

Summit

Schedule of Revenues, Expenditures and Changes in Fund Balances

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

	2021	2022	2023	Change	2024	2025	2026	2027	2028
Revenues									
1.010 General Property Tax (Real Estate)	\$11,709,805	\$12,436,181	\$12,401,722	3.0%	\$13,364,000	\$14,506,280	\$12,410,220	\$9,511,585	\$8,883,331
1.020 Tangible Personal Property Tax									
1.030 Income Tax									
1.035 Unrestricted State Grants-in-Aid	9,317,249	8,348,788	8,290,381	-5.5%	8,445,180	8,445,180	8,571,858	8,743,295	8,918,161
1.040 Restricted State Grants-in-Aid	352,143	562,609	718,740	43.8%	659,000	659,000	659,000	659,000	698,395
1.045 Restricted Federal Grants-in-Aid - SFSF									
1.050 State Share of Local Property Taxes	1,638,097	1,574,802	1,541,218	-3.0%	1,647,300	1,788,773	1,815,605	1,833,761	1,852,098
1.060 All Other Revenues	3,928,349	1,980,920	1,792,996	-29.5%	2,125,000	1,885,625	1,895,053	1,904,528	1,914,051
1.070 Total Revenues	26,945,643	24,903,300	24,745,057	-4.1%	26,240,480	27,284,858	25,351,736	22,652,168	22,266,036
Other Financing Sources									
2.010 Proceeds from Sale of Notes									
2.020 State Emergency Loans and Advancements									
2.040 Operating Transfers-In	206,101		233,929		234,215	234,547	234,648	234,611	235,100
2.050 Advances-In									
2.060 All Other Financing Sources	117	18		-92.3%					
2.070 Total Other Financing Sources	206,218	18	233,929	649702.8%	234,215	234,547	234,648	234,611	235,100
2.080 Total Revenues and Other Financing Sources	27,151,861	24,903,318	24,978,986	-4.0%	26,474,695	27,519,405	25,586,384	22,886,779	22,501,136
Expenditures									
3.010 Personal Services	14,260,808	12,134,754	12,099,387	-7.6%	12,344,000	13,252,600	13,931,441	14,419,041	14,779,517
3.020 Employees' Retirement/Insurance Benefits	6,545,269	4,837,944	6,066,383	-0.3%	6,215,000	6,943,650	7,568,579	8,249,751	9,148,973
3.030 Purchased Services	5,948,228	3,138,091	3,318,206	-20.8%	3,401,161	3,469,184	3,538,568	3,609,339	3,681,526
3.040 Supplies and Materials	254,791	369,687	366,584	22.1%	425,000	437,750	450,883	464,409	478,341
3.050 Capital Outlay	2,268	13,761	3,824	217.3%	10,000	10,000	10,000	10,000	10,000
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	206,101		233,929		80,000	80,000	85,000	85,000	90,000
4.055 Principal-Other					170,000	175,000	180,000	185,000	190,000
4.060 Interest and Finance Charges	88,475	86,825	90,120	1.0%	72,668	66,147	59,433	52,526	45,426
4.300 Other Objects	1,191,326	819,656	1,048,417	-1.6%	1,185,368	1,209,075	1,233,257	1,257,922	1,283,080
4.500 Total Expenditures	28,497,266	21,400,718	23,226,850	-8.2%	23,903,197	25,643,407	27,057,160	28,332,988	29,706,865
Other Financing Uses									
5.010 Operating Transfers-Out	1,556,101		233,929		530,000	234,547	234,648	234,611	235,100
5.020 Advances-Out									
5.030 All Other Financing Uses									
5.040 Total Other Financing Uses	1,556,101		233,929		530,000	234,547	234,648	234,611	235,100
5.050 Total Expenditures and Other Financing Uses	30,053,367	21,400,718	23,460,779	-9.6%	24,433,197	25,877,954	27,291,808	28,567,599	29,941,965
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and	2,901,506-	3,502,600	1,518,207	-138.7%	2,041,498	1,641,451	1,705,424-	5,680,820-	7,440,828-
7.010									
Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	88,972	2,812,534-	690,066	-1692.8%	2,208,273	4,249,771	5,891,222	4,185,798	1,495,022-
7.020 Cash Balance June 30	2,812,534-	690,066	2,208,273	47.7%	4,249,771	5,891,222	4,185,798	1,495,022-	8,935,851-
8.010 Estimated Encumbrances June 30	442,480	365,188	547,823	16.3%	425,000	425,000	425,000	425,000	425,000
Reservation of Fund Balance									
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 Advancements									
9.070 Bus Purchases									
9.080 Subtotal									
10.010 Fund Balance June 30 for Certification of	3,255,014-	324,878	1,660,450	150.6%	3,824,771	5,466,222	3,760,798	1,920,022-	9,360,851-
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal									
11.020 Property Tax - Renewal or Replacement							2,313,654	5,398,443	6,169,937
11.300 Cumulative Balance of Replacement/Renewal Levies							2,313,654	7,712,097	13,882,034
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	3,255,014-	324,878	1,660,450	150.6%	3,824,771	5,466,222	6,074,452	5,792,075	4,521,183
Revenue from New Levies									
13.010 Income Tax - New									
13.020 Property Tax - New									
13.030 Cumulative Balance of New Levies									
14.010 Revenue from Future State Advancements									
15.010 Unreserved Fund Balance June 30	3,255,014-	324,878	1,660,450	150.6%	3,824,771	5,466,222	6,074,452	5,792,075	4,521,183
ADM Forecasts									
20.010 Kindergarten - October Count					112	112	112	112	112
20.015 Grades 1-12 - October Count					1639	1639	1639	1639	1639
State Fiscal Stabilization Funds									
21.010 Personal Services SFSF									
21.020 Employees Retirement/Insurance Benefits									
21.030 Purchased Services SFSF									
21.040 Supplies and Materials SFSF									
21.050 Capital Outlay SFSF									
21.060 Total Expenditures - SFSF									

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
Summit County**

IRN 050062

Notes to Five-Year Forecast Fiscal 2024 thru 2028

The following assumptions were used to project the Springfield Local Schools five-year forecast. The Financial Recovery Plan (FRP) narrative details the plan the district will carry out to address our financial situation.

After five years (2020-2024) of attempts to generate new revenues and expenditure reductions implemented to maintain minimal solvency, the district's Feb. 2024 forecast projects 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 without the passage of the renewal levies being placed on the November 2024 ballot.

The most significant impact to the Feb. 2024 forecast is related to the county wide valuation reappraisal. Springfield Local schools is currently at the 20 mill floor. The district will realize a significant increase in property taxes. This event has made the 3.77 additional levy originally being placed on the Nov. 2024 ballot no longer feasible.

Conclusion

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.

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. Springfield has realized a healthy increase in new construction the last few years. It is anticipated that will result in a higher than usual increase in real estate in non-reappraisal years. This line represents over 50% in total revenues for the district so a continued interest in new homes will greatly benefit the district both in revenues and eventually new students. The impact of the county wide triennial has been released by the Summit County auditor. Springfield Local Schools realized a significant increase due to the 20 mill floor impact. The district has not passed a new additional levy in over 24 years, therefore these additional revenues will allow the district to maintain services for a least three years. It is important to realize that 3 renewal levies will be placed on the November 2024 ballot. These renewals will not increase taxes to the taxpayers and most importantly they are the financial backbone for our district. Without the passage of these renewals the district will be placed in a financial situation that will result in catastrophic circumstances. The renewal levies represent almost 50% of our property tax revenues.

1.035 Unrestricted Grants in Aid – State Foundation proceeds. The Springfield Local Schools will reflect the recent budget as proposed by the executive branch for the next two years. Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The district received no increase for the next two years. Historically the state would increase state funding. This freeze over the next two years is another example of the shifting of state resources from public to private sector schools.

1.040 Restricted Grants in Aid – Restricted aid is the portion of state per pupil funding that must be classified as restrictive use. Restricted funds represent 2.5% of the total revenue. Examples of restrictive state aid is funding for Gifted, English Learners, Student Wellness, Career Tech and Economic disadvantaged students.

1.050 State Share of Local Property Taxes

State Share tax allocation primarily consists of reimbursement from the state of Ohio for local taxpayer’s credits or reductions. The state reduces the local taxpayer tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit. The estimates for FY24 and beyond will see an increase due to property taxes valuation changes.

1.060 Other Operating Revenue – The majority of funds are derived from tuition received by the district for non-resident students educated by the district. Springfield also receives federal rebates related 7-12 high school project. This year FY 24 will realize a substantial increase in interest income. The district places its funds in the STAR OHIO Investment account. The interest rate has increased in the last year causing interest income in inactive funds to increase.

2.04 Transfers In – This amount is related to payment for the Bus Garage project payment.

Expenditures:

3.010 Personal Services – Historically has been certificated, non-certificated and administration salaries, supplemental salaries and other miscellaneous salaries. FY24 still has the impact of ESSER funds paying some of the general fund salaries. FY25 will see normal levels of personnel costs to the general fund. This category along with employee benefits make up 79% of the total expenditures. The only way to obtain financial health for this district is to manage these expenditures very carefully. This category has the recent 2 year contract with the teachers union and both of the OAPSE contracts. All three contracts have been reflected in the forecast. The cost increase for all three contracts are within the financial parameters set by the administration and board of education. The administrative team is committed to increasing the cash balance of the district which we allow for programs to be brought back in the future.

3.020 Retirement/Insurance Benefits –Starting in FY24 prior year levels will resume due to the ESSER funds being discontinued. The district has moved to a new consortium effective July 2022. It is anticipated that a full cost savings will be realized in FY24. Insurance premiums will increase in the 9-11% range for this forecast. This is a higher percentage change than the previous forecast. The impact of COVID is being realized due to the majority of procedures that were put on hold during COVID are being scheduled. The district is watching these expenditures very closely with the consortium. Any changes will be calculated to see if the forecast should be amended.

3.030 Purchased Services – These costs include tuition to other districts, utilities, maintenance and special needs related costs etc. Regarding tuition charges, the district has created a team that includes the EMIS coordinator to ensure the district is only paying for students that are legally allowed. For the remaining years slower growth particularly in the utilities area is projected. The Springfield Local Schools has invested in a HB264 project that will reduce 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 order. Vendors are being challenged and competitors are being researched to maximize additional savings.

3.05 Capital Outlay This category is related equipment purchases out of the general fund. The district spends very little due to the fact that most capital purchases are being purchased out of the permanent improvement fund. It should be noted that this category is tracking to spend less than \$5000, for the entire FY24.

4.05 Principal HB 264 Loan This is the yearly principal payment for the HB264 energy project.

4.055 Principal Others. This is the yearly principal payment for the new bus garage.

4.06 Interest and Fiscal Charges. This is the interest charges for the bus garage and HB264 project.

4.30 Other Objects – A major portion of these costs are related to county services and fiscal/auditor fees. Springfield utilizes the educational service center for many services geared to our special needs population. The top 4 entities who impact 94% of the yearly expenditures for this specific category include:

Educational Service Center of Summit County
Summit County Auditor Fees
Liability Insurance
Third Party Auditor Reports

5.010 Operating Transfers Out –This represents the yearly Bus Garage project payment plus any charges from the General Fund to other funds that may run a deficit.

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

11.02 Property Tax Renewal or Replacement – This represents the 4 renewals that have not yet been voter approved. The importance for the financial survival of the district depends on the renewal of these 4 levies. The first three will be placed in November 2024 with the last one in November 2025. Total revenues generated from these levies is currently at \$6.169 million.

Christopher Adams

Treasurer
Springfield Local Schools