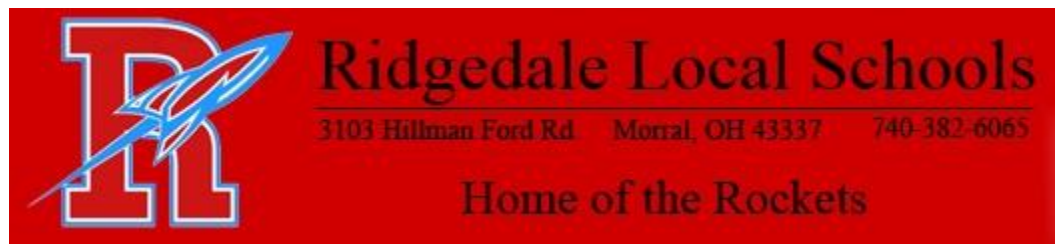


RIDGEDALE LOCAL SCHOOL DISTRICT - MARION COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2022, 2023, and 2024 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2025, THROUGH JUNE 30, 2029



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

May 19, 2025

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
Revenues									
1.010 General Property Tax (Real Estate)	\$2,881,003	\$3,205,098	\$3,267,358	6.6%	\$3,403,937	\$3,585,973	\$3,462,768	\$3,292,157	\$3,369,525
1.020 Public Utility Personal Property Tax	\$1,064,489	\$1,191,806	\$1,204,397	6.5%	\$1,226,234	\$1,224,159	\$1,198,613	\$1,181,684	\$1,202,034
1.030 Income Tax	\$653,062	\$1,029,401	\$1,033,317	29.0%	\$1,187,993	\$1,205,813	\$1,223,900	\$1,242,259	\$1,260,893
1.035 Unrestricted State Grants-in-Aid	\$3,027,008	\$3,167,403	\$3,575,111	8.8%	\$3,862,742	\$3,863,366	\$3,864,000	\$3,864,644	\$3,865,297
1.040 Restricted State Grants-in-Aid	\$272,819	\$312,775	\$405,911	22.2%	\$449,832	\$380,882	\$380,882	\$380,882	\$380,882
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%	\$455,602	\$484,067	\$481,882	\$451,787	\$461,090
1.060 All Other Revenues	\$297,361	\$437,387	\$577,060	39.5%	\$1,222,159	\$806,560	\$803,630	\$800,890	\$798,339
1.070 <i>Total Revenues</i>	\$8,611,035	\$9,774,164	\$10,515,053	10.5%	\$11,808,499	\$11,550,820	\$11,415,675	\$11,214,302	\$11,338,060
Other Financing Sources									
2.010 Proceeds from Sale of Notes	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.020 State Emergency Loans and Advancements (Approved)	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.040 Operating Transfers-In	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.050 Advances-In	\$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>	\$15,647	\$10,763	\$21,252	33.1%	\$21,252	\$21,252	\$21,252	\$21,252	\$21,252
2.080 <i>Total Revenues and Other Financing Sources</i>	\$8,626,682	\$9,784,927	\$10,536,305	10.6%	\$11,829,751	\$11,572,072	\$11,436,927	\$11,235,554	\$11,359,312
Expenditures									
3.010 Personnel Services	\$3,706,564	\$4,418,425	\$4,821,142	14.2%	\$4,942,867	\$5,170,357	\$5,405,503	\$5,652,028	\$5,859,500
3.020 Employees' Retirement/Insurance Benefits	\$1,898,919	\$1,854,570	\$2,118,318	5.9%	\$2,373,911	\$2,529,621	\$2,697,734	\$2,877,916	\$3,063,102
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	\$517,852	\$528,210	\$538,774	\$549,549
3.050 Capital Outlay	\$333,200	\$222,674	\$91,722	-46.0%	\$41,274	\$212,512	\$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%	\$189,498	\$194,605	\$199,854	\$205,248	\$210,792
4.500 <i>Total Expenditures</i>	\$7,594,657	\$8,356,667	\$8,999,168	8.9%	\$9,583,727	\$10,792,129	\$10,904,966	\$11,459,813	\$11,791,885
Other Financing Uses									
5.010 Operating Transfers-Out	\$0	\$0	\$0	0.0%	\$3,700,000	\$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>	\$0	\$0	\$0	0.0%	\$3,700,000	\$0	\$0	\$0	\$0
5.050 <i>Total Expenditures and Other Financing Uses</i>	\$7,594,657	\$8,356,667	\$8,999,168	8.9%	\$13,283,727	\$10,792,129	\$10,904,966	\$11,459,813	\$11,791,885
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	\$1,032,025	\$1,428,260	\$1,537,137	23.0%	(\$1,453,977)	\$779,943	\$531,961	(\$224,258)	(\$432,573)
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	\$3,913,113	\$4,693,056	\$5,225,017	\$5,000,759
7.020 <i>Cash Balance June 30</i>	\$2,401,693	\$3,829,953	\$5,367,090	49.8%	\$3,913,113	\$4,693,056	\$5,225,017	\$5,000,759	\$4,568,186
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
Reservation of Fund Balance									
9.010 Textbooks and Instructional Materials	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.020 Capital Improvements	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.030 Budget Reserve	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.045 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>	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
<i>Fund Balance June 30 for Certification of Appropriations</i>	\$2,256,655	\$3,752,801	\$5,333,101	54.2%	\$3,863,113	\$4,643,056	\$5,175,017	\$4,950,759	\$4,518,186

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
Revenue from Replacement/Renewal Levies										
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%	\$3,863,113	\$4,643,056	\$5,514,287	\$5,865,063	\$6,007,524
Revenue from New Levies										
13.010	Income Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.020	Property Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.030	Cumulative Balance of New Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
14.010	Revenue from Future State Advancements	\$0			0.0%	\$0	\$0	\$0	\$0	\$0
15.010	<i>Unreserved Fund Balance June 30</i>	\$2,256,655	\$3,752,801	\$5,333,101	54.2%	\$3,863,113	\$4,643,056	\$5,514,287	\$5,865,063	\$6,007,524
ADM Forecasts										
20.010	Kindergarten - October Count	47	47	47		43	53	50	48	48
20.015	Grades 1-12 - October Count	544	546	544		550	549	564	554	547

Ridgedale Local School District – Marion County
Notes to the Five-Year Forecast
General Fund Only
May 19, 2025

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 May 2025 filing.

May 2025 Updates:

Revenues FY25

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$11.81 million or 8% higher than the November forecasted amount of \$10.93 million. This indicates that the November forecast was 92.0% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our most significant source of revenues at 39.21% and are estimated to be \$4.63 million, which is \$116 thousand higher for FY25 than the original November estimate of \$4.51 million. Our estimates are 97.45 % accurate for FY25 and should mean future projections are also on target.

Line 1.03 - The district's collection of School District Income Tax (SDIT) was originally projected to be lower in the November forecast. Collections for FY25 are 8.36% over our original estimate by \$92 thousand. The SDIT represents 10.06% of the district revenues.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be \$4.31 million, which is \$21 thousand higher than the original estimate for FY25. We are pleased that we were able to be 99.52% accurate for FY25. We are currently on the formula and are expected to remain as a formula district for FY26 through FY29.

Line 1.06 - Other revenues are up \$642 thousand over original estimates, primarily due to sale of bonds and interest received by the district, which are somewhat unpredictable from year to year.

All areas of revenue are tracking as anticipated for FY25 based on our best information at this time.

Expenditures FY25

Total General Fund expenditures (line 4.5) are estimated to be \$9.58 million for FY25, which is \$110 thousand higher with the original estimate of \$9.47 million in the November forecast, which is roughly 98.84% on target with initial estimates. The expenditure line most significantly over projection is Benefits (line 3.020) due to staff electing to take the district's insurance.

All other areas of expenses are expected to remain on target with original projections for the year.

Unreserved Ending Cash Balance

With revenues increasing from estimates and expenditures increasing, our ending unreserved cash balance June 30, 2025, is anticipated to be roughly \$3.86 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2029 if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

Forecast Risks and Uncertainty:

A five-year financial forecast has risks and uncertainty not only due to economic delays 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) SB271 passed in 2024 that created a Joint Committee on Property Taxation and Reform. This action was in response to the historic property valuation increases. The committee's mission was to review Ohio's property tax system and to make recommendations to the General Assembly on property taxation. The committee released their report to the General Assembly on January 2, 2025. The report outlined twenty-one (21) recommendations on actions that could be taken to restrict local tax growth for Ohio school districts.

As a result of the numerous recommendations in the report there are currently 14 pending pieces of legislation in the Ohio Legislature that seeks to limit growth of local property taxes in several different ways. The most egregious is HB96 which could impact every district in the state of Ohio. HB96 seeks to limit school district ending carry over cash balances to 30% of their prior years expenditures and to allow county budget commissions to suspend voter approved property tax levies and the 20-mill floor in order to reduce district reserves to the 30% target. HB96 has several severe consequences for school districts in terms of financial stability, loss of local control and will likely result in increased levy requests to district taxpayers. It is unclear at the time of this forecast whether HB96 will continue on through the Ohio Senate and be signed into law July 1, 2025. The district will be watching carefully for the final outcome of HB96 and several other legislative proposals that would limit property tax growth. Several of these proposals in addition to HB96 could be a very significant risk to future local tax growth for our district. We will update the forecast when factual data is available.

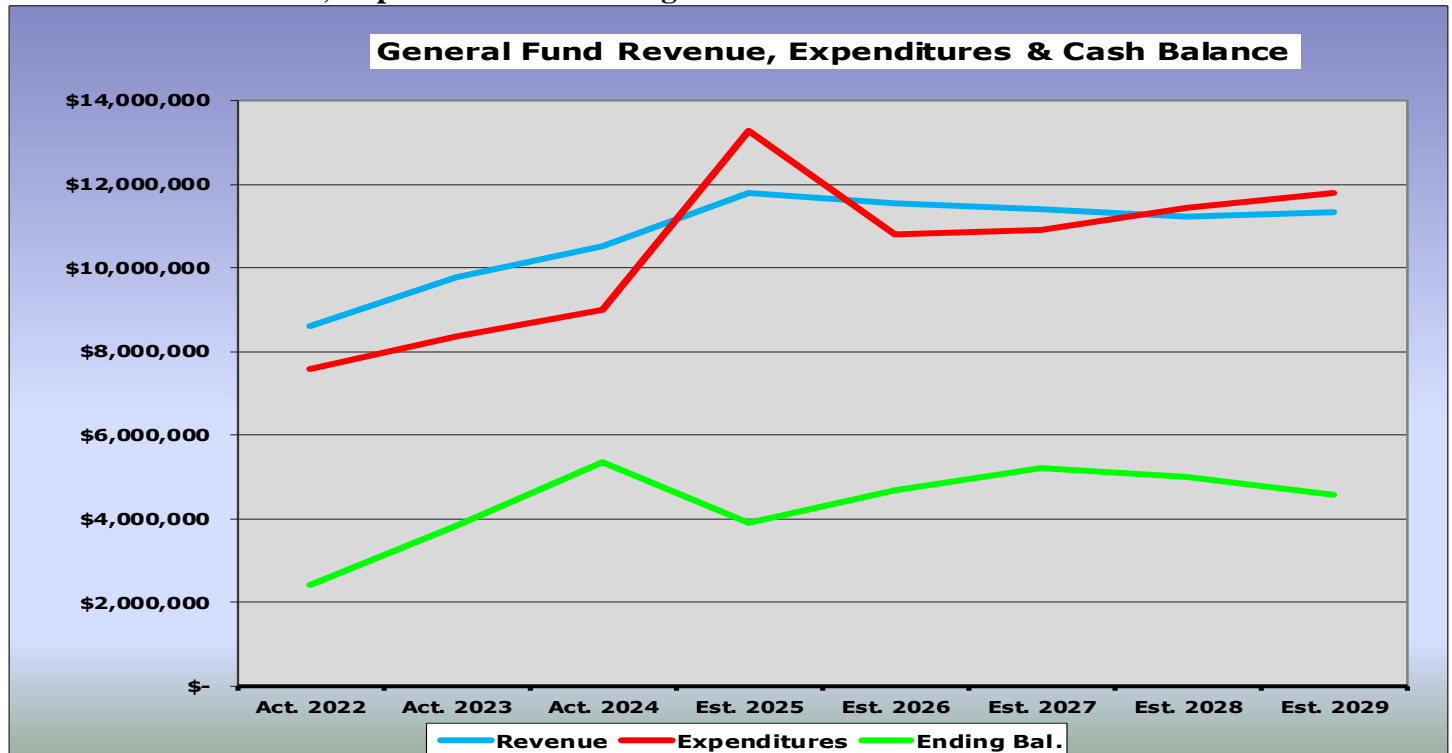
- 3) Income tax over the past few payments have been greater than in previous years, making income tax forecasting even more difficult. We will monitor the income tax revenue very closely for any positive or negative changes that may occur.
- 4) The state budget represents 40.38% of district revenues, 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. The state legislature has shown little interest in equitably funding the current formula. The governors proposed budget recommendation in HB96 dated February 3, 2025, reduced funding for public school by \$103.5 million over FY26-27. The legislative process will continue with uncertainty through June 30, 2025, which is after the forecast must be approved. This is an area of elevated risk to district funding long-range through FY29. We have projected our state funding in FY25 based on of HB33 our current state budget which expires June 30, 2025. We will adjust the forecast for state aid in future years as we have reliable data to make an informed 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 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, which as of this forecast do not appear favorable. We have used the April #2 foundation payment report 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.

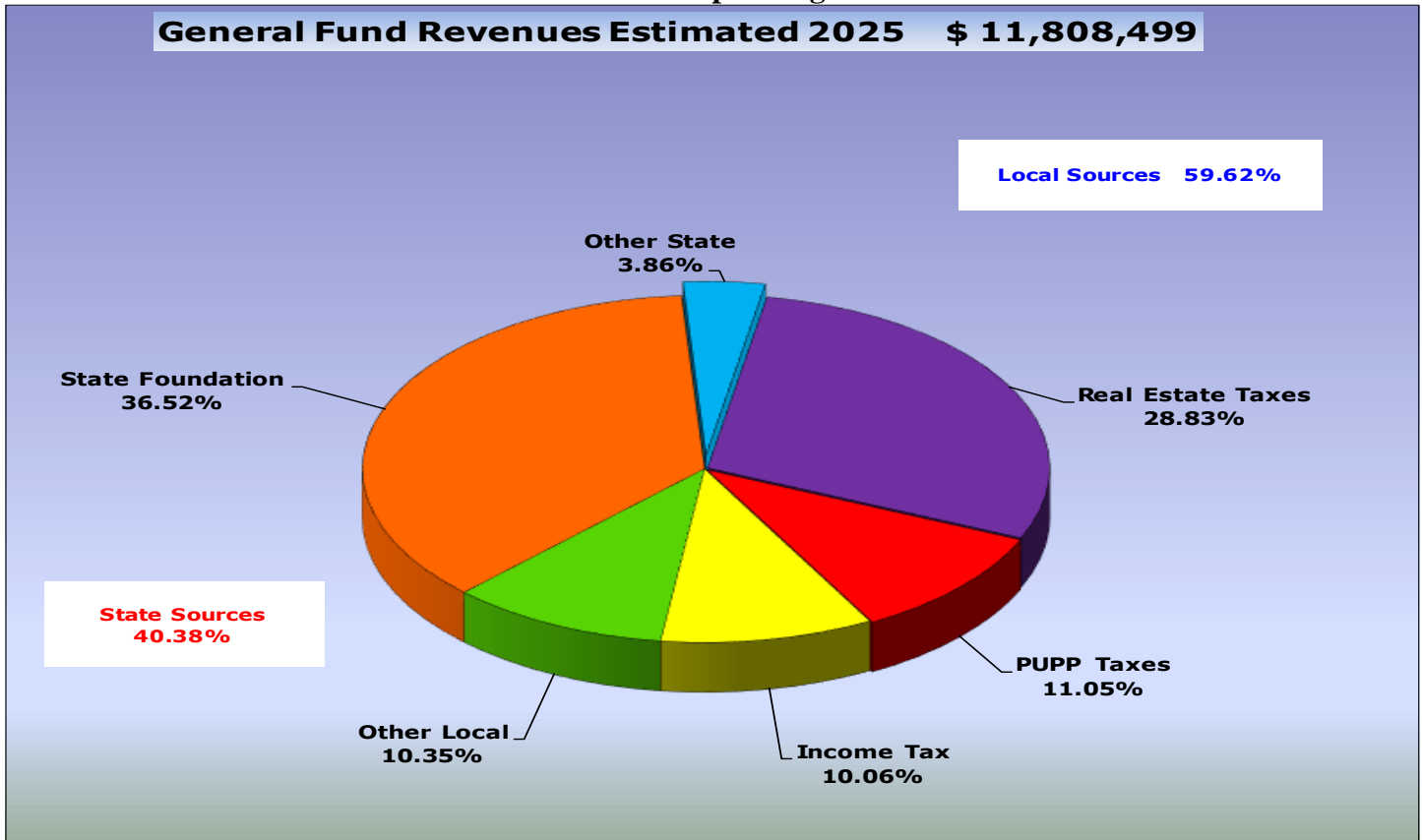
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY22-24 and Estimated FY25-29



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 15% 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 increased by \$679,130 in Tax Year 2024. We expect our values to continue to grow by \$500,000 each year of the forecast.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	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>
<u>Classification</u>					
Res./Ag.	\$148,189,860	\$170,593,339	\$170,693,339	\$170,793,339	\$177,725,073
Comm./Ind.	\$14,671,860	\$14,868,579	\$14,918,579	\$14,968,579	\$15,168,264
PUPP	\$27,779,010	\$28,279,010	\$28,779,010	\$29,279,010	\$29,779,010
Total Assessed Value	<u>\$190,640,730</u>	<u>\$213,740,928</u>	<u>\$214,390,928</u>	<u>\$215,040,928</u>	<u>\$222,672,347</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 20.000027 mills and the Class II effective millage rate is 20.000024 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 basically on the floor for Class I and 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 0.50% 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	\$3,403,937	\$3,585,973	\$3,462,768	\$3,292,157	\$3,369,525

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 51% in February and 49% 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>\$1,226,234</u>	<u>\$1,224,159</u>	<u>\$1,198,613</u>	<u>\$1,181,684</u>	<u>\$1,202,034</u>
Total Line # 1.020	<u>\$1,226,234</u>	<u>\$1,224,159</u>	<u>\$1,198,613</u>	<u>\$1,181,684</u>	<u>\$1,202,034</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>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
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>

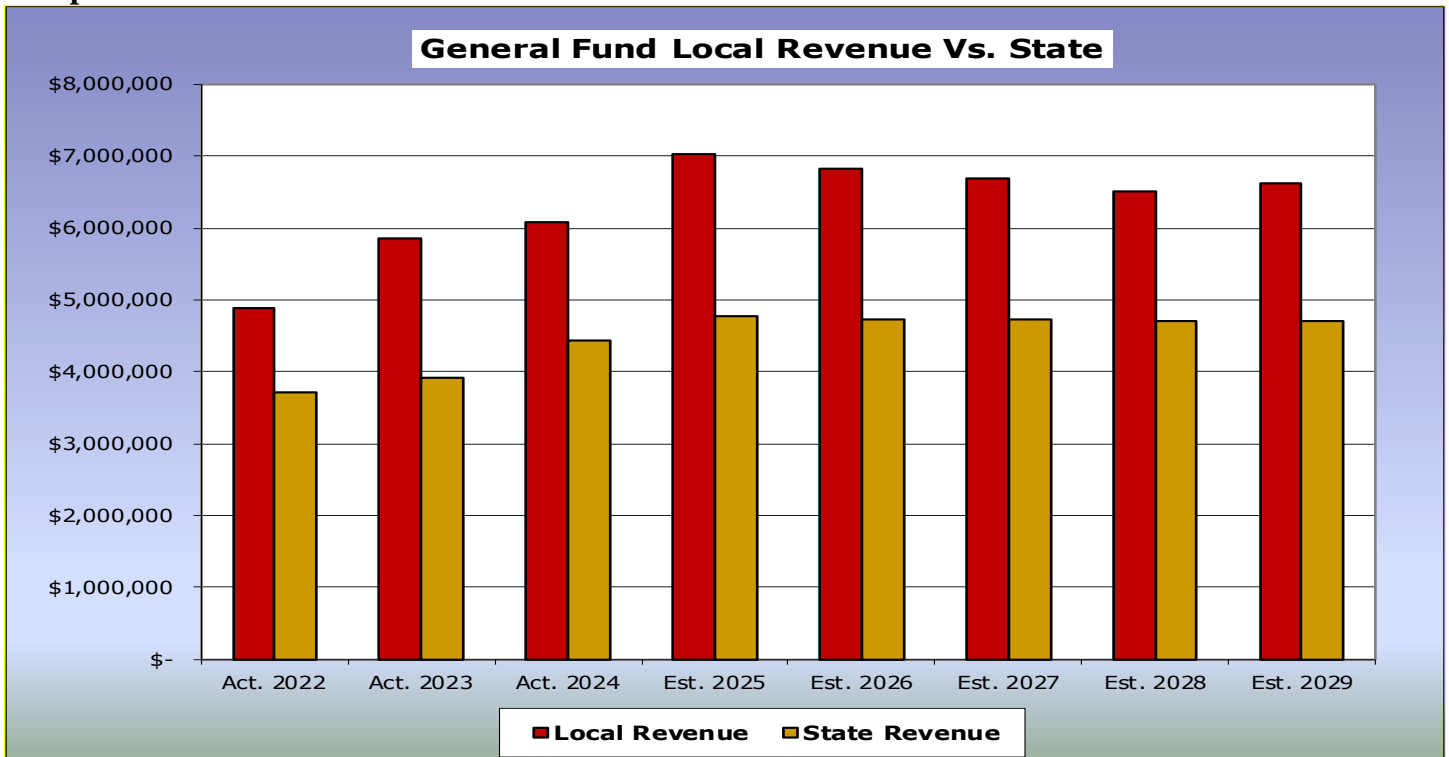
Income Tax – Line #1.03

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 seen a 14.97% increase in FY25 over FY24, which is greater than the average of the past three years. We will assume an annual growth rate of 1.5% for FY26 through FY29 as the concerns over inflation may slow growth in this area. We will continue to monitor and adjust the amounts throughout the forecast years.

<u>Category</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
SDIT Collection	\$1,033,317	\$1,187,993	\$1,205,813	\$1,223,900	\$1,242,259
Increases/(Decreases)	<u>\$154,675</u>	<u>\$17,820</u>	<u>\$18,087</u>	<u>\$18,359</u>	<u>\$18,634</u>
Total to Line #1.030	<u>\$1,187,993</u>	<u>\$1,205,813</u>	<u>\$1,223,900</u>	<u>\$1,242,259</u>	<u>\$1,260,893</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 April 2025 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 31st of January and August each year which began for the first time on January 31, 2013.

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY23 was \$113.1 million or \$64.90 per pupil. In FY24, the funding totaled \$114.18 million or \$65.99 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.0% annual growth rate for the remainder of the forecast.

<u>Category</u>	FY25	FY26	FY27	FY28	FY29
Basic Aid-Unrestricted	\$3,737,666	\$3,737,666	\$3,737,666	\$3,737,666	\$3,737,666
Additional Aid Items	<u>\$83,441</u>	<u>\$83,441</u>	<u>\$83,441</u>	<u>\$83,441</u>	<u>\$83,441</u>
Basic Aid-Unrestricted Subtotal	\$3,821,107	\$3,821,107	\$3,821,107	\$3,821,107	\$3,821,107
Ohio Casino Commission ODT	<u>\$41,635</u>	<u>\$42,259</u>	<u>\$42,893</u>	<u>\$43,537</u>	<u>\$44,190</u>
Unrestricted State Aid Line # 1.035	<u>\$3,862,742</u>	<u>\$3,863,366</u>	<u>\$3,864,000</u>	<u>\$3,864,644</u>	<u>\$3,865,297</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 April 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>	FY25	FY26	FY27	FY28	FY29
DPIA	\$106,213	\$106,213	\$106,213	\$106,213	\$106,213
Career Tech - Restricted	\$52,671	\$52,671	\$52,671	\$52,671	\$52,671
Gifted	\$41,366	\$41,366	\$41,366	\$41,366	\$41,366
ESL	\$479	\$479	\$479	\$479	\$479
Student Wellness	\$164,170	\$164,170	\$164,170	\$164,170	\$164,170
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>\$449,832</u>	<u>\$380,882</u>	<u>\$380,882</u>	<u>\$380,882</u>	<u>\$380,882</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>	FY25	FY26	FY27	FY28	FY29
Unrestricted Line # 1.035	\$3,862,742	\$3,863,366	\$3,864,000	\$3,864,644	\$3,865,297
Restricted Line # 1.040	\$449,832	\$380,882	\$380,882	\$380,882	\$380,882
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>\$4,312,574</u>	<u>\$4,244,248</u>	<u>\$4,244,882</u>	<u>\$4,245,526</u>	<u>\$4,246,179</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>	FY25	FY26	FY27	FY28	FY29
Rollback and Homestead	\$455,602	\$484,067	\$481,882	\$451,787	\$461,090
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>\$455,602</u>	<u>\$484,067</u>	<u>\$481,882</u>	<u>\$451,787</u>	<u>\$461,090</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. The district posted the proceeds for the sale of bond in other income for an increase of \$352,070 that the district will only receive in FY25.

<u>Category</u>	FY25	FY26	FY27	FY28	FY29
Interest	\$425,000	\$366,500	\$359,170	\$351,987	\$344,947
Tuition SF-14 & SF-14H	\$315,391	\$318,545	\$321,730	\$324,947	\$328,196
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>\$404,429</u>	<u>\$43,403</u>	<u>\$43,837</u>	<u>\$44,275</u>	<u>\$44,718</u>
Total Line # 1.060	<u>\$1,222,159</u>	<u>\$806,560</u>	<u>\$803,630</u>	<u>\$800,890</u>	<u>\$798,339</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

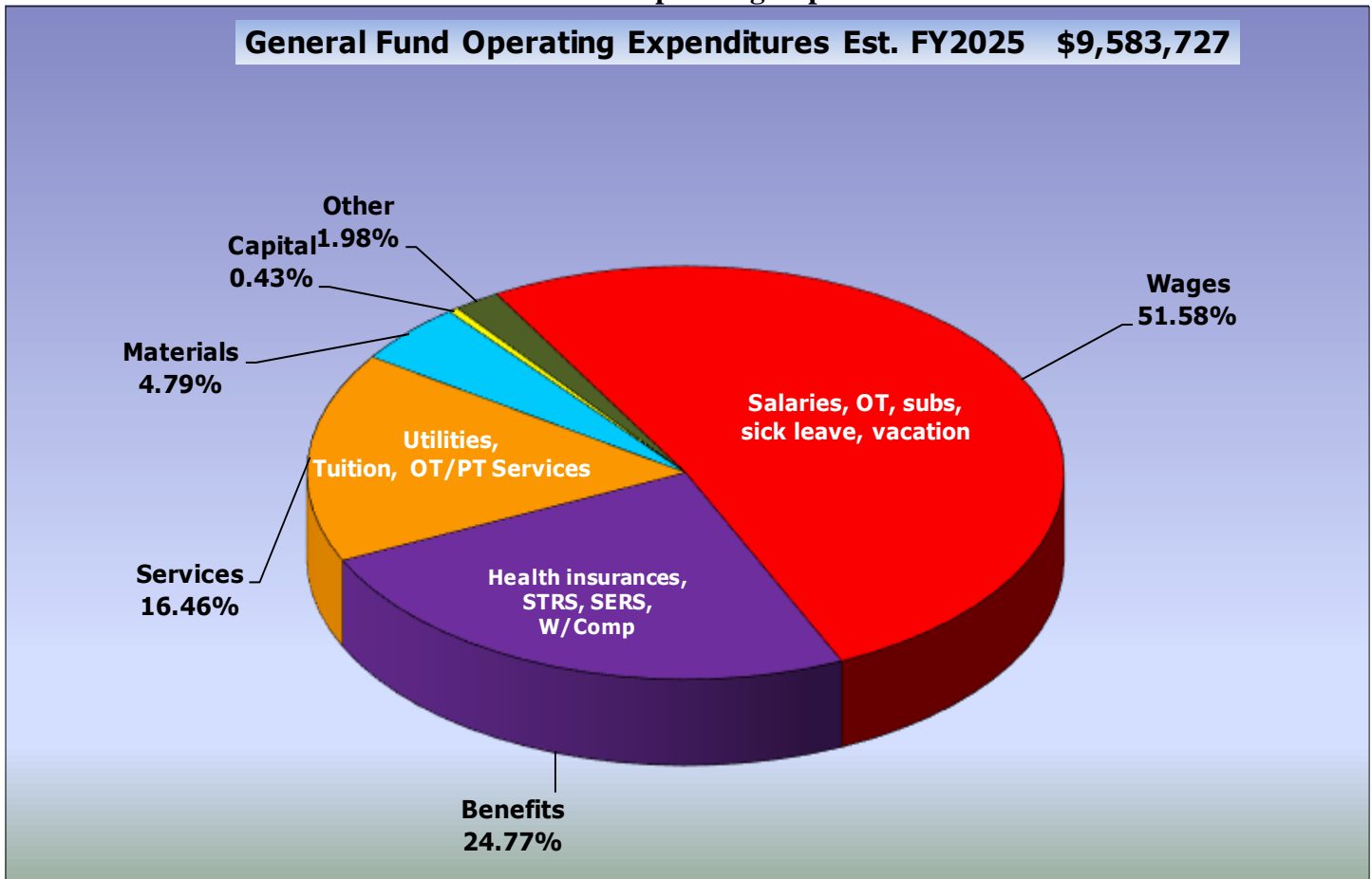
This funding source is typically a refund of prior year's expenditures that are very unpredictable, therefore we are projecting amounts that are in line with previous year's payment.

<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. The district finalized negotiations for FY26 through FY28 with a 4% base increase and will use 3% for forecasting purposes in FY29. Steps and training pay increases of 1% per year are reflected based on current staffing levels FY25-29.

<u>Category</u>	FY25	FY26	FY27	FY28	FY29
Base Wages	\$4,491,145	\$4,625,879	\$4,851,784	\$5,085,337	\$5,330,261
Base Increases	\$89,823	\$179,646	\$185,035	\$194,071	\$152,560
Steps & Training/Performance Based Pay	\$44,911	\$46,259	\$48,518	\$50,853	\$53,303
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>\$5,170,357</u>	<u>\$5,405,503</u>	<u>\$5,652,028</u>	<u>\$5,859,500</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>	FY25	FY26	FY27	FY28	FY29
STRS/SERS	\$781,824	\$816,367	\$853,806	\$892,990	\$926,935
Insurance's	\$1,464,467	\$1,581,624	\$1,708,154	\$1,844,806	\$1,992,390
Workers Comp/Unemployment	\$15,949	\$16,660	\$17,395	\$18,165	\$18,814
Medicare	\$71,671	\$74,970	\$78,379	\$81,955	\$84,963
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>\$2,373,911</u>	<u>\$2,529,621</u>	<u>\$2,697,734</u>	<u>\$2,877,916</u>	<u>\$3,063,102</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>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
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, with an additional \$50,000 for instructional supplies beginning in FY26.

<u>Category</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Instructional Supplies	\$260,262	\$315,467	\$321,777	\$328,212	\$334,777
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>\$517,852</u>	<u>\$528,210</u>	<u>\$538,774</u>	<u>\$549,549</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>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Capital Outlay	\$41,274	\$42,512	\$43,787	\$45,101	\$46,454
Capital Improvement Project	\$0	\$50,000	\$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>\$212,512</u>	<u>\$43,787</u>	<u>\$171,101</u>	<u>\$46,454</u>

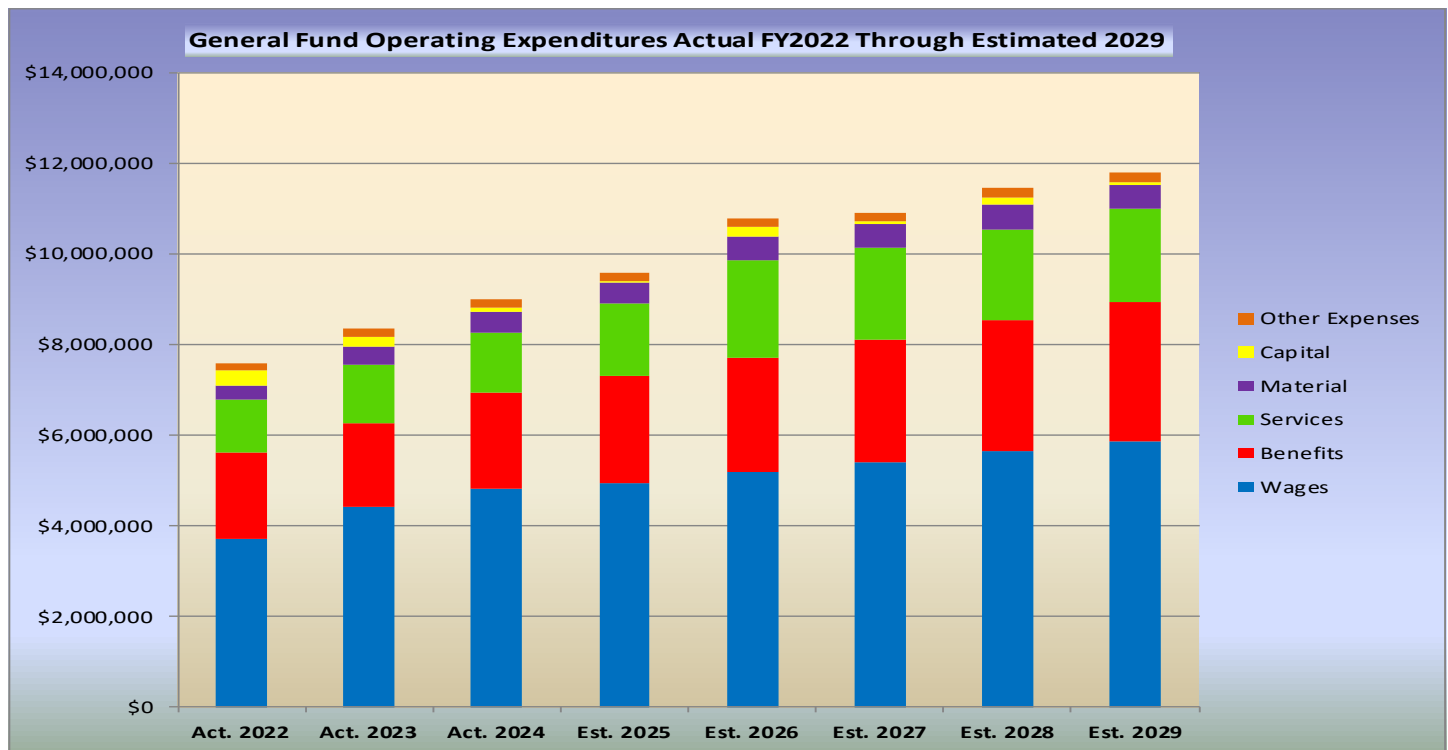
Other Expenses – Line #4.300

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	\$131,712	\$135,663	\$139,733	\$143,925	\$148,243
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>\$189,498</u>	<u>\$194,605</u>	<u>\$199,854</u>	<u>\$205,248</u>	<u>\$210,792</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 FY26-FY29. The district is planning on transferring \$3.7 million to the 070 Capital Projects Fund in FY25.

<u>Category</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Operating Transfers Out Line #5.010	\$3,700,000	\$0	\$0	\$0	\$0
Advances Out Line #5.020	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total	<u>\$3,700,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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>

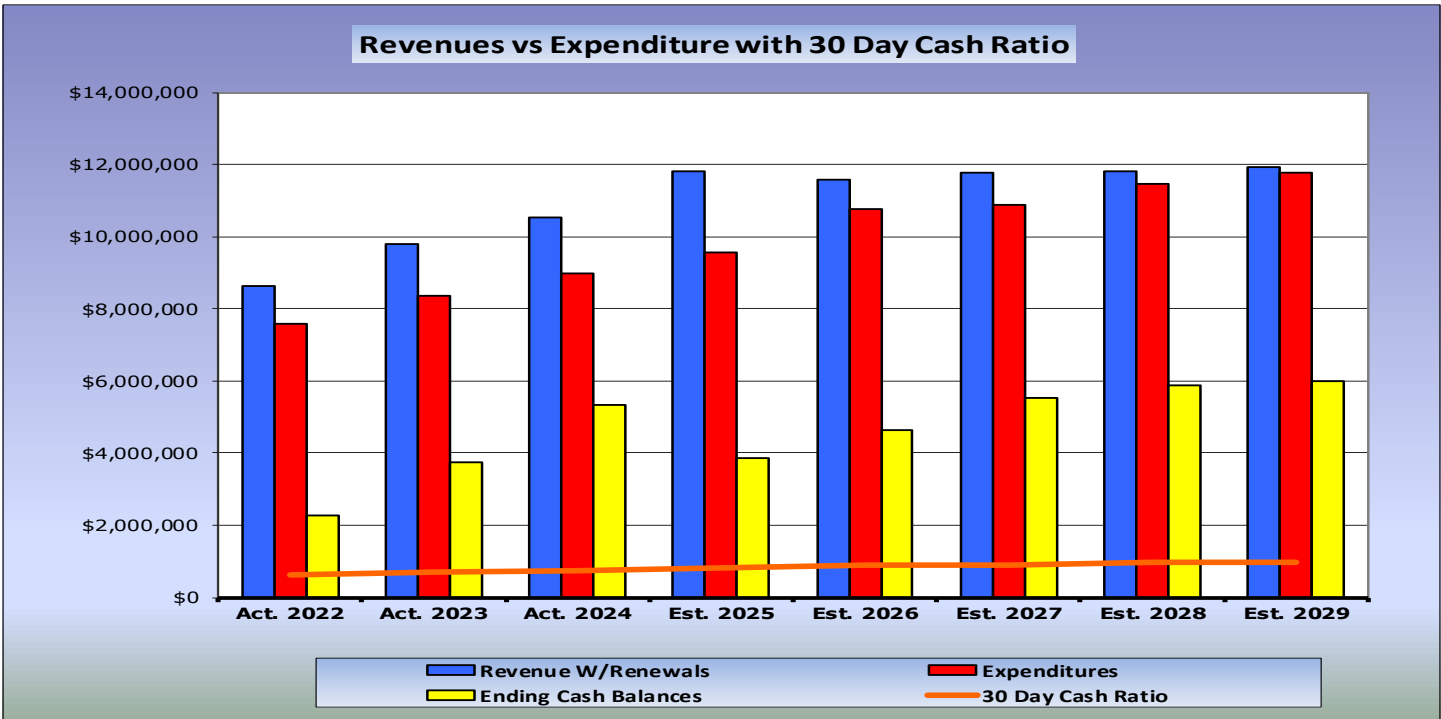
Ending Unreserved Cash Balance “The Bottom-line” – Line #15.010

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	\$3,863,113	\$4,643,056	\$5,514,287	\$5,865,063	\$6,007,524

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.

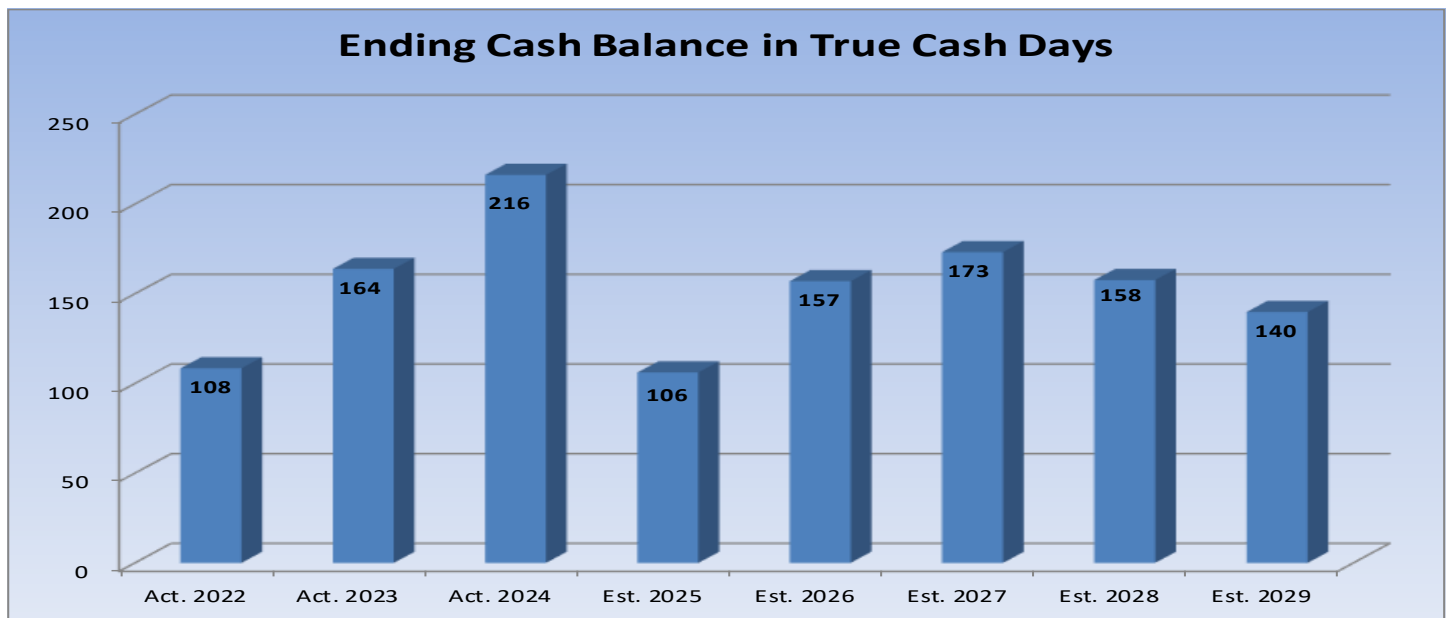


Deficit spending affects the amount of carryover that the district has to plan for the future. When reviewing the needs of the district we review the amount of spending and what would be needed to remove any deficit spending to have positive cash balances on the forecast. The chart below shows the amount 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	(\$1,453,977)	\$779,943	\$531,961	(\$224,258)	(\$432,573)
Millage equivalent for deficit spending	7.73	0.00	0.00	1.05	2.01

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 40.38% 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.

HB96 the biennium budget bill for FY26-FY27 is currently moving through the legislative process. The Governor's version has now been changed with the House version. Within the house version seeks to limit school district ending carry over cash balances to 30% of their prior years expenditures and to allow county budget commissions to suspend voter approved property tax levies and the 20-mill floor in order to reduce district reserves to the 30% target. HB96 has several severe consequences for school districts in terms of financial stability, loss of local control and will likely result in increased levy requests to district taxpayers. We will continue to monitor these items within the budget process as both of these will hinder the administration for planning for the future.

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.