

BEXLEY CITY SCHOOL DISTRICT-FRANKLIN 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
Bexley City School District
Treasurer's Office
Kyle F. Smith, Treasurer

October 8, 2025

Bexley City School District
Franklin 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)	\$27,590,591	\$27,706,481	\$30,490,824	5.2%	\$34,064,601	\$36,601,563	\$39,112,050	\$41,473,450	\$42,650,319
1.020 Public Utility Personal Property Tax	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
1.030 Income Tax	\$11,648,558	\$9,470,769	\$9,971,497	-6.7%	\$10,519,827	\$10,835,421	\$11,268,838	\$11,606,903	\$11,955,111
1.035 Unrestricted State Grants-in-Aid	\$4,254,449	\$4,440,456	\$4,504,567	2.9%	\$4,727,031	\$4,764,902	\$4,767,523	\$4,770,182	\$4,772,882
1.040 Restricted State Grants-in-Aid	\$361,317	\$435,763	\$398,846	6.1%	\$355,993	\$347,063	\$347,063	\$347,063	\$347,063
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	\$2,927,248	\$2,976,744	\$3,031,737	1.8%	\$3,061,817	\$3,105,280	\$3,146,662	\$3,164,364	\$3,175,839
1.060 All Other Revenues	\$1,114,599	\$1,214,809	\$1,432,412	13.5%	\$1,183,097	\$983,833	\$946,642	\$911,382	\$877,958
1.070 <i>Total Revenues</i>	\$47,896,762	\$46,245,022	\$49,829,883	2.2%	\$53,912,366	\$56,638,063	\$59,588,779	\$62,273,345	\$63,779,171
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 and Advancements (Approved)	\$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	\$90,487	\$184,609	\$173,933	49.1%	\$150,942	\$150,000	\$150,000	\$150,000	\$150,000
2.060 All Other Financing Sources	\$49,064	\$41,226	\$25,541	-27.0%	\$25,541	\$25,541	\$25,541	\$25,541	\$25,541
2.070 <i>Total Other Financing Sources</i>	\$139,551	\$225,835	\$199,474	25.1%	\$176,483	\$175,541	\$175,541	\$175,541	\$175,541
2.080 <i>Total Revenues and Other Financing Sources</i>	\$48,036,313	\$46,470,857	\$50,029,357	2.2%	\$54,088,849	\$56,813,604	\$59,764,320	\$62,448,886	\$63,954,712
Expenditures									
3.010 Personnel Services	\$24,132,929	\$25,225,027	\$26,943,003	5.7%	\$28,213,060	\$29,589,846	\$30,686,407	\$31,827,793	\$33,010,773
3.020 Employees' Retirement/Insurance Benefits	\$9,508,542	\$10,029,621	\$10,973,139	7.4%	\$11,868,832	\$12,568,306	\$13,435,140	\$14,444,626	\$15,542,604
3.030 Purchased Services	\$7,709,108	\$8,558,011	\$9,388,319	10.4%	\$8,889,693	\$9,692,514	\$10,120,792	\$10,568,296	\$11,035,903
3.040 Supplies and Materials	\$1,749,131	\$1,855,489	\$3,167,754	38.4%	\$2,731,495	\$2,649,082	\$2,764,483	\$2,885,094	\$3,011,157
3.050 Capital Outlay	\$729,910	\$1,219,596	\$1,588,574	48.7%	\$753,277	\$862,441	\$901,313	\$790,979	\$830,527
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	\$710,205	\$616,544	\$779,495	6.6%	\$774,799	\$908,301	\$983,154	\$1,064,694	\$1,153,549
4.500 <i>Total Expenditures</i>	\$44,539,825	\$47,504,288	\$52,840,284	8.9%	\$53,231,157	\$56,270,490	\$58,891,288	\$61,581,481	\$64,584,513
Other Financing Uses									
5.010 Operating Transfers-Out	\$600,000	\$600,000	\$3,831,928	269.3%	\$300,000	\$300,000	\$500,000	\$500,000	\$500,000
5.020 Advances-Out	\$184,609	\$173,933	\$150,942	-9.5%	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
5.030 All Other Financing Uses	\$0	\$0	\$220	0.0%	\$0	\$0	\$0	\$0	\$0
5.040 <i>Total Other Financing Uses</i>	\$784,609	\$773,933	\$3,983,090	206.6%	\$450,000	\$450,000	\$650,000	\$650,000	\$650,000
5.050 <i>Total Expenditures and Other Financing Uses</i>	\$45,324,434	\$48,278,221	\$56,823,374	12.1%	\$53,681,157	\$56,720,490	\$59,541,288	\$62,231,481	\$65,234,513
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	\$2,711,879	(\$1,807,364)	(\$6,794,017)	54.6%	\$407,692	\$93,115	\$223,032	\$217,405	(\$1,279,800)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$25,894,930	\$28,606,809	\$26,799,445	2.1%	\$20,005,428	\$20,413,120	\$20,506,235	\$20,729,266	\$20,946,671
7.020 <i>Cash Balance June 30</i>	\$28,606,809	\$26,799,445	\$20,005,428	-15.8%	\$20,413,120	\$20,506,235	\$20,729,266	\$20,946,671	\$19,666,871
8.010 <i>Estimated Encumbrances June 30</i>	\$304,440	\$1,972,635	\$2,300,880	282.3%	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
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 DPIA	\$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</i>	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
<i>Fund Balance June 30 for Certification of Appropriations</i>	\$28,302,369	\$24,826,810	\$17,704,548	-20.5%	\$19,013,120	\$19,106,235	\$19,329,266	\$19,546,671	\$18,266,871

Bexley City School District

Franklin 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
Revenue from Replacement/Renewal Levies										
11.010	Income Tax - Renewal				0.0%	\$0	\$0	\$0	\$0	\$0
11.020	Property Tax - Renewal or Replacement				0.0%	\$0	\$0	\$0	\$0	\$0
11.300	Cumulative Balance of Replacement/Renewal Levies				0.0%	\$0	\$0	\$0	\$0	\$0
12.010	<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>									
	\$28,302,369	\$24,826,810	\$17,704,548	-20.5%	\$19,013,120	\$19,106,235	\$19,329,266	\$19,546,671	\$18,266,871	
Revenue from New Levies										
13.010	Income Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.020	Property Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.030	Cumulative Balance of New Levies				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>									
	\$28,302,369	\$24,826,810	\$17,704,548	-20.5%	\$19,013,120	\$19,106,235	\$19,329,266	\$19,546,671	\$18,266,871	
20.010	Kindergarten -ADM count					155	160	160	160	165
20.015	Grades -ADM count					2303	2288	2248	2192	2155

Bexley City School District – Franklin County
Notes to the Five-Year Forecast
General Fund Only
October 8, 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 and transparent 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 largest single revenue source for the school system. The housing market in our district is strong. We project continued growth in appraised values every three (3) years. Total local revenues are 84.89% of our resources, which are predominately local property taxes equating to 61.31% of the district's resources.
2. 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 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. And on October 1, the Senate voted 21-11 in favor of the same override.

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 working group issued their report on September 30th.

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.

3. Income tax is the district's second largest revenue source. We will monitor the income tax revenue very closely for any positive or negative changes that may occur.
4. The state budget represented 15.11% 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 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, 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 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 which equates annually to approximately \$730,303. 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.

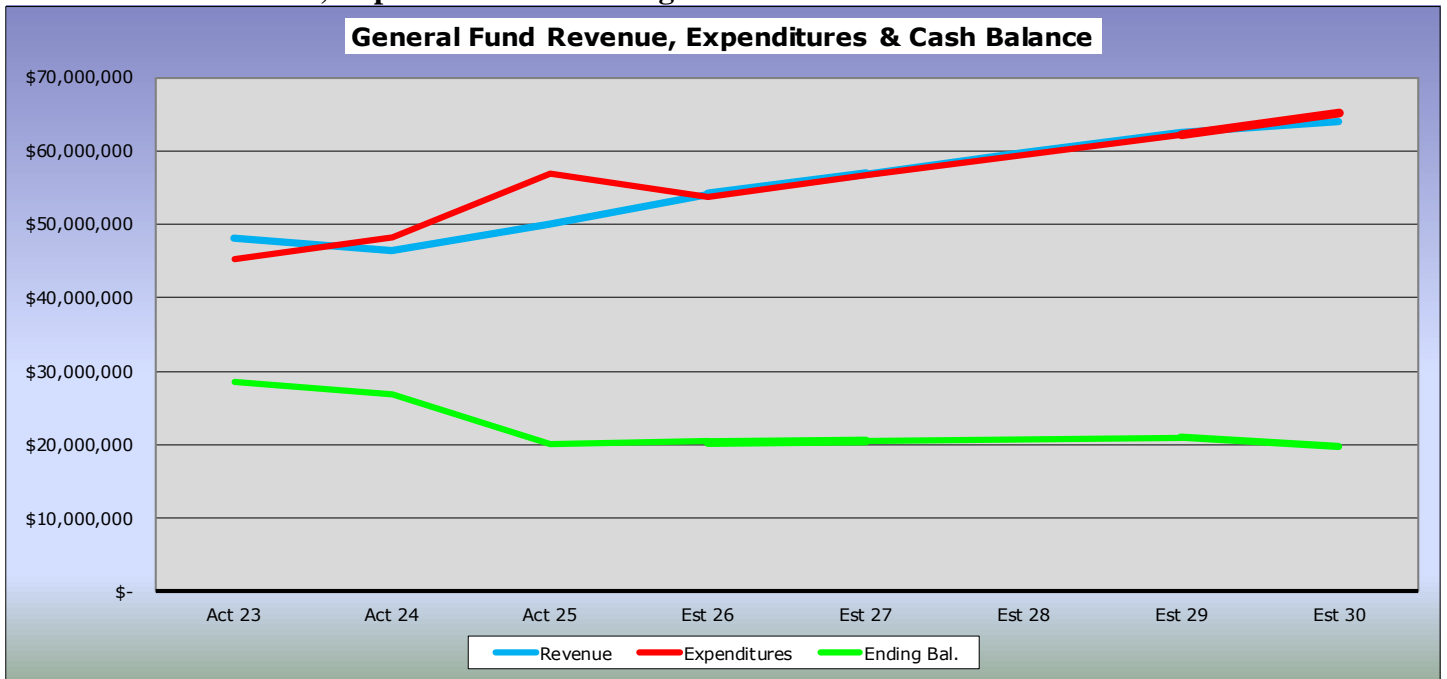
6. The enrollment of the district has increased over the past ten years, decreased, or slowed down during the COVID pandemic and has since recovered to recent highs. The enrollment is expected to remain relatively flat, hovering around levels of 2,550 students for the next several years according to an enrollment study provided through the Ohio Facilities Construction Commission and Future Think. This study was completed in early 2024. The district will continue to monitor student enrollment and subsequent needs as it embarks on a District Facility Plan.

7. The needs of students and staff are changing due to social emotional well-being as a result of COVID-19 and the totally new environment of the world. We are seeing this as a district in various ways, including in increased special education evaluation requests and in the behaviors of students and adults.

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

The major categories of revenue and expenditures on the forecast are noted below in the headings to make it easier to reference the assumptions made for the forecast item. It should be of assistance to the reader in understanding the overall financial forecast for our district to review the assumptions noted below. If you would like further information, please feel free to contact Mr. Kyle Smith, Treasurer/CFO of Bexley City School District at (614) 231-7611.

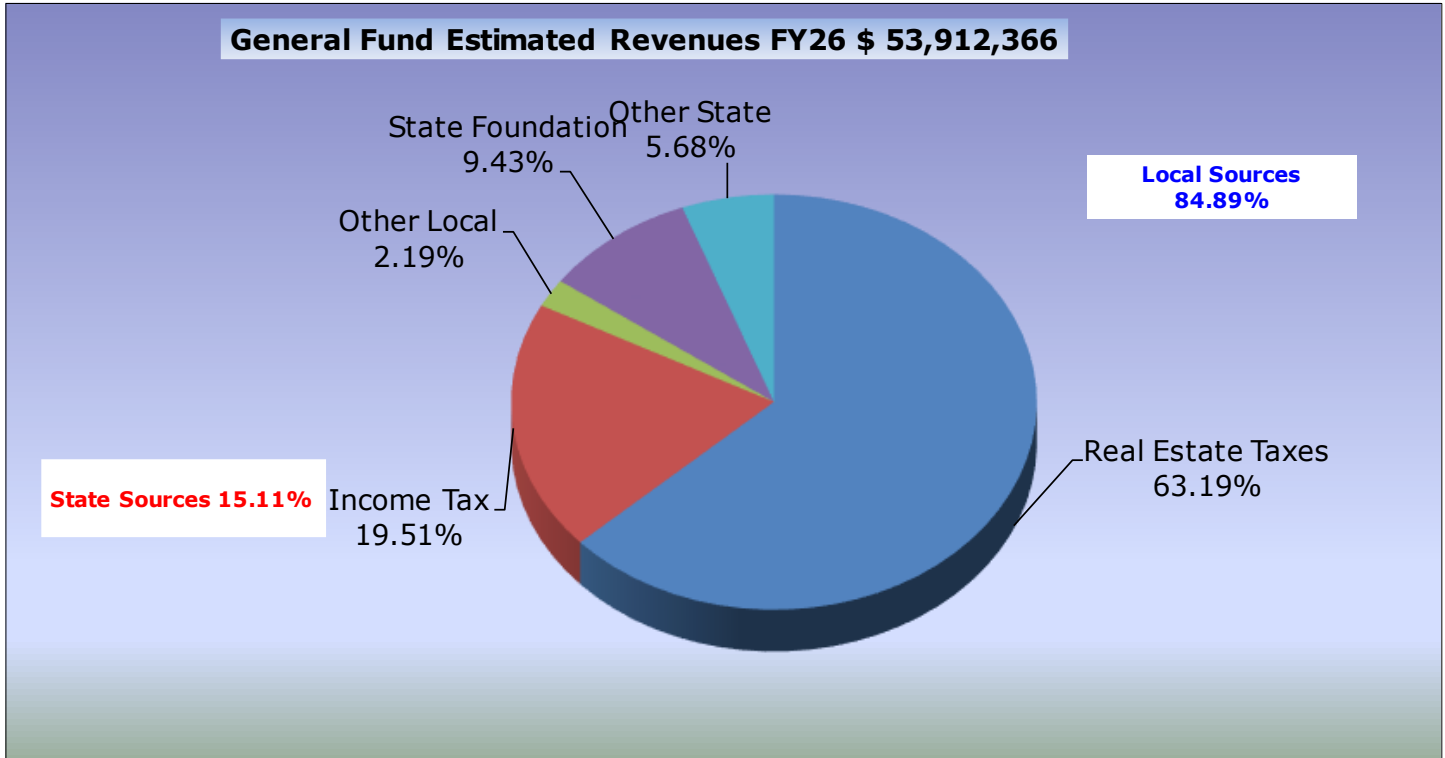
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY23-25 and Estimated FY26-30



The graph above captures in one snapshot the operating scenario facing the district over the next few years. The declining ending cash balance has been intentionally and thoughtfully planned with the implementation of a successful 2024 incremental levy.

REVENUE ASSUMPTIONS

Estimated General Fund Revenues



Property Valuation Assumptions

Property values are established each year by the Franklin County Auditor based on new construction, demolitions, Board of Revision and Board of Tax Appeal activity and complete reappraisal or updated values. Franklin County experienced the sexennial reappraisal for taxable values in 2023 for the collection in 2024. The reappraisal for Class I Residential/Agricultural values increased by 26.61% or \$169,319,450 and Class II Commercial/Industrial Values increased by 15.15% or \$3,613,70 in 2023 for collection in 2024. As values increase, the millage rates will decrease per HB920 which allows for no real increase in tax dollars except what is received on the 5.7 mills of inside millage and new construction. The triennial update for valuations will be in 2026 for collection in 2027, the district is estimating increases in Class I of 8% and Class II of 5%.

Public Utility Personal Property (PUPP) values change annually as the values are not included in the reappraisal or update years, which make them very difficult to forecast. PUPP values increased by \$571,610 in Tax Year 2024. We expect our values to continue to grow by \$150,000 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.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

<u>Classification</u>	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.	\$809,486,250	\$875,495,150	\$876,745,150	\$877,995,150	\$879,245,150
Comm./Ind.	\$27,501,730	\$29,021,817	\$29,166,817	\$29,311,817	\$29,456,817
Public Utility Personal Property (PUPP)	\$8,526,280	\$8,676,280	\$8,826,280	\$8,976,280	\$9,126,280
Total Assessed Value	<u>\$845,514,260</u>	<u>\$913,193,247</u>	<u>\$914,738,247</u>	<u>\$916,283,247</u>	<u>\$917,828,247</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” 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 including the inside millage is 121.9 mills while the Class I effective millage rate is 40.019055 mills, and the Class II effective millage rate is 57.841108 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 not on the floor for either Class I or Class II. 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 98.26% of the annual amount. This allows a 1.74% delinquency factor. The district is basing the collection percentage on the collection in 2024 of 51.75% in February and 48.25% in August. Public utility tax settlements (PUPP) are estimated to be collected at 50% in February and 50% in August.

ESTIMATED REAL ESTATE TAX (Line #1.010)

<u>Category</u>	FY26	FY27	FY28	FY29	FY30
General Property Taxes	<u>\$34,064,601</u>	<u>\$36,601,563</u>	<u>\$39,112,050</u>	<u>\$41,473,450</u>	<u>\$42,650,319</u>

NEW TAX LEVIES - Line #13.10 and Line # 13.20

The district does not have any new levies to include in the forecast with the passage of the incremental levy in November 2024.

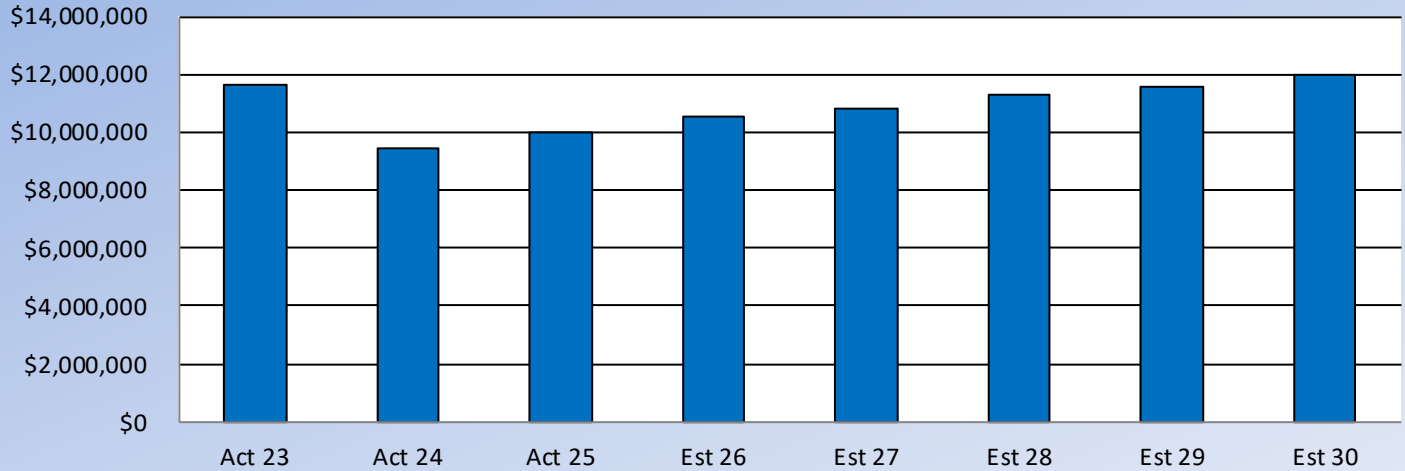
School District Income Tax Collections – Line #1.030

The district has a traditional .75% continuous income tax levy that was approved in 2004.

The district saw a 5.29% increase in FY25 over FY24, which is more in line with previous years receipts. We will assume that income from withholdings will continue to increase in future collections. We will assume an annual growth rate of 3.0% for FY26 through FY30, except in FY28 that we expect a 4% increase for the Trinity Project, as the concerns over inflation may slow growth in this area.

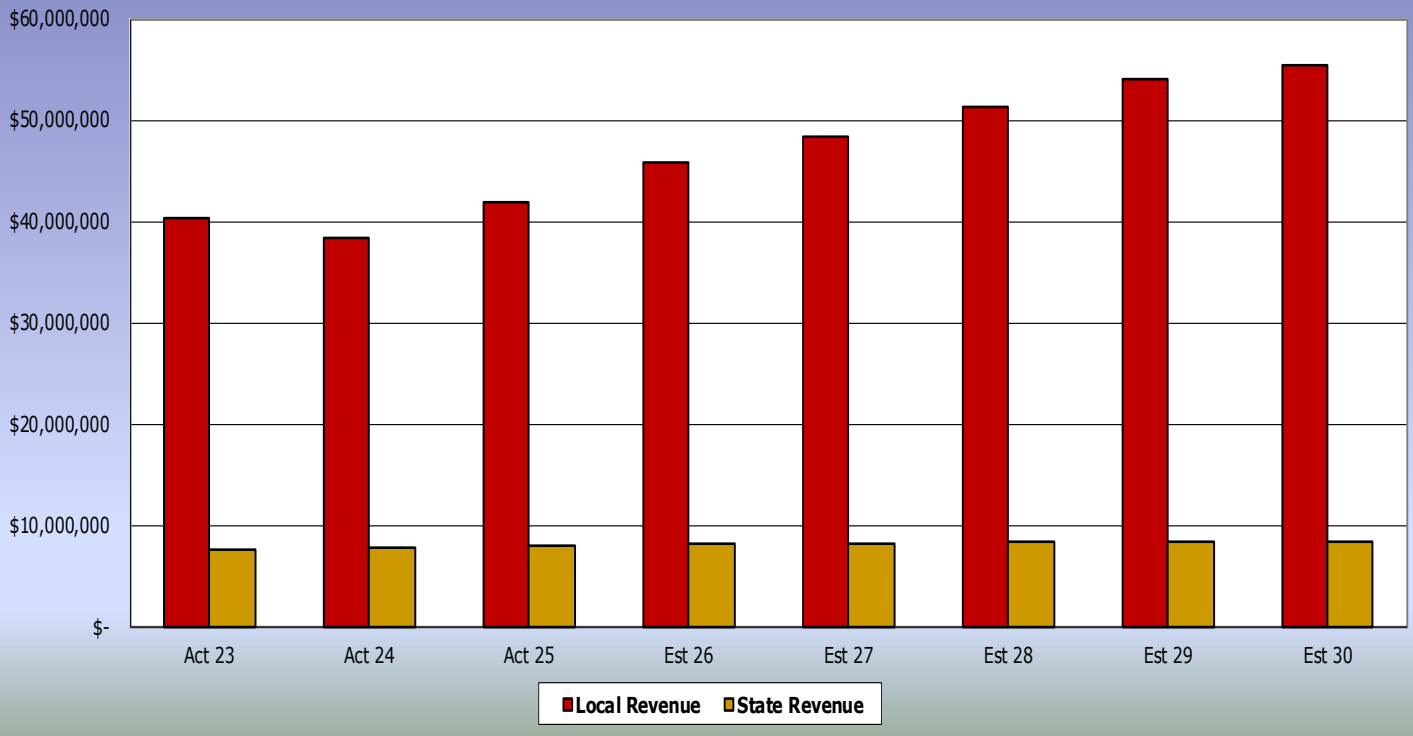
<u>Category</u>	FY26	FY27	FY28	FY29	FY30
SDIT Collection	\$9,971,497	\$10,519,827	\$10,835,421	\$11,268,838	\$11,606,903
Increases/(Decreases)	<u>\$548,330</u>	<u>\$315,594</u>	<u>\$433,417</u>	<u>\$338,065</u>	<u>\$348,208</u>
Total to Line #1.030	<u>\$10,519,827</u>	<u>\$10,835,421</u>	<u>\$11,268,838</u>	<u>\$11,606,903</u>	<u>\$11,955,111</u>

School District Income Tax Collection



Comparison of Local Revenue and State Revenue

General Fund Local Revenue Vs. State



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 are expected to continue to be on the guarantee in FY27-FY30 on the new Fair School Funding Plan (FSFP).

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 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. The district will not know until later this year if we will receive this additional funding, but it will be immaterial.

Future State Budget Projections beyond FY27

Our funding status for FY28-FY31 will depend on two (2) unknown 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 data to work with. For this reason, funding is held constant in the forecast for FY28 through FY30.

Unrestricted State Foundation Revenue – Line #1.035

<u>Category</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Basic Aid-Unrestricted	\$3,979,606	\$3,976,026	\$3,976,026	\$3,976,026	\$3,976,026
Additional Aid Items	<u>\$575,316</u>	<u>\$614,186</u>	<u>\$614,186</u>	<u>\$614,186</u>	<u>\$614,186</u>
Basic Aid-Unrestricted Subtotal	4,554,922	4,590,212	4,590,212	4,590,212	4,590,212
Ohio Casino Commission ODT	<u>\$172,109</u>	<u>\$174,690</u>	<u>\$177,311</u>	<u>\$179,970</u>	<u>\$182,670</u>
Total Unrestricted State Aid Line # 1.035	<u>\$4,727,031</u>	<u>\$4,764,902</u>	<u>\$4,767,523</u>	<u>\$4,770,182</u>	<u>\$4,772,882</u>

B) 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. 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.

<u>Category</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
DPIA	\$5,748	\$6,576	\$6,576	\$6,576	\$6,576
Career Tech - Restricted	\$9,045	\$9,157	\$9,157	\$9,157	\$9,157
Gifted	\$78,416	\$68,739	\$68,739	\$68,739	\$68,739
ESL	\$4,786	\$4,594	\$4,594	\$4,594	\$4,594
Student Wellness	\$107,997	\$107,997	\$107,997	\$107,997	\$107,997
Catastrophic Threshold Aid	\$150,000	\$129,241	\$125,391	\$172,572	\$150,000
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>\$355,993</u>	<u>\$347,063</u>	<u>\$347,063</u>	<u>\$347,063</u>	<u>\$347,063</u>

C) Restricted Federal Grants in Aid – line #1.045

There are no federal restricted grants projected during this forecast.

<u>Summary of State Foundation Revenues</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Unrestricted Line # 1.035	\$4,727,031	\$4,764,902	\$4,767,523	\$4,770,182	\$4,772,882
Restricted Line # 1.040	<u>\$355,993</u>	<u>\$347,063</u>	<u>\$347,063</u>	<u>\$347,063</u>	<u>\$347,063</u>
Total State Foundation Revenue	<u>\$5,083,024</u>	<u>\$5,111,965</u>	<u>\$5,114,586</u>	<u>\$5,117,245</u>	<u>\$5,119,945</u>

State Reimbursement for Property Tax Credits – 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. 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% Rollback tax credit. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$730,303 from current operating levies, if our County Commissioners implemented this.

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

<u>Category</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Rollback and Homestead	<u>\$3,061,817</u>	<u>\$3,105,280</u>	<u>\$3,146,662</u>	<u>\$3,164,364</u>	<u>\$3,175,839</u>
Total Tax Reimb./Prop. Tax Allocations #1.050	<u>\$3,061,817</u>	<u>\$3,105,280</u>	<u>\$3,146,662</u>	<u>\$3,164,364</u>	<u>\$3,175,839</u>

Other Local Revenues – Line #1.060

Interest income will increase and decrease as the cash position of the General Fund fluctuates over the forecast period. The district’s balances available for investment vary month to month due to cash flow needs. As the district balances decrease, we have decreased the amount of interest each year of the forecast. Due to the Federal Reserve lowering the interest rate by 25 basis points to curb inflation we are estimating decreases in interest by 15% in FY26, 25% in FY27 and 15% in FY28-FY30. Security of the public funds collected by the district is the top priority of the treasurer’s office.

Other income and rentals have a 1% increase for FY26-FY30. We are increasing other income by \$56,000 in FY27 for the Trinity Project.

<u>Category</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Tuition	\$96,926	\$96,926	\$96,926	\$96,926	\$96,926
Interest	\$1,023,559	\$767,669	\$729,286	\$692,821	\$658,180
Other Income and rentals	<u>\$62,612</u>	<u>\$119,238</u>	<u>\$120,430</u>	<u>\$121,635</u>	<u>\$122,851</u>
Total Line # 1.060	<u>\$1,183,097</u>	<u>\$983,833</u>	<u>\$946,642</u>	<u>\$911,382</u>	<u>\$877,958</u>

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

These are non-operating revenues which are the repayment of short-term loans to other funds during the previous fiscal year and reimbursements for expenses incurred in the previous fiscal year. All advances during the current year are planned to be returned in the succeeding fiscal year which is being shown in FY26-FY30.

<u>Category</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	\$150,942	\$150,000	\$150,000	\$150,000	\$150,000
Total Transfer & Advances In	<u>\$150,942</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>

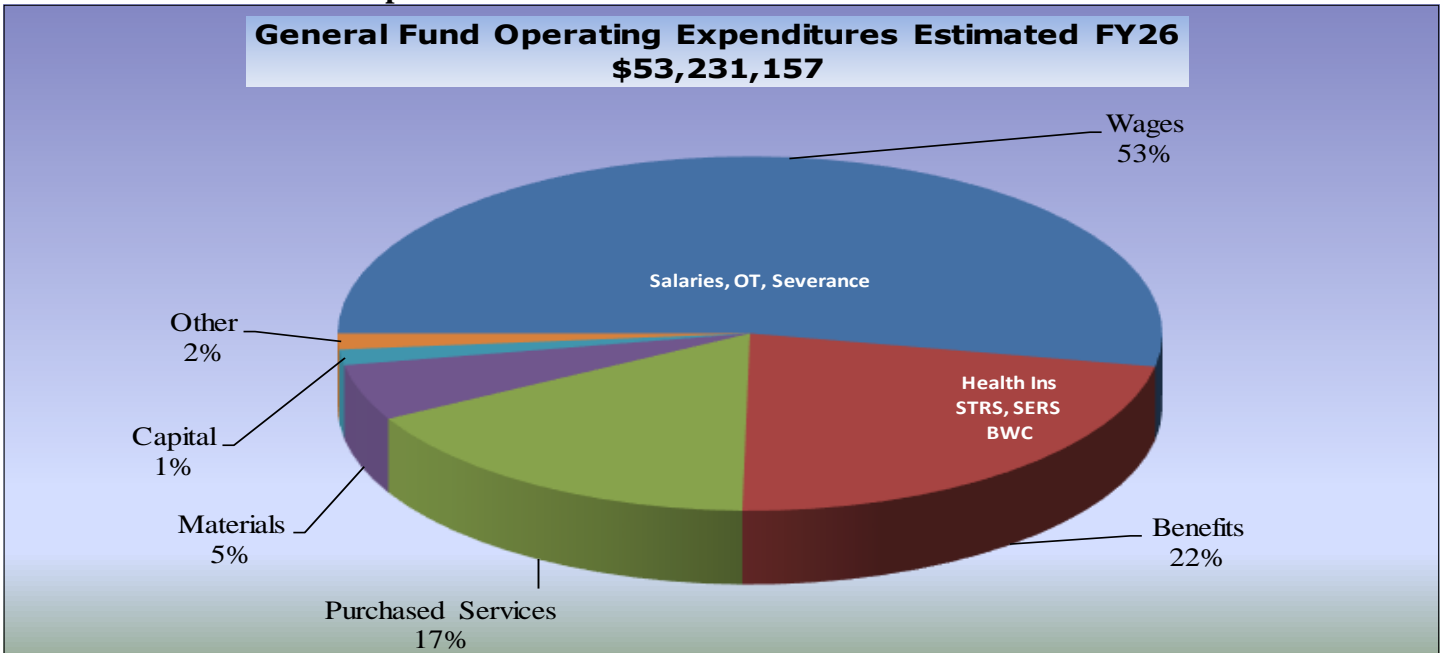
All Other Financial Sources – Line #2.060

Refund of Prior year expenses which are for refunds that the district has received, we are basing the estimates on historical amounts for FY26 through FY30.

<u>Category</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Refund of prior years expenditures	<u>\$25,541</u>	<u>\$25,541</u>	<u>\$25,541</u>	<u>\$25,541</u>	<u>\$25,541</u>

EXPENDITURE ASSUMPTIONS

Estimated General Fund Expenditures for FY26



Wages – Line #3.010

The district has negotiated contracts for each of its bargaining unions from FY25-FY27. Staff base wage increases are forecasted with 3% in FY26-FY27 and for forecasting only, a 1.5% in FY28 through FY30. Any variation from this assumption will have substantial implications on the forecast as the chart above shows the portion wages and benefits have on expenditures. An annual salary step and educational advancement increases of 2.15% in FY26 through FY30.

Staffing is reviewed annually to potential changes in numbers of positions for all areas of the district. The staffing changes for FY26 are: increase of four and one-half new middle school teachers due to increased enrollment, one new middle school assistant principal, the retirement/resignation of 15 teachers that will be replaced, the retirement with replacement of one classified staff member, the retirement without replacement of an exempt supervisor, the reduction of a kindergarten/first grade teacher.

<u>Category</u>	FY26	FY27	FY28	FY29	FY30
Base Wages	\$25,741,514	\$26,995,353	\$28,348,384	\$29,420,716	\$30,537,388
Base Increase	\$772,245	\$772,245	\$404,930	\$425,226	\$441,311
Steps	\$579,275	\$606,581	\$636,182	\$659,758	\$684,298
Replacement/New Hires	\$1,429,863	\$562,017	\$402,109	\$408,141	\$414,263
Other Adjustments	\$0	\$0	\$0	\$0	\$0
Vacation Payments	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Supplemental	\$993,083	\$1,012,945	\$1,033,204	\$1,053,868	\$1,074,945
Substitutes, Overtime and Other	\$194,624	\$198,517	\$202,487	\$206,537	\$210,667
Staff Retirements/Resignations	<u>(\$1,527,544)</u>	<u>(\$587,812)</u>	<u>(\$370,889)</u>	<u>(\$376,453)</u>	<u>(\$382,100)</u>
Total Wages Line 3.010	<u>\$28,213,060</u>	<u>\$29,589,846</u>	<u>\$30,686,407</u>	<u>\$31,827,793</u>	<u>\$33,010,773</u>

Fringe Benefits Estimates Line 3.02

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

A) STRS/SERS

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The district is required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance

The district insurance increases are based on calendar year, we are using a combined increase for one-half of each calendar year's increase, therefore, the estimated increases for medical and dental insurance for FY26 is 10.8%. The blended rate of increase in FY27 is projected to be 6.8%, FY28 increase is 9% and FY29 and FY30 is 10%. The above increases include adjustments for inflation and are based on our current employee census and claims data.

The district plan has a High Deductible Health Plan with a Health Savings Account and is a much more consumer driven plan than what the district had previously. The district is making contributions towards a portion of the employees' Health Savings Account.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to remain at about .38% of wages based on experience over prior years. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

D) Medicare

Medicare will continue to increase at the rate of wage increases and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986.

E) Other/Tuition

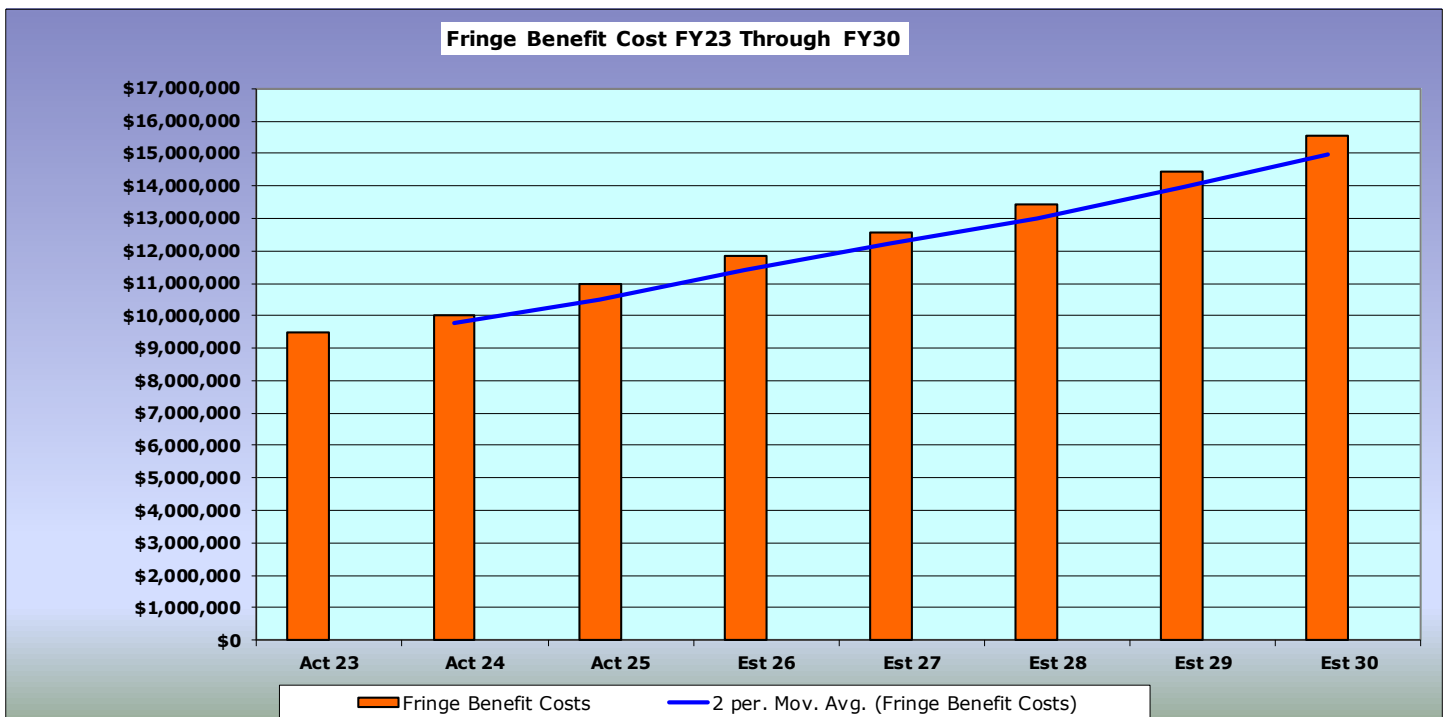
Increase of tuition for staff that are furthering their education.

Summary of Fringe Benefits – Line #3.020

<u>Category</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
A) STRS/SERS	\$4,381,728	\$4,596,502	\$4,773,820	\$4,952,349	\$5,137,488
B) Insurance's	\$6,897,284	\$7,356,789	\$8,026,237	\$8,836,308	\$9,727,497
C) Workers Comp/Unemployment	\$112,210	\$117,441	\$121,608	\$125,946	\$130,441
D) Medicare	\$409,090	\$429,053	\$444,953	\$461,503	\$478,657
E) Other/Tuition	<u>\$68,521</u>	<u>\$68,521</u>	<u>\$68,521</u>	<u>\$68,521</u>	<u>\$68,521</u>
Total Line 3.020	<u>\$11,868,832</u>	<u>\$12,568,306</u>	<u>\$13,435,140</u>	<u>\$14,444,626</u>	<u>\$15,542,604</u>

Fringe Benefits Actual Fiscal Year 2023 through Fiscal Year 2025 and Estimated Fiscal Year 2026 through Fiscal Year 2030

The graph below notes that health care is becoming the area of expenditures that are outpacing inflation.



Purchased Services – Line #3.030

One of the largest expenses in this area is contracted payments for substitute teachers, transportation, educational aides and special education aides that are employees of the Educational Service Center of Central Ohio’s Council (ESC) of Governments. School districts are finding it difficult to fill positions with substitutes and aides.

The district has increased Building Maintenance and Transportation by 5% in FY26 through FY30. The district was able to decrease the transportation outsourcing cost by \$200,000 in FY26 due to the change in transportation vendor.

We have assumed the utilities to increase 5% in FY27 through FY30. In FY26 there will be an additional electric Capacity Charge that will be assessed on all electric bills to help expand Ohio’s electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period. We have made the increase in FY26 with the reduction to a more normal increase in FY27. The other areas within this line are based on 2% to 3% for inflation.

The district took some proactive cash management strategies at the end of FY25. These actions were deemed necessary to mitigate potential adverse impacts associated with the proposed "cash cap" provisions outlined in House Bill 96 during a period of significant uncertainty surrounding the state budget. Overall, these cash management strategies were "forecast neutral", with the additional payments in FY25 the district is able to reduce costs in FY26 for purchase services by \$586,000 but will need to increase FY27 by \$515,000 in order to account for the changes in payment timing.

<u>Category</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Base Services	\$327,480	\$337,304	\$347,423	\$357,846	\$368,581
Instructional Support	\$1,684,690	\$1,752,078	\$1,822,161	\$1,895,047	\$1,970,849
Professional Support	\$2,781,913	\$3,208,190	\$3,336,518	\$3,469,979	\$3,608,778
Building Maintenance & Transportation	\$2,408,589	\$2,729,018	\$2,865,469	\$3,008,742	\$3,159,179
Other Tuition	\$591,821	\$621,412	\$652,483	\$685,107	\$719,362
Sponsored Programs	\$18,480	\$19,404	\$20,374	\$21,393	\$22,463
College Credit Plus	\$118,109	\$124,014	\$130,215	\$136,726	\$143,562
Utilities	<u>\$958,611</u>	<u>\$901,094</u>	<u>\$946,149</u>	<u>\$993,456</u>	<u>\$1,043,129</u>
Total Line 3.030	<u>\$8,889,693</u>	<u>\$9,692,514</u>	<u>\$10,120,792</u>	<u>\$10,568,296</u>	<u>\$11,035,903</u>

Supplies and Materials – Line #3.040

This category of expenses is characterized by textbooks, software, copy paper, maintenance supplies and fuel. An inflation rate between 3% to 5% in FY26 through FY30 for all supply lines. In FY26 another set of Chromebooks will be purchased for \$275,000 for five various grade levels. Textbooks will increase in FY25 and FY26 by 15% each year, with increases in of 3% in FY27 through FY30. The district is projecting the increase for building and transportation of 4% in FY26 through FY30. Along with the proactive cash management strategies that the district used for payment in purchased services, the district also made payment for textbooks early in FY25 of \$106,000 which is being deducted from FY26 and returned as expenditures in FY27.

<u>Category</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Supplies	\$1,776,716	\$1,555,017	\$1,632,768	\$1,714,406	\$1,800,126
Textbook Upgrade-Electronic or Textbook	\$490,515	\$611,230	\$629,567	\$648,454	\$667,908
Building and Transportation	<u>\$464,264</u>	<u>\$482,835</u>	<u>\$502,148</u>	<u>\$522,234</u>	<u>\$543,123</u>
Total Line 3.040	<u>\$2,731,495</u>	<u>\$2,649,082</u>	<u>\$2,764,483</u>	<u>\$2,885,094</u>	<u>\$3,011,157</u>

Equipment – Line #3.050

The district is increasing the amount of capital outlay due to aging infrastructure. The district is planning on purchasing buses in FY27 and FY28, with a van purchase in FY26. The Board of Education approved a Capital Projects Fund (070) in June 2025, as part of the cash management strategies as a response to House Bill 96. Much of the projected reductions and changes on Line #3.050 from May 2025 Forecast to now will be expended in this new fund.

<u>Category</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Capital Outlay	\$683,277	\$717,441	\$753,313	\$790,979	\$830,527
Replacement Bus Purchases	<u>\$70,000</u>	<u>\$145,000</u>	<u>\$148,000</u>	<u>\$0</u>	<u>\$0</u>
Total Line 3.050	<u>\$753,277</u>	<u>\$862,441</u>	<u>\$901,313</u>	<u>\$790,979</u>	<u>\$830,527</u>

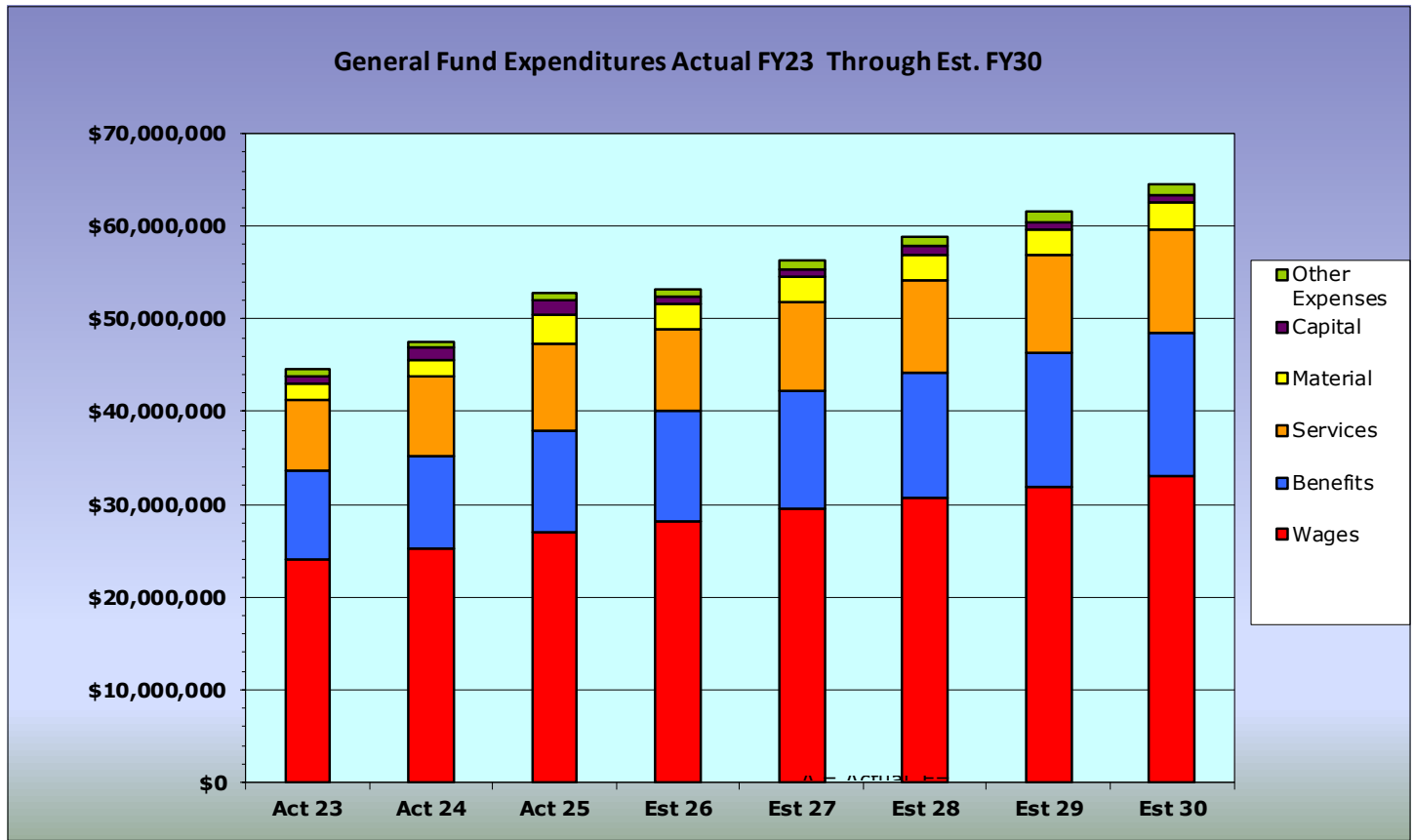
Other Expenses – Line #4.300

Auditor and Treasurer Fees will increase sharply anytime a new operating levy is collected or there are increases in the income tax collections. Also new construction will cause A&T fees to increase as more dollars are collected. The category of Other Expenses consists primarily of the County ESC deductions, membership fees and liability insurances. We are estimating an annual increase of 5% for FY26-FY30 for other expenses. With the passage of the levy the amount of auditor and treasurer fees will increase, we are increasing the fees by 10% in FY26 through FY30.

<u>Category</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Auditor & Treasurer Fees	\$535,236	\$588,760	\$647,636	\$712,400	\$783,640
Other expenses	<u>\$239,563</u>	<u>\$319,541</u>	<u>\$335,518</u>	<u>\$352,294</u>	<u>\$369,909</u>
Total Line 4.300	<u>\$774,799</u>	<u>\$908,301</u>	<u>\$983,154</u>	<u>\$1,064,694</u>	<u>\$1,153,549</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 total for the General Fund expenditures.



Transfers/Advances Out – Line #5.010 & Line #5.020

This account group covers fund-to-fund transfers and end of year short-term loans (advances) from the General Fund to other funds until they have received reimbursements to repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. The district expects to transfer funds to food service to supplement those programs, permanent improvement fund and to the severance fund, in the transfer to each area in FY26 and FY27 will be \$100,000; then in FY28-FY30 the transfer will be \$100,000 to Food service and \$200,000 each to the severance and

permanent improvement fund. The district anticipates advancing funds to other funds in FY26-FY30 of \$150,000 annually.

<u>Category</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Operating Transfers Out Line #5.010	\$300,000	\$300,000	\$500,000	\$500,000	\$500,000
Advances Out Line #5.020	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Total	<u>\$450,000</u>	<u>\$450,000</u>	<u>\$650,000</u>	<u>\$650,000</u>	<u>\$650,000</u>

All Other Financing Uses – Line #5.030

From time to time the district has a refund request from a previous year receipt, these prior year receipts are only included in the forecast in the year that they happen.

Encumbrances –Line #8.010

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments, which have been performed, are awaiting invoicing and payment. Encumbrances, on a budget basis of accounting, are treated as the equivalent of expenditure at the time authorization is made to maintain compliance with spending restrictions established by Ohio law. For presentation in the forecast, outstanding encumbrances are presented as a reduction of the general fund cash balance.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Estimated Encumbrances	<u>\$1,400,000</u>	<u>\$1,400,000</u>	<u>\$1,400,000</u>	<u>\$1,400,000</u>	<u>\$1,400,000</u>

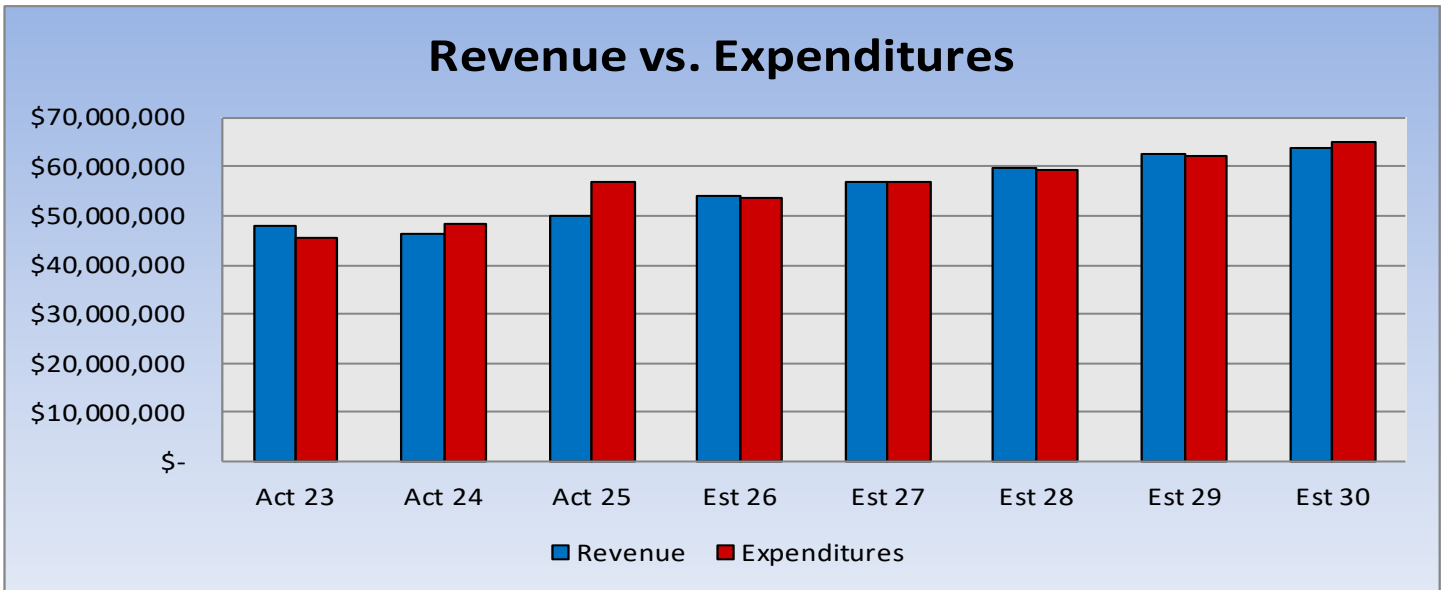
Ending Unreserved Cash Balance “The Bottom-line” – Line #15.010

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 which results in a negative unencumbered cash balance is a violation of Ohio Revised Code section 5705.412, punishable by personal liability of \$10,000, unless an alternative “412” certificate can be issued pursuant to House Bill 153 effective September 30, 2011.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Ending Cash Balance	<u>\$19,013,120</u>	<u>\$19,106,235</u>	<u>\$19,329,266</u>	<u>\$19,546,671</u>	<u>\$18,266,871</u>

Revenue vs Expenditures with Deficit Spending

The chart below shows that the district is in deficit spending in FY30 of the forecast. By deficit spending a district will deplete the cash balance in future years.



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 in order to have positive cash balances on the forecast. The chart below shows the amount of deficit spending that is included on Line 6.010 of the forecast and the millage for each year that would be needed in order to erase the deficit spending.

While deficit spending is not ideal and must be closely monitored, this approach was expected in the planning of the recently passed incremental levy. This levy cycle approach allows for residents to keep more of their cash and provide revenues to the schools as expenditures rise (when revenues are needed) as you can see from the chart on page 6.

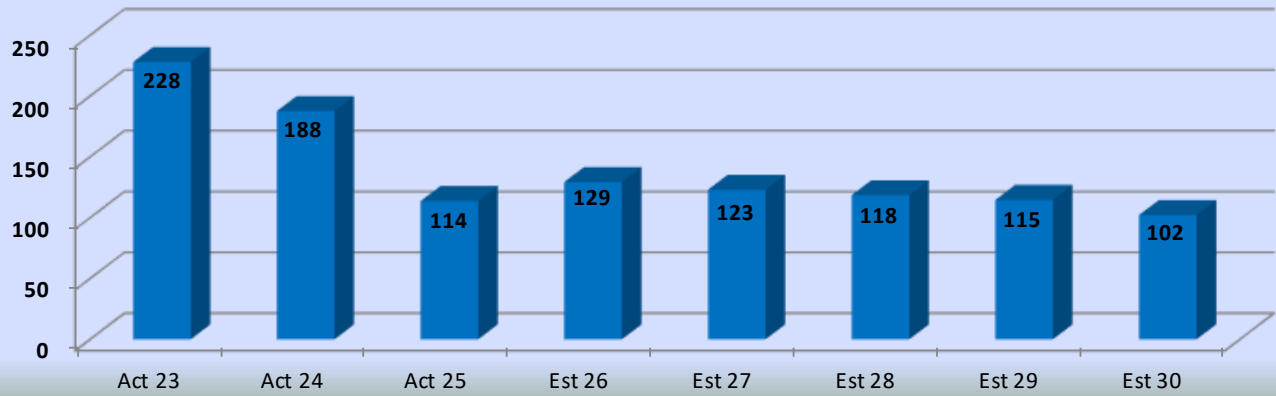
Category	FY26	FY27	FY28	FY29	FY30
Excess of Revenues over/(under) Expenditures	\$407,692	\$93,115	\$223,032	\$217,405	(\$1,279,800)
Millage equivalent for deficit spending	0.00	0.00	0.00	0.00	1.40

True Cash Days

On June 8, 2022, the Board of Education passed policy DBDA “Cash Balance Reserve” to address any deficits within the budget found within each Five-Year Forecast. In part, it reads: “If at any time during the first four years of the rolling five-year forecast the projected cash balance (line 15.01) falls below 70 days operating expenditure, the Treasurer will report such a finding to the Board of Education and Superintendent. The Superintendent and Treasurer will have 120 days to submit a financial evaluation of the district to the Board.” This policy was discussed and reviewed by the Finance Advisory Council prior to the Board’s approval.

The Government Financial Officers Association (GFOA) recommends, at a minimum, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. Because of the volatility of income taxes, it would be wise for a district like ours to have a higher balance on hand. The district projects to have approximately 131 days of true cash at the end of FY26. As the chart below shows, the ending cash balance will continue to decrease.

Ending Cash Balance in True Cash Days



Conclusion

As you read through the notes and review the forecast, it is important to remember that assumptions in the forecast are based on information available at the time it is prepared. Actual amounts may differ significantly from those contained in the forecast.