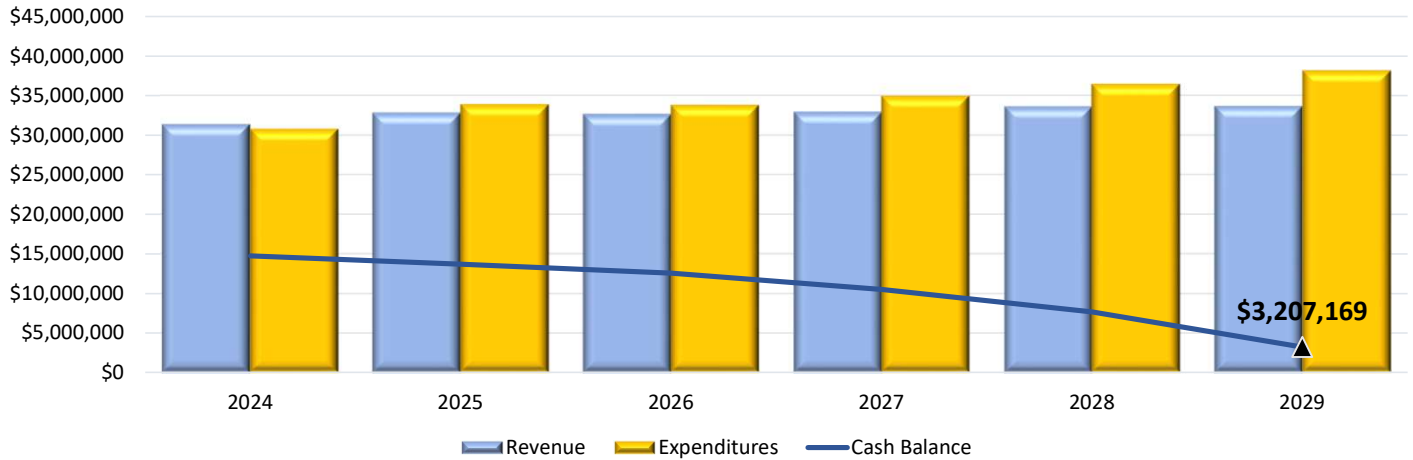
1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology

This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year, and while cash flow monitoring helps to identify unexpected variances, no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

Forecast Summary

Projected Revenue, Expenditures, and Cash Balance



Financial Forecast Summary

	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Beginning Balance (Line 7.010)	14,756,769	13,693,904	12,545,310	10,513,461	7,670,569
+ Renewal/New Levies Modeled					
+ Revenue	32,820,273	32,630,361	32,907,001	33,612,653	33,677,354
- Expenditures	(33,883,137)	(33,778,955)	(34,938,849)	(36,455,545)	(38,140,755)
= Revenue Surplus or Deficit	(1,062,865)	(1,148,595)	(2,031,849)	(2,842,892)	(4,463,400)
Line 7.020 Ending Balance with Renewal/New Levies	13,693,904	12,545,310	10,513,461	7,670,569	3,207,169

Financial Summary Notes

Expenditure growth is projected to outpace revenue change. By the end of 2029, the cash balance is projected to decline by a total of \$11,549,600 compared to 2024. For fiscal year 2029, expenditures are currently projected to exceed revenue, resulting in a revenue shortfall the final year of the forecast period.

For revenue, projected change is expected to be greater than the historical average. Over the past five years, revenue increased by 1.32% (\$387,288 annually). However, it is projected to increase by 1.44% (\$460,323 annually) through fiscal year 2029. Notably, All Othr Op Rev, is expected to be \$420,959 less per year compared to history, and is the biggest driver of trend change on the revenue side.

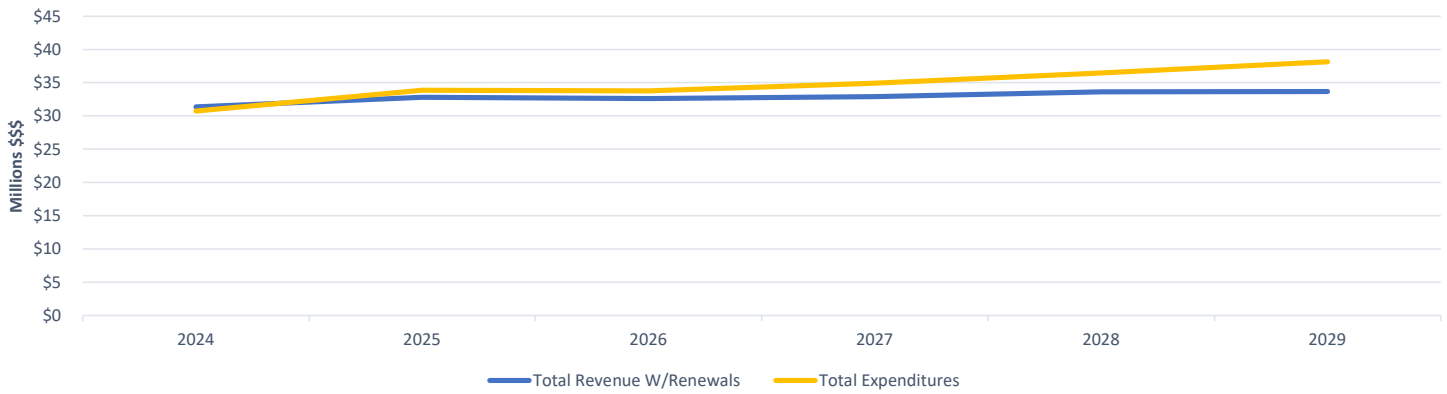
For expenses, projected change is forecasted to increase at a faster pace than the historical trend. Expenditures increased by 0.56% (\$110,416 annually) during the past 5-year period, and are projected to increase by 4.44% (\$1,474,138 annually) through 2029. The forecast line with the most change on the expense side, Salaries, is anticipated to be \$809,743 more per year in the projected period compared to historical averages.

As of the May forecast, we are now spending into our carryover every year of the forecast. The current year has negative cash flow due to transfers out for capital projects. Next year has transfers out also but then they are reduced to just those for severance and miscellaneous needs in future years. Future years of the forecast are not negative due to transfers but because expenditures exceed revenues.

Disclosure Items:	2025	2026	2027	2028	2029
<i>Modeled Renewal Levies - Annual Amount</i>	-	-	-	-	-
<i>Modeled New Levies - Annual Amount</i>	-	-	-	-	-
<i>Encumbrances (not subtracted from Cash Balance)</i>	400,000	400,000	400,000	400,000	400,000

Forecast Analysis

Revenue Compared to Expenditures

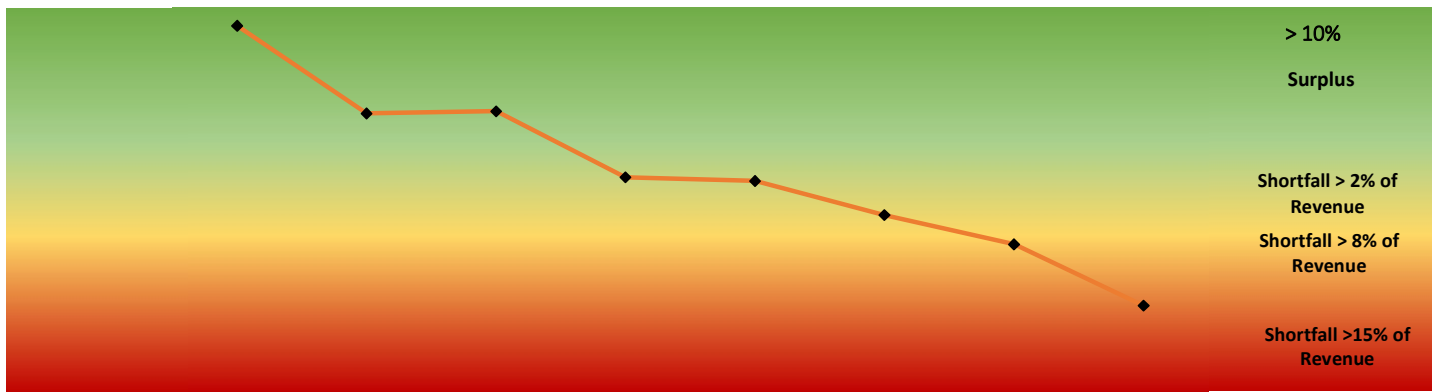


From 2025 to 2029, total revenues are projected to change by 1.44%

Expenditure change is expected to outpace revenue change.

From 2025 to 2029, total expenses are projected to change by 4.44%

Revenue Surplus/(Shortfall) as a Percentage of Revenue

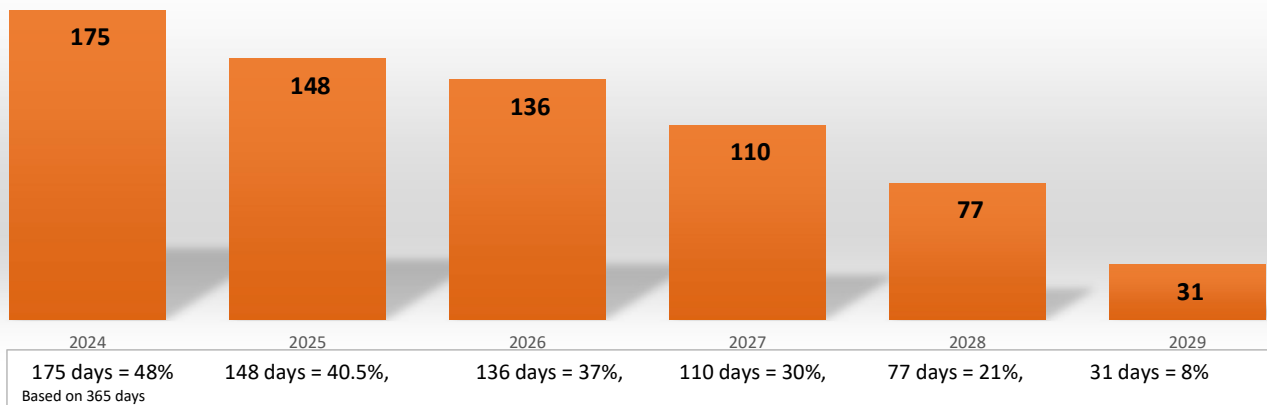


Current Forecast	2023	2024	2025	2026	2027	2028	2029
Surplus/(Shortfall)	1.7%	1.9%	-3.2%	-3.5%	-6.2%	-8.5%	-13.3%

The district is trending toward revenue shortfall with the expenditures growing faster than revenue.
 A revenue increase of 13.25% is needed to balance the budget in fiscal year 2029, or a \$4,463,400 reduction in expenditures.

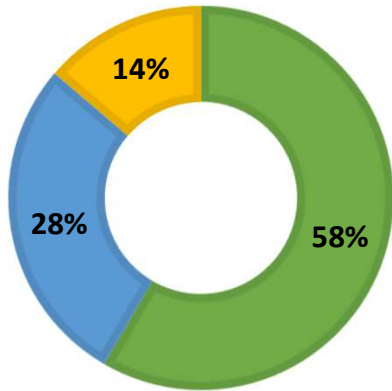
- The largest contributor to the projected revenue trend is the change in All Othr Op Rev.
- The expenditure most impacting the changing trend is Salaries.

Days Cash on Hand at Fiscal Year-end



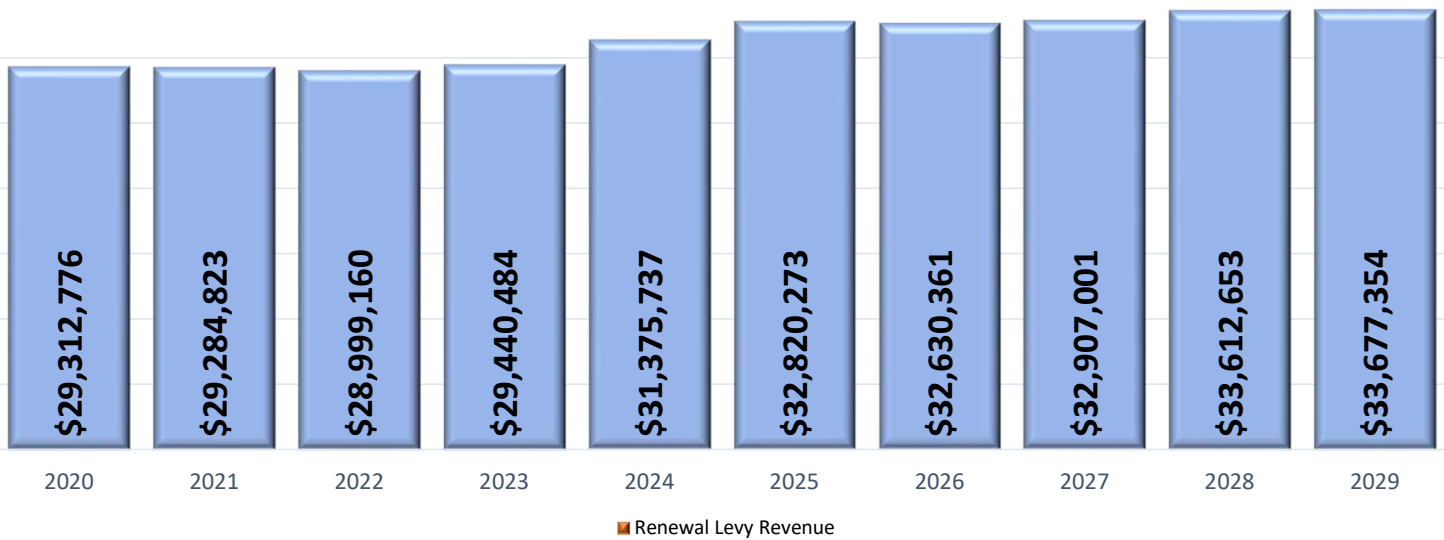
Revenue Overview

Revenue Sources



Local Taxes	
Real Estate Tax	53.47%
Public Utility Tax	4.94%
Income Tax	0.00%
State Sources	
State Funding	18.39%
Restricted Aid	4.35%
State Share of Local Tax	5.11%
All Other Revenue	
Other Revenue	13.01%
Other Sources	0.73%

Annual Revenue Actual + Projected



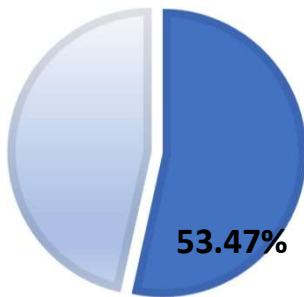
Historic Revenue Change versus Projected Revenue Change

	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Over the past five years, revenue increased by 1.32% (\$387,288 annually). However, it is projected to increase by 1.44% (\$460,323 annually) through fiscal year 2029. Notably, All Othr Op Rev, is expected to be \$420,959 less per year compared to history, and is the biggest driver of trend change on the revenue side.
Real Estate	\$426,149	\$470,562	\$44,414	
Public Utility	\$71,600	\$24,189	(\$47,411)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$106,933)	\$11,139	\$118,072	
State Share of Property Tax	(\$20,638)	\$69,976	\$90,613	
All Othr Op Rev	\$302,337	(\$118,622)	(\$420,959)	
Other Sources	(\$285,227)	\$3,079	\$288,305	
Total Average Annual Change	\$387,288 1.32%	\$460,323 1.44%	\$73,035 0.12%	

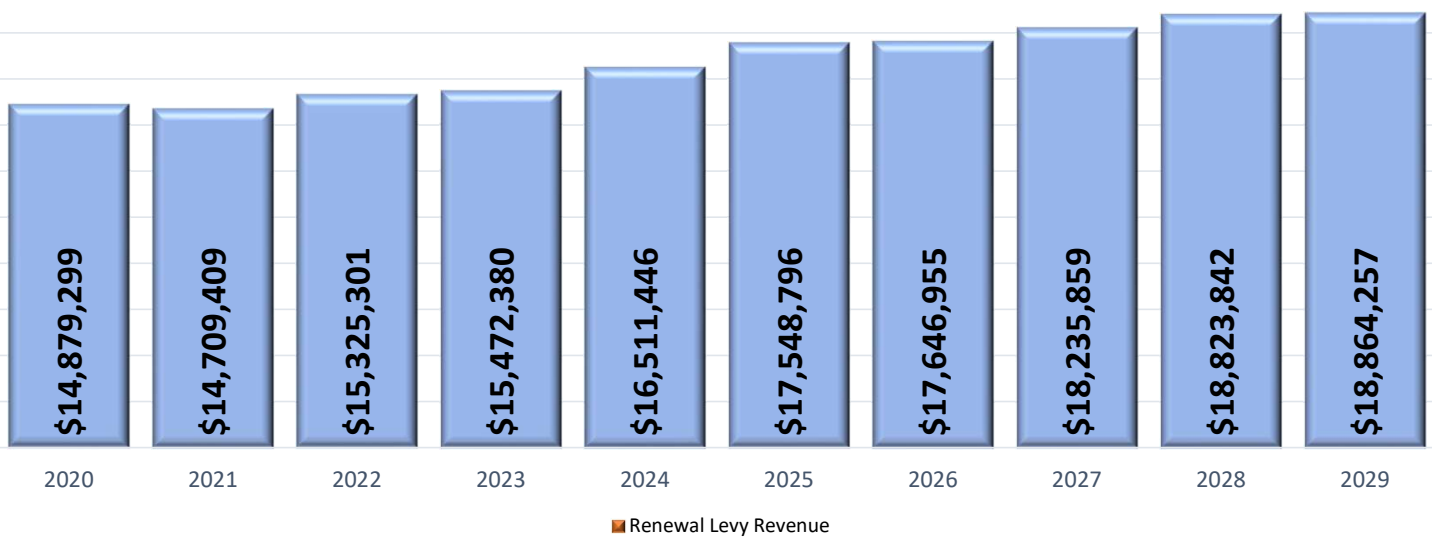
For Comparison:
 Expenditure average annual change is projected to be > \$1,474,138 On an annual average basis, expenditures are projected to grow faster than revenue.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



Real estate property tax revenue accounts for 53.47% of total district general fund revenue.



Key Assumptions & Notes

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class 2 Rate	Change	
2023	573,842,910	135,568,670	33.48	-	35.18	-	98.9%
2024	576,581,170	2,738,260	33.50	0.02	35.18	(0.00)	98.3%
2025	574,806,170	(1,775,000)	33.59	0.09	35.46	0.29	98.3%
2026	644,306,170	69,500,000	32.19	(1.40)	33.37	(2.09)	98.3%
2027	645,806,170	1,500,000	32.24	0.05	33.52	0.15	98.3%
2028	645,531,170	(275,000)	32.21	(0.03)	33.54	0.02	98.3%

See Page 28 & 29 for Threats against District Tax Revenue!

Class I, or residential taxes make up approximately 55.84% of the real estate property tax revenue. The Class I tax rate is 33.50 mills in tax year 2024. The projections reflect an average gross collection rate of 98.3% annually through tax year 2028. The revenue changed at an average annual historical rate of 2.84% and is projected to change at an average annual rate of 2.72% through fiscal year 2029.

The district is typically on the “floor” for operating millage, voted upon in the 1980s, and does see inflationary growth in tax revenue. However, our substitute levies do not grow with inflation and continue to collect the same amount, less new construction, as was voted upon.

Because the City of Norwood has issued Ordinances that terminate all new construction revenue for the district, residential and commercial, we have no new construction growth included in the forecast except for known projects on the industrial side and a project coming off abatement.

The growth in residential real estate values and overdone economic development given to commercial for-profit entities, causes the support of the district to continue to fall harder on our residential tax payers. Commercial tax revenues continue to be suppressed by economic development and BOR cases.

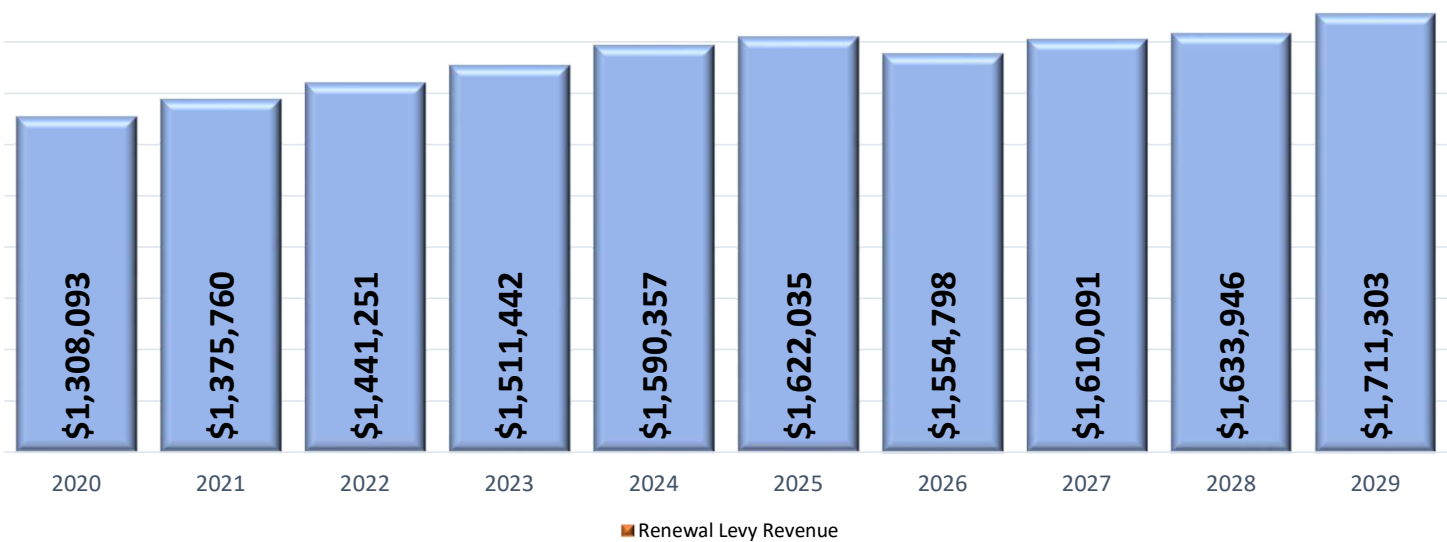
2025 valuation growth consists of over \$4M in new construction less \$1.3 in reductions to values due to BOR cases.

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



Public Utility Personal Property tax revenue accounts for 4.94% of total district general fund revenue.



Key Assumptions & Notes

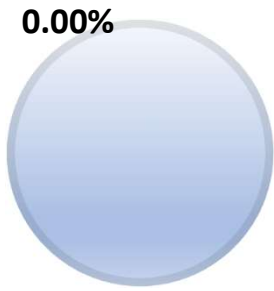
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2023	31,019,640	3,981,090	52.95	(3.94)	100.0%
2024	33,425,940	2,406,300	52.93	(0.02)	100.0%
2025	30,800,000	(2,625,940)	53.02	0.10	82.5%
2026	30,800,000	-	51.66	(1.37)	100.0%
2027	32,300,000	1,500,000	51.68	0.02	100.0%
2028	33,800,000	1,500,000	51.66	(0.02)	100.0%

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. The property is taxed at the full voted tax rate which in tax year 2024 is 52.93 mills. The forecast is modeling an average gross collection rate of 96.50%. The revenue changed historically at an average annual dollar amount of \$71,600 and is projected to change at an average annual dollar amount of \$24,189 through fiscal year 2029.

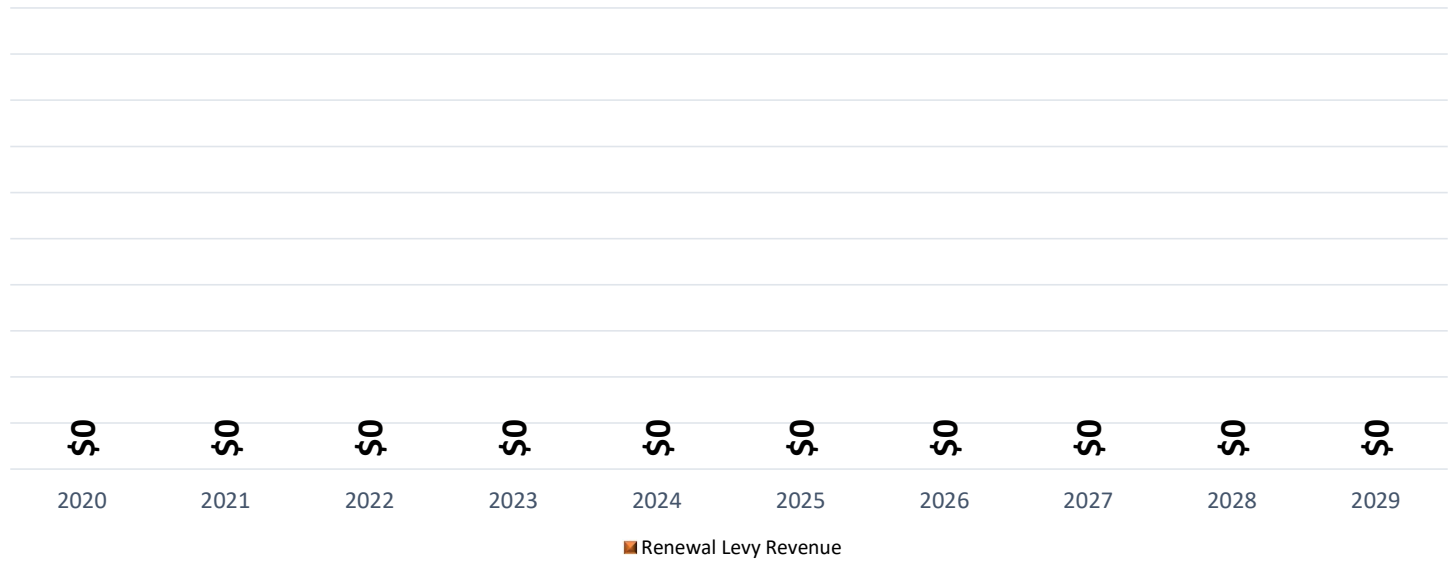
The County Auditor has informed the district of a valuation dispute on public utility taxes. The auditor has stated a value, \$30,800,000, that they are comfortable as an estimate and the district is using that valuation number for this tax year and next. The public utility company disputing the values has also short paid the district revenues for FY25 by \$180,000.

1.030 - School District Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



The district does not have a School District Income Tax levy.

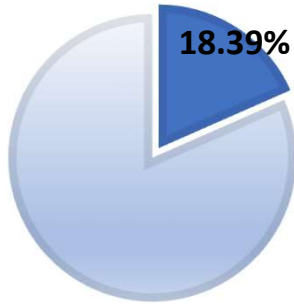


Key Assumptions & Notes

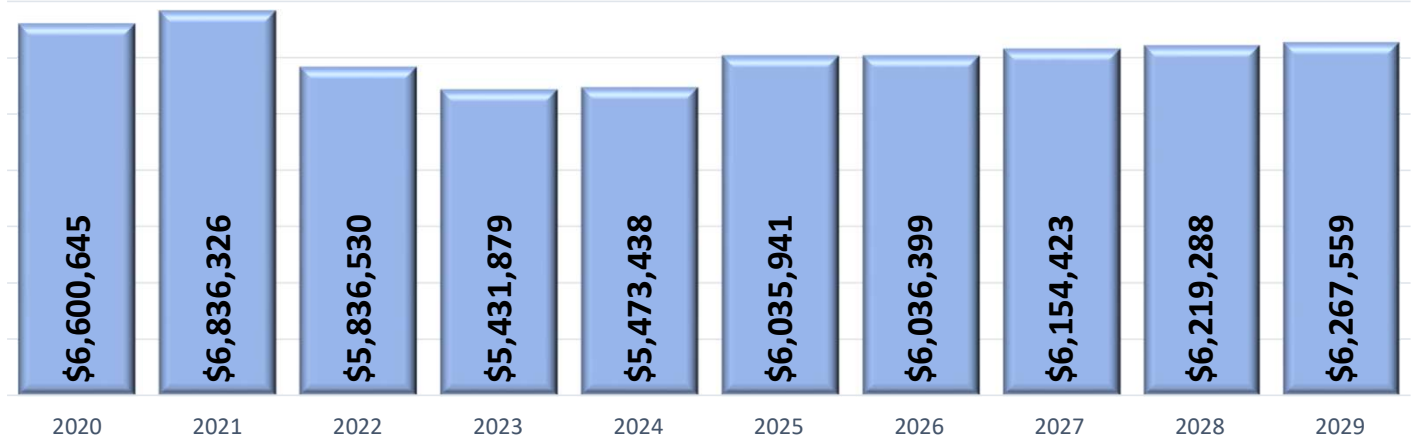
The district does not have an income tax levy.

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.

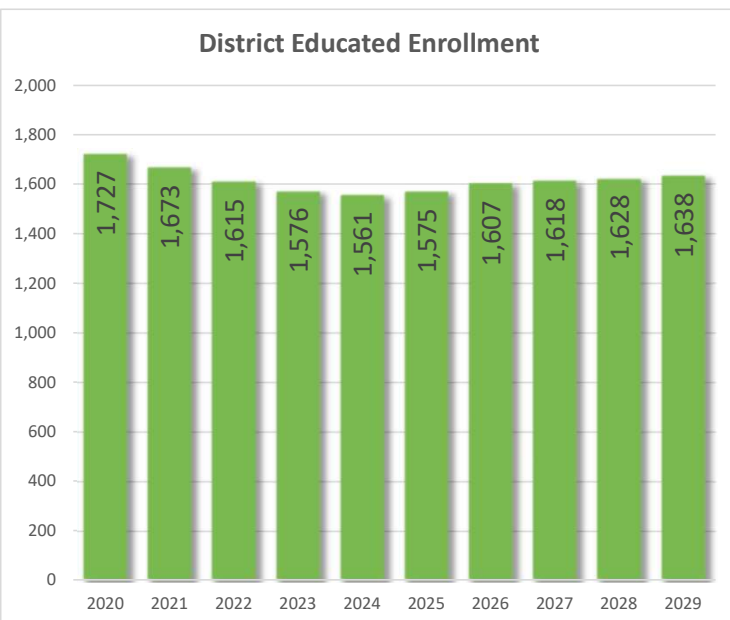


Unrestricted State Aid revenue accounts for 18.39% of total district general fund revenue.



[See page 29 for threats against district state funding!](#)

Key Assumptions & Notes



Beginning in fiscal year 2022, Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

For Norwood City School District, the calculated Base Cost total is \$12,967,028 in 2025. The FSFP also started funding students where they attended school. Therefore district educated enrollment is now used for per pupil funding. At the same time, the FSFP eliminated tuition transfer payments from The FSFP also started funding students where they attended school. Therefore district educated enrollment is now used for per pupil funding. At the same time, the FSFP eliminated tuition transfer payments from school districts, which impacts the expense side of the forecast.

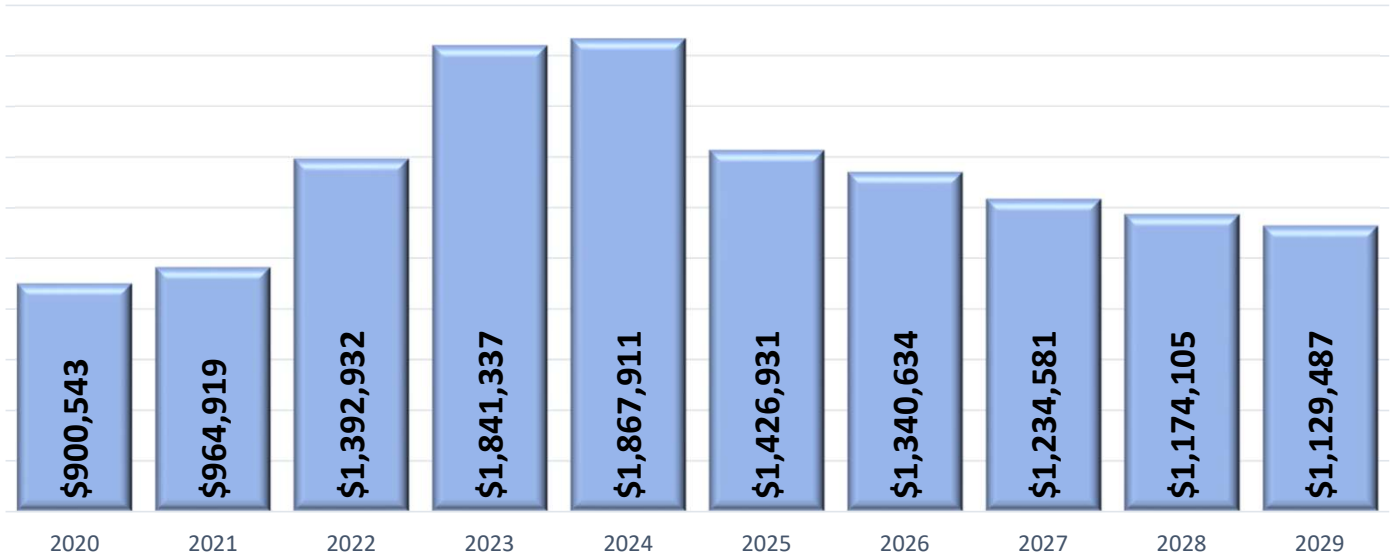
The district is projecting growth in student enrollment both for open enrollment and resident students. The attraction is the new rapidly growing Norwood Montessori program. Because of this, estimated student counts are growing.

1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted State Aid revenue accounts for 4.35% of total district general fund revenue.



Key Assumptions & Notes

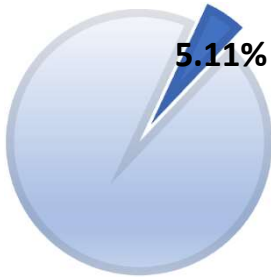
Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by \$300,997 and is projected to change annually on average by -\$147,685. Restricted funds represent 4.35% of the district's total revenue. Starting in fiscal year 2022, the district's Success & Wellness funding became restricted; the state's share of this funding recorded as restricted is \$147,802. This funding has implications on general fund expenditures in that certain spending now occurring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

Many factors go into estimating restricted revenues including other districts' parent wealth percentages. Because many other districts are approving CEP programs to feed their students, our DPIA funding will decrease as we are compared to other districts.

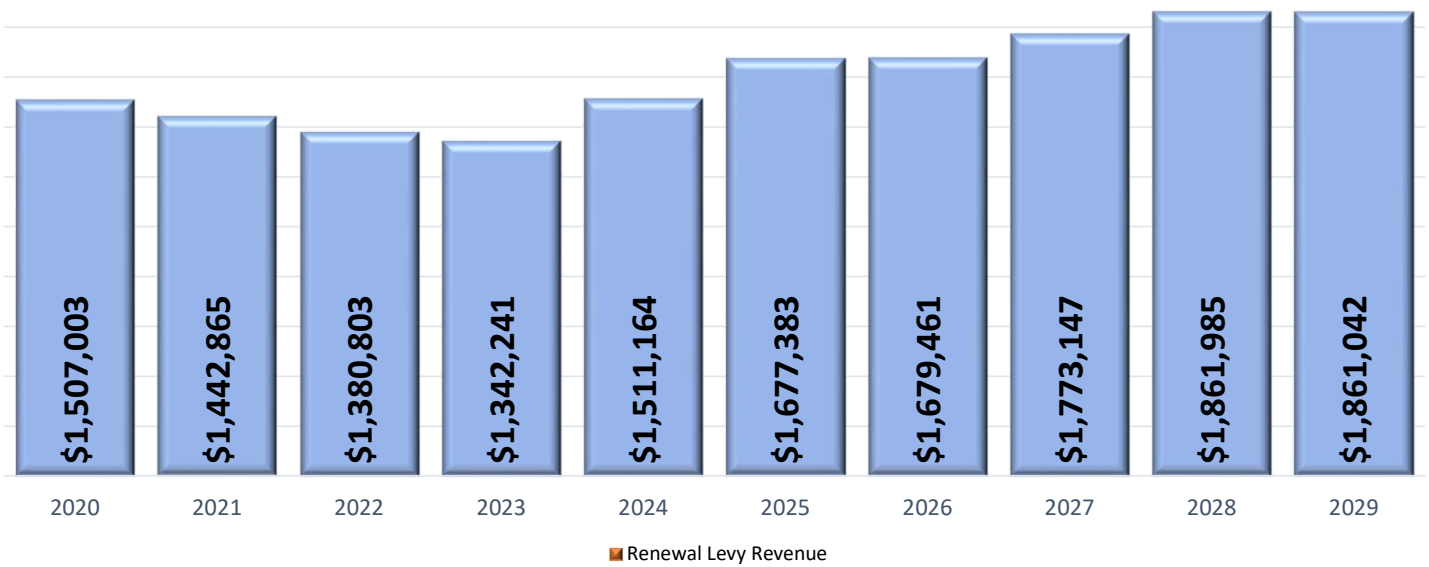
Funding is estimated based on current law. If the new biennium is materially different, we will need to restate our forecast.

1.050 - State Share of Local Property Taxes

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



State Share of Local Property tax revenue accounts for 5.11% of total district general fund revenue.



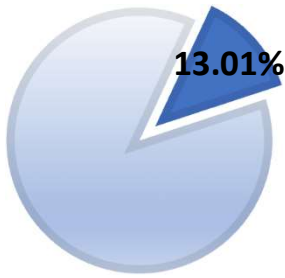
Key Assumptions & Notes

State Share of Local Property Taxes primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions to their tax bill. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In fiscal year 2025, approximately 11.6% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.3% will be reimbursed in the form of qualifying homestead exemption credits.

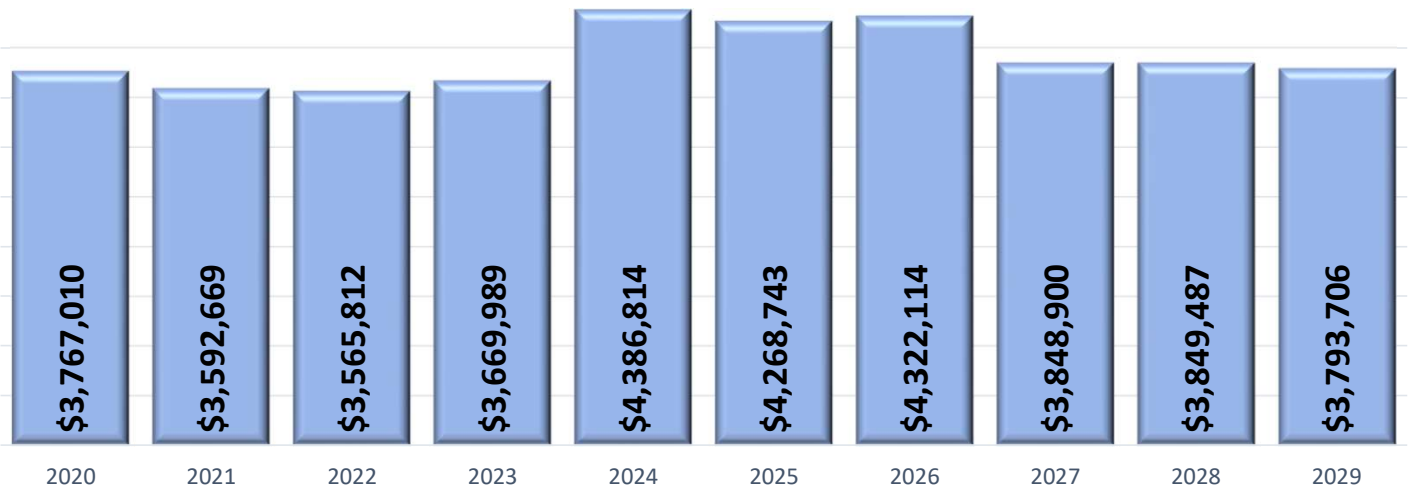
There are bills in State legislation that are targeting State Share of Local Property Tax revenues. If the bills are signed into law, the district will have to restate their revenues showing the change due to the law, in a new five year forecast.

1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



All Other Revenue accounts for 13.01% of total district general fund revenue.



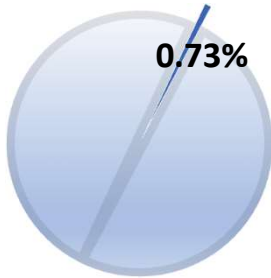
Key Assumptions & Notes

Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. Investment revenue is estimated to fall due to slowing interest rates. PILOT is expected to decline due to blended millage rate used for PILOT falling with higher residential values. Tuition revenue is expected to stabilize after growth.

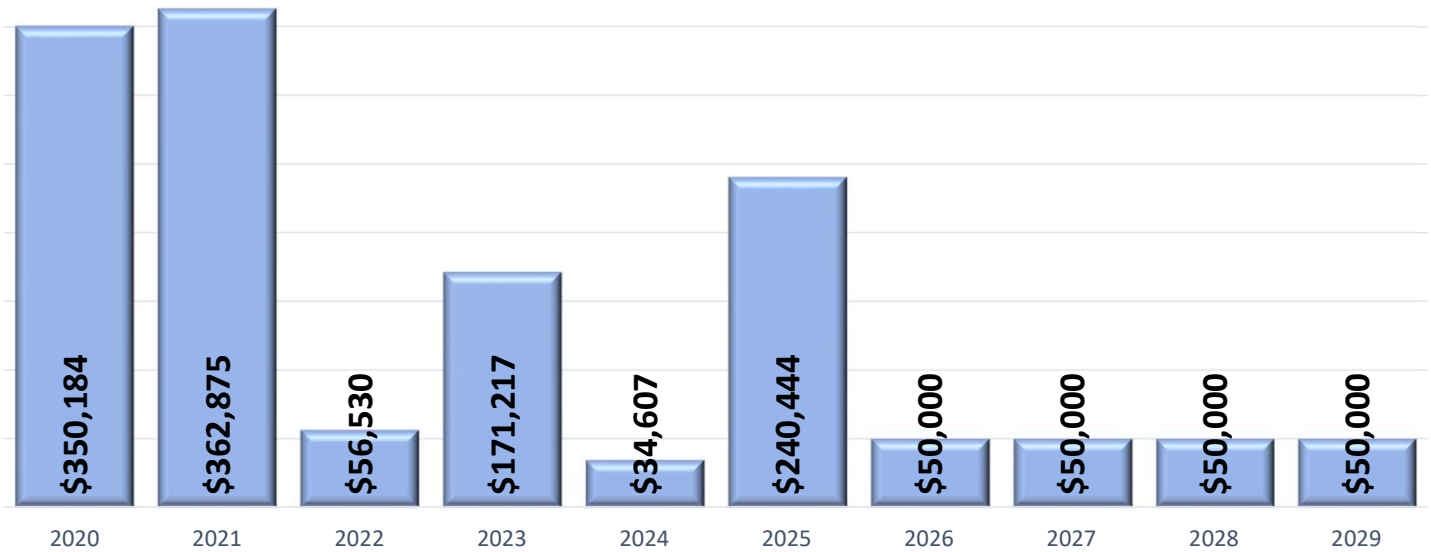


2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



Other Sources of revenue accounts for 0.73% of total district general fund revenue.



Key Assumptions & Notes

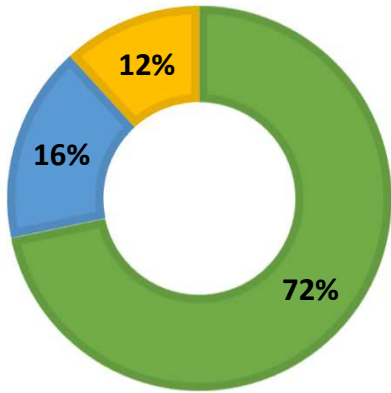
	2024	2025	2026	FORECASTED		
				2027	2028	2029
Transfers In	-	-	-	-	-	-
Advances In	-	-	-	-	-	-
All Other Financing Sources	34,607	240,444	50,000	50,000	50,000	50,000

Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In 2024 the district received \$0 as advances-in and is projecting advances of \$0 in fiscal year 2025. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$240,444 in 2025 and average \$50,000 annually through 2029.

2025 saw a one time payment of over collected fees from the County Auditor. This is not expected to continue.

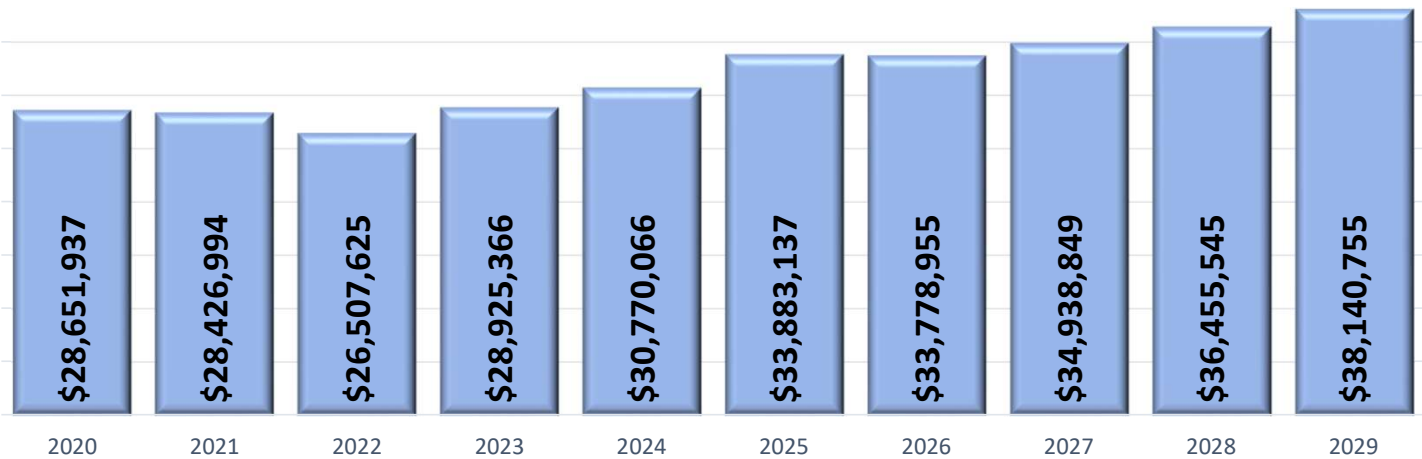
Expenditure Overview

Expenditure Categories



Personnel Costs	
Salaries	54.63%
Benefits	17.08%
Purchased Services	16.54%
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	4.97%
Other Uses	6.79%

Annual Expenditures Actual + Projected



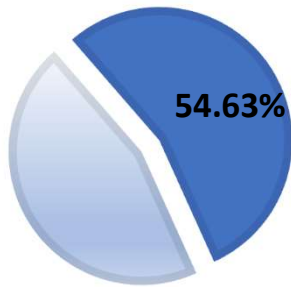
Historic Expenditures Change versus Projected Expenditures Change

	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	
Salaries	\$321,083	\$1,130,826	\$809,743	Expenditures increased by 0.56% (\$110,416 annually) during the past 5-year period, and are projected to increase by 4.44% (\$1,474,138 annually) through 2029. The forecast line with the most change on the expense side, Salaries, is anticipated to be \$809,743 more per year in the projected period compared to historical averages. The District's history of expenditures has been artificially reduced by ESSER grants (Federal Covid Stimulus money). Because we used ESSER grants to pay some of our GF expenses, not only is our history lower than it should be, but our future shows large increases as those expenses come back to the GF in FY24 and 25.
Benefits	\$108,921	\$354,674	\$245,753	
Purchased Services	(\$95,085)	\$222,822	\$317,907	
Supplies & Materials	\$5,151	\$38,296	\$33,146	
Capital Outlay	(\$9,907)	\$2,886	\$12,793	
Intergov & Debt	\$0	\$0	(\$0)	
Other Objects	\$9,625	\$963	(\$8,662)	
Other Uses	(\$229,372)	(\$276,331)	(\$46,959)	
Total Average Annual Change	\$110,416	\$1,474,138	\$1,363,721	
	0.56%	4.44%	3.89%	

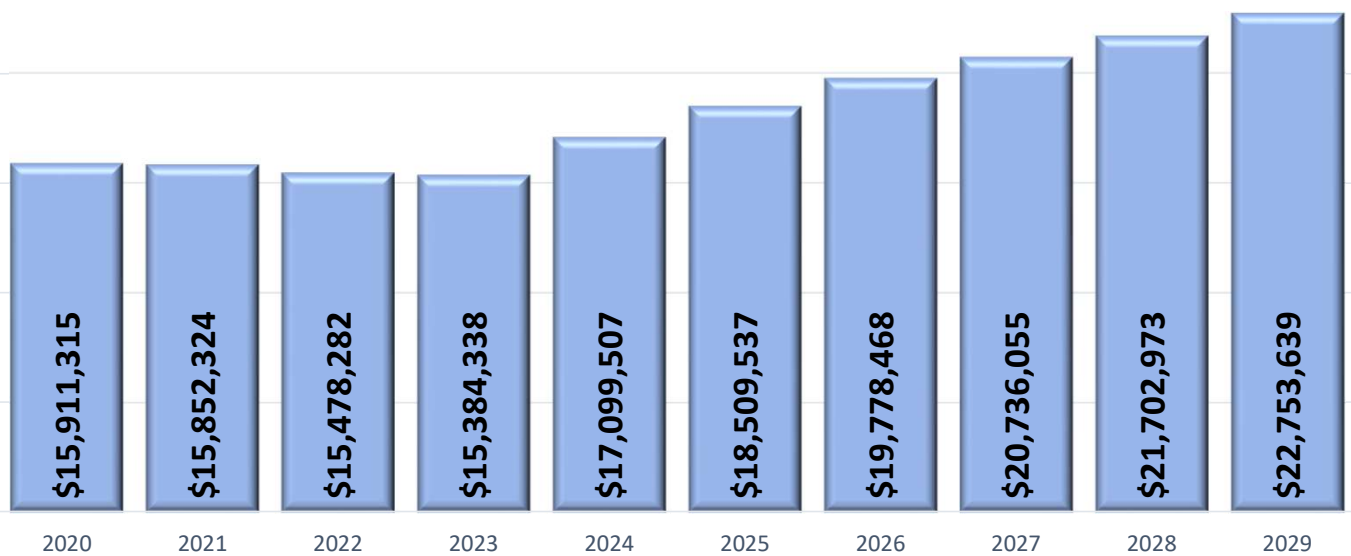
For Comparison:
 Revenue average annual change is projected to be > \$460,323 On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries account for 54.63% of the district's total general fund spending.



Key Assumptions & Notes

Salaries represent 54.63% of total expenditures and increased at a historical average annual rate of 2.10% (or \$321,083). This category of expenditure is projected to grow at an annual average rate of 5.89% (or \$1,130,826) through fiscal year 2029. The projected average annual rate of change is 3.79% more than the five year historical annual average.

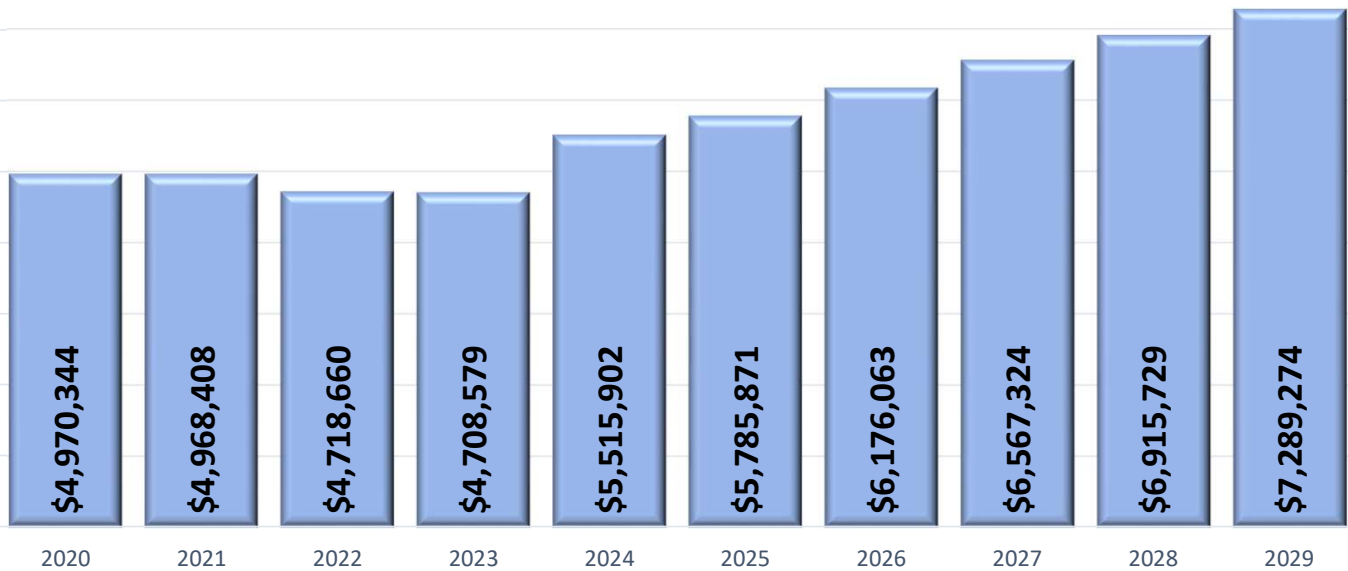
FY21 through FY24 had some expenses relieved by the ESSER grant. You will see our costs increases in FY24 and 25 as those costs come back to the general fund. Future increases are based on typical moderate raises and few increases in staff counts. As we continue to watch funding levels, we will adjust staffing accordingly.

3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits account for 17.08% of the district's total general fund spending.



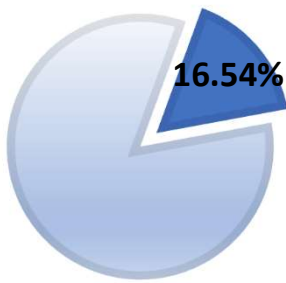
Key Assumptions & Notes

Benefits represent 17.08% of total expenditures and increased at a historical average annual rate of 2.37%. This category of expenditure is projected to grow at an annual average rate of 5.74% through fiscal year 2029. The projected average annual rate of change is 3.37% more than the five year historical annual average.

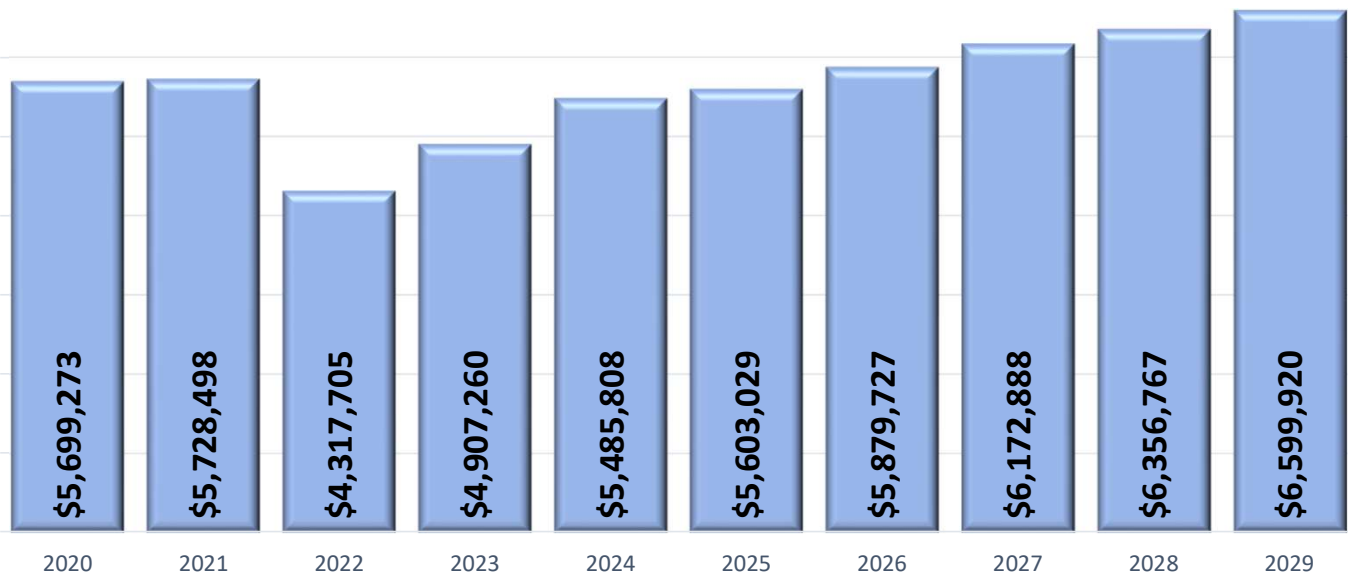
Health, dental, and life insurance costs are well controlled in a self-funded large group plan. However, all other benefits are estimated as a percentage of total salaries which is why we see continuing increases in benefits.

3.030 - Purchased Services

Amounts paid for services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utility costs and other services which the school district may purchase.



Purchased Services account for 16.54% of the district's total general fund spending.



Key Assumptions & Notes

Purchased Services represent 16.54% of total expenditures and decreased at a historical average annual rate of 0.61%. This category of expenditure is projected to grow at an annual average rate of 3.77% through fiscal year 2029. Starting in 2022, the Fair School Funding Plan (State Funding) only accounted for district educated enrollment, thereby reducing district tuition costs for open enrollment 'out,' community schools, STEM, and scholarship students. This change resulted in lower district costs, but also less per pupil state revenue since per pupil funding is now paid directly by the state to the district students attend.

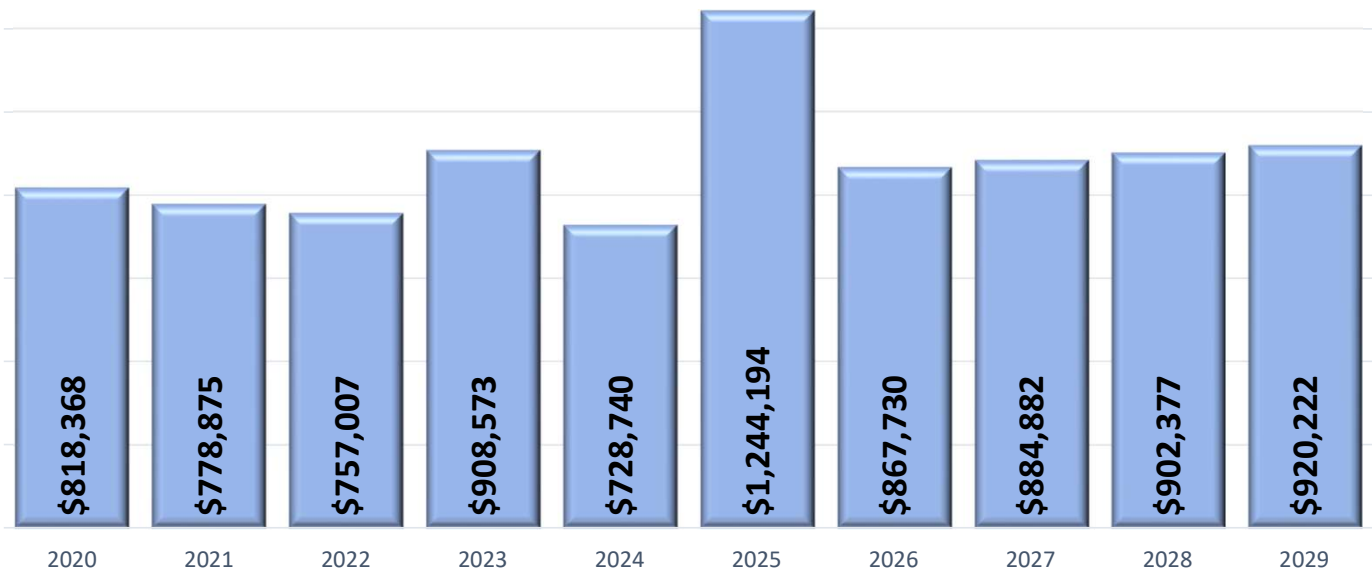
Purchase services continues to grow despite the district's best efforts to contain them. We expect reduction of costs in transportation. However, very large increases in electric costs are disguising those savings. We are estimating smaller increases in special education costs than we have seen in the past three years, though those costs are estimated to grow still by about \$200,000 per year for inflationary increases.

3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies and Materials account for 3.67% of the district's total general fund spending.



Key Assumptions & Notes

Supplies & Materials represent 3.67% of total expenditures and increased at a historical average annual rate of 1.80%. This category of expenditure is projected to grow at an annual average rate of 9.28% through fiscal year 2029. The projected average annual rate of change is 7.48% more than the five year historical annual average.

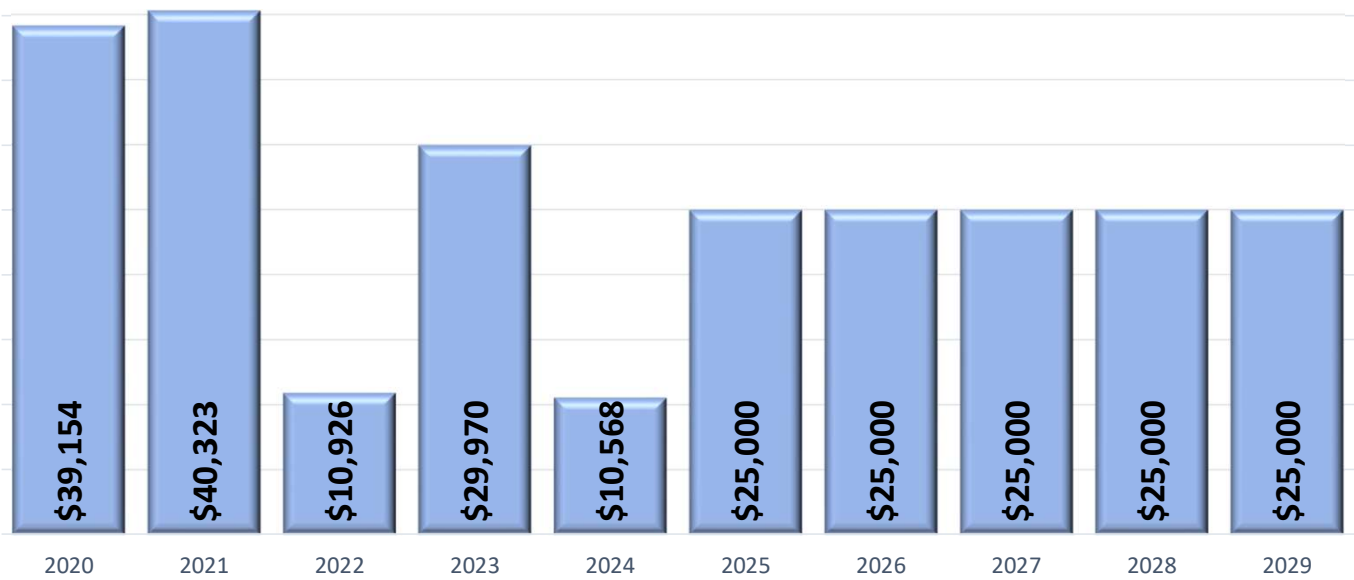
FY25 the district purchased the mandated ELA curriculum which inflated our typical supplies budget. The budget It is expected to return to more normal estimates in the future years of the forecast.

3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay account for 0.07% of the district's total general fund spending.

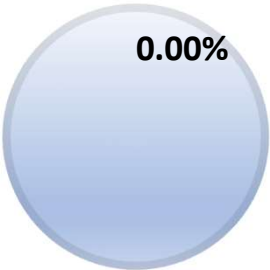


Key Assumptions & Notes

Capital Outlay represent 0.07% of total expenditures and decreased at a historical average annual amount of \$9,907. This category of expenditure is projected to grow at an annual average rate of \$2,886 through 2029. The projected average annual change is more than the five year historical annual average.

3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



Intergovernmental and Debt account for 0.00% of the district's total general fund spending.

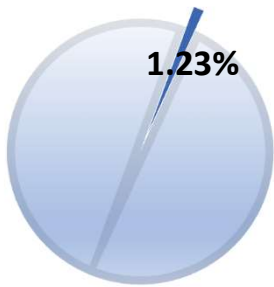
2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Key Assumptions & Notes

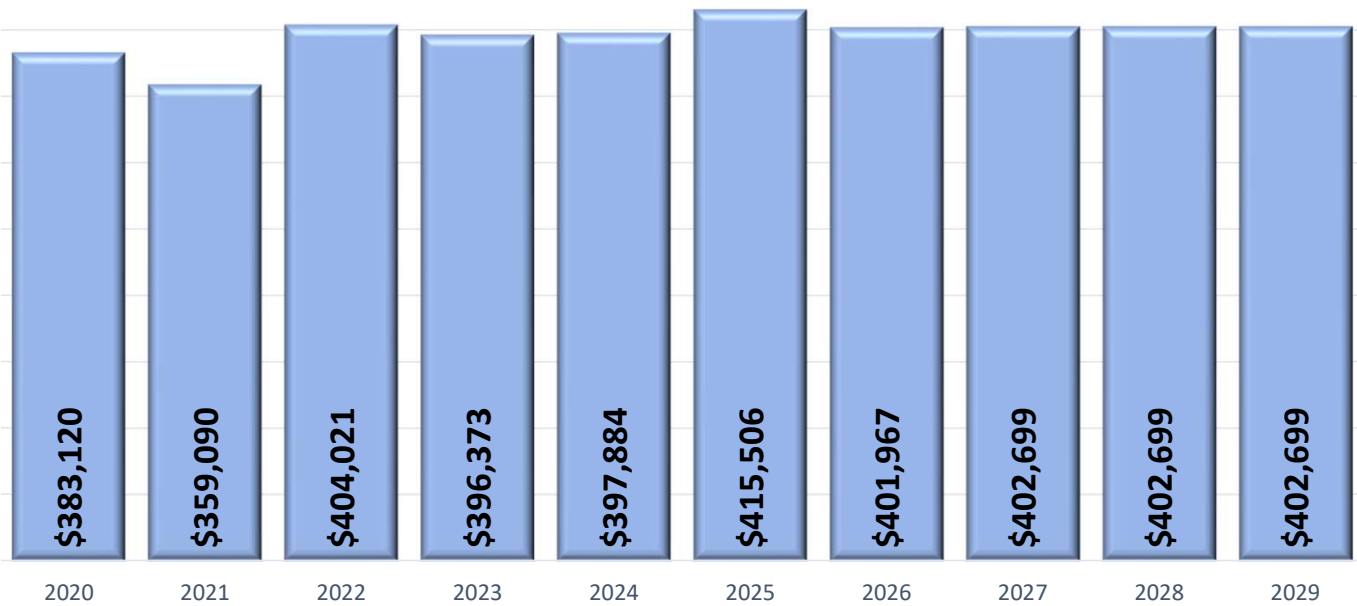
The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects account for 1.23% of the district's total general fund spending.

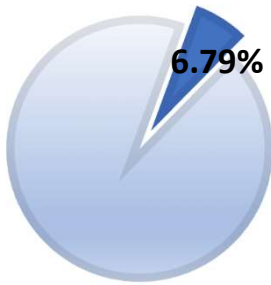


Key Assumptions & Notes

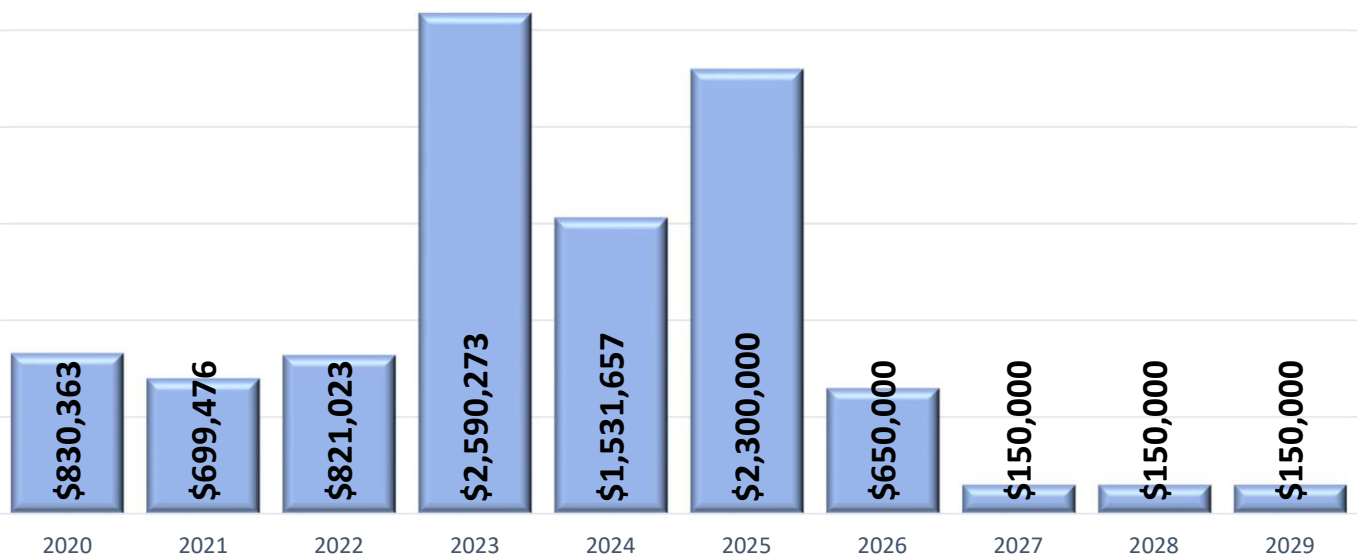
Other Objects represent 1.23% of total expenditures and increased at a historical average annual rate of 2.85%. This category of expenditure is projected to grow at an annual average rate of 0.27% through fiscal year 2029. The projected average annual rate of change is 2.58% less than the five year historical annual average.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



Other Uses account for 6.79% of the district's total general fund spending.



Key Assumptions & Notes

	2024	FORECASTED				
		2025	2026	2027	2028	2029
Transfers Out	1,531,657	2,300,000	650,000	150,000	150,000	150,000
Advances Out	-	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In 2024 the district had no advances-out and has no advances-out forecasted through fiscal year 2029. The district can also move general funds permanently to other funds, and as the schedule above presents, the district has transfers forecasted through fiscal year 2029. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

The district has a history of transferring cash from the general fund, when seeing positive cash flow, to the capital improvement fund as the district has had over 7 years of capital improvement projects in process. The district has completed the "Safe, Warm and Dry" project with great success and is now finishing small projects to update the exterior of the buildings, parking lots and playgrounds to reflect the same polish as the interior projects. In addition, the district is in process of planning the updates to "North Norwood Elementary" so that building will be complete for either the Norwood Montessori expansion or other elementary growth. See the Capital Improvement and PI budget in future assumption pages for more information. All transfers reflected in the forecast will go to the Capital Improvement fund, severance fund, technology fund (for Chromebook and laptop replacement) or other very small needs in other funds.

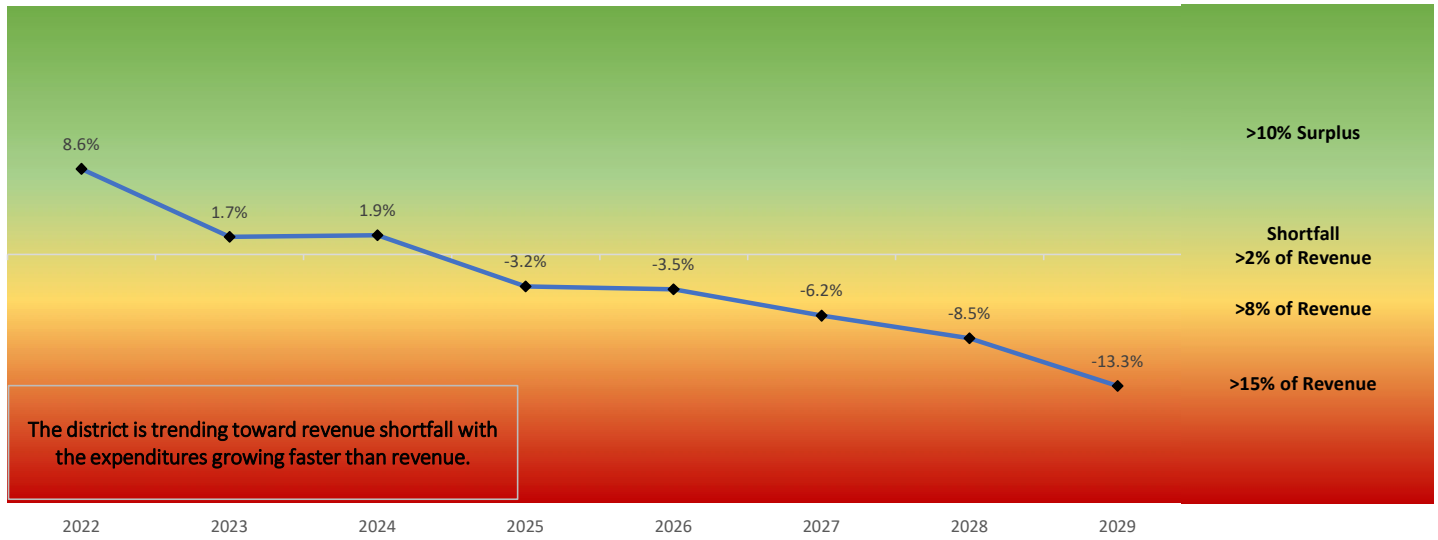
Norwood City School District

Five Year Forecast

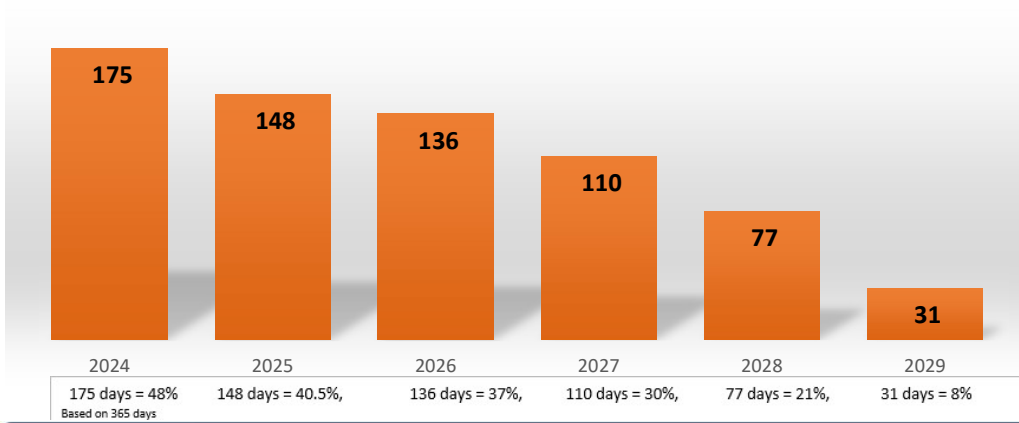
May Fiscal Year 2025

Fiscal Year:	Actual	FORECASTED				
	2024	2025	2026	2027	2028	2029
Revenue:						
1.010 - General Property Tax (Real Estate)	16,511,446	17,548,796	17,646,955	18,235,859	18,823,842	18,864,257
1.020 - Public Utility Personal Property	1,590,357	1,622,035	1,554,798	1,610,091	1,633,946	1,711,303
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	5,473,438	6,035,941	6,036,399	6,154,423	6,219,288	6,267,559
1.040 - Restricted Grants-in-Aid	1,867,911	1,426,931	1,340,634	1,234,581	1,174,105	1,129,487
1.050 - State Share-Local Property Taxes	1,511,164	1,677,383	1,679,461	1,773,147	1,861,985	1,861,042
1.060 - All Other Operating Revenues	4,386,814	4,268,743	4,322,114	3,848,900	3,849,487	3,793,706
1.070 - Total Revenue	31,341,130	32,579,829	32,580,361	32,857,001	33,562,653	33,627,354
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	34,607	240,444	50,000	50,000	50,000	50,000
2.070 - Total Other Financing Sources	34,607	240,444	50,000	50,000	50,000	50,000
2.080 - Total Rev & Other Sources	31,375,737	32,820,273	32,630,361	32,907,001	33,612,653	33,677,354
Expenditures:						
3.010 - Personnel Services	17,099,507	18,509,537	19,778,468	20,736,055	21,702,973	22,753,639
3.020 - Employee Benefits	5,515,902	5,785,871	6,176,063	6,567,324	6,915,729	7,289,274
3.030 - Purchased Services	5,485,808	5,603,029	5,879,727	6,172,888	6,356,767	6,599,920
3.040 - Supplies and Materials	728,740	1,244,194	867,730	884,882	902,377	920,222
3.050 - Capital Outlay	10,568	25,000	25,000	25,000	25,000	25,000
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	397,884	415,506	401,967	402,699	402,699	402,699
4.500 - Total Expenditures	29,238,409	31,583,137	33,128,955	34,788,849	36,305,545	37,990,755
Other Financing Uses						
5.010 - Operating Transfers-Out	1,531,657	2,300,000	650,000	150,000	150,000	150,000
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	1,531,657	2,300,000	650,000	150,000	150,000	150,000
5.050 - Total Exp and Other Financing Uses	30,770,066	33,883,137	33,778,955	34,938,849	36,455,545	38,140,755
6.010 - Excess of Rev Over/(Under) Exp	605,671	(1,062,865)	(1,148,595)	(2,031,849)	(2,842,892)	(4,463,400)
7.010 - Cash Balance July 1 (No Levies)	14,151,098	14,756,769	13,693,904	12,545,310	10,513,461	7,670,569
7.020 - Cash Balance June 30 (No Levies)	14,756,769	13,693,904	12,545,310	10,513,461	7,670,569	3,207,169
		Reservations				
8.010 - Estimated Encumbrances June 30	200,000	400,000	400,000	400,000	400,000	400,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	14,556,769	13,293,904	12,145,310	10,113,461	7,270,569	2,807,169
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	14,556,769	13,293,904	12,145,310	10,113,461	7,270,569	2,807,169
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	14,556,769	13,293,904	12,145,310	10,113,461	7,270,569	2,807,169

Revenue Surplus/(Shortfall) - Current Forecast



Days Cash on Hand - Current Forecast

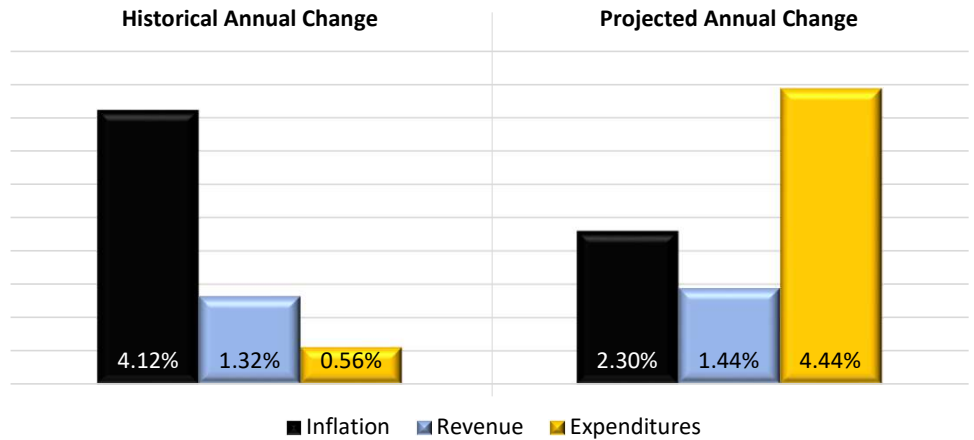


Days cash on hand is projected to decline and is less than 60 days by 2029.

*based on 365 days

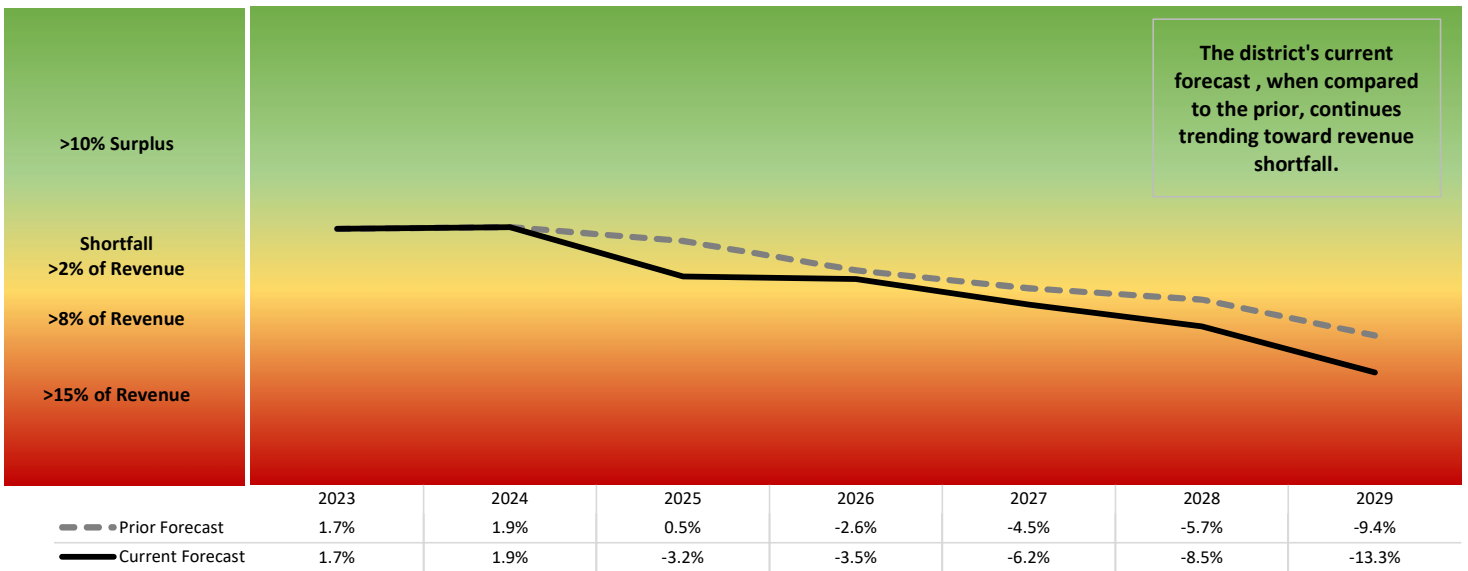
5-Year Average Annual Change - Inflation, Revenue and Expenditures

Average projected annual expenditure change is greater than inflation, and more than revenue.

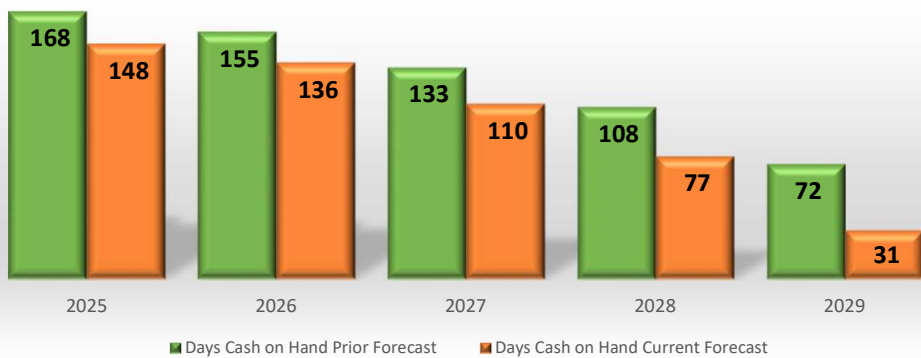


CPI (Inflation) Source: Federal Reserve Bank of St. Louis (January 1, 2025)
<https://alfred.stlouisfed.org>

Revenue Surplus/(Shortfall) - Current Compared to Prior Forecast



Days Cash on Hand - Current Compared to Prior Forecast



Days cash on hand is forecasted to decline, and is similar to the prior forecast trend.

*based on 365 days

Revenue and Expenditure Variances - Current Compared to Prior Forecast

Revenue Variance	
Cumulative Unfavorable Revenue Variance	-0.62% (\$1,034,489)
Largest Revenue Variances	
1.01 Real Estate	-0.78% (\$1,308,389)
1.060 All Other 2.xx Other Sources	0.63% \$1,044,750
1.02 Pub Utility	-0.56% (\$929,710)
All Other Revenue Categories	0.10% \$158,860

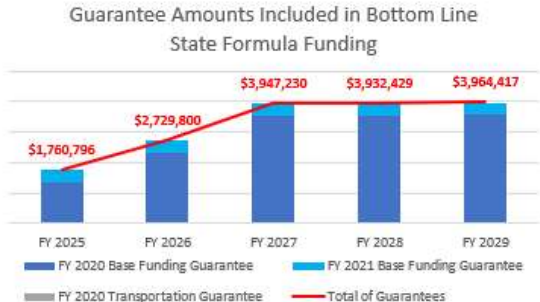
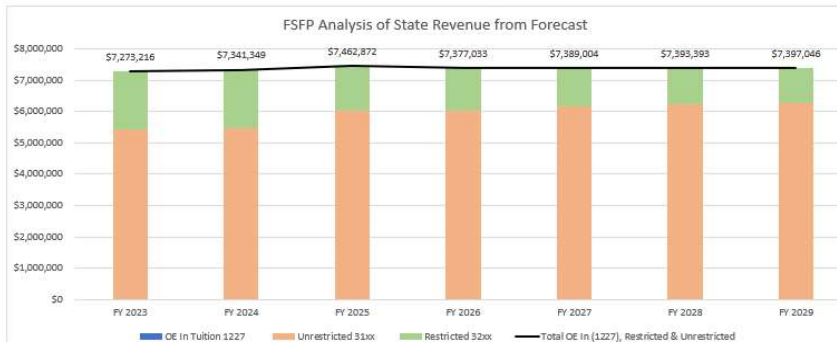
The current revenue forecast is down by 0.62% compared to the prior forecast.

NET cumulative forecast impact for the forecast period 2025 - 2029 of Revenue and Expense variances is -2.45% (or -\$4,214,877).

The current forecast for expenditures is up by 1.83% compared to the prior forecast.

Expenditure Variance	
Cumulative Unfavorable Expenditure Variance	1.83% \$3,180,388
Largest Expenditure Variances	
Intergov + Debt + Other	1.67% \$2,900,000
3.01 Salaries	0.83% \$1,449,466
3.03 Purchased Serv.	-0.70% (\$1,211,998)
All Other Expenditure Categories	0.02% \$42,920

Ohio's Fair School Funding Plan - CFO Bottom Line Revenue Analysis



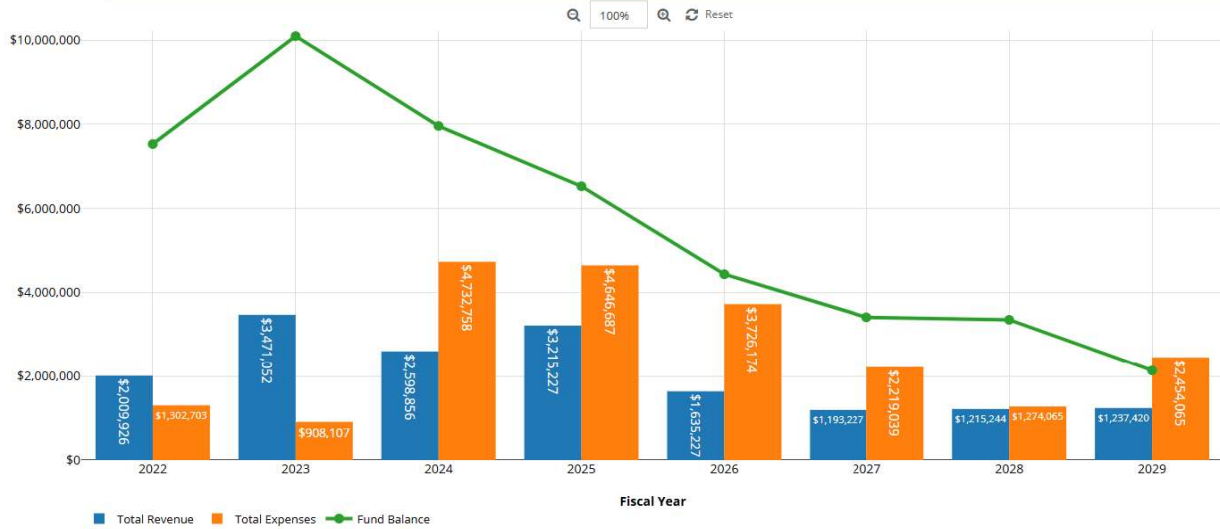
Ohio's Fair School Funding Plan - Summary Funding Results (SF8)

Funding Summary		FY 2025	FY 2026	FY 2027	FY 2028
.R3	Current Year's Funding (R + R2)	\$6,291,654	\$6,291,654	\$6,291,654	\$6,291,654
.S1	Open Enrolled ADM Loss Impact (Result 2)	\$0	\$0	\$0	\$0
.S2	Special Education Set-Aside (SF5)	(\$58,285)	(\$46,968)	(\$31,480)	(\$32,939)
.T1	Career Awareness Revenue	\$0	\$0	\$0	\$0
.T2	CTC Associated Services Adj.	\$0	\$0	\$0	\$0
.T3	Transportation (SF7)	\$52,139	\$57,499	\$63,029	\$64,322
.U	FY 2021 Transition Supp Result 3	\$402,289	\$396,929	\$391,399	\$390,106
.V	CFO Bottom Line Funding Adjustment Below	\$58,285	\$49,968	\$31,480	\$32,939
.V2	Supplemental Targeted SF6	\$0	\$0	\$0	\$0
.W	Total State Funding	\$6,746,083	\$6,749,082	\$6,746,083	\$6,746,083
	YOY Change		\$2,999	(\$2,999)	\$0
	YOY % Change		0.04%	-0.04%	0.00%
Trend Indicator of Funding Status		Guarantee	Guarantee	Guarantee	Guarantee
FY 20 + FY 21 Base Guarantee Total		\$1,760,796	\$2,729,800	\$3,947,230	\$3,932,429

State funding assumptions

- State funding for the district's May 2025 Forecast is estimated using current law. Therefore, a 4% increase is expected at the beginning of 2026 and 2028 due to biennium base cost increases.
- Phase ins of the Fair School Funding Plan are predicted with an 83.33% phase in for FY26 and 100% starting in FY28.
- We estimate that guarantee funding will continue as current in the upcoming years of the forecast.
- We expect to continue to see moderate Student FTE growth for both residential and open enrolled students.
- The district will continue CEP as this is our sixth year. However, due to other districts starting CEP, we realize that our DPIA funding will decrease as our "wealth" becomes less apparent as other districts apply lowering the State's average "wealth" rating.
- FY25 included a state funded one-time payment for reimbursement of ELA mandated teacher training.
- Bills are in the legislative process, including the biennial budget, that will change state funding for the district if they pass. If the biennial budget includes these changes when it passes, the district will have to restate revenues in a new five-year forecast as both the Governor's version of the biennial budget and the House version are planning significant negative changes to funding. Future pages of the forecast will attempt to highlight the negative changes.

Norwood City Schools - PI, Tech and Capital Improvement Budget



This account has several funds within it.

One account (PI fund) is funded by a permanent improvement levy passed in 2016. In 2022, we started debt payments from this PI fund. When the PI levy was on the ballot, it was explained that the levy would pay for additional debt services needed to finish the renovation project called Warm, Safe, and Dry. Funding the original renovation project was hampered by debt limits and additional bonds were sold in 2022 to fund the rest of the project as intended. Currently, all of the Warm, Safe, and Dry renovations are finished. The debt payment will continue from the PI fund for 20 years. This fund also provides all maintenance and repair for our historic buildings. A ten-year capital improvement budget has been completed, and the above budget reflects these plans. We will continue to watch the PI fund balance to make sure the amount will cover future renovation and repair needs of our beautiful century-old buildings.

Another account (Capital Improvement fund) within this fund has had transfers from the general fund as a revenue source since 2016. In this account, we have large expenditures for FY24 -26, the beautification project to improve playgrounds, green spaces, and front entrances and renovation to Shea stadium including field and track replacement. We are also completing a security project at our educational buildings and making improvements to the Dr. Kathy Sabo Auditorium. We have complete replacement of student devices (Chromebooks) planned for FY29. For that to happen, we must continue to set aside at least \$100,000 per year from the general fund to the tech account for us to have sufficient funds for this replacement. All other technology hardware and software is either paid from PI funds or general funds. Transfers will continue coming from the general fund during years that have a positive cash balance. However, at the expiration of ESSER, it will be unlikely that the general fund will be able to support the technology fund and then we will have to use PI funds to pay for technology further declining that balance.

North Norwood fund – an old fund consisting of a cash balance left from when the building was rented. We will spend this account on the North Norwood remodel until the funds are gone then the project will continue from the Capital Improvement Fund.

Technology fund – as said above, this account is a savings account in order to build up a balance to pay the more than \$1.76 M needed to replace all Chromebooks and laptops scheduled in 2029.

The City of Norwood has made huge changes to their Economic Development Ordinances that will stop all Residential and limit Commercial new construction real estate revenue. Even worse, they've changed the definition of residential to include all large apartment complexes allowing these for-profit entities 100% abatement for 15 years. Although, I never estimated the new apartment complexes in the forecast, I still had small growth for tear down-rebuilds and new small commercial startups in the future based on history. Now that I have had to remove all growth in new construction, you will see the effect in our forecast below. This compares the November forecast to the current one.

In line 1.010 years 2027, 2028, 2029 all are in response to the lack of new construction funding for real estate.

Norwood City Schools City SD

May Forecast

Current Forecast Annual Difference (Over/Under) Compared to Base Forecast

State Line Item No	State Line Item No and Description	Amount				
		2025	2026	2027	2028	2029
Total		\$201,643	\$315,396	\$-280,232	\$-565,827	\$-705,470
Property Taxes		\$-136,027	\$-204,620	\$-492,842	\$-802,332	\$-900,858
	1.010 General Property Tax (Real Estate)	\$-69,473	\$22,925	\$-232,520	\$-471,930	\$-557,391
	1.020 Tangible Personal Property Tax	\$-61,621	\$-209,338	\$-203,059	\$-227,945	\$-227,747
	1.050 State Share of Local Property Taxes	\$-4,933	\$-18,207	\$-57,263	\$-102,457	\$-115,720
	11.020 Property Tax - Renewal or Replacement	\$0	\$0	\$0	\$0	\$0

(forecasted) The County Auditor has informed us that a public utility company is fighting their values in the BOR, so we are estimating smaller revenues for Tangible Personal Property tax in the future. They short paid their tax bill by \$180,000 this year.

In addition, there are several bills being considered to restrict real estate funding to schools. If any pass, we will need to restate our forecast.

Possible Threats to Norwood CSD funding! - Not Forecasted

The Biennial budget of the State of Ohio is not yet set for the next two years. This directs state funding for Norwood CSD and several other factors. Both the Governor's version of the budget and the House version are not included in the forecast but estimates detailing the negative effects are below.

The Governor's version of the Biennial Budget includes state funding cuts to Norwood City Schools. Here are estimates for the district if a plan like his is adopted:

1 SF8 FY 2020 Base Guarantee Analysis

SF8 Result 1 Guarantee Decrease Proposal				
Reflects Gov. DeWine's FY26-27 budget as introduced		FY 2025	FY 2026	FY 2027
1	2020 Guarantee Revenue Change (F)	\$0	-\$314,583	-\$629,165
2	Transportation Guarantee Revenue Change (K)	\$0	\$0	\$0
3	Net 2021 Guarantee Revenue Change (U)	\$0	-\$22,721	-\$45,443
Estimate Reduction for CFO Line "V" on SF8				
4	Total fiscal impact (Line 1 +2+3)	\$0	-\$337,304	-\$674,608

We would lose over \$1M in the biennium in cuts to state funding.

House version of the Biennial Budget and estimates on the effect of the Norwood CSD budget:

Norwood City Schools City SD

Do Not USE!! Estimated House version of new biennial budget

Current Forecast Annual Difference (Over/Under) Compared to Base Forecast

State Line Item No	State Line Item No and Description	Amount				
		2025	2026	2027	2028	2029
Total		\$161,652	-\$801,622	-\$365,458	\$6,185	\$56,006
Property Taxes		\$0	-\$550,598	-\$499,145	\$189,142	\$188,926
	1.010 General Property Tax (Real Estate)	\$-0	-\$551,387	-\$516,205	\$171,234	\$171,149
	1.020 Tangible Personal Property Tax	\$0	\$789	\$1,557	-\$13,105	-\$13,246
	1.050 State Share of Local Property Taxes	\$0	\$-0	\$15,503	\$31,013	\$31,023
	11.020 Property Tax - Renewal or Replacement	\$0	\$0	\$0	\$0	\$0
Income Taxes		\$0	\$0	\$0	\$0	\$0
	11.010 Income Tax - Renewal	\$0	\$0	\$0	\$0	\$0
State Aid		-\$57,700	-\$14,405	\$259,276	-\$32,399	-\$32,602
	1.035 Unrestricted State Grants-in-Aid	-\$63,431	\$15,963	\$262,445	-\$25,894	-\$26,053
	1.040 Restricted State Grants-in-Aid	\$5,731	-\$30,368	-\$3,169	-\$6,505	-\$6,549

While State aid is maintained, increased in FY27 if we see student count growth, look how they would cut Real Estate Taxes to lower our cash balance deliberately!

A bill currently in the House, HB66, will change the structure of our valuation, millage rate, and revenue relationship. If it passes, the district will lose \$558,000 from FY27 and \$1,077,000 thereafter compared to forecasted revenues.

Adjustments to FFA Due to SB 66 Recalculation of Tax Rates	FY 2027	FY 2028	FY 2029
FFA 4.3 CFO Adjust	-\$486,488	-\$939,464	-\$939,815
FFA 4.3 CFO Adjust	-\$72,140	-\$138,402	-\$138,404
Above is sum of Class 1 & 2			

SB 66 requires us to recalculate effective rates absent a floor. The first impact, if passed, would be on Tax Year 2026 rates.