



FIVE YEAR FORECAST

Financial Projections
Notes and Assumptions
Fiscal Years 2026-2030

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Finance Committee Review: September 29, 2025
Board Agenda: October 6, 2025





	ACTUAL			BUDGETED	FORECASTED			
	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
REVENUES								
1.01 General Property Tax (Real Estate)	\$23,520,561	\$24,115,908	\$24,079,516	\$24,836,111	\$25,235,130	\$25,501,870	\$25,537,124	\$25,553,198
1.02 Tangible Personal Property Tax	\$1,097,417	\$1,205,678	\$1,366,639	\$1,468,341	\$1,488,471	\$1,509,027	\$1,535,867	\$1,549,284
1.035 Unrestricted State Grants-in-Aid	\$5,072,324	\$6,240,133	\$5,920,207	\$5,260,823	\$5,477,809	\$5,401,349	\$5,451,879	\$5,504,887
1.04 Restricted State Grants-in-Aid	\$372,032	\$536,291	\$591,433	\$808,469	\$775,342	\$775,205	\$775,085	\$774,945
1.05 Property Tax Allocation	\$2,399,323	\$2,414,135	\$2,442,468	\$2,456,076	\$2,493,286	\$2,531,878	\$2,532,577	\$2,532,927
1.06 All Other Revenues (Incl. Modular)	\$4,733,044	\$6,046,690	\$9,133,364	\$9,209,806	\$8,355,610	\$8,496,210	\$8,642,756	\$8,906,150
1.07 Total Revenues	\$37,194,701	\$40,558,835	\$43,533,626	\$44,039,626	\$43,825,648	\$44,215,539	\$44,475,288	\$44,821,391
2.06 All Other Financing Sources	\$17,828	\$274,800	\$321,793	\$149,640	\$149,640	\$149,640	\$149,640	\$149,640
2.08 TOTAL ALL REVENUES	\$37,212,529	\$40,833,635	\$43,855,419	\$44,189,266	\$43,975,288	\$44,365,179	\$44,624,928	\$44,971,031
EXPENDITURES								
3.01 Salaries & Wages	\$20,022,137	\$20,249,364	\$20,854,712	\$21,664,239	\$21,966,624	\$22,062,476	\$22,160,879	\$22,321,377
3.02 Employee Retirements/Ins. Benefits	\$8,494,124	\$8,653,734	\$8,689,281	\$9,049,715	\$9,424,832	\$9,777,753	\$10,154,493	\$10,569,353
3.03 Purchased Services	\$8,723,115	\$8,458,140	\$9,684,043	\$10,910,000	\$11,160,930	\$11,417,632	\$11,680,237	\$11,948,883
3.04 Supplies and Materials	\$777,698	\$800,030	\$939,242	\$769,500	\$792,585	\$816,363	\$840,853	\$866,079
3.05 Capital Outlay	\$478,928	\$1,301,330	\$1,117,302	\$800,000	\$836,000	\$873,620	\$912,933	\$954,015
4.05 Debt: HB 264/Modular Lease Principal	\$300,000	\$305,000	\$639,438	\$669,702	\$446,410	\$0	\$0	\$0
4.06 Debt: HB 264/Modular Lease Interest/Exp	\$28,481	\$32,363	\$66,595	\$102,019	\$14,523	\$0	\$0	\$0
4.3 Other Objects	\$405,465	\$554,364	\$496,416	\$546,700	\$560,358	\$574,358	\$588,717	\$603,425
4.5 Total Expenditures	\$39,229,948	\$40,354,325	\$42,487,028	\$44,511,875	\$45,202,263	\$45,522,200	\$46,338,112	\$47,263,131
5.01 Operating Transfers-Out	\$44,050	\$40,289	\$86,874	\$58,050	\$58,050	\$58,050	\$58,050	\$86,574
5.05 TOTAL ALL EXPENDITURES	\$39,273,998	\$40,394,613	\$42,573,902	\$44,569,925	\$45,260,313	\$45,580,250	\$46,396,162	\$47,349,705
Excess of All Revenue Sources Over/Under								
6.01 All Expenditures	(\$2,061,469)	\$439,022	\$1,281,517	(\$380,659)	(\$1,285,025)	(\$1,215,071)	(\$1,771,234)	(\$2,378,674)
Cash Balance July 1 - Excluding Proposed								
7.01 Renewal/Replacement and New Levies	\$8,779,969	\$6,718,503	\$7,157,525	\$8,439,041	\$8,058,382	\$6,773,357	\$5,558,286	\$3,787,052
7.02 Cash Balance June 30	\$6,718,503	\$7,157,525	\$8,439,041	\$8,058,382	\$6,773,357	\$5,558,286	\$3,787,052	\$1,408,378
8.01 Estimated Encumbrances June 30	\$741,046	\$964,873	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Fund Balance June 30 for Certification of								
10.01 Appropriation	\$5,977,457	\$6,192,652	\$7,939,041	\$7,558,382	\$6,273,357	\$5,058,286	\$3,287,052	\$908,378
Contracts, Salary Schedules and								
12.01 Obligations	\$5,977,457	\$6,192,652	\$7,939,041	\$7,558,382	\$6,273,357	\$5,058,286	\$3,287,052	\$908,378
15.01 Unreserved Fund Balance June 30	\$5,977,457	\$6,192,652	\$7,939,041	\$7,558,382	\$6,273,357	\$5,058,286	\$3,287,052	\$908,378
Cash Carryover %				17	14	11	7	2
Days Operating Cash				62	50.7	40.6	25.9	7

Vandalia-Butler City School District (VBCSD) serves approximately 3,000 students, enrolled in Preschool through 12th grade. The district is comprised primarily of the City of Vandalia and Butler Township. The District operates five school buildings, one administrative building, and leases space in another building (First Light Church). The mission of VBCSD is empowering students to be Aviators for life with capabilities, resiliency, and resources wherever they soar!

Ohio Public School Districts are required to submit a Financial Forecast twice per year, October and February for Fiscal Year 2026, presenting the expected revenues, expenses, and operating balances of the District's General Fund. The primary focus of the forecast are:

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

FY23 – FY25 VBCSD Fiscal Background Information

Based on forecast projections from VBCSD in November 2022, the District went through budget reductions to avoid being placed in the Fiscal Oversight process. In February of 2023, a "Fiscal Oversight Written Plan" was submitted.

VBCSD failed 2 levies in previous years included in this forecast. First, a 1% earned income tax in May 2023, followed by failed a 4.0 mill (estimated) five-year emergency levy in November 2023. Following failed levy attempts, the District reconfigured buildings for students in PreK - 5th grade. Board approved Budget reductions of \$3.2 million, as well as a lawsuit settlement with the City of Vandalia, leading to \$4.35 million in revenue spread through FY24-FY26, led to a balanced budget and the avoidance of Fiscal Oversight.

FY26-FY30 VBCSD Background Information

Many factors related to revenue in this forecast are very difficult to project accurately. FY26 and FY27 project significant drops in State support, based on the current biennium budget. With no school funding formula approved beyond those years, as well as expected turnover in the Governor's office, it is very difficult to project State share revenues in FY28-FY30. The change in state law, moving the forecast from November to October presents challenges as well. As of the filing of the forecast, all State share funding is based on projections from the previous year. Final State share enrollment numbers will not be included until the end of October (after the October 15 filing deadline). Additionally, the previous November filing deadline allowed for much more accurate salaries and wages projections. The October filing deadline requires the District to forecast this expenditure based on just 2 pay periods, instead of the 5 under the previous forecasting deadline. Locally, the District has seen a large increase in the revenue category, All Other Operating Revenues. New revenue streams with the City of Vandalia, P & G, and Amazon, as well as continued commercial development, results in little "trend data" to project from due to the rapidly changing variables.

Challenges forecasting expenditures throughout the forecast are mostly related to salaries and wages and purchased services. VBCSD has a negotiated agreement in place with the Vandalia-Butler Educators Association for FY26 and FY 27. Due to this, expenditures forecasted in FY28 – FY30 for Salaries and Wages reflect a 1.5% increase, reflecting step increases and column changes only. Purchased services, especially in the areas of special education and energy, continue to rise at historic rates, making accurate forecasting difficult.

Revenues Assumptions

Forecasted revenues are based on projections and current information provided by the Ohio Department of Education and Workforce, Ohio Department of Taxation, and Montgomery County Auditor's Office.

1.01 General Property Tax (Real Estate)

General property tax collections are based on the effective tax rate and the valuation of the properties located within the school District. General property tax collections represent 55% of the total forecasted revenue for the District in FY26. After property value reappraisals by the Montgomery County Auditor saw an average 34.2% increase in property values, this has led to an incremental increase in property tax collections for the District. A reduction in FY25 represents a refund of a late filing approved tax-exempt property. Forecasted totals represent historical trends along with the reappraisal of Montgomery County property valuations.

1.02 Tangible Person Property Tax

Tangible Personal Property Tax is collected on public utility property located within the district. This category produces 3% of the total revenues for the District forecasted in FY26. FY26 through FY30 totals are based on historic amounts, trends, and collection rates.

1.035 Unrestricted Grants in Aid (State Foundation Funding)

Unrestricted Grants in Aide (State Funding) amounts are determined by the State of Ohio biennium budget approved by the State Legislature and make up 12% of the total forecasted revenue for the District. The current biennium budget impacts FY26 and FY27 of the forecast. Turnover in the Governor's office and the state legislature could lead to significant changes beginning in FY28. Due to the unknown beyond FY 27, years have been mostly flatlined. FY26 is currently being funded on enrollment from FY25 and will be adjusted to actuals beginning with the October #2 settlement.

1.04 Restricted Grants-in-Aid

This revenue is restricted use state funding, targeted as specific student needs. These areas include Disadvantaged Pupil Impact, Career Technical Education, Gifted programming, English Learners, and Student Wellness and Success. ODEW provided simulations for FY26 show the District receiving a large increase in this revenue category. Due to the abnormal increase in FY26 and the uncertainty of future state funding models, future years are forecasted at a more conservative projection.

1.05 State Reimbursement for Property Tax Credits

This category, formerly referred to as State Share of Local Property Taxes (Rollback/Homestead), are comprised of reimbursements to the District from a reduction in property taxes. This category represents 5% of the forecasted revenue for the District in FY26. A 10% reduction in the property taxes paid by the owners is paid by the state to the District. If the property owner occupies the property, then an additional 2.5% reduction in the property tax is given to the property owner and is paid by the state to the District. The forecasted amounts are based on historical trends and collection rates.

1.06 All Other Operating Revenue

All other operating revenue includes PILOT payments, other one-time refunds, reimbursements and advances-in (or being returned). This revenue represents 23% of the total expected FY26 revenue for the District. Most of this money comes from PILOT, TIF, and CRA agreements pertaining to development inside the geographic boundaries of the school district. FY25 and FY26 reflect payments from the City of Vandalia of \$1.25 million due to a settlement agreement related to a lawsuit. FY27 and beyond this amount is reduced from the forecasted collection. A new revenue sharing agreement with the City of Vandalia, effective FY25, will increase revenue in this category moving forward. FY25 included a \$1.35 million dollar “true-up” from an agreement in place with P & G and is not included in future years.

2.04 Operating Transfers-In

FY25 saw the District close dormant student activity accounts, resulting in the FY25 actual total. The District does not anticipate any further operating Transfers-In.

2.06 All Other Financing Revenue

This category represents revenues from tuition, fees, earnings on investments, and rentals. FY25 was inflated by an outlier Medicaid reimbursement. Because of this, FY26 budget and future years have been forecasted at a more conservative total.

Expenditure Assumptions

The Board of Education, administration, and staff are committed to providing a first-class experience for VBCSD students, while remaining fiscally responsible. The following represents an overview of expected expenditures of the District for the forecasted years.

3.01 Personnel Services

Personnel services represent salaries and wages paid to VBCSD employees. This category also reflects severance payments made to retiring employees. The majority of the forecasted numbers are derived from the negotiated agreement between VBCSD and the Vandalia-Butler Educators Association (VBEA). FY26 represents a 3% base increase and FY27 represents a 2.5% base increase, both in accordance with the negotiated agreement between the District and VBEA. Currently there is no agreement in place for FY28 and beyond between the District and VBEA, resulting in forecasted totals representing 1.5% increases for “steps” and column changes, but no base increase is reflected. The District anticipates higher than average retirements through the life of the forecast, which has been factored into the total amounts forecasted.

3.02 Retirement and Insurance Benefits

This expenditure line represents fringe benefits paid by the Board of Education. Examples include employee retirement systems, medical, dental, and life insurance, Medicare, and workers compensation. Retirement cost and Medicare increases are in direct correlation with salary and wage changes. This budget and forecasted years continue to include the Board “pick up” of an additional 3% of the employee contribution, in accordance with the negotiated agreement. The District is a member of the Southwestern Education

Purchasing Council (EPC) insurance consortium as well as obtaining brokerage services from McGohan-Brabender. 7% increases to insurance rates have been forecasted for all impacted years.

3.03 Purchased Services

Purchased services include items such as utilities (gas, electric, water, sewer, waste), equipment repairs, liability, property and fleet insurance, postage, College Credit Plus tuition, Transportation services with Community Bus, and Special Education Services from Montgomery and Miami County Educational Service Centers, and other tuition and contracted services. A new partnership with Chance Light is reflected, beginning in FY26. The rapidly increasing cost of purchased services is an area of concern for the district moving forward.

3.04 Supplies & Materials

This category represents expenditures related to general supplies and materials for offices and classrooms, maintenance and custodial supplies, and fuel. FY25 expenditures were much higher than FY26 budgeted amounts due to costs associated with reconfiguration. Projected expenditure increases beginning in FY27 are due to inflation.

3.05 Capital Outlay

Capital outlay includes all new and replacement equipment for the District that have a life expectancy of five years or more. Cost related to Capital Outlay are a concern for the District moving forward due to the age of Helke, Demmitt, and Smith buildings.

4.01 Principal (Modular Lease)

Expenditures in this category represent bi-annual payments for the 3rd grade modular units at Smith Intermediate School. FY27 will see a reduced expenditures, which includes the final payment for the units. FY28-FY30 are reduced to \$0 due to the units being paid off.

4.06 Interest and Fiscal Charges

This category reflects interest payments related to the modular units at Smith Intermediate School. Investment returns on the modular lease program have covered nearly all the interest and fees related with the purchase.

4.3 Other Objects

The main budget items in this area include Montgomery County Auditor and Treasurer fees for collecting our local property taxes and distributing them to our district, election expenses, bank charges, and the annual financial audit. Inflationary increases have been budgeted for all forecasted years.

5.01 Operating Transfers Out

This line item represents General Fund monies being used to meet other legal expenditures for a fund other than General Fund. Most of these funds are related to eligible students who qualify for fee waivers.

5.05 Total Expenditures & Other Financing Uses

This line represents the total expected expenditures by year. These projections are based on the best information available to management at the time of the filing. All expenditure line items can vary and are subject to economic changes.

Cash Position**6.01 Excess of Revenues Over/(Under) Expenditures**

Due to significant decrease in State share from FY 25 to FY26 (estimated \$460,000), a deficit of less than 1% is budgeted for FY26. Forecasted years of FY27-FY30 show an increasing deficit budgeted each year.

8.01 Estimated Encumbrances June 30

This line item represents outstanding expenditure obligations for services and materials obligated at year end but not yet received or paid for. This line item can vary greatly from year to year.

10.01/15.01 Fund Balances June 30

The balance reflected in these lines represent the overall health of the District's financial position.

Disclosure

Staffing alignment will continue to be reviewed, and reductions will be made through attrition when possible. Changes in student population, state funding, legislation, and evolving economic conditions will lead to changes in forecasted years and require revised budgeting and assumptions. The budget and assumptions represent the information and best estimates available and known at the time of compilation and preparation.