Clark-Shawnee Local School District

Fiscal Year

2025

November

Five Year Forecast Report

Prepared By:Thomas Faulkner

Treasurer/CFO

Clark-Shawnee Local School District

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Forecast Purpose/Objectives

Ohio Department of Education and Workforce's purposes/objectives for the five-year forecast are:

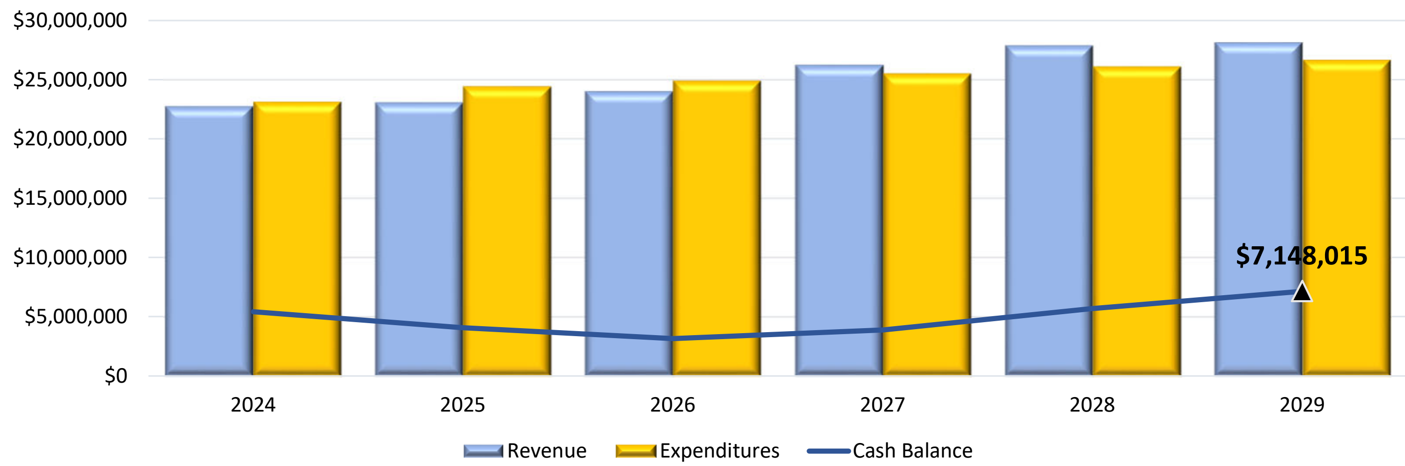
1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412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

Forecast Methodology

This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year, and while cash flow monitoring helps to identify unexpected variances, no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

Forecast Summary

Projected Revenue, Expenditures, and Cash Balance



Financial Forecast Summary

	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Beginning Balance (Line 7.010)	5,427,412	4,078,065	3,169,441	3,890,469	5,687,645
+ Renewal/New Levies Modeled					
+ Revenue	23,084,171	24,012,426	26,241,204	27,888,013	28,140,161
- Expenditures	(24,433,517)	(24,921,049)	(25,520,175)	(26,090,837)	(26,679,791)
= Revenue Surplus or Deficit	(1,349,347)	(908,624)	721,028	1,797,176	1,460,370
Line 7.020 Ending Balance with Renewal/New Levies	4,078,065	3,169,441	3,890,469	5,687,645	7,148,015

Financial Summary Notes

The Clark-Shawnee Local School District began its fiscal year on July 1, 2024 with $5,427,412 and will end its year on June 30, 2025 with a project cash balance of $4,078,065 for 86 days of cash. The cash balance is declining because the district expenditures are projected to exceed district revenue by $1,349,347.

The treasurer is projecting that without a new operating levy or substantial budget reductions the district expenditures will exceed the district revenues by a projected $333,840 annually over the next five years.

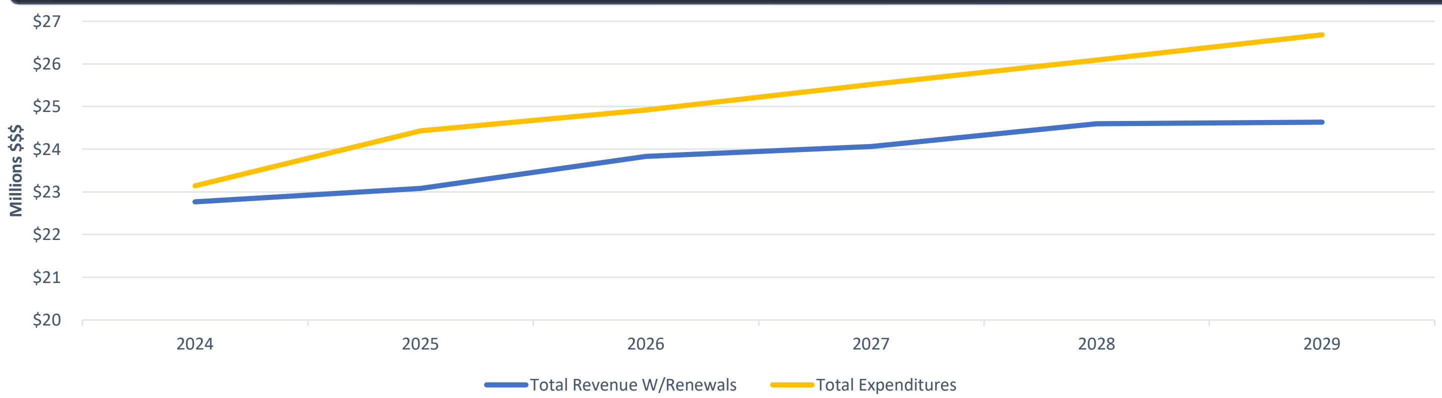
The financial forecast summary is modeling what a 1% earned income tax would look like for the district starting collection in the last half of the 2025-2026 school year.

It is hoped that by reading this document the reader may gain some understanding of how the district receives its resources and how they are expended annually and what is driving the need for additional funds.

Disclosure Items:	*2025*	*2026*	*2027*	*2028*	*2029*
Modeled Renewal Levies - Annual Amount	-	-	-	-	-
Modeled New Levies - Annual Amount	-	*182,645*	*2,179,357*	*3,290,705*	*3,504,306*
Encumbrances (not subtracted from Cash Balance)	-	-	-	-	-

Forecast Analysis

Revenue Compared to Expenditures

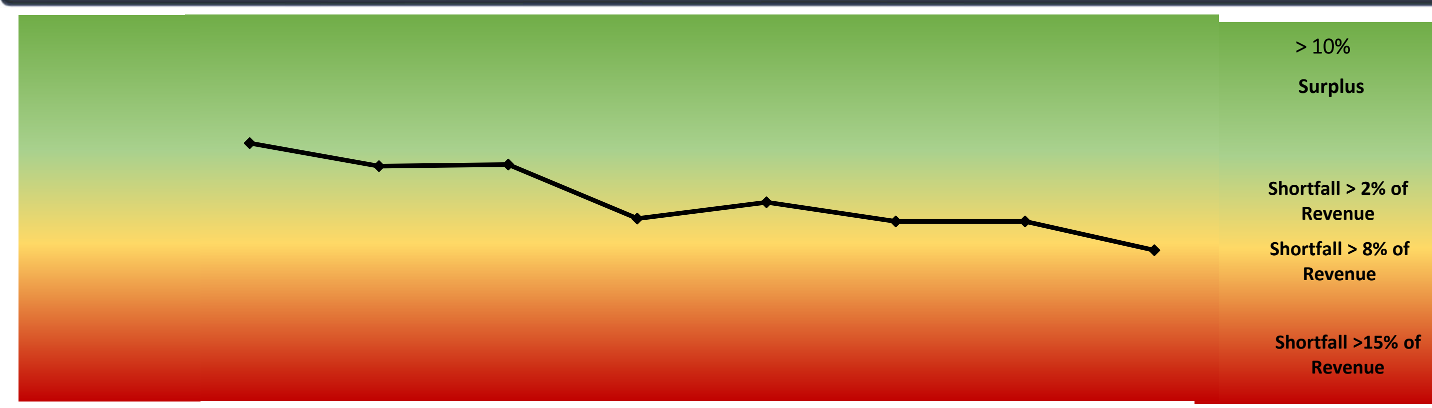


From 2025 to 2029, total revenues are projected to change by 1.59%

Revenue change is expected to outpace expenditure change.

From 2025 to 2029, total expenses are projected to change by 2.89%

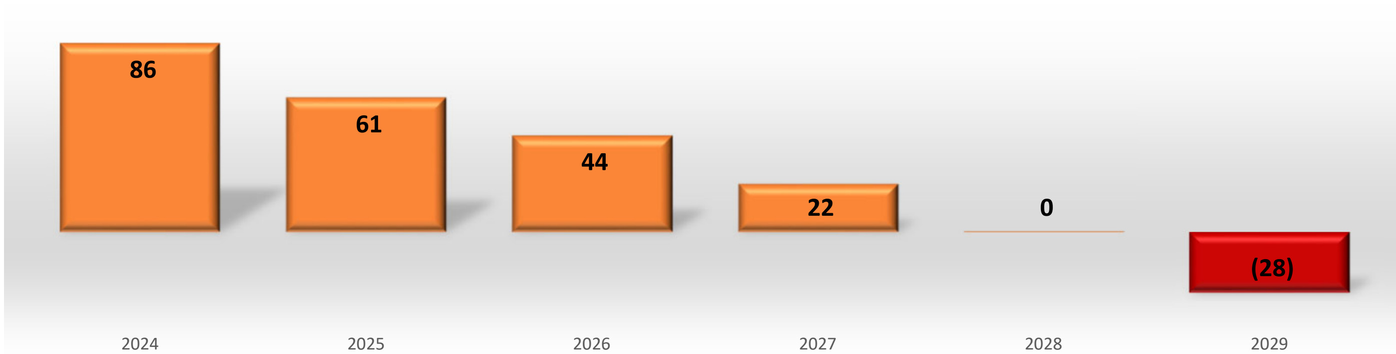
Revenue Surplus/(Shortfall) as a Percentage of Revenue



Current Forecast Surplus/(Shortfall)	2022	2023	2024	2025	2026	2027	2028	2029
	.%	-1.8%	-1.6%	-5.8%	-4.6%	-6.1%	-6.1%	-8.3%

The district has been trending towards a revenue shortfall since the 2022-2023 school year. The treasurer is projecting that there will be a 5.8% ($1,349,347) revenue shortfall for the 2024-2025 school year. A 1% earned income tax will generate an estimated $3,504,306 by 2028-2029 and put the district on a positive trend moving forward. Additionally, it will ensure that resources intended for the operation of the school district cannot be diverted by other state and local agencies for other uses.

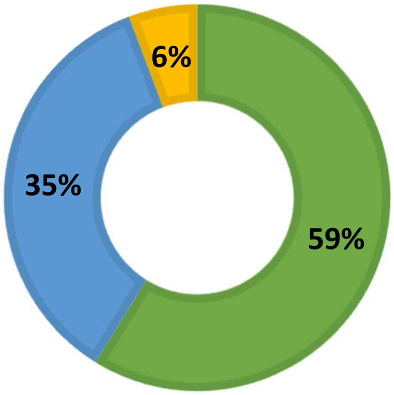
Days Cash on Hand at Fiscal Year-end



Days Cash on Hand at Fiscal Year-end assume that no new earned income tax levy is passed. It is clear that additional revenue is need for normal district operations.

Revenue Overview

Revenue Sources



Local Taxes

Real Estate Tax	51.51%
Public Utility Tax	7.32%
Income Tax	0.00%

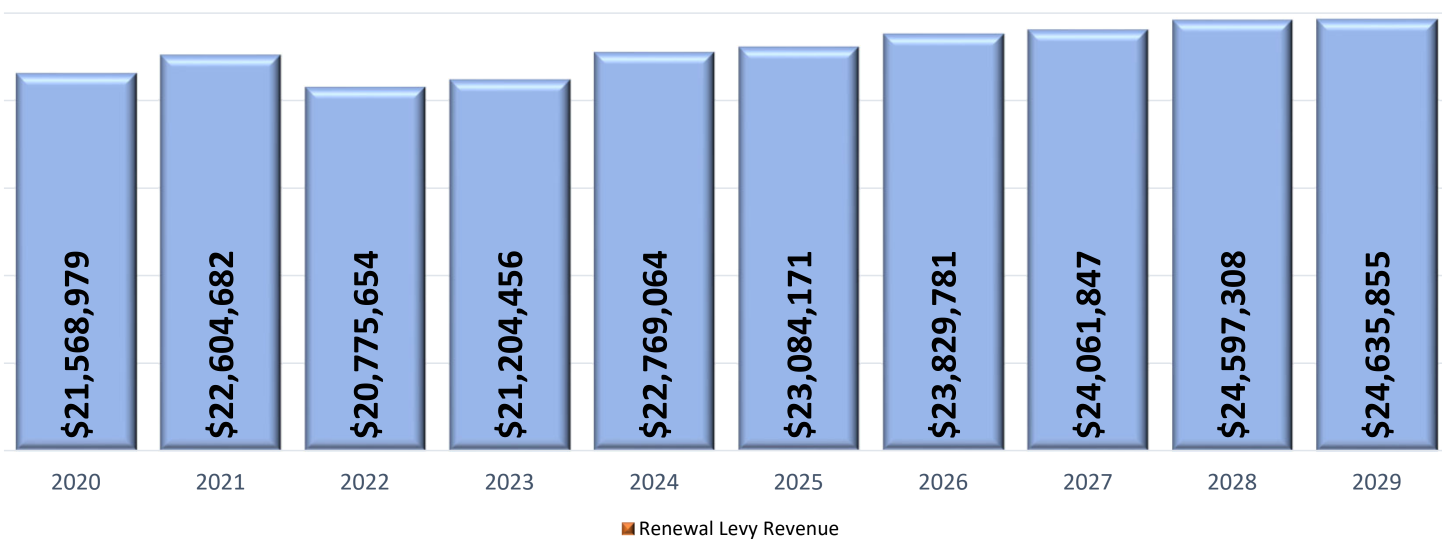
State Sources

State Funding	27.82%
Restricted Aid	2.98%
State Share of Local Tax	4.64%

All Other Revenue

Other Revenue	4.62%
Other Sources	1.11%

Annual Revenue Actual + Projected



Historic Revenue Change versus Projected Revenue Change

	Historical Average Annual $$ Change	Projected Average Annual $$ Change	Projected Compared to Historical Variance
Real Estate	$282,583	$243,452	($39,131)
Public Utility	$90,196	$53,003	($37,193)
Income Tax	$0	$0	$0
State Funding	($14,363)	$37,356	$51,719
State Share of Property Tax	$24,414	$35,081	$10,666
All Othr Op Rev	($347,502)	$3,113	$350,615
Other Sources	($21,245)	$1,353	$22,597
Total Average Annual Change	$14,084	$373,358	$359,274
	0.24%	1.59%	1.36%

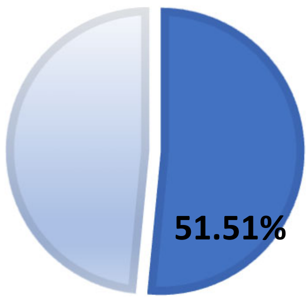
During the past 5 years the district's total revenue grew 0.24% ($14,084) annually which is attributed to a new state funding formula.

The treasurer is projecting that during the next 5 years the districts revenue will increase an average of 1.59% ($373,358). This is largely due to real estate, public utility and state funding. The treasurer is projecting growth because of property valuation increases as well as Fully Funded State Formula.

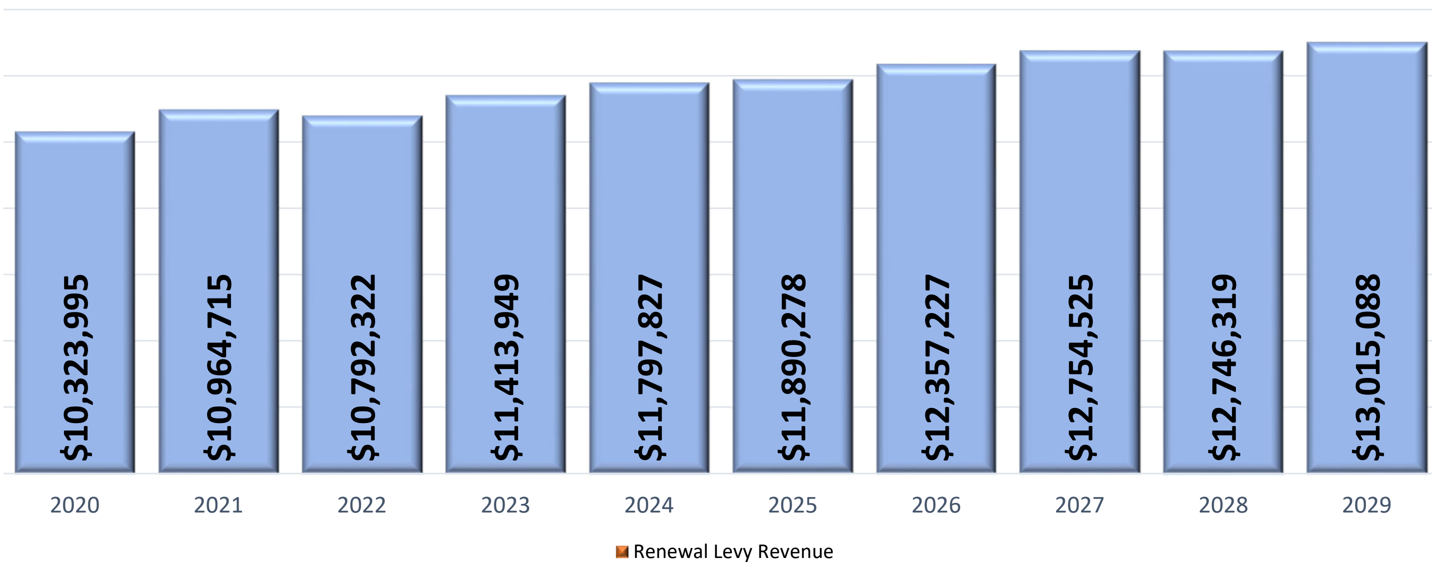
Expenditures are expected to grow 2.89% ($707,198) per year, which will outpace the projected revenue growth by $333,840 per year.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



Real estate property tax revenue accounts for 51.51% of total district general fund revenue.



Key Assumptions & Notes

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies	
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class 2 Rate	Change		
2023	411,620,990	(9,363,400)	30.67	-	33.46	-	100.3%	0.0%
2024	411,895,990	275,000	30.64	(0.02)	33.44	(0.02)	99.1%	0.0%
2025	472,170,990	60,275,000	29.22	(1.43)	31.16	(2.27)	99.1%	0.0%
2026	472,445,990	275,000	29.18	(0.04)	31.13	(0.04)	99.1%	0.0%
2027	472,720,990	275,000	29.14	(0.04)	31.09	(0.04)	99.1%	0.0%
2028	502,495,990	29,775,000	28.62	(0.52)	30.21	(0.88)	99.1%	

Local property taxes make up 51.51% of the district's revenue and is generated by taxing 35% of the appraised property values. Of this property tax revenue, 58.62% is generated by the residential/agricultural taxpayers and 41.38% is brought in through commercial/industrial taxpayers.

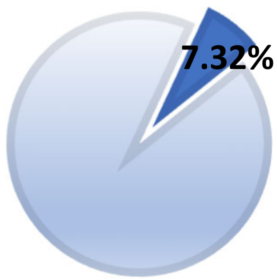
Property tax rates are calculated annually based on property values. Voted tax rates adjust based on the rising and falling of property values so that the district collects the same amount that was voted. Meaning tax rates are reduced when values increase, and tax rates increase when values decrease. Increases in revenue can happen due to new construction, inside/non-voted millage and when a district is at the 20-mill floor. The 20-mill floor happens when values increase so much that a tax rate can no longer be adjusted down by law. Clark-Shawnee is at the 20 mill floor on Residential/Agricultural Class I properties. This means any increase on Class I value will result in an increase in property tax revenue for the district. Please note that the Class I rate done not include the fixed sum subsitute levy millage which is excluded from the millage floor calcluation. Fixed sum levies are passed for a specific dollar amount and growth is not captured by value change.

The treasurer is projecting an increase in class 1 values of 19.68% in 2025 and 8.20% in 2028 calendar years due to the triannual update/reappraisal completed by the county auditor. The increase between the 2023-2024 and the 2028-2029 school years will generate a projected $1,217,261 per year by the end of 2028-2029 school year. This increase is the result of being at the 20 mill floor on Class I Residential/Agricultural properties.

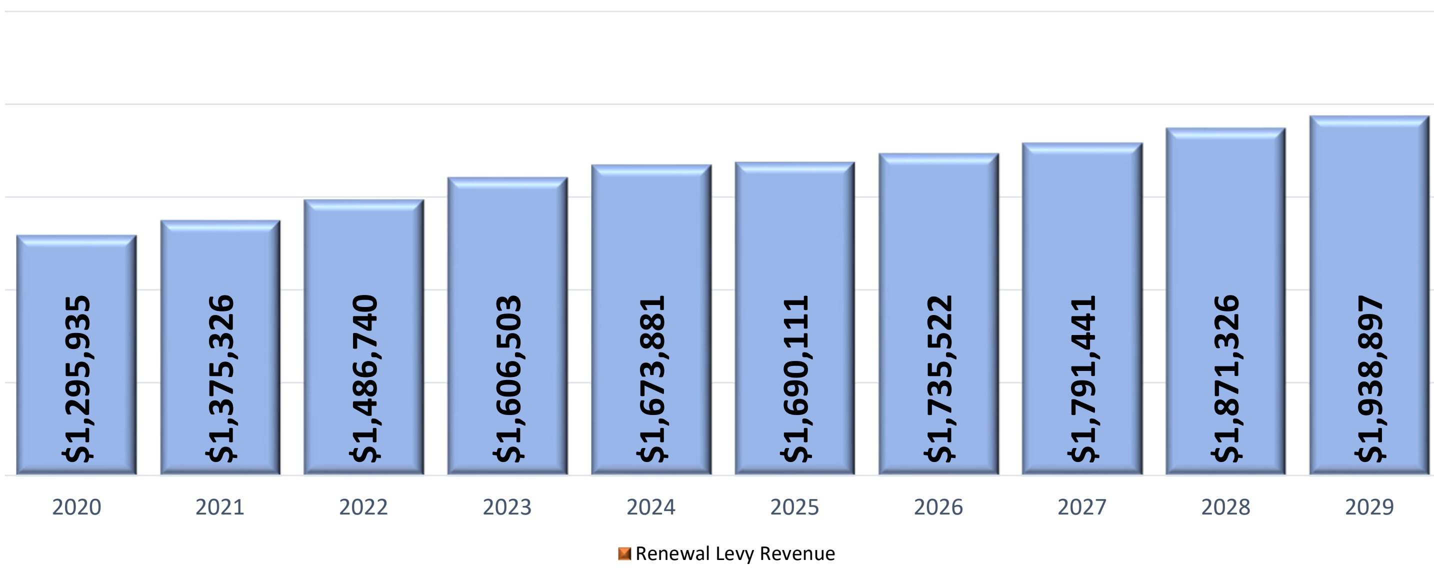
It is important to note that when the district’s property values increase the State Of Ohio’s school district funding model is negatively impacted. Ohio views our district as wealthier and therefore has more capacity to pay for the education of the students attending Clark-Shawnee. The result of increased property values is that the district will receive less state aid. As local propery values increase the state aid, that it would otherwise be due, decreases.

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



Public Utility Personal Property tax revenue accounts for 7.32% of total district general fund revenue.



Key Assumptions & Notes

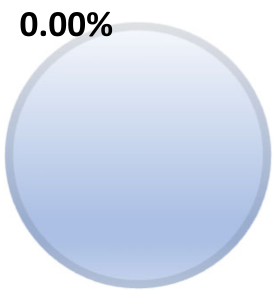
Values and Tax Rates					Gross Collection Rate
Tax Year	Valuation	Value Change	Full Voted Rate	Change	Including Delinquencies
2023	39,920,120	699,290	42.40	0.20	99.5%
2024	40,930,620	1,010,500	42.38	(0.02)	98.0%
2025	42,930,620	2,000,000	41.12	(1.26)	99.2%
2026	44,930,620	2,000,000	41.08	(0.04)	99.2%
2027	46,930,620	2,000,000	41.04	(0.04)	99.2%
2028	48,930,620	2,000,000	40.52	(0.52)	99.2%

This is a tax levied against public utilities. Taxes on public utilities make up 7.32% of the total operating money for the district. Public utilities are taxed at the full voted millage and typically collect at 100% per year and will increase as values grow and decrease as values decline.

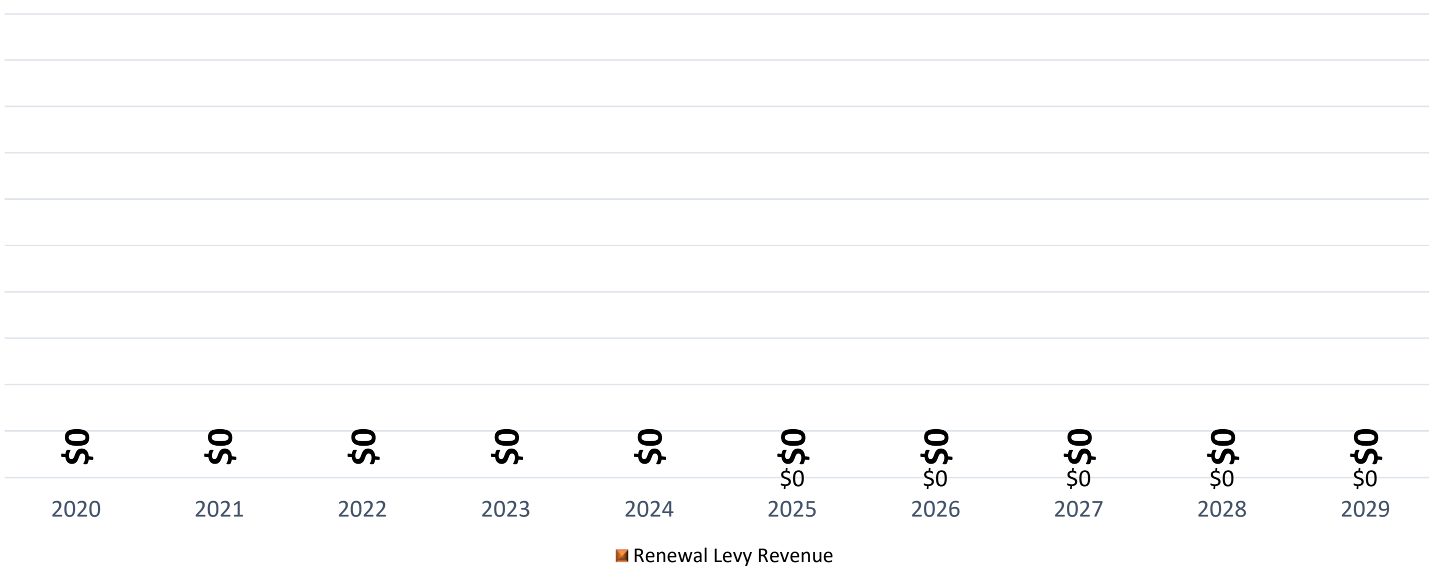
Public utility values are projected to grow an average of $2,000,000 per year through 2029. This will generate an additional $265,016 by the 2028-2029 school year. The result of increased public utility values is that the district will receive less state aid. As public utility values increase the state aid, that it would otherwise be due, decreases.

1.030 - School District Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



The district does not have a School District Income Tax levy.



Key Assumptions & Notes

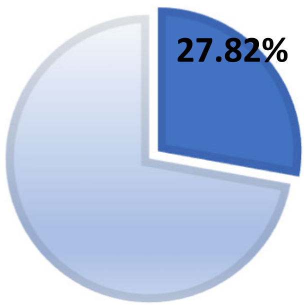
The district does not currently have an income tax. However, the district will be pursuing a 1% earned income tax in May 2025. A 1% earned income tax will generate an estimated $3,504,306 per year by the 2028-2029 school year. An earned income tax will ensure that resources intended for school operation cannot be diverted by state and local agencies for other uses.

Earned income tax includes;
Taxing Wages, Salaries, Tips, Other Compensation from an employer, Income from partnerships, and Self-Employment.

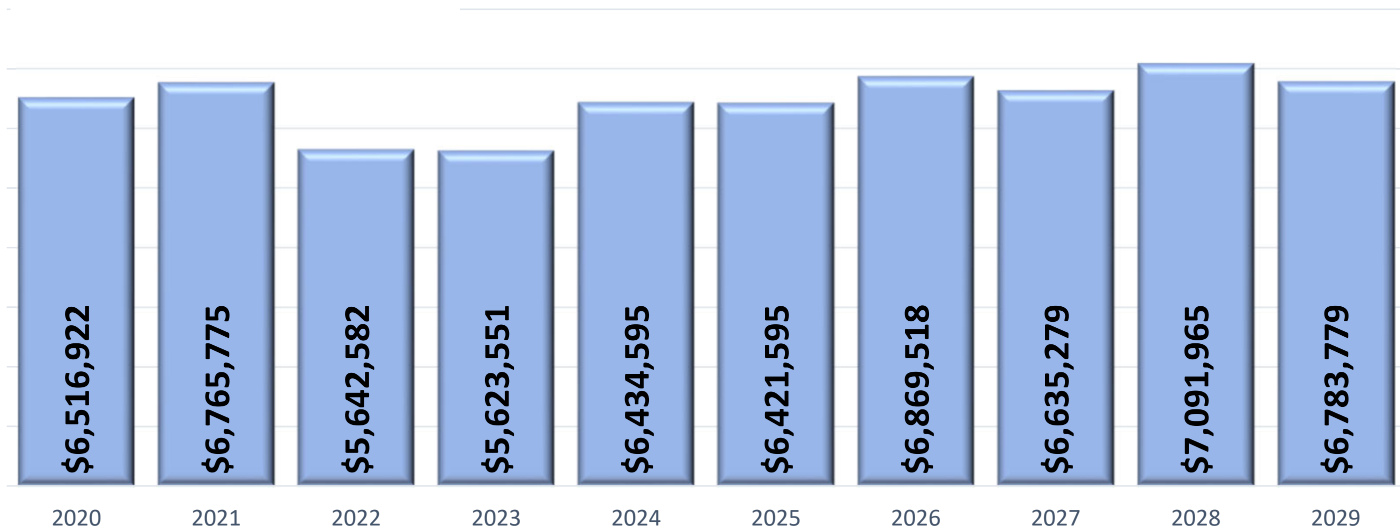
An earned income tax does not include;
taxing unemployment compensation or distributive shares of profit from an S corporation, distributions from 401(k) plans or annuities (non-Roth),Social Security, and Pensions.

1.035 - Unrestricted Grants-in-Aid

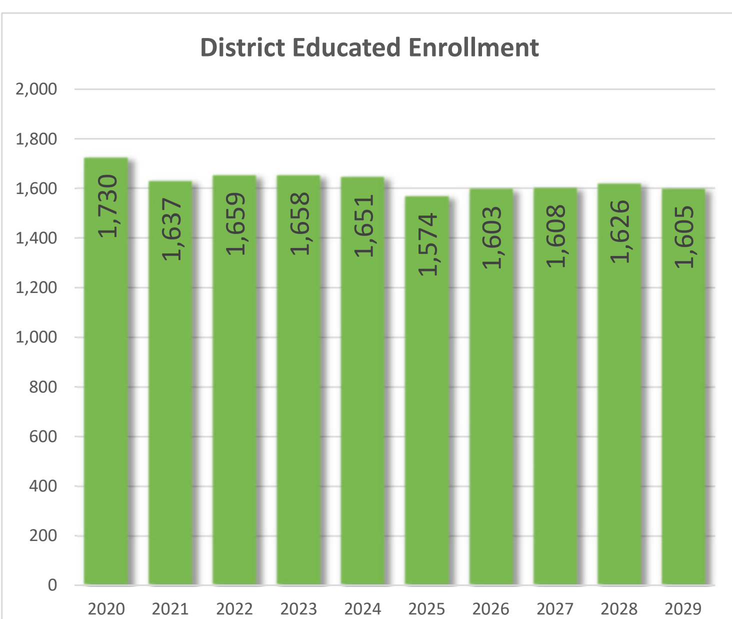
Funds received through the State Foundation Program with no restriction.



Unrestricted State Aid revenue accounts for 27.82% of total district general fund revenue.



Key Assumptions & Notes



Line 1.035 is aid provided to the school district from the State of Ohio. It makes up 27.82% of the district's operating funds.

Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by the question "What does it cost to provide a public education to a student in the state of Ohio?". This cost is currently calculated for two years using a statewide average from historical actual data.

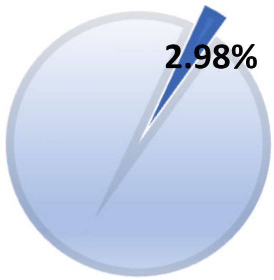
Clark-Shawnee's base cost to educate has been calculated to be $13,454,626 ($8,124 per pupil). The state is funding $4,151,231 or 32.46% ($2,637 per pupil) of that cost.

Other funding comes from transportation of students, casino funding, preschool, and additional base funding for special education. Additionally, the FSFP is being phased in by the state and any increase that is generated is only being paid at 50% for 2024, 66.67% in 2025, 83.33% in 2026 and then 100% in 2027.

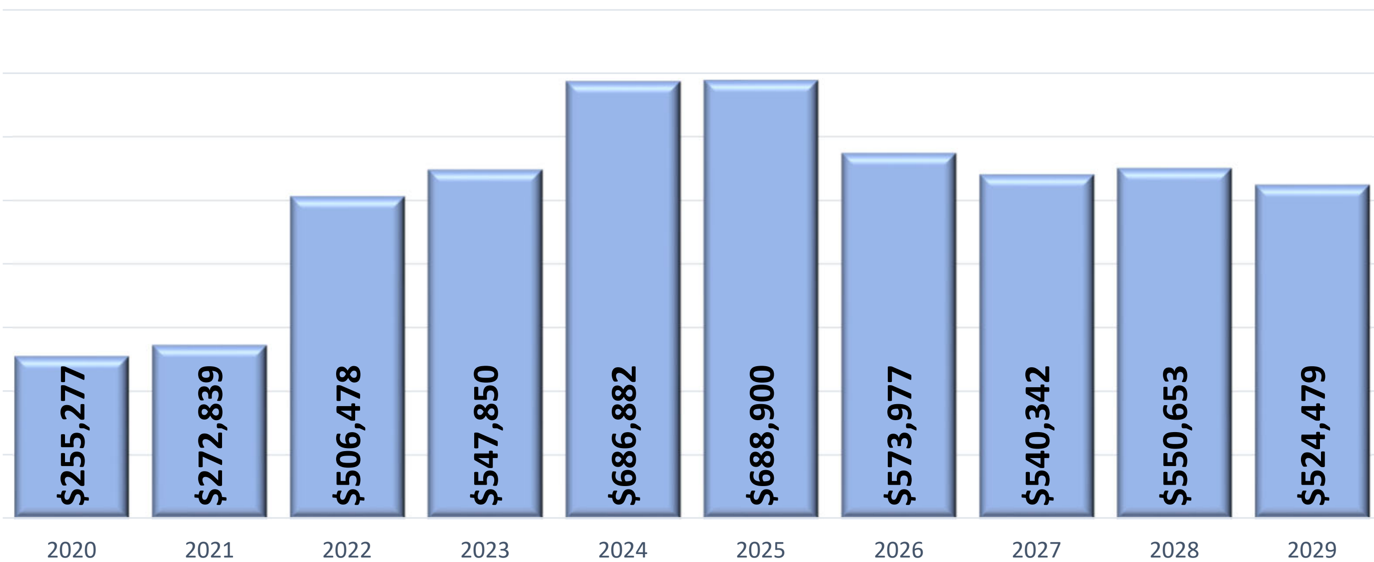
The treasurer has chosen to continue to phase in the formula at the intended levels which includes increasing the base cost by 4% in both 2026 and 2028. This means that the district will see a projected $349,184 in unrestricted state funding by the 2028-2029 school year.

1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted State Aid revenue accounts for 2.98% of total district general fund revenue.



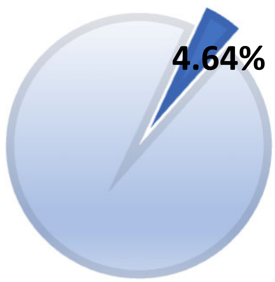
Key Assumptions & Notes

Restricted Grants-In-Aid are funds set aside for a specific purpose. The funding being reported for Clark-Shawnee is Career Technical funding, Economically Disadvantaged funding, Success and Wellness funding, and a reimbursement for special education students with severe needs. The increase from 2023 to 2025 is due to the one-time Science of Reading subsidy as well as a reimbursement for Science of Reading stipends for teachers. The subsidy is to be used to offset the new curriculum that must be adopted to support the Science of Reading. The district will pilot the curriculum for the 2024-2025 school year with full implementation in the 2025-2026 school year.

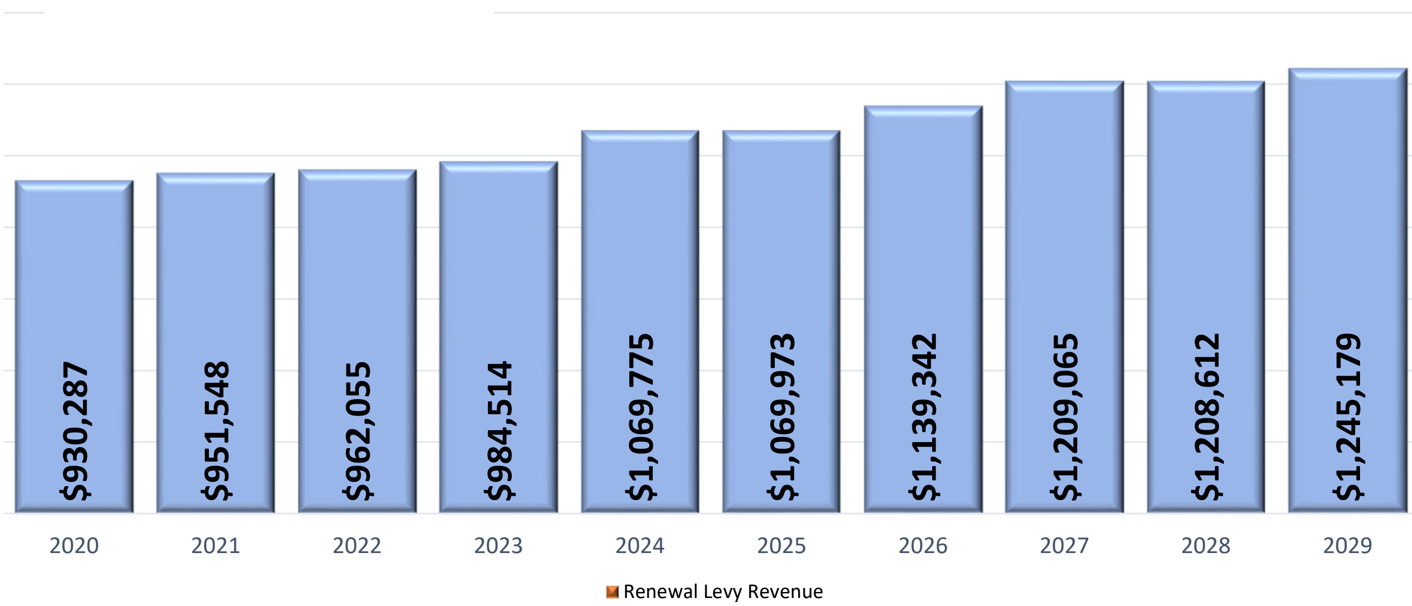
The treasurer is estimating that Restricted Grants-In-Aid will decrease by $162,403 by the 2028-2029 school year. This decrease is because the Science of Reading will be fully implemented and it is not anticipated that there will be any other subsidies to support it. Additonally, the state funding for DPIA (Economically Disadvantaged) has not changed.

1.050 - State Share of Local Property Taxes

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



State Share of Local Property tax revenue accounts for 4.64% of total district general fund revenue.



Key Assumptions & Notes

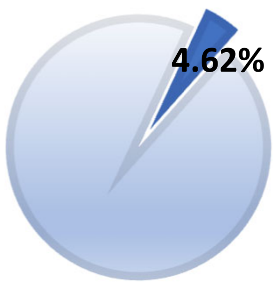
The state of Ohio reimburses a school district for the 10% reduction that is credited to each taxpayer's real property tax bill as well as an additional 2.5% reduction granted to residents who live in their houses. Ohio also reimburses the district for the additional credit that some senior citizen homeowners receive. Any increase or decrease is due to changes sited on note 1.01-General Property Tas(Real Estate)

In the 2023-2024 school year, approximately 9.8% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 2.8% will be reimbursed in the form of qualifying homestead exemption credits.

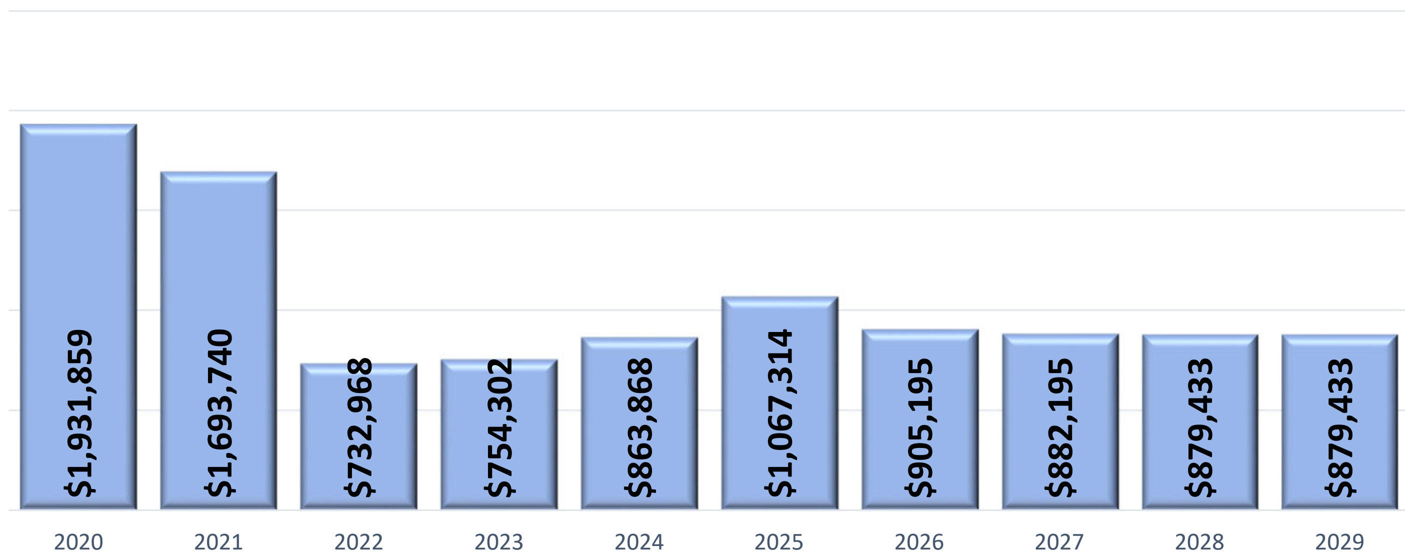
The increase from 2023-2024 through 2028-2029 $175,404 is due to the residential update and reappraisal in 2025 and 2028 calendar years.

1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



All Other Revenue accounts for 4.62% of total district general fund revenue.



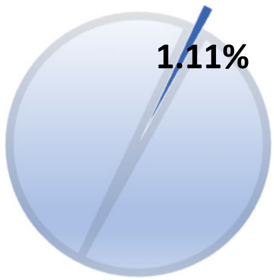
Key Assumptions & Notes

Included in this category is tuition from other districts, interest income, student fees, and open enrollment. Open enrollment from 2022 through 2029 is now paid through the state funding formula. Please see line 1.035-Unrestrict Grants-in-Aid for information on per pupil funding.

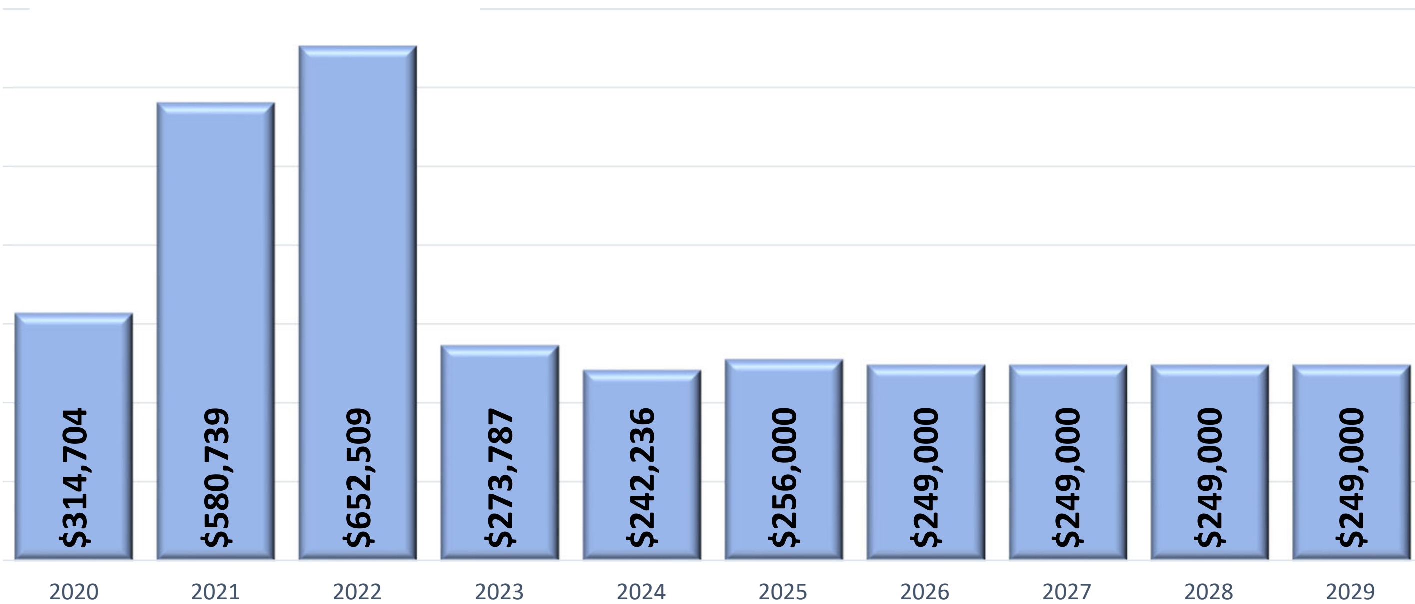
The treasurer is modeling a decline of $187,881 due to a declining cash balance resulting in lower return on investment.

2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



Other Sources of revenue accounts for 1.11% of total district general fund revenue.



Key Assumptions & Notes

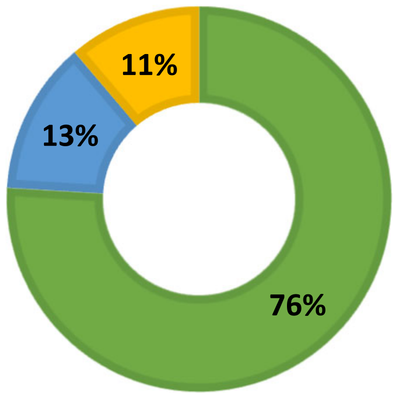
		FORECASTED				
	2024	2025	2026	2027	2028	2029
Transfers In	-	-	-	-	-	-
Advances In	97,340	111,000	104,000	104,000	104,000	104,000
All Other Financing Sources	144,896	145,000	145,000	145,000	145,000	145,000

This line includes the payback of advances made to other funds to avoid a deficit in those funds. Between 2020 and 2022 the district was adavancing both the athletic fund and food service fund to avoid cash deficits. The district is currently only have to advanced the athletic fund. Most recently, it advanced $100,000 to the athletic fund at the end of 2024. It was paid back in 2025. The treasurer is estimating that this advance will continue through 2028-2029.

Additionally, included in this line are refunds and reimbursements of previous year's expenditures. These are mostly for billing excess cost to educate open

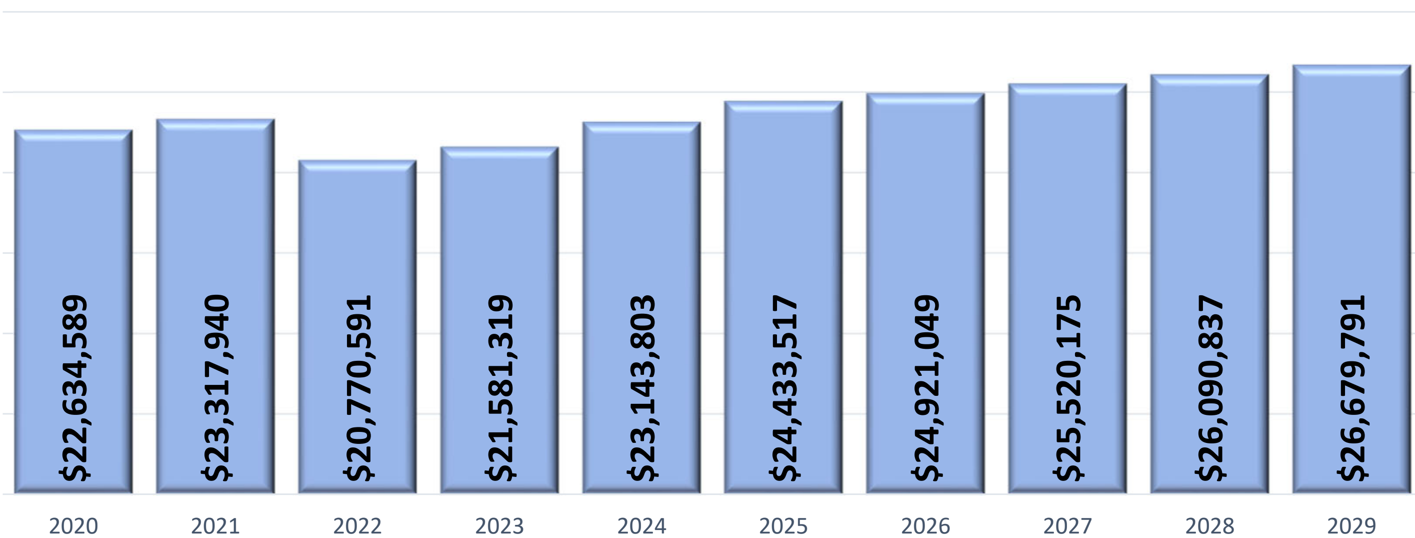
Expenditure Overview

Expenditure Categories



Personnel Costs	
Salaries	53.66%
Benefits	22.29%
Purchased Services	12.85%
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	8.08%
Other Uses	3.11%

Annual Expenditures Actual + Projected



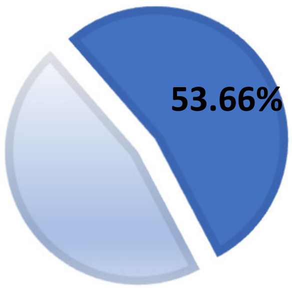
Historic Expenditures Change versus Projected Expenditures Change

	Historical Average Annual $$ Change	Projected Average Annual $$ Change	Projected Compared to Historical Variance
Salaries	$182,164	$345,858	$163,694
Benefits	$69,675	$319,729	$250,054
Purchased Services	($244,830)	$3,636	$248,466
Supplies & Materials	$87,153	$19,337	($67,817)
Capital Outlay	$25,203	$15,914	($9,289)
Intergov & Debt	$0	$0	($0)
Other Objects	$12,318	$1,932	($10,386)
Other Uses	$3,853	$793	($3,060)
Total Average Annual Change	$135,535	$707,198	$571,663
	0.80%	2.89%	2.10%

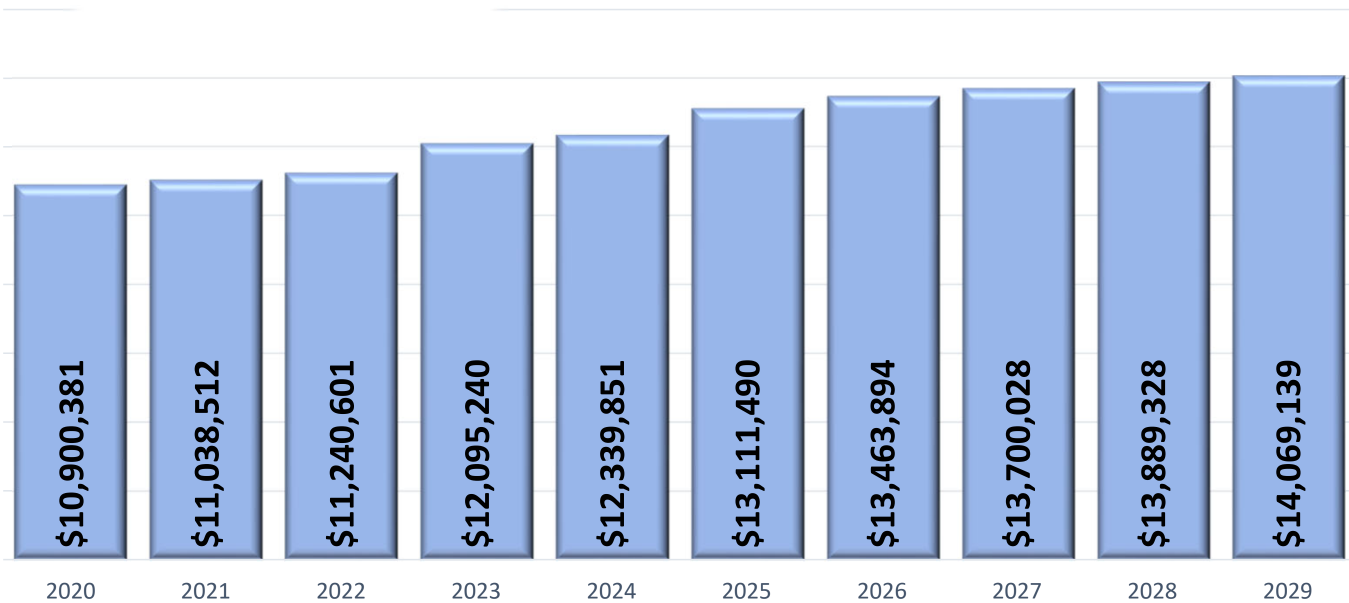
Expenditures are expected to grow an estimated 2.89% ($707,198) per year through the 2028-2029 school year. Personnel and Benefits are the single biggest factors to the average annual increase.

3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries account for 53.66% of the district's total general fund spending.



Key Assumptions & Notes

Salaries make up 53.66% of the total budget. Staffing levels are evaluated annually to ensure that classrooms are adequately managed, and the district can provide necessary services for its students. The district added two art teachers to the elementary and one 1st grade teacher in the 2024-2025 school year. There was no art offered in the elementary school during the 2023-2024 school year due to no viable candidates. This was not sustainable. Additionally, first grade numbers have necessitated the hiring of an additional teacher.

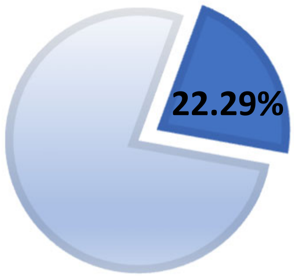
Wages are reviewed for retention and attraction of employees. The district awarded a 1.75% cost of living increase for certified staff and a 2% cost of living increase for support staff as well as administrators for the 2024-2025 school year. Steps were adjusted for years of experience for certified staff, which was the equivalent of .25% cost of living increase in certified salaries.

Finally, a 3% cost of living is being modeled for the 2025-2026 school year but nothing for 2026-2029. Other increases include estimated steps for experience and degree changes. Lastly, the increase will be slowed down due to the retirements of some very experienced educators. It will save the district an estimated $155,576 per year. Although this is a savings on the expenditures their experience will be a great loss to the district.

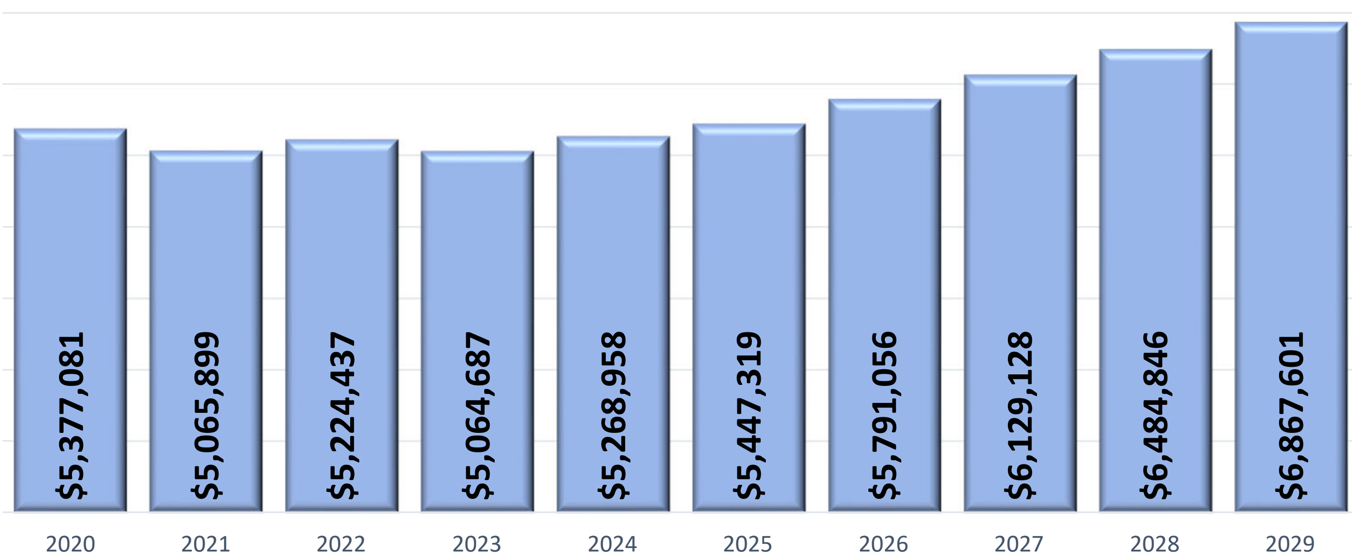
It is because of all these factors that the treasurer is projecting growth on this line an average of 2.67% ($345,858) per year from 2023-2024 to 2028-2029.

3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits account for 22.29% of the district's total general fund spending.



Key Assumptions & Notes

Benefits make up 22.29% of the budget. They include retirement contributions, Medicare, and Worker's Compensation. These amounts are based on a percentage of the employee's wages and therefore increase as wages increase or decrease as wages decrease. Benefits also include health insurance, severance pay, and any unemployment charges to the district.

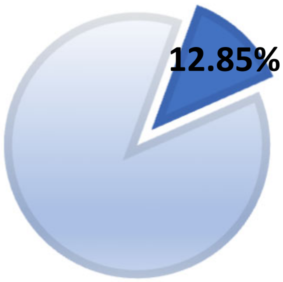
The treasurer is estimating an increase of 5.45% ($319,729) per year for 2024-2025 through 2028-2029.

The increase is mostly due to the rising cost of health insurance. Health insurance makes up 55.5% of the total benefits paid by the district. The district received a 7% renewal rate for policy year beginning January 1, 2025. Due to the renewal being in the middle of the fiscal year, the health insurance will cost the district an estimated 6.2% ($175,961) more for the 2024-2025 fiscal year than the previous year.

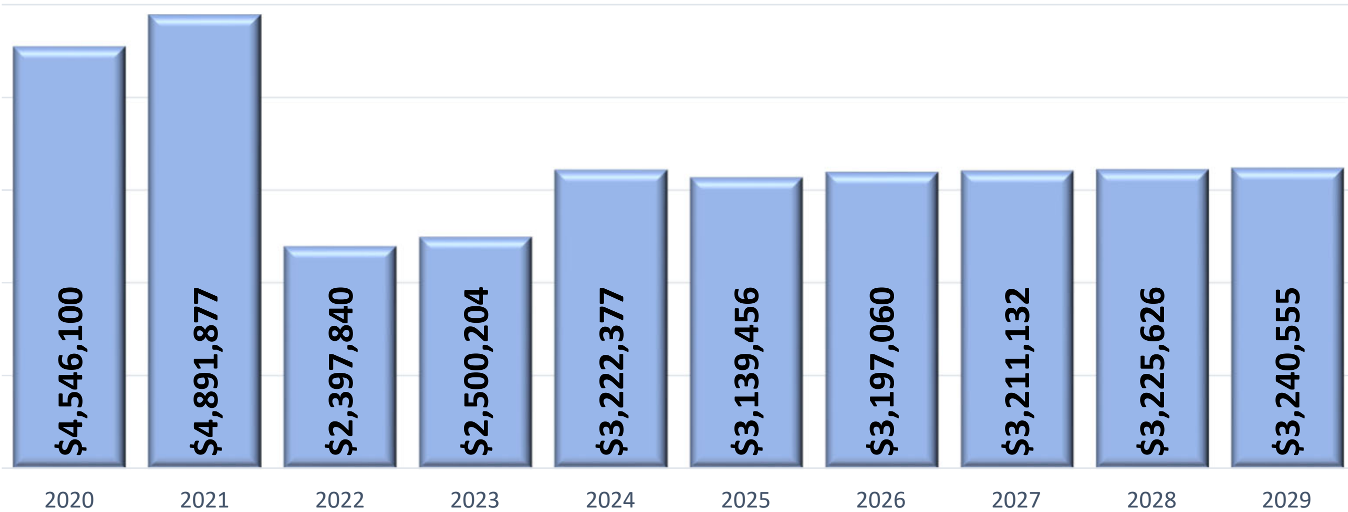
The treasurer is estimating this trend will continue and renewals will average 8.7% from 2025-2026 through the 2028-2029 school year. The district's health insurance will cost a projected $1,375,765 more by the conclusion of 2028-2029 than what was paid during 2023-2024.

3.030 - Purchased Services

Amounts paid for services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utility costs and other services which the school district may purchase.



Purchased Services account for 12.85% of the district's total general fund spending.



Key Assumptions & Notes

Purchase services made up 12.85% of the budget. They are services rendered by organizations/personnel that are not on the district's payroll, services for resident students attending other districts/facilities, utilities, mileage, professional meetings, repairs to equipment/facilities, property/fleet insurance and legal fees. Beginning in 2022 resident students attending other districts/facilities no longer includes open enrollment. Please see 1.035-Unretricted Grants-in-Aid on per pupil funding. It is becuase the this state funding formula that students are now included in the educated enrollment count and are funded where they atttend.

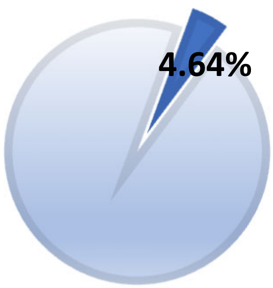
The treasurer is modeling a 0.12% ($3,636) annual average increase 2024-2025 through 2028-2029.

Contracted services for educating students of exceptional needs have declined for 2024-2025 by -12.78% (-$130,402). There have been several students that no longer attend Clark-Shawnee or have been placed back in the district. As the needs of our student population change, the services that are provided evolve to meet the needs of our population.

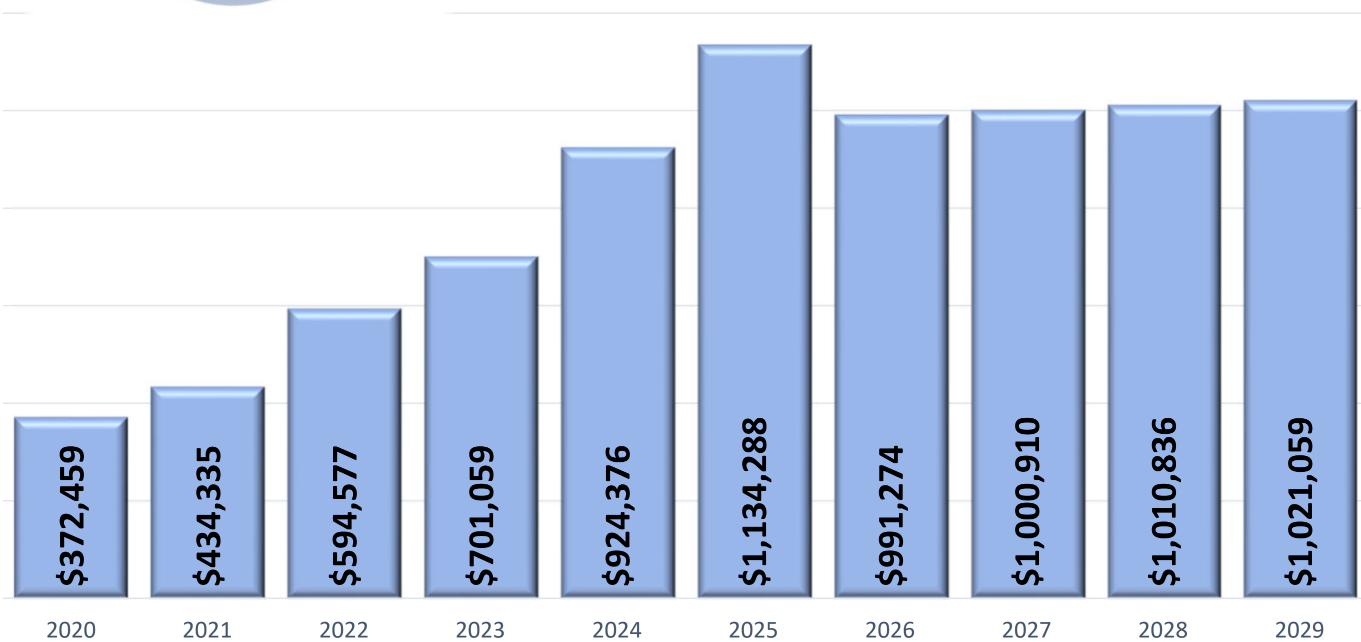
Lastly, the treasurer is estimating an increase in utilities starting in 2024-2025. Electric companies are trying to build capacity so that peak demand can be met. The cost is being passed on to the consumers. Utilities are estimated to increase 44.32% ($157,415) by 2028-2029 for an average of $31,483 per year.

3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies and Materials account for 4.64% of the district's total general fund spending.



Key Assumptions & Notes

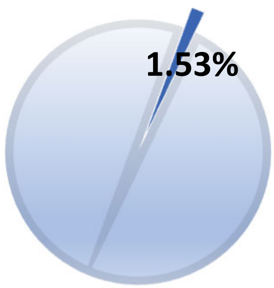
Supplies and materials are items that are consumed, worn out or deteriorated by use. These items may include textbooks, instructional supplies, office supplies, computer software, and transportation supplies.

This line is climbing to an estimated $1,134,288 during the 2024-2025 school year due to the Science of Reading curriculum adoption mandated by the State of Ohio. The district did receive approximately $101,000 to cover this increase.

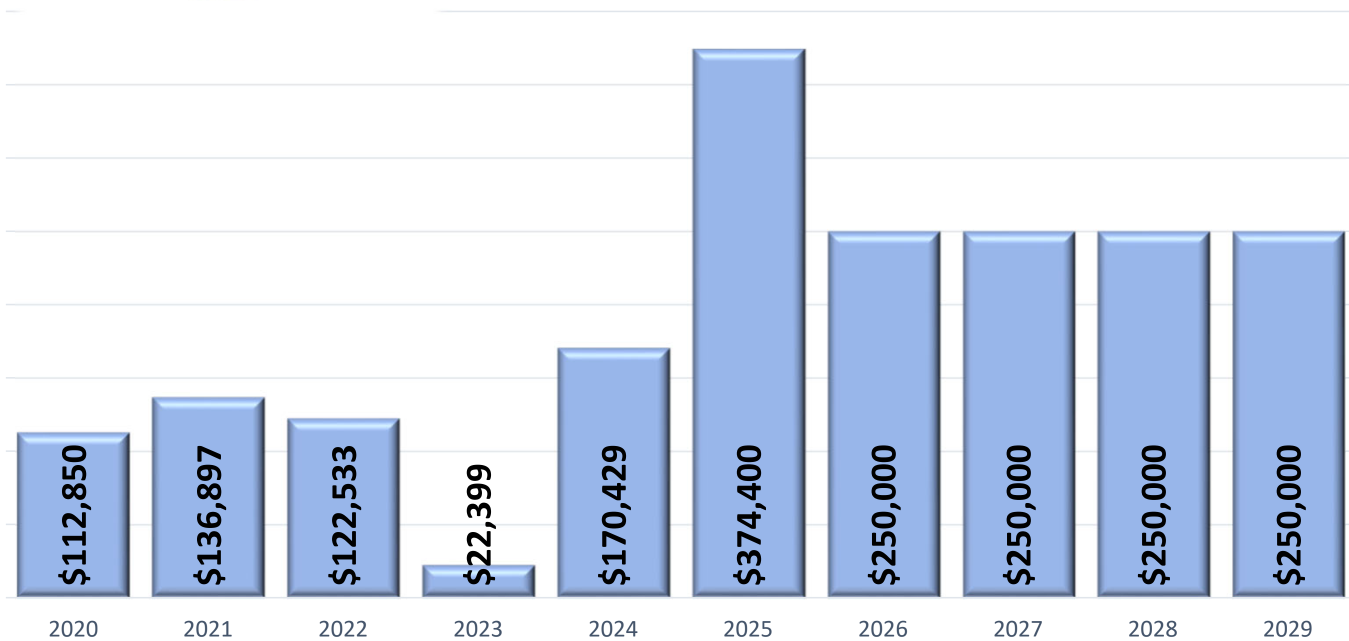
The treasurer is modeling 2.62% ($19,337) per year due to the Science of Reading curriculum adoption as well as small increases in transportation supply costs through 2028-2029.

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, computers/technology, furnishings, and buses.



Capital Outlay account for 1.53% of the district's total general fund spending.



Key Assumptions & Notes

Capital outlay represents 1.53% of expenditures in 2024 but is expected to grow by $203,971 for 2024-2025. The main purchase from this line is student devices.

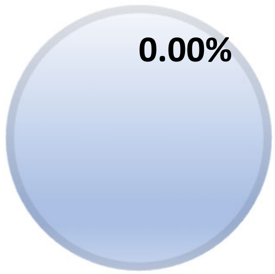
The district began a one-to-one student device initiative in 2023-2024. To ensure that the district is on track to replace two complete class sets per year it was necessary to increase the rate of expenditure for 2024-2025.

The treasurer has modeled the device purchase to come down to $250,000 per year beginning in 2025-2026 school year through the 2028-2029 school year.

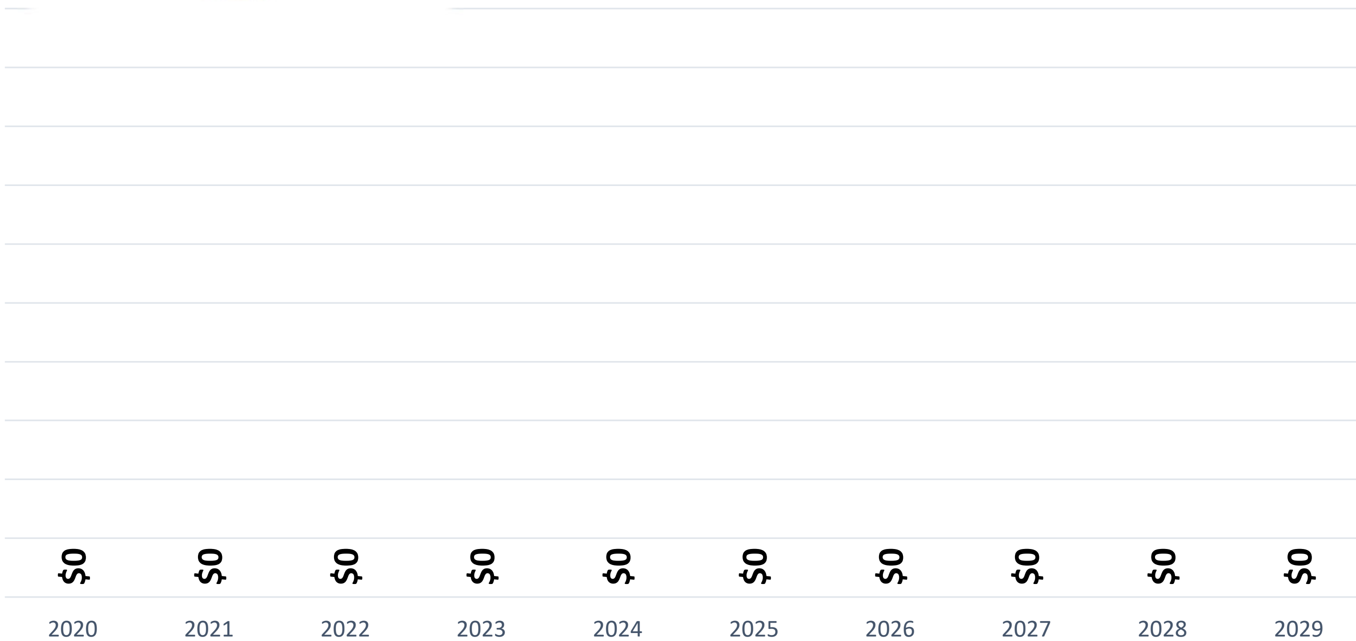
The district does have a permanent improvement fund as well as a maintenance fund for facility improvements and maintenance.

3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



Intergovernmental and Debt account for 0.00% of the district's total general fund spending.

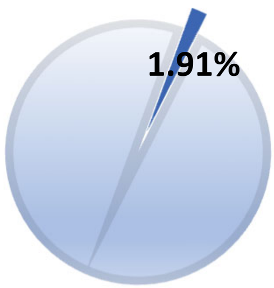


Key Assumptions & Notes

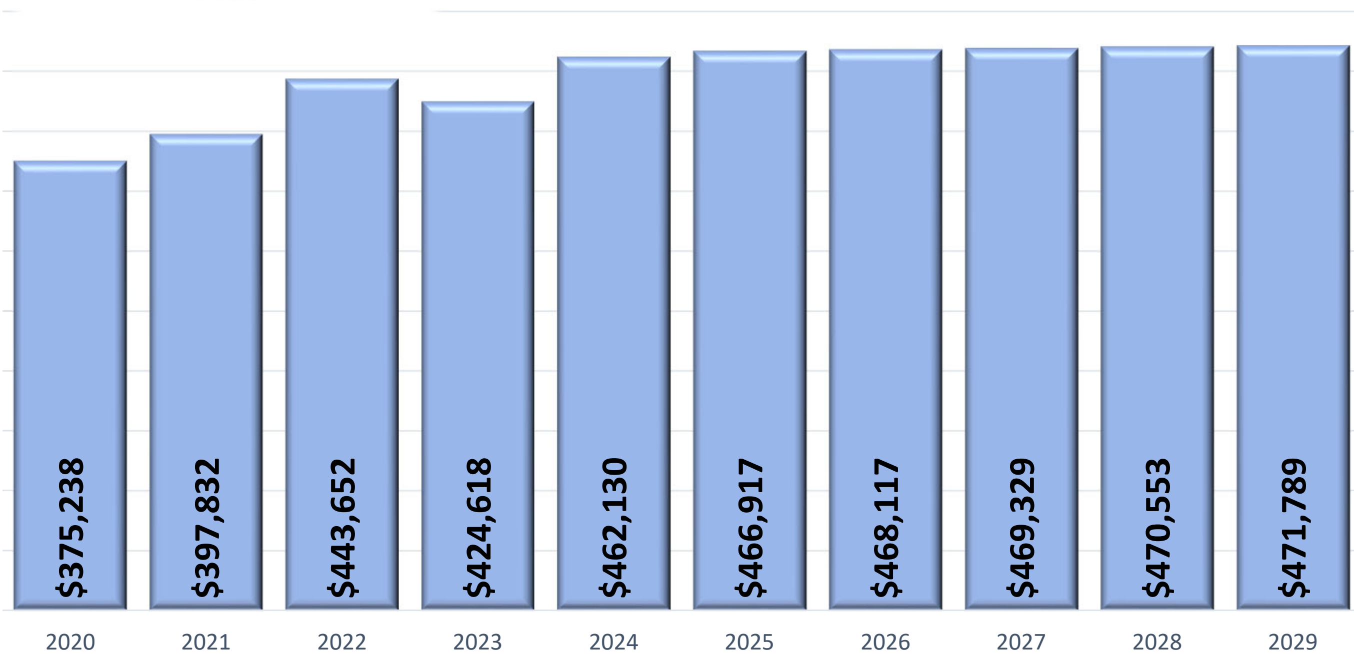
The district has no Intergovernmental Debt at this time.

4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects account for 1.91% of the district's total general fund spending.



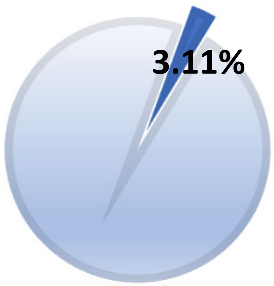
Key Assumptions & Notes

Other Objects makes up 1.91% of the budget and includes amounts paid for goods and services not otherwise classified in another specific code. Expenditures include liability insurance, election expenses, auditor and treasurer fees for collecting property taxes, educational service center contributions, and contributions made to the City of Springfield to connect to the city sewer at Shawnee High School, Shawnee Elementary and Administrative Building.

The treasurer is projecting a 0.42% ($1,932) increase from 2024 to 2029 due to connection to the city sewer. The district pays 1% of the taxable wages of all employees to be connected to the city sewer. This will fluctuate as taxable wages fluctuate.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



Other Uses account for 3.11% of the district's total general fund spending.

Key Assumptions & Notes

		FORECASTED				
	2024	2025	2026	2027	2028	2029
Transfers Out	655,648	655,648	655,648	655,648	655,648	655,648
Advances Out	100,000	104,000	104,000	104,000	104,000	104,000
Other Financing Uses	33	-	-	-	-	-

This line includes transfers and advances to other funds.

$455,647 of this line is the result of the renewal of an emergency levy in November of 2012. This renewal included the renewal of the permanent improvement levy amount. To account for the permanent improvement amount the treasurer must post it to the general fund and then transfer it to the permanent improvement fund. Additionally, the district has chosen to set aside $200,000 for annual bus purchases.

Lastly, $104,000 of this line is because it is necessary to advance the athletic fund to avoid a deficit.

The treasurer is not projecting any significant increase from 2024-2029

Clark-Shawnee Local School District

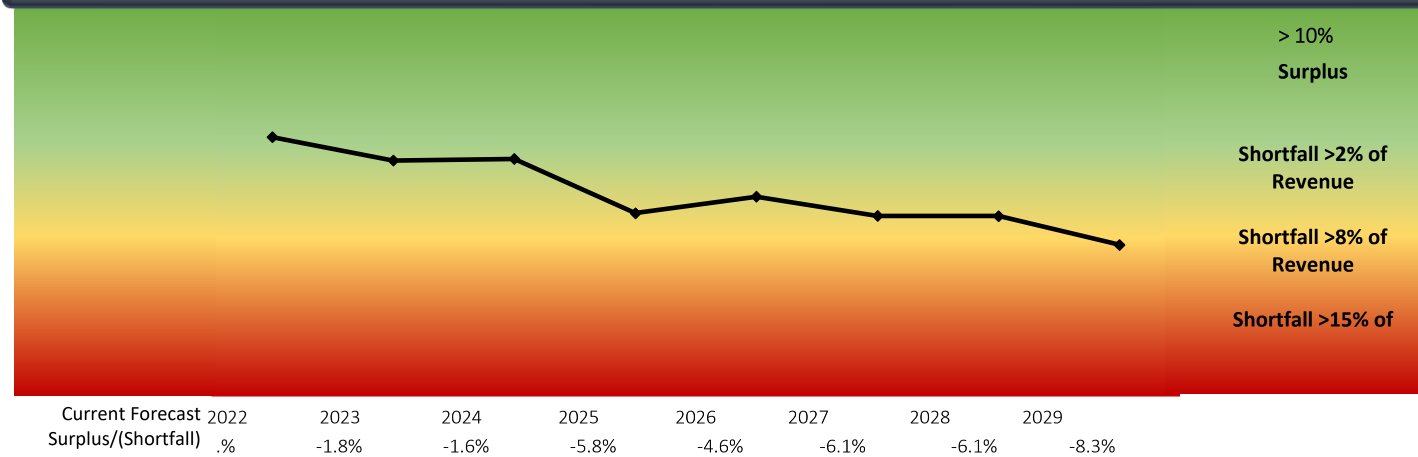
Five Year Forecast

November Fiscal Year

	Actual	FORECASTED				
Fiscal Year:	2024	2025	2026	2027	2028	2029
Revenue:						
1.010 - General Property Tax (Real Estate)	11,797,827	11,890,278	12,357,227	12,754,525	12,746,319	13,015,088
1.020 - Public Utility Personal Property	1,673,881	1,690,111	1,735,522	1,791,441	1,871,326	1,938,897
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	6,434,595	6,421,595	6,869,518	6,635,279	7,091,965	6,783,779
1.040 - Restricted Grants-in-Aid	686,882	688,900	573,977	540,342	550,653	524,479
1.050 - State Share-Local Property Taxes	1,069,775	1,069,973	1,139,342	1,209,065	1,208,612	1,245,179
1.060 - All Other Operating Revenues	863,868	1,067,314	905,195	882,195	879,433	879,433
1.070 - Total Revenue	22,526,828	22,828,171	23,580,781	23,812,847	24,348,308	24,386,855
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	97,340	111,000	104,000	104,000	104,000	104,000
2.060 - All Other Financing Sources	144,896	145,000	145,000	145,000	145,000	145,000
2.070 - Total Other Financing Sources	242,236	256,000	249,000	249,000	249,000	249,000
2.080 - Total Rev & Other Sources	22,769,064	23,084,171	23,829,781	24,061,847	24,597,308	24,635,855
Expenditures:						
3.010 - Personnel Services	12,339,851	13,111,490	13,463,894	13,700,028	13,889,328	14,069,139
3.020 - Employee Benefits	5,268,958	5,447,319	5,791,056	6,129,128	6,484,846	6,867,601
3.030 - Purchased Services	3,222,377	3,139,456	3,197,060	3,211,132	3,225,626	3,240,555
3.040 - Supplies and Materials	924,376	1,134,288	991,274	1,000,910	1,010,836	1,021,059
3.050 - Capital Outlay	170,429	374,400	250,000	250,000	250,000	250,000
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	462,130	466,917	468,117	469,329	470,553	471,789
4.500 - Total Expenditures	22,388,122	23,673,869	24,161,401	24,760,527	25,331,189	25,920,143
Other Financing Uses						
5.010 - Operating Transfers-Out	655,648	655,648	655,648	655,648	655,648	655,648
5.020 - Advances-Out	100,000	104,000	104,000	104,000	104,000	104,000
5.030 - All Other Financing Uses	33	-	-	-	-	-
5.040 - Total Other Financing Uses	755,681	759,648	759,648	759,648	759,648	759,648
5.050 - Total Exp and Other Financing Uses	23,143,803	24,433,517	24,921,049	25,520,175	26,090,837	26,679,791
6.010 - Excess of Rev Over/(Under) Exp	(374,739)	(1,349,347)	(1,091,269)	(1,458,329)	(1,493,529)	(2,043,936)
7.010 - Cash Balance July 1 (No Levies)	5,802,151	5,427,412	4,078,065	2,986,796	1,528,467	34,938
7.020 - Cash Balance June 30 (No Levies)	5,427,412	4,078,065	2,986,796	1,528,467	34,938	(2,008,998)
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	5,427,412	4,078,065	2,986,796	1,528,467	34,938	(2,008,998)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies		-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	5,427,412	4,078,065	2,986,796	1,528,467	34,938	(2,008,998)
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	182,645	2,179,357	3,290,705	3,504,306
13.030 - Cumulative Balance of New Levies	-	-	182,645	2,362,002	5,652,707	9,157,013
15.010 - Unreserved Fund Balance June 30	5,427,412	4,078,065	3,169,441	3,890,469	5,687,645	7,148,015

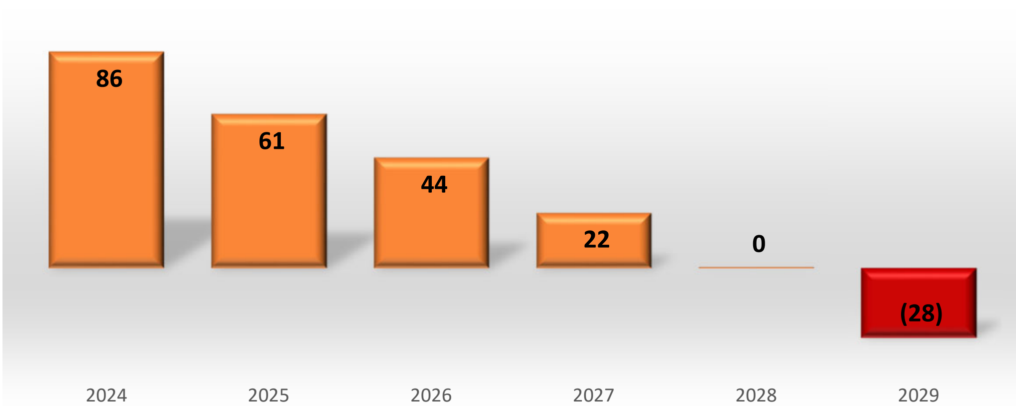
The treasurer has made the following material assumptions for this forecast;
1)No change to the reappraisal process or property taxation.
2)State Formula fully funded by 2026-2027 with cost component updates at both of 4% at both 2025-2026 and 2027-2028.
3)Salaries at current levels with 3% Cost of Living and Steps in 2025-2026 with 0% Cost of Living and Steps Awarded in 2026-2027 through 2028-2029
4)Benefit projection reflect no changes to retirement contributions.
5)Benefit projections reflect a 9% insurance renewal starting in 2025-2026 through 2028-2029
Should any of these assumptions change or an unforseen varible happen the impact would materially change the forecast though 2028-2029.

Revenue Surplus/(Shortfall) - Current Forecast



The district has been trending towards a revenue shortfall since the 2022-2023 school year. The treasurer is projecting that there will be a 5.8% ($1,349,347) revenue shortfall for the 2024-2025 school year. A 1% earned income tax will generate an estimated $3,504,306 by 2028-2029 and put the district on a positive trend moving forward. Additionally, it will ensure that resources intended for the operation of the school district cannot be diverted by other state and local agencies for other uses.

Days Cash on Hand - Current Forecast

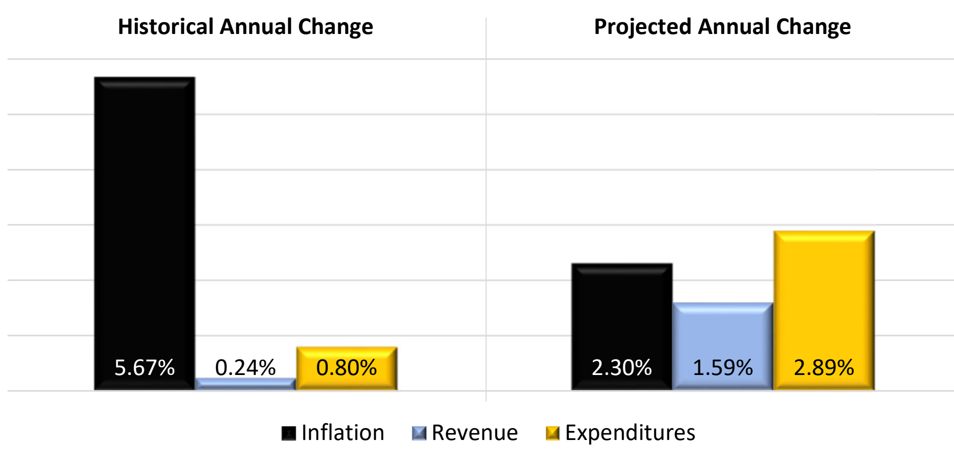


Days cash on hand is projected to decline and is projected to be negative by 2029. This assumes no new earned income tax levy.

**based on 365 days*

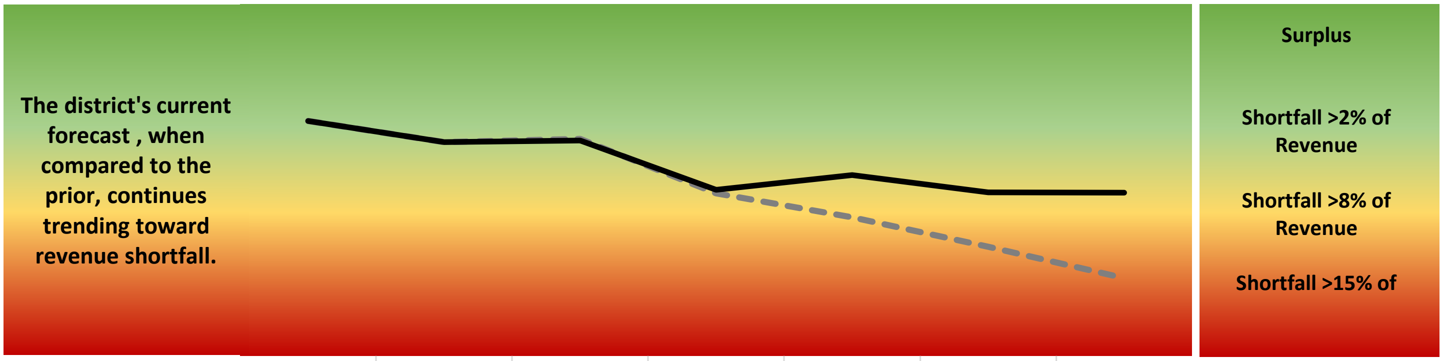
5-Year Average Annual Change - Inflation, Revenue and Expenditures

Average projected annual expenditure change is greater than inflation, and more than revenue.



CPI (Inflation) Source: Federal Reserve Bank of St. Louis (September 23, 2024)
https://alfred.stlouisfed.org

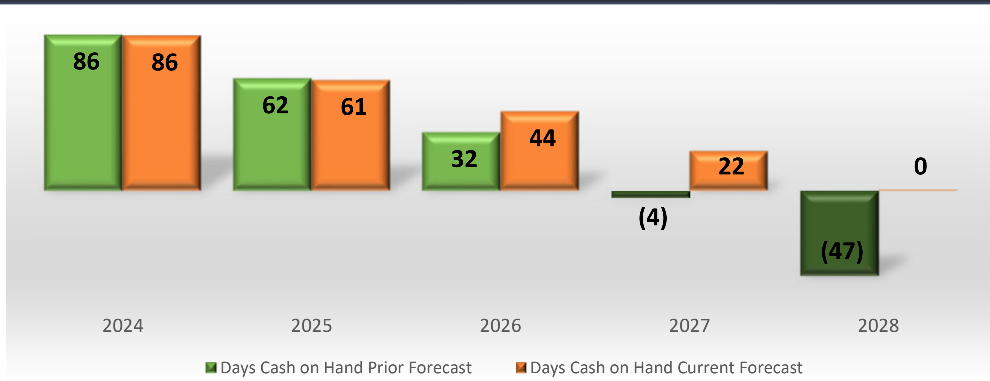
Revenue Surplus/(Shortfall) - Current Compared to Prior Forecast



	2022	2023	2024	2025	2026	2027	2028
Prior Forecast	0.0%	-1.8%	-1.5%	-6.2%	-8.2%	-10.7%	-13.4%
Current Forecast	0.0%	-1.8%	-1.6%	-5.8%	-4.6%	-6.1%	-6.1%

Material changes to the forecast took place from May 2024 until the preparation of the November 2024 forecast. The treasurer updated the estimated property tax collection to reflect actual numbers for the 2024 calendar year collection. Additionally, property valuation estimates were increased in all classes to reflect market trends for both calendar year 2025 and 2028 property update and reappraisal. In May 2024, state funding was forecasted to remain virtually the same at the end of 2025. In November 2024 the treasurer has chosen to model a fully funded formula by 2027. Lastly, personnel salaries were updated for new hires, retirements, and salary schedule updates from negotiations. Benefits were affected by an actual health insurance increase of 7% verses a 9% renewal forecasted in May 2024. Please contact the treasurer at tom.faulkner@cslocal.org or call at 937-717-2401 for more information.

Days Cash on Hand - Current Compared to Prior Forecast



Days cash on hand is forecasted to decline, and is similar to the prior forecast trend.

based on 365 days

Revenue and Expenditure Variances - Current Compared to Prior Forecast

		Revenue Variance
Cumulative Favorable Revenue Variance	**3.20%**	$3,665,629
		Largest Revenue Variances
1.01 Real Estate	**1.77%**	$2,033,439
1.035,1.040 State	**1.08%**	$1,239,990
1.050 - State Share of Local Prop. Taxes	**0.31%**	$349,904
All Other Revenue Categories	**0.04%**	$42,297

The current revenue forecast is up by 3.20% compared to the prior forecast.

NET cumulative forecast impact for the forecast period 2024 - 2028 of Revenue and Expense variances is 3.00% (or $3,424,251).

The current forecast for expenditures is up by 0.19% compared to the prior forecast.

Expenditure Variance		
0.19%	$241,379	Cumulative Unfavorable Expenditure Variance
Largest Expenditure Variances		
-0.57%	($700,524)	3.02 Benefits
0.54%	$665,162	3.01 Salaries
0.24%	$296,333	3.04 Supplies
-0.02%	($19,592)	All Other Expenditure Categories