

**RIVERDALE LOCAL SCHOOL DISTRICT- HANCOCK COUNTY
SCHEDULE OF REVENUE, 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 JUNE 30, 2030**



**Forecast Provided By
Riverdale Local School District
Treasurer's Office
Makalia Weber, Treasurer
September 22, 2025**

Riverdale Local School District

Hancock County

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 2030

	Actual				Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Average Change	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Revenues									
1.010 General Property Tax (Real Estate)	\$2,974,049	\$3,140,719	\$3,094,975	2.1%	\$3,263,498	\$3,331,125	\$3,371,999	\$3,420,624	\$3,472,625
1.020 Public Utility Personal Property Tax	198,331	207,072	418,131	53.2%	419,211	432,184	444,634	457,084	469,534
1.030 Income Tax	2,323,993	2,165,427	1,864,820	-10.4%	2,591,521	955,031	0	0	0
1.035 Unrestricted State Grants-in-Aid	6,313,173	6,927,060	7,302,714	7.6%	7,401,032	7,574,214	7,573,853	7,573,468	7,573,057
1.040 Restricted State Grants-in-Aid	424,542	451,134	468,322	5.0%	448,332	451,612	451,612	451,612	451,612
1.045 Restricted Federal Grants-in-Aid	0	0	0	0.0%	0	0	0	0	0
1.050 State Reimbursement for Property Tax Credits	412,885	425,752	440,497	3.3%	449,742	466,617	474,393	480,027	488,087
1.060 All Other Revenues	726,315	833,067	871,418	9.7%	769,249	687,514	622,126	569,815	527,966
1.070 Total Revenues	\$13,373,288	\$14,150,231	\$14,460,877	4.0%	\$15,342,585	\$13,898,297	\$12,938,617	\$12,952,630	\$12,982,881
Other Financing Sources									
2.040 Operating Transfers-In	\$484	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.050 Advances-In	0	0	0	0.0%	0	0	0	0	0
2.060 All Other Financing Sources	41,590	187,261	48,340	138.0%	42,000	42,000	42,000	42,000	42,000
2.070 Total Other Financing Sources	\$42,074	\$187,261	\$48,340	135.4%	\$42,000	\$42,000	\$42,000	\$42,000	\$42,000
2.080 Total Revenues and Other Financing Sources	\$13,415,362	\$14,337,492	\$14,509,217	4.0%	\$15,384,585	\$13,940,297	\$12,980,617	\$12,994,630	\$13,024,881
Expenditures									
3.010 Personal Services	\$5,735,281	\$5,483,731	\$5,734,785	0.1%	\$6,058,139	\$6,335,232	\$6,590,427	\$6,745,348	\$6,905,489
3.020 Employees' Retirement/Insurance Benefits	2,745,475	2,485,312	2,332,440	-7.8%	2,594,328	2,731,141	2,863,593	2,985,429	3,109,126
3.030 Purchased Services	2,867,974	3,481,809	3,444,660	10.2%	3,554,878	3,633,525	3,742,532	3,854,807	3,970,452
3.040 Supplies and Materials	633,633	481,962	474,041	-12.8%	638,397	541,636	860,606	580,338	600,867
3.050 Capital Outlay	72,586	155,584	274,119	95.3%	37,351	37,351	37,351	37,351	37,351
4.300 Other Objects	245,315	276,334	259,033	3.2%	278,035	287,706	297,773	308,257	319,179
4.500 Total Expenditures	\$12,300,264	\$12,364,732	\$12,519,078	0.9%	\$13,161,128	\$13,566,591	\$14,392,282	\$14,511,530	\$14,942,464
Other Financing Uses									
5.010 Operating Transfers-Out	\$484	\$0	\$3,300,000	0.0%	\$0	\$0	\$0	\$0	\$0
5.020 Advances-Out	0	0	0	0.0%	0	0	0	0	0
5.030 All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040 Total Other Financing Uses	\$484	\$0	\$3,300,000	0.0%	\$0	\$0	\$0	\$0	\$0
5.050 Total Expenditures and Other Financing Uses	\$12,300,748	\$12,364,732	\$15,819,078	14.2%	\$13,161,128	\$13,566,591	\$14,392,282	\$14,511,530	\$14,942,464
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses	\$1,114,614	\$1,972,760	(\$1,309,861)	-44.7%	\$2,223,457	\$373,706	(\$1,411,665)	(\$1,516,900)	(\$1,917,583)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$5,579,058	\$6,693,672	\$8,666,432	24.7%	\$7,356,571	\$9,580,028	\$9,953,734	\$8,542,069	\$7,025,169
7.020 Cash Balance June 30	\$6,693,672	\$8,666,432	\$7,356,571	7.2%	\$9,580,028	\$9,953,734	\$8,542,069	\$7,025,169	\$5,107,586
8.010 Estimated Encumbrances June 30	\$488,731	\$299,368	\$211,541	-34.0%	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000
10.010 Fund Balance June 30 for Certification of Appropriations	\$6,204,941	\$8,367,064	\$7,145,030	10.1%	\$9,205,028	\$9,578,734	\$8,167,069	\$6,650,169	\$4,732,586

Riverdale Local School District

Hancock County

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 2030

	Actual			Average Change	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025		Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal	\$0	\$0	\$0	0.0%	\$0	\$703,624	\$1,838,375	\$1,838,375	\$1,838,375
11.020 Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	0	0	0
11.300 Cumulative Balance of Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$703,624	\$2,541,999	\$4,380,374	\$6,218,749
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>									
12.010	\$6,204,941	\$8,367,064	\$7,145,030	10.1%	\$9,205,028	\$10,282,358	\$10,709,068	\$11,030,543	\$10,951,335
Revenue from New Levies									
13.010 Income Tax - New	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
13.020 Property Tax - New	0	0	0	0.0%	0	0	0	0	0
13.030 Cumulative Balance of New Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
14.010 Revenue from Future State Advancements	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
15.010 <i>Unreserved Fund Balance June 30</i>	\$6,204,941	\$8,367,064	\$7,145,030	10.1%	\$9,205,028	\$10,282,358	\$10,709,068	\$11,030,543	\$10,951,335

Riverdale Local School District –Hancock County
Notes to the Five Year Forecast
General Fund Only
September 22, 2025

Introduction to the Five Year Forecast

A forecast is a snapshot of today. Based on historical trends, what we know and future assumptions. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), new state mandates, tax levies, property reappraisals and updates, salary increases, health insurance increases, enrollment variances, or changes to property valuations due to businesses moving in or out of the district.

As noted below the current state budget approved in HB96 changed the forecast based on what Ohio and the Ohio Department of Workforce and Education will require, however the Board of Education will continue to plan over a five-year period. Our district leadership believes that the five-year forecast is a crucial management tool. A five-year planning horizon enables district management teams to examine future years' projections and identify when challenges will arise. This helps district management to be proactive in meeting those challenges.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three important purposes or objectives of the five-year forecast:

- (1) To engage the local board of education and the community in long range planning and discussions of financial issues facing the school district
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate"
- (3) To provide a method for the Ohio Department of Education and Workforce, and the Auditor of State to identify school districts with potential financial problems.

Ohio HB96 was passed in June 2025 which amended O.R.C. 5705.391 and O.A.C. 3301-92.04 requiring a Board of Education (BOE) to file their current years budgeted revenue and expenses, and three additional years. This is essentially a four (4) year forecast. Beginning in fiscal year 2026 (July 1 to June 30) the financial forecast must be filed by October 15, and the end of February. The filing deadlines will change in fiscal year 2027 to August 31, and end of February each fiscal year thereafter. While the legislative requirement is to file a four-year forecast, as noted above, we believe it is a prudent business practice to continue to develop a five-year forecast for planning purposes. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the financial forecast is considered the current year budget and is used as the base for future years projections. Our forecast is updated to reflect the most current economic data available for the October 2025 filing.

Economic Outlook

Ohio's economic outlook is for slow but steady growth, with industrial diversification in manufacturing, logistics, and technology, with an unemployment rate expected to remain between 4.5% and 5%. The state faces challenges including workforce issues particularly in attracting and retaining skilled labor and the need for affordable housing. In the short term, the state anticipates continued to moderate growth despite national and global challenges such as inflation and interest rates, while the long term depends on continued strategic investment in high-growth sectors and addressing the skilled workforce shortage to make Ohio competitive. These conditions should result in stable revenue enabling the state to continue current levels of funding for school districts and stable local revenue as unemployment remains low.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

Forecast Risks and Uncertainty:

A five-year financial forecast has risks and uncertainty not only due to economic delays noted above but also due to state legislative changes that will occur in the spring of 2027 and 2029 due to deliberation of the following two (2) state biennium budgets for FY28-29 and FY30-31, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws currently in effect. The items below give a short description of the current issues and how they may affect our forecast in the long term:

- 1) Property tax collections are a significant source of revenue for the school system and a significant risk to the forecast. We project growth in appraised values every three (3) years and new construction growth with modest increases in local taxes. Total local revenues, predominately local taxes, equating to 24.0% of the district's resources. Our tax collections in the March 2025 and August 2026 settlements showed better than previous collection trends.
- 2) Riverdale LSD is in 3 counties that are on different reappraisal update schedules. Hancock and Wyandot Counties experienced a reappraisal and an update, respectively, in the 2022 tax year to be collected in 2023. This update increased assessed values by \$16.35 million, or 11.64%. Overall values rose \$17.59 million or 12.14%, including reappraisal and new construction for all property classes. Hardin County experienced reappraisal update in tax year 2023 to be collected in 2024. In this update, values increased by \$14.38 million or 9.09%. Overall values increased \$15.23 million or 9.37%. Hancock and Wyandot will experience an update and reappraisal, respectively in calendar year 2025 for which we anticipate a 4% increase in property values. The following year, Hardin's update is anticipated to increase values by 3%. However, there is always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that now.
- 3) Due to historic property value increases in reappraisal and update years the Ohio Legislature has considered various proposals since 2023 to help reduce non-voted tax increases on taxpayers. HB96 the current state biennium budget passed in June which included several proposals that would have ultimately reduced districts' cash balances and placed severe restrictions on increasing local tax revenues. The Governor vetoed four (4) property tax measures that he said would jeopardize the financial stability of public schools. The Ohio House of Representatives pulled three (3) of the Governor's vetoes addressing school district to attempt to override them. They included: 1) County Budget Commission Authority; 2) manipulates the calculation of the 20-mill floor to include emergency, substitute and other levies in the calculation; and 3) the elimination of various levies including emergency, replacement and renewal levies.

The Ohio House of Representatives met on July 21, 2025 and voted (61-58) in favor of overriding the elimination of various levy types - only. As of this forecast filing, the Senate has not met to vote on any of the vetoes thus the Governor's vetoes remain in effect.

As part of the Governors' vetoes, he created a property tax reform working group co-chaired by former legislators. The governor appointed 11 members including the co-chairs. The working group is tasked with thoroughly examining issues related to how to provide meaningful property tax relief to homeowners and businesses while ensuring that funding for local schools, local governments, fire, police, EMS, libraries, and developmental disabilities is adequate. The Governor has asked the working group to issue a report with concrete proposals by September 30, 2025

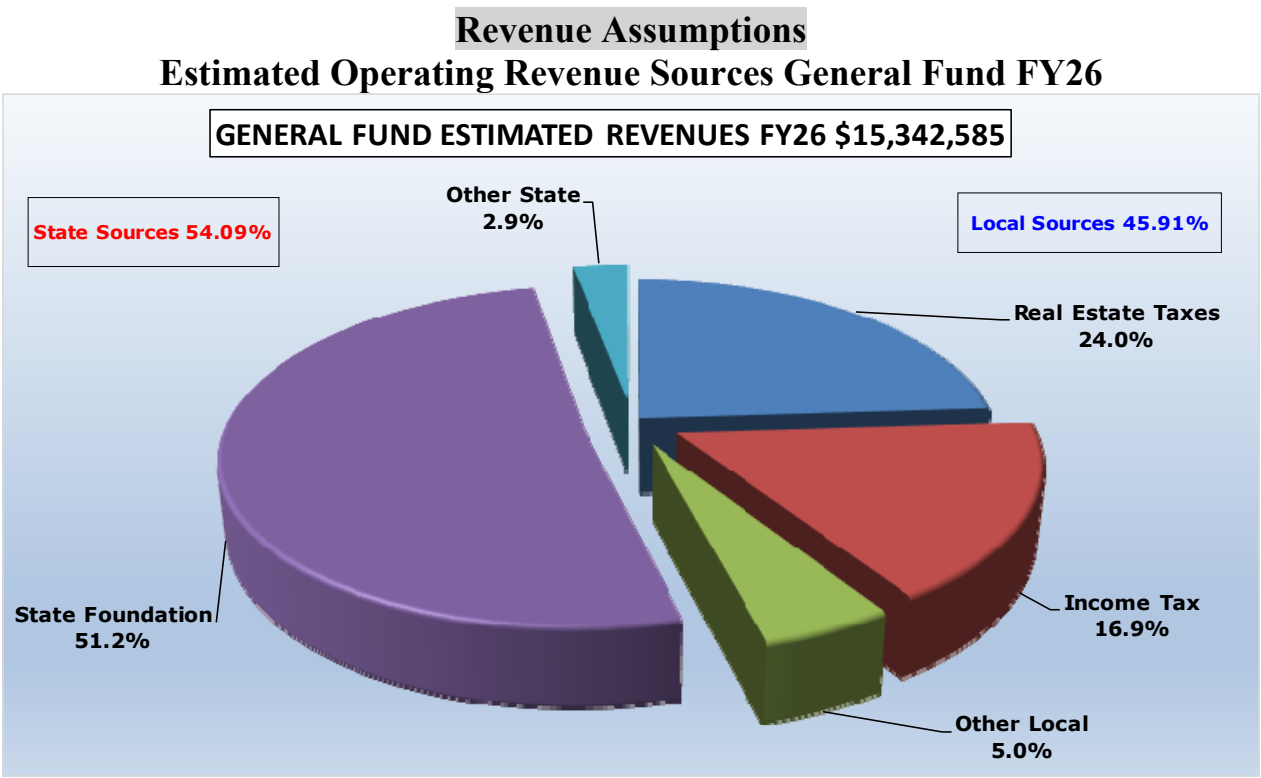
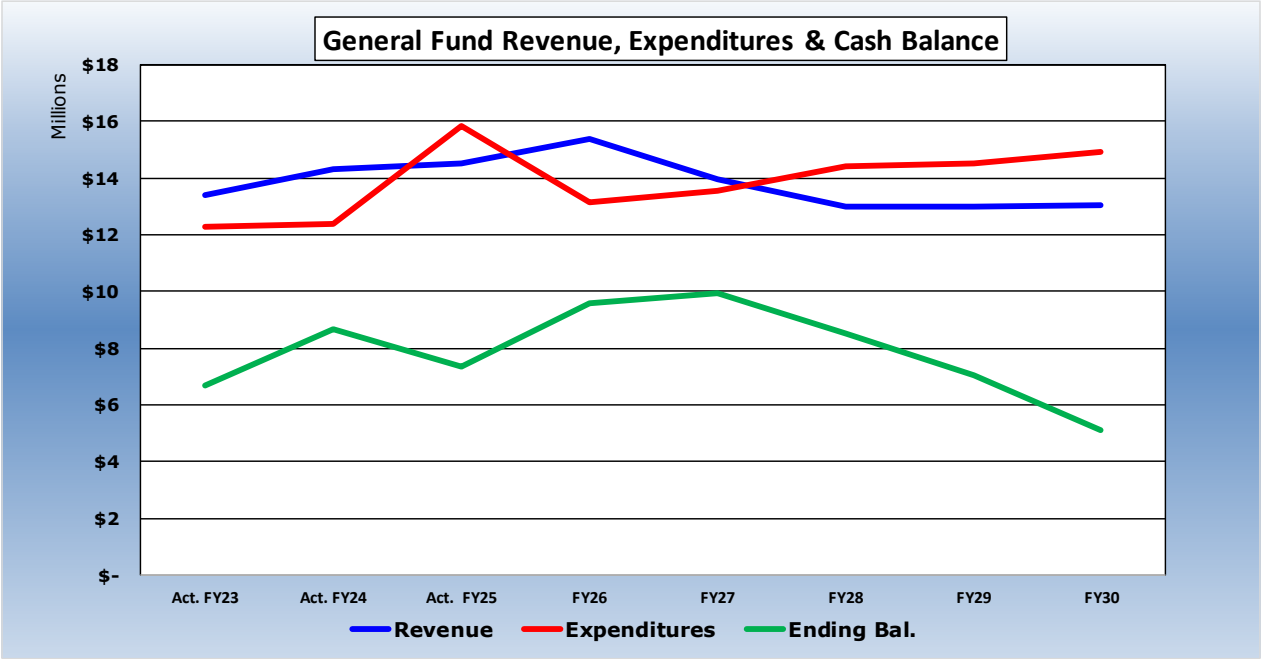
The legislature has introduced several other bills that would limit real estate tax growth or eliminate real estate tax collections completely. Many of these bills are still in committee. Many of these pending bills represent a serious risk to our school district funding. We are watching legislation closely for any impact on our local revenues.

- 4) The state budget represents 54.09% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond if the state economy stalls due to a possible recession and the Fair School Funding Plan is not continued and funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY28-29 and FY30-31. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY30. We have projected our state funding in FY26 based on HB96 legislation with the Governor's vetoes in place. This forecast reflects state revenue to align with the FY27 funding levels through FY30, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.
- 5) HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY26 and FY27. FY26 reflects 83.33% of the implementation cost at year five of a six-year phase-in plan, which increases by 16.66% each year. FY27 will result in 100% funding of (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY26.
- 6) HB96, the current state biennium budget also enacted a new provision called "Piggyback Property Tax Exemptions". This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Current Homestead and 2.5% owner occupied credits are reimbursed to the district from the state of Ohio. These "Piggyback Property Tax Exemptions" would NOT be reimbursed. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$96,400 from current operating levies, if our County Commissioners implement this. This new law creates a potential risk to our local tax collections.
- 7) Our income tax payments vary greatly year over year due to one large taxpayer in the district. Since this payee is unknown and the stability of this revenue is uncertain, we have removed these payments from future projections. In July 2025 our income tax payment was nearly \$1 million higher than the July 2024 payment. The district's 1.0 percent income tax levy is set to expire in December of 2026. It will be essential to renew this levy when it comes up. We believe the levy will be renewed, but there is always a chance it will not. This revenue moves to line 11.01 beginning in FY27.

Labor relations in our district have been amicable, with all parties working for the best interest of students and realizing the resource challenges we face. Our positive working relationship will continue and grow stronger as we move forward.

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Makalia Weber, Treasurer at 419-694-2211.

General Fund Revenue, Expenditures, and Ending Cash Balance Actual FY23-25 and Estimated FY26-30
 The graph captures in one snapshot the operating scenario facing the District over the next few years.



Real Estate Value Assumptions – Line #1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Hancock County experienced a reappraisal and Wyandot County experienced an update for the 2022 tax year to be collected in 2023. Residential/agricultural values increased 11.64% or \$16.36 million. Hardin County experienced a reappraisal for the 2023 tax year to be collected in 2024. Residential/agricultural values increased 9.09% or \$14.37 million due to the reappraisal led by an improving housing market.

A reappraisal update will occur in 2025 for collection in 2026 for which we are estimating a 4% increase in residential and a 0.2% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase \$7.34 million or 4.1% overall.

Public Utility Personal Property (PUPP) values increased by \$4.55 million in Tax Year 2024. This is a result of updated value on the AEP property in our district. This increase was seen in districts throughout the State. We expect our values to continue to grow by \$500,000 each remaining year of the forecast.

We have been conservative with any future value increases for reappraisal or updates due to uncertainty over legislative actions that may take place in the spring of 2025 that limits property tax growth.

ESTIMATED ASSESSED PROPERTY VALUATIONS BY COLLECTION YEARS

<u>Classification</u>	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029	Estimated TAX YEAR 2029 COLLECT 2030
Res./Ag.	\$181,449,557	\$187,243,044	\$187,593,044	\$191,694,904	\$193,961,853
Comm./Ind.	4,505,263	4,585,368	4,595,368	4,614,558	4,670,704
Public Utility Personal Property (PUPP)	<u>17,106,780</u>	<u>17,606,780</u>	<u>18,106,780</u>	<u>18,606,780</u>	<u>19,106,780</u>
Total Assessed Value	<u>\$203,061,599</u>	<u>\$209,435,191</u>	<u>\$210,295,191</u>	<u>\$214,916,243</u>	<u>\$217,739,337</u>

Tax Rate Assumptions

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all general fund levies is 24.9 mills while the Class I effective millage rate is 20.0 mills and the Class II effective millage rate is 20.0 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is slightly off the floor for Class I and Class II.

ESTIMATED REAL ESTATE TAX COLLECTIONS

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Est. Real Estate Taxes	\$3,263,498	\$3,331,125	\$3,371,999	\$3,420,624	\$3,472,625
Total Line #1.01 Real Estate Taxes	<u>\$3,263,498</u>	<u>\$3,331,125</u>	<u>\$3,371,999</u>	<u>\$3,420,624</u>	<u>\$3,472,625</u>

Property tax levies are estimated to be collected at 97.34% of the annual amount. This allows 2.66% delinquency factor. In general, 63.7% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 36.3% collected in the August tax settlement.

Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in March and 50% in August settlement from the County Auditor and are noted in line 1.02 totals below.

New Tax Levies – Line #13.030 - No new levies are modeled in this forecast.

Estimated Tangible Personal Tax & PUPP Taxes – Line #1.020

The amounts below are public utility personal property (PUPP) tax payments from public utilities. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor. The values in 2024 rose by 37.8% or \$4.55 million and are expected to increase by \$500,000 each remaining year of the forecast. This is a result of the AEP revaluation, and they are currently appealing their assessed values. We will continue to monitor the situation for future forecasts.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Public Utility Personal Property	\$419,211	\$432,184	\$444,634	\$457,084	\$469,534
Total PUPP Tax Line #1.020	<u>\$419,211</u>	<u>\$432,184</u>	<u>\$444,634</u>	<u>\$457,084</u>	<u>\$469,534</u>

School District Income Tax – Line #1.030

The district residents approved the renewal of a 1.0% 3-year traditional income tax levy with collections ending in December 2026. The changes in tax amounts are leveling off from the pandemic. Because this levy expires in December 2026, we have moved this revenue down to line 11.01 for FY27. Starting in 2020, we began receiving a large increase from one payee. Since we are uncertain of this revenue continuing, we have removed these payments from future projections. We will assume a reduction of 80% FY25 and 2.0% increase for FY26-FY29. We have updated the July payment to actual for FY26 which was approximately \$1 million over last July revenue.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
July payment	\$1,615,823	\$648,139	\$0	\$0	\$0
October payment	300,874	306,892	0	0	0
January payment	276,866	0	0	0	0
April payment	<u>397,958</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total SDIT Collections	\$2,591,521	\$955,031	\$0	\$0	\$0

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
School District Income Tax	\$1,864,820	\$2,591,521	\$955,031	\$0	\$0
Adjustments	<u>726,701</u>	<u>-1,636,490</u>	<u>-955,031</u>	<u>0</u>	<u>0</u>
Total SDIT Line #1.030	<u>\$2,591,521</u>	<u>\$955,031</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Renewal of Income Tax (SDIT) Levy – Line #11.010

SDIT levies that are not continuous by law cannot be included with the income taxes on line 1.03 if it expires in the forecast period, therefore we are including the renewal of the 1.0% income tax in levy year 2027 in line 11.01 as it will expire December 31, 2026, which is during FY27.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Renew SDIT Total To Line #11.010	<u>\$0</u>	<u>\$703,624</u>	<u>\$1,838,375</u>	<u>\$1,838,375</u>	<u>\$1,838,375</u>

State Foundation Revenue Estimates – Lines #1.035, 1.040 & 1.045

Current State Funding Model per HB96 through June 30, 2027

A) Unrestricted State Foundation Revenue – Line #1.035

HB96, the current state budget, continued the Fair School Funding Plan for FY26 and FY27, which funds students where they are educated rather than where they live. We have projected FY26 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY26 and is expected to continue to be on the formula in FY27-FY30 on the new Fair School Funding Plan (FSFP).

A detailed overview of how foundation funding is calculated including all of the HB96 changes on the Ohio Department of Education and Workforce is not available at this time. When a detailed analysis is available, please visit the Ohio Department of Education and Workforce at: <https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

State Funding FY26-FY27

The Fair School Funding Plan was presented as a six (6) year phase-in plan, the state legislature approved the final two (2) years of the funding plan in HB96 phasing in funding at 83.33% in FY26 and then 100% in FY27. However, the legislature did not increase the funding base inputs from FY25. In other words, the legislature did not increase funding in the foundation formula. They did increase transportation funding's state share percentage to 45.83% in FY26, and 50% in FY27, which could increase funding, and; they added three (3) Supplemental Payments outside the formula: a Base Funding Supplement, Enrollment Growth Supplement and Performance Supplement.

The Base Funding Supplement will be paid to all districts. The funding supplement per pupil is \$27 in FY26 and \$40 in FY27.

The Enrollment Growth Supplement is paid to eligible districts based on the current FY26 enrolled ADM multiplied by \$225 per student, and in FY27 based on FY27 enrolled ADM multiplied by \$250. To be eligible enrolled ADM growth between FY22 and FY25 must equal or exceed 5% growth, and FY27 enrolled ADM growth between FY23 and FY26 must equal or exceed 3%. Our district does not qualify for this payment.

The Performance Supplement was included in HB96. The eligibility for the supplement payment uses data from the state report card for the 2024-2025 school year for FY26 and 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We will not know until later in FY26 if we will receive this additional funding.

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26, but still includes two (2) primary guarantees: 1) Formula Transition Aid, and 2) Formula Transition Supplement. The two (2) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY26 and FY27 than they received in FY21.

Future State Budget Projections beyond FY27

Our funding status for FY28-FY31 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget processes; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY28 through FY30.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

In FY25, the funding totaled \$114.30 million or \$65.70 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Basic Aid-Unrestricted	\$7,070,891	\$7,230,173	\$7,230,173	\$7,230,173	\$7,230,173
Additional Aid Items	<u>268,833</u>	<u>283,069</u>	<u>283,069</u>	<u>283,069</u>	<u>283,069</u>
Basic Aid-Unrestricted Subtotal	7,339,724	7,513,242	7,513,242	7,513,242	7,513,242
Ohio Casino Commission ODT	<u>61,308</u>	<u>60,972</u>	<u>60,611</u>	<u>60,226</u>	<u>59,815</u>
Total Unrestricted State Aid Line #1.035	<u>\$7,401,032</u>	<u>\$7,574,214</u>	<u>\$7,573,853</u>	<u>\$7,573,468</u>	<u>\$7,573,057</u>

A) Restricted State Revenues – Line #1.040

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. We have estimated revenues for these new restricted funding lines using the most current funding factors available. For fiscal years 2026 and 2027, HB96 modifies how DPIA is calculated by factoring in both directly certified and economically disadvantaged students. The new formula modified the weight given to these student groups over the biennium. We will not see the specific impact of this until after this forecast period.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
DPIA	\$76,749	\$82,797	\$82,797	\$82,797	\$82,797
Career Tech - Restricted	70,100	67,990	67,990	67,990	67,990
Gifted	78,307	77,398	77,398	77,398	77,398
ESL	1,968	2,219	2,219	2,219	2,219
Student Wellness	221,208	221,208	221,208	221,208	221,208
Other restricted State funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1.040	<u>\$448,332</u>	<u>\$451,612</u>	<u>\$451,612</u>	<u>\$451,612</u>	<u>\$451,612</u>

B) Restricted Federal Grants in Aid – Line #1.045

No federal unrestricted grants are projected during this forecast.

<u>SUMMARY</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Unrestricted Line #1.035	\$7,401,032	\$7,574,214	\$7,573,853	\$7,573,468	\$7,573,057
Restricted Line #1.040	448,332	451,612	451,612	451,612	451,612
Rest. Federal Funds #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$7,849,364</u>	<u>\$8,025,826</u>	<u>\$8,025,465</u>	<u>\$8,025,080</u>	<u>\$8,024,669</u>

State Share of Local Property Tax – Line #1.050

A) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after

September 29, 2013. And Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled.

HB96, the current state biennium budget also enacted a new provision called “Piggyback Property Tax Exemptions”. This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$96,400 from current operating levies, if our County Commissioners implemented this.

Summary of State Tax Reimbursement – Line #1.050

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Rollback and Homestead	<u>\$449,742</u>	<u>\$466,617</u>	<u>\$474,393</u>	<u>\$480,027</u>	<u>\$488,087</u>
Total Tax Reimbursements #1.050	<u>\$449,742</u>	<u>\$466,617</u>	<u>\$474,393</u>	<u>\$480,027</u>	<u>\$488,087</u>

Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been open enrollment, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees.

Interest income is based on the district’s cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. The Federal Reserve Bank cut interest rates by 50 basis point in September 2024. While interest income in FY25 should remain steady due to laddered investment strategies, the rate cuts will begin to have an impact on earnings in FY26 and future years. We will continue to monitor the investments for the district. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue historical trends.

In FY25, The district was awarded a USDA Distance Learning and Telemedicine (DLT) Grant with a 15% match which means we spent \$958k and got reimbursed 85% of that or \$814,823. The remaining 15% was paid out of the general fund.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Tuition Related Payments	\$168,525	\$168,525	\$168,525	\$168,525	\$168,525
Open Enrollment	0	0	0	0	0
Class & Sports Oriented Fees	8,061	8,061	8,061	8,061	8,061
Interest Earnings	408,677	326,942	261,554	209,243	167,394
Rental Related Fees	24,738	24,738	24,738	24,738	24,738
Medicaid	104,496	104,496	104,496	104,496	104,496
Miscellaneous	<u>54,752</u>	<u>54,752</u>	<u>54,752</u>	<u>54,752</u>	<u>54,752</u>
Total Other Local Revenue Line #1.060	<u>\$769,249</u>	<u>\$687,514</u>	<u>\$622,126</u>	<u>\$569,815</u>	<u>\$527,966</u>

Short-Term Borrowing – Lines #2.010 & #2.020

There is no short term borrowing projected in this forecast.

Transfers In / Return of Advances – Line #2.040 & #2.050

These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The District has no transfers in or advance returns for this forecast.

All Other Financial Sources – Line #2.060

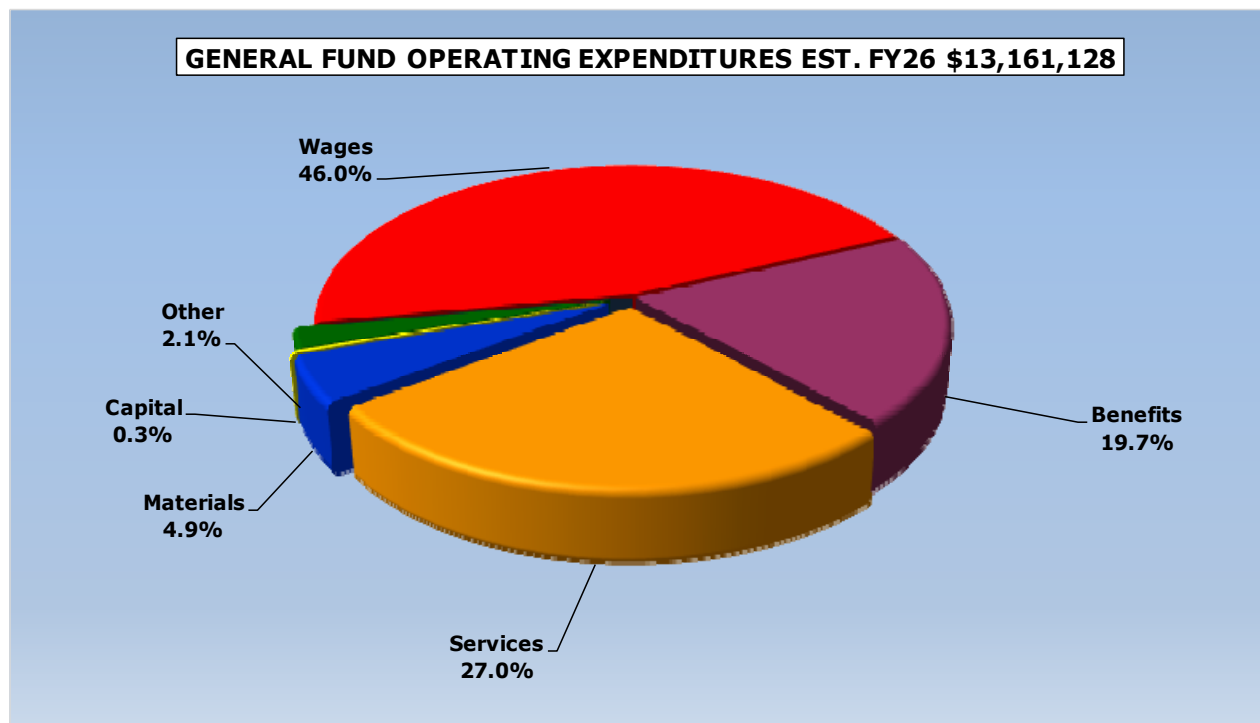
This funding source is typically a refund of prior year expenditures that is very unpredictable. We received several Bureau of Workers Compensation refunds and ERATE reimbursements over the past two years and do not expect to receive these in FY26. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Refund of prior years expenditures	<u>\$42,000</u>	<u>\$42,000</u>	<u>\$42,000</u>	<u>\$42,000</u>	<u>\$42,000</u>

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

All Operating Expense Categories - General Fund FY26



Wages – Line #3.010

Negotiations with bargaining unit members resulted in an agreement to include base increases of 3.75% for FY26, 3.26% for FY27, and 2.75% for FY27 in addition to annual step increases. For planning purposes, a 1.0% base increase is planned for FY29 through FY30. In FY26 we hired 2 administrators, 3 certified staff and 2.5 classified staff. We have also accounted for the 3 retirements that occurred at the beginning of this year. The overall net change in growth for staffing changes in FY26 is \$34,097 and \$4,650 for FY27.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Base Wages	\$5,207,006	\$5,514,471	\$5,776,722	\$6,018,299	\$6,165,133
Based Pay Increase	195,263	179,496	158,860	60,183	61,651
Steps & Academic Training	78,105	78,105	82,717	86,651	90,274
Growth Staff	34,097	4,650	0	0	0
Substitutes	183,011	186,671	190,404	194,212	198,096
Supplementals	316,229	326,522	335,501	338,856	342,245
Stipends/OT/Severance & Misc	<u>44,428</u>	<u>45,317</u>	<u>46,223</u>	<u>47,147</u>	<u>48,090</u>
Total Wages Line #3.010	<u>\$6,058,139</u>	<u>\$6,335,232</u>	<u>\$6,590,427</u>	<u>\$6,745,348</u>	<u>\$6,905,489</u>

Fringe Benefits Estimates

This area of the forecast captures all costs associated with benefits and retirement costs.

A) STRS/SERS will increase as Wages Increase

As required by law, the BOE pays 14% of all employee wages to STRS or SERS.

B) Insurance

The district is insured through the Hardin County Insurance Consortium. Insurance premiums have been holding steady since FY21. In FY24 and FY25 we received no increases in premiums and in December 2024 we received a premium holiday. We are estimating no premium holidays for FY26 to FY30. We are estimating an increase of 6.0% for FY27 through FY30.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be approximately 0.42% of wages FY26-FY30. Unemployment is expected to remain at a very low level FY26-FY30. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of increases in wages and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
A) STRS/SERS	\$987,717	\$1,034,993	\$1,077,936	\$1,106,261	\$1,132,659
B) Insurance's	1,314,826	1,399,346	1,483,307	1,572,305	1,666,643
C) Workers Comp/Unemployment	25,083	26,188	27,205	27,821	28,458
D) Medicare	86,516	90,428	94,959	98,856	101,180
Other/Tuition/Annuities	<u>180,186</u>	<u>180,186</u>	<u>180,186</u>	<u>180,186</u>	<u>180,186</u>
Total Fringe Benefits Line #3.020	<u>\$2,594,328</u>	<u>\$2,731,141</u>	<u>\$2,863,593</u>	<u>\$2,985,429</u>	<u>\$3,109,126</u>

Purchased Services – Line #3.030

HB110, the previous state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education will directly pay these costs to the educating districts for open enrollment, community, and STEM schools and for scholarships granted to students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been

adjusted based on historical trends. In FY26 there will be a new electric capacity charge that will be assessed on all electric bills to help expand Ohio's electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period.

Our largest expense in the purchased services category is for our contracted special education services provided by the Hancock County Educational Service Center (ESC). In FY25, we are projecting an annual amount of \$1.2 million which is a \$300,000 increase compared to our FY24 contract. We are also anticipating our expenses to the detention center to increase by \$28,000 for FY25 and FY26. Our second largest expense in this category is for tuition, excess costs and scholarships primarily consisting of Millstream Career Center, preschool and one to one aides. Each year has a 3% increase to account for rising inflation.

In FY25 we had a fairly large vendor withhold invoices for transportation parts and services, we anticipate these invoices to be paid in FY26.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Professional & Technical Services, ESC	\$1,552,251	\$1,570,819	\$1,617,944	\$1,666,482	\$1,716,476
Maintenance, Insurance & Garbage Removal	306,041	315,222	324,679	334,419	344,452
Professional Development	22,593	23,271	23,969	24,688	25,429
Communications, Postage, & Telephone	12,876	13,262	13,660	14,070	14,492
Utilities	321,022	330,653	340,573	350,790	361,314
Contracted Trades & Services	10,753	11,076	11,408	11,750	12,103
Tuition, Excess Costs & Scholarship Costs	1,209,310	1,245,589	1,282,957	1,321,446	1,361,089
Open Enrollment & Community School Costs	0	0	0	0	0
College Credit Plus	120,032	123,633	127,342	131,162	135,097
Total Purchased Services Line #3.030	<u>\$3,554,878</u>	<u>\$3,633,525</u>	<u>\$3,742,532</u>	<u>\$3,854,807</u>	<u>\$3,970,452</u>

Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. Our largest expense in the Classroom Supplies and Materials category was for computer supplies and software in the classroom of about \$262,000. We have factored in an increase of 3% per year for classroom supplies and fuel and transportation supplies as well as an increase of 6% per year for facility supplies and materials. In FY26 we anticipate spending \$115,000 for staff computers and from FY26 to FY29 we will spend approximately \$70,000 each year for chromebooks. In FY28 we are planning to update our Math and Reading curriculum.

In FY25 we had a fairly large vendor withhold invoices for transportation parts and services, we anticipate these invoices to be paid in FY26.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Classroom Supplies & Materials	\$240,083	\$247,285	\$254,704	\$262,345	\$270,215
Textbooks & Instructional Supplies	131,969	16,969	316,969	16,969	16,969
Facility Supplies & Materials	101,552	107,645	114,104	120,950	128,207
Transportation Fuel & Supplies	164,793	169,737	174,829	180,074	185,476
Total Supplies Line #3.040	<u>\$638,397</u>	<u>\$541,636</u>	<u>\$860,606</u>	<u>\$580,338</u>	<u>\$600,867</u>

Equipment – Line #3.050

Capital outlay includes equipment, busses and other large maintenance projects. Due to the creation of fund 070 for Capital Projects, several items originally included in this line have been removed from the forecast. This

includes future bus purchases, chiller replacement, and various other maintenance projects that were included in this line in prior years. Additionally, in FY25 the district was awarded a 958k USDA Distance Learning and Telemedicine (DLT) Grant with a 15% match which means we will spend \$143,700 on capital outlay from the general fund and we will be reimbursed 85% or \$814,300 through a 599 federal fund.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Capital Outlay & Maintenance	\$37,351	\$37,351	\$37,351	\$37,351	\$37,351
Busses & Other Vehicles	0	0	0	0	0
Total Equipment Line #3.050	<u>\$37,351</u>	<u>\$37,351</u>	<u>\$37,351</u>	<u>\$37,351</u>	<u>\$37,351</u>

Principal and Interest Payment – Lines #4.05 & #4.06

The district does not plan to issue debt during this forecast period.

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. We have added in additional expenses in FY26 for extra fees we will incur during our spring income tax ballot issue. We generally expect these costs to increase as our revenue increases.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
County Auditor & Treasurer Fees	\$122,732	\$126,414	\$130,206	\$134,112	\$138,135
ESC Deduction	30,197	31,103	32,036	32,997	33,987
Annual Audit Costs	26,594	28,722	31,020	33,502	36,182
Dues, Fees & other Expenses	<u>98,512</u>	<u>101,467</u>	<u>104,511</u>	<u>107,646</u>	<u>110,875</u>
Total Other Expenses Line #4.300	<u>\$278,035</u>	<u>\$287,706</u>	<u>\$297,773</u>	<u>\$308,257</u>	<u>\$319,179</u>

Transfers Out/Advances Out – Lines # 5.010 & #5.020

This account group covers fund-to-fund transfers and end-of-year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. On March 7th, 2025 the Board of Education approved resolutions to create two new funds, 070 Capital Projects and 035 Termination Benefits. While establishing these funds, authorization was given for initial transfers in the amount of \$3,000,000 to fund 070 and \$300,0000 to fund 035.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Operating Transfers Out Line #5.010	\$0	\$0	\$0	\$0	\$0
Advances Out Line #5.020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances Out	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

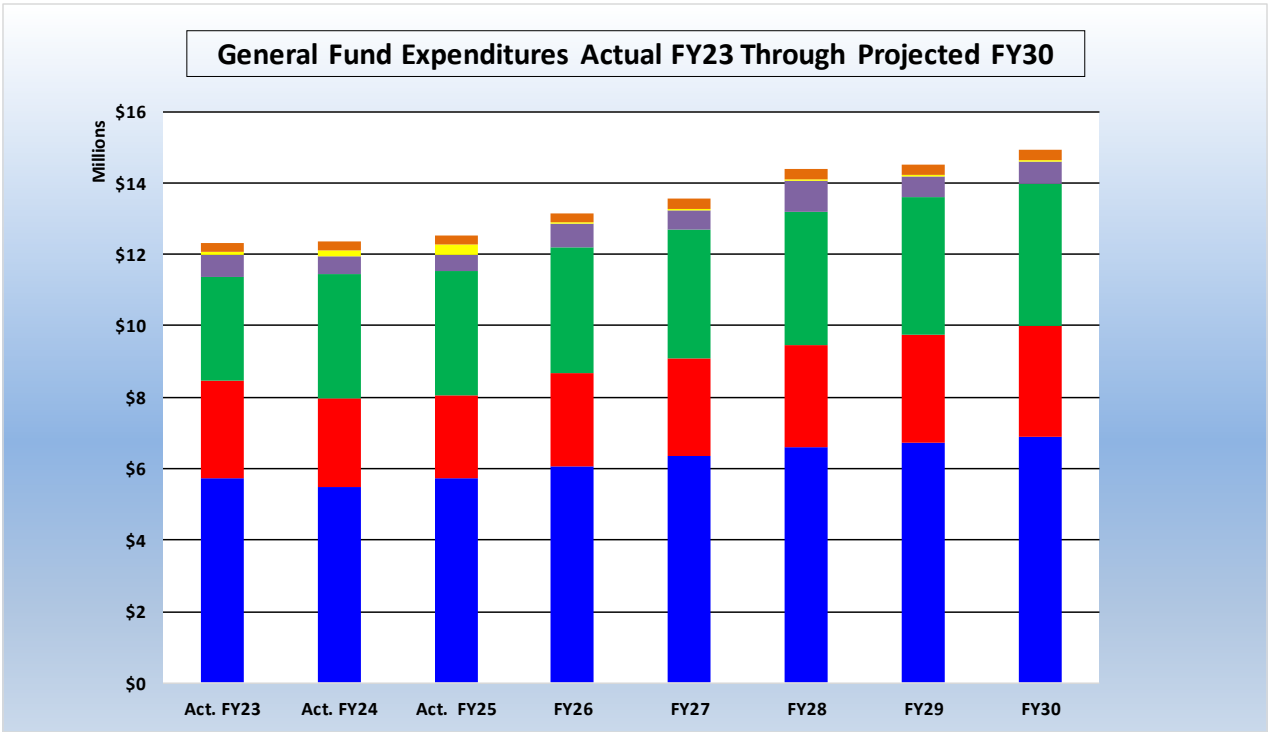
Encumbrances –Line #8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Estimated Encumbrances Line #8.010	<u>\$375,000</u>	<u>\$375,000</u>	<u>\$375,000</u>	<u>\$375,000</u>	<u>\$375,000</u>

Operating Expenditures Actual FY23 through FY25 and Estimated FY26-FY30

The graph below shows a quick overview of actual and estimated expenses by proportion to the total for the General Fund expenditures.



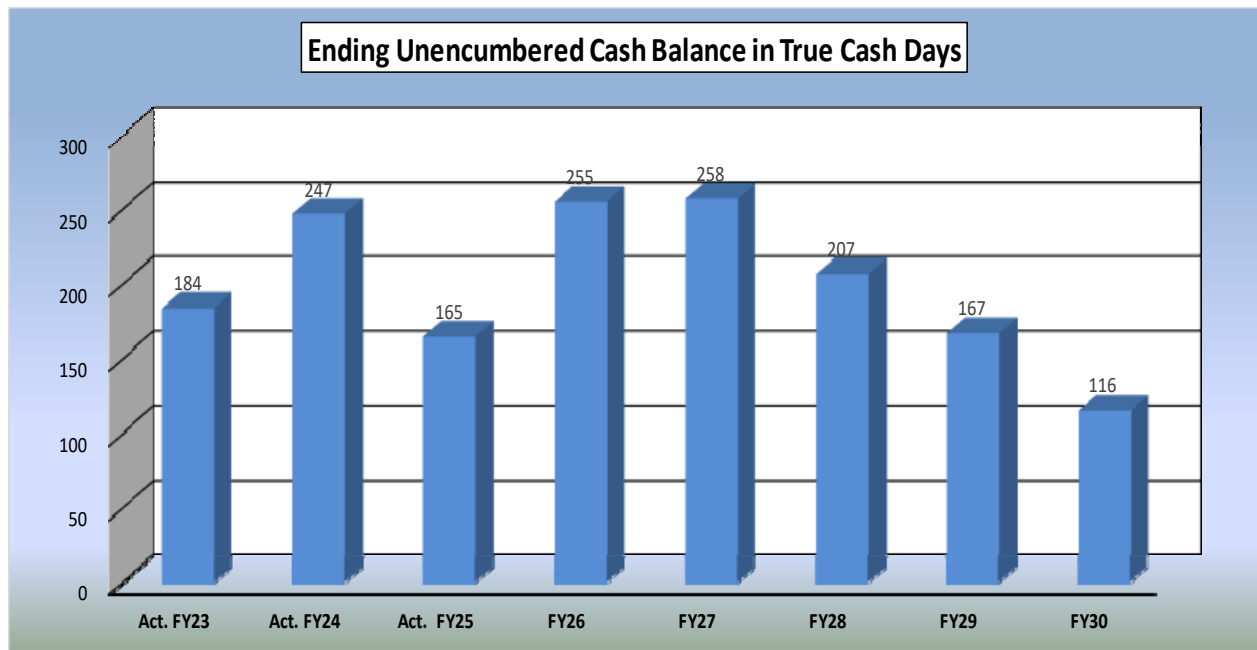
Ending Unencumbered Cash Balance “The Bottom-line” – Line#15.010

This amount must not go below \$0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about \$1.13 million for our district.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Ending Unreserved Cash Balance Line #15.01	<u>\$9,205,028</u>	<u>\$10,282,358</u>	<u>\$10,709,068</u>	<u>\$11,030,543</u>	<u>\$10,951,335</u>

True Cash Days Ending Balance

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year-end if no additional revenues were received? This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The Government Finance Officers Association (GFOA) recommends that no fewer than two (2) months or 60 days of cash is on hand at year-end. Still, it could be more depending on each district's complexity and risk factors for revenue collection. This is calculated, including transfers, as this is a predictable funding source for other funds such as capital, athletics, and severance reserves.



Conclusion

Riverdale Local School District receives 54.09% of its funding for the district from State dollars which is very beneficial to the overall operations for the education of our students.

As the administration plans for the future, they will need to make sure that the district is able to obtain positive cash balance throughout the forecast. They will need to review the expenditures based on the current revenues in order to obtain this.

As you read through the notes and review the forecast, remember that the forecast is based on the best information that is available to us at the time the forecast is prepared.