EAST KNOX LOCAL SCHOOLS

KNOX

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 2029

		Actual				Forecasted			
		Actual 2023	Actual 2024	Actual 2025	Average Change	Current Year 2026	Forecast YR1 2027	Forecast YR2 2028	Forecast YR3 2029
	Revenues								
1.010	General Property Tax (Real Estate)	$7,491,002	$9,023,752	$10,205,244	16.8%	$10,337,326	$9,815,790	$9,481,942	$9,573,770
1.020	Tangible Personal Property Tax	513,876	579,584	584,399	6.8%	570,318	554,917	550,953	561,616
1.030	Income Tax								
1.035	Unrestricted State Grants-in-Aid	3,098,237	3,087,622	2,528,302	-9.2%	2,453,636	2,455,410	2,455,731	2,456,053
1.040	Restricted State Grants-in-Aid	163,524	248,815	800,105	136.9%	818,221	811,221	811,221	811,221
1.045	Restricted Federal Grants-in-Aid - SFSF								
1.050	State Reimbursement for Property Tax Credits	899,209	1,072,343	1,241,290	17.5%	1,254,352	1,191,045	1,151,092	1,164,083
1.060	All Other Revenues	959,454	1,237,563	1,672,893	32.1%	1,413,000	1,363,000	1,313,000	1,313,000
1.070	*Total Revenues*	13,125,302	15,249,679	17,032,233	13.9%	16,846,853	16,191,383	15,763,939	15,879,743
	Other Financing Sources								
2.010	Proceeds from Sale of Notes								
2.020	State Emergency Loans and Advancements (Approved)								
2.040	Operating Transfers-In	50,000	50,000	50,000					
2.050	Advances-In								
2.060	All Other Financing Sources	3,520	9,833	3,275	56.3%	18,000			
2.070	*Total Other Financing Sources*	53,520	59,833	53,275	0.4%	18,000			
2.080	*Total Revenues and Other Financing Sources*	13,178,822	15,309,512	17,085,508	13.9%	16,864,853	16,191,383	15,763,939	15,879,743
	Expenditures								
3.010	Personal Services	4,698,738	5,592,970	6,145,318	14.5%	6,573,069	6,961,856	7,305,019	7,659,577
3.020	Employees' Retirement/Insurance Benefits	2,158,217	2,654,537	3,070,826	19.3%	3,229,669	3,459,722	3,690,565	3,936,427
3.030	Purchased Services	2,767,866	3,140,780	3,111,750	6.3%	3,455,255	3,628,017	3,809,418	3,999,889
3.040	Supplies and Materials	405,236	497,957	794,583	41.2%	676,361	675,208	702,216	730,305
3.050	Capital Outlay	103,400	184,302	192,319	41.3%	412,462			
3.060	Intergovernmental								
	Debt Service:								
4.010	Principal-All (Historical Only)								
4.020	Principal-Notes								
4.030	Principal-State Loans								
4.040	Principal-State Advancements								
4.050	Principal-HB 264 Loans								
4.055	Principal-Other								
4.060	Interest and Fiscal Charges								
4.300	Other Objects	173,180	237,864	259,147	23.1%	273,310	278,776	284,352	290,039
4.500	*Total Expenditures*	10,306,637	12,308,410	13,573,943	14.9%	14,620,126	15,003,579	15,791,570	16,616,237
	Other Financing Uses								
5.010	Operating Transfers-Out	50,000	65,000	13,097,918	10040.3%	50,000	50,000	50,000	50,000
5.020	Advances-Out								
5.030	All Other Financing Uses								
5.040	*Total Other Financing Uses*	50,000	65,000	13,097,918	10040.3%	50,000	50,000	50,000	50,000
5.050	*Total Expenditures and Other Financing Uses*	10,356,637	12,373,410	26,671,861	67.5%	14,670,126	15,053,579	15,841,570	16,666,237
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	2,822,185	2,936,102	9,586,353-	-211.2%	2,194,727	1,137,804	77,631-	786,494-
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	12,988,606	15,810,791	18,746,893	20.1%	9,160,540	11,355,267	12,493,071	12,415,440
7.020	*Cash Balance June 30*	15,810,791	18,746,893	9,160,540	-16.3%	11,355,267	12,493,071	12,415,440	11,628,946
8.010	*Estimated Encumbrances June 30*	248,763	136,162	553,314	130.6%	150,000	150,000	150,000	150,000
	Reservation of Fund Balance								
9.010	Textbooks and Instructional Materials								
9.020	Capital Improvements								
9.030	Budget Reserve								
9.040	DPIA								
9.045	Fiscal Stabilization								
9.050	Debt Service								
9.060	Property Tax Advances								
9.070	Bus Purchases								
9.080	*Subtotal*								
10.010	*Fund Balance June 30 for Certification of Appropriations*	15,562,028	18,610,731	8,607,226	-17.1%	11,205,267	12,343,071	12,265,440	11,478,946
	Revenue from Replacement/Renewal Levies								
11.010	Income Tax - Renewal								
11.020	Property Tax - Renewal or Replacement						708,000	1,200,000	1,200,000
11.300	Cumulative Balance of Replacement/Renewal Levies						708,000	1,908,000	3,108,000
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	15,562,028	18,610,731	8,607,226	-17.1%	11,205,267	13,051,071	14,173,440	14,586,946
	Revenue from New Levies								
13.010	Income Tax - New								
13.020	Property Tax - New								
13.030	Cumulative Balance of New Levies								
14.010	Revenue from Future State Advancements								
15.010	*Unreserved Fund Balance June 30*	15,562,028	18,610,731	8,607,226	-17.1%	11,205,267	13,051,071	14,173,440	14,586,946
	ADM Forecasts								
20.010	Kindergarten - October Count					55	53	61	58
20.015	Grades 1-12 - October Count					824	815	807	815

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

Financial Forecast
Assumptions
October 2025

The East Knox Local School District Board of Education approved the Financial Forecast at their regular meeting on October 9, 2025.

REVENUE ASSUMPTIONS

GENERAL PROPERTY TAX (REAL ESTATE)

Real Estate Value Assumptions:

Property values are established each year by the County Auditor based on new construction and complete or updated values. A general reappraisal is mandated by Ohio law every six years with a three-year midpoint update. Property taxes are levied and assessed on a calendar year basis while the district's fiscal year (FY) runs from July through June. Property tax revenue received during calendar year 2025 (the collection year) for real property represents collections of 2024 taxes (the tax year).

Property taxes are applied to real property, public utility personal property, and manufactured homes which are located within the school district. The District receives property taxes from Knox, Coshocton, and Licking Counties. Approximately 97% of the tax collections are from Knox County and the remaining 3% coming from taxpayers in Licking and Coshocton Counties.

The district passed a 4.4 mill ten-year emergency operating levy in November 2016 that generates $1.2 million per year and collections started January 1, 2017. This was the 10th attempt at passing an operating levy since 2010.

Tax revenue collections are projected to average 2.5% change over the next four years. The decrease is due to the emergency levy from 2016 being up for renewal. Until that levy is renewed, it is required to reflect those potential lost tax receipts in Line 11.02. This first impacts the forecast in FY27 with a projected loss of $708,000 and the an additional $1,200,000 in FY28.

It is important to note that Knox County had a triennial update for 2023. The value increase in Knox County and the district was 43%. This had a significant impact on our FY24 and FY25 tax collections. The real estate collections increased by $1.5 million in FY24 and another $1.2 million in FY25. It is unknown how this will impact the district long-term. There have been proposals at the state level to help taxpayers with these monumental increases. At the moment, the projections hesitantly project the tax revenue increases to be maintained.

TANGIBLE PERSONAL PROPERTY TAX

The District also receives public utility real and personal property taxes. These tax receipts are reflected in Line 1.020. The collections increased by 14.5% in 2023 and 12.8% in 2024. In 2026 collections are estimated to decrease slightly. The majority of the District's Tangible Personal Property Tax revenue is from Public Utilities.

UNRESTRICTED STATE GRANTS-IN-AID

State Revenue Estimates:

State revenue is reflected in Line 1.035. The District receives around $65,000 per year in casino tax funding. The District anticipates no increase in state funding in the remaining years of the forecast due to flat enrollment and current state funding methods used. The district decided to participate in the Community Eligibility Provision Program beginning with the 2024-2025 school year. This results in all our students being reported as economically disadvantaged. As a result, our funding for Disadvantaged Pupil Impact Aid (DPIA) increased by $551,000. This funding moved from unrestricted grants in aid to restricted grants in aid. As of September 2025, the district is still on the transitional aid guarantee for state funding for $207,000. In the end, the DPIA funds have no net impact on the state funding received in FY25 or 26.

RESTRICTED STATE GRANTS-IN-AID

Line 1.040 now consists of career technical, economic disadvantaged (DPIA), gifted, English Learners, and Student Success and Wellness funding. These funds are restricted in their use to a specific purpose. These funds totaled about $800,000 in FY25. There was a large increase as mentioned previously due to the DPIA funds. There was an additional one-time contribution from ODEW of $54,451 for high quality instructional materials in FY24. In FY25 there was a one-time payment of $70,457 for Science of Reading stipends that ODEW reimbursed for stipends paid to our staff. It is not known is the DPIA funding calculations will change in FY26 so these funds have been retained as restricted funds. The total restricted funding amounts are projected to remain flat.

STATE REIMBURSEMENT FOR PROPERTY TAX CREDITS

State Rollback, Homestead:

The Rollback and Homestead are reimbursements from the state for tax relief given to owner-occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers and up to 10% for commercial and industrial taxpayers. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. These amounts grow in proportion to the Real Estate tax receipts based on Residential/Agricultural and Commercial/Industrial property classifications. The reimbursements fluctuate each year as property values increase/decrease and can be seen in line item 1.050. There was a 19.25% increase in FY24 due to the property value increase. FY27 and FY28 has a projected reduction because the emergency levy will be up for renewal. The proceeds from the renewal are reflected in Line 11.02. New levies such as the one approved in November 2016 do not receive the Rollback credits, but they do receive the Homestead credit.

ALL OTHER REVENUES

Interest Income:
The District has been working with a public funds investing company since August 2017 to expand investment options. There was a $419,000 increase in interest earnings in FY23 due to rising rates and proper investing and an additional $205,000 increase in FY24 and $214,000 more in FY25. There was a total of $937,000 in interest earnings for FY25. The revenue has projected to decrease in this area as interest rates lower and our cash balance lowers over time.

Other Miscellaneous revenue:
The District has received significant funding for the past few years for Medicaid reimbursements. The District participates in the Medicaid School Program (MSP). Through this program the District is able to bill the state for services such as physical therapy, speech, and occupational therapy provided to Medicaid eligible students. The district received $203,000 additional funds in FY25, which was an increase of nearly $100,000 from FY24.

OTHER FINANCING SOURCES

In FY17 the district established a severance set aside fund within the general fund. This was a requirement by the Auditor of State's Office in order to be released from Fiscal Emergency. These funds were transferred out of the general fund to an 035 fund in FY25. The District receives refunds from previous year expenditures, such as BWC refunds and other miscellaneous receipts, such as the sale of District property that is receipted into Line 2.07.

EXPENDITURE ASSUMPTIONS

PERSONAL SERVICES

This line item includes salaries paid to all employees including part-time, supplemental, and substitute pay. Salaries for FY24-FY26 have been negotiated and raises were as follows: FY24-4%, FY25-3%, and FY26-3%. This includes an added work day to the teacher contract. In addition, certified staff will receive retention bonuses of $1,500 per year if employment is maintained.

Salary costs increased by 2.9% in FY23,19% in FY24, and 10% in FY25. The average salary increase is projected to increase 6% each year through the remainder of the forecast. The district received nearly $250,000 in ESSER funds and $1.4 million in ESSER II funds. ESSER funded five positions in FY23. These five positions were added back into the general fund in FY24. There was a high rate of teacher and administrator resignation and retirement between FY21 and FY22 and again between FY22 and FY23. This provided additional savings in salary costs. The district added one special education secretary in FY22 and two special education teachers in FY23. Also, an additional science teacher at the JR/SR High was added in FY24 and two additional special education teachers were added. Also, previously contracted occupational therapy and nursing services were hired “in house.” These costs moved from purchased services to personal services. $215,550 was added into the forecast in FY24 for previously funded ESSER II positions and $35,706 in FY25. This is four general education teachers and one curriculum director/assistant principal. In addition, $113,971 was added back in for FY25 for two additional elementary classroom teachers. These were ESSER positions that the BOE voted to maintain for FY25. In FY25, an elementary social worker was added, an online teacher/monitor was added, and the district paid for $60,000 in Science of Reading stipends which were reimbursed by ODEW.

In FY26, the district added a fifth grade classroom teacher, a high school assistant principal, and a bus driver. In addition, the district has exhausted the excess school health and wellness funds, so the second school nurse will now be paid from the general fund.

EMPLOYEES’ RETIREMENT/INSURANCE BENEFITS

This line item includes State Teachers Retirement System and School Employees Retirement System contributions, Medicare, Workers Compensation, unemployment and medical, dental, vision, and life insurance premiums. Any increase/decrease in wages increases/decreases the District’s liability for retirement, Medicare, and worker’s compensation. This is reflected in the amounts for FY26-29 due to projected salary and step increases each year.

The insurance rate increase was 10.27% in FY23, 9.6% in FY24, 3.7% in FY25, and 0% for FY26. FY26 through FY29, benefits are projected to increase by an average of 6.5% as payroll costs and medical costs increase. There were several new positions added in FY24 and FY25 (as mentioned above) that account for new employees on insurance. In addition, the district federal grants for Title I and IDEA were cut for FY24 due to federal budget cuts. As a result, $120,000 in costs that would normally funded with federal funds for special education and economically disadvantaged, are being paid from the general fund. In October 2025, there were 39 single plans and 50 family plans for the general fund. The district retained two ESSER positions for FY25 when the funds expired. This has added an additional $80,000 to the benefit costs per year.

PURCHASED SERVICES

This line is used to account for all service related expenditures of the General Fund. This area consists of educational service center charges for services such as preschool, educational aides, Knox Learning Center and special education units housed off campus. Other costs accounted for here are charges from META for student and fiscal support, technology support, postage, professional development, and utility charges such as telephone, electric, garbage, water and sewer, and heating.

There was a 30% increase in FY23 due to the addition of a second School Resource Officer, increased ESC costs due to increasing the pay rate for educational aides, the cost of having the ESC preschools on campus, and the overall increased cost of ESC services ($508,000), and additional costs for special education tuition and transportation at other facilities ($125,000). There was a 14% increase in FY24. This increase is due to the following: utilities for the new building and addition, legal services, special education student transportation and tuition, special education consultants for behavior and vision services, a superintendent search consulting fees, and special education settlement agreement payments. In addition, funds were added in FY25 due to online

Spanish instruction and Occupational Therapy being paid through a contract service. Some costs that are anticipated to increase in FY26 are due to higher utility rates, ESC raising costs, increase in the contract with the Knox County Sheriff's office, and the reduction of wellness funds to pay for support services such as a social worker. There is a 6% average increase projected in the remaining years of the forecast.

SUPPLIES and MATERIALS

This line is used to account for all material and supply purchases. The major components of this section are classroom instructional materials, instructional software, janitorial and maintenance supplies, office supplies and diesel fuel. For FY23, there was a 20% increase in supply costs. This includes $14,000 in diesel fuel and an additional $22,000 for instructional supplies, curriculum, and software. For FY24, there was a 23% increase mostly for instructional supplies, curriculum, and software. A portion of these funds are budgets that have existed in the past, but went unspent and portion reflects new purchases that were previously out of ESSER grant funds such as APEX and NWEA/MAP programming. There was a 60% increase in FY25 partially due to instructional software and supply purchases being pre-paid for multiyear renewals for a discount. $175,000 of this supply cost was for high quality instructional materials that ODEW gave the district $52,000 for last year that are restricted to their spending to partially off-set the cost. Average increases of 4.0% are projected for the remaining years.

CAPITAL OUTLAY

This line item is used to account for capital expenditures. There are not usually many expenditures budgeted here because all purchases are made from the permanent improvement fund. The voters approved a 3 Mill Permanent Improvement Levy in March 2008. This levy generates over $700,000 in revenue per year to be used for capital expenditures. In FY23, the BOE committed $103,400 to a cellular infrastructure project at the JR/SR High. In FY24, the district used general funds to purchase technology devices ($64,000) and concealed weapon detection systems ($121,000). In FY25, BOE paid $188,000 towards a roof replacement project at the elementary. In FY26, the district will spend $50,000 on a replacement mobile radio system for the district and nearly $362,000 on elementary building roofing, flooring, and student technology, JR/SR High cafeteria tables. In May 2025 the district created an 070 fund that is mentioned in Other Financing Uses.

OTHER OBJECTS

This line is used to account mainly for charges from the Knox County Educational Service Center for a per pupil charge, county auditor and treasurer fees that are a percentage of tax collections, advertising delinquent tax fees, and financial audit fees. County auditor and treasurer fees are usually about 2% of collections. The only projected fluctuation in this area relates to the county auditor and treasurer fees and election expenses.

OTHER FINANCING USES

This line includes any transfers or advances to other funds. In 2017, the district established a severance set aside fund. The District uses this fund to plan for and pay future severance expenses upon retirement from the district. In May 2025, the Board of Education established an 035 Termination Benefits Fund and transferred $350,000 into the fund. This transfer includes $184,974 in existing funds and an additional $165,026 to fund future expenses. The funds will no longer be held in the general fund.

The Board of Education transferred $15,000 to the athletic fund in FY24 due to a shortage of funds and an additional $10,000 in FY25. The Board of Education transferred $187,918 to the 003 Permanent Improvement Fund to off-set some capital expenses that were made in FY25.

The Board of Education also established an 070 Capital Projects fund and then transferred $12,500,000 into it from the general fund. This fund will protect these reserve balances for future use towards facility maintenance and improvements, technology, curriculum, and other capital project needs. The funds can be maintained in the 070 fund for a period of ten years and can be transferred back to the general fund by board action if needed.