OASBO WHITEPAPER 2025

Five-Year Forecast—Guidance and Best Practices

Ohio Association of School Business Officials

oasbo

Effective budgeting and forecasting are critical to the financial health and strategic success of school districts. The five-year forecast is more than just a tool for treasurers; it is a district-wide projection that relies on collaboration from district leaders to be impactful. Input from key stakeholders, including superintendents and other district leaders, is vital to ensuring that the forecast assumptions are well-informed, and aligned with strategic goals.

OASBO is a member-drive organization. As such, members came together to create this comprehensive guide to the five-year forecast for treasurers, superintendents, boards of education, and school district leaders. This white paper details the key processes and best practices needed to enhance these essential financial activities. Using this collaborative approach, school districts can achieve greater financial stability, and more effectively plan for the future.

Thank you to the following treasurer/CFOs whose expertise and hard work helped shape this resource:

- George Anagnostou, Strongsville City Schools
- Kristine Blind, London City Schools
- Jennifer Bruns, St Henry Consolidated Local Schools
- Jennifer Burke, Reading Community City Schools
- TJ Cusick, Worthington City Schools
- Rhonda Feasel, Mohawk Local Schools
- Ronnie Fitchpatrick, Riverside Local Schools
- Mark Ingles, Jonathan Alder Local Schools
- Jenni Logan, Sycamore Community City Schools
- Jamie Mullet, West Holmes Local Schools
- Meghan Rohde, Bay Village City Schools
- Kyle Smith, Bexley City Schools
- Jennifer Sudhoff, Shared Services Alliance
- Bill Wade, Mentor Public Schools
- Craig Yaniglos, Brecksville-Broadview Heights Schools
- Karl Zarins, Heath City Schools
- Kent Zeman, Lakewood City Schools

Table of Contents

Introduction

The primary purpose of this whitepaper is to guide treasurers, superintendents, boards of education, and other school district leaders through the key processes and best practices for effective budgeting and forecasting in school districts.

The five-year forecast is not just a financial tool for treasurers; it is a district-wide projection that requires input and collaboration from all key stakeholders. Particularly, the superintendent and other school district leaders must be involved to ensure that assumptions are well-informed and reflect the school district's strategic goals.

The whitepaper is broken into three sections—the purpose of the forecast, the process of establishing the forecast, and the post-monitoring necessary to ensure effective management and financial stability of a school district. By leveraging these best practices, school leaders can make informed decisions that promote financial stability, ensuring students have access to high-quality education, resources, and opportunities to reach their fullest potential.

I. Purpose: The "Why" and Other Legal Requirements

The five-year forecast is an essential planning and management tool for K-12 public school districts (hereafter referred to collectively as "districts" and individually as "district"). Ohio Revised Code (ORC) §5705.391 and Ohio Administrative Code (OAC) 3301-92-04 mandate that the board of education (BOE) submit a five-year projection of operational revenues and expenditures, including assumptions, to the Ohio Department of Education and Workforce (DEW) twice a year: (1) between October 1 and 30 and (2) an update between April 1 and May 31. In addition, an updated forecast must be submitted when any significant changes occur.

The November forecast serves as an early indicator of financial conditions for the current fiscal year and beyond. It is a starting point for adjustments that may be necessary in the mid-year budget or longer-term financial planning. It helps the district assess how well it is adhering to its financial plan and whether any significant changes need to be anticipated.

The May forecast should reflect the district's operating budgets for the upcoming fiscal year, making it critical for short-term planning. It provides the board and administration with a clearer picture of the district's financial health going into the next year. It is often used for preparing the next fiscal year's budget, which runs July1 to June 30. The May forecast has the advantage of more complete and accurate data for the current fiscal year, while the November forecast relies more on projections and early-year estimates, providing an initial look at the district's financial trajectory for the current fiscal year. Both are essential for ongoing financial planning and decision-making.

A. Forecast Components and Objectives

The five-year forecast consists of three required components: three years of historical data, five years of projected data, and accompanying notes that explain the historical expenditures and projections for each forecast line including the assumptions used for projections. The five-year forecast must include the following funds:

1. General fund (001), which are funds used for the general operations of a district,
2. Any special cost center associated with general fund money, and
3. Any debt service (002) activity that would otherwise have been paid from the general fund.

Permanent improvement (PI) funds (capital projects), bond funds (debt service), special revenue funds, enterprise funds, internal service funds, fiduciary funds, trust funds, restricted state and federal grants, and other capital projects funds are excluded from the forecast because these funds are restricted for specific uses and not available for general operations. However, it is important to note that deficit balances in these funds ultimately become the responsibility of the general fund.

If a district is carrying positive or negative fund balances beyond the current fiscal year, the net effect of these balances should be reflected as a transfer out (in) from the general fund. The objectives of a five-year forecast include, but are not limited to:

1. Engaging the local board of education and the community in long-range budget planning and discussions of financial issues facing the district;
2. Determining the district's ability to sign the "412 Certificate," as required by Ohio Revised Code (ORC) §5705.412;
3. Assessing the district's levy needs, including the timing, size, and duration;
4. Serving as a resource for negotiations;
5. Providing a basis for credit rating agencies to assess the financial health of a district;
6. Guiding yearly budgeting for buildings and departments; and
7. Assisting the Department of Education and Workforce Development (DEW) and the Auditor of State (AOS) in identifying districts with potential financial challenges.

B. Key Considerations—Variability Factors and Assumptions

A district's financial forecast projects its financial position at a specific point in time, using the best available data, including revenue sources, expenditure trends, enrollment patterns, and economic conditions. However, financial forecasts are inherently subject to change due to dynamic factors like legislative changes, economic shifts, unexpected expenses, and enrollment fluctuations. To maintain accuracy and relevance, forecasts should be regularly reviewed and updated as new information becomes available.

Certain unknowns are particularly relevant to the later years of the forecast. On the revenue side, factors such as state budget cycles, tax levy renewals, school district income tax (SDIT) fluctuations, and property reappraisals can all impact projections. Expenditure uncertainties may include future collective bargaining agreements, facility and transportation maintenance, unfunded mandates, and adjustments needed to address evolving student needs. These variables highlight that the numbers alone do not tell the full story.

For the forecast to be meaningful, its assumptions must reflect the district's strategic goals, operational realities, and insights from key school leaders, especially the superintendent. Collaborative input ensures that the forecast accurately reflects the district's direction and financial planning. The assumptions are fundamental to understanding the rationale behind the numbers, particularly when a significant increase or decrease is shown.

C. Measuring Financial Health: Key Indicators from the Forecast and Fiscal Oversight

The five-year forecast provides a projection of the district's cash balance over time, helping to assess the district's financial health. One key measure is Line 6.010, which reflects Excess of Revenues and Other Funding Sources over (under) Expenditures and Other Financing Uses. This line offers a snapshot of whether the district is operating within its revenue, and is a leading indicator of the overall financial condition of a district.

A positive figure in Line 6.010 means the district's revenues exceeded its expenditures for that fiscal year, contributing to a healthy cash balance. A negative figure indicates that expenditures surpassed revenue, which reduces the district's ending fund balance and, if sustained over multiple years, could lead to fiscal instability or insolvency. This is commonly referred to as "deficit spending."

It is important to interpret Line 6.010 in light of the district's levy cycle. By law, districts cannot assume the renewal of existing tax levies in their forecasts (ORC 5705.412; OAC 3301-92-05). As a result, forecasts with expiring levies may show a less favorable financial position than if those levies were renewed. Districts experiencing sustained deficit spending without levy renewals are at a higher risk of fiscal challenges.

Maintaining a positive general fund balance (line 10.010) is important to avoid fiscal distress which may lead to a declaration of fiscal oversight. Ohio law requires districts to take immediate steps to eliminate any deficit fund balance in the current fiscal year of the forecast and to begin to plan to avoid projected future deficits. If these efforts do not resolve the projected fiscal distress, ORC 3316 sets forth provisions in law for DEW and AOS to determine if a declaration of fiscal oversight is necessary to prevent further fiscal decline. There are three levels of fiscal oversight: Fiscal Caution, Fiscal Watch and Fiscal Emergency.

The road to fiscal oversight begins through the five-year forecast examination process. DEW is required to examine five-year forecast submissions to determine if a district "has the potential to incur a deficit fund balance within the first three years of the five-year forecast period." DEW considers identified districts to be experiencing "fiscal distress". Ohio law requires DEW to notify districts of the potential for deficit and requires districts to submit a board-approved written plan to address the projected deficit. DEW considers notified districts to be in a "Precautionary" status. While this "Precaution" designation is not a formal fiscal oversight status, it signals that the district should take proactive steps to stabilize its finances and avoid further fiscal challenges.

II. Process: Reporting Requirements for Five-Year Forecast

The five-year forecast is arguably the most significant financial document in a school system, and consequently it is an essential management tool in guiding the decision-making processes for a district. The document itself is divided into two sections—revenues and expenditures. A district's revenue comprises two main sources, local levies and state funding. The expenditures primarily include salary and wages, benefits, purchased services, materials and supplies, and capital outlay.

As previously noted, the five-year forecast starts with three years of historical revenues and expenditures. These historical numbers can be used to develop trends when forecasting the future years. For the numbers to be meaningful, the *reader must review and consider the assumptions of the five-year forecast* before drawing conclusions or using the data as a basis for other calculations.

A. Collaboration Among District Leaders

Developing a five-year forecast is a collaborative process that relies on the expertise and input of various district leaders. Each participant brings a unique perspective, ensuring the forecast aligns with the district's strategic goals and accurately reflects its financial situation. The following outlines the roles and contributions of key participants in the forecasting process.

Superintendent
The superintendent provides insights into the district's instructional priorities and program expansions, ensuring that financial planning aligns with initiatives that support student learning and success. This information helps the forecast reflect upcoming resource demands that support the district's educational objectives. Working closely with the treasurer, the superintendent ensures that financial planning aligns with the district's long-term goals.

Treasurer/CFO
As the chief financial officer, the treasurer is responsible for managing the forecast's accuracy and transparency. Using historical data, economic trends, student enrollment trends, and district plans for program offerings, the treasurer projects revenues and expenditures. Additionally, the treasurer communicates financial data to district leaders, board members, and the community as the basis for informed decision-making.

Board of Education

The board of education provides governance for the district's financial planning. The board:

- **Approves the Forecast**
  Ensures that the forecast aligns with the district's financial stability and strategic goals.

- **Represents the Community**
  Acts as a bridge between the district and the community, promoting transparency in financial planning.

- **Guides Financial Decisions**
  Uses the forecast to make informed decisions on initiatives that impact the district's financial health, such as levy renewals, capital projects, educational program expansions, and staffing decisions.

District Administrators (e.g., HR, Facilities, Instructional Leaders)

District administrators contribute information on specific departmental needs, such as facilities maintenance, staffing, and program funding, and curriculum needs. This input helps to create a more detailed and accurate forecast, particularly for personnel expenses, capital investments, and operational costs. These leaders provide data on projected retirements, new hires, and anticipated facility improvements, ensuring the forecast reflects the district's financial commitments.

Community and External Partners

Parents, business leaders, local government officials, and other members of the community offer feedback on district priorities and advocate for resources, such as levy renewals. Input from these community members helps align the forecast with broader community needs and ensures transparency in financial planning.

To maximize the effectiveness of the five-year forecast, regular meetings with all involved parties are recommended to discuss key assumptions, monitor trends, and align financial goals. These reviews should occur at least quarterly and focus on validating the assumptions, updating projections as new information becomes available, and ensuring alignment with the district's strategic goals and operational realities. See **Appendix B**—School Budget Process Calendar—for a monthly overview of the budget process, with suggested times for district teams to meet and review annual budgets.

B. Revenues, Expenditures, and Cash Balance Lines

The following is a brief explanation of key revenue and expenditure lines, as well as the cash balance lines, with a detailed line-by-line explanation in **Appendix A**. The following section concludes with additional details to consider when drafting the five-year forecast assumptions.

1. Revenues—Property Taxes, Income Taxes, Unrestricted and Restricted Grants-in-Aid

A. GENERAL PROPERTY TAXES (LINE 1.010)

In Ohio, school districts levy property taxes based on the assessed valuation of real property within the district. Property taxes are calculated in "mills," where one mill represents $1 of tax per $1,000 of assessed value (with assessed value being 35% of the market value).

Depending on a district's history and community, the five-year forecast may include three types of property tax levies:

- **Fixed Sum Levies**
  These are approved for a specific dollar amount, which does not change with property value fluctuations. Emergency and substitute levies are examples. Emergency levies collect a set amount each year, independent of new construction, and have a maximum term of 10 years before requiring voter renewal. Substitute levies also collect a set amount but adjust to include revenue from new construction and property improvements. Substitute levies can be either for a set period or continuing.

- **Fixed Rate Levies**
  These levies are approved for a specified millage rate and are authorized for a term of up to five years or continuing. Due to Ohio's tax reduction factors (HB 920), fixed rate levies stabilize revenue by adjusting millage rates as property values change. For example, if property values increase by 10%, the effective millage rate decreases by 10%, resulting in no revenue growth from appreciation. Separate "effective millage rates" apply to Class 1 (residential and agricultural) and Class 2 (commercial and industrial) properties, based on each class's historical property value trends.

- **Inside Millage**
  Ohio law allows up to 10 mills of unvoted property tax millage, which is shared among local government entities. Districts typically receive between 4 and 6 mills. Inside millage is unique in that it is not affected by tax reduction factors and adjusts proportionally with property valuation changes.

NOTE: The 20-mill floor requirement stipulates that the combined millage from a district's voted fixed rate operating levies and inside millage cannot be reduced below 20 mills. If a district reaches this threshold, tax revenue will increase proportionally with any further property valuation increases.

Property values are reviewed and adjusted every three years through a reappraisal or triennial update by the county auditor. Since taxes are collected based on the prior year's values and distributed on a calendar year basis, the first fiscal year following a reappraisal or a triennial update will only generate one-half of the increase resulting from the reappraisal or triennial update (January–June distribution). Detailed reappraisal and update schedules are available on the Ohio Department of Taxation (ODT) website at *https://tax.ohio.gov/government/real-property-tax/real-property*.

Fluctuations in property tax revenue can affect the forecast and may occur due to:

- Changes in property valuations (including adjustments in Current Agricultural Use Value, or CAUV, based on grain prices with valuation based on soil types rather than the land's market value);
- District positioning relative to the 20-mill floor for either Class 1 or Class 2 property;

- Delinquencies in tax payments and collection rates set by the county auditor;
- Timing of taxpayer payments (collection splits);
- Revenue impacts from new levies (which only reflect half of the revenue in the first fiscal year after approval);
- Renewal levies, which appear in line 11.02 until approved; and
- Tax advances from the subsequent fiscal year.

The assumptions to the forecast should explain these fluctuations in detail. Regular meetings with the county auditor are essential, particularly during years of triennial updates or reappraisals, to obtain the latest information on district valuations. To obtain accurate data, districts should gather the following from the county auditor:

- Real estate tax settlement reports
- Millage rates
- Valuations
- Sales data in relation to appraised values
- CAUV soil rate historical data
- Collection rates
- Tax Increment Financing (TIF) and Community Reinvestment Areas (CRA) schedules (also impacts Line 1.060)
- New construction and demolished improvements (see Abstract of Real Property (DTE 93))

Additional data can also be accessed on the ODT's website at: *https://tax.ohio.gov/government/school-district-data*.

B. INCOME TAXES (LINE 1.030)

Districts in Ohio may levy a school district income tax (SDIT) in one of two forms:

- **Traditional SDIT**
  Applies to all taxable income, including earned income of individuals residing in the district, estates of district residents, and unincorporated businesses located in the district that file Ohio individual income tax returns.

- **Earned Income Only SDIT**
  Applies solely to earned income and self-employment income of individuals residing in the district, excluding other forms of taxable income.

Districts with a SDIT receive four income tax payments per calendar year: one each in January, April, July, and October.

When a district first passes an income tax levy, the tax becomes effective on the following January 1. The first payment will be received by the district in April of that year (a relatively small payment). It will take 1 ½ years (six quarters) for the district to receive the full amount of taxes liable from the first year it is levied because of the collection process.

Districts with a SDIT should actively engage with local community leaders—such as mayors, county commissioners, township trustees, and their fiscal officers—to stay informed about economic trends and developments. This includes monitoring the impact of economic growth or downturns, as well as tracking changes related to major employers and taxpayers in the community or region.

For many communities, new housing developments can significantly affect not just property tax revenue but also SDIT collections, as population and income levels shift. Proactive communication and collaboration with local leaders can help districts anticipate changes and adjust financial planning accordingly.

The ODT Guide to Ohio's School District Income Tax is a valuable resource in understanding the levying and collection process of school district income tax revenue: *https://dam.assets.ohio.gov/image/upload/tax.ohio.gov/tax_analysis/tax_data_series/school_district_data/sditqa.pdf*.

To forecast the income tax line, the district should utilize, monitor and understand the district quarterly reports found on the ODT web page at: *https://tax.ohio.gov/government/resources/distributions-school-district-income-tax*.

Proper Revenue Recognition Procedures

A school district must have legal authority to collect revenue from property tax and income tax levies to report revenue from these levies on line 1.010 or line 1.030. When a levy expires, revenue from the levy is not available for operations and must be moved below line 6.010 to "Revenue from Replacement/Renewal Levies" (line 11.010 or 11.020) until the levy is renewed. Likewise, proposed levies to generate additional revenue should always be reflected below line 6.010 on the "Revenue from New Levies" (line 13.010 or 13.020). Upon voter approval, the school district should update the five-year forecast to reflect the revenue in line 1.010 and 1.030 within thirty days of the levy passing (see ORC 5705.412, OAC 3301-92-05).

C. UNRESTRICTED GRANTS IN AID (LINE 1.035)

This line primarily represents revenue received through the State Foundation Program with no restrictions attached. The state funding formula (commonly referred to as the Fair School Funding Plan) is the primary method used by the Ohio legislature to determine how much state aid each district receives. Additionally, this line includes other sources of unrestricted revenue, such as casino revenue. The amount of state aid is determined in the state biennium budget, which is adopted in odd-numbered years and implemented beginning in even-numbered fiscal years.

Key factors that influence state aid in the Fair School Funding Plan:

- Student enrollment and demographics;
- Property valuation per pupil;
- Personal income of district residents per pupil; and
- Historical funding (caps and guarantees from prior funding formulas, which serve as the "Funding Bases" for guarantees).

The information needed to forecast the Unrestricted Grants-in Aid is as follows:

- State Foundation settlement sheets,
- Foundation Funding Report,
- Student enrollment,
- Property valuation projections,
- Resident income projections, and
- Casino revenues.

D. RESTRICTED GRANTS-IN-AID (LINE 1.040)

This line represents revenue received through the State Foundation Program or other allocations that are restricted for categorical or specific purposes.

Examples include:

- Career-technical funds
- Disadvantaged pupil impact aid
- English learners aid
- Gifted funding
- Student wellness and success funds

The above information on unrestricted and restricted grants in aid can all be found on DEW's web page at:
https://education.ohio.gov/Topics/Finance-and-Funding/School-Payment-Reports/State-Funding-For-Schools/Traditional-School-Districts.

The remaining revenue lines in the forecast are outlined and described in **Appendix A**.

2. Expenditures—Personnel Services, Employee Retirement/Insurance Benefits, Purchased Services

The expenditure history data will come from the district's own records.For those districts on state software, running a Fiscal Year (FY) Financial Detail Report as well as the Five-Year Forecast module within state software will be helpful. For districts using PowerSchool ERP, an Expenditure Status Report, sorted on Fund/SCC, Account will provide helpful information as well as the Annual Spending Plan.

A. PERSONNEL SERVICES (LINE 3.010)

This line is for employee salaries and wages, including extended time, overtime, severance pay, and supplemental contracts. Since schools are service-oriented entities, salaries and wages represent the majority of district expenditures.

Fluctuations may occur due to reductions in force, negotiated salary schedule changes, retirement levels, shifting of costs to/from federal programs or grants, or changes in enrollment, which may cause the required staffing levels to fluctuate. Mid-year fluctuations may come as a result of adding positions as requested by the superintendent and/or driven by changing needs in Individualized Education Plans (IEPs). Further, if a district follows a biweekly pay schedule, there will be years with a 27th pay. These fluctuations should be explained in the assumptions of your forecast.

District data, collective bargaining agreements, and historic costs are the best resources to determine these expenses, and the superintendent's input is necessary for accurate assumptions.

Items that are needed to compute this line of the forecast:

- Salary grid of employees;
- Estimates of retirements for each year of the forecast;
- Wage and step increases for each year of the collective bargaining agreement (CBA);
- Salary projections;
- Supplemental contracts;
- Staffing and enrollment projections; and
- Any changes in staff, either increases or decreases.

B. EMPLOYEE RETIREMENT/INSURANCE BENEFITS (LINE 3.020)

This line includes retirement for employees, workers' compensation insurance, early retirement incentives, Medicare, unemployment, and all health-related insurances.

Many components of this line item, such as retirement contributions and Medicare, will have a direct correlation to the Personnel Services line item. Factors that could cause inconsistencies from year to year might include changes in health-related insurance costs, changes in enrollment in health-related insurance programs, future employee contributions toward health-related insurance, early retirement incentives (ERI), premium holidays, and insurance claim payouts. Fluctuations and changes from one forecast to the next should be explained in the forecast assumptions.

Items that are needed to compute this line of the forecast:

- Wage and staffing level projections;
- Health-related insurance history and assumptions: premium increases or decreases, changes in premium amounts paid by the employee, Health Savings Account (HSA) amounts paid by the district, collective bargaining agreements, and updated insurance provider renewal projections/actuals.
- State Foundation Settlement Report: retirement for State Employees Retirement System (SERS) and State Teachers Retirement System (STRS) paid through foundation;
- Payroll deduction reports: board-paid retirement and Medicare deductions; and
- Workers' compensation annual report.

C. PURCHASED SERVICES (LINE 3.030)

Line 3.030 is for amounts paid for services rendered by personnel who are not on the district payroll, as well as other services which the district may purchase. Examples include but are not limited to legal fees, consulting fees, maintenance agreements, utilities, out of district tuition costs, and service contracts with educational service centers (ESCs) and information technology centers (ITCs).

NOTE: If a district contracts certain services (transportation, maintenance, janitorial services, para-professional aides, etc.), then its "personnel service" (line 3.010) and "employee retirement/insurance benefit" (line 3.020) will make up a smaller percentage of total expenditures in relation to purchased services than if the district employed those personnel directly.

Items that are needed to compute this line of the forecast:

- Utility agreements and assumptions about future rates, or new building additions, or building closures;
- Service agreements (such as transportation/custodial) and assumptions about renewal rates;
- Enrollment and tuition levels for students placed outside the district;
- Special services for students on IEP's, such as speech therapy, physical therapy, interpreter, mobility services, and special transportation that may be sourced out to a third-party; and
- Lease purchase agreements for items like copiers or student devices.

PLEASE NOTE: It is important for every treasurer to be in frequent contact and communication with special services, as some of these agreements can be extremely costly. It is best practice to set up a planning spreadsheet to track district placements and the associated services (such as transportation). It is also best practice to have special services notify the treasurer of any potential out-of-district placements and estimated timeline and costs.

D. D. REMAINING LINES: SUPPLIES, CAPITAL OUTLAY, DEBT, AND OTHER USES (LINES 3.040 THROUGH 05.030)

Descriptions of the remaining expenditure lines can be found in *Appendix A*. While these items may be smaller in relation to overall expenditures, care should still be taken to make reasonable assumptions about future growth and inflation. For example, any major textbook renewals or capital projects should be discussed with members of the administration in order for those costs to be accurately projected and not come as a surprise.

3. Cash Balances—Lines 6.010 and 7.020

When evaluating a forecast, keep in mind that there are daily and monthly expenses that must be met. An adequate cash balance must be maintained to weather the highs and lows of monthly cash needs. For example, most district cash reserves tend to be lower in July and January, so keeping an adequate cash balance and investment strategy to meet financial commitments during those times is very important.

The urgency of a low cash balance in relation to the fiscal stability of a district is dependent on two main factors:

1. How soon does the lower cash balance occur?
2. Is the district projecting a lower cash balance in addition to an operating deficit?

A negative number in Line 6.010 indicates that a district's expenditures exceeded the revenue generated for that fiscal year, resulting in a reduction to any cash balance the district holds, or in the worst-case scenario, a deficit. A district experiencing several years of deficit spending, without a plan of correction, will almost always experience fiscal concerns. In general, anytime line 6.010 reflects a negative number, planning must immediately commence on how to rectify the negative number, unless the reason is due to a one-time expenditure or specific situation that can be explained. A negative in year one begins to immediately compound in year two; thus, a yearly deficit must be addressed quickly. Conclusions drawn from this line should be tempered with the knowledge of a district's levy cycle. Future levies, both new and renewals, are NOT included in the five-year forecast until the voters approve the levy.

School officials must plan and monitor district cash flow as they practice responsible stewardship of the public tax dollars with which they are entrusted. Included in the district's five-year forecast is an informed prediction for how long the revenue and expense cycle will maintain a healthy cash balance (line line 10.010). The adequacy of a district's cash balance must consider the unique circumstances of the district and the community it serves.

By itself, the cash balance does not tell the whole story. For example, even if a district has a lower cash balance in the current year but also shows an operating surplus for consecutive subsequent fiscal years, this could indicate that the district is aware of future changes to revenue and/or expenditure patterns, which is building a cash balance.

On the other hand, if a district has a large cash balance but is deficit spending significantly in the current and near fiscal years, that could indicate that the district is operating outside of its means. A financial plan would likely be needed to reverse course before spending down the cash balance. Early interventions can help a district avoid larger, more disruptive actions in the future.

Low cash balances in the current or subsequent fiscal year should be monitored very closely by the district, with a corrective action plan in place to reverse this trend. Lower cash balances in years further out in the five-year forecast provide an indication of where the district is headed if current revenue and expenditure patterns do not change. However, in this scenario, since the lower cash balance is not occurring until further out in the forecast, it provides the district with more time to plan and change course.

Further, maintaining a healthy fund balance is crucial to ensure that the district can continue meeting students' educational needs without disruption. See Section I above.

See also Section III, D below and the OASBO Cash Balance Whitepaper: *https://cms.oasbo-ohio.org/OASBO/media/Forms-and-PDFs/Cash-Balance-Whitepaper-Final-For-Print-v6.pdf*

4. Other Important Balances – Lines 10.010, 12.010 and 15.010

Line 10.010—Certification of Appropriations
Used for the certification of appropriations in accordance with ORC 5705.412 and OAC 3301-92-05. Ensures that appropriations do not exceed available resources, maintaining fiscal compliance.

Line 12.010—Certification of Contracts & Salary Schedules
Used to certify contracts, salary schedules, and other financial obligations. Ohio law (ORC 5705.412) prohibits school districts from entering into certain contracts unless: (i) the obligation is included in the forecast; and (ii) the forecast projects a positive fund balance for the entire term of the contract. If this condition is not met, the contract may not be legally permitted.

Line 15.010—Modeling the Impact of New Operating Levies
This line can be used to model the potential impact of new operating levies, particularly in declining revenue districts. Important Caution: Balances at this line should NOT be relied upon for operational planning until the levy is approved by voters. Once passed, the actual revenue should be reported in line 1.010 or 1.030 as part of the district's forecasted revenue stream within thirty days of passing a levy.

C. Forecast Assumptions

The numbers in a forecast only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the assumptions of the five-year forecast before drawing conclusions or using the data as a basis for other calculations. Ohio law requires districts to include accompanying notes for each reported line item that describe the assumptions used to develop the projected amounts (see OAC Rule 3301-92-04).

A careful reading of the assumptions will help the reader understand why certain numbers are used in the forecast. Unexplained variances, or ones that do not seem to make sense, are cause for concern and should be investigated so the assumptions can provide context for the variances.

The five-year forecast starts with three years of historical revenues and expenditures. These historical numbers can be used to develop trends when forecasting. Ohio law requires five-year forecasts to use the known operational revenues, expenditures, and resulting cash balance of the district as a basis for projections. Items to consider:

- **Strategic, Capital, and Maintenance Plans**

The five-year forecast should be integrated with the district's other planning documents developed by members of the administrative team, such as the district strategic plan or its capital and maintenance plans. For plans to become a reality, it almost always requires an allocation of financial resources.

The five-year forecasting process can be an important mechanism to account for these allocations in relation to available resources. If resources are insufficient, it creates a feedback mechanism requiring either a prioritization of initiatives or an effort to obtain additional resources.

While districts with permanent improvement or bond levies have dedicated funds for building and capital projects (which are not reflected in the five-year forecast), many districts cover these costs from the general fund. Therefore, it's important for the forecast to reflect the district's overall plans and anticipated expenses.

Districts should also consider creating special funds under ORC 5705.13 for specific costs, such as employee health care or capital projects, which often impact the general fund and can drive costs within a strategic plan. Establishing these special funds helps clarify cash flow related to particular activities by keeping funds in separate accounts and properly setting aside the necessary balances. For more details, refer to the OASBO Cash Balances Whitepaper.

- **Enrollment and Staffing**
  Be aware of the district's enrollment trends and projections. Understand the number of new housing developments in the district and estimate the potential student population growth from each. Since a significant portion of district expenditures is allocated to wages and benefits, tracking enrollment trends is essential for assessing staffing needs. The treasurer and superintendent should collaborate closely on staffing decisions in response to enrollment changes. Additionally, districts should be mindful of the impact of Individualized Education Programs (IEPs) and Section 504 plans, which may require contracted or specialized services for students with disabilities. These legally-mandated services—such as speech therapy, occupational therapy, or paraprofessional support—can influence staffing and expenditure decisions. Lastly, districts should monitor upcoming retirements, as these transitions have significant wage and benefit implications.

- **Local Economy**
  Consider many data sources to make informed decisions. For example, new housing developments may bring additional students into the district (and additional revenue) but may require new buildings and/or staff (increased expenditures). Conversely, a factory closing may reduce funding and population, causing the need for buildings and/or staff to decrease. Economic and population projections are essential factors in determining future requirements for educational services from the district.

- **Levies**
  Be aware of different types of levies and when they are collected. It is important to constantly educate the community about a typical levy cycle where revenue exceeds expenditures in the first few years after approval of the levy, and then expenditures begin to exceed revenue due to inflation. Future levies are NOT included in the five-year forecast above line 6.010 until approved by voters.

  Also, communities need to be reminded that permanent improvement (PI) or bond levies cannot be used to fund general operations of the district. New school buildings may create a misconception that the district is operationally solvent. Only operational levies may be used to finance the day-to-day operations (salaries, utilities, etc.) of the district, which are the levies reflected in the five-year forecast.

- **Property Valuation Cycles**
  Know when the reappraisal and triennial update for the district's valuation occurs. Tax revenue may change the year after reappraisal because of increased or decreased valuation.

When reading a forecast, look for fluctuations in numbers on the same line. If numbers significantly vary up or down, there should be a discussion in the assumptions explaining why this has occurred or is expected to occur.

It is not uncommon to see deficits in later years of a forecast. Given the uncertainty of future state budgets, local economic factors, state or federal mandates, etc., years four and five are difficult to project. The key is recognizing how these conditions relate to current operations. Identifying future years' deficits allows districts to engage in planning for those conditions before their arrival and eliminating the projected deficit. Remember, the longer the period allotted to deal with a potential financial problem, the better. Longer time horizons allow reductions in expenditures to be spread out over several years, reducing their impact on students and staff. Also, some reductions may take many years before realizing their full impact.

Sample assumptions from district forecasts are included in **Appendix C**. Please keep in mind that these are samples only and are provided to assist in determining the level of detail.

D. When to Update the Forecast

The five-year forecast is not a static document; it should be viewed as a "living" and dynamic tool that evolves in response to changes in the district's financial landscape. Regular updates are essential to ensure that the forecast remains accurate and relevant, providing a reliable basis for decision-making. The five-year forecast should be updated not only according to statutory requirements but also in response to significant changes in the district's financial environment.

When to consider updating the forecast:

- **Significant Variances**
  If monitoring reveals a significant variance between actual and forecasted figures, particularly in key areas such as revenue projections or major expenditure categories.

- **Passing a New Levy or Renewal**
  When voters approve a new levy or a renewal the district should update their five-year forecast to reflect the authority to collect these funds in the revenue section of the forecast within thirty days of passing the levy.

- **Legislative or Policy Changes**
  When new laws or policies are enacted that affect school funding, tax levies, or expenditure mandates.

- **Economic Events**
  In response to significant economic events, such as a major employer leaving or entering the district, changes in state funding formulas, or unexpected changes in enrollment.

- **Board Decisions**
  After major board decisions that impact finances, such as approving a new contract, or initiating large capital projects.

III. Post-Monitoring: Practical Tips & Best Practices

Responsibility for the preparation of the forecast, the accuracy of the figures presented, and the soundness of the assumptions on which they are based rests with district administration and the board of education. Monthly post-monitoring of the forecast should include input from the superintendent and other district leaders to reassess assumptions in light of changing circumstances, ensuring that the forecast remains a relevant and effective management tool.

A. Aligning Appropriations and Estimated Revenue with the Five-Year Forecast

It is essential for the district's appropriations and estimated revenues to align directly with the assumptions and projections outlined in the five-year forecast. The Certificate of Estimated Resources, as certified by the county budget commission, should match the forecasted revenue in the appropriate line item. Meaning, line 2.080 of the forecast should match (or approximate) the total general fund revenues listed on your Certificate of Estimated Resources. PowerSchool ERP users should refer to the Certification of Balances Report, generated upon the close of the fiscal year, as well as the Revenue Status Report, sorted on Fund/SCC, Account. See **Appendix D** for examples.

Appropriations serve as the district's spending plan for the current fiscal year, while the five-year forecast provides a broader view of long-term financial health. Throughout the fiscal year, the treasurer and district leadership should regularly compare actual revenues and expenditures against both the appropriations and the forecast. This helps ensure consistency and facilitates timely adjustments to remain within budgetary constraints and achieve long-term financial goals.

To maintain this alignment, it is advisable to schedule periodic (e.g., quarterly) meetings with the treasurer, superintendent, and key district staff. During these meetings, both appropriations and the forecast should be reviewed together, enabling timely adjustments and a coordinated approach to financial management.

B. Monthly Monitoring and Reporting

Proactively managing revenues and expenditures is critical to keeping the district within available resources and avoiding deficit spending.

Monthly comparisons of actual revenue and expenditure performance against the budget appropriations and the five-year forecast are essential for managing potential deficits and maintaining healthy cash balances. This can be achieved by using a monthly monitoring report to track:

- Actual revenues and expenditures compared to appropriations and budget, both monthly and year-to-date, and
- Actual revenues and expenditures compared to the five-year forecast.

By regularly comparing monthly revenue and expenditure figures with the forecast, the district can detect deviations early and take corrective actions. This approach helps ensure that appropriations and the long-term financial outlook remain aligned.

These comparisons should be included in monthly financial reports presented to the board of education and the community. Additionally, the district's cash balance should be monitored in terms of the number of days of expenses on hand and reported to the board of education. The cash balance should align with the district's Board-approved Cash Balance Policy (see below for further details).

For examples of monthly reports, see **Appendix E**. For state software and PowerSchool ERP reports, see **Appendix D**.

C. Addressing Variances in the Forecast

Variances between the forecasted figures and actual financial performance are inevitable due to the dynamic nature of district finances. When monitoring these variances, it's important to distinguish between minor fluctuations and significant deviations that may impact the district's financial health.

Key steps to documenting variances:

- **Identify the cause**
  Determine whether the variance is due to changes in revenue, expenditures, or unforeseen events. Examining changes at the line level of the forecast is most informative.

- **Evaluate the impact**
  Assess the short-term and long-term implications of the variance on the district's financial position. This helps in prioritizing which variances require immediate action versus those that can be managed within existing budgets.

- **Adjust appropriations if necessary**
  If a significant variance is identified, consider whether the district's appropriations need to be adjusted.

- **Adjust estimated revenues if necessary**
  If a significant variance is identified, consider whether the district's estimated revenues need to be adjusted.

- **Communicate with stakeholders**
  Regularly update the board of education, superintendent, district leaders, and the community about significant variances and work with those stakeholders to formulate a plan to address them. Engaging with stakeholders builds trust and encourages collaborative planning to address any financial challenges.

- **Adopt revised forecast**
  Significant changes to budgeted revenues and expenditures should be updated in the forecast, explained in the assumptions, and presented for Board approval prior to the required May update. This approach helps maintain fiscal responsibility and ensures that the district's budget aligns with current revenue projections.

D. Cash Balance Policy

District officials have a responsibility to plan and monitor cash flow carefully to uphold their stewardship of public tax dollars. The district's five-year forecast includes a prediction for how long the revenue and expense cycle can sustain a healthy cash balance (see line 15.010).

It is imperative for districts to implement board policies that achieve and maintain a minimum cash balance. It is recommended that this balance equals at least equivalent to 90 days (or 25%) of annual operating expenditures as a cash reserve. To strengthen cash flow management and safeguard the district's financial stability, it is also advisable to set a maximum cash days policy alongside the minimum. This upper limit prevents the accumulation of excessive reserves, which could indicate underutilized resources that might otherwise support student programming, facility improvements, or strategic initiatives.

For example, the board might set a maximum cash days threshold of 180 days (or 50% of annual operating expenditures). Balancing a minimum and maximum cash days policy allows for greater transparency and accountability in managing public funds, while ensuring that reserves are adequate but not excessive. Another way to conceptualize this is through "True Cash Days," which answers the question: How many days could the district operate at year-end if no additional revenues were received? This is calculated by:

True Cash Days = Current Year's Ending Cash Balance / (Current Year's Expenditures / 365 days)

Transfers are included in this calculation,as this is a predictable funding source for other funds such as capital, athletics, and severance reserves. For sample policies, refer to **Appendix F**.

It is equally as critical to ensure stakeholders know what this policy means. While the policy references true days cash, it is important to reinforce the fact that as expenditures increase, the cost to manage the district per day increases as well, thus the true days cash calculation is changing every year.

The adequacy of a district's cash balance must consider the unique circumstances of the district and the community it serves. Having a policy in place makes it easier to explain the rationale for a fund balance to stakeholders, such as having the ability to protect taxpayers and employees from unexpected changes in the financial condition of the district. Revenue predictability, expenditure volatility, exposure to significant one-time outlays, and potential drain on the general fund resources from other funds are just some of the factors boards should consider when establishing a cash balance policy. For more comprehensive information, refer to the OASBO Cash Balance Whitepaper.

E. Use of Forecasting Software

District treasurers have access to various software programs designed to assist in creating their five-year forecasts. These tools can be invaluable in streamlining the forecasting process, offering data analysis, and providing projections that support informed decision-making. However, while the software can significantly aid in managing complex financial data, treasurers must ensure the accuracy of their inputs and remain diligent in reviewing and updating the forecast outputs. This includes critically evaluating the numbers and assumptions generated by the software, as even the most advanced programs rely on the quality and relevance of the data provided to produce meaningful insights. It is also essential for treasurers to update and personalize the assumptions generated by the software, tailoring them to the specific circumstances and trends of their district to produce the most meaningful and accurate insights.

This tailored approach helps produce forecasts that are both reliable and actionable, ultimately empowering district leaders to make informed financial decisions that best serve their communities.

Appendix A:
Line-By-Line Review

General Fund Revenue

LINE #	DESCRIPTION	OBJECT CODES/NOTES
1.010	**General Property Tax (Real Estate)** Taxes levied by a district by the assessed valuation of real property located within the district.	1110 through 1119
1.020	**Tangible Personal Property Tax** This line includes revenues related to public utility personal property (telephone, electric, and gas) tax paid by public utilities.	1120
1.030	**Income Tax** Any voter approved school district income is reported in this line.	1130
1.035	**Unrestricted Grants-in-Aid** Funds received through the State Foundation Program with no restriction. The foundation formula is the primary vehicle the Ohio legislature uses to determine how much state aid each district is to receive.	All 3100's except 313X
1.040	**Restricted Grants-in-Aid** Funds received through the State Foundation Program or other allocations that are restricted for specific purposes. Examples include career-technical and gifted funds.	All 3200's
1.045	**Restricted Federal Grants-in-Aid** Funds from the federal government passed through the State are accounted for in specific federal grant funds and are not included in this forecast in accordance with law. This is consistent with the fact that most federal funding for the district comes in the form of grants targeted for specific projects or purposes.	Captured as receipts to funds 532 and 504
1.050	**State Share of Local Property Taxes** This line includes the state share of local property taxes which primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. For certain qualifying levies, the state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers.	313X

LINE #	DESCRIPTION	OBJECT CODES/NOTES
1.060	**All Other Operating Revenue** Operating revenue sources not included above. Examples include but are not limited to tuition, fees, earnings on investments, rentals, donations, threshold cost reimbursement, excess cost reimbursement, and payment related to TIFs.	All other receipt codes except 1931, 1933, 1940, 1950, 5100, 5220
1.070	**Total Revenue** The sum of lines 1.010 through 1.060.	Total lines 1.010 through 1.060

Line 2.0 Other Financing Sources

LINE #	DESCRIPTION	OBJECT CODES/NOTES
2.010	**Proceeds from Sale of Notes**	1940
2.020	**State Emergency Loans & Advancements (Approved)**	1950
2.040	**Operating Transfers-In** Permanent movement of monies between funds.	5100
2.050	**Advances-In** Temporary movement of monies between funds.	5220
2.060	**All Other Financing Sources** Sale and loss of assets, refund of prior year expenditures.	1931, 1933, 5300
2.070	**Total Other Financing Sources** The sum of lines 2.010 through 2.060.	Total of lines 2.010 through 2.060
2.080	**Total Revenue and Other Financing Sources** The sum of lines 1.070 and 2.070.	Total of lines 1.070 and 2.070

Line 3.0 Expenditures

LINE #	DESCRIPTION	OBJECT CODES/NOTES
3.010	**Personal Services—Employee Salaries & Wages** Employee salaries and wages, including extended time, overtime, severance pay, supplemental contracts, etc.	100 through 199
3.020	**Employees' Retirement and Insurance Benefits** Retirement for all employees, Workers Comp., early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.	200 through 299
3.030	**Purchased Services** Amounts paid for personal services rendered by personnel who are not on the payroll of the district, and other services which the district may purchase. Examples include but are not limited to legal fees, maintenance agreements, and utilities.	400 through 499
3.040	**Supplies and Materials** Examples include but are not limited to general supplies, instructional materials including textbooks and media materials, teacher training, bus fuel and tires, and all other maintenance supplies.	500 through 599

OASBO ©2025

3.050	**Capital Outlay** This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, furniture, buses, and vehicles.	600 through 799
3.060	**Intergovernmental** While very rarely used in forecasts, this line accounts for pass-through payments, as well as monies received by a district that will be spent by the district on behalf of another government. This does not include purchased services from other government agencies such as ESCs.	Any object with function 7600 or 7700

Line 4.0 Principal and Interest

This category represents general fund borrowing. The related assumptions for this category should include principal and interest payments for the forecast period.

LINE #	DESCRIPTION	OBJECT CODES/NOTES
4.010	**All Principal (Historical)**	No longer in use
4.020	**Principal—Notes**	810 through 813
4.030	**Principal—State Loans**	815
4.040	**Principal—State Advancements**	816
4.050	**Principal—HB 264 Loans**	814
4.055	**Principal—Other**	819
4.060	**Interest and Fiscal Charges**	820 through 829
4.300	**Other Objects** The primary components listed here consist of membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, election expenses, etc.	840 through 899
4.500	**Total Expenditures** Total lines 3.010 through 3.060 and lines 4.010 through 4.300.	Total lines 3.010 through 3.060 & 4.010 through 4.300

Line 5.0 Other Financing Uses

Advances are a temporary movement of monies between funds (which should be repaid in the same fiscal year or the next fiscal year), and transfers are a permanent movement of monies between funds. These advances and transfers are usually projected based on past history and knowledge of deficits in other funds. Advances and transfers both require BOE approval.

LINE #	DESCRIPTION	OBJECT CODES/NOTES
5.010	**Operational Transfers—Out**	910–919
5.020	**Advances—Out**	920–929
5.030	**All Other Financing Uses**	930, 940, 941, & 942

LINE #	DESCRIPTION	OBJECT CODES/NOTES
5.040	**Total Other Financing Uses** Total of lines 5.010 through 5.030.	Total of lines 5.010 through 5.030
5.050	**Total Expenditures and Other Financing Uses**: Total lines 4.500 and 5.040.	Total lines 4.500 and 5.040

Line 6.0 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Use

LINE #	DESCRIPTION	OBJECT CODES/NOTES
6.010	**Excess Of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses** Line 2.080 minus 5.050. This line can be used to get 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 school district's expenditures exceeded the revenue generated for that fiscal year, resulting in a reduction to any surplus the district may hold. A school district experiencing several years of "overspending" will almost always result in fiscal concerns or insolvency. Pay great attention to this line!	Line 2.080 minus line 5.050

Line 7.0 Cash Balance July 1 and Ending Cash Balance

LINE #	DESCRIPTION	OBJECT CODES/NOTES
7.010	**Beginning Cash Balance July 1—Excluding Proposed Renewal/Replacement and New Levies**	Prior year line 7.020
7.020	**Ending Cash Balance June 30—Excluding Proposed Renewal/Replacement and New Levies:** Line 6.010 plus line 7.010.	Line 6.010 plus line 7.010

Line 8.0 Estimated Encumbrances June 30

LINE #	DESCRIPTION	OBJECT CODES/NOTES
8.010	**Estimated Encumbrances June 30** The amount of money already requested through a purchase order. The funds have been obligated, but a check has not yet been written. Funds may be encumbered (obligated) in one fiscal year and paid in another.	

Line 9.0 Reservation of Fund Balance

LINE #	DESCRIPTION	OBJECT CODES/NOTES
9.020	**Capital Improvements** Similar to above, O.R.C. 3315.18 requires a 3% set-aside each fiscal year for maintenance and capital improvements.	
9.030	**Budget Reserve** No longer required, but some school districts use this line as a "rainy day fund." See ORC 5705.13(A).	
9.040	**DPIA** The amount of funds a school district receives is based on the overall poverty levels within the school district. DPIA funds are restricted funds.	
9.045	**Fiscal Stabilization**	
9.050	**Debt Service** This includes any loans or other debt for which repayment by the district is required during the fiscal year.	
9.060	**Property Tax Advances** County Auditors may advance property tax payments (if money is available to the County Auditor through prepayment of taxes) to school districts at the conclusion of a fiscal year to be spent at the beginning of the next fiscal year. This practice allows a school district to start the fiscal year with money for operations.	
9.070	**Bus Purchases**	
9.080	**Subtotal** Total of lines 9.010 through 9.070.	Total of lines 9.010 through 9.070

Line 10.0 Fund Balance June 30 for Certification of Appropriations

LINE #	DESCRIPTION	OBJECT CODES/NOTES
10.010	**Fund Balance June 30 for Certification of Appropriations** Line 7.020 minus line 8.010 minus line 9.080. All reserved funds are "backed out" and therefore not available for the school district to use in school operations.	Line 7.020 minus line 8.010 minus line 9.080

Line 11.0 Revenue from Replacement / Renewal Levies

LINE #	DESCRIPTION	OBJECT CODES/NOTES
11.010	**Income Tax—Renewal**	
11.020	**Property Tax—Renewal or Replacement**	
11.300	**Cumulative Balance of Replacement/Renewal Levies** Previous year line 11.300 plus the current year line 11.010 plus line 11.020	Previous year line 11.300 plus the current year line 11.010 plus line 11.020

Line 12.0 Fund Balance June 30 for Certificates of Contracts, Salary Schedules, & Other Obligations

LINE #	DESCRIPTION	OBJECT CODES/NOTES
12.010	**Fund Balance June 30 for Certificates of Contracts, Salary Schedules, and Other Obligations**	Line 10.010 plus 11.300

Line 13.0 Revenue from New Levies

LINE #	DESCRIPTION	OBJECT CODES/NOTES
13.010	**Income Tax—New**	
13.020	**Property Tax—New**	
13.030	**Cumulative Balance of New Levies**	Previous year line 13.030 plus current year line 13.010 plus line 13.020

Line 14.0 Revenue from Future State Advancements

LINE #	DESCRIPTION	OBJECT CODES/NOTES
14.010	**Revenue from Future State Advancements**	

Line 15.0. Unreserved Fund Balance June 30

LINE #	DESCRIPTION	OBJECT CODES/NOTES
15.010	**Unreserved Fund Balance June 30** Line 12.010 plus line 13.030 plus line 14.010 This amount must not go below $0, or the district general fund will violate all Ohio Budgetary Laws. Any multi-year contract knowingly signed that results in a negative unencumbered cash balance violates 5705.412, ORC, punishable by the personal liability of $10,000. It is recommended that a district maintains a minimum of 90 day cash balance.	Line 12.010 plus line 13.030 plus line 14.010

Line 20.0 ADM Forecasts

LINE #	DESCRIPTION	OBJECT CODES/NOTES
20.010	**Kindergarten—ADM count**	
20.015	**Grades 1 to 12—ADM count**	

OASBO ©2025

Appendix B: School Budget Process Calendar

The sample calendar included below is provided as a planning tool to assist treasurer/CFOs in working with their boards of education and other stakeholders. Some of the items listed are "best practices," while others are required pursuant to the Ohio Revised Code (ORC). Statutory references are included where applicable.

January	On or before January 15—Tax budget for following fiscal year is approved by board of education. (ORC 5705.28) On or before January 20—The board-adopted tax budget is filed with the county budget commission for review and approval. (ORC 5705.30) **Note:** If your county budget commission has waived the submission of the tax budget, you will still need to provide information to your county auditor to perform his/her duties under law, including dividing the rates of each of the subdivision's or taxing unit's tax levies. Both the submission of the tax budget and the submission of the information required by the budget commission in lieu of the tax budget require an open line of communication between the school district treasurer/CFO and the county auditor.
February	**Suggested best practice:** February prior to fiscal year—Allocations for each building and department are submitted to the administrators to allocate among their funds based on department/building budget planning meetings.
March–April	By March 1—The county budget commission provides the certificate of tax rates and amounts to each school district (ORC 5705.35) **Suggested best practice:** On or before April 15—Building and department administrators submit proposed building/department budgets to treasurer and superintendent. Continue routine budget monitoring and reporting out of the financial status for the current year; amend certificates of appropriations or certificates of estimated resources as needed and have them board approved and submitted to the county auditor.
May	On or before May 30—Board of education adopts updated five-year forecast general operating fund forecast for the fiscal year that started the previous July. (ORC 5705.391)

	You may need to amend your certificates again if the forecast has significant enough changes in revenues or expenditures.
June	By June 30—Finalize permanent appropriation resolution and submit to county auditor. (ORC 3313.62; ORC 5705.38) By June 30—Finalize certificate of estimated resources for June 30 balances and submit to county auditor. (ORC 5705.39) On or before July 1—Adopt temporary appropriations measure for next fiscal year, which includes Certificate of Estimated Resources for the new fiscal year (July 1 through June 30 balances for the new fiscal year) and a new certificate of appropriations due to the new budget year. You can adopt a temporary budget not greater than 25 percent of the anticipated permanent budget. If a temporary budget is put in place, the permanent budget must be approved by September 30.
July	On or about July 1—Certify beginning fund balances to county auditor (ORC 5705.36) Adopt appropriation resolution, which may be temporary until October 1 or later (ORC 5705.36; ORC 5705.38; ORC 5705.39) Request for an amended official certificate of estimated resources (if necessary) (ORC 3319.02)
August	Routine monitoring of your budget, also if you have a temporary budget, be completing the final budget and getting it board approved during July–September.
September	On or before September 30—All budgets must be finalized for the fiscal year. Final appropriations must be board approved (for the fiscal year that started July 1) and submitted to the county auditor in the certificates of appropriation. (ORC 5705.38; ORC 5705.36)
October	Continue routine budget monitoring and reporting out of financial status for the current year; amend appropriations resolution as needed (which may include an amended certificate of estimated resources) and have it board approved and submitted to the county auditor.
November	On or before November 30—Board of education adopts five-year general operating fund forecast for the fiscal year that started July 1. (ORC 5705.391)
December	Continue routine budget monitoring and reporting out of financial status for the current year; amend certificates of appropriations or certificates of estimated resources as needed and have them board approved and submitted to the county auditor. Continue to work with your budget managers on their next fiscal year's budget.

Appendix C: Sample Forecast Assumptions

Example Framework—Assumptions for Five-Year Forecast

Line [X.XXX] – [Line Item Title]

This line represents [*briefly describe what the line represents, e.g., "revenue received through property taxes" or "expenses related to personnel"*]. The amount is based on [*summarize the primary basis or methodology, such as historical data, legislative changes, or specific district factors*].

- **Methodology**
  Explain how the amount is calculated (e.g., using historical trends, percentage increases, state or county data, etc.).

- **Key Influences**
  Highlight factors affecting this line, such as reappraisals, legislative changes, enrollment projections, or economic conditions.

- **Assumptions for the Forecast Period:**
  Clearly state the assumptions driving the projections (e.g., expected percentage growth, no significant policy changes, etc.).

- **Recent Trends**
  Provide context from recent fiscal years to justify assumptions.

- **Special Considerations**
  Note any unique district-specific factors (e.g., levy renewals, one-time revenues, or significant changes in expenditures).

Example Template—Assumptions for Five-Year Forecast

Introduction

The five-year forecast serves as a comprehensive tool to project revenues and expenditures, combining historical trends with future assumptions. Prepared in accordance with Ohio Revised Code (ORC) Section 5705.391 and Ohio Administrative Code (OAC) Section 3301-92-04, it provides a critical basis for financial decision-making and transparency.

Revenue Assumptions

Line 1.010—General Property Tax (Real Estate)

This line reflects revenue generated from property taxes levied on real estate within the district. Revenue projections are shaped by the effects of Ohio House Bill (HB) 920 and the 20-mill floor.

Under HB 920, voted tax rates are adjusted downward as property values rise, ensuring taxpayers are not burdened with higher taxes solely due to increased valuations. While this stabilizes revenue growth, it limits the district's ability to collect additional funds without voter approval for new levies. Conversely, districts at or near the 20-mill floor benefit from valuation increases because they cannot fall below the statutory minimum rate for current expense levies.

Revenue projections assume [*describe expected trends, e.g., modest growth in property valuations due to reappraisals or triennial updates*]. The forecast also factors in voter-approved levies, including emergency or renewal levies that are expected to generate $[*X*] annually from [*start year*] through [*end year*]. Inside millage, which is not subject to HB 920 adjustments, provides additional stability to the district's revenue base.

Line 1.035—Unrestricted Grants-in-Aid

State funding through the Fair School Funding Plan represents a significant portion of this line. The funding formula considers district enrollment, property valuation, and income levels to determine the State Share Index and subsequent allocations.

Projections assume a [*X%*] phase-in of the Fair School Funding Plan through the current biennium budget, with full implementation anticipated by [*year*]. Enrollment trends, whether stable, increasing, or declining, play a key role in calculating per-pupil funding. Additionally, rising property valuations may reduce the district's state share percentage, shifting more financial responsibility to the local community. Legislative updates to the base cost calculation, while a possibility, are not included in this forecast.

Line 1.060—All Other Revenues

This line includes various revenue streams such as investment income, fees (such as "pay to play" and other fees), and donations.

Investment income projections reflect current interest rates, anticipated to [increase/decrease] by [X%] annually. Miscellaneous revenues, including tuition fees and rental income, are expected to follow historical trends. One-time revenue sources, such as significant grants or donations, are excluded unless confirmed.

Expenditure Assumptions

Line 3.010—Personal Services

Salaries and wages for district personnel represent the largest expenditure in the budget. Projections account for step increases, negotiated raises, and advancements tied to educational attainment.

Forecasts also consider anticipated retirements and replacements, with savings from retiring higher-salaried employees balanced by new hires at lower starting salaries. Additional staffing needs due to enrollment changes or program expansions are incorporated based on current trends. Severance payments are projected at historical averages of $[*X*] per year.

Line 3.020—Employee Retirement/Insurance Benefits

This line covers retirement contributions, health insurance premiums, and other employee benefits.

Health insurance costs are projected to rise by [*X%*] annually, reflecting market trends and claims history. Premium holidays or other temporary adjustments are not anticipated beyond [*specific year*].

Contributions to state retirement systems remain at 14% of salaries, as mandated by state law.

Line 3.030—Purchased Services

Expenses for contracted services, utilities, and tuition for external programs such as College Credit Plus fall under this line.

Utility costs are projected to increase by [*X%*] annually, driven by [*e.g., market rates or infrastructure changes*]. Other notable expenditures include [*specific items, such as contracted transportation services or special education tuition*].

Guidance for Customization

Each district can adapt this narrative by inserting specific figures, trends, and unique circumstances. For instance:

- Clarify how HB 920 and the 20-mill floor directly impact district revenue.
- Include projections based on local property reappraisals or enrollment trends.
- Identify legislative changes or local initiatives influencing revenue

Appendix D:
Helpful Reports for Preparing and Monitoring the Five-Year Forecast

The following state software reports and resources are valuable tools for both preparing the five-year forecast and monitoring it post-implementation.

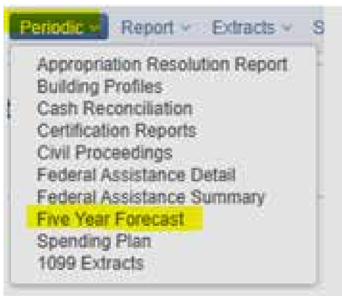
USAS-Redesign Wiki

The USAS-Redesign Wiki provides a wealth of information on procedures, offering detailed guidance and resources to assist with forecasting and financial management.

More info: *https://mcoecn.atlassian.net/wiki/spaces/usasrdoc/overview*

Five-Year Forecast Report

Location: USAS-R > Periodic > Five-Year Forecast

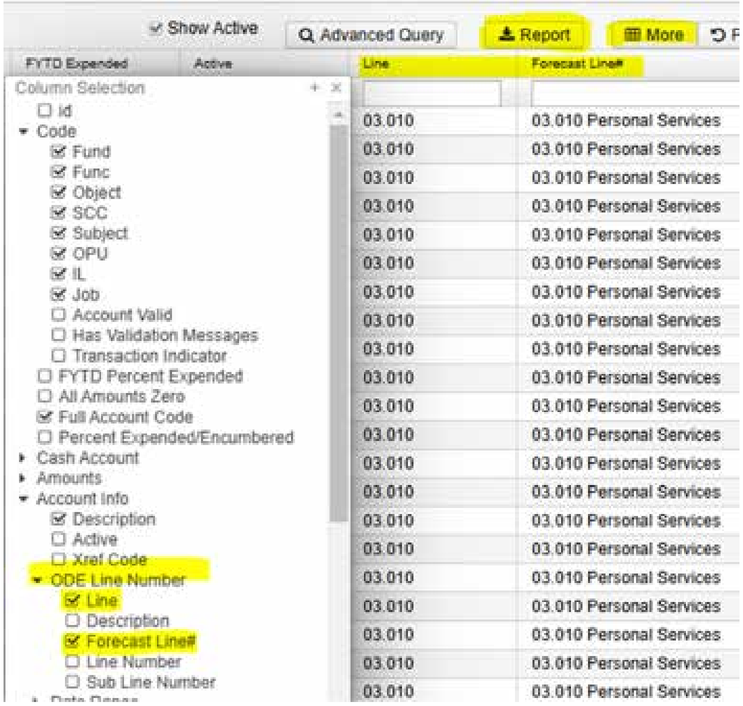


The Five-Year Forecast report allows users to extract forecast data for the current fiscal year. This report includes:

- A grid of accounts included in the forecast, along with associated forecast line numbers and descriptions.
- Three prior years' actual values.
- Current fiscal year expendable or receivable values (which correlate back to appropriations and amended certificates).

Additionally, users can explore more granular data through the CORE > Accounts > Expenditure Tab. This section provides the same forecast-related information, with options to extract further data using the report feature. By clicking on "More," users can access additional options, such as selecting ODEW line numbers for detailed reporting.

More info: *https://mcoecn.atlassian.net/wiki/spaces/usasrdoc/pages/3572933/Five+Year+Forecast*



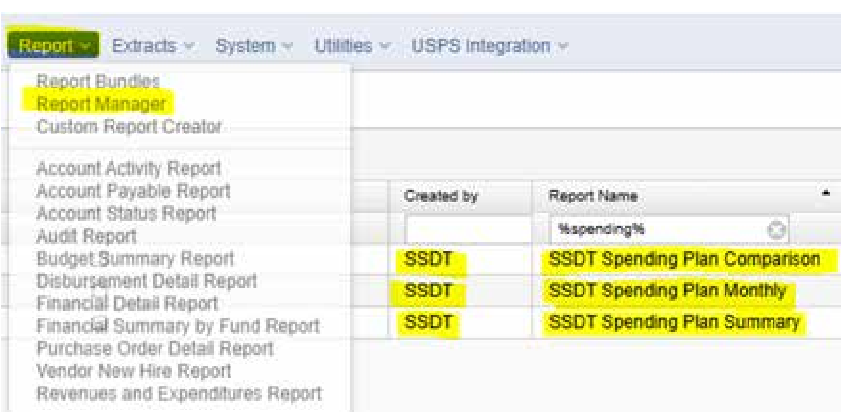
Spending Plan Reports—Monthly Monitoring

The Spending Plan report is a key management tool for monitoring the district's estimated financial condition on a monthly basis from July through June. Aligned with the five-year forecast format (up through line 8.01), this report tracks:

- Estimated monthly spending amounts.
- Adjustments to forecast line items for each month within the fiscal year.

The Spending Plan provides a realistic view of the district's financial health, whether reflecting a deficit or a positive balance, and serves as a practical tool for aligning monthly budgets with the overall forecast.

More info: *https://mcoecn.atlassian.net/wiki/spaces/usasrdoc/pages/3572660/Spending+Plan*



Reports to Analyze Variances and Document Findings

The following State Software Development Team (SSDT) reports are valuable tools for drilling down into variances and documenting them.

- **SSDT Budget Expense Worksheet**
  A summary report for budget accounts. Similar to the Budget Summary, but this report also includes expenditure amounts from the three prior years.

- **SSDT Revenue Expense Worksheet**
  A summary report for revenue accounts. Similar to the Revenue Summary, but this report includes received amounts from the three prior years.

- **SSDT Financial Report by Forecast Line Number**
  Generates a report containing forecast line numbers and totals. This report includes three prior years' actual values, as well as the current fiscal year-to-date (FYTD) expendable or receivable values as the first-year estimate.

- **SSDT Financial Detail**
  Provides a detailed report of the transactions that comprise the amounts in cash accounts. This report includes both receipt and expenditure data.

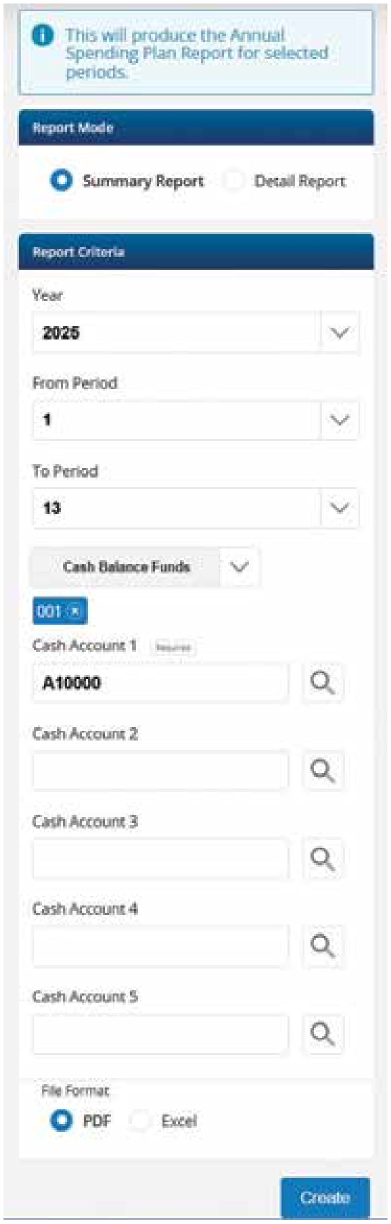
As users become more comfortable with SSDT reports, they can create and save district-specific or unique reports to monitor key areas such as overtime, gasoline, utilities, severance, and more. These custom reports can be generated and managed under the "Reports" section.

PowerSchool ERP

The following PowerSchool ERP reports are valuable tools.

Annual Spending Plan Report

Location: Fund Accounting > State > Annual Spending Plan > Reports



The Annual Spending Plan Report allows users to extract historical or current data by fiscal year.

The *Summary* report provides:

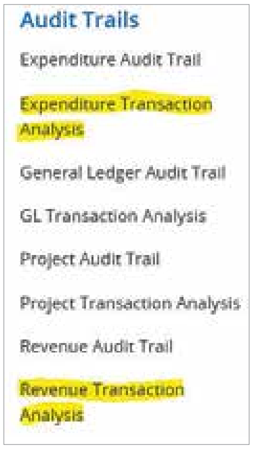
- Estimated and actual revenue and expenditure totals, by forecast line number.

The *Detail* report provides:

- A list of budget units, grouped by the associated forecast line numbers.
- Estimated and actual revenue and expenditure totals.

Expenditure and Revenue Transaction Analysis Reports

Location: Fund Accounting>Reports>Audit Trails>Expenditure (Revenue) Transaction Analysis



Users can access detailed data and search by time period, fund, account or any number of additional data points.

Expenditure and Revenue Comparison Reports

Location: Fund Accounting > Reports > Expenditure (Revenue) Comparison Reports

These reports compare the current year to the previous year, both budget and actual. Suggested sort options are:

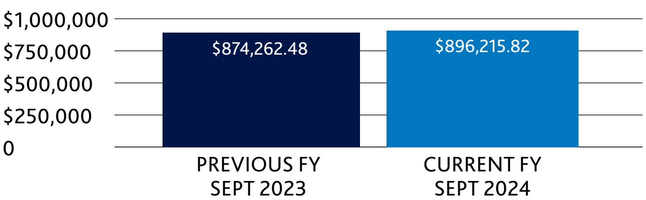
- **Expenditure**
  Sort by account and function; total by account.

- **Revenue**
  Sort and total by account.

Appendix E: Sample Monthly Monitoring Reports

Brecksville-Broadview Heights Monthly CFO Report

REVENUE COMPARISON
COMPARING REVENUES FROM SEPT 2023 TO SEPT 2024

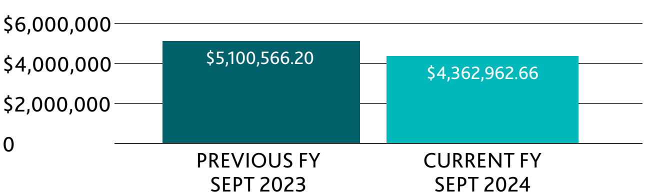


FORECASTED REVENUES	PROJECTED REVENUES	OVER/(UNDER) FORECAST
$56,414,589.00	$56,531,277.25	$116,688.25
		FAVORABLE

Why?

1. We received approximately $60k more in state funding this year over last year.
2. Other revenue was down approximately $40k mostly due to timing.

EXPENDITURE COMPARISON
COMPARING EXPENDITURES FROM SEPT 2023 TO SEPT 2024

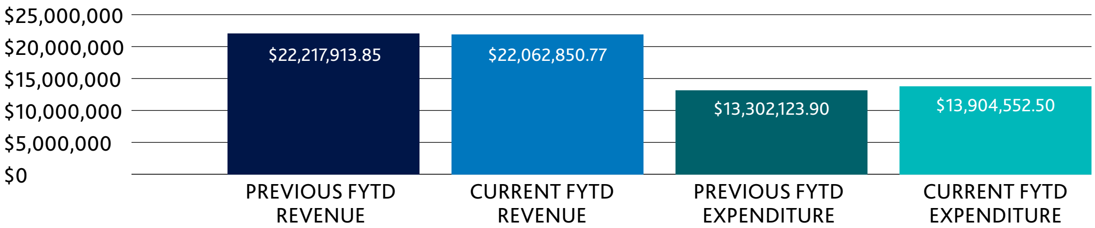


FORECASTED EXPENSES	PROJECTED EXPENSES	OVER/(UNDER) FORECAST
$57,464,481.00	$57,127,212.69	-$337,268.31
		FAVORABLE

Why?

1. September 2023 was a 3 pay month thus timing is the result of the lesser expenditures this September.
2 Purchased services and supplies increased from last FY. The largest category increase this year was in supplies. Much of this is due to timing.

Projected increase/(decrease) to cash balance	**–$78,142.44**
Projected ending cash balance as of June 30, 2025	**$26,698,605.22**



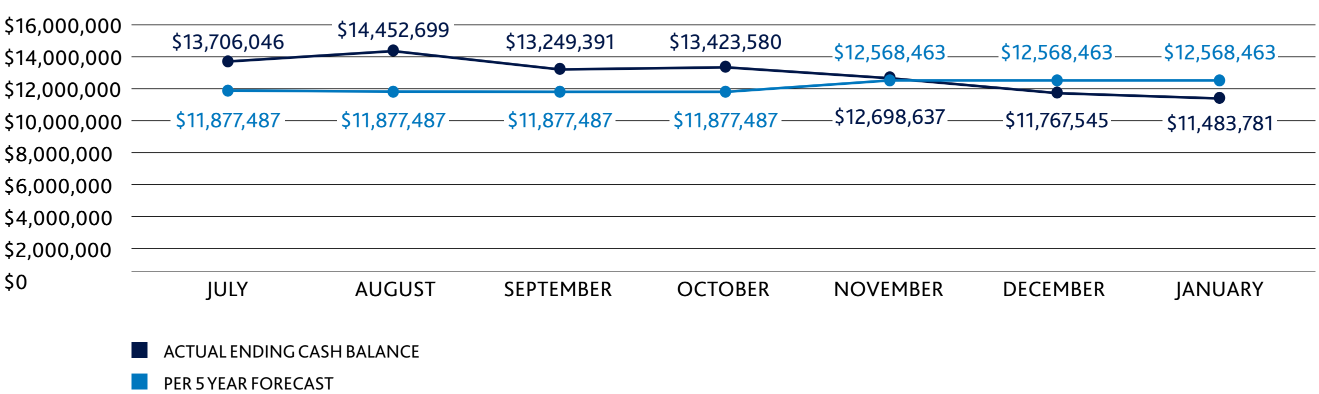
		JULY	AUG	SEPT	OCT	NOV
		ACTUAL				
BEGINNING CASH BALANCE		26,776,748	26,770,652	38,401,793	34,935,045	33,325,141
RECEIPTS						
1.01	REAL ESTATE	3,437,937	14,706,507	0	0	0
1.02	PERSONAL TANGIBLE	0	1,201,685	0	0	0
1.035	UNRESTRICTED GRANTS-IN-AID	392,167	512,169	392,061	406,300	386,368
1.04	RESTRICTED GRANTS-IN-AID	86,954	46,108	57,653	46,562	39,558
1.05	PROPERTY TAX ALLOCATION	0	0	0	2,104,147	0
1.06	ALL OTHER OPERATING REVENUE	311,089	439,802	446,502	285,422	231,174
1.07	**TOTAL REVENUE**	**4,228,147**	**16,906,271**	**896,216**	**2,842,431**	**657,100**
2.01	PROCEEDS FROM SALES OF NOTES	0	0	0	0	0
2.02	STATE LOANS AND ADVANCEMENTS	0	0	0	0	0
2.04/5	TRANSFERS IN AND ADVANCES IN	0	0	0	0	0
2.06	ALL OTHER FINANCING SOURCES	15,797	16,420	0	0	0
2.08	**TOTAL REVENUE AND OTHER FINANCING**	**4,243,944**	**16,922,691**	**896,216**	**2,842,431**	**657,100**
TOTAL RECEIPTS PLUS CASH BALANCE		**31,020,691**	**43,693,343**	**39,298,009**	**37,777,476**	**33,627,492**
EXPENDITURES						
3.01	PERSONAL SERVICES	2,219,407	3,496,681	2,649,689	3,205,828	2,905,023
3.02	EMPLOYEES RETIREMENT/INSURANCE	1,002,860	1,020,158	1,056,983	1,123,327	1,079,547
3.03	PURCHASED SERVICES	771,539	195,896	322,615	380,519	358,489
3.04	SUPPLIES AND MATERIALS	180,468	125,462	324,175	82,646	63,966
3.05	CAPITAL OUTLAY(INCL. REPLACEMENT)	28,527	470	1,075	5,784	306
4.02	DEBT SERVICE: PRINCIPAL-NOTES	0	0	0	0	0
4.04	DEBT SERVICE: PRINCIPAL-STATE ADVANCES	0	0	0	0	0
4.06	INTEREST AND FISCAL CHARGES	0	0	0	0	0
4.3	OTHER OBJECTS	47,237	267,884	8,426	8,981	5,597
5.01/2	TRANSFERS OUT AND ADVANCES OUT	0	185,000		0	0
5.03	ALL OTHER FINANCING USES	0				
5.02	**TOTAL EXPENDITURES AND OTHER FINANCING**	**4,250,039**	**5,291,550**	**4,362,963**	**4,807,085**	**4,412,928**
MONTHLY POS/NEG		-6,096	11,631,141	-3,466,747	-1,964,653	-3,755,828
ENDING CASH BALANCE (MONTHLY)		**26,770,652**	**38,401,793**	**34,935,045**	**32,970,392**	**29,214,564**

DEC	JAN	FEB	MAR	APR	MAY	JUN	PROJECTED TOTAL	FORECAST NOVEMBER 2024
29,318,991	25,577,658	22,276,649	29,863,104	36,131,119	32,506,275	30,863,930		
0	1,887,000	11,310,000	8,824,977	0	0	0	40,166,421	40,613,102
0	0	0	1,605,500	0	0	0	2,807,185	2,824,134
392,061	473,262	392,061	392,061	392,061	392,061	392,061	4,914,690	4,946,093
24,779	24,504	25,038	25,305	25,000	24,724	400,000	826,186	683,687
0	0	0	0	0	2,102,455	0	4,206,602	4,208,874
168,944	141,928	313,020	458,191	370,515	273,047	138,342	3,577,976	3,103,699
585,784	**2,526,694**	**12,040,118**	**11,306,035**	**787,575**	**2,792,286**	**930,402**	**56,499,060**	**56,379,589**
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	32,217	35,000
585,784	**2,526,694**	**12,040,118**	**11,306,035**	**787,575**	**2,792,286**	**930,402**	**56,531,277**	**56,414,589**
29,800,348	**27,800,635**	**33,710,621**	**40,594,588**	**36,396,142**	**34,759,157**	**31,294,462**	**56,531,277**	**56,414,589**
2,688,283	4,500,000	2,688,283	2,900,000	2,688,283	2,682,401	3,250,000	35,873,876	35,944,173
1,250,000	1,098,851	1,098,851	1,098,851	1,098,851	1,098,851	1,098,851	13,125,981	13,219,764
500,000	436,899	539,546	520,140	540,845	461,083	607,811	5,635,383	5,746,762
84,533	75,364	91,606	62,340	90,094	145,000	120,000	1,445,654	1,501,381
0	0	0	0	7,407	69	34,397	78,036	80,000
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
3,591	19,019	3,781	404,690	3,792	7,693	2,592	783,282	787,401
0	0	0	0	0	0	0	185,000	185,000
4,526,407	**6,130,132**	**4,422,068**	**4,986,021**	**4,429,271**	**4,395,097**	**5,113,651**	**57,127,213**	**57,464,481**
-3,940,623	-3,603,438	7,618,051	6,320,013	-3,641,696	-1,602,811	-4,183,249	-595,935	-1,049,892
25,273,941	**21,670,503**	**29,288,554**	**35,608,567**	**31,966,871**	**30,364,060**	**26,180,811**	**26,180,812**	**25,726,856**
						OVER/UNDER FORECAST		**453,957**

London City Schools

VARIANCE REPORT	PROJECTED	ACTUAL	MONTHLY	FYTD
	JANUARY	**JANUARY**	**MONTHLY VARIANCE**	**ACTUAL + PROJECTED**
REVENUE				
LINE: 1.010 GENERAL PROPERTY (REAL ESTATE)	$205,000	$ —	$(205,000)	$8,440,580
LINE: 1.020 TANGIBLE PERSONAL PROPERTY TAX	$ —	$ —	$ —	$ —
LINE: 1.030 INCOME TAX	$940,000	$927,669	$(12,331)	$4,857,685
LINE: 1.035 UNRESTRICTED GRANTS-IN-AID	$860,000	$825,930	$(34,070)	$9,249,773
LINE: 1.040 RESTRICTED GRANTS-IN-AID	$49,000	$45,598	$(3,402)	$581,544
LINE: 1.050 PROPERTY TAX ALLOCATION	$ —	$ —	$ —	$951,793
LINE: 1.060 ALL OTHER OPERATING REVENUE	$72,000	$53,699	$(18,301)	$1,100,186
LINE: 2.040 OPERATING TRANSFERS—IN	$ —	$ —	$ —	$54,521
LINE: 2.050 ADVANCES—IN	$ —	$ —	$ —	$ —
LINE: 2.060 ALL OTHER FINANCING SOURCES	$1,000	$443	$(557)	$19,390
TOTAL REVENUE	**$2,127,000**	**$1,853,339**	**$(273,661)**	**$25,255,473**
EXPENDITURES				
LINE: 03.010 PERSONAL SERVICES	$1,050,000	$1,053,672	$3,672	$12,727,000
LINE: 03.020 EMPLOYEES' RETIRE/INSUR BEN	$580,000	$599,795	$19,795	$4,957,825
LINE: 03.030 PURCHASED SERVICES	$340,000	$318,051	$(21,949)	$3,495,259
LINE: 03.040 SUPPLIES AND MATERIALS	$70,000	$48,032	$(21,968)	$683,352
LINE: 03.050 CAPITAL OUTLAY	$50,000	$72,822	$22,822	$2,483,527
LINE: 04.050 DEBT SERVICE: PRINCIPAL—HB264	$25,806	$25,806	$0	$51,483
LINE: 04.060 DEBT SERVICE: INTEREST /CHARGES	$1,455	$1,455	$0	$3,038
LINE: 04.300 OTHER OBJECTS	$22,000	$17,470	$(4,530)	$480,163
LINE: 05.010 OPERATING TRANSFERS—OUT	$ —	$ —	$ —	$950,000
LINE: 05.020 ADVANCES—OUT			$ —	$ —
LINE: 05.030 ALL OTHER FINANCING USES	$ —	$ —	$ —	$ —
TOTAL EXPENDITURES	**$2,139,260**	**$2,137,103**	**$(2,157)**	**$25,831,647**
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	$(12,260)	$(283,764)	$(271,504)	$(576,174)
BEGINNING CASH BALANCE	$10,232,121	$11,767,545	$1,535,424	$12,967,414
ENDING CASH BALANCE	**$10,219,861**	**$11,483,781**	**$1,263,920**	**$12,391,240**
DAYS OPERATING CASH AVAILABLE	143	161		175

PROJECTED VS. ACTUAL CASH BALANCES
JULY 2023–JANUARY 2024



	BUDGET VARIANCE		
NOVEMBER 2023 FORECAST FOR FY24	**+/–**	**%**	
$8,646,667	$(206,087)	–2.38%	Tax Advance not received until February.
$ —	0.00%		
$4,871,738	$(14,053)	–0.29%	
$9,277,914	$(28,141)	–0.30%	
$587,904	$(6,360)	–1.08%	
$954,263	$(2,470)	–0.26%	
$1,118,831	$(18,645)	–1.67%	
$54,521	$ —	0.00%	
$ —	$ —	0.00%	
$15,000	$4,390	29.27%	Increased gas tax refund.
$25,526,838	**$(271,365)**	**–1.06%**	
$12,749,908	$(22,908)	–0.18%	
$4,806,284	$151,541	3.15%	Increased HSA contribution. More family than single medical plans.
$3,639,022	$(143,763)	–3.95%	Trending under budget.
$742,690	$(59,338)	–7.99%	Trending under budget.
$2,526,943	$(43,416)	–1.72%	
$51,483	$0	0.00%	
$3,038	$0	0.00%	
$456,421	$23,742	5.20%	
$950,000	$ —	0.00%	
	$ —	0.00%	
$ —	$ —	0.00%	
$25,925,789	**$(94,142)**	**–0.36%**	
$(398,951)	$(177,223)		
$12,967,414			
$12,568,463	**–1.41%**		
177			Goal of 60 days operational cash.

Appendix F:
Sample Cash Balance Policies

Example #1: 6218—Cash Balance Reserve Policy

The Board believes that maintaining a cash reserve unencumbered unreserved balance of ninety (90) days of operating expenditures is necessary in the interest of sound fiscal management. The Board affirms that tax levies shall be pursued, and/or the District's finances otherwise managed, to ensure a General Operating Fund unencumbered unreserved cash balance equivalent to at least ninety (90) days of operating expenditures.

Promptly upon receiving any indication that such cash balance may not be achieved within any year of the five (5) year forecast, the treasurer/CFO shall report such a finding to the Board. Upon such notification by the treasurer/CFO, the Superintendent and treasurer/CFO will prepare and propose options that the Board may consider to forestall such an eventuality.

Further, the Board believes the financial goals of the District should be in alignment with the District's strategic plan and instructional goals. When a General Operating Fund cash balance exceeds 150 days the Superintendent may prepare a plan for the expenditure of the excess General Operating cash balance on one or more of the deliverables of the strategic plan. This plan must be approved by the Board of Education and cannot result in the General Operating Fund cash balance falling below ninety (90) days in any year of the rolling five (5) year forecast.

Example #2: 6218—Cash Balance Reserve

The Board believes that maintaining a cash reserve unencumbered unreserved balance of ninety (90) days of operating expenditures is necessary in the interest of sound fiscal management. The Board affirms that tax levies may be pursued, and/or the District's finances otherwise managed, to ensure a General Operating Fund unencumbered unreserved cash balance equivalent to at least ninety (90) days of operating expenditures. Promptly upon receiving an indication that such cash balance may not be achieved within any year of the five (5) year forecast, the Treasurer/CFO shall report such a finding to the Board. Upon such notification by the Treasurer/CFO, the Superintendent and Treasurer/CFO will prepare and propose options that the Board may consider to forestall such an eventuality.

Further, when a General Operating Fund cash balance exceeds 150 days the Superintendent and/or Treasurer/CFO may recommend the funds be transferred to an approved 070 Capital Projects fund for future capital improvements as approved by the Board. The transfer must be approved by the Board and cannot result in the General Operating Fund cash balance falling below ninety (90) days in any year of the rolling five (5) year forecast.

oasbo

Ohio Association of School Business Officials
98 Commerce Park Drive
Westerville, Ohio 43082-7934

PRSRT STD
U.S. POSTAGE
PAID
COLUMBUS, OH
PERMIT NO. 1429

Maximize school district dollars with OASBO's Benchmark Programs.

Visit **https://oasbo-ohio.org/benchmark-programs#/** to learn how your school district could save with these programs.

Property, Casualty, & Liability Insurance

S·O·R·S·A Schools of Ohio Risk Sharing Authority

Workers' Compensation Group Rating/Group Retro Rating

sedgwick
Ohio SchoolComp — A Program of OSBA & OASBO

Section 125 Plan Services and ACA Eligibility Software

American Fidelity — a different opinion

457(b) Deferred Compensation Retirement Plan

Voya Financial
Equitable

Online Payment Software

3 Education
PaySchools

Complete Accounts Payable Monitoring Solutions

Bonefish Systems

Natural Gas Purchasing Using SmartPortfolio

Energy Alliances — Energy Consulting & Supply

403(b) & 457 (b) Plan Administration

OMNI & TSACG Compliance Services

Education Procurement Card

PNC

Electric Purchasing Cooperative

power 4 schools

Ohio Association of School Business Officials
oasbo
Benchmark Program Provider