

**FAIRVIEW PARK CITY SCHOOL DISTRICT-CUYAHOGA 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
Fairview Park City School District
Treasurer's Office
Mr. Robert Showalter, Treasurer
November 28, 2023**

Fairview Park City School District

Cuyahoga County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2021, 2022, 2023 Actual;
Forecasted Fiscal Years Ending June 30, 2024 through 2028

	Actual				Average Change	Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024		Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	
Revenues										
1.010	General Property Tax (Real Estate)	\$17,002,855	\$19,339,950	\$19,530,124	7.4%	\$19,549,345	\$19,559,131	\$19,603,897	\$19,614,735	\$19,646,339
1.020	Public Utility Personal Property Tax	586,154	649,542	781,806	15.6%	798,309	834,533	860,230	886,555	912,309
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	2,509,870	2,472,132	2,489,364	-0.4%	2,514,073	2,592,913	2,594,953	2,597,037	2,599,166
1.040	Restricted State Grants-in-Aid	21,562	144,982	129,173	280.7%	130,729	130,729	130,729	130,729	130,729
1.045	Restricted Federal Grants-in-Aid	0	0	0	0.0%	0	0	0	0	0
1.050	State Share of Local Property Taxes	2,394,694	2,437,324	2,404,601	0.2%	2,356,639	2,367,265	2,375,023	2,376,448	2,381,211
1.060	All Other Revenues	766,892	856,931	1,361,165	35.3%	1,534,131	1,412,294	1,338,085	1,273,285	1,214,965
1.070	Total Revenues	\$23,282,027	\$25,900,861	\$26,696,233	7.2%	\$26,883,226	\$26,896,865	\$26,902,917	\$26,878,789	\$26,884,719
Other Financing Sources										
2.010	Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020	State Emergency Loans	0	0	0	0.0%	0	0	0	0	0
2.040	Operating Transfers-In	0	0	0	0.0%	0	0	0	0	0
2.050	Advances-In	143,544	100,852	90,000	-20.3%	47,650	50,000	50,000	50,000	50,000
2.060	All Other Financing Sources	58,535	500	3,689	269.3%	3,568	0	0	0	0
2.070	Total Other Financing Sources	\$202,079	\$101,352	\$93,689	-28.7%	\$51,218	\$50,000	\$50,000	\$50,000	\$50,000
2.080	Total Revenues and Other Financing Sources	\$23,484,106	\$26,002,213	\$26,789,922	6.9%	\$26,934,444	\$26,946,865	\$26,952,917	\$26,928,789	\$26,934,719
Expenditures										
3.010	Personal Services	\$12,696,771	\$13,470,350	\$13,693,757	3.9%	\$14,528,580	\$15,302,793	\$16,114,460	\$16,646,787	\$17,200,377
3.020	Employees' Retirement/Insurance Benefits	4,591,127	4,698,283	5,031,435	4.7%	5,266,025	5,609,033	5,974,979	6,312,797	6,664,662
3.030	Purchased Services	2,600,378	2,786,873	3,225,046	11.4%	3,789,188	4,092,323	4,419,708	4,773,284	5,155,149
3.040	Supplies and Materials	392,090	443,236	458,626	8.3%	501,060	541,144	584,437	631,192	681,688
3.050	Capital Outlay	36,217	5,308	2,921	-65.2%	6,000	6,000	6,000	6,000	6,000
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0
4.020	Principal-Notes	0	0	0	0.0%	0	0	0	0	0
4.030	Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040	Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050	Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0
4.055	Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060	Interest and Fiscal Charges	0	0	-	0.0%	0	0	0	0	0
4.300	Other Objects	319,320	372,813	392,939	11.1%	378,588	409,157	429,615	451,097	473,653
4.500	Total Expenditures	\$20,635,903	\$21,776,863	\$22,804,724	5.1%	\$24,469,441	\$25,960,450	\$27,529,199	\$28,821,157	\$30,181,529
Other Financing Uses										
5.010	Operating Transfers-Out	\$1,480,000	\$1,485,000	\$1,700,000	7.4%	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000
5.020	Advances-Out	97,922	90,000	47,650	-27.6%	50,000	50,000	50,000	50,000	50,000
5.030	All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040	Total Other Financing Uses	\$1,577,922	\$1,575,000	\$1,747,650	5.4%	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
5.050	Total Expenditures and Other Financing Uses	\$22,213,825	\$23,351,863	\$24,552,374	5.1%	\$26,219,441	\$27,710,450	\$29,279,199	\$30,571,157	\$31,931,529
6.010	Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses	\$1,270,281	\$2,650,350	\$2,237,548	46.5%	\$715,003	(\$763,585)	(\$2,326,282)	(\$3,642,368)	(\$4,996,810)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$13,954,249	\$15,224,530	\$17,874,880	13.3%	\$20,112,428	\$20,827,431	\$20,063,846	\$17,737,564	\$14,095,196
7.020	Cash Balance June 30	\$15,224,530	\$17,874,880	\$20,112,428	15.0%	\$20,827,431	\$20,063,846	\$17,737,564	\$14,095,196	\$9,098,386
8.010	Estimated Encumbrances June 30	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
Reservation of Fund Balance										
9.010	Textbooks and Instructional Materials	0	0	0	0.0%	0	0	0	0	0
9.020	Capital Improvements	0	0	0	0.0%	0	0	0	0	0
9.030	Budget Reserve	373,830	373,830	373,830	0.0%	373,830	373,830	373,830	373,830	373,830
9.040	DPIA	0	0	0	0.0%	0	0	0	0	0
9.045	Fiscal Stabilization	0	0	0	0.0%	0	0	0	0	0
9.050	Debt Service	0	0	0	0.0%	0	0	0	0	0
9.060	Property Tax Advances	0	0	0	0.0%	0	0	0	0	0
9.070	Bus Purchases	0	0	0	0.0%	0	0	0	0	0
9.080	Subtotal Reservations of fund Balance	\$373,830	\$373,830	\$373,830	0.0%	\$373,830	\$373,830	\$373,830	\$373,830	\$373,830
10.010	Fund Balance June 30 for Certification of Appropriations	\$14,850,700	\$17,501,050	\$19,738,598	15.3%	\$20,453,601	\$19,690,016	\$17,363,734	\$13,721,366	\$8,724,556

Fairview Park City School District

Cuyahoga County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2021, 2022, 2023 Actual;
Forecasted Fiscal Years Ending June 30, 2024 through 2028

	Actual				Average Change	Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023			Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Revenue from Replacement/Renewal Levies										
11.010	Income Tax - Renewal	0	0	0	0.0%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	0	0	0
11.300	Cumulative Balance of Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>										
12.010		\$14,850,700	\$17,501,050	\$19,738,598	15.3%	\$20,453,601	\$19,690,016	\$17,363,734	\$13,721,366	\$8,724,556
Revenue from New Levies										
13.010	Income Tax - New	0	0	0	0.0%	0	0	0	0	0
13.020	Property Tax - New	0	0	0	0.0%	0	0	0	0	0
13.030	Cumulative Balance of New Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
14.010	Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010	Unreserved Fund Balance June 30	\$14,850,700	\$17,501,050	\$19,738,598	15.3%	\$20,453,601	\$19,690,016	\$17,363,734	\$13,721,366	\$8,724,556

Fairview Park City School District – Cuyahoga County
Notes to the Five-Year Forecast
General Fund Only
November 28, 2023

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.

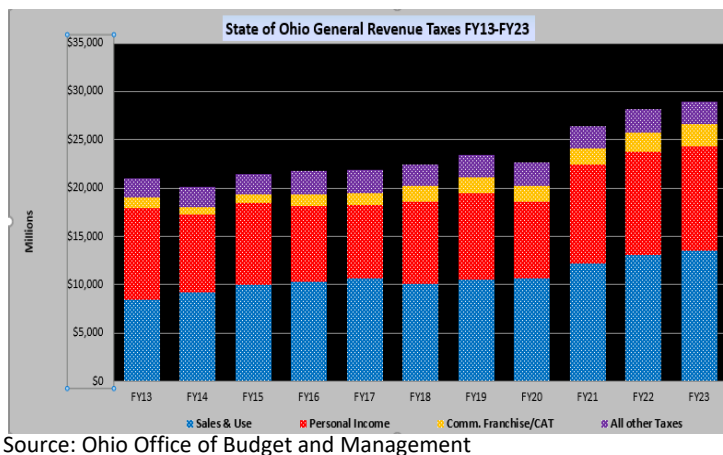
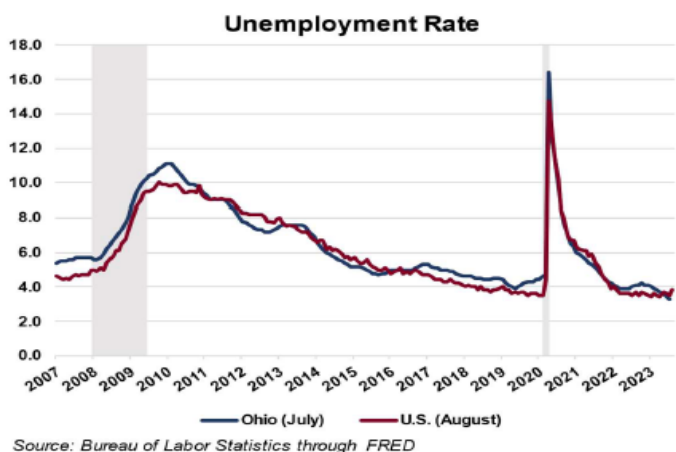
O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, 2023, and May 31, 2024, for the fiscal year 2024 (July 1, 2023, to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general 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 November 2023 filing.

Economic Outlook

This five-year forecast is submitted during the multiyear economic recovery following the 2020 COVID-19 Pandemic. The recovery began in the fall of 2020 and remains robust through this forecast date. Many supply chain concerns have lessened as manufacturing has caught up. However, persistently high inflation continues to impact our state, country, and broader globalized economy. Inflation in June 2022 hit a 40-year high of 9.1% before falling to the current annualized rate of 3.4% in August 2023. Costs in FY23 were notably impacted in areas such as capital and durable goods, diesel fuel for buses, electric, natural gas, and building materials for facility maintenance and repair. Increased inflation affecting district costs is expected to continue in FY24. However, the Federal Reserve is projecting inflation to be closer to their target rate of 2% sometime in calendar year 2024. It remains to be seen if the cumulative cost increases over the past two years are transitory in goods and services or will last over several years, which could adversely affect our forecast.

The Federal Reserve Bank has made fighting inflation its number one concern. Interest rates are expected to increase again before December 2023, which may result in increased unemployment. Still, many economists anticipate a “full employment recession” in the first half 2024. In the history of our country, there has never been a full employment recession. However, the possibility of one underscores why this is a unique time in our economic history.

As noted in the graphs below, the State of Ohio has enjoyed economic growth over the past three years, and the State’s Rainy Day Fund is at \$3.7 Billion, which is a record high. School funding cuts made in FY20 have been fully restored, and a new state funding formula is in the third year of a projected six-year phase-in. While increased inflation affecting district costs is expected to continue over the next few years, the state’s economy has grown, and many school districts received new funding in HB33 for FY24 and FY25. The ongoing growth in Ohio’s economy should enable the State to continue the phase-in of the new funding formula even if a cyclical recession occurs. Regardless, the State is well positioned to continue State aid payments to Ohio’s school districts.



While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER), which began in fiscal year 2020, the most recent allocation of ESSER funds must be spent or encumbered by September 30, 2024.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

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:

- I. 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 continued modest increases in local taxes as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues, which are predominately local taxes, equate to 84.29% of the district’s resources. Our tax collections in the March 2023 and August 2023 settlements were on target with original estimates. We believe there is a low risk that local collections would fall below projections throughout the forecast.
- II. Cuyahoga County experienced a triennial update in the 2021 tax year to be collected in 2022. The 2021 update increased overall assessed values by \$82.7 million or an increase of 20.6%. A reappraisal will occur in tax year 2024

for collection in 2025. We anticipate value increases for Class I and II property, however, there is always a minor risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that at this time.

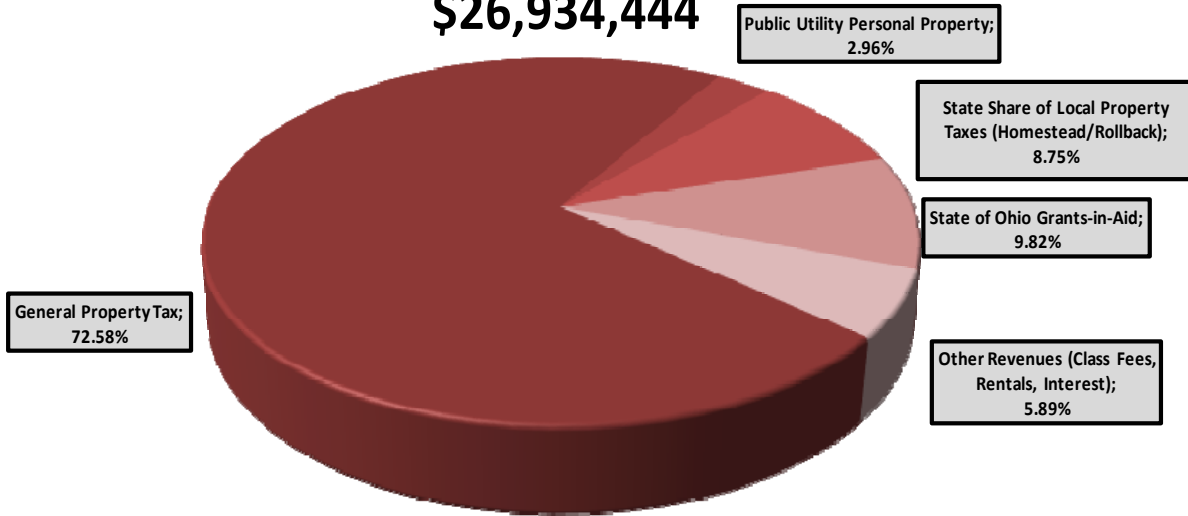
- III. The state budget represented 9.82% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to the record high inflation or the Fair School Funding Plan is not funded in future state budgets due to an economic 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 make 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.
- IV. 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.
- V. 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.
- VI. 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. We believe that as we move forward our positive working relationship will continue and will only grow stronger.

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 in understanding the overall financial forecast for our district. If you would like further information, please contact Mr. Robert Showalter, Treasurer.

Revenue Assumptions
Estimated General Fund Revenue for FY24

FY24 - WHERE THE MONEY COMES FROM:

\$26,934,444



General Property Tax (Real Estate) – Line #1.010 (72.58%)

Property Values – These are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Cuyahoga County experienced a triennial update for the 2021 tax year to be collected in FY22. Residential/agricultural values increased 22.1% or \$78.8million due to the update, led by an improving housing market. Commercial/Industrial values increased 8.6%, or \$3.8 million, in the update.

For tax year 2022, new construction in residential property was up 0.09% or \$383 thousand in assessed value and commercial/industrial values remained constant. Overall values increased \$3.5 million or 0.7%, which includes new construction for all classes of property.

A sexennial reappraisal will occur in 2024 for collection in 2025, for which we are estimating a 4% increase in residential and a 2% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase \$18.4 million or 3.8% overall.

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the School District. ([Source: County Fiscal Officer](#))

Collection Year	Real Property	Public Utility	Total Assessed Valuation
2018	354,857,500	5,332,130	360,189,630
2019(a)	402,415,890	5,625,260	408,041,150
2020	402,026,340	6,040,490	408,066,830
2021	400,640,380	6,341,500	406,981,880
2022(b)	483,535,720	6,786,630	490,322,350
2023	487,111,840	8,258,950	495,370,790

- (a) Reflects sexennial reappraisal.
- (b) Reflects triennial update

Operating Levy - On November 3, 2020, a new continuous operating levy for 7.9 mill was passed. This levy will generate \$1.6 million in FY21 and \$3.2 million annually starting in FY22.

Emergency Levy - The district successfully renewed its \$2.69 million emergency levy on the November 8, 2022 ballot for a period of 10 years. Renewing this levy that was set to expire at the end of 2023 was critical to the financial stability of the district's operations. Renewing this levy did not increase taxes.

Public Utility Personal Tax – Line #1.020 (2.96%)

Public Utility-Personal Property Tax (PUPP) revenue is generated from telephone, natural gas, electric and water lines and equipment. PUPP values are determined by the Ohio Department of Taxation. PUPP values increased by \$1.4 million in tax year 2022. The District expects PUPP values to increase by \$275 thousand for FY24-27.

School District Income Tax – Line#1.030 (0.00%)

No school district income taxes are modeled in this forecast.

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045 (9.82%)

Current State Funding Model per HB33 through June 30, 2025

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 November 2023 foundation settlement and funding factors.

Our district is currently a guarantee district in FY24 and is expected to remain 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 formula in HB33 for FY24 and FY25. The current formula 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-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's 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 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 FY21 was 73.83 million or \$42.18 per pupil. In FY22, the funding was increased to \$109.39 million for schools or \$62.86 per pupil, and in FY23, the funding totaled \$113.1 million or \$64.90 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 2% annual growth rate for the remainder of the forecast.

Restricted State Foundation Revenue – 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. 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.

State Share of Local Property Taxes – Line 1.050 (8.75%)

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 prior to 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 residential taxpayers. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years of age or older or who are disabled, regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who did not get a new application approved for tax year 2013, and who become eligible after, 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 going forward 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.

All Other Operating Revenue – Line #1.060 and Other Financing Sources – Lines #2.050 & 2.060 (5.89%)

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.

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.

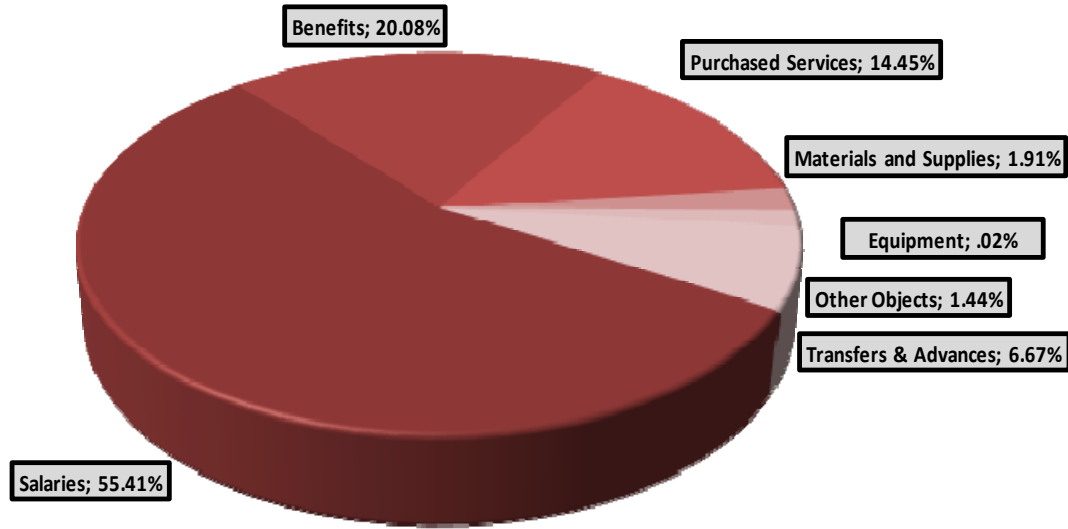
Interest income is based on the district cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. Once the economy stabilizes, there will be pressure on the Federal Reserve to lower interest rates, which we believe will be sometime in 2024, decreasing the opportunity for more significant interest income for the district. We will continue to monitor the investments for the district. Rentals are expected to return to pre-pandemic levels over time. Catastrophic Aid nearly doubled in FY22 due to increased appropriations, which are funded at the state level by a reduction in special education funding at the local level. These revenues are inconsistent year to year and we are projecting minimal growth over the remainder of the forecast. All other revenues are expected to continue on historical trends.

The district received investment income of \$176,912 in FY21, \$126,938 in FY22, and \$731,929 in FY23. During the course of the COVID-19 pandemic, interest rates and corresponding revenues decreased significantly. More recently, inflation has increased interest rates. The district expects to receive approximately \$800,000 of investment income in FY24.

All Other Financing Sources – This includes transfers in, advances in, and refunds. The District’s advance-in revenue is based on the advance out line item expended in the prior year.

Expenditures Assumptions
Estimated General Fund Expense for FY24

FY24 - WHERE THE MONEY GOES: \$26,219,441



Employee Salaries and Wages – Line #3.010 (55.41%)

This line of the forecast is made up primarily of wages or salaries paid to staff. Substitutes and supplemental extracurricular contracts, as well as payments for the Board of Education can also be found here.

The FY24 includes a 2% base pay increase, FY25-26 includes a 3% base increase. We are including an estimated 1% pay increase for planning purposes only at this time in FY27-28. This forecast reflects supplemental contracts receiving step increases yearly.

Elementary and Secondary School Emergency Relief (ESSER) funds will absorb \$434 thousand of wages for FY23. They will return to the general fund in FY24.

Employee’s Retirement and Insurance Benefits – Line #3.020 (20.08%)

Benefits include: the employer's share of retirement (14% of salary), Medicare, workers’ compensation and health care insurance, which includes hospitalization, major medical, prescription drugs and dental insurance. Rates for monthly premiums are increasing 6% for medical and 4.8% for dental, and will be as follows for FY24:

Coverage	Current Rate	New Rate (Effective July 1, 2023)
MEDICAL / PRESCRIPTION (single)	\$ 669.40	\$ 709.56
MEDICAL / PRESCRIPTION (2 person)	\$ 1,277.21	\$ 1,353.84
MEDICAL / PRESCRIPTION (family)	\$ 2,218.29	\$ 2,351.39
DENTAL (single)	\$ 36.19	\$ 37.93
DENTAL (2 person)	\$ 65.95	\$ 69.12
DENTAL (family)	\$ 111.17	\$ 116.51
VISION (single)	\$ 3.24	\$ 3.24
VISION (2 person)	\$ 6.15	\$ 6.15
VISION (family)	\$ 10.71	\$ 10.71

Per the negotiated agreements, full-time members are required to pay the following monthly premium for medical coverage: Certified and Administrative Employees: 15.0%, Classified and Exempt Employees: 10.2%. The required employee contribution for dental insurance is \$5.00 per month regardless of coverage. If any employee elects to have family coverage and they are less than full-time but work more than four hours a day, their required contribution is calculated on a sliding scale.

In 2020, the District had lower health insurance claims which resulted in too much of a health insurance fund balance. The District was able to have a premium “holiday” in June 2020 and July 2020. This resulted in a savings of \$410 thousand. In FY21, premiums for medical were reduced by 5%, dental increased by 5% and a flat rate for life insurance. For FY22, the premiums for medical did not change, dental increased by 3% and life insurance increased from .10 per \$1,000 of coverage to .108 per \$1,000. Another premium “holiday” took place in December 2021, which resulted in a one-time savings of approximately \$200 thousand. No increases took place in FY23. Going forward, a 6% increase to medical and a 4.8% increase to dental will be instituted in FY24, and 7% increases have been budgeted for FY25-FY28.

The District’s projections for retirement benefits, Medicare, and workers’ compensation expenses were based on 15.90% of the salary expenses. Tuition reimbursement payments are reflected in this section, and are not continued past FY24.

Purchased Services – Line #3.030 (14.45%)

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. 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.

These expenses also include all professional and technical services, legal, data processing, health/nurses, all utilities, garbage collection, telephones, postage, electricity, natural gas to heat the buildings, all travel and meeting expenses, and craft and trade services.

Supplies and Materials – Line #3.040 (1.91%)

These expenses include all textbooks, office supplies, cleaning supplies, bus fuel, consumable products and any educational material, as well as any product that has a life expectancy of less than five years.

Classroom Fee Related Supplies- At the beginning of the fiscal year, each building and their associated departments submitted purpose statements that estimated the revenue and expenditures for each fee that would be collected and spent throughout the year.

Due to the closure of the buildings for COVID-19 and the transition to home-based learning in March 2020, the District saw a decrease in the purchase of supplies and materials with the biggest decrease in bus fuel. Since the reopening of school, these costs have returned and have even increased in some cases due to inflation.

Capital Outlay (Equipment) – Line #3.050 (0.02%)

The District does not anticipate costs increasing significantly in this line because the Permanent Improvement Fund pays most capital outlay.

Other Expenses – Line #4.300 (1.44%)

This category of expenses is primarily fees to the county auditors and treasurers for collecting property taxes and the Ohio Department of Taxation to collect and manage the districts income tax collection and settlement. The other expense category is several small expenses with the largest being district liability insurance, annual audit, and dues and fees to organization such as The Ohio School Boards Association (OSBA). An annual increase of 5% is projected in this area.

Transfers Out/Advances Out – Lines #5.010 & 5.020 (6.67%)

This account group covers fund-to-fund transfers 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. Advanced funds (if needed) are anticipated to be paid back in full in the next fiscal year.

Transportation Fund - This fund is used to track capital and maintenance expenses related to transportation. This is funded by transferring funds from the General Fund. The District purchased one (1) bus in FY21, and with the assistance of a \$90,000 state grant, ordered two (2) more buses in FY22 for delivery in FY23. There are plans to purchase one (1) bus in FY25 and FY27.

Technology Fund - Starting in FY10, the District established a separate, Non-General Fund Technology Fund to purchase computer-related technology items. Rather than pay for this equipment out of the Capital Outlay line item, the funds are transferred from the General Fund to the Technology Fund at the beginning of each fiscal year. This enables the District to accurately account for and track technology purchases in relation to the district-wide technology plan.

Severance Fund - Also in FY10, the District established a Severance Fund separate from the General Fund. This fund enables the District to “set aside” funds for the purpose of paying severance to retiring employees. In FY23, \$125,000 was transferred out of the General Fund to the Severance Fund to fund future retirements. The District is expected to transfer \$125,000 in FY24.

Certificate of Participation Payment - As part of the HS/MS and Parkview construction project which began in FY18, the District issued Certificate of Participations (COPS). The resources to pay this debt is general fund monies. The District transfers the funds from the General fund to the Capital Improvement Fund to pay the principal and interest for the COPS.

General Fund Cash Balance

Ending Unencumbered Cash Balance – Line #10.010

This amount must not go below \$0, or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, resulting in a negative unencumbered cash balance is a violation of O.R.C. §5705.412 and is punishable by personal liability of \$10,000. It is recommended by the Government Finance Officers Association (GFOA) and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance, which is approximately \$2 million for our district.

The district successfully renewed its \$2.69 million emergency levy on the November 8, 2022 ballot for a 10 year period. Renewing this levy for a ten-year period means it will expire at the end of 2033, and its passage is critical to the financial stability of the district’s operations. Renewing this levy does not increase taxes. The effect of this levy is no longer calculated on line 11.020 of the forecast.

