Wayne County Schools Career Center

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
Mary Workman, Treasurer
November 20, 2024

Wayne County Schools Career Center

Wayne 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)	$5,203,373	$5,248,613	$6,100,984	8.6%	$6,729,000	$6,754,000	$6,912,000	$7,028,000	$7,030,000
1.020	Public Utility Personal Property Tax	1,178,201	1,222,404	1,088,581	-3.6%	1,286,000	1,272,000	1,263,000	1,255,000	1,247,000
1.030	Income Tax	-	-	-	0.0%	-	-	-	-	-
1.035	Unrestricted State Grants-in-Aid	4,587,037	4,647,979	5,287,650	7.5%	5,602,000	5,603,000	5,604,000	5,605,000	5,606,000
1.040	Restricted State Grants-in-Aid	1,905,447	1,987,858	2,264,537	9.1%	2,366,000	2,318,000	2,318,000	2,318,000	2,318,000
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	-	-	-	-	-
1.050	State Share of Local Property Taxes	654,984	656,377	754,423	7.6%	841,000	841,000	863,000	885,000	886,000
1.060	All Other Revenues	216,297	560,295	970,480	116.1%	831,000	651,000	581,000	544,000	515,000
1.070	*Total Revenues*	$13,745,339	$14,323,526	$16,466,655	9.6%	$17,655,000	$17,439,000	$17,541,000	$17,635,000	$17,602,000
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	-	-	-	-	-
2.020	State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	-	-	-	0.0%	-	-	-	-	-
2.050	Advances-In	-	-	-	0.0%	-	-	-	-	-
2.060	All Other Financing Sources	9,287	5,503	12,239	40.8%	5,000	5,000	5,000	5,000	5,000
2.070	*Total Other Financing Sources*	$9,287	$5,503	$12,239	40.8%	$5,000	$5,000	$5,000	$5,000	$5,000
2.080	*Total Revenues and Other Financing Sources*	$13,754,627	$14,329,029	$16,478,894	9.6%	$17,660,000	$17,444,000	$17,546,000	$17,640,000	$17,607,000
	Expenditures									
3.010	Personal Services	6,966,047	7,310,956	7,650,605	4.8%	$8,263,000	$8,645,000	$8,935,000	$9,223,000	$9,520,000
3.020	Employees' Retirement/Insurance Benefits	2,909,044	3,248,951	3,324,539	7.0%	3,654,000	3,926,000	4,188,000	4,464,000	4,762,000
3.030	Purchased Services	1,645,232	1,531,377	1,795,702	5.2%	2,344,000	2,387,000	2,486,000	2,589,000	2,697,000
3.040	Supplies and Materials	525,743	616,636	677,192	13.6%	951,000	951,000	951,000	951,000	951,000
3.050	Capital Outlay	211,900	270,467	252,055	10.4%	1,482,000	250,000	1,250,000	250,000	250,000
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	0.0%	-	-	-	-	-
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	-	-	-	0.0%	-	-	-	-	-
4.300	Other Objects	177,861	168,743	180,135	0.8%	214,000	220,000	228,000	238,000	246,000
4.500	*Total Expenditures*	$12,435,826	$13,147,130	$13,880,228	5.6%	$16,908,000	$16,379,000	$18,038,000	$17,715,000	$18,426,000
	Other Financing Uses									
5.010	Operating Transfers-Out	175,007	175,007	171,507	-1.0%	354,257	228,257	228,257	228,257	228,257
5.020	Advances-Out	-	-	-	0.0%	-	-	-	-	-
5.030	All Other Financing Uses	-	-	-	0.0%	-	-	-	-	-
5.040	*Total Other Financing Uses*	$175,007	$175,007	$171,507	-1.0%	$354,257	$228,257	$228,257	$228,257	$228,257
5.050	*Total Expenditures and Other Financing Uses*	$12,610,833	$13,322,137	$14,051,735	5.6%	$17,262,257	$16,607,257	$18,266,257	$17,943,257	$18,654,257
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	$1,143,793	$1,006,892	$2,427,159	64.5%	$397,743	$836,743	-$720,257	-$303,257	-$1,047,257
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$8,262,033	$9,405,826	$10,412,718	12.3%	$12,839,877	$13,237,620	$14,074,363	$13,354,106	$13,050,849
7.020	*Cash Balance June 30*	$9,405,826	$10,412,718	$12,839,877	17.0%	$13,237,620	$14,074,363	$13,354,106	$13,050,849	$12,003,592
8.010	*Estimated Encumbrances June 30*	$245,344	$226,498	$330,953	19.2%	$300,000	$1,300,000	$300,000	$300,000	$300,000
`	**Reservation of Fund Balance**									
9.010	Textbooks and Instructional Materials				0.0%	-	-	-	-	-
9.020	Capital Improvements				0.0%	-	-	-	-	-
9.030	Budget Reserve				0.0%	-	-	-	-	-
9.040	DPIA				0.0%	-	-	-	-	-

Wayne County Schools Career Center

Wayne 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
9.045	Fiscal Stabilization				0.0%	-	-	-	-	-
9.050	Debt Service				0.0%	-	-	-	-	-
9.060	Property Tax Advances				0.0%	-	-	-	-	-
9.070	Bus Purchases				0.0%	-	-	-	-	-
9.080	*Subtotal*				0.0%	-	-	-	-	-
10.010	*Fund Balance June 30 for Certification of Appropriations*	$9,160,482	$10,186,220	$12,508,924	17.0%	$12,937,620	$12,774,363	$13,054,106	$12,750,849	$11,703,592

Wayne County Schools Career Center – Wayne County
Notes to the Five-Year Forecast
General Fund Only
November 20, 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 the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, enrollment variances, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast enables district management teams to examine future years' projections and identify when challenges will arise. This helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with the Ohio Department of Education and Workforce (ODEW) when events materially change their forecast or, at a minimum when required under the statute.

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

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

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

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

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

Economic Outlook

The current economic recovery began in the fall of 2020 and remains robust through this forecast date. However, recent Federal Reserve Bank interest rate cuts foretell 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 (.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 had to be encumbered by September 30, 2024. The loss of these funds in FY25 and future years may create a "fiscal cliff" as any ongoing costs will likely be absorbed back into the district General Fund.

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

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

1. Being in multiple counties can pose many challenges in determining the increases or decreases in values, however, we are very fortunate that most of the district's valuation is in Wayne County. The triennial update was in 2023, to be collected in 2024 and the next reappraisal will be in 2026 collected in 2027. 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, equates to 50.1% 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 will fall below projections throughout the forecast.

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 income and property taxes do not exceed 5% of a qualified taxpayer's income. If passed by the General Assembly this will result in lowering tax increases for 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 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. The state budget represented 49.9% 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 a possible recession or the last two (2) years of the Fair School Funding Plan is not funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY29. We have projected our state funding in FY25 based on the additional phase-in of HB33 (the fair school funding plan). This forecast reflects state revenue to align with the FY25 funding levels through FY29 which we feel is conservative and should be close to what-the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

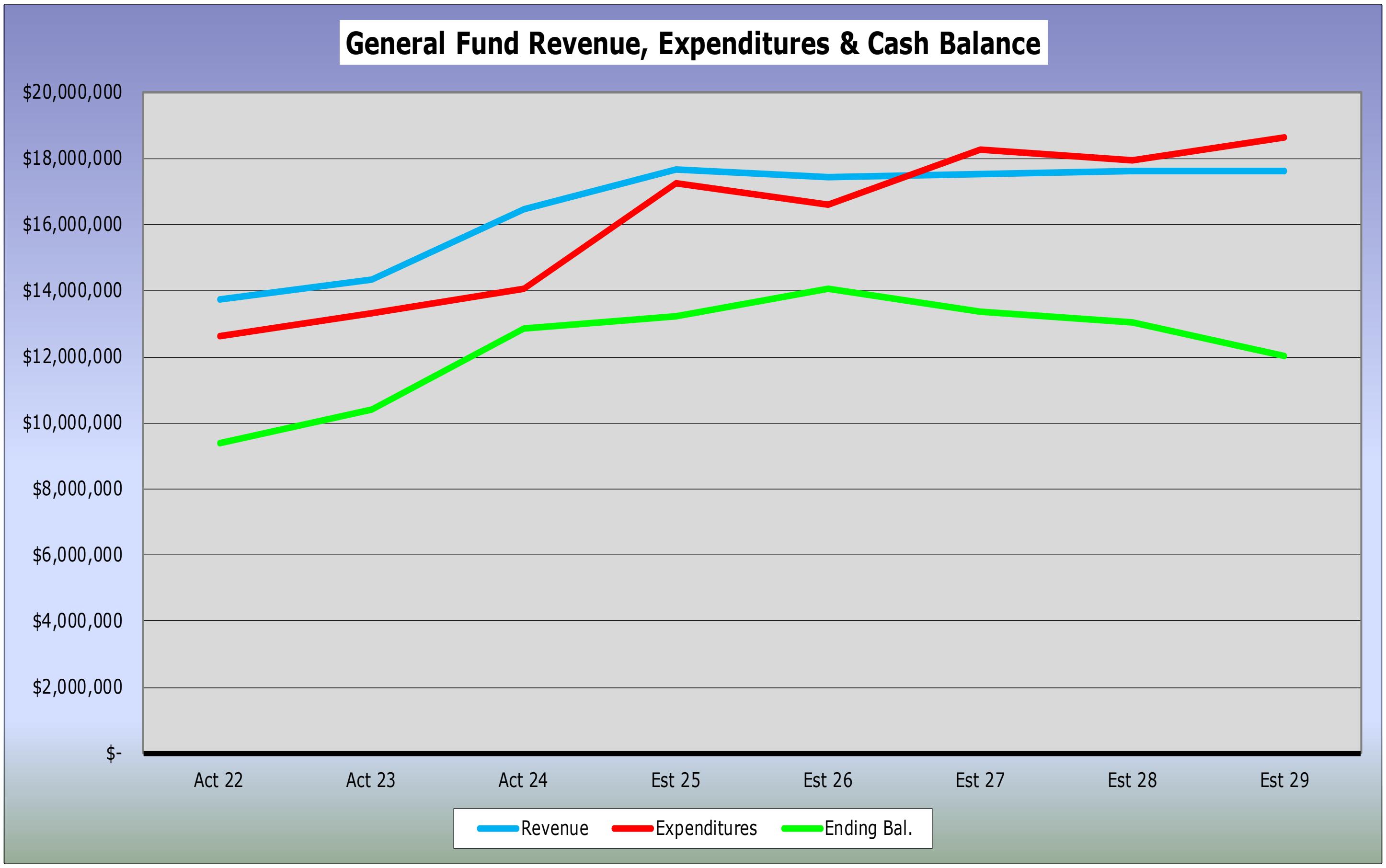
4. HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY25 reflects 66.67% of the implementation cost at year four of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.67% funding of (FSFP), however, the final two years of the phase-in are not guaranteed and are dependent on legislative actions for the FY26 and FY27 state biennium budget. 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 FY25.

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

6. 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.

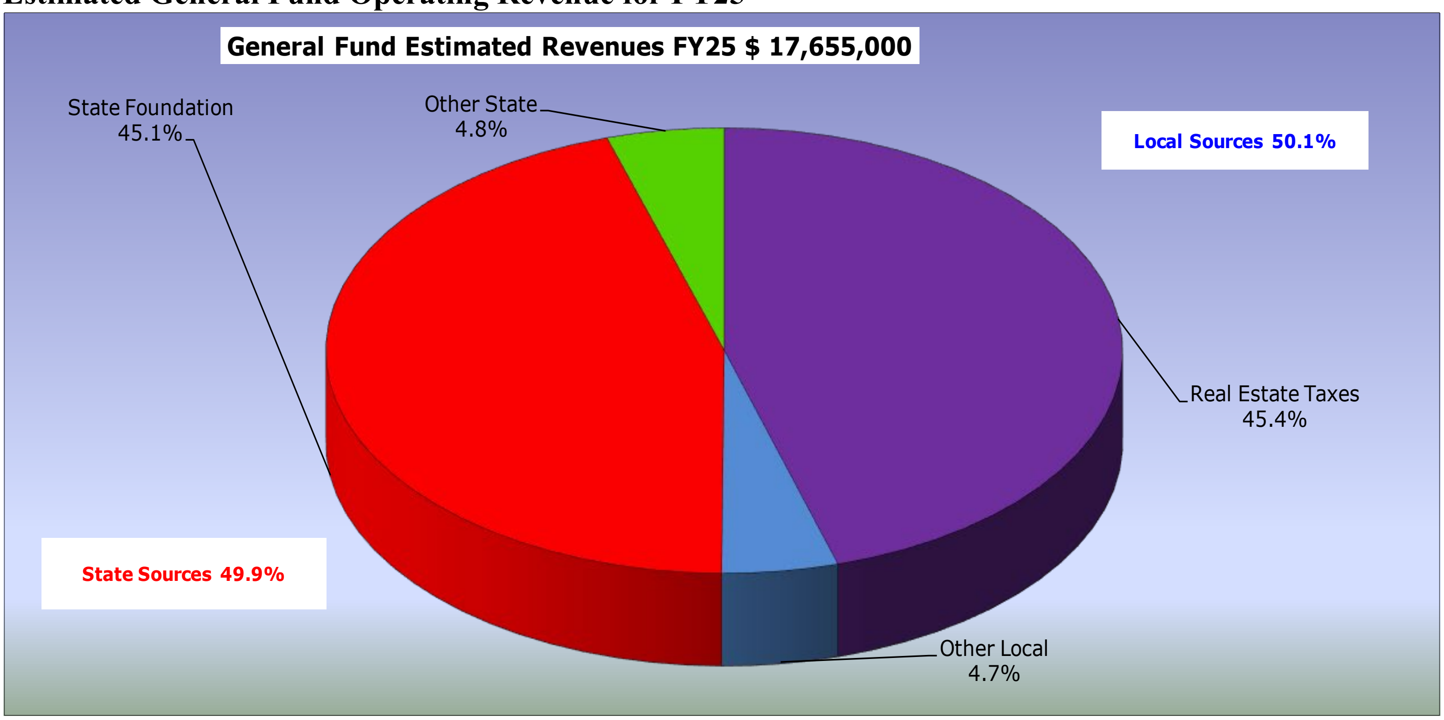
The significant line numbers used as references to the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district.

General Fund Revenue, Expenditures and Ending Cash Balance
The graph below shows in summary the forecasted revenue, expenses and ending balance of the district's General Fund for the period FY25-FY29, with actual data provided for FY22-FY24.



Revenue Assumptions

Estimated General Fund Operating Revenue for FY25



General Property Tax and Property Value Assumptions (Real Estate) – Line #1.010

Property Values are established each year by the County Auditors based on new construction and complete reappraisal or updated values. There was an update in 2023 for the collection in 2024 in Wayne County. Class I residential/agricultural values increased by 34.25% or $802.7 million due to the update led by an improving housing market. There was an increase in the Class II commercial/industrial values of 4.23% or $23.5 million for the update lead mostly be new construction.

The next reappraisal will be in 2026 for collection in 2027 for Wayne County. Currently, we are projecting a 5% increase or $161.0 million in valuations during the reappraisal for Class I due to unknowns around property reform and the potential for a recession. We are expecting a decrease in Class II of .29% or $1.7 million for the reappraisal valuations.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2024	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028
Classification	COLLECT 2025	COLLECT 2026	COLLECT 2027	COLLECT 2028	COLLECT 2029
Res./Ag.	$3,149,739,740	$3,153,114,740	$3,314,145,477	$3,317,520,478	$3,320,895,480
Comm./Ind.	$585,572,260	$584,281,440	$582,574,901	$580,284,082	$577,993,264
Public Utility Personal Property (PUPP)	$311,213,183	$309,213,183	$307,213,183	$305,213,183	$303,213,183
Total Assessed Value	$4,038,033,263	$4,046,525,183	$4,046,609,363	$4,203,933,561	$4,203,017,744

Tax Rate Assumptions

A Career Center has a 2-mill floor if that is the amount of the original millage rate voted for the district. The Wayne County CTC has 4.1 mills voted that are collecting at 2.0 mills in tax year 2023 for Class I, but the millage rate cannot go any lower than 2 mills or the voted amount, whichever is less, at any time. Due to HB920, the district's effective millage will decrease as values increase until they reach the 2-mill floor. During the forecast period, we are expecting to remain on the 2-mill floor. Increases in collection estimates are due to new construction being collected at the voted rate in the first year it is taxable.

Estimated Real Estate Tax Collection

Property tax levies are estimated to be collected at 97.2% of the annual amount. Technically 100% of taxes will be settled on property due to Ohio's property tax laws but due to delinquencies we are calculating the taxes at a lower collection rate. Property taxes are estimated to be collected at 56.75% of the Residential/Agricultural and Commercial/Industrial in the February tax settlements and 43.25% collected in the August tax settlements.

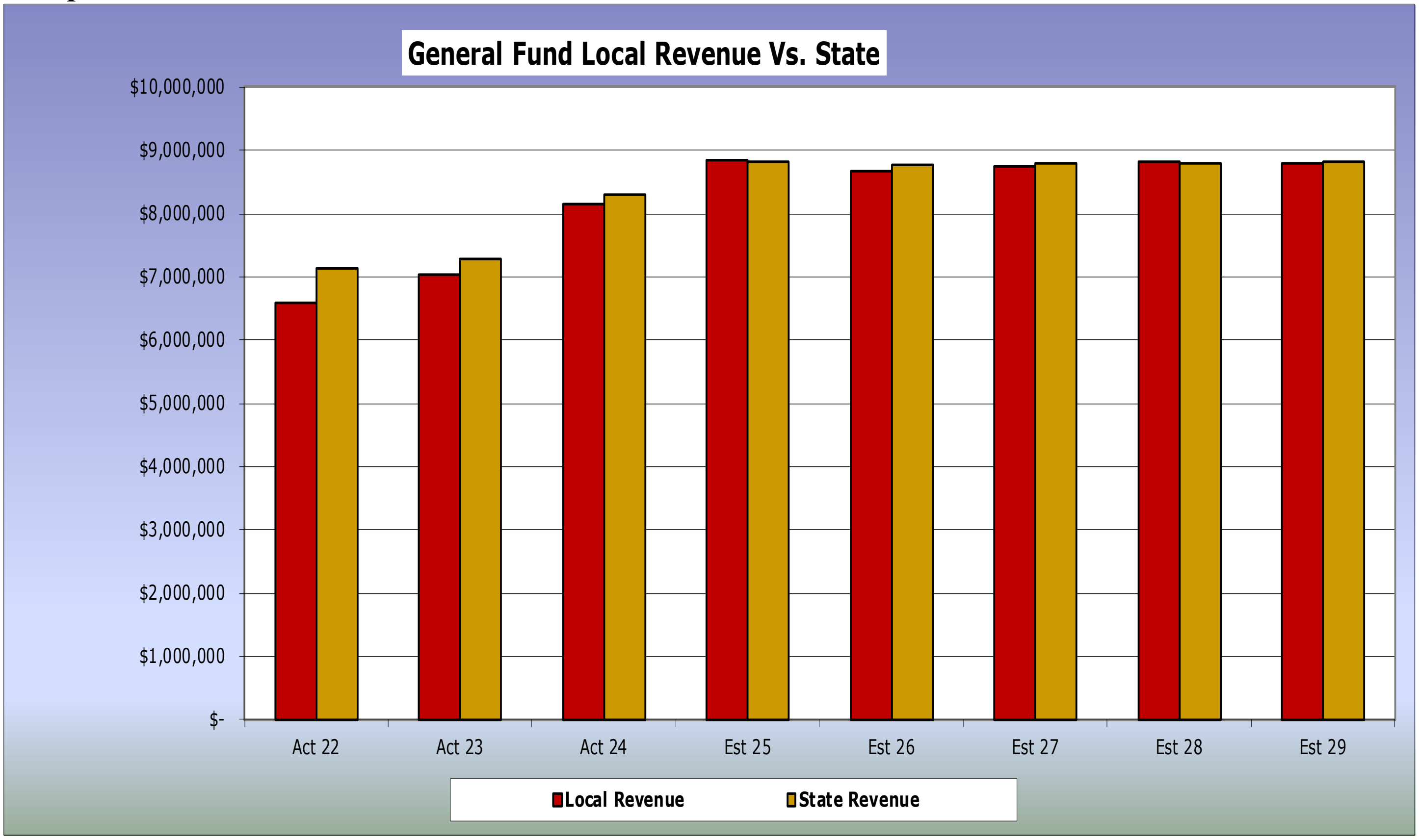
Estimated Public Utility Personal Property Tax – Line #1.020

Public Utility tax settlements (PUPP taxes) are estimated to be received at 60% in February and 40% in the August settlements. The amounts received below are generally all Public Utility Personal Property (PUPP) taxes which are an ongoing property tax collection.

The Rover pipeline spans approximately 55 miles through Wayne County and was brought into operation in phases during 2017 and 2018. Rover's tax collections are paid in full in the first half of each calendar year, a trend the forecast assumes will continue. The current forecast values are set at the tender rate to avoid overestimating future collections. If the state supports the pipeline's disputed valuation, the district will see continued collections based on current assumptions, with no retroactive refunds. However, if the state denies the disputed values, the district would receive delinquent payments in future real estate collections.

The Nexus pipeline, covering a small section of Wayne County, has reached a settlement, though the specifics of past payments are still under review. Nexus is also paying at a tender rate based on its own assessed valuation. The forecast reflects this rate to avoid overestimating collections. There is optimism that this issue will be fully resolved within the coming year.

Comparison of Local and State Revenue



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

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 formula district in FY25 and is expected to continue on the formula in FY26-FY29 on the new Fair School Funding Plan (FSFP). DPIA values are not being updated until December for Career Centers. Therefore, we have used 75% of the FY24 actual revenue, considering that many schools have transitioned to the Community Eligibility Provision (CEP) program, which may reduce our revenue.

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.

Joint Vocational Career-Technical Funding in FY25
The new funding formula for joint vocational school districts is substantially similar to the formula for traditional school districts as described above, including the phase-in and guarantee, with the following changes:

1. Replaces the "special teacher" cost in the base cost computation with the "cost for teachers providing health and physical education, instruction regarding employability and soft skills, development and coordination and internships and job placements, career-technical student organization activities, pre-apprenticeship and apprenticeship coordination, and any assessment related to career-technical education, including any nationally recognized job skills or end-of-course assessment," which are calculated in the same manner.
2. Does not specify a minimum for the number of staff members for the staffing cost for student wellness and success for the district in base cost computation.
3. Calculates the district's cost for that fiscal year for career-technical curriculum specialists and coordinators, career assessment and program placement, recruitment and orientation, student success coordination, analysis of test results, development of intervention and remediation plans and monitoring of those plans, and satellite program coordination. This funding replaces a traditional district's cost computations for academic and athletic co-curricular activities.
4. Replaces per-pupil dollar amount with weighted funding for the five different career-technical programs.
5. A funding unit will be based on the funding unit's state share percentage times the career-technical education associated services amount times the statewide average career technical base costs per pupil in that fiscal year times the sum of the funding unit's categories one through five career-technical education ADM.
6. Once the base cost is calculated by the state, the FSFP then calculates the state share percentage for each district.

CTE Credential Program: The district may receive a portion of the $5.5 million for Industry-recognized Credentials in FY24 and FY25 for high school students for those earning an industry-recognized credential or receiving a journeyman certification recognized by the United States Department of Labor. Also, the district will receive funding through the Innovative Workforce Incentive Program for students who have completed the industry-recognized credentials and are career-ready. The Department of Education and Workforce shall pay each city, local, and exempted village school district, community school, STEM school, and joint vocational school district an amount equal to $1,000 for each qualifying credential a student attending the district or school earned in the school year preceding the fiscal year in which the funds are appropriated, which will be prorated if the amount that the Department of Education appropriates is insufficient. The district received $47,698 in FY24. The remaining years of the forecast will be based on the amount received in FY24, with a 2% increase each year.

Career Awareness and Exploration Funds
To support a more career-focused approach to education, the legislature approved in HB110 the previous state budget the new career awareness and exploration funding. HB33, the current state budget, increases the per-pupil amounts used to calculate these funds from $5 per pupil in FY23 to $7.50 in FY24 and $10 per pupil in FY25.

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.

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 amount of DPIA is limited to a 66.67% in FY25. We estimated our DPIA revenue at 75% of FY24 levels due to a potential reduction in DPIA funding. This risk arises from the increasing number of schools adopting the CEP program, which raises the statewide Economically Disadvantaged Percentage and may negatively impact our funding. 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. The district will receive a one-time subsidy in FY25 and is required to maintain documentation as to how the funds were spent. A portion of the reimbursement may fall in FY26 due to timing of paying out stipends and reimbursement submissions.

Source	FY25	FY26	FY27	FY28	FY29
DPIA	$138,456	$138,456	$138,456	$138,456	$138,456
Career Tech - Restricted	$1,805,116	$1,805,116	$1,805,116	$1,805,116	$1,805,116
CTE Associated Services	$39,330	$39,330	$39,330	$39,330	$39,330
ELL	$11,823	$11,823	$11,823	$11,823	$11,823
Career Awareness & Explorations	$135,555	$135,555	$135,555	$135,555	$135,555
Student Wellness	$186,860	$186,860	$186,860	$186,860	$186,860
Other Restricted/SOR(FY25)	$48,489				
Final Prior Year Adjustment	$0				
Total Restricted State Revenues Line #1.040	$2,365,629	$2,317,140	$2,317,140	$2,317,140	$2,317,140

C) Restricted Federal Grants in Aid – Line #1.045

There is no restricted federal funding projected in this forecast.

Summary of State Foundation Revenues	FY25	FY26	FY27	FY28	FY29
Unrestricted Line # 1.035	$5,601,086	$5,602,204	$5,603,345	$5,604,509	$5,605,696
Restricted Line # 1.040	$2,365,629	$2,317,140	$2,317,140	$2,317,140	$2,317,140
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$7,966,715	$7,919,344	$7,920,485	$7,921,649	$7,922,836

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

Other Local Revenues – Line #1.060
All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees. Since FY22 any open-enrolled students since have been counted in our Enrolled ADM numbers for state funding and are not separately funded.

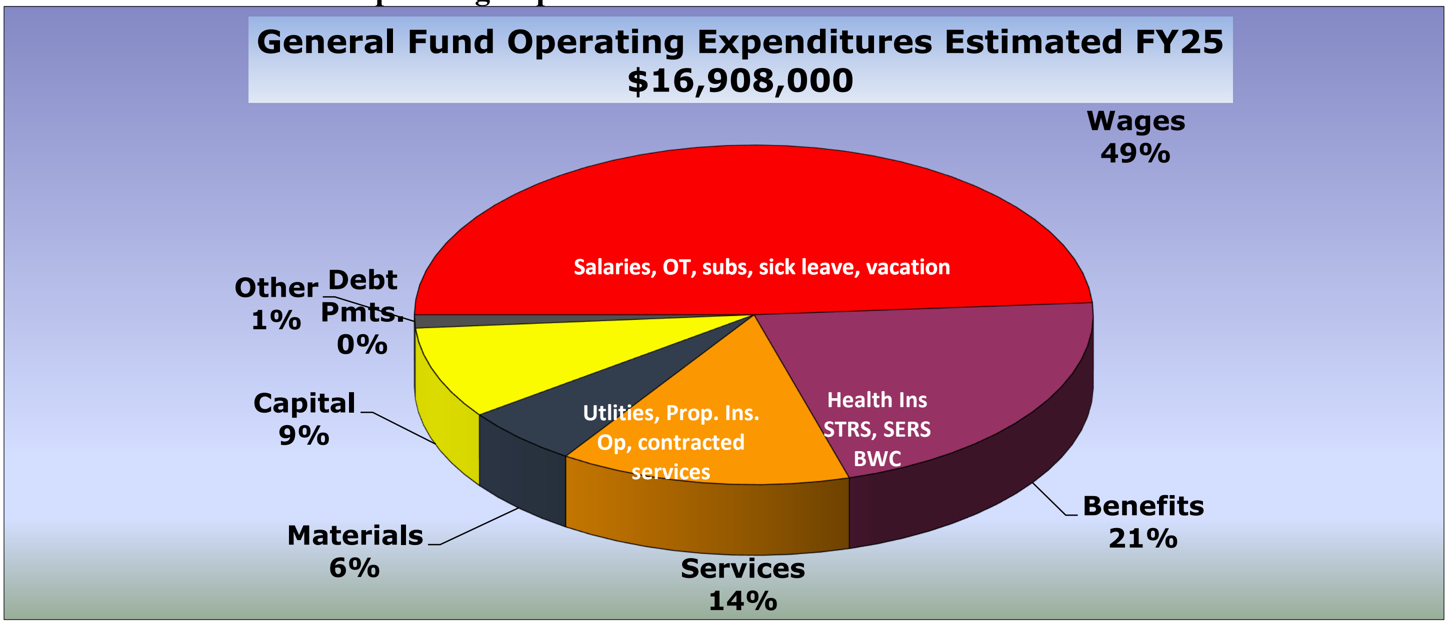
Interest income is based on the district's cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. The Federal Reserve Bank cut interest rates by 50 basis point in September 2024. While interest income in FY25 should remain steady due to laddered investment 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. All other revenues are expected to continue on historical trends.

Transfer-In/Advances-In – Line #2.040 and 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. The district is not anticipating any Transfers or Advances-In.

All Other Financial Sources – Line #2.060
This funding source is typically a refund of prior year expenditures that is very unpredictable, therefore the district does not expect to have any significant refunds during the forecast years.

Expenditures Assumptions

Estimated General Fund Operating Expenditures for FY25:



Personnel Services – Employees' Salaries and Wages – Line #3.010

The district maintains exempt employees, association employees, and administrators. The school has one bargaining unit: WCJVS Education Association for certified, classified and part-time staff. The Association contract is for a 3-year term effective July 1, 2023, through June 30, 2026. As per the newest negotiations, base salary increases are as follows for the certified bargaining unit: 3.5% for FY24, 3.25% for FY25 and FY26 with steps averaging between 1.94 % and 1.55%. The classified bargaining unit and the part-time bargaining unit base increases are as follows: $2.00 for FY24, 3% for FY25 and FY26 with steps averaging between 2.31% and 2.28%. The district is forecasting 1.5% base wage increases for FY27, FY28 and FY29. However, increases in base salary are subject to the negotiated agreements between the Board of Education and the Association. Any increases agreed upon by both parties will be based on financial solvency and the ability to sustain such increases.

There is also a 3% increase each year for substitute wages and increases consistent with the steps and raises for supplemental wages from FY25 through FY29.

Student Success & Wellness funds are reflected in the forecast effective in FY22. Therefore, the corresponding expenses are reflected as well. This includes the personnel expenses for nursing.

The district plans to add a new program in FY26. The costs associated with one additional teacher have been reflected in FY26.

The district contracts services with the Tri-County Educational Service Center as well as shared services with the ESC and area schools. This has reduced the salaries/benefits line, increased the purchased services line, as well as provided flexibility, and cost savings of shared services. Additional staffing adjustments are made each year to align staff with student needs.

Employees' Retirement & Benefits Estimates - Line #3.02

This area of the forecast captures all costs associated with benefits and retirement costs, with all except health insurance being directly related to the 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 also required to pay SERS Surcharge, an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance

The district received the FY25 rates that will begin July 2024 with an increase of 6.48%. The district is expecting insurance trends to be 10% for FY26-FY29. The Stark COG has issued at least one health insurance premium holiday each year. The district received one premium holiday in FY23 and FY24. The district is forecasting that it will receive one month of an insurance holiday in FY26 through FY29. We will review the insurances and trends annually.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about .11% of wages for FY25–FY29. The district is a direct reimbursement employer which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment and is forecasting $9,441 for these costs in FY25.

D) Medicare

Medicare will continue to increase at the rate of increase of 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 tuition as per language in the bargaining unit agreements. Tuition reimbursement is to further their education in order to maintain licensure for teaching.

Purchased Services – Line #3.030

Professional support includes but is not limited to legal fees, utilities, repairs, professional development, and services not performed by employees.

Student Success & Wellness funds are now reflected in the forecast effective in FY22. Therefore, the corresponding expenses are reflected as well. This includes the expenses for contracted services for attendance and mental health counseling.

In FY25, there is a construction line added for $51,283 for architectural and design services.

Supplies and Materials – Line #3.040

The district is expecting some additional costs in FY25 largely due to inflation. However, the district will hold expenses flat each year of the forecast beyond FY25. This category of expenses is characterized by copy paper, maintenance supplies, educational supplies, etc.

Capital Outlay – Line #3.050

The area of capital outlay is for all types of equipment whether it is for educational purposes or building repairs.

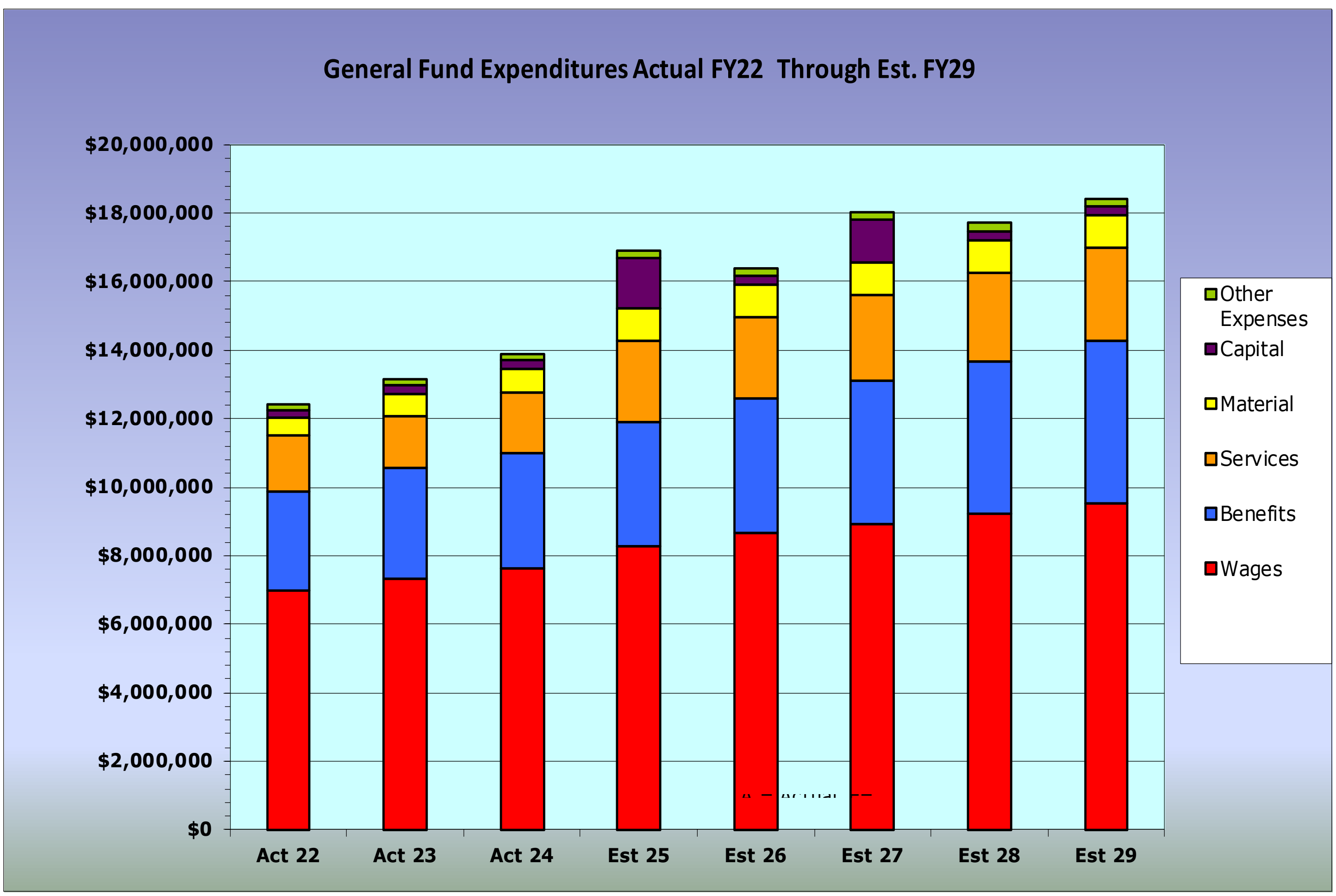
Included in this line are building improvements. The board budgeted $1.9 million for lab renovations for Animal Science, Diesel Technologies, and Agribusiness and Production. A portion of this project is reflected in FY21.

The district has a large construction project to build a new welding lab and renovations for an electronics lab and cyber security lab. Originally, there was a $3 million transfer projected to support the welding lab addition. However, the district received an OFCC grant to cover $4,647,523 of this project. The local share portion is $1,333,488. Some of the expenses could be charged to Purchased Services but most of it will be charged to Capital Outlay. The local share portion is reflected in the general fund and no longer a transfer. As mentioned in the purchased services section above, this construction project could spill into more fiscal years than just FY25. It will be updated to reflect where it lands in future forecasts.

The district is purchasing 1 to 1 technology for students as well as other miscellaneous equipment not purchased out of the Permanent Improvement levy. Additionally, the district is planning to spend $1 million out of the General Fund to renovate the Ag Mechanics/Power Technologies lab in FY27.

Other Expenses – Line #4.300
The category of Other Expenses consists primarily of Auditor & Treasurer fees, election expenses, our annual audit and other miscellaneous expenses.

Total Expenditure Categories Actual FY22 through FY24 and Estimated FY25 through FY29
The graph below shows a quick overview of actual and estimated expenses by proportion to total in the General Fund.



Transfers/Advances Out – Line #5.010
This account group covers fund to fund 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. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund.

The OSFC renovation project requires the school to transfer a total of $6,600,000 into the 034 Maintenance Fund over a 23-year period. This equates to a transfer of $164,757 each year to meet this commitment. The school implemented a drug free club program in FY15. The Board committed to match up to $12,500 in community donations to this club each year to assist in managing the expense of the actual drug testing kits. The Board grants two $500 Ambassador Program Achievement Awards each year, which began in FY16. The remaining years will see transfers of $228,257 each year of the forecast as stated above.

A Severance Fund transfer will begin with an initial amount of $176,000 in FY25 to address the calculated need. In each following year, the transfer will decrease to $50,000 annually, which represents approximately 25-30% of the initial need. This consistent annual transfer of $50,000 is projected to cover future severance obligations and will be adjusted as needed upon annual review.

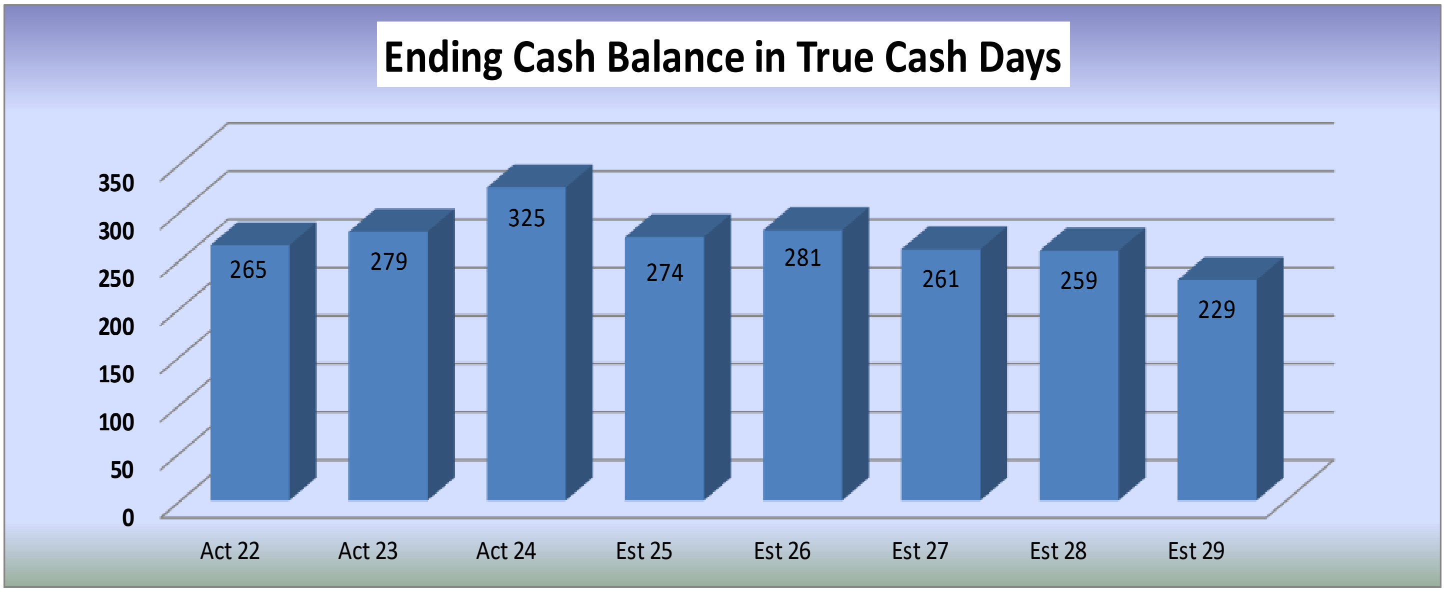
Encumbrances – Line #8.010
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered. In FY26, $1 million is estimated to be encumbered for the Ag Mechanics/Power Technologies lab renovation.

	FY25	FY26	FY27	FY28	FY29
Estimated Encumbrances	$300,000	$1,300,000	$300,000	$300,000	$300,000

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 5705.412, ORC punishable by personal liability of $10,000, unless the new alternative 412 certificate can be issued pursuant to HB153 effective after September 30, 2011.

	FY25	FY26	FY27	FY28	FY29
Ending Unencumbered Cash Balance	$12,937,620	$12,774,363	$13,054,106	$12,750,849	$11,703,592

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.



Conclusion

Wayne County Schools Career Center receives 49.9% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

As the administration plans for the future, they will need to make sure that the district is able to maintain a positive cash balance throughout the forecast. They will need to review the expenditures based on the current revenues in order to obtain this.

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