HARRISON HILLS CITY SCHOOL DISTRICT
HARRISON COUNTY

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2021, 2022, and 2023 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2024, THROUGH JUNE 30, 2028**

Harrison Hills City School District

Treasurer's Office
Roxane Harding, Treasurer

November 16, 2023

HARRISON HILLS CITY SCHOOL DISTRICT
Harrison County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2021, 2022, 2023
Forecasted Fiscal Year 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)	19,882,105	18,556,111	20,479,325	1.8%	21,226,763	19,174,790	18,272,216	17,848,241	17,504,066
1.020	Public Utility Personal Property Tax	-	-	-	0.0%	$0	$0	$0	$0	$0
1.030	Income Tax	-	-	-	0.0%	$0	$0	$0	$0	$0
1.035	Unrestricted State Grants-in-Aid	9,758,385	8,605,349	8,732,674	-5.2%	8,758,104	8,788,609	8,740,775	8,742,111	8,743,460
1.040	Restricted State Grants-in-Aid	302,920	589,413	569,524	45.6%	538,295	532,364	532,364	532,364	532,364
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	$0	$0	$0	$0	$0
1.050	State Share of Local Property Taxes	731,865	746,513	722,815	-0.6%	737,617	724,807	724,883	728,584	735,945
1.060	All Other Revenues	1,579,474	731,008	942,565	-12.4%	1,094,362	967,118	975,082	983,136	991,280
1.070	*Total Revenues*	32,254,749	29,228,394	31,446,903	-0.9%	32,355,141	30,187,688	29,245,320	28,834,436	28,507,115
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	$0	$0	$0	$0	$0
2.020	State Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	272,345	264,980	312,713	7.7%	1,899,315	300,000	300,000	300,000	300,000
2.050	Advances-In	671,760	852,909	329,186	-17.2%	1,900,000	500,000	500,000	500,000	500,000
2.060	All Other Financing Sources	157,517	4,266	203,780	2289.8%	15,000	0	0	0	0
2.070	*Total Other Financing Sources*	1,101,622	1,122,155	845,679	-11.4%	3,814,315	800,000	800,000	800,000	800,000
2.080	*Total Revenues and Other Financing Sources*	33,356,371	30,350,549	32,292,582	-1.3%	36,169,456	30,987,688	30,045,320	29,634,436	29,307,115
	Expenditures									
3.010	Personal Services	9,007,926	9,310,602	9,808,748	4.4%	$11,080,815	$11,183,305	$11,894,128	$12,471,545	$13,045,144
3.020	Employees' Retirement/Insurance Benefits	5,460,100	5,875,027	5,787,261	3.1%	$6,627,223	$7,536,625	$8,330,116	$9,039,972	$9,809,914
3.030	Purchased Services	4,591,702	1,985,992	2,608,769	-12.7%	$5,883,580	$5,637,188	$2,767,721	$2,903,259	$3,044,006
3.040	Supplies and Materials	632,727	656,670	1,097,521	35.5%	1,288,279	1,361,192	1,437,752	1,518,139	1,602,547
3.050	Capital Outlay	603,226	1,081,592	434,574	9.7%	781,618	833,198	887,358	944,226	1,003,937
4.050	Principal-HB 264 Loans	40,000	40,000	40,000	0.0%	$45,000	$45,000	$50,000	$0	$0
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	(350)	(405)	8,688	-1114.7%	$1,500	$1,500	$1,500	$0	$0
4.300	Other Objects	632,379	653,491	720,018	6.8%	$772,354	$812,733	$855,116	$899,616	$946,342
4.500	*Total Expenditures*	$20,967,710	19,602,969	20,505,579	-1.0%	26,480,369	27,410,741	26,223,691	27,776,757	29,451,890
	Other Financing Uses									
5.010	Operating Transfers-Out	6,833,969	6,654,583	361,334	-48.6%	$2,300,000	$1,800,000	$1,300,000	$1,300,000	$1,300,000
5.020	Advances-Out	847,161	805,641	1,480,822	39.5%	1,291,773	1,000,000	1,000,000	1,000,000	1,000,000
5.030	All Other Financing Uses	-	-	-	0.0%	$0	$0	$0	$0	$0
5.040	*Total Other Financing Uses*	7,681,130	7,460,224	1,842,156	-39.1%	3,591,773	2,800,000	2,300,000	2,300,000	2,300,000
5.050	*Total Expenditures and Other Financing Uses*	28,648,840	27,063,193	22,347,735	-11.5%	30,072,142	30,210,741	28,523,691	30,076,757	31,751,890
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	4,707,531	3,287,356	9,944,847	86.2%	6,097,314	776,947	1,521,629	(442,321)	(2,444,775)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	34,458,763	39,166,294	42,453,650	11.0%	52,398,497	58,495,811	59,272,758	60,794,387	60,352,066
7.020	*Cash Balance June 30*	39,166,294	42,453,650	52,398,497	15.9%	58,495,811	59,272,758	60,794,387	60,352,066	57,907,291
8.010	*Estimated Encumbrances June 30*	1,024,099	353,982	1,586,999	141.4%	1,460,000	1,460,000	1,460,000	1,460,000	1,460,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	990,000	900,000	1,032,000	1,101,000	1,101,000
9.030	Budget Reserve	-	-	-	0.0%	151,803	151,803	151,803	151,803	151,803
9.080	*Subtotal*	-	-	-	0.0%	1,141,803	1,051,803	1,183,803	1,252,803	1,252,803
10.010	*Fund Balance June 30 for Certification of Appropriations*	38,142,195	42,099,668	50,811,498	15.5%	55,894,008	56,760,955	58,150,584	57,639,263	55,194,488
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	-	-		0.0%	-	-	-	-	-

HARRISON HILLS CITY SCHOOL DISTRICT
Harrison County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2021, 2022, 2023
Forecasted Fiscal Year 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
11.020	Property Tax - Renewal or Replacement	-	-		0.0%	-	-	-	-	-
11.300	Cumulative Balance of Renewal Levies	-	-		0.0%	-	-	-	-	-
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	38,142,195	42,099,668	50,811,498	15.5%	55,894,008	56,760,955	58,150,584	57,639,263	55,194,488
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	$0	$0	$0	$0	$0
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements	-			0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	38,142,195	42,099,668	50,811,498	15.5%	55,894,008	56,760,955	58,150,584	57,639,263	55,194,488

Harrison Hills City School District – Harrison County
Notes to the Five Year Forecast
General Fund Only
November 16, 2023

Introduction to the Five-Year Forecast

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

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

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

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

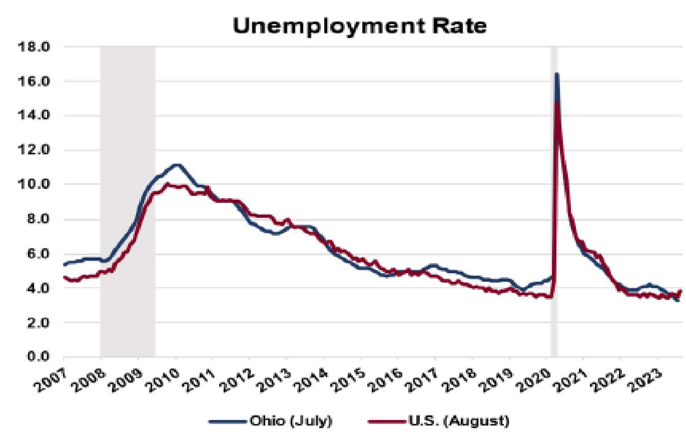
O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, 2023, and May 31, 2024, for the fiscal year 2024 (July 1, 2023, to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2024 (July 1, 2023-June 30, 2024) is the first year of the five-year forecast and is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the November 2023 filing.

Economic Outlook

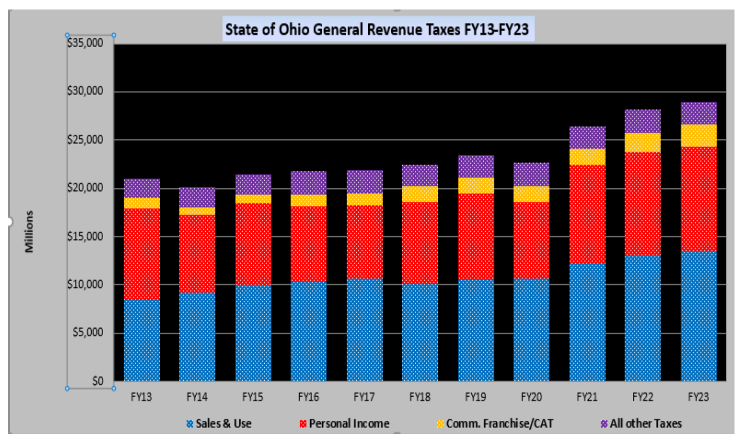
This five-year forecast is submitted during the multiyear economic recovery following the 2020 COVID-19 Pandemic. The recovery began in the fall of 2020 and remains robust through this forecast date. Many supply chain concerns have lessened as manufacturing has caught up. However, persistently high inflation continues to impact our state, country, and broader globalized economy. Inflation in June 2022 hit a 40-year high of 9.1% before falling to the current annualized rate of 3.4% in August 2023. Costs in FY23 were notably impacted in areas such as capital and durable goods, diesel fuel for buses, electric, natural gas, and building materials for facility maintenance and repair. Increased inflation affecting district costs is expected to continue in FY24. However, the Federal Reserve is projecting inflation to be closer to their target rate of 2% sometime in calendar 2024. It remains to be seen if the cumulative cost increases over the past two years are transitory in goods and services or will last over several years, which could adversely impact our forecast.

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

As noted in the graphs below, the state of Ohio has enjoyed economic growth over the past three years, and the state’s Rainy Day Fund is at $3.7 Billion, which is a record high. School funding cuts made in FY20 have been fully restored, and a new state funding formula is in the third year of a projected six-year phase-in. While increased inflation impacting district costs is expected to continue over the next few years, the state’s economy has grown, and many school districts received new funding in HB33 for FY24 and FY25. The ongoing growth in Ohio’s economy should enable the state to continue the phase-in of the new funding formula even if a cyclical recession occurs. Regardless, the state is well-positioned to continue state aid payments to Ohio’s school districts.



Source: Bureau of Labor Statistics through FRED



Source: Ohio Office of Budget and Management

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

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

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

1) Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project growth in appraised values every three (3) years and new construction growth with modest increases in local taxes as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues, predominately local taxes, equating to 68.6% of the district's resources. Our tax collections in the March 2023 and August 2023 settlements showed average collection trends. We believe there is a low risk that local collections would fall below projections throughout the forecast.

2) Harrison County experienced a reappraisal update in the 2020 tax year to be collected in FY21. The 2020 update increased overall assessed values by $53.65 million or an increase of 14.02%. A full reappraisal will occur in tax year 2023 for collection in FY24. We anticipate value increases for Class I and II property by $20.7 million for an overall increase of 4.59%, including the adjustment for lower Current Agricultural Use Values (CAUV) authorized by HB49. This increase is being driven by Class II increases, but we expect future values to decline each year throughout the forecast period. There is also a minor risk that the district could sustain a reduction in Class I values in the next appraisal update but we do not anticipate that at this time. 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.

House Bill 187 and Senate Bill 153 have been introduced to average property value in reappraisals and updates. These bills are pending and could have an impact on the 2023 reappraisal and potentially the 20 mill floor. We are at the 20 mill floor for Class I and we will be watching these proposals very carefully and will adjust the forecast pending their outcome.

3) We previously were notified by the Carrol and Harrison County Auditors that Rover Pipeline has filed a second appeal to lower values by $109,269,580 on their Public Utility Personal Property (PUPP) values. They made payments in CY2021 that would equal the new lower value they seek which is called "Tender Pay". In the first half settlement made April 2022 it appears they paid 50% of their estimated new lower value. As a result, if they are successful our district would not face a refund to Rover on taxes paid. If they lose then we would be due additional revenues. To be conservative we have assumed the $109.3M in PUPP value will be removed from our values for future projections. That reduces PUPP taxes by $3.8M per year in the forecast. We are monitoring the Ohio Board of Tax Appeals where this case was rescheduled from November 10, 2021, to May 9, 2022 and on March 30, 2022 it was continued again for a third time to August 1, 2022. Currently there is legal acrobatics taking place to delay any decision until the Ohio Supreme Court hears the Case 2023-0354 filed by the Lorain County Auditor against the Nexus Pipeline decision reached by the Board of Tax Appeals earlier this year. The Supreme Court began hearings on the Nexus Case October 24, 2023. No decision on the Nexus Case or Rover Case has been reached as of this forecast date.

3) The state budget represented 31.4% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to the record high inflation or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. In this forecast, two forthcoming State Biennium Budgets cover FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state's economy make this area an elevated risk to district funding long-range through FY28. We have projected our state funding in FY24 and FY25 based on the additional phase-in of HB33 (the fair school funding plan). This forecast reflects state revenue to align with the FY25 funding levels through FY28, which we feel is conservative and should be close to what-the state approves for the FY26-FY28 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

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 FY24 and FY25.

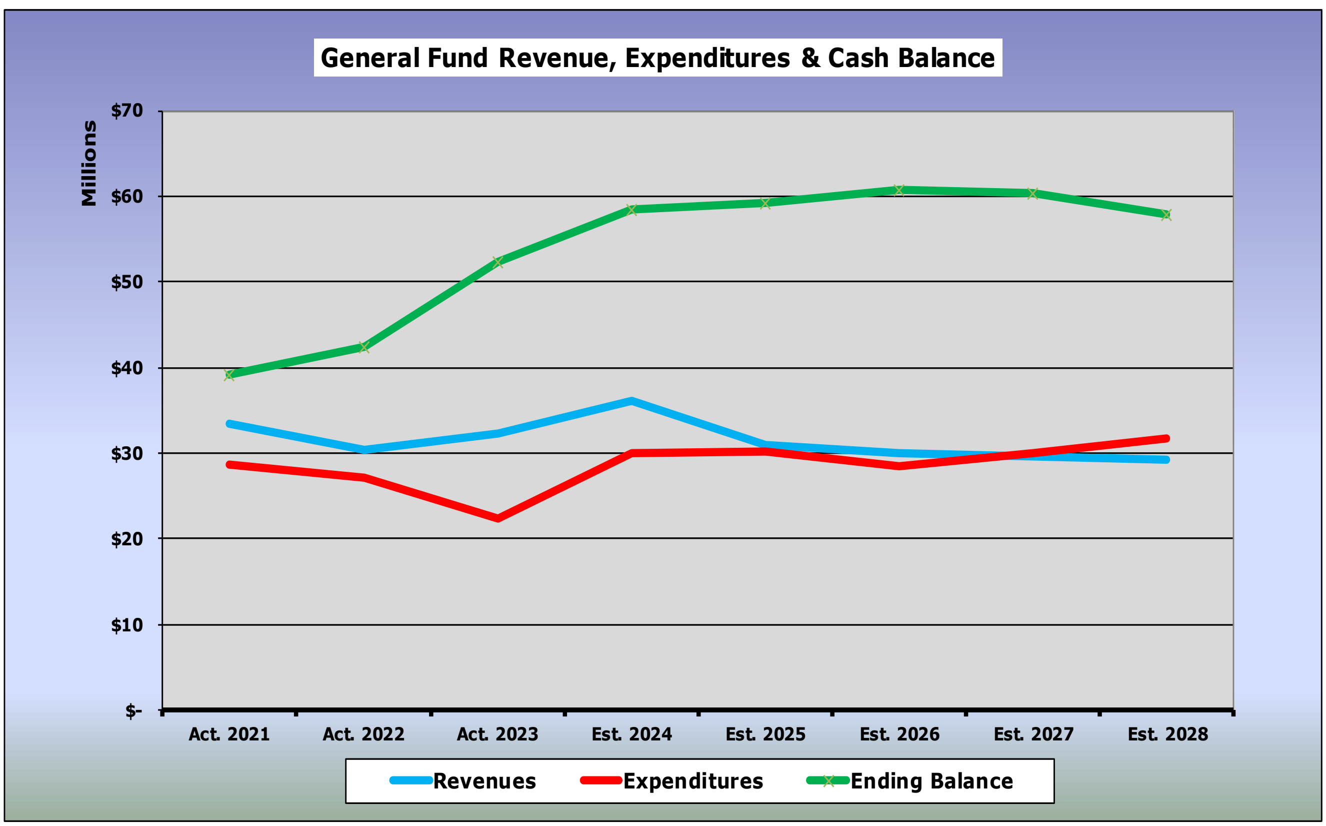
5) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid,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

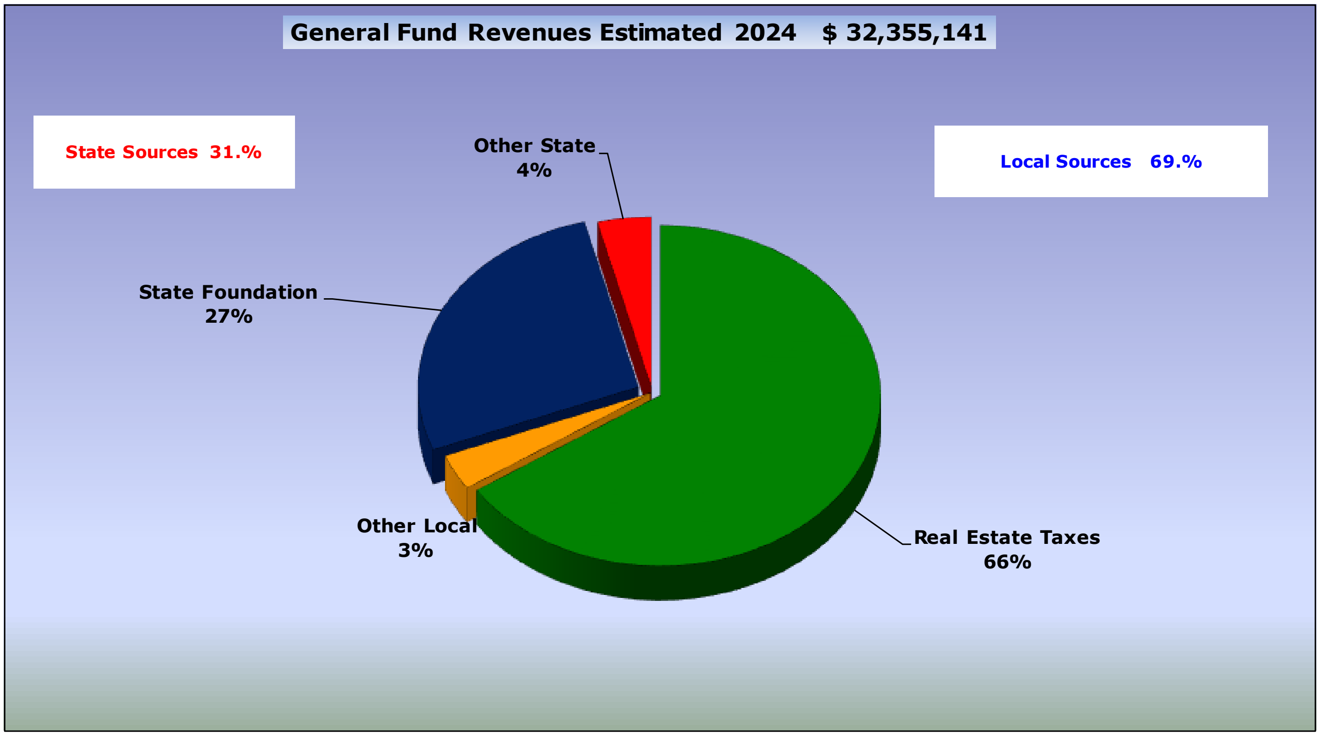
The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below to understand the overall financial forecast for our district. If you want further information, please contact Roxane Harding, Treasurer, at 740.942.7810.

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
Estimated General Fund Revenue for FY24



Real Estate Value Assumptions – Line # 1.010
Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Harrison County experienced a reappraisal update for the 2020 tax year to be collected in 2021. Residential/agricultural (Class I values) were increased 9.54% or $20.1 million. Commercial/industrial/mineral (Class II values) increased by $1.4 million overall or a .86% increase as noted below.

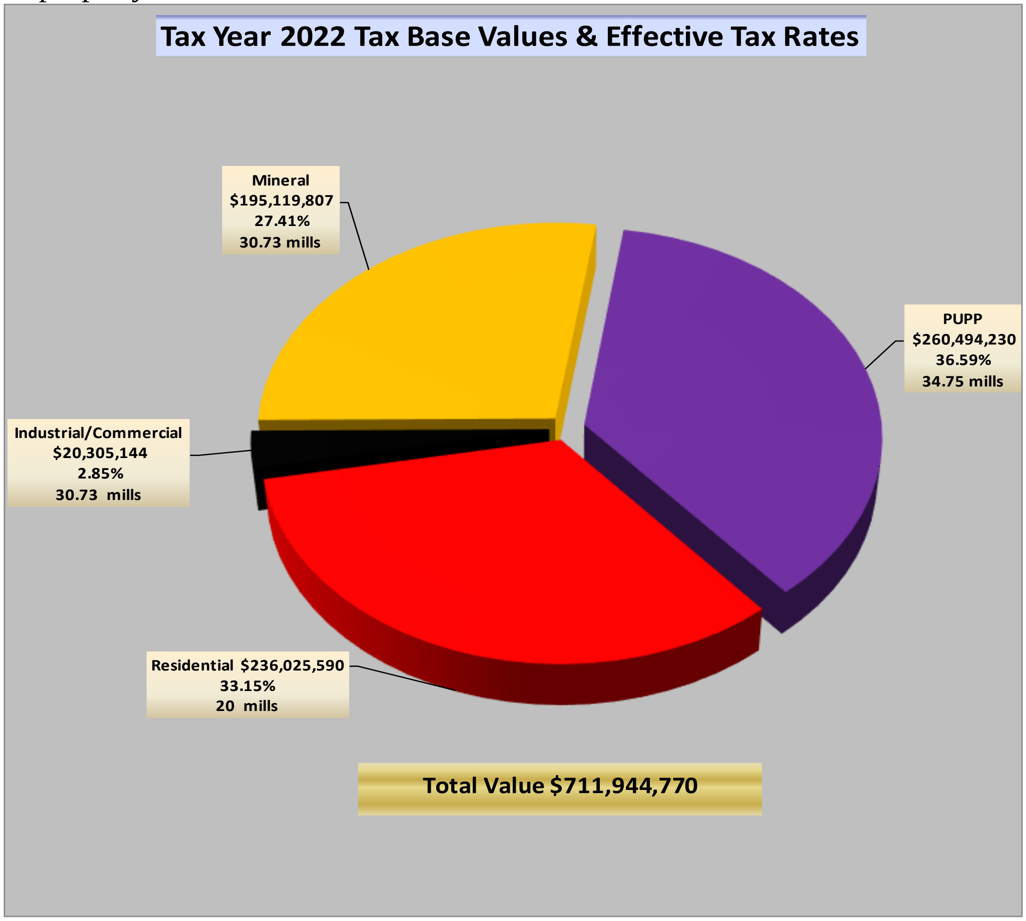
A reappraisal update occurred in 2020 for collection in 2021 for which we saw a 9.21% increase in residential and a 20.42% increase for commercial/industrial property. CAUV values represent 47.9% of Class I residential/agricultural values HB49 authorized a reduction in CAUV computations. These reductions will occur as districts experience their next reappraisal or update cycle and we experienced this in the Tax Year 2020 reappraisal update. This caused somewhat of a shift in taxes from agricultural taxpayers to residential taxpayers but should not result in lower taxes to our district. Residential/Agricultural and Commercial/Industrial values increased $53.6 million or 14.02% overall. A reappraisal is scheduled to occur in 2023 to be collected FY24. We anticipate a 1% increase in Class I for $2.39M and a 0% increase in Class II. This could be impacted by currently pending HB187 and SB 153 concerning assessed value and the 20 mill floor. We are watching these bills closely as to how they may impact our values and tax rates.

Tax Year 2017 we noted our mineral values (which are part of Class II commercial/industrial/mineral values) fell $43.9 million or a 17% drop, in tax year 2018 they fell again $28.9 million at 15% drop, and, again in tax year 2019 they fell $20.9 million or 11% drop. In 2020 mineral values shot up $32.8 million or a 20% increase and in 2021 they increased $12.4 million or 6.2%. This pattern illustrates the boom and bust type cycle for mineral values. Based on this we are reluctant to speculate on future value increases or decreases without assistance from an estimation service provided to districts through the ECOESC. Based on this research and estimation, we have estimated values to decrease beginning in FY25 through FY28. However, this information is subject to change based on the data available at the time the report is produced. We will continue to monitor these values and information we receive closely but the values are not easily predictable.

Public Utility Personal Property (PUPP) values dropped by $84.6 million in 2021. This is due to the Ohio Department of Taxation reduction of values for Rover. But as noted below, values are still being contested with no decision reached following the August 1, 2022 hearing. We expect our values to vary each year of the forecast. PUPP values are determined at the Ohio Department of Taxation from confidential filings from utilities and then certified to each county auditor late in the calendar year. These values are particularly valuable as they are taxed at our full 34.75 general fund tax rate. We did note that Rover Pipeline has filed an appeal to lower their values by 43% ($109.27 million drop) on the new pipeline. The case was originally scheduled to be heard in May 2021 it was delayed again to November 10, 2021, and delayed a second time until May 9, 2022. The hearing to determine what their 2019 values are has been rescheduled and delayed a 3rd time to August 1, 2022, but no determination or other dates have been announced since this hearing. This case is unlikely to be settled until the Nexus Supreme Court Case 2023-0354 is decided and this could take a year or more to settle. We have removed the entire $109.27 million from the districts certified PUPP values as Rover is not paying taxes on the ODT amount. They are "tender paying" on the amount they believe their values should be. We want to be conservative in our estimates of these taxes since there is no way to predict these values ahead with accuracy or as to the outcome of the eventual Board of Tax Appeals outcome.

PUPP values are taxed at our full gross rate; therefore, any increase will have a positive effect on revenues through the entire forecast period.

The chart below shows our tax year 2022 values as reported to us by the County Auditor and our current tax rates for each type of property value.



Tax Year	Residential Agriculture	Commercial Industrial	Mineral	P.U. Personal	TPP	Total Value Per ODT
2000	107,078,450	21,382,490	2,270,880	27,367,290	1,893,140	159,992,250
2001	107,300,860	20,868,180	2,149,920	15,918,080	18,942,170	165,179,210
2002	122,471,490	21,620,110	2,284,990	16,331,890	15,844,980	178,553,460
2003	124,618,210	21,607,490	2,277,140	15,982,620	15,462,424	179,947,884
2004	126,834,060	21,909,710	2,222,460	16,456,650	15,995,181	183,418,061
2005	151,685,100	23,312,520	2,442,430	16,809,190	15,711,322	209,960,562
2006	148,911,080	23,481,720	2,282,770	16,807,600	16,609,385	208,092,555
2007	149,561,300	23,312,980	2,131,290	17,171,880	9,573,205	201,750,655
2008	170,195,390	23,714,630	2,075,290	17,551,500	4,744,460	218,281,270
2009	169,242,380	23,621,210	2,560,120	19,033,780	534,140	214,991,630
2010	169,597,730	23,377,810	2,113,010	22,040,450	285,520	217,414,520
2011	177,763,050	22,774,160	3,319,110	23,028,781	0	226,885,101
2012	177,485,840	22,354,770	37,036,660	25,705,729	0	262,582,999
Adj. 2013	176,838,360	19,781,770	26,271,424	25,705,729	0	248,597,283
2014	199,556,190	23,977,805	27,059,567	50,813,460	0	301,407,022
2015	198,239,160	32,001,450	117,801,920	72,341,180	0	420,383,710
2016	205,255,632	30,862,628	224,123,060	78,674,302	0	538,915,622
2017	217,520,810	46,912,550	175,763,850	139,368,280	0	579,565,490
2018	217,514,490	40,245,421	146,802,520	247,488,520	0	652,050,951
2019	218,443,130	13,001,465	151,206,596	304,173,060	0	686,824,250
2020	238,563,890	13,720,535	184,019,496	343,140,560	0	779,444,480
2021	235,698,290	15,027,765	196,395,536	258,494,230	0	705,615,820
2022	236,025,590	20,305,144	195,119,807	260,494,230	0	711,944,770

Historic Concerns with Property Valuation and Tax Collections and Growth in Energy Development
The table above shows the property valuation of the district since tax year 2000 for collection in 2001. Property values continued to grow in the district even during the phase out of TPP values by HB66 and reductions in values for the housing bubble were made in 2009. A major factor in our growth is anticipated to be mineral value as a result of the oil and gas "fracking" boom underway in our county. According to the Ohio Department of Natural Resources our county continues to have the highest number of active "fracking" wells in the state. It was not a surprise that mineral values soared in tax year 2012, 2015 and again in 2016. It was a surprise, however, to find that our tax collections for 2013 actually fell from a year earlier. The tax collections in 2012 were $5,076,221 while in 2013 they were $4,737,901. This is improbable since our values were actually up by 15.7%. Upon further investigation between the County Auditor and Ohio Department of Taxation, we noted various reporting errors in assessed valuations. Those errors in turn resulted in the undulations in tax collections between fiscal years. For this reason, we are very conservative in estimating increases in assessed values and tax revenues.

Our most recent tax base concerns are for mineral value drops that are anticipated based on new well data from our consultant beginning in Tax Year 2024 through TY26. In the table below you can see on the Commercial/Mineral line drops are anticipated starting in Tax Year 2024. These are large drops in Class II mineral values will fluctuate, which is in a boom and bust cycle which is normal for well production. This underscores the ongoing concerns we have about large tax base swings and the reason we continue to try work closely with our county auditor's office. We continue to work with the County Auditor to obtain data in order to make more accurate estimates for FY 24-28.

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.	$238,410,846	$238,435,846	$238,460,846	$240,870,454	$243,304,159
Commercial/Mineral	233,757,950	178,822,950	156,437,950	141,182,950	125,927,950
Public Utility (PUPP)	262,494,230	264,494,230	266,494,230	268,494,230	270,494,230
Total Assessed Value	$734,663,026	$681,753,026	$661,393,026	$650,547,635	$639,726,339

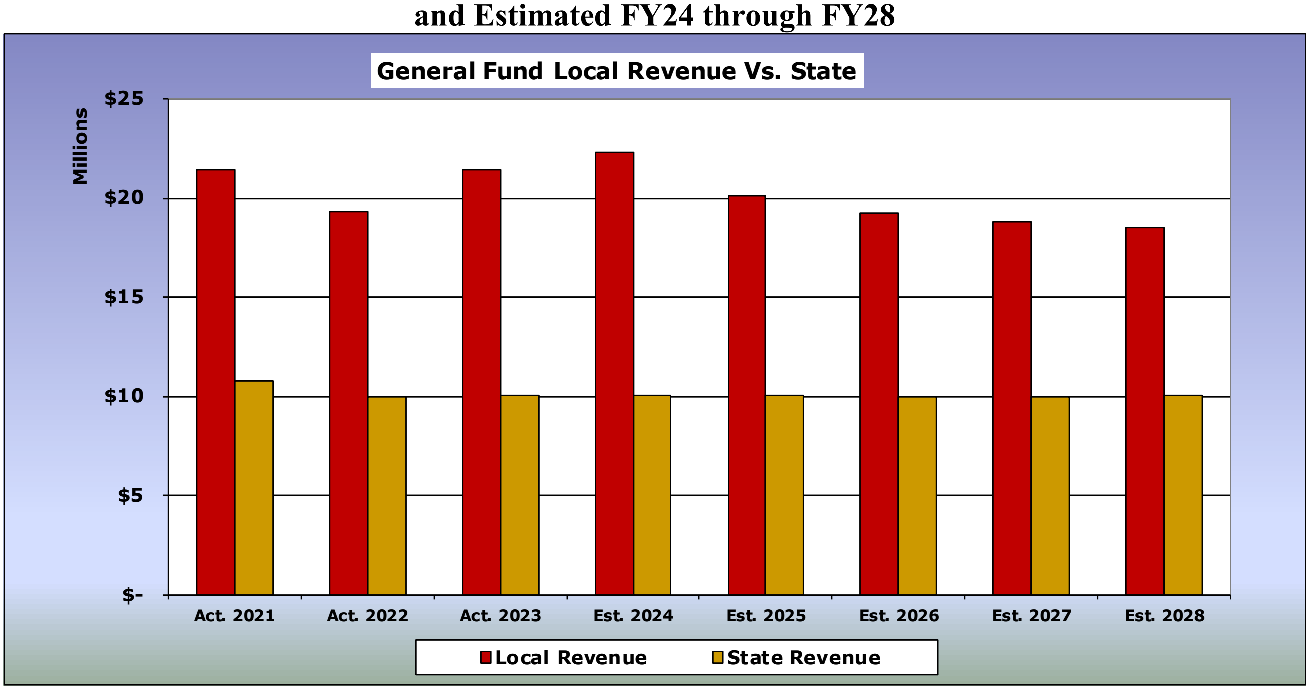
ESTIMATED REAL ESTATE TAX (Line #1.010)
Property tax levies are estimated to be collected at 95% of the annual amount. This allows a 5% delinquency factor. In general, 68% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 32% in the August tax settlement.

Amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under Public Utility (PUPP), which was $260.5 million in assessed values in 2022 and are collected at the district's gross voted millage rate. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor. The values in 2021 fell $84.6 million due to ODT revision of Rover values but are expected to grow by $2 million each year of the forecast. As stated above Rover/pipeline payments are forecasted at a tender rate, or the value the companies believe it should be. We will continue to monitor and update as more information is provided.

Source	FY 24	FY 25	FY 26	FY 27	FY 28
Property Taxes (Including PUPP)	$21,226,763	$19,174,790	$18,272,216	$17,848,241	$17,504,066

Estimated Tangible Personal Tax– Line#1.02
Tangible personal property (TPP) values were reduced to $-0- in 2011 as a result of HB66.
The only amounts received after FY11 are from delinquent TPP taxes outstanding as of 2010.

Comparison of Local Revenue and State Revenue Actual FY21 through FY23 and Estimated FY24 through FY28



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

A) Unrestricted State Foundation & Casino Revenue – Line #1.035
HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25. We have projected FY24 funding based on the October 2023 foundation settlement and funding factors.

Our district is currently a guarantee district in FY24 and is expected to continue on the guarantee in FY25-FY28 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14. It was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, then HB110, as amended by HB583 for FY22 and FY23, with continuation of this formula in HB33 for FY24 and FY25. The current formula introduced many changes to how state foundation is calculated and expenses deducted from state funding, which will potentially make the actual five-year forecast look different with estimates FY24 through FY28 compared to real data in FY21 through FY23 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecasts.

Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan

A. Student Population and Demographics
B. Property Valuation Per Pupil
C. Personal Income of District Residents Per Pupil
D. Historical Funding - CAPS and Guarantees from prior funding formulas "Funding Bases" for guarantees.

<u>Base Cost Approach - Unrestricted Basic Aid Foundation Funding</u>
The current funding formula uses FY22 statewide average district costs and developed a base cost approach that includes minimum service levels and student-teacher ratios to calculate a unique base cost for each district. Newer, more up-to-date statewide average prices will not update for FY24 and FY25 and remain frozen at FY22 levels, while other factors impacting a district's local capacity will update for FY24. Base costs per pupil include funding for five (5) areas:

1. Teacher Base Cost (4 subcomponents)
2. Student Support (7 subcomponents-including a restricted Student Wellness component)
3. District Leadership & Accountability (7 subcomponents)
4. Building Leadership & Operations (3 subcomponents)
5. Athletic Co-curricular (contingent on participation)

<u>State Share Percentage – Unrestricted Basic Aid Foundation Funding</u>
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:

<u>Unrestricted Categorical State Aid</u>

1. <u>Targeted Assistance/Capacity Aid</u> – 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. <u>Special Education Additional Aid</u> – 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. <u>Transportation Aid</u> – 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.

<u>Restricted Categorical State Aid</u>

1. <u>Disadvantage Pupil Impact Aid (DPIA)</u> – Formerly Economically Disadvantaged Funding is based on the number and concentration of economically disadvantaged students compared to the state average and multiplied by $422 per pupil. Phase-in increases are limited to 50% for FY24 and 66.67% in FY25.
2. <u>English Learners</u> – Based on funded categories based on the time students enrolled in schools and multiplied by a weighted amount per pupil.
3. <u>Gifted Funds</u> – Based on average daily membership multiplied by a weighted amount per pupil.
4. <u>Career-Technical Education Funds</u> – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. <u>Student Wellness and Success Funds</u> – These funds are based on initiatives similar to those for DPIA. They are restricted funds for school climate, attendance, discipline, and academic achievement programs.

State Funding Phase-In FY24 and FY25 and Guarantees
While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110, which was amended by HB583 in June 2022 and has now extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it will consist of a general phase-in percentage for most components of 50% in FY24 and 66.67% in FY25.

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

Future State Budget Projections beyond FY25
Our funding status for FY26-28 will depend on unknown (2) new state budgets. There is no guarantee that the current Fair School Funding Plan in HB33 will be funded or continued beyond FY25; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY26 through FY28.

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

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

B) Restricted State Revenues – Line # 1.040
HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, new restricted funds have been added under "Restricted Categorical Aid" for Gifted, English Learners (ESL), and Student Wellness. The district has elected to also post Catastrophic Aid for special education as restricted revenues. We have estimated revenues for these new restricted funding lines using current October funding factors. The amount of DPIA is limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY28 due to uncertainty on continued funding of the current funding formula.

Source	FY 24	FY 25	FY 26	FY 27	FY 28
DPIA	$234,079	$237,840	$237,840	$237,840	$237,840
Career Tech - Restricted	4,589	6,119	6,119	6,119	6,119
Gifted	46,218	35,066	35,066	35,066	35,066
ESL	209	139	139	139	139
Student Wellness	175,287	175,287	175,287	175,287	175,287
Catastrophic Aid	77,913	77,913	77,913	77,913	77,913
Restricted Revenues Line #1.040	$538,295	$532,364	$532,364	$532,364	$532,364

C) Restricted Federal Grants in Aid – line #1.045
There are no federal restricted grants projected during this forecast.

Summary	FY 24	FY 25	FY 26	FY 27	FY 28
Unrestricted Line # 1.035	$8,758,104	$8,788,609	$8,740,775	$8,742,111	$8,743,460
Restricted Line # 1.040	$538,295	$532,364	$532,364	$532,364	$532,364
Rest. Fed. Grants #1.045	0	0	0	0	0
Total State Foundation Revenue	$9,296,399	$9,320,973	$9,273,139	$9,274,475	$9,275,824

State Taxes Reimbursement/Property Tax Allocation – Line #1.050
a) Rollback and Homestead Reimbursement
Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies

passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013.

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

Summary of State Tax Reimbursement – Line #1.050

Source	FY 24	FY 25	FY 26	FY 27	FY 28
Rollback and Homestead	$737,617	$724,807	$724,883	$728,584	$735,945

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. Open-enrolled students will be counted in the enrolled student base at the school district where they are being educated, and state aid will follow the students. Open-enrolled student revenues will be included in Line 1.035 as basic state aid.

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

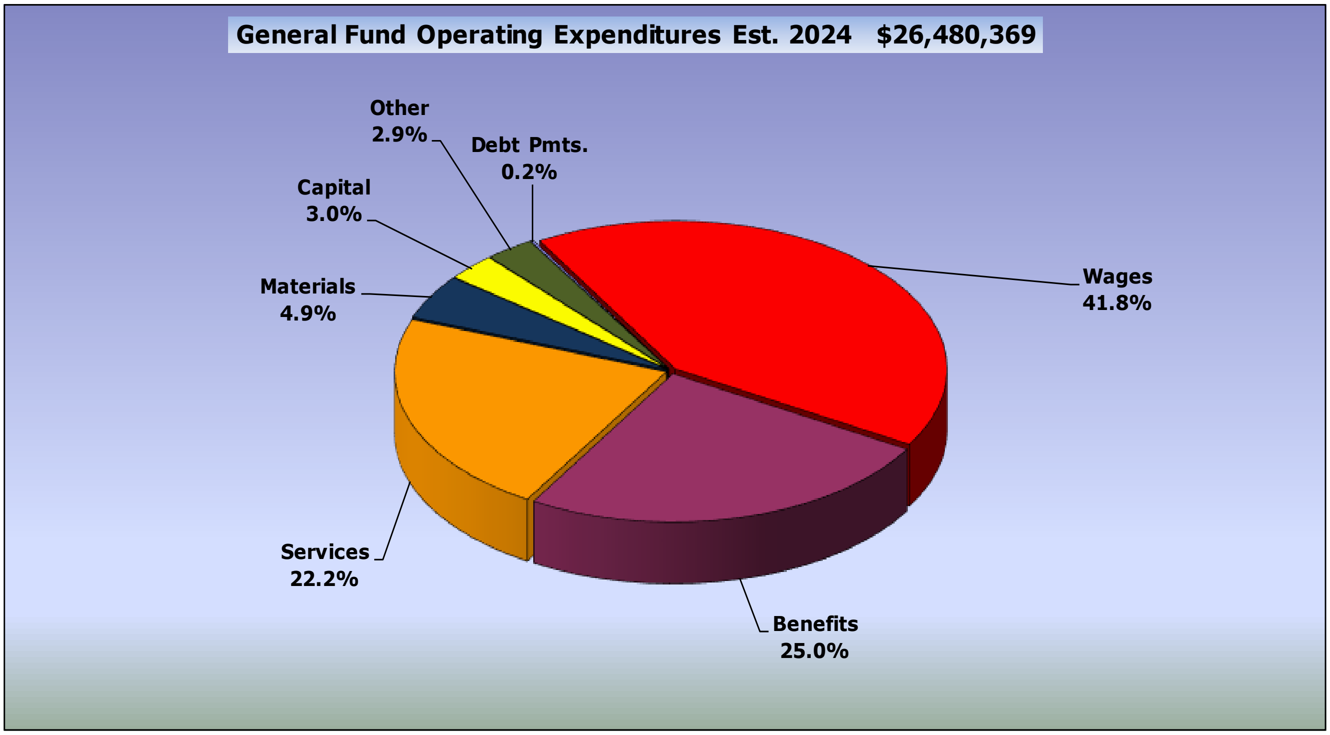
Source	FY 24	FY 25	FY 26	FY 27	FY 28
PILOT Payments	$3,200	$3,200	$3,200	$3,200	$3,200
Interest	770,000	777,700	785,477	793,332	801,265
Tuition SF-14 & SF-14H	117,543	118,718	119,905	121,104	122,315
CAFS Funding	160,000	50,000	50,000	50,000	50,000
Other Income and adjustments	43,619	17,500	16,500	15,500	14,500
Total Other Local Revenue Line #1.060	$1,094,362	$967,118	$975,082	$983,136	$991,280

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.

Source	FY 24	FY 25	FY 26	FY 27	FY 28
Transfers In - Line 2.040	$1,899,315	$300,000	$300,000	$300,000	$300,000
Advance Returns - Line 2.050	1,900,000	500,000	500,000	500,000	500,000
Total Transfer & Advances In	$3,799,315	$800,000	$800,000	$800,000	$800,000

Expenditure Assumptions
All Operating Expense Categories – General Fund FY24



Wages – Line #3.010
The amounts for salaries and benefits are based on existing negotiated agreements and estimates for future settlements. The board of education and classified staff successfully negotiated a 3-year contract beginning FY24 through FY26 with a 4% increase in each year of the contract. The certified staff's contract is for the period of FY22 through FY24. A 4% increase for each year of the contract was negotiated. Costs for salaries also includes: extended time, shift differential, overtime, substitute cost, leave incentive, severances and retirements with replacements. For planning purposes, a 4% base amount has been used for FY24-28. Beginning in FY25 through FY28 positons that had been previously paid from ESSER funds have been moved to the General Fund. ESSER funding will expire at the end of FY24. A total of 8 full time certified/classified positions in addition to positions related to summer school instruction and bussing will be paid from General Fund.

Total Wages Line #3.010	$11,080,815	$11,183,305	$11,894,128	$12,471,545	$13,045,144

Fringe Benefits Estimates – Line #3.02
This area of the forecast captures all benefits and retirement costs. These payments and HSA costs are included in the table below.

A) STRS/SERS Retirement Costs

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

B) Insurance

Due to the district being a self-funded district, their experience and future impact on claims has to be considered. The district has experienced rate increases from 1% to 10% in the past. In FY 23 the district had a 10% increase in their rates. For FY24, the rate increase is 6%. A rate of 10% FY25 through FY28 is also being estimated. The insurance committee will continue to work to shop around for the best benefit at the most reasonable costs.

The Further Consolidated Appropriations Act of 2020 included a full repeal of three taxes initially 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 uncertain factors for our healthcare costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately .94% of wages FY24– FY28. Unemployment is likely to remain at a shallow level FY24-FY28. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

D) Medicare

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

Summary of Fringe Benefits – Line #3.020

Source	FY 24	FY 25	FY 26	FY 27	FY 28
STRS/SERS	$1,735,372	$1,746,352	$1,855,320	$1,944,467	$2,032,920
Insurances	4,626,429	5,525,342	6,198,014	6,808,856	7,480,490
Workers Comp/Unemployment	46,650	47,483	48,333	49,199	50,083
Medicare	178,772	177,448	188,449	197,450	206,421
Other adjustments/Tuition	40,000	40,000	40,000	40,000	40,000
Total Fringe Benefits Line #3.020	$6,627,223	$7,536,625	$8,330,116	$9,039,972	$9,809,914

Purchased Services – Line #3.030

HB110, the previous state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education will directly pay these costs to the education districts for open enrollment, community, and STEM schools and for scholarships granted to students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to offer these amounts below as zeros to help reflect the difference between projected FY24-FY28 Line 3.03 costs and historical FY21 through FY23 costs on the five-year forecast. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. We reduced costs in purchased services for FY20 and 21 for the Fund 467 recoding for our SROs and then returned these costs to the General Fund in FY23-28. Beginning in FY24, the school district will be entering into a service contract with Frontline for the purpose of substitutes for teachers. In addition, the district will be entering into contracts for the purpose of renovations/upgrades to the Stephenson Center. Those estimated costs have been split over FY 24 and FY25.

Source	FY 24	FY 25	FY 26	FY 27	FY 28
Base Services	$4,070,896	$3,755,851	$814,958	$876,178	$939,591
Tuition, CAFS, Scholarship & CC+	1,099,093	1,132,066	1,166,028	1,201,009	1,237,039
Utilities	713,591	749,271	786,735	826,072	867,376
Other	0	0	0	0	0
Total Purchased Services Line #3.030	$5,883,580	$5,637,188	$2,767,721	$2,903,259	$3,044,006

Supplies and Materials – Line #3.040
The permanent appropriations were used to determine this line item. In FY25 & FY26 we are bringing back cost to the General Fund from ESSER funds for license fees for online curriculum, since ESSER funding will end. Any other increase for FY24 through FY28 is based on each individual budget line.

Source	FY 24	FY 25	FY 26	FY 27	FY 28
Supplies	$1,288,279	$1,361,192	$1,437,752	$1,518,139	$1,602,547
	0	0	0	0	0
Total Supplies Line #3.040	$1,288,279	$1,361,192	$1,437,752	$1,518,139	$1,602,547

Equipment – Line # 3.050
Computers and technological upgrades will be done by using federal and general fund monies when available. General fund monies will be monitored closely. Capital Improvement Set Aside funds will be used as much as possible.

Source	FY 24	FY 25	FY 26	FY 27	FY 28
Capital Outlay	$781,618	$833,198	$887,358	$944,226	$1,003,937
School Busses	0	0	0	0	0
Total Equipment Line #3.050	$781,618	$833,198	$887,358	$944,226	$1,003,937

Principal, Interest and Fiscal Charges– HB264 Loans – Lines #4.05 and #4.06
Funding for the HB 264 project was completed using the Federally Taxable Qualified School Construction Bonds – Direct Pay program. The district is responsible for interest payments. However, due to the funding mechanism, the district will complete a Form 8038-CP for a reduction to the credit payment. If funding is available through the federal government, the district will be reimbursed up to the full amount of the interest payment.

This is for the repayment of principal related to the HB 264 project that was done the summer and fall of 2010. This was for a lighting project at Harrison East Elementary and the Jr. /Sr. High School; and replacement of steam traps at the Jr. /Sr. High School. The final payment will be December 2025.

Source	FY 24	FY 25	FY 26	FY 27	FY 28
HB 264 Principal Line # 4.050	$45,000	$45,000	$50,000	$0	$0
Source	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**
Interest on Borrowing Line 4.060	$1,500	$1,500	$1,500	$0	$0

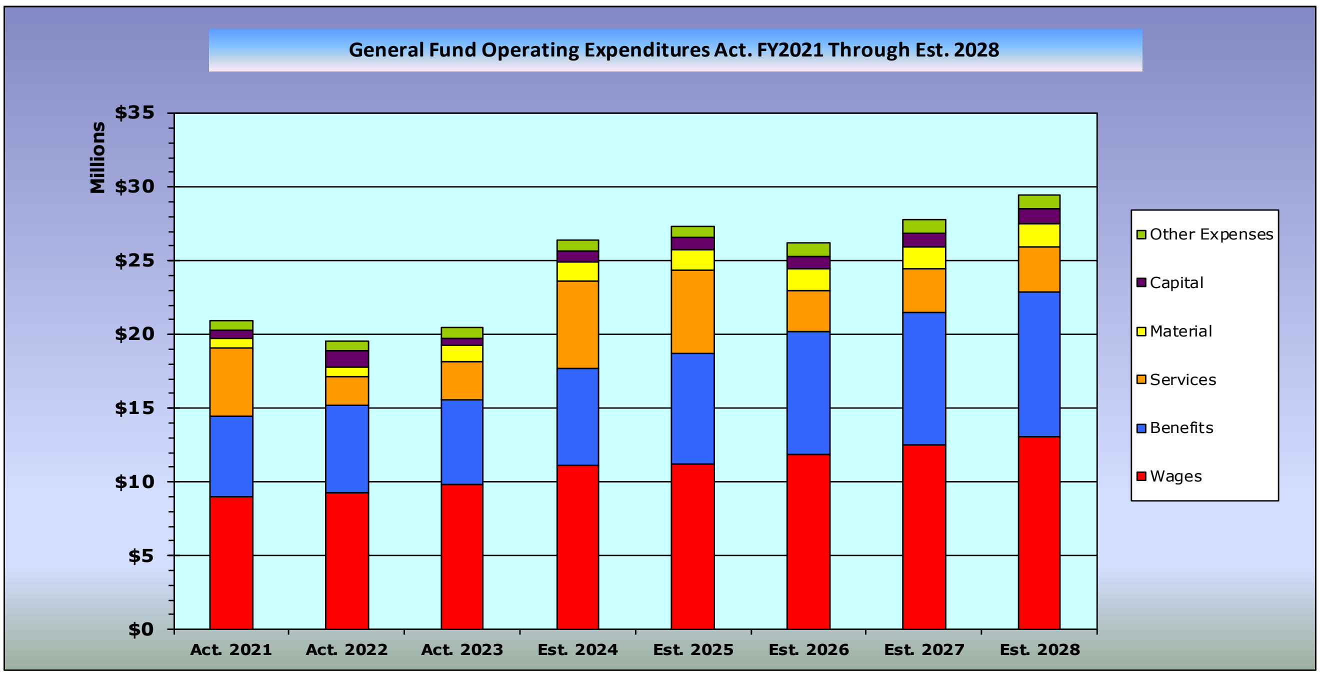
Other Expenses – Line #4.300

The category of Other Expenses consists primarily of the County ESC deductions for specialized services provided to the District and Auditor & Treasurer fees. Also, any increase in local taxes will cause Auditor and Treasurer Fees to increase as more dollars are collected. A rate of 1% increase is projected in this area.

Source	FY 24	FY 25	FY 26	FY 27	FY 28
County Auditor & Treasurer Fees	$455,000	$479,750	$505,738	$533,024	$561,676
County ESC	55,000	57,750	60,638	63,670	66,853
Other expenses	262,354	275,233	288,740	302,922	317,813
	0	0	0	0	0
Total Other Expenses Line #4.300	$772,354	$812,733	$855,116	$899,616	$946,342

Operating Expenditures Actual FY21 through FY23 and Estimated FY24-FY28

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



Transfers Out/Advances Out – Line# 15.010

The expenditures that are reflected are for those transfer of funds from the general fund (001 no special cost center) to the set aside funds (001 with special cost centers). The board set up the Capital Improvement Fund in FY17. The board of education has determined these revisions were necessary to the success of the new facility and to meet the needs of the students. These costs are not covered by the Ohio School Facility Commission. The Ohio School Facilities Commission officially closed the project in FY23. Excess funds were returned to the general fund that were permitted by Ohio Revised Code. Of those funds, of $1.5 million was transferred to the bond retirement fund. It is the goal of the board of education to continue to transfer funds to the bond retirement fund of which is reflected here.

Source	FY 24	FY 25	FY 26	FY 27	FY 28
Operating Transfers Out Line #5.010	$2,300,000	$1,800,000	$1,300,000	$1,300,000	$1,300,000
Advances Out Line #5.020	1,291,773	1,000,000	1,000,000	1,000,000	1,000,000
Total Transfer & Advances Out	$3,591,773	$2,800,000	$2,300,000	$2,300,000	$2,300,000

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. Encumbering funds is based on the financial condition of the district.

	FY 24	FY 25	FY 26	FY 27	FY 28
Estimated Encumbrances	$1,460,000	$1,460,000	$1,460,000	$1,460,000	$1,460,000

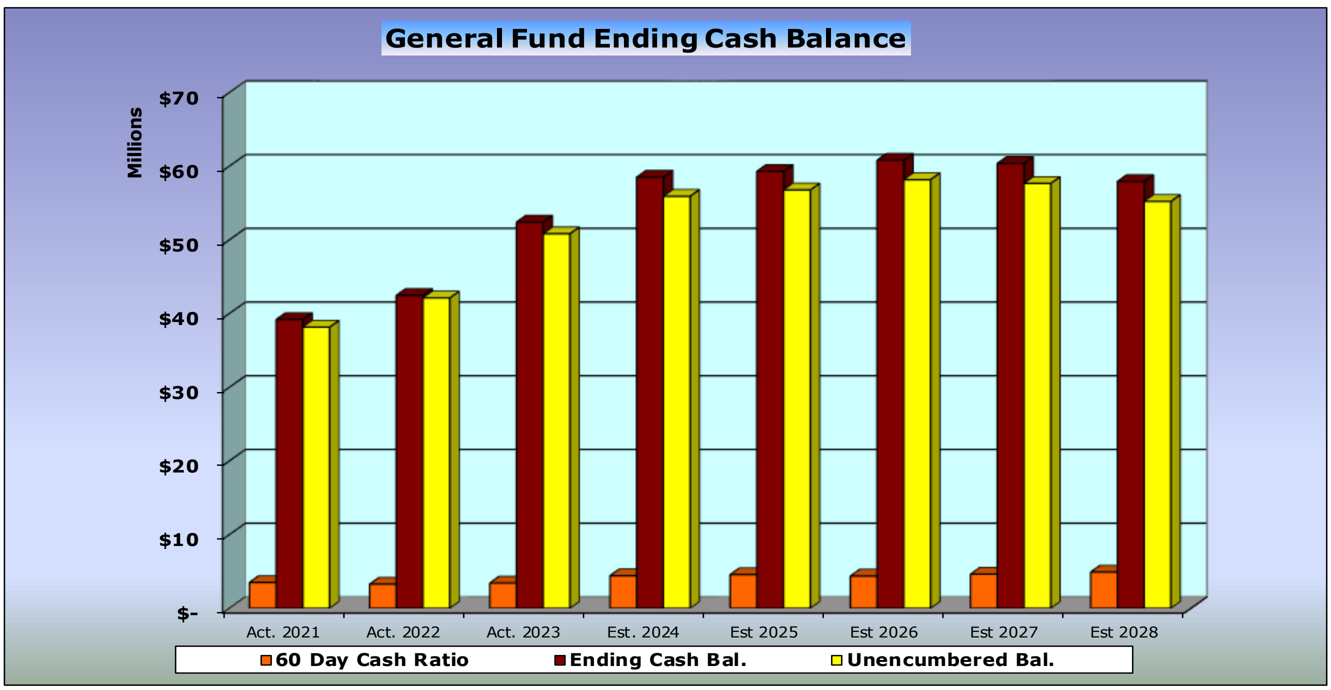
Reserve Assumptions

The district is planning a small budget reserve each of the forecast years. We also are carrying a set aside for capital improvements as required by state law.

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

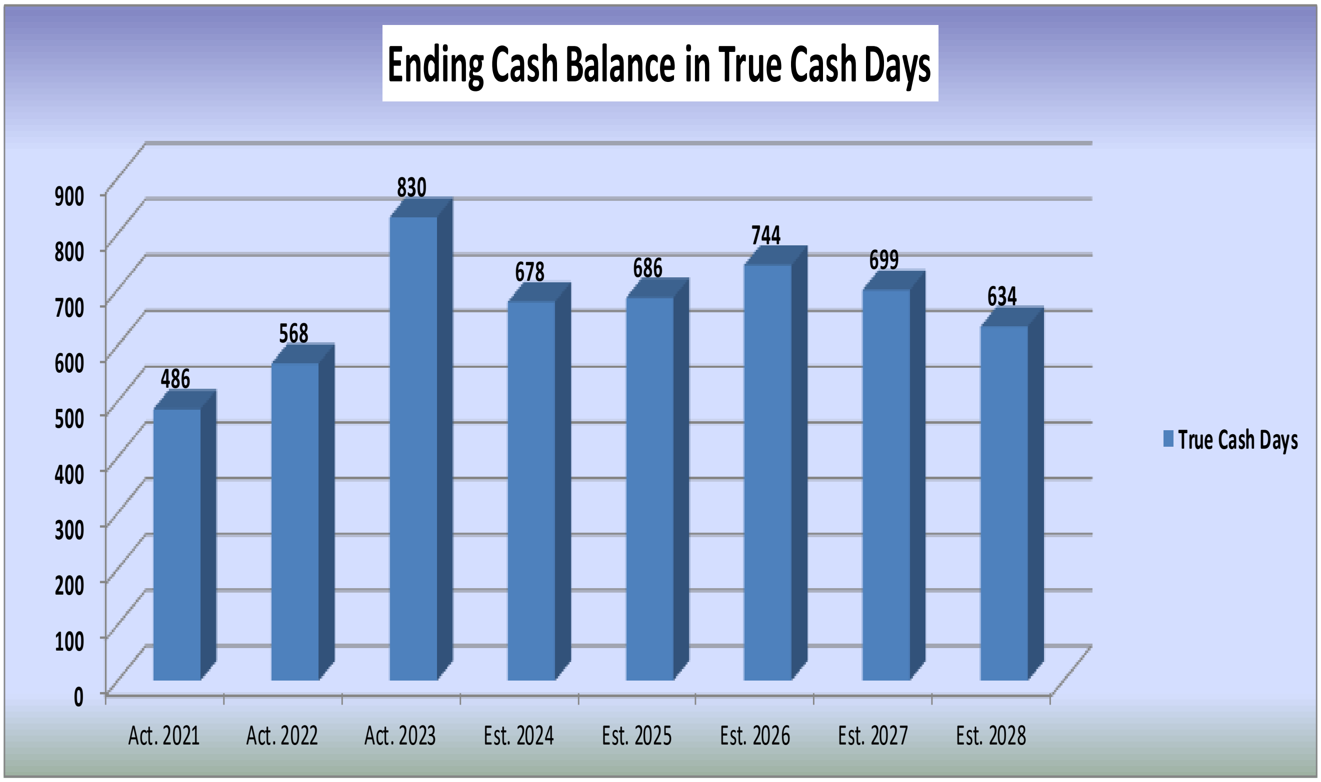
This amount must not go below $0, or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract knowingly signed that results in a negative unencumbered cash balance violates 5705.412, ORC, punishable by the personal liability of $10,000. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about $2.05 million for our district.

	FY 24	FY 25	FY 26	FY 27	FY 28
Ending Cash Balance	$ 55,894,008	$ 56,760,955	$ 58,150,584	$ 57,639,263	$ 55,194,488



True Cash Days Ending Balance

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



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