

Finance Presentation

The Good, The Bad, and the

UGLY

THE GOOD

INDEPENDENCE SCHOOL DISTRICT HISTORICAL FUND BALANCE PERCENTAGE

2024 - 37.66% (levy passed)

2022 - 27.91%

2021 - 18.49%

2020 - 18.87%

2019 - 18.46%

2018 - 17.15%

2017 - 17.98%

2016 - 17.98%

2015 - 19.12%

2025 - 40.82% (summer school exp. moved to FY26)

2023 - 32.82%

2014 - 21.58%

2013 - 20.79%

2012 - 18.73%

2011 - 16.72%

2010 - 11.01%

2009 - 7.94%

2008 - 14.52%

- **GOAL IS TO BE ABOVE 30% AT THE END OF FY23**
 - I made this statement in a power point during negotiations in April of 2022

THE GOOD

FY 26 Budget Forecast

- Will deficit spend by approximately **\$9.5M** due to salary and benefit enhancements (was a planned deficit due to fund balances)
 - Two largest employee raises in district history (3 of last 4 years)
- I Budgeted withholdings to the foundation formula
 - \$7,145 SAT vs. \$6,953 SAT (budget)
 - Fewer students in FY26 won't be reflected in revenues until FY28

THE BAD

Foundation Formula (State Revenue)

- Enrollment is down 524 students compared to last year (no impact until FY28)
- New formula will go into effect in the next 2-3 years
- Potential withholdings in FY26 and beyond
 - No mention of withholdings in governor's state of state address

Prop C Revenue

- Lower enrollment in FY26 will impact Prop C revenue for this fiscal year

THE UGLY

Federal Revenue

- Loss will be primarily in Title Funds
 - Expect 20% reduction in funding
 - \$1.2 million in funding loss if 20% occurs

THE UGLY

Local Property Tax

- Ongoing lawsuits, intervention by state tax commission, actions by Jackson County Legislature put property tax revenue in severe jeopardy
 - Fund 12 Budgeted - \$62.79 M
 - Fund 12 Received - \$53.51 M (as of 1/30/26)
 - 85.2% collection rate (should be 93 – 95% at this date)
 - Revenues are short \$9.3M from the budget (as of 1/30/26)
- Known Losses
 - SB 190 - \$891,376 senior property tax credits
 - Commercial Property capped at 15%
 - lost \$68,797,118 AV or \$2,975,681 in revenue for operating (assumes 100% CR)
- 15% cap of 2023 assessments
 - AV loss of \$135,622,135 (per county info)
 - Operating Fund Loss due to credits - \$11,552,294 (credits given over 3 years)

Financial Summary

Healthy fund balances are saving the district financially

- Foundation Formula loss of revenue in FY28
 - Risk of withholdings in Spring of this year but accounted for in the budget
 - Prop C revenue drop in FY26 due to lower enrollment – FY26
 - \$500K
 - Title funds will likely be cut 20% - FY27
 - \$1.2M
 - Local Property Tax capped at 15%
 - \$11.55M (credits given over 3 years) – FY27, FY28, FY29
 - SB 190 (Senior tax credits) - \$890K – FY26
- ❖ Total Potential Revenue Loss \$14M+