

**BEN LOGAN LOCAL SCHOOL DISTRICT-LOGAN 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
Ben Logan Local School District
Treasurer's Office
Jennifer Sudhoff, Treasurer/CFO
November 27, 2023**

Benjamin Logan Local School District
Logan 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				Average Change	Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023			Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Revenues										
1.010	General Property Tax (Real Estate)	\$8,603,641	\$8,538,468	\$9,374,919	4.52%	\$10,151,707	\$10,500,981	\$10,683,619	\$10,959,655	\$11,083,100
1.020	Public Utility Personal Property Tax	\$477,796	\$500,007	\$529,603	5.28%	\$539,525	\$560,886	\$576,274	\$590,933	\$606,382
1.030	Income Tax	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
1.035	Unrestricted State Grants-in-Aid	\$6,312,494	\$6,584,780	\$6,602,761	2.29%	\$6,863,803	\$6,809,195	\$6,811,565	\$6,813,983	\$6,816,450
1.040	Restricted State Grants-in-Aid	\$89,722	\$373,668	\$358,936	156.27%	\$381,285	\$372,948	\$372,948	\$372,948	\$372,948
1.045	Restricted Federal Grants In Aid	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
1.050	State Share of Local Property Taxes	\$1,212,695	\$995,982	\$1,072,213	-5.11%	\$1,166,687	\$1,164,832	\$1,184,535	\$1,220,062	\$1,240,314
1.060	All Other Revenues	\$2,329,871	\$808,051	\$1,833,529	30.79%	\$1,747,466	\$1,753,664	\$1,759,923	\$1,766,245	\$1,772,630
1.070	<i>Total Revenues</i>	<i>\$19,026,219</i>	<i>\$17,800,956</i>	<i>\$19,771,961</i>	<i>2.32%</i>	<i>\$20,850,473</i>	<i>\$21,162,506</i>	<i>\$21,388,864</i>	<i>\$21,723,826</i>	<i>\$21,891,824</i>
Other Financing Sources										
2.010	Proceeds from Sale of Notes	\$0	\$0	\$2,140,000	0.00%	\$0	\$0	\$0	\$0	\$0
2.020	State Emergency Loans and Advancements (Approved)	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
2.040	Operating Transfers-In	\$15,840	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
2.050	Advances-In	\$0	\$65,840	\$50,000	0.00%	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
2.060	All Other Financing Sources	\$177,509	\$87,884	\$91,269	-23.32%	\$91,269	\$91,269	\$91,269	\$91,269	\$91,269
2.070	<i>Total Other Financing Sources</i>	<i>\$193,349</i>	<i>\$153,724</i>	<i>\$2,281,269</i>	<i>681.75%</i>	<i>\$141,269</i>	<i>\$141,269</i>	<i>\$141,269</i>	<i>\$141,269</i>	<i>\$141,269</i>
2.080	<i>Total Revenues and Other Financing Sources</i>	<i>\$19,219,568</i>	<i>\$17,954,680</i>	<i>\$22,053,230</i>	<i>8.12%</i>	<i>\$20,991,742</i>	<i>\$21,303,775</i>	<i>\$21,530,133</i>	<i>\$21,865,095</i>	<i>\$22,033,093</i>
Expenditures										
3.010	Personal Services	\$10,115,295	\$10,190,445	\$10,595,107	2.36%	\$10,995,247	\$11,582,352	\$12,052,495	\$12,543,764	\$13,055,739
3.020	Employees' Retirement/Insurance Benefits	\$3,933,025	\$4,122,992	\$4,258,972	4.06%	\$4,462,186	\$4,725,493	\$4,992,147	\$5,272,030	\$5,570,914
3.030	Purchased Services	\$4,775,915	\$2,735,917	\$2,996,542	-16.59%	\$3,586,165	\$3,186,335	\$3,288,004	\$3,306,999	\$3,369,353
3.040	Supplies and Materials	\$522,174	\$719,482	\$903,819	31.70%	\$1,182,978	\$1,301,637	\$984,810	\$1,110,236	\$1,123,421
3.050	Capital Outlay	\$99,579	\$92,781	\$253,686	83.30%	\$548,682	\$220,000	\$213,000	\$153,000	\$153,000
3.060	Intergovernmental	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
	Debt Service:				0.00%					
4.010	Principal-All (Historical Only)	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
4.020	Principal-Notes	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
4.030	Principal-State Loans	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
4.040	Principal-State Advancements	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
4.050	Principal-HB 264 Loans	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
4.055	Principal-Other	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
4.060	Interest and Fiscal Charges	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
4.300	Other Objects	\$353,502	\$386,448	\$403,559	6.87%	\$371,246	\$377,918	\$384,717	\$391,643	\$398,701
4.500	<i>Total Expenditures</i>	<i>\$19,799,490</i>	<i>\$18,248,065</i>	<i>\$19,411,685</i>	<i>-0.73%</i>	<i>\$21,146,503</i>	<i>\$21,393,735</i>	<i>\$21,915,173</i>	<i>\$22,777,672</i>	<i>\$23,671,128</i>
Other Financing Uses										
5.010	Operating Transfers-Out	\$65,840	\$0	\$1,627	0.00%	\$2,175,360	\$75,000	\$75,000	\$75,000	\$75,000
5.020	Advances-Out	\$15,840	\$50,000	\$50,000	107.83%	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
5.030	All Other Financing Uses	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
5.040	<i>Total Other Financing Uses</i>	<i>\$81,680</i>	<i>\$50,000</i>	<i>\$51,627</i>	<i>-17.77%</i>	<i>\$2,225,360</i>	<i>\$125,000</i>	<i>\$125,000</i>	<i>\$125,000</i>	<i>\$125,000</i>
5.050	<i>Total Expenditures and Other Financing Uses</i>	<i>\$19,881,170</i>	<i>\$18,298,065</i>	<i>\$19,463,312</i>	<i>-0.80%</i>	<i>\$23,371,863</i>	<i>\$21,518,735</i>	<i>\$22,040,173</i>	<i>\$22,902,672</i>	<i>\$23,796,128</i>
6.010	<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	<i>(\$661,602)</i>	<i>(\$343,385)</i>	<i>\$2,589,918</i>	<i>-451.16%</i>	<i>(\$2,380,121)</i>	<i>(\$214,960)</i>	<i>(\$510,040)</i>	<i>(\$1,037,577)</i>	<i>(\$1,763,035)</i>
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$5,461,488	\$4,799,886	\$4,456,501	-9.63%	\$7,046,419	\$4,666,298	\$4,451,338	\$3,941,298	\$2,903,721
7.020	<i>Cash Balance June 30</i>	<i>\$4,799,886</i>	<i>\$4,456,501</i>	<i>\$7,046,419</i>	<i>25.48%</i>	<i>\$4,666,298</i>	<i>\$4,451,338</i>	<i>\$3,941,298</i>	<i>\$2,903,721</i>	<i>\$1,140,686</i>
8.010	<i>Estimated Encumbrances June 30</i>	<i>\$77,964</i>	<i>\$102,062</i>	<i>\$474,301</i>	<i>197.81%</i>	<i>\$75,000</i>	<i>\$77,964</i>	<i>\$102,062</i>	<i>\$474,301</i>	<i>\$75,000</i>
Reservation of Fund Balance										
9.010	Textbooks and Instructional Materials	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
9.020	Capital Improvements	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
9.030	Budget Reserve	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
9.040	DPIA	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
9.045	Fiscal Stabilization	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
9.050	Debt Service	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
9.060	Property Tax Advances	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
9.070	Bus Purchases	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
9.080	<i>Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.00%</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
10.010	<i>Fund Balance June 30 for Certification of Appropriations</i>	<i>\$4,721,922</i>	<i>\$4,354,439</i>	<i>\$6,572,118</i>	<i>21.57%</i>	<i>\$4,591,298</i>	<i>\$4,373,374</i>	<i>\$3,839,236</i>	<i>\$2,429,420</i>	<i>\$1,065,686</i>

Benjamin Logan Local School District
Logan 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			Average Change	Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023		Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
11.020 Property Tax - Renewal or Replacement	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
11.300 Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	\$4,721,922	\$4,354,439	\$6,572,118	21.57%	\$4,591,298	\$4,373,374	\$3,839,236	\$2,429,420	\$1,065,686
Revenue from New Levies									
13.010 Income Tax - New	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
13.020 Property Tax - New	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
13.030 Cumulative Balance of New Levies	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
14.010 Revenue from Future State Advancements				0.00%	\$0	\$0	\$0	\$0	\$0
15.010 <i>Unreserved Fund Balance June 30</i>	\$4,721,922	\$4,354,439	\$6,572,118	21.57%	\$4,591,298	\$4,373,374	\$3,839,236	\$2,429,420	\$1,065,686
20.010 Kindergarten -ADM count	117	111	115		111	116	112	115	113
20.015 Grades -ADM count	1498	1524	1523		1517	1498	1459	1427	1411

Ben Logan Local School District – Logan County
Notes to the Five-Year Forecast
General Fund Only
November 27, 2023

Introduction to the Five Year Forecast

The five-year forecast is viewed as a key management tool and must be updated periodically. In Ohio, most school districts understand how they will manage their finances in the current year. The five-year forecast encourages district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with Ohio Department of Education when events take place that will significantly change their forecast or, at a minimum, when required under statute.

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

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

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

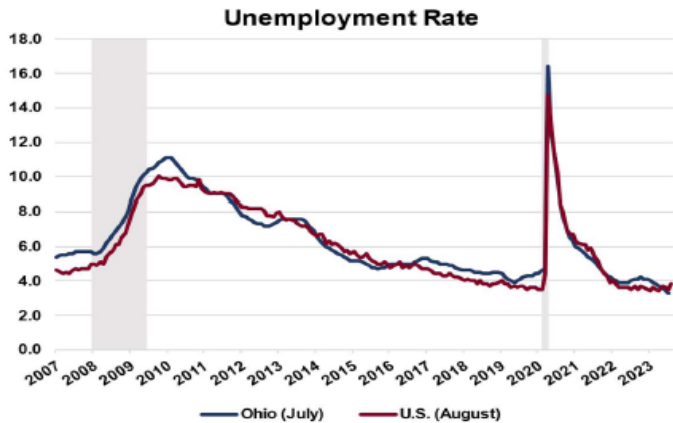
O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, 2023, and May 31, 2024, for the fiscal year 2024 (July 1, 2023, to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general 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 November 2023 filing.

Economic Outlook

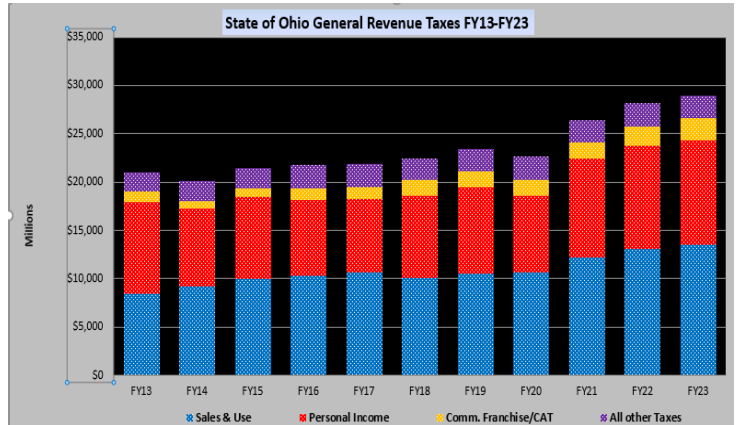
This five-year forecast is being filed during a two-year economic recovery following the COVID-19 Pandemic which began in early 2020. The effects of the pandemic have lessened but several supply chain concerns and high inflation continues to impact our state, country and broader globalized economy. Inflation in June 2022 hit a 40 year high of 9.1% before falling to 8.3% in August. Costs in FY22 were notably impacted in areas such as diesel fuel for busses, electric and natural gas, and building materials for facility maintenance and repair. Increased inflation impacting district costs are expected to continue in FY24, it remains to be seen if these costs are transitory or will last over the next few years which could have a significant impact on our forecast in addition to negative effects on state and local funding.

The Federal Reserve Bank has made fighting inflation its number one concern. Interest rates are expected to increase again before December 2023, which may result in increased unemployment. Still, many economists anticipate a "full employment recession" in the first half 2024. In the history of our country, there has never been a full employment recession. However, the possibility of one underscores why this is a very unique time in our economic history.

As noted in the graphs below, the state of Ohio has enjoyed economic growth over the past three years, and the state’s Rainy-Day Fund is at \$3.7 Billion, which is a record high. School funding cuts made in FY20 have been fully restored, and a new state funding formula is in the third year of a projected five-year phase-in. While increased inflation impacting district costs is expected to continue over the next few years, 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 continue the phase-in of the new funding formula even if a cyclical recession occurs. Regardless, the state is well-positioned to continue state aid payments to Ohio’s school districts.



Source: Bureau of Labor Statistics through FRED



Source: Ohio Office of Budget and Management

While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER), which began in the fiscal year 2020, the most recent allocation of ESSER funds must be spent or encumbered by September 30, 2024. Any ongoing costs are absorbed back into the district General Fund. ESSER funds positively impacted school resources.

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.

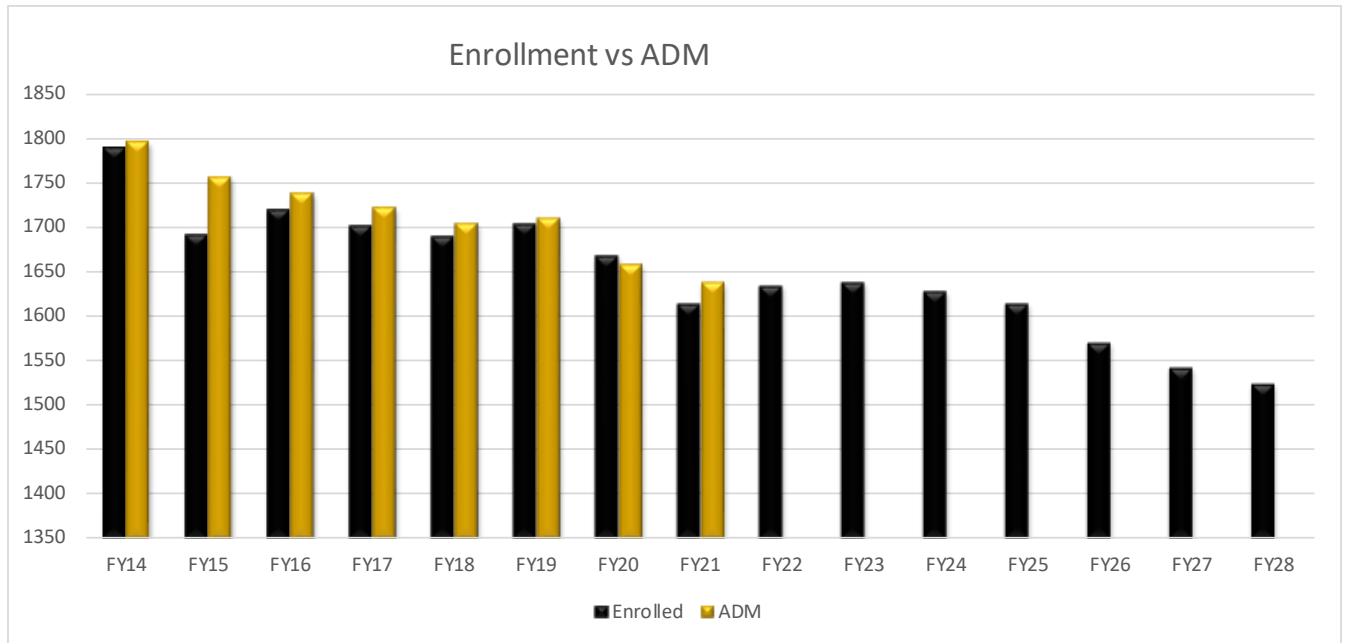
Forecast Risks and Uncertainty:

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 the affect that may occur in the forecast in the long term:

- I. Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes. Total local revenues which are predominately local taxes equate to 59.66% of the district’s resources. We believe there is a low risk that local collections would fall below projections in the forecast.
- II. Being in three different counties can pose many challenges in determining the increases or decreases in values, however, we are very fortunate that all Logan and Union Counties are on one reappraisal cycle and Hardin County is one year later in the reappraisal cycle. The update was completed in 2022 collected in 2023 for Logan and Union Counties with their next reappraisal being in 2025 collected in 2026. The Hardin County Cycle follows by one year for each of these cycles. The reappraisal increased Class I (Residential/Agricultural) and Class II (Commercial/Industrial) values by \$81.56 million or

20.43% in 2022. We are anticipating an increase for the next Hardin County reappraisal cycles but not to the extent as the other two counties. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.

- III. 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.
- IV. The state budget represents 40.34% 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 makes 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.
- V. 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.
- VI. State funding is based on student enrollment. Prior to HB110, the previous budget, we were being funded for the same number of students that we had in FY19 with no decreases in funding. HB33, the current state budget, funding is based on where the student attends school; therefore, there will no longer be an ADM to compare to the number of students within the district. The students that attend our district through open enrollment are now included in the number of enrolled students and we receive the same amount of basic aid funding for those students for as we do for a resident student which in FY24 is \$2,532.18.

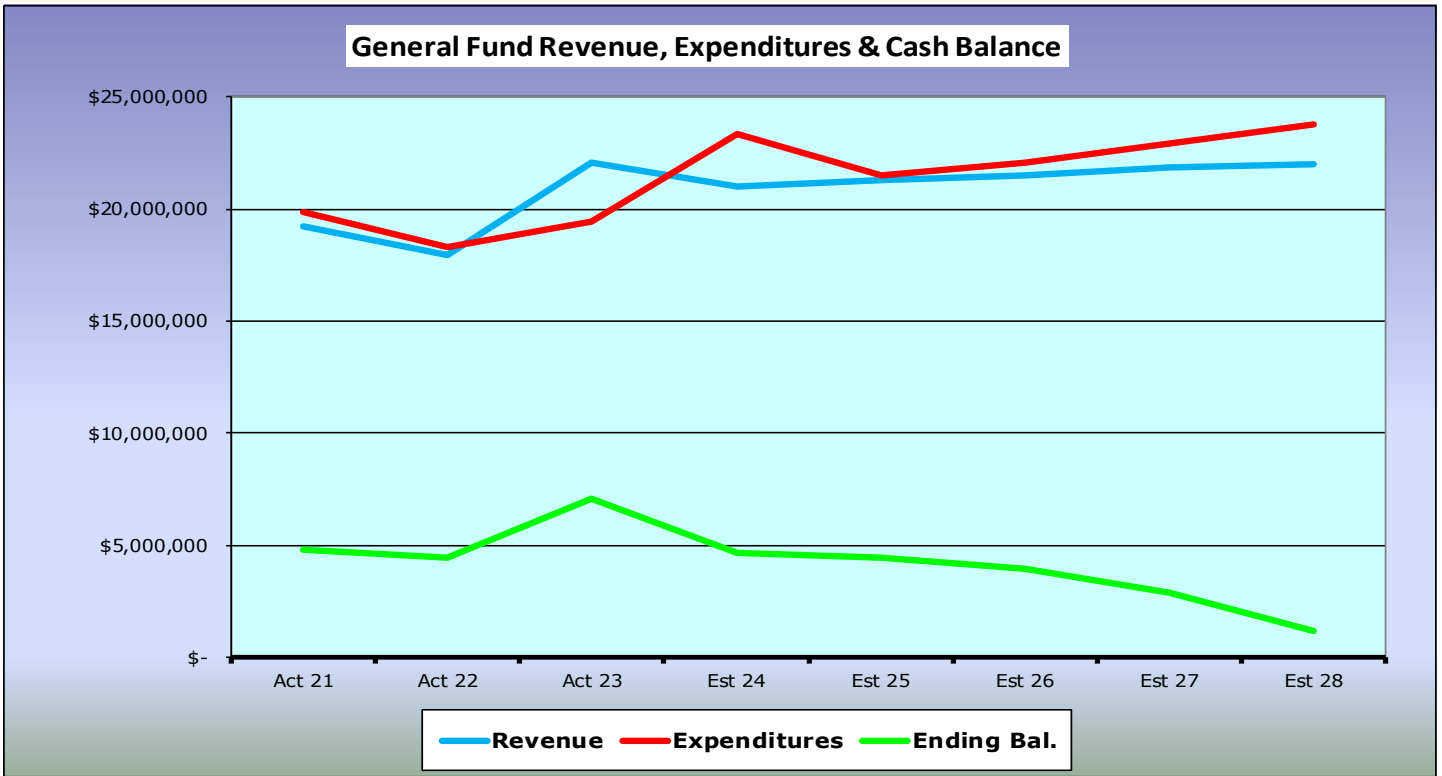


VII. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the extreme resource challenges that we face today. We believe as we move forward our positive working relationship will continue and will only grow stronger.

The major Line numbers used as references to the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Jennifer Sudhoff, Treasurer/CFO.

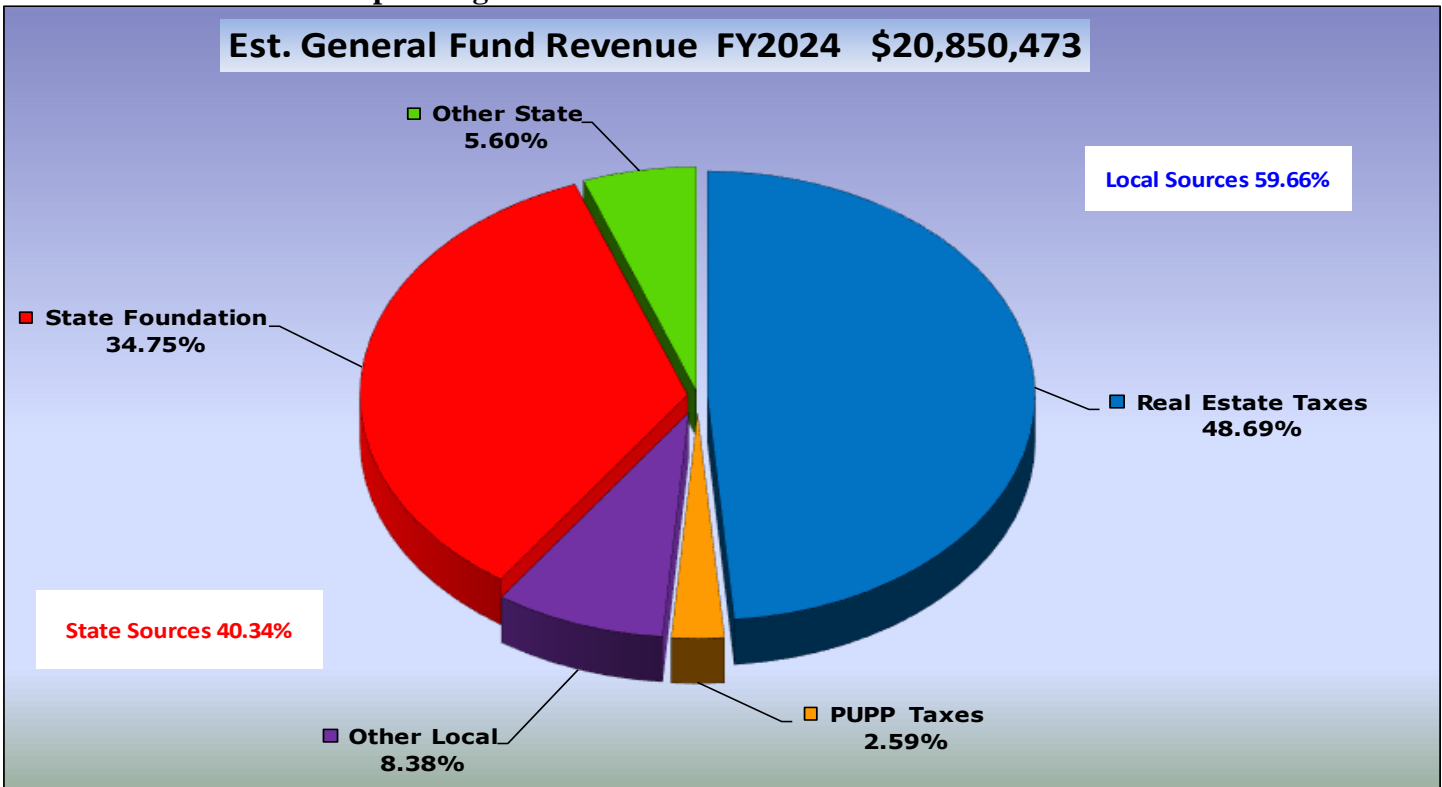
General Fund Revenue, Expenditures and Ending Cash Balance Actual FY21-23 and Estimated FY24-28

The graph below captures in one snapshot the operating scenario for district revenue, expenditures and cash balance that the district is facing over the next few years.



Revenue Assumptions

Estimated General Fund Operating Revenue for FY24



Real Estate Value Assumptions – Line #1.010

Property Values are established each year by the County Auditors in Logan, Hardin and Union counties based on new construction and complete reappraisal or updated values. Hardin County had their update in 2020 for collection in 2021. Hardin County experienced decreases for Class I of 0.86% or \$2.8 million and for Class II of 6.6% or \$5.3 million. Logan and Union County reappraisal update was completed in 2022 for the collection in 2023. Class I the residential/agricultural values increased 22.67% or \$73.69 million due to the improving housing market. There was an increase in the Class II commercial/industrial values of 4.99% or \$3.7 million for the reappraisal update.

Hardin County reappraisal in 2023 for 2024 is expected to increase the values by 3% in Class I and 1% in Class II. The full reappraisal for Logan and Union County will occur in 2025 for collection in 2026. The district expects increases in values of 3% for Class I and a 1.5% for Class II for those counties at that time.

The table below shows actual property value history for the district for Tax Year 2004 through Tax Year 2022.

Tax Year	Class I	Class II	Total Real	PUPP	TPP	Grand Total
2004	173,596,890	30,337,530	203,934,420	11,569,990	76,641,004	292,145,414
2005	177,798,210	30,659,510	208,457,720	11,049,030	77,059,880	296,566,630
2006	180,609,210	52,689,150	233,298,360	11,017,640	60,537,396	304,853,396
2007	207,064,810	53,514,330	260,579,140	9,084,720	39,668,906	309,332,766
2008	211,144,040	53,648,090	264,792,130	9,041,340	18,654,590	292,488,060
2009	212,583,760	55,819,990	268,403,750	8,878,340	689,990	277,972,080
2010	227,018,640	55,395,910	282,414,550	9,542,880	307,200	292,264,630
2011	231,564,820	57,509,580	289,074,400	9,718,490	0	298,792,890
2012	236,434,750	56,293,380	292,728,130	11,034,840	0	303,762,970
2013	263,750,730	49,974,590	313,725,320	11,070,930	0	324,796,250
2014	274,282,500	50,548,410	324,830,910	11,356,870	0	336,187,780
2015	276,689,070	54,226,700	330,915,770	11,321,060	0	342,236,830
2016	303,980,800	55,895,700	359,876,500	11,829,090	0	371,705,590
2017	302,765,310	56,731,220	359,496,530	12,224,920	0	371,721,450
2018	305,308,180	59,293,390	364,601,570	12,675,900	0	377,277,470
2019	322,702,960	81,455,820	404,158,780	14,146,350	0	418,305,130
2020	322,366,040	73,695,090	396,061,130	14,643,090	0	410,704,220
2021	325,024,540	74,160,780	399,185,320	15,515,340	0	414,700,660
2022	402,875,690	77,874,280	480,749,970	16,486,140	0	497,236,110

As a reminder, Tangible Personal Property (TPP) values, a tax on business inventory and equipment, were reduced to \$0 in 2011 as a result of HB66.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

<u>Classification</u>	Estimated TAX YEAR 2023 <u>COLLECT 2024</u>	Estimated TAX YEAR 2024 <u>COLLECT 2025</u>	Estimated TAX YEAR 2025 <u>COLLECT 2026</u>	Estimated TAX YEAR 2026 <u>COLLECT 2027</u>	Estimated TAX YEAR 2027 <u>COLLECT 2028</u>
Res./Ag.	\$416,461,961	\$418,111,961	\$432,305,320	\$446,924,479	\$448,574,479
Comm./Ind.	\$78,703,023	\$78,753,023	\$79,984,318	\$80,834,161	\$80,884,161
Public Utility Personal Property (PUPP)	<u>\$16,959,240</u>	<u>\$17,459,240</u>	<u>\$17,959,240</u>	<u>\$18,459,240</u>	<u>\$18,959,240</u>
Total Assessed Value	<u>\$512,124,224</u>	<u>\$514,324,224</u>	<u>\$530,248,878</u>	<u>\$546,217,880</u>	<u>\$548,417,880</u>

Tax Rates

The 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 operating levies is 29.2 mills while the Class I effective millage rate is 20.00018 mills and the Class II effective millage rate is 20.347388 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills, which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”, but does not include any emergency levy millage. The district is currently on the 20 mill floor for Class I property but not for Class II.

Estimated Real Estate Tax Collection

Property tax levies are estimated to be collected at 97.21% of the annual amount. Technically 100% of taxes will be settled on property due to Ohio’s property tax laws but due to delinquencies we are calculating the taxes at a lower collection rate. Property taxes are estimated to be collected at 62.89% of the Residential/Agriculture and Commercial/Industrial in the February tax settlements and 37.11% collected in the August tax settlements.

Estimated Real Estate Tax - Line #1.010

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Real Estate Taxes - Line #1.010	<u>\$10,151,707</u>	<u>\$10,500,981</u>	<u>\$10,683,619</u>	<u>\$10,959,655</u>	<u>\$11,083,100</u>

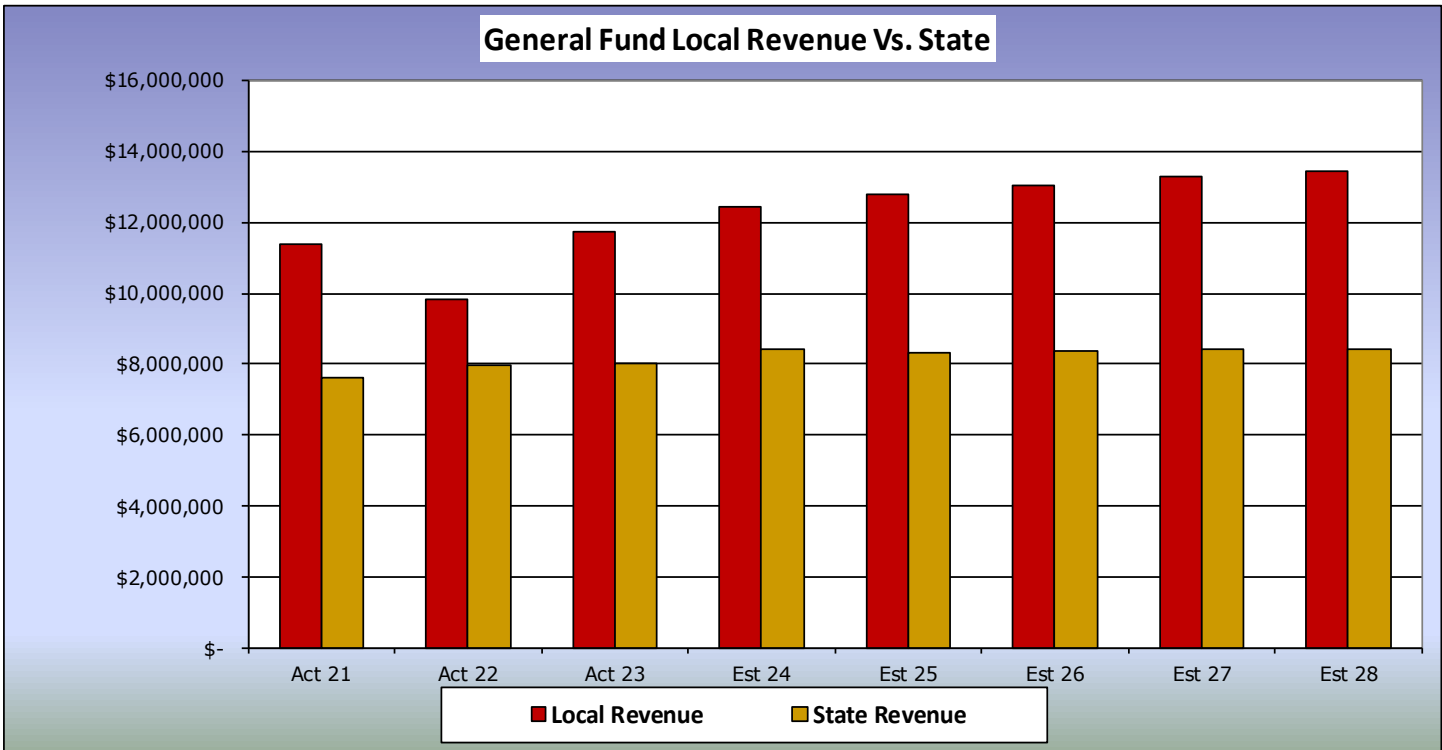
Estimated Public Utility Personal Tax – Line #1.020

Amounts noted below are public utility personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under Public Utility Personal, which are \$16.46 million in assessed values in 2022 and are collected at the district’s gross voted millage rate. The values in 2022 grew by 6.08% or \$943,900, and are expected to grow by \$500,000 each year of the forecast.

Collections are typically 50% in February and 50% in August along with the real estate settlements from the county auditor. Also included in this line are any delinquent Tangible Personal Property Taxes (TPP) from FY12 or prior years that were due the district before the elimination of TPP.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Public Utility Taxes PUPP - Line #1.020	<u>\$539,525</u>	<u>\$560,886</u>	<u>\$576,274</u>	<u>\$590,933</u>	<u>\$606,382</u>

Comparison of Local and State Revenue



**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 the funding in FY24 based on the October 2023 foundation settlement and funding factors and FY25 on the simulations provided by the Department of Education and Workforce.

Our district is currently a guarantee district in FY24 and is expected to continue on the guarantee 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
- C. Personal Income of District Residents
- D. Historical Funding- CAPS and Guarantees from prior funding formulas

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 most recent three (3) year average assessed values or the most recent year, whichever is lower divided by base students enrolled.
2. 20% based on most recent three (3) year average federal adjusted gross income of districts residents or the most recent year, whichever is lower divided by base students enrolled.
3. 20% based on most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled.
4. When the weighted values are calculated and Items 1 through 3 above added together, the total is then multiplied by a Local Share Multiplier Index ranging 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 31st of January and August each year, beginning for the first time on January 31, 2013.

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY21 was 73.83 million or \$42.18 per pupil. In FY22, the funding was increased to \$109.39 million for schools or \$62.86 per pupil, and in FY23, the funding totaled \$113.1 million or \$64.90 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 2% annual growth rate for the remainder of the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Basic Aid-Unrestricted	\$6,574,105	\$6,506,118	\$6,506,118	\$6,506,118	\$6,506,118
Additional Aid Items	\$173,474	\$184,529	\$184,529	\$184,529	\$184,529
Basic Aid-Unrestricted Subtotal	\$6,747,580	\$6,690,648	\$6,690,647	\$6,690,647	\$6,690,647
Ohio Casino Commission ODT	<u>\$116,223</u>	<u>\$118,547</u>	<u>\$120,918</u>	<u>\$123,336</u>	<u>\$125,803</u>
Total Unrestricted State Aid - Line #1.035	<u>\$6,863,803</u>	<u>\$6,809,195</u>	<u>\$6,811,565</u>	<u>\$6,813,983</u>	<u>\$6,816,450</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. We have estimated revenues for these new restricted funding lines using current October funding factors and using the simulations from the Department of Education and Workforce for FY25, there is no new amount included in those estimates for the Student Wellness so we are using the FY24 amount. 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.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
DPIA	\$26,222	\$30,632	\$30,632	\$30,632	\$30,632
Career Tech - Restricted	\$81,475	\$75,992	\$75,992	\$75,992	\$75,992
Gifted	\$75,173	\$66,783	\$66,783	\$66,783	\$66,783
English Learners	\$639	\$1,765	\$1,765	\$1,765	\$1,765
Student Wellness	<u>\$197,777</u>	<u>\$197,777</u>	<u>\$197,777</u>	<u>\$197,777</u>	<u>\$197,777</u>
Total Restricted State Revenues - Line #1.040	<u>\$381,285</u>	<u>\$372,948</u>	<u>\$372,948</u>	<u>\$372,948</u>	<u>\$372,948</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>SUMMARY</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Unrestricted - Line #1.035	\$6,863,803	\$6,809,195	\$6,811,565	\$6,813,983	\$6,816,450
Restricted - Line #1.040	\$381,285	\$372,948	\$372,948	\$372,948	\$372,948
Rest. 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>\$7,245,087</u>	<u>\$7,182,143</u>	<u>\$7,184,513</u>	<u>\$7,186,931</u>	<u>\$7,189,398</u>

State Share of Local Property Tax – Line #1.050

a) Rollback and Homestead Reimbursement

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

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

b) Tangible Personal Property Reimbursements – Fixed Rate

The district no longer receives any tangible personal property tax reimbursements.

c) Tangible Personal Property Reimbursements – Fixed Sum

The district received the final Fixed Sum reimbursement in November 2021.

The chart below shows the amount of TPP reimbursement that the district has received since FY10. The amount of millage is for the loss of TPP Fixed Rate reimbursement since the district cannot recoup this through the levies, unlike that of the TPP Fixed Sum reimbursement. FY21 will be the last year that the district will receive Fixed Rate TPP reimbursement and FY22 will be the last year for Fixed Sum TPP reimbursement.

Year	TPP Fixed Rate	TPP Fixed Sum	Total Reimbursement	Millage
FY10	2,235,475.00	330,348.33	2,565,823.33	7.837445
FY11	2,250,120.00	330,348.33	2,580,468.33	7.891881
FY12	1,950,430.92	330,348.33	2,280,779.25	6.599801
FY13	1,650,741.82	330,348.33	1,981,090.15	5.479133
FY14	1,650,741.82	260,071.41	1,910,813.23	5.252462
FY15	1,650,741.82	330,348.33	1,981,090.15	4.994801
FY16	1,658,785.36	330,348.33	1,989,133.69	4.89011
FY17	1,006,132.49	330,348.33	1,336,480.82	2.818526
FY18	787,339.28	297,313.50	1,084,652.78	2.118135
FY19	568,546.31	231,243.83	799,790.14	1.524255
FY20	349,753.34	165,174.17	514,927.51	0.882566
FY21	130,960.38	99,104.50	230,064.88	0.315944
FY22	-	33,035.00	33,035.00	0
Total	15,889,768.54	3,398,380.72	19,288,149.26	50.61

Summary of State Share of Local Property Tax Reimbursement – Line #1.050

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Rollback and Homestead	\$1,166,687	\$1,164,832	\$1,184,535	\$1,220,062	\$1,240,314
TPP Reimbursement - Fixed Rate	\$0	\$0	\$0	\$0	\$0
TPP Reimbursement - Fixed Sum	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Tax Reimb./Prop. Tax Allocations - Line #1.050	<u>\$1,166,687</u>	<u>\$1,164,832</u>	<u>\$1,184,535</u>	<u>\$1,220,062</u>	<u>\$1,240,314</u>

Other Local Revenues – Line #1.060

This line of the forecast includes interest, Windmill payments, tuition from other districts, Medicaid payments, class fees and other miscellaneous income.

HB110, the previous state budget, stopped paying open enrollment as an increase to other revenue for the district. This is projected below as zeros to help show the difference between projected FY24-FY28 Line 1.06 revenues and historical FY21 through FY23 revenues on the five-year forecast. 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.

Interest income is based on the district 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.

A payment in lieu of taxes (usually abbreviated as PILOT) is a payment made to compensate a government for some or all of the property tax revenue lost due to tax exempt ownership or use of real property. Our district receives payments for joint operations area receipts of \$75,694 each year and will receive payment in lieu of taxes from NEX of \$12,244 each year through 2029. The other portion of this line is for the taxes received from Manufactured Homes throughout the district.

Both the Hardin County and Logan County portions of the Windmill farms will be paid as a PILOT. We expect the payments each year to be the same as they were in FY23.

All other revenues are expected to continue on historic trends.

<u>Source</u>	FY24	FY25	FY26	FY27	FY28
Open Enrollment	\$0	\$0	\$0	\$0	\$0
Interest	\$216,331	\$216,331	\$216,331	\$216,331	\$216,331
Tuition SF-14 & SF-14H	\$502,702	\$507,729	\$512,806	\$517,934	\$523,113
Class & ExtraCurricular Fees	\$83,161	\$83,161	\$83,161	\$83,161	\$83,161
PILOT Payments & Manufacture Homes	\$18,642	\$18,642	\$18,642	\$18,642	\$18,642
Windmill payments	\$809,567	\$809,567	\$809,567	\$809,567	\$809,567
Other Income, Medicaid Reimb. and Rentals	<u>\$117,063</u>	<u>\$118,234</u>	<u>\$119,416</u>	<u>\$120,610</u>	<u>\$121,816</u>
Total Line #1.060	<u>\$1,747,466</u>	<u>\$1,753,664</u>	<u>\$1,759,923</u>	<u>\$1,766,245</u>	<u>\$1,772,630</u>

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

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

All Other Financial Sources – Line #2.010 & Line #2.020

The note proceeds for the track and field project in FY23 with no other borrowing planned during the forecast.

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

These are non-operating revenues, which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The district is not expecting to have any transfers in during this forecast, however does expect to have to advance funds to athletics and federal grants.

<u>Source</u>	FY24	FY25	FY26	FY27	FY28
Transfers In - Line #2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line #2.050	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>
Total Transfer & Advances In	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

All Other Financial Sources – Line #2.060

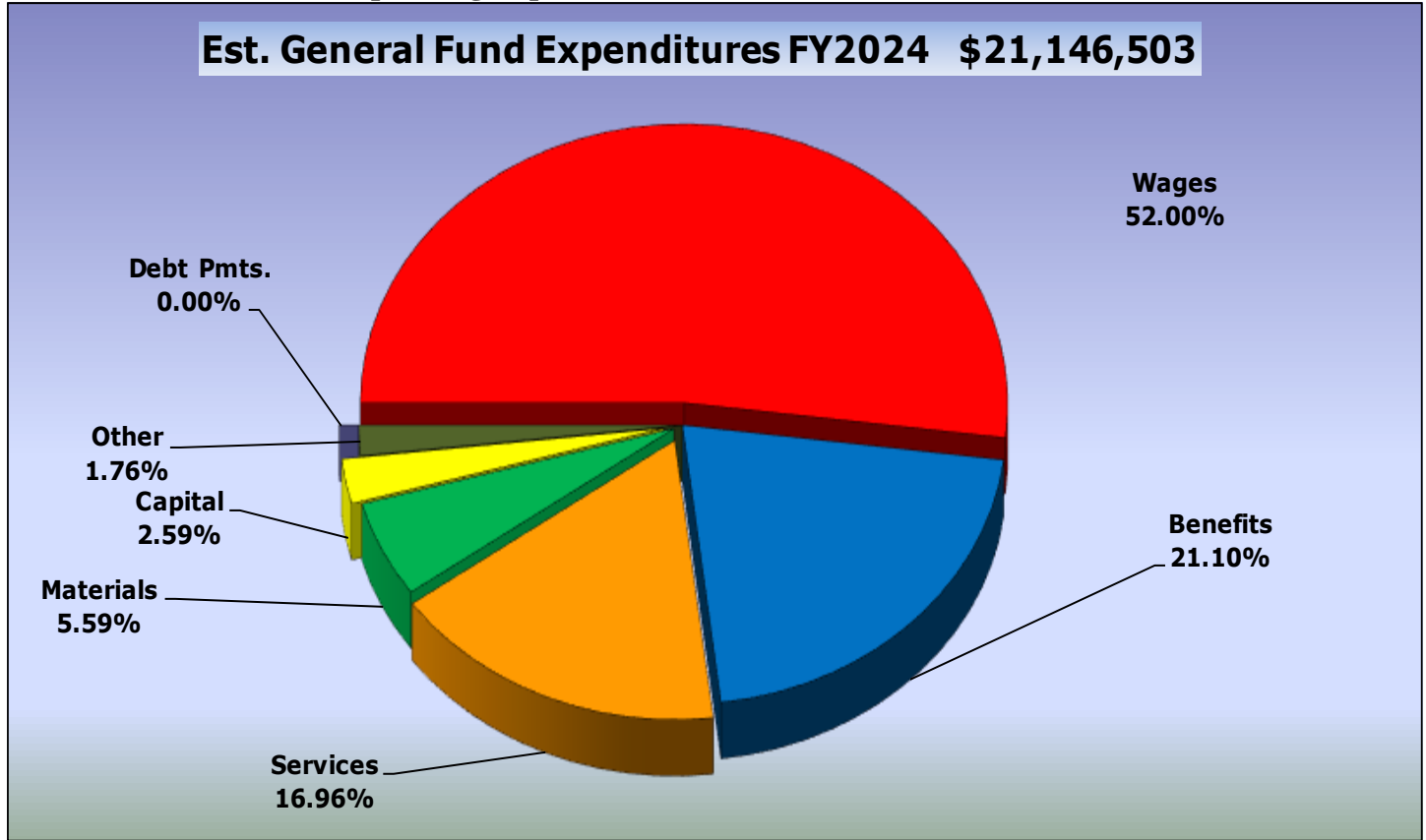
This funding source is typically a refund of prior year expenditures that is very unpredictable. The district does expect that there will be some refunds from previous year expenditure, which they are expecting to be similar to those in previous years.

<u>Source</u>	FY24	FY25	FY26	FY27	FY28
Refund prior year expenditures - Line #2.06	<u>\$91,269</u>	<u>\$91,269</u>	<u>\$91,269</u>	<u>\$91,269</u>	<u>\$91,269</u>

Expenditures Assumptions

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

Estimated General Fund Operating Expenditures for FY24:



Wages – Line #3.010

The district negotiated salary increases with both unions for FY22 through FY24 agreeing on a 3% increase in FY22, a 2% increase in FY23 and a 1% increase in FY24, the district is including a 3% increase in FY25 and FY28 for forecasting purposes only. There is a 1% increase each year for Substitute from FY24 through FY28.

No changes in staffing is expected in FY24 through FY28 at this time.

<u>Source</u>	FY24	FY25	FY26	FY27	FY28
Base Wages	\$9,885,000	\$10,199,664	\$10,736,136	\$11,192,856	\$11,670,359
Increases/ Merit Based Pay	\$98,850	\$305,990	\$322,084	\$335,786	\$350,111
Steps & Training	\$130,482	\$130,482	\$134,636	\$141,717	\$147,746
Stipend/Other	\$0	\$0	\$0	\$0	\$0
Staffing Growth	\$126,700	\$0	\$0	\$0	\$0
Staffing Reductions	(\$161,286)	\$0	\$0	\$0	\$0
Substitutes	\$295,230	\$298,182	\$301,164	\$304,176	\$307,218
Supplementals	\$300,353	\$348,034	\$358,475	\$369,229	\$380,306
SWSF, ESSER & Grant Adjustments	\$119,917	\$100,000	\$0	\$0	\$0
Severance	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>
Total - Line 3.010	<u>\$10,995,247</u>	<u>\$11,582,352</u>	<u>\$12,052,495</u>	<u>\$12,543,764</u>	<u>\$13,055,739</u>

Fringe Benefits Estimates - Line #3.02

This area of the forecast captures all costs associated with benefits and retirement costs, with all except health insurance being 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. The district is required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members. The surcharge is exclusively used to fund health care.

B) Insurance

Insurance trend is adjusted upward by a composite rate for all coverage's and to allow for potential added costs of the Affordable Care Act for estimated increase of 5% in FY24 and 8% in FY25 through FY28.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. "Cadillac Tax"), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about .61% of wages FY24-FY28 which is in line with historic growth recently. The amount for Unemployment Compensation is minimal each year, the district expects the annual amount to be \$1,000 in FY24-FY28.

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.

E) Other/Tuition

The board reimburses staff for course work as agreed to within the negotiated agreement. The amount of reimbursement is based on the total within the agreement of \$40,000 in FY24 through FY28.

Estimated Fringe Benefits – Line #3.020

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
STRS/SERS	\$1,807,884	\$1,899,519	\$1,981,433	\$2,063,913	\$2,149,914
Insurances	\$2,418,682	\$2,580,842	\$2,755,975	\$2,945,118	\$3,149,393
Workers Comp/Unemployment	\$24,177	\$24,318	\$24,460	\$24,603	\$24,747
Medicare	\$171,443	\$180,814	\$190,279	\$198,396	\$206,860
Other/Tuition	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>
Total - Line #3.020	<u>\$4,462,186</u>	<u>\$4,725,493</u>	<u>\$4,992,147</u>	<u>\$5,272,030</u>	<u>\$5,570,914</u>

Purchased Services – Line #3.030

HB110, the previous state budget, will impact 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 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 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.

Also included in purchase services are the repairs and maintenance for the district and the utility costs. The district is expecting 2% increase for repairs and maintenance projects and 3% increase each year for utilities in FY24-FY28.

The district is increasing the amount of professional services FY24 for the SRO expenditures of \$75,000 that had been paid from the Student Wellness and Success fund, which will be returned to the forecast since Student Wellness is now part of the state funding formula.

The district will improve the bus fleet through multi-year lease of \$156,121 that will end in FY24. The district will lease purchase for the track and turf project for 10 years, which will be paid off in FY33. All other expenditures are based on historical trends.

The district is setting aside funds for future years for possible projects that are being reviewed for the necessary repair costs. One of the possible projects that the district is planning on in future years, is for the replacement of the phone system in FY26 for \$100,000.

<u>Source</u>	FY24	FY25	FY26	FY27	FY28
Repairs, insurance, rentals, and other	\$524,713	\$329,086	\$335,668	\$342,381	\$349,229
Possible Projects	\$250,000	\$150,000	\$192,000	\$150,000	\$150,000
Track Lease	\$408,060	\$251,939	\$251,939	\$251,939	\$251,939
Professional Services	\$1,421,357	\$1,449,784	\$1,478,780	\$1,508,356	\$1,538,523
Other Tuition	\$468,385	\$477,753	\$487,308	\$497,054	\$506,995
Scholarship & College Plus	\$56,233	\$57,357	\$58,504	\$59,674	\$60,868
Community School	\$0	\$0	\$0	\$0	\$0
Open Enrollment Deduction	\$0	\$0	\$0	\$0	\$0
Utilities	\$433,290	\$446,289	\$459,678	\$473,468	\$487,672
Advertising	<u>\$24,127</u>	<u>\$24,127</u>	<u>\$24,127</u>	<u>\$24,127</u>	<u>\$24,127</u>
Total - Line #3.030	<u>\$3,586,165</u>	<u>\$3,186,335</u>	<u>\$3,288,004</u>	<u>\$3,306,999</u>	<u>\$3,369,353</u>

Supplies and Materials – Line #3.040

This category of expenses which are characterized by copy paper, maintenance supplies and materials, bus fuel, and textbooks. The district will increase supplies by 2% each year of the forecast. There have been increases to supplies for wireless upgrade, outside lighting, and vape detectors. The district is setting aside funds for future years for possible projects that are being reviewed annually for the necessary supply costs.

Technology supplies includes the purchase of Chromebooks that had been paid with the ESSER funds, these amounts are now being returned to the forecast since the ESSER grants are ending.

The district is basing the textbooks and subscriptions on a schedule for replacing textbooks and curriculum adoptions in FY24 through FY28.

Maintenance and transportation is expecting a 2% increase in FY24-FY28 with an additional amount in FY24 of \$3,000 for master scheduling program that is included in each year of the forecast.

<u>Source</u>	FY24	FY25	FY26	FY27	FY28
Supplies	\$259,165	\$48,348	\$49,315	\$50,301	\$51,307
Possible Projects	\$150,000	\$468,000	\$138,500	\$251,000	\$251,000
Technology Supplies	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Textbooks & Subscriptions	\$200,000	\$204,000	\$208,080	\$212,242	\$216,486
Maintenance	\$99,334	\$101,320	\$103,347	\$105,414	\$107,522
Transportation	<u>\$274,479</u>	<u>\$279,969</u>	<u>\$285,568</u>	<u>\$291,279</u>	<u>\$297,105</u>
Total - Line #3.040	<u>\$1,182,978</u>	<u>\$1,301,637</u>	<u>\$984,810</u>	<u>\$1,110,236</u>	<u>\$1,123,421</u>

Capital Outlay – Line #3.050

The area of capital outlay is for all types of equipment whether it is for educational purposes or building equipment. The district will pay for the improvements for the track and field project in FY24.

There have been increases for UPS switch, scoreboard, audio equipment, and a server. The district is setting aside funds for future years for possible projects that are being reviewed for the necessary capital outlay costs.

<u>Source</u>	FY24	FY25	FY26	FY27	FY28
Equipment	\$298,800	\$100,000	\$100,000	\$100,000	\$100,000
Improvements	\$0	\$0	\$0	\$0	\$0
Possible Projects	\$249,882	\$120,000	\$113,000	\$53,000	\$53,000
Bus/Van Purchases	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total - Line #3.050	<u>\$548,682</u>	<u>\$220,000</u>	<u>\$213,000</u>	<u>\$153,000</u>	<u>\$153,000</u>

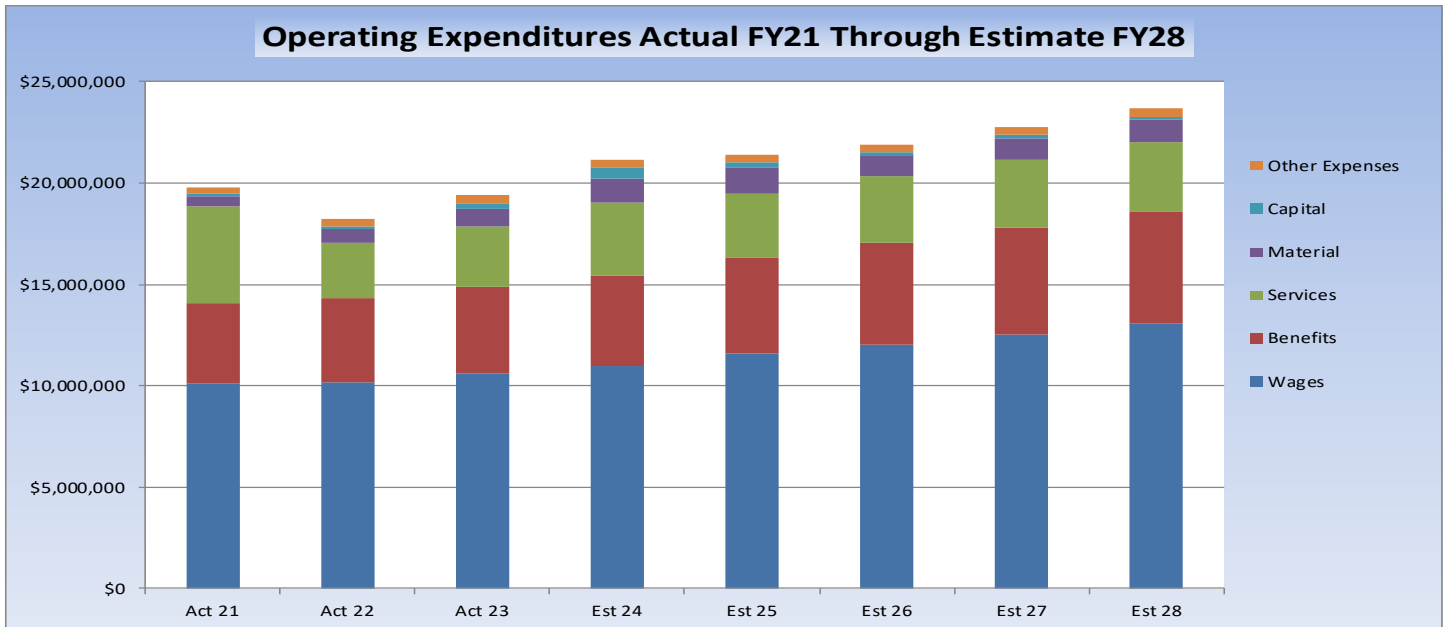
Other Expenses – Line #4.300

This category of expenses is primarily fees to the county auditors and treasurers for collecting property taxes. The other expense category is several small expenses with the largest being district liability insurance and dues and fees to organization such as OSBA, a 2% increase for auditor and treasurer fees along with other expenses and a 1% increase for ESC deduction is included in FY24 through FY28.

<u>Source</u>	FY24	FY25	FY26	FY27	FY28
County Auditor & Treasurer Fees	\$222,133	\$226,576	\$231,108	\$235,730	\$240,445
Other expenses	\$73,816	\$75,292	\$76,798	\$78,334	\$79,901
ESC Deduction	<u>\$75,297</u>	<u>\$76,050</u>	<u>\$76,811</u>	<u>\$77,579</u>	<u>\$78,355</u>
Total - Line #4.300	<u>\$371,246</u>	<u>\$377,918</u>	<u>\$384,717</u>	<u>\$391,643</u>	<u>\$398,701</u>

Total Expenditure Categories FY21 through FY23 and Estimated FY24 through FY28

The graph below shows a quick overview of actual and estimated expenses by proportion to total in the General Fund.



Transfers/Advances Out – Line #5.010

This account group covers fund to fund transfer and end of year short term loans (advances) from the General Fund to other funds until they have received reimbursements and can 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. In FY24 the large transfer out is for the track payments to the 003 fund for the upfront cost prior to the lease payments. We are transferring to a special Permanent Improvement fund for athletics for future equipment needs of \$75,000. The district expects that there will be a need to advance funds to federal grants at the end each fiscal year which will be returned in the following fiscal year.

Source	FY24	FY25	FY26	FY27	FY28
Operating Transfers Out - Line #5.010	\$2,175,360	\$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	<u>\$2,225,360</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.

	FY24	FY25	FY26	FY27	FY28
Estimated Encumbrances	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>

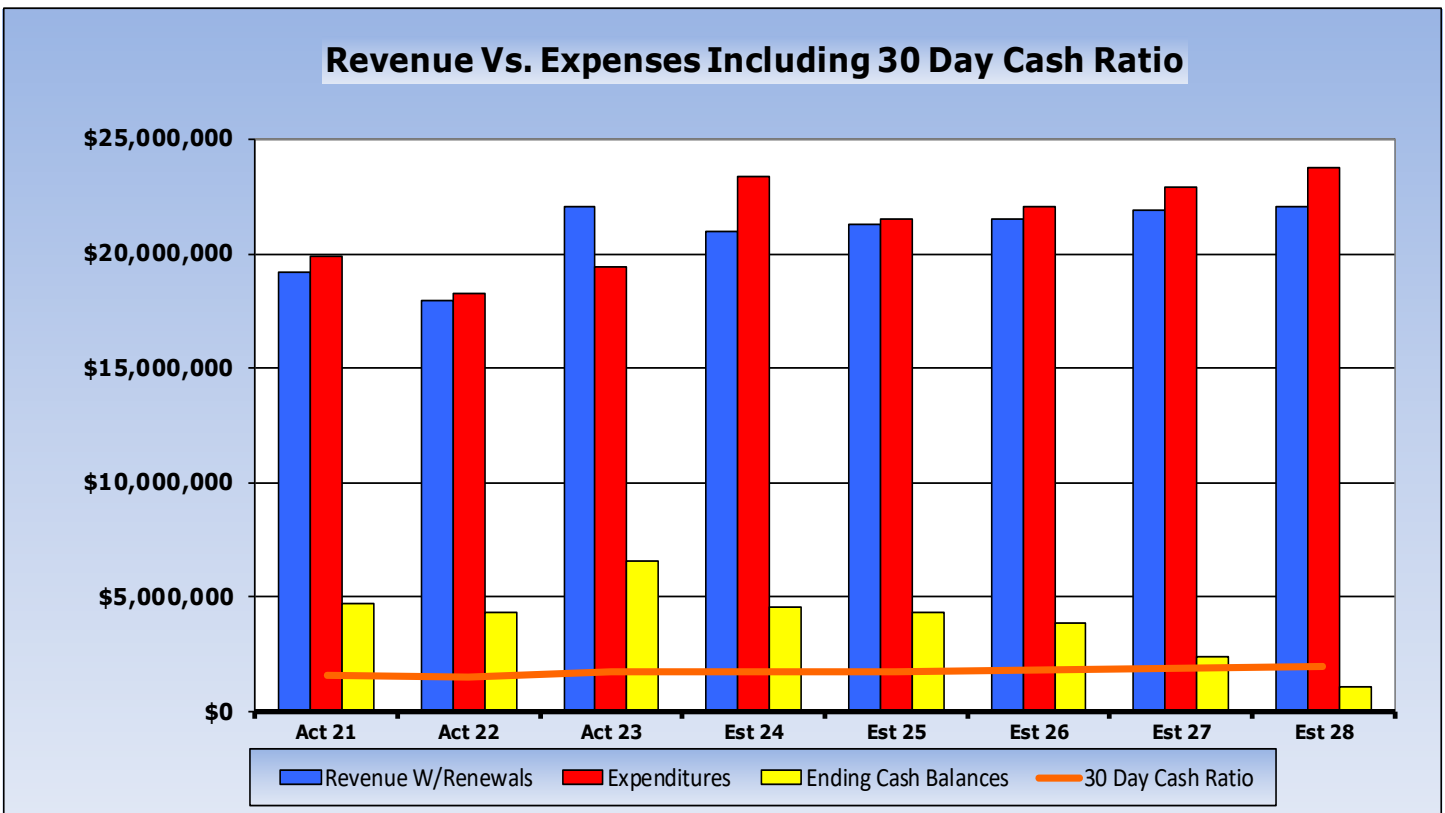
Ending Unreserved Cash Balance “The Bottom-line”– Line #15.010

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000, unless the new alternative 412 certificate can be issued pursuant to HB153 effective after September 30, 2011.

	FY24	FY25	FY26	FY27	FY28
Ending Cash Balance - Line #15.010	<u>\$4,591,298</u>	<u>\$4,373,374</u>	<u>\$3,839,236</u>	<u>\$2,429,420</u>	<u>\$1,065,686</u>

Revenue vs Expenditures with Deficit Spending

The graph below shows that the district will begin to deficit spend in FY24 due to the transfer out and then from FY26 through the end of the forecast.



Deficit spending affects the amount of carryover funds in order to plan for the future. When reviewing for the needs of the district we review the amount of spending and what would be needed to remove any deficit spending in order to have positive cash balance each year of the forecast. The chart below explains Line 6.010 Excess of Revenues and Other Financing Sources that are over/ (under) expenditures and the millage equivalent for that years' deficit spending.

	FY24	FY25	FY26	FY27	FY28
Excess of Revenues over/(under) Expenditures	(\$2,380,121)	(\$214,960)	(\$510,040)	(\$1,037,577)	(\$1,763,035)
Millage equivalent for deficit spending	5.80	0.52	1.03	2.03	3.43

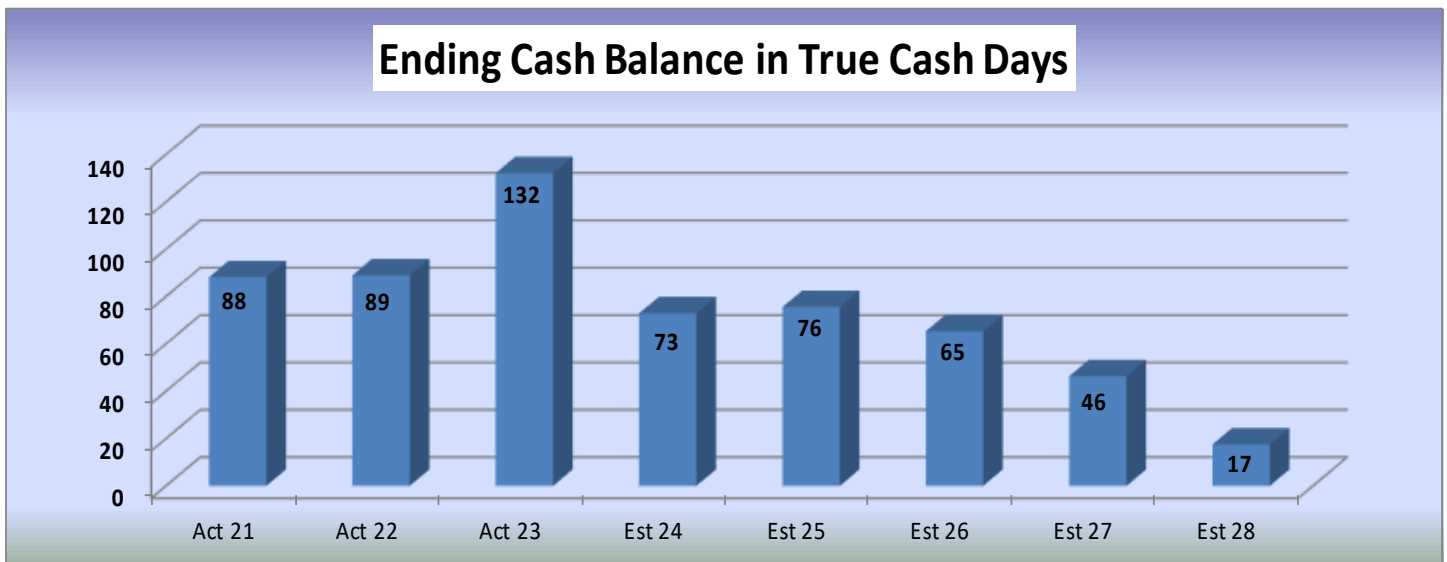
True Cash Days Ending Balance

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. The Government Finance Officers Association (GFOA) recommends no less than two (2) months or 60 days of cash to be on hand at year end but could be more depending on each district’s complexity and risk factors for revenue collection.

The district has established a General Fund cash balance policy of the following:

Section 1. The Board hereby affirms and declares it to be a financial philosophy of the Board and in the interest of sound fiscal management, that tax levies shall be pursued, and the School District’s finances otherwise managed, to ensure a General Fund cash balance equivalent to at least three months (90 days) of operating expenses considering an entire fiscal year.

Section 2. Promptly upon receiving any indication that such a cash balance may not be achieved at any point within the five-year financial forecast period, the Treasurer shall report such a finding to the Board, along with proposed options that the Board may consider. However, if the district does maintain for the entire five-year forecast a four month (120 days) cash reserve this would be considered an opportunity for the Board of Education to consider reducing the taxpayer’s contributions.



Conclusion

The district administration is grateful for the changes in the current state budget HB33 as it has reduced the amount that was deducted for programs that were not within the district's control. However, future state budgets funding will need to be watched since, the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in state budgets for FY26-FY28.

Benjamin Logan Local School District receives 40.34% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

As the administration plans for the future, they will need to make sure that the district is able to obtain positive cash balance throughout the forecast. They will need to review the expenditures based on the current revenues in able to obtain this.

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