MONROEVILLE LOCAL SCHOOL DISTRICT - HURON 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
Monroeville Local School District
Treasurer's Office
Paul DeMarco, Treasurer/CFO

May 2025

Monroeville Local School District – Huron County
Notes to the Five-Year Forecast
General Fund Only
May 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 to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important 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 important 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 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 year is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the May 2025 filing.

May 2024 Updates:

Revenues FY25

Revenue for the year appears to be right on target with our November projections with the exception of our real estate tax collections. Total General Fund revenues (line 1.07) are estimated to be $ 10,489,452 or 5.39% higher than the November forecast amount of $ 9,953,338.

Line 1.01 and 1.02 - Property tax revenues represent over thirty (31.02%) percent of the district's revenue. It appears we may have underestimated the affects of the recent reappraisal. General property taxes increase significantly over our original projections. We experienced an almost twenty (19.72%) increase with the update. We did see a slight increase in our personal property tax as well over our November estimate but for the most part, we were right on target with that estimate. The real estate and public utility taxes were not separated in previous forecasts but have been separated for the November and future forecasts reflect actual collections. It appears we have collected 117.84% of what we projected we would collect in our November forecast. We need to take a look at our future collections throughout this forecast.

Line 1.03 - The district's school income tax represents 16.24% of the district's revenue. We have adjusted our projected levels to reflect actual receipts for the year. With the final allocation being on April 30th, the final distribution was slightly higher than earlier projections. The new actual collection of $ 1,703,209 is ($ 10,790) or .64% more than the November projected amount of $ 1,682,419. This represents a 6.61% increase over the 2023-24 fiscal year collections. Collections for FY25 are 100.64% of our original estimate.

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 $ 3,568,302 which is $ 22,300 more than the original estimate for FY25. Categorical or restricted funding was adjusted as enrollment adjustments were made which attributed to some changes being made. We are pleased that we were able to be within .43% of our original projections. We are currently on the formula and are expected to remain as a formula district from FY26 through FY29.

Line 1.06 – We have not made any adjustments to this area of the forecast. We have seen some significant changes to our actual collections and have updated our projections for the remaining portion of the year. Some of these revenue resources are somewhat unpredictable from year to year and we may still see some fluctuations but should not be significant enough to affect the overall bottom line.

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

Expenditures FY25

Total General Fund expenditures revisions (line 4.5) are estimated to be $ 9,800,348 for FY25 and that remains unchanged for this forecast. Variance were not significant enough to make any changes to our projected expenditure levels.

Unreserved Ending Cash Balance

With revenues increasing and expenditures ending mostly on target from estimates, our ending unreserved cash balance June 30, 2025 is anticipated to be roughly $ 2,310,515. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive balance through the first two years of this forecast if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates. Spending deficits are projected in all five years of this forecast if revenue and expenditure estimates do not change.

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

1. Property taxes represent a significant portion (28%) of the revenue sources for the district. The housing market in our district is stable and growing. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues, which are predominately local taxes, equate to 44.98% of the district's resources. Our tax collections in the February and August of 2024 settlements showed normal collection trends. We believe there is a low risk that local collections will fall below projections throughout the forecast. Both Erie and Huron counties experienced triennial updates in tax year 2021 with collection in 2022. Both counties will experience reappraisals in 2024 with taxes payable in 2025.

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 which 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. The state budget represented 42.16% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to a possible recession or the last two (2) years of the Fair School Funding Plan is not funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY26-27 and FY28-29.

   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 aide in future years as we have reliable data to make an informed decision.

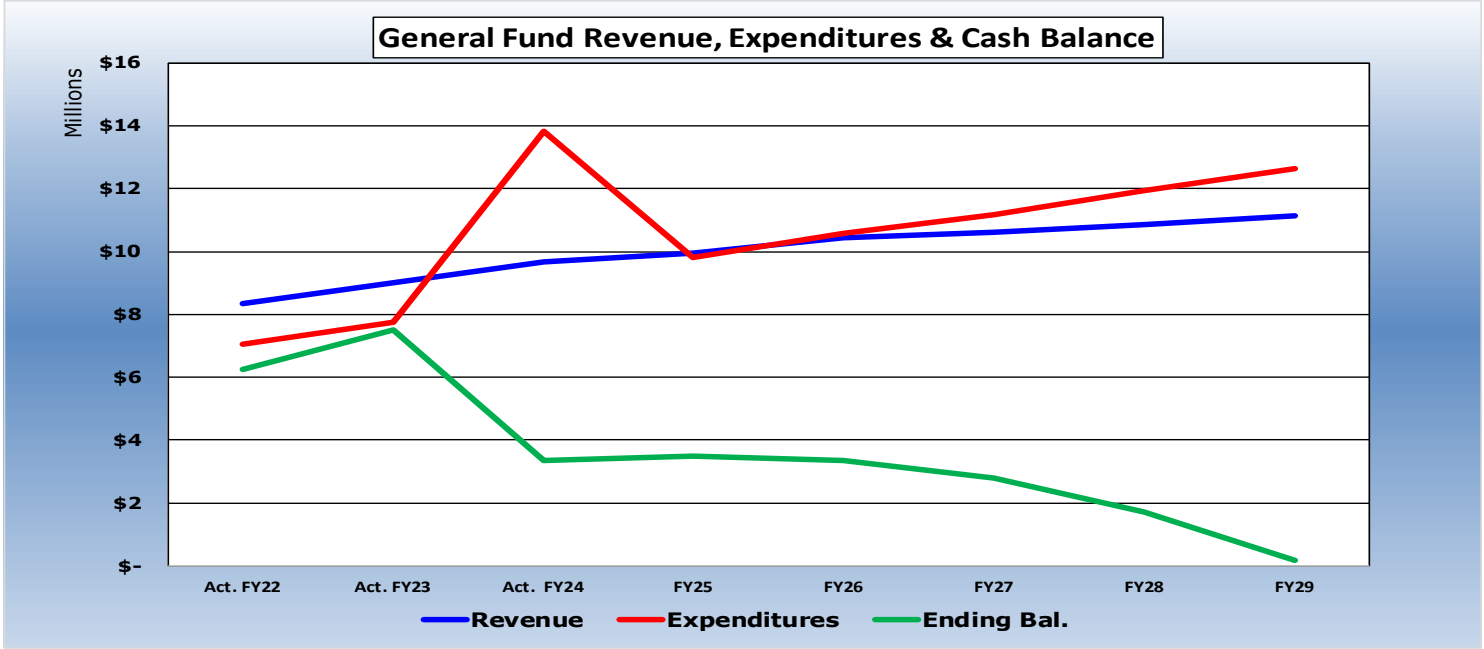
4. HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY25 reflects 66.67% of the implementation cost at year four of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.67% funding of (FSFP), however, the final two years of the phase-in are not guaranteed and are dependent on legislative actions for the FY26 and FY27 state biennium budget, which as of this forecast do not appear favorable. We have used the April #2 foundation payments published by the Department of Education and Workforce for our forecasted revenues in FY25.

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

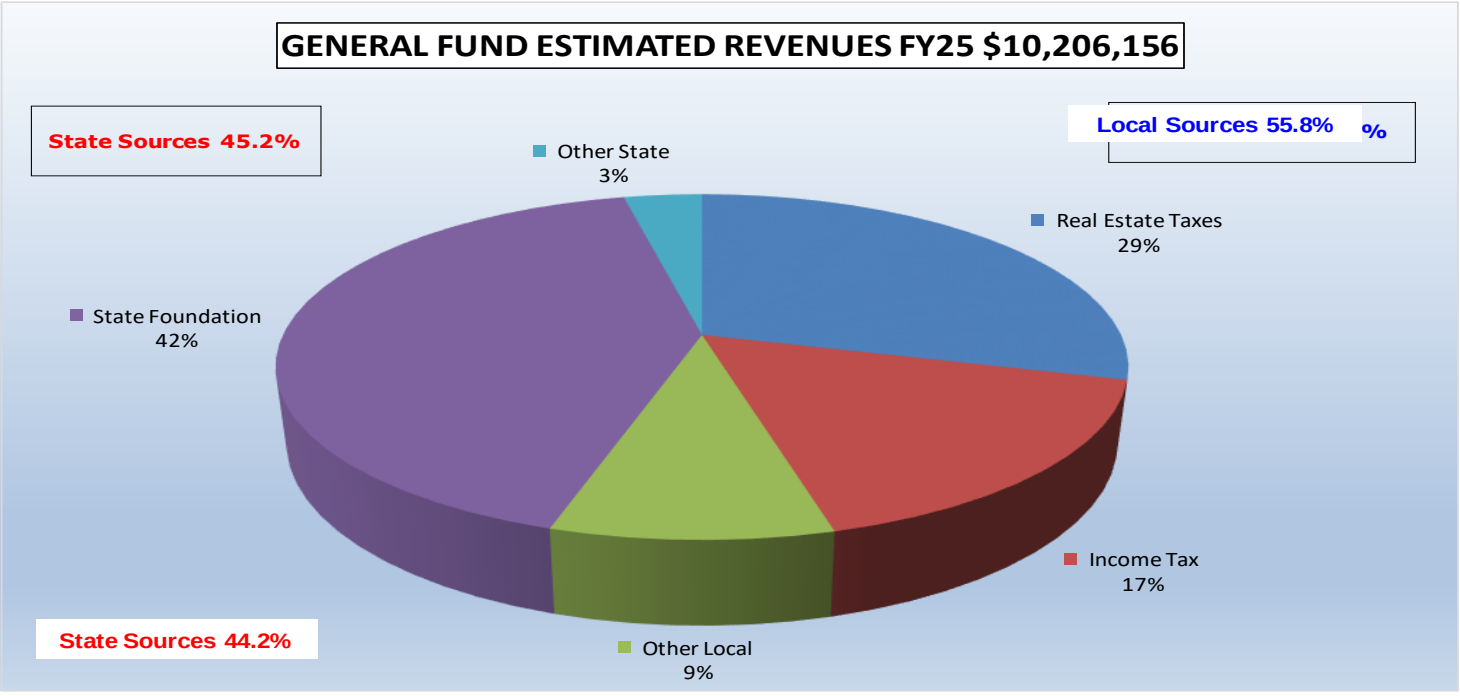
6. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

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 Paul DeMarco, CFO/Treasurer at 419-465-2610.

General Fund
Revenue, Expenditures and Ending Cash Balance
Actual FY2022-24 and Estimated FY2025-29



Revenue Assumptions
General Fund Operating Revenue
Fiscal Year 2025-29



ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Actual TAX YEAR 2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029
Res./Ag.	$134,774,630	$138,767,869	$142,880,905	$151,403,759	$151,353,759
Comm./Ind.	11,627,000	11,975,810	12,335,084	12,458,435	12,458,435
Public Utility Personal Property (PUPP)	8,977,190	9,727,190	10,477,190	11,227,190	11,977,190
Total Assessed Value	**$155,378,820**	**$160,470,869**	**$165,693,179**	**$175,089,384**	**$175,789,384**

ESTIMATED REAL ESTATE TAX (Line # 1.010)

Source	FY25	FY26	FY27	FY28	FY29
Est. Real Estate Taxes	$2,972,921	$3,253,136	$3,323,604	$3,437,761	$3,510,442
Real Estate Taxes (Line #1.010)	**$2,972,921**	**$3,253,136**	**$3,323,604**	**$3,437,761**	**$3,510,442**

Summary of Real Estate Values & Taxes – Line #1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Erie and Huron experienced a triennial update for the 2021 tax year that was collected in 2022. A reappraisal will be conducted in both Erie and Huron counties in tax year 2024 to be collected in 2025. We are anticipating a 5% increase in residential and a potentially larger increase for CAUV values. The district's $ 443,000 emergency tax levy expires in December of 2024. The forecast has been adjusted to reflect the renewal.

For tax year 2021 residential property values were up largely due to an increase in sales by over six (6.02%) percent or $ 5.54 million in assessed value. Commercial and Industrial values actually decreased by less than one (.92%) percent of $90,180. Overall values rose $5.45 million or 5.36%, which includes new construction for all classes of property.

Property tax levies are estimated to be collected at 97.75% of the annual amount. This allows 2.25% delinquency factor. In general, 54.20% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 45.80% collected in the August tax settlement.

New Tax Levies – Line #13.030 - No new levies are modeled in this forecast.

ESTIMATED PUBLIC UTILITY PERSONAL PROPERTY TAX (LINE # 1.020)

Source	FY25	FY26	FY27	FY28	FY29
Public Utility Personal Property	$281,296	$299,654	$307,555	$320,190	$328,643
Total PUPP Tax Line #1.020	$281,296	$299,654	$307,555	$320,190	$328,643

Summary of Public Utility Personal Property – Line # 1.020

Revenues posted on this line are Public Utility Personal Property (PUPP) taxes, which are collected at the district's gross tax rate and not subject to the reduction factors. The district has been including this revenue with the real property in the previous years of this forecast. In the future, we feel that it is advantageous to track this collection separately and will be working on separating them out of the real estate collection.

ESTIMATED SCHOOL DISTRICT INCOME TAX (LINE #1.030)

Source	FY25	FY26	FY27	FY28	FY29
July payment	$479,554	$503,532	$528,709	$555,144	$582,901
October payment	387,435	406,807	427,147	448,504	470,929
January payment	398,796	418,736	439,673	461,657	484,740
April payment	437,424	459,295	482,260	506,373	531,692
School District Income Tax (Line #1.030)	**$1,703,209**	**$1,788,370**	**$1,877,789**	**$1,971,678**	**$2,070,262**
	FY25	**FY26**	**FY27**	**FY28**	**FY29**
School District Income Tax	$1,597,556	$1,703,209	$1,788,370	$1,877,789	$1,971,678
Projected Annual Adjustment	105,653	85,161	89,419	93,889	98,584
School District Income Tax (Line #1.030)	**$1,703,209**	**$1,788,370**	**$1,877,789**	**$1,971,678**	**$2,070,262**

Summary of School District Income Tax – Line # 1.030

The district has a 1.50% earned income tax levy. The district's school income tax represents 17% of the district's revenue. We experienced a 1% ($ 17,201) decrease in our 2023-24 collection from the 2022-23 fiscal year but a 6.35 increase the year before. We remain optimistic that will not continue. We will assume that income from withholdings will continue in future collections. We will assume an annual growth rate of 5% for the duration of tis forecast. We believe that this is a conservative estimate given the history of growth.

ESTIMATED UNRESTRICTED STATE AID (LINE # 1.035)

Source	FY25	FY26	FY27	FY28	FY29
Basic Aid - Unrestricted	$3,455,276	$3,455,276	$3,455,276	$3,455,276	$3,455,276
Additional Aid Items	74,607	74,607	74,607	74,607	74,607
Catastrophic Aid	0	0	0	0	0
Sub-Total - Unrestricted Basic Aid	3,529,883	3,529,883	3,529,883	3,529,883	3,529,883
Ohio Casino Commission	38,418	39,187	39,970	40,770	41,585
Unrestricted State Aid (Line #1.035)	**$3,568,302**	**$3,569,070**	**$3,569,853**	**$3,570,653**	**$3,571,468**

Summary of 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 most recent 2025 foundation settlement and funding factors.

Our district is currently a formula district in FY24 and is expected to continue 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 Budget Projections beyond FY25
Our funding status for FY26-29 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be funded or continued beyond FY25; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY26 through FY29.

Casino Revenue
On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

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

ESTIMATED RESTRICTED STATE AID (LINE # 1.040)

Source	FY25	FY26	FY27	FY28	FY29
DPIA	$347,262	$347,262	$347,262	$347,262	$347,262
Career Tech	20,723	20,723	20,723	20,723	20,723
Gifted	46,148	46,148	46,148	46,148	46,148
Science of Reading Stipend	63,700	0	0	0	0
Student Wellness	202,331	202,331	202,331	202,331	202,331
Restricted State Aid (Line # 1.040)	**$680,163**	**$616,464**	**$616,464**	**$616,464**	**$616,464**

Summary of Restricted State Foundation Revenue– 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. We have estimated revenues for these new restricted funding lines using current October funding factors. The amount of DPIA is limited to a 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY29 due to uncertainty on continued funding of the current funding formula.

HB33 set aside funds state-wide to subsidize the Science of Reading initiative. The district will be reimbursed for teacher in-service and associated fringe benefits upon proof of training and certified reimbursement request.

It is estimated that the district will receive $ 63,700.00 from this one-time subsidy in FY25 and is required to maintain documentation as to how the funds were spent.

ESTIMATED FEDERAL AID (LINE # 1.040)

No federal unrestricted grants are projected FY23-27.

ESTIMATED ROLLBACK & HOMESTEAD REIMBURSEMENT (LINE # 1.050)

Source	FY25	FY26	FY27	FY28	FY29
Rollback and Homestead	$361,682	$448,668	$460,132	$478,642	$491,019
State Share of Local Property Taxes (Line # 1.050	**$361,682**	**$448,668**	**$460,132**	**$478,642**	**$491,019**

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

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

ESTIMATED ALL OTHER REVENUE (LINE # 1.060)

Source	FY25	FY26	FY27	FY28	FY29
Tuition Related Payments	$124,229	$126,714	$129,248	$131,833	$134,470
Class & Sports Oriented Fees	32,398	32,560	32,723	32,887	33,051
Interest Earnings	498,692	501,185	503,691	506,209	508,740
Miscellaneous	264,560	269,851	275,248	280,753	286,368
Total Other Local Revenue Line #1.060	**$919,879**	**$930,310**	**$940,910**	**$951,682**	**$962,629**

Summary of Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been open enrollment, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees. HB110, the previous state budget, stopped paying open enrollment as an increase to other revenue for the district. Open-enrolled student revenues are now included in Line 1.035 as part of the basic state aid.

Interest income is based on the district's cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. The Federal Reserve Bank cut interest rates by 50 basis point in September 2024. While interest income in FY25 should remain steady due to laddered investment strategies, the rate cuts will begin

to have an impact on earnings in FY26 and future years. We will continue to monitor the investments for the district. All other revenues are expected to continue historical trends.

ESTIMATED SHORT-TERM BORROWING (LINE # 2.010 & 2.020)

There is no short-term borrowing projected in this forecast.

ESTIMATED TRANSFERS & ADVANCES (LINE # 2.040 & Line #2.050)

Source	FY25	FY26	FY27	FY28	FY29
Transfers In - Line #2.040	$0	$0	$0	$0	$0
Advance Returns - Line #2.050	0	0	0	0	0
Total Transfer & Advances In	$0	$0	$0	$0	$0

Summary of Transfers & Advances - Line # 2.040 & 2.050

Advances are non-operating revenues which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. Transfers are permanent in nature and are not intended to be returned to the original fund.

ESTIMATED ALL OTHER FINANCIAL SOURCES (LINE # 2.060)

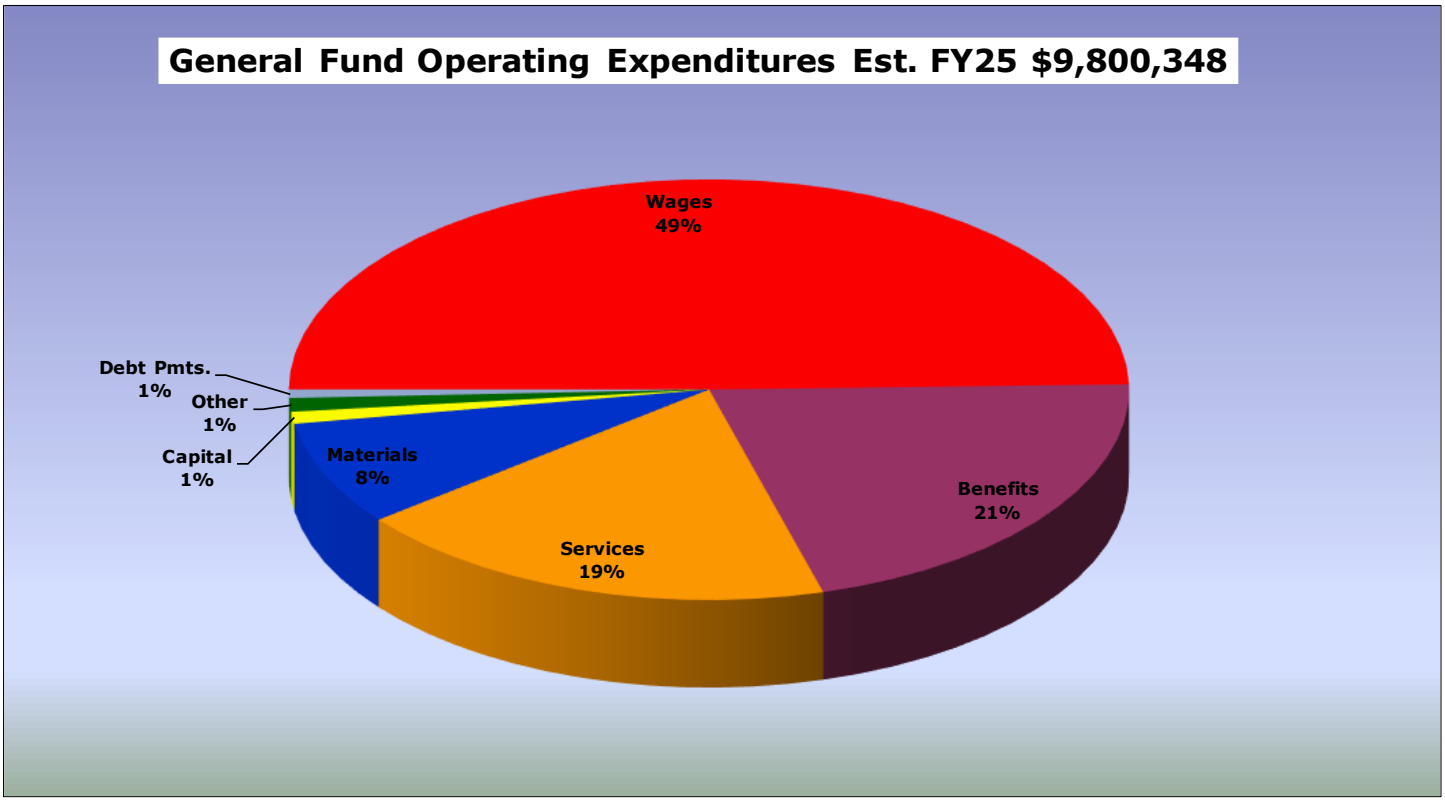
Source	FY24	FY25	FY26	FY27	FY28
All Other Financing Uses - Line #5.030	$0	$0	$0	$0	$0

Summary of All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable. We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in FY24. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Expenditure Assumptions
General Fund Operating Expenditures
Fiscal Year 2024-25

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 SALARIES & WAGES (Line # 3.010)

Source	FY25	FY26	FY27	FY28	FY29
Base Wages	$4,187,002	$4,563,832	$4,917,634	$5,251,254	$5,503,808
Based Pay Increase	251,220	228,192	196,705	105,025	110,076
Steps & Academic Training	125,610	125,610	136,915	147,529	157,538
Substitutes	39,708	39,708	39,708	39,708	39,708
Supplementals	178,744	187,681	195,188	199,092	203,074
Severance	80,000	50,000	50,000	50,000	50,000
Salaries & Wages (Line # 3.010)	**$4,862,284**	**$5,195,023**	**$5,536,150**	**$5,792,608**	**$6,064,204**

Summary of Salaries & Wages – Line #3.010

Negotiations with the certified staff resulted in an agreement to include base increases of 6% for FY2025, 5% for FY2026 and 4% for fiscal year 2027. Negotiations with the classified staff resulted in and annual increase of approximately $ 80,000 annually. Based on a historical analysis, we have projected salary adjustments of two (2.0%) percent for years four and five of the forecast.

ESTIMATED FRINGE BENEFITS (LINE 3.020)

Source	FY25	FY26	FY27	FY28	FY29
A) STRS/SERS	$732,324	$788,760	$841,825	$882,734	$924,545
B) Insurance's	1,236,663	1,385,064	1,565,123	1,784,241	2,034,036
C) Workers Comp/Unemployment	18,173	19,551	20,847	21,822	22,854
D) Medicare	63,732	70,503	75,328	80,274	83,993
Other/Tuition/Annuities	7,950	8,149	8,353	8,562	8,776
Fringe Benefits (Line #3.020)	**$2,058,842**	**$2,272,027**	**$2,511,476**	**$2,777,633**	**$3,074,204**

Summary of Fringe Benefits – Line #3.020

This area of the forecast captures all costs associated with benefits and retirement costs. These payments along with HSA costs are included in the table below.

A) STRS/SERS will increase as Wages Increase

As required by law, the BOE pays 14% of all employee wages to STRS or SERS.

B) Insurance

The district is on a self-insured medical insurance plan. FY24 saw an increase in insurance rates and enrollment of 15.9%. We are estimating an increase of 11% for FY25, 12% in FY26, 13% in FY27, 14% for FY28 and 14% for FY29. This assumption is based on claims data history and enrollment trends.

The Further Consolidated Appropriations Act of 2020 included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. “Cadillac Tax”), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be approximately .038% of wages FY24– FY28. Unemployment is expected to remain at a very low level FY24– FY28. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of increases in wages and as new employees are hired. 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.

ESTIMATED PURCHASED SERVICES (LINE # 3.030)

Source	FY25	FY26	FY27	FY28	FY29
Professional & Technical Services, ESC	$659,926	$692,922	$727,568	$763,946	$802,143
Maintenance, Insurance & Garbage Removal	193,948	203,645	213,827	224,518	235,744
Professional Development	98,895	103,840	109,032	114,484	120,208
Communications, Postage, & Telephone	40,113	42,119	44,225	46,436	48,758
Utilities	180,601	189,631	199,113	209,069	219,522
Contracted Trades & Services	0	0	0	0	0
Tuition, Excess Costs & Scholarship Costs	468,904	492,349	516,966	542,814	569,955
Open Enrollment & Community School Costs	88,753	93,191	97,851	102,744	107,881
College Credit Plus	99,855	104,848	110,090	115,595	121,375
Contract Transportation	0	0	0	0	0
Miscellaneous Purchased Services	7,678	8,062	8,465	8,888	9,332
Purchased Services (Line # 3.030)	**$1,838,673**	**$1,930,607**	**$2,027,137**	**$2,128,494**	**$2,234,918**

Summary of Purchased Services – Line # 3.030

HB110, the previous state budget, impacted the purchased services beginning in FY22 as the Ohio Department of Education began to direct pay these costs to the educating districts for open enrollment, community, and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend. Special needs services that are contracted with North Pointe ESC along with utilities remain the major portion of this area of the budget. We have projected, based on the historical trend and incorporating ESSER expenses back into this budget at five (5%) percent.

In FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio's electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period.

ESTIMATED SUPPLIES & MATERIALS (LINE # 3.040)

Source	FY25	FY26	FY27	FY28	FY29
General Office Supplies & Materials	$194,837	$200,682	$206,702	$212,903	$219,290
Textbooks & Instructional Supplies	10,949	11,277	11,615	11,963	12,322
Facility Supplies & Materials	83,238	85,735	88,307	90,956	93,685
Transportation Fuel & Supplies	45,471	46,835	48,240	49,687	51,178
Chromebooks & Curriculum	450,000	463,500	477,405	491,727	506,479
Supplies & Materials (Line # 3.040)	**$784,495**	**$808,029**	**$832,269**	**$857,236**	**$882,954**

Summary of Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. The district has committed to technology for the next five years and have budgeted $ 450,000 annually to the purchase of Chromebooks and additional curriculum needs.

ESTIMATED CAPITAL OUTLAY (LINE # 3.050)

Source	FY25	FY26	FY27	FY28	FY29
Capital Outlay & Maintenance	$89,792	$91,588	$93,420	$95,288	$97,194
Technology/Curriculum Purchases	0	0	0	0	0
Busses & Other Vehicles	0	125,000	0	125,000	125,000
SWSF / ESSER Adjustments	0	0	0	0	0
Total Equipment Line #3.050	**$89,792**	**$216,588**	**$93,420**	**$220,288**	**$222,194**

Summary of Capital Outlay – Line # 3.050
The district does not anticipate costs increasing significantly in this line because most capital outlay is paid by the Permanent Improvement Fund.

ESTIMATED DEBT SERVICE (LINE #4.01 – 4.06)

Debt Service	FY25	FY26	FY27	FY28	FY29
HB 264 Principal Line #4.050	$0	$0	$0	$0	$0
Interest & Fiscal Costs On Debt Line # 4.060	$9,792	$7,344	$5,508	$4,131	$3,098
	$9,792	$7,344	$5,508	$4,131	$3,098

Summary of Principal and Interest Payment – Lines # 4.05 and 4.06
The district is using general fund dollars to pay off a HB264 Energy Conservation Project.

ESTIMATED OTHER OBJECTS (LINE #4.300)

Source	FY25	FY26	FY27	FY28	FY29
County Auditor & Treasurer Fees	$81,360	$82,987	$84,647	$86,340	$88,067
Annual Audit Costs	7,242	7,387	7,535	7,686	7,840
Dues, Fees & Other Expenses	13,867	14,144	14,427	14,716	15,010
Other Expenses (Line # 4.300)	**$102,469**	**$104,518**	**$106,609**	**$108,742**	**$110,917**

Summary of Other Expenses – Line #4.300
The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. A two (2%) percent annual increase is being projected for the five years of the projected forecast.

ESTIMATED TRANSFERS & ADVANCES (LINE #5.010 & 5.020)

Source	FY25	FY26	FY27	FY28	FY29
Operating Transfers (Line # 5.010)	$0	$0	$0	$0	$0
Advances (Line #5.020)	0	0	0	0	0
Transfers & Advances	**$0**	**$0**	**$0**	**$0**	**$0**

Summary of Transfers Out/Advances Out – Lines # 5.010 and 5.020
This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The district transferred $ 4,000,000 to a capital projects fund and an additional $ 1,000,000 to a budget reserve fund in fiscal year 2024.

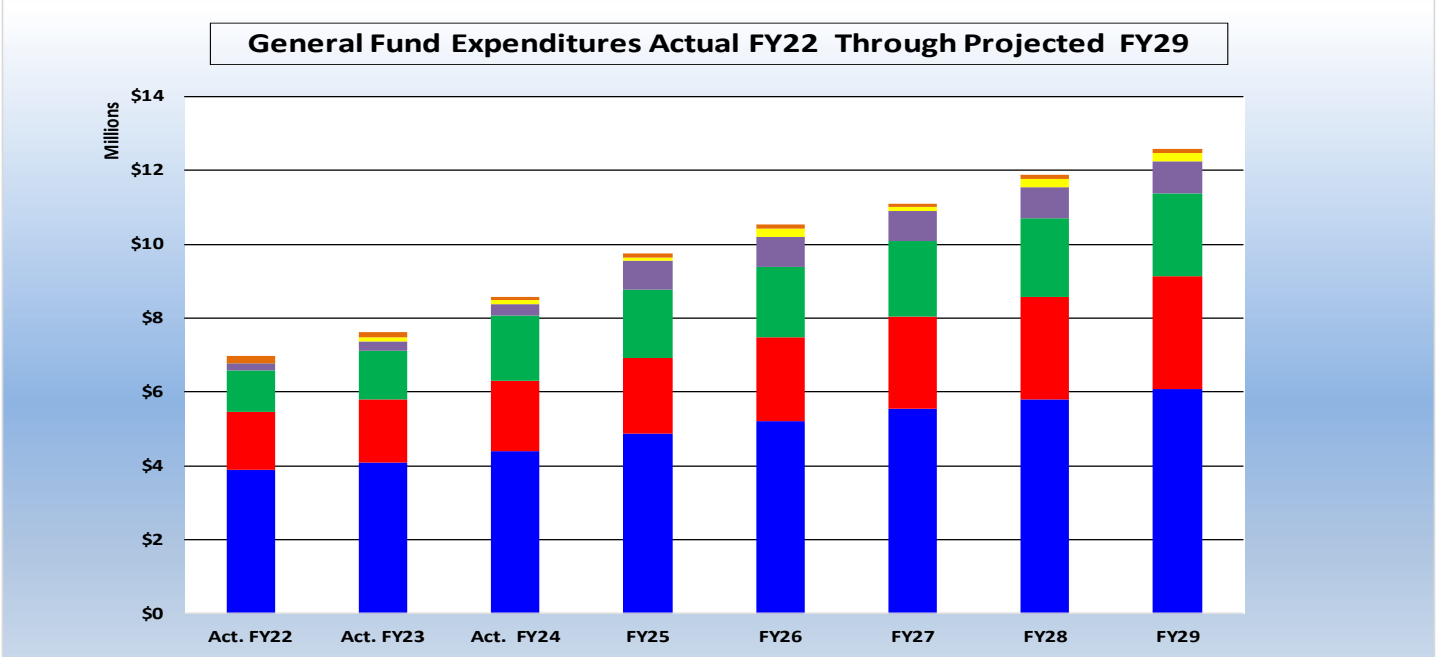
ESTIMATED ENCUMBRANCES (LINE #8.010)

	FY25	FY26	FY27	FY28	FY29
Estimated Encumbrances Line #8.010	$225,000	$225,000	$225,000	$225,000	$225,000

Summary of 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.

Operating Expenditures
Actual FY2022-24 and Estimated FY2025-29

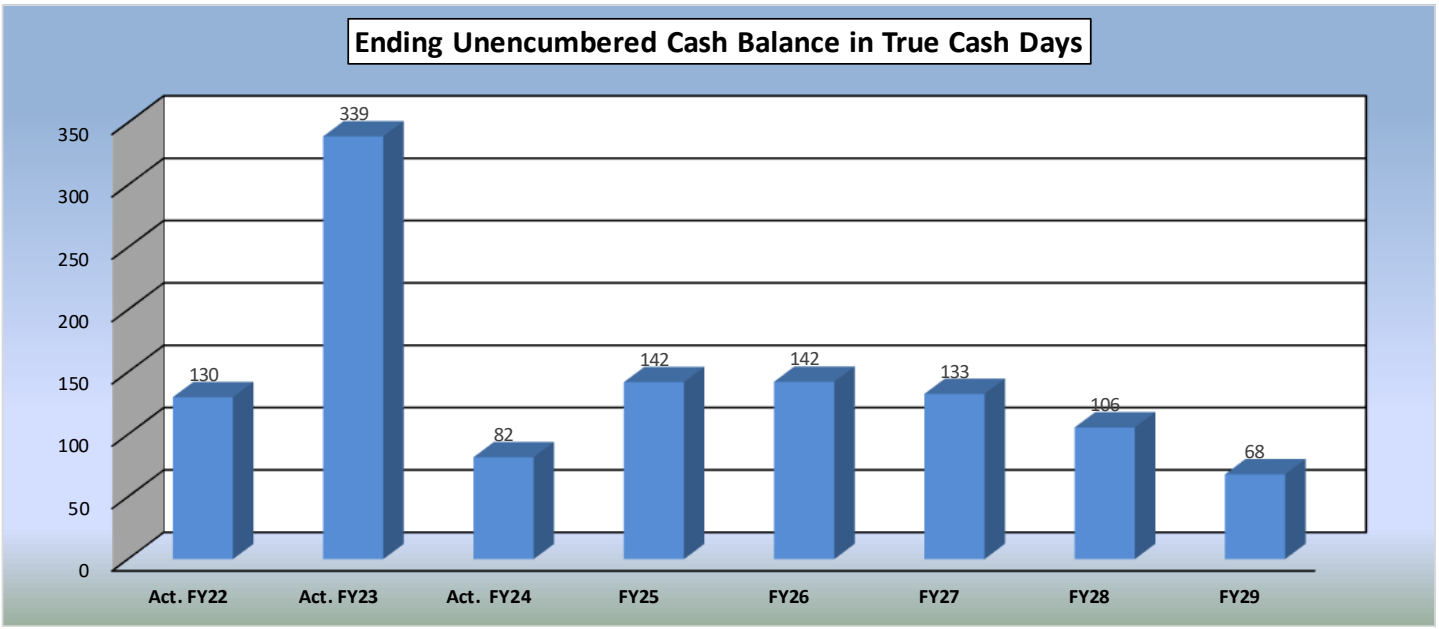
As the graph on the following page indicates, we have been diligent at containing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.



ESTIMATED UNENCUMBERED CASH BALANCE (LINE 15.010)

	FY25	FY26	FY27	FY28	FY29
Ending Unreserved Cash Balance Line #15.01	$3,810,515	$4,354,360	$4,725,808	$4,569,737	$3,912,396

Summary of Ending Unencumbered Cash Balance "The Bottom-line"– Line#15.010
This amount must not go below $0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is approximately $ 664,000 for our district.



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 districts 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.

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.