REVENUES

General Property Tax (Real Estate)

- Because the final settlement for 2026 is not finalized, we have taken the amount we received in FY 26 minus FY 25 receipts. This amount is $2,169,222. We subtracted this from the $3,500,000 emergency levy amount which means that the $1,330,778 we will add to the FY 26 total receipts. We will add an additional $300,000 since the County is going through reappraisal this year. For fiscal year 28, we will add $200,000 to fiscal 2027 total for new construction. For fiscal year 29, we will add $200,000 to FY 28 total for new construction. For fiscal year 30, we will add $200,000 to FY 29. We were conservative in estimates because of the limitation of growth on the inside mills. Because of HB 920, the revenues for all voted mills have been flat funded. New legislation continues to be introduced that would negatively affect property taxes and growth (inside mills). The amounts for FY 27 could vary, since we have not received the final settlement report from the County.

(Receipt 1111) Line 01.010

Tangible Personal Property Tax (Public Utility)

- These revenues have been stable for the past few years with some growth. We will take an average of the increases between FY 24 to FY 26 as 17.7% divided by two for FY 27. We will only increase FY 28 to FY 30 by 4% each year. We have only received advances on our property taxes for the calendar year 2026. Our final tax settlement sheet from the county will not be received until September.

(Receipt 1122) Line 01.020

Unrestricted and Restricted State Grants

- Our local capacity has gone from $5,000.03 to $5,473.20. 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 $8,157.43. Therefore we will receive $2,684.46 ($8,157.66-$5,473.20) per student from the state. Last year's state amount was $3,153.21 which means the state is funding us $468.75 ($3,153.21-$2,684.46) less per student this year from the state. This difference equates to over

$2,043,200. Because of this decrease we are now on the State guarantee. The guarantee amount is $1,033,370. Therefore, we are receiving a negative net difference of -$1,009,830. The funding for casino revenue will offset the decrease by $320,000. Ohio will be electing a new Governor in November, therefore, the funding of Ohio schools is uncertain. We will flat line State revenues in the forecast.

(Receipt 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. Per the State foundation settlement sheet for July 2026 our restricting funding will be reduced. Student Success and Wellness - $557,328. Disadvantaged Pupil Impact Aid - $516,603. English Learners - $42,740. Gifted - $178,533. Career Tech - $40,028. Per the State Foundation report the amount being deducted The reimbursement for catastrophic aid is based on the amount the State recaptures from our state foundation and then redistributes the amount to each district as a portion of the actual cost submitted. Our portion of this year is approximately $247,405.The timing of reimbursement from the State could cause one year to be over/understated. Ohio will be electing a new Governor in November, therefore, the funding of Ohio schools is uncertain. We will flat line restricted revenues in the forecast.

(Receipt 001-32##) Line 01.040

<u>Property Tax Allocations (State Reimbursement for Property tax credits)</u>

- Property tax allocations has increased slightly from FY 24 to FY 26. We will take an average of the increases between FY 27 to FY 30.

(Receipt 001-3131 and 001-3132) Line 01.050

<u>All Other Revenue</u>

- 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. 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. We plan no adjustments to revenue. Our projections appear to be in line with what we have received so far. (We did receive two Medicaid payments in FY 26, because of timing. Therefore, the amount received in FY 26 was inflated approximately $916,000)

(Receipt 001-12##,001-13##,001-14##, 001-17##, 001-18##, 001-42##)
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##).

Line 2.050

EXPENDITURES

Salary & Benefits

- Based on the negotiated agreements 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 FY27-FY30. Local Teamsters 957 Agreement renewed in FY25 for 2.5% increase in FY26-FY27.
- Due to inclement weather more than normal amount of overtime required for operations staff causing FY27 budget to be adjusted.
- Retirement cost is proportional to salaries.
- Cost of medical benefits continue to increase and comprise approximately $11M of the total $19.6M cost of benefits. Increases over next several years based on insurance pool action with EPC and Michigan Conference Plan. Health insurance plans estimated at 4% increase in calendar year 2027, and similar increase in FY28 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 attrition when staff resign or retire, and utilizing transfers between buildings, staff numbers have decreased except for mandated special education positions. 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 FY27-FY30 due to the addition of vision benefits through NDEA Contract negotiations for all staff.

(Object 1##) Line 3.010 (Object 2##) Line 3.020

<u>Purchased Services</u>

- 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.

- Liability, Fleet, & Property insurance rates had a favorable increase of 6% , in FY27, due to our individual district's claim experience, and overall limited pool claims.

- Increases expected for repairs on remaining aging buildings.

- FY27 department and building budgets had 3% decrease 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 FY27 and in future years 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 increase in FY27 at approximately 10% in Electricity for total supply and demand charges.

Natural gas continues to increase as well due to supply and demand factors. International exporting of natural gas will continue to impact demand locally and result in increases in price.

- Electricity has seen the largest increase of the utilities, through district efforts of limiting usage after hours, and adopting a new tariff Tag pricing program, we have decreased our capacity and demand rates for this year.

- Technology purchased services continue to increase with market and needs of infrastructure support, 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. Building and department budgets have a 3% decrease in FY27 and additional reductions in budgets expected through FY30.

- 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 FY27-FY30.

- Building and Grounds increased expectations and upkeep experiencing increases in fertilization, weed treatment, and seed products starting in January 2025 and carrying into FY27 along with transportation fuel costs projected to rise approx $20k-$40k.

- 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 10-15% through remaining forecasted years.

- Custodial supplies continue to increase in costs, and consumption to maintain cleaning and sanitization standards. Approximately $30k additional increase in FY27.

  (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 FY27-FY30. Building and department budgets have a 3% decrease in FY27 and additional reductions in budgets expected through FY30.

- 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 FY27.

- Overall capital spending lower than anticipated for FY27, 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 $3,000,000 in FY27, which is an increase of approximately $800,000 from FY25. Foundation

Deduction for other out of district placements increasing in FY27 and anticipated increases continue in FY27 - FY30 due to increased student needs.

- Unspent building reserves appropriated through FY27-FY30 increase in utilizing these reserves will be expected in FY27-FY30 due to projected deficit spending. FY27 total of reserves is $691k, appropriation of approximately $600k annually throughout forecast.

- Treasurer financial services fees, and auditor fees continue to increase and are estimated around $800k.

(Object 8##) Line 4.300

Transfer 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%.