BRISTOL LOCAL SCHOOL DISTRICT
TRUMBULL 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

BRISTOL LOCAL SCHOOLS
HOME OF THE PANTHERS

Forecast Provided By
Bristol Local School District
Treasurer's Office
Carla Click, Treasurer/CFO
May 8, 2024

Bristol Local School District –Trumbull County
Notes to the Five Year Forecast
General Fund Only
May 8, 2024

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

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

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

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

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

May 2024 Updates:

<u>Revenues FY24</u>
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 $7.97 million or 2.88% higher than the November forecasted amount of $7.75 million. This indicates that the November forecast was 97.12% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our second most significant source of revenues at 38.91% and are estimated to be $3.1 million, which is $75,475 higher for FY24 than the original November estimate of

$3.02 million. Our estimates are 97.51% accurate for FY24 and should mean future projections are also on target.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be $3.85 million, which is $34,667 higher than the original estimate for FY24. We are pleased that we were able to be 99.09% accurate for FY24. We are currently on the guarantee and are expected to remain as a guarantee district for FY25 through FY28.

Line 1.06 - Other revenues are up $99,926 over original estimates, primarily due to interest received by the district. This line is somewhat unpredictable from year to year.

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

Expenditures FY24

Total General Fund expenditures (line 4.5) are estimated to be $7.02 million for FY24, which is $57,500 higher than the original estimate of $6.96 million in the November forecast, which is roughly 99.17% on target with initial estimates. The expenditure line most significantly over projection is Purchased Services (line 3.030) due to additional student needs.

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

Unreserved Ending Cash Balance

With revenues increasing from estimates and expenditures increasing, our ending unreserved cash balance June 30, 2024, is anticipated to be roughly $7.07 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2028 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) Property tax collections are the second 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 46.3% of the district's resources. Our tax collections in the August 2023 and March 2024 settlements showed average collection trends. We believe there is a low risk that local collections would fall below projections throughout the forecast.

2) Trumbull County experienced a reappraisal update in the 2020 tax year to be collected in 2021. The 2020 update increased assessed values by $13.0 million, or 13.7%. Overall values rose $13.8 million or 14.60%, including reappraisal and new construction for all property classes. A reappraisal update occurred in the tax year 2023 for collection in 2024. The value increased for Class I and II property by $29.5 million for an overall increase of 26.69%. In 2026 tax year, we anticipate a 3% increase for Class I and 0.0% for Class II, or 3.31% overall. 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. We are watching proposed property tax legislation very carefully and will adjust the forecast pending their outcome.

3) The state budget represented 53.7% of district revenues, which means it is the largest single source and 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 Ohio Department of Education 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.

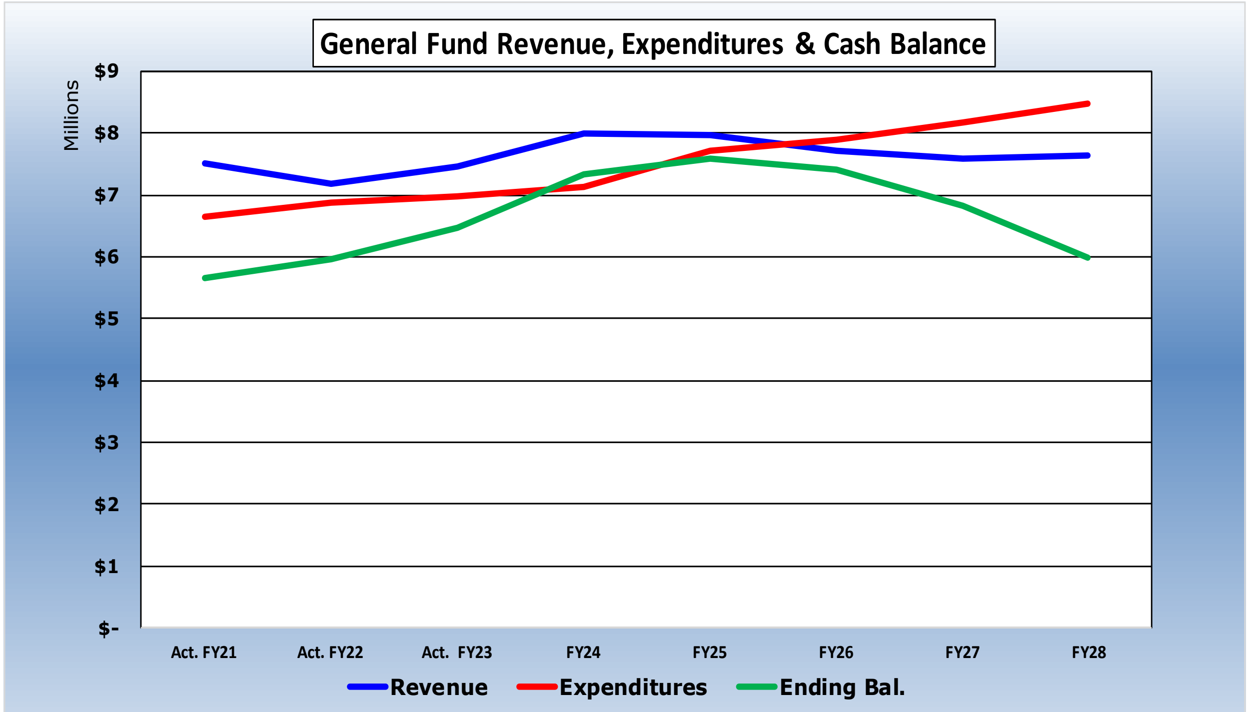
6) The district currently has 3 renewal levies. The district's $330,000 emergency levy will expire in 2027, our $400,000 emergency levy will expire in 2024 and our Permanent Improvement levy will expire in 2025. It will be essential to renew these levies when it is time. We believe these levies will be renewed, but there is always a chance they will not.

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.

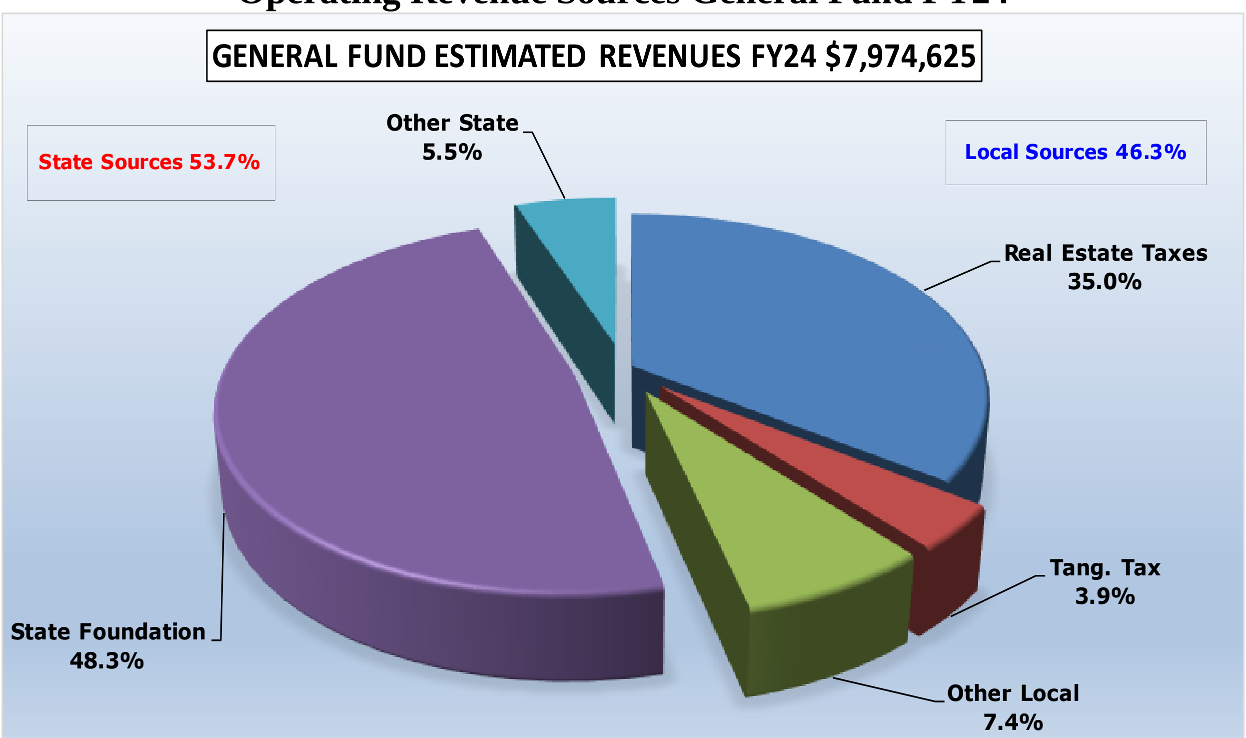
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district.

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

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



Revenue Assumptions
Operating Revenue Sources General Fund FY24



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Trumbull County experienced a reappraisal for the 2023 tax year to be collected in 2024. Residential/agricultural values increased 24.7% or $26.8 million due to the reappraisal led by an improving housing market.

A reappraisal update will occur in 2026 for collection in 2027 for which we are estimating a 3.0% increase in residential and a 0% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase $4.67 million or 3.31% overall.

Public Utility Personal Property (PUPP) values increased by $215,570 in Tax Year 2022. We expect our values to continue to grow by $50,000 each year of the forecast.

Classification	Actual TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028
Res./Ag.	$136,453,810	$136,953,810	$137,453,810	$142,077,424	$142,577,424
Comm./Ind.	3,727,900	3,777,900	3,827,900	3,877,900	3,927,900
Public Utility Personal Property (PUPP)	4,680,420	4,730,420	4,780,420	4,830,420	4,880,420
Total Assessed Value	$144,862,130	$145,462,130	$146,062,130	$150,785,744	$151,385,744

Tax Rates

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for "reduction factors" of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II), resulting in different effective millage rates. The district-voted rate for all levies is 43.2 mills while the Class I effective millage rate is 20.0 mills and the Class II effective millage rate is 20.0 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills, which includes both the voted and the non-voted millage rates; this is called the "20-Mill Floor". Currently, our district is on the floor for Class I and for Class II. Any emergency or substitute emergency levy that is voted on is not included in the 20-mill floor, the district has two emergency levies. One levy is 2.8 mills that was voted on for an annual amount of $400,000 of taxes and the other is 2.3 mills for a total annual amount of $330,000.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Source	FY24	FY25	FY26	FY27	FY28
Est. Real Estate Taxes	$2,792,328	$3,029,071	$2,851,602	$2,750,846	$2,792,158
Total Line #1.01 Real Estate Taxes	$2,792,328	$3,029,071	$2,851,602	$2,750,846	$2,792,158

Property tax levies are estimated to be collected at 95.00% of the annual amount. This allows 5.00% delinquency factor. In general, 54.25% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 45.75% collected in the August tax settlement.

Public Utility tax settlements (PUPP taxes) are estimated to be received 56% in March and 44% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

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

Renewal and Replacement Levies – Line #11.02

Tax levies that are not continuous by law cannot be included with the property taxes; therefore, there are no levies that will appear in this line until FY26 when the emergency levy will need to be renewed.

Source	FY24	FY25	FY26	FY27	FY28
Emergency Levy ($400,000) Ends 12/31/2025	$0	$0	$221,191	$402,165	$402,165
Emergency Levy ($330,000) Ends 12/31/2028	0	0	0	0	0
Total Line #11.020	$0	$0	$221,191	$402,165	$402,165

Estimated Tangible Personal Tax & PUPP Taxes – Line #1.020

Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under P.U. Personal, which were $4.4 million in assessed values in 2021 and are collected at the district's gross voted millage rate. Collections are typically 56% in March and 44% in August along with the real estate settlements from the county auditor. The values in 2022 rose by 0.91% or $215,570 and are expected to grow by $50,000 each year of the forecast. In the first half of 2023 (FY23), a utility company paid late and that payment came in the second half of 2023, this distorted collections for FY23 and FY24.

Source	FY24	FY25	FY26	FY27	FY28
Public Utility Personal Property	$310,718	$203,188	$197,789	$193,873	$195,715
Total PUPP Tax Line #1.020	$310,718	$203,188	$197,789	$193,873	$195,715

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

A) Unrestricted State Foundation Revenue – Line #1.035

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

Our district is currently a 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.

Base Cost Approach - Unrestricted Basic Aid Foundation Funding

The current funding formula uses FY22 statewide average district costs and developed a base cost approach that includes minimum service levels and student-teacher ratios to calculate a unique base cost for each district. Newer, more up-to-date statewide average prices will not update for FY24 and FY25 and remain frozen at

FY22 levels, while other factors impacting a district's local capacity will update for FY24. Base costs per pupil include funding for five (5) areas:

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

State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is currently at a state-wide average of $8,242.19 per pupil in FY24, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage, in concept, will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth, the lower the state share percentage. HB33 increased the minimum state share from 5% in FY23 to 10% for FY24 and FY25. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income, and 20% on federal median income, as follows:

1. 60% based on the most recent three (3) year average assessed values or the most recent year, whichever is lower, divided by base students enrolled.
2. 20% based on the most recent three-year average federal adjusted gross income of district residents or the most recent year, whichever is lower, divided by base students enrolled.
3. 20% based on the most recent year's federal median income of district residents multiplied by the number of returns in that year divided by base students enrolled.
4. When the weighted values are calculated, and items 1 through 3 above are added together, the total is multiplied by a Local Share Multiplier Index from 0% for low-wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open-enrolled students being educated in each district) and multiplied by the local share multiplier index for each district. The result is the local per pupil capacity of the base per pupil funding amount.

Categorical State Aid

In addition to the base state foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). It also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount, not a specific amount. 10% will be reduced from all districts' calculations to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding is based on all resident students who ride, including preschool students and those living within 1 mile of school. Provides supplemental transportation for low-density districts. Increases state minimum share to 37.5% in FY24 and 41.67% in FY25.

Restricted Categorical State Aid

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

State Funding Phase-In FY24 and FY25 and Guarantees

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

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

Future State Budget Projections beyond FY25

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

Casino Revenue

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

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY22, was $109.39 million for schools or $62.86 per pupil, in FY23, the funding totaled $113.1 million or $64.90 per pupil, and in FY24 the funding totaled $113.11 million or $65.02 average per pupil. We expect the casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

Source	FY24	FY25	FY26	FY27	FY28
Basic Aid-Unrestricted	$3,373,244	$3,365,813	$3,365,813	$3,365,813	$3,365,813
Additional Aid Items	59,483	59,109	59,109	59,109	59,109
Basic Aid-Unrestricted Subtotal	3,432,727	3,424,922	3,424,922	3,424,922	3,424,922
Ohio Casino Commission ODT & Cat Costs	33,489	34,161	34,847	35,546	36,260
Total Unrestricted State Aid Line #1.035	$3,466,216	$3,459,083	$3,459,769	$3,460,468	$3,461,182

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 April 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.

HB33 set aside $64 million state-wide to subsidize the cost of high-quality instructional materials purchased by schools and districts aligned to the Science of Reading. The funds are provided to support both high-quality core curriculum and instructional materials in English language areas and evidenced-based reading intervention programs. The district received $24,773 from this one-time subsidy and is required to maintain documentation as to how the funds were leveraged along with expenses incurred beyond the subsidy.

Source	FY24	FY25	FY26	FY27	FY28
DPIA	$79,299	$89,794	$89,794	$89,794	$89,794
Career Tech - Restricted	0	0	0	0	0
Gifted	44,746	42,628	42,628	42,628	42,628
ESL	17,485	15,929	15,929	15,929	15,929
Student Wellness	193,085	193,657	193,657	193,657	193,657
Other Restricted State Aid	24,773	0	0	0	0
Catastrophic Aid	23,688	23,688	23,688	23,688	23,688
Total Restricted State Revenues Line #1.040	$383,076	$365,696	$365,696	$365,696	$365,696

C) Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

SUMMARY	FY24	FY25	FY26	FY27	FY28
Unrestricted Line #1.035	$3,466,216	$3,459,083	$3,459,769	$3,460,468	$3,461,182
Restricted Line #1.040	383,076	365,696	365,696	365,696	365,696
Rest. Federal Funds #1.045	0	0	0	0	0
Total State Foundation Revenue	$3,849,292	$3,824,779	$3,825,465	$3,826,164	$3,826,878

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

Source	FY24	FY25	FY26	FY27	FY28
Rollback and Homestead	$435,470	$466,578	$441,697	$423,045	$430,040
Total Tax Reimbursements #1.050	$435,470	$466,578	$441,697	$423,045	$430,040

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

Source	FY24	FY25	FY26	FY27	FY28
Tuition Related Payments	$169,971	$169,971	$169,971	$169,971	$169,971
Open Enrollment	0	0	0	0	0
Interest Earnings	342,464	192,464	132,464	132,464	132,464
Medicaid	62,296	62,296	62,296	62,296	62,296
Miscellaneous	12,086	12,086	12,086	12,086	12,086
Total Other Local Revenue Line #1.060	$586,817	$436,817	$376,817	$376,817	$376,817

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. There is no transfers in or return of advances in this forecast.

All Other Financial Sources – Line #2.060

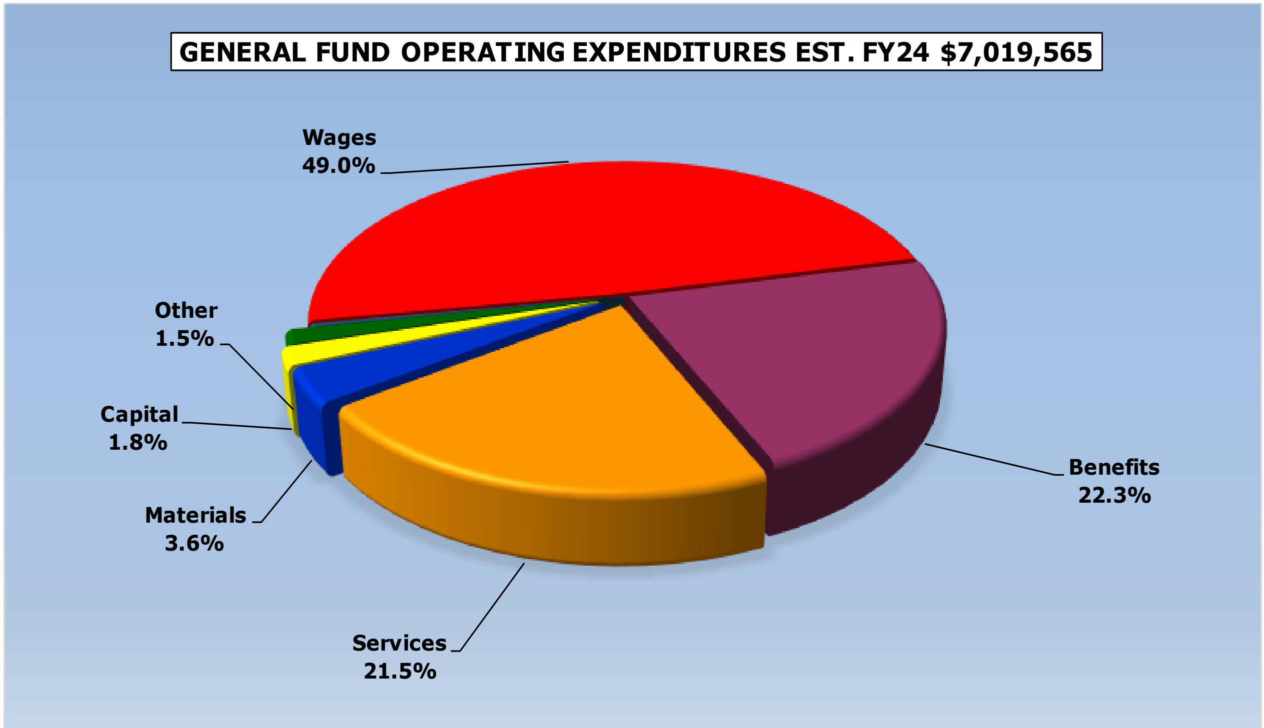
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Source	FY24	FY25	FY26	FY27	FY28
Refund of prior years expenditures	$20,273	$20,273	$20,273	$20,273	$20,273

Expenditures Assumptions

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

All Operating Expense Categories - General Fund FY24



Wages – Line #3.010

The Collective Bargaining Agreement (CBA) is from July 1, 2021 through June 30, 2024. The district agreed to a 2% raise for each year of the contract. For FY25 through FY28, a 1% increase is projected with steps increases. Negotiations are for FY25 through FY27 are scheduled to resume in the spring of 2024. Growth Staff line includes shifting positions around in FY24, and adding a special education director to FY25.

Source	FY24	FY25	FY26	FY27	FY28
Base Wages	$3,011,084	$3,156,528	$3,354,315	$3,470,989	$3,572,785
Based Pay Increase	60,222	31,565	33,543	34,710	35,728
Steps & Academic Training	60,222	60,222	63,131	67,086	69,420
Growth Staff	25,000	106,000	20,000	0	0
Substitutes	126,978	126,978	126,978	126,978	126,978
Supplementals	154,656	156,203	157,765	159,343	160,936
Severance	0	0	0	0	0
SWSF & ESSER Adjustments	0	0	0	0	0
Other Adjustments/Reductions	0	0	0	0	0
Total Wages Line #3.010	$3,438,162	$3,637,496	$3,755,732	$3,859,106	$3,965,847

Fringe Benefits Estimates

This area of the forecast captures all costs associated with benefits and retirement costs.

A) STRS/SERS will increase as Wages Increase

As required by law, the BOE pays 14% of all employee wages to STRS or SERS.

B) Insurance

The district is in the Trumbull County ESC Consortium with about 26 other schools. From December 2016 through July of 2018, our insurance premium increased 23%. As part of the CBA two-year extension, the union agreed to insurance changes. One of the changes involved going from a two-tier pay structure to a four-tier pay structure. Another change involved spousal coverage language. These two changes went into effect on January 1, 2020 and resulted in a positive impact in the forecast. In January 2021, there was a new medical plan provider. Due to this change, there was not an increase in medical premiums between FY19 to FY22. Effective January 1, 2023 a new PPO plan was implemented for the consortium. This change is expected to help offset some of the costs associated with the medical premium increase. Although increases to this point have been small, our increase for FY24 is about 20%. We are anticipating another 15% increase in FY25 before settling back down to 10% increases for FY26 to FY28 which reflects trend on our current employee census and claims data.

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

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be approximately 0.45% of wages FY24– FY28. Unemployment is expected to remain at a very low level FY24-FY28. We have qualified for the group rating program for workers compensation the past few years and we are forecasted to remain part of the group rating program.

D) Medicare

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

Summary of Fringe Benefits – Line #3.020

Source	FY24	FY25	FY26	FY27	FY28
A) STRS/SERS	$526,509	$556,597	$576,117	$592,339	$608,811
B) Insurance's	963,686	1,143,316	1,262,448	1,388,693	1,527,562
C) Workers Comp/Unemployment	15,517	16,394	16,914	17,369	17,839
D) Medicare	48,063	51,028	51,497	54,168	55,957
Other/Tuition/Annuities	10,850	10,850	10,850	10,850	10,850
Total Fringe Benefits Line #3.020	$1,564,625	$1,778,185	$1,917,826	$2,063,419	$2,221,019

Purchased Services – Line #3.030

HB110, the previous state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education began to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted 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 show these amounts below as zeros to help reflect the difference between projected FY24-FY28 Line 3.03 costs and historical FY21 through FY23 costs on the five year forecast. College Credit Plus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend. In FY25, we have some purchased services currently charged to the 467 fund coming back into the general fund. Overall, this category has a 3% inflationary increase each year of the forecast.

The contracted amount for special education services with the Trumbull County Educational Services Center for FY23 is $659,131 compared to $568,958 in FY22. A federal grant (IDEA) is used to offset the cost from busing. The IDEA B grant offsets the general fund by roughly $50,000 for purchased services. The forecast assumes that the federal grant will continue over the span of the forecast.

Starting in FY19, the school district hired a School Resource Officer through the Trumbull County Sheriff's office. The total cost, including salary and benefits is approximately $60,000-$65,000 annually.

Source	FY24	FY25	FY26	FY27	FY28
Professional & Technical Services, ESC	$221,627	$228,276	$235,124	$242,178	$249,443
Maintenance, Insurance & Garbage Removal	127,442	131,265	135,203	139,259	143,437
Professional Development	11,073	11,405	11,747	12,099	12,462
Communications, Postage, & Telephone	19,219	19,796	20,390	21,002	21,632
Utilities	143,733	148,045	152,486	157,061	161,773
Contracted Trades & Services	0	0	0	0	0
Tuition, Excess Costs & Scholarship Costs	882,726	880,708	907,129	934,343	962,373
Open Enrollment & Community School Costs	0	0	0	0	0
College Credit Plus	22,000	22,660	23,340	24,040	24,761
Contract Transportation	80,120	82,524	85,000	87,550	90,177
Other Adjustments SWSF, ESSER, Etc.	0	80,000	20,000	0	0
Miscellaneous Purchased Services	0	0	0	0	0
Total Purchased Services Line #3.030	$1,507,940	$1,604,679	$1,590,419	$1,617,532	$1,666,058

Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. There is a 3% inflationary adjustment each year of the forecast for supplies.

Source	FY24	FY25	FY26	FY27	FY28
General Office Supplies & Materials	$120,867	$124,493	$128,228	$132,075	$136,037
Textbooks & Instructional Supplies	45,107	121,460	50,104	51,607	53,155
Facility Supplies & Materials	31,460	32,404	33,376	34,377	35,408
Transportation Fuel & Supplies	57,551	59,278	61,056	62,888	64,775
Other adjustments SWSF, ESSER, Etc.	0	0	0	0	0
Total Supplies Line #3.040	$254,985	$337,635	$272,764	$280,947	$289,375

Equipment – Line # 3.050

The District does not anticipate costs increasing significantly in this line because most capital outlay is paid by the Permanent Improvement Fund. November 3, 2020 we passed a five year the permanent improvement levy that started collection in 2022, collection will end in December of 2026. This will need to be renewed before that time. If it is not renewed, this line will be impacted. We are currently purchasing a bus each year, with 40% of the cost paid from the permanent improvement fund and 60% coming from the general fund.

Source	FY24	FY25	FY26	FY27	FY28
Capital Outlay & Maintenance	$43,417	$44,720	$46,062	$47,444	$48,867
Technology/Curriculum Purchases	20,000	15,000	15,000	15,000	15,000
Busses & Other Vehicles	66,000	72,000	78,000	78,000	78,000
Other adjustments SWSF, ESSER, Etc.	0	0	0	0	0
Total Equipment Line #3.050	$129,417	$131,720	$139,062	$140,444	$141,867

Principal and Interest Payment – Lines # 4.05 and 4.06

The payments of our HB264 project began in FY13 and will be paid back over a 15 year period. The last payment will be December 1, 2026.

Source	FY24	FY25	FY26	FY27	FY28
HB 264 Principal Line #4.050	$20,000	$20,000	$20,000	$20,000	$0

Source	FY24	FY25	FY26	FY27	FY28
Interest & Fiscal Costs On Debt Line #4.060	$2,188	$1,563	$938	$313	$0

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. We anticipate these will remain stable over the course of the forecast.

Source	FY24	FY25	FY26	FY27	FY28
County Auditor & Treasurer Fees	$62,267	$62,267	$62,267	$62,267	$62,267
ESC Deduction	6,962	6,962	6,962	6,962	6,962
Annual Audit Costs	16,162	16,162	16,162	16,162	16,162
Increased A&T Fees for New Levies	0	0	0	0	0
Dues, Fees & other Expenses	16,857	16,857	16,857	16,857	16,857
Total Other Expenses Line #4.300	$102,248	$102,248	$102,248	$102,248	$102,248

Transfers Out/Advances Out – Lines #5.010 and 5.020

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. The transfers include moving funds over to the 035 severance fund, the 003 non voted levy for improvements and the 300 athletic fund to supplement athletic costs.

Source	FY24	FY25	FY26	FY27	FY28
Operating Transfers Out Line #5.010	$100,000	$100,000	$100,000	$100,000	$100,000
Advances Out Line #5.020	0	0	0	0	0
Total Transfer & Advances Out	$100,000	$100,000	$100,000	$100,000	$100,000

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.

	FY24	FY25	FY26	FY27	FY28
Estimated Encumbrances Line #8.010	$261,236	$261,236	$261,236	$261,236	$261,236

Property Tax Renewal – Line #11.020

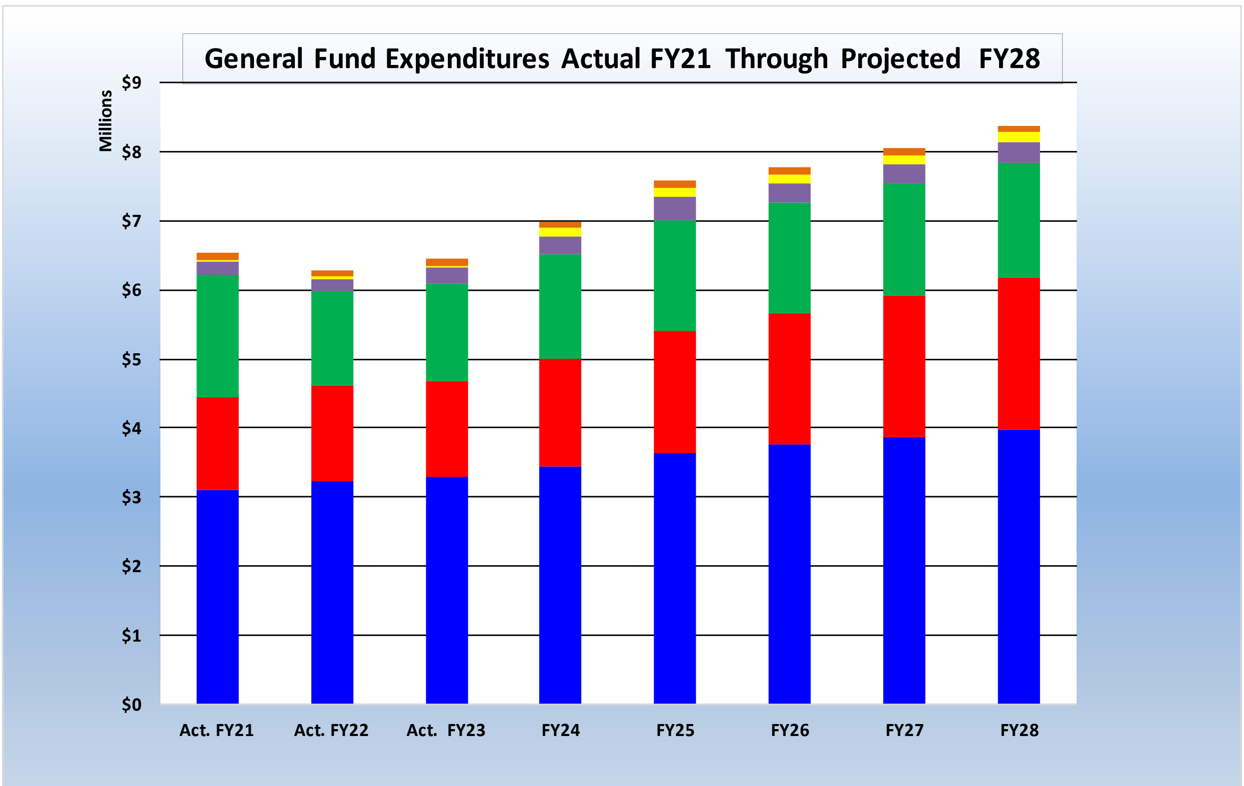
The district currently has two emergency levies. The first levy is for $330,000. The year of expiration is calendar year 2027, and the last year of collection is 2028. This levy was approved May 3, 2022. The second levy is for $400,000. This levy was renewed on the May 7, 2019 election. The year of expiration is calendar year 2024, and the last year of collection is 2025. The district also has a five year permanent improvement (PI) levy. This was passed on November 3, 2020 and will no longer be collected after 2026 unless it is renewed.

Although the PI levy is not in this forecast, it will impact the general funds capital improvement line if it does not get renewed.

Source	FY24	FY25	FY26	FY27	FY28
Emergency Levy ($400,000) Ends 12/31/2025	$0	$0	$221,191	$402,165	$402,165
Emergency Levy ($330,000) Ends 12/31/2028	0	0	0	0	0
Total Line #11.020	$0	$0	$221,191	$402,165	$402,165

Operating Expenditures Actual FY21 through FY23 and Estimated FY24-FY28

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

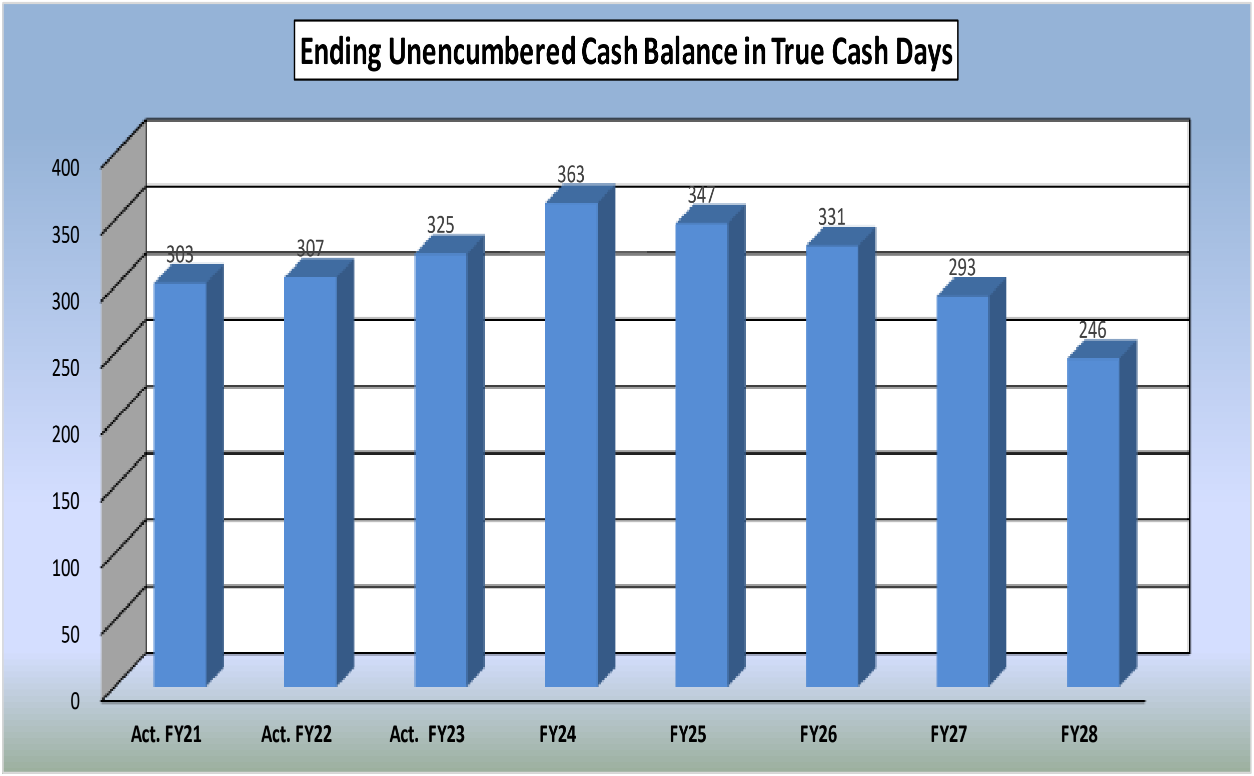


Ending Unencumbered Cash Balance "The Bottom-line"– Line #15.010

This amount must not go below $0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about $593,000 for our district.

	FY24	FY25	FY26	FY27	FY28
Ending Unreserved Cash Balance Line #15.01	$7,072,842	$7,340,022	$7,375,868	$7,185,042	$6,742,674

True Cash Days Ending Balance



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

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