

Tri-Valley Local School District

Muskingum

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)	\$12,453,418	\$14,403,315	\$15,231,896		10.7%	\$15,407,891	\$15,407,891	\$15,407,891	\$15,407,891	\$15,407,891
1.020 Tangible Personal Property Tax										
1.030 Income Tax										
1.035 Unrestricted State Grants-in-Aid	17,093,499	17,605,435	17,597,215		1.5%	17,885,258	17,776,206	17,667,231	17,671,258	17,675,365
1.040 Restricted State Grants-in-Aid	911,836	923,306	1,027,709		6.3%	691,471	691,471	691,471	691,471	691,471
1.045 Restricted Federal Grants-in-Aid - SFSF & Ed Jobs										
1.050 Property Tax Allocation	972,766	1,031,422	1,036,050		3.2%	1,036,050	973,887	973,887	973,887	973,887
1.060 All Other Revenues	1,736,607	1,603,316	1,743,004		0.5%	1,682,332	1,520,693	1,521,424	1,526,199	1,534,502
1.070 Total Revenues	33,168,125	35,566,794	36,635,872		5.1%	36,703,002	36,370,148	36,261,904	36,270,706	36,283,116
Other Financing Sources										
2.010 Proceeds from Sale of Notes										
2.020 State Emergency Loans and Advancements (Approved)										
2.040 Operating Transfers-In										
2.050 Advances-In	589,120	84,081	1,741,643		942.8%	74,813				
2.060 All Other Financing Sources	2,171,444	370			-100.0%					
2.070 Total Other Financing Sources	2,760,564	84,451	1,741,643		932.7%	74,813				
2.080 Total Revenues and Other Financing Sources	35,928,689	35,651,244	38,377,516		3.4%	36,777,815	36,370,148	36,261,904	36,270,706	36,283,116
Expenditures										
3.010 Personal Services	15,769,627	16,686,835	17,132,249		4.2%	18,072,465	18,902,271	19,546,535	20,093,723	20,659,875
3.020 Employees' Retirement/Insurance Benefits	7,172,340	7,359,631	7,751,800		4.0%	8,101,772	8,439,685	8,723,482	8,983,480	9,251,319
3.030 Purchased Services	2,713,016	2,878,389	2,974,665		4.7%	2,581,700	2,617,237	2,650,682	2,686,688	2,721,263
3.040 Supplies and Materials	1,053,892	1,458,342	1,183,351		9.8%	1,314,565	1,352,693	1,387,953	1,424,205	1,461,476
3.050 Capital Outlay	817,253	1,278,033	1,395,250		32.8%	1,483,709	1,639,069	1,579,634	1,666,943	1,546,393
3.060 Intergovernmental										
Debt Service:										
4.010 Principal-All (Historical Only)										
4.020 Principal-Notes										
4.030 Principal-State Loans										
4.040 Principal-State Advancements										
4.050 Principal-HB 264 Loans										
4.055 Principal-Other										
4.060 Interest and Fiscal Charges										
4.300 Other Objects	2,454,749	2,531,516	3,072,593		12.3%	3,438,905	3,485,346	3,525,666	3,569,128	3,610,745
4.500 Total Expenditures	29,980,876	32,192,747	33,509,908		5.7%	34,993,115	36,436,301	37,413,953	38,424,165	39,251,072
Other Financing Uses										
5.010 Operating Transfers-Out	2,960,515	2,000,000	2,000,000		-16.2%					
5.020 Advances-Out	84,081	1,741,643	74,813		937.8%					
5.030 All Other Financing Uses										
5.040 Total Other Financing Uses	3,044,596	3,741,643	2,074,813		-10.8%					
5.050 Total Expenditures and Other Financing Uses	33,025,472	35,934,390	35,584,721		3.9%	34,993,115	36,436,301	37,413,953	38,424,165	39,251,072
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	2,903,217	283,146-	2,792,794		-598.0%	1,784,699	66,153-	1,152,049-	2,153,459-	2,967,956-
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	14,509,816	17,413,033	17,129,888		9.2%	19,922,682	21,707,382	21,641,229	20,489,180	18,335,721
7.020 Cash Balance June 30	17,413,033	17,129,888	19,922,682		7.3%	21,707,382	21,641,229	20,489,180	18,335,721	15,367,765
8.010 Estimated Encumbrances June 30	2,753,743	1,712,395	1,535,179		-24.1%	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Reservation of Fund Balance										
9.010 Textbooks and Instructional Materials										
9.020 Capital Improvements										
9.030 Budget Reserve										
9.040 DPIA										
9.045 Fiscal Stabilization										
9.050 Debt Service										
9.060 Property Tax Advances										
9.070 Bus Purchases										
9.080 Subtotal										
10.010 Fund Balance June 30 for Certification of	14,659,290	15,417,493	18,387,503		12.2%	20,457,382	20,391,229	19,239,180	17,085,721	14,117,765
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal										
11.020 Property Tax - Renewal or Replacement										
11.300 Cumulative Balance of Replacement/Renewal Levies										
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	14,659,290	15,417,493	18,387,503		12.2%	20,457,382	20,391,229	19,239,180	17,085,721	14,117,765
Revenue from New Levies										
13.010 Income Tax - New										
13.020 Property Tax - New										
13.030 Cumulative Balance of New Levies										
14.010 Revenue from Future State Advancements										
15.010 Unreserved Fund Balance June 30	14,659,290	15,417,493	18,387,503		12.2%	20,457,382	20,391,229	19,239,180	17,085,721	14,117,765
ADM Forecasts										
20.010 Kindergarten - October Count						196	195	195	195	195
20.015 Grades 1-12 - October Count						2,589	2,631	2,598	2,597	2,597
State Fiscal Stabilization Funds										
21.010 Personal Services SFSF										
21.020 Employees Retirement/Insurance Benefits SFSF										
21.030 Purchased Services SFSF										
21.040 Supplies and Materials SFSF										
21.050 Capital Outlay SFSF										
21.060 Total Expenditures - SFSF										

See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

TRI-VALLEY LOCAL SCHOOL DISTRICT

November 2024 Five Year Forecast Assumptions

Overall Assumptions & Notes

House Bill 110 became the 2021-2022 Biennial Budget Bill. HB110 included significant changes to the calculation and distribution of State Foundation funding. One of the biggest shifts in the way the State intends to fund districts is in the funding of individual students. The State will base funding upon where students are being educated, as opposed to where they reside. Open enrollment students, community school students, and students participating in a scholarship program will have their funding directed to the educating entity they attend as opposed to funding their resident district. As a result, this has caused significant accounting changes in revenues and expenses beginning in FY22 and beyond.

The calculations in this forecast are presented based upon the most current information released by the State of Ohio.

Revenue Assumptions

Real Estate Taxes

Collectible real estate taxes in the district have increased over previous years due to the increased valuations of property within the district. The valuations and collectible taxes for CAUV properties will be reviewed regularly due to changes in the way taxes are calculated on these parcels. The total taxable valuation of all property in the Tri-Valley district for TY2023 is \$649M, down from TY2022 (\$653M), but still significantly above TY2021 (\$582M), as well as TY2020 at \$525M and \$511M in TY2019. This decrease is primarily due to valuation changes in Commercial/Industrial properties. The most recent completed revaluation of all real property in Muskingum County was conducted for the 2021 tax year. The 2024 revaluation process for Muskingum County is in the final stages of completion. Updated valuations and collectible taxes are anticipated to be available soon.

Recent discussions by the legislature to move bills related to property tax valuations and modifications to the 20-mill floor could have an impact to future real estate tax collections. These discussions are in response to increases in property valuations, and in turn real estate taxes, as a result of the elevated pricing in the current real estate market. The district will continue to monitor the progress of such legislation and make any adjustments to tax collection estimates that are reasonable and certain to occur.

Unrestricted Grants-in-Aid

FY25-29 funding is being shown at the most recently available levels from the State based upon the changes in HB110. Due to the movement of some areas of funding to the Restricted Grants-in-Aid line, the Unrestricted funding line has been reduced from prior years. Also, with the direct funding of Community Schools and Special Education Scholarships, the corresponding funding previously included in the District's Foundation payments has been removed from this funding line item. Additional changes to the District's funding are anticipated with the complete rollout of HB110 in the future. As a final note, the Casino Revenues previously reported in All Other Revenues have been moved to the Unrestricted Grants-in-Aid as recommended by state accounting system reports.

The biennial budget bill signed in July 2023 provided an expansion of the voucher program in Ohio. It is anticipated that this expansion could also have a negative impact on the District's funding in the future.

Restricted Grants-in-Aid

The Restricted funds line item now includes a broader mix of dollars allocated for Career Tech programs, Student Wellness and Success funds and Disadvantaged Pupil Impact Aid funds, among others. This is a significant increase in Restricted funding compared to prior years. The largest impact involves the move of the Student Wellness and Success funding (approximately \$540K in FY23, a reduction from the previously provided funding level of \$983K) inside the State's Foundation payments, whereas the funds had previously been provided in a fund that was outside of the Foundation structure. Also, during FY24, the district received \$138K for High Quality Instructional Materials that appear in this line and represent one-time assistance to the district. These amounts could fluctuate according to changes in student population and State funding levels in future years.

Property Tax Allocation

The property tax allocation includes the payments received from the State for the Homestead and Rollback reimbursements. The amount of these reimbursements remains consistent with the allocation amounts reported by the Muskingum County Auditor's office.

All Other Revenues

Other revenues consist of items such as Interest Income, and E-rate reimbursement payments. Interest income during the forecast period has been increased from FY22 - FY23 levels due to the recent rise in interest rates and fund balance levels.

Expenditure Assumptions

Student Wellness and Success Funds (S.W.&S.F.)

A change from previous forecasts, S.W.&S.F.'s are now incorporated as part of the district's State aid via the State's Foundation funding payments. As such, all S.W.&S.F. expenses will now be included in the forecast to match the receipt of the funding into the General Fund.

Salaries

Fiscal years '22 - '24 contain salaries as per the negotiated labor contracts, which included cost of living increases and step increases for most staff. The teaching staff concluded the transition to a new salary schedule in FY24. FY25-FY29 contain an average increase of approximately 4% in salaries based upon updates in the negotiated agreements with the District's unionized staff and anticipated salary adjustments for other staff. Retirement severance payments in this forecast reflect a similar amount year to year beyond FY23, with an anticipated increase in staff retirements, as a number of employees will now become eligible for service retirement moving forward.

Benefits

Benefits reflect the 14% additional retirement charge paid by the District on each employee's behalf. STRS and SERS increases are 14% of the increased salary paid to employees from year to year. Increases in health insurance premium costs of 5% were enacted in FY22 and FY23 to keep up with the rising costs of health care, with FY24 rates increasing by 8%. FY25 rates in the forecast were increased by 5%, FY26 by 4% and FY27,

FY28 and FY29 rates going up by 3%. Premium increase amounts will be considered in future years depending upon the balance of the Insurance Fund and the level of claims being presented for payment.

Purchased Services

Purchased service expenditures are continually reviewed and efforts are continually being made to control future increases. An average inflationary increase of roughly 1% has been included for FY25-29 for most line items. A significant change in the expenditures for recent submissions from prior forecasts is the removal of the Open Enrollment, Community School and Special Education Scholarship expenses previously reported. This is a result of the changes to the State Foundation payment process implemented by HB 110.

Supplies/Capital Outlay

The District continues to commit more resources to classroom supplies and materials that are technologically driven, such as Chromebooks, tablets, laptops for staff and software. Given the recent events in the spring of 2020, that focus will be maintained into the foreseeable future to allow the District to be as flexible as possible with necessary changes to the learning environment. Also, in FY25-29 increased expenditure levels are included for all buildings in anticipation of increased needs during these times. FY25-29 show Capital spending in anticipation of asset maintenance. Spending for FY25-29 includes the replacement of school buses and student transportation vans as needed. The District will continue to maintain and advance the technology infrastructure of its buildings. Transportation supply expenditures were increased 3% on average over the future periods of the forecast. It should be noted that the district utilizes the .5 mill Maintenance Fund to help cover the expenses associated with the upkeep of the buildings, thus reducing the amount of General Fund dollars needed in this category.

Other Objects

The largest item in this category is the cost of services provided by ESCs. Approximately \$2.8M of this line is for these services in FY25. A portion of the previous expenditures in this line have been reallocated to Salaries, due to the District bringing some of these ESC services in-house. This line has also seen increases due to higher billings from service providers beyond the ESCs. Average inflationary increases of approximately 1% for years FY25-29 have been included in the forecast.

SUMMARY

The district continues to adhere to spending levels that will promote a balanced budget. The district's goal is to operate in such a way as to prevent the need to run an additional operating levy in the near future. To achieve that objective, it is imperative that the District closely monitor spending each and every year. The Board and administration, through diligent planning, brought the district back into a positive ratio of revenues to expenditures in FY11, and that focus continues today. Based upon the ending General Fund balances during FY09, FY10 and FY11, the district conducted a series of work sessions to determine cost reduction measures to be implemented. The results of these measures can be seen in the cash balance of the district today.

As new legislation and guidance continues to evolve at the State and Federal levels, the district will examine the financial impact of the changes and work to guard the health of the district's finances in a proactive manner.

Additional financial measures will be considered in the future to ensure the district can operate with a positive cash flow.