

BRIGHT LOCAL SCHOOL DISTRICT-HIGHLAND 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
Bright Local School District
Treasurer's Office
Jeff Rowley, Treasurer/CFO
November 15, 2023

Bright Local School District

Highland County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2021, 2022, 2023 Actual;

Forecasted Fiscal Years Ending June 30, 2024 through 2028

	Actual				Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Average Change	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Revenues									
1.010 General Property Tax (Real Estate)	1,737,403	1,863,090	1,879,643	4.1%	1,879,240	1,980,054	2,036,087	2,041,887	2,047,688
1.020 Public Utility Personal Property Tax	286,671	302,759	314,538	4.8%	316,400	331,331	344,181	357,031	369,881
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035 Unrestricted State Grants-in-Aid	5,855,406	6,102,291	6,458,132	5.0%	7,164,631	7,789,285	7,790,258	7,791,252	7,792,267
1.040 Restricted State Grants-in-Aid	197,040	423,232	465,414	62.4%	524,793	524,793	524,793	524,793	524,793
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	135,433	413,827	288,158	87.6%	301,350	310,286	321,545	322,472	323,398
1.060 All Other Revenues	1,922,662	372,668	435,751	-31.8%	574,616	566,352	563,115	552,906	549,225
1.070 Total Revenues	10,134,615	9,477,867	9,841,636	-1.3%	10,761,030	11,502,101	11,579,979	11,590,341	11,607,252
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	271,970	128,661	156,596	-15.5%	194,156	194,148	184,311	149,276	149,270
2.050 Advances-In	0	489,585	0	0.0%	0	0	0	0	0
2.060 All Other Financing Sources	128,539	30,784	10,582	-70.8%	10,582	10,582	10,582	10,582	10,582
2.070 Total Other Financing Sources	400,509	649,030	167,178	-6.1%	204,738	204,730	194,893	159,858	159,852
2.080 Total Revenues and Other Financing Sources	10,535,124	10,126,897	10,008,814	-2.5%	10,965,768	11,706,831	11,774,872	11,750,199	11,767,104
Expenditures									
3.010 Personal Services	4,245,416	4,210,979	4,864,278	7.4%	5,141,517	5,308,627	5,404,385	5,502,053	5,601,688
3.020 Employees' Retirement/Insurance Benefits	1,775,852	2,059,792	2,219,451	11.9%	2,532,005	2,693,560	2,831,675	2,978,554	3,134,795
3.030 Purchased Services	2,052,622	1,098,622	1,056,636	-25.1%	1,060,502	1,063,677	1,066,980	1,070,412	1,073,976
3.040 Supplies and Materials	252,395	363,756	444,584	33.2%	458,029	516,609	467,776	472,455	477,179
3.050 Capital Outlay	11,604	11,068	50,262	174.8%	27,484	27,759	208,037	118,317	118,600
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0
Debt Service:									
4.010 Principal-All (Historical Only)	746,200	155,328	0	-89.6%	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	0	0	71,898	0.0%	72,715	73,547	74,392	50,053	50,929
4.055 Principal-Other	0	0	85,765	0.0%	87,324	88,912	90,528	92,174	93,851
4.060 Interest and Fiscal Charges	53,391	38,806	36,487	-16.6%	34,117	31,690	19,391	7,049	4,490
4.300 Other Objects	129,322	146,921	131,784	1.7%	131,784	131,784	131,784	131,784	131,784
4.500 Total Expenditures	9,266,802	8,085,272	8,961,145	-1.0%	9,545,477	9,936,165	10,294,948	10,422,851	10,687,272
Other Financing Uses									
5.010 Operating Transfers-Out	413,767	167,466	692,150	126.9%	750,875	398,891	350,075	300,069	301,078
5.020 Advances-Out	489,585	0	0	0.0%	0	0	0	0	0
5.030 All Other Financing Uses	0	4,480	0	0.0%	0	0	0	0	0
5.040 Total Other Financing Uses	903,352	171,946	692,150	110.8%	750,875	398,891	350,075	300,069	301,078
5.050 Total Expenditures and Other Financing Uses	10,170,154	8,257,218	9,653,295	-1.0%	10,296,352	10,335,056	10,645,023	10,722,920	10,988,350
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	364,970	1,869,679	355,519	165.6%	669,416	1,371,775	1,129,849	1,027,279	778,754
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	4,573,650	4,938,620	6,808,299	22.9%	7,163,818	7,833,234	9,205,009	10,334,858	11,362,137
7.020 Cash Balance June 30	4,938,620	6,808,299	7,163,818	21.5%	7,833,234	9,205,009	10,334,858	11,362,137	12,140,891
8.010 Estimated Encumbrances June 30	(120,845)	77,516	(757)	-132.6%	50,000	50,000	50,000	50,000	50,000
Reservation of Fund Balance									
9.010 Textbooks and Instructional Materials	0	0	0	0.0%	0	0	0	0	0
9.020 Capital Improvements	0	0	0	0.0%	0	0	0	0	0
9.030 Budget Reserve	0	0	0	0.0%	0	0	0	0	0
9.040 DPIA	0	0	0	0.0%	0	0	0	0	0
9.045 Fiscal Stabilization	0	0	0	0.0%	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	0	0	0	0.0%	0	0	0	0	0
10.010 Fund Balance June 30 for Certification of Appropriations	5,059,465	6,730,783	7,164,575	19.7%	7,783,234	9,155,009	10,284,858	11,312,137	12,090,891

Bright Local School District

Highland County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2021, 2022, 2023 Actual;

Forecasted Fiscal Years Ending June 30, 2024 through 2028

	Actual				Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Average Change	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
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	0	0	0	0
11.300 Cumulative Balance of Replacement/Renewal Levies	0	0	0	0.0%	0	0	0	0	0
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	5,059,465	6,730,783	7,164,575	19.7%	7,783,234	9,155,009	10,284,858	11,312,137	12,090,891
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
15.010 <i>Unreserved Fund Balance June 30</i>	5,059,465	6,730,783	7,164,575	19.7%	7,783,234	9,155,009	10,284,858	11,312,137	12,090,891

Bright Local School District – Highland County
Notes to the Five-Year Forecast
General Fund Only
November 15, 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.

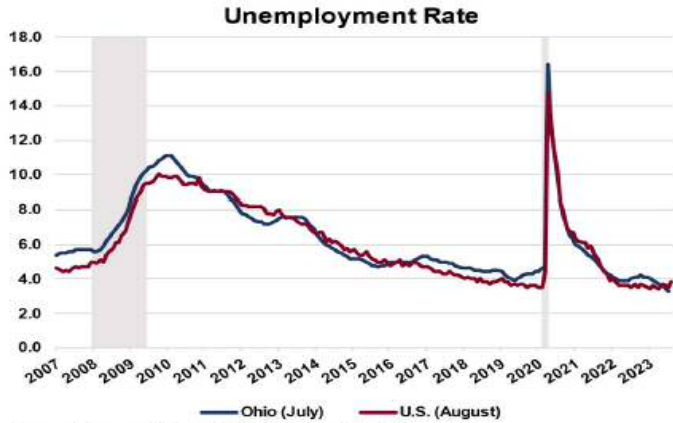
O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, 2023, and May 31, 2024, for the fiscal year 2024 (July 1, 2023, to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general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

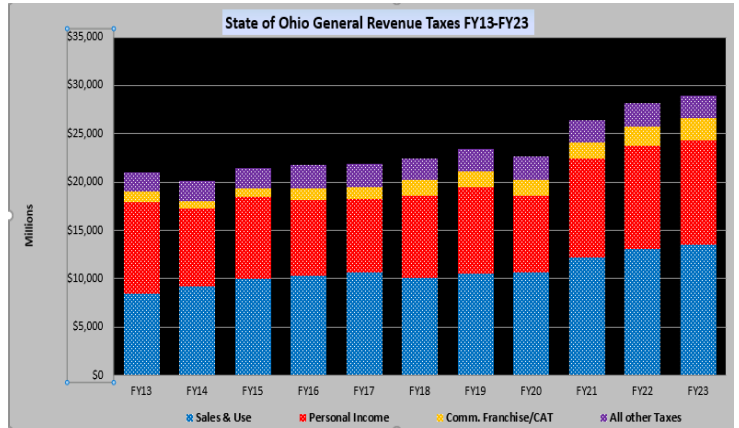
This five-year forecast is submitted during the multiyear economic recovery following the 2020 COVID-19 Pandemic. The recovery began in the fall of 2020 and remains robust through this forecast date. Many supply chain concerns have lessened as manufacturing has caught up. However, persistently high inflation 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.



Source: Bureau of Labor Statistics through FRED



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 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 26% of the district’s resources. Our tax collections in the March 2023 and August 2023 settlements were on target with original estimates. We believe there is a low risk that local collections would fall below projections throughout the forecast.
2. Highland County experienced a triennial update in the 2021 tax year, which was collected in FY22. The 2021 increased overall assessed values by \$6 million or an increase of 6.2%. A reappraisal will occur in tax year 2024 for collection in FY25. We anticipate values will increase for Class I and Class II by 6.9%, or \$7.3 million.
3. The state budget represented 74% 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

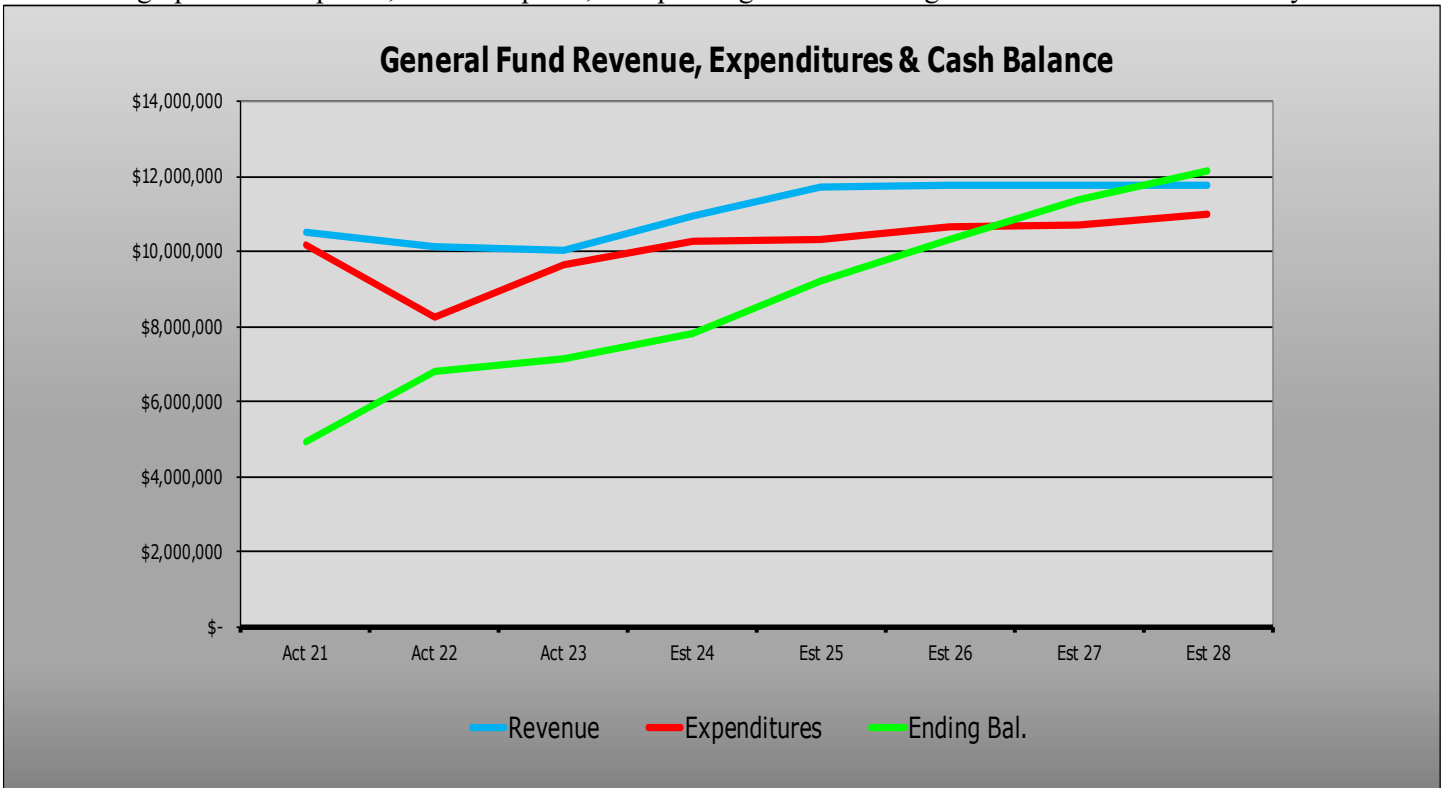
Plan). This forecast reflects state revenue to align with the FY25 funding levels through FY28, which we feel is conservative and should be close to what the state approves for the FY26-FY28 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

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.

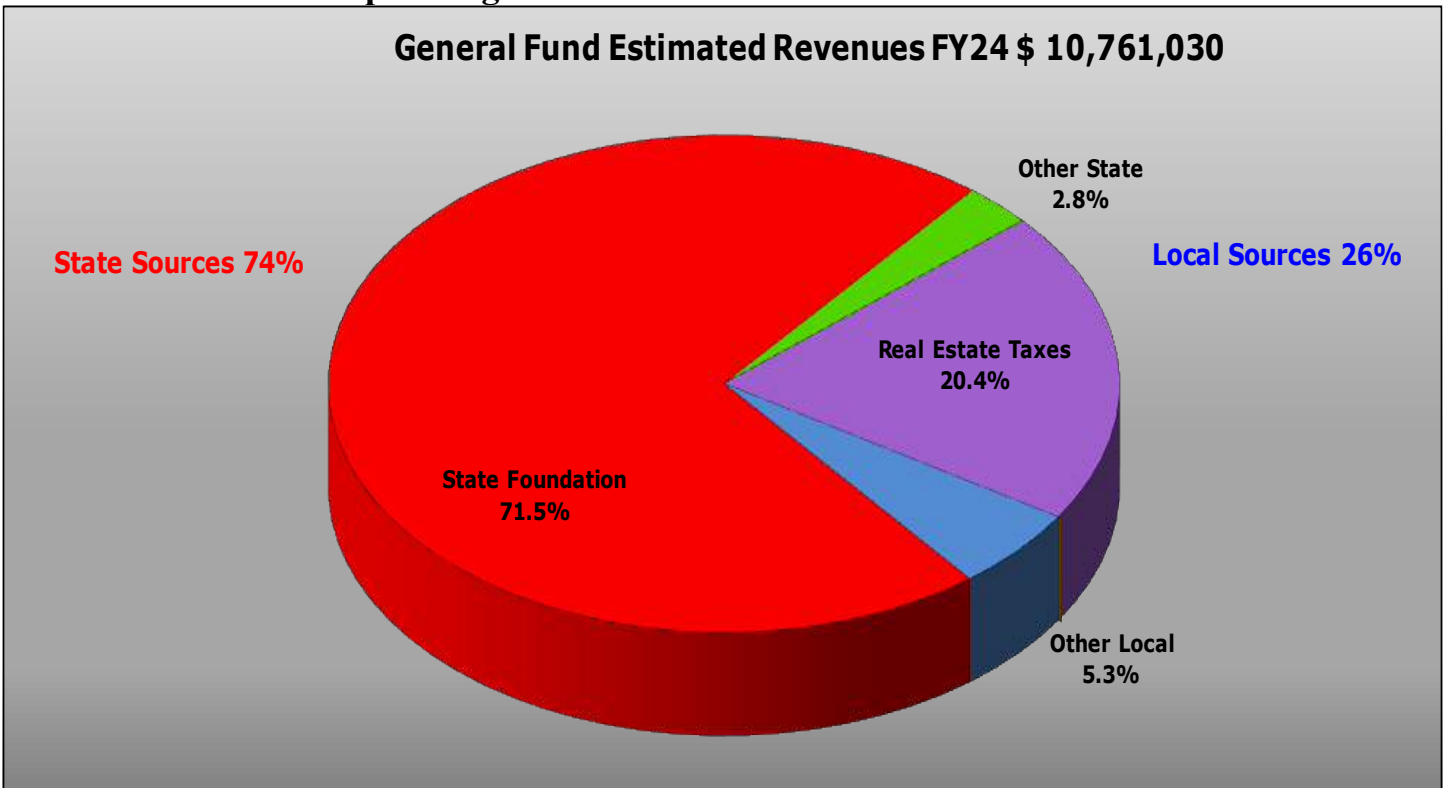
The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please contact Jeff Rowley, Treasurer/CFO.

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. Highland County experienced a triennial update for the 2021 tax year to be collected in FY22. Residential/agricultural values increased 6.3% or \$5.9 million due to the update, led by an improving housing market.

For tax year 2022, new construction in residential property was up 1.1% or \$1.1 million in assessed value, and commercial/industrial values remained constant. Overall values increased \$2.4 million or 2.4%, which includes new construction for all classes of property.

A sexennial reappraisal will occur in 2024 for collection in FY25, for which we are estimating a 7% increase in residential and a 1% increase for commercial/industrial property. We anticipate residential/agricultural and commercial/industrial values to increase \$7.3 million or 6.9%, overall.

Public Utility Personal Property (PUPP) values increased by \$6 thousand in tax year 2022. We expect our values to continue to grow by \$500 thousand each year of the forecast.

Estimated Assessed Value (AV) by Collection Years

	Estimated TAX YEAR 2023 <u>COLLECT 2024</u>	Estimated TAX YEAR 2024 <u>COLLECT 2025</u>	Estimated TAX YEAR 2025 <u>COLLECT 2026</u>	Estimated TAX YEAR 2026 <u>COLLECT 2027</u>	Estimated TAX YEAR 2027 <u>COLLECT 2028</u>
Classification					
Res./Ag.	\$104,986,360	\$112,660,405	\$112,985,405	\$113,310,405	\$113,635,405
Comm./Ind.	1,270,840	1,288,548	1,293,548	1,298,548	1,303,548
Public Utility Personal Property (PUPP)	<u>12,642,270</u>	<u>13,142,270</u>	<u>13,642,270</u>	<u>14,142,270</u>	<u>14,642,270</u>
Total Assessed Value	<u>\$118,899,470</u>	<u>\$127,091,224</u>	<u>\$127,921,224</u>	<u>\$128,751,224</u>	<u>\$129,581,224</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 25.70 mills while the Class I effective millage rate is 20.00 mills and the Class II effective millage rate is 21.436442 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 but not for Class II.

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>
Total General Property Taxes - Line #1.010	<u>\$1,879,240</u>	<u>\$1,980,054</u>	<u>\$2,036,087</u>	<u>\$2,041,887</u>	<u>\$2,047,688</u>

Property tax levies are estimated to be collected at 98% of the annual amount. This allows for a 2% delinquency factor. In general, 60% of the Residential/Agricultural and Commercial/Industrial property taxes are expected to be collected in the March tax settlement and 40% collected in the August tax settlement. Delinquent collections in FY23 were up \$9 thousand due to additional delinquent taxes collected in the August and March tax settlements, which are expected to fall by \$49 thousand in FY24 and grow modestly for the remainder of the forecasted period.

Levy Renewal –Line #11.02

No levy renewals are modeled in this forecast.

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

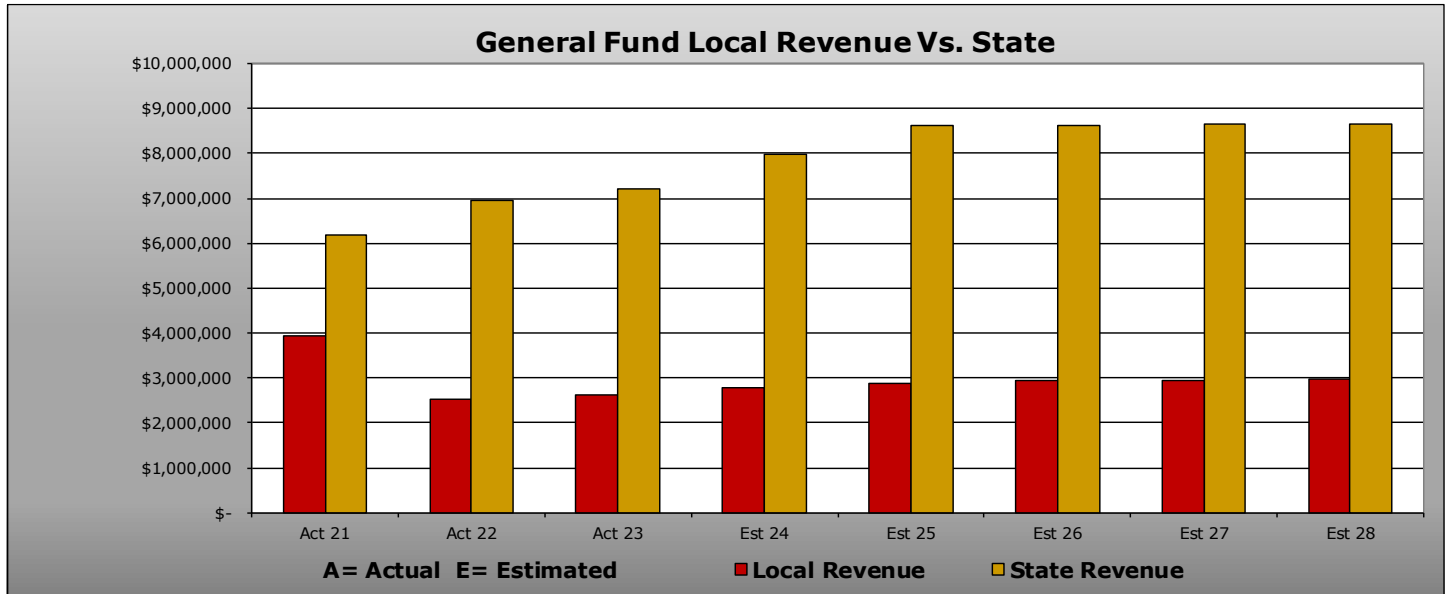
Estimated Public Utility Personal Tax – Line#1.020

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 \$12.1 million in assessed values in 2022 and are collected at the district’s gross voted millage rate. Collections are typically 50% in March and 50% in August along with the real estate settlements from the county auditor. The values in 2022 rose by 0.06%, or \$6 thousand, and are expected to grow by \$500 thousand each year of the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Public Utility Personal Property (Line#1.020)	<u>\$316,400</u>	<u>\$331,331</u>	<u>\$344,181</u>	<u>\$357,031</u>	<u>\$369,881</u>
Total Public Utility Personal Property Line # 1.020	<u>\$316,400</u>	<u>\$331,331</u>	<u>\$344,181</u>	<u>\$357,031</u>	<u>\$369,881</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. Ten percent will be reduced from all districts' calculations to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding is based on all resident students who ride, including preschool students and those living within 1 mile of school. Provides supplemental transportation for low-density districts. Increases state minimum share to 37.5% in FY24 and 41.67% in FY25.

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on the number and concentration of economically disadvantaged students compared to the state average and multiplied by \$422 per pupil. Phase-in increases are limited to 50% for FY24 and 66.67% in FY25.

2. English Learners – Based on funded categories based on the time students enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds – Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. Student Wellness and Success Funds – These funds are based on initiatives similar to those for DPIA. They are restricted funds for school climate, attendance, discipline, and academic achievement programs.

State Funding Phase-In FY24 and FY25 and Guarantees

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

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

Future State Budget Projections beyond FY25

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

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed 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	\$7,066,942	\$7,596,045	\$7,596,045	\$7,596,045	\$7,596,045
Additional Aid Items	49,999	144,595	144,595	144,595	144,595
Basic Aid-Unrestricted Subtotal	<u>\$7,116,941</u>	<u>\$7,740,640</u>	<u>\$7,740,640</u>	<u>\$7,740,640</u>	<u>\$7,740,640</u>
Ohio Casino Commission ODT	47,690	48,645	49,618	50,612	51,627
Total Unrestricted State Aid Line # 1.035	<u>\$7,164,631</u>	<u>\$7,789,285</u>	<u>\$7,790,258</u>	<u>\$7,791,252</u>	<u>\$7,792,267</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. 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>
Disadvantaged Pupil Impact Aid	\$173,481	\$173,481	\$173,481	\$173,481	\$173,481
ESL	0	0	0	0	0
Gifted	59,342	59,342	59,342	59,342	59,342
Career Tech	49,281	49,281	49,281	49,281	49,281
Student Wellness and Success	242,689	242,689	242,689	242,689	242,689
Total Restricted State Revenues Line #1.040	<u>\$524,793</u>	<u>\$524,793</u>	<u>\$524,793</u>	<u>\$524,793</u>	<u>\$524,793</u>

Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

<u>Summary of State Foundation Revenues</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Unrestricted Line # 1.035	\$7,164,631	\$7,789,285	\$7,790,258	\$7,791,252	\$7,792,267
Restricted Line # 1.040	524,793	524,793	524,793	524,793	524,793
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045	0	0	0	0	0
Total State Foundation Revenue	<u>\$7,689,424</u>	<u>\$8,314,078</u>	<u>\$8,315,051</u>	<u>\$8,316,045</u>	<u>\$8,317,060</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>
Total Rollback and Homestead - Line 1.050	<u>\$301,350</u>	<u>\$310,286</u>	<u>\$321,545</u>	<u>\$322,472</u>	<u>\$323,398</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.

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.

Due to the District taking over management of the CC unit at the high school from the ESC, we will be losing \$4.5 thousand in annual rent revenue, but pickup billable service for students from local districts that will amount to, roughly, \$93 thousand.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Open Enrollment Gross	\$19,282	\$19,475	\$19,670	\$19,867	\$20,066
Tuitions	161,188	162,800	164,428	166,072	167,733
Other Income and rentals	93,091	94,022	94,962	95,912	96,871
Medicaid	26,055	26,055	26,055	26,055	26,055
Interest	<u>275,000</u>	<u>264,000</u>	<u>258,000</u>	<u>245,000</u>	<u>238,500</u>
Total Other Local Revenue Line #1.060	<u>\$574,616</u>	<u>\$566,352</u>	<u>\$563,115</u>	<u>\$552,906</u>	<u>\$549,225</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

Transfers In as seen below, are for General Fund debt payments. Funds must be transferred, as these debt service payments are not backed by voted millage in the Debt Service (Fund 002). The advances out in the previous fiscal year are planned to be repaid in the following fiscal year.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Transfers In - Line 2.040	\$194,156	\$194,148	\$184,311	\$149,276	\$149,270
Advance Returns - Line 2.050	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances In	<u>\$194,156</u>	<u>\$194,148</u>	<u>\$184,311</u>	<u>\$149,276</u>	<u>\$149,270</u>

All Other Financial Sources – Line #2.010 through Line #2.060 & Line #14.010

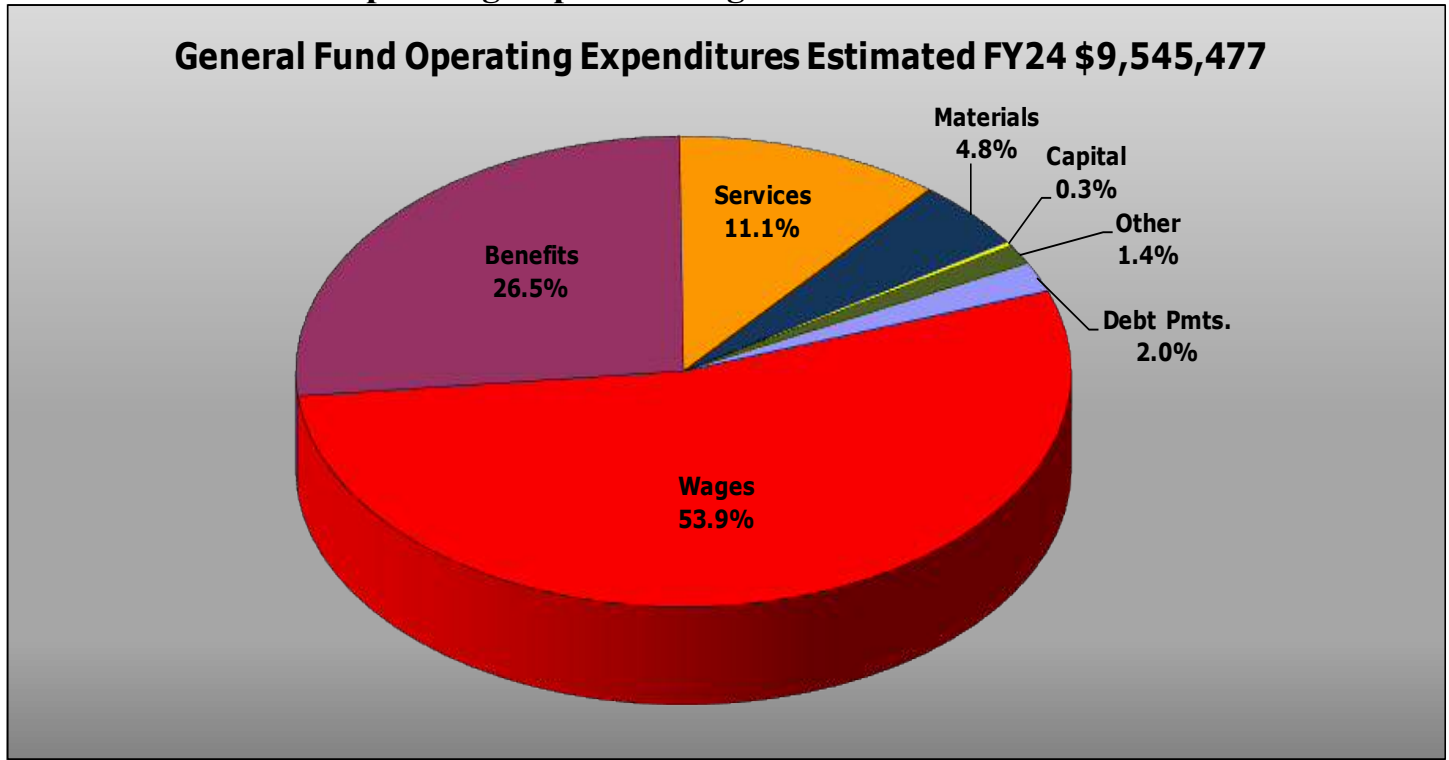
This funding source is typically a refund of prior year expenditures that is very unpredictable. For future years, we are estimating an amount of refunds that are in line with historical collections.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Sale of Personal Property	\$50	\$50	\$50	\$50	\$50
Refund of Prior Year Expense	<u>10,532</u>	<u>10,532</u>	<u>10,532</u>	<u>10,532</u>	<u>10,532</u>
Total All Other Financing - Line #2.060	<u>\$10,582</u>	<u>\$10,582</u>	<u>\$10,582</u>	<u>\$10,582</u>	<u>\$10,582</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

Negotiations with our Certified bargaining unit resulted in an agreement, which ends with the FY25 contract year. The forecast reflects a 2% base increase for FY24-25, and a 0% increase in FY26-28, for planning purposes only at this time. Negotiations with our Classified bargaining unit are estimated to receive 2% base increases as the Certified staff for FY24-25. Administrative and non-represented staff typically see a similar increase to the bargaining unit members; however, these increases are reviewed on an annual basis.

Due to the District taking over management of the CC unit at the high school from the ESC, we will be hiring a teacher and three aides to support the students’ needs. FY24 will see wages returned to the general fund, which had been paid from federal ESSER funding.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Base Wages	\$4,285,222	\$4,575,959	\$4,758,997	\$4,854,177	\$4,951,261
Increases	85,704	91,519	0	0	0
All Staff - Steps and Training	85,704	91,519	95,180	97,084	99,025
Overtime/Board	57,220	57,792	58,370	58,954	59,544
Substitutes	379,323	379,323	379,323	379,323	379,323
Supplementals	112,515	112,515	112,515	112,515	112,515
Severance	16,500	0	0	0	0
Staff Increases/Reductions	20,734	0	0	0	0
ESSER Adjustment	<u>98,595</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Wages Line 3.010	<u>\$5,141,517</u>	<u>\$5,308,627</u>	<u>\$5,404,385</u>	<u>\$5,502,053</u>	<u>\$5,601,668</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

The District is a member of the Brown County Insurance Consortium for medical and dental coverage. The consortium is made up of nine entities: six Brown County schools (Eastern, Fayetteville-Perry, Georgetown, Ripley Union Lewis Huntington, Southern Hills Career Tech Center, and Western Brown), two Highland County schools (Bright Local and Lynchburg-Clay), and the Brown County Educational Service Center. The consortium is governed by nine Superintendents representing each of the member districts with the ESC acting as the Fiscal Agent. At this time, we are estimating an increase of 6.6% for FY24, an 8% increase in FY25, and a 7% increase for FY26-28, 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 District will be increasing insurance costs for the new positions outlined above: a new fourth grade teacher, a new CC Unit teacher, and three new CC Unit aides.

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 0.46% 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 wage increases and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
A) STRS/SERS	\$855,697	\$886,930	\$903,210	\$919,816	\$936,752
B) Insurance's	1,588,015	1,715,056	1,835,110	1,963,568	2,101,018
C) Workers Comp/Unemployment	23,651	24,420	24,860	25,309	25,768
D) Medicare	72,084	74,596	75,937	77,303	78,699
Other/Tuition	(7,442)	(7,442)	(7,442)	(7,442)	(7,442)
Total Fringe Benefits Line #3.020	<u>\$2,532,005</u>	<u>\$2,693,560</u>	<u>\$2,831,675</u>	<u>\$2,978,554</u>	<u>\$3,134,795</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.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Open Enrollment Deduction	\$709	\$709	\$709	\$709	\$709
Professional Support	265,489	270,799	276,215	281,739	287,374
Utilities	213,478	211,343	209,230	207,138	205,067
Building Maintenance/Insurance	186,418	186,418	186,418	186,418	186,418
Excess Cost and Other	223,727	223,727	223,727	223,727	223,727
Other Tuition & CCP	54,736	54,736	54,736	54,736	54,736
Base Services	43,255	43,255	43,255	43,255	43,255
Community School Deductions	25,878	25,878	25,878	25,878	25,878
Travel/Meeting	46,812	46,812	46,812	46,812	46,812
Total Purchased Services Line #3.030	<u>\$1,060,502</u>	<u>\$1,063,677</u>	<u>\$1,066,980</u>	<u>\$1,070,412</u>	<u>\$1,073,976</u>

Supplies and Materials – Line #3.040

Expenses, which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. The District utilized ESSER funding to purchase one to one devices for students, which was a savings to our General Fund. The Digital/Paper Textbooks line below will see an increase of \$54 thousand for renewing licenses for math and science curriculum in FY25, and then will return to average trends in FY26.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Supplies	\$147,902	\$149,381	\$150,875	\$152,384	\$153,908
Transportation	217,392	219,566	221,762	223,980	226,220
Digital/Paper Textbooks	14,849	68,997	15,687	15,844	16,002
Building Maintenance	<u>77,886</u>	<u>78,665</u>	<u>79,452</u>	<u>80,247</u>	<u>81,049</u>
Total Supplies Line #3.040	<u>\$458,029</u>	<u>\$516,609</u>	<u>\$467,776</u>	<u>\$472,455</u>	<u>\$477,179</u>

Capital Outlay – Line # 3.050

The District does not anticipate costs increasing significantly in this line because most capital outlay is paid by the Permanent Improvement Fund. The District currently purchases one bus per year through the Permanent Improvement Fund. This has shifted this expense out of this section of the forecast and into Transfers to fund this initiative.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Bus Purchases	\$0	\$0	\$180,000	\$90,000	\$90,000
Equipment	27,484	27,759	28,037	28,317	28,600
Buildings	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Equipment Line #3.050	<u>\$27,484</u>	<u>\$27,759</u>	<u>\$208,037</u>	<u>\$118,317</u>	<u>\$118,600</u>

Principal and Interest Payment – Lines # 4.05, 4.055 and 4.06

The District has two HB264 loans from 2011 and 2016, which will be completed in FY26 and FY31, respectively. The District refinanced the debt incurred to purchase a boiler and chiller and has saved the District, in net present value terms, \$43,337. In accordance with the new debt schedule, this debt will be completely paid in FY28.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
2011 HB 264 Principal	\$25,200	\$25,200	\$25,200	\$0	\$0
2016 HB 264 Principal	11,152	11,348	11,546	11,748	11,954
2016 HB 264 Principal	<u>36,363</u>	<u>36,999</u>	<u>37,646</u>	<u>38,305</u>	<u>38,975</u>
Total HB 264 Principal Line # 4.050	<u>\$72,715</u>	<u>\$73,547</u>	<u>\$74,392</u>	<u>\$50,053</u>	<u>\$50,929</u>
<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Interest Broiler/Chiller & HB 264 Total Line 4.060	<u>\$34,117</u>	<u>\$31,690</u>	<u>\$19,391</u>	<u>\$7,049</u>	<u>\$4,490</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 District’s real estate tax collection. The other expense category is several small expenses with the largest being district liability insurance and dues and fees to organization such as OSBA. The District’s annual audit and ESC per pupil deduction. This line is not anticipating material growth in the forecasted years.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
County Auditor & Treasurer Fees	\$56,180	\$56,180	\$56,180	\$56,180	\$56,180
Memberships and Misc	31,249	31,249	31,249	31,249	31,249
Audit Fees	13,267	13,267	13,267	13,267	13,267
Audit Fees	21,787	21,787	21,787	21,787	21,787
ESC Deduction	<u>9,301</u>	<u>9,301</u>	<u>9,301</u>	<u>9,301</u>	<u>9,301</u>
Total Other Expense - Line #4.300	<u>\$131,784</u>	<u>\$131,784</u>	<u>\$131,784</u>	<u>\$131,784</u>	<u>\$131,784</u>

Transfers Out and Advances Out – Line# 5.010 and Line# 5.020

This account group covers fund-to-fund transfer and end of year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Advanced amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. The District has elected to transfer receipts collected for Medicaid reimbursements, and Casino payments received from the state to fund the Permanent Improvement fund. In FY23-27, the District will transfer funds into the Permanent Improvement fund in preparation of land development for a track and soccer facility. General Fund debt obligations must be transferred yearly to the Debt Service (Fund 002) for payment.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Medicaid to PI Resolution #33-2020	\$26,055	\$26,055	\$26,055	\$26,055	\$26,055
Casino to PI Resolution #34-2020	47,690	48,645	49,618	50,612	51,627
Transfer to PI	382,974	30,043	90,091	74,126	74,126
Track/Soccer Facility	100,000	100,000	0	0	0
Debt Payment Fund 002	<u>194,156</u>	<u>194,148</u>	<u>184,311</u>	<u>149,276</u>	<u>149,270</u>
Total Operating Transfers Out Line #5.010	<u>\$750,875</u>	<u>\$398,891</u>	<u>\$350,075</u>	<u>\$300,069</u>	<u>\$301,078</u>
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>\$750,875</u>	<u>\$398,891</u>	<u>\$350,075</u>	<u>\$300,069</u>	<u>\$301,078</u>

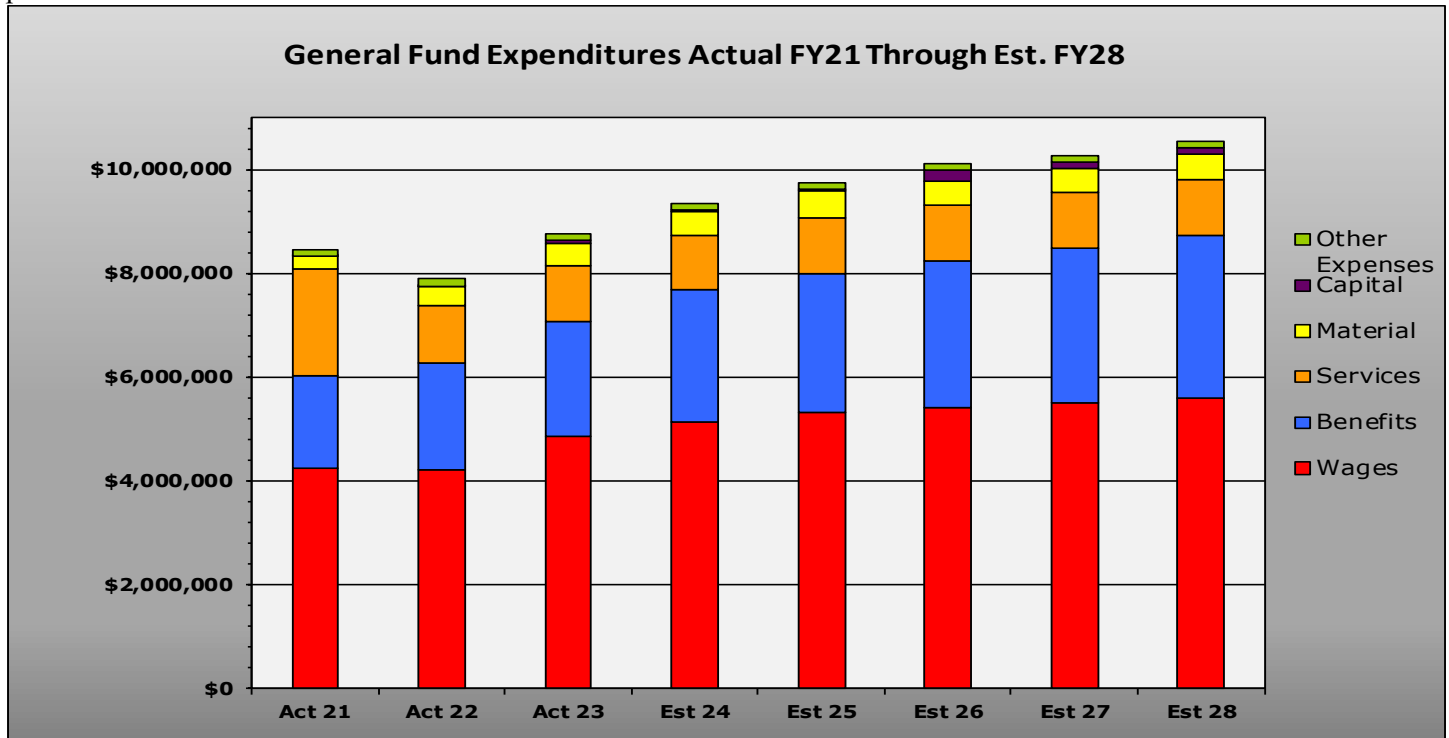
Encumbrances –Line#8.010

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>
Total Estimated Encumbrances - Line #8.010	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</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.



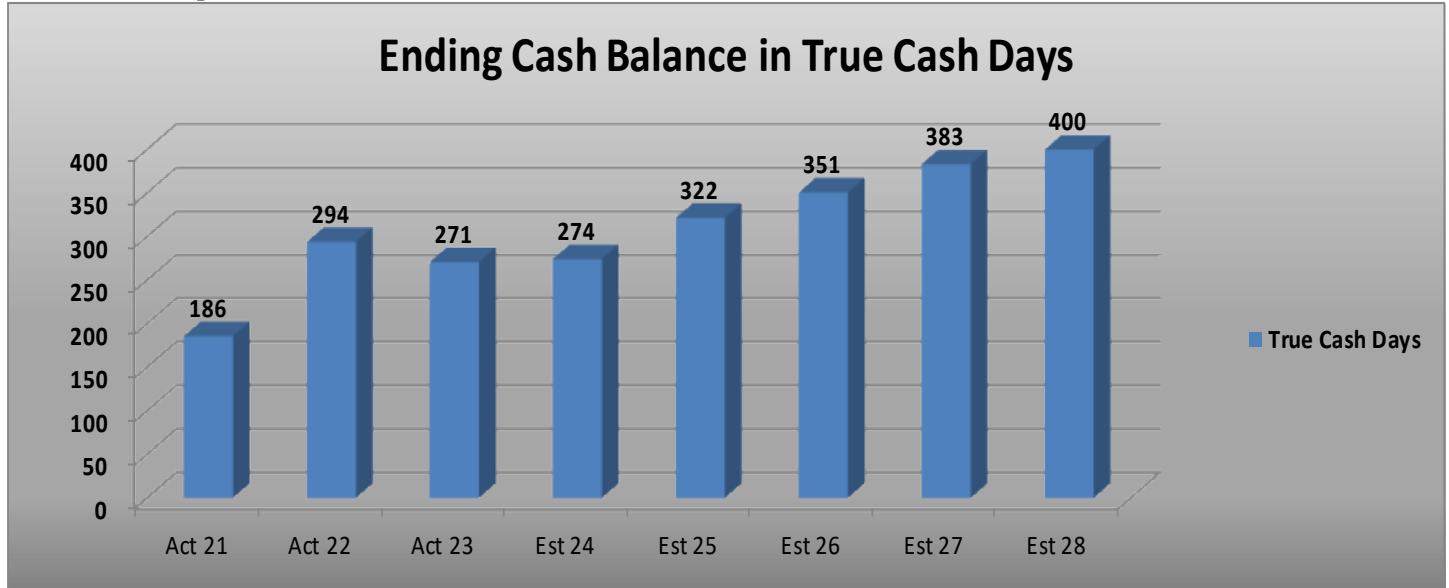
Ending Unencumbered Cash Balance – Line#15.010

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 \$784 thousand for our district.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Total Unencumbered Cash Balance - Line #15.010	<u>\$7,783,234</u>	<u>\$9,155,009</u>	<u>\$10,284,858</u>	<u>\$11,312,137</u>	<u>\$12,090,891</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.



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.