

Fairfield City School District

Five Year Forecast

May 15, 2025

Presented by: Amy Lee, Interim Treasurer/CFO

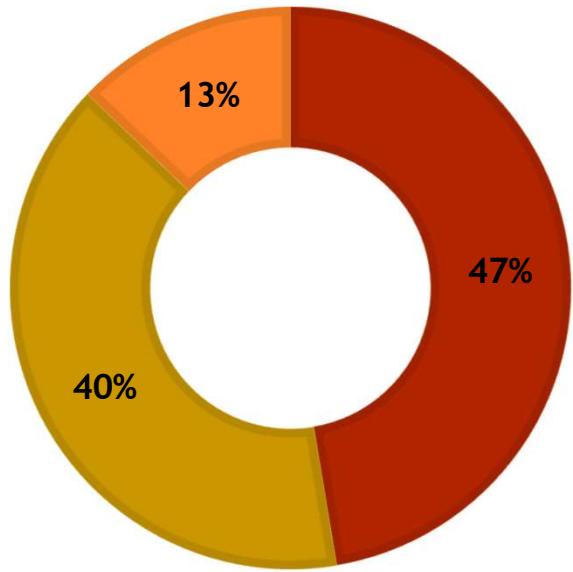
Forecast Purpose/Objectives

- ▶ To engage the Board of Education and the community in the 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 the certification required by Ohio Revised Code section 5705.412, commonly known as the "412 certificate".
- ▶ To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

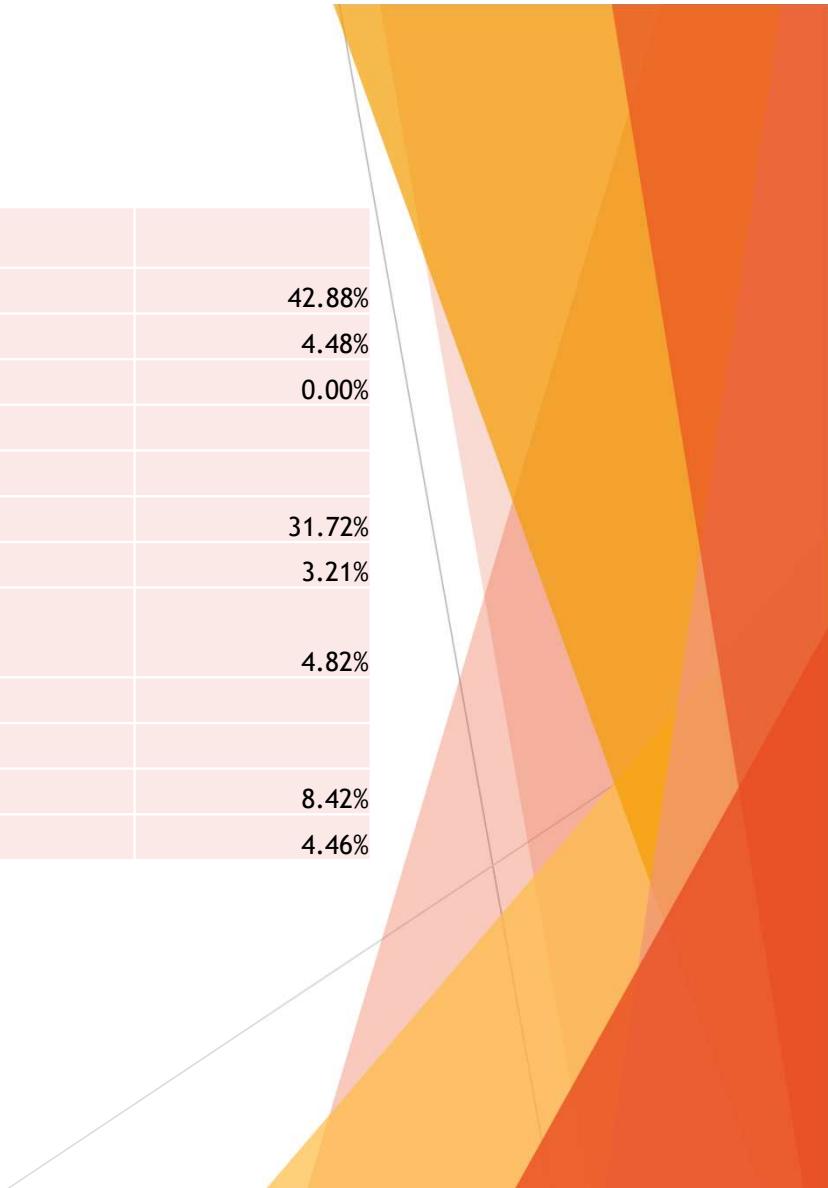
Property Taxes

- ▶ Property Values - projections:
 - ▶ 39% - residential
 - ▶ 4.33% - commercial/industrial
- ▶ Tax collections - projections:
 - ▶ 2% increase from FY24 to FY25
 - ▶ 2% increase from FY25 to FY26
 - ▶ 2.3% increase from FY 26 to FY 27
- ▶ Once a school levy is passed, the amount of money which our school district can receive from that school levy applied against the tax duplicate which existed when the issue was passed can never increase (except for new construction and inside millage).
- ▶ When reassessment and updates show that inflation has increased the value of property, a tax credit is applied to make certain that schools receive no more income from the **voted** mills applied against that property.

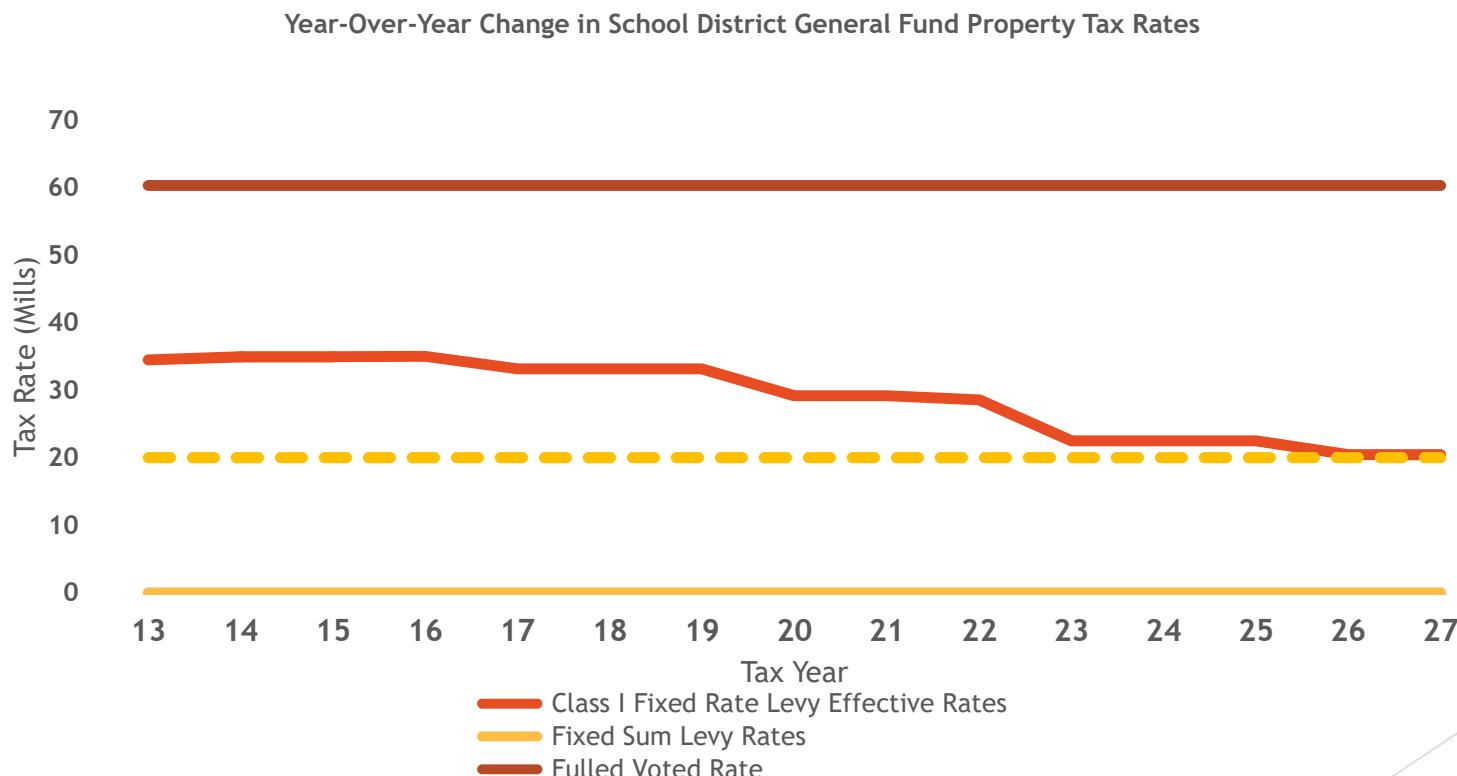
Revenue Overview



Local Taxes	
Real Estate Tax	42.88%
Public Utility Tax	4.48%
Income Tax	0.00%
State Sources	
State Funding	31.72%
Restricted Aid	3.21%
State Share of Local Tax	
	4.82%
All Other Revenue	
Other Revenue	8.42%
Other Sources	4.46%



District's Property Tax Rates



Unrestricted State Aid

- ▶ State aid is being projected in accordance with the House version of the budget bill.
 - ▶ Guarantees at least the same level of state funding as the district received in FY2025 for both FY 2026 & FY 2027. No guarantee in place after this budget cycle, thus the forecast reverts back to the existing 2020 funding guarantee level in years 2028 & 2029.
- ▶ The proposed limitations on cash balances have not been factored into this forecast.
- ▶ Unrestricted Aid continues to decline
 - ▶ 2.4% decrease in funding for FY25
 - ▶ 10% decrease in funding for FY 27
 - Property value increases, income of residents, student enrollment/demographics
 - When a district appears wealthier, state aid decreases

Salaries

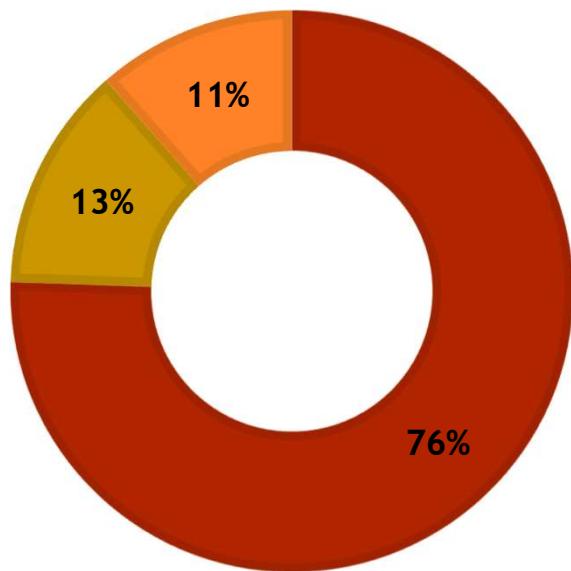
- ▶ New Fairfield Classroom Teachers & OAPSE new Collective Bargaining Agreements have been reflected for fiscal years 2026 & 2027.
- ▶ Other salary & staffing assumptions remain the same as they were in the November forecast:
 - ▶ 2% raises projected for FY28-FY29
 - ▶ FY26-FY 2029:
 - ▶ Added (1) EL teacher
 - ▶ No other staffing changes have been projected

Employee Benefits

Assumptions are the same as they were in the November forecast:

- ▶ Medical Insurance
 - ▶ January 1, 2024 - 6% increase
 - ▶ January 1, 2025 - 11.9% increase
 - ▶ Future projections - 10% increase
 - ▶ Additional funds projected for IDEA grant shortfalls
- ▶ New plan option beginning January 1, 2024
 - ▶ Lower monthly premium
 - ▶ Savings to employees & the District
 - ▶ Enrollment was low in FY 24 but we are hopeful that as people familiarize themselves with the plan enrollment will increase for 2025 and forward
- ▶ Dental Insurance - no increase

Expenditure Breakdown



Category	Percentage
Personnel Costs	
Salaries	55.68%
Benefits	19.85%
Purchased Services	12.99%
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	6.99%
Other Uses	4.49%

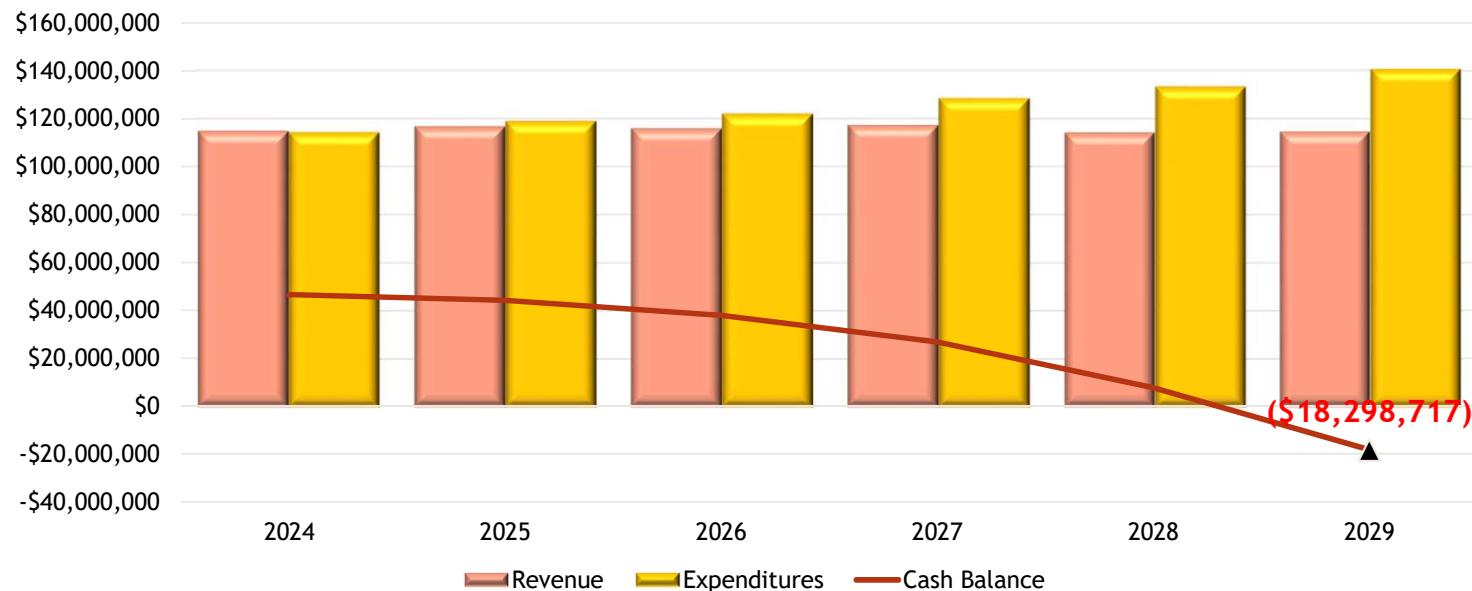
Financial Summary

	2025	2026	2027	2028	2029
Beginning Cash Balance	\$46,499,548	\$44,197,462	\$37,969,597	\$26,845,055	\$7,725,793
+ Revenue	\$116,560,995	\$115,802,527	\$117,237,297	\$114,134,505	\$114,528,730
+ Renewal Levies	\$0	\$0	\$0	\$0	\$0
+ New Levies	\$0	\$0	\$0	\$0	\$0
- Expenditures	\$118,863,081	\$122,030,392	\$128,361,839	\$133,253,767	\$140,553,239
= Revenue Surplus or Deficit	-\$2,302,086	-\$6,227,865	-\$11,124,542	-\$19,119,262	-\$26,024,509
Ending Cash Balance with Levies	\$44,197,462	\$37,969,597	\$26,845,055	\$7,725,793	-\$18,298,716
Revenue Surplus or Deficit without Levies	-\$2,302,086	-\$6,227,865	-\$11,124,542	-\$19,119,262	-\$26,024,509
Ending Cash Balance without Levies	\$44,197,462	\$37,969,597	\$26,845,055	\$7,725,793	-\$18,298,716

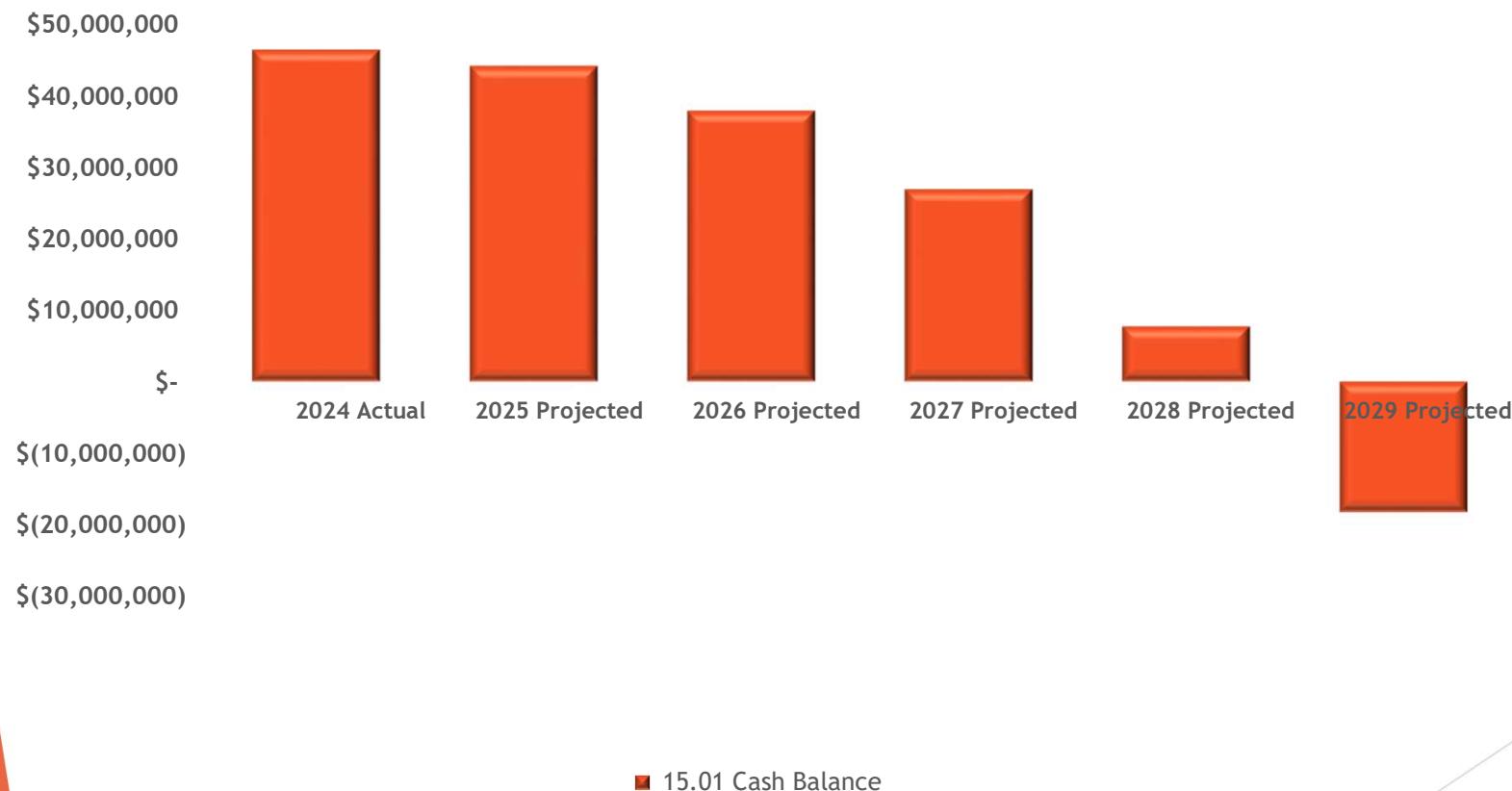
**Balances not reduced for encumbrances or reservations

Forecast Summary

Revenues, Expenses & Cash Balance



Projected Cash Balance



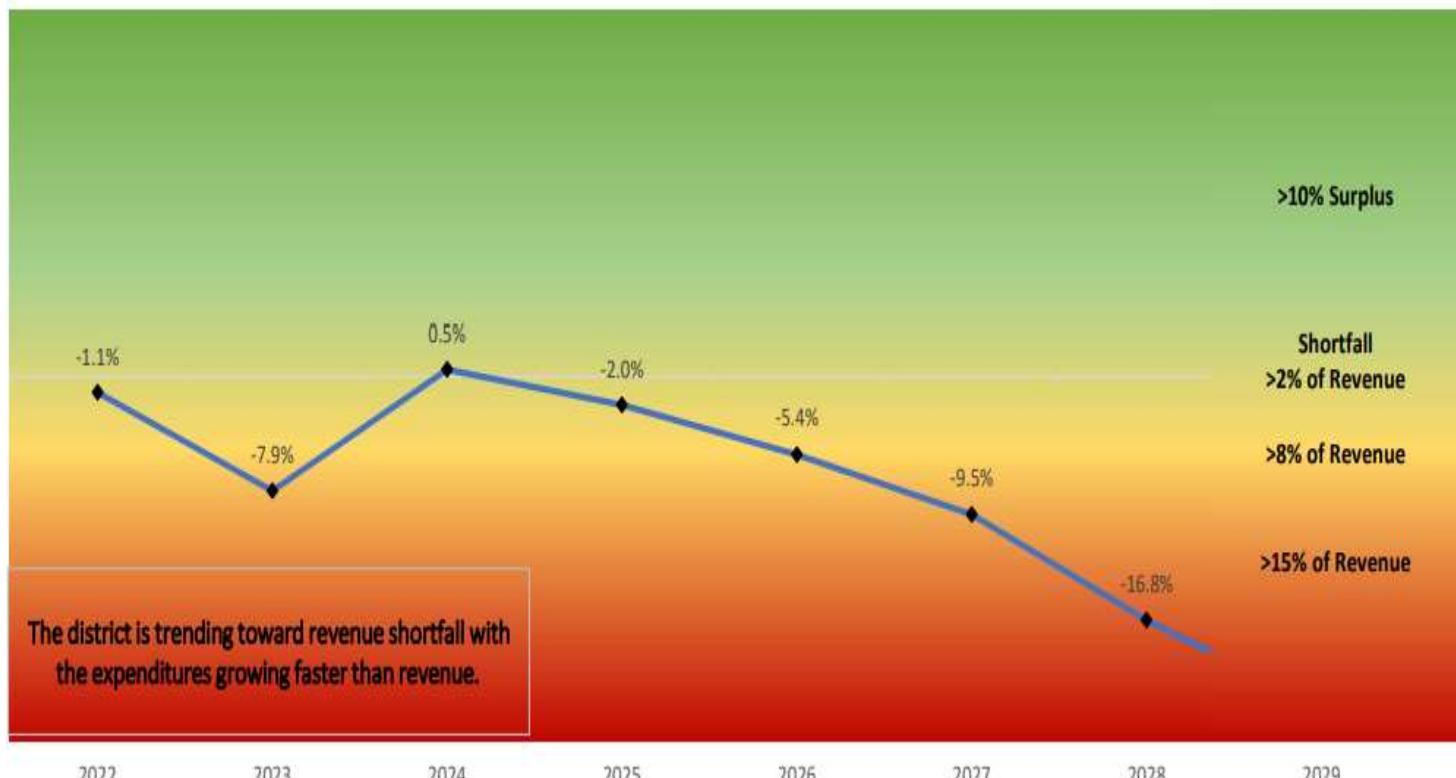
Financial Forecast Key Indicators & Analysis

Calendar Days Cash on Hand



Note: Calculated on 365 Day Calendar Year

Financial Health Indicator



>10% Surplus

Shortfall
>2% of Revenue

>8% of Revenue

>15% of Revenue

SUMMARY

- ▶ Without a clear picture of the upcoming biennium budget, revenue projections are very volatile. Both state and local revenues may change dramatically depending on the final approved budget bill.
- ▶ Revenues are experiencing very little growth
- ▶ Projections show that the District will be on the guarantee in FY 27
- ▶ Current Projections show Fairfield hitting the 20 mil floor
- ▶ Expenditure growth is outpacing revenues
- ▶ Operating deficits are growing dramatically
- ▶ Board and administration should continue discussions on ways to balance the budget and reduce annual operating deficits.