

**BOARDMAN LOCAL SCHOOL DISTRICT- MAHONING COUNTY  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCES FOR THE FISCAL YEARS ENDED  
JUNE 30, 2022, 2023, and 2024 ACTUAL  
FORECASTED FISCAL YEARS ENDING  
JUNE 30, 2025, THROUGH JUNE 30, 2029**



**Forecast Provided By  
Boardman Local School District  
Treasurer's Office  
Arthur Ginnetti, Treasurer**

**November 25, 2024**

# Boardman Local School District

Mahoning County

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

	Actual				Average Change	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024			Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
<b>Revenues</b>										
1.010 General Property Tax (Real Estate)	\$32,161,823	\$32,744,253	\$33,129,235	1.5%	\$33,911,007	\$34,230,119	\$32,974,579	\$29,760,012	\$25,508,717	
1.020 Public Utility Personal Property Tax	2,998,908	3,268,836	3,339,948	5.6%	3,360,480	3,420,050	3,076,959	2,673,007	2,277,299	
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0	
1.035 Unrestricted State Grants-in-Aid	6,841,318	8,076,777	9,938,760	20.6%	9,708,636	10,012,482	10,316,386	10,620,348	10,624,370	
1.040 Restricted State Grants-in-Aid	677,228	849,563	1,132,082	29.4%	1,399,094	1,041,680	1,041,680	1,041,680	1,041,680	
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	3,354,674	3,320,224	3,304,627	-0.7%	3,302,628	3,308,550	3,307,826	3,074,348	2,793,825	
1.060 All Other Revenues	1,417,437	2,377,754	2,860,616	44.0%	2,724,031	2,602,056	2,552,056	2,505,084	2,460,995	
1.070 <b>Total Revenues</b>	<b>\$47,451,388</b>	<b>\$50,637,407</b>	<b>\$53,705,268</b>	<b>6.4%</b>	<b>\$54,405,876</b>	<b>\$54,614,937</b>	<b>\$53,269,486</b>	<b>\$49,674,479</b>	<b>\$44,706,886</b>	
<b>Other Financing Sources</b>										
2.040 Operating Transfers-In	-	-	2,064	0.0%	-	-	-	-	-	
2.050 Advances-In	\$1,288,108	\$22,196	\$0	-99.1%	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
2.060 All Other Financing Sources	69,513	29,490	34,819	-19.8%	28,000	28,000	28,000	28,000	28,000	
2.070 <b>Total Other Financing Sources</b>	<b>\$1,357,621</b>	<b>\$51,686</b>	<b>\$36,883</b>	<b>-62.4%</b>	<b>\$78,000</b>	<b>\$78,000</b>	<b>\$78,000</b>	<b>\$78,000</b>	<b>\$78,000</b>	
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>\$48,809,009</b>	<b>\$50,689,093</b>	<b>\$53,742,151</b>	<b>4.9%</b>	<b>\$54,483,876</b>	<b>\$54,692,937</b>	<b>\$53,347,486</b>	<b>\$49,752,479</b>	<b>\$44,784,886</b>	
<b>Expenditures</b>										
3.010 Personal Services	\$25,758,578	\$27,032,089	\$28,655,111	5.5%	\$29,886,121	\$31,171,659	\$31,920,047	\$32,686,704	\$33,472,080	
3.020 Employees' Retirement/Insurance Benefits	10,160,280	11,428,525	12,168,788	9.5%	13,726,398	14,550,121	15,329,103	16,142,169	17,005,804	
3.030 Purchased Services	4,714,519	5,362,504	6,542,694	17.9%	6,810,517	7,090,245	7,382,430	7,687,649	8,006,507	
3.040 Supplies and Materials	978,660	1,319,815	1,939,458	40.9%	2,104,815	2,167,959	2,232,998	2,299,988	2,368,987	
3.050 Capital Outlay	517,329	136,421	87,987	-54.6%	440,000	440,000	490,000	490,000	490,000	
Debt Service:				0.0%						
4.020 Principal-Notes	134,477	0	0	0.0%	0	0	0	0	0	
4.060 Interest and Fiscal Charges	3,819	0	0	0.0%	0	0	0	0	0	
4.300 Other Objects	676,855	735,119	748,431	5.2%	776,936	788,265	799,829	811,633	823,684	
4.500 <b>Total Expenditures</b>	<b>\$42,944,517</b>	<b>\$46,014,473</b>	<b>\$50,142,469</b>	<b>8.1%</b>	<b>\$53,744,787</b>	<b>\$56,208,249</b>	<b>\$58,154,407</b>	<b>\$60,118,142</b>	<b>\$62,167,062</b>	
<b>Other Financing Uses</b>										
5.010 Operating Transfers-Out	\$464,834	\$888,820	\$687,437	34.3%	\$1,268,338	\$847,267	\$847,267	\$844,267	\$725,000	
5.020 Advances-Out	22,196	0	0	0.0%	50,000	50,000	50,000	50,000	50,000	
5.030 All Other Financing Uses	0	2,783	927	0.0%	0	0	0	0	0	
5.040 <b>Total Other Financing Uses</b>	<b>\$487,030</b>	<b>\$891,603</b>	<b>\$688,364</b>	<b>30.1%</b>	<b>\$1,318,338</b>	<b>\$897,267</b>	<b>\$897,267</b>	<b>\$894,267</b>	<b>\$775,000</b>	
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>\$43,431,547</b>	<b>\$46,906,076</b>	<b>\$50,830,833</b>	<b>8.2%</b>	<b>\$55,063,125</b>	<b>\$57,105,516</b>	<b>\$59,051,674</b>	<b>\$61,012,409</b>	<b>\$62,942,062</b>	
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>\$5,377,462</b>	<b>\$3,783,017</b>	<b>\$2,911,318</b>	<b>-26.3%</b>	<b>(\$579,249)</b>	<b>(\$2,412,579)</b>	<b>(\$5,704,188)</b>	<b>(\$11,259,930)</b>	<b>(\$18,157,176)</b>	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$11,919,018	\$17,296,480	\$21,079,497	33.5%	\$23,990,815	\$23,411,566	\$20,998,987	\$15,294,799	\$4,034,869	
7.020 <b>Cash Balance June 30</b>	<b>\$17,296,480</b>	<b>\$21,079,497</b>	<b>\$23,990,815</b>	<b>17.8%</b>	<b>\$23,411,566</b>	<b>\$20,998,987</b>	<b>\$15,294,799</b>	<b>\$4,034,869</b>	<b>(\$14,122,307)</b>	
8.010 <b>Estimated Encumbrances June 30</b>	<b>\$478,777</b>	<b>\$800,468</b>	<b>\$974,062</b>	<b>44.4%</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	
10.010 <b>Fund Balance June 30 for Certification of Appropriations</b>	<b>\$16,817,703</b>	<b>\$20,279,029</b>	<b>\$23,016,753</b>	<b>17.0%</b>	<b>\$23,211,566</b>	<b>\$20,798,987</b>	<b>\$15,094,799</b>	<b>\$3,834,869</b>	<b>(\$14,322,307)</b>	
<b>Revenue from Replacement/Renewal Levies</b>										
11.010 Income Tax - Renewal	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	
11.020 Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	4,048,239	10,200,724	17,612,085	
11.300 <b>Cumulative Balance of Replacement/Renewal Levies</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,048,239</b>	<b>\$14,248,963</b>	<b>\$31,861,047</b>	
12.010 <b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>\$16,817,703</b>	<b>\$20,279,029</b>	<b>\$23,016,753</b>	<b>17.0%</b>	<b>\$23,211,566</b>	<b>\$20,798,987</b>	<b>\$19,143,037</b>	<b>\$18,083,832</b>	<b>\$17,538,741</b>	
13.030 <b>Cumulative Balance of New Levies</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
14.010 <b>Revenue from Future State Advancements</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
15.010 <b>Unreserved Fund Balance June 30</b>	<b>\$16,817,703</b>	<b>\$20,279,029</b>	<b>\$23,016,753</b>	<b>17.0%</b>	<b>\$23,211,566</b>	<b>\$20,798,987</b>	<b>\$19,143,037</b>	<b>\$18,083,832</b>	<b>\$17,538,741</b>	

**Boardman Local School District –Mahoning County**  
**Notes to the Five-Year Forecast**  
**General Fund Only**  
**November 25, 2024**

**Introduction to the Five-Year Forecast**

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

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

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

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

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

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

**Economic Outlook**

The current economic recovery began in the fall of 2020 and remains robust through this forecast date. However, recent Federal Reserve Bank interest rate cuts foretell of a possible recession in the next six to twelve months from this forecast. The persistently high inflation that has impacted our state, country, and broader globalized economy has slowed to an annualized rate of 2.53% in August 2024 that is down from the 40 year high of 9.1% annualized rate posted in June 2022. Costs for goods and services in FY23 and FY24 were notably

impacted in areas such as capital and durable goods, diesel fuel for buses, electric, natural gas, and building materials for facility maintenance and repair. Inflation affecting district costs is expected to continue in FY25. There is some good news, the Federal Reserve is projecting inflation to be closer to their target rate of 2% by calendar year end 2024 or early in 2025. It remains to be seen if the cumulative cost increases over the past two years are transitory in goods and services or will last over the forecast period.

The Federal Reserve Bank cut Federal Fund rates In September 2024 by 50 basis points (.5%) which indicates slowing inflation and a slowing economy. Employment levels have begun to fall. The unemployment rate was 3.8% in September 2023 and rose to 4.2% in September 2024. A survey of prominent leading economists predicts there is roughly a 50% chance of a mild recession in the calendar year 2025. How this news impacts the state of Ohio's FY26 and FY27 biennium budget deliberations and actions in late spring 2025 is unknown as this forecast is filed.

The state of Ohio has enjoyed economic growth over the past three years, and the state's Rainy Day Fund balance is at \$3.7 Billion. The new state funding formula is in the fourth year of a projected six-year phase-in. While increased inflation has impacted costs across Ohio, the state's economy has grown, and many school districts received new funding in HB33 for FY24 and FY25. The ongoing growth in Ohio's economy should enable the state to finalize the last two years of the phase-in of the new funding formula in FY26 and FY27 even if a cyclical recession occurs. Regardless of a recession, the state is well-positioned to continue state aid payments to Ohio's school districts.

Since 2020 all school districts were being aided in varying degrees by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER). The most recent allocation of ESSER funds must be encumbered by September 30, 2024. The loss of these funds in FY25 and future years may create a "fiscal cliff" as any ongoing costs will likely be absorbed back into the district General Fund.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

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

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

**1) Property tax collections** are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project growth in appraised values every three (3) years and new construction growth with modest increases in local taxes. Total local revenues, predominately local taxes, equating to 73.5% of the district's resources. Our tax collections in the March 2024 and August 2024 settlements showed average collection trends. We believe there is a low risk that local collections would fall below projections throughout the forecast.

The District has a 5.9 mill and 6.0 mill operating levies that expire December 31, 2026; a \$4.6 million emergency levy that expires December 31, 2027; and, a \$4.9 million emergency levy expiring December 31, 2028. The District will need to renew all levies to remain financially viable long term.

**2)** Mahoning County experienced a sexennial reappraisal in the 2023 tax year to be collected in FY24. The 2023 reappraisal increased overall assessed values by \$292.42 million or an increase of 33.03%, including the update and new construction for all property classes. A triennial update will occur in tax year 2026 for collection in FY27. We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property by \$18 million for an overall increase of 1.52%. However, there is always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that now.

**3)** Due to historic property value increases in reappraisal and update years the Ohio Legislature has considered various proposals since 2023 to help reduce non voted tax increases on taxpayers. Currently the senate has proposed SB271 that seeks to limit growth through refund or reduction taxes to ensure annual income and property taxes do not exceed 5% of a qualified taxpayer's income. If passed by the General Assembly this will result in lowering tax increases for our residents who qualify. We are watching this legislation closely.

In addition to SB271, the legislature developed a Joint Committee on Property Taxation and Reform in 2024 in response to the historic valuation increases. Their mission is to review Ohio's property tax system and to make recommendations to the General Assembly on property taxation. The committee must report to the General Assembly by December 31, 2024. We are following any actions of the committee closely to determine what impact, if any, proposals could mean for our district to limit tax growth or to reduce taxes.

**4)** The state budget represented 26.5% 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 a possible recession or the last two (2) years of the Fair School Funding Plan is not funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY29. We have projected our state funding in 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 FY29, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

**5)** HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY25 reflects 66.67% of the implementation cost at year four of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed and are dependent on legislative actions for the FY26 and FY27 state biennium budget. 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 most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY25.

**6)** HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid.

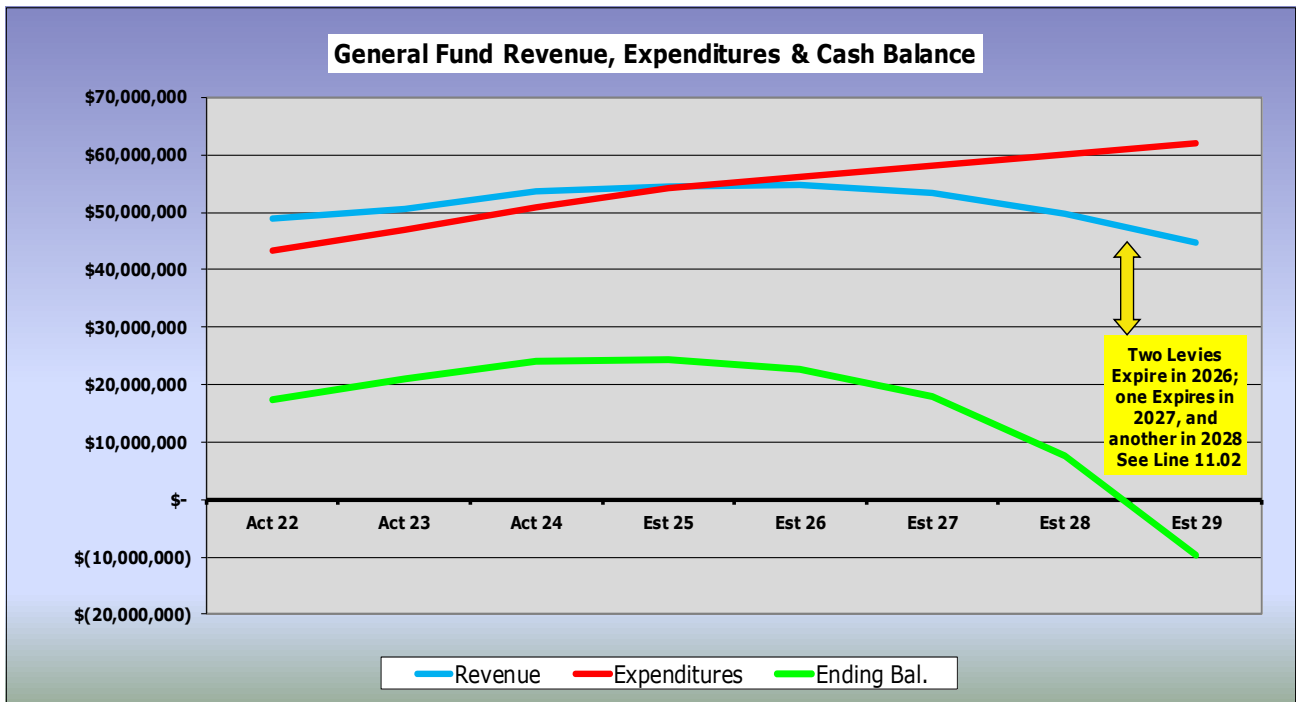
However, education option programs such as College Credit Plus, Excess Costs and various tuitions continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid by the state of Ohio can expose the district to new expenditures currently outside the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.

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

The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below to understand the overall financial forecast for our district. If you want further information, please contact Arthur Ginnetti, Treasurer, at 330.726.3403 x67113.

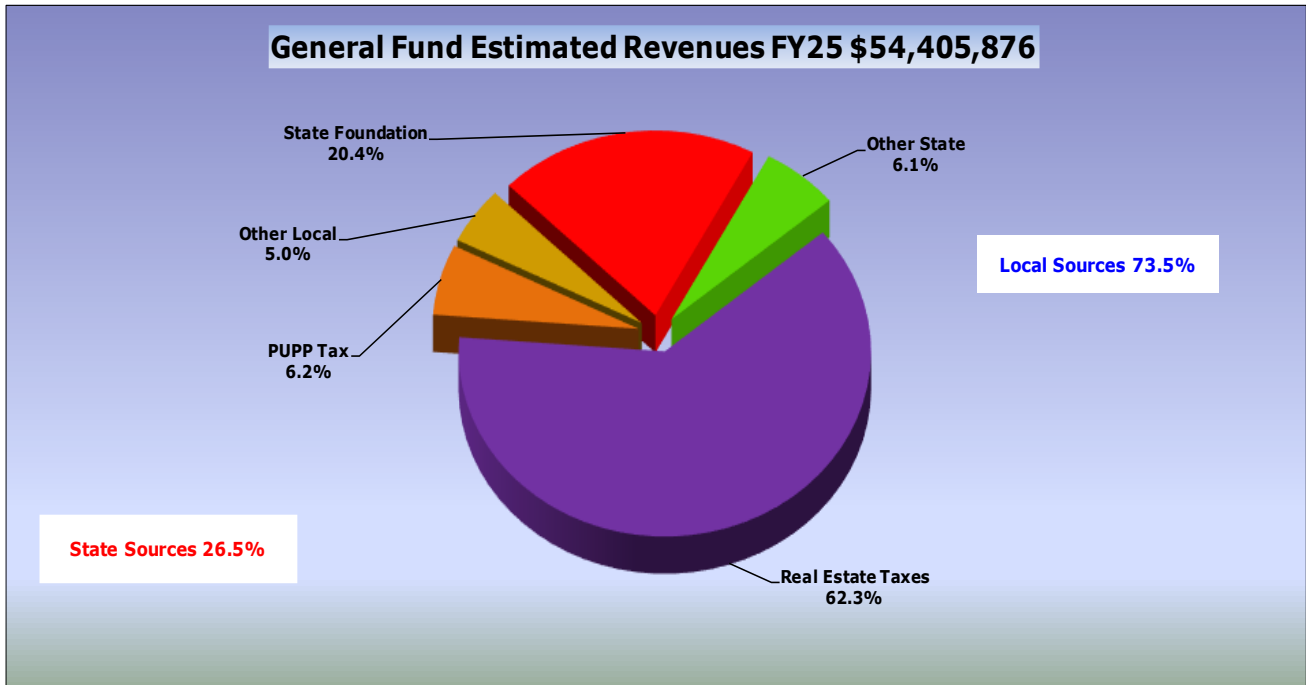
**General Fund Revenue, Expenditures, and Ending Cash Balance Actual FY22-24 and Estimated FY25-29**

The graph below captures, in one snapshot, the operating scenario facing the district over the next few years if the renewal levy in 2026 does not pass.



## Revenue Assumptions

### Estimated Operating Revenue Sources General Fund FY25



#### General Property Tax and Property Value Assumptions (Real Estate) – Line #1.010

Property Values are established annually by the County Auditor based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. Mahoning County experienced a sexennial reappraisal in the 2023 tax year to be collected in FY24. The 2023 reappraisal increased overall assessed values by \$292.42 million or an increase of 33.03%, including the update and new construction for all property classes. A triennial update will occur in tax year 2026 for collection in FY27. We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property by \$18 million for an overall increase of 1.52%. However, there is always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that now.

Public Utility Personal Property (PUPP) values increased by \$3.12 million in the tax year 2023. We expect our values to continue to grow by \$1 million each year of the forecast.

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

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

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2024	TAX YEAR2025	TAX YEAR2026	TAX YEAR2027	TAX YEAR2028
<u>Classification</u>	<u>COLLECT 2025</u>	<u>COLLECT 2026</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>
Res./Ag.	\$820,914,860	\$821,514,860	\$834,437,583	\$835,037,583	\$835,637,583
Comm./Ind.	358,992,950	360,472,950	365,557,680	367,037,680	368,517,680
Public Utility Personal Property (PUPP)	58,650,810	59,650,810	60,650,810	61,650,810	62,650,810
Total Assessed Value	<u>\$1,238,558,620</u>	<u>\$1,241,638,620</u>	<u>\$1,260,646,072</u>	<u>\$1,263,726,072</u>	<u>\$1,266,806,072</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 57.71 mills while the Class I effective millage rate is 29.69 mills and the Class II effective millage rate is 36.22 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 not on the floor for either Class I or Class II. Any emergency or substitute emergency levy that is voted on is not included in the 20-mill floor, the District has three (3) emergency levies collecting 9.36 mills and \$11.56 million in taxes.

### ESTIMATED REAL ESTATE TAX - Line #1.010

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
General Property Taxes	<u>\$33,911,007</u>	<u>\$34,230,119</u>	<u>\$32,974,579</u>	<u>\$29,760,012</u>	<u>\$25,508,717</u>

Property tax levies are estimated to be collected at 96.5% of the annual amount. This allows a 3.5% delinquency factor. In general, 52.75% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 47.25% in the August tax settlement. Collections in FY24 were up \$1.2 million due to additional delinquent taxes collected in the August and March tax settlements, which returned to normal in FY25.

Property tax collections in Line 1.01, 1.02 and 1.05 will decline starting in FY27 as we have two (2) operating levies that expire in 2026; a \$4.6 million emergency levy that expires in 2027; and, a \$4.9 million emergency levy that expires in 2028. These revenues must be moved to Line 11.02 of the forecast as noted below.

### Levy Renewal –Line # 11.02

The District renewed a 5.9 mill operating levy and a 6.0 mill operating levy on November 3, 2020 that will expire December 31, 2026. The District also has a \$4.6 million emergency levy expiring December 31, 2027 and a \$4.9 million emergency levy expiring December 31, 2028. We plan to renew all levies. State law requires that renewal levies be removed from revenues on Line 1.01, 1.02 and 1.05 and shown on this line 11.02 of the forecast. Please note that renewal levies do not bring in additional tax revenues to the district unless they are substitute emergency levies. We are renewing levies for the same revenue we currently collect.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Renewal 5.9 and 6.0 Mill Expire 12/31/26	\$0	\$0	\$4,048,239	\$7,785,074	\$7,785,074
Renewal 5.9 Mill Expires 12/31/28	0	0	0	0	2,628,550
Emergency Levy \$1,999,547 Expires 12/31/29	0	0	0	0	0
Emergency Levy \$4,646,975 Expires 12/31/27	0	0	0	2,415,650	4,645,481
Emergency Levy \$4,917,534 Expires 12/31/28	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,552,979</u>
Total Line # 11.020	<u>\$0</u>	<u>\$0</u>	<u>\$4,048,239</u>	<u>\$10,200,724</u>	<u>\$17,612,085</u>

### New Tax Levies – Line #13.030

No new levies are modeled in this forecast.



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

The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted in the table below, which was \$3.26 million in assessed values in 2023 and is collected at the district’s gross voted millage rate. Collections are typically 54.8% in March and 45.2% in August, along with the real estate settlements from the county auditor. The values in 2023 rose by 5.7% or \$3.1 million and are expected to grow by \$1 million each year of the forecast.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Public Utility Personal Property PUPP	<u>\$3,360,480</u>	<u>\$3,420,050</u>	<u>\$3,076,959</u>	<u>\$2,673,007</u>	<u>\$2,277,299</u>

## State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

### Current State Funding Model per HB33 through June 30, 2025

#### Unrestricted State Foundation Revenue– Line #1.035

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25, which funds students where they are educated rather than where they live. We have projected FY25 funding based on the October 2024 foundation settlement and funding factors.

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

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

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

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

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

#### Future State Budget Projections beyond FY25

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

#### 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 FY23 was \$113.1 million or \$64.90 per pupil. In FY24, the funding totaled \$114.18 million or \$65.44 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>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Basic Aid-Unrestricted	\$9,024,972	\$9,324,972	\$9,624,972	\$9,924,972	\$9,924,972
Additional Aid Items	<u>427,246</u>	<u>427,246</u>	<u>427,246</u>	<u>427,246</u>	<u>427,246</u>
Basic Aid-Unrestricted Subtotal	9,452,218	9,752,218	10,052,218	10,352,218	10,352,218
Ohio Casino Commission ODT	<u>256,418</u>	<u>260,264</u>	<u>264,168</u>	<u>268,130</u>	<u>272,152</u>
Total Unrestricted State Aid Line # 1.035	<u>\$9,708,636</u>	<u>\$10,012,482</u>	<u>\$10,316,386</u>	<u>\$10,620,348</u>	<u>\$10,624,370</u>

**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 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY29 due to uncertainty on continued funding of the current funding formula.

HB33 set aside funds state-wide to subsidize the Science of Reading initiative. The district will be reimbursed for teacher in-service and associated fringe benefits upon proof of training and certified reimbursement request. It is estimated that the district will receive \$357,414 from this one-time subsidy in FY25 and is required to maintain documentation as to how the funds were spent.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
DPIA	\$543,188	\$543,188	\$543,188	\$543,188	\$543,188
Career Tech	0	0	0	0	0
Gifted	125,099	125,099	125,099	125,099	125,099
ESL	34,331	34,331	34,331	34,331	34,331
Other State Restricted Funds	357,414	0			
Student Wellness	<u>339,062</u>	<u>339,062</u>	<u>339,062</u>	<u>339,062</u>	<u>339,062</u>
Total Restricted State Revenues Line #1.040	<u>\$1,399,094</u>	<u>\$1,041,680</u>	<u>\$1,041,680</u>	<u>\$1,041,680</u>	<u>\$1,041,680</u>

**Restricted Federal Grants in Aid – Line #1.045**

There are no federal restricted grants projected during this forecast.

<u>Summary of State Foundaton Revenues</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Unrestricted Line # 1.035	\$9,708,636	\$10,012,482	\$10,316,386	\$10,620,348	\$10,624,370
Restricted Line # 1.040	1,399,094	1,041,680	1,041,680	1,041,680	1,041,680
Rest. Federal Grants #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$11,107,730</u>	<u>\$11,054,162</u>	<u>\$11,358,066</u>	<u>\$11,662,028</u>	<u>\$11,666,050</u>

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

### Rollback and Homestead Reimbursement

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

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

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

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Rollback and Homestead Line #1.050	<u>\$3,302,628</u>	<u>\$3,308,550</u>	<u>\$3,307,826</u>	<u>\$3,074,348</u>	<u>\$2,793,825</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, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees.

Interest income is based on the district's cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. The Federal Reserve Bank cut interest rates by 50 basis point in September 2024. While interest income in FY25 should remain steady due to laddered investment strategies, the rate cuts will begin to have an impact on earnings in FY26 and future years. We will continue to monitor the investments for the district. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historical trends.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Tuition Income-1200	\$868,197	\$876,879	\$885,648	\$894,504	\$903,449
Interest	1,307,063	1,176,357	1,117,539	1,061,662	1,008,579
Medicaid	281,850	281,850	281,850	281,850	281,850
Class & Transportation Fees	9,700	9,749	9,798	9,847	9,896
Other Income and rentals	<u>257,221</u>	<u>257,221</u>	<u>257,221</u>	<u>257,221</u>	<u>257,221</u>
Total Line # 1.060	<u>\$2,724,031</u>	<u>\$2,602,056</u>	<u>\$2,552,056</u>	<u>\$2,505,084</u>	<u>\$2,460,995</u>

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

These are non-operating revenues, which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a prior fiscal year in the current fiscal year. The advances in the last fiscal year are expected to be repaid in the current year, as noted in the table below.

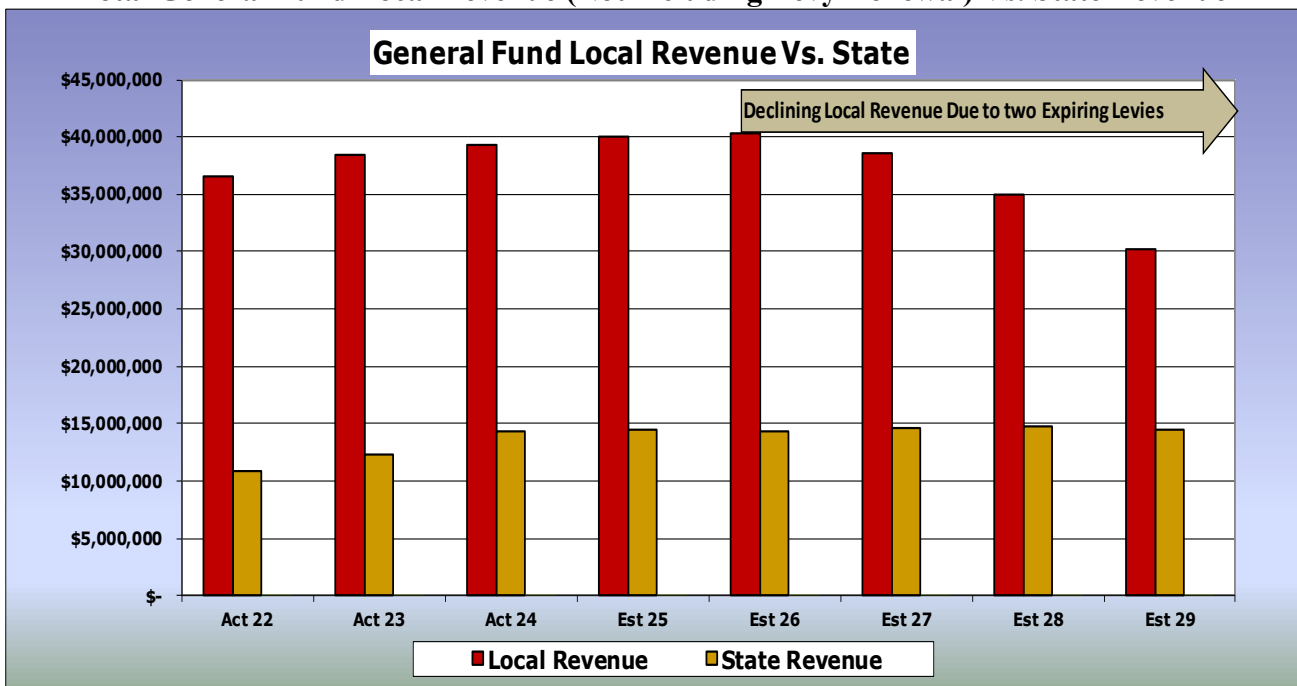
Source	FY25	FY26	FY27	FY28	FY29
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	50,000	50,000	50,000	50,000	50,000
Total Transfer & Advances In	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

**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.

	FY25	FY26	FY27	FY28	FY29
Other Financing Sources Line 2.06	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>

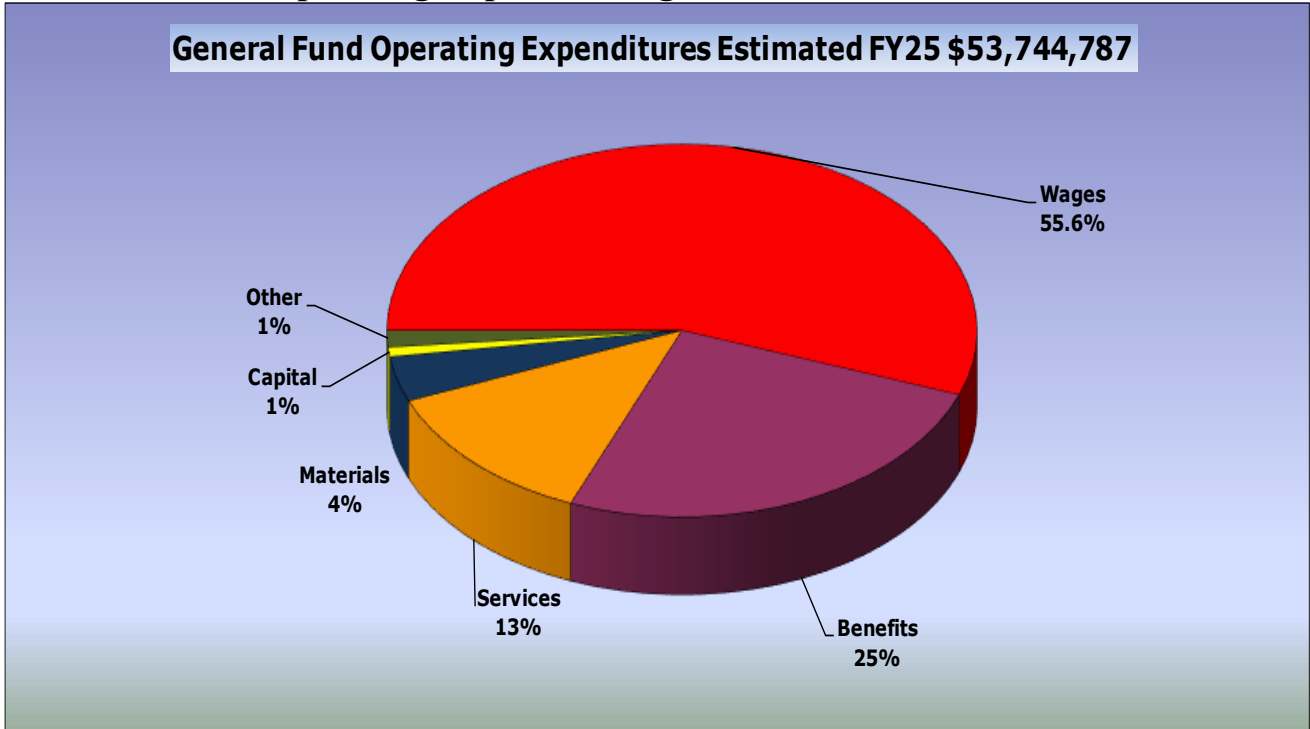
**Total General Fund Local Revenue (Not including Levy Renewal) Vs. State Revenue**



## 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 FY25



#### Wages – Line #3.010

Negotiations with bargaining unit members were completed in spring 2023 and fall of 2023 resulting in a three-year agreement that includes a base increase of 3% for FY24 through FY26. Step and training increases are included for FY25-29. For planning purposes, a 1% increase is planned for FY27-FY29. In FY22 we added staff for an operations manager, speech pathology position, school psychologist and an auditorium manager. In addition, we have added costs for classroom and independent aids, bus driver and bus driver aides and added costs for existing staff for additional coverage. Those costs continue in the forecast in FY25-29.

Source	FY25	FY26	FY27	FY28	FY29
Base Wages	\$27,217,848	\$28,434,485	\$29,705,507	\$30,439,233	\$31,191,082
Increases/Stipend	816,535	853,035	297,055	304,392	311,911
Steps & Training	400,102	417,987	436,671	447,457	458,509
Classified Substitutes & All Supplementals	1,451,636	1,466,152	1,480,814	1,495,622	1,510,578
Staff Reductions/Attrition	0	0	0	0	0
<b>Total Wages Line #3.010</b>	<u>\$29,886,121</u>	<u>\$31,171,659</u>	<u>\$31,920,047</u>	<u>\$32,686,704</u>	<u>\$33,472,080</u>

#### Fringe Benefits Estimates – Line #3.020

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

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

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

**B) Insurance**

In FY22 we elected to switch carriers which will result in a 0% premium increase and actually reduce our costs by \$250,000. FY24 saw an increase in insurance rates of 5%. We are estimating an increase of 14% for FY25 and 7% for FY 26 through FY29, which reflects the trend of our current employee census and claims data.

**C) Workers Compensation & Unemployment Compensation**

Workers' Compensation is expected to be approximately 0.8% of wages FY25– FY29. Unemployment is likely to remain at a shallow level FY25-FY29. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

**D) Medicare**

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

**E) Other/Tuition**

The district reimburses employees for the tuition to further their education to maintain licensure for teaching. The district does not anticipate any increase during the forecast.

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

<u>Source</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
A) STRS/SERS	\$4,634,056	\$4,841,199	\$4,974,425	\$5,097,293	\$5,223,196
B) Insurance's	8,398,752	8,986,665	9,615,732	10,288,833	11,009,051
C) Workers Comp/Unemployment	239,389	249,673	255,660	261,794	268,077
D) Medicare	427,372	445,755	456,457	467,420	478,651
E) Other/Tuition	<u>26,829</u>	<u>26,829</u>	<u>26,829</u>	<u>26,829</u>	<u>26,829</u>
Total Fringe Benefits Line #3.020	<u>\$13,726,398</u>	<u>\$14,550,121</u>	<u>\$15,329,103</u>	<u>\$16,142,169</u>	<u>\$17,005,804</u>

**Purchased Services – Line #3.030**

HB110, the previous state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education will directly pay these costs to the educating districts for open enrollment, community, and STEM schools and for scholarships granted to students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. In FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio’s electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period.

<u>Source</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
Base Services	\$434,385	\$438,729	\$443,116	\$447,547	\$452,022
Professional/Instructional	1,576,697	1,623,998	1,672,718	1,722,900	1,774,587
Miscellaneous	108,963	111,142	113,365	115,632	117,945
ESC, SF14 Tuition & Scholarship Costs	2,892,563	3,037,191	3,189,051	3,348,504	3,515,929
Building Maintenance & Service	935,945	982,742	1,031,879	1,083,473	1,137,647
Utilities	<u>861,964</u>	<u>896,443</u>	<u>932,301</u>	<u>969,593</u>	<u>1,008,377</u>
Total Purchased Services Line #3.030	<u>\$6,810,517</u>	<u>\$7,090,245</u>	<u>\$7,382,430</u>	<u>\$7,687,649</u>	<u>\$8,006,507</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. An average increase of 3% is projected in this area for the forecasted period.

<u>Source</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
Supplies, Textbooks & Technology	\$1,079,815	\$1,112,209	\$1,145,575	\$1,179,942	\$1,215,340
Building and Transportation	<u>1,025,000</u>	<u>1,055,750</u>	<u>1,087,423</u>	<u>1,120,046</u>	<u>1,153,647</u>
Total Supplies Line #3.040	<u>\$2,104,815</u>	<u>\$2,167,959</u>	<u>\$2,232,998</u>	<u>\$2,299,988</u>	<u>\$2,368,987</u>

### Equipment – Line # 3.050

The District does not anticipate costs increasing significantly in this line because the Permanent Improvement Fund pays most capital outlay. We are estimating buying two (2) new busses a year running through FY29.

ESSER II and III will be allocated to our district that can be used through September 2023 and September 2024, respectively, which will continue to offset the COVID expenses and help with academic support for lost learning due to school closures as a result of the pandemic. These final adjustments will be made as these funds are received and allocated through FY24.

<u>Source</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
Capital Outlay	\$200,000	\$200,000	\$250,000	\$250,000	\$250,000
Replacement Bus Purchases	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>
Total Equipment Line #3.050	<u>\$440,000</u>	<u>\$440,000</u>	<u>\$490,000</u>	<u>\$490,000</u>	<u>\$490,000</u>

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

All payments for the two HB264 projects, the Qualified School Construction Bonds, and the related interest charges will be reflected as a transfer out to the bond retirement fund of the district where these obligations are paid beginning in FY18 and end in FY28.

### Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, the annual audit, and other miscellaneous expenses. A rate of 1.5% increase is projected in this area.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
County Auditor & Treasurer Fees	\$526,044	\$531,304	\$536,617	\$541,983	\$547,403
Liability Ins., Prof. Dues & Audit Costs	202,291	208,360	214,611	221,049	227,680
Other expenses	<u>48,601</u>	<u>48,601</u>	<u>48,601</u>	<u>48,601</u>	<u>48,601</u>
Total Other Expenses Line #4.300	<u>\$776,936</u>	<u>\$788,265</u>	<u>\$799,829</u>	<u>\$811,633</u>	<u>\$823,684</u>

**Transfers and Advances Out – Lines #5.01 and #5.02**

This account group covers fund-to-fund transfers and end-of-year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. We are detailing the transfer out section for debt payment to reflect what amount the general fund supports to pay debt for the district in several series of debt issued over the past years. The district has two current debt issues it is supporting payment of principal and interest from the General Fund. Debt payments are made from the district’s Bond Retirement Fund (002 Fund). The #4 HB264 debt supported by a Qualified School Construction Bond (QSCB) is no longer split with the Permanent Improvement Fund (003 Fund) starting in FY25. HB264 #3 includes the new principal and interest payment schedule from the refund of that issue in October 2017 that will save the district over \$114,000 in interest costs over the term of the notes which will be paid off in FY28. The \$500,000 transfer to the Permanent Improvement Fund will be continued FY25-29.

<u>Purpose</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Fund 035 Severance	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Fund 003 P.I.	500,000	500,000	500,000	500,000	500,000
Fund 300 Athletics	25,000	25,000	25,000	25,000	25,000
Fund 002 HB264 #3 & #4 -QSCB Debt	<u>543,338</u>	<u>122,267</u>	<u>122,267</u>	<u>119,267</u>	<u>0</u>
Transfers Out Line #5.010	1,268,338	847,267	847,267	844,267	725,000
Advances Out Line #5.020	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances Out	<u>\$1,318,338</u>	<u>\$897,267</u>	<u>\$897,267</u>	<u>\$894,267</u>	<u>\$775,000</u>

**Encumbrances –Line#8.010**

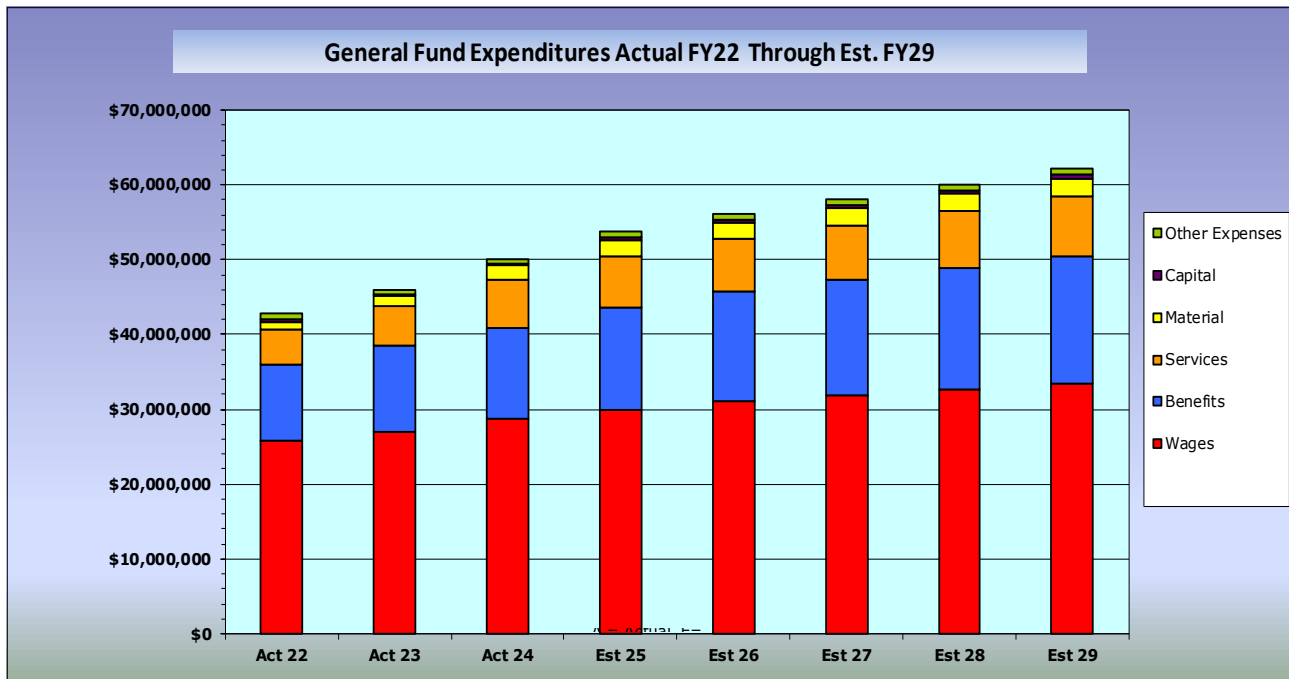
Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments, which have been performed, are awaiting invoicing and payment. Encumbrances, on a budget basis of accounting, are treated as the equivalent of expenditure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

	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Estimated Encumbrances	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>

**Operating Expenditures Actual FY22 through FY24 and Estimated FY25-FY29**

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





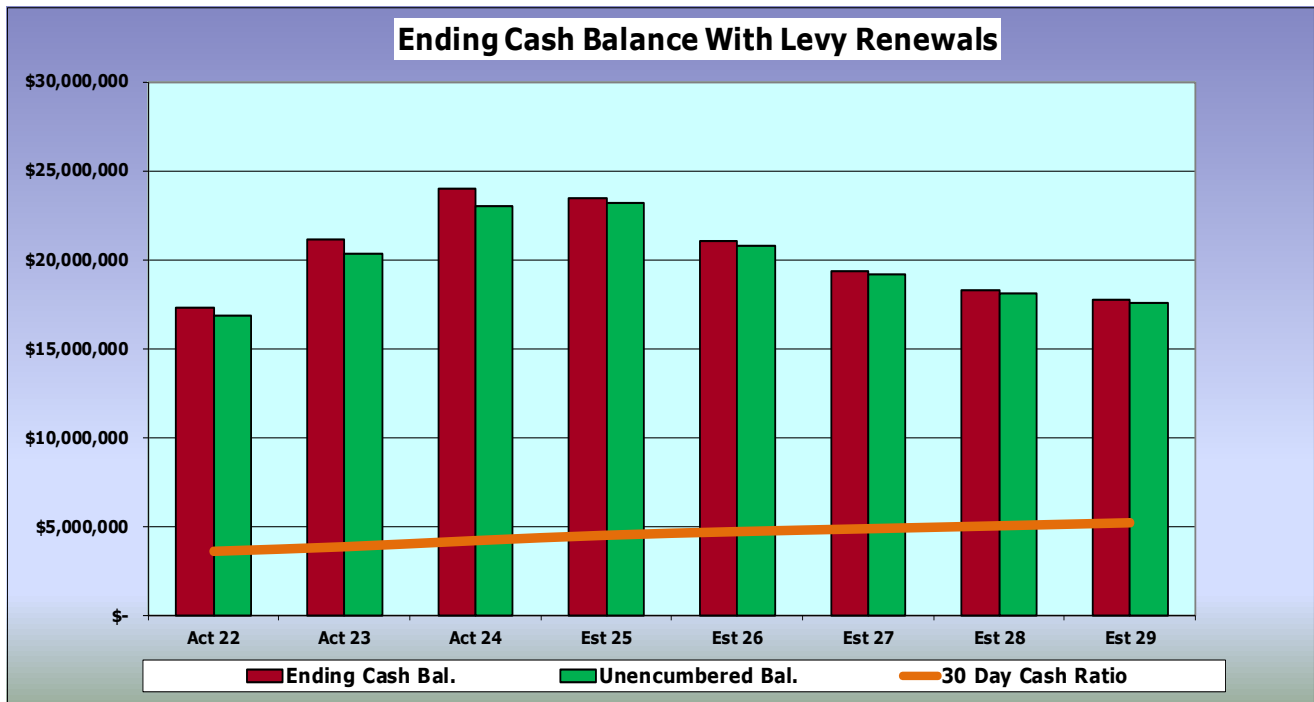
**Ending Unencumbered Cash Balance Including All Levy Renewals – Line#15.010**

This amount must not go below \$0, or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract knowingly signed those results in a negative unencumbered cash balance violates O.R.C. §5705.412, punishable by the personal liability of \$10,000; unless an alternative 412 certificate, as permitted by HB153, effective September 30, 2011, could be issued. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about \$4.5 million for our district.

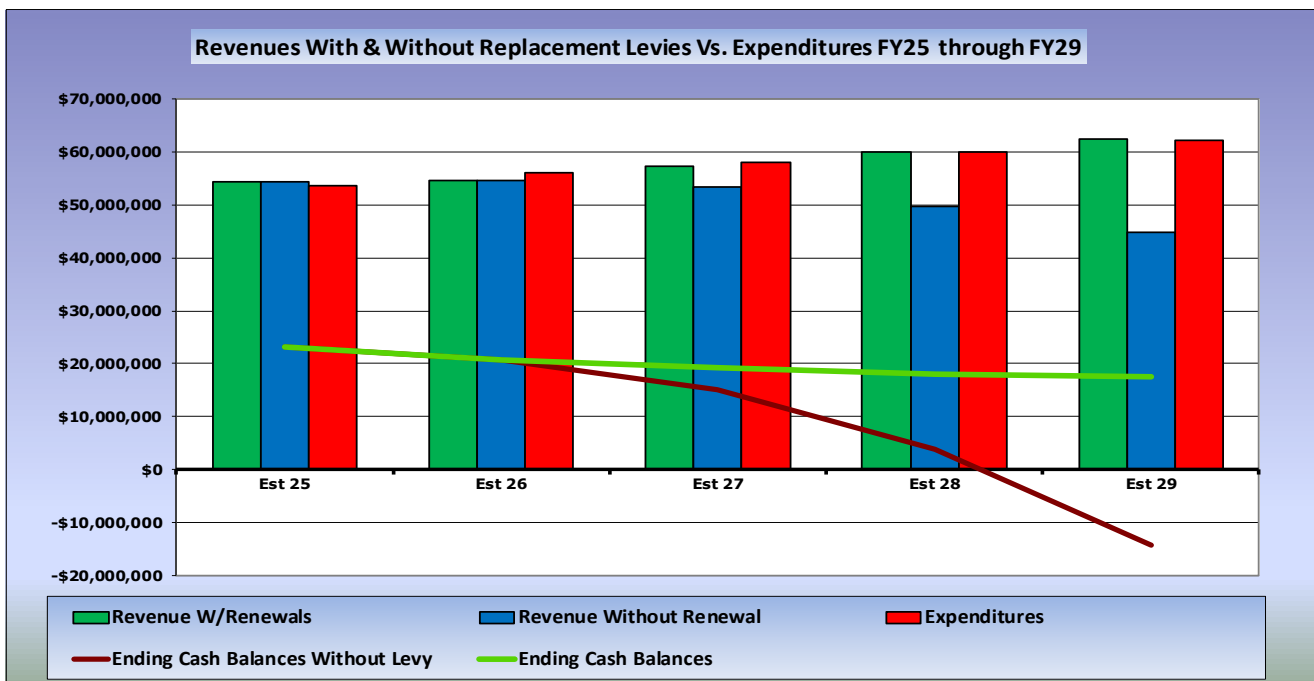
The Graphs on the following page shows cash balances compared to one month or a 30 day reserve, including renewal of all expiring levies that the district has included in this forecast period. The second graph shows a combination of revenue with and without the levy renewals and the impact on our ending cash balance if the levy was not renewed. This points out the financial exposure the district has to levy renewals and the impact it would have if any or all were to fail.

**Ending Unencumbered Cash Balance Line #15.010 with Renewal Levies**

	FY25	FY26	FY27	FY28	FY29
Ending Unencumbered Cash Balance	<u>\$23,211,566</u>	<u>\$20,798,987</u>	<u>\$19,143,037</u>	<u>\$18,083,832</u>	<u>\$17,538,741</u>



### Ending Unencumbered Cash Balance Line #15.010 With & Without Renewal Levies



### 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 365 (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The government Finance Officers Association recommends that no less than two (2) months or 60 days of cash is on hand at year-end. Still, it could be more

depending on each district's 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.

