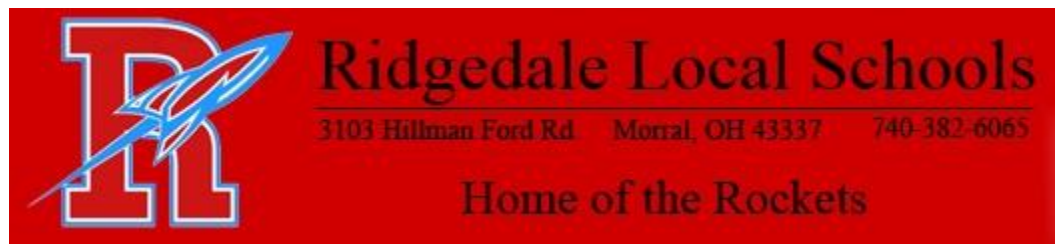


**RIDGEDALE LOCAL SCHOOL DISTRICT - MARION COUNTY**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES FOR THE FISCAL YEARS ENDED**  
**JUNE 30, 2022, 2023, and 2024 ACTUAL**  
**FORECASTED FISCAL YEARS ENDING**  
**JUNE 30, 2025, THROUGH JUNE 30, 2029**



**Forecast Provided By**  
**Ridgedale Local School District**  
**Treasurer's Office**  
**Matthew Cordes, Treasurer/CFO**

**November 18, 2024**

# RIDGEDALE LOCAL SCHOOL DISTRICT

Marion County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2022, 2023, 2024

Forecasted Fiscal Year Ending June 30, 2025 through 2029

	Actual			Average Change	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024		Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	\$2,881,003	\$3,205,098	\$3,267,358	6.6%	\$3,314,472	\$3,391,746	\$3,181,261	\$3,010,998	\$3,081,378
1.020 Public Utility Personal Property Tax	\$1,064,489	\$1,191,806	\$1,204,397	6.5%	\$1,200,518	\$1,216,560	\$1,194,864	\$1,174,190	\$1,194,540
1.030 Income Tax	\$653,062	\$1,029,401	\$1,033,317	29.0%	\$1,096,362	\$1,107,326	\$1,118,400	\$1,129,584	\$1,140,879
1.035 Unrestricted State Grants-in-Aid	\$3,027,008	\$3,167,403	\$3,575,111	8.8%	\$3,846,143	\$3,846,768	\$3,847,401	\$3,848,044	\$3,848,696
1.040 Restricted State Grants-in-Aid	\$272,819	\$312,775	\$405,911	22.2%	\$445,814	\$376,863	\$376,863	\$376,863	\$376,863
1.045 Restricted Federal Grants In Aid	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
1.050 Property Tax Allocation	\$415,293	\$430,294	\$451,899	4.3%	\$450,358	\$457,685	\$438,084	\$408,555	\$416,993
1.060 All Other Revenues	\$297,361	\$437,387	\$577,060	39.5%	\$580,566	\$566,578	\$565,587	\$564,718	\$563,971
1.070 <i>Total Revenues</i>	<b>\$8,611,035</b>	<b>\$9,774,164</b>	<b>\$10,515,053</b>	<b>10.5%</b>	<b>\$10,934,233</b>	<b>\$10,963,527</b>	<b>\$10,722,460</b>	<b>\$10,512,952</b>	<b>\$10,623,320</b>
<b>Other Financing Sources</b>									
2.010 Proceeds from Sale of Notes	\$0	\$0	\$0	0.0%	\$352,070	\$0	\$0	\$0	\$0
2.020 State Emergency Loans and Advancements (Approved)	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.040 Operating Transfers-In	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.050 Advances-In	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.060 All Other Financing Sources	\$15,647	\$10,763	\$21,252	33.1%	\$21,252	\$21,252	\$21,252	\$21,252	\$21,252
2.070 <i>Total Other Financing Sources</i>	<b>\$15,647</b>	<b>\$10,763</b>	<b>\$21,252</b>	<b>33.1%</b>	<b>\$373,322</b>	<b>\$21,252</b>	<b>\$21,252</b>	<b>\$21,252</b>	<b>\$21,252</b>
2.080 <i>Total Revenues and Other Financing Sources</i>	<b>\$8,626,682</b>	<b>\$9,784,927</b>	<b>\$10,536,305</b>	<b>10.6%</b>	<b>\$11,307,555</b>	<b>\$10,984,779</b>	<b>\$10,743,712</b>	<b>\$10,534,204</b>	<b>\$10,644,572</b>
<b>Expenditures</b>									
3.010 Personnel Services	\$3,706,564	\$4,418,425	\$4,821,142	14.2%	\$4,942,867	\$5,125,445	\$5,313,883	\$5,509,627	\$5,712,927
3.020 Employees' Retirement/Insurance Benefits	\$1,898,919	\$1,854,570	\$2,118,318	5.9%	\$2,273,911	\$2,414,543	\$2,565,756	\$2,727,667	\$2,901,103
3.030 Purchased Services	\$1,168,075	\$1,290,090	\$1,332,506	6.9%	\$1,577,498	\$2,167,182	\$2,029,878	\$2,014,746	\$2,062,488
3.040 Supplies and Materials	\$323,984	\$388,896	\$459,502	19.1%	\$458,679	\$467,852	\$477,210	\$486,754	\$496,489
3.050 Capital Outlay	\$333,200	\$222,674	\$91,722	-46.0%	\$41,274	\$162,512	\$43,787	\$171,101	\$46,454
3.060 Intergovernmental	\$0	\$0	\$0	0.0%	\$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	\$163,915	\$182,012	\$175,978	3.9%	\$179,498	\$183,088	\$186,750	\$190,485	\$194,294
4.500 <i>Total Expenditures</i>	<b>\$7,594,657</b>	<b>\$8,356,667</b>	<b>\$8,999,168</b>	<b>8.9%</b>	<b>\$9,473,727</b>	<b>\$10,520,623</b>	<b>\$10,617,264</b>	<b>\$11,100,380</b>	<b>\$11,413,754</b>
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
5.020 Advances-Out	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
5.030 All Other Financing Uses	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
5.040 <i>Total Other Financing Uses</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
5.050 <i>Total Expenditures and Other Financing Uses</i>	<b>\$7,594,657</b>	<b>\$8,356,667</b>	<b>\$8,999,168</b>	<b>8.9%</b>	<b>\$9,473,727</b>	<b>\$10,520,623</b>	<b>\$10,617,264</b>	<b>\$11,100,380</b>	<b>\$11,413,754</b>
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	<b>\$1,032,025</b>	<b>\$1,428,260</b>	<b>\$1,537,137</b>	<b>23.0%</b>	<b>\$1,833,828</b>	<b>\$464,156</b>	<b>\$126,448</b>	<b>(\$566,176)</b>	<b>(\$769,182)</b>
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$1,369,668	\$2,401,693	\$3,829,953	67.4%	\$5,367,090	\$7,200,918	\$7,665,074	\$7,791,522	\$7,225,346
7.020 <i>Cash Balance June 30</i>	<b>\$2,401,693</b>	<b>\$3,829,953</b>	<b>\$5,367,090</b>	<b>49.8%</b>	<b>\$7,200,918</b>	<b>\$7,665,074</b>	<b>\$7,791,522</b>	<b>\$7,225,346</b>	<b>\$6,456,164</b>
8.010 <i>Estimated Encumbrances June 30</i>	\$145,038	\$77,152	\$33,989	-51.4%	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
<b>Reservation of Fund Balance</b>									
9.010 Textbooks and Instructional Materials	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.020 Capital Improvements	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.030 Budget Reserve	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.045 Fiscal Stabilization	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.050 Debt Service	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.060 Property Tax Advances	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.070 Bus Purchases	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.080 <i>Subtotal</i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Fund Balance June 30 for Certification of Appropriations</i>	<b>\$2,256,655</b>	<b>\$3,752,801</b>	<b>\$5,333,101</b>	<b>54.2%</b>	<b>\$7,150,918</b>	<b>\$7,615,074</b>	<b>\$7,741,522</b>	<b>\$7,175,346</b>	<b>\$6,406,164</b>

# RIDGEDALE LOCAL SCHOOL DISTRICT

Marion County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2022, 2023, 2024

Forecasted Fiscal Year Ending June 30, 2025 through 2029

		Actual			Average Change	Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024		Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
<b>Revenue from Replacement/Renewal Levies</b>										
11.010	Income Tax - Renewal	\$0	\$0		0.0%	\$0	\$0	\$0	\$0	\$0
11.020	Property Tax - Renewal or Replacement	\$0	\$0		0.0%	\$0	\$0	\$339,270	\$575,034	\$575,034
11.300	Cumulative Balance of Replacement/Renewal Levies	\$0	\$0		0.0%	\$0	\$0	\$339,270	\$914,304	\$1,489,338
12.010	<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>									
		\$2,256,655	\$3,752,801	\$5,333,101	54.2%	\$7,150,918	\$7,615,074	\$8,080,792	\$8,089,650	\$7,895,502
<b>Revenue from New Levies</b>										
13.010	Income Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.020	Property Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.030	Cumulative Balance of New Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
14.010	Revenue from Future State Advancements	\$0			0.0%	\$0	\$0	\$0	\$0	\$0
15.010	<i>Unreserved Fund Balance June 30</i>	\$2,256,655	\$3,752,801	\$5,333,101	54.2%	\$7,150,918	\$7,615,074	\$8,080,792	\$8,089,650	\$7,895,502
<b>ADM Forecasts</b>										
20.010	Kindergarten - October Count	47	47	47		51	53	50	48	48
20.015	Grades 1-12 - October Count	544	546	544		548	549	564	554	547

**Ridgedale Local School District – Marion County**  
**Notes to the Five-Year Forecast**  
**General Fund Only**  
**November 18, 2024**

**Introduction to the Five Year Forecast**

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

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

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

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

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

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, and May 31, each fiscal year (July 1 to June 30). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the fiscal 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 must be encumbered by September 30, 2024. The loss of these funds in FY25 and future years may create a "fiscal cliff" as any ongoing costs will likely be absorbed back into the district General Fund.

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

#### **Forecast Risks and Uncertainty:**

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

- 1) Marion County completed reappraisal update in 2022 for collection in 2023. There was an increase in values for Residential/Agriculture or Class I of 19.77% or \$23.98 million and Commercial/Industrial or Class II values increased by 1.35% or \$186,390. There will be a full reappraisal in 2025 for collection in 2026 which we expect to see increases in both Class I and Class II values. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.
- 2) Due to historic property value increases in reappraisal and update years the Ohio Legislature has considered various proposals since 2023 to help reduce non voted tax increases on taxpayers. Currently the senate has proposed SB271 that seeks to limit growth through refund or reduction taxes to ensure annual tax growth to no more than 5% in a year. If passed by the General Assembly this will result in lowering tax increases for our residents who qualify. We are watching this legislation closely.

In addition to SB271, the legislature developed a Joint Committee on Property Taxation and Reform in 2024 in response to the historic valuation increases. Their mission is to review Ohio's property tax system and to make recommendations to the General Assembly on property taxation. The committee must report to the

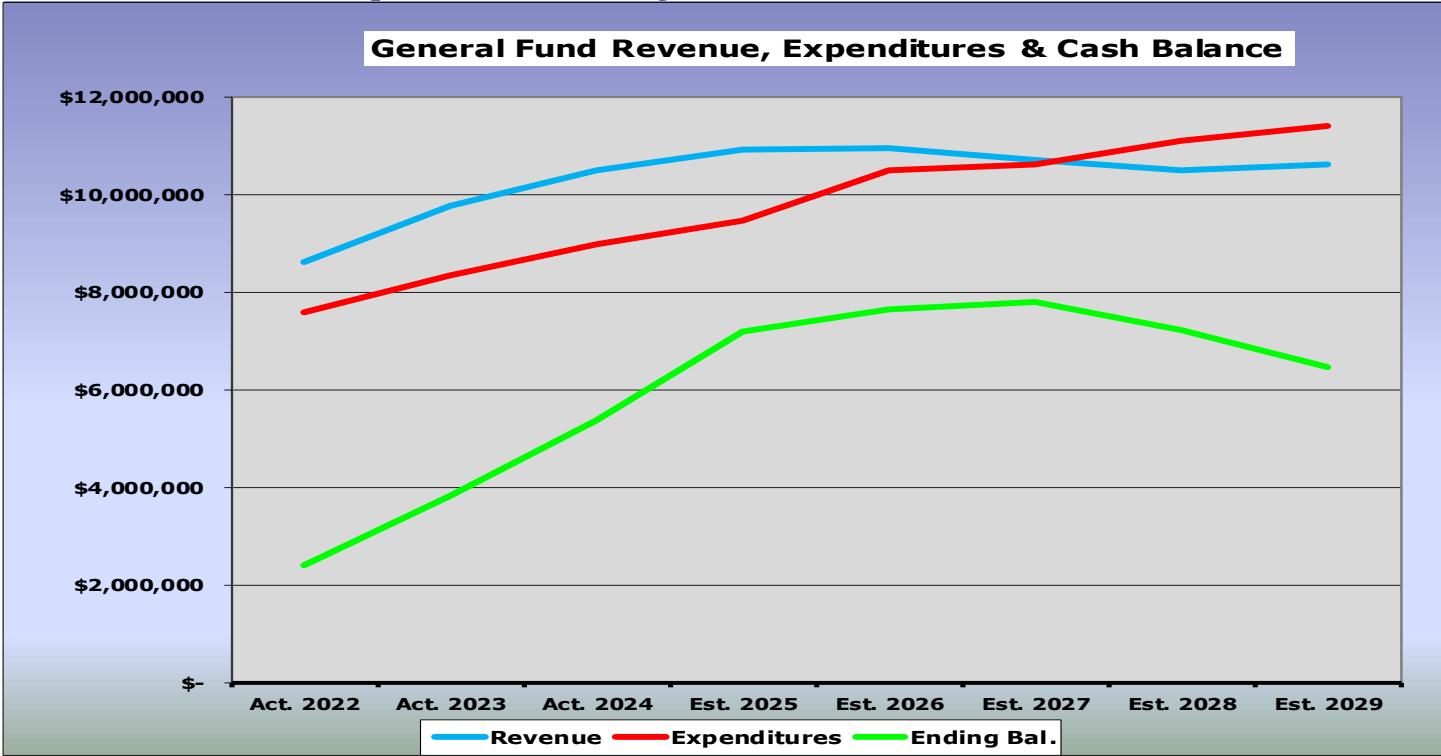
General Assembly by December 31, 2024. We are following any actions of the committee closely to determine what impact, if any, proposals could mean for our district to limit tax growth or to reduce taxes.

- 3) Income tax over the past few payments have been greater than in previous years, making income tax forecasting even more difficult. We will monitor the income tax revenue very closely for any positive or negative changes that may occur.
- 4) The state budget represents 43.37% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to the record high inflation or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. In this forecast, two forthcoming State Biennium Budgets cover FY26-27 and FY28-29. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through 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 FY28, which we feel is conservative and should be close to what the state approves for the FY26-FY29 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.
- 5) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid for by the state of Ohio can expose the district to new expenditures currently outside the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.
- 6) 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 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 October payment information published by the Department of Education and Workforce for our forecasted revenues in FY25.
- 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 financial forecast presents, to the best of the Ridgedale Local School District Board of Education's knowledge and belief, the expected revenues, expenditures, and operating balance of the General Fund. Accordingly, the forecast reflects the Board of Education's judgment of the expected conditions and its expected course of action as of the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected.

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Mr. Matthew Cordes, 740-382-6065, Treasurer/CFO of the Ridgedale Local Schools.

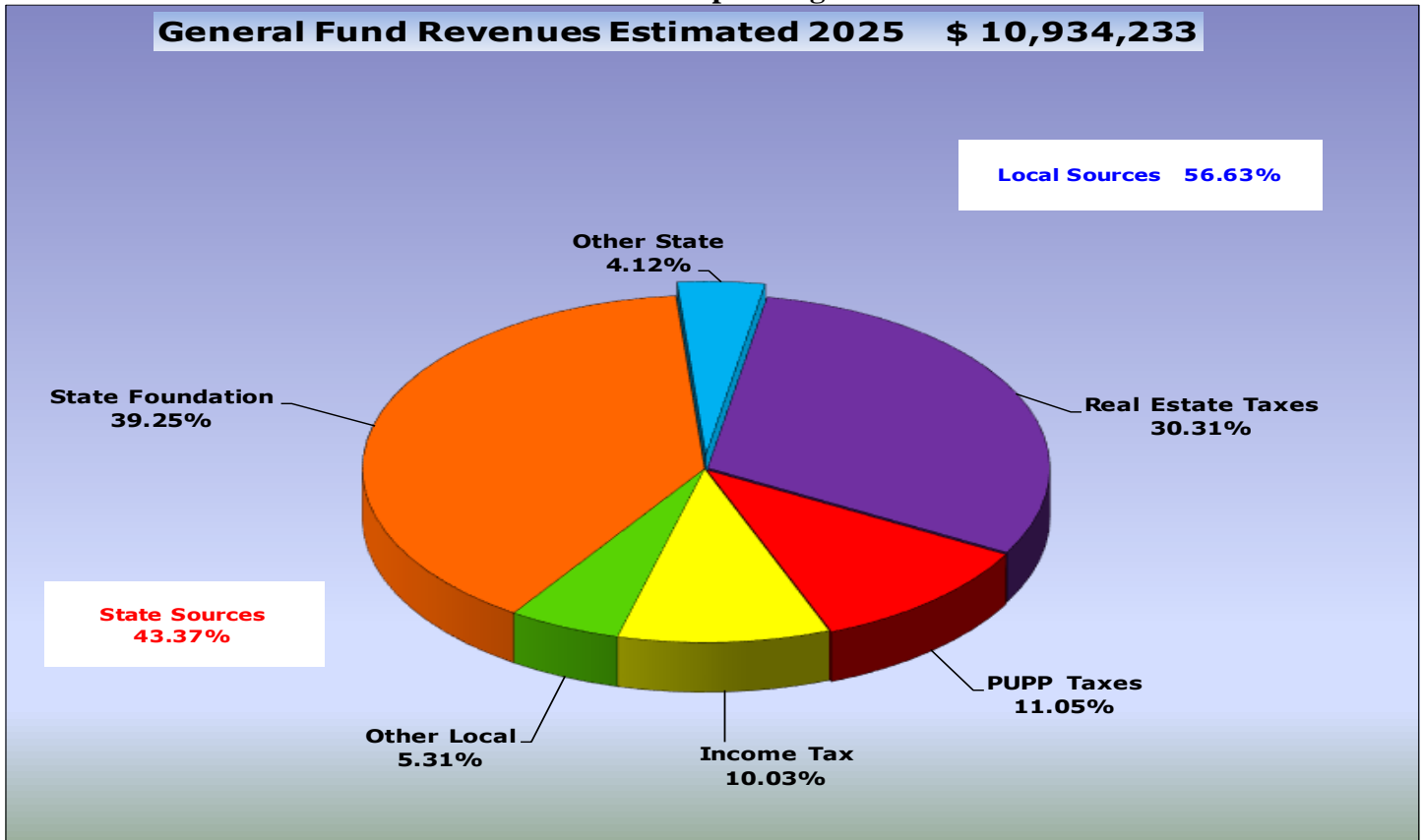
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY22-24 and Estimated FY25-29



The graph above captures in one snapshot the operating scenario facing Ridgedale Local School District over the next few years. This graph does not include the renewal of the emergency levy.

## REVENUE ASSUMPTIONS

### Estimated General Fund Operating Revenue for FY25



### Property Valuation Assumptions

Property Values are established each year by the Marion, Crawford and Wyandot County Auditors based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Marion and Wyandot counties are on the same reappraisal cycle and Crawford is the year before, but since the amount of value in Crawford is very small, we are estimating valuation changes during the Marion/Wyandot Counties cycle. A reappraisal update of the district property value occurred in 2022 for collection in calendar year 2023. Class I values increased overall by 19.77% or \$23.98 million and Class II values climbed by 1.35% or \$186,390.

The next reappraisal for the district will be tax year 2025 for collection in 2026. We are including an increase of 5% for Class I and a 1% increase in Class II for the update in 2025, we will revise the percentages as more information is known from the county auditors.

Public Utility Personal Property (PUPP) values change annually as the values are not included in the reappraisal or update years, which make them very difficult to forecast. PUPP values decreased by \$263,740 in Tax Year 2023, which is the first decrease since 2014. We expect our values to continue to grow by \$500,000 each year of the forecast.



## ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

<u>Classification</u>	Estimated TAX YEAR 2024 <u>COLLECT 2025</u>	Estimated TAX YEAR 2025 <u>COLLECT 2026</u>	Estimated TAX YEAR 2026 <u>COLLECT 2027</u>	Estimated TAX YEAR 2027 <u>COLLECT 2028</u>	Estimated TAX YEAR 2028 <u>COLLECT 2029</u>
Res./Ag.	\$146,742,610	\$154,254,741	\$154,354,741	\$154,454,741	\$160,732,930
Comm./Ind.	\$14,390,330	\$14,584,233	\$14,634,233	\$14,684,233	\$14,881,076
PUPP	\$27,599,880	\$28,099,880	\$28,599,880	\$29,099,880	\$29,599,880
Total Assessed Value	<u>\$188,732,820</u>	<u>\$196,938,854</u>	<u>\$197,588,854</u>	<u>\$198,238,854</u>	<u>\$205,213,886</u>

### Tax Rate Assumptions

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II), resulting in different effective millage rates. The district-voted rate for all operating levies is 40.7 mills while the Class I effective millage rate is 20.000013 mills and the Class II effective millage rate is 20.000035 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills, which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is not on the floor but very close to the floor for Class I or Class II. Any emergency levy that is voted on is not included in the 20-mill floor. The district has one emergency levy of 3.26 mills that was voted on for an annual amount of \$575,034 of taxes, as the values increase the millage rate will decrease in order to only collect the amount that was approved by the voters.

### General Property Tax (Real Estate) – Line #1.010

Property tax levies are estimated to be collected at 97.49% of the annual amount. Technically 100% of taxes will be settled on property due to Ohio’s property tax laws. The district receives tax payments for delinquent taxes at the rate of 0.82% in August and 2.51% in February collections. In general, 60.00% of Class I and Class II are expected to be collected in February tax settlements and 40.00% collected in August tax settlements.

<u>Category</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Est. Property Tax Excluding PUPP to Line #1.010	\$3,314,472	\$3,391,746	\$3,181,261	\$3,010,998	\$3,081,378

### Estimated Public Utility Personal Property Tax – Line #1.020

The amounts below are public utility personal property (PUPP) tax payments from public utilities. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor.

<u>Category</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Public Utility Personal Property - (PUPP)	<u>\$1,200,518</u>	<u>\$1,216,560</u>	<u>\$1,194,864</u>	<u>\$1,174,190</u>	<u>\$1,194,540</u>
Total Line # 1.020	<u>\$1,200,518</u>	<u>\$1,216,560</u>	<u>\$1,194,864</u>	<u>\$1,174,190</u>	<u>\$1,194,540</u>

### Renewal and Replacement Levies – Line #11.02

State law requires that renewal levies be removed from taxes on Line 1.010 and 1.020 to be shown on the Renewal and Replacement Levy Line 11.02. The emergency levy will need to be renewed prior to December 31, 2026, which is included in FY27.

<u>Category</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
Renewal \$575,034 Emergency Levy expires 12/31/26	<u>\$0</u>	<u>\$0</u>	<u>\$339,270</u>	<u>\$575,034</u>	<u>\$575,034</u>
Total Line # 11.020	<u>\$0</u>	<u>\$0</u>	<u>\$339,270</u>	<u>\$575,034</u>	<u>\$575,034</u>

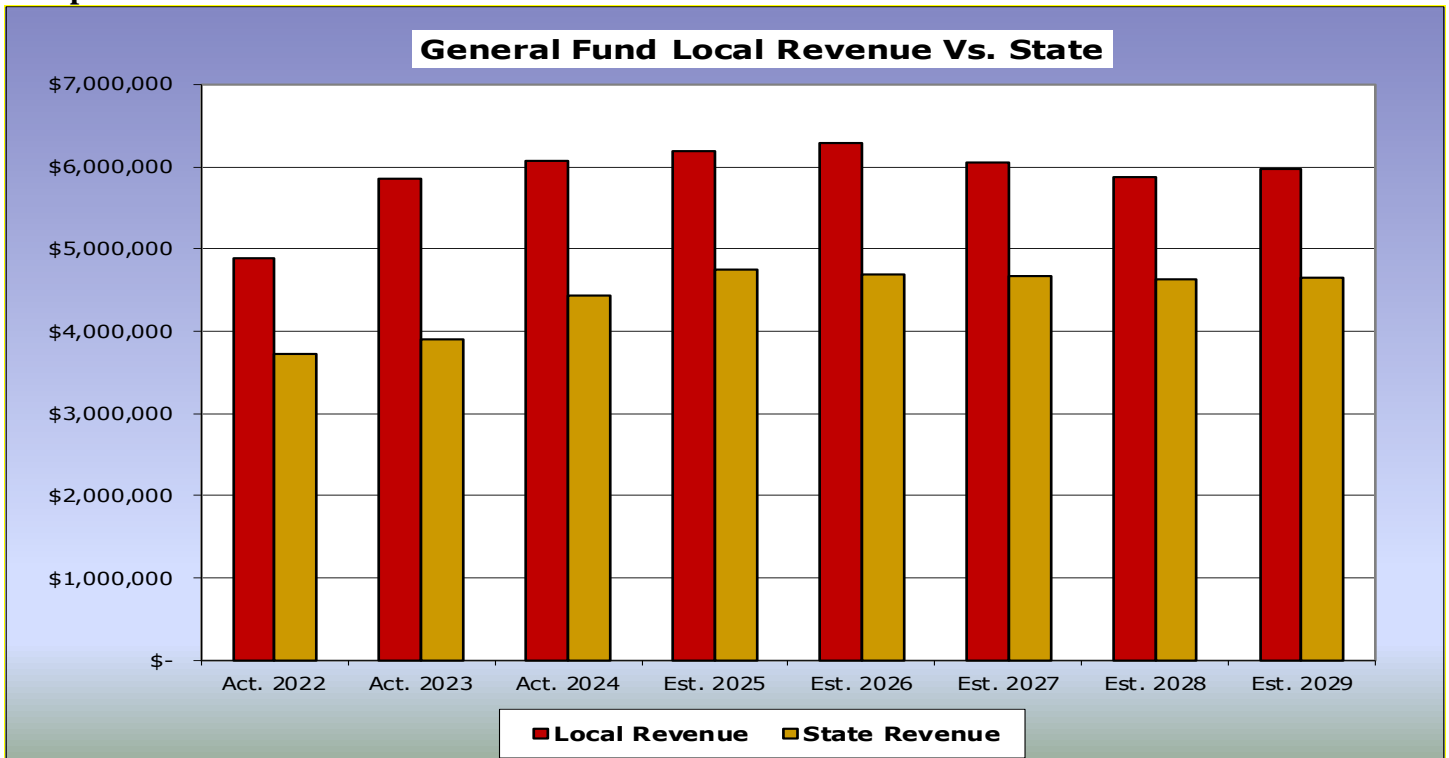
### Income Tax – Line #1.03

The district passed a 1% continuous earned income tax in 2020. The changes in tax amounts are leveling off from the pandemic.

The district has a 0.5% SDIT for a continuing period. In FY25 to date, income tax collection statewide has risen by around 8.7%. The increase is based on the July 2024 payment which includes the April 15<sup>th</sup> tax returns and the October 2024 payment. Our district had a slight increase for the first part of FY25. We will assume that income from withholdings will continue to increase in future collections. We will assume an annual growth rate of 2.0% for the remainder of FY25 and 1% in FY26-FY29 as the concerns over inflation may slow growth in this area.

<u>Category</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
SDIT Collection	\$1,033,317	\$1,096,362	\$1,107,326	\$1,118,400	\$1,129,584
Increases/(Decreases)	<u>\$63,045</u>	<u>\$10,964</u>	<u>\$11,074</u>	<u>\$11,184</u>	<u>\$11,295</u>
Total to Line #1.030	<u>\$1,096,362</u>	<u>\$1,107,326</u>	<u>\$1,118,400</u>	<u>\$1,129,584</u>	<u>\$1,140,879</u>

### Comparison of Local Revenue and State Revenue



## State Foundation Revenue Estimates

### Current State Funding Model per HB33 through June 30, 2025

#### A) Unrestricted State Foundation Revenue– Line #1.035

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25, which funds students where they are educated rather than where they live. We have projected FY25 funding based on the October 2024 foundation settlement and funding factors.

Our district is currently a formula district in FY25 and is expected to continue to be on the formula in FY26-FY29 on the new Fair School Funding Plan (FSFP).

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

#### State Funding Phase-In FY25 and Guarantees

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

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

#### Future State Budgets Projections beyond FY25

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

#### Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four casinos, one each in Cleveland, Toledo, Columbus, and Cincinnati. As of March 4, 2013, all four casinos were open for business and generating Gross Casino Tax Revenues (GCR). Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31<sup>st</sup> of January and August each year which began for the first time on January 31, 2013.

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY23 was \$113.1 million or \$64.90 per pupil. In FY24, the funding totaled \$114.18 million or \$65.44 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

<u>Category</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Basic Aid-Unrestricted	\$3,740,528	\$3,740,528	\$3,740,528	\$3,740,528	\$3,740,528
Additional Aid Items	<u>\$64,018</u>	<u>\$64,018</u>	<u>\$64,018</u>	<u>\$64,018</u>	<u>\$64,018</u>
Basic Aid-Unrestricted Subtotal	\$3,804,545	\$3,804,546	\$3,804,546	\$3,804,546	\$3,804,546
Ohio Casino Commission ODT	<u>\$41,598</u>	<u>\$42,222</u>	<u>\$42,855</u>	<u>\$43,498</u>	<u>\$44,150</u>
Unrestricted State Aid Line # 1.035	<u>\$3,846,143</u>	<u>\$3,846,768</u>	<u>\$3,847,401</u>	<u>\$3,848,044</u>	<u>\$3,848,696</u>

**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 (Threshold) 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 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY29 due to uncertainty on continued funding of the current funding formula.

HB33 set aside funds state-wide to subsidize the Science of Reading initiative. The district will be reimbursed for teacher in-service and associated fringe benefits upon proof of training and certified reimbursement request. It is estimated that the district will receive \$68,475 from this one-time subsidy in FY25 and is required to maintain documentation as to how the funds were spent. The district received additional High Quality Instructional Material payment in FY25 of \$475.26 which is due to the state redirecting funds that were not used by other districts.

<u>Category</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
DPIA	\$103,777	\$103,777	\$103,777	\$103,777	\$103,777
Career Tech - Restricted	\$50,534	\$50,534	\$50,534	\$50,534	\$50,534
Gifted	\$41,414	\$41,414	\$41,414	\$41,414	\$41,414
ESL	\$416	\$416	\$416	\$416	\$416
Student Wellness	\$164,740	\$164,740	\$164,740	\$164,740	\$164,740
Catastrophic Costs	\$15,983	\$15,983	\$15,983	\$15,983	\$15,983
Other Restricted	<u>\$68,950</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Restricted State Revenues Line #1.040	<u>\$445,814</u>	<u>\$376,863</u>	<u>\$376,863</u>	<u>\$376,863</u>	<u>\$376,863</u>

**C) Restricted Federal Grants in Aid – Line #1.045**

There are no federal restricted grants projected during this forecast.

**Summary of State Foundation Revenue**

<u>SUMMARY</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
Unrestricted Line # 1.035	\$3,846,143	\$3,846,768	\$3,847,401	\$3,848,044	\$3,848,696
Restricted Line # 1.040	\$445,814	\$376,863	\$376,863	\$376,863	\$376,863
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total State Foundation Revenue	<u>\$4,291,957</u>	<u>\$4,223,631</u>	<u>\$4,224,264</u>	<u>\$4,224,907</u>	<u>\$4,225,559</u>

**State Share of Local Property Tax - Line #1.050****a) Rollback and Homestead Reimbursement**

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013, which is the effective date of HB59. HB66 the FY06-07 budget bill previously eliminated 10% rollback on Class II (commercial and industrial) property. The percentage that the district receives in Rollback is based on the taxpayers applying for these credits, for our district we receive 11.10% of the possible 12.5% reimbursements from the state.

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 years of age or 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.

**b) Tangible Personal Property Reimbursements – Fixed Rate**

Our district no longer receives this reimbursement.

**c) Tangible Personal Property Reimbursements – Fixed Sum**

HB 64 has continued reimbursement of Fixed Sum TPP reimbursements at current levels through FY17 and will begin a phase out over five years through TY21, with the last payment to the district in FY22.

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

<u>Category</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
Rollback and Homestead	\$450,358	\$457,685	\$438,084	\$408,555	\$416,993
TPP Reimbursement - Fixed Rate	\$0	\$0	\$0	\$0	\$0
TPP Reimbursement - Fixed Sum	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Tax Reimb./Prop. Tax Allocations #1.050	<u>\$450,358</u>	<u>\$457,685</u>	<u>\$438,084</u>	<u>\$408,555</u>	<u>\$416,993</u>

**Other Local Revenues – Line #1.060**

Revenues from all other sources are based on historical growth patterns. This revenue largely consists of tuition payments, Medicaid reimbursements, and investment income.

Interest income is based on the district's cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. The Federal Reserve Bank cut interest rates by 50 basis point in September 2024. While interest income in FY25 should remain steady due to laddered investment strategies, the rate cuts will begin to have an impact on earnings in FY26 and future years. We will continue to monitor the investments for the district.

We are including a 1% annual increase of all other lines for other local revenues in FY25 through FY29. The district has reduced the donations by \$13,000 in FY26 from one-time payments in previous years.

<u>Category</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
Interest	\$226,440	\$221,911	\$217,473	\$213,124	\$208,861
Tuition SF-14 & SF-14H	\$240,391	\$242,795	\$245,223	\$247,675	\$250,152
Student Fees and Activity	\$44,847	\$45,295	\$45,748	\$46,205	\$46,667
Medicaid Reimbursement	\$32,492	\$32,817	\$33,145	\$33,476	\$33,811
Rentals, Fines, Fees, erate & other	<u>\$36,396</u>	<u>\$23,760</u>	<u>\$23,998</u>	<u>\$24,238</u>	<u>\$24,480</u>
Total Line # 1.060	<u>\$580,566</u>	<u>\$566,578</u>	<u>\$565,587</u>	<u>\$564,718</u>	<u>\$563,971</u>

**Sale of Notes – Line #2.010**

The district will receive the proceeds from the sale of notes or COPS for the lease purchase agreement in order to have the funds to improve the district infrastructure in FY25 and FY26. The district will repay this note over the next fifteen years as lease payments.

<u>Category</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Proceeds of Certificate of Participation Notes	<u>\$352,070</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Proceeds from the Sale of Notes - Line 2.010	<u>\$352,070</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

#### **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. The district is not expecting any transfers or advance returns for this forecast period.

#### **All Other Financial Sources – Line #2.060 & Line #14.010**

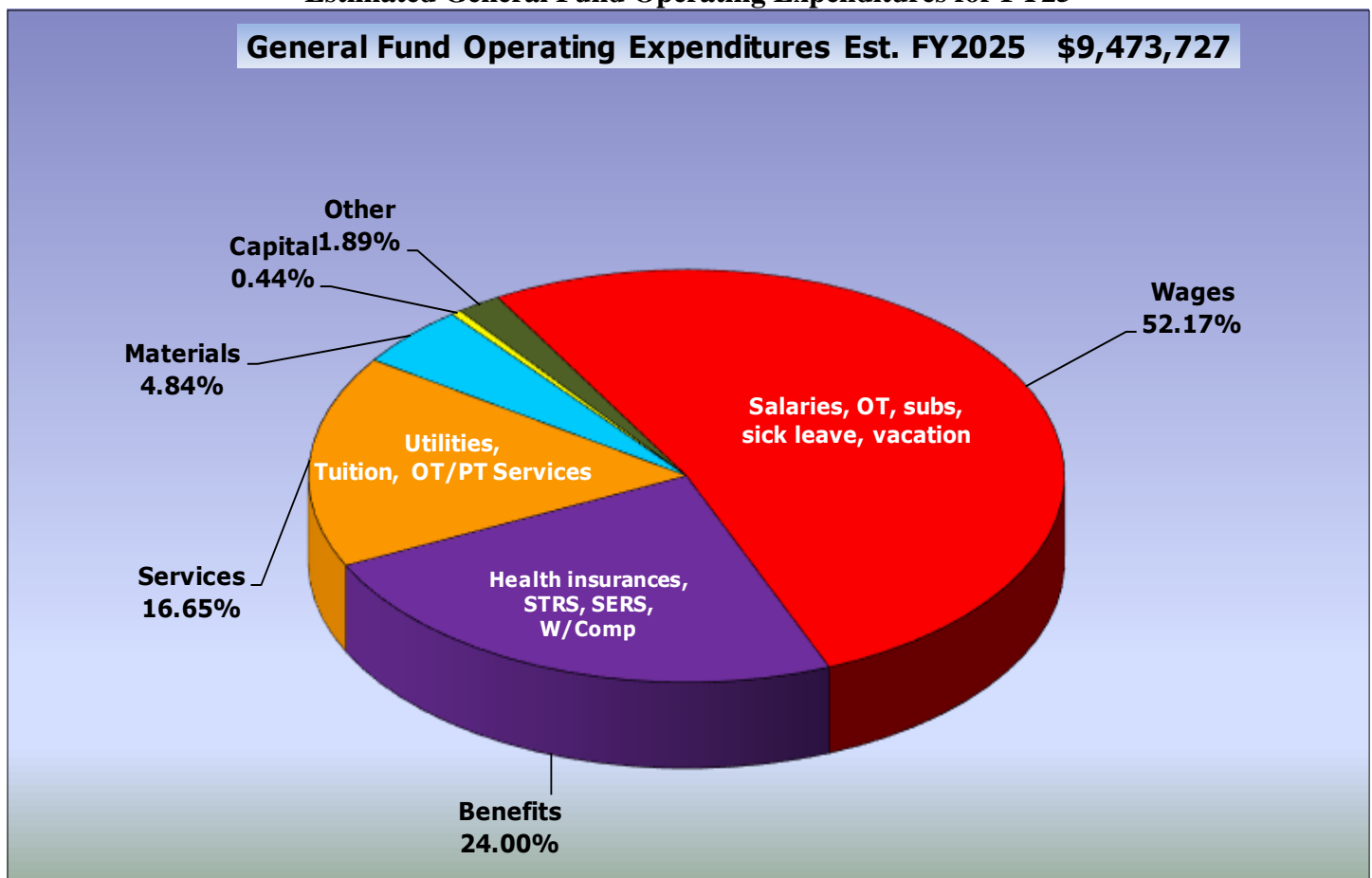
This funding source is typically a refund of prior year's expenditures that are very unpredictable, therefore we are projecting amounts that are in line with previous year's payment.

<u>Category</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
All Other Financials Line #2.060	<u>\$21,252</u>	<u>\$21,252</u>	<u>\$21,252</u>	<u>\$21,252</u>	<u>\$21,252</u>

### **Expenditures Assumptions**

The district's leadership team is always looking at ways to improve the education of the students whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

#### **Estimated General Fund Operating Expenditures for FY25**



**Wages – Line #3.010**

The district finalized negotiations with base increases of 3% in FY23, 2.5% in FY24 and 2% in FY25 while we will continue to use 3% for forecasting purposes after the year that the negotiated agreement ends. Step and training pay increases of 1% per year are reflected based on current staffing levels FY25-29.

<u>Category</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
Base Wages	\$4,491,145	\$4,625,879	\$4,806,872	\$4,993,717	\$5,187,860
Base Increases	\$89,823	\$134,734	\$138,776	\$144,206	\$149,812
Steps & Training/Performance Based Pay	\$44,911	\$46,259	\$48,069	\$49,937	\$51,879
New or Replacement Staff	\$0	\$0	\$0	\$0	\$0
Substitutes & Supplementals	\$316,988	\$318,573	\$320,166	\$321,767	\$323,376
Recoding for SWSF & ESSER Funds	\$0	\$0	\$0	\$0	\$0
Severance	\$0	\$0	\$0	\$0	\$0
Staff Reductions	\$0	\$0	\$0	\$0	\$0
Total Wages Line 3.010	<u>\$4,942,867</u>	<u>\$5,125,445</u>	<u>\$5,313,883</u>	<u>\$5,509,627</u>	<u>\$5,712,927</u>

**Fringe Benefits Estimates Line #3.02**

This area of the forecast captures all costs associated with benefits and retirement costs, which 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.

**B) Insurance**

The district received an increase of 6.48% in FY25, we are estimating an annual increase of 8% in FY26-FY29. This is based on our current employee census and claims data. This could increase at a much higher rate should claims increase dramatically.

**C) Workers Compensation & Unemployment Compensation**

Workers Compensation is based on a 0.0031255 of total payroll in FY25-FY29. The district does not expect any large payments for unemployment benefits and has adjusted the amount to \$500 per year from FY25 – FY29.

**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) Tuition**

The district is appropriating the total amount of tuition payments that are included in the negotiated agreement each year of the forecast.

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

<u>Category</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
STRS/SERS	\$781,824	\$810,080	\$840,082	\$871,222	\$903,568
Insurance's	\$1,364,467	\$1,473,624	\$1,591,514	\$1,718,835	\$1,856,342
Workers Comp/Unemployment	\$15,949	\$16,520	\$17,109	\$17,720	\$18,356
Medicare	\$71,671	\$74,319	\$77,051	\$79,890	\$82,837
Tuition Reimbursement	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>
Total Line 3.020	<u>\$2,273,911</u>	<u>\$2,414,543</u>	<u>\$2,565,756</u>	<u>\$2,727,667</u>	<u>\$2,901,103</u>

**Purchased Services – Line #3.030**

College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends.

The district is increasing Other tuition payment for additional student of \$43,000 in FY25 and expects those tuitions costs to continue throughout the forecast with an annual 2% increase in FY25-FY29.

The district has included the lease purchase payments for the capital projects that will be completed in FY25 and FY26 based on the schedule for the repayment of the Certificate of Participation Note.

<u>Category</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
Instructional Services	\$363,042	\$381,194	\$400,254	\$420,267	\$441,280
Non-Instructional Services	\$33,939	\$34,618	\$35,310	\$36,016	\$36,736
Maintenance and Repairs	\$289,161	\$294,944	\$300,843	\$306,860	\$312,997
Lease Purchase Agreement	\$158,667	\$703,500	\$519,625	\$456,125	\$453,625
Other Tuition Payments	\$546,605	\$557,537	\$568,688	\$580,062	\$591,663
Utilities	<u>\$186,085</u>	<u>\$195,389</u>	<u>\$205,158</u>	<u>\$215,416</u>	<u>\$226,187</u>
Total Line 3.030	<u>\$1,577,498</u>	<u>\$2,167,182</u>	<u>\$2,029,878</u>	<u>\$2,014,746</u>	<u>\$2,062,488</u>

**Supplies and Materials – Line #3.040**

These amounts account for funds to purchase new textbooks and educational supplies related to new curriculum adoptions. The other area of expenses included in this category are all consumable supplies that are purchased to operate the school district, such as textbooks, paper, cleaning supplies, tires, and bus fuel. A 2% increase each year from FY25-FY29.

<u>Category</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
Instructional Supplies	\$260,262	\$265,467	\$270,777	\$276,192	\$281,716
Maintenance Supplies	\$103,000	\$105,060	\$107,161	\$109,304	\$111,491
Transportation Supplies	<u>\$95,417</u>	<u>\$97,325</u>	<u>\$99,272</u>	<u>\$101,257</u>	<u>\$103,282</u>
Total Line 3.040	<u>\$458,679</u>	<u>\$467,852</u>	<u>\$477,210</u>	<u>\$486,754</u>	<u>\$496,489</u>

**Equipment – Line #3.050**

Capital Outlay each year for technology and other equipment has been included based on a schedule for FY25-FY29. The district knows that the buses will need to be replaced as they age out for useful life, we are anticipating bus purchases in FY26 and FY28, we will continue to monitor the need of the fleet in the future.

<u>Category</u>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>
Capital Outlay	\$41,274	\$42,512	\$43,787	\$45,101	\$46,454
Capital Improvement Project	\$0	\$0	\$0	\$0	\$0
Buses & Vehicals	<u>\$0</u>	<u>\$120,000</u>	<u>\$0</u>	<u>\$126,000</u>	<u>\$0</u>
Total Line 3.050	<u>\$41,274</u>	<u>\$162,512</u>	<u>\$43,787</u>	<u>\$171,101</u>	<u>\$46,454</u>

**Other Expenses – Line #4.300**

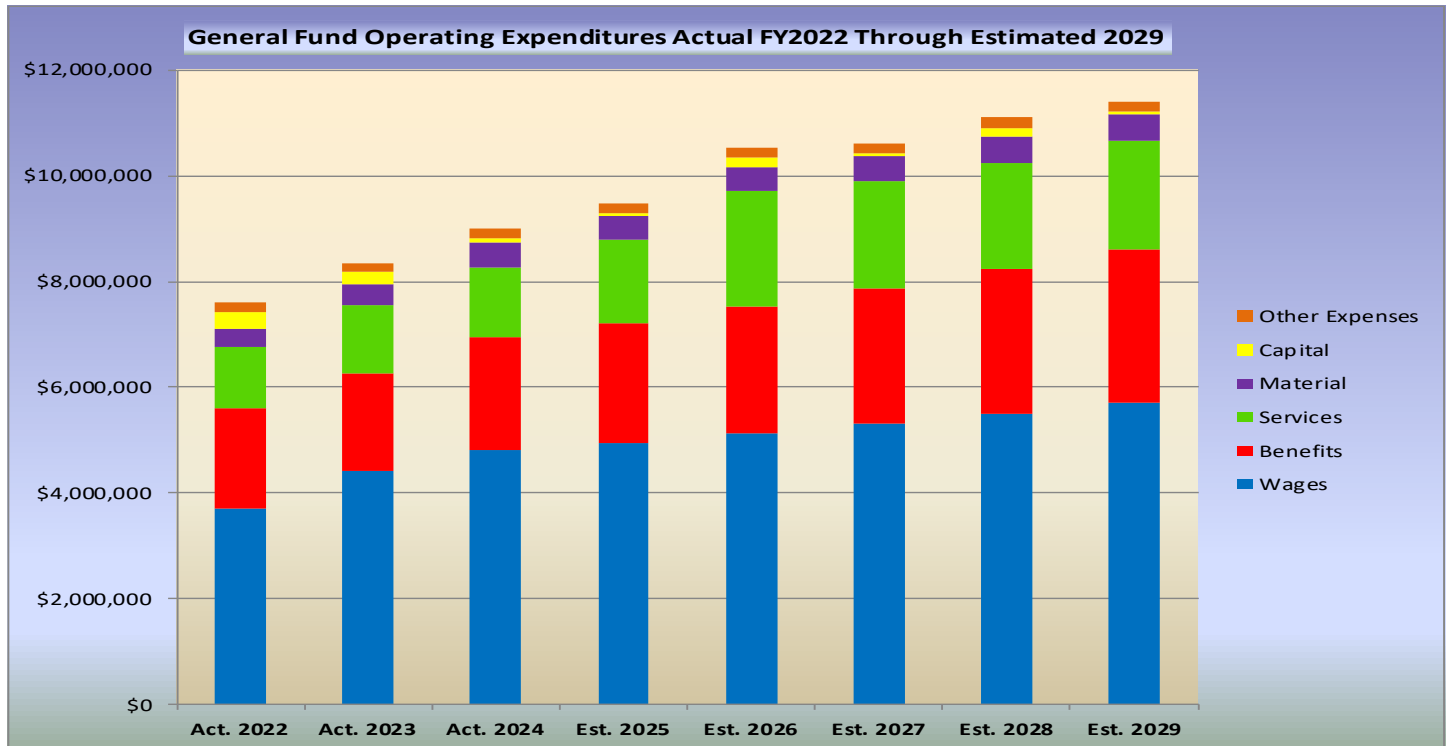
The category of Other Expenses consists primarily of Auditor & Treasurer fees, but also includes annual audit costs, OSBA dues, and other miscellaneous expenses. We expect a 1.5% increase each year for County Auditor and Treasurer Fees and 2% increase for all other expenses in FY25-FY29.



<u>Category</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
County Auditor & Treasurer Fees	\$121,712	\$124,146	\$126,629	\$129,162	\$131,745
Audit fees, dues and other expenses	<u>\$57,786</u>	<u>\$58,942</u>	<u>\$60,121</u>	<u>\$61,323</u>	<u>\$62,549</u>
Total Line 4.300	<u>\$179,498</u>	<u>\$183,088</u>	<u>\$186,750</u>	<u>\$190,485</u>	<u>\$194,294</u>

### 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 the total for the General Fund expenditures.



### Transfers Out & Advances Out – Line #5.010

This account group covers fund to fund transfer and end of year short term loans from the General Fund. The district is not planning for any transfers or advances out in FY25-FY29.

### 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. Estimates are based on historic trends.

	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Estimated Encumbrances	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

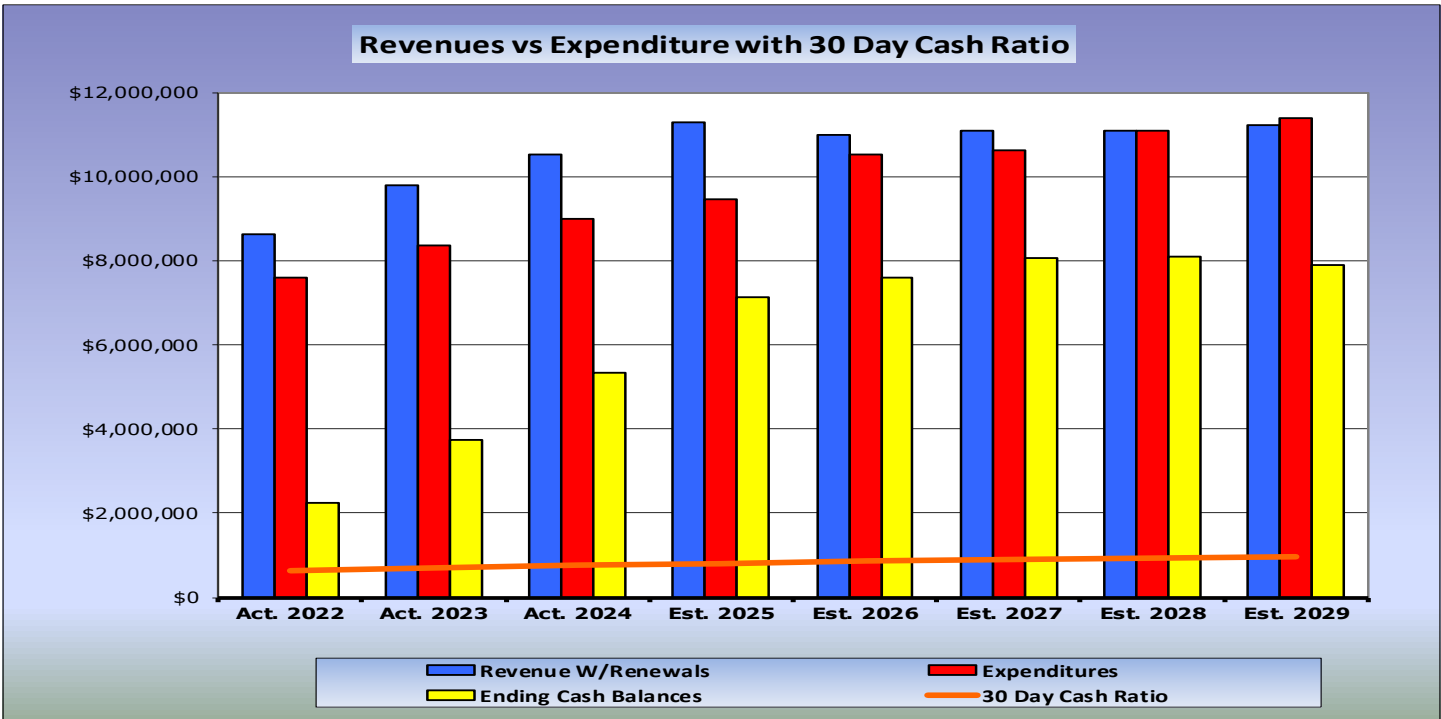
### Ending Unreserved Cash Balance “The Bottom-line” – Line #15.010

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.

	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Ending Cash Balance	\$7,150,918	\$7,615,074	\$8,080,792	\$8,089,650	\$7,895,502

**General Fund Ending Cash Balance Actual FY22-24 and Estimated FY25-29 with Levy Renewal**

The graph below shows that the district will begin to deficit spend in FY28 of the forecast with the renewal of the emergency levy.

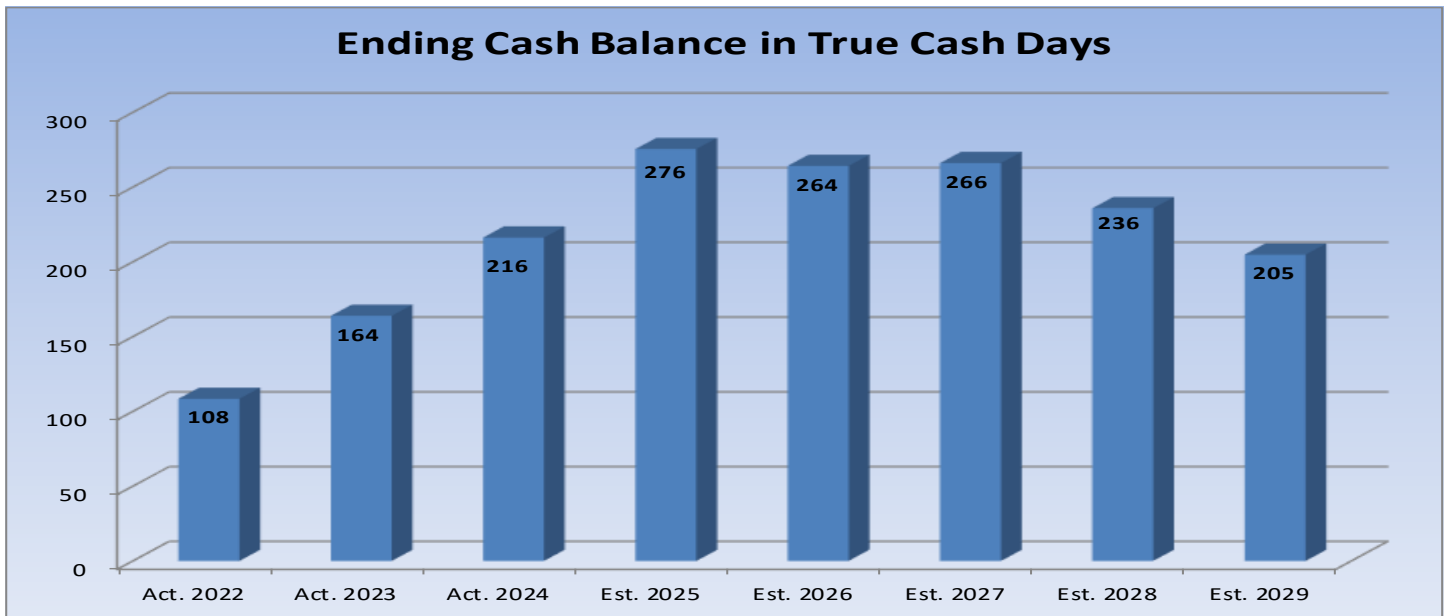


Deficit spending affects the amount of carryover that the district has to plan for the future. When reviewing the needs of the district we review the amount of spending and what would be needed to remove any deficit spending to have positive cash balances on the forecast. The chart below shows the amount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

	FY25	FY26	FY27	FY28	FY29
Excess Revenue over/(under) Expenditures	\$1,833,828	\$464,156	\$126,448	(\$566,176)	(\$769,182)
Millage equivalent for deficit spending	0.00	0.00	0.00	2.87	3.88

**True Cash Days**

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



## Conclusion

Ridgedale Local School District receives 43.37% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

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

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

As you read through the notes and review the forecast, remember that the forecast is based on the best information that is available to us at the time the forecast is prepared.