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

May 1, 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.



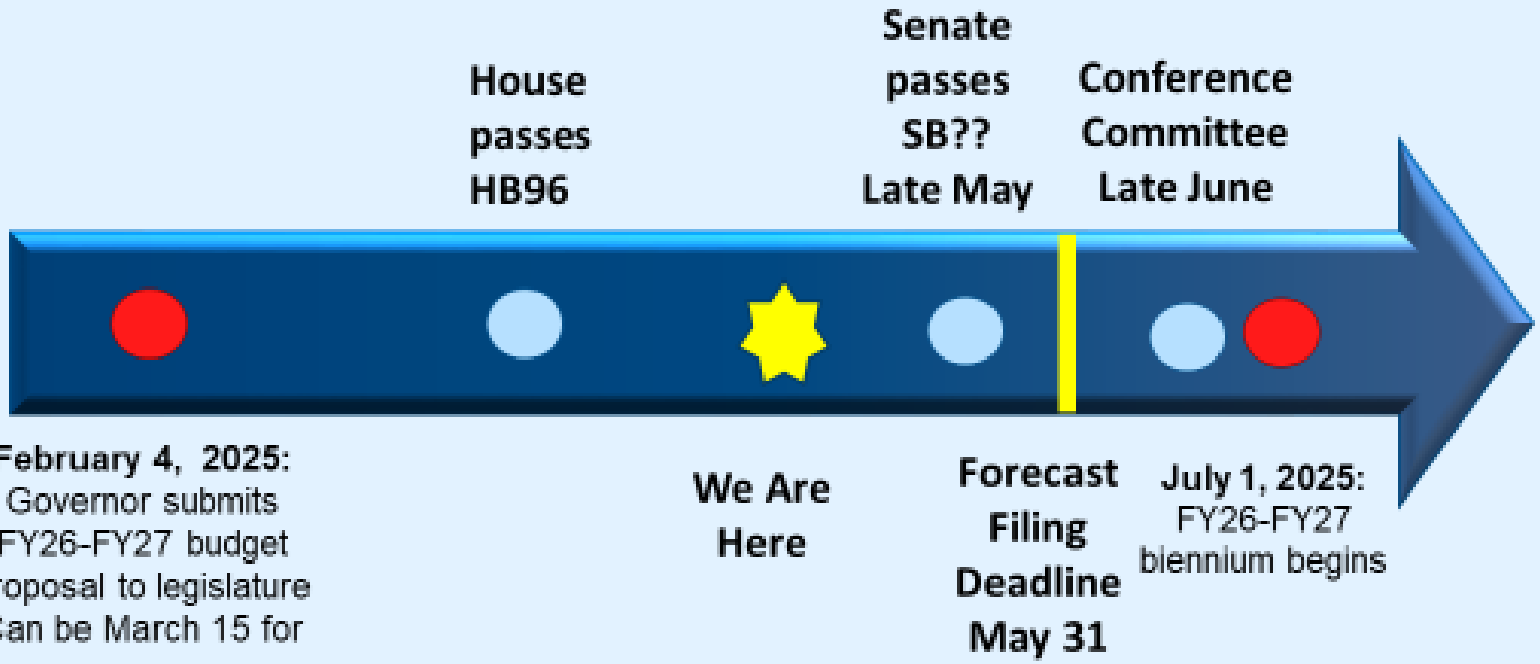
The expenditures are mainly salary and wages, benefits, purchased services, and supplies and materials.

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 details if state budget or potential property tax changes until October-November 2025 following a budget approval in June.

Challenges to Operating Revenue

- **HB33 the Fair School Funding Plan may not be funded in FY26-29.**
- **Current legislature makes it nearly impossible to predict state aid because state budget in limbo.**
- **Property taxation may change in the future as well.**
- **Total revenue is estimated to grow by less than 1% annually over the next 5 years while expenses are estimated to grow by 4.7% a year.**
- **Enrollment increases/decreases will translate into increase/decrease revenues on the foundation formula but it may be suspended in FY26-FY27 state budget.**
- **The state legislature is our largest challenge to revenue.**

Expenditure Forecast Facts and Assumptions

- **Salaries were estimated to increase in FY25 by $2.3M due to the absorption of some ESSER staff, 2.5% raises across the board, and step increases.**
- **Materials and supplies increased in FY25 due to the purchase of 140 electronic white boards. In FY26 there will be a textbook adoption. Adoptions will be evaluated every year.**
- **Deficit spending begins on Line 6.01 in FY24 and will continue throughout the forecast.**
- **Capital Outlay was reduced in FY26 & FY27 because there will be no bus purchases. One bus was purchased in FY25 and one bus is in the forecast for FY28 and FY29.**
- **Other expenses which includes ESC expenditures and auditor fees were estimated to increase by 2% each year.**

Revenues
NOVEMBER vs. MAY FORECAST (FY25)

	November Forecast	May Forecast	Variance
Property Taxes	$8,315,849	$8,725,558	$409,709
State Foundation	$27,219,150	$27,201,236	$-17,914
Homestead/Rollback	$1,059,617	$1,073,591	$ 13,974
Other Revenue	$2,089,997	$1,955,928	$-134,069
TOTAL	**$38,684,613**	**$38,956,313**	**$271,700**

Other Sources of Revenue

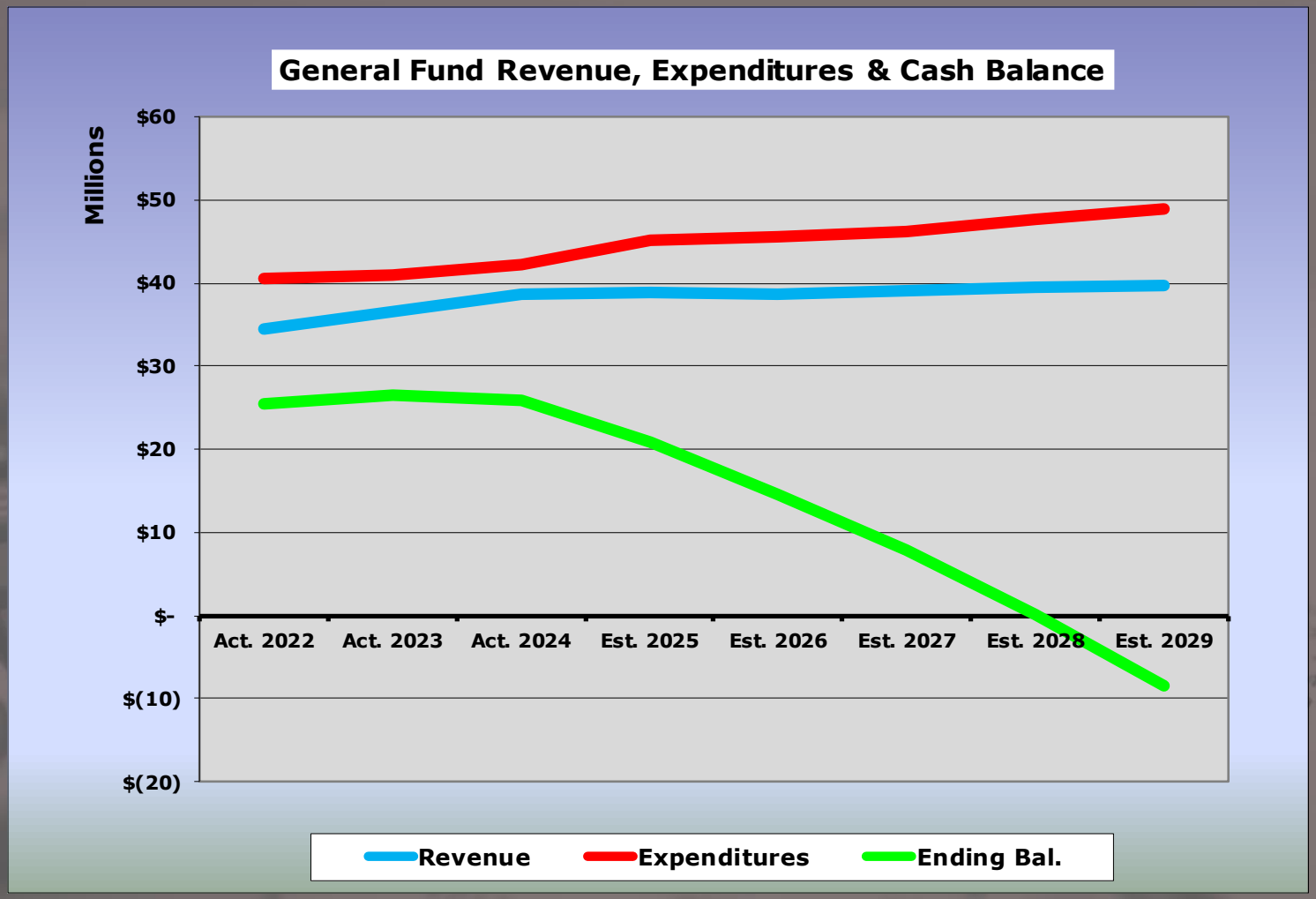
- **In FY25, the district will receive $680,241 of Student Wellness and Success monies. The district must spend all of the remaining FY24 funds in the amount of $826,308 by June 2025. These funds will be used to pay for the Samaritan Behavioral Health contract and other materials related to student wellness.**

- **The district has grants in the amount of $4M+ outside of the general fund that helps fund other academic initiatives.**

Expenditures
NOVEMBER vs. MAY FORECAST (FY25)

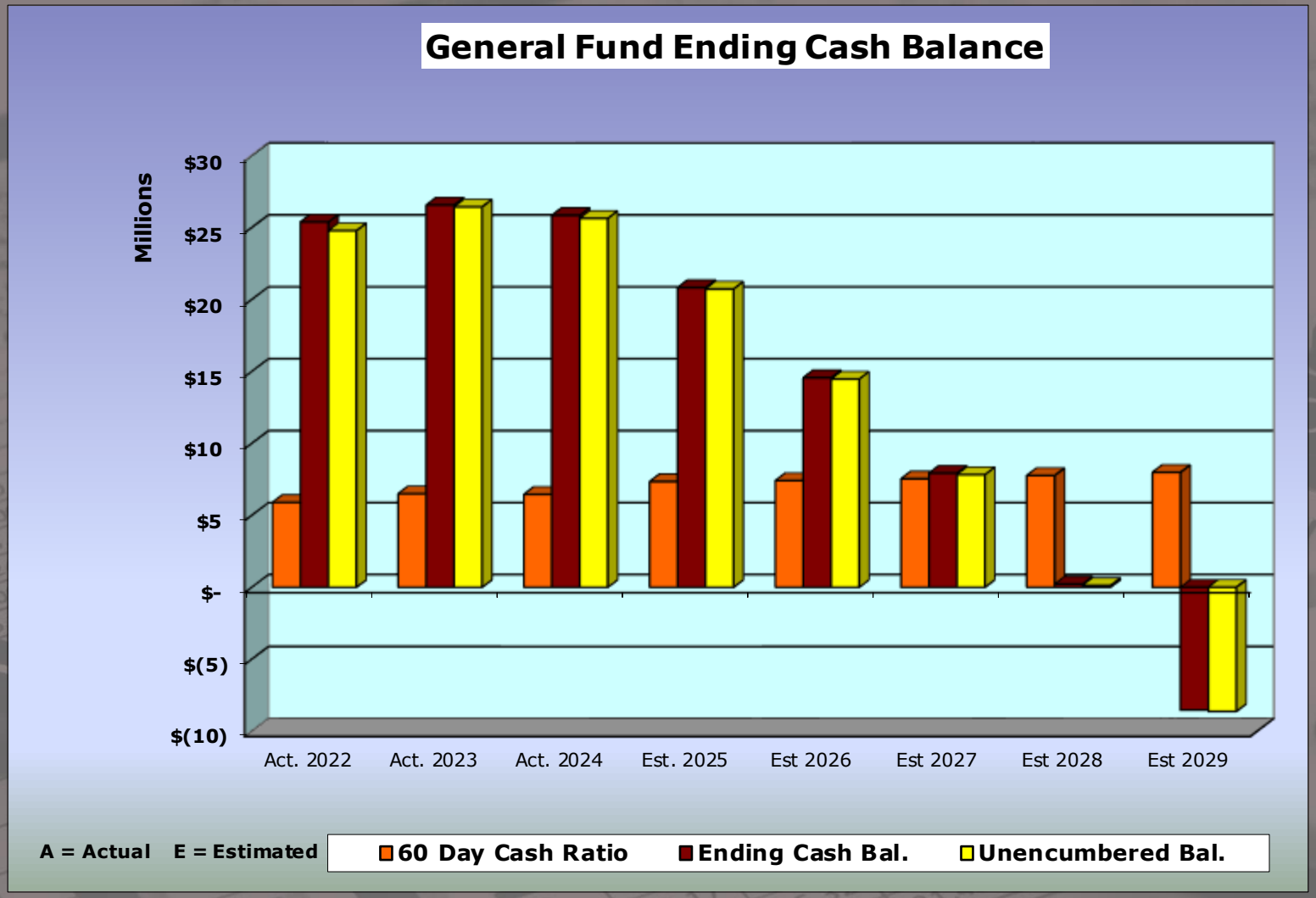
	November Forecast	May Forecast	Variance
Salary	$24,620,809	$24,370,809	$ -250,000
Retirement	$9,179,492	$8,884,367	$ -295,125
Purchased Services	$4,174,786	$5,674,786	$1,500,000
Supplies & Materials	$1,587,000	$2,037,000	$450,000
Capital Outlay	$160,000	$160,000	$-0-
HB264 P & I	$118,395	$118,395	$-0-
Other Objects	$2,832,300	$2,832,300	$-0-
TOTAL	**$42,672,782**	**$44,077,657**	**$1,404,875**

Revenue vs Expenditure



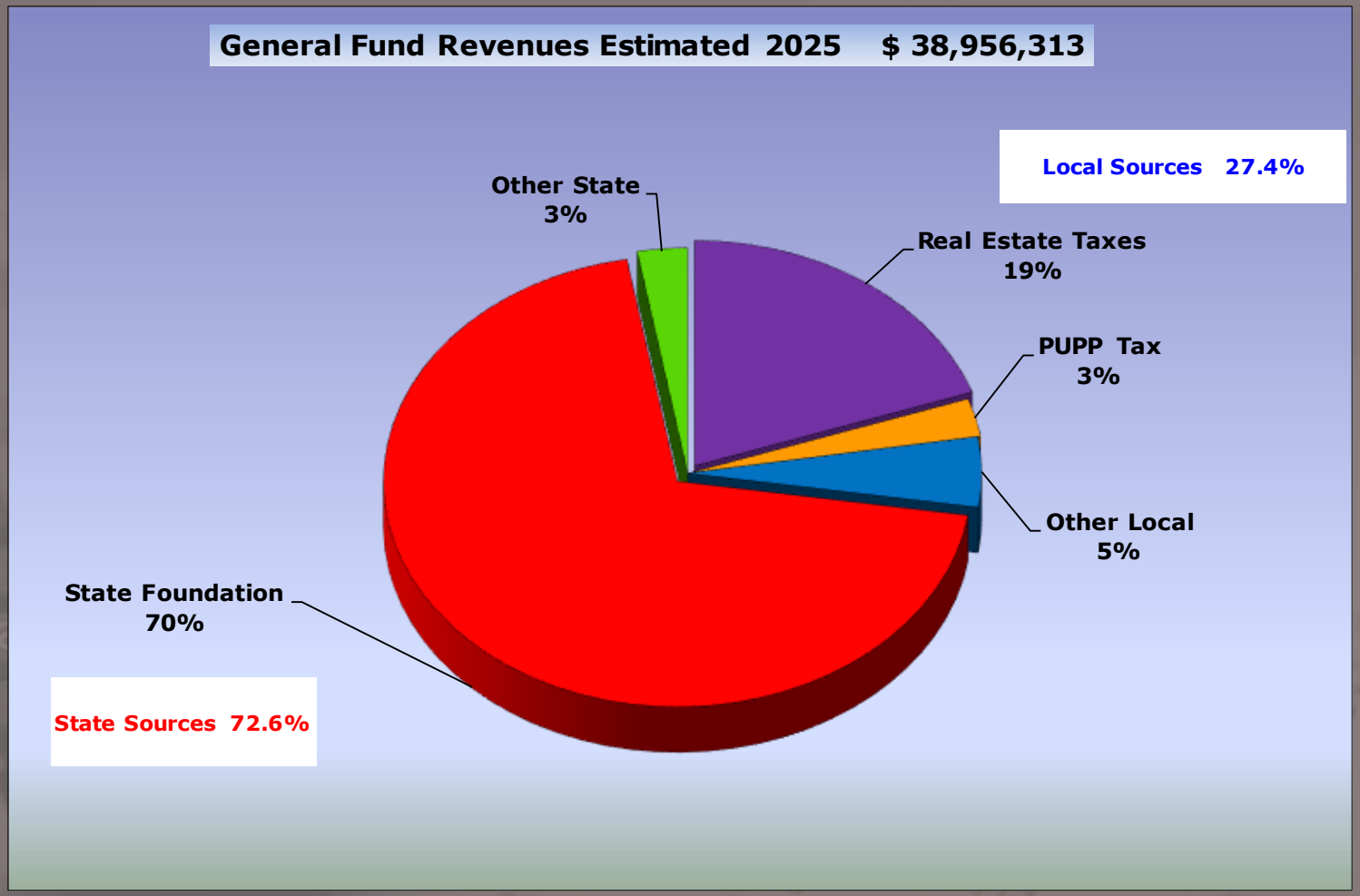
- Expenditures are exceeding revenues throughout the forecast period.

Ending Cash Balance



- 60-day Cash Balance is a responsible target to end year.

Est. General Fund Revenue Sources FY25



- 72.6% of our revenues come from the State of Ohio. We need to keep an eye on future state budgets FY26-FY29.

State Funding Called Phase In is Really Just a CAP FY25

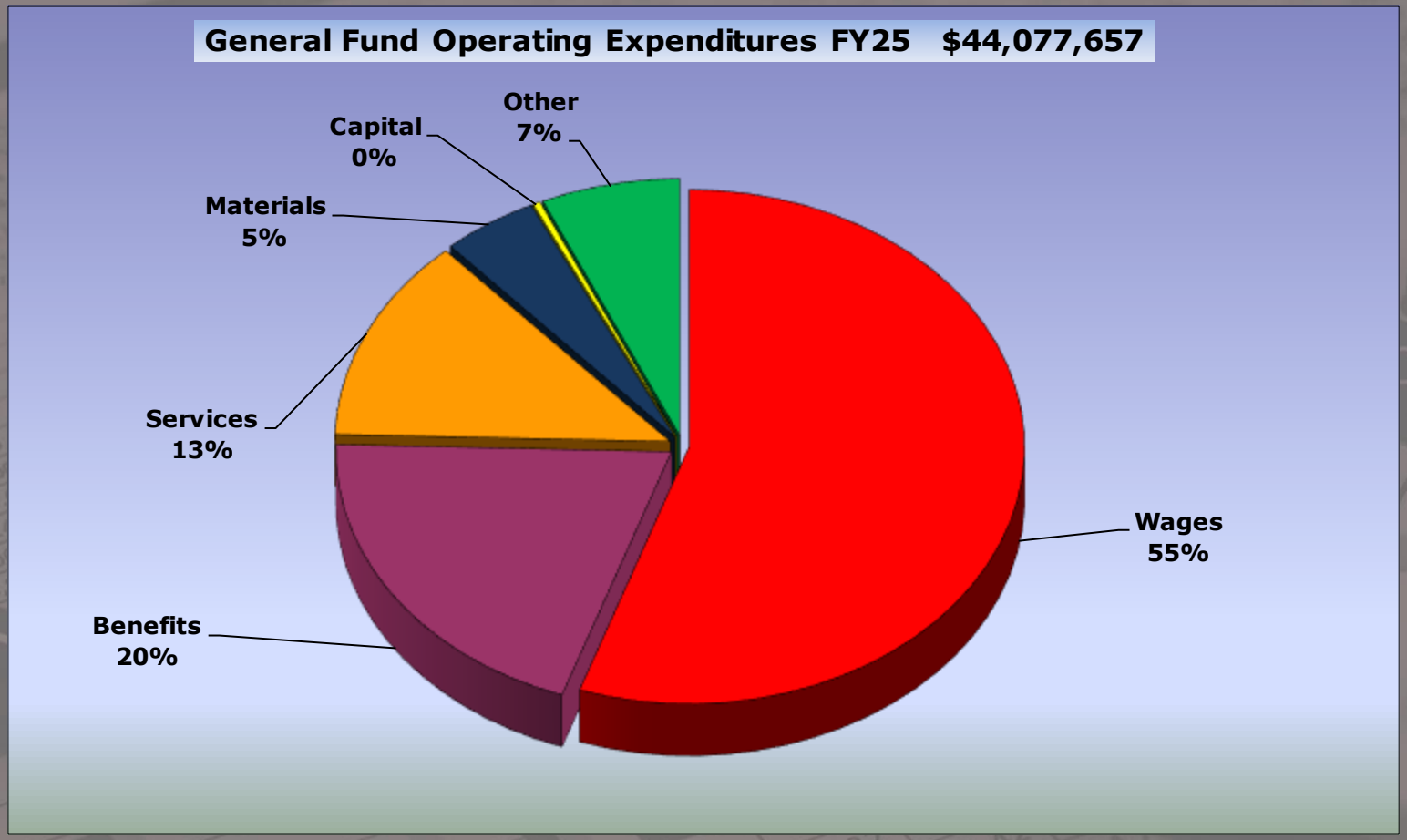
April #2 Payment, Data as of 04/07/2025

Name: Trotwood-Madison City | County: Montgomery | IRN: 048694

	[a] Base State Funding	[b] Calculated State Funding	[c=(b-a)*%] Phase-in Funding[1]	[d=a+c] State Funding
State Support				
A Base Cost	$12,197,747.77	$15,234,909.34	$2,024,875.62	$14,222,623.39
B Targeted Assistance	$4,910,199.40	$4,994,480.46	$56,190.18	$4,966,389.58
C Special Education	$2,281,666.18	$2,233,975.45	$-31,795.41	$2,249,870.77
D Disadvantaged Pupil Impact Aid (DPIA)	$2,572,719.05	$2,534,150.28	$-25,713.80	$2,547,005.25
E English Learners	$16,906.43	$69,502.31	$35,065.67	$51,972.10
F Gifted	$130,618.03	$121,986.76	$-5,754.47	$124,863.56
G Career Technical Education	$98,760.85	$149,916.44	$34,105.43	$132,866.28
H Foundation Funding (A + B + C + D + E + F + G)	$22,208,617.71	$25,338,921.04	$2,086,973.22	$24,295,590.93

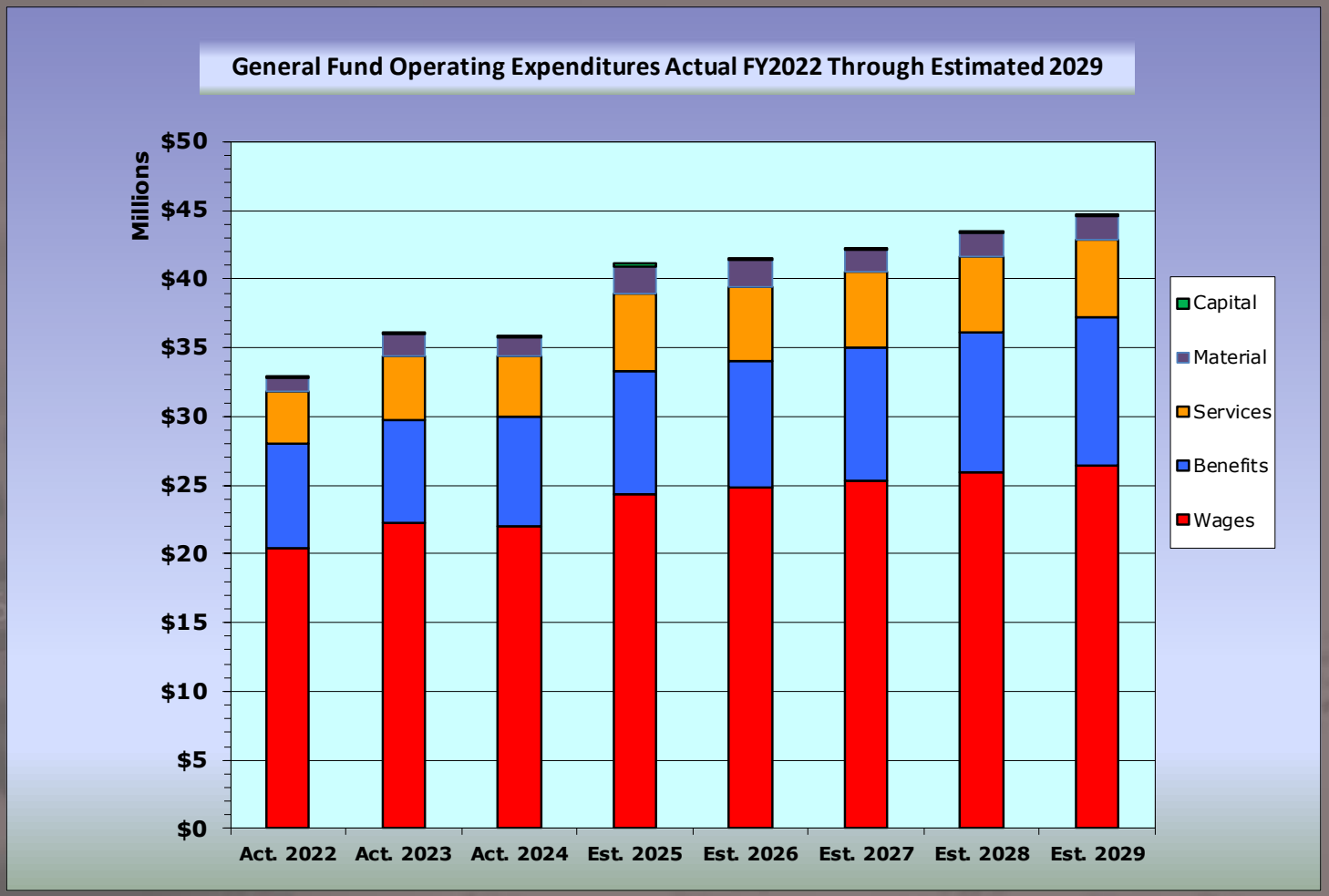
- In FY25 the formula says TMCSD owed $25.4M BUT we are only paid $24.3M…we are owed nearly $1,043,330 more each year than we are being paid.
- If state suspends fair school funding plan we never will be paid what we are owed.

Est. General Fund Expenditures FY25



- Wages and benefits are estimated to be 75% of total expenses.

General Fund Expenditures By Object FY22 through Est. FY29



- The district has strategically spent monies and is planning on implementing academic initiatives for our students to make them college and career ready.

Summary

- The State resources represent 72.6% of the district revenues which means it is a significant area of risk to revenue.
- We anticipate having a positive ending cash balance June 30, 2028 as long as our current assumptions are correct.
- Future funding is uncertain still for FY26-29 as Fair School Funding Plan not funded beyond FY25.
- The FY26-FY27 state budget may freeze state funding for our district as they set aside the fair school funding plan.
- There may also be new tax laws and restrictions on cash balances.
- There are more unknown items concerning revenue is this forecast that there has ever been.

Questions and Answers

Thank You for Listening

