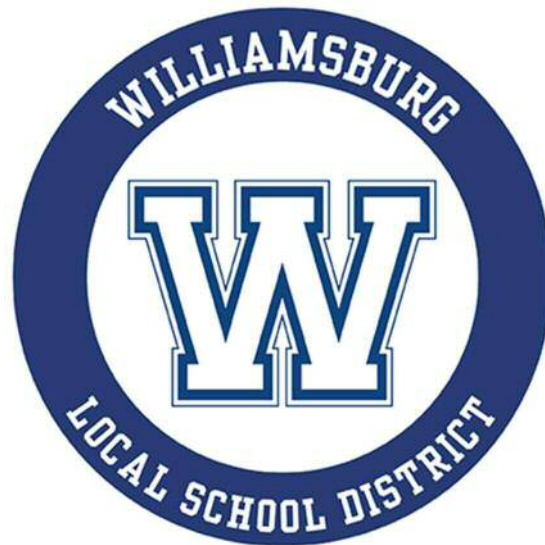


**WILLIAMSBURG LOCAL SCHOOL DISTRICT- CLERMONT COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2021, 2022, and 2023 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2024, THROUGH JUNE 30, 2028**



**Forecast Provided By
Williamsburg Local School District
Treasurer's Office
Greg Wells, Treasurer/CFO
November 20, 2023**

Williamsburg Local School District

Clermont 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				Average Change	Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023			Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Revenues										
1.010 General Property Tax (Real Estate)	3,408,747	3,434,890	3,456,188	0.7%	3,680,885	3,410,232	3,089,045	3,187,112	3,264,835	
1.020 Public Utility Personal Property Tax	281,722	415,744	366,420	17.9%	494,225	543,259	536,924	555,674	574,424	
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0	
1.035 Unrestricted State Grants-in-Aid	5,323,721	5,874,749	5,989,552	6.2%	6,690,898	6,988,661	6,990,049	6,991,467	6,992,906	
1.040 Restricted State Grants-in-Aid	91,212	360,307	359,455	147.4%	380,428	362,661	362,661	362,661	362,661	
1.045 Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0	
1.050 State Share of Local Property Taxes	472,370	477,560	478,689	0.7%	511,367	489,038	433,647	447,805	461,935	
1.060 All Other Revenues	1,325,239	600,539	739,951	-15.7%	1,491,790	1,855,536	1,997,774	1,978,620	1,961,646	
1.070 Total Revenues	10,903,011	11,163,789	11,390,255	2.2%	13,249,593	13,649,387	13,410,100	13,523,339	13,618,407	
Other Financing Sources										
2.010 Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0	
2.020 State Emergency Loans and Advancements (Approved)	0	0	0	0.0%	0	0	0	0	0	
2.040 Operating Transfers-In	0	0	0	0.0%	0	0	0	0	0	
2.050 Advances-In	0	0	0	0.0%	790,277	0	0	0	0	
2.060 All Other Financing Sources	269,657	81,442	89,806	-29.8%	26,238	26,500	26,765	27,033	27,303	
2.070 Total Other Financing Sources	269,657	81,442	89,806	-29.8%	816,515	26,500	26,765	27,033	27,303	
2.080 Total Revenues and Other Financing Sources	11,172,668	11,245,231	11,480,061	1.4%	14,066,108	13,675,887	13,436,865	13,550,372	13,645,710	
Expenditures										
3.010 Personnel Services	5,135,319	5,627,727	6,181,278	9.7%	6,141,577	6,687,792	6,954,928	7,166,591	7,316,245	
3.020 Employees' Retirement/Insurance Benefits	1,987,682	2,127,018	2,315,284	7.9%	2,314,420	2,534,999	2,697,328	2,851,972	3,006,019	
3.030 Purchased Services	2,152,239	1,441,390	1,576,955	-11.8%	1,424,597	1,645,276	1,664,643	1,684,327	1,704,334	
3.040 Supplies and Materials	303,737	343,765	398,212	14.5%	410,628	423,091	425,604	428,167	430,781	
3.050 Capital Outlay	214,371	79,502	296,248	104.9%	161,091	265,200	306,820	308,657	310,512	
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0	
Debt Service:				0.0%						
4.010 Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0	
4.020 Principal-Notes	0	0	0	0.0%	0	0	0	0	0	
4.030 Principal-State Loans	0	0	0	0.0%	0	0	0	0	0	
4.040 Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0	
4.050 Principal-HB 264 Loans	35,000	40,000	40,000	7.1%	40,000	40,000	40,000	45,000	7.1%	
4.055 Principal-Other	0	170,000	170,000	0.0%	0	0	0	0	0	
4.060 Interest and Fiscal Charges	7,219	42,485	39,272	240.5%	3,988	2,888	1,788	619	0	
4.300 Other Objects	129,875	114,005	130,547	1.1%	136,496	137,861	139,240	140,633	142,039	
4.500 Total Expenditures	9,965,442	9,985,892	11,147,796	5.9%	10,632,797	11,737,107	12,230,351	12,625,966	12,909,930	
Other Financing Uses										
5.010 Operating Transfers-Out	292,000	308,000	723,438	70.2%	1,993,377	1,771,234	1,835,043	1,935,043	1,835,043	
5.020 Advances-Out	0	0	790,277	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 Total Other Financing Uses	292,000	308,000	1,513,715	198.5%	1,993,377	1,771,234	1,835,043	1,935,043	1,835,043	
5.050 Total Expenditures and Other Financing Uses	10,257,442	10,293,892	12,661,511	11.7%	12,626,174	13,508,341	14,065,394	14,561,009	14,744,973	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	915,226	951,339	(1,181,450)	-110.1%	1,439,934	167,546	(628,529)	(1,010,637)	(1,099,263)	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	3,210,081	4,125,307	5,076,646	25.8%	3,895,196	5,335,130	5,502,676	4,874,147	3,863,510	
7.020 Cash Balance June 30	4,125,307	5,076,646	3,895,196	-0.1%	5,335,130	5,502,676	4,874,147	3,863,510	2,764,247	
8.010 Estimated Encumbrances June 30	62,843	243,043	152,616	124.8%	75,000	75,000	75,000	75,000	75,000	
Reservation of Fund Balance										
9.010 Textbooks and Instructional Materials	10,000	10,000	0	-50.0%	0	0	0	0	0	
9.020 Capital Improvements	300,000	300,000	0	-50.0%	0	0	0	0	0	
9.030 Budget Reserve	80,000	80,000	0	-50.0%	0	0	0	0	0	
9.040 DPIA	0	0	0	0.0%	0	0	0	0	0	
9.045 Fiscal Stabilization	80,000	80,000	0	-50.0%	0	0	0	0	0	
9.050 Debt Service	0	0	0	0.0%	0	0	0	0	0	
9.060 Property Tax Advances	0	0	0	0.0%	0	0	0	0	0	
9.070 Bus Purchases	0	0	0	0.0%	0	0	0	0	0	
9.080 Subtotal	470,000	470,000	0	-50.0%	0	0	0	0	0	
10.010 Fund Balance June 30 for Certification of Appropriations	3,592,464	4,363,603	3,742,580	3.6%	5,260,130	5,427,676	4,799,147	3,788,510	2,689,247	
Revenue from Replacement/Renewal Levies										
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	518,350	996,826	996,826	996,826	
11.300 Cumulative Balance of Replacement/Renewal Levies	0	0	0	0.0%	0	518,350	1,515,176	2,512,002	3,508,828	
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	3,592,464	4,363,603	3,742,580	3.6%	5,260,130	5,946,026	6,314,323	6,300,512	6,198,075	
Revenue from New Levies										
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	3,592,464	4,363,603	3,742,580	3.6%	5,260,130	5,946,026	6,314,323	6,300,512	6,198,075	

Williamsburg Local School District –Clermont County
Notes to the Five-Year Forecast
General Fund Only
November 20, 2023

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.

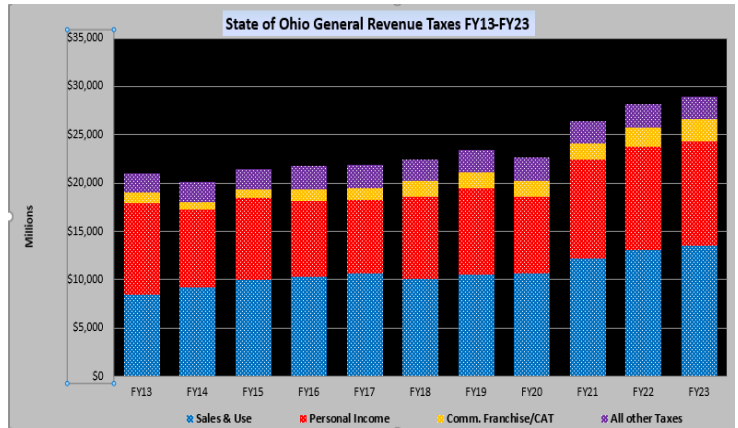
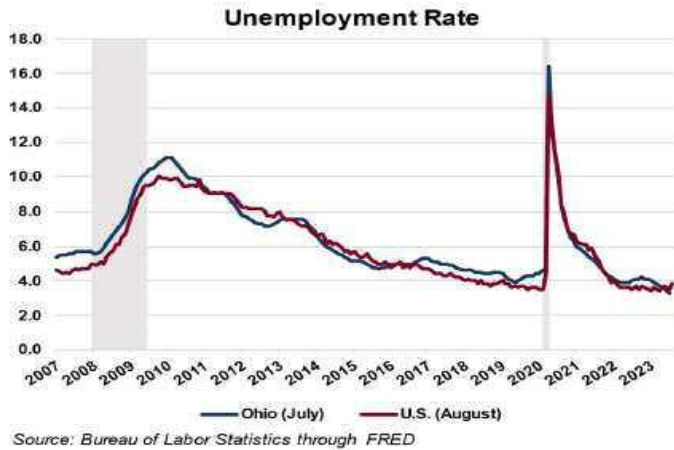
O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, 2023, and May 31, 2024, for the fiscal year 2024 (July 1, 2023, to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general 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 November 2023 filing.

Economic Outlook

This five-year forecast is submitted during the multiyear economic recovery following the 2020 COVID-19 Pandemic. The recovery began in the fall of 2020 and remains robust through this forecast date. Many supply chain concerns have lessened as manufacturing has caught up. However, persistently high inflation continues to impact our state, country, and broader globalized economy. Inflation in June 2022 hit a 40-year high of 9.1% before falling to the current annualized rate of 3.4% in August 2023. Costs in FY23 were notably impacted in areas such as capital and durable goods, diesel fuel for buses, electric, natural gas, and building materials for facility maintenance and repair. Increased inflation affecting district costs is expected to continue in FY24. However, the Federal Reserve is projecting inflation to be closer to their target rate of 2% sometime in calendar year 2024. It remains to be seen if the cumulative cost increases over the past two years are transitory in goods and services or will last over several years, which could adversely affect our forecast.

The Federal Reserve Bank has made fighting inflation its number one concern. Interest rates are expected to increase again before December 2023, which may result in increased unemployment. Still, many economists anticipate a "full employment recession" in the first half 2024. In the history of our country, there has never been a full employment recession. However, the possibility of one underscores why this is a unique time in our economic history.

As noted in the graphs below, the State of Ohio has enjoyed economic growth over the past three years, and the State's Rainy Day Fund is at \$3.7 Billion, which is a record high. School funding cuts made in FY20 have been fully restored, and a new state funding formula is in the third year of a projected six-year phase-in. While increased inflation affecting district costs is expected to continue over the next few years, the state's economy has grown, and many school districts received new funding in HB33 for FY24 and FY25. The ongoing growth in Ohio's economy should enable the State to continue the phase-in of the new funding formula even if a cyclical recession occurs. Regardless, the State is well positioned to continue State aid payments to Ohio's school districts.



While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER), which began in fiscal year 2020, the most recent allocation of ESSER funds must be spent or encumbered by September 30, 2024.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

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) Property tax collections are the second largest revenue source for the school system. The housing market in our district is stable and growing. We project 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. Total local revenues, which are predominately local taxes, equate to 43% of the district's resources. Our tax collections in the March 2023 and August 2023 settlements showed average collection trends. We believe there is a low risk that local collections would fall below projections throughout the forecast. It should be noted that 11% of these resources have been committed to the Middle/High School roof loan, and pending new Elementary School.

2) Clermont County experienced a triennial update in the 2020 tax year to be collected in FY21. The 2020 update increased overall assessed values by \$6.2 million or an increase of 4.7%. As this forecast is published, the Clermont County Auditor is in the final phase of a revaluation for collection in 2024. This valuation is shaping up to be truly extraordinary. The State recommended a 43% increase on Class I (residential and agricultural) property, but final values have landed at 18.65% increase to the State for properties within the school district. Furthermore, Class II is anticipated to increase by 7.42% (commercial and industrial). These changes will result in \$24.6 million in additional values or an increase of 17.22% overall. It should be noted, however, there is always a minor risk the district could sustain a reduction in values in future appraisals, but we do not anticipate such in the near term.

3) The state budget represented 57% 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 Department of Education and Workforce 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.

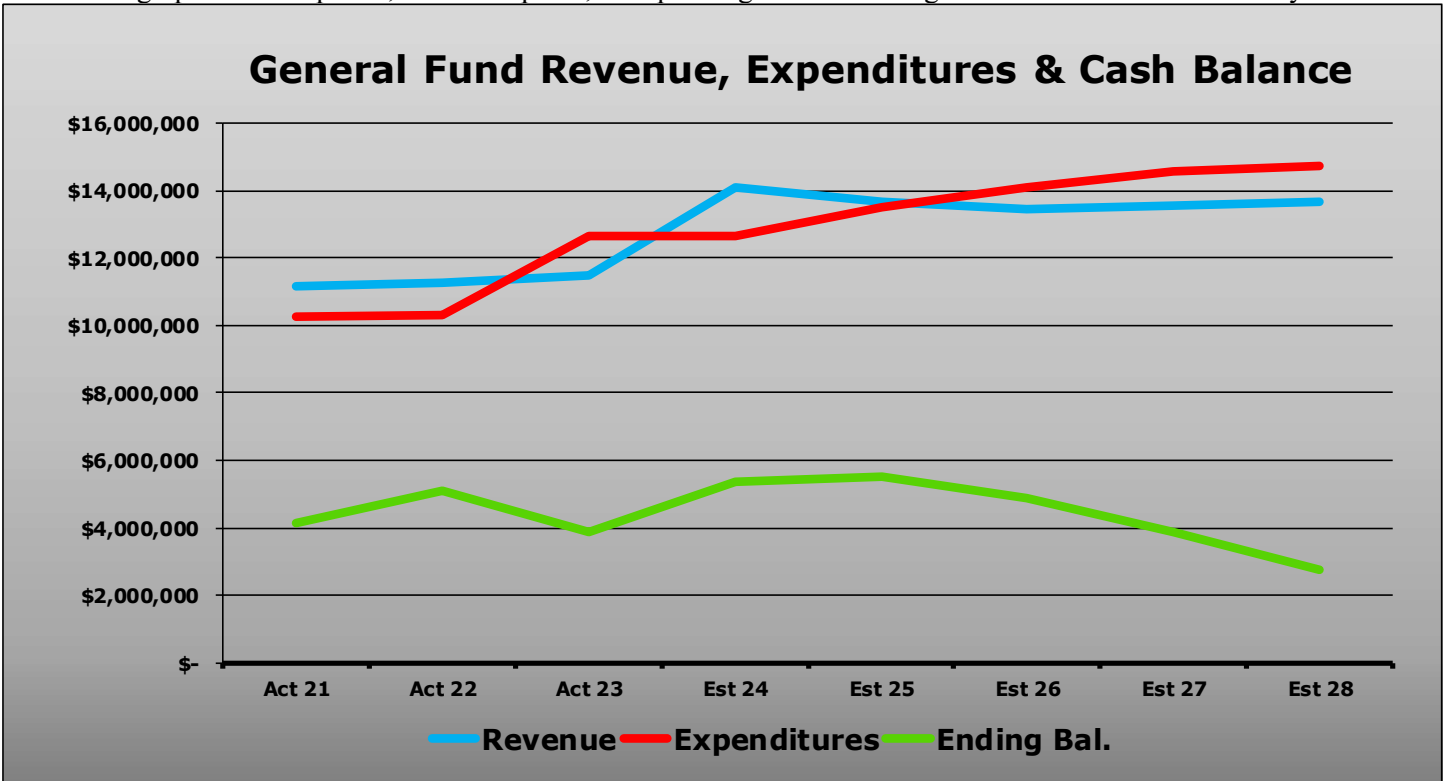
6) Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe that as we move forward our positive working relationship will continue and will only grow stronger.

The significant 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 assist the reader in reviewing the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please contact Greg Wells, Treasurer/CFO.

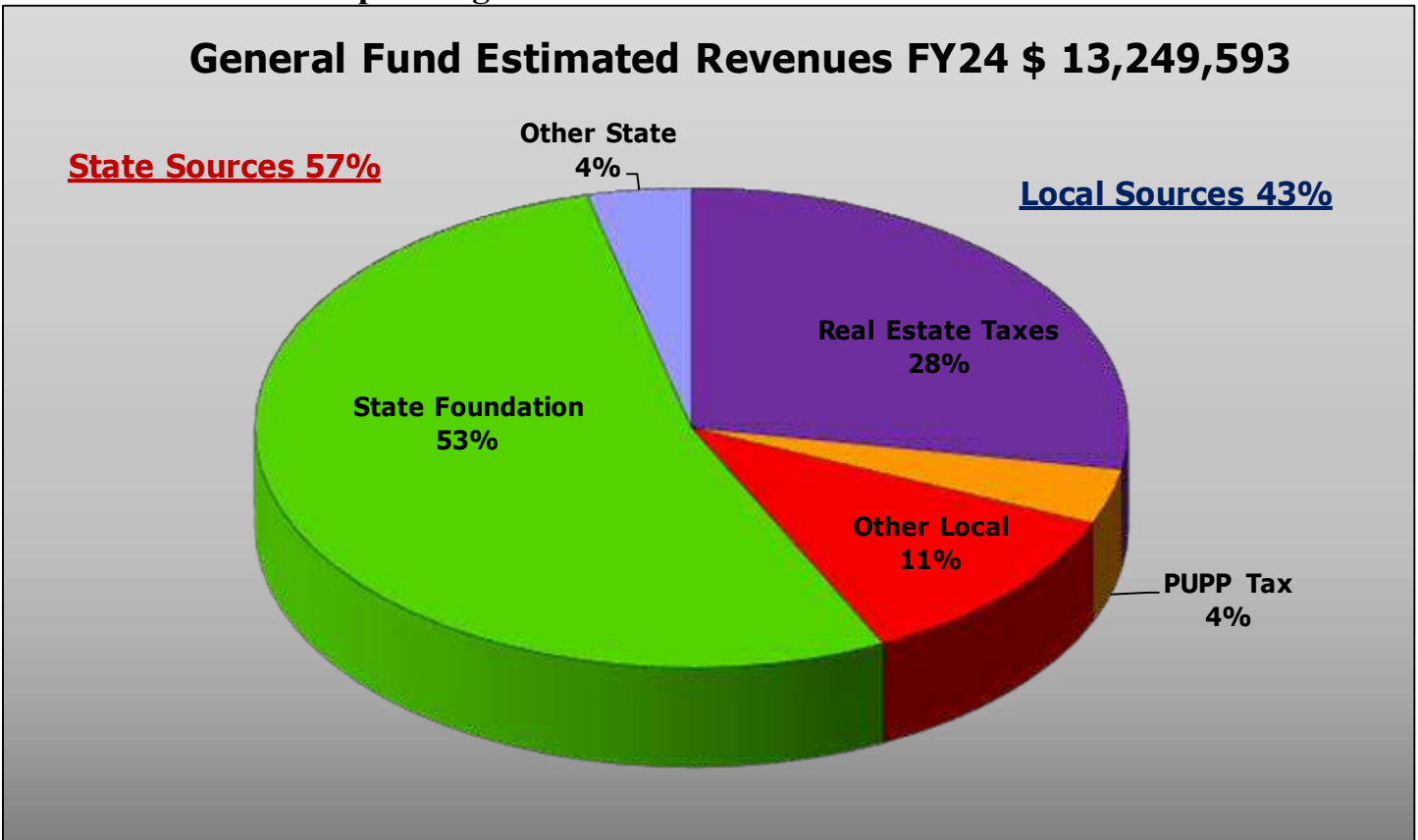
[THIS SPACE INTENTIONALLY LEFT BLANK]

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

The graph below 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. Clermont County experienced a triennial update for the 2020 tax year to be collected in FY21. Residential/agricultural values increased 3.6% or \$4.1 million due to the update, led by an improving housing market.

For tax year 2022, new construction in residential property was up 0.9% or \$1.1 million in assessed value, and commercial/industrial values decreased \$121 thousand. Overall values increased \$1.3 million or 0.9%, which includes new construction for all classes of property.

A 2023 sexennial valuation update is underway at the Clermont County Auditor’s office. Those 2023 property valuations will subsequently be implemented for collection in FY24. As noted earlier, the auditor is currently planning to submit an 18.65% increase to the State for Class I residential/agricultural property and a 7.42% increase for Class II commercial/industrial property. We anticipate values to increase \$24.6 million or 17.22%, overall.

Public Utility Personal Property (PUPP) values increased by \$270 thousand in tax year 2022. Due to South Afton Commerce Park values coming online in tax year 2023, the district is anticipating \$4.6 million in additional PUPP values. We expect our values to continue to grow by \$500 thousand in FY25-28.

Estimated Assessed Value (AV) by Collection Years

<u>Classification</u>	<u>Estimated TAX YEAR 2023 COLLECT 2024</u>	<u>Estimated TAX YEAR 2024 COLLECT 2025</u>	<u>Estimated TAX YEAR 2025 COLLECT 2026</u>	<u>Estimated TAX YEAR 2026 COLLECT 2027</u>	<u>Estimated TAX YEAR 2027 COLLECT 2028</u>
Res./Ag.	\$149,090,245	\$150,215,283	\$151,347,354	\$160,060,989	\$161,173,127
Comm./Ind.	19,656,725	19,833,031	20,040,562	20,256,822	20,442,482
Public Utility (PUPP)	<u>13,487,960</u>	<u>13,987,960</u>	<u>14,487,960</u>	<u>14,987,960</u>	<u>15,487,960</u>
Total Assessed Value	<u>\$182,234,930</u>	<u>\$184,036,274</u>	<u>\$185,875,876</u>	<u>\$195,305,771</u>	<u>\$197,103,569</u>

Tax Rates

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law (HB920) provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy collections not to 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 levies is 44.08 mills while the Class I effective millage rate is 26.58 mills and the Class II effective millage rate is 32.33 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills, 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 Class I current millage, plus 6.58 mills due to the emergency levy.

Estimated Real Estate Tax - Line #1.010

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Est. Property Taxes Line #1.010	<u>\$3,680,885</u>	<u>\$3,410,232</u>	<u>\$3,089,045</u>	<u>\$3,187,112</u>	<u>\$3,264,835</u>

Estimated Real Estate Tax Collection

Property tax levies are estimated to be collected at 97% of the annual amount. This allows for a 3% delinquency factor. In general, 56% of the Residential/Agricultural and Commercial/Industrial property taxes are expected to be collected in the March tax settlement and 44% collected in the August tax settlement.

Estimated Public Utility Personal Tax – 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 Public Utility (PUPP), which were \$8.8 million in assessed values in 2022 and are collected at the district’s gross voted millage rate. Collections are typically 66% in March and 34% in August along with the real estate settlements from the county auditor. The values in 2022 rose by 3.1% or \$270 thousand. Due to South Afton Commerce Park values coming online in tax year 2023, the district is anticipating \$4.6 million in additional PUPP values. We expect our values to continue to grow by \$500 thousand in FY25-28.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Public Utility Personal Property Taxes	<u>\$494,225</u>	<u>\$543,259</u>	<u>\$536,924</u>	<u>\$555,674</u>	<u>\$574,424</u>
Est. PUPP Taxes Line 1.020	<u>\$494,225</u>	<u>\$543,259</u>	<u>\$536,924</u>	<u>\$555,674</u>	<u>\$574,424</u>

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

Renewal Tax Levies – Line #11.020

The \$996,826 Emergency Levy in this forecast is set to expire in FY25. This 5-year Emergency levy was last passed in in FY18, one year early, before expiration in FY19. It is critical for the district to pass this levy for long-term financial stability.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Renew Em Levy (\$996,826) at 6.30 mills	<u>\$0</u>	<u>\$518,350</u>	<u>\$996,826</u>	<u>\$996,826</u>	<u>\$996,826</u>
Total Line # 11.020	<u>\$0</u>	<u>\$518,350</u>	<u>\$996,826</u>	<u>\$996,826</u>	<u>\$996,826</u>

School District Income Tax – Line#1.030

No school district income taxes are modeled in this forecast.

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Current State Funding Model per HB33 through June 30, 2025

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 November 2023 foundation settlement and funding factors.

Our district is currently a formula district in FY24 and is expected to continue on the formula 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.

Catastrophic Aid

Catastrophic Aid nearly doubled in FY22 due to increased appropriations, which are funded at the state level by a reduction in special education funding at the local level. These revenues are inconsistent year-to-year and we are not projecting any growth over the remainder of the forecast.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open 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% of 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 31st of January and August each year, beginning 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 FY21 was 73.83 million or \$42.18 per pupil. In FY22, the funding was increased to \$109.39 million for schools or \$62.86 per pupil, and in FY23, the funding totaled \$113.1 million or \$64.90 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 2% 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	\$6,528,491	\$6,831,015	\$6,831,015	\$6,831,015	\$6,831,015
Additional Aid Items	84,185	78,065	78,065	78,065	78,065
Basic Aid-Unrestricted Subtotal	<u>\$6,612,676</u>	<u>\$6,909,080</u>	<u>\$6,909,080</u>	<u>\$6,909,080</u>	<u>\$6,909,080</u>
Catastrophic Aid	10,247	10,247	10,247	10,247	10,247
Ohio Casino Commission ODT	<u>67,975</u>	<u>69,334</u>	<u>70,722</u>	<u>72,140</u>	<u>73,579</u>
Total Unrestricted State Aid Line #1.035	<u>\$6,690,898</u>	<u>\$6,988,661</u>	<u>\$6,990,049</u>	<u>\$6,991,467</u>	<u>\$6,992,906</u>

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 October funding factors. 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.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
DPIA	\$63,315	\$61,649	\$61,649	\$61,649	\$61,649
ESL	1,150	1,150	1,150	1,150	1,150
Gifted	64,127	66,275	66,275	66,275	66,275
Career Tech - Restricted	4,486	2,991	2,991	2,991	2,991
Student Wellness and Success	<u>247,350</u>	<u>230,596</u>	<u>230,596</u>	<u>230,596</u>	<u>230,596</u>
Total Restricted State Revenues Line #1.0	<u>\$380,428</u>	<u>\$362,661</u>	<u>\$362,661</u>	<u>\$362,661</u>	<u>\$362,661</u>

Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Unrestricted Line # 1.035	\$6,690,898	\$6,988,661	\$6,990,049	\$6,991,467	\$6,992,906
Restricted Line # 1.040	380,428	362,661	362,661	362,661	362,661
Restricted Fed. Grants - Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$7,071,326</u>	<u>\$7,351,322</u>	<u>\$7,352,710</u>	<u>\$7,354,128</u>	<u>\$7,355,567</u>

State Share of Local Property Taxes – Line #1.050

Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before 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 or older or disabled, regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who still need to get their Homestead Exemption approved or those who did not get a new application approved for the tax year 2013 and who become eligible after that 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 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.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Rollback and Homestead	\$511,367	\$489,038	\$433,647	\$447,805	\$461,935
TPP Reimbursement - Fixed Sum	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Share of Local Property Taxes	<u>\$511,367</u>	<u>\$489,038</u>	<u>\$433,647</u>	<u>\$447,805</u>	<u>\$461,935</u>

Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary 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.

In FY21, we began receiving TIF payments for the South Afton Industrial Park. This space is designed to expand industrial space in Clermont County. The district anticipates this TIF to collect \$189,000 in the forecasted period. The Nestle Purina PILOT payment will begin collecting an estimated \$655,234 in FY24 and \$1,105,234 FY24 then increasing to \$1,269,043 per year FY26-28.

The district did see an increase to this line in FY24 due to the insurance claims on a lighting strike to our building, and will return to normal collections FY25-28.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Tuition - SF-14, SF-14H, SF-6	\$234,433	\$236,777	\$239,145	\$241,536	\$243,952
Open Enrollment	0	0	0	0	0
Interest	265,985	239,387	215,448	193,903	174,513
PILOT & TIF Payments	844,234	1,294,234	1,458,043	1,458,043	1,458,043
Other Miscellaneous Receipts	<u>147,138</u>	<u>85,138</u>	<u>85,138</u>	<u>85,138</u>	<u>85,138</u>
Total Other Local Revenue Line #1.060	<u>\$1,491,790</u>	<u>\$1,855,536</u>	<u>\$1,997,774</u>	<u>\$1,978,620</u>	<u>\$1,961,646</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. At this time, the forecast does not anticipate activity on this line. The district experienced a one-time transfer out in FY23 which resulted in the transfer in for FY24.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>790,277</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances In	<u>\$790,277</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

All Other Financial Sources – Line #2.060

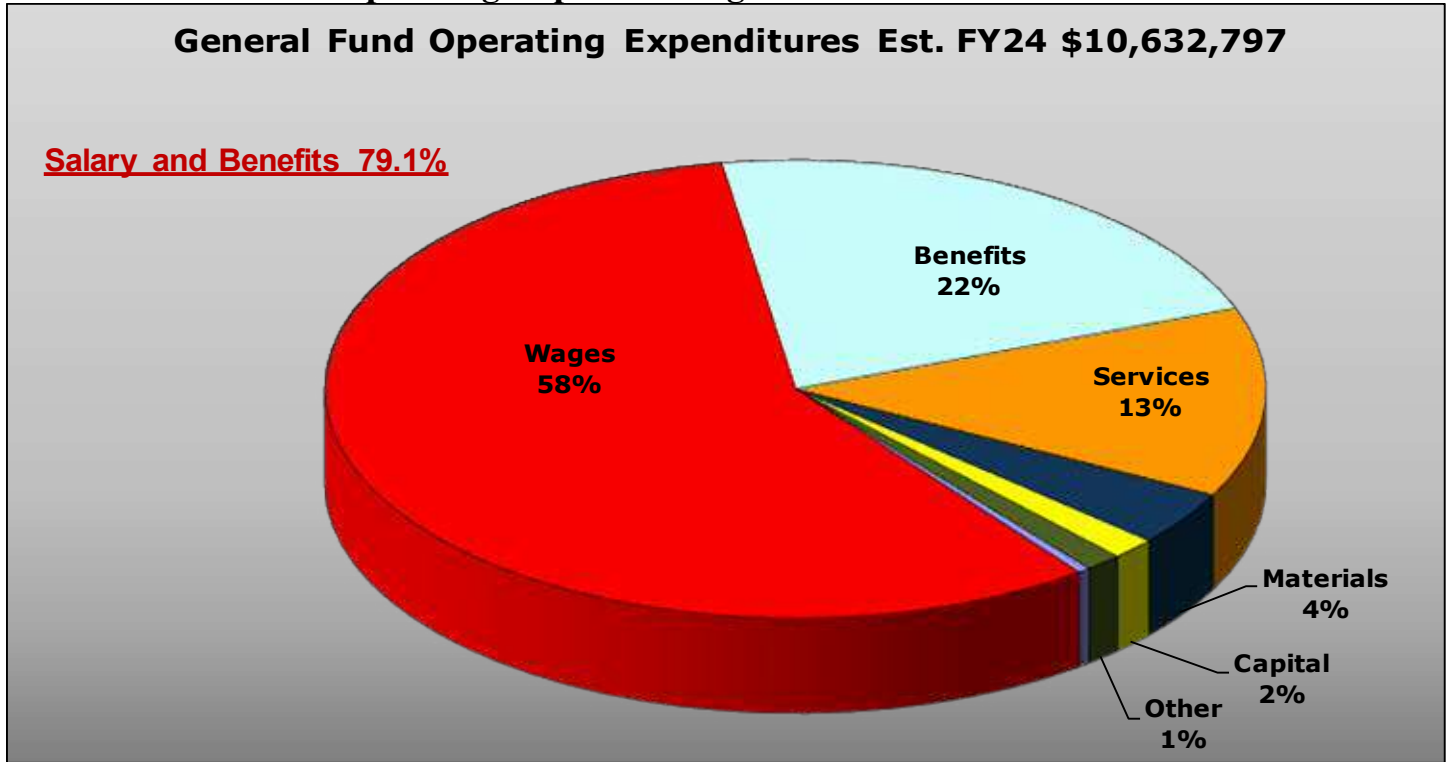
This funding source is typically a refund of prior year expenditures that is very unpredictable. For future years, we are estimating an amount of refunds that are in line with historical collections. Medicaid reimbursement payments, SERS or STRS refunds, and E-rate can be found here.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
All Other Sources	<u>\$26,238</u>	<u>\$26,500</u>	<u>\$26,765</u>	<u>\$27,033</u>	<u>\$27,303</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. 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

This line of the forecast is made up primarily of wages or salaries paid to staff. Substitutes and supplemental extracurricular contracts, as well as payments for the Board of Education can also be found here. Certified and Classified contracts are typically negotiated for three-year periods. For the Certified staff, we are estimating increases of 1% in FY24 and 1% in FY25. As of the filing of this forecast, we are estimating 3% in FY26, 2% in FY27, and 1% in FY28, for planning purposes only at this time. For the Classified staff, we are estimating increases of 3% in FY24 and 1% in FY25. For planning purposes, we are estimating 3% in FY26, 2% in FY27, and 1% in FY28 at this time. Admin and non-represented staff will typically see a similar increase as the collective bargaining units. However, these are reviewed on a yearly basis. In FY23 and FY24, we will be using ESSER funds to support several K-3 positions and are expecting those to return to the general fund in FY25. The district is bringing a Psychologist position back in house in FY24, previously contracted through the ESC.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Base Wages	\$5,862,591	\$5,847,292	\$6,392,963	\$6,659,550	\$6,870,658
Increases	145,527	78,473	191,789	133,191	68,707
All Staff - Steps and Training	68,592	68,413	74,798	77,917	80,387
Staff Changes & Retire/Replace	(7,927)	0	0	0	0
Overtime/Bonus/Stipend	14,275	14,275	14,275	14,275	14,275
Substitutes	146,235	146,235	146,235	146,235	146,235
Supplemental	54,391	54,935	55,484	56,039	56,599
Board Pay	9,384	9,384	9,384	9,384	9,384
ESSER Supplant	(221,491)	398,785	0	0	0
Contracted Bonus	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>
Total Wages Line 3.010	<u>\$6,141,577</u>	<u>\$6,687,792</u>	<u>\$6,954,928</u>	<u>\$7,166,591</u>	<u>\$7,316,245</u>

Fringe Benefits Estimates – Line #3.020

This area of the forecast captures all costs associated with benefits and retirement costs. These payments and HSA costs are included in the table below.

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

At this time, we are estimating an increase of 6.5% for FY24 and 8% for FY25-28, which reflects the District’s trend and the likely increase in health care costs as a result of actual claims incurred. This is based on our current employee census and claims data.

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 healthcare costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers’ Compensation is expected to be approximately 0.27% of wages FY24-28. Unemployment is expected to remain at a shallow level for FY24-28. The district is a direct reimbursement employer, meaning 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.

E) Other/Tuition

The district reimburses employees for the tuition to further their education in order to maintain licensure for teaching. The district anticipates this line to decrease over the forecasted period.

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>
STRS/SERS	\$913,240	\$993,899	\$1,033,344	\$1,064,595	\$1,086,692
Insurance's	1,249,006	1,379,842	1,498,286	1,618,149	1,747,601
Workers Comp/Unemployment	16,451	17,829	18,502	19,046	19,434
Medicare	85,723	93,429	97,196	100,182	102,292
Tuition and Other Benefits	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Fringe Benefits Line #3.020	<u>\$2,314,420</u>	<u>\$2,534,999</u>	<u>\$2,697,328</u>	<u>\$2,851,972</u>	<u>\$3,006,019</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.

The district currently has a school psychologist paid out of Student Wellness and Success Funds that will be returning to the General Fund in FY25 for the remaining forecasted period. The district did see an increase to this section for repairs caused by the lightning strike to our building. This will not be assumed to happen in future years.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Special Services and Preschool	\$301,706	\$306,232	\$310,825	\$315,487	\$320,219
Open Enrollment	0	0	0	0	0
Professional Services, Legal Fees & ESC	45,416	141,097	143,213	145,361	147,541
Property Service, Rentals & Insurance	393,960	492,870	500,263	507,767	515,384
Utilities	258,088	263,250	268,515	273,885	279,363
Other tuition	0	0	0	0	0
PD, Internet, Telephone, Postage & Other	156,553	172,953	172,953	172,953	172,953
SF 14, SF 14H & SF 6	201,587	201,587	201,587	201,587	201,587
College Credit Plus	<u>67,287</u>	<u>67,287</u>	<u>67,287</u>	<u>67,287</u>	<u>67,287</u>
Total Purchased Services Line #3.030	<u>\$1,424,597</u>	<u>\$1,645,276</u>	<u>\$1,664,643</u>	<u>\$1,684,327</u>	<u>\$1,704,334</u>

Supplies and Materials – Line #3.040

Expenses, which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, and materials. This line also contains maintenance supplies for transportation and fuel.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Supplies and Software	\$152,252	\$162,252	\$162,252	\$162,252	\$162,252
Textbooks	63,392	63,392	63,392	63,392	63,392
Buildings and Other	71,816	71,816	71,816	71,816	71,816
Transportation Supplies and Fuel	<u>123,168</u>	<u>125,631</u>	<u>128,144</u>	<u>130,707</u>	<u>133,321</u>
Total Supplies Line #3.040	<u>\$410,628</u>	<u>\$423,091</u>	<u>\$425,604</u>	<u>\$428,167</u>	<u>\$430,781</u>

Equipment – Line # 3.050

The District does not anticipate costs increasing significantly in this line due to the rotation of maintenance and replacement parking lots, technology and educational equipment make up the majority of this line. Chromebook replacements were scheduled to be purchased from this section of the forecast in FY22 and FY23; however, those replacements were purchased with ESSER funds. Chromebook expenses will be returned to the General Fund starting in FY24. Parking lot repairs in the summer of 2022 or FY23 increased this line. However, we are assuming the estimates return to prior years’ trend for the remaining years of this forecast. Bus purchases are made from the PI fund, and therefore, are not reflected in this forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Buildings and Parking	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Technology	110,926	162,035	183,655	185,492	187,347
Equipment	<u>20,165</u>	<u>73,165</u>	<u>93,165</u>	<u>93,165</u>	<u>93,165</u>
Total Equipment Line #3.050	<u>\$161,091</u>	<u>\$265,200</u>	<u>\$306,820</u>	<u>\$308,657</u>	<u>\$310,512</u>

Principal and Interest Payment – Lines # 4.02, 4.05 and 4.06

These lines are for General Fund debt payments the district makes annually. Currently this is used to pay principal for HB264, roof financing, and interest payments. This forecast no longer reflects the financing payments for the district’s roof project, which began in FY22 due to these payments coming from the Permanent Improvement Fund.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
HB264 Principal Line 4.050	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$45,000</u>	<u>\$0</u>
<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Interest Total Line 4.060	<u>\$3,988</u>	<u>\$2,888</u>	<u>\$1,788</u>	<u>\$619</u>	<u>\$0</u>

Other Expenses – Line #4.300

This category of expenses is primarily fees to the county auditors and treasurers for collecting property taxes and the Ohio Department of Taxation to collect and manage the districts income tax collection and settlement. The other expense category is several small expenses with the largest being district liability insurance and dues and fees to organization such as OSBA.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Auditor & Treasurer Fees	\$63,264	\$63,897	\$64,536	\$65,181	\$65,833
Other Dues and Fees	42,230	42,652	43,079	43,510	43,945
Audit Charges	24,772	25,020	25,270	25,523	25,778
ESC Charges	<u>6,230</u>	<u>6,292</u>	<u>6,355</u>	<u>6,419</u>	<u>6,483</u>
Total Other Expenses Line #4.300	<u>\$136,496</u>	<u>\$137,861</u>	<u>\$139,240</u>	<u>\$140,633</u>	<u>\$142,039</u>

Transfers Out/Advances Out – Line# 5.010

This account group covers fund-to-fund transfer and end of year short-term loans or advances from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Advanced funds are anticipated to be paid back in full in the next fiscal year. The district currently transfers to the following funds: Athletics, Termination Benefits, and Student Activities. Bus purchases are anticipated in FY25 and FY27 which is reflected by the increased transfer in these years to the PI fund. The district also plans to utilize the PI fund for the Capital and Technology set-aside. This will remove the set-aside from the forecast, and results in an increased transfer in FY24 to move these monies.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Operating Transfers Out Line #5.010	\$1,993,377	\$1,771,234	\$1,835,043	\$1,935,043	\$1,835,043
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>\$1,993,377</u>	<u>\$1,771,234</u>	<u>\$1,835,043</u>	<u>\$1,935,043</u>	<u>\$1,835,043</u>

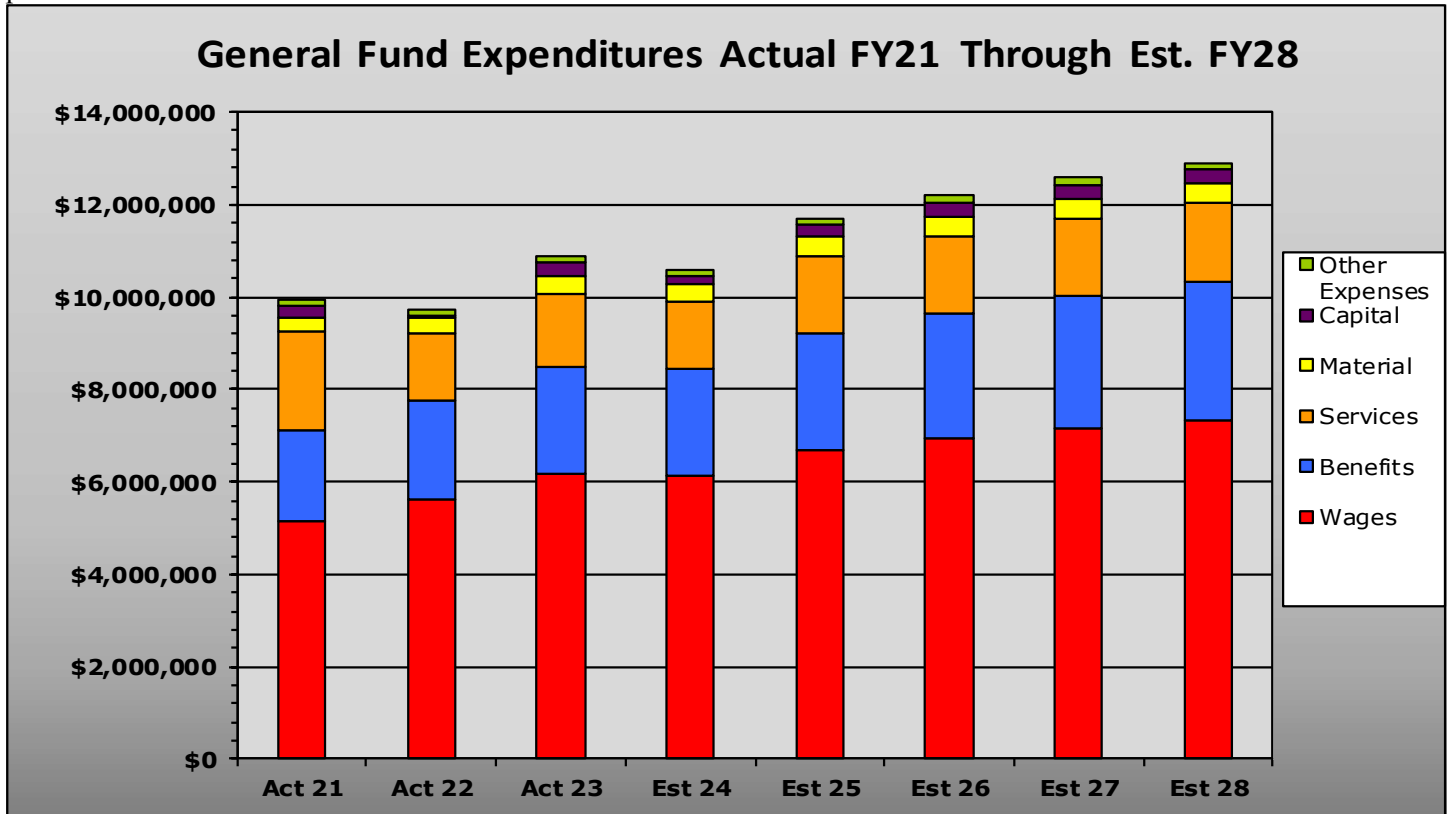
Encumbrances –Line#8.010

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>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Estimated Encumbrances	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>

Operating Expenditures Actual FY21 through FY23 and Estimated FY24-FY28

As the graph on the following page indicates, we have diligently contained costs due to lower and flat state revenues. We control our expenses while balancing students' academic needs to enable them to excel and perform well on state performance standards.



Ending Unencumbered Cash Balance – Line#15.010

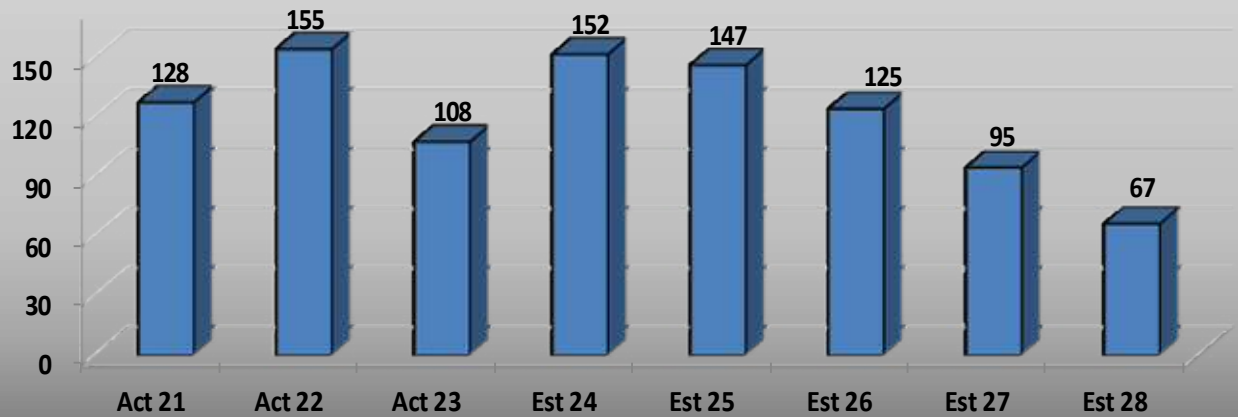
This amount must not go below \$0, or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, resulting in a negative unencumbered cash balance is a violation of O.R.C. §5705.412 and is punishable by personal liability of \$10,000. It is recommended by the Government Finance Officers Association (GFOA) and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance, which is approximately \$890 thousand for our district.

Source	FY24	FY25	FY26	FY27	FY28
Ending Cash Balance	<u>\$5,260,130</u>	<u>\$5,946,026</u>	<u>\$6,314,323</u>	<u>\$6,300,512</u>	<u>\$6,198,075</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 Year’s Ending Cash Balance divided by (Current Year’s Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. Although GFOA sets the minimum balance on hand to be thirty (30) days, GFOA recommends two (2) months, or sixty (60) days cash is on hand at year-end but could be more depending on each district’s 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.

Ending Cash Balance in True Cash Days



Conclusion

The district administration is grateful for the continuation of the Fair School Funding Plan in the current state budget, HB33, as it has reduced the amount that was deducted for programs that were not within the district's control.

The district is receiving funding through the CARES Act and ESSER funds that are to be used for helping due to the pandemic. ARP ESSER funding has been allocated to our district that can be used through September 2024, which will continue to offset the expenses and help with academic support for lost learning due to school closures as a result of the pandemic. We will monitor this and all other funding that is affecting our forecast from the pandemic.

As you read through the notes and review the forecast, remember that the forecast is based on the information that is known at the time that it is prepared.