

Enclosure F-1
October 13, 2025

**WORTHINGTON CITY SCHOOL DISTRICT-FRANKLIN COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2023, 2024 and 2025 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2026 THROUGH 2029**



**Forecast Provided By
TJ Cusick, CPA – Treasurer
October 13, 2025**

WORTHINGTON CITY SCHOOL DISTRICT

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2023, 2024, 2025
Forecasted Fiscal Years Ending June 30, 2026 through 2029

	Actual				Average Change	Forecasted				Fiscal Year 2030
	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)	\$ 129,631,185	\$ 130,336,167	\$ 134,611,409	1.9%	\$ 140,877,000	\$ 146,524,000	\$ 148,315,000	\$ 148,872,000	\$ 149,431,000	
1.020 Tangible Personal Property	6,966,244	7,873,344	7,828,027	6.2%	\$ 8,334,000	\$ 8,446,000	\$ 8,530,000	\$ 8,616,000	\$ 8,702,000	
1.035 Unrestricted State Grants-in-Aid	18,887,902	23,375,073	21,564,594	8.0%	\$ 21,066,000	\$ 21,274,000	\$ 21,280,000	\$ 21,285,000	\$ 21,291,000	
1.040 Restricted State Grants-in-Aid	2,933,942	3,558,951	3,970,852	16.4%	\$ 2,755,000	\$ 2,440,000	\$ 2,440,000	\$ 2,440,000	\$ 2,440,000	
1.050 State Reimbursement for Property Tax Credits	10,108,476	10,275,046	10,490,603	1.9%	\$ 10,556,000	\$ 10,556,000	\$ 10,548,000	\$ 10,540,000	\$ 10,532,000	
1.060 All Other Revenues	4,744,232	9,459,987	10,157,504	53.4%	\$ 7,960,000	\$ 5,360,000	\$ 5,360,000	\$ 5,360,000	\$ 5,360,000	
1.070 Total Revenues	\$ 173,271,981	\$ 184,878,568	\$ 188,622,989	4.4%	\$ 191,548,000	\$ 194,600,000	\$ 196,473,000	\$ 197,113,000	\$ 197,756,000	
Other Financing Sources										
2.050 Advances-In	\$ 11,057,000	\$ 139,000	\$ 128,000	-53.3%	\$ 1,019,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
2.060 All Other Financing Sources	20,520	1,754	3,422	1.8%	\$ 12,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	
2.070 Total Other Financing Sources	\$ 11,077,520	\$ 140,754	\$ 131,422	-52.7%	\$ 1,031,000	\$ 102,000	\$ 102,000	\$ 102,000	\$ 102,000	
2.080 Total Revenues and Other Financing Sources	\$ 184,349,501	\$ 185,019,322	\$ 188,754,411	1.2%	\$ 192,579,000	\$ 194,702,000	\$ 196,575,000	\$ 197,215,000	\$ 197,858,000	
Expenditures										
3.010 Personal Services	\$ 94,177,601	\$ 99,383,469	\$ 113,795,623	10.0%	\$ 100,400,000	\$ 114,800,000	\$ 119,800,000	\$ 125,000,000	\$ 130,100,000	
3.020 Employees' Retirement/Insurance Benefits	36,650,799	38,010,355	42,456,425	7.7%	\$ 40,021,000	\$ 45,380,000	\$ 48,339,000	\$ 51,465,000	\$ 54,753,000	
3.030 Purchased Services	18,163,471	20,436,985	21,753,538	9.5%	\$ 24,546,000	\$ 25,386,000	\$ 26,781,000	\$ 27,582,000	\$ 28,595,000	
3.040 Supplies and Materials	5,718,461	5,963,189	7,582,474	15.7%	7,285,000	6,158,000	6,691,000	7,603,000	7,831,000	
3.050 Capital Outlay	1,936,313	1,328,805	5,462,565	139.9%	605,000	623,000	642,000	661,000	681,000	
4.300 Other Objects	2,030,097	2,138,150	2,410,343	9.0%	\$ 2,639,000	\$ 2,736,000	\$ 2,779,000	\$ 2,804,000	\$ 2,829,000	
4.500 Total Expenditures	\$ 158,676,742	\$ 167,260,953	\$ 193,460,968	10.5%	\$ 175,496,000	\$ 195,083,000	\$ 205,032,000	\$ 215,115,000	\$ 224,789,000	
Other Financing Uses										
5.010 Operating Transfers-Out	\$ 371,667	\$ 13,228,264	\$ 51,096,969	1872.7%	\$ 1,127,000	\$ 570,000	\$ 570,000	\$ 570,000	\$ 570,000	
5.020 Advances-Out	139,000	128,000	1,019,000	344.1%	100,000	100,000	100,000	100,000	100,000	
5.040 Total Other Financing Uses	\$ 510,667	\$ 13,356,264	\$ 52,115,969	1402.8%	\$ 1,227,000	\$ 670,000	\$ 670,000	\$ 670,000	\$ 670,000	
5.050 Total Expenditures and Other Financing Uses	\$ 159,187,409	\$ 180,617,217	\$ 245,576,937	24.7%	\$ 176,723,000	\$ 195,753,000	\$ 205,702,000	\$ 215,785,000	\$ 225,459,000	
6.010 Sources over (under) Expenditures and Other Financing Uses	\$ 25,162,092	\$ 4,402,105	\$ (56,822,526)	-736.7%	\$ 15,856,000	\$ (1,051,000)	\$ (9,127,000)	\$ (18,570,000)	\$ (27,601,000)	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$ 104,284,718	\$ 129,446,810	\$ 133,848,915	13.8%	\$ 77,026,389	\$ 92,882,389	\$ 91,831,389	\$ 82,704,389	\$ 64,134,389	
7.020 Cash Balance June 30	\$ 129,446,810	\$ 133,848,915	\$ 77,026,389	-19.5%	\$ 92,882,389	\$ 91,831,389	\$ 82,704,389	\$ 64,134,389	\$ 36,533,389	
8.010 Estimated Encumbrances June 30	\$ 5,534,556	\$ 7,058,692	\$ 5,937,982	5.8%	\$ 5,938,000	\$ 5,938,000	\$ 5,938,000	\$ 5,938,000	\$ 5,938,000	
15.010 Unreserved Fund Balance June 30	\$ 123,912,254	\$ 126,790,223	\$ 71,088,407	-20.8%	\$ 86,944,389	\$ 85,893,389	\$ 76,766,389	\$ 58,196,389	\$ 30,595,389	
ADM Forecasts										
20.010 Kindergarten - October Count	795	736	707	-5.7%	779	735	708	688	710	
20.015 Grades 1-12 - October Count	9,546	9,630	9,724	0.9%	9,728	9,686	9,719	9,752	9,705	

Worthington City School District - Franklin County
Notes to the Financial Forecast
General Fund Only
October 13, 2025

Introduction to the Forecast

All school districts in Ohio are required to file a financial forecast for the General Fund twice annually in August (October for 2025 only) and February. The forecast includes three prior years of actual revenues and expenditures, the current year budgeted amounts, and three additional years of projected revenues and expenditures. Fiscal year 2026 (July 1, 2025-June 30, 2026) is the first year of the forecast and is considered the baseline year.

Executive Summary: Changes to Revenues, Expenditures, and Fund Balance from the Prior Forecast

We have made adjustments to revenue projections resulting in a total decrease of \$1.5 million (<1%) over the five-year period FY25 – FY29 compared to the prior forecast. Property tax revenue projections decreased in the current year and next year due to higher-than-expected refunds of commercial property taxes as a result of challenges to valuations post 2023 reappraisal. The impact of refunds should smooth out in future years due to HB920. State revenue projections decreased \$1 million annually as a result of the final state budget bill passed in June (HB96) which continued the existing school funding formula but did not update the inputs for inflation, resulting in lower revenue to the District. Projections of other revenues increased \$3.3 million, with \$0.9 million related to repayment of an advance from the prior year and \$1.1 million increase in projected interest income during the near term as the Federal Reserve hasn't reduced interest rates as quickly anticipated.

We have made adjustments to expenditure projections resulting in an increase of \$36.6 million (3%) over the same five-year period compared to the prior forecast. \$48 million of that increase was due to a one-time transfer to the capital projects reserve fund at the end of FY25. If we back out the impact of that transfer, total expenditures actually decreased \$11.4 million over the five years. Wage expense has been reduced \$8.2 million over the five years due to higher-than-expected retirements but also non-retirement related turnover of staff. Benefits expense was also decreased \$1 million over that time due to lower retirement contributions from lower wage projections. Projections of other expenses decreased \$3.5 million primarily the result of moving \$1.5 million of annual capital expenses into the newly created Capital Reserve Fund that the \$48 million was transferred into. We also increased tuition \$1 million annually for higher tuition costs related to students placed into specialized out-of-district programs.

These changes to revenue and expenditure assumptions result in a decrease of projected cash balance at June 30, 2029 from \$102.2 million in the May, 2025 forecast to \$64.1 million in this forecast (\$38.1 million decrease). Again, the decrease is almost entirely related to a \$48 million transfer to the Capital Projects Reserve Fund, and when we eliminate the impact of the transfer along with the reduction in related capital outlay expenses of \$7.5 million also moved to that fund, our balance would have increased \$2.3 million at the end of five years.

The following chart summarizes this forecast:

	Actual FY25	Budgeted FY26	Projected FY27	Projected FY28	Projected FY29	Projected FY30
Revenues	188,754,411	192,579,000	194,702,000	196,575,000	197,215,000	197,858,000
Expenditures	245,576,937	176,723,000	195,753,000	205,702,000	215,785,000	225,459,000
Change in Fund Balance	(56,822,526)	15,856,000	(1,051,000)	(9,127,000)	(18,570,000)	(27,601,000)
Beginning Cash Balance	133,848,915	77,026,389	92,882,389	91,831,389	82,704,389	64,134,389
Ending Cash Balance	77,026,389	92,882,389	91,831,389	82,704,389	64,134,389	36,533,389
Encumbrances Outstanding	(5,937,982)	(5,938,000)	(5,938,000)	(5,938,000)	(5,938,000)	(5,938,000)
Unreserved Fund Balance	71,088,407	86,944,389	85,893,389	76,766,389	58,196,389	30,595,389
BOE Minimum Balance	32,250,000	29,255,000	32,520,000	34,179,000	35,860,000	37,472,000

Forecast Risks and Uncertainty

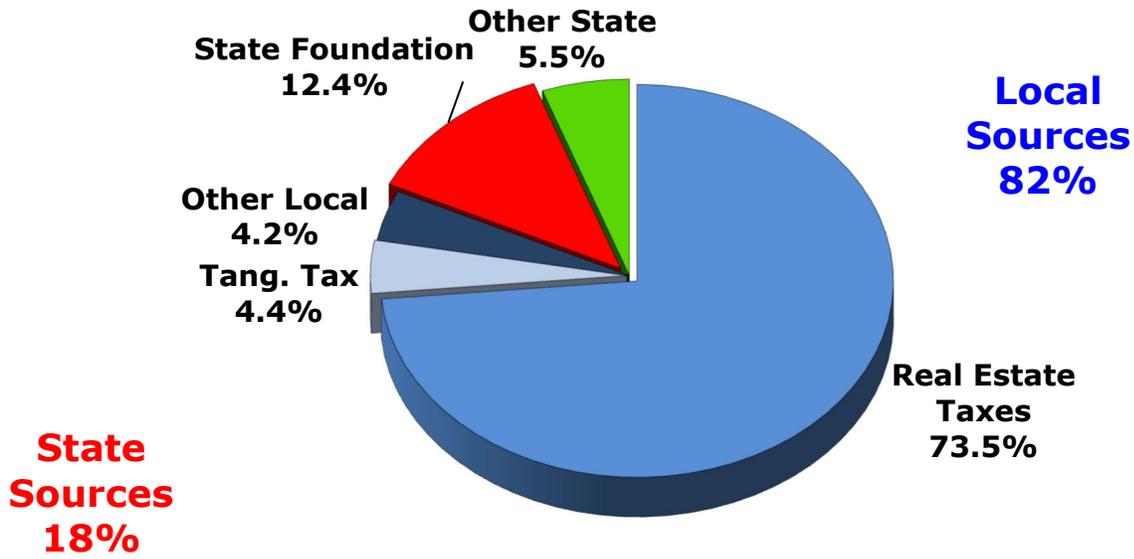
We have estimated revenues and expenses based on the best data available to us at the time of this forecast. Any financial forecast has inherent risks and uncertainty, especially in later years. The items below give a short description of significant current issues, risks, and uncertainty:

- **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. The General Assembly has introduced several bills targeting changes to various components of Ohio’s property tax system, and included several changes in the latest state budget bill that were ultimately vetoed by the Governor. Some of these target the 20-mill floor, which wouldn’t impact the District, but others include capping annual increases, eliminating inside mills, and creating credits which could impact revenue depending on how the credits are structured and paid for. This forecast assumes current law regarding property taxation. Furthermore, the County Board of Revisions is behind in hearing owner valuation disputes from tax year 2023. While we have accounted for a level of refunds that we feel is adequate, there is risk valuations could be revised lower than expected, decreasing future revenues.
- **Future Biennial Budgets, State Funding and Vouchers** – Ohio passed its operating budget (HB96) for fiscal years 2026 & 2027. The bill maintained the existing funding formula but by using higher property values without using updated, higher cost inputs, an overall reduction occurred in the state’s share of funding toward public education. The state budget also included supplemental funding in the form of performance, enrollment growth, and basic funding amounting to approximately \$1 million so the net decrease in state funding is \$1 million. There is a possibility the District will meet the enrollment growth target in FY27, generating an additional \$2.5 million that is not currently forecast. How future state budgets will impact our funding is unknown, so we assume flat funding. Continued expansion of school choice vouchers lessens the total dollars available to support public schools.
- **Enrollment** – Our latest enrollment study projected stable to decreasing enrollment over the next decade, and this forecast assumes very little additional staff in response. However, our 25-26 Kindergarten class was higher than that study projected. Should enrollment increase substantially in future classes, additional staff beyond the forecasted levels might be necessary.
- **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.
- **Employee Health Insurance** –As more multimillion-dollar gene therapy and other drugs hit the market, health insurance costs are going to face strong headwinds. The District is not immune to large increases in health insurance premiums that every employer faces.
- **Artificial Intelligence** – Eventually the use of artificial intelligence will likely impact staffing levels, costs, and student achievement in ways not currently projected in this forecast.

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 2026
\$191,548,000**



Estimated Assessed Property Valuations by Collection Year

Classification	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2024 COLLECT 2025	TAX YEAR 2025 COLLECT 2026	TAX YEAR 2026 COLLECT 2027	TAX YEAR 2027 COLLECT 2028	TAX YEAR 2028 COLLECT 2029
Res./Ag.	\$2,572,610,280	\$2,580,328,111	\$2,846,101,906	\$2,854,640,212	\$2,863,204,133
Comm./Ind.	\$581,639,630	\$581,547,828	\$625,163,915	\$628,289,735	\$631,431,184
Public Utility (PUPP)	\$72,310,162	\$75,750,164	\$76,507,666	\$77,272,743	\$78,045,470
Total Assessed Value	\$3,226,560,072	\$3,237,626,103	\$3,547,773,488	\$3,560,202,690	\$3,572,680,786

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:

	FY26	FY27	FY28	FY29
August Settlement	\$64,445,000	\$69,073,000	\$69,948,000	\$70,211,000
February Settlement	74,232,000	75,081,000	75,966,000	76,251,000
August Delinquent	284,000	287,000	291,000	292,000
February Delinquent	<u>1,916,000</u>	<u>2,083,000</u>	<u>2,110,000</u>	<u>2,118,000</u>
Total General Property Taxes	\$140,877,000	\$146,524,000	\$148,315,000	\$148,872,000

Property tax levies are estimated to be collected at 98.5% (1.5% delinquency factor), in line with historical averages, with 53% of the annual total collected in February and 47% collected in August. The last increment of the 2022 levy goes into effect with collection year 2026 (fiscal year 2027) leading to flattening revenues beyond that point. We assume no changes to the property tax code and process, although the legislature has introduced multiple bills that could alter these assumptions.

Estimated Tangible Personal Property Tax (Line #1.020)

	FY26	FY27	FY28	FY29
Public Utility Pers. Property	\$8,334,000	\$8,446,000	\$8,530,000	\$8,616,000

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. We project values to grow 1% annually.

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

Source	FY26	FY27	FY28	FY29
Basic Foundation Aid	\$17,459,000	\$17,662,000	\$17,662,000	\$17,662,000
Additional Aid Items	\$2,873,000	\$2,873,000	\$2,873,000	\$2,873,000
Basic Aid-Subtotal	\$20,332,000	\$20,535,000	\$20,535,000	\$20,535,000
Ohio Casino Commission ODT	\$734,000	\$739,000	\$745,000	\$750,000
Total Unrestricted State Aid	\$21,066,000	\$21,274,000	\$21,280,000	\$21,285,000

A) Basic Foundation Aid

The state budget for 2026 and 2027 continued the final two sixths phase in of the new funding formula for Ohio public school districts enacted in 2022. 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.

However, the state budget did not update the cost inputs of the formula to reflect inflationary increases. By using updated, higher property values but not updated cost inputs, the state share of education dropped, and for our district in particular, we are losing approximately \$2 million in formula funding compared to FY25 and are back on the 2020 guarantee in which no district will get less than it got in 2020.

B) Additional Aid Items

Additional Aid items include \$1.1 million in special education funding for transportation and \$0.9 million for preschool. We are assuming these funds continue throughout the life of the forecast. The recent state budget also includes supplemental funding outside the formula tied to enrollment growth, performance, and base cost, which we project to amount to \$0.9 million annually. The forecast does not include the enrollment growth supplement, which could amount to an additional \$2.5 million in FY27 if enrollment meets 3% growth, which we project to be very close to.

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	FY26	FY27	FY28	FY29
Student Wellness and Success	\$537,000	\$537,000	\$537,000	\$537,000
Disadvantaged Pupil Aid	324,000	365,000	365,000	365,000
English Learners	164,000	128,000	128,000	128,000
Gifted	307,000	225,000	225,000	225,000
Career Tech	129,000	85,000	85,000	85,000
Medicaid/Threshold/Other	<u>1,294,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
Total Restricted State Aid	\$2,755,000	\$2,440,000	\$2,440,000	\$2,440,000

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 but at lower amounts due to reasons mentioned earlier regarding not updating the cost inputs of the funding formula.

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 Reimbursement for Property Tax Credits (Line #1.050)

Source	FY26	FY27	FY28	FY29
Rollback and Homestead	\$10,556,000	\$10,556,000	\$10,548,000	\$10,540,000

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	FY26	FY27	FY28	FY29
Interest	\$6,600,000	\$4,000,000	\$4,000,000	\$4,000,000
Participation Fees	160,000	160,000	160,000	160,000
Tuition, Charges, Other Fees	500,000	500,000	500,000	500,000
Other	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>
Total Other Local Revenues	\$7,960,000	\$5,360,000	\$5,360,000	\$5,360,000

Interest income is generated on investments and will fluctuate based on market rates and cash balance (current overnight yield is 4.29% compared to 4.49% in May 2025). We assume a continued decrease in rates based on the recent cut by the federal reserve and their future projections. 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. Other revenue includes approximately \$500,000 of compensation payments from the City of Worthington and \$100,000 from the City of Columbus related to tax abatement agreements.

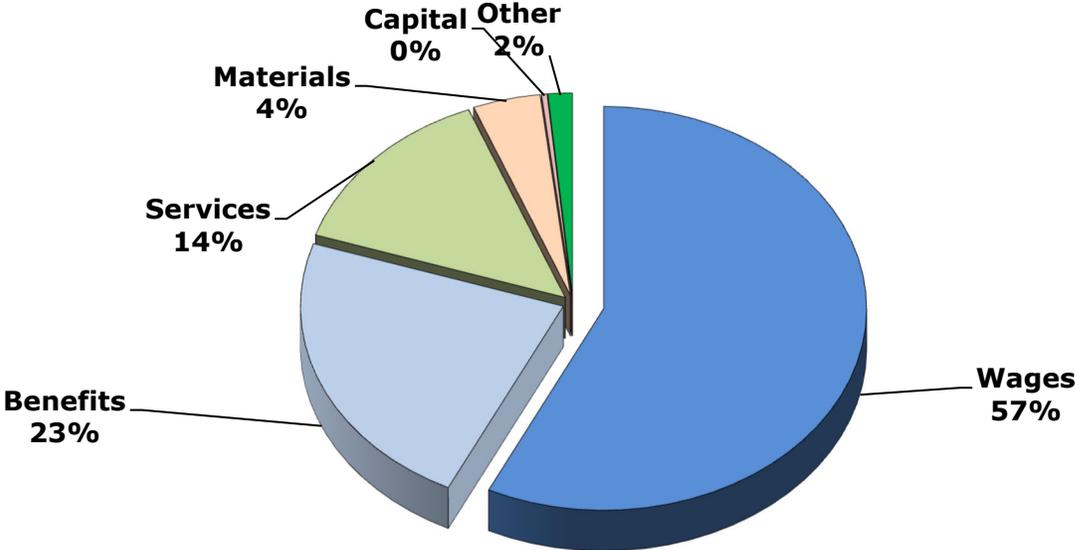
Other Financing Sources (Line #2.050 & Line #2.060)

Source	FY26	FY27	FY28	FY29
Advance Returns	\$1,019,000	\$100,000	\$100,000	\$100,000
Refunds/Sale of Assets	\$12,000	\$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 fluctuate from year to year depending on how quickly the state reimburses the District for grant requests, but they correspond to the Advance Out category of expenses and net to zero.

Space Intentionally Left Blank

General Fund Operating Expenditures FY26 \$175,496,000



Personal Services (Wages) (Line #3.010)

Source	FY26	FY27	FY28	FY29
Base Wages	\$95,066,000	\$109,330,000	\$114,630,000	\$119,802,000
Increases	2,901,000	3,217,000	3,151,000	3,295,000
Steps/Training	2,166,000	2,260,000	2,250,000	2,131,000
New Staff	267,000	118,000	94,000	97,000
Grant Shortfall/ADK	1,200,000	275,000	75,000	75,000
Retirements	(1,200,000)	(400,000)	(400,000)	(400,000)
Total Wages Line 3.010	100,400,000	114,800,000	119,800,000	125,000,000

Projections include annual base wage increases of 3.00% in FY26 per the latest contract (estimated 2.75% thereafter) as well as annual step increases for experience and educational attainment. New staff for FY26 include additional hires to implement universal all-day kindergarten and in FY27 through FY29 only include 1 teacher and 1 support staff each year if ratios in our special education units require them. Grant shortfall/ADK includes the cost of universal all-day K beginning in FY26 as well as possible decreases to federal grant funding that would require those positions to be moved to the General Fund. The retirements line projects savings from 8 retirees each year that are typically replaced with entry year teachers at a significantly lower cost (FY26 includes 16 actual retirees from FY25 as well as 20 additional teachers that left and were replaced).

Note: \$9.1 million of teacher summer wages that normally are paid in July and August were paid in June 2025, which is why it appears like there is a large increase for FY27 but it's because FY26 is \$9.1 million lower due to no July and August wages.

Employees' Retirement & Insurance Benefits (Line #3.020)

This category includes costs associated with retirement contributions, health insurance, taxes and other benefits.

Source	FY26	FY27	FY28	FY29
STRS/SERS	\$15,606,000	\$17,662,000	\$18,391,000	\$19,149,000
Insurances	22,393,000	25,445,000	27,551,000	29,822,000
Workers Comp/Unemployment	356,000	407,000	424,000	443,000
Medicare	1,506,000	1,706,000	1,813,000	1,891,000
Other/Tuition	160,000	160,000	160,000	160,000
Total Benefits	\$40,021,000	\$45,380,000	\$48,339,000	\$51,465,000

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 will increase 8% in 2026 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, but multimillion dollar drugs continue to hit the market and costs could be higher than what is projected.

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	FY26	FY27	FY28	FY29
Consulting/Legal	\$3,664,000	\$3,674,000	\$4,062,000	\$3,956,000
Maintenance/Property	4,023,000	4,184,000	4,493,000	4,673,000
Contracted Substitutes	3,400,000	3,502,000	3,607,000	3,715,000
Utilities	3,235,000	3,364,000	3,499,000	3,639,000
Tuition to other Entities	6,587,000	6,916,000	7,262,000	7,625,000
Other Purchased Services	<u>3,637,000</u>	<u>3,746,000</u>	<u>3,858,000</u>	<u>3,974,000</u>
Total Purchased Services	\$24,546,000	\$25,386,000	\$26,781,000	\$27,582,000

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 \$1.8 million vocational services at the Delaware Area Career Center and \$4 million for special education placements, an increase of \$1.5 million from the prior year as providers continue to increase costs.

Supplies and Materials (Line #3.040)

Source	FY26	FY27	FY28	FY29
Supplies	\$7,285,000	\$6,158,000	\$6,691,000	\$7,603,000

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.

Capital Outlay (Line # 3.050)

Source	FY26	FY27	FY28	FY29
Equipment/Bldg. Improvements	\$605,000	\$623,000	\$642,000	\$661,000
Technology	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Outlay	\$605,000	\$623,000	\$642,000	\$661,000

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. At the end of FY25 the District established a Capital Projects Reserve Fund, separate from this General Fund, and transferred \$48 million into it from the General Fund. This is why the technology line is now \$0 because student technology, previously funded via the General Fund, will now be funded through that new Capital Projects Reserve Fund, and the only remaining capital outlay is discretionary building equipment.

Other Objects (Line #4.300)

Source	FY26	FY27	FY28	FY29
County Tax Collection Fees	\$2,248,000	\$2,330,000	\$2,358,000	\$2,367,000
County ESC	72,000	74,000	76,000	78,000
Other	<u>319,000</u>	<u>332,000</u>	<u>345,000</u>	<u>359,000</u>
Total Other Expenses	\$2,639,000	\$2,736,000	\$2,779,000	\$2,804,000

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, although possible.

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

Source	FY26	FY27	FY28	FY29
Transfers Out (#5.010)	\$1,127,000	\$570,000	\$570,000	\$570,000
Advances Out (#5.020)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total Other Financing Uses	\$1,227,000	\$670,000	\$670,000	\$670,000

Advances out cover short term loans from the General Fund to other funds at year end until grant reimbursements can repay the General Fund, and fluctuate year to year based on timing. 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 (\$900,000 in FY26 and \$500,000 thereafter based on estimated retirements)

Encumbrances (Line#8.010)

	FY26	FY27	FY28	FY29
Estimated Encumbrances	\$5,938,000	\$5,938,000	\$5,938,000	\$5,938,000

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.

Unencumbered Fund Balance and Targeted Minimum Reserve Balance

	FY26	FY27	FY28	FY29
Unencumbered Fund Balance	\$86,944,389	\$85,893,389	\$76,766,389	\$58,196,389
Minimum Reserve Balance	<u>\$29,255,000</u>	<u>\$32,520,000</u>	<u>\$34,179,000</u>	<u>\$35,860,000</u>
Over (Under) Minimum	\$57,689,389	\$53,373,389	\$42,587,389	\$22,336,389

The unencumbered fund 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 fund 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 minimum 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. As the chart illustrates, as revenues flatten out with collection of the final increment of the incremental levy approved in 2022, the fund balance begins to deteriorate quickly and the District will need to explore requesting additional resources from the community or reducing costs and programs.

