# LICKING HEIGHTS LOCAL SCHOOL DISTRICT
# LICKING AND FRANKLIN COUNTIES
# SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2021, 2022, 2023 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2024 THROUGH JUNE 30, 2028

**Forecast Provided By**

**LICKING HEIGHTS LOCAL SCHOOL DISTRICT**

**Treasurer's Office**

**Todd Griffith, Treasurer/CFO**

**November 21, 2023**

# Licking Heights Local School District

**Licking County**

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

| | | Actual | | | | Forecasted | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Fiscal Year 2021 | Fiscal Year 2022 | Fiscal Year 2023 | Average Change | Fiscal Year 2024 | Fiscal Year 2025 | Fiscal Year 2026 | Fiscal Year 2027 | Fiscal Year 2028 |
| | **Revenues** | | | | | | | | | |
| 1.010 | General Property Tax (Real Estate) | $21,603,074 | $22,883,393 | $23,062,360 | 3.4% | $24,627,636 | $26,522,332 | $26,685,387 | $27,607,874 | $28,565,991 |
| 1.020 | Public Utility Personal Property Tax | 2,910,347 | 3,541,106 | 4,378,972 | 22.7% | 4,655,890 | 4,147,474 | 3,769,045 | 3,755,100 | 3,755,599 |
| 1.030 | Income Tax | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 1.035 | Unrestricted State Grants-in-Aid | 13,524,866 | 13,783,117 | 16,205,450 | 9.7% | 21,974,614 | 24,880,521 | 24,887,460 | 24,894,504 | 24,901,652 |
| 1.040 | Restricted State Grants-in-Aid | 266,307 | 948,243 | 1,471,088 | 155.6% | 1,904,154 | 2,165,848 | 2,165,848 | 2,165,848 | 2,165,848 |
| 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 | 2,657,681 | 2,834,906 | 2,859,193 | 3.8% | 2,989,164 | 3,264,244 | 3,310,532 | 3,439,212 | 3,575,363 |
| 1.060 | All Other Revenues | 10,210,236 | 10,410,886 | 9,518,100 | -3.3% | 9,082,867 | 8,632,909 | 8,484,452 | 8,487,511 | 8,567,100 |
| 1.070 | *Total Revenues* | $51,172,510 | $54,401,651 | $57,495,162 | 6.0% | $65,234,325 | $69,613,328 | $69,302,724 | $70,350,049 | $71,531,553 |
| | **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 | 1,687 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 2.050 | Advances-In | 0 | 0 | 0 | 0.0% | 1,085 | 0 | 0 | 0 | 0 |
| 2.060 | All Other Financing Sources | 0 | 259,884 | 222,500 | 0.0% | 35,132 | 35,132 | 35,132 | 35,132 | 35,132 |
| 2.070 | *Total Other Financing Sources* | 0 | 261,571 | 222,500 | 0.0% | 36,217 | 35,132 | 35,132 | 35,132 | 35,132 |
| 2.080 | *Total Revenues and Other Financing Sources* | $51,172,510 | $54,663,223 | $57,717,662 | 6.2% | $65,270,542 | $69,648,460 | $69,337,856 | $70,385,181 | $71,566,685 |
| | **Expenditures** | | | | | | | | | |
| 3.010 | Personal Services | 22,962,743 | $25,911,777 | $27,896,008 | 10.3% | $31,395,583 | $36,869,158 | $39,941,974 | $43,020,847 | $46,374,548 |
| 3.020 | Employees' Retirement/Insurance Benefits | 7,850,302 | 8,530,533 | 9,110,536 | 7.7% | 10,225,692 | 12,723,497 | 14,679,126 | 16,610,308 | 18,810,812 |
| 3.030 | Purchased Services | 9,561,137 | 7,801,919 | 9,073,037 | -1.1% | 10,727,876 | 11,555,984 | 12,388,280 | 12,650,648 | 13,132,980 |
| 3.040 | Supplies and Materials | 1,179,242 | 1,373,059 | 2,352,871 | 43.9% | 2,368,743 | 2,487,180 | 2,611,539 | 2,742,116 | 2,879,222 |
| 3.050 | Capital Outlay | -4,781 | 69,677 | 25,099 | -810.7% | 1,900,000 | 1,900,000 | 1,900,000 | 1,900,000 | 1,900,000 |
| 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 | 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 | 845,730 | 778,298 | 683,828 | -10.1% | 790,500 | 821,310 | 837,736 | 854,491 | 871,581 |
| 4.500 | *Total Expenditures* | $42,394,372 | $44,465,263 | $49,141,380 | 7.7% | $57,408,394 | $66,357,130 | $72,358,655 | $77,778,410 | $83,969,143 |
| | **Other Financing Uses** | | | | | | | | | |
| 5.010 | Operating Transfers-Out | $3,060,000 | $7,301,000 | $10,001,085 | 87.8% | $6,000,000 | $0 | $0 | $0 | $0 |
| 5.020 | Advances-Out | 222,800 | 222,500 | 0 | -50.1% | 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* | 3,282,800 | 7,523,500 | 10,001,085 | 81.1% | 6,000,000 | 0 | 0 | 0 | 0 |
| 5.050 | *Total Expenditures and Other Financing Uses* | $45,677,172 | $51,988,763 | $59,142,465 | 13.8% | $63,408,394 | $66,357,130 | $72,358,655 | $77,778,410 | $83,969,143 |
| 6.010 | *Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses* | 5,495,338 | 2,674,460 | (1,424,803) | -102.3% | 1,862,148 | 3,291,330 | (3,020,799) | (7,393,229) | (12,402,458) |
| 7.010 | Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies | 22,011,528 | 27,506,866 | 30,181,327 | 17.3% | 28,756,523 | 30,618,671 | 33,910,001 | 30,889,202 | 23,495,974 |
| 7.020 | *Cash Balance June 30* | 27,506,866 | 30,181,327 | 28,756,523 | 2.5% | 30,618,671 | 33,910,001 | 30,889,202 | 23,495,974 | 11,093,516 |
| 8.010 | *Estimated Encumbrances June 30* | 13,131 | 518,103 | 443,918 | 1915.6% | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| | **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% | 0 | 0 | 0 | 0 | 0 |
| 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% | 0 | 0 | 0 | 0 | 0 |
| 10.010 | *Fund Balance June 30 for Certification of Appropriations* | $27,493,735 | $29,663,223 | $28,312,605 | 1.7% | $30,568,671 | $33,860,001 | $30,839,202 | $23,445,974 | $11,043,516 |
| | **Revenue from Replacement/Renewal Levies** | | | | | | | | | |
| 11.010 | Income Tax - Renewal | | | | 0.0% | | | | | |
| 11.020 | Property Tax - Renewal or Replacement | | | | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 11.300 | Cumulative Balance of Replacement/Renewal Levi | 0 | 0 | | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 12.010 | *Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations* | $27,493,735 | $29,663,223 | $28,312,605 | 1.7% | $30,568,671 | $33,860,001 | $30,839,202 | $23,445,974 | $11,043,516 |
| | **Revenue from New Levies** | | | | | | | | | |
| 13.010 | Income Tax - New | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 13.020 | Property Tax - New | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 13.030 | Cumulative Balance of New Levies | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 14.010 | Revenue from Future State Advancements | 0 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| 15.010 | *Unreserved Fund Balance June 30* | $27,493,735 | $29,663,223 | $28,312,605 | 1.7% | $30,568,671 | $33,860,001 | $30,839,202 | $23,445,974 | $11,043,516 |
| 20.010 | Kindergarten -ADM count | 391 | 391 | 391 | 0.0% | 400 | 405 | 410 | 415 | 420 |
| 20.015 | Grades -ADM count | 3911 | 3911 | 3911 | 0.0% | 4700 | 4745 | 4790 | 4835 | 4880 |
| | **State Fiscal Stabilization Funds** | | | | | | | | | |
| 21.010 | Personal Services SFSF | | | | 0.0% | | | | | |
| 21.020 | Employees Retirement/Insurance Benefits SFSF | | | | 0.0% | | | | | |
| 21.030 | Purchased Services SFSF | | | | 0.0% | | | | | |
| 21.040 | Supplies and Materials SFSF | | | | 0.0% | | | | | |
| 21.050 | Capital Outlay SFSF | | | | 0.0% | | | | | |
| 21.060 | *Total Expenditures - SFSF* | - | - | | 0.0% | - | - | - | - | - |
| **True Days Cash Line 59** | | **220** | **212** | **177** | | **176** | **187** | **156** | **110** | **48** |

# Licking Heights Local School District

**Licking County**

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

| | Actual | | | | Forecasted | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Fiscal Year 2021 | Fiscal Year 2022 | Fiscal Year 2023 | Average Change | Fiscal Year 2024 | Fiscal Year 2025 | Fiscal Year 2026 | Fiscal Year 2027 | Fiscal Year 2028 |
| **True Days Unencumbered Cash Line 91** | **220** | **208** | **175** | | **176** | **186** | **156** | **110** | **48** |
| | | | | | | | | | |
| **Millage equivalent for deficit spending** | | | | | **0.00** | **0.00** | **(3.38)** | **(6.69)** | **(11.40)** |

**Licking Heights Local School District – Franklin and Licking Counties**
**Notes to the Five Year Forecast**
**General Fund Only**
**November 21, 2023**

## Introduction to the Five Year Forecast

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

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

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

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

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

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

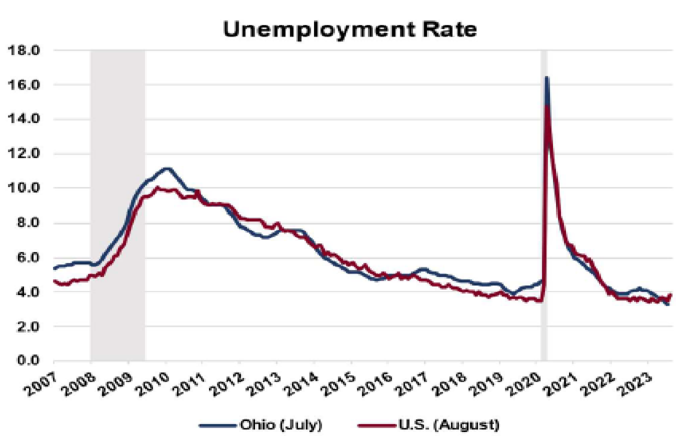
## Economic Outlook

This five-year forecast is submitted during the multiyear economic recovery following the 2020 COVID-19 Pandemic. The recovery began in the fall of 2020 and remains robust through this forecast date. Many supply chain concerns have lessened as manufacturing has caught up. However, persistently high inflation continues to impact our state, country, and broader globalized economy. Inflation in June 2022 hit a 40-year high of 9.1% before falling to the current annualized rate of 3.4% in August 2023. Costs in FY23 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. Increased inflation affecting district costs is expected to continue in FY24. However, the Federal Reserve is projecting inflation to be closer to their target rate of 2% sometime in calendar

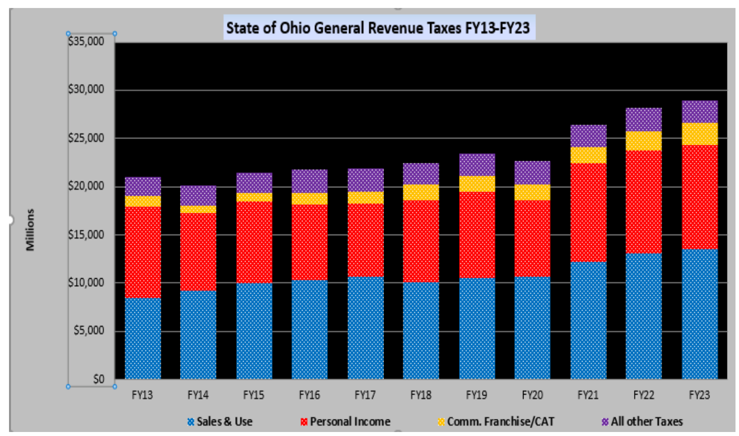
2024. It remains to be seen if the cumulative cost increases over the past two years are transitory in goods and services or will last over several years, which could adversely impact our forecast.

The Federal Reserve Bank has made fighting inflation its number one concern. Interest rates are expected to increase again before December 2023, which may result in increased unemployment. Still, many economists anticipate a "full employment recession" in the first half 2024. In the history of our country, there has never been a full employment recession. However, the possibility of one underscores why this is a very unique time in our economic history.

As noted in the graphs below, the state of Ohio has enjoyed economic growth over the past three years, and the state's Rainy Day Fund is at $3.7 Billion, which is a record high. School funding cuts made in FY20 have been fully restored, and a new state funding formula is in the third year of a projected six-year phase-in. While increased inflation impacting district costs is expected to continue over the next few years, 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 continue the phase-in of the new funding formula even if a cyclical recession occurs.  Regardless, the state is well-positioned to continue state aid payments to Ohio's school districts.




Source: Bureau of Labor Statistics through FRED




Source: Ohio Office of Budget and Management

While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER), which began in the fiscal year 2020, the most recent allocation of ESSER funds must be spent or encumbered by September 30, 2024. Any ongoing costs are absorbed back into the district General Fund. ESSER funds positively impacted school resources.

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 Ricks and Uncertainty:**

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

1) Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project growth in appraised values every three (3) years and new construction growth with modest increases in local taxes as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues, predominately local taxes, equating to 58.8% of the district's resources. Our tax collections in the March 2023 and August 2023 settlements showed average collection trends. We believe there is a low risk that local collections would fall below projections throughout the forecast.

2) Licking and Franklin Counties experienced a reappraisal update in the 2020 tax year to be collected in FY21. The 2020 update increased assessed Class I values by $110.3 million, or 22.67%. Overall values rose $149 million or 18.32%, including reappraisal and new construction for all property classes. A reappraisal update will occur in the tax year 2023 for collection in FY24. We anticipate value increases for Class I and II property by $210.6 million for an overall increase of 26.95%. There is, however, always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that at this time.

3) The state budget represented 41.2% 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 make this area an elevated risk to district funding long-range through FY28. We have projected our state funding in FY24 and FY25 based on the additional phase-in of HB33 (the fair school funding plan). This forecast reflects state revenue to align with the FY25 funding levels through FY28, which we feel is conservative and should be close to what-the state approves for the FY26-FY28 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

4) HB110, the current state budget, implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The full release of the new Fair School Funding Plan formula calculations was delayed until March 2022. The FSFP has 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. Beginning in FY22, a district's open enrollment payments will no longer be paid separately as those payments are included with basic aid. A change in expenditures beginning in FY22 will also occur, in that there will no longer be deductions for students that attend elsewhere for open enrollment, community schools, STEM schools, and scholarship recipients, as these payments will be paid directly to those districts from the state. The initial impact of these changes on the forecast will be noticed in that the actual historical costs for FY20 through FY21 reflect different trends on Lines 1.035, 1.04, 1.06, and 3.03 beginning in FY22. In June 2022, the legislature passed HB583 to resolve issues and possible unintended consequences in the new funding formula. Some of these changes impacted FY22 and future years' funding. Our state aid projections have been based on the best information on the new HB110 formula as amended by HB583 that are available as of this forecast.

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

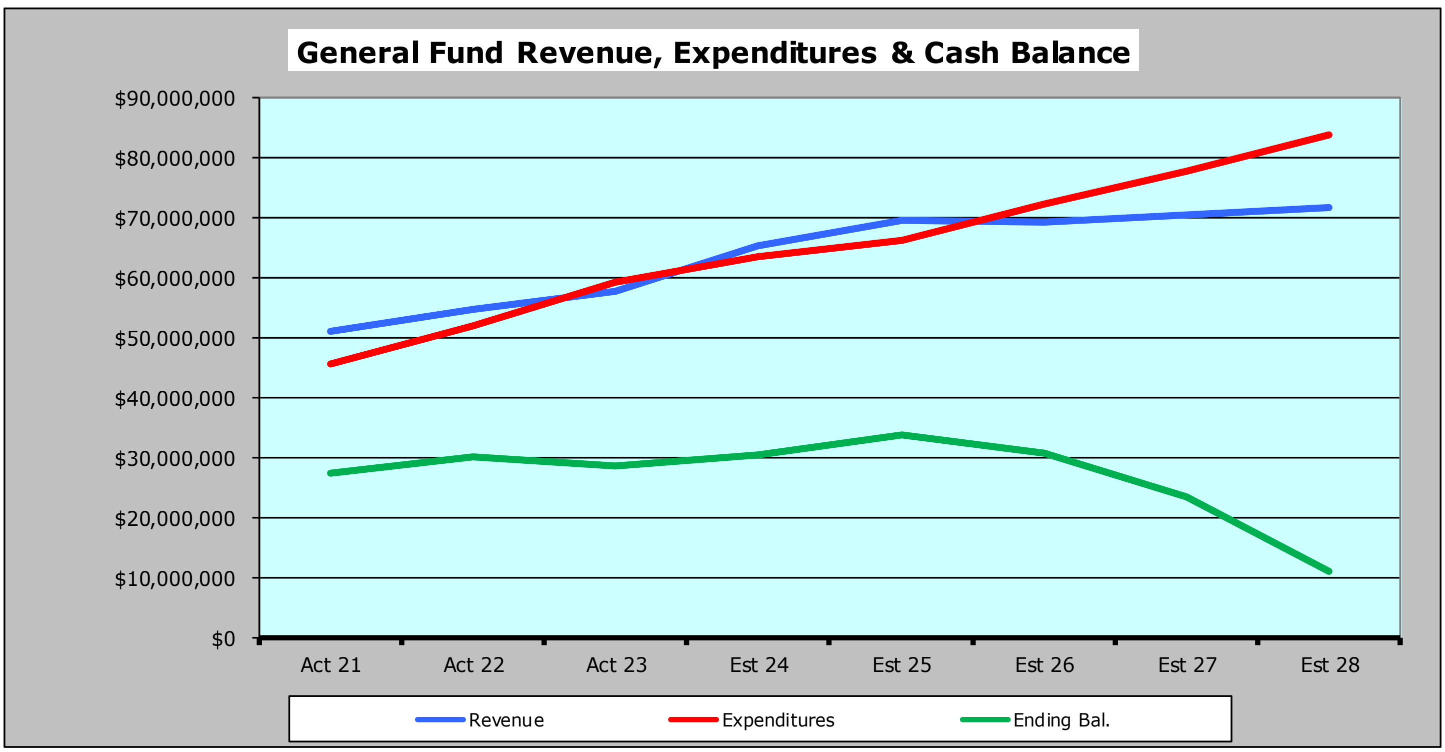
published by the Department of Education and Workforce for our forecasted revenues in FY24 and FY25.

6) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid 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.

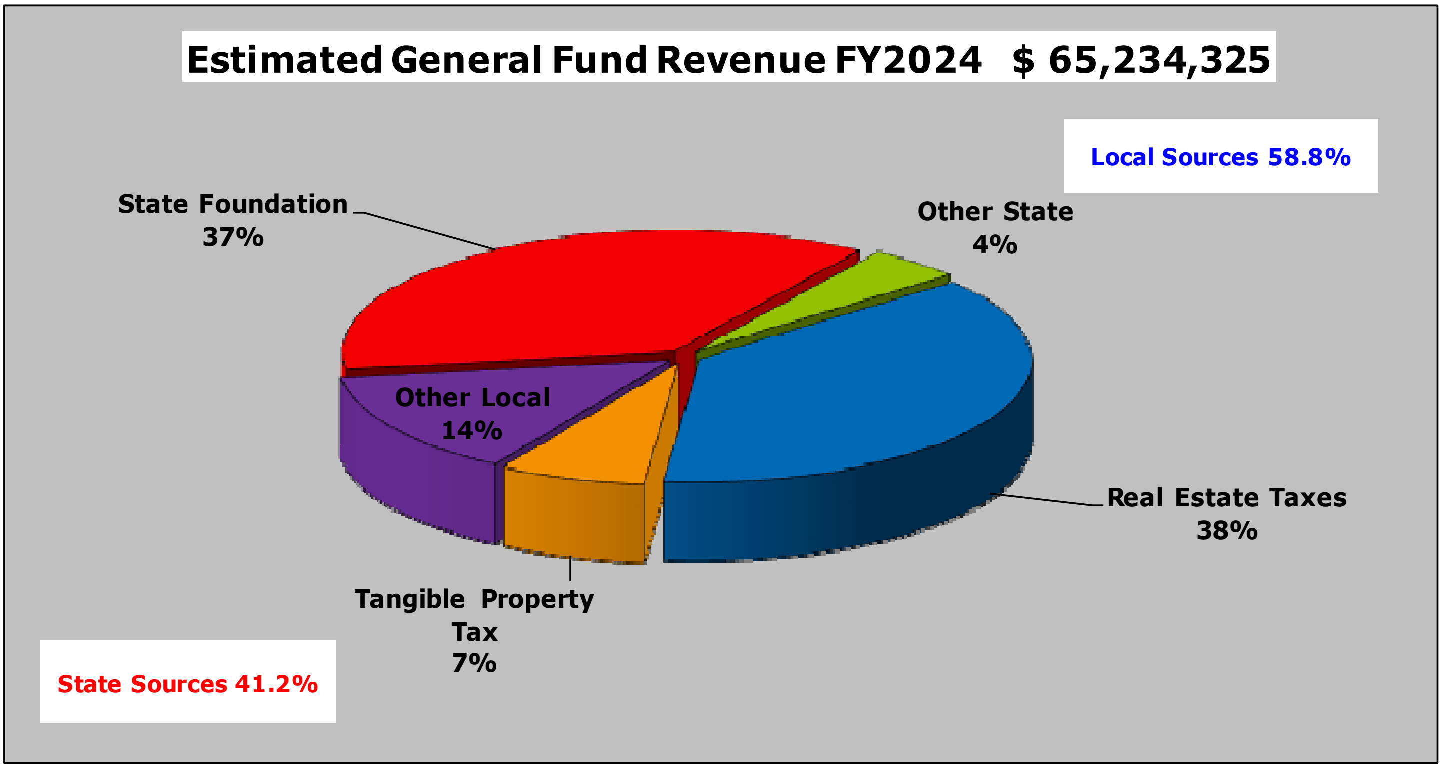
7) Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should 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 Todd Griffith, Treasurer/CFO at 740-927-6926.

**General Fund Revenue, Expenditure and Ending Cash Balance Actual FY21-FY23 and Estimated FY24-FY28:**



**Revenue Assumptions**
**Estimated General Fund Revenue for FY24**




**Real Estate Value Assumptions – Line # 1.010**
Property Values are established annually by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. A triennial update of the district property value occurred in 2020 for collection in calendar year 2021. The 2020 update of real estate values realized a 22.67% increase in residential values but commercial only realized a 3.6% increase for Licking Heights Schools.

**ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS**

| | Estimated | Estimated | Estimated | Estimated | Estimated |
|---|---|---|---|---|---|
| | TAX YEAR2023 | TAX YEAR2024 | TAX YEAR2025 | TAX YEAR2026 | TAX YEAR2027 |
| Classification | COLLECT 2024 | COLLECT 2025 | COLLECT 2026 | COLLECT 2027 | COLLECT 2028 |
| Res./Ag. | $819,898,053 | $821,448,053 | $822,998,053 | $906,847,858 | $910,397,858 |
| Comm./Ind. | $172,566,604 | $173,066,604 | $173,566,604 | $179,273,603 | $185,773,603 |
| Public Utility (PUPP) | $113,231,960 | $93,231,960 | $93,731,960 | $94,231,960 | $95,331,960 |
| Total Assessed Valuation | $1,105,696,617 | $1,087,746,617 | $1,090,296,617 | $1,180,353,421 | $1,191,503,421 |

**ESTIMATED REAL ESTATE TAX (Line #1.010)**

| Source | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| Est. Prop. Taxes Including PUPP | $24,627,636 | $26,522,332 | $26,685,387 | $27,607,874 | $28,565,991 |

Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the Franklin County Auditor.

**Estimated Tangible Personal Tax – Line#1.020**
As noted earlier, the phase-out of TPP taxes began in FY06 with HB66, which was adopted in June 2005. The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under P.U. Personal, which was $3.54 million in assessed values

in 2022 and is collected at the district's gross voted millage rate. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor.

| Source | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| TPP Receipts | $4,655,890 | $4,147,474 | $3,769,045 | $3,755,100 | $3,755,599 |

**State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045**
**Current State Funding Model per HB110 through June 30, 2025**

**A) Unrestricted State Foundation Revenue– Line #1.035**
HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25. We have projected FY24 funding based on the October 2023 foundation settlement and funding factors.

Our district is currently a formula district in FY24 and is expected to continue on the formula in FY25-FY28 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14. It was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, then HB110, as amended by HB583 for FY22 and FY23, with continuation of this formula in HB33 for FY24 and FY25. The current formula introduced many changes to how state foundation is calculated and expenses deducted from state funding, which will potentially make the actual five-year forecast look different with estimates FY24 through FY28 compared to real data in FY21 through FY23 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecasts.

**Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan**

A. Student Population and Demographics
B. Property Valuation Per Pupil
C. Personal Income of District Residents Per Pupil
D. Historical Funding- CAPS and Guarantees from prior funding formulas "Funding bases" for guarantees

<u>Base Cost Approach- Unrestricted Basic Aid Foundation Funding</u>
The new funding formula uses FY22 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district that includes base funding for five (5) areas:

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

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

1. 60% based on the most recent three (3) year average assessed values or the most recent year, whichever is lower, divided by base students enrolled.

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

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

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

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

<u>Restricted Categorical State Aid</u>

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

**State Funding Phase-In FY22 and FY23 and Guarantees**
While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110, which was amended by HB583 in June 2022 and has now extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it will consist of a general phase-in percentage for most components of 50% in FY24 and 66.67% in FY25.

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

**Future State Budgets Projections Beyond FY25**

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

**Casino Revenue**

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed 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 FY21 was 73.83 million or $42.18 per pupil. In FY22, the funding was increased to $109.39 million for schools or $62.86 per pupil, and in FY23, the funding totaled $113.1 million or $64.90 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 2% annual growth rate for the remainder of the forecast.

| Source | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| Basic Aid-Unrestricted | $20,675,641 | $23,571,360 | $23,571,360 | $23,571,360 | $23,571,360 |
| Additional Aid Items | $955,437 | $958,788 | $958,788 | $958,788 | $958,788 |
| Basic Aid-Unrestricted Subtotal | $21,631,078 | $24,530,148 | $24,530,148 | $24,530,148 | $24,530,148 |
| Ohio Casino Commission ODT | $343,536 | $350,373 | $357,312 | $364,356 | $371,504 |
| Total Unrestricted State Aid Line # 1.035 | $21,974,614 | $24,880,521 | $24,887,460 | $24,894,504 | $24,901,652 |

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. The amount of DPIA is limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY28 due to uncertainty on continued funding of the current funding formula.

| Source | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| Economically Disadvantage Aid | $627,377 | $789,624 | $789,624 | $789,624 | $789,624 |
| ESL | $459,472 | $538,289 | $538,289 | $538,289 | $538,289 |
| Gifted | $189,345 | $213,273 | $213,273 | $213,273 | $213,273 |
| Career Tech - Restricted | $21,707 | $18,409 | $18,409 | $18,409 | $18,409 |
| Student Wellness | $545,834 | $545,834 | $545,834 | $545,834 | $545,834 |
| Catastrophic Aid/Half Mil Equal | $60,419 | $60,419 | $60,419 | $60,419 | $60,419 |
| Total Restricted State Revenues Line #1.040 | $1,904,154 | $2,165,848 | $2,165,848 | $2,165,848 | $2,165,848 |

**C) Restricted Federal Grants in Aid – line #1.045**
No federal unrestricted grants are projected during this forecast.

| SUMMARY | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| Unrestricted Line # 1.035 | $21,974,614 | $24,880,521 | $24,887,460 | $24,894,504 | $24,901,652 |
| Restricted Line # 1.040 | $1,904,154 | $2,165,848 | $2,165,848 | $2,165,848 | $2,165,848 |
| Restricted Fed. SFSF /EdJobs #1.045 | $0 | $0 | $0 | $0 | $0 |
| Total State Foundation Revenue | $23,878,768 | $27,046,369 | $27,053,308 | $27,060,352 | $27,067,500 |

**State Share of Local Property Tax – Line #1.050**
**A) Rollback and Homestead Reimbursement**
Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013.

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

**Summary of State Tax Reimbursement – Line #1.050**

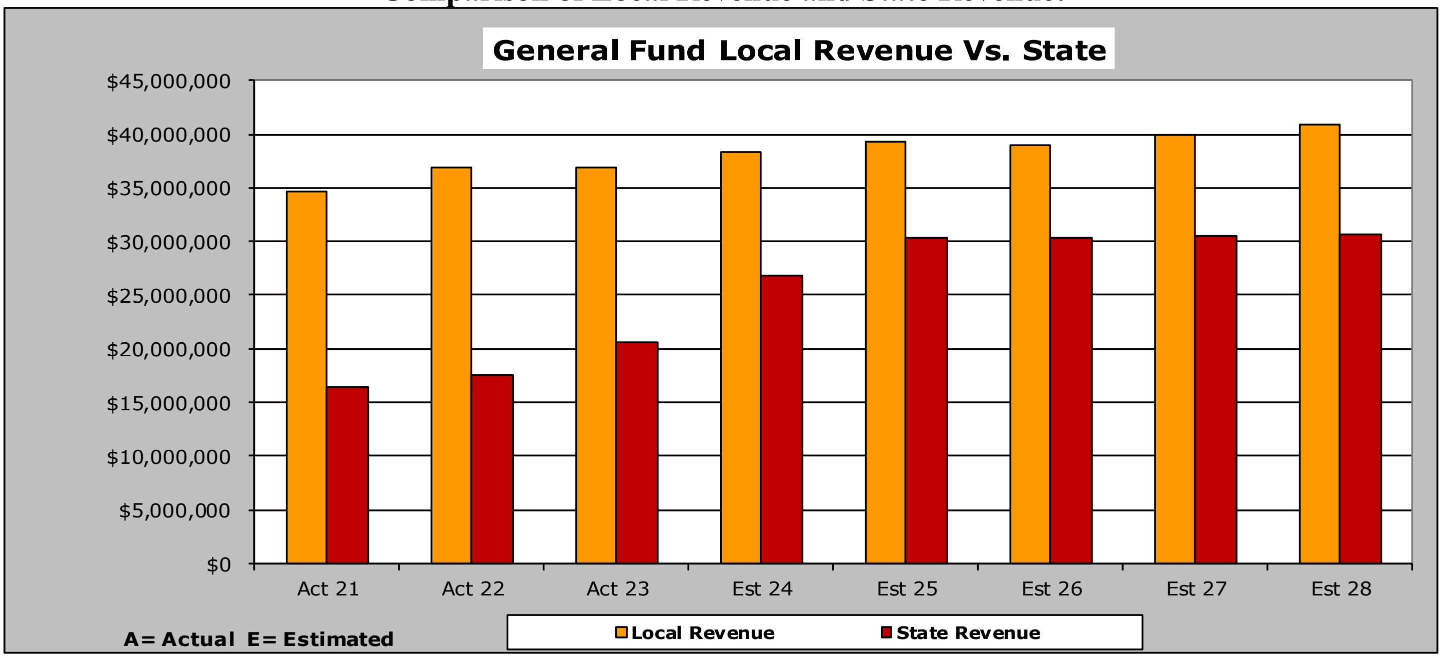
| Source | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| Rollback and Homestead | $2,989,164 | $3,264,244 | $3,310,532 | $3,439,212 | $3,575,363 |

**Other Local Revenues – Line #1.060**
All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been open enrollment, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees. HB110, the previous state budget, stopped paying open enrollment as an increase to other revenue for the district. Open-enrolled students will be counted in the enrolled student base at the school district where they are being educated, and state aid will follow the students. Open-enrolled student revenues will be included in Line 1.035 as basic state aid.

Interest income is based on the district's cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. Once the economy stabilizes, there will be pressure on the Federal Reserve to lower interest rates, which we believe will be sometime in 2024, decreasing the opportunity for more significant interest income for the district. We will continue to monitor the investments for the district. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historical trends.

| Source | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| Tuition | $474,713 | $479,460 | $484,255 | $489,098 | $493,989 |
| Interest | $1,200,000 | $600,000 | $300,000 | $150,000 | $75,000 |
| Income Tax Sharing & TIF | $6,150,000 | $6,150,000 | $6,150,000 | $6,150,000 | $6,150,000 |
| Medicaid | $181,217 | $181,217 | $181,217 | $181,217 | $181,217 |
| Total Other Local Revenue Line #1.060 | $9,082,867 | $8,632,909 | $8,484,452 | $8,487,511 | $8,567,100 |

**Comparison of Local Revenue and State Revenue:**

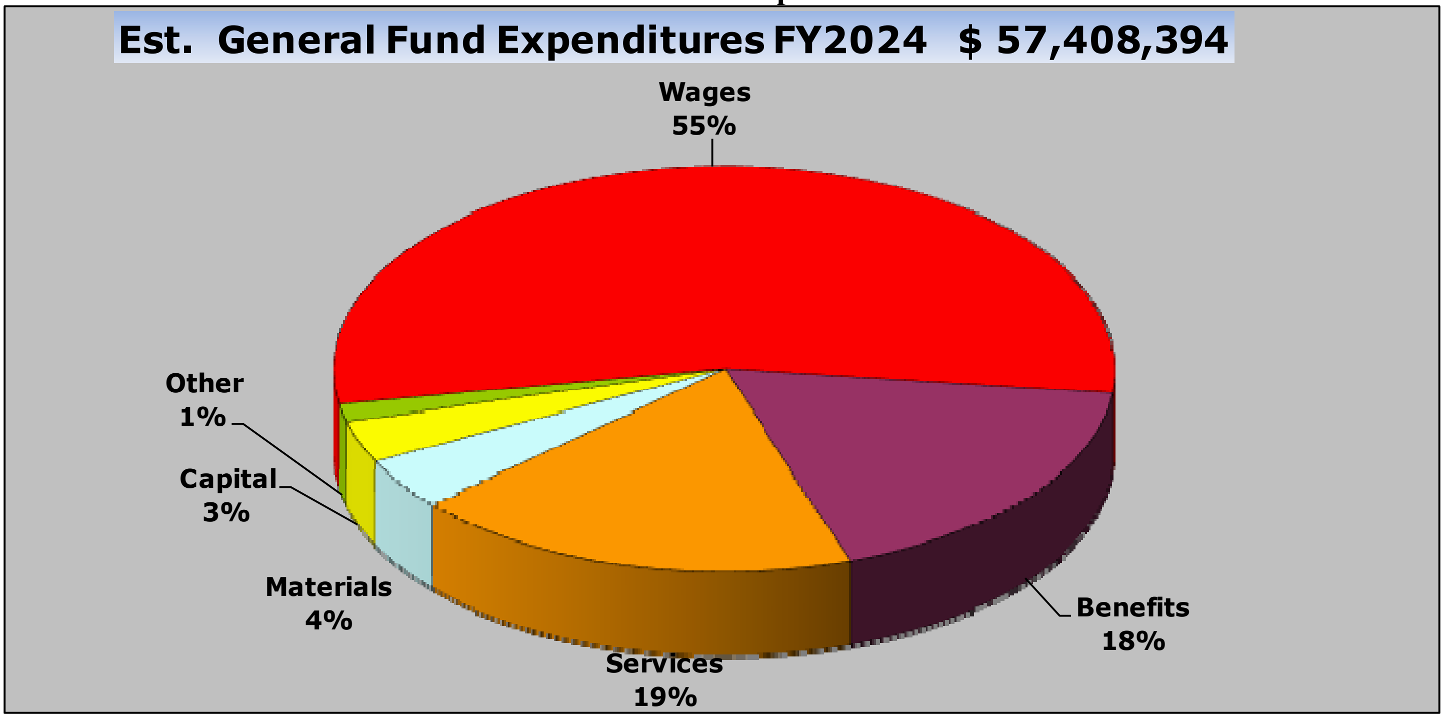



**Short-Term Borrowing – Lines #2.010 & Line #2.020**
There is no short term borrowing planned in this forecast at this time from any sources.

**Transfers In / Return of Advances – Line #2.040 & Line #2.050**
Returns of advances to other funds from the previous year comprise most of the historical revenue in this category.

**All Other Financial Sources – Line #2.060**
All other financing sources include refunds from the Ohio Bureau of Workers' Compensation.

## Expenditures Assumptions
## Estimated General Fund Expenditures for FY24




**Personnel Services – Employees' Salaries &Wages – Line #3.010**
The model reflects a 2% base increase in FY24 and FY25, and a 2.5% base increase in FY24 through FY28. The forecast also reflects varying step increase based on current staffing education and experience levels.

New hires have been included in FY24-FY28 for growth and critical need areas as determined by the Superintendent.

| Source | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| Base Wages | $27,069,686 | $30,046,896 | $35,502,629 | $38,557,246 | $41,617,556 |
| Increases | $541,394 | $600,938 | $887,566 | $963,931 | $1,040,439 |
| Step and Training Increase | $866,230 | $841,313 | $958,571 | $1,079,603 | $1,206,909 |
| Supplemental | $892,095 | $909,937 | $928,136 | $946,699 | $965,633 |
| Temporary/Extended Days/Student/Extra | $0 | $0 | $0 | $0 | $0 |
| SWSF/Other Grants /ESSER I, II, III | $0 | $2,000,000 | $0 | $0 | $0 |
| New Hires/Adjustments | $1,569,586 | $2,013,482 | $1,208,480 | $1,016,776 | $1,087,419 |
| Substitutes | $281,592 | $281,592 | $281,592 | $281,592 | $281,592 |
| Severence/Vacation/Personal/Sick | $175,000 | $175,000 | $175,000 | $175,000 | $175,000 |
| Personnel Reductions/Turnover Reductions | $0 | $0 | $0 | $0 | $0 |
| Total Wages Line #3.010 | $31,395,583 | $36,869,158 | $39,941,974 | $43,020,847 | $46,374,548 |

**Employees' Retirement & Benefits Line #3.020**
This area of the forecast captures all costs associated with benefits and retirement costs, where all except health insurance are directly related to wages paid.

**A) STRS/SERS**
The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The district is required to pay SERS Surcharge which

is an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care for retirees.

**B) Insurance**

The increases for medical and dental insurance was 10% for benefit year 2024. The increases include adjustments for inflation and the cost of actual claims. Additionally, the district is estimating a 15% increase in FY24 through FY28.

**C) Workers Compensation & Unemployment Compensation**

Workers Compensation is expected to be about .052% of wages FY24– FY28. Unemployment is expected to remain at a very low level FY24-FY28. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

**D) Medicare**

Medicare will continue to increase at the rate of increases in wages. 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) Other/Tuition**

The district reimburses employees for the tuition to further their education to maintain licensure for teaching. The district does not anticipate any increase during the forecast.

**Summary of Fringe Benefits – Line #3.020**

| Source | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| STRS/SERS | $4,562,003 | $5,772,963 | $6,084,992 | $6,561,854 | $7,077,277 |
| Health Insurances | $4,973,164 | $6,182,240 | $7,737,526 | $9,132,013 | $10,751,921 |
| Workers Compensation and Unemployment Comp | $163,160 | $191,257 | $207,030 | $222,835 | $240,050 |
| Medicare | $444,930 | $494,602 | $567,143 | $611,171 | $659,129 |
| Other | $82,435 | $82,435 | $82,435 | $82,435 | $82,435 |
| Total Fringe Benefits Line #3.020 | $10,225,692 | $12,723,497 | $14,679,126 | $16,610,308 | $18,810,812 |

**Purchased Services – Line #3.030**

HB110, the previous state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education will directly pay these costs to the education districts for open enrollment, community, and STEM schools and for scholarships granted to students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to offer these amounts below as zeros to help reflect the difference between projected FY24-FY28 Line 3.03 costs and historical FY21 through FY23 costs on the five-year forecast. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. We reduced costs in purchased services for FY20 and 21 for the Fund 467 recoding for our SROs and then returned these costs to the General Fund in FY23 and beyond.

| Source | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| Base Services | $1,462,921 | $1,506,809 | $1,552,013 | $1,598,573 | $1,646,530 |
| ESCCO, Spec Ed, Legal, ITC-Data Processing (41* | $6,125,412 | $6,615,445 | $6,913,140 | $7,224,231 | $7,549,321 |
| Community School & Open Enrollment Deduction | $0 | $0 | $0 | $0 | $0 |
| Other Tuition, Autism Schol, Excess Costs (47*) | $673,428 | $693,631 | $714,440 | $735,873 | $757,949 |
| Utilities (45*) | $1,244,952 | $1,482,301 | $1,526,770 | $1,572,573 | $1,619,750 |
| Building Maintenance, Transportation (42*) | $1,221,163 | $1,257,798 | $1,295,532 | $1,334,398 | $1,374,430 |
| Budget Modifications | $0 | $0 | $386,385 | $185,000 | $185,000 |
| Total Purchased Services Line #3.030 | $10,727,876 | $11,555,984 | $12,388,280 | $12,650,648 | $13,132,980 |

**Supplies and Materials – Line #3.040**
Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel.

| Source | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| Supplies | $1,371,282 | $1,439,846 | $1,511,838 | $1,587,430 | $1,666,802 |
| Building & transportation | $997,461 | $1,047,334 | $1,099,701 | $1,154,686 | $1,212,420 |
| Budget Modifications | $0 | $0 | $0 | $0 | $0 |
| Total Supplies Line #3.040 | $2,368,743 | $2,487,180 | $2,611,539 | $2,742,116 | $2,879,222 |

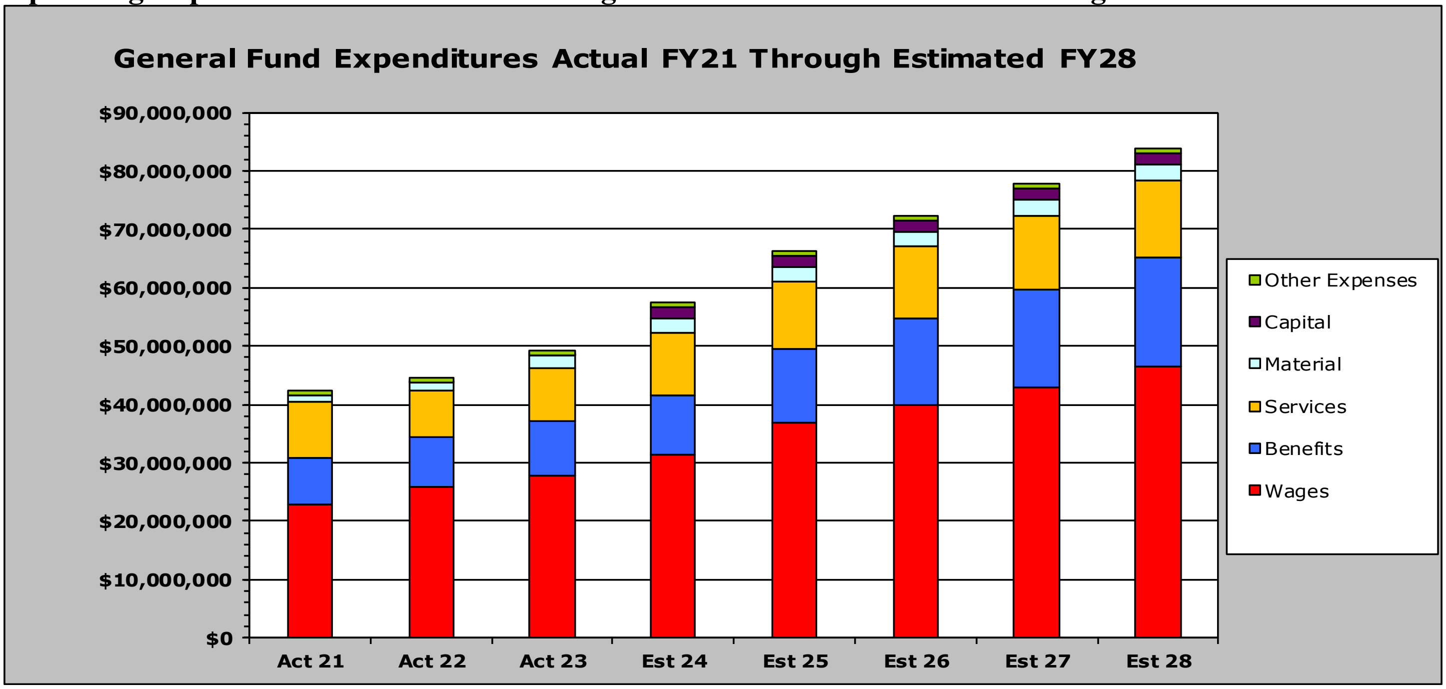
**Capital Outlay – Line #3.050**
The District does not anticipate costs increasing significantly in this line because the Permanent Improvement Fund pays most capital outlay.

| Source | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| Capital Outlay | $1,900,000 | $1,900,000 | $1,900,000 | $1,900,000 | $1,900,000 |
| Bus Purchases/ Capital Repairs | $0 | $0 | $0 | $0 | $0 |
| Capital Improvements and Technology | $0 | $0 | $0 | $0 | $0 |
| Capital Plan Increase | $0 | $0 | $0 | $0 | $0 |
| Total Equipment Line #3.050 | $1,900,000 | $1,900,000 | $1,900,000 | $1,900,000 | $1,900,000 |

**Other Expenses – Line #4.300**
This category of expenses is primarily fees to the County Auditor & Treasurer for collecting property taxes. The other expenses within this category are ESC deductions for state foundation, our annual audit costs, district liability insurance and dues. A rate of 1% increase is projected in this area.

| Source | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| County Tax Fees | $500,000 | $525,000 | $535,500 | $546,210 | $557,134 |
| County Board of Education | $15,500 | $15,810 | $16,126 | $16,449 | $16,778 |
| Liability Ins, &Other Misc.Costs | $275,000 | $280,500 | $286,110 | $291,832 | $297,669 |
| Increased A&T Fees for New Levies | $0 | $0 | $0 | $0 | $0 |
| Contingency | $0 | $0 | $0 | $0 | $0 |
| Total Other Expenses Line #4.300 | $790,500 | $821,310 | $837,736 | $854,491 | $871,581 |

**Operating Expenditures Actual FY21 through FY23 and Estimated FY24 through FY28**




**Transfers Out/Advances Out – Line #5.010**

This account group covers fund to fund advances or end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. This year, the district is planning on transferring $6,000,000 to a capital fund in order to help cover the increasing costs of the district's current construction projects.

| Source | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| Transfer Line 5.010 | $6,000,000 | $0 | $0 | $0 | $0 |
| Advances Line 5.020 | $0 | $0 | $0 | $0 | $0 |
| Total Transfer & Advances Out | $6,000,000 | $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.

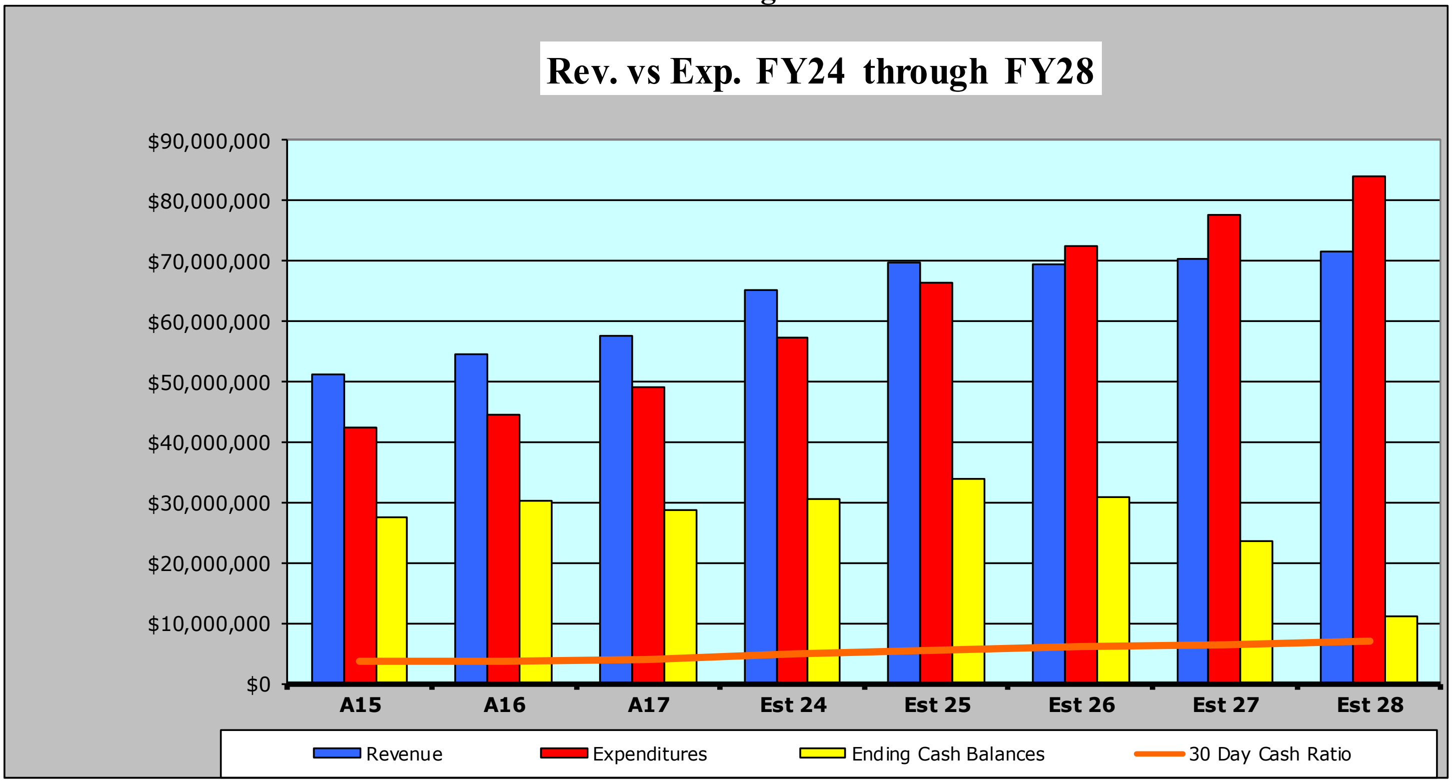
| | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| Estimated Encumbrances | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 |

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

This amount must not go below $-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of Ohio Revised Code section 5705.412, punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to House Bill 153 effective September 30, 2011. It is recommended by the GFOA and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance.

| | FY24 | FY25 | FY26 | FY27 | FY28 |
|---|---|---|---|---|---|
| Ending Cash Balance | $30,568,671 | $33,860,001 | $30,839,202 | $23,445,974 | $11,043,516 |

**General Fund Ending Cash Balance**




**True Cash Days Ending Balance**

Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year-end if no additional revenues were received? This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The government Finance Officers Association recommends that no less than two (2) months or 60 days of cash is on hand at year-end. Still, it 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 capital, athletics, and severance reserves.

## **Conclusion**

Licking Heights Local School District receives 41.2% of it's funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

District administrations appreciates the supportive Licking Heights 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.