



Three Rivers Local Schools

May, 2023

Teri Riesenberg, Treasurer

ASSUMPTIONS 5-YEAR FORECAST

REVENUES:

1.010 Property Tax – The district experienced a 1.94% increase to real estate in Fiscal Year 23 and moving forward a 1.5%, 1.5%, 1%, and 1% increase to real estate is forecasted through fiscal year 2027.

1.020 Tangible Personal Property Tax - The district experienced a 5.88% increase to TPP tax in Fiscal Year 23. FY 24 is normal but we are forecasting an increase in FY 25 due to a new substation that should come online. At this point we are forecasting the closure of Miami Fort Power Plant in FY27, which would start a very significant drop in TPP revenue.

1.035 Unrestricted Grants-in-Aid This line encompasses the unrestricted state funding from ODE. This is a budget year with the state of Ohio, which means that it is unclear what the state may grant us in funding for the next two years. We have forecasted our revenue here to remain flat over the life of the forecast due mostly to the fact we are on a “guarantee” with the current fair school funding model.

1.040 Restricted Grants-in-Aid This line encompasses our restricted funding from ODE, including Career Technical funding, DPIA, English Language Learners, Wellness, Gifted, and other miscellaneous restricted funding. With the budget not yet passed by the Senate, we have these line items remaining flat on the forecast.

1.050 Property Tax Allocation – The property tax allocation or homestead and rollback receipts include a 10% property tax rollback for all real property tax owners. An additional 2.5% rollback was enacted for owner occupied homes. These tax credits are reimbursed to the school districts. HB 66 eliminated the rollback for business real estate. We are projecting that we will remain steady for the next 5 years.

1.060 All Other Revenues – This category encompasses a number of revenue sources, including incoming tuition, interest income, among other receipts. Interest income is up over \$250,000 due to rising interest rates and a healthy cash balance.

EXPENDITURES:

3.010 Personal Services – We have forecasted salaries and wages based upon negotiated union contracts within the district. The base increase for FY 24 is 2.25%. A similar increase along with step costs are forecasted for the remaining years.

3.020 Employees' Retirement/Insurance Benefits – Fringe benefits are based upon two main categories, required retirement contributions and employee medical, dental, vision, and life insurance offerings. Medical insurance premiums for FY 24 will increase 5.5%. The same amount has been forecasted through the life of the forecast.

3.030 Purchased Service – This line encompasses any contracted service that the district utilizes in the everyday educational setting. Items include substitute teachers, utilities, educational service center offerings (i.e. counselors, therapists, nurses), school resource officers, custodial staff, landscaping services, fuel, repairs and maintenance, and tuition paid to other school districts, College Credit plus, and more. We have projected an increase of 2.85% for fiscal year 2023. There is an additional increase in the line in FY 25 to show the charges coming back to the General Fund from what was being charged to the federal ESSER funds. There has been a shift in employment from secretaries and para professionals to this category as a contracted service. This change will increase this category while reducing personal services at the same time.

3.040 Supplies & Materials - All textbooks and student chrome books come from this account. CCP textbooks are also an additional cost to this category which it is hard to determine what those costs will be. In FY23, there were larger expense for computer supplies as well as instructional and custodial supplies. We have projected a leveling off in this category going forward. We are also forecasting a lower fuel expense due to having our own fueling station.

3.050 Capital Outlay – We purchased 2 school buses this year and have forecasted this amount each year of the forecast.

4.055 and 4.060 Debt and Interest Charges -Amounts are forecasted for the building project improvements that were made several years ago.

4.300 Other Objects – We expect nominal increases due to inflation in this area. It was higher in FY23 due to adjustments made to health premiums. Also, with our increased property tax collection over the life of the forecast, we should also see our property tax collection fees increased proportionately.

5.010 Operating Transfers-Out - This category includes an annual transfer to Fine Arts for \$10,000 and \$100,000 for the turf replacement that will continue for the life of the forecast.

5.020 Advances Out - This category represents any money advanced out to other accounts. We do not have any expense forecasted for this category.