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

October 2025

Monroeville Local School District – Huron County
Notes to the Five-Year Forecast
General Fund Only
October 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), new state mandates, tax levies, property reappraisals and updates, salary increases, health insurance increases, enrollment variances, or changes to property valuations due to 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 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.

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. Property taxes represent a significant portion (31%) 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 47.24% of the district's resources. Our tax collections in the February and August of 2025 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 reappraisals in 2024 with taxes payable in 2025.

2. Due to historic property value increases in reappraisal and update years the Ohio Legislature has considered various proposals since 2023 to help reduce non-voted tax increases on taxpayers. 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, local governments, 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. Many of these pending bills represent a serious risk to our school district funding. We are watching legislation closely for any impact on our local revenues.

3. The state budget represented 40.62% 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 the Fair School Funding Plan is not continued and 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 which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

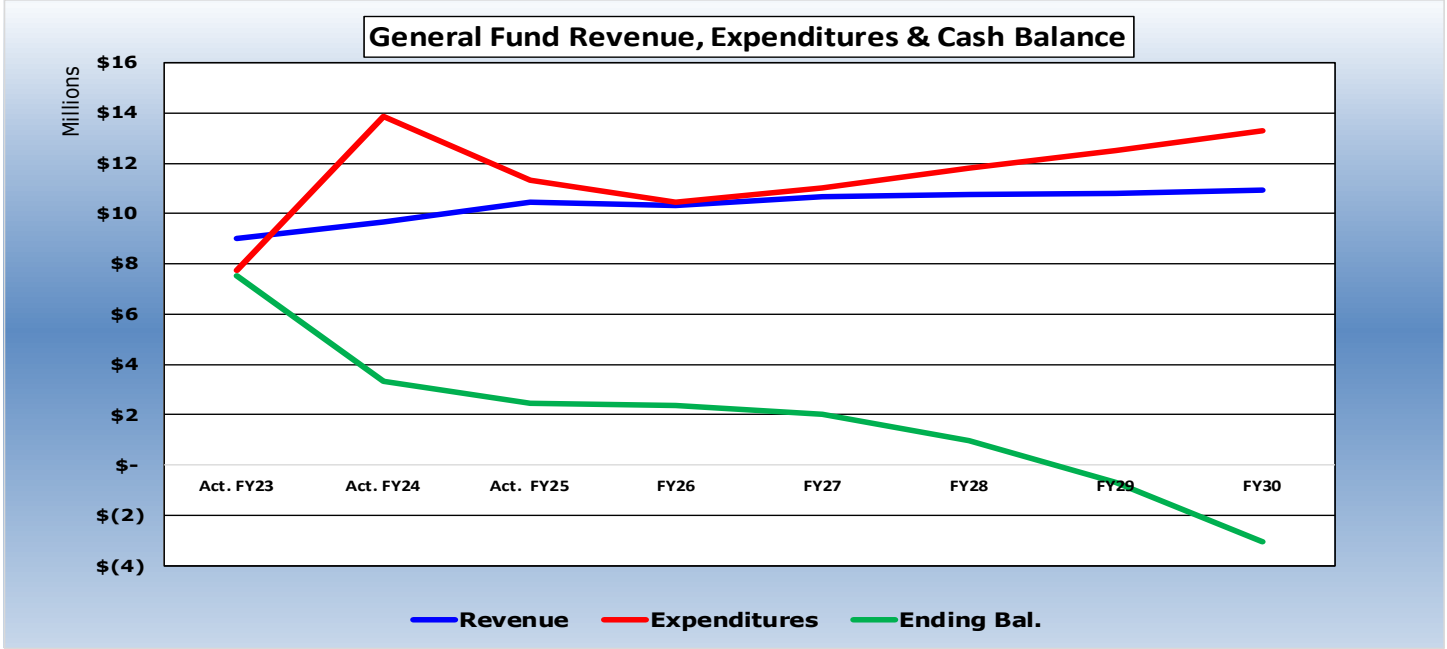
4. HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY26 and FY27. FY26 reflects 83.33% of the implementation cost at year five of a six-year phase-in plan, which increases by 16.66% each year. FY27 will result in 100% funding of (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) 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 most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY26.

5. 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. Current Homestead and 2.5% owner occupied credits are reimbursed to the district from the state of Ohio. These "Piggyback Property Tax Exemptions" would NOT be reimbursed. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly $150,714 from current operating levies, if our County Commissioners implement this. This new law creates a potential risk to our local tax collections.

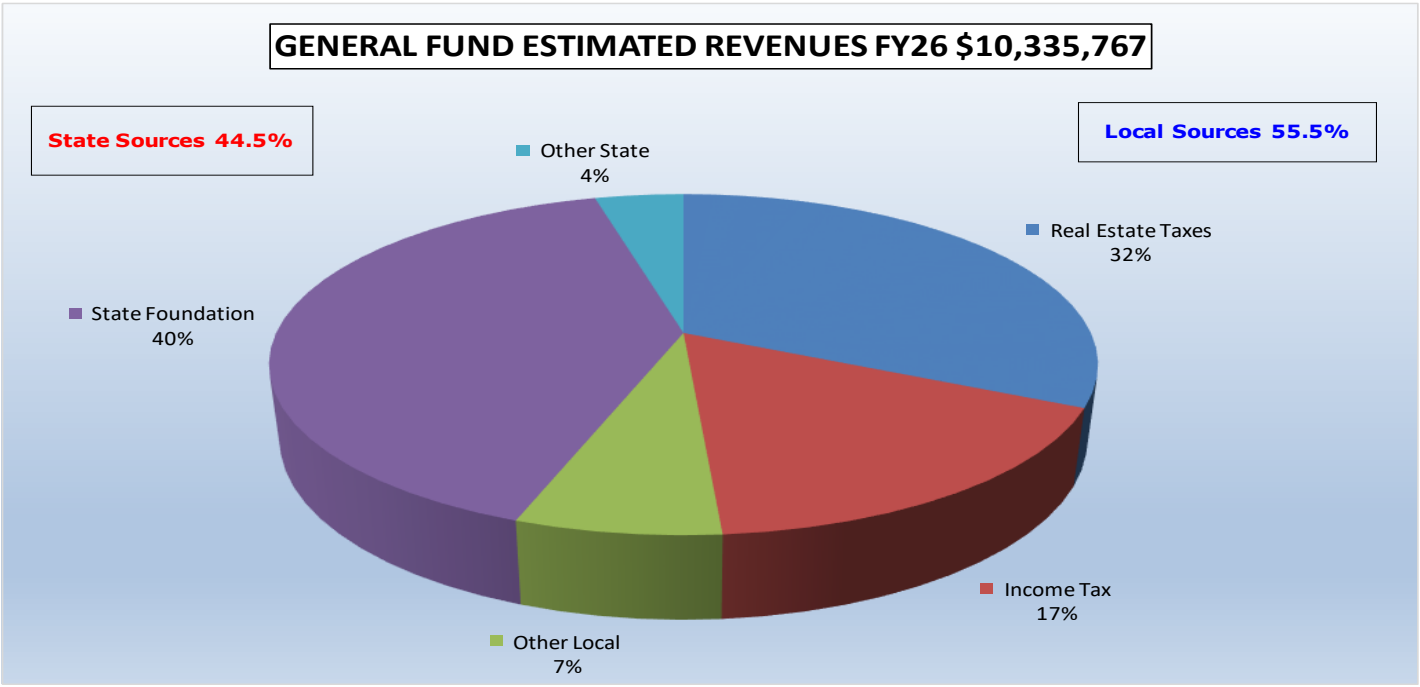
6. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

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 FY2023-25 and Estimated FY2026-30



Revenue Assumptions
General Fund Operating Revenue
Fiscal Year 2026-2030



ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2024	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028
Classification	COLLECT 2025	COLLECT 2026	COLLECT 2027	COLLECT 2028	COLLECT 2029
Res./Ag.	$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 was be conducted in both Erie and Huron counties in tax year 2024 and is being collected in 2025. The district experienced a 32.35% increase in total value between the two counties. Residential & Agricultural values experienced the most significant increase at 26.6%.

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.

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.

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 16.84% of the district's revenue. We experienced a 5.79% ($ 92,506) increase in our 2024-25 collection from the 2023-24 fiscal year but a 1.07% decrease the year before. We remain optimistic that will continue. We will assume that income from withholdings will continue in future collections. We have projected a 3% increase for the current fiscal year and an annual growth rate of 5% for the final four years of this 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

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).

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

State Funding FY26-FY27
The Fair School Funding Plan was presented as a six (6) year phase-in plan, the state legislature approved the final two (2) years of the funding plan in HB96 phasing in funding at 83.33% in FY26 and then 100% in FY27. However, the legislature did not increase the funding base inputs from FY25. In other words, the legislature did not increase funding in the foundation formula. They did increase transportation funding's state share percentage to 45.83% in FY26, and 50% in FY27, which could increase funding, and; they added three (3) Supplemental Payments outside the formula: a Base Funding Supplement, Enrollment Growth Supplement and Performance Supplement. The Base Funding Supplement will be paid to all districts. The funding supplement per pupil is $27 in FY26 and $40 in FY27.

The Enrollment Growth Supplement is paid to eligible districts based on the current FY26 enrolled ADM multiplied by $225 per student, and in FY27 based on FY27 enrolled ADM multiplied by $250. To be eligible enrolled ADM growth between FY22 and FY25 must equal or exceed 5% growth, and FY27 enrolled ADM growth between FY23 and FY26 must equal or exceed 3%. Our district does not qualify for this payment.

The 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. We will not know until later in FY26 if we will receive this additional funding.

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26, but still includes two (2) primary guarantees: 1) Formula Transition Aid, and 2) Formula Transition Supplement. The two (2) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY26 and FY27 than they received in FY21.

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 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.

In FY25, the funding totaled $114.30 million or $65.70 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

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. 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. We will not see the specific impact of this until after this forecast period.

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**

State Share of Local Property Tax – Line #1.050

A) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013. 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% tax credit. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly $150,714 from current operating levies, if our County Commissioners implemented this.

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, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees. Since FY22 any open-enrolled students since have been counted in our Enrolled ADM numbers for state funding and are not separately funded.

Interest income is based on the district's cash balances. While interest income in FY26 should remain steady due to laddered investment strategies, expected Federal Reserve rate cuts will begin to have an impact on earnings in FY27 and future years. We will continue to monitor the investments for the district. Rentals are expected to return to pre-pandemic levels over time. 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)

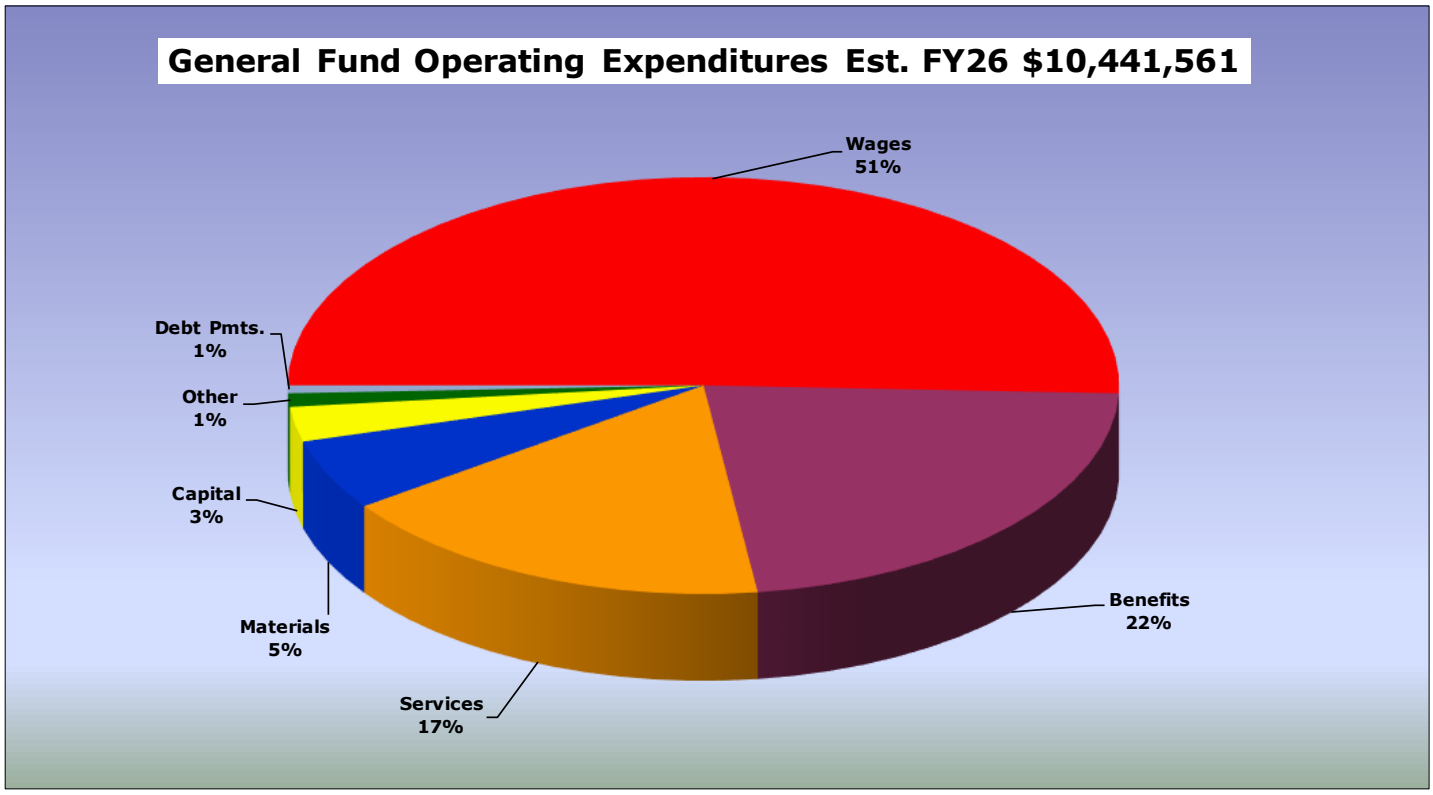
Source	FY24	FY25	FY26	FY27	FY28
All Other Financing Uses - Line #5.030	$0	$0	$0	$0	$0

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 2026-2030

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. The district is also required to pay SERS Surcharge, an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance

The district 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

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	FY26	FY27	FY28	FY29	FY30
General Office Supplies & Materials	$381,247	$392,684	$404,465	$416,599	$429,097
Textbooks & Instructional Supplies	11,594	11,942	12,300	12,669	13,049
Facility Supplies & Materials	139,848	144,043	148,364	152,815	157,399
Transportation Fuel & Supplies	37,267	38,385	39,537	40,723	41,945
Chromebooks & Curriculum	2,460	2,534	2,610	2,688	2,769
Supplies & Materials (Line # 3.040)	**$572,416**	**$589,588**	**$607,276**	**$625,494**	**$644,259**

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.

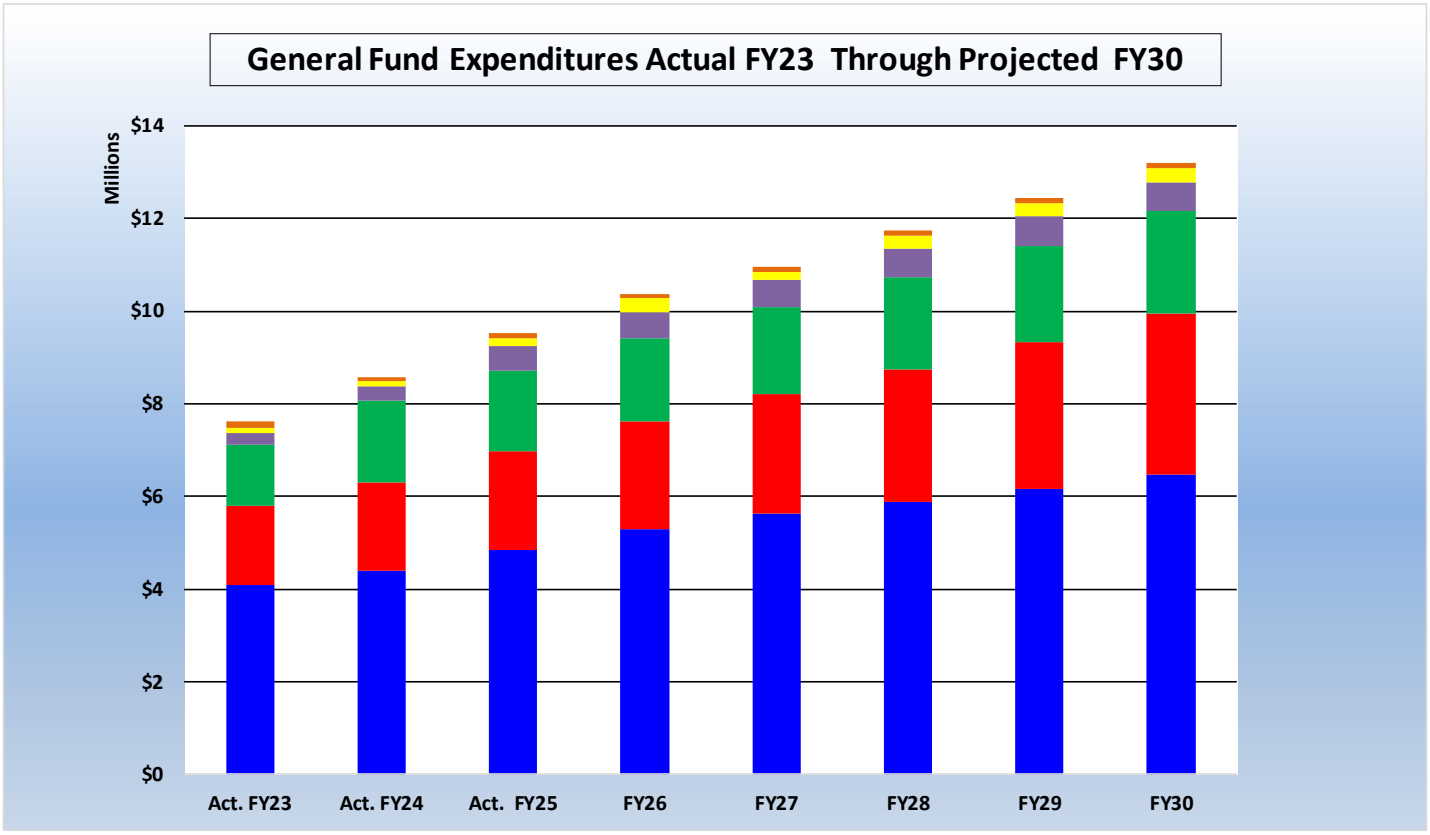
ESTIMATED ENCUMBRANCES (LINE #8.010)

	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 FY2023-2025 and Estimated FY2026-2030

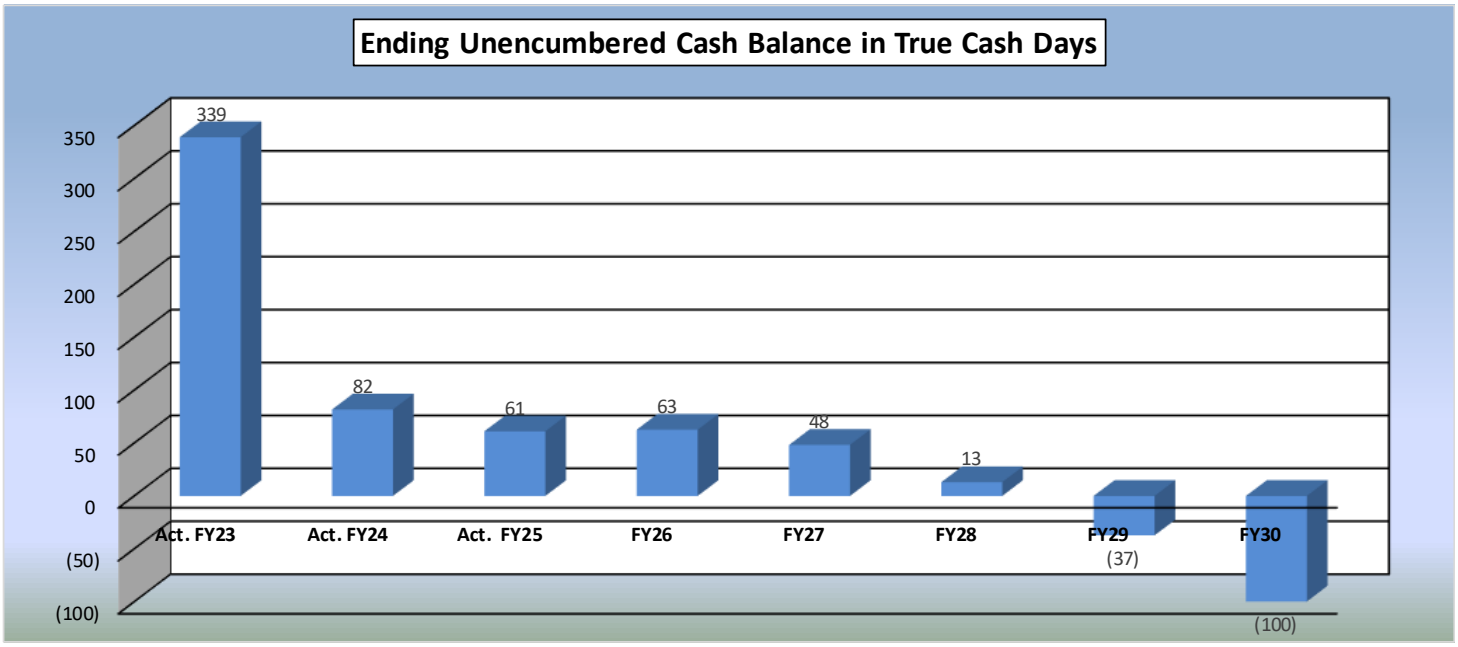
As the graph on the following page indicates, we have been diligent at containing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.



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 $ 858,211 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.