

HURON CITY SCHOOL DISTRICT - ERIE COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2021, 2022 and 2023 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2024 THROUGH JUNE 30, 2028



Forecast Provided By
Huron City School District
Treasurer's Office
Betty Schwiefert, Interim Treasurer

November 2023

Huron City School District
Erie County
Notes to the Five Year Forecast
General Fund Only
November 2023

Introduction to the Five-Year Forecast

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, 2023, and May 31, 2024 for fiscal year 2024 (July 1, 2023 to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2024 (July 1, 2023-June 30, 2024) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the November 2023 filing.

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

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 next 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 to us 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.

November 2023 Updates:

Revenues FY24

1. Line 1.01 and 1.02 - Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable. We project growth in appraised values every three (3) years, and new construction growth with modest increases in local taxes. Total local revenues, predominately local taxes, equate to approximately 74.4% of the district's resources for FY24. Our tax collections in the March 2023 and August 2023 settlements showed average collection trends. There is a low risk that local collections would fall below projections throughout the forecast.
2. Line 1.035 and 1.04 - The state budget represents 16.9% of district revenues, which is significant but not an overall controlling factor. For FY24 and FY25, there is a change to the state funding formula, but there is no significant change to the amount of funding for the district. There are two State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula beyond FY25 and the state's economy makes this area an elevated risk to district funding through FY28. State funding is projected to be in line with the FY23 funding levels through FY28 which is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. The forecast will be adjusted in future years as data becomes available to help

guide this decision.

3. Beginning with FY22, HB110 was implemented with direct pay for those costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships. These costs are no longer deducted from state aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from state aid that could 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.

4. Line 1.05 – There was an increase of \$2,567,660 in PUPP valuation from collection year 2023 to 2024. The legislature has introduced House Bill 1 (HB1), which proposes to modify the law regarding property taxation and Ohio income tax rates. Proposed changes to 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. As property values grow, the “effective” millage rate on voted levies will decrease. 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 to increase and would 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 in regard to 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 who the outcome will be.

5. Line 1.06 – The “Other Revenue” category reflects a slight increase to anticipated interest collections. All other revenues in this category are based on historical patterns.

REVENUE PROJECTIONS

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated TAX YR 2023	Estimated TAX YR 2024	Estimated TAX YR 2025	Estimated TAX YR 2026	Estimated TAX YR 2027
Classification	COLLECT 2024	COLLECT 2025	COLLECT 2026	COLLECT 2027	COLLECT 2028
Res./Ag.	\$363,654,756	\$374,689,398	\$377,624,569	\$380,581,753	\$392,124,206
Comm./Ind.	55,616,748	56,958,874	58,311,065	59,673,398	61,045,949
Public Utility Personal Property (PUPP)	16,644,570	17,394,570	18,144,570	18,894,570	19,644,570

Total Assessed Value	\$435,916,074	\$449,042,842	\$454,080,204	\$459,149,722	\$472,814,725
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ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY24	FY25	FY26	FY27	FY28
Total Line #1.01 Real Estate Taxes	\$10,556,182	\$10,798,502	\$10,937,672	\$11,015,247	\$11,175,087

Summary of Real Estate Values & Taxes – Line #1.010

The district is located solely in Erie County. Erie County experienced a triennial update in tax year 2021 collected in 2022. A reappraisal update will occur in 2024 (collected 2025). When values increase due to reappraisals and updates (inflationary increases), reduction factors are increased and House Bill 920 decreases effective tax rates so the district tax revenues do not grow except for the 5.30 mills of inside unvoted millage. However, the district is at the 20-mil floor for residential and agricultural property. Any increases in valuation will result in property tax revenue growth. Residential/agricultural values account for approximate 83.72% of the districts total value. Our commercial property tax rate exceeds the 20-mil floor so additional revenue is not anticipated through any commercial and industrial growth that we may experience. New construction will also increase annual revenue for the residential and agricultural values.

There is no significant increase expected in residential and commercial property values. CAUV values represent a very small percentage of the Class I residential/agricultural values and while HB49 authorized a reduction in CAUV computations, they will not have a significant impact on our values. These reductions will occur as districts experience their next reappraisal or update cycle.

In general, 54% of the Res/Ag and Comm./Ind. property taxes are expected to be collected in the February tax settlement and 46% collected in the August tax settlement. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

ESTIMATED PUBLIC UTILITY PERSONAL PROPERTY TAX (Line #1.020)

Source	FY24	FY25	FY26	FY27	FY28
Public Utility Personal Property	\$1,115,899	\$1,170,720	\$1,219,414	\$1,269,299	\$1,317,746
Total PUPP Tax Line #1.020	<u>\$1,115,899</u>	<u>\$1,170,720</u>	<u>\$1,219,414</u>	<u>\$1,269,299</u>	<u>\$1,317,746</u>

Summary of Public Utility Personal Property – Line #1.020

Revenues posted on this line are Public Utility Personal Property (PUPP) taxes which are collected at the districts’ gross tax rates not subject to reduction factors. We have estimated past trend growth in these values for future years. Public utility tax settlements (PUPP) are estimated to be received 50% in February and 50% in August. We have projected a 1.83% average increase in collections for the next five years.

ESTIMATED UNRESTRICTED GRANTS-IN-AID (Line 1.035)

Source	FY24	FY25	FY26	FY27	FY28
Basic Aid-Unrestricted	\$2,602,698	\$2,602,698	\$2,602,698	\$2,602,698	\$2,602,698
Ohio Casino Commission ODT	78,872	80,449	82,059	83,699	85,373
Catastrophic Aid	67,605	67,605	67,605	67,605	67,605

Total Unrestricted State Aid Line #1.035	<u>\$2,749,175</u>	<u>\$2,750,752</u>	<u>\$2,752,361</u>	<u>\$2,754,002</u>	<u>\$2,755,676</u>
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Summary of Unrestricted State Funding – Line 1.035

The district is expected to continue on the state formula in FY24-FY28 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14. It was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21. HB110, as amended by HB583, implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23.

Future State Budget Projections:

Our funding status for FY24-28 will depend on two new state budgets. The current state budget for FY24-25, HB33, was introduced on February 15, 2023, and continues the implementation of the FSFP, with the following changes.

The recently enacted state budget (Amended Substitute House Bill 33 of the 135th General Assembly) included several changes to the calculation of state foundation funding. The implementation of the budget changes is going to be done in two phases:

- Phase One was implemented with the August #1 payment and includes updates to the Phase-in percentage – 50% and appropriations.
- Phase Two was implemented with the October #1 payment and includes updates to the inputs for salaries, insurance and expenditures based on FY2022 for base cost calculations, various statewide per-pupil amounts, average base cost per-pupil = \$8,242.19, average Career-Technical base cost per-pupil = \$9,854.58, average per-rider Amount = \$1,234.66, average per-mile amount = \$6.14; minimum State Share percentage increase from 5% to 10% for traditional districts; minimum State Share for transportation – 37.50%.

This formula introduced many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five-year forecast look different with estimates FY24 through FY28 compared to actual data FY21 through FY23 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecast.

Unrestricted Basic Aid Foundation Funding

- a) 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

- d) Disadvantage Pupil Impact Aid (DPIA) - Increases phase-in percentage from 33.33% in FY23 to 50% in FY24 and 67% in FY25.
- e) Gifted Funds - Increases per pupil funding for the gifted professional development component from \$14 in FY23 to \$21 in FY24 and \$28 in FY25.
- f) Student Wellness and Success Funds
 - a. Expenditures for either 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 are able to 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 in 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 course of the biennium for cybersecurity and building connectivity.

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% GCR 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.

Casino revenue fell slightly in FY21 due to COVID-19 and casinos closing for a little over two months. FY22 amounts are 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. Projections for FY24-28 estimates a 2% annual growth rate for the forecasted period.

ESTIMATED RESTRICTED STATE REVENUE – Line # 1.040

Source	FY24	FY25	FY26	FY27	FY28
D.P.I.A.	\$35,952	\$35,952	\$35,952	\$35,952	\$35,952
Career Tech	2,959	2,959	2,959	2,959	2,959
Gifted	43,314	43,314	43,314	43,314	43,314
Student Wellness	76,167	76,167	76,167	76,167	76,167
Total Restricted State Revenues Line #1.040	<u>\$158,392</u>	<u>\$158,392</u>	<u>\$158,392</u>	<u>\$158,392</u>	<u>\$158,392</u>

Summary of Restricted State Revenue – Line #1.040

HB110 had 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. Funding has been flat lined at FY23 levels for FY24-FY28 due to uncertainty of the current funding formula.

ESTIMATED STATE REVENUE

SUMMARY	FY24	FY25	FY26	FY27	FY28
State Unrestricted Aid (Line # 1.035)	\$2,749,175	\$2,750,752	\$2,752,361	\$2,754,002	\$2,755,676
State Restricted Aid (Line # 1.040)	158,392	158,392	158,392	158,392	158,392
Federal Funds (Line # 1.045)	0	0	0	0	0

Total State Foundation Revenue	<u>\$2,907,567</u>	<u>\$2,909,144</u>	<u>\$2,910,753</u>	<u>\$2,912,394</u>	<u>\$2,914,068</u>
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ESTIMATED PROPERTY TAX ALLOCATION – Line # 1.050

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Rollback and Homestead	\$1,505,956	\$1,544,295	\$1,564,311	\$1,571,702	\$1,592,854
Total Tax Reimbursements #1.050	<u>\$1,505,956</u>	<u>\$1,544,295</u>	<u>\$1,564,311</u>	<u>\$1,571,702</u>	<u>\$1,592,854</u>

Summary of Rollback and Homestead Reimbursements – Line # 1.050

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

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

ESTIMATED ALL OTHER REVENUE (Line #1.060)

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Tuition Related Payments	\$390,037	\$397,838	\$405,794	\$413,910	\$422,188
Open Enrollment	0	0	0	0	0
Class & Sports Oriented Fees	139,381	142,169	145,012	147,912	150,870
Interest Earnings	268,042	273,403	278,871	284,448	290,137
Payments In Lieu of Taxes	32,830	33,486	34,156	34,839	35,536
Medicare	65,000	66,300	67,626	68,979	70,358
Miscellaneous	198,184	202,148	206,191	210,314	214,521
Total Other Local Revenue Line #1.060	<u>\$1,093,473</u>	<u>\$1,115,343</u>	<u>\$1,137,649</u>	<u>\$1,160,402</u>	<u>\$1,183,610</u>

Summary of All Other Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into 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.

HB110, the current state budget, stopped paying open enrollment as an increase to other revenue for the district. This is projected above as zeroes to help show the difference between projected FY24-28 Line 1.06 revenues and historical FY21 through FY22 revenues on the five-year forecast. Open enrolled students will be counted in the enrolled student base at the school district they are being educated and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as basic state aid.

In FY21 and FY22 interest income fell due to the pandemic; however, in FY23, rates have begun to rise quickly due to the Federal Reserve’s strategy to combat inflation. All other revenues are consistent from year to year with minimal growth over the remainder of the forecast. All other revenues are expected to continue on historical trends.

Renewal and Replacement Levies – Line #11.02

No renewal or replacement levies are modeled in this forecast.

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

ESTIMATED SHORT-TERM BORROWING – LINE 2.010 & LINE 2.020

There is no short-term borrowing planned for in this forecast at this time from any sources.

ESTIMATED TRANSFERS & ADVANCE IN – LINE 2.040 & 2.050

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Transfers In (Line # 2.040)	\$0	\$0	\$0	\$0	\$0
Return of Advances (Line # 2.050)	694,097	75,000	75,000	75,000	75,000
Total Transfer & Advances In	<u>\$694,097</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>

Summary of Transfers & Advances – Line 2.040 & 2.050

These are non-operating revenues which are the repayment of short term loans to other funds during the previous fiscal year and reimbursements for expenses incurred in the previous fiscal year. All advances during the current year are planned to be returned in the succeeding fiscal year.

ESTIMATED ALL OTHER FINANCIAL SOURCES – LINE 2.060

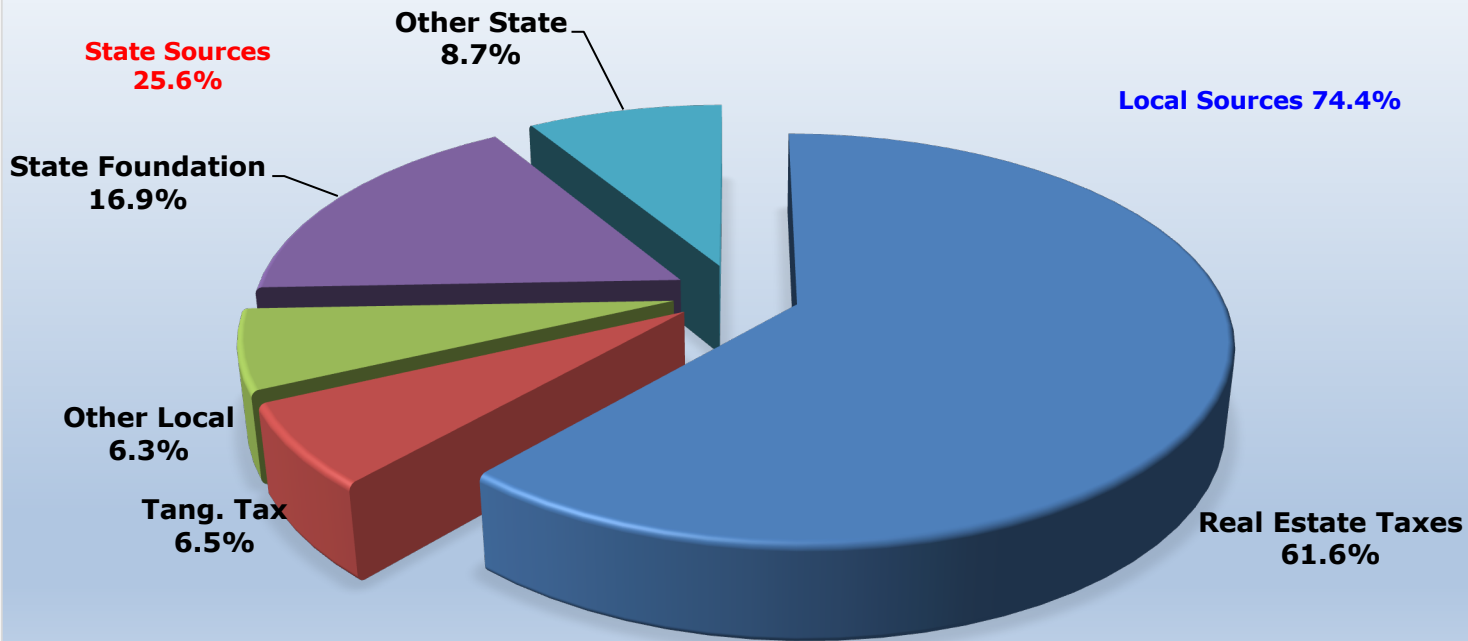
<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Refund of A Prior Years Expenditure	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000

Summary of All Other Financial Sources – Line #2.060 & Line #14.010

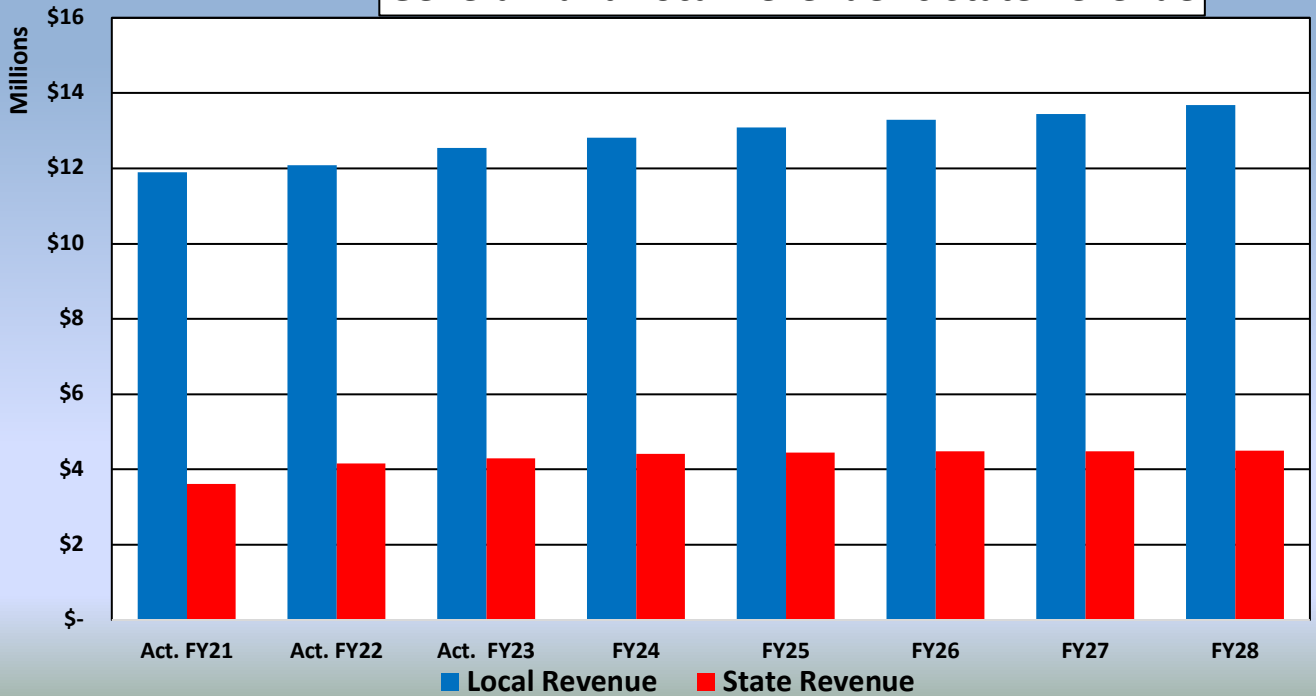
This funding source is typically a refund of prior year expenditures that is are unpredictable. These revenues are inconsistent from year to year and projections are flat the remainder of the forecast.

GENERAL FUND REVENUE PROJECTIONS

GENERAL FUND ESTIMATED REVENUES FY24 \$17,229,077



General Fund Local Revenue vs State Revenue



Comparison of Local Revenue and State Revenue

EXPENDITURE PROJECTIONS

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.

ESTIMATED PERSONNEL SERVICES – LINE 3.010

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Base Wages	\$8,518,116	\$8,825,888	\$9,090,665	\$9,363,385	\$9,644,287
Base Pay Increase	127,772	264,777	272,720	280,902	289,329
Substitutes	48,977	49,467	49,962	50,462	50,967
Supplementals	406,926	419,134	431,708	444,659	457,999
Total Wages Line #3.010	<u>\$9,101,791</u>	<u>\$9,559,266</u>	<u>\$9,845,055</u>	<u>\$10,139,408</u>	<u>\$10,442,582</u>

Summary of Personal Services – Line #3.010

A two-year negotiated agreement with the Huron Education Association (HEA) was ratified in the Spring of 2022. The agreement commenced on August 1, 2023 and will expire on July 31, 2024. The district is currently in the middle of a contract with the local AFSCME chapter. The contract will expire on June 30, 2026. The goal of the board and administration is to fairly compensate all of our employees. Salaries have been projected to increase over the length of this forecast at an average rate of three (3.00%) annually.

ESTIMATED EMPLOYEE RETIREMENT & INSURANCE BENEFITS – LINE 3.020

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
A) STRS/SERS	\$1,551,089	\$1,625,139	\$1,673,755	\$1,723,827	\$1,775,401
B) Insurance's	1,643,910	1,857,618	2,099,108	2,371,992	2,680,351
C) Workers Comp/Unemployment	44,048	46,061	47,318	48,613	49,947
D) Medicare	131,976	138,609	142,753	147,021	151,417
E) Other/Tuition/Annuities	173,578	175,314	177,067	178,838	180,626
Total Fringe Benefits Line #3.020	<u>\$3,544,601</u>	<u>\$3,841,741</u>	<u>\$4,140,001</u>	<u>\$4,470,291</u>	<u>\$4,837,742</u>

Summary of Fringe Benefits – Line #3.020

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

A) STRS/SERS

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law.

B) Insurance

The Huron City School District offers two health insurance plans. Employees have the choice between a traditional PPO plan and a high deductible plan. The Board pays 85% of the cost for both plans. The Board also contributes \$500.00 annually toward a FSA. A nine 9.5 percent increase was approved by the Huron-Erie School

Employee Insurance Consortium for the current fiscal year and 13.0% has been estimated for the remaining years of the forecast. The increases include adjustments for inflation and the cost of actual claims.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about .04% per thousand of wages after fiscal year 2023 due to a moderated claim experience over prior years. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

D) Medicare

Medicare will continue to increase at the rate of increase of wages. 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.

ESTIMATED PURCHASED SERVICES – LINE 3.030

Source	FY24	FY25	FY26	FY27	FY28
Professional & Technical Services, ESC	\$932,601	\$969,905	\$1,008,701	\$1,049,049	\$1,091,011
Maintenance, Insurance & Garbage Removal	168,823	175,576	182,599	189,903	197,499
Professional Development	10,017	10,418	10,835	11,268	11,719
Communications, Postage, & Telephone	90,070	94,609	98,393	102,329	106,422
Utilities	285,170	296,577	308,440	320,778	333,609
Contracted Trades & Services	416	433	450	468	487
Tuition, Excess Costs & Scholarship Costs	1,146,570	1,192,433	1,240,130	1,289,735	1,342,324
Open Enrollment & Community School Costs	0	0	0	0	0
College Credit Plus	187,729	195,238	203,048	211,170	219,617
Classroom Relocations	0	0	0	0	0
Miscellaneous Purchased Services	3,789	3,941	4,099	4,263	4,434
Total Purchased Services Line #3.030	<u>\$2,826,085</u>	<u>\$2,939,130</u>	<u>\$3,056,695</u>	<u>\$3,178,963</u>	<u>\$3,306,122</u>

Summary of Purchased Services – Line #3.030

HB110 impacted 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 state foundation funding and shown below as expenses. These amount above as still shown as zeros to help reflect the difference between projected FY24-FY28 Line 3.03 costs and historical FY21 through FY22 costs on the five-year forecast. College Credit Pus, 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.

In FY24-28 an average overall inflation rate of 4.0% is being estimated the remaining line items of the purchased services budget. This area of our budget represents approximately 17.2% of our overall projected expenditures. Purchased services include staff contracted through the education service center (ESC), speech therapy, classroom aides, technology services, special needs tuition, maintenance contracts, and a number of other contracted services. This remains the most volatile area of our budget and these expenses can be affected by the continuing instructional needs of our students.

ESTIMATED SUPPLIES & MATERIALS – LINE 3.040

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
General Office Supplies & Materials	\$211,725	\$218,077	\$224,619	\$231,358	\$238,299
Textbooks & Instructional Supplies	54,424	56,057	57,739	59,471	61,255
Facility Supplies & Materials	82,480	84,954	87,503	90,128	92,832
Transportation Fuel & Supplies	93,917	96,735	99,637	102,626	105,705
Other adjustments SWSF, CARES, Etc.	20,977	21,606	22,254	22,922	23,610
Total Supplies Line #3.040	<u>\$463,523</u>	<u>\$477,429</u>	<u>\$491,752</u>	<u>\$506,505</u>	<u>\$521,701</u>

Summary of Supplies and Materials – Line #3.040

An overall inflation of 3.00% is being estimated for this category of expenses which are characterized by textbooks, copy paper, maintenance supplies and fuel. The District is working on updating the curriculum over the next few years, fiscal year 2024-2028 includes adjustments in each fiscal year for updates.

ESTIMATED CAPITAL OUTLAY – LINE # 3.050

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Capital Outlay	\$26,185	\$26,709	\$27,243	\$27,788	28,344
Technology	30,724	31,338	31,965	32,604	33,256
Vehicle Replacement	55,525	56,636	57,769	58,924	60,102
Bus Purchase	79,000	0	120,000	0	120,000
Total Equipment Line #3.050	<u>\$191,434</u>	<u>\$114,683</u>	<u>\$236,977</u>	<u>\$119,316</u>	<u>\$241,702</u>

Summary of Capital Outlay Equipment – Line #3.050

The district has budgeted the purchase of a bus in FY24, FY26 and FY28 from the general fund and replacement of one district vehicle per fiscal year.

ESTIMATED OTHER OBJECTS – LINE # 4.300

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
County Auditor & Treasurer Fees	\$210,162	\$212,264	\$214,387	\$216,531	\$218,696
Annual Audit Costs	22,183	22,405	22,629	22,855	23,084
Increased A&T Fees for New Levies	0	0	0	0	0
Dues, Fees & other Expenses	92,553	93,479	94,414	95,358	96,312
Total Other Expenses Line #4.300	<u>\$324,898</u>	<u>\$328,148</u>	<u>\$331,430</u>	<u>\$334,744</u>	<u>\$338,092</u>

Summary of Other Expenses – Line #4.300

The category of Other Expenses consists of fees associated with operations of the district. Areas of expenses are: auditor and treasurer fees, annual audit costs, GAAP conversion, bank charges, liability insurance, bond premiums, professional memberships and the amount paid to the ESC for general services. An annual estimated increase of 1% has been used for this forecast.

ESTIMATED DEBT SERVICE – LINE # 4.010 & 4.060

The District currently has no General Fund Debt issues.

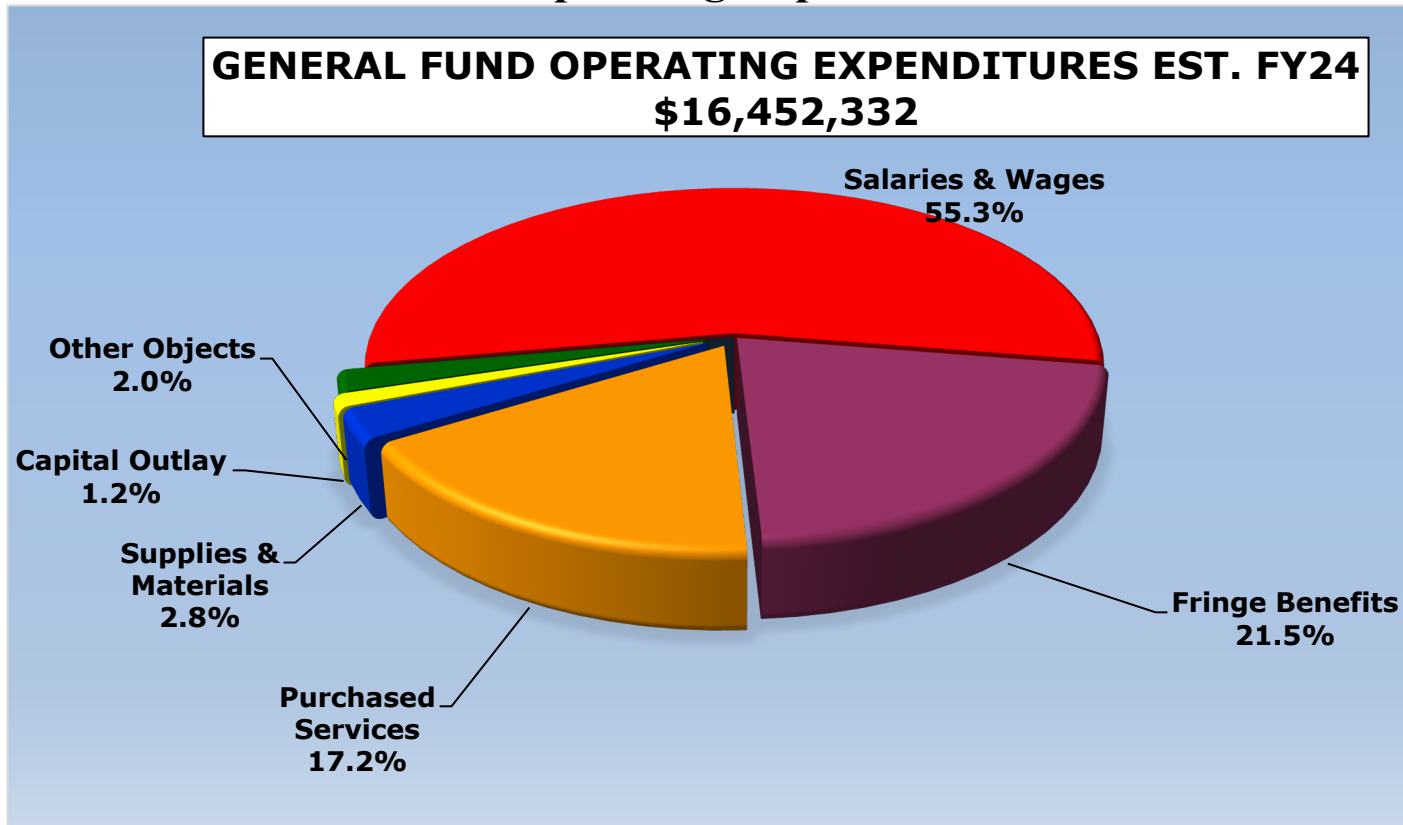
ESTIMATED TRANSFERS & ADVANCES OUT – LINE # 5.010 & 5.020

Source	FY24	FY25	FY26	FY27	FY28
Operating Transfers Out Line #5.010	\$0	\$0	\$0	\$0	\$0
Advances Out Line #5.020	75,000	75,000	75,000	75,000	75,000
Total Transfer & Advances Out	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>

Summary of Transfers & Advances – Line #5.010 & 5.020

This account group covers fund to fund transfers and advances (end of year short term loans) from the General Fund to other funds until they have received reimbursements to repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. The transfers are permanent and will not be paid back to the General Fund. The food service fund, athletic fund and the pre- school programs have been the recipients of recent transfers.

Estimated General Fund Operating Expenditures for FY24



ESTIMATED ENCUMBRANCES – LINE # 8.010

	FY24	FY25	FY26	FY27	FY28
Estimated Encumbrances Line #8.010	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>

Summary of 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.

RESERVATION OF FUND BALANCES – LINE # 9.010 – 9.080

Source	FY24	FY25	FY26	FY27	FY28
Textbooks & Materials- Line 9.010	\$0	\$0	\$0	\$0	\$0
Capital Improvements- Line 9.020	0	0	0	0	0
Budget Reserve - Line 9.030	0	0	0	0	0
DPIA - Line 9.040	0	0	0	0	0
Fiscal Stabilization - Line 9.045	0	0	0	0	0
Debt Service - Line 9.05	0	0	0	0	0
Property Tax Advances - Line 9.060	0	0	0	0	0
State Bus Purchases- Line 9.070	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Reservations of Balance- Line#9.080	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED ENDING CASH BALANCE – Line # 15.010

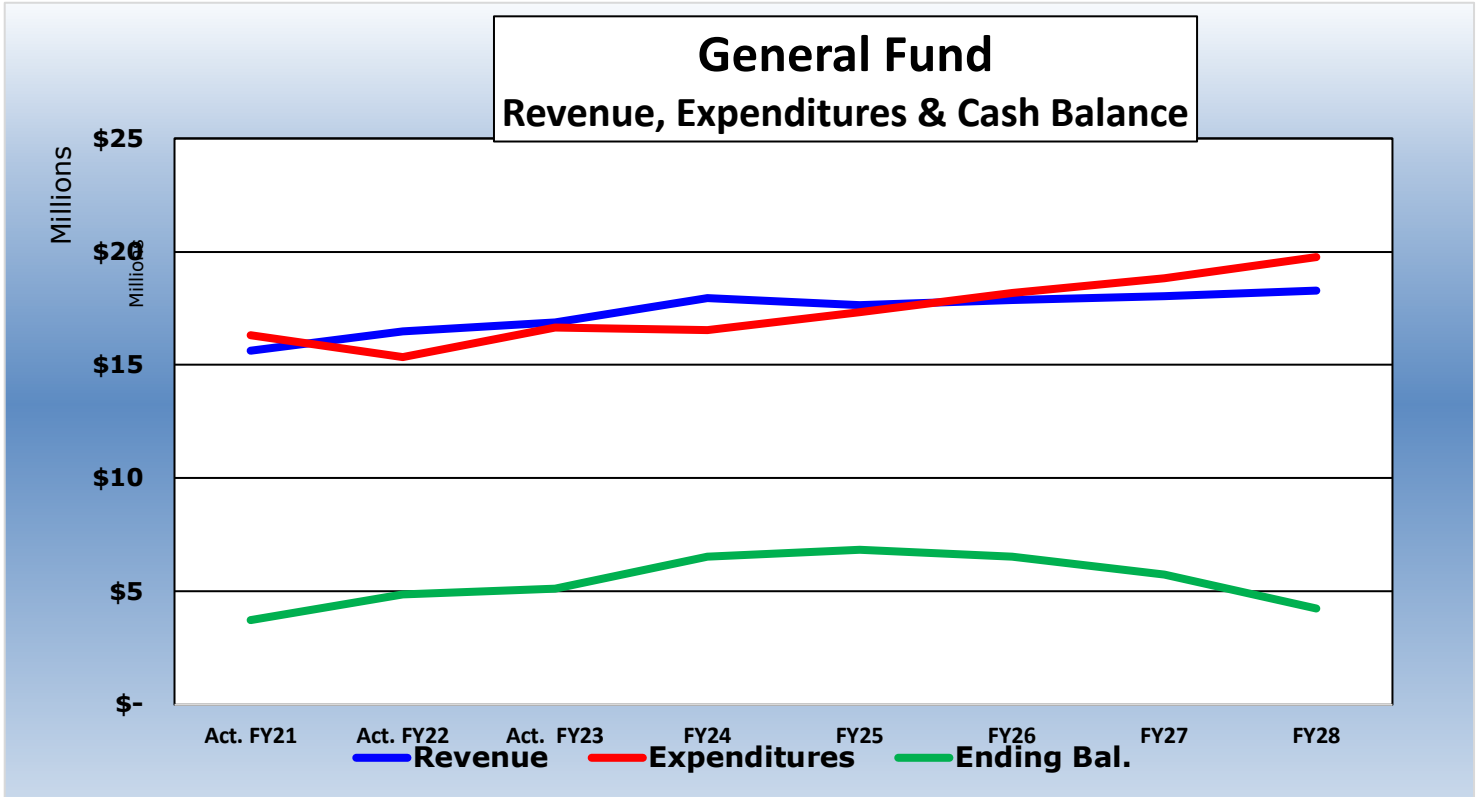
	FY24	FY25	FY26	FY27	FY28
Ending Unreserved Cash Balance Line #15.01	<u>\$6,415,240</u>	<u>\$6,716,847</u>	<u>\$6,409,736</u>	<u>\$5,614,553</u>	<u>\$4,134,977</u>

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

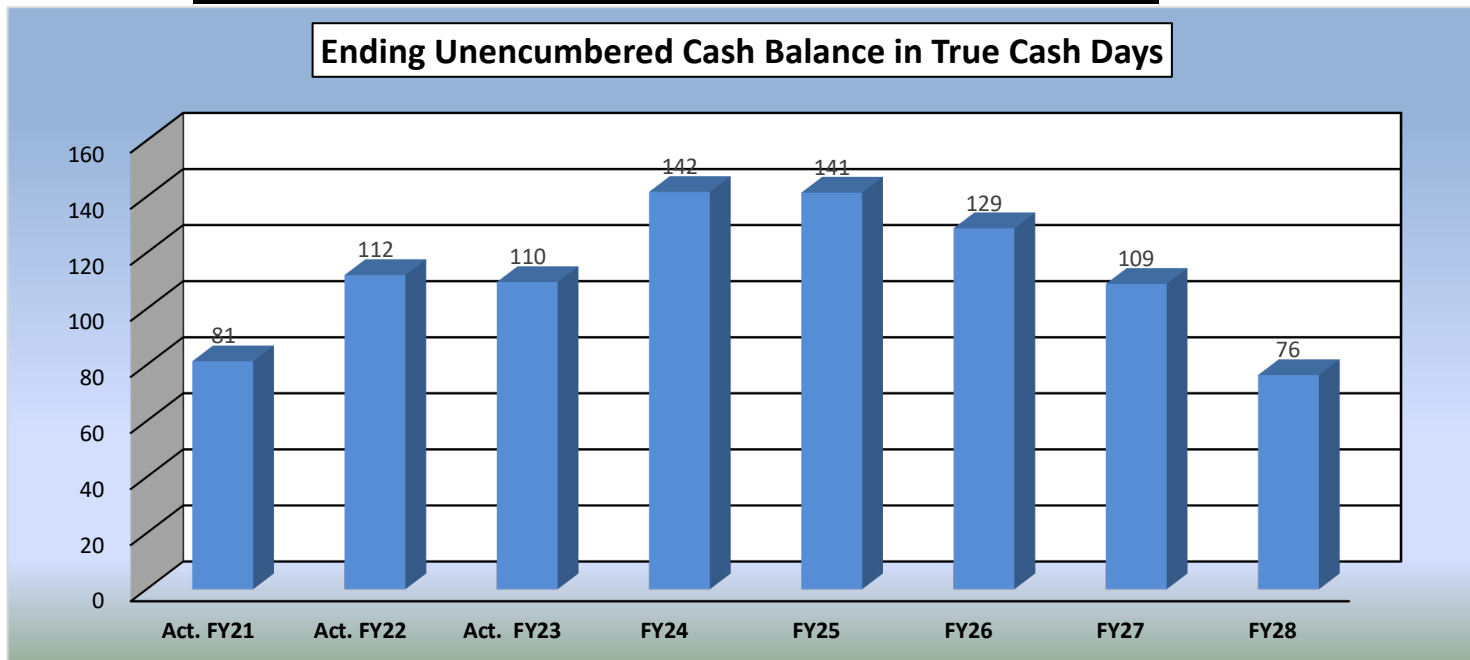
GENERAL FUND CASH FLOW PROJECTIONS

Fiscal Years 2021 thru 2028



This graph, captures in one snapshot, the operating scenario facing the District over the next few years based on the current forecast.

TRUE DAYS ENDING CASH 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 (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The Government Finance Officers Association (GFOA) recommends no less than two (2) months or 60 days cash to be on hand at year end but could be more depending on each district’s complexity and risk factors for revenue collections

