

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT  
RICHLAND COUNTY  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES  
IN GENERAL FUND BALANCES FOR THE FISCAL YEARS ENDED  
JUNE 30, 2022, 2023, and 2024 ACTUAL  
FORECASTED FISCAL YEARS ENDING  
JUNE 30, 2025, THROUGH JUNE 30, 2029**



**Forecast Provided By  
Pioneer Technology Center School District  
Treasurer's Office  
Gavyn Bazley, Treasurer  
May 19, 2025**

# Pioneer Career and Technology Center

Richland County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2022, 2023, and 2024 Actual;  
Forecasted Fiscal Years Ending June 30, 2025 through 2029

	Actual				Average Change	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024			Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
<b>Revenues</b>										
1.010 General Property Tax (Real Estate)	6,018,206	6,100,938	6,114,771	0.8%		6,445,080	6,846,450	6,907,076	6,984,360	7,062,268
1.020 Public Utility Personal Property Tax	1,722,588	1,853,775	1,949,089	6.4%		2,088,887	2,296,003	2,238,751	2,257,251	2,275,751
1.030 Income Tax	0	0	0	0.0%		0	0	0	0	0
1.035 Unrestricted State Grants-in-Aid	8,529,387	9,025,000	10,520,156	11.2%		11,206,156	11,318,410	11,636,676	11,753,286	11,871,099
1.040 Restricted State Grants-in-Aid	4,277,571	4,346,816	4,869,341	6.8%		5,254,515	5,238,965	5,375,779	5,429,537	5,483,832
1.045 Restricted Federal Grants In Aid	0	0	0	0.0%		0	0	0	0	0
1.050 State Share of Local Property Taxes	465,106	455,060	440,306	-2.7%		455,273	475,871	482,410	492,299	502,304
1.060 All Other Revenues	(24,920)	527,130	1,108,215	-1052.5%		1,358,329	1,200,572	1,092,900	993,698	879,843
1.070 <i>Total Revenues</i>	20,987,938	22,308,719	25,001,878	9.2%		26,808,240	27,376,271	27,733,592	27,910,431	28,075,097
<b>Other Financing Sources</b>										
2.010 Proceeds from Sale of Notes	0	0	0	0.0%		0	0	0	0	0
2.020 State Emergency Loans and Advancements	0	0	0	0.0%		0	0	0	0	0
2.040 Operating Transfers-In	13,373	0	0	0.0%		0	0	0	0	0
2.050 Advances-In	95,000	63,656	59,000	-20.2%		0	0	0	0	0
2.060 All Other Financing Sources	9,547	39,228	62,595	185.2%		65,484	14,484	14,484	14,484	14,484
2.070 <i>Total Other Financing Sources</i>	117,920	102,884	121,595	2.7%		65,484	14,484	14,484	14,484	14,484
2.080 <i>Total Revenues and Other Financing Sources</i>	21,105,858	22,411,603	25,123,473	9.1%		26,873,724	27,390,755	27,748,076	27,924,915	28,089,581
<b>Expenditures</b>										
3.010 Personal Services	10,931,664	11,178,684	11,489,474	2.5%		12,236,415	12,773,362	13,444,798	14,225,061	15,052,013
3.020 Employees' Retirement/Insurance Benefits	4,867,063	5,056,727	5,319,617	4.5%		5,641,392	6,086,440	6,602,608	7,174,892	7,798,819
3.030 Purchased Services	1,752,016	1,632,259	1,761,244	0.5%		2,512,458	2,321,640	2,383,082	2,502,236	2,627,348
3.040 Supplies and Materials	577,422	654,211	721,803	11.8%		821,599	883,765	950,686	1,022,729	1,100,289
3.050 Capital Outlay	0	0	0	0.0%		0	0	0	0	0
3.060 Intergovernmental	0	0	0	0.0%		0	0	0	0	0
Debt Service:				0.0%						
4.010 Principal-All (Historical Only)	417,350	435,000	455,000	4.4%		0	0	0	0	0
4.020 Principal-Notes	0	0	0	0.0%		470,000	490,000	505,000	520,000	540,000
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	298,039	285,139	269,514	-4.9%		251,014	234,264	219,339	203,639	186,739
4.300 Other Objects	280,483	255,705	260,700	-3.4%		257,068	259,638	262,235	264,858	267,506
4.500 <i>Total Expenditures</i>	19,124,037	19,497,725	20,277,352	3.0%		22,189,946	23,049,109	24,367,748	25,913,415	27,572,714
<b>Other Financing Uses</b>										
5.010 Operating Transfers-Out	925,360	1,002,281	964,400	2.3%		1,364,400	1,364,400	1,064,400	1,064,400	1,064,400
5.020 Advances-Out	35,000	59,000	0	-15.7%		0	0	0	0	0
5.030 All Other Financing Uses	0	0	0	0.0%		0	0	0	0	0
5.040 <i>Total Other Financing Uses</i>	960,360	1,061,281	964,400	0.7%		1,364,400	1,364,400	1,064,400	1,064,400	1,064,400
5.050 <i>Total Expenditures and Other Financing Uses</i>	20,084,397	20,559,006	21,241,752	2.8%		23,554,346	24,413,509	25,432,148	26,977,815	28,637,114
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	1,021,461	1,852,597	3,881,721	95.4%		3,319,378	2,977,246	2,315,928	947,100	(547,533)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	18,361,687	19,383,148	21,235,745	7.6%		25,117,466	28,436,844	31,414,090	33,730,018	34,677,118
7.020 <i>Cash Balance June 30</i>	19,383,148	21,235,745	25,117,466	13.9%		28,436,844	31,414,090	33,730,018	34,677,118	34,129,585
8.010 <i>Estimated Encumbrances June 30</i>	364,523	276,653	238,236	-19.0%		238,236	238,236	238,236	238,236	238,236

# Pioneer Career and Technology Center

Richland County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2022, 2023, and 2024 Actual;  
Forecasted Fiscal Years Ending June 30, 2025 through 2029

	Actual				Average Change	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024			Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
<b>Reservation of Fund Balance</b>										
9.010 Textbooks and Instructional Materials	0	0	0	0.0%		0	0	0	0	0
9.020 Capital Improvements	0	0	0	0.0%		0	0	0	0	0
9.030 Budget Reserve	0	0	0	0.0%		0	0	0	0	0
9.040 DPIA	0	0	0	0.0%		0	0	0	0	0
9.045 Fiscal Stabilization	0	0	0	0.0%		0	0	0	0	0
9.050 Debt Service	0	0	0	0.0%		0	0	0	0	0
9.060 Property Tax Advances	0	0	0	0.0%		0	0	0	0	0
9.070 Bus Purchases	0	0	0	0.0%		0	0	0	0	0
9.080 Subtotal	0	0	0	0.0%		0	0	0	0	0
Fund Balance June 30 for Certification of										
10.010 Appropriations	19,018,625	20,959,092	24,879,230	14.5%		28,198,608	31,175,854	33,491,782	34,438,882	33,891,349
<b>Revenue from Replacement/Renewal Levies</b>										
11.010 Income Tax - Renewal	0	0	0	0.0%		0	0	0	0	0
11.020 Property Tax - Renewal or Replacement	0	0	0	0.0%		0	0	0	0	0
11.300 Cumulative Balance of Replacement/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	19,018,625	20,959,092	24,879,230	14.5%		28,198,608	31,175,854	33,491,782	34,438,882	33,891,349
<b>Revenue from New Levies</b>										
13.010 Income Tax - New	0	0	0	0.0%		0	0	0	0	0
13.020 Property Tax - New	0	0	0	0.0%		0	0	0	0	0
13.030 Cumulative Balance of New Levies	0	0	0	0.0%		0	0	0	0	0
14.010 Revenue from Future State Advancements	0	0	0	0.0%		0	0	0	0	0
15.010 Unreserved Fund Balance June 30	19,018,625	20,959,092	24,879,230	14.5%		28,198,608	31,175,854	33,491,782	34,438,882	33,891,349

**Pioneer Technology Center School District – Richland County**  
**Notes to the Five-Year Forecast**  
**General Fund Only**  
**May 19, 2025**

**Introduction to the Five-Year Forecast**

A forecast is a snapshot of today based on historical trends, what we know, and future assumptions. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal), salary increases, enrollment variances, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast enables district management teams to examine future years' projections and identify when challenges will arise. This helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with the Ohio Department of Education and Workforce (ODEW) when events materially change their forecast or, at a minimum when required under the statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions 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 (3) 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 Ohio Department of Education and Workforce and the Auditor of State to identify school districts with potential financial problems.

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30<sup>th</sup> and May 31<sup>st</sup> each fiscal year (July 1<sup>st</sup> to June 30<sup>th</sup>). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the fiscal forecast is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the updated May 2025 filing.

**May 2025 Updates:**

**Revenues FY25**

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 \$858 thousand, or 3.3%, higher than the November forecasted amount of \$25.9 million. This indicates that the November forecast was 96.7% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our second most significant source of revenues at 31.8% and are estimated to be \$8.5 million, which is \$290 thousand higher for FY25 than the original November estimate of \$8.2 million. Our estimates are 96.5% accurate for FY25 and should mean future projections are also on target.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be \$16.4 million, which is \$121 thousand higher than the original estimate for FY25. We are pleased that we were able to be 99.3% accurate for FY25. We are currently on the cap and are expected to remain as a capped district for FY26 through FY29.

Line 1.06 - Other revenues are projected higher than the November forecasted amount due to higher interest earnings due to less federal rate cuts than expected.

All areas of revenue are tracking as anticipated for FY25 based on our best information at this time.

### **Expenditures FY25**

Total General Fund expenditures (line 4.5) are estimated to be \$22.1 million for FY25, which is \$397 thousand higher than the original estimate of \$21.8 million in the November forecast, which is roughly 98.2% on target with initial estimates. The expenditure line most significantly under projection is Purchased Services (line 3.030) which increased by \$235 thousand due to college credit plus tuitions, which fluctuate each year and are difficult to accurately forecast.

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 ending primarily on target, our ending unreserved cash balance June 30, 2025, is anticipated to be roughly \$28.2 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2029 if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

### **Forecast Risks and Uncertainty:**

A five-year financial forecast has risks and uncertainty not only due to economic delays noted above but also due to state legislative changes that will occur in the spring of 2025 and 2027 due to deliberation of the following two (2) state biennium budgets for FY26-27 and FY28-29, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws currently in effect. The items below give a short description of the current issues and how they may affect our forecast in the long term:

1. Being in eight different counties can pose many challenges in determining the increases or decreases in values. The reappraisal cycles for the counties are spread over the full three-year cycle. The sexennial reappraisal was completed in 2023, to be collected in 2024 for Richland, Morrow, and Seneca Counties and will have a triennial update in 2026, to be collected in 2027. Crawford and Huron Counties' triennial update was completed in 2021, for collection in 2022 and will have a reappraisal in 2024 to be collected in 2025. Ashland County had a triennial update in 2023 for collection in 2024 and will have a sexennial reappraisal in 2026 for collection in 2027. Marion and Wyandot Counties' triennial update was completed in 2022, collecting in 2023, and will have a reappraisal in 2025 to be collected in 2026. Richland and Crawford Counties' valuations are the most significant of all of the counties; therefore, we are basing our reappraisal increases on the cycles they follow every three years. Richland County makes up 51% of Class I, 55% of Class II, and 44% of PUPP values for the district. Where Crawford County makes up 24% of Class I, 28% of Class II, and 41% of PUPP values for the district. Combined these two Counties make up 75% of Class I, 83% of Class II, and 85% of all values for the district.
2. With the Rover Pipeline online, the district will continue to monitor Public Utility Personal Property tax (PUPP) for disputes. The increase in valuation in tax years 2018, 2019, and 2020, has caused a major increase in current and future revenue. It should be mentioned that the taxing authorities billed Rover based on a valuation established by the Ohio Department of Taxation. Rover's first appeal to lower this valuation by 47% was denied. Rover has made payments based on the appealed valuation, which in tax year 2020 was approximately \$90 million lower than the value established by the Ohio Department of Taxation. Since the pipeline began making payments based on the decreased valuation in FY20, the school district has received approximately \$790 thousand less than billed. Rover has submitted a second appeal requesting values to be decreased to 38%, and the forecast assumes their appeal is won and the district only receives the lower 38% valuation. The appeal was scheduled to be heard by the Bureau of Tax Appeals beginning May 9, 2022, and then again in August 2022, but has been continued, and has not been remanded back to the Tax Commissioner. As of April 2024, Rover has filed an appeal with the Supreme Court of Ohio. The district will continue to monitor this situation and be on the lookout for any further advancements between Rover and the Department of Taxation.

3. SB271 passed in 2024 that created a Joint Committee on Property Taxation and Reform. This action was in response to the historic property valuation increases. The committee's mission was to review Ohio's property tax system and to make recommendations to the General Assembly on property taxation. The committee released their report to the General Assembly on January 2, 2025. The report outlined twenty-one (21) recommendations on actions that could be taken to restrict local tax growth for Ohio school districts.

As a result of the numerous recommendations in the report there are currently 14 pending pieces of legislation in the Ohio Legislature that seeks to limit growth of local property taxes in several different ways. The most egregious is HB96, which could impact every district in the state of Ohio. HB96 seeks to limit school district ending carry over cash balances to 30% of their prior year's expenditures and to allow county budget commissions to suspend voter approved property tax levies and the 2-mill floor in order to reduce district reserves to the 30% target. HB96 has several severe consequences for school districts in terms of financial stability, loss of local control which will likely result in increased levy requests to district taxpayers. It is unclear at the time of this forecast whether HB96 will continue on through the Ohio Senate and be signed into law July 1, 2025. The district will be watching carefully for the final outcome of HB96 and several other legislative proposals that would limit property tax growth. Several of these proposals in addition to HB96 could be a very significant risk to future local tax growth for our district. We will update the forecast when factual data is available.

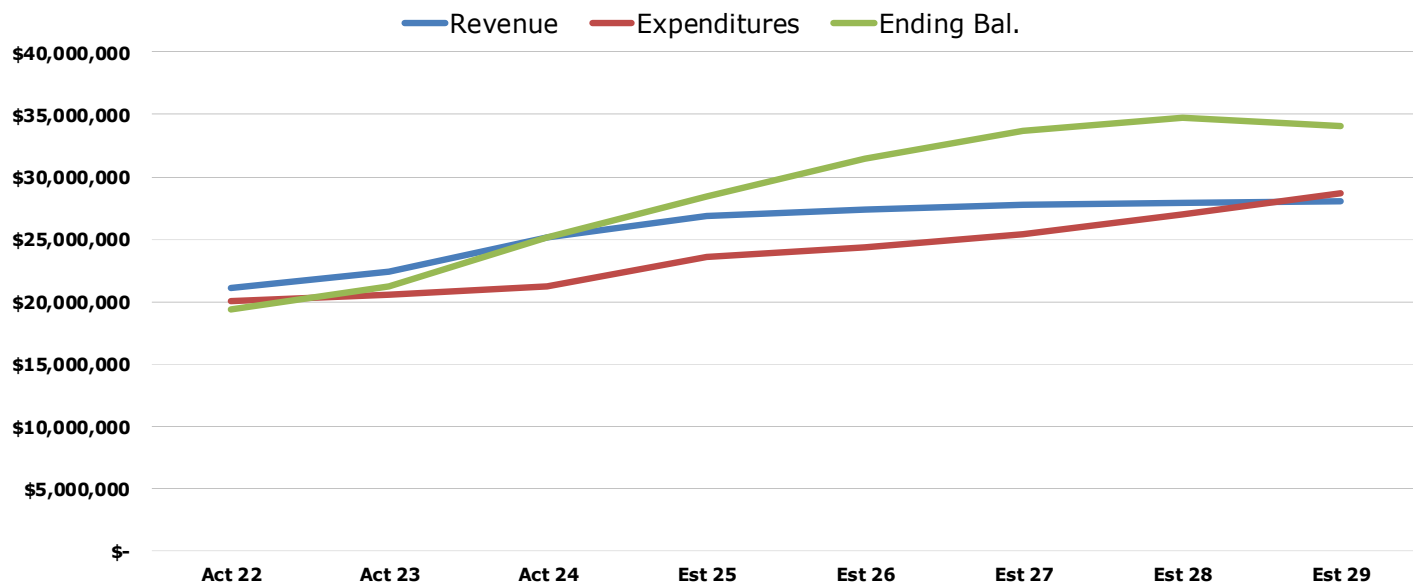
4. HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY25 reflects 66.67% of the implementation cost at year four of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.67% funding of (FSFP), however, the final two years of the phase-in are not guaranteed and are dependent on legislative actions for the FY26 and FY27 state biennium budget, which as of this forecast do not appear favorable. 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, Excess Costs and various tuitions 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.
6. 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. We believe that as we move forward our positive working relationship will continue and will only grow stronger. Negotiations for FY25-27 were finalized in late April 2024. Negotiations for a new contract will begin in the spring of 2027.

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 in understanding the overall financial forecast for our district. If you would like further information, please contact Gavyn Bazley, Treasurer.

## General Fund Revenue, Expenditures and Ending Cash Balance Actual FY22-24 and Estimated FY25-29

The graph below captures in one snapshot the operating scenario facing the district over the next few years.

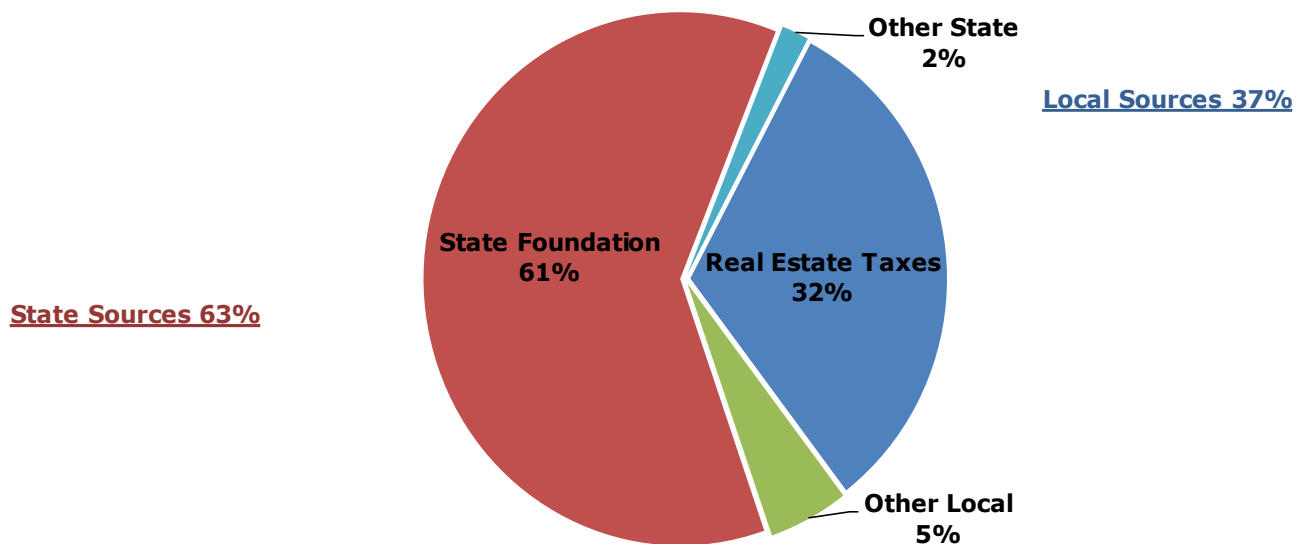
### General Fund Revenue, Expenditures & Cash Balance



### Revenue Assumptions

#### All Operating Revenue Sources General Fund FY25

**General Fund Estimated Revenues FY25 \$ 26,808,240**



### Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditors in Richland, Crawford, Morrow, Huron, Ashland, Seneca, Wyandot, and Marion counties based on new construction and complete reappraisal or updated values. There was a sexennial reappraisal completed in 2023 for the collection in 2024 for Richland, Morrow, and Seneca Counties. These counties combined make up 64.9% of Class I, 59% of Class II, and 53% of PUPP. Crawford and Huron Counties had a triennial update in 2021 to be collected in 2022, which make up 31.5% of Class I, 40.1% of Class II, and 43.6% of PUPP. Ashland County had a reappraisal in 2020 to be collected in 2021, and makes up 2.4% of Class I, 0.6% of Class II, and 3.1% of PUPP. Marion and Wyandot Counties had a reappraisal in 2022 collected in 2023, and makes up 1.2% of Class I, 0.2% of Class II, and 0.3% of PUPP.

Class I the residential/agricultural values increased 21.5%, or \$464.4 million, due to the updates for Richland, Morrow, and Seneca Counties due to an increasing housing market in tax year 2023. There was an increase in the Class II commercial/industrial values of 10.5%, or \$33.5 million, for the reappraisal. The 2021 triennial update, to be collected in 2022, for Crawford and Huron Counties realized an increase in Class I of 2.8%, or \$57.8 million, and an increase of 0.15%, or \$455 thousand, in Class II. The update in 2026, for collection in 2027, for Richland, Morrow, and Seneca Counties, we are projecting an increase in valuations of 1%, or \$30.6 million, in Class I and a 0.5% increase in Class II for \$1.8 million of valuation. The reappraisal in 2024 for collection in 2025 for Crawford and Huron Counties, we are projecting an increase in valuations of 0.2%, or \$7.3 million, in Class I and a 0.02% increase in Class II for \$75 thousand of valuation.

We have been conservative with any future value increases for reappraisal or updates due to uncertainty over legislative actions that may take place in the spring of 2025 that limits property tax growth.

### Tax Rate Assumptions

A Career Center has a 2-mill floor if that is the amount of the original millage rate voted for the district. The Pioneer CTC has 3.7 mills voted that are collecting at 2 for Class I in tax year 2024 and 2.92 mills for Class II, but the millage rate cannot go any lower than 2 mills at any time. Due to HB920, the district's effective millage will decrease as values increase until they reach the 2-mill floor. Currently, our district is on the floor for Class I but above the floor for Class II effective millage.

### Estimated Assessed Value (AV) by Collection Years

	Actual 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>	Estimated TAX YEAR 2028 <u>COLLECT 2029</u>
Classification					
Res./Ag.	\$3,051,417,830	\$3,066,541,233	\$3,105,006,645	\$3,143,856,711	\$3,183,095,278
Comm./Ind.	376,431,410	379,406,696	384,203,729	389,024,748	393,869,872
Public Utility Personal Property (PUPP)	<u>596,567,844</u>	<u>601,567,844</u>	<u>606,567,844</u>	<u>611,567,844</u>	<u>616,567,844</u>
Total Assessed Value	<u>\$4,024,417,084</u>	<u>\$4,047,515,773</u>	<u>\$4,095,778,218</u>	<u>\$4,144,449,303</u>	<u>\$4,193,532,994</u>

### Estimated Real Estate Tax Collection - Line #1.010

Property tax levies are estimated to be collected at 97.2% of the annual amount. This allows for a 2.8% delinquency factor. In general, 59% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the March tax settlement and 41% collected in the August tax settlement.

Source	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
General Property Taxes	<u>\$6,445,080</u>	<u>\$6,846,450</u>	<u>\$6,907,076</u>	<u>\$6,984,360</u>	<u>\$7,062,268</u>

### Levy Renewal –Lines #11.010-11.030

No levy renewals are modeled in this forecast.

### New Tax Levies – Lines #13.010-13.030

No new levies are modeled in this forecast.



**Estimated Public Utility Personal Tax – Line#1.020**

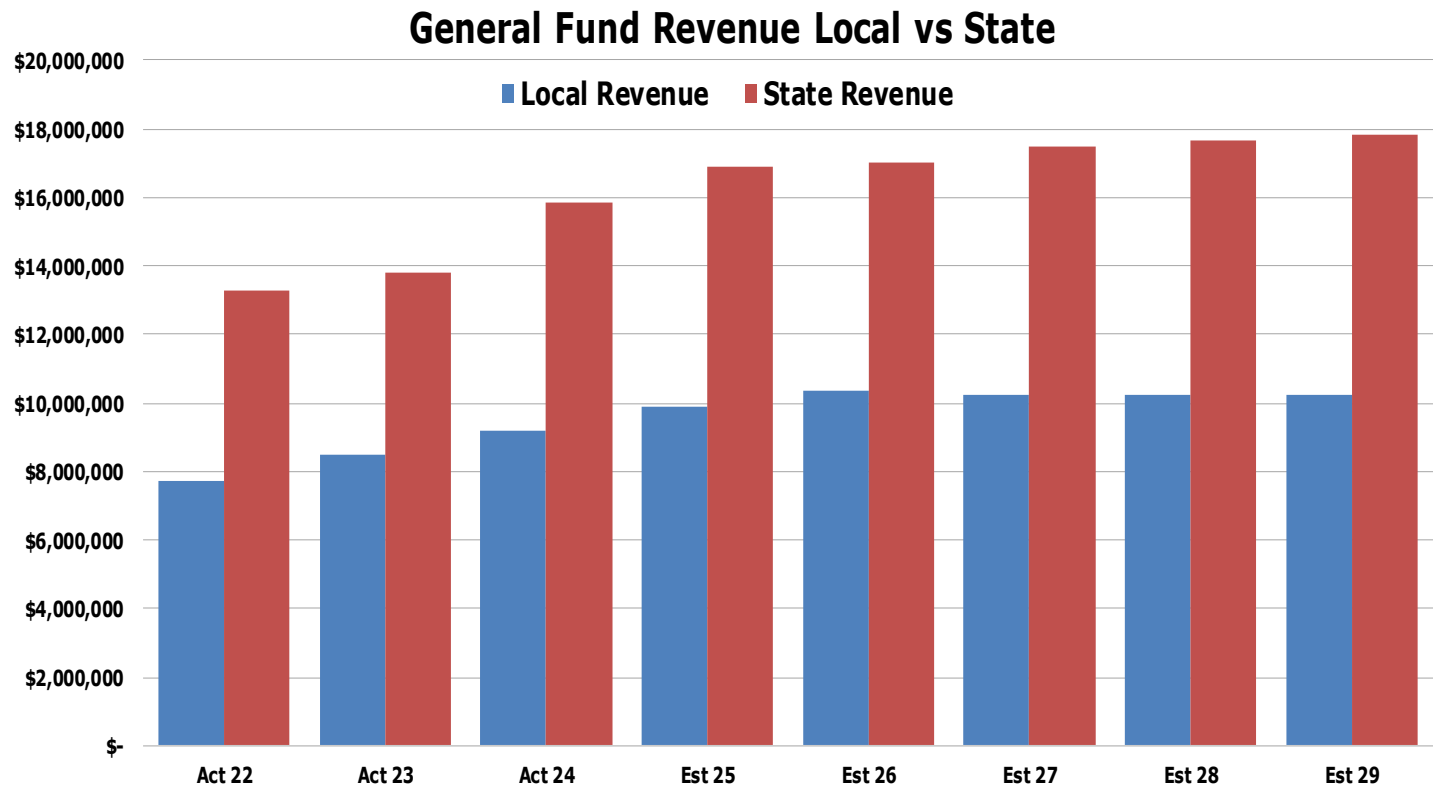
Amounts noted below are public utility personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under Public Utility (PUPP), which were \$528.2 million in assessed values in tax year 2024 and are collected at the district’s gross voted millage rate. Collections are typically 68% in March and 32% in August along with the real estate settlements from the county auditor. The values in 2024 increased by 6.5% or \$32.6 million and are expected to grow by \$5 million each year of the forecast.

The values in 2018, 2019, and 2020 increased by 77.69%, 48.35%, and 27.37% or \$123, \$136 million, and \$114 million, respectively, due to the Rover pipeline. However, Rover has not been paying on their entire valuation pending their appeal of the valuations. In tax year 2021, values decreased by 11.7% or \$62.7 million.

Source	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Public Utility Personal Property (Line#1.020)	<u>\$2,088,887</u>	<u>\$2,296,003</u>	<u>\$2,238,751</u>	<u>\$2,257,251</u>	<u>\$2,275,751</u>

**School District Income Tax – Line#1.030**

No income taxes are modeled in this forecast.



**State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045**  
**Current State Funding Model per HB33 through June 30, 2025**

**Unrestricted State Foundation Revenue – Line #1.035**

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25, which funds students where they are educated rather than where they live. We have projected FY25 funding based on the most recent 2025 foundation settlement and funding factors.

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

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

### **State Funding Phase-In FY25 and Guarantees**

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

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

### **Joint Vocational Career-Technical Funding in 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.

### **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 \$85,290 in FY23 and \$59,656 in FY24. The remaining years of the forecast will be based on the amount received in FY24, with a 2% increase each year.

### **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. We are estimating the \$10 per pupil to continue throughout the forecasted period.

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

Our funding status for FY26-29 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be funded or continued beyond FY25; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in

the forecast for FY26 through FY29.

### Casino Revenue

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

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY24 was \$114.18 million or \$65.44 per pupil. In FY25, the funding totaled \$114.30 million or \$65.99 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

Source	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Basic Aid-Unrestricted	\$10,864,594	\$10,973,240	\$11,287,822	\$11,400,700	\$11,514,707
Innovative Workforce	\$121,050	\$121,050	\$121,050	\$121,050	\$121,050
Credentials Reimbursement	<u>60,849</u>	<u>62,066</u>	<u>63,307</u>	<u>64,573</u>	<u>65,864</u>
Basic Aid-Unrestricted Subtotal	<u>\$11,046,493</u>	<u>\$11,156,356</u>	<u>\$11,472,179</u>	<u>\$11,586,323</u>	<u>\$11,701,621</u>
Ohio Casino Commission ODT	<u>159,663</u>	<u>162,054</u>	<u>164,497</u>	<u>166,963</u>	<u>169,478</u>
Total Unrestricted State Aid Line # 1.035	<u>\$11,206,156</u>	<u>\$11,318,410</u>	<u>\$11,636,676</u>	<u>\$11,753,286</u>	<u>\$11,871,099</u>

### 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 FY25 revenues for these new restricted funding lines using current May #1 funding factors. The amount of DPIA was limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have slightly increased levels for FY26-FY29 due to the district being on the cap. It should be noted due to uncertainty on continued funding of the current funding formula this could result in different numbers when HB96 is complete at the end of June.

Below you will see a line for other restricted state funds. This line captures new initiatives the state has put in place for specific purposes. In FY25, HB33 set aside funds state-wide to subsidize the Science of Reading initiative. The district will be reimbursed for teacher in-service and associated fringe benefits upon proof of training and certified reimbursement request. It is estimated that the district will receive \$67,423 from this one-time subsidy in FY25 and is required to maintain documentation as to how the funds were spent. This is captured in the Other Restricted State Funds line below.

Source	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Disadvantaged Pupil Impact Aid (DPIA)	215,864	218,023	220,203	222,405	224,629
English Learners	15,687	15,844	16,002	16,162	16,324
Career Tech - Restricted	4,357,358	4,400,932	4,519,341	4,564,534	4,610,179
Student Wellness and Success	403,037	407,068	417,664	421,841	426,059
CTE Associated Services	31,271	31,584	32,600	32,926	33,255
Other Restricted State Funds	67,423	0	0	0	0
Career Awareness & Explorations	<u>163,875</u>	<u>165,514</u>	<u>169,969</u>	<u>171,669</u>	<u>173,386</u>
Total Restricted State Revenues Line #1.040	<u>\$5,254,515</u>	<u>\$5,238,965</u>	<u>\$5,375,779</u>	<u>\$5,429,537</u>	<u>\$5,483,832</u>

### Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Unrestricted Line # 1.035	\$11,206,156	\$11,318,410	\$11,636,676	\$11,753,286	\$11,871,099
Restricted Line # 1.040	5,254,515	5,238,965	5,375,779	5,429,537	5,483,832
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$16,460,671</u>	<u>\$16,557,375</u>	<u>\$17,012,455</u>	<u>\$17,182,823</u>	<u>\$17,354,931</u>

### State Share of Local Property Taxes – Line #1.050

#### Rollback and Homestead Reimbursement

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

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

Source	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Rollback and Homestead	<u>\$455,273</u>	<u>\$475,871</u>	<u>\$482,410</u>	<u>\$492,299</u>	<u>\$502,304</u>

### Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been; interest on investments, tuition for court-placed students, Manufactured Homes, and Medicaid reimbursements. Since FY22, any open-enrolled students since have been counted in our Enrolled ADM numbers for state funding and are not separately funded.

Interest income is based on the district cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. The Federal Reserve Bank cut interest rates by 50 basis point in September 2024 and an additional 25 basis points in December 2024. While interest income in FY25 should remain steady due to laddered investment strategies, the rate cuts will begin to have an impact on earnings in FY26 and future years. We will continue to monitor the investments for the district.

All other revenues are expected to continue on historical trends.

Source	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Interest	\$1,473,274	\$1,325,947	\$1,219,871	\$1,122,281	\$1,010,053
Associated Services	(178,074)	(179,855)	(181,654)	(183,471)	(185,306)
Class fees and Other	18,490	18,675	18,862	19,051	19,242
Other Tax - MH	13,523	13,523	13,523	13,523	13,523
Tax Abatement	29,500	20,650	20,650	20,650	20,650
Other Tuition	<u>1,616</u>	<u>1,632</u>	<u>1,648</u>	<u>1,664</u>	<u>1,681</u>
Total Other Local Revenue Line #1.060	<u>\$1,358,329</u>	<u>\$1,200,572</u>	<u>\$1,092,900</u>	<u>\$993,698</u>	<u>\$879,843</u>

### 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 previous fiscal year in the current fiscal year. We are not anticipating transfers in at this time, and only advancing in the amount advanced out in the prior fiscal year. Advances in will match the prior year advance out.

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

This funding source is typically a refund of prior year expenditures that is very unpredictable. For future years we are estimating an amount of refunds that are in line with historical collections.

<b>Source</b>	<u><b>FY25</b></u>	<u><b>FY26</b></u>	<u><b>FY27</b></u>	<u><b>FY28</b></u>	<u><b>FY29</b></u>
Sale of Fixed Assets	\$60,000	\$9,000	\$9,000	\$9,000	\$9,000
Refund of prior years expenditures	<u>5,484</u>	<u>5,484</u>	<u>5,484</u>	<u>5,484</u>	<u>5,484</u>
Total Other Financing Sources Line #2.060	<u>\$65,484</u>	<u>\$14,484</u>	<u>\$14,484</u>	<u>\$14,484</u>	<u>\$14,484</u>

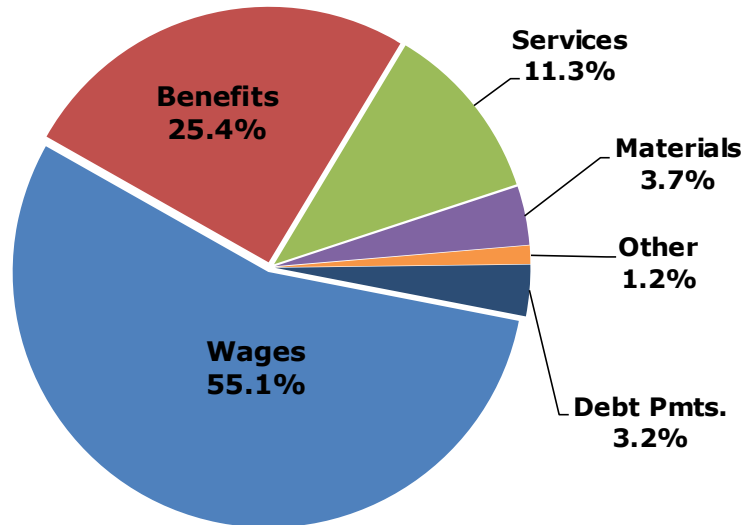
## Expenditure Assumptions

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 FY25

**General Fund Operating Expenditures Estimated FY25 \$22,189,946**

**Salary and Benefits 80.5%**



#### **Wages – Line #3.010**

This line of the forecast is made up primarily of wages or salaries paid to staff. Substitutes and supplemental extracurricular contracts, as well as payments for the Board of Education can also be found here. The forecast reflects base increases of 3.25% in FY25, then 3% in FY26-29. Administration and non-represented staff typically will see a similar increase as the collective bargaining units; however, these are reviewed on an annual basis. The district will continue to monitor the staffing levels to effectively manage the largest expense for our district. The increases above align with the negotiated agreement that is in place for FY25-27. The district will negotiate in the spring of 2027, prior to the end of this contract.

The district received a career technology expansion grant and, depending on when the project is completed, we anticipate adding two new classes in the 2026-2027 school year. Due to this, we have included an estimated addition of two teachers.

As referenced above in Restricted State Revenues (Line 1.040), in FY25, the district will receive a reimbursement for one-time stipends paid to teachers for completing training in the State of Ohio's Science of Reading initiative. Administrators do not qualify for a stipend as part of this initiative. The amount shown in the chart below is the gross wages paid to teachers. The remaining expenditure of the reimbursement is reflected in the Fringe Benefits (Line 3.020) section below. This initiative is fully funded by the State of Ohio and will not be an expense to the district.

Source	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Base Wages	\$10,996,401	\$11,683,676	\$12,276,441	\$12,960,263	\$13,737,879
Increases	357,383	350,510	368,293	388,808	412,136
All Staff - Steps and Training	329,892	175,255	245,529	388,808	412,136
BOE/OT	18,665	18,665	18,665	18,665	18,665
Substitutes	193,181	195,113	197,064	199,035	201,025
Supplementals	32,493	33,143	33,806	34,482	35,172
Science of Reading	58,400	0	0	0	0
Staff Increases/Reductions	0	67,000	70,000	0	0
Severance	<u>250,000</u>	<u>250,000</u>	<u>235,000</u>	<u>235,000</u>	<u>235,000</u>
Total Wages Line #3.010	<u>\$12,236,415</u>	<u>\$12,773,362</u>	<u>\$13,444,798</u>	<u>\$14,225,061</u>	<u>\$15,052,013</u>

### **Fringe Benefits Estimates – Line #3.020**

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

#### **A) STRS/SERS will increase as Wages Increase**

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

#### **B) Insurance**

The district saw an increase of 4.8% in FY25 and are estimating to receive a 10% increase for FY26-29, which reflects trend, and the likely increase in health care costs as a result of actual claims incurred. This is based on our current employee census and claims data.

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

Workers' Compensation is expected to be approximately 0.09% of wages FY25 through FY29. Unemployment is likely to remain at a shallow level FY25 through FY29. The district is a direct reimbursement employer meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

#### **D) Medicare**

Medicare will continue to increase at the rate of 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.

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

Source	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
A) STRS/SERS	\$1,950,233	\$2,039,212	\$2,151,240	\$2,278,588	\$2,413,561
B) Insurance's	3,479,533	3,827,486	4,221,235	4,654,359	5,130,795
C) Workers Comp/Unemployment	10,199	10,656	11,240	11,904	12,608
D) Medicare	171,302	178,961	188,768	199,916	211,730
Health Savings Account	<u>30,125</u>	<u>30,125</u>	<u>30,125</u>	<u>30,125</u>	<u>30,125</u>
Total Fringe Benefits Line #3.020	<u>\$5,641,392</u>	<u>\$6,086,440</u>	<u>\$6,602,608</u>	<u>\$7,174,892</u>	<u>\$7,798,819</u>

### **Purchased Services – Line #3.030**

Purchased Services includes various services and supports that the district acquires from external providers to enhance educational operations and student well-being. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. In FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio's electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period. For purchased services overall, we have built in a 5% increase for FY25 and a 5% increase in the forecast for FY26-29, currently.

The district encountered a timing issue with respect to the college credit plus deductions that flow through our foundation payments with the State of Ohio. One of the colleges we work with was delayed in their fall 2023 course reporting. This is causing an estimated \$332 thousand to not be deducted from our foundation payments until the August payment of 2024, which is in fiscal year 2025. We have removed this increase from FY26 estimates to not include the inflated FY25 expenditures in our trend analysis.

<b>Source</b>	<b><u>FY25</u></b>	<b><u>FY26</u></b>	<b><u>FY27</u></b>	<b><u>FY28</u></b>	<b><u>FY29</u></b>
College Credit Plus	\$1,116,848	\$823,284	\$864,448	\$907,670	\$953,054
Professional Support	564,172	592,381	622,000	653,100	685,755
Utilities	274,711	321,412	282,843	296,985	311,834
Building Maintenance Repairs and Leases	309,156	324,614	340,845	357,887	375,781
PD/Travel	105,704	110,989	116,538	122,365	128,483
Transportation and Other Tuition	43,100	45,255	47,518	49,894	52,389
Communications, Phone, and Other	<u>98,767</u>	<u>103,705</u>	<u>108,890</u>	<u>114,335</u>	<u>120,052</u>
Total Purchased Services Line #3.030	<u>\$2,512,458</u>	<u>\$2,321,640</u>	<u>\$2,383,082</u>	<u>\$2,502,236</u>	<u>\$2,627,348</u>

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

Supplies and materials expenses include curricular supplies, testing supplies, copy paper, maintenance, custodial supplies, materials, bus fuel, and other supplies consumed or used during the educational process. There is an increase of 5% for FY25 and a 7% increase in the forecast for FY26-29, currently to be in line with historical average. The supplies line saw a slight increase in FY24 due to \$18 thousand of recurring expenses returning to the general fund after having been spent from Student Wellness and Success Funds (SWSF) and Governor's Emergency Education Relief funds.

<b>Source</b>	<b><u>FY25</u></b>	<b><u>FY26</u></b>	<b><u>FY27</u></b>	<b><u>FY28</u></b>	<b><u>FY29</u></b>
Supplies	\$482,876	\$521,506	\$563,226	\$608,284	\$656,947
Textbooks and Software	250,000	267,500	286,225	306,261	327,699
Building Maint Supplies	62,160	67,133	72,504	78,304	84,568
Vehicles Parts, Fuel, and Tires	<u>26,563</u>	<u>27,626</u>	<u>28,731</u>	<u>29,880</u>	<u>31,075</u>
Total Supplies Line #3.040	<u>\$821,599</u>	<u>\$883,765</u>	<u>\$950,686</u>	<u>\$1,022,729</u>	<u>\$1,100,289</u>

### **Capital Outlay – Line # 3.050**

Capital Outlay is distinct from Supplies and Materials, as these purchases are for assets with a longer lifespan and higher cost, such as land, buildings, equipment, and vehicles. The district does not typically expend capital outlay from the general fund, due to the Permanent Improvement Fund paying for capital outlay needs.



### Principal and Interest Payments – Lines #4.010 through #4.060

Payments on this line are made for the principal and interest on the 2008 OSFC renovation project Certificates of Participation (COPS). In March 2015, with interest rates low, the district seized the opportunity to refinance the original COPS issue that funded the renovations completed to the district in fiscal year 2012. The refinance yielded a net present value savings of \$458 thousand to the district and their taxpayers over the remaining life of the COPS.

Source	FY25	FY26	FY27	FY28	FY29
Principal TANS Line #4.020	\$470,000	\$490,000	\$505,000	\$520,000	\$540,000
Interest on TANS & HB 264 Total Line 4.060	<u>251,014</u>	<u>234,264</u>	<u>219,339</u>	<u>203,639</u>	<u>186,739</u>
Total Principal & Interest	<u>\$721,014</u>	<u>\$724,264</u>	<u>\$724,339</u>	<u>\$723,639</u>	<u>\$726,739</u>

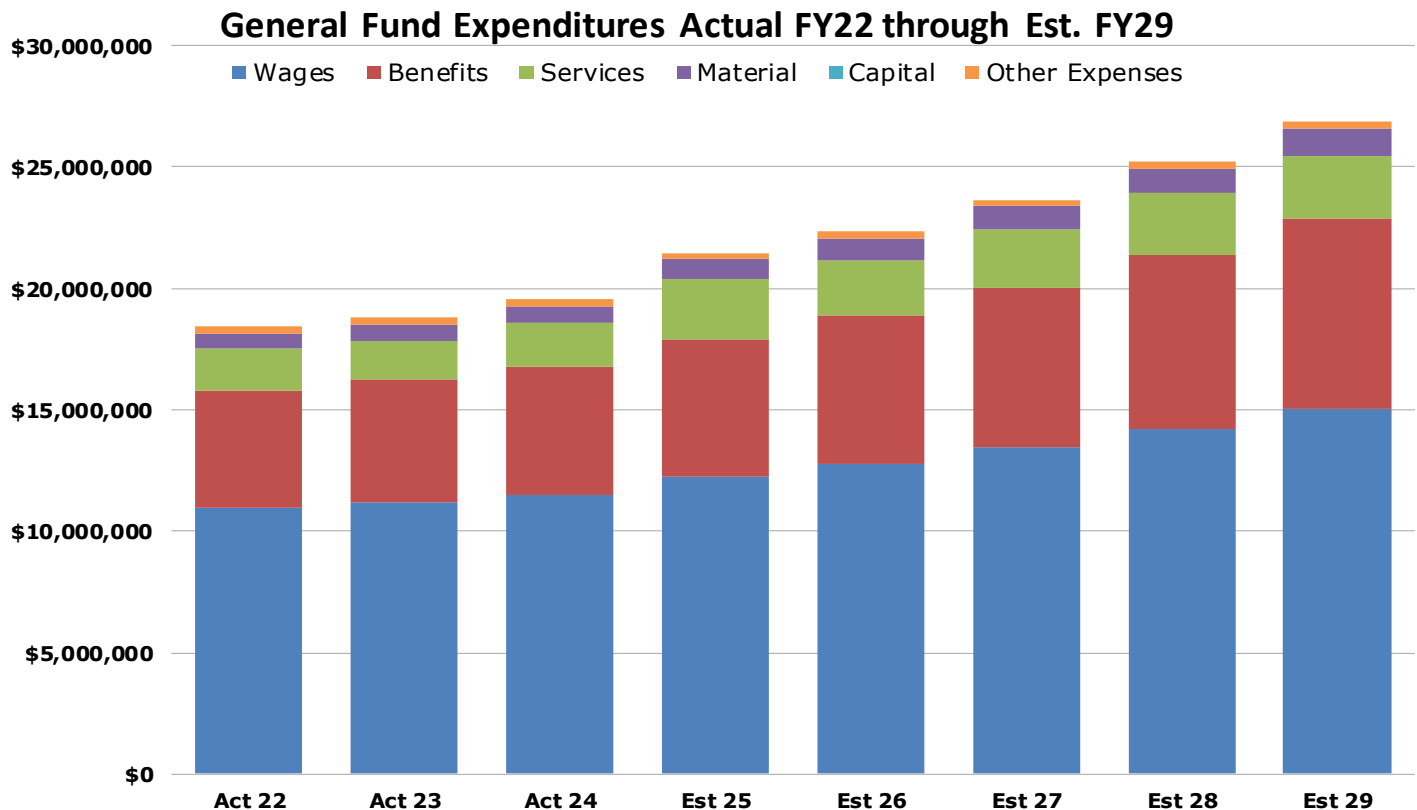
### Other Expenses – Line #4.300

This category of expenses is primarily fees to the county auditors and treasurers for collecting property taxes and the annual financial audit. The other expense category is several small expenses with the largest being district liability insurance and dues and fees to organizations such as OSBA. This line reflects a 1% increase for the forecasted period. We will continue to monitor and adjust in future years as necessary.

Source	FY25	FY26	FY27	FY28	FY29
County Auditor & Treasurer Fees	\$173,075	\$174,806	\$176,554	\$178,320	\$180,103
Other expenses	31,549	31,864	32,183	32,505	32,830
Annual Audit	31,448	31,762	32,080	32,401	32,725
Memberships	<u>20,996</u>	<u>21,206</u>	<u>21,418</u>	<u>21,632</u>	<u>21,848</u>
Total Other Expenses Line #4.300	<u>\$257,068</u>	<u>\$259,638</u>	<u>\$262,235</u>	<u>\$264,858</u>	<u>\$267,506</u>

### Operating Expenditures Actual FY22 through FY24 and Estimated FY25-FY29

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



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

This account group covers fund-to-fund transfer and end of year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. We are anticipating transfers out each year of the forecast to be \$964 thousand for FY27-29, distributed as follows: Maintenance Fund of \$425 thousand and Permanent Improvement Fund of \$400 thousand, and other transfers totaling \$139 thousand. Advances are projected to be paid back in the following year and are typically to cover negative balances in reimbursement-based grant funds. Currently, we are not projecting an increase to this line. The Permanent Improvement transfer will be increased for FY25 and FY26 at \$800 thousand and \$500 thousand, respectively.

<b>Source</b>	<b><u>FY25</u></b>	<b><u>FY26</u></b>	<b><u>FY27</u></b>	<b><u>FY28</u></b>	<b><u>FY29</u></b>
Permanent Improvement - Transfer	\$800,000	\$800,000	\$500,000	\$500,000	\$500,000
Maintenance - Transfer	425,360	425,360	425,360	425,360	425,360
Other - Transfer	<u>139,040</u>	<u>139,040</u>	<u>139,040</u>	<u>139,040</u>	<u>139,040</u>
Operating Transfers Out Line #5.010	<u>\$1,364,400</u>	<u>\$1,364,400</u>	<u>\$1,064,400</u>	<u>\$1,064,400</u>	<u>\$1,064,400</u>
Advances Out Line #5.020	\$0	\$0	\$0	\$0	\$0
Total Transfer & Advances Out	<u>\$1,364,400</u>	<u>\$1,364,400</u>	<u>\$1,064,400</u>	<u>\$1,064,400</u>	<u>\$1,064,400</u>

**Encumbrances – Line#8.010**

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments, which have been performed, are awaiting invoicing and payment. Encumbrances, on a budget basis of accounting, are treated as the equivalent of expenditure at the time authorization is made to maintain compliance with spending restrictions established by Ohio law. For presentation in the forecast, outstanding encumbrances are presented as a reduction of the general fund cash balance.

	<b><u>FY25</u></b>	<b><u>FY26</u></b>	<b><u>FY27</u></b>	<b><u>FY28</u></b>	<b><u>FY29</u></b>
Estimated Encumbrances	<u>\$238,236</u>	<u>\$238,236</u>	<u>\$238,236</u>	<u>\$238,236</u>	<u>\$238,236</u>

**Ending Unencumbered Cash Balance – Line#15.010**

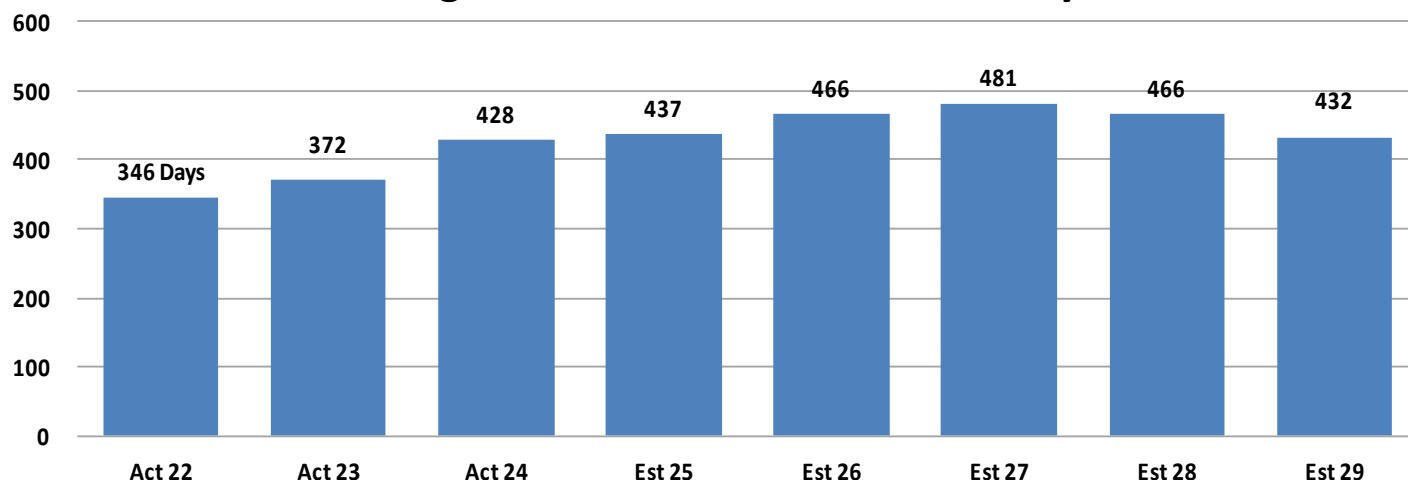
This amount must not go below \$-0- or the district general fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, and which results in a negative unencumbered cash balance, is a violation of O.R.C. §5705.412, which is punishable by personal liability of \$10,000; unless an alternative 412 certificate, as permitted by HB153, effective September 30, 2011, could be issued. It is recommended by the Government Finance Officers Association (GFOA) and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance, which is approximately \$1.8 million for our district.

	<b><u>FY25</u></b>	<b><u>FY26</u></b>	<b><u>FY27</u></b>	<b><u>FY28</u></b>	<b><u>FY29</u></b>
Ending Unencumbered Cash Balance	<u>\$28,198,608</u>	<u>\$31,175,854</u>	<u>\$33,491,782</u>	<u>\$34,438,882</u>	<u>\$33,891,349</u>

## True Cash Days Ending Balance

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year-end if no additional revenues were received? This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The Government Finance Officers Association (GFOA) recommends that no fewer than two (2) months or 60 days of cash is on hand at year-end. Still, it could be more dependent 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.

## Ending Cash Balance in True Cash Days



## 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-FY29.

As the administration plans for the future, they will need to make sure that the district is able to maintain a positive cash balance throughout the forecast. The expenditures will need to be reviewed based on the current revenues in order 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.

Please direct any questions to:

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Please visit the Ohio Department of Education website at

<https://public.education.ohio.gov/geoDoc/5-yrForecast/>