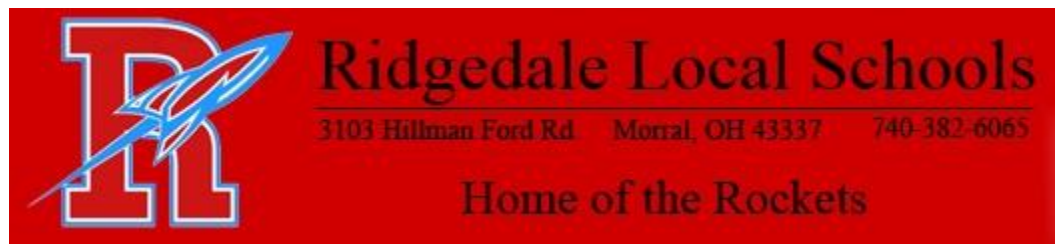


**RIDGEDALE LOCAL SCHOOL DISTRICT - MARION COUNTY**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES FOR THE FISCAL YEARS ENDED**  
**JUNE 30, 2020, 2021 and 2022 ACTUAL**  
**FORECASTED FISCAL YEARS ENDING**  
**JUNE 30, 2023 THROUGH JUNE 30, 2027**



**Forecast Provided By**  
**Ridgedale Local School District**  
**Treasurer's Office**  
**Jason Fleming, Treasurer/CFO**

**November 28, 2022**

**RIDGEDALE LOCAL SCHOOL DISTRICT**  
**Marion County**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2020, 2021, 2022  
Forecasted Fiscal Year Ending June 30, 2023 through 2027

	Actual			Average Change	Forecasted				
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022		Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	2,898,280	2,982,071	2,881,003	-0.2%	3,027,029	3,105,068	3,110,956	3,133,659	2,889,201
1.020 Public Utility Personal Property Tax	804,941	918,336	1,064,489	15.0%	1,130,493	1,136,565	1,142,930	1,148,942	1,113,606
1.030 Income Tax	0	58,758	653,062	0.0%	961,988	981,228	991,040	1,000,951	1,010,960
1.035 Unrestricted State Grants-in-Aid	2,853,147	2,937,700	3,027,008	3.0%	3,121,009	3,135,222	3,136,087	3,136,968	3,137,867
1.040 Restricted State Grants-in-Aid	86,703	86,703	272,819	107.3%	285,322	285,322	285,322	285,322	285,322
1.045 Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050 Property Tax Allocation	428,379	420,552	415,293	-1.5%	422,423	429,313	429,552	431,689	404,469
1.060 All Other Revenues	1,381,683	1,315,220	297,361	-41.1%	322,650	319,523	322,311	324,311	326,355
1.070 <i>Total Revenues</i>	8,453,133	8,719,340	8,611,035	1.0%	9,270,914	9,392,242	9,418,199	9,461,842	9,167,781
<b>Other Financing Sources</b>									
2.010 Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020 State Emergency Loans and Advancements (Approved)	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	0	0	0	0.0%	0	0		0	0
2.060 All Other Financing Sources	43,199	214,058	15,647	151.4%	15,647	15,647	15,647	15,647	15,647
2.070 <i>Total Other Financing Sources</i>	43,199	214,058	15,647	151.4%	15,647	15,647	15,647	15,647	15,647
2.080 <i>Total Revenues and Other Financing Sources</i>	8,496,332	8,933,398	8,626,682	0.9%	9,286,561	9,407,889	9,433,846	9,477,489	9,183,428
<b>Expenditures</b>									
3.010 Personnel Services	\$4,403,634	\$4,351,510	\$3,706,564	-8.0%	\$4,529,121	\$4,659,893	\$4,821,187	\$4,911,519	\$5,004,345
3.020 Employees' Retirement/Insurance Benefits	1,918,391	1,912,802	1,898,919	-0.5%	\$2,037,606	\$2,240,962	\$2,358,224	\$2,471,281	\$2,585,031
3.030 Purchased Services	2,143,539	2,272,838	1,168,075	-21.3%	\$1,144,125	\$1,047,386	\$1,084,942	\$1,124,080	\$1,164,876
3.040 Supplies and Materials	401,134	447,648	323,984	-8.0%	\$336,943	343,682	350,556	357,567	364,718
3.050 Capital Outlay	197,861	68,029	333,200	162.1%	\$271,529	144,975	149,324	153,804	158,418
3.060 Intergovernmental	-	-	-	0.0%	-	-	-	-	-
Debt Service:									
4.010 Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020 Principal-Notes	-	-	-	0.0%	\$0	\$0	\$0	\$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	-	-	-	-
4.055 Principal-Other	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
4.060 Interest and Fiscal Charges	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
4.300 Other Objects	144,705	144,715	163,915	6.6%	\$166,730	\$169,595	\$172,510	\$175,477	\$178,495
4.500 <i>Total Expenditures</i>	\$9,209,264	\$9,197,542	\$7,594,657	-8.8%	\$8,486,054	\$8,606,493	\$8,936,743	\$9,193,728	\$9,455,882
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
5.020 Advances-Out	-	-	-	0.0%	-	-	-	-	-
5.030 All Other Financing Uses	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
5.040 <i>Total Other Financing Uses</i>	-	-	-	0.0%	-	-	-	-	-
5.050 <i>Total Expenditures and Other Financing Uses</i>	9,209,264	9,197,542	7,594,657	-8.8%	8,486,054	8,606,493	8,936,743	9,193,728	9,455,882
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	(712,932)	(264,144)	1,032,025	-276.8%	800,507	801,395	497,103	283,761	(272,454)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	2,346,742	1,633,810	1,369,666	-23.3%	2,401,691	3,202,198	4,003,594	4,500,696	4,784,457
7.020 <i>Cash Balance June 30</i>	1,633,810	1,369,666	2,401,691	29.6%	3,202,198	4,003,594	\$ 4,500,696	4,784,457	4,512,003
8.010 <i>Estimated Encumbrances June 30</i>	150,338	91,971	145,038	9.4%	25,000	25,000	25,000	25,000	25,000
<b>Reservation of Fund Balance</b>									
9.010 Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020 Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030 Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.045 Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050 Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060 Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070 Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080 <i>Subtotal</i>	-	-	-	0.0%	-	-	-	-	-
10.010 <i>Fund Balance June 30 for Certification of Appropriations</i>	1,483,472	1,277,695	2,256,653	31.4%	3,177,198	3,978,594	4,475,696	4,759,457	4,487,003
<b>Revenue from Replacement/Renewal Levies</b>									
11.010 Income Tax - Renewal	-	-		0.0%	-	-	-	-	-
11.020 Property Tax - Renewal or Replacement	-	-		0.0%	-	-	-	-	339,270

**RIDGEDALE LOCAL SCHOOL DISTRICT**  
**Marion County**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2020, 2021, 2022  
Forecasted Fiscal Year Ending June 30, 2023 through 2027

	Actual			Average Change	Forecasted				
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022		Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
11.300 Cumulative Balance of Replacement/Renewal Levies	-	-		0.0%	-	-	-	-	339,270
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	1,483,472	1,277,695	2,256,653	31.4%	3,177,198	3,978,594	4,475,696	4,759,457	4,826,273
<b>Revenue from New Levies</b>									
13.010 Income Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.020 Property Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.030 Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010 Revenue from Future State Advancements	-			0.0%	-	-	-	-	-
15.010 <i>Unreserved Fund Balance June 30</i>	1,483,472	1,277,695	2,256,653	31.4%	3,177,198	3,978,594	4,475,696	4,759,457	4,826,273
<b>ADM Forecasts</b>									
20.010 Kindergarten - October Count	52	38	47		51	52	51	53	50
20.015 Grades 1-12 - October Count	602	549	544		542	548	554	551	580

**Ridgedale Local School District – Marion County**  
**Notes to the Five-Year Forecast**  
**General Fund Only**  
**November 28, 2022**

**Introduction to the Five Year Forecast**

The five-year forecast is viewed as a key management tool and must be updated periodically. In Ohio, most school districts understand how they will manage their finances in the current year. The five-year forecast encourages 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 Ohio Department of Education when events take place that will significantly change their forecast or, at a minimum, when required under 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 to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Here are at least three 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

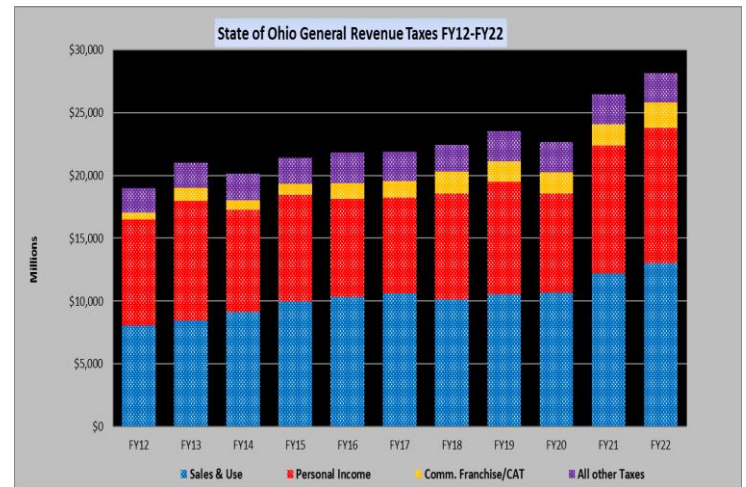
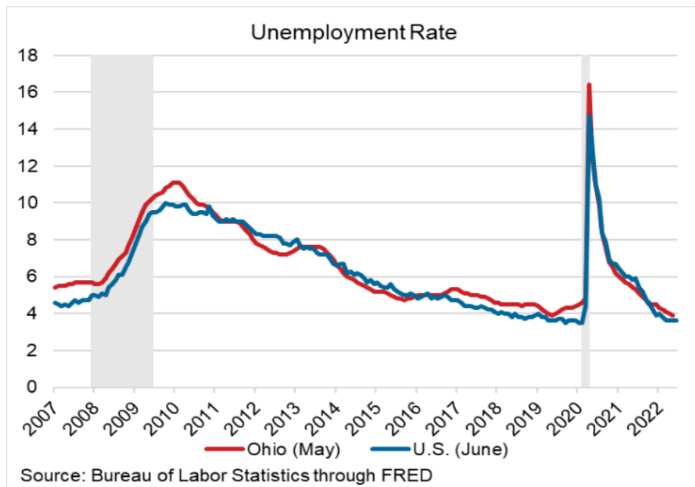
O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five (5) year financial forecast by November 30, 2022, and May 31, 2023, for the fiscal year 2023 (July 1, 2022, to June 30, 2023). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2023 (July 1, 2022-June 30, 2023) 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 2022 filing.

**Economic Outlook**

This five-year forecast is being filed during a two-year economic recovery following the COVID-19 Pandemic, which began in early 2020. The effects of the pandemic have lessened, but several supply chain concerns and 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 8.3% in August. Costs in FY22 were notably impacted in areas such as diesel fuel for buses, electric and natural gas, and building materials for facility maintenance and repair. Increased inflation affecting district costs is expected to continue in FY23; it remains to be seen if these costs are transitory or will last over the next few years, which could significantly impact our forecast and adversely affect state and local funding.

The Federal Reserve Bank has made fighting inflation its number one concern. It is expected that interest rate increases before December 2022 will result in increased unemployment, and many economists anticipate an economic recession in the first half of the calendar year 2023. If that occurs, the recession will happen as the state legislature considers the next biennium budget for FY24 and FY25. Despite the solid economic recovery, the state of Ohio has enjoyed over the past two years, a recession may impact funding for primary and secondary education.

As noted in the graphs below, the State of Ohio's economy has steadily recovered over the past two years. School funding cuts made in FY20 have been fully restored, and a new state funding formula is in year two of a projected five-year phase. While increased inflation impacting district costs is expected to continue over the next few years, the state's economy has grown, as indicated in the graphs below. It may enable the state to continue the phase-in of the new funding formula even if a cyclical recession occurs in the first half of the 2023 calendar year.



While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER), which began in the 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 uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the next two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

- I. Marion County completed reappraisal in 2019 for collection in 2020. There was a decrease in values for Class I of 7.85% or (\$10,327,379) and Class II values increased by 7.94% or \$822,090. The Class I values decreased due to the changes in Current Agricultural Use Values (CAUV) authorized by HB49. The changes authorized by HB49 to CAUV to lower those values by an estimated 30% beginning with counties experiencing a reappraisal or update in Tax Year 2017. The cuts in CAUV will shift a larger tax burden to residential taxpayers which may be an unintended consequence of the legislature responding to agricultural interests. There is however 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.
- II. The State Budget represents 41.3% of district revenues and is an area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in state aid. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area

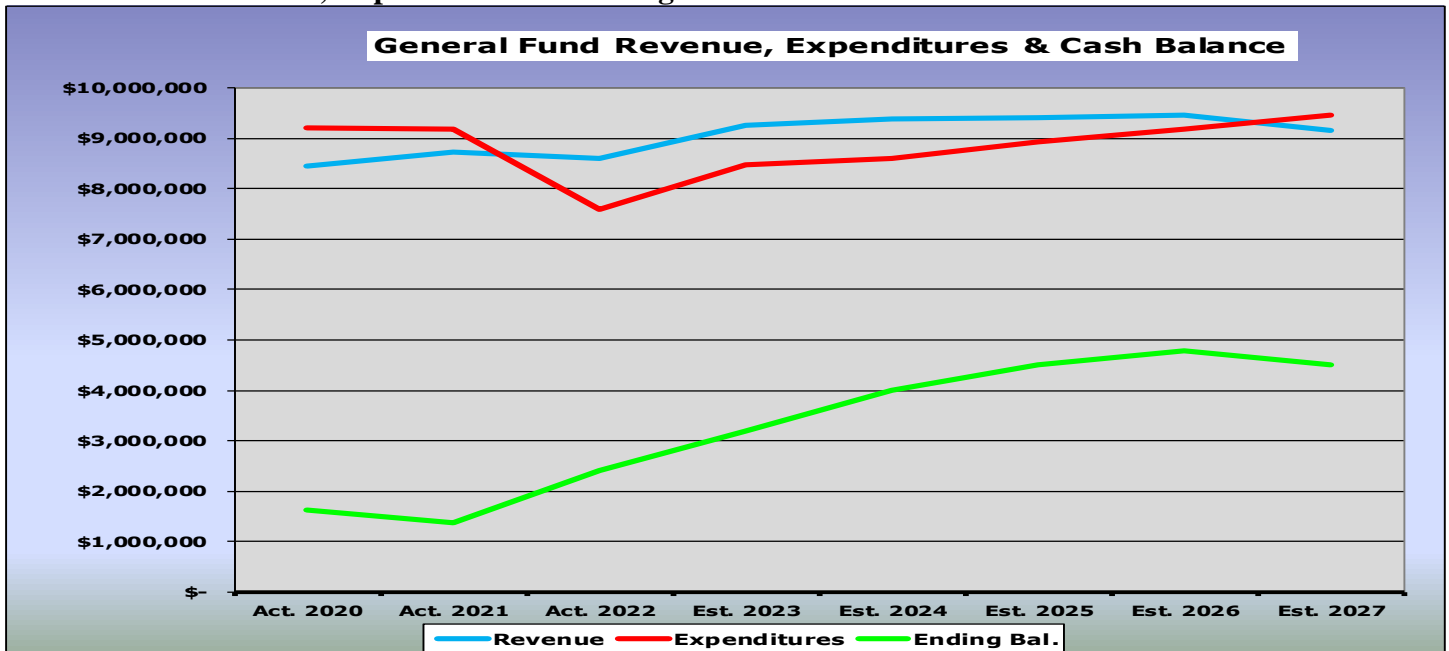
an elevated risk to district funding long range through FY27. We have projected our state funding to be in line with the FY23 funding levels through FY27, which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

- III. HB110 will directly pay costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships to the educating school district. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from state aid which will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can expose the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any new proposed laws are introduced in the legislature.
- IV. HB110 the current state budget implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The full release of the new Fair School Funding Plan formula calculations was delayed until March 2022. The FSFP has many significant changes to the way 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. Beginning in FY22, open enrollment payments will no longer be paid separately to a district as those payments are included with basic aid. A change in expenditures beginning in FY22 also occurred, in that there will no longer be deductions for students that attend elsewhere for open enrollment, community schools, STEM schools and scholarship recipients as these payments will be paid directly to those districts from the state. The initial impact of these changes on the forecast will be noticed in that the historic actual costs for FY20 through FY21 potentially reflecting different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. In June 2022 the legislature passed HB583 to resolves issues and possible unintended consequences in the new funding formula. Some of these changes impacted FY22 and future years funding. Our state aid projections have been based on the best information on the new HB110 formula as amended by HB583 that are available as of this forecast.
- V. 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 as we move forward our positive working relationship will continue and will only grow stronger.

The financial forecast presents, to the best of the Ridgedale Local School District Board of Education's knowledge and belief, the expected revenues, expenditures, and operating balance of the General Fund. Accordingly, the forecast reflects the Board of Education's judgment of the expected conditions and its expected course of action as of the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected.

The major 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 be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Mr. Jason Fleming, 740-382-6065, Treasurer/CFO of the Ridgedale Local Schools.

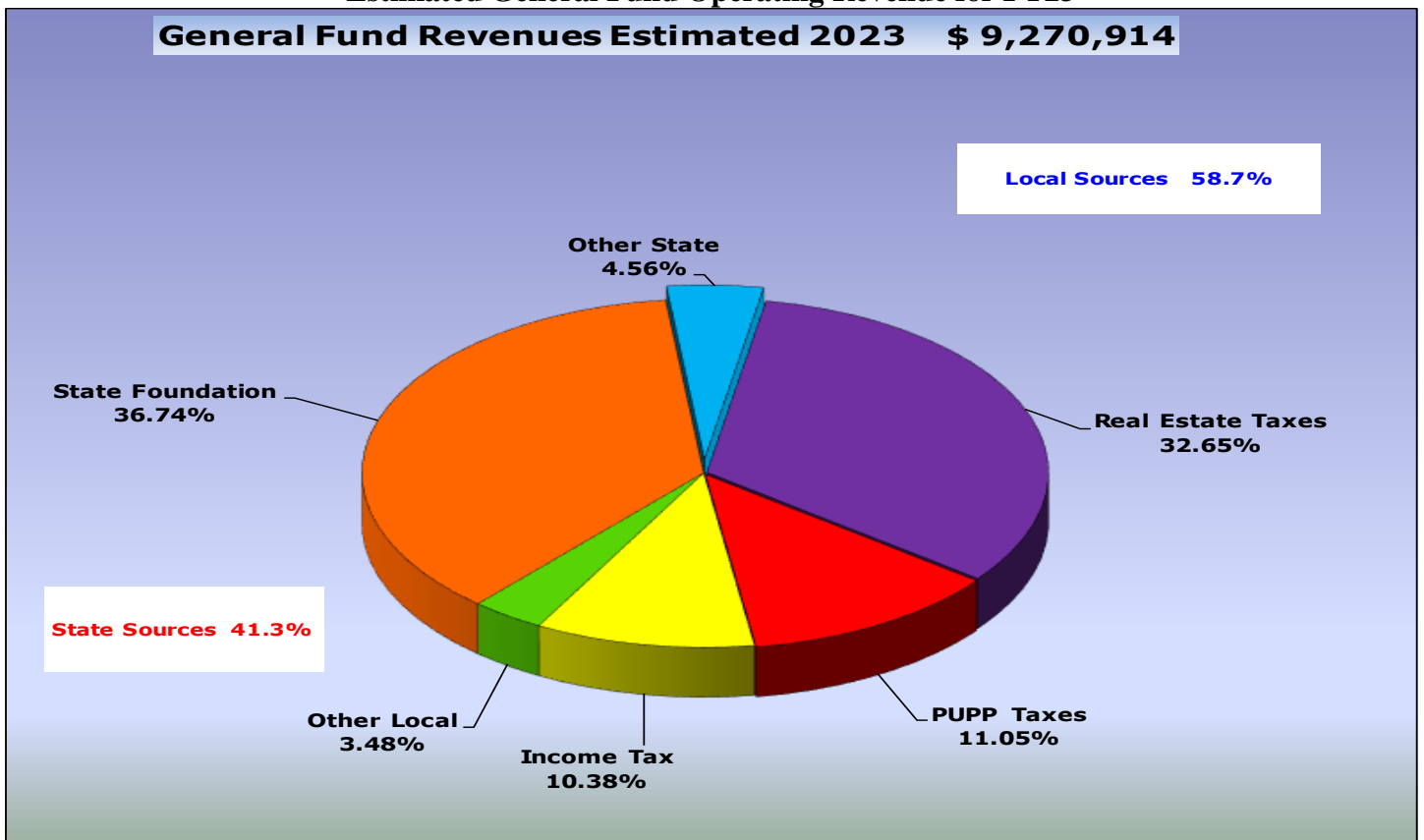
## General Fund Revenue, Expenditure and Ending Cash Balance Actual FY20-22 and Estimated FY23-27



The graph captures in one snapshot the operating scenario facing Ridgedale Local School District over the next few years. This graph does not include the renewal of the emergency levy.

## REVENUE ASSUMPTIONS

### Estimated General Fund Operating Revenue for FY23



### **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. A reappraisal of the district property value occurred in 2019 for collection in calendar year 2020. Class I residential/agricultural values decreased overall by 7.85% while commercial/industrial values climbed by 7.94%. Overall values decreased by \$8,788,920.

The next update for the district will be tax year 2022 for collection in 2023. We are including an increase of 12% for Class I and a 2% increase in Class II for the update in 2023, we will revise the actual percentage once we have received the certified values.

With the increase in values for the triennial update the district will be at the 20 mill floor in both Class I and Class II. The 20 mill floor is the lowest millage rate a district is permitted to have based on HB920. Once a district is at the 20 mill floor then any increase in values will include additional revenue for the district. When values decrease millage rates increase so that districts do not lose tax dollars.

CAUV values represent 46.3% of Class I values. HB49 authorized a reduction in CAUV computations that will result in these values falling on average by 30%. These reductions occurred as districts experience their reappraisal or update cycle from 2017 through 2019. We experienced this in the Tax Year 2019 reappraisal. A reduction of value has been weighted in to our average Class I value change in 2019.

The district is including in 2022 for collection in 2023, the POET Biofuel plant valuation of \$4.4 million as new construction in Class II as the tax abatement will expire as it was not included in the values in 2021.

The district PUPP valuation increased in 2021 for collection in 2022 by \$4.35 million, the district did not expect this increase and does not expect this in future years, with forecasted increases of \$150,000 annually for the remainder of the forecast.

### **ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS**

<u>Classification</u>	<u>Estimated TAX YEAR2022 COLLECT 2023</u>	<u>Estimated TAX YEAR2023 COLLECT 2024</u>	<u>Estimated TAX YEAR2024 COLLECT 2025</u>	<u>Estimated TAX YEAR 2025 COLLECT 2026</u>	<u>Estimated TAX YEAR 2026 COLLECT 2027</u>
Res./Ag.	\$135,989,411	\$136,114,411	\$136,239,411	\$137,726,805	\$137,851,805
Comm./Ind.	\$18,482,059	\$18,682,059	\$18,882,059	\$19,270,879	\$19,470,879
PUPP	\$25,823,600	\$25,973,600	\$26,123,600	\$26,273,600	\$26,423,600
Total Assessed Value	<u>\$180,295,070</u>	<u>\$180,770,070</u>	<u>\$181,245,070</u>	<u>\$183,271,284</u>	<u>\$183,746,284</u>

Property tax levies are estimated to be collected at 95.46% of the annual amount. In general 60.62% of the Res/Ag and Comm/Ind are expected to be collected in February tax settlements and 39.38% collected in August tax settlements.

<u>Category</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Est. Property Tax Excluding PUPP to Line #1.010	\$3,027,029	\$3,105,068	\$3,110,956	\$3,133,659	\$2,889,201

### **Estimated Public Utility Personal Property Tax – Line #1.020**

The phase out of TPP taxes began in FY06. HB66 was adopted in June 2005 and the provisions of the legislation have estimated that the locally collected tangible personal property tax would be eliminated after FY11. Only Public Utility Personal Property (PUPP) taxes are collected in Line 1.02 of the forecast now which



is why we have renamed the line to better identify this tax base. PUPP tax settlements are estimated to be received 50% in February and 50% in August settlement from Marion County Auditor.

<u>Category</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Public Utility Personal Property - (PUPP)	<u>\$1,130,493</u>	<u>\$1,136,565</u>	<u>\$1,142,930</u>	<u>\$1,148,942</u>	<u>\$1,113,606</u>
Total Line # 1.020	<u>\$1,130,493</u>	<u>\$1,136,565</u>	<u>\$1,142,930</u>	<u>\$1,148,942</u>	<u>\$1,113,606</u>

### **Renewal and Replacement Levies – Line #11.02**

State law requires that renewal levies be removed from taxes on Line 1.010 and 1.020 to be shown on the Renewal and Replacement Levy line 11.02. The emergency levy will need to be renewed prior to December 31, 2026 which is included in FY27.

<u>Category</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Renewal \$575,034 Emergency Levy expires 12/31/26	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$339,270</u>
Total Line # 11.020	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$339,270</u>

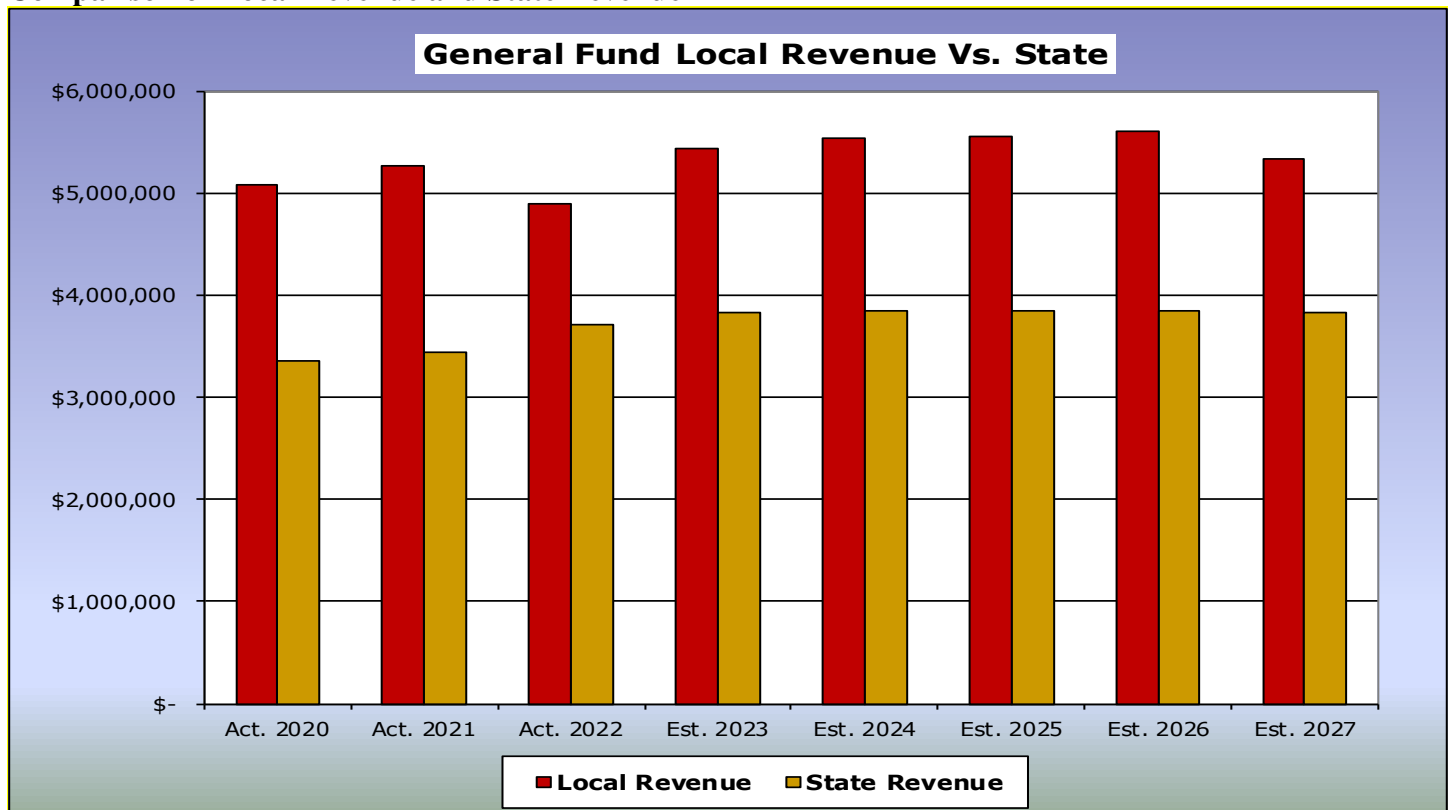
### **Income Tax – Line #1.03**

The district passed a 1% continuous earned income tax in the primary election in 2020. The levy will begin being collected as of January 1, 2021 and will take 18 months to collect the first full year for the district.

As we move into post-pandemic economic times, we are seeing that income tax collections are beginning to increase with the economic recovery. So far in FY23 income tax collection statewide have increased on average around 9% over FY22. Our income tax in FY22 was up 9.45% over FY21. In July and October we noted a boost in collections in SD100 returns and withholding collections. We will assume an annual growth rate of 7.18% for FY23, and 2% for FY24 and 1% for FY25-FY27 as the concerns over inflation may slow growth in this area.

<u>Category</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
SDIT Collection	\$892,920	\$961,988	\$981,228	\$991,040	\$1,000,951
Increases/(Decreases)	<u>\$69,068</u>	<u>\$19,240</u>	<u>\$9,812</u>	<u>\$9,910</u>	<u>\$10,010</u>
Total to Line #1.030	<u>\$961,988</u>	<u>\$981,228</u>	<u>\$991,040</u>	<u>\$1,000,951</u>	<u>\$1,010,960</u>

## Comparison of Local Revenue and State Revenue



### State Foundation Revenue Estimates

#### Current State Funding Model per HB110 through June 30, 2023

##### A) Unrestricted State Foundation Revenue– Line #1.035

The full release of the new Fair School Funding Plan formula occurred in March 2022 and was amended in HB583 passed in June 2022. Full calculations of the new formula were not available for nearly all of last fiscal year. We have projected FY23 funding based on the October 2022 foundation settlement and funding factors.

Our district is currently a formula district in FY23 and is expected to continue on the formula in FY24-FY27 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 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110, as amended by HB583, implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. The current formula introduces 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 FY23 through FY27 compared to actual data FY20 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

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

- A. Student Population and Demographics
- B. Property Valuation
- C. Personal Income of District Residents
- D. Historical Funding- CAPS and Guarantees from prior funding formulas

#### Base Cost Approach- Unrestricted Basic Aid Foundation Funding

The new funding formula uses FY18 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 that includes base 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 estimated to be as high as \$7,202 per pupil when fully phased in, 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. 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 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 most recent three (3) year average federal adjusted gross income of districts residents or the most recent year, whichever is lower divided by base students enrolled
3. 20% based on most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled
4. When the weighted values are calculated and Items 1 through 3 above added together, the total is then multiplied by a Local Share Multiplier Index from ranging 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 amount of the base per pupil funding amount. The balance of this amount is the state share to pay.

#### **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). 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 and not a specific amount. An amount of 10% will be reduced from all district's calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding 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 29.17% in FY22 and 33.33% in FY23.

#### Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA)- Formerly Economically Disadvantaged Funding is based on number and concentration of economically disadvantaged students compared to state average and multiplied by \$422 per pupil. The phase-in increases are limited to 0% for FY22 and 14% in FY23. There is no legislation indicating what the percentage increase may be for FY24 and beyond for DPIA.
2. English Learners – Based on funded categories based on time student 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 & Success Funding – moved into DPIA funding, is restricted funding and will be spent on same initiatives and requirements that were previously designated under the stand-alone fund.

### **State Funding Phase-In FY22 and FY23 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 in HB583 in June 2022. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in 0% in FY22 and 14% in FY23. Transportation categorical funds will not be subject to a phase in.

HB110 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 less funds in FY22 and FY23 than they received in FY21. The guarantee level of funding for FY22 is a calculated funding guarantee level based on full state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items. It is estimated that nearly 420 districts are on one form of a guarantee in FY22 and in general the same number will occur in FY23, since state average costs were frozen at FY18 in the Base Cost calculations, while property values and Federal Adjusted Gross Income will be allowed to update and increase for FY23, which should push districts toward one of the three (3) guarantees.

### **Future State Budgets Projections beyond FY23**

Our funding status for the FY24-27 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason, funding is held constant in the forecast at FY23 amounts through FY27.

### **Casino Revenue**

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four casinos one each in Cleveland, Toledo, Columbus and Cincinnati. As of March 4, 2013 all four casinos were open for business and generating Gross Casino Tax Revenues (GCR). Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31<sup>st</sup> of January and August each year which began for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY23-27 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to \$106.35 million or \$59.80 per pupil, actual payments in FY22 were \$62.90 per pupil. FY23 Casino revenues are based on the August payment with a 2% annual growth rate for the remainder of the forecast.

<u>Category</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Basic Aid-Unrestricted	\$3,038,493	\$3,051,859	\$3,051,859	\$3,051,859	\$3,051,859
Additional Aid Items	<u>\$40,157</u>	<u>\$40,157</u>	<u>\$40,157</u>	<u>\$40,157</u>	<u>\$40,157</u>
Basic Aid-Unrestricted Subtotal	\$3,078,650	\$3,092,016	\$3,092,016	\$3,092,016	\$3,092,016
Ohio Casino Commission ODT	<u>\$42,359</u>	<u>\$43,206</u>	<u>\$44,071</u>	<u>\$44,952</u>	<u>\$45,851</u>
Unrestricted State Aid Line # 1.035	<u>\$3,121,009</u>	<u>\$3,135,222</u>	<u>\$3,136,087</u>	<u>\$3,136,968</u>	<u>\$3,137,867</u>

#### **B) Restricted State Revenues – Line #1.040**

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged Funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under “Restricted Categorical Aid” for Gifted, English Learners (ESL) and Student Wellness. Using current October funding factors, we have estimated revenues for these new restricted funding lines. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23. We have flat lined funding at FY23 levels for FY24-FY27 due to uncertainty on continued funding of the current funding formula.

<u>Category</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
DPIA	\$59,104	\$59,104	\$59,104	\$59,104	\$59,104
Career Tech - Restricted	\$48,721	\$48,721	\$48,721	\$48,721	\$48,721
Gifted	\$42,217	\$42,217	\$42,217	\$42,217	\$42,217
ESL	\$0	\$0	\$0	\$0	\$0
Student Wellness	<u>\$135,281</u>	<u>\$135,281</u>	<u>\$135,281</u>	<u>\$135,281</u>	<u>\$135,281</u>
Total Restricted State Revenues Line #1.040	<u>\$285,322</u>	<u>\$285,322</u>	<u>\$285,322</u>	<u>\$285,322</u>	<u>\$285,322</u>

#### **C) Restricted Federal Grants in Aid – Line #1.045**

The district is not anticipating any new federal dollars for general fund operations in this forecast period.

#### **Summary of State Foundation Revenue**

<u>SUMMARY</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Unrestricted Line # 1.035	\$3,121,009	\$3,135,222	\$3,136,087	\$3,136,968	\$3,137,867
Restricted Line # 1.040	\$285,322	\$285,322	\$285,322	\$285,322	\$285,322
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total State Foundation Revenue	<u>\$3,406,331</u>	<u>\$3,420,544</u>	<u>\$3,421,409</u>	<u>\$3,422,290</u>	<u>\$3,423,189</u>

#### **State Taxes Reimbursement/Property Tax Allocation Line #1.050**

##### **a) Rollback and Homestead Reimbursement**

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66 the FY06-07 budget bill previously eliminated 10% rollback on Class II (commercial and industrial) property. The percentage that the district receives in Rollback is based on the taxpayers applying for these credits, for our district we receive 11.10% of the possible 12.5% reimbursements from the state.

Homestead Exemptions are also 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 over age 65 years of age or who are disabled regardless of income. Effective September 29, 2013 HB59 changes the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those

who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have 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 slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers.

**b) Tangible Personal Property Reimbursements – Fixed Rate**

Our district no longer receives this reimbursement.

**c) Tangible Personal Property Reimbursements – Fixed Sum**

HB 64 has continued reimbursement of Fixed Sum TPP reimbursements at current levels through FY17 and will begin a phase out over five years through TY21, with the last payment in FY22. Districts will not lose money due to the phase out. The amount of money the state is cutting its reimbursement by will be added on the local fixed sum millage and collected in local property taxes. This is directly shifting the burden to local tax payers by the state cut in fixed sum TPP reimbursement.

**Summary of State Tax Reimbursement – Line #1.050**

<u>Category</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Rollback and Homestead	\$422,423	\$429,313	\$429,552	\$431,689	\$404,469
TPP Reimbursement - Fixed Rate	\$0	\$0	\$0	\$0	\$0
TPP Reimbursement - Fixed Sum	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Tax Reimb./Prop. Tax Allocations #1.050	<u>\$422,423</u>	<u>\$429,313</u>	<u>\$429,552</u>	<u>\$431,689</u>	<u>\$404,469</u>

**Other Local Revenues – Line #1.060**

Revenues from all other sources are based on historical growth patterns. This revenue largely consists of tuition payments, Medicaid reimbursements, and investment income.

HB110 the current state budget will stop paying open enrollment as an increase to other revenue for the district. Open enrolled students will be counted as students that attend the district within the Enrolled ADM and will be included in the state basic funding. The district's pre-school unit includes students from other district that are enrolled through Open Enrollment, which is the only amount included in this line. This change is projected below at a much smaller amount from previous years to help show the difference between projected FY23-FY27 Line 1.06 revenues and historical FY20 through FY21 revenues on the five-year forecast.

The district maintains a conservative investment philosophy, investing predominately in Star Ohio, CD's, and checking account interest. The Federal Reserve rates are increasing more than in previous years along with increases for interest from the income taxes therefore, we are estimating our interest for FY23 of \$40,000 with a 1% increase in FY24 with no increase in FY25 then a 2% decrease in FY26 and FY27.

We are anticipating Medicaid amounts to be more in line to previous years and no large one time payments in FY23 with a 1% increase each year in FY24-FY27.

We are including a 1% annual increase of all other lines for other local revenues in FY23 through FY25.

<u>Category</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Open Enrollment	\$6,687	\$0	\$0	\$0	\$0
Interest	\$40,000	\$40,800	\$40,800	\$39,984	\$39,184
Tuition SF-14 & SF-14H	\$192,318	\$194,241	\$196,183	\$198,145	\$200,126
Student Fees and Activity	\$48,594	\$49,080	\$49,571	\$50,067	\$50,568
Medicaid Reimbursement	\$25,000	\$25,250	\$25,503	\$25,758	\$26,016
Rentals, Fines, Fees, erate & other	<u>\$10,051</u>	<u>\$10,152</u>	<u>\$10,254</u>	<u>\$10,357</u>	<u>\$10,461</u>
Total Line # 1.060	<u>\$322,650</u>	<u>\$319,523</u>	<u>\$322,311</u>	<u>\$324,311</u>	<u>\$326,355</u>

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

Returns of advances to other funds from the previous year comprise most of the historical revenue in this category. The district is not expecting any transfers or advance returns for this forecast period.

#### **All Other Financial Sources – Line #2.060 & Line #14.010**

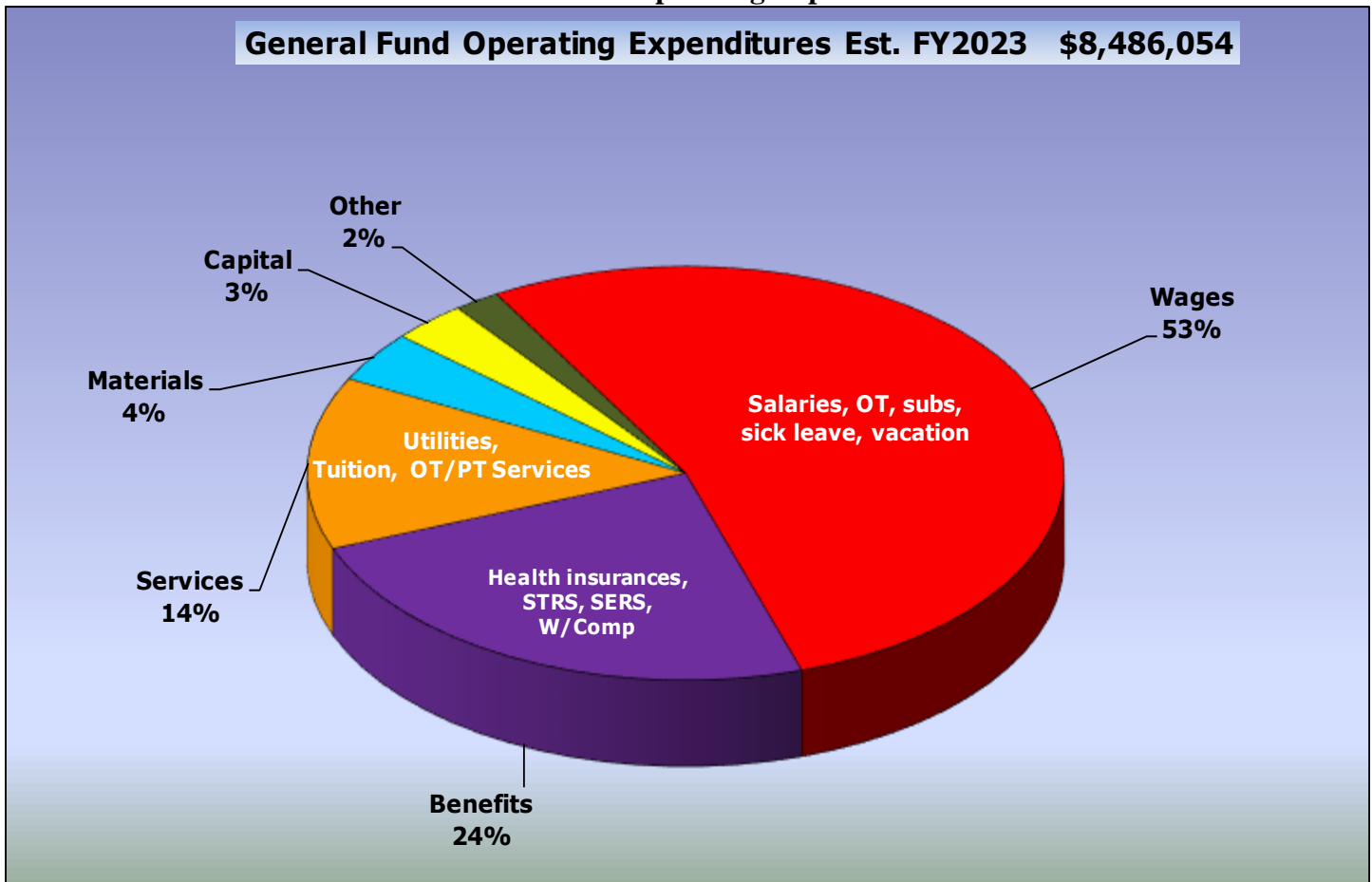
This funding source is typically a refund of prior year expenditures that are very unpredictable. The major items in in this line are from voided checks from previous years, refunds for Worker’s Compensation and Farmers Co-Op. For FY23-FY27 we are estimating amounts of refunds that are more in line with historical collections.

<u>Category</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
All Other Financials Line #2.060	<u>\$15,647</u>	<u>\$15,647</u>	<u>\$15,647</u>	<u>\$15,647</u>	<u>\$15,647</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 FY23



#### Wages – Line #3.010

The district finalized negotiations with base increases of 3% in FY23, 2.5% in FY24 and 2% in FY25 while we will continue to use 1% for forecasting purposes after the year that the negotiated agreement ends. Step and training pay increases of 1% per year are reflected based on current staffing levels FY22-26.

The district is recoding 100% of the nurse and 85% of guidance counselor salaries through the SWSF Fund 467 the amount of salaries will be returned to the general fund partially each year from FY23 through FY24 until the fund is zeroed out since the district had the carryover funds to use.

The district recoded salaries as part of the relief from the COVID-19 ESSER funds of \$630,000 in FY22 and will return the expenditures in FY23.



<u>Category</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Base Wages	\$3,377,366	\$4,185,461	\$4,361,750	\$4,521,553	\$4,610,387
Base Increases	\$101,321	\$84,434	\$83,709	\$43,618	\$45,216
Steps & Training/Performance Based Pay	\$33,774	\$41,855	\$43,618	\$45,216	\$46,104
New or Replacement Staff	\$16,000	\$0	\$0	\$0	\$0
Substitutes & Supplementals	\$296,660	\$298,143	\$299,634	\$301,132	\$302,638
Recoding for SWSF & ESSER Funds	\$657,000	\$50,000	\$32,476	\$0	\$0
Severance	\$47,000	\$0	\$0	\$0	\$0
Staff Reductions	\$0	\$0	\$0	\$0	\$0
Total Wages Line 3.010	<u>\$4,529,121</u>	<u>\$4,659,893</u>	<u>\$4,821,187</u>	<u>\$4,911,519</u>	<u>\$5,004,345</u>

### **Fringe Benefits Estimates Line #3.02**

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

#### **A) STRS/SERS**

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law.

#### **B) Insurance**

The district is estimating an increase of 7.4% increase in FY23 and 6% annually in FY24-FY27. This is based on our current employee census and claims data. This could increase at a much higher rate should claims increase dramatically. The district is expecting to only receive one premium holiday in FY23.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. “Cadillac Tax”), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax.

#### **C) Workers Compensation & Unemployment Compensation**

Workers Compensation is based on a 0.56% of total payroll in FY23-FY27. The district does not expect any large payments for unemployment benefits and has adjusted the amount to \$500 per year from FY23 – FY27.

#### **D) Medicare**

Medicare will continue to increase at the rate of increases in wages. 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.

### **Summary of Fringe Benefits – Line #3.020**

<u>Category</u>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
STRS/SERS	\$569,476	\$687,240	\$714,038	\$732,827	\$746,712
Insurance's	\$1,371,385	\$1,453,668	\$1,540,888	\$1,633,341	\$1,731,341
Workers Comp/Unemployment	\$25,863	\$26,595	\$27,499	\$28,005	\$28,524
Medicare	\$64,991	\$67,568	\$69,908	\$71,217	\$72,563
Tuition Reimb./H.S.A.	<u>\$5,891</u>	<u>\$5,891</u>	<u>\$5,891</u>	<u>\$5,891</u>	<u>\$5,891</u>
Total Line 3.020	<u>\$2,037,606</u>	<u>\$2,240,962</u>	<u>\$2,358,224</u>	<u>\$2,471,281</u>	<u>\$2,585,031</u>

### **Purchased Services – Line #3.030**

HB110 the new state budget will impact Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted 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 show these amounts below as zeros to help reflect the difference between projected FY23-FY27 Line 3.03 costs and historical FY20 through FY21 costs on the five-year forecast. College Credit Plus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

The district will return the cost of the 1-1 nurse that was paid from SWSF beginning in FY23. The district will increase maintenance and repairs 2% annually along with the following items: annual roofing costs; painting in the high school in FY23; and concrete work in FY23 only.

<u>Category</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Instructional Services	\$342,297	\$339,412	\$356,383	\$374,202	\$392,912
Non-Instructional Services	\$28,868	\$29,445	\$30,034	\$30,635	\$31,248
Maintenance and Repairs	\$183,390	\$71,049	\$72,470	\$73,919	\$75,398
Open Enrollment Deduction	\$1,527	\$1,527	\$1,527	\$1,527	\$1,527
Community School Deductions	\$0	\$0	\$0	\$0	\$0
Other Tuition Payments	\$383,087	\$390,749	\$398,564	\$406,535	\$414,666
Utilities	<u>\$204,956</u>	<u>\$215,204</u>	<u>\$225,964</u>	<u>\$237,262</u>	<u>\$249,125</u>
Total Line 3.030	<u>\$1,144,125</u>	<u>\$1,047,386</u>	<u>\$1,084,942</u>	<u>\$1,124,080</u>	<u>\$1,164,876</u>

### **Supplies and Materials – Line #3.040**

These amounts account for funds to purchase new textbooks and educational supplies related to new curriculum adoptions. The other area of expenses included in this category are all consumable supplies that are purchased to operate the school district, such as textbooks, paper, cleaning supplies, tires and bus fuel. A 4% increase is forecasted FY23 with a 2% increase each year from FY24-FY27.

<u>Category</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Supplies	<u>\$336,943</u>	<u>\$343,682</u>	<u>\$350,556</u>	<u>\$357,567</u>	<u>\$364,718</u>
Total Line 3.040	<u>\$336,943</u>	<u>\$343,682</u>	<u>\$350,556</u>	<u>\$357,567</u>	<u>\$364,718</u>

### **Equipment – Line #3.050**

Capital Outlay each year for technology and other equipment has been included based on a schedule for FY23-FY27. The district will also purchase two buses in FY23 with a portion of them being paid from the school bus replacement grant.

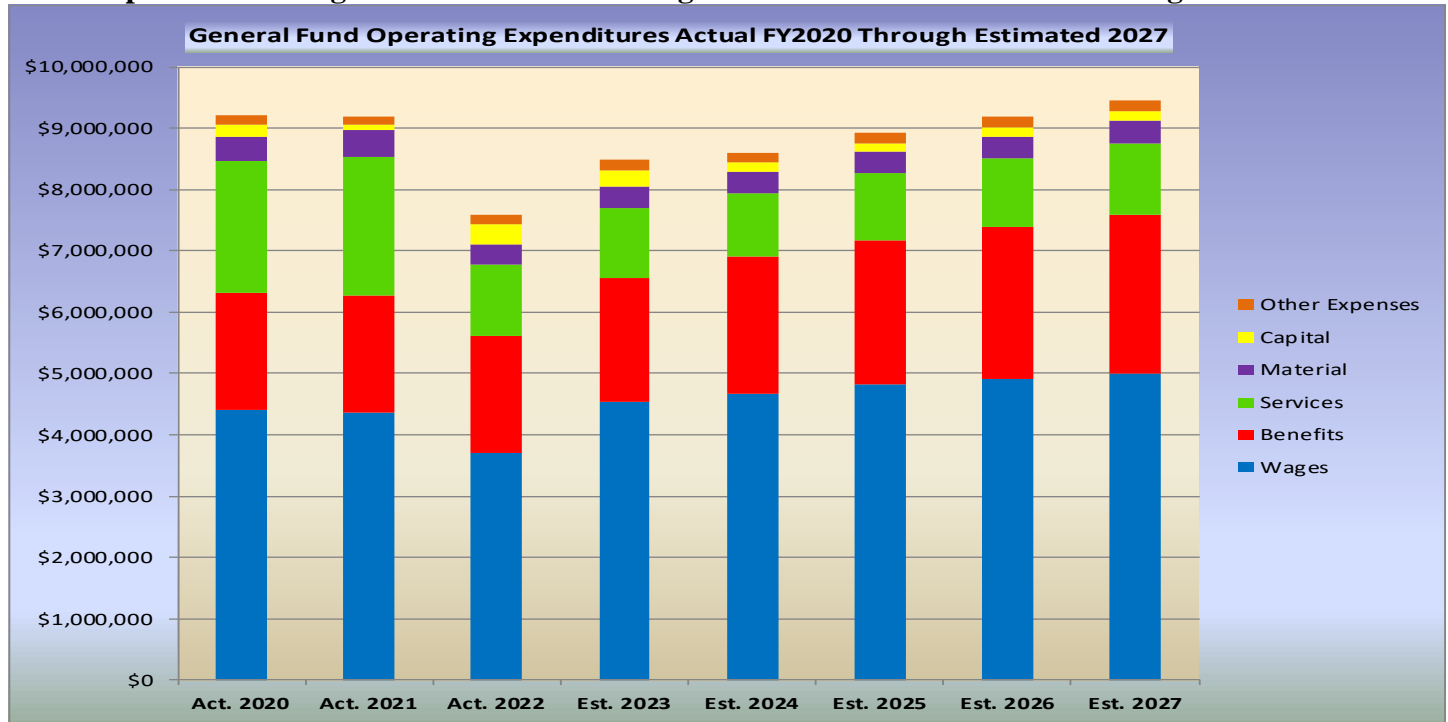
<u>Category</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Capital Outlay	\$181,529	\$144,975	\$149,324	\$153,804	\$158,418
Replacement Bus Purchases	<u>\$90,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Line 3.050	<u>\$271,529</u>	<u>\$144,975</u>	<u>\$149,324</u>	<u>\$153,804</u>	<u>\$158,418</u>

### **Other Expenses – Line #4.300**

The category of Other Expenses consists primarily of Auditor & Treasurer fees, but also includes annual audit costs, OSBA dues, and other miscellaneous expenses. We expect a 1.5% increase each year for County Auditor and Treasurer Fees and 2% increase for all other expenses in FY23-FY27.

<u>Category</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
County Auditor & Treasurer Fees	\$93,941	\$95,350	\$96,780	\$98,232	\$99,705
Audit fees, dues and other expenses	<u>\$72,789</u>	<u>\$74,245</u>	<u>\$75,730</u>	<u>\$77,245</u>	<u>\$78,790</u>
Total Line 4.300	<u>\$166,730</u>	<u>\$169,595</u>	<u>\$172,510</u>	<u>\$175,477</u>	<u>\$178,495</u>

#### Total Expenditure Categories Actual FY20 through FY22 and Estimated FY23 through FY27



#### 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. The district is not planning for any transfers or advances out in FY23-FY27.

#### Encumbrances – Line #8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered. Estimates are based on historic trends.

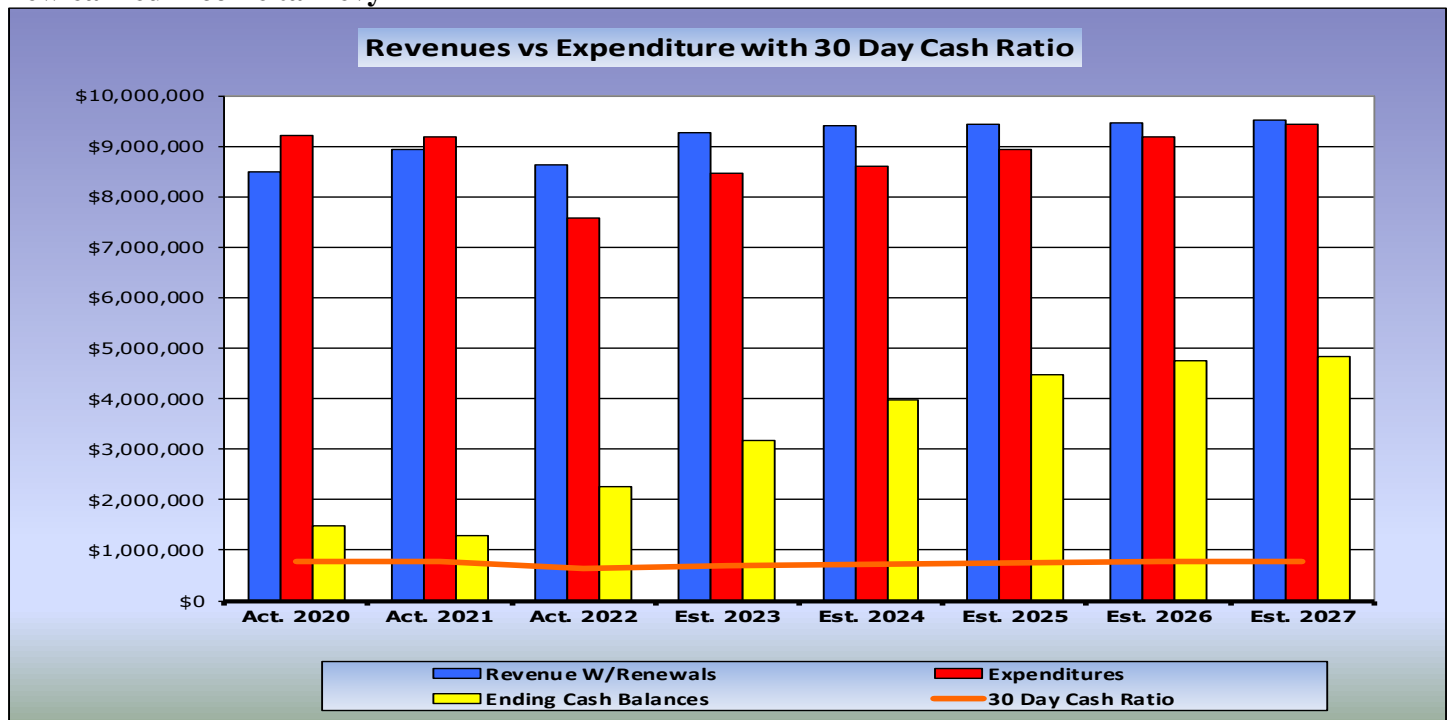
	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Estimated Encumbrances	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>

#### Ending Unreserved 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 which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000.

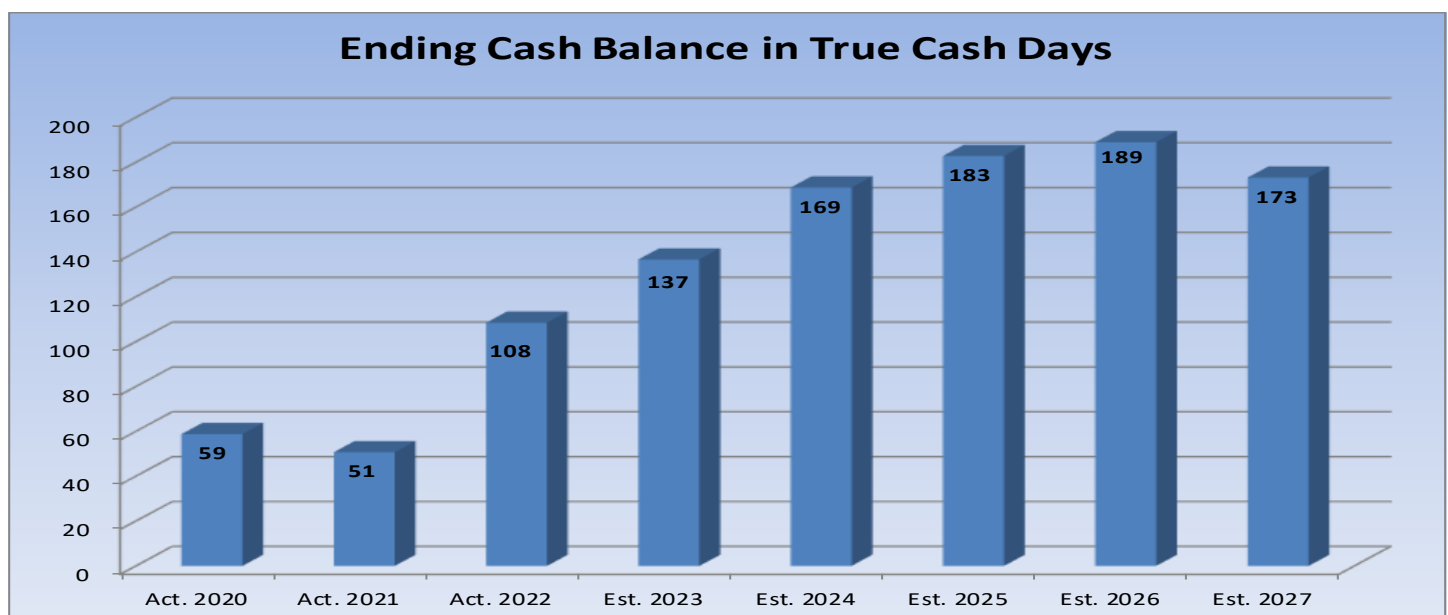
	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Ending Cash Balance	<u>\$3,177,198</u>	<u>\$3,978,594</u>	<u>\$4,475,696</u>	<u>\$4,759,457</u>	<u>\$4,826,273</u>

## General Fund Ending Cash Balance Actual FY20-22 and Estimated FY23-27 with Levy Renewal and new earned income tax levy



### True Cash Days

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) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but 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. True cash days are calculated without any renewal levy. One day of estimated expenditures in FY23 is \$23,249.



## **Conclusion**

Ridgedale Local School District receives 41.30% of it's funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

The current state budget, HB110, has now been updated for the November forecast using the Fair School Funding Plan. Future state budgets funding will need to be watched since, the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in state budgets for FY24-FY27.

As the administration plans for the future, they will need to make sure that the district is able to obtain positive cash balance throughout the forecast. They will need to review the expenditures based on the current revenues in able to obtain this.

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