

REVENUESGeneral Property Tax (Real Estate)

- The County has reported that property value increased by 36% (The Northmont Community) for tax year 2023 which will increase inside mill collection for fiscal year 2024 and 2025. The increase of \$1,530,000 is based on inside millage - 78% in agriculture, 37% in residential, and 13% in commercial/industrial. Since we did see a little over half this increase in FY 24, we reflect the other half (increase) in FY 25. For fiscal years 26 to 29 will incorporate the \$3,500,000 emergency operating levy that passed in May of 2025. We will see a partial increase in fiscal year 2026 and the full increase in 2027. We will add \$1,925,000 (levy) to fiscal year 2026 since approximately 55% of the \$3,500,000 will be collected for this time period. We will add \$100,000 for new construction to fiscal year 2026. For fiscal year 2027, will add the additional \$1,575,000 (the remaining portion of the \$3,500,000) to the total of FY 26 plus additional \$100,000 for new construction. Since we are not certain how much property values will be because of the 2026 reappraisal by the County, we will remain conservative with collections. For fiscal year 28, will add \$100,000 to fiscal 2027 total for new construction. For fiscal year 29, will add \$100,000 to FY 28 total for new construction. 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 6.5%. 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. But, we will see a decrease in revenue (FY 25) based on the state budget. Because the State formula relies heavily on the property valuation, the higher property values go, the less State funding we receive. Our local capacity has gone from \$4,201 to \$4,459. This \$258 increase in local capacity which causes \$1,168,998 ($\$258 \times 4,531$ ADM) decrease in State funding. The net effect of receiving catastrophic and casino funds has us projecting to decrease State funding by \$1,332,307 in

FY 26 and going forward. 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. (001-3110, 001-3190)

- 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 22 to FY 24, therefore, we continued to reflect a decrease from FY 22 for FY 24 to FY 29. (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 been relatively stable, but Feds continue to release news that interest rates will be dropping. Further, with uncertainty with where the new biennium budget will fall - interest earned could drop significantly. If cash balances are limited to 30%, we could lose 67% of interest earnings. Therefore, we have dropped the amount we might receive throughout the forecast. 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 lower in FY 25, because we needed to advance less funds to federal and state grants in FY 24.

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)

EXPENDITURESSalary & 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 FY25-FY29. Local Teamsters 957 Agreement renewed in FY25 for 2.5% increase in FY26-FY27.
- Due to inclement weather some overtime required for operations staff causing FY25 budget to be adjusted.
- Retirement cost is proportional to salaries.
- Cost of medical benefits continue to increase and comprise approximately \$10M of the total \$18.5M cost of benefits. Increases over next several years based on insurance pool action with EPC and Michigan Conference Plan. Health insurance plans will experience a 5% increase in calendar year 2025, with forecasted increases in future years 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 over the past two school years of 41 FTEs, salary and benefits savings shown in FY25-FY29 . Additional reductions in force through attrition will continue to be looked at every position through retirements and resignations, while aligning student enrollment and increased needs.
- Benefit increases remain stable and align with trend of 5-10% for FY25-FY29.
- Slight increase in benefits for FY25-FY29 due to the addition of vision benefits through NDEA Contract negotiations for all staff.

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. Continued increase in non-special needs student services that support homeless, displaced, behavior, and ADA student challenges.
- Unexpected Medicare reimbursement of -\$721,000 in FY24 and receive an additional reimbursement in FY25 of -\$917,000, but not represented in Forecast future years due to uncertainty of availability of Medicare program funds.
- Less technology repair/replacement costs due to leasing of devices
- 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, no increase in FY25 but reallocated funds based on ADM within buildings which did lead to some buildings with lesser funds for FY25.
- Additional curriculum software packages to enhance student intervention continue to increase in FY25 and on due to student needs.
- Utilities such as waste removal, water, electricity, natural gas are forecasted to increase between 14-30% throughout the forecast. Most recent market analysis and report from our cooperative that utilities are purchased through volume discount pricing show sharp increases starting in 2025 in Electricity for both supply and demand charges. Estimated impact in 2026 is an additional costs of approximately \$200,000, and will carry through forecast at that level of increase each year.
- Natural gas per unit cost planned to continue to increase due to planned export of natural gas, thus increasing demand. Milder climate could result in lower market rates to help lower demand.
- Technology purchased services continue to increase due to not filling a position, and increased cybersecurity protection costs.

Supplies

- Consolidation of Elementary buildings and new preschool and central office have shown and will continue to anticipate lower supply costs.
- After several years of drastically increased inflation rates between 17-37%, economic outlook shows inflation leveling off currently to approximately 2.5% with 4%-8% rates used conservatively throughout forecast FY25-29.
- 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
- Bus fuel price per gallon continues to be volatile with increases forecasted to be between 4-15% through remaining forecasted years.

Capital

- Utilization of some permanent improvement dollars to offset major capital purchases out of the 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.
- By closing building slight savings in capital projects is experienced, and deferred projects result in future savings throughout FY25-FY29.
- Through Strategic Plan and student voice, we will be looking at implementing a playground equipment replacement plan in partnership with building, Operations, PTO, Permanent Improvement, and District budgets to address aging and outdated equipment.
- Building weathered exteriors due to increasing storms have to be addressed.
- Overall capital spending lower than anticipated for FY25, and adjusted future years to reflect less spending.

Other

- Educational Service Center contracted services forecasted with increase as more students need services, estimated at over \$2,500,000. Foundation Deduction for other out of district placements increasing in FY25 and anticipated increases continue in FY25 -FY29 due to increased student needs.
- Unspent building reserves appropriated through FY25-FY29 but very little expenditures will take place through those years causing an inflated appropriation of approximately \$500k annually.
- Treasurer financial services fees, and auditor fees continue to increase and estimated around \$500k