

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



Forecast Provided By
Coshocton City School District
Treasurer's Office
Terri Eyerman, Treasurer/CFO
November 21, 2024

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

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 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 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) 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.
- 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 represented 71% 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, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

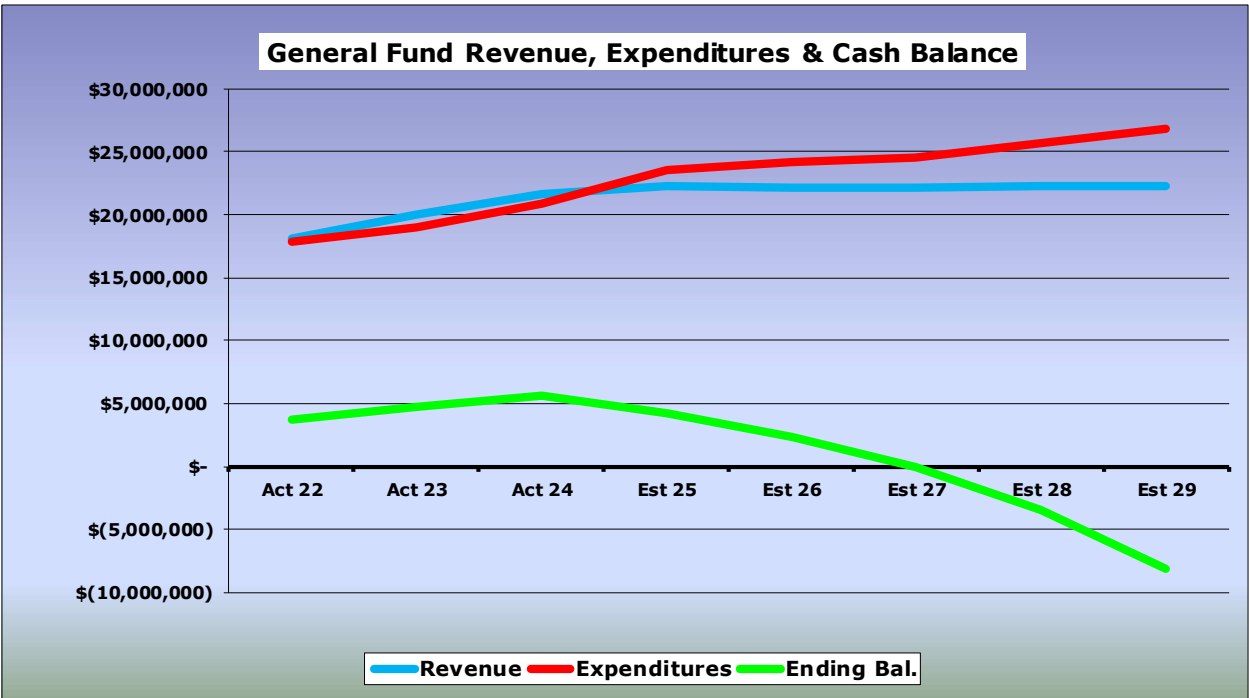
- 4) Coshocton County experienced a full reappraisal in tax year 2021 for collection in FY22. The 2021 reappraisal increased overall assessed values by \$4.6 million or an increase of 4.10% and Class II increased by \$8.0 million or 18.06% for an overall increase of 8.12% based on current sales data. A reappraisal update will occur in tax year 2024 to collect in 2025. The District is projecting a 3% increase in Class I values and 0% in Class II.
- 5) 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.

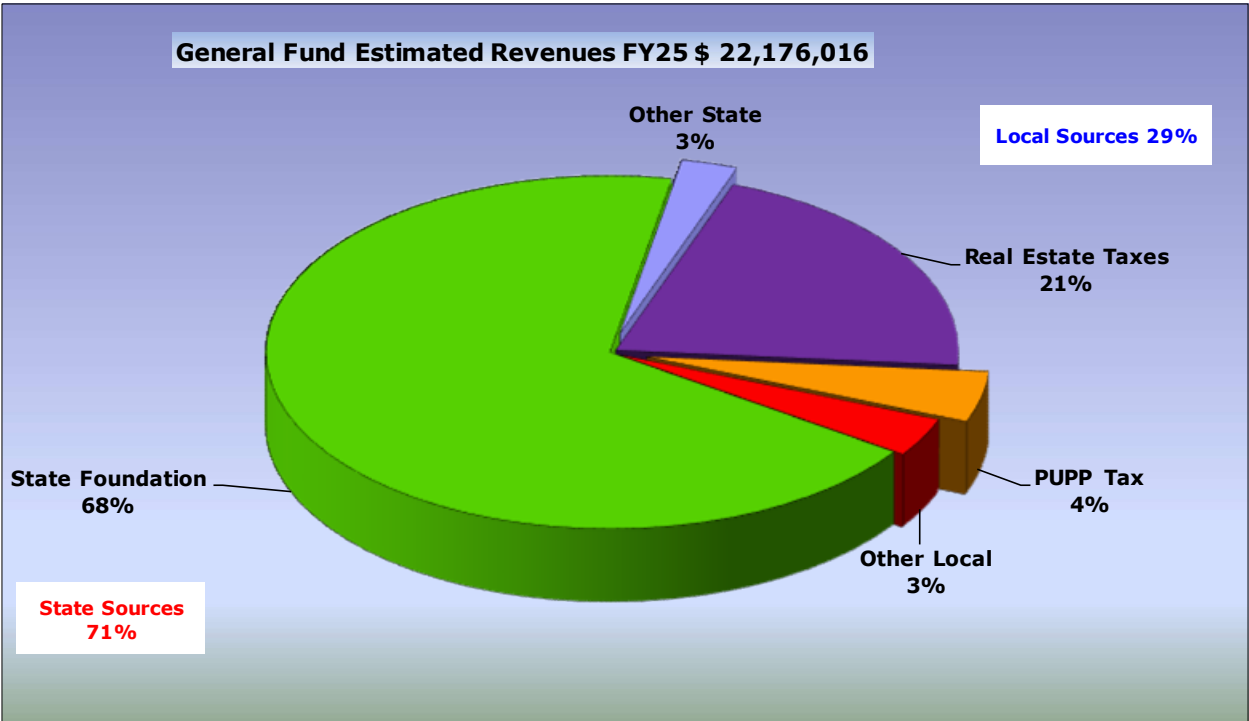
- 6) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid for 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.

General Fund Revenue, Expenditure 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. 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 FY24 (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 full reappraisal 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 for an overall increase of 8.12%. A reappraisal will occur in tax year 2024 to collect in 2025. An increase in Class I values of 3% and Class II of 0% is projected due to the update.

Property tax levies are estimated to be collected at 99.5% of the annual amount, which accounts for delinquencies that occur. We also anticipate 61% of the Res/Ag and Comm/Ind property taxes will be collected in the February tax settlement and 39% will be collected in the August tax settlement.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

<u>Classification</u>	<u>Estimated</u> <u>TAX YEAR2024</u> <u>COLLECT 2025</u>	<u>Estimated</u> <u>TAX YEAR 2025</u> <u>COLLECT 2026</u>	<u>Estimated</u> <u>TAX YEAR 2026</u> <u>COLLECT 2027</u>	<u>Estimated</u> <u>TAX YEAR 2027</u> <u>COLLECT 2028</u>	<u>Estimated</u> <u>TAX YEAR 2028</u> <u>COLLECT 2029</u>
Res./Ag.	\$121,051,305	\$121,150,016	\$121,250,514	\$124,990,333	\$128,844,170
Comm./Ind.	49,248,400	49,248,400	49,248,400	49,248,400	49,248,400
Public Utility (PUPP)	19,273,310	19,573,310	19,873,310	20,173,310	20,473,310
Total Assessed Value	<u>\$189,573,015</u>	<u>\$189,971,726</u>	<u>\$190,372,224</u>	<u>\$194,412,043</u>	<u>\$198,565,880</u>

ESTIMATED REAL ESTATE TAX - Line #1.010

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Est. Property Taxes Line #1.010	<u>\$4,610,942</u>	<u>\$4,689,452</u>	<u>\$4,708,615</u>	<u>\$4,737,291</u>	<u>\$4,772,070</u>

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

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 2nd half (August 2020 collection) that was delinquent from the 1st half 2020 collection.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Public Utility Personal Property Taxes	<u>\$1,030,282</u>	<u>\$1,052,939</u>	<u>\$1,071,065</u>	<u>\$1,088,302</u>	<u>\$1,104,595</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 the \$900,000 substitute emergency levy for a continuing period.

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

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25, which funds students where they are educated rather than where they live. We have projected FY25 funding based on the October 2024 foundation settlement and funding factors.

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

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

State Funding Phase-In FY25 and Guarantees

The Fair School Funding Plan was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110 and extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it consists of a general phase-in percentage for most components of 66.67% in FY25.

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

Future State Budget Projections beyond FY23

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 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 31st of January and August each year which began for the first time on January 31, 2013.

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

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Basic Aid-Unrestricted	\$12,331,122	\$12,331,122	\$12,331,122	\$12,331,122	\$12,331,122
Additional Aid Items	<u>447,653</u>	<u>447,653</u>	<u>447,653</u>	<u>447,653</u>	<u>447,653</u>
Basic Aid-Unrestricted Subtotal	\$12,778,775	\$12,778,775	\$12,778,775	\$12,778,775	\$12,778,775
Ohio Casino Commission ODT/Medicaid	<u>264,192</u>	<u>265,775</u>	<u>267,382</u>	<u>269,013</u>	<u>270,668</u>
Total Unrestricted State Aid Line #1.035	<u>\$13,042,967</u>	<u>\$13,044,550</u>	<u>\$13,046,157</u>	<u>\$13,047,788</u>	<u>\$13,049,443</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 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. It is estimated that the district will receive \$145,791 from this one-time subsidy in FY25 and is required to maintain documentation as to how the funds were spent.

Restricted Federal Grants in Aid – line #1.045

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

<u>Source</u>	FY 25	FY 26	FY 27	FY 28	FY 29
DPIA	\$1,501,077	\$1,501,077	\$1,501,077	\$1,501,077	\$1,501,077
Career Tech - Restricted	26,211	26,211	26,211	26,211	26,211
Gifted	95,983	95,983	95,983	95,983	95,983
ESL	4,178	4,178	4,178	4,178	4,178
Student Wellness	344,870	344,870	344,870	344,870	344,870
Other Restricted State Funding	<u>145,791</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1	<u>\$2,118,110</u>	<u>\$1,972,319</u>	<u>\$1,972,319</u>	<u>\$1,972,319</u>	<u>\$1,972,319</u>

Summary of State Foundation Revenues

<u>SUMMARY</u>	FY 25	FY 26	FY 27	FY 28	FY 29
Unrestricted Line # 1.035	\$13,042,967	\$13,044,550	\$13,046,157	\$13,047,788	\$13,049,443
Restricted Line # 1.040	2,118,110	1,972,319	1,972,319	1,972,319	1,972,319
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>\$15,161,077</u>	<u>\$15,016,869</u>	<u>\$15,018,476</u>	<u>\$15,020,107</u>	<u>\$15,021,762</u>

State Taxes Reimbursement/Property Tax Allocation**A) Rollback and Homestead Reimbursement**

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

Homestead Exemptions are 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>	FY 25	FY 26	FY 27	FY 28	FY 29
Rollback and Homestead	<u>\$588,089</u>	<u>\$577,844</u>	<u>\$580,635</u>	<u>\$585,454</u>	<u>\$592,354</u>

Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and 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.

Interest income is based on the district's cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. The Federal Reserve Bank cut interest rates by 50 basis point in September 2024. While interest income in FY25 should remain steady due to laddered investment strategies, the rate cuts will begin

to have an impact on earnings in FY26 and future years. We will continue to monitor the investments for the district.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Open Enrollment	\$0	\$0	\$0	\$0	\$0
Tuition	312,799	315,927	319,086	322,277	325,500
Interest	300,467	270,420	243,378	219,040	197,136
Medicaid Reimbursement	0	0	0	0	0
Other Income	<u>172,360</u>	<u>174,083</u>	<u>175,824</u>	<u>177,582</u>	<u>179,358</u>
Total Line # 1.060	<u>\$785,625</u>	<u>\$760,430</u>	<u>\$738,288</u>	<u>\$718,900</u>	<u>\$701,994</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 during the remainder of the forecast.

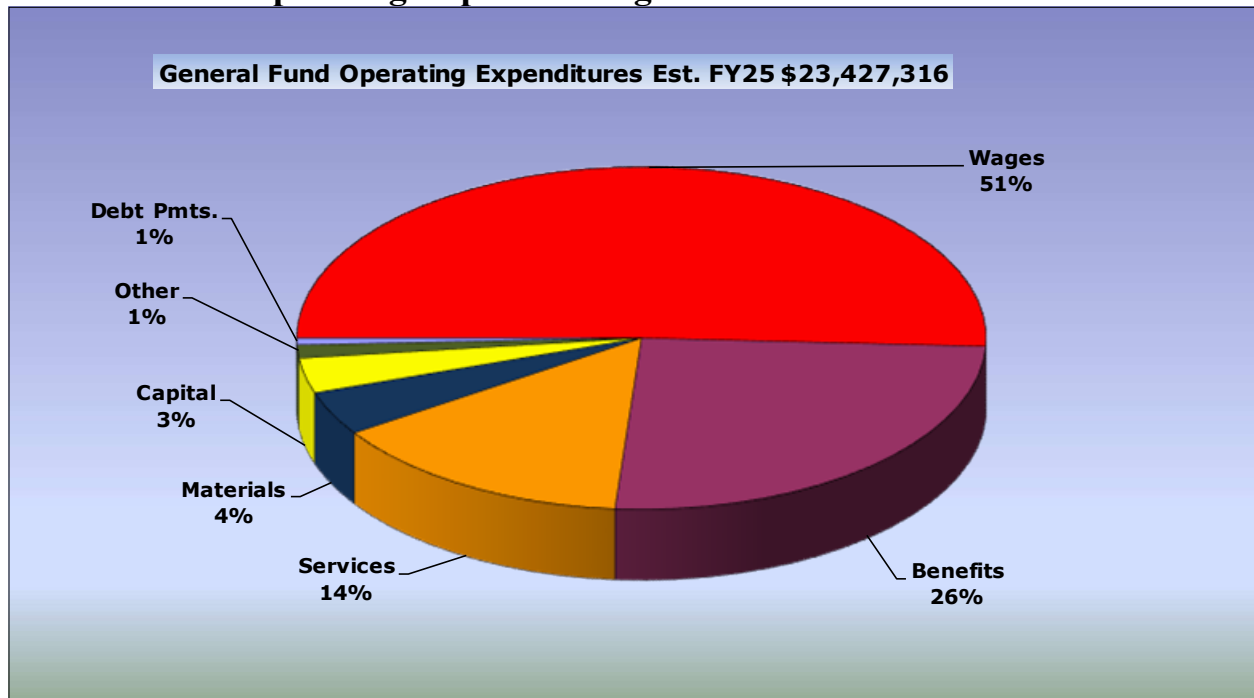
All Other Financial Sources – Line #2.060

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 FY24. 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.

All Operating Expense Categories - General Fund FY25



Wages – Line #3.010

FY25-FY26 includes a 3% and FY27-FY29 includes a 1% base increase. The calculation below assumes an equal rate increase for all staff. All OAPSE and CCEA employees received a one-time \$1,000 wage payout in FY24.

Summary of Personal Services – Line #3.010

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Base Wages	\$10,527,897	\$10,960,868	\$11,293,595	\$11,783,995	\$12,373,195
Wage adjustments	315,837	328,826	112,936	117,840	123,732
Steps & Training	421,116	438,435	451,744	471,360	494,928
Growth/Replacement staff-retirement inc	319,873	-	-	-	-
Science of Reading Stipends - one-time	145,791	-	-	-	-
Substitutes	100,000	103,000	104,030	105,070	106,121
Supplemental	246,338	253,728	256,265	258,828	261,416
Severance	122,534	75,000	25,000	25,000	25,000
Staff Reductions (Retire/Resignation)	(303,982)	(434,534)	(74,281)	0	0
Total Wages Line #3.010	<u>\$11,895,404</u>	<u>\$11,725,323</u>	<u>\$12,169,290</u>	<u>\$12,762,093</u>	<u>\$13,384,392</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. The amount included for SERS surcharge is \$35,000 per year based on historical trends.

B) Insurance

As the graph above 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. FY25-FY29 includes an 8% increase forecasted each year. This increase is a blend of the districts history of claims increases and the industry standards of annual premium increases.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be approximately .038% of wages FY25- FY29. Unemployment is expected to remain at a very low level FY25-FY29. 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 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
STRS/SERS	\$1,869,232	\$1,859,882	\$1,935,215	\$2,027,379	\$2,125,549
Insurance's	3,851,431	4,055,257	4,361,850	4,710,798	5,087,662
Workers Comp/Unemployment	45,203	44,556	46,243	48,496	50,861
Medicare	160,750	157,857	164,211	172,288	180,689
Tuition and Other Benefits	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Total Fringe Benefits Line #3.020	<u>\$5,961,615</u>	<u>\$6,152,552</u>	<u>\$6,542,519</u>	<u>\$6,993,961</u>	<u>\$7,479,760</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. In FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio's electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Insurance, Leases, Postage, & Other	\$69,749	\$71,144	\$72,566	\$74,018	\$75,498
Professional Services, Legal Fees & ESC	1,180,984	1,204,603	1,228,695	1,253,269	1,278,335
Other Tuition	1,225,488	1,249,998	1,274,998	1,300,498	1,326,508
Utilities	462,166	476,031	490,312	505,021	520,172
Building Repairs & Services	<u>439,861</u>	<u>448,658</u>	<u>457,631</u>	<u>466,784</u>	<u>476,119</u>
Total Purchased Services Line #3.030	<u>\$3,378,247</u>	<u>\$3,450,434</u>	<u>\$3,524,203</u>	<u>\$3,599,590</u>	<u>\$3,676,632</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 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Supplies, Textbooks, and other	\$672,038	\$685,479	\$699,189	\$713,172	\$727,436
Maintenance & Transportation Supplies	<u>303,231</u>	<u>312,328</u>	<u>321,698</u>	<u>331,349</u>	<u>341,289</u>
Total Supplies Line #3.040	<u>\$975,269</u>	<u>\$997,807</u>	<u>\$1,020,886</u>	<u>\$1,044,521</u>	<u>\$1,068,725</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 were used to offset some of the district's Capital Outlay, Technology and a bus purchase in FY25.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Capital Outlay	\$673,225	\$686,689	\$700,423	\$714,431	\$728,720
Curriculum/Sport Facility	100,000	400,000	-	-	-
Replacement Bus Purchases	<u>0</u>	<u>150,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Equipment Line #3.050	<u>\$773,225</u>	<u>\$1,236,689</u>	<u>\$700,423</u>	<u>\$714,431</u>	<u>\$728,720</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 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Principal - Other Line 4.055	<u>39,000</u>	<u>41,000</u>	<u>42,000</u>	<u>43,000</u>	<u>44,000</u>
Total Principal Payments	<u>\$39,000</u>	<u>\$41,000</u>	<u>\$42,000</u>	<u>\$43,000</u>	<u>\$44,000</u>
<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
HB 264 Principal Line 4.050	<u>\$87,000</u>	<u>\$91,000</u>	<u>\$94,000</u>	<u>\$96,000</u>	<u>\$30,000</u>
<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Interest Total Line 4.060	<u>\$24,933</u>	<u>\$20,801</u>	<u>\$16,486</u>	<u>\$12,041</u>	<u>\$8,067</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 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Auditor & Treasurer Fees	\$183,256	\$186,921	\$190,660	\$194,473	\$198,362
County Board of Education	12,259	12,505	12,755	13,010	13,270
Other expenses	<u>97,107</u>	<u>90,889</u>	<u>92,707</u>	<u>94,561</u>	<u>96,452</u>
Total Other Expenses Line #4.300	<u>\$292,623</u>	<u>\$290,315</u>	<u>\$296,122</u>	<u>\$302,044</u>	<u>\$308,085</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 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Operating Transfers Out Line #5.010	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
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>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>

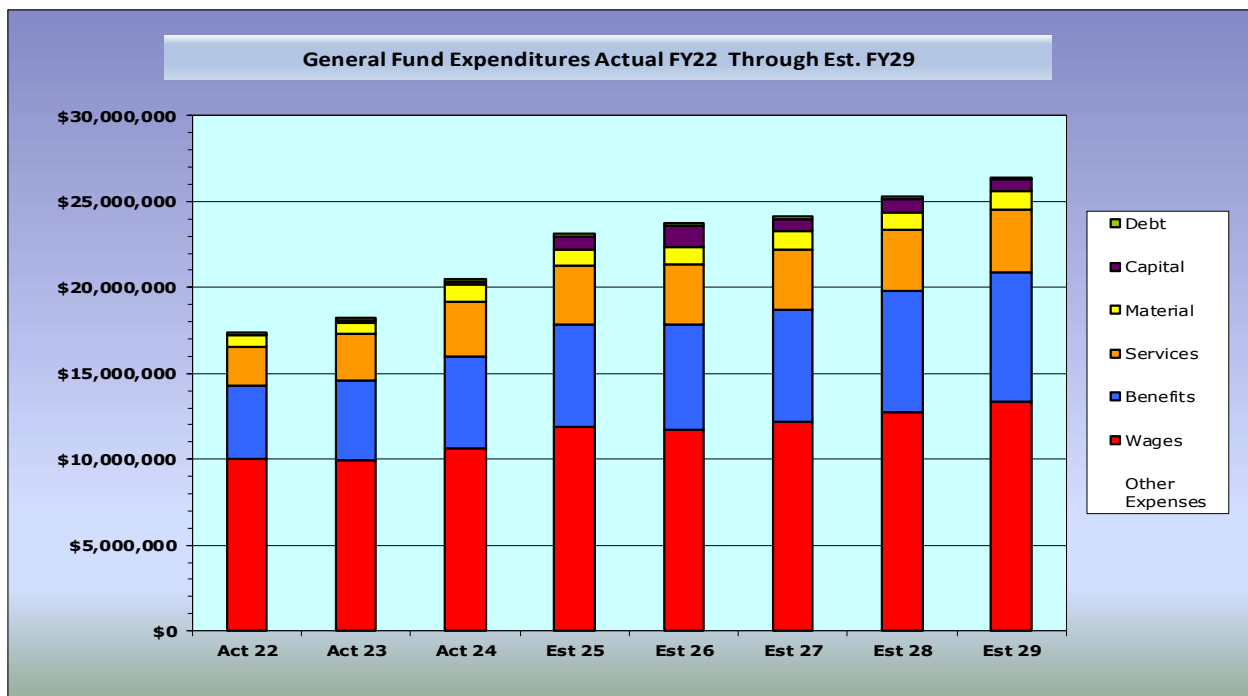
Encumbrances – Line #8.010

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 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Estimated Encumbrances	<u>\$475,199</u>	<u>\$484,703</u>	<u>\$494,397</u>	<u>\$504,285</u>	<u>\$514,370</u>

Operating Expenditures Actual FY22 through FY24 and Estimated FY25 through FY29.

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 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Ending Cash Balance	<u>\$5,104,388</u>	<u>\$3,788,007</u>	<u>(518,426)</u>	<u>(3,990,942)</u>	<u>(8,581,632)</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 will drop below the sixty (60) day balance at the end of FY25.

