

**FAIRPORT HARBOR EX VILLAGE SD - LAKE COUNTY**  
**Schedule Of Revenue, Expenditures and Change in Fund Balances**  
**Actual and Forecasted Operating Fund**

		ACTUAL			FORECASTED				
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Revenue:									
1.010	General Property Tax (Real Estate)	2,807,727	2,346,741	2,438,906	2,576,339	2,447,645	2,447,767	2,447,890	2,448,012
1.020	Tangible Personal Property Tax	-	404,326	424,675	433,287	429,877	429,877	429,877	429,877
1.030	Income Tax	-	-	-	-	-	-	-	-
1.035	Unrestricted Grants-in-Aid	2,348,030	2,381,279	4,227,890	4,452,833	4,452,833	4,452,833	4,452,833	4,452,833
1.040	Restricted Grants-in-Aid	29,754	68,485	339,208	388,512	388,512	388,512	388,512	388,512
1.045	Restricted Federal Grants-in-Aid	-	-	-	-	-	-	-	-
1.050	Property Tax Allocation	352,020	347,641	342,706	318,227	319,818	321,417	323,024	324,639
1.060	All Other Revenues	2,076,406	1,854,400	293,331	377,745	381,523	335,338	338,691	342,078
1.070	Total Revenues	7,613,937	7,402,873	8,066,716	8,546,943	8,420,207	8,375,744	8,380,827	8,385,951
Other Financing Sources:									
2.010	Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020	State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040	Operating Transfers-In	-	-	-	-	-	-	-	-
2.050	Advances-In	-	218,493	13,317	11,795	35,000	50,000	50,000	50,000
2.060	All Other Financing Sources	1,000	42,595	3,814	712	1,000	1,000	1,000	1,000
2.070	Total Other Financing Sources	1,000	261,088	17,131	12,507	36,000	51,000	51,000	51,000
2.080	Total Revenues and Other Financing Sources	7,614,937	7,663,961	8,083,847	8,559,450	8,456,207	8,426,744	8,431,827	8,436,951
Expenditures:									
3.010	Personnel Services	3,835,561	2,762,293	3,378,144	3,837,193	3,962,110	4,041,152	4,121,775	4,199,724
3.020	Employees' Retirement/Insurance Benefits	1,692,601	1,399,198	1,426,310	1,494,836	1,627,779	1,827,794	1,957,262	2,097,907
3.030	Purchased Services	1,503,007	1,180,188	1,084,761	1,414,683	1,485,417	1,559,687	1,637,672	1,719,555
3.040	Supplies and Materials	242,570	178,583	196,626	240,484	252,508	265,134	278,390	292,310
3.050	Capital Outlay	91,285	14,900	20,928	32,558	34,186	35,896	37,690	39,575
3.060	Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:		-	-	-	-	-	-	-	-
4.010	Principal-All (History Only)	-	-	-	-	-	-	-	-
4.020	Principal-Notes	-	-	-	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	-	-	-	-	-
4.055	Principal-Other	-	-	-	-	-	-	-	-
4.060	Interest and Fiscal Charges	-	-	-	-	-	-	-	-
4.300	Other Objects	96,874	92,168	120,240	145,188	149,544	154,030	158,651	163,411
4.500	Total Expenditures	7,461,898	5,627,331	6,227,009	7,164,943	7,511,544	7,883,693	8,191,441	8,512,483
Other Financing Uses									
5.010	Operating Transfers-Out	259,390	151,519	342,625	385,000	397,100	399,242	401,427	403,655
5.020	Advances-Out	218,493	13,317	11,795	35,000	50,000	50,000	50,000	50,000
5.030	All Other Financing Uses	-	-	-	-	-	-	-	-
5.040	Total Other Financing Uses	477,883	164,835	354,420	420,000	447,100	449,242	451,427	453,655
5.050	Total Expenditures and Other Financing Uses	7,939,781	5,792,166	6,581,428	7,584,943	7,958,644	8,332,935	8,642,868	8,966,138
Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses		-324,844	1,871,795	1,502,419	974,507	497,564	93,809	-211,041	-529,187
Cash Balance July 1 - Excl Proposed Renewal/ Replacement and New Levies		748,376	423,532	2,295,326	3,797,745	4,772,252	5,269,816	5,363,625	5,152,584
7.020	Cash Balance June 30	423,532	2,295,326	3,797,745	4,772,252	5,269,816	5,363,625	5,152,584	4,623,398
8.010	Estimated Encumbrances June 30	201,906	162,836	96,568	150,000	150,000	150,000	150,000	150,000
Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020	Capital Improvements	-	-	-	-	-	-	-	-
9.030	Budget Reserve	-	-	-	-	-	-	-	-
9.040	DPIA	-	-	-	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	-	-	-	-	-
9.050	Debt Service	-	-	-	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	-	-	-	-	-
9.070	Bus Purchases	-	-	-	-	-	-	-	-
9.080	Subtotal	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification of Appropriations		221,626	2,132,490	3,701,177	4,622,252	5,119,816	5,213,625	5,002,584	4,473,398
Rev from Replacement/Renewal Levies									
11.010	Income Tax - Renewal			0	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement			0	0	0	0	0	0
11.300	Cumulative Balance of Replacement/Renewal Levies			0	0	0	0	0	0
Fund Balance June 30 for Certification of Contracts, Salary and Other Obligations		221,626	2,132,490	3,701,177	4,622,252	5,119,816	5,213,625	5,002,584	4,473,398
Revenue from New Levies									
13.010	Income Tax - New			0	0	0	0	0	0
13.020	Property Tax - New			0	0	0	0	0	0
13.030	Cumulative Balance of New Levies			0	0	0	0	0	0
14.010	Revenue from Future State Advancements								
15.010	Unreserved Fund Balance June 30	221,626	2,132,490	3,701,177	4,622,252	5,119,816	5,213,625	5,002,584	4,473,398
				60 Days Unencumbered Expenditures	\$ 1,248,840	\$ 1,308,270	\$ 1,368,798	\$ 1,420,745	\$ 1,473,886
Comments: See accompanying notes for assumptions.									

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# Fairport Harbor Exempted Village School District

*Learning Today Leading Tomorrow*

## **Five-Year Forecast Assumptions FY23-27 (Summary) Submitted May 2023**

### **The District:**

Fairport Harbor Schools is a district grounded firmly in rich history and tradition. As a school district that has been educating young minds since the first brick school building was built in 1876, Fairport has had a significant place in the history of Lake County, Ohio.

Today, the schools of Fairport Harbor look much different than they did in the 1870s. The educational program is structured to cultivate the whole child and to meet the needs of our diverse population of learners. Their small size allows them to provide students with a personalized education similar to that of a private school atmosphere. The close-knit family experience is nurtured through the personalized teacher's attention that all students receive. The teachers are masterful, reflective, professionals that are committed to providing an exceptional education to every child. They are committed to developing a collaborative educational experience that meets the needs of all students and develops young minds with preparedness for the 21st-century workforce

### **Overview:**

This financial forecast for the general operating fund is prepared according to the requirements legislated by HB412 and the district has prepared financial forecasts as a routine for many years and believes it is a valuable management tool. This forecast is an estimate of the most probable financial position, results of operations and changes in financial position for the five-year period. "Most probable" means that the assumptions have been evaluated by management and that the forecast is based upon management's judgment of the most likely set of conditions and its most likely course of action. "Most probable" is not used in a mathematical or statistical sense.

### **Summary Notes:**

#### **Revenue:**

- Lake County completed the sexennial tax value updates in 2018. The triennial update for Lake County was completed in 2021. Therefore, the next full reappraisal will be in 2024. The overall total district property assessed valuation

for calendar year 2022 – collection 2023 is \$70,070,230. The valuation reflects the general property tax decrease that the district realized due to the November 8, 2022 voter approval of a substitute levy, which combined the two current emergency levies. Currently, this is the equivalent of a 1.5 mill reduction. Based on certification of the Lake County Auditor, projections are calculated based upon 94% of the total property valuation.

- HB59 removed property rollback reimbursement on any new levies approved in November 2013 and thereafter. However, local tax collections will offset on any new levies. *Please note, all current rollback and homestead credits remain intact with the recent substitute levy approval.*
- Foundation levels in FY2023 are projected at the current funding levels provided by the Ohio Department of Education and the Office of Budget and Management. Also, shown in this line item are casino revenue, adjustments/ transfers and the workforce incentive & credential reimbursement.
- Governor DeWine's Fiscal Year 2024-2025 Executive Budget was released January 31, 2023. Upon its passage in July 2023, we would expect to see years three and four of the six-year phase-in of the **Fair School Funding Plan**. The **Fair School Funding Plan** is a system for funding schools that can be broken down into three main components: the base cost; the state and local share; and additional targeted assistance/categorical aid.
- The state funding levels for FY2022-FY2023 has been projected pursuant to the May funding settlement from the Ohio Department of Education. No increase is projected for FY2024-FY2027. Any increases will be incorporated into the fall forecast once the biennial budget has been vetted, approved and signed by the Governor.
- This new funding formula implements "direct" funding for Community Schools, STEM Schools, Scholarship programs and Open Enrollment which means the funds are sent to where the students are educated vs. where they reside. This change will affect both the revenue and expenditures for school districts.
- Additionally, the budget bill moved the Student Wellness funding from fund 467 into the general fund. It is deemed restricted funding and is shown in Line 1.045 of the forecast.
- All other revenues consist of rental income, miscellaneous receipts but largely interest income. After years of dismal interest rates, we have realized a substantial increase in our interest income when compared to FY2022 [\$156,323 vs \$10,085.31]. Based on financial analysts, interest rates will continue to rise in 2023 before falling back down to 4.25% in 2024 and 3.25% in 2025. FY2024 has been projected a conservative 3.5%.
- As stated previously, open enrollment is being funded differently under the new state funding model and; therefore, is now reflected in Line 1.040.

**Expense:**

- In fall, 2021, the Fairport Harbor Education Association and the Fairport Harbor Board of Education ratified a three (3) year contract that expires June 30, 2024. The terms and conditions as it relates to salaries and benefits has been projected for the length of the contract.
- Wages reduced for ESSER II (\$359,108 – one time decrease in expenses – FY2021 only)
- FY2023 estimates reflect an increase in salaries and benefits are 13.6% and 4.8% respectively. This a result of the negotiated movement in healthcare plans and the resulting one-time stipend for making that move. FY2023-FY2024 are projected according to the terms of the negotiated agreement. The remaining years assume a 2% increase due to step and educational advancement.
- FY2024 reflects staff members currently paid from ARP ESSER funds back to the general fund.
- In March 2021, the Lake County School Healthcare Council approved that the rate setting period coincide with the Benefit Period of January 1<sup>st</sup> to December 31<sup>st</sup>, effective January 1, 2022. Therefore, going forward we will realize a mid-year premium rate change. For FY2023, estimates reflect a 3.5% increase in premiums from July-December and an 8.5% increase from January-June. The second half of FY2024 and all remaining years are projected with a conservative 10% increase based on industry and inflationary trends.
- In April 2023, Lake County School Council approved a fourth healthcare premium holiday. The forecast reflects the reduction in July 2023.
- Purchased Services is reflecting a decrease from the three (3) year average due to the ***Fair School Funding Plan*** that funds students where they are educated vs. where they reside. This means that open enrollment-out and community school students are no longer being deducted from the monthly funding settlements.
- For FY2023, Purchased Services has been projected with a 30.4% increase when compared to FY2022. I would attribute this to high inflationary increases and supply chain issues. The remaining years are reflecting a 5% inflationary increase.
- For FY2023, Supplies has been projected with a 22.3% increase when compared to FY2022. I would attribute this to high inflationary increases and supply chain issues. Additionally, FY2024-FY2027 reflect a 5% inflationary increase.
- For FY2023, Capital Outlay has been projected with an 56% increase compared to FY2022 but remains significantly below expenditures when compared to

FY2020. FY2024-FY2027 reflect the average of FY2019-FY2022 plus a 5% inflationary increase.

- Other objects include expenditures such as liability insurance, county auditor fees, state auditor fees, membership dues and other miscellaneous expenditures.
- Advances are paid out in the current fiscal year to avoid any deficit fund balances at year-end. The advances are returned the following fiscal year. The result is a net of zero. (i.e.: refer to line 5.02 in fiscal year 2022 and line 2.05 in fiscal year 2023)
- Operating Transfers-Out are estimates for the annual Capital Improvement allocation as well as any Student Activity and/or Athletic deficit balances at year-end.
- It cannot be emphasized enough the effect student enrollment will have on district allocations of state funding under the new model. Unfortunately, the district cannot react as quickly to change staffing levels mid-year without a major disruption to the educational process. The forecast will continue to be re-evaluated once the actual level of state revenue for the year is known. The Board has committed to 60 days of unencumbered expenditures at year end. Based on the current projections, this occurs 5 out of the 5 years. As always, the district is dedicated to maintain student programming and provide educational, social and emotional support to students. It is important to keep in mind, that it is a living document and is constantly changing. It is a snapshot of the district's financial condition at a point in time based on assumptions.