

**GALION CITY SCHOOL DISTRICT-CRAWFORD 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  
Galion City School District  
Treasurer's Office  
Charlene Parkinson, Treasurer  
April 16, 2024**

# Galion City School District

Crawford County

Schedule of Revenues, 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 2028

	Actual				Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Average Change	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	\$4,286,599	\$4,568,986	\$4,487,953	2.4%	\$4,498,294	\$4,610,796	\$4,653,679	\$4,439,941	\$4,346,341
1.020 Public Utility Personal Property Tax	225,846	380,055	361,475	31.7%	368,971	375,593	388,651	369,124	353,381
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035 Unrestricted State Grants-in-Aid	13,738,579	12,423,316	12,285,834	-5.3%	12,879,022	13,021,252	13,021,513	13,021,757	13,021,985
1.040 Restricted State Grants-in-Aid	664,263	1,009,288	1,021,549	26.6%	1,088,601	1,115,644	1,115,644	1,115,644	1,115,644
1.045 Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050 State Share of Local Property Taxes	674,598	662,606	655,676	-1.4%	647,486	645,814	654,075	640,060	635,290
1.060 All Other Revenues	1,446,646	1,077,548	622,374	-33.9%	730,173	733,000	735,855	738,738	741,650
1.070 <b>Total Revenues</b>	<b>\$21,036,531</b>	<b>\$20,121,799</b>	<b>\$19,434,861</b>	<b>-3.9%</b>	<b>\$20,212,547</b>	<b>\$20,502,099</b>	<b>\$20,569,417</b>	<b>\$20,325,264</b>	<b>\$20,214,291</b>
<b>Other Financing Sources</b>									
2.010 Proceeds from Sale of Notes	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.020 State Emergency Loans (Approved)	0	0	0	0.0%	0	0	0	0	0
2.040 Operating Transfers-In	0	0	0	0.0%	0	0	0	0	0
2.050 Advances-In	0	0	0	0.0%	0	0	0	0	0
2.060 All Other Financing Sources	298,143	77,378	127,194	-4.8%	32,070	0	0	0	0
2.070 <b>Total Other Financing Sources</b>	<b>\$298,143</b>	<b>\$77,378</b>	<b>\$127,194</b>	<b>-4.8%</b>	<b>\$32,070</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>\$21,334,674</b>	<b>\$20,199,177</b>	<b>\$19,562,055</b>	<b>-4.2%</b>	<b>\$20,244,617</b>	<b>\$20,502,099</b>	<b>\$20,569,417</b>	<b>\$20,325,264</b>	<b>\$20,214,291</b>
<b>Expenditures</b>									
3.010 Personal Services	\$9,876,960	\$9,934,155	\$7,435,744	-12.3%	\$10,624,261	\$11,158,264	\$11,380,122	\$11,605,308	\$11,833,871
3.020 Employees' Retirement/Insurance Benefits	4,676,656	4,745,267	4,552,463	-1.3%	5,194,738	5,548,147	5,785,641	6,028,660	6,281,238
3.030 Purchased Services	5,484,978	4,066,048	4,081,874	-12.7%	4,141,397	4,222,263	4,304,715	4,388,800	4,474,568
3.040 Supplies and Materials	378,969	403,911	597,242	27.2%	623,426	649,616	698,812	748,014	797,222
3.050 Capital Outlay	0	62,000	11,000	0.0%	150,000	50,000	50,000	50,000	50,000
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0
Debt Service:				0.0%					
4.010 Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0
4.020 Principal-Notes	0	0	0	0.0%	0	0	0	0	0
4.030 Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040 Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050 Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0
4.055 Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060 Interest and Fiscal Charges	0	0	-	0.0%	0	0	0	0	0
4.300 Other Objects	171,851	194,862	192,044	6.0%	224,376	212,238	215,160	218,142	221,187
4.500 <b>Total Expenditures</b>	<b>\$20,589,414</b>	<b>\$19,406,243</b>	<b>\$16,870,367</b>	<b>-9.4%</b>	<b>\$20,958,198</b>	<b>\$21,840,528</b>	<b>\$22,434,450</b>	<b>\$23,038,924</b>	<b>\$23,658,086</b>
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	\$700,441	\$619,878	\$448,529	-19.6%	\$170,000	\$70,000	\$70,000	\$70,000	\$70,000
5.020 Advances-Out	0	0	0	0.0%	0	0	0	0	0
5.030 All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040 <b>Total Other Financing Uses</b>	<b>\$700,441</b>	<b>\$619,878</b>	<b>\$448,529</b>	<b>-19.6%</b>	<b>\$170,000</b>	<b>\$70,000</b>	<b>\$70,000</b>	<b>\$70,000</b>	<b>\$70,000</b>
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>\$21,289,855</b>	<b>\$20,026,121</b>	<b>\$17,318,896</b>	<b>-9.7%</b>	<b>\$21,128,198</b>	<b>\$21,910,528</b>	<b>\$22,504,450</b>	<b>\$23,108,924</b>	<b>\$23,728,086</b>
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>\$44,819</b>	<b>\$173,056</b>	<b>\$2,243,159</b>	<b>741.2%</b>	<b>(\$883,581)</b>	<b>(\$1,408,429)</b>	<b>(\$1,935,033)</b>	<b>(\$2,783,660)</b>	<b>(\$3,513,795)</b>
7.010 <b>Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies</b>	<b>\$4,364,516</b>	<b>\$4,409,335</b>	<b>\$4,582,391</b>	<b>2.5%</b>	<b>\$6,825,550</b>	<b>\$5,941,969</b>	<b>\$4,533,540</b>	<b>\$2,598,507</b>	<b>(\$185,152)</b>
7.020 <b>Cash Balance June 30</b>	<b>\$4,409,335</b>	<b>\$4,582,391</b>	<b>\$6,825,550</b>	<b>26.4%</b>	<b>\$5,941,969</b>	<b>\$4,533,540</b>	<b>\$2,598,507</b>	<b>(\$185,152)</b>	<b>(\$3,698,948)</b>
8.010 <b>Estimated Encumbrances June 30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>
<b>Reservation of Fund Balance</b>									
9.010 Textbooks and Instructional Materials	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.020 Capital Improvements	0	0	0	0.0%	0	0	0	0	0
9.030 Budget Reserve	0	0	0	0.0%	0	0	0	0	0
9.040 DPIA	0	0	0	0.0%	0	0	0	0	0
9.045 Fiscal Stabilization	0	0	0	0.0%	0	0	0	0	0
9.050 Debt Service	0	0	0	0.0%	0	0	0	0	0
9.060 Property Tax Advances	0	0	0	0.0%	0	0	0	0	0
9.070 Bus Purchases	0	0	0	0.0%	0	0	0	0	0
9.080 <b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance June 30 for Certification of Appropriations</b>	<b>\$4,409,335</b>	<b>\$4,582,391</b>	<b>\$6,825,550</b>	<b>26.4%</b>	<b>\$5,921,969</b>	<b>\$4,513,540</b>	<b>\$2,578,507</b>	<b>(\$205,152)</b>	<b>(\$3,718,948)</b>

# Galion City School District

Crawford County

Schedule of Revenues, 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 2028

		Actual				Forecasted				
		Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Average Change	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
<b>Revenue from Replacement/Renewal Levies</b>										
11.010	Income Tax - Renewal	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	0	631,789	1,103,734
11.300	Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$631,789	\$1,735,523
12.010	<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>									
		\$4,409,335	\$4,582,391	\$6,825,550	26.4%	\$5,921,969	\$4,513,540	\$2,578,507	\$426,637	(\$1,983,425)
<b>Revenue from New Levies</b>										
13.010	Income Tax - New	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
13.020	Property Tax - New	0	0	0	0.0%	0	0	0	0	0
13.030	Cumulative Balance of New Levies	\$0	\$0		0.0%	\$0	\$0	\$0	\$0	\$0
14.010	Revenue from Future State Advancements	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
15.010	<i>Unreserved Fund Balance June 30</i>	\$4,409,335	\$4,582,391	\$6,825,550	26.4%	\$5,921,969	\$4,513,540	\$2,578,507	\$426,637	(\$1,983,425)

**Galion City School District – Crawford County**  
**Notes to the Five-Year Forecast**  
**General Fund Only**  
**April 16, 2024**

**Introduction to the Five-Year Forecast**

A forecast is like a future painting based on a snapshot of today. 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, 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 then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with ODE when events significantly change their forecast or, at a minimum when required under the statute.

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

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

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

- (1) To engage the local board of education and the community in long-range planning and discussions of financial issues facing the school district
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate"
- (3) To provide a method for the 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-year financial forecast by November 30, 2023, and May 31, 2024, for the 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. The 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 updated to reflect the most current economic data available for the May 2024 filing.

**Revenues FY24**

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 \$20.21 million, which is \$240,237 lower than the November forecasted amount of \$20.45 million. This indicates that the November forecast was 98.83% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our second most significant source of revenues at 24.1% and are estimated to be \$4.867 million, which is \$67,697 higher for FY24 than the original November estimate

of \$4.8 million. Our estimates are 98.6% accurate for FY24 and should mean future projections are also on target.

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 \$13.97million, which is \$378,811 lower than the original estimate for FY24. We are pleased that we were able to be 97.4% accurate for FY24. We are currently on the formula and are expected to remain as a formula district for FY25 through FY28. Being a formula district means our state funding can vary with the slightest change to enrolled ADM or valuation increases or decreases.

Line 1.06 - Other revenues are up \$75,000 over original estimates, primarily due to additional interest income received by the district.

All areas of revenue are tracking as anticipated for FY24 based on our best information at this time.

### **Expenditures FY24**

Total General Fund expenditures (line 4.5) are estimated to be \$20.96 million for FY24, which is \$637,000 higher with the original estimate of \$20.32 million in the November forecast, which is roughly 96.87% on target with initial estimates.

The expenditure line most significantly over/under projection is Personnel Services (line 3.010) up \$300,000 and Benefits (line 3.020) which is up \$222,000. The increases are due to necessary positions to support students we had to address during the year that was not anticipated in the November forecast.

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

### **Unreserved Ending Cash Balance**

With revenues decreasing from estimates and expenditures increasing our ending unreserved cash balance June 30, 2024, is anticipated to be roughly \$5.92 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2027 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 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) The state budget represented 72.3% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to the record high inflation or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. In this forecast, two forthcoming State Biennium Budgets cover FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state's economy make this area an elevated risk to district funding long-range through FY28. We have projected our state funding in FY24 and FY25 based on the additional phase-in of HB33 (the fair school funding plan). This forecast reflects state revenue to align with the FY25 funding levels through FY28, which we feel is conservative and should be close to what the state approves for the FY26-FY28 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

2) 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. FY24 reflects 50% of the implementation cost at year three of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed. 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 FY24 and FY25.

3) Property tax collections are the second largest 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 as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues, predominately local taxes, equating to 27.7% of the district's resources. Our tax collections in the March 2024 and settlements showed average collection trends and were up slightly. We believe there is a low risk that local collections would fall below projections throughout the forecast.

4) Being in three different counties can pose many challenges in determining the increases or decreases in values. Crawford County had an update in 2021. Morrow and Richland counties had a reappraisal update in 2023 with a full reappraisal occurring in 2026. Crawford's 2021 update provided an increase in values overall of \$20.68 million or 12.04%. Additionally, we estimate their reappraisal in 2024 to provide an increase in values overall of \$5.47 million or 2.82%. Morrow and Richland counties reappraisal update in 2023 provided an increase in overall values of \$4.63 million or 2.44% increase. We estimate the Crawford County 2024 reappraisal will provide an increase in overall values at \$25.37 million or 12.85% increase. However, there is always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that now.

The legislature has formed a "Joint Committee on Property Tax Review and Reform" which is pending as of this forecast. We are watching these deliberations closely and they could impact future reappraisals and possibly the impact of the 20-mill floor currently in law. We are watching the Joint Committee carefully and will adjust the forecast pending their outcome.

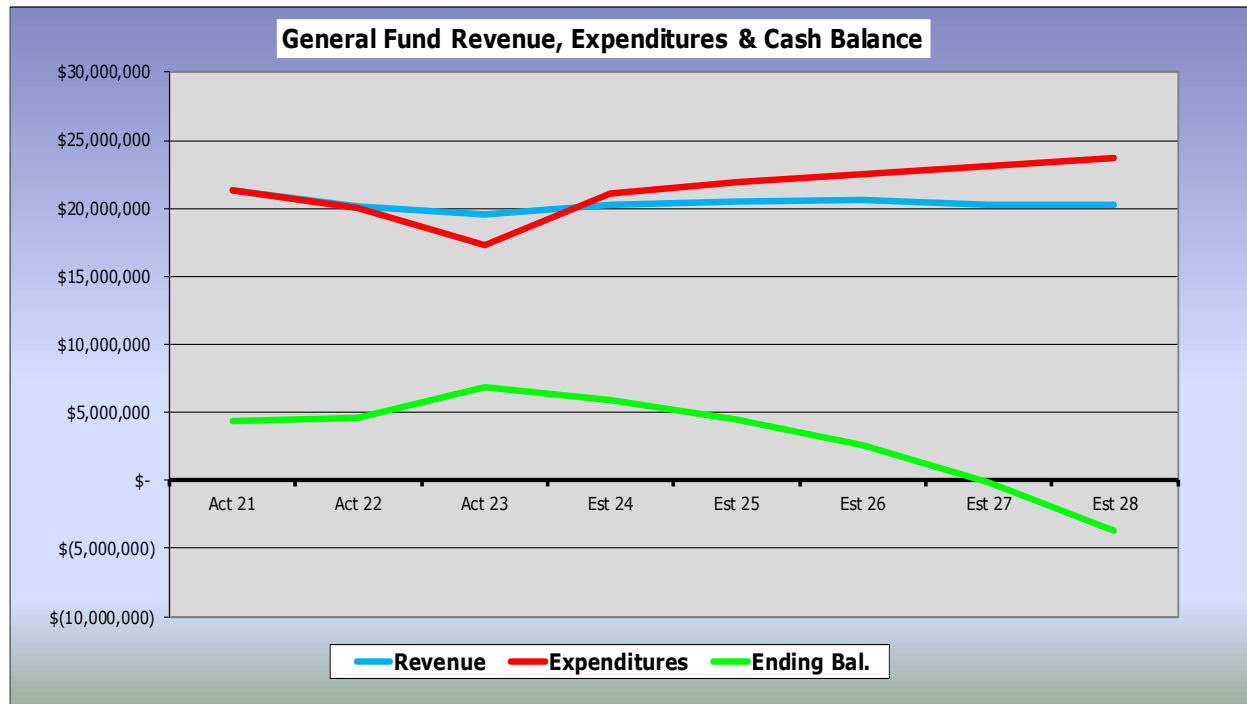
5) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid,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

Labor relations in our district have been amicable, with all parties working for the best interest of students and realizing the resource challenges we face. Our positive working relationship will continue and grow stronger as we move forward.

The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below to understand the overall financial forecast for our district. If you want further information, please contact Charlene Parkinson, Treasurer/CFO, at 419.468.3432 x11003.

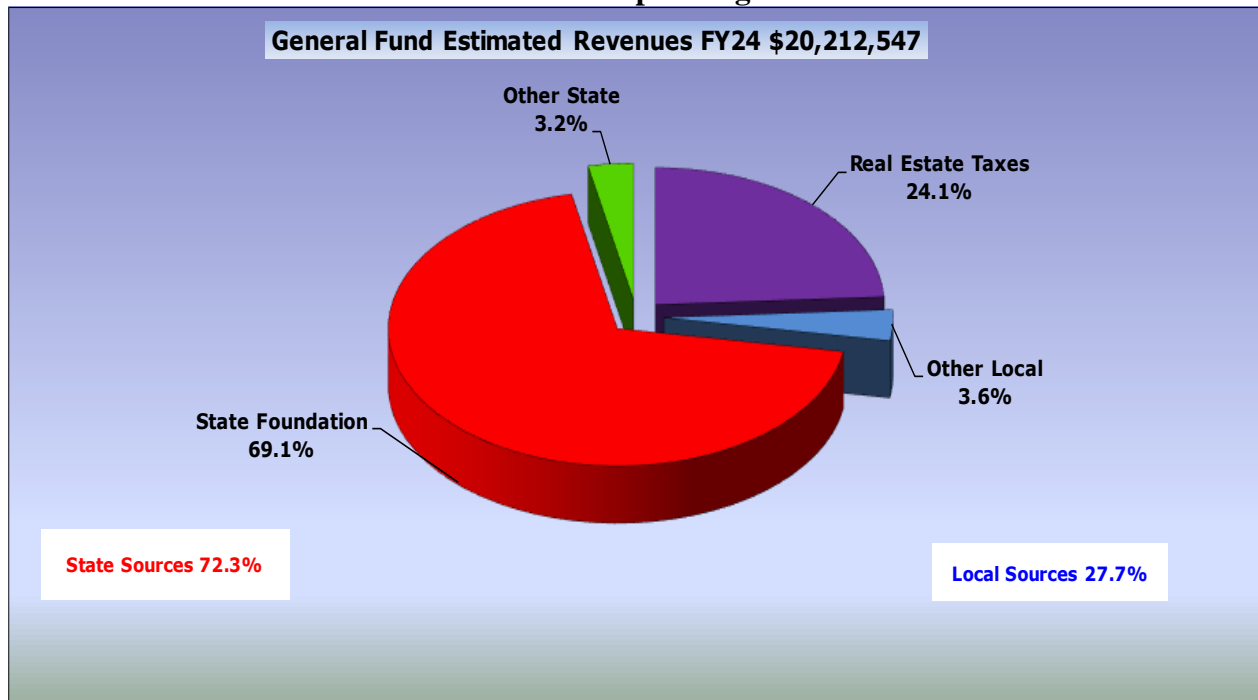
## General Fund Revenue, Expenditures, and Ending Cash Balance Actual FY21-23 and Estimated FY24-28

The graph captures in one snapshot the operating scenario facing the District over the next few years. The drop in costs in FY22 below is due to the state of Ohio paying school choice costs directly to the educating entity and not deducting these costs from our state foundation funds, per HB110 our new state budget. Our foundation funds also dropped as these students were included in our state funding prior to FY22. Our FY22 expenses paid on our behalf fell more than the revenue so we were a net benefactor in FY22 in the revised state funding method.



## Revenue Assumptions

### Estimated General Fund Operating Revenue for FY24



### Property 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. Crawford County experienced an update for the 2021 tax year to be collected in 2022. Residential/agricultural values increased 12.96% or \$18.2 million due to the reappraisal update led by an improving housing market. Commercial/industrial values increased 1.68% or \$523,680, this is an overall increase by \$20.68 million or 12.04%. Morrow and Richland counties experienced a reappraisal update in tax year 2023 to be collected in 2024 resulting in added value of \$25.37 million or a 2.44% increase.

A reappraisal will occur in Crawford County in 2024 for collection in FY25 for which we are estimating a 15% increase in residential and a 2% increase for commercial/industrial property. Additionally, Morrow and Richland counties will experience a full reappraisal in 2026 to be collected in FY27, providing a 1% increase in residential and a 0% increase for commercial/industrial property.

Public Utility Personal Property (PUPP) values increased by \$250,000 in Tax Year 2023. We expect our values to continue to grow by \$250,000 each year of the forecast.

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

Classification	Actual TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028
Res./Ag.	\$165,005,190	\$189,785,969	\$189,815,969	\$191,744,128	\$197,526,452
Comm./Ind.	32,472,170	33,061,613	33,001,613	32,941,613	33,540,446
Public Utility Personal Property (PUPP)	<u>7,056,140</u>	<u>7,306,140</u>	<u>7,556,140</u>	<u>7,806,140</u>	<u>8,056,140</u>
Total Assessed Value	<u>\$204,533,500</u>	<u>\$230,153,722</u>	<u>\$230,373,722</u>	<u>\$232,491,882</u>	<u>\$239,123,038</u>



## Tax Rate Assumptions

The Crawford County Auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all general fund levies is 52.23 mills while the Class I effective millage rate is 23.68 mills and the Class II effective millage rate is 38.66 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is not on the floor for either Class I or Class II.

## Estimated Real Estate Tax (Line #1.010)

Property tax levies are estimated to be collected at 95% of the annual amount. This allows a 5% delinquency factor. In general, 56.50% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 43.50% in the August tax settlement.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
General Property Taxes	<u>\$4,498,294</u>	<u>\$4,610,796</u>	<u>\$4,653,679</u>	<u>\$4,439,941</u>	<u>\$4,346,341</u>

## Levy Renewal – Line# 11.02

Residents renewed the 7.73 mill operating levy that was expiring December 31, 2021. The levy was renewed for a five (5) year period with the last collection ending in December 31, 2026. Renewal levies do not increase taxes for the school district or cost resident’s additional taxes.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Renewal of 7.73 Mill Operating levy-Line #11.02	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$631,789</u>	<u>\$1,103,734</u>

## New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

## Estimated Public Utility Personal Tax – Line#1.020

The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted in the table above under P.U. Personal, which was \$7.06 million in assessed values in 2023 and is collected at the district’s gross voted millage rate. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor. The values in 2023 rose by 3.6% or \$250,000 and are expected to grow by \$250,000 each year of the forecast.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Public Utility Personal Property - Line #1.020	<u>\$368,971</u>	<u>\$375,593</u>	<u>\$388,651</u>	<u>\$369,124</u>	<u>\$353,381</u>

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

### Current State Funding Model per HB33 through June 30, 2025

#### A) Unrestricted State Foundation Revenue– Line #1.035

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25. We have projected FY24 funding based on the April 2024 foundation settlement and funding factors.

Our district is currently a formula district in FY24 and is expected to continue on the formula in FY25-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, then HB110, as amended by HB583 for FY22 and FY23, with continuation of this formula in HB33 for FY24 and FY25. The current 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 real data in FY21 through FY23 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecasts.

### **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 current funding formula uses FY22 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 statewide average prices will not update for FY24 and FY25 and remain frozen at FY22 levels, while other factors impacting a district’s local capacity will update for FY24. Base costs per pupil include 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 \$8,242.19 per pupil in FY24, 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. HB33 increased the minimum state share from 5% in FY23 to 10% for FY24 and FY25. 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 the 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 the most recent three-year average federal adjusted gross income of district residents or the most recent year, whichever is lower, divided by base students enrolled.
- 3. 20% based on the most recent year’s federal median income of district residents multiplied by the number of returns in that year divided by base students enrolled.
- 4. When the weighted values are calculated, and items 1 through 3 above are added together, the total is 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 multiplied by the local share multiplier index for each district. The result is the local per pupil capacity 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). It 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, not a specific amount. 10% will be reduced from all districts' calculations to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding is 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 37.5% in FY24 and 41.67% in FY25.

#### Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) – Formerly Economically Disadvantaged Funding is based on the number and concentration of economically disadvantaged students compared to the state average and multiplied by \$422 per pupil. Phase-in increases are limited to 50% for FY24 and 66.67% in FY25.
2. English Learners – Based on funded categories based on the time students 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 are based on initiatives similar to those for DPIA. They are restricted funds for school climate, attendance, discipline, and academic achievement programs.

### **State Funding Phase-In FY24 and FY25 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 and has now extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it will consist of a general phase-in percentage for most components of 50% in FY24 and 66.67% in FY25.

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

### **Future State Budget Projections beyond FY25**

Our funding status for FY26-28 will depend on unknown (2) new state budgets. There is no guarantee that the current Fair School Funding Plan in HB33 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 FY28.

## Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31<sup>st</sup> of January and August each year, beginning for the first time on January 31, 2013.

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY22, was \$109.39 million for schools or \$62.86 per pupil, in FY23, the funding totaled \$113.1 million or \$64.90 per pupil, and in FY24 the funding totaled \$113.11 million or \$65.02 average 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.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Basic Aid-Unrestricted	\$12,391,310	\$12,525,020	\$12,525,020	\$12,525,020	\$12,525,020
Additional Aid Items	<u>380,158</u>	<u>388,406</u>	<u>388,406</u>	<u>388,406</u>	<u>388,406</u>
Basic Aid-Unrestricted Subtotal	12,771,468	12,913,426	12,913,426	12,913,426	12,913,426
Ohio Casino Commission ODT	<u>107,554</u>	<u>107,826</u>	<u>108,087</u>	<u>108,331</u>	<u>108,559</u>
Total Unrestricted State Aid - Line #1.035	<u>\$12,879,022</u>	<u>\$13,021,252</u>	<u>\$13,021,513</u>	<u>\$13,021,757</u>	<u>\$13,021,985</u>

## B) Restricted State Revenues – Line # 1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, new restricted funds have been added under “Restricted Categorical Aid” for Gifted, English Learners (ESL), and Student Wellness. The amount of DPIA is limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY28 due to uncertainty on continued funding of the current funding formula.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
DPIA	\$511,138	\$533,543	\$533,543	\$533,543	\$533,543
Career Tech	108,198	109,735	109,735	109,735	109,735
Gifted Supplement	98,935	101,009	101,009	101,009	101,009
ESL	2,912	2,771	2,771	2,771	2,771
Student Wellness	<u>367,418</u>	<u>368,586</u>	<u>368,586</u>	<u>368,586</u>	<u>368,586</u>
Total Restricted State Revenues - Line #1.040	<u>\$1,088,601</u>	<u>\$1,115,644</u>	<u>\$1,115,644</u>	<u>\$1,115,644</u>	<u>\$1,115,644</u>

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

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Unrestricted - Line #1.035	\$12,879,022	\$13,021,252	\$13,021,513	\$13,021,757	\$13,021,985
Restricted - Line #1.040	1,088,601	1,115,644	1,115,644	1,115,644	1,115,644
Restricted Federal - Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$13,967,623</u>	<u>\$14,136,896</u>	<u>\$14,137,157</u>	<u>\$14,137,401</u>	<u>\$14,137,629</u>

## State Taxes Reimbursement/Property Tax Allocation – Line #1.050

### Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-

occupied residences. 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 still need to get 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.

#### Summary of State Tax Reimbursement – Line #1.050

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Rollback and Homestead - Line #1.05	<u>\$647,486</u>	<u>\$645,814</u>	<u>\$654,075</u>	<u>\$640,060</u>	<u>\$635,290</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 open enrollment, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees. HB110, the previous state budget, stopped paying open enrollment as an increase to other revenue for the district. Open-enrolled students will be counted in the enrolled student base at the school district where 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. The small amounts noted in the table below are for pre-school Open Enrolled students that do not fall in the formula.

Interest income is based on the district's cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. Once the economy stabilizes, there will be pressure on the Federal Reserve to lower interest rates, which we believe will be sometime in 2024, decreasing the opportunity for more significant interest income for the district. We will continue to monitor the investments for the district. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historical trends.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Open Enrollment Gross	\$7,358	\$7,432	\$7,506	\$7,581	\$7,657
Interest	186,013	186,013	186,013	186,013	186,013
Medicaid & CAT Aid	205,993	208,050	210,128	212,226	214,345
Tuitions	69,606	70,302	71,005	71,715	72,432
Other Income and rentals	<u>261,203</u>	<u>261,203</u>	<u>261,203</u>	<u>261,203</u>	<u>261,203</u>
Total Line # 1.060	<u>\$730,173</u>	<u>\$733,000</u>	<u>\$735,855</u>	<u>\$738,738</u>	<u>\$741,650</u>

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

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

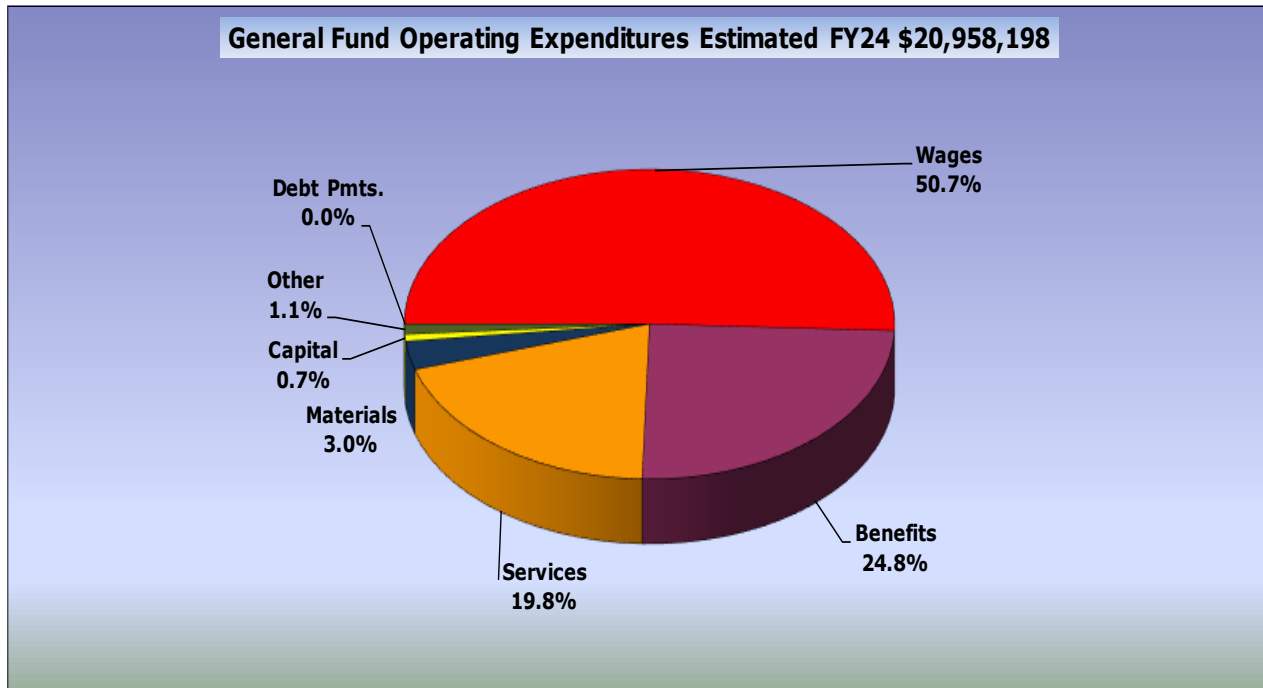
#### All Other Financial Sources – Line #2.060

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

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 General Fund Operating Expenditures for FY24



#### Wages – Line #3.010

The district is implemented a “pause” in all hiring relating to attrition, for fiscal year 2021 a salary/benefits reduction of \$500,000 is reflected that is attributable to several positions being absorbed and not replaced. In 2023 the Galion Board of Education entered into a one (1) year agreement with the Galion Education Association and with the Ohio Association of Public School Employees. The financial impact of these two contracts are fully recognized in this forecast submission. The forecast represents salary increases based upon negotiated “step increases” per the collective bargaining agreements with the Galion Education Association and the Ohio Association of Public Employees of 3% for FY24 and FY25.

For planning purposes a 0% base amount has been used for FY26-28. We have used ESSER funds in FY22-24 to help offset wage costs.

Additional ESSER II and III funds will be allocated to our district that can be used through September, 2023 and September 2024, respectively, which will continue to offset the COVID expenses and help with academic support for lost learning due to school closures as a result of the pandemic. We have added back wage costs that were paid from ESSER funds in FY24 and other adjustments noted for attrition.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Base Wages	\$7,131,538	\$10,270,457	\$10,590,514	\$10,812,372	\$11,037,558
Steps & Training	106,973	154,057	158,858	162,186	165,563
Substitutes	216,000	216,000	216,000	216,000	216,000
Supplementals	351,750	351,750	351,750	351,750	351,750
Staff Adjustments SWSF & ESSER	<u>2,818,000</u>	<u>166,000</u>	<u>63,000</u>	<u>63,000</u>	<u>63,000</u>
Total Wages - Line #3.010	<u>\$10,624,261</u>	<u>\$11,158,264</u>	<u>\$11,380,122</u>	<u>\$11,605,308</u>	<u>\$11,833,871</u>

### **Fringe Benefits Estimates - Line #3.02**

This area of the forecast captures all benefits and retirement costs. These payments and HSA costs are included in the table below.

#### **A) STRS/SERS**

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

#### **B) Insurance**

The District participates in the Wyandot-Crawford Health Benefit Plan (Plan) to provide major medical, prescription and dental coverage for participating employees. The Plan is a public entity shared risk pool. The Plan pays all claims for covered participants and provides for stop loss coverage for claims in excess of \$200,000. Major medical claims are reviewed by the District on a monthly basis and analyzed daily by the Plan administrator. We experienced a rate increases of 6% for FY23 and are estimating 5% for FY24-28 which reflects trend and the likely increase in health care costs. This is based on our current employee census and claims data. Renewal occurs January 1 each year.

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

Workers' Compensation is expected to be approximately .5% of wages FY24– FY28. Unemployment is likely to remain at a shallow level FY24-FY28. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

#### **D) Medicare**

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

### **Estimated Fringe Benefits – Line #3.020**

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
A) STRS/SERS	\$1,737,000	\$1,921,623	\$1,963,885	\$2,003,176	\$2,043,057
B) Insurance's	3,229,262	3,390,725	3,575,381	3,769,270	3,972,854
C) Workers Comp/Unemployment	40,000	41,000	45,000	48,000	50,000
D) Medicare	158,077	164,400	170,976	177,815	184,928
Other/Tuition	<u>30,399</u>	<u>30,399</u>	<u>30,399</u>	<u>30,399</u>	<u>30,399</u>
Total Fringe Benefits - Line #3.020	<u>\$5,194,738</u>	<u>\$5,548,147</u>	<u>\$5,785,641</u>	<u>\$6,028,660</u>	<u>\$6,281,238</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 education 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 and shown below as expenses. We have continued to offer these amounts below as zeros to help reflect the difference between projected FY24-FY28 Line 3.03 costs and historical FY21 through FY23 costs on the five-year forecast. 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. We reduced costs in purchased services for FY20 and 21 for the Fund 467 recoding for our SROs and then returned these costs to the General Fund in FY23-28.

<b>Source</b>	<b><u>FY24</u></b>	<b><u>FY25</u></b>	<b><u>FY26</u></b>	<b><u>FY27</u></b>	<b><u>FY28</u></b>
Base Services	\$158,021	\$159,601	\$161,197	\$162,809	\$164,437
Excess Cost County ESC	264,388	267,032	269,702	272,399	275,123
Open Enrollment Deduction-477	0	0	0	0	0
Community School Deductions-478	0	0	0	0	0
Tuition, CC+ and Ed Scholarship-479	430,006	434,306	438,649	443,035	447,465
Professional Support 41x	2,325,185	2,368,437	2,412,121	2,456,242	2,500,804
Building Maintenance Repairs 42x	315,405	318,559	321,745	324,962	328,212
Utilities	648,392	674,328	701,301	729,353	758,527
Total Purchased Services - Line #3.030	<u>\$4,141,397</u>	<u>\$4,222,263</u>	<u>\$4,304,715</u>	<u>\$4,388,800</u>	<u>\$4,474,568</u>

### **Supplies and Materials – Line #3.040**

Expenses include curricular supplies, testing supplies, copy paper, maintenance, custodial supplies, materials, and bus fuel.

<b>Source</b>	<b><u>FY24</u></b>	<b><u>FY25</u></b>	<b><u>FY26</u></b>	<b><u>FY27</u></b>	<b><u>FY28</u></b>
Supplies	\$248,354	\$273,354	\$321,354	\$369,354	\$417,354
Textbooks	2,215	2,215	2,215	2,215	2,215
Building Maintenance	134,894	134,894	134,894	134,894	134,894
Transportation	<u>237,963</u>	<u>239,153</u>	<u>240,349</u>	<u>241,551</u>	<u>242,759</u>
Total Supplies - Line #3.040	<u>\$623,426</u>	<u>\$649,616</u>	<u>\$698,812</u>	<u>\$748,014</u>	<u>\$797,222</u>

### **Equipment – Line # 3.050**

The District does not anticipate costs increasing significantly in this line because the Permanent Improvement Fund pays most capital outlay.

<b>Source</b>	<b><u>FY24</u></b>	<b><u>FY25</u></b>	<b><u>FY26</u></b>	<b><u>FY27</u></b>	<b><u>FY28</u></b>
Capital Outlay	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Equipment - Line #3.050	<u>\$150,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

### **Other Expenses – Line #4.300**

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit, and other miscellaneous expenses. A rate of 1% increase is projected in this area.

<b>Source</b>	<b><u>FY24</u></b>	<b><u>FY25</u></b>	<b><u>FY26</u></b>	<b><u>FY27</u></b>	<b><u>FY28</u></b>
County Auditor & Treasurer Fees	\$133,442	\$134,776	\$136,124	\$137,485	\$138,860
County ESC	40,000	25,000	25,000	25,000	25,000
Other expenses	<u>50,934</u>	<u>52,462</u>	<u>54,036</u>	<u>55,657</u>	<u>57,327</u>
Total Other Expenses - Line #4.300	<u>\$224,376</u>	<u>\$212,238</u>	<u>\$215,160</u>	<u>\$218,142</u>	<u>\$221,187</u>



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

Amounts in this category reflect transfers from the general fund to the following funds, Permanent Improvement, Severance, High School Athletics and Campus Wear. The District does not have a voter approved Permanent Improvement Levy, but the required year-end balance in the Permanent Improvement Fund, per House Bill 59, is approximately \$360,000.

Severance costs are also included as operating transfers out to minimize the impact on the general fund for retirements and other expenses associated with the termination of employment. Lastly the District has a campus wide dress code and provides financial support for those families who are not able to afford the approved dress code attire.

Source	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Operating Transfers Out - Line #5.010	\$170,000	\$70,000	\$70,000	\$70,000	\$70,000
Advances Out - Line #5.020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances Out	<u>\$170,000</u>	<u>\$70,000</u>	<u>\$70,000</u>	<u>\$70,000</u>	<u>\$70,000</u>

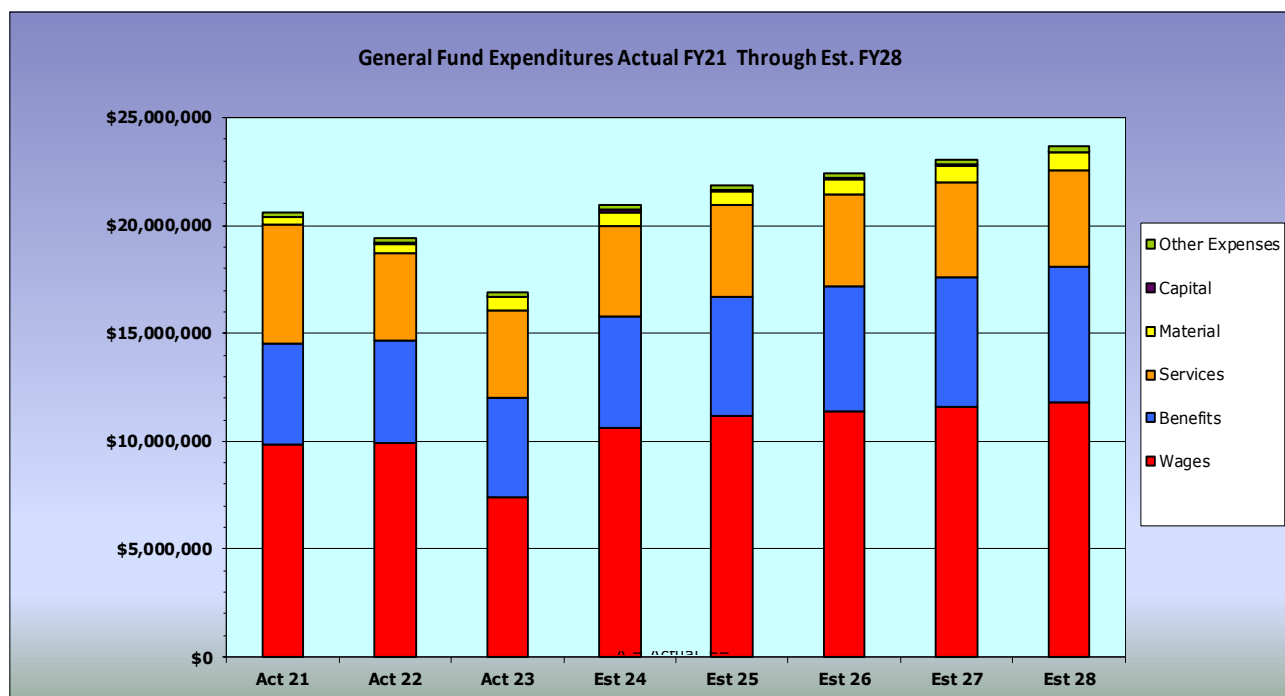
### Encumbrances –Line#8.010

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>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Estimated Encumbrances	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>

### Operating Expenditures Actual FY21 through FY23 and Estimated FY24-FY28

As the graph on the following page indicates, we have diligently contained costs due to lower and flat state revenues. We control our expenses while balancing students' academic needs to enable them to excel and perform well on state performance standards.



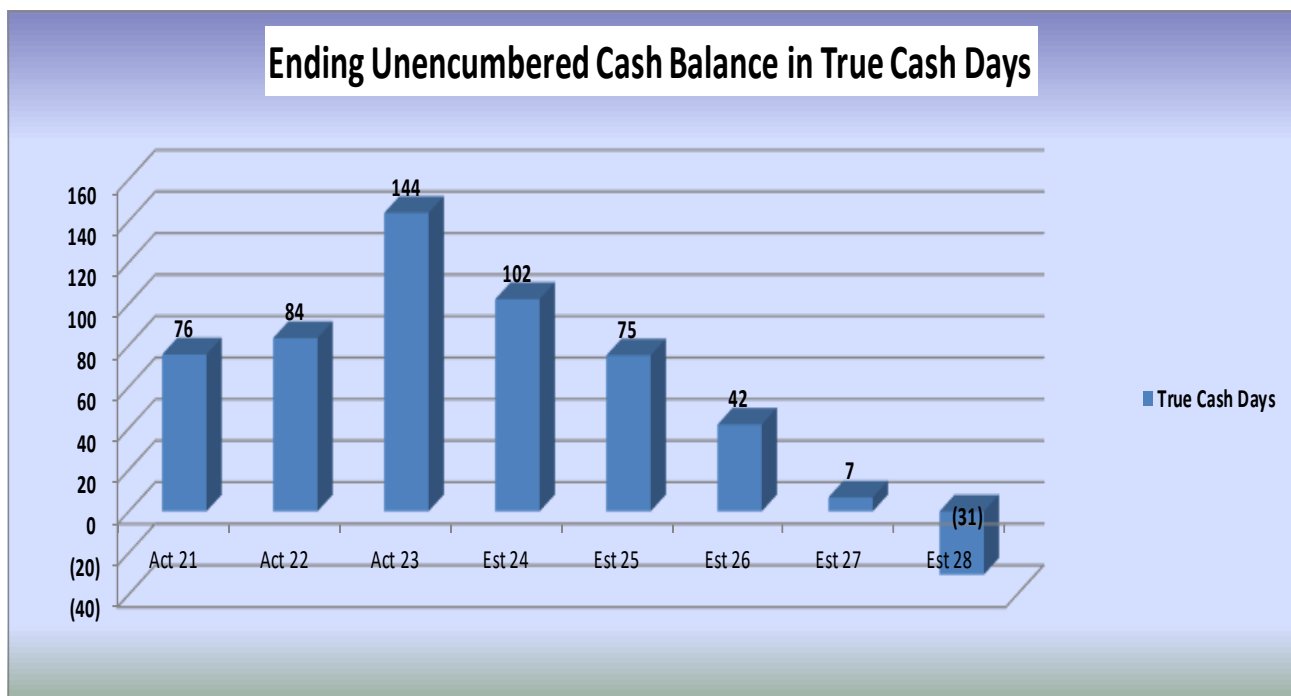
### Ending Unencumbered Cash Balance “The Bottom-line”– Line#15.010

This amount must not go below \$0, or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract knowingly signed that results in a negative unencumbered cash balance violates 5705.412, ORC, punishable by the personal liability of \$10,000. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about \$1.7 million for our district.

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Ending Unencumbered Cash Balance	<u>\$5,921,969</u>	<u>\$4,513,540</u>	<u>\$2,578,507</u>	<u>\$426,637</u>	<u>(\$1,983,425)</u>

### True Cash Days Ending Balance

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year-end if no additional revenues were received? This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The government Finance Officers Association recommends that no less than two (2) months or 60 days of cash is on hand at year-end. Still, it could be more depending on each district's complexity and risk factors for revenue collection. This is calculated, including transfers, as this is a predictable funding source for other funds such as capital, athletics, and severance reserves.



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