

**RIDGEWOOD LOCAL
SCHOOL DISTRICT**



**FY 2025 FALL SUBMISSION
FORECAST ASSUMPTIONS**

**Ridgewood Local School District
Five-Year Forecast
FY 2025 Assumptions
Fall 2024**

GENERAL OVERVIEW

This report projects revenues and expenses for Fiscal Years 2025 through 2029 and was prepared for the Ridgewood Local School District Board of Education. The report attempted to use the most current and readily available information at the time of preparation.

All forecasts include an inherent assumption that changes will occur over time. These changes, will affect the outcome of the forecast. The Board of Education has both control over and no control over factors impacting the forecast. For these reasons, the Ridgewood Local School District considers the forecast a continual work in progress.

FORECAST RISKS AND UNCERTAINTY

The document accompanying these written assumptions is based on current legislation, historical trends and other factors that are known, as of this date. The assumptions, in the forecast, could change drastically with the passage of new federal and/or state legislation, local property values, state funding formula, enrollment and educational programs offered by the Ridgewood Local School District.

In FY2025, RLSD began participation in Community Eligibility Provision (CEP) through the National School Lunch Program (NSLP). The districts restricted state grant in aid funds were increased in the funding formula from the participation in CEP. It has been communicated; the next biennium budget will most likely reduce/eliminate this increase. Therefore, RLSD is reducing its restricted funds moving forward.

Of local and state revenue, approximately 57.34 % comes from the State Budget. This is a significant amount of district revenue. The State share is determined by taking the base cost per student minus the Local capacity per student. As the local capacity increases/decreases, the State share does the opposite.

The district is currently flat-lining State revenue, in the forecast for years FY2026 through FY2029 since FY2025 is the final year of the biennium budget.

This report is a tool used for planning purposes and is not guaranteed.

6.010 Excess of Revenues over/(under) Expenditures

This line is a good measure of a district's financial health. A positive balance indicates revenues are sufficient to cover expenditures while a negative balance indicates deficit spending.

REVENUE ASSUMPTIONS

GENERAL PROPERTY TAX (REAL ESTATE) (Line 1.010)

Property values are established each year by the County Auditor based on new construction and updated values. A reappraisal is mandated by Ohio law every six years, with an update at the three-year midpoint. These are levied and assessed on a calendar year basis while the District's fiscal year runs from July through June. First-half tax collections are received in the second-half of the fiscal year and second-half tax collections occur in the first-half of the following fiscal year.

The District receives property taxes from Coshocton, Guernsey, and Tuscarawas counties. Approximately 92.3% of the tax collections are from Coshocton, 4.7 % from Guernsey, and 3% from Tuscarawas.

General Property Tax is estimated to be \$4,094,935 for fiscal year 2025 based on the most recent tax data estimates obtained from the Coshocton County Auditor's Office and the Ohio Department of Taxation. Fiscal years 2026, 2027 and 2029 are projected to increase by 1.5%. Fiscal years 2025 and 2028 are projected to see larger increases due to TY 2024 and 2027 being an update and reappraisal years in Coshocton County. These projections are a reflection of the current state of the economy, in which aggregate property values in Coshocton County are expected to change very little over the next few years.

In projecting the General Property Tax for FY26-FY29, delinquent collections are not factored in due to the unreliability of obtaining such funds. In FY 24, the county auditor collected approximately \$138,000 in delinquent taxes. This increased the revenue collected for the district.

Due to the small percentage of Guernsey and Tuscarawas County collections, reappraisals for those counties have not been factored into projections.

UNRESTRICTED GRANTS-IN-AID (Line 1.035)

Unrestricted Grants-in-Aid is estimated to be \$9,003,416 for fiscal year 2025, which is based on information from the state's most current foundation payment. This item is being flat lined for FY2026 through FY2029.

RESTRICTED STATE GRANTS-IN-AID (Line 1.040)

Restricted Grants-in-Aid is estimated to be \$1,386,746 during fiscal year 2025. The increase in FY 2025 is due to the participation in CEP. The Restricted Grants-in-Aid line item consists of Career Tech Aid, Gifted Funding, English Learner, Student Wellness & Success and Disadvantaged Pupil Impact Aid (DPIA).

STATE SHARE of LOCAL PROPERTY TAX (Line 1.050)

Property Tax Allocation line item includes Homestead Exemption, Homestead & Rollback. Homeowners are given a 10% property tax rollback from the state and an additional 2.5% rollback was established in 1979.

State Share of Local Property Tax is estimated to be \$468,500 for fiscal year 2025.

ALL OTHER REVENUE (Line 1.060)

All Other Revenues are estimated to be \$553,195 for fiscal year 2025. The district's interest income is a major contributor to this line item. Other income factors include tuition, rentals, mobile home taxes, Medicaid reimbursements and miscellaneous receipts. A 1.0% increase is projected the remaining fiscal years.

TOTAL OTHER FINANCING SOURCES (Line 2.070)

These amounts are not a significant revenue source for the District.

EXPENDITURE ASSUMPTIONS**PERSONAL SERVICES (Line 3.010)**

Personal service costs are estimated to be \$6,682,435 during fiscal year 2025. This line item includes salaries paid to all employees including, part-time employees, supplemental contracts, over-time, and substitutes used by the District. Substantial costs in this line item that have been extremely volatile are substitute employee salaries. The forecast is based on **current staffing levels**. It also includes anticipated salary step increases based upon approved contracts with REA (through FY 2025) and OAPSE (through FY2027).

Beginning in FY2021, the district used ESSER I funds for salaries of four (4) teachers. This was a representation of the districts use of other activities necessary to maintain and to continue to employ the existing staff due to deficit spending in the previous fiscal year. The district received additional ESSER funds from the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) ESSER II and American Rescue Plan (ARP) ESSER III and continued to pay the salary of the four (4) teachers. This expense returned to the general fund in FY2025.

Other factors that could impact the forecast but are not included, in the numbers, are the elimination of position through attrition, replacing senior teachers with lower paid teachers, and restructuring administrative positions.

EMPLOYEE BENEFITS (Line 3.020)

Fringe Benefits are estimated to be \$3,097,284 during fiscal year 2025. Included in this line item are wage driven benefits such as SERS/STRS contributions, Medicare contributions, the SERS Surcharge, Worker's Compensation premiums, and unemployment costs. These types of benefits will increase in accordance with employee raises. Health care costs are based on schedule of benefits, anticipated number of employees participating in the program, and current monthly premiums. Fiscal year 2025 includes insurance contributions of 15% from administrative and certified staff and 12% from classified and non-union staff. Insurance premiums are a significant part of this line item. Fiscal Year 2025 increased 12% while Fiscal Year 2026 through 2029 includes increases of 8% per year, which is the current trend of the insurance consortium the district is a member.

PURCHASED SERVICES (Line 3.030)

This line is used to account for all service related expenditures. These include utilities, ESC contracted services, and professional services contracts. Purchased services are estimated to be \$1,846,890 during fiscal year 2025. A consistent increase is projected from fiscal years 2026 through 2029 to incorporate inflationary costs. The district is watching these expenses closely and the current inflationary environment and will make additional increase adjustments, as needed. This calculation takes into account utilities (telephone service, postage, electricity, heating/cooling, etc.), and maintenance/repair agreements. The nature of these expenses can be extremely volatile and may fluctuate significantly on an annual basis.

SUPPLIES AND MATERIALS (Line 3.040)

Supplies and Materials are projected at \$980,922 for fiscal year 2025. The district believes that it is necessary to allocate resources annually to instructional supplies and will continue to invest these dollars accordingly. A consistent increase is projected for fiscal years 2026 through 2029. The district is watching these expenses closely and the current inflationary environment and will make additional increase adjustments, as needed. Other expenditures included within this line-item are maintenance/janitorial supplies, bus supplies, bus fuel, technology supplies, etc.

CAPITAL OUTLAY (Line 3.050)

Capital Outlay are projected at \$100,000 for fiscal year 2025. This amount is decreased from FY2023. This decrease is due to the district collecting funds from inside millage permanent improvements. The district will continue to address regular capital maintenance needs (i.e.- roof repair, parking lots, technology infrastructure, etc.) and the purchase of a new school bus each fiscal year. Please note that the District continues to make minor capital improvements and/or upgrades to equipment as funds become available. The longer the District operates without making equipment upgrades, as well as making capital improvements, a greater amount of dollars will be needed in the future to remedy these neglected areas.

PRINCIPAL/INTEREST (Lines 4.010, 4.050, 4.055 & 4.060)

These lines include principal and interest payments on district debt.

OTHER OBJECTS (Line 4.300)

This line includes fees paid to the County Auditors for processing tax settlements, state auditor fees, Medicaid fees, and liability insurance. Other Objects expenditures are projected at \$120,000 for fiscal year 2025 based on anticipated increases. Other Objects expenditures are expected to remain consistent through fiscal year 2029.

OPERATING TRANSFERS-OUT (Line 5.01)

Operating Transfers-Out is projected at \$2,178,767 for the elementary school salaries, benefits, purchase services and supplies being paid out of the Schoolwide Pool Fund. Several years ago, the district chose to use this funding option (Schoolwide Pooling Model) for the use of some of its Federal Funds. This model provides the district with additional flexibility in regards to expending federal dollars. Transfers that are expended and received by the same fund are not included in this line item. The district assumes a 4.0% annual increase to this line item to cover increased salaries and benefit expenses. In addition, in the district established Termination Benefits Fund (035) and is transferring general fund dollars to meet the districts severance pay and retirement cost obligations.

OTHER FINANCING SOURCES (Line 5.02)

No significant advances are expected for fiscal year 2026-2029.

ESTIMATED ENCUMBRANCES JUNE 30 (Line 8.01)

Estimated Encumbrances are projected at \$200,000 for fiscal years 2025 through 2029 based on the District's attempt to reduce outstanding purchase orders at fiscal year-end.