

**BERKSHIRE LOCAL SCHOOL DISTRICT-GEAUGA 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
Berkshire Local School District**

**Beth A. McCaffrey, Treasurer
February 9, 2026**

Berkshire Local School District

Geauga County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2023, 2024 and 2025 Actual;

Forecasted Fiscal Years Ending June 30, 2026 Through 2030

	Actual				Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Average Change	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Revenues									
1.010 General Property Tax (Real Estate)	6,613,773	7,787,775	8,460,076	13.2%	8,603,582	7,968,210	9,349,856	9,363,847	9,377,839
1.020 Public Utility Personal Property Tax	350,754	1,244,488	768,730	108.3%	945,439	987,478	999,928	1,012,378	1,024,828
1.030 Income Tax	3,775,205	3,708,399	3,962,417	2.5%	4,106,462	4,147,527	4,189,004	4,230,895	4,273,204
1.035 Unrestricted State Grants-in-Aid	5,311,144	5,404,394	5,409,942	0.9%	5,625,220	5,797,607	5,797,138	5,796,650	5,796,145
1.040 Restricted State Grants-in-Aid	368,643	486,013	471,108	14.4%	268,025	247,109	247,109	247,109	247,109
1.045 Restricted Federal Grants In Aid	-	-	-	0.0%	-	-	-	-	-
1.050 State Reimbursement for Property Tax Credits	935,404	1,056,056	1,201,431	13.3%	1,180,284	1,782,576	1,316,247	1,318,568	1,320,888
1.060 All Other Revenues	1,304,925	1,478,180	1,740,988	15.5%	1,804,240	1,814,053	1,686,355	1,689,123	1,693,019
1.070 Total Revenues	18,659,848	21,165,305	22,014,692	8.7%	22,533,252	22,744,560	23,585,636	23,658,569	23,733,032
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	-	-	-	0.0%	-	-	-	-	-
2.050 Advances-In	208,696	50,626	20,000	-68.1%	20,000	20,000	20,000	20,000	20,000
2.060 All Other Financing Sources	36,897	56,129	10,221	-14.8%	10,221	10,221	10,221	10,221	10,221
2.070 Total Other Financing Sources	245,593	106,755	30,221	-64.1%	30,221	30,221	30,221	30,221	30,221
2.080 Total Revenues and Other Financing Sources	18,905,441	21,272,060	22,044,913	8.1%	22,563,473	22,774,781	23,615,857	23,688,790	23,763,253
Expenditures									
3.010 Personal Services	9,410,485	9,936,690	11,445,477	10.4%	11,512,322	11,948,170	12,271,772	12,612,515	12,861,002
3.020 Employees' Retirement/Insurance Benefits	3,354,638	3,495,640	3,807,281	6.6%	3,812,421	3,948,102	4,074,407	4,142,817	4,184,165
3.030 Purchased Services	4,836,293	5,458,500	5,180,212	3.9%	5,186,866	5,279,649	5,427,293	5,527,981	5,630,775
3.040 Supplies and Materials	505,006	687,814	571,247	9.6%	668,050	561,590	561,590	561,590	561,590
3.050 Capital Outlay	286,101	295,501	457,604	29.1%	459,170	338,379	258,000	258,000	258,000
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	301,801	339,053	365,971	10.1%	344,341	344,341	344,341	344,341	344,341
4.500 Total Expenditures	18,694,324	20,213,198	21,827,792	8.1%	21,983,169	\$22,420,231	22,937,403	23,447,244	23,839,873
Other Financing Uses									
5.010 Operating Transfers-Out	1,023,886	1,190,844	1,320,295	13.6%	1,538,402	1,704,467	1,760,567	1,722,456	1,722,456
5.020 Advances-Out	-	222,256	58,001	0.0%	0	0	0	0	0
5.030 All Other Financing Uses	-	-	-	0.0%	0	0	0	0	0
5.040 Total Other Financing Uses	1,023,886	1,413,100	1,378,296	17.8%	1,538,402	1,704,467	1,760,567	1,722,456	1,722,456
5.050 Total Expenditures and Other Financing Uses	19,718,210	21,626,298	23,206,088	8.5%	23,521,571	24,124,698	24,697,970	25,169,701	25,562,329
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(812,769)	(354,238)	(1,161,175)	85.7%	(958,098)	(1,349,918)	(1,082,113)	(1,480,910)	(1,799,076)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	5,229,142	4,416,373	4,062,135	-11.8%	2,900,960	1,942,862	592,944	(489,169)	(1,970,079)
7.020 Cash Balance June 30	4,416,373	4,062,135	2,900,960	-18.3%	1,942,862	592,944	489,169-	1,970,079-	3,769,155-
8.010 Estimated Encumbrances June 30	373,585	566,782	150,710	-10.8%	150,000	150,000	150,000	150,000	150,000
Fund Balance June 30 for Certification of Appropriations	4,042,788	3,495,353	2,750,250	-17.4%	1,792,862	442,944	(639,169)	(2,120,079)	(3,919,155)
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal	-	-	-	0.0%	-	-	-	-	-
11.020 Property Tax - Renewal or Replacement	-	-	-	0.0%	-	-	-	-	-
11.300 Cumulative Balance of Replacement/Renewal Levies	-	-	-	0.0%	-	-	-	-	-
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	4,042,788	3,495,353	2,750,250	-17.4%	1,792,862	442,944	(639,169)	(2,120,079)	(3,919,155)
Revenue from New Levies									
13.010 Income Tax - New	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
13.020 Property Tax - New	-	-	-	0.0%	-	-	-	-	-
13.030 Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010 Revenue from Future State Advancements	-	-	-	0.0%	-	-	-	-	-
15.010 Unreserved Fund Balance June 30	4,042,788	3,495,353	2,750,250	-17.4%	1,792,862	442,944	(639,169)	(2,120,079)	(3,919,155)

Berkshire Local School District – Geauga County
Notes to the Five-Year Forecast
General Fund Only

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), 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 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 five-year 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 two (2) state biennium budgets for FY28-29 and FY30-31, all of which affect this forecast.

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:

- 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. It is estimated this new law will not impact our tax collections.
- 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. It is estimated that this new law will lower tax collections by \$1,072,600 in FY27, and could be as much as \$3,217,798 through FY30, depending on how HB186 Inflation Cap Credits are determined by the Ohio Department of Taxation for Tax Year 2026 forward.
- 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 collections.

Because the new accelerated February filing deadline for school district forecasts and the Ohio Department of Taxations 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.

- 2) Property tax collections are the largest single revenue source 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 69% 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 to September 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) Geauga County experienced full reappraisal for all property values in the 2023 tax year to be collected in FY24. The 2023 update increased assessed values by \$98.31 million, or 29.73%. Overall values rose \$105.83 million or 28.13%, including reappraisal and new construction for all property classes. A reappraisal update will occur in tax year 2026 for collection in FY27. 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 in tax year 2026. We do not anticipate any impact of HB129 or 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 31% 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/or 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 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 budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY26 and FY27. FY26 reflects 83.33% of the implementation cost at year five of a six-year phase-in plan, which increases by 16.66% each year. FY27 will result in 100% funding of (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their

schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 simulations published by the Department of Education and Workforce for our forecasted revenues in FY27-FY30.

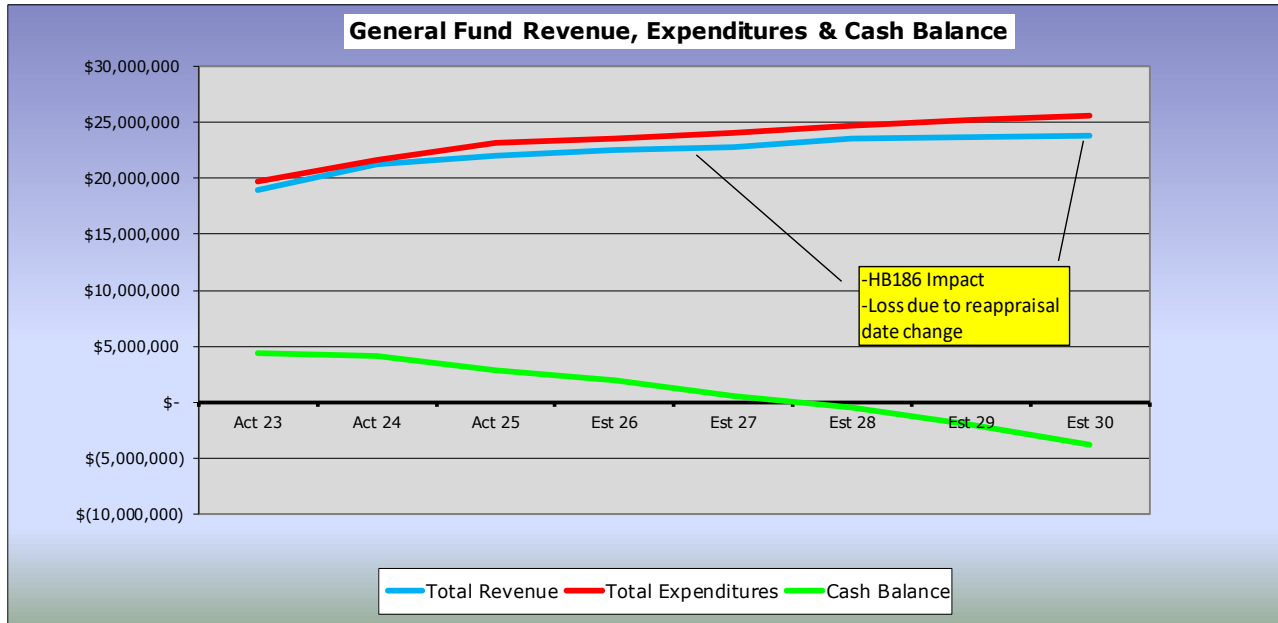
- 6) HB96, the current state biennium budget also enacted a new provision called “Piggyback Property Tax Exemptions”. This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Current Homestead and 2.5% owner occupied 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 of roughly \$319,669 from current operating levies. This new law creates a potential risk to our local tax collections every year. County commissioners 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 move forward by one year. We will lose growth on inside millage and Class I 20-mill floor for the one year skipped estimated at \$296,184 for FY30 and \$592,368 for the full lost calendar year 2030 collection.
- 8) Income tax is the district’s third-largest revenue source. The past few payments we received have been greater than in previous years, making income tax forecasting even more difficult. We will monitor the income tax revenue very closely for any positive or negative changes that may occur.

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. Our positive working relationship will continue and grow stronger as we move forward.

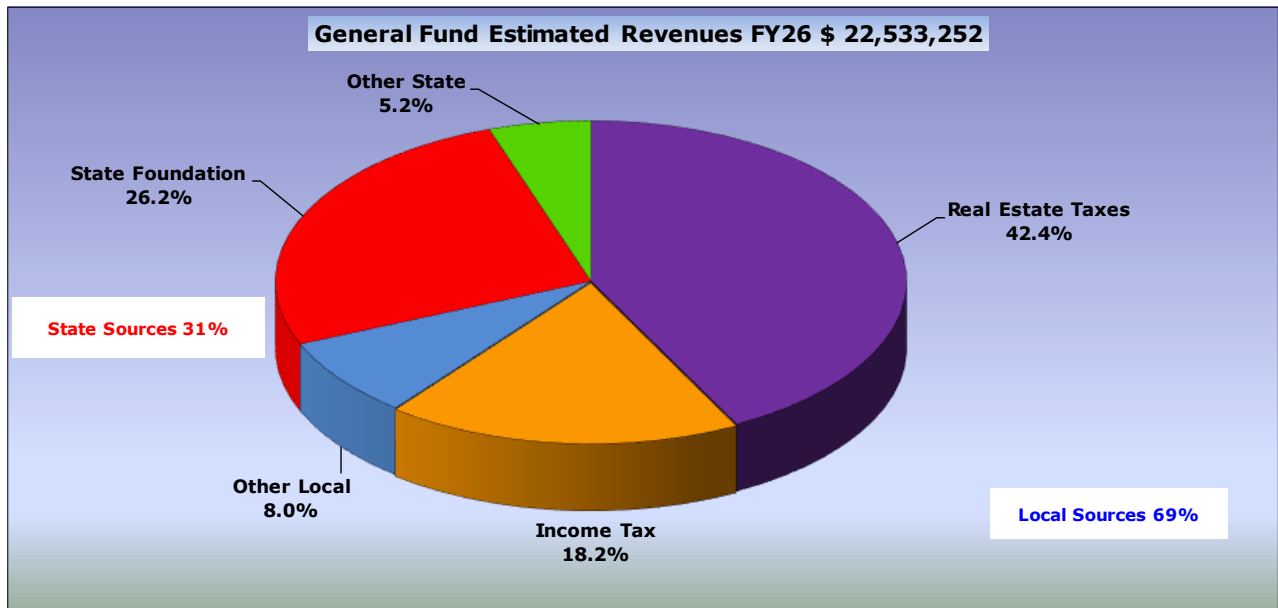
The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below to understand the overall financial forecast for our district. If you want further information, please contact Beth McCaffrey, Treasurer, at 440.834.3380.

General Fund Revenue, Expenditures, and Ending Cash Balance 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 Operating Revenue Sources General Fund FY26



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

Property Values are established annually by the County Auditor 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. Geauga County experienced a reappraisal for the 2023 tax year to be collected in 2024. Due to the reappraisal led by an improving housing market, residential/agricultural values increased 29.73% or \$98.31 million.

New construction values of \$3 million is estimated in the second half of 2026 collection as provided by the County Auditor. A reappraisal update will occur in 2026 for collection in 2027, for which we estimate a 9% increase in residential and a 0% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase by \$39.7 million or 8.21% overall including new construction.

Public Utility Personal Property (PUPP) values increased by \$1.01 million in Tax Year 2025. We expect our values to continue to grow by \$250,000 each year of the forecast.

We have projected anticipated GDP DF rates for future value increases for reappraisal or updates due to new legislation HB186 and HB335 as noted in the Forecast Risks and Uncertainty above.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029
Classification	COLLECT 2026	COLLECT 2027	COLLECT 2028	COLLECT 2029	COLLECT 2030
Res./Ag.	\$441,162,170	\$481,716,765	\$482,566,765	\$483,416,765	\$484,266,765
Comm./Ind.	50,835,680	50,685,680	50,535,680	50,385,680	50,235,680
Public Utility Personal Property (PUPP)	<u>19,693,872</u>	<u>19,943,872</u>	<u>20,193,872</u>	<u>20,443,872</u>	<u>20,693,872</u>
Total Assessed Value	<u>\$511,691,722</u>	<u>\$552,346,317</u>	<u>\$553,296,317</u>	<u>\$554,246,317</u>	<u>\$555,196,317</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 is 49.8 mills while the Class I effective millage rate is 20 mills and the Class II effective millage rate is 20.40 mills. Current Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is on the floor for Class I.

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 tax year 2026 triennial update. Our district does not have fixed sum levies, therefore, this will not impact our 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 commissioners have until December 2026 to implement this tax credit for tax year 2026. We will adjust the forecast in the future accordingly.

HB186 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. For impacted districts this starts with 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 (ODT) 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.

Our district 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 of \$1.072 million and depending on how the ODT implements these claw backs in future tax collections, could be as much as \$3.22 million through FY30. This is based on our best estimate of HB186, but there is no authoritative updated information from the Ohio Department of Taxation (ODT) at this time on the actual claw back amount. When authoritative data is released by the ODT, 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	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
General Property Taxes	\$8,603,582	\$9,040,810	\$9,349,856	\$9,363,847	\$9,377,839
Piggyback Exemption HB96	\$0	\$0	\$0	\$0	\$0
Other Tax Adjustments-HB186	<u>\$0</u>	<u>-\$1,072,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total General Property Taxes	<u>\$8,603,582</u>	<u>\$7,968,210</u>	<u>\$9,349,856</u>	<u>\$9,363,847</u>	<u>\$9,377,839</u>

Property tax levies are estimated to be collected at 97.31% of the annual amount. This allows for a 2.69% delinquency factor. In general, 56% of the Residential/Agricultural and Commercial/Industrial property taxes are expected to be collected in the February tax settlement and 44% 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 (PUPP)– Line#1.020

The amounts below are public utility personal property (PUPP) tax payments from public utilities. The values for PUPP are noted in the table above, which was \$19.7 million in assessed values in 2025 and is collected at

the district’s full voted millage rate. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor. The values in 2025 rose by \$1.01 million and are expected to grow by \$250,000 each year of the forecast.

The Orwell Trumbull Pipeline filed for bankruptcy and the assets were sold separately from the liabilities. This issue is affecting all school districts that are associated with the pipeline. The Public Utility valuations were reduced after the 2020 Geauga County triennial appraisal and the Orwell Trumbull Pipeline values were completely removed in the amount of \$1.1 million. The County Treasurer currently shows that Berkshire is owed \$942,671 dollars in delinquent taxes from the Orwell Trumbull Pipeline. This delinquency has not been included in the forecast as advised by the County Budget Commission in February 2023. At the tax budget hearing held by the Geauga County budget Commission on February 20, 2025, Geauga County Prosecutor, James R Flaiz, stated that a complaint was filed in May 2024 with the Geauga County Court of Common Pleas regarding the payment of unpaid delinquent taxes. Mr. Flaiz advised that the case was sent to the Cuyahoga Common Pleas Court and in March 2025 Judge Brendan Sheehan ruled that that Geauga County had no basis for a claim as they were notified of the sale in 2019. Mr. Flaiz appealed the decision and the 8th District Court of Appeals affirmed the lower court’s decision. It is unclear whether Mr. Flaiz will seek further appeals.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Public Utility Personal Property (Line#1.020)	<u>\$945,439</u>	<u>\$987,478</u>	<u>\$999,928</u>	<u>\$1,012,378</u>	<u>\$1,024,828</u>

School District Income Tax – Line#1.030

The district has a 1% earned SDIT for a continuous period. The changes in tax amounts are leveling off from the pandemic. We suffered an unexpected dip of \$66,806 or 1.77% in FY24 from projected amounts. Our collection in FY25 was \$3.96 million which is up 6.85% over FY24. We will assume that income from withholdings will continue to increase in future collections. We will assume an annual growth rate of 2% for FY26, and 1% FY27-FY30 as the concerns over inflation may slow growth in this area.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
School District Income Tax	\$3,962,417	\$4,106,462	\$4,147,527	\$4,189,004	\$4,230,895
Adjustments	<u>144,045</u>	<u>41,066</u>	<u>41,476</u>	<u>41,891</u>	<u>42,310</u>
Total to Line #1.030	<u>\$4,106,462</u>	<u>\$4,147,527</u>	<u>\$4,189,004</u>	<u>\$4,230,895</u>	<u>\$4,273,204</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 guarantee district in FY26 and is expected to continue to be on the guarantee in FY27-FY30 on the Fair School Funding Plan (FSFP).

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

State Funding FY26-FY27

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

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

The Enrollment Growth Supplement is paid to eligible districts based on the current FY26 enrolled ADM multiplied by \$225 per student, and in FY27 based on FY27 enrolled ADM multiplied by \$250. To be eligible enrolled ADM growth between FY22 and FY25 must equal or exceed 5% growth, and FY27 enrolled ADM growth between FY23 and FY26 must equal or exceed 3%. Our district does not 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 anticipate receiving \$67,041 in FY26 and FY27 as we qualify for this funding.

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

Future State Budget Projections beyond FY27

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

Casino Revenue

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

In FY25, the funding totaled \$114.30 million or \$65.70 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Basic Aid-Unrestricted	\$5,121,693	\$5,215,507	\$5,215,507	\$5,215,507	\$5,215,507
Additional Aid Items	414,447	493,471	493,471	493,471	493,471
Basic Aid-Unrestricted Subtotal	\$5,536,140	\$5,708,978	\$5,708,978	\$5,708,978	\$5,708,978
Ohio Casino Commission ODT	<u>89,080</u>	<u>88,629</u>	<u>88,160</u>	<u>87,672</u>	<u>87,167</u>
Total Unrestricted State Aid Line # 1.035	<u>\$5,625,220</u>	<u>\$5,797,607</u>	<u>\$5,797,138</u>	<u>\$5,796,650</u>	<u>\$5,796,145</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.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
DPIA	\$41,543	\$44,169	\$44,169	\$44,169	\$44,169
Career Tech	3,056	1,134	1,134	1,134	1,134
Gifted	24,513	15,267	15,267	15,267	15,267
ESL	330	0	0	0	0
Student Wellness	69,427	49,695	49,695	49,695	49,695
Other Restricted State Funds	-7,688	0	0	0	0
Threshold Aid	<u>136,844</u>	<u>136,844</u>	<u>136,844</u>	<u>136,844</u>	<u>136,844</u>
Total Restricted State Revenues Line #1.040	<u>\$268,025</u>	<u>\$247,109</u>	<u>\$247,109</u>	<u>\$247,109</u>	<u>\$247,109</u>

C) Restricted Federal Grants in Aid – line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Unrestricted Line # 1.035	\$5,625,220	\$5,797,607	\$5,797,138	\$5,796,650	\$5,796,145
Restricted Line # 1.040	268,025	247,109	247,109	247,109	247,109
Restricted Federal Grants - #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$5,893,245</u>	<u>\$6,044,716</u>	<u>\$6,044,247</u>	<u>\$6,043,759</u>	<u>\$6,043,254</u>

State Reimbursement of 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.

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSDs 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 anticipate a hold harmless payment of \$522,605, for HB186, but since the Ohio Department of Taxation 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.

Summary of State Tax Reimbursement – Line #1.050

Source	FY26	FY27	FY28	FY29	FY30
Rollback and Homestead	\$1,180,284	\$1,259,971	\$1,316,247	\$1,318,568	\$1,320,888
HB186 Partial Reimbursement	\$0	\$522,605	\$0	\$0	\$0
Total Tax Reimb./Prop. Tax Allocations #1.050	<u>\$1,180,284</u>	<u>\$1,782,576</u>	<u>\$1,316,247</u>	<u>\$1,318,568</u>	<u>\$1,320,888</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, 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. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue historical trends.

Source	FY26	FY27	FY28	FY29	FY30
Preston Rent	\$36,000	\$60,000	\$60,000	\$60,000	\$60,000
Interest	267,044	240,340	100,000	90,000	81,000
Medicaid	125,717	126,971	128,238	129,517	130,809
Tuitions	1,126,278	1,137,541	1,148,916	1,160,405	1,172,009
MH Tax, Fees, and Miscellaneous	<u>249,201</u>	<u>249,201</u>	<u>249,201</u>	<u>249,201</u>	<u>249,201</u>
Total Other Local Revenue Line #1.060	<u>\$1,804,240</u>	<u>\$1,814,053</u>	<u>\$1,686,355</u>	<u>\$1,689,123</u>	<u>\$1,693,019</u>

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

There is no short-term borrowing projected in this forecast.

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 over the previous fiscal year and reimbursements for expenses received for a prior fiscal year in the current fiscal year. The advances in the last fiscal year are expected to be repaid in the current year, as noted in the table below.

Preschool/latchkey, Fund 020 received an advance of \$171,629.77 in FY24 for the early childhood program. It is anticipated that \$20,000 will be repaid in FY26 and \$20,000 will be repaid each year of this forecast until it is paid off.

Source	<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	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Total Transfer & Advances In	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>

All Other Financial Sources – Line #2.060

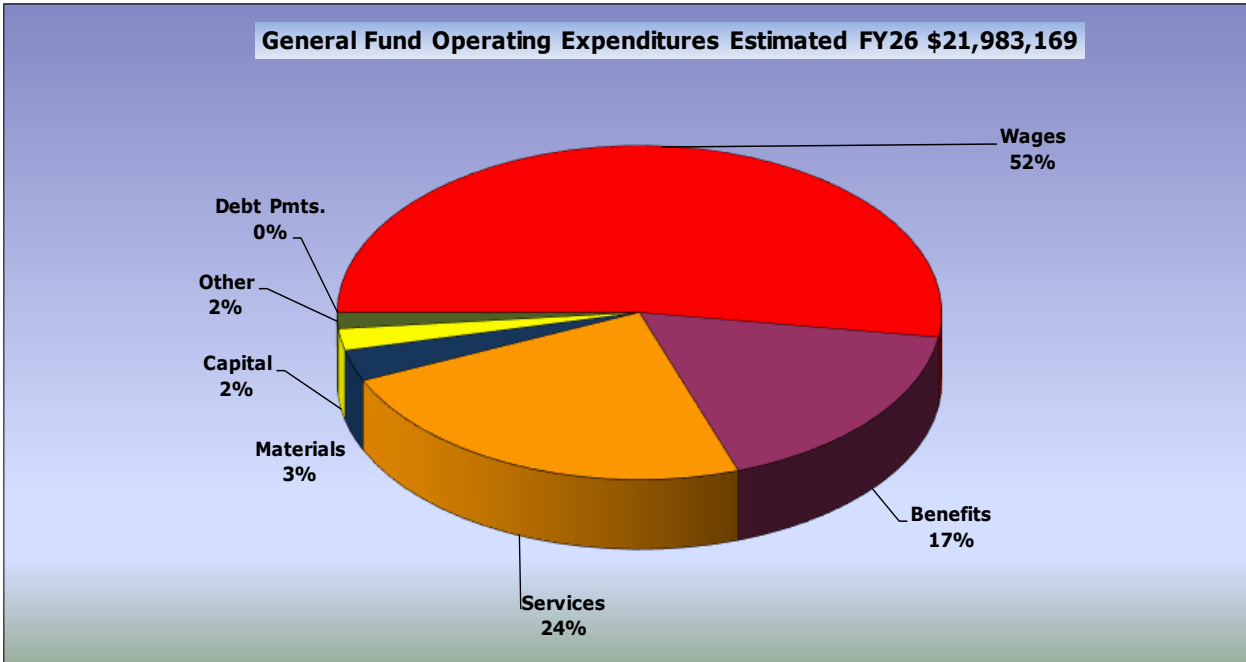
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we will not project that occurring in the remainder of the forecast.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Refund of prior years expenditures	<u>\$10,221</u>	<u>\$10,221</u>	<u>\$10,221</u>	<u>\$10,221</u>	<u>\$10,221</u>

Expenditures Assumptions

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

Estimated General Fund Operating Expenditures for FY26



Wages – Line #3.010

The expenditures in this category represent salaries and wages for services rendered for all union and non-union employees. Negotiations with bargaining unit members resulted in an agreement to include base increases of 4.45% for FY25 and 3% for FY26 and FY27. Future years for planning purposes are estimated at 2% a year from FY28 through FY30 with employees. Classified employee’s salary schedules were re-negotiated to bring their pay scale in line with area districts, in order to accomplish this the classified employees agreed to concessions on healthcare coverages. The district also has step increases of 1.3% each year of the forecast. FY26 reflects the addition of 1 administrator position in elementary school, 1 new Board Certified Behavior Analyst (BCBA) position and 6 new teacher who replaced the 6 that retired as of June 30, 2025 and 6 additional classified positions.

In FY25, a voluntary buyout program has been implemented to help the district reduce staffing costs. Six teaching staff participated in the program. The buyout will be paid over three years' time.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Base Wages	\$11,356,430	\$11,422,633	\$11,733,330	\$12,054,280	\$12,392,399
Step & Training	147,634	148,494	152,533	156,706	161,101
Growth	431,898	62,006	62,006	93,062	18,612
Fund 467/ESSER 507	0	0	0	0	0
Substitutes	233,196	240,192	244,996	249,896	254,894
Supplementals	197,185	203,101	207,163	211,306	215,532
Staff Reductions	<u>(854,021)</u>	<u>(128,256)</u>	<u>(128,256)</u>	<u>(152,734)</u>	<u>(181,536)</u>
Total Wages Line #3.010	<u>\$11,512,322</u>	<u>\$11,948,170</u>	<u>\$12,271,772</u>	<u>\$12,612,515</u>	<u>\$12,861,002</u>

Fringe Benefits Estimates Line 3.02

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

A) STRS/SERS

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

B) Insurance

FY25 saw an increase in medical insurance premiums from Medical Mutual of 3%. This is a 2-year agreement so there will be no increase in FY26. For FY27-30 we are estimating 5% increases for 2 years and 2% for the remaining years. Classified staff agreed to medical insurance concessions moving to an ICHRA plan limited to University Hospital networks. The ICHRA rates change each year, 2% increase is forecasted in FY27-FY30. Dental and Life insurance rates are not known at this time. We believe that there will be slight increases to both these categories.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately .4% of wages FY26– FY30. Unemployment is likely to remain at a shallow level FY26-FY30. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of 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. These amounts are growing at the general growth rate of wages.

Estimated Fringe Benefits – Line #3.020

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
A) STRS/SERS	\$1,764,954	\$1,827,001	\$1,876,460	\$1,928,454	\$1,967,757
B) Insurance's	\$1,830,980	\$1,896,708	\$1,965,722	\$1,975,825	\$1,973,262
C) Workers Comp/Unemployment	\$47,049	\$48,793	\$50,087	\$51,450	\$52,444
D) Medicare	\$165,561	\$171,724	\$178,262	\$183,212	\$186,826
Other/Tuition	<u>\$3,876</u>	<u>\$3,876</u>	<u>\$3,876</u>	<u>\$3,876</u>	<u>\$3,876</u>
Total Fringe Benefits Line #3.020	<u>\$3,812,421</u>	<u>\$3,948,102</u>	<u>\$4,074,407</u>	<u>\$4,142,817</u>	<u>\$4,184,165</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. The hiring of a BCPA assisted the District reduce the growth of purchase services between FY25 and FY26.

In FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio’s electric generating 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.

Source	FY26	FY27	FY28	FY29	FY30
Base Services	\$92,641	\$92,641	\$92,641	\$92,641	\$92,641
Excess Cost County ESC 474	75,000	75,000	75,000	75,000	75,000
Other Tuition Including Ed Scholarship-479	1,117,498	1,139,848	1,162,645	1,185,898	1,209,616
Professional Support 41x	1,009,405	1,029,593	1,100,185	1,122,189	1,144,633
Building & Bus Repairs 42x	380,058	380,058	380,058	380,058	380,058
Transportaion	2,217,649	2,262,002	2,307,242	2,353,387	2,400,455
Utilities	294,615	300,507	309,522	318,808	328,372
Total Purchased Services Line #3.030	<u>\$5,186,866</u>	<u>\$5,279,649</u>	<u>\$5,427,293</u>	<u>\$5,527,981</u>	<u>\$5,630,775</u>

Supplies and Materials – Line #3.040

This category of expenses which are characterized by classroom supplies, textbooks, janitorial supplies, transportation fuel and supplies, and other miscellaneous materials. Chromebook replacement has been moved to equipment in FY26. Science of Math curriculum has not been budgeted in FY27 as we believe that our current curriculum will qualify as accepted curriculum.

Source	FY26	FY27	FY28	FY29	FY30
Supplies 511,512,514,516,519	\$406,460	\$300,000	\$300,000	\$300,000	\$300,000
Textbooks 521	15,638	15,638	15,638	15,638	15,638
Building Maintenance	95,023	95,023	95,023	95,023	95,023
Transportation 570,572,582	150,929	150,929	150,929	150,929	150,929
Total Supplies Line #3.040	<u>\$668,050</u>	<u>\$561,590</u>	<u>\$561,590</u>	<u>\$561,590</u>	<u>\$561,590</u>

Capital Outlay – Line # 3.050

The area of capital outlay is for all types of equipment whether it is for educational purposes or building repairs. Capital outlay accounts for expenditures with a useful life of more than five years and include classroom equipment, bus lease payments and building improvements. The district is projecting near flat funding in FY26-FY30.

Source	FY26	FY27	FY28	FY29	FY30
Capital Outlay	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Chromebooks 690	243,114	150,000	150,000	150,000	150,000
Replacement Bus/Van Purchases	191,056	163,379	83,000	83,000	83,000
Total Equipment Line #3.050	<u>\$459,170</u>	<u>\$338,379</u>	<u>\$258,000</u>	<u>\$258,000</u>	<u>\$258,000</u>

Debt Service – Line # 4.01-4.06

Because the permanent improvement levy was defeated in November 2024, debt payments on the COPS issue for the Athletics Facility and lease payments on the preschool modular have been included in the general fund

transfers out to capital improvement fund 070 and debt the service fund. The transfers to those funds are included in Line #5.01 below beginning in FY26.

Other Expenses – Line #4.300

This category of expenses is primarily for county auditors and treasurers’ fees for collecting property taxes and the Ohio Department of Taxation to collect and manage the districts income tax collection, and educational service center fees. The other expense category is several small expenses with the largest being district liability insurance and dues and fees to organizations such as OSBA.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
County Auditor & Treasurer Fees	\$218,689	\$218,689	\$218,689	\$218,689	\$218,689
County ESC	\$8,385	\$8,385	\$8,385	\$8,385	\$8,385
Other expenses	\$117,267	\$117,267	\$117,267	\$117,267	\$117,267
Total Other Expenses Line #4.300	<u>\$344,341</u>	<u>\$344,341</u>	<u>\$344,341</u>	<u>\$344,341</u>	<u>\$344,341</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. Transfers out in FY25 include \$350,000 to the Self Insurance Fund, \$100,000 to Severance Fund; \$30,000 to the Athletic Fund; \$489,990 to Athletic Supplementals; and \$169,854 to OFCC Fund 034. In FY24 and in future years, athletic supplementals are included in the Athletics Fund and will be supplemented through the General Fund. Advances have limited impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund.

Transfers to capital improvement fund 070 for athletic facility Certificates of Participation (COPS) and debt service fund for our bus lease payments will begin in FY26 through FY30 due to failure of the Permanent Improvement levy November 2024.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Operating Transfers Out Line #5.010	\$1,538,402	\$1,704,467	\$1,760,567	\$1,722,456	\$1,722,456
Advances Out Line #5.020	\$0	\$0	\$0	\$0	\$0
Total Transfer & Advances Out	<u>\$1,538,402</u>	<u>\$1,704,467</u>	<u>\$1,760,567</u>	<u>\$1,722,456</u>	<u>\$1,722,456</u>

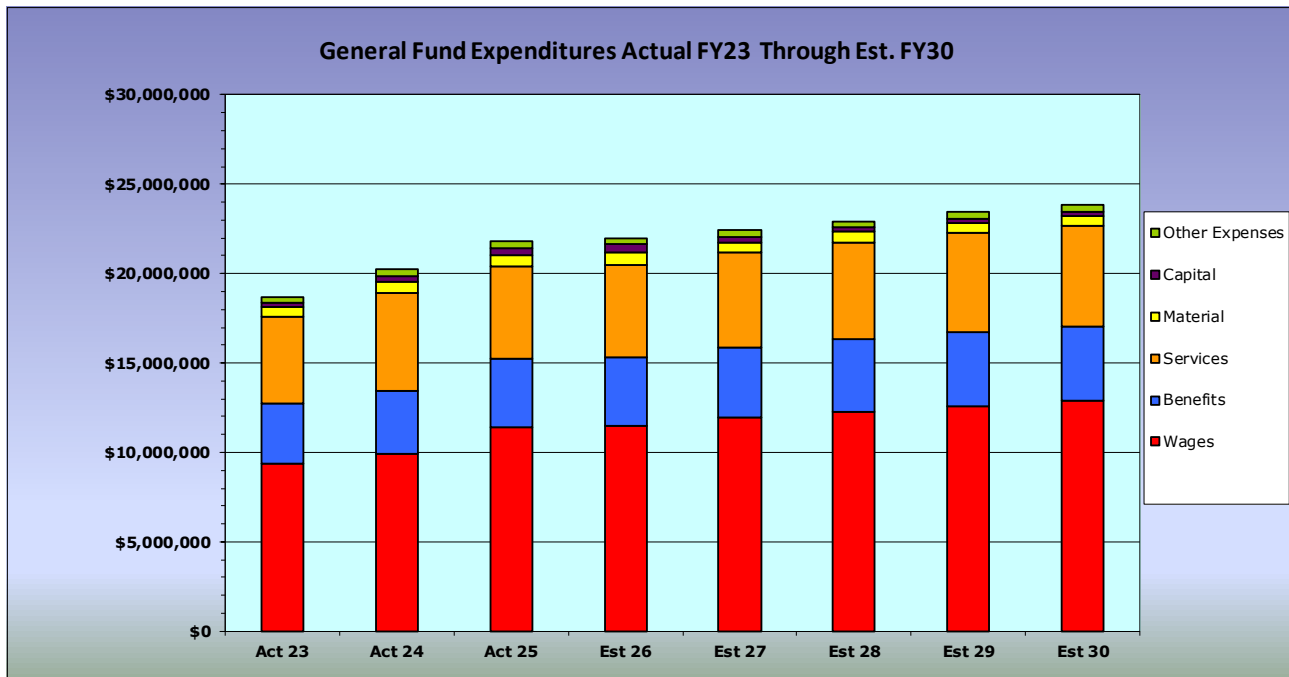
Encumbrances –Line#8.010

These outstanding purchase orders have yet to be approved for payment, as the goods were not received in the fiscal year in which they were ordered.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Estimated Encumbrances	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$150,000</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

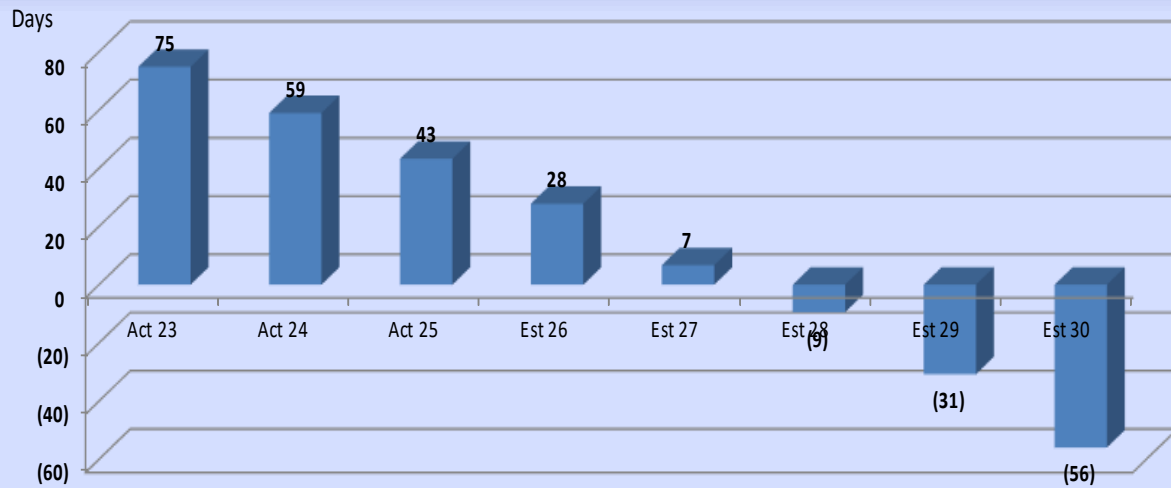
This amount must not go below \$0, or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract knowingly signed those results in a negative unencumbered cash balance violates 5705.412, ORC, punishable by the personal liability of \$10,000. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about \$1.66 million for our district.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Ending Unencumbered Cash Balance	<u>\$1,792,862</u>	<u>\$442,944</u>	<u>(\$639,169)</u>	<u>(\$2,120,079)</u>	<u>(\$3,919,155)</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 (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.

Ending Cash Balance in True Cash Days



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.