

**COSHOCTON CITY SCHOOL DISTRICT- COSHOCTON COUNTY**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES FOR THE FISCAL YEARS ENDED**  
**JUNE 30, 2020, 2021, and 2022 ACTUAL**  
**FORECASTED FISCAL YEARS ENDING**  
**JUNE 30, 2023, THROUGH JUNE 30, 2027**



**Forecast Provided By**  
**Coshocton City School District**  
**Treasurer's Office**  
**Terri Eyerman, Treasurer/CFO**  
**May 18, 2023**

**Coshocton City School District –Coshocton County**  
**Notes to the Five Year Forecast**  
**General Fund Only**

**Introduction to the Five Year Forecast**

A forecast is somewhat like a painting of the future based upon a snapshot of today. That snapshot, however, will be adjusted and the further into the future the forecast extends, the more likely it is that the projections will deviate from actual experience. A variety of events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/ replacement), salary increases, or businesses moving in or out of the district. The five-year forecast is viewed as a key management tool and must be updated periodically. In Ohio, most school districts understand how they will manage their finances in the current year. The five-year forecast encourages district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with ODE when events take place that will significantly change their forecast or, at a minimum, when required under statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer or Board of Education (BOE) of the individual school district with any questions you may have. The Treasurer or CFO submits the forecast, but the BOE is recognized as ultimately responsible for the development of the forecast and the official owner.

Here are at least three purposes or objectives of the five-year forecast:

- (1) To engage the local board of education and the community in long range planning and discussions of financial issues facing the school district
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate"
- (3) To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five (5) year financial forecast by November 30, 2022, and May 31, 2023, for the fiscal year 2023 (July 1, 2022, to June 30, 2023). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2023 (July 1, 2022-June 30, 2023) is the first year of the five-year forecast and is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the May 2023 filing.

**May 2023 Updates:**

**Revenues FY23**

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$19.6 million or 2.69% higher than the November forecasted amount of \$19.1 million. This indicates that the November forecast was 97.31% accurate.

Line 1.01 and 1.02 - Property tax revenues represents one of our most significant source of revenues at 30% and are estimated to be \$5.5 million, which is \$191,455 higher for FY23 than the original November estimate of \$5.3 million.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be \$13.1 million, which is \$315,537 higher than the original estimate for FY23. We are currently on the guarantee and are expected to remain as a guarantee district for FY24 through FY27.

All areas of revenue are tracking as anticipated for FY23 based on our best information at this time.

### **Expenditures FY23**

Total General Fund expenditures (line 4.5) are estimated to be \$18.68 million for FY23, which is \$267,124 lower than the original estimate of \$18.9 million in the November forecast, which is roughly 98.59% on target with initial estimates. The expenditure line most significantly under projection is Personnel Services (line 3.010) / Benefits (line 3.020).

All other areas of expenses are expected to remain on target with original projections for the year.

### **Unreserved Ending Cash Balance**

With revenues increasing from estimates and expenditures decreasing, our ending unreserved cash balance June 30, 2023, is anticipated to be roughly \$4.3 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2025 if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

### **Forecast Risks and Uncertainty:**

A five-year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the following two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

1) HB110, the current state budget, implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The full release of the new Fair School Funding Plan formula calculations was delayed until March 2022. The FSFP has many significant changes to the way 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. Beginning in FY22, a district's open enrollment payments will no longer be paid separately as those payments are included with basic aid. A change in expenditures beginning in FY22 will also occur, in that there will no longer be deductions for students that attend elsewhere for open enrollment, community schools, STEM schools, and scholarship recipients, as these payments will be paid directly to those districts from the state. The initial impact of these changes on the forecast will be noticed in that the actual historical costs for FY20 through FY21 reflect different trends on Lines 1.035, 1.04, 1.06, and 3.03 beginning in FY22. In June 2022, the legislature passed HB583 to resolve issues and possible unintended consequences in the new funding formula. Some of these changes impacted FY22 and future years' funding. Our state aid projections have been based on the best information on the new HB110 formula as amended by HB583 that are available as of this forecast.

2) On May 4, 2021 the district renewed the 4.9 mill operating levy which became a continuing levy. Voters also approved the \$900,000 substitute emergency levy for a continuing period.

3) The state budget represents 70% of district revenues, which means it is a significant area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls due to the record high inflation we are witnessing at this time or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. Two future State Biennium Budgets are covering the period from FY24-25, and FY26-27 in this forecast. Future uncertainty in the state foundation funding formula and the state's economy make this area an elevated risk to district funding long range through FY27. We have projected our state funding to be in line with the FY23 funding levels through FY27 which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

4) Coshocton County experienced a reappraisal update in the 2018 tax year to be collected in FY19. The 2018 update increased overall assessed values by \$8.8 million or an increase of 8.56%. A full reappraisal occurred in tax year 2021 for collection in FY22. The value increased for Class I property by \$4.6 million or 4.1% and Class II increased by \$8.0 million or 18.06% for an overall increase of 8.12% based on current sales data.

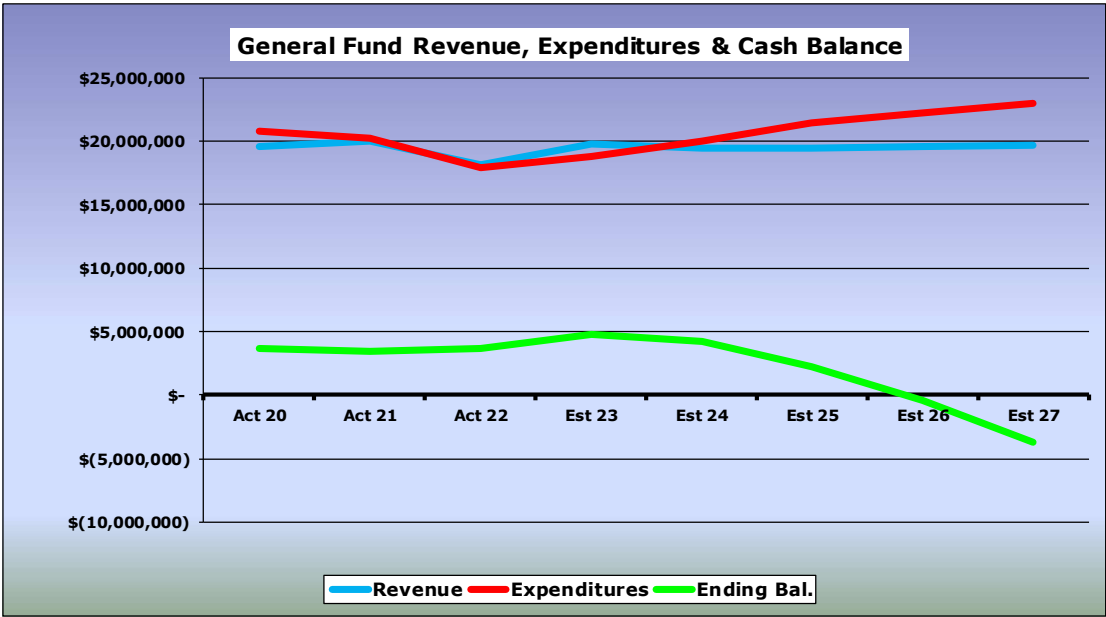
5) HB110 directly pays costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from state aid which will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can expose the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any new proposed laws are introduced in the legislature.

6) The current proposed state budget for FY24-25, HB33 was introduced on February 15, 2023, and proposes to continue the implementation of the Fair School Funding Plan (FSFP). In the initial proposal of HB33, the base cost statewide factors are the area of most significance and remain at FY18 levels. Formula districts would benefit from the continued phase-in of the FSFP, while ensuring districts would receive at least FY21 foundation funding. Certainty surrounding these and other significant funding components will not likely be known until late June 2023, after the filing of this forecast. We will be closely monitoring the progress of HB33 as it works its way through the legislative process.

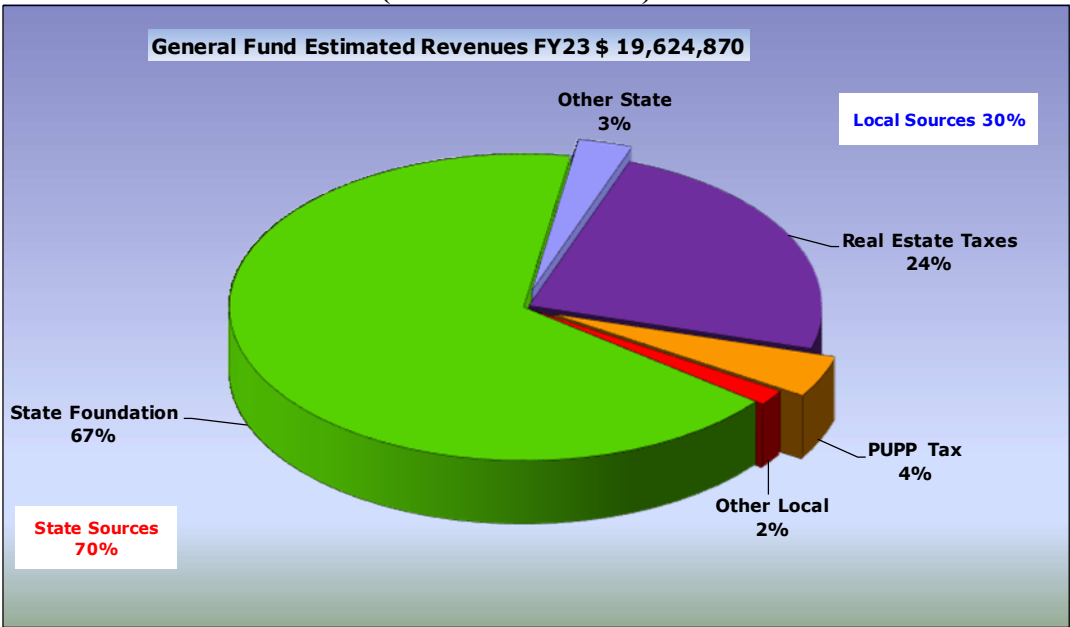
7) The legislature has introduced House Bill 1 (HB1), proposing to modify the property taxation law and Ohio income tax rates. Proposed changes to the existing law include applying a single income tax rate of 2.75%, eliminating the 10% property tax rollback reimbursement, revising the 2.5% owner-occupied property tax rollback to be a flat \$125 credit, indexing the homestead exemption amounts to inflation, and reducing the property tax assessment percentage for Class I and II property from 35% to 31.5% to offset the 10% rollback which would be paid by local taxpayers. HB1 as currently written, would increase the effective rates for local property owners through HB920 due to the reduction in the assessed valuation for Class I and II property. HB920, enacted in 1976, states that voted school district levies collect the amount of tax revenues stated on the ballot at the time of passage and no more. The "effective" millage rate on voted levies will decrease as property values grow. If HB1 causes the assessed property values to decrease by changing the taxable values from 35% to 31.5%, this would cause "effective" millage rates and increase local taxpayers' property tax liability in nearly all cases. Taxpayers would, however, see a reduction in their tax liability on inside millage, which local governments are granted by the Ohio Constitution, and would also be a direct loss of revenue for our district. The House Ways and Means Committee had its fifth hearing regarding HB1 on Mar. 28, 2023. As this bill is facing opposition from various entities due to the significant implications to the taxable valuation of property statewide, it will remain an area of increased risk and uncertainty and will be closely monitored to determine what the outcome will be. The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to

review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Terri Eyerman, Treasurer at 740-622-1901 ext.1113.

**General Fund Revenue, Expenditure and Ending Cash Balance Actual FY20-22 and Estimated FY23-27**  
The graph captures in one snapshot the operating scenario facing the district over the next few years. The 4.9 Mill Operating Levy was approved by voters in May2021 for a continuing period. The substitute Emergency Levy was approved by voters in May 2023 for a continuing period.



**Revenue Assumptions**  
**All Revenue Sources General Fund FY23 (Forecast Line 1.07)**



### Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Coshocton County experienced a reappraisal for the 2018 tax year to be collected in 2019. Residential/agricultural values increased 8.56% or \$8.8 million due to the reappraisal update led by an improving housing market while Commercial/Industrial values fell by - 5.18% or \$2.9 million. FY21 realized an \$8 million decrease in values due to a change in exempt status which decreased RE collections. A full reappraisal did occur in 2021 for collection in 2022 which realized a 4.1% increase in residential/agricultural based on current market trends and an 18.06% increase for commercial/industrial property.

Property tax levies are estimated to be collected at 96.6% of the annual amount, which accounts for delinquencies that occur. We also anticipate 57.6% of the Res/Ag and Comm/Ind property taxes will be collected in the February tax settlement and 42.4% will be collected in the August tax settlement.

### ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

<u>Classification</u>	Estimated TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027
Res./Ag.	\$117,197,830	\$117,351,494	\$121,028,038	\$121,186,399	\$121,347,142
Comm./Ind.	51,947,310	51,947,310	51,947,310	51,947,310	51,947,310
Public Utility (PUPP)	<u>13,260,840</u>	<u>13,560,840</u>	<u>13,860,840</u>	<u>14,160,840</u>	<u>14,460,840</u>
Total Assessed Value	<u>\$182,405,980</u>	<u>\$182,859,644</u>	<u>\$186,836,188</u>	<u>\$187,294,549</u>	<u>\$187,755,292</u>

### ESTIMATED REAL ESTATE TAX - Line #1.010

<u>Source</u>	FY 23	FY 24	FY 25	FY 26	FY 27
Est. Property Taxes Line #1.010	<u>\$4,701,442</u>	<u>\$4,588,423</u>	<u>\$4,615,369</u>	<u>\$4,652,347</u>	<u>\$4,684,171</u>

### Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

Coshocton does not receive any TPP payments.

Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. Collections are typically 50% in March and 50% in August along with the real estate settlements from the county auditor. FY21 includes a \$200,000 payment received in the 2<sup>nd</sup> half (August 2020 collection) that was delinquent from the 1<sup>st</sup> half 2020 collection.

### ESTIMATED PUBLIC UTILITY PERSONAL TAX – Line 1.020

<u>Source</u>	FY 23	FY 24	FY 25	FY 26	FY 27
Public Utility Personal Property Taxes	<u>\$862,536</u>	<u>\$731,728</u>	<u>\$748,314</u>	<u>\$766,315</u>	<u>\$785,114</u>

### Renewal Tax Levies – Line #11.020

On May 4, 2021 the district renewed the 4.9 mill operating levy which became a continuing levy. Voters also approved \$900,000 substitute emergency levy for a continuing period.

<u>Source</u>	FY 23	FY 24	FY 25	FY 26	FY 27
Renew Emergency Levy Exp. 12/31/23	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Line # 11.020	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**New Tax Levies – Line #13.030** - No new levies are modeled in this forecast, however, the district will need to evaluate the needed resources to allow for the current educational delivery model and added services provided.

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

### **Current State Funding Model per HB110 through June 30, 2023**

#### **A) Unrestricted State Foundation Revenue & Casino Revenue– Line #1.035**

The full release of the new Fair School Funding Plan formula occurred in March 2022 and was amended in HB583, passed in June 2022. Complete calculations of the new formula were not available for nearly all of the last fiscal year. We have projected FY23 funding based on the May 2023 foundation settlement and funding factors.

Our district is currently a guarantee district in FY23 and is expected to be FY24-FY27 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110, as amended by HB583, implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. The current formula introduces many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five-year forecast look different with estimates FY23 through FY27 compared to actual data FY20 through FY21 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecast.

#### **Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan**

- A. Student Population and Demographics
- B. Property Valuation Per Pupil
- C. Personal Income of District Residents Per Pupil
- D. Historical Funding - CAPS and Guarantees from prior funding formulas “Funding Bases” for guarantees.

#### **Base Cost Approach - Unrestricted Basic Aid Foundation Funding**

The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district. Newer more up to date state wide average costs will not update for FY23 and remains frozen at FY18 levels, while other factors impacting a districts local capacity will update for FY23. Base costs per pupil includes funding for five (5) areas:

- 1. Teacher Base Cost (4 subcomponents)
- 2. Student Support (7 subcomponents-including a restricted Student Wellness component)
- 3. District Leadership & Accountability (7 subcomponents)
- 4. Building Leadership & Operations (3 subcomponents)
- 5. Athletic Co-curricular (contingent on participation)

#### **State Share Percentage – Unrestricted Basic Aid Foundation Funding**

Once the base cost is calculated, which is currently at a state wide average of \$7,350.77 per pupil in FY22, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage in concept will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district’s ability to raise taxes based on local wealth the lower the state share percentage. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income and 20% on federal median income, as follows:

- 1. 60% based on most recent three (3) year average assessed values or the most recent year, whichever is lower divided by base students enrolled.
- 2. 20% based on most recent three (3) year average federal adjusted gross income of districts residents or the most recent year, whichever is lower divided by base students enrolled.

3. 20% based on most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled.
4. When the weighted values are calculated and item 1 through 3 above added together the total is then multiplied by a Local Share Multiplier Index from 0% for low wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open enrolled students being educated in each district), and finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity amount of the base per pupil funding amount.

### **Categorical State Aid**

In addition to the base state foundation funding calculated above the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

#### Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). Also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all district's calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding based on all resident students who ride including preschool students and those living within 1 mile of school. Provides supplemental transportation for low density districts. Increases state minimum share to 29.17% in FY22 and 33.33% in FY23. In general, districts whose state share percentage is less than 33.33% will see a benefit from the increase to 33.33% funding.

#### Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on number and concentration of economically disadvantaged students compared to state average and multiplied by \$422 per pupil. Phase in increases are limited to 0% for FY22 and 33.34% in FY23. There is no legislation indicating the percentage increase for FY24 and beyond for DPIA.
2. English Learners – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds – Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. Student Wellness and Success Funds- These funds in FY20 and FY21 were accounted for in Fund 467 but are now restricted funds to be accounted for in the General Fund as part of the foundation formula

### **State Funding Phase-In FY22 and FY23 and Guarantees**

While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110, which was amended by HB583 in June 2022. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in 0% in FY22 and 33.33% in FY23. Transportation categorical funds will not be subject to a phase in.



HB110 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 less funds in FY22 and FY23 than they received in FY21. The guarantee level of funding for FY22 is a calculated funding guarantee level based on full state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items. It is estimated that nearly 420 districts are on one form of a guarantee in FY22 and in general the same number will occur in FY23, since state average costs were frozen at FY18 in the Base Cost calculations, while property values and Federal Adjusted Gross Income will be allowed to update and increase for FY23, which should push districts toward one of the three (3) guarantees.

### **Student Wellness and Success Funds (SWSF) - (Restricted Fund 467)**

In FY20 and FY21 HB166, provided Student Wellness and Success Funds (SWSF) to be deposited in a Special Revenue Fund 467. HB110 the new state budget essentially eliminated these funds by merging them into state aid and wrapped into the expanded funding and mission of DPIA funds noted above and on Line 1.04 below, with only a smaller portion devoted to SWSF. Any remaining funds in Special Revenue Fund 467 from FY20 and FY21 will be required to be used for the restricted purposes governing these funds until spent fully.

### **Future State Budget Projections beyond FY23**

Our funding status for FY24-27 will depend on two new state budgets. The current proposed state budget for FY24-25, HB33, was introduced on February 15, 2023, and continues the implementation of the FSFP, with the following changes.

#### Unrestricted Basic Aid Foundation Funding

- a) The statewide average base cost per pupil will remain at FY18 levels in FY24-25.
- b) Increases the general phase-in percentage from 33.33% in FY23 to 50% in FY24 and 67% in FY25.
- c) Extends payment of the temporary transitional aid and the formula transition supplement to ensure districts are guaranteed to be funded at FY21 levels, at a minimum, through FY25.

#### Unrestricted Categorical State Aid

- a) Transportation Aid - Increases the minimum state share percentage from 33.33% in FY23 to 37.5% in FY24 and 41.67% in FY25.

#### Restricted Categorical State Aid

- a) Disadvantage Pupil Impact Aid (DPIA) - Increases phase-in percentage from 33.33% in FY23 to 50% in FY24 and 67% in FY25.
- b) Gifted Funds - Increases per pupil funding for the gifted professional development component from \$14 in FY23 to \$21 in FY24 and \$28 in FY25.
- c) Student Wellness and Success Funds
  - a. Expenditures for physical or mental health-based initiatives, or a combination of both, must comprise at least 50% of these funds.
  - b. Any SWSF funds received between FY20-23 must be expended by June 30, 2025, or the funds must be returned to the ODE.
  - c. School resource officer funding will be allocated on a per building basis. Funds can support existing SROs.

Additionally, there are two other funding components in HB33 which provide additional support for districts. The first is the sports gaming profits education fund, which is projected to appropriate \$30 million each year of the biennium, of which \$15 million is targeted toward eliminating or reducing pay to participate fees. The second component is information technology support for schools and districts, which is projected to appropriate

\$14.3 million over the biennium for cybersecurity and building connectivity. We are still awaiting concrete information on how the funds will be allocated to schools.

With these still unknown changes to the state funding for FY24-25, we will continue to project our unrestricted and categorical state funding to align with the FY23 funding levels through the remainder of the forecast. The state budget for FY26-27 is unknown; however, we believe that our state funding estimates are reasonable, and we will adjust the forecast in the future when we have authoritative data to work with.

### Casino Revenue

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% 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 31<sup>st</sup> of January and August each year which began for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to \$106.35 million or \$59.80 per pupil, actual payments in FY22 were \$62.87 per pupil. FY22 Casino revenues have resumed their historical growth rate and assume a 2% annual growth rate for the forecast period.

<u>Source</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
Basic Aid-Unrestricted	\$10,269,131	\$10,271,954	\$10,274,777	\$10,274,777	\$10,274,777
Additional Aid Items	<u>369,127</u>	<u>369,127</u>	<u>369,127</u>	<u>369,127</u>	<u>369,127</u>
Basic Aid-Unrestricted Subtotal	\$10,638,258	\$10,641,081	\$10,643,904	\$10,643,904	\$10,643,904
Ohio Casino Commission ODT/Medicaid	<u>261,300</u>	<u>263,353</u>	<u>265,448</u>	<u>267,584</u>	<u>269,762</u>
Total Unrestricted State Aid Line #1.035	<u>\$10,899,558</u>	<u>\$10,904,434</u>	<u>\$10,909,352</u>	<u>\$10,911,488</u>	<u>\$10,913,666</u>

### B) Restricted State Revenues – Line # 1.040

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under “Restricted Categorical Aid” for Gifted, English Learners (ESL) and Student Wellness. Using current April funding factors, we have estimated revenues for these new restricted funding lines. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23. We have flat lined funding at FY23 levels for FY24-FY27 due to uncertainty on continued funding of the current funding formula. The District has elected to also post Medicaid Reimbursements as restricted revenue.

### Restricted Federal Grants in Aid – line #1.045

There is no additional restricted federal funding projected in this forecast.

<u>Source</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
DPIA	\$1,833,296	\$1,833,296	\$1,833,296	\$1,833,296	\$1,833,296
Career Tech - Restricted	35,666	35,666	35,666	35,666	35,666
Gifted	89,103	89,103	89,103	89,103	89,103
ESL	85	85	85	85	85
Student Wellness	293,344	293,344	293,344	293,344	293,344
Catastrophic Aid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1	<u>\$2,251,494</u>	<u>\$2,251,494</u>	<u>\$2,251,494</u>	<u>\$2,251,494</u>	<u>\$2,251,494</u>

## Summary of State Foundation Revenues

<u>SUMMARY</u>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Unrestricted Line # 1.035	\$10,899,558	\$10,904,434	\$10,909,352	\$10,911,488	\$10,913,666
Restricted Line # 1.040	2,251,494	2,251,494	2,251,494	2,251,494	2,251,494
Restricted Fed. Grants - Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$13,151,052</u>	<u>\$13,155,928</u>	<u>\$13,160,846</u>	<u>\$13,162,982</u>	<u>\$13,165,160</u>

## State Taxes Reimbursement/Property Tax Allocation

### A) Rollback and Homestead Reimbursement

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

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who did 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 only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 did not lose it going forward and did 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>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Rollback and Homestead	<u>\$588,017</u>	<u>\$560,597</u>	<u>\$564,872</u>	<u>\$571,164</u>	<u>\$575,636</u>

### Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area are open enrollment, which has been eliminated by HB110 and reflected here, tuition for court placed students, student fees, and general rental fees. In FY21 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. Rentals are expected to remain somewhat lower due to COVID-19 restrictions and lower participation. All other revenues are expected to continue on historic trends.

<u>Source</u>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Open Enrollment	\$0	\$0	\$0	\$0	\$0
Tuition	215,990	218,149	220,331	222,534	224,760
Interest	10,103	9,093	8,184	7,365	6,629
Medicaid Reimbursement	0	0	0	0	0
Other Income	<u>95,730</u>	<u>96,687</u>	<u>97,654</u>	<u>98,631</u>	<u>99,617</u>
Total Line # 1.060	<u>\$321,823</u>	<u>\$323,930</u>	<u>\$326,169</u>	<u>\$328,530</u>	<u>\$331,005</u>

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

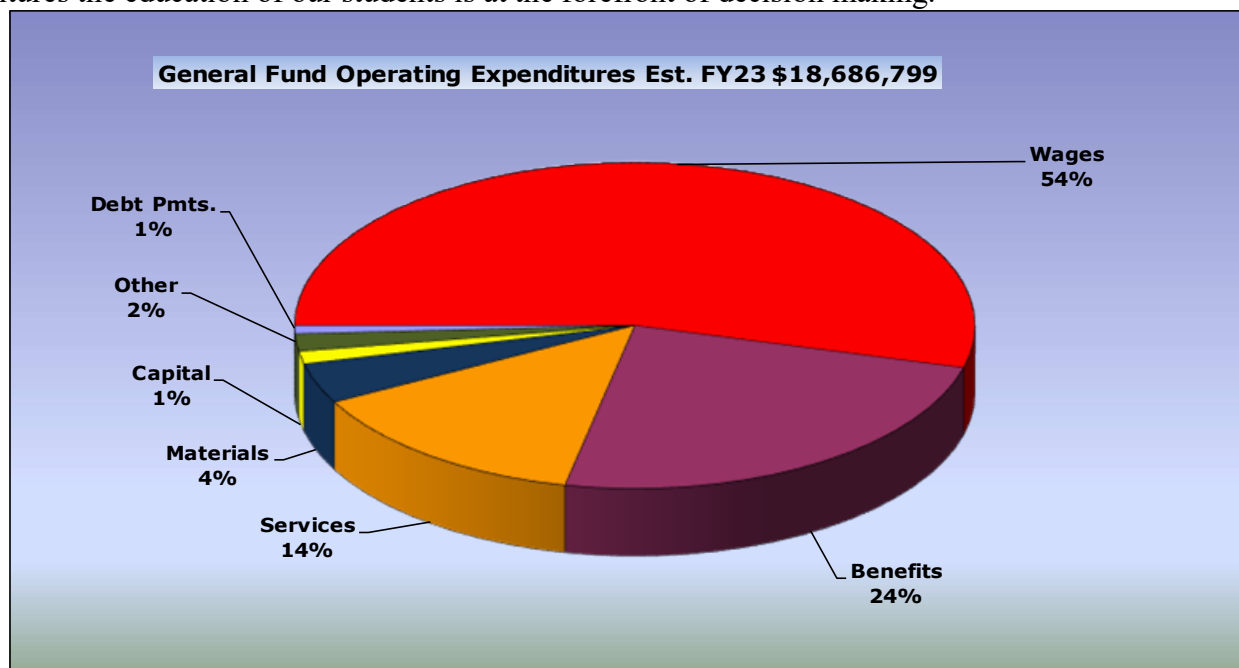
These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The district does not anticipate any Transfers or Advances during the remainder of the forecast.

### 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 FY22. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

### Expenditures Assumptions (Forecast Line #4.50)

The district's leadership team is always looking at ways to improve the education of our students whether with changes in curriculum or new technology needs. As the administration of the district constantly reviews expenditures the education of our students is at the forefront of decision making.



### Wages – Line #3.010

The current negotiated agreement with CCEA was ratified on November 2<sup>nd</sup> and will expire June 30, 2023 with a reopener to discuss wages and insurance in FY23. FY23 includes 3% and FY24-FY27 includes 1% base amount for planning purposes. The calculation below assumes an equal rate increase for all staff.

#### Summary of Personal Services – Line #3.010

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Base Wages	\$9,889,900	\$10,060,268	\$10,809,723	\$11,139,318	\$11,440,079
Wage adjustments	296,697	176,055	162,146	111,393	114,401
Steps & Training	168,128	171,025	183,765	189,368	194,481
Growth/Replacement staff	38,910	-	16,316	-	-
Substitutes	6,000	6,120	6,242	6,367	6,495
Supplemental	196,749	197,733	198,721	199,715	200,713
Severance	25,000	25,000	25,000	25,000	25,000
Staff Reductions (Retire/Resignation)	(498,367)	(247,625)	(32,631)	0	0
Total Wages Line #3.010	<u>\$10,123,017</u>	<u>\$10,388,576</u>	<u>\$11,369,282</u>	<u>\$11,671,161</u>	<u>\$11,981,169</u>

### **Fringe Benefits Estimates – Line #3.020**

#### **A) STRS/SERS will increase as Wages Increase**

As required by law the BOE pays 14% of all employee wages to STRS or SERS. The district is using a blended rate of 15.9% for those that received pick-up on pick-up of the retirement and the additional surcharge for SERS members that do not earn \$21,600 each year.

#### **B) Insurance**

As the graph below notes health care is a significant cost for the district and continues to be a real challenge as costs rise. The district has an insurance committee made up of members of both classified, certificated and administrative staff. The committee will determine rate increases. FY23-FY27 includes an 8% increase each year. This increase is a blend of the districts history of claims increases and the industry standards of annual premium increases. The district is also recoding \$471,000 in FY23, respectively, as an ESSER expenditure offset to the district expenditures to relieve general fund expenses in order to retain staff for a longer period of time. These are one-time adjustments and are not reflected in future years.

#### **C) Workers Compensation & Unemployment Compensation**

Workers Compensation is expected to be approximately .06% of wages FY23- FY27. Unemployment is expected to remain at a very low level FY23-FY27. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

#### **D) Medicare**

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

### **Summary of Fringe Benefits – Line #3.020**

<u>Source</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
STRS/SERS	\$1,600,790	\$1,641,189	\$1,792,710	\$1,841,218	\$1,890,316
Insurance's	2,650,950	3,499,157	3,775,174	4,077,188	4,403,363
Workers Comp/Unemployment	53,652	55,059	60,257	61,857	63,500
Medicare	136,201	139,998	153,469	157,561	161,746
Tuition and Other Benefits	<u>65,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Total Fringe Benefits Line #3.020	<u>\$4,506,594</u>	<u>\$5,370,403</u>	<u>\$5,816,610</u>	<u>\$6,172,824</u>	<u>\$6,553,925</u>

### **Purchased Services – Line #3.030**

HB110, the new state budget, will impact Purchased Services beginning in FY22 as the Ohio Department of Education began to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to show these amounts below as zeros to help reflect the difference between projected FY23-FY27 Line 3.03 costs and historical FY20 through FY22 costs on the five year forecast. College Credit Plus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

<u>Source</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
Insurance, Leases, Postage, & Other	\$139,572	\$142,363	\$145,210	\$148,115	\$151,077
Professional Services, Legal Fees & ESC	1,004,338	1,024,425	1,044,913	1,065,811	1,087,128
Open Enrollment	0	0	0	0	0
Community Schools	0	0	0	0	0
Other Tuition	771,781	787,217	802,961	819,020	835,401
Utilities	382,878	394,364	406,195	418,381	430,932
Building Repairs & Services	<u>300,517</u>	<u>306,527</u>	<u>312,657</u>	<u>318,911</u>	<u>325,289</u>
Total Purchased Services Line #3.030	<u>\$2,599,085</u>	<u>\$2,654,895</u>	<u>\$2,711,937</u>	<u>\$2,770,238</u>	<u>\$2,829,826</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>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
Supplies, Textbooks, and other	\$546,473	\$557,402	\$568,551	\$579,922	\$591,520
Maintenance & Transportation Supplies	<u>203,350</u>	<u>209,450</u>	<u>215,734</u>	<u>222,206</u>	<u>228,872</u>
Total Supplies Line #3.040	<u>\$749,823</u>	<u>\$766,853</u>	<u>\$784,284</u>	<u>\$802,127</u>	<u>\$820,392</u>

### **Equipment – Line # 3.050**

Equipment includes items that cost \$1,000 and have a useful life of five years or longer and typically include items such as buses, roof repair, asphalt, computers, and furniture. ESSER funds have been used to offset some of the district's Capital Outlay, Technology and a bus purchase in both FY21 and FY22.

<u>Source</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
Capital Outlay	\$181,419	\$185,047	\$188,748	\$192,523	\$196,374
Technology	-	-	-	-	-
Replacement Bus Purchases	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Equipment Line #3.050	<u>\$231,419</u>	<u>\$185,047</u>	<u>\$188,748</u>	<u>\$192,523</u>	<u>\$196,374</u>

### **Principal and Interest Payment – Lines # 4.05 and 4.06**

This category of expenditures includes HB264 projects and an operating lease. This is considered un-voted debt as there is a revenue source for the payment.

<u>Source</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
Principal - Other Line 4.055	<u>37,000</u>	<u>38,000</u>	<u>39,000</u>	<u>41,000</u>	<u>42,000</u>
Total Principal Payments	<u>\$37,000</u>	<u>\$38,000</u>	<u>\$39,000</u>	<u>\$41,000</u>	<u>\$42,000</u>
<u>Source</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
HB 264 Principal Line 4.050	<u>\$83,000</u>	<u>\$85,000</u>	<u>\$87,000</u>	<u>\$91,000</u>	<u>\$94,000</u>
<u>Source</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
Interest Total Line 4.060	<u>\$32,855</u>	<u>\$28,934</u>	<u>\$24,933</u>	<u>\$20,801</u>	<u>\$16,486</u>

### Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, County Board of Education and other miscellaneous expenses. The district uses an average increase of 2% for the annual increase for this area.

<u>Source</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
Auditor & Treasurer Fees	\$172,350	\$175,797	\$179,313	\$182,900	\$186,558
County Board of Education	11,497	11,727	11,961	12,201	12,445
Other expenses	<u>140,159</u>	<u>142,962</u>	<u>145,821</u>	<u>148,738</u>	<u>151,713</u>
Total Other Expenses Line #4.300	<u>\$324,006</u>	<u>\$330,487</u>	<u>\$337,096</u>	<u>\$343,838</u>	<u>\$350,715</u>

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

This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. These expenses have been projected using historical trends. Transfers and advances must take Board of Education action and are processed on an as-needed basis.

<u>Source</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
Operating Transfers Out Line #5.010	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Advances Out Line #5.020	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances Out	<u>\$95,000</u>	<u>\$95,000</u>	<u>\$95,000</u>	<u>\$95,000</u>	<u>\$95,000</u>

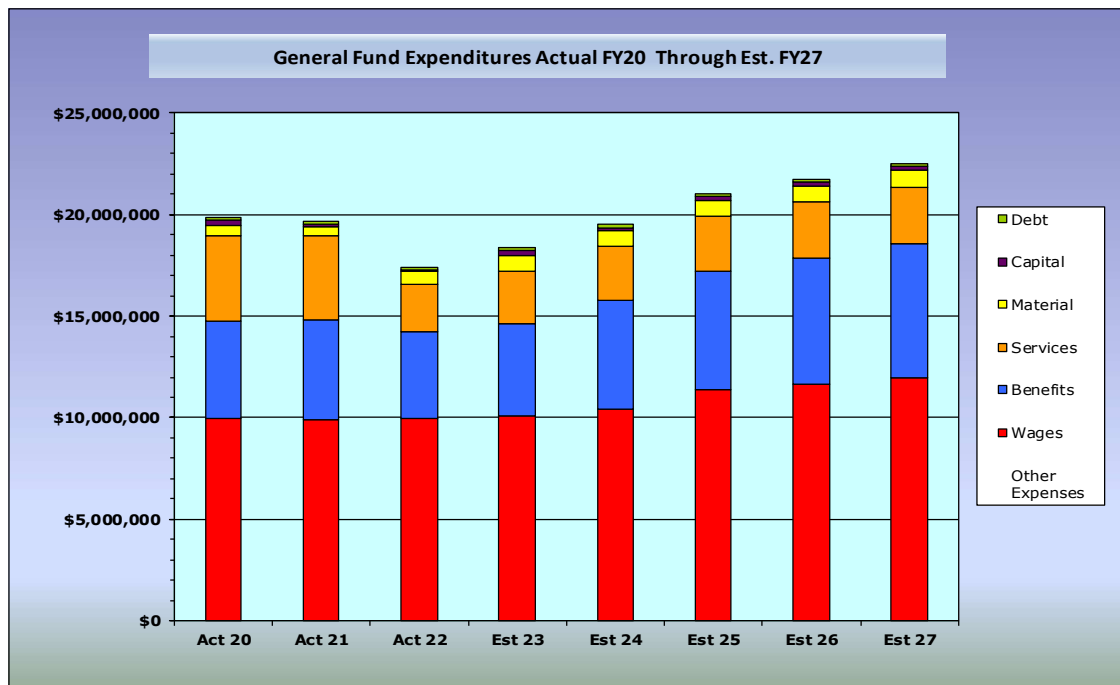
### Encumbrances – Line #8.010

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>Source</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
Estimated Encumbrances	<u>\$403,102</u>	<u>\$411,164</u>	<u>\$419,387</u>	<u>\$427,775</u>	<u>\$436,331</u>

### Operating Expenditures Actual FY19 through FY21 and Estimated FY22 through FY26.

As the graph below indicates the largest expenditure for the district is that of staffing which includes salaries and benefits.



### Ending Unencumbered Cash Balance – Line#15.010

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000.

<u>Source</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
Ending Cash Balance	<u>\$4,328,758</u>	<u>\$3,818,106</u>	<u>\$1,851,562</u>	<u>(\$796,001)</u>	<u>(\$4,163,356)</u>

### True Cash Days

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. Based on the current fund balances the district dropped below the sixty (60) day balance at the end of FY25.

