

Lakewood Local School District
 Schedule Of Revenue, Expenditures and Changes In Fund Balances
 Actual and Forecasted Operating Fund

	ACTUAL			FORECASTED			
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Revenue:							
1.010 - General Property Tax (Real Estate)	15,012,993	17,368,722	19,059,556	19,303,542	19,731,266	20,066,944	20,201,498
1.020 - Public Utility Personal Property	2,214,675	2,299,353	2,406,300	2,244,375	2,371,721	2,392,464	2,416,714
1.030 - Income Tax	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	4,636,351	4,653,759	4,791,590	5,294,180	5,478,029	5,488,204	5,498,818
1.040 - Restricted Grants-in-Aid	495,501	583,013	586,610	446,744	364,965	364,806	364,668
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-
1.050 - State Reimb Prop Tax Credits	1,742,109	1,872,580	2,264,038	2,179,844	2,215,482	2,250,633	2,261,237
1.060 - All Other Operating Revenues	1,435,087	1,975,609	2,122,364	2,537,182	1,968,410	1,956,474	1,944,933
1.070 - Total Revenue	25,536,715	28,753,036	31,230,457	32,005,867	32,129,873	32,519,525	32,687,868
Other Financing Sources:							
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-	-
2.060 - All Other Financing Sources	26,676	16,206	27,009	56,500	56,500	56,500	56,500
2.070 - Total Other Financing Sources	26,676	16,206	27,009	56,500	56,500	56,500	56,500
2.080 - Total Revenues and Other Financing Sources	25,563,391	28,769,242	31,257,466	32,062,367	32,186,373	32,576,025	32,744,368
Expenditures:							
3.010 - Personnel Services	13,981,172	14,273,721	15,356,272	16,324,764	17,089,818	17,939,959	18,833,287
3.020 - Employees' Retirement/Insurance Benefits	5,643,735	5,760,131	5,865,483	6,813,353	7,355,161	8,044,287	8,822,057
3.030 - Purchased Services	2,593,051	2,857,600	2,986,108	3,604,038	3,612,454	3,724,499	3,840,303
3.040 - Supplies and Materials	819,171	896,750	999,780	1,085,908	1,107,601	1,129,728	1,152,298
3.050 - Capital Outlay	807,427	872,232	1,491,402	1,465,545	1,291,048	1,338,190	1,469,774
3.060 - Intergovernmental	-	-	-	-	-	-	-
Debt Service:							
4.010 - Principal-All Years	-	-	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	91,771	-	-	-	-	-	-
4.055 - Principal - Other	250,000	260,000	265,000	275,000	280,000	-	-
4.060 - Interest and Fiscal Charges	36,122	27,265	19,731	11,982	4,018	-	-
4.300 - Other Objects	1,066,226	1,108,831	1,445,957	1,666,053	1,719,587	1,775,083	1,832,632
4.500 - Total Expenditures	25,288,676	26,056,530	28,429,733	31,246,643	32,459,688	33,951,745	35,950,351
Other Financing Uses							
5.010 - Operating Transfers-Out	271,756	782,837	2,081,904	1,278,452	1,251,137	500,000	500,000
5.020 - Advances-Out	-	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	2,000	-	-	-	-
5.040 - Total Other Financing Uses	271,756	782,837	2,083,904	1,278,452	1,251,137	500,000	500,000
5.050 - Total Expenditures and Other Financing Uses	25,560,432	26,839,367	30,513,638	32,525,095	33,710,825	34,451,745	36,450,351
Excess of Rev & Other Financing Uses Over (Under)							
6.010 - Expenditures and Other Financing Uses	2,960	1,929,875	743,828	(462,727)	(1,524,451)	(1,875,720)	(3,705,983)
Cash Balance July 1 - Excluding Proposed Renewal/							
7.010 - Replacement and New Levies	14,386,295	14,389,254	16,319,130	17,062,958	16,600,230	15,075,779	13,200,059
7.020 - Cash Balance June 30	14,389,254	16,319,130	17,062,958	16,600,230	15,075,779	13,200,059	9,494,077
8.010 - Estimated Encumbrances June 30	402,375	314,724	605,926	300,000	300,000	300,000	300,000
Reservations of Fund Balance:							
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	1	1	-	-	-
9.040 - DPIA	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-
9.080 - Subtotal	-	-	1	1	-	-	-
Fund Balance June 30 for Certification							
10.010 - of Appropriations	13,986,879	16,004,406	16,457,031	16,300,229	14,775,779	12,900,059	9,194,077
Rev from Replacement/Renewal Levies							
11.010 - Income Tax - Renewal	-	-	-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement	-	-	-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	-
Fund Balance June 30 for Certification							
12.010 - of Contracts, Salary and Other Obligations	13,986,879	16,004,406	16,457,031	16,300,229	14,775,779	12,900,059	9,194,077
Revenue from New Levies							
13.010 - Income Tax - New	-	-	-	-	-	-	-
13.020 - Property Tax - New	-	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	13,986,879	16,004,406	16,457,031	16,300,229	14,775,779	12,900,059	9,194,077

**LAKEWOOD LOCAL SCHOOL DISTRICT
FORECAST SIGNIFICANT ASSUMPTIONS
FISCAL YEARS 2026-2029
UPDATED: FEBRUARY 2026**

GENERAL ASSUMPTIONS

This is a forecast based on the information and data available at the time of preparation. This forecast is prepared based upon historical trends and current factors. This information is extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the District's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

Funds included in this forecast are: All General Funds (001) and the principal and interest for a Stadium Lease Fund (002 9104).

REVENUES

General Property Tax (Real Estate) - Property Tax Reform

Recent legislation adopted by the Ohio General Assembly, including House Bills 186, 335, 129, and 309, introduces new limits and adjustments to how property tax revenues are calculated and collected by school districts, with the intent of moderating revenue growth associated with rising property values.

These changes are still in the process of being implemented. The Ohio Department of Taxation is continuing to work through the technical and administrative details of the new laws, and county auditors are awaiting guidance and certified tax rates before final impacts can be communicated to school districts. In addition, several of these bills were enacted in close succession, and questions remain regarding how certain provisions interact with one another.

Accordingly, revenue assumptions reflect the best information available at the time of this forecast and may be revised as additional guidance, certified rates, or statutory changes occur.

Since these laws are designed to slow the growth of property tax collections when property values rise, creating more predictability for taxpayers, school districts across the state, including Lakewood Local, should expect to receive less revenue over time than what had previously been forecasted under older funding rules.

Property tax revenues for fiscal years 2026 through 2029 have been estimated. Property tax revenue account for 60% of the total district general fund revenues.

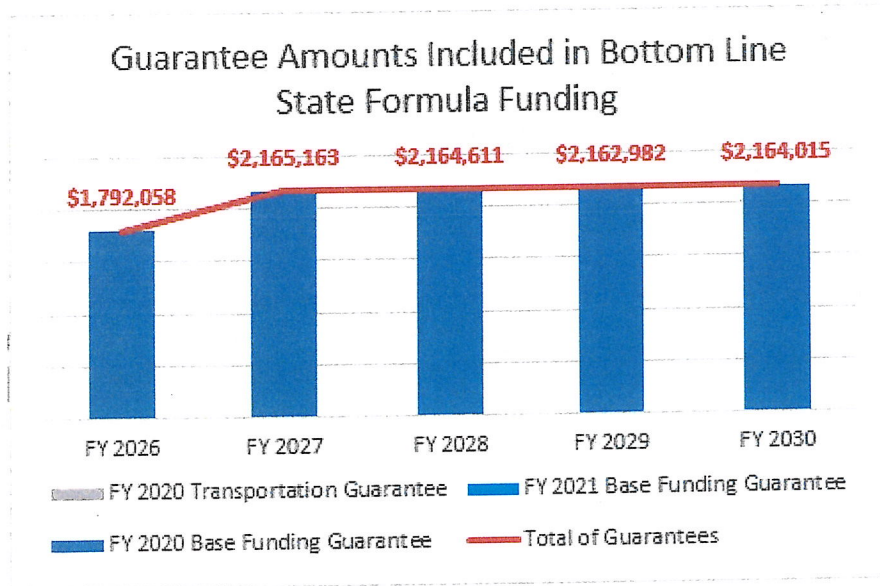
The District has one (1) emergency operating levy. The emergency operating levy is a ten-year levy which generates \$5,882,139 in district revenues which is collected from real property/public utility taxes and rollback/homestead. This levy was passed on November 8, 2022 and began collections in calendar year 2023.

Public Utility Personal Property –Public Utility Personal Property tax revenue is generated from the personal property values, additions and depreciation reported by the utility companies. Public Utility personal property revenues for fiscal year 2026 through 2029 have been estimated and will be collected from public utility personal property. This category currently makes up 7% of the total district general fund revenues. The forecast projections reflect an average gross collection rate of 94.06% annually through calendar year 2029.

Unrestricted Grants-In-Aid – Ohio uses the Fair School Funding Plan (FSFP) for calculation of the state's share of school funding which is driven by a base cost methodology that incorporates four components identified as necessary to the education process. There were no changes to any components of funding for fiscal year 2026. The Base Cost per pupil total funding in fiscal year 2026 is \$8,134. The state share of this is 10% and the local share is 90%.

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The FSFP is a formula that includes phases-in and guarantees. With phase-ins, some districts may have formula funding that is phased-in overtime and therefore they are not receiving their full funding. Other districts may experience guarantee funding. Lakewood Local is on the guarantee funding. This guarantee holds the District at the fiscal year 2020 funding level. The District’s guarantee for fiscal year 2026 is in excess of \$1.7 million. This forecast is modeling a guarantee that continues to grow over the forecasted period.



The District’s estimated enrollment for fiscal years 2026 through 2029 is modeled to remain consistent with current enrollment numbers.

Casino revenues – Casino revenues for fiscal years 2026 through 2029 are estimated and are reflected to remain consistent with prior years.

Restricted Grants-In-Aid – Restricted grants-in-aid revenues for fiscal years 2026 through 2029 is the portion of state per pupil funding that must be classified as restricted. These include Career Technical Education, Disadvantaged Pupil Impact Aid, Gifted Education, English Learner Funding, Student Wellness and Success Funding and Catastrophic Costs Reimbursement.

State Share of Local Property Taxes – Property tax allocations for fiscal years 2026 through 2029 have been estimated using property valuations. Property tax allocation consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer’s tax bill with a 10% rollback credit, a 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In fiscal year 2026, approximately 11.6% of local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.5% will be reimbursed in the form of qualifying homestead exemption credits.

All Other Revenues – The estimate for this category encompasses a number of revenue sources. Most of these sources are driven by inflationary pressure as well as district policy.

Investments revenues – For fiscal years 2026 through 2029 investment revenues have been estimated. This forecast projects the interest rates to remain consistent with 2025 rates. Available funds for investment are projected to decline for fiscal years 2026 through 2029.

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Tuition from non-resident students educated by the District – Tuition revenues fluctuate yearly. Tuition revenues from other districts has been estimated for fiscal years 2026 through 2029 based on fiscal year 2025 revenues.

Class fees – The class fees have been estimated for fiscal years 2026 through 2029. The District has a relatively high percentage of class fee waivers.

Medicaid School Program revenues – For fiscal years 2026 through 2029 revenues are estimated based on an amount consistent with prior years.

Operating Transfers-In – The District does not anticipate operating transfers-in during fiscal years 2026 through 2029.

Advances-In – The District does not anticipate advances-in during fiscal years 2026 through 2029.

EXPENDITURES

Personnel Services – The Board has a master contract with the Lakewood Teachers Association that was approved on May 21, 2024 for the period August 1, 2024 through July 31, 2027. This contract included a 4% salary adjustment for fiscal year 2025 and includes a 3% salary adjustment for both fiscal years 2026 and 2027. The members also receive any accrued step increases annually.

The Board has a master contract with the Lakewood Association of Classified Employees/OEA/NEA that was approved on July 10, 2024 for the period July 1, 2024 through June 30, 2027. This contract included a market base salary adjustment for fiscal year 2025, and includes a 2% salary adjustment for fiscal years 2026 and 2027. The members also receive any accrued step increases annually.

The Board has a master handbook with the Administrators, Supervisory Personnel, and the Classified and Certificated Exempt Employees that was approved on May 21, 2024 for the period July 1, 2024 through June 30, 2027. This handbook included a 4% salary adjustment for fiscal year 2025 and includes a 3% for both fiscal years 2026 and 2027. The employees also receive any accrued step increases annually.

This forecast includes a projected annual salary adjustment and accrued step for fiscal years 2028 through 2029. The corresponding retirement and medicare are also reflected in the line item Employees' Retirement/Insurance Benefits.

Employees' Retirement/Insurance Benefits – Outside of health insurance (medical, dental, and life) most fringe benefits are driven by projected salary increases. The District's employee insurance plan year runs from January through December, therefore any increase cuts across two (2) fiscal years.

For calendar year 2026 the District had on average an 11.8% increase for its medical insurance plans. The District also funds an HSA contribution for one half of the maximum out of pocket for those enrolled in the Health Saving Account Plan on January 1st.

This line also includes the retirement system increases for the base salary and cost of living adjustments referred to in the Personal Services category.

Purchased Services – This category accounts for a wide variety of expenses incurred by the District ranging from utility charges, tuition, on-line instructional services, maintenance and repairs, fleet insurance, property insurance, and transportation charges. This category of expenditures is projected to grow at an average 6% through fiscal year 2029.

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Supplies and Materials – This category of expenditures is projected to grow at an average 3% through fiscal year 2029.

Capital Outlay - Capital outlay expenditures for fiscal years 2026 through 2029 have been estimated using information from the District's Five Year Capital Plan.

Debt Service – Debt service expenditures for fiscal years 2026 through 2027 include the principal and interest payments on a lease purchase financing agreement. The lease purchase financing agreement originated on February 14, 2017 for \$2,500,000 for a ten-year period. The debt service expenditures are included in the five year forecast. The final payment on the lease purchase financing agreement is December, 2026 (fiscal year 2027).

Other Objects – Other object expenditures include county auditor and treasurers' tax collection fees, educational service center fees, membership fees, liability insurances, district audit fees, election expenses and other miscellaneous fees. Other Objects expenditures is projected to grow at an average 5.5% through fiscal year 2029. The largest expenditure included in this line item is the contract with the Licking County Regional Service Center. This contract is projected to be \$1,165,865 for fiscal year 2026. The largest expense within this contract is special education related expenditures, which vary from year to year based on number of students being served.

Operating Transfers-Out – This forecast includes a transfer-out of \$259,938 in fiscal years 2026 and 2027 to a debt service fund for payments on a five-year capital lease/purchase agreement for modular classrooms used for instructional purposes for grades K-2. The forecast also includes a transfer-out of \$518,513.85 in fiscal years 2026 and 2027 to a debt service fund for payments on a three-year capital lease/purchase agreement for modular classrooms used for instructional purposes for grades 3-5. The forecast also includes a transfer-out of \$500,000 to the District's Capital Project Fund for fiscal years 2026 through 2029.

Advances-Out – The District does not anticipate advances-out during fiscal years 2026 through 2029.

GENERAL FUND BALANCE GUIDELINE

The District has a General Fund Balance Guideline that was board approved on January 11, 2017. The General Fund Balance yearly ending cash balance is equal to 60 Days operating cash as the minimum operational benchmark. This 60 Days benchmark is calculated at the end of each fiscal year and is used as the benchmark for the upcoming year.

The minimum benchmark should be reflected on the Five Year Forecast in the current year and the next three (3) projected years of the Five Year Forecast. Upon receiving any indication that an ending cash balance equal to 60 Days operating cash may not be achieved, the Treasurer shall report to the Board of Education and the Superintendent. Upon this notice, a plan will be developed by the Board, Superintendent and Treasurer prior to the next Five Year Forecast adoption as to how the District will work toward attaining a 60 Day operating cash ending balance for the General Fund.

The District is currently reviewing the General Fund Balance Guideline and anticipates updating this prior to the end of the June 30, 2026 fiscal year end.