

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



**Forecast Provided By
Southwest Licking Local School District
Treasurer's Office
Richard D. Jones, Treasurer
February 19, 2026**

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

		Actual			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)	20,165,974	25,518,342	27,908,334	18.0%	28,894,017	22,920,837	26,169,026	26,749,170	27,342,050
1.020	Public Utility Personal Property Tax	1,953,418	2,002,941	2,064,436	2.8%	1,719,921	1,705,348	1,743,111	1,790,696	1,826,200
1.030	Income Tax	9,007,057	8,810,672	9,487,235	2.7%	9,923,467	10,488,389	11,253,141	12,131,841	13,157,104
1.035	Unrestricted State Grants-in-Aid	16,128,493	19,257,224	18,967,748	8.9%	19,847,036	17,787,897	15,669,536	15,796,876	15,810,207
1.040	Restricted State Grants-in-Aid	1,089,628	1,598,176	1,589,901	23.1%	1,276,002	1,020,060	1,025,354	948,959	948,959
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	-	-	-	-	-
1.050	State Reimbursement For Property Tax Credits	2,693,814	3,140,814	3,575,437	15.2%	3,441,871	6,142,814	6,208,034	3,431,531	3,502,698
1.060	All Other Revenues	2,400,852	3,229,909	4,025,603	29.6%	3,403,650	3,239,273	3,092,348	2,961,150	2,844,122
1.070	<i>Total Revenues</i>	53,439,236	63,558,078	67,618,694	12.7%	68,505,964	63,304,618	65,160,550	63,810,223	65,431,340
Other Financing Sources										
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	-	-	-	-	-
2.020	State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	642,429	737,956	822,731	13.2%	1,810,604	891,253	891,253	891,253	891,253
2.050	Advances-In	599	13,461	21,504	999.0%	234,387	-	-	-	-
2.060	All Other Financing Sources	483,137	180,386	264,420	-8.0%	247,100	247,100	247,100	247,100	247,100
2.070	<i>Total Other Financing Sources</i>	1,126,165	931,803	1,108,655	0.9%	2,292,091	1,138,353	1,138,353	1,138,353	1,138,353
2.080	<i>Total Revenues and Other Financing Sources</i>	54,565,401	64,489,881	68,727,349	12.4%	70,798,055	64,442,971	66,298,903	64,948,576	66,569,693
Expenditures										
3.010	Personal Services	28,571,595	30,697,213	35,769,922	12.0%	39,044,028	41,614,321	43,076,216	44,574,658	46,110,561
3.020	Employees' Retirement/Insurance Benefits	11,639,642	13,195,503	15,009,950	13.6%	17,039,521	18,319,477	19,883,900	21,607,557	23,508,021
3.030	Purchased Services	6,272,065	6,517,871	7,282,234	7.8%	10,061,137	7,243,566	7,605,744	7,986,031	8,385,333
3.040	Supplies and Materials	1,523,845	1,503,640	1,702,896	6.0%	2,557,993	2,118,455	2,139,640	2,161,037	2,182,647
3.050	Capital Outlay	2,968	683,939	1,600	999.0%	96,620	50,000	50,000	50,000	50,000
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	0.0%	-	-	-	-	-
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	-	-	-	0.0%	-	-	-	-	-
4.300	Other Objects	753,641	834,006	883,467	8.3%	988,027	1,017,668	1,048,198	1,079,643	1,112,032
4.500	<i>Total Expenditures</i>	48,763,756	53,432,172	60,650,069	11.5%	69,787,326	70,363,486	73,803,698	77,458,926	81,348,594
Other Financing Uses										
5.010	Operating Transfers-Out	642,429	737,675	32,322,609	999.0%	1,792,604	891,253	891,253	891,253	891,253
5.020	Advances-Out	13,461	21,504	234,387	524.9%	67,500	-	-	-	-
5.030	All Other Financing Uses	-	-	-	0.0%	-	-	-	-	-
5.040	<i>Total Other Financing Uses</i>	655,890	759,179	32,556,996	999.0%	1,860,104	891,253	891,253	891,253	891,253
5.050	<i>Total Expenditures and Other Financing Uses</i>	49,419,646	54,191,351	93,207,065	40.8%	71,647,430	71,254,739	74,694,951	78,350,179	82,239,847
6.010	<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	5,145,755	10,298,530	(24,479,716)	-118.8%	(849,375)	(6,811,768)	(8,396,048)	(13,401,603)	(15,670,154)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	32,984,718	38,130,473	48,429,003	21.3%	23,949,287	23,099,912	16,288,144	7,892,096	(5,509,507)
7.020	<i>Cash Balance June 30</i>	38,130,473	48,429,003	23,949,287	-11.8%	23,099,912	16,288,144	7,892,096	(5,509,507)	(21,179,661)
8.010	<i>Estimated Encumbrances June 30</i>	1,057,955	795,793	3,841,952	179.0%	-	-	-	-	-
Reservation of Fund Balance										
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	0	0	0	0	0
9.020	Capital Improvements	-	-	-	0.0%	0	0	0	0	0
9.030	Budget Reserve	-	-	-	0.0%	0	0	0	0	0
9.040	DPIA	-	-	-	0.0%	0	0	0	0	0
9.045	Fiscal Stabilization	2,243,916	2,696,119	3,186,923	19.2%	2,544,781	0	0	0	0
9.050	Debt Service	-	-	-	0.0%	0	0	0	0	0
9.060	Property Tax Advances	-	-	-	0.0%	0	0	0	0	0
9.070	Bus Purchases	-	-	-	0.0%	0	0	0	0	0
9.080	<i>Subtotal</i>	2,243,916	2,696,119	3,186,923	19.2%	2,544,781	0	0	0	0
10.010	<i>Fund Balance June 30 for Certification of Appropriations</i>	34,828,602	44,937,091	16,920,412	-16.7%	20,555,131	16,288,144	7,892,096	(5,509,507)	(21,179,661)
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>	34,828,602	44,937,091	16,920,412	-16.7%	20,555,131	16,288,144	7,892,096	(5,509,507)	(21,179,661)
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

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

		Actual				Forecasted				
		Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Average Change	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
14.010	Revenue from Future State Advancements				0.0%	0	0	0	0	0
15.010	Unreserved Fund Balance June 30	34,828,602	44,937,091	16,920,412	-16.7%	20,555,131	16,288,144	7,892,096	(5,509,507)	(21,179,661)

Southwest Licking Local School District – Licking County
Notes to the Five-Year Forecast
General Fund Only
February 19, 2026

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 further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), new state mandates, tax levies, property reappraisals and updates, salary increases, health insurance increases, enrollment variances, or changes to property valuations due to businesses moving in or out of the district.

As noted below the current state budget approved in HB96 changed the forecast based on what the state Ohio and the Ohio Department of Workforce and Education will require; however, the Board of Education will continue to plan over 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 forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer of the school district with any questions you may have. The Treasurer/Chief Financial Officer submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three essential purposes or objectives of the forecast:

- (1) To engage the local board of education and the community in long-range planning and discussions of financial issues facing the school district.
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate".
- (3) To provide a method for the Ohio Department of Education and Workforce, and the Auditor of State to identify school districts with potential financial problems.

Ohio HB96 was passed in June 2025 which amended O.R.C. 5705.391 and O.A.C. 3301-92.04 requiring a Board of Education (BOE) to file their current years budgeted revenue and expenses, and three additional years. This is essentially a four (4) year forecast. Beginning in fiscal year 2026 (July 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 February 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws signed by Governor DeWine on December 19, 2025, and 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, all of which affect this forecast.

1. On December 19, 2025, Governor DeWine signed into law several pieces of legislation that are the most sweeping changes to Ohio property tax law since 1976 when HB920 was passed. The legislation approved are: HB129, HB186, HB309 and HB335. These laws become effective March 19, 2026, which is after the February, filing deadline for this forecast. Of particular concern is HB186 which implements new property tax caps retroactively for property reappraisal and triennial updates that occurred in tax year 2023, 2024 and 2025. Due to the complexity of these calculations, the Ohio Department of Taxation (ODT) has been charged with calculating the effects of this legislation and notifying Ohio's 88 county auditors as to the impact on property tax bills and subsequent tax settlements to local governments. The ODT has until April 20, 2026 to calculate any tax reductions that impact school districts.

A brief summary of the impact of each piece of legislation is noted below with specific anticipated impacts to this forecast noted in Estimated Real Estate Tax Line 1.01 section of these assumptions below:

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 20-mill floor.
- HB186 establishes Inflation Cap Credits, if applicable, following reappraisals and triennial updates for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF). HB186 also includes Temporary Tax Credits (claw back) provision that takes back tax revenue that has already been collected by school districts beginning with reappraisals and triennial updates that occurred before the effective date of the law retroactive back to tax year 2023, 2024 and 2025. These are funds that have already been realized and have been spent and/or included in future educational planning. While skyrocketing home values resulted in the need for property tax reform that limits tax growth for taxpayers, the retroactive claw back of taxes already paid is very detrimental to districts at the 20-mill floor.
- HB309 allows County Budget Commissions (CBC's) to reduce any voter-approved levy (except debt) to bring taxes levied within levels the CBC finds reasonable and prudent to avoid unnecessary collections. This law gives locally elected CBC officials the power to override voter-approved levies and local school board fiscal decisions. The impact of this new law is indeterminable and can be administered inconsistently in 88 counties across Ohio.
- HB335 limits revenue growth from inside millage due to valuation reappraisals or triennial updates to no more than the Gross Domestic Product Deflation Factor (GDP DF). Our district plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage.

Because the new accelerated February, filing deadline for school district forecasts and the ODT's deadline of April 20, are misaligned, authoritative data concerning HB186's official impact on our district will not be received as of the filing of this forecast. We have estimated revenues and expenses based on the limited data available and understanding of this legislation. As authoritative data concerning HB186 is made available to the district changes may need to be made to the forecast that may or may not be significant.

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. The items below give a short description of the current issues and how they may affect our forecast in the long term:

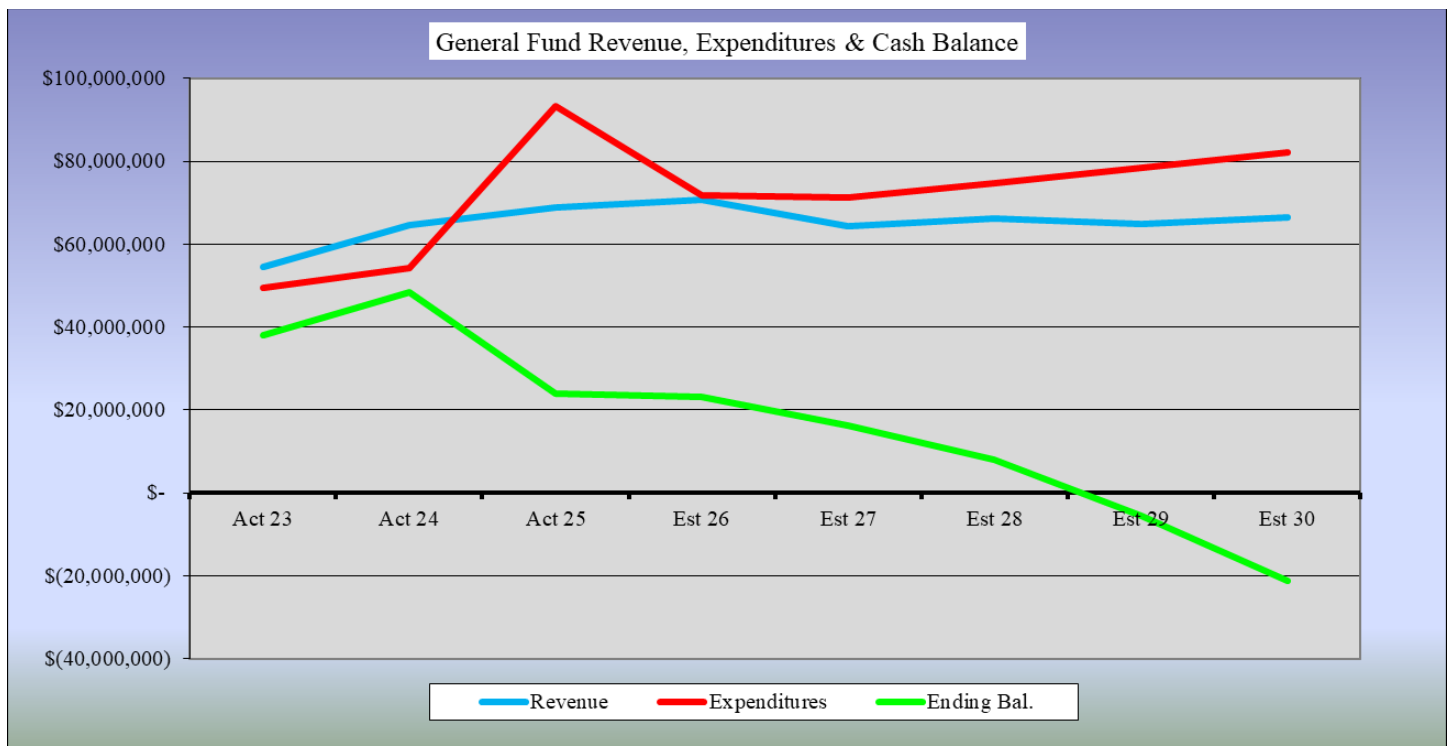
2. Property tax collections are one of the largest revenue sources for the school system and a significant risk to the forecast. We project growth in appraised values every three (3) years that aligns with the new HB186 Gross Domestic Product Deflation Factor (GDP DF) and new construction growth. The effects of HB186 will be to limit property tax growth following reappraisals and updates. Total local revenues, predominately local taxes, equate to 64% of the district's resources. As noted above, HB186 indicates any adjustment for prior year appraisals and updates that exceeded GDP DF in reappraisals and triennial updates that occurred in tax years 2023, 2024 and 2025 will result in possible significant reductions (claw back) in the second half property tax collections that typically occur in August 2026. If the Ohio Department of Taxation (ODT) determines adjustments are required due to HB186, further reductions in Tax Year 2026 collected in calendar year 2027 taxes will also result. We have included any estimated adjustment for HB186 in Line 1.01 assumptions below, but only the ODT will have actual authoritative data when it is released after this forecast filing deadline.
3. Licking County experienced a reappraisal in the 2023 tax year to be collected in FY24. The 2023 reappraisal increased Class I assessed values by \$322.3 million, or 40.19%. Overall values rose \$459.0 million or 46.45%, including reappraisal and new construction for all property classes. A reappraisal will occur in the tax year 2025 for collection in FY26 for Licking County. We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property within the Gross Domestic Product Deflation Factor range of 7% to 9%. HB335 inside millage cap will become effective for any reappraisal and update beginning in tax year 2026, and HB129 will become effective for our district in the next reappraisal/update. We have anticipated any 20-mill floor adjustment at that time in Line 1.01 assumptions below. We do not anticipate any significant impact of HB335 on our tax projections due to our estimates for future growth in reappraisal being in line with anticipated GDP DF.
4. The state budget represented 36% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond if the state economy stalls due to a possible recession and the Fair School Funding Plan is not continued and funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY28-29 and FY30-31. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY30. We have projected our state funding in FY26 based on recent formula calculations and use of the Ohio Department of Education and Workforce (ODEW) funding simulator for FY27 projections. This forecast reflects state revenue to similar to the FY27 funding levels through FY30, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.
5. HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY26 and FY27. FY26 reflects 83.33% of the implementation cost at year five of a six-year phase-in plan, which increases by 16.66% each year. FY27 will result in 100% funding of the FSFP. HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 simulations published by the Department of Education and Workforce for our forecasted revenues in FY27-FY30.

6. HB96, the current state biennium budget also enacted a new provision called “Piggyback Property Tax Exemptions”. This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Current Homestead and 2.5% owner occupied credits are reimbursed to the district from the state of Ohio. These expanded “Piggyback Property Tax Exemptions” will NOT be reimbursed. Our county commissioners did not vote to approve further Piggyback Property Tax Exemptions for tax year 2025. HB96 would allow this to occur every year and if they were to be approved could result in reduced property tax collections for the school district. This new law creates a potential risk to our local tax collections every year. County auditors have until December 2026 to implement this tax credit for tax year 2026. We will adjust the forecast in the future accordingly.
7. The Ohio Department of Taxation on January 15, 2026 announced an updated state property tax reappraisal and triennial update schedule. Sixteen counties will have their reappraisal moved back by one year in accordance with the new schedule. Our county will not be impacted by this change.
8. Income tax is a large revenue source for the district. We will monitor the income tax revenue very closely for any positive or negative changes that may occur in the forecast period.
9. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the extreme resource challenges today. Our positive working relationship will continue and grow stronger as we move forward.

The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Richard D. Jones, Treasurer.

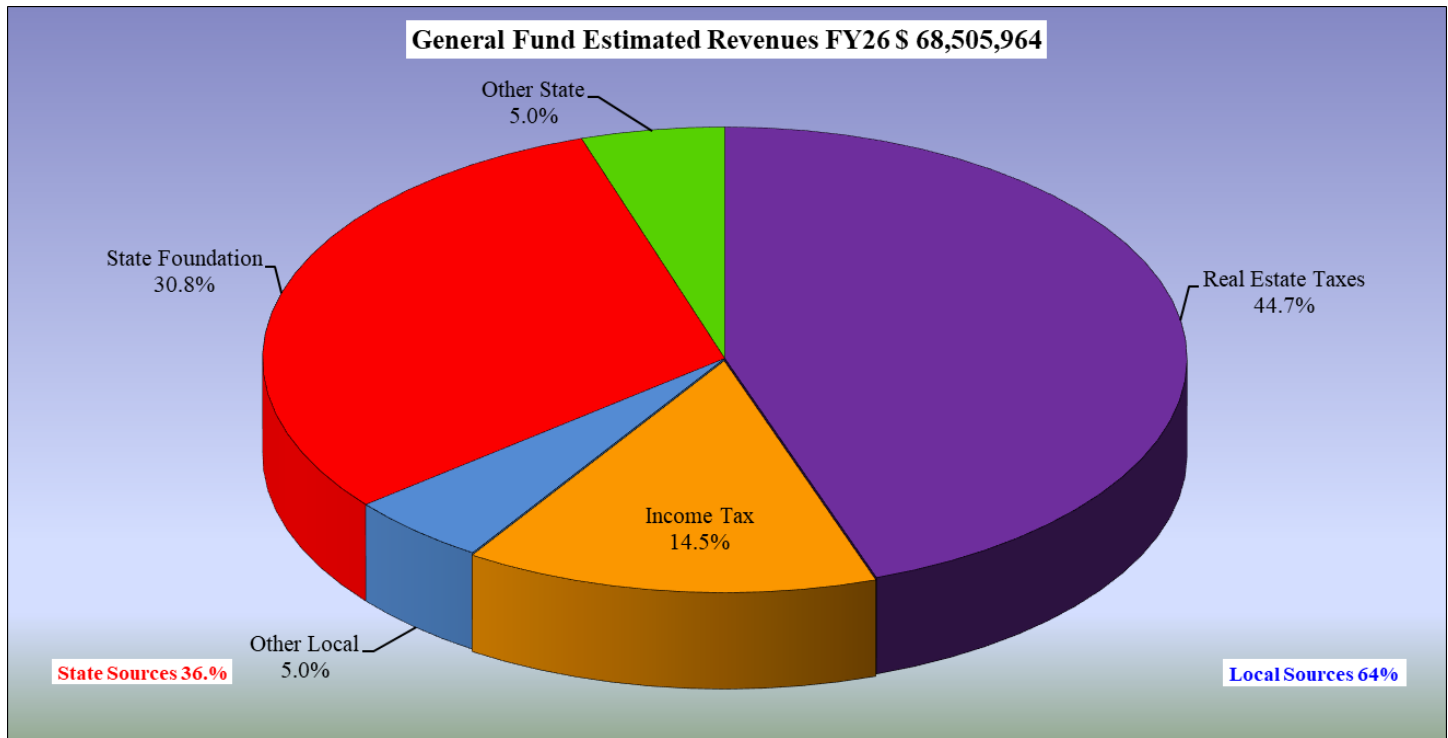
General Fund Revenue, Expenditures, and Ending Cash Balance Actual FY23-25 and Estimated FY26-30

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



Revenue Assumptions

Estimated General Fund Operating Revenue for FY26



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

Property Values are established each year by the County Auditors in Licking and Fairfield counties based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. New HB186 allows new construction growth in property taxes irrespective of GDP DF. A reappraisal will occur for Licking County in 2026 for collection in 2027, for which we estimate a 2.0% increase in residential and a slight decrease for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase by \$42.2 million or 3.0% overall.

Public Utility Personal Property (PUPP) values are anticipated to decrease by about \$3.0 million in Tax Year 2025. We expect our values to grow by around \$2.0 million in the remaining years of the forecast.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Actual TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029	Estimated TAX YEAR 2029 COLLECT 2030
Res./Ag.	\$1,200,237,550	\$1,352,836,795	\$1,375,148,112	\$1,412,276,961	\$1,591,447,853
Comm./Ind.	\$250,958,751	\$280,686,263	\$290,061,970	\$299,753,347	\$335,264,863
Public Utility Personal Property (PUPP)	\$73,321,071	\$75,482,723	\$77,607,376	\$79,717,691	\$81,815,661
Total Assessed Value	\$1,524,517,372	\$1,709,005,781	\$1,742,817,458	\$1,791,747,999	\$2,008,528,377

Tax Rate Assumptions

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all

general fund levies is 28.10 mills while the Class I effective millage rate is 23.4 mills and the Class II effective millage rate is 23.44 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”.

HB129 is a new law that restores fixed sum levies AND now includes them in the 20-mill floor calculation. HB129 will be in effect following the next reappraisal/triennial update. Our district is expected to be impacted by including fixed sum (formerly emergency) levies in our 20-mill floor calculation. This is expected to result in a loss of revenues for the district in this forecast.

Estimated Real Estate Tax Collection Assumptions & New Tax Laws

HB96 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. Our county commissioners did not vote to approve further Piggyback Property Tax Exemptions for tax year 2025. County auditors have until December 2026 to implement this tax credit for tax year 2026. We will adjust the forecast in the future accordingly.

B186 is a new law that establishes an Inflation Cap Credit for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF) in reappraisal and triennial updates. HB186 also includes Temporary Tax Credits (claw back) provision that retroactively takes back property tax revenue that has already been collected by school districts. The temporary tax credits for impacted districts will start in their reappraisal or triennial updates in tax years 2023, 2024 and 2025. These funds have already been realized and have been spent and/or included in future educational planning. The Ohio Department of Taxation is charged as the authoritative source with calculating the adjustments due to HB186, but has until April 20, 2026 to do so, which is after the filing deadline for this forecast.

Southwest Licking is anticipating a negative claw back impact to our forecast due to HB186. We are anticipating adjustments noted on the table below for Line 1.01. This is based on our best estimate of HB186, but there is no authoritative updated information from the Ohio Department of Taxation at this time on the actual claw back amount. When authoritative data is released by the Ohio Department of Taxation, we will adjust the forecast accordingly.

HB335 is a new law that limits revenue growth from inside millage due to valuation reappraisals or triennial updates to the Gross Domestic Product Deflation Factor (GDP DF) for future real estate tax revenue growth. We have not forecasted any increases for future reappraisals/triennial updates above anticipated GDP DF, thus no adverse impact to the forecasted property tax revenue is anticipated from this new law.

As noted in the Forecast Risks and Uncertainty section above, there is no authoritative data for school districts that has been released by the Ohio Department of Taxation (ODT) on HB186. The ODT is the authority noted in HB186 to calculate all of the temporary tax credits and inflation cap credits to be used in tax year 2025 to collect in calendar year 2026. We will continue to monitor guidance as it is released and will update our forecast accordingly.

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

Estimated Real Estate Tax (Line # 1.010)

Source	FY 26	FY 27	FY 28	FY 29	FY 30
General Property Taxes	\$28,894,017	\$22,920,837	\$26,169,026	\$26,749,170	\$27,342,050
Total General Property Taxes	\$28,894,017	\$22,920,837	\$26,169,026	\$26,749,170	\$27,342,050

In general, property taxes levies are estimated to be collected at about 98.06% in February and 96.34% in August. This allows a 3.66% and 1.94% respective delinquency factor. In general, 54.51% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 45.49% in the August tax settlement. We are anticipating a significant adjustment to our second half settlement in 2026 in August/September due to HB186.

New Tax Levies – Line # 13.030

No new levies are modeled in this forecast.

Estimated Public Utility Personal Tax – Line # 1.020

The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted in the table above, which is expected to be \$73.32 million in assessed values in 2025 and is collected at the district's full voted millage rate. Collections are estimated to be received 49.68% in the spring settlement and 50.32% in the fall settlement, along with the real estate settlements from the county auditor.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Public Utility Personal Property	<u>\$1,719,921</u>	<u>\$1,705,348</u>	<u>\$1,743,111</u>	<u>\$1,790,696</u>	<u>\$1,826,200</u>

School District Income Tax – Line # 1.030

The district had a .75% continuous income tax that has been effective since 1991. The income tax is estimated to produce \$9.9 million in FY26. We are estimating a growth rate of 5.69% in FY27, 7.29% in FY27 and modest increases each year after.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
School District Income Tax	\$9,487,235	\$9,923,467	\$10,488,389	\$11,253,141	\$12,131,841
Adjustments	<u>\$436,232</u>	<u>\$564,922</u>	<u>\$764,752</u>	<u>\$878,700</u>	<u>\$1,025,263</u>
Total	<u>\$9,923,467</u>	<u>\$10,488,389</u>	<u>\$11,253,141</u>	<u>\$12,131,841</u>	<u>\$13,157,104</u>

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

Current State Funding Model per HB96 through June 30, 2027

A) Unrestricted State Foundation Revenue– Line # 1.035

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

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

An overview of how foundation funding is calculated is available from the Ohio Department of Education and Workforce Please visit the Ohio Department of Education and Workforce at: <https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

State Funding FY26-FY27

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

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

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

The Performance Supplement was included in HB96. The eligibility for the supplement payment uses data from the state report card for the 2024-2025 school year for FY26 and 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We are estimated to receive \$251,665 in FY26.

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26, but still includes two (2) primary guarantees: 1) Temporary Transition Aid, and 2) Formula Transition Supplement. The two (2) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY26 and FY27 than they received in FY21.

Future State Budget Projections beyond FY27:

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

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

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

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Basic Aid-Unrestricted	\$18,228,599	\$16,028,332	\$13,897,095	\$14,011,333	\$14,011,333
Additional Aid Items *	<u>\$1,283,437</u>	<u>\$1,442,804</u>	<u>\$1,442,804</u>	<u>\$1,442,804</u>	<u>\$1,442,804</u>
Basic Aid-Unrestricted Subtotal	<u>\$19,512,036</u>	<u>\$17,471,136</u>	<u>\$15,339,899</u>	<u>\$15,454,137</u>	<u>\$15,454,137</u>
Ohio Casino Commission ODT	<u>\$335,000</u>	<u>\$316,761</u>	<u>\$329,637</u>	<u>\$342,739</u>	<u>\$356,070</u>
Total Unrestricted State Aid	<u>\$19,847,036</u>	<u>\$17,787,897</u>	<u>\$15,669,536</u>	<u>\$15,796,876</u>	<u>\$15,810,207</u>

B) Restricted State Revenues – Line # 1.040

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. The district has elected to also post Catastrophic (Threshold) Aid for special education as restricted revenues. We were notified in January that the state of Ohio overspent their Science of Reading Appropriation and will be reducing funding to recover funds previously paid. We were also notified that Threshold reimbursements in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

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 DPIA formula modified the weight given to these student groups over the biennium which has resulted in calculated DPIA state funding in FY26 being \$86.6 million less than in FY25.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Disadvantaged Pupil Impact Aid (DPIA)	\$278,501	\$296,342	\$296,342	\$296,342	\$296,342
Career Tech	\$123,219	\$99,696	\$106,002	\$83,261	\$83,261
ESL	\$110,652	\$94,698	\$94,372	\$74,126	\$74,126
Gifted	\$204,483	\$145,976	\$145,290	\$111,882	\$111,882
Student Wellness	\$500,247	\$383,348	\$383,348	\$383,348	\$383,348
Threshold, SOR, and High Quality Instr. Mat. Subsidy	<u>\$58,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Restricted State Revenues	<u>\$1,276,002</u>	<u>\$1,020,060</u>	<u>\$1,025,354</u>	<u>\$948,959</u>	<u>\$948,959</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>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Unrestricted	\$19,847,036	\$17,787,897	\$15,669,536	\$15,796,876	\$15,810,207
Restricted	\$1,276,002	\$1,020,060	\$1,025,354	\$948,959	\$948,959
Rest. Fed. Grants - SFSF & Ed Jobs	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total State Foundation Revenue	<u>\$21,123,038</u>	<u>\$18,807,957</u>	<u>\$16,694,890</u>	<u>\$16,745,835</u>	<u>\$16,759,166</u>

State Reimbursement for Property Tax Credits – Line # 1.050

a) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013. And Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled.

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSs that are located in a county that underwent a reappraisal or triennial update in tax years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in tax year 2025 than in tax year 2024. The revenue guarantee applies to tax year 2025, in the case of 2023 reappraisal or update counties, and to tax years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district's real property tax revenue in tax year 2024 and its revenue in 2025 and, if applicable, 2026. We do anticipate a hold harmless payment for HB186, but since the ODT has not released authoritative data on HB186 calculations, we cannot be certain of this. We will adjust the forecast as data from the ODT becomes available.

b) Tangible Personal Property Reimbursements – Fixed Rate

The district does not receive TPP Fixed Rate reimbursements.

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

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
State Share of Local Property Taxes	<u>\$3,441,871</u>	<u>\$6,142,814</u>	<u>\$6,208,034</u>	<u>\$3,431,531</u>	<u>\$3,502,698</u>

Other Local Revenues – Line # 1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been open enrollment, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees.

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

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

Short-Term Borrowing – Lines # 2.010 & 2.020

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

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

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

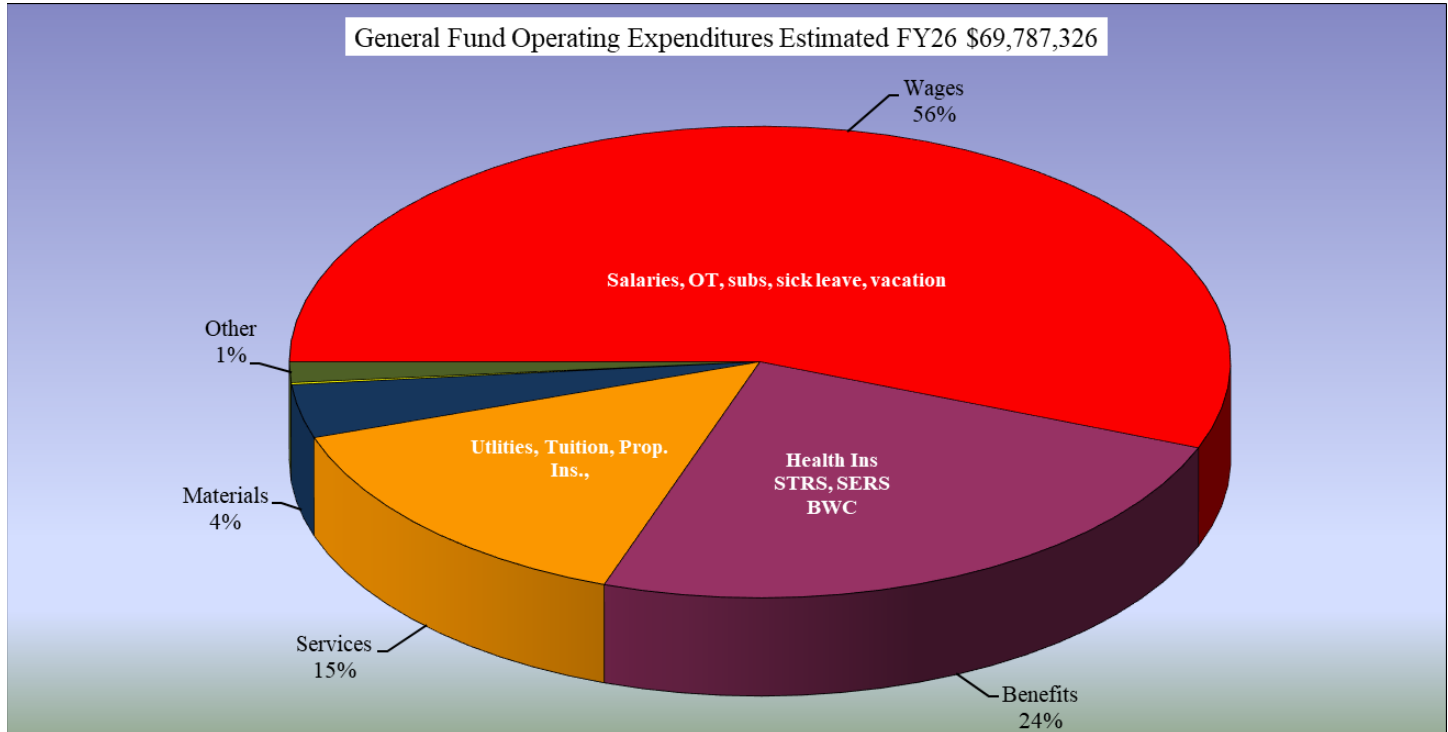
<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Rev. From State Advances	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Left blank on purpose.

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students, whether it be with changes in staffing, curriculum, or new technology. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

Estimated Operating Expense Categories - General Fund FY26



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

The district is expecting a base 6.79% increase in FY26, a 3% increase in FY27 and a 0% increase in the remaining years of the forecast. The district has included 2.5% for steps raises and other adjustments. There is also an increase each year for Substitute and Supplement wages from FY26 through FY30 consistent with the estimated raises. The district is also including additional staff to support the enrollment growth.

Source	FY26	FY27	FY28	FY29	FY30
Base Wages	\$36,355,403	\$38,354,950	\$39,781,189	\$41,243,084	\$42,741,526
Steps	\$908,885	\$958,874	\$994,530	\$1,031,077	\$1,068,538
One-time payment in lieu of base salary increase	\$0	\$0	\$0	\$0	\$0
Growth	\$0	\$467,365	\$467,365	\$467,365	\$467,365
Substitutes	\$805,500	\$829,665	\$829,665	\$829,665	\$829,665
Supplementals	\$974,240	\$1,003,467	\$1,003,467	\$1,003,467	\$1,003,467
Staff Reductions	\$0	\$0	\$0	\$0	\$0
Total Wages	<u>\$39,044,028</u>	<u>\$41,614,321</u>	<u>\$43,076,216</u>	<u>\$44,574,658</u>	<u>\$46,110,561</u>

Fringe Benefits Estimates Line # 3.020

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

A) STRS/SERS

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

B) Insurance

The district is planning for a 3.9% increase in FY26 and 10.0% increases each additional year through FY30.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at less than 0.29% of wages FY26-FY30 which is in line with our recent trend. Unemployment Compensation has been negligible.

D) Medicare

Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

E) Other/Tuition

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

Summary of Retirement/Insurance Benefits – Line # 3.020

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
A) STRS/SERS	\$6,192,438	\$6,242,148	\$6,461,432	\$6,686,199	\$6,916,585
B) Insurance's	\$9,900,525	\$11,082,780	\$12,402,483	\$13,875,300	\$15,518,655
C) Workers Comp/Unemployment	\$113,220	\$121,169	\$125,408	\$129,753	\$134,206
D) Medicare	\$563,366	\$603,408	\$624,605	\$646,333	\$668,603
Other/Tuition/Social Security	<u>\$269,972</u>	<u>\$269,972</u>	<u>\$269,972</u>	<u>\$269,972</u>	<u>\$269,972</u>
Total Fringe Benefits	<u>\$17,039,521</u>	<u>\$18,319,477</u>	<u>\$19,883,900</u>	<u>\$21,607,557</u>	<u>\$23,508,021</u>

Purchased Services – Line # 3.030

College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. An average increase of about 5% is projected in this area for the forecasted period.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Professional & Technical Services, ESC	\$5,415,282	\$2,365,418	\$2,483,689	\$2,607,873	\$2,738,267
Maintenance, Insurance & Garbage Removal	\$578,600	\$607,530	\$637,907	\$669,802	\$703,292
Professional Development	\$80,191	\$84,201	\$88,411	\$92,831	\$97,473
Communications, Postage, & Telephone	\$351,700	\$369,285	\$387,749	\$407,137	\$427,494
Utilities	\$1,384,900	\$1,454,145	\$1,526,852	\$1,603,195	\$1,683,355
Contracted Trades & Services	\$7,400	\$7,770	\$8,159	\$8,566	\$8,995
Tuition, Excess Costs & Scholarship Costs	\$1,410,200	\$1,480,710	\$1,554,746	\$1,632,483	\$1,714,107
College Credit Plus	\$119,626	\$125,607	\$131,888	\$138,482	\$145,406
Contract Transportation	\$98,300	\$103,215	\$108,376	\$113,795	\$119,484
Miscellaneous Purchased Services	\$614,938	\$645,685	\$677,969	\$711,868	\$747,461
Budget Reserves or (Reductions)	\$0	\$0	\$0	\$0	\$0
Total Purchased Services	<u>\$10,061,137</u>	<u>\$7,243,566</u>	<u>\$7,605,744</u>	<u>\$7,986,031</u>	<u>\$8,385,333</u>

Supplies and Materials – Line # 3.040

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

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Supplies (51x, 590)	\$1,021,855	\$1,032,074	\$1,042,395	\$1,052,819	\$1,063,347
Textbooks (52x)	\$708,038	\$250,000	\$252,500	\$255,025	\$257,575
Building Maintenance (57x)	\$302,700	\$305,727	\$308,784	\$311,872	\$314,991
Transportation (58x)	<u>\$525,400</u>	<u>\$530,654</u>	<u>\$535,961</u>	<u>\$541,321</u>	<u>\$546,734</u>
Total Supplies	<u>\$2,557,993</u>	<u>\$2,118,455</u>	<u>\$2,139,640</u>	<u>\$2,161,037</u>	<u>\$2,182,647</u>

Capital Outlay – Line # 3.050

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

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Capital Outlay	\$96,620	\$50,000	\$50,000	\$50,000	\$50,000
Replacement Bus Purchases	\$0	\$0	\$0	\$0	\$0
Budget Reserve	\$0	\$0	\$0	\$0	\$0
Total Equipment	<u>\$96,620</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

Other Expenses – Line # 4.300

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

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
County Auditor / Treasurer & Income Tax Fees	\$567,700	\$584,731	\$602,273	\$620,341	\$638,951
County ESC	\$3,500	\$3,605	\$3,713	\$3,824	\$3,939
Other expenses	\$416,827	\$429,332	\$442,212	\$455,478	\$469,142
Increased A & T Fees for New Levies	\$0	\$0	\$0	\$0	\$0
Total Other Expenses	<u>\$988,027</u>	<u>\$1,017,668</u>	<u>\$1,048,198</u>	<u>\$1,079,643</u>	<u>\$1,112,032</u>

Transfers Out/Advances Out – Line # 5.010

This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Operating Transfers Out	\$1,792,604	\$891,253	\$891,253	\$891,253	\$891,253
Advances Out	<u>\$67,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Transfer & Advances Out	<u>\$1,860,104</u>	<u>\$891,253</u>	<u>\$891,253</u>	<u>\$891,253</u>	<u>\$891,253</u>

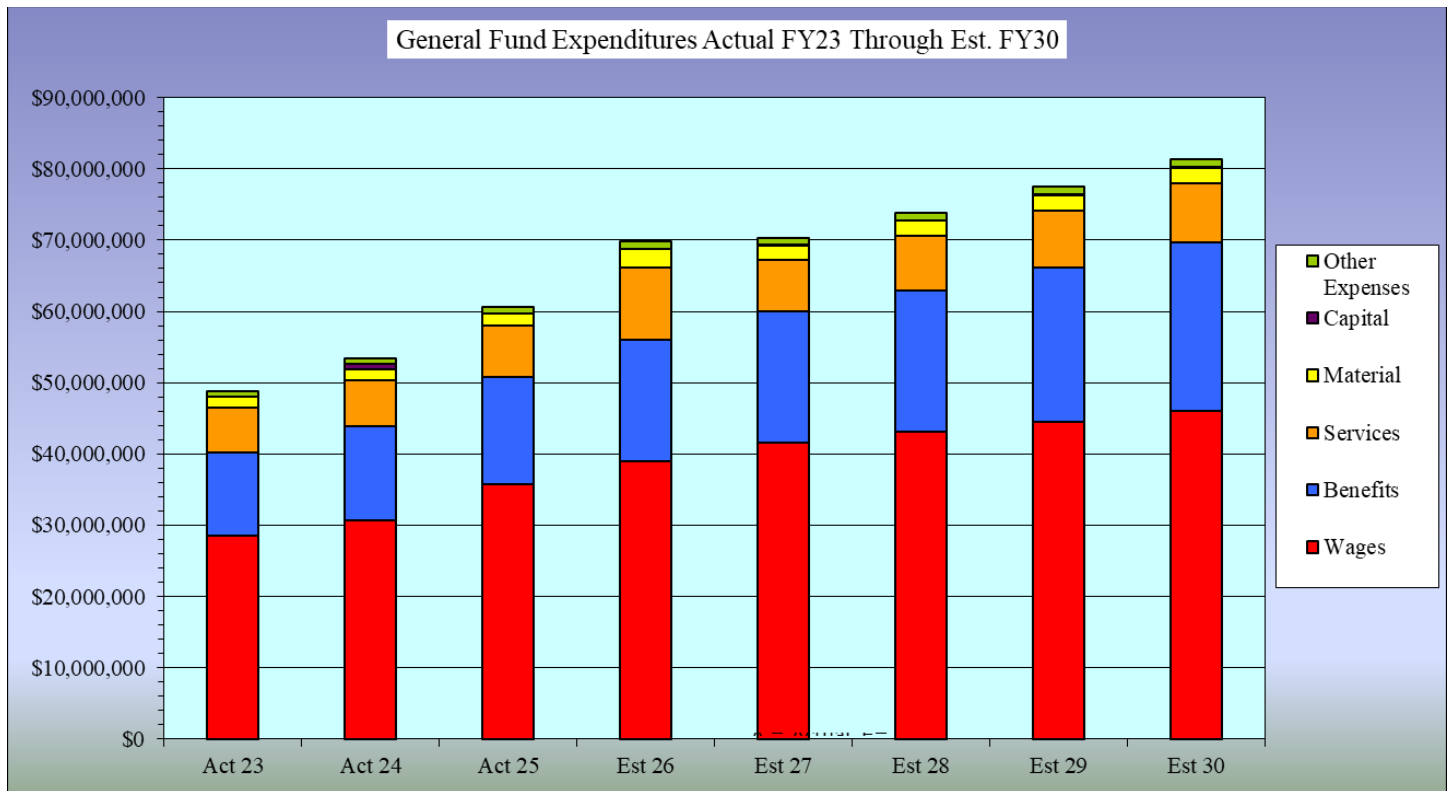
Encumbrances –Line # 8.010

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>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Estimated Encumbrances	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Operating Expenditures Actual FY23 through FY25 and Estimated FY26-FY30

As the graph on the following page indicates, we have diligently contained costs due to lower and flat state revenues. We control our expenses while balancing students' academic needs to enable them to excel and perform well on state performance standards.



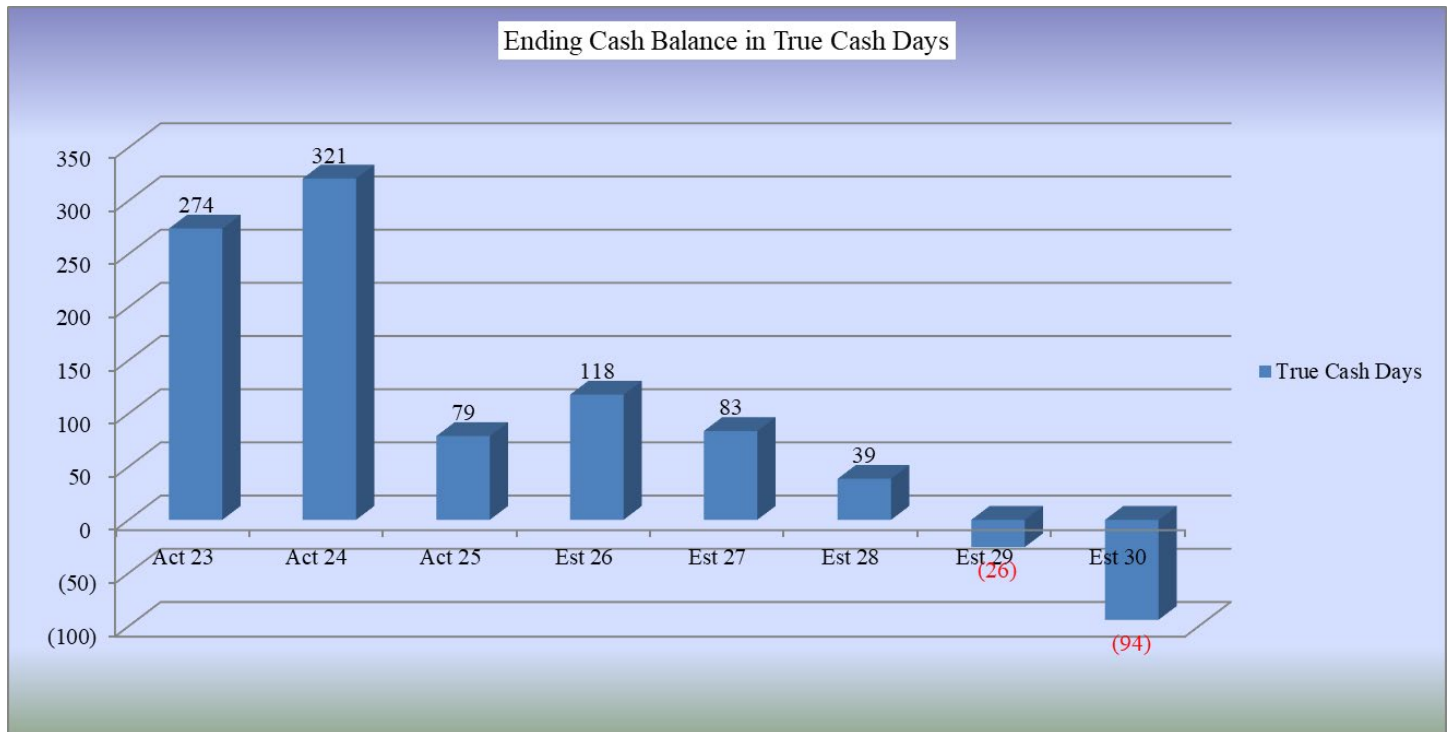
Ending Unencumbered Cash Balance “The Bottom-line”– Line # 15.010

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000, unless the new alternative 412 certificate can be issued pursuant to HB153 effective after September 30, 2011.

Source	FY26	FY27	FY28	FY29	FY30
Ending Unencumbered Cash Balance	<u>\$23,099,912</u>	<u>\$16,288,144</u>	<u>\$7,892,096</u>	<u>(\$5,509,507)</u>	<u>(\$21,179,661)</u>

True Cash Days Ending Balance

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year-end if no additional revenues were received? This is the Current Years Ending Cash Balance divided by 365 (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The government Finance Officers Association recommends that no less than two (2) months or 60 days of cash is on hand at year-end. Still, it could be more depending on each district's complexity and risk factors for revenue collection. This is calculated, including transfers, as this is a predictable funding source for other funds such as capital, athletics, and severance reserves.



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