

**WORTHINGTON CITY SCHOOL DISTRICT-FRANKLIN COUNTY  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCES FOR THE FISCAL YEARS ENDED  
JUNE 30, 2021, 2022 and 2023 ACTUAL  
FORECASTED FISCAL YEARS ENDING  
JUNE 30, 2024 THROUGH 2028**



**Forecast Provided By  
Worthington City School District  
Treasurer's Office  
TJ Cusick, Treasurer/CFO  
May 13, 2024**

# WORTHINGTON CITY SCHOOL DISTRICT Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2021, 2022, 2023  
Forecasted Fiscal Year Ending June 30, 2024 through 2028

	Actual				Average Change	Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023			Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
<b>Revenues</b>										
1.010 General Property Tax (Real Estate)	\$ 112,681,503	\$ 118,068,751	\$ 129,631,185	7.3%	\$ 130,336,000	\$ 135,749,000	\$ 142,601,000	\$ 146,863,000	\$ 148,043,000	
1.020 Tangible Personal Property	5,836,150	6,605,232	6,966,244	9.3%	\$ 7,873,000	\$ 8,247,000	\$ 8,651,000	\$ 8,991,000	\$ 9,260,000	
1.035 Unrestricted State Grants-in-Aid	18,185,324	18,502,637	18,887,902	1.9%	\$ 23,342,000	\$ 21,708,000	\$ 21,714,000	\$ 21,719,000	\$ 21,724,000	
1.040 Restricted State Grants-in-Aid	1,073,161	2,076,625	2,933,942	67.4%	\$ 3,353,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	
1.050 State Share of Local Property Taxes	10,864,135	10,070,901	10,108,476	-3.5%	\$ 10,275,000	\$ 10,424,000	\$ 10,416,000	\$ 10,408,000	\$ 10,400,000	
1.060 All Other Revenues	2,617,276	3,160,585	4,744,232	35.4%	\$ 9,240,000	\$ 7,490,000	\$ 5,990,000	\$ 5,490,000	\$ 5,490,000	
1.070 <b>Total Revenues</b>	<b>\$ 151,257,549</b>	<b>\$ 158,484,731</b>	<b>\$ 173,271,981</b>	<b>7.1%</b>	<b>\$ 184,419,000</b>	<b>\$ 186,418,000</b>	<b>\$ 192,172,000</b>	<b>\$ 196,271,000</b>	<b>\$ 197,717,000</b>	
<b>Other Financing Sources</b>										
2.050 Advances-In	\$ 338,000	\$ 1,404,000	\$ 11,057,000	501.5%	\$ 139,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
2.060 All Other Financing Sources	16,496	12,621	20,520	19.5%	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	
2.070 <b>Total Other Financing Sources</b>	<b>\$ 354,496</b>	<b>\$ 1,416,621</b>	<b>\$ 11,077,520</b>	<b>490.8%</b>	<b>\$ 141,000</b>	<b>\$ 102,000</b>	<b>\$ 102,000</b>	<b>\$ 102,000</b>	<b>\$ 102,000</b>	
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>\$ 151,612,045</b>	<b>\$ 159,901,352</b>	<b>\$ 184,349,501</b>	<b>10.4%</b>	<b>\$ 184,560,000</b>	<b>\$ 186,520,000</b>	<b>\$ 192,274,000</b>	<b>\$ 196,373,000</b>	<b>\$ 197,819,000</b>	
<b>Expenditures</b>										
3.010 Personal Services	\$ 86,864,342	\$ 90,988,563	\$ 94,177,601	4.1%	\$ 100,400,000	\$ 106,300,000	\$ 111,800,000	\$ 117,000,000	\$ 122,200,000	
3.020 Employees' Retirement/Insurance Benefits	34,430,366	35,657,295	36,650,799	3.2%	\$ 38,284,000	\$ 40,565,000	\$ 43,287,000	\$ 46,033,000	\$ 48,940,000	
3.030 Purchased Services	13,660,343	17,085,141	18,163,471	15.7%	\$ 22,085,000	\$ 23,094,000	\$ 24,059,000	\$ 24,959,000	\$ 25,944,000	
3.040 Supplies and Materials	2,959,961	4,369,097	5,718,461	39.2%	\$ 6,358,000	\$ 6,844,000	\$ 6,415,000	\$ 5,965,000	\$ 6,940,000	
3.050 Capital Outlay	852,989	1,536,178	1,936,313	53.1%	\$ 3,170,000	\$ 3,834,000	\$ 1,990,000	\$ 2,013,000	\$ 2,037,000	
4.300 Other Objects	1,809,152	1,845,607	2,030,097	6.0%	\$ 2,178,000	\$ 2,743,000	\$ 2,913,000	\$ 3,017,000	\$ 3,074,000	
4.500 <b>Total Expenditures</b>	<b>\$ 140,577,153</b>	<b>\$ 151,481,881</b>	<b>\$ 158,676,742</b>	<b>6.3%</b>	<b>\$ 172,475,000</b>	<b>\$ 183,380,000</b>	<b>\$ 190,464,000</b>	<b>\$ 198,987,000</b>	<b>\$ 209,135,000</b>	
<b>Other Financing Uses</b>										
5.010 Operating Transfers-Out	\$ 523,202	\$ 394,406	\$ 371,667	-15.2%	\$ 13,193,000	\$ 343,000	\$ 187,000	\$ 30,000	\$ 30,000	
5.020 Advances-Out	1,404,000	11,057,000	139,000	294.4%	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
5.040 <b>Total Other Financing Uses</b>	<b>\$ 1,927,202</b>	<b>\$ 11,451,406</b>	<b>\$ 510,667</b>	<b>199.3%</b>	<b>\$ 13,293,000</b>	<b>\$ 443,000</b>	<b>\$ 287,000</b>	<b>\$ 130,000</b>	<b>\$ 130,000</b>	
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>\$ 142,504,355</b>	<b>\$ 162,933,287</b>	<b>\$ 159,187,409</b>	<b>6.0%</b>	<b>\$ 185,768,000</b>	<b>\$ 183,823,000</b>	<b>\$ 190,751,000</b>	<b>\$ 199,117,000</b>	<b>\$ 209,265,000</b>	
6.010 <b>Sources over (under) Expenditures and Other Financing Uses</b>	<b>\$ 9,107,690</b>	<b>\$ (3,031,935)</b>	<b>\$ 25,162,092</b>	<b>-531.6%</b>	<b>\$ (1,208,000)</b>	<b>\$ 2,697,000</b>	<b>\$ 1,523,000</b>	<b>\$ (2,744,000)</b>	<b>\$ (11,446,000)</b>	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$ 98,208,963	\$ 107,316,653	\$ 104,284,718	3.2%	\$ 129,446,810	\$ 128,238,810	\$ 130,935,810	\$ 132,458,810	\$ 129,714,810	
7.020 <b>Cash Balance June 30</b>	<b>\$ 107,316,653</b>	<b>\$ 104,284,718</b>	<b>\$ 129,446,810</b>	<b>10.7%</b>	<b>\$ 128,238,810</b>	<b>\$ 130,935,810</b>	<b>\$ 132,458,810</b>	<b>\$ 129,714,810</b>	<b>\$ 118,268,810</b>	
8.010 <b>Estimated Encumbrances June 30</b>	<b>\$ 4,451,458</b>	<b>\$ 6,143,365</b>	<b>\$ 5,534,556</b>	<b>14.0%</b>	<b>\$ 5,535,000</b>	<b>\$ 5,535,000</b>	<b>\$ 5,535,000</b>	<b>\$ 5,535,000</b>	<b>\$ 5,535,000</b>	
<b>Reservation of Fund Balance</b>										
9.030 Budget Reserve	\$ 27,674,865	\$ 25,252,030	\$ 26,451,000	-2.0%	\$ 28,752,000	\$ 30,569,000	\$ 31,750,000	\$ 33,171,000	\$ 34,863,000	
9.080 <b>Subtotal</b>	<b>27,674,865</b>	<b>25,252,030</b>	<b>26,451,000</b>	<b>-2.0%</b>	<b>28,752,000</b>	<b>30,569,000</b>	<b>31,750,000</b>	<b>33,171,000</b>	<b>34,863,000</b>	
15.010 <b>Unreserved Fund Balance June 30</b>	<b>\$ 75,190,330</b>	<b>\$ 72,889,323</b>	<b>\$ 97,461,254</b>	<b>15.3%</b>	<b>\$ 93,951,810</b>	<b>\$ 94,831,810</b>	<b>\$ 95,173,810</b>	<b>\$ 91,008,810</b>	<b>\$ 77,870,810</b>	
<b>ADM Forecasts</b>										
20.010 Kindergarten - October Count	761	800	795	2.2%	740	780	743	768	744	
20.015 Grades 1-12 - October Count	9,326	9,492	9,546	1.2%	9,639	9,722	9,819	9,867	9,977	

**Worthington City School District - Franklin County**  
**Notes to the Five-Year Forecast**  
**General Fund Only**  
**May 13, 2024**

**Introduction to the Five Year Forecast**

All school districts in Ohio are required to file a five (5) year financial forecast by November 30 and an update by May 31 in each fiscal year (FY). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2024 (July 1, 2023-June 30, 2024) is the first year of the five-year forecast and is considered the baseline year.

**Forecast Risks and Uncertainty**

We have estimated revenues and expenses based on the best data available to us at the time of this forecast. Any financial forecast has inherent risks and uncertainty, especially in later years. The items below give a short description of significant current issues, risks, and uncertainty:

- **Interest rates, property values, and the economy** – The District is heavily reliant on local property tax revenue, accounting for close to 75% of total revenue. Property values have risen substantially in the greater central Ohio area, with last year’s reappraisal resulting in an overall increase to residential property of 34.9% and commercial property of 20.7%. Overall inflation remains higher than expected and the Federal Reserve has continued to keep short term rates elevated longer than most economists projected. Consequently the 30-year residential mortgage rate remains elevated and impacts affordability for prospective homebuyers and could eventually impact property values. It also lessens housing turnover, which could hinder future levy requests. High inflation also puts pressure on labor rate assumptions used in this forecast.
- **Tax reform efforts** – The Ohio General Assembly created a committee to study property taxation in Ohio and potentially make recommendations on reform. The committee has held several hearings with the last one scheduled for the end of May and ultimately is charged with making recommendations for consideration by the full legislature. A separate bill has also been introduced to gradually eliminate the state income tax and the commercial activity tax. At the same time there is a desire to create, and sometimes economically incentivize, more affordable housing. Local governments could be under pressure to maintain adequate service levels if various tax bases are reduced. This forecast assumes current law continues into the future, and any changes to that could result in lower revenue than projected or a delay in revenue collection.
- **Enrollment** – Our enrollment has increased by over one thousand students during the last decade (11%). Recently updated enrollment projections completed this February show growth continuing at an average of about 50 students per year over the next decade and peaking at around 11,000 total students. We have forecasted modest staffing increases to accommodate this, but any variance to these projections could have cost implications.
- **Future Biennial Budgets and Tuition, Vouchers, Savings Accounts & Community Schools** - There are many provisions in current law that reduce district revenue in the form of exposure to school choice scholarships or vouchers, school reform initiatives, College Credit Plus, and other programs. Although these programs are now directly funded, rather than the former deduction-type methodology, they have the effect of lessening total state resources available to public school districts which could be used to fully fund the educational formula. Continued expansion or creation of programs such as these could

expose the district to further reductions or lower access to state revenue not currently in this forecast. In addition, the school funding formula is still primarily driven by local property values, and as Central Ohio continues to grow, our district's state share of calculated funding will decrease. This forecast assumes the current school funding formula is maintained and fully phased-in in the next biennial budget, including the guarantees, and that base cost inputs are again adjusted for inflation in the next biennium.

- **Retirement System Contributions** – Current law requires the District to contribute 14% of applicable employee wages to the State Teachers' and School Employees' Retirement Systems of Ohio. This forecast assumes that rate will remain in effect for the life of the forecast. The Director of STRS has made public comment regarding an increase to that rate, and it has been discussed by their Board, but no bill has been introduced. Any increase to that rate would increase costs above what is currently forecasted.

## Summary of Changes from the November 2023 Forecast

### *Projected Revenues:*

We have made adjustments to revenue projections resulting in a decrease of \$0.1 million over the five-year period (<-0.1%). Property tax revenue projections decreased \$6.1 million over five years as a result of slightly lower than projected reappraisal of commercial/industrial property as well as reclassification of some residential property to commercial. State revenue projections were correspondingly increased \$3.8 million due to those lower commercial property values used in the formula as well as increased enrollment and a one-time \$0.5 million reimbursement related to mandated Science of Reading materials. Other revenue projections increased \$2.2 million mostly due to continued higher interest rates than most economists expected.

### *Projected Expenditures:*

We have made adjustments to expenditure projections resulting in an increase of \$7.6 million over the five-year period (0.8%), with the majority of the increase (\$6.85 million) occurring in this fiscal year due to the purchase of a maintenance facility. Wage and benefit projections decreased \$0.9 million (-0.1%), mostly the result of a higher volume of retirements this year than expected.

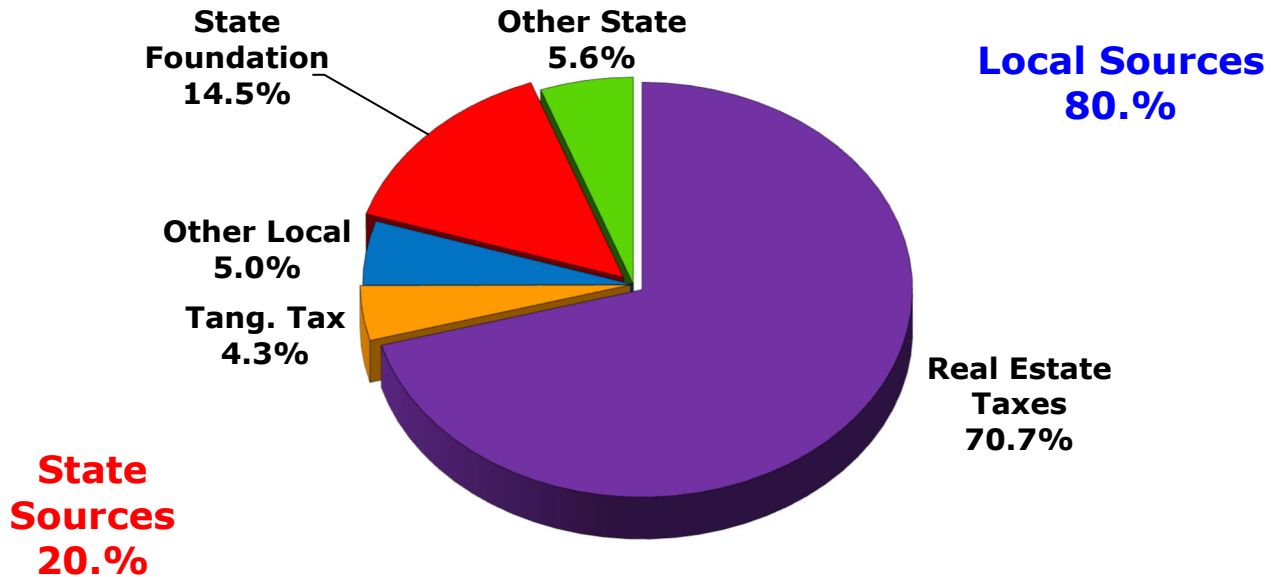
### *Projected Ending Cash Balance:*

These changes to revenue and expenditure assumptions result in a decrease of projected unreserved balance June 30, 2028 from \$85.6 million to \$77.9 million.

## Detailed Forecast Analysis

The following pages present a detailed analysis of each of the major line items in the forecast. The major lines of reference for the forecast are noted in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact TJ Cusick, Treasurer of Worthington City School District, at 614-450-6120.

## General Fund Operating Revenues 2024 \$184,419,000



### Real Estate Value Assumptions

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. A full six-year appraisal, as required by code, occurred for tax year 2023 (collection 2024). Overall residential/agricultural values increased 34.9% while commercial/industrial values increased 20.7%. Public utility values increased 5.6% We assume an annual 0.3% growth for new residential and commercial construction for future years, as well as a 10% residential/7% commercial increase for the triennial reappraisal update in 2026.

### Estimated Assessed Property Valuations by Collection Year

Classification	Actual TAX YEAR 2022 COLLECT 2023	Actual TAX YEAR 2023 COLLECT 2024	Estimated TAX YEAR 2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027
Res./Ag.	\$1,847,426,330	\$2,537,822,230	\$2,545,435,697	\$2,553,072,004	\$2,816,038,420
Comm./Ind.	\$520,649,660	\$609,056,290	\$612,101,571	\$615,162,079	\$661,299,235
Public Utility (PUPP)	\$71,212,380	\$75,260,040	\$77,517,841	\$79,843,376	\$82,238,677
<b>Total Assessed Value</b>	<b>\$2,439,288,370</b>	<b>\$3,222,138,560</b>	<b>\$3,235,055,109</b>	<b>\$3,248,077,459</b>	<b>\$3,559,576,332</b>

### Estimated Real Estate Tax (Line #1.010)

Based upon the projected property values above, the following chart illustrates projected real property tax collections:

	FY24	FY25	FY26	FY27	FY28
August Settlement	\$58,997,000	\$61,276,000	\$64,437,000	\$67,621,000	\$68,481,000
February Settlement	68,693,000	72,328,000	75,906,000	76,872,000	77,161,000
August Delinquent	231,000	260,000	274,000	287,000	291,000
February Delinquent	2,415,000	1,885,000	1,984,000	2,083,000	2,110,000
<b>Total General Property Taxes</b>	<b>\$130,336,000</b>	<b>\$135,749,000</b>	<b>\$142,601,000</b>	<b>\$146,863,000</b>	<b>\$148,043,000</b>

Property tax levies are estimated to be collected at 98.5% of the annual amount and 1.5% delinquency factor, in line with historical averages. Historically, 53% of the Residential/Agricultural and Commercial/Industrial property taxes are expected to be collected in the February tax settlement and 47% collected in the August tax settlement. The spike in FY23 is due to settlement payments related to commercial property valuation disputes. These were banned effective July 21, 2022, which led to an increase in settlement payments ahead of that date. We have modeled in the new incremental levy approved by voters November 8, 2022 which increases millage by 2.9, 2, 2, and 2 in collection years 2023, 2024, 2025, and 2026, respectively. No future additional levies are projected in this forecast, leading to flattening revenues long term since we are a mostly developed community with little new construction projected.

**Estimated Tangible Personal Property Tax (Line #1.020)**

	FY24	FY25	FY26	FY27	FY28
<b>Public Utility Pers. Property</b>	<b>\$7,873,000</b>	<b>\$8,247,000</b>	<b>\$8,651,000</b>	<b>\$8,991,000</b>	<b>\$9,260,000</b>

The phase out of TPP taxes began in FY06 with HB66 that was adopted in June 2005. The amount remaining on Line #1.020 is tax revenue from public utilities’ (telephone, electric, and gas) tangible property. Public utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the County Auditor. We project values to grow 3% in future years due to continued upgrade and re-investment in utility lines, in line with historical averages.

**Unrestricted State Grants-in-Aid (Line #1.035)**

Source	FY24	FY25	FY26	FY27	FY28
Basic Foundation Aid	\$20,767,000	\$19,107,000	\$19,107,000	\$19,107,000	\$19,107,000
Additional Aid Items	<u>\$1,869,000</u>	<u>\$1,890,000</u>	<u>\$1,890,000</u>	<u>\$1,890,000</u>	<u>\$1,890,000</u>
Basic Aid-Subtotal	\$22,636,000	\$20,997,000	\$20,997,000	\$20,997,000	\$20,997,000
Ohio Casino Commission ODT	<u>\$706,000</u>	<u>\$711,000</u>	<u>\$717,000</u>	<u>\$722,000</u>	<u>\$727,000</u>
<b>Total Unrestricted State Aid</b>	<b>\$23,342,000</b>	<b>\$21,708,000</b>	<b>\$21,714,000</b>	<b>\$21,719,000</b>	<b>\$21,724,000</b>

**A) Basic Foundation Aid**

House Bill 33, the fiscal years 2024 & 2025 biennial state budget, continued to phase in the new funding formula for Ohio public school districts enacted last budget. It is commonly referred to as the fair school funding plan. It includes an inputs-based methodology of determining an adequate base cost of educating a typical student and applies that against a revised state/local share mechanism (ratio) determined by both a district’s property wealth and income levels. It also provides for several additional categorical funding components such as economically disadvantaged students, gifted students, and students with disabilities, English learners, and career technical education.

While the budget does not include a “cap” on funding growth as the old formula did, the legislature chose not to fully fund the new formula this biennium. Rather, they continued a “phase-in” plan of 50.0% in FY24 and 66.67% in FY25, with no commitment beyond that. However, the formula is still predominantly driven by local property values, and because Franklin County had a significant reappraisal in 2023, the District anticipates receiving less in FY25 than in FY24 and eventually could be back on the guarantee at FY21 levels thereafter. We continue to expect growth in central Ohio property values and while we have modeled in the continued phase-in of the formula, any gain could be offset by higher property valuation and less state responsibility.

## B) Additional Aid Items

Additional Aid items include special education funding for preschool and transportation, similar to prior years. We are assuming these funds continue throughout the life of the forecast at current levels.

## C) Casino Revenue

There are currently four (4) casinos in Ohio, one each in Cleveland, Toledo, Columbus and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds are distributed to school districts in January and August each year based on enrollment.

Actual casino revenue for FY24 generated \$66.49 per pupil, which equated to \$706,000 for our District. We expect levels to grow slightly each year.

## Restricted Grants-in-Aid (Line #1.040)

Source	FY24	FY25	FY26	FY27	FY28
Student Wellness and Success	\$838,000	\$840,000	\$840,000	\$840,000	\$840,000
Disadvantaged Pupil Aid	278,000	329,000	329,000	329,000	329,000
English Learners	233,000	214,000	214,000	214,000	214,000
Gifted	480,000	429,000	429,000	429,000	429,000
Career Tech	218,000	185,000	185,000	185,000	185,000
Medicaid/Catastrophic Aid	1,306,000	803,000	803,000	803,000	803,000
<b>Total Restricted State Aid</b>	<b>\$3,353,000</b>	<b>\$2,800,000</b>	<b>\$2,800,000</b>	<b>\$2,800,000</b>	<b>\$2,800,000</b>

As previously mentioned, the new school funding formula provides several categorical funding components, required to be accounted for as restricted revenue used for specific purposes. These amounts are included here and we anticipated they will continue in the same manner in future years, but are reduced due to the significant reappraisal that was mentioned earlier.

The District also participates in the Medicaid in Schools Program in which we bill the state for eligible reimbursable services. Catastrophic Aid includes state reimbursement for those special education costs that exceed an unusually large, state determined amount. We expect those amounts to remain consistent. This line also includes \$503,000 for FY24 related to the state subsidy for the purchase of new high-quality instructional materials aligned with the science of reading.

## State Share of Local Property Taxes (Line #1.050)

	FY24	FY25	FY26	FY27	FY28
<b>Rollback &amp; Homestead</b>	<b>\$10,275,000</b>	<b>\$10,424,000</b>	<b>\$10,416,000</b>	<b>\$10,408,000</b>	<b>\$10,400,000</b>

Rollback funds are reimbursements paid to the district from the state for tax credits given to owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013. Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled.

**Other Local Revenues (Line #1.060)**

Source	FY24	FY25	FY26	FY27	FY28
Interest	\$7,700,000	\$6,000,000	\$4,500,000	\$4,000,000	\$4,000,000
Participation Fees	140,000	140,000	140,000	140,000	140,000
Tuition, Charges, Class Fees	850,000	850,000	850,000	850,000	850,000
Other	<u>550,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
<b>Total Other Local Revenues</b>	<b>\$9,240,000</b>	<b>\$7,490,000</b>	<b>\$5,990,000</b>	<b>\$5,490,000</b>	<b>\$5,490,000</b>

Interest income is generated on investments and will fluctuate based on market rates and cash balance (current overnight rate is 5.61% compared to 5.7% in November 2023). Rates have remained elevated longer than most expected. We assume a decrease in rates over the next 3 to 5 years in line with the current yield curve. Participation fees are charged to students for participating in extracurricular sports teams and activity clubs, and participation rates are expected to remain consistent. The fees are split between the general fund and the activity fund and are used to fund coaches and advisors. Tuition and Charges include tuition for open-enrolled students of non-resident staff members, non-resident court placed students, special education excess cost payments, summer school, transportation field trip charges to outside entities and consumable classroom fees. We expect these to remain consistent. Other revenue includes potential ERATE reimbursement related to technology equipment purchases, and annually includes approximately \$250,000 of compensation payments from the City of Worthington related to tax abatement agreements.

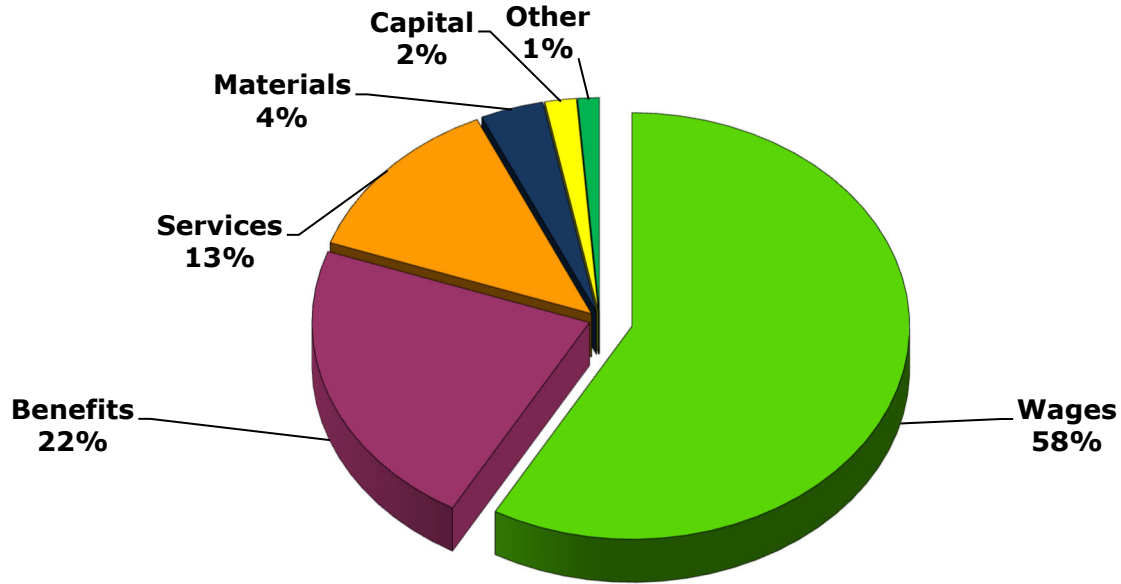
**Other Financing Sources (Line #2.050 & Line #2.060)**

Source	FY24	FY25	FY26	FY27	FY28
Advance Returns	\$139,000	\$100,000	\$100,000	\$100,000	\$100,000
Refunds/Sale of Assets	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000

These are non-operating revenues which are the repayment of short-term loans to other funds over the previous fiscal year (mainly federal reimbursement-type grant funds), sales of assets, and reimbursements for expenses received for a previous fiscal year in the current fiscal year. These amounts are consistent from year to year, with an exception in FY23 in which \$10.3 million was advanced to the building fund to expedite architect and engineering services related to construction at both high schools.



**General Fund Operating Expenditures FY24 \$172,475,000**



**Personal Services (Wages) (Line #3.010)**

Source	FY24	FY25	FY26	FY27	FY28
Base Wages	\$93,158,000	\$99,550,000	\$105,900,000	\$111,400,000	\$116,600,000
Increases	3,525,000	3,036,000	3,177,000	3,064,000	3,149,000
Steps/Training	2,608,000	2,548,000	2,204,000	2,205,000	2,099,000
New Staff	1,259,000	574,000	469,000	281,000	302,000
Severance	850,000	400,000	400,000	400,000	400,000
Retirements	(1,000,000)	(900,000)	(420,000)	(420,000)	(420,000)
<b>Total Wages Line 3.010</b>	<b>\$100,400,000</b>	<b>\$106,300,000</b>	<b>\$111,800,000</b>	<b>\$117,000,000</b>	<b>\$122,200,000</b>

Projections include annual base wage increases of 3.25%, 3.05%, and 3.00% in FY24, FY25, and FY26, respectively, per the latest contract (estimated 2.75% thereafter) as well as annual step increases for experience and educational attainment. It also includes 29 additional staff based on expected needs, as well as the expiration of federal stimulus funds (ESSER/ARP). The retirements line projects savings from retirees that are typically replaced with entry year teachers at a significantly lower cost. We had over 20 retirements at the end of FY23 and have included 15 at the end of FY24, with 7 each year thereafter.

**Employees' Retirement & Insurance Benefits (Line #3.020)**

This area of the forecast captures all costs associated with benefits and retirement costs.

Source	FY24	FY25	FY26	FY27	FY28
STRS/SERS	\$15,334,000	\$16,314,000	\$17,112,000	\$17,867,000	\$18,624,000
Insurances	20,924,000	22,125,000	23,926,000	25,787,000	27,807,000
Workers Comp/Unemployment	352,000	377,000	396,000	415,000	433,000
Medicare	1,462,000	1,589,000	1,693,000	1,804,000	1,916,000
Other/Tuition	212,000	160,000	160,000	160,000	160,000
<b>Total Benefits</b>	<b>\$38,284,000</b>	<b>\$40,565,000</b>	<b>\$43,287,000</b>	<b>\$46,033,000</b>	<b>\$48,940,000</b>

### *STRS/SERS Retirement Contributions*

As required by current law the District pays 14% of all employee wages to STRS or SERS. Pick up includes the employee share of retirement contributions paid by the Board of Education on behalf of administrators, which is 10% for those under SERS and 14% for those under STRS. This line will increase as wages increase. We assume no changes to both employee and employer required contribution rates in the future, although there have been public comments by the system of increasing the rate.

### *Insurances*

The district is self-insured for employee medical insurance, which allows the administration to manage the program in the most optimal manner. The District bid out its carrier for 2023 and switched to Anthem, allowing no change to premium rates in 2023. Better than expected savings materialized, and the District will again hold rates steady for calendar year 2024. We assume 8% increases in future years which is in line with industry trend. Caps on the board's exposure to future rate increases are included in employee negotiated agreements.

### *Workers Compensation & Unemployment Compensation*

The District is self-insured for workers compensation insurance, and the premium rate charged is 0.35% of covered payroll and is not expected to change.

Historically, unemployment charges are minimal. The district is a direct reimbursement employer which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

### *Medicare*

Medicare will continue to increase at the same rate as wage increases. Contributions are 1.45% for all new employees to the district on or after April 1, 1986.

### *Other/Tuition*

This line represents tuition reimbursement to certified staff members as negotiated per the latest agreement with the Worthington Education Association.

### **Purchased Services (Line #3.030)**

<b>Source</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>
Consulting/Legal	\$3,123,000	\$3,623,000	\$3,782,000	\$3,845,000	\$3,960,000
Maintenance/Property	4,097,000	4,041,000	4,203,000	4,371,000	4,546,000
Contracted Substitutes	3,350,000	3,400,000	3,502,000	3,607,000	3,715,000
Utilities	2,720,000	3,142,000	3,311,000	3,485,000	3,665,000
Tuition to other Entities	5,153,000	5,325,000	5,591,000	5,871,000	6,165,000
Other Purchased Services	<u>3,642,000</u>	<u>3,563,000</u>	<u>3,670,000</u>	<u>3,780,000</u>	<u>3,893,000</u>
<b>Total Purchased Services</b>	<b>\$22,085,000</b>	<b>\$23,094,000</b>	<b>\$24,059,000</b>	<b>\$24,959,000</b>	<b>\$25,944,000</b>

This category includes payments for various contracted services provided by other entities. We are estimating base inflationary increases of 3% annually for most areas in future years.

Consulting/Legal includes \$1.2 million our 11 mental health specialists and 2 behavior consultants, \$1.2 million for contracted special education related services (OT/PT/Speech/Interpreters/Attendants), \$400,000 for legal services, and other various testing, technology and instructional consulting services. Maintenance and property include leasing of modular units installed at a few of our elementary locations. Utilities include increases related to the recent approval of PUCO for AEP transmission rates. The District has negotiated long term gas and electric contracts to help hold down energy costs. We also project an additional \$75,000 annually for

bandwidth expansion/connectivity and fiber renewals. Tuition represents program services we contract with other entities for and includes \$2.5 million for special education placements and \$1.8 million vocational services at the Delaware Area Career Center. Tuition for special education placements is growing due to rate increases and number of students placed. College Credit Plus tuition costs are currently estimated at \$0.6 million annually and projected to continue to grow.

**Supplies and Materials (Line #3.040)**

Source	FY24	FY25	FY26	FY27	FY28
<b>Supplies</b>	<b>\$6,358,000</b>	<b>\$6,844,000</b>	<b>\$6,415,000</b>	<b>\$5,965,000</b>	<b>\$6,940,000</b>

An overall inflation of 3% is being estimated for this category which is characterized by textbooks, copy paper, maintenance supplies, materials, and bus fuel. Included in this line item are textbook costs for curriculum updates based on latest projections from our curriculum department. The bump in FY25 is due to state mandated new English Language Arts curriculum aligned with the science of reading, budgeted at \$1.5 million.

**Capital Outlay (Line # 3.050)**

Source	FY24	FY25	FY26	FY27	FY28
Equipment/Bldg. Improvements	\$2,908,000	\$2,622,000	\$778,000	\$801,000	\$825,000
Technology	262,000	1,212,000	1,212,000	1,212,000	1,212,000
<b>Total Capital Outlay</b>	<b>\$3,170,000</b>	<b>\$3,834,000</b>	<b>\$1,990,000</b>	<b>\$2,013,000</b>	<b>\$2,037,000</b>

An overall inflation rate of 3% annually is being used in this category. Major capital improvements are funded separately through the capital projects fund via passage of a bond issue and a permanent improvement levy in 2022. Funding for roof, window, and parking repairs to the administrative office are included in FY24 and FY25 at a total cost of \$3.9 million. Technology includes replacement of student Chrome books and PCs on a four-year cycle (FY22-FY24 replacements were funded with ESSER/ARP dollars).

**Other Objects (Line #4.300)**

Source	FY24	FY25	FY26	FY27	FY28
County Tax Collection Fees	\$1,766,000	\$2,131,000	\$2,267,000	\$2,335,000	\$2,354,000
County ESC	70,000	72,000	74,000	76,000	78,000
Other	342,000	540,000	572,000	606,000	642,000
<b>Total Other Expenses</b>	<b>\$2,178,000</b>	<b>\$2,743,000</b>	<b>\$2,913,000</b>	<b>\$3,017,000</b>	<b>\$3,074,000</b>

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit, bank fees, and other miscellaneous expenses. County auditor and treasurer fees correlate directly with property tax collections and are expected to increase as tax collections increase. We received a refund of \$0.3 million in collection fees in FY24 that is not assumed in future years.

**Other Financing Uses (Line #5.010 & Line #5.020)**

Source	FY24	FY25	FY26	FY27	FY28
Transfers Out (#5.010)	\$13,193,000	\$343,000	\$187,000	\$30,000	\$30,000
Advances Out (#5.020)	100,000	100,000	100,000	100,000	100,000
<b>Total Other Financing Uses</b>	<b>\$13,293,000</b>	<b>\$443,000</b>	<b>\$287,000</b>	<b>\$130,000</b>	<b>\$130,000</b>

Advances out cover end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Transfers out cover payments on energy conservation debt, which is paid via operational savings from decreased utility costs, as well as transfers to our food service fund to cover deficit student balances. Included in FY24 was a transfer of \$12.8 million to the permanent improvement fund for the purchase and renovation of a maintenance facility.

**Encumbrances (Line#8.010)**

	FY24	FY25	FY26	FY27	FY28
<b>Estimated Encumbrances</b>	<b>\$5,535,000</b>	<b>\$5,535,000</b>	<b>\$5,535,000</b>	<b>\$5,535,000</b>	<b>\$5,535,000</b>

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered. They are expected to remain consistent from year to year.

**Unencumbered Cash Balance, Reservations of Fund Balance, Ending Unreserved Balance**

	FY24	FY25	FY26	FY27	FY28
Unencumbered Cash Balance	\$122,703,810	\$125,400,810	\$126,923,810	\$124,179,810	\$112,733,810
Contingency Reserve	(28,752,000)	(30,569,000)	(31,750,000)	(33,171,000)	(34,863,000)
<b>Unreserved Fund Balance</b>	<b>\$93,951,810</b>	<b>\$94,831,810</b>	<b>\$95,173,810</b>	<b>\$91,008,810</b>	<b>\$77,870,810</b>

The unencumbered cash balance must not go below \$-0- or the district will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000, unless an alternative “412” certificate can be issued pursuant to HB153 effective September 30, 2011

The contingency reservation was established by the Board of Education to plan for extraordinary events beyond the control of the District’s normal operations. The contingency fund is to be utilized by the District in consultation with the Board. Sixty days, or two months, of operating cash is a responsible minimum ending balance target according to the GFOA.

The graph below illustrates expenditures exceeding revenues in FY27, causing the unreserved balance to decrease as expenditures continue to rise and revenues begin to flatten out.

