

**ELIDA LOCAL SCHOOL DISTRICT- ALLEN 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  
Elida Local School District  
Treasurer's Office  
Larry Kaiser, Treasurer/CFO  
November 19, 2024**

**Elida Local School District**

**Allen County**

Schedule of Revenues, 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 2029

|                                                                                                | Actual              |                     |                     | Average<br>Change | Forecasted           |                      |                      |                      |                       |
|------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|-------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
|                                                                                                | Fiscal Year<br>2022 | Fiscal Year<br>2023 | Fiscal Year<br>2024 |                   | Fiscal Year<br>2025  | Fiscal Year<br>2026  | Fiscal Year<br>2027  | Fiscal Year<br>2028  | Fiscal Year<br>2029   |
| <b>Revenues</b>                                                                                |                     |                     |                     |                   |                      |                      |                      |                      |                       |
| 1.010 General Property Tax (Real Estate)                                                       | \$10,038,368        | \$10,701,348        | \$10,524,867        | 2.5%              | \$11,386,702         | \$10,614,591         | \$9,652,655          | \$9,839,095          | \$9,983,158           |
| 1.020 Public Utility Personal Property Tax                                                     | \$688,259           | \$553,346           | \$634,961           | -2.4%             | \$690,276            | \$675,395            | \$672,844            | \$723,844            | \$774,844             |
| 1.030 Income Tax                                                                               | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 1.035 Unrestricted State Grants-in-Aid                                                         | \$9,446,110         | \$9,016,497         | \$9,562,035         | 0.8%              | \$9,255,055          | \$9,257,284          | \$9,259,547          | \$9,261,844          | \$9,264,176           |
| 1.040 Restricted State Grants-in-Aid                                                           | \$559,515           | \$776,607           | \$965,050           | 31.5%             | \$970,225            | \$768,377            | \$768,377            | \$768,377            | \$768,377             |
| 1.045 Restricted Federal Grants-in-Aid                                                         | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 1.050 Property Tax Allocation                                                                  | \$1,260,146         | \$1,296,282         | \$1,279,349         | 0.8%              | \$1,284,401          | \$1,275,457          | \$1,135,919          | \$1,160,099          | \$1,184,280           |
| 1.060 All Other Revenues                                                                       | \$1,429,096         | \$1,528,471         | \$1,541,086         | 3.9%              | \$1,498,852          | \$1,480,095          | \$1,462,734          | \$1,446,708          | \$1,431,960           |
| 1.070 <i>Total Revenues</i>                                                                    | <b>\$23,421,494</b> | <b>\$23,872,551</b> | <b>\$24,507,348</b> | <b>2.3%</b>       | <b>\$25,085,511</b>  | <b>\$24,071,199</b>  | <b>\$22,952,076</b>  | <b>\$23,199,967</b>  | <b>\$23,406,795</b>   |
| <b>Other Financing Sources</b>                                                                 |                     |                     |                     |                   |                      |                      |                      |                      |                       |
| 2.010 Proceeds from Sale of Notes                                                              | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 2.020 State Emergency Loans                                                                    | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 2.040 Operating Transfers-In                                                                   | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 2.050 Advances-In                                                                              | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 2.060 All Other Financing Sources                                                              | \$11,779            | \$5,020             | \$25,858            | 178.9%            | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 2.070 <i>Total Other Financing Sources</i>                                                     | <b>\$11,779</b>     | <b>\$5,020</b>      | <b>\$25,858</b>     | <b>178.9%</b>     | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>            |
| 2.080 <i>Total Revenues and Other Financing Sources</i>                                        | <b>\$23,433,273</b> | <b>\$23,877,571</b> | <b>\$24,533,206</b> | <b>2.3%</b>       | <b>\$25,085,511</b>  | <b>\$24,071,199</b>  | <b>\$22,952,076</b>  | <b>\$23,199,967</b>  | <b>\$23,406,795</b>   |
| <b>Expenditures</b>                                                                            |                     |                     |                     |                   |                      |                      |                      |                      |                       |
| 3.010 Personal Services                                                                        | \$12,688,437        | \$12,953,048        | \$13,379,417        | 2.7%              | \$14,832,231         | \$14,624,443         | \$15,325,631         | \$16,050,833         | \$16,811,914          |
| 3.020 Employees' Retirement/Insurance Benefits                                                 | \$4,720,425         | \$5,168,790         | \$5,246,002         | 5.5%              | \$5,526,853          | \$5,707,058          | \$6,020,438          | \$6,479,371          | \$6,977,720           |
| 3.030 Purchased Services                                                                       | \$4,864,298         | \$4,062,467         | \$4,131,414         | -7.4%             | \$4,382,293          | \$4,510,799          | \$4,644,359          | \$4,783,188          | \$4,927,507           |
| 3.040 Supplies and Materials                                                                   | \$668,504           | \$704,787           | \$781,539           | 8.2%              | \$940,104            | \$967,531            | \$995,805            | \$1,024,953          | \$1,055,002           |
| 3.050 Capital Outlay                                                                           | \$223,512           | \$152,313           | \$36,946            | -53.8%            | \$30,668             | \$250,668            | \$145,668            | \$270,668            | \$155,668             |
| 3.060 Intergovernmental                                                                        | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| Debt Service:                                                                                  |                     |                     |                     | 0.0%              |                      |                      |                      |                      |                       |
| 4.010 Principal-All (Historical Only)                                                          | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 4.020 Principal-Notes                                                                          | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 4.030 Principal-State Loans                                                                    | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 4.040 Principal-State Advancements                                                             | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 4.050 Principal-HB 264 Loans                                                                   | \$101,586           | \$103,782           | \$106,025           | 2.2%              | \$108,317            | \$110,659            | \$113,051            | \$115,494            | \$117,991             |
| 4.055 Principal-Other                                                                          | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 4.060 Interest and Fiscal Charges                                                              | \$19,599            | \$17,403            | \$15,160            | -12.0%            | \$12,868             | \$10,527             | \$8,135              | \$5,691              | \$3,195               |
| 4.300 Other Objects                                                                            | \$642,777           | \$298,452           | \$296,817           | -27.1%            | \$302,753            | \$308,808            | \$314,984            | \$321,284            | \$327,711             |
| 4.500 <i>Total Expenditures</i>                                                                | <b>\$23,929,138</b> | <b>\$23,461,042</b> | <b>\$23,993,320</b> | <b>0.2%</b>       | <b>\$26,136,088</b>  | <b>\$26,490,493</b>  | <b>\$27,568,071</b>  | <b>\$29,051,483</b>  | <b>\$30,376,708</b>   |
| <b>Other Financing Uses</b>                                                                    |                     |                     |                     |                   |                      |                      |                      |                      |                       |
| 5.010 Operating Transfers-Out                                                                  | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 5.020 Advances-Out                                                                             | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 5.030 All Other Financing Uses                                                                 | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 5.040 <i>Total Other Financing Uses</i>                                                        | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>0.0%</b>       | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>            |
| 5.050 <i>Total Expenditures and Other Financing Uses</i>                                       | <b>\$23,929,138</b> | <b>\$23,461,042</b> | <b>\$23,993,320</b> | <b>0.2%</b>       | <b>\$26,136,088</b>  | <b>\$26,490,493</b>  | <b>\$27,568,071</b>  | <b>\$29,051,483</b>  | <b>\$30,376,708</b>   |
| <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses</i> |                     |                     |                     |                   |                      |                      |                      |                      |                       |
| 6.010                                                                                          | <b>(\$495,865)</b>  | <b>\$416,529</b>    | <b>\$539,886</b>    | <b>-77.2%</b>     | <b>(\$1,050,577)</b> | <b>(\$2,419,294)</b> | <b>(\$4,615,995)</b> | <b>(\$5,851,516)</b> | <b>(\$6,969,913)</b>  |
| Cash Balance July 1 - Excluding Proposed                                                       |                     |                     |                     |                   |                      |                      |                      |                      |                       |
| 7.010 Renewal/Replacement and New Levies                                                       | \$5,825,843         | \$5,329,978         | \$5,746,507         | -0.3%             | \$6,286,393          | \$5,235,816          | \$2,816,522          | (\$1,799,472)        | (\$7,650,988)         |
| 7.020 <i>Cash Balance June 30</i>                                                              | <b>\$5,329,978</b>  | <b>\$5,746,507</b>  | <b>\$6,286,393</b>  | <b>8.6%</b>       | <b>\$5,235,816</b>   | <b>\$2,816,522</b>   | <b>(\$1,799,472)</b> | <b>(\$7,650,988)</b> | <b>(\$14,620,900)</b> |
| 8.010 <i>Estimated Encumbrances June 30</i>                                                    | \$603,129           | \$186,747           | \$159,478           | -41.8%            | \$159,478            | \$159,478            | \$159,478            | \$159,478            | \$159,478             |
| <b>Reservation of Fund Balance</b>                                                             |                     |                     |                     |                   |                      |                      |                      |                      |                       |
| 9.010 Textbooks and Instructional Materials                                                    | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 9.020 Capital Improvements                                                                     | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 9.030 Budget Reserve                                                                           | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 9.040 DPIA                                                                                     | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 9.045 Fiscal Stabilization                                                                     | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 9.050 Debt Service                                                                             | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |
| 9.060 Property Tax Advances                                                                    | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                   |

**Elida Local School District**

**Allen County**

Schedule of Revenues, 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 2029

|                                                | Actual              |                     |                     | Average<br>Change | Forecasted          |                     |                     |                     |                     |
|------------------------------------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                | Fiscal Year<br>2022 | Fiscal Year<br>2023 | Fiscal Year<br>2024 |                   | Fiscal Year<br>2025 | Fiscal Year<br>2026 | Fiscal Year<br>2027 | Fiscal Year<br>2028 | Fiscal Year<br>2029 |
| 9.070 Bus Purchases                            | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| 9.080 Subtotal Reservations of fund Balance    | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Fund Balance June 30 for Certification of      |                     |                     |                     |                   |                     |                     |                     |                     |                     |
| 10.010 Appropriations                          | \$4,726,849         | \$5,559,760         | \$6,126,915         | 13.9%             | \$5,076,338         | \$2,657,044         | (\$1,958,950)       | (\$7,810,466)       | (\$14,780,378)      |
| <b>Revenue from Replacement/Renewal Levies</b> |                     |                     |                     |                   |                     |                     |                     |                     |                     |
| 11.010 Income Tax - Renewal                    | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| 11.020 Property Tax - Renewal or Replacement   | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                 | \$1,501,591         | \$2,650,646         | \$2,650,646         | \$2,650,646         |
| 11.300 Cumulative Balance of Renewal Levies    | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                 | \$1,501,591         | \$4,152,237         | \$6,802,883         | \$9,453,529         |
| Fund Balance June 30 for Certification of      |                     |                     |                     |                   |                     |                     |                     |                     |                     |
| Contracts, Salary Schedules and Other          |                     |                     |                     |                   |                     |                     |                     |                     |                     |
| 12.010 Obligations                             | \$4,726,849         | \$5,559,760         | \$6,126,915         | 13.9%             | \$5,076,338         | \$4,158,635         | \$2,193,287         | (\$1,007,583)       | (\$5,326,849)       |
| <b>Revenue from New Levies</b>                 |                     |                     |                     |                   |                     |                     |                     |                     |                     |
| 13.010 Income Tax - New                        | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| 13.020 Property Tax - New                      | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| 13.030 Cumulative Balance of New Levies        | \$0                 | \$0                 | \$0                 | 0.0%              | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| 14.010 Revenue from Future State Advancements  |                     |                     |                     | 0.0%              | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| 15.010 Unreserved Fund Balance June 30         | \$4,726,849         | \$5,559,760         | \$6,126,915         | 13.9%             | \$5,076,338         | \$4,158,635         | \$2,193,287         | (\$1,007,583)       | (\$5,326,849)       |

**Elida Local School District –Allen County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**November 19 , 2024**

**Introduction to the Five Year Forecast**

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

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

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

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

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

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, and May 31, each fiscal year (July 1 to June 30). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the fiscal forecast is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the November 2024 filing.

**Economic Outlook**

The current economic recovery began in the fall of 2020 and remains robust through this forecast date. However, recent Federal Reserve Bank interest rate cuts foretell of a possible recession in the next six to twelve months from this forecast. The persistently high inflation that has impacted our state, country, and broader globalized economy has slowed to an annualized rate of 2.53% in August 2024 that is down from the 40 year high of 9.1% annualized rate posted in June 2022. Costs for goods and services in FY23 and FY24 were notably impacted in areas such as capital and durable goods, diesel fuel for buses, electric, natural gas, and building materials for facility maintenance and repair. Inflation affecting district costs is expected to continue in FY25. There is some good news, the Federal Reserve is projecting inflation to be closer to their target rate of 2% by

calendar year end 2024 or early in 2025. It remains to be seen if the cumulative cost increases over the past two years are transitory in goods and services or will last over the forecast period.

The Federal Reserve Bank cut Federal Fund rates in September 2024 by 50 basis points (.5%) which indicates slowing inflation and a slowing economy. Employment levels have begun to fall. The unemployment rate was 3.8% in September 2023 and rose to 4.2% in September 2024. A survey of prominent leading economists predicts there is roughly a 50% chance of a mild recession in the calendar year 2025. How this news impacts the state of Ohio's FY26 and FY27 biennium budget deliberations and actions in late spring 2025 is unknown as this forecast is filed.

The state of Ohio has enjoyed economic growth over the past three years, and the state's Rainy Day Fund balance is at \$3.7 Billion. The new state funding formula is in the fourth year of a projected six-year phase-in. While increased inflation has impacted costs across Ohio, the state's economy has grown, and many school districts received new funding in HB33 for FY24 and FY25. The ongoing growth in Ohio's economy should enable the state to finalize the last two years of the phase-in of the new funding formula in FY26 and FY27 even if a cyclical recession occurs. Regardless of a recession, the state is well-positioned to continue state aid payments to Ohio's school districts.

Since 2020 all school districts were being aided in varying degrees by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER). The most recent allocation of ESSER funds must be encumbered by September 30, 2024. The loss of these funds in FY25 and future years may create a "fiscal cliff" as any ongoing costs will likely be absorbed back into the district General Fund.

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

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

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

1) Property tax collections are the largest single revenue source for the school system. 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 54.31% of the district's resources. We believe there is a low risk that local collections would fall below projections throughout the forecast.

2) Allen County experienced a reappraisal update in the 2021 tax year to be collected in 2022. The 2021 update increased overall assessed values by \$47.53 million or an increase of 12.03%. A reappraisal update will occur in tax year 2024 for collection in 2025. We anticipate value increases for Class I and II property by \$77.02 million for an overall increase of 17.33%. 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.

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. Currently the senate has proposed SB271 that seeks to limit growth through refund or reduction taxes to ensure annual tax growth to no

more than 5% in a year. If passed by the General Assembly this will result in lowering tax increases for our residents who qualify. We are watching this legislation closely.

In addition to SB271, the legislature developed a Joint Committee on Property Taxation and Reform in 2024 in response to the historic valuation increases. Their mission is to review Ohio's property tax system and to make recommendations to the General Assembly on property taxation. The committee must report to the General Assembly by December 31, 2024. We are following any actions of the committee closely to determine what impact, if any, proposals could mean for our district to limit tax growth or to reduce taxes.

4) The state budget represented 45.88% 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. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY29. We have projected our state funding in FY25 based on the additional phase-in of HB33 (the fair school funding plan). This forecast reflects state revenue to align with the FY25 funding levels through FY29, 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.

5) 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 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed and dependent on legislative actions for the FY26 and FY27 state biennium budget. The FSFP has made many significant changes to how foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. We have used the October payment published by the Department of Education and Workforce for our forecasted revenues in FY25.

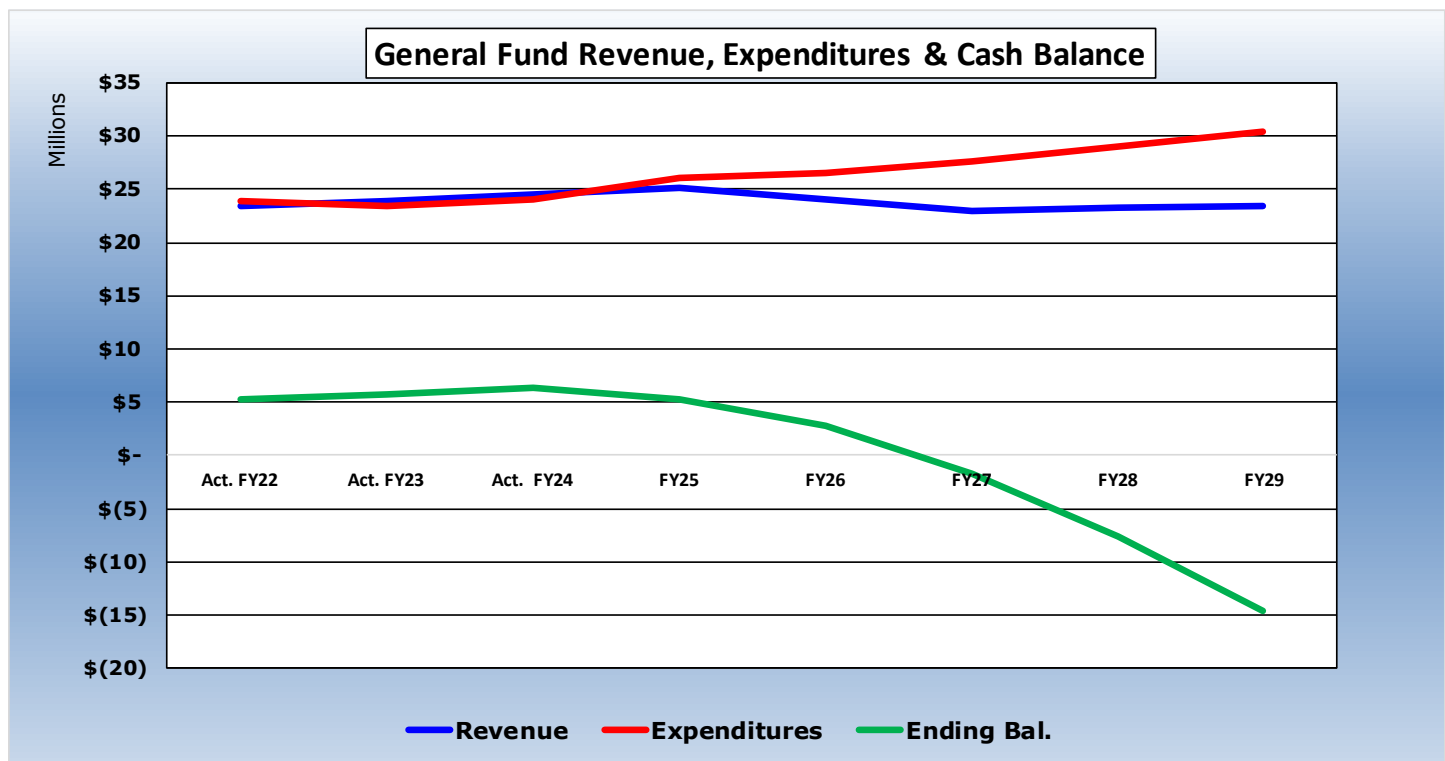
6) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus, Excess Costs and various tuitions continue 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.

7) The district's \$2.7 million emergency levy will expire in 2025. It will be essential to renew this levy when it comes up. We believe the levy will be renewed, but there is always a chance it will not.

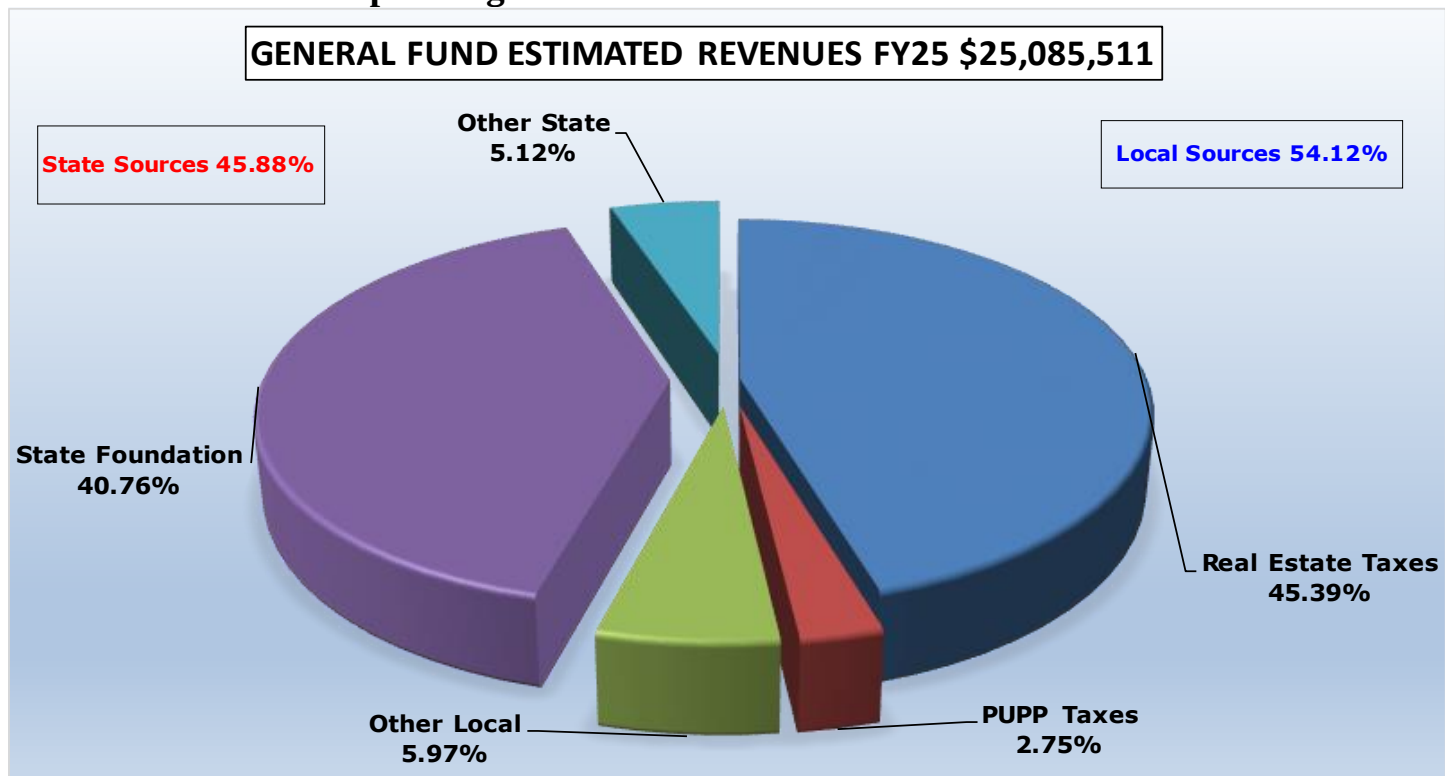
8) Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

The 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 Larry Kaiser, Treasurer/CFO.

**General Fund Revenue, Expenditures and Ending Cash Balance Actual FY22-24 and Estimated FY25-29**  
 The graph captures in one snapshot the operating scenario facing the District over the next few years.



**Revenue Assumptions**  
**Operating Revenue Sources General Fund FY25**



### Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the Allen County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Allen County experienced a reappraisal for the 2021 tax year to be collected in 2022. Residential/Agricultural or Class I values increased 14.05% or \$41.23 million due to the reappraisal led by an improving housing market. Commercial/Industrial or Class II values increased by 3.27% or \$3.33 million.

For tax year 2021 residential property values were up largely due to new construction by 2.13% or \$13.71 million in assessed value and commercial/industrial values increased by 1% or \$1.69 million. Overall values rose \$20.34 million or 2.19%, which includes new construction for all classes of property.

A reappraisal update will occur in 2024 for collection in 2025 for which we are estimating a 20% increase in residential and an 8% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase \$77.02 million or 17.33% overall.

Public Utility Personal Property (PUPP) values increased by \$2.22 million in Tax Year 2023. We expect our values to continue to grow by \$2 million each year of the forecast.

|                                         | Estimated<br>TAX YEAR 2024<br>COLLECT 2025 | Estimated<br>TAX YEAR 2025<br>COLLECT 2026 | Estimated<br>TAX YEAR 2026<br>COLLECT 2027 | Estimated<br>TAX YEAR 2027<br>COLLECT 2028 | Estimated<br>TAX YEAR 2028<br>COLLECT 2029 |
|-----------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| <u>Classification</u>                   |                                            |                                            |                                            |                                            |                                            |
| Res./Ag.                                | \$407,406,844                              | \$407,756,844                              | \$408,276,844                              | \$425,127,918                              | \$425,647,918                              |
| Comm./Ind.                              | 114,183,347                                | 114,433,347                                | 114,683,347                                | 116,080,181                                | 116,330,181                                |
| Public Utility Personal Property (PUPP) | <u>23,311,620</u>                          | <u>25,311,620</u>                          | <u>27,311,620</u>                          | <u>29,311,620</u>                          | <u>31,311,620</u>                          |
| Total Assessed Value                    | <u>\$544,901,811</u>                       | <u>\$547,501,811</u>                       | <u>\$550,271,811</u>                       | <u>\$570,519,718</u>                       | <u>\$573,289,718</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 25.5 mills while the Class I effective millage rate is 20.005984 mills and the Class II effective millage rate is 24.319084 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 close to the 20-mill floor for Class I property. Any emergency or substitute emergency levy approved is not included in the 20-mill floor, the district has one emergency levy of 5.806 mills that was approved for an annual amount of \$2.7 million of taxes.

### ESTIMATED REAL ESTATE TAX - Line #1.010

| <u>Source</u>                      | <u>FY25</u>         | <u>FY26</u>         | <u>FY27</u>        | <u>FY28</u>        | <u>FY29</u>        |
|------------------------------------|---------------------|---------------------|--------------------|--------------------|--------------------|
| Est. Real Estate Taxes             | <u>\$11,386,702</u> | <u>\$10,614,591</u> | <u>\$9,652,655</u> | <u>\$9,839,095</u> | <u>\$9,983,158</u> |
| Total Line #1.01 Real Estate Taxes | <u>\$11,386,702</u> | <u>\$10,614,591</u> | <u>\$9,652,655</u> | <u>\$9,839,095</u> | <u>\$9,983,158</u> |

Property tax levies are estimated to be collected at 97.55% of the annual amount. This allows a 2.45% delinquency factor. In general, 56.67% of the Class I and Class II property taxes are expected to be collected in the February tax settlement and 43.33% in the August tax settlement.

### Estimated Public Utility Personal Property (PUPP )Taxes – Line #1.020

The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. Collections are typically 53.72% in March and 46.28% in August, along with the real estate settlements from the county auditor.

| <u>Source</u>                    | <u>FY25</u>      | <u>FY26</u>      | <u>FY27</u>      | <u>FY28</u>      | <u>FY29</u>      |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|
| Public Utility Personal Property | \$690,276        | \$675,395        | \$672,844        | \$723,844        | \$774,844        |
| Total PUPP Tax Line #1.020       | <u>\$690,276</u> | <u>\$675,395</u> | <u>\$672,844</u> | <u>\$723,844</u> | <u>\$774,844</u> |

### Renewal and Replacement Levies – Line #11.02

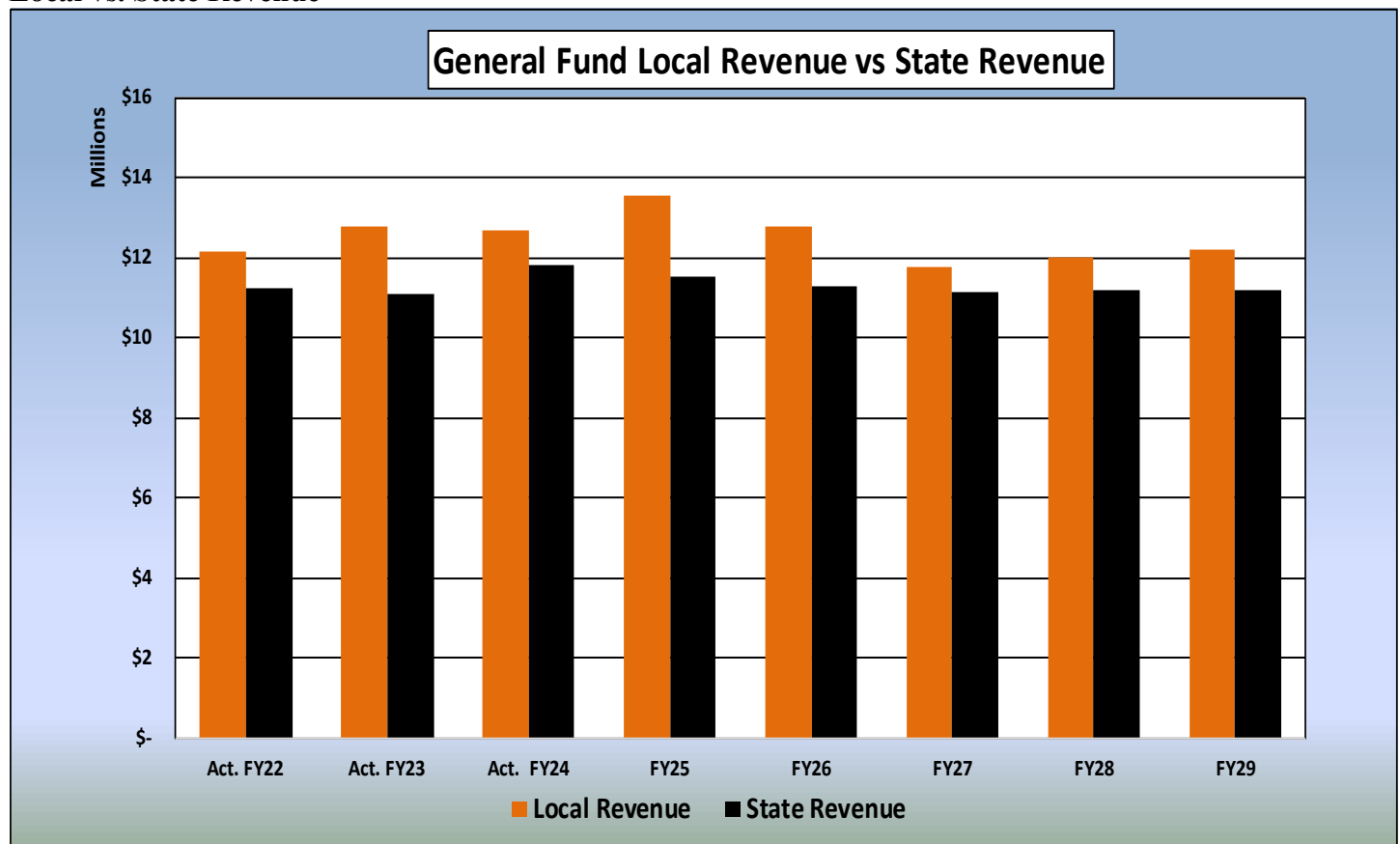
Tax levies that are not continuous by law cannot be included with the property taxes; therefore, the emergency levy that brings in \$2.70 million annually will expire December 31, 2025. This levy is being shown needing to be renewed in this line and is not included in Lines #1.010, #1.020 and #1.050.

| <u>Source</u>                      | <u>FY25</u> | <u>FY26</u>        | <u>FY27</u>        | <u>FY28</u>        | <u>FY29</u>        |
|------------------------------------|-------------|--------------------|--------------------|--------------------|--------------------|
| Emergency levy Renewal \$2,704,741 | 0           | 1,501,591          | 2,650,646          | 2,650,646          | 2,650,646          |
| Total Line #11.020                 | <u>\$0</u>  | <u>\$1,501,591</u> | <u>\$2,650,646</u> | <u>\$2,650,646</u> | <u>\$2,650,646</u> |

### School District Income Tax – Line#1.030

The district does not have a school district income tax.

### Local vs. State Revenue



## State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

### Current State Funding Model per HB110 through June 30, 2023

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

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

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

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

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

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

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

#### Future State 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 for the opening of four (4) casinos one each 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% 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 31<sup>st</sup> of January and August each year which began for the first time on January 31, 2013.

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

| <u>Source</u>                            | <u>FY25</u>        | <u>FY26</u>        | <u>FY27</u>        | <u>FY28</u>        | <u>FY29</u>        |
|------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Basic Aid-Unrestricted                   | \$8,736,266        | \$8,736,266        | \$8,736,266        | \$8,736,266        | \$8,736,266        |
| Additional Aid Items                     | <u>370,137</u>     | <u>370,137</u>     | <u>370,137</u>     | <u>370,137</u>     | <u>370,137</u>     |
| Basic Aid-Unrestricted Subtotal          | 9,106,404          | 9,106,403          | 9,106,403          | 9,106,403          | 9,106,403          |
| Ohio Casino Commission ODT               | <u>148,651</u>     | <u>150,881</u>     | <u>153,144</u>     | <u>155,441</u>     | <u>157,773</u>     |
| Total Unrestricted State Aid Line #1.035 | <u>\$9,255,055</u> | <u>\$9,257,284</u> | <u>\$9,259,547</u> | <u>\$9,261,844</u> | <u>\$9,264,176</u> |

**B) Restricted State Revenues – Line # 1.040**

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, new restricted funds have been added under “Restricted Categorical Aid” for Gifted, English Learners (ESL), and Student Wellness. 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 \$200,144 from this one-time subsidy in FY25 and is required to maintain documentation as to how the funds were spent. The district received additional High Quality Instructional Material payment in FY25 of \$1,703.27 which is due to the state redirecting funds that were not used by other districts.

| <u>Source</u>                               | <u>FY25</u>      | <u>FY26</u>      | <u>FY27</u>      | <u>FY28</u>      | <u>FY29</u>      |
|---------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| DPIA                                        | \$354,930        | \$354,930        | \$354,930        | \$354,930        | \$354,930        |
| Career Tech - Restricted                    | 0                | 0                | 0                | 0                | 0                |
| Gifted                                      | 89,373           | 89,373           | 89,373           | 89,373           | 89,373           |
| ESL                                         | 21,411           | 21,411           | 21,411           | 21,411           | 21,411           |
| Student Wellness                            | 302,663          | 302,663          | 302,663          | 302,663          | 302,663          |
| Other Restricted State                      | <u>201,847</u>   | <u>0</u>         | <u>0</u>         | <u>0</u>         | <u>0</u>         |
| Total Restricted State Revenues Line #1.040 | <u>\$970,225</u> | <u>\$768,377</u> | <u>\$768,377</u> | <u>\$768,377</u> | <u>\$768,377</u> |

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

There are no federal restricted grants projected during this forecast.

**Summary of State Foundation Revenues – Line #1.035, #1.040, #1.045**

| <u>SUMMARY</u>                 | <u>FY25</u>         | <u>FY26</u>         | <u>FY27</u>         | <u>FY28</u>         | <u>FY29</u>         |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Unrestricted Line #1.035       | \$9,255,055         | \$9,257,284         | \$9,259,547         | \$9,261,844         | \$9,264,176         |
| Restricted Line #1.040         | 970,225             | 768,377             | 768,377             | 768,377             | 768,377             |
| Rest. Federal Funds #1.045     | <u>0</u>            | <u>0</u>            | <u>0</u>            | <u>0</u>            | <u>0</u>            |
| Total State Foundation Revenue | <u>\$10,225,280</u> | <u>\$10,025,661</u> | <u>\$10,027,924</u> | <u>\$10,030,221</u> | <u>\$10,032,553</u> |

**State Taxes Reimbursement/Property Tax Allocation****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.

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.

#### **Summary of State Tax Reimbursement – Line #1.050**

| <u>Source</u>                   | <u>FY25</u>        | <u>FY26</u>        | <u>FY27</u>        | <u>FY28</u>        | <u>FY29</u>        |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Rollback and Homestead          | <u>\$1,284,401</u> | <u>\$1,275,457</u> | <u>\$1,135,919</u> | <u>\$1,160,099</u> | <u>\$1,184,280</u> |
| Total Tax Reimbursements #1.050 | <u>\$1,284,401</u> | <u>\$1,275,457</u> | <u>\$1,135,919</u> | <u>\$1,160,099</u> | <u>\$1,184,280</u> |

#### **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.

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.

The district no longer is charging for pay to participate fees beginning in FY25, we have reduced the class and sports oriented fees by \$38,320 with no increase throughout the forecast.

| <u>Source</u>                         | <u>FY25</u>        | <u>FY26</u>        | <u>FY27</u>        | <u>FY28</u>        | <u>FY29</u>        |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Tuition Related Payments              | \$326,963          | \$333,502          | \$340,172          | \$346,975          | \$353,915          |
| Class & Sports Oriented Fees          | 256,267            | 256,267            | 256,267            | 256,267            | 256,267            |
| Interest Earnings                     | 505,917            | 480,621            | 456,590            | 433,761            | 412,073            |
| Rental Related Fees                   | 21,457             | 21,457             | 21,457             | 21,457             | 21,457             |
| Medicaid                              | 280,741            | 280,741            | 280,741            | 280,741            | 280,741            |
| Miscellaneous                         | <u>107,507</u>     | <u>107,507</u>     | <u>107,507</u>     | <u>107,507</u>     | <u>107,507</u>     |
| Total Other Local Revenue Line #1.060 | <u>\$1,498,852</u> | <u>\$1,480,095</u> | <u>\$1,462,734</u> | <u>\$1,446,708</u> | <u>\$1,431,960</u> |

#### **Short-Term Borrowing – Lines #2.010 & Line #2.020**

There is no short term borrowing projected in this forecast.

#### **Transfers In / Return of Advances – Line #2.040 & Line #2.050**

These 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. The district does not plan to have any transfers or advances during this forecast.

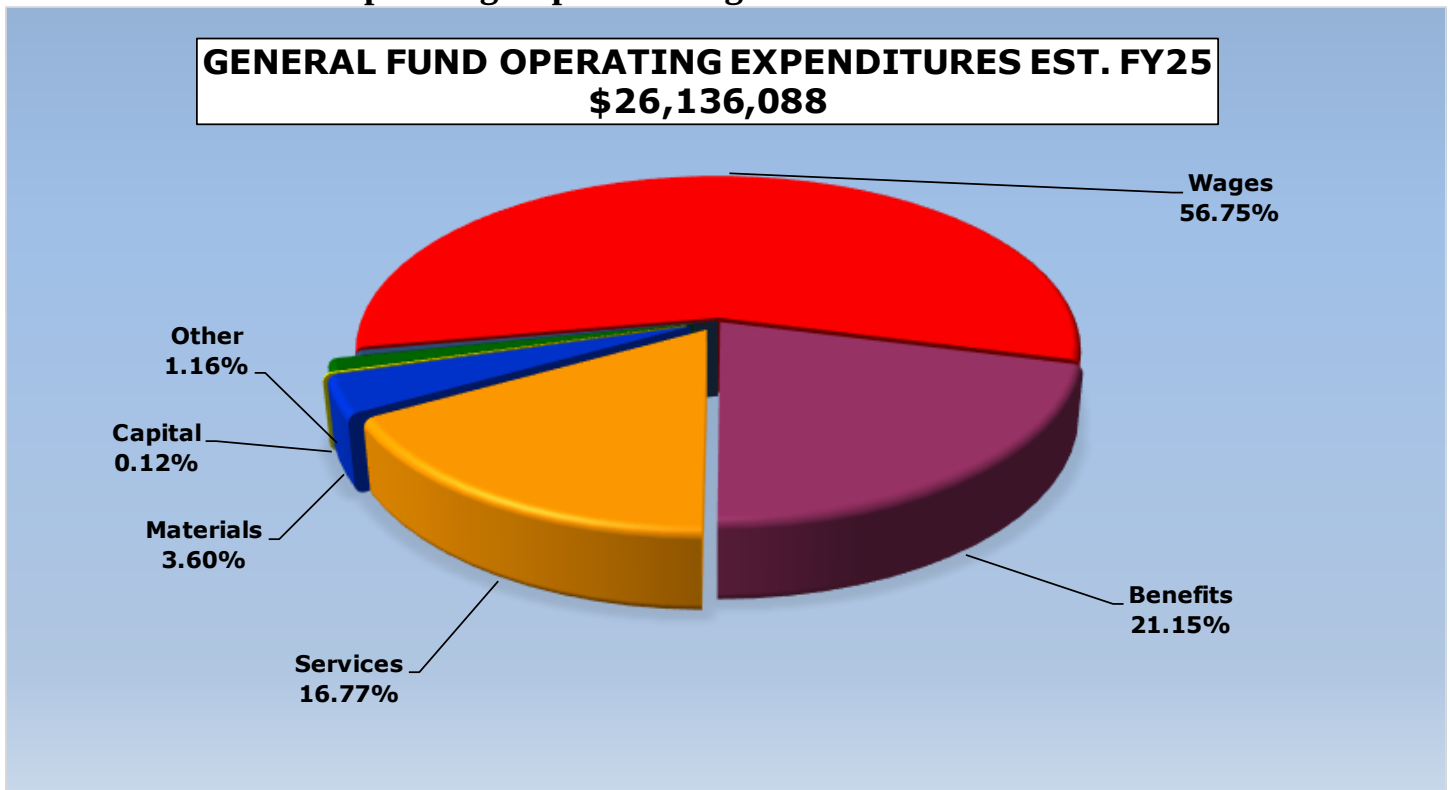
#### **All Other Financial Sources – Line #2.060**

This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast and the district does not expect any during this forecast.

## 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.

### All Operating Expense Categories - General Fund FY25



#### Wages – Line #3.010

Negotiations with bargaining unit members resulted in an agreement to include base increases of 1.99% in FY25, the district is including base rate increase of 3.5% in FY26 through FY29 for forecasting purposes only. The district also includes step and training increases each year of the forecast of 1.44%

The district has returned staffing costs from the ESSER fund in FY25 of \$841,000 that will continue throughout the forecast. The district will be making reductions in staff in FY26 for an estimated amount of \$716,987 either through eliminated supplementals or some positions, the staffing plan has not been finalized for this forecast.

The district will pay staff stipends for attending and being certified in the Science of Reading which increases the salaries in FY25 only by \$174,000.

| <u>Source</u>                | <u>FY25</u>         | <u>FY26</u>         | <u>FY27</u>         | <u>FY28</u>         | <u>FY29</u>         |
|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Base Wages                   | \$12,742,093        | \$14,020,147        | \$13,984,996        | \$14,684,773        | \$15,408,515        |
| Based Pay Increase           | 253,568             | 490,705             | 489,475             | 513,967             | 539,298             |
| Steps & Academic Training    | 183,486             | 191,131             | 210,302             | 209,775             | 220,272             |
| Growth Staff                 | 0                   | 0                   | 0                   | 0                   | 0                   |
| Substitutes                  | 634,683             | 460,683             | 460,683             | 460,683             | 460,683             |
| Supplementals                | 38,945              | 40,308              | 41,719              | 43,179              | 44,690              |
| Severance & Other            | 138,456             | 138,456             | 138,456             | 138,456             | 138,456             |
| SWSF & ESSER Adjustments     | 841,000             | 0                   | 0                   | 0                   | 0                   |
| Other Adjustments/Reductions | <u>0</u>            | <u>(716,987)</u>    | <u>0</u>            | <u>0</u>            | <u>0</u>            |
| Total Wages Line #3.010      | <u>\$14,832,231</u> | <u>\$14,624,443</u> | <u>\$15,325,631</u> | <u>\$16,050,833</u> | <u>\$16,811,914</u> |

### **Fringe Benefits Estimates**

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. The district insurance plans run January through December; therefore, we are using a blended rate for premium increases of July through December and January through June. The blended rate for FY25 is 8%, we are anticipating 10% increases as the blended rate in FY26 through FY29.

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 .034% of wages FY25– FY29. Unemployment is expected to remain at a very low level FY25– FY29.

#### **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.

#### **E) Tuition**

The district is appropriating the amount for tuition payments to staff that are included in the negotiate agreement based on the amount from the previous year.

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

| <u>Source</u>                     | <u>FY25</u>        | <u>FY26</u>        | <u>FY27</u>        | <u>FY28</u>        | <u>FY29</u>        |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| STRS/SERS                         | \$2,248,260        | \$2,338,719        | \$2,335,979        | \$2,448,005        | \$2,565,412        |
| Insurance's                       | 2,942,223          | 3,035,689          | 3,339,258          | 3,673,184          | 4,040,502          |
| Workers Comp/Unemployment         | 51,269             | 50,562             | 52,946             | 55,412             | 58,000             |
| Medicare                          | 213,060            | 210,047            | 220,214            | 230,729            | 241,765            |
| Other/Tuition/Annuities           | <u>72,041</u>      | <u>72,041</u>      | <u>72,041</u>      | <u>72,041</u>      | <u>72,041</u>      |
| Total Fringe Benefits Line #3.020 | <u>\$5,526,853</u> | <u>\$5,707,058</u> | <u>\$6,020,438</u> | <u>\$6,479,371</u> | <u>\$6,977,720</u> |

**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.

The district increased professional and ESC services in FY25 for the amounts that had been moved to the ESSER fund of \$520,000 less the one-time purchases that were made from those fund for a total increase of \$127,228. The district expects to have 5% increase for utilities in FY25 through FY29. All other areas of purchased services will see between no increase up to 5% increase in each year of the forecast.

| <u>Source</u>                             | <u>FY25</u>        | <u>FY26</u>        | <u>FY27</u>        | <u>FY28</u>        | <u>FY29</u>        |
|-------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Professional & Technical Services, ESC    | \$646,747          | \$646,747          | \$646,747          | \$646,747          | \$646,747          |
| Maintenance, Insurance & Garbage Removal  | 523,278            | 549,442            | 576,914            | 605,760            | 636,048            |
| Professional Development                  | 25,397             | 25,905             | 26,423             | 26,951             | 27,490             |
| Communications, Postage, & Telephone      | 31,858             | 33,132             | 34,457             | 35,835             | 37,268             |
| Utilities                                 | 691,415            | 725,986            | 762,285            | 800,399            | 840,419            |
| Tuition, Excess Costs & Scholarship Costs | 1,871,355          | 1,927,496          | 1,985,321          | 2,044,881          | 2,106,227          |
| College Credit Plus                       | 256,771            | 264,474            | 272,408            | 280,580            | 288,997            |
| Contract Transportation                   | 107,228            | 109,373            | 111,560            | 113,791            | 116,067            |
| Miscellaneous Purchased Services          | <u>228,244</u>     | <u>228,244</u>     | <u>228,244</u>     | <u>228,244</u>     | <u>228,244</u>     |
| Total Purchased Services Line #3.030      | <u>\$4,382,293</u> | <u>\$4,510,799</u> | <u>\$4,644,359</u> | <u>\$4,783,188</u> | <u>\$4,927,507</u> |

**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. Annual increases for supplies are projected to be 2% to 4% annually. General supplies will be increased an additional amount of \$135,917 in FY25 for supplies that will need to be purchased from the general fund that had been paid for from the ESSER grants.

| <u>Source</u>                       | <u>FY25</u>      | <u>FY26</u>      | <u>FY27</u>      | <u>FY28</u>        | <u>FY29</u>        |
|-------------------------------------|------------------|------------------|------------------|--------------------|--------------------|
| General Office Supplies & Materials | \$472,803        | \$486,987        | \$501,597        | \$516,645          | \$532,144          |
| Textbooks & Instructional Supplies  | 77,311           | 78,857           | 80,434           | 82,043             | 83,684             |
| Facility Supplies & Materials       | 195,119          | 199,021          | 203,001          | 207,061            | 211,202            |
| Transportation Fuel & Supplies      | 194,871          | 202,666          | 210,773          | 219,204            | 227,972            |
| Other Supplies                      | <u>0</u>         | <u>0</u>         | <u>0</u>         | <u>0</u>           | <u>0</u>           |
| Total Supplies Line #3.040          | <u>\$940,104</u> | <u>\$967,531</u> | <u>\$995,805</u> | <u>\$1,024,953</u> | <u>\$1,055,002</u> |

**Equipment – 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. The district expects to purchase 2 buses in FY26 and FY28 and 1 bus in FY27 and FY29.

| <u>Source</u>                   | <u>FY25</u>     | <u>FY26</u>      | <u>FY27</u>      | <u>FY28</u>      | <u>FY29</u>      |
|---------------------------------|-----------------|------------------|------------------|------------------|------------------|
| Capital Outlay & Maintenance    | \$26,002        | \$26,002         | \$26,002         | \$26,002         | \$26,002         |
| Technology/Curriculum Purchases | 4,666           | 4,666            | 4,666            | 4,666            | 4,666            |
| Busses & Other Vehicles         | <u>0</u>        | <u>220,000</u>   | <u>115,000</u>   | <u>240,000</u>   | <u>125,000</u>   |
| Total Equipment Line #3.050     | <u>\$30,668</u> | <u>\$250,668</u> | <u>\$145,668</u> | <u>\$270,668</u> | <u>\$155,668</u> |

**Principal and Interest Payment – Lines # 4.05 and 4.06**

The district is making payments for the Solar Lease project for nine years, the last payment will be December 1, 2029.

| <u>Source</u>                     | <u>FY25</u>      | <u>FY26</u>      | <u>FY27</u>      | <u>FY28</u>      | <u>FY29</u>      |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| Solar Lease Principal Line #4.050 | \$108,317        | \$110,659        | \$113,051        | \$115,494        | \$117,991        |
| Solar Lease Interest Line # 4.060 | <u>\$12,868</u>  | <u>\$10,527</u>  | <u>\$8,135</u>   | <u>\$5,691</u>   | <u>\$3,195</u>   |
| Total                             | <u>\$121,186</u> | <u>\$121,186</u> | <u>\$121,186</u> | <u>\$121,186</u> | <u>\$121,186</u> |

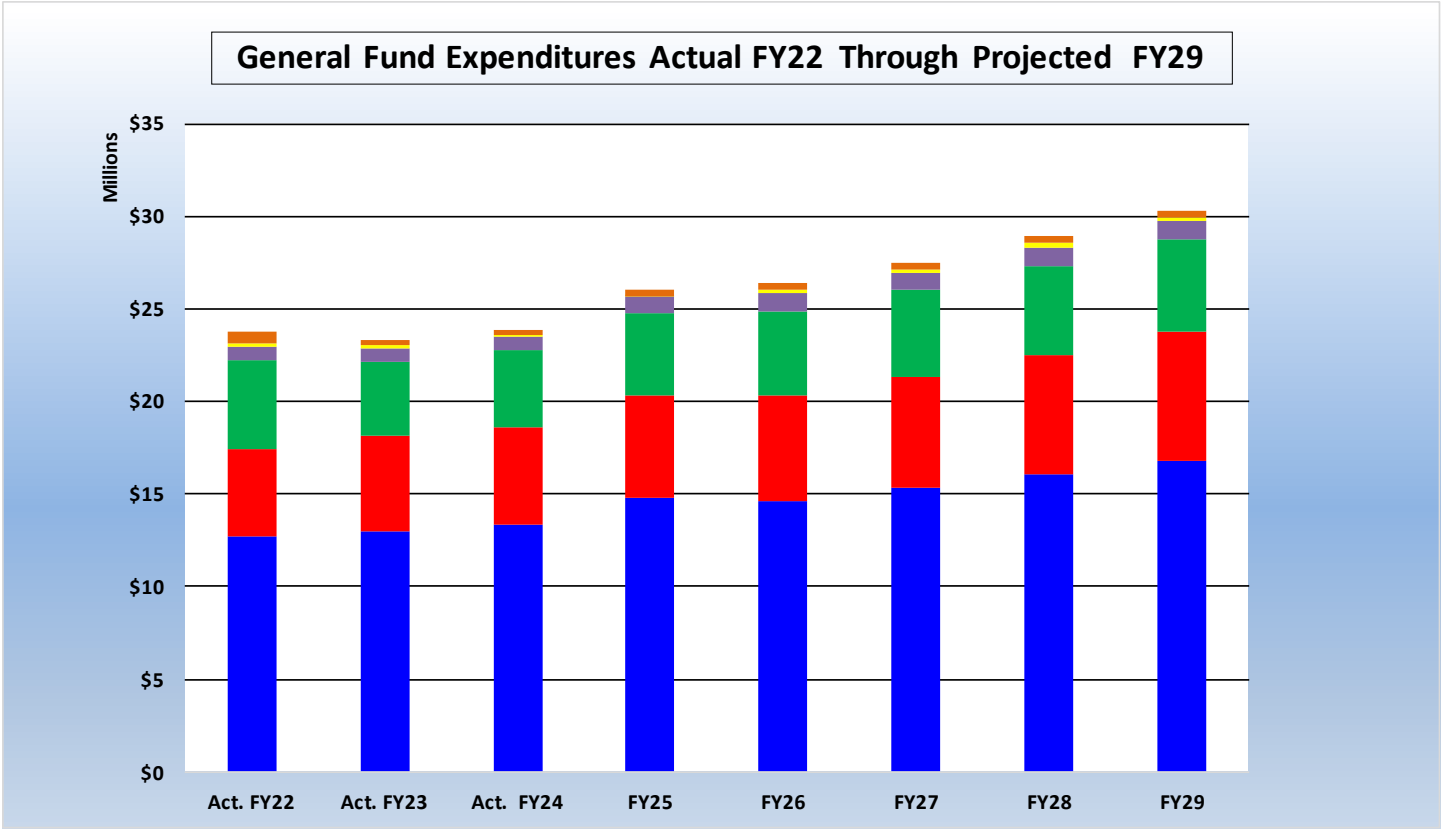
**Other Expenses – Line #4.300**

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit fees, and other miscellaneous expenses. A rate of 2% increase is projected in this area.

| <u>Source</u>                    | <u>FY25</u>      | <u>FY26</u>      | <u>FY27</u>      | <u>FY28</u>      | <u>FY29</u>      |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|
| County Auditor & Treasurer Fees  | \$225,334        | \$229,841        | \$234,438        | \$239,127        | \$243,910        |
| ESC Deduction                    | 13,831           | 14,108           | 14,390           | 14,678           | 14,972           |
| Annual Audit Costs               | 16,115           | 16,437           | 16,766           | 17,101           | 17,443           |
| Dues, Fees & other Expenses      | <u>47,473</u>    | <u>48,422</u>    | <u>49,390</u>    | <u>50,378</u>    | <u>51,386</u>    |
| Total Other Expenses Line #4.300 | <u>\$302,753</u> | <u>\$308,808</u> | <u>\$314,984</u> | <u>\$321,284</u> | <u>\$327,711</u> |

**Total Expenditure Categories Actual FY22 through FY24 and Estimated FY25 through FY29**

The graph below shows a quick overview of actual and estimated expenses by proportion to the total for the General Fund expenditures.



**Transfers Out/Advances Out – 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. There are no planned transfers or advances in the forecast period at this time.

**Encumbrances –Line#8.010**

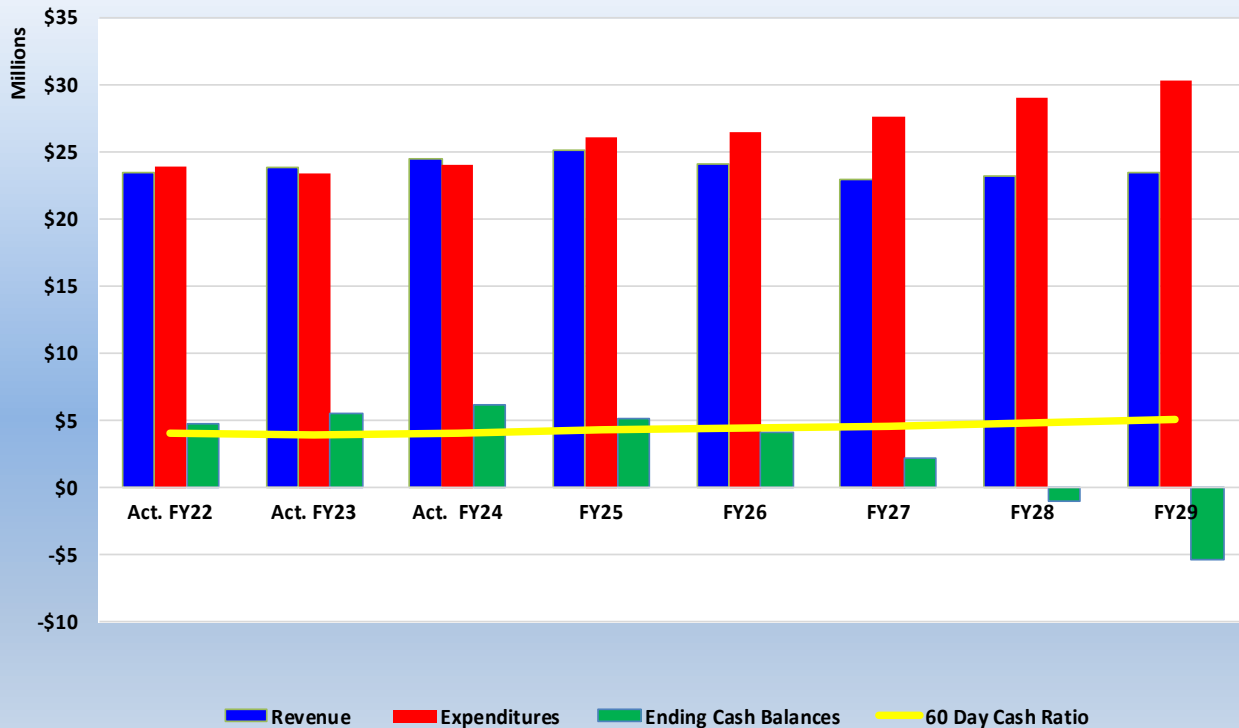
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

|                                    | <u>FY25</u>      | <u>FY26</u>      | <u>FY27</u>      | <u>FY28</u>      | <u>FY29</u>      |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Estimated Encumbrances Line #8.010 | <u>\$159,478</u> | <u>\$159,478</u> | <u>\$159,478</u> | <u>\$159,478</u> | <u>\$159,478</u> |

**Revenue vs Expenditures with Deficit Spending**

The graph below shows that the district began deficit spending in FY25 and continues throughout the forecast.

### General Fund Revenues vs Expenditures FY22 through FY29



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.

|                                             | <u>FY25</u>   | <u>FY26</u>   | <u>FY27</u>   | <u>FY28</u>   | <u>FY29</u>   |
|---------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Excess of Revenues over(under) Expenditures | (\$1,050,577) | (\$2,419,294) | (\$4,615,995) | (\$5,851,516) | (\$6,969,913) |
| Millage equivalent for deficit spending     | 2.29          | 5.22          | 9.91          | 10.74         | 12.73         |

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

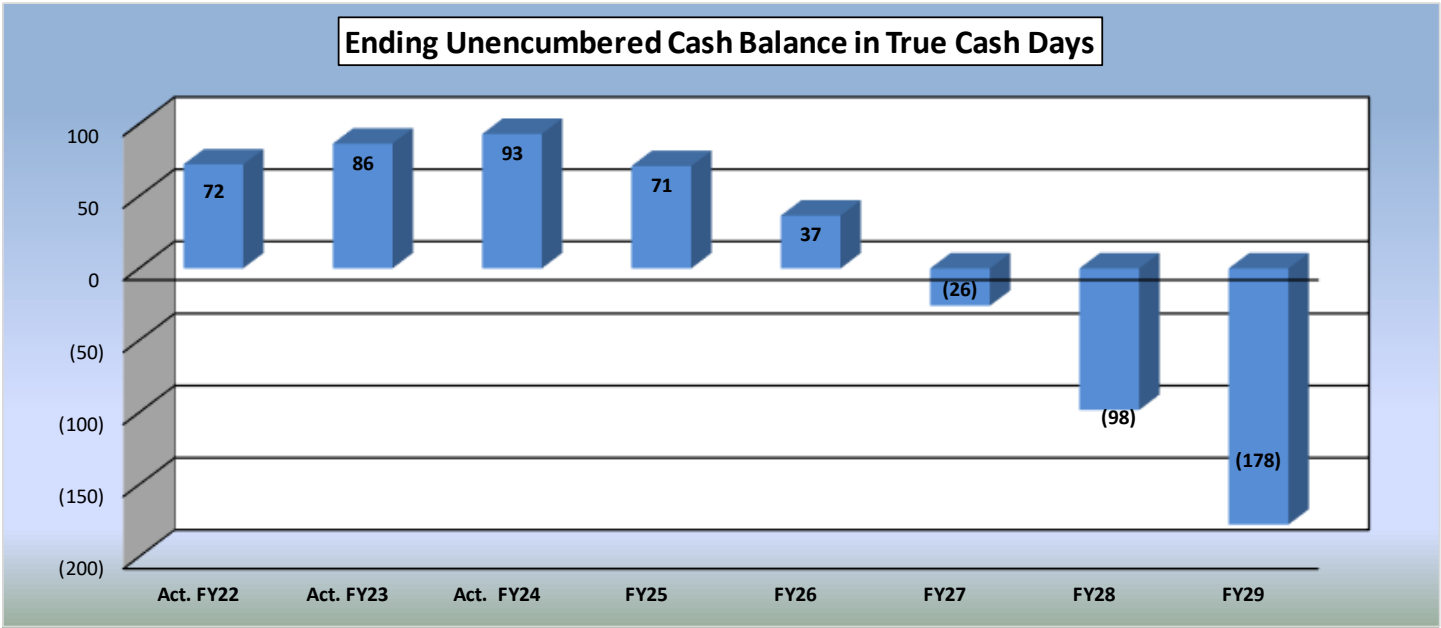
This amount must not go below \$0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000.

|                                            | <u>FY25</u>        | <u>FY26</u>        | <u>FY27</u>        | <u>FY28</u>          | <u>FY29</u>          |
|--------------------------------------------|--------------------|--------------------|--------------------|----------------------|----------------------|
| Ending Unreserved Cash Balance Line #15.01 | <u>\$5,076,338</u> | <u>\$4,158,635</u> | <u>\$2,193,287</u> | <u>(\$1,007,583)</u> | <u>(\$5,326,849)</u> |

### True Cash Days Ending Balance

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 other accounts. This graph below does not include the renewal of the emergency levy.



**Conclusion**

The Elida Local School District receives 45.88% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

The district administration is grateful for the changes in the current state budget HB33 as it has reduced the amount that was deducted for programs that were not within the district’s control. However, future state budgets funding will need to be watched since the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in state budgets for FY26-FY29.

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

As you read through the notes and review the forecast, remember that the forecast is based on the information that is known at the time that it is prepared.