BUCYRUS CITY SCHOOL DISTRICT-CRAWFORD 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 2028

Forecast Provided By
Bucyrus City School District
Treasurer's Office
Lisa Thoman-Cha, Treasurer/CFO

November 16, 2023

BUCYRUS CITY SCHOOLS
Crawford County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2021, 2022, 2023
Forecasted Fiscal Year 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
	Revenues									
1.010	General Property Tax (Real Estate)	3,646,929	3,776,240	3,745,594	1.4%	3,785,169	3,768,817	3,776,935	3,779,681	3,813,445
1.020	Public Utility Personal Property Tax	341,581	448,864	450,743	15.9%	480,423	479,113	485,536	493,221	499,594
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	11,741,288	10,352,685	9,360,739	-10.7%	9,896,653	10,050,487	10,051,258	10,052,031	10,052,806
1.040	Restricted State Grants-in-Aid	383,045	380,792	687,927	40.0%	684,568	684,568	684,568	684,568	684,568
1.045	Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	677,906	631,989	602,866	-5.7%	625,555	643,901	646,244	646,797	654,009
1.060	All Other Revenues	592,240	773,599	707,803	11.1%	728,595	750,281	772,904	796,509	821,144
1.070	*Total Revenues*	17,382,989	16,364,169	15,555,672	-5.4%	16,200,963	16,377,167	16,417,445	16,452,807	16,525,566
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	-	-	-	-	-
2.020	State Emergency Loans (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	11,000	-	-	0.0%	-	-	-	-	-
2.050	Advances-In	-	-	-	0.0%	-	-	-	-	-
2.060	All Other Financing Sources	180,557	19,142	19,878	-42.8%	19,878	19,878	19,878	19,878	19,878
2.070	*Total Other Financing Sources*	191,557	19,142	19,878	-43.1%	19,878	19,878	19,878	19,878	19,878
2.080	*Total Revenues and Other Financing Sources*	17,574,546	16,383,311	15,575,550	-5.9%	16,220,841	16,397,045	16,437,323	16,472,685	16,545,444
	Expenditures									
3.010	Personal Services	$6,729,893	$5,668,553	$5,258,095	-11.5%	$7,755,428	$8,073,792	$8,492,884	$8,688,687	$8,891,281
3.020	Employees' Retirement/Insurance Benefits	3,332,970	3,418,795	3,421,529	1.3%	3,808,634	3,958,579	4,373,532	$4,799,972	$5,278,562
3.030	Purchased Services	5,730,251	4,072,738	3,485,520	-21.7%	3,611,130	3,742,048	3,878,519	$4,020,801	$4,169,164
3.040	Supplies and Materials	320,334	423,879	484,346	23.3%	$494,033	503,914	513,992	524,272	534,757
3.050	Capital Outlay	110,215	610,951	391,719	209.2%	$225,000	925,000	1,525,000	225,000	225,000
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
	Debt Service:									
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	0.0%	-	-	-	-	-
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	-	-	-	0.0%	-	-	-	-	-
4.300	Other Objects	898,030	977,750	944,858	2.8%	$982,346	$1,021,363	$1,061,971	$1,104,236	$1,148,227
4.500	*Total Expenditures*	$17,121,693	15,172,666	13,986,067	-9.6%	16,876,571	18,224,696	19,845,898	19,362,968	20,246,991
	Other Financing Uses									
5.010	Operating Transfers-Out	-	-	-	0.0%	-	-	-	-	-
5.020	Advances-Out	-	-	-	0.0%	-	-	-	-	-
5.030	All Other Financing Uses	-	-	-	0.0%	-	-	-	-	-
5.040	*Total Other Financing Uses*	-	-	-	0.0%	-	-	-	-	-
5.050	*Total Expenditures and Other Financing Uses*	17,121,693	15,172,666	13,986,067	-9.6%	16,876,571	18,224,696	19,845,898	19,362,968	20,246,991
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	452,853	1,210,645	1,589,483	99.3%	(655,730)	(1,827,651)	(3,408,575)	(2,890,283)	(3,701,547)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	11,656,293	12,109,146	13,319,791	6.9%	14,909,274	14,253,544	12,425,893	9,017,318	6,127,035
7.020	*Cash Balance June 30*	12,109,146	13,319,791	14,909,274	11.0%	14,253,544	12,425,893	9,017,318	6,127,035	2,425,488
8.010	*Estimated Encumbrances June 30*	1,022,487	904,054	1,313,294	16.8%	100,000	100,000	100,000	100,000	100,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030	Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.040	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080	*Subtotal*	-	-	-	0.0%	-	-	-	-	-
10.010	*Fund Balance June 30 for Certification of Appropriations*	11,086,659	12,415,737	13,595,980	10.7%	14,153,544	12,325,893	8,917,318	6,027,035	2,325,488

BUCYRUS CITY SCHOOLS
Crawford County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2021, 2022, 2023
Forecasted Fiscal Year 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
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	-	-		0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement	-	-		0.0%	-	-	-	-	-
11.300	Cumulative Balance of Replacement/Renewal Levies	-	-		0.0%	-	-	-	-	-
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	11,086,659	12,415,737	13,595,980	10.7%	14,153,544	12,325,893	8,917,318	6,027,035	2,325,488
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	-	-	-	-	-
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements	-			0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	11,086,659	12,415,737	13,595,980	10.7%	14,153,544	12,325,893	8,917,318	6,027,035	2,325,488

Bucyrus City School District – Crawford County
Notes to the Five Year Forecast
General Fund Only
November 16, 2023

Introduction to the Five Year Forecast

A forecast is somewhat like a painting of the future based upon a snapshot of today. That snapshot, however, will be adjusted and the further into the future the forecast extends, the more likely it is that the projections will deviate from actual experience. A variety of 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 viewed as a key management tool and must be updated periodically. In Ohio, most school districts understand how they will manage their finances in the current year. The five-year forecast encourages 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 take place that will significantly change their forecast or, at a minimum, when required under 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 to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important 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 or Board of Education (BOE) of the individual school district with any questions you may have. The Treasurer or CFO submits the forecast, but the BOE is recognized as ultimately responsible for the development of the forecast and the official owner.

Here are at least three 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

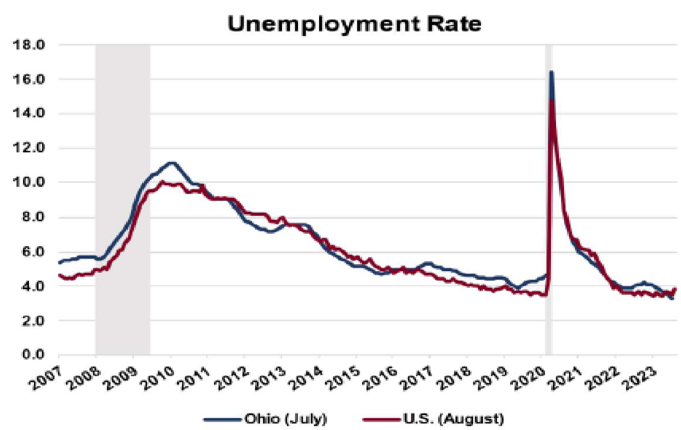
O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, 2023, and May 31, 2024, for the fiscal year 2024 (July 1, 2023, to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general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

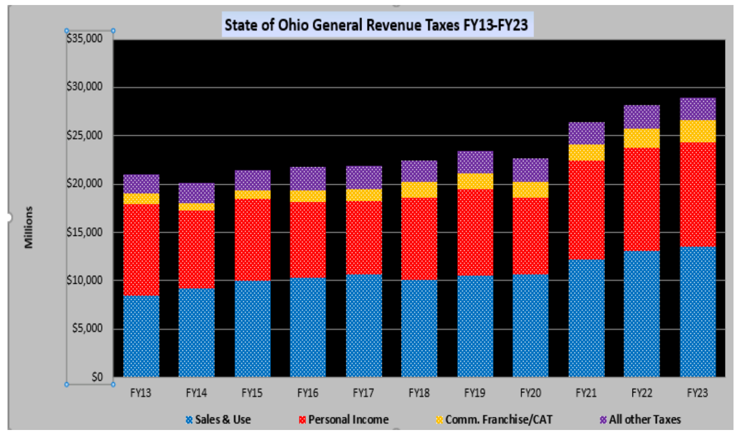
Economic Outlook

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 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 impact 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 very 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 impacting 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.





Source: Ohio Office of Budget and Management

While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER), which began in the fiscal year 2020, the most recent allocation of ESSER funds must be spent or encumbered by September 30, 2024. Any ongoing costs are absorbed back into the district General Fund. ESSER funds positively impacted school resources.

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) In tax year 2021 Crawford County reappraisal update resulted in an increase in Class I residential agricultural values of 13.8% and no significant increase in Class II commercial property for an overall tax value increase of 11.2% or $13.5 million in increased values. In tax year 2024 the County will go through a reappraisal update which we are estimating will result in a 3% increase in Class I values and 1% increase in Class II values or $3.5 million increase in values. There is a low risk that any decrease in values would have a major impact on our forecast as our operating levies would roll up due to HB920 in response to any decline in values. However, House Bill 187 and Senate Bill 153 have been introduced to average property value in reappraisals and updates. These bills are pending and could have an impact on the 2024 reappraisal and potentially the 20 mill floor which we are very close to being at. We are watching these proposals very carefully and will adjust the forecast pending their outcome.

2) 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.

3) The State Budget represents 69.2% of district revenues, which means it is a significant area of risk to 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.

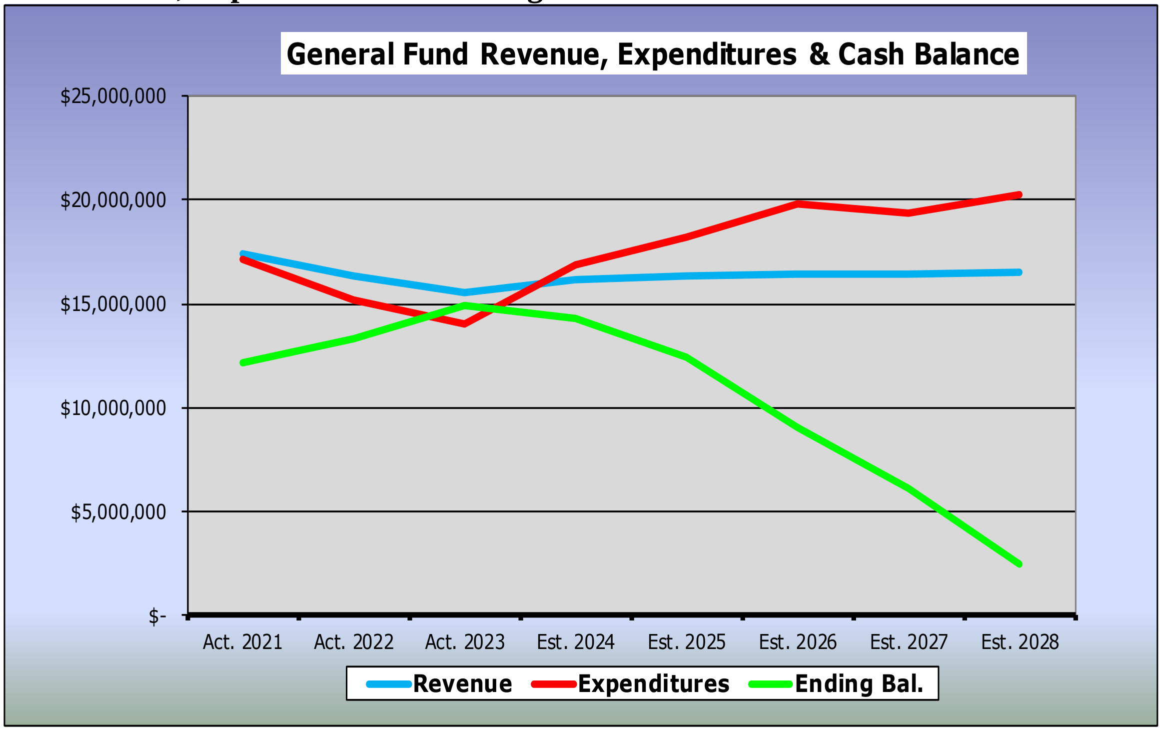
4) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid, 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.

5) Labor relations in the district have been very amicable with all parties working for the best interest of students and realizing the resource challenges the district faces. We believe as the district moves forward a strong working relationship will continue.

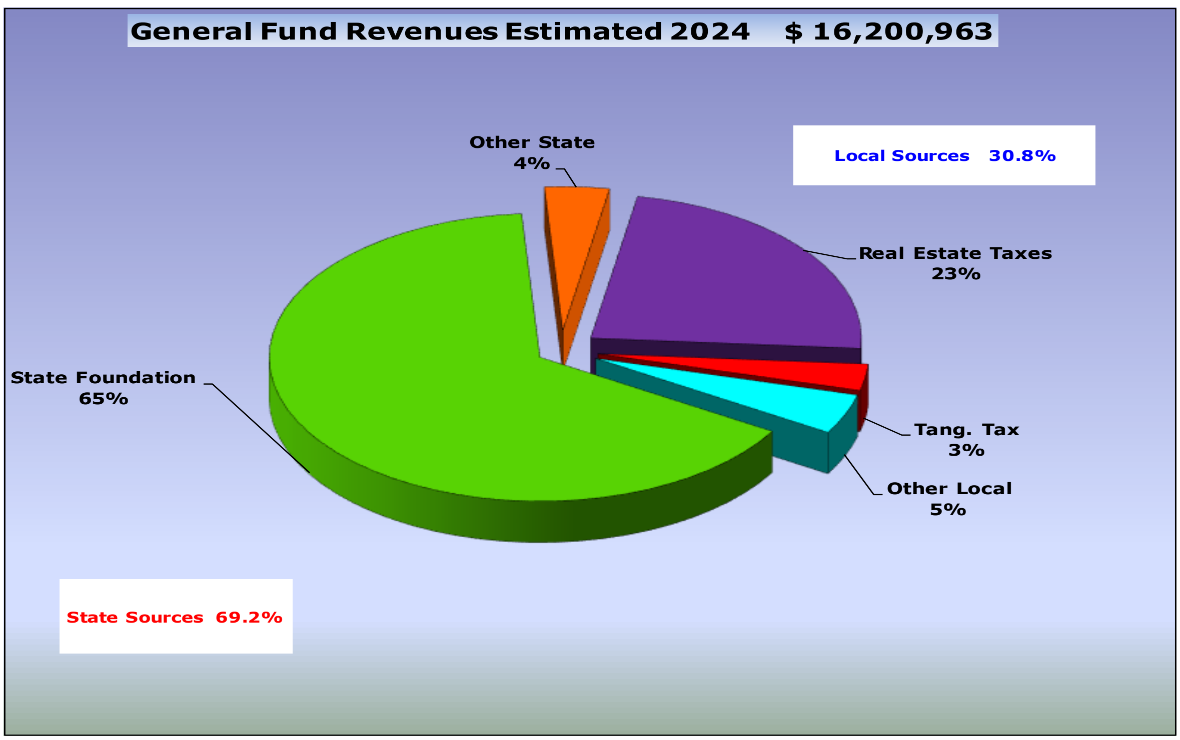
The financial forecast presents, to the best of the Bucyrus City School District Board of Education's knowledge and belief, the expected revenues, expenditures, and operating balance of the General Fund. Accordingly, the forecast reflects the Board of Education's judgment of the expected conditions and its expected course of action as of the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected.

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 Ms. Lisa Thoman-Cha, Treasurer of the Bucyrus City Schools 419-562-4045.

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



REVENUE ASSUMPTIONS



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. The County went through a reappraisal update in 2018 for collection in 2019. Residential/Agricultural values increased 7.9% Commercial/Industrial values increased 9.33%. The 2021 Crawford County reappraisal update resulted in an increase in Class I residential agricultural values of 13.8% and no significant increase in Class II commercial property for an overall tax value increase of 11.2%. In tax year 2024 the County will go through a reappraisal update which we are estimating will result in a 3% increase in Class I values and 1% increase in Class II values.

As a reminder Tangible Personal Property (TPP) values were reduced to $-0- in 2011 as a result of HB 66.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2023	TAX YEAR2024	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027
Classification	COLLECT 2024	COLLECT 2025	COLLECT 2026	COLLECT 2027	COLLECT 2028
Res./Ag.	$109,037,170	$112,338,285	$112,368,285	$112,398,285	$115,800,234
Comm./Ind.	25,505,940	25,730,999	25,700,999	25,670,999	25,897,709
PUPP	9,369,440	9,519,440	9,669,440	9,819,440	9,969,440
Total Assessed Value	$143,912,550	$147,588,724	$147,738,724	$147,888,724	$151,667,383

ESTIMATED REAL ESTATE TAX (Line #1.010)

Source	FY24	FY25	FY26	FY27	FY28
Est. Property Tax Line #1.010	$3,785,169	$3,768,817	$3,776,935	$3,779,681	$3,813,445

Property tax levies are estimated to be collected at 95% of the annual amount allowing a 5% current delinquent factor. In general, 55% of the new Res/Ag. and Comm/Ind. is expected to be collected in February tax settlements and 45% collected in August tax settlements. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the Crawford County Auditor.

Estimated Public Utility Personal Property Tax – Line#1.020
The phase out of Tangible Personal Property (TPP) taxes as noted earlier began in FY06 and were eliminated after FY11. Only Public Utility Personal Property (PUPP) taxes are collected in Line 1.02. PUPP values grew $569,990 in 2022 and we are estimating value growth of $150,000 which is more in line with historic trends for FY24-FY28. FY24 is a little higher than estimated FY25 due to a delinquent PUPP payment in the 2nd half August 2023 settlement.

Source	FY24	FY25	FY26	FY27	FY28
Public Utility Tax	$480,423	$479,113	$485,536	$493,221	$499,594

Renewal and Replacement Levies – Line #11.02
The district currently does not have any levies that expire.

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

Income Tax – Line #1.03
The district does not have a school district income tax.

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

Unrestricted State Foundation Revenue
HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25. We have projected FY24 funding based on the October 2023 foundation settlement and funding factors.

Our district is currently a formula district in FY24 and is expected to be 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, and now 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
C. Personal Income of District Residents
D. Historical Funding- CAPS and Guarantees from prior funding formulas

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 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 most recent three (3) 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 most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled

4. When the weighted values are calculated and Items 1. through 3. above added together, the total is then multiplied by a Local Share Multiplier Index from ranging 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 finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity amount of the base per pupil funding amount. The balance of this amount is the state share to pay.

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:

<u>Unrestricted Categorical State Aid</u>

1. <u>Targeted Assistance/Capacity Aid</u> – 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). Also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. <u>Special Education Additional Aid</u> – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all districts' calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. <u>Transportation Aid</u> – Funding 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.

<u>Restricted Categorical State Aid</u>

1. <u>Disadvantage Pupil Impact Aid (DPIA)</u>- Formerly Economically Disadvantaged Funding, DPIA is based on number and concentration of economically disadvantaged students compared to state average and multiplied by $422 per pupil. Phase-in increases are limited to 50% for FY24 and 66.67% in FY25.
2. <u>English Learners</u> – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
3. <u>Gifted Funds</u> –Based on average daily membership multiplied by a weighted amount per pupil.
4. <u>Career-Technical Education Funds</u> – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. <u>Student Wellness & Success Funding</u> – 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% GCR 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 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 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.

Source	FY24	FY25	FY26	FY27	FY28
Basic Aid-Unrestricted	$9,452,074	$9,626,023	$9,626,023	$9,626,023	$9,626,023
Additional Aid Items	372,234	351,349	351,349	351,349	351,349
Basic Aid-Unrestricted Subtotal	$9,824,308	$9,977,372	$9,977,372	$9,977,372	$9,977,372
Ohio Casino Commission ODT	72,345	73,115	73,886	74,659	75,434
Unrestricted State Aid Line # 1.035	$9,896,653	$10,050,487	$10,051,258	$10,052,031	$10,052,806

Restricted State Revenues – Line # 1.040
HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above 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.

Source	FY24	FY25	FY26	FY27	FY28
DPIA	$304,689	$304,689	$304,689	$304,689	$304,689
Career Tech - Restricted	0	0	0	0	0
Gifted	77,513	77,513	77,513	77,513	77,513
ESL	4,065	4,065	4,065	4,065	4,065
Student Wellness	298,301	298,301	298,301	298,301	298,301
Restricted State Revenues Line #1.040	$684,568	$684,568	$684,568	$684,568	$684,568

Restricted Federal Grants in Aid – line #1.045
The district is not anticipating any new federal dollars for general fund operations in this forecast period.

Summary

Source	FY24	FY25	FY26	FY27	FY28
Unrestricted Line # 1.035	$9,896,653	$10,050,487	$10,051,258	$10,052,031	$10,052,806
Restricted Line # 1.040	684,568	684,568	684,568	684,568	684,568
Rest. Fed. Grants - Line #1.045	0	0	0	0	0
Total State Foundation Revenue	$10,581,221	$10,735,055	$10,735,826	$10,736,599	$10,737,374

State Share of Local Property Tax – Line #1.050

Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66 the FY06-07 budget bill previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are also 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 over age 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changes the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do 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 currently have 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 slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers.

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

Source	FY24	FY25	FY26	FY27	FY28
Rollback and Homestead	$625,555	$643,901	$646,244	$646,797	$654,009
Tax Reimb./Prop. Tax Allocations #1.050	$625,555	$643,901	$646,244	$646,797	$654,009

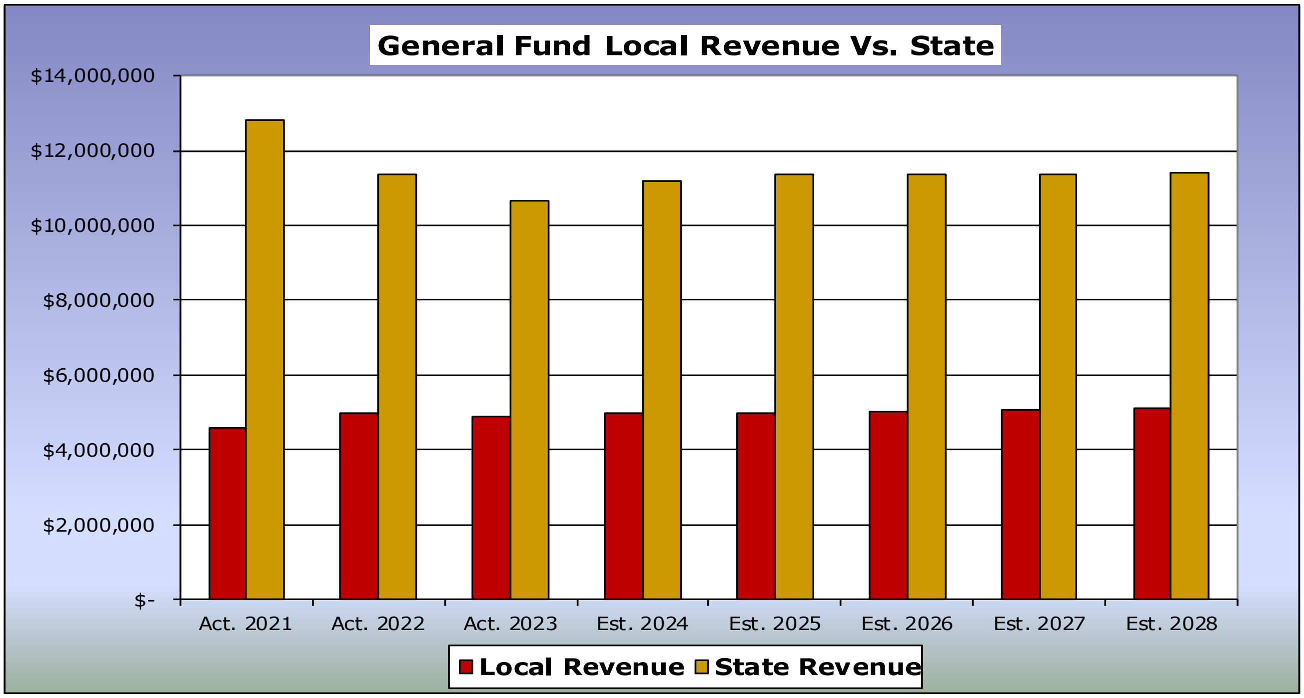
Other Local Revenues – Line #1.060

The main sources of revenue in this area have been open enrollment, tuition for court placed students, student fees, Medicaid reimbursements, investment income 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 state basic aid.

Interest income is based on the district's 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 historic trends.

Source	FY24	FY25	FY26	FY27	FY28
Open Enrollment Gross	$0	$0	$0	$0	$0
Interest	359,991	377,991	396,891	416,736	437,573
Tuition SF-14 & SF-14H	4,351	4,395	4,439	4,483	4,528
Medicare Reimbursement	300,329	303,332	306,365	309,429	312,523
Rentals, Fines, Fees,& other	63,924	64,563	65,209	65,861	66,520
Total Other Local Revenue Line #1.060	$728,595	$750,281	$772,904	$796,509	$821,144

Comparison of Local Revenue and State Revenue:



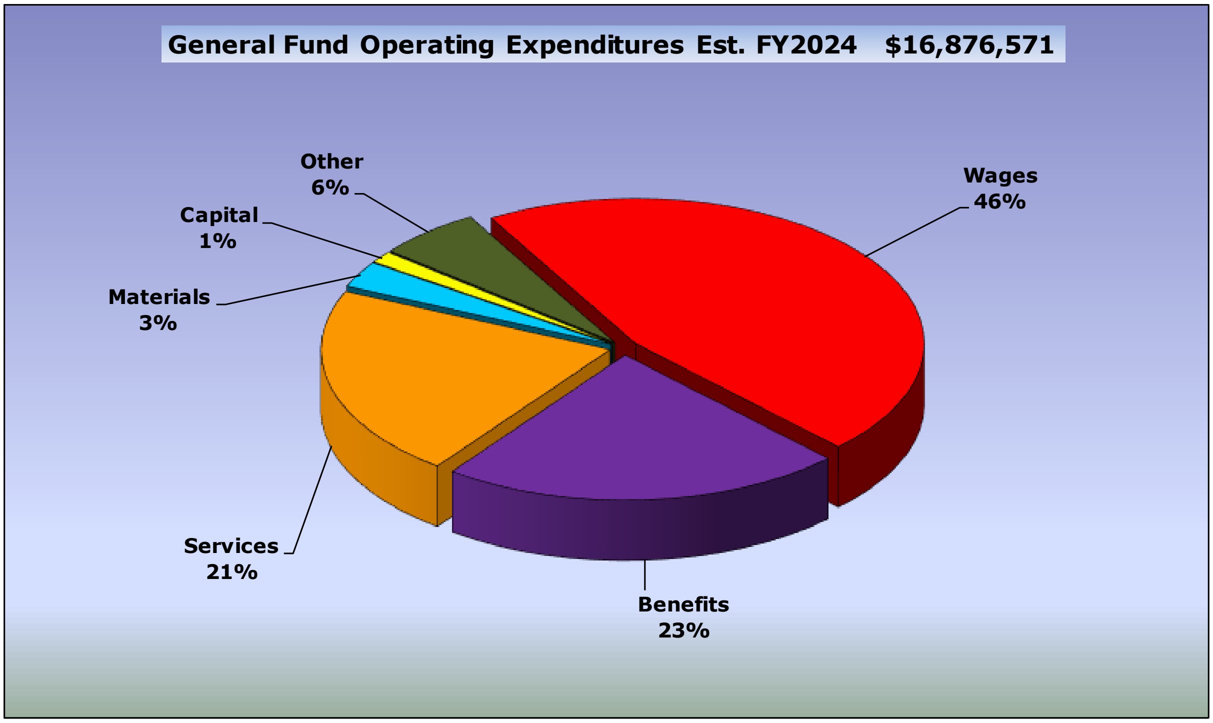
Short-Term Borrowing – Lines #2.010 & Line #2.020
There is no short term borrowing planned in this forecast at this time from any sources.

Transfers In / Return of Advances– Line #2.040, #2.050
Returns of advances to other funds from the previous year comprise most of the historical revenue in this category.

All Other Financial Sources – Line #2.060
Other financial sources are typically a refund of prior year expenditures that are very unpredictable.

Source	FY24	FY25	FY26	FY27	FY28
Other Sources Line 2.060	$19,878	$19,878	$19,878	$19,878	$19,878

Expenditure Assumptions



Wages – Line #3.010

For planning purposes the forecast reflects a 4% increase for FY24-FY26 and a 1% increase FY27-FY28. Step and training pay increases are reflected based on current staffing levels FY24-28. We have used ESSER and Student Wellness and Success funds in prior years to help offset wage costs in FY21 through FY23. Wage costs of $2.155 million covered by ESSER have been added back in FY24 when the ESSER funds will no longer be available.

Source	FY24	FY25	FY26	FY27	FY28
Base Wages	$4,617,934	$6,998,816	$7,288,515	$7,677,796	$7,865,848
Base Increases	287,313	184,717	279,953	72,885	76,778
Steps & Training/Performance Based Pay	69,269	104,982	109,328	115,167	117,988
New or Replacement Staff	18,753	0	0	0	0
Substitutes & Supplementals	612,671	637,178	662,665	669,292	675,985
Overtime & Other	103,941	108,099	112,423	113,547	114,682
Severance	40,000	40,000	40,000	40,000	40,000
Staff Adjustments/Fund 467 & ESSER	2,005,547	0	0	0	0
Total Wages Line #3.010	$7,755,428	$8,073,792	$8,492,884	$8,688,687	$8,891,281

Fringe Benefits Estimates Line 3.02

This area of the forecast captures all costs associated with benefits and retirement costs, which all except health insurance being directly related to the wages paid.

STRS/SERS

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.

A) Insurance

We are estimating an increase in insurance of 1% for each year FY24 and up to 15% for FY25, then estimating 14% FY26-FY28. This is based on our current employee census and claims data. This could increase at a much higher rate should claims increase dramatically.

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.

B) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about .0022% of wages in FY24-28. Unemployment is expected to remain at a very low level. 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.

C) Medicare

Medicare will continue to increase at the rate of increases in wages. 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

Source	FY24	FY25	FY26	FY27	FY28
STRS/SERS	$1,356,060	$1,320,559	$1,388,353	$1,424,136	$1,457,750
Insurance's	2,245,780	2,425,442	2,765,004	3,152,105	3,593,400
Workers Comp/Unemployment	20,940	21,799	22,930	23,459	24,007
Medicare	118,854	123,779	130,245	133,272	136,405
Tuition Reimb./Health Sav. Acct.	67,000	67,000	67,000	67,000	67,000
Total Fringe Benefits Line #3.020	$3,808,634	$3,958,579	$4,373,532	$4,799,972	$5,278,562

Purchased Services – Line #3.030

We are estimating an inflation rate of 4% for FY24-28. HB110, the previous state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted 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 show 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 Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

Source	FY24	FY25	FY26	FY27	FY28
Base Services- Including repairs, PSEO	$887,271	$905,016	$923,116	$941,578	$960,410
Instructional Services - ESC	767,347	782,694	798,348	814,315	830,601
Open Enrollment Deduction	0	0	0	0	0
Community School Deductions	0	0	0	0	0
Tuition Payments, Autism Scholarship	1,622,312	1,703,428	1,788,599	1,878,029	1,971,930
Utilities	334,200	350,910	368,456	386,879	406,223
Total Purchased Services Line #3.030	$3,611,130	$3,742,048	$3,878,519	$4,020,801	$4,169,164

Supplies and Materials – Line #3.040

These amounts account for funds to purchase new textbooks and educational supplies related to new curriculum adoptions. The other area of expenses included in this category are all consumable supplies that are purchased to operate the school district, such as textbooks, paper, cleaning supplies, tires and bus fuel.

Source	FY24	FY25	FY26	FY27	FY28
Supplies	$494,033	$503,914	$513,992	$524,272	$534,757
Budget Adj. Fund 507	0	0	0	0	0
Total Supplies Line #3.040	$494,033	$503,914	$513,992	$524,272	$534,757

Equipment – Line # 3.050

Capital outlay expenditures are estimated based on recent historical patterns with increases as needed for funds not available in the Permanent Improvement Fund. The District makes every attempt to maximize the use of the Permanent Improvement funds. The increase in expenditures forecasted are as follows:

- FY25 - replace the bleachers and the press box estimated at $700,000
- FY26 – replace the roof at the high school estimated at $1.3 million

Source	FY24	FY25	FY26	FY27	FY28
Capital Outlay	$225,000	$837,500	$1,437,500	$137,500	$137,500
Replacement Bus Purchases	0	87,500	87,500	87,500	87,500
Total Equipment Line #3.050	$225,000	$925,000	$1,525,000	$225,000	$225,000

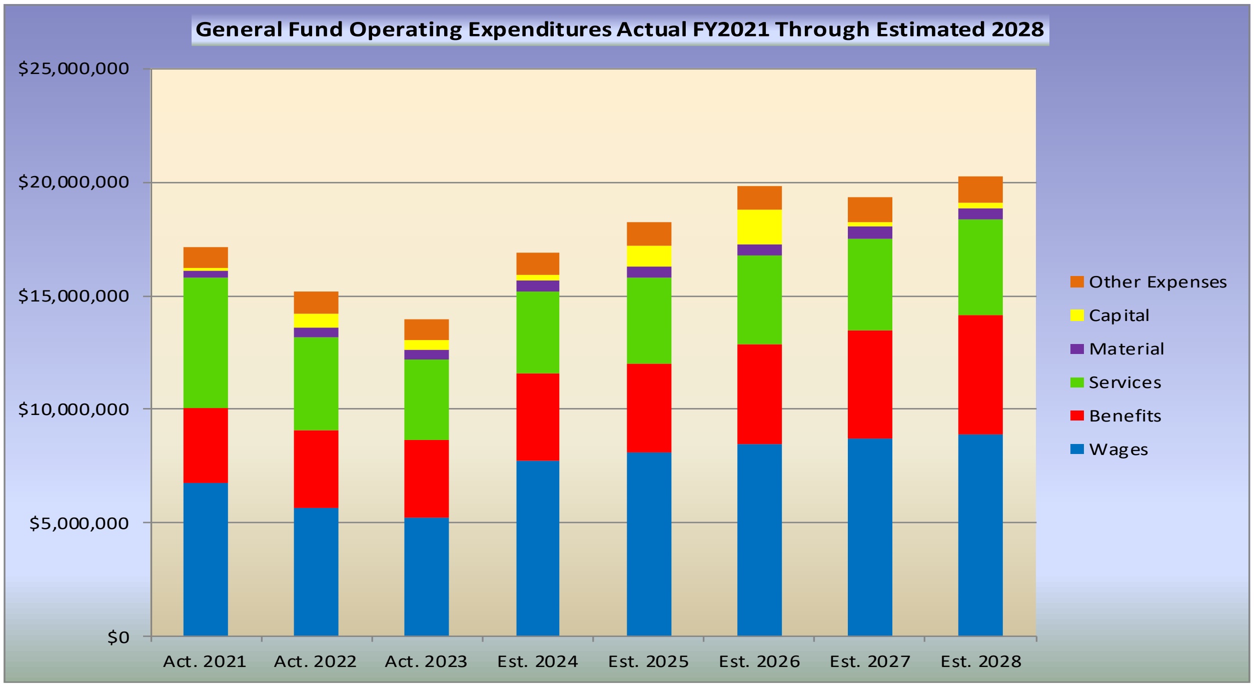
Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, but also includes annual audit costs, OSBA dues, and other miscellaneous expenses.

Source	FY24	FY25	FY26	FY27	FY28
County Auditor & Treasurer Fees	$120,212	$126,223	$132,534	$139,161	$146,119
Audit fees, dues and other expenses	73,964	75,443	76,952	78,491	80,061
County ESC	788,170	819,697	852,485	886,584	922,047
Total Other Expenses Line #4.300	$982,346	$1,021,363	$1,061,971	$1,104,236	$1,148,227

Total Expenditure Categories Actual FY21 through FY23 and Estimated FY24 through FY28

Declines in prior years are due to moving costs from the General Fund to ESSER Funds for continuity of operation as noted in the authorized use of these funds. Costs return in FY24 to the General Fund.



Transfers Out/Advances out – Line# 5.010

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. Advances are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund.

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. Estimates are based on historic trends.

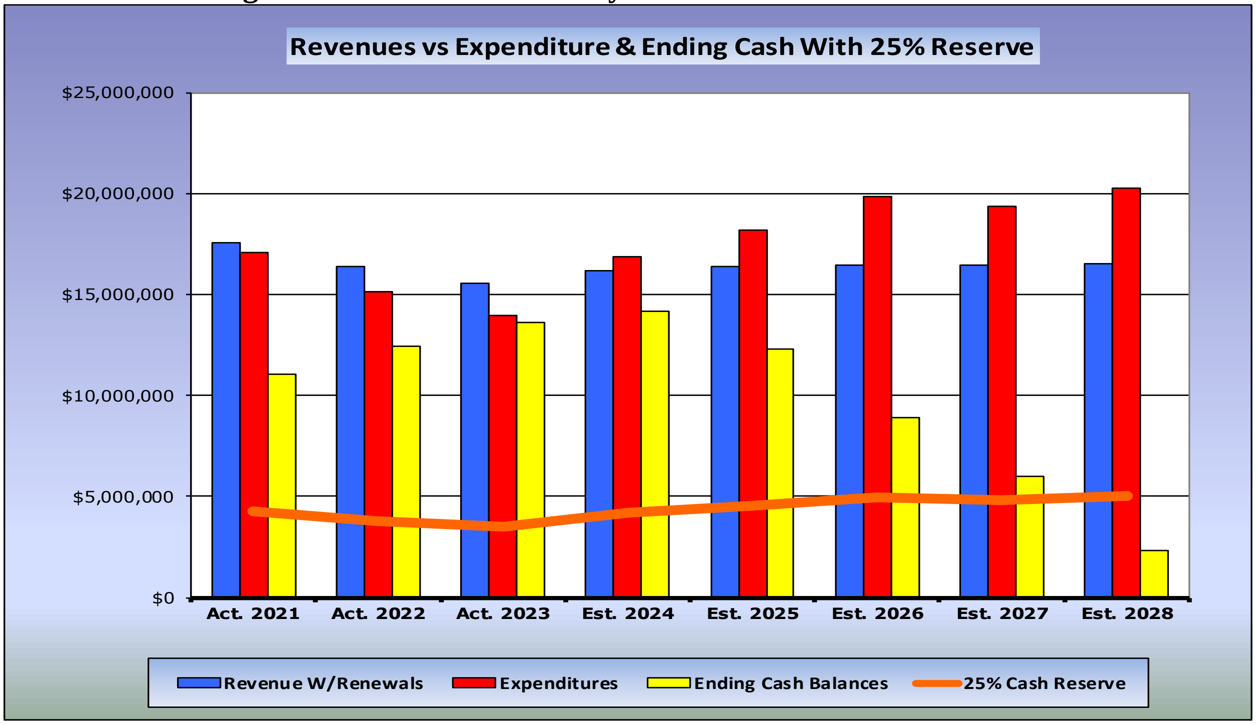
	FY24	FY25	FY26	FY27	FY28
Estimated Encumbrances	$100,000	$100,000	$100,000	$100,000	$100,000

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, unless an alternative "412" certificate can be issued pursuant to HB153 effective September 30, 2011. In October 2007 the Board passed an ending cash balance policy calling for no less than 25% of the current years' operating budget in ending unreserved cash. This policy is maintained through FY27 in the forecast period.

	FY24	FY25	FY26	FY27	FY28
Ending Cash Balance	$14,153,544	$12,325,893	$8,917,318	$6,027,035	$2,325,488

General Fund Ending Cash Balance with 90 Day Reserve Actual FY21-23 and Estimated FY24-28



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 (GFOA) recommends no less than two (2) months or 60 days cash to be 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 predictable funding source for other funds such as for severance payments. The district is at the 60 day mark through FY27 due to expeditious use of ESSER funds.