REVENUES

General Property Tax (Real Estate)

- The County has reported that property value increased by 36% (The Northmont Community). The increase of $1,530,000 is based on inside millage - 78% in agriculture, 37% in residential, and 13% in commercial/industrial. We will maintain half of the $1,530,000 for FY 24. This will correspond with us receiving half of the increase in FY 25 since the County distributes the funds over the calendar year. At this time, we are running a little behind, but we will see if we pick up some of those funds in August of 2024. Because of HB 920, the revenues for all voted mills have been flat funded. Ohio Revised Code does not allow districts to include future levies in the five year forecast on this line.
(1111)

Tangible Personal Property Tax (Public Utility)

- These revenues have been stable for the past few years with some growth, but there is a potential increase of 14.7%. But a 14.7% increase in public utility receipts is questionable - historically the companies will file lawsuits over these increases. The average increase over the past three years is 5.4%. We will use this as the percentage increase over the forecast. (1122)

Unrestricted and Restricted State Grants

- HB 33 has increased school funding (inputs) therefore we are no longer on the guarantee. We will increase revenue (FY 24) based on the state budget. We are set to receive $25,509,549 (unrestricted and restricted). Adjustments (increase) were made based on the reimbursement from other districts that we will receive for excess cost. Because the State formula relies heavily on the property valuation, the higher property values go, the less State funding we receive. At this time, we could receive $1,147,136 less in State funds starting in FY 25 from the State released budget projections back in June. Our local capacity could go from $4,201 to $4,457. This $256 increase in local capacity would cause $1,142,655 ($255*4481 ADM) decrease in State funding. The uncertainty means that our loss in State funding could be as high as $1,142,655 to as low as $342,954. We only decreased State funding by $800,000 in FY 25 and going forward. (001-3110, 001-3190) At this time, we do not know if the State Legislators will keep the Fair School Funding Plan or increase the inputs to the formula, therefore, we did not include those funds in the forecast for fiscal year 2026 forward.

Restricted State Grants

- This line is made of Student Wellness and Success, DPIA, English Learners, Gifted, and Career Technical Education. The money from these funds are determined on EMIS and ADM data. The last component is catastrophic cost reimbursement. The reimbursement is based on the amount the State appropriated for catastrophic cost and each district receives a portion of the actual cost submitted. The timing of reimbursement from the State could cause one year to be over/understated.
  (001-32XX)

Property Tax Allocations

- Property tax allocations decreased slightly from FY 20 to FY 22, therefore, we continued to reflect a decrease from FY 22 for FY 23 to FY 27. (001-3131 and 001-3132)

All Other Revenue

- This line is made of tuition from other districts, interest, school fees, and miscellaneous receipts. There has not been a consistent amount received over the past three years, therefore, determining the amount of receipts going forward is not easily determinable. Student fees will remain stable unless there is an increase in fees. HB 33 has made it more difficult to receive unpaid fees from those students who leave the district. Students can leave without paying fees. Interest rates on our bank accounts have increased, therefore, the amount for this year's interest will be higher. We have seen an increase in excess cost reimbursement, but there is a corresponding increase in expenditures. The timing of expenditures paid out and reimbursed back to the district is off in fiscal years. (ie the expenditures are paid out in FY 24, but the payments may be delayed until FY 25). Because of the uncertainty of where interest rates will be and the decline in the amount of cash we can invest, we have assumed that interest revenue will decrease over the forecast period.
  (001-12XX,001-13XX,001-14XX, 001-17XX, 001-18XX)

Advances-In

- This is an in and out account that can vary depending on timing of the receipt of funds from the State for State and Federal grants. (001-52XX). The advance-in funds are higher in FY 24, because we needed to advance funds to federal and state grants in FY 23.

All other sources of funds

- This line will vary depending on the timing of the receipt of Medicaid. Also, there were no plans for changes in wiring for internet services to receive additional E-rate funds. (001-53XX)

EXPENDITURES

Salary & Benefits

- Based on the negotiated agreement with NDEA and Local Teamsters 957. Conservative estimates used based on available operating funds. Federal Grants continue to offset some salaries in some certified staffing areas FY24-FY28.
- Retirement cost is proportional to salaries.
- Cost of medical benefits increase known through FY24 with Michigan conference, and lower rate of increases over next several years based on insurance pool action with EPC. HSA plan will experience a 7.5% increase in calendar year 2024, with forecasted increases in future years 7.5%-9%.
- Medicare and retirement based on salary changes, with workers comp showing continued savings from self-insured workers comp programs.
- Through Reduction in force of 30 FTE's salary and benefits savings shown in FY24-FY28 . Additional reductions in force through attrition took place this year and will continue to look at every position through retirements and resignations.
- Benefit increases remain stable and align with trend of 5-10% for FY24-FY28
- Slight increase in benefits for FY24-FY28 due to the addition of vision benefits through NDEA Contract negotiations.

Purchased Services

- Special Education services will continue to increase proportionally to the needs of students. Along with increased private transportation needs. Due to residential care facility within district boundaries, with educational, transportation, and service responsibilities in our district we are experiencing large increases in services over $1,000,000 annually. Less need for special education services in FY24 than anticipated.

- Unexpected Medicare reimbursement of -$765,000 in FY24

- Less technology repair/replacement costs due to leasing of devices

- By closing a building slight savings in purchased services is experienced but somewhat offset due to costs following students transferred to other buildings.

- Increases expected for repairs on remaining aging buildings

- Building and Department Budgets decreased 3% in FY23 and 3% in FY24 due to failure of levy in May

- Additional curriculum software packages to enhance student intervention and remote learning added FY20-FY24, but offset through federal relief grants shows substantial less expenses in FY22 & FY23. Sharp increase in FY24 and on due to those costs coming back into general fund

- Utilities such as waste removal, water, electricity, natural gas are forecasted to increase between 14-30% throughout the forecast.

- Natural gas per unit cost and Electricity is planned to continue to increase exponentially in FY24 in comparison to FY20, thanks to EPC hedges of 80% through FY24 district expense will not increase accordingly throughout FY24, market increases in pricing are expected beyond FY24.

Supplies

- Textbook binding expense decrease from previous years due to one to one initiative, and stable in FY24-FY28

- Building and Grounds increased expectations and upkeep along with transportation fuel costs projected to rise.

- Greater expense in software licensing as we implement new programs and devices

- Educational Apps for one to one devices needed for all students K-12

- Covid-19 and war effect on supply chain resulting in supply cost increases approximately 15-30% depending on material type, but grant funds offsetting increase for FY23 & FY24. Once grant spending deadline is reached in FY24, anticipated increase in supply cost line in FY25 and future

- By closing the building there were slight savings in supplies but that somewhat offset due to costs following students transferred to other buildings.

- Bus fuel price per gallon continues to be volatile with increases forecasted to be between 6-18% through remaining forecasted years.

Capital

- Utilization of some permanent improvement dollars to offset major capital purchases out of general fund.

- Slight increase in technology equipment needs outside of one to one program. Replacement of servers that have reached end of life for district technology needs.

- Covid-19 and supply chain effect on manufacturing and raw materials cost increases approximately 15-30% depending on material type, but grant funds offsetting increase some.

- By closing building slight savings in capital projects is experienced, and deferred projects result in future savings throughout FY24-FY28

Other

- Educational Service Center contracted services forecasted with increase as more students need services, estimated at over $2,000,000. Foundation Deduction for other out of district placements increasing in FY24 and anticipated increases continue in FY24 -FY28 due to increased student needs.

- Unspent building reserves appropriated through FY24-FY28 but very little expenditures will take place through those years causing an inflated appropriation of approximately $500k annually. $100K less due to building closure and dispersed to buildings that absorbed those students.

- Treasurer financial services fees, and auditor fees continue to increase and estimated around $500k