



**Trimble Local School District
Athens County, Ohio**

**Financial Forecast
For the Fiscal Year Ending June 30, 2025**

Local Government Services Section

Trimble Local School District
Athens County

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OHIO AUDITOR OF STATE KEITH FABER



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Board of Education
Trimble Local School District
1 Tomcat Drive
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CERTIFICATION

Certification is hereby made that, based upon the requirement set forth in Section 3316.03, Revised Code, the Local Government Services Section of the Auditor of State's Office has examined the financial forecast of the General Fund of the Trimble Local School District, Athens County, Ohio, and issued a report dated April 8, 2025. The forecast is based on the assumption that the School District will continue to operate its instructional program in accordance with its adopted school calendar and pay all obligations. Additional significant assumptions are set forth in the forecast. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, the actual results of operations during the forecast period will vary from the forecast, and the variations may be material.

The forecast reflects an operating deficit for the fiscal year ending June 30, 2025, of \$2,994,000.

The forecasted revenues include all property taxes scheduled for settlement during the forecast period. The forecast excludes the receipt of any advances against fiscal year 2026 scheduled property tax settlements. The potential advances have been excluded due to the School District's inability to appropriate this revenue until received and the uncertainty of the timing of any advances. Currently, it is the Board's intent not to appropriate any such advances for fiscal year 2025.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

April 8, 2025

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Independent Accountant's Report

We have examined the accompanying forecasted statement of revenues, expenditures and changes in fund balance of the General Fund of the Trimble Local School District for the fiscal year ending June 30, 2025, based on the guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants. The Trimble Local School District's management is responsible for preparing and presenting the forecast in accordance with the guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants. Our responsibility is to express an opinion on the forecast based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the forecast is presented in accordance with the guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants, in all material respects. An examination involves performing procedures to obtain evidence about the forecast. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the forecast, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the accompanying forecast is presented, in all material respects, in accordance with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants, and the underlying assumptions are suitably supported and provide a reasonable basis for the Board's forecast.

There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The statement of revenues, expenditures and changes in fund balance arising from cash transactions of the General Fund for the fiscal years ended June 30, 2022, 2023, and 2024, were compiled by us and we have not audited or reviewed the accompanying financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying financial statements. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for determining that the cash basis of accounting is an acceptable framework. Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Management has chosen to omit the disclosures associated with the cash basis of accounting.

A handwritten signature in black ink, reading "Keith Faber". The signature is fluid and cursive, with the first name "Keith" and last name "Faber" clearly distinguishable.

Keith Faber
Auditor of State
Columbus, Ohio

April 2, 2025

Trimble Local School District
Athens County
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2022 Through 2024 Actual;
For the Fiscal Year Ending June 30, 2025
General Fund

	Fiscal Year 2022 Actual	Fiscal Year 2023 Actual	Fiscal Year 2024 Actual	Fiscal Year 2025 Forecasted
Revenues				
Property and Other Local Taxes	\$1,061,000	\$1,134,000	\$1,180,000	\$1,251,000
Unrestricted Grants-in-Aid	9,405,000	9,342,000	9,785,000	9,751,000
Restricted Grants-in-Aid	1,194,000	1,305,000	1,328,000	1,163,000
Property Tax Allocation	153,000	153,000	161,000	171,000
All Other Revenues	498,000	285,000	260,000	489,000
<i>Total Revenues</i>	<u>12,311,000</u>	<u>12,219,000</u>	<u>12,714,000</u>	<u>12,825,000</u>
Other Financing Sources				
Proceeds from Sale of Capital Assets	6,000	0	0	0
Refund of Prior Year Expenditures	0	120,000	0	32,000
<i>Total Other Financing Sources</i>	<u>6,000</u>	<u>120,000</u>	<u>0</u>	<u>32,000</u>
<i>Total Revenues and Other Financing Sources</i>	<u>12,317,000</u>	<u>12,339,000</u>	<u>12,714,000</u>	<u>12,857,000</u>
Expenditures				
Personal Services	5,802,000	6,750,000	7,301,000	8,271,000
Employees' Retirement/Insurance Benefits	3,106,000	3,290,000	3,735,000	4,338,000
Purchased Services	1,887,000	2,407,000	2,629,000	2,140,000
Supplies and Materials	578,000	546,000	928,000	595,000
Capital Outlay	546,000	278,000	0	0
Debt Service:				
Principal	18,000	18,000	9,000	28,000
Interest	2,000	2,000	1,000	1,000
Other Objects	151,000	306,000	161,000	172,000
<i>Total Expenditures</i>	<u>12,090,000</u>	<u>13,597,000</u>	<u>14,764,000</u>	<u>15,545,000</u>
Other Financing Uses				
Transfers Out	505,000	832,000	729,000	1,689,000
Advances Out	84,000	0	0	0
<i>Total Other Financing Uses</i>	<u>589,000</u>	<u>832,000</u>	<u>729,000</u>	<u>1,689,000</u>
<i>Total Expenditures and Other Financing Uses</i>	<u>12,679,000</u>	<u>14,429,000</u>	<u>15,493,000</u>	<u>17,234,000</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(362,000)	(2,090,000)	(2,779,000)	(4,377,000)
Cash Balance July 1	7,051,000	6,689,000	4,322,000	1,543,000
Audit Adjustment	0	(277,000)	0	0
Cash Balance (Deficit) June 30	6,689,000	4,322,000	1,543,000	(2,834,000)
Actual/Estimated Encumbrances June 30	<u>202,000</u>	<u>117,000</u>	<u>0</u>	<u>160,000</u>
Unencumbered/Unreserved Fund Balance (Deficit) June 30	<u>\$6,487,000</u>	<u>\$4,205,000</u>	<u>\$1,543,000</u>	<u>(\$2,994,000)</u>

See accompanying summary of significant forecast assumptions and accounting policies
See Independent Accountant's Report

Trimble Local School District
Athens County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2025

Note 1 – The School District

The Trimble School District (the School District) is located in Athens County and encompasses 39 square miles, encompassing several small Villages. The School District currently operates an elementary school, one middle school (grades 6-8), and one high school (grades 9-12). The junior high school and elementary school are located in the same building. The School District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by State and/or federal agencies. This Board controls the School District's instructional and support facilities staffed by approximately 53 support staff personnel and approximately 68 certificated full-time teaching and administrative personnel to provide services to 749 students and other community members.

Note 2 – Nature of the Forecast

This financial forecast presents, to the best of the Trimble Local School District Board of Education's knowledge and belief, the expected revenues, expenditures, and operating balance of the General Fund. Accordingly, the forecast reflects the Board of Education's judgment of the expected conditions and its expected course of action as of April 2, 2025, the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected, and those differences may be material.

Note 3 – Nature of the Presentation

The forecast presents the revenues, expenditures, and changes in fund balance of the General Fund. Under State law, certain General Fund revenues received from the State must be spent on specific programs. These resources and the related expenditures have been segregated in the accounting records of the School District to demonstrate compliance. State laws also require the General Fund resources pledged for the repayment of debt to be recorded directly in the debt service fund. For presentation in the forecast, the debt supported by the General Fund is included in the General Fund.

Note 4 – Summary of Significant Accounting Policies

Basis of Accounting

This financial forecast has been prepared on a basis of cash receipts, disbursements, and encumbrances, which is consistent with the required budget basis (non-GAAP) of accounting used to prepare the historical financial statements. Under this basis of accounting, certain revenue and related assets are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred; however, by virtue of Ohio law, the School District is required to maintain the encumbrance method of accounting. This method requires purchase orders, contracts, and other commitments for the expenditure of monies to be recorded as the equivalent of an expenditure in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

Fund Accounting

The School District maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the segregation of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity that stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows.

Trimble Local School District
Athens County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2025

Governmental Funds

General Fund – The General Fund is the operating fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund balance is available to the School District for any purpose provided it is disbursed or transferred in accordance with Ohio law.

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specified restricted or committed revenues should be the foundation for a special revenue fund.

Debt Service Funds – Debt service funds are used to account for and report financial resources that are restricted to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future fiscal years should also be reported in the debt service funds.

Capital Projects Funds – Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent Funds – Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs - that is, for the benefit of the government or its citizenry. Permanent funds do not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other organizations.

Proprietary Funds

Enterprise Funds – Enterprise funds account for any activity for which a fee is charged to external users for goods or services.

Internal Service Funds – Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the School District, or to other governments on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

Trimble Local School District
Athens County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2025

Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the fiscal year, with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated.

Budget – A budget of estimated cash receipts and disbursements is submitted to the Athens County Auditor, as secretary of the county budget commission, by January 20 of each year, for the succeeding fiscal year.

Estimated Resources – The county budget commission certifies its actions to the School District by March 1. As part of this certification, the School District receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding fiscal year. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations – A temporary appropriation measure to control cash disbursements may be passed on or about July 1 of each year. The temporary appropriation measure remains in place until the annual appropriation measure is adopted for the entire fiscal year. The appropriation measure may be amended or supplemented during the fiscal year as new information becomes available.

Encumbrances – The School District uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation.

Note 5 – General Operating Assumptions

The Trimble Local School District will continue to operate its instructional program in accordance with its adopted school calendar and pay all obligations. The forecast contains those expenditures the Board of Education has determined to be necessary to provide for an adequate educational program.

Note 6 – Significant Assumptions for Revenues and Other Financing Sources

Property and Other Local Taxes

Property taxes are applied to real property, public utility real property, and manufactured homes that are located within the School District. Property taxes are collected for, and distributed to, the School District by the county auditor and treasurer. Settlement dates, on which collections are distributed to the School District, are established by State statute. The School District may request advances from the Athens County Auditor as the taxes are collected. When final settlements are made, any amounts remaining to be distributed to the School District are paid. Deductions for auditor and treasurer fees, advertising delinquent taxes, election expenses, and other fees are made at these settlement times. The amounts shown in the revenue section of the forecast represent gross property tax revenue.

Trimble Local School District
Athens County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2025

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. Property tax revenue received during calendar year 2025 (the collection year) for real and public utility property taxes represents collections of 2024 taxes (the tax year). First-half calendar year tax collections are received by the School District in the second half of the fiscal year. Second-half calendar year tax distributions occur in the first half of the following fiscal year.

State law allows for certain reductions in the form of rollbacks and homestead exemptions for real estate taxes. The State reimburses the School District for all revenues lost due to these exemptions. The amount of the reimbursement is presented in the account "Property Tax Allocation".

Prior to fiscal year end, a school district may request an advance of real property tax collections that ordinarily would be settled in August and used to finance the upcoming fiscal year. The forecast excludes the receipt of any advances against fiscal year 2026 scheduled property tax settlements. The potential advances have been excluded due to the School District's inability to appropriate this revenue until received and the uncertainty of the timing of any advances. Currently, it is the Board's intent not to appropriate any such advances for fiscal year 2025.

The property tax revenues for the General Fund are generated from several levies. The current levies being collected for the General Fund, the year approved, first and last year of collections, and the full tax rate are as follows:

Tax Levies	Year Approved	First Calendar Year of Collection	Last Calendar Year of Collection	Full Tax Rate (Per \$1,000 of Assessed Valuation)
Inside Ten Mill Limitation (Unvoted)	n/a	n/a	n/a	\$3.90
Continuing Operating	1972	1972	n/a	4.00
Continuing Operating	1973	1973	n/a	6.90
Continuing Operating	1973	1973	n/a	0.50
Continuing Operating	1974	1974	n/a	7.00
Continuing Operating	1976	1976	n/a	5.10
Total Tax Rate				<u>\$27.40</u>

The School District's total tax rate is \$27.40 per \$1,000 of assessed valuation.

Ohio law provides for a reduction in the rates of voted levies to offset increased values resulting from a reappraisal of real property. Reduction factors are applied to voted levies so that each levy yields the same amount of real property tax revenues on carryover property as in the prior year. Reduction factors are also adjusted to generate the same amount of property tax revenue on carryover property when there is a decline in the assessed valuation of property. For all voted levies, except emergency and debt levies, increases in revenues are restricted to amounts generated from new construction. Emergency and debt levies are intended to generate a set revenue amount annually. The revenue generated by emergency and debt levies is not affected by changes in real property valuation. The reduction factors are computed annually and applied separately for residential/agricultural real property and commercial/industrial real property. Reduction factors are not applied to inside millage (an unvoted levy). State law also prohibits the reduction factors from reducing the effective millage of the sum of the General Fund current operating levies (excluding emergency levies) plus inside millage used for operating purposes below 20 mills. For the

Trimble Local School District
Athens County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2025

General Fund, the effective residential and agricultural real property tax rate is at \$20.00 per \$1,000 of assessed valuation for collection year 2025, and the effective commercial and industrial real property tax rate is \$20.00 per \$1,000 of assessed valuation for collection year 2025.

Public utility real property taxes are collected and settled by the county with real estate taxes and are recorded as general property taxes.

Property and Other Local Taxes – Property and other local tax revenue includes real estate taxes, public utility property taxes, and manufactured home taxes. The amounts shown in the revenue section of the forecast represent gross property tax revenue and are based upon information provided by the Athens County Auditor and Morgan County Auditor. The School District anticipates an increase of \$63,000 from the prior fiscal year based upon information provided by the Athens County Auditor and the Morgan County Auditor and a review of historical and current fiscal year tax settlements at the School District. The increase is due to an increase in assessed valuations.

Unrestricted Grants-in-Aid

In fiscal year 2022, the State General Assembly adopted a new funding method. The “Fair School Funding Plan,” as named by the advocates of the model, incorporates a number of shifts in the calculation of State foundation funding. This includes four major changes in how school districts are funded.

Funding students where they are educated For many years, students were funded where they lived, and then funds were transferred if students and families chose education options like community schools, scholarships/vouchers, and open enrollment. Starting in fiscal year 2022, students were funded where they are educated. There will still be situations where transfers and deductions will occur, but the majority of the transfers between educational entities ended in fiscal year 2022. For some school districts, this resulted in significant variances in both revenue and expenditures on the five-year forecast.

Base cost methodology The most recent school funding system used a base cost per pupil amount of \$8,242. The Fair School Funding Plan uses an input-based funding model informed by the professional judgement of practitioners. The base cost, which will be a unique calculation for each school district, calculates costs based on student-to-staff ratios, statewide average salaries and costs, and represents the costs required to educate the average student in the State of Ohio.

State/Local share School funding has always been a partnership between the State of Ohio and the local school district. The formula works to equalize funding and provide additional state resources for school districts that do not have local capacity and wealth to raise revenues locally. Previously, a State share index was used to determine how much of the various per pupil amounts would be provided by the State vs. expected by the local school district. The State share index used an index (the relative position of a school district compared to a statewide median or average) to determine this amount. It relied primarily on property values, provided an income adjustment to some school districts, and resulted in a range of 5 percent for the wealthiest school districts in the State and 90 percent for the school districts with the lowest capacity. The revised school funding formula moves to a more uniform calculation. The Fair School Funding Plan uses a more stable and predictable method of determining what this split looks like. The calculation assumes a local contribution of up to 25 mills for the wealthiest school districts in the State, down to 12 mills for the school districts with the lowest capacity. This amount is determined using both assessed property values (60 percent of the calculation), federally adjusted gross income (20 percent), and median income (20

Trimble Local School District
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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2025

percent) to determine a local per pupil capacity amount. The ratio between this amount and the school district's base cost per pupil amount is the State share percentage, with a 5 percent minimum.

Categorical Funding The funding formula has long provided additional funds based on student demographics and needs (low-income students, students with disabilities, English Learners, etc.). The budget generally restricts more of these funds to support these specific student subgroups. Starting in fiscal year 2022, funding for English Learner and Gifted students is now subject to spending requirements. This is in addition to funding for economically disadvantaged students (disadvantaged pupil impact aid) and career-technical education.

Like previous funding formulas, the new funding formula provides protection of funding losses and limits the amount of growth a school district can receive in State aid. Three different guarantees (in both permanent and temporary law) will generally ensure that school districts do not receive less State aid in fiscal year 2022 or fiscal year 2023 compared to fiscal year 2021 levels, net of transfers and adjustments for open enrollment, community school, STEM school, and scholarship transfers. The Fair School Funding plan also contemplates a six-year phase-in. As a result, school districts will see up to 1/6 of the impact of the new formula in fiscal year 2022 and 1/3 of the impact in fiscal year 2023. The phase-in, while different than the growth cap used in previous formulas, will limit increases in funding a school district can receive.

A slight decrease in foundation funding occurred from fiscal year 2022 to 2023 due to changes in the State funding formula. Based on the most current foundation settlement, the School District estimates \$9,702,000 in foundation funding reported in the General Fund for fiscal year 2025.

The School District receives additional unrestricted grants-in-aid revenue due to casino revenue. Of the casino revenue collected by the State, thirty-four percent is distributed to school districts, based on student population. For fiscal year 2025, the School District anticipates casino revenue of \$49,000, for total unrestricted grants-in-aid of \$9,751,000.

Restricted Grants-in-Aid

Restricted grants-in-aid consist of revenue to aid career technologies programs and State poverty based assistance programs, in addition to new restricted funds for Gifted, English Learners, and Student Wellness. For fiscal year 2025, the School District anticipates receiving \$731,000 for Economic Disadvantaged funding, \$80,000 for Gifted Education funding, \$1,000 in Career Technical funding, and \$351,000 for Student Wellness and Success funding for a total of \$1,163,000 in restricted grants-in-aid.

Property Tax Allocation

Since 1971, the State has reimbursed local governments for lost tax revenue related to State mandated rollback and homestead exemptions. House Bill 59, signed in 2013, effected these reductions. The new law indicates that the ten percent and the two-and-a-half percent rollbacks will no longer apply to new levies that are enacted after August 31, 2013. In addition, House Bill 59 has adjusted the Homestead Exemption. It will now be a means tested provision only available to those otherwise eligible taxpayers with household incomes that do not exceed \$30,000. These changes reduce reimbursements from the State and increase real property tax revenue.

From 2005 to 2011, State law phased out taxes levied by school districts on business personal property. The State's original intent was to compensate school districts for resulting tax losses in full until fiscal year 2013, when payments themselves were to begin to be phased out. House Bill 153, signed in June 2011, accelerated the phase out during 2013 biennium and provided reimbursements after the biennium at the

Trimble Local School District
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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2025

reduced level paid at the end of 2013. The new phase out is scaled according to a school district's reliance on those reimbursements as a percentage of the school district's total budget. In 2012, House Bill 508 went into effect. It provides technical changes to the formula used to calculate fixed rate losses pertaining to business property tax expense levies.

The School District is presenting an increase in property tax allocation in fiscal year 2025.

Property tax allocation revenues consist of the following:

Revenue Sources	Actual Fiscal Year 2022	Actual Fiscal Year 2023	Actual Fiscal Year 2024	Forecasted Fiscal Year 2025	Variance
Homestead and Rollback	\$153,000	\$153,000	\$161,000	\$171,000	\$10,000

All Other Revenues

All other revenues include open enrollment, other tuition, interest income (loss), Medicaid reimbursements, payment in lieu of taxes, and other revenues.

Open enrollment tuition and other tuition is forecasted to increase slightly in fiscal year 2025. The decrease from fiscal year 2022 amounts is due primarily to changes in funding related to the Fair School Funding Plan addressed previously.

The School District is forecasting a negative interest amount related to realized losses on the sale of investments. Gains and losses should only be recognized whenever an investment is sold or matures. The School District began liquidating investments prior to maturity to address cash flow needs during fiscal year 2024 and continued to do so into fiscal year 2025.

Medicaid reimbursements are forecasted to increase during fiscal year 2025, which is due to an increase in claim reimbursement amounts received.

Other revenues include miscellaneous items not addressed in other revenue categories. For fiscal year 2025, these amounts are forecasted to increase due to the School District recording the residual balances of inactive funds that have been closed out.

All other revenues consist of the following:

	Actual Fiscal Year 2022	Actual Fiscal Year 2023	Actual Fiscal Year 2024	Forecasted Fiscal Year 2025	Variance Increase (Decrease)
Open Enrollment Tuition and Other Tuition	\$380,000	\$117,000	\$186,000	\$187,000	\$1,000
Interest Income (Loss)	75,000	100,000	(25,000)	(29,000)	(4,000)
Payment in Lieu of Taxes	10,000	0	15,000	9,000	(6,000)
Medicaid Reimbursements	19,000	58,000	76,000	167,000	91,000
Other	14,000	10,000	8,000	155,000	147,000
Totals	\$498,000	\$285,000	\$260,000	\$489,000	\$229,000

Trimble Local School District
Athens County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2025

All Other Financing Sources

All other financing sources represent refunds of prior year expenditures and sales of capital assets. For fiscal years 2022, 2023, and 2024, the amounts were \$6,000, \$120,000, and \$0, respectively. The School District forecasts \$32,000 from all other financing sources for fiscal year 2025.

Note 7 – Significant Assumptions for Expenditures and Other Financing Uses

Personal Services

Personal service expenditures represent the salaries and wages paid to certified employees, classified and administrative staff, substitutes, and Board members. In addition to regular salaries, it includes payment for supplemental contracts and severance pay. All employees receive their compensation on a bi-monthly basis.

Staffing levels for the past three fiscal years and the current fiscal year are displayed in the chart below.

	2022	2023	2024	2025*
General Fund:				
Certified	67	69	66	68
Classified	40	46	56	53
Total General Fund	107	115	122	121
Other Funds				
Certified	15	11	8	6
Classified	9	9	13	13
Total Other Funds	24	20	21	19
Totals	131	135	143	140

* as of 2/25/2025

During the historical period, the School District used Elementary and Secondary School Emergency Relief (ESSER) federal funding for personnel and benefit expenditures. As of September 2023, these employees, as well as their benefits, were moved to the General Fund as ESSER monies were exhausted. Both certified and classified employees were impacted by the conclusion of the federal support.

Certified (teaching) staff salaries are based on a negotiated contract, which includes step increases for existing staff. The contract covers the period August 26, 2022, to August 25, 2025. Certified salaries are forecasted to increase by \$714,000 for fiscal year 2025. This increase is due to negotiated salary increases, as well as the conclusion of ESSER funding.

Classified salaries are based on a negotiated contract, which includes step increases. The contract being followed covers the period September 1, 2023, to August 31, 2026. Classified salaries are forecast to increase by \$94,000 in fiscal year 2025 from the previously discussed General Fund staffing changes resulting from the exhaustion of ESSER funding.

Substitute salaries are forecasted to increase slightly during fiscal year 2025.

Supplemental salaries are based on a negotiated contract. Supplemental costs are forecasted to increase from the prior fiscal year due to the increase in the base salary in the negotiated contract.

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The School District offers severance pay upon retirement to its certified and classified employees who are eligible to retire under the provisions set by STRS or SERS. Severance pay to certified employees is equal to 25 percent of accumulated sick leave days, not to exceed 75 days. Severance pay to classified employees is equal to 25 percent of accumulated sick leave days, not to exceed 50 days. Severance is payable following certification of approval of retirement benefits by STRS and SERS. The severance forecasted for fiscal year 2025 is based on severance already paid in fiscal year 2025 and additional severance payments that are anticipated for the remainder of the fiscal year.

With the consistent nature of Board of Education meetings, Board salaries are forecasted to increase slightly from the prior fiscal years. The School District has five board members, and each member receives \$100 per meeting.

Presented as follows is a comparison of fiscal years 2022, 2023, 2024, and the forecast period:

	Actual Fiscal Year 2022	Actual Fiscal Year 2023	Actual Fiscal Year 2024	Forecast Fiscal Year 2025	Variance Increase (Decrease)
Certified Salaries	\$3,773,000	\$4,395,000	\$4,802,000	\$5,516,000	\$714,000
Classified Salaries	1,604,000	1,819,000	2,018,000	2,112,000	94,000
Substitute Salaries	135,000	186,000	182,000	183,000	1,000
Supplemental Contracts	145,000	161,000	164,000	173,000	9,000
Overtime	91,000	84,000	89,000	87,000	(2,000)
Personal	13,000	15,000	23,000	22,000	(1,000)
Vacation	0	0	0	2,000	2,000
Termination Benefits	34,000	82,000	15,000	166,000	151,000
Board Salaries	7,000	8,000	8,000	10,000	2,000
Totals	<u>\$5,802,000</u>	<u>\$6,750,000</u>	<u>\$7,301,000</u>	<u>\$8,271,000</u>	<u>\$970,000</u>

Employees' Retirement/Insurance Benefits

Employees' retirement and insurance benefits include employer contributions to the State pension systems, health, dental, and life insurance, Medicare, workers' compensation, and other benefits arising from the negotiated agreements.

Retirement costs are based on the employers' contribution rate of 14 percent of salaries for STRS and SERS and an additional SERS surcharge levied to fund healthcare benefits for employees earning less than a minimum salary amount. Payments are made based on estimated salary and wages for each fiscal year. Adjustments resulting from differences between the estimates and the actual amounts are prorated over the next calendar year. STRS and SERS are forecasted to increase \$52,000 during fiscal year 2025 due to an increase in staffing levels from the prior fiscal year, from employees whose benefits were previously covered under ESSER funding.

Health care and life insurance rates were fixed by the Board of Education on a yearly basis, from July to June for each fiscal year. The monthly payments for health care and life insurance benefits are as follows:

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	Medical	Dental	Life	Total
Single Rates:				
July 1, 2022 to June 30, 2023	\$1,084.00	\$80.91	\$0.00	\$1,164.91
July 1, 2023 to June 30, 2024	1,085.45	80.91	8.00	1,174.36
July 1, 2024 to June 30, 2025	1,552.01	87.15	1.90	1,641.06
Family Rates:				
July 1, 2022 to June 30, 2023	2,220.78	80.91	0.00	2,301.69
July 1, 2023 to June 30, 2024	2,900.09	80.91	0.00	2,981.00
July 1, 2024 to June 30, 2025	4,146.65	87.15	0.00	4,233.80

Health care costs are based on the type of coverage (single or family) provided to each employee. The health care program includes medical, prescription drug, and dental care. Health care rates are fixed for a twelve-month period. Life insurance coverage is a base amount for each employee paid by the employer. Health, dental, and life insurance are forecasted to increase in fiscal year 2025, as evidenced by the increase in rates in the above chart.

Other insurance recorded in the system is for Medicare. Medicare is based on 1.45 percent of new employee wages in fiscal year 2025, based on salaries estimated during this fiscal year. There are no board members who pay into Social Security.

Workers' compensation is based on the School District's assigned rate and the amount of wages paid in a calendar year. The Bureau of Workers' Compensation (BWC) utilizes prospective billing on a calendar basis. The School District opted to make the policy period payments annually. There is an annual true-up to reconcile the difference between the prospective estimate and the actual cost from the previous calendar year.

Tuition reimbursements are forecasted to decrease during fiscal year 2025 due to fewer employees requesting tuition reimbursements. There is an annual maximum of \$25,000 total for the School District.

Presented as follows is a comparison of fiscal years 2022, 2023, 2024, and the forecast period:

	Actual Fiscal Year 2022	Actual Fiscal Year 2023	Actual Fiscal Year 2024	Forecast Fiscal Year 2025	Variance Increase (Decrease)
Employer's Retirement	\$1,043,000	\$990,000	\$1,216,000	\$1,268,000	\$52,000
Health/Dental/Life Insurance	1,949,000	2,150,000	2,373,000	2,889,000	516,000
Other Insurance	88,000	97,000	109,000	120,000	11,000
Workers' Compensation	12,000	36,000	20,000	53,000	33,000
Tuition Reimbursement	14,000	17,000	17,000	8,000	(9,000)
Totals	<u>\$3,106,000</u>	<u>\$3,290,000</u>	<u>\$3,735,000</u>	<u>\$4,338,000</u>	<u>\$603,000</u>

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Purchased Services

Presented as follows is a comparison of fiscal years 2022, 2023, 2024, and the forecast period:

	Actual Fiscal Year 2022	Actual Fiscal Year 2023	Actual Fiscal Year 2024	Forecast Fiscal Year 2025	Variance Increase (Decrease)
Professional and Technical Services	\$1,151,000	\$1,367,000	\$1,068,000	\$1,224,000	\$156,000
Property Services	130,000	286,000	916,000	230,000	(686,000)
Travel and Meeting	11,000	50,000	43,000	4,000	(39,000)
Communication Costs	44,000	28,000	7,000	8,000	1,000
Utility Services	227,000	242,000	215,000	221,000	6,000
Tuition Payments	313,000	410,000	332,000	415,000	83,000
Pupil Transportation	11,000	24,000	48,000	38,000	(10,000)
Totals	<u>\$1,887,000</u>	<u>\$2,407,000</u>	<u>\$2,629,000</u>	<u>\$2,140,000</u>	<u>(\$489,000)</u>

Professional and technical services are expected to increase mainly due to a change in special education and therapy needs serviced by outside agencies instead of the School District employees. Property services reflect an overall decrease; however, all areas are forecast to increase slightly. The increase is offset by a large decrease due to significant garage and re-keying projects in fiscal years 2023 and 2024. Travel and meeting reimbursements are forecasted to decrease due to cuts in these events. Utilities are forecasted to increase due to general increases in rates. Tuition is forecasted to increase due to an increase in special education students and open enrollment. Pupil transportation costs are expected to decrease. The School District installed cameras in buses in the prior fiscal year.

Supplies and Materials

Presented as follows is a comparison of fiscal years 2022, 2023, 2024, and the forecast period:

	Actual Fiscal Year 2022	Actual Fiscal Year 2023	Actual Fiscal Year 2024	Forecast Fiscal Year 2025	Variance Increase (Decrease)
General Supplies	\$438,000	\$450,000	\$799,000	\$514,000	(\$285,000)
Magazines	4,000	4,000	6,000	15,000	9,000
Maintenance Supplies	47,000	0	34,000	2,000	(32,000)
Supplies, Materials and Repair of Motor Vehicles	89,000	92,000	89,000	64,000	(25,000)
Totals	<u>\$578,000</u>	<u>\$546,000</u>	<u>\$928,000</u>	<u>\$595,000</u>	<u>(\$333,000)</u>

General supplies are forecasted to decrease due to fewer supplies needed for fiscal year 2025. In fiscal year 2024, the School District adjusted its coding process for recoding supplies that had been reflected in another fund. Maintenance supplies are forecasted to decrease due to a general reduction in those costs and due to a large expense for a camera system in the prior fiscal year. Transportation fuel and supplies are forecasted to decrease due to school buses decreasing stops on their routes compared to the last fiscal year, resulting in the use of less fuel. Also, there has been a decrease in the average rate of diesel fuel in fiscal year 2025.

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Capital Outlay

The costs of property, plant, and equipment acquired or constructed for general governmental services are recorded as expenditures. In fiscal year 2025, the School District is not forecasting for general capital outlay.

Debt Service

Presented as follows is a comparison of fiscal years 2022, 2023, 2024, and the forecast period:

	Actual		Actual		Actual		Forecast	
	Fiscal Year 2022		Fiscal Year 2023		Fiscal Year 2024		Fiscal Year 2025	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
House Bill 264 Loan	<u>\$18,000</u>	<u>\$2,000</u>	<u>\$18,000</u>	<u>\$2,000</u>	<u>\$9,000</u>	<u>\$1,000</u>	<u>\$28,000</u>	<u>\$1,000</u>

During fiscal year 2014, the School District issued a \$262,000 loan through the Department of Administrative Services to be used for energy upgrades. The loan has a 1 percent interest rate. The loan matures on February 1, 2029.

The School District is not forecasting additional debt to be issued in fiscal year 2025. Due to the School District missing a debt payment in fiscal year 2024, forecasted debt payments are higher than the previous fiscal years.

Other Objects

Other object expenditures consist of dues, fees, insurance, judgments, taxes, assessments, awards, and prizes. Dues, fees, and insurance are forecasted higher than fiscal year 2024 due to an increase in auditor and treasurer fees for delinquencies in taxes and increases in property and liability insurance rates. There was a large decrease from fiscal year 2023 to fiscal year 2024 due to a large bathroom renovation project in fiscal year 2023. Other object expenditures are forecasted for \$172,000.

Transfers Out

For fiscal year 2025, \$1,689,000 is anticipated to be made to several funds to cover expenditure overruns within special cost centers and to subsidize other programs and projects outside the General Fund. Funds to receive transfers include the food services fund, the classroom facilities fund, the permanent improvement fund, and State and federal grant funds.

Advances Out

The School District had advances out during fiscal year 2022 to a federal grant fund to cover expenditures until grant monies were received. There are no advances out forecasted for fiscal year 2025.

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Note 8 – Encumbrances

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments that have been performed, invoiced, and are awaiting payment. Encumbrances on a budget basis of accounting are treated as the equivalent of an expenditure at the time authorization is made in order 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. Encumbrances for purchased services, supplies and materials, and other objects for the fiscal year ended June 30, 2025, are estimated to be \$160,000.

Note 9 – Capital Acquisition and Improvements Set-Aside

The School District is required by State statute to annually set aside in the General Fund three percent of certain revenues for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years.

The set-aside amount required is approximately \$174,000 for fiscal year 2025. The School District anticipates \$174,000 in qualifying expenditures. This amount exceeds the required set-aside amount in fiscal year 2025; therefore, no reserve amount is anticipated for the forecast period.

Note 10 – Adjustments

The forecast presented an audit adjustment for (\$277,000) to the ending fund balance for fiscal year 2023. This adjustment is related to overspending in grant funds, as evidenced in the financial audit for fiscal year 2023.

Note 11 – Pending Litigation

The School District's management is of the opinion that there are no issues that would have a material effect on the financial forecast.

Note 12 – Levies

The School District has not placed any levies on the ballot in the last 10 years.

Note 13 – Other Funds

The School District has numerous other funds that account for resources that are restricted for specific purposes. Any other funds of the School District that are not anticipated to have sufficient resources to meet their obligations during the forecasted period have been included in transfers out during fiscal year 2025.

Note 14 – Bank Reconciliation

The School District, on December 31, 2024, has prepared a reconciliation with an unknown immaterial variance.

Trimble Local School District
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Summary of Significant Assumptions and Accounting Policies
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Note 15 – Information Related to Periods Beyond the Forecast Period

Management is required to annually prepare and file a five-year financial plan with the Ohio Department of Education and Workforce. Management believes that the following information, although it does not constitute a financial forecast, is necessary in order for users to make a meaningful analysis of the forecast results. The plan filed with the Ohio Department of Education and Workforce in November 2024 covered fiscal years 2025 through 2029 and assumed the continued operation of the School District with revenues expected to decrease in fiscal year 2025 but expected to increase each fiscal year between 2026 to 2028. Revenues are expected to decrease in fiscal year 2029. Expenditures are anticipated to decrease in fiscal years 2025 and 2026, with increases each fiscal year for the next three fiscal years. In addition, the School District forecasted a \$2,136,000 transfer in fiscal year 2025 to cover capital projects and overspending in grant funds. At that time, the School District anticipated an operating deficit of \$1,621,000 for fiscal year 2025 and an accumulated operating deficit of \$6,134,000 by the end of fiscal year 2029. An updated five-year financial forecast was filed with the Ohio Department of Education and Workforce at the end of March 2025.

The information presented in this note is less reliable than the information presented in the financial forecast and, accordingly, is presented for analysis purposes only. Furthermore, there can be no assurance that events and circumstances described in this note will occur.

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OHIO AUDITOR OF STATE KEITH FABER



TRIMBLE LOCAL SCHOOL DISTRICT FISCAL EMERGENCY ANALYSIS

ATHENS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 4/8/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov