BEXLEY CITY SCHOOL DISTRICT-FRANKLIN COUNTY

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2022, 2023, and 2024 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2025, THROUGH JUNE 30, 2029

Bexley City School District

Forecast Provided By
Bexley City School District
Treasurer's Office
Kyle F. Smith, Treasurer

November 13, 2024

Bexley City School District

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2022, 2023 and 2024 Actual;
Forecasted Fiscal Years Ending June 30, 2025 Through 2029

		Actual				Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Average Change	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
	Revenues									
1.010	General Property Tax (Real Estate)	$27,187,193	$27,590,591	$27,706,481	1.0%	$30,569,518	$34,036,272	$36,491,036	$39,005,297	$41,373,775
1.020	Public Utility Personal Property Tax	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
1.030	Income Tax	$9,179,798	$11,648,558	$9,470,769	4.1%	$9,867,743	$10,065,098	$10,367,051	$10,678,063	$10,998,405
1.035	Unrestricted State Grants-in-Aid	$4,136,319	$4,254,449	$4,440,456	3.6%	$4,542,022	$4,544,548	$4,547,111	$4,549,713	$4,552,354
1.040	Restricted State Grants-in-Aid	$352,491	$361,317	$435,763	11.6%	$349,255	$348,867	$348,867	$348,867	$348,867
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	$2,917,445	$2,927,248	$2,976,744	1.0%	$3,035,458	$3,065,822	$3,106,916	$3,148,344	$3,166,059
1.060	All Other Revenues	$345,700	$1,114,599	$1,214,809	115.7%	$924,900	$730,093	$640,114	$641,167	$642,231
1.070	*Total Revenues*	$44,118,946	$47,896,762	$46,245,022	2.6%	$49,288,897	$52,790,700	$55,501,094	$58,371,450	$61,081,691
	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	$156,000	$0	$0	0.0%	$0	$0	$0	$0	$0
2.050	Advances-In	$176,932	$90,487	$184,609	27.6%	$173,933	$150,000	$150,000	$150,000	$150,000
2.060	All Other Financing Sources	$81,862	$49,064	$41,226	-28.0%	$41,226	$41,226	$41,226	$41,226	$41,226
2.070	*Total Other Financing Sources*	$414,794	$139,551	$225,835	-2.3%	$215,159	$191,226	$191,226	$191,226	$191,226
2.080	*Total Revenues and Other Financing Sources*	$44,533,740	$48,036,313	$46,470,857	2.3%	$49,504,056	$52,981,926	$55,692,320	$58,562,676	$61,272,917
	Expenditures									
3.010	Personnel Services	$23,267,016	$24,132,929	$25,225,027	4.1%	$27,065,655	$28,369,104	$29,751,627	$30,735,437	$31,698,665
3.020	Employees' Retirement/Insurance Benefits	$9,716,323	$9,508,542	$10,029,621	1.7%	$11,365,740	$12,571,391	$13,559,701	$14,414,417	$15,298,284
3.030	Purchased Services	$7,089,005	$7,709,108	$8,558,011	9.9%	$9,380,075	$9,599,445	$9,848,599	$10,220,853	$10,608,944
3.040	Supplies and Materials	$1,280,847	$1,749,131	$1,855,489	21.3%	$2,719,133	$2,355,376	$2,155,536	$2,186,788	$2,219,164
3.050	Capital Outlay	$433,340	$729,910	$1,219,596	67.8%	$1,755,964	$1,432,714	$1,290,964	$1,438,964	$1,290,964
3.060	Intergovernmental	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.020	Principal-Notes	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.030	Principal-State Loans	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.040	Principal-State Advancements	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.050	Principal-HB 264 Loans	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.055	Principal-Other	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.060	Interest and Fiscal Charges	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.300	Other Objects	$603,130	$710,205	$616,544	2.3%	$647,371	$665,762	$684,793	$704,490	$724,881
4.500	*Total Expenditures*	$42,389,661	$44,539,825	$47,504,288	5.9%	$52,933,939	$54,993,792	$57,291,221	$59,700,949	$61,840,903
	Other Financing Uses									
5.010	Operating Transfers-Out	$481,000	$600,000	$600,000	12.4%	$375,000	$375,000	$375,000	$375,000	$375,000
5.020	Advances-Out	$90,487	$184,609	$173,933	49.1%	$150,000	$150,000	$150,000	$150,000	$150,000
5.030	All Other Financing Uses	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
5.040	*Total Other Financing Uses*	$571,487	$784,609	$773,933	18.0%	$525,000	$525,000	$525,000	$525,000	$525,000
5.050	*Total Expenditures and Other Financing Uses*	$42,961,148	$45,324,434	$48,278,221	6.0%	$53,458,939	$55,518,792	$57,816,221	$60,225,949	$62,365,903
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	$1,572,592	$2,711,879	($1,807,364)	-47.1%	($3,954,883)	($2,536,866)	($2,123,900)	($1,663,273)	($1,092,986)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$24,322,341	$25,894,933	$28,606,812	8.5%	$26,799,448	$22,844,565	$20,307,698	$18,183,798	$16,520,525
7.020	*Cash Balance June 30*	$25,894,933	$28,606,812	$26,799,448	2.1%	$22,844,565	$20,307,698	$18,183,798	$16,520,525	$15,427,539
8.010	*Estimated Encumbrances June 30*	$1,421,453	$304,440	$1,972,635	234.7%	$1,400,000	$1,400,000	$1,400,000	$1,400,000	$1,400,000
`	**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

Bexley City School District

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2022, 2023 and 2024 Actual;
Forecasted Fiscal Years Ending June 30, 2025 Through 2029

		Actual				Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Average Change	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
10.010	*Fund Balance June 30 for Certification of Appropriations*	$24,473,480	$28,302,372	$24,826,813	1.7%	$21,444,565	$18,907,698	$16,783,798	$15,120,525	$14,027,539
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%	$0	$0	$0	$0	$0
11.020	Property Tax - Renewal or Replacement				0.0%	$0	$0	$0	$0	$0
11.300	Cumulative Balance of Replacement/Renewal Levies				0.0%	$0	$0	$0	$0	$0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$24,473,480	$28,302,372	$24,826,813	1.7%	$21,444,565	$18,907,698	$16,783,798	$15,120,525	$14,027,539
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	$0	$0	$0	$0	$0
13.020	Property Tax - New				0.0%	$0	$0	$0	$0	$0
13.030	Cumulative Balance of New Levies	$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	*Unreserved Fund Balance June 30*	$24,473,480	$28,302,372	$24,826,813	1.7%	$21,444,565	$18,907,698	$16,783,798	$15,120,525	$14,027,539

Bexley City School District – Franklin County
Notes to the Five-Year Forecast
General Fund Only
November 13, 2024

Introduction to the Five Year Forecast

A forecast is a snapshot of today. Based on historical trends, what we know and future assumptions. 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, enrollment variances, 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 helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with the Ohio Department of Education and Workforce (ODEW) when events materially 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 Ohio Department of Education and Workforce, and the 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, and May 31, each fiscal year (July 1 to June 30). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the fiscal year is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the November 2024 filing.

Economic Outlook

The current economic recovery began in the fall of 2020 and remains robust through this forecast date. However, recent Federal Reserve Bank interest rate cuts foretell of a possible recession in the next six to twelve months from this forecast. The persistently high inflation that has impacted our state, country, and broader globalized economy has slowed to an annualized rate of 2.53% in August 2024 that is down from the 40 year high of 9.1% annualized rate posted in June 2022. Costs for goods and services in FY23 and FY24 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. Inflation affecting district costs is expected to continue in FY25. There is some good news, the Federal Reserve is projecting inflation to be closer to their target rate of 2% by calendar year end 2024 or early in 2025. 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 the forecast period.

The Federal Reserve Bank cut Federal Fund rates in September 2024 by 50 basis points (.5%) which indicates slowing inflation and a slowing economy. Employment levels have begun to fall. The unemployment rate was 3.8% in September 2023 and rose to 4.2% in September 2024. A survey of prominent leading economists predicts there is roughly a 50% chance of a mild recession in the calendar year 2025. How this news impacts the state of Ohio's FY26 and FY27 biennium budget deliberations and actions in late spring 2025 is unknown as this forecast is filed.

The state of Ohio has enjoyed economic growth over the past three years, and the state's Rainy Day Fund balance is at $3.7 Billion. The new state funding formula is in the fourth year of a projected six-year phase-in. While increased inflation has impacted costs across Ohio, 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 finalize the last two years of the phase-in of the new funding formula in FY26 and FY27 even if a cyclical recession occurs. Regardless of a recession, the state is well-positioned to continue state aid payments to Ohio's school districts.

Since 2020 all school districts were being aided in varying degrees by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER). The most recent allocation of ESSER funds must be encumbered by September 30, 2024. The expenditures from these funds, which support students' new and additional needs, have been carefully absorbed in this forecast in order to avoid a "fiscal cliff".

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 largest single revenue source for the school system. The housing market in our district is strong. We project continued growth in appraised values every three (3) years with continued modest increases in local taxes. Total local revenues are 83.92% of our resources, which are predominately local property taxes equating to 62.02% of the district's resources.

2. Due to historic property value increases in reappraisal and update years the Ohio Legislature has considered various proposals since 2023 to help reduce non voted tax increases on taxpayers. Currently the senate has proposed SB271 that seeks to limit growth through refund or reduction taxes to ensure annual tax growth to no more than 5% in a year. If passed by the General Assembly this will result in lowering tax increases for our residents who qualify. We are watching this legislation closely.

In addition to SB271, the legislature developed a Joint Committee on Property Taxation and Reform in 2024 in response to the historic valuation increases. Their mission is to review Ohio's property tax system and to make recommendations to the General Assembly on property taxation. The committee must report to the General Assembly by December 31, 2024. We are following any actions of the committee closely to determine what impact, if any, proposals could mean for our district to limit tax growth or to reduce taxes.

3. Income tax is the district's second largest revenue source. We will monitor the income tax revenue very closely for any positive or negative changes that may occur.

4. The State Budget represents 16.08% 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 makes 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 the fair school funding plan. This forecast reflects state revenue to align with the FY25 funding levels through FY29, which we feel is conservative and should be close to what-the state approves for the FY26-FY29 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

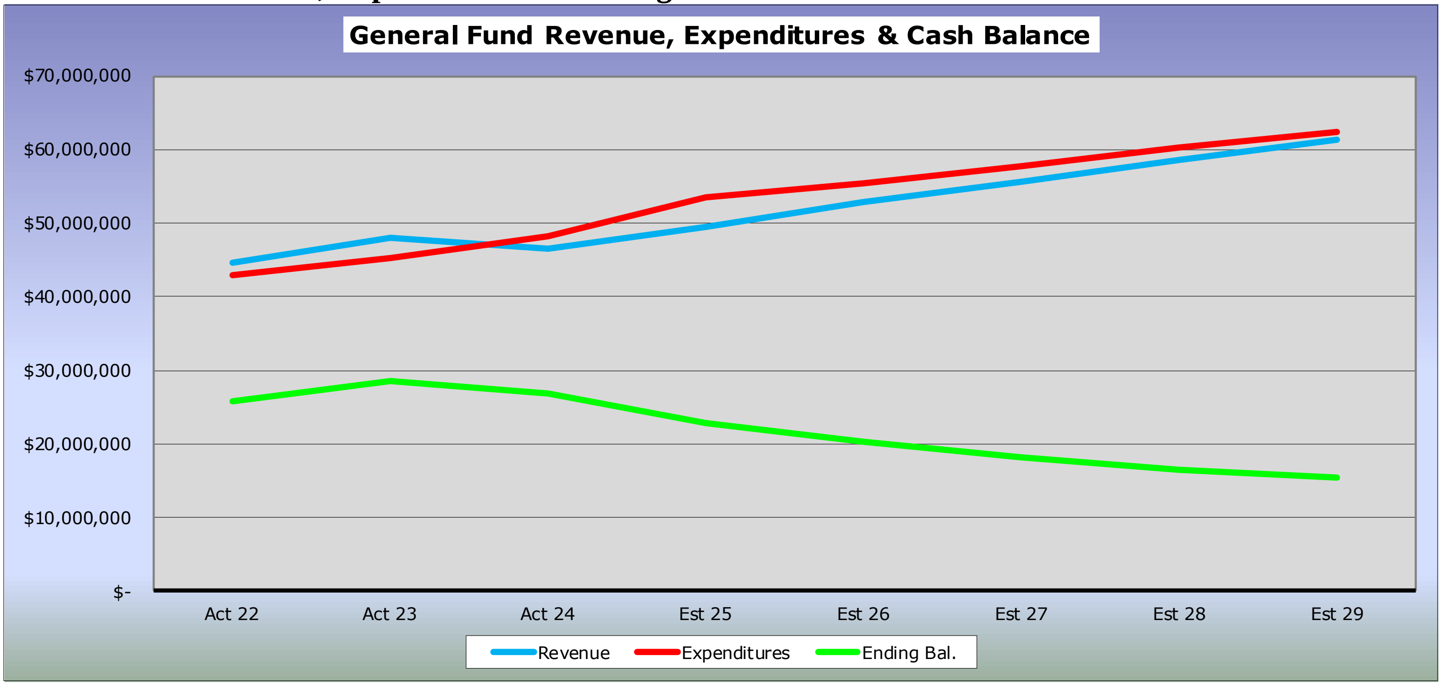
5. The enrollment of the district has increased over the past ten years, decreased, or slowed down during the COVID pandemic and has since recovered to recent highs. The enrollment is expected to remain relatively flat, hovering around levels of 2,550 students for the next several years according to an enrollment study provided through the Ohio Facilities Construction Commission and Future Think. This study was completed in early 2024. The district will continue to monitor student enrollment and subsequent needs as it embarks on a District Facility Plan.

6. The needs for students and staff are changing due to social emotional well-being as a result of COVID-19 and the totally new environment of the world. We are seeing this as a district in increased special education evaluation requests in the behaviors of students/adults.

7. 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 major categories of revenue and expenditures on the forecast are noted below in the headings to make it easier to reference the assumptions made for the forecast item. It should be of assistance to the reader in understanding the overall financial forecast for our district to review the assumptions noted below. If you would like further information, please feel free to contact Mr. Kyle Smith, Treasurer/CFO of Bexley City School District at (614) 231-7611.

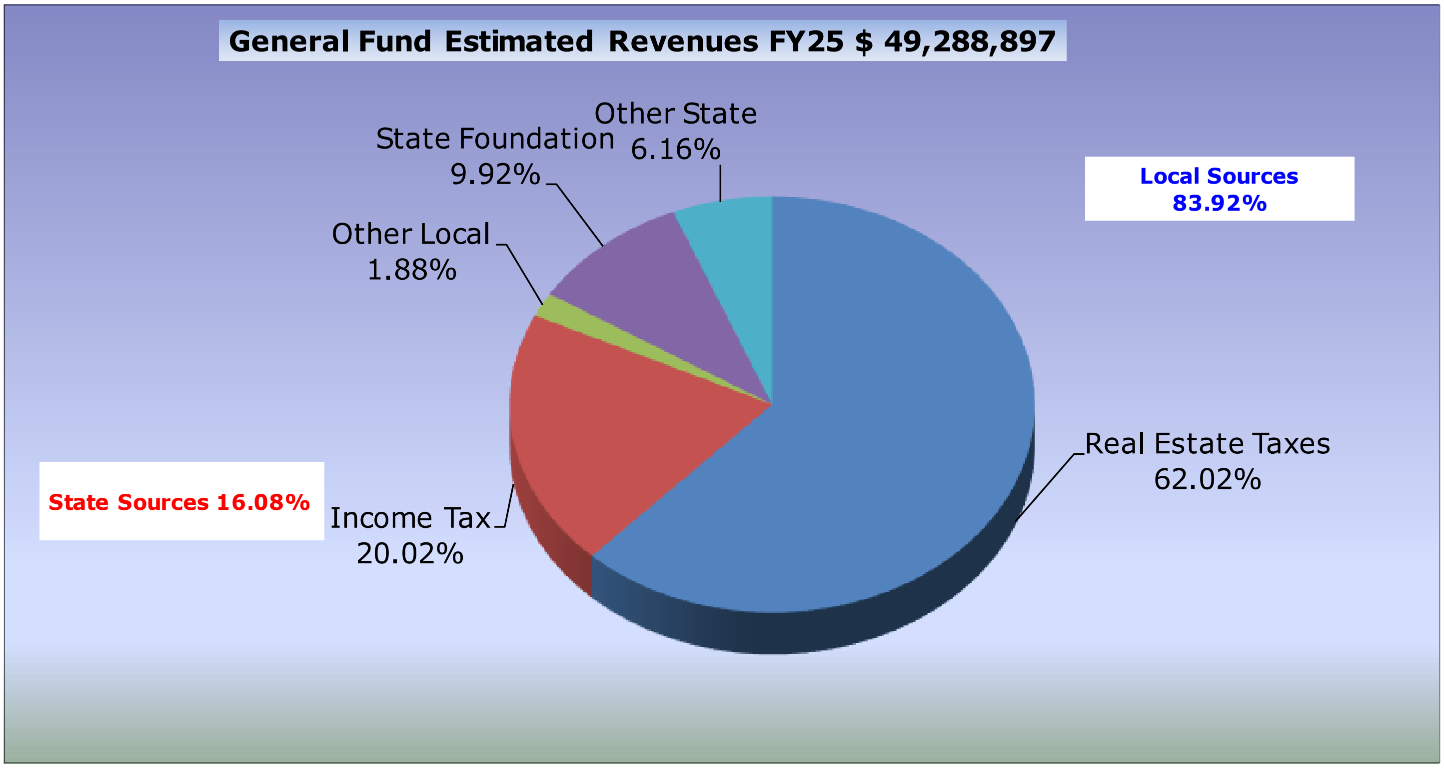
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY22-24 and Estimated FY25-29



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

REVENUE ASSUMPTIONS

Estimated General Fund Revenues



Property Valuation Assumptions
Property values are established each year by the Franklin County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Franklin County experienced the sexennial reappraisal for taxable values in 2023 for the collection in 2024. The reappraisal for Class I Residential/Agricultural values increased by 26.61% or $169,319,450 and Class II Commercial/Industrial Values increased by 15.15% or $3,613,70 in 2023 for collection in 2024. As values increase, the millage rates will decrease per HB920 which allows for no real increase in tax dollars except what is received on the 5.7 mills of inside millage and new construction. The triennial update for valuations will be in 2026 for collection in 2027, the district is estimating increases in Class I of 8% and Class II of 5%.

Public Utility Personal Property (PUPP) values change annually as the values are not included in the reappraisal or update years, which make them very difficult to forecast. PUPP values increased by $404,430 in Tax Year 2023. We expect our values to continue to grow by $150,000 each year of the forecast.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029
Res./Ag.	$809,367,800	$810,617,800	$876,717,224	$877,967,224	$879,217,224
Comm./Ind.	$28,209,640	$28,354,640	$29,917,372	$30,062,372	$30,207,372
Public Utility Personal Property (PUPP)	$7,954,670	$8,104,670	$8,254,670	$8,404,670	$8,554,670
Total Assessed Value	$845,532,110	$847,077,110	$914,889,266	$916,434,266	$917,979,266

Tax Rate Assumptions

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for "reduction factors" of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all general fund levies including the inside millage is 116.9 mills while the Class I effective millage rate is 34.95 mills, and the Class II effective millage rate is 52.81 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the "20-Mill Floor". Currently, our district is not on the floor for either Class I or Class II.

General Property Tax (Real Estate) – Line #1.010

Property tax levies are estimated to be collected at 98.27% of the annual amount. This allows a 1.73% delinquency factor. The district is basing the collection percentage on the collection in 2023 of 53% in February and 47% in August. Public utility tax settlements (PUPP) are estimated to be collected at 50% in February and 50% in August.

ESTIMATED REAL ESTATE TAX (Line #1.010)

Category	FY25	FY26	FY27	FY28	FY29
General Property Taxes	$30,569,518	$34,036,272	$36,491,036	$39,005,297	$41,373,775

NEW TAX LEVIES - Line #13.10 and Line # 13.20

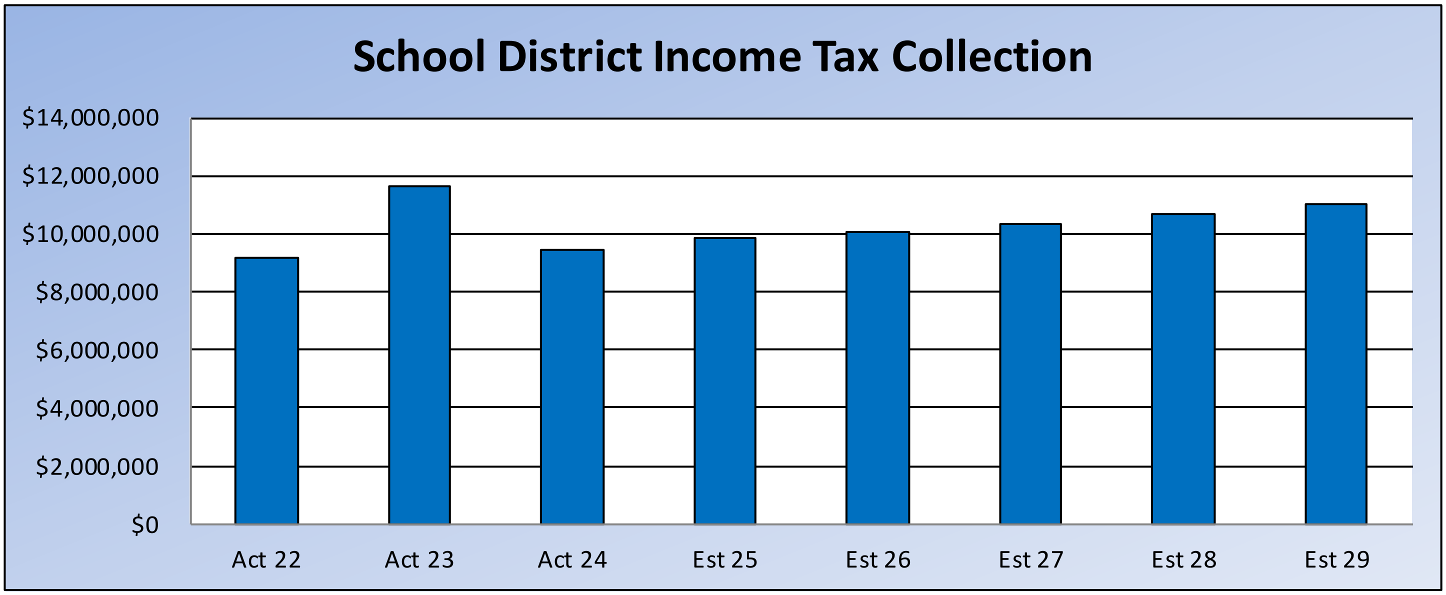
The district does not have any new levies to include in the forecast with the passage of the incremental levy in November 2024.

School District Income Tax Collections – Line #1.030

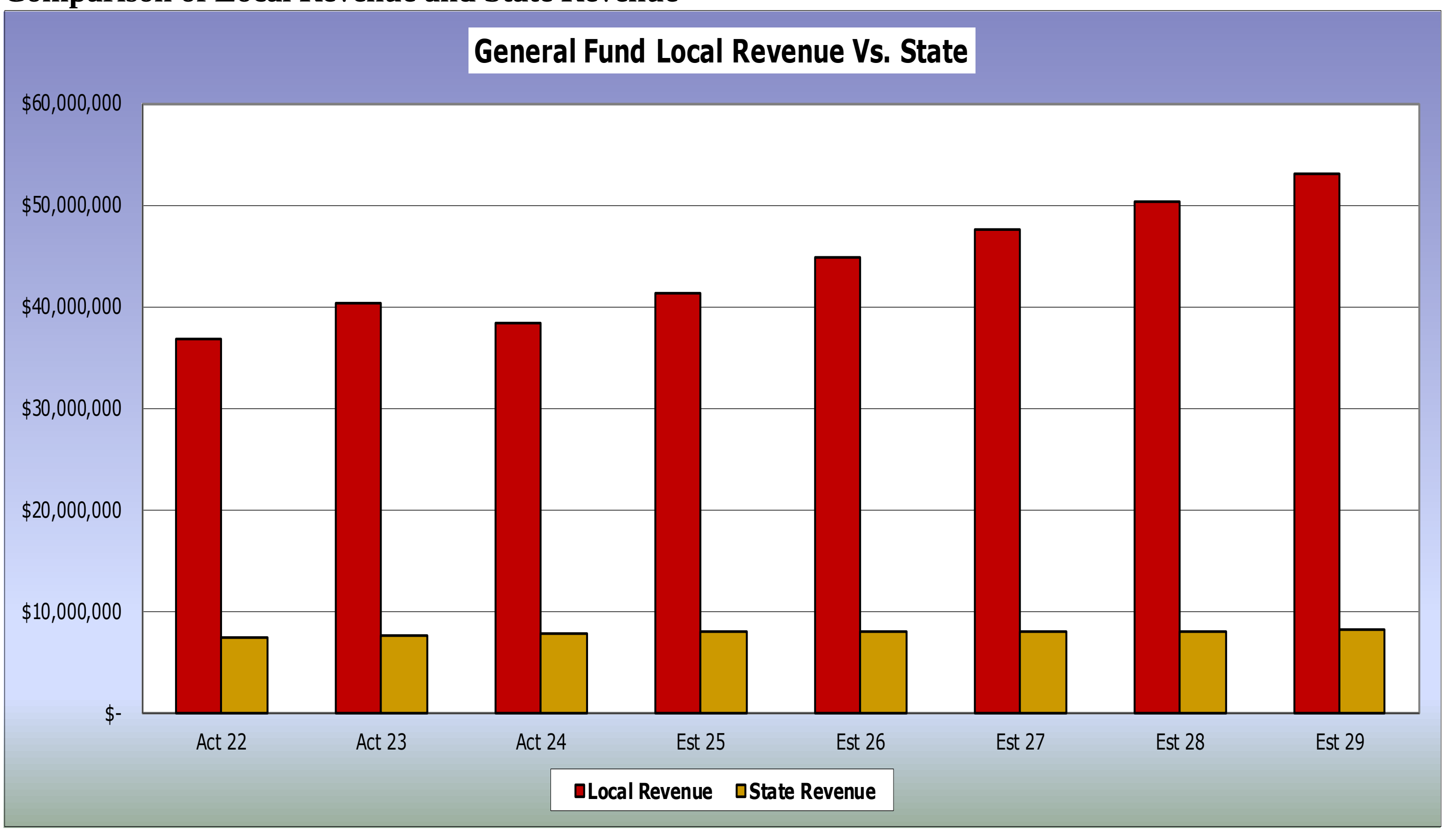
The district has a .75% continuous income tax levy that was approved in 2004.

In FY25 to date, income tax collection statewide has risen by around 8.7%. The increase is based on the July 2024 payment which includes the April 15th tax returns and the October 2024 payment. Our district had an increase for the first part of FY25 but not as much as the state received. We will assume that income from withholdings will continue to increase in future collections. We will assume an annual growth rate of 3.0% for the remaining of FY25, with a 2% in FY26 and 3% in FY27-FY29.

Category	FY25	FY26	FY27	FY28	FY29
SDIT Collection	$9,470,769	$9,867,743	$10,065,098	$10,367,051	$10,678,063
Increases/(Decreases)	$396,974	$197,355	$301,953	$311,012	$320,342
Total to Line #1.030	$9,867,743	$10,065,098	$10,367,051	$10,678,063	$10,998,405



Comparison of Local Revenue and State Revenue



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

A) Unrestricted State Foundation Revenue – Line #1.035
We have projected HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25, which funds students where they are educated rather than where they live. We have projected FY25 funding based on the October 2024 foundation settlement and funding factors.

Our district is currently a guarantee district in FY25 and is expected to continue to be on the guarantee in FY26-FY29 on the new Fair School Funding Plan (FSFP).

For a detailed overview of how foundation funding is calculated please visit the Ohio Department of Education and Workforce at: https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding

State Funding Phase-In FY25 and Guarantees

The Fair School Funding Plan 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 and extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it consists of a general phase-in percentage for most components of 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 FY26-29 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan 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 FY29.

Casino Revenue

The district receives two payments annually that are based on the state enrollment and revenue from the casinos. The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY23 was $113.1 million or $64.90 per pupil. In FY24, the funding totaled $114.18 million or $65.44 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

Unrestricted State Foundation Revenue – Line #1.035

Category	FY25	FY26	FY27	FY28	FY29
Basic Aid-Unrestricted	$3,974,141	$3,974,141	$3,974,141	$3,974,141	$3,974,141
Additional Aid Items	$399,522	$399,522	$399,522	$399,522	$399,522
Basic Aid-Unrestricted Subtotal	4,373,663	4,373,663	4,373,663	4,373,663	4,373,663
Ohio Casino Commission ODT	$168,359	$170,885	$173,448	$176,050	$178,691
Total Unrestricted State Aid Line # 1.035	$4,542,022	$4,544,548	$4,547,111	$4,549,713	$4,552,354

B) Restricted State Revenues – Line #1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, new restricted funds have been added under “Restricted Categorical Aid” for Gifted, English Learners (ESL), and Student Wellness. The district has elected to also post Catastrophic (Threshold) Aid for special education as restricted revenues. We have estimated revenues for these new restricted funding lines using current October funding factors. The amount of DPIA is limited to a 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY29 due to uncertainty on continued funding of the current funding formula.

The district received additional High Quality Instructional Material payment in FY25 $388.30 which is due to the state redirecting funds that were not used by other districts.

Category	FY25	FY26	FY27	FY28	FY29
DPIA	$3,088	$3,088	$3,088	$3,088	$3,088
Career Tech - Restricted	$7,780	$7,780	$7,780	$7,780	$7,780
Gifted	$87,423	$87,423	$87,423	$87,423	$87,423
ESL	$5,615	$5,615	$5,615	$5,615	$5,615
Student Wellness	$119,569	$119,569	$119,569	$119,569	$119,569
Catastrophic Threshold Aid	$125,391	$129,241	$125,391	$125,391	$125,391
Other Restricted	$388	$0	$0	$0	$0
Total Restricted State Revenues Line #1.040	$349,255	$348,867	$348,867	$348,867	$348,867

C) Restricted Federal Grants in Aid – line #1.045
There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues	FY25	FY26	FY27	FY28	FY29
Unrestricted Line # 1.035	$4,542,022	$4,544,548	$4,547,111	$4,549,713	$4,552,354
Restricted Line # 1.040	$349,255	$348,867	$348,867	$348,867	$348,867
Total State Foundation Revenue	$4,891,277	$4,893,415	$4,895,978	$4,898,580	$4,901,221

State Share of Local Property Tax – Line #1.050
Rollback and Homestead Reimbursement
Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013, 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 changed 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 reduce 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 Reimbursement – Line #1.050

Category	FY25	FY26	FY27	FY28	FY29
Rollback and Homestead	$3,035,458	$3,065,822	$3,106,916	$3,148,344	$3,166,059
Total Tax Reimb./Prop. Tax Allocations #1.050	$3,035,458	$3,065,822	$3,106,916	$3,148,344	$3,166,059

Other Local Revenues – Line #1.060
Interest income will increase and decrease as the cash position of the General Fund fluctuates over the forecast period. The district's balances available for investment vary month to month due to cash flow needs. As the district balances decrease, we have decreased the amount of interest each year of the forecast. Due to the Federal Reserve lowering the interest rate by 50 basis points to curb inflation we are estimating decreases in

interest by 25% annually in FY25-FY29. Security of the public funds collected by the district is the top priority of the treasurer's office.

Other income and rentals have a 1% increase for FY25-FY29. We are increasing other income by $56,000 in FY27 for the Trinity Project. We are decreasing tuition in FY25 based on lower number of tuition students, future years will be based on the FY25 total.

Category	FY25	FY26	FY27	FY28	FY29
Tuition	$95,359	$95,359	$95,359	$95,359	$95,359
Interest	$781,163	$585,872	$439,404	$439,404	$439,404
Other Income and rentals	$48,378	$48,862	$105,350	$106,404	$107,468
Total Line # 1.060	$924,900	$730,093	$640,114	$641,167	$642,231

Transfers In / Return of Advances – Line #2.040 & Line #2.050
These are non-operating revenues which are the repayment of short-term loans to other funds during the previous fiscal year and reimbursements for expenses incurred in the previous fiscal year. All advances during the current year are planned to be returned in the succeeding fiscal year which is being shown in FY25-FY29.

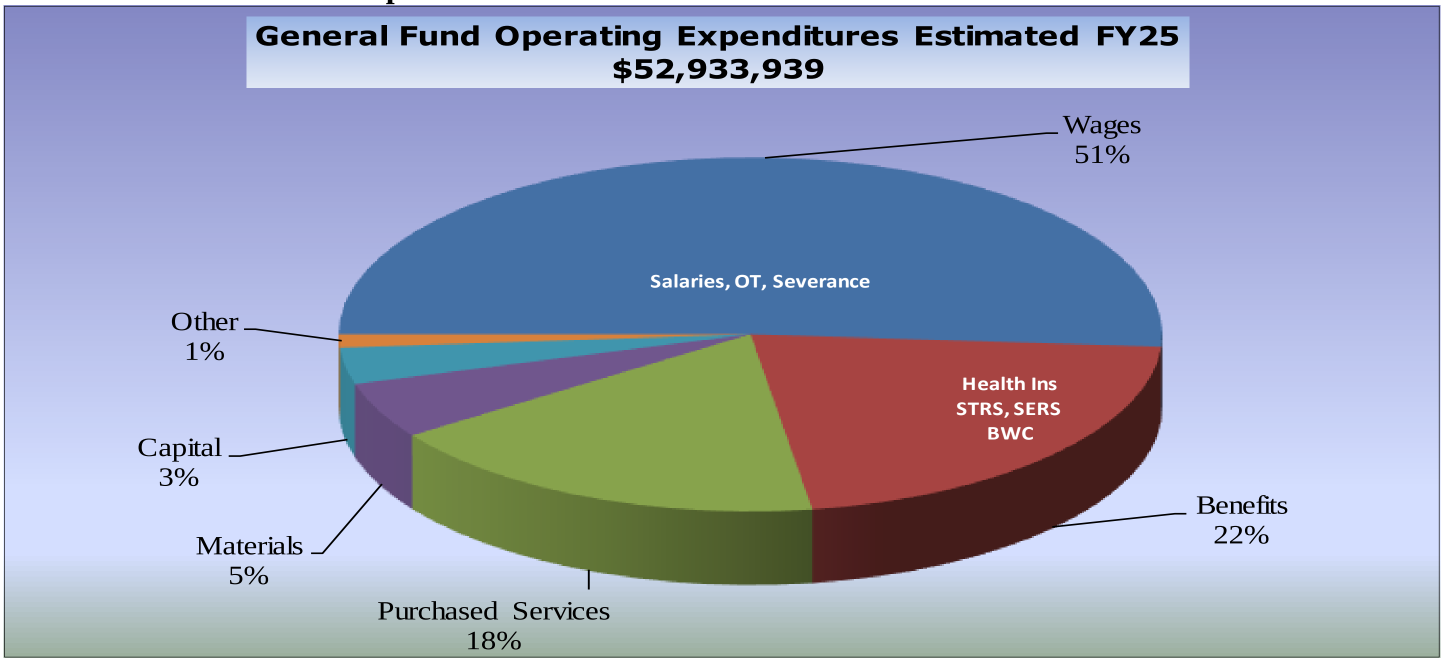
Category	FY25	FY26	FY27	FY28	FY29
Transfers In - Line 2.040	$0	$0	$0	$0	$0
Advance Returns - Line 2.050	$173,933	$150,000	$150,000	$150,000	$150,000
Total Transfer & Advances In	$173,933	$150,000	$150,000	$150,000	$150,000

All Other Financial Sources – Line #2.060
Refund of Prior year expenses which are for refunds that the district has received, we are basing the estimates on historical amounts for FY25 through FY29.

Category	FY25	FY26	FY27	FY28	FY29
Refund of prior years expenditures	$41,226	$41,226	$41,226	$41,226	$41,226

EXPENDITURE ASSUMPTIONS

Estimated General Fund Expenditures for FY25



Wages – Line #3.010

The district recently completed negotiations with the teacher's union for FY25-FY27 and the forecast has been adjusted to reflect those agreements. Staff base wage increases are forecasted at 3.75% for FY25 with 3% in FY26-FY27 and for forecasting only, a 1% in FY28 and FY29. Any variation from this assumption will have substantial implications on the forecast as the chart above shows the portion wages and benefits have on expenditures. An annual salary step and training increases of 2.15% in FY25 through FY29.

Staffing is reviewed annually to review additional positions for all areas of the district. The district will return staff costs to the forecast in FY25 that were paid through ESSER.

Category	FY25	FY26	FY27	FY28	FY29
Base Wages	$24,150,543	$25,973,977	$27,255,892	$28,616,451	$29,577,857
Base Increase	$905,645	$724,516	$779,219	$272,559	$286,165
Steps	$542,338	$581,912	$609,936	$639,660	$660,812
Growth	$885,509	$624,671	$341,525	$361,324	$308,658
Unfunded Recapture	$0	$0	$0	$0	$0
Severance/Vacation Payments	$15,000	$15,000	$15,000	$15,000	$15,000
Supplemental	$857,722	$874,877	$892,374	$910,222	$928,426
Substitutes, Overtime and Other	$218,956	$223,335	$227,802	$232,358	$237,005
Staff Reductions	($510,058)	($649,184)	($370,121)	($312,137)	($315,258)
Total Wages Line 3.010	$27,065,655	$28,369,104	$29,751,627	$30,735,437	$31,698,665

Fringe Benefits Estimates Line 3.02

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

A) 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. The district is required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance

The district insurance increases are based on calendar year, we are using a combined increase for one-half of each calendar year's increase, therefore, the estimated increases for medical and dental insurance for FY25 is 13.2% this rate is decreased from the May forecast of 14% based on loss ratios, the overall premium increase for CY25 would have been 20.8% however, due to changes in the negotiated agreements the board effective increase was 17.6%. The blended rate of increase in FY26 is projected to be 14.8%, FY27 increase is 10% and FY28 and FY29 is 8%. The above increases include adjustments for inflation and are based on our current employee census and claims data.

The district plan has a High Deductible Health Plan with a Health Savings Account and is a much more consumer driven plan than what the district had previously. The district is making contributions towards a portion of the employees' Health Savings Account.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to remain at about .38% of wages based on experience over prior years. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

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.

E) Other/Tuition

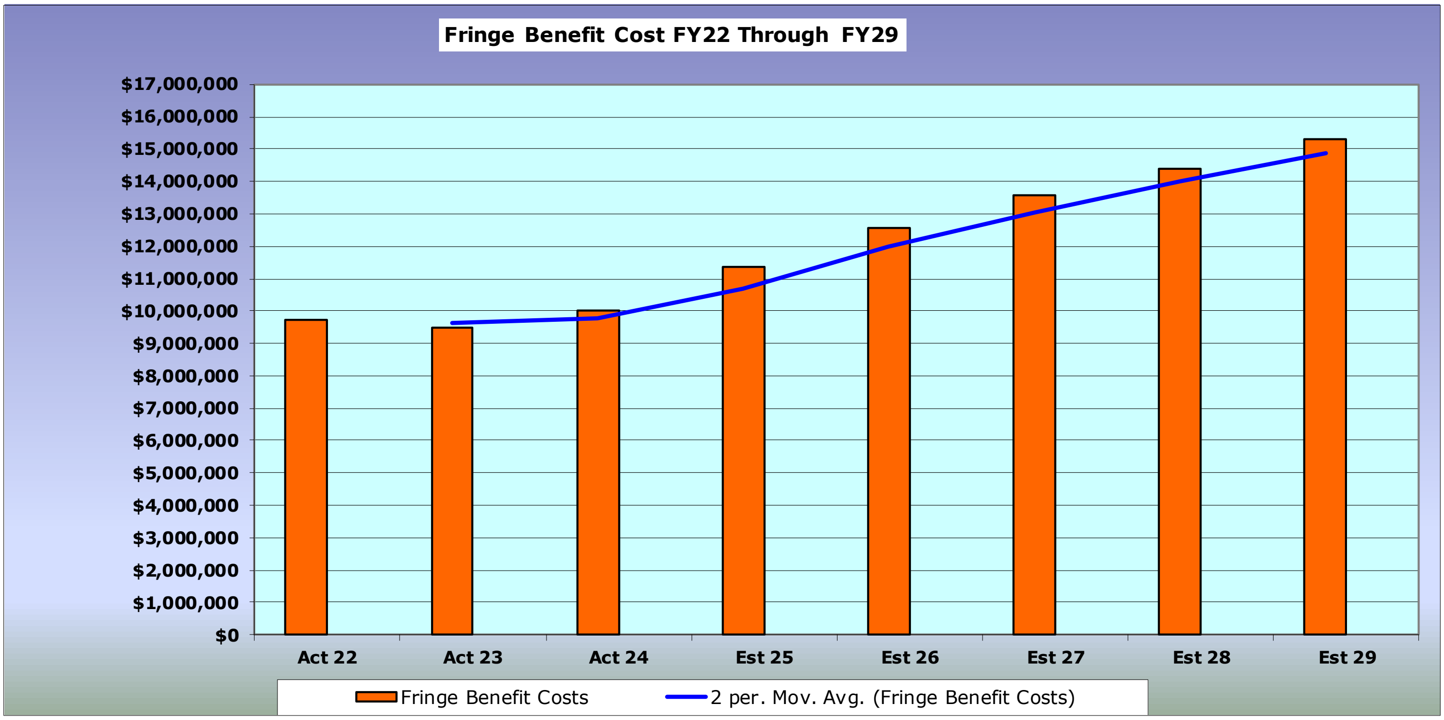
Increase of tuition for staff and administrators that are furthering their education.

Summary of Fringe Benefits – Line #3.020

Category	FY25	FY26	FY27	FY28	FY29
A) STRS/SERS	$4,239,449	$4,457,787	$4,676,354	$4,840,660	$4,994,089
B) Insurances	$6,549,611	$7,513,070	$8,257,514	$8,929,920	$9,642,730
C) Workers Comp/Unemployment	$107,849	$112,803	$118,056	$121,795	$125,455
D) Medicare	$392,452	$411,352	$431,398	$445,664	$459,631
E) Other/Tuition	$76,379	$76,379	$76,379	$76,379	$76,379
Total Line 3.020	$11,365,740	$12,571,391	$13,559,701	$14,414,417	$15,298,284

Fringe Benefits Actual Fiscal Year 2022 through Fiscal Year 2024 and Estimated Fiscal Year 2025 through Fiscal Year 2029

The graph below notes that health care is becoming the area of expenditures that are outpacing inflation.



Purchased Services – Line #3.030

One of the largest expenses in this area is contracted payments for substitute teachers, educational aides and special education aides that are employees of the Educational Service Center of Central Ohio's Council (ESC) of Governments, we are increasing this line by $125K in FY25 for substitutes that had been paid through the ESSER funds. The district is currently finding it difficult to fill positions with substitutes and aides.

College Credit Plus will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

The district is increasing for Mental Health services in FY26 of $90K that had been paid from ESSER and SWSF funds and for the services for the new phone system of $25K annually beginning in FY25 along with one-time additional facility planning expenses in FY25.

The district has increased Building Maintenance and Transportation by 6% in FY25 with annual increase of 5% in FY26 through FY29. The district currently outsources its Transportation services with Petermann LLC and the five-year contract expires in FY25. The impacts of this renewal of services are still unclear.

We have assumed the utilities to increase 5% in FY25 through FY28. In FY26 there will be an additional electric Capacity Charge that will be assessed on all electric bills to help expand Ohio's electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period. We have made the increase in FY26 with the reduction to a more normal increase in FY27. The other areas within this line are based on 2% to 3% for inflation.

Category	FY25	FY26	FY27	FY28	FY29
Base Services	$297,819	$306,754	$315,957	$325,436	$335,199
Instructional Support	$1,464,644	$1,508,583	$1,553,840	$1,600,455	$1,648,469
Professional Support	$2,858,075	$2,705,237	$2,759,342	$2,814,529	$2,870,820
Building Maintenance & Transportation	$2,961,572	$3,109,651	$3,265,134	$3,428,391	$3,599,811
Other Tuition	$737,956	$774,854	$813,597	$854,277	$896,991
Sponsored Programs	$17,220	$18,081	$18,985	$19,934	$20,931
College Credit Plus	$138,835	$145,777	$153,066	$160,719	$168,755
Utilities	$903,954	$1,030,508	$968,678	$1,017,112	$1,067,968
Total Line 3.030	$9,380,075	$9,599,445	$9,848,599	$10,220,853	$10,608,944

Supplies and Materials – Line #3.040

This category of expenses is characterized by textbooks, copy paper, maintenance supplies and fuel. An inflation rate of 3% in FY25 through FY29 for all supply lines. FY25 there will be an increase in supplies of $767,000 for Chromebooks for seven various grade levels. In FY26 another set of Chromebooks will be purchased for $275,000 for five various grade levels. Textbooks will increase in FY25 and FY26 by 15% each year, with increases in of 3% in FY27 through FY29. The district is projecting the increase for building and transportation of 4% in FY25 through FY29.

Category	FY25	FY26	FY27	FY28	FY29
Supplies	$1,933,742	$1,499,754	$1,269,747	$1,269,747	$1,269,747
Textbook Upgrade-Electronic or Textbook	$352,869	$405,799	$417,973	$430,512	$443,427
Building and Transportation	$432,522	$449,823	$467,816	$486,529	$505,990
Total Line 3.040	$2,719,133	$2,355,376	$2,155,536	$2,186,788	$2,219,164

Equipment – Line #3.050

The district is increasing the amount of capital outlay due to aging infrastructure. The district is planning for one-time purchases of staff laptops in FY25 for $380K along with a new phone and security system for $150,000, in FY26 the district is planning on purchasing the collaborative learning spaces equipment for $200,000. The district is planning on purchasing buses in FY25, FY26 and FY28.

Category	FY25	FY26	FY27	FY28	FY29
Capital Outlay	$1,620,964	$1,290,964	$1,290,964	$1,290,964	$1,290,964
Replacement Bus Purchases	$135,000	$141,750	$0	$148,000	$0
Total Line 3.050	$1,755,964	$1,432,714	$1,290,964	$1,438,964	$1,290,964

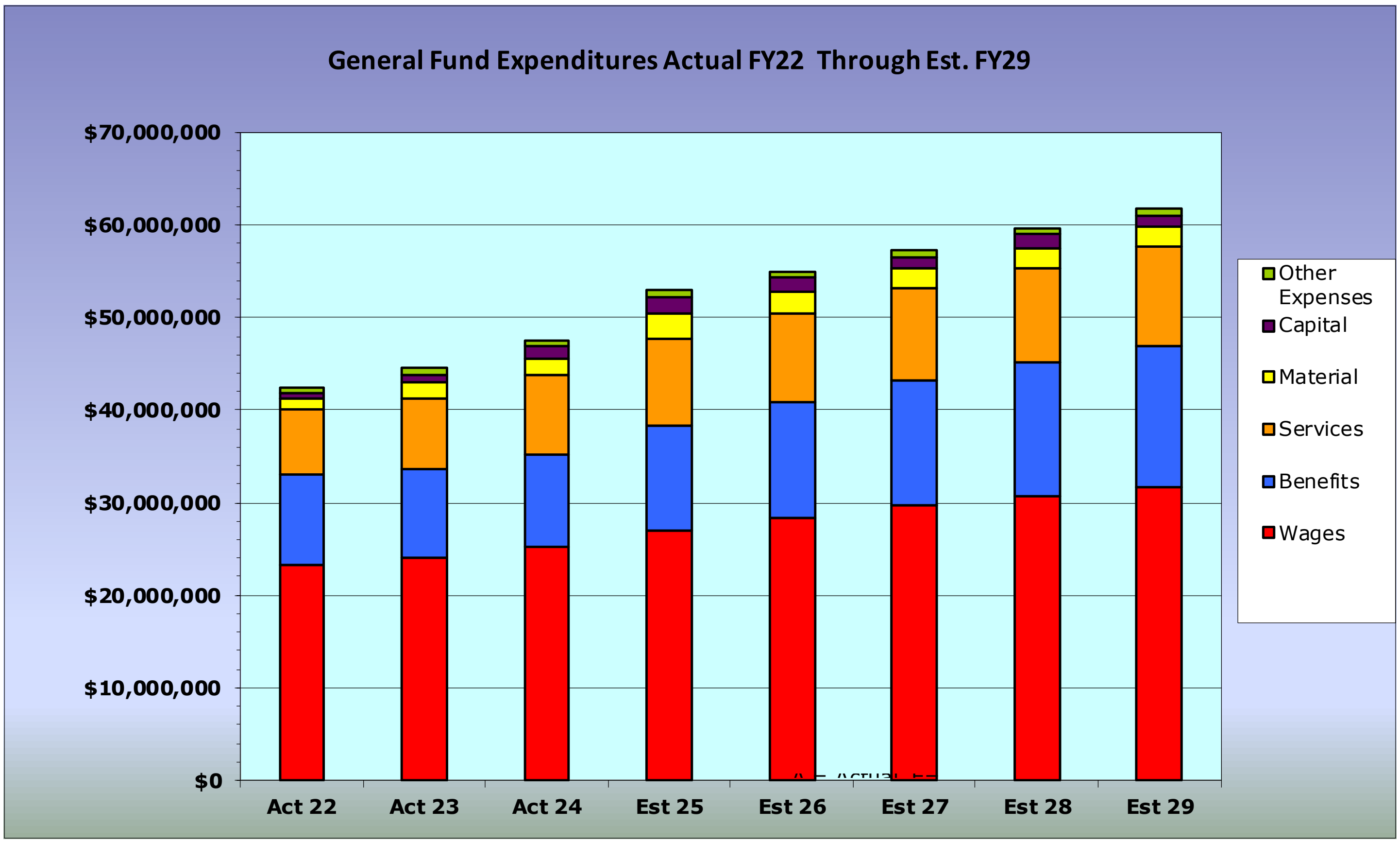
Other Expenses – Line #4.300

Auditor and Treasurer Fees will increase sharply anytime a new operating levy is collected and increases in the income tax collections. Also new construction will cause A&T fees to increase as more dollars are collected. Currently, we are estimating no increase due to lower amounts in the income tax collections. The category of Other Expenses consists primarily of the County ESC deductions, membership fees and liability insurances. We are estimating an annual increase of 3% for FY25-FY29 for other expenses. With the passage of the levy the amount of auditor and treasurer fees will increase, we are increasing the fees in FY25 by 5% with resuming the annual increase to 2% in FY26 through FY29.

Category	FY25	FY26	FY27	FY28	FY29
Auditor & Treasurer Fees	$465,933	$475,252	$484,757	$494,452	$504,341
Other expenses	$181,438	$190,510	$200,036	$210,038	$220,540
Total Line 4.300	$647,371	$665,762	$684,793	$704,490	$724,881

Total Expenditure Categories Actual Fiscal Year 2022 through Fiscal Year 2024 and Estimated Fiscal Year 2025 through Fiscal Year 2029

The graph below shows a quick overview of actual and estimated expenses by proportion to the total for the General Fund expenditures.



Transfers/Advances Out – Line #5.010 & Line #5.020

This account group covers fund-to-fund transfers and end of year short-term loans (advances) from the General Fund to other funds until they have received reimbursements to repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. Annually, the district expects to transfer funds to food service to supplement those programs and to the severance fund. The district anticipates advancing funds to other funds in FY25-FY29, by $150,000 we will evaluate the need to advance these funds annually. The district will make annual transfers of the following to the food service of $75,000, the severance fund of $250,000 and for possible other transfers of $50,000 in FY25 through FY29.

Category	FY25	FY26	FY27	FY28	FY29
Operating Transfers Out Line #5.010	$375,000	$375,000	$375,000	$375,000	$375,000
Advances Out Line #5.020	$150,000	$150,000	$150,000	$150,000	$150,000
Total	$525,000	$525,000	$525,000	$525,000	$525,000

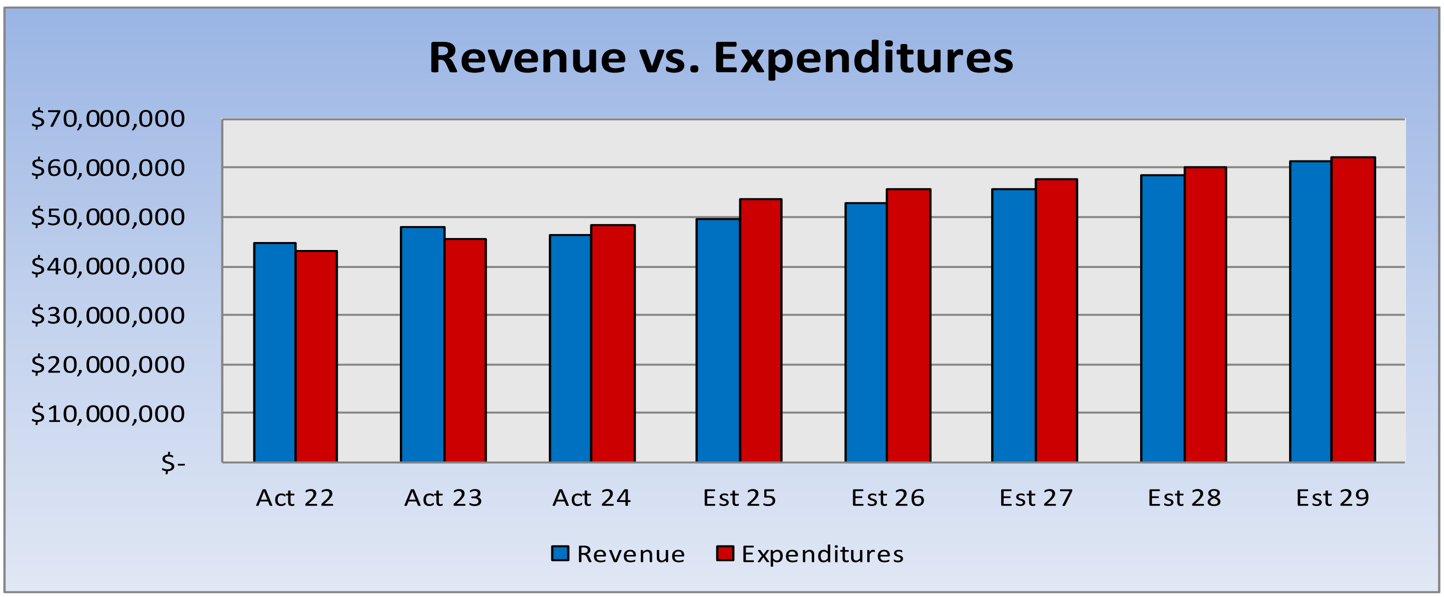
Encumbrances –Line #8.010
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	FY25	FY26	FY27	FY28	FY29
Estimated Encumbrances	$1,400,000	$1,400,000	$1,400,000	$1,400,000	$1,400,000

Ending Unreserved 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 Ohio Revised Code section 5705.412, punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to House Bill 153 effective September 30, 2011.

	FY25	FY26	FY27	FY28	FY29
Ending Cash Balance	$21,444,565	$18,907,698	$16,783,798	$15,120,525	$14,027,539

Revenue vs Expenditures with Deficit Spending
The chart below shows that the district is in deficit spending in FY25–FY29 of the forecast. By deficit spending a district will deplete the cash balance in future years.



Deficit spending affects the amount of carryover that the district has to plan for the future. When reviewing the needs of the district we review the amount of spending and what would be needed to remove any deficit spending in order to have positive cash balances on the forecast. The chart below shows the amount of deficit spending that is included on Line 6.010 of the forecast and the millage for each year that would be needed in order to erase the deficit spending.

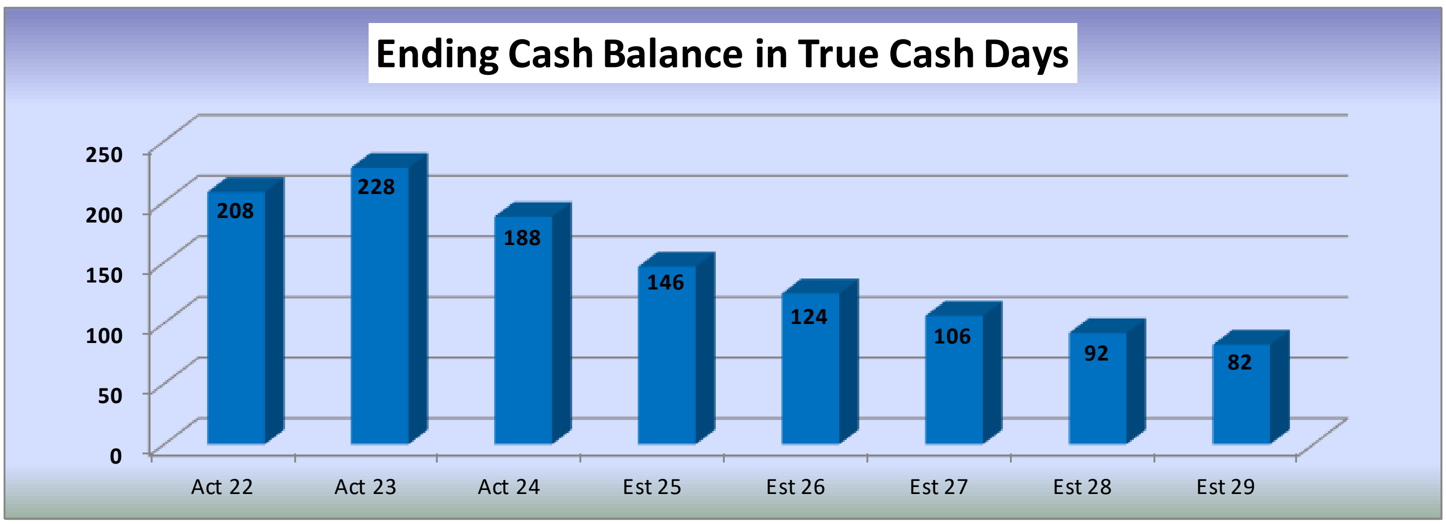
While deficit spending is not ideal and must be closely monitored, this approach was expected in the planning of the recently passed incremental levy. This levy cycle approach allows for residents to keep more of their cash and provide revenues to the schools as expenditures rise (when revenues are needed) as you can see from the chart on page 6.

Category	FY25	FY26	FY27	FY28	FY29
Excess of Revenues over/(under) Expenditures	($3,954,883)	($2,536,866)	($2,123,900)	($1,663,273)	($1,092,986)
Millage equivalent for deficit spending	4.69	3.00	2.51	1.82	1.19

True Cash Days

On June 8, 2022, the Board of Education passed policy DBDA "Cash Balance Reserve" to address any deficits within the budget found within each Five-Year Forecast. In part, it reads: "If at any time during the first four years of the rolling five-year forecast the projected cash balance (line 15.01) falls below 70 days operating expenditure, the Treasurer will report such a finding to the Board of Education and Superintendent. The Superintendent and Treasurer will have 120 days to submit a financial evaluation of the district to the Board." This policy was discussed and reviewed by the Finance Advisory Council prior to the Board's approval.

The Government Financial Officers Association (GFOA) recommends, at a minimum, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. Because of the volatility of income taxes, it would be wise for a district like ours to have a higher balance on hand. The district projects to have approximately 146 days of true cash at the end of FY25. As the chart below shows, the ending cash balance will continue to decrease.



Conclusion

As you read through the notes and review the forecast, it is important to remember that assumptions in the forecast are based on information available at the time it is prepared. Actual amounts may differ significantly from those contained in the forecast.