

OTSEGO FINANCIAL UPDATE

NEWSLETTER



December 2025

Bond Refinancing Will Save Tax Payers Money

We have successfully refinanced the bonds that were used to build the High School and Junior High, resulting in a savings of approximately \$224,000 for our taxpayers over the remaining life of the bonds. Bond payments are automatically included in residents' property taxes and are distributed to the school district through the Wood County Auditor's Office. The district then makes the required payments from our Bond Fund.

As a result of the refinancing, we will now need to collect less from taxpayers to meet these bond obligations, providing modest savings to all taxpayers. The bonds are scheduled to be fully paid off in 2032. It is important to note that while this refinancing reduces the bond-related tax collections, it does not impact the district's General Fund, which is used to support the vast majority of our day-to-day operations.

Year Over Year General Fund Comparisons of Revenue and Expenses

	FY24 Total	FY25 Total	Change
Revenue	\$9,088,868	\$9,657,741	568,873
Total Expenses (Including Transfers)	\$8,812,132	\$9,362,384	\$550,252
Surplus / Deficit	\$276,736	\$295,358	

District revenues and expenses do not occur evenly throughout the year. Some revenues are received monthly, while others are collected quarterly or semiannually. Similarly, certain expenses—such as wages—are consistent throughout the year, while others, including bus propane purchases and capital improvement projects, occur intermittently. Because of the timing of these revenues and expenditures, the district's current surplus appears larger than what is projected at the end of the fiscal year.



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Fall 2025 Forecast

The Board of Education approved the district's new five-year forecast at the November Board meeting. The forecast projects a surplus of approximately \$194,000 for the current fiscal year and a smaller surplus of about \$23,000 next year. While the district remains financially stable in the near term, the forecast indicates that deficit spending is projected to begin by fiscal year 2028 if current trends continue.

On the revenue side, the district is experiencing a slight decrease this year compared to last year, largely due to a one-time back payment from NEXUS that was received in the prior year and temporarily increased revenue. Looking ahead, modest increases are projected in both property tax and income tax revenues, which will help support ongoing operations.

Expenditures are increasing at a much slower rate than in recent years. Personal Services costs are slightly lower this year due to the retirement incentive program implemented last year. Overall expenses are projected to increase by only 0.7 percent, compared to typical annual increases of 3–4 percent. Additionally, the district has now fully paid off the Elementary School and bus debt, meaning there will be no future debt payments coming out of the General Fund, providing long-term financial relief and flexibility.

UPCOMING EVENTS.

- Next Board Meeting - Thursday
December 17th in the High School
Library at 6:00

HELPFUL LINKS.

- [Otsego School's Website](#)
- [Otsego's Treasurer Website](#)
- [Community Engagement Calendar](#)
- [Current Board Approved 5 Year Forecast](#)



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