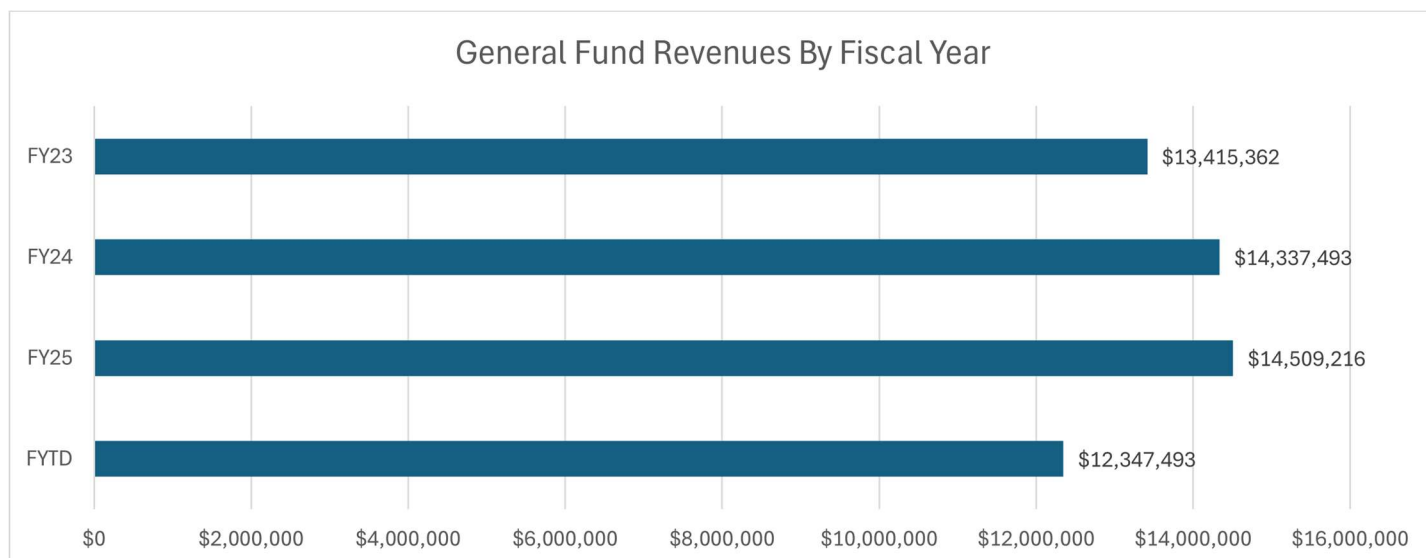


BOARD OF EDUCATION
MONTHLY FINANCIAL
REPORT
MARCH, 2026



Overview:

- General Fund Unencumbered Cash Balance as of 3/31/2026: **\$9,116,473**
 - Unencumbered Cash Balance = total cash on hand that has not yet been committed to a specific use.
 - This unencumbered cash balance is used to calculate the district's "True Days Cash" (TDC).
 - This is the number of days the district could continue operations without receiving *any* general fund revenue.
 - A minimum of 60 TDC is recommended, but most districts aim for at least 100 TDC.
 - The calculation goes as follows:
 - \$9,906,240 in FYTD expenditures / 274 days gone by (July-March) = \$36,154 per day in expenditures.
 - \$9,116,473 in unencumbered cash / \$36,154 in per day expenditures = **252 TDC.**
 - This has increased by 33 days since last month's report.
 - In any given fiscal year, it is reasonable to anticipate having received approximately 75% of our anticipated annual revenues and paid out approximately 75% of our anticipated annual expenditures by the end of March.
 - Through the end of March, our total general fund expenditures for Fiscal Year 2026 are at 79.13% of Fiscal Year 2025's total general fund expenditures.¹
 - Through the end of March, our total general fund revenues for Fiscal Year 2026 are at 85.10% of Fiscal Year 2025's total general fund revenues.

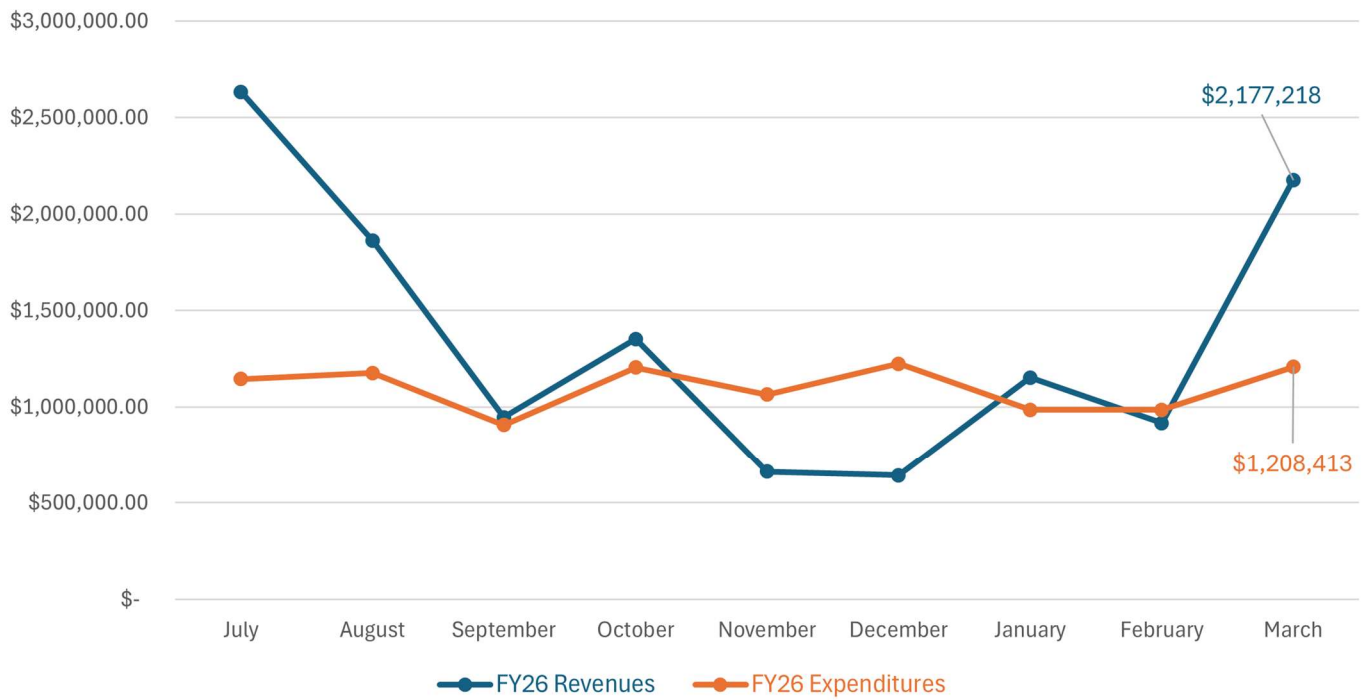


¹ *This does not take into account the \$3.3 million that was transferred out of the general fund at the end of FY25.

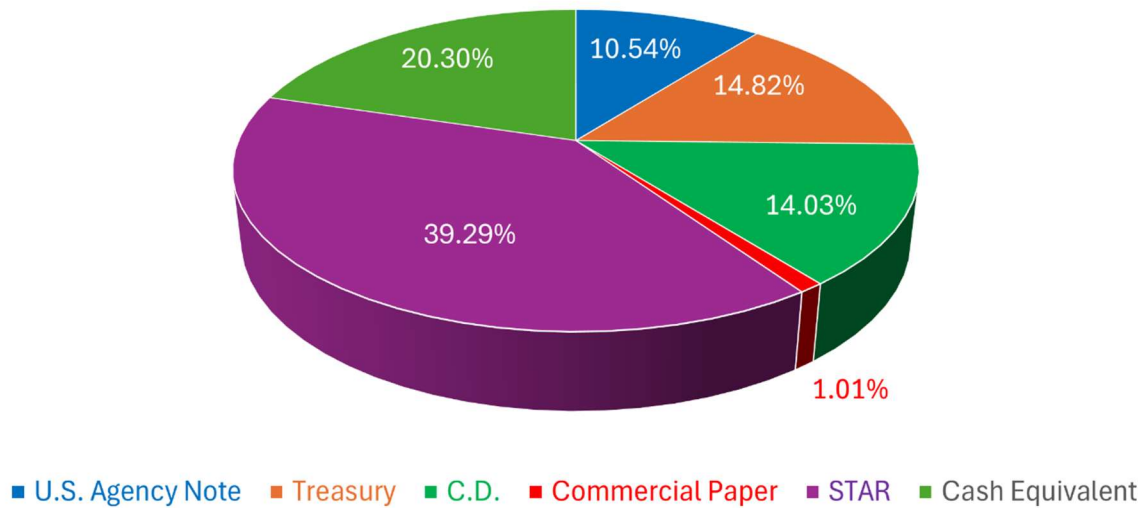
General Fund Expenditures By Fiscal Year



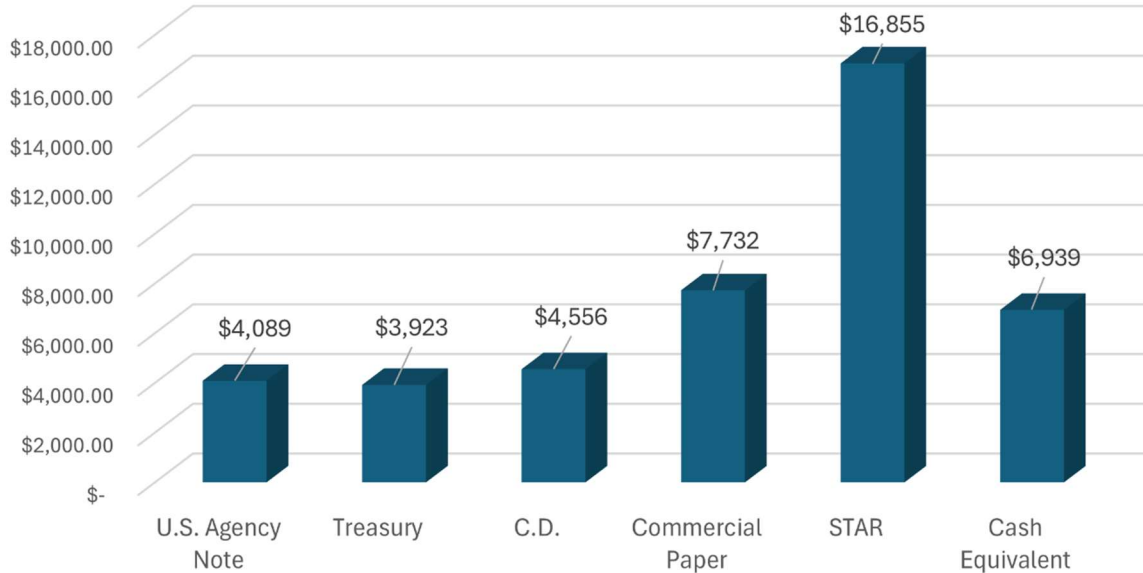
FYTD Revenues vs. Expenditures



Cost Basis By Asset Type - March 2026



Monthly Investment Income By Asset Type - March 2026

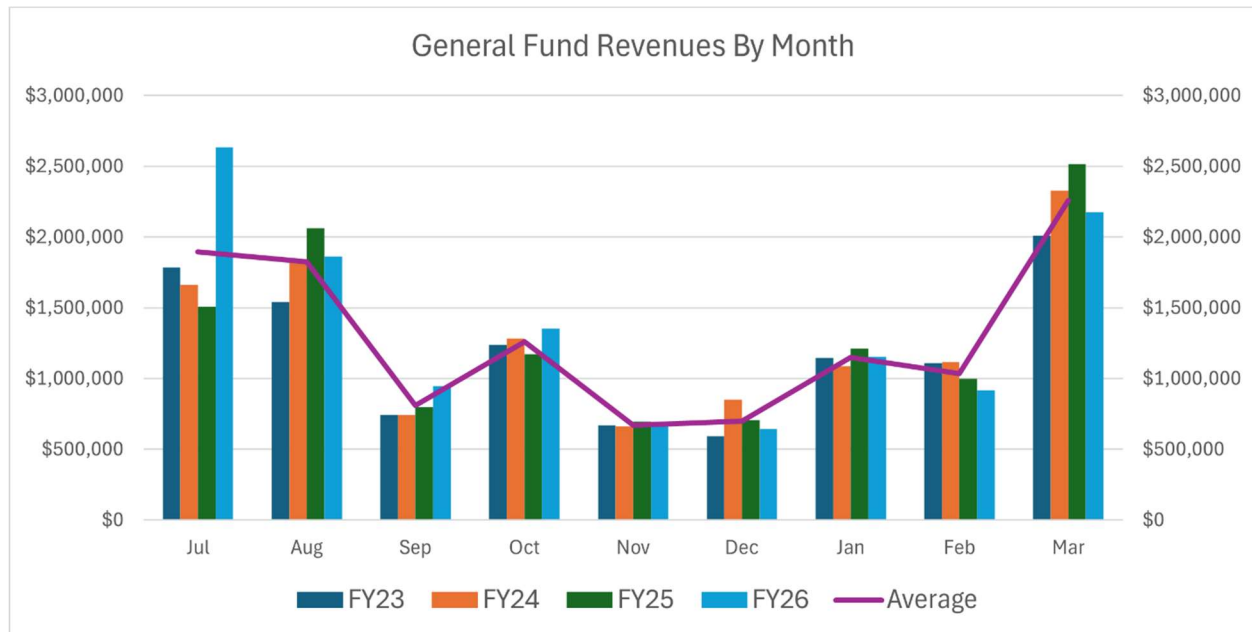


Noteworthy Items:

Revenues:

- As the “FYTD Revenues vs. Expenditures” graph above demonstrates, general fund revenues spiked in the month of March.

- This is why the number of unencumbered TDC increased by 33, or 15%.
- This is, once again, a part of the cyclical nature of school revenues.
 - As the graph below demonstrates, March has historically been the month during which the district receives the bulk of its annual revenues.
 - From FY23 forward, average revenues for the month of March have stood at \$2,257,970.
 - With a standard deviation of \$187,864, this puts this month's revenues (\$2,177,218) well within what is considered a normal range of revenues for the month of March.



- This spike in general fund revenues is due to the district receiving its property tax settlements for the 1st half of tax year 2025 from Wyandot and Hardin counties.
 - These property tax settlements totaled just over \$1,400,000.
- Monthly revenues for March of 2026 were below those for March of 2025 and March of 2024.
 - This, once again, is merely a matter of timing—the 1st half property tax settlement for Hancock County did not arrive within the month of March. In 2025 and 2024, the Hancock County 1st half property tax settlement arrived in March.
 - The 1st half property tax settlement for Hancock County has since arrived. It totals \$792,927.
 - If the district had received this settlement in March, revenues for the month of March would have been \$2,970,144.
 - The late arrival of 1st half property tax settlements is not unique to Riverdale Local Schools—not a single school district in Hancock County received its 1st half settlement in March.

- Consequently, revenues for the month of April 2026 will be much greater than those for the month of April in prior years.
- State Reimbursement of Property Tax Credits:
 - Many property owners across the state have been eligible to receive property tax credits that would reduce their tax bills by up to 12.5%. This is due to the 10% non-business rollback and the 2.5% owner-occupancy rollback.
 - **10% Non-Business Rollback:**
 - Originally introduced in 1971, and amended in 2005 to apply only to non-business real estate, the 10% rollback reduces the property tax bill of owners of eligible properties by 10%.
 - Eligible properties include:
 - Real property that is intended primarily for use in farming activity, which is defined as farming, leasing property for farming; additionally, holding vacant land that the county auditor determines will be used for farming.²
 - Real property that is intended primarily for use in residential activity, which is defined as occupying, holding, or leasing property improved with single-family, two-family, or three-family dwellings; additionally, holding vacant land that the county auditor determines will be used to develop single-family, two-family, or three-family dwellings.³
 - The State reimburses local governments for the reduction in revenues resulting from these credits.
 - The non-business rollback applies only to qualifying levies, which are defined as a “levy approved at an election held before September 29, 2013; a levy within the ten-mill limitation; a levy provided for by the charter of a municipal corporation that was levied on the tax list for tax year 2013; or a subsequent renewal of any such levy.”⁴
 - Both of Riverdale Local Schools’ current operating expense property tax levies meet the definition of a qualifying levy.
 - The district collects 4.4 mills within the 10-mill limitation (i.e., “inside millage”).
 - The district collects 15.6 mills outside of the 10-mill limitation through a current operating expense levy passed in 1976.
 - Tax year 2025—the bills for which are paid/collected in calendar year 2026—is the final year in which the non-business rollback will be in full effect.

² O.R.C. § 319.302(A)(1)

³ O.R.C. § 319.302(A)(2)

⁴ O.R.C. § 319.302(A)(4)

- One of the provisions of HB 186—one of the four major pieces of property tax reform signed into law by Governor Dewine in December of 2025—is to amend § 319.302 of the Ohio Revised Code by:
 - Phasing in the elimination of the non-business rollback for residential property over a four-year period, beginning in tax year 2026 for real estate and tax year 2027 for manufactured homes (this is because taxes levied on manufactured homes are collected in the same year in which they are applied).
 - The non-business rollback will be reduced to 7.5% in tax year 2026, to 5% in tax year 2027, to 2.5% in tax year 2028, and to 0% in tax year 2029 and beyond.⁵
 - The 10% non-business rollback will remain in place for agricultural property that is not used for the commercial production of timber.⁶
 - The 10% rollback will continue to apply only to the qualifying levies previously described.
 - The State will continue to reimburse local governments for lost revenues.
- **2.5% Owner-Occupancy Rollback:**
 - Originally introduced in 1979, the 2.5% owner-occupancy rollback operates very similar to the 10% rollback:
 - Owners of homesteads receive property tax credits that reduce their tax bill by 2.5% for qualifying levies, which are levies within the ten-mill limitation and levies outside of the ten-mill limitation that were approved by voters on or before 9/29/13.⁷
 - Both of Riverdale Local Schools' current operating expense property tax levies meet the definition of a qualifying levy.
 - The district collects 4.4 mills within the 10-mill limitation (i.e., "inside millage").
 - The district collects 15.6 mills outside of the 10-mill limitation through a current operating expense levy passed in 1976.
 - Homesteads are defined as dwellings owned and occupied as a home by an individual whose domicile is in Ohio.⁸

⁵ O.R.C. § 319.302(C)(2)

⁶ O.R.C. § 319.302(C)(1); O.R.C. § 319.302(A)(3)

⁷ O.R.C. § 323.152(B)(2) Prior to HB 186's Amendments

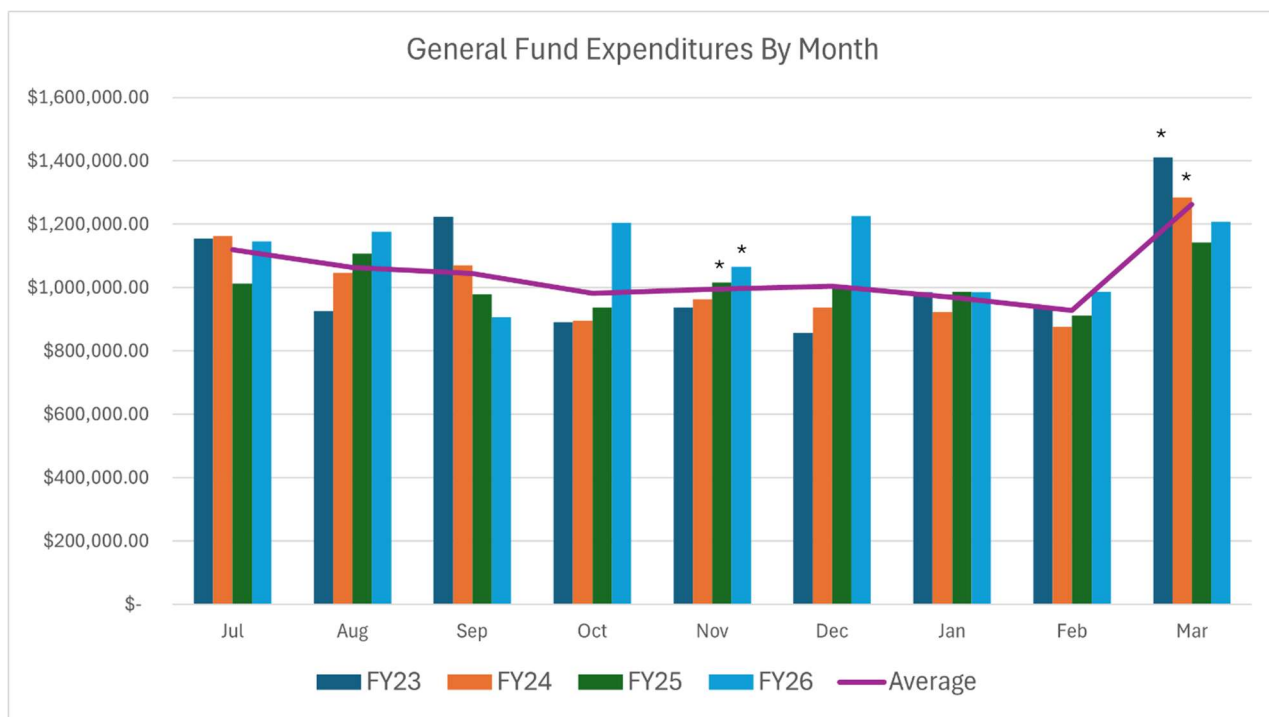
⁸ O.R.C. § 323.151(A)

- The State reimburses the local governments for the reduction in revenues resulting from these credits.
- Another piece of HB 186 is the phased-in increase of the owner-occupancy rollback to 15.38% over the course of four years, beginning in tax year 2026 for real estate and tax year 2027 for manufactured homes (this is because taxes levied on manufactured homes are collected in the same year in which they are applied).
 - The owner-occupancy rollback will be increased to 5.7% in tax year 2026, to 8.92% in tax year 2027, to 12.15% in tax year 2028, and to 15.38% in tax year 2029.⁹
 - The owner-occupancy rollback will still only apply to qualifying levies.
 - The State will continue to reimburse local governments for lost revenues.
- With all of that being said, the 12.5% rollbacks will remain in place for tax year 2025 (collected in the 2nd half of fiscal year 2026, and the 1st half of fiscal year 2027).
 - In the month of March, the district received reimbursement for the 12.5% rollbacks for Wyandot County, which totaled \$68,051.
 - Reimbursements for Hardin and Hancock counties are expected to arrive in the month of April.
- In sum, the reforms to property tax credits ushered in by HB 186 will have the following effects:
 - Owner-occupied residences will receive larger property tax credits.
 - 13.2% in tax year 2026, 13.92% in tax year 2027, 14.65% in tax year 2028, and 15.38% in tax year 2029 and beyond.
 - Owners of rental properties will see their property tax credits begin to decay in tax year 2026, and be totally phased out by tax year 2029.
 - This portion of HB 186 will not impact the total revenues the district receives.
 - This is because the State will continue to reimburse the district for every dollar of revenue lost due to these credits.
 - So, in some instances—owner-occupied residential properties—larger portions of property tax revenues will come from the State through reimbursements. In other instances—residential properties that are not owner-occupied—larger property tax revenues will come from the local taxpayers.

⁹ O.R.C. § 323.152(B)(2) After HB 186's Amendments

Expenditures:

- Expenditures for the month of March were \$221,971 greater than those for the month of February.
 - This can be explained by three large expenditures that took place in March, but not in February:
 1. \$152,641 worth of invoices from Forest Truck & Auto Parts for school vehicle maintenance performed from November of 2023 to the present.
 2. A \$22,631 invoice for diesel fuel from Legacy Farmers Cooperative.
 3. \$41,438 worth of collection/election fees from the 1st half property tax settlements in Hardin and Wyandot counties.
- Moreover, expenditures for the month of March 2026 were in line with historical trends.
 - As the graph below demonstrates, expenditures in March are typically elevated.
 - This is because property tax collection fees are incurred by the district in March.
 - This is also because multiple service agreements require payment in March. These include VEEO, as well as student services (i.e., vision, mobility, 1-to-1 classroom aids) purchased from the Hancock County ESC and the Midwest Regional ESC.
 - Finally, the larger excess cost deductions from the district's foundation payments from the State of Ohio (these deductions are recorded as expenditures) take place in March (more on this below).
 - It is important to note, however, that three payroll cycles took place in March of 2023 and March of 2024. If the payroll-related expenses for the third pay of those months are omitted (this comes out to about \$200,000 in each month), the total expenditures for those months are much closer to the total expenditures for March of 2026.



- **Excess Costs:**
 - One of the factors contributing to elevated expenditure levels in the month of March is excess costs. But what are excess costs?
 - Per § 3313.64 and § 3323.02 of the Ohio Revised Code, all children who are 5 years or older and younger than 22 years are entitled to a free and appropriate public education, which is to be provided by the child's school district of residence.
 - However, students may be admitted to a district other than their district of residence. If the student is a special needs student, the district of residence is required to pay tuition to the district of instruction.¹⁰
 - The amount of tuition is based on the district of instruction's per-pupil current operating expense revenue for the prior year.
 - $(\text{Property tax revenue} + \text{income tax revenue}) / \text{ADM}$
 - The idea is that the district of instruction's ability to raise funds at the local level has not changed, yet it is educating an additional pupil; therefore, this tuition payment makes it so the district of instruction's local revenue per-pupil does not change.
 - These tuition payments are transferred from one district to another via the State Foundation payment system.

¹⁰ O.R.C. § 3317.08 & O.R.C. § 3323.13

- When the cost incurred by the district of instruction exceeds the amount of tuition received from the district of residence and any additional funding received from the Ohio Department of Education & Workforce, the district of residence is required to reimburse the district of instruction for these “excess costs”.¹¹
- Excess costs are computed and paid in the spring of the fiscal year following that in which the excess costs were incurred. Therefore, excess costs currently being paid by the district were actually incurred during fiscal year 2025.
- This is why expenditures in the month of March tend to be greater than those in other months.

On The Horizon:

- In April, the district will receive its fourth and final income tax settlement for Fiscal Year 2026.
 - This will be income tax revenue generated within the first quarter of calendar year 2026.
- As previously mentioned, the district received its 1st half property tax settlement from Hancock County in April.
 - This will inflate April’s revenues, relative to those in April of prior years.
- The district will also receive its 12.5% rollback reimbursements from the State of Ohio for the 1st half settlements for Hancock and Hardin counties.
- Payroll expenditures will be elevated for the month of April due to winter supplemental contracts being paid out during the payroll cycle taking place on April 3rd.
- Payroll expenditures will continue to be elevated for the remainder of the school year due to greater volumes of transportation—field trips, spring sporting events, etc.
- Payroll expenditures will be elevated in the month of May due to three payroll cycles taking place within the month, as opposed to two.
- Payroll expenditures will be elevated in the month of June due to spring supplemental contracts being paid out on June 12.
- Supplies/materials expenditures will be elevated due to the large Chromebook purchase approved by the Board at its March meeting, and the large staff laptop purchase to be approved at the April Board of Education meeting.

¹¹ O.R.C. § 3323.14