

Tri-Valley Local School District

Muskingum

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2023, 2024 and 2025 Actual;
Forecasted Fiscal Years Ending June 30, 2026 Through 2029

	Actual			Average Change	Forecasted			
	Actual 2023	Actual 2024	Actual 2025		Current Year Budget 2026	Forecast YR1 2027	Forecast YR2 2028	Forecast YR3 2029
Revenues								
1.010 General Property Tax (Real Estate)	\$14,403,315	\$15,231,896	\$16,640,047	7.5%	\$17,756,518	\$17,706,367	\$17,706,367	\$17,706,367
1.020 Tangible Personal Property Tax								
1.030 Income Tax								
1.035 Unrestricted State Grants-in-Aid	17,605,435	17,597,215	17,645,930	0.1%	17,983,621	18,606,357	18,608,291	18,612,197
1.040 Restricted State Grants-in-Aid	923,306	1,027,709	835,365	-3.7%	290,935	525,819	525,819	525,819
1.045 Restricted Federal Grants-in-Aid - SFSF								
1.050 State Reimbursement for Property Tax Credits	1,031,422	1,036,050	1,198,809	8.1%	1,003,336	1,307,501	1,307,501	1,307,501
1.060 All Other Revenues	1,603,316	1,743,004	2,144,107	15.9%	1,697,258	1,695,807	1,698,293	1,704,744
1.070 Total Revenues	35,566,794	36,635,872	38,464,258	4.0%	38,731,669	39,841,851	39,846,271	39,856,629
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	84,081	1,741,643	74,813	937.8%	790,379			
2.060 All Other Financing Sources	370							
2.070 Total Other Financing Sources	84,451	1,741,643	74,813	933.3%	790,379			
2.080 Total Revenues and Other Financing Sources	35,651,244	38,377,516	38,539,071	4.0%	39,522,048	39,841,851	39,846,271	39,856,629
Expenditures								
3.010 Personal Services	16,686,835	17,132,249	18,270,489	4.7%	19,277,357	19,708,248	20,202,017	20,764,589
3.020 Employees' Retirement/Insurance Benefits	7,359,631	7,751,800	8,239,514	5.8%	8,873,950	9,292,837	9,651,715	9,939,494
3.030 Purchased Services	2,878,389	2,974,665	3,300,598	7.2%	2,878,844	2,994,016	3,034,942	3,072,954
3.040 Supplies and Materials	1,458,342	1,183,351	1,274,055	-5.6%	1,452,016	1,490,329	1,529,724	1,570,231
3.050 Capital Outlay	1,278,033	1,395,250	1,588,807	11.5%	2,333,319	1,424,405	1,831,319	1,689,928
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	2,531,516	3,072,593	3,184,112	12.5%	3,673,420	3,820,086	3,869,084	3,918,365
4.500 Total Expenditures	32,192,747	33,509,908	35,857,576	5.5%	38,488,906	38,729,922	40,118,801	40,955,561
Other Financing Uses								
5.010 Operating Transfers-Out	2,000,000	2,000,000	12,000,000	250.0%				
5.020 Advances-Out	1,741,643	74,813	790,379	430.4%				
5.030 All Other Financing Uses								
5.040 Total Other Financing Uses	3,741,643	2,074,813	12,790,379	236.0%				
5.050 Total Expenditures and Other Financing Uses	35,934,390	35,584,721	48,647,955	17.9%	38,488,906	38,729,922	40,118,801	40,955,561
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	283,146-	2,792,794	10,108,883-	-774.2%	1,033,142	1,111,930	272,531-	1,098,933-
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	17,413,033	17,129,888	19,922,682	7.3%	9,813,799	10,846,941	11,958,871	11,686,340
7.020 Cash Balance June 30	17,129,888	19,922,682	9,813,799	-17.2%	10,846,941	11,958,871	11,686,340	10,587,408
8.010 Estimated Encumbrances June 30	1,712,395	1,535,179	1,587,052	-3.5%	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 Advancements								
9.070 Bus Purchases								
9.080 Subtotal								
10.010 Fund Balance June 30 for Certification of	15,417,493	18,387,503	8,226,747	-18.0%	9,596,941	10,708,871	10,436,340	9,337,408
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	15,417,493	18,387,503	8,226,747	-18.0%	9,596,941	10,708,871	10,436,340	9,337,408
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	15,417,493	18,387,503	8,226,747	-18.0%	9,596,941	10,708,871	10,436,340	9,337,408
ADM Forecasts								
20.010 Kindergarten - October Count					195	195	195	195
20.015 Grades 1-12 - October Count					2,631	2,598	2,597	2,597

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

February 2026 Three Year Forecast Assumptions

Overall Assumptions & Notes

Disclaimer: This forecast is a best estimate of the operational revenues and expenses of the district based upon information available to the district as of today. There are many legislative changes in process right now that could have significant and lasting impacts to the financial condition of the district moving forward, and may require an update to this forecast in the near future based upon anticipated financial information updates from our counties and state. At this point though, we do not have enough information, some of which is simply unavailable, to incorporate any changes in this forecast. Also, keep in mind that many of the pending legislative changes may not be uniformly administered across the state, possibly varying county by county, and thus neighboring school districts may experience changes in a manner that is different from Tri-Valley.

Forecasting for schools has undergone changes recently. The first item to note is that the forecast no longer covers five (5) future periods, but three (3) plus the current fiscal year. Also, the reporting due dates for the forecast have changed. Previously the forecast was reported in May and November. Moving forward, the forecast will be reported in February and August, with an exception having been the fall of 2025, when the forecast was due in October. Also, as we continue through this next budget cycle, district revenues are on the verge of significant shifts. Legislative changes that have recently passed, including HB124, HB129, HB186, HB309 and HB335, will, or could in the future, alter funding for the district, both at the state and local levels. HB186 could have the most significant impact on the district's previously voted and approved, local property tax collections. The bill's main focus is an inflation cap on local real estate tax collections. Previous estimates of the bill's impact to the district's funding of approximately a \$3.7M reduction over the next three (3) years have not been confirmed, nor discredited. Additionally, changes to the State's foundation payment program are always open to updates, some beneficial, some detrimental, and continue to be monitored and evaluated. Until further clarity is available on funding with the passage of time and legislative considerations, the district will have to take a "wait and see" approach to future operations.

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 property in the district will be reviewed regularly due to any changes in the way taxes are calculated on the parcels. The total taxable valuation of all property in the Tri-Valley district for TY25 and TY24 was \$802M, up from TY2023 which was \$649M, and TY2022 (\$653M). This increase is primarily due to valuation changes in ag/residential properties based upon the current market environment. The 2024 revaluation process for Muskingum County has been completed.

Recent legislation related to property tax valuations, General Fund carryover caps 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

FY26-29 funding is being shown at the most recently available levels from the State. 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 and it expanded again with the current budget. 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 includes a broader mix of dollars allocated for Career Tech programs, Student Wellness and Success funds and Disadvantaged Pupil Impact Aid funds, among others. During FY24, the district received \$138K for High Quality Instructional Materials that appear in this line and represent one-time assistance to the district. Funding for these areas has been reduced by nearly \$100K for FY26 due to changes in State funding levels. In addition, restricted funds of \$341,234.95 related to Gifted Education that remained unspent from prior years is planned to be returned to ODEW and represent a reduction in this line item for FY26. Future periods revenue for Gifted Education will be maintained at a level consistent with anticipated expenditures.

State Reimbursement for Property Tax Credits (formerly Property Tax Allocation)

The state reimbursement for property tax credits 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 kept relatively flat year over year due to uncertainty in rates and fund balances.

Expenditure Assumptions

Salaries

Fiscal years '23 - '25 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. FY26-29 contain an average increase of approximately 3.5% 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 FY26, with an anticipated increase in staff retirements, as a number of employees will now become eligible for service

retirement moving forward, especially in light of recent changes to STRS retirement qualifications. FY26 retirement severance payments are significantly higher than in the past, as the number of retirements in the year has grown to date, now standing at thirteen (13), with additional, unknown retirements still possible before year end.

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 FY23 to keep up with the rising costs of health care, with FY24 rates increasing by 8% and 5% in FY25 and FY26. Projected increases are 5% in FY27, 4% in FY28 and 3% in FY29. 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 made to control future increases. An average inflationary increase of roughly 1-2% has been included for FY26-29 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, computers for staff and software. Given the 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 FY26-29, increased expenditure levels are included for all buildings in anticipation of increased needs during these times. FY26-29 show Capital spending in anticipation of asset maintenance. The District will continue to maintain and advance the technology infrastructure of its buildings. Spending for FY26-29 includes the replacement of school buses and student transportation vans as needed. In FY26, the District will be purchasing more buses than usual (4 vs. 2/3 conventional buses, plus a special-needs bus) in order to make purchases prior to communicated cost increases of approximately \$15-17K per bus due to engine design changes and inflationary costs in FY27. 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 \$2.9M of this line is for ESC services in FY26, as well as \$3M in FY27-29. 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 FY27-29 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 (though

this may become unavoidable if the significant changes to school funding sought through legislative actions are eventually adopted/enacted). 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. The district's ability to maintain this position may be greatly tested, should the legislature enact some, or all, of the proposals being introduced, as well as those already passed. Continuing current operational levels and implementing capital improvements could become difficult under the current legislative environment.

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.