

**LUCAS LOCAL SCHOOL DISTRICT- RICHLAND COUNTY  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCES FOR THE FISCAL YEARS ENDED  
JUNE 30, 2021, 2022, and 2023 ACTUAL  
FORECASTED FISCAL YEARS ENDING  
JUNE 30, 2024, THROUGH JUNE 30, 2028**



**Forecast Provided By  
Lucas Local School District  
Treasurer's Office  
Eric Pickering, Treasurer/CFO  
May 21, 2024**

# Lucas Local School District

Richland County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2021, 2022 and 2023 Actual;  
Forecasted Fiscal Years Ending June 30, 2024 Through 2028

	Actual				Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Average Change	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	\$1,774,732	\$1,851,086	\$1,838,531	1.8%	\$2,144,359	\$2,298,838	\$1,991,270	\$1,846,800	\$1,781,661
1.020 Public Utility Personal Property Tax	2,268,722	2,439,756	2,803,501	11.2%	3,012,892	3,022,187	2,819,701	2,647,202	2,620,378
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035 Unrestricted State Grants-in-Aid	2,758,775	2,794,301	2,816,221	1.0%	2,837,774	2,843,605	2,843,398	2,843,177	2,842,942
1.040 Restricted State Grants-in-Aid	32,093	217,237	211,154	287.0%	240,420	231,453	231,453	231,453	231,453
1.045 Restricted Federal Grants-in-Aid	0	0	0	0.0%	0	0	0	0	0
1.050 Property Tax Allocation	309,617	311,167	306,890	-0.4%	341,551	370,534	327,982	295,479	288,468
1.060 All Other Revenues	960,598	357,929	815,346	32.5%	1,163,806	727,806	511,306	403,056	403,056
1.070 <b>Total Revenues</b>	<b>\$8,104,537</b>	<b>\$7,971,476</b>	<b>\$8,791,643</b>	<b>4.3%</b>	<b>\$9,740,802</b>	<b>\$9,494,423</b>	<b>\$8,725,110</b>	<b>\$8,267,167</b>	<b>\$8,167,958</b>
<b>Other Financing Sources</b>									
2.050 Advances-In	\$36,088	\$37,743	\$0	-47.7%	\$0	\$0	\$0	\$0	\$0
2.060 All Other Financing Sources	133,237	60,979	13,848	-65.8%	13,848	13,848	13,848	13,848	13,848
2.070 <b>Total Other Financing Sources</b>	<b>\$169,325</b>	<b>\$98,722</b>	<b>\$13,848</b>	<b>-63.8%</b>	<b>\$13,848</b>	<b>\$13,848</b>	<b>\$13,848</b>	<b>\$13,848</b>	<b>\$13,848</b>
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>\$8,273,862</b>	<b>\$8,070,198</b>	<b>\$8,805,491</b>	<b>3.3%</b>	<b>\$9,754,650</b>	<b>\$9,508,271</b>	<b>\$8,738,958</b>	<b>\$8,281,015</b>	<b>\$8,181,806</b>
<b>Expenditures</b>									
3.010 Personal Services	\$3,527,271	\$3,437,936	\$3,606,691	1.2%	\$3,829,381	\$4,197,914	\$4,455,776	\$4,575,496	\$4,701,220
3.020 Employees' Retirement/Insurance Benefits	1,081,257	1,165,954	1,284,374	9.0%	1,383,022	1,528,247	1,654,688	1,759,121	1,867,567
3.030 Purchased Services	1,342,964	919,769	764,502	-24.2%	917,894	938,429	966,583	995,581	1,025,448
3.040 Supplies and Materials	227,998	337,565	282,159	15.8%	290,623	299,342	308,322	317,572	327,099
3.050 Capital Outlay	181,080	50,715	166,911	78.6%	199,876	202,512	290,227	211,024	213,905
Debt Service:				0.0%					
4.050 Principal-HB 264 Loans	37,000	37,000	37,000	0.0%	37,000	37,000	37,000	0	0
4.055 Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060 Interest and Fiscal Charges	558	3,924	6,410	333.3%	3,500	3,000	2,500	0	0
4.300 Other Objects	99,549	114,823	146,183	21.3%	143,106	133,728	136,403	139,131	141,914
4.500 <b>Total Expenditures</b>	<b>\$6,497,677</b>	<b>\$6,067,686</b>	<b>\$6,294,230</b>	<b>-1.4%</b>	<b>\$6,804,402</b>	<b>\$7,340,172</b>	<b>\$7,851,499</b>	<b>\$7,997,925</b>	<b>\$8,277,153</b>
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	\$1,071,141	\$1,111,790	\$1,064,732	-0.2%	\$73,046	\$75,000	\$75,000	\$75,000	\$75,000
5.020 Advances-Out	17,743	0	0	0.0%	0	0	0	0	0
5.030 All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040 <b>Total Other Financing Uses</b>	<b>\$1,088,884</b>	<b>\$1,111,790</b>	<b>\$1,064,732</b>	<b>-1.1%</b>	<b>\$73,046</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$75,000</b>
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>\$7,586,561</b>	<b>\$7,179,476</b>	<b>\$7,358,962</b>	<b>-1.4%</b>	<b>\$6,877,448</b>	<b>\$7,415,172</b>	<b>\$7,926,499</b>	<b>\$8,072,925</b>	<b>\$8,352,153</b>
<b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses</b>	<b>\$687,301</b>	<b>\$890,722</b>	<b>\$1,446,529</b>	<b>46.0%</b>	<b>\$2,877,203</b>	<b>\$2,093,099</b>	<b>\$812,459</b>	<b>\$208,090</b>	<b>(\$170,347)</b>
Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$9,909,013	\$10,596,314	\$11,487,036	7.7%	\$12,933,565	\$15,810,768	\$17,903,867	\$18,716,326	\$18,924,416
7.010 <b>Cash Balance June 30</b>	<b>\$10,596,314</b>	<b>\$11,487,036</b>	<b>\$12,933,565</b>	<b>10.5%</b>	<b>\$15,810,768</b>	<b>\$17,903,867</b>	<b>\$18,716,326</b>	<b>\$18,924,416</b>	<b>\$18,754,069</b>
8.010 <b>Estimated Encumbrances June 30</b>	<b>\$51,162</b>	<b>\$51,138</b>	<b>\$123,205</b>	<b>70.4%</b>	<b>\$123,205</b>	<b>\$123,205</b>	<b>\$123,205</b>	<b>\$123,205</b>	<b>\$123,205</b>
<b>Fund Balance June 30 for Certification of Appropriations</b>	<b>\$10,545,152</b>	<b>\$11,435,898</b>	<b>\$12,810,360</b>	<b>10.2%</b>	<b>\$15,687,563</b>	<b>\$17,780,662</b>	<b>\$18,593,121</b>	<b>\$18,801,211</b>	<b>\$18,630,864</b>

# Lucas Local School District

Richland County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2021, 2022 and 2023 Actual;  
Forecasted Fiscal Years Ending June 30, 2024 Through 2028

		Actual				Forecasted				
		Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Average Change	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
<b>Revenue from Replacement/Renewal Levies</b>										
11.010	Income Tax - Renewal	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	533,355	941,780	1,106,780
11.300	Cumulative Balance of Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$533,355	\$1,475,135	\$2,581,915
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>										
12.010		\$10,545,152	\$11,435,898	\$12,810,360	10.2%	\$15,687,563	\$17,780,662	\$19,126,476	\$20,276,346	\$21,212,779
<b>Revenue from New Levies</b>										
13.010	Income Tax - New	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
13.020	Property Tax - New	0	0	0	0.0%	0	0	0	0	0
13.030	Cumulative Balance of New Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
14.010	Revenue from Future State Advancements	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
15.010	Unreserved Fund Balance June 30	\$10,545,152	\$11,435,898	\$12,810,360	10.2%	\$15,687,563	\$17,780,662	\$19,126,476	\$20,276,346	\$21,212,779

**Lucas Local School District –Richland County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**May 21, 2024**

**Introduction to the Five-Year Forecast**

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

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

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

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

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

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, 2023, and May 31, 2024, for the fiscal year 2024 (July 1, 2023, to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2024 (July 1, 2023-June 30, 2024) is the first year of the five-year forecast and is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the May 2024 filing.

**May 2024 Updates:**

**Revenues FY24**

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$9.69 million or 6.95% higher than the November forecasted amount of \$9.06 million. This indicates that the November forecast was 93.05% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our most significant source of revenues at 64.7% and are estimated to be \$5.15 million, which is \$286,404 higher for FY24 than the original November estimate of \$4.87

million. Our estimates are 94.12% accurate for FY24. Although our estimate was not as close as we would like it to be, this year represented a historical year of increases in assessed valuation. Also, since we are on the 20 mill floor, this increase directly impacts our property tax revenue where districts that were not on the 20 mill floor didn't see this large of an increase in property tax increase due to the impact of H.B. 920.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be \$3.078 million, which is \$37,074 higher than the original estimate for FY24. We are pleased that we were able to be 98.78% accurate for FY24. We are currently on the guarantee and are expected to remain as a guarantee district for FY25 through FY28.

Line 1.06 - Other revenues are up \$298,151 over original estimates, primarily due to interest received by the district, which are somewhat unpredictable from year to year.

All areas of revenue are tracking as anticipated for FY24 based on our best information at this time.

### **Expenditures FY24**

Total General Fund expenditures (line 4.5) are estimated to be \$6.8 million for FY24, which is on target with the original estimate in the November forecast.

All other areas of expenses are expected to remain on target with original projections for the year.

### **Unreserved Ending Cash Balance**

With revenues increasing from estimates and expenditures ending primarily on target, our ending unreserved cash balance June 30, 2024, is anticipated to be roughly \$15.68 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2028 if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

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

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

1) Taxes from local sources represent 64.9% of our total annual revenue. Local sources include Tangible Property tax (PUPP) and real estate tax from property in the district. PUPP taxes represent 58.4% of our local tax revenue while the housing market and commercial property make up the remaining portion. The housing market in our district is stable and growing. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes as the pandemic ends and the economy continues its recovery as anticipated. Our tax collections in the August 2023 and March 2024 settlements showed average collection trends. We believe there is a low risk that local collections would fall below projections throughout the forecast.

The legislature has formed a "Joint Committee on Property Tax Review and Reform" which is pending as of this forecast. We are watching these deliberations closely and they could impact future reappraisals and possibly the impact of the 20 mill floor currently in law. Our district is currently on the 20 mill floor for Class I and Class II values. We are watching the Joint Committee carefully and will adjust the forecast pending their outcome.

2) Richland and Ashland Counties experienced a reappraisal and an update respectively in the 2023 tax year to be collected in 2024. The 2023 reappraisal update increased overall assessed values by \$24.6 million. Overall values rose \$25.8 million or 36.52%, which includes reappraisal and new construction for all classes of property. A reappraisal update will occur in tax year 2026 for collection in 2027. We anticipate value increases for Class I and II property by \$3.09 million for an overall increase of 3.19%. There is, however, always a minor risk that the district could sustain a reduction in values in the next triennial update, but we do not anticipate that at this time.

3) The state budget represented 35.1% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to the record high inflation or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. In this forecast, two forthcoming State Biennium Budgets cover FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state's economy make this area an elevated risk to district funding long-range through FY28. We have projected our state funding in FY24 and FY25 based on the additional phase-in of HB33 (the Fair School Funding Plan). This forecast reflects state revenue to align with the FY25 funding levels through FY28, which we feel is conservative and should be close to what the state approves for the FY26-FY28 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

4) HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY24 reflects 50% of the implementation cost at year three of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed. The FSFP has made many significant changes to how foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. We have used the most recent simulations published by the Ohio Department of Education for our forecasted revenues in FY24 and FY25.

5) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid by the state of Ohio can expose the district to new expenditures currently outside the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.

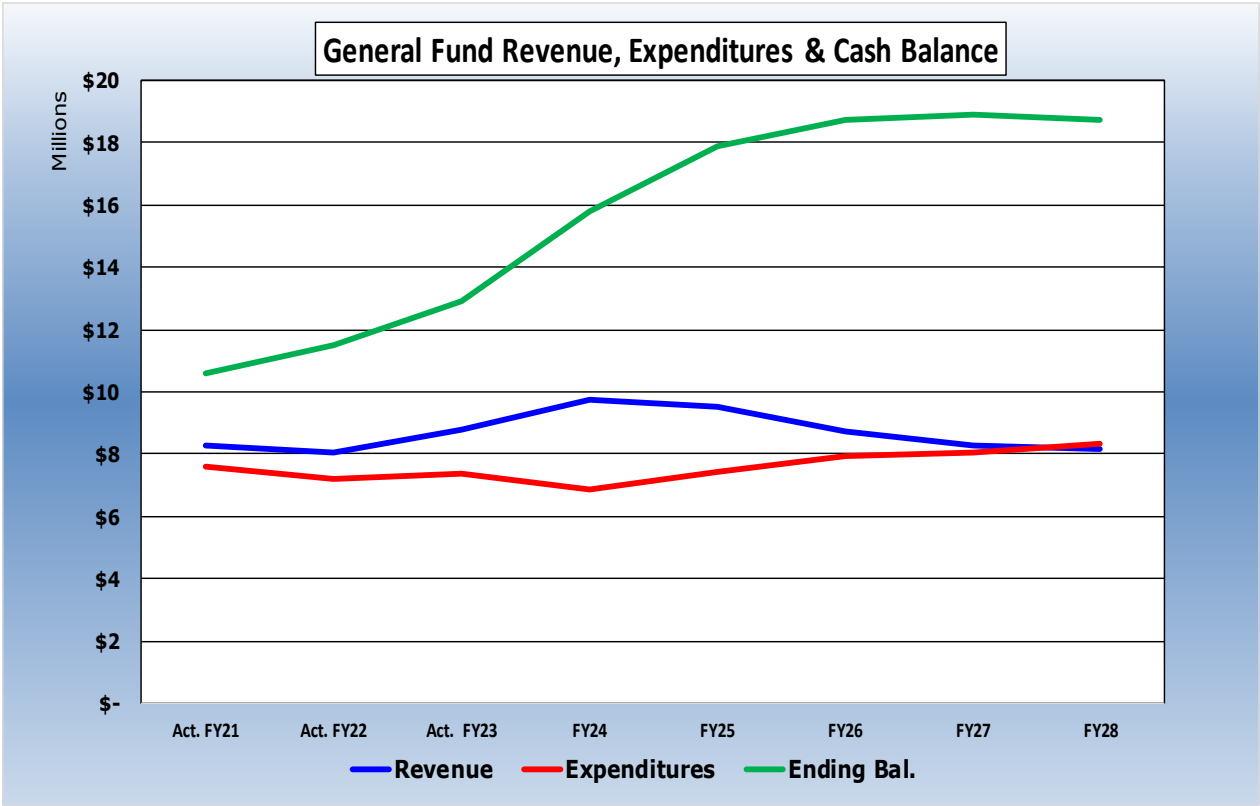
6) The district has a \$961,000 emergency levy that will expire in 2025 and a \$300,000 levy that will expire in 2027. It will be important to renew these levies when they come up for renewal. We believe the levy will be renewed, but there is always a chance that it would not be.

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

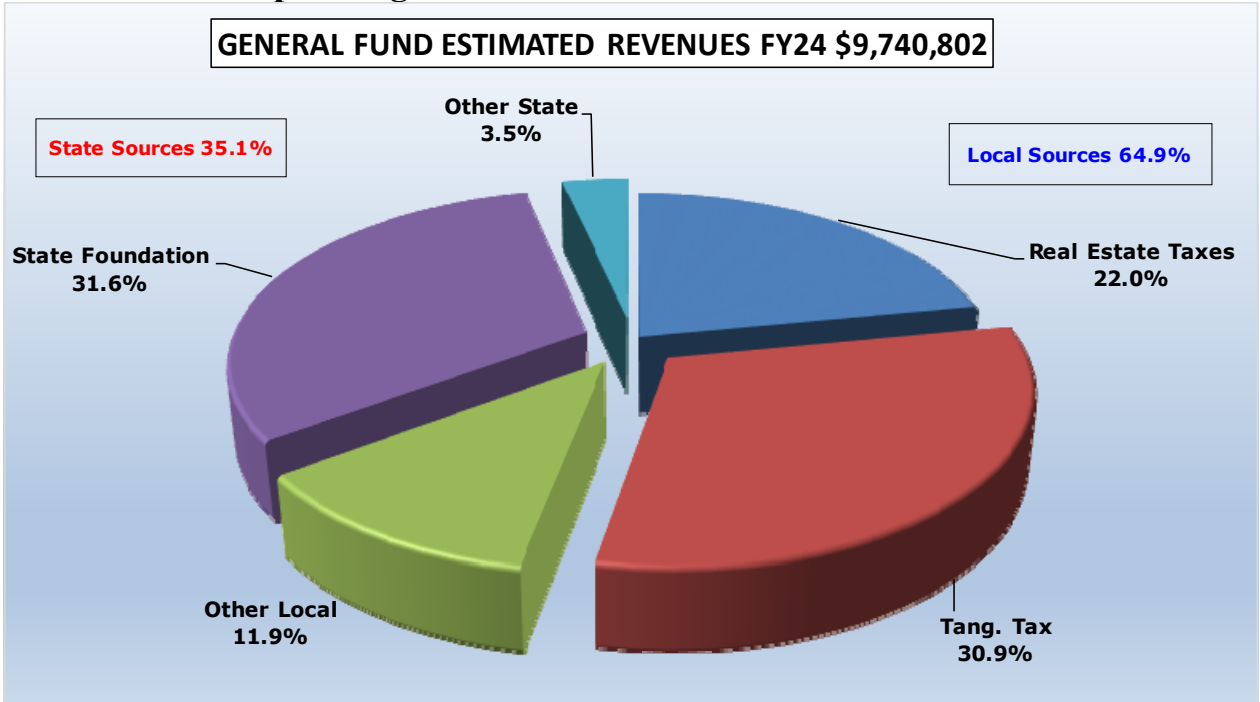
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Eric Pickering, Treasurer/CFO at 419-892-2338.

General Fund Revenue, Expenditures, and Ending Cash Balance Actual FY21-23 and Estimated FY24-28

The graph captures in one snapshot the operating scenario facing the District over the next few years.



Revenue Assumptions  
Operating Revenue Sources General Fund FY24



## Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Ashland and Richland County experienced a reappraisal for the 2023 tax year to be collected in 2024. Residential/agricultural values increased 35.36% or \$24.4 million due to the reappraisal led by an improving housing market.

For tax year 2023 residential property values also increased due to new construction by 1.32% or \$913,850 in assessed value with no new construction of commercial/industrial properties. Overall values rose \$25.82 million or 36.52%, which includes new construction.

A reappraisal update will occur in 2026 for collection in 2027 for which we are estimating a 3.0% increase in residential and a 0% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase \$3.09 million or 3.19% overall.

Public Utility Personal Property (PUPP) values increased by \$4,156,280 million in Tax Year 2023. We expect our values to continue to grow by \$1.25 million each year of the forecast.

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

<u>Classification</u>	Actual TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028
Res./Ag.	\$94,639,450	\$94,839,450	\$95,039,450	\$98,090,634	\$98,290,634
Comm./Ind.	1,895,810	1,935,810	1,975,810	2,015,810	2,055,810
Public Utility Personal Property (PUPP)	<u>75,441,460</u>	<u>76,691,460</u>	<u>77,941,460</u>	<u>79,191,460</u>	<u>80,441,460</u>
Total Assessed Value	<u>\$171,976,720</u>	<u>\$173,466,720</u>	<u>\$174,956,720</u>	<u>\$179,297,904</u>	<u>\$180,787,904</u>

### Tax Rates

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all general fund levies is 40.2 mills while the Class I and Class II effective millage rate is 20.0 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is on the floor for both Class I and Class II. Any emergency or substitute emergency levy that is voted on is not included in the 20-mill floor, the district has two emergency levies. One Emergency levy generates \$961,000 annually, or 6.0 mills, while the other produces \$300,000, or 2.2 mills of tax revenue annually.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Est. Real Estate Taxes - Line #1.01	<u>\$2,144,359</u>	<u>\$2,298,838</u>	<u>\$1,991,270</u>	<u>\$1,846,800</u>	<u>\$1,781,661</u>

Property tax levies are estimated to be collected at 95.8% of the annual amount. This allows 4.2% delinquency factor. In general, 60% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 40% collected in the August tax settlement.



Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in March and 50% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

**New Tax Levies – Line #13.030** - No new levies are modeled in this forecast.

### **Renewal and Replacement Levies – Line #11.02**

Tax levies that are not continuous by law cannot be included with the property taxes; therefore, there are no levies that will appear in this line until FY26 when the \$961,000 emergency levy will need to be renewed.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Emergency levy Renewal #1 - \$961,000	\$0	\$0	\$533,355	\$941,780	\$941,780
Emergency levy Renewal #2 - \$300,000	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>165,000</u>
Total Line #11.020	<u>\$0</u>	<u>\$0</u>	<u>\$533,355</u>	<u>\$941,780</u>	<u>\$1,106,780</u>

### **Public Utility Tangible Personal Property Taxes – Line #1.020**

Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under P.U. Personal, which were updated in 2023 to \$75,441,460 and are collected at the district's gross voted millage rate. Collections are typically 50% in March and 50% in August along with the real estate settlements from the county auditor. The values in 2023 rose by 5.83% or \$4,156,580 million and are expected to grow by \$1.25 million each year of the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Public Utility Personal Property Line #1.020	<u>\$3,012,892</u>	<u>\$3,022,187</u>	<u>\$2,819,701</u>	<u>\$2,647,202</u>	<u>\$2,620,378</u>

### **State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045** **Current State Funding Model per HB33 through June 30, 2025**

#### **A) Unrestricted State Foundation Revenue – Line #1.035**

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25. We have projected FY24 funding based on the April 2024 foundation settlement and funding factors.

Our district is currently a guarantee district in FY24 and is expected to continue on the guarantee in FY25-FY28 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14. It was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, then HB110, as amended by HB583 for FY22 and FY23, with continuation of this formula in HB33 for FY24 and FY25. The current formula introduced many changes to how state foundation is calculated and expenses deducted from state funding, which will potentially make the actual five-year forecast look different with estimates FY24 through FY28 compared to real data in FY21 through FY23 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecasts.

### **Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan**

- A. Student Population and Demographics
- B. Property Valuation Per Pupil
- C. Personal Income of District Residents Per Pupil
- D. Historical Funding - CAPS and Guarantees from prior funding formulas “Funding Bases” for guarantees.

### Base Cost Approach - Unrestricted Basic Aid Foundation Funding

The current funding formula uses FY22 statewide average district costs and developed a base cost approach that includes minimum service levels and student-teacher ratios to calculate a unique base cost for each district. Newer, more up-to-date statewide average prices will not update for FY24 and FY25 and remain frozen at FY22 levels, while other factors impacting a district's local capacity will update for FY24. Base costs per pupil include funding for five (5) areas:

1. Teacher Base Cost (4 subcomponents)
2. Student Support (7 subcomponents-including a restricted Student Wellness component)
3. District Leadership & Accountability (7 subcomponents)
4. Building Leadership & Operations (3 subcomponents)
5. Athletic Co-curricular (contingent on participation)

### State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is currently at a state-wide average of \$8,242.19 per pupil in FY24, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage, in concept, will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth, the lower the state share percentage. HB33 increased the minimum state share from 5% in FY23 to 10% for FY24 and FY25. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income, and 20% on federal median income, as follows:

1. 60% based on the most recent three (3) year average assessed values or the most recent year, whichever is lower, divided by base students enrolled.
2. 20% based on the most recent three-year average federal adjusted gross income of district residents or the most recent year, whichever is lower, divided by base students enrolled.
3. 20% based on the most recent year's federal median income of district residents multiplied by the number of returns in that year divided by base students enrolled.
4. When the weighted values are calculated, and items 1 through 3 above are added together, the total is multiplied by a Local Share Multiplier Index from 0% for low-wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open-enrolled students being educated in each district) and multiplied by the local share multiplier index for each district. The result is the local per pupil capacity of the base per pupil funding amount.

### **Categorical State Aid**

In addition to the base state foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

#### Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). It also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount, not a specific amount. 10% will be reduced from all districts' calculations to be used toward the state appropriation for Catastrophic Cost reimbursement.

3. Transportation Aid – Funding is based on all resident students who ride, including preschool students and those living within 1 mile of school. Provides supplemental transportation for low-density districts. Increases state minimum share to 37.5% in FY24 and 41.67% in FY25.

### Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on the number and concentration of economically disadvantaged students compared to the state average and multiplied by \$422 per pupil. Phase-in increases are limited to 50% for FY24 and 66.67% in FY25.
2. English Learners – Based on funded categories based on the time students enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds – Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. Student Wellness and Success Funds – These funds are based on initiatives similar to those for DPIA. They are restricted funds for school climate, attendance, discipline, and academic achievement programs.

### **State Funding Phase-In FY24 and FY25 and Guarantees**

While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110, which was amended by HB583 in June 2022 and has now extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it will consist of a general phase-in percentage for most components of 50% in FY24 and 66.67% in FY25.

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

### **Future State Budget Projections beyond FY25**

Our funding status for FY26-28 will depend on unknown (2) new state budgets. There is no guarantee that the current Fair School Funding Plan in HB33 will be funded or continued beyond FY25; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY26 through FY28.

### **Casino Revenue**

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31<sup>st</sup> of January and August each year which began for the first time on January 31, 2013.

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY22, was \$109.39 million for schools or \$62.86 per pupil, in FY23, the funding totaled \$113.1 million or \$64.90 per pupil, and in FY24 the funding totaled \$113.11 million or \$65.02 average per pupil. We expect the casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Basic Aid-Unrestricted	\$2,767,998	\$2,773,607	\$2,773,607	\$2,773,607	\$2,773,607
Additional Aid Items	<u>38,306</u>	<u>38,723</u>	<u>38,723</u>	<u>38,723</u>	<u>38,723</u>
Basic Aid-Unrestricted Subtotal	2,806,304	2,812,330	2,812,330	2,812,330	2,812,330
Ohio Casino Commission ODT	<u>31,470</u>	<u>31,275</u>	<u>31,068</u>	<u>30,847</u>	<u>30,612</u>
Total Unrestricted State Aid Line #1.035	<u>\$2,837,774</u>	<u>\$2,843,605</u>	<u>\$2,843,398</u>	<u>\$2,843,177</u>	<u>\$2,842,942</u>

#### **B) Restricted State Revenues – Line # 1.040**

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, new restricted funds have been added under “Restricted Categorical Aid” for Gifted, English Learners (ESL), and Student Wellness. We have estimated revenues for these new restricted funding lines using current April funding factors and using the simulations from the Department of Education and Workforce for FY25. The amount of DPIA is limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY28 due to uncertainty on continued funding of the current funding formula.

HB33 set aside \$64 million state-wide to subsidize the cost of high-quality instructional materials purchased by schools and districts aligned to the Science of Reading. The funds are provided to support both high-quality core curriculum and instructional materials in English language areas and evidenced-based reading intervention programs. The district received \$7,325 from this one-time subsidy and is required to maintain documentation as to how the funds were leveraged along with expenses incurred beyond the subsidy.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
DPIA	\$22,627	\$23,668	\$23,668	\$23,668	\$23,668
Career Tech - Restricted	0	0	0	0	0
Gifted	41,125	36,995	36,995	36,995	36,995
ESL	0	0	0	0	0
Student Wellness	169,343	170,790	170,790	170,790	170,790
Other Restrictd State Funds	<u>7,325</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1.040	<u>\$240,420</u>	<u>\$231,453</u>	<u>\$231,453</u>	<u>\$231,453</u>	<u>\$231,453</u>

#### **C) Restricted Federal Grants in Aid – line #1.045**

There are no federal restricted grants projected during this forecast.

<u>SUMMARY</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Unrestricted Line #1.035	\$2,837,774	\$2,843,605	\$2,843,398	\$2,843,177	\$2,842,942
Restricted Line #1.040	240,420	231,453	231,453	231,453	231,453
Rest. Federal Funds #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$3,078,194</u>	<u>\$3,075,058</u>	<u>\$3,074,851</u>	<u>\$3,074,630</u>	<u>\$3,074,395</u>

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

##### **Rollback and Homestead Reimbursement**

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given owner-occupied residences. Credits equal 12.5% of the gross property taxes charged residential taxpayers on 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 credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who did not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

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

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Rollback and Homestead Line #1.050	<u>\$341,551</u>	<u>\$370,534</u>	<u>\$327,982</u>	<u>\$295,479</u>	<u>\$288,468</u>

#### **Other Local Revenues – Line #1.060**

All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area have been open enrollment, interest on investments, tuition for court placed students, student fees, Payment In Lieu of Taxes, and general rental fees.

HB110, the previous state budget, stopped paying open enrollment as an increase to other revenue for the district. This is projected below as zeros to help show the difference between projected FY24-FY28 Line 1.06 revenues and historical FY21 through FY23 revenues on the five-year forecast. Open-enrolled students will be counted in the enrolled student base at the school district where they are being educated, and state aid will follow the students. Open-enrolled student revenues will be included in Line 1.035 as basic state aid.

Interest income is based on the district cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. Once the economy stabilizes, there will be pressure on the Federal Reserve to lower interest rates, which we believe will be sometime in 2024, decreasing the opportunity for more significant interest income for the district. We will continue to monitor the investments for the district. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historical trends.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Tuition Related Payments	\$281,311	\$281,311	\$281,311	\$281,311	\$281,311
Open Enrollment	0	0	0	0	0
Class & Sports Oriented Fees	10,743	10,743	10,743	10,743	10,743
Interest Earnings	866,000	433,000	216,500	108,250	108,250
Miscellaneous	<u>5,752</u>	<u>2,752</u>	<u>2,752</u>	<u>2,752</u>	<u>2,752</u>
Total Other Local Revenue Line #1.060	<u>\$1,163,806</u>	<u>\$727,806</u>	<u>\$511,306</u>	<u>\$403,056</u>	<u>\$403,056</u>

#### **Short-Term Borrowing – Lines #2.010 & Line #2.020**

There is no short term borrowing projected in this forecast.

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

These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The district has no transfers in or return of advances for this forecast period.

### All Other Financial Sources – Line #2.060

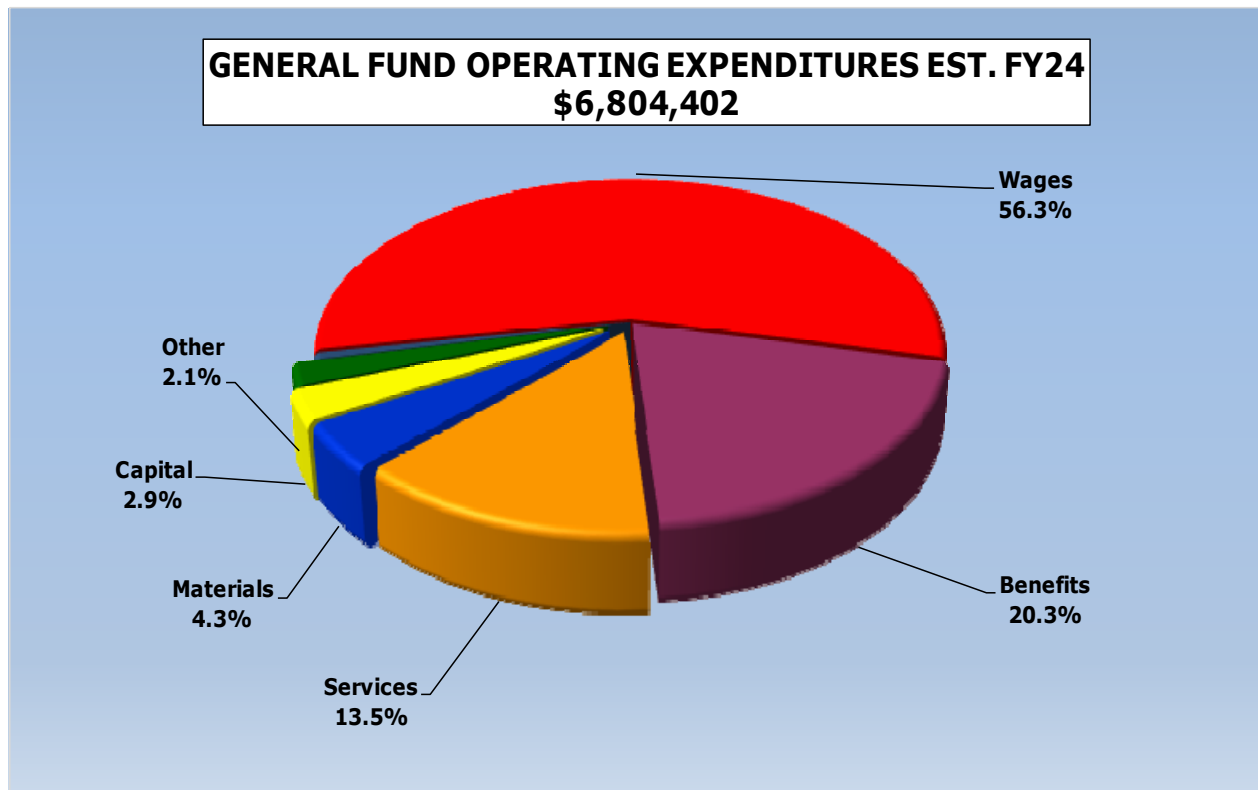
This funding source is typically a refund of prior year expenditures that is very unpredictable. We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in the future. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY27</u>	<u>FY26</u>	<u>FY28</u>
Refund of prior years expenditures	<u>\$13,848</u>	<u>\$13,848</u>	<u>\$13,848</u>	<u>\$13,848</u>	<u>\$13,848</u>

### Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

### All Operating Expense Categories - General Fund FY24



### Wages – Line #3.010

Negotiations with bargaining unit members resulted in an agreement to include base increases of 3.0% for FY23. The contract negotiation in FY23 for FY24-FY26 resulted in a 6%, 5% and 4% respectively. For planning purposes, a 1% base increase is planned for FY27 and FY28. Our IT director will be retiring at the end of this year and this function will be run by the ESC so these expenses were moved to line 3.030. Furthermore, we have 4 teachers and 1 administrator that is partially paid from ARP ESSER funds, their salaries will return to the general fund in FY25.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Base Wages	\$3,418,130	\$3,634,162	\$3,996,814	\$4,249,736	\$4,368,172
Based Pay Increase	205,088	181,708	159,873	42,497	43,682
Steps & Academic Training	64,944	64,944	69,049	75,939	80,745
Growth Staff	(54,000)	0	0	0	0
Substitutes	77,602	77,602	77,602	77,602	77,602
Supplementals	117,617	123,498	128,438	129,722	131,019
SWSF & ESSER Adjustments	<u>0</u>	<u>116,000</u>	<u>24,000</u>	<u>0</u>	<u>0</u>
Total Wages Line #3.010	<u>\$3,829,381</u>	<u>\$4,197,914</u>	<u>\$4,455,776</u>	<u>\$4,575,496</u>	<u>\$4,701,220</u>

### **Fringe Benefits Estimates**

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

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

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The district is required to pay SERS Surcharge, which is an additional employer charge based on the salaries of lower-paid members.

#### **B) Insurance**

The district saw an increase in the category due to picking up 80% of the staffs health care premiums. Stark County Council of Governments also expects a 7.98% increase for FY24. For premium increases we are estimating an increase of 9.0% in FY25-FY28 which reflects trend.

The Further Consolidated Appropriations Act of 2020 included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. "Cadillac Tax"), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

#### **C) Workers Compensation & Unemployment Compensation**

Workers Compensation is expected to be approximately 0.44% of wages FY24-FY28. Unemployment is expected to remain at a very low level FY24-FY28. 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.

#### **D) Medicare**

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

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

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
A) STRS/SERS	\$583,065	\$642,220	\$683,761	\$704,315	\$723,693
B) Insurance's	725,736	805,389	884,594	964,207	1,050,986
C) Workers Comp/Unemployment	16,849	18,471	19,605	20,132	20,685
D) Medicare	51,514	56,309	60,870	64,609	66,345
Other/Tuition/Annuities	<u>5,858</u>	<u>5,858</u>	<u>5,858</u>	<u>5,858</u>	<u>5,858</u>
Total Fringe Benefits Line #3.020	<u>\$1,383,022</u>	<u>\$1,528,247</u>	<u>\$1,654,688</u>	<u>\$1,759,121</u>	<u>\$1,867,567</u>

**Purchased Services – Line #3.030**

HB110, the previous state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education will directly pay these costs to the education districts for open enrollment, community, and STEM schools and for scholarships granted to students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to offer these amounts below as zeros to help reflect the difference between projected FY24-FY28 Line 3.03 costs and historical FY21 through FY23 costs on the five-year forecast. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends.

An average increase of 3% is projected in this area for the forecasted period. The professional and technical services category will increase starting in FY24 by \$123,457 for a contract with the ESC to cover IT responsibilities.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Professional & Technical Services, ESC	\$397,072	\$408,984	\$421,254	\$433,892	\$446,909
Maintenance, Insurance & Garbage Removal	93,704	96,515	99,410	102,392	105,464
Professional Development	20,077	20,679	21,299	21,938	22,596
Communications, Postage, & Telephone	11,841	12,196	12,562	12,939	13,327
Utilities	117,073	120,585	124,203	127,929	131,767
Contracted Trades & Services	31,510	32,455	33,429	34,432	35,465
Tuition, Excess Costs & Scholarship Costs	152,962	157,551	162,278	167,146	172,160
Open Enrollment & Community School Costs	0	0	0	0	0
College Credit Plus	31,579	32,526	33,502	34,507	35,542
Contract Transportation	3,570	3,677	3,787	3,901	4,018
Other Adjustments SWSF, ESSER, Etc.	0	0	0	0	0
Miscellaneous Purchased Services	<u>58,506</u>	<u>53,261</u>	<u>54,859</u>	<u>56,505</u>	<u>58,200</u>
Total Purchased Services Line #3.030	<u>\$917,894</u>	<u>\$938,429</u>	<u>\$966,583</u>	<u>\$995,581</u>	<u>\$1,025,448</u>

**Supplies and Materials – Line #3.040**

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. This category has a 3% inflation adjustment for each year in the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
General Office Supplies & Materials	\$94,466	\$97,300	\$100,219	\$103,226	\$106,323
Textbooks & Instructional Supplies	59,804	61,598	63,446	65,349	67,309
Facility Supplies & Materials	37,359	38,480	39,634	40,823	42,048
Transportation Fuel & Supplies	98,994	101,964	105,023	108,174	111,419
Other adjustments SWSF, ESSER, Etc.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Supplies Line #3.040	<u>\$290,623</u>	<u>\$299,342</u>	<u>\$308,322</u>	<u>\$317,572</u>	<u>\$327,099</u>

**Equipment – Line #3.050**

The District is planning to purchase a bus for each year of the forecast and a special needs van in FY24 and a suburban in FY26. Other lines in the category have a 3% inflationary adjustment for each year of the forecast.



<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Capital Outlay & Maintenance	\$75,032	\$77,283	\$79,601	\$81,989	\$84,449
Technology/Curriculum Purchases	12,844	13,229	13,626	14,035	14,456
Busses & Other Vehicles	112,000	112,000	197,000	115,000	115,000
Other adjustments SWSF, ESSER, Etc.	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Equipment Line #3.050	<u>\$199,876</u>	<u>\$202,512</u>	<u>\$290,227</u>	<u>\$211,024</u>	<u>\$213,905</u>

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

In FY26 we will pay off our energy conservation note.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
HB 264 Principal Line #4.050	<u>\$37,000</u>	<u>\$37,000</u>	<u>\$37,000</u>	<u>\$0</u>	<u>\$0</u>

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Interest & Fiscal Costs On Debt Line #4.060	<u>\$3,500</u>	<u>\$3,000</u>	<u>\$2,500</u>	<u>\$0</u>	<u>\$0</u>

#### **Other Expenses – Line #4.300**

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. In FY23 we had to pay auditors for an audit of FY20 and FY21. We anticipate our annual audit costs to drop back down to historical trends from FY24 to FY28. A rate of 2% increase is projected in this area.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
County Auditor & Treasurer Fees	\$79,747	\$81,342	\$82,969	\$84,628	\$86,321
ESC Deduction	2,874	2,931	2,990	3,050	3,111
Annual Audit Costs	27,504	28,054	28,615	29,187	29,771
Increased A&T Fees for New Levies	12,000	0	0	0	0
Dues, Fees & other Expenses	<u>20,981</u>	<u>21,401</u>	<u>21,829</u>	<u>22,266</u>	<u>22,711</u>
Total Other Expenses Line #4.300	<u>\$143,106</u>	<u>\$133,728</u>	<u>\$136,403</u>	<u>\$139,131</u>	<u>\$141,914</u>

#### **Transfers Out/Advances Out – Lines # 5.010 and 5.020**

This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The advance of \$1,111,790 in FY22 included a \$1,000,000 transfer to the 070 fund for various construction projects and the remaining \$111,790 was for two month of board's share of health premiums due to moratoriums. We also transferred \$1,000,000 to the 070 fund in FY23 but will not in future years. We have estimated a \$75,000 transfer for one month of board's share of health premiums due to moratoriums for the remainder of the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Operating Transfers Out Line #5.010	\$73,046	\$75,000	\$75,000	\$75,000	\$75,000
Advances Out Line #5.020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances Out	<u>\$73,046</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>

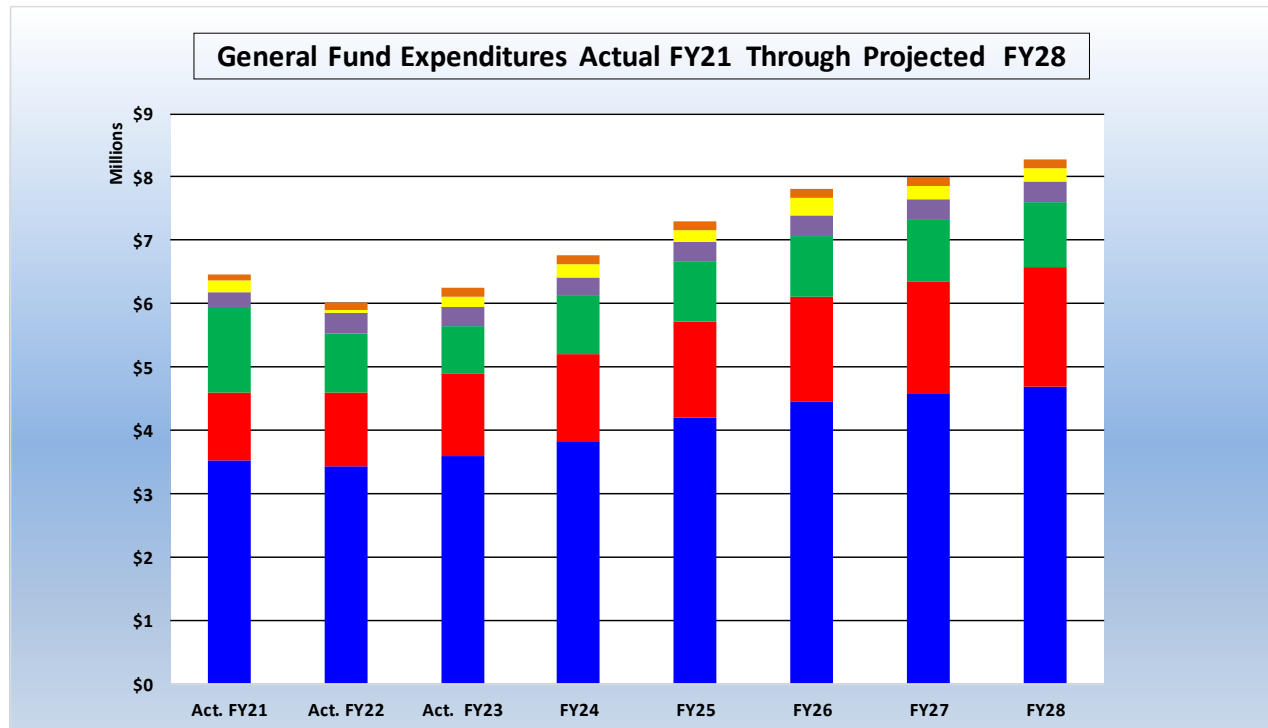
### Encumbrances –Line#8.010

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.

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Estimated Encumbrances Line #8.010	<u>\$123,205</u>	<u>\$123,205</u>	<u>\$123,205</u>	<u>\$123,205</u>	<u>\$123,205</u>

### Operating Expenditures Actual FY21 through FY23 and Estimated FY24-FY28

As the graph on the following page indicates, we have been diligent at containing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.



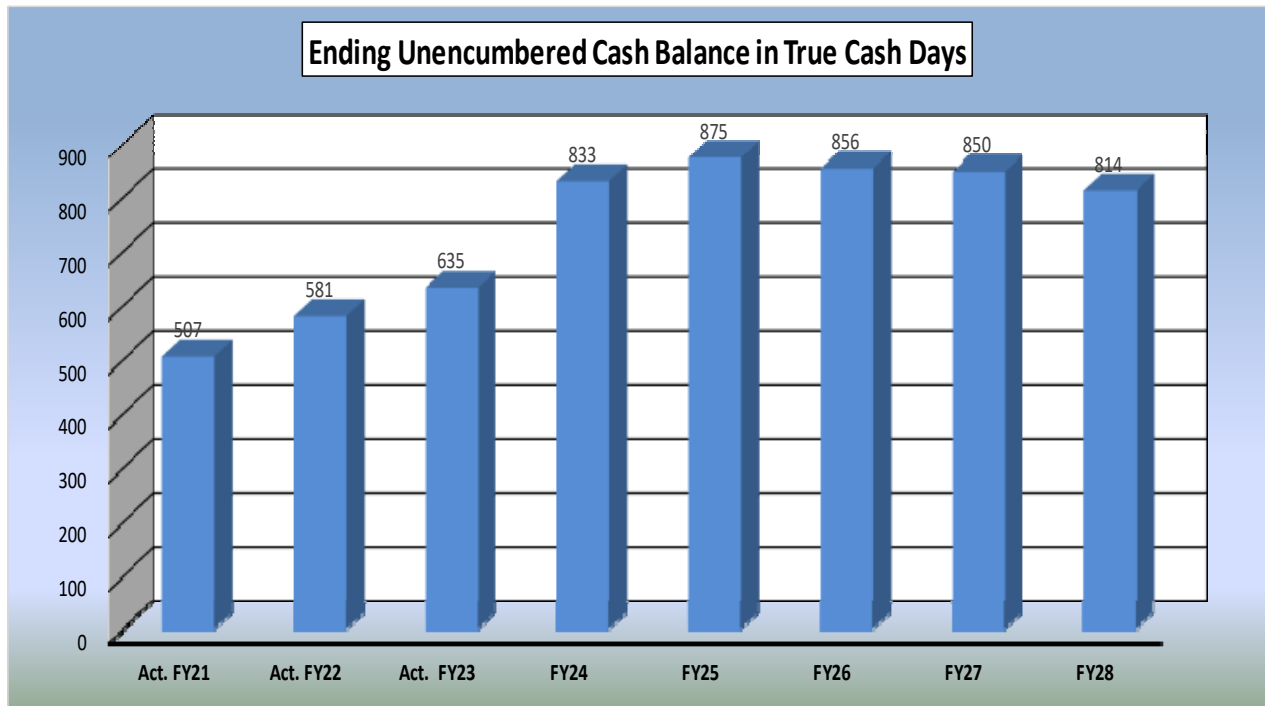
### Ending Unencumbered Cash Balance “The Bottom-line”– Line#15.010

This amount must not go below \$0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract 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. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about \$573,000 for our district.

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Ending Unreserved Cash Balance Line #15.01	<u>\$15,687,563</u>	<u>\$17,780,662</u>	<u>\$19,126,476</u>	<u>\$20,276,346</u>	<u>\$21,212,779</u>

### True Cash Days Ending Balance

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each districts complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics and severance reserves.



As you read through the notes and review the forecast, remember that the forecast is based on the best information that is available to us at the time the forecast is prepared.