WILLOUGHBY-EASTLAKE CITY SCHOOL DISTRICT - LAKE COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2022, 2023, and 2024 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2025, THROUGH JUNE 30, 2029

Forecast Provided By
Willoughby-Eastlake City School District
Treasurer's Office
Nicholas E. Ciarniello, Treasurer/CFO
May 12, 2025

Willoughby-Eastlake City School District

Lake County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2022, 2023 and 2024 Actual;
Forecasted Fiscal Years Ending June 30, 2025 Through 2029

		Actual				Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Average Change	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
	Revenues									
1.010	General Property Tax (Real Estate)	68,441,324	72,227,830	70,076,054	1.3%	74,775,056	78,813,560	78,961,966	79,084,883	79,207,776
1.020	Tangible Personal Property	7,924,555	8,005,505	8,511,591	3.7%	8,593,048	8,601,013	8,619,070	8,620,005	8,620,963
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	16,492,826	16,984,074	17,072,761	1.8%	16,344,184	16,000,810	14,886,834	14,886,834	14,886,834
1.040	Restricted State Grants-in-Aid	1,296,498	1,326,547	1,926,027	23.8%	2,137,318	1,552,532	1,764,652	1,769,155	1,773,703
1.045	Restricted Federal	0	0	0	0.0%	0	0	0	0	0
1.050	State Share of Local Property Taxes	8,112,253	8,058,517	8,097,465	-0.1%	8,609,563	9,070,060	9,087,283	9,101,494	9,115,705
1.060	All Other Revenues	3,120,398	3,826,186	6,486,382	46.1%	6,958,423	6,226,843	5,434,340	4,711,876	4,668,194
1.070	*Total Revenues*	105,387,854	110,428,659	112,170,280	3.2%	117,417,592	120,264,818	118,754,145	118,174,247	118,273,175
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020	State Emergency Loans	0	0	0	0.0%	0	0	0	0	0
2.040	Operating Transfers-In	13,298	0	17,840	0.0%	15,000	15,000	15,000	15,000	15,000
2.050	Advances-In	340,160	766,850	3,842,800	263.3%	1,088,063	1,000,000	1,000,000	1,000,000	1,000,000
2.060	All Other Financing Sources	(1,046,080)	556,579	394,838	-91.1%	435,000	140,000	140,000	140,000	140,000
2.070	*Total Other Financing Sources*	(692,622)	1,323,429	4,255,478	-34.8%	1,538,063	1,155,000	1,155,000	1,155,000	1,155,000
2.080	*Total Revenues and Other Financing Sources*	104,695,232	111,752,088	116,425,758	5.5%	118,955,655	121,419,818	119,909,145	119,329,247	119,428,175
	Expenditures									
3.010	Personal Services	56,189,807	56,560,808	57,256,478	0.9%	59,461,446	60,532,344	62,848,005	64,651,097	66,507,661
3.020	Employees' Retirement/Insurance Benefits	18,041,190	18,638,863	21,411,300	9.1%	22,567,425	23,502,406	24,613,143	25,707,546	26,858,021
3.030	Purchased Services	16,836,352	18,690,932	18,252,040	4.3%	21,599,321	21,152,263	21,169,709	22,003,103	22,443,164
3.040	Supplies and Materials	2,251,440	2,557,233	3,001,422	15.5%	5,223,869	4,127,363	4,209,910	5,094,108	5,195,990
3.050	Capital Outlay	151,871	136,274	239,702	32.8%	179,606	29,000	29,000	29,000	29,000
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
	Debt Service:									
4.010	Principal-All (Historical Only)	95,000	87,000	91,000	-1.9%	90,000	94,000	94,000	98,000	101,000
4.020	Principal-Notes	502,057	368,780	390,503	-10.3%	257,745	264,470	446,000	471,690	484,620
4.030	Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040	Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050	Principal-HB 264 Loans	530,000	545,000	570,000	3.7%	585,000	595,000	600,000	575,000	0
4.055	Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060	Interest and Fiscal Charges	591,436	550,983	510,964	-7.1%	476,492	448,054	411,696	368,436	336,078
4.300	Other Objects	1,421,329	1,765,552	1,720,908	10.8%	1,932,731	1,933,870	1,959,636	1,986,175	2,013,510
4.500	*Total Expenditures*	96,610,482	99,901,425	103,444,317	3.5%	112,373,635	112,678,770	116,381,099	120,984,155	123,969,044
	Other Financing Uses									
5.010	Operating Transfers-Out	531,298	710,377	2,761,325	161.2%	19,217,312	950,000	950,000	950,000	950,000
5.020	Advances-Out	766,850	3,842,800	1,088,063	164.7%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
5.030	All Other Financing Uses	0	89	0	0.0%	0	0	0	0	0
5.040	*Total Other Financing Uses*	1,298,148	4,553,266	3,849,388	117.6%	20,217,312	1,950,000	1,950,000	1,950,000	1,950,000
5.050	*Total Expenditures and Other Financing Uses*	97,908,630	104,454,691	107,293,705	4.7%	132,590,947	114,628,770	118,331,099	122,934,155	125,919,044
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	6,786,602	7,297,397	9,132,053	16.3%	(13,635,292)	6,791,048	1,578,046	(3,604,908)	(6,490,869)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	17,385,746	24,172,348	31,469,745	34.6%	40,601,798	26,966,506	33,757,554	35,335,600	31,730,692
7.020	*Cash Balance June 30*	24,172,348	31,469,745	40,601,798	29.6%	26,966,506	33,757,554	35,335,600	31,730,692	25,239,823
8.010	*Estimated Encumbrances June 30*	42,411	28,416	1,546,162	2654.1%	300,000	300,000	300,000	300,000	300,000
`	**Reservation of Fund Balance**									
9.010	Textbooks and Instructional Materials	0	0	0	0.0%	0	0	0	0	0
9.020	Capital Improvements	0	0	0	0.0%	0	0	0	0	0
9.030	Budget Reserve	0	0	0	0.0%	0	0	0	0	0
9.040	DPIA	0	0	0	0.0%	0	0	0	0	0
9.045	Fiscal Stabilization	0	0	0	0.0%	0	0	0	0	0
9.050	Debt Service	0	0	0	0.0%	0	0	0	0	0
9.060	Property Tax Advances	0	0	0	0.0%	0	0	0	0	0
9.070	Bus Purchases	0	0	0	0.0%	0	0	0	0	0
9.080	*Subtotal*	0	0	0	0.0%	0	0	0	0	0
10.010	*Fund Balance June 30 for Certification of Appropriations*	24,129,937	31,441,329	39,055,636	27.3%	26,666,506	33,457,554	35,035,600	31,430,692	24,939,823
	Revenue from Replacement and Renewal Levies									
11.010	Income Tax - Renewal	0	0	0	0.0%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	0	0	0
11.300	Cumulative Balance of Replacement/Renewal Levies	0	0	0	0.0%	0	0	0	0	0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	24,129,937	31,441,329	39,055,636	27.3%	26,666,506	33,457,554	35,035,600	31,430,692	24,939,823
	Revenue from New Levies									
13.010	Income Tax - New	0	0	0	0.0%	0	0	0	0	0
13.020	Property Tax - New	0	0	0	0.0%	0	0	0	0	0
13.030	Cumulative Balance of New Levies	0	0	0	0.0%	0	0	0	0	0
14.010	Revenue from Future State Advancements	0	0	0	0.0%	0	0	0	0	0
15.010	*Unreserved Fund Balance June 30*	24,129,937	31,441,329	39,055,636	27.3%	26,666,506	33,457,554	35,035,600	31,430,692	24,939,823

Willoughby-Eastlake City School District –Lake County
Notes to the Five-Year Forecast
General Fund Only
May 12, 2025

Introduction to the Five-Year Forecast

A forecast is a snapshot of today based on historical trends, what we know, and future assumptions. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal), salary increases, enrollment variances, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast enables district management teams to examine future years' projections and identify when challenges will arise. This helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with the Ohio Department of Education and Workforce (ODEW) when events materially change their forecast or, at a minimum when required under the statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three (3) essential purposes or objectives of the five-year forecast:

(1) To engage the local board of education and the community in 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 Ohio Department of Education and Workforce and the Auditor of State to identify school districts with potential financial problems.

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30th and May 31st each fiscal year (July 1st to June 30th). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the fiscal forecast is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the updated May 2025 filing.

May 2025 Updates:

<u>Revenues FY25</u>

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be $441 thousand, or 0.4%, lower than the November forecasted amount of $116.9 million. This indicates that the November forecast was 99.6% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our most significant source of revenues at 71% and are estimated to be $83.3 million, which is $183 thousand higher for FY25 than the original November estimate of $83.1 million. Our estimates are 99.8% accurate for FY25 and should mean future projections are also on target.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be $18.4 million, which is $56 thousand lower than the original estimate for FY25. We are pleased that we were able to be 99.7% accurate for FY25. We are currently on the guarantee and are expected to remain as a guaranteed district for FY26 through FY29.

Line 1.06 - Other revenues are $581 thousand over original estimates, primarily due to a lump sum TIF payment from the City of Willowick for delinquent TIF payments received by the district.

All areas of revenue are tracking as anticipated for FY25 based on our best information at this time.

Expenditures FY25

Total General Fund expenditures (line 4.5) are estimated to be $112.3 million for FY25, which is $171 thousand higher than the original estimate of $112.2 million in the November forecast, which is roughly 99.8% on target with initial estimates. The expenditure line most significantly over projection is Purchased Services (line 3.030), which increased by $157 thousand.

All other areas of expenses are expected to remain on target with original projections for the year.

Unreserved Ending Cash Balance

With revenues decreasing from estimates and expenditures ending primarily on target, our ending unreserved cash balance June 30, 2025, is anticipated to be roughly $26.6 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2029 if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

Forecast Risks and Uncertainty:

A five-year financial forecast has risks and uncertainty not only due to economic delays noted above but also due to state legislative changes that will occur in the spring of 2025 and 2027 due to deliberation of the following two (2) state biennium budgets for FY26-27 and FY28-29, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws currently in effect. The items below give a short description of the current issues and how they may affect our forecast in the long term:

(1) Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project growth in appraised values every three (3) years and new construction growth with modest increases in local taxes. Total local revenues, which are predominately local taxes, equate to 76.9% of the district's resources. We believe there is a low risk that local collections would fall below projections throughout the forecast.

(2) Lake County experienced a sexennial reappraisal in the 2024 tax year to be collected in FY25. The 2024 reappraisal increased assessed values by $487.6 million, or 26.55%. A triennial update will occur in tax year 2027 for collection in FY28. We anticipate value increases for Class I and II property by $6.4 million for an overall increase of 0.2%. However, there is always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that now. No increase is forecasted for the next triennial update, as there are a number of proposed tax reform bills, of which many would adversely impact any future revenue growth.

(3) SB271 passed in 2024 that created a Joint Committee on Property Taxation and Reform. This action was in response to the historic property valuation increases. The committee's mission was to review Ohio's property tax system and to make recommendations to the General Assembly on property taxation. The committee released their report to the General Assembly on January 2, 2025. The report outlined twenty-one (21) recommendations on actions that could be taken to restrict local tax growth for Ohio school districts.
As a result of the numerous recommendations in the report there are currently 14 pending pieces of legislation in the Ohio Legislature that seeks to limit growth of local property taxes in several different ways. The most egregious is HB96, which could impact every district in the state of Ohio. HB96 seeks to limit school district ending carry over cash balances to 30% of their prior year's expenditures and to allow county budget commissions to suspend voter approved property tax levies and the 20-mill floor in order to reduce district reserves to the 30% target. HB96 has several severe consequences for school districts in terms of financial stability, loss of local control which will likely result in increased levy requests to district taxpayers. It is unclear at the time of this forecast whether HB96 will continue on through the Ohio Senate and be signed into law July

1, 2025. The district will be watching carefully for the final outcome of HB96 and several other legislative proposals that would limit property tax growth. Several of these proposals in addition to HB96 could be a very significant risk to future local tax growth for our district. We will update the forecast when factual data is available.

(4) The state budget represented 23.1% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state does not fund the last two (2) years of the Fair School Funding Plan in the FY26-27 biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY26-27 and FY28-29.

The state legislature has shown little interest in equitably funding the current formula. The Governor's proposed budget recommendation in HB96, dated February 3, 2025, reduced funding for public schools by -$103.5 million over FY26-27. The legislative process will continue with uncertainty through June 30, 2025, which is after the forecast must be approved. This is an area of elevated risk to district funding long-range through FY29. We have projected our state funding in FY25 based on HB33, our current state budget, which expires June 30, 2025. We will adjust the forecast for state aide in future years as we have reliable data to make an informed decision.

(5) HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY25 reflects 66.67% of the implementation cost at year four of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.67% funding of (FSFP), however, the final two years of the phase-in are not guaranteed and are dependent on legislative actions for the FY26 and FY27 state biennium budget, which as of this forecast do not appear favorable. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY25.

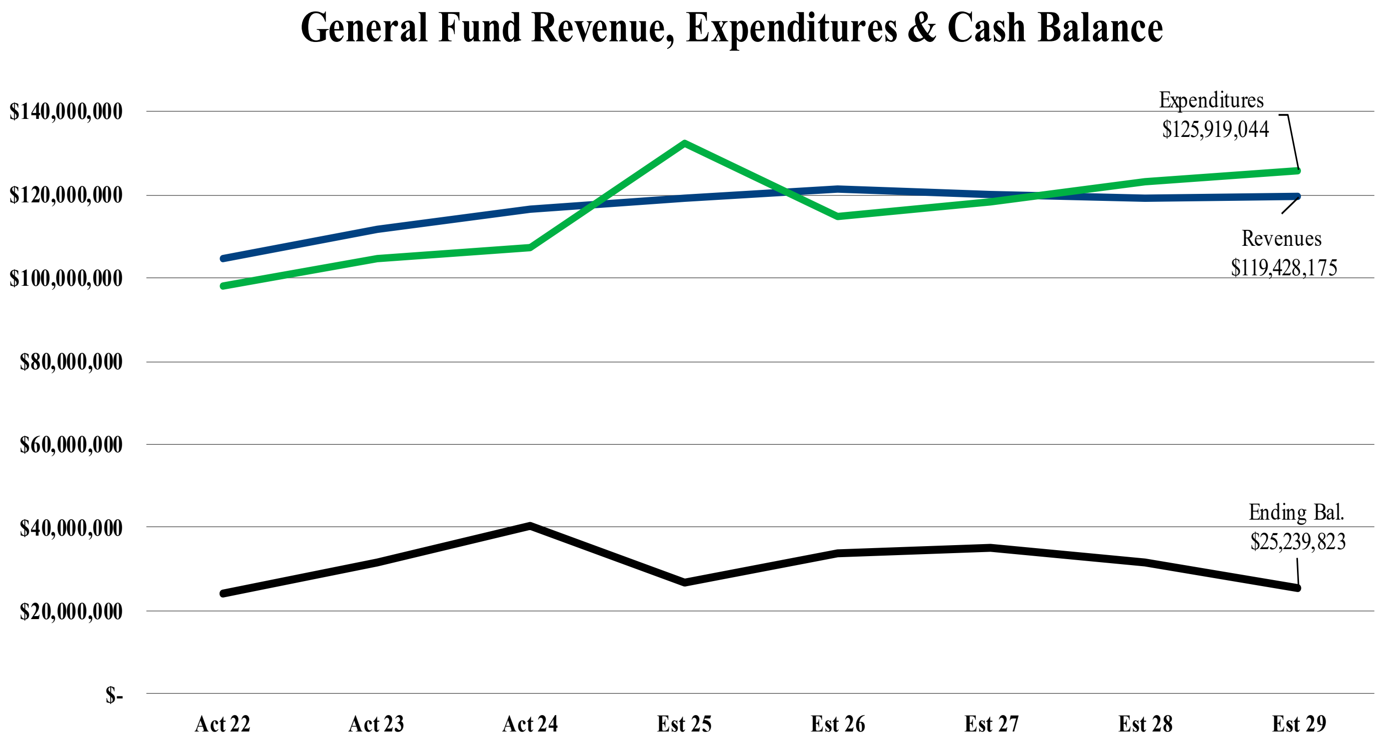
(6) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus, Excess Costs and various tuitions continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid by the state of Ohio can expose the district to new expenditures currently outside the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.

(7) We appreciate the community's approval of the $13.56 million 10-year combination levy that was passed on May 2, 2023. The passage of this levy will allow the district to maintain programs and remain fiscally solvent.

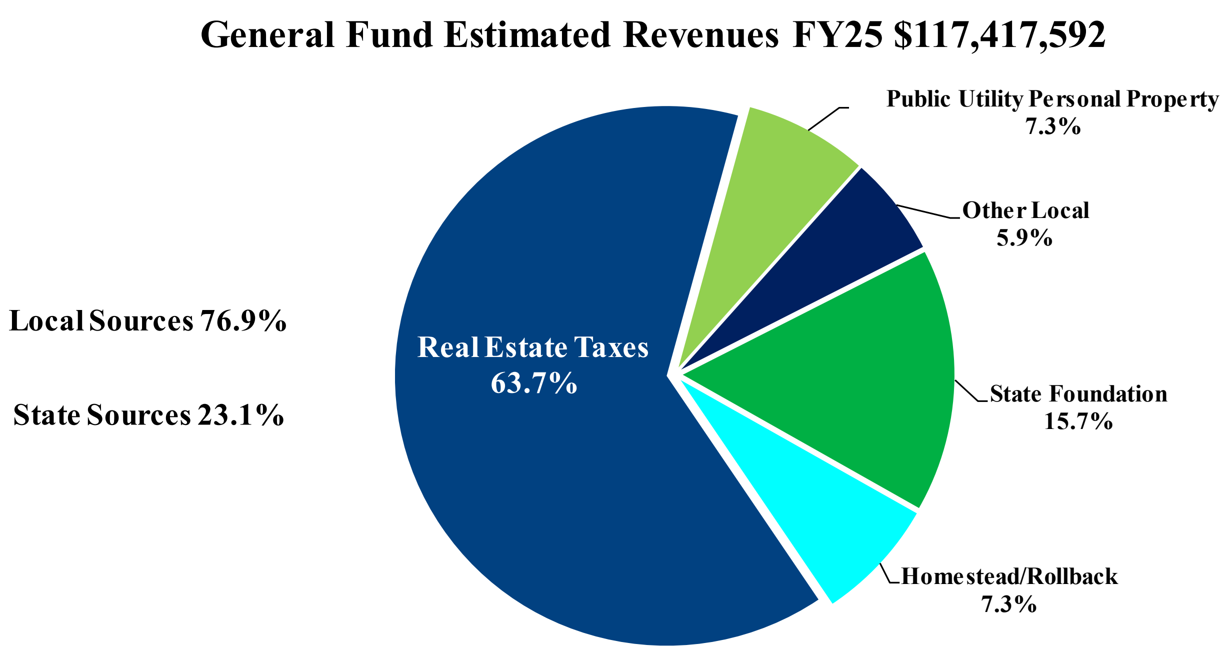
(8) Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. Our positive working relationship will continue and grow stronger as we move forward.

The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below to understand the overall financial forecast for our district. If you want further information, please contact Nicholas E. Ciarniello, Treasurer/CFO Willoughby-Eastlake City Schools at 440-975-3760.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY22-24 and Estimated FY25-29
The graph below captures in one snapshot the operating scenario facing the district over the next few years. Due to the recent vote to combine two of our emergency levies, the forecast will not show a renewal levy until FY30. Expiring levies are moved to Line 11.02 of the forecast until approved. The current forecast does not include new ballot issues at this time.



Revenue Assumptions
All Operating Revenue Sources General Fund FY25



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Lake County experienced a sexennial reappraisal for the 2024 tax year to be collected in FY25. Due to the reappraisal led by an improving housing market, residential/agricultural values increased 28.77% or $413 million.

For tax year 2024, new construction in residential/agricultural property increased overall by 0.73% or $10.5 million in assessed value, and commercial/industrial values increased by $1.2 million. Overall values increased $487.6 million or 26.55%, which includes new construction for all classes of property.

A triennial update will occur in 2027 for collection in FY28, for which we are estimating no increase in residential and no increase for commercial/industrial property. We anticipate overall residential/agricultural and commercial/industrial values to increase $6.4 million, or 0.2%. This conservative estimate is due to a number of proposed tax reform bills, of which many would adversely impact any future revenue growth.

Public Utility Personal Property (PUPP) values increased by $13.2 million in Tax Year 2024. We expect our values to continue to grow by $150 thousand each year of the forecast.

We have been conservative with any future value increases for reappraisal or updates due to uncertainty over legislative actions that may take place in the spring of 2025 that limits property tax growth.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2024	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028
Classification	COLLECT 2025	COLLECT 2026	COLLECT 2027	COLLECT 2028	COLLECT 2029
Res./Ag.	$1,859,606,220	$1,864,606,220	$1,869,606,220	$1,874,606,220	$1,879,606,220
Comm./Ind.	464,878,640	466,358,640	467,838,640	469,318,640	470,798,640
Public Utility Personal Property (PUPP)	157,582,900	157,732,900	157,882,900	158,032,900	158,182,900
Total Assessed Value	$2,482,067,760	$2,488,697,760	$2,495,327,760	$2,501,957,760	$2,508,587,760

Tax Rate Assumptions

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for "reduction factors" of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all levies is 54.66 mills while the Class I effective millage rate is 20.00 mills, and the Class II effective millage rate is 21.43 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills, which includes both the voted and the non-voted millage rates; this is called the "20-Mill Floor". Currently, our district is on the floor for Class I but above the floor for Class II effective millage. Any emergency levy that is voted on is not included in the 20-mill floor, the district has five emergency levies of 17.36 mills that were voted on for an annual amount of $43.15 million of taxes, as the values increase the millage rate will decrease to only collect the annual amount that was approved by the voters.

Estimated Real Estate Tax - Line #1.010

Property tax levies are estimated to be collected at 98% of the annual amount. This allows a 2% delinquency factor. In general, 54% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 46% in the August tax settlement.

We want to thank the community for passing the $13.56 million combination levy for a period of ten (10) years at the May 2, 2023 ballot. This levy will collect through fiscal year 2034.

Source	FY25	FY26	FY27	FY28	FY29
General Property Taxes	$74,775,056	$78,813,560	$78,961,966	$79,084,883	$79,207,776

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

The amounts below are public utility personal property (PUPP) tax payments from public utilities. The values for PUPP are noted in the table above, under Public Utility (PUPP), which was $157 million in assessed values in 2024 and is collected at the district's total voted millage rate. Collections are typically 51% in the first half and 49% in the second half, along with the real estate settlements from the county auditor. The values in tax year 2024 rose by 9.16% or $13.2 million and are expected to grow by $150 thousand each year of the forecast.

Source	FY25	FY26	FY27	FY28	FY29
Public Utility Personal Property PUPP	$8,593,048	$8,601,013	$8,619,070	$8,620,005	$8,620,963
Total Line # 1.020	$8,593,048	$8,601,013	$8,619,070	$8,620,005	$8,620,963

New Tax Levies – Lines #13.010-13.030

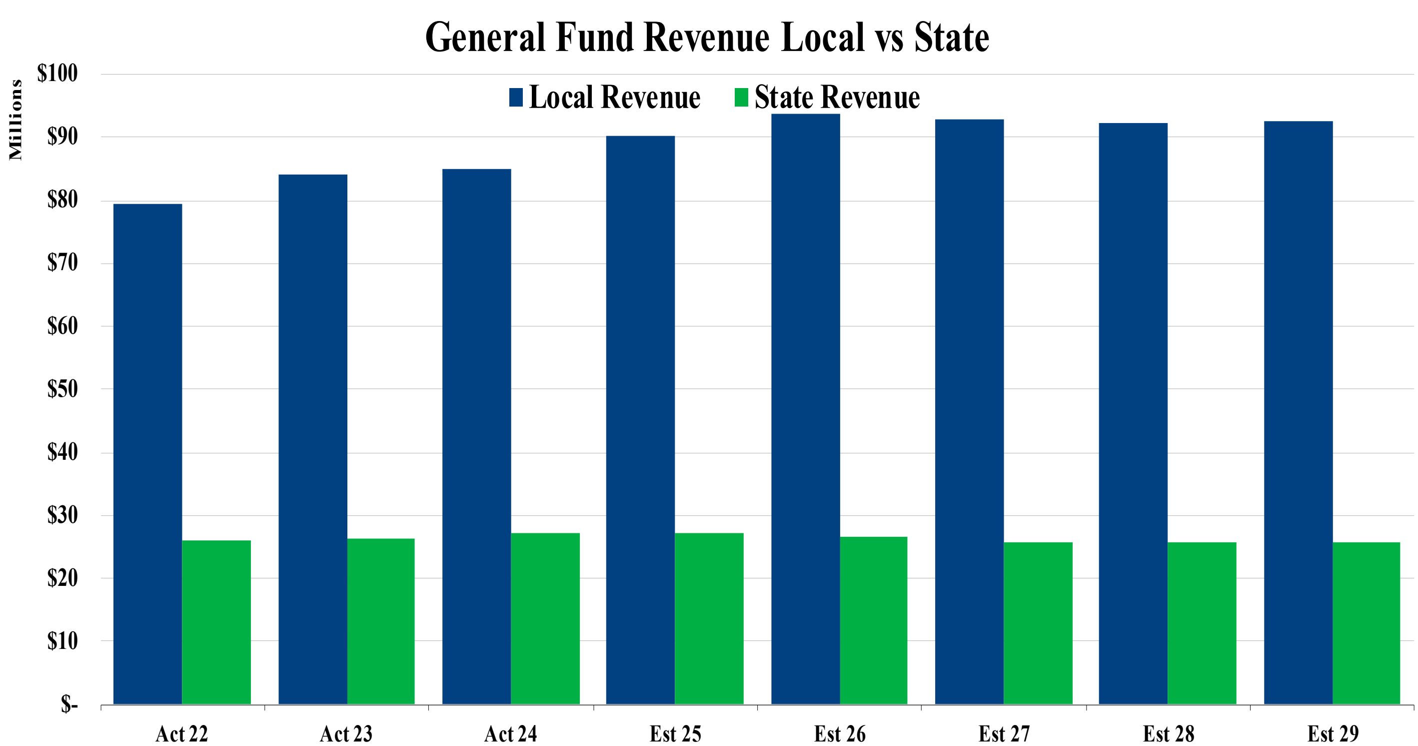
No new levies are modeled in this forecast.

Levy Renewal – Lines #11.010-11.030

State law requires that renewal levies be removed from revenues on Line 1.01, 1.02 and 1.05 and shown on line 11.02 of the forecast. Please note that renewal levies do not bring in additional tax revenues to the district. The district passed the renewal of the $7.585 and $5.975 million emergency levies combined into one $13.56 million levy at the May 2, 2023 ballot for a period of 10 years. The district will now have to renew these levies by the end of calendar year 2033 or fiscal year 2034. We want to thank our community for passing this renewal that collects the same revenue for a period of ten years. The district will not see a renewal come into the forecast until fiscal year 2030. The next renewal anticipated to be placed on the ballot will be November 2028.

School District Income Tax – Line#1.030

No school district income taxes are modeled in this forecast.



State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045
Current State Funding Model per HB33 through June 30, 2025

Unrestricted State Foundation Revenue – Line #1.035

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25, which funds students where they are educated rather than where they live. We have projected FY25 funding based on the most recent 2025 foundation settlement and funding factors.

Our district is currently a guaranteed district in FY25 and is expected to continue to be on the guarantee in FY26-FY29 on the Fair School Funding Plan (FSFP).

For a detailed overview of how foundation funding is calculated please visit the Ohio Department of Education and Workforce at: https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding.

State Funding Phase-In FY25 and Guarantees

The Fair School Funding Plan was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110 and extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it consists of a general phase-in percentage for most components of 66.67% in FY25.

The funding formula includes three (3) guarantees: 1) "Formula Transition Aid," 2) Supplemental Targeted Assistance, and 3) Formula Transition Supplement. The three (3) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY24 and FY25 than they received in FY21.

Future State Budget Projections beyond FY25

Our funding status for FY26-29 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be funded or continued beyond FY25; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY26 through FY29.

Threshold Cost Reimbursement

Threshold Cost (formerly Catastrophic Cost) reimbursement nearly doubled in FY22 due to increased appropriations, which are funded at the state level by a reduction in special education funding at the local level. These revenues are inconsistent year-to-year, and we are not projecting any growth over the remainder of the forecast.

Credential Reimbursement

The Department of Education and Workforce (DEW) credits the district with students receiving qualifying credentials for workforce readiness.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY24 was $114.18 million or $65.44 per pupil. In FY25, the funding totaled $114.30 million or $65.99 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

Source	FY25	FY26	FY27	FY28	FY29
Basic Aid-Unrestricted	$13,652,279	$13,302,279	$12,541,325	$12,541,325	$12,541,325
Preschool and Special Education Transportation	1,931,476	1,931,476	2,029,699	2,029,699	2,029,699
Threshold Reimbursements	315,810	315,810	315,810	315,810	315,810
Basic Aid-Unrestricted Subtotal	$15,899,565	$15,549,565	$14,886,834	$14,886,834	$14,886,834
Credential Reimbursement	$5,889	$5,889	$5,889	$5,889	$5,889
Ohio Casino Commission ODT	438,730	445,356	452,024	458,825	463,413
Total Unrestricted State Aid Line # 1.035	$16,344,184	$16,000,810	$15,344,747	$15,345,659	$15,350,247

Restricted State Revenues – Line #1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged Funding) and Career Technical funding. In addition, new restricted funds have been added under "Restricted Categorical Aid" for Gifted, English Learners (ESL), and Student Wellness. We have estimated FY25 revenues for these new restricted funding lines using current May #1 funding factors. The amount of DPIA was limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have flat-lined funding at FY27 levels for FY28-FY29 due to uncertainty on continued funding of the current funding formula.

Below you will see a line for other restricted state funds. This line captures new initiatives the state has put in place for specific purposes. In FY25, HB33 set aside funds state-wide to subsidize the Science of Reading initiative. The district will be reimbursed for teacher in-service and associated fringe benefits upon proof of training and certified reimbursement request. It is estimated that the district will receive $617,842 from this one-time subsidy in FY25 and is required to maintain documentation as to how the funds were spent. This is captured in the Other Restricted State Funds line below, which also includes an additional increase for Highly Qualified Instructional Materials (HQIM). Due to the nature of these funds, we will continue to monitor and update this forecast should future biennium budgets include one-time restricted funding from the state.

Source	FY25	FY26	FY27	FY28	FY29
DPIA	$701,123	$776,179	$1,030,095	$1,030,095	$1,030,095
ESL	24,177	23,177	20,727	20,727	20,727
Gifted	213,020	188,020	169,799	169,799	169,799
Career Tech - Restricted	130,826	114,826	93,701	93,701	93,701
Other Restricted State Funds	617,842	0	0	0	0
Student Wellness and Success	450,330	450,330	450,330	454,833	459,381
Total Restricted State Revenues Line #1.040	$2,137,318	$1,552,532	$1,764,652	$1,769,155	$1,773,703

Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundaton Revenues	FY25	FY26	FY27	FY28	FY29
Unrestricted Line # 1.035	$16,344,184	$16,000,810	$14,886,834	$14,886,834	$14,886,834
Restricted Line # 1.040	2,137,318	1,552,532	1,764,652	1,769,155	1,773,703
Restricted Federal Grants Line #1.045	0	0	0	0	0
Total State Foundation Revenue	$18,481,502	$17,553,342	$16,651,486	$16,655,989	$16,660,537

State Share of Local Property Taxes – Line #1.050
Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years or older or disabled, regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who still need to get their Homestead Exemption approved or those who did not get a new application approved for the tax year 2013 and who become eligible after that will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013, will not lose it and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Summary of State Share of Local Property Taxes – Line #1.050

Source	FY25	FY26	FY27	FY28	FY29
Rollback and Homestead	$8,609,563	$9,070,060	$9,087,283	$9,101,494	$9,115,705
Total State Share of Local Property Taxes #1.050	$8,609,563	$9,070,060	$9,087,283	$9,101,494	$9,115,705

Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been, interest on investments and tuition for court-placed students. Since FY22, any open-enrolled students since have been counted in our Enrolled ADM numbers for state funding and are not separately funded.

Interest income is based on the district cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. The Federal Reserve Bank cut interest rates by 50 basis point in September 2024 and cut a further 25 basis points in December 2024. While interest income in FY25 should remain steady due to laddered investment strategies, the rate cuts will begin to have an impact on earnings in FY26 and future years. We will continue to monitor the investments for the district.

The Shoregate TIF payments are currently not collecting per the agreement. Willoughby's TIFs are assumed to remain consistent. The Lake County YMCA took over the district's Latch Key Program housed in the YMCA building. The YMCA payments are projected to remain the same during the forecasted period. The district also receives rent payments from Adult Nursing Program, and T-Mobile for cell towers on top of the board office. A new TIF for Brookwood Crossing has been added beginning in FY25. Medicaid reimbursements are expected to continue at current levels. Pay to Participate, Classroom, and Extra-Curricular fees are assumed to remain flat for FY25-29. At this time, we will continue monitoring this line of the forecast for future projections.

The TIF revenue line below is inflated for FY25 due to a lump sum payment from the City of Willowick for delinquent TIF payments to the district. This lump sum is $288 thousand for FY25, which has been reduced to only reflect estimated annual collections moving forward.

Tuition Income is decreasing in FY27 and FY28 as we are leaving Excel TECC and bringing the career programming in house.

Rentals have returned to pre-pandemic levels. All other revenues are expected to continue on historical trends.

Source	FY25	FY26	FY27	FY28	FY29
Tuition Income	$1,590,000	$1,590,000	$1,090,000	$590,000	$590,000
Interest Income	2,789,723	2,308,143	2,015,640	1,793,176	1,749,494
Pay to Participate	175,000	175,000	175,000	175,000	175,000
Class Fees	346,700	346,700	346,700	346,700	346,700
TIF's	813,000	563,000	563,000	563,000	563,000
Insurance Proceeds	30,000	30,000	30,000	30,000	30,000
Rentals	175,000	175,000	175,000	175,000	175,000
All Other Sources	1,039,000	1,039,000	1,039,000	1,039,000	1,039,000
Total Other Local Revenue Line #1.060	$6,958,423	$6,226,843	$5,434,340	$4,711,876	$4,668,194

Short-Term Borrowing – Lines #2.010 & Line #2.020
There is no short-term borrowing projected in this forecast.

Transfers In / Return of Advances – Line #2.040 & Line #2.050
These are non-operating revenues, which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a prior fiscal year in the current fiscal year. The advances in the prior fiscal year are expected to be repaid in the current year, as noted in the table below.

Source	FY25	FY26	FY27	FY28	FY29
Transfers In - Line 2.040	$15,000	$15,000	$15,000	$15,000	$15,000
Advance Returns - Line 2.050	1,088,063	1,000,000	1,000,000	1,000,000	1,000,000
Total Transfer & Advances In	$1,103,063	$1,015,000	$1,015,000	$1,015,000	$1,015,000

All Other Financial Sources – Line #2.060
This funding source is typically a refund of prior year expenditures that is very unpredictable. For future years we are estimating an amount of refunds that are in line with historical collections.

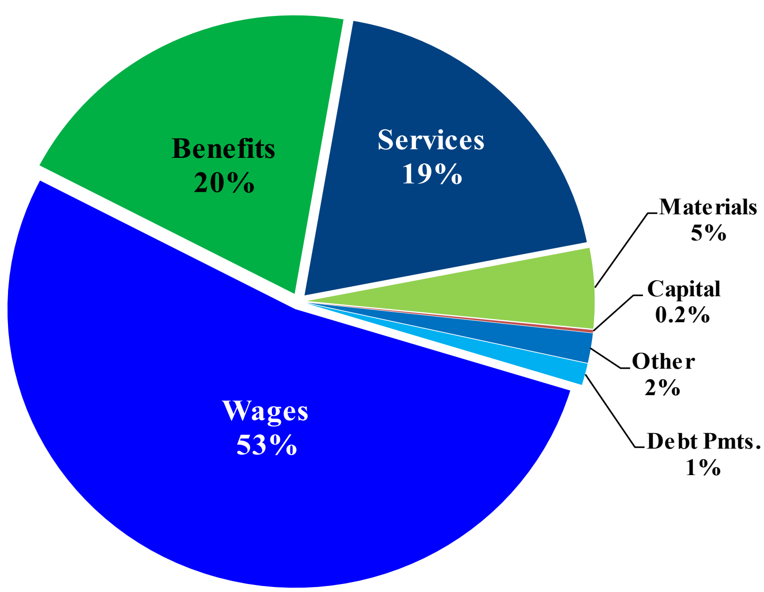
Source	FY25	FY26	FY27	FY28	FY29
All Other Financial Sources - Line #2.060	$435,000	$140,000	$140,000	$140,000	$140,000

Expenditure Assumptions

The district's leadership team is always looking at ways to improve the education of the students, whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

All Operating Expense Categories - General Fund FY25

General Fund Estimated Operating Expenditures FY25 $112,373,635



Wages – Line #3.010

A new two-year collective bargaining agreement was approved beginning in FY25, which provides for base increases of 2.25% for FY25 and FY26, step increases are included. For planning purposes only at this time, a 1.5% base increase has been projected for FY27-29.

In fiscal year 2025, $160 thousand of salaries returned to the general fund after fully utilizing the remaining Elementary and Secondary School Emergency Relief (ESSER) funding that had been allocated to the district at the end of FY24. In fiscal years 2025 to 2026, we anticipate a reduction in salary expenditures driven by natural staffing fluctuations.

In order to expand our career technical education (CTE) offerings for students, we plan to reassign current staff and/or hire new personnel using funds made available through retirements. As part of this initiative, we are in the process of exiting the Excel TECC consortium and will begin operating our own in-district CTE programs starting in FY28. This decision was driven by a significant unmet demand under the consortium model. Only about half of the students interested in CTE courses were able to participate due to limited seat allocations for Willoughby-Eastlake.

As referenced above in Restricted State Revenues (Line 1.040), in FY25, the district will receive a reimbursement for one-time stipends paid to teachers for completing training in the State of Ohio's Science of Reading initiative. Administrators do not qualify for a stipend as part of this initiative. The amount shown in the chart below is the gross wages paid to teachers. The remaining expenditure of the reimbursement is reflected in the Fringe Benefits (Line 3.020) section below. This initiative is fully funded by the State of Ohio and will not be an expense to the district.

Purpose	FY25	FY26	FY27	FY28	FY29
Base Wages	$53,543,172	$55,064,899	$57,047,495	$58,684,758	$60,369,010
Increases	1,204,721	1,238,960	855,712	880,271	905,535
Steps & Training	937,006	963,636	781,551	803,981	827,055
Overtime/Stipends/Other	625,903	657,198	690,058	690,058	690,058
Substitutes	1,737,392	1,824,262	1,915,475	2,011,249	2,111,811
Supplementals	1,481,652	1,514,989	1,537,714	1,560,780	1,584,192
Staff Reductions/Increases	(780,000)	(220,000)	0	0	0
Science of Reading Stipend Reimbursed by State	531,600	(531,600)	0	0	0
ARP ESSER	160,000	0	0	0	0
Board of Education	20,000	20,000	20,000	20,000	20,000
Total Wages Line 3.010	$59,461,446	$60,532,344	$62,848,005	$64,651,097	$66,507,661

Fringe Benefits Estimates – Line #3.020

This area of the forecast captures all costs associated with benefits and retirement costs. These payments are included in the table below.

A) STRS/SERS

As the law requires, the BOE pays 14% of all employee wages to STRS or SERS. The district is also required to pay SERS Surcharge, an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund healthcare.

B) Insurance

The district saw a 38% increase for healthcare premiums in FY24 based on recommendations by the district's insurance consultant. The large increase in FY24 was due to the need to rebuild the self-insurance reserves and fund the insurance plan to expected levels. Although this is a large up-front expense, it will ensure the benefit package is sustainable for our employees. We saw an increase of 9% in FY25 and 6% increase in FY26 and we are estimating a 6% increase for FY27-29. The district and the unions negotiated a cap on the insurance at 6%. Any increases between 6%-10%, will be the sole responsibly of the employee, while any increases over 10% will be split 50/50 between the district and the employees. The insurance reserves are currently below an acceptable threshold, and there are no premium holidays being forecasted for FY25-29.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately 0.38% of wages FY25 through FY29. Unemployment is likely to remain at a shallow level FY25 through FY29. The district is a direct reimbursement employer meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of wage increases and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Retirement/Insurance Benefits – Line #3.020

Purpose	FY25	FY26	FY27	FY28	FY29
STRS/SERS	$9,425,900	$9,615,479	$9,972,415	$10,258,533	$10,553,105
Insurances	11,562,935	12,256,711	12,992,114	13,771,641	14,597,939
Workers' Comp/Unemployment	237,495	237,495	237,495	237,495	237,495
Medicare	922,768	974,394	992,792	1,021,550	1,051,155
Other/Tuition	418,327	418,327	418,327	418,327	418,327
Total Fringe Benefits Line #3.020	$22,567,425	$23,502,406	$24,613,143	$25,707,546	$26,858,021

Purchased Services – Line #3.030

Purchased Services includes various services and supports that the district acquires from external providers to enhance educational operations and student well-being. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. In FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio’s electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period. Overall, this line is increasing by an average of 5.5% over the forecasted period.

In FY21, we reduced costs in purchased services by supplanting our Student Resource Officers (SRO) to Student Wellness and Success Funds (Fund 467). HB110 brought the allocations for Fund 467 into the General Fund. Due to this, the forecast will continue to see an increase to the Purchased Services line.

In FY22-24, we reduced costs in purchased services by supplanting services such as summer school costs, instructional technology, instructional programs, and mental health services to the ARP ESSER funds (Fund 507). The last year to utilize these funds was FY24. Due to this, the forecast will see these expenses return to the Purchased Services line.

Beginning in FY26, property services will be moved to the 003 Permanent Improvement Plan. This is tied to the 20 year Capital Plan, which the Board of Education approved at the April 2025 board meeting.

This section also contains the updated transportation contract with Petermann Bus and reflects annual 3% increases. Although this service is contracted, the district is still obligated to provide maintenance and fuel, while new bus purchases are the responsibility of Petermann Bus. There are two separate credits being provided to the district from Petermann in the amount of $100 thousand and $410 thousand. These are both set to expire on June 30, 2027, and will be added back in for FY28. Beginning in

FY28, we also anticipate saving approximately $500,000 in transportation costs by no longer participating in the Excel TECC consortium. We will also see a reduced tuition cost beginning in FY27 and again in FY28 as a result of leaving the Excel TECC Consortium.

Purpose	FY25	FY26	FY27	FY28	FY29
Transportation	$11,064,530	$11,449,351	$11,678,338	$11,921,905	$12,160,343
Tuition Payments	3,855,000	3,790,200	3,266,004	2,731,324	2,785,950
Utilities	2,081,720	2,430,000	2,673,000	2,726,460	2,780,989
Professional Services	1,131,739	1,075,830	1,097,347	1,119,294	1,141,680
Property Services and SRO's	1,815,501	701,707	715,742	1,730,057	1,764,658
Instructional Services	783,725	840,100	856,902	874,040	891,521
Connectivity, Phone & Postage	252,584	205,850	209,967	214,166	218,449
Contracted or Trade Services	400,305	377,505	385,055	392,756	400,611
Travel and Meetings	214,217	281,720	287,354	293,101	298,963
Total Purchased Services Line #3.030	$21,599,321	$21,152,263	$21,169,709	$22,003,103	$22,443,164

Supplies and Materials – Line #3.040

Supplies and materials expenses include curricular supplies, testing supplies, copy paper, maintenance, custodial supplies, materials, bus fuel, and other supplies consumed or used during the educational process. An average increase of 15.6% is projected in this area for the forecasted period.

FY25 saw an increase in general supplies as a one-time expense, due to the adoption of the CKLA K-5 curriculum. We will see the adoption of the CKLA 6-8 curriculum and math curriculum in FY26. FY24 and FY25 saw an increase due to supplies that were paid by the ARP ESSER funds (Fund 507) and have been moved back to the General fund. ESSER funding has been fully utilized and we do not anticipate receiving any additional ESSER funding. The district is also placing a higher emphasis on telling its story, so there has been more allocated for communications than in previous years. In alignment with our 20 year Capital Plan, beginning in FY26, we will see technology purchases moved to the 003 Permanent Improvement fund.

Purpose	FY25	FY26	FY27	FY28	FY29
General Supplies	$3,017,161	$2,031,133	$2,071,755	$2,913,190	$2,971,454
Resale Supplies	566,914	543,304	554,170	565,253	576,558
Maintenance	514,623	495,323	505,230	515,335	525,642
Vehicles	646,000	676,000	689,520	703,310	717,376
All other Supplies & Materials	364,611	271,110	276,532	282,063	287,704
Textbooks & Periodicals	114,560	110,493	112,703	114,957	117,256
Total Supplies Line #3.040	$5,223,869	$4,127,363	$4,209,910	$5,094,108	$5,195,990

Equipment – Line # 3.050

Most equipment will be moved to the 003 Permanent Improvement Fund, in alignment with the 20 year Capital Plan, beginning in FY26.

Purpose	FY25	FY26	FY27	FY28	FY29
Equipment	$101,416	$0	$0	$0	$0
Technical Equipment	78,190	29,000	29,000	29,000	29,000
Total Equipment Line #3.050	$179,606	$29,000	$29,000	$29,000	$29,000

Principal and Interest Payment – Lines #4.010 through 4.060

The district issued $1.3 million in long-term general obligation notes to replace and renovate the South High athletic fields due to the condition of the bleachers; this project was completed August 2015. The Federal Government provides subsidy payments to fully offset the interest payments, with respect to its TQSC bond and its Series 2011 COP note. As part of the

American Taxpayer Relief Act, the Federal Government began to reduce these subsidies. As a result, subsidies were reduced by 6.9% in FY17 and 6.6% in FY18. The district expects further reductions to interest subsidies.

As these reductions continue, the PI fund becomes less able to fully support the debt payments, which may cause the General Fund to assume a portion of this debt service through transfers to the PI fund. Due to the PI debt, future building improvements may be made by the General Fund. In 2017, the district refinanced its 2011 and 2013 COPs to save, in net present value terms, over 4%. The refunded debt terms will be repaid by both the PI and General funds. In FY18, the district refinanced its Series 2013 and 2015 COPs. The PI fund is responsible for the majority of the refinancing. However, a portion of the refinancing is obligated to the General Fund.

In FY20, the district refunded three debt issuances. The Certificates of Participation - Series 2015 saving the district $703,534 with the final payment being made in FY40. The Energy Conservation Improvement Bonds - Series 2012 saving the district $304,086 with the final payment being made in FY28. The 2046 maturity of the School Improvement Bonds - Series 2016 will save $5,771,835, for aggregate savings of $6,779,455 to the district over the term of these loans. No further building repair projects are projected during the forecasted period.

Purpose	FY25	FY26	FY27	FY28	FY29
Principal-All (Historical Only)	$90,000	$94,000	$94,000	$98,000	$101,000
Principal-Notes	257,745	264,470	446,000	471,690	484,620
Total Principal Payments	$455,780	$481,503	$347,745	$358,470	$540,000

Purpose	FY25	FY26	FY27	FY28	FY29
HB 264 Principal Line # 4.050	$585,000	$595,000	$600,000	$575,000	$0

Purpose	FY25	FY26	FY27	FY28	FY29
Interest on Leases & HB 264 Total Line 4.060	$476,492	$448,054	$411,696	$368,436	$336,078

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, the annual audit, and other miscellaneous expenses. We do not expect an increase in the property tax collections as this is based on the levy amounts being collected and there are no new levies projected in the forecast. Insurance costs are expected to increase by 5% for FY25 and FY26 and 3% for FY27-29. An average rate of 3.2% increase is projected in this area.

Purpose	FY25	FY26	FY27	FY28	FY29
Property Tax Collections	$1,075,000	$1,075,000	$1,075,000	$1,075,000	$1,075,000
Dues and fees	232,238	222,610	229,288	236,167	243,252
Insurances	553,597	566,560	583,557	601,064	619,095
Annual Audit	62,046	63,000	64,890	66,837	68,842
Awards and Other	9,850	6,700	6,901	7,108	7,321
Total Other Expenses Line #4.300	$1,932,731	$1,933,870	$1,959,636	$1,986,175	$2,013,510

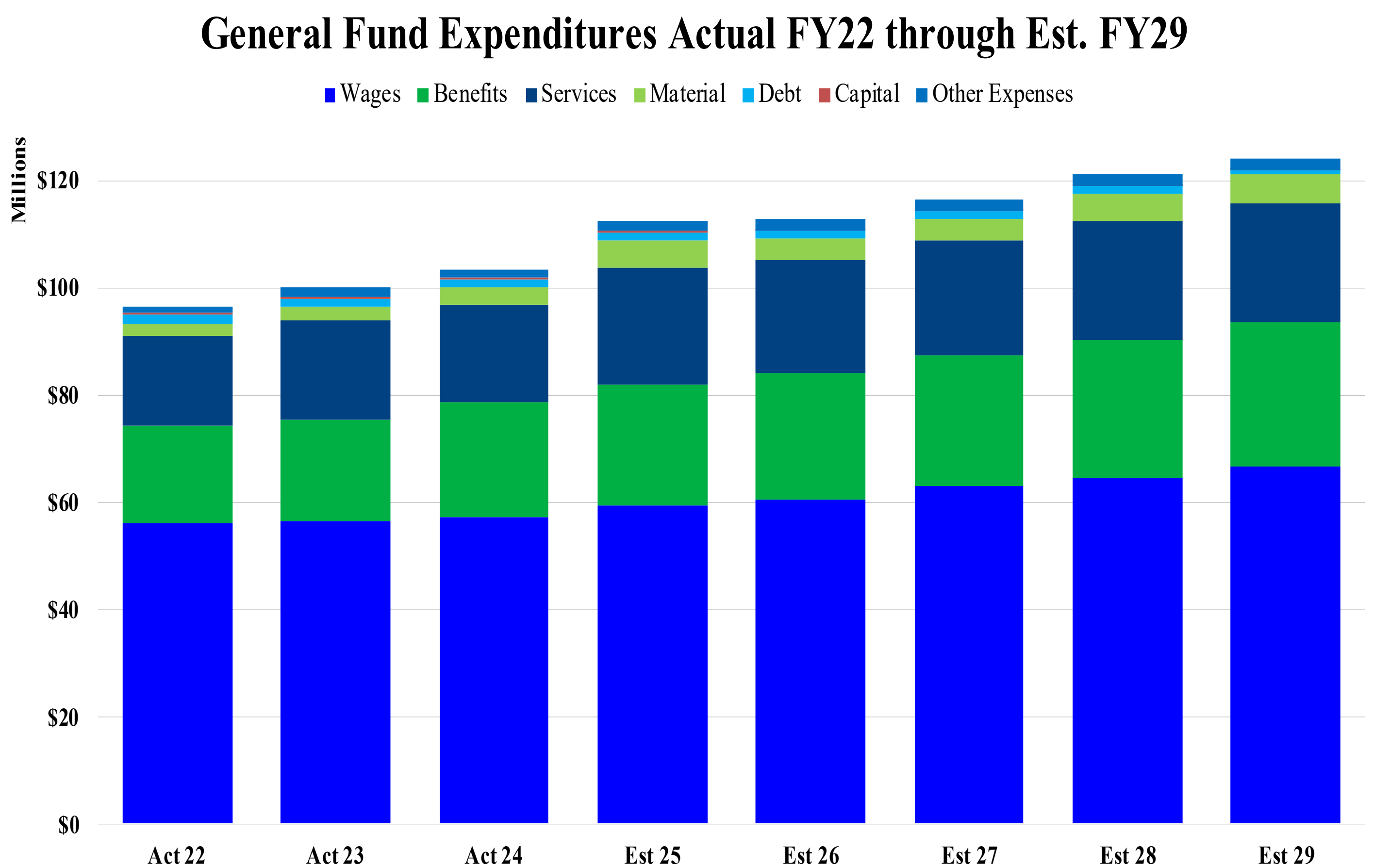
Transfers and Advances Out – Lines #5.01 and #5.02

This account group covers fund-to-fund transfers and end-of-year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The district is forecasting transfers to the 035 Severance fund to cover retired employee severances, a transfer to the 003 Permanent Improvement Fund, and other transfers to support athletics and extracurricular activities. The transfers will support FY26-28 of the 20 year Capital Improvement Plan, which may also include the repurchase of the bus fleet instead of continuing with leasing, as well as any career technical education (CTE) facility expansions or enhancements that are not covered by grant funding. Advances are to cover self-insurance fund deficits, state and federal grants at fiscal year-end and debt service payments in the event the permanent improvement fund cannot cover those costs.

Purpose	FY25	FY26	FY27	FY28	FY29
Transfers to 003 Permanent Improvement	$18,267,312	$0	$0	$0	$0
Regular Transfers	950,000	950,000	950,000	950,000	950,000
Transfers Out Line #5.010	$19,217,312	$950,000	$950,000	$950,000	$950,000
Advances Out Line #5.020	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Transfer & Advances Out	$20,217,312	$1,950,000	$1,950,000	$1,950,000	$1,950,000

Operating Expenditures Actual FY22 through FY24 and Estimated FY25-FY29

As the following graph indicates, we have diligently contained costs due to lower and flat state revenues. We control our expenses while balancing students' academic needs to enable them to excel and perform well on state performance standards.



Encumbrances – Line #8.010

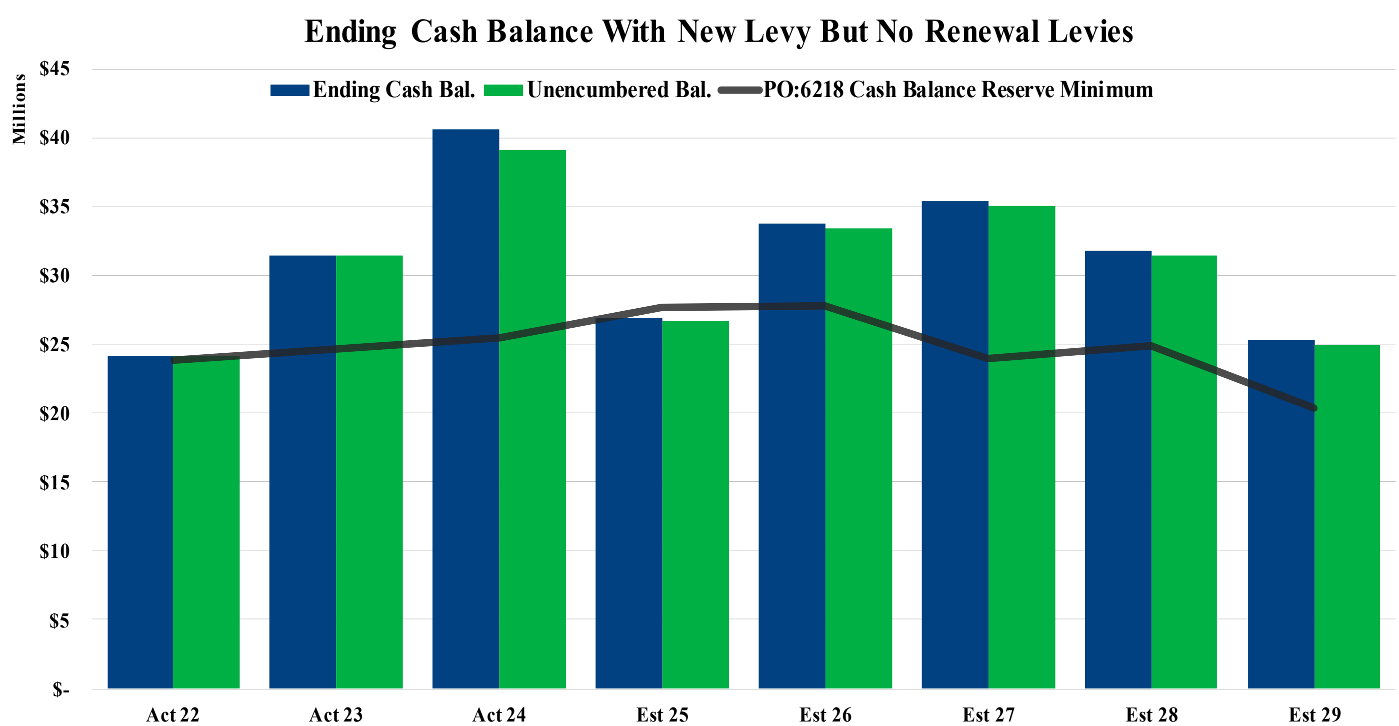
Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments, which have been performed, are awaiting invoicing and payment. Encumbrances, on a budget basis of accounting, are treated as the equivalent of expenditure at the time authorization is made to maintain compliance with spending restrictions established by Ohio law. For presentation in the forecast, outstanding encumbrances are presented as a reduction of the general fund cash balance.

Purpose	FY25	FY26	FY27	FY28	FY29
Estimated Encumbrances	$300,000	$300,000	$300,000	$300,000	$300,000

Ending Unencumbered Cash Balance Including Our New Levy and All Levy Renewals – Line#15.010

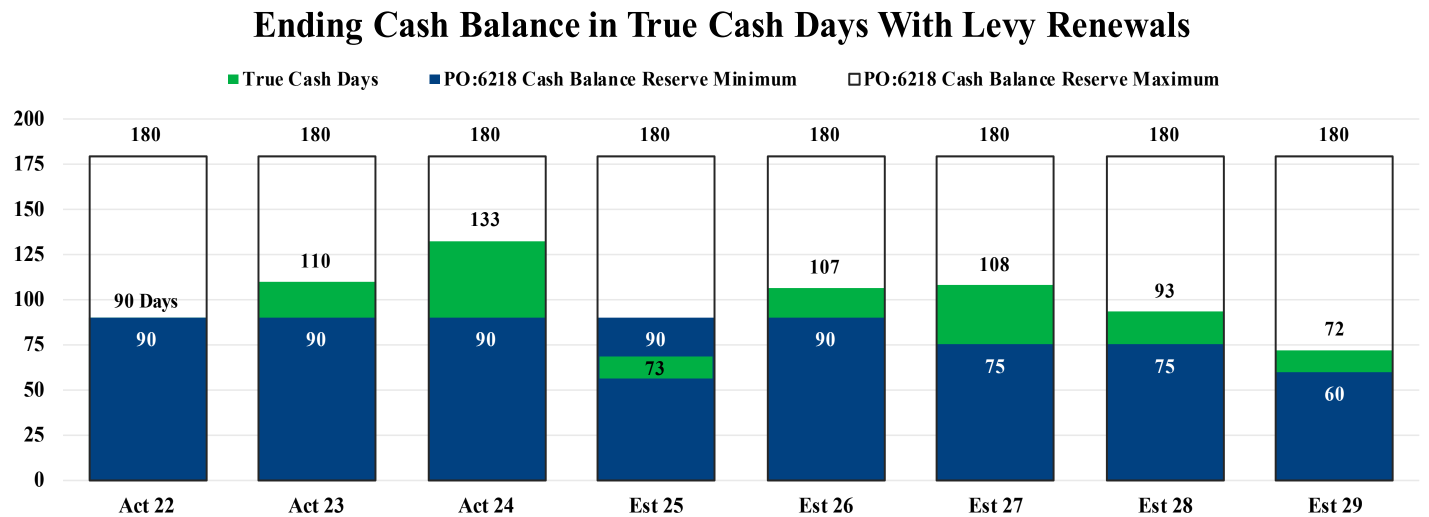
This amount must not go below $-0- or the district general fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, and which results in a negative unencumbered cash balance, is a violation of O.R.C. §5705.412, which is punishable by personal liability of $10,000; unless an alternative 412 certificate, as permitted by HB153, effective September 30, 2011, could be issued. The district approved Board Policy 6218 – Cash Balance Reserve on September 9th which establishes the true days cash minimum levels for each year of the forecast. The current and second year forecasted requires 90-days cash, third and fourth year forecasted a 75-day minimum and 60-days in the fifth year forecasted. It should also be noted if the true days cash balance exceeds 180 days, the Superintendent may bring a plan in alignment with the district's strategic plan. This expenditure must be approved by the Board and cannot result in reducing the forecasted days cash below policy standards. The Board of Education anticipates suspending Board Policy 6218, until after the results of HB96 are known.

Purpose	FY25	FY26	FY27	FY28	FY29
Ending Unencumbered Cash Balance	$26,666,506	$33,457,554	$35,035,600	$31,430,692	$24,939,823



True Cash Days Ending Balance

Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year-end if no additional revenues were received? This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. This is calculated, including transfers, as this is a predictable funding source for other funds such as capital, athletics, and severance reserves. Although this is the recommended amount, Board Policy 6218 – Cash Balance Reserve establishes this is the minimum amount in year five of the forecast. This will allow for proactive planning to address potential shortfalls in the budget, stabilizing programming throughout the district. As well as the ability to enhance programming when excess resources are available.



Conclusion

The district appreciates the support the community gave on May 2, 2023 renewing the $7.585 million emergency levy expiring in December 2023, and a $5.975 million emergency levy that expires in December 2024 into a single $13.56 million Emergency Levy renewal for a 10-year period. Due to many factors that play into the story of our revenue and expenditures, we must continue working together for the quality education the district provides. We want to thank all of our community members that have taken the time to share their thoughts at the community conversations. We also want to encourage everyone in our community to collaborate with us in order to align the needs of our students with valuable tax revenue. This levy, and continued support of our expiring levies will be key in keeping the district on stable financial footing.

Willoughby-Eastlake City School District receives 23.1% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

The district administration is grateful for the changes in the current state budget HB33 as it has reduced the amount that was deducted for programs that were not within the district's control. However, HB 96 and future state budgets funding will need to be watched since the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in state budgets for FY26-FY29.

As the administration plans for the future, they will need to make sure that the district is able to maintain a positive cash balance throughout the forecast. The expenditures will need to be reviewed based on the current revenues in order to obtain this.

As you read through the notes and review the forecast, remember that the forecast is based on the best information that is available to us at the time the forecast is prepared.