## REVENUES

General Property Tax (Real Estate)

- For fiscal years 2026 to 2029 incorporated 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 2025 amounts 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. But, we will also reduce this amount by $300,000 for possible increase in delinquencies. We will increase the amount for fiscal year 2027 by $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 County reappraisal, 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.
  (Receipt 1111) Line 01.010

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 12.6%. But a 12.6% increase in public utility receipts is questionable - historically the companies will file lawsuits over these increases. We will take an average of the increases between FY 23 to FY 24 and FY24 to FY25 to add to FY 25 ($198,463) for the amount for FY 26 to FY 29. (Receipt 1122) Line 01.020

Unrestricted and Restricted State Grants

- Our local capacity has gone from $4,579.76 to $5,000.48. Meaning that the State of Ohio sees our community as "richer" because our property values have gone up and the State uses this amount on one side of the funding formula, but the State failed to increase the other side of the formula which takes into account the inflationary increase in costs. Therefore, our local capacity is then subtracted from the base cost amount of $8,153.24. Therefore we will see $3,152.76 ($8,153.24-$5,000.48) per student from the state. Last year's state amount was $3,570.86 which means the state is funding us $418.10 ($3,570.86 -$3,152.76) less per student this year from the state. This difference of $418.10 per student causes $1,879,635 ($418.10*4,495.66 ADM) decrease in State funding. The funding for casino revenue will offset the decrease by $300,000. We will be reducing the State funding for additional $150,000 because of the

science of reading funding that we will not receive this year. We will receive $233,775 in performance supplement revenue. The net effect of all the calculations to the FY25 state funding is $25,047,400 (unrestricted and restricted). For comparison purposes, the state funding simulator for FY 26 has us receiving $25,340,066.01 (unrestricted and restricted). The The difference between our calculation and the state simulator is $292,666 which is minimal. Therefore, we will be conservative and reflect our calculation in the forecast. The State has not released the funding simulator for FY 27, but based on the budget released in July of 2025 we will receive less funding of $1,084,614. (001-3110, 001-3190) Line 01.035

- 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.
  (001-32##) Line 01.040

Property Tax Allocations (State Reimbursement for Property tax credits)

- Property tax allocations decreased slightly from FY 22 to FY 24, but we saw a slight increase in FY 25. We will take an average of the increases between FY 23 to FY 24 and FY24 to FY25 to add to FY 25 ($11,560) for the amount for FY 26 to FY 29 (001-3131 and 001-3132) Line 01.050

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. 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. 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. Our Medicaid reimbursement is now being posted to this line item where it was previously reflected as a reduction of expenditures. (001-12##,001-13##,001-14##, 001-17##, 001-18##) Line 01.060

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. (001-52##). The advance-in funds are lower in FY 25, because we needed to advance less funds to federal and state grants in FY 24. Line 2.050

## 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 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, and similar increase in FY26 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.
- Due to special needs requirements of case loads, and overall student needs two additional intervention specialists hired this year, and a portion of psych intern salary covered by district funds.
- 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.

  Object 1## Line 3.010 Object 2## Line 3.020

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 -$881,567 decreased total expenditures due to it being coded as a reduction of expenditure. Starting FY26 must now show this amount on the revenue side, so this cannot be counted on the expenditure side, causing Purchased services total to be greater this year and future years.

- Liability, Fleet, & Property insurance rates had a moderate increase of 7.5% , $20k in FY26, due to the hard market from weather related disasters and convection modeling in our area and throughout the nation.

- 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. FY26 budgets had no increase except for building budgets receiving electricity allotment for increases in electricity they could not control.

- 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 cost of approximately $200,000, and will carry through forecast at that level of increase each year.

- Electricity has seen the largest increase of the utilities, with KW/H rate increase January 2025, and then capacity/demand increases realized July 2025 for a combined estimated 30% increase in electricity going into FY26.

- 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. $10k increase in costs in FY25, expected additional $10k increase in FY26. Hedges through EPC have expired and are subject to market rates.

- Technology purchased services continue to increase due to not filling a position, and increased cybersecurity protection costs.

Object 4## Line 3.030

<u>Supplies</u>

- 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 experiencing increases in fertilization, weed treatment, and seed products starting in January 2025 and carrying into FY26 along with transportation fuel costs projected to rise approx $15k-$30k.

- 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.

- Custodial supplies continue to increase in costs, and consumption to maintain cleaning and sanitization standards. Approximately $20k additional increase in FY26.

  Object 5## Line 3.040

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. $50k increase in strategic planning accounts.

- Building weathered exteriors due to increasing storms have to be addressed.

- Maintenance vehicles and transportation vehicles are starting to accumulate miles, and may look at purchasing a replacement for one of existing vehicles, so that the entire fleet does not need replacement all at once. Appropriated $100k for FY26.

- Overall capital spending lower than anticipated for FY25, and adjusted future years to reflect less spending.

  Object 6## Line 3.050

Other

- Educational Service Center contracted services forecasted with increase as more students need services, estimated at over $2,900,000 in FY26 which is an increase of approximately $700,000 from FY25. 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 increase in utilizing these reserves will be expected in FY27-FY29 due to projected deficit spending. FY26 total of reserves is $625k, appropriation of approximately $500k annually throughout forecast.

- Treasurer financial services fees, and auditor fees continue to increase and estimated around $792k, which is an increase of approximately $300k from FY24-FY26.

  Object 8## Line 4.300

Advances Out

- There was a significant increase in operating transfers-out for fiscal year 2025 to move funds from the general fund to Fund 35 and Fund 70. Fund 35 was created for termination benefits and Fund 70 was created for capital projects. We will monitor needs this fiscal year to see if additional funds need to be added or if we will need to move funds back to the general fund. The actual percentage increased 14578.47%.