

FAIRLESS LOCAL SCHOOL DISTRICT - STARK 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
Fairless Local School District
Treasurer's Office
Mark Phillips, Treasurer/CFO

September 16, 2025

Fairless Local School District

Stark 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				Average Change	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025			Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Revenues										
1.010	General Property Tax (Real Estate)	\$6,070,583	\$6,215,903	\$7,406,469	10.8%	\$8,471,675	\$7,797,457	\$7,332,471	\$7,475,147	\$7,497,570
1.020	Public Utility Personal Property Tax	\$2,848,188	\$2,960,594	\$2,866,667	0.4%	\$2,750,776	\$2,474,411	\$2,353,006	\$2,299,266	\$2,247,138
1.030	Income Tax	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
1.035	Unrestricted State Grants-in-Aid	\$8,275,079	\$8,223,889	\$8,333,660	0.4%	\$8,542,450	\$8,656,875	\$8,257,807	\$7,858,752	\$7,459,697
1.040	Restricted State Grants-in-Aid	\$432,461	\$456,322	\$390,442	-4.5%	\$285,333	\$267,641	\$267,641	\$267,641	\$267,641
1.045	Restricted Federal Grants-in-Aid	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
1.050	State Reimbursement for Property Tax Credits	\$896,434	\$909,390	\$1,038,336	7.8%	\$1,046,226	\$914,521	\$851,847	\$870,155	\$871,960
1.060	All Other Revenues	\$1,436,059	\$1,800,477	\$1,863,833	14.4%	\$1,777,521	\$1,500,717	\$1,450,717	\$1,405,717	\$1,365,217
1.070	<i>Total Revenues</i>	\$19,958,804	\$20,566,575	\$21,899,407	4.8%	\$22,873,981	\$21,611,622	\$20,513,489	\$20,176,678	\$19,709,223
Other Financing Sources										
2.010	Proceeds from Sale of Notes	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.020	State Emergency Loans	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.040	Operating Transfers-In	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.050	Advances-In	\$1,837,661	\$2,371,833	\$302,948	-29.1%	\$0	\$0	\$0	\$0	\$0
2.060	All Other Financing Sources	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.070	<i>Total Other Financing Sources</i>	\$1,837,661	\$2,371,833	\$302,948	-29.1%	\$0	\$0	\$0	\$0	\$0
2.080	<i>Total Revenues and Other Financing Sources</i>	\$21,796,465	\$22,938,408	\$22,202,355	1.0%	\$22,873,981	\$21,611,622	\$20,513,489	\$20,176,678	\$19,709,223
Expenditures										
3.010	Personal Services	\$8,282,517	\$9,592,506	\$9,899,664	9.5%	\$9,859,062	\$10,278,361	\$10,527,580	\$10,878,410	\$11,241,183
3.020	Employees' Retirement/Insurance Benefits	\$4,304,329	\$4,960,753	\$5,165,981	9.7%	\$5,117,941	\$5,668,081	\$6,065,167	\$6,497,942	\$6,968,336
3.030	Purchased Services	\$2,929,478	\$2,763,997	\$3,065,600	2.6%	\$3,130,516	\$3,189,354	\$3,283,246	\$3,379,955	\$3,479,564
3.040	Supplies and Materials	\$931,929	\$914,433	\$939,424	0.4%	\$907,607	\$934,834	\$962,879	\$991,765	\$1,021,517
3.050	Capital Outlay	\$277,761	\$863,021	\$137,102	63.3%	\$337,102	\$337,102	\$337,102	\$337,102	\$337,102
3.060	Intergovernmental	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
Debt Service:										
4.010	Principal-All (Historical Only)	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.020	Principal-Notes	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.030	Principal-State Loans	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.040	Principal-State Advancements	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.050	Principal-HB 264 Loans	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.055	Principal-Other	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.060	Interest and Fiscal Charges	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.300	Other Objects	\$421,180	\$408,583	\$366,876	-6.6%	\$377,653	\$388,850	\$400,485	\$412,577	\$425,148
4.500	<i>Total Expenditures</i>	\$17,147,194	\$19,503,293	\$19,574,647	7.1%	\$19,729,881	\$20,796,582	\$21,576,459	\$22,497,751	\$23,472,850
Other Financing Uses										
5.010	Operating Transfers-Out	\$13,374	\$1,300,000	\$8,700,000	5094.8%	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
5.020	Advances-Out	\$2,371,833	\$302,948	\$0	-93.6%	\$0	\$0	\$0	\$0	\$0
5.030	All Other Financing Uses	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
5.040	<i>Total Other Financing Uses</i>	\$2,385,207	\$1,602,948	\$8,700,000	205.0%	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
5.050	<i>Total Expenditures and Other Financing Uses</i>	\$19,532,401	\$21,106,241	\$28,274,647	21.0%	\$20,479,881	\$21,546,582	\$22,326,459	\$23,247,751	\$24,222,850
6.010	<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses</i>	\$2,264,064	\$1,832,167	-\$6,072,292	-225.3%	\$2,394,100	\$65,040	(\$1,812,970)	(\$3,071,073)	(\$4,513,627)
Cash Balance July 1 - Excluding Proposed										
7.010	Renewal/Replacement and New Levies	\$7,980,955	\$10,245,019	\$12,077,186	23.1%	\$6,004,894	\$8,398,994	\$8,464,035	\$6,651,064	\$3,579,991
7.020	<i>Cash Balance June 30</i>	\$10,245,019	\$12,077,186	\$6,004,894	-16.2%	\$8,398,994	\$8,464,035	\$6,651,064	\$3,579,991	(\$933,636)
8.010	<i>Estimated Encumbrances June 30</i>	\$1,631,715	\$1,933,455	\$2,365,397	20.4%	\$2,365,397	\$2,365,397	\$2,365,397	\$2,365,397	\$2,365,397
Reservation of Fund Balance										
9.010	Textbooks and Instructional Materials	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.020	Capital Improvements	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.030	Budget Reserve	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.040	DPLA	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.045	Fiscal Stabilization	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.050	Debt Service	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.060	Property Tax Advances	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.070	Bus Purchases	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.080	<i>Subtotal Reservations of fund Balance</i>	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0

Fairless Local School District

Stark 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				Average Change	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025			Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
<i>Fund Balance June 30 for Certification of</i>										
10.010 <i>Appropriations</i>	\$8,613,304	\$10,143,731	\$3,639,497	-23.2%	\$6,033,597	\$6,098,638	\$4,285,667	\$1,214,594	(\$3,299,033)	
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	
11.020 Property Tax - Renewal or Replacement	\$0	\$0	\$0	0.0%	\$0	\$885,027	\$1,722,676	\$1,722,676	\$1,722,676	
11.300 Cumulative Balance of Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$885,027	\$2,607,703	\$4,330,379	\$6,053,055	
<i>Fund Balance June 30 for Certification of</i>										
<i>Contracts, Salary Schedules and Other</i>										
12.010 <i>Obligations</i>	\$8,613,304	\$10,143,731	\$3,639,497	-23.2%	\$6,033,597	\$6,983,665	\$6,893,370	\$5,544,973	\$2,754,022	
Revenue from New Levies										
13.010 Income Tax - New	0	0	0	0.0%	\$0	\$0	\$0	\$0	\$0	
13.020 Property Tax - New	0	0	0	0.0%	\$0	\$0	\$0	\$0	\$0	
13.030 Cumulative Balance of New Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	
14.010 Revenue from Future State Advancements				0.0%	\$0	\$0	\$0	\$0	\$0	
15.010 <i>Unreserved Fund Balance June 30</i>	\$8,613,304	\$10,143,731	\$3,639,497	-23.2%	\$6,033,597	\$6,983,665	\$6,893,370	\$5,544,973	\$2,754,022	
ADM Forecasts										
20.010 Kindergarten - October Count	98	102	82		90	92	93	91	98	
20.015 Grades 1-12 - October Count	1,146	1,116	1,122		1,108	1,122	1,119	1,093	1,100	

Fairless Local School District – Stark County
Notes to the Five-Year Forecast
General Fund Only
September 16, 2025

Introduction to the Five-Year 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), tax levies (new/renewal/replacement), salary increases, enrollment variances, or 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 a five-year period. Our district leadership believes that the five-year 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 five-year 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/CFO 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 1 to June 30) the financial forecast must be filed by October 15, and the end of February. The filing deadlines will change in fiscal year 2027 to August 31, 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 five-year 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 is for 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 five-year 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 five-year 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 second largest single revenue source for the school system. The housing market in our district is stable. 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 56.83% of the district's resources. The district is at the 20-mill floor for residential and commercial property so increases due to reappraisals or updates will result in additional tax collections. New construction will increase annual revenue for all classes of property and we have projected historic trends for new commercial construction in addition to housing developments. We believe there is a low risk that local collections will fall below projections throughout the forecast, unless there are legislative changes that would modify the 20-mill floor.
- 2) A sexennial reappraisal occurred in Stark County in 2024 for collection in 2025 and a triennial update will occur for Tuscarawas County in tax year 2025 for collection in 2026. We anticipate value increases for Class I and II property for both the update and reappraisal. There is, however, always a minor risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that at this time.
- 3) The district has received increases in Public Utility Personal Property (PUPP) for the Rover natural gas pipeline that runs through Tuscarawas and Stark Counties. The total value for tax year 2023 is over \$126 million; however, only a portion of the total value is used for forecasting since the company has filed a tax appeal on the values. On August 13, 2025, the Ohio Supreme Court upheld a 2024 state Board of Tax Appeals decision on the pipeline's public utility property tax valuation. The board determined the Ohio portion was valued at nearly \$3.67 billion for the 2019 tax year, when the company began its appeal. Unfortunately, the district does not have definitive guidance as to how this ruling will affect future Rover tax payments.
- 4) 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 district 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 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, 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

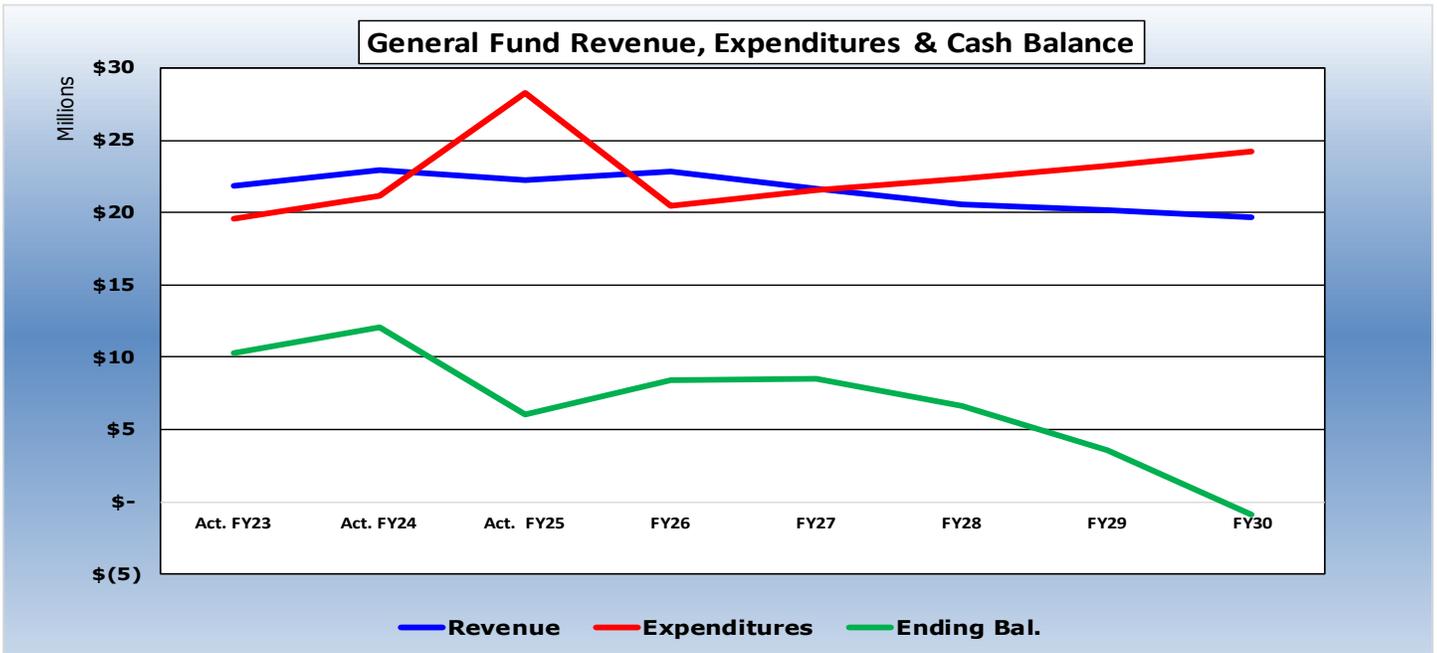
The legislature has introduced several other bills that would limit real estate tax growth or eliminate real estate tax collections completely. Many of these bills are still in committee. We are watching legislation closely for any impact on our local revenues.

- 5) The state budget represented 43.17% of district revenues, which means legislated changes to the budget are a potential significant risk to overall total revenue. Future risk comes in FY28 and beyond if the state economy stalls due to a possible recession and Fair School Funding Plan is not 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 to align with the FY27 funding levels through FY30 less \$400,000 in future years to be conservative in case the guarantee is eliminated. We will adjust the forecast in future years as we have data to make an informed decision.
- 6) 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 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 July #2 settlement report published by the Department of Education and Workforce for our forecasted revenues in FY26.
- 7) 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 from current operating levies, if our County Commissioners implement this. This new law creates a potential risk to our local tax collections.

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 back to the forecast. It should assist the reader in reviewing the assumptions noted below to understand the overall financial forecast for our district. If you want further information, please contact Mark Phillips, Treasurer/CFO.

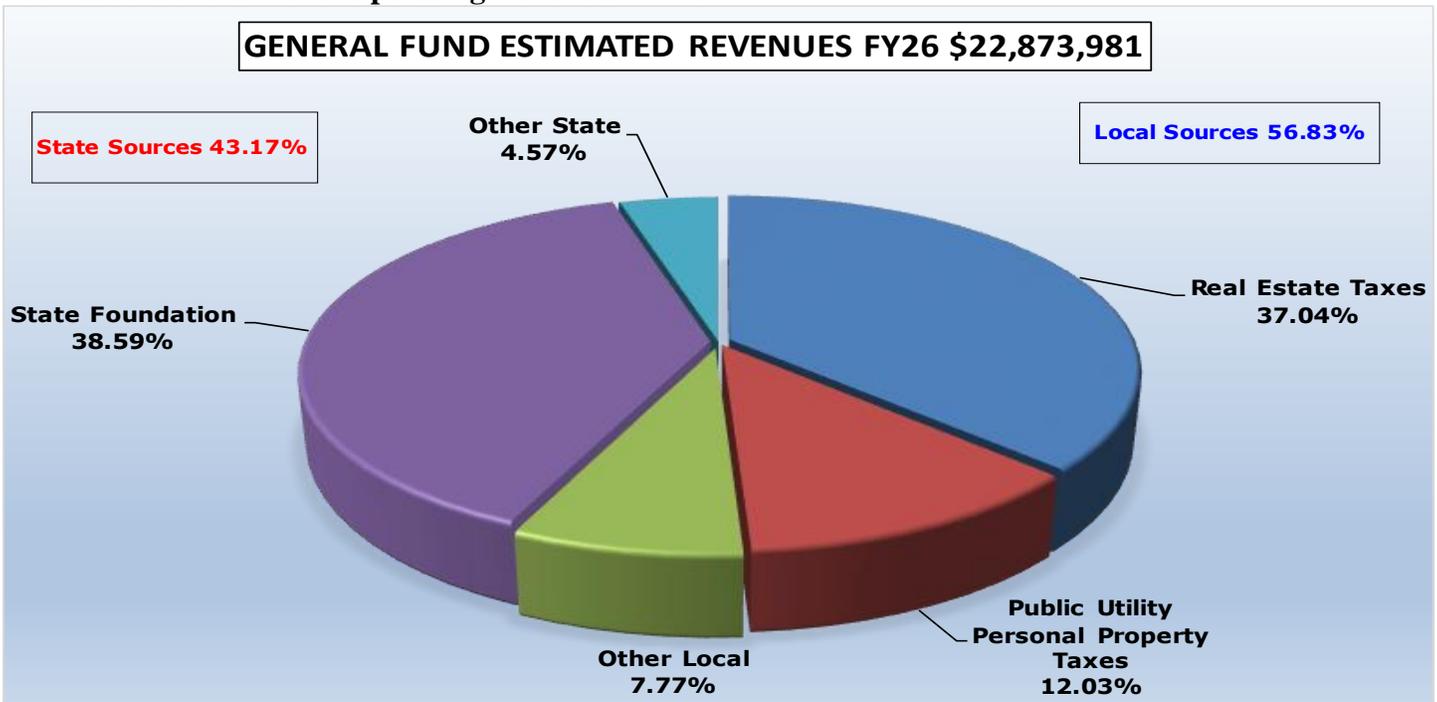
General Fund Revenue, Expenditures and Ending Cash Balance Actual FY23-25 and Estimated FY26-30

The graph below captures in one snapshot the operating scenario facing the district over the next few years without the levy renewal.



Revenue Assumptions

Estimated General Fund Operating Revenues FY26



Property Valuation Assumptions

Property Values are established annually by the County Auditor based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. Our district has assessed property value in Stark and Tuscarawas counties; however, the counties are not on the same reappraisal/update cycle. Tuscarawas County experienced a full reappraisal in Tax Year 2022 for collection in 2023 and Stark County experienced the full reappraisal in 2024 for collection in 2025. The 2022 Tuscarawas County reappraisal resulted in an increase of \$2.3 million or 1.01% to Residential/Agriculture property (Class I) and an increase of \$613 thousand or 1.4%

to Commercial/Industrial property (Class II). The 2024 Stark County reappraisal increased Class I values by \$94.62 million or 40% and Class II values by \$20.05 million or 41.18%.

Tuscarawas County will experience a reappraisal update in 2025 for collection in 2026. We are forecasting a 25% increase in Class I values and a 1% increase in Class II values. The next Stark County appraisal update will be in 2027 for collection in 2028. We have forecasted a 4% increase for Class I values and a 3% increase in Class II values.

Public Utility Personal Property (PUPP) values change annually as the values are set by the Ohio Department of Taxation, not the County Auditors, which make them more difficult to forecast. PUPP values decreased by \$1.79 million in Tax Year 2024. We expect our overall values to decrease due to the annual depreciation of the pipeline, we anticipate a nominal increase from other public utilities. Due to Rover pipeline disputing the taxable valuation, they are currently paying at a tender rate, or the rate they believe it should be. The values that are shown in the table below are based on the tender rate instead of the full value which is \$123.9 million for tax year 2024 in an effort not to overinflate assumed collections in forecasted years. The Ohio Supreme Court has determined the values established by the state board of tax appeals are correct, so the district should see increased payments for delinquent taxes and corrected values in future years, however, we have not been informed as to when those amounts will be paid to the district.

Due to the uncertainty of pending property tax legislation as noted in the Forecast Risks and Uncertainty above, we are forecasting minimal increased in reappraisal and update values.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

<u>Classification</u>	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2025 COLLECT 2026	TAX YEAR 2026 COLLECT 2027	TAX YEAR 2027 COLLECT 2028	TAX YEAR 2028 COLLECT 2029	TAX YEAR 2029 COLLECT 2030
Res./Ag.	\$331,082,722	\$331,702,722	\$345,441,300	\$346,255,956	\$346,875,956
Comm./Ind.	70,530,918	71,005,918	73,536,028	74,088,770	74,563,770
Public Utility Personal Property (PUPP)	<u>72,755,038</u>	<u>71,072,387</u>	<u>69,440,215</u>	<u>67,857,009</u>	<u>66,321,298</u>
Total Assessed Value	<u>\$474,368,678</u>	<u>\$473,781,027</u>	<u>\$488,417,543</u>	<u>\$488,201,735</u>	<u>\$487,761,025</u>

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” which adjust levy millage rates lower to offset inflationary property value increases so the district only receives taxes equal to the amount when the levy was originally passed. The reduction factors are applied separately to Residential/Agriculture property (Class I) and Commercial/Industrial property (Class II) resulting in different effective millage rates. The district-voted rate for all general fund levies is 33.7 mills while the Class I and the Class II effective millage rate is 20.00 mills. Ohio law has a provision that limits reduction factors so the total millage rate for each class cannot drop below 20 mills (excluding emergency and substitute emergency levies), including both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is on the 20-mill 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 substitute emergency levy of 3.9 mills that was voted to collect \$1,773,760 of taxes annually. This must be closely monitored due to potential veto overrides in the House and Senate.

General Property Tax (Real Estate) – Line #1.010

Property tax levies are estimated to be collected at 96.96% of the annual amount. This allows 3.43% delinquency factor. In general, 54.02% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 45.98% in the August tax settlement.

ESTIMATED REAL ESTATE TAX (Line #1.010)

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Est. Real Estate Taxes	\$8,471,675	\$7,797,457	\$7,332,471	\$7,475,147	\$7,497,570
Total Line #1.01 Real Estate Taxes	<u>\$8,471,675</u>	<u>\$7,797,457</u>	<u>\$7,332,471</u>	<u>\$7,475,147</u>	<u>\$7,497,570</u>

Estimated Public Utility Personal Property Tax (PUPP) – Line #1.020

The amounts below are public utility personal property (PUPP) tax payments from public utilities. Collections are typically 76.60% in February and 23.40% in August.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Total PUPP Tax Line #1.020	<u>\$2,750,776</u>	<u>\$2,474,411</u>	<u>\$2,353,006</u>	<u>\$2,299,266</u>	<u>\$2,247,138</u>

Renewal & Replacement Levies – Line #11.020

Renewal levies are shown separately on the forecast until they are approved by the voters. The substitute emergency levy will need to be renewed by December 31, 2026, in order to continue to collect the taxes.

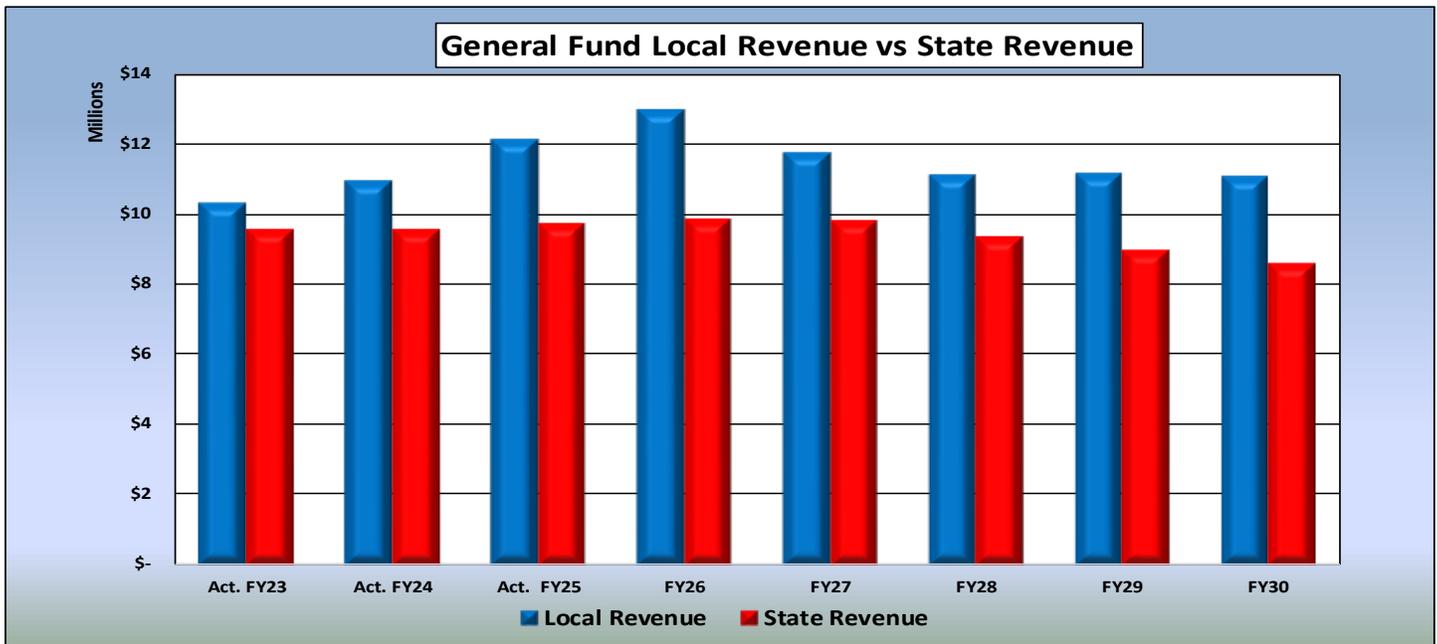
<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Substitute Emergency Levy expires 12/31/26	\$0	\$885,027	\$1,722,676	\$1,722,676	\$1,722,676
Total Line #11.020	<u>\$0</u>	<u>\$885,027</u>	<u>\$1,722,676</u>	<u>\$1,722,676</u>	<u>\$1,722,676</u>

New Tax Levies – Line #13.030

No new levies are modeled in the forecast at this time.

Comparison of Local Revenue and State Revenue:

The following graph clearly shows revenue stagnation at best. Future increases in revenue will only come from local taxpayers.



**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 guarantee district in FY26 and is expected to remain on the guarantee in FY27-FY30.

HB96 included a base funding supplement for all districts. The funding supplement per pupil of \$27 in FY26 and \$40 in FY27.

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>.

A \$13 per pupil performance supplement was included in HB96. The eligibility for the supplement payment uses data from the 2024-2025 state report card for FY26 and 2025-2026 state report card for FY27. The district must wait for report card results to determine if we qualify for the performance supplement.

Future State Budget Projections beyond FY27

Our funding status for FY28-FY30 is dependent on two (2) unknown state budgets. It is uncertain if the current Fair School Funding Plan will be continued in future biennial budget processes. For this reason, we are reducing the amount of the guarantees in FY28 through FY30 by \$400,000 annually.

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 1.5% annual growth rate for the remainder of the forecast.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Basic Aid-Unrestricted	\$8,176,469	\$8,280,834	\$7,880,834	\$7,480,834	\$7,080,834
Additional Aid Items	<u>214,282</u>	<u>223,424</u>	<u>223,424</u>	<u>223,424</u>	<u>223,424</u>
Basic Aid-Unrestricted Subtotal	8,390,751	8,504,258	8,104,258	7,704,258	7,304,258
Catastrophic Aid	59,467	59,467	59,467	59,467	59,467
Ohio Casino Commission /Catastrophic Costs	<u>92,232</u>	<u>93,150</u>	<u>94,082</u>	<u>95,027</u>	<u>95,972</u>
Total Unrestricted State Aid Line #1.035	<u>\$8,542,450</u>	<u>\$8,656,875</u>	<u>\$8,257,807</u>	<u>\$7,858,752</u>	<u>\$7,459,697</u>

Restricted State Revenues – Line #1.040

HB96 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding), Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. 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.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
DPIA	\$117,452	\$115,202	\$115,202	\$115,202	\$115,202
Career Tech - Restricted	0	0	0	0	0
Gifted	42,283	27,772	27,772	27,772	27,772
ESL	1,619	689	689	689	689
Student Wellness	123,978	123,978	123,978	123,978	123,978
Other Restricted	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1.040	<u>\$285,333</u>	<u>\$267,641</u>	<u>\$267,641</u>	<u>\$267,641</u>	<u>\$267,641</u>

B) Restricted Federal Grants in Aid – Line #1.045

No federal unrestricted grants are projected within the forecast.

<u>SUMMARY</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Unrestricted Line #1.035	\$8,542,450	\$8,656,875	\$8,257,807	\$7,858,752	\$7,459,697
Restricted Line #1.040	285,333	267,641	267,641	267,641	267,641
Rest. Federal Funds #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$8,827,783</u>	<u>\$8,924,516</u>	<u>\$8,525,448</u>	<u>\$8,126,393</u>	<u>\$7,727,338</u>

State Share of Local Property Taxes – Line #1.050

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. 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% Rollback tax credit. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$324 thousand from current operating levies, if our County Commissioners implemented this.

Summary of State Tax Reimbursement – Line #1.050

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Total State Tax Reimbursements #1.050	<u>\$1,046,226</u>	<u>\$914,521</u>	<u>\$851,847</u>	<u>\$870,155</u>	<u>\$871,960</u>

Other Local Revenues – Line #1.060

The main sources of revenue in this area have been interest, tuition for court placed students, student fees, Manufactured Home taxes and general rental fees.

Interest income is based on the district’s cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. While interest income in FY26 should remain steady due to laddered investment strategies, the potential rate cuts will begin to have an impact on earnings later in FY26 and future years. We will continue to monitor the investments for the district.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Tuition Related Payments	\$434,617	\$434,617	\$434,617	\$434,617	\$434,617
Class & Sports Oriented Fees	7,737	7,737	7,737	7,737	7,737
Interest Earnings	776,804	500,000	450,000	405,000	364,500
Payments In Lieu of Taxes	9,196	9,196	9,196	9,196	9,196
Manufactured Home Taxes	141,336	141,336	141,336	141,336	141,336
Miscellaneous	<u>407,831</u>	<u>407,831</u>	<u>407,831</u>	<u>407,831</u>	<u>407,831</u>
Total Other Local Revenue Line #1.060	<u>\$1,777,521</u>	<u>\$1,500,717</u>	<u>\$1,450,717</u>	<u>\$1,405,717</u>	<u>\$1,365,217</u>

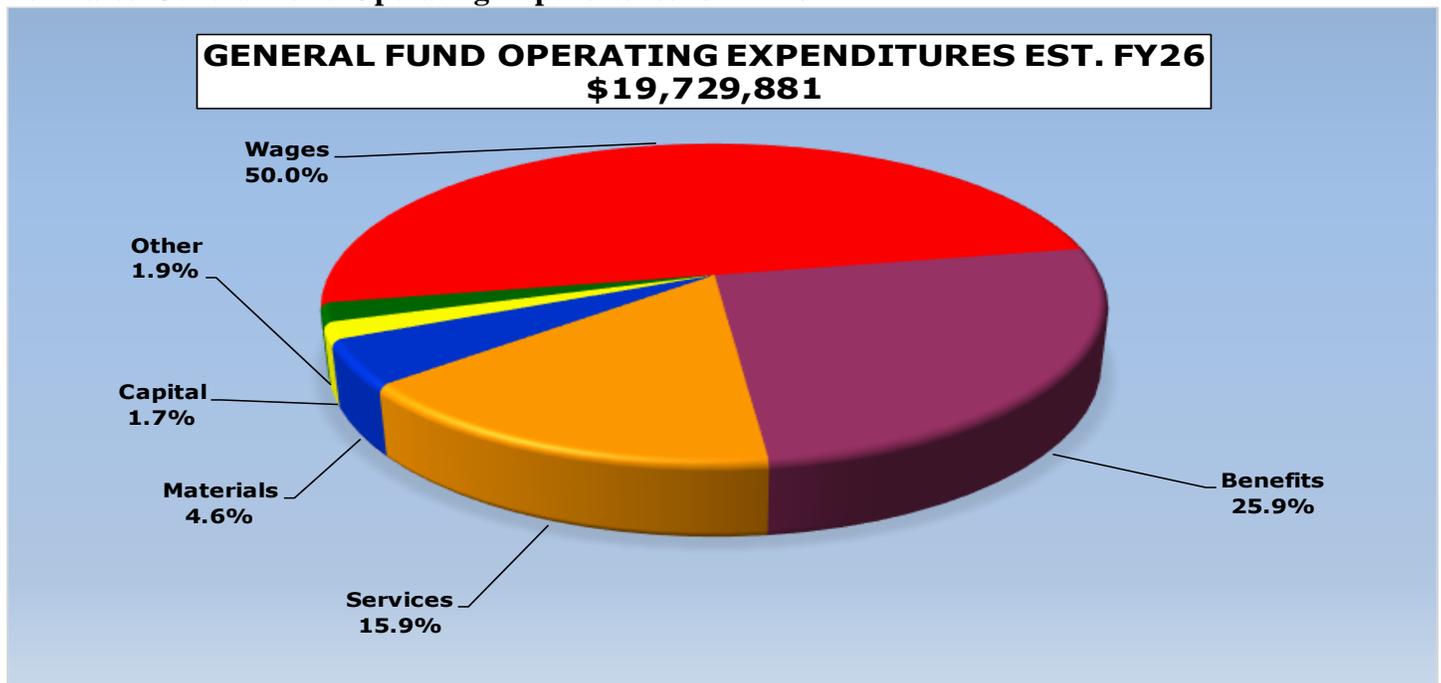
Transfers In / Return of Advances – Line #2.040 & Line #2.050

The district will return the amount that was advanced to federal grants at the end of FY24 and does not expect to advance any funds in future.

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

Estimated General Fund Operating Expenditures for FY26



Wages – Line #3.010

The forecast reflects 2.0% base pay increases, and step and academic training increases of 1.5% each year of the forecast. The district is providing a lump sum stipend of 1% in FY25 through FY30. As staff retire the district will evaluate the need of replacements and may not fill those position to realize reductions through attrition.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Base Wages	\$9,089,822	\$9,107,965	\$9,426,471	\$9,751,619	\$10,088,048
Based Pay Increase	181,796	182,159	188,529	195,032	201,761
Steps & Academic Training	136,347	136,347	136,619	141,397	146,274
Growth Staff	0	0	0	0	0
Lump Sum Stipend	94,080	94,265	97,516	100,880	104,361
Substitutes	116,612	116,612	116,612	116,612	116,612
Supplementals	530,405	541,013	551,833	562,870	574,127
Severance	10,000	100,000	10,000	10,000	10,000
SWSF & ESSER Adjustments	0	0	0	0	0
Other Adjustments/Reductions	<u>(300,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Wages Line #3.010	<u>\$9,859,062</u>	<u>\$10,278,361</u>	<u>\$10,527,580</u>	<u>\$10,878,410</u>	<u>\$11,241,183</u>

Fringe Benefits Estimates Line 3.02

This area of the forecast captures all costs associated with benefits and retirement, all of which are directly related to the wages paid with the exception of health and life insurance benefits.

A) STRS/SERS

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System (STRS) or the School Employees Retirement System (SERS) as required by Ohio law. In addition, the district pays to SERS the employee surcharge which is an additional amount required over the 14% to provide added funds SERS collects to supplement contributions on lower paid short hour classified staff so they can have a pension when they retire. The district provides additional pick-up on the pick-up of 7% of the employee's share of SERS and 6% pick-up on the pick-up for STRS for an average total of 22.5% for retirement.

B) Insurance

The district received an increase of 4.97% in FY26 with estimated increases of 10% for FY27-30 which reflects trend on our current employee census and claims data.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to remain at about 0.60% of wages. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully. Unemployment is likely to remain at a negligible level FY26-FY30. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all employees hired by the district on or after April 1, 1986.

E) Other/Tuition/Annuities

Tuition is based on the amount within the negotiated agreement and usage in previous years.

Summary of Fringe Benefits – Line #3.02

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
A) STRS/SERS	\$2,220,628	\$2,288,718	\$2,364,992	\$2,443,878	\$2,525,451
B) Insurance's	2,667,581	3,154,339	3,469,773	3,816,750	4,198,425
C) Workers Comp/Unemployment	63,715	52,927	54,691	56,516	58,402
D) Medicare	142,956	149,036	152,650	157,737	162,997
E) Other/Tuition/Annuities	<u>23,061</u>	<u>23,061</u>	<u>23,061</u>	<u>23,061</u>	<u>23,061</u>
Total Fringe Benefits Line #3.020	<u>\$5,117,941</u>	<u>\$5,668,081</u>	<u>\$6,065,167</u>	<u>\$6,497,942</u>	<u>\$6,968,336</u>

Purchased Services – Line #3.030

College Credit Plus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

We have incorporated a 3% increase for each area that remains in Purchase Services for FY26-FY30. In addition to the standard 3% increase, the district is anticipating that in FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio's electric generating capability. This charge will begin July 2025 and end June 2026. It is anticipated it will increase electric costs by 20% for just that twelve (12) month period.

The district will have a \$60,000 reduction to ESC services in FY26.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Professional & Technical Services, ESC	\$1,131,561	\$1,165,508	\$1,200,473	\$1,236,487	\$1,273,582
Maintenance, Insurance & Garbage Removal	285,036	293,587	302,395	311,467	320,811
Professional Development	70,555	72,672	74,852	77,098	79,411
Communications, Postage, & Telephone	47,770	49,203	50,679	52,199	53,765
Utilities	332,888	309,586	318,874	328,440	338,293
Contracted Trades & Services	0	0	0	0	0
Tuition & Excess Costs	1,079,046	1,111,417	1,144,760	1,179,103	1,214,476
College Credit Plus	81,430	83,873	86,389	88,981	91,650
Contract Transportation	42,591	43,869	45,185	46,541	47,937
Miscellaneous Purchased Services	<u>59,639</u>	<u>59,639</u>	<u>59,639</u>	<u>59,639</u>	<u>59,639</u>
Total Purchased Services Line #3.030	<u>\$3,130,516</u>	<u>\$3,189,354</u>	<u>\$3,283,246</u>	<u>\$3,379,955</u>	<u>\$3,479,564</u>

Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. The district is also reducing instructional supplies by \$60,000 in FY26 as part of a cost reduction plan.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
General Instructional & Office Supplies	\$496,382	\$511,273	\$526,611	\$542,409	\$558,681
Textbooks & Media Supplies	54,266	55,894	57,571	59,298	61,077
Facility Supplies & Materials	195,237	201,094	207,127	213,341	219,741
Transportation Fuel & Supplies	153,812	158,426	163,179	168,074	173,116
Food & Miscellaneous Supplies	<u>7,910</u>	<u>8,147</u>	<u>8,391</u>	<u>8,643</u>	<u>8,902</u>
Total Supplies Line #3.040	<u>\$907,607</u>	<u>\$934,834</u>	<u>\$962,879</u>	<u>\$991,765</u>	<u>\$1,021,517</u>

Equipment – Line #3.050

The district is forecasting capital outlay expenditures to remain consistent in future years.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Capital Outlay & Maintenance	\$91,087	\$91,087	\$91,087	\$91,087	\$91,087
Technology/Curriculum Purchases	46,015	46,015	46,015	46,015	46,015
Buses & Other Vehicles	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Total Equipment Line #3.050	<u>\$337,102</u>	<u>\$337,102</u>	<u>\$337,102</u>	<u>\$337,102</u>	<u>\$337,102</u>

Other Expenses – Line #4.300

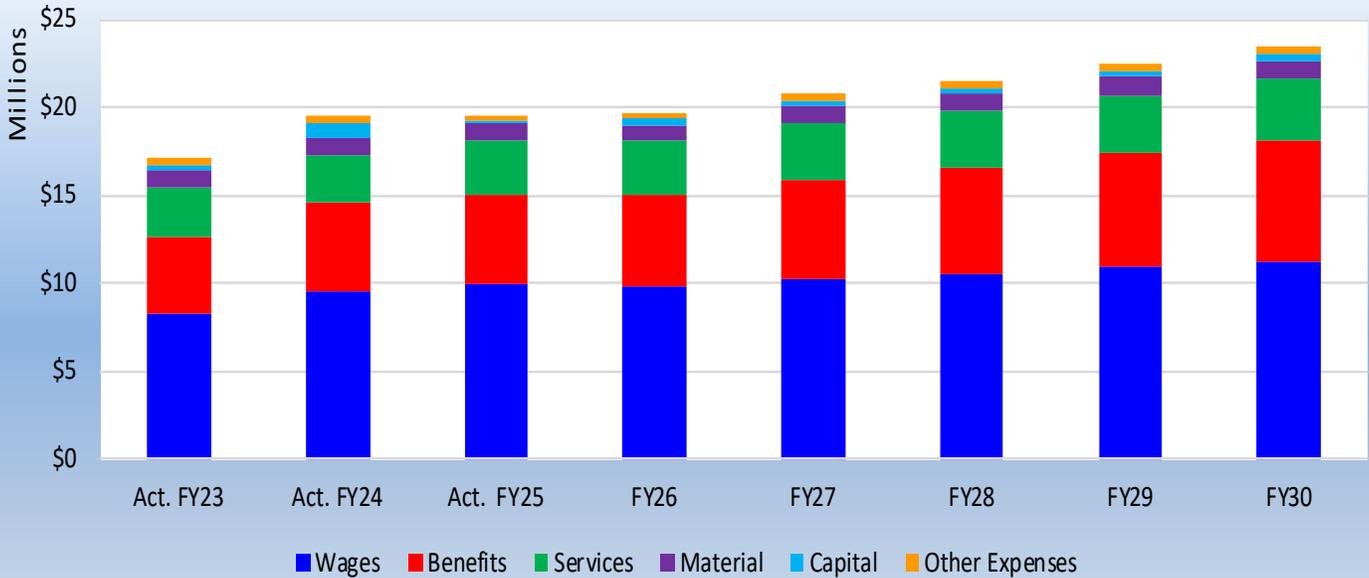
The category of Other Expenses consists primarily of Auditor & Treasurer fees and the ESC deduction. We are forecasting a 2% increase to Auditor and Treasurer fees, and a 5% increase to ESC.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
County Auditor & Treasurer Fees	\$202,627	\$206,680	\$210,814	\$215,030	\$219,331
ESC Deduction	142,879	150,023	157,524	165,400	173,670
Annual Audit Costs	25,739	25,739	25,739	25,739	25,739
Dues, Fees & other Expenses	<u>6,408</u>	<u>6,408</u>	<u>6,408</u>	<u>6,408</u>	<u>6,408</u>
Total Other Expenses Line #4.300	<u>\$377,653</u>	<u>\$388,850</u>	<u>\$400,485</u>	<u>\$412,577</u>	<u>\$425,148</u>

Operating Expenditures Actual FY23 through FY25 and Estimated FY26-FY30

The graph below shows a quick overview of actual and estimated expenses by proportion to the General fund total.

General Fund Expenditures Actual FY23 Through Projected FY30



Transfers Out/Advances Out – Line #5.010

This account group covers fund to fund transfers and end of year short term loans from the General Fund to other funds until they have received reimbursements to repay the General Fund. The district will transfer \$750,000 of Rover Pipeline tax revenue in FY26-FY30 to the 070 Capital Projects fund. No advances to other funds are expected throughout the forecast.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Operating Transfers Out Line #5.010	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
Advances Out Line #5.020	0	0	0	0	0
Total Transfer & Advances Out	<u>\$750,000</u>	<u>\$750,000</u>	<u>\$750,000</u>	<u>\$750,000</u>	<u>\$750,000</u>

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.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Estimated Encumbrances Line #8.010	<u>\$2,365,397</u>	<u>\$2,365,397</u>	<u>\$2,365,397</u>	<u>\$2,365,397</u>	<u>\$2,365,397</u>

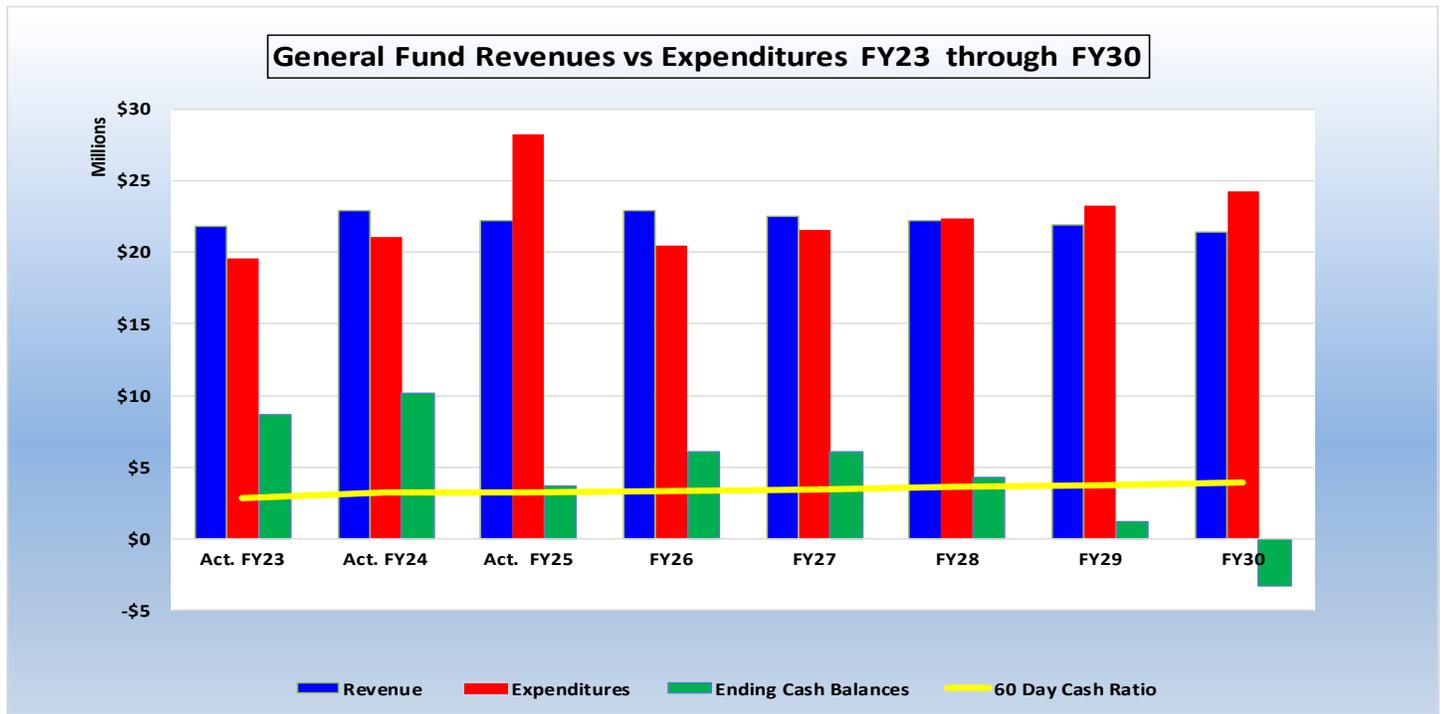
Ending Unreserved Cash Balance “The Bottom-line” – Line #15.010

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, and which results in a negative unencumbered cash balance, is a violation of O.R.C. §5705.412, which is punishable by personal liability of \$10,000; unless an alternative 412 certificate, as permitted by HB153, effective September 30, 2011, could be issued. It is recommended by the Government Finance Officers Association (GFOA) and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance, which is approximately \$1.67 million for our district.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Ending Unreserved Cash Balance Line #15.01	<u>\$6,033,597</u>	<u>\$6,983,665</u>	<u>\$6,893,370</u>	<u>\$5,544,973</u>	<u>\$2,754,022</u>

Revenue vs Expenditures with Deficit Spending

The graph below does not include the renewal of the substitute emergency levy and shows that the district is deficit spending beginning in FY28. The large amount of deficit spending in FY25 was due to transfer to the 070 fund for capital projects. Even with deficit spending decreasing the annual ending cash balance, the district is still able to maintain 30 days of cash each year through FY29.



Deficit spending affects the amount of carryover that the district has to plan for the future. When reviewing the needs of the district we review the amount of spending and what would be needed to remove any deficit spending. The chart below shows the amount of deficit spending that is included on Line 6.010 of the forecast and the millage required each year in order to erase the deficit spending.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Excess of Revenues Over/(Under) Expenditures	\$2,394,100	\$65,040	(\$1,812,970)	(\$3,071,073)	(\$4,513,627)
Millage equivalent for deficit spending	0.00	0.00	3.82	6.48	9.24

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 (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 (GFOA) 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 other funds. The graph below does not include the renewal of the substitute emergency levy.

Ending Unencumbered Cash Balance in True Cash Days



Conclusion

Fairless Local School District has two main sources of revenue: 1) Property Taxes and 2) State Foundation Funding. The district is projecting no growth in State Foundation because we are on the funding guarantee. The district's sole source of revenue growth is when properties are revalued, which only occurs every three years. The result is a slow-to-no growth revenue forecast, making it difficult to balance the budget over the long term. To compound the concern, the Ohio Legislature is currently considering possible changes to the variables used in the revaluation process including the 20-mill floor. The 20-mill floor and property revaluation growth are fundamentally important to the district's continued financial stability.

Think of our funding model as a two-income family. Both parents' work. One parent has been on a salary freeze for the past decade (i.e., State Foundation and the District being on the funding guarantee). The second parent works a job where every three years they get a raise to match the rate of inflation (i.e., 20-mill floor and our local property tax base). The only way the family keeps up and is able to support themselves, is because the second parent gets that raise every three years. If the second parent's job also goes on a freeze (i.e., preventing revaluation growth, 20 mill floor or other measures) - the family is unable to balance its budget or pay the bills and eventually goes bankrupt.

The district constantly monitors its revenues, but has added focus on 4 variables:

- 1) **Substitute Emergency Levy Renewal** – The \$1,773,760 levy is necessary and needed to maintain district operations. The district cannot operate responsibly without this revenue.
- 2) **Rover Pipeline Tax Payments & Appeal** – At a minimum, the district needs Rover to continue to pay its tax bill at the current level. Since the case has been determined and values are set, we are now waiting on the final determination of what is owed to the district.
- 3) **Property Tax Reform Legislation** – The Ohio Legislature is considering legislation which could eliminate revenue growth from the only source currently receiving increases. The district cannot operate responsibly without property tax revenue growth.
- 4) **State Foundation Funding Guarantee** – The district is counting on a 100% guarantee remaining in the funding formula, anything less will result in a loss of revenue.

Along with the items above, we now have HB96 that governs the state budget for FY26 and FY27. There were several items within the budget that were vetoed by the governor which the legislature can still overturn until December 31, 2026. The main items remaining in limbo that could have major detrimental impact on the funding for the district are, having a carry-over balance that is greater than 40% of annual expenditures and changes to the 20-mill floor. We will continue to monitor these items as both will hinder future planning.

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