

**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
May 20, 2025**

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 Change	Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024		Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Revenues										
1.010	General Property Tax (Real Estate)	\$10,038,368	\$10,701,348	\$10,524,867	2.5%	\$11,828,644	\$12,748,763	\$12,762,151	\$12,959,681	\$13,110,290
1.020	Public Utility Personal Property Tax	\$688,259	\$553,346	\$634,961	-2.4%	\$696,878	\$754,325	\$813,851	\$871,032	\$928,320
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%	\$9,278,932	\$9,280,391	\$9,281,864	\$9,283,353	\$9,284,856
1.040	Restricted State Grants-in-Aid	\$559,515	\$776,607	\$965,050	31.5%	\$989,209	\$787,362	\$787,362	\$787,362	\$787,362
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%	\$1,440,895	\$1,552,307	\$1,552,615	\$1,579,324	\$1,606,073
1.060	All Other Revenues	\$1,429,096	\$1,528,471	\$1,541,086	3.9%	\$1,328,852	\$1,310,095	\$1,292,734	\$1,276,708	\$1,261,960
1.070	<i>Total Revenues</i>	\$23,421,494	\$23,872,551	\$24,507,348	2.3%	\$25,563,410	\$26,433,243	\$26,490,577	\$26,757,460	\$26,978,861
Other Financing Sources										
2.010	Proceeds from Sale of Notes	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.020	State Emergency Loans	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.040	Operating Transfers-In	\$0	\$0	\$0	0.0%	\$315,463	\$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>	\$11,779	\$5,020	\$25,858	178.9%	\$315,463	\$0	\$0	\$0	\$0
2.080	<i>Total Revenues and Other Financing Sources</i>	\$23,433,273	\$23,877,571	\$24,533,206	2.3%	\$25,878,873	\$26,433,243	\$26,490,577	\$26,757,460	\$26,978,861
Expenditures										
3.010	Personal Services	\$12,688,437	\$12,953,048	\$13,379,417	2.7%	\$14,432,231	\$13,836,780	\$14,305,834	\$14,777,937	\$15,266,506
3.020	Employees' Retirement/Insurance Benefits	\$4,720,425	\$5,168,790	\$5,246,002	5.5%	\$5,571,913	\$5,583,521	\$5,965,542	\$6,392,830	\$6,857,336
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	\$747,031	\$768,690	\$791,024	\$814,055
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>	\$23,929,138	\$23,461,042	\$23,993,320	0.2%	\$25,781,148	\$25,358,793	\$26,266,263	\$27,458,117	\$28,469,969
Other Financing Uses										
5.010	Operating Transfers-Out	\$0	\$0	\$0	0.0%	\$317,463	\$0	\$0	\$0	\$0
5.020	Advances-Out	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
5.030	All Other Financing Uses	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
5.040	<i>Total Other Financing Uses</i>	\$0	\$0	\$0	0.0%	\$317,463	\$0	\$0	\$0	\$0
5.050	<i>Total Expenditures and Other Financing Uses</i>	\$23,929,138	\$23,461,042	\$23,993,320	0.2%	\$26,098,611	\$25,358,793	\$26,266,263	\$27,458,117	\$28,469,969
6.010	<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses</i>	(\$495,865)	\$416,529	\$539,886	-77.2%	(\$219,738)	\$1,074,450	\$224,314	(\$700,657)	(\$1,491,108)
	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	\$6,066,655	\$7,141,105	\$7,365,420	\$6,664,763
7.020	<i>Cash Balance June 30</i>	\$5,329,978	\$5,746,507	\$6,286,393	8.6%	\$6,066,655	\$7,141,105	\$7,365,420	\$6,664,763	\$5,173,656
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
Reservation of Fund Balance										
9.010	Textbooks and Instructional Materials	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.020	Capital Improvements	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.030	Budget Reserve	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.040	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 Change	Forecasted				
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024		Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
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%	\$5,907,177	\$6,981,627	\$7,205,942	\$6,505,285	\$5,014,178
Revenue from Replacement/Renewal Levies									
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	\$0	\$0	\$0	\$0
11.300 Cumulative Balance of Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
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%	\$5,907,177	\$6,981,627	\$7,205,942	\$6,505,285	\$5,014,178
Revenue from New Levies									
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%	\$5,907,177	\$6,981,627	\$7,205,942	\$6,505,285	\$5,014,178
ADM Forecasts									
20.010 Kindergarten - October Count	178	169	173	-1.3%	164	164	164	164	165
20.015 Grades 1-12 - October Count	1,989	1,986	1,882	-2.7%	1,831	1,871	1,881	1,875	1,874

Elida Local School District –Allen County
Notes to the Five-Year Forecast
General Fund Only
May 20, 2025

Introduction to the Five Year Forecast

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

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

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

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

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

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, and May 31, each fiscal year (July 1 to June 30). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the fiscal forecast is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the May 2025 filing.

May 2025 Updates:

Revenues FY25

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$25.56 million or 1.91% higher than the November forecasted amount of \$25.09 million. This indicates that the November forecast was 98.09% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our most significant source of revenues at 49% and are estimated to be \$12.53million, which is \$449 thousand higher for FY25 than the original November estimate of \$12.08 million. Our estimates are 96.29% accurate for FY25 and should mean future projections are also on target.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be \$10.27 million, which is \$43 thousand higher than the original estimate for FY25. We are pleased that we were able to be 99.58% accurate for FY25. We are currently on the formula and are expected to remain as a formula district for FY26 through FY29.

Line 1.06 - Other revenues are up \$170 thousand under original estimates, primarily due to no longer having drivers' education payments received by the district, which are somewhat unpredictable from year to year.

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

Expenditures FY25

Total General Fund expenditures (line 4.5) are estimated to be \$25.78 million for FY25, which is \$355 thousand lower than the original estimate of \$26.14 million in the November forecast, which is roughly 98.62% on target with initial estimates. The expenditure line most significantly under projection is Personnel Services (line 3.010) and Benefits (line 3.020) from the updated staffing for ESSER being returned to general fund .

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

Unreserved Ending Cash Balance

With revenues increasing from estimates and expenditures decreasing, our ending unreserved cash balance June 30, 2025, is anticipated to be roughly \$5.9 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2029, which includes the passage of the levy renewal, if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

Forecast Risks and Uncertainty:

A five-year financial forecast has risks and uncertainty not only due to economic delays 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 51.8% 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 2024 tax year to be collected in 2025. The 2024 update increased overall assessed values by \$125.3 million or an increase of 28.18%. A reappraisal will occur in tax year 2027 for collection in 2028. We anticipate value increases for Class I and II property by \$20.13 million for an overall increase of 3.52%. 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) SB271 passed in 2024 that created a Joint Committee on Property Taxation and Reform. This action was in response to the historic property valuation increases. The committee's mission was to review Ohio's property tax system and to make recommendations to the General Assembly on property taxation. The committee released their report to the General Assembly on January 2, 2025. The report outlined twenty-one (21) recommendations on actions that could be taken to restrict local tax growth for Ohio school districts.

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

4) The state budget represented 48.2% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to a possible recession or the last two (2) years of the Fair School Funding Plan is not funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY26-27 and FY28-29. The state legislature has shown little interest in equitably funding the current formula. The governors proposed budget recommendation in HB96 dated February 3, 2025, reduced funding for public school by \$103.5 million over FY26-27. The legislative process will continue with uncertainty through June 30, 2025, which is after the forecast must be approved. This is an area of elevated risk to district funding long-range through FY29. We have projected our state funding in FY25 based on of HB33 our current state budget which expires June 30, 2025. We will adjust the forecast for state aid in future years as we have reliable 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 66.67% funding of (FSFP), however, the final two years of the phase-in are not guaranteed and are dependent on legislative actions for the FY26 and FY27 state biennium budget, which as of this forecast do not appear favorable. We have used April #2 foundation payment report published by the Department of Education and Workforce for our forecasted revenues in FY25.

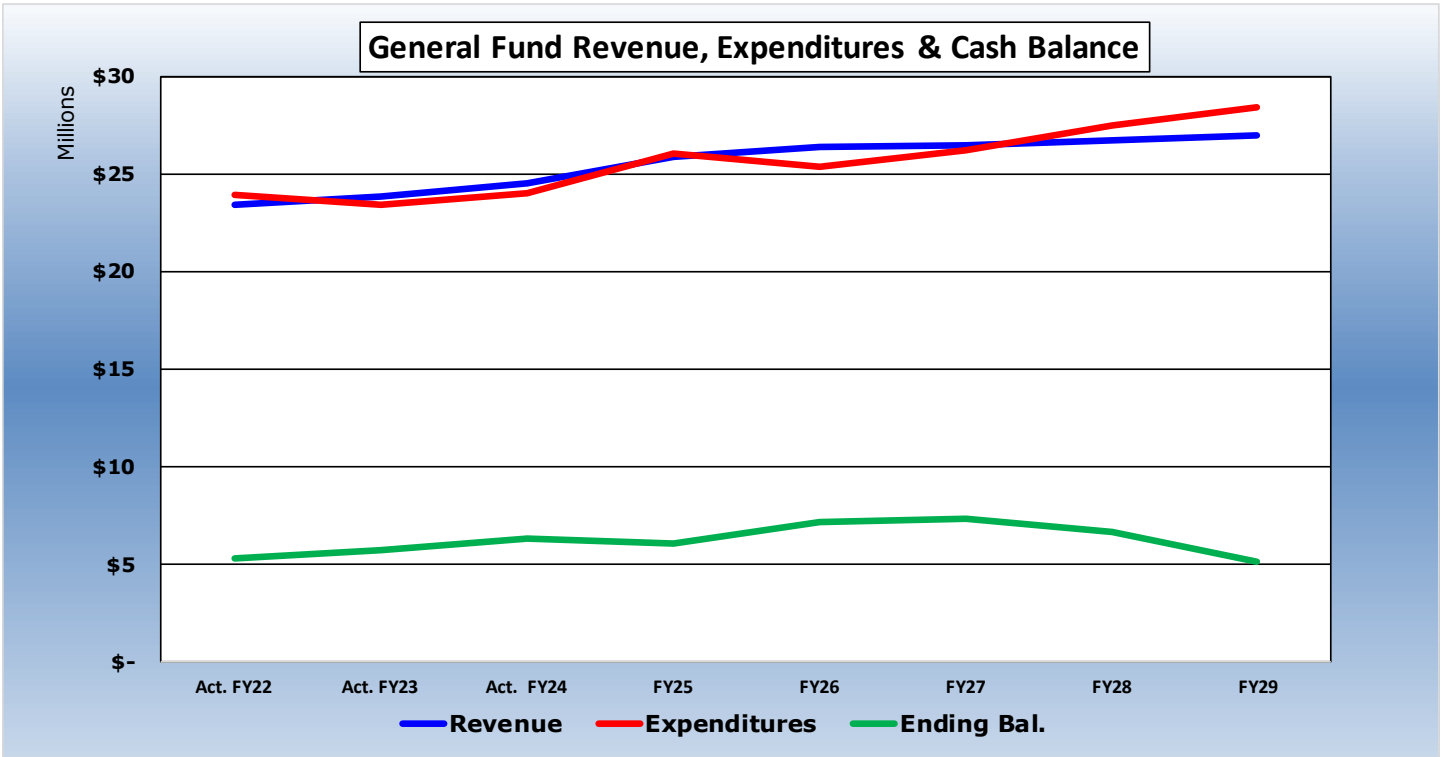
6) HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus, Excess Costs and various tuitions continue 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 2030. 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.

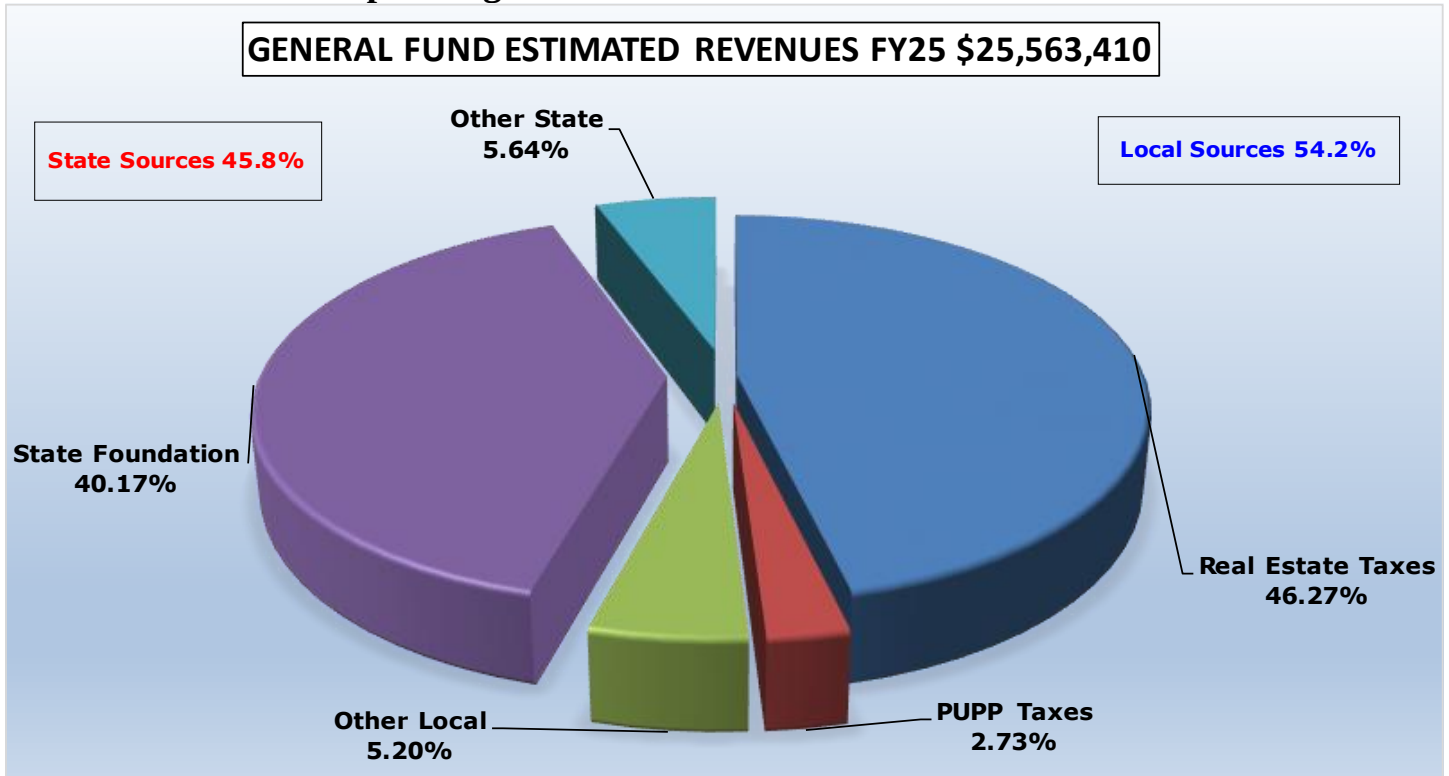
8) Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

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. This chart does include the renewal of the emergency levy that expires at the end of 2030.



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 the triennial update for the 2024 tax year to be collected in 2025. Residential/Agricultural or Class I values increased 33.47% or \$113.5 million due to the reappraisal led by an improving housing market. Commercial/Industrial or Class II values increased by 9.29% or \$9.8 million.

A full reappraisal will occur in 2027 for collection in 2028 for which we are estimating a 4% increase in residential and an 1% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase \$20.13 million or 3.52% overall.

Public Utility Personal Property (PUPP) values increased by \$2.72 million in Tax Year 2024. We expect our values to continue to grow by \$2 million each year of the forecast.

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2024	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028
<u>Classification</u>	<u>COLLECT 2025</u>	<u>COLLECT 2026</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>
Res./Ag.	\$454,118,250	\$454,468,250	\$454,988,250	\$473,707,780	\$474,227,780
Comm./Ind.	115,720,490	115,970,490	116,220,490	117,632,695	117,882,695
Public Utility Personal Property (PUPP)	<u>24,033,260</u>	<u>26,033,260</u>	<u>28,033,260</u>	<u>30,033,260</u>	<u>32,033,260</u>
Total Assessed Value	<u>\$593,872,000</u>	<u>\$596,472,000</u>	<u>\$599,242,000</u>	<u>\$621,373,735</u>	<u>\$624,143,735</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 20.000009 mills and the Class II effective millage rate is 22.782178 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 on the 20-mill floor for Class I property but not for Class II. Any emergency or substitute emergency levy approved is not included in the 20-mill floor, the district has one emergency levy of 4.555 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	\$11,828,644	\$12,748,763	\$12,762,151	\$12,959,681	\$13,110,290
Total Line #1.01 Real Estate Taxes	<u>\$11,828,644</u>	<u>\$12,748,763</u>	<u>\$12,762,151</u>	<u>\$12,959,681</u>	<u>\$13,110,290</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 February 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	\$696,878	\$754,325	\$813,851	\$871,032	\$928,320
Total PUPP Tax Line #1.020	<u>\$696,878</u>	<u>\$754,325</u>	<u>\$813,851</u>	<u>\$871,032</u>	<u>\$928,320</u>

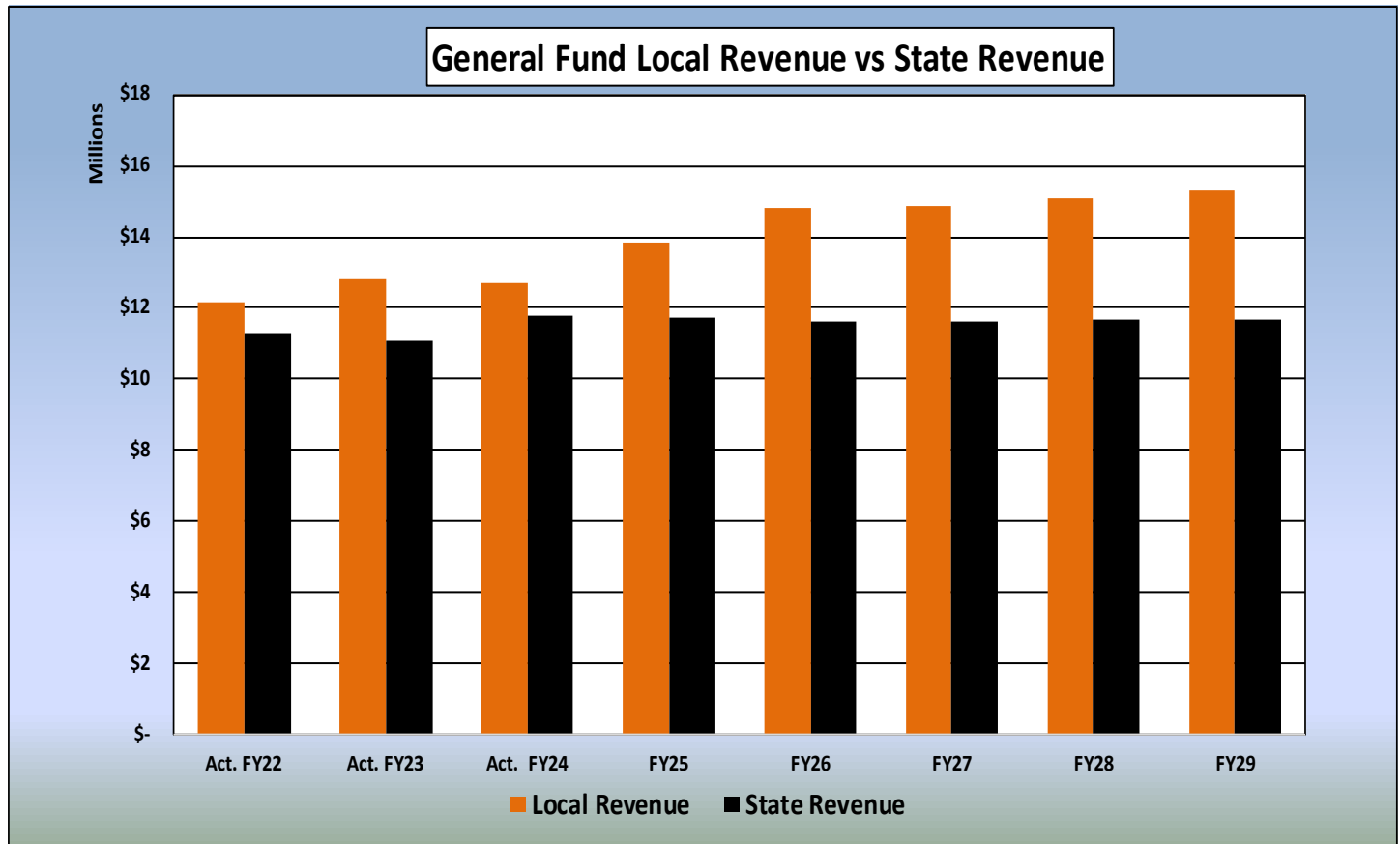
Renewal and Replacement Levies – Line #11.02

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 is included in the levy lines as it will not expire December 31, 2030. We will decrease the levy from taxes to this line in FY31.

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 April #2 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 31st of January and August each year which began for the first time on January 31, 2013.

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

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Basic Aid-Unrestricted	\$8,739,915	\$8,739,915	\$8,739,915	\$8,739,915	\$8,739,915
Additional Aid Items	<u>393,122</u>	<u>393,122</u>	<u>393,122</u>	<u>393,122</u>	<u>393,122</u>
Basic Aid-Unrestricted Subtotal	9,133,037	9,133,037	9,133,037	9,133,037	9,133,037
Ohio Casino Commission ODT	<u>145,895</u>	<u>147,354</u>	<u>148,827</u>	<u>150,316</u>	<u>151,819</u>
Total Unrestricted State Aid Line #1.035	<u>\$9,278,932</u>	<u>\$9,280,391</u>	<u>\$9,281,864</u>	<u>\$9,283,353</u>	<u>\$9,284,856</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 April funding factors. The amount of DPIA is limited to a 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY29 due to uncertainty on continued funding of the current funding formula.

HB33 set aside funds state-wide to subsidize the Science of Reading initiative. The district will be reimbursed for teacher in-service and associated fringe benefits upon proof of training and certified reimbursement request. It is estimated that the district will receive \$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	\$363,338	\$363,338	\$363,338	\$363,338	\$363,338
Career Tech - Restricted	5,319	5,319	5,319	5,319	5,319
Gifted	91,383	91,383	91,383	91,383	91,383
ESL	25,085	25,085	25,085	25,085	25,085
Student Wellness	302,237	302,237	302,237	302,237	302,237
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>\$989,209</u>	<u>\$787,362</u>	<u>\$787,362</u>	<u>\$787,362</u>	<u>\$787,362</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	\$9,278,932	\$9,280,391	\$9,281,864	\$9,283,353	\$9,284,856
Restricted Line #1.040	989,209	787,362	787,362	787,362	787,362
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>\$10,268,141</u>	<u>\$10,067,753</u>	<u>\$10,069,226</u>	<u>\$10,070,715</u>	<u>\$10,072,218</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	\$1,440,895	\$1,552,307	\$1,552,615	\$1,579,324	\$1,606,073
Total Tax Reimbursements #1.050	<u>\$1,440,895</u>	<u>\$1,552,307</u>	<u>\$1,552,615</u>	<u>\$1,579,324</u>	<u>\$1,606,073</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. The district is no longer handing the driver's education program, we have reduced the class fees by \$170,000 in FY25.

<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	86,267	86,267	86,267	86,267	86,267
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>\$1,328,852</u>	<u>\$1,310,095</u>	<u>\$1,292,734</u>	<u>\$1,276,708</u>	<u>\$1,261,960</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. During FY25 the district has been updating the accounting system, they closed the special account for curriculum and returned the funds to the general fund for \$310,000 and closed other accounts moving those funds to the general fund for \$5,463. The district does not plan to have any transfers or advances during the remainder of the forecast.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Transfers In - Line #2.040	\$315,463	\$0	\$0	\$0	\$0
Advance Returns - Line #2.050	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances In	<u>\$315,463</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

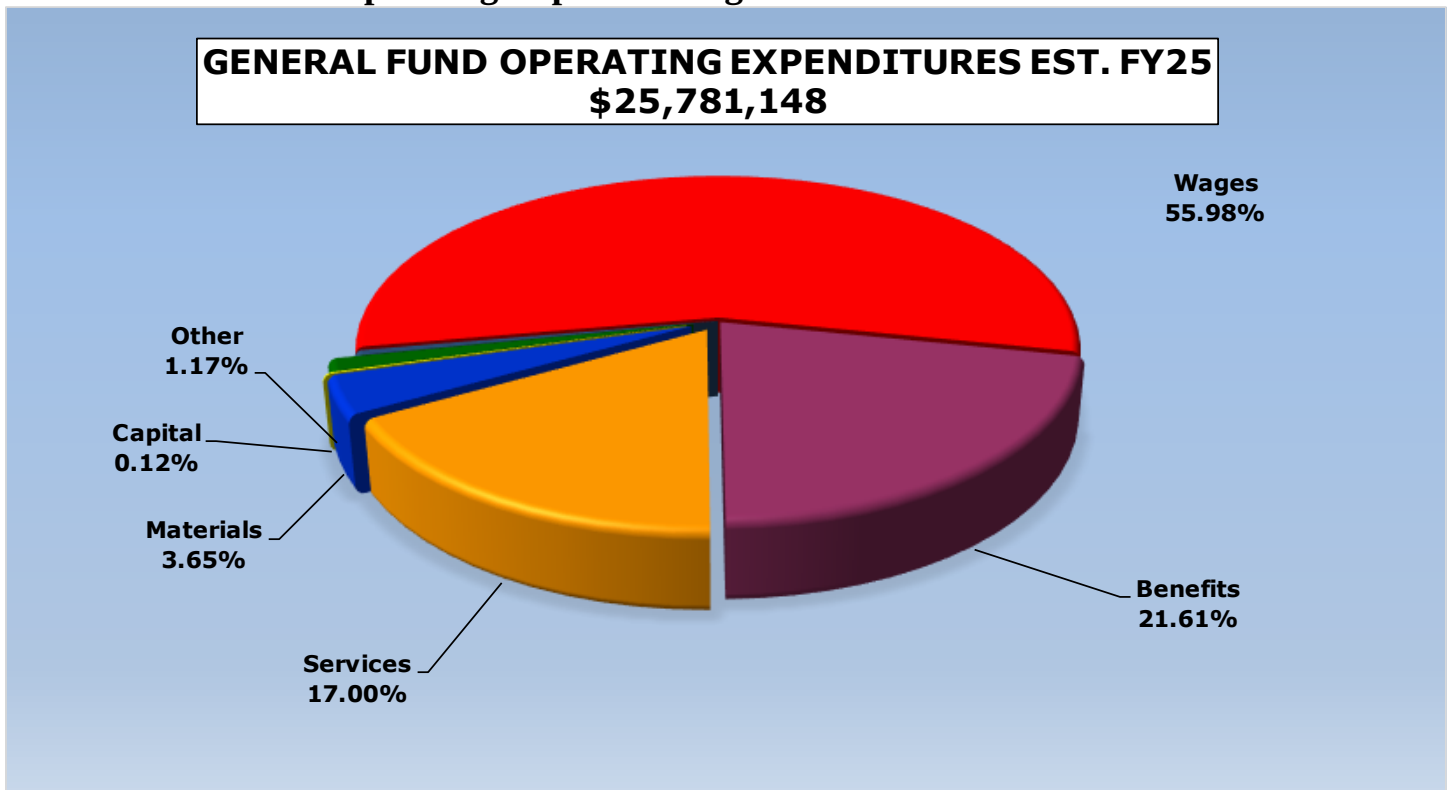
All Other Financial Sources – Line #2.060

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 2% 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 \$441,000 that will continue throughout the forecast. The district will be making reductions in staff in FY26 for an estimated amount of \$885,764 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	\$13,620,147	\$13,197,917	\$13,666,177	\$14,137,470
Based Pay Increase	253,568	272,403	263,958	273,324	282,749
Steps & Academic Training	183,486	191,131	204,302	197,969	204,993
Growth Staff	0	0	0	0	0
Substitutes	634,683	460,683	460,683	460,683	460,683
Supplementals	38,945	39,724	40,518	41,328	42,155
Severance & Other	138,456	138,456	138,456	138,456	138,456
SWSF & ESSER Adjustments	441,000	0	0	0	0
Other Adjustments/Reductions	<u>0</u>	<u>(885,764)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Wages Line #3.010	<u>\$14,432,231</u>	<u>\$13,836,780</u>	<u>\$14,305,834</u>	<u>\$14,777,937</u>	<u>\$15,266,506</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	\$2,192,260	\$2,122,067	\$2,181,401	\$2,254,520	\$2,329,989
Insurance's	3,050,443	3,142,904	3,457,194	3,802,913	4,183,204
Workers Comp/Unemployment	49,909	47,884	49,479	51,084	52,745
Medicare	207,260	198,625	205,427	212,272	219,357
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>\$5,571,913</u>	<u>\$5,583,521</u>	<u>\$5,965,542</u>	<u>\$6,392,830</u>	<u>\$6,857,336</u>

Purchased Services – Line #3.030

College Credit Plus, 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 funds 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. General supplies will be reduced in FY26 by \$220,500, within this amount is \$50,000 for computer replacements.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
General Office Supplies & Materials	\$472,803	\$266,487	\$274,482	\$282,716	\$291,197
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>\$747,031</u>	<u>\$768,690</u>	<u>\$791,024</u>	<u>\$814,055</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

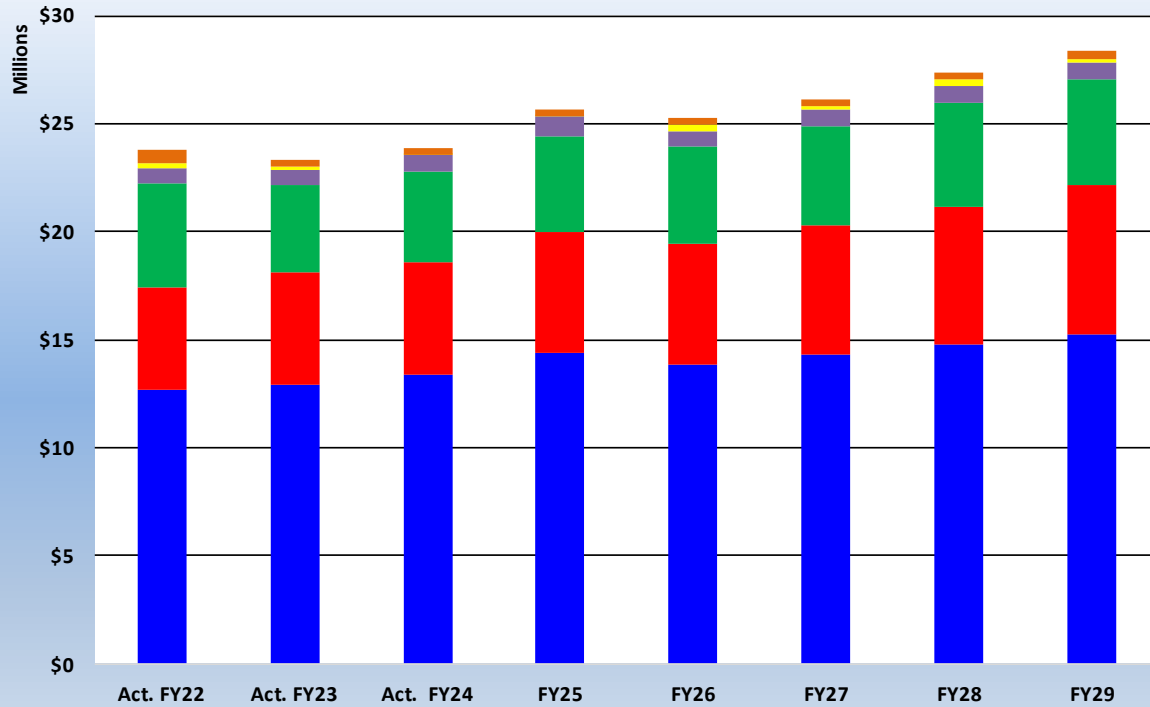
The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit fees, and other miscellaneous expenses. A rate of 2% increase is projected in this area.

<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.

General Fund Expenditures Actual FY22 Through Projected FY29



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 made accounting corrections within the general fund that transferred funds from special cost centers to the regular general fund in FY25. There are no planned transfers or advances in the forecast period at this time.

<u>Source</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Operating Transfers Out Line #5.010	\$317,463	\$0	\$0	\$0	\$0
Advances Out Line #5.020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances Out	<u>\$317,463</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Encumbrances –Line#8.010

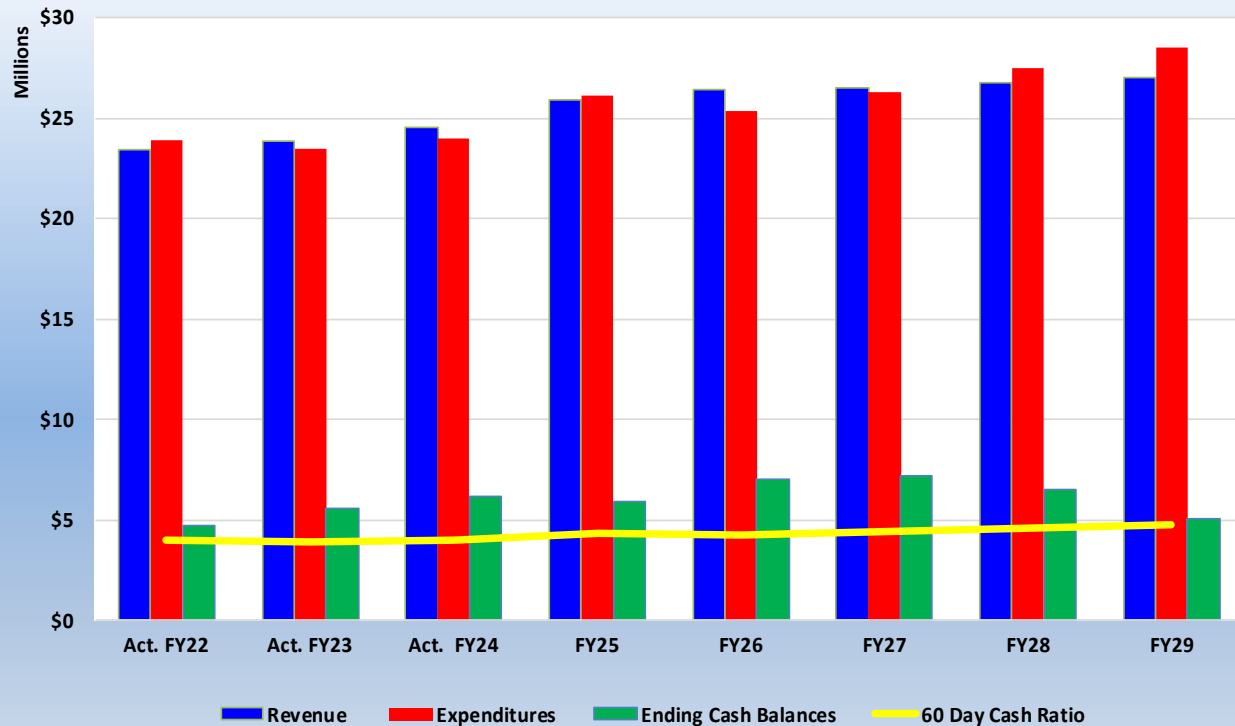
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	<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	(\$219,738)	\$1,074,450	\$224,314	(\$700,657)	(\$1,491,108)
Millage equivalent for deficit spending	0.48	0.00	0.00	1.18	2.50

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

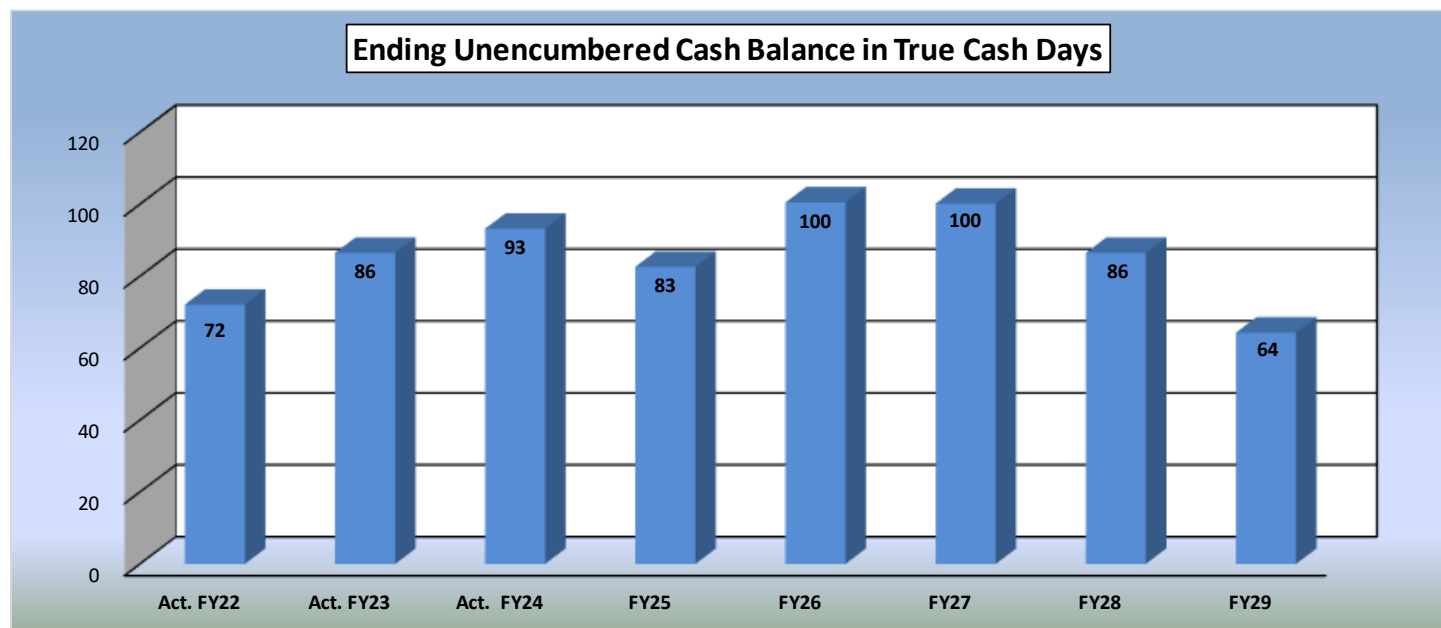
This amount must not go below \$0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000.

	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>
Ending Unreserved Cash Balance Line #15.01	<u>\$5,907,177</u>	<u>\$6,981,627</u>	<u>\$7,205,942</u>	<u>\$6,505,285</u>	<u>\$5,014,178</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 include the renewal of the emergency levy.



Conclusion

Thank-you to our voters for renewing the emergency tax levy. The renewal of the levy helps to stabilize the finances for the education of our students.

The Elida Local School District receives 45.80% 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.

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

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.