WASHINGTON COURT HOUSE CITY SCHOOL DISTRICT- FAYETTE 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
Washington Court House City School District
Treasurer's Office
Becky Mullins, CPA, Treasurer/CFO

November 25, 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, 2022, 2023 and 2024 Actual;
Forecasted Fiscal Years 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)	$4,434,751	$4,765,673	$4,764,104	3.7%	$5,247,531	$5,665,676	$5,690,404	$5,841,220	$5,953,541
1.020	Public Utility Personal Property Tax	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
1.030	Income Tax	$1,639,640	$2,470,098	$2,667,198	29.3%	$2,855,891	$2,927,287	$3,000,469	$2,313,415	$500,000
1.035	Unrestricted State Grants-in-Aid	$15,372,358	$15,407,534	$15,959,487	1.9%	$15,352,544	$15,359,370	$15,356,375	$15,363,406	$15,360,321
1.040	Restricted State Grants-in-Aid	$1,060,347	$1,145,632	$1,320,138	11.6%	$2,222,035	$2,015,587	$2,015,587	$2,015,587	$2,015,587
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	$553,530	$574,657	$572,873	1.8%	$642,774	$710,182	$710,627	$728,842	$747,058
1.060	All Other Revenues	$436,369	$1,150,322	$1,863,200	112.8%	$1,870,845	$1,823,629	$1,779,236	$1,737,531	$1,698,384
1.070	*Total Revenues*	$23,496,995	$25,513,916	$27,147,000	1.8%	$28,191,620	$28,501,730	$28,552,698	$28,000,001	$26,274,891
	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	$10	$757	$6,559	4118.2%	$2,500	$2,500	$2,500	$2,500	$2,500
2.070	*Total Other Financing Sources*	$10	$757	$6,559	4118.2%	$2,500	$2,500	$2,500	$2,500	$2,500
2.080	*Total Revenues and Other Financing Sources*	$23,497,005	$25,514,673	$27,153,559	7.5%	$28,194,120	$28,504,230	$28,555,198	$28,002,501	$26,277,391
	Expenditures									
3.010	Personnel Services	$11,834,071	$12,297,839	$13,147,938	5.4%	$13,890,743	$14,351,937	$14,947,583	$15,494,119	$16,060,869
3.020	Employees' Retirement/Insurance Benefits	$4,257,323	$4,417,659	$4,862,482	6.9%	$5,292,842	$5,621,139	$6,022,320	$6,434,259	$6,879,202
3.030	Purchased Services	$3,451,180	$4,062,950	$4,044,133	8.6%	$4,419,922	$4,526,555	$4,565,304	$4,640,857	$4,718,078
3.040	Supplies and Materials	$484,624	$741,794	$1,111,506	51.5%	$983,126	$1,054,520	$1,076,556	$949,253	$1,122,631
3.050	Capital Outlay	$91,230	$1,451,361	$64,751	697.7%	$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	$47,981	$50,000	$50,000	2.1%	$50,000	$50,000	$55,000	$55,000	$55,000
4.055	Principal-Other	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.060	Interest and Fiscal Charges	$13,314	$10,040	$8,785	-18.5%	$7,530	$6,275	$4,957	$3,577	$2,196
4.300	Other Objects	$224,578	$275,207	$259,035	8.3%	$303,357	$306,391	$309,454	$312,548	$315,674
4.500	*Total Expenditures*	$20,404,301	$23,306,850	$23,548,630	7.6%	$25,207,519	$26,176,818	$27,241,174	$28,149,612	$29,413,650
	Other Financing Uses									
5.010	Operating Transfers-Out	$0	$3,620,354	$1,130,170	0.0%	$5,056,889	$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	$3,620,354	$1,130,170	0.0%	$5,056,889	$0	$0	$0	$0
5.050	*Total Expenditures and Other Financing Uses*	$20,404,301	$26,927,204	$24,678,800	11.8%	$30,264,408	$26,176,818	$27,241,174	$28,149,612	$29,413,650
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	$3,092,704	-$1,412,531	$2,474,759	-210.4%	($2,070,288)	$2,327,413	$1,314,024	($147,111)	($3,136,260)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$11,494,656	$14,587,360	$13,174,829	8.6%	$15,649,588	$13,579,300	$15,906,712	$17,220,736	$17,073,625
7.020	*Cash Balance June 30*	$14,587,360	$13,174,829	$15,649,588	4.6%	$13,579,300	$15,906,712	$17,220,736	$17,073,625	$13,937,365
8.010	*Estimated Encumbrances June 30*	$1,367,996	$1,097,429	$1,183,058	-6.0%	$1,183,058	$1,183,058	$1,183,058	$1,183,058	$1,183,058
	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*	$13,219,364	$12,077,400	$14,466,530	5.6%	$12,371,016	$14,698,428	$16,012,452	$15,865,341	$12,729,081
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%				$727,979	$2,900,000
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	$727,979	$3,627,979

Washington Court House City School District

Fayette County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2022, 2023 and 2024 Actual;
Forecasted Fiscal Years 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
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$13,219,364	$12,077,400	$14,466,530	5.6%	$12,371,016	$14,698,428	$16,012,452	$16,593,320	$16,357,060
	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*	$13,219,364	$12,077,400	$14,466,530	5.6%	$12,371,016	$14,698,428	$16,012,452	$16,593,320	$16,357,060
	ADM Forecasts									
20.010	Kindergarten - October Count	158	165	129		150	151	150	148	150
20.015	Grades 1-12 - October Count	1,822	1,813	1,713		1,528	1,525	1,519	1,546	1,566

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

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/replacement), 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 essential purposes or objectives of the five-year forecast:

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

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, and May 31, each fiscal year (July 1 to June 30). 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 November 2024 filing.

Economic Outlook

The current economic recovery began in the fall of 2020 and remains robust through this forecast date. However, recent Federal Reserve Bank interest rate cuts foretell a possible recession in the next six to twelve months from this forecast. The persistently high inflation that has impacted our state, country, and broader globalized economy has slowed to an annualized rate of 2.53% in August 2024 that is down from the 40 year high of 9.1% annualized rate posted in June 2022. Costs for goods and services in FY23 and FY24 were notably impacted in areas such as capital and durable goods, diesel fuel for buses, electric, natural gas, and building materials for facility maintenance and repair. Inflation affecting district costs is expected to continue in FY25. There is some good news, the Federal Reserve is projecting inflation to be closer to their target rate of 2% by calendar year end 2024 or early in 2025. It remains to be seen if the cumulative cost increases over the past two years are transitory in goods and services or will last over the forecast period.

The Federal Reserve Bank cut Federal Fund rates In September 2024 by 50 basis points (.5%) which indicates slowing inflation and a slowing economy. Employment levels have begun to fall. The unemployment rate was 3.8% in September 2023 and rose to 4.2% in September 2024. A survey of prominent leading economists predicts there is roughly a 50% chance of a mild recession in the calendar year 2025. How this news impacts the state of Ohio's FY26 and FY27 biennium budget deliberations and actions in late spring 2025 is unknown as this forecast is filed.

The state of Ohio has enjoyed economic growth over the past three years, and the state's Rainy Day Fund balance is at $3.7 Billion. The new state funding formula is in the fourth year of a projected six-year phase-in. While increased inflation has impacted costs across Ohio, the state's economy has grown, and many school districts received new funding in HB33 for FY24 and FY25. The ongoing growth in Ohio's economy should enable the state to finalize the last two years of the phase-in of the new funding formula in FY26 and FY27 even if a cyclical recession occurs. Regardless of a recession, the state is well-positioned to continue state aid payments to Ohio's school districts.

Since 2020 all school districts were being aided in varying degrees by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER). The most recent allocation of ESSER funds must be encumbered by September 30, 2024. The loss of these funds in FY25 and future years may create a "fiscal cliff" as any ongoing costs will likely be absorbed back into the district General Fund.

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

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

1) 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 was a full reappraisal in 2024 for collection in 2025, the district is estimating an overall increase in values of $50.82 million or 20.07%. 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) Due to historic property value increases in reappraisal and update years the Ohio Legislature has considered various proposals since 2023 to help reduce non voted tax increases on taxpayers. Currently the senate has proposed SB271 that seeks to limit growth through refund or reduction taxes to ensure annual tax growth to no more than 5% in a year. If passed by the General Assembly this will result in lowering tax increases for our residents who qualify. We are watching this legislation closely.

   In addition to SB271, the legislature developed a Joint Committee on Property Taxation and Reform in 2024 in response to the historic valuation increases. Their mission is to review Ohio's property tax system and to make recommendations to the General Assembly on property taxation. The committee must report to the General Assembly by December 31, 2024. We are following any actions of the committee closely to determine what impact, if any, proposals could mean for our district to limit tax growth or to reduce taxes.

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 64.62% 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 FY29. We have projected our state funding in 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 FY29, which we feel is conservative and should be close to what-the state approves for the FY26-FY29 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

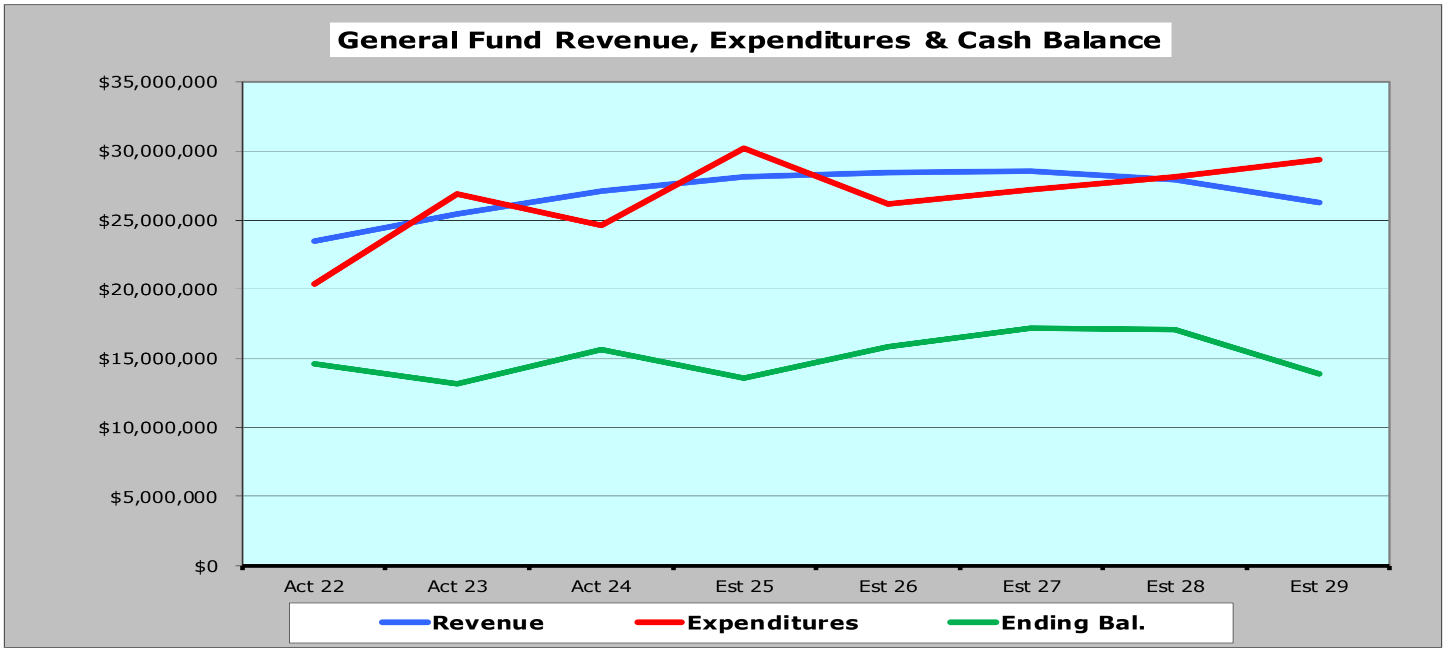
5) HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY25. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed. The FSFP has made many significant changes to how foundation 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 information 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 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.

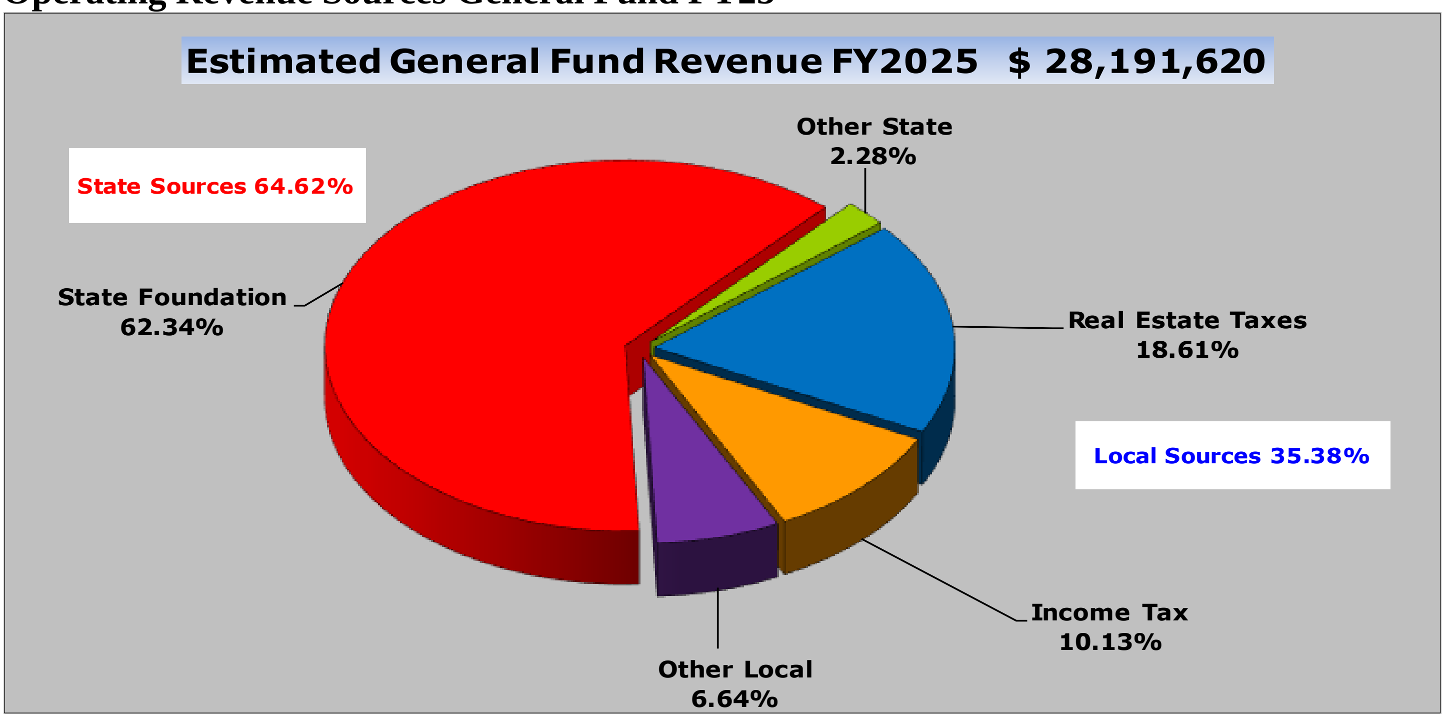
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast 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 FY22-24 and Estimated FY25-29
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 FY25



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 25.00% increase in Class I and a 4.00% increase for Class II property. We anticipate overall residential/agricultural and commercial/industrial values to increase $50.82 million or 20.07%.

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 YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029
Res./Ag.	239,689,513	239,839,513	239,989,513	252,138,988	252,288,988
Comm./Ind.	64,288,205	64,588,205	64,888,205	65,837,087	66,137,087
Public Utility (PUPP)	10,509,260	10,959,260	11,409,260	11,859,260	12,309,260
Total Assessed Valuation	314,486,977	315,386,977	316,286,977	329,835,335	330,735,335

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., but we are estimating that with the reappraisal of 2024 collect in 2025 we will be on the 20-mill floor for both Class I and Class II.

General Property Tax (Real Estate) – Line #1.010

Property tax levies are estimated to be collected at 93.74% of the annual amount including delinquent collections. This allows for a 6.26% delinquency factor. In general, 57.16% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 42.84% 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 25	FY 26	FY 27	FY 28	FY 29
Est. Prop. Taxes Including PUPP	$5,247,531	$5,665,676	$5,690,404	$5,841,220	$5,953,541

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.

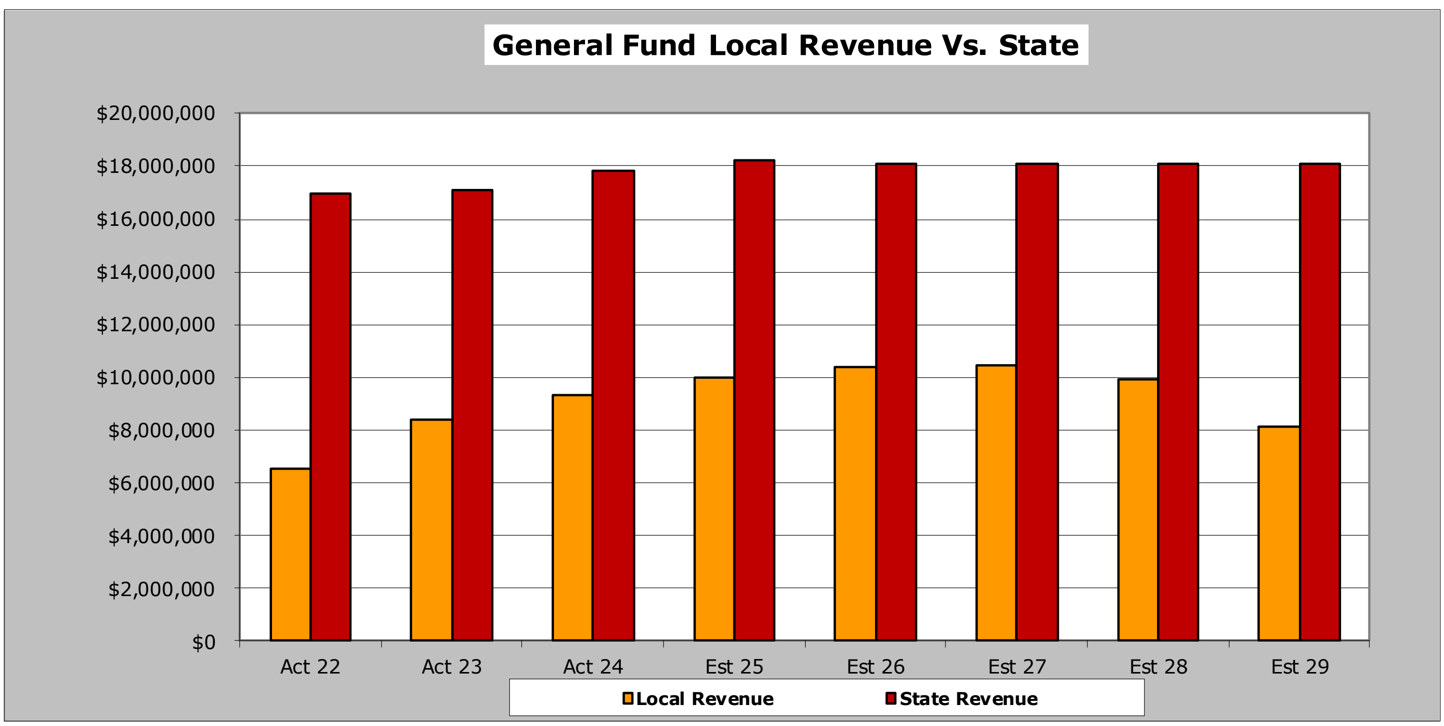
In FY25 to date, income tax collection statewide has risen by around 8.7%. The increase is based on the July 2024 payment which includes the April 15th tax returns and the October 2024 payment. Our district has had a similar increase for the first part of FY25. We will assume that income from withholdings will continue to increase in future collections. We will assume an annual growth rate of 2.5% for the remainder of FY25 and for FY26-FY28 as the concerns over inflation may slow growth in this area. The last year of collection will be in 2028, the amount we have estimated for FY29 is for the July payment that includes the April 15th tax returns.

Category	FY 25	FY 26	FY 27	FY 28	FY 29
SDIT Collection	$2,667,198	$2,855,891	$2,927,287	$2,272,490	$1,585,436
Increases/(Decreases)	$188,693	$71,396	$73,182	$40,925	($1,085,436)
Total to Line #1.030	$2,855,891	$2,927,287	$3,000,469	$2,313,415	$500,000

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 25	FY 26	FY 27	FY 28	FY 29
Total Line # 11.010	$0	$0	$0	$727,979	$2,900,000



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, which funds students where they are educated rather than where they live. We have projected FY25 funding based on the October 2024 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 new Fair School Funding Plan (FSFP).

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

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

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

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

Casino Revenue: On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed 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 FY23 was $113.1 million or $64.90 per pupil. In FY24, the funding totaled $114.18 million or $65.44 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 25	FY 26	FY 27	FY 28	FY 29
State Basic Aid	$14,689,019	$14,689,019	$14,689,019	$14,689,019	$14,689,019
Additional Aid	$479,818	$479,818	$479,818	$479,818	$479,818
Basic Aid-Unrestricted Subtotal	$15,168,836	$15,168,837	$15,168,837	$15,168,837	$15,168,837
Catastrophic Aid & Credentials	$56,988	$56,988	$56,988	$56,988	$56,988
Ohio Casino Commission ODT	$126,720	$133,545	$130,550	$137,581	$134,496
Total Unrestricted State Aid Line # 1.035	$15,352,544	$15,359,370	$15,356,375	$15,363,406	$15,360,321

B) Restricted State Revenues – Line #1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, new restricted funds have been added under "Restricted Categorical Aid" for Gifted, English Learners (ESL), and Student Wellness. We have estimated revenues for these new restricted funding lines using current October funding factors. The amount of DPIA is limited to 66.67% in FY25. DPIA has increased in FY25 as the district became part of the Community Eligibility Program (CEP). We have flat-lined funding at FY25 levels for FY26-FY29 due to uncertainty on continued funding of the current funding formula.

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 $205,225 from this one-time subsidy in FY25 and is required to maintain documentation as to how the funds were spent. The district received additional High Quality Instructional Material payment in FY25 of $1,222.35 which is due to the state redirecting funds that were not used by other districts.

Category	FY 25	FY 26	FY 27	FY 28	FY 29
DPIA	$1,427,373	$1,427,373	$1,427,373	$1,427,373	$1,427,373
Career Tech - Restricted	$0	$0	$0	$0	$0
Gifted	$127,755	$127,755	$127,755	$127,755	$127,755
English Learners	$13,437	$13,437	$13,437	$13,437	$13,437
Student Wellness	$447,023	$447,023	$447,023	$447,023	$447,023
Other Restricted	$206,447	$0	$0	$0	$0
Total Restricted State Revenues Line #1.040	$2,222,035	$2,015,587	$2,015,587	$2,015,587	$2,015,587

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 25	FY 26	FY 27	FY 28	FY 29
Unrestricted Line # 1.035	$15,352,544	$15,359,370	$15,356,375	$15,363,406	$15,360,321
Restricted Line # 1.040	$2,222,035	$2,015,587	$2,015,587	$2,015,587	$2,015,587
Restricted Fed. SFSF /EdJobs #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$17,574,579	$17,374,957	$17,371,962	$17,378,993	$17,375,908

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 25	FY 26	FY 27	FY 28	FY 29
Homestead & Rollback - Line #1.050	$642,774	$710,182	$710,627	$728,842	$747,058

Other Local Revenues – Line #1.060 All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area have been interest on investments, tuition for court placed students, student fees, and general rental fees.

Interest income is based on the district's 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. 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.

Category	FY 25	FY 26	FY 27	FY 28	FY 29
Tuition Revenue	$178,645	$180,431	$182,235	$184,057	$185,898
Interest	$1,098,750	$1,043,813	$991,622	$942,041	$894,939
Other Income, Rentals and Refunds	$593,450	$599,385	$605,379	$611,433	$617,547
Total Line # 1.060	$1,870,845	$1,823,629	$1,779,236	$1,737,531	$1,698,384

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.

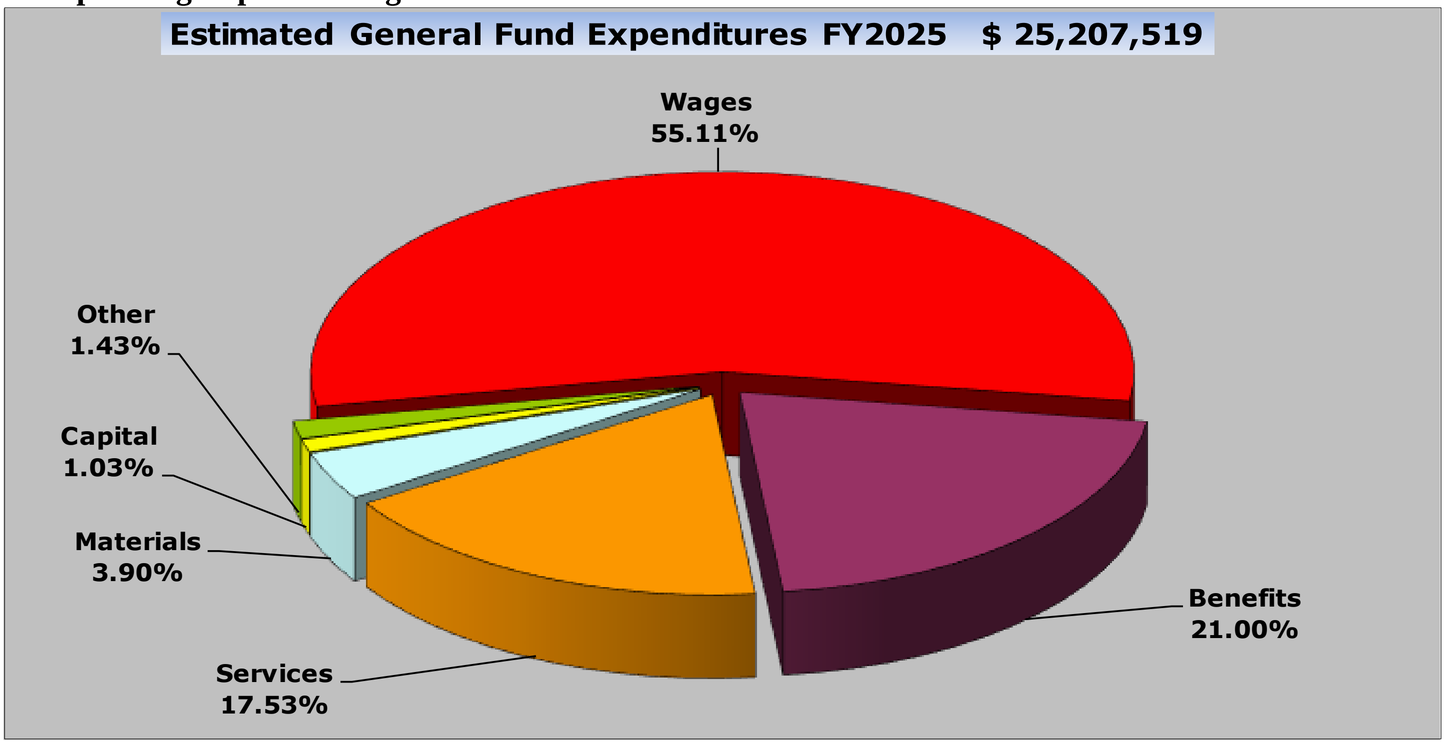
All Other Financial Sources – Line #2.060
This funding source is typically a refund of prior year expenditures that are very unpredictable. Based on the district's history we have included $2,500 in refunds annually for FY24-FY28.

Category	FY 25	FY 26	FY 27	FY 28	FY 29
Other Financial Categories	$2,500	$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 FY25



Personal Services – Employees' Salaries & Wages – Line #3.010

The district finalized negotiations for FY24 – FY26 with a 3% base wage increase in each year of the agreement. We are using 2% base wage increase for forecasting purposes, only in FY27 through FY29. 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 FY25 then transitioning back to the general fund.

There will increases in staff for a counselor at Belle Aire, security staff, two educational aides at Cherry Hill, a DLD monitor, part-time middle school principal, a maintenance technician and two full-time substitute bus drivers; with the reduction of five teachers and a part-time gifted coordinator in FY25.

The district will pay staff stipends for attending and being certified in the Science of Reading which increases the salaries only in FY25 by $176,000.

Category	FY 25	FY 26	FY 27	FY 28	FY 29
Base Wages	$12,236,716	$12,728,180	$13,331,997	$13,903,118	$14,424,485
Base Increases	$367,101	$381,845	$266,640	$278,062	$288,490
Steps & Training	$214,143	$222,743	$233,310	$243,305	$252,428
Substitutes	$668,578	$512,635	$528,014	$543,854	$560,170
New/Replacement Staff	$294,493	$34,163	$0	$0	$0
Recoding of SWSF & ESSER Staff	$0	$0	$71,171	$0	$0
Supplemental Contracts	$443,985	$457,305	$466,451	$475,780	$485,296
Severance	$50,000	$50,000	$50,000	$50,000	$50,000
Staff Reductions	($384,273)	($34,934)	$0	$0	$0
Total Wages Line 3.010	$13,890,743	$14,351,937	$14,947,583	$15,494,119	$16,060,869

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 20% in FY25 with an estimated annual increase of 10% in FY26-FY29, 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 FY25 which will be recalculated each year based on the number of staff members taking the high deductible plan.

C) Workers' Compensation & Unemployment Compensation

Workers' Compensation is expected to remain at about .4337% of wages for FY25-FY29. 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.

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 25	FY 26	FY 27	FY 28	FY 29
STRS/SERS	$2,029,350	$2,100,848	$2,189,150	$2,270,019	$2,353,346
Insurance's	$2,959,632	$3,207,745	$3,509,402	$3,830,177	$4,181,117
Workers Comp & Unemployment	$62,444	$64,444	$67,028	$69,398	$71,856
Medicare	$201,416	$208,102	$216,740	$224,665	$232,883
Tuition/Other Reimbursement	$40,000	$40,000	$40,000	$40,000	$40,000
Total Line 3.020	$5,292,842	$5,621,139	$6,022,320	$6,434,259	$6,879,202

Purchased Services – Line #3.030

An overall inflation between 1% and 3% is being estimated for this category of expenses. 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 FY25 through FY29. The district costs for utilities are increasing annually as we have included a 3% increase in FY25-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 just that twelve (12) month period. We have increased the utilities for this increase in FY26 and returned to a more normal increase in FY27.

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 25	FY 26	FY 27	FY 28	FY 29
Base Services, Prof Fees, etc.	$2,696,703	$2,723,670	$2,750,907	$2,778,416	$2,806,200
Property Repairs & Insurance	$242,634	$245,060	$247,511	$249,986	$252,486
Tuition & Sp. Ed. Services	$938,053	$966,195	$995,181	$1,025,036	$1,055,787
College Credit Plus Tuition	$114,001	$117,421	$120,944	$124,572	$128,309
Copier Leases	$47,880	$47,880	$47,880	$47,880	$47,880
Utilities	$380,651	$426,329	$402,881	$414,967	$427,416
Total Line 3.030	$4,419,922	$4,526,555	$4,565,304	$4,640,857	$4,718,078

Supplies and Materials – Line #3.040

An overall inflation of 3% is being estimated in FY25-FY29 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: FY25 $250,000 for science curriculum; FY26 $300,000 for math curriculum; FY27 $300,000 for social studies curriculum; FY28 $50,000 for unified arts curriculum; and FY29 $300,000 for grades kindergarten through 5th English/language arts curriculum.

Category	FY 25	FY 26	FY 27	FY 28	FY 29
Textbooks	$270,000	$320,000	$320,000	$170,000	$320,000
Supplies & Materials	$713,126	$734,520	$756,556	$779,253	$802,631
Total Line 3.040	$983,126	$1,054,520	$1,076,556	$949,253	$1,122,631

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. We are estimating other capital and technology expenditures to remain constant throughout the forecast.

Category	FY 25	FY 26	FY 27	FY 28	FY 29
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 25	FY 26	FY 27	FY 28	FY 29
HB 264 Principal - Line 4.050	$50,000	$50,000	$55,000	$55,000	$55,000
HB 264 Interest - Line 4.060	$7,530	$6,275	$4,957	$3,577	$2,196

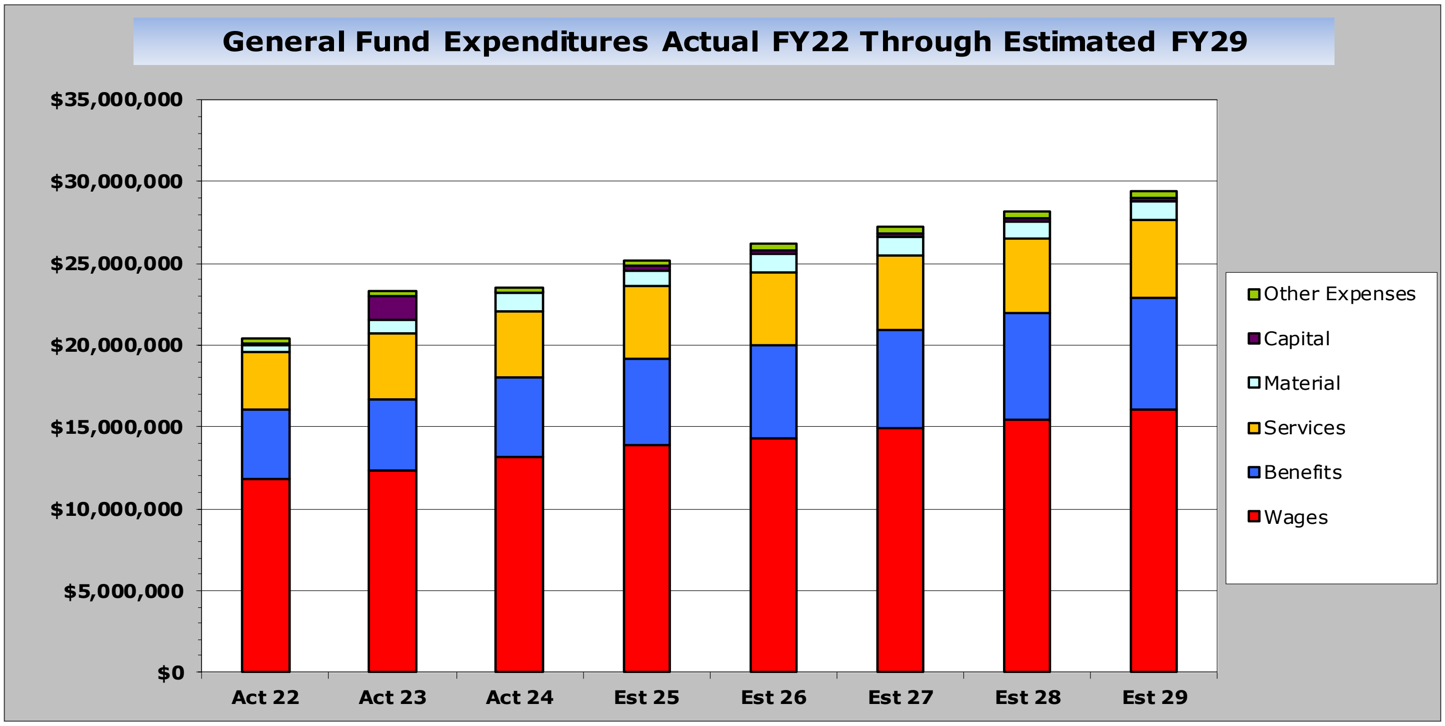
Other Expenses – Line #4.300

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 being increased by an additional $15,000 in FY25 with the increase in values, with an expected increase of 2% annually during the forecast.

Category	FY 25	FY 26	FY 27	FY 28	FY 29
A & T Fees/Election Costs	$197,662	$199,639	$201,635	$203,651	$205,688
ESC Fees	$26,270	$26,533	$26,798	$27,066	$27,337
Fees/Charges/Miscellaneous	$79,425	$80,219	$81,021	$81,831	$82,649
Total Line 4.300	$303,357	$306,391	$309,454	$312,548	$315,674

Operating Expenditures Actual FY22 through FY24 and Estimated FY25 through FY29

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 and to the Permanent Improvement fund for the replacement of windows in FY25, the district does not expect to make advances to any other fund.

Category	FY 25	FY 26	FY 27	FY 28	FY 29
Transfer Line 5.010	$5,056,889	$0	$0	$0	$0
Advances Line 5.020	$0	$0	$0	$0	$0
Total Transfers & Advances	$5,056,889	$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.

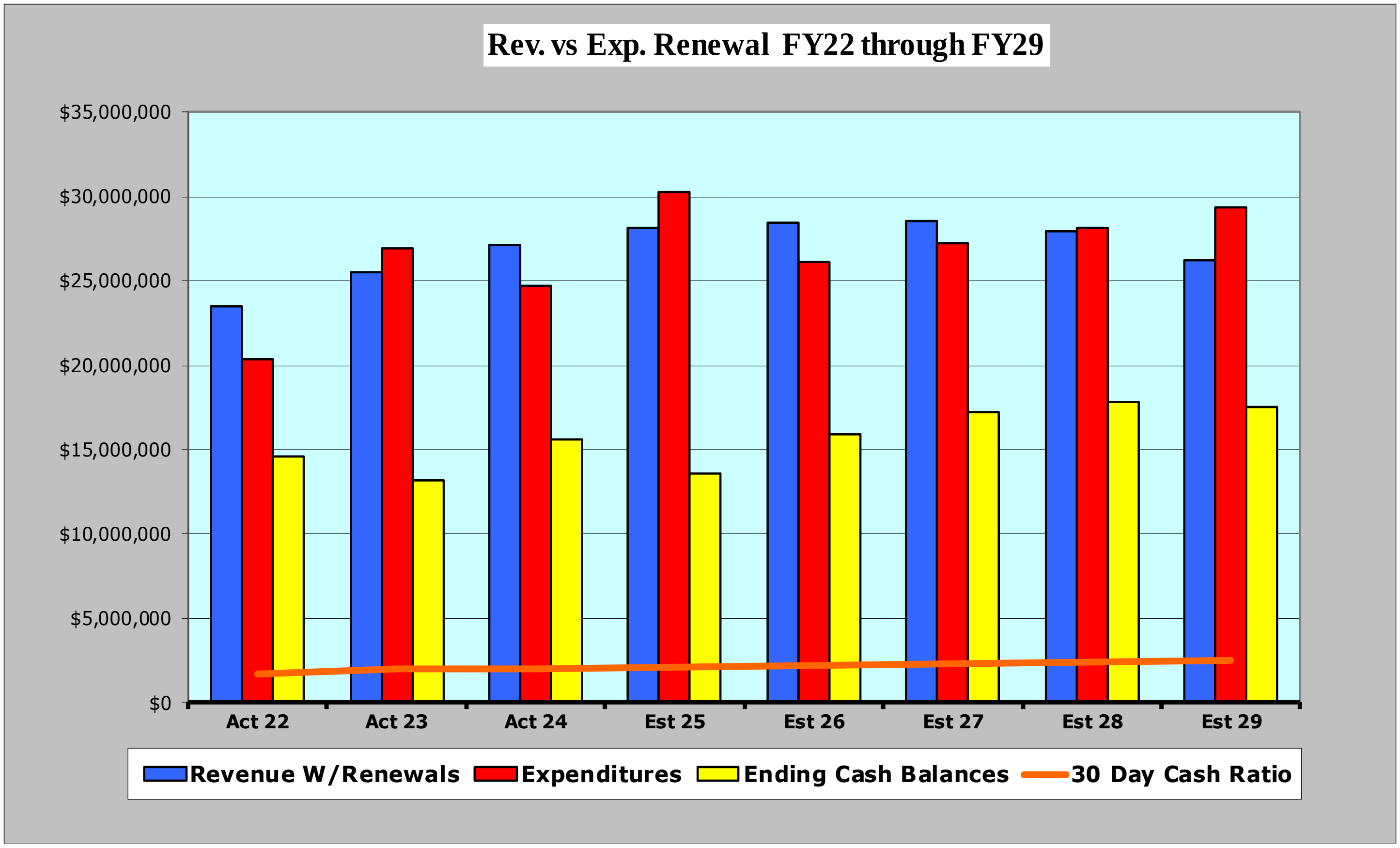
Category	FY 25	FY 26	FY 27	FY 28	FY 29
Estimated Encumbrances	$1,183,058	$1,183,058	$1,183,058	$1,183,058	$1,183,058

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 25	FY 26	FY 27	FY 28	FY 29
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. The deficit spending in FY25 is for the transfer for the window project to the permanent improvement fund.



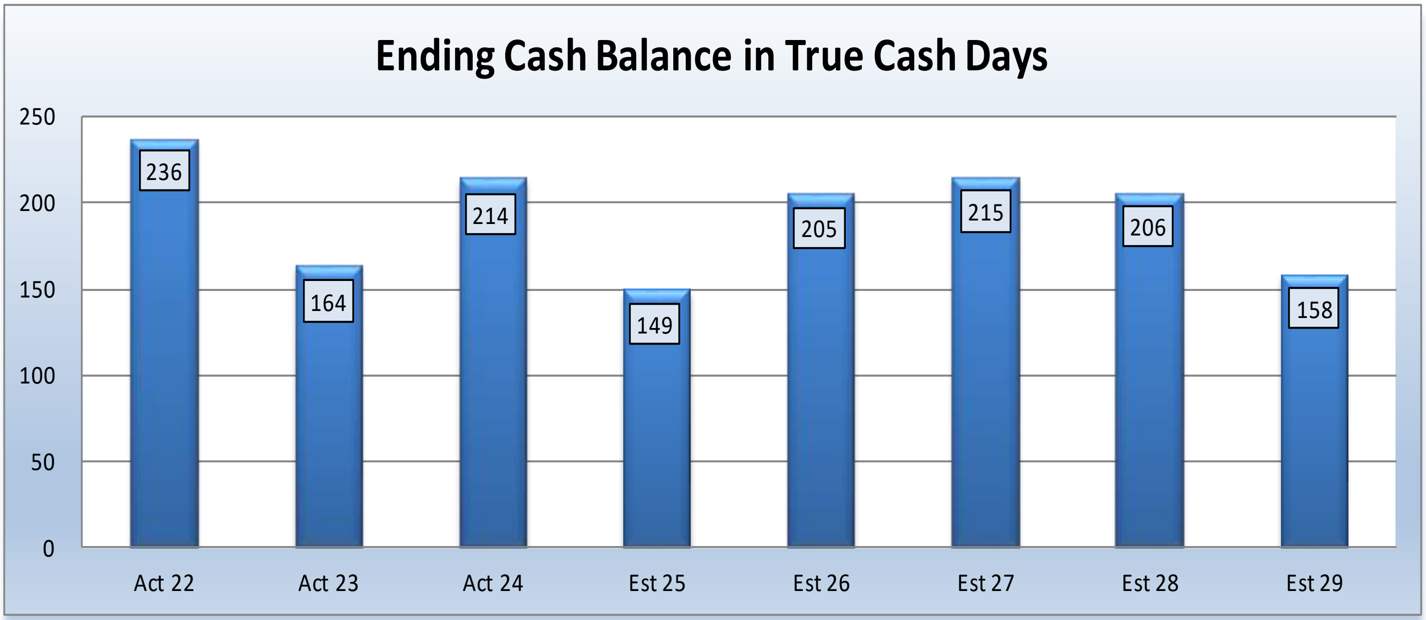
Deficit spending affects the amount of carryover that the district has to plan for the future. When reviewing the needs of the district, we review the amount of spending and what would be needed to remove any deficit spending in order to have positive cash balances on the forecast. The chart below shows 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 25	FY 26	FY 27	FY 28	FY 29
Excess of Revenues over/(under) Expenditures	($2,070,288)	$2,327,413	$1,314,024	($147,111)	($3,136,260)
Millage equivalent for deficit spending	7.87	0.00	0.00	0.47	9.51

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 25	FY 26	FY 27	FY 28	FY 29
Ending Cash Balance - Line #15.010	$12,371,016	$14,698,428	$16,012,452	$16,593,320	$16,357,060

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 64.62% 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-FY29.

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.