MARGARETTA LOCAL SCHOOL DISTRICT
ERIE COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2022, 2023, and 2024 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2025, THROUGH JUNE 30, 2029

Margaretta Local School District
Treasurer's Office
Mrs. Diane Keegan, Treasurer

November 18, 2024

MARGARETTA LOCAL SCHOOL DISTRICT
Erie County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2022, 2023, 2024 Actual;
Forecasted Fiscal Year Ending June 30, 2025 through 2029

		Actual				Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Average Change	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
	Revenues									
1.010	General Property Tax (Real Estate)	4,819,474	5,060,995	5,077,984	2.7%	5,554,000	5,917,870	5,880,157	5,992,128	6,122,229
1.020	Public Utility Personal Property Tax	5,762,031	4,490,883	3,939,831	-17.2%	9,873,352	5,316,597	4,946,868	4,421,057	4,192,958
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	4,723,071	4,672,552	4,616,005	-1.1%	4,702,156	4,703,221	4,704,308	4,705,405	4,706,523
1.040	Restricted State Grants-in-Aid	290,448	252,740	297,409	2.3%	263,844	263,682	263,682	263,682	263,682
1.045	Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050	State Share of Local Property Taxes	1,019,660	883,051	774,874	-12.8%	770,471	840,758	845,138	868,463	891,743
1.060	All Other Revenues	1,444,454	1,709,443	1,949,078	16.2%	1,869,399	2,244,894	2,622,247	2,688,612	2,757,276
1.070	*Total Revenues*	18,059,138	17,069,664	16,655,181	-4.0%	23,033,222	19,287,022	19,262,400	18,939,347	18,934,411
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020	State Loans and Advancements (Approved)	0	0	0	0.0%	0	0	0	0	0
2.040	Operating Transfers-In	90,608	2,944,249	1,500,000	1550.2%	14	0	750,000	0	770,000
2.050	Advances-In	0	0	39,049	0.0%	3,811	0	0	0	0
2.060	All Other Financing Sources	20,812	6,176	6,506	-32.5%	6,506	6,506	6,506	6,506	6,506
2.070	*Total Other Financing Sources*	111,420	2,950,425	1,545,555	1250.2%	10,331	6,506	756,506	6,506	776,506
2.080	*Total Revenues and Other Financing Sources*	18,170,558	20,020,089	18,200,736	0.5%	23,043,553	19,293,528	20,018,906	18,945,853	19,710,917
	Expenditures									
3.010	Personal Services	8,309,921	8,520,049	8,617,188	1.8%	8,940,603	9,007,348	9,336,435	9,678,305	10,033,238
3.020	Employees' Retirement/Insurance Benefits	3,426,984	3,386,312	3,664,281	3.5%	3,942,460	4,156,754	4,437,530	4,739,791	5,065,115
3.030	Purchased Services	2,265,745	2,219,649	2,178,540	-1.9%	2,204,714	2,258,405	2,249,797	2,276,922	2,306,839
3.040	Supplies and Materials	546,059	815,963	719,485	18.8%	652,678	655,941	659,221	662,517	665,829
3.050	Capital Outlay	16,259	47,512	19,381	66.5%	54,575	19,771	19,968	20,168	20,370
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
	Debt Service:									
4.010	Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0
4.020	Principal-Notes	0	0	0	0.0%	0	0	0	0	0
4.030	Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040	Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050	Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0
4.055	Principal-Other	144,000	149,000	155,000	3.7%	162,000	168,000	175,000	372,000	0
4.060	Interest and Fiscal Charges	55,483	49,061	42,325	-12.7%	35,283	27,990	20,410	12,520	0
4.300	Other Objects	283,695	253,939	295,488	2.9%	294,992	301,272	300,824	307,289	306,892
4.500	*Total Expenditures*	15,048,146	15,441,485	15,691,688	2.1%	16,287,305	16,595,481	17,199,185	18,069,512	18,398,283
	Other Financing Uses									
5.010	Operating Transfers-Out	4,065,046	4,125,011	2,347,708	-20.8%	6,890,590	3,137,897	3,043,760	2,952,447	2,863,874
5.020	Advances-Out	0	39,049	3,811	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*	4,065,046	4,164,060	2,351,519	-20.5%	6,890,590	3,137,897	3,043,760	2,952,447	2,863,874
5.050	*Total Expenditures and Other Financing Uses*	19,113,192	19,605,545	18,043,207	-2.7%	23,177,895	19,733,378	20,242,945	21,021,959	21,262,157
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	(942,634)	414,544	157,529	-103.0%	(134,342)	(439,850)	(224,039)	(2,076,106)	(1,551,240)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	1,573,961	631,327	1,045,872	2.9%	1,203,401	1,069,059	629,209	405,170	(1,670,936)
7.020	*Cash Balance June 30*	631,327	1,045,871	1,203,401	40.4%	1,069,059	629,209	405,170	(1,670,936)	(3,222,176)
8.010	*Estimated Encumbrances June 30*	198	0	0	0.0%	5,000	5,000	5,000	5,000	5,000

MARGARETTA LOCAL SCHOOL DISTRICT
Erie County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2022, 2023, 2024 Actual;
Forecasted Fiscal Year Ending June 30, 2025 through 2029

		Actual				Forecasted				
		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Average Change	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	0	0	0	0.0%	0	0	0	0	0
9.020	Capital Improvements	0	0	0	0.0%	0	0	0	0	0
9.030	Budget Reserve	944,249	0	0	0.0%	0	0	0	0	0
9.040	DPIA	0	0	0	0.0%	0	0	0	0	0
9.045	Fiscal Stabilization	0	0	0	0.0%	0	0	0	0	0
9.050	Debt Service	0	0	0	0.0%	0	0	0	0	0
9.060	Property Tax Advances	0	0	0	0.0%	0	0	0	0	0
9.070	Bus Purchases	0	0	0	0.0%	0	0	0	0	0
9.080	*Subtotal*	944,249	0	0	0.0%	0	0	0	0	0
10.010	*Fund Balance June 30 for Certification of Appropriations*	(313,120)	1,045,871	1,203,401	-209.5%	1,064,059	624,209	400,170	(1,675,936)	(3,227,176)
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	0	0	0	0.0%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	696,463	1,266,296	1,266,296
11.300	Cumulative Balance of Renewal Levies	0	0	0	0.0%	0	0	696,463	1,962,759	3,229,055
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	(313,120)	1,045,871	1,203,401	-209.5%	1,064,059	624,209	1,096,633	286,823	1,879
	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	*Unreserved Fund Balance June 30*	(313,120)	1,045,871	1,203,401	-209.5%	1,064,059	624,209	1,096,633	286,823	1,879

Margaretta Local School District – Erie County
Notes to the Five-Year Forecast
General Fund Only
November 18, 2024

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), tax levies (new/renewal/replacement), salary increases, enrollment variances, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast 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. School districts are encouraged to update their forecasts with the Ohio Department of Education and Workforce (ODEW) when events materially change their forecast or, at a minimum when required under the statute.

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 essential 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.

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, and May 31, each fiscal year (July 1 to June 30). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the fiscal year is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the November 2024 filing.

Economic Outlook

The current economic recovery began in the fall of 2020 and remains robust through this forecast date. However, recent Federal Reserve Bank interest rate cuts foretell of a possible recession in the next six to twelve months from this forecast. The persistently high inflation that has impacted our state, country, and broader globalized economy has slowed to an annualized rate of 2.53% in August 2024 that is down from the 40-year high of 9.1% annualized rate posted in June 2022. Costs for goods and services in FY23 and FY24 were notably impacted in areas such as capital and durable goods, diesel fuel for buses, electric, natural gas, and building materials for facility maintenance and repair. Inflation affecting district costs is expected to continue in FY25. There is some good news, the Federal Reserve is projecting inflation to be closer to their target rate of 2% by calendar year end 2024 or early in 2025. It remains to be seen if the cumulative cost increases over the past two years are transitory in goods and services or will last over the forecast period.

The Federal Reserve Bank cut Federal Fund rates in September 2024 by 50 basis points (.5%) which indicates slowing inflation and a slowing economy. Employment levels have begun to fall. The unemployment rate was 3.8% in September 2023 and rose to 4.2% in September 2024. A survey of prominent leading economists predicts there is roughly a 50% chance of a mild recession in the calendar year 2025. How this news impacts the state of Ohio's FY26 and FY27 biennium budget deliberations and actions in late spring 2025 is unknown as this forecast is filed.
The state of Ohio has enjoyed economic growth over the past three years, and the state's Rainy Day Fund balance is at $3.7 Billion. The new state funding formula is in the fourth year of a projected six-year phase-in. While increased inflation has impacted costs across Ohio, the state's economy has grown, and many school districts received new funding in HB33 for FY24 and FY25. The ongoing growth in Ohio's economy should enable the state to finalize the last two years of the phase-in of the new funding formula in FY26 and FY27 even if a cyclical recession occurs. Regardless of a recession, the state is well-positioned to continue state aid payments to Ohio's school districts.

Since 2020, all school districts were aided in varying degrees by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER). The most recent allocation of ESSER funds must be encumbered by September 30, 2024. The loss of these funds in FY25 and future years may create a "fiscal cliff" as any ongoing costs will likely be absorbed back into the district General Fund.

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 2025 and 2027 due to deliberation of the following two (2) state biennium budgets for FY26-27 and FY28-29, 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:

I. Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project growth in appraised values every three (3) years and new construction growth with modest increases in local taxes as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues, which are predominately local taxes, equate to 75% of the district's resources. We believe there is a low risk that local collections would fall below projections throughout the forecast.

II. Erie County experienced a triennial update in the 2021 tax year to be collected in FY22. The 2021 update increased overall assessed values by $16.9 million, or an increase of 9%. A reappraisal will occur in tax year 2024 for collection in FY25. We anticipate value increases for Class I and II property to be $62.9 million, or an increase of 29.7%. There is, however, always a minor risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that at this time. Mineral values can decrease as rapidly as they increase, and the district is cautious in projecting large increases when a decrease may be as likely.

III. 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. Currently the Senate has proposed SB271 that seeks to limit growth through refund or reduction taxes to ensure annual income and property taxes do not exceed 5% of a qualified taxpayer's income. If passed by the General Assembly this will result in lowering tax increases for our residents who qualify. We are watching this legislation closely.

    In addition to SB271, the legislature developed a Joint Committee on Property Taxation and Reform in 2024 in response to the historic valuation increases. Their mission is to review Ohio's property tax system and to make recommendations to the General Assembly on property taxation. The committee must report to the General Assembly by December 31, 2024. We are following any actions of the committee closely to determine what impact, if any, proposals could mean for our district to limit tax growth or to reduce taxes.

IV. The state budget represented 25% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to a possible recession or the last two (2) years of the Fair School Funding Plan is not funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY26-27 and FY28-29. 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 FY29. We have projected our state funding in FY25 based on the additional phase-in of HB33 (the Fair School Funding Plan). This forecast reflects state revenue aligning with the FY25 funding levels through FY29, 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.

V. HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY25 reflects 66.67% of the implementation cost at year four of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed and are dependent on legislative actions for the FY26 and FY27 state biennium budget. The FSFP has made many significant changes to how foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY25.

VI. HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus, Excess Costs and various tuitions continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid by the state of Ohio can expose the district to new expenditures currently outside the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.

VII. The State budget that ended June 30, 2023 continued the TPP Fixed Rate Reimbursement phase-out contained in Senate Bill (SB) 208 that lowered the payment we received each year by the amount raised by five-eights (5/8) of 1 mill based on the 3 year average of assessed district values. This phase out was finally discontinued in FY24.

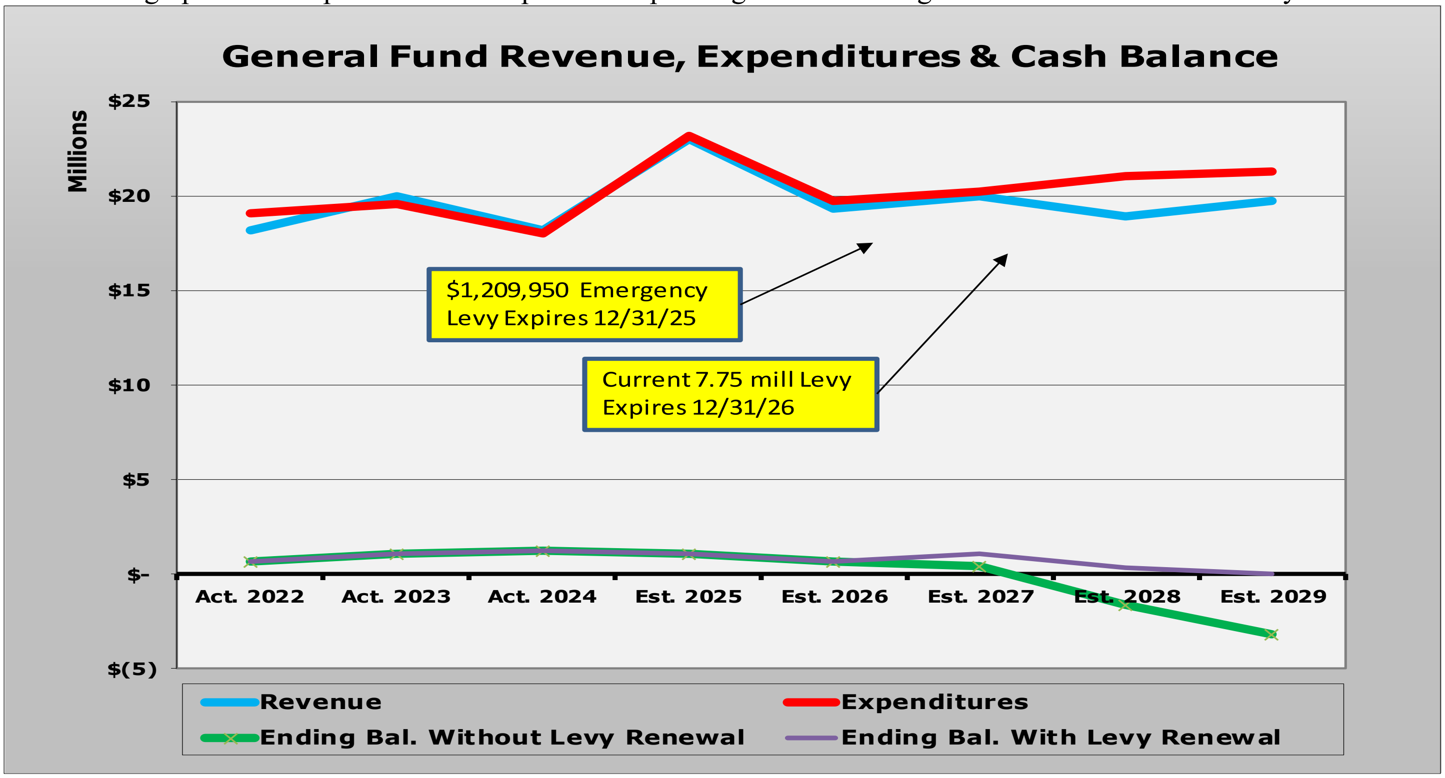
VIII. The Nexus Pipeline valuation dispute has been a long process; however, the parties involved have reached a final settlement and we will be working closely with the county auditor's office to ensure we fully understand how this valuation change will affect the district's Public Utility Personal Property (PUPP) values. The process began when the Nexus Pipeline came online in tax year 2019, and it was a major increase to our PUPP valuation at the time. Nexus filed an appeal to the values with the Ohio Board of Tax Appeals to reduce the values for tax years 2019, 2020, and 2021. During the period that the appeals process took place, Nexus tender paid the tax payments to our district, which means that Nexus remitted payment based on the valuation they believed to be accurate. The Tax Commissioner issued a Final Determination on the pipeline's valuation in June 2022; however, that Final Determination was appealed by the Lorain County Auditor in September 2022. As of February 2023, the appeal by the Lorain County Auditor has been dismissed as moot and without merit; therefore, the values remain at the levels set by the Final Determination from June 2022. Currently, the Board of Tax Appeals has chosen to delay making any further determination until the Ohio Supreme Court hears the Case 2023-0354, filed by the Lorain County Auditor against the Nexus Pipeline decision reached by the Board of Tax Appeals. The Supreme Court began hearings on the Nexus Case on October 24, 2023. As of August 2024, the Supreme Court of Ohio held that the Lorain County Auditor could not appeal the decision reached in the Final Determination of the State Tax Commissioner from June 2022. We will continue to monitor these values closely to ensure these revenues are forecasted accurately.

IX. 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. We believe that as we move forward our positive working relationship will continue and will only grow stronger.

The significant 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 assist the reader in reviewing the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please contact Mrs. Diane Keegan, Treasurer at 419-684-5322.

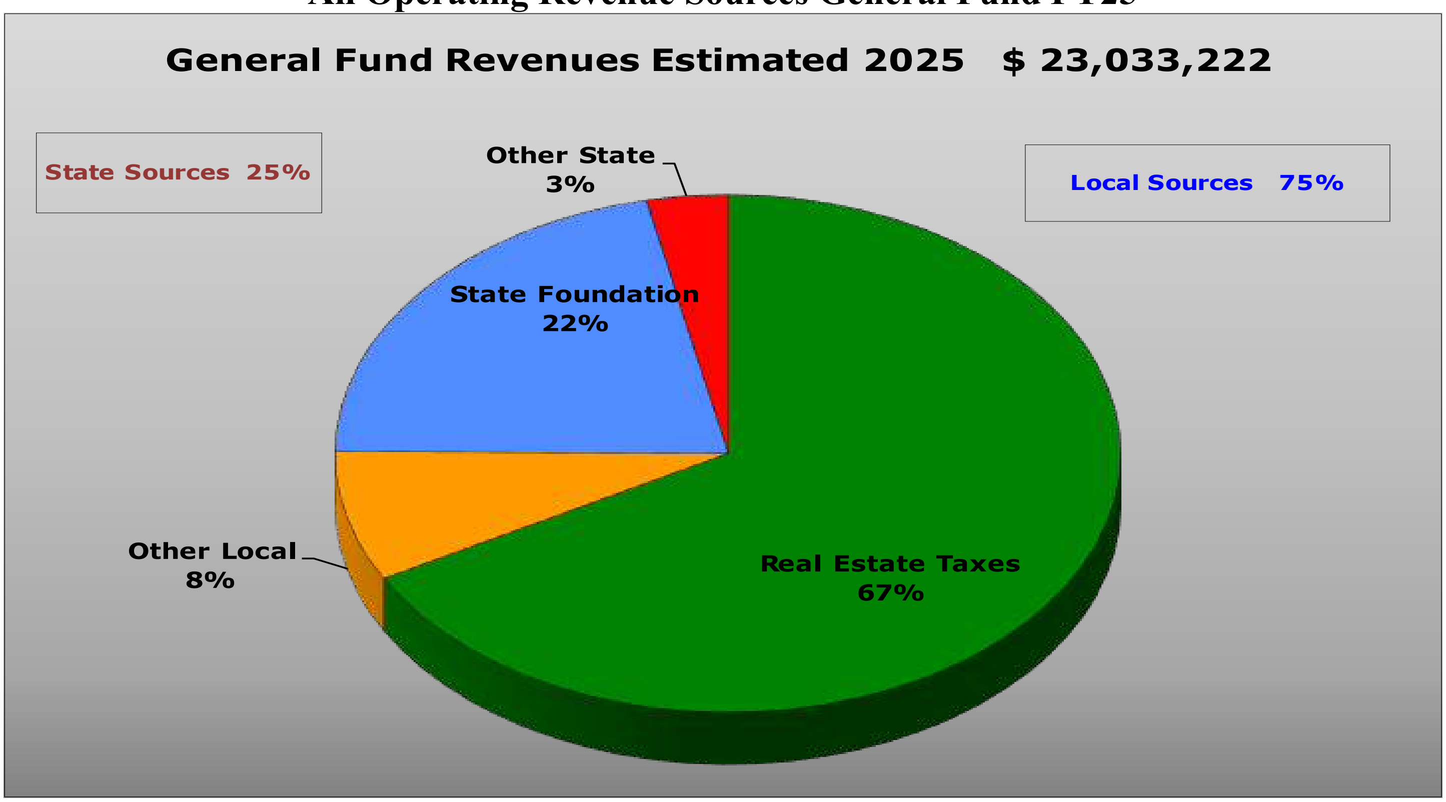
General Fund Revenue, Expenditures and Ending Cash Balance Actual FY22-24 and Estimated FY25-29

The graph below captures in one snapshot the operating scenario facing the district over the next few years.



Revenue Assumptions

All Operating Revenue Sources General Fund FY25



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. Erie County experienced a triennial update for the 2021 tax year to be collected in FY22. Residential/agricultural values increased 9.6% or $16.2 million due to the update, led by an improving housing market.

For tax year 2023, new construction in residential property was up 0.5% or $1 million in assessed value, and commercial/industrial values increased $406 thousand. Overall values increased $2.5 million or 1.2%, which includes new construction for all classes of property.

A sexennial reappraisal will occur in 2024 for collection in FY25, for which we are estimating a 30.6% increase in residential and a 22% increase for commercial/industrial property. We anticipate residential/agricultural and commercial/industrial values to increase $62.9 million, or 29.7%, overall.

Public Utility Personal Property (PUPP) values decreased by $2 million in tax year 2023. We expect our values to continue to remain constant each year of the forecast. The Nexus Pipeline tender paid the tax payments to our district, which means that Nexus remitted payment based on the valuation they believed to be accurate. The Tax Commissioner issued a Final Determination on the pipeline's valuation in June 2022, which has been upheld by the Supreme Court of Ohio. This forecast includes the payment for all five years of past due payments to be settled and paid in FY25 and that they will pay the tax bill at the 58% settlement amount in the five years, given the Supreme Court ruled to uphold the settlement amount.

Estimated Assessed Value (AV) by Collection Years

Classification	Estimated TAX YEAR 2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029
Res./Ag.	$249,390,840	$250,550,540	$251,710,240	$265,455,452	$266,615,152
Commercial/Mineral	27,157,214	27,614,194	28,071,174	28,808,866	29,265,846
Public Utility (PUPP)	88,129,997	85,010,220	82,015,234	79,140,047	76,379,868
Total Assessed Value	$364,678,051	$363,174,954	$361,796,648	$373,404,365	$372,260,866

Tax Rate Assumptions

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law (HB920) provides for "reduction factors" of all voted property tax levies to adjust the millage rates lower for the levy collections not to 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's-voted rate for all levies is 58.70 mills while the Class I effective millage rate is 21.99 mills, and the Class II effective millage rate is 37.64 mills, before the 2024 reappraisal. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class below 20 mills, which includes both the voted and the non-voted millage rates; this is called the "20-Mill Floor". Currently, with the tax year 2024 reappraisal and updates, our district is now on the 20-Mill Floor for Class I, but not yet for Class II.

Estimated Real Estate Tax Collections - Line #1.010

Property tax levies are estimated to be collected at 94% of the annual amount. This allows for a 6% delinquency factor. In general, 52% of the Residential/Agricultural and Commercial/Industrial property taxes are expected to be collected in the March tax settlement and 48% collected in the August tax settlement.

Source	FY25	FY26	FY27	FY28	FY29
Property Taxes	$5,554,000	$5,917,870	$5,880,157	$5,992,128	$6,122,229

Levy Renewal –Lines #11.010-11.030

State law requires that renewal levies be removed from revenues on Line 1.01, 1.02 and 1.05 and shown on line 11.02 of the forecast. Please note that renewal levies do not bring in additional tax revenues to the district. The renewing levies are for the same revenue the district is currently collecting.

The district renewed its 7.75 mill current expense levy on May 4, 2021 with an 82.2% approval rate. This is a five-year term levy that the district has had in place since 1998. This levy is now due to expire on December 31, 2026. The district also has a $1.2 million emergency levy that is scheduled to expire on December 31, 2025. This is a 15-year term levy that the district has had in place since 2010. We were on the ballot to renew the $1.2 million emergency levy in the fall of 2024 and the renewal passed.

The continued approval of these levies is critical for the district due to the increased value of PUPP due to the Nexus Pipeline, whose taxes are assessed based on the higher, voted millage, not the lower, effective millage at which residential, agricultural, and commercial properties are assessed.

Source	FY25	FY26	FY27	FY28	FY29
Renew - Current Expense 1998 Expires 12/31/26	$0	$0	$696,463	$1,266,296	$1,266,296
Renew - $1,209,950 Em Levy Expires 12/31/29	0	0	0	0	0
Total Line # 11.020	$0	$0	$696,463	$1,266,296	$1,266,296

New Tax Levies – Lines #13.010-13.030

No new levies are modeled in this forecast.

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

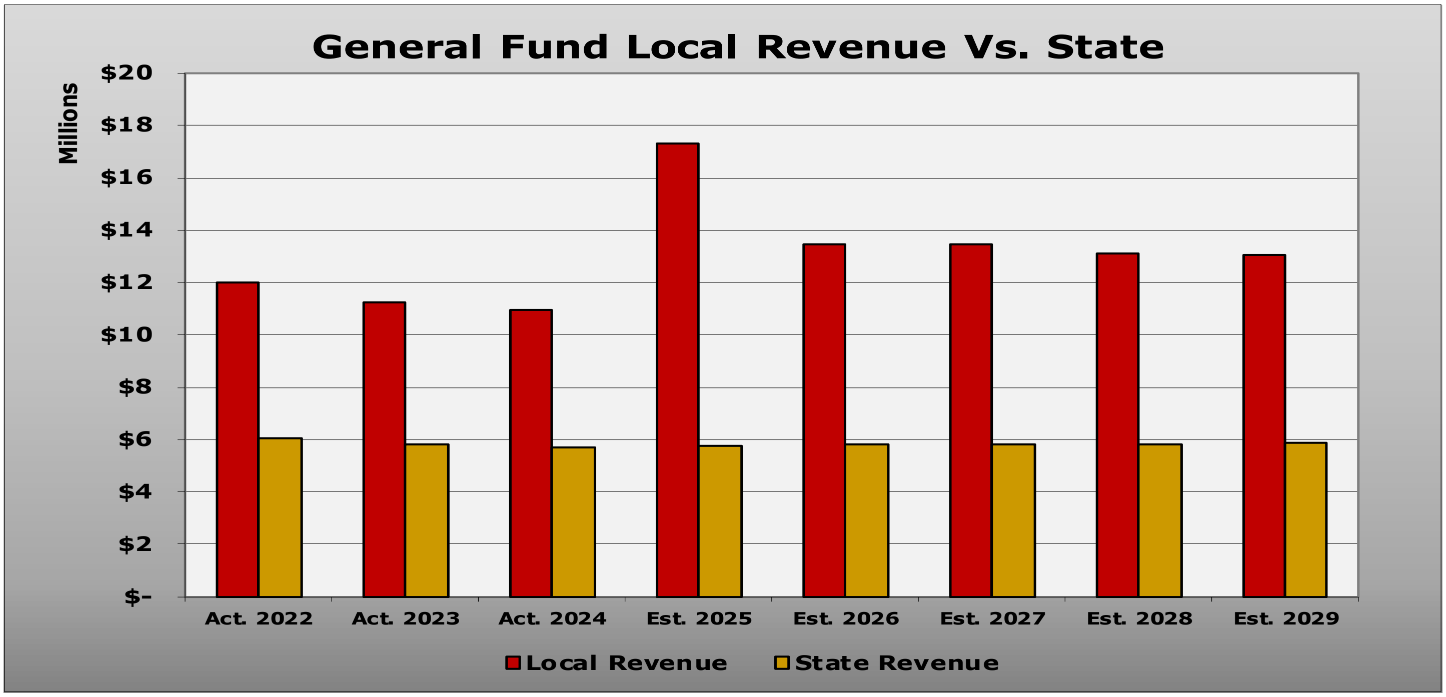
The phase out of TPP taxes as noted earlier began in FY06 with HB66 that was adopted in June 2005. TPP tax assessments ended in FY11. The only amounts received after FY11 are from delinquent TPP taxes outstanding as of 2010.

The amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under Public Utility (PUPP), which are assumed to reach $88.1 million in assessed values in tax year 2024 and are collected at the district's gross voted millage rate. Collections are typically 50% in March and 50% in August along with the real estate settlements from the county auditor. The values in 2024 are assumed to increase 37.5%, or $24 million, following the settlement with Nexus. The forecast includes the assumption of a 4% depreciation factor on all PUPP assessed values, due to the historical rate of depreciation of Nexus to be averaging 3.9% depreciation on an actual basis for the first five years of collection of Nexus revenues. As stated above, Nexus Pipeline payments are now forecasted at the full settlement payment amount of 58% of the original tax bill, which is the value the company and the Tax Commissioner believes the pipeline should be.

Source	FY25	FY26	FY27	FY28	FY29
Public Utility Personal Property	$9,873,352	$5,316,597	$4,946,868	$4,421,057	$4,192,958
Total Line # 1.020	$9,873,352	$5,316,597	$4,946,868	$4,421,057	$4,192,958

School District Income Tax – Line#1.030

No school district income taxes are modeled in this forecast.



State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045
Current State Funding Model per HB33 through June 30, 2025

Unrestricted State Foundation Revenue – Line #1.035

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25. We have projected the funding in FY25 based on the October 2024 foundation settlement and funding factors from the simulations provided by the Department of Education and Workforce.

Our district is currently a guarantee district in FY25 and is expected to continue to be on the guarantee in FY26-FY29 on the new Fair School Funding Plan (FSFP).

For a detailed overview of how foundation funding is calculated please visit the Ohio Department of Education and Workforce at: https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding

State Funding Phase-In FY25 and Guarantees

The Fair School Funding Plan was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110 and extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it consists of a general phase-in percentage for most components of 66.67% in FY25.

The funding formula includes three (3) guarantees: 1) "Formula Transition Aid," 2) Supplemental Targeted Assistance, and 3) Formula Transition Supplement. The three (3) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY24 and FY25 than they received in FY21.

Future State Budget Projections beyond FY25

Our funding status for FY26-29 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be funded or continued beyond FY25; 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 FY26 through FY29.

Threshold Cost Reimbursement

Threshold Cost (formerly Catastrophic Cost) reimbursement nearly doubled in FY22 due to increased appropriations, which are funded at the state level by a reduction in special education funding at the local level. These revenues are inconsistent year-to-year, and we are not projecting any growth over the remainder of the forecast.

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.

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY23 was $113.1 million or $64.90 per pupil. In FY24, the funding totaled $114.18 million or $65.44 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.

Summary of State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Source	FY25	FY26	FY27	FY28	FY29
Basic Aid-Unrestricted	$4,050,904	$4,050,904	$4,050,904	$4,050,904	$4,050,904
Additional Aid Items	382,536	382,536	382,536	382,536	382,536
Basic Aid-Unrestricted Subtotal	$4,433,440	$4,433,440	$4,433,440	$4,433,440	$4,433,440
Threshold and Motor Fuel Refund	$197,617	$197,617	$197,617	$197,617	$197,617
Ohio Casino Commission ODT	71,099	72,164	73,251	74,348	75,466
Unrestricted State Aid Line # 1.035	$4,702,156	$4,703,221	$4,704,308	$4,705,405	$4,706,523

Restricted State Revenues – Line # 1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged Funding) and Career Technical funding. In addition, new restricted funds have been added under "Restricted Categorical Aid" for Gifted, English Learners (ESL), and Student Wellness. We have estimated revenues for these new restricted funding lines using current October funding factors and using the simulations from the Department of Education and Workforce for FY25. The amount of DPIA is limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have flat-lined funding at FY25 levels for FY26-FY29 due to uncertainty about continuing funding of the current funding formula.

In FY24, HB33 set aside $64 million state-wide to subsidize the cost of high-quality instructional materials purchased by schools and districts aligned to the Science of Reading. The funds are provided to support both high-quality core curriculum and instructional materials in English language areas and evidenced-based reading intervention programs. The district received $17,881 from this one-time subsidy in FY24 and is required to maintain documentation as to how the funds were leveraged along with expenses incurred beyond the subsidy. Captured in the Other Restricted State Funds section below is an additional increase the district received for Highly Qualified Instruction Materials (HQIM) of $161.92. Due to the nature of these funds, we will continue to monitor, and update should future biennium budgets include one-time restricted funding from the state.

Source	FY25	FY26	FY27	FY28	FY29
Disadvantaged Pupil Impact Aid (DPIA)	$72,772	$72,772	$72,772	$72,772	$72,772
English Learners (ESL)	418	418	418	418	418
Gifted	40,966	40,966	40,966	40,966	40,966
Career Tech Education	30,428	30,428	30,428	30,428	30,428
Other Restricted State Funds	162	0	0	0	0
Student Wellness and Success	119,098	119,098	119,098	119,098	119,098
Restricted Revenues Line #1.040	$263,844	$263,682	$263,682	$263,682	$263,682

Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

Summary	FY25	FY26	FY27	FY28	FY29
Unrestricted Line # 1.035	$4,702,156	$4,703,221	$4,704,308	$4,705,405	$4,706,523
Restricted Line # 1.040	263,844	263,682	263,682	263,682	263,682
Rest. Fed. Grants #1.045	0	0	0	0	0
Total State Foundation Revenue	$4,966,000	$4,966,903	$4,967,990	$4,969,087	$4,970,205

State Share of Local Property Taxes – Line #1.050

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.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years or older or disabled, regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who still need to get their Homestead Exemption approved or those who did not get a new application approved for the tax year 2013 and who become eligible after that will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013, will not lose it and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Tangible Personal Property Reimbursements – Fixed Rate

State budget bill HB153 slashed these reimbursements to our district after FY12, reducing our state revenue each year starting in FY13. HB64, the FY16-17 state budget, reinstituted the phase out of TPP reimbursements to districts beginning in FY16, which included a TPP Supplemental Payment for some districts. We were not eligible for TPP Supplemental Payments as our state foundation aid grew enough to offset the loss in TPP.

Beginning in FY18, SB208 amended HB64 and became effective February 15, 2016. SB208 provides that beginning in FY18, the TPP Fixed Rate funding will be phased out at 5/8ths (62.5%) of what one (1) mill would raise in local taxes on the three (3) year average of assessed values. The TPP Fixed Rate reimbursements have been fully phased out for our district as of FY24.

Tangible Personal Property Reimbursements – Fixed Sum

The district does not receive fixed sum reimbursements.

Summary of State Tax Reimbursement – Line #1.050

Source	FY25	FY26	FY27	FY28	FY29
Rollback and Homestead	$770,471	$840,758	$845,138	$868,463	$891,743
Total State Share of Local Property Taxes #1.050	$770,471	$840,758	$845,138	$868,463	$891,743

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 interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees. Since FY22, any open-enrolled students since have been counted in our Enrolled ADM numbers for state funding and are not separately funded.

Interest income is based on the district 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 points 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.

The first payment for the Solar PILOT payments has been moved from FY25 to FY26. This is due to a delay in finalizing the opening of the solar farm.

Another key source occurs due to the district sponsored Townsend Community School (TCS). The district receives funds from Townsend two ways - shared support services, and a statutory Sponsor Fee of 3% of the TCS received State Aid. The district rents space to Townsend, including a land lease to allow for the construction of a Learning Center on the Margaretta High School campus. The district provides shared services to cover maintenance of the building, transportation for Townsend students and staff support services. It is forecasted that this TCS funding would shrink through the five-year forecast in part due to the decline of their ADM numbers, based on the ODE Settlement agreement that restricts TCS enrollment. All other revenues are expected to continue on historic trends. All investments are held in accordance with Board Policy 6144. At this time, we will continue monitoring this line of the forecast for future projections.

Rentals have begun to return to pre-pandemic levels. All other revenues are expected to continue on historical trends.

Source	FY25	FY26	FY27	FY28	FY29
Rentals	$5,400	$5,400	$5,400	$5,400	$5,400
Solar PILOT Payments	0	320,790	641,579	641,579	641,579
Interest	35,283	27,990	20,410	20,410	20,410
Other Tuition SF-6, SF-14, SF-14H	733,146	755,140	777,794	801,128	825,162
Shared Services & Preschool	381,899	393,356	405,157	417,312	429,831
Other Income, Class Fees, and Other Adj	713,671	742,218	771,907	802,783	834,894
Total Other Local Revenue Line #1.060	$1,869,399	$2,244,894	$2,622,247	$2,688,612	$2,757,276

Short-Term Borrowing – Lines #2.010 & Line #2.020

There is no short-term borrowing projected in this forecast.

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

Source	FY25	FY26	FY27	FY28	FY29
Transfers In - Line 2.040	$14	$0	$750,000	$0	$770,000
Advance Returns - Line 2.050	3,811	0	0	0	0
Total Transfer & Advances In	$3,825	$0	$750,000	$0	$770,000

All Other Financial Sources – Line #2.060

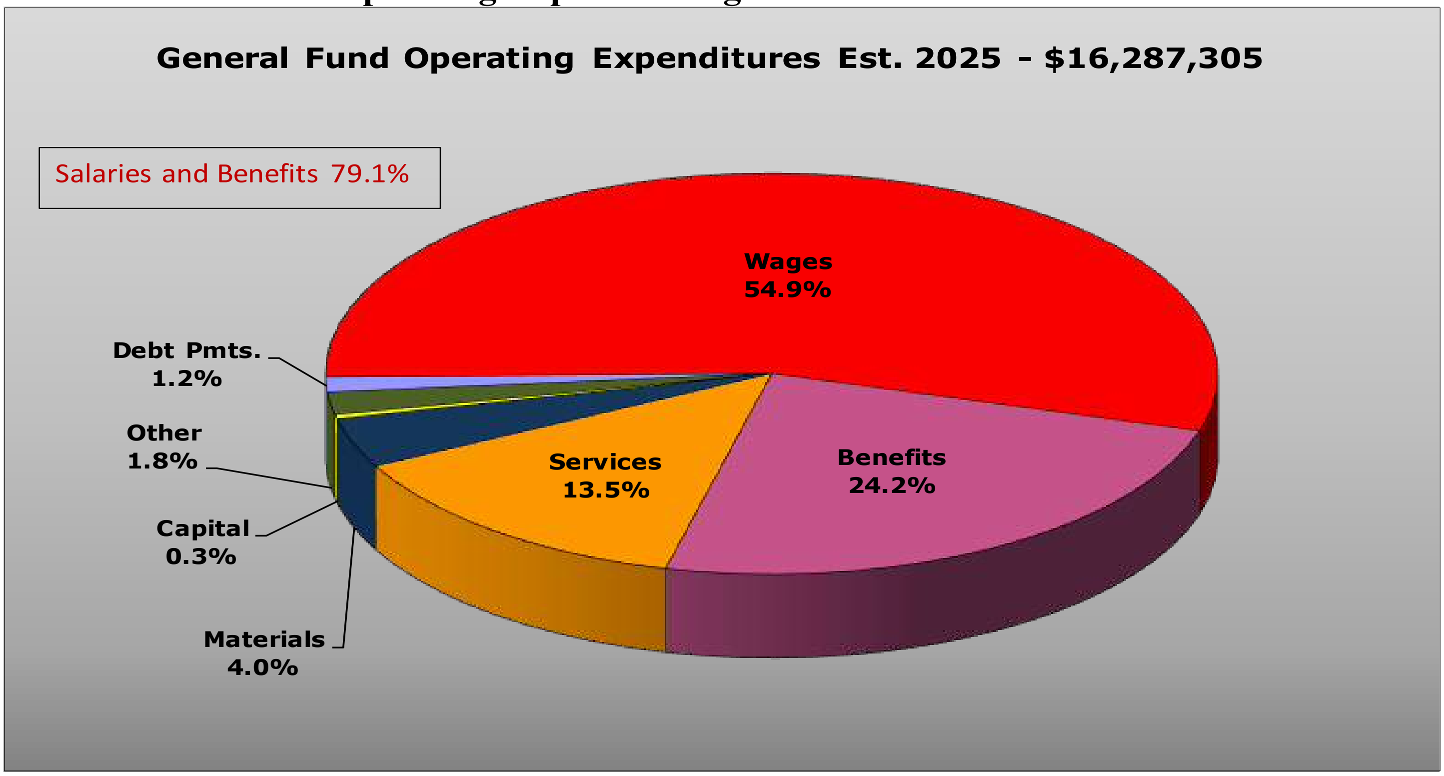
This funding source is typically a refund of prior year expenditures that is very unpredictable. For future years we are estimating an amount of refunds that are in line with historical collections.

Source	FY25	FY26	FY27	FY28	FY29
Refunds of a Prior Year Expenditure	$6,506	$6,506	$6,506	$6,506	$6,506

Expenditure 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 FY25



Wages – Line #3.010

Due to unknowns surrounding the NEXUS Pipeline revenue, negotiations with Margaretta Teachers Association bargaining unit members were extended as a carryover one-year contract in FY25, which includes a 3% increase for FY25. Our OAPSE bargaining unit contract expires at the end of FY25, which includes 3% base wage increases for FY25. For planning purposes, this forecast assumes a 1% average yearly increase for education and steps. At this time, we are forecasting a 3% increase to base wages in FY26-29, for planning purposes.

Source	FY25	FY26	FY27	FY28	FY29
Base Wages	$7,886,769	$7,944,896	$8,260,948	$8,581,904	$8,915,551
Base Increases	236,603	236,603	238,347	247,828	257,457
All Staff - Steps and Training	78,868	79,449	82,609	85,819	89,156
Substitutes	116,887	118,056	119,237	120,429	121,633
Supplementals	382,056	385,877	389,736	393,633	397,569
Stipends/OT/Board & Misc	174,137	175,878	177,637	179,413	181,207
Severance	65,283	66,589	67,921	69,279	70,665
Total Wages Line 3.010	$8,940,603	$9,007,348	$9,336,435	$9,678,305	$10,033,238

Fringe Benefits Estimates – Line #3.020

This area of the forecast captures all costs associated with benefits and retirement costs. These payments and HSA costs are included in the table below.

STRS/SERS will increase as Wages Increase

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The district is required to pay SERS Surcharge, which is an additional employer charge based on the salaries of lower-paid members.

Insurance

The district realized an increase of 9.6% in FY24, and we are estimating increases of 12% in FY25, then 8.5% for the remainder of the forecast period, which reflects the district's trend. This is based on our current employee census and claims data.

Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately 0.29% of wages FY25 through FY29. Unemployment is likely to remain at a shallow level FY25 through FY29. The district is a direct reimbursement employer meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

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

Source	FY25	FY26	FY27	FY28	FY29
STRS/SERS	$1,299,805	$1,309,378	$1,357,504	$1,407,505	$1,459,421
Insurances	2,464,385	2,667,858	2,894,626	3,140,669	3,407,626
Workers Comp/Unemployment	26,205	26,401	27,365	28,367	29,408
Medicare	133,266	134,224	139,048	144,168	149,483
Other adjustments/Tuition	18,799	18,893	18,987	19,082	19,177
Total Fringe Benefits Line #3.020	$3,942,460	$4,156,754	$4,437,530	$4,739,791	$5,065,115

Purchased Services – Line #3.030

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 have 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.

The district is enrolled in a natural gas consortium to keep down costs and the district has initiated some energy savings by using capital funds to install LED lighting in high demand areas with the goal of reducing our utilities. In addition, the district joined Ohio School Council (OSC) to participate in Power 4 Our Schools electric rate program in order to reduce the risk of electric cost fluctuation.

Source	FY25	FY26	FY27	FY28	FY29
Base Services	$427,045	$431,315	$435,628	$439,984	$444,384
Instructional Contracts	596,953	602,923	608,952	615,042	621,192
Other Tuition and CCP	227,029	229,299	231,592	233,908	236,247
Utilities	226,025	259,929	231,337	238,277	247,808
Professional Services	727,662	734,939	742,288	749,711	757,208
Total Purchased Services Line #3.030	$2,204,714	$2,258,405	$2,249,797	$2,276,922	$2,306,839

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. This line currently reflects a 0.5% increase each year. We are a one-to-one Chromebook district and we continue to replace on a rotational basis several grade levels Chromebooks per year.

Source	FY25	FY26	FY27	FY28	FY29
Supplies	$223,220	$224,336	$225,458	$226,585	$227,718
Maintenance Supplies	277,676	279,064	280,459	281,861	283,270
Transportation Supplies	151,782	152,541	153,304	154,071	154,841
Total Line 3.040	$652,678	$655,941	$659,221	$662,517	$665,829

Capital Outlay – Line #3.050

An overall inflation of 1% is being estimated for this category of expenses. The district passed a resolution on September 26, 2018, to establish a Capital Projects Fund (070) that will be funded with additional NEXUS Pipeline funds at least 50% of the Nexus incremental taxes, and other gifts to the district. This will be funded over a ten-year period for acquisition, construction, or improvement of fixed assets during this ten-year period. Two projects increased FY24's expenditures by nearly $44 thousand. The first project was a replacement pipe for the FFA pond ($28 thousand), and the second project was roofing repairs ($16 thousand). The district will partially resurface the track in FY25, which is estimated at $35 thousand.

Source	FY25	FY26	FY27	FY28	FY29
Improvements	$19,575	$19,771	$19,968	$20,168	$20,370
Track Resurfacing	35,000	0	0	0	0
Total Equipment Line #3.050	$54,575	$19,771	$19,968	$20,168	$20,370

Principal, Interest and Fiscal Charges – Lines #4.010 and #4.060

In FY2008 the District incurred $2.7 million to make improvements to the Elementary building. The purpose of this project was to accommodate the consolidation of our PK-5 students into one building. The financing instrument is for twenty years and is forecasted to be paid off in FY28. In FY2016, the District entered a Lease Arrangement with Townsend Community School to assist in the financing of the expansion project of their Learning Center, this is completely paid off at this time.

Source	FY25	FY26	FY27	FY28	FY29
Principal Improvement Financing # 4.055	$162,000	$168,000	$175,000	$372,000	$0

Source	FY25	FY26	FY27	FY28	FY29
Interest on Borrowing Line 4.060	$35,283	$27,990	$20,410	$12,520	$0

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit, and other miscellaneous expenses. County Auditor and Treasurer Fees are expected to increase at a rate of 2%.

Source	FY25	FY26	FY27	FY28	FY29
County Auditor & Treasurer Fees	$105,282	$107,388	$109,536	$111,727	$113,962
Election Expense	0	3,393	0	3,461	0
Other expenses	39,056	39,837	40,634	41,447	42,276
Liability Insurance	150,654	150,654	150,654	150,654	150,654
Total Other Expenses Line #4.300	$294,992	$301,272	$300,824	$307,289	$306,892

Transfers Out/Advances Out – Line# 5.010

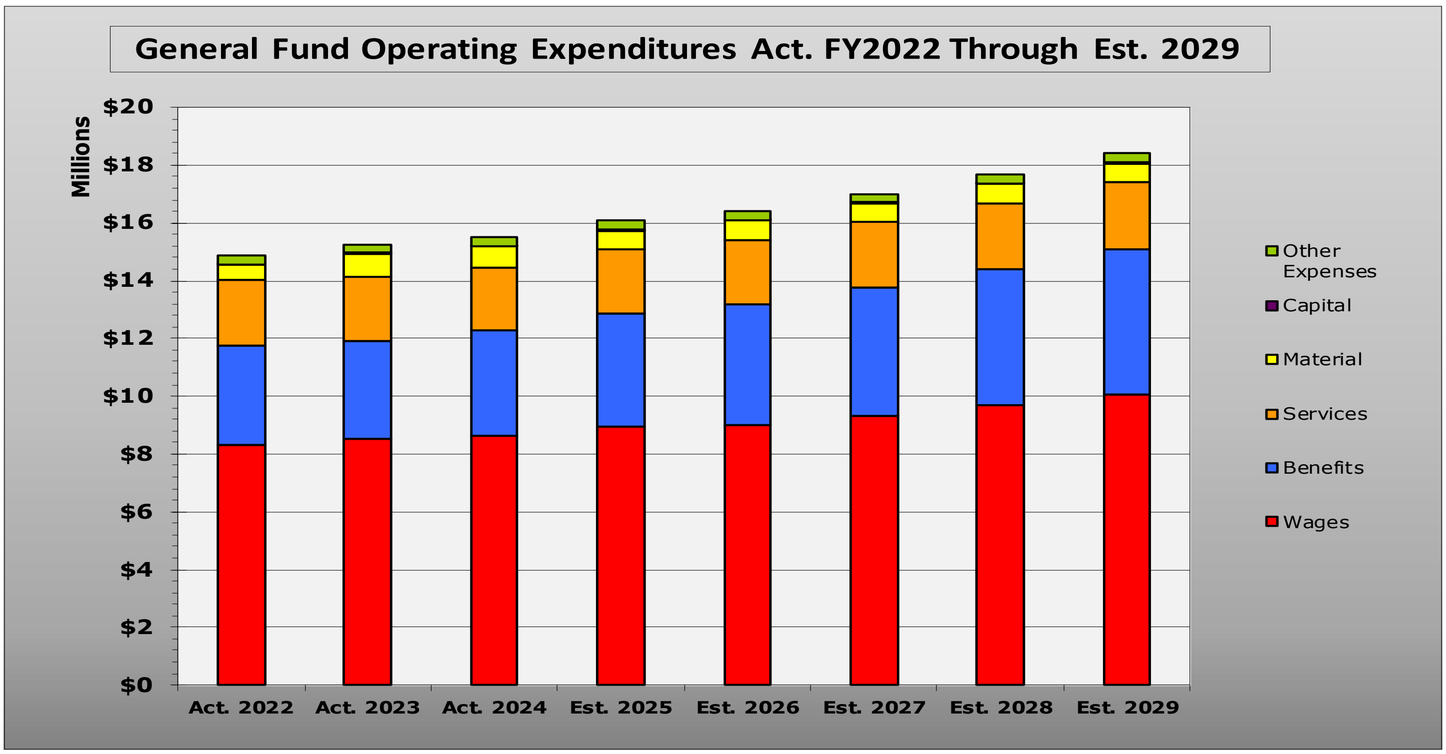
This account group covers fund-to-fund transfer and end-of-year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The transfers 'out' in the forecast is the transfer of 75% of the Nexus payments into the 070 new facility reserve account to finance the building.

The Board has also passed a resolution to allocate 25% of the Nexus tax revenue to the general fund and 25% to a general fund reserve, which is capped at a balance no greater than 5% of the previous year's general fund revenue, and 50% of Nexus to the 070 fund for capital improvements and buildings. If the transfer to the general reserve fund is capped by the 5% of the previous year's general fund revenue, then the amount above the cap, not able to be transferred to the general fund reserve, will be included with the transfer to the 070 fund for capital improvements. However, the 50% can be reduced in any given year in order to keep a positive General Fund cash balance before adding in the property tax renewal.

Source	FY25	FY26	FY27	FY28	FY29
Operating Transfers Out Line #5.010	$6,890,590	$3,137,897	$3,043,760	$2,952,447	$2,863,874
Advances Out Line #5.020	0	0	0	0	0
Total Transfer & Advances Out	$6,890,590	$3,137,897	$3,043,760	$2,952,447	$2,863,874

Operating Expenditures Actual FY22 through FY24 and Estimated FY25-FY29

As the graph on the following page indicates, we have diligently contained costs due to lower and flat state revenues. We control our expenses while balancing students' academic needs to enable them to excel and perform well on state performance standards.



Encumbrances –Line#8.010

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments, which have been performed, are awaiting invoicing and payment. Encumbrances, on a budget basis of accounting, are treated as the equivalent of expenditure at the time authorization is made to maintain compliance with spending restrictions established by Ohio law. For presentation in the forecast, outstanding encumbrances are presented as a reduction of the general fund cash balance.

Source	FY25	FY26	FY27	FY28	FY29
Estimated Encumbrances	$5,000	$5,000	$5,000	$5,000	$5,000

Reserve Assumptions

The district also passed a resolution on September 26, 2018, to establish a Reserve Balance Account within the General Fund (001) that will be funded with additional NEXUS Pipeline funds, and other gifts to the district. The purpose of this fund is to stabilize the district's budget against cyclical changes in revenues and expenses. The amount of money reserved in such an account in any fiscal year shall not exceed 5% of the revenue credited to the General Fund in the preceding fiscal year. Upon termination of the Reserve Balance Account, the balance therein shall be returned to the General Fund.

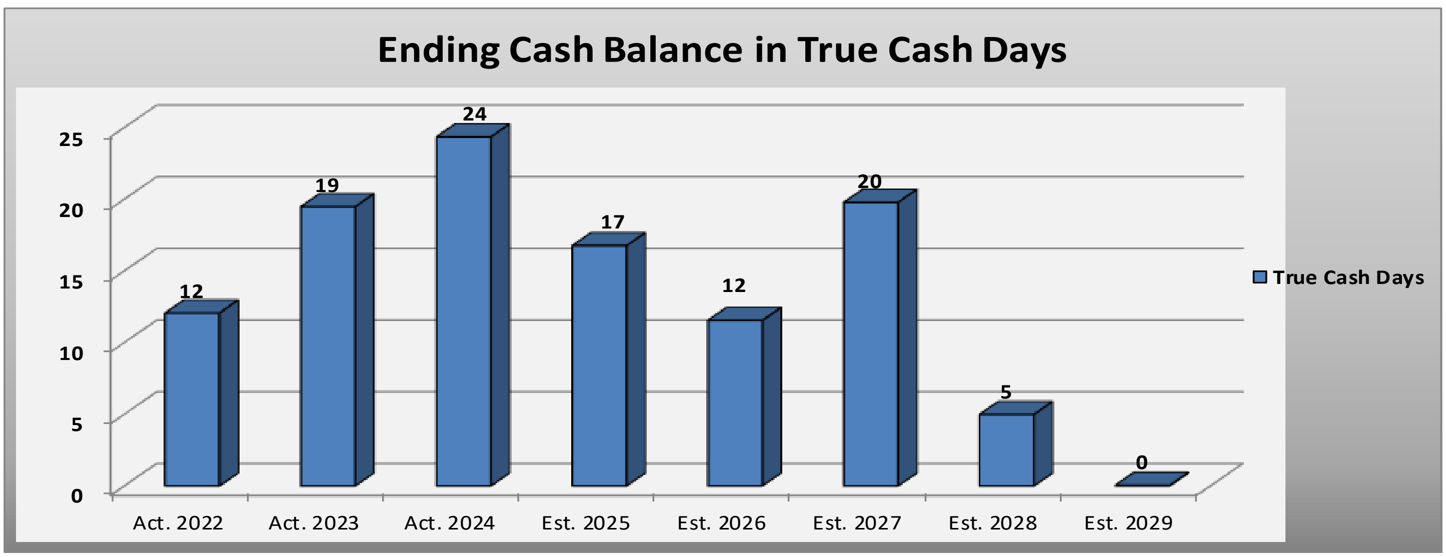
Ending Unencumbered Cash Balance – Line#15.010

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, and which results in a negative unencumbered cash balance, is a violation of O.R.C. §5705.412, which is punishable by personal liability of $10,000; unless an alternative 412 certificate, as permitted by HB153, effective September 30, 2011, could be issued. It is recommended by the Government Finance Officers Association (GFOA) and other authoritative sources that a district maintains a minimum of sixty (60) day cash balance, which is approximately $2.7 million for our district.

Source	FY25	FY26	FY27	FY28	FY29
Ending Cash Balance	$1,064,059	$624,209	$1,096,633	$286,823	$1,879

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 dependent 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

The NEXUS Pipeline going online in FY19 could not have come at a better time for our district. In FY19, the district finished the year with 18 true days cash which was 42 days below the 60-day benchmark. The district will continue to maximize the value of these dollars to enhance the educational experience for our students.

Margaretta Local School District receives 25% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

The district administration is grateful for the changes in the current state budget HB33 as it has reduced the amount that was deducted for programs that were not within the district's control. However, future state budgets funding will need to be watched since the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in state budgets for FY26-FY29.

As the administration plans for the future, they will need to make sure that the district is able to maintain a positive cash balance throughout the forecast. The expenditures will need to be reviewed 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.