WASHINGTON COURT HOUSE CITY SCHOOL DISTRICT- FAYETTE 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

Forecast Provided By
Washington Court House City School District
Treasurer's Office
Becky Mullins, CPA, Treasurer/CFO
May 20, 2024

Washington Court House City School District

Fayette County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2021, 2022 and 2023 Actual;
Forecasted Fiscal Years Ending June 30, 2024 Through 2028

		Actual				Forecasted				
		Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Average Change	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
	Revenues									
1.010	General Property Tax (Real Estate)	$4,124,928	$4,434,751	$4,765,673	7.5%	$4,764,104	$5,325,379	$5,649,623	$5,674,600	$5,752,121
1.020	Public Utility Personal Property Tax	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
1.030	Income Tax	$157,708	$1,639,640	$2,470,098	495.2%	$2,667,198	$2,733,878	$2,802,225	$2,872,280	$2,182,021
1.035	Unrestricted State Grants-in-Aid	$16,407,591	$15,372,358	$15,407,534	-3.0%	$15,904,047	$16,156,550	$16,161,342	$16,160,547	$16,165,399
1.040	Restricted State Grants-in-Aid	$490,218	$1,060,347	$1,145,632	62.2%	$1,312,210	$1,257,927	$1,257,927	$1,257,927	$1,257,927
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	$526,858	$553,530	$574,657	4.4%	$568,334	$626,973	$683,183	$683,628	$690,912
1.060	All Other Revenues	$1,970,532	$436,369	$1,150,322	42.9%	$1,592,222	$1,550,277	$1,510,805	$1,473,688	$1,438,811
1.070	*Total Revenues*	$23,677,835	$23,496,995	$25,513,916	1.8%	$26,808,115	$27,650,985	$28,065,106	$28,122,671	$27,487,192
	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 (Approve	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.040	Operating Transfers-In	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.050	Advances-In	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.060	All Other Financing Sources	$5,408	$10	$757	3685.1%	$6,000	$2,500	$2,500	$2,500	$2,500
2.070	*Total Other Financing Sources*	$5,408	$10	$757	3685.1%	$6,000	$2,500	$2,500	$2,500	$2,500
2.080	*Total Revenues and Other Financing Sources*	$23,683,243	$23,497,005	$25,514,673	3.9%	$26,814,115	$27,653,485	$28,067,606	$28,125,171	$27,489,692
	Expenditures									
3.010	Personnel Services	$11,451,777	$11,834,071	$12,297,839	3.6%	$13,296,313	$13,921,232	$14,556,559	$15,156,390	$15,702,830
3.020	Employees' Retirement/Insurance Benefits	$4,059,914	$4,257,323	$4,417,659	4.3%	$4,789,515	$5,406,017	$5,768,707	$6,180,947	$6,604,163
3.030	Purchased Services	$5,378,049	$3,451,180	$4,062,950	-9.1%	$4,125,451	$4,200,641	$4,269,368	$4,339,596	$4,411,368
3.040	Supplies and Materials	$698,861	$484,624	$741,794	11.2%	$1,162,701	$1,051,164	$1,124,599	$1,148,737	$1,023,599
3.050	Capital Outlay	$234,221	$91,230	$1,451,361	714.9%	$260,000	$260,000	$260,000	$260,000	$260,000
3.060	Intergovernmental	$0	$0	$0	0.0%					
	Debt Service:									
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	$45,000	$47,981	$50,000	5.4%	$50,000	$50,000	$50,000	$55,000	$55,000
4.055	Principal-Other	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.060	Interest and Fiscal Charges	$12,487	$13,314	$10,040	-9.0%	$8,785	$7,530	$6,275	$4,957	$3,577
4.300	Other Objects	$192,827	$224,578	$275,207	19.5%	$279,763	$282,561	$285,387	$288,240	$291,122
4.500	*Total Expenditures*	$22,073,136	$20,404,301	$23,306,850	3.3%	$23,972,529	$25,179,145	$26,320,896	$27,433,867	$28,351,658
	Other Financing Uses									
5.010	Operating Transfers-Out	$0	$0	$3,620,354	0.0%	$1,130,170	$0	$0	$0	$0
5.020	Advances-Out	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
5.030	All Other Financing Uses	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
5.040	*Total Other Financing Uses*	$0	$0	$3,620,354	0.0%	$1,130,170	$0	$0	$0	$0
5.050	*Total Expenditures and Other Financing Uses*	$22,073,136	$20,404,301	$26,927,204	12.2%	$25,102,699	$25,179,145	$26,320,896	$27,433,867	$28,351,658
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	$1,610,107	$3,092,704	-$1,412,531	-26.8%	$1,711,417	$2,474,340	$1,746,710	$691,304	($861,967)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$9,884,551	$11,494,658	$14,587,362	21.6%	$13,174,831	$14,886,248	$17,360,587	$19,107,298	$19,798,602
7.020	*Cash Balance June 30*	$11,494,658	$14,587,362	$13,174,831	8.6%	$14,886,248	$17,360,587	$19,107,298	$19,798,602	$18,936,635
8.010	*Estimated Encumbrances June 30*	$842,924	$1,367,996	$1,089,978	21.0%	$1,089,978	$1,089,978	$1,089,978	$1,089,978	$1,089,978
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials				0.0%	$0	$0	$0	$0	$0
9.020	Capital Improvements				0.0%	$0	$0	$0	$0	$0
9.030	Budget Reserve				0.0%	$25,226	$25,226	$25,226	$25,226	$25,226
9.040	DPIA				0.0%	$0	$0	$0	$0	$0
9.045	Fiscal Stabilization				0.0%	$0	$0	$0	$0	$0
9.050	Debt Service				0.0%	$0	$0	$0	$0	$0
9.060	Property Tax Advances				0.0%	$0	$0	$0	$0	$0
9.070	Bus Purchases				0.0%	$0	$0	$0	$0	$0
9.080	*Subtotal*	$0	$0	$0	0.0%	$25,226	$25,226	$25,226	$25,226	$25,226
10.010	*Fund Balance June 30 for Certification of Appropriations*	$10,651,734	$13,219,366	$12,084,853	7.8%	$13,771,044	$16,245,383	$17,992,094	$18,683,398	$17,821,431
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%					$727,979
11.020	Property Tax - Renewal or Replacement	$0			0.0%	$0	$0	$0	$0	$0
11.300	Cumulative Balance of Replacement/Renewal Levies	$0	$0		0.0%	$0	$0	$0	$0	$727,979

Washington Court House City School District

Fayette County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2021, 2022 and 2023 Actual;
Forecasted Fiscal Years Ending June 30, 2024 Through 2028

		Actual				Forecasted				
		Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Average Change	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$10,651,734	$13,219,366	$12,084,853	7.8%	$13,771,044	$16,245,383	$17,992,094	$18,683,398	$18,549,410
	Revenue from New Levies									
13.010	Income Tax - New	$0		$0	0.0%	$0	$0	$0	$0	$0
13.020	Property Tax - New	$0		$0	0.0%	$0	$0	$0	$0	$0
13.030	Cumulative Balance of New Levies	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
14.010	Revenue from Future State Advancements	$0		$0	0.0%	$0	$0	$0	$0	$0
15.010	*Unreserved Fund Balance June 30*	$10,651,734	$13,219,366	$12,084,853	7.8%	$13,771,044	$16,245,383	$17,992,094	$18,683,398	$18,549,410
	ADM Forecasts									
20.010	Kindergarten - October Count	158	158	165		129	150	151	150	148
20.015	Grades 1-12 - October Count	1,914	1,822	1,813		1,713	1,642	1,626	1,608	1,625

Washington Court House City School District –Fayette County
Notes to the Five-Year Forecast
General Fund Only

Introduction to the Five-Year Forecast

The five-year forecast is viewed as a key management tool and must be updated periodically. In Ohio, most school districts understand how they will manage their finances in the current year. The five-year forecast encourages 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 Ohio Department of Education when events take place that will significantly change their forecast or, at a minimum, when required under 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 to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Here are at least three 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 $969 thousand or 3.75% higher than the November forecasted amount of $25.84 million. This indicates that the November forecast was 96.25 % accurate.

Line 1.01 and 1.02 - Property tax revenues represent our most significant source of revenues at 17.77% and are estimated to be $4.76 million, which is $57,462 higher for FY24 than the original November estimate of $4.71 million. Our estimates are 98.78% accurate for FY24 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 FY24 are 1.28% over our original estimate by $34 thousand. The SDIT represents 9.95% of the district 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 $17.22 million, which is $446 thousand higher than the original estimate for FY24. We are pleased that we were able to be 97.34% accurate for FY24. We are currently on the formula and are expected to remain as a formula district for FY25 through FY28.

Line 1.06 - Other revenues are up $436 thousand over original estimates, primarily due to tuition payments and interest received by the district, which are 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 $23.92 million for FY24, which is $86,979 more than the original estimate of $23.86 million in the November forecast, which is roughly 99.64% on target with initial estimates. The expenditure lines most significantly under projection is Personnel Services (line 3.010) and Benefits (line 3.020) due to change in staffing. The line that was most significantly over projection is Supplies and Materials (line 3.040) due to the purchase of additional reading and ELA curriculum materials.

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

Unreserved Ending Cash Balance

With revenues increasing from estimates and expenditures ending primarily on target, our ending unreserved cash balance June 30, 2024, is anticipated to be roughly $13.80 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 the affect that may occur in the forecast in the long term:

1) Fayette County performed a reappraisal update in tax year 2021 for collection in 2022. Values increased for Class I and II in 2021 by 12.98%. There is however always a minor risk that the district could sustain a reduction in values in the next reappraisal, but we do not anticipate that at this time.

2) The legislature has formed a "Joint Committee on Property Tax Review and Reform" which is pending as of this forecast. We are watching these deliberations closely and they could impact future reappraisals and possibly the impact of the 20 mill floor currently in law. Our district is not currently on the 20 mill floor for Class I or Class II values. We are watching the Joint Committee carefully and will adjust the forecast pending their outcome.

3) Income tax collections are dependent upon the economy. The past few payments we received have been greater than in previous years, making income tax forecasting even more difficult. We will monitor the income tax revenue very closely for any positive or negative changes that may occur.

4) The state budget represents 66.34% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to the record high inflation or the Fair School Funding Plan is not funded in future state budgets due to an economic

recession. In this forecast, two forthcoming State Biennium Budgets cover FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY28. We have projected our state funding in FY24 and FY25 based on the additional phase-in of HB33 (the fair school funding plan). This forecast reflects state revenue to align with the FY25 funding levels through FY28, which we feel is conservative and should be close to what-the state approves for the FY26-FY28 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

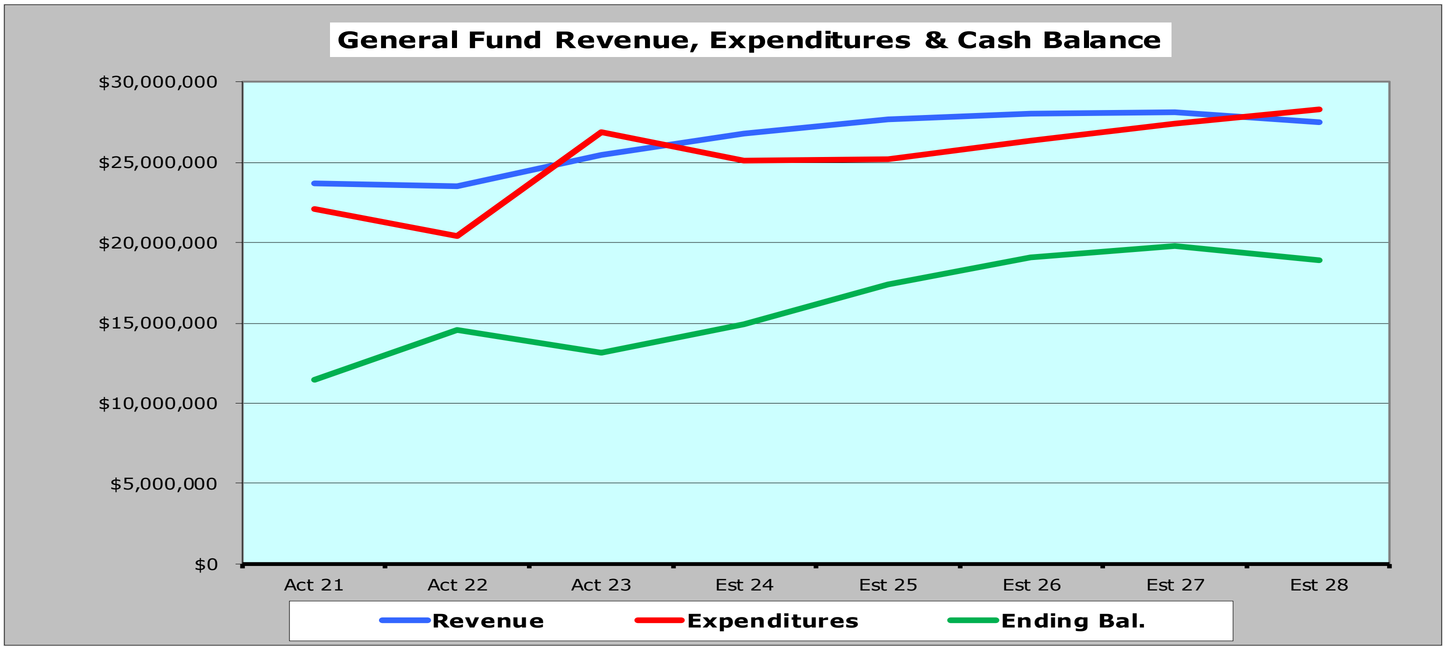
5) HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY24 reflects 50% of the implementation cost at year three of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed. The FSFP has made many significant changes to how foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY24 and FY25.

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 continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid for 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) Labor relations in the district have been very amicable with all parties working for the best interest of students and realizing the resource challenges the district faces. We believe as the district moves forward a strong working relationship will continue.

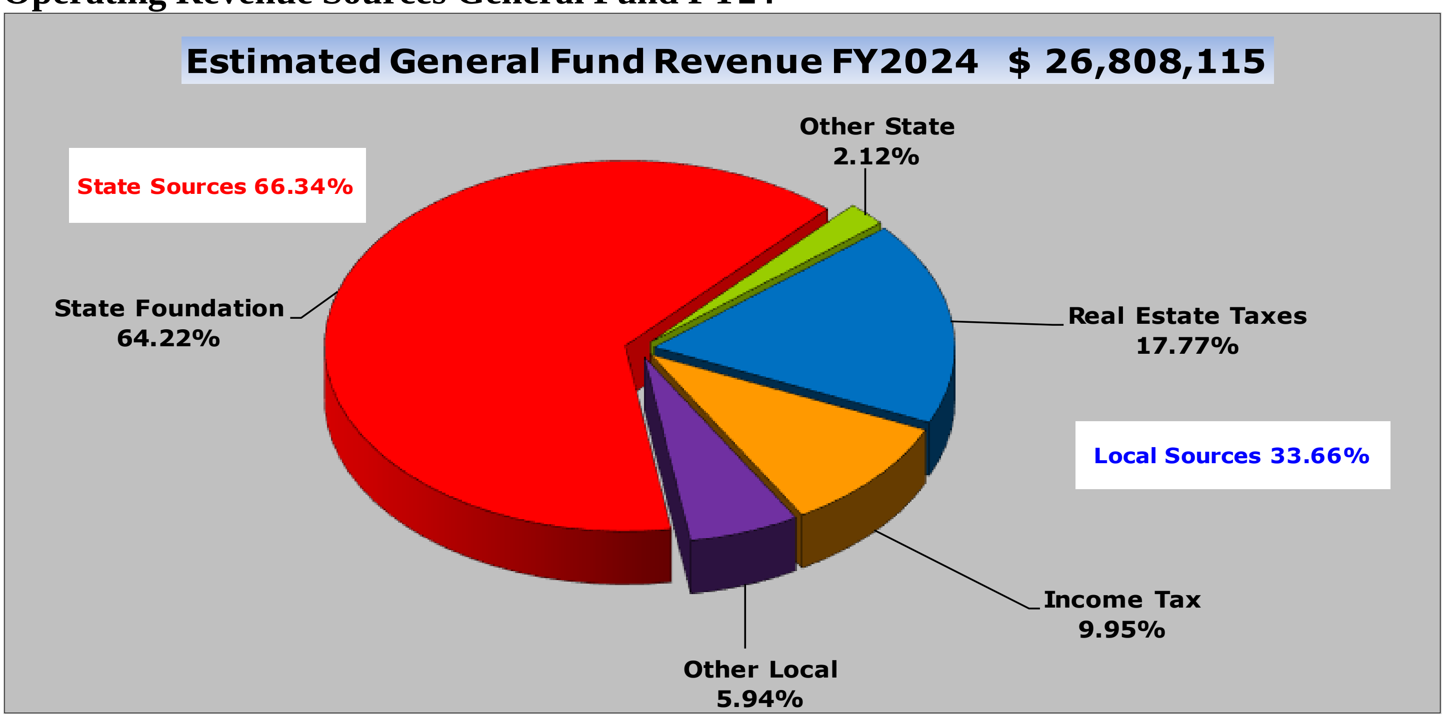
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Mrs. Becky Mullins, Treasurer/CFO at 740-335-6620.

General Fund Revenue, Expenditure and Ending Cash Balance Actual FY21-23 and Estimated FY24-28
The graph below captures in one snapshot the operating scenario facing the Washington Court House School District over the next few years.



Revenue Assumptions

Operating Revenue Sources General Fund FY24



Property Valuation Assumptions
Property Values are established annually by the Fayette County Auditor based on the type of property either residential/agriculture or commercial/industrial, which the values are defined even further based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. Fayette County

performed a reappraisal update in tax year 2021 for collection in 2022. The actual increase in 2021 for collection in 2022 for Residential/Agriculture or Class I was 18.78% or $30.38 million and the Commercial/Industrial or Class II was a 0.68% or $385,210 increase.

A sexennial reappraisal will occur in 2024 for collection in FY25, for which we are estimating a 20.00% increase in Class I and a 4.00% increase for Class II property. We anticipate overall residential/agricultural and commercial/industrial values to increase $41.24 million or 16.29%.

Public Utility Personal Property (PUPP) values change annually as the values are not included in the reappraisal or update years, which make them very difficult to forecast. PUPP values increased by $1.20 million in Tax Year 2023, which was the largest increase in the past five years. We expect our values to continue to grow by $450,000 each year of the forecast.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028
Res./Ag.	191,631,610	230,107,932	230,257,932	230,407,932	235,166,091
Comm./Ind.	61,527,120	64,288,205	64,588,205	64,888,205	65,837,087
Public Utility (PUPP)	10,059,260	10,509,260	10,959,260	11,409,260	11,859,260
Total Assessed Valuation	263,217,990	304,905,397	305,805,397	306,705,397	312,862,437

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 operating levies is 36.35 mills while the Class I effective millage rate is 20.078174 mills and the Class II effective millage rate is 20.034531 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 not on the floor for either Class I or Class II.

General Property Tax (Real Estate) – Line #1.010

Property tax levies are estimated to be collected at 98.00% of the annual amount including delinquent collections. This allows for a 2% delinquency factor. In general, 55.88% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 44.12% collected in the August tax settlement. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement, along with the real estate settlements from the county auditor.

ESTIMATED REAL ESTATE TAX - Line #1.010

Category	FY 24	FY 25	FY 26	FY 27	FY 28
Est. Prop. Taxes Including PUPP	$4,764,104	$5,325,379	$5,649,623	$5,674,600	$5,752,121

School District Income Tax Collections – Line #1.030

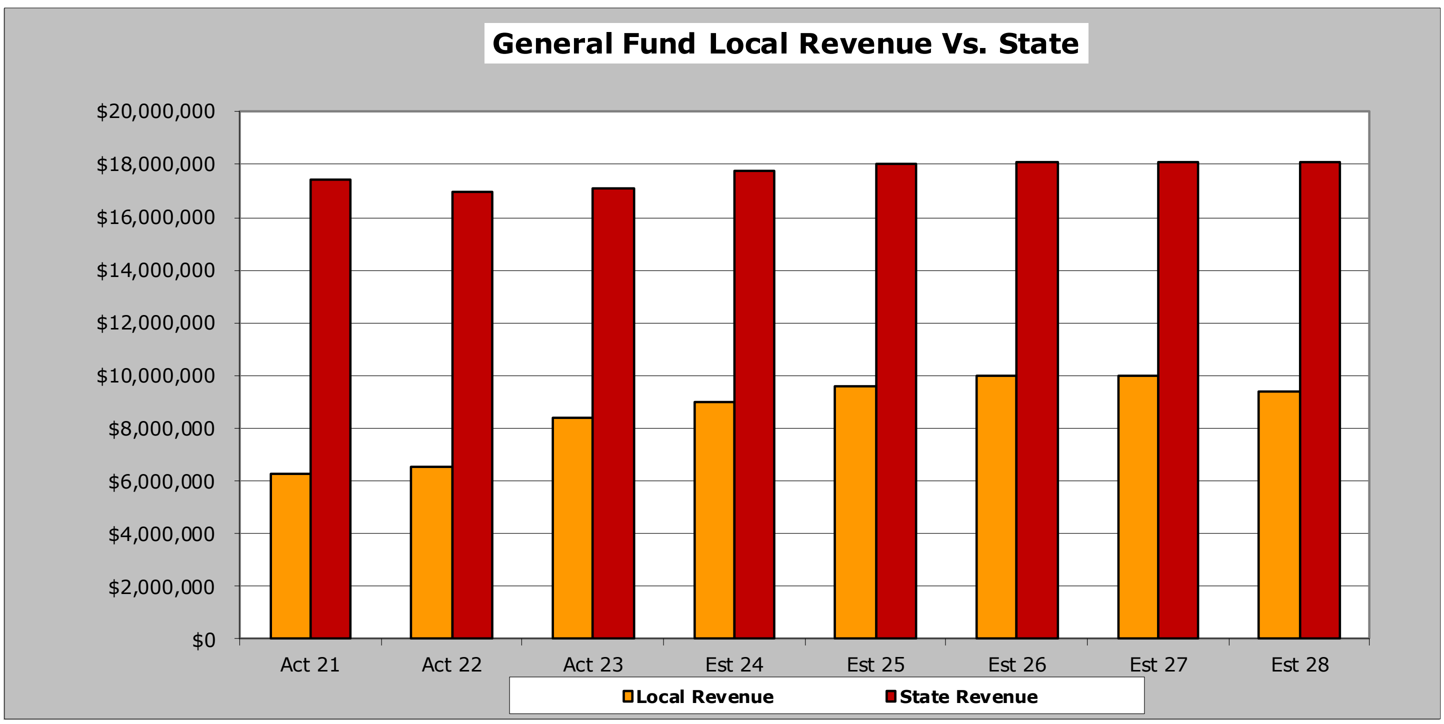
The district has a 1% seven year income tax levy that was approved in August 2020, beginning in 2021 and ending in 2027.

The Department of Taxation fiscal year to date income tax collection statewide decreased by 0.43%. The income tax in FY24 for the district increased by 7.39% from FY23. We feel that the increase in FY24 our tax base has leveled off from the pandemic. We are assuming a 2.5% increase for FY25 through FY28. Since we are not allowed to include tax dollars in Line 1.030 if the levy has not been approved by the taxpayers, we are decreasing the amount of the levy that will not be included in FY28.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
SDIT Collection	$2,470,098	$2,667,198	$2,733,878	$2,802,225	$2,144,301
Increases/(Decreases)	$197,100	$66,680	$68,347	$70,055	$37,720
Total to Line #1.030	$2,667,198	$2,733,878	$2,802,225	$2,872,280	$2,182,021

Renewal of Income Tax (SDIT) Levy – Line #11.010
SDIT levies that are not continuous by law cannot be included with the income taxes on line 1.03, therefore we are including the renewal of the 1% income tax in levy year 2027 in Line #11.01 as it will expire December 31, 2027, which is during FY28.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
Total Line # 11.010	$0	$0	$0	$0	$727,979



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 the funding in FY24 based on the October 2023 foundation settlement and funding factors for FY25.

Our district is currently a formula district in FY24 and is expected to continue on the formula in FY25-FY28 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The 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
C. Personal Income of District Residents
D. Historical Funding- CAPS and Guarantees from prior funding formulas

<u>Base Cost Approach- Unrestricted Basic Aid Foundation Funding</u>

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

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

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

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

1. 60% based on 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 most recent three (3) year average federal adjusted gross income of districts residents or the most recent year, whichever is lower divided by base students enrolled
3. 20% based on most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled
4. When the weighted values are calculated and Items 1 through 3 above added together, the total is then multiplied by a Local Share Multiplier Index ranging 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 finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity amount of the base per pupil funding amount. The balance of this amount is the state share to pay.

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). 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 and not a specific amount. An amount of 10% will be reduced from all district's calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding 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 number and concentration of economically disadvantaged students compared to 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 time student 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 & Success Funding – moved into DPIA funding, is restricted funding and will be spent on same initiatives and requirements that were previously designated under the stand-alone fund.

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 Budgets 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 for the opening of four (4) casinos, one each in Cleveland, Toledo, Columbus, and Cincinnati. As of March 4, 2013, all four (4) casinos are open for business and generating Gross Casino Tax Revenues (GCR). Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR 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 which began 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.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
State Basic Aid	$15,254,656	$15,508,007	$15,508,007	$15,508,007	$15,508,007
Additional Aid	$482,023	$479,215	$482,023	$479,215	$482,023
Basic Aid-Unrestricted Subtotal	$15,736,679	$15,987,222	$15,990,030	$15,987,222	$15,990,030
Catastrophic Aid & Credentials	$37,090	$37,090	$37,090	$37,090	$37,090
Ohio Casino Commission ODT	$130,278	$132,238	$134,222	$136,235	$138,279
Total Unrestricted State Aid Line # 1.035	$15,904,047	$16,156,550	$16,161,342	$16,160,547	$16,165,399

B) Restricted State Revenues – Line #1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economically Disadvantaged Funding) and Career Technical funding. In addition, new restricted funds have been added under “Restricted Categorical Aid” for Gifted, English Learners (ESL), and Student Wellness. We have estimated revenues for these new restricted funding lines using current October funding factors and using the simulations from the Department of Education and Workforce for FY25, there is no new amount included in those estimates for the Student Wellness so we are using the FY24 amount. 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 $91,504 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

Category	FY 24	FY 25	FY 26	FY 27	FY 28
DPIA	$608,726	$647,184	$647,184	$647,184	$647,184
Career Tech - Restricted	$0	$0	$0	$0	$0
Gifted	$124,231	$124,798	$124,798	$124,798	$124,798
English Learners	$15,327	$12,455	$12,455	$12,455	$12,455
Student Wellness	$472,421	$473,490	$473,490	$473,490	$473,490
Other Restricted	$91,504	$0	$0	$0	$0
Total Restricted State Revenues Line #1.040	$1,312,210	$1,257,927	$1,257,927	$1,257,927	$1,257,927

C) Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues

Category	FY 24	FY 25	FY 26	FY 27	FY 28
Unrestricted Line # 1.035	$15,904,047	$16,156,550	$16,161,342	$16,160,547	$16,165,399
Restricted Line # 1.040	$1,312,210	$1,257,927	$1,257,927	$1,257,927	$1,257,927
Restricted Fed. SFSF /EdJobs #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$17,216,257	$17,414,478	$17,419,270	$17,418,475	$17,423,327

State Share of Local Property Tax – 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 equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013, which is the effective date of HB59. HB66 the FY06-07 budget bill previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are also 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 over age 65 or who are disabled regardless of income. Effective September 29, 2013, HB59 changes the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013, will not lose it going forward and will not have to meet the new income qualification. This will slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers.

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

Category	FY 24	FY 25	FY 26	FY 27	FY 28
Homestead & Rollback - Line #1.050	$568,334	$626,973	$683,183	$683,628	$690,912

Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines.

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. Since the Federal Reserve has not lowered interest rates in 2024 at this time, we have increased the amount of interest income for the May forecast by $400,000 in FY24. We will continue to monitor the investments for the district.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
Open Enrollment	$0	$0	$0	$0	$0
Tuition Revenue	$176,667	$178,434	$180,218	$182,020	$183,840
Interest	$964,459	$916,236	$870,424	$826,903	$785,558
Other Income, Rentals and Refunds	$451,096	$455,607	$460,163	$464,765	$469,413
Total Line # 1.060	$1,592,222	$1,550,277	$1,510,805	$1,473,688	$1,438,811

Transfers In / Return of Advances – Line #2.040 & Line #2.050
These are non-operating revenues which are the repayment of short-term loans (advances) to other funds over the previous fiscal year and which are then reimbursed in the current fiscal year, at this time the district does not plan on any advances at the end of the fiscal year throughout the forecast.

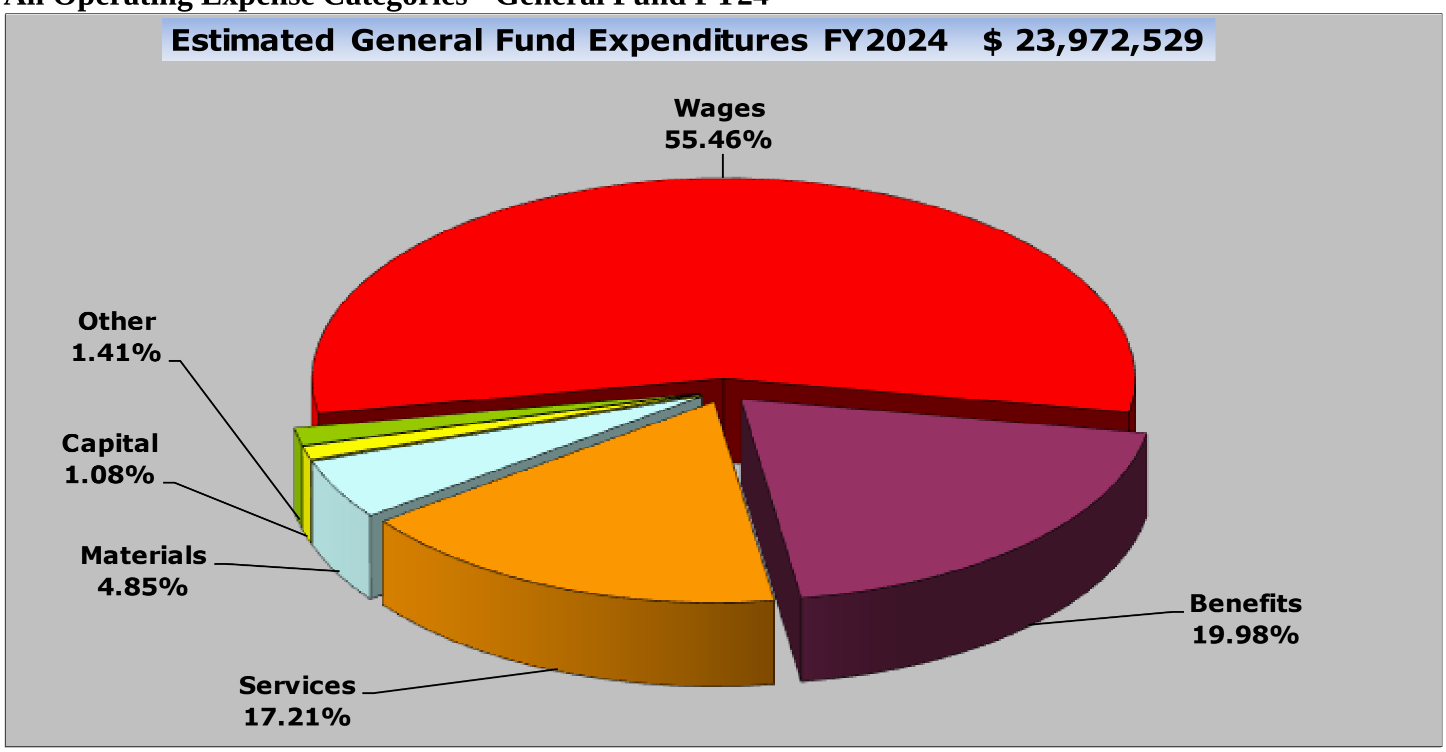
All Other Financial Sources – Line #2.060
This funding source is typically a refund of prior year expenditures that are very unpredictable. Based on the district's history we have included $2,500 in refunds annually for FY24-FY28.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
Other Financial Categories	$6,000	$2,500	$2,500	$2,500	$2,500

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether with changes in curriculum or new technology needs. Expenditures are always looked upon through the filter of doing what's best for students and their educational needs.

All Operating Expense Categories - General Fund FY24



Personal Services – Employees' Salaries & Wages – Line #3.010
The district finalized negotiations for FY24 – FY26 with 3% increase in each year of the agreement. We are using 2% base increase for forecasting purposes only in FY27 through FY28. The district is also including a 1.75% increase each year for the steps and training changes.

The district has used SWSF to pay a portion of guidance counselor's pay starting in FY21 and remaining through a portion of FY24 then transitioning back to the general fund.

The district used ESSER funding to pay for substitute positions of approximately $300,000 annually in FY22 and FY23. Those expenses have been returned to the general fund in FY24. The district coded the maintenance director through the ESSER funds and are returning that expense to the general fund in FY24 as well.

The Deeper Learning Coordinator position has not been replaced as part of a realignment of curriculum directors in FY24. A portion of this position had been paid for from the general fund. An Assistant Superintendent was added in FY23 while the communications director was on unpaid status while deployed during most of FY23 and the beginning of FY24. The district will reduce the teaching staff by two through attrition in FY25. Increases in staff for FY25 will be a case manager, a counselor at Belle Aire, security staff, and an educational aide at Cherry Hill.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
Base Wages	$11,850,042	$12,417,267	$13,026,134	$13,649,470	$14,232,496
Base Increases	$355,501	$372,518	$390,784	$272,989	$284,650
Steps & Training	$207,376	$217,302	$227,957	$238,866	$249,069
Substitutes	$388,056	$399,698	$411,689	$424,040	$436,761
New/Replacement Staff	$146,407	$163,122	$17,693	$0	$0
Recoding of SWSF & ESSER Staff	($139,995)	$0	$0	$71,171	$0
Supplemental Contracts	$440,990	$445,400	$445,400	$449,854	$449,854
Severance	$50,000	$50,000	$50,000	$50,000	$50,000
Staff Reductions	($2,064)	($144,075)	($13,098)	$0	$0
Total Wages Line 3.010	$13,296,313	$13,921,232	$14,556,559	$15,156,390	$15,702,830

Fringe Benefits Estimates – Line #3.020
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. The district is also required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid SERS members. The surcharge is exclusively used to fund health care.

B) Insurance
The district will have an increase of 12% in FY24 and a 20% increase in FY25 with estimated annual increase of 10% in FY26-FY28, which reflects industry trend. This is based on our current employee census and claims data. Insurance could increase at a much higher rate should claims increase dramatically. The district is including an HSA incentive for staff taking the high deductible plan. The incentive is an increase of $160,000 in FY24 which will be recalculated each year based on the number of staff members taking the high deductible plan.

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.

C) Workers' Compensation & Unemployment Compensation
Workers' Compensation is expected to remain at about .4337% of wages for FY24-FY28. The district is a direct reimbursement employer which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment, therefore we expect the costs to be approximately $2,200 during the remainder of the forecast period

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.

E) Tuition and Other Reimbursements
The district reimburses staff for course work in order to further their teaching and administrative licenses. The district has built in an appropriation amount based on the negotiated agreement not to exceed $40,000.

Summary of Fringe Benefits – Line #3.020

Category	FY 24	FY 25	FY 26	FY 27	FY 28
STRS/SERS	$1,946,648	$2,037,146	$2,131,836	$2,220,639	$2,301,515
Insurance's	$2,550,205	$3,064,437	$3,320,469	$3,632,607	$3,964,654
Workers Comp & Unemployment	$59,866	$62,576	$65,332	$67,933	$70,303
Medicare	$192,796	$201,858	$211,070	$219,768	$227,691
Tuition/Other Reimbursement	$40,000	$40,000	$40,000	$40,000	$40,000
Total Line 3.020	$4,789,515	$5,406,017	$5,768,707	$6,180,947	$6,604,163

Purchased Services – Line #3.030
An overall inflation between 1% and 3% is being estimated for this category of expenses. HB110, the previous state budget, will impact Purchased Services beginning in FY22 as the Ohio Department of Education will directly pay these costs to the educating districts for open enrollment, community, and STEM schools and for scholarships granted to students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to offer these amounts below as zeros to help reflect the difference between projected FY24-FY28 Line 3.03 costs and historical FY21 through FY23 costs on the five-year forecast. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends.

The district has experienced larger than expected expenditures for students that are attending other districts for mainly special education programs, we are including a 3% increase FY24 through FY28. The district costs for utilities are increasing annually as we have included a 2% increase in FY24-FY28.

The district has updated the copier lease for FY25, the monthly lease payment will be $3,990 that includes all copies so that the district will no longer have to pay for the overage costs for supplies and copies, this will save the district approximately $36,000 per year for five years.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
Base Services, Prof Fees, etc.	$2,492,434	$2,517,358	$2,542,532	$2,567,957	$2,593,637
Property Repairs & Insurance	272,756	275,484	278,239	281,021	283,831
Tuition & Sp. Ed. Services	874,599	900,837	927,862	955,698	984,369
Community Schools	95,552	98,419	101,372	104,413	107,545
Open Enrollment	-	-	-	-	-
Copier Leases	39,952	47,880	$47,880	$47,880	$47,880
Utilities	350,158	360,663	$371,483	$382,627	$394,106
Total Line 3.030	$4,125,451	$4,200,641	$4,269,368	$4,339,596	$4,411,368

Supplies and Materials – Line #3.040

An overall inflation of 3% is being estimated in FY24-FY28 for supplies and materials which are characterized by educational supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. The district will increase supplies by $100,000 in FY25 from the amount that was being used from the ESSER funding for supplies. The district includes the cost of College Credit Plus textbooks of $20,000 annually during the forecast. In addition to the CCP textbooks, the district has identified the needs and the cycle for new curriculum and textbook adoptions as follows: FY24 an additional $100,000 for extra unified arts/foreign language books along, $200,000 for Reading curriculum and $146,425 for ELA 6-12; FY25 $250,000 for science curriculum; FY26 $300,000 for math curriculum; FY27 $300,000 for social studies curriculum; and FY28 $50,000 for unified arts curriculum.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
Textbooks	$466,425	$270,000	$320,000	$320,000	$170,000
Supplies & Materials	$696,276	$781,164	$804,599	$828,737	$853,599
Total Line 3.040	$1,162,701	$1,051,164	$1,124,599	$1,148,737	$1,023,599

Equipment – Line #3.050

The district has a long-term capital plan that is vital to funding the proper maintenance of buildings, infrastructure and District vehicles and equipment. The capital plan expenditures have been transferred to a Permanent Improvement fund so that the district can better track those expenditures, except for the projects that had been started prior to the transfer of funds. We are estimating other capital and technology expenditures to remain constant throughout the forecast.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
Capital Plan	$0	$0	$0	$0	$0
Other Capital Outlay	$100,000	$100,000	$100,000	$100,000	$100,000
Technology Plan	$160,000	$160,000	$160,000	$160,000	$160,000
Total Line 3.050	$260,000	$260,000	$260,000	$260,000	$260,000

Other Debt Payment – Line #4.050 & 4.060

The district began to repay the HB264 notes in December 2015. The principal is due each December 1st and interest will be paid December 1st and June 1st of each year with final payment on December 1, 2029.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
HB 264 Principal - Line 4.050	$50,000	$50,000	$50,000	$55,000	$55,000
HB 264 Interest - Line 4.060	$8,785	$7,530	$6,275	$4,957	$3,577

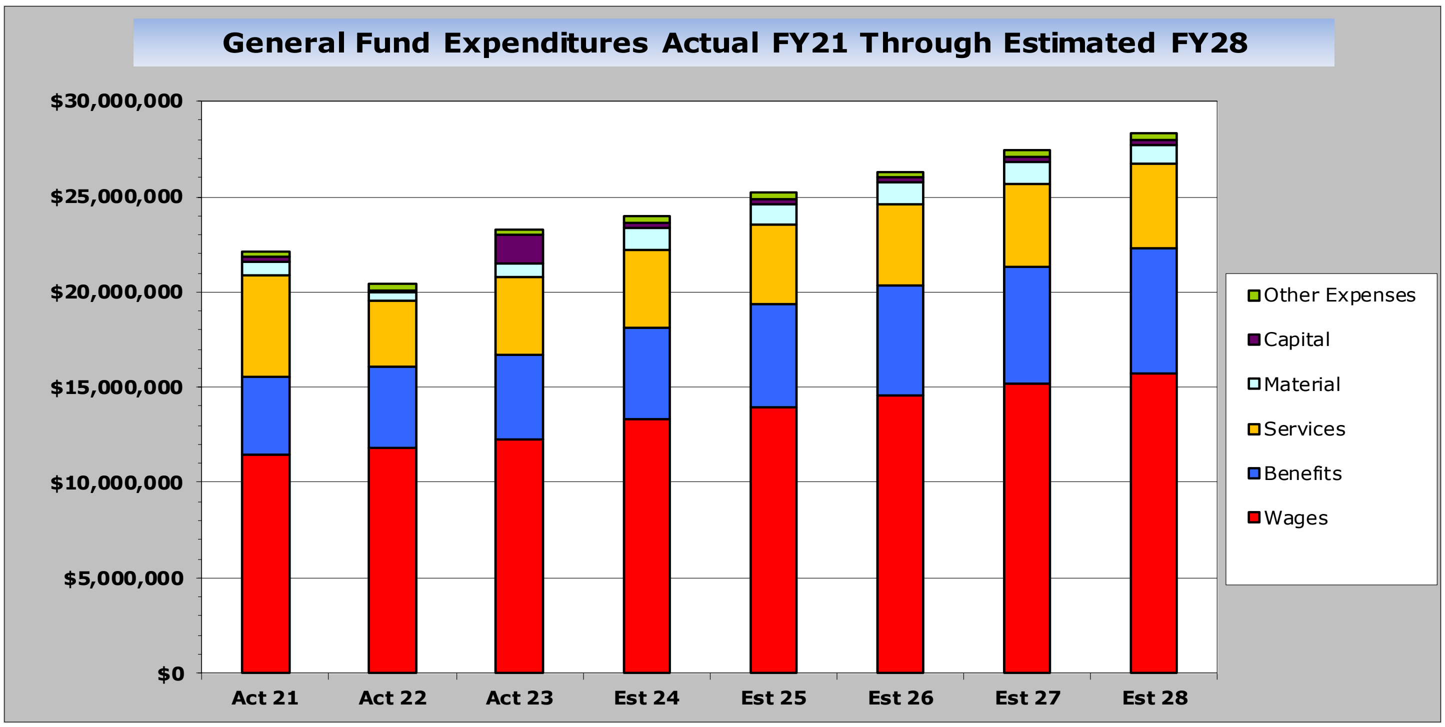
Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, ESC charges, our annual audit and other miscellaneous expenses. A rate of 1% increase is used in this area for the annual increase each year of the forecast. The amount of the Auditor and Treasurer and SDIT fees are expected to increase by 2% annually during the forecast.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
A & T Fees/ Election Costs	$184,021	$185,861	$187,720	$189,597	$191,493
ESC Fees	$26,992	$27,262	$27,535	$27,810	$28,088
Fees/Charges/Miscellaneous	$68,750	$69,438	$70,132	$70,833	$71,541
Total Line 4.300	$279,763	$282,561	$285,387	$288,240	$291,122

Operating Expenditures Actual FY21 through FY23 and Estimated FY24 through FY28

The graph below shows a quick overview of actual and estimated expenses by proportion to the total for the General Fund expenditures.



Transfers Out/Advances Out – Line #5.010

This account group covers fund to fund transfers and end of year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The district plans on making a transfer to the capital projects fund in FY24, the district does not expect to make advances to any other fund.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
Transfer Line 5.010	$1,130,170	$0	$0	$0	$0
Advances Line 5.020	$0	$0	$0	$0	$0
Total Transfers & Advances	$1,130,170	$0	$0	$0	$0

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.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
Estimated Encumbrances	$1,089,978	$1,089,978	$1,089,978	$1,089,978	$1,089,978

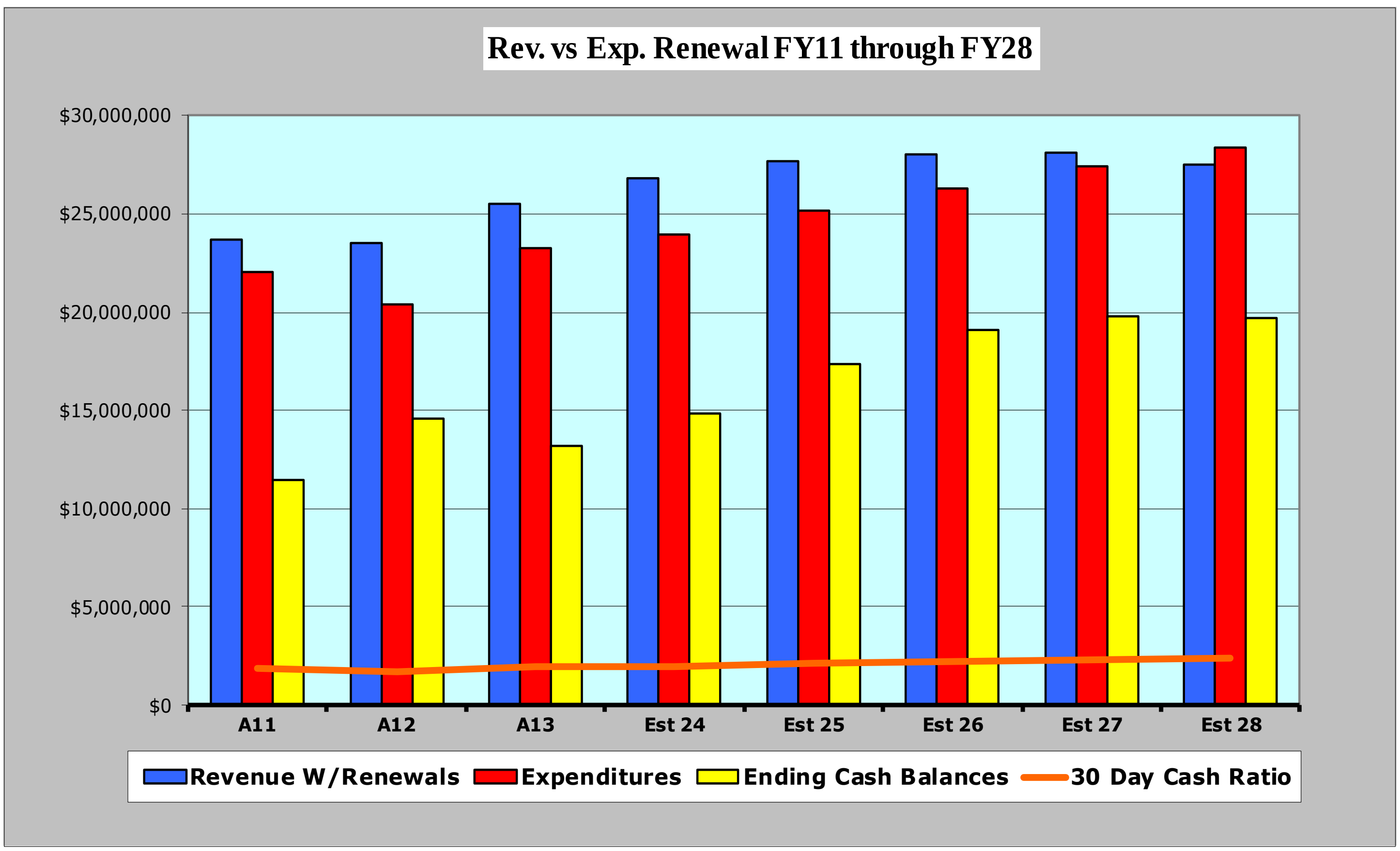
Reservations of Fund Balance – Line #9.080

The district has a small budget reserve balance to be used for emergencies and can only be used with permission of the Board of Education.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
Budget Reserve - Line #9.030	$25,226	$25,226	$25,226	$25,226	$25,226
Total Reservations of Balance - Line#9.080	$25,226	$25,226	$25,226	$25,226	$25,226

Revenue vs Expenditures with Deficit Spending

The graph below shows that the district will begin to deficit spend in FY28. This chart includes the renewal of the income tax levy in FY28.



Deficit spending affects the amount of carryover that the district has to plan for the future. When reviewing the needs of the district, we review the amount of spending and what would be needed to remove any deficit spending in order to have positive cash balances on the forecast. The chart below shows the amount of deficit spending that is included on Line 6.010 of the forecast and the millage for each year that would be needed to erase the deficit spending.

	FY 24	FY 25	FY 26	FY 27	FY 28
Excess of Revenues over/(under) Expenditures	$1,711,417	$2,474,340	$1,746,710	$691,304	($861,967)
Millage equivalent for deficit spending	0.00	0.00	0.00	0.00	2.76

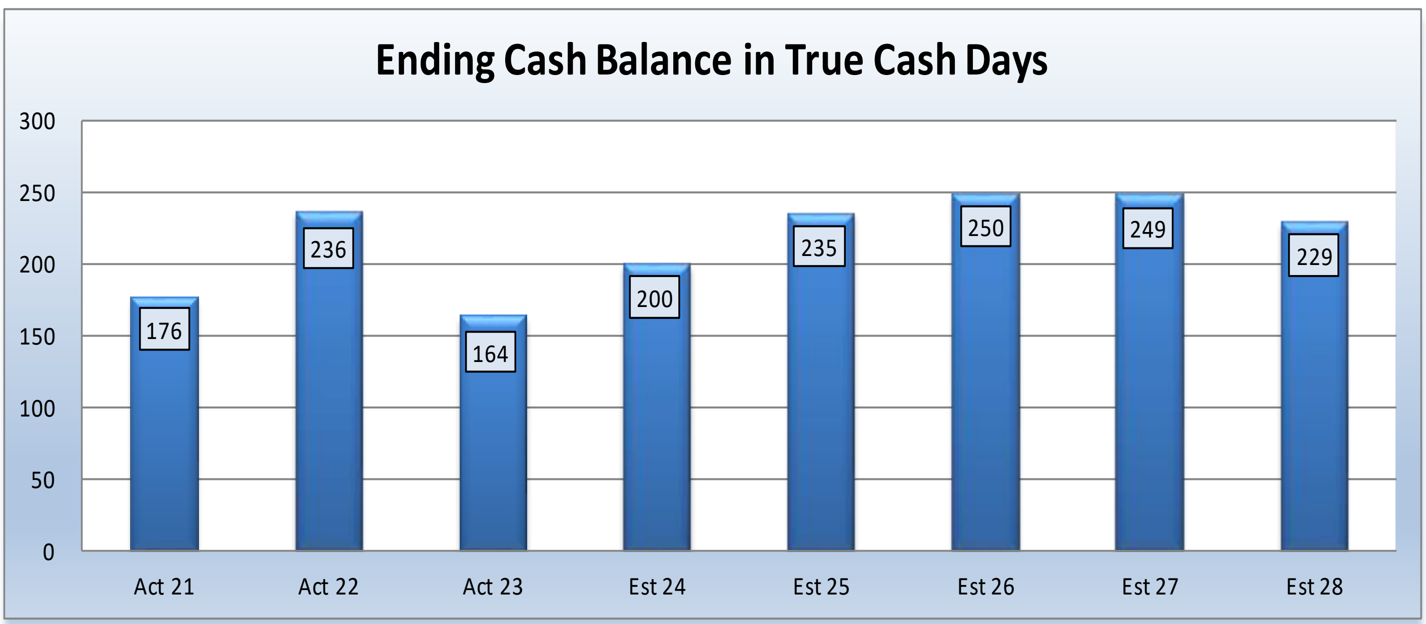
Ending Unencumbered Cash Balance – Line #15.010

This amount must not go below $0 or the District General Fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, which results in a negative unencumbered cash balance, is a violation of 5705.412, ORC punishable by personal liability of $10,000.

Category	FY 24	FY 25	FY 26	FY 27	FY 28
Ending Cash Balance - Line #15.010	$13,771,044	$16,245,383	$17,992,094	$18,683,398	$18,549,410

True Cash Days for Ending Cash 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 should be on hand at year end but could be more depending on each district's complexity and risk factors for revenue collection. This graph does not include the renewal of the income tax levy.



Conclusion

The Washington Court House City School District receives 66.34% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

The district administration is grateful for the changes in the current state budget HB33 as it has reduced the amount that was deducted for programs that were not within the district's control. However, future state budgets funding will need to be watched since the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in state budgets for FY26-FY28.

In planning for the future, the administration will need to make sure that the district is able to obtain a positive cash balance throughout the forecast. They will need to review current expenditures based on the current revenues to obtain this.

As you read through the notes and review the forecast, remember that the forecast is based on the information that is known at the time that it is prepared.