BIG WALNUT LOCAL SCHOOL DISTRICT- DELAWARE 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
Big Walnut Local School District
Treasurer's Office
J. Scott Gooding II, Interim-Treasurer/CFO
November 18, 2024**

Big Walnut Local School District

Delaware 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)	$22,993,047	$24,022,638	$28,784,931	12.2%	$32,766,813	$33,263,997	$35,038,186	$36,646,626	$37,082,562
1.020	Public Utility Personal Property Tax	$4,496,663	$4,492,050	$4,517,899	0.2%	$4,356,410	$4,394,385	$4,393,389	$4,393,865	$4,409,593
1.030	Income Tax	$9,983,767	$12,175,411	$11,062,620	6.4%	$12,098,852	$12,339,304	$12,584,565	$12,834,731	$13,089,901
1.035	Unrestricted State Grants-in-Aid	$6,352,343	$6,495,325	$6,481,864	1.0%	$6,522,379	$6,536,586	$6,551,158	$6,566,101	$6,581,425
1.040	Restricted State Grants-in-Aid	$780,366	$602,688	$847,491	8.9%	$963,629	$610,611	$610,611	$610,611	$610,611
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	$3,084,552	$3,229,244	$3,775,949	10.8%	$4,332,328	$4,379,912	$4,592,209	$4,804,409	$4,863,768
1.060	All Other Revenues	$1,835,016	$2,741,326	$3,913,529	46.1%	$3,311,442	$3,096,634	$2,851,044	$2,605,629	$2,426,163
1.070	*Total Revenues*	$49,525,754	$53,758,682	$59,384,283	9.5%	$64,351,853	$64,621,430	$66,621,162	$68,461,973	$69,064,024
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.020	State Emergency Loans and Advancements (Approved)	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.040	Operating Transfers-In	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.050	Advances-In	$278,000	$0	$0	0.0%	$0	$0	$0	$0	$0
2.060	All Other Financing Sources	$196,576	$130,607	$110,459	-24.5%	$110,459	$110,459	$110,459	$110,459	$110,459
2.070	*Total Other Financing Sources*	$474,576	$130,607	$110,459	-44.0%	$110,459	$110,459	$110,459	$110,459	$110,459
2.080	*Total Revenues and Other Financing Sources*	$50,000,330	$53,889,289	$59,494,742	9.1%	$64,462,312	$64,731,889	$66,731,621	$68,572,432	$69,174,483
	Expenditures									
3.010	Personnel Services	$25,761,961	$27,230,536	$29,311,946	6.7%	$32,604,366	$34,955,229	$37,474,161	$40,303,062	$43,195,498
3.020	Employees' Retirement/Insurance Benefits	$10,995,215	$10,872,537	$11,584,127	2.7%	$12,804,905	$14,117,137	$15,496,290	$17,058,680	$18,724,602
3.030	Purchased Services	$5,992,864	$6,916,076	$6,711,235	6.2%	$8,703,739	$9,220,269	$9,421,441	$9,741,887	$10,132,193
3.040	Supplies and Materials	$1,150,900	$1,297,155	$1,538,110	15.6%	$2,233,880	$2,294,492	$2,356,762	$2,420,737	$2,455,221
3.050	Capital Outlay	$15,090	$167,017	$822,784	699.7%	$542,029	$971,109	$1,002,887	$1,035,759	$1,069,765
3.060	Intergovernmental	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.020	Principal-Notes	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.030	Principal-State Loans	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.040	Principal-State Advancements	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.050	Principal-HB 264 Loans	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.055	Principal-Other	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.060	Interest and Fiscal Charges	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.300	Other Objects	$638,409	$698,119	$859,358	16.2%	$843,598	$865,114	$887,201	$909,873	$933,148
4.500	*Total Expenditures*	$44,554,439	$47,181,440	$50,827,560	6.8%	$57,732,517	$62,423,351	$66,638,741	$71,469,998	$76,510,426
	Other Financing Uses									
5.010	Operating Transfers-Out	$0	$0	$0	0.0%	$0	$3,516,292	$881,292	$480,692	$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	$0	0.0%	$0	$3,516,292	$881,292	$480,692	$0
5.050	*Total Expenditures and Other Financing Uses*	$44,554,439	$47,181,440	$50,827,560	6.8%	$57,732,517	$65,939,643	$67,520,033	$71,950,690	$76,510,426
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	$5,445,891	$6,707,849	$8,667,182	26.2%	$6,729,795	($1,207,754)	($788,412)	($3,378,258)	($7,335,943)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$13,412,581	$18,858,472	$25,566,321	38.1%	$34,233,503	$40,963,298	$39,755,545	$38,967,133	$35,588,875
7.020	*Cash Balance June 30*	$18,858,472	$25,566,321	$34,233,503	34.7%	$40,963,298	$39,755,545	$38,967,133	$35,588,875	$28,252,932
8.010	*Estimated Encumbrances June 30*	$675,718	$602,766	$953,642	23.7%	$953,642	$953,642	$953,642	$953,642	$953,642
`	**Reservation of Fund Balance**									
9.010	Textbooks and Instructional Materials	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.020	Capital Improvements	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.030	Budget Reserve	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.040	DPIA	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.045	Fiscal Stabilization	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.050	Debt Service	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.060	Property Tax Advances	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.070	Bus Purchases	$0	$0	$0	0.0%	$0	$0	$0	$0	$0

Big Walnut Local School District

Delaware 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
9.080	*Subtotal*	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
10.010	*Fund Balance June 30 for Certification of Appropriations*	$18,182,754	$24,963,555	$33,279,861	35.3%	$40,009,656	$38,801,903	$38,013,491	$34,635,233	$27,299,290
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
11.020	Property Tax - Renewal or Replacement	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
11.300	Cumulative Balance of Replacement/Renewal Levies	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$18,182,754	$24,963,555	$33,279,861	35.3%	$40,009,656	$38,801,903	$38,013,491	$34,635,233	$27,299,290
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	$0	$0	$0	$0	$0
13.020	Property Tax - New				0.0%	$0	$0	$0	$0	$0
13.030	Cumulative Balance of New Levies	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
14.010	Revenue from Future State Advancements				0.0%	$0	$0	$0	$0	$0
15.010	*Unreserved Fund Balance June 30*	$18,182,754	$24,963,555	$33,279,861	35.3%	$40,009,656	$38,801,903	$38,013,491	$34,635,233	$27,299,290

Big Walnut Local School District –Delaware County
Notes to the Five-Year Forecast
General Fund Only
November 18, 2024

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 year is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the November 2024 filing.

Executive Summary

This document summarizes the Big Walnut Local School District's five-year financial forecast, covering fiscal years 2022 through 2029. It details revenue and expenditure projections, along with potential challenges and underlying assumptions.

Key Findings:
- The forecast anticipates a potential funding gap in the later years due to rising costs and uncertain future state funding.

- Property tax is a significant revenue source, with recent reappraisal leading to increases. However, future growth is uncertain.
- The Fair School Funding Plan (FSFP) implemented by the state provides some stability, but its continuation beyond FY25 is unclear.
- Enrollment growth is expected, putting pressure on resources.
- A potential recession could further strain the district's finances.

Overall, the forecast highlights the need for careful financial management and potential future funding to maintain current service levels.

Additional Points:

- The document emphasizes the importance of economic factors like inflation and interest rates on the district's finances.
- It details various revenue sources, including income tax, state foundation aid, casino revenue, and local property tax.
- Expenditure categories such as salaries and benefits are also discussed.

In conclusion, this five-year forecast provides valuable insights into the Big Walnut Local School District's financial health and potential challenges. It emphasizes the need for proactive planning and potential adjustments to ensure the district's long-term financial sustainability.

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 of 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 (0.5%) 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 the affect that may occur in the forecast in the long term:

1) Delaware County experienced the sexennial reappraisal in the tax year 2023 for collection in 2024. The increases for Class I and II property by $434.7 million for an overall increase of 38.96%, these increases include new construction along with the amounts for reappraisal. However, there is always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that now.

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. As unemployment decreases the amount of funding increases for the district. We have seen an increase in the payments as employment has recovered from the decrease that was experienced with the pandemic. There is a risk that we could see decreases in the future but at this time, we are not anticipating any for future years of the forecast.

4) The state budget represents 18.37% 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 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 FY24 and FY25. FY25 reflects 66.67% of the implementation cost at year four of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed and dependent on legislative actions for the FY26 and FY27 state biennium budget. 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 October foundation information published by the Department of Education and Workforce for our forecasted revenues in FY25.

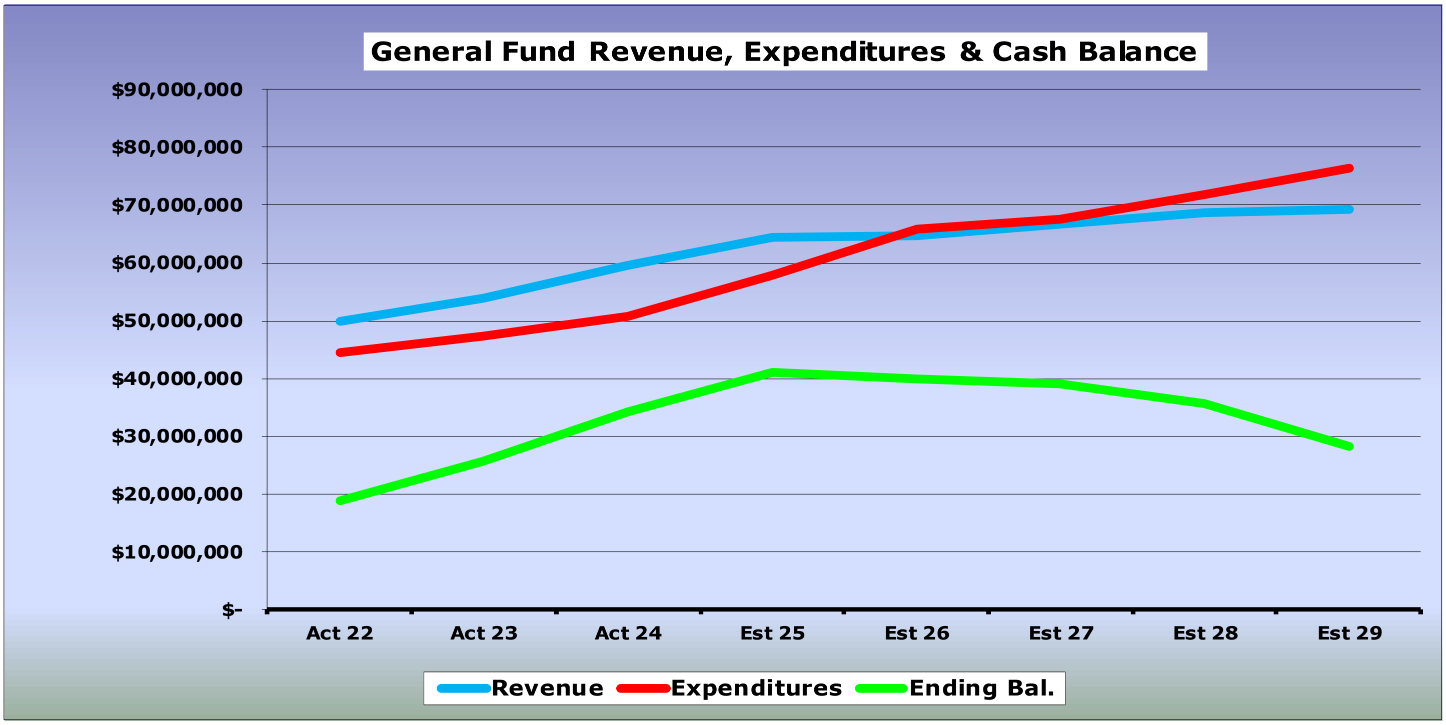
6) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid by the state of Ohio can expose the district to new expenditures currently outside the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.

7) The enrollment reporting for the state is very difficult to track. This is another area that we must monitor very closely, especially with the increased enrollment that we are expecting from new housing developments.

8) Labor relations in the district have been 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 good working relationship will continue.

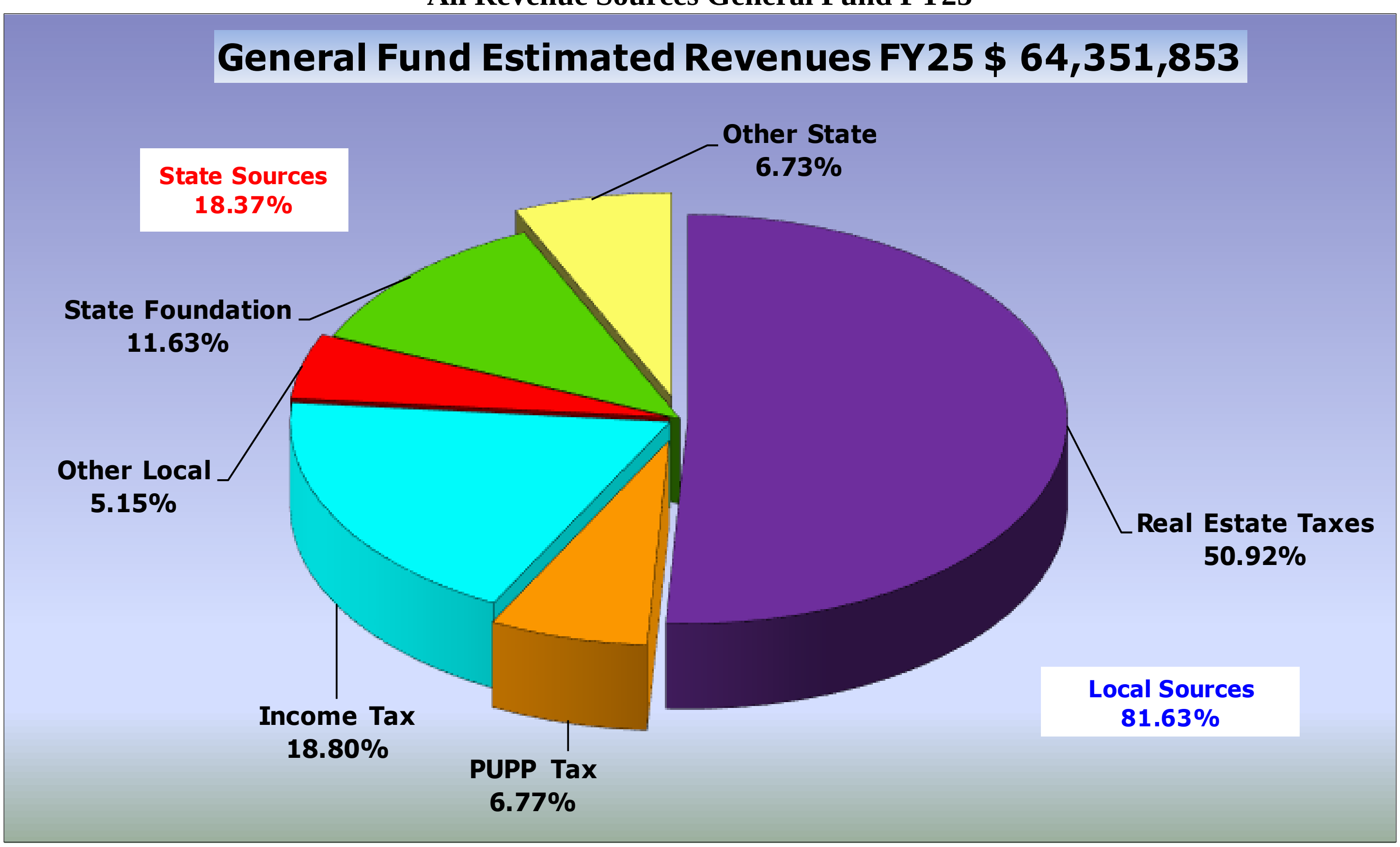
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact J. Scott Gooding II, Interim-Treasurer/CFO at 740-965-3010.

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



Revenue Assumptions

All Revenue Sources General Fund FY25



Property Valuation Assumptions

Property Values are established annually by the Delaware 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. Delaware County experienced a sexennial reappraisal for the 2023 tax year to be collected in FY24. Residential/agricultural values increased 36.01% or $372.6 million due to the reappraisal, led by an improving housing market.

Data captured from the different townships and villages is used to estimate new construction for each collection year for the forecast. For tax year 2023, new construction in residential/agricultural property was up 41.6% or $48.9 million in assessed value from tax year 2022, and commercial/industrial values increased by $3.9 million. Overall values increased $434.7 million or 38.96%, which includes new construction for all classes of property. This is important in that new construction is taxed at the full voted rate and not subject to effective millage rates, for the first year of collection, which will increase the estimate for taxes being collected. For 2024 values for collection in 2025, we are assuming new construction of 200 homes. For 2026 through 2029, we are estimating an increase from new construction of $20 million.

A triennial update will occur in 2026 for collection in FY27, for which we are estimating an 8.0% increase in residential and a 2.0% increase for commercial/industrial property. We anticipate overall residential/agricultural and commercial/industrial values to increase $156.8 million or 9.84%.

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. The PUPP values in 2023 increased by 0.29% or 396,340. The AEP Vassell Substation continues to be a very important section of the Public Utility Personal Property (PUPP) tax valuation for the district. Since the substation was first added to the values in 2016 the district has seen increases and decreases over the years in PUPP tax values. The district has been told to expect decreases in PUPP throughout the remainder of the forecast due to depreciation of the power plant equipment of approximately 3% to 3.5% each year. Due to new planned housing developments, we believe there will be additions to public utility infrastructure that will compensate for current depreciation. We expect our values to continue to grow by $500,000 annually in CY25 through CY29 due to current growth in public utility infrastructure.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR2025 COLLECT 2026	Estimated TAX YEAR2026 COLLECT 2027	Estimated TAX YEAR2027 COLLECT 2028	Estimated TAX YEAR2028 COLLECT 2029
Res./Ag.	1,479,134,370	1,499,634,370	1,640,105,120	1,660,605,120	1,681,105,120
Comm./Ind.	94,062,890	94,737,890	111,081,168	111,756,168	112,431,168
Public Utility (PUPP)	136,552,190	137,052,190	137,552,190	138,052,190	138,552,190
Total Assessed Value	1,709,749,450	1,731,424,450	1,888,738,477	1,910,413,477	1,932,088,477

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 general fund operating levies that affect the five-year forecast is 32.12 mills of which 3.62 mills are from the Substitute Emergency Levy, while the Class I effective millage rate is 23.62 mills, and the Class II effective millage rate is 23.62 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills, which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is on the floor for both Class I and Class II. Any emergency/substitute levy that is voted on is not included in the 20-mill floor, the district has one emergency levy of 3.62 mills that was voted on for an annual amount of $4.9 million of taxes, as the values increase the millage rate will decrease to only collect the annual amount that was approved by the voters.

Real Estate Value Assumptions – Line # 1.010

Property tax levies are estimated to be collected at 98.74% of the annual amount. This allows a 1.26% delinquency factor. In general, 52.13% of the Residential/Agriculture and Commercial/Industrial property taxes are expected to be collected in the February tax settlement and 47.43% in the August tax settlement.

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Est. Property Taxes Line #1.010	$32,766,813	$33,263,997	$35,038,186	$36,646,626	$37,082,562

Estimated Public Utility Personal Property (PUPP) Taxes – Line #1.020

The amounts below are public utility personal property (PUPP) tax payments from public utilities. Collections are typically 52.36% in March and 47.64% in August, along with the real estate settlements from the county auditor.

ESTIMATED PUBLIC UTILITY PERSONAL TAX – Line #1.020

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Est. PUPP Taxes Line 1.020	$4,356,410	$4,356,410	$4,394,385	$4,393,389	$4,409,593

New Tax Levies – Line #13.20

No new tax levy is being included at this time; however, the projected revenues are not anticipated to keep up with the expenditures over the entirety of the forecast as our community continues to grow and support staff positions are planned to be added. With recent updates we may be able to continue stretching our finances a little longer due to rebounding revenues and medical insurance premium reductions, but planning for additional revenue will need to continue to be something the district is mindful of and monitors.

School District Income Tax – Line #1.03

The district passed an income tax (SDIT) of 0.75% effective in 1995, which was approved as a continuing tax in 2003. The district has a 0.5% SDIT for a continuing period. 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 experience similar growth so far in FY25 s to the state increase. The amount of growth in income tax is difficult to estimate as most of the information from the Ohio Department of Taxation is confidential. We will assume an annual growth rate of 2% for the remainder of FY25 and for FY26 through FY29 as we feel that the increases in withholding taxes will outperform the estimates and tax return amounts. In addition, we are estimating growth from new families based on the following assumption 90 families per year in FY25-FY29 with an annual family income of approximately $113,000 which includes an increase over the amount that is estimated from U.S. Census Bureau, 2013-2017 American Community Survey as compiled by Ohio Municipal Advisory Council OMAC data. We will continue to monitor and adjust the amounts as more information is known to the district.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
SDIT Collection	$11,062,620	$12,098,852	$12,339,304	$12,584,565	$12,834,731
Adjustments	$1,036,231	$240,452	$245,261	$250,166	$255,170
Total to Line #1.030	$12,098,852	$12,339,304	$12,584,565	$12,834,731	$13,089,901

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

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

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in 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.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Basic Aid-Unrestricted	$5,775,675	$5,775,675	$5,775,675	$5,775,675	$5,775,675
Additional Aid Items	$472,214	$472,214	$472,214	$472,214	$472,214
Basic Aid-Unrestricted Subtotal	$6,247,889	$6,247,889	$6,247,889	$6,247,889	$6,247,889
Ohio Casino Commission ODT	$274,490	$288,697	$303,269	$318,212	$333,536
Total Line # 1.035	$6,522,379	$6,536,586	$6,551,158	$6,566,101	$6,581,425

B) Restricted State Revenues – Line # 1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged Funding) and Career Technical funding. In addition, new restricted funds have been added under "Restricted Categorical Aid" for Gifted, English Learners (ESL), and Student Wellness. The district has elected to also post Catastrophic Aid for special education as restricted revenues. We have estimated revenues for these new restricted funding lines using current October funding factors and using the simulations from the Department of Education and Workforce for FY25. The amount of DPIA is limited to a 66.67% phase in growth for FY25. 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 $350,405 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 $2,612.76 which is due to the state redirecting funds that were not used by other districts.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
DPIA	$17,513	$17,513	$17,513	$17,513	$17,513
Career Tech - Restricted	$0	$0	$0	$0	$0
Gifted	$96,175	$96,175	$96,175	$96,175	$96,175
English Learner	$10,578	$10,578	$10,578	$10,578	$10,578
Student Wellness	$177,246	$177,246	$177,246	$177,246	$177,246
Catastrophic Aid	$309,099	$309,099	$309,099	$309,099	$309,099
Other Restrict	$353,018	$0	$0	$0	$1
Total Line #1.040	$963,629	$610,611	$610,611	$610,611	$610,611

Restricted Federal Grants in Aid – line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues

SUMMARY	FY 25	FY 26	FY 27	FY 28	FY 29
Unrestricted Line # 1.035	$6,522,379	$6,536,586	$6,551,158	$6,566,101	$6,581,425
Restricted Line # 1.040	$963,629	$610,611	$610,611	$610,611	$610,611
Restricted Fed. Grants Line #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$7,486,008	$7,147,198	$7,161,769	$7,176,713	$7,192,036

State Share of Local Property Tax – Line #1.050
Rollback and Homestead Reimbursement
Rollback funds are reimbursements paid to the district from 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 years of age or older or who are disabled regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who did not currently have their Homestead Exemption approved or those who did not get a new application approved for tax year 2013, and who become eligible thereafter only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013, did not lose it going forward and did not have to meet the new income qualification. These changes have slowed the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increases the taxes collected locally on taxpayers.

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

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Rollback and Homestead	$4,332,328	$4,379,912	$4,592,209	$4,804,409	$4,863,768
Total Property Tax Allocations #1.050	$4,332,328	$4,379,912	$4,592,209	$4,804,409	$4,863,768

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 source of revenue in this area is tuition for court placed students, preschool tuition, full-day kindergarten tuition, general rental fees, interest earnings and Medicaid reimbursements.

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. We will continue to monitor the investments for the district.

We anticipate TIF receipts to continue throughout the forecast period with a modest growth rate, which is indicative of past trends. The TIF payments are from the Sunbury Mills Plaza development.

Medicaid payments have increased in previous years, we are anticipating that these costs and all other revenues are expected to continue at historic trends.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
TIF and PILOTS	$225,613	$227,869	$230,148	$232,449	$234,774
Tuition	$734,774	$742,122	$749,543	$757,038	$764,609
Open Enrollment	$0	$0	$0	$0	$0
Excess Cost	$59,957	$60,257	$60,558	$60,861	$61,165
Interest	$1,547,644	$1,315,497	$1,052,398	$789,298	$591,974
Class Fees	$251,273	$253,786	$256,323	$258,887	$261,476
Other Miscellaneous Receipts	$492,182	$497,104	$502,075	$507,096	$512,166
Total Line # 1.060	$3,311,442	$3,096,634	$2,851,044	$2,605,629	$2,426,163

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

These are non-operating revenues which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. There are no advances or transfers planned during the forecast.

All Other Financial Sources – Line #2.060

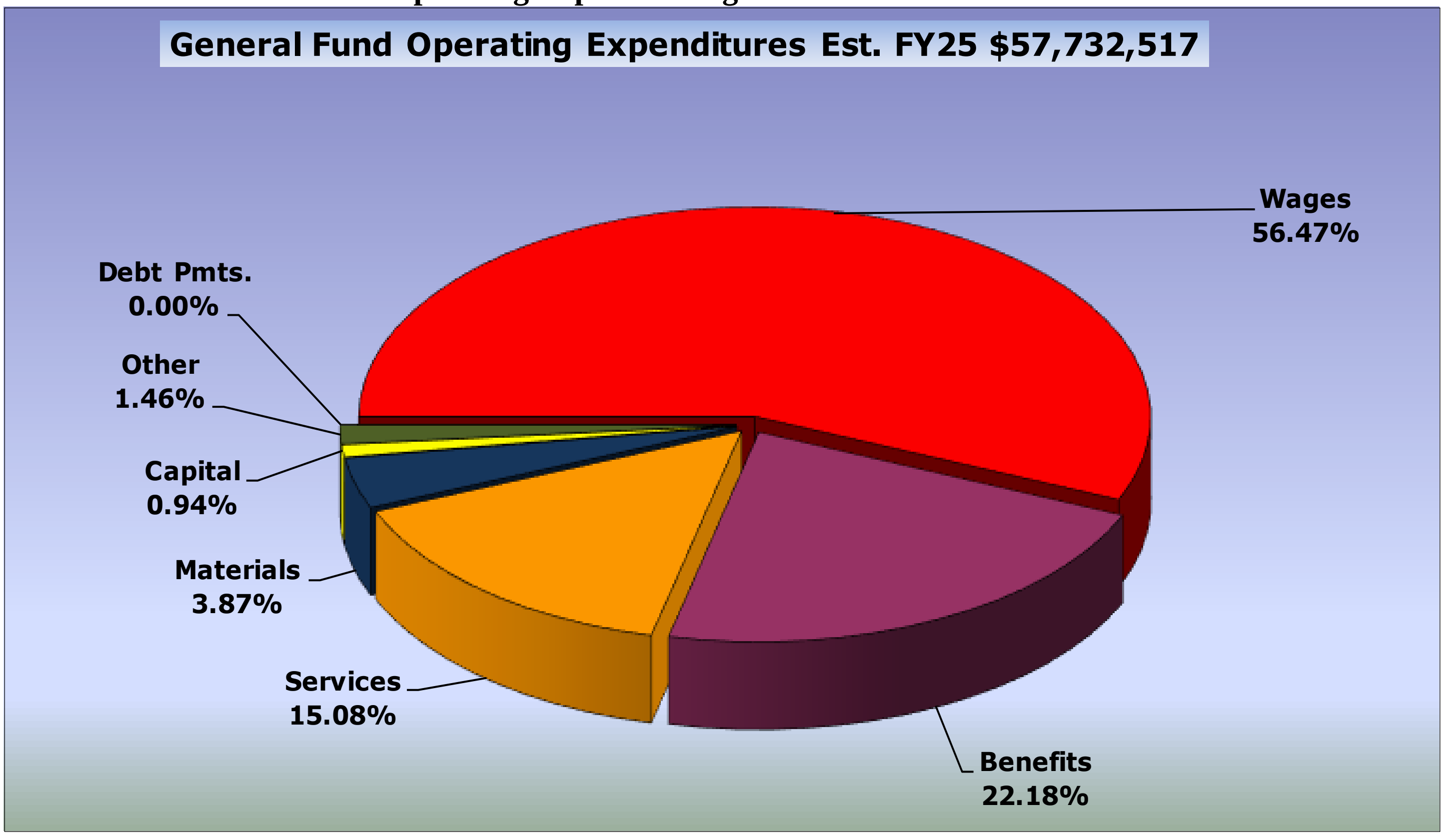
This funding source is typically a refund of prior year expenditures and one-time payments that are very unpredictable. We have received small amounts for refunds in previous years and do not expect any other large payments within the forecast.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
All Other Sources	$110,459	$110,459	$110,459	$110,459	$110,459

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. As the administration of the district constantly reviews expenditures, the education of our students is the forefront of decision making.

All Operating Expense Categories - General Fund FY25



Wages – Line #3.010

The district evaluates staffing needs with the help of enrollment projections that are based on the study conducted for the district by Future Think. Even though the district continues to see enrollment growth minimal staffing increases have been made in recent years due to budget pressures. District leadership is currently reviewing staffing needs for both instructional and support roles as we attempt to accommodate anticipated enrollment growth and a focus on supporting the whole child, which was identified by the board as part of our District's strategic planning. The district has discussed over the last year about aligning allowable uses of ESSER II and ARP ESSER III funds to help with previously noted staffing initiative and to offset some salaries in FY22 through FY24 to ensure we can maintain the continuity of operations and services. We have accounted for four STEM teaching positions being funded for fiscal years FY22 through FY24 with ESSER II, which are not being accounted for in our net forecasted FTE's until FY25. Our two elementary counselors were added in FY22 with ARP ESSER III funds, and we are accounting for these in our net FTE increases noted below in FY25.

Our staffing increases are being accounted for in the estimated net new hires in our forecast of 29.45 in FY25, 17.5 in FY26, 14.5 in FY27, 19.0 in FY28, and 15.2 in FY29. Previously, the planned positions were mainly for staffing we believed were necessary to meet the demands of the new buildings, state, or federal requirements for busing and students with special needs. The district is reevaluating the staffing needs for FY25 and the future year. Step increases for all current employees are estimated to be 2.5%. The District and BWEA agreed to a three-year contract in December 2021 with 2.0% increases in all years. BWPSS agreed to a three-year contract for FY23 through FY25 with a 1.25% base and changes to the index and steps. OAPSE 524 has agreed to a three-year contract for FY23 through FY25 for 3%, 4%, and 5% base increases. BWPSS also agreed to a three-year contract for FY23 through FY25 that includes step and base wage increases of 3% each year. For forecasting purposes, the district is projecting 2.5% increase (aligned to the current consumer price index published by the U.S. Bureau of Labor Statistics) for base wages in FY26 through FY29. The district is forecasting an increase of 6% growth in Substitutes and Extra-Curricular wages in FY25 and then 3% increase for FY26 through FY29.

The district will pay staff stipends for attending and being certified in the Science of Reading which increases the salaries in FY25 by $300,000.

Summary of Personal Services – Line #3.010

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Base Wages	$27,581,322	$30,493,226	$33,062,777	$35,493,303	$38,227,562
Wage adjustments	$702,110	$762,331	$826,569	$887,333	$955,689
Steps & Training	$689,533	$762,331	$826,569	$887,333	$955,689
Growth/Replacement staff	$1,532,764	$1,005,091	$745,598	$936,216	$865,088
Other & ESSER Adjustments	$500,000	$200,000	$200,000	$200,000	$200,000
Salary In Lieu of Insurance	$466,716	$511,894	$563,083	$619,392	$681,331
Substitutes & Supplemental	$1,204,425	$1,240,558	$1,277,774	$1,316,108	$1,355,591
Severance	$140,000	$140,000	$140,000	$140,000	$140,000
Staff Reductions (Retire/Resignation)	($212,504)	($160,201)	($168,211)	($176,622)	($185,453)
Total Wages Line 3.010	$32,604,366	$34,955,229	$37,474,161	$40,303,062	$43,195,498

Fringe Benefits Estimates – Line #3.020

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 using a blended rate of 15.9% for those that received pick-up on pick-up of the retirement and the additional amount is for the SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members, which is used for SERS insurance upon retirement.

B) Insurance

As the graph below notes, health care is a significant cost for the district and has been a real challenge as we have seen rising costs over the last several years. We are forecasting an increase of 5.93% in FY25, a 9.68% increase in FY26 and 10% increase in FY27 through FY29. These increases are a blend of the districts history of claims increases and the industry standards of annual premium increases.

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

The district moved to Retro Group Rating in FY21 for Worker's Compensation payments, which is anticipated to lower payments in future years due to higher premium refund amounts. The district is not projecting any unemployment claims throughout the forecast.

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.

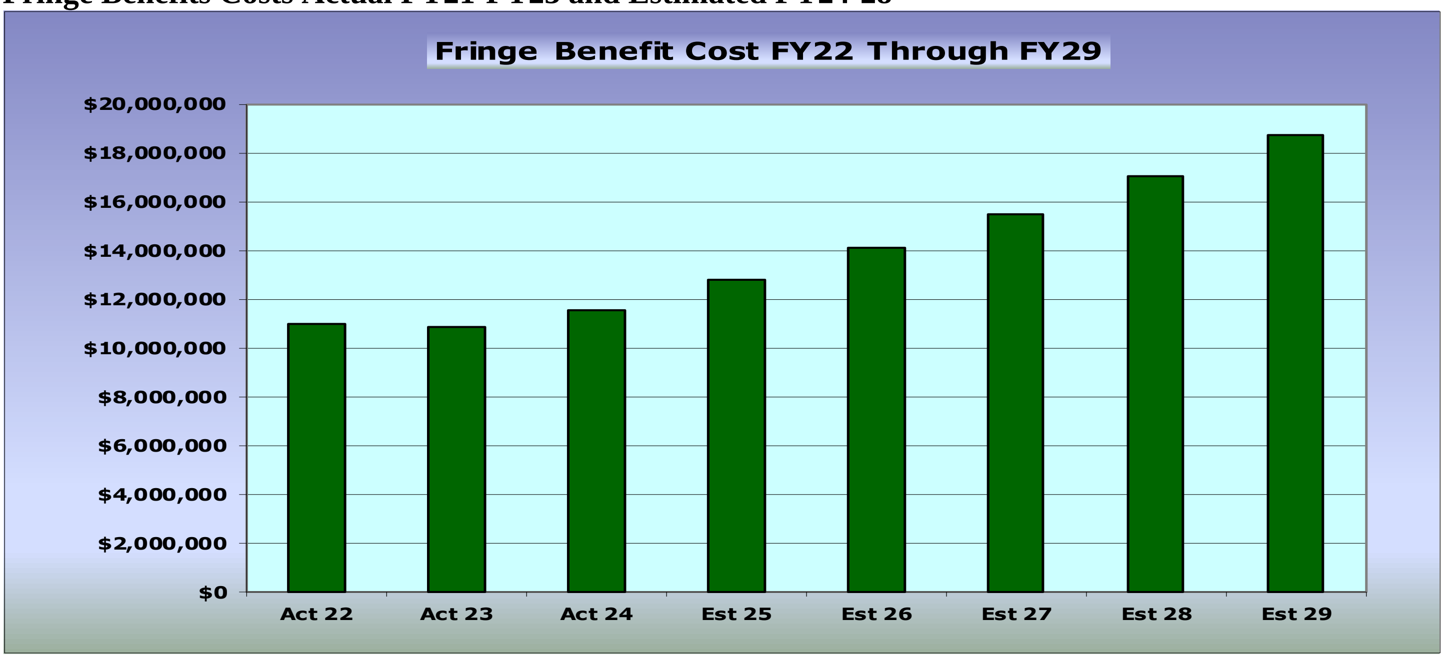
E) Tuition and Other Benefits

With the implementation of the high deductible health plan, the district agreed to make contributions into health savings accounts for employees on the plan which are included with tuition reimbursements on this line.

Summary of Fringe Benefits – Line #3.020

Source	FY 25	FY 26	FY 27	FY 28	FY 29
STRS/SERS	$5,026,600	$5,405,409	$5,800,421	$6,235,493	$6,684,463
Insurance's	$7,115,197	$8,006,721	$8,945,966	$10,022,866	$11,188,266
Workers Comp/Unemployment	$108,344	$116,156	$124,527	$133,927	$143,539
Medicare	$472,763	$506,851	$543,375	$584,394	$626,335
Tuition and Other Benefits	$82,000	$82,000	$82,000	$82,000	$82,000
Total Line 3.020	$12,804,905	$14,117,137	$15,496,290	$17,058,680	$18,724,602

Fringe Benefits Costs Actual FY21-FY23 and Estimated FY24-28



Purchased Services – Line #3.030

An overall average inflation of 2% is being estimated for all categories except utilities that are being projected with a 15% inflationary factor for FY26.

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 returned the costs of the ESC services to the forecast from being paid from the ESSER grant funds in FY25. Along with those cost the district is increasing services for 2 additional nurses, 0.5 specialist, and 1.0 tutoring services in FY25. In FY26, we are planning for additions of 0.4 of occupational therapy, 0.4 of speech, and 1.0 of tutoring services. As always, the district will continue to evaluate the needs for additional

services with the growth of the district and actual enrollment and make appropriate changes annually. An overall 2% annual increase in the costs of these services is estimated for inflation.

Utilities are increased annually by 3% for FY24 through FY28. In FY24 we anticipate increases for reopening the intermediate school as an updated elementary school. We have attempted to capture the cost impact for these movements in our forecast. 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 are increasing utilities by 12% in FY26 for the additional capacity charge and then returning the annual increase to 3% in FY27.

The district has experienced additional cost in FY25 for insurances, meeting expenses and leases of $520,941. Maintenance and repair costs will increase with the changes and additions of the new buildings and have a base increase of 2% each year. We will continue to monitor inflationary costs in this area to see if increased costs should be planned.

Purchased Services – Line #3.030

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Insurance, Leases, Meeting Expenses, & Ot	$1,113,897	$1,136,175	$1,158,899	$1,182,077	$1,205,718
Professional Services, Legal Fees & ESC	$4,377,834	$4,623,321	$4,895,787	$5,110,703	$5,392,917
Tuition, OE, SF14, CCP & Excess Costs	$751,987	$767,027	$782,368	$798,015	$813,975
Phone and Internet Services	$159,980	$163,179	$166,443	$169,772	$173,167
Utilities	$1,419,425	$1,632,339	$1,501,752	$1,546,805	$1,593,209
Building Repairs & Services	$880,615	$898,228	$916,192	$934,516	$953,206
Total Line 3.030	$8,703,739	$9,220,269	$9,421,441	$9,741,887	$10,132,193

Supplies and Materials – Line #3.040

The district is increasing supplies and textbooks to meet the needs of the new buildings in FY25 and expect 2.5% increase in FY26 through FY29. Maintenance and transportation supplies are being increased in FY25 for the additional supplies that are needed for the new buildings with a 3% annual increase in FY26 through FY29.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Supplies, Textbooks, and other	$1,280,875	$1,312,897	$1,345,719	$1,379,362	$1,413,846
Maintenance & Transportation Supplies	$953,005	$981,595	$1,011,043	$1,041,374	$1,041,374
Total Line 3.040	$2,233,880	$2,294,492	$2,356,762	$2,420,737	$2,455,221

Equipment – Line # 3.050

The district is reviewing the capital outlay needs of the district in order to budget for repairs and replacements of our assets such as roofing, asphalt, HVAC, and other equipment. Along with capital outlays, the district is planning for Technology replacements of staff Chromebooks each year to come out of the general fund. The district will purchase Chromebooks each year of the forecast with a 2.5% increase for inflation. The district is planning on purchasing van and other vehicles each year of the forecast.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Capital Outlay	$103,299	$105,881	$108,528	$111,241	$114,022
Technology	$356,320	$365,228	$374,359	$383,718	$393,311
School Buses & Vehicles	$82,410	$500,000	$520,000	$540,800	$562,432
Total Line 3.050	$542,029	$971,109	$1,002,887	$1,035,759	$1,069,765

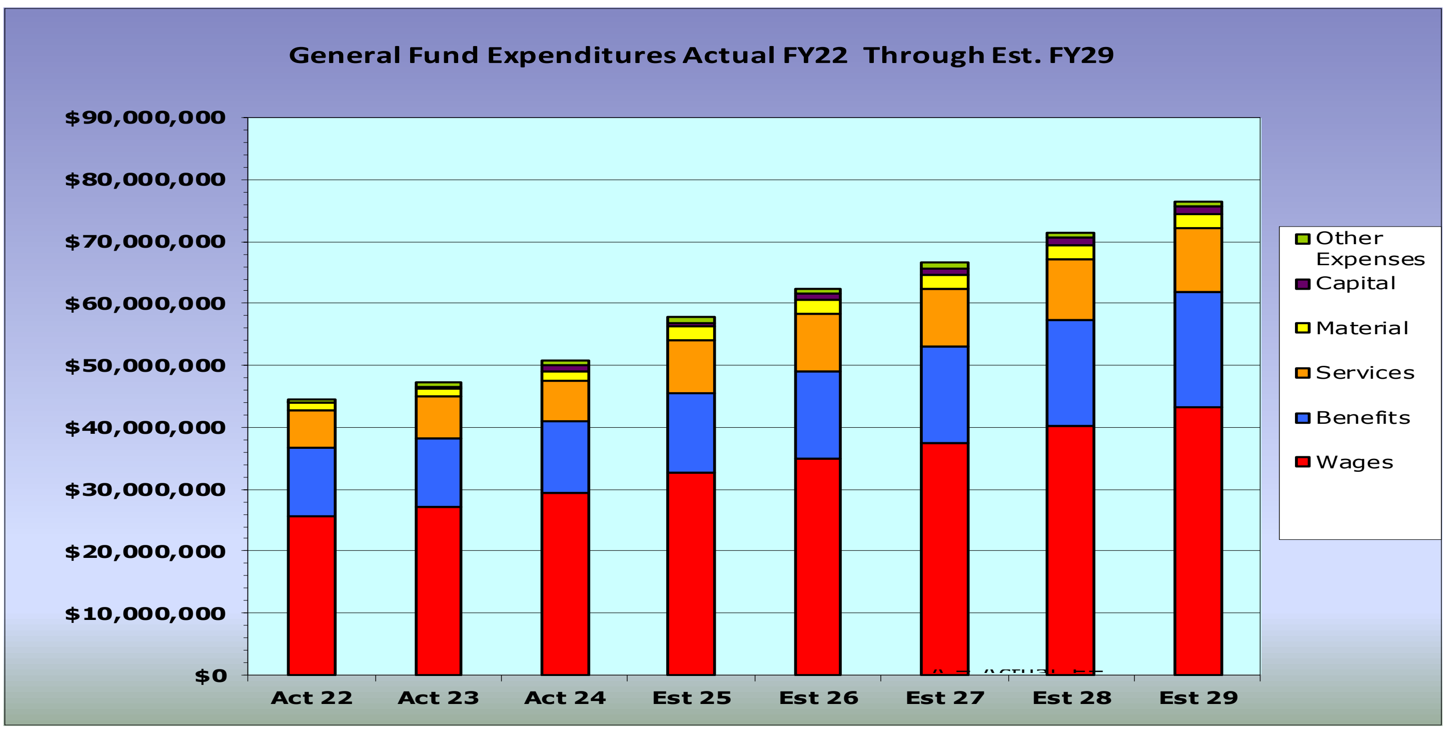
Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, SDIT collection fees and our annual audit and other miscellaneous expenses. The district uses an average increase of 2.13% for the annual increase in our other expenses.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Auditor & Treasurer Fees	$466,718	$480,719	$495,141	$509,995	$525,295
County ESC	$26,319	$26,845	$27,382	$27,930	$28,489
SDIT Fees	$181,483	$185,090	$188,768	$192,521	$196,349
Other expenses	$169,079	$172,460	$175,909	$179,427	$183,016
Total Line 4.300	$843,598	$865,114	$887,201	$909,873	$933,148

Operating Expenditures Actual FY22 through FY24 and Estimated FY25-FY29

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

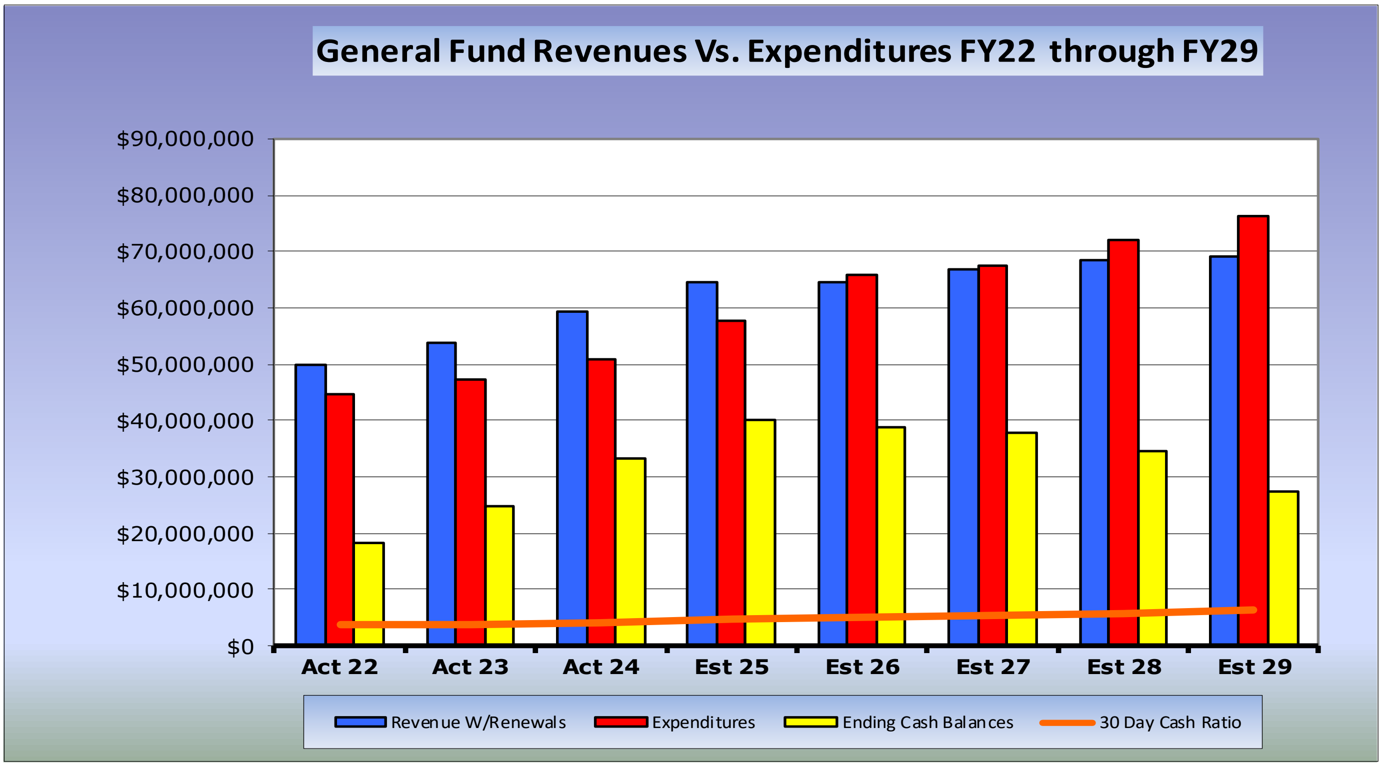


Transfers Out/Advances Out – Line #5.010

This account group includes funds for transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The district is planning on transferring funds to the Permanent Improvement Fund for Capital Plan projects in FY26 through FY28. The district does not expect to advance any funds.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Operating Transfers Out Line #5.010	$0	$3,516,292	$881,292	$480,692	$0
Advances Out Line #5.020	$0	$0	$0	$0	$0
Total	$0	$3,516,292	$881,292	$480,692	$0

Revenue vs Expenditures with Deficit Spending
The graph below shows that the district will begin to deficit spend in FY26 and each year of the forecast.



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 in order to erase the deficit spending.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Excess Revenue over/(under) Expenditures	$6,729,795	($1,207,754)	($788,412)	($3,378,258)	($7,335,943)
Millage equivalend for deficit spending	0.00	0.71	0.46	1.79	3.84

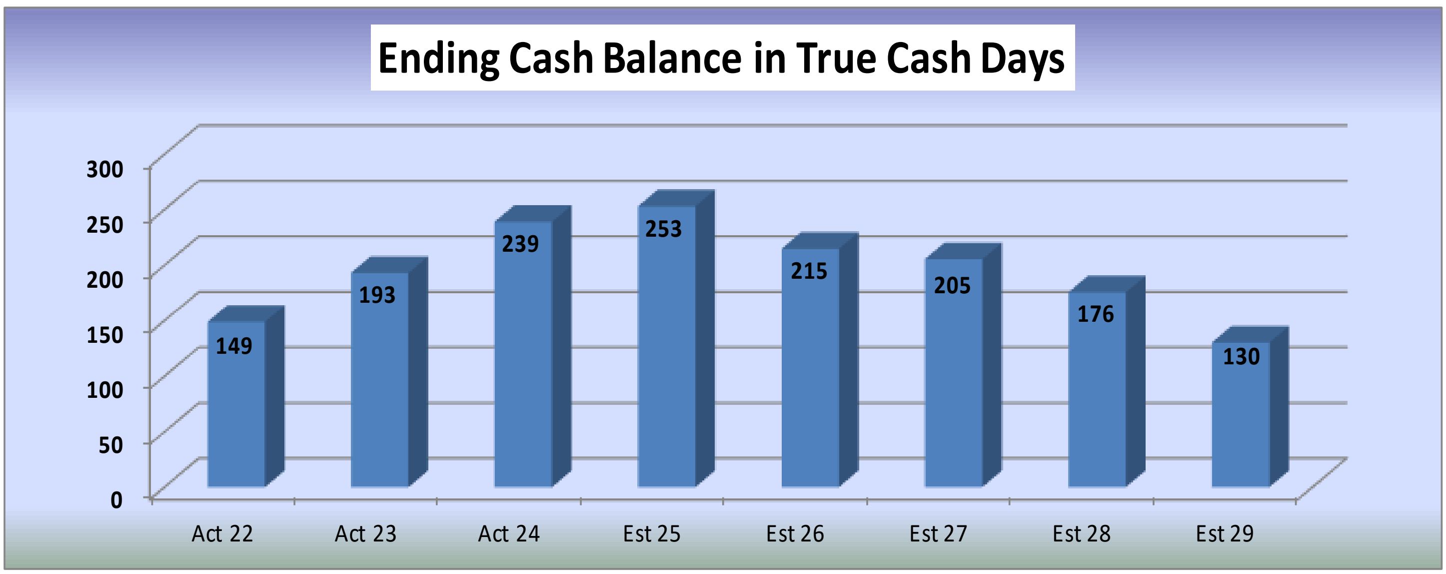
Encumbrances –Line #8.010
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Estimated Encumbrances	$953,642	$953,642	$953,642	$953,642	$953,642

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. While we have been able to shrink the variance between revenues and expenditures, we are anticipating with current trends to begin utilizing our cash balance or "rainy day fund" for operating needs in future years.

Source	FY 25	FY 26	FY 27	FY 28	FY 29
Ending Cash Balance	$40,009,656	$38,801,903	$38,013,491	$34,635,233	$27,299,290

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



CONCLUSION

Big Walnut Local School District receives 18.37% 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.

District administrations appreciate the supportive Big Walnut community and are actively planning for the future needs of our students while keeping an eye on the financial stability of the district. The administration is mindful that there are many risks and uncertainties that will need to be considered in future planning.

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.