

**WORTHINGTON CITY SCHOOL DISTRICT-FRANKLIN COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2024, 2025 and 2026 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2027 THROUGH 2030**



**Forecast Provided By
TJ Cusick, CPA – Treasurer
August 24, 2026**

WORTHINGTON CITY SCHOOL DISTRICT

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2024, 2025, 2026
Forecasted Fiscal Years Ending June 30, 2027 through 2030

		Actual				Forecasted				
		Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Average Change	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
Revenues										
1.010	General Property Tax (Real Estate)	\$ 130,336,167	\$ 134,611,409	\$ 140,491,764	3.8%	\$145,382,000	\$147,105,000	\$147,652,000	\$148,870,000	\$150,060,000
1.020	Tangible Personal Property	7,873,344	7,828,027	8,239,680	2.3%	\$8,290,000	\$8,373,000	\$8,457,000	\$8,541,000	\$8,627,000
1.035	Unrestricted State Grants-in-Aid	23,375,073	21,564,594	20,920,472	-5.4%	\$24,158,000	\$21,571,000	\$21,577,000	\$21,582,000	\$21,587,000
1.040	Restricted State Grants-in-Aid	3,558,951	3,970,852	3,020,314	-6.2%	\$2,503,000	\$2,479,000	\$2,479,000	\$2,479,000	\$2,479,000
1.050	State Reimbursement for Property Tax Credits	10,275,046	10,490,603	10,765,343	2.4%	\$10,556,000	\$10,548,000	\$10,540,000	\$10,532,000	\$10,524,000
1.060	All Other Revenues	9,459,987	10,157,504	10,418,376	5.0%	\$6,776,000	\$5,876,000	\$5,376,000	\$4,876,000	\$4,876,000
1.070	Total Revenues	\$ 184,878,568	\$ 188,622,989	\$ 193,855,949	2.4%	\$ 197,665,000	\$ 195,952,000	\$ 196,081,000	\$ 196,880,000	\$ 198,153,000
Other Financing Sources										
2.050	Advances-In	\$ 139,000	\$ 128,000	\$ 1,019,000	344.1%	\$ 522,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
2.060	All Other Financing Sources	1,754	3,422	13,285	191.7%	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
2.070	Total Other Financing Sources	\$ 140,754	\$ 131,422	\$ 1,032,285	339.4%	\$ 524,000	\$ 102,000	\$ 102,000	\$ 102,000	\$ 102,000
2.080	Total Revenues and Other Financing Sources	\$ 185,019,322	\$ 188,754,411	\$ 194,888,234	2.6%	\$ 198,189,000	\$ 196,054,000	\$ 196,183,000	\$ 196,982,000	\$ 198,255,000
Expenditures										
3.010	Personal Services	\$ 99,383,469	\$ 113,795,623	\$ 99,131,019	0.8%	\$113,600,000	\$119,500,000	\$125,000,000	\$130,100,000	\$135,400,000
3.020	Employees' Retirement/Insurance Benefits	38,010,355	42,456,425	39,052,296	1.8%	\$45,461,000	\$47,261,000	\$50,437,000	\$53,725,000	\$57,238,000
3.030	Purchased Services	20,436,985	21,753,538	24,313,108	9.1%	\$25,079,000	\$26,419,000	\$27,208,000	\$28,210,000	\$29,581,000
3.040	Supplies and Materials	5,963,189	7,582,474	5,790,520	1.8%	7,762,000	7,080,000	8,587,000	8,412,000	8,664,000
3.050	Capital Outlay	1,328,805	5,462,565	1,184,112	116.4%	576,000	593,000	611,000	629,000	648,000
4.300	Other Objects	2,138,150	2,410,343	2,306,456	4.2%	\$2,696,000	\$2,737,000	\$2,761,000	\$2,795,000	\$2,830,000
4.500	Total Expenditures	\$ 167,260,953	\$ 193,460,968	\$ 171,777,511	2.2%	\$ 195,174,000	\$ 203,590,000	\$ 214,604,000	\$ 223,871,000	\$ 234,361,000
Other Financing Uses										
5.010	Operating Transfers-Out	\$ 13,228,264	\$ 51,096,969	\$ 1,243,657	94.4%	\$670,000	\$670,000	\$670,000	\$670,000	\$670,000
5.020	Advances-Out	128,000	1,019,000	522,000	323.7%	100,000	100,000	100,000	100,000	100,000
5.030	All Other Financing Uses	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
5.040	Total Other Financing Uses	\$ 13,356,264	\$ 52,115,969	\$ 1,765,657	96.8%	\$ 770,000	\$ 770,000	\$ 770,000	\$ 770,000	\$ 770,000
5.050	Total Expenditures and Other Financing Uses	\$ 180,617,217	\$ 245,576,937	\$ 173,543,168	3.3%	\$ 195,944,000	\$ 204,360,000	\$ 215,374,000	\$ 224,641,000	\$ 235,131,000
6.010	Sources over (under) Expenditures and Other Financing Uses	\$ 4,402,105	\$ (56,822,526)	\$ 21,345,066	-764.2%	\$ 2,245,000	\$ (8,306,000)	\$ (19,191,000)	\$ (27,659,000)	\$ (36,876,000)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$ 104,284,718	\$ 133,848,915	\$ 77,026,389	-7.1%	\$ 98,371,455	\$ 100,616,455	\$ 92,310,455	\$ 73,119,455	\$ 45,460,455
7.020	Cash Balance June 30	\$ 133,848,915	\$ 77,026,389	\$ 98,371,455	-7.4%	\$ 100,616,455	\$ 92,310,455	\$ 73,119,455	\$ 45,460,455	\$ 8,584,455
8.010	Estimated Encumbrances June 30	\$ 7,058,692	\$ 5,937,982	\$ 5,933,913	-8.0%	\$ 5,938,000	\$ 5,938,000	\$ 5,938,000	\$ 5,938,000	\$ 5,938,000
15.010	Unreserved Fund Balance June 30	\$ 126,790,223	\$ 71,088,407	\$ 92,437,542	-7.0%	\$ 94,678,455	\$ 86,372,455	\$ 67,181,455	\$ 39,522,455	\$ 2,646,455
ADM Forecasts										
20.010	Kindergarten - October Count	736	707	784	3.5%	792	767	743	744	745
20.015	Grades 1-12 - October Count	9,630	9,724	9,632	0.0%	9,724	9,818	9,910	9,895	9,896

Worthington City School District - Franklin County
Notes to the Financial Forecast
General Fund Only
August 24, 2026

Introduction to the Forecast

All school districts in Ohio are required to file a financial forecast for the General Fund twice annually in August 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 2027 (July 1, 2026-June 30, 2027) 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 adjusted revenue projections resulting in a total decrease of \$1.2 million (<1%) over the five-year period FY26 – FY30 compared to the prior forecast. Property tax revenue projections have been reduced by \$5.0 million over that period due to a change in classification by multiple properties from commercial to residential, decreasing their respective tax rate. State funding projections have increased \$1.8 million due to slightly higher Medicaid and special education reimbursement. Interest and other income has increased \$2.0 million over the short term as rates continue to remain higher than expected.

We have adjusted expenditure projections resulting in a decrease of \$5.4 million (<1%) over the same five-year period compared to the prior forecast. Wages and fringe benefits have been reduced \$7.2 million to reflect current staffing as well as recently negotiated labor agreements. There has been no change to staffing projections. Services and Supplies have been increased \$1.4 million due to higher fuel and material costs.

These changes to revenue and expenditure assumptions result in an increase to projected cash balance on June 30, 2030 of \$4.2 million, essentially no material change.

The following chart summarizes this forecast:

	Budgeted FY27	Projected FY28	Projected FY29	Projected FY30	Projected FY31
Revenues	198,189,000	196,054,000	196,183,000	196,982,000	198,255,000
Expenditures	<u>195,944,000</u>	<u>204,360,000</u>	<u>215,374,000</u>	<u>224,641,000</u>	<u>235,131,000</u>
Change in Fund Balance	2,245,000	(8,306,000)	(19,191,000)	(27,659,000)	(36,876,000)
Beginning Cash Balance	98,371,455	100,616,455	92,310,455	73,119,455	45,460,455
Ending Cash Balance	100,616,455	92,310,455	73,119,455	45,460,455	8,584,455
Encumbrances Outstanding	<u>(5,938,000)</u>	<u>(5,938,000)</u>	<u>(5,938,000)</u>	<u>(5,938,000)</u>	<u>(5,938,000)</u>
Unreserved Fund Balance	94,678,455	86,372,455	67,181,455	39,522,455	2,646,455
BOE Minimum Balance	32,536,000	33,938,000	35,774,000	37,319,000	39,068,000

Unreserved Fund Balance is projected to go below Board established minimum reserve level in FY31.

Forecast Risks and Uncertainty

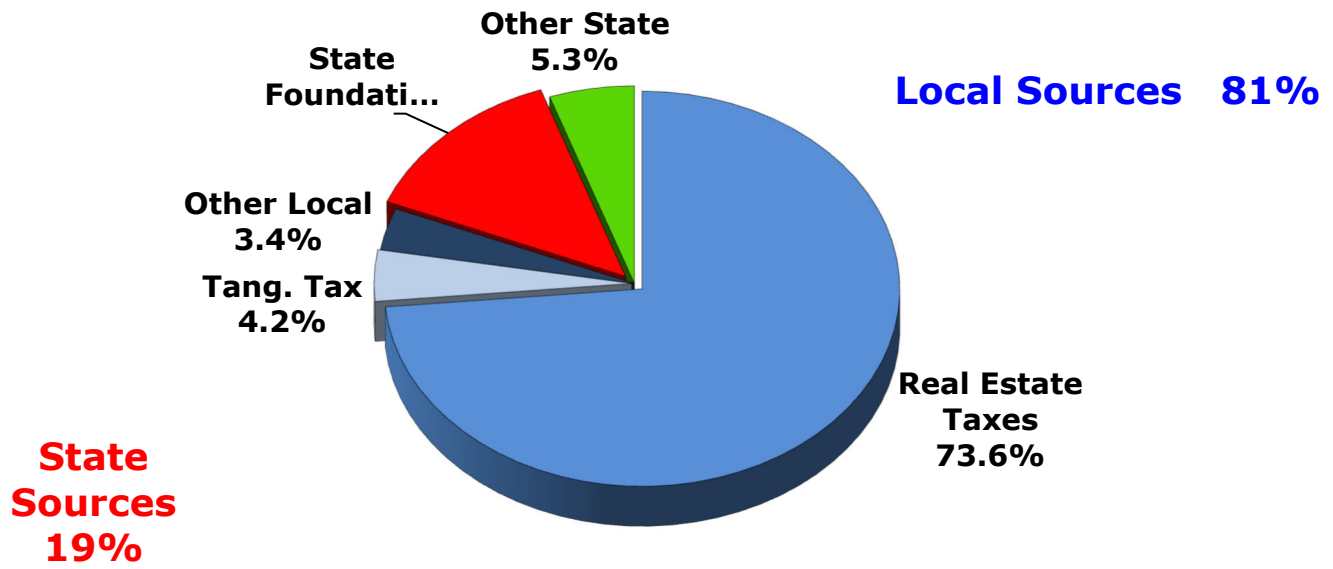
We have estimated revenues and expenses based on the best data available to us at the time of this forecast. Any financial forecast has inherent risks and uncertainty, especially in later years. The items below give a short description of significant current issues, risks, and uncertainty:

- **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. We assume current law regarding property taxation continues, although the General Assembly has hinted on possible further changes, and an independent group is seeking a ballot initiative to eliminate property taxes in Ohio. Furthermore, we are party to several challenges by commercial property owners seeking decreases in valuation. 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. 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 enrollment over the next decade, and this forecast assumes very little additional staff in response. 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 drugs hit the market, health insurance costs are going to face strong headwinds. The District is not immune to potential large increases in health insurance premiums that every employer faces.
- **Artificial Intelligence** – Use of artificial intelligence will likely impact staffing levels, operational costs, and student achievement in ways not currently known or 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 2027 \$197,664,000



Estimated Assessed Property Valuations by Collection Year

Classification	Actual TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029	Estimated TAX YEAR 2029 COLLECT 2030
Res./Ag.	\$2,662,844,120	\$2,910,488,623	\$2,919,220,089	\$2,927,977,749	\$3,200,279,680
Comm./Ind.	\$502,100,760	\$539,758,317	\$542,457,109	\$545,169,394	\$586,057,099
Public Utility (PUPP)	\$74,352,460	\$75,095,985	\$75,846,945	\$76,605,414	\$77,371,468
Total Assessed Value	\$3,239,297,340	\$3,525,342,925	\$3,537,524,143	\$3,549,752,557	\$3,863,708,247

Future valuation projections include an estimated 0.3%/0.5% new construction for residential/commercial properties, and a 9%/7% increase for the triennial reappraisal update in tax year 2026 (collection 2027) and full reappraisal in tax year 2029 (collection year 2030).

Estimated Real Estate Tax (Line #1.010)

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

	FY27	FY28	FY29	FY30	FY31
August Settlement	\$68,700,000	\$69,453,000	\$69,710,000	\$69,968,000	\$70,843,000
February Settlement	74,325,000	75,269,000	75,550,000	76,501,000	76,785,000
August Delinquent	286,000	289,000	290,000	291,000	295,000
February Delinquent	2,071,000	2,094,000	2,102,000	2,110,000	2,137,000
Total General Property Taxes	\$145,382,000	\$147,105,000	\$147,652,000	\$148,870,000	\$150,060,000

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 further changes to the property tax code and process, although the legislature has indicated further changes could be coming.

Estimated Tangible Personal Property Tax (Line #1.020)

	FY27	FY28	FY29	FY30	FY31
Public Utility Pers. Property	\$8,290,000	\$8,373,000	\$8,457,000	\$8,541,000	\$8,627,000

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 at 50% in February and 50% in August. We project values to grow 1% annually.

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

Source	FY27	FY28	FY29	FY30	FY31
Basic Foundation Aid	\$17,906,000	\$17,932,000	\$17,932,000	\$17,932,000	\$17,932,000
Additional Aid Items	\$5,512,000	\$2,894,000	\$2,894,000	\$2,894,000	\$2,894,000
Basic Aid-Subtotal	\$23,418,000	\$20,826,000	\$20,826,000	\$20,826,000	\$20,826,000
Ohio Casino Commission ODT	\$740,000	\$745,000	\$751,000	\$756,000	\$761,000
Total Unrestricted State Aid	\$24,158,000	\$21,571,000	\$21,577,000	\$21,582,000	\$21,587,000

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 our district lost \$1.1 million annually in F26 and FY27 compared to FY25 levels.

B) Additional Aid Items

Additional Aid items include \$1.1 million in special education funding for transportation and \$0.8 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 performance (\$0.5 million) and base cost (\$0.4 million).. We also project a one-time enrollment growth supplement additional \$2.6 million in FY27 due to meeting the 3% growth target for FY24 to FY26.

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 FY26 generated \$69.16 per pupil, which equated to \$735,000 for our District. We expect levels to grow slightly each year.

Restricted Grants-in-Aid (Line #1.040)

Source	FY27	FY28	FY29	FY30	FY31
Student Wellness and Success	\$428,000	\$428,000	\$428,000	\$428,000	\$428,000
Disadvantaged Pupil Aid	301,000	301,000	301,000	301,000	301,000
English Learners	150,000	142,000	142,000	142,000	142,000
Gifted	226,000	215,000	215,000	215,000	215,000
Career Tech	98,000	93,000	93,000	93,000	93,000
Medicaid/Threshold/Other	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,300,000</u>
Total Restricted State Aid	\$2,503,000	\$2,479,000	\$2,479,000	\$2,479,000	\$2,479,000

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. Medicaid is projected at \$800,000 each year. Threshold Aid includes state reimbursement for those special education costs that exceed an unusually large, state determined amount and we expect \$500,000 each year based on historical levels. This line also included 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	FY27	FY28	FY29	FY30	FY31
Rollback and Homestead	\$10,556,000	\$10,548,000	\$10,540,000	\$10,532,000	\$10,524,000

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. Recently enacted HB186 shifts who qualifies for the credits, driving more to owner occupied properties and less to rental properties, but the net effect is expected to be neutral to the District.

Other Local Revenues (Line #1.060)

Source	FY27	FY28	FY29	FY30	FY31
Interest	\$5,400,000	\$4,500,000	\$4,000,000	\$3,500,000	\$3,500,000
Participation Fees	76,000	76,000	76,000	76,000	76,000
Tuition, Charges, Other Fees	500,000	500,000	500,000	500,000	500,000
Other	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
Total Other Local Revenues	\$6,776,000	\$5,876,000	\$5,376,000	\$4,876,000	\$4,876,000

Interest income is generated on investments and will fluctuate based on market rates and cash balance (current overnight yield is 3.86% compared to 3.87% in February 2026). We assume a slight decrease in rates in future based on data by the federal reserve, their assumptions, and political pressure. Participation fees are charged to students for participating in activity clubs. This line previously included athletic participation fees but those are now accounted for fully in a separate athletic fund (outside this forecast). 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.

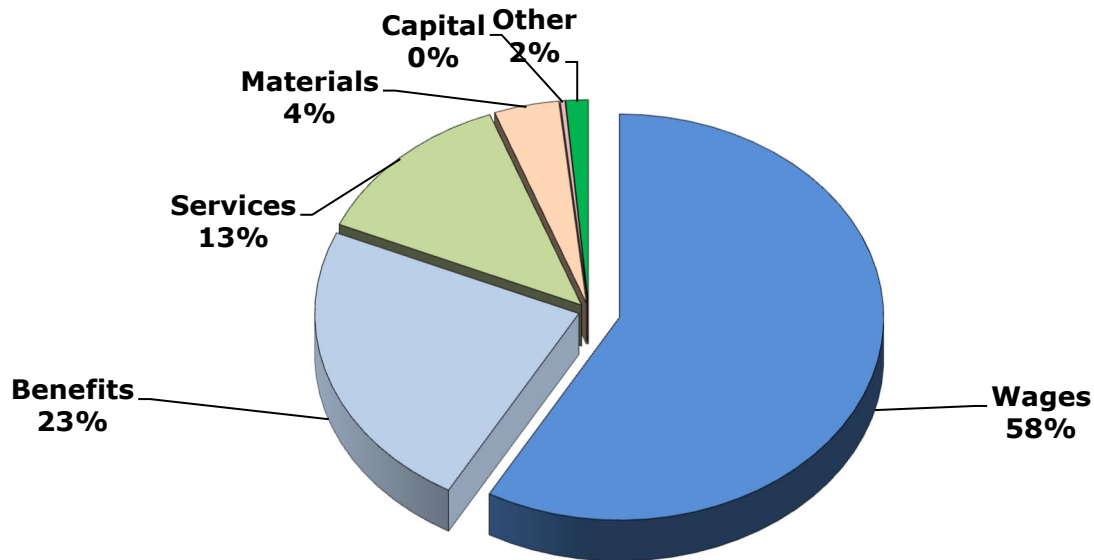
Other Financing Sources (Line #2.050 & Line #2.060)

Source	FY27	FY28	FY29	FY30	FY31
Advance Returns	\$522,000	\$100,000	\$100,000	\$100,000	\$100,000
Refunds/Sale of Assets	\$2,000	\$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 fluctuate 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.

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General Fund Operating Expenditures FY27 \$195,174,000



Personal Services (Wages) (Line #3.010)

Source	FY27	FY28	FY29	FY30	FY31
Base Wages	\$107,962,000	\$113,500,000	\$119,500,000	\$124,600,000	\$129,700,000
Increases	3,439,000	3,393,000	3,218,000	3,227,000	3,367,000
Steps/Training	2,906,000	2,838,000	2,510,000	2,498,000	2,555,000
New Staff	118,000	94,000	97,000	100,000	103,000
Grant Shortfall/ADK	275,000	75,000	75,000	75,000	75,000
Retirements	(1,100,000)	(400,000)	(400,000)	(400,000)	(400,000)
Total Wages Line 3.010	113,600,000	119,500,000	125,000,000	130,100,000	135,400,000

Projections include annual base wage increases of 3.00% as well as annual step increases for experience and educational attainment. New staff for FY27 include additional hires (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 amounts to cover flat federal grant funding that would require those positions to be moved to the General Fund. The retirements line projects savings from 20 retirees at year end 2026 and 8 each year that are typically replaced with entry year teachers at a significantly lower cost.

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 is 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	FY27	FY28	FY29	FY30	FY31
STRS/SERS	\$17,493,000	\$18,348,000	\$19,150,000	\$19,894,000	\$20,665,000
Insurances	25,716,000	26,522,000	28,793,000	31,243,000	33,886,000
Workers Comp/Unemployment	403,000	423,000	443,000	460,000	479,000
Medicare	1,689,000	1,808,000	1,891,000	1,968,000	2,048,000
Other/Tuition	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>
Total Benefits	\$45,461,000	\$47,261,000	\$50,437,000	\$53,725,000	\$57,238,000

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 8% for 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	FY27	FY28	FY29	FY30	FY31
Consulting/Legal	\$3,702,000	\$4,045,000	\$3,938,000	\$4,006,000	\$4,404,000
Maintenance/Property	4,090,000	4,396,000	4,572,000	4,755,000	4,945,000
Contracted Substitutes	3,434,000	3,537,000	3,643,000	3,752,000	3,865,000
Utilities	3,350,000	3,484,000	3,623,000	3,768,000	3,919,000
Tuition to other Entities	6,964,000	7,312,000	7,678,000	8,062,000	8,465,000
Other Purchased Services	<u>3,539,000</u>	<u>3,645,000</u>	<u>3,754,000</u>	<u>3,867,000</u>	<u>3,983,000</u>
Total Purchased Services	\$25,079,000	\$26,419,000	\$27,208,000	\$28,210,000	\$29,581,000

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 as approved by PUCO to AEP transmission rates and the continued increase in annual capacity auction prices, which were 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.

Supplies and Materials (Line #3.040)

Source	FY27	FY28	FY29	FY30	FY31
Supplies	\$7,762,000	\$7,080,000	\$8,587,000	\$8,412,000	\$8,664,000

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. FY27 includes \$899,000 of building carryover funds from the prior year.

Capital Outlay (Line # 3.050)

Source	FY27	FY28	FY29	FY30	FY31
Equipment/Bldg. Improvements	\$576,000	\$593,000	\$611,000	\$629,000	\$648,000

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	FY27	FY28	FY29	FY30	FY31
County Tax Collection Fees	\$2,312,000	\$2,339,000	\$2,348,000	\$2,367,000	\$2,386,000
County ESC	74,000	76,000	78,000	80,000	82,000
Other	<u>310,000</u>	<u>322,000</u>	<u>335,000</u>	<u>348,000</u>	<u>362,000</u>
Total Other Expenses	\$2,696,000	\$2,737,000	\$2,761,000	\$2,795,000	\$2,830,000

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 FY26 that is not assumed in future years, although possible.

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

Source	FY27	FY28	FY29	FY30	FY31
Transfers Out (#5.010)	\$670,000	\$670,000	\$670,000	\$670,000	\$670,000
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	\$770,000	\$770,000	\$770,000	\$770,000	\$770,000

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.

Encumbrances (Line#8.010)

	FY27	FY28	FY29	FY30	FY31
Estimated Encumbrances	\$5,938,000	\$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

	FY27	FY28	FY29	FY30	FY31
Unencumbered Fund Balance	\$94,678,455	\$86,372,455	\$67,181,455	\$39,522,455	\$2,646,455
Minimum Reserve Balance	<u>\$32,536,000</u>	<u>\$33,938,000</u>	<u>\$35,774,000</u>	<u>\$37,319,000</u>	<u>\$39,068,000</u>
Over (Under) Minimum	\$62,142,455	\$52,434,455	\$31,407,455	\$2,203,455	(\$36,421,545)

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 levy approved in 2022, the fund balance begins to deteriorate quickly and dips below target levels in FY31. The District will need to explore requesting additional resources from the community or reducing costs and programs prior to that time.

