

**Summit**  
Schedule of Revenues, 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 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)	\$11,304,750	\$11,709,805	\$12,436,181	4.9%	\$12,410,000	\$12,658,200	\$12,848,073	\$13,040,794	\$13,236,406
1.020	Tangible Personal Property Tax									
1.030	Income Tax									
1.035	Unrestricted State Grants-in-Aid	8,999,099	9,317,249	8,348,788	-3.4%	8,320,374	8,445,180	8,571,857	8,743,294	8,918,160
1.040	Restricted State Grants-in-Aid	394,246	352,143	562,609	24.5%	659,000	659,000	659,000	659,000	698,395
1.045	Restricted Federal Grants-in-Aid - SFSF									
1.050	Property Tax Allocation	1,692,372	1,638,097	1,574,802	-3.5%	1,615,000	1,647,300	1,672,010	1,688,730	1,705,617
1.060	All Other Revenues	4,214,754	3,928,349	1,980,920	-28.2%	1,675,000	1,758,750	1,767,544	1,776,381	1,785,263
1.070	<b>Total Revenues</b>	<b>26,605,221</b>	<b>26,945,643</b>	<b>24,903,300</b>	<b>-3.1%</b>	<b>24,679,374</b>	<b>25,168,430</b>	<b>25,518,484</b>	<b>25,908,200</b>	<b>26,343,842</b>
<b>Other Financing Sources</b>										
2.010	Proceeds from Sale of Notes									
2.020	State Emergency Loans and Advances									
2.040	Operating Transfers-In	1,217,342	206,101		-91.5%					
2.050	Advances-In									
2.060	All Other Financing Sources	519	117	18	-81.0%					
2.070	<b>Total Other Financing Sources</b>	<b>1,217,861</b>	<b>206,218</b>	<b>18</b>	<b>-91.5%</b>					
2.080	<b>Total Revenues and Other Financing Sources</b>	<b>27,823,082</b>	<b>27,151,861</b>	<b>24,903,318</b>	<b>-5.3%</b>	<b>24,679,374</b>	<b>25,168,430</b>	<b>25,518,484</b>	<b>25,908,200</b>	<b>26,343,842</b>
<b>Expenditures</b>										
3.010	Personal Services	15,838,915	14,260,808	12,134,754	-12.4%	<b>11,950,000</b>	13,650,000	14,025,375	14,411,073	14,807,377
3.020	Employees' Retirement/Insurance Benefit	6,908,967	6,545,269	4,837,944	-15.7%	<b>6,066,500</b>	6,576,086	7,200,814	7,884,892	8,633,956
3.030	Purchased Services	6,619,376	5,948,228	3,138,091	-28.7%	<b>3,167,000</b>	3,230,340	3,294,947	3,360,846	3,428,063
3.040	Supplies and Materials	373,472	254,791	369,687	6.7%	345,000	355,350	366,011	376,991	388,301
3.050	Capital Outlay	37,167	2,268	13,761	206.4%	25,000	25,000	25,000	25,000	25,000
3.060	Intergovernmental									
Debt Service:										
4.010	Principal-All (Historical Only)									
4.020	Principal-Notes									
4.030	Principal-State Loans									
4.040	Principal-State Advancements									
4.050	Principal- HB264 Loans	17,342	206,101		494.2%	80,000	80,000	80,000	85,000	85,000
4.055	Principal-Other					165,000	170,000	175,000	180,000	185,000
4.060	Interest and Finance Charges	90,125	88,475	86,825	-1.8%	79,051	72,668	66,147	59,433	52,526
4.300	Other Objects	1,177,106	1,191,326	819,656	-15.0%	1,162,125	1,185,368	1,209,075	1,233,256	1,257,921
4.500	<b>Total Expenditures</b>	<b>31,062,470</b>	<b>28,497,266</b>	<b>21,400,718</b>	<b>-16.6%</b>	<b>23,039,676</b>	<b>25,344,812</b>	<b>26,442,368</b>	<b>27,616,490</b>	<b>28,863,144</b>
<b>Other Financing Uses</b>										
5.010	Operating Transfers-Out	103,342	1,556,101		652.9%	125,000	125,000	125,000	125,000	125,000
5.020	Advances-Out									
5.030	All Other Financing Uses									
5.040	<b>Total Other Financing Uses</b>	<b>103,342</b>	<b>1,556,101</b>		<b>652.9%</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>
5.050	<b>Total Expenditures and Other Financing Uses</b>	<b>31,165,812</b>	<b>30,053,367</b>	<b>21,400,718</b>	<b>-16.2%</b>	<b>23,164,676</b>	<b>25,469,812</b>	<b>26,567,368</b>	<b>27,741,490</b>	<b>28,988,144</b>
6.010	<i>Excess of Revenues and Other Financing Sources over (under)</i>	<b>3,342,730-</b>	<b>2,901,506-</b>	<b>3,502,600</b>	<b>-117.0%</b>	<b>1,514,698</b>	<b>301,382-</b>	<b>1,048,885-</b>	<b>1,833,291-</b>	<b>2,644,303-</b>
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	3,431,702	88,972	<b>2,812,534-</b>	-1679.3%	690,066	2,204,764	1,903,382	854,497	<b>978,793-</b>
7.020	<b>Cash Balance June 30</b>	<b>88,972</b>	<b>2,812,534-</b>	<b>690,066</b>	<b>-1692.8%</b>	<b>2,204,764</b>	<b>1,903,382</b>	<b>854,497</b>	<b>978,793-</b>	<b>3,623,096-</b>
8.010	<b>Estimated Encumbrances June 30</b>	<b>121,342</b>	<b>442,480</b>	<b>365,188</b>	<b>123.6%</b>	<b>280,000</b>	<b>280,000</b>	<b>280,000</b>	<b>280,000</b>	<b>280,000</b>
<b>Reservation of Fund Balance</b>										
9.010	Textbooks and Instructional Materials									
9.020	Capital Improvements									
9.030	Budget Reserve									
9.040	PBA									
9.045	Fiscal Stabilization									
9.050	Debt Service									
9.060	Property Tax Advances									
9.070	Bus Purchases									
9.080	<i>Subtotal</i>									
10.010	<b>Fund Balance June 30 for Certification</b>	<b>32,370-</b>	<b>3,255,014-</b>	<b>324,878</b>	<b>4922.8%</b>	<b>1,924,764</b>	<b>1,623,382</b>	<b>574,497</b>	<b>1,258,793-</b>	<b>3,903,096-</b>
<b>Revenue from Replacement/Renewal Levies</b>										
11.010	Income Tax - Renewal									
11.020	Property Tax - Renewal or Replacement									
11.300	Cumulative Balance of Replacement/Renewal Levies									
12.010	<b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>32,370-</b>	<b>3,255,014-</b>	<b>324,878</b>	<b>4922.8%</b>	<b>1,924,764</b>	<b>1,623,382</b>	<b>574,497</b>	<b>1,258,793-</b>	<b>3,903,096-</b>
<b>Revenue from New Levies</b>										
13.010	Income Tax - New									
13.020	Property Tax - New						869,500	1,739,000	1,739,000	1,739,000
13.030	Cumulative Balance of New Levies						<b>869,500</b>	<b>2,608,500</b>	<b>4,347,500</b>	<b>6,086,500</b>
14.010	Revenue from Future State Advancements									
15.010	<b>Unreserved Fund Balance June 30</b>	<b>32,370-</b>	<b>3,255,014-</b>	<b>324,878</b>	<b>4922.8%</b>	<b>1,924,764</b>	<b>2,492,882</b>	<b>3,182,997</b>	<b>3,088,707</b>	<b>2,183,404</b>
<b>ADM Forecasts</b>										
20.010	Kindergarten - October Count					112	112	112	112	112
20.015	Grades 1-12 - October Count					1639	1639	1639	1639	1639
<b>State Fiscal Stabilization Funds</b>										
21.010	Personal Services SFSF									
21.020	Employees Retirement/Insurance Benefit SFSF									
21.030	Purchased Services SFSF									
21.040	Supplies and Materials SFSF									
21.050	Capital Outlay SFSF									
21.060	<b>Total Expenditures - SFSF</b>									

See accompanying summary of significant forecast assumptions and accounting policies  
Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

**SPRINGFIELD LOCAL SCHOOL DISTRICT**  
**IRN 050062**  
**Summit County**

**Notes to Five-Year Forecast Fiscal 2023 thru 2027**

Introduction

On Sept. 14, 2021, the Auditor of State placed Springfield LSD in Fiscal watch. On Feb. 1, 2022, the district's first financial recovery plan (FRP) was approved. On Dec. 27, 2022, the Department of Education advised statute requires a district in fiscal watch to submit an updated FRP every year. In response Springfield prepared and submitted the required update. The update was approved on March 13, 2023 (Exhibit A), and the district's five-year forecast was updated to be consistent with the new financial recovery plan on March 30, 2023 (Exhibit B) as required by statute.

The current spring forecast update reflects the district's financial performance for the current fiscal year and adjustments to the remaining four years based on year-to-date actuals and known changes in assumptions. The board of education acknowledges some of the revenue and expense line items projected in this spring update deviate from the current approved FRP and will amend the FY23 FRP so the five-year forecast and the FRP are aligned.

**Revenues:**

**1.010 Real Estate Tax Revenues** –Historically have included real property tax settlements (on residential and commercial property) received via the County auditor. Estimates are based on previous years actual and collections for the current fiscal year. FY 21/22 the district realized a 6% increase from prior year due to the real estate reappraisals. New construction should impact the forecast in a positive way for the next 3-5 years.

**1.035 Unrestricted Grants in Aid** – State Foundation proceeds, the Springfield local schools will reflect the recent bi-annual budget as proposed by the executive branch for the next two years. . Also all revenues associated with open enrollment students are longer being reflected on this line causing a major reduction.

**1.04 Unrestricted Grants in Aid** – State Foundation proceeds, this represents restricted monies revived from the state. Examples include funding for gifted students, English learner’s studies, career tech and student wellness curriculum. by the executive branch for the next two years.

**1.050 Property Tax Allocation-Homestead/Rollback/TPP Reimbursement.** Since the adoption of HB 66 to the latest budget proposal by the House there have been many, many changes with regards to the reimbursement schedule and amount. This has made it virtually impossible to predict the revenue stream as it relates to TPP. House Bill 70 changes the situation once again. HB 70 resumes the phase-out of TPP.

**1.060 Other Operating Revenue** – The majority of funds tuition, federal rebates related to the building project. Theses federal rebates started in FY 12. For this forecast I am reflecting the full amount received from the federal stimulus rebates associated with 7-12 building. In the future this could change based on the financial condition of the district.

## **Expenditures:**

**3.010 Personal Services** – Historically have been certificated, non-certificated and administration salaries, supplemental salaries and other miscellaneous salaries. FY 23 and FY24 ESSER funds will cause the general fund to see a reduction. As a reminder the district closed an elementary school which resulted in significant cost reductions in personnel. Cost savings will need to be realized in this category for fiscal stability.

**3.020 Retirement/Insurance Benefits** – For forecasting purposes, I expect starting in FY24 that prior year levels will resume once the ESSER funds are depleted. If additional health benefit savings/increases occur, the line will be adjusted accordingly. The district moved to a new consortium effective July 22. The forecast will be adjusted once an history of this savings is well documented.

**3.030 Purchased Services** – These costs include tuition to other districts, utilities, maintenance, special needs related costs etc. For the remaining years I anticipate a slower growth particularly in the utilities area. The Springfield Local Schools has invested in a HB264 project that will reduce our costs in excess of \$75,000 due to new boilers and light fixtures. This category will be reviewed by management to see if additional savings can be achieved.

**3.04 Supplies/Materials** – Both the Superintendent and Treasurer are reviewing each and every purchase orders. Vendors are being challenged and competitors are being researched to maximize additional savings.

**3.05 Capital Outlay** – The district currently utilizes the vast majority of capital outlay in the permanent improvement fund. I anticipate this will continue in the near future.

**4.05, 4.055 and 4.06 Bus Garage and HB264 payments**-line 4.05 represents the yearly payment for the bus garage and line 4.06 represents the yearly payment for our HB264 payment and Line 4.055 represent the interest charges for the two projects noted above.

**4.30 Other Objects** – This line represents yearly expenditures for our support services being provided by the Educational Service of Summit County. The charges associated with the yearly financial audit and the charges from the Summit County Auditors Dept. to manage our yearly collections and other related services. These three categories represent over 80% of this line item.

**5.05 Total Expenditures and Other Financing** – This line represents the total expenditures related to the associated fiscal year.

**6.010 Excess of Revenues and Other Financing Sources** – This line represents each year if our expenses exceed our revenues or the opposite that our revenues exceed the yearly expenditures. If the expenditures exceed revenues our cash balance will decline.

**7.020 Cash Balance July 1** – This line represents the cash balance at the beginning of the fiscal year.

**8.010 Estimated Encumbrances** – The Treasurer’s office will continue to minimize open encumbrances by reviewing open orders in a timely fashion.

**12.010 Fund Balance June 30 for Certification of Contracts** – The Treasurer’s office uses this balance to certify and contracts submitted to the board, an example is our labor contracts for personnel services.

Christopher Adams

Treasurer  
Springfield Local Schools

**After four years (2020-2023) of attempts to generate new revenues and expenditure reductions implemented to maintain minimal solvency, the district’s Nov. 2022 forecast projects small but positive cash balances during the first three years of the five-year projection and deficits in years four and five. Even so, the district continues to deficit spend, meaning it costs more to operate the district than the revenues provided to do so in years two through five of the forecast.**

**The reductions already implemented have caused losses to the academic and athletic programs that may be unrepairable, at least in the foreseeable future. However, without the passage of new operating revenue, additional cuts will have to be made to operate within our current resources. Accordingly, the district remains in fiscal watch and the district’s FRP reflects continued efforts to reduce costs to stave off deficit spending and projected deficits. Since Springfield LSD’s bargaining unit agreements require notification of staffing reductions no later than April 15, 2023, this FRP update details changes in assumptions to bring the FRP in line with year-to-date financial results and revise projected FY23 yearend results to**

**include increased costs of severance related to the FY24 FRP as detailed below.**

**FY23 FRP Update** The Board completed the sale of the current stand-alone administration building at 2410 Massillon Road in February 2023. The proceeds from the sale of this building was utilized to renovate office space at Boyer Preschool Center, consolidating preschool and administration into one building. The sale of this property will allow the district to realize savings of approximately \$10,320 per year in utility and ongoing expenses and redirect more than 250 hours of maintenance labor per year to our remaining facilities.

The FY23 FRP has also been updated to reflect one teacher retirement and one administrative retirement in the spring of 2023. The teaching position will be covered by a substitute for the remainder of the school year. The administrative position will be covered with existing personnel for the remainder of the school year as a search for a replacement is completed. Three additional teachers will retire at the end of the school year and severance payments will be made before FY23 ends. In FY23 the net impact of these changes is an increase in wages and benefits of \$88,523. In FY24 these positions will be replaced at lower wage rates yielding savings which are captured in the FY2024 FRP discussion below.

**Changes in Assumptions** The district's FY23 year-to-date actuals are running very close to the fall forecast projection. The posted change in assumption reflects a reclassification of state funds from restricted state grants-in-aid, line 01.040, to unrestricted, line 01.035. The amount of funds received has not changed, just adjusted to reflect the updated placement.

**FY2024 FRP** As noted in the FY23 FRP, the district anticipates savings will be realized by the replacement of 3 retiring staff with less experienced teachers. The increased severance costs for these positions are reflected in the FY23 FRP update.

Multiple additional reductions are again planned for the 2023-2024 school year. Per the negotiated agreement with the Springfield Local Association of Classroom Teachers (SLACT), Union leadership and affected teachers must be notified by April 15, 2023. Through reorganization - moving third grade to Spring Hill Elementary from Schrop Intermediate, two tutor positions will be eliminated for the 2023- 2024 school year. A reading support program, entitled "Everyday Reading" will also be reduced, eliminating five part-time teaching assistant positions at Spring Hill Elementary. The net impact of the 5 FY23 retire/rehire, the FY24 retire/rehire and the FY24 reductions noted herein is estimated to be \$232,799 per fiscal year.

**Although not reflected in the five-year forecast, the district notes it completed the transfer of \$1,200,000 in leftover construction funds to the permanent improvement fund (003). This was accomplished in consultation with the Ohio Facilities Construction Commission (OFCC), the Summit County Court of Common Pleas and our legal counsel. Part of these funds will be utilized to complete the abatement and demolition of Roosevelt Elementary, along with a grant from the Ohio Department of Development. This abatement will result in general fund savings of about \$2,100 per fiscal year in utility and maintenance fees. These FRP actions do not align with the academic goals of the Board, but they are necessary to maintain fiscal solvency. Unfortunately, this task leads the Board to make difficult decisions that do not necessarily advance the educational opportunities of our students. The goal remains to provide the best educational opportunities for the students of Springfield Schools as possible with the funding available. The Board remains committed to investigating all potential revenue enhancements and expenditure reductions to further its academic goals.**

**Proposed Levy With the aforementioned goal in mind, the Board of Education will place a 5 year, 3.77 mill operating levy on the November 2023 ballot to secure necessary funding to provide vital educational services for the students of Springfield Local Schools. If successful, the levy would generate \$1,739,000 annually and would begin to be collected in January 2024 (FY2024). It is important to note that the district will only receive 50%, or \$869,500, of the collection during FY2024 due to the tax collection cycle.**

**In addition, Springfield Local Schools also shares services with Summit County Educational Service Center including job coaching, English-language tutor, school psychologist, behavior specialists, and teacher of the deaf positions. This allows us to contract the services needed to fill our students' needs, without hiring full time specialized staff members and share these costs with other districts also in need of those specialists.**

### **Conclusion**

**Along with the specific actions detailed in the FRP, the district will continue to implement other cost saving measures across all departments by reducing budgets and placing planned projects and programming enhancements on an indefinite hold. Departments will continue to seek alternative funding sources for staffing, supplies and equipment.**

**Springfield Local Board of Education regularly monitors school finances through monthly reports and presentations submitted by the Treasurer. The**

**Board will be kept informed through constant and open dialogue with the Treasurer and Superintendent. Monthly written reports will be provided to the Board of Education for review and the Treasurer will continue to make monthly presentations at the regularly scheduled Board of Education meeting to keep the district stakeholders and Board of Education informed of financial status and FRP implementation. Written reports will include, but not be limited to: monthly fiscal watch monitoring reports which includes monthly budget compared to actual results, check detail report, revenue summaries, fund summaries, and appropriation account summaries. As necessary, the Board will be presented with, and requested to approve, updated five-year forecasts prepared by the Treasurer**