Cuyahoga Falls City School District

Five Year Forecast Financial Report

May,2023

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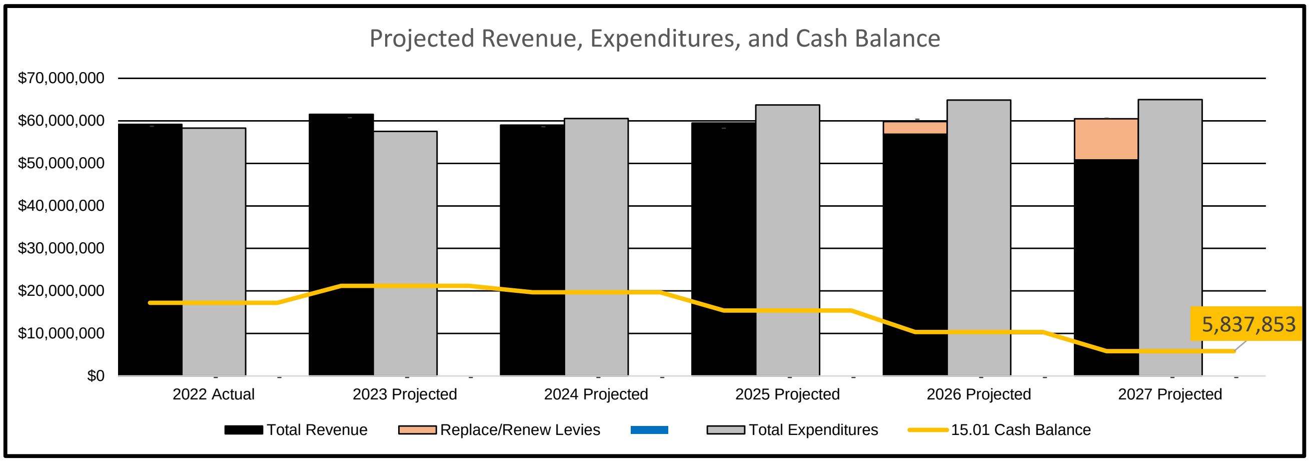
Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

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

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.



Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the forecast.

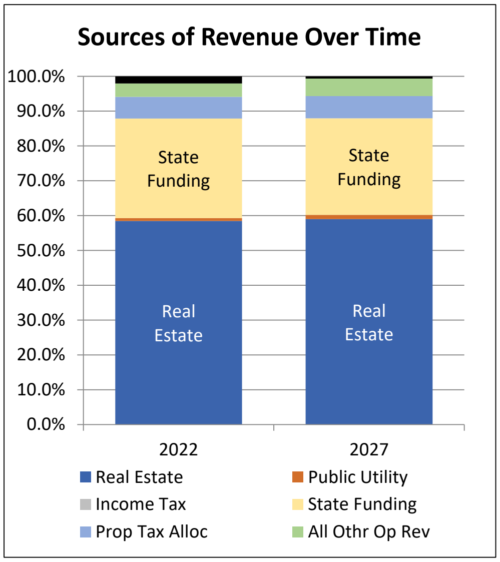
Financial Forecast	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	**17,191,759**	**21,191,790**	**19,661,986**	**15,402,798**	**10,327,007**
+ Revenue	61,525,601	58,993,550	59,492,059	56,846,930	50,797,002
+ Proposed Renew/Replacement Levies	-	-	-	2,957,166	9,706,471
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(57,525,570)	(60,523,355)	(63,751,247)	(64,879,887)	(64,992,627)
= Revenue Surplus or Deficit	4,000,031	(1,529,805)	(4,259,187)	(5,075,791)	(4,489,154)
Line 7.020 Ending Balance with renewal/new levies	**21,191,790**	**19,661,986**	**15,402,798**	**10,327,007**	**5,837,853**
Analysis Without Renewal Levies Included:					
Revenue Surplus or Deficit w/o Levies	4,000,031	(1,529,805)	(4,259,187)	(8,032,957)	(14,195,625)
Ending Balance w/o Levies	21,191,790	19,661,986	15,402,798	7,369,841	(6,825,784)

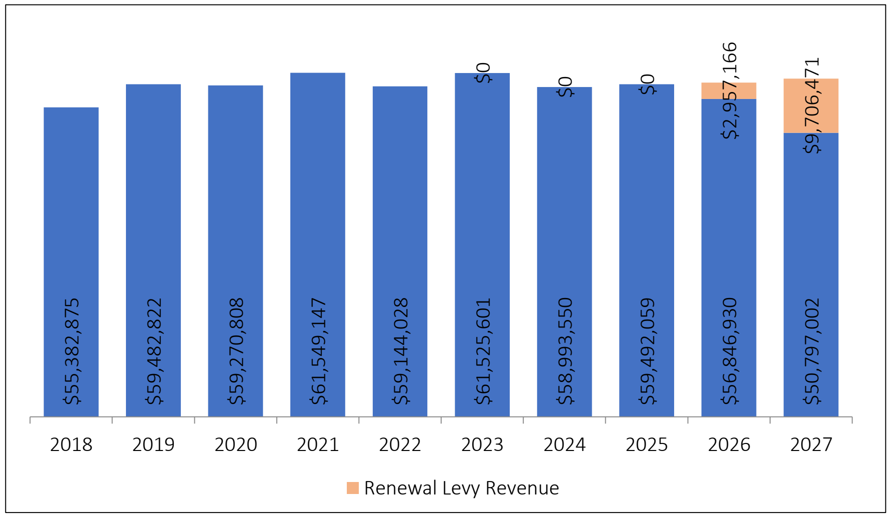
This is the Cuyahoga Falls City School District's filing of the five year forecast. The assumptions are estimates made based on historical trends and information available at the time of this filing. For this filing, fiscal year 2023 represents, and is used, as the base year to which future year projections are derived. While the forecast is a numbers document, it is driven by assumptions.

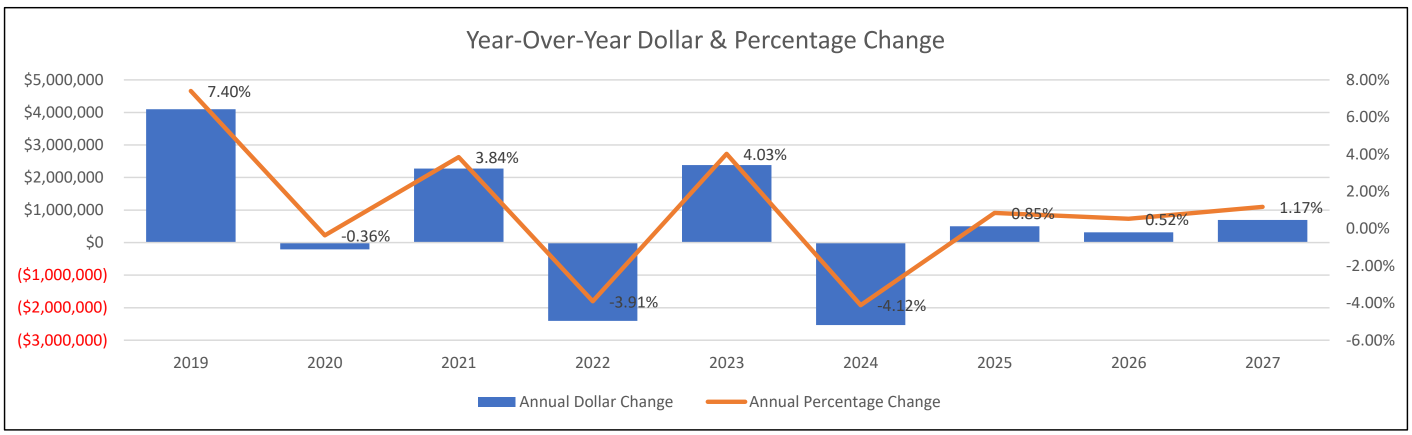
The information and data used in preparing the five-year forecast is conservative in nature. Taking a conservative approach allows flexibility when unexpected situations arise. The following assumptions are based on information available to the district at the time of this forecast's filing. Therefore, it is likely that the information contained in this forecast may change. Forecasts will change but, generally, trends do not. This forecast is a snapshot as of this day.

The 4.75 mill levy originally passed in 2002 was renewed by voters for a continuing period of time in May 2022. In November 2022, the $3,600,00 emergency levy, orginally passed in 2017, was renewed by voters for a five year period of time. This enables the District to maintain a positive cash balance throughout the entirety of the forecast. There are two existing levies that will need to be renewed between FY26 and FY27. The District will need to remain diligent in assessing the need for any more additional expenditures. Each addition raises expenses with no offsetting revenue. This hastens the decline of each fiscal year's cash balance. A worsening cash balance can erode the District's financial stability over time. While increased inflation impacting District costs are expected to continue over the next few years the economy is also expected to continue to grow as the recovery from the pandemic continues.

Revenue Sources and Forecast Year-Over-Year Projected Overview







5-Year Historical Actual Average Annual Dollar Change
Compared to 5-year Projected

	Historical Average Annual $$ Change	**Projected** Average Annual $$ Change	Projected Compared to Historical Variance
Real Estate	1,467,529	226,031	($1,241,498)
Public Utility	$39,197	$44,413	$5,216
Income Tax	$0	$0	$0
State Funding	$83,631	(20,773)	($104,404)
Prop Tax Alloc	($11,271)	$31,693	$42,964
All Othr Op Rev	($561,722)	$157,290	$719,012
Other Sources	$190,315	($166,765)	($357,080)
Total Average Annual Change	1,207,681	271,889	($935,791)
	2.05%	0.45%	-1.60%

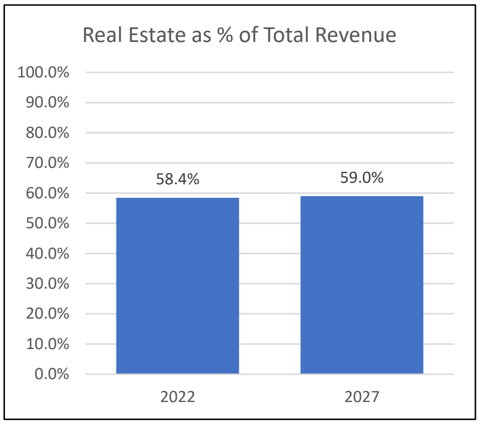
The District's two largest revenue sources, Real Estate and Unrestricted Grants-in-Aid, account for approximately 87% of total revenues.

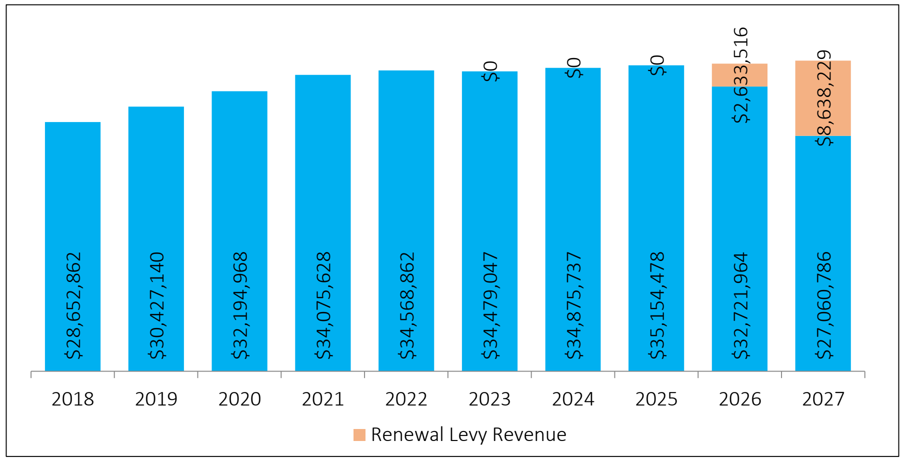
There are two renewals for existing levies modeled. One in calendar year 2025, and one in 2026.

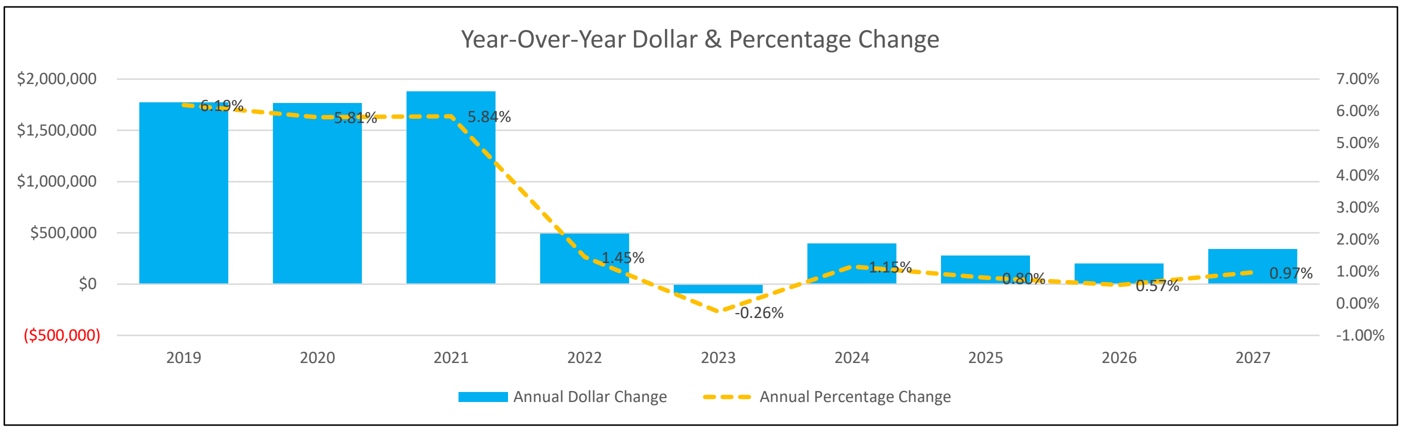
Total revenue increased 2.05% or $1,207,681 annually during the past five years and is projected to increase .45% or $271,889 annually through FY27.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).







Values, Tax Rates and Gross Collections							Gross Collection Rate
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	Including Delinquencies
2021	871,032,580	(958,290)	42.15	-	49.68	-	100.1%
2022	873,170,170	2,137,590	42.11	(0.04)	50.07	0.39	100.1%
2023	934,170,170	61,000,000	39.61	(2.50)	49.24	(0.83)	100.1%
2024	958,670,170	24,500,000	38.71	(0.90)	48.92	(0.32)	100.1%
2025	983,170,170	24,500,000	37.86	(0.85)	48.61	(0.31)	100.1%
2026	1,044,170,170	61,000,000	35.91	(1.95)	47.86	(0.75)	100.1%

Real Estate tax is the largest source of revenue for the District making up 58.52% of total revenue. Real estate calculations in the forecast are prepared using the most current information available from the Summit County auditors with tax rates determined by the county's budget commission. The District saw a 13.76% increase in valuation in 2020 due to the sexennial reappraisal. The next triennal update takes place in 2023. When the district values rise due to inflation, HB920 will reduce voted tax rates so there is no increase other than on the un-voted inside millage amount. As we get further away from the recession of 2008, our values will continue to increase and HB920 will prevent our district from collecting additional revenues from those increased values. The District's valuation is multiplied by the determined millage to generate the voted dollar amount. Real Estate revenue changed at an average annual historical rate of 4.59% and is projected to change at an average rate of .64% through FY2027.

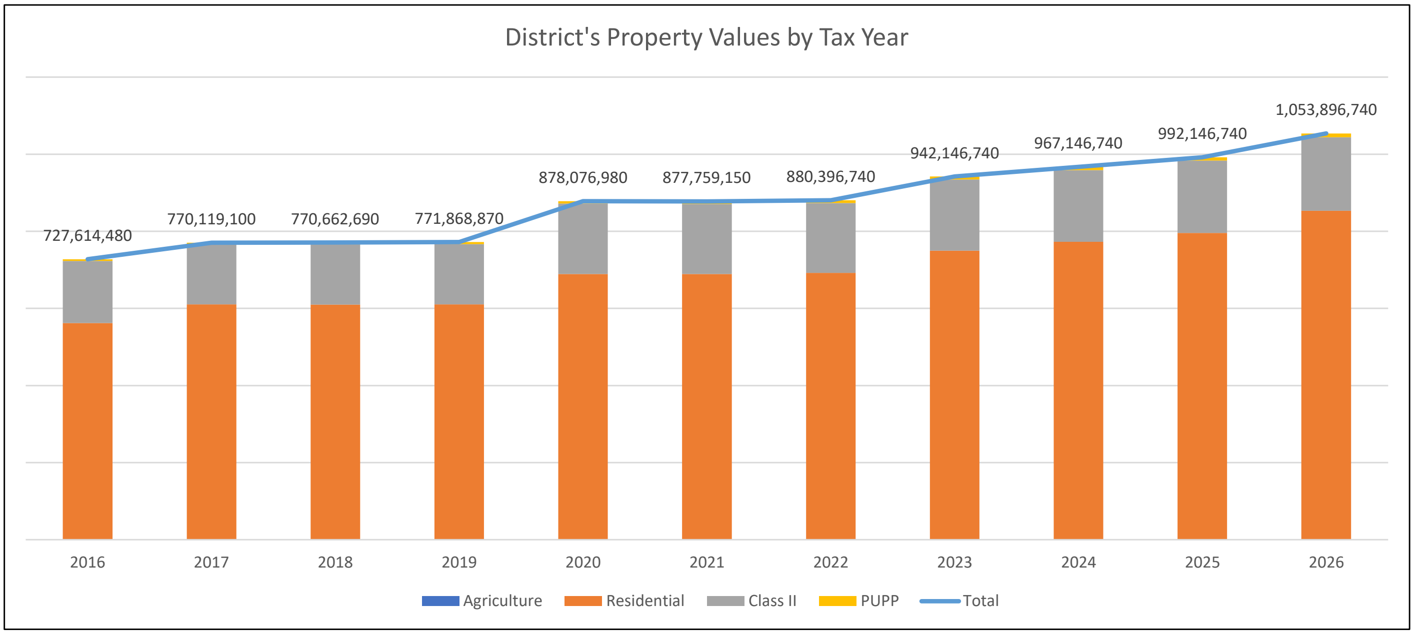
The 4.75 mill levy, orginally approved in 2002, was renewed by voters in May 2022 for a continuing period of time. In November 2022, the $3,600,00 emergency levy, originally approved in 2017, was renewed by voters for a five year period of time.

The District has two levies that will need to be renewed during this Five-Year Forecast. The 7.9 mill levy, originally approved in 2005, will expire in calendar year 2025. The 9.97 mill levy, originally approved in 1991, will expire in calendar year 2026. Both renewal levies are modeled on line 11.02. The potential loss of these taxes are modeled above in orange.

**Projected % trends include renewal*

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



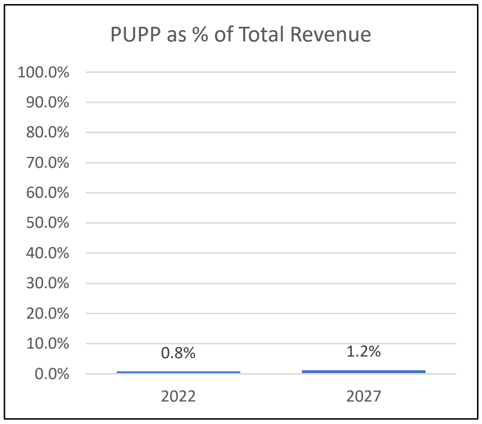
The legislature has introduced House Bill 1 (HB1), which proposes to modify the law regarding property taxation and Ohio income tax rates. Proposed changes to existing law include applying a single income tax rate of 2.75%, eliminating the 10% property tax rollback reimbursement, revising the 2.5% owner-occupied property tax rollback to be a flat $125 credit, indexing the homestead exemption amounts to inflation, and reducing the property tax assessment percentage for Class I and II property from 35% to 31.5% to offset the 10% rollback which would be paid by local taxpayers.

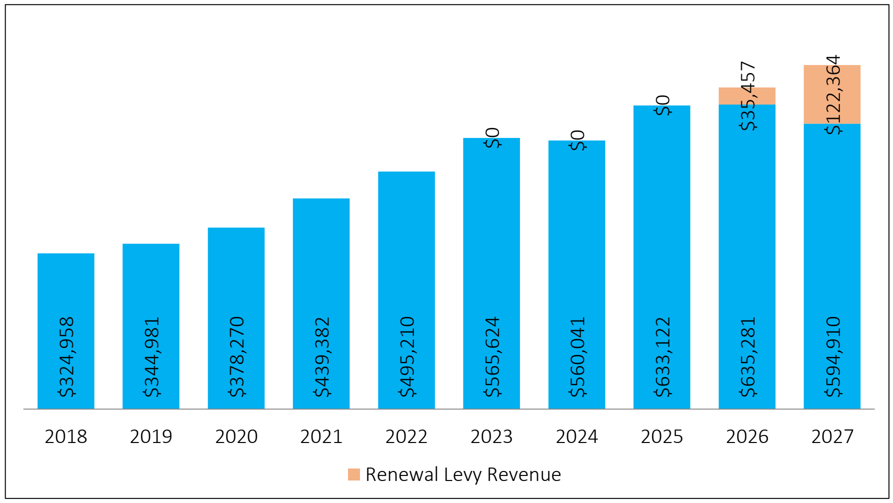
HB1 as currently written would increase the effective rates for local property owners through HB920 due to the reduction in the assessed valuation for Class I and II property. HB920, enacted in 1976, states that voted school district levies collect the amount of tax revenues stated on the ballot at the time of passage and no more. As property values grow, the “effective” millage rate on voted levies will decrease. If HB1 causes the assessed property values to decrease by changing the taxable values from 35% to 31.5%, this would cause “effective” millage rates to increase and would increase local taxpayers’ property tax liability in nearly all cases. Taxpayers would, however, see a reduction in their tax liability on inside millage, which local governments are granted by the Ohio Constitution, and would also be a direct loss of revenue for our district.

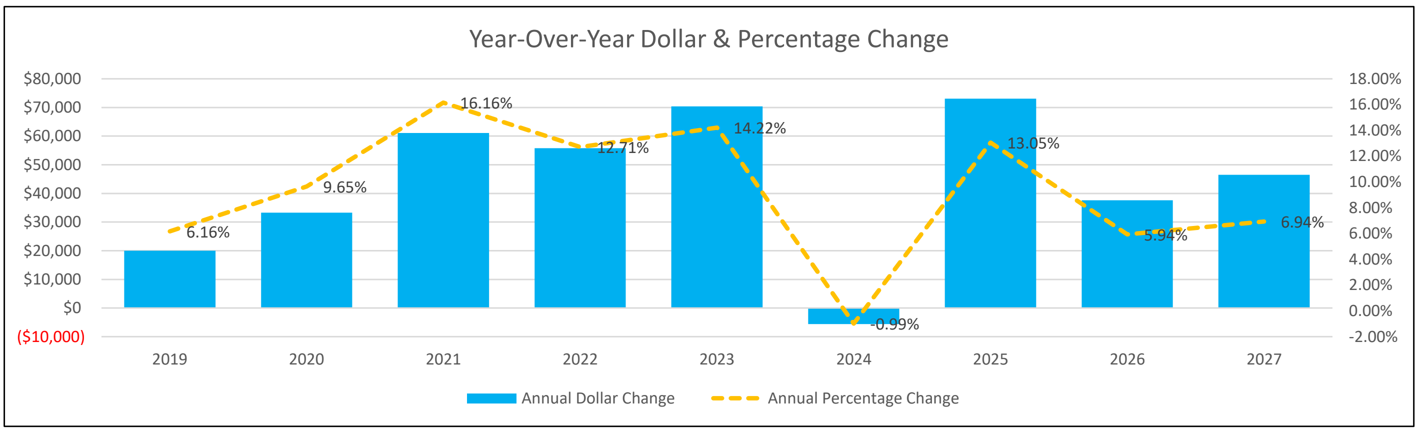
The House Ways and Means Committee had its seventh hearing in regard to HB1 on April 25, 2023. As this bill is facing opposition from various entities due to the significant implications to the taxable valuation of property statewide, it will remain an area of increased risk and uncertainty and will be closely monitored to determine who the outcome will be.

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.







Values and Tax Rates					Gross Collection Rate
Tax Year	Valuation	Value Change	Full Voted Rate	Change	Including Delinquencies
2021	6,726,570	640,460	77.30	-	100.0%
2022	7,226,570	500,000	77.29	(0.01)	100.0%
2023	7,976,570	750,000	77.01	(0.28)	100.0%
2024	8,476,570	500,000	76.91	(0.10)	100.0%
2025	8,976,570	500,000	76.81	(0.10)	100.0%
2026	9,726,570	750,000	76.60	(0.22)	100.0%

The Public Utility Personal Property tax revenue is generated from the personal property, values, additions, and depreciation reported by the utility companies. Previously, it included commercial/industrial properties that were taxed on the value of their inventory, furnishings, and equipment.

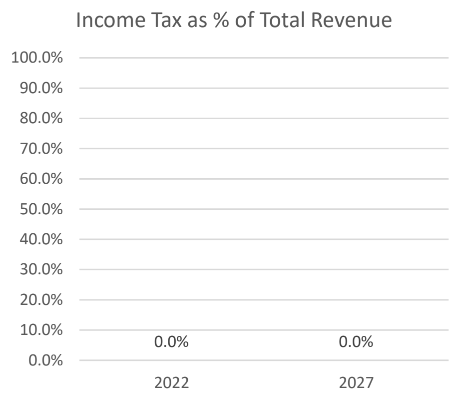
The property is taxed at the full voted tax rate, which in tax year 2022 is 77.29 mills. Legislative changes over the years have negatively impacted Public Utility Personal Property proceeds to school districts.

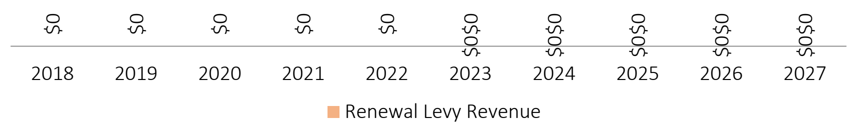
The Public Utility Personal Property value in the District is relatively small and generates approximately 0.96% of total District revenues. The revenue changed historically at an average annual dollar amount of $39,197 and is projected to change at an average annual dollar amount of $44,413 through FY2027.

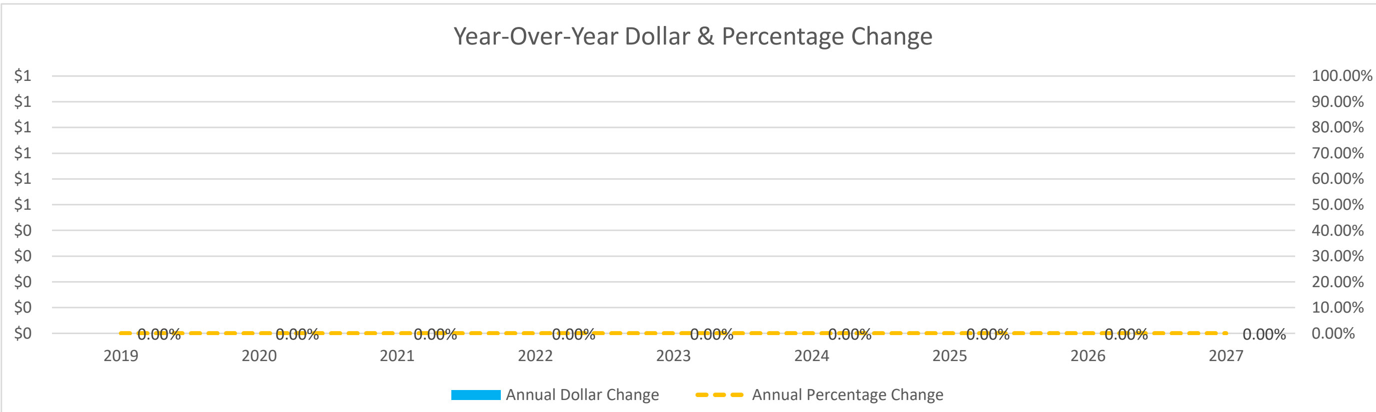
**Projected % trends include renewal levies*

1.030 - No Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.





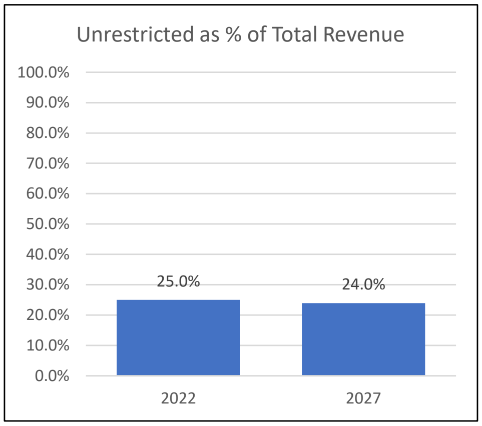


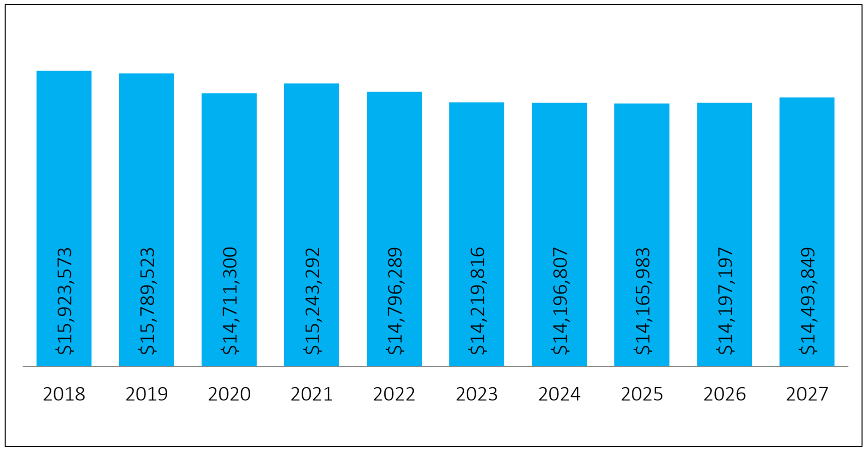
The district does not have an income tax levy.

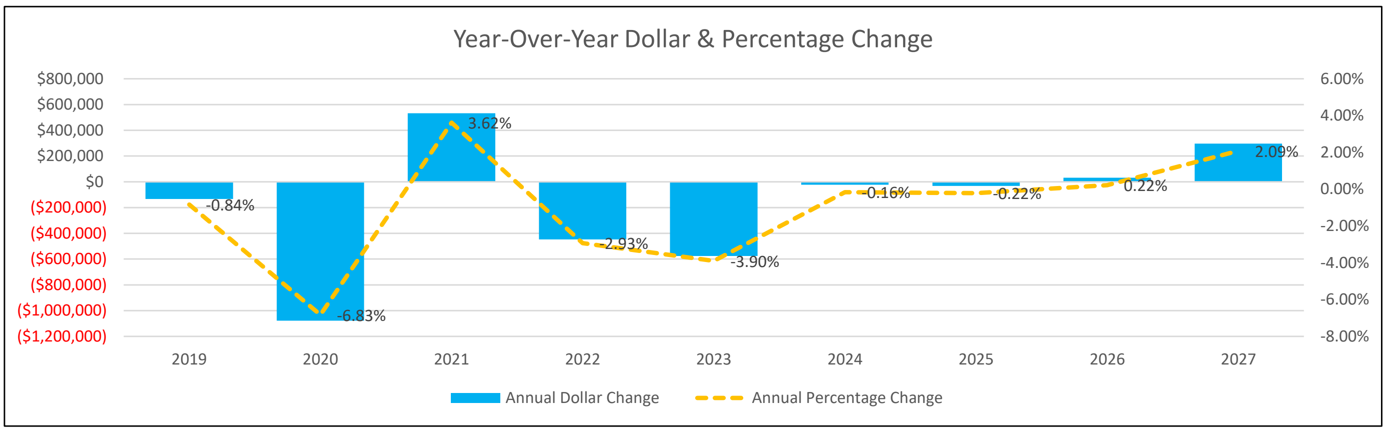
Projected % trends include renewal levies

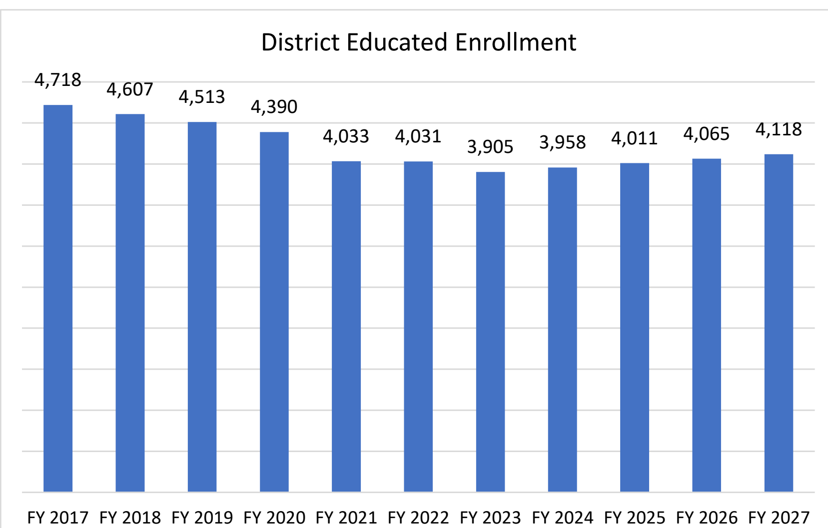
1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.









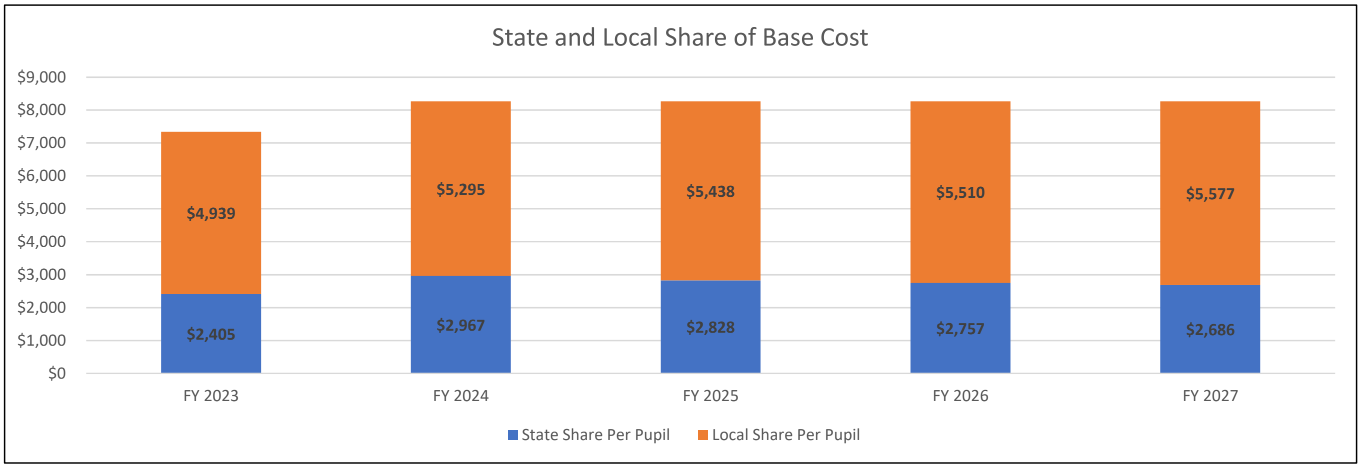
Unrestricted Grants-in-Aid represent funds received from the state and account for 24.13% of total revenues. This is the second largest source of revenue for the District. In addition to the state foundation funding program, tax revenue proceeds from casinos are included in this category.

Beginning in FY22 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

For Cuyahoga Falls City School District the calculated Base Cost is $30,487,454 in FY23. The state's share of the calculated Base Cost is $9,389,700 or $2,405 per pupil.

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



State funding for FY24 - FY27 will depend on two new State biennium budgets.

The current proposed state budget for FY24-25, HB33 was introduced on Feb. 15, 2023 and proposes to continue the implementation of the Fair School Funding Plan (FSFP). In the initial proposal of HB33, the base cost statewide factors are the area of most significance and remain at FY2018 levels. However, the House version updated the Base Cost inputs from FY18 to FY22 numbers.The local capacity amounts were updated to CY23 in the House version as well. The forecast assumes Base Cost inputs at FY22 levels. There is no material difference if FY18 Base Costs inputs are approved during the budget process due to our declining enrollment. Other proposed changes are as follows:

a) Increases the general phase-in percentage from 33.33% in FY23 to 50% in FY24 and 67% in FY25.
b) Extends payment of the temporary transitional aid and the formula transition supplement to ensure districts are guaranteed to be funded at FY21 levels, at a minimum through FY25.
c) Transportation Aid - Increases the minimum state share percentage from 33.33% in FY23 to 37.5% in FY24 and 41.67% in FY25.

Additionally, there are two other funding components in HB33 which provide additional support for districts. The first is the sports gaming profits education fund, which is projected to appropriate $30 million in each year of the biennium, of which $15 million is targeted toward eliminating or reducing pay to participate fees. The second component is information technology support for schools and districts, which is projected to appropriate $14.3 million over the course of the biennium for cybersecurity and building connectivity. We are still awaiting concrete information on how the funds will be allocated to schools.

Certainty surrounding these and other significant funding components will not likely be known until late June 2023, after the filing of this forecast. We will be closely monitoring the progress of HB33 as it works its way through the legislative process.

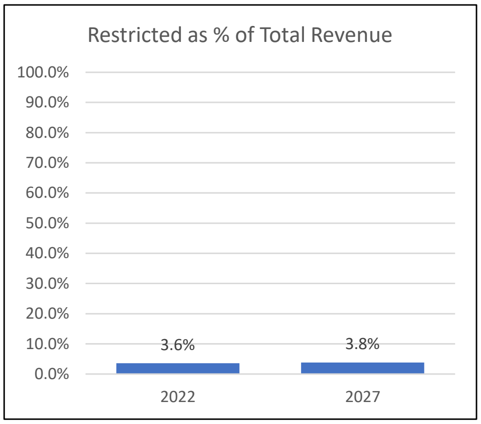
It is estimated that nearly 420 districts were on one form of a guarantee in FY22 and in general the same number will occur in FY23, since state average costs were frozen at FY18 in the Base Cost calculations, while property values and Federal Adjusted Gross Income will be allowed to update and increase for FY23, which should push districts towards one of the three (3) guarantees.

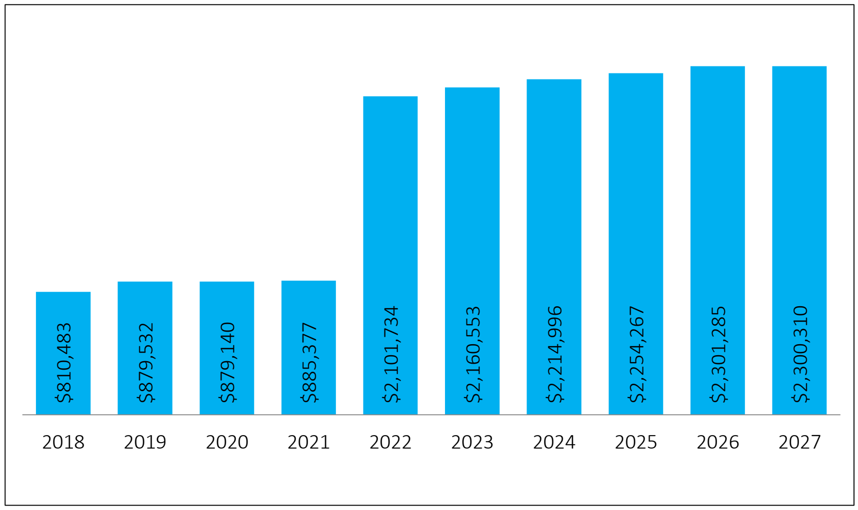
In June 2022, the legislature passed HB583 to resolve issues and possible unintended consequences in the new funding formula. Some of these changes impacted FY22 and future years' funding. With these still unknown changes to the state funding for FY24-27, we will continue to project our unrestricted state funding to be in line with the FY23 funding levels through the remainder of the forecast.

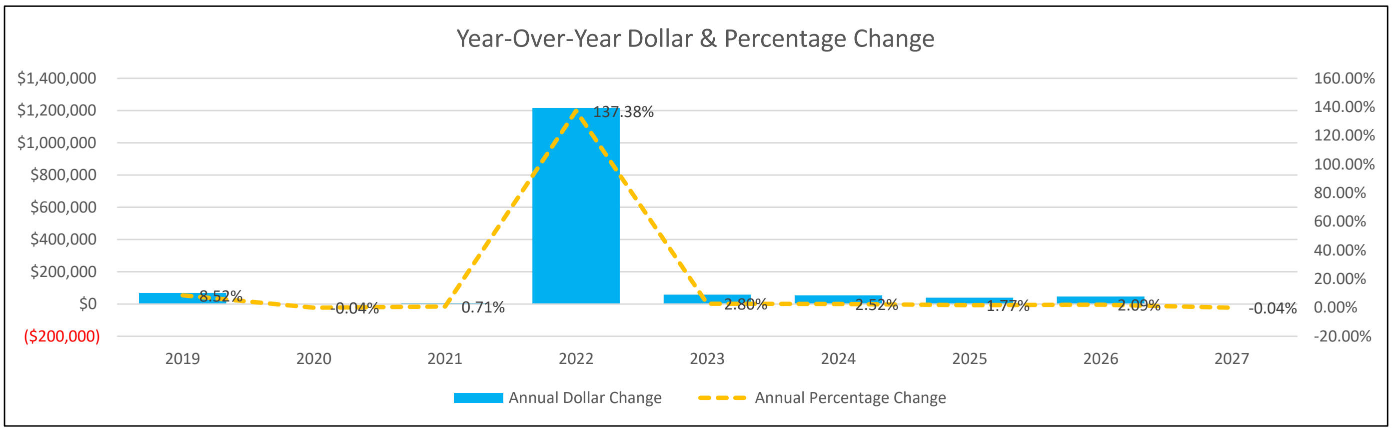
Note: Any Student Wellness and Success Funds received between FY20-FY23 must be expended by June 30, 2025, or the funds must be returned to ODE. These funds are not part of the general fund, therefore not part of this forecast.

1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.







The State Foundation monies are both restricted and unrestricted. Restricted funds are distributed with the intention that the monies are used for specific reasons or they must be returned. HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economically Disadvantaged) and Career Technical funding. In addition, there have been new restricted funds added for Gifted, English Learners, and Student Wellness and Success. Catastrophic Aid is also posted as restricted revenue and tripled in FY2022 due to the changes that were included in HB110.

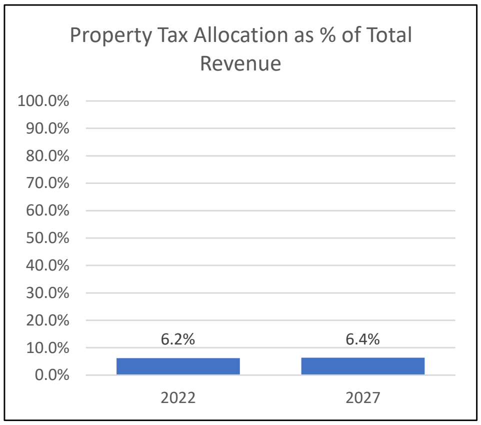
The current proposed state budget for FY24-25, HB33 was introduced on Feb. 15, 2023 and proposes to continue the implementation of the Fair School Funding Plan (FSFP). Other propsed changes in HB33 to Restricted Grants-in-Aid are as follows:

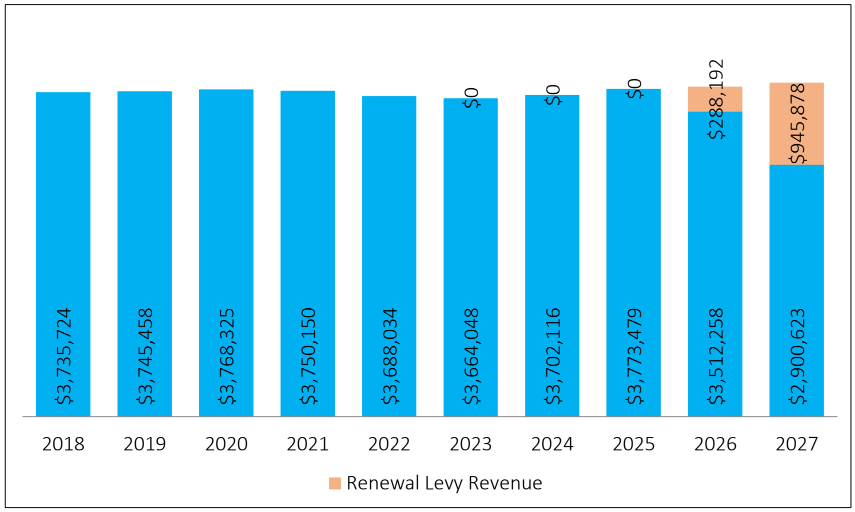
a) Disadvantage Pupil Impact Aid (DPIA) - Increases phase-in percentage from 33.33% in FY23 to 50% in FY24 and 67% in FY25.
b) Gifted Funds - Increases per pupil funding for the gifted professional development component from $14 in FY23 to $21 in FY24 and $28 in FY25.

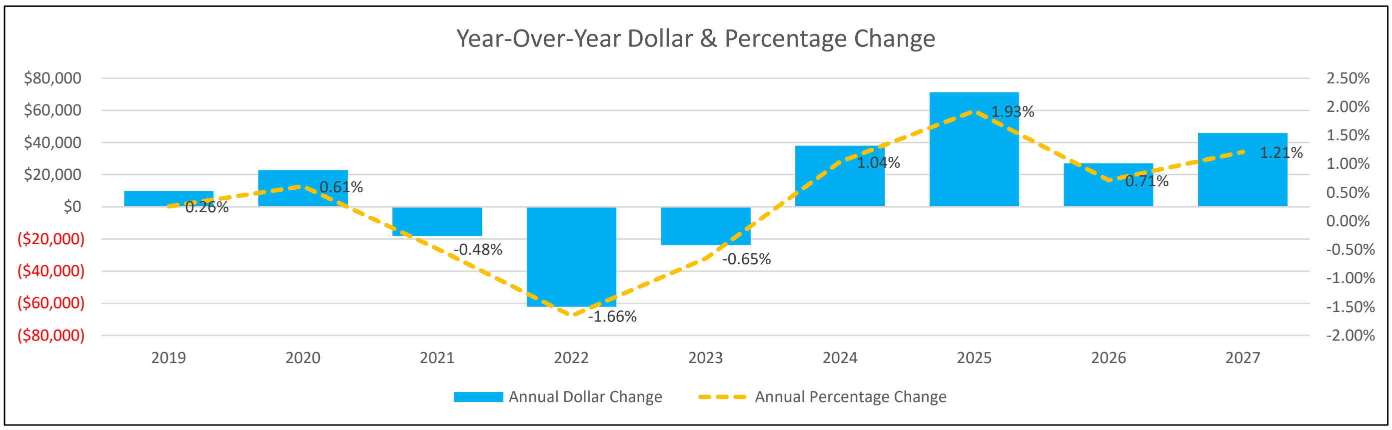
Historically the District's restricted state aid changed annually on average by $407,400 and is projected to change annually on average by $39,715. The Restricted Grants-in-Aid for the District are relatively small and generate 3.67% of total revenues.

1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.







Property Tax Allocation (Homestead & Rollback) includes a 10 percent property tax rollback for all residential and business real estate. In 1979, an additional 2.5 percent rollback was enacted for owner occupied homes. Homestead exemptions are also available for qualifying taxpayers. These tax credits are reimbursed to the District through the state and are calculated by applying the appropriate percentages to residential and commercial property tax collections.

Beginning in tax year 2013, the State of Ohio enacted House Bill 59 (HB59). This affected changes to the state reimbursement of the rollback exemption whereby any new levies voted will no longer be reimbursed by the state but paid directly by the real estate owners. The 2017 and 2019 levies are affected by House Bill 59. It is important to note that if any of the future renewal levies, originally approved before 2013, were to lapse, HB 59 would have a major impact to the local taxpayer. Currently, the Property Tax Allocation for those levies are being reimbursed by the state, if there was an interruption to the collection of taxes, the state would no longer be responsible for the reimbursements. That burden would then be shifted to the local taxpayer.

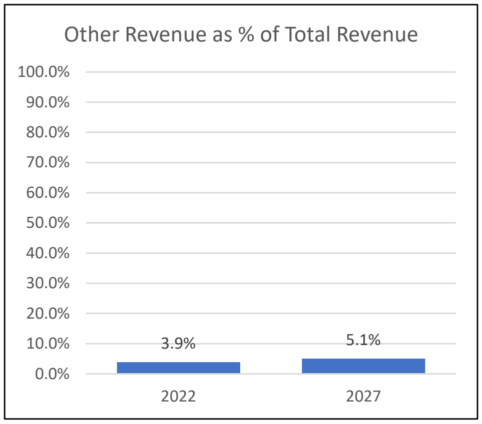
HB 59 changed the requirement for Homestead Exemptions as well. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet 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. The result of HB59 is that homestead reimbursements have decreased from previous levels and like the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

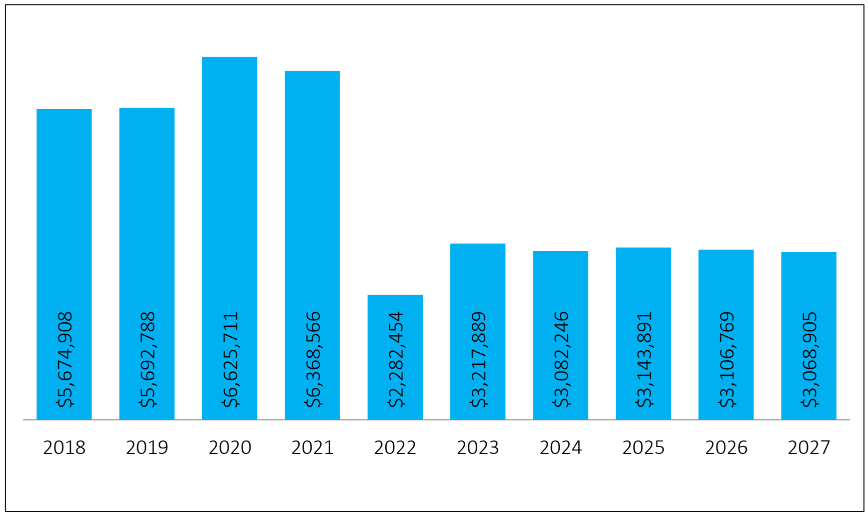
In FY2023 approximately 9.7% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 2.9% will be reimbursed in the form of qualifying homestead exemption credits. Property Tax Allocations generates 6.22% of total revenues.

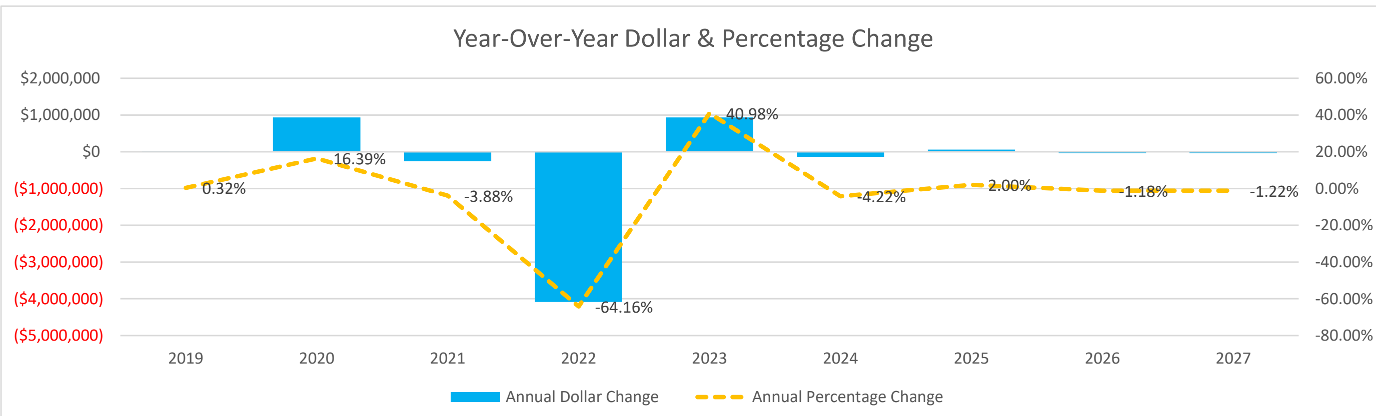
**Projected % trends include renewal levies*

1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.







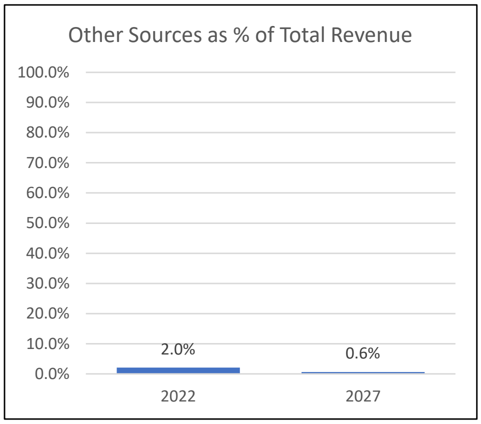
All Other Operating Revenues include revenue from interest on investments, rental income for use of facilities, excess costs for non-resident student tuition, pay-to-participate fees, and other local sources, if any. The FSFP includes per pupil funding for any open enrollment-in students the District is educating. This revenue was recorded in "other revenue" prior to FY22. FY22 and beyond will not include any open enrollment-in revenue. FY21 open enrollment in revenue was $3,250,174.

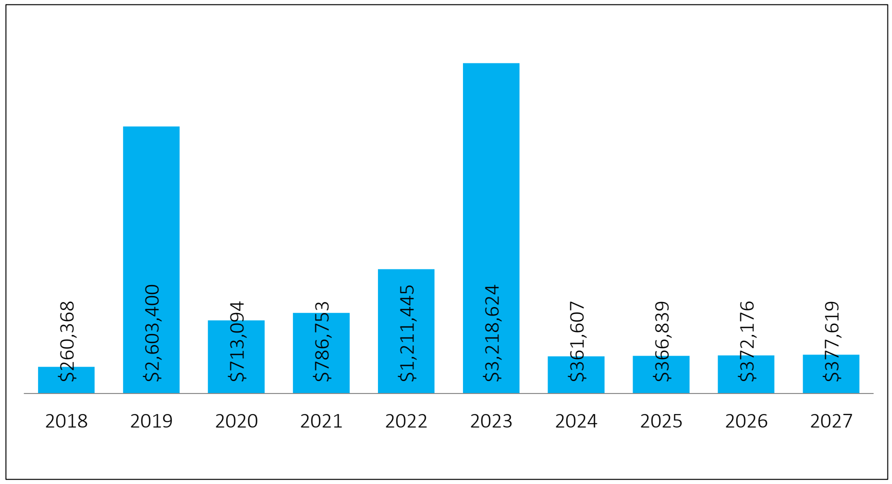
In FY21 and FY22 interest income fell due to the pandemic; however, in FY23, rates have begun to rise quickly due to the Federal Reserve’s strategy to combat inflation. We will closely monitor our investments to capitalize on these increased rates while they continue. Although increasing interest rates place risk on our local economy, we are able to benefit from the interest rates revenue due to our strong cash reserves. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historical trends.

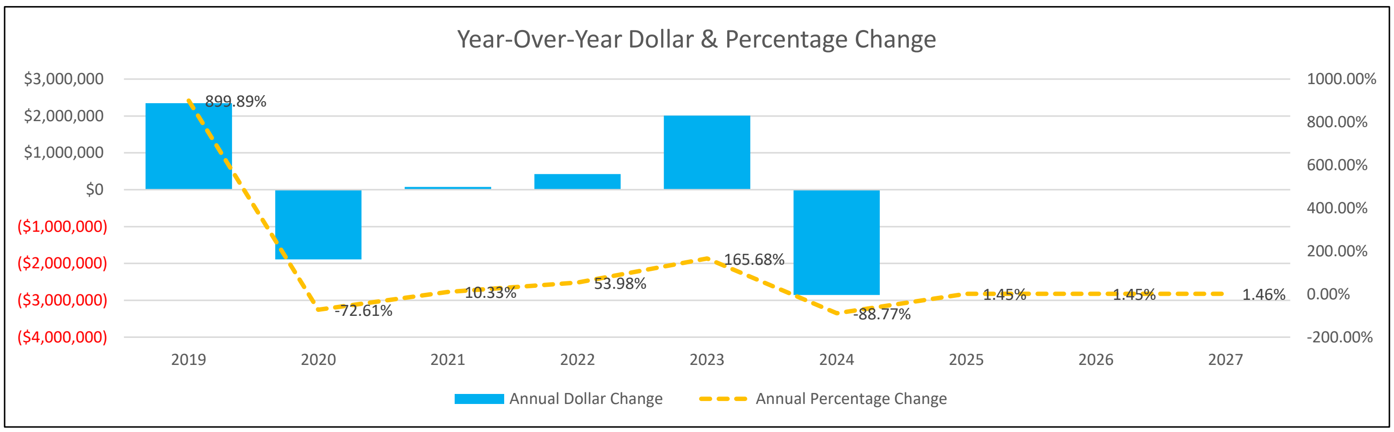
All Other Operating Revenues account for 5.46% of total revenues. The historical annual average change was -$561,722. The projected average annual change is $157,290 through FY27.

2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.







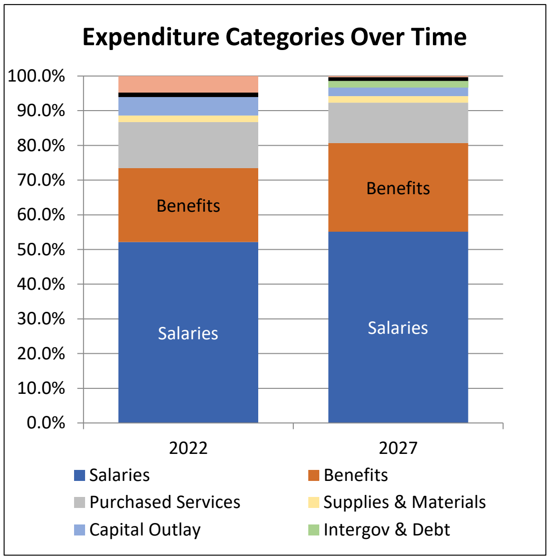
		FORECASTED				
	2022	2023	2024	2025	2026	2027
Transfers In	-	-	-	-	-	-
Advances In	963,868	2,603,254	100,000	100,000	100,000	100,000
All Other Financing Sources	247,577	615,370	261,607	266,839	272,176	277,619

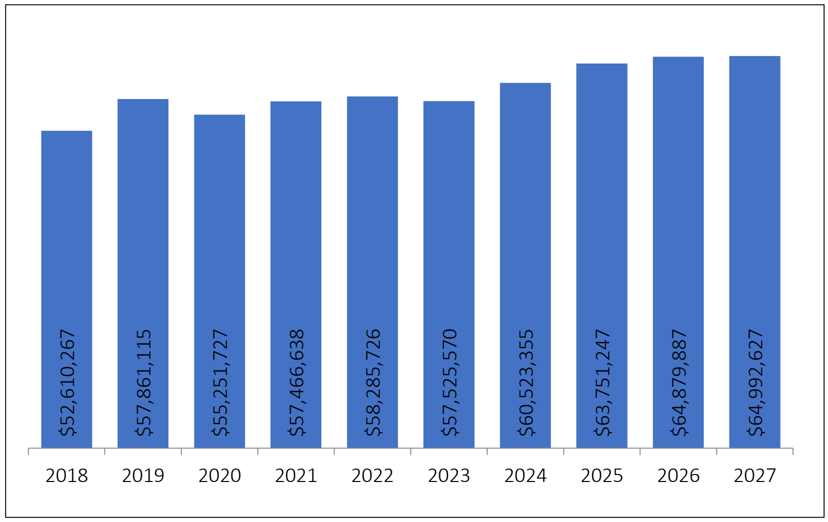
Other Financing Sources include transfers in, advances in, refund of prior year expenditures, and other borrowing as allowed by state law.

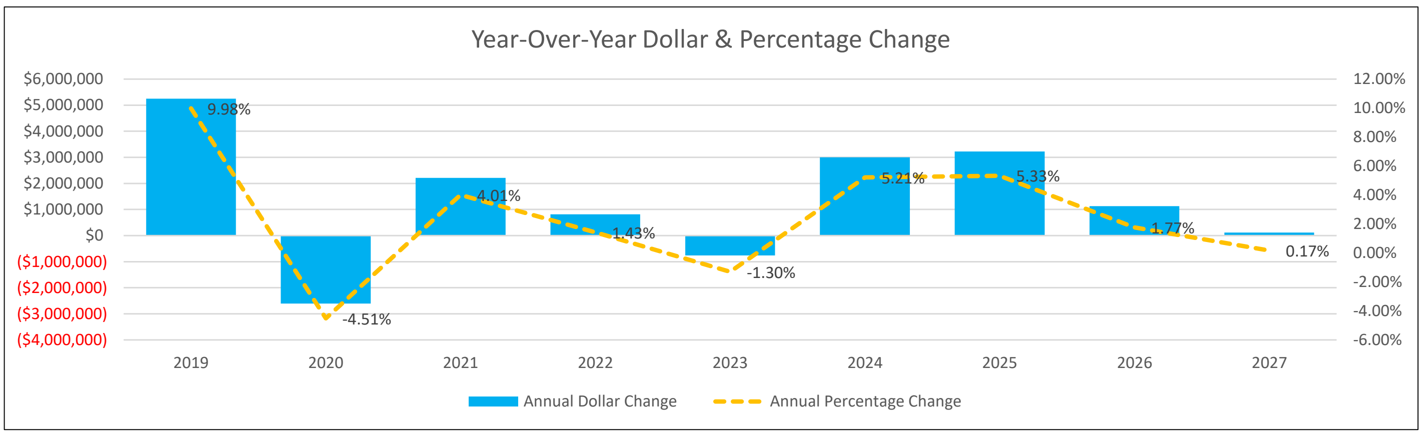
Additionally, Excess Cost funding received from the Six-District Compact districts for Special Education and Project Search programs are classified as refunds of prior year expenditures and are reflected in this line item. This amount remains stable through the entirety of the forecast.

This line represents the return of general funds advanced to other funds at the end of the last fiscal year. These revenues are simply a return of temporary "loans" for cash flow purposes to these other funds, thus there is an offsetting expense (line 5.020) in the prior fiscal year, resulting in no gain or loss to the District. In FY23, the return of advances from the previous year is $2,603,254 due in large part to advances to ESSER and construction funds.

Expenditure Categories and Forecast Year-Over-Year Projected Overview







5-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

	Historical Average Annual $$ Change	**Projected** Average Annual $$ Change	Projected Compared to Historical Variance
Salaries	504,876	1,078,148	$573,273
Benefits	$104,803	$842,804	$738,001
Purchased Services	($618,864)	($29,751)	$589,113
Supplies & Materials	$5,077	$29,882	$24,805
Capital Outlay	$585,890	($300,055)	($885,945)
Intergov & Debt	$0	$247,478	$247,477
Other Objects	$46,898	($16,007)	($62,906)
Other Uses	$462,512	($511,118)	($973,631)
Total Average Annual Change	$1,085,649	$1,341,380	$255,731
	1.93%	2.30%	0.37%

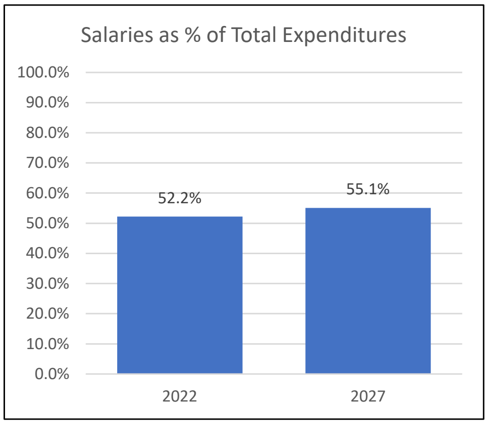
The District's two largest expenditure categories, Salaries and Benefits, account for 79.64% of total expenditures.

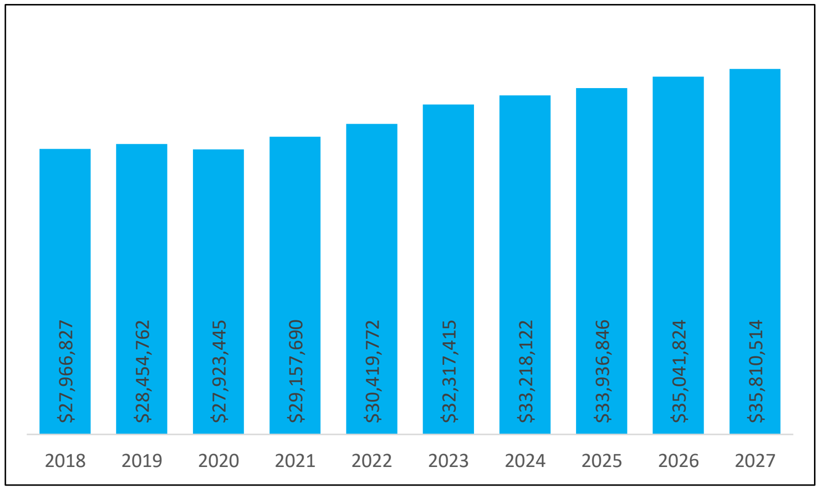
Total expenditures increased 1.93% or 1,085,649 annually during the past five years and is projected to increase 2.30% or $1,341,380 annually through FY27. This exceeds the .45% annual increase projected in total revenues.

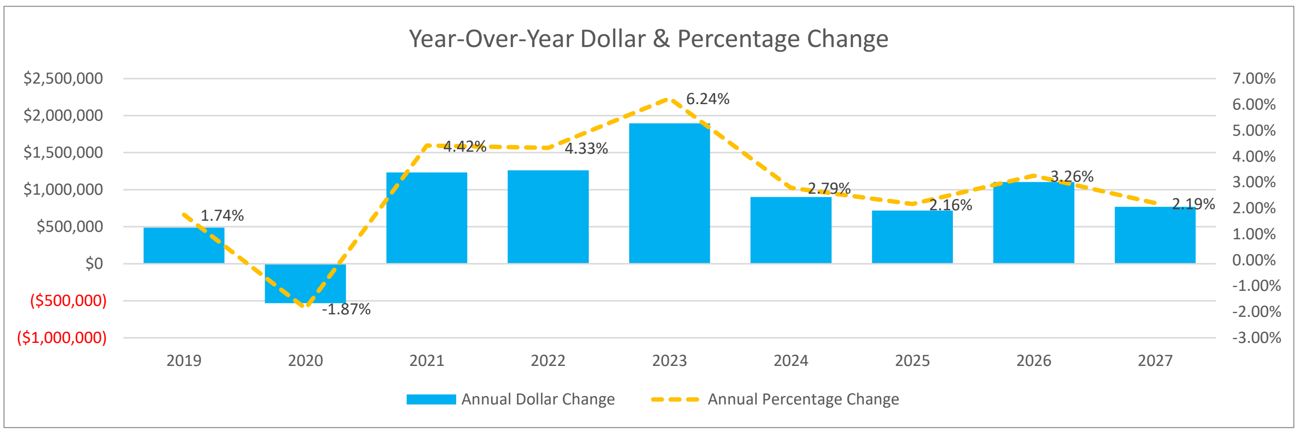
The effects of the pandemic have lessened, but several supply chain concerns and high inflation continues to impact our state, country, and broader globalized economy. Inflation in June 2022 hit a 40-year high of 9.1% before falling to 8.3% in August. Costs in FY22 were notably impacted in areas such as 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.

3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.







Personnel Services (salaries) represent 56.42% of the District's operating expenditures and increased at a historical average annual rate of 1.75%. This category of expenditure is projected to grow at an average annual rate of 3.16% through FY27.

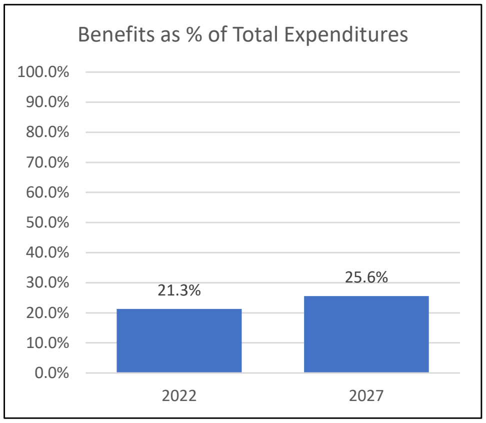
The Board and CFEA, OAPSE, and SEIU, Local 1 (Cuyahoga Falls Education Association, Ohio Association of Public School Employees, and Service Employees International Union, Local 1) ratified an agreement to increase the base wages in FY18 - FY19 (base salaries were increased 2% in FY18 and 1.5% in FY19). All three unions entered into agreements to extend their contracts for FY20 with no base increase on salaries.

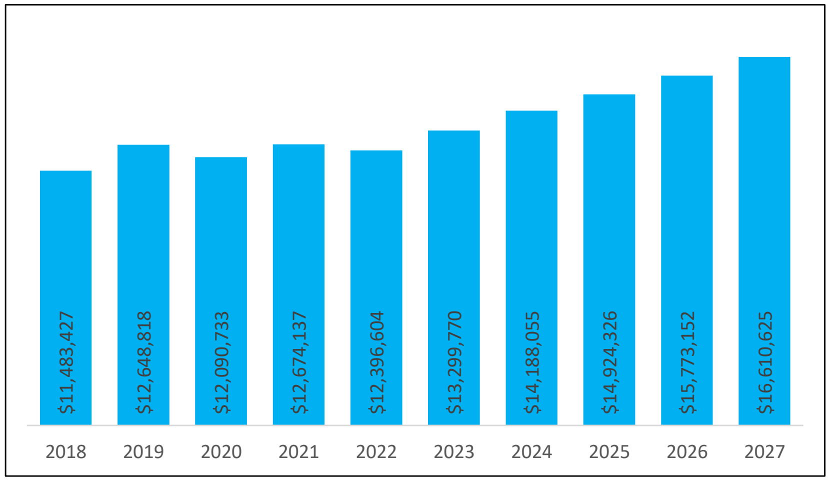
In FY21 the Board ratified agreements with all three unions for FY21 - FY23. These agreements include increases to the base wages of 1.5% in FY21, 2.5% in FY22, and 2.5% in FY23. In addition, employees who had their step frozen during FY12 had that step restored to them in FY21. The District is currently in negotiations with all three unions at the time of this forecast. Leadership and Administrative Support Personnel Handbooks were also approved in FY21 for the District's Administrative and Exempt staff.

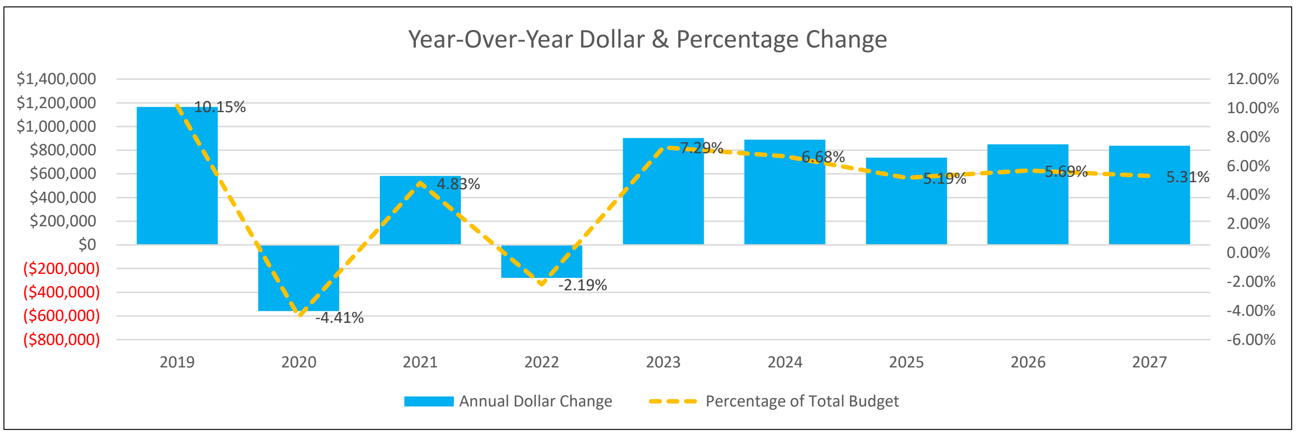
FY24 - FY27 assumes the inclusion of steps for all employees and a 2% wage increase on the base salary. These are not guaranteed projected rates and are only included to show the impact of the increases historically given in the District. The district continues to analyze and audit classroom sizes. If district enrollment continues to decline, we must continue to monitor our staffing and align staffing to enrollment.

3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.







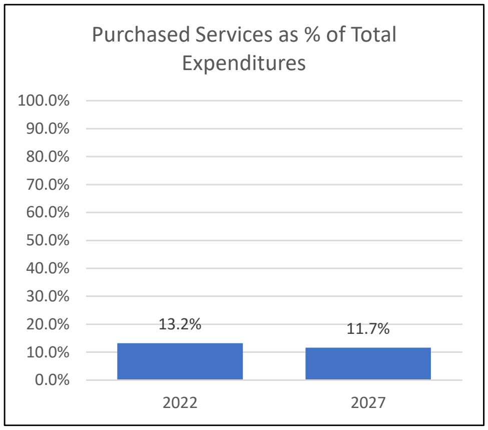
Employees' Benefits include Retirement, Medicare, Health Insurance, and Workers' Compensation.

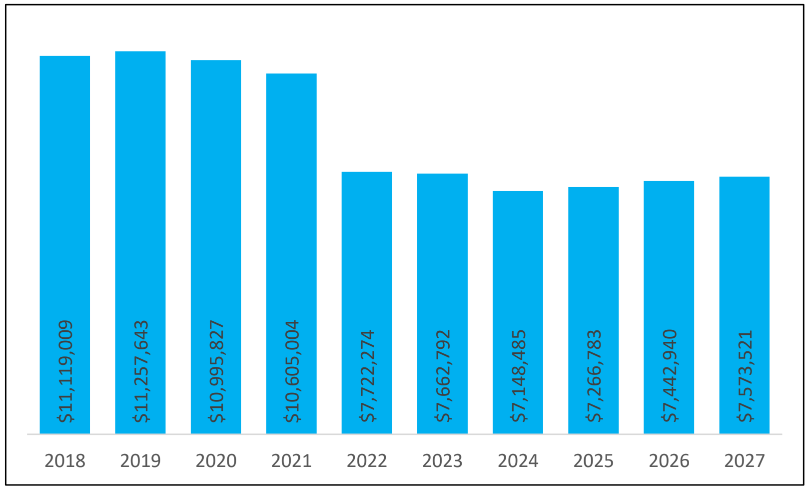
In FY19, insurance premiums increased 8.5%. In FY20 the District was fortunate to have a 0% increase in insurance premiums. FY21 insurance premiums increased 4.9%, FY22 premiums increased by 1%, and FY23 premiums increased 4.6%. FY24 premiums will increase 7.8%. For FY25 and beyond, the District is projecting increases of 8% in insurance premium. The District's insurance consortium continues to look for new opportunities to promote health and wellness and provide incentives to help mitigate those trend increases. During negotiations in FY21 all three unions agreed to increase co-pays and co-insurance further reducing overall costs in future years.

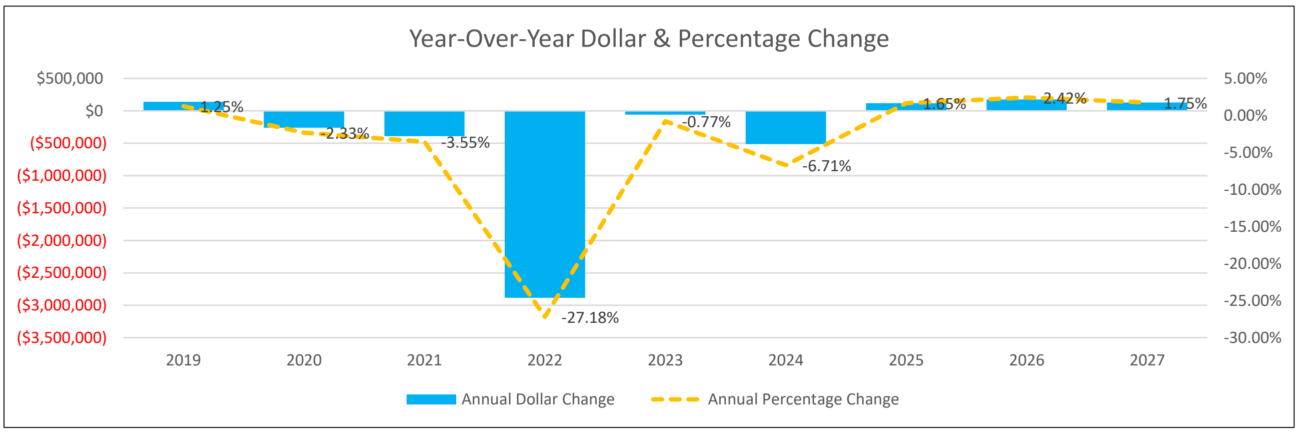
Employees' Benefits are 23.22% of operating expenditures and increased at a historical average annual rate of .85%. Expenditures in this category are projected to increase at an annual average rate of 5.63% through FY27.

3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.







Purchased Services include all professional and technical services, legal, data processing, health/nurses, all utilities, garbage collection, postage, electricity, natural gas, all travel and meeting expenses, and craft and trade services.

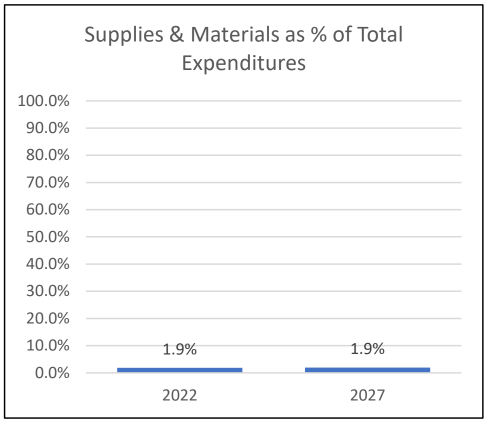
Previous to FY22, the majority of the spending in purchased services was driven by state and federal mandated spending. The mandated spending included deductions for community school students, students taking Jon Peterson or Autism scholarships, tuition to STEM school at NEOMED, as well as for increasing numbers of students with special needs. There is a one time increase in FY22 for preschool services due to a change in billing cycles, from one installment per year to two, by the Summit County ESC.

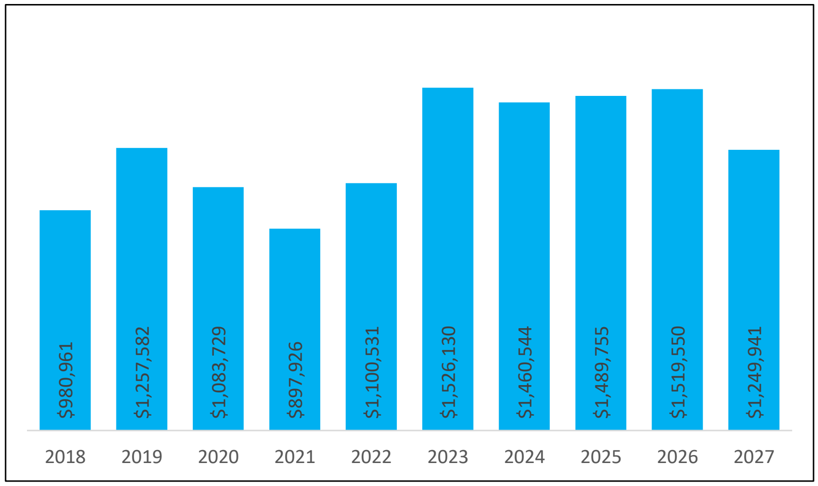
HB 110, the current state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown previously as expenses. College Credit Plus, excess costs and other tuition costs will continue to draw funds away from the District, and have been adjusted based on historical trend. 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.

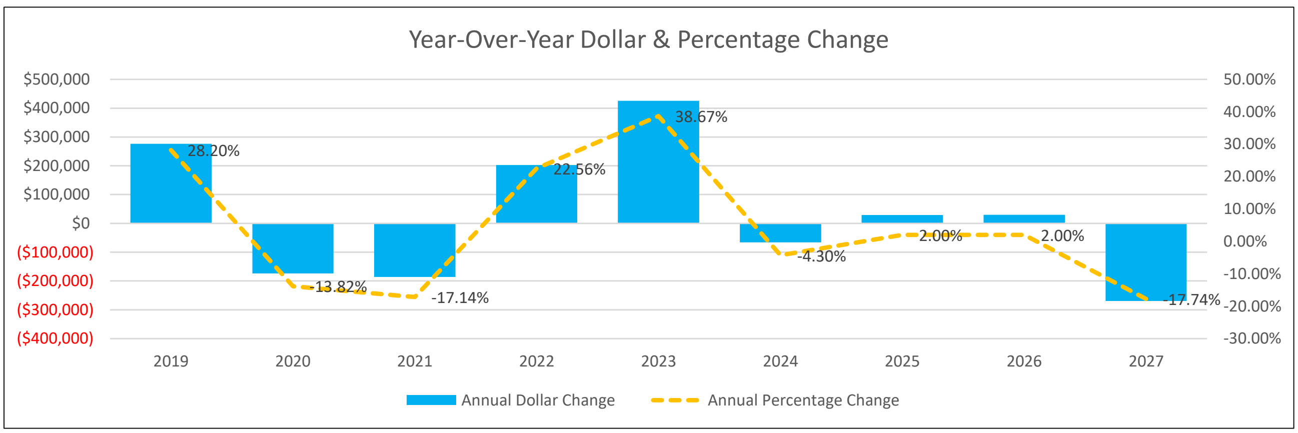
Purchased Services represent 13.38% of total expenditures and decreased at a historical average annual rate of -5.99%. This category of expenditure is projected to decrease at an annual average rate of -.40% through FY27.

3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.







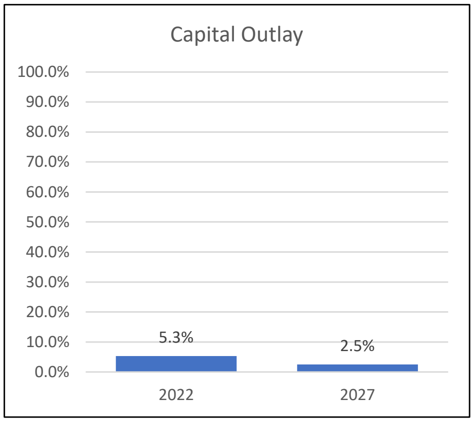
The Supplies and Materials line item includes all supplies and materials used to keep the school district campus and buildings open, operating, clean and safe, as well as instructional items such as textbooks, library books, and newspapers and periodicals.

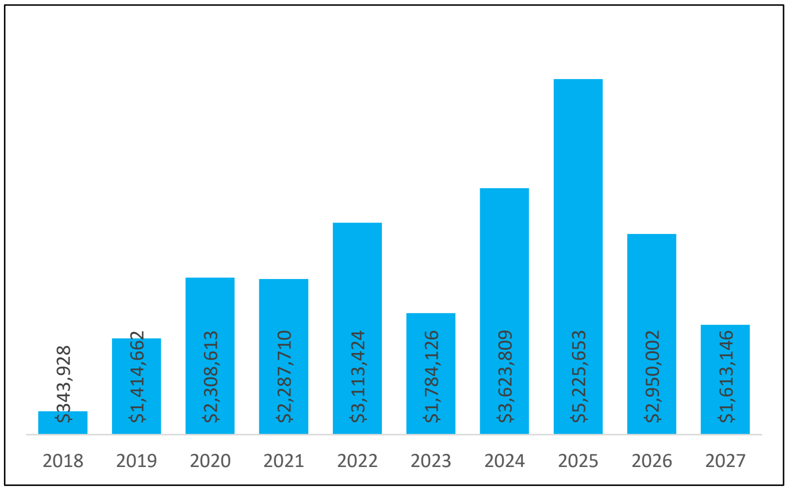
There is an increase in FY23-FY26 to include current and future textbook adoptions. The District has used ESSER funding to offset increases to this category including textbook adoptions, cleaning/sanitation supplies, and classroom supplies.

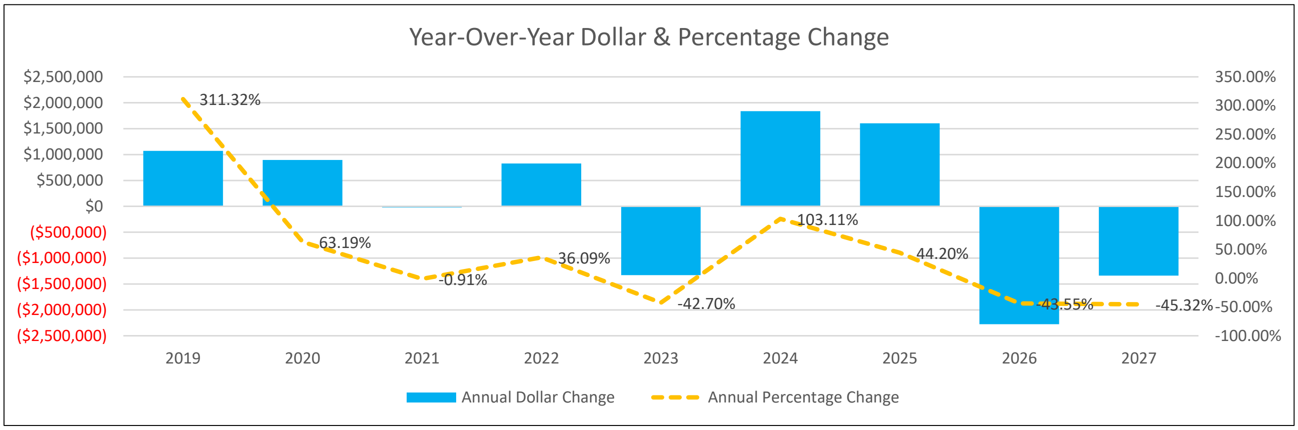
Supplies and Materials represent 2.66% of total expenditures. This category of expenditure is projected to increase at an annual average rate of 2.06% through FY27.

3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.







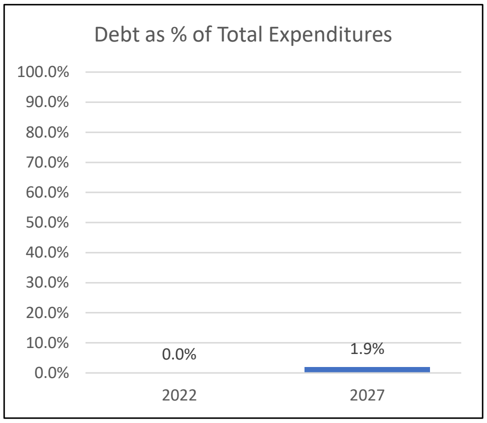
Capital Outlay includes expenditures for new and replacement equipment and for the acquisition of, or additions to, fixed assets. Included are expenditures for land or existing buildings, improvements to grounds, construction of buildings, additions to buildings, remodeling and furnishing buildings, equipment purchases, etc. Items reflected in this category are expected to have a life expectancy of five (5) years or more.

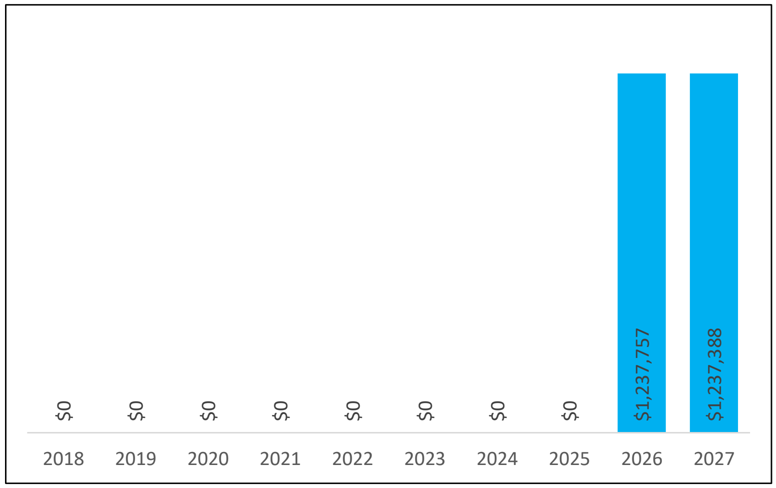
Capital Outlay continues to be impacted by the passage of the $3,600,000 Emergency Levy. FY24 through FY26 show significant increases due to the proposed installation of air conditioning at five of the District's elementary buildings. Expenditures as a result of the Emergency Levy remain part of the forecast through FY27. These expenditures include roofs (repair/replacement), trucks/trailer/vans, technology, parking lot (repairs/new), boilers, buses, and equipment. Major projects during FY23 include repairs to the roof at Roberts, Preston, and Price, updates to the High School weight room, and parking lot paving/repairs district wide. FY25 shows a one time increase to technology equipment for Chromebook replacements.

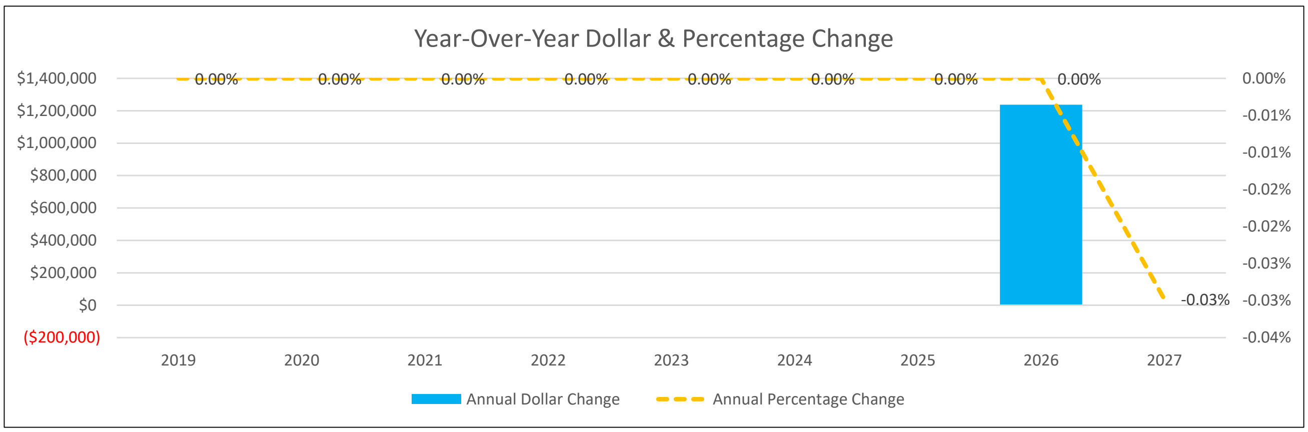
Capital Outlay represents 3.11% of total expenditures and increased at a historical average annual amount of $585,890. This category of expenditure is projected to decrease at an annual average amount of -$300,055 through FY27.

3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



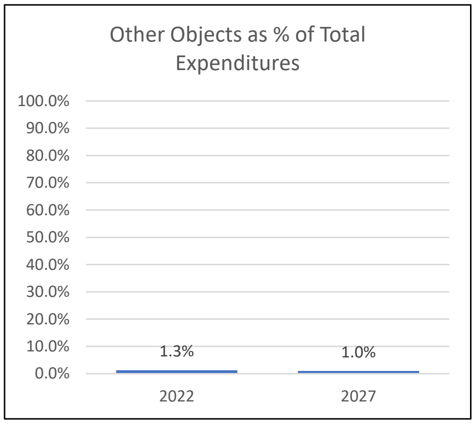


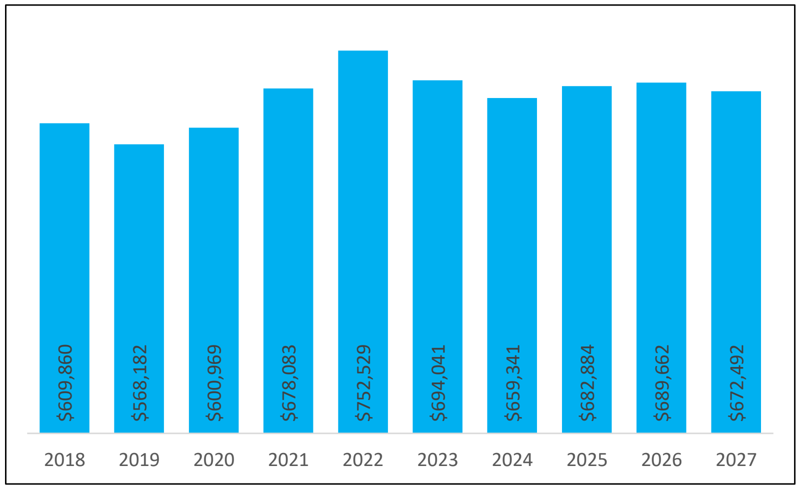


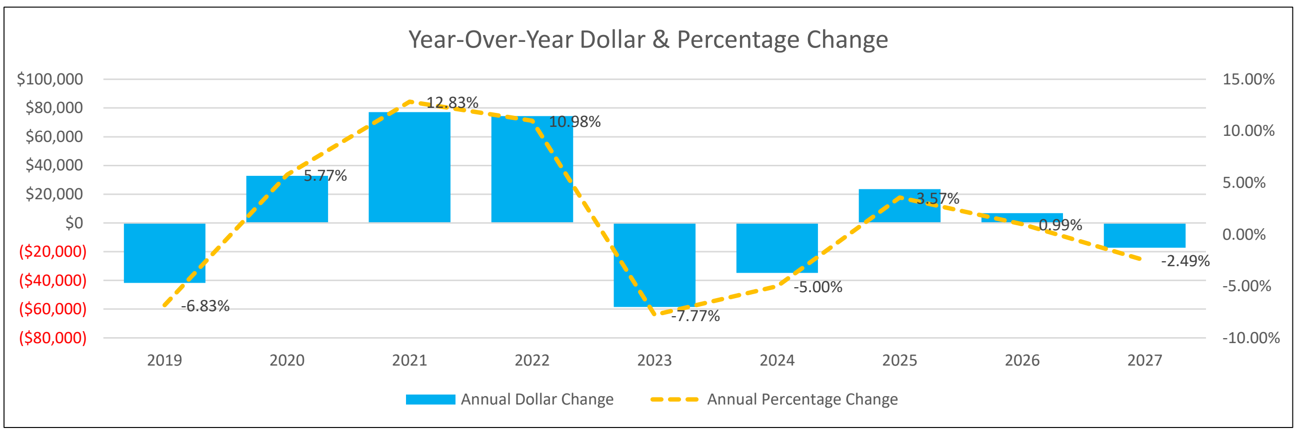
Debt, which commits general fund sources to its repayment, must be included in the forecast. In April 2023 the District issued approximately $19.5 million in debt through certificates of participation (COPs) (Series 2023) to cover increasing costs for the new 6-12 building construction due to inflation and labor shortages. Repayment on this debt out of the general fund is approximately $1.2 million dollars per year and will begin in FY26 and continue through FY53.

4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.







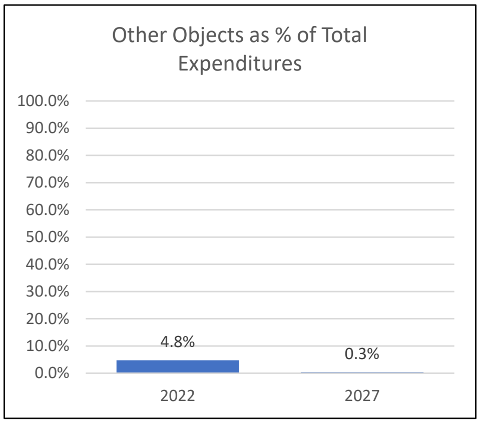
Other Objects include payments to the Summit County Auditors for the collection and distribution of tax revenue, payments for the District's annual audit, bank charges, other dues & fees, memberships, etc.

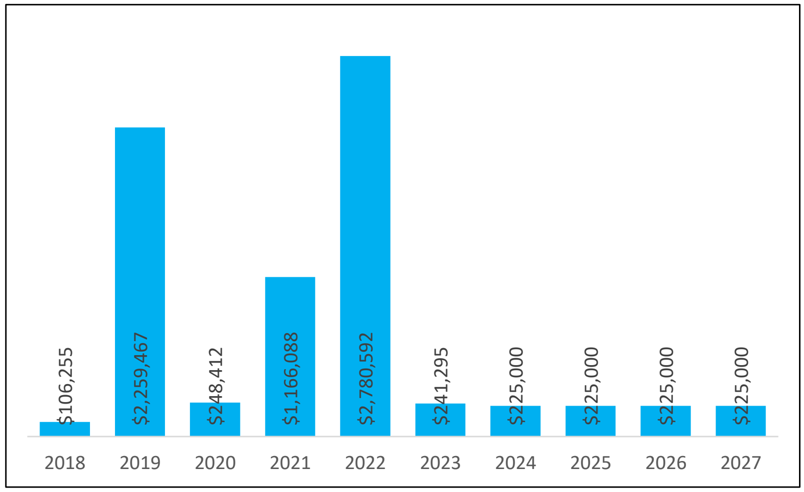
Approximately $40,000 for election expenses are reflected in FY23, FY25, and FY26. These fees are collected by Summit County to cover the costs associated with putting levies on the ballot.

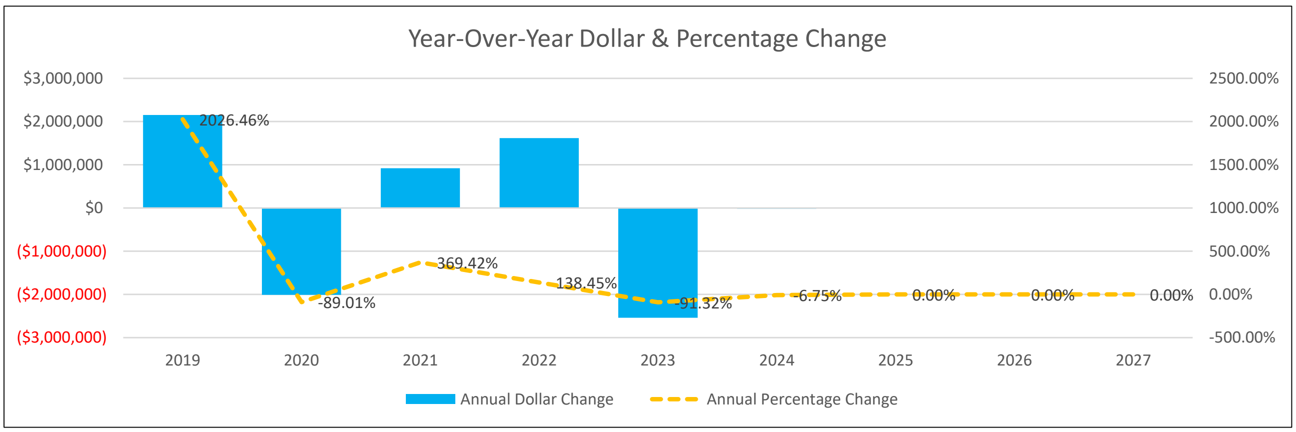
Other Objects represent 1.21% of total expenditures and increased at a historical average annual rate of 7.31%. This category of expenditure is projected to grow at an annual average rate of -2.36% through FY27.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.







		FORECASTED				
	2022	2023	2024	2025	2026	2027
Transfers Out	-	-	-	-	-	-
Advances Out	2,603,254	100,000	100,000	100,000	100,000	100,000
Other Financing Uses	177,338	141,295	125,000	125,000	125,000	125,000

Other Financing Uses include expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the General Fund from other District funds.

One line item in this category are Board of revision appeals. Taxpayers can file for reductions in property values and if approved, be refunded the taxes paid previously. In the year the taxpayer is refunded, a reduction to the District's tax proceeds is applied to refund the taxpayer. FY22 saw a significant increase in taxpayer refunds. The District monitors these closely to protect our tax base. Due to new legislation restricting the District's ability to challenge these appeals there is an increase forecasted through FY27.

This line represents the advance of general funds to other funds at the end of the fiscal year. These expenditures are simply temporary "loans" for cash flow purposes to these other funds, thus there is an offsetting revenue (line 2.050) in the subsequent fiscal year, resulting in no gain or loss to the District. In FY22, advances totaled $2,603,254 due in large part to advances to ESSER and Construction funds.

Cuyahoga Falls City School District

Five Year Forecast

	Actual	FORECASTED				
Fiscal Year:	2022	2023	2024	2025	2026	2027
Revenue:						
1.010 - General Property Tax (Real Estate)	34,568,862	34,479,047	34,875,737	35,154,478	32,721,964	27,060,786
1.020 - Public Utility Personal Property	495,210	565,624	560,041	633,122	635,281	594,910
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	14,796,289	14,219,816	14,196,807	14,165,983	14,197,197	14,493,849
1.040 - Restricted Grants-in-Aid	2,101,734	2,160,553	2,214,996	2,254,267	2,301,285	2,300,310
1.050 - Property Tax Allocation	3,688,034	3,664,048	3,702,116	3,773,479	3,512,258	2,900,623
1.060 - All Other Operating Revenues	2,282,454	3,217,889	3,082,246	3,143,891	3,106,769	3,068,905
1.070 - Total Revenue	57,932,583	58,306,977	58,631,943	59,125,220	56,474,754	50,419,383
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	963,868	2,603,254	100,000	100,000	100,000	100,000
2.060 - All Other Financing Sources	247,577	615,370	261,607	266,839	272,176	277,619
2.070 - Total Other Financing Sources	1,211,445	3,218,624	361,607	366,839	372,176	377,619
2.080 - Total Rev & Other Sources	59,144,028	61,525,601	58,993,550	59,492,059	56,846,930	50,797,002
Expenditures:						
3.010 - Personnel Services	30,419,772	32,317,415	33,218,122	33,936,846	35,041,824	35,810,514
3.020 - Employee Benefits	12,396,604	13,299,770	14,188,055	14,924,326	15,773,152	16,610,625
3.030 - Purchased Services	7,722,274	7,662,792	7,148,485	7,266,783	7,442,940	7,573,521
3.040 - Supplies and Materials	1,100,531	1,526,130	1,460,544	1,489,755	1,519,550	1,249,941
3.050 - Capital Outlay	3,113,424	1,784,126	3,623,809	5,225,653	2,950,002	1,613,146
Intergovernmental & Debt Service	-	-	-	-	1,237,757	1,237,388
4.300 - Other Objects	752,529	694,041	659,341	682,884	689,662	672,492
4.500 - Total Expenditures	55,505,133	57,284,275	60,298,355	63,526,247	64,654,887	64,767,627
Other Financing Uses						
5.010 - Operating Transfers-Out	-	-	-	-	-	-
5.020 - Advances-Out	2,603,254	100,000	100,000	100,000	100,000	100,000
5.030 - All Other Financing Uses	177,338	141,295	125,000	125,000	125,000	125,000
5.040 - Total Other Financing Uses	2,780,592	241,295	225,000	225,000	225,000	225,000
5.050 - Total Exp and Other Financing Uses	58,285,726	57,525,570	60,523,355	63,751,247	64,879,887	64,992,627
6.010 - Excess of Rev Over/(Under) Exp	858,302	4,000,031	(1,529,805)	(4,259,187)	(8,032,957)	(14,195,625)
7.010 - Cash Balance July 1 (No Levies)	16,333,457	17,191,759	21,191,790	19,661,986	15,402,798	7,369,841
7.020 - Cash Balance June 30 (No Levies)	17,191,759	21,191,790	19,661,986	15,402,798	7,369,841	(6,825,784)
		Reservations				
8.010 - Estimated Encumbrances June 30	250,000	250,000	250,000	250,000	250,000	250,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	16,941,759	20,941,790	19,411,986	15,152,798	7,119,841	(7,075,784)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies		-	-	-	2,957,166	9,706,471
11.030 - Cumulative Balance of Levies	-	-	-	-	2,957,166	12,663,637
12.010 - Fund Bal June 30 for Cert of Obligations	16,941,759	20,941,790	19,411,986	15,152,798	10,077,007	5,587,853
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	16,941,759	20,941,790	19,411,986	15,152,798	10,077,007	5,587,853