

TALAWANDA CITY SCHOOL DISTRICT - BUTLER COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2022, 2023, and 2024 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2025, THROUGH JUNE 30, 2029



Forecast Provided By
Talawanda City School District
Treasurer's Office
Shaunna Tafelski, Treasurer/CFO

May 19, 2025

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Talawanda City School District

Butler County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2022, 2023, 2024 Actual;

Forecasted Fiscal Year Ending June 30, 2025 through 2029

	Actual				Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Average Change	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Revenues									
1.010 General Property Tax (Real Estate)	14,432,095	14,498,928	17,259,328	9.8%	19,600,589	19,519,113	20,001,190	20,414,841	20,554,313
1.020 Public Utility Personal Property Tax	2,455,280	2,092,842	2,203,281	-4.7%	3,371,256	2,439,876	2,488,102	2,537,329	2,586,555
1.030 Income Tax	8,458,140	9,464,884	9,347,504	5.3%	9,820,014	10,085,154	10,357,454	10,637,105	10,924,307
1.035 Unrestricted State Grants-in-Aid	8,085,710	8,269,331	8,120,604	0.2%	8,458,281	8,661,126	8,664,022	8,666,961	8,669,944
1.040 Restricted State Grants-in-Aid	574,924	530,155	740,843	16.0%	562,348	463,956	463,956	463,956	463,956
1.045 Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050 State Share of Local Property Taxes	1,648,621	1,657,297	1,963,732	9.5%	2,281,877	2,259,995	2,317,360	2,375,503	2,391,182
1.060 All Other Revenues	1,892,514	2,199,849	3,011,898	26.6%	2,884,737	2,696,346	2,588,688	2,462,506	2,370,000
1.070 Total Revenues	37,547,284	38,713,286	42,647,190	6.6%	46,979,102	46,125,566	46,880,772	47,558,201	47,960,257
Other Financing Sources									
2.010 Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020 State Emergency Loans and Advancements (Approved)	0	0	0	0.0%	0	0	0	0	0
2.040 Operating Transfers-In	0	42,485	0	0.0%	0	0	0	0	0
2.050 Advances-In	15,062	554,588	41,044	999.0%	13,124	75,000	75,000	75,000	75,000
2.060 All Other Financing Sources	139,043	52,693	162,537	73.2%	69,087	92,925	107,862	89,958	96,915
2.070 Total Other Financing Sources	154,105	649,766	203,581	126.5%	82,211	167,925	182,862	164,958	171,915
2.080 Total Revenues and Other Financing Sources	37,701,389	39,363,052	42,850,771	6.6%	47,061,313	46,293,491	47,063,634	47,723,159	48,132,172
Expenditures									
3.010 Personnel Services	20,501,243	20,884,983	20,269,919	-0.5%	21,773,731	22,738,229	23,631,039	24,559,317	25,524,473
3.020 Employees' Retirement/Insurance Benefits	7,391,163	7,754,049	7,687,241	2.0%	8,257,425	8,872,440	9,394,084	9,949,192	10,540,225
3.030 Purchased Services	7,091,530	7,134,051	7,249,993	1.1%	8,430,795	8,608,685	8,745,667	9,002,898	9,268,006
3.040 Supplies and Materials	788,995	913,418	771,161	0.1%	790,724	477,574	489,302	642,270	694,391
3.050 Capital Outlay	466,852	3,886,735	776,422	326.3%	488,619	160,451	381,044	323,492	421,477
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0
Debt Service:				0.0%					
4.010 Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0
4.020 Principal-Notes	0	0	0	0.0%	0	0	0	0	0
4.030 Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040 Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050 Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0
4.055 Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060 Interest and Fiscal Charges	0	0	0	0.0%	0	0	0	0	0
4.300 Other Objects	880,955	939,964	982,577	5.6%	1,050,032	1,098,891	1,148,922	1,202,832	1,257,848
4.500 Total Expenditures	37,120,738	41,513,200	37,737,313	1.4%	40,791,326	41,956,270	43,790,058	45,680,001	47,706,420
Other Financing Uses									
5.010 Operating Transfers-Out	0	0	0	0.0%	13,366,087	108,869	113,691	118,155	122,797
5.020 Advances-Out	554,588	41,044	13,124	-80.3%	75,000	75,000	75,000	75,000	75,000
5.030 All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040 Total Other Financing Uses	554,588	41,044	13,124	-80.3%	13,441,087	183,869	188,691	193,155	197,797
5.050 Total Expenditures and Other Financing Uses	37,675,326	41,554,244	37,750,437	0.6%	54,232,413	42,140,139	43,978,749	45,873,156	47,904,217
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	26,063	(2,191,192)	5,100,334	-999.0%	(7,171,100)	4,153,352	3,084,885	1,850,003	227,955
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	22,021,180	22,047,243	19,856,051	-4.9%	24,956,385	17,785,285	21,938,637	25,023,522	26,873,525
7.020 Cash Balance June 30	22,047,243	19,856,051	24,956,385	7.9%	17,785,285	21,938,637	25,023,522	26,873,525	27,101,480
8.010 Estimated Encumbrances June 30	148,639	663,912	156,984	135.2%	356,984	356,984	356,984	356,984	356,984
Fund Balance June 30 for Certification of Appropriations	21,898,604	19,192,139	24,799,401	8.4%	17,428,301	21,581,653	24,666,538	26,516,541	26,744,496
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal	0	0	0	0.0%	0	0	0	0	0
11.020 Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	0	0	0
11.300 Cumulative Balance of Replacement/Renewal Levies	0	0	0	0.0%	0	0	0	0	0
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	21,898,604	19,192,139	24,799,401	8.4%	17,428,301	21,581,653	24,666,538	26,516,541	26,744,496
Revenue from New Levies									
13.010 Income Tax - New	0	0	0	0.0%	0	0	0	0	0
13.020 Property Tax - New	0	0	0	0.0%	0	0	0	0	0
13.030 Cumulative Balance of New Levies	0	0	0	0.0%	0	0	0	0	0
14.010 Revenue from Future State Advancements				0.0%	0	0	0	0	0
15.010 Unreserved Fund Balance June 30	21,898,604	19,192,139	24,799,401	8.4%	17,428,301	21,581,653	24,666,538	26,516,541	26,744,496

Talawanda City School District – Butler County
Notes to the Five-Year Forecast
General Fund Only
May 19, 2025

Introduction to the Five-Year Forecast

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

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

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

Here are three (3) essential purposes or objectives of the five-year forecast:

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

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

May 2025 Updates

Revenues FY25

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$46.9 million, which is 1.2% higher than the November forecasted amount of \$46.4 million. This indicates that the November forecast was 98.8% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our most significant source of revenues at 48.9% and are estimated to be \$22.9 million, which is \$260 thousand higher for FY25 than the original November estimate of \$22.7 million. Our estimates are 98.9% accurate for FY25 and should mean future projections are also on target.

Line 1.03 - The district's collection of School District Income Tax (SDIT) was originally projected to be lower in the November forecast. Collections for FY25 are 1.3% higher than our original estimate by \$126 thousand. The SDIT represents 21% of the district's revenues.

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 \$9 million, which is

\$128 thousand higher than the original estimate for FY25. We are pleased that we were able to be 98.6% accurate for FY25. We are currently on the guarantee and are expected to remain as a guarantee district for FY26 through FY29.

Line 1.06 - Other revenues are \$50 thousand higher than the estimated in the November forecast, primarily due to tuition payments and interest revenues received by the district, which are somewhat unpredictable from year to year.

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

Expenditures FY25

Total General Fund expenditures (line 4.5) are estimated to be \$40.8 million for FY25, which is \$171 thousand lower than the original estimate of \$40.9 million in the November forecast, which is roughly 99.6% on target with initial estimates. The expenditure line most significantly under projection is Benefits (line 3.020), which decreased by \$494 thousand. This is attributed to a shift in medical participation, from PPO to our newest plan via Custom Design Benefits.

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 our original estimates in November and expenditures ending primarily on target, our ending unreserved cash balance June 30, 2025, is anticipated to be roughly \$31 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2029 if the 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 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. Total local revenues, which are predominately local taxes, equate to 76% of the district's resources. We believe there is a low risk that local collections would fall below projections throughout the forecast.
- (2) Butler County experienced a triennial update in the 2023 tax year to be collected in FY24. The 2023 update increased overall assessed values by \$267.7 million or an increase of 33.4%. Overall values rose \$275.4 million or 34.4%, which includes the reappraisal and new construction for all classes of property. A sexennial reappraisal is occurring in tax year 2026 for collection in FY27. We anticipate value increases for Class I and II property of \$52.9 million, for an overall increase of 4.8% based on recent information.
- (3) SB271 passed in 2024 that created a Joint Committee on Property Taxation and Reform. This action was in response to the historic property valuation increases. The committee's mission was to review Ohio's property tax system and to make recommendations to the General Assembly on property taxation. The committee released their report to the General Assembly on January 2, 2025. The report outlined twenty-one (21) recommendations on actions that could be taken to restrict local tax growth for Ohio school districts.

As a result of the numerous recommendations in the report there are currently 14 pending pieces of legislation in the Ohio Legislature that seeks to limit growth of local property taxes in several different ways. The most egregious is HB96, which could impact every district in the state of Ohio. HB96 seeks to limit school district ending carry over cash balances to 30% of their prior year's expenditures and to allow county budget commissions to suspend voter approved property tax levies and the 20-mill floor in order to reduce district reserves to the 30% target. HB96 has several severe consequences for school districts in terms of financial stability, loss of local control which will likely result in increased levy requests to district taxpayers. It is unclear at the time of this forecast whether HB96 will continue on through the Ohio Senate and be signed into law July

1, 2025. The district will be watching carefully for the final outcome of HB96 and several other legislative proposals that would limit property tax growth. Several of these proposals in addition to HB96 could be a very significant risk to future local tax growth for our district. We will update the forecast when factual data is available.

- (4) The state budget represented 24% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state does not fund the last two (2) years of the Fair School Funding Plan in the FY26-27 biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY26-27 and FY28-29.

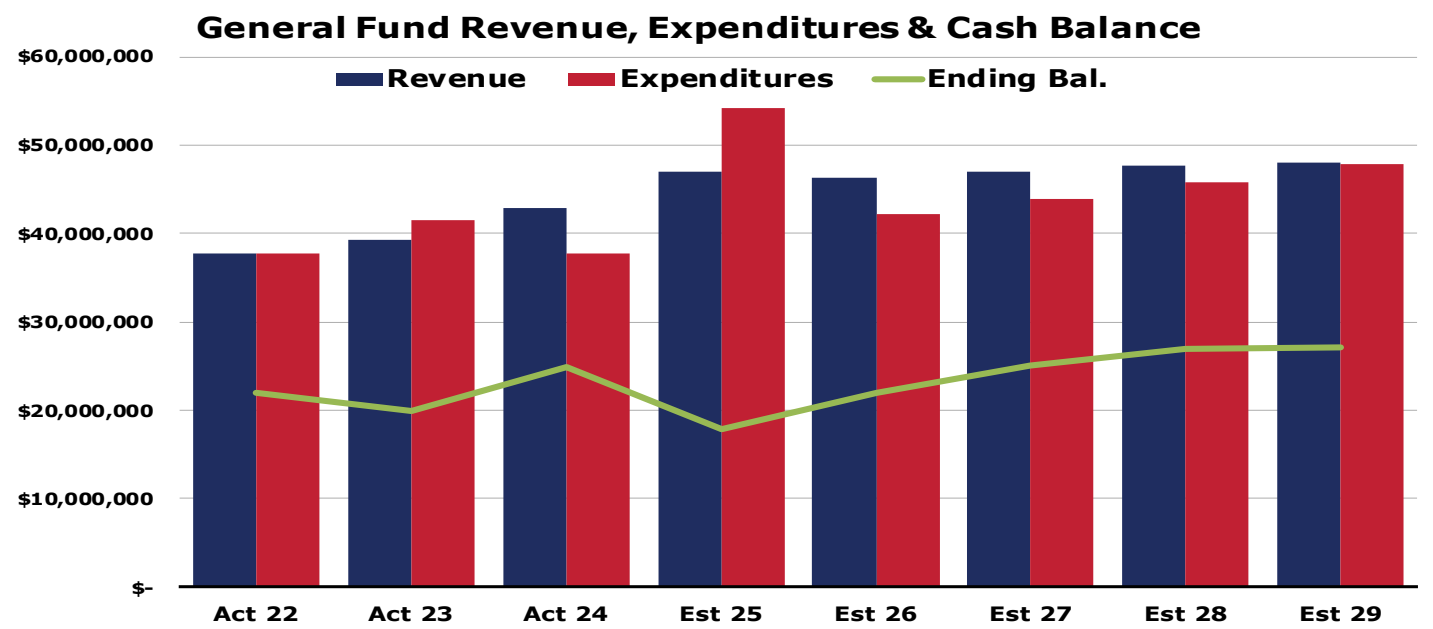
The state legislature has shown little interest in equitably funding the current formula. The Governor's proposed budget recommendation in HB96, dated February 3, 2025, reduced funding for public schools by -\$103.5 million over FY26-27. The legislative process will continue with uncertainty through June 30, 2025, which is after the forecast must be approved. This is an area of elevated risk to district funding long-range through FY29. We have projected our state funding in FY25 based on HB33, our current state budget, which expires June 30, 2025. We will adjust the forecast for state aid in future years as we have reliable data to make an informed decision.

- (5) HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY25 reflects 66.67% of the implementation cost at year four of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.67% funding of (FSFP), however, the final two years of the phase-in are not guaranteed and are dependent on legislative actions for the FY26 and FY27 state biennium budget, which as of this forecast do not appear favorable. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY25.
- (6) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus, Excess Costs and various tuitions continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid by the state of Ohio can expose the district to new expenditures currently outside the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.
- (7) The district has a 1% traditional income tax that generates 21% of the district's operating revenues. Due to this being our second largest source of income, a shift in our local economy could have an adverse effect on district revenues. This forecast assumes stable and slightly increasing revenues to this line. However, we recognize the potential risk associated with change to our local economy.
- (8) 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.
- (9) Healthcare fluctuations is an area that is closely watched. Prior to the pandemic our healthcare consortium experienced some of the lowest annual premium increases (5-year annual average: 1.6%) not only in Ohio but nationwide. Since the pandemic, and with the advances in gene therapy protocol we have seen 6% to 17.9% annual increases.

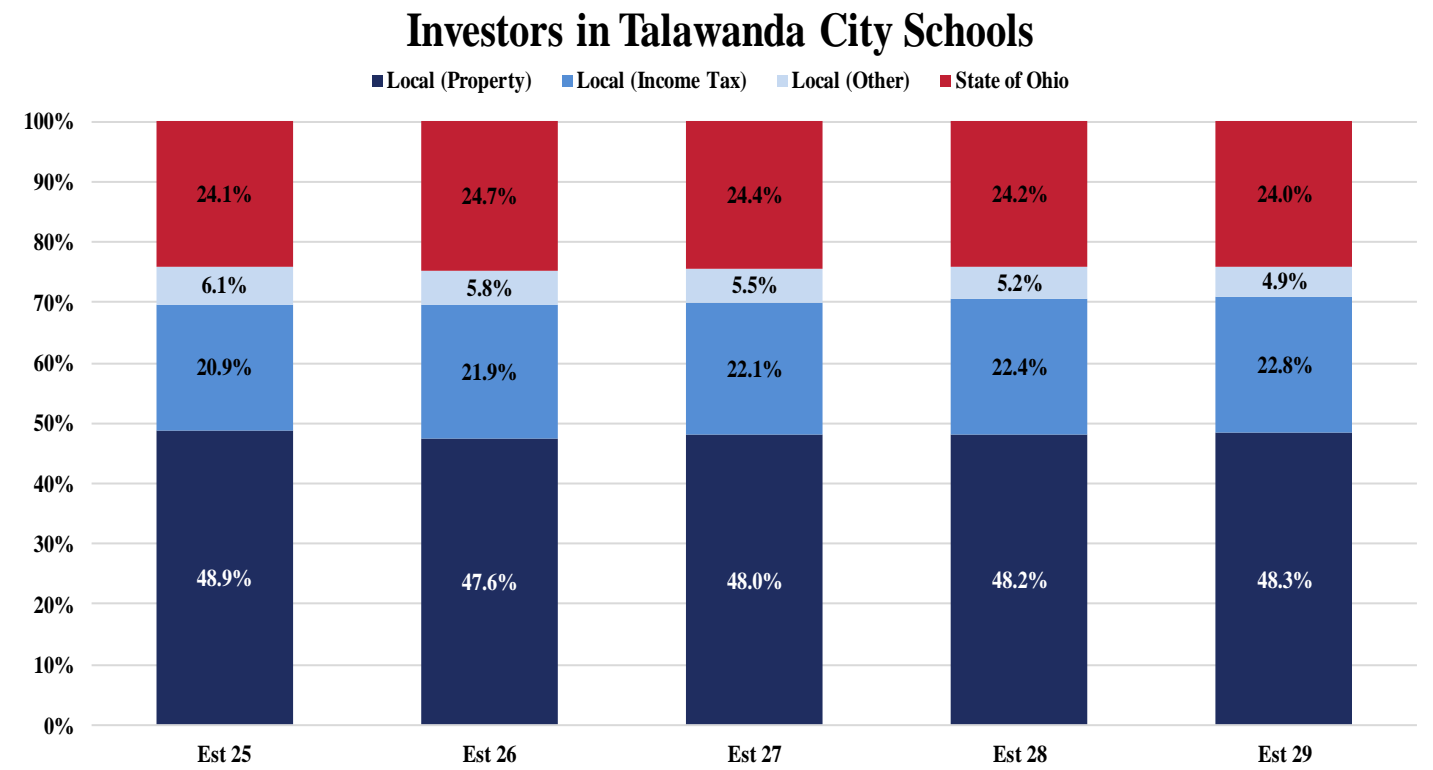
The forecast assumes a consistent level of federal grant funding (IDEA, Title I, Title IIA, etc.) and state grant funding for future years (maintaining our 'Guarantee' status).

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 Shaunna Tafelski, Treasurer/CFO at 513-273-3100.

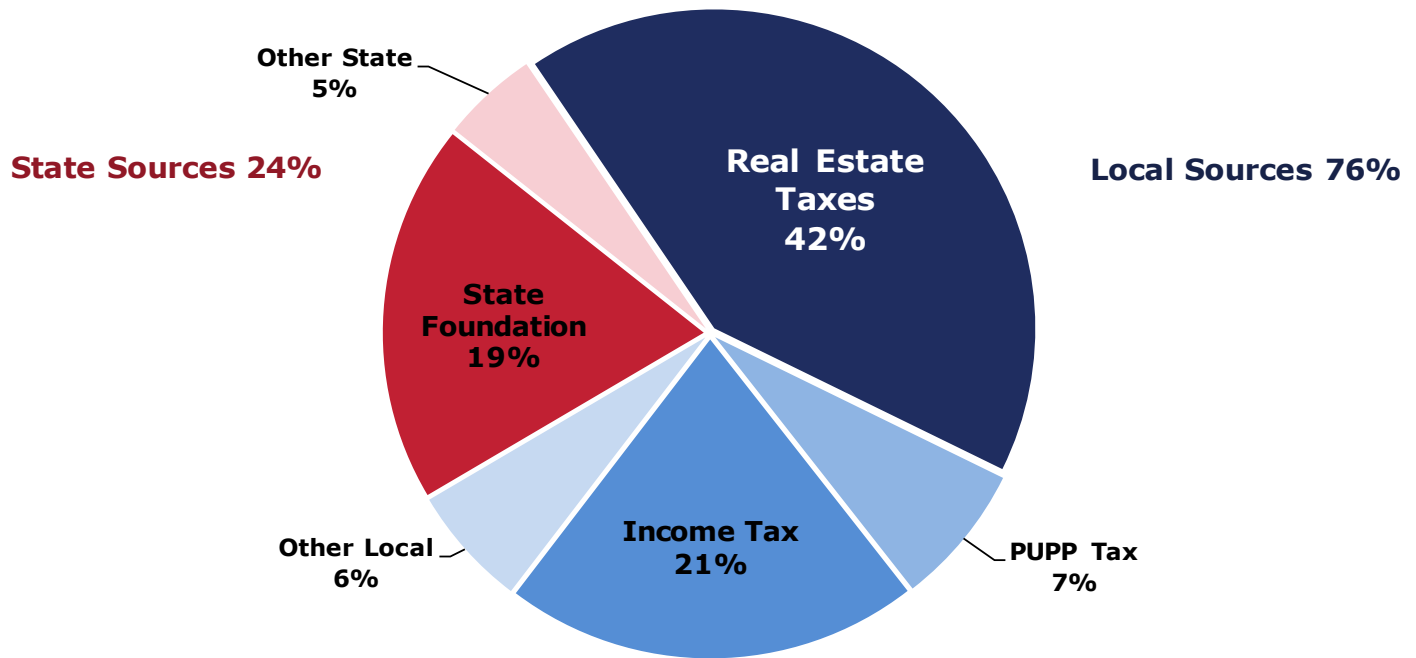
General Fund Revenue, Expenditures and Ending Cash Balance Actual FY22-24 and Estimated FY25-29
 The graph below captures in one snapshot the operating scenario facing the district over the forecasted years.



Revenue Assumptions
All Operating Revenue Sources General Fund FY25



General Fund Estimated Revenues FY25 \$ 46,979,102



Real Estate Value Assumptions

Property values have shown a trend of recovery since 2014, with the pace picking up. Our 2023 triennial update shows values increasing at a pace not seen since before 2008. When district values rise due to inflation, HB920 will reduce voted tax levies so that there is no increase other than on the un-voted inside millage amount. Over the years HB920 had prevented our district from collecting additional revenues on these increased values pushing our district onto the 20-mill floor.

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Butler County experienced a triennial update for the 2023 tax year to be collected in FY24. Residential/Agricultural values increased 39.2% or \$241.1 million due to the update, led by an improving housing market.

For tax year 2024, new construction in residential property was up 1% or \$9.1 million in assessed value, and commercial/industrial values increased \$1.5 million. Overall values increased \$10.4 million, or 0.9%, which includes new construction for all classes of property.

A sexennial reappraisal will occur in 2026 for collection in FY27, for which we are estimating a 3.9% increase in residential and a 1.5% increase for commercial/industrial property. We anticipate residential/agricultural and commercial/industrial values to increase \$44.4 million, or 4%, overall.

Public Utility Personal Property (PUPP) values increased by \$1.5 million in tax year 2024. We expect our values to continue to grow by \$500 thousand each year of the forecast. The Rockies Express Pipeline, LLC dispute with their taxable valuation has been resolved with the Ohio Department of Taxation. They had been paying at a tender rate, or the rate they believed it should be which was 50% of its original value. The most current information that we have is that it will be valued at 88% of its original valuation. The variance that is due to the district for tax years 2021 and 2022 is being treated as windfall revenue in FY25 but future years will return to its normal inflationary indexes.

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

Estimated Assessed Property Valuations by Collection Year

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2024	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028
<u>Classification</u>	<u>COLLECT 2025</u>	<u>COLLECT 2026</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>
Res./Ag.	\$871,068,950	\$875,889,955	\$915,427,624	\$921,448,121	\$927,551,834
Comm./Ind.	214,321,610	216,073,275	220,979,695	222,747,472	224,453,302
Public Utility (PUPP)	39,838,840	40,338,840	40,838,840	41,338,840	41,838,840
Total Assessed Value	<u>\$1,125,229,400</u>	<u>\$1,132,302,070</u>	<u>\$1,177,246,159</u>	<u>\$1,185,534,433</u>	<u>\$1,193,843,976</u>

Tax Rate Assumptions

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 48.30 mills while the Class I effective millage rate is 20.00 mills and the Class II effective millage rate is 20.03 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 nearly on the floor for Class II effective millage.

General Property Tax Collections (Real Estate) – Line #1.010

Property tax levies are estimated to be collected at 96.90% of the annual amount. This allows a 3.10% delinquency factor. In general, 54.75% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the March tax settlement and 45.25% in the August tax settlement.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Est. Property Taxes Line #1.010	<u>\$19,600,589</u>	<u>\$19,519,113</u>	<u>\$20,001,190</u>	<u>\$20,414,841</u>	<u>\$20,554,313</u>

Estimated Tangible Personal Tax & PUPP Taxes – Line #1.020

The amounts below are public utility personal property (PUPP) tax payments from public utilities. The values for PUPP are noted in the table above, under Public Utility (PUPP), which was \$39.8 million in assessed values in 2024 and is collected at the district’s total voted millage rate. Collections are typically 51% in March and 49% in August, along with the real estate settlements from the county auditor. The values in tax year 2024 rose by 1% or \$1.5 million and are expected to grow by roughly \$500 thousand each year of the forecast. As stated above, the Rockies Express Pipeline, LLC payments are forecasted using the new values established as a result of the dispute filed with the Ohio Department of Taxation as the basis of the projections. The variance that is due to the district for tax years 2021 and 2022 is being treated as windfall revenue in FY25 but future years will return to its normal inflationary indexes.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Public Utility Personal Property Taxes	<u>\$3,371,256</u>	<u>\$2,439,876</u>	<u>\$2,488,102</u>	<u>\$2,537,329</u>	<u>\$2,586,555</u>

School District Income Tax – Line#1.030

The district has a 1% traditional school district income tax. As we have moved into post-pandemic economic times, we are seeing that income tax collections are beginning to increase with the economic recovery. We will assume an annual growth rate of 2.7% for FY25-29 as the concerns over inflation may slow growth in this area.

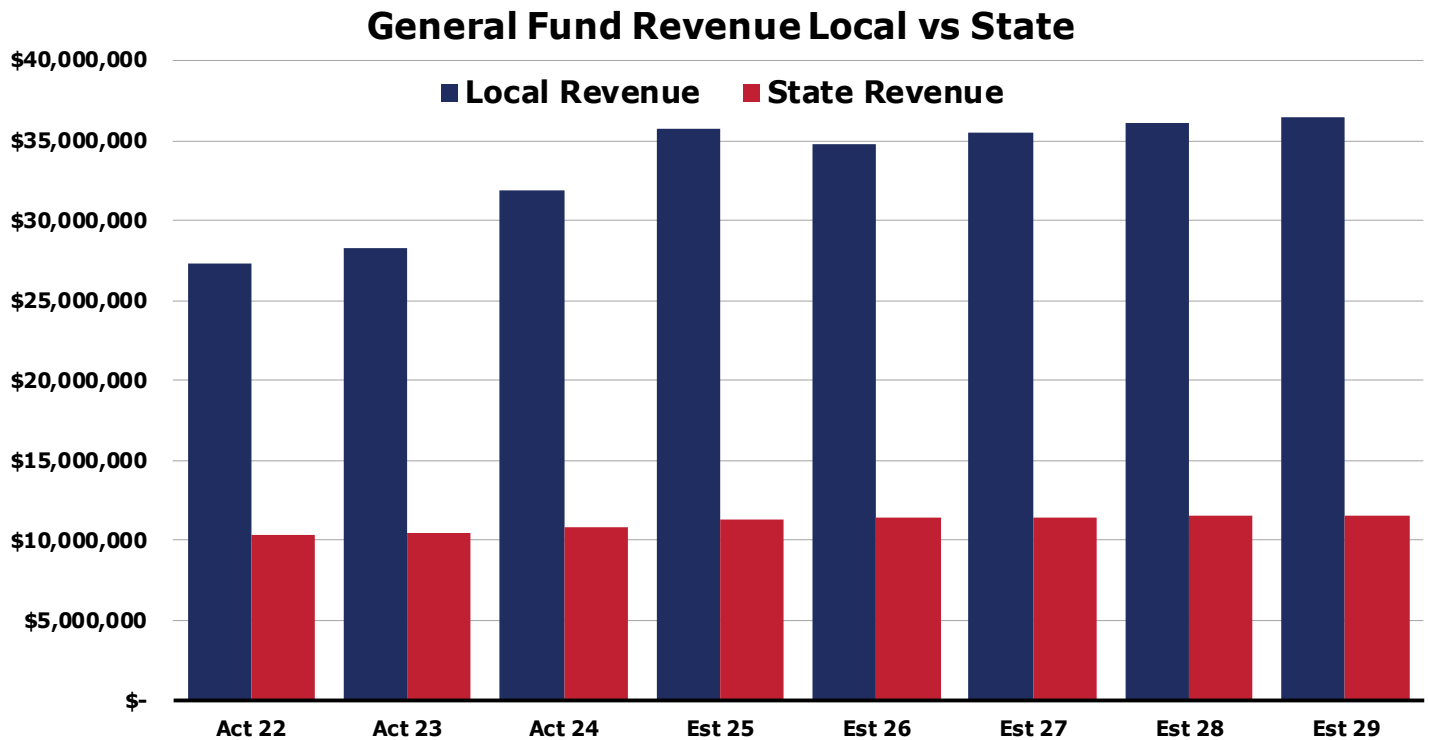
<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
SDIT Collection	\$9,347,504	\$9,820,014	\$10,085,154	\$10,357,454	\$10,637,105
Adjustments	<u>472,510</u>	<u>265,140</u>	<u>272,299</u>	<u>279,651</u>	<u>287,202</u>
Total to Line #1.030	<u>\$9,820,014</u>	<u>\$10,085,154</u>	<u>\$10,357,454</u>	<u>\$10,637,105</u>	<u>\$10,924,307</u>

Levy Renewal –Lines #11.010-11.030

No levy renewals are modeled in this forecast.

New Tax Levies – Lines #13.010-13.030

No additional levies are included in this forecast.



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

Current State Funding Model per HB33 through June 30, 2025

Unrestricted State Foundation Revenue – Line #1.035

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

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

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

State Funding Phase-In FY24/FY25 and Guarantees

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

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

Future State Budget Projections beyond FY25

Our funding status for FY26-29 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be funded or continued beyond FY25; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY26 through FY29.

Threshold Aid

Threshold Aid (formerly Catastrophic Aid) nearly double in FY22 due to an increase in appropriations, which is funded at the state level by reducing special education funding at the local level. For this reason, funding is held constant throughout the forecast FY26-FY29.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 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 FY24 was \$114.18 million or \$65.44 per pupil. In FY25, the funding totaled \$114.30 million or \$65.99 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Basic Aid-Unrestricted	\$7,904,782	\$8,104,782	\$8,104,782	\$8,104,782	\$8,104,782
Additional Aid Items	<u>363,296</u>	<u>363,296</u>	<u>363,296</u>	<u>363,296</u>	<u>363,296</u>
Basic Aid-Unrestricted Subtotal	<u>\$8,268,078</u>	<u>\$8,468,078</u>	<u>\$8,468,078</u>	<u>\$8,468,078</u>	<u>\$8,468,078</u>
Ohio Casino Commission ODT	<u>190,203</u>	<u>193,048</u>	<u>195,944</u>	<u>198,883</u>	<u>201,866</u>
Total Unrestricted State Aid Line #1.035	<u>\$8,458,281</u>	<u>\$8,661,126</u>	<u>\$8,664,022</u>	<u>\$8,666,961</u>	<u>\$8,669,944</u>

Restricted State Revenues – Line #1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged Funding) and Career Technical funding. In addition, new restricted funds have been added under “Restricted Categorical Aid” for Gifted, English Learners (ESL), and Student Wellness. We have estimated FY25 revenues for these new restricted funding lines using current May #1 funding factors. The amount of DPIA was limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have slightly increased levels for FY26-FY29 due to the district being on the cap. It should be noted due to uncertainty on continued funding of the current funding formula this could result in different numbers when HB96 is complete at the end of June.

Below you will see a line for other restricted state funds. This line captures new initiatives the state has put in place for specific purposes. In FY25, HB33 set aside funds state-wide to subsidize the Science of Reading initiative. The district will be reimbursed for teacher in-service and associated fringe benefits upon proof of training and certified reimbursement request. It is estimated that the district will receive \$98,392 from this one-time subsidy in FY25 and is required to maintain documentation as to how the funds were spent. This is captured in the Other Restricted State Funds line below, which also includes an additional increase for Highly Qualified Instructional Materials (HQIM) of \$2,184.88 and College Credit plus New Course Creation of \$2,000.00. Due to the nature of these funds, we will continue to monitor, and update this forecast should future biennium budgets include one-time restricted funding from the state.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
DPIA	\$161,306	\$161,306	\$161,306	\$161,306	\$161,306
ESL	17,020	17,020	17,020	17,020	17,020
Gifted	88,211	88,211	88,211	88,211	88,211
Career Tech - Restricted	3,930	3,930	3,930	3,930	3,930
Other Restricted State Funds	98,392	0	0	0	0
Student Wellness	<u>193,489</u>	<u>193,489</u>	<u>193,489</u>	<u>193,489</u>	<u>193,489</u>
Total Restricted State Revenues Line #1.040	<u>\$562,348</u>	<u>\$463,956</u>	<u>\$463,956</u>	<u>\$463,956</u>	<u>\$463,956</u>

Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

<u>SUMMARY</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Unrestricted Line # 1.035	\$8,458,281	\$8,661,126	\$8,664,022	\$8,666,961	\$8,669,944
Restricted Line # 1.040	562,348	463,956	463,956	463,956	463,956
Restricted Fed. Grants - Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$9,020,629</u>	<u>\$9,125,082</u>	<u>\$9,127,978</u>	<u>\$9,130,917</u>	<u>\$9,133,900</u>

State Share of Local Property Taxes – Line #1.050

Rollback and Homestead Reimbursement

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

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

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
State Share of Local Property Taxes Line #1.05	<u>\$2,281,877</u>	<u>\$2,259,995</u>	<u>\$2,317,360</u>	<u>\$2,375,503</u>	<u>\$2,391,182</u>

Other Local Revenues – Line #1.060

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

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

Rentals have begun to return to pre-pandemic levels. All other revenues are expected to continue on historical trends.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Medicaid	\$69,100	\$313,100	\$313,100	\$313,100	\$313,100
Tuition from State	980,383	939,179	939,179	939,179	939,179
Local Tuition	102,023	102,023	103,043	104,073	105,114
Threshold Cost	36,145	36,506	36,871	37,240	37,612
Manufactured Homes	10,157	10,157	10,157	10,157	10,157
TIF and Abatements	56,982	49,948	49,948	49,948	49,948
Open Enrollment	0	0	0	0	0
Interest	1,428,731	1,090,433	981,390	853,809	759,890
Other Miscellaneous Receipts	<u>201,215</u>	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>
Total Line #1.06	<u>\$2,884,737</u>	<u>\$2,696,346</u>	<u>\$2,588,688</u>	<u>\$2,462,506</u>	<u>\$2,370,000</u>

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

There is no short-term borrowing projected in this forecast.

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

These are non-operating revenues, which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a prior fiscal year in the current fiscal year. The advances in the prior fiscal year are expected to be repaid in the current year, as noted in the table below.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	13,124	75,000	75,000	75,000	75,000
Total Transfer & Advances In	<u>\$13,124</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>

All Other Financial Sources – Line #2.060

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

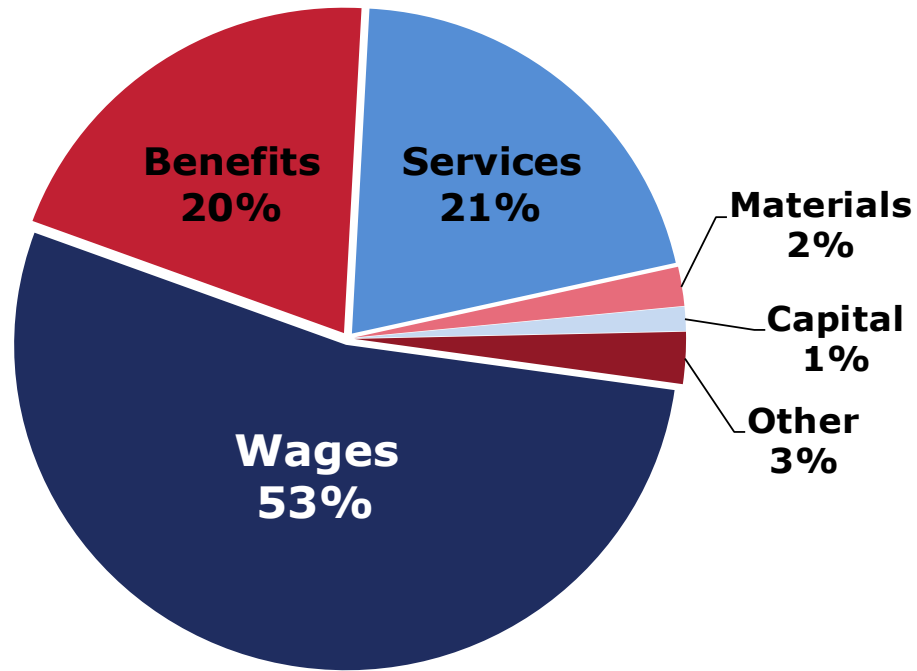
<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Sale of Personal Property	\$2,634	\$2,634	\$2,634	\$2,634	\$2,634
Refund of Prior Year Expense	66,453	90,291	105,228	87,324	94,281
Total Other Financing Sources	<u>\$69,087</u>	<u>\$92,925</u>	<u>\$107,862</u>	<u>\$89,958</u>	<u>\$96,915</u>

Expenditure Assumptions

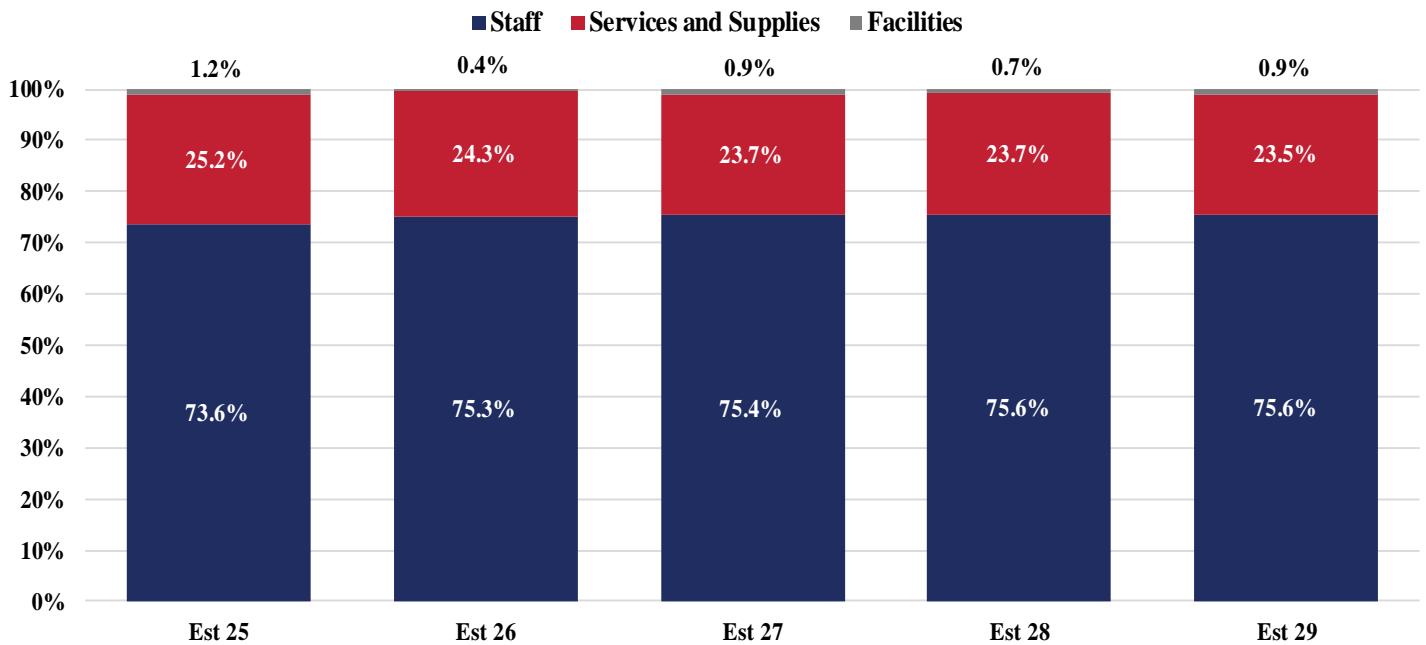
The district's leadership team is always looking at ways to improve the education of the students, whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource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

All Operating Expense Categories - General Fund FY25

General Fund Operating Expenditures Est. FY25 \$40,791,326



Investment in Talawanda Students



Wages – Line #3.010

The forecast as presented reflects a 4% base increase in FY25, a 3% increase in FY26, and a 2% base increase in FY27-29, for planning purposes only at this time. Steps and training increases saw average trend levels for FY25, which we expect to continue for FY26-29. We are not anticipating any large changes in staffing during the course of the forecasted period; however, if enrollment increases or services are required in providing our students education then wages could increase.

Severance payments have historically been paid from this line on the forecast. In an effort to stabilize the districts' budgets against cyclical changes in revenues and expenditures, the district will establish a fund for processing employee severance payments in FY25. This will shift severance expenses from this line into another fund (Fund 035) going forward. The severance fund will be supported by an annual transfer from the general fund, which will begin in fiscal year 2025 taking the sixty staff members who are retirement eligible within a retirement system. This initial transfer in FY25 is being calculated following TEA, TCSA and individual employment contracts, along with any eligible vacation leave. Going forward in FY26-FY29 this planned transfer is being calculated at a rate of 0.5% of the previous year's actual wages paid to all district employees. Adjustments may need to be paid to this calculation if annual severance payouts are higher than what is being transferred in.

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

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Base Wages	\$19,477,542	\$20,952,047	\$21,999,649	\$22,879,635	\$23,794,821
Wage adjustments	779,102	628,561	439,993	457,593	475,896
Steps & Training	389,551	419,041	439,993	457,593	475,896
Growth/Replacement staff	195,052	0	0	0	0
Science of Reading	110,800	0	0	0	0
Substitutes	114,668	114,668	114,668	114,668	114,668
Supplemental	577,744	589,299	601,085	613,107	625,369
Severance	95,338	0	0	0	0
Ot/Stipend/BOE	33,934	34,613	35,651	36,721	37,823
Staff Reductions (Retire/Resignation)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Wages Line #3.010	<u>\$21,773,731</u>	<u>\$22,738,229</u>	<u>\$23,631,039</u>	<u>\$24,559,317</u>	<u>\$25,524,473</u>

Employees' Retirement & Insurance Benefits – Line #3.020

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

A) STRS/SERS will increase as Wages Increase

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The district is required to pay SERS Surcharge, which is an additional employer charge based on the salaries of lower-paid members.

B) Insurance

The district saw an increase in the employees' insurance rates of 10.9% for FY25, we are projecting an increase of 7.5% for FY26, and a 7.5% increase for FY27-29, which reflects the trend of our current employee census and claims data. We will continue to monitor this section to adjust as more information is received. Plan changes, including the addition of a Custom Design Benefit (True Cost) tier, in 2024 was initiated in hopes of curtailing the high annual premium costs that we have been seeing since the pandemic.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately 0.34% of wages FY25 through FY29. Unemployment is likely to remain at a shallow level FY25 through FY29. The district is a direct reimbursement employer meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

D) Medicare

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

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
STRS/SERS	\$3,295,491	\$3,458,349	\$3,594,341	\$3,735,740	\$3,882,759
Insurance's	4,538,628	4,890,372	5,257,150	5,651,436	6,075,294
Workers Comp/Unemployment	72,068	76,013	79,142	82,231	85,442
Medicare	318,038	351,704	365,529	379,905	394,852
Tuition and Other Benefits	<u>33,200</u>	<u>96,002</u>	<u>97,922</u>	<u>99,880</u>	<u>101,878</u>
Total Fringe Benefits Line #3.020	<u>\$8,257,425</u>	<u>\$8,872,440</u>	<u>\$9,394,084</u>	<u>\$9,949,192</u>	<u>\$10,540,225</u>

Purchased Services – Line #3.030

This category is heavy in personnel as we contract out our technology, nursing, substitute teachers, school resource officers (SRO's) and a few positions within our special education department with Butler County ESC, our transportation services with Petermann and Everdriven, followed by custodial services for our high school and Kramer Elementary.

- Butler County ESC personnel and SROs were forecasted out at an annual increase of 2.7% FY26-FY29.
- Transportation was maintained at 1-tier bussing for FY25 with athletic/band transportation resuming. The Board voted at the October regular meeting to return to a 2-tier transportation model providing bussing services to our high school students, in addition to rolling back the 2-mile caveat to 1-mile. This will be an adjustment that we will see in FY26 with the addition of four to five bus routes and having to provide transportation to high school parochial students. For all transportation (Petermann, Everdriven and McKinney Vento) an annual increase of 3.4% in FY27-FY29.
- Historical trend for substitute teachers was utilized followed by an annual increase of 3%.
- Legal/Professional Services is looking to be a 12% increase in FY25 with a 3% increase assumed in FY26 with 0% assumed for FY27-FY29.
- In FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio's electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for this twelve (12) month period only.
- All other purchase service components (excluding tuition) were treated individually and vary in annual increases based on historical trends and range in annual increases from 0.5-3.5%.
- College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which we believe will escalate moving forward based on historical trends.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Professional & Technical Services, ESC	\$2,226,994	\$2,287,123	\$2,348,875	\$2,412,295	\$2,477,427
Maintenance, Insurance & Garbage Removal	464,943	443,680	455,881	468,418	481,299
Professional Development	42,247	38,483	39,445	40,431	41,442
Communications, Postage, & Telephone	220,211	221,616	227,156	232,835	238,656
Utilities	913,737	1,054,469	970,111	999,214	1,029,190
Contracted Trades & Services	676,191	611,375	623,603	636,075	648,797
Tuition, Excess Costs & Scholarship Costs	377,794	295,568	304,435	313,568	322,975
Other Local Tuition	580,467	449,868	457,291	464,836	472,506
College Credit Plus	200,452	210,475	220,999	232,049	243,651
Contract Transportation	2,726,551	2,994,801	3,096,624	3,201,909	3,310,774
Miscellaneous Purchased Services	<u>1,207</u>	<u>1,227</u>	<u>1,247</u>	<u>1,268</u>	<u>1,289</u>
Total Purchased Services Line #3.030	<u>\$8,430,795</u>	<u>\$8,608,685</u>	<u>\$8,745,667</u>	<u>\$9,002,898</u>	<u>\$9,268,006</u>

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. Fuel is projected to increase \$50 thousand in FY25 due to resuming after school transportation to athletic/band events.

- The Textbook Adoption cycle was followed for curriculum FY26-FY29.

- We were fortunate to pay for facility supplies and materials in FY23 and FY24 from ESSER funds, but these will now be fully absorbed by the general fund moving forward. An annual increase of 5% was utilized.
- A 12% increase in fuel was utilized in FY26, as we will moving back to a 2-tier system, followed by an annual increase of 3.8%.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
General Office Supplies & Materials	\$419,123	\$19,648	\$10,764	\$142,158	\$173,837
Textbooks & Instructional Supplies	62,359	114,230	117,657	121,187	124,823
Facility Supplies & Materials	140,385	149,510	156,986	164,835	173,077
Transportation Fuel & Supplies	<u>168,857</u>	<u>194,186</u>	<u>203,895</u>	<u>214,090</u>	<u>222,654</u>
Total Supplies Line #3.040	<u>\$790,724</u>	<u>\$477,574</u>	<u>\$489,302</u>	<u>\$642,270</u>	<u>\$694,391</u>

Equipment – Line # 3.050

Capital Outlay is distinct from Supplies and Materials, as these purchases consist of any item with a life expectancy of five years or more, such as buildings, ground improvements, computers/technology, buses, vehicles, furnishings and equipment. Following the Strategic and Leadership Plan, the district is committed to the curriculum and technology needs of our students, along with the upkeep and maintenance of our 8 facilities. In FY25 a transfer will take place to support this five-year capital (continuous plan) improvement plan, from the general fund to the permanent improvement fund (PI) with expenditures of our 1:1 technology cycle being spent from the PI fund FY26-FY29. The PI funds are not maintained in the general fund and are not reflected in the five-year forecast, but the funds could have a negative impact on the general fund should the needs outpace the PI revenue and this initial crucial investment (transfer from the general fund). An example of this would be the construction of our \$3.7M bus and maintenance garage that was completed in FY24, along with the locally funded initiatives to support the construction of Marshall and Kramer Elementary.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Capital Outlay	\$184,709	\$184,709	\$195,792	\$207,540	\$217,917
Technology	303,910	(74,000)	107,510	(4,000)	77,611
Facility Upkeep	0	<u>49,742</u>	<u>77,742</u>	<u>119,952</u>	<u>125,949</u>
Total Equipment Line #3.050	<u>\$488,619</u>	<u>\$160,451</u>	<u>\$381,044</u>	<u>\$323,492</u>	<u>\$421,477</u>

Principal and Interest Payment – Lines # 4.010 - #4.060

There are no borrowings planned in the forecast period.

Other Expenses – Line #4.300

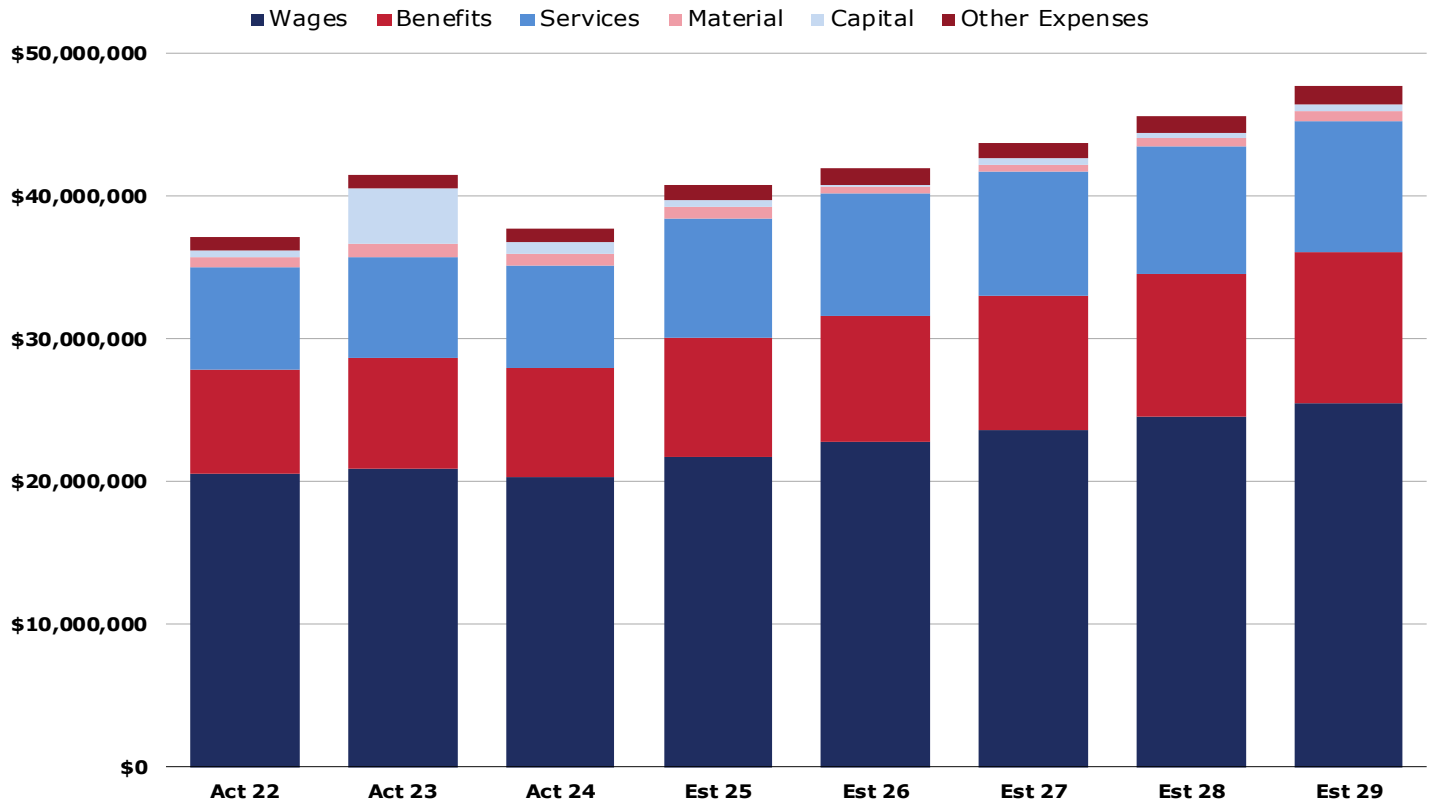
The category of Other Expenses consists primarily of the county educational service center deductions for specialized services provided to the district and auditor and treasurer fees. Auditor and treasurer fees will increase when a new operating levy is collected, during a sexennial reappraisal or triennial update, or during a year when the Board has elections for the voters to select its members.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Auditor & Treasurer Fees	\$895,762	\$940,550	\$987,578	\$1,036,957	\$1,088,805
ESC	18,109	18,776	18,290	19,245	18,747
Other expenses	<u>136,161</u>	<u>139,565</u>	<u>143,054</u>	<u>146,630</u>	<u>150,296</u>
Total Other Expenses Line #4.300	<u>\$1,050,032</u>	<u>\$1,098,891</u>	<u>\$1,148,922</u>	<u>\$1,202,832</u>	<u>\$1,257,848</u>

Operating Expenditures Actual FY22 through FY24 and Estimated FY25-FY29

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

General Fund Expenditures Actual FY22 through Est. FY29



Transfers Out/Advances Out – Lines # 5.010 and 5.020

This category includes operating transfers-out, fund to fund transfers and end of the year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. In FY25 the board approved a 1-year transfer to the high school (018) account of \$12K, due to the elimination of student parking fees for FY25.

In FY25, the district began transferring funds to build capital reserves for the improvements and maintenance of our 8 buildings, rotational replacement of turf, uniforms, and marching band instruments. To insure the district against cyclical changes in revenues, the district is also establishing reserve funds for curriculum and technology rotations, as well as, severance payments. These reserve accounts will begin in FY25 with an estimated five-year reserve, then managed with a yearly transfer to assume positive balances through FY30. The objective of these accounts is to ensure stability of programming for current and future students.

Advances include loans to another fund to cover a temporary end of year deficit balance. These funds are returned to the general fund in the subsequent fiscal year.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Operating Transfers Out Line #5.010	\$13,366,087	\$108,869	\$113,691	\$118,155	\$122,797
Advances Out Line #5.020	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>
Total Transfer & Advances Out	<u>\$13,441,087</u>	<u>\$183,869</u>	<u>\$188,691</u>	<u>\$193,155</u>	<u>\$197,797</u>

Encumbrances – Line #8.010

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

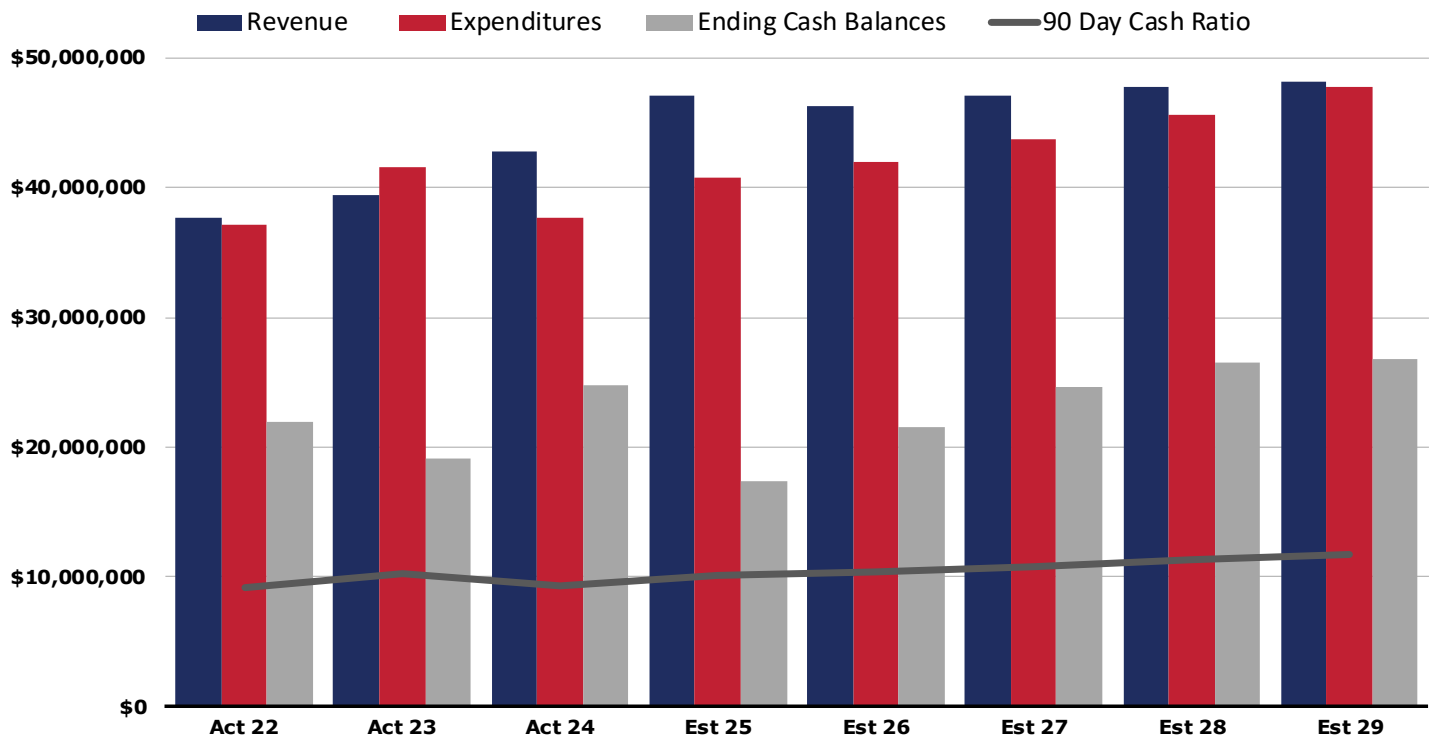
<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Estimated Encumbrances	<u>\$356,984</u>	<u>\$356,984</u>	<u>\$356,984</u>	<u>\$356,984</u>	<u>\$356,984</u>

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, and which results in a negative unencumbered cash balance, is a violation of O.R.C. §5705.412, which is punishable by personal liability of \$10,000; unless an alternative 412 certificate, as permitted by HB153, effective September 30, 2011, could be issued. It is recommended by the Government Finance Officers Association (GFOA) and other authoritative sources that a district maintains a minimum of ninety (90-day) cash balance, which is approximately \$10.1 million for our district.

<u>Source</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>
Ending Cash Balance	<u>\$17,428,301</u>	<u>\$21,581,653</u>	<u>\$24,666,538</u>	<u>\$26,516,541</u>	<u>\$26,744,496</u>

General Fund Revenues vs Expenditures Act FY22 through Est FY29



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. Talawanda Policy dictates no fewer than ninety (90) days cash on hand at year end; but each district could be different 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.

Ending Cash Balance in True Cash Days

