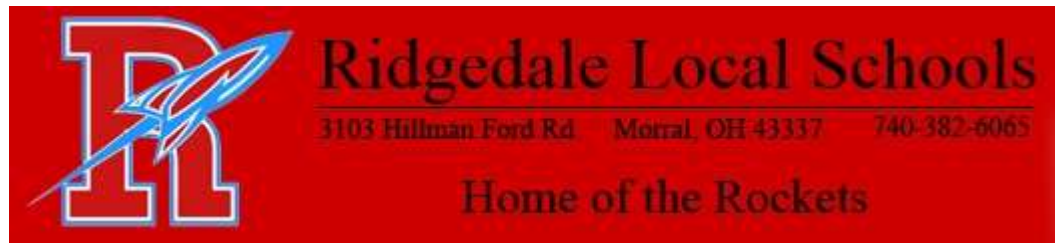


RIDGEDALE LOCAL SCHOOL DISTRICT - MARION COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2023, 2024, and 2025 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2026, THROUGH JUNE 30, 2030



Forecast Provided By
Ridgedale Local School District
Treasurer's Office
Tacy Courtright, Treasurer/CFO

October 13, 2025

Ridgedale Local School District – Marion County
Notes to the Five-Year Forecast
General Fund Only
October 13, 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. As noted below the current state budget approved in HB96 changed the forecast based on what the state Ohio and the Ohio Department of Workforce and Education will require, however the Board of Education will continue to plan over a five-year period. Our district leadership believes that the five-year forecast is a crucial management tool. A five-year planning horizon 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.

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 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.

Ohio HB96 was passed in June 2025 which amended O.R.C. 5705.391 and O.A.C. 3301-92.04 requiring a Board of Education (BOE) to file their current years budgeted revenue and expenses, and three additional years. This is essentially a four (4) year forecast. Beginning in fiscal year 2026 (July 1 to June 30) the financial forecast must be filed by October 15, and the end of February. The filing deadlines will change in fiscal year 2027 to August 31, and end of February each fiscal year thereafter. While the legislative requirement is to file a four-year forecast, as noted above, we believe it is a prudent business practice to continue to develop a five-year forecast for planning purposes. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the financial forecast is considered the current year budget and is used as the base for future years projections. Our forecast is updated to reflect the most current economic data available for the October 2025 filing.

Economic Outlook

Ohio's economic outlook is for slow but steady growth, with industrial diversification in manufacturing, logistics, and technology, with an unemployment rate expected to remain between 4.5% and 5%, The state faces challenges including workforce issues particularly in attracting and retaining skilled labor and the need for

affordable housing. In the short term, the state anticipates continued to moderate growth despite national and global challenges such as inflation and interest rates, while the long term depends on continued strategic investment in high-growth sectors and addressing the skilled workforce shortage to make Ohio competitive. These conditions should result in stable revenue enabling the state to continue current levels of funding for school districts and stable local revenue as unemployment remains low.

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 2027 and 2029 due to deliberation of the following two (2) state biennium budgets for FY28-29 and FY30-31, 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) Marion County Solar Project LLC entered into an agreement with the County of Marion to compensate the political subdivisions in 2022 for the new solar farm. No revenue would be received until the completion of the project; the solar farm is intended to go on line in 2026. Then any collections would not be until 2027. With the uncertainty of the project, we have not included any revenue in our current forecast.
- 3) 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. HB96 the current state biennium budget passed in June which included several proposals that would have ultimately reduced districts' cash balances and placed severe restrictions on increasing local tax revenues. The Governor vetoed four (4) property tax measures that he said would jeopardize the financial stability of public schools. The Ohio House of Representatives pulled three (3) of the Governor's vetoes addressing school district to attempt to override them. They included: 1) County Budget Commission Authority; 2) manipulates the calculation of the 20-mill floor to include emergency, substitute and other levies in the calculation; and 3) the elimination of various levies including emergency, replacement and renewal levies

The Ohio House of Representatives met on July 21, 2025 and voted (61-58) in favor of overriding the elimination of various levy types - only. As of this forecast filing, the Senate has not met to vote on any of the vetoes thus the Governor's vetoes remain in effect

As part of the Governors' vetoes, he created a property tax reform working group co-chaired by former legislators. The governor appointed 11 members including the co-chairs. The working group is tasked with thoroughly examining issues related to how to provide meaningful property tax relief to homeowners and businesses while ensuring that funding for local schools, fire, police, EMS, libraries, and developmental disabilities is adequate. The Governor has asked the working group to issue a report with concrete proposals by September 30, 2025

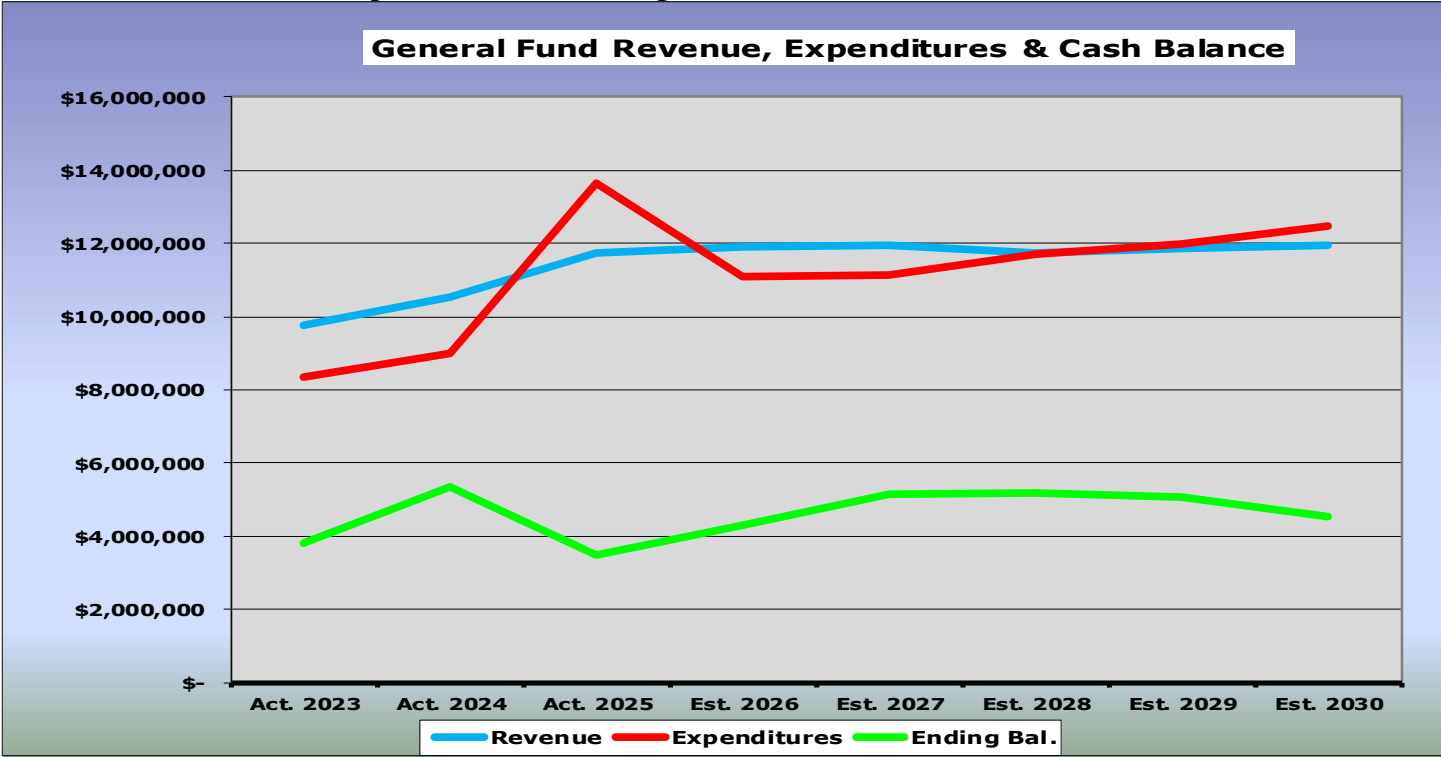
The legislature has introduced several other bills that would limit real estate tax growth or eliminate real estate tax collections completely. Many of these bills are still in committee. We are watching legislation closely for any impact on our local revenues.

- 4) 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.
- 5) The state budget represented 42.41% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond if the state economy stalls due to a possible recession and Fair School Funding Plan is not funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY28-29 and FY30-31. 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 FY30. We have projected our state funding in FY26 based on HB96 legislation with the Governor's vetoes in place. This forecast reflects state revenue to align with the FY27 funding levels through FY30, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.
- 6) HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY26 and FY27. FY26 reflects 83.33% of the implementation cost at year five of a six-year phase-in plan, which increases by 16.66% each year. FY27 will result in 100% funding of (FSFP). HB96 did not increase the base cost inputs while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the July #2 settlement report published by the Department of Education and Workforce for our forecasted revenues in FY26.
- 7) HB96, the current state biennium budget also enacted a new provision called "Piggyback Property Tax Exemptions". This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district from current operating levies, if our County Commissioners implement this. This new law creates a potential risk to our local tax collections.
- 8) 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 Mrs. Tacy Courtright, 740-382-6065, Treasurer/CFO of the Ridgedale Local Schools.

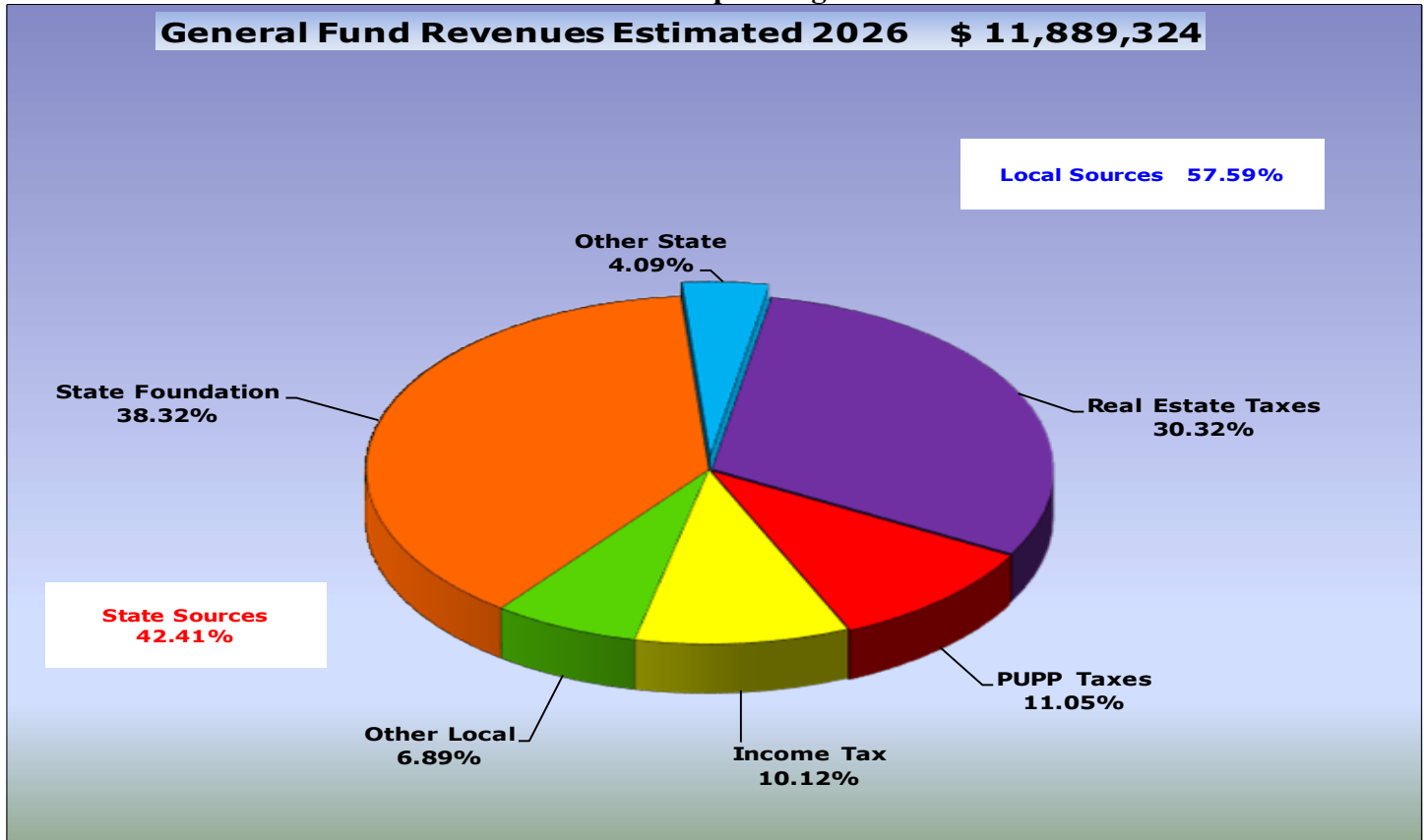
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY23-25 and Estimated FY26-30



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 FY26



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.

We have been conservative with any future value increases for reappraisal or updates due to uncertainty over pending legislative as noted in the Forecast Risks and Uncertainty above.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

| | Estimated | Estimated | Estimated | Estimated | Estimated |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | TAX YEAR 2025 | TAX YEAR 2026 | TAX YEAR 2027 | TAX YEAR 2028 | TAX YEAR 2029 |
| <u>Classification</u> | <u>COLLECT 2026</u> | <u>COLLECT 2027</u> | <u>COLLECT 2028</u> | <u>COLLECT 2029</u> | <u>COLLECT 2030</u> |
| Res./Ag. | \$170,593,339 | \$170,693,339 | \$170,793,339 | \$177,725,073 | \$177,825,073 |
| Comm./Ind. | \$14,868,579 | \$14,918,579 | \$14,968,579 | \$15,168,264 | \$15,218,264 |
| PUPP | <u>\$28,279,010</u> | <u>\$28,779,010</u> | <u>\$29,279,010</u> | <u>\$29,779,010</u> | <u>\$30,279,010</u> |
| Total Assessed Value | <u>\$213,740,928</u> | <u>\$214,390,928</u> | <u>\$215,040,928</u> | <u>\$222,672,347</u> | <u>\$223,322,347</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. This must be closely monitored due to potential veto overrides in the House and Senate.

General Property Tax (Real Estate) – Line #1.010

Property tax levies are estimated to be collected at 98.17% 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, 60.86% of Class I and Class II are expected to be collected in February tax settlements and 39.14% collected in August tax settlements.

| <u>Category</u> | <u>FY26</u> | <u>FY27</u> | <u>FY28</u> | <u>FY29</u> | <u>FY30</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| Est. Property Tax Excluding PUPP to Line #1.010 | \$3,604,279 | \$3,482,468 | \$3,314,363 | \$3,393,266 | \$3,443,444 |

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 51.86% in February and 48.14% in August, along with the real estate settlements from the county auditor.

| <u>Category</u> | <u>FY26</u> | <u>FY27</u> | <u>FY28</u> | <u>FY29</u> | <u>FY30</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Public Utility Personal Property - (PUPP) | <u>\$1,220,509</u> | <u>\$1,198,134</u> | <u>\$1,181,859</u> | <u>\$1,202,209</u> | <u>\$1,222,559</u> |
| Total Line # 1.020 | <u>\$1,220,509</u> | <u>\$1,198,134</u> | <u>\$1,181,859</u> | <u>\$1,202,209</u> | <u>\$1,222,559</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>FY26</u> | <u>FY27</u> | <u>FY28</u> | <u>FY29</u> | <u>FY30</u> |
|---|-------------|------------------|------------------|------------------|------------------|
| Renewal \$575,034 Emergency Levy expires 12/31/26 | <u>\$0</u> | <u>\$339,270</u> | <u>\$575,034</u> | <u>\$575,034</u> | <u>\$575,034</u> |
| Total Line # 11.020 | <u>\$0</u> | <u>\$339,270</u> | <u>\$575,034</u> | <u>\$575,034</u> | <u>\$575,034</u> |

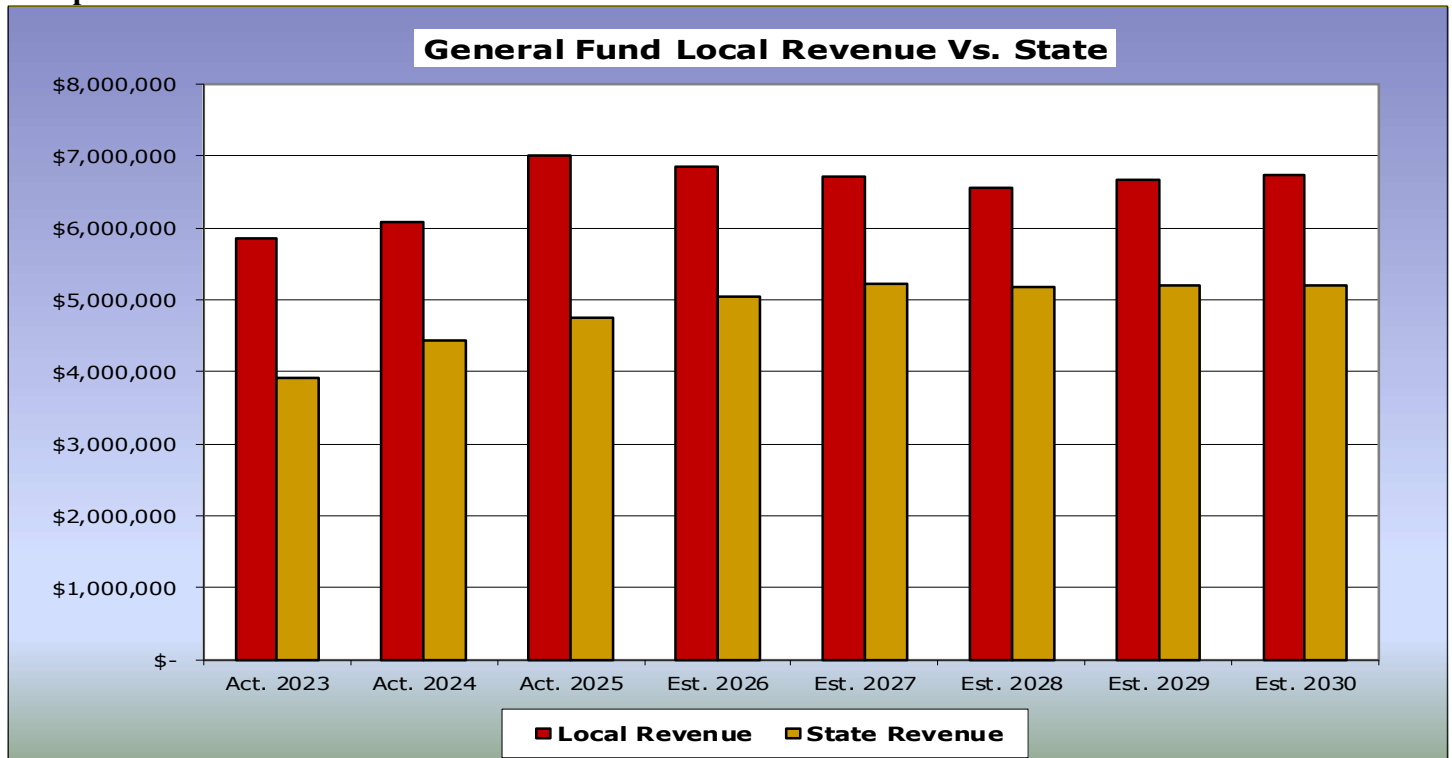
Income Tax – Line #1.03

The district passed a 1% continuous earned income tax in 2020.

The 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 FY30 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>FY26</u> | <u>FY27</u> | <u>FY28</u> | <u>FY29</u> | <u>FY30</u> |
|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| SDIT Collection | \$1,187,993 | \$1,202,866 | \$1,220,909 | \$1,239,224 | \$1,257,813 |
| Increases/(Decreases) | <u>\$14,873</u> | <u>\$18,043</u> | <u>\$18,315</u> | <u>\$18,589</u> | <u>\$18,868</u> |
| Total to Line #1.030 | <u>\$1,202,866</u> | <u>\$1,220,909</u> | <u>\$1,239,224</u> | <u>\$1,257,813</u> | <u>\$1,276,681</u> |

Comparison of Local Revenue and State Revenue



State Foundation Revenue Estimates

Current State Funding Model per HB96 through June 30, 2027

A) Unrestricted State Foundation Revenue – Line #1.035

HB96, the current state budget, continued the Fair School Funding Plan for FY26 and FY27, which funds students where they are educated rather than where they live. We have projected FY26 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY26 and is expected to continue to be on the formula in FY27-FY30 on the new Fair School Funding Plan (FSFP).

HB96 included a base funding supplement for all districts. The funding supplement per pupil of \$27 in FY26 and \$40 in FY27.

A detailed overview of how foundation funding is calculated including all of the HB96 changes on the Ohio Department of Education and Workforce is not available at this time. When a detailed analysis is available, please visit the Ohio Department of Education and Workforce at: <https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

A performance supplement was included in HB96. The eligibility for the supplement payment uses data from the state report card for the 2024-2025 school year for FY26 and 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. The district will not know until later this year if we will receive this additional funding.

Future State Budget Projections beyond FY27

Our funding status for FY28-FY31 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget processes; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative date to work with. For this reason, funding is held constant in the forecast for FY28 through FY30.

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.

In FY25, the funding totaled \$114.30 million or \$65.70 per pupil. The fall payment for Casino revenues increased from the previous year by 3% for FY26. 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>FY26</u> | <u>FY27</u> | <u>FY28</u> | <u>FY29</u> | <u>FY30</u> |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Basic Aid-Unrestricted | \$4,017,833 | \$4,200,973 | \$4,200,973 | \$4,200,973 | \$4,200,973 |
| Additional Aid Items | <u>\$93,014</u> | <u>\$84,104</u> | <u>\$84,104</u> | <u>\$84,104</u> | <u>\$84,104</u> |
| Basic Aid-Unrestricted Subtotal | \$4,110,847 | \$4,285,077 | \$4,285,077 | \$4,285,077 | \$4,285,077 |
| Ohio Casino Commission ODT | <u>\$43,603</u> | <u>\$44,257</u> | <u>\$44,921</u> | <u>\$45,594</u> | <u>\$46,278</u> |
| Unrestricted State Aid Line # 1.035 | <u>\$4,154,450</u> | <u>\$4,329,334</u> | <u>\$4,329,998</u> | <u>\$4,330,671</u> | <u>\$4,331,355</u> |

B) Restricted State Revenues – Line #1.040

HB96 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding), Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. 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 the most current funding factors available. For fiscal years 2026 and 2027, HB96 modifies how DPIA is calculated by factoring in both directly certified and economically disadvantaged students. The new formula modified the weight given to these student groups over the biennium.

| <u>Category</u> | FY26 | FY27 | FY28 | FY29 | FY30 |
|---|------------------|------------------|------------------|------------------|------------------|
| DPIA | \$113,064 | \$122,921 | \$122,921 | \$122,921 | \$122,921 |
| Career Tech - Restricted | \$47,667 | \$45,122 | \$45,122 | \$45,122 | \$45,122 |
| Gifted | \$37,734 | \$34,721 | \$34,721 | \$34,721 | \$34,721 |
| ESL | \$541 | \$613 | \$613 | \$613 | \$613 |
| Student Wellness | \$160,527 | \$160,527 | \$160,527 | \$160,527 | \$160,527 |
| Catastrophic Costs | \$42,250 | \$42,250 | \$42,250 | \$42,250 | \$42,250 |
| Other Restricted | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Restricted State Revenues Line #1.040 | <u>\$401,782</u> | <u>\$406,154</u> | <u>\$406,154</u> | <u>\$406,154</u> | <u>\$406,154</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> | FY26 | FY27 | FY28 | FY29 | FY30 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Unrestricted Line # 1.035 | \$4,154,450 | \$4,329,334 | \$4,329,998 | \$4,330,671 | \$4,331,355 |
| Restricted Line # 1.040 | \$401,782 | \$406,154 | \$406,154 | \$406,154 | \$406,154 |
| Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total State Foundation Revenue | <u>\$4,556,232</u> | <u>\$4,735,488</u> | <u>\$4,736,152</u> | <u>\$4,736,825</u> | <u>\$4,737,509</u> |

State Reimbursement for Property Tax Credits - Line #1.050

Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013. And Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled.

HB96, the current state biennium budget also enacted a new provision called “Piggyback Property Tax Exemptions”. This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% Rollback tax credit. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$125,027 from current operating levies, if our County Commissioners implemented this.

Summary of Reimbursement for Property Tax Credits – Line #1.050

| <u>Category</u> | FY26 | FY27 | FY28 | FY29 | FY30 |
|--|------------------|------------------|------------------|------------------|------------------|
| Rollback and Homestead | <u>\$486,479</u> | <u>\$481,882</u> | <u>\$451,787</u> | <u>\$461,090</u> | <u>\$470,393</u> |
| State Reimbursement Property Tax Credits - Line #1.050 | <u>\$486,479</u> | <u>\$481,882</u> | <u>\$451,787</u> | <u>\$461,090</u> | <u>\$470,393</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. While interest income in FY26 should remain steady due to laddered investment strategies, the potential rate cuts will begin to have an impact on earnings later 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 FY26 through FY30. The district has reduced the donations by \$13,000 in FY26 from one-time payments in previous years.

| <u>Category</u> | FY26 | FY27 | FY28 | FY29 | FY30 |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Interest | \$410,937 | \$402,718 | \$394,663 | \$386,770 | \$379,035 |
| Tuition SF-14 & SF-14H | \$293,526 | \$296,461 | \$299,426 | \$302,420 | \$305,444 |
| Student Fees and Activity | \$43,650 | \$44,087 | \$44,528 | \$44,973 | \$45,423 |
| Medicaid Reimbursement | \$24,768 | \$25,016 | \$25,266 | \$25,519 | \$25,774 |
| Rentals, Fines, Fees, erate & other | <u>\$46,078</u> | <u>\$46,539</u> | <u>\$47,004</u> | <u>\$47,474</u> | <u>\$47,949</u> |
| Total Line # 1.060 | <u>\$818,959</u> | <u>\$814,821</u> | <u>\$810,887</u> | <u>\$807,156</u> | <u>\$803,625</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

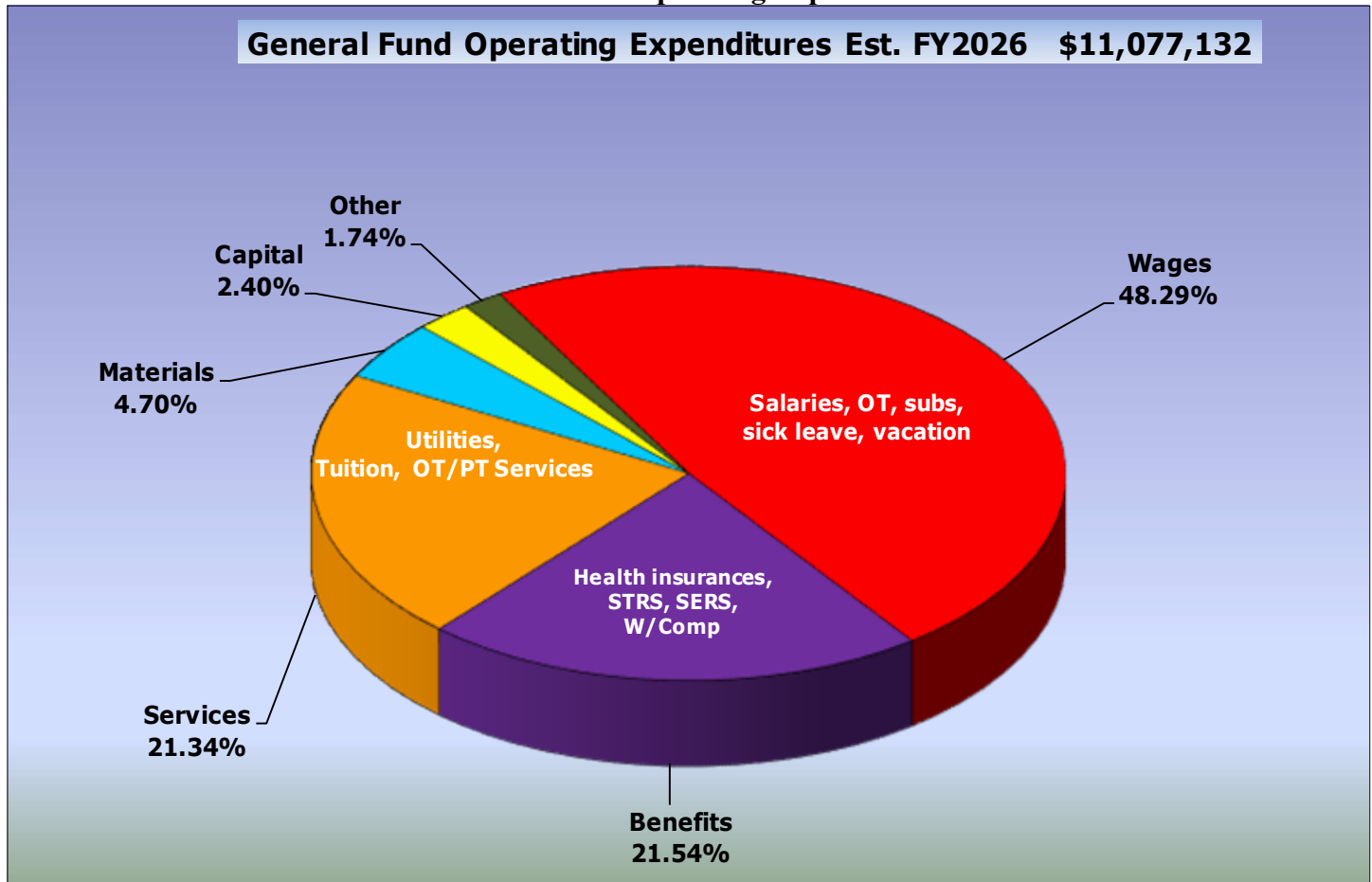
This funding source is typically a refund of prior year's expenditures that are very unpredictable, therefore we are projecting amounts that are in line with previous year's payment.

| <u>Category</u> | FY26 | FY27 | FY28 | FY29 | FY30 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| All Other Financials Line #2.060 | <u>\$11,020</u> | <u>\$11,020</u> | <u>\$11,020</u> | <u>\$11,020</u> | <u>\$11,020</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 FY26



Wages – Line #3.010

The district finalized negotiations for FY26 through FY28 with a 4% base increase and will use 3% for forecasting purposes in FY29 and FY30. Steps and training pay increases of 1% per year are reflected based on current staffing levels FY26-30.

| <u>Category</u> | <u>FY26</u> | <u>FY27</u> | <u>FY28</u> | <u>FY29</u> | <u>FY30</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Base Wages | \$4,783,278 | \$5,022,442 | \$5,263,997 | \$5,517,535 | \$5,730,630 |
| Base Increases | \$191,331 | \$191,331 | \$200,898 | \$157,920 | \$165,526 |
| Steps & Training/Performance Based Pay | \$47,833 | \$50,224 | \$52,640 | \$55,175 | \$57,306 |
| New or Replacement Staff | \$0 | \$0 | \$0 | \$0 | \$0 |
| Substitutes & Supplementals | \$326,182 | \$327,813 | \$329,452 | \$331,099 | \$332,754 |
| 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>\$5,348,624</u> | <u>\$5,591,810</u> | <u>\$5,846,987</u> | <u>\$6,061,729</u> | <u>\$6,286,216</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 4% in FY26, we are estimating an annual increase of 8% in FY27-FY30. 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 0.0014f total payroll in FY26-FY30. The district does not expect any large payments for unemployment benefits and has adjusted the amount to \$500 per year from FY26 – FY30.

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> | FY26 | FY27 | FY28 | FY29 | FY30 |
|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| STRS/SERS | \$844,472 | \$883,302 | \$923,859 | \$958,994 | \$994,684 |
| Insurance's | \$1,453,348 | \$1,569,616 | \$1,695,185 | \$1,830,800 | \$1,977,264 |
| Workers Comp/Unemployment | \$7,988 | \$8,329 | \$8,686 | \$8,986 | \$9,301 |
| Medicare | \$77,555 | \$81,081 | \$84,781 | \$87,895 | \$91,150 |
| Tuition Reimbursement | <u>\$2,384</u> | <u>\$2,384</u> | <u>\$2,384</u> | <u>\$2,384</u> | <u>\$2,384</u> |
| Total Line 3.020 | <u>\$2,385,747</u> | <u>\$2,544,712</u> | <u>\$2,714,895</u> | <u>\$2,889,059</u> | <u>\$3,074,783</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 expects tuitions costs to continue to increase throughout the forecast with an annual 2% increase in FY26-FY30.

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 Notes.

| <u>Category</u> | <u>FY26</u> | <u>FY27</u> | <u>FY28</u> | <u>FY29</u> | <u>FY30</u> |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Instructional Services | \$330,968 | \$340,897 | \$351,124 | \$361,658 | \$372,508 |
| Non-Instructional Services | \$51,287 | \$52,313 | \$53,359 | \$54,426 | \$55,515 |
| Maintenance and Repairs | \$248,288 | \$253,254 | \$258,319 | \$263,486 | \$268,755 |
| Lease Purchase Agreement | \$703,500 | \$519,625 | \$456,125 | \$453,625 | \$455,500 |
| Other Tuition Payments | \$807,268 | \$823,413 | \$839,881 | \$856,679 | \$873,813 |
| Utilities | <u>\$222,277</u> | <u>\$233,391</u> | <u>\$245,061</u> | <u>\$257,314</u> | <u>\$270,180</u> |
| Total Line 3.030 | <u>\$2,363,588</u> | <u>\$2,222,893</u> | <u>\$2,203,869</u> | <u>\$2,247,188</u> | <u>\$2,296,271</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.

The district is anticipating a 2% increase in FY26 for instructional supplies with annual increase in FY27 through FY30 of 3%. While the increases for Maintenance supplies will increase in FY26 by 5% and Transportation supplies will increase in FY26 by 6% with increases for future years for both areas to be 2% annually in FY26 through FY30.

| <u>Category</u> | <u>FY26</u> | <u>FY27</u> | <u>FY28</u> | <u>FY29</u> | <u>FY30</u> |
|-------------------------|------------------|------------------|------------------|------------------|------------------|
| Instructional Supplies | \$322,404 | \$332,076 | \$342,038 | \$352,299 | \$362,868 |
| Maintenance Supplies | \$103,676 | \$105,749 | \$107,864 | \$110,022 | \$112,222 |
| Transportation Supplies | <u>\$94,838</u> | <u>\$96,735</u> | <u>\$98,670</u> | <u>\$100,643</u> | <u>\$102,656</u> |
| Total Line 3.040 | <u>\$520,918</u> | <u>\$534,560</u> | <u>\$548,572</u> | <u>\$562,964</u> | <u>\$577,746</u> |

Equipment – Line #3.050

Capital Outlay each year for technology and other equipment has been included based on a schedule for FY26-FY30. 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, and a van in FY26, we will continue to monitor the need of the fleet in the future.

| <u>Category</u> | <u>FY26</u> | <u>FY27</u> | <u>FY28</u> | <u>FY29</u> | <u>FY30</u> |
|-----------------------------|------------------|-----------------|------------------|-----------------|-----------------|
| Capital Outlay | \$26,062 | \$26,844 | \$27,649 | \$28,478 | \$29,332 |
| Capital Improvement Project | \$50,000 | \$0 | \$0 | \$0 | \$0 |
| Buses & Vehicals | <u>\$190,000</u> | <u>\$0</u> | <u>\$145,000</u> | <u>\$0</u> | <u>\$0</u> |
| Total Line 3.050 | <u>\$266,062</u> | <u>\$26,844</u> | <u>\$172,649</u> | <u>\$28,478</u> | <u>\$29,332</u> |

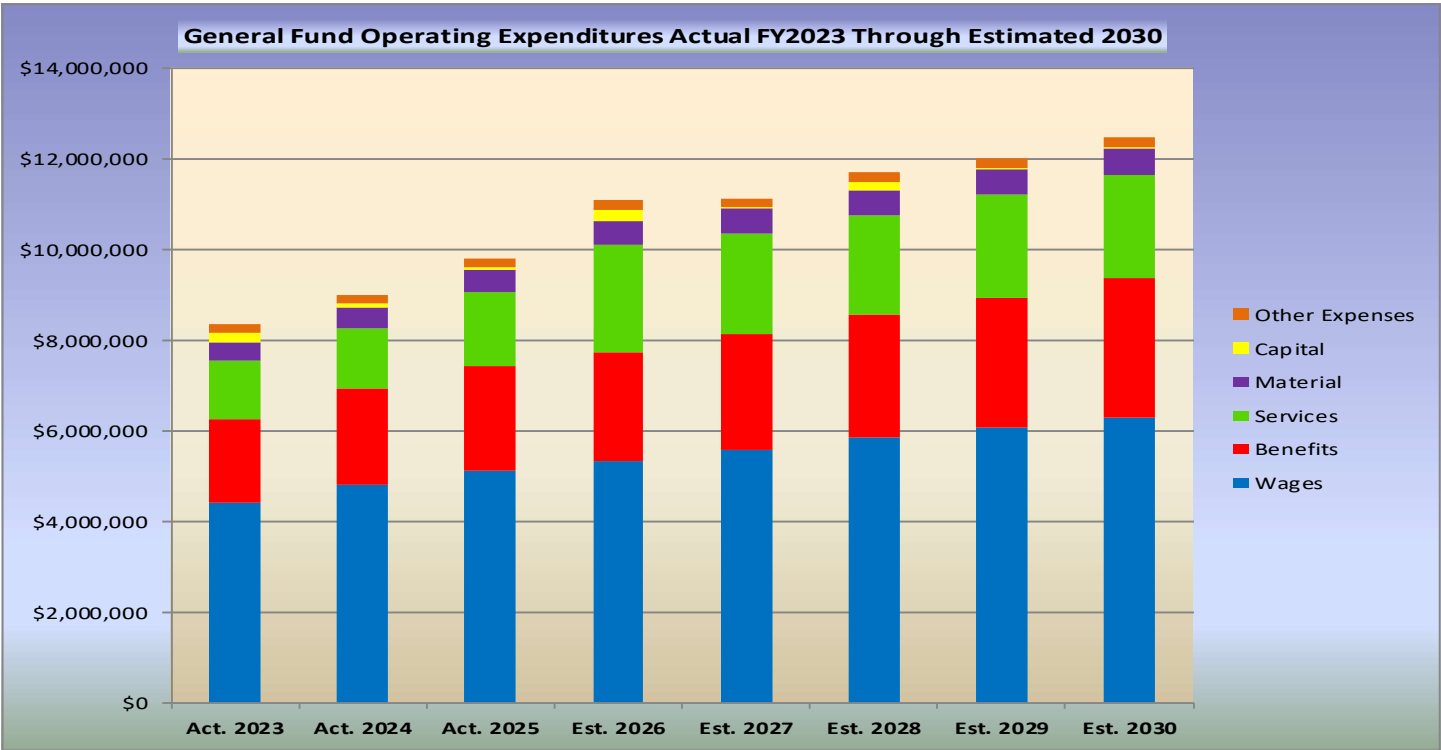
Other Expenses – Line #4.300

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 1.3% increase each year for County Auditor and Treasurer Fees and 2% increase for all other expenses in FY26-FY30.

| <u>Category</u> | <u>FY26</u> | <u>FY27</u> | <u>FY28</u> | <u>FY29</u> | <u>FY30</u> |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| County Auditor & Treasurer Fees | \$126,278 | \$130,066 | \$133,968 | \$137,987 | \$142,127 |
| Audit fees, dues and other expenses | <u>\$65,915</u> | <u>\$67,233</u> | <u>\$68,578</u> | <u>\$69,950</u> | <u>\$71,349</u> |
| Total Line 4.300 | <u>\$192,193</u> | <u>\$197,299</u> | <u>\$202,546</u> | <u>\$207,937</u> | <u>\$213,476</u> |

Operating Expenditures Actual FY23 through FY25 and Estimated FY26-FY30

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-FY30.

Encumbrances – Line #8.010

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments, which have been performed, are awaiting invoicing and payment. Encumbrances, on a budget basis of accounting, are treated as the equivalent of expenditure at the time authorization is made to maintain compliance with spending restrictions established by Ohio law. For presentation in the forecast, outstanding encumbrances are presented as a reduction of the general fund cash balance.

| | FY26 | FY27 | FY28 | FY29 | FY30 |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Estimated Encumbrances | <u>\$50,000</u> | <u>\$50,000</u> | <u>\$50,000</u> | <u>\$50,000</u> | <u>\$50,000</u> |

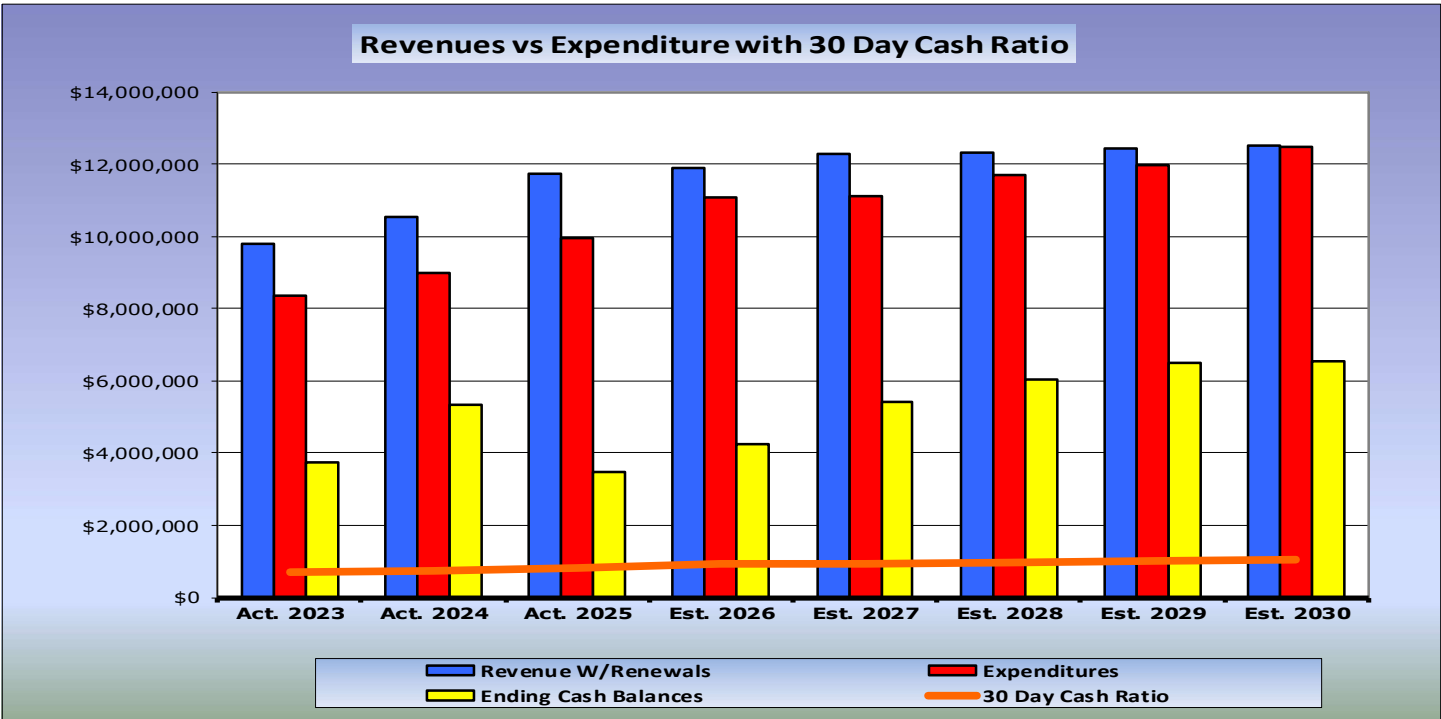
Ending Unreserved Cash Balance “The Bottom-line” – Line #15.010

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.

| | FY26 | FY27 | FY28 | FY29 | FY30 |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| Ending Cash Balance | \$4,252,272 | \$5,418,145 | \$6,048,953 | \$6,496,011 | \$6,558,451 |

General Fund Ending Cash Balance Actual FY23-25 and Estimated FY26-30 with Levy Renewal

The graph below shows that the district will not deficit spend if the district renews the emergency levy, however the district will begin to deficit spend in FY29 without the levy.

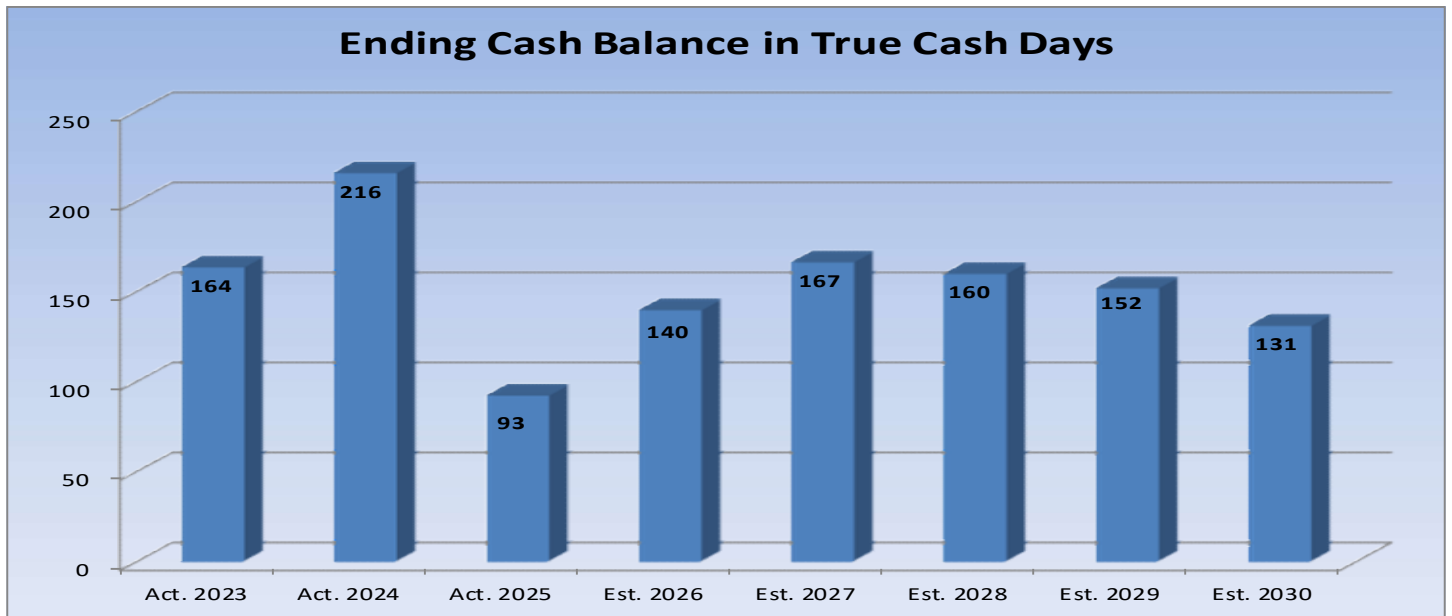


Deficit spending affects the amount of carryover that the district has to plan for the future. When reviewing the needs of the district we review the amount of spending and what would be needed to remove any deficit spending to have positive cash balances on the forecast. The chart below shows the amount 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.

| | FY26 | FY27 | FY28 | FY29 | FY30 |
|--|-----------|-----------|----------|-------------|-------------|
| Excess Revenue over/(under) Expenditures | \$823,212 | \$826,603 | \$55,774 | (\$127,975) | (\$512,594) |
| Millage equivalent for deficit spending | 0.00 | 0.00 | 0.00 | 0.60 | 2.38 |

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 42.41% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

HB96, now governs the state funding for FY26 and FY27. There were several items within the budget that were vetoed by the governor that the legislature can still overturn until December 31, 2026. The main items remaining in limbo that could have major detrimental impact on the funding for the district, are having a carry-over balance that is greater than 40% of annual expenditures and changes to the 20-mill floor. We will continue to monitor these items 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.