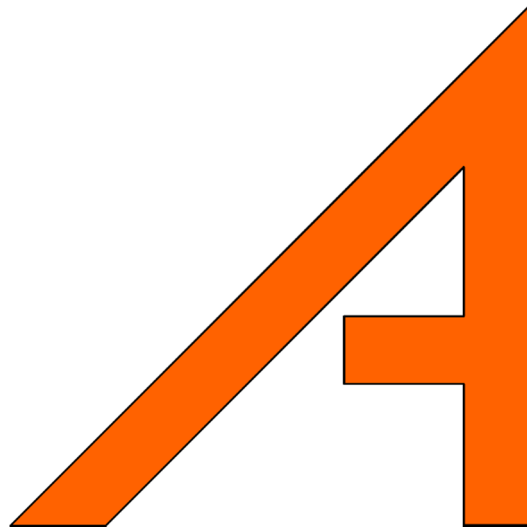


**ASHLAND CITY SCHOOL DISTRICT  
ASHLAND COUNTY  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCES FOR THE FISCAL YEARS ENDED  
JUNE 30, 2021, 2022 and 2023 ACTUAL  
FORECASTED FISCAL YEARS ENDING  
JUNE 30, 2024 THROUGH JUNE 30, 2028**



**Forecast Provided By  
Ashland City School District  
Treasurer's Office  
Kyle Klingler, Treasurer  
May 13, 2024**

# Ashland City School District

Ashland County

Schedule of Revenues, 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

	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)	\$14,545,271	\$14,792,699	\$14,692,085	0.5%	\$15,453,346	\$15,421,101	\$15,550,138	\$15,650,250	\$14,766,401
1.020	Public Utility Personal Property Tax	4,391,775	3,970,066	4,216,865	-1.7%	4,417,311	4,277,138	4,228,338	4,179,538	3,690,052
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	12,897,697	12,164,702	12,399,013	-1.9%	13,528,237	13,086,107	13,089,297	13,092,535	13,095,822
1.040	Restricted State Grants-in-Aid	253,380	942,459	835,578	130.3%	1,044,122	883,762	883,762	883,762	883,762
1.045	Restricted Federal Grants-in-Aid	0	0	0	0.0%	0	0	0	0	0
1.050	State Share of Local Property Taxes	1,790,272	1,771,767	1,761,621	-0.8%	1,769,715	1,789,913	1,790,555	1,804,172	1,786,269
1.060	All Other Revenues	2,087,282	997,367	1,374,858	-7.2%	1,707,289	1,178,602	1,078,602	1,048,602	1,018,602
1.070	<b>Total Revenues</b>	<b>\$35,965,677</b>	<b>\$34,639,060</b>	<b>\$35,280,020</b>	<b>-0.9%</b>	<b>\$37,920,020</b>	<b>\$36,636,623</b>	<b>\$36,620,692</b>	<b>\$36,658,859</b>	<b>\$35,240,908</b>
<b>Other Financing Sources</b>										
2.040	Operating Transfers-In	\$0	\$15,446	\$2,261	0.0%	\$0	\$0	\$0	\$0	\$0
2.050	Advances-In	0	0	800,000	0.0%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
2.060	All Other Financing Sources	213,090	25,044	(585)	-95.3%	(125)	0	0	0	0
2.070	<b>Total Other Financing Sources</b>	<b>\$213,090</b>	<b>\$40,490</b>	<b>\$801,676</b>	<b>899.5%</b>	<b>\$999,875</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
2.080	<b>Total Revenues and Other Financing Sources</b>	<b>\$36,178,767</b>	<b>\$34,679,550</b>	<b>\$36,081,696</b>	<b>-0.1%</b>	<b>\$38,919,895</b>	<b>\$37,636,623</b>	<b>\$37,620,692</b>	<b>\$37,658,859</b>	<b>\$36,240,908</b>
<b>Expenditures</b>										
3.010	Personal Services	\$16,681,558	\$16,826,530	\$17,545,089	2.6%	\$18,162,512	\$19,232,071	\$19,118,925	\$19,387,458	\$19,654,294
3.020	Employees' Retirement/Insurance Benefits	6,649,422	6,749,799	7,361,442	5.3%	8,538,800	9,440,681	9,709,322	10,073,656	10,487,879
3.030	Purchased Services	6,114,877	4,131,060	4,545,407	-11.2%	4,557,224	4,753,939	4,896,558	5,043,455	5,194,758
3.040	Supplies and Materials	648,921	1,079,115	1,505,418	52.9%	1,378,320	1,659,723	1,742,710	1,829,845	1,921,338
3.050	Capital Outlay	654,871	477,481	675,105	7.2%	100,000	450,000	450,000	450,000	450,000
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0
4.020	Principal-Notes	0	0	0	0.0%	0	0	0	0	0
4.030	Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040	Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050	Principal-HB 264 Loans	285,000	295,000	309,750	4.3%	300,000	0	0	0	0
4.055	Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060	Interest and Fiscal Charges	17,369	23,556	5,250	-21.0%	5,250	0	0	0	0
4.300	Other Objects	479,780	483,420	494,651	1.5%	419,598	419,598	419,598	419,598	469,598
4.500	<b>Total Expenditures</b>	<b>\$31,531,798</b>	<b>\$30,065,961</b>	<b>\$32,442,112</b>	<b>1.6%</b>	<b>\$33,461,704</b>	<b>\$35,956,012</b>	<b>\$36,337,113</b>	<b>\$37,204,012</b>	<b>\$38,177,867</b>
<b>Other Financing Uses</b>										
5.010	Operating Transfers-Out	\$2,000,000	\$303,329	\$505,024	-9.2%	\$690,000	\$150,000	\$150,000	\$150,000	\$150,000
5.020	Advances-Out	0	0	800,000	0.0%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
5.030	All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040	<b>Total Other Financing Uses</b>	<b>\$2,000,000</b>	<b>\$303,329</b>	<b>\$1,305,024</b>	<b>122.7%</b>	<b>\$1,690,000</b>	<b>\$1,150,000</b>	<b>\$1,150,000</b>	<b>\$1,150,000</b>	<b>\$1,150,000</b>
5.050	<b>Total Expenditures and Other Financing Uses</b>	<b>\$33,531,798</b>	<b>\$30,369,290</b>	<b>\$33,747,136</b>	<b>0.8%</b>	<b>\$35,151,704</b>	<b>\$37,106,012</b>	<b>\$37,487,113</b>	<b>\$38,354,012</b>	<b>\$39,327,867</b>
6.010	<b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses</b>	<b>\$2,646,969</b>	<b>\$4,310,260</b>	<b>\$2,334,560</b>	<b>8.5%</b>	<b>\$3,768,191</b>	<b>\$530,612</b>	<b>\$133,580</b>	<b>(\$695,153)</b>	<b>(\$3,086,959)</b>
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$3,422,420	\$6,069,389	\$10,379,649	74.2%	\$12,714,209	\$16,482,400	\$17,013,012	\$17,146,591	\$16,451,438
7.020	<b>Cash Balance June 30</b>	<b>\$6,069,389</b>	<b>\$10,379,649</b>	<b>\$12,714,209</b>	<b>46.8%</b>	<b>\$16,482,400</b>	<b>\$17,013,012</b>	<b>\$17,146,591</b>	<b>\$16,451,438</b>	<b>\$13,364,479</b>
8.010	<b>Estimated Encumbrances June 30</b>	<b>\$1,175,677</b>	<b>\$1,797,119</b>	<b>\$1,117,831</b>	<b>7.5%</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
<b>Reservation of Fund Balance</b>										
9.080	Subtotal Reservations of fund Balance	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
10.010	<b>Fund Balance June 30 for Certification of Appropriations</b>	<b>\$4,893,712</b>	<b>\$8,582,530</b>	<b>\$11,596,378</b>	<b>55.2%</b>	<b>\$15,482,400</b>	<b>\$16,013,012</b>	<b>\$16,146,591</b>	<b>\$15,451,438</b>	<b>\$12,364,479</b>

# Ashland City School District

Ashland County

Schedule of Revenues, 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

	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>Revenue from Replacement/Renewal Levies</b>										
11.010	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0
11.020	0	0	0	0.0%	0	0	0	0	0	2,682,898
11.300	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$2,682,898
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>										
12.010	\$4,893,712	\$8,582,530	\$11,596,378	55.2%	\$15,482,400	\$16,013,012	\$16,146,591	\$15,451,438	\$15,047,377	
<b>Revenue from New Levies</b>										
13.010	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0
13.020	0	0	0	0.0%	0	0	0	0	0	0
13.030	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0
14.010	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0
15.010	\$4,893,712	\$8,582,530	\$11,596,378	55.2%	\$15,482,400	\$16,013,012	\$16,146,591	\$15,451,438	\$15,047,377	

**Ashland City School District –Ashland County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**May 13, 2024**

**Introduction to the Five Year Forecast**

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

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

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

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

- (1) To engage the local board of education and the community in long-range planning and discussions of financial issues facing the school district
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate"
- (3) To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, 2023, and May 31, 2024, for the fiscal year 2024 (July 1, 2023, to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2024 (July 1, 2023-June 30, 2024) is the first year of the five-year forecast and is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the May 2024 filing.

**May 2024 Updates:**

**Revenues FY24**

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$37.9 million or 0.91% higher than the November forecasted amount of \$37.58 million. This indicates that the November forecast was 99.09% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our most significant source of revenues at 56.9% and are estimated to be \$19.87 million, which is \$35.3 thousand lower for FY24 than the original November estimate of \$19.9 million. Our estimates are 99.82% accurate for FY24 and should mean future projections are also on target.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be \$14.57 million, which is \$100.39 thousand higher than the original estimate for FY24. We are pleased that we were able to be 99.31% accurate for FY24. We are currently on the formula and we are expected to remain as a formula district for FY25 through FY28, but we are watching this funding source closely for changes.

Line 1.06 - Other revenues are up \$340.7 thousand over original estimates, primarily due to interest received by the district. This line of funding is somewhat unpredictable from year to year.

All areas of revenue are tracking as anticipated for FY24 based on our best information at this time.

### **Expenditures FY24**

Total General Fund expenditures (line 4.5) are estimated to be \$33.46 million for FY24, which is \$585.1 thousand lower than the original estimate of \$34.04 million in the November forecast, which is roughly 98.28% on target with initial estimates. The expenditure line most significantly over projection is Benefits (line 3.020) while Supplies and Materials (line 3.040) and Capital Outlay (line 3.05) came in under.

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

### **Unreserved Ending Cash Balance**

With revenues increasing from estimates and expenditures decreasing compared to November estimates, our ending unreserved cash balance June 30, 2024, is anticipated to be roughly \$15.48 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2028 if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

### **Forecast Risks and Uncertainty:**

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

1) Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project growth in appraised values every three (3) years and new construction growth with modest increases in local taxes as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues, predominately local taxes, equating to 56.9% of the district's resources. We believe there is a low risk that local collections would fall below projections throughout the forecast.

The legislature has formed a "Joint Committee on Property Tax Review and Reform" which is pending as of this forecast. We are watching these deliberations closely and they could impact future reappraisals and possibly the impact of the 20 mill floor currently in law. Our district is currently very close to the 20 mill floor for Class I values. We are watching the Joint Committee carefully and will adjust the forecast pending their outcome.

2) Ashland and Richland Counties experienced a property value appraisal update in the 2020 tax year to be collected in 2021. The 2020 update increased assessed values by \$44.98 million, or 8.5%. Overall values rose

\$52.5 million or 9.9%, including reappraisal and new construction for all property classes. A reappraisal update occurred in the tax year 2023 for collection in 2024. The overall value increased for Class I and II property by \$136.7 million for an overall increase of 24.55%.

3) The Rover pipeline (natural gas) came “on-line” in calendar year 2018, payable in 2019. The second line was completed in calendar year 2019, payable in 2020. Rover filed an appeal of the value with the Ohio Department of taxation. It is anticipated that the payment in fiscal year 2023 and beyond will be based on the appeal value, reducing their annual payment by approximately \$1,516,700. The pipeline value is based on the construction of the line and will only gain value if improvements are made. The value will depreciate over 30 years. To be conservative we have assumed the \$30.04M in PUPP value will be removed from our values for future projections. That reduces PUPP tax revenue by \$1.8M per year in the forecast. We have reduced the PUPP values each year by \$800,000 for FY25 through FY28. We are monitoring the Ohio Board of Tax Appeals where this case has been rescheduled from November 10, 2021, to May 9, 2022 and on March 30, 2022 it was continued again for a third time to August 1, 2022. Currently there is legal acrobatics taking place to delay any decision until the Ohio Supreme Court hears the Case 2023-0354 filed by the Lorain County Auditor against the Nexus Pipeline decision reached by the Board of Tax Appeals earlier this year. The Supreme Court began hearings on the Nexus Case - October 24, 2023. No decision on the Nexus Case or Rover Case has been reached as of this forecast date.

4) The state budget represents 43.1% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to the record high inflation or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. In this forecast, two forthcoming State Biennium Budgets cover FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state’s economy make this area an elevated risk to district funding long-range through FY28. We have projected our state funding in FY24 and FY25 based on the additional phase-in of HB33 (the fair school funding plan). This forecast reflects state revenue to align with the FY25 funding levels through FY28, which we feel is conservative and should be close to what the state approves for the FY26-FY28 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

5) HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY24 reflects 50% of the implementation cost at year three of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed. The FSFP has made many significant changes to how foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. We have used the April #2 payment for FY24 and most recent simulations published April 12<sup>th</sup> by the Ohio Department of Education for our forecasted revenues for FY25.

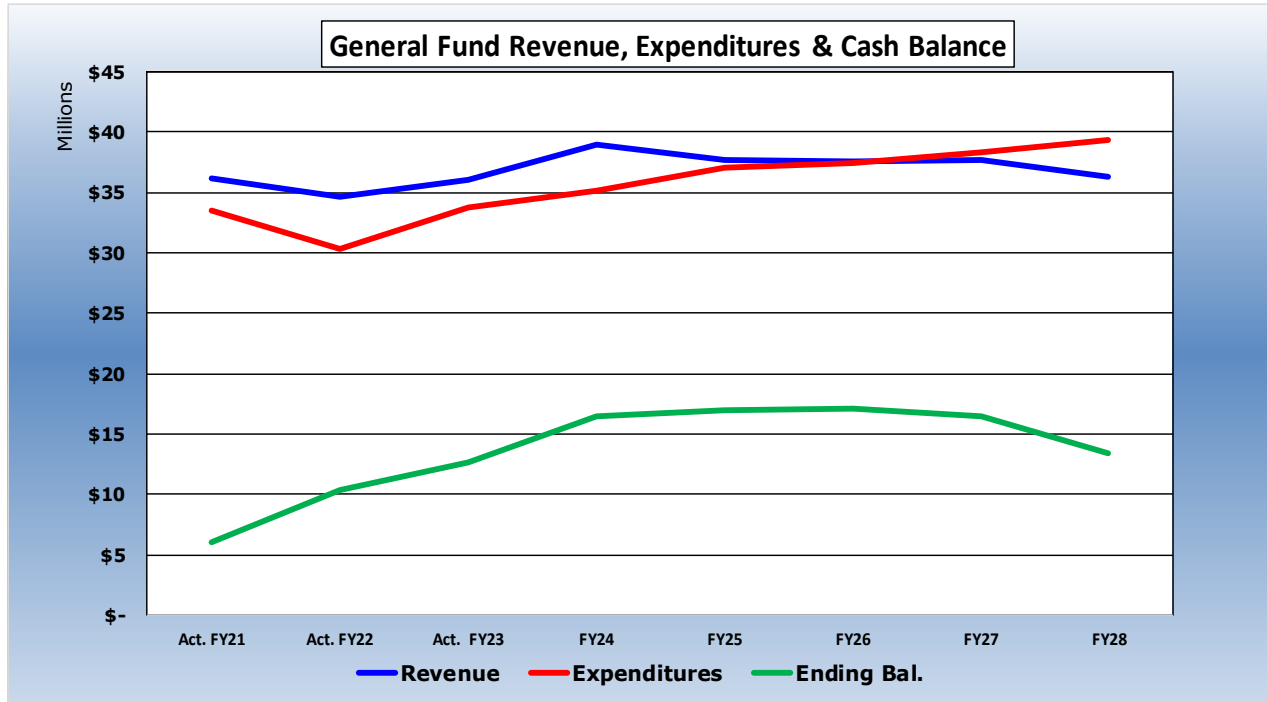
6) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid,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

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

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Kyle Klingler, Treasurer at [kyklingl@goarrows.org](mailto:kyklingl@goarrows.org).

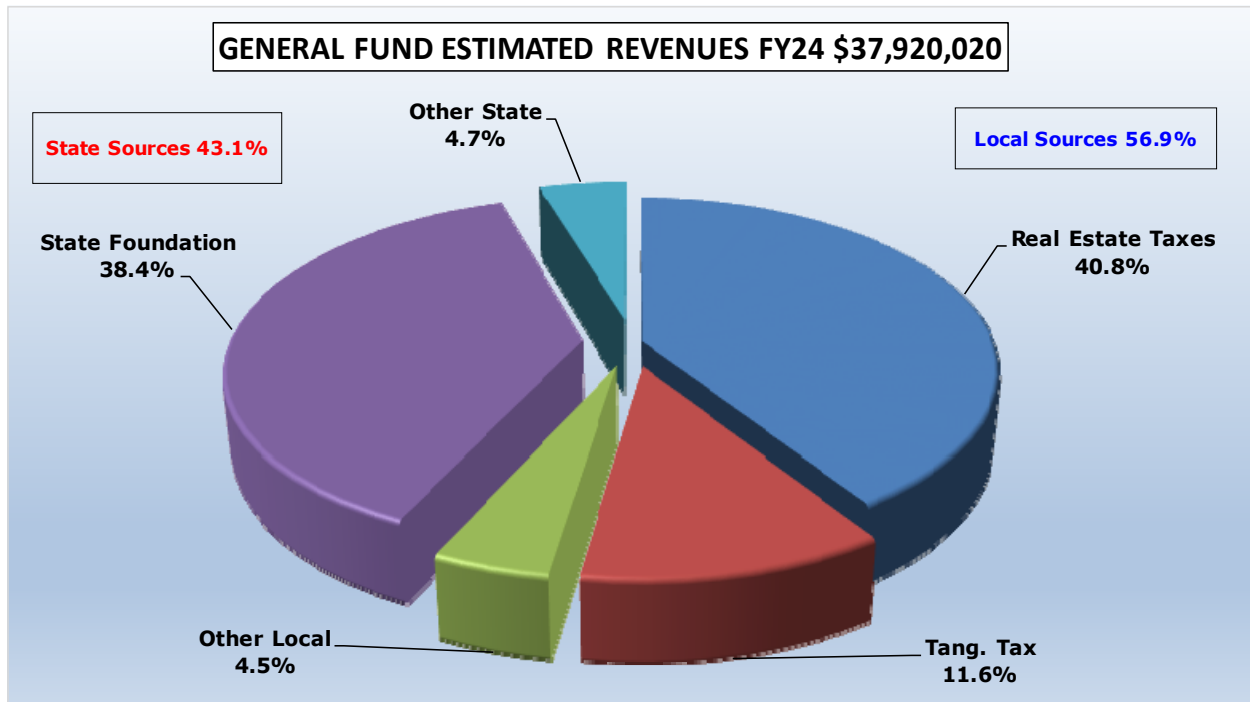
### General Fund Revenue, Expenditures and Ending Cash Balance Actual FY21-23 and Estimated FY24-28

The graph captures in one snapshot the operating scenario facing the District over the next few years.



## Revenue Assumptions

### Operating Revenue Sources General Fund FY24



#### Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Ashland County experienced a reappraisal and Richland an update for the 2020 tax year to be collected in 2021. Residential/agricultural values increased 11.82% or \$43.7 million due to the reappraisal led by an improving housing market. Ashland County experienced a triennial update and Richland County a sexennial update for the 2023 tax year to be collected in 2024. Overall Residential/agricultural values increased 38.06% or \$150.3 million due to the reappraisal/update, led by an improving housing market. Class II values dropped \$13.9 million or 8.4% due to a large commercial property getting moved to tax exempt status.

Public Utility Personal Property (PUPP) values increased by \$1.7 million in Tax Year 2023. We expect our values to fall by \$800,000 each year of the forecast due to the Rover Pipeline lawsuit. Due to Rover pipeline disputing the taxable valuation, they are currently paying at a tender rate, or the rate they believe it should be. The current forecast reflects values at the tender rate in an effort not to overinflate assumed collections in forecasted years. Should the state agree with the pipeline's disputed amounts, the district would not see a refund in future collections but continued collections based on the current assumptions. However, if the state denies their disputed values, the district would see these delinquent payments in future tax collections.



<u>Classification</u>	<u>Actual</u> <u>TAX YEAR2023</u> <u>COLLECT 2024</u>	<u>Estimated</u> <u>TAX YEAR2024</u> <u>COLLECT 2025</u>	<u>Estimated</u> <u>TAX YEAR 2025</u> <u>COLLECT 2026</u>	<u>Estimated</u> <u>TAX YEAR 2026</u> <u>COLLECT 2027</u>	<u>Estimated</u> <u>TAX YEAR 2027</u> <u>COLLECT 2028</u>
Res./Ag.	\$545,377,410	\$545,327,410	\$545,277,410	\$588,849,603	\$588,949,603
Comm./Ind.	148,362,320	148,362,320	148,362,320	148,362,320	148,362,320
Public Utility Personal Property (PUPP)	<u>70,645,016</u>	<u>69,845,016</u>	<u>69,045,016</u>	<u>68,245,016</u>	<u>67,445,016</u>
Total Assessed Value	<u>\$764,384,746</u>	<u>\$763,534,746</u>	<u>\$762,684,746</u>	<u>\$805,456,939</u>	<u>\$804,756,939</u>

### Tax Rate Assumptions

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all general fund levies is 61.0 mills while the Class I effective millage rate is 22.02 mills and the Class II effective millage rate is 35.88 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is very close to the floor for Class I. Any emergency or substitute emergency levy that is voted on is not included in the 20-mill floor, the district does not have any emergency levies at this time.

### ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Est. Real Estate Taxes	\$15,453,346	\$15,421,101	\$15,550,138	\$15,650,250	\$14,766,401
Total Line #1.01 Real Estate Taxes	<u>\$15,453,346</u>	<u>\$15,421,101</u>	<u>\$15,550,138</u>	<u>\$15,650,250</u>	<u>\$14,766,401</u>

Property tax levies are estimated to be collected at 97.00% of the annual amount. This allows 3.00% delinquency factor. In general, 58.00% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 42.00% collected in the August tax settlement.

**New Tax Levies – Line #13.030** - No new levies are modeled in this forecast.

### Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. Public Utility tax settlements (PUPP taxes) are estimated to be received 64% in March and 36% in August settlement from the County Auditor and are noted in Line #1.02 totals below. As stated above Rover/pipeline payments are forecasted at a tender rate, or the value the companies believe it should be. We will continue to monitor and update as more information is provided.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Public Utility Personal Property	\$4,417,311	\$4,277,138	\$4,228,338	\$4,179,538	\$3,690,052
Total PUPP Tax Line #1.020	<u>\$4,417,311</u>	<u>\$4,277,138</u>	<u>\$4,228,338</u>	<u>\$4,179,538</u>	<u>\$3,690,052</u>

## **State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045 Current State Funding Model per HB110 through June 30, 2025**

### **A) Unrestricted State Foundation Revenue– Line #1.035**

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25. We have projected FY24 funding based on the April 2024 foundation settlement and funding factors.

Our district is currently a formula district in FY24 and is expected to continue on the formula in FY25-FY28 on the new Fair School Funding Plan (FSFP). However we are watching this closely as we may fall back on the guarantee if property values continue to rise. The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14. It was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, then HB110, as amended by HB583 for FY22 and FY23, with continuation of this formula in HB33 for FY24 and FY25. The current formula introduced many changes to how state foundation is calculated and expenses deducted from state funding, which will potentially make the actual five-year forecast look different with estimates FY24 through FY28 compared to real data in FY21 through FY23 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecasts.

### **Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan**

- A. Student Population and Demographics
- B. Property Valuation Per Pupil
- C. Personal Income of District Residents Per Pupil
- D. Historical Funding - CAPS and Guarantees from prior funding formulas “Funding Bases” for guarantees.

### Base Cost Approach - Unrestricted Basic Aid Foundation Funding

The current funding formula uses FY22 statewide average district costs and developed a base cost approach that includes minimum service levels and student-teacher ratios to calculate a unique base cost for each district. Newer, more up-to-date statewide average prices will not update for FY24 and FY25 and remain frozen at FY22 levels, while other factors impacting a district’s local capacity will update for FY24. Base costs per pupil include funding for five (5) areas:

- 1. Teacher Base Cost (4 subcomponents)
- 2. Student Support (7 subcomponents-including a restricted Student Wellness component)
- 3. District Leadership & Accountability (7 subcomponents)
- 4. Building Leadership & Operations (3 subcomponents)
- 5. Athletic Co-curricular (contingent on participation)

### State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is currently at a state-wide average of \$8,242.19 per pupil in FY24, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage, in concept, will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district’s ability to raise taxes based on local wealth, the lower the state share percentage. HB33 increased the minimum state share from 5% in FY23 to 10% for FY24 and FY25. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income, and 20% on federal median income, as follows:

- 1. 60% based on the most recent three (3) year average assessed values or the most recent year, whichever is lower, divided by base students enrolled.

2. 20% based on the most recent three-year average federal adjusted gross income of district residents or the most recent year, whichever is lower, divided by base students enrolled.
3. 20% based on the most recent year's federal median income of district residents multiplied by the number of returns in that year divided by base students enrolled.
4. When the weighted values are calculated, and items 1 through 3 above are added together, the total is multiplied by a Local Share Multiplier Index from 0% for low-wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open-enrolled students being educated in each district) and multiplied by the local share multiplier index for each district. The result is the local per pupil capacity of the base per pupil funding amount.

### **Categorical State Aid**

In addition to the base state foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

#### Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). It also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount, not a specific amount. 10% will be reduced from all districts' calculations to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding is based on all resident students who ride, including preschool students and those living within 1 mile of school. Provides supplemental transportation for low-density districts. Increases state minimum share to 37.5% in FY24 and 41.67% in FY25.

#### Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on the number and concentration of economically disadvantaged students compared to the state average and multiplied by \$422 per pupil. Phase-in increases are limited to 50% for FY24 and 66.67% in FY25.
2. English Learners – Based on funded categories based on the time students enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds – Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. Student Wellness and Success Funds – These funds are based on initiatives similar to those for DPIA. They are restricted funds for school climate, attendance, discipline, and academic achievement programs.

### **State Funding Phase-In FY24 and FY25 and Guarantees**

While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110, which was amended by HB583 in June 2022 and has now extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it will consist of a general phase-in percentage for most components of 50% in FY24 and 66.67% in FY25.

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

**Future State Budget Projections beyond FY25**

Our funding status for FY26-28 will depend on unknown (2) new state budgets. There is no guarantee that the current Fair School Funding Plan in HB33 will be funded or continued beyond FY25; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY26 through FY28.

**Casino Revenue**

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

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY22, was \$109.39 million for schools or \$62.86 per pupil, in FY23, the funding totaled \$113.1 million or \$64.90 per pupil, and in FY24 the funding totaled \$113.11 million or \$65.02 average per pupil. We expect the casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Basic Aid-Unrestricted	\$12,911,772	\$12,475,955	\$12,475,955	\$12,475,955	\$12,475,955
Additional Aid Items	<u>406,929</u>	<u>397,465</u>	<u>397,465</u>	<u>397,465</u>	<u>397,465</u>
Basic Aid-Unrestricted Subtotal	13,318,701	12,873,420	12,873,420	12,873,420	12,873,420
Ohio Casino Commission ODT	<u>209,536</u>	<u>212,687</u>	<u>215,877</u>	<u>219,115</u>	<u>222,402</u>
Total Unrestricted State Aid Line #1.035	<u>\$13,528,237</u>	<u>\$13,086,107</u>	<u>\$13,089,297</u>	<u>\$13,092,535</u>	<u>\$13,095,822</u>

**B) Restricted State Revenues – Line #1.040**

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, new restricted funds have been added under “Restricted Categorical Aid” for Gifted, English Learners (ESL), and Student Wellness. We have estimated revenues for these new restricted funding lines using current October funding factors. The amount of DPIA is limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY28 due to uncertainty on continued funding of the current funding formula.

HB33 set aside \$64 million state-wide to subsidize the cost of high-quality instructional materials purchased by schools and districts aligned to the Science of Reading. The funds are provided to support both high-quality core curriculum and instructional materials in English language areas and evidenced-based reading intervention programs. The district received \$144,753 from this one-time subsidy and is required to maintain documentation as to how the funds were leveraged along with expenses incurred beyond the subsidy.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
DPIA	\$187,211	\$183,116	\$183,116	\$183,116	\$183,116
Career Tech - Restricted	21,744	16,952	16,952	16,952	16,952
Gifted	180,741	175,045	175,045	175,045	175,045
ESL	19,460	18,258	18,258	18,258	18,258
Student Wellness	490,213	490,391	490,391	490,391	490,391
Other Restricted State Funds	<u>144,753</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1.040	<u>\$1,044,122</u>	<u>\$883,762</u>	<u>\$883,762</u>	<u>\$883,762</u>	<u>\$883,762</u>

### C) Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

<u>SUMMARY</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Unrestricted Line #1.035	\$13,528,237	\$13,086,107	\$13,089,297	\$13,092,535	\$13,095,822
Restricted Line #1.040	<u>1,044,122</u>	<u>883,762</u>	<u>883,762</u>	<u>883,762</u>	<u>883,762</u>
Total State Foundation Revenue	<u>\$14,572,359</u>	<u>\$13,969,869</u>	<u>\$13,973,059</u>	<u>\$13,976,297</u>	<u>\$13,979,584</u>

### State Share of Local Property Tax – Line #1.050

#### A) Rollback and Homestead Reimbursement

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

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

#### Summary of State Share of Local Property Tax Reimbursement – Line #1.050

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Rollback and Homestead	<u>\$1,769,715</u>	<u>\$1,789,913</u>	<u>\$1,790,555</u>	<u>\$1,804,172</u>	<u>\$1,786,269</u>
Total Tax Reimbursements #1.050	<u>\$1,769,715</u>	<u>\$1,789,913</u>	<u>\$1,790,555</u>	<u>\$1,804,172</u>	<u>\$1,786,269</u>

#### Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been open enrollment, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, catastrophic aide and general rental fees. HB110, the previous state budget, stopped paying open enrollment as an increase to other revenue for the district. This is projected below as zeros to help show the difference between projected FY24-FY28 Line 1.06 revenues and historical FY21 through FY23 revenues on the five-year forecast

Interest income is based on the district cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. Once the economy stabilizes, there will be pressure on the Federal Reserve to lower interest rates, which we believe will be sometime in 2024, decreasing the opportunity for more significant interest

income for the district. We will continue to monitor the investments for the district. All other revenues are expected to continue on historical trends.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Tuition Related Payments	\$315,283	\$315,283	\$315,283	\$315,283	\$315,283
Open Enrollment	0	0	0	0	0
Class & Sports Oriented Fees	83,319	83,319	83,319	83,319	83,319
Interest Earnings	718,187	256,000	156,000	126,000	96,000
Medicaid	391,500	325,000	325,000	325,000	325,000
Miscellaneous	<u>199,000</u>	<u>199,000</u>	<u>199,000</u>	<u>199,000</u>	<u>199,000</u>
Total Other Local Revenue Line #1.060	<u>\$1,707,289</u>	<u>\$1,178,602</u>	<u>\$1,078,602</u>	<u>\$1,048,602</u>	<u>\$1,018,602</u>

**Short-Term Borrowing – Lines #2.010 & Line #2.020**

There is no short term borrowing projected in this forecast.

**Transfers In / Return of Advances – Line #2.040 & Line #2.050**

These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. Return of advances are currently projected to cover balances in the Employee Benefits Self-Insurance Fund during the fiscal year.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Transfers In - Line #2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line #2.050	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total Transfer & Advances In	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>

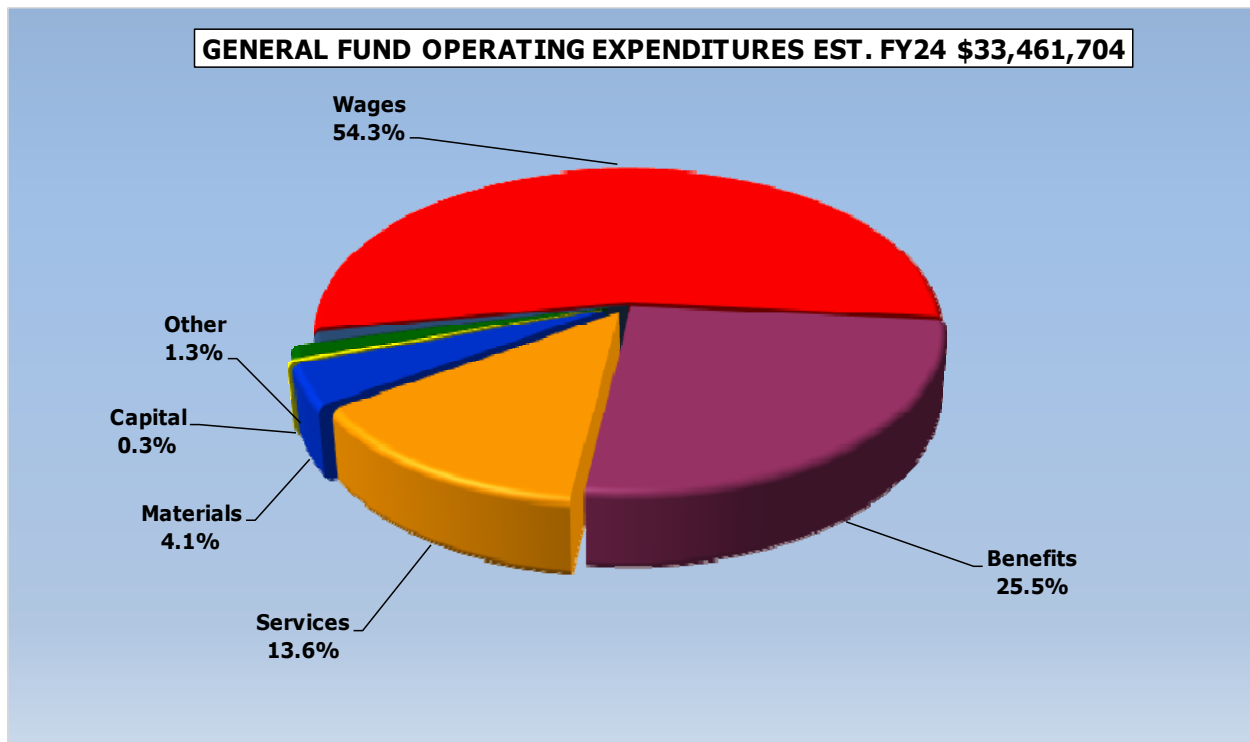
**All Other Financial Sources – Line #2.060**

This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

## Expenditures Assumptions

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

### All Operating Expense Categories - General Fund FY24



#### Wages – Line #3.010

Negotiations with bargaining unit members resulted in an agreement with OAPSE members to include base increases of 0.20 dollars per Classification January 1, 2023 and then a 0.50 dollar increase on July 1, 2023 and July 1, 2024. Certified employees received a 1.5% increase starting July 1, 2023 and a 2.0% increase starting July 1, 2024. Step increases are calculated to increase wages 1.5% each year. For planning purposes, a 0% base increase is planned FY26 through FY28. Other adjustments were made to wages for growth of staff and staffing reductions, along with ESSER adjustments.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Base Wages	\$15,952,187	\$16,853,972	\$17,902,229	\$17,789,083	\$18,057,616
Based Pay Increase	255,235	337,079	0	0	0
Steps & Academic Training	239,283	239,283	252,810	268,533	266,836
Growth Staff	500,767	146,732	7,256	0	0
Substitutes	243,445	243,445	243,445	243,445	243,445
Supplementals	1,065,095	1,086,397	1,086,397	1,086,397	1,086,397
SWSF & ESSER Adjustments	0	473,500	(360,500)	0	0
Other Adjustments/Reductions	<u>(93,500)</u>	<u>(148,338)</u>	<u>(12,713)</u>	<u>0</u>	<u>0</u>
Total Wages Line #3.010	<u>\$18,162,512</u>	<u>\$19,232,071</u>	<u>\$19,118,925</u>	<u>\$19,387,458</u>	<u>\$19,654,294</u>

### **Fringe Benefits Estimates**

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

#### **A) STRS/SERS will increase as Wages Increase**

As required by law, the BOE pays 14% of all employee wages to STRS or SERS. The BOE also pick up 5% of Teachers STRS contributions.

#### **B) Insurance**

The district is on a self-insured medical insurance plan. The School District is self-insured for health benefits and through 2021 has not had increase in premiums since 2016. Claims and expenses in the Employee Benefits Self Insurance fund increase by 26% from 2021 to 2022, and premiums were increased 20% as a result for 2023. We are estimating an increase of 22% for FY24 and 10% for FY24 and 6% for FY26 through FY28 which reflects trend on our current employee census and claims data.

The Further Consolidated Appropriations Act of 2020 included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. “Cadillac Tax”), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

#### **C) Workers Compensation & Unemployment Compensation**

Workers Compensation is expected to be approximately 0.44% of wages FY24 through FY28. Unemployment is expected to remain at a very low level FY24-FY28.

#### **D) Medicare**

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

### **Summary of Fringe Benefits – Line #3.020**

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
A) STRS/SERS	\$3,512,973	\$3,724,495	\$3,752,563	\$3,781,590	\$3,835,058
B) Insurance's	4,685,603	5,374,137	5,593,827	5,929,457	6,285,224
C) Workers Comp/Unemployment	79,915	84,621	84,123	85,305	86,479
D) Medicare	260,309	257,428	278,809	277,304	281,118
Total Fringe Benefits Line #3.020	<u>\$8,538,800</u>	<u>\$9,440,681</u>	<u>\$9,709,322</u>	<u>\$10,073,656</u>	<u>\$10,487,879</u>



### Purchased Services – Line #3.030

HB110, the previous state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education began to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to show these amounts below as zeros to help reflect the difference between projected FY24-FY28 Line 3.03 costs and historical FY21 through FY23 costs on the five-year forecast. College Credit Plus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend. Overall, FY24 has a 4 percent inflationary increase with a \$170,000 reduction for TCCSA techs and FY25 we will recode some TCCSA techs back to the General fund from ESSER funds. The remaining years have a 3 percent inflationary adjustment.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Professional & Technical Services, ESC	\$2,485,915	\$2,560,492	\$2,637,307	\$2,716,426	\$2,797,919
Maintenance, Insurance & Garbage Removal	627,914	646,751	666,154	686,139	706,723
Professional Development	36,773	37,876	39,012	40,182	41,387
Communications, Postage, & Telephone	55,388	57,050	58,762	60,525	62,341
Utilities	442,778	456,061	469,743	483,835	498,350
Contracted Trades & Services	9,037	9,308	9,587	9,875	10,171
Tuition, Excess Costs & Scholarship Costs	694,147	714,971	736,420	758,513	781,268
College Credit Plus	205,272	211,430	217,773	224,306	231,035
Other Adjustments SWSF, ESSER, Etc.	0	60,000	61,800	63,654	65,564
Total Purchased Services Line #3.030	<u>\$4,557,224</u>	<u>\$4,753,939</u>	<u>\$4,896,558</u>	<u>\$5,043,455</u>	<u>\$5,194,758</u>

### Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. We have estimated a 5% inflationary increase for all years of the forecast in the supplies and materials category.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
General Office Supplies & Materials	\$692,643	\$727,275	\$763,639	\$801,821	\$841,912
Textbooks & Instructional Supplies	175,000	396,237	416,049	436,851	458,694
Facility Supplies & Materials	195,175	204,934	215,181	225,940	237,237
Transportation Fuel & Supplies	311,325	326,891	343,236	360,398	378,418
Other adjustments SWSF, ESSER, Etc.	<u>4,177</u>	<u>4,386</u>	<u>4,605</u>	<u>4,835</u>	<u>5,077</u>
Total Supplies Line #3.040	<u>\$1,378,320</u>	<u>\$1,659,723</u>	<u>\$1,742,710</u>	<u>\$1,829,845</u>	<u>\$1,921,338</u>

### Equipment – Line # 3.050

The District does not anticipate costs increasing significantly in this line because most capital outlay is paid by the Permanent Improvement Fund. For FY24 we have budgeted \$100,000 for equipment and \$450,000 for the remaining years of the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Capital Outlay & Maintenance	<u>100,000</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>
Total Equipment Line #3.050	<u>\$100,000</u>	<u>\$450,000</u>	<u>\$450,000</u>	<u>\$450,000</u>	<u>\$450,000</u>

**Principal and Interest Payment – Lines #4.05 and #4.06**

In FY13, the School District issued \$3,045,000 in general obligation bonds to finance a HB264 energy conservation project. The bonds were issued for a ten year period with a final maturity at November 1, 2023. Principal and interest payments on the bond are reflected in this line item.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
HB 264 Principal Line #4.050	<u>\$300,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Interest & Fiscal Costs On Debt Line #4.060	<u>\$5,250</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Other Expenses – Line #4.300**

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. These costs are projected to remain stable over the five year forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
County Auditor & Treasurer Fees	\$323,580	\$323,580	\$323,580	\$323,580	\$373,580
Annual Audit Costs	28,440	28,440	28,440	28,440	28,440
Dues, Fees & other Expenses	<u>67,578</u>	<u>67,578</u>	<u>67,578</u>	<u>67,578</u>	<u>67,578</u>
Total Other Expenses Line #4.300	<u>\$419,598</u>	<u>\$419,598</u>	<u>\$419,598</u>	<u>\$419,598</u>	<u>\$469,598</u>

**Transfers Out/Advances Out – Lines #5.010 and #5.020**

This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. In prior years, transfers were made to pay for large construction project out of the capital improvements fund. Future transfers are currently forecasted to cover expenses in the Termination Benefits Fund. Advances are currently projected to cover balances in the Employee Benefits Self-Insurance Fund.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Operating Transfers Out Line #5.010	\$690,000	\$150,000	\$150,000	\$150,000	\$150,000
Advances Out Line #5.020	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total Transfer & Advances Out	<u>\$1,690,000</u>	<u>\$1,150,000</u>	<u>\$1,150,000</u>	<u>\$1,150,000</u>	<u>\$1,150,000</u>

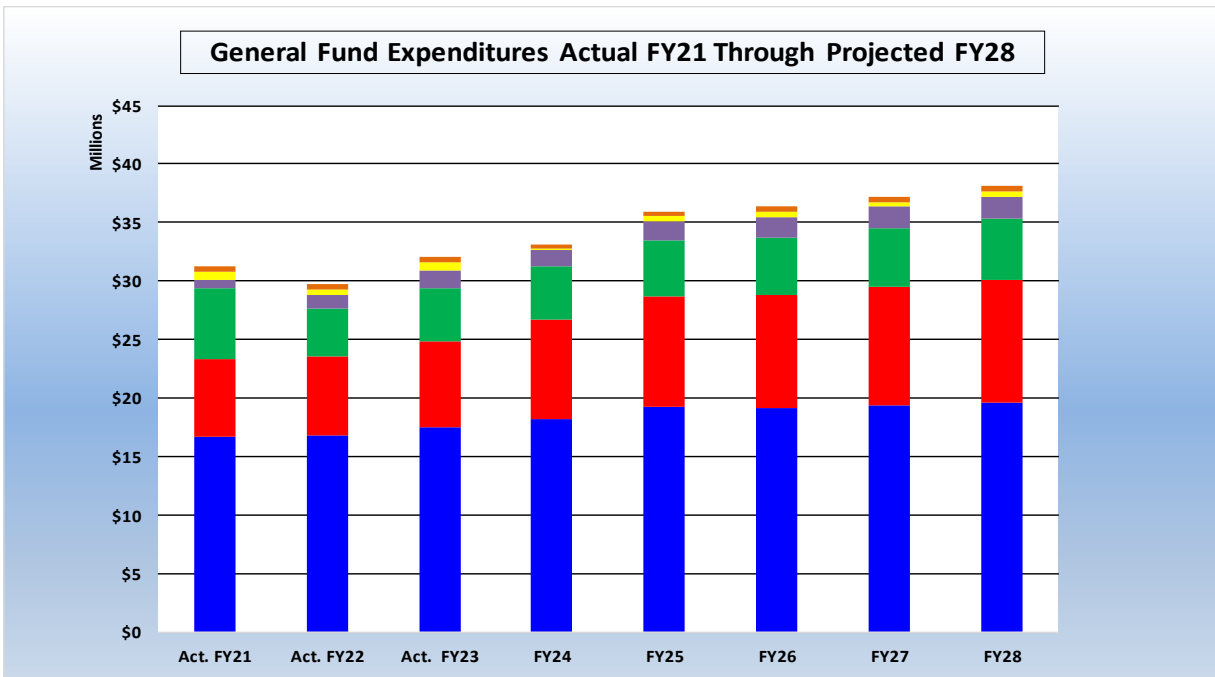
**Encumbrances –Line#8.010**

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.

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Estimated Encumbrances Line #8.010	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>

**Operating Expenditures Actual FY21 through FY23 and Estimated FY24-FY28**

As the graph on the following page indicates, we have been diligent at containing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.

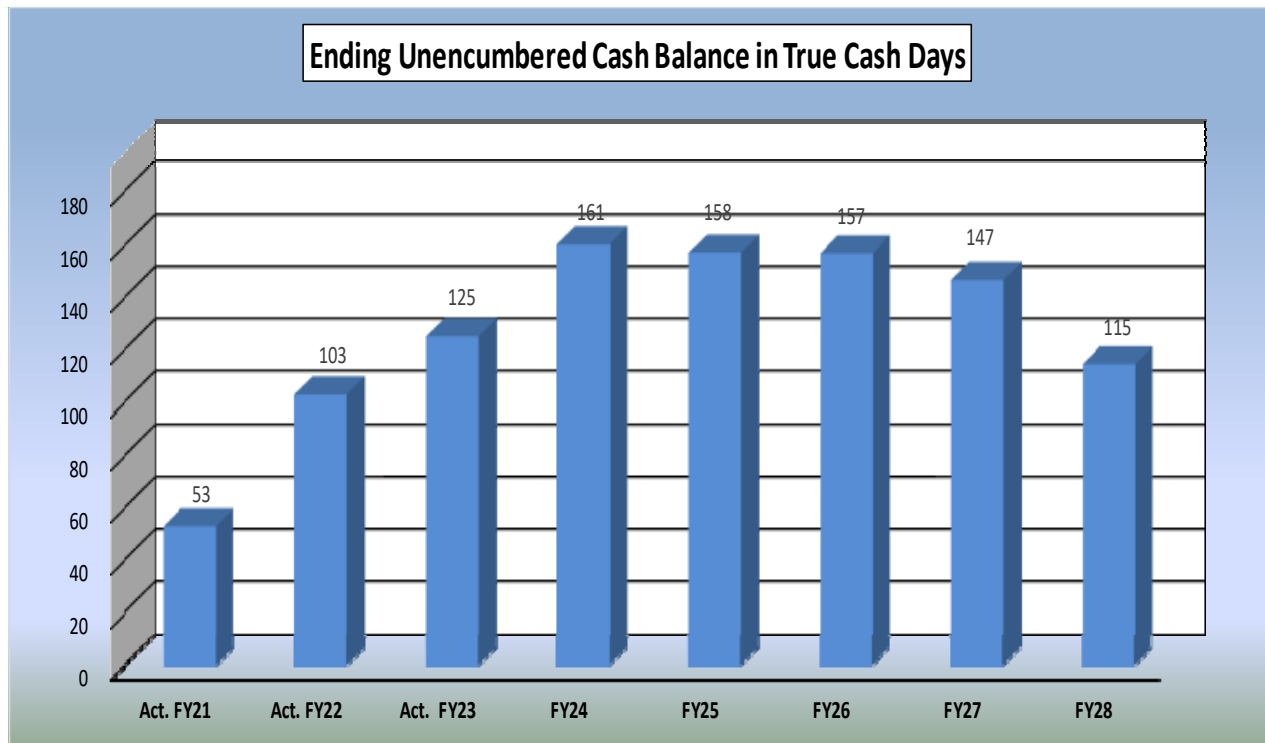


**Ending Unencumbered Cash Balance “The Bottom-line”– Line#15.010**

This amount must not go below \$0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about \$2.8 million for our district.

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Ending Unreserved Cash Balance Line #15.01	<u>\$15,482,400</u>	<u>\$16,013,012</u>	<u>\$16,146,591</u>	<u>\$15,451,438</u>	<u>\$15,047,377</u>

## True Cash Days Ending Balance



Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each districts complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics and severance reserves.

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