



Springfield Local School District

# Five Year Forecast Financial Report

May 19, 2025

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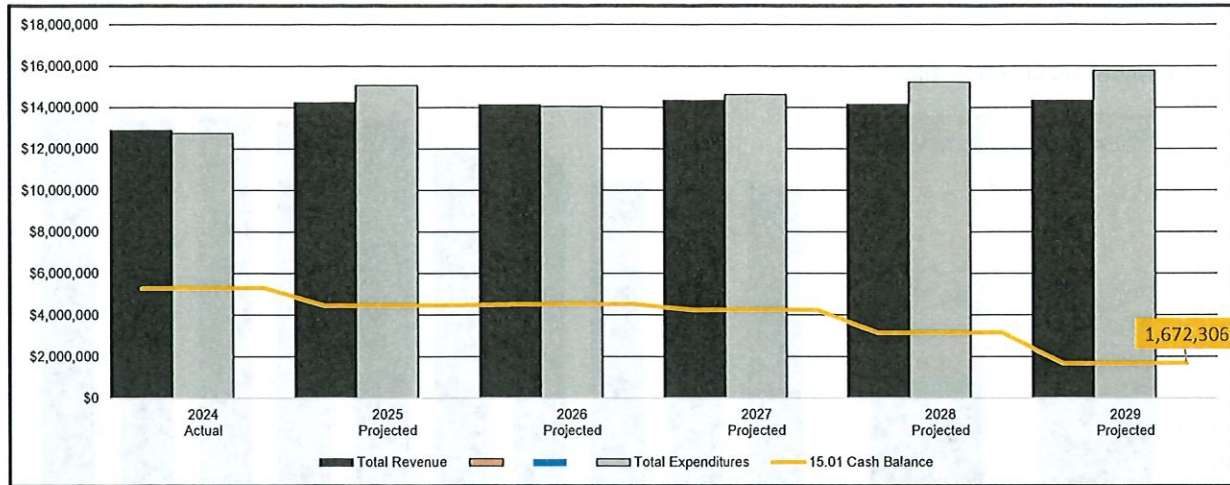
## Forecast Purpose/Objectives

Ohio Department of Education'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



Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the forecast.

### Financial Forecast

	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Beginning Balance (Line 7.010) Plus	5,285,538	4,457,860	4,527,154	4,232,654	3,149,100
+ Revenue	14,232,995	14,116,398	14,325,460	14,137,811	14,312,414
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(15,060,672)	(14,047,105)	(14,619,960)	(15,221,365)	(15,789,207)
= Revenue Surplus or Deficit	(827,678)	69,294	(294,500)	(1,083,555)	(1,476,793)
Line 7.020 Ending Balance with renewal/new levies	4,457,860	4,527,154	4,232,654	3,149,100	1,672,306

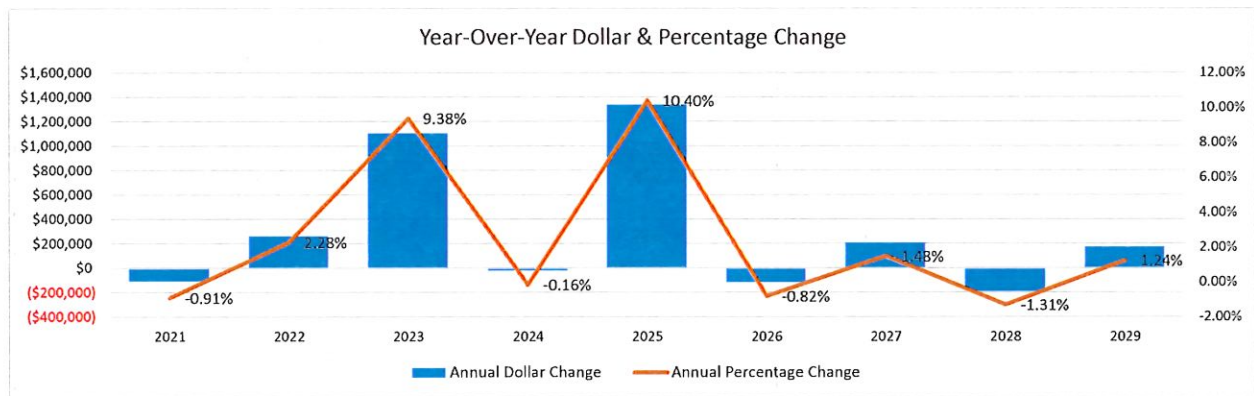
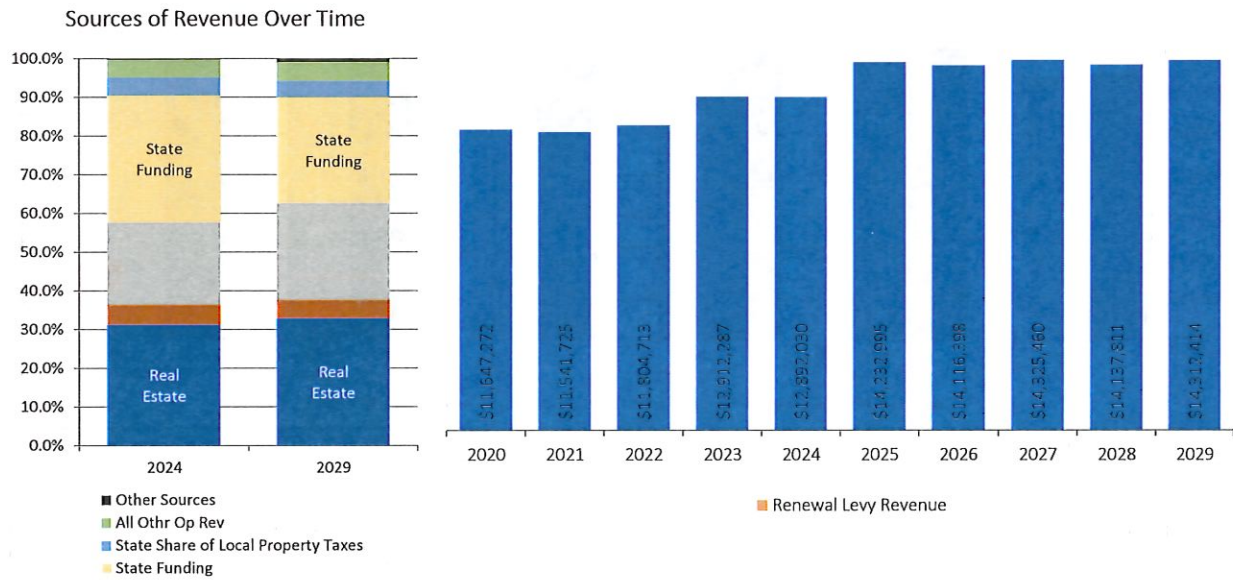
### Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(827,678)	69,294	(294,500)	(1,083,555)	(1,476,793)
Ending Balance w/o Levies	4,457,860	4,527,154	4,232,654	3,149,100	1,672,306

In FY 2025 a revenue shortfall is expected. This means that expenditures are expected to be greater than revenue by \$827,678 in FY 2025. By the last year of the forecast, FY 2029, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$1,476,793. The district would need to cut its FY 2029 projected expenses by 9.35% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2025 and is projected to worsen by FY 2029. A worsening cash balance can erode the district's financial stability over time.

## Revenue Overview



### Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	
Real Estate	\$29,370	\$136,735	\$107,365	Total revenue increased 2.56% or \$298,972 annually during the past 4-Year period and is projected to increase 2.20% or \$284,077 annually through FY2029. Public Utility has the most projected average annual variance compared to the historical average at -\$126,737
Public Utility	\$127,983	\$1,246	(\$126,737)	
Income Tax	\$112,401	\$166,870	\$54,468	
State Funding	(\$59,611)	(\$64,208)	(\$4,598)	
State Share-Local Prop. Taxes	\$22,492	\$1,776	(\$20,717)	
All Othr Op Rev	\$66,651	\$22,750	(\$43,901)	
Other Sources	(\$315)	\$18,909	\$19,224	
<b>Total Average Annual Change</b>	<b>\$298,972</b> 2.56%	<b>\$284,077</b> 2.20%	<b>(\$14,895)</b> -0.36%	

Note: Expenditure average annual change is projected to be >

\$607,810 On an annual average basis, expenditures are projected to grow faster than revenue.

## Revenue Notes

### REAL ESTATE REVENUE

Real estate property tax revenue accounts for 31.29% of total revenue. Class I or residential/agricultural taxes make up approximately 83.87% of the real estate property tax revenue. The Class I tax rate is 20. mills in tax year 2024. The projections reflect an average gross collection rate of 99.4% annually through tax year 2028. The revenue changed at an average annual historical rate of 1.42% and is projected to change at an average annual rate of 3.29% through FY 2029.

### PUBLIC UTILITY - PERSONAL PROPERTY REVENUE

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 4.96% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2024 is 30.5 mills. The forecast is modeling an average gross collection rate of 99.18%. The revenue changed historically at an average annual dollar amount of \$127,983 and is projected to change at an average annual dollar amount of \$1,246 through FY 2029.

### INCOME TAX REVENUE

The district maintained one income tax levy in FY 2024. The average annual dollar change in total income tax revenue is forecasted to be \$166,870 through FY 2029. Income tax revenue is projected to account for 25.0% of total district revenue in FY 2029.

### UNRESTRICTED STATE AID REVENUE

Beginning in FY 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 Springfield Local School District the calculated Base Cost total is \$7,745,959 in fiscal year 2025. The state's share of the calculated Base Cost total is \$2,231,634 or \$2,580 per pupil.

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.

### RESTRICTED STATE AID REVENUE

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 \$104,630 and is projected to change annually on average by -\$41,498. Restricted funds represent 2.68% of total revenue. Starting in FY 2022 the district's Success & Wellness funding is considered restricted, the state's share of this funding is recorded as restricted is \$160,885. 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.

### STATE SHARE OF LOCAL PROPERTY TAXES REVENUE

State Share of Local Property Taxes primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. 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 FY 2025, approximately 10.5% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 2.3% will be reimbursed in the form of qualifying homestead exemption credits.

### OTHER REVENUE

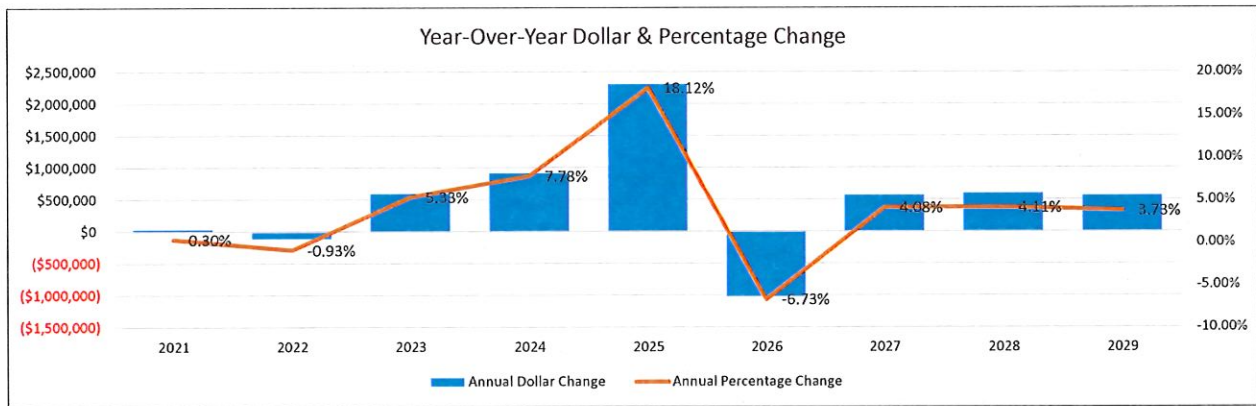
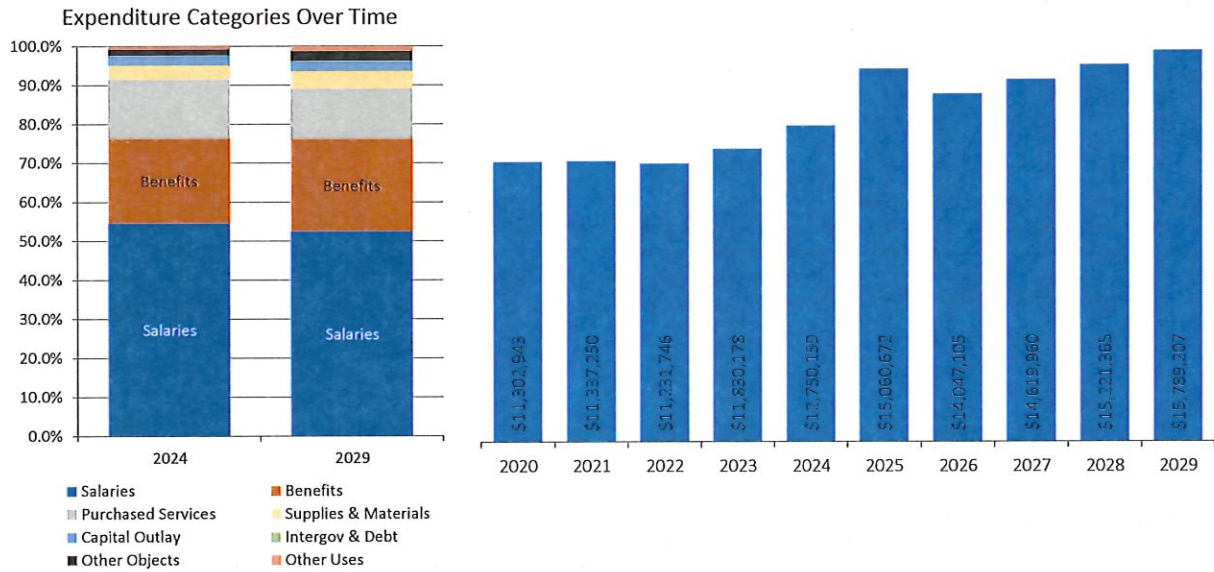
Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was \$66,651. The projected average annual change is \$22,750 through FY 2029.

### OTHER FINANCING SOURCES

Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2024 the district receipted \$0 as advances-in and is projecting advances of \$94,722 in FY 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 \$37,509 in FY 2025 and average \$37,509 annually through FY 2029.

### ADDITIONAL REVENUE NOTES

## Expenditure Overview



### Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	
Salaries	\$179,026	\$261,908	\$82,882	Total expenditures increased 2.44% or \$282,880 annually during the past 4-Year period and is projected to increase 4.77% or \$607,810 annually through FY2029. Benefits has the largest projected average annual variance compared to the historical average at \$164,074.
Benefits	\$33,424	\$197,498	\$164,074	
Purchased Services	(\$11,888)	\$21,257	\$33,145	
Supplies & Materials	\$28,446	\$51,061	\$22,615	
Capital Outlay	\$62,103	\$15,759	(\$46,344)	
Intergov & Debt	\$0	\$0	(\$0)	
Other Objects	(\$13,698)	\$39,271	\$52,969	
Other Uses	\$5,466	\$21,056	\$15,589	
<b>Total Average Annual Change</b>	<b>\$282,880</b> 2.44%	<b>\$607,810</b> 4.77%	<b>\$324,930</b> 2.33%	Historically, the Insurance Consortium was able to keep the rates the same each year, with four years of zero increases. In Fiscal Year 2025 there was an 8% increase in premiums and in Fiscal Year 2026 there will be a 7% increase.

Note: Expenditure average annual change is projected to be > \$607,810

On an annual average basis, revenues are projected to grow slower than expenditures.

## Expenditure Notes

### SALARY EXPENSE

Salaries represent 54.68% of total expenditures and increased at a historical average annual rate of 2.83% or \$179,026. This category of expenditure is projected to grow at an annual average rate of 3.51% or \$261,908 through FY 2029. The projected average annual rate of change is 0.68% more than the five year historical annual average.

### BENEFIT EXPENSE

Benefits represent 21.50% of total expenditures and increased at a historical average annual rate of 1.29% This category of expenditure is projected to grow at an annual average rate of 6.35% through FY 2029. The projected average annual rate of change is 5.06% more than the five year historical annual average.

### PURCHASED SERVICES EXPENSE

Purchased Services represent 15.15% of total expenditures and decreased at a historical average annual rate of -0.21%. This category of expenditure is projected to grow at an annual average rate of 1.09% through FY 2029 The FSFP funds only district educated enrollment thereby reducing tuition cost for open enrollment out, community schools, STEM, and scholarships starting in FY 2022. This change resulted in lower district cost but also less per pupil state revenue since per pupil funding was paid directly by the state to the attending school.

### SUPPLIES & MATERIALS EXPENSE

Supplies & Materials represent 3.83% of total expenditures and increased at a historical average annual rate of 8.35%. This category of expenditure is projected to grow at an annual average rate of 9.77% through FY 2029. The projected average annual rate of change is 1.42% more than the five year historical annual average.

### CAPITAL OUTLAY EXPENSE

Capital Outlay represent 2.44% of total expenditures and increased at a historical average annual amount of \$62,103. This category of expenditure is projected to grow at an annual average rate of \$15,759 through FY 2029. The projected average annual change is less than the five year historical annual average.

### INTERGOVERNMENTAL & DEBT EXPENSE

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

### OTHER OBJECTS EXPENSE

Other Objects represent 1.67% of total expenditures and increased at a historical average annual rate of 420.00%. This category of expenditure is projected to grow at an annual average rate of 17.17% through FY 2029. The projected average annual rate of change is -402.83% less than the five year historical annual average.

### OTHER USES EXPENSES

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 FY 2024 the district had advances-out and has advances-out forecasted through FY 2029. The district can also move general funds permanently to other funds, the district has transfers forecasted through FY 2029. The district can also have other uses of funds.

### ADDITIONAL EXPENDITURE NOTES

The significant increase in the "Other Objects" category is primarily due to the transfer of funds into the Capital Projects Fund and the Severance Fund. Following a recently completed feasibility study assessing the District's immediate infrastructure and capital needs, \$1,600,000 was allocated to the Capital Projects Fund. Additionally, with a substantial portion of our workforce approaching retirement age, the District proactively transferred funds into the Severance Fund to ensure the availability of resources to meet future severance obligations.

Springfield Local School District

Five Year Forecast

May 19, 2025

Fiscal Year:	Actual			FORECASTED				
	2022	2023	2024	2025	2026	2027	2028	2029
<b>Revenue:</b>								
1.010 - General Property Tax (Real Estate)	3,485,691	3,594,933	4,034,235	4,560,812	4,561,806	4,652,975	4,690,132	4,717,909
1.020 - Public Utility Personal Property	624,180	1,199,808	639,915	783,924	646,147	646,147	646,147	646,147
1.030 - Income Tax	2,434,766	2,841,074	2,750,695	3,107,842	3,219,825	3,336,538	3,458,201	3,585,045
1.035 - Unrestricted Grants-in-Aid	4,054,124	3,936,220	3,906,660	3,968,453	4,010,953	4,090,942	3,759,727	3,793,109
1.040 - Restricted Grants-in-Aid	114,414	264,864	344,894	327,287	225,089	176,438	155,383	137,402
1.050 - State Share-Local Property Taxes	530,078	528,841	593,986	663,455	625,167	594,183	599,141	602,864
1.060 - All Other Operating Revenues	237,055	374,384	578,682	688,990	689,903	690,728	691,571	692,429
<b>1.070 - Total Revenue</b>	<b>11,480,307</b>	<b>12,740,125</b>	<b>12,849,066</b>	<b>14,100,764</b>	<b>13,978,890</b>	<b>14,187,952</b>	<b>14,000,302</b>	<b>14,174,905</b>
<b>Other Financing Sources:</b>								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-	-	-
2.050 - Advances-In	293,656	119,873	-	94,722	100,000	100,000	100,000	100,000
2.060 - All Other Financing Sources	30,750	52,289	42,964	37,509	37,509	37,509	37,509	37,509
2.070 - Total Other Financing Sources	324,406	172,162	42,964	132,231	137,509	137,509	137,509	137,509
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>11,804,713</b>	<b>12,912,287</b>	<b>12,892,030</b>	<b>14,232,995</b>	<b>14,116,398</b>	<b>14,325,460</b>	<b>14,137,811</b>	<b>14,312,414</b>
<b>Expenditures:</b>								
3.010 - Personnel Services	6,345,770	6,673,322	6,971,154	7,112,125	7,384,501	7,686,715	8,005,366	8,280,694
3.020 - Employee Benefits	2,558,061	2,644,337	2,740,700	2,908,466	3,105,290	3,301,861	3,512,765	3,728,189
3.030 - Purchased Services	1,593,821	1,828,844	1,931,503	1,897,837	1,933,012	1,968,914	2,001,369	2,037,788
3.040 - Supplies and Materials	402,411	468,357	488,501	690,180	703,199	716,474	730,008	743,808
3.050 - Capital Outlay	5,705	22,029	311,264	374,470	335,969	353,172	371,189	390,059
Intergovernmental & Debt Service	-	-	-	-	-	-	-	-
4.300 - Other Objects	206,106	193,289	212,314	377,594	385,134	392,824	400,668	408,669
<b>4.500 - Total Expenditures</b>	<b>11,111,873</b>	<b>11,830,178</b>	<b>12,655,437</b>	<b>13,360,672</b>	<b>13,847,105</b>	<b>14,419,960</b>	<b>15,021,365</b>	<b>15,589,207</b>
<b>Other Financing Uses</b>								
5.010 - Operating Transfers-Out	-	-	-	1,600,000	100,000	100,000	100,000	100,000
5.020 - Advances-Out	119,873	-	94,722	100,000	100,000	100,000	100,000	100,000
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	119,873	-	94,722	1,700,000	200,000	200,000	200,000	200,000
5.050 - Total Exp and Other Financing Uses	11,231,746	11,830,178	12,750,159	15,060,672	14,047,105	14,619,960	15,221,365	15,789,207
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>572,967</b>	<b>1,082,109</b>	<b>141,871</b>	<b>(827,678)</b>	<b>69,294</b>	<b>(294,500)</b>	<b>(1,083,555)</b>	<b>(1,476,793)</b>
7.010 - Cash Balance July 1 (No Levies)	3,488,591	4,061,558	5,143,667	5,285,538	4,457,860	4,527,154	4,232,654	3,149,100
7.020 - Cash Balance June 30 (No Levies)	4,061,558	5,143,667	5,285,538	4,457,860	4,527,154	4,232,654	3,149,100	1,672,305
				<b>Reservations</b>				
8.010 - Estimated Encumbrances June 30	594,400	606,681	578,807	590,383	602,191	614,234	626,519	639,050
9.080 - Reservations Subtotal	-	-	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	3,467,158	4,536,986	4,706,731	3,867,477	3,924,963	3,618,420	2,522,581	1,033,257
<b>Rev from Replacement/Renewal Levies</b>								
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	3,467,158	4,536,986	4,706,731	3,867,477	3,924,963	3,618,420	2,522,581	1,033,257
<b>Revenue from New Levies</b>								
13.010 & 13.020 - New Levies	-	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	3,467,158	4,536,986	4,706,731	3,867,477	3,924,963	3,618,420	2,522,581	1,033,257