SOUTHWEST LICKING LOCAL SCHOOL DISTRICT
LICKING COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2023, 2024 and 2025 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2026 THROUGH JUNE 30, 2030

Forecast Provided By
Southwest Licking Local School District
Treasurer's Office
Richard D. Jones, Treasurer
September 18, 2025

Southwest Licking Local School District
Licking County
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2023, 2024 and 2025 Actual;
Forecasted Fiscal Years Ending June 30, 2026 Through 2030

		Actual				Forecasted				
		Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Average Change	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
	Revenues									
1.010	General Property Tax (Real Estate)	20,165,974	25,518,342	27,908,334	18.0%	28,987,420	31,690,418	33,620,452	34,838,555	37,305,527
1.020	Public Utility Personal Property Tax	1,953,418	2,002,941	2,064,436	2.8%	1,960,408	2,196,865	2,267,705	2,347,311	2,417,913
1.030	Income Tax	9,007,057	8,810,672	9,487,235	2.7%	9,808,250	10,488,389	11,253,141	12,131,841	13,157,104
1.035	Unrestricted State Grants-in-Aid	16,128,493	19,257,224	18,967,748	8.9%	18,972,647	16,798,163	15,317,899	15,445,239	15,458,570
1.040	Restricted State Grants-in-Aid	1,089,628	1,598,176	1,589,901	23.1%	1,299,892	1,240,992	1,160,078	1,083,683	1,083,683
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	-	-	-	-	-
1.050	State Reimbursement For Property Tax Credits	2,693,814	3,140,814	3,575,437	15.2%	3,649,268	3,884,390	4,101,347	4,207,446	4,464,297
1.060	All Other Revenues	2,400,852	3,229,909	4,025,603	29.6%	3,403,650	3,239,273	3,092,348	2,961,150	2,844,122
1.070	*Total Revenues*	53,439,236	63,558,078	67,618,694	12.7%	68,081,535	69,538,490	70,812,970	73,015,225	76,731,216
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	-	-	-	-	-
2.020	State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	642,429	737,956	822,731	13.2%	1,810,604	891,253	909,078	927,260	945,805
2.050	Advances-In	599	13,461	21,504	1103.5%	234,387	-	-	-	-
2.060	All Other Financing Sources	483,137	180,386	264,420	-8.0%	247,100	247,100	247,100	247,100	247,100
2.070	*Total Other Financing Sources*	1,126,165	931,803	1,108,655	0.9%	2,292,091	1,138,353	1,156,178	1,174,360	1,192,905
2.080	*Total Revenues and Other Financing Sources*	54,565,401	64,489,881	68,727,349	12.4%	70,373,626	70,676,843	71,969,148	74,189,585	77,924,121
	Expenditures									
3.010	Personal Services	28,571,595	30,697,213	35,769,922	12.0%	39,044,964	41,615,135	43,909,167	46,314,853	48,837,384
3.020	Employees' Retirement/Insurance Benefits	11,639,642	13,195,503	15,009,950	13.6%	17,383,291	19,004,520	21,062,530	23,306,634	25,754,435
3.030	Purchased Services	6,272,065	6,517,871	7,282,234	7.8%	10,044,086	6,988,030	7,097,671	7,310,602	7,529,920
3.040	Supplies and Materials	1,523,845	1,503,640	1,702,896	6.0%	2,559,243	2,109,486	2,120,350	2,131,323	2,142,405
3.050	Capital Outlay	2,968	683,939	1,600	########	96,620	50,000	50,000	50,000	50,000
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	0.0%	-	-	-	-	-
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	-	-	-	0.0%	-	-	-	-	-
4.300	Other Objects	753,641	834,006	883,467	8.3%	985,527	1,015,093	1,045,546	1,076,912	1,109,219
4.500	*Total Expenditures*	48,763,756	53,432,172	60,650,069	11.5%	70,113,731	70,782,265	75,285,264	80,190,324	85,423,363
	Other Financing Uses									
5.010	Operating Transfers-Out	642,429	737,675	32,322,609	2148.3%	1,792,604	891,253	909,078	927,260	945,805
5.020	Advances-Out	13,461	21,504	234,387	524.9%	67,500	-	-	-	-
5.030	All Other Financing Uses	-	-	-	0.0%	-	-	-	-	-
5.040	*Total Other Financing Uses*	655,890	759,179	32,556,996	2102.1%	1,860,104	891,253	909,078	927,260	945,805
5.050	*Total Expenditures and Other Financing Uses*	49,419,646	54,191,351	93,207,065	40.8%	71,973,835	71,673,518	76,194,342	81,117,584	86,369,168
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	5,145,755	10,298,530	(24,479,716)	-118.8%	(1,600,209)	(996,675)	(4,225,194)	(6,927,999)	(8,445,047)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	32,984,718	38,130,473	48,429,003	21.3%	23,949,287	22,349,078	21,352,403	17,127,209	10,199,210
7.020	*Cash Balance June 30*	38,130,473	48,429,003	23,949,287	-11.8%	22,349,078	21,352,403	17,127,209	10,199,210	1,754,163
8.010	*Estimated Encumbrances June 30*	1,057,955	795,793	3,841,952	179.0%	-	-	-	-	-
`	**Reservation of Fund Balance**									
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030	Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.040	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	2,243,916	2,696,119	3,186,923	19.2%	1,793,946	2,419,757	-	-	-
9.050	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080	*Subtotal*	2,243,916	2,696,119	3,186,923	19.2%	1,793,946	2,419,757	-	-	-
10.010	*Fund Balance June 30 for Certification of Appropriations*	34,828,602	44,937,091	16,920,412	-16.7%	20,555,131	18,932,646	17,127,209	10,199,210	1,754,163
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement				0.0%	-	-	-	-	-
11.300	Cumulative Balance of Replacement/Renewal Levies				0.0%	-	-	-	-	-
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	34,828,602	44,937,091	16,920,412	-16.7%	20,555,131	18,932,646	17,127,209	10,199,210	1,754,163

Southwest Licking Local School District
Licking County
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2023, 2024 and 2025 Actual;
Forecasted Fiscal Years Ending June 30, 2026 Through 2030

		Actual				Forecasted				
		Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Average Change	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	-	-	-	-	-
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-		0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	34,828,602	44,937,091	16,920,412	-16.7%	20,555,131	18,932,646	17,127,209	10,199,210	1,754,163
20.010	Kindergarten - ADM count	-	-	-		-	-	-	-	-
20.015	Grades - ADM count	-	-	-		-	-	-	-	-
True Days Cash Line 59		**282**	**326**	**94**		**113**	**109**	**82**	**46**	**7**
True Days Unencumbered Cash Line 91		**257**	**303**	**66**		**104**	**96**	**82**	**46**	**7**
Millage equivalent for deficit spending						**(1.73)**	**(1.06)**	**(4.28)**	**(4.79)**	**(5.69)**

See accompanying summary of significant forecast assumptions and accounting policies
Includes: General fund, Emergency Levy fund, and any portion of Debt Service fund related to General fund debt

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Southwest Licking Local School District – Licking County
Notes to the Financial Forecast
General Fund Only
September 18, 2025

Introduction to the Financial 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), new state mandates, tax levies, property reappraisals and updates, salary increases, health insurance increases, enrollment variances, or changes to property valuations due to businesses moving in or out of the district.

As noted below the current state budget approved in HB96 changed the forecast based on what the state Ohio and the Ohio Department of Workforce and Education will require, however the Board of Education will continue to plan over the five-year period. Our district leadership believes that the financial forecast is a crucial management tool. A five-year planning horizon 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.

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 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/Chief Financial Officer 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 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.

Ohio HB96 was passed in June 2025 which amended O.R.C. 5705.391 and O.A.C. 3301-92.04 requiring a Board of Education (BOE) to file their current years budgeted revenue and expenses, and three additional years. This is essentially a four (4) year forecast. Beginning in fiscal year 2026 (July 1st to June 30th) the financial forecast must be filed by October 15th, and the end of February. The filing deadlines will change in fiscal year 2027 to August 31st, and end of February each fiscal year thereafter. While the legislative requirement is to file a four-year forecast, as noted above, we believe it is a prudent business practice to continue to develop a five-year forecast for planning purposes. The financial forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the financial forecast is considered the current year budget and is used as the base for future years projections. Our forecast is updated to reflect the most current economic data available for the October 2025 filing.

Economic Outlook

Ohio's economic outlook indicates slow but steady growth, with industrial diversification in manufacturing, logistics, and technology, with an unemployment rate expected to remain between 4.5% and 5%, the state faces challenges including workforce issues particularly in attracting and retaining skilled labor and the need for affordable housing. In the short term, the state anticipates continued to moderate growth despite national and global challenges such as inflation and interest rates, while the long term depends on continued strategic investment in high-growth sectors and addressing the skilled workforce shortage to make Ohio competitive. These conditions should result in stable revenue enabling the state to continue current levels of funding for school districts and stable local revenue as unemployment remains low.

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 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 2027 and 2029 due to deliberation of the following two (2) state biennium budgets for FY28-29 and FY30-31, both of which affect this financial 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:

1. Property tax collections are the largest single revenue source for the school system. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes. Total local revenues which are predominately local taxes equate to 65% of the district's resources. Our tax collections in the spring and fall settlements showed average collection trends.

2. Licking County experienced a reappraisal in the 2023 tax year to be collected in FY24. The 2023 reappraisal increased class I assessed values by $322.3 million, or 40.19%. Overall values rose $459.0 million or 46.45%, including reappraisal and new construction for all property classes. A reappraisal will occur in the tax year 2025 for collection in FY26 for Fairfield County. Overall, we anticipate value increases for Class I and II property by $52.8 million for an overall increase of 3.75%. We anticipate future reappraisal and/or update values to be much lower than historical trends. There is always a risk that the district could sustain a reduction in values or changes to tax laws by the Ohio Legislature.

3. 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. HB96 the current state biennium budget passed in June which included several proposals that would have ultimately reduced districts' cash balances and placed severe restrictions on increasing local tax revenues. The Governor vetoed four (4) property tax measures that he said would jeopardize the financial stability of public schools. The Ohio House of Representatives pulled three (3) of the Governor's vetoes addressing school districts to attempt to override them. They included: 1) County Budget Commission Authority; 2) manipulates the calculation of the 20-mill floor to include emergency, substitute and other levies in the calculation; and 3) the elimination of various levies including emergency, replacement and renewal levies.

   The Ohio House of Representatives met on July 21, 2025 and voted (61-58) in favor of overriding the elimination of various levy types - only. As of this forecast filing, the Senate has not met to vote on any of the vetoes thus the Governor's vetoes remain in effect.

As part of the Governors' vetoes, he created a property tax reform working group co-chaired by former legislators. The governor appointed eleven (11) members including the co-chairs. The working group is tasked with thoroughly examining issues related to how to provide meaningful property tax relief to homeowners and businesses while ensuring that funding for local schools, local governments, fire, police, EMS, libraries, and developmental disabilities is adequate. The Governor has asked the working group to issue a report with concrete proposals by September 30, 2025

The legislature has introduced several other bills that would limit real estate tax growth or eliminate real estate tax collections completely; however, many of these bills are still in committee. Many of these pending bills represent a serious risk to our school district funding. We are watching legislation closely for any impact on our local revenues.

4. The state budget represented 35% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond if the state economy stalls due to a possible recession and the Fair School Funding Plan is not continued and funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY28-29 and FY30-31. 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 FY30. We have projected our state funding in FY26 based on HB96 legislation with the Governor's vetoes in place. This forecast reflects state revenue similar to the FY27 funding levels through FY30, 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.

5. HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY26 and FY27. FY26 reflects 83.33% of the implementation cost at year five of a six-year phase-in plan, which increases by 16.66% each year. FY27 will result in 100% funding of (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY26.

6. HB96, the current state biennium budget also enacted a new provision called "Piggyback Property Tax Exemptions". This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Current Homestead and 2.5% owner occupied credits are reimbursed to the district from the state of Ohio. These "Piggyback Property Tax Exemptions" would NOT be reimbursed. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district if our County Commissioners implement this. This new law creates a potential risk to our local tax collections.

7. Income tax is a large revenue source for the district. Revenues from the first income tax payment was lower than anticipated in the May forecast. We will monitor the income tax revenue very closely for any positive or negative changes that may occur in the forecast period.

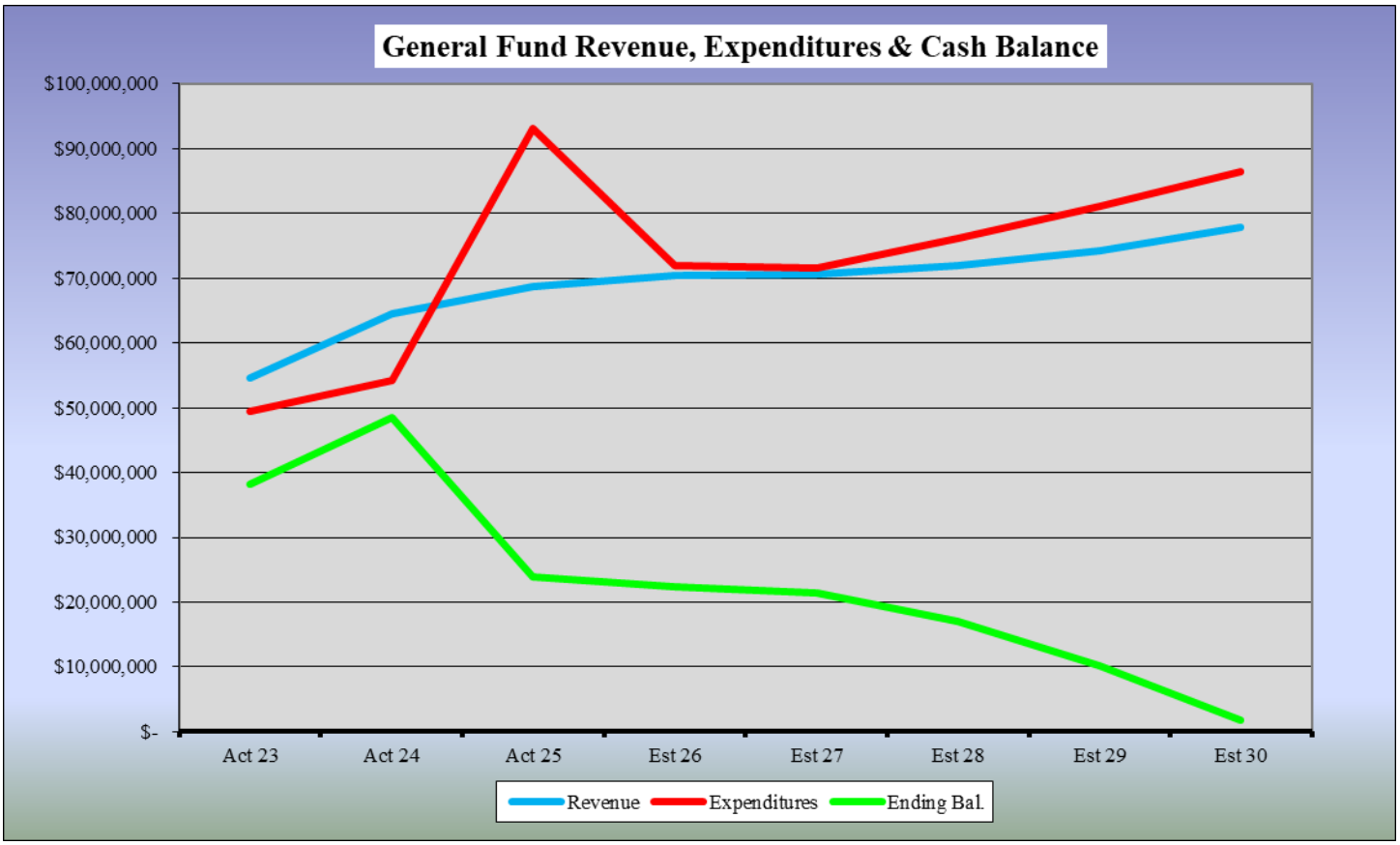
8. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the extreme resource challenges today. Our positive working relationship will continue and grow stronger as we move forward.

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 to the forecast. It should be of assistance to the reader to

review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Richard D. Jones, Treasurer/Chief Financial Officer.

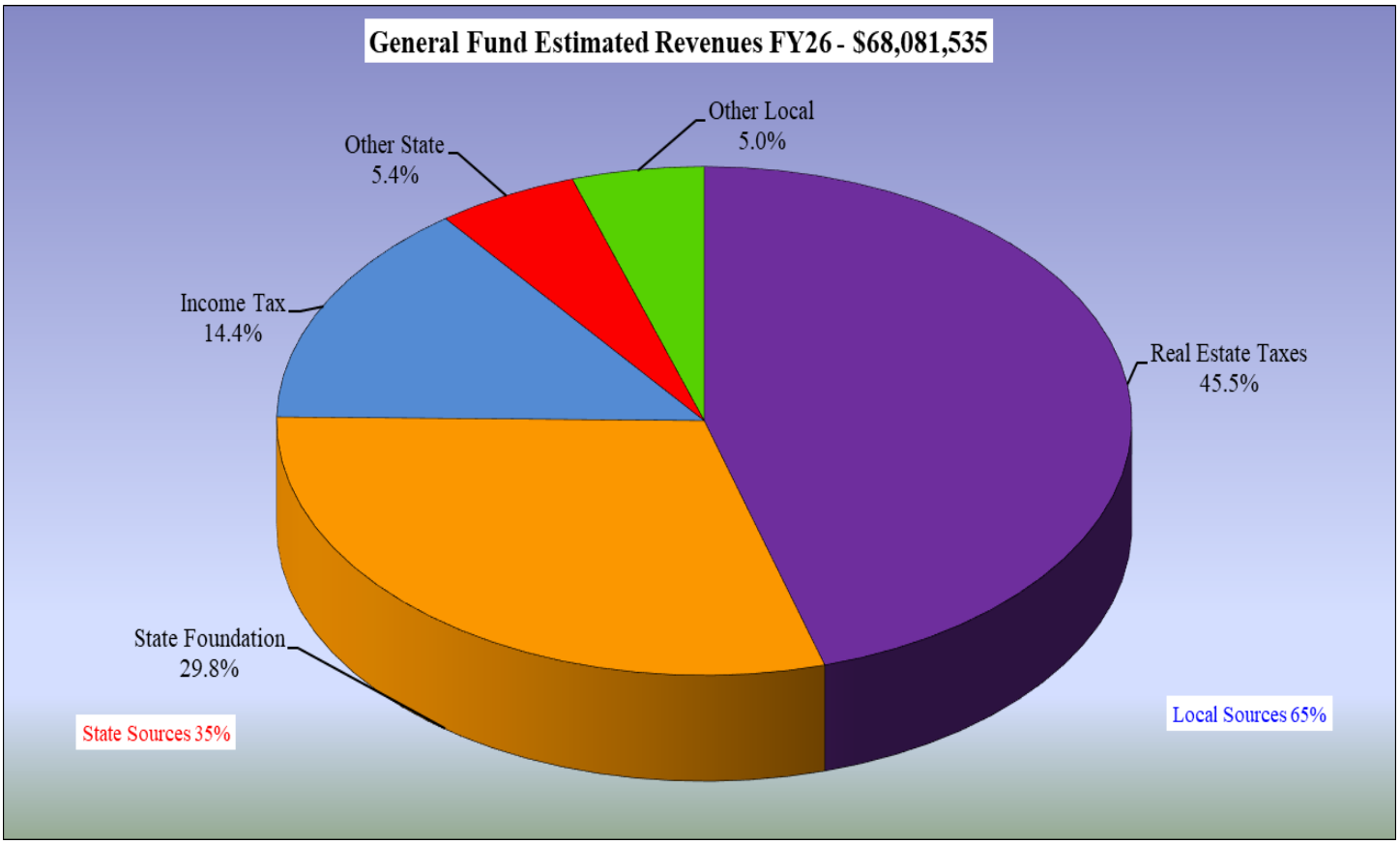
General Fund Revenue, Expenditures, and Ending Cash Balance Actual FY23-25 and Estimated FY26-30

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



Revenue Assumptions

Estimated General Fund Operating Revenue for FY26



General Property Tax and Property Value Assumptions (Real Estate) – Line # 1.010

Property Values are established each year by the County Auditors in Licking and Fairfield counties based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. There was a reappraisal completed in 2023 for the collection in 2024 in Licking County and a reappraisal update in 2022 for the collection in 2023 in Fairfield County. Class I, the residential/agricultural values, increased 40.19% or $322.3 million due to the Licking County reappraisal led by an improving housing market. There was a significant increase in the Class II commercial/industrial values of 114.2% or $134.5 million.

For the tax year 2024, residential property values were up by 2.36% or $32.44 million in assessed value, and commercial/industrial values decreased by $278 thousand. Overall values rose $38.22 million or 2.64%, including new construction for all property classes.

A reappraisal will occur for Fairfield County in 2025 for collection in 2026, for which we estimate a 0.63% increase in residential and a slight decrease for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase by $52.8 million or 3.75% overall.

Public Utility Personal Property (PUPP) values are anticipated to increase by $1.58 million in Tax Year 2025. We expect our values to continue to grow in each year of the forecast.

We have been conservative with any future value increases for reappraisal or updates due to uncertainty over pending legislative as noted in the Forecast Risks and Uncertainty above.

ESTIMATE D ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029	Estimated TAX YEAR 2029 COLLECT 2030
Res./Ag.	$1,191,021,882	$1,314,046,692	$1,344,421,057	$1,384,036,725	$1,526,823,236
Comm./Ind.	$270,793,988	$306,498,065	$329,886,412	$354,026,420	$398,251,198
Public Utility Personal Property (PUPP)	$77,913,832	$80,796,878	$83,696,840	$86,617,190	$89,560,702
Total Assessed Value	$1,539,729,702	$1,701,341,635	$1,758,004,309	$1,824,680,335	$2,014,635,136

Tax Rate Assumptions

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for "reduction factors" of all voted property tax levies to adjust the millage rates lower for the levy to not 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-voted rate for all general fund levies is 28.16 mills while the Class I effective millage rate is 23.46 mills and the Class II effective millage rate is 23.46 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the "20-Mill Floor". Currently, our district is on the floor for both Class I and Class II. Any emergency or substitute emergency levy that is voted on is not included in the 20-mill floor; the district has one (1) substitute levy of 3.46 mills that was voted on for an annual amount of $4,525,000 of taxes. This must be closely monitored due to potential HB96 veto overrides by the House and Senate which could change the 20-Mill Floor all the way through December 31, 2026.

Estimated Real Estate Tax - Line # 1.010

Source	FY26	FY27	FY28	FY29	FY30
General Property Taxes	$28,987,420	$31,690,418	$33,620,452	$34,838,555	$37,305,527

Property taxes levies are estimated to be collected at about 98.06% in February and 96.34% in August. This allows a 3.66% and 1.94% respective delinquency factor. In general, 57.44% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 42.56% collected in the August tax settlement. Property tax levies are estimated to be collected at about 97% of the annual amount. This allows a 3.0% delinquency factor. In general, 54.51% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 45.49% in the August tax settlement.

New Tax Levies – Line # 13.030

No new levies are modeled in this forecast.

Estimated Public Utility Personal Tax – Line # 1.020

The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted in the table above, which is expected to be $1.54 million in assessed values in 2025 and is collected at the district's full voted millage rate. Collections are estimated to be received 49.68% in the spring settlement and 50.32% in the fall settlement, along with the real estate settlements from the county auditor.

Source	FY26	FY27	FY28	FY29	FY30
Public Utility Personal Property	$1,960,408	$2,196,865	$2,267,705	$2,347,311	$2,417,913

School District Income Tax – Line # 1.030

The district had a .75% continuous income tax that has been effective since 1991. The income tax is estimated to produce $9.8 million in FY26. We are estimating a growth rate of 6.9% in FY27, 7.29% in FY27 and modest increases each year after.

Source	FY26	FY27	FY28	FY29	FY30
School District Income Tax	$9,487,235	$9,808,250	$10,488,389	$11,253,141	$12,131,841
Adjustments	$321,015	$680,139	$764,752	$878,700	$1,025,263
Total	$9,808,250	$10,488,389	$11,253,141	$12,131,841	$13,157,104

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

Current State Funding Model per HB96 through June 30, 2027

A) Unrestricted State Foundation Revenue – Line # 1.035

HB96, the current state budget, continued the Fair School Funding Plan for FY26 and FY27, which funds students where they are educated rather than where they live. We have projected FY26 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY26 and is expected to continue to be on the formula in FY27-FY30 on the Fair School Funding Plan (FSFP).

A detailed overview of how foundation funding is calculated including all of the HB96 changes on the Ohio Department of Education and Workforce is not available at this time. When a detailed analysis is available, please visit the Ohio Department of Education and Workforce at: https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding.

State Funding FY26-FY27

The Fair School Funding Plan was presented as a six (6) year phase-in plan, the state legislature approved the final two (2) years of the funding plan in HB96 phasing in funding at 83.33% in FY26 and then 100% in FY27. However, the legislature did not increase the funding base inputs from FY25. In other words, the legislature did not increase funding in the foundation formula. They did increase transportation funding's state share percentage to 45.83% in FY26, and 50% in FY27, which could increase funding, and they added three (3) Supplemental Payments outside the formula: a Base Funding Supplement, Enrollment Growth Supplement and Performance Supplement.

The Base Funding Supplement will be paid to all districts. The funding supplement per pupil is $27 in FY26 and $40 in FY27.

The Enrollment Growth Supplement is paid to eligible districts based on the current FY26 enrolled ADM multiplied by $225 per student, and in FY27 based on FY27 enrolled ADM multiplied by $250. To be eligible enrolled ADM growth between FY22 and FY25 must equal or exceed 5% growth, and FY27 enrolled ADM growth between FY23 and FY26 must equal or exceed 3%.

The Performance Supplement was included in HB96. The eligibility for the supplement payment uses data from the state report card for the 2024-2025 school year for FY26 and 2025-2026 school year for FY27; the payment will be a separate payment of $13 per pupil in FY26 and FY27. We will not know until later in FY26 if we will receive this additional funding.

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26, but still includes two (2) primary guarantees: 1) Temporary Transition Aid, and 2) Formula Transition Supplement. The

two (2) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY26 and FY27 than they received in FY21.

Future State Budget Projections beyond FY27:

Our funding status for FY28-FY30 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget processes; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative date to work with. For this reason, funding is held constant in the forecast for FY28 through FY30.

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.

In FY25, the funding totaled $114.30 million or $65.70 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1% annual growth rate for the remainder of the forecast.

Source	FY26	FY27	FY28	FY29	FY30
Basic Aid-Unrestricted	$17,320,023	$15,390,235	$13,897,095	$14,011,333	$14,011,333
Additional Aid Items *	$1,317,624	$1,091,167	$1,091,167	$1,091,167	$1,091,167
Basic Aid-Unrestricted Subtotal	$18,637,647	$16,481,402	$14,988,262	$15,102,500	$15,102,500
Ohio Casino Commission ODT	$335,000	$316,761	$329,637	$342,739	$356,070
Total Unrestricted State Aid	$18,972,647	$16,798,163	$15,317,899	$15,445,239	$15,458,570

B) Restricted State Revenues – Line # 1.040

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. The district has elected to also post Catastrophic (Threshold) Aid for special education as restricted revenues. We have estimated revenues for these new restricted funding lines using the most current funding factors available. For fiscal years 2026 and 2027, HB96 modifies how DPIA is calculated by factoring in both directly certified and economically disadvantaged students. The new formula modified the weight given to these student groups over the biennium. We will not see the specific impact of this until after this forecast period.

Source	FY26	FY27	FY28	FY29	FY30
Disadvantaged Pupil Impact Aid (DPIA)	$323,155	$323,155	$323,155	$323,155	$323,155
Career Tech	$124,959	$124,959	$106,002	$83,261	$83,261
ESL	$109,058	$109,058	$94,372	$74,126	$74,126
Gifted	$192,561	$192,561	$145,290	$111,882	$111,882
Student Wellness	$491,259	$491,259	$491,259	$491,259	$491,259
Threshold, SOR, and High Quality Instr. Mat. Sub	$58,900	$0	$0	$0	$0
Total Restricted State Revenues	$1,299,892	$1,240,992	$1,160,078	$1,083,683	$1,083,683

C) Restricted Federal Grants in Aid – Line # 1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues	FY26	FY27	FY28	FY29	FY30
Unrestricted	$18,972,647	$16,798,163	$15,317,899	$15,445,239	$15,458,570
Restricted	$1,299,892	$1,240,992	$1,160,078	$1,083,683	$1,083,683
Rest. Fed. Grants - SFSF & Ed Jobs	$0	$0	$0	$0	$0
Total State Foundation Revenue	$20,272,539	$18,039,155	$16,477,977	$16,528,922	$16,542,253

State Reimbursement for Property Tax Credits – Line # 1.050

a) 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. And Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled.

HB96, the current state biennium budget also enacted a new provision called "Piggyback Property Tax Exemptions". This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district if our County Commissioners implement this. This new law creates a potential risk to our local tax collections.

b) Tangible Personal Property Reimbursements – Fixed Rate

The district does not receive TPP Fixed Rate reimbursements.

Summary of State Reimbursement for Property Tax Credits – Line # 1.050

Source	FY26	FY27	FY28	FY29	FY30
State Share of Local Property Taxes	$3,649,268	$3,884,390	$4,101,347	$4,207,446	$4,464,297

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 open enrollment, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees.

Interest income is based on the district's cash balances. While interest income in FY26 should remain steady due to laddered investment strategies, expected Federal Reserve rate cuts will begin to have an impact on earnings in FY27 and future years. We will continue to monitor the investments for the district.

Source	FY26	FY27	FY28	FY29	FY30
Fees (1635, 1690, 1740, 1790, 1810)	$388,950	$392,840	$396,768	$400,736	$404,743
Interest (1410)	$1,728,600	$1,555,740	$1,400,166	$1,260,149	$1,134,134
Medicaid / Erate (4120)	$413,400	$409,266	$405,173	$401,121	$397,110
Tuitions (1211, 1221, 1223, 1232)	$798,600	$806,586	$814,652	$822,799	$831,027
Other Income and rentals	$74,100	$74,841	$75,589	$76,345	$77,108
Total Other Local Revenue	$3,403,650	$3,239,273	$3,092,348	$2,961,150	$2,844,122

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

There is no short-term borrowing planned for in this forecast at this time from any sources.

All Other Financial Sources – Line # 2.010 through Line # 2.060 & Line # 14.010

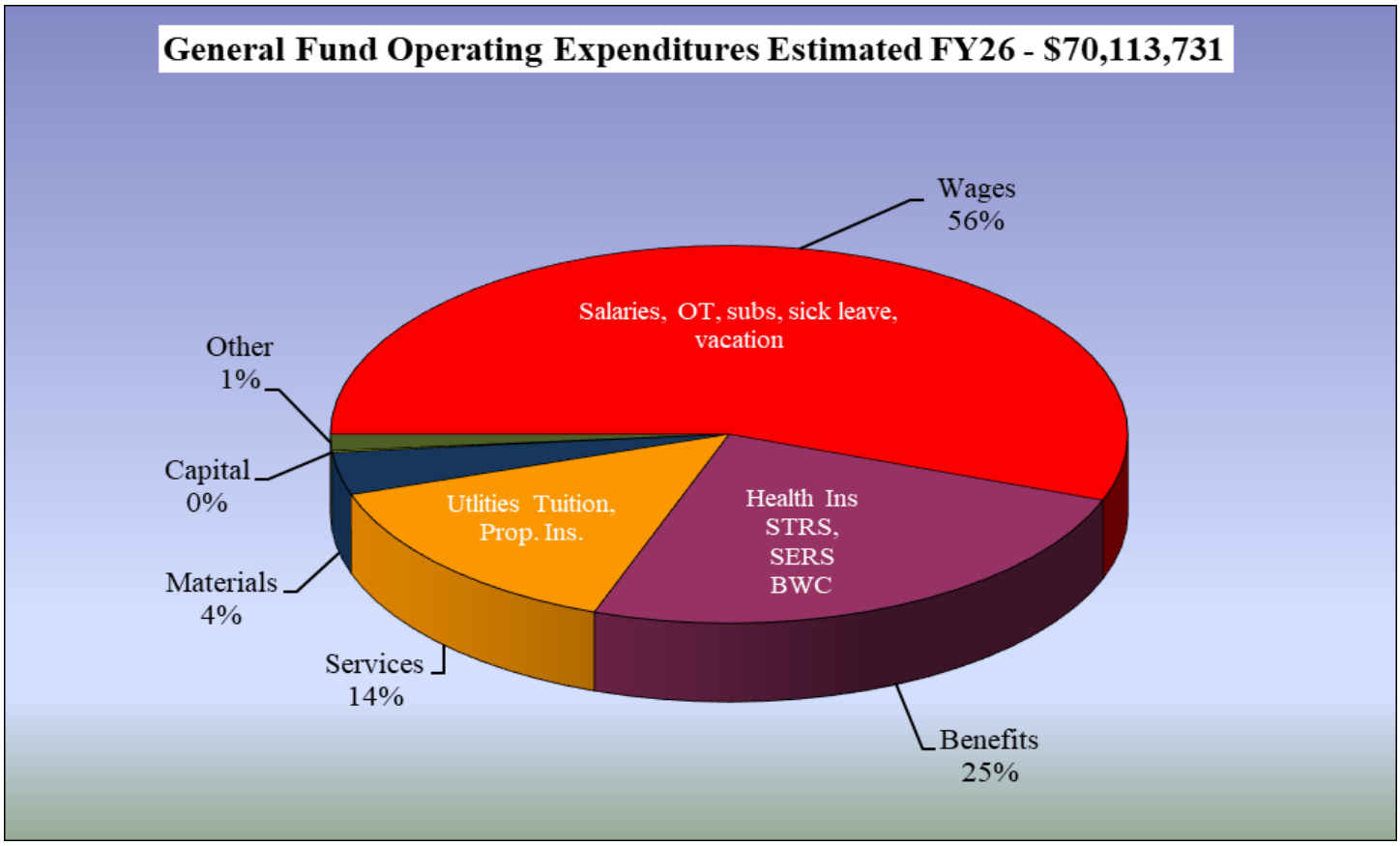
There is no short-term borrowing planned for in this forecast at this time. The other area in these lines is Refund of Prior year expenses which are for refunds that the district has received and is anticipating a similar amount each year.

Source	FY26	FY27	FY28	FY29	FY30
Rev. From State Advances	$0	$0	$0	$0	$0

Expenditures 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. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

Estimated Operating Expense Categories - General Fund FY26



Personnel Services – Employees' Salaries &Wages – Line # 3.010

The district is expecting a 6.79% increase in FY26, a 3% increase in FY26 and a 2% increase in the remaining years of the forecast. The district has included 2.5% for steps raises and other adjustments. There is also an increase each year for Substitute and Supplement wages from FY26 through FY30 consistent with the estimated raises. The district is also including additional staff to support the enrollment growth.

Source	FY26	FY27	FY28	FY29	FY30
Base Wages	$36,349,571	$38,348,847	$40,541,910	$42,842,999	$45,257,167
Steps	$908,789	$958,721	$1,013,548	$1,071,075	$1,131,429
One-time payment in lieu of base salary increase	$0	$0	$0	$0	$0
Growth	$0	$467,365	$476,703	$486,233	$495,951
Substitutes	$805,500	$829,665	$846,258	$863,183	$880,447
Supplementals	$981,104	$1,010,537	$1,030,748	$1,051,363	$1,072,390
Staff Reductions	$0	$0	$0	$0	$0
Total Wages	$39,044,964	$41,615,135	$43,909,167	$46,314,853	$48,837,384

Fringe Benefits Estimates - Line # 3.02

This area of the forecast captures all costs associated with benefits and retirement costs, with all except health insurance being directly related to the wages paid.

A) STRS/SERS

As the law requires, the BOE pays 14% of all employee wages to STRS or SERS. The district is also required to pay SERS Surcharge, an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance

The district in planning for a 13.8% increase in FY26 and 10.0% increases each additional year through FY30.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at less than 1% of wages FY26-FY30 which is in line with our recent trend. Unemployment Compensation has been negligible.

D) Medicare

Medicare will continue to increase at the rate of increase of wages. 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.

E) Other/Tuition

The district reimburses employees for the tuition to further their education to maintain licensure for teaching. The district does not anticipate any increase during the forecast.

Summary of Retirement/Insurance Benefits – Line # 3.020

Source	FY26	FY27	FY28	FY29	FY30
A) STRS/SERS	$6,190,891	$6,242,270	$6,586,374	$6,947,228	$7,325,608
B) Insurance's	$10,239,980	$11,761,787	$13,435,778	$15,277,170	$17,302,700
C) Workers Comp/Unemployment	$112,671	$120,671	$127,323	$134,299	$141,613
D) Medicare	$563,377	$603,420	$636,683	$671,565	$708,142
Other/Tuition/Social Security	$276,372	$276,372	$276,372	$276,372	$276,372
Total Fringe Benefits	$17,383,291	$19,004,520	$21,062,530	$23,306,634	$25,754,435

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 has been adjusted based on historical trends. An average increase of 3% is projected in this area for the forecasted period.

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Professional & Technical Services, ESC	$5,415,282	$2,220,362	$2,186,973	$2,252,582	$2,320,160
Maintenance, Insurance & Garbage Removal	$578,600	$595,958	$613,837	$632,252	$651,219
Professional Development	$79,940	$82,338	$84,808	$87,353	$89,973
Communications, Postage, & Telephone	$351,700	$362,251	$373,119	$384,312	$395,841
Utilities	$1,384,900	$1,426,447	$1,469,240	$1,513,318	$1,558,717
Contracted Trades & Services	$7,400	$7,622	$7,851	$8,086	$8,329
Tuition, Excess Costs & Scholarship Costs	$1,410,200	$1,452,506	$1,496,081	$1,540,964	$1,587,193
College Credit Plus	$119,626	$123,215	$126,911	$130,719	$134,640
Contract Transportation	$98,300	$101,249	$104,286	$107,415	$110,638
Miscellaneous Purchased Services	$598,138	$616,082	$634,565	$653,602	$673,210
Budget Reserves or (Reductions)	$0	$0	$0	$0	$0
Total Purchased Services	$10,044,086	$6,988,030	$7,097,671	$7,310,602	$7,529,920

Supplies and Materials – Line # 3.040

Expenses which include curricular supplies, testing supplies, copy paper, maintenance, custodial supplies and materials, bus fuel, etc.

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Supplies (51x, 590)	$1,023,105	$1,023,105	$1,023,105	$1,023,105	$1,023,105
Textbooks (52x)	$708,038	$250,000	$252,500	$255,025	$257,575
Building Maintenance (57x)	$302,700	$305,727	$308,784	$311,872	$314,991
Transportation (58x)	$525,400	$530,654	$535,961	$541,321	$546,734
Total Supplies	$2,559,243	$2,109,486	$2,120,350	$2,131,323	$2,142,405

Capital Outlay – Line # 3.050

The district does not anticipate costs increasing significantly in this line because the Permanent Improvement Fund pays most capital outlay.

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Capital Outlay	$96,620	$50,000	$50,000	$50,000	$50,000
Replacement Bus Purchases	$0	$0	$0	$0	$0
Budget Reserve	$0	$0	$0	$0	$0
Total Equipment	$96,620	$50,000	$50,000	$50,000	$50,000

Other Expenses – Line # 4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. A rate of 3% increase is projected for Auditor and Treasurer fees.

Source	FY 26	FY 27	FY 28	FY 29	FY 30
County Auditor / Treasurer & Income Tax Fees	$567,700	$584,731	$602,273	$620,341	$638,951
County ESC	$3,500	$3,605	$3,713	$3,824	$3,939
Other expenses	$402,535	$414,611	$427,049	$439,860	$453,056
Increased A&T Fees for New Levies	$0	$0	$0	$0	$0
Total Other Expenses	$973,735	$1,002,947	$1,033,035	$1,064,025	$1,095,946

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.

Source	FY26	FY27	FY28	FY29	FY30
Operating Transfers Out	$1,792,604	$891,253	$909,078	$927,260	$945,805
Advances Out	$67,500	$0	$0	$0	$0
Total Transfer & Advances Out	$1,860,104	$891,253	$909,078	$927,260	$945,805

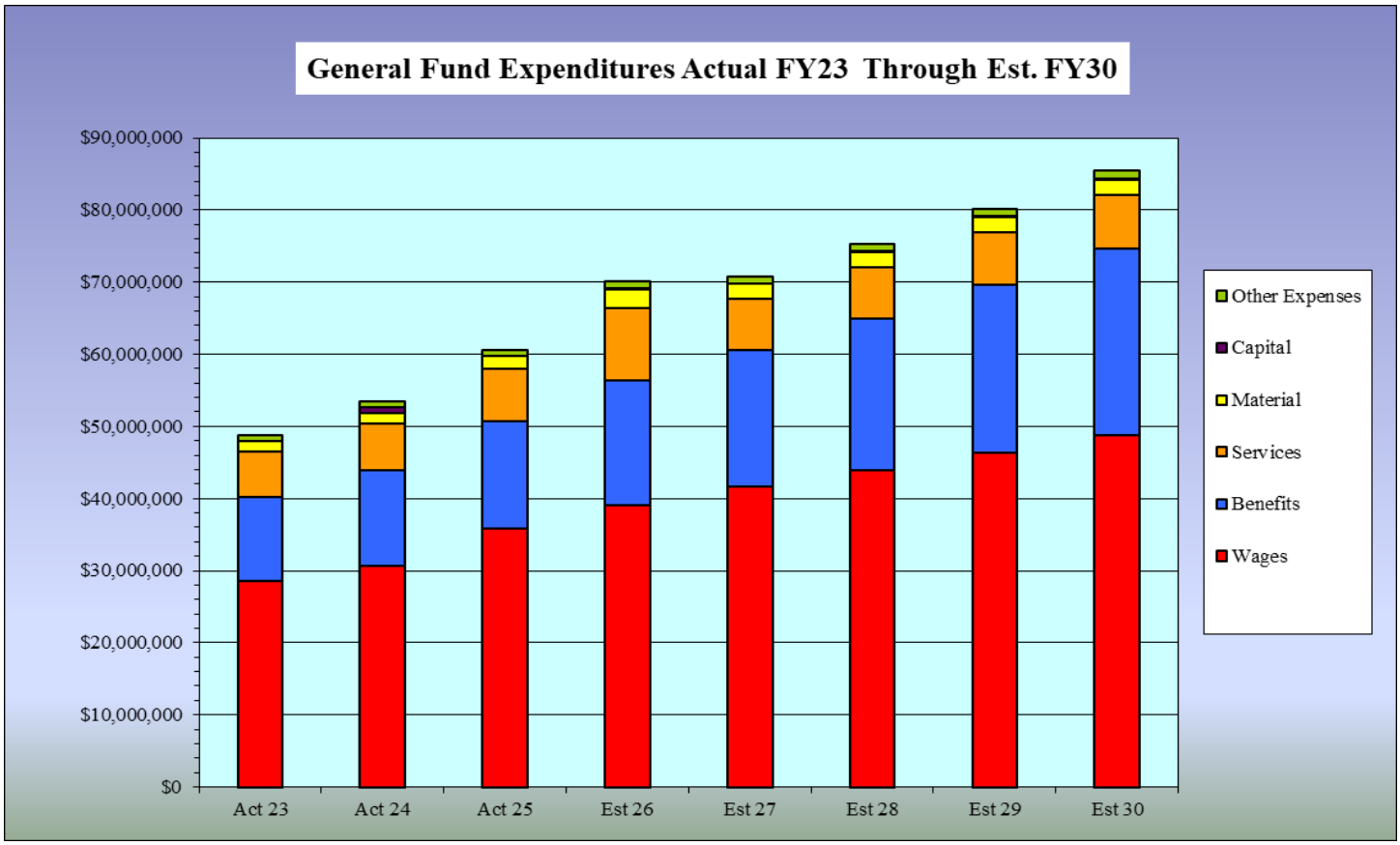
Encumbrances – Line # 8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

Source	FY26	FY27	FY28	FY29	FY30
Estimated Encumbrances	$0	$0	$0	$0	$0

Operating Expenditures Actual FY23 through FY25 and Estimated FY26-FY30

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.



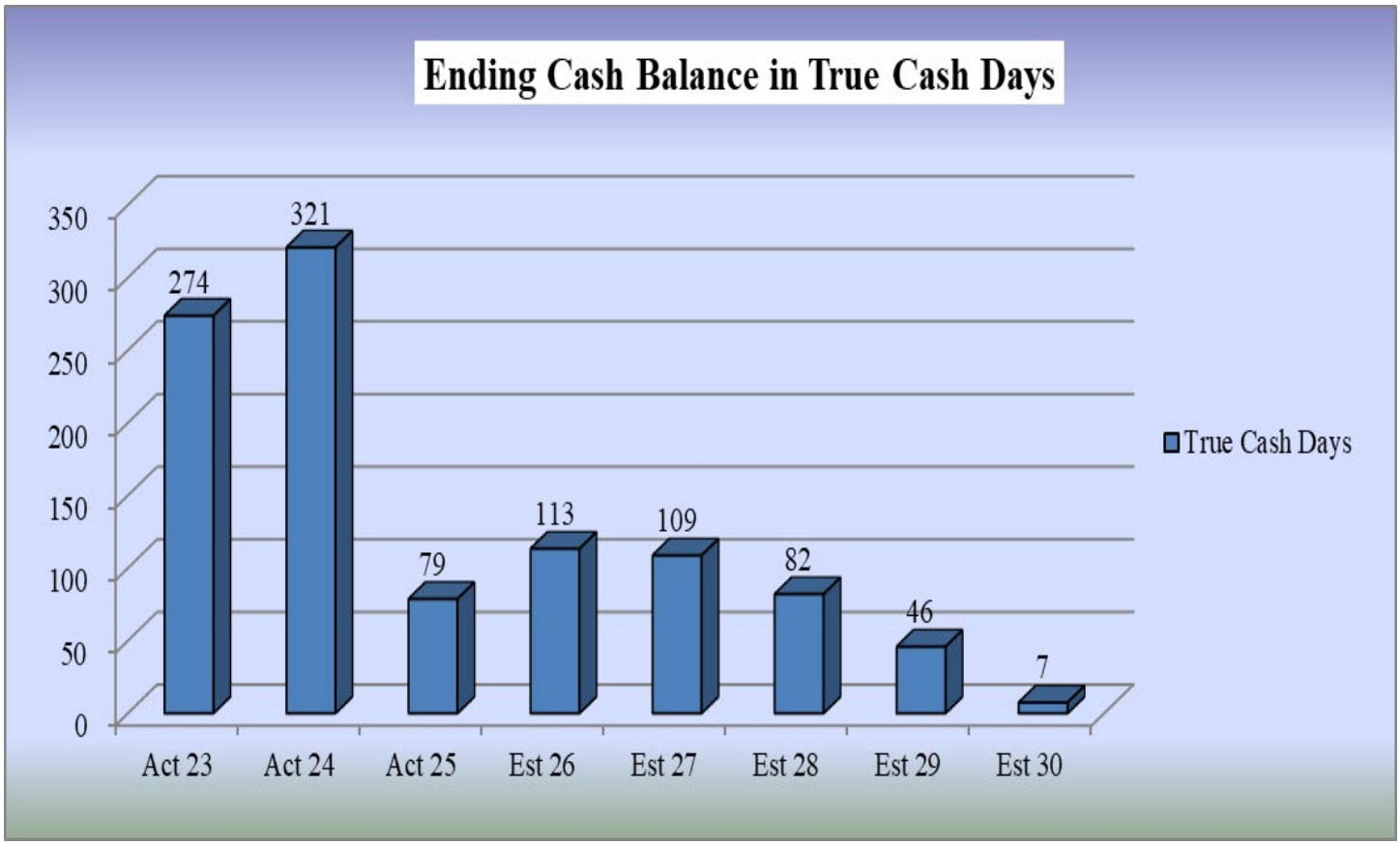
Ending Unencumbered Cash Balance "The Bottom-line" – Line # 15.010

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 which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000, unless the new alternative 412 certificate can be issued pursuant to HB153 effective after September 30, 2011.

Source	FY26	FY27	FY28	FY29	FY30
Ending Unencumbered Cash Balance	$22,860,870	$22,163,709	$18,013,002	$11,021,012	$2,362,303

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 365 (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 recommends that no less than two (2) months or 60 days of cash is on hand at year-end. Still, it could be more depending 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.



As you read through the notes and review the forecast, remember that the forecast is based on the best information available to us when the forecast is prepared.