

**BERKSHIRE LOCAL SCHOOL DISTRICT-GEAUGA COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2021, 2022, and 2023 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2024, THROUGH JUNE 30, 2028**



**Forecast Provided By
Berkshire Local School District**

**Beth A. McCaffrey, Treasurer
May 13, 2024**

Berkshire Local School District

Geauga County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2021, 2022 and 2023 Actual;
Forecasted Fiscal Years Ending June 30, 2024 Through 2028

	Actual				Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Average Change	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Revenues									
1.010 General Property Tax (Real Estate)	6,333,958	6,550,746	6,613,773	2.2%	7,789,963	8,509,038	8,525,095	8,621,060	8,785,407
1.020 Public Utility Personal Property Tax	689,655	725,221	350,754	-23.2%	1,244,488	808,291	820,741	833,191	845,641
1.030 Income Tax	3,125,762	3,515,642	3,775,205	9.9%	3,708,399	3,745,484	3,782,940	3,820,770	3,858,979
1.035 Unrestricted State Grants-in-Aid	4,684,933	5,198,627	5,311,144	6.6%	5,399,245	5,546,108	5,546,572	5,547,018	5,547,445
1.040 Restricted State Grants-in-Aid	81,799	327,687	368,643	156.5%	397,677	361,796	361,796	361,796	361,796
1.045 Restricted Federal Grants In Aid	-	-	-	0.0%	-	-	-	-	-
1.050 State Share of Local Property Taxes	901,828	932,747	935,404	1.9%	1,045,156	1,192,760	1,195,423	1,209,565	1,235,770
1.060 All Other Revenues	2,670,248	1,146,453	1,304,925	-21.6%	1,428,483	1,635,715	1,619,949	1,607,067	1,596,796
1.070 Total Revenues	18,488,183	18,397,123	18,659,848	0.5%	21,013,411	21,799,192	21,852,515	22,000,468	22,231,834
Other Financing Sources									
2.010 Proceeds from Sale of Notes	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
2.020 State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040 Operating Transfers-In	-	-	-	0.0%	-	-	-	-	-
2.050 Advances-In	378,776	173,810	208,696	-17.0%	50,626	120,000	20,000	20,000	20,000
2.060 All Other Financing Sources	227,091	31,822	36,897	-35.0%	56,129	31,000	31,000	31,000	31,000
2.070 Total Other Financing Sources	605,867	205,632	245,593	-23.3%	106,755	151,000	51,000	51,000	51,000
2.080 Total Revenues and Other Financing Sources	19,094,050	18,602,755	18,905,441	-0.5%	21,120,166	21,950,192	21,903,515	22,051,468	22,282,834
Expenditures									
3.010 Personal Services	9,268,203	8,736,270	9,410,485	1.0%	9,921,513	10,801,207	11,312,260	11,789,043	12,170,255
3.020 Employees' Retirement/Insurance Benefits	3,274,454	3,291,336	3,354,638	1.2%	3,472,307	3,726,072	3,857,824	3,978,421	4,084,394
3.030 Purchased Services	3,600,668	4,029,007	4,836,293	16.0%	5,653,778	5,239,896	5,311,698	5,410,020	5,510,397
3.040 Supplies and Materials	267,214	387,502	505,006	37.7%	744,093	674,195	674,195	724,195	674,195
3.050 Capital Outlay	192,420	182,918	286,101	25.7%	381,649	231,143	171,379	171,379	254,379
3.060 Intergovernmental	-	-	-	0.0%	-	-	-	-	-
Debt Service:									
4.010 Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020 Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030 Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040 Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050 Principal-HB 264 Loans	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
4.055 Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060 Interest and Fiscal Charges	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
4.300 Other Objects	246,606	254,107	301,801	10.9%	331,449	331,449	331,449	331,449	331,449
4.500 Total Expenditures	16,849,565	16,881,140	18,694,324	5.5%	20,504,789	\$21,003,962	21,658,804	22,404,507	23,025,069
Other Financing Uses									
5.010 Operating Transfers-Out	708,322	835,804	1,023,886	20.3%	1,140,570	1,275,313	1,199,385	1,209,076	1,218,960
5.020 Advances-Out	503,776	256,909	-	-74.5%	158,627	20,000	20,000	20,000	20,000
5.030 All Other Financing Uses	-	-	-	0.0%	0	0	0	0	0
5.040 Total Other Financing Uses	1,212,098	1,092,713	1,023,886	-8.1%	1,299,198	1,295,313	1,219,385	1,229,076	1,238,960
5.050 Total Expenditures and Other Financing Uses	18,061,663	17,973,853	19,718,210	4.6%	21,803,987	22,299,275	22,878,190	23,633,583	24,264,029
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,032,387	628,902	(812,769)	-134.2%	(683,821)	(349,082)	(974,674)	(1,582,115)	(1,981,195)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	3,567,854	4,600,241	5,229,143	21.3%	4,416,374	3,732,553	3,383,470	2,408,796	826,681
7.020 Cash Balance June 30	4,600,241	5,229,143	4,416,374	-0.9%	3,732,553	3,383,470	2,408,796	826,681	1,154,514
8.010 Estimated Encumbrances June 30	282,990	341,221	384,574	16.6%	150,000	150,000	150,000	150,000	150,000
Fund Balance June 30 for Certification of Appropriations	4,317,251	4,887,922	4,031,800	-2.1%	3,582,553	3,233,470	2,258,796	676,681	(1,304,514)
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal	-	-	-	0.0%	-	-	-	-	-
11.020 Property Tax - Renewal or Replacement	-	-	-	0.0%	-	-	-	-	-
11.300 Cumulative Balance of Replacement/Renewal Levies	-	-	-	0.0%	-	-	-	-	-
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	4,317,251	4,887,922	4,031,800	-2.1%	3,582,553	3,233,470	2,258,796	676,681	(1,304,514)
Revenue from New Levies									
13.010 Income Tax - New	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
13.020 Property Tax - New	-	-	-	0.0%	-	-	-	-	-
13.030 Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010 Revenue from Future State Advancements	-	-	-	0.0%	-	-	-	-	-
15.010 Unreserved Fund Balance June 30	4,317,251	4,887,922	4,031,800	-2.1%	3,582,553	3,233,470	2,258,796	676,681	(1,304,514)

Berkshire Local School District – Geauga County
Notes to the Five Year Forecast
General Fund Only
May 13, 2024

Introduction to the Five-Year Forecast

A forecast is like a future painting based on a snapshot of today. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast enables district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with ODE when events significantly change their forecast or, at a minimum when required under the statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three essential purposes or objectives of the five-year forecast:

- (1) To engage the local board of education and the community in 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.

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, 2023, and May 31, 2024, for the fiscal year 2024 (July 1, 2023, to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2024 (July 1, 2023-June 30, 2024) is the first year of the five-year forecast and is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the May 2024 filing.

May 2024 Updates:

Revenues FY24

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$21.01 million which is \$521,481 or 2.54% higher than the November forecasted amount of \$20.49 million. This indicates that the November forecast was 97.46% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our most significant source of revenues at 43% and are estimated to be \$9.03 million, which is \$508,218 higher for FY24 than the original November estimate of \$8.53 million. Our estimates are 94% accurate for FY24 and should mean future projections are also on target.

Line 1.03 - The district's collection of School District Income Tax (SDIT) was originally projected to be higher in the November forecast. Collections for FY24 are 2.74% under our original estimate by \$104,559. The SDIT represents 17.6% of the district revenues.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be \$5.79 million, which is \$45,281 lower than the original estimate for FY24. We are pleased that we were able to be 99.2% accurate for FY24. We are currently on the guarantee and are expected to remain as a guarantee district for FY25 through FY28.

Line 1.06 - Other revenues are up \$129,204 over original estimates, primarily due to interest received by the district, which is somewhat unpredictable from year to year.

All areas of revenue are tracking as anticipated for FY24 based on our best information at this time.

Expenditures FY24

Total General Fund expenditures (line 4.5) are estimated to be \$20.5 million for FY24, which is \$474,262 higher with the original estimate of \$20.03 million in the November forecast, which is roughly 97.6% on target with initial estimates. The expenditure line most significantly over projection is Purchased Services (line 3.030).

Unreserved Ending Cash Balance

With revenues increasing from estimates and expenditures increasing, our ending unreserved cash balance June 30, 2024, is anticipated to be roughly \$3.58 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2027 if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

Forecast Risks and Uncertainty

A five-year financial forecast has risks and uncertainty not only due to economic delays noted above but also due to state legislative changes that will occur in the spring of 2025 and 2027 due to deliberation of the following two (2) state biennium budgets for FY26-27 and FY28-29, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws currently in effect. The items below give a short description of the current issues and how they may affect our forecast in the long term:

1) Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project growth in appraised values every three (3) years and new construction growth with modest increases in local taxes as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues, predominately local taxes, equating to 67% of the district's resources. Our tax collections in the August 2023 and March 2024 settlements showed average collection trends. We believe there is a low risk that local collections will fall below projections throughout the forecast.

2) Geauga County experienced a triennial update in the 2023 tax year to be collected in FY24. The 2023 reappraisal increased overall assessed values by \$105.83 million or an increase of 28.13%, including the update and new construction for all property classes. A sexennial reappraisal update will occur in tax year 2026 for collection in FY27. We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property by \$9.3 million for an overall increase of 1.94%. However, there is always a

slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that now.

The legislature has formed a “Joint Committee on Property Tax Review and Reform” which is pending as of this forecast. We are watching these deliberations closely and they could impact future reappraisals and possibly the impact of the 20 mill floor currently in law. Our district is currently on the 20 mill floor for Class I values. We are watching the Joint Committee carefully and will adjust the forecast pending their outcome.

3) The state budget represented 33% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to the record high inflation or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. In this forecast, two forthcoming State Biennium Budgets cover FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state’s economy makes this area an elevated risk to district funding long-range through FY28. We have projected our state funding in FY24 and FY25 based on the additional phase-in of HB33 (the fair school funding plan). This forecast reflects state revenue to align with the FY25 funding levels through FY28, which we feel is conservative and should be close to what the state approves for the FY26-FY28 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

4) HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY24 reflects 50% of the implementation cost at year three of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed. The FSFP has made many significant changes to how foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY24 and FY25.

5) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid by the state of Ohio can expose the district to new expenditures currently outside the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.

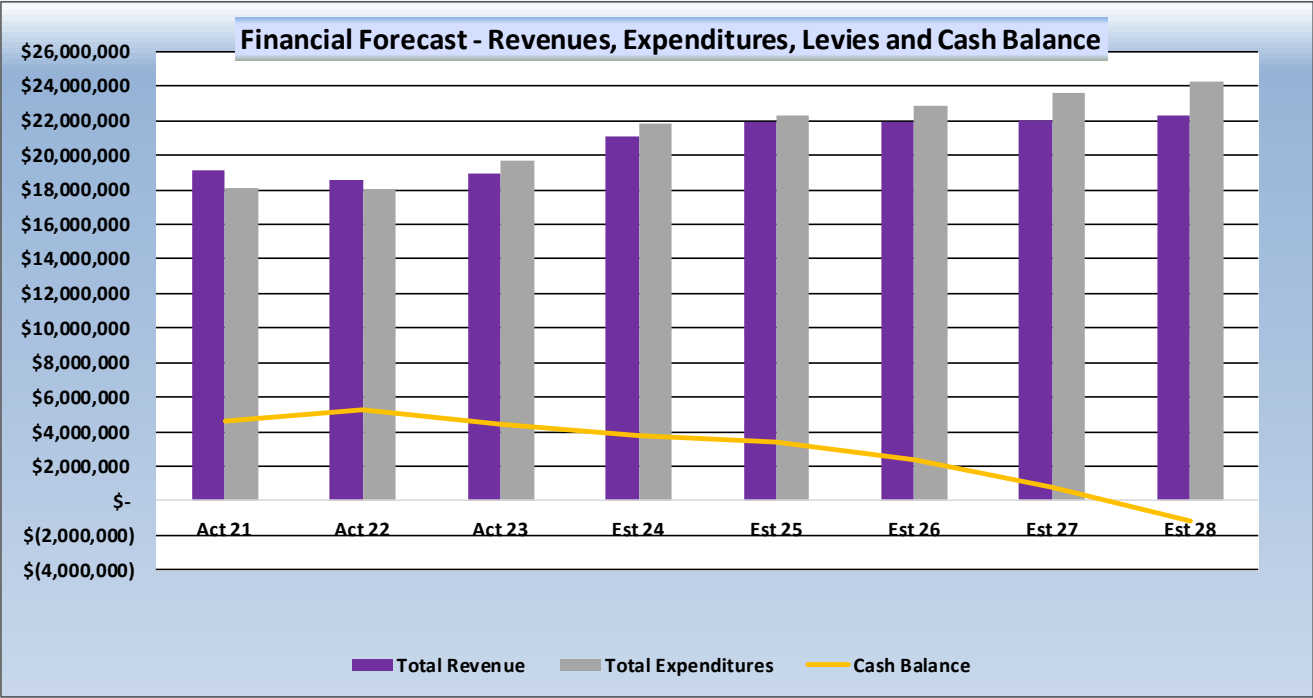
6) Income tax is the district’s third-largest revenue source. We are beginning to see payments stall which points to the economy slowing. We will monitor the income tax revenue very closely for any positive or negative changes that may occur.

Labor relations in our district have been amicable, with all parties working for the best interest of students and realizing the resource challenges we face. Our positive working relationship will continue and grow stronger as we move forward.

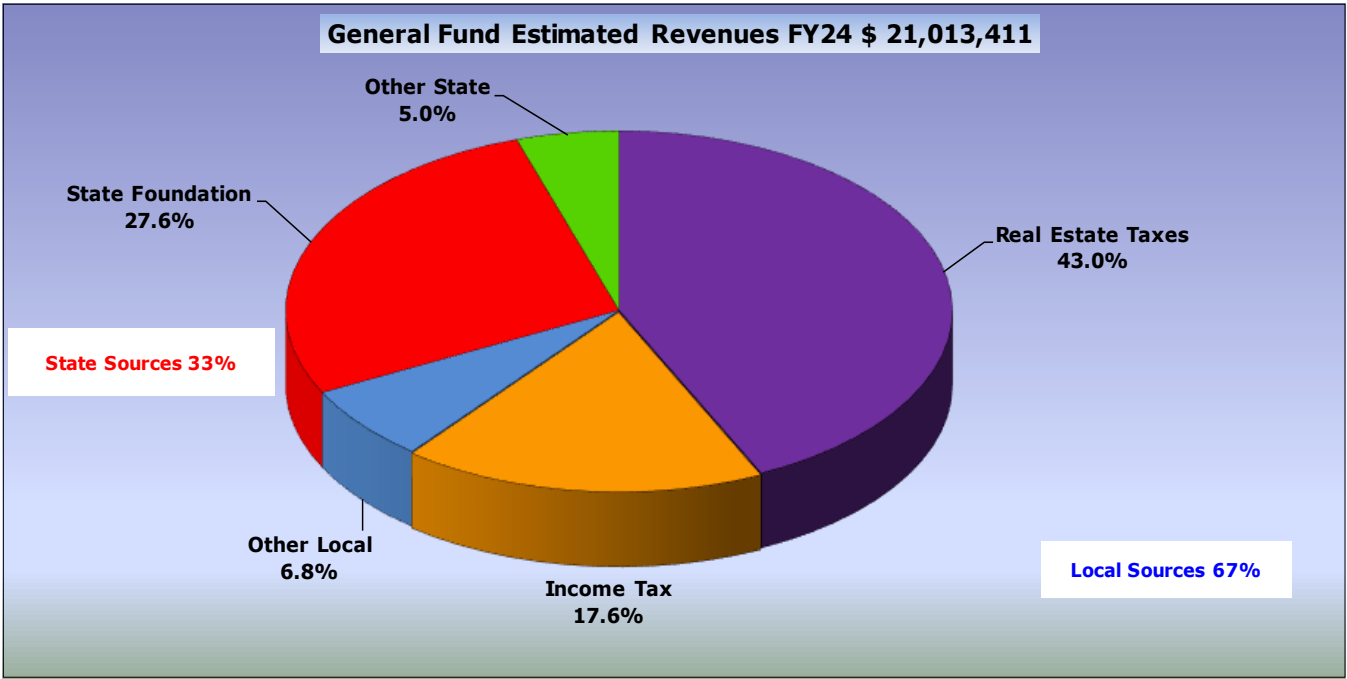
The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below to understand the overall financial forecast for our district. If you want further information, please contact Beth McCaffrey, Treasurer, at 440.834.3380.

General Fund Revenue, Expenditures, and Ending Cash Balance Actual FY21-23 and Estimated FY24-28

The graph captures in one snapshot the operating scenario facing the District over the next few years.



Revenue Assumptions
Estimated General Fund Operating Revenue for FY24



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. Geauga County experienced a sexennial reappraisal for the 2023 tax year to be collected in FY24. Residential/agricultural values increased 29.73% or \$101 million due to the update, led by an improving housing market. Commercial/industrial values increased by \$4.1 million. Overall values increased \$105.8 million or 28.13%, which includes new construction for all classes of property.

A triennial update will occur in 2026 for collection in FY27, for which we are estimating a 2% increase in residential and no increase or decrease for commercial/industrial property. We anticipate overall residential/agricultural and commercial/industrial values to increase \$9.4 million or 1.94%.

Public Utility Personal Property (PUPP) values increased by \$887,530 in the tax year 2022. We expect our values to continue to grow by \$250,000 each year of the forecast.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2023	TAX YEAR2024	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027
Classification	COLLECT 2024	COLLECT 2025	COLLECT 2026	COLLECT 2027	COLLECT 2028
Res./Ag.	\$432,428,520	\$433,278,520	\$434,128,520	\$443,661,090	\$453,384,312
Comm./Ind.	49,655,460	49,505,460	49,355,460	49,205,460	49,055,460
Public Utility Personal Property (PUPP)	<u>16,095,740</u>	<u>16,345,740</u>	<u>16,595,740</u>	<u>16,845,740</u>	<u>17,095,740</u>
Total Assessed Value	<u>\$498,179,720</u>	<u>\$499,129,720</u>	<u>\$500,079,720</u>	<u>\$509,712,290</u>	<u>\$519,535,512</u>

Tax Rate Assumptions

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all general fund levies is 49.8 mills while the Class I effective millage rate is 20 mills and the Class II effective millage rate is 20.45 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is on the floor for Class I.

Estimated Real Estate Tax (Line #1.010)

Source	FY24	FY25	FY26	FY27	FY28
General Property Taxes	<u>\$7,789,963</u>	<u>\$8,509,038</u>	<u>\$8,525,095</u>	<u>\$8,621,060</u>	<u>\$8,785,407</u>

Property tax levies are estimated to be collected at 97.67% of the annual amount. This allows for a 2.33% delinquency factor. In general, 54.6% of the Residential/Agricultural and Commercial/Industrial property taxes are expected to be collected in the February tax settlement and 45.4% in the August tax settlement. Collections in FY24 are ahead of estimates due to higher reappraisal values.

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

Estimated Public Utility Personal Tax – Line#1.020

The phase-out of TPP taxes as noted earlier, began in FY06 with HB66 which was adopted in June 2005. TPP tax assessments ended in FY11. The only amounts received after FY11 are from delinquent TPP taxes outstanding as of 2010.

The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted in the table above under P.U. Personal, which was \$15.85 million in assessed values in 2022 and is collected at the district's gross voted millage rate. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor. The values in 2022 rose by 5.6% or \$887,530 and are expected to grow by \$250,000 each year of the forecast. Collections in FY23 are down due to late payment buy a major utility and caused a \$403,240 decline in collection. This money will be paid to us in the second half settlement which will cause FY23 to look low and FY24 to be very high before returning to normal in FY25.

The Orwell Trumbull Pipeline filed for bankruptcy and the assets were sold separately from the liabilities. This issue is affecting all school districts that are associated with the pipeline. The Public Utility valuations were reduced after the 2020 Geauga County triennial appraisal and the Orwell Trumbull Pipeline values were completely removed. The County Treasurer currently shows that Berkshire is owed \$1.3 million dollars in delinquent taxes from the Orwell Trumbull Pipeline. This delinquency has not been included in the forecast as advised by the County Budget Commission in February 2023.

Source	FY24	FY25	FY26	FY27	FY28
Public Utility Personal Property (Line#1.020)	<u>\$1,244,488</u>	<u>\$808,291</u>	<u>\$820,741</u>	<u>\$833,191</u>	<u>\$845,641</u>

School District Income Tax – Line#1.030

The district has a 1% earned SDIT for a continuous period. The changes in tax amounts are leveling off from the pandemic. So far, in FY24, income tax collection statewide have ranged from -3% to a 9% increase. We suffered an unexpected dip of \$104,559 or 2.74% in FY24 from projected amounts. We will assume that income from withholdings will continue to increase in future collections. We will assume an annual growth rate of 1% for FY25-FY28 as the concerns over inflation may slow growth in this area.

Source	FY24	FY25	FY26	FY27	FY28
School District Income Tax	\$3,775,205	\$3,708,399	\$3,745,484	\$3,782,940	\$3,820,770
Adjustments	<u>-66,806</u>	<u>37,085</u>	<u>37,456</u>	<u>37,830</u>	<u>38,209</u>
Total to Line #1.030	<u>\$3,708,399</u>	<u>\$3,745,484</u>	<u>\$3,782,940</u>	<u>\$3,820,770</u>	<u>\$3,858,979</u>

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045**Current State Funding Model per HB33 through June 30, 2025****A) Unrestricted State Foundation Revenue– Line #1.035**

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25. We have projected FY24 funding based on the April 2024 foundation settlement and funding factors.

Our district is currently a guarantee district in FY24 and is expected to continue on the guarantee in FY25-FY28 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14. It was dropped in FY19 after six (6)

years, followed by no foundation formula for two (2) years in FY20 and FY21, then HB110, as amended by HB583 for FY22 and FY23, with continuation of this guarantee in HB33 for FY24 and FY25. The current guarantee introduced many changes to how state foundation is calculated and expenses deducted from state funding, which will potentially make the actual five-year forecast look different with estimates FY24 through FY28 compared to real data in FY21 through FY23 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecasts.

Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan

- A. Student Population and Demographics
- B. Property Valuation Per Pupil
- C. Personal Income of District Residents Per Pupil
- D. Historical Funding - CAPS and Guarantees from prior funding formulas “Funding Bases” for guarantees.

Base Cost Approach - Unrestricted Basic Aid Foundation Funding

The current funding formula uses FY22 statewide average district costs and developed a base cost approach that includes minimum service levels and student-teacher ratios to calculate a unique base cost for each district. Newer, more up-to-date statewide average prices will not update for FY24 and FY25 and remain frozen at FY22 levels, while other factors impacting a district’s local capacity will update for FY24. Base costs per pupil include funding for five (5) areas:

- 1. Teacher Base Cost (4 subcomponents)
- 2. Student Support (7 subcomponents-including a restricted Student Wellness component)
- 3. District Leadership & Accountability (7 subcomponents)
- 4. Building Leadership & Operations (3 subcomponents)
- 5. Athletic Co-curricular (contingent on participation)

State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is currently at a state-wide average of \$8,242.19 per pupil in FY24, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage, in concept, will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district’s ability to raise taxes based on local wealth, the lower the state share percentage. HB33 increased the minimum state share from 5% in FY23 to 10% for FY24 and FY25. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income, and 20% on federal median income, as follows:

- 1. 60% based on the most recent three (3) year average assessed values or the most recent year, whichever is lower, divided by base students enrolled.
- 2. 20% based on the most recent three (3) year average federal adjusted gross income of district residents or the most recent year, whichever is lower divided by base students enrolled.
- 3. 20% based on the most recent year federal median income of district residents multiplied by the number of returns in that year divided by base students enrolled.
- 4. When the weighted values are calculated, and items 1 through 3 above are added together, the total is multiplied by a Local Share Multiplier Index from 0% for low-wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open enrolled students being educated in each district) and finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity of the base per pupil funding amount.

Categorical State Aid

In addition to the base state foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). It also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount, not a specific amount. 10% will be reduced from all districts' calculations to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding is based on all resident students who ride, including preschool students and those living within 1 mile of school. Provides supplemental transportation for low-density districts. Increases state minimum share to 37.5% in FY24 and 41.67% in FY25.

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on the number and concentration of economically disadvantaged students compared to the state average and multiplied by \$422 per pupil. Phase-in increases are limited to 50% for FY24 and 66.67% in FY25.
2. English Learners – Based on funded categories based on the time students enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds – Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. Student Wellness and Success Funds – These funds are based on initiatives similar to those for DPIA. They are restricted funds for school climate, attendance, discipline, and academic achievement programs.

State Funding Phase-In FY24 and FY25 and Guarantees

While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110, which was amended by HB583 in June 2022 and has now extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it will consist of a general phase-in percentage for most components of 50% in FY24 and 66.67% in FY25.

The funding formula includes three (3) guarantees: 1) “Formula Transition Aid,” 2) Supplemental Targeted Assistance, and 3) Formula Transition Supplement. The three (3) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY24 and FY25 than they received in FY21.

Future State Budget Projections beyond FY25

Our funding status for FY26-28 will depend on unknown (2) new state budgets. There is no guarantee that the current Fair School Funding Plan in HB33 will be funded or continued beyond FY25; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY26 through FY28.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be

paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY22, was \$109.39 million for schools or \$62.86 per pupil, in FY23, the funding totaled \$113.1 million or \$64.90 per pupil, and in FY24 the funding totaled \$113.11 million or \$65.02 average per pupil. We expect the casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

Source	FY24	FY25	FY26	FY27	FY28
Basic Aid-Unrestricted	\$5,024,292	\$5,170,670	\$5,170,670	\$5,170,670	\$5,170,670
Additional Aid Items	284,053	284,053	284,053	284,053	284,053
Basic Aid-Unrestricted Subtotal	\$5,308,345	\$5,454,723	\$5,454,723	\$5,454,723	\$5,454,723
Ohio Casino Commission ODT	90,900	91,385	91,849	92,295	92,722
Total Unrestricted State Aid Line # 1.035	<u>\$5,399,245</u>	<u>\$5,546,108</u>	<u>\$5,546,572</u>	<u>\$5,547,018</u>	<u>\$5,547,445</u>

B) Restricted State Revenues – Line # 1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, new restricted funds have been added under “Restricted Categorical Aid” for Gifted, English Learners (ESL), and Student Wellness. The district has elected to also post Catastrophic Aid for special education as restricted revenues. We have estimated revenues for these new restricted funding lines using current October funding factors. The amount of DPIA is limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY28 due to uncertainty on continued funding of the current funding formula.

HB33 set aside \$64 million state-wide to subsidize the cost of high-quality instructional materials (HQIM) purchased by schools and districts aligned to the Science of Reading. The funds are provided to support both high-quality core curriculum and instructional materials in English language areas and evidenced-based reading intervention programs. The district received \$23,337 from this one-time subsidy in FY24 and is required to maintain documentation as to how the funds were leveraged along with expenses incurred beyond the subsidy.

Source	FY24	FY25	FY26	FY27	FY28
DPIA	\$20,335	\$23,203	\$23,203	\$23,203	\$23,203
Career Tech	1,014	769	769	769	769
Gifted	47,374	32,381	32,381	32,381	32,381
ESL	989	660	660	660	660
Student Wellness	129,628	129,783	129,783	129,783	129,783
Other Restricted State Funds	23,337	0	0	0	0
Catastrophic Aid	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>
Total Restricted State Revenues Line #1.040	<u>\$397,677</u>	<u>\$361,796</u>	<u>\$361,796</u>	<u>\$361,796</u>	<u>\$361,796</u>

C) Restricted Federal Grants in Aid – line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Unrestricted Line # 1.035	\$5,399,245	\$5,546,108	\$5,546,572	\$5,547,018	\$5,547,445
Restricted Line # 1.040	397,677	361,796	361,796	361,796	361,796
Restricted Federal Grants - #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$5,796,922</u>	<u>\$5,907,904</u>	<u>\$5,908,368</u>	<u>\$5,908,814</u>	<u>\$5,909,241</u>

State Taxes Reimbursement/Property Tax Allocation

Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years or older or disabled, regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who still need to get their Homestead Exemption approved or those who did not get a new application approved for the tax year 2013 and who become eligible after that will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013, will not lose it and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Summary of State Tax Reimbursement – Line #1.050

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Rollback and Homestead	<u>\$1,045,156</u>	<u>\$1,192,760</u>	<u>\$1,195,423</u>	<u>\$1,209,565</u>	<u>\$1,235,770</u>
Total Tax Reimb./Prop. Tax Allocations #1.050	<u>\$1,045,156</u>	<u>\$1,192,760</u>	<u>\$1,195,423</u>	<u>\$1,209,565</u>	<u>\$1,235,770</u>

Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been open enrollment, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees. HB110, the previous state budget, stopped paying open enrollment as an increase to other revenue for the district. This is projected below as zeros to help show the difference between projected FY24-FY28 Line 1.06 revenues and historical FY21 through FY23 revenues on the five-year forecast. Open-enrolled students will be counted in the enrolled student base at the school district where they are being educated, and state aid will follow the students. Open-enrolled student revenues will be included in Line 1.035 as basic state aid.

Interest income is based on the district's cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. Once the economy stabilizes, there will be pressure on the Federal Reserve to lower interest rates, which we believe will be sometime in 2024, decreasing the opportunity for more significant interest income for the district. Our ending cash balance is also declining which will reduce potential interest earnings as well. We will continue to monitor the investments for the district. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue historical trends.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Open Enrollment Gross	\$0	\$0	\$0	\$0	\$0
Interest	307,416	276,674	249,007	224,106	201,695
Medicaid	55,000	95,000	95,947	96,903	97,869
Tuitions	897,381	1,095,355	1,106,309	1,117,372	1,128,546
MH Tax, Fees, and Miscellaneous	<u>168,686</u>	<u>168,686</u>	<u>168,686</u>	<u>168,686</u>	<u>168,686</u>
Total Other Local Revenue Line #1.060	<u>\$1,428,483</u>	<u>\$1,635,715</u>	<u>\$1,619,949</u>	<u>\$1,607,067</u>	<u>\$1,596,796</u>

Short-Term Borrowing – Lines #2.010 & Line #2.020

There is no short term borrowing projected in this forecast.

Transfers In / Return of Advances – Line #2.040 & Line #2.050

These are non-operating revenues, which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a prior fiscal year in the current fiscal year. The advances in the last fiscal year are expected to be repaid in the current year, as noted in the table below.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>\$50,626</u>	<u>\$120,000</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>
Total Transfer & Advances In	<u>\$50,626</u>	<u>\$120,000</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>

All Other Financial Sources – Line #2.060

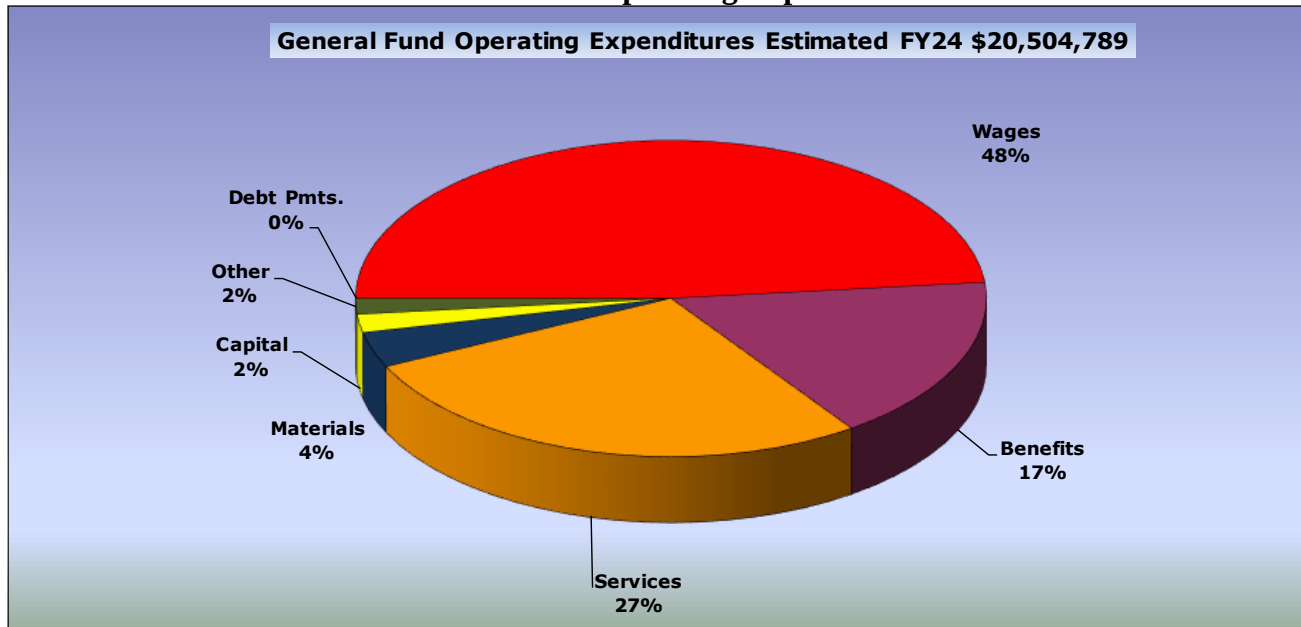
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we will not project that occurring in the remainder of the forecast.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Refund of prior years expenditures	<u>\$56,129</u>	<u>\$31,000</u>	<u>\$31,000</u>	<u>\$31,000</u>	<u>\$31,000</u>

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students, whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

Estimated General Fund Operating Expenditures for FY24



Wages – Line #3.010

The expenditures in this category represent salaries and wages for services rendered for all union and non-union employees. Negotiations with bargaining unit members resulted in an agreement to include base increases of 2.0% from FY21 through FY23 and 2.25% for FY24. The district also has step increases of 1.3% each year of the forecast. For planning purposes, a 3% base increase and normal steps and training increases has been used for FY25-27, and 2% for FY28. In FY24 the forecast reflects the addition of 1 administrator and 1 teaching position. We have recoded expenses that qualify in our plan for use in our ESSER funds and have brought those positions back in FY24. FY25 reflects the addition of two administrator positions and 3 preschool teaching positions and 10 preschool classified positions.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Base Wages	\$8,825,519	\$9,635,340	\$10,522,801	\$11,043,453	\$11,407,887
Step & Training	132,383	125,259	136,796	143,565	148,303
Growth	424,548	593,783	92,300	0	0
Substitutes	254,423	262,055	269,917	278,014	283,575
Supplementals	296,516	305,411	314,573	324,011	330,491
Staff Reductions	(11,875)	(120,642)	(24,128)	0	0
Total Wages Line #3.010	<u>\$9,921,513</u>	<u>\$10,801,207</u>	<u>\$11,312,260</u>	<u>\$11,789,043</u>	<u>\$12,170,255</u>

Fringe Benefits Estimates Line 3.02

This area of the forecast captures all costs associated with benefits and retirement costs, with all except health insurance being directly related to the wages paid.

A) STRS/SERS

As the law requires, the BOE pays 14% of all employee wages to STRS or SERS. The district is also required to pay SERS Surcharge, an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance

FY22 saw an increase in insurance rates of 7% due to high claims. We are estimating an increase of 0% for FY24, then 5% FY25 and 2% for FY26 through FY28, which reflects the trend of our current employee census and claims data.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately .4% of wages FY24– FY28. Unemployment is likely to remain at a shallow level FY24-FY28. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of wage increases and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Estimated Fringe Benefits – Line #3.020

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
A) STRS/SERS	\$1,510,906	\$1,644,805	\$1,728,111	\$1,801,857	\$1,860,121
B) Insurance's	\$1,767,340	\$1,874,256	\$1,913,334	\$1,951,601	\$1,990,633
C) Workers Comp/Unemployment	\$39,798	\$44,205	\$46,249	\$48,156	\$49,681
D) Medicare	\$147,141	\$155,684	\$163,006	\$169,684	\$176,836
Other/Tuition	<u>\$7,123</u>	<u>\$7,123</u>	<u>\$7,123</u>	<u>\$7,123</u>	<u>\$7,123</u>
Total Fringe Benefits Line #3.020	<u>\$3,472,307</u>	<u>\$3,726,072</u>	<u>\$3,857,824</u>	<u>\$3,978,421</u>	<u>\$4,084,394</u>

Purchased Services – Line #3.030

HB110, the previous state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education will directly pay these costs to the education districts for open enrollment, community, and STEM schools and for scholarships granted to students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to offer these amounts below as zeros to help reflect the difference between projected FY24-FY28 Line 3.03 costs and historical FY21 through FY23 costs on the five-year forecast. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. We reduced costs in purchased services for FY20 and 21 for the Fund 467 recoding for our SROs and then returned these costs to the General Fund in FY23-28. IN FY24 we added a second SRO to the budget.

In FY25 the district is bringing preschool inhouse and will save \$572,000 in contract service costs and we also have reduced legal expenses by \$50,000.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Base Services	\$61,213	\$61,213	\$61,213	\$61,213	\$61,213
Excess Cost County ESC	124,000	124,000	124,000	124,000	124,000
Open Enrollment Deduction-477	0	0	0	0	0
Community School Deductions-478	0	0	0	0	0
Other Tuition Including Ed Scholarship-479	1,955,318	1,562,424	1,593,672	1,625,545	1,658,056
Professional Support 41x	910,908	879,126	871,709	889,143	906,926
Building & Bus Repairs 42x	397,385	356,000	356,000	356,000	356,000
Transportaion	1,935,618	1,974,330	2,013,817	2,054,093	2,095,175
Utilities	269,336	282,803	291,287	300,026	309,027
Total Purchased Services Line #3.030	<u>\$5,653,778</u>	<u>\$5,239,896</u>	<u>\$5,311,698</u>	<u>\$5,410,020</u>	<u>\$5,510,397</u>

Supplies and Materials – Line #3.040

This category of expenses which are characterized by classroom supplies, textbooks, janitorial supplies, transportation fuel and supplies, and other miscellaneous materials. In FY23 and FY24 we have added one time startup costs for a diesel tech and alternative school program. Costs have also increased for 1 Tier bussing. These costs are expected to level off beginning in FY24. The district added Chromebook costs beginning in FY24.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Supplies	\$340,898	\$350,000	\$350,000	\$350,000	\$350,000
Textbooks	\$26,292	\$26,292	\$26,292	\$26,292	\$26,292
Chromebooks	\$146,000	\$50,000	\$50,000	\$100,000	\$50,000
Building Maintenance	\$99,903	\$99,903	\$99,903	\$99,903	\$99,903
Transportation	<u>\$131,000</u>	<u>\$148,000</u>	<u>\$148,000</u>	<u>\$148,000</u>	<u>\$148,000</u>
Total Supplies Line #3.040	<u>\$744,093</u>	<u>\$674,195</u>	<u>\$674,195</u>	<u>\$724,195</u>	<u>\$674,195</u>

Capital Outlay – Line # 3.050

The area of capital outlay is for all types of equipment whether it is for educational purposes or building repairs. Capital outlay accounts for expenditures with a useful life of more than five years and include classroom equipment, bus lease payments and building improvements. The district is projecting near flat funding in FY25-FY28.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Capital Outlay	\$91,744	\$25,000	\$25,000	\$25,000	\$25,000
Replacement Bus/Van Purchases	289,905	206,143	146,379	146,379	229,379
Total Equipment Line #3.050	<u>\$381,649</u>	<u>\$231,143</u>	<u>\$171,379</u>	<u>\$171,379</u>	<u>\$254,379</u>

Other Expenses – Line #4.300

This category of expenses is primarily for county auditors and treasurers' fees for collecting property taxes and the Ohio Department of Taxation to collect and manage the districts income tax collection, and educational service center fees. The other expense category is several small expenses with the largest being district liability insurance and dues and fees to organizations such as OSBA.

Source	FY24	FY25	FY26	FY27	FY28
County Auditor & Treasurer Fees	\$208,209	\$208,209	\$208,209	\$208,209	\$208,209
County ESC	\$7,022	\$7,022	\$7,022	\$7,022	\$7,022
Other expenses	<u>\$116,218</u>	<u>\$116,218</u>	<u>\$116,218</u>	<u>\$116,218</u>	<u>\$116,218</u>
Total Other Expenses Line #4.300	<u>\$331,449</u>	<u>\$331,449</u>	<u>\$331,449</u>	<u>\$331,449</u>	<u>\$331,449</u>

Transfers Out/Advances Out – Line# 5.010

This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Transfers out in FY24 include \$350,000 to the Self Insurance Fund, \$125,000 to Severance Fund; \$30,000 to the Athletic Fund; \$465,716 to Athletic Supplementals; and \$169,854 to OFCC Fund 034. In FY24 and in future years, athletic supplementals are included in the Athletics Fund and will be supplemented through the General Fund. Advances have limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund.

We anticipate an advance of \$158,627 for the early childhood program in FY24.

Source	FY24	FY25	FY26	FY27	FY28
Operating Transfers Out Line #5.010	\$1,140,570	\$1,275,313	\$1,199,385	\$1,209,076	\$1,218,960
Advances Out Line #5.020	<u>\$158,627</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>
Total Transfer & Advances Out	<u>\$1,299,198</u>	<u>\$1,295,313</u>	<u>\$1,219,385</u>	<u>\$1,229,076</u>	<u>\$1,238,960</u>

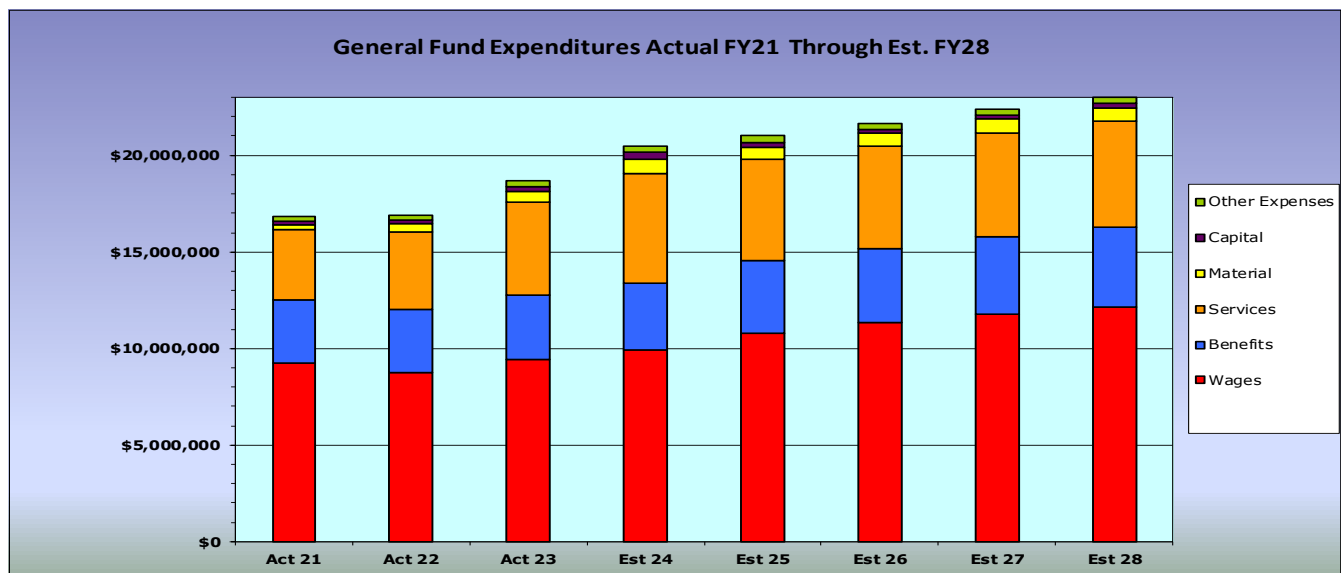
Encumbrances –Line#8.010

These outstanding purchase orders have yet to be approved for payment, as the goods were not received in the fiscal year in which they were ordered.

	FY24	FY25	FY26	FY27	FY28
Estimated Encumbrances	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>

Operating Expenditures Actual FY21 through FY23 and Estimated FY24-FY28

As the graph on the following page indicates, we have diligently contained costs due to lower and flat state revenues. We control our expenses while balancing students' academic needs to enable them to excel and perform well on state performance standards.



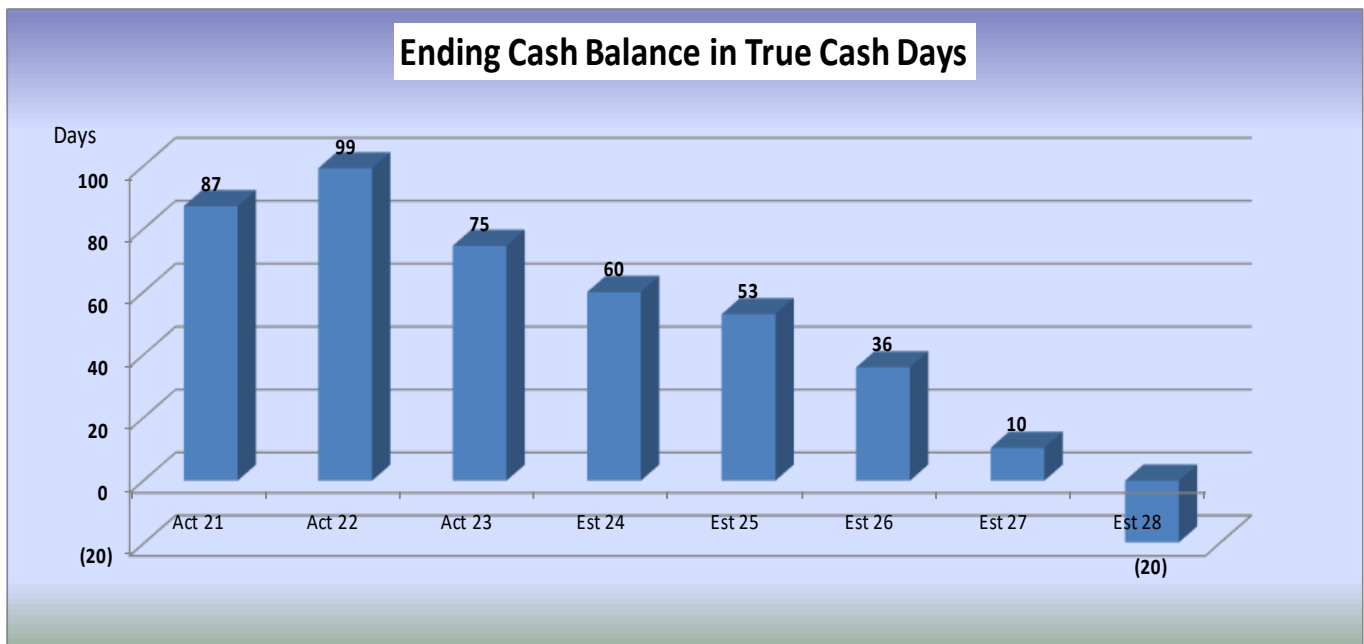
Ending Unencumbered Cash Balance “The Bottom-line”– Line#15.010

This amount must not go below \$0, or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract knowingly signed those results in a negative unencumbered cash balance violates 5705.412, ORC, punishable by the personal liability of \$10,000. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about \$1.66 million for our district.

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Ending Unencumbered Cash Balance	<u>\$3,582,553</u>	<u>\$3,233,470</u>	<u>\$2,258,796</u>	<u>\$676,681</u>	<u>-\$1,304,514</u>

True Cash Days Ending Balance

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year-end if no additional revenues were received? This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The government Finance Officers Association recommends that no less than two (2) months or 60 days of cash is on hand at year-end. Still, it could be more depending on each district's complexity and risk factors for revenue collection. This is calculated, including transfers, as this is a predictable funding source for other funds such as capital, athletics, and severance reserves.



As you read through the notes and review the forecast, remember that the forecast is based on the best information available to us when the forecast is prepared.