



FIVE YEAR FORECAST

MAY 2023

Kristy Stoicoiu
Treasurer / CFO





It's about to go down

POLICE



I'm not trying to make it about me, but it is about me.

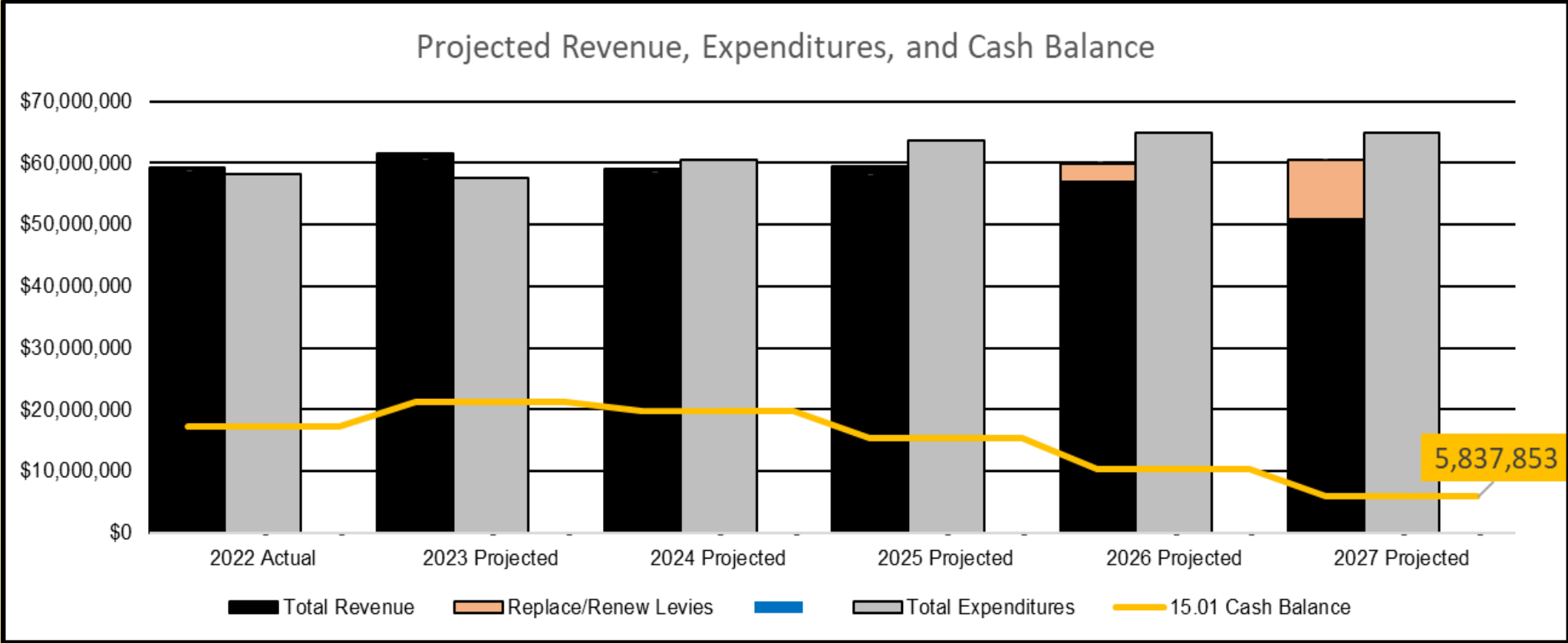
The Purpose of the Five Year Forecast

- To engage the Board of Education and the community in long-range planning and discussions of financial issues facing the school district.
- To serve as a basis for determining the school district's ability to sign contracts associated with continued operations.
- To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Summary

- 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 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.

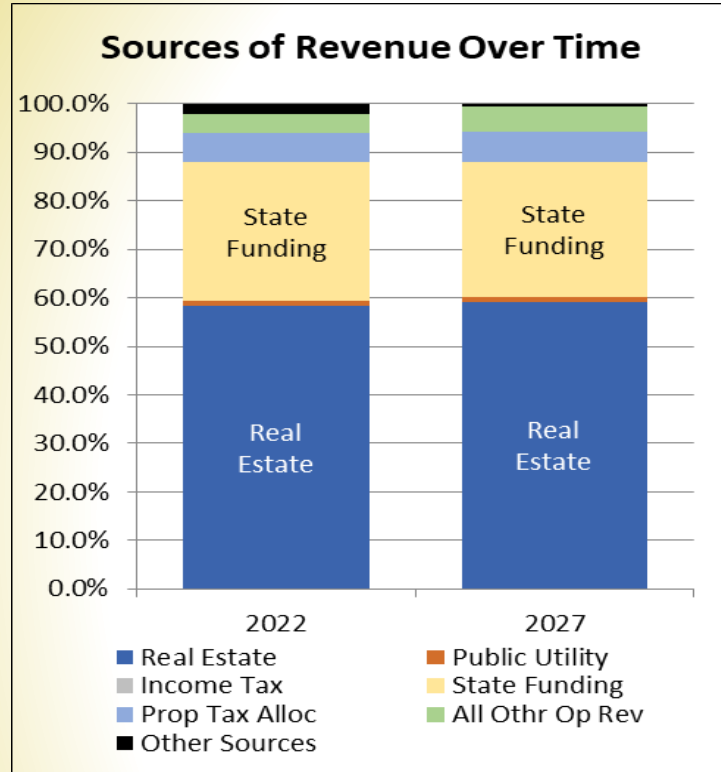
Forecast Summary



Forecast Summary

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)

REVENUES

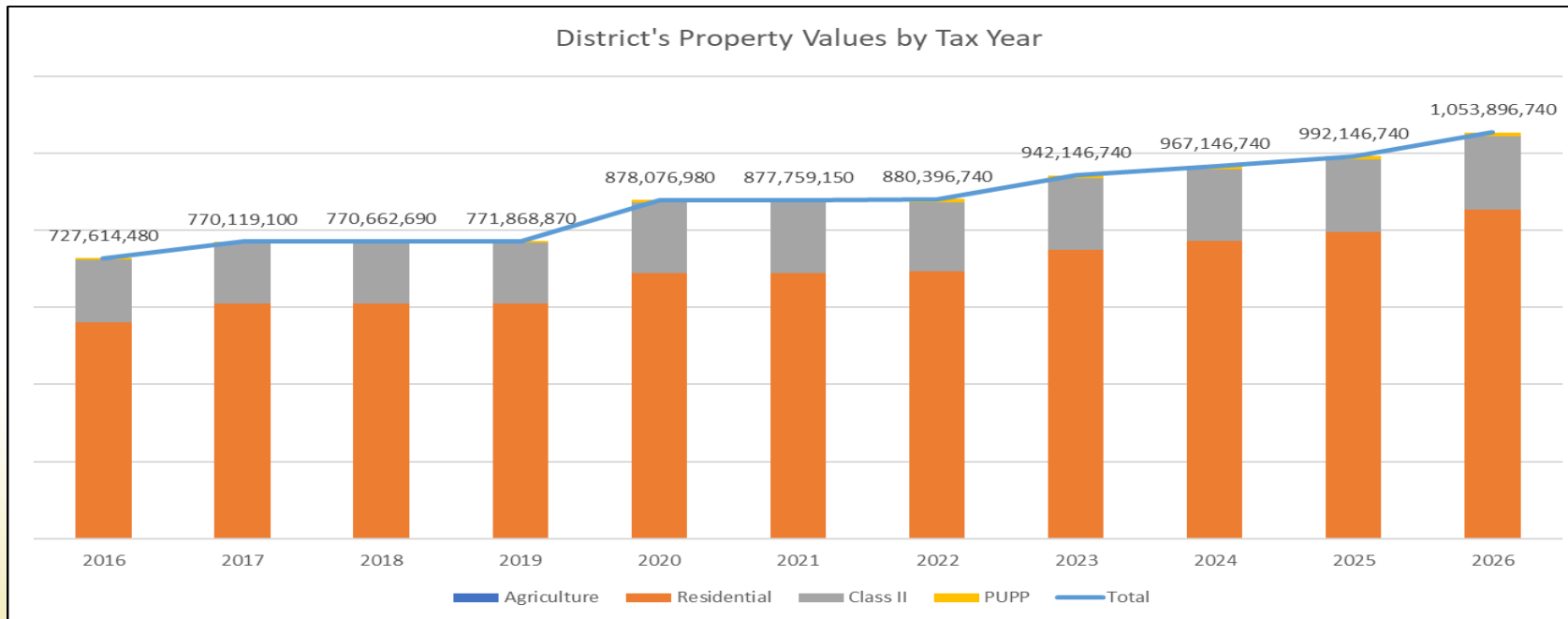


	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change
Real Estate	1,467,529	226,031
Public Utility	\$39,197	\$44,413
Income Tax	\$0	\$0
State Funding	\$83,631	(20,773)
Prop Tax Alloc	(\$11,271)	\$31,693
All Othr Op Rev	(\$561,722)	\$157,290
Other Sources	\$190,315	(\$166,765)
Total Average Annual Change	1,207,681	271,889
	2.05%	0.45%

- **The District's two largest revenue sources, real estate taxes and state funding, 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 is expected to increase at an average rate of .45% Historically, revenue increased 2.05% on average annually.**

1.010 – Real Estate

- Real property in Summit County is assessed every three years. State law mandates that a sexennial reappraisal be performed (every six years), with the most recent effective in tax year 2020. For tax year 2020 the District's valuation increased 13.76% due to the sexennial reappraisal. The next triennial update for Summit County will take 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.

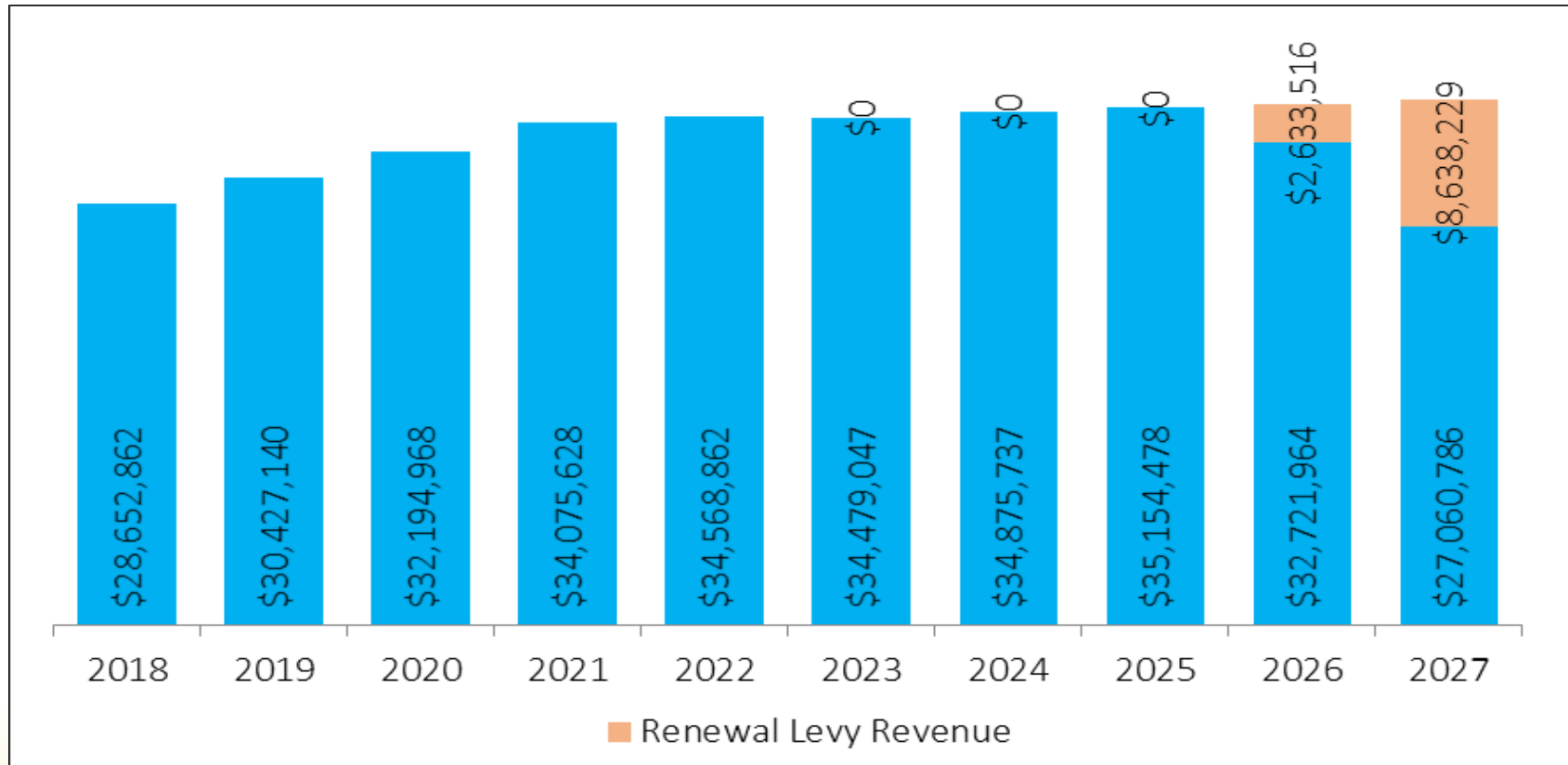


1.010 – Real Estate

- The \$3,600,000 mill levy, originally approved in 2017, was renewed by voters in November 2022 for a five year period.
- There are two renewal levies during the term of the forecast
 - The 7.9 mill levy will expire in calendar year 2025.
 - The 9.97 mill levy will expire in calendar year 2026.
 - Both levies were most recently approved in November 2020 and November 2021, respectively, for five year periods of time.
- The renewal levies are modeled at the bottom of the forecast on line 11.02. The District cannot assume the renewal of levies in the five year forecast, hence, the decrease in this line item over time.

1.010 – Real Estate

- As shown in the graphic below, there would be a substantial loss of revenue if either of the two levies were unsuccessful in being renewed.

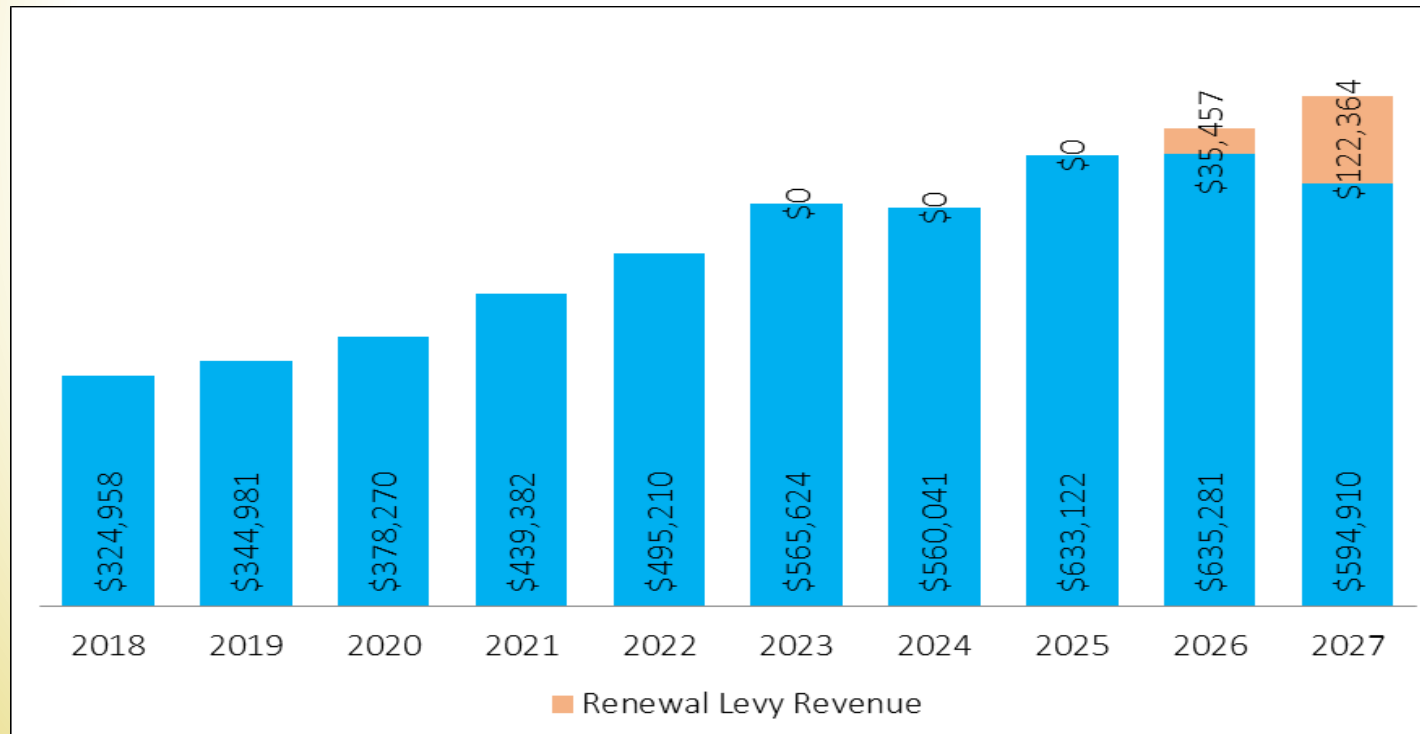


1.010 – Real Estate

- 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.

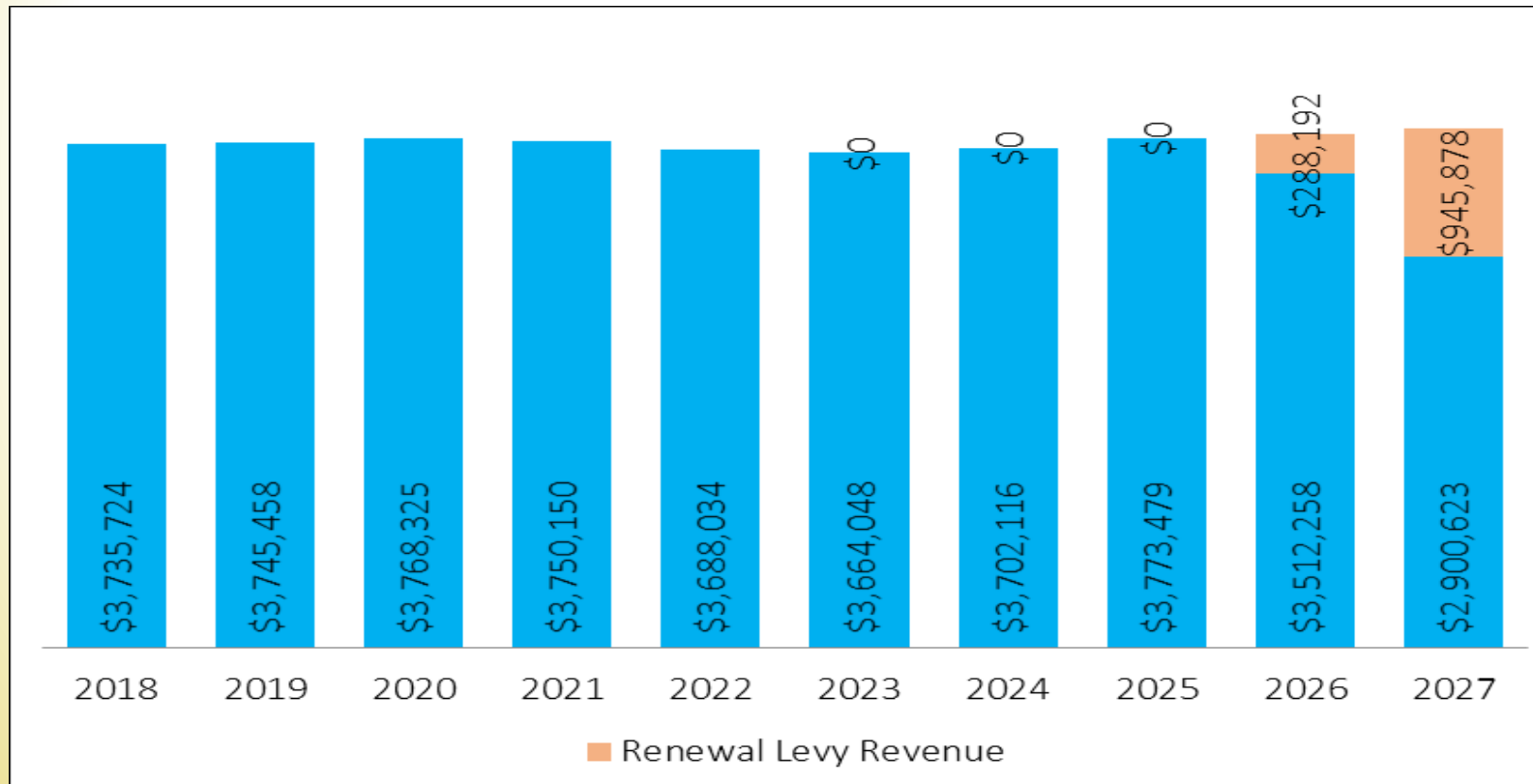
1.02 Public Utility Personal Property

- Public Utility Personal Property represents tax revenues paid by public utilities.
- Property value in the District is relatively small and generates approximately .96% of total 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.



1.05 Property Tax Allocation

- 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.
- Property Tax Allocation generates 6.22% of total revenues.



1.05 Property Tax Allocation

- 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

1.035 - Unrestricted Grants in Aid

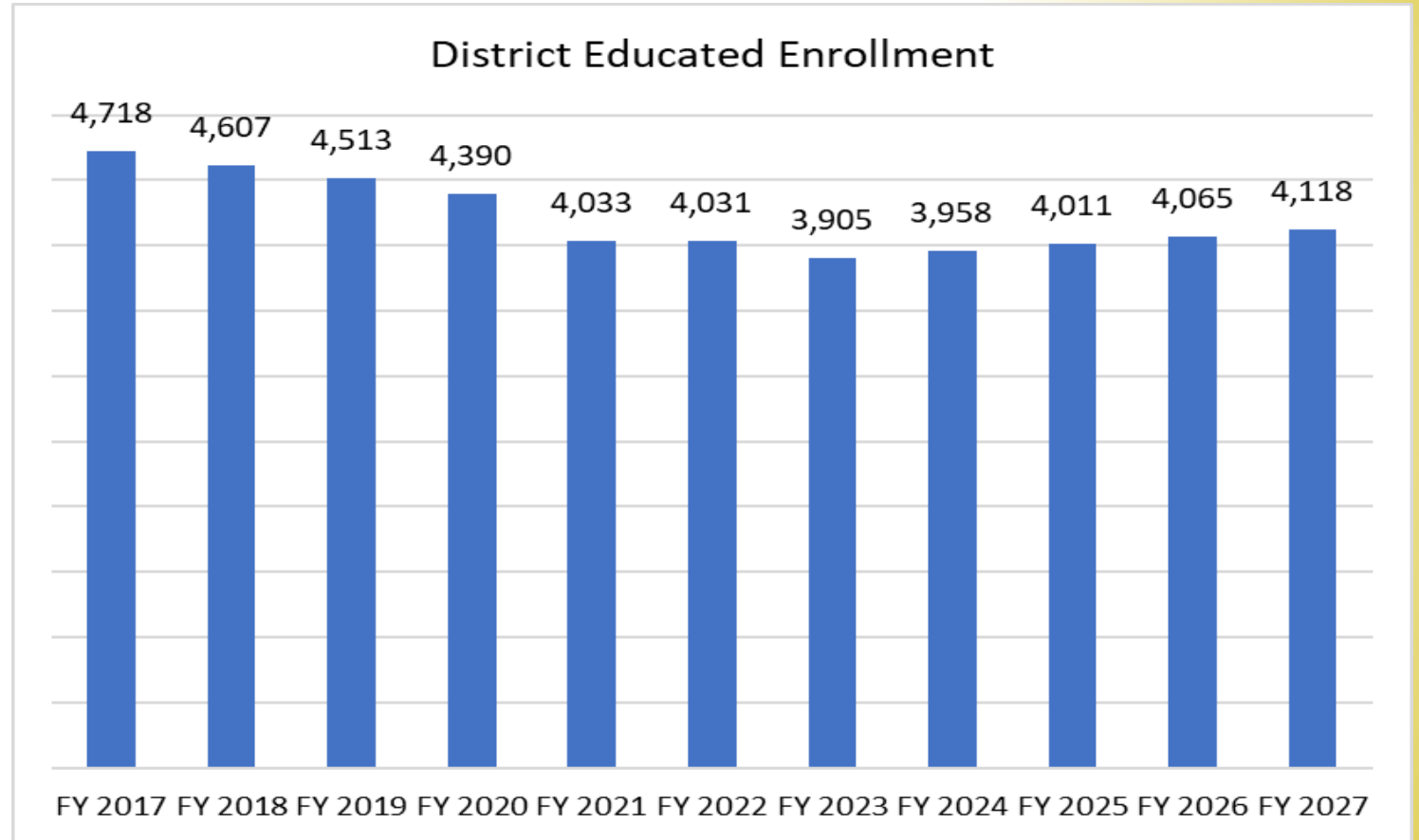
- Unrestricted Grants-in-Aid represent funds received from the state and account for 24.13% of total revenues. This is the second largest source of revenue for the District. In addition to the state foundation funding program, tax revenue proceeds from casinos are included in this category.
- HB 110, the current state budget, implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The FSFP has many significant changes to how foundation revenues are calculated for school districts and how expenses are charged off.
- 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.
- State funding for the FY2024 - FY2027 will depend on two new State biennium budgets. There is no guarantee that the current FSFP will be funded or continued beyond FY2023.

Fair School Funding Plan

- Beginning in FY2022 Ohio adopted the Fair School Funding Plan (FSFP). 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. There will be no separate open enrollment revenue payments to school districts beginning in FY2022.
- Also, the previously deducted expenses from a Districts state foundation funding for open enrollment, community schools, STEM schools, and scholarship recipients will no longer occur as the state will make direct payments to the District where the student is
- HB 110 includes "formula transition aid" which is a guarantee. There are actually three (3) guarantees in both temporary and permanent law to ensure that no District will get less funds in FY2022 than they received in FY2021. The guarantee level of funding for FY2021 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 FY2021 SWSF amounts), enrollment growth supplement funds paid in FY2021 and special education preschool and special education transportation additional aid items.
- Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan
 - 1. Student Population and Demographics
 - 2. Property Valuation
 - 3. Personal Income of District Residents
 - 4. Historical Funding- CAPS and Guarantees from prior funding formulas

Fair School Funding Plan

Perhaps one of the biggest changes that Ohio made to per pupil funding is the definition of enrollment. Starting in FY2022 Ohio will use "district educated" enrollment which is comprised of resident students attending and open enrollment "in" students. In prior funding formulas the district total/ formula ADM was used to calculate state funding.



Fair School Funding Plan

- The current proposed state budget for FY2024-2025, 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 FY2018 to FY2022 numbers. The local capacity amounts were updated to CY2023 in the House version as well. Other proposed changes are as follows:
 - Increases the general phase-in percentage from 33.33% in FY2023 to 50% in FY2024 and 67% in FY2025.
 - Extends payment of the temporary transitional aid and the formula transition supplement to ensure districts are guaranteed to be funded at FY2021 levels, at a minimum through FY2025.
 - Transportation Aid - Increases the minimum state share percentage from 33.33% in FY2023 to 37.5% in FY2024 and 41.67% in FY2025.
- 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.
- 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.

Base Cost

- The current funding formula uses FY2018 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 four (4) areas:
 - Direct Classroom Instruction (60%)
 - Instructional and Student Support (15%)
 - Building Leadership & Operations (20%)
 - District Leadership & Accountability (5%)
- The forecast assumes Base Cost inputs at FY2022 levels. There is no material difference if FY2018 Base Costs inputs are approved during the budget process due to our declining enrollment.

Base Cost - CFCS	FY2023	FY2024	FY2025	FY2026	FY2027
Direct Classroom Instruction	\$ 17,705,166	\$ 18,783,778	\$ 18,677,879	\$ 18,908,136	\$ 19,148,801
Instructional & Student Supports	\$ 4,182,570	\$ 4,521,095	\$ 4,492,540	\$ 4,544,766	\$ 4,606,199
Building Leadership & Operations	\$ 6,628,531	\$ 7,676,019	\$ 7,627,725	\$ 7,717,976	\$ 7,820,612
District Leadership & Accountability	\$ 1,971,187	\$ 1,982,935	\$ 1,973,452	\$ 1,991,175	\$ 2,011,331
Total Calculated Base Cost	\$ 30,487,454	\$ 32,963,827	\$ 32,771,596	\$ 33,162,053	\$ 33,586,943
Enrollment	4151	3990	3965	4011	4065
Per Pupil Cost	\$ 7,344	\$ 8,262	\$ 8,266	\$ 8,267	\$ 8,263

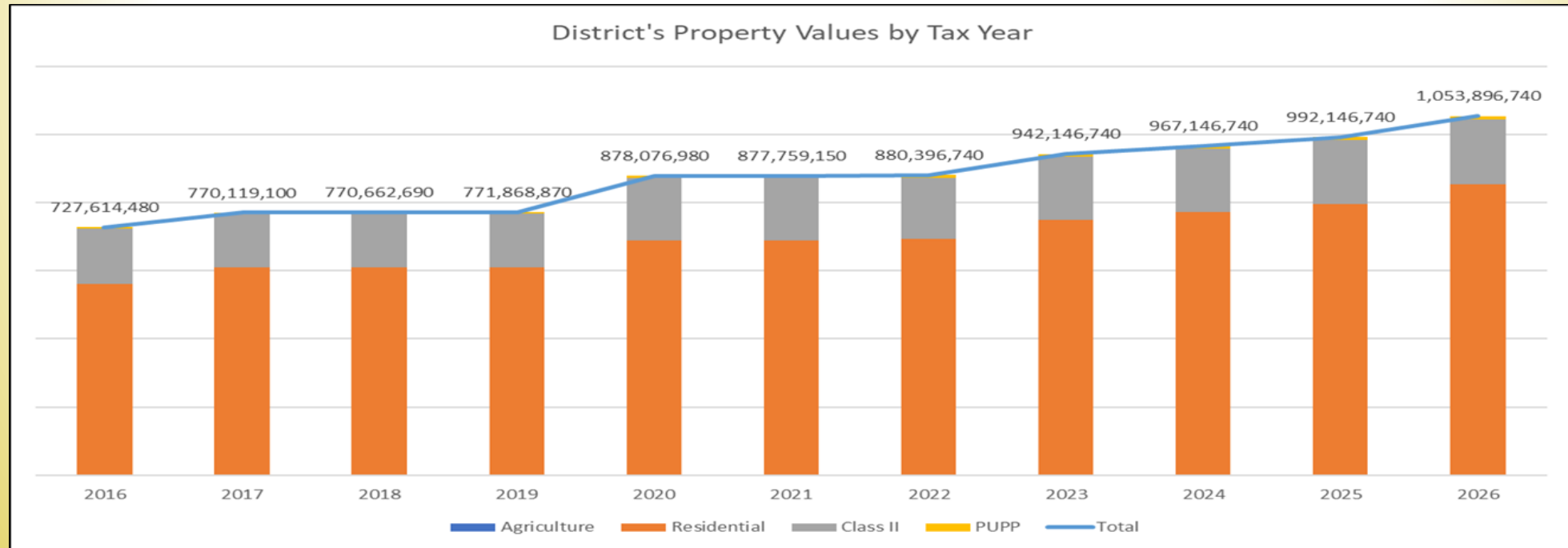
District Funding Model - Base Cost Example				
Direct Classroom Instruction 60% of Base Cost	Base Aid Teacher Funding			
	Grade Level	Pupil Teacher Ratio Per FTE	Headcount Enrollment	Funded Teachers
	Kindergarten	20	57	2.9
	1st Grade	23	64	2.8
	2nd Grade	23	51	2.2
	3rd Grade	23	52	2.3
	4th Grade	25	60	2.4
	5th Grade	25	79	3.2
	6th Grade	25	60	2.4
	7th Grade	25	77	3.1
8th Grade	25	58	2.3	
9th Grade	27	62	2.3	
10th Grade	27	66	2.4	
11th Grade	27	42	1.6	
12th Grade	27	40	1.5	
	Base Aid Teacher Funding		768	31.2
	Other Direct Instruction		Min/Max	
	Specials Teachers (Art, Music, P/E)	1 per 150 students	6 Min	6.0
	Substitute Teachers	5 Days per teacher per year		
	Professional Development	4 PD days per year		
	Other Direct Instruction			
	Total Direct Instruction			
Instructional & Student Supports 15% of Base Cost	Co-curriculars - Academic	Amount per pupil		
	Co-curriculars - Athletic (Inc. Athletic Director)	Amount per pupil		
	High School Guidance Support		1 Min	1.0
	Safety & Security - Non-Personnel	Amount per pupil		
	Supplies & Academic Content	Amount per pupil		
	Library/Media Operations/Support	1 per 1,000 students		0.8
	Success and Wellness	1 per 250 students	5 Min	5.0
Instructional Technology	Amount per pupil			
Total Student Support Instruction				
Total Instructional Costs				
Building Leadership & Operations 20% of Base Cost	Building Leadership	1 per 450 students		1.7
	Building Operations and Support	Amount per pupil		
	Building Leadership Support	1 per 400 students	3 Max	1.9
	Total Building Leadership & Operations			
Total Building Leadership & Operations Costs				
District Leadership & Accountability 5% of Base Cost	Superintendent		1 Min	1
	Treasurer		1 Min	1
	District Leadership	1 per 750 students	2 Min	2.0
	Fiscal Support	1 per 850 students	2 Min	2.0
	EMIS Support	1 per 5,000 students	1 Min	1.0
	ITC Support, Technology Infrastructure Maintenance	Amount per pupil		
	District Leadership Support	1 per 3 administrators	1 Min	1.0
Total District Leadership & Accountability Data				
Total District Leadership & Accountability Costs				

Capacity Per Pupil

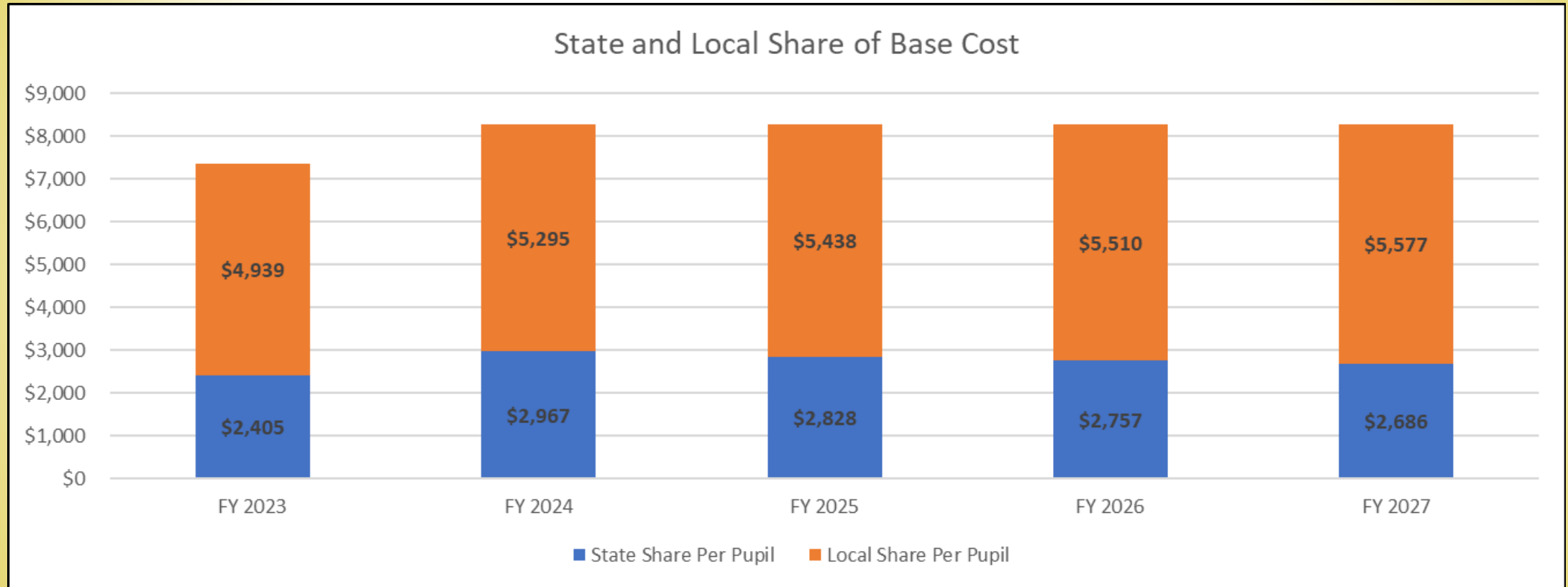
- The Fair School Funding Plan (FSFP) relies upon a calculation of base cost to educate a student that is unique to each district. The calculation uses enrollment and student demographics to determine cost for teachers, other staff, supplies, etc. Once the base cost is calculated, the FSFP calculates a state share percentage (SSP) calculation. 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 property valuation of the district, federally adjusted gross income, and federal median income, as follows:
 - 60% based on most recent three (3) year average assessed values or the most recent year, whichever is lower divided by base students enrolled.
 - 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.
 - 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.
 - 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.

Capacity Per Pupil

Capacity per Pupil - Cuyahoga Falls CSD	FY2023	FY2024	FY2025	FY2026	FY2027
Total Valuation	\$ 842,568,333	\$ 878,744,290	\$ 900,100,877	\$ 929,896,740	\$ 967,146,740
Federal Adjusted Gross Income	\$ 1,202,976,501	\$ 1,225,381,691	\$ 1,242,422,349	\$ 1,266,237,148	\$ 1,290,508,431
Returns X Median	\$ 934,465,496	\$ 958,893,953	\$ 983,961,010	\$ 1,009,683,361	\$ 1,036,078,136
Capacity	\$ 933,029,399	\$ 964,101,703	\$ 985,337,198	\$ 1,013,122,146	\$ 1,045,605,357
Enrollment	4151	3990	3965	4011	4065
Capacity Per Pupil	\$ 224,757	\$ 241,651	\$ 248,537	\$ 252,558	\$ 257,234
Median Income Capacity Multiplier	2.20%	2.19%	2.19%	2.18%	2.17%
Local Capacity Per Pupil	\$ 4,939	\$ 5,295	\$ 5,438	\$ 5,510	\$ 5,577
State Share Per Pupil	\$ 2,405	\$ 2,967	\$ 2,828	\$ 2,757	\$ 2,686
Per Pupil Base Cost	\$ 7,344	\$ 8,262	\$ 8,266	\$ 8,267	\$ 8,263



Fair School Funding Plan



1.040 - Restricted Grants in Aid

- In addition to the base state foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY2022, some of which will have the state share percentage applied to these calculations.
- 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 more than doubled in FY2022 due to the changes that are included in HB110.
- DPIA funding was phased in at 0% in FY2022 and 33.33% in FY2023. HB33 increases the general phase-in percentage to 50% in FY2024 and 67% in FY2025.
- HB33 also provides increases to Gifted Funds by increasing per pupil funding for the gifted professional development component from \$14 in FY2023 to \$21 in FY2024 and \$28 in FY2025.
- Transportation categorical funds are not be subject to a phase-in.

Categorical State Funding and Phase-In

Unrestricted Categorical State Aid

- 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 FY2019 ADM.
- 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 Districts' calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.
- 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 FY2022 and 33.33% in FY2023.

Restricted Categorical State Aid

- Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding, DPIA 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 FY2022 and 33.33% for FY2023.
- English Learners - Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
- Gifted Funds -Based on average daily membership multiplied by a weighted amount per pupil.
- Career-Technical Education Funds - Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
- 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.

Categorical State Funding and Phase-In

Categorical Funding (No Phase-in)	FY2023	FY2024	FY2025	FY2026	FY2027
Special Education Additional Funding	\$ 1,684,979	\$ 2,013,730	\$ 1,944,251	\$ 1,920,320	\$ 1,896,603
Career-Technical Education	\$ 138,815	\$ 165,899	\$ 160,175	\$ 158,203	\$ 156,250
English Learners	\$ 131,799	\$ 157,514	\$ 152,079	\$ 150,208	\$ 148,352
Gifted	\$ 179,025	\$ 197,281	\$ 190,529	\$ 188,414	\$ 186,263
Total Categorical Funding (No Phase-in)	\$ 2,134,618	\$ 2,534,424	\$ 2,447,034	\$ 2,417,145	\$ 2,387,468
Catastrophic Cost Set Aside	\$ (140,450)	\$ (151,407)	\$ (160,426)	\$ (170,166)	\$ (168,585)
Total Less Set Aside	\$ 1,994,168	\$ 2,383,017	\$ 2,286,608	\$ 2,246,979	\$ 2,218,883
Categorical Funding (Phased-in)	FY2023	FY2024	FY2025	FY2026	FY2027
Disadvantaged Pupil Impact Funding	\$ 581,071	\$ 584,713	\$ 645,120	\$ 709,142	\$ 716,372
Targeted Assistance/Capacity Funding	\$ -	\$ -	\$ 228,998	\$ 574,862	\$ 900,154
Transportation Funding	\$ 237,141	\$ 266,390	\$ 294,917	\$ 323,252	\$ 480,703
Student Wellness & Success Funding	\$ 512,595	\$ 528,047	\$ 526,163	\$ 563,069	\$ 556,963
Total Phased-in Categorical Funding	\$ 1,330,807	\$ 1,379,150	\$ 1,695,198	\$ 2,170,325	\$ 2,654,192

Ohio's Fair School Funding Plan - Detailed Funding Results

Local Demographics		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
.A	Per Pupil Base Cost (SF4 Line C)	\$ 7,344	\$ 8,262	\$ 8,266	\$ 8,267	\$ 8,263
.A1	State Per Pupil Share (SF4 Line E)	\$ 2,405	\$ 2,967	\$ 2,828	\$ 2,757	\$ 2,686
.A2	Current District Educated Enrollment (SF1a)	\$ 3,905	\$ 3,958	\$ 4,011	\$ 4,065	\$ 4,118
Current Year's FSFP Formula Funding:						
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
.C	State's Share of Base Cost Amt. (SF4 Line I)	\$ 9,389,700	\$ 11,743,930	\$ 11,343,981	\$ 11,205,270	\$ 11,061,573
.D	State's Share of Categoryicals (SF5)	\$ 2,134,619	\$ 2,534,424	\$ 2,447,034	\$ 2,417,145	\$ 2,387,468
.E	Targeted SF6 (without Supplemental)	\$ -	\$ -	\$ 228,998	\$ 574,862	\$ 900,154
.F	Calculated FSFP Formula Funding (C+D+E)	\$ 11,524,318	\$ 14,278,354	\$ 14,020,012	\$ 14,197,277	\$ 14,349,195
FY 2020 Guarantee Base Funding:						
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
.G	2020 SFPR Base Funding w/o DPIA (Result 1)	\$ 14,500,495	\$ 14,500,495	\$ 14,500,495	\$ 14,500,495	\$ 14,500,495
.H	FSFP Formula to FY20 Base Difference (F - G)	\$ (2,976,177)	\$ (222,141)	\$ (480,482)	\$ (303,218)	\$ (151,300)
.I	Formula Phase In or CFO's (below)	\$ 0	\$ 0	\$ 1	\$ 1	\$ 1
.J	FSFP Formula Phase In Current Years' (H x I)	\$ (991,960)	\$ (74,040)	\$ (240,241)	\$ (202,156)	\$ (100,872)
.K	2020 SFPR + FSFP Formula Phase In (G + J)	\$ 13,508,535	\$ 14,426,455	\$ 14,260,254	\$ 14,298,339	\$ 14,399,623
Add-on DPIA and Supplemental Targeted						
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
.L	2020 DPIA Base (Step SF6)	\$ 474,777	\$ 474,777	\$ 474,777	\$ 474,777	\$ 474,777
.M	Calculated DPIA (Step SF6)	\$ 793,690	\$ 804,619	\$ 815,463	\$ 826,307	\$ 837,152
.N	DPIA Phase In or CFO's (below)	\$ 0	\$ 0	\$ 1	\$ 1	\$ 1
.O	Phased In DPIA Funding (L +(M - L)*N)	\$ 581,071	\$ 584,713	\$ 645,120	\$ 709,142	\$ 716,372
.P	Supplemental Targeted (SF6)	\$ -	\$ -	\$ -	\$ -	\$ -
.Q	Add-on DPIA and Supplemental Targeted (O + P)	\$ 581,071	\$ 584,713	\$ 645,120	\$ 709,142	\$ 716,372

- The FY2020 Funding Base is used to establish the Base State Funding and the temporary transitional aid guarantee.
- Initially the law required the Ohio Department of Education to include the FY2020 special education excess cost adjustment (paid in FY2021) in the calculation of the FY2020 Funding Base.
- Since this was not in the simulations or the intent of the FSFP, ODE flagged the issue last fall. Because of the lateness in the fiscal year, the General Assembly did not change the FY2020 Funding Base for use in FY2022 but did direct ODE to remove this adjustment from the FY2020 Funding Base in FY2023.
- For Cuyahoga Falls, this adjustment resulted in a reduction of \$522,963 to our FY2020 Guarantee Base Funding in FY2023.

Ohio's Fair School Funding Plan - Detailed Funding Results

Base FY20 Guarantee Calculation		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
.R	Current FY Funding (K+ Q)	\$ 14,089,606	\$ 15,011,168	\$ 14,905,374	\$ 15,007,482	\$ 15,115,996
.R1	2020 Base (G) Plus DPIA Base (L)	\$ 14,975,272	\$ 14,975,272	\$ 14,975,272	\$ 14,975,272	\$ 14,975,272
.R2	'20 Base Transitional Aid (R1 - R) (Result 1) Formula Phase In or CFO's (below)	\$ 885,666	\$ -	\$ 69,898	\$ -	\$ -
YOY Analysis						
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Unphased-in Formula (H - J)		\$0	\$0	\$0	\$0	\$0
YOY Change			\$0	\$0	\$0	\$0
FY 2020 Guarantee Line R2		\$885,666	\$0	\$69,898	\$0	\$0
YOY Change			(\$885,666)	\$69,898	(\$69,898)	\$0

Ohio's Fair School Funding Plan - Summary Funding Results (SF8)

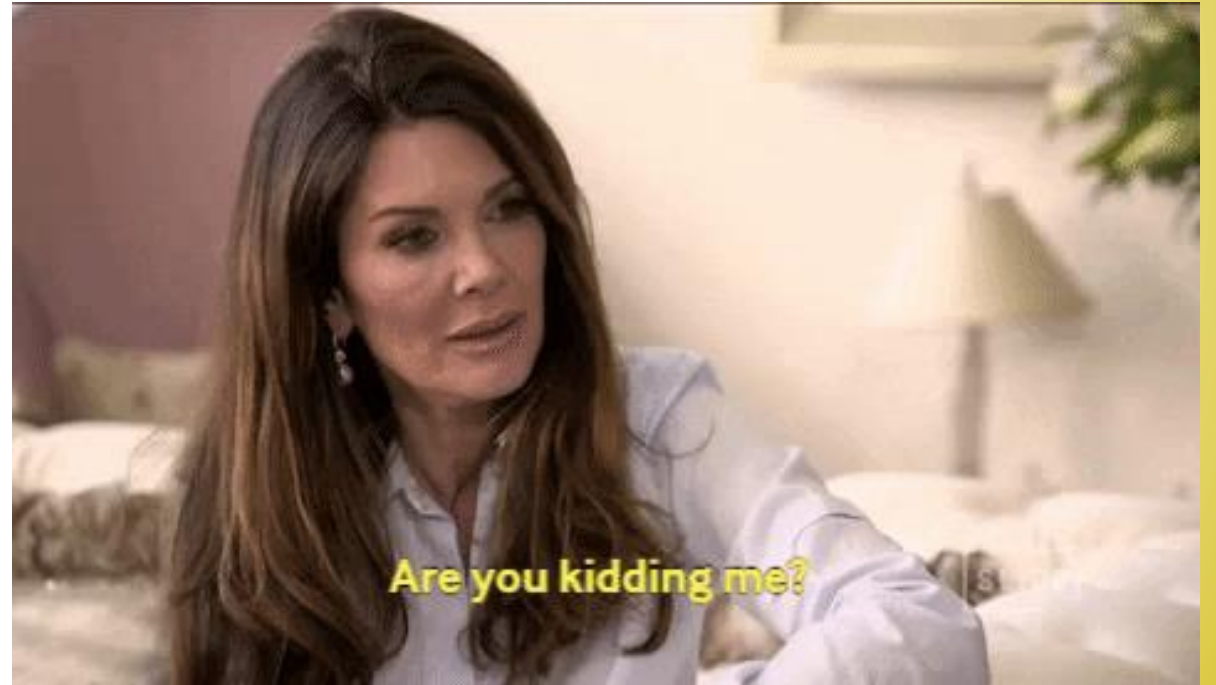
Funding Summary		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
.R3	Current Year's Funding (R + R2)	\$ 14,975,272	\$ 15,011,168	\$ 14,975,272	\$ 15,007,482	\$ 15,115,996
.S1	Open Enrolled ADM Loss Impact (Result 2)	\$ -	\$ -	\$ -	\$ -	\$ -
.S2	Special Education Set-Aside (SF5)	\$ (140,450)	\$ (151,407)	\$ (160,426)	\$ (170,166)	\$ (168,585)
.T1	Career Awareness Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
.T2	CTC Associated Services Adj.	\$ (10,549)	\$ (12,607)	\$ (12,172)	\$ (12,022)	\$ (11,873)
.T3	Transportation (SF7)	\$ 237,141	\$ 266,390	\$ 294,917	\$ 323,252	\$ 480,703
.U	FY 2021 Transition Supp Result 3	\$ -	\$ -	\$ -	\$ -	\$ -
.V	CFO Bottom Line Funding Adjustment Below	\$ 53,058	\$ -	\$ -	\$ -	\$ -
Total State Funding						
		\$15,114,473	\$15,113,545	\$15,097,591	\$15,148,546	\$15,416,240
YOY Change			\$52,129	(\$15,954)	\$50,955	\$267,694
YOY % Change			0.35%	-0.11%	0.34%	1.77%
Trend Indicator of Funding Status		Guarantee	Formula	Guarantee	Formula	Formula
FY 20 + FY 21 Base Guarantee Total		\$885,666		\$69,898		

1.035 - Unrestricted Grants in Aid/1.040 - Restricted Grants in Aid

Summary	FY2023	FY2024	FY2025	FY2026	FY2027
Total Funding	\$ 15,114,473	\$ 15,113,545	\$ 15,097,591	\$ 15,148,546	\$ 15,416,240
Casino Revenue	\$ 260,863	\$ 268,120	\$ 274,451	\$ 280,882	\$ 287,414
Preschool Funding	\$ 299,012	\$ 302,033	\$ 297,482	\$ 295,168	\$ 292,924
Special Education Transportation	\$ 157,312	\$ 179,396	\$ 202,017	\$ 225,176	\$ 248,872
Totals	\$ 15,831,660	\$ 15,863,094	\$ 15,871,541	\$ 15,949,772	\$ 16,245,450
Restricted Categorical State Aid - CFCSD	\$ 1,611,844	\$ 1,666,287	\$ 1,705,558	\$ 1,752,575	\$ 1,751,600
Catastrophic Cost Restricted	\$ 548,710	\$ 548,710	\$ 548,710	\$ 548,710	\$ 548,710
Total Restricted	\$ 2,160,554	\$ 2,214,997	\$ 2,254,268	\$ 2,301,285	\$ 2,300,310
Total Unrestricted	\$ 14,219,816	\$ 14,196,807	\$ 14,165,983	\$ 14,197,197	\$ 14,493,850
Total State Funding	\$ 16,380,370	\$ 16,411,804	\$ 16,420,251	\$ 16,498,482	\$ 16,794,160

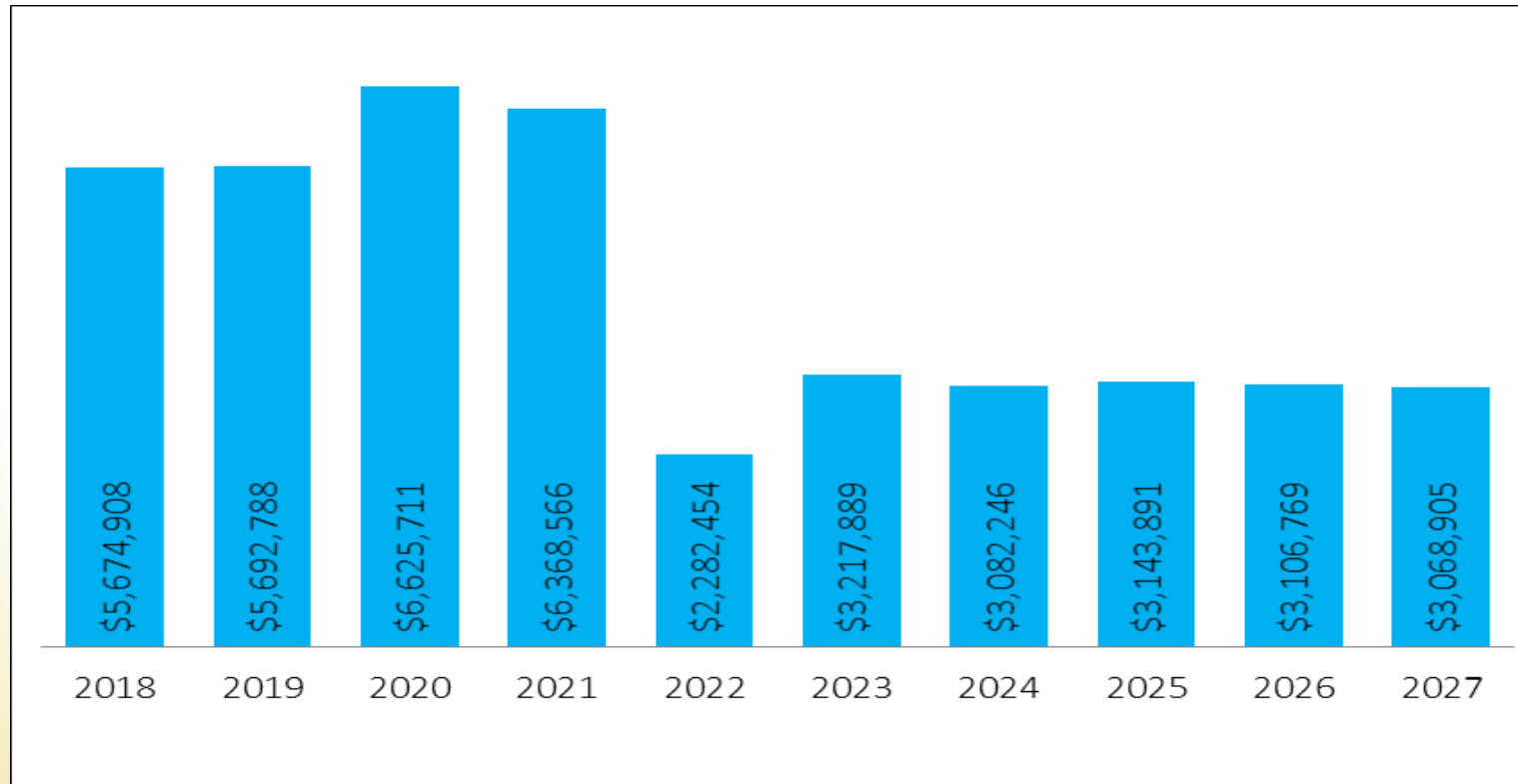
- It is estimated that nearly 420 districts were on one form of a guarantee in FY2022 and in general the same number will occur in FY2023, since state average costs were frozen at FY2018 in the Base Cost calculations, while property values and Federal Adjusted Gross Income will be allowed to update and increase for FY2023, which should push districts towards one of the three (3) guarantees.

1.035 - Unrestricted Grants in Aid/1.040 - Restricted Grants in Aid



1.060 All Other Operating Revenues

- Includes revenue from interest on investments, rental income for use of facilities, excess costs/tuition for non-resident students, pay-to-participate fees, and other local sources, if any.



1.060 All Other Operating Revenues

- 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 FY2022. FY2022 and beyond will not include any open enrollment in revenue. FY2021 open enrollment in revenue was \$3,250,174.
- In FY2021 and FY2022 interest income fell due to the pandemic; however, in FY2023 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 Operating Revenues account for 5.46% of total revenues.

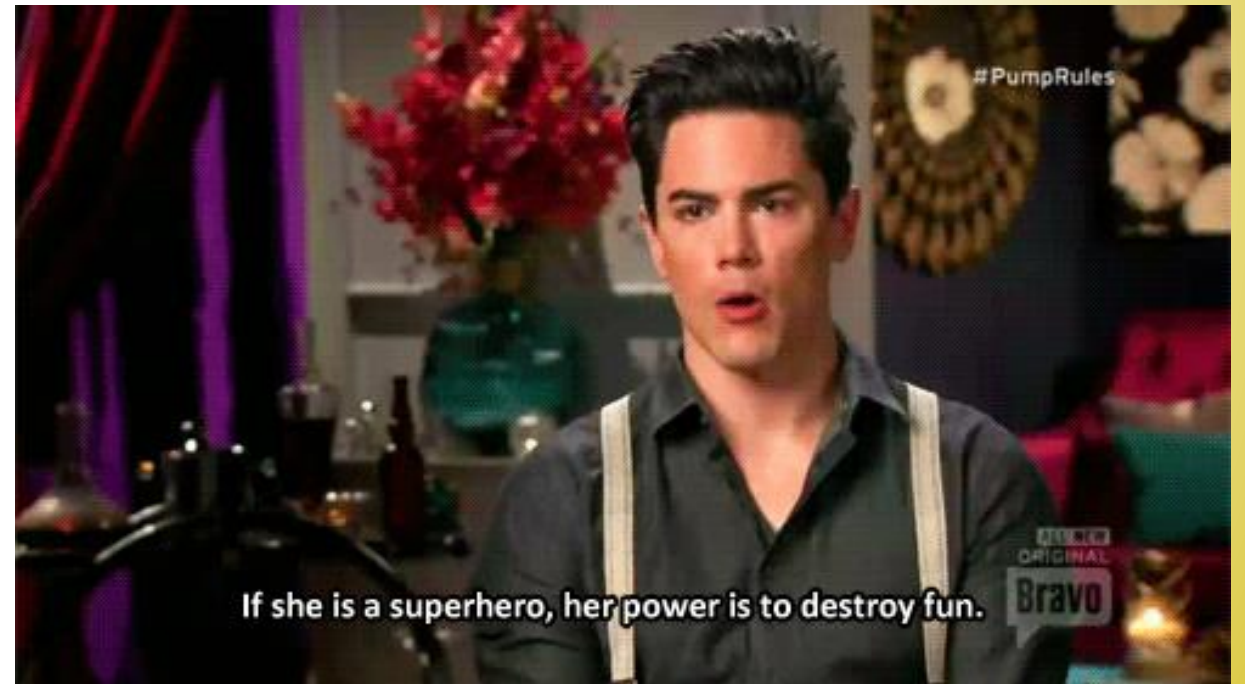
2.07 Total Other Financing Sources

- 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 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 FY2023, the return of advances from the previous year is \$2,603,254 due in large part from advances to ESSER and construction funds.



I've just always had
a knack for numbers

SLICE

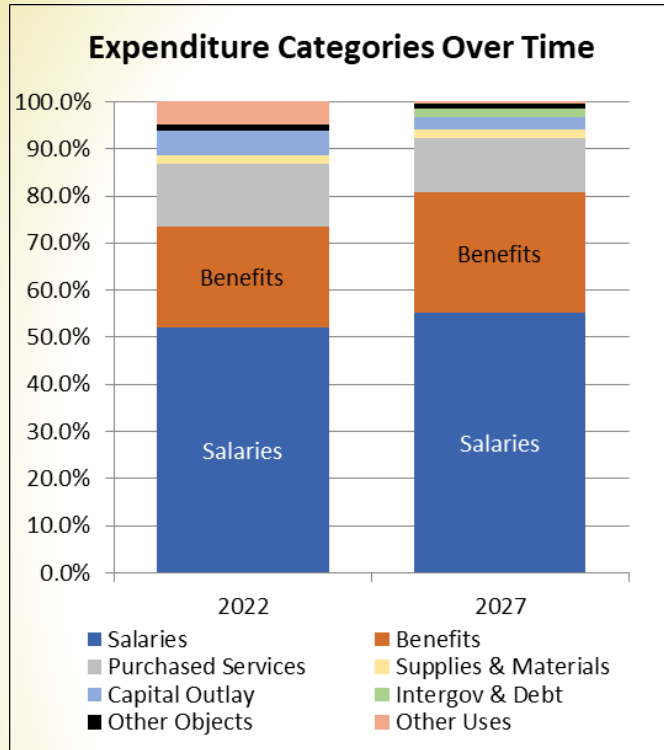


#PumpRules

If she is a superhero, her power is to destroy fun.

BRAVO ORIGINAL
Bravo

EXPENDITURES



	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change
Salaries	504,876	1,078,148
Benefits	\$104,803	\$842,804
Purchased Services	(\$618,864)	(\$29,751)
Supplies & Materials	\$5,077	\$29,882
Capital Outlay	\$585,890	(\$300,055)
Intergov & Debt	\$0	\$247,478
Other Objects	\$46,898	(\$16,007)
Other Uses	\$462,512	(\$511,118)
Total Average Annual Change	\$1,085,649	\$1,341,380
	1.93%	2.30%

- **The District's two largest expenditure categories, salaries and benefits, account for 79.64% of total expenditures.**
- **Historically, on average, total expenditures increased 1.93%.**
- **The District's operating expenditures increase by an average of 2.30% annually. This exceeds the .45% annual increase projected in total revenues.**

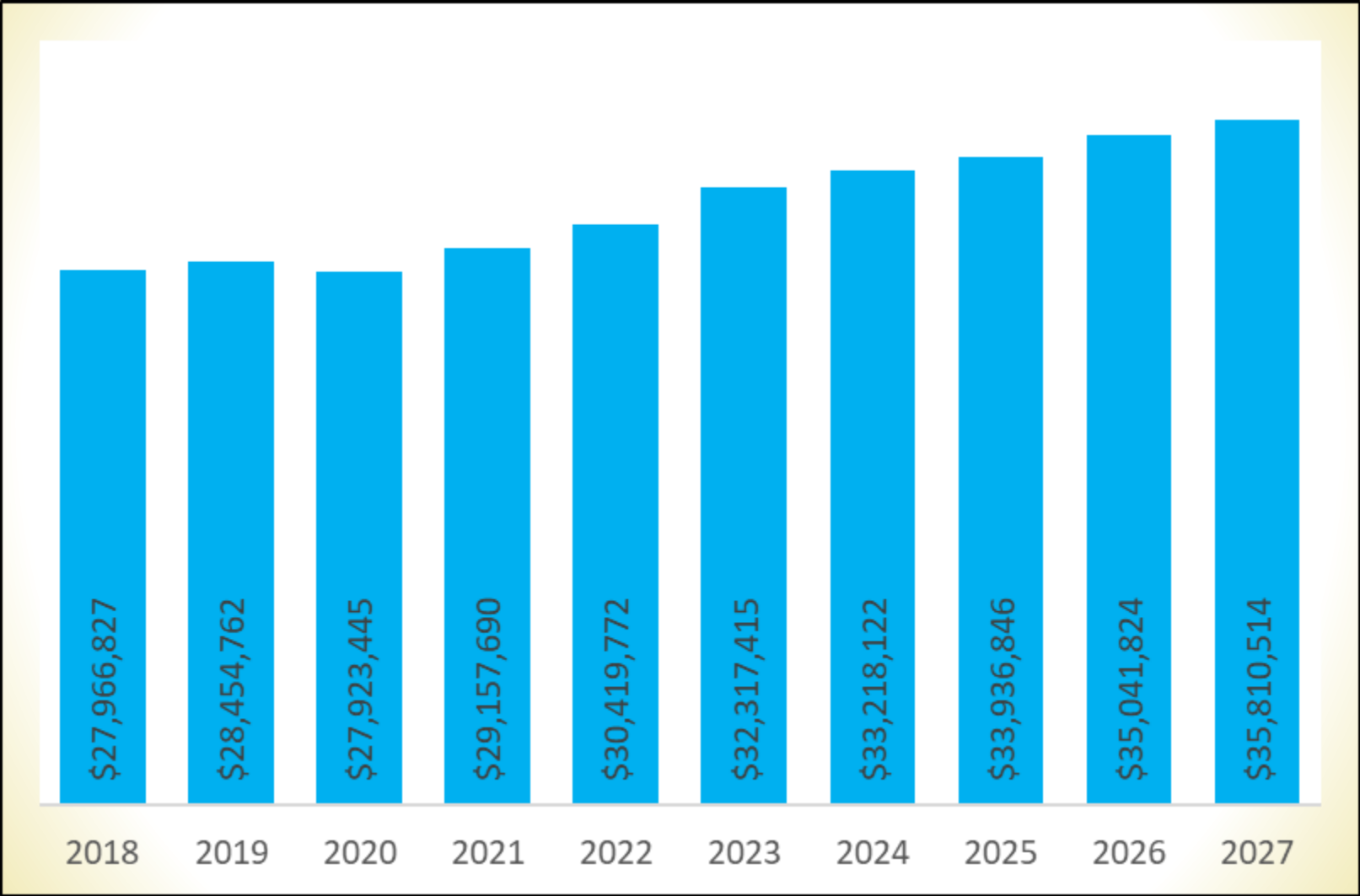
EXPENDITURES

- 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 FY2022 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 FY2023; 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

- Personnel Services are 56.42% of the District's operating expenditures.
- 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 FY2018 and FY2019. Base salaries were increased 2% in FY2018 and 1.5% in FY2019.
- All three unions entered into agreements to extend their contracts for one year in FY2020 with no base increase on salaries.
- In FY2021 the Board ratified agreements with all three unions for FY2021 - FY2023. These agreements include increases to the base wages of 1.5% in FY2021, 2.5% in FY2022, and 2.5% in FY2023. In addition, employees who had their step frozen during FY2012 had that step restored to them in FY2021. All three (3) contracts will expire at the end of FY2023. The District is currently in negotiations with all three unions at the time of this forecast.
- FY2024 - FY2027 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.

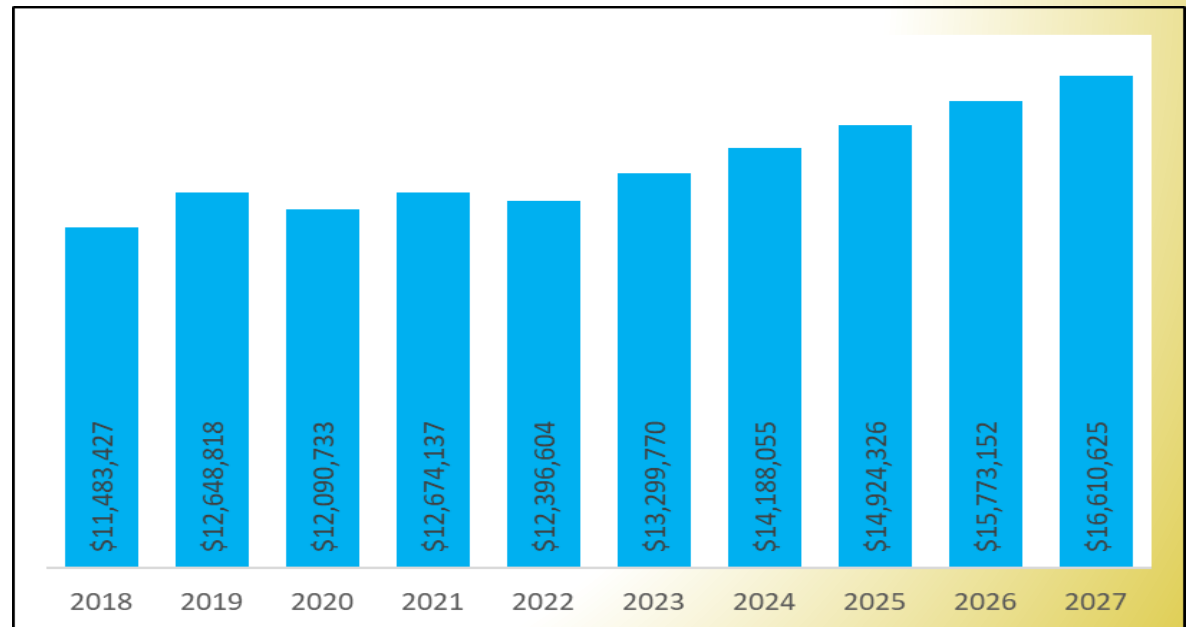
3.010 Personnel Services



3.020 Employee Retirement/Insurance Benefits

- Employee benefits are 23.22% of operating expenditures.
- Included in this category are retirement, Medicare, health insurance, and workers' compensation.
- During negotiations in FY2021 all three unions agreed to increase co-pays and co-insurance further reducing overall costs in future years.
- 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.

- Insurance Premiums (Medical)
 - FY19 – 8.5% Increase
 - FY20 – 0.0% Increase
 - FY21 – 4.9% Increase
 - FY22 – 1.0% Increase
 - FY23 – 4.6% Increase
 - FY24 – 7.8% Increase
 - FY25-FY27 – 8% Increase (Estimated)

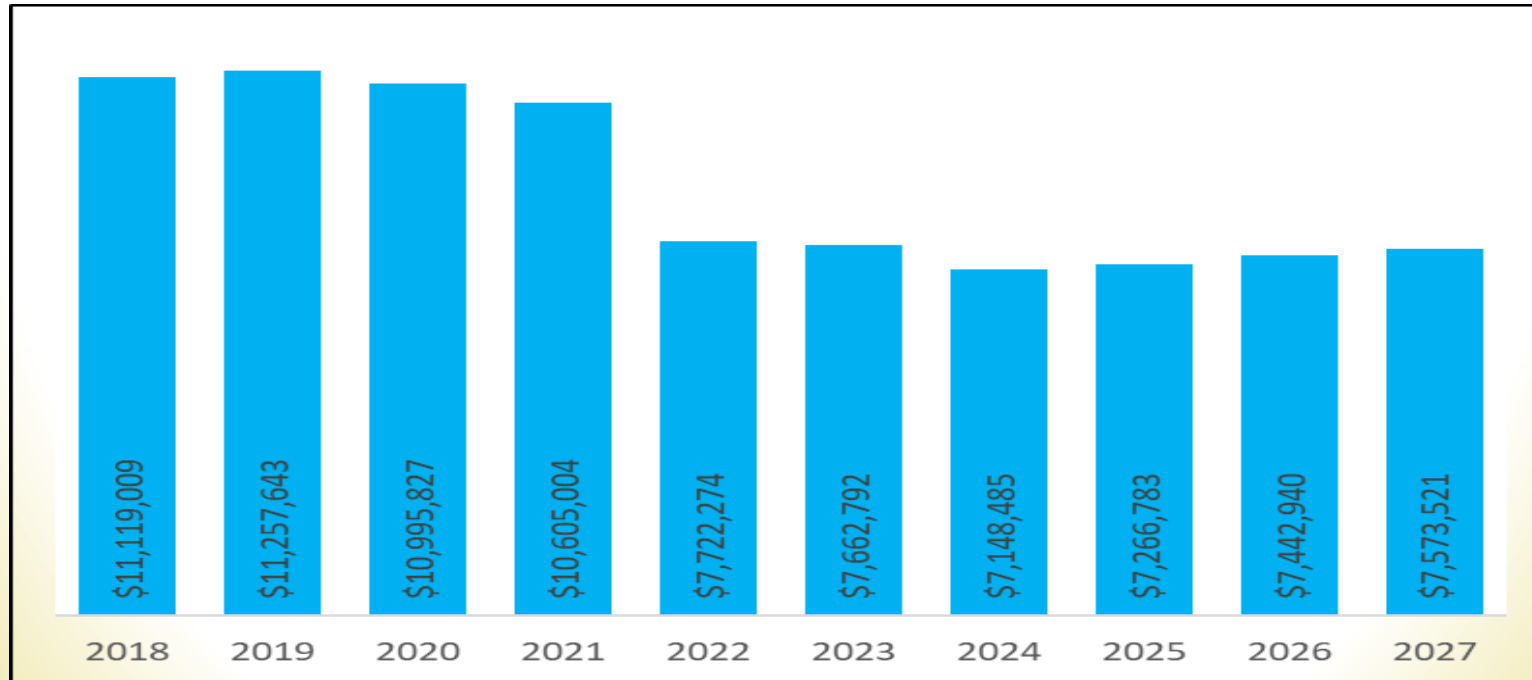


3.030 Purchased Services

- Expenses 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 FY2022, the majority of the spending in purchased services has been driven by state and federal mandated spending. The mandated spending includes deductions for community school students, students taking Jon Peterson, EdChoice or Autism scholarships, tuition to STEM school at Bio-Med, as well as for increasing numbers of students with special needs.
- HB 110, the current state budget, impacted Purchased Services beginning in FY2022 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.

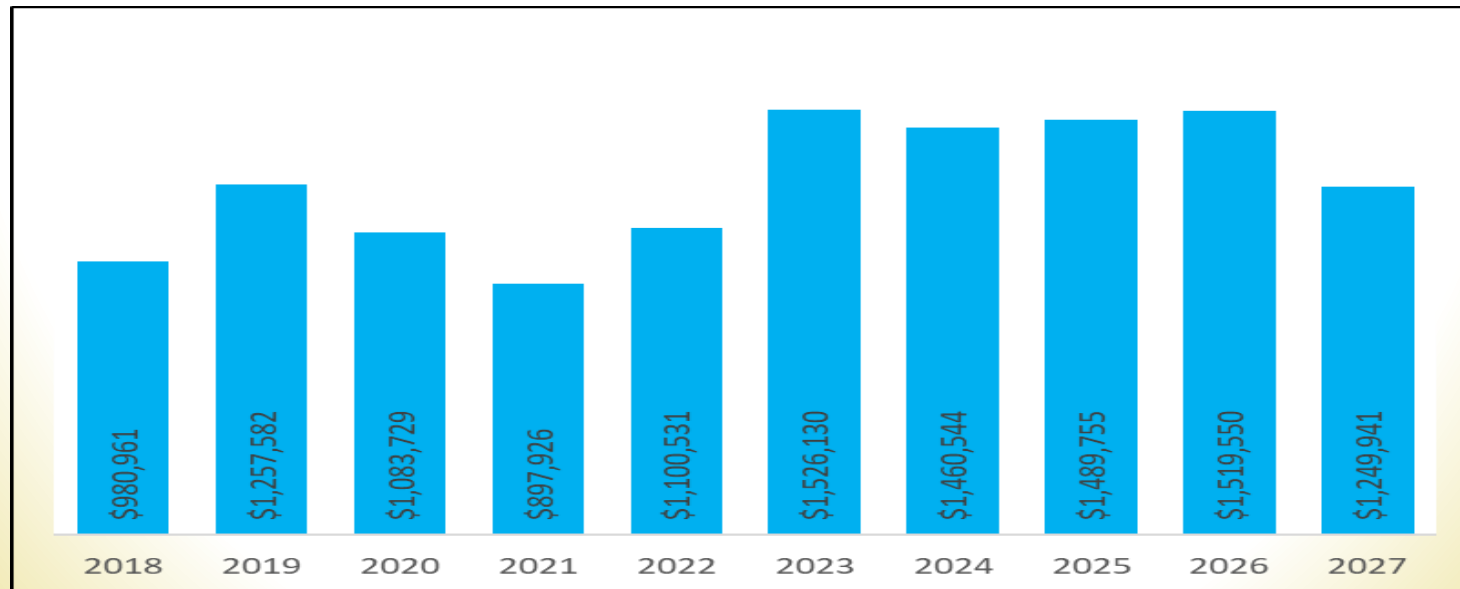
3.030 Purchased Services

- There is a one time increase in FY2022 for preschool services due to a change in billing cycles, from one installment per year to two, by the Summit County ESC.
- Purchased Services represent 13.38% of total expenditures.



3.040 Supplies and Materials

- 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 FY2023 – FY2026 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.

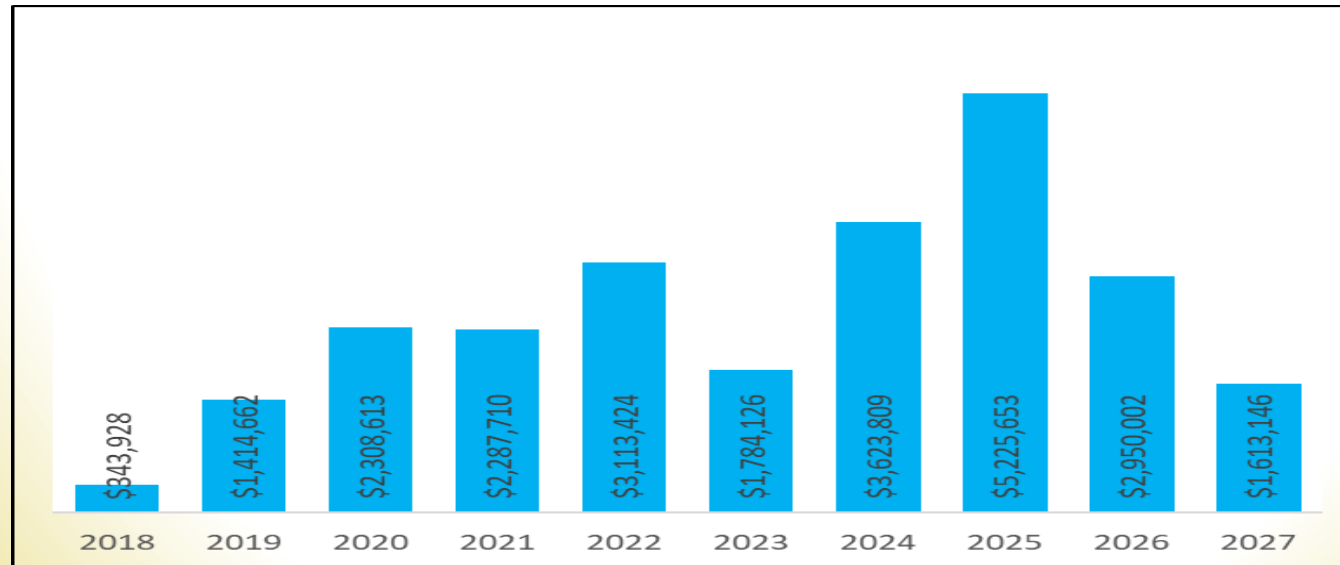


3.050 Capital Outlay

- 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.
- Major projects during FY2023 include repairs to the roof at Roberts, Preston, and Price, updates to the High School weight room, and parking lot paving/repairs district wide.
- FY2025 shows a one time increase to technology equipment for Chromebook replacements
- Capital Outlay represents 3.11% of total expenditures.

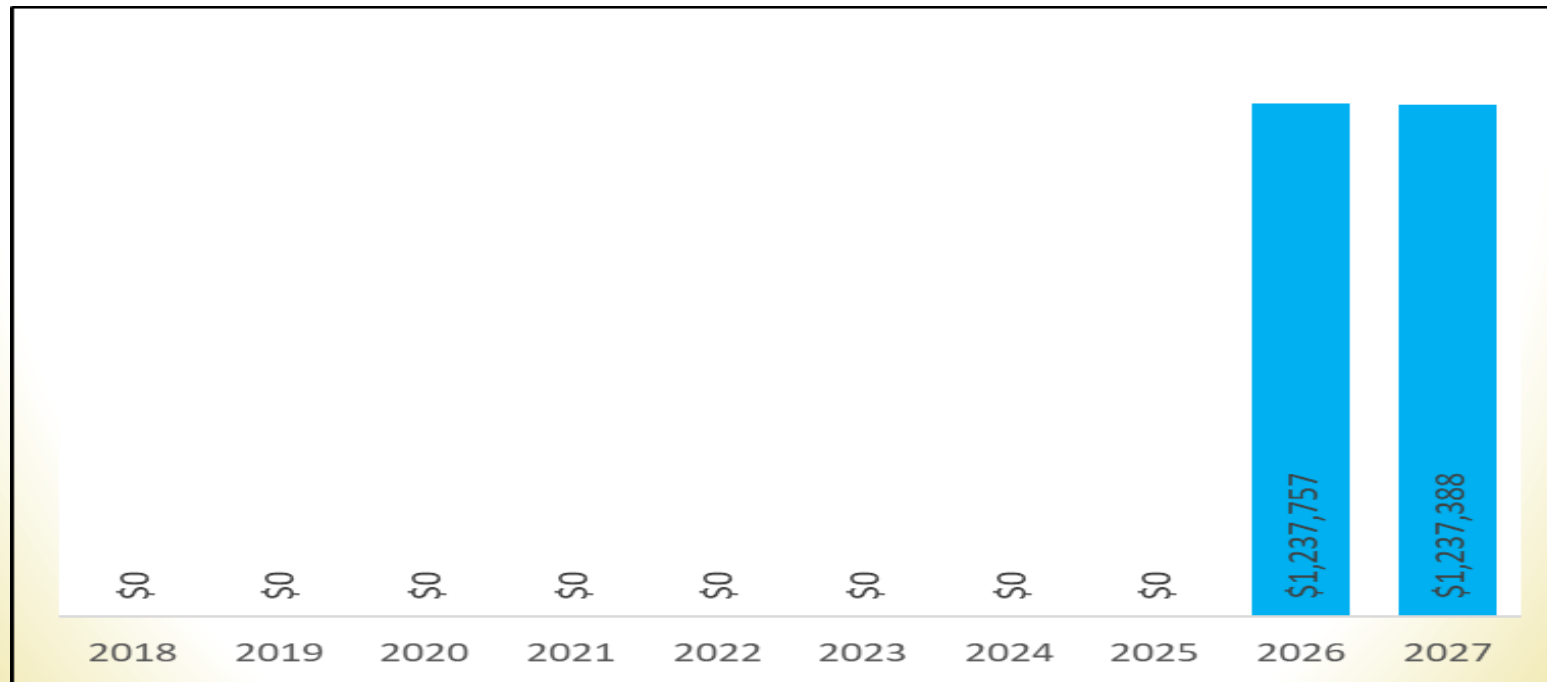
3.050 Capital Outlay

- Capital Outlay continues to be impacted by the passage/renewal of the \$3,600,000 Emergency Levy.
- FY2024 through FY2026 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 FY2027. These expenditures include roofs (repair/replacement), trucks/trailer/vans, technology, parking lot (repairs/new), boilers, buses, and equipment.



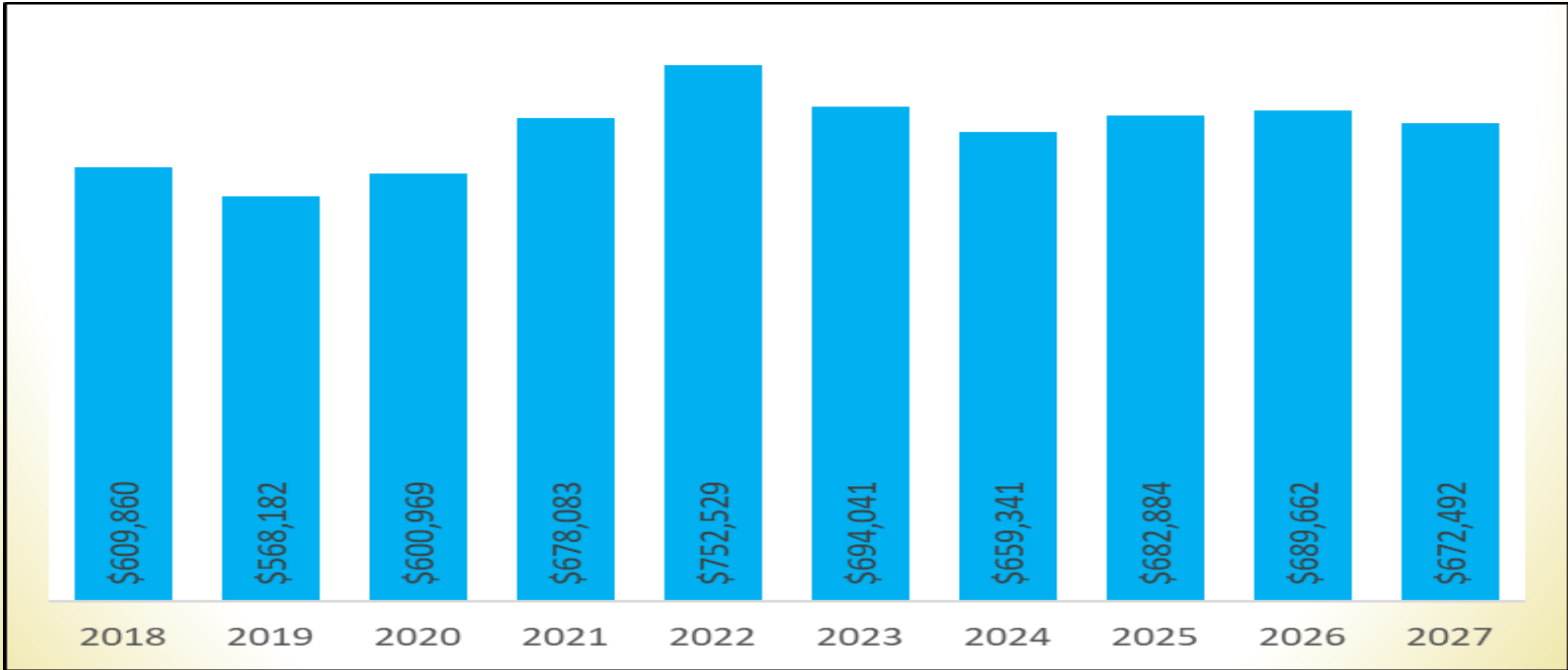
3.060 - 4.060 Intergovernmental & Debt

- 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. of
- Repayment on this debt out of the general fund is approximately \$1.2 million dollars per year and will begin in FY2026 and continue through FY2053.



4.30 Other Objects

- These expenses include payments to the Summit County Auditors, fees 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 FY2023, FY2025, and FY2026. 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.



5.04 Total Other Financing Uses

- These expenses include transfers and advances paid out of General Fund and monies returned from prior year receipts.
- This line represents the advance of general funds advanced 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 expense (line 2.050) in the prior fiscal year, resulting in no gain or loss to the District.
- In FY2023, the return of advances from the previous year is \$2,603,254 due in large part to advances to ESSER and construction funds.

5.04 Total Other Financing Uses

- 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. The District monitors these closely to protect our tax base. FY2022 saw a significant increase in taxpayer refunds.
- New legislation restricting the District's ability to challenge these appeals will further increase expenses in this category through FY2027. Changes in legislation include the following:
 - Prohibits boards of education (BOE) from filing residential and agricultural complaints.
 - Permits BOE to file commercial complaints only when (1) the property was sold in the year before the tax year for which the complaint was filed and (2) the sale price was at least 10 percent and \$500,000 more than the auditor's value. The \$500,000 value is for tax year 2022. The amount will be indexed to inflation each year going forward.
 - Requires a BOE to provide notice and pass a resolution for each parcel, with the notice going to the tax address and mailing address.
 - Requires a BOE to give notice to property owners at least seven days in advance when they plan to vote on a resolution authorizing a valuation challenge.
 - Eliminates notice to BOE for counter-complaints, which means:
 - BOE will no longer receive notice from the County Auditor when a complaint is filed, which means that districts will have to file counter complaints within 30 days of the date the owner files the original complaint.
 - However, property owners must still receive notice of BOE complaints and have 30 days from receipt of that notice to file a counter-complaint.
 - Bars settlement agreements entered into after the effective date of the legislation.
 - Provides that the BOR must dismiss a case if it is not decided within 1 year of its filing.
 - Prohibit a BOE from filing an appeal of a BOR decision.



6.010 Revenues over Expenditures

- Give a good sense of a school district's fiscal health.
- A positive number indicates that a school district spent within its revenue for that fiscal year.
- A negative number indicates that a district's expenditures exceeded the revenue generated for that fiscal year resulting in a reduction to any surplus the district holds.



GOAL – THIS NUMBER SHOULD NEVER BE NEGATIVE



6.010 Revenues over Expenditures – How are we doing?

November 2022 Forecast:

Without Renewal Levies Included	2020	2021	2022	2023	2024	2025	2026	2027
6.010 - Excess of Revenue Over/(Under) Expenditures	\$ 4,019,081	\$ 4,082,509	\$ 858,302	\$ 1,999,942	\$ (1,724,866)	\$ (3,172,570)	\$ (5,775,012)	\$ (13,935,257)
With Renewal Levies Included	2020	2021	2022	2023	2024	2025	2026	2027
6.010 - Excess of Revenue Over/(Under) Expenditures	\$ 4,019,081	\$ 4,082,509	\$ 858,302	\$ 1,999,942	\$ (1,724,866)	\$ (3,172,570)	\$ (2,818,388)	\$ (4,288,468)

May 2023 Forecast:

Without Renewal Levies Included	2020	2021	2022	2023	2024	2025	2026	2027
6.010 - Excess of Revenue Over/(Under) Expenditures	\$ 4,019,081	\$ 4,082,509	\$ 858,302	\$ 4,000,031	\$ (1,529,805)	\$ (4,259,187)	\$ (8,032,957)	\$ (14,195,625)
With Renewal Levies Included	2020	2021	2022	2023	2024	2025	2026	2027
6.010 - Excess of Revenue Over/(Under) Expenditures	\$ 4,019,081	\$ 4,082,509	\$ 858,302	\$ 4,000,031	\$ (1,529,805)	\$ (4,259,187)	\$ (5,075,791)	\$ (4,489,154)

12.010 Fund Balance

- **The average district in Summit county has a 35.99% cash carryover (Based on FY2022).**
 - Cuyahoga Falls is the 6th lowest in the county with 29.40% (FY2022)
- **The Ohio Department of Education recommends that a district have at least 60 days cash-carryover to be considered fiscally solvent.**
- **The Industry Standard is 25%.**
- **While the District has improved cash position, the focus should now be on establishing a healthy carryover.**

Fund Balance November 2022 to May 2023

		2023	2024	2025	2026	2027
November	12.010 - Fund Balance June 30 for Certification of Contracts, Salary and Other Obligations	\$ 18,941,701	\$ 17,216,835	\$ 14,044,264	\$ 11,225,876	\$ 6,937,408
May	12.010 - Fund Balance June 30 for Certification of Contracts, Salary and Other Obligations	\$ 20,941,790	\$ 19,411,986	\$ 15,152,798	\$ 10,077,007	\$ 5,587,853
	Difference between May and November	\$ 2,000,089	\$ 2,195,151	\$ 1,108,534	\$ (1,148,869)	\$ (1,349,555)

The District maintains a positive cash balance throughout the entire forecast

Cash Carryover Position

	2022	2023	2024	2025	2026	2027
5.050 Total Expenditures and Other Financing Uses	\$58,285,726	\$57,525,570	\$60,523,355	\$63,751,247	\$64,879,887	\$64,992,627
12.010 CFCSD Cash Carryover	\$16,941,759	\$20,941,790	\$19,411,986	\$15,152,798	\$10,077,007	\$5,587,853
CFCSD Projected Cash Carryover Percentage	29.07%	36.40%	32.07%	23.77%	15.53%	8.60%
60 Days Cash Carryover - ODE Standards	\$9,581,215	\$9,456,258	\$9,949,045	\$10,479,657	\$10,665,187	\$10,683,720
25% Cash Carryover - Industry Standards	\$14,571,432	\$14,381,393	\$15,130,839	\$15,937,812	\$16,219,972	\$16,248,157



**I THINK I DID
THE BEST I COULD**

Questions?

