Attachment F

VANTAGE CAREER CENTER

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

VANTAGE CAREER CENTER GET THE EDGE

Forecast Provided By
Vantage Career Center
Treasurer's Office
Denise Mooney, Treasurer/CFO
May 2, 2024

Vantage Career Center

Van Wert 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
	Revenues									
1.010	General Property Tax (Real Estate)	$3,141,644	$3,330,452	$3,474,627	5.2%	$3,737,839	$4,033,455	$4,063,817	$4,175,063	$4,235,157
1.020	Public Utility Personal Property Tax	573,354	675,332	629,256	5.5%	890,153	815,852	819,804	823,679	827,554
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	2,798,192	3,155,477	3,599,632	13.4%	3,868,795	4,280,651	4,281,712	4,282,800	4,283,915
1.040	Restricted State Grants-in-Aid	865,174	1,184,767	1,299,394	23.3%	1,525,175	1,526,893	1,526,893	1,526,893	1,526,893
1.045	Restricted Federal Grants-in-Aid	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	434,423	461,665	459,497	2.9%	486,930	497,434	500,949	514,543	525,640
1.060	All Other Revenues	745,704	831,675	811,568	4.6%	817,461	789,074	763,417	740,283	719,480
1.070	*Total Revenues*	$8,558,491	$9,639,368	$10,273,974	9.6%	$11,326,353	$11,943,359	$11,956,592	$12,063,261	$12,118,639
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020	State Emergency Loans	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	23,914	1,948	6,010	58.3%	6,010	6,010	6,010	6,010	6,010
2.070	*Total Other Financing Sources*	$23,914	$1,948	$6,010	58.3%	$6,010	$6,010	$6,010	$6,010	$6,010
2.080	*Total Revenues and Other Financing Sources*	$8,582,405	$9,641,316	$10,279,984	9.5%	$11,332,363	$11,949,369	$11,962,602	$12,069,271	$12,124,649
	Expenditures									
3.010	Personal Services	$4,254,070	$4,472,680	$4,715,976	5.3%	$4,909,931	$5,180,012	$5,438,378	$5,710,430	$5,940,152
3.020	Employees' Retirement/Insurance Benefits	1,906,950	1,974,479	2,124,376	5.6%	2,256,754	2,374,163	2,496,584	2,625,270	2,753,361
3.030	Purchased Services	715,435	885,430	950,894	15.6%	979,422	1,008,804	1,039,068	1,070,240	1,102,346
3.040	Supplies and Materials	483,199	605,014	732,022	23.1%	767,139	803,968	842,593	883,102	925,588
3.050	Capital Outlay	2,070	5,316	12,668	147.6%	12,668	12,668	12,668	12,668	12,668
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	185,970	176,085	185,374	0.0%	185,373	185,373	185,373	185,373	185,373
4.500	*Total Expenditures*	$7,547,694	$8,119,004	$8,721,310	7.5%	$9,111,287	$9,564,988	$10,014,664	$10,487,083	$10,919,488
	Other Financing Uses									
5.010	Operating Transfers-Out	$530,474	$567,392	$349,089	-15.8%	$1,053,565	$959,565	$959,565	$959,565	$959,565
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	*Total Other Financing Uses*	$530,474	$567,392	$349,089	-15.8%	$1,053,565	$959,565	$959,565	$959,565	$959,565
5.050	*Total Expenditures and Other Financing Uses*	$8,078,168	$8,686,396	$9,070,399	6.0%	$10,164,852	$10,524,553	$10,974,229	$11,446,648	$11,879,053
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses*	$504,237	$954,920	$1,209,585	58.0%	$1,167,511	$1,424,816	$988,373	$622,623	$245,596
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$13,222,147	$13,726,384	$14,681,304	5.4%	$15,890,889	$17,058,400	$18,483,216	$19,471,589	$20,094,212
7.020	*Cash Balance June 30*	$13,726,384	$14,681,304	$15,890,889	7.6%	$17,058,400	$18,483,216	$19,471,589	$20,094,212	$20,339,808
8.010	*Estimated Encumbrances June 30*	$29,191	$79,937	$63,714	76.8%	$0	$0	$0	$0	$0
	Reservation of Fund Balance									
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	*Subtotal Reservations of fund Balance*	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
10.010	*Fund Balance June 30 for Certification of Appropriations*	$13,697,193	$14,601,367	$15,827,175	7.5%	$17,058,400	$18,483,216	$19,471,589	$20,094,212	$20,339,808

Vantage Career Center

Van Wert 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
	Revenue from Replacement/Renewal Levies									
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	0	0
11.300	Cumulative Balance of Renewal Levies	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$13,697,193	$14,601,367	$15,827,175	7.5%	$17,058,400	$18,483,216	$19,471,589	$20,094,212	$20,339,808
	Revenue from New Levies									
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	$0
14.010	Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	$13,697,193	$14,601,367	$15,827,175	7.5%	$17,058,400	$18,483,216	$19,471,589	$20,094,212	$20,339,808

Vantage Career Center –Your County
Notes to the Five Year Forecast
General Fund Only
May 2, 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 ODEW 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 and assumptions available for the May 2024 filing.

May 2024 Updates:

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 $11.3 million or 6.79% higher than the November forecasted amount of $10.6 million.

Line 1.01 and 1.02 - Property tax revenues represent our most significant source of revenues at 39.9% and are estimated to be $4.6 million, which is higher for FY24 than the original November estimate of $3.8 million.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be $5.4 million, which is slightly higher than the original estimate for FY24. We are currently on the formula and are expected to remain as a formula district for FY25 through FY28.

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 $9.1 million for FY24, which is lower than the original estimate of $9.4 million in the November forecast. The expenditure line most significantly under projection is Benefits (line 3.020).

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

Unreserved Ending Cash Balance

With revenues increasing from estimates and expenditures increasing due to transfers, our ending unreserved cash balance June 30, 2024, is anticipated to be roughly $17 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through the forecast period 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 the affect that may occur in the forecast in the long term:

1) Property tax collections are the second largest revenue source for the school system. The housing market in our district is stable and growing. 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, which are predominately local taxes, equate to 48.1% of the district's resources. We believe there is a low risk that local collections would fall below projections throughout the forecast.

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. Our career center is currently on the 2 mill floor for Class I and Class II values. We are watching the Joint Committee carefully and will adjust the forecast pending their outcome.

2) Mercer, Putnam and Van Wert Counties experienced a reappraisal update in the 2023 tax year to be collected in 2024. The 2023 reappraisal increased assessed values in Class I by $444.0 million, or 29.05%. Overall values rose $500.2 million or 25.75%, including reappraisal and new construction for all property classes. A reappraisal update will occur in the tax year 2026 for collection in 2027. We anticipate value increases for Class I and II property by $86.7 million for an overall increase of 3.92%. 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. There are other counties that will see reappraisals and updates within the district over the next 2 years.

3) The state budget represents 51.9% 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 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.

4) 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 FY25.

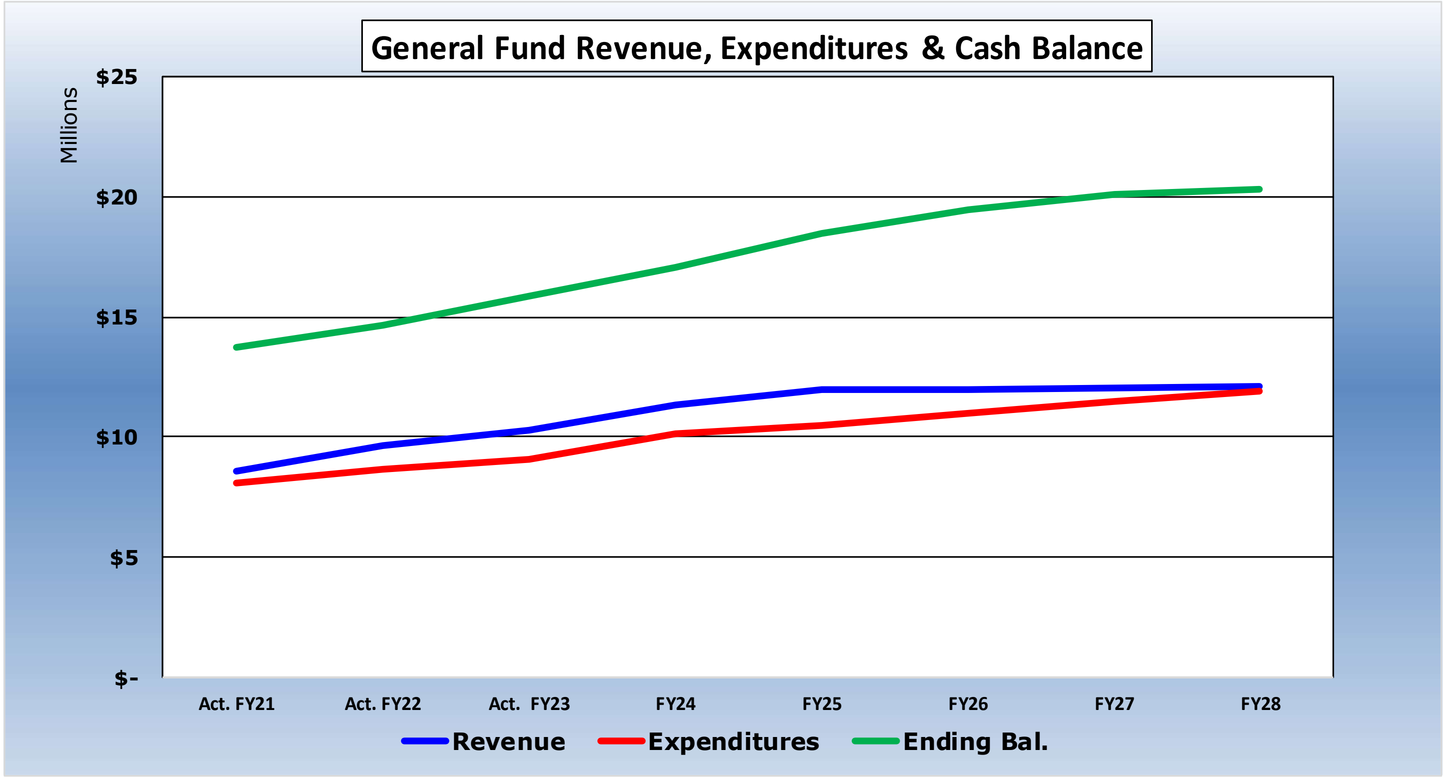
5) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid, 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.

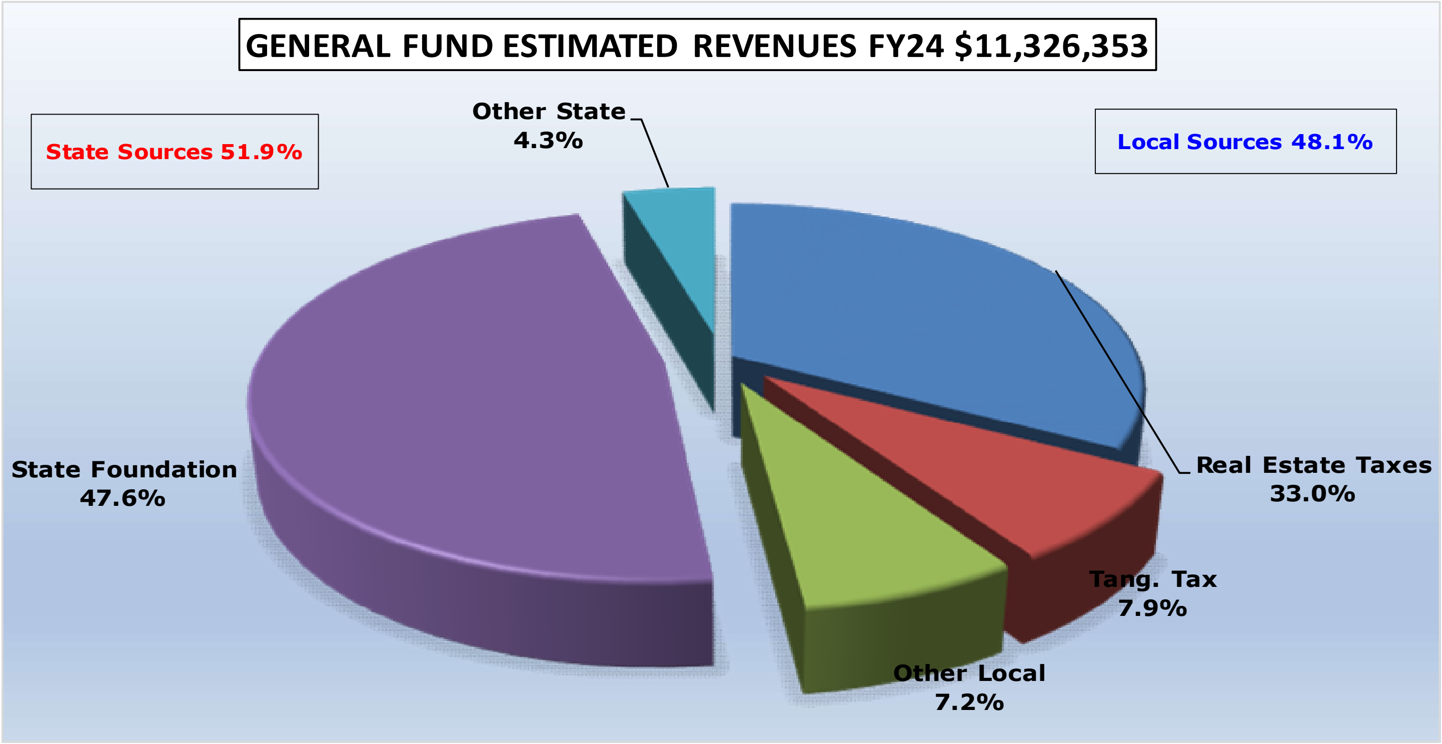
The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below to understand the overall financial forecast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

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.



Revenue Assumptions
Operating Revenue Sources General Fund FY24



Real Estate Value Assumptions – Line # 1.010

Property Values are established annually by the County Auditors based on the type of property either residential/agriculture or commercial/industrial, which the values are defined even further based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. Our district resides within 6 counties, each county reappraisal cycle can be in different years and each county three-year cycle can be either a sexennial reappraisal or the triennial update.

For tax year 2023, new construction in residential/agricultural property increased by $12.1 million in assessed value, and commercial/industrial values increased by $2.3 million. Overall values increased 25.75%, which includes new construction for all classes of property.

The next large triennial update will occur in 2026 for collection in FY27, for which we are estimating a 4.2% increase / decrease in residential and a 1.0% increase for commercial/industrial property. We anticipate overall residential/agricultural and commercial/industrial values to increase 3.92%.

Public Utility Personal Property (PUPP) values change annually as the values are not included in the reappraisal or update years, which make them very difficult to forecast. PUPP values are estimated to increase by $18.0 million in Tax Year 2023. We expect our values to continue to grow by $1.25 million each year of the forecast. Due to Rover pipeline disputing the taxable valuation, they are currently paying at a tender rate, or the rate they believe it should be. The current forecast reflects values at the tender rate in an effort not to overinflate assumed collections in forecasted years. Should the state agree with the pipeline's disputed amounts, the district would not see a refund in future collections but continued collections based on the current assumptions. However, if the state denies their disputed values, the district would see these delinquent payments if future tax collections.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated 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.	$1,987,686,900	$1,991,786,900	$2,015,804,769	$2,100,536,960	$2,104,586,960
Comm./Ind.	193,003,520	193,003,520	193,003,520	194,933,555	194,933,555
Public Utility Personal Property (PUPP)	262,578,060	263,828,060	265,078,060	266,328,060	267,578,060
Total Assessed Value	$2,443,268,480	$2,448,618,480	$2,473,886,349	$2,561,798,575	$2,567,098,575

Source	FY24	FY25	FY26	FY27	FY28
Est. Real Estate Taxes	$3,737,839	$4,033,455	$4,063,817	$4,175,063	$4,235,157
Total Line #1.01 Real Estate Taxes	$3,737,839	$4,033,455	$4,063,817	$4,175,063	$4,235,157

Property tax levies are estimated to be collected at 99.00% of the annual amount. This allows 1.00% delinquency factor. In general, 62.930% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 37.0.80% collected in the August tax settlement.

Public Utility tax settlements (PUPP taxes) are estimated to be received 48% in March and 52% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

New Tax Levies – Line #13.030 - No new levies are modeled in this forecast.

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020
The phase out of TPP taxes as noted earlier began in FY06 with HB66 that was adopted in June 2005. Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities.

Source	FY24	FY25	FY26	FY27	FY28
Public Utility Personal Property	$890,153	$815,852	$819,804	$823,679	$827,554
Total PUPP Tax Line #1.020	$890,153	$815,852	$819,804	$823,679	$827,554

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

Current State Funding Model per HB110 through June 30, 2023

A) Unrestricted State Foundation Revenue– 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 April 2024 foundation settlement and funding factors for FY25 from the simulations provided by the Department of Education and Workforce.

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 previous 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 develops 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 50% in 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.

Joint Vocational Career-Technical Funding in FY24 and FY25

The new funding formula for joint vocational school districts is substantially similar to the formula for traditional school districts as described above, including the phase-in and guarantee, with the following changes:

1. Replaces the "special teacher" cost in the base cost computation with the "cost for teachers providing health and physical education, instruction regarding employability and soft skills, development and coordination and internships and job placements, career-technical student organization activities, pre-apprenticeship and apprenticeship coordination, and any assessment related to career-technical education, including any nationally recognized job skills or end-of-course assessment," which are calculated in the same manner.
2. Does not specify a minimum for the number of staff members for the staffing cost for student wellness and success for the district in base cost computation.
3. Calculates the district's cost for that fiscal year for career-technical curriculum specialists and coordinators, career assessment and program placement, recruitment and orientation, student success coordination, analysis of test results, development of intervention and remediation plans and monitoring of those plans, and satellite program coordination. This funding replaces a traditional district's cost computations for academic and athletic co-curricular activities.
4. Replaces per-pupil dollar amount with weighted funding for the five different career-technical programs.
5. A funding unit will be based on the funding unit's state share percentage times the career-technical education associated services amount times the statewide average career technical base costs per pupil in that fiscal year times the sum of the funding unit's categories one through five career-technical education ADM.
6. Once the base cost is calculated by the state, the FSFP then calculates the state share percentage for each district, the FY24 state-wide average per pupil amount for a CTE district is $9,854.58.

CTE Credential Program: The district may receive a portion of the $5.5 million for Industry-recognized Credentials in FY24 and FY25 for high school students for those earning an industry-recognized credential or receiving a journeyman certification recognized by the United States Department of Labor. Also, the district will receive funding through the Innovative Workforce Incentive Program for students who have completed the industry-recognized credentials and are career-ready. The Department of Education and Workforce shall pay each city, local, and exempted village school district, community school, STEM school, and joint vocational school district an amount equal to $1,000 for each qualifying credential a student attending the district or school earned in the school year preceding the fiscal year in which the funds are appropriated, which will be prorated if the amount that the Department of Education appropriates is insufficient. The district received 35,692 in FY22, and $63,181 in FY23. The remaining years of the forecast will be based on the amount received in FY23.

Career Awareness and Exploration Funds

To support a more career-focused approach to education, the legislature approved in HB110 the previous state budget the new career awareness and exploration funding. HB33, the current state budget, increases the per-pupil amounts used to calculate these funds from $5 per pupil in FY23 to $7.50 in FY24 and $10 per pupil in FY25.

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. (Make sure the client agrees with this assumption).

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 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 2.0% annual growth rate for the remainder of the forecast.

Source	FY24	FY25	FY26	FY27	FY28
Basic Aid-Unrestricted	$3,827,547	$4,238,367	$4,238,367	$4,238,367	$4,238,367
Additional Aid Items	0	0	0	0	0
Basic Aid-Unrestricted Subtotal	3,827,547	4,238,367	4,238,367	4,238,367	4,238,367
Credential Reimbursement/ Innovation					
Ohio Casino Commission ODT	41,248	42,284	43,345	44,433	45,548
Total Unrestricted State Aid Line #1.035	$3,868,795	$4,280,651	$4,281,712	$4,282,800	$4,283,915

A) 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 April funding factors and using the simulations from the Department of Education and Workforce for FY25. 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.

HB33 set aside $64 million state-wide to subsidize the cost of high-quality instructional materials (HQIM) purchased by schools and districts aligned to the Science of Reading. The funds are provided to support both high-quality core curriculum and instructional materials in English language areas and evidenced-based reading intervention programs. The district received $3,975 from this one-time subsidy in FY24 and is required to maintain documentation as to how the funds were leveraged along with expenses incurred beyond the subsidy.

Source	FY24	FY25	FY26	FY27	FY28
DPIA	$32,370	$35,002	$35,002	$35,002	$35,002
Career Tech - Restricted	1,258,845	1,367,188	1,367,188	1,367,188	1,367,188
CTE Assoc / Career Awareness	105,282	0	0	0	0
ESL	0	0	0	0	0
Student Wellness	124,703	124,703	124,703	124,703	124,703
Other Restricted	3,975				
Catastrophic Aid	0	0	0	0	0
Total Restricted State Revenues Line #1.040	$1,525,175	$1,526,893	$1,526,893	$1,526,893	$1,526,893

B) Restricted Federal Grants in Aid – line #1.045
No federal unrestricted grants are projected FY24-28.

SUMMARY	FY24	FY25	FY26	FY27	FY28
Unrestricted Line #1.035	$3,868,795	$4,280,651	$4,281,712	$4,282,800	$4,283,915
Restricted Line #1.040	1,525,175	1,526,893	1,526,893	1,526,893	1,526,893
Rest. Federal Funds #1.045	0	0	0	0	0
Total State Foundation Revenue	$5,393,970	$5,807,544	$5,808,605	$5,809,693	$5,810,808

State Taxes Reimbursement/Property Tax Allocation
A) Rollback and Homestead Reimbursement
Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given owner-occupied residences. Credits equal 12.5% of the gross property taxes charged residential taxpayers on levies passed prior to 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 of age or older or who are disabled regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who did not get a new application approved for tax year 2013, and who become eligible thereafter 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 going forward 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.

b) Tangible Personal Property Reimbursements – Fixed Rate
State budget bill HB153 slashed these reimbursements to our district after FY12, reducing our state revenue each year starting in FY13. HB64, the FY16-17 state budget, reinstituted the phase out of TPP reimbursements to districts beginning in FY16, which included a TPP Supplemental Payment for some districts. We were not eligible for TPP Supplemental Payments as our state foundation aid grew by enough to offset the loss in TPP.

Beginning in FY18, SB 208 amended HB64 and became effective February 15, 2016. SB 208 provides that beginning in FY18, the TPP Fixed Rate funding will be phased out at 5/8ths (62.5%) of what 1 mill would raise in local taxes on the three (3) year average of assessed values.

Summary of State Tax Reimbursement – Line #1.050

Source	FY24	FY25	FY26	FY27	FY28
Rollback and Homestead	$486,930	$497,434	$500,949	$514,543	$525,640
b) TPP Reimbursement - Fixed Rate	0	0	0	0	0
c) TPP Reimbursement - Fixed Sum	0	0	0	0	0
Total Tax Reimbursements #1.050	$486,930	$497,434	$500,949	$514,543	$525,640

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. 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

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.

All other revenues are expected to continue on historical trends.

Source	FY24	FY25	FY26	FY27	FY28
Tuition Related Payments	$73,087	$75,280	$77,538	$79,864	$82,260
Open Enrollment	0	0	0	0	0
Class & Sports Oriented Fees	39,263	39,263	39,263	39,263	39,263
Interest Earnings	412,718	379,701	349,325	321,379	295,669
Payments In Lieu of Taxes	32,632	32,632	32,632	32,632	32,632
Rental Related Fees	3,450	3,450	3,450	3,450	3,450
Mobile Home Taxes	243,709	246,146	248,607	251,093	253,604
Miscellaneous	12,602	12,602	12,602	12,602	12,602
Total Other Local Revenue Line #1.060	$817,461	$789,074	$763,417	$740,283	$719,480

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

There is no short term borrowing projected in this 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 prior fiscal year in the current fiscal year. The advances in the last fiscal year are expected to be repaid in the current year, as noted in the table below.

All Other Financial Sources – Line #2.060

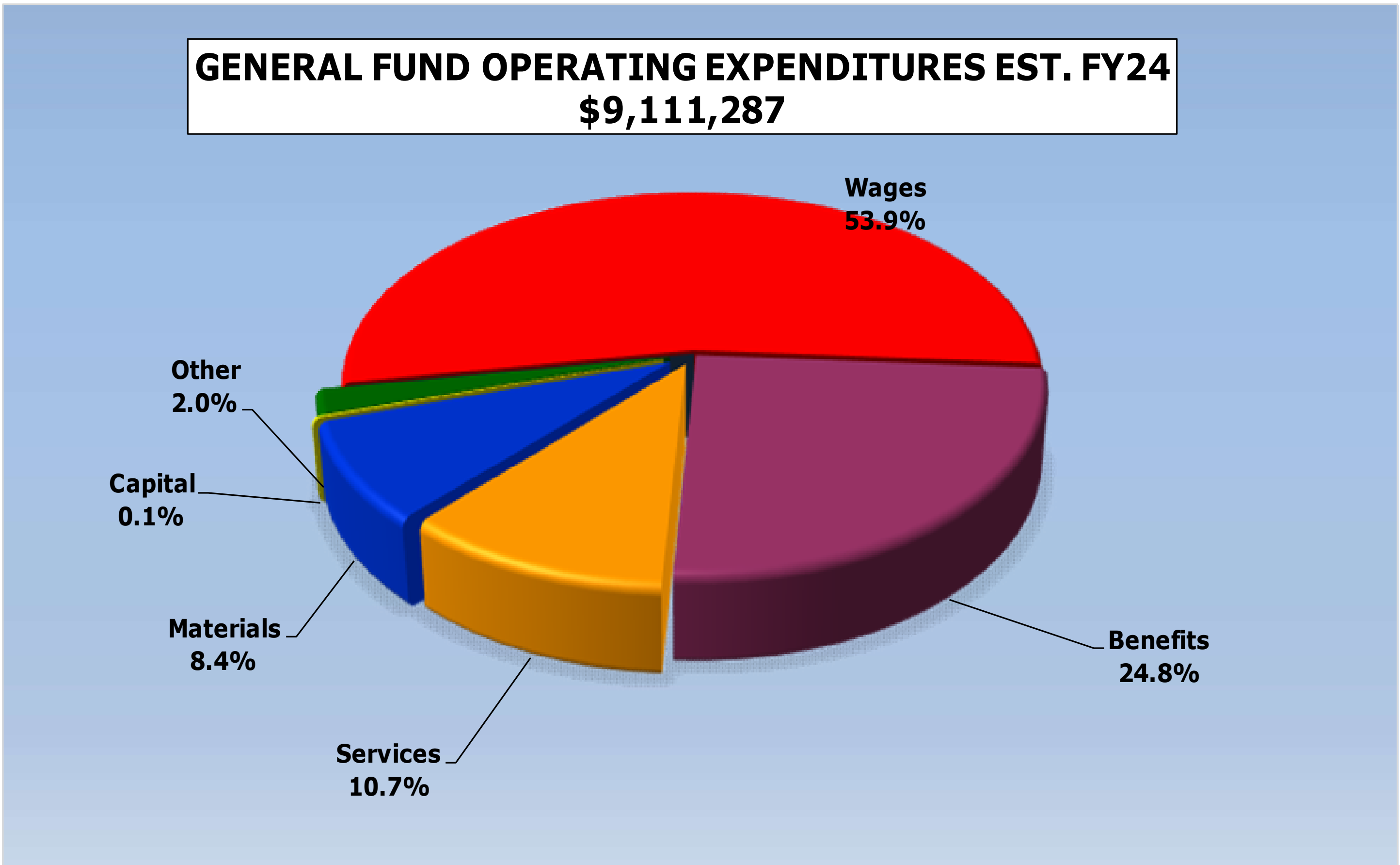
This funding source is typically a refund of prior year expenditures that is very unpredictable. We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in FY23. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Source	FY24	FY25	FY26	FY27	FY28
Refund of prior years expenditures	$6,010	$6,010	$6,010	$6,010	$6,010

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.

All Operating Expense Categories - General Fund FY24



Wages – Line #3.010

We have used ESSER funds in FY22-24 to help offset wage costs. For planning purposes, a 3.5% base increase is planned FY25, 3% in FY26 and FY27, and a 2% in FY28. We also estimate the average step cost to be approximately 2.2% each year.

Source	FY24	FY25	FY26	FY27	FY28
Base Wages	$4,613,964	$4,807,750	$5,077,528	$5,335,625	$5,607,400
Based Pay Increase	92,279	168,271	152,326	160,069	112,148
Steps & Academic Training	101,507	101,507	105,771	111,706	117,384
Growth Staff	0	0	0	0	0
New Building Staff	0	0	0	0	0
Substitutes	85,422	85,422	85,422	85,422	85,422
Supplementals	8,660	8,963	9,232	9,509	9,699
Severance	8,099	8,099	8,099	8,099	8,099
SWSF & ESSER Adjustments	0	0	0	0	0
Other Adjustments/Reductions	0	0	0	0	0
Total Wages Line #3.010	$4,909,931	$5,180,012	$5,438,378	$5,710,430	$5,940,152

Fringe Benefits Estimates
This area of the forecast captures all costs associated with benefits and retirement costs. These payments along with HSA costs are included in the table below.

A) STRS/SERS will increase as Wages Increase
As required by law, the BOE pays 14% of all employee wages to STRS or SERS.

B) Insurance
We are estimating an increase of 6% for FY24 through FY28 which reflects trend on our current employee census and claims data.

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 be approximately .009% of wages FY24– FY28. Unemployment is expected to remain at a very low level FY24-FY28. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

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

Summary of Fringe Benefits – Line #3.020

Source	FY24	FY25	FY26	FY27	FY28
A) STRS/SERS	$755,465	$796,184	$836,403	$878,361	$914,599
B) Insurance's	1,227,257	1,300,892	1,378,946	1,461,683	1,549,384
C) Workers Comp/Unemployment	5,611	5,854	6,086	6,331	6,538
D) Medicare	68,382	71,194	75,110	78,856	82,801
Other/Tuition/Annuities	200,039	200,039	200,039	200,039	200,039
Total Fringe Benefits Line #3.020	$2,256,754	$2,374,163	$2,496,584	$2,625,270	$2,753,361

Purchased Services – Line #3.030

HB110, the previous state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education will directly pay these costs to the educating districts for open enrollment, community, and STEM schools and for scholarships granted to students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding 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.

Source	FY24	FY25	FY26	FY27	FY28
Professional & Technical Services, ESC	$139,968	$144,167	$148,492	$152,947	$157,535
Maintenance, Insurance & Garbage Removal	219,818	226,413	233,205	240,201	247,407
Professional Development	97,381	100,302	103,311	106,410	109,602
Communications, Postage, & Telephone	116,815	120,319	123,929	127,647	131,476
Utilities	286,800	295,404	304,266	313,394	322,796
Contracted Trades & Services	56,107	57,790	59,524	61,310	63,149
Tuition, Excess Costs & Scholarship Costs	0	0	0	0	0
Open Enrollment & Community School Costs	0	0	0	0	0
College Credit Plus	25,990	26,770	27,573	28,400	29,252
Contract Transportation	0	0	0	0	0
Other Adjustments SWSF, ESSER, Etc.	0	0	0	0	0
Miscellaneous Purchased Services	36,543	37,639	38,768	39,931	41,129
Total Purchased Services Line #3.030	$979,422	$1,008,804	$1,039,068	$1,070,240	$1,102,346

Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel.

Source	FY24	FY25	FY26	FY27	FY28
General Office Supplies & Materials	$690,761	$725,299	$761,564	$799,642	$839,624
Textbooks & Instructional Supplies	5,562	5,729	5,901	6,078	6,260
Facility Supplies & Materials	51,367	52,908	54,495	56,130	57,814
Transportation Fuel & Supplies	19,449	20,032	20,633	21,252	21,890
Other adjustments SWSF, ESSER, Etc.	0	0	0	0	0
Total Supplies Line #3.040	$767,139	$803,968	$842,593	$883,102	$925,588

Equipment – Line # 3.050

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

Source	FY24	FY25	FY26	FY27	FY28
Capital Outlay & Maintenance	$12,668	$12,668	$12,668	$12,668	$12,668
Technology/Curriculum Purchases	0	0	0	0	0
Busses & Other Vehicles	0	0	0	0	0
Other adjustments SWSF, ESSER, Etc.	0	0	0	0	0
Total Equipment Line #3.050	$12,668	$12,668	$12,668	$12,668	$12,668

Principal and Interest Payment – Lines # 4.05 and 4.06

There are no borrowings planned in the forecast period.

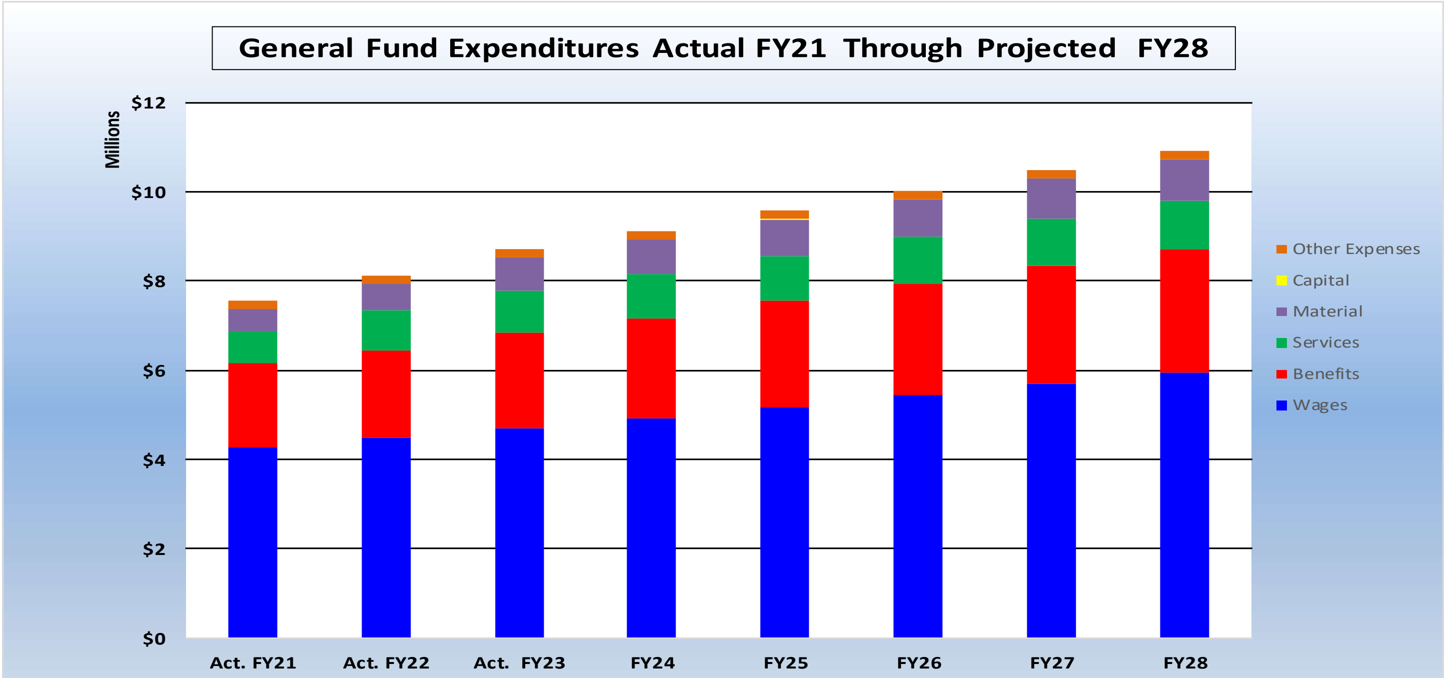
Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses.

Source	FY24	FY25	FY26	FY27	FY28
County Auditor & Treasurer Fees	$124,707	$124,707	$124,707	$124,707	$124,707
ESC Deduction	0	0	0	0	0
Annual Audit Costs	17,220	17,220	17,220	17,220	17,220
Increased A&T Fees for New Levies	0	0	0	0	0
Dues, Fees & other Expenses	43,446	43,446	43,446	43,446	43,446
Total Other Expenses Line #4.300	$185,373	$185,373	$185,373	$185,373	$185,373

Operating Expenditures Actual FY21 through FY23 and Estimated FY24-FY28

As the graph below indicates, we have been diligent at containing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.



Transfers Out/Advances Out – Lines # 5.010 and 5.020

This account group covers fund-to-fund transfers and end-of-year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund.

The district is experiencing a noticeable rise in transfers out and is currently investing $500,000 in renovating a donated building. Additionally, the district incurs annual expenses that are generally consistent each year. Over the next decade, an annual contribution of approximately $225,000 will be made to the OFCC district maintenance fund from the general fund. Specifically, for this year, there is a $94,000 OFCC Tech transfer. Furthermore, each year the district transfers a variable amount to cover adult education expenses, which can range from $50,000 to $250,000.

Source	FY24	FY25	FY26	FY27	FY28
Operating Transfers Out Line #5.010	$1,053,565	$959,565	$959,565	$959,565	$959,565
Advances Out Line #5.020	0	0	0	0	0
Total Transfer & Advances Out	$1,053,565	$959,565	$959,565	$959,565	$959,565

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.

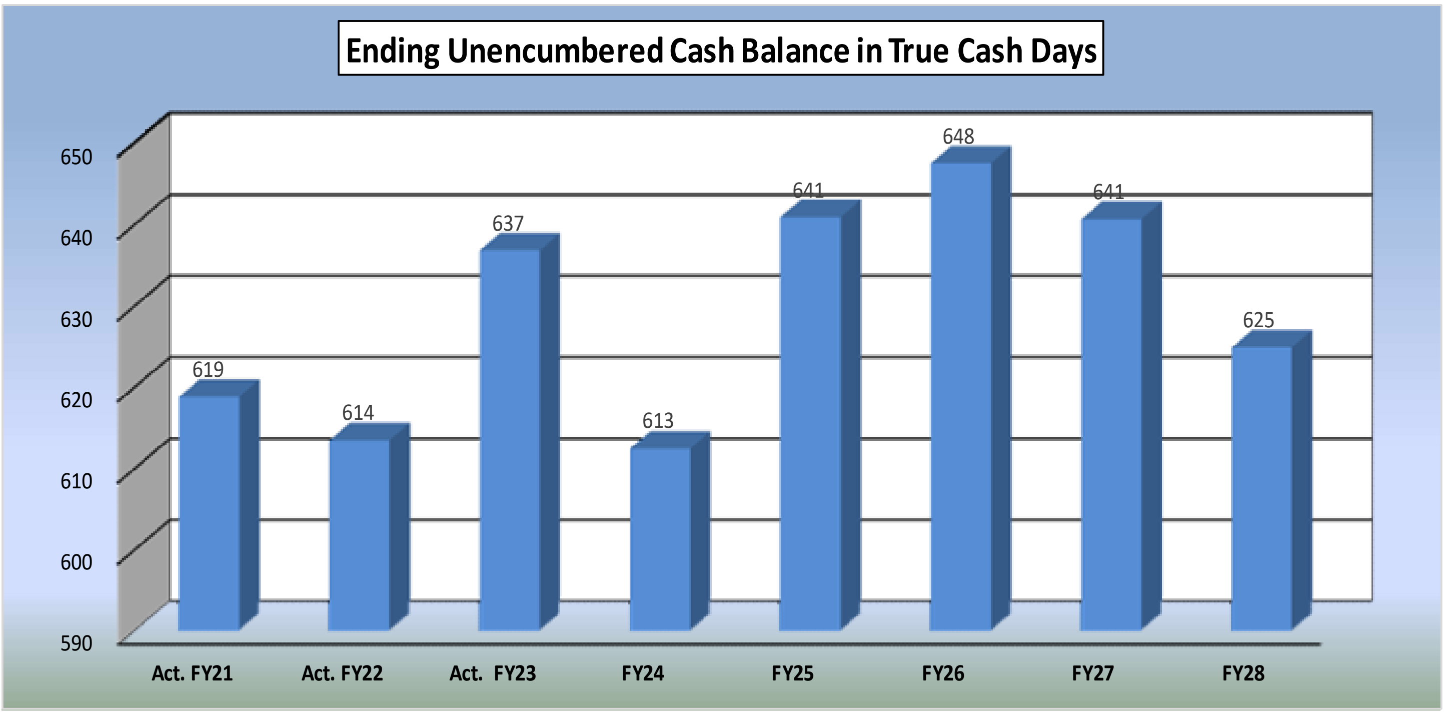
	FY24	FY25	FY26	FY27	FY28
Estimated Encumbrances Line #8.010	$0	$0	$0	$0	$0

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 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. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about $835 thousand for our district.

	FY24	FY25	FY26	FY27	FY28
Ending Unreserved Cash Balance Line #15.01	$17,058,400	$18,483,216	$19,471,589	$20,094,212	$20,339,808

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) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but 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 that is available to us at the time the forecast is prepared.