

**WORTHINGTON CITY SCHOOL DISTRICT-FRANKLIN 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 2029**



**Forecast Provided By
TJ Cusick, CPA – Treasurer
May 12, 2025**

WORTHINGTON CITY SCHOOL DISTRICT

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2022, 2023, 2024
Forecasted Fiscal Year 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
Revenues										
1.010 General Property Tax (Real Estate)	\$ 118,068,751	\$ 129,631,185	\$ 130,336,167	5.2%		\$134,611,000	\$142,806,000	\$147,160,000	\$148,365,000	\$148,922,000
1.020 Tangible Personal Property	6,605,232	6,966,244	7,873,344	9.2%		\$7,828,000	\$7,790,000	\$8,143,000	\$8,224,000	\$8,307,000
1.035 Unrestricted State Grants-in-Aid	18,502,637	18,887,902	23,375,073	12.9%		\$21,623,000	\$21,628,000	\$21,633,000	\$21,638,000	\$21,644,000
1.040 Restricted State Grants-in-Aid	2,076,625	2,933,942	3,558,951	31.3%		\$3,711,000	\$3,355,000	\$3,161,000	\$3,161,000	\$3,161,000
1.050 State Share of Local Property Taxes	10,070,901	10,108,476	10,275,046	1.0%		\$10,491,000	\$10,402,000	\$10,394,000	\$10,386,000	\$10,379,000
1.060 All Other Revenues	3,160,585	4,744,232	9,459,987	74.8%		\$9,750,000	\$6,650,000	\$5,150,000	\$5,150,000	\$5,150,000
1.070 <i>Total Revenues</i>	\$ 158,484,731	\$ 173,271,981	\$ 184,878,568	8.0%		\$ 188,014,000	\$ 192,631,000	\$ 195,641,000	\$ 196,924,000	\$ 197,563,000
Other Financing Sources										
2.050 Advances-In	\$ 1,404,000	\$ 11,057,000	\$ 139,000	294.4%		\$ 128,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
2.060 All Other Financing Sources	12,621	20,520	1,754	-14.4%		\$3,000	\$2,000	\$2,000	\$2,000	\$2,000
2.070 <i>Total Other Financing Sources</i>	\$ 1,416,621	\$ 11,077,520	\$ 140,754	291.6%		\$ 131,000	\$ 102,000	\$ 102,000	\$ 102,000	\$ 102,000
2.080 <i>Total Revenues and Other Financing Sources</i>	\$ 159,901,352	\$ 184,349,501	\$ 185,019,322	7.8%		\$ 188,145,000	\$ 192,733,000	\$ 195,743,000	\$ 197,026,000	\$ 197,665,000
Expenditures										
3.010 Personal Services	\$ 90,988,563	\$ 94,177,601	\$ 99,383,469	4.5%		\$105,200,000	\$111,400,000	\$116,600,000	\$121,800,000	\$127,000,000
3.020 Employees' Retirement/Insurance Benefits	35,657,295	36,650,799	38,010,355	3.2%		\$40,123,000	\$43,009,000	\$45,669,000	\$48,470,000	\$51,391,000
3.030 Purchased Services	17,085,141	18,163,471	20,436,985	9.4%		\$22,677,000	\$23,737,000	\$24,586,000	\$25,797,000	\$26,549,000
3.040 Supplies and Materials	4,369,097	5,718,461	5,963,189	17.6%		7,730,000	6,992,000	6,391,000	6,931,000	7,850,000
3.050 Capital Outlay	1,536,178	1,936,313	1,328,805	-2.7%		4,386,000	3,788,000	1,805,000	1,823,000	1,841,000
4.300 Other Objects	1,845,607	2,030,097	2,138,150	7.7%		\$2,433,000	\$2,670,000	\$2,746,000	\$2,780,000	\$2,805,000
4.500 <i>Total Expenditures</i>	\$ 151,481,881	\$ 158,676,742	\$ 167,260,953	5.1%		\$ 182,549,000	\$ 191,596,000	\$ 197,797,000	\$ 207,601,000	\$ 217,436,000
Other Financing Uses										
5.010 Operating Transfers-Out	\$ 394,406	\$ 371,667	\$ 13,228,264	1726.7%		\$3,083,000	\$927,000	\$470,000	\$470,000	\$470,000
5.020 Advances-Out	11,057,000	139,000	128,000	-53.3%		100,000	100,000	100,000	100,000	100,000
5.040 <i>Total Other Financing Uses</i>	\$ 11,451,406	\$ 510,667	\$ 13,356,264	1210.0%		\$ 3,183,000	\$ 1,027,000	\$ 570,000	\$ 570,000	\$ 570,000
5.050 <i>Total Expenditures and Other Financing Uses</i>	\$ 162,933,287	\$ 159,187,409	\$ 180,617,217	5.6%		\$ 185,732,000	\$ 192,623,000	\$ 198,367,000	\$ 208,171,000	\$ 218,006,000
6.010 <i>Sources over (under) Expenditures and Other Financing Uses</i>	\$ (3,031,935)	\$ 25,162,092	\$ 4,402,105	-506.2%		\$ 2,413,000	\$ 110,000	\$ (2,624,000)	\$ (11,145,000)	\$ (20,341,000)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$ 107,316,653	\$ 104,284,718	\$ 129,446,810	10.7%		\$ 133,848,915	\$ 136,261,915	\$ 136,371,915	\$ 133,747,915	\$ 122,602,915
7.020 <i>Cash Balance June 30</i>	\$ 104,284,718	\$ 129,446,810	\$ 133,848,915	13.8%		\$ 136,261,915	\$ 136,371,915	\$ 133,747,915	\$ 122,602,915	\$ 102,261,915
8.010 <i>Estimated Encumbrances June 30</i>	\$ 6,143,365	\$ 5,534,556	\$ 7,058,692	8.8%		\$ 7,058,692	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Reservation of Fund Balance										
9.030 Budget Reserve	\$ 25,252,030	\$ 26,451,000	\$ 27,882,401	5.1%		\$ 30,431,000	\$ 31,939,000	\$ 32,973,000	\$ 34,607,000	\$ 36,247,000
9.080 <i>Subtotal</i>	25,252,030	26,451,000	27,882,401	5.1%		30,431,000	31,939,000	32,973,000	34,607,000	36,247,000
15.010 <i>Unreserved Fund Balance June 30</i>	\$ 72,889,323	\$ 97,461,254	\$ 98,907,822	17.6%		\$ 98,772,223	\$ 99,432,915	\$ 95,774,915	\$ 82,995,915	\$ 61,014,915
ADM Forecasts										
20.010 Kindergarten - October Count	800	795	736	-4.0%		707	711	735	708	688
20.015 Grades 1-12 - October Count	9,492	9,546	9,630	0.7%		9,724	9,708	9,686	9,719	9,752

Worthington City School District - Franklin County
Notes to the Five-Year Forecast
General Fund Only
May 12, 2025

Introduction to the Five Year Forecast

All school districts in Ohio are required to file a five (5) year financial forecast by November 30 and an update by May 31 in each fiscal year (FY). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2025 (July 1, 2024-June 30, 2025) is the first year of the five-year forecast and is considered the baseline year.

Forecast Risks and Uncertainty

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

- **Property Values and Potential Tax Changes** – The District is heavily reliant on local property tax revenue, accounting for over 75% of total general fund revenue. Property values have risen substantially in most parts of Ohio, especially in the Columbus region. The General Assembly has introduced several bills targeting changes to various components of Ohio’s property tax system. Some of these target the 20-mill floor, which wouldn’t impact the District, but others include capping annual increases or creating credits which could impact revenue depending on how the credits are structured and paid for. Most notably, the House version of the proposed state budget would reduce future tax revenue by the equivalent of the District’s cash balance in excess of 30% of annual expenses. This forecast assumes current law regarding property taxation.
- **Future Biennial Budgets, State Funding and Vouchers** – The Governor presented his budget proposal for fiscal years 2026 & 2027 which has been introduced as House Bill 96. Specifically related to school funding, the bill maintained the structure of the current funding formula. However, the Governor’s proposal uses updated, higher property values without using updated, higher cost inputs, creating an imbalance and leading to an overall reduction in the state’s share of funding toward public education. For our district in particular, projections show a reduction of \$2.2 million the first year and an additional reduction of \$0.2 million the second year. The House amended the Governor’s proposed budget to ensure District’s do not lose funding compared to FY25, but in doing so abandoned the existing formula. We have incorporated the most current proposed budget, the House version, in these assumptions, essentially flatlining state revenue. Continued expansion of school choice vouchers lessens the total dollars available to support public schools.
- **Enrollment** – Our enrollment has increased by over one thousand students during the last decade (11%) but is starting to slow. Latest projections still call for fairly flat enrollment levels, and our responsible staffing plan calls for aligning any staffing increases to only enrollment growth. This lower enrollment and staffing projections have been included in this forecast update, and any deviation from those projections could impact future costs.
- **Natatorium Operations** – The new, District-owned natatorium is anticipated to open in the fall of 2025. The current forecast had projected continued leasing cost of the existing facility and we assume that will cover the net cost of new operations, but that is still largely unknown at this time.
- **Federal Funding** – Worthington receives approximately \$6.8 million in federal funds annually, with the school lunch program and the Individuals with Disabilities Education Act (IDEA) accounting for the

majority. Any reductions to these federal programs and funding could lead to an increase in cost to the general fund or a reduction in those services, and are not included in this forecast.

Summary of Changes from the November 2024 Forecast

Projected Revenues:

We have made adjustments to revenue projections resulting in an increase of \$4.2 million over the five-year period (0.4%). Property tax revenue projections remained the same, with higher collection of prior year delinquencies offsetting lower than expected first half 2025 collections. We are assuming the lower first half collections will be made up in the second half and have left total projections over the forecast unchanged. State revenue projections increased \$1.9 million based on higher Medicaid reimbursement and special education threshold cost reimbursement. Projections of other revenues increased \$2.3 million, with \$0.6 million related to one-time reimbursement of previous technology purchases via the federal E-Rate program, and higher interest earnings in the short-term as the Federal Reserve hasn't reduced interest rates as quickly as they previously anticipated.

Projected Expenditures:

We have made adjustments to expenditure projections resulting in a decrease of \$2.1 million over the five-year period (-0.2%). Wage expense has been reduced \$4.6 million over the five years due to several factors: lower total staff levels due to lower projected enrollment, savings from 12 retirements instead of the previously forecasted 5 retirements, and the reclassification of severance payments to transfers out. Benefits expense, including insurance and retirement, were decreased \$0.6 million as a result of lower staff and wage projections. Projections of other expenses were increased \$3.1 million, with the previously mentioned reclassification from wages for severance payments million as well as lower utilities expenses, lower bank fees, and the use of grant funds this year to offset some one-time initiatives.

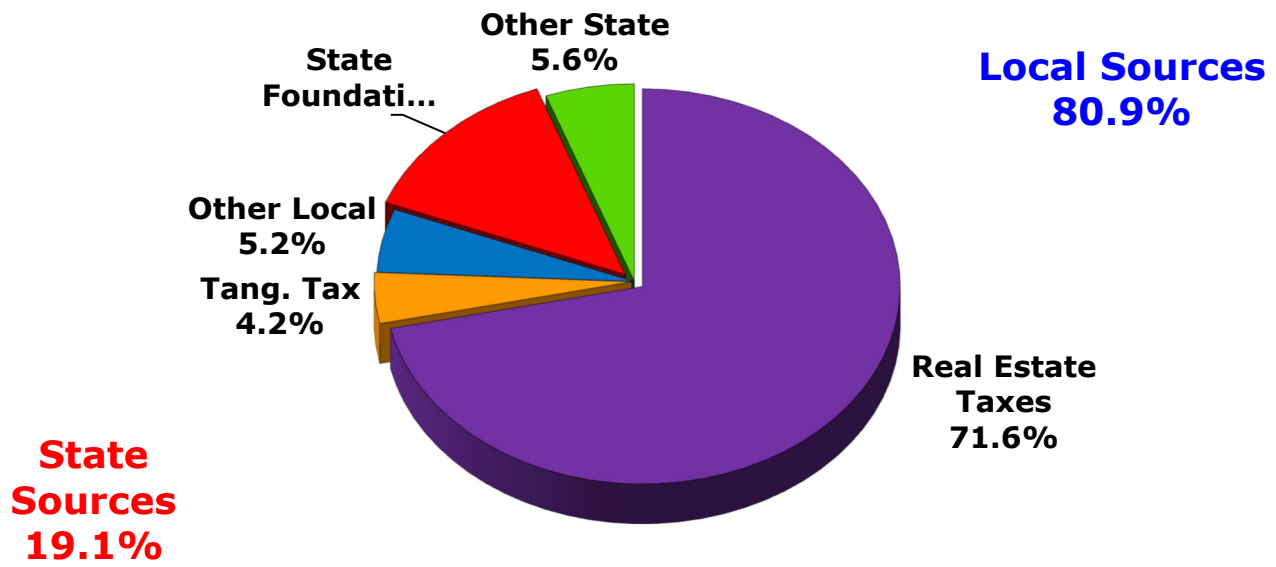
Projected Unreserved Cash Balance:

These changes to revenue and expenditure assumptions result in an increase of projected unreserved balance June 30, 2029 from \$54.5 million to \$61.0 million.

Detailed Forecast Analysis

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

General Fund Operating Revenues 2025 \$188,014,000



Estimated Assessed Property Valuations by Collection Year

Classification	Actual TAX YEAR 2023 COLLECT 2024	Estimated TAX YEAR 2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028
Res./Ag.	\$2,537,822,230	\$2,572,610,280	\$2,580,328,111	\$2,846,101,906	\$2,854,640,212
Comm./Ind.	\$609,056,290	\$581,639,630	\$584,547,828	\$628,388,915	\$631,530,860
Public Utility (PUPP)	\$75,260,040	\$72,310,162	\$73,033,264	\$73,763,597	\$74,501,233
Total Assessed Value	\$3,222,138,560	\$3,226,560,072	\$3,237,909,203	\$3,548,254,419	\$3,560,672,305

Future valuation projections include an estimated 0.3%/0.5% new construction for residential/commercial properties, and a 10%/7% increase for the triennial reappraisal update in tax year 2026 (collection 2027).

Estimated Real Estate Tax (Line #1.010)

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

	FY25	FY26	FY27	FY28	FY29
August Settlement	\$61,312,000	\$67,198,000	\$70,508,000	\$71,403,000	\$71,670,000
February Settlement	69,915,000	73,345,000	74,276,000	74,555,000	74,836,000
August Delinquent	85,000	274,000	288,000	292,000	293,000
February Delinquent	<u>3,299,000</u>	<u>1,989,000</u>	<u>2,088,000</u>	<u>2,115,000</u>	<u>2,123,000</u>
Total General Property Taxes	\$134,611,000	\$142,806,000	\$147,160,000	\$148,365,000	\$148,922,000

Property tax levies are estimated to be collected at 98.5% of the annual amount and 1.5% delinquency factor, in line with historical averages (2024 delinquency rose closer to 3%, which was collected in February 2025). Historically, 53% of the Residential/Agricultural and Commercial/Industrial property taxes are collected in the February tax settlement and 47% collected in the August tax settlement, but first half 2025 only showed 51% collected. The last increment of the 2022 levy goes into effect with collection year 2026 (fiscal year 2027) leading to flattening revenues beyond that point.

Estimated Tangible Personal Property Tax (Line #1.020)

	FY25	FY26	FY27	FY28	FY29
Public Utility Pers. Property	\$7,828,000	\$7,790,000	\$8,143,000	\$8,224,000	\$8,307,000

The phase out of TPP taxes began in FY06 with HB66 that was adopted in June 2005. The amount remaining on Line #1.020 is tax revenue from public utilities' (telephone, electric, and gas) tangible property. Public utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the County Auditor, although the past two years had larger payments in February compared to August. We project values to grow 1% annually.

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

Source	FY25	FY26	FY27	FY28	FY29
Basic Foundation Aid	\$19,003,000	\$19,003,000	\$19,003,000	\$19,003,000	\$19,003,000
Additional Aid Items	<u>\$1,904,000</u>	<u>\$1,904,000</u>	<u>\$1,904,000</u>	<u>\$1,904,000</u>	<u>\$1,904,000</u>
Basic Aid-Subtotal	\$20,907,000	\$20,907,000	\$20,907,000	\$20,907,000	\$20,907,000
Ohio Casino Commission ODT	<u>\$716,000</u>	<u>\$721,000</u>	<u>\$726,000</u>	<u>\$731,000</u>	<u>\$737,000</u>
Total Unrestricted State Aid	\$21,623,000	\$21,628,000	\$21,633,000	\$21,638,000	\$21,644,000

A) Basic Foundation Aid

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

The Governor's proposed state budget for 2026 and 2027 also continues to phase in the last two sixths of the current formula, but only updates portions of the formula, leading to a reduction of over \$2 million annually for our District. The House amended the proposal to flat line state revenue for the next two years but abandons the existing formula, and that version is included in these projections but likely will change, better or worse, when the final budget bill is adopted this June.

B) Additional Aid Items

Additional Aid items include special education funding for transportation and preschool and we project slightly higher amounts as indicated in the proposed state budget. We are assuming these funds continue throughout the life of the forecast.

C) Casino Revenue

Thirty-three percent (33%) of the gross casino revenue is collected as a tax, and 34% of the 33% GCR is paid into a student fund, distributed to school districts in January and August each year based on enrollment.

Actual casino revenue for FY25 generated \$67.47 per pupil, which equated to \$716,000 for our District. We expect levels to grow slightly each year.

Restricted Grants-in-Aid (Line #1.040)

Source	FY25	FY26	FY27	FY28	FY29
Student Wellness and Success	\$726,000	\$726,000	\$726,000	\$726,000	\$726,000
Disadvantaged Pupil Aid	323,000	323,000	323,000	323,000	323,000
English Learners	215,000	215,000	215,000	215,000	215,000
Gifted	415,000	415,000	415,000	415,000	415,000
Career Tech	184,000	184,000	184,000	184,000	184,000
Medicaid/Threshold/Other	<u>1,848,000</u>	<u>1,492,000</u>	<u>1,298,000</u>	<u>1,298,000</u>	<u>1,298,000</u>
Total Restricted State Aid	\$3,711,000	\$3,355,000	\$3,161,000	\$3,161,000	\$3,161,000

The current school funding formula provides several categorical funding components, required to be accounted for as restricted revenue used for specific purposes. We project these amounts to continue, based on the current proposed state budget, but at lower amounts due to reasons mentioned earlier.

The District also participates in the Medicaid in Schools Program in which we bill the state for eligible reimbursable services, which is projected at \$765,000 each year. Threshold Aid includes state reimbursement for those special education costs that exceed an unusually large, state determined amount and we expect \$433,000 each year based on historical levels. This line also a one-time \$750,000 (\$550,000 in FY25 and \$200,000 in FY26) for teacher professional development surrounding new science of reading methodology for literacy instruction, which is why the line decreases in FY27 and beyond.

State Share of Local Property Taxes (Line #1.050)

Source	FY25	FY26	FY27	FY28	FY29
Rollback and Homestead	\$10,491,000	\$10,402,000	\$10,394,000	\$10,386,000	\$10,379,000

Rollback funds are reimbursements paid to the district from the state for tax credits given to owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013. Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. Projections assume current property taxation laws continue, but several bills related to property tax changes have been introduced that could impact this line.

Other Local Revenues (Line #1.060)

Source	FY25	FY26	FY27	FY28	FY29
Interest	\$7,700,000	\$5,500,000	\$4,000,000	\$4,000,000	\$4,000,000
Participation Fees	150,000	150,000	150,000	150,000	150,000
Tuition, Charges, Other Fees	500,000	500,000	500,000	500,000	500,000
Other	<u>1,400,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Total Other Local Revenues	\$9,750,000	\$6,650,000	\$5,150,000	\$5,150,000	\$5,150,000

Interest income is generated on investments and will fluctuate based on market rates and cash balance (current overnight yield is 4.49% compared to 5.16% in November 2024). We assume a continued decrease in rates over the next 3 to 5 years but the federal reserve has been slower to reduce rates than most people thought, so revenue in the short term is higher than previously projected. Participation fees are charged to students for participating in extracurricular sports teams and activity clubs, and participation rates are expected to remain consistent. The fees are split between the general fund and the activity fund and are used to fund coaches and advisors. Tuition and Charges include tuition for open-enrolled students of non-resident staff members, non-resident court placed students, special education excess cost payments, summer school, and transportation field

trip charges to outside entities. Consumable instructional fees were eliminated at the beginning of FY25. We project the rest to remain consistent. Other revenue includes \$600,000 ERATE reimbursement related to technology equipment purchases, and annually includes approximately \$250,000 of compensation payments from the City of Worthington related to tax abatement agreements.

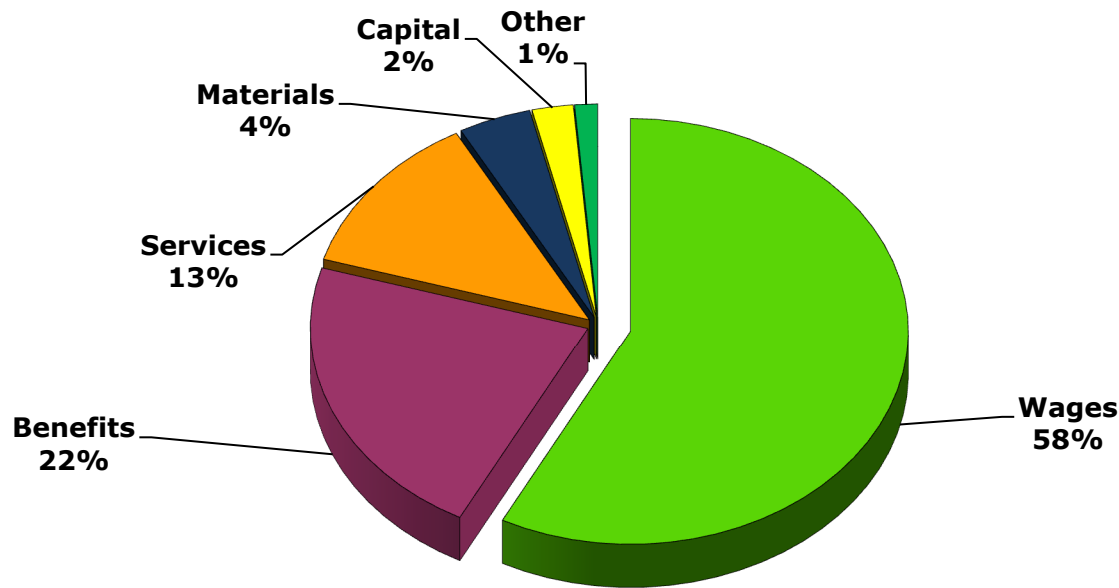
Other Financing Sources (Line #2.050 & Line #2.060)

Source	FY25	FY26	FY27	FY28	FY29
Advance Returns	\$128,000	\$100,000	\$100,000	\$100,000	\$100,000
Refunds/Sale of Assets	\$3,000	\$2,000	\$2,000	\$2,000	\$2,000

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

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General Fund Operating Expenditures FY25 \$182,549,000



Personal Services (Wages) (Line #3.010)

Source	FY25	FY26	FY27	FY28	FY29
Base Wages	\$98,700,000	\$104,670,000	\$111,230,000	\$116,600,000	\$121,800,000
Increases	2,932,000	3,140,000	3,058,000	3,207,000	3,350,000
Steps/Training	3,068,000	2,610,000	2,298,000	2,224,000	2,078,000
New Staff	308,000	440,000	139,000	94,000	97,000
Grant Shortfall/Recapture/ADK	1,092,000	1,200,000	275,000	75,000	75,000
Severance	0	0	0	0	0
Retirements	(900,000)	(660,000)	(400,000)	(400,000)	(400,000)
Total Wages Line 3.010	\$105,200,000	\$111,400,000	\$116,600,000	\$121,800,000	\$127,000,000

Projections include annual base wage increases of 3.25%, 3.05%, and 3.00% in FY24, FY25, and FY26, respectively, per the latest contract (estimated 2.75% thereafter) as well as annual step increases for experience and educational attainment. In response to updated enrollment projections showing flat enrollment, we reduced the number of additional staff projected over the next four years to 12 (compared to 27 in the previous forecast) and that includes 4 teachers in FY26 for all day kindergarten expansion and then 1 teacher and 1 support staff each year if ratios in our special education units require them. Grant recapture includes the expiration of federal stimulus funds (ESSER/ARP) starting in FY25 as well as the cost of universal all-day K beginning in FY26. The retirements line projects savings from retirees that are typically replaced with entry year teachers at a significantly lower cost. We are projecting 12 at the end of FY25 and 8 each year thereafter. Severances are projected at \$700,000 annually but have been moved to the transfers out line (5.01).

Employees' Retirement & Insurance Benefits (Line #3.020)

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

Source	FY25	FY26	FY27	FY28	FY29
STRS/SERS	\$16,176,000	\$17,158,000	\$17,915,000	\$18,673,000	\$19,432,000
Insurances	21,836,000	23,603,000	25,377,000	27,290,000	29,353,000
Workers Comp/Unemployment	373,000	395,000	413,000	431,000	450,000
Medicare	1,578,000	1,693,000	1,804,000	1,916,000	1,996,000
Other/Tuition	160,000	160,000	160,000	160,000	160,000
Total Benefits	\$40,123,000	\$43,009,000	\$45,669,000	\$48,470,000	\$51,391,000

STRS/SERS Retirement Contributions

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

Insurances

The district is self-insured for employee medical insurance, which allows the administration to manage the program in the most optimal manner. Savings from a switch in carriers allowed the District to keep premiums level in 2023 and 2024, well below industry averages. Premiums increased 6% for 2025 and we project 8% in future years, in line with industry trend. Caps on the board's exposure to future rate increases are included in employee negotiated agreements.

Workers Compensation & Unemployment Compensation

The District is self-insured for workers compensation insurance, and the premium rate charged is 0.35% of covered payroll and is not expected to change. Historically, unemployment charges are minimal. The district is a direct reimbursement employer which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

Medicare

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

Other/Tuition

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

Purchased Services (Line #3.030)

Source	FY25	FY26	FY27	FY28	FY29
Consulting/Legal	\$3,569,000	\$3,513,000	\$3,568,000	\$3,953,000	\$3,844,000
Maintenance/Property	4,058,000	4,195,000	4,363,000	4,538,000	4,720,000
Contracted Substitutes	3,561,000	3,400,000	3,502,000	3,607,000	3,715,000
Utilities	2,842,000	3,317,000	3,450,000	3,588,000	3,732,000
Tuition to other Entities	5,375,000	5,580,000	5,859,000	6,152,000	6,460,000
Other Purchased Services	<u>3,272,000</u>	<u>3,732,000</u>	<u>3,844,000</u>	<u>3,959,000</u>	<u>4,078,000</u>
Total Purchased Services	\$22,677,000	\$23,737,000	\$24,586,000	\$25,797,000	\$26,549,000

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

Consulting/Legal includes our 11 mental health specialists and 2 behavior consultants provided through the ESC, contracted special education related services (OT/PT/Speech/Interpreters/Attendants), legal services, and other various testing, technology and instructional consulting services. Maintenance and property include leasing of modular units installed at a few of our elementary locations. Utilities include increases related to the recent approval of PUCO for AEP transmission rates and for FY26 the impact of PJM's annual capacity auction which was 933% higher than the prior year. The District has negotiated long term gas and electric contracts in partnership with other districts to help hold down energy costs. Tuition represents programs contracted out and includes \$2.5 million for special education placements and \$1.8 million vocational services at the Delaware Area Career Center.

Supplies and Materials (Line #3.040)

Source	FY25	FY26	FY27	FY28	FY29
Supplies	\$7,730,000	\$6,992,000	\$6,391,000	\$6,931,000	\$7,850,000

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

Capital Outlay (Line # 3.050)

Source	FY25	FY26	FY27	FY28	FY29
Equipment/Bldg. Improvements	\$3,204,000	\$2,576,000	\$593,000	\$611,000	\$629,000
Technology	<u>1,182,000</u>	<u>1,212,000</u>	<u>1,212,000</u>	<u>1,212,000</u>	<u>1,212,000</u>
Total Capital Outlay	\$4,386,000	\$3,788,000	\$1,805,000	\$1,823,000	\$1,841,000

An overall inflation rate of 3% annually is being used in this category. Major capital improvements are funded separately through the capital projects fund via passage of a bond issue and a permanent improvement levy in 2022. Funding for roof, window, and parking repairs to the administrative office are included in FY25 and FY26 at a total cost of \$3.9 million. Technology includes replacement of student Chrome books and PCs on a four-year cycle (FY22-FY24 replacements were funded with ESSER/ARP dollars).

Other Objects (Line #4.300)

Source	FY25	FY26	FY27	FY28	FY29
County Tax Collection Fees	\$1,902,000	\$2,279,000	\$2,340,000	\$2,359,000	\$2,368,000
County ESC	70,000	72,000	74,000	76,000	78,000
Other	<u>461,000</u>	<u>319,000</u>	<u>332,000</u>	<u>345,000</u>	<u>359,000</u>
Total Other Expenses	\$2,433,000	\$2,670,000	\$2,746,000	\$2,780,000	\$2,805,000

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit, bank fees, and other miscellaneous expenses. County auditor and treasurer fees correlate directly with property tax collections and are expected to increase as tax collections increase. We received a refund of \$0.3 million in collection fees in FY25 that is not assumed in future years.

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

Source	FY25	FY26	FY27	FY28	FY29
Transfers Out (#5.010)	\$3,083,000	\$927,000	\$470,000	\$470,000	\$470,000
Advances Out (#5.020)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total Other Financing Uses	\$3,183,000	\$1,027,000	\$570,000	\$570,000	\$570,000

Advances out cover short term loans from the General Fund to other funds at year end until grant reimbursements can repay the General Fund. Transfers out cover payments on energy conservation debt, which is paid via operational savings from decreased utility costs, as well as transfers to our food service fund to cover deficit student lunch balances and to the Termination Benefits Fund to cover severance payments.

Encumbrances (Line#8.010)

	FY25	FY26	FY27	FY28	FY29
Estimated Encumbrances	\$7,058,692	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered. They are expected to remain consistent from year to year except for FY24 and FY25 are higher as summer WEC work carries across fiscal year end.

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

	FY25	FY26	FY27	FY28	FY29
Unencumbered Cash Balance	\$129,203,223	\$131,371,915	\$128,747,915	\$117,602,915	\$97,261,915
Contingency Reserve	<u>(30,431,000)</u>	<u>(31,939,000)</u>	<u>(32,973,000)</u>	<u>(34,607,000)</u>	<u>(36,247,000)</u>
Unreserved Fund Balance	\$98,772,223	\$99,432,915	\$95,774,915	\$82,995,915	\$61,014,915

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

The contingency reserve target balance is outlined in Board Policy 6200 and was established to plan for extraordinary events beyond the control of the District’s normal operations. It represents 60 days of operating expenses.

