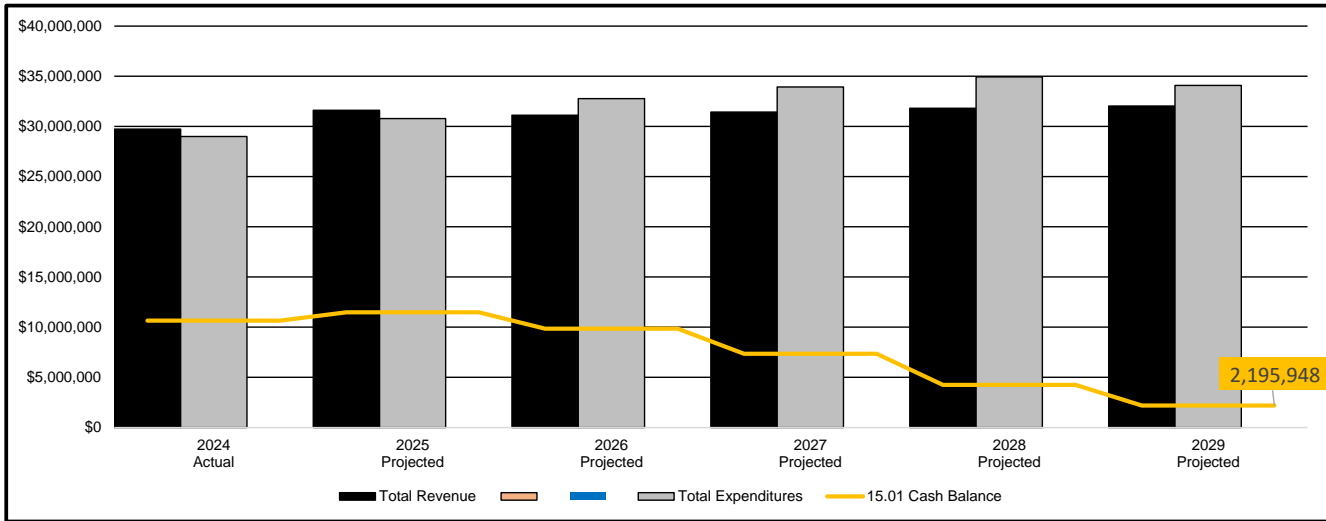


Dover City School District

# Five Year Forecast Financial Report

November, 2024

### Forecast Summary



Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the forecast.

### Financial Forecast

	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Beginning Balance (Line 7.010) Plus	10,651,414	11,484,105	9,853,321	7,363,532	4,243,143
+ Revenue	31,619,345	31,131,895	31,440,338	31,808,554	32,046,201
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(30,786,654)	(32,762,680)	(33,930,128)	(34,928,943)	(34,093,397)
= Revenue Surplus or Deficit	832,691	(1,630,784)	(2,489,789)	(3,120,389)	(2,047,196)
Line 7.020 Ending Balance with renewal/new levies	11,484,105	9,853,321	7,363,532	4,243,143	2,195,948

### Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	832,691	(1,630,784)	(2,489,789)	(3,120,389)	(2,047,196)
Ending Balance w/o Levies	11,484,105	9,853,321	7,363,532	4,243,143	2,195,948

We are making planned investments into our buildings and equipment resulting in expenses exceeding revenue in many of the years going forward, resulting in spending down some of the accumulated cash balance. Much of this balance has been built from one-time funds, offsetting expenditures from ESSER and insurance consortium changes. It is also important to consider events on the horizon that could have a material impact on the forecast. For revenue, the next state budget could unveil the next phase in of the new Fair School Funding Formula, taking us to being 100 % fully funded by fiscal year 2027. Regarding property taxation, there is also a lot of push at the state level to change laws around the 20-mil floor which could negatively impact our local tax revenue. Finally, with regard to expenditures, we will also be negotiating with our teacher's union this fall. These items are not yet included, but will likely be in the May 2025 Forecast.

## Revenue Notes

### 1.010 REAL ESTATE REVENUE

Real estate property tax revenue accounts for 46.39% of total revenue. The most important item to note here is the elevated valuation trends since 2016. These elevated valuation trends have been occurring across the state. As we watch current sales data occurring in Tuscarawas county, trends imply that it would make sense to (conservatively) increase to the projection for the estimated 2025 update. Keeping in mind the discussions happening at the state level that may have a negative impact on future revenue increases.

### 1.020 PUBLIC UTILITY - PERSONAL PROPERTY REVENUE

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 2.85% of total district revenue.

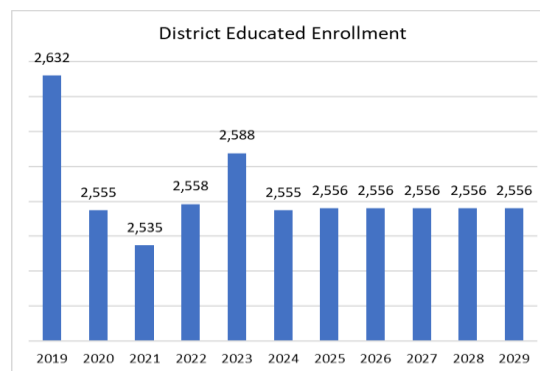
### 1.035 UNRESTRICTED STATE AID REVENUE

Beginning in FY 2022, Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data. For Dover City School District the calculated Base Cost total is \$20,717,136 in FY 2025. The state's share of the calculated Base Cost total is \$9,717,885 or \$3,802 per pupil.

Total Valuation	
Tax Year	% Change
2015	
2016	7.36%
2017	1.54%
2018	1.13%
2019	11.88%
2020	2.36%
2021	-0.75%
2022	16.49%
2023	0.45%
est 2024	0.67%
est 2025	10.77%
est 2026	0.64%
est 2027	0.63%
est 2028	7.74%



Unlike the previous formula where Dover's revenue was capped, because we are now funded more precisely for the students we educate, there is a more direct link between our revenue and enrollment. Shifts in enrollment can have a dramatic impact on state revenue and should be monitored closely. This forecast assumes the current phase in at 67% as we await the next state budget. State funding is projected with base cost inflationary inputs included.



### 1.045 RESTRICTED STATE AID REVENUE

Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Starting in FY 2022 the district's Success & Wellness funding is considered restricted, the current state's share of this funding is \$402,479. Other items that are included in restricted funds are gifted, economically disadvantaged and career tech funds. We had previously received \$121,000 in additional restricted funding for curriculum. This money is budgeted to be spent through the supply line this year.

This year we decided to participate in the CEP program, which benefited our families by providing free lunch to our students, and increased DPIA funding for FY 2025. The funding shown on this line is an estimate of what we anticipate by the end of the year for this program. This item is up for discussion during the state budget process, and based on current discussions, we do not anticipate that this funding will continue at this level.

### 1.045 STATE SHARE OF LOCAL PROPERTY TAXES REVENUE

State Share of Local Property Taxes primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2025, approximately 11.7% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 2.5% will be reimbursed in the form of qualifying homestead exemption credits.

### 1.060 OTHER REVENUE

This line primarily includes interest income, payments in lieu of taxes, and miscellaneous revenue. Through some adjustments in investment strategy, along with favorable market conditions, we have had some significant increases in interest revenue. Projections reflect the market, while remaining conservative for FY 2025 and beyond.

### 2.070 OTHER FINANCING SOURCES

The district also receives Other Financing Sources such as refund of prior year expenditures in this category. All other financing sources will average \$107,902 annually through FY 2028 as Medicaid revenue will be brought into this line with the transition of fund 028 back to the general fund, along with corresponding expenditures in FY 2025.

## Expenditure Notes

### 3.010 SALARY EXPENSE

Salaries represent 54.13% of total expenditures. This category of expenditure is projected to grow at an annual average rate of 3.77% or \$634,383 through FY 2029. Negotiations with OAPSE resulted in 3% increases for fiscal years 2025 - 2027 with remaining years assumed at 1.5% in this forecast. We plan to negotiate with the DEA in the fall of FY 2025. Expenditures for fund 028 are planned to be brought back into the general fund after being exhausted in FY 2025 to close out the fund. Corresponding receipts housed in fund 028 will also transition into the general fund going forward to help offset expenses (Housed in All Other Financing Sources). We were also granted carryover funds from our Literacy grant which will cover salaries for the two literacy coaches that were hired with those grant funds for FY 2025. All personnel expenses funded by ESSER will be brought back to the general fund this fall as planned.

### 3.020 BENEFIT EXPENSE

Benefits represent 18.67% of total expenditures. This category of expenditure is projected to grow at an annual average rate of 11.41% through FY 2029. The projected average annual rate of change is 11.70% more than the five year historical annual average. Medical claims are trending high across the state due to delayed procedures needing more progressive treatments and medical inflation. All of this is resulting in higher than typical premium increases for consortiums across the state. Our districts premium increase was 11.25% for FY 2025. Due to current trends, premium increases are projected out at 10% in FY 2026 and FY 2027, and 9% for FY 2028. Negotiations with OAPSE yielded plan changes in an effort to combat rising health insurance costs.

### 3.030 PURCHASED SERVICES EXPENSE

Purchased Services represent 9.75% of total expenditures and increased at a historical average annual rate of 6.73%. This category of expenditure is projected to grow at an annual average rate of 3.29% through FY 2029. We have been experiencing an increase in alternative placements which are projected forward due to the uncertainty of when these costs will decline.

### 3.040 SUPPLIES & MATERIALS EXPENSE

Supplies & Materials represent 2.98% of total expenditures. This category of expenditure is projected to grow at an annual average rate of 6.11% through FY 2029. Supplies remain close to previously forecasted numbers with the expense built in fiscal year 2025 to reflect funds received from the state (reflected in 2024 restricted revenue).

### 3.050 CAPITAL OUTLAY EXPENSE

Capital Outlay represents 0.43% of total expenditures. Larger district repairs and updates are housed on the capital improvement plan. A small budget is kept here for small maintenance projects and repairs to district assets.

### 4.300 OTHER OBJECTS EXPENSE

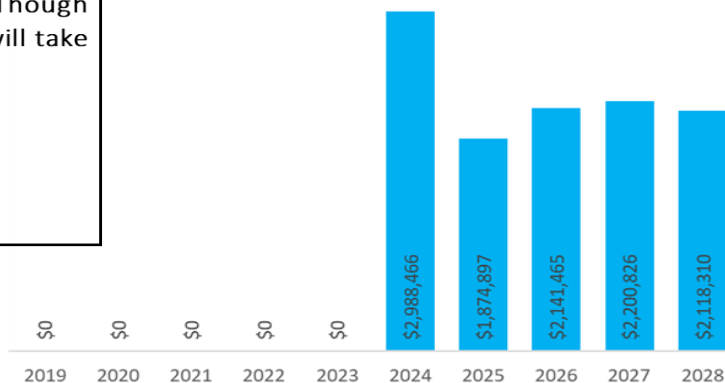
Other Objects represent 3.75% of total expenditures. This line represents services purchased from the ESC that are deducted from our state foundation payment. Staffing on this line receive the same wage percent increases that our typical personnel receive.

**5.040 OTHER USES EXPENSES**

This line is used for the planned transfers related to our our capital improvement plan. (See Appendix A)

<b>Capital Improvement Plan for Fund 070</b>						
	2024	2025	2026	2027	2028	2029
<b>Roofing Replacement, Maintenance and Monitoring</b>	\$ 978,500	\$ 1,139,710	\$ 1,131,465	\$ 935,826	\$ 1,288,310	
<b>Technology Updates</b>	\$ 100,000	\$ 114,223	\$ 100,000	\$ 50,000	\$ 50,000	
<b>Property Improvement</b>	\$ 551,347					
<b>Buses</b>	\$ 114,318	\$ 240,964	\$ 130,000	\$ 135,000		
<b>MS Land Purchase / Demo</b>	\$ 206,275					
<b>MS Boilers</b>			\$ 330,000	\$ 330,000		
<b>DA Boilers</b>					\$ 280,000	
<b>Special Ed. Van</b>	\$ 35,785					
<b>Build the budget/ Other Capital improvments</b>	\$ 300,000	\$ 80,000	\$ 200,000	\$ 200,000	\$ 200,000	
<b>Capital Projects Plan: (070)</b>	\$ 2,286,225	\$ 1,574,897	\$ 1,891,465	\$ 1,650,826	\$ 1,818,310	
<b>Severance Funding Cost: (035)</b>	\$ 702,241					
<b>Curriculum Plan: ( 003)</b>		\$ 300,000.00	\$ 250,000.00	\$ 550,000.00	\$ 300,000.00	\$ 150,000.00
<b>Transfer Line Amounts for Forecast</b>	\$ 2,988,466	\$ 1,874,897	\$ 2,141,465	\$ 2,200,826	\$ 2,118,310	

This line is being used for transfers related to the capital improvement plan as seen above. This plan has been developed to identify the many district capital improvement needs at this time. The plan has been constructed so that it can change anytime that the Board makes a decision regarding assets or buildings. Though this is plan covers five years, transfers will take place annually to allow for flexibility.



**Dover City School District**  
Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2024	2025	2026	2027	2028	2029
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	13,796,103	13,796,086	14,295,906	14,705,284	14,733,879	15,159,321
1.020 - Public Utility Personal Property	848,076	872,711	909,936	954,089	1,004,949	1,048,790
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	11,359,471	12,067,053	12,171,356	12,006,218	12,373,271	12,132,833
1.040 - Restricted Grants-in-Aid	1,144,988	2,255,269	1,045,423	1,000,336	1,008,797	976,173
1.050 - State Share-Local Property Taxes	1,693,123	1,670,981	1,751,846	1,834,642	1,835,640	1,900,608
1.060 - All Other Operating Revenues	895,103	852,396	851,383	832,503	743,506	718,694
<b>1.070 - Total Revenue</b>	<b>29,736,865</b>	<b>31,514,496</b>	<b>31,025,850</b>	<b>31,333,072</b>	<b>31,700,042</b>	<b>31,936,419</b>
<b>Other Financing Sources:</b>						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	-	104,849	106,046	107,267	108,512	109,782
2.070 - Total Other Financing Sources	-	104,849	106,046	107,267	108,512	109,782
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>29,736,865</b>	<b>31,619,345</b>	<b>31,131,895</b>	<b>31,440,338</b>	<b>31,808,554</b>	<b>32,046,201</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	15,695,712	16,908,441	17,529,749	17,987,350	18,424,063	18,867,628
3.020 - Employee Benefits	5,412,899	6,469,294	7,585,472	8,125,101	8,656,575	9,230,396
3.030 - Purchased Services	2,828,501	3,052,705	3,129,023	3,191,603	3,255,435	3,320,544
3.040 - Supplies and Materials	862,949	1,164,731	1,060,800	1,076,712	1,092,862	1,109,255
3.050 - Capital Outlay	123,961	132,983	103,003	105,063	107,164	109,307
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	1,086,242	1,183,603	1,213,169	1,243,473	1,274,534	1,306,267
<b>4.500 - Total Expenditures</b>	<b>26,010,264</b>	<b>28,911,757</b>	<b>30,621,215</b>	<b>31,729,302</b>	<b>32,810,633</b>	<b>33,943,397</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	2,988,466	1,874,897	2,141,465	2,200,826	2,118,310	150,000
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	2,988,466	1,874,897	2,141,465	2,200,826	2,118,310	150,000
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>28,998,730</b>	<b>30,786,654</b>	<b>32,762,680</b>	<b>33,930,128</b>	<b>34,928,943</b>	<b>34,093,397</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>738,134</b>	<b>832,691</b>	<b>(1,630,784)</b>	<b>(2,489,789)</b>	<b>(3,120,389)</b>	<b>(2,047,196)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>9,913,280</b>	<b>10,651,414</b>	<b>11,484,105</b>	<b>9,853,321</b>	<b>7,363,532</b>	<b>4,243,143</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>10,651,414</b>	<b>11,484,105</b>	<b>9,853,321</b>	<b>7,363,532</b>	<b>4,243,143</b>	<b>2,195,948</b>
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>10,651,414</b>	<b>11,484,105</b>	<b>9,853,321</b>	<b>7,363,532</b>	<b>4,243,143</b>	<b>2,195,948</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>10,651,414</b>	<b>11,484,105</b>	<b>9,853,321</b>	<b>7,363,532</b>	<b>4,243,143</b>	<b>2,195,948</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>10,651,414</b>	<b>11,484,105</b>	<b>9,853,321</b>	<b>7,363,532</b>	<b>4,243,143</b>	<b>2,195,948</b>