

**COLUMBIANA COUNTY CAREER & TECHNICAL CENTER
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**



**Forecast Provided By
Columbiana County Career & Technical Center
Treasurer's Office
Katherine Scanlon, Treasurer/CFO
November 19, 2024**

Columbiana County Career & Technical Center

Columbiana 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)	\$2,174,342	\$2,482,658	\$2,595,714	9.4%	\$2,649,654	\$2,824,803	\$2,927,044	\$2,992,584	\$3,105,150
1.020	Public Utility Personal Property Tax	788,622	790,003	716,633	-4.6%	765,361	763,083	766,583	770,083	773,583
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	3,339,093	3,223,209	3,237,863	-1.5%	3,253,318	3,253,990	3,254,679	3,255,385	3,256,108
1.040	Restricted State Grants-in-Aid	977,363	1,035,496	1,174,044	9.7%	1,233,663	1,233,663	1,233,663	1,233,663	1,233,663
1.045	Restricted Federal Grants-in-Aid	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	321,736	343,537	370,069	7.2%	363,163	376,802	395,700	404,598	421,558
1.060	All Other Revenues	60,838	12,712	2,325	-80.4%	2,325	2,325	2,325	2,325	2,325
1.070	Total Revenues	\$7,661,994	\$7,887,615	\$8,096,648	2.8%	\$8,267,484	\$8,454,666	\$8,579,994	\$8,658,638	\$8,792,387
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	0	0	0	0.0%	0	0	0	0	0
2.040	Operating Transfers-In	0	37	350	0.0%	0	0	0	0	0
2.050	Advances-In	0	0	0	0.0%	0	0	0	0	0
2.060	All Other Financing Sources	1,206	2,191	2,036	37.3%	2,036	2,036	2,036	2,036	2,036
2.070	Total Other Financing Sources	\$1,206	\$2,228	\$2,386	45.9%	\$2,036	\$2,036	\$2,036	\$2,036	\$2,036
2.080	Total Revenues and Other Financing Sources	\$7,663,200	\$7,889,843	\$8,099,034	2.8%	\$8,269,520	\$8,456,702	\$8,582,030	\$8,660,674	\$8,794,423
Expenditures										
3.010	Personal Services	\$3,343,372	\$3,369,666	\$3,377,225	0.5%	\$3,481,867	\$3,573,541	\$3,688,784	\$3,813,173	\$3,941,852
3.020	Employees' Retirement/Insurance Benefits	1,380,625	1,533,176	1,578,488	7.0%	1,645,886	1,717,800	1,792,736	1,871,398	1,953,737
3.030	Purchased Services	584,647	573,290	596,589	1.1%	664,565	675,052	685,749	696,658	707,785
3.040	Supplies and Materials	580,606	661,734	630,828	4.7%	660,263	673,131	686,257	699,647	713,304
3.050	Capital Outlay	202,125	141,641	70,500	-40.1%	174,010	120,500	120,500	120,500	120,500
3.060	Intergovernmental	0	3,725	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
4.300	Other Objects	112,057	125,674	128,106	7.0%	130,668	133,282	135,947	138,666	141,439
4.500	Total Expenditures	\$6,203,432	\$6,408,906	\$6,381,736	1.4%	\$6,757,259	\$6,893,306	\$7,109,973	\$7,340,042	\$7,578,617
Other Financing Uses										
5.010	Operating Transfers-Out	\$1,000,000	\$1,755,000	\$1,450,000	29.1%	\$1,500,000	\$1,500,000	\$1,450,000	\$1,300,000	\$1,200,000
5.020	Advances-Out	0	0	0	0.0%	0	0	0	0	0
5.030	All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040	Total Other Financing Uses	\$1,000,000	\$1,755,000	\$1,450,000	29.1%	\$1,500,000	\$1,500,000	\$1,450,000	\$1,300,000	\$1,200,000
5.050	Total Expenditures and Other Financing Uses	\$7,203,432	\$8,163,906	\$7,831,736	4.6%	\$8,257,259	\$8,393,306	\$8,559,973	\$8,640,042	\$8,778,617
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses		\$459,768	(\$274,063)	\$267,298	-178.6%	\$12,261	\$63,396	\$22,057	\$20,632	\$15,806
Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies		\$3,769,088	\$4,228,856	\$3,954,793	2.9%	\$4,222,091	\$4,234,352	\$4,297,748	\$4,319,805	\$4,340,437
7.020	Cash Balance June 30	\$4,228,856	\$3,954,793	\$4,222,091	0.1%	\$4,234,352	\$4,297,748	\$4,319,805	\$4,340,437	\$4,356,243
8.010	Estimated Encumbrances June 30	\$127,266	\$82,594	\$181,143	42.1%	\$0	\$0	\$0	\$0	\$0
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 Reservations of fund Balance	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
Fund Balance June 30 for Certification of Appropriations		\$4,101,590	\$3,872,199	\$4,040,948	-0.6%	\$4,234,352	\$4,297,748	\$4,319,805	\$4,340,437	\$4,356,243

Columbiana County Career & Technical Center

Columbiana 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			Average Change	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024		Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
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 Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>									
12.010	\$4,101,590	\$3,872,199	\$4,040,948	-0.6%	\$4,234,352	\$4,297,748	\$4,319,805	\$4,340,437	\$4,356,243
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%	-	-	-	-	-
15.010 <i>Unreserved Fund Balance June 30</i>	\$4,101,590	\$3,872,199	\$4,040,948	-0.6%	\$4,234,352	\$4,297,748	\$4,319,805	\$4,340,437	\$4,356,243

Columbiana County Career & Technical Center
Notes to the Five Year Forecast
General Fund Only
November 19, 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 to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer 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 important 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 forecast 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 loss of these funds in FY25 and future years may create a "fiscal cliff" as any ongoing costs will likely be absorbed back into the district General Fund.

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 single 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 modest increases in local taxes. Total local revenues, which are predominately local taxes, equate to 41.3% of the district's resources. We believe there is a low risk that local collections would fall below projections throughout the forecast.
2. Columbiana County experienced a reappraisal in the 2022 tax year to be collected in 2023. The 2022 reappraisal increased assessed values by \$211.8 million. Overall values rose \$226.8 million or 14.27%, including reappraisal and new construction for all property classes. A reappraisal update will occur in the tax year 2025 for collection in 2026. We anticipate value increases for Class I and II property by \$134.6 million for an overall increase of 8.91%. However, there is always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that now.
3. 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 income and property taxes do not exceed 5% of a qualified taxpayer's income. 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.

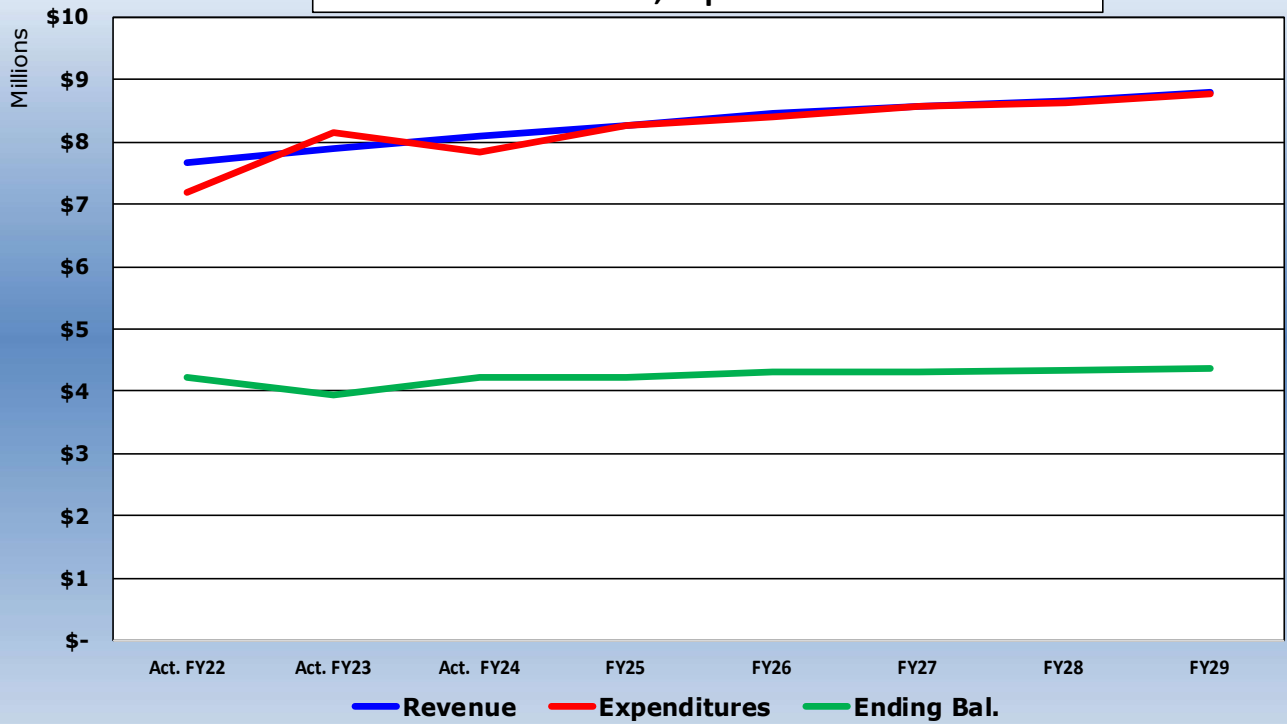
4. The state budget represented 58.7% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to a possible recession or the last two (2) years of the Fair School Funding Plan is not funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering 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 FY29. We have projected our state funding in 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 FY29.
5. 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. FY25 reflects 66.67% of the implementation cost at year four of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.67% funding of (FSFP), however, the final two years of the phase-in are not guaranteed and are dependent on legislative actions for the FY26 and FY27 state biennium budget. 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 FY25.
6. HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. However, education option programs such as College Credit Plus, Excess Costs and various tuitions 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.
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. Our positive working relationship will continue and grow stronger as we move forward.

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 to understand the overall financial forecast for our district. If you want further information, please contact Katherine Scanlon, Treasurer/CFO.

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

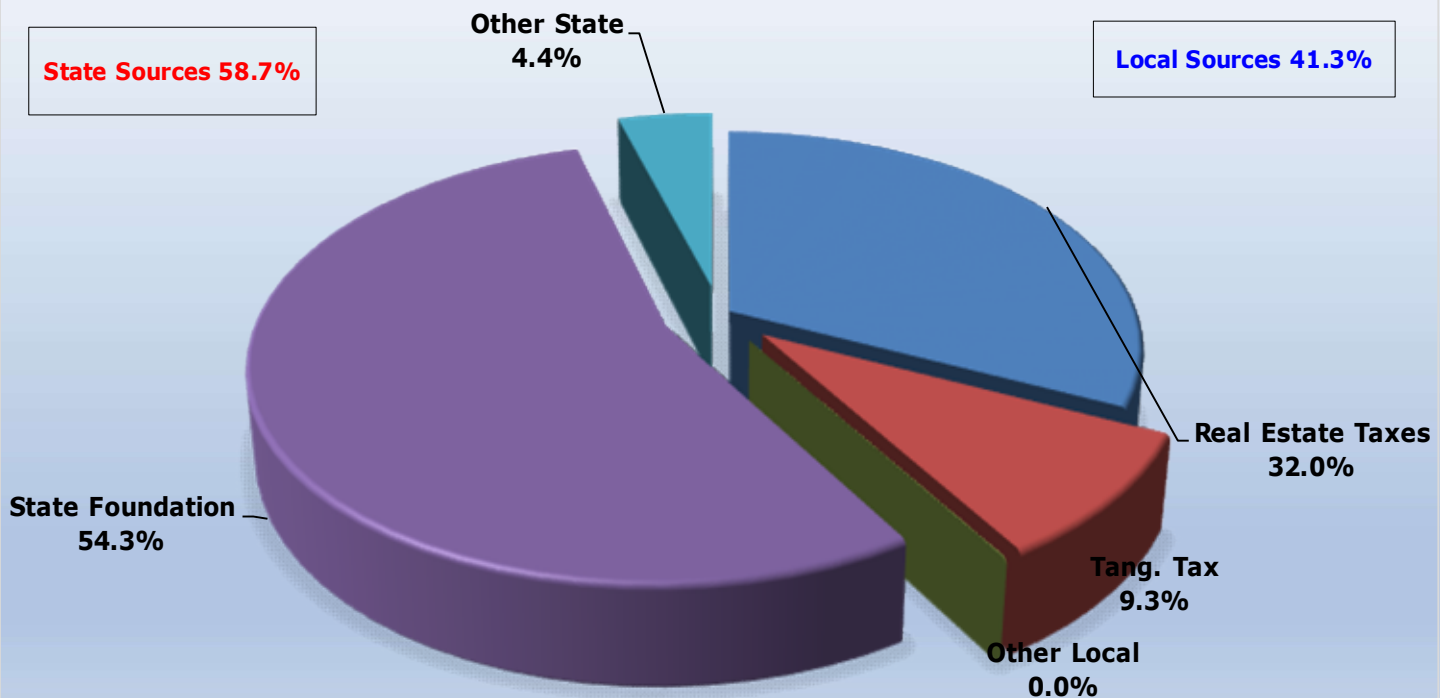
The graph captures in one snapshot the operating scenario facing the district over the next few years.

General Fund Revenue, Expenditures & Cash Balance



Revenue Assumptions Operating Revenue Sources General Fund FY25

GENERAL FUND ESTIMATED REVENUES FY25 \$8,267,484



General Property Tax and Property Value Assumptions (Real Estate) – 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. Columbiana County experienced a reappraisal for the 2022 tax year to be collected in 2023. Residential/agricultural values increased 19.64% or \$203.9 million due to the reappraisal led by an improving housing market.

For tax year 2024 residential and agricultural property values are estimated to be up by 0.32% or \$4 million in assessed value and commercial/industrial values increased by 1% or \$2.37 million. Overall class I and class II values are projected to rise by 0.42%, which includes new construction.

A reappraisal update will occur in 2025 for collection in 2026 for which we are estimating a 10% increase in residential and a 2% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase \$134.6 million or 8.91% overall.

Public Utility Personal Property (PUPP) values remain similar on as far as what is being collected upon. We expect our values to continue to grow by \$1.25 million each year of the forecast. Because of the pipeline value, the district significantly under collects PUPP revenue. Due to Nexus pipeline disputing the taxable valuation, they are currently paying at a tender rate, or the rate they believe it should be. The current forecast reflects values at the tender rate in an effort not to overinflate assumed collections in forecasted years. Should the state agree with the pipeline's disputed amounts, the district would not see a refund in future collections, but continued collections based on the current assumptions. However, if the state denies their disputed values, the district would see these delinquent payments if future tax collections.

We have been conservative with any future value increases for reappraisal or updates due to uncertainty over legislative actions that may take place in the spring of 2025 that limits property tax growth.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2024	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028
Classification	COLLECT 2025	COLLECT 2026	COLLECT 2027	COLLECT 2028	COLLECT 2029
Res./Ag.	\$1,271,240,623	\$1,401,114,686	\$1,405,265,800	\$1,464,226,432	\$1,525,545,491
Comm./Ind.	239,382,938	244,170,597	244,170,597	246,612,303	251,544,549
Public Utility Personal Property (PUPP)	271,892,200	273,142,200	274,392,200	275,642,200	276,892,200
Total Assessed Value	<u>\$1,782,515,761</u>	<u>\$1,918,427,483</u>	<u>\$1,923,828,597</u>	<u>\$1,986,480,935</u>	<u>\$2,053,982,240</u>

Tax Rate Assumptions

A Career Center has a 2-mill floor if that is the amount of the original millage rate voted for the district. The Columbiana County CTC has 2.8 mills voted that are collecting at 2.0 in tax year 2024, but the millage rate cannot go any lower than 2 mills or the voted amount, whichever is less, at any time. Due to HB920, the district's effective millage will decrease as values increase until they reach the 2-mill floor. During the forecast period, we are expecting to remain at the 2-mill floor. Increases in collection estimates are due to new construction being collected at the voted rate in the first year it is taxable.

General Property Tax (Real Estate) – Line #1.010

Property tax levies are estimated to be collected at 96.4% of the annual amount. This allows a 3.6% delinquency factor. In general, 57.62% of the Residential/Agriculture and Commercial/Industrial property taxes are expected to be collected in the February tax settlement and 42.36% in the August tax settlement.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Est. Real Estate Taxes	\$2,649,654	\$2,824,803	\$2,927,044	\$2,992,584	\$3,105,150
Total Line #1.01 Real Estate Taxes	<u>\$2,649,654</u>	<u>\$2,824,803</u>	<u>\$2,927,044</u>	<u>\$2,992,584</u>	<u>\$3,105,150</u>

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

Estimated Public Utility Personal Property (PUPP)Taxes – Line #1.020

The amounts below are public utility personal property (PUPP) tax payments from public utilities. Collections are typically 51% in March and 49% in August, along with the real estate settlements from the county auditor. As stated above, Nexus pipeline payments are forecasted at a tender rate, or the value the companies believe it should be. We will continue to monitor and update as more information is provided.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Public Utility Personal Property	\$765,361	\$763,083	\$766,583	\$770,083	\$773,583
Total PUPP Tax Line #1.020	<u>\$765,361</u>	<u>\$763,083</u>	<u>\$766,583</u>	<u>\$770,083</u>	<u>\$773,583</u>

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

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25, 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 formula district in FY25 and is expected to continue on the formula 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.

Joint Vocational Career-Technical Funding in FY25

The new funding formula for joint vocational school districts is substantially similar to the formula for traditional school districts as described above, including the phase-in and guarantee, with the following changes:

1. Replaces the “special teacher” cost in the base cost computation with the “cost for teachers providing health and physical education, instruction regarding employability and soft skills, development and coordination and internships and job placements, career-technical student organization activities, pre-apprenticeship and apprenticeship coordination, and any assessment related to career-technical education, including any nationally recognized job skills or end-of-course assessment,” which are calculated in the same manner.
2. Does not specify a minimum for the number of staff members for the staffing cost for student wellness and success for the district in base cost computation.
3. Calculates the district’s cost for that fiscal year for career-technical curriculum specialists and coordinators, career assessment and program placement, recruitment and orientation, student success coordination, analysis of test results, development of intervention and remediation plans and monitoring of those plans, and satellite program coordination. This funding replaces a traditional district's cost computations for academic and athletic co-curricular activities.
4. Replaces per-pupil dollar amount with weighted funding for the five different career-technical programs.
5. A funding unit will be based on the funding unit’s state share percentage times the career-technical education associated services amount times the statewide average career technical base costs per pupil in that fiscal year times the sum of the funding unit’s categories one through five career-technical education ADM.
6. Once the base cost is calculated by the state, the FSFP then calculates the state share percentage for each district.

CTE Credential Program: The district may receive a portion of the \$5.5 million for Industry-recognized Credentials in FY24 and FY25 for high school students for those earning an industry-recognized credential or receiving a journeyman certification recognized by the United States Department of Labor. Also, the district will receive funding through the Innovative Workforce Incentive Program for students who have completed the industry-recognized credentials and are career-ready. The Department of Education and Workforce shall pay each city, local, and exempted village school district, community school, STEM school, and joint vocational school district an amount equal to \$1,000 for each qualifying credential a student attending the district or school earned in the school year preceding the fiscal year in which the funds are appropriated, which will be prorated if the amount that the Department of Education appropriates is insufficient. The district received \$39,862 in FY24. The remaining years of the forecast will be based on the amount received in FY24.

Career Awareness and Exploration Funds

To support a more career-focused approach to education, the legislature approved in HB110 the previous state budget the new career awareness and exploration funding. HB33, the current state budget, increases the per-pupil amounts used to calculate these funds from \$5 per pupil in FY23 to \$7.50 in FY24 and \$10 per pupil in FY25.

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

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 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 2% annual growth rate for the remainder of the forecast.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Basic Aid-Unrestricted	\$3,106,555	\$3,106,555	\$3,106,555	\$3,106,555	\$3,106,555
Final Adjustment	0	0	0	0	0
Basic Aid-Unrestricted Subtotal	3,106,555	3,106,555	3,106,555	3,106,555	3,106,555
Innovation/Cred Reimb	120,000	120,000	120,000	120,000	120,000
Ohio Casino Commission ODT	26,763	27,435	28,124	28,830	29,553
Total Unrestricted State Aid Line #1.035	<u>\$3,253,318</u>	<u>\$3,253,990</u>	<u>\$3,254,679</u>	<u>\$3,255,385</u>	<u>\$3,256,108</u>

B) Restricted State Revenues – Line # 1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged Funding) and Career Technical funding. In addition, new restricted funds have been added under “Restricted Categorical Aid” for Gifted, English Learners (ESL), and Student Wellness. 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.

HB33 set aside funds state-wide to subsidize the Science of Reading initiative. The district will be reimbursed for teacher in-service and associated fringe benefits upon proof of training and certified reimbursement request. The district is required to maintain documentation for how funds were spent for any subsidy received.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
DPIA	\$61,598	\$61,598	\$61,598	\$61,598	\$61,598
Career Tech - Restricted	952,406	952,406	952,406	952,406	952,406
CTE Assoc/ Career Awareness	129,329	129,329	129,329	129,329	129,329
ESL	0	0	0	0	0
Student Wellness	90,330	90,330	90,330	90,330	90,330
Other Restricted	0	0	0	0	0
Catastrophic Aid	0	0	0	0	0
Total Restricted State Revenues Line #1.040	<u>\$1,233,663</u>	<u>\$1,233,663</u>	<u>\$1,233,663</u>	<u>\$1,233,663</u>	<u>\$1,233,663</u>

C) Restricted Federal Grants in Aid – line #1.045

There are no federal restricted grants projected during this forecast.

<u>SUMMARY</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Unrestricted Line #1.035	\$3,253,318	\$3,253,990	\$3,254,679	\$3,255,385	\$3,256,108
Restricted Line #1.040	1,233,663	1,233,663	1,233,663	1,233,663	1,233,663
Rest. Federal Funds #1.045	0	0	0	0	0
Total State Foundation Revenue	<u>\$4,486,981</u>	<u>\$4,487,653</u>	<u>\$4,488,342</u>	<u>\$4,489,048</u>	<u>\$4,489,771</u>

State Share of Local Property Tax – Line #1.050

A) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given owner-occupied residences. Credits equal 12.5% of the gross property taxes charged residential taxpayers on levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013.

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

Summary of State Tax Reimbursement – Line #1.050

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Rollback and Homestead	<u>\$363,163</u>	<u>\$376,802</u>	<u>\$395,700</u>	<u>\$404,598</u>	<u>\$421,558</u>
b) TPP Reimbursement - Fixed Rate	0	0	0	0	0
c) TPP Reimbursement - Fixed Sum	0	0	0	0	0
Total Tax Reimbursements #1.050	<u>\$363,163</u>	<u>\$376,802</u>	<u>\$395,700</u>	<u>\$404,598</u>	<u>\$421,558</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 are general rental fees. Since FY22 any open-enrolled students since have been counted in our Enrolled ADM numbers for state funding and are not separately funded.

	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Total Other Local Revenue Line #1.060	<u>\$2,325</u>	<u>\$2,325</u>	<u>\$2,325</u>	<u>\$2,325</u>	<u>\$2,325</u>

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

There is no short-term borrowing projected in this forecast.

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

These are non-operating revenues which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Transfers In - Line #2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line #2.050	0	0	0	0	0
Total Transfer & Advances In	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

All Other Financial Sources – Line #2.060

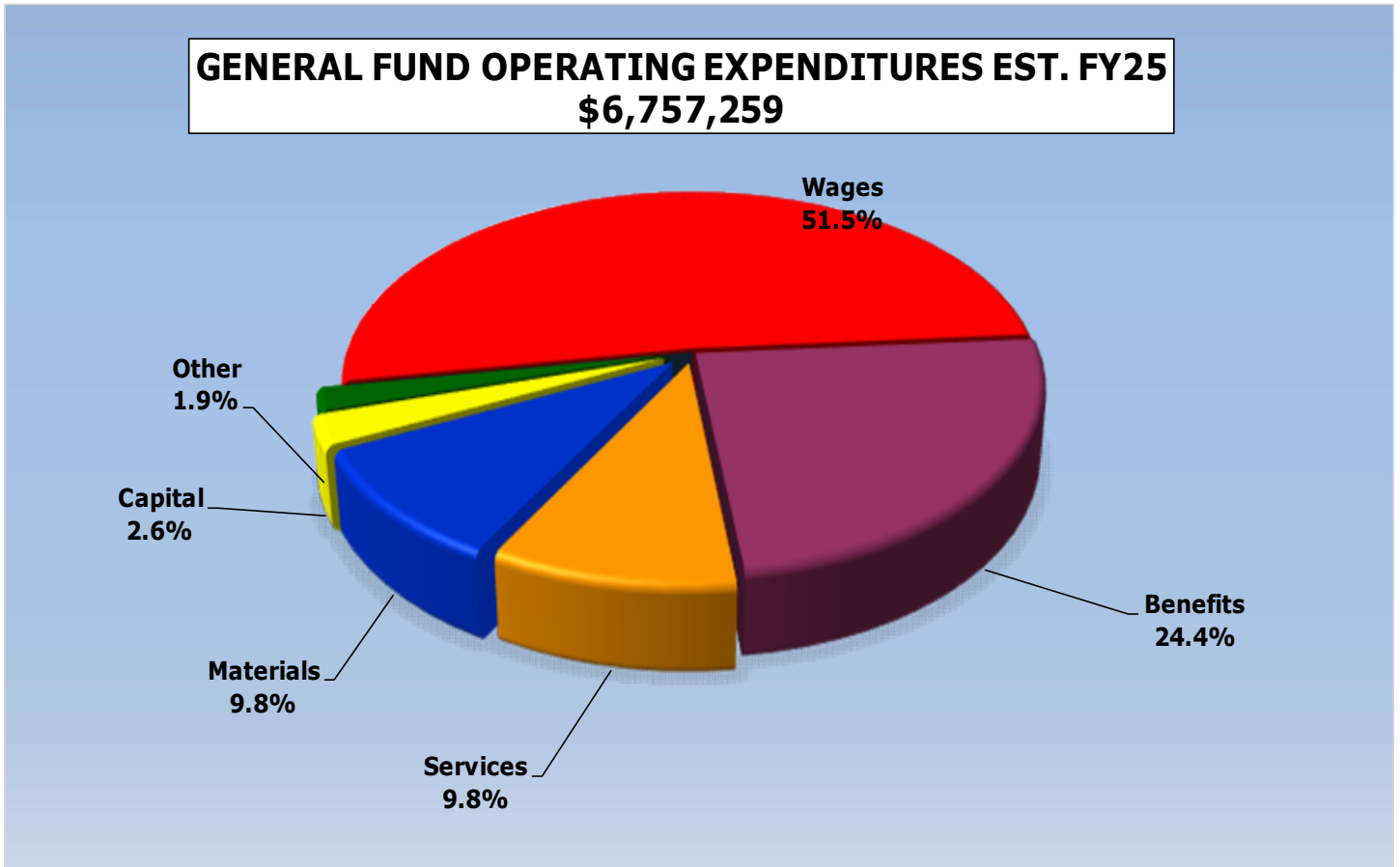
This funding source is typically a refund of prior year expenditures that is very unpredictable. We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in FY23. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Source	FY25	FY26	FY27	FY28	FY29
Refund of prior years expenditures	<u>\$2,036</u>	<u>\$2,036</u>	<u>\$2,036</u>	<u>\$2,036</u>	<u>\$2,036</u>

Expenditures Assumptions

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

All Operating Expense Categories - General Fund FY25



Wages – Line #3.010

The district estimates 2% base increases FY25 through FY29. Additionally, they estimate the cost of steps and other academic column adjustments at 1.5% each year of the forecast.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Base Wages	\$3,251,397	\$3,365,196	\$3,481,271	\$3,601,374	\$3,725,620
Based Pay Increase	65,028	67,304	69,625	72,027	74,512
Steps & Academic Training	48,771	48,771	50,478	52,219	54,021
Growth Staff	0	0	0	0	0
New Building Staff	0	0	0	0	0
Substitutes	40,254	40,254	40,254	40,254	40,254
Supplementals	6,878	7,016	7,156	7,299	7,445
Severance	69,539	45,000	40,000	40,000	40,000
SWSF & ESSER Adjustments	0	0	0	0	0
Other Adjustments/Reductions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Wages Line #3.010	<u>\$3,481,867</u>	<u>\$3,573,541</u>	<u>\$3,688,784</u>	<u>\$3,813,173</u>	<u>\$3,941,852</u>

Employees' Retirement & Insurance Benefits – Line #3.020

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

A) STRS/SERS

As the law requires, the BOE pays 14% of all employee wages to STRS or SERS. The district is also required to pay SERS Surcharge, an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance

The district has seen increases in its medical plan over the last few years. We estimate an increase of 5% for FY25 through FY29, reflecting the trend of our current employee census and claims data.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately 0.54% of wages FY25 through FY29. Unemployment is likely to remain at a shallow level FY25 through FY29. The district is a direct reimbursement employer meaning unemployment costs are only incurred and due if we have eligible employees 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>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
A) STRS/SERS	\$526,497	\$544,474	\$563,049	\$582,265	\$602,144
B) Insurance's	1,038,157	1,090,065	1,144,568	1,201,796	1,261,886
C) Workers Comp/Unemployment	18,455	18,967	19,496	20,043	20,609
D) Medicare	48,970	50,487	51,816	53,487	55,291
Other/Tuition/Annuities	<u>13,807</u>	<u>13,807</u>	<u>13,807</u>	<u>13,807</u>	<u>13,807</u>
Total Fringe Benefits Line #3.020	<u>\$1,645,886</u>	<u>\$1,717,800</u>	<u>\$1,792,736</u>	<u>\$1,871,398</u>	<u>\$1,953,737</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 educating 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. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends.

The district is projecting approximately 2% inflationary increases from prior year trend.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Professional & Technical Services, ESC	\$99,956	\$99,956	\$99,956	\$99,956	\$99,956
Maintenance, Insurance & Garbage Removal	124,056	126,537	129,068	131,649	134,282
Professional Development	44,731	45,626	46,539	47,470	48,419
Communications, Postage, & Telephone	64,228	65,513	66,823	68,159	69,522
Utilities	148,138	151,101	154,123	157,205	160,349
Contracted Trades & Services	73,476	74,946	76,445	77,974	79,533
College Credit Plus	3,222	3,286	3,352	3,419	3,487
Contract Transportation	66,472	67,801	69,157	70,540	71,951
Other Adjustments SWSF, ESSER, Etc.	0	0	0	0	0
Miscellaneous Purchased Services	<u>40,286</u>	<u>40,286</u>	<u>40,286</u>	<u>40,286</u>	<u>40,286</u>
Total Purchased Services Line #3.030	<u>\$664,565</u>	<u>\$675,052</u>	<u>\$685,749</u>	<u>\$696,658</u>	<u>\$707,785</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.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Supplies & Materials	\$582,858	\$594,515	\$606,405	\$618,533	\$630,904
Textbooks	17,521	17,871	18,228	18,593	18,965
Facility Supplies & Materials	42,943	43,802	44,678	45,572	46,483
Transportation Fuel & Supplies	123	125	128	131	134
Other adjustments SWSF, ESSER, Etc.	<u>16,818</u>	<u>16,818</u>	<u>16,818</u>	<u>16,818</u>	<u>16,818</u>
Total Supplies Line #3.040	<u>\$660,263</u>	<u>\$673,131</u>	<u>\$686,257</u>	<u>\$699,647</u>	<u>\$713,304</u>

Equipment – 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.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Capital Outlay & Maintenance	\$70,500	\$70,500	\$70,500	\$70,500	\$70,500
Technology/Curriculum Purchases	50,000	50,000	50,000	50,000	50,000
Busses & Other Vehicles	0	0	0	0	0
Other adjustments SWSF, ESSER, Etc.	<u>53,510</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Equipment Line #3.050	<u>\$174,010</u>	<u>\$120,500</u>	<u>\$120,500</u>	<u>\$120,500</u>	<u>\$120,500</u>

Principal and Interest Payment – Lines # 4.05 and 4.06

There are no borrowings planned in the forecast period.

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. A rate of 2% increase is projected in this area.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
County Auditor & Treasurer Fees	\$75,490	\$77,000	\$78,540	\$80,111	\$81,713
ESC Deduction	0	0	0	0	0
Annual Audit Costs	23,641	24,114	24,596	25,088	25,590
Increased A&T Fees for New Levies	0	0	0	0	0
Dues, Fees & other Expenses	<u>31,537</u>	<u>32,168</u>	<u>32,811</u>	<u>33,467</u>	<u>34,136</u>
Total Other Expenses Line #4.300	<u>\$130,668</u>	<u>\$133,282</u>	<u>\$135,947</u>	<u>\$138,666</u>	<u>\$141,439</u>

Transfers Out/Advances Out – Lines # 5.010 and 5.020

This account group covers fund-to-fund transfers 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. There are some transfers in the forecast period.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Operating Transfers Out Line #5.010	\$1,500,000	\$1,500,000	\$1,450,000	\$1,300,000	\$1,200,000
Advances Out Line #5.020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances Out	<u>\$1,500,000</u>	<u>\$1,500,000</u>	<u>\$1,450,000</u>	<u>\$1,300,000</u>	<u>\$1,200,000</u>

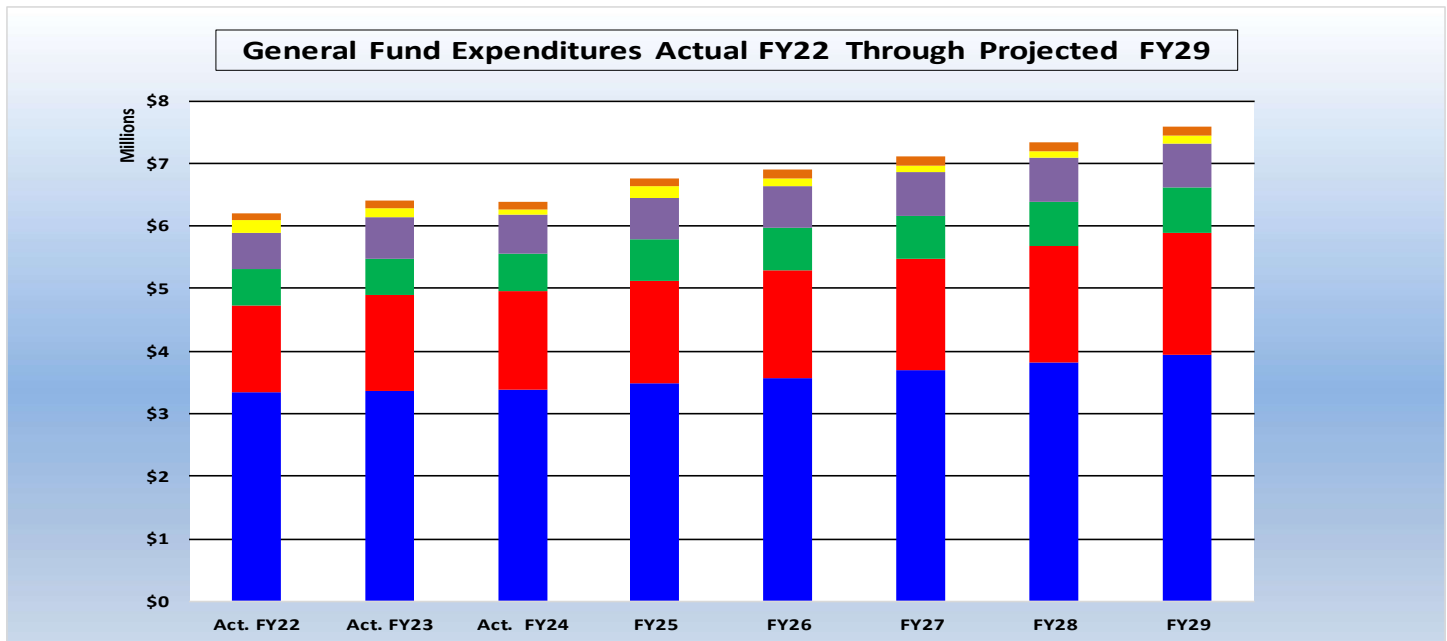
Encumbrances –Line#8.010

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

	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Estimated Encumbrances Line #8.010	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Operating Expenditures Actual FY22 through FY24 and Estimated FY25-FY29

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



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

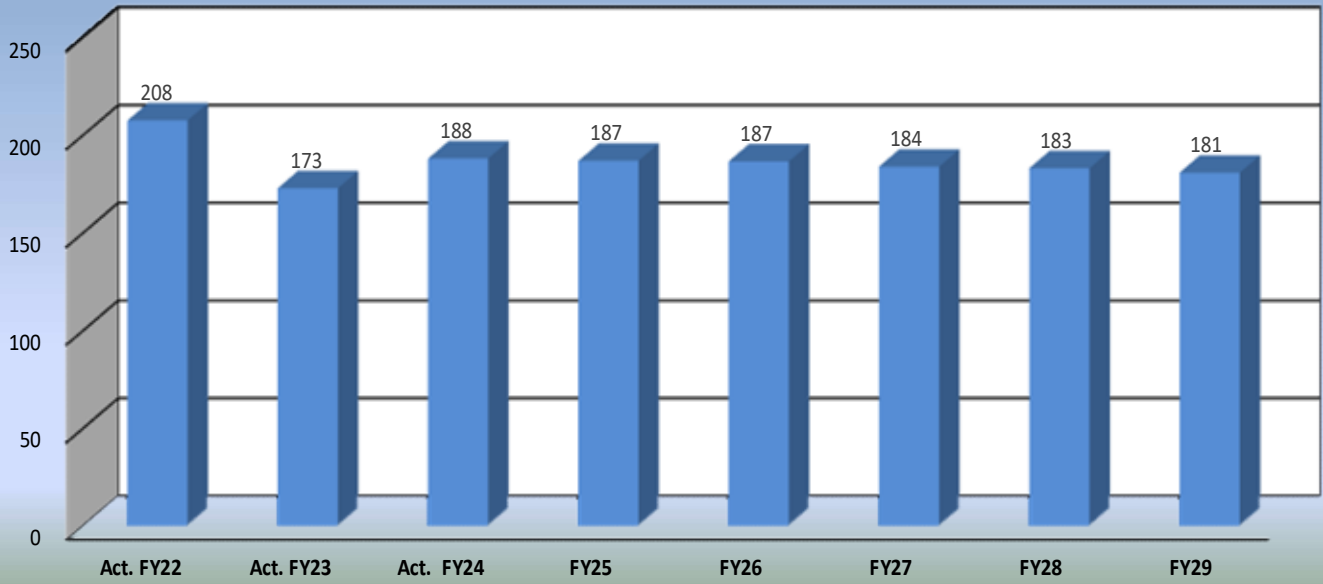
This amount must not go below \$-0- or the district general fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, and which results in a negative unencumbered cash balance, is a violation of O.R.C. §5705.412, which is punishable by personal liability of \$10,000; unless an alternative 412 certificate, as permitted by HB153, effective September 30, 2011, could be issued.

	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Ending Unreserved Cash Balance Line #15.01	<u>\$4,234,352</u>	<u>\$4,297,748</u>	<u>\$4,319,805</u>	<u>\$4,340,437</u>	<u>\$4,356,243</u>

True Cash Days Ending Balance

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year-end if no additional revenues were received? This is the Current Years Ending Cash Balance divided by 365 (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The government Finance Officers Association recommends that no less than two (2) months or 60 days of cash is on hand at year-end. Still, it 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 and severance reserves.

Ending Unencumbered Cash Balance in True Cash Days



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