BIG WALNUT LOCAL SCHOOL DISTRICT- DELAWARE 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

BIG WALNUT LOCAL SCHOOLS | INSPIRE & GUIDE

Forecast Provided By
Big Walnut Local School District
Treasurer's Office
J. Scott Gooding II, Interim-Treasurer/CFO
February 9, 2026

Big Walnut Local School District

Delaware 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)	$24,022,638	$28,784,931	$33,623,933	18.3%	35,012,716	36,045,362	36,375,162	36,770,808	37,166,347
1.020	Public Utility Personal Property Tax	$4,492,050	$4,517,899	$4,482,997	-0.1%	4,553,412	4,338,442	4,338,927	4,354,642	4,370,359
1.030	Income Tax	$12,175,411	$11,062,620	$12,513,778	2.0%	14,144,284	14,847,684	15,586,254	16,361,752	17,176,026
1.035	Unrestricted State Grants-in-Aid	$6,495,325	$6,481,864	$6,694,484	1.5%	7,310,160	8,689,398	8,704,431	8,719,847	8,735,655
1.040	Restricted State Grants-in-Aid	$602,688	$847,491	$865,857	21.4%	712,598	554,292	554,292	554,292	554,292
1.045	Restricted Federal Grants In Aid	$0	$0	$0	0.0%	-	-	-	-	-
1.050	State Reimbursement for Property Tax Credits	$3,229,244	$3,775,949	$4,405,636	16.8%	4,558,510	7,099,323	4,722,298	4,776,449	4,830,587
1.060	All Other Revenues	$2,741,326	$3,913,529	$4,327,222	26.7%	4,076,942	3,858,341	3,557,642	3,304,703	3,092,387
1.070	*Total Revenues*	$53,758,682	$59,384,283	$66,913,907	11.6%	$70,368,622	$75,432,841	$73,839,005	$74,842,493	$75,925,653
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.020	State Emergency Loans and Advancements (Approved)	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.040	Operating Transfers-In	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.050	Advances-In	$0	$0	$3,750	0.0%	$0	$0	$0	$0	$0
2.060	All Other Financing Sources	$130,607	$110,459	$77,255	-22.7%	189,698	77,255	77,255	77,255	77,255
2.070	*Total Other Financing Sources*	$130,607	$110,459	$81,005	-21.0%	$189,698	$77,255	$77,255	$77,255	$77,255
2.080	*Total Revenues and Other Financing Sources*	$53,889,289	$59,494,742	$66,994,912	11.5%	$70,558,320	$75,510,096	$73,916,260	$74,919,748	$76,002,908
	Expenditures									
3.010	Personnel Services	$27,230,536	$29,311,946	$31,434,402	7.4%	$34,567,628	$38,004,536	$41,763,447	$45,000,991	$47,902,221
3.020	Employees' Retirement/Insurance Benefits	$10,872,537	$11,584,127	$12,434,714	6.9%	$12,642,730	$13,586,107	$15,465,576	$17,017,051	$18,482,766
3.030	Purchased Services	$6,916,076	$6,711,235	$8,716,249	13.5%	$12,186,205	$12,455,200	$12,835,539	$13,223,912	$13,620,493
3.040	Supplies and Materials	$1,297,155	$1,538,110	$2,012,432	24.7%	$2,746,429	$2,820,635	$2,896,863	$2,975,169	$3,055,608
3.050	Capital Outlay	$167,017	$822,784	$1,267,534	223.3%	$1,331,409	$1,622,176	$1,672,128	$1,723,704	$1,776,961
3.060	Intergovernmental	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.020	Principal-Notes	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.030	Principal-State Loans	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.040	Principal-State Advancements	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.050	Principal-HB 264 Loans	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.055	Principal-Other	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.060	Interest and Fiscal Charges	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.300	Other Objects	$698,119	$859,358	$873,718	12.4%	$944,809	$975,255	$1,006,784	$1,039,438	$1,073,260
4.500	*Total Expenditures*	$47,181,440	$50,827,560	$56,739,049	9.7%	$64,419,210	$69,463,910	$75,640,338	$80,980,265	$85,911,308
	Other Financing Uses									
5.010	Operating Transfers-Out	$0	$0	$18,272,421	0.0%	$300,000	$300,000	$300,000	$300,000	$300,000
5.020	Advances-Out	$0	$0	$3,750	0.0%	$0	$0	$0	$0	$0
5.030	All Other Financing Uses	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
5.040	*Total Other Financing Uses*	$0	$0	$18,276,171	0.0%	$300,000	$300,000	$300,000	$300,000	$300,000
5.050	*Total Expenditures and Other Financing Uses*	$47,181,440	$50,827,560	$75,015,220	27.7%	$64,719,210	$69,763,910	$75,940,338	$81,280,265	$86,211,308
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	$6,707,849	$8,667,182	($8,020,308)	-81.7%	$5,839,111	$5,746,185	($2,024,077)	($6,360,517)	($10,208,400)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$18,858,472	$25,566,321	$34,233,503	34.7%	$26,213,195	$32,052,306	$37,798,491	$35,774,414	$29,413,897
7.020	*Cash Balance June 30*	$25,566,321	$34,233,503	$26,213,195	5.2%	$32,052,306	$37,798,491	$35,774,414	$29,413,897	$19,205,497
8.010	*Estimated Encumbrances June 30*	$602,766	$953,642	$713,986	16.5%	$713,986	$713,986	$713,986	$713,986	$713,986
`	**Reservation of Fund Balance**									
9.010	Textbooks and Instructional Materials	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.020	Capital Improvements	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.030	Budget Reserve	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.040	DPIA	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.045	Fiscal Stabilization	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.050	Debt Service	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.060	Property Tax Advances	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.070	Bus Purchases	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.080	*Subtotal*	$0	$0	$0	0.0%	$0	$0	$0	$0	$0

Big Walnut Local School District

Delaware 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
10.010	*Fund Balance June 30 for Certification of Appropriations*	$24,963,555	$33,279,861	$25,499,209	5.0%	$31,338,320	$37,084,505	$35,060,428	$28,699,911	$18,491,511
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
11.020	Property Tax - Renewal or Replacement	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
11.300	Cumulative Balance of Replacement/Renewal Levies	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$24,963,555	$33,279,861	$25,499,209	5.0%	$31,338,320	$37,084,505	$35,060,428	$28,699,911	$18,491,511
	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	$0	$0	$0
14.010	Revenue from Future State Advancements				0.0%	$0	$0	$0	$0	$0
15.010	*Unreserved Fund Balance June 30*	$24,963,555	$33,279,861	$25,499,209	5.0%	$31,338,320	$37,084,505	$35,060,428	$28,699,911	$18,491,511

Big Walnut Local School District –Delaware County
Notes to the Five-Year Forecast
General Fund Only
February 9, 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 the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, enrollment variances, or businesses moving in or out of the district. As noted below the current state budget approved in HB96 changed the forecast based on what the state Ohio and the Ohio Department of Education and Workforce 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 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.

Executive Summary

Overview

- The Big Walnut Local School District's Five-Year Forecast provides a comprehensive projection of revenues, expenditures, and fund balances for FY2026 through FY2030. While Ohio law now requires only a three-year forecast under HB96, the district continues to prepare a five-year forecast as a proactive management tool. This approach helps identify fiscal challenges early, guide long-term planning, and ensure financial stability in a growing district.

Key Revenue Highlights

- Property Taxes: Local property taxes remain the district's largest revenue source, strengthened by substantial increases from the 2023 countywide reappraisal. However, legislative uncertainty around levy structures and property tax reform poses future risks.
- Income Tax: District income tax collections rebounded strongly in FY25, with future growth projected from both wage growth and new housing developments. Annual increases are assumed at 10% in FY26 and 5% thereafter.
- State Funding: State support accounts for 17.93% of district revenues. HB96 extends the Fair School Funding Plan (FSFP) through FY27, fully phasing in by that year. Beyond FY27, state support is uncertain as two new biennium budgets (FY28–29 and FY30–31) must be negotiated.
- Other Revenues: Casino revenues, Tax Increment Financing (TIF) payments, Medicaid reimbursements, and investment earnings provide modest but steady contributions.

Expenditure Drivers

- Personnel Costs: Wages and benefits remain the district's largest expense. New labor agreements through FY28 include annual increases between 4–5%. Staffing growth is anticipated to align with enrollment, with planned net new hires each year.
- Benefits: Health insurance premiums will decrease by 20% in CY26 but are projected to rise sharply thereafter (up to 10% by CY28). STRS/SERS retirement contributions and Medicare expenses will continue to grow alongside wages.
- Purchased Services: Rising costs for utilities (15% increase in FY26 due to a new electric capacity charge), tuition, and ESC services represent ongoing budgetary pressures.
- Supplies, Equipment, and Other: Inflationary increases (2–3% annually) are projected for instructional materials, transportation, and technology replacements, alongside capital outlays for facility maintenance.
- Transfers: The district plans annual transfers to athletics ($160,000) and severance benefits ($140,000).

Fiscal Outlook

- Surpluses/Deficits: The district is projected to maintain balanced operations through FY27 but begin deficit spending in FY28.
- Cash Balances: Current reserves provide strong financial stability, but balances will gradually decline as expenditures outpace revenues. By FY30, the district will rely on reserves to sustain operations.
- True Cash Days: The district maintains cash levels well above the recommended 60-day reserve in the near term, but reserves will shrink without new revenue or expenditure adjustments.

Risks and Uncertainties

- State Funding: Two unknown state budgets (FY28–31) could significantly affect revenues, especially if the Fair School Funding Plan (FSFP) is altered or underfunded.
- Property Tax Reform: Legislative debates over levy structures and property tax relief could impact local revenues.
- Enrollment Growth: Continued residential development may outpace revenue growth, requiring staffing and service expansions.

- Healthcare Costs: Insurance premium volatility remains a major long-term expense risk.

Conclusion

- The Big Walnut Local School District is well-positioned in the near term, with stable revenues and strong reserves. However, beginning in FY28, expenditures are projected to exceed revenues, gradually reducing cash balances. Long-term sustainability will require ongoing monitoring of state funding, legislative changes, and local growth pressures. The district remains committed to balancing financial responsibility with its mission to provide high-quality education to a growing student population.

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. Our district is on 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. Our district is on 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 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 82.12% 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) Delaware County experienced a reappraisal in tax year 2023 for collection in 2024. We experienced value increases for Class I and II property by $434 million for an overall increase of 38.96%. A update will occur in tax year 2026 for collection in 2027 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 in tax year 2026. We have anticipated any 20-mill floor adjustment at that time in Line 1.01 assumptions below. We do not anticipate any impact of HB335 on our tax projections due to our estimates for future growth in reappraisal being in line with anticipated GDP DF.

4) Income tax collections are dependent upon the economy. As unemployment decreases the amount of funding increases for the district. We have seen an increase in the payments as employment has recovered from the decrease that was experienced with the pandemic. There is a risk that we could see decreases in the future but at this time, we are not anticipating any for future years of the forecast.

5) The state budget represented 17.88% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond if the state economy stalls due to a possible recession and Fair School Funding Plan is not funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY28-29 and FY30-31. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY30. We have projected our state funding in FY26 based on the January #1 settlement report and are using the Ohio Department of Education and Workforce (ODEW) funding simulator for

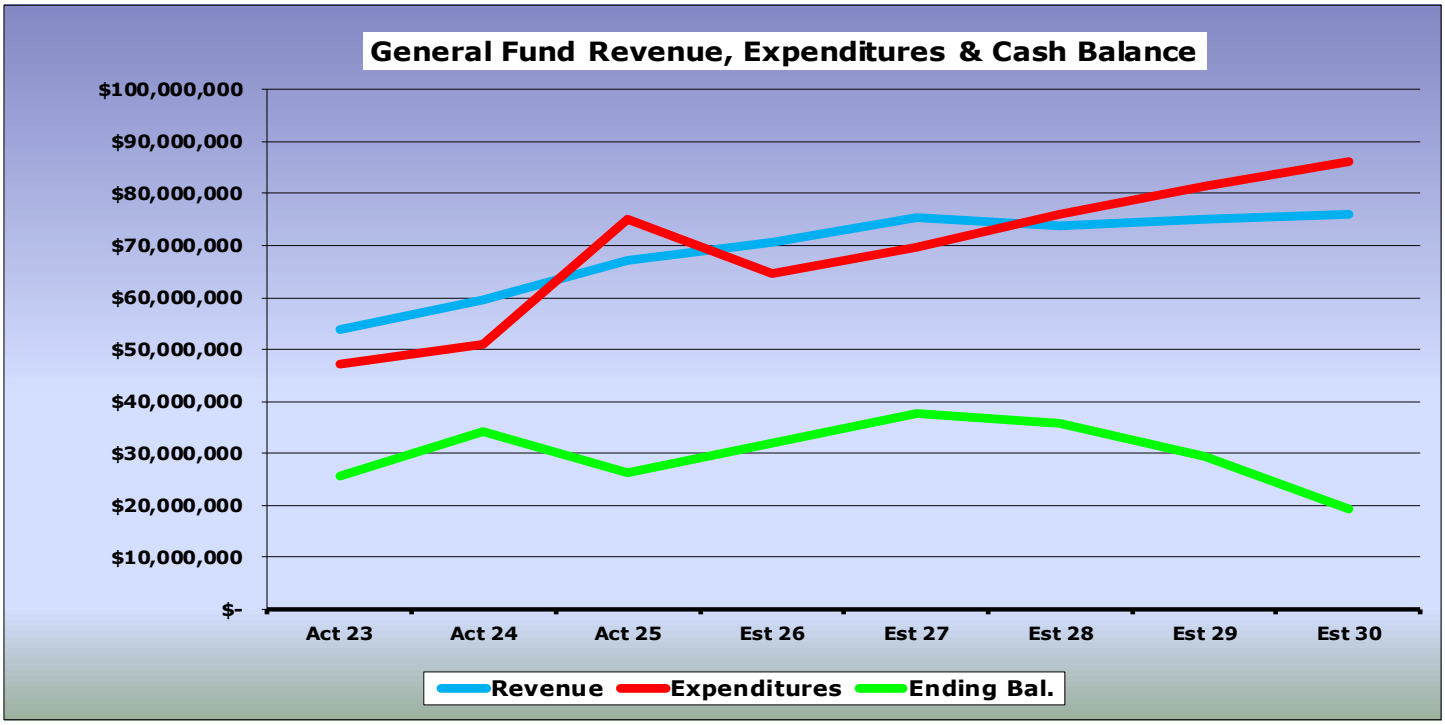
FY27 projections. This forecast reflects state revenue to align with the FY27 funding levels through FY30, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

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.

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 be impacted by this change.

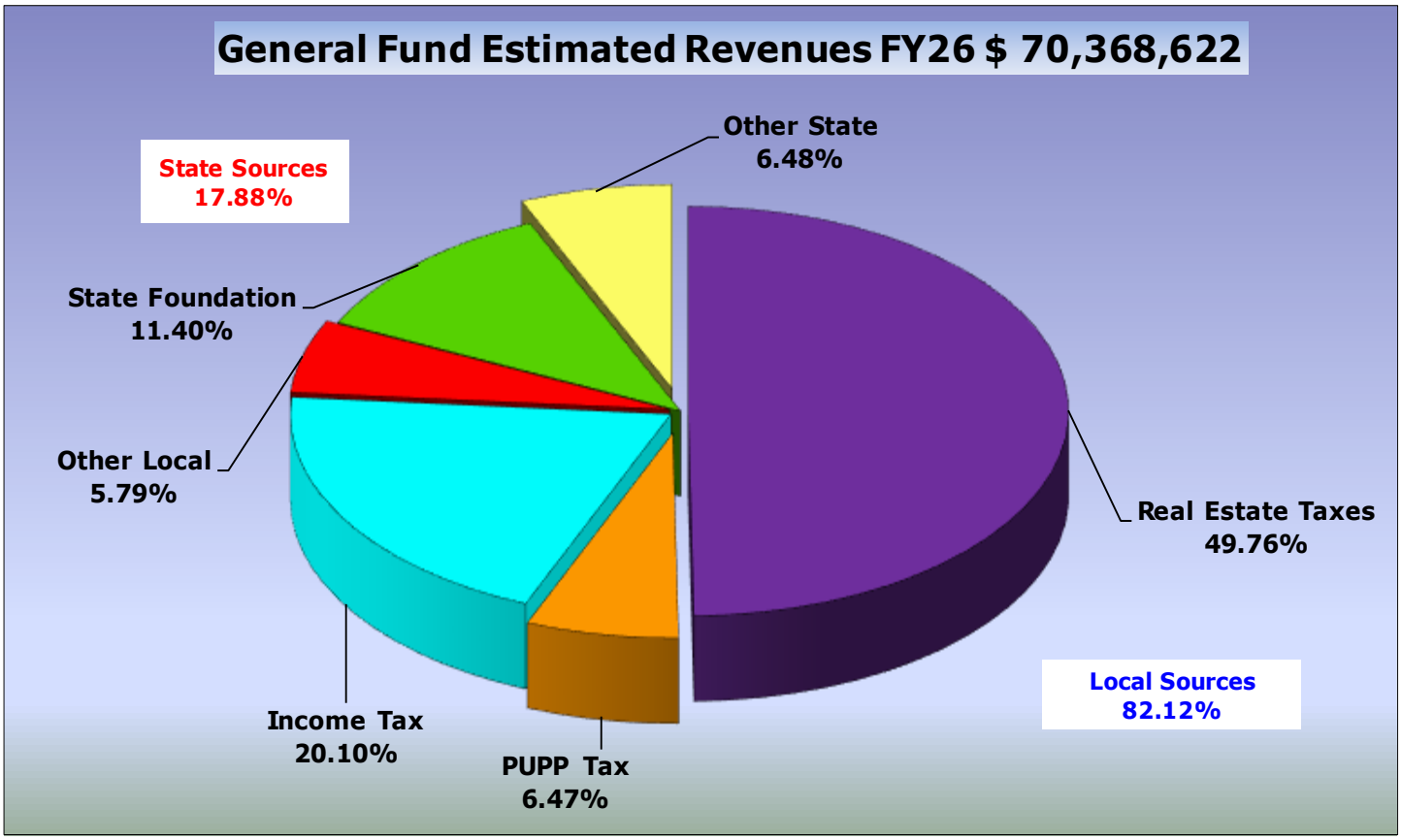
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact J. Scott Gooding II, Interim-Treasurer/CFO at 740-965-3010.

General Fund Revenue, Expenditure 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

All Revenue Sources General Fund FY26



Property Valuation Assumptions

Property Values are established annually by the Delaware County Auditor based on the type of property either residential/agriculture or commercial/industrial, which the values are defined even further based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. HB186 allows new construction growth in property taxes irrespective of GDP DF. Delaware County experienced a sexennial reappraisal for the 2023 tax year to be collected in FY24. Residential/agricultural values increased 36.01% or $372.6 million due to the reappraisal, led by an improving housing market.

Data captured from the different townships and villages is used to estimate new construction for each collection year for the forecast. For tax year 2023, new construction in residential/agricultural property was up 41.6% or $48.9 million in assessed value from tax year 2022, and commercial/industrial values increased by $3.9 million. Overall values increased $434.7 million or 38.96%, which includes new construction for all classes of property. This is important in that new construction is taxed at the full voted rate and not subject to effective millage rates, for the first year of collection, which will increase the estimate for taxes being collected. For 2024 values for collection in 2025, we are assuming new construction of 200 homes. For 2026 through 2029, we are estimating an increase from new construction of $20 million.

A triennial update will occur in 2026 for collection in FY27, for which we are estimating an 8.0% increase in residential and a 2.0% increase for commercial/industrial property. We anticipate overall residential/agricultural and commercial/industrial values to increase $156.8 million or 9.84%.

Public Utility Personal Property (PUPP) values change annually as the values are not included in the reappraisal or update years, which make them very difficult to forecast. The AEP Vassell Substation continues to be a very important section of the Public Utility Personal Property (PUPP) tax valuation for the district. Since the substation was first added to the values in 2016 the district has seen increases and decreases over the years in PUPP tax values. The district has been told to expect decreases in PUPP throughout the remainder of the forecast due to depreciation of the power plant equipment of approximately 3% to 3.5% each year. Due to new planned housing developments, we believe there will be additions to public utility infrastructure that will compensate for current depreciation. The district received a $13.37 million decrease in values for Tax Year 2025 collect in 2026, we do not expect that type of decrease in future years, therefore, we expect our values to continue to grow by $500,000 annually in CY26 through CY30 due to current growth in public utility infrastructure.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR2025 COLLECT 2026	Estimated TAX YEAR2026 COLLECT 2027	Estimated TAX YEAR2027 COLLECT 2028	Actual TAX YEAR2028 COLLECT 2029	Estimated TAX YEAR2029 COLLECT 2030
Res./Ag.	1,588,961,250	1,736,578,150	1,757,078,150	1,777,578,150	1,798,078,150
Comm./Ind.	126,031,060	143,000,201	143,675,201	144,350,201	145,025,201
Public Utility (PUPP)	135,606,820	136,106,820	136,606,820	137,106,820	137,606,820
Total Assessed Value	1,850,599,130	2,015,685,171	2,037,360,171	2,059,035,171	2,080,710,171

Tax Rate Assumptions

The county auditor sets property tax rates for each levy that voters approve to fund the school district. Ohio law requires these tax rates to be adjusted over time so that rising property values do not automatically increase the amount of money the district collects beyond what voters originally approved. These adjustments are called "reduction factors.". The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. While voters approved a total rate of 28.5 mills for the district's general fund levies, the current effective rate is 20.00 mills for Class I and Class II property. Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills, which includes both voted and non-voted millage rates; this is called the "20-Mill Floor". Our district is on the floor for Class I and Class II.

HB129 is a new law that restores fixed sum levies AND now includes them in the 20-mill floor calculation, which will be in effect following the Tax Year 2026 triennial update. Our district is expected to be impacted by including fixed sum (formerly emergency) levies in our 20-mill floor calculation starting for collection in calendar year 2026. This is expected to result in a loss of $4.87 million in calendar year 2026, which will continue as a loss throughout the 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.

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 by school districts for impacted districts starting 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.

Big Walnut is at the 20-mill floor and 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. For planning purposes, we believe this is the worst-case scenario but again there is NO authoritative data on this. 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.

Real Estate Value Assumptions – Line # 1.010
Property tax levies are estimated to be collected at 98.65% of the annual amount. This allows a 1.35% delinquency factor. In general, 52.93% of the Residential/Agriculture and Commercial/Industrial property taxes are expected to be collected in the February tax settlement and 47.07% in the August tax settlement.

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Est. Property Taxes	$35,012,716	$41,723,358	$40,160,492	$40,556,138	$40,951,677
HB96 Piggyback Exemption	$0	$0	$0	$0	$0
HB186 Tax Adjustments	$0	($5,677,996)	($3,785,330)	($3,785,330)	($3,785,330)
Est. Property Taxes Line #1.010	$35,012,716	$36,045,362	$36,375,162	$36,770,808	$37,166,347

Estimated Public Utility Personal Property (PUPP) Taxes – Line #1.020
The amounts below are public utility personal property (PUPP) tax payments from public utilities. Collections are typically 50.83% in March and 49.17% in August, along with the real estate settlements from the county auditor.

ESTIMATED PUBLIC UTILITY PERSONAL TAX – Line #1.020

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Est. PUPP Taxes Line 1.020	$4,553,412	$4,338,442	$4,338,927	$4,354,642	$4,370,359

New Tax Levies – Line #13.20
No new tax levy is being included at this time; however, the projected revenues are not anticipated to keep up with the expenditures over the entirety of the forecast as our community continues to grow and support staff positions are planned to be added. With recent updates we may be able to continue stretching our finances a little longer due to rebounding revenues and medical insurance premium reductions, but planning for additional revenue will need to continue to be something the district is mindful of and monitors.

School District Income Tax – Line #1.03
The district passed an income tax (SDIT) of 0.75% effective in 1995, which was approved as a continuing tax in 2003.

The amount of growth in income tax is difficult to estimate as most of the information from the Ohio Department of Taxation is confidential. The district has received growth of 13.03% for FY26 which includes an estimated 10% growth in the April payment. We will assume an annual growth rate of 5% in FY27 through FY30 as we feel that the increases in withholding taxes will outperform the estimates and tax return amounts. In addition, we are estimating growth from new families based on the following assumption 90 families per year in FY25-FY29 with an annual family income of approximately $113,000 which includes an increase over the amount that is estimated from U.S. Census Bureau, 2013-2017 American Community Survey as compiled by Ohio Municipal Advisory Council OMAC data. We will continue to monitor and adjust the amounts as more information is known to the district.

Source	FY 26	FY 27	FY 28	FY 30	FY 31
SDIT Collection	$12,513,778	$14,144,284	$14,847,684	$16,361,752	$17,176,026
Adjustments	$1,630,505	$703,400	$738,570	$814,274	$341,994
Total to Line #1.030	$14,144,284	$14,847,684	$15,586,254	$17,176,026	$17,518,020

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 January #1 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 FY26-FY30 on the new Fair School Funding Plan (FSFP).

HB96 included a base funding supplement for all districts. The funding supplement per pupil of $27 in FY26 and $40 in FY27.

A detailed overview of how foundation funding is calculated including all of the HB96 changes on the Ohio Department of Education and Workforce is not available at this time. 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.

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 in FY26 but is projected to receive this in FY27 in the amount of $988,901.28.

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 $206,065 in FY26.

Future State Budget Projections beyond FY27

Our funding status for FY28-FY20 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 FY29.

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. The fall payment for Casino revenues increased from the previous year by 3% for FY26. 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	FY 26	FY 27	FY 28	FY 29	FY 30
Basic Aid-Unrestricted	$6,400,824	$7,661,668	$7,661,668	$7,661,668	$7,661,668
Additional Aid Items	$622,444	$726,171	$726,171	$726,171	$726,171
Basic Aid-Unrestricted Subtotal	$7,023,268	$8,387,839	$8,387,839	$8,387,839	$8,387,839
Ohio Casino Commission ODT	$286,892	$301,558	$316,591	$332,008	$347,815
Total Line # 1.035	$7,310,160	$8,689,398	$8,704,431	$8,719,847	$8,735,655

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 2026 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	FY 26	FY 27	FY 28	FY 29	FY 30
DPIA	$19,592	$20,976	$20,976	$20,976	$20,976
Career Tech - Restricted	$0	$0	$0	$0	$0
Gifted	$76,712	$55,054	$55,054	$55,054	$55,054
English Learner	$13,390	$14,641	$14,641	$14,641	$14,641
Student Wellness	$164,803	$153,232	$153,232	$153,232	$153,232
Catastrophic Aid	$310,390	$310,390	$310,390	$310,390	$310,390
Other Restrict	$127,711	$0	$0	$0	$0
Total Line #1.040	$712,598	$554,292	$554,292	$554,292	$554,292

Restricted Federal Grants in Aid – line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues

SUMMARY	FY 26	FY 27	FY 28	FY 29	FY 30
Unrestricted Line # 1.035	$7,310,160	$8,689,398	$8,704,431	$8,719,847	$8,735,655
Restricted Line # 1.040	$712,598	$554,292	$554,292	$554,292	$554,292
Restricted Fed. Grants Line #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$8,022,758	$9,243,689	$9,258,722	$9,274,139	$9,289,946

State Share of Local Property Tax – 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 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.

Summary of State Share of Local Property Tax Reimbursement – Line #1.050

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Rollback and Homestead	$4,558,510	$4,677,007	$4,722,298	$4,776,449	$4,830,587
HB186 Partial Reimbursement	$0	$2,422,316	$0	$0	$0
Total Property Tax Allocations #1.050	$4,558,510	$7,099,323	$4,722,298	$4,776,449	$4,830,587

Other Local Revenues – Line #1.060
All other local revenue encompasses any type of revenue that does not fit into the above lines. The main source of revenue in this area is tuition for court placed students, preschool tuition, full-day kindergarten tuition, general rental fees, interest earnings and Medicaid reimbursements.

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

We anticipate TIF receipts to continue throughout the forecast period with a modest growth rate, which is indicative of past trends. The TIF payments are from the Sunbury Mills Plaza development.

Medicaid payments have increased in previous years, we are anticipating that these costs and all other revenues are expected to continue at historic trends.

Source	FY 26	FY 27	FY 28	FY 29	FY 30
TIF and PILOTS	$232,876	$235,205	$237,557	$239,932	$242,332
Tuition	$910,192	$919,294	$928,487	$937,772	$947,149
Excess Cost	$83,527	$83,527	$83,527	$83,527	$83,527
Interest	$2,350,325	$2,115,292	$1,797,998	$1,528,299	$1,299,054
Class Fees	$0	$0	$0	$0	$0
Other Miscellaneous Receipts	$500,023	$505,023	$510,073	$515,174	$520,326
Total Line # 1.060	$4,076,942	$3,858,341	$3,557,642	$3,304,703	$3,092,387

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 the previous fiscal year in the current fiscal year. There are no advances or transfers planned during the forecast.

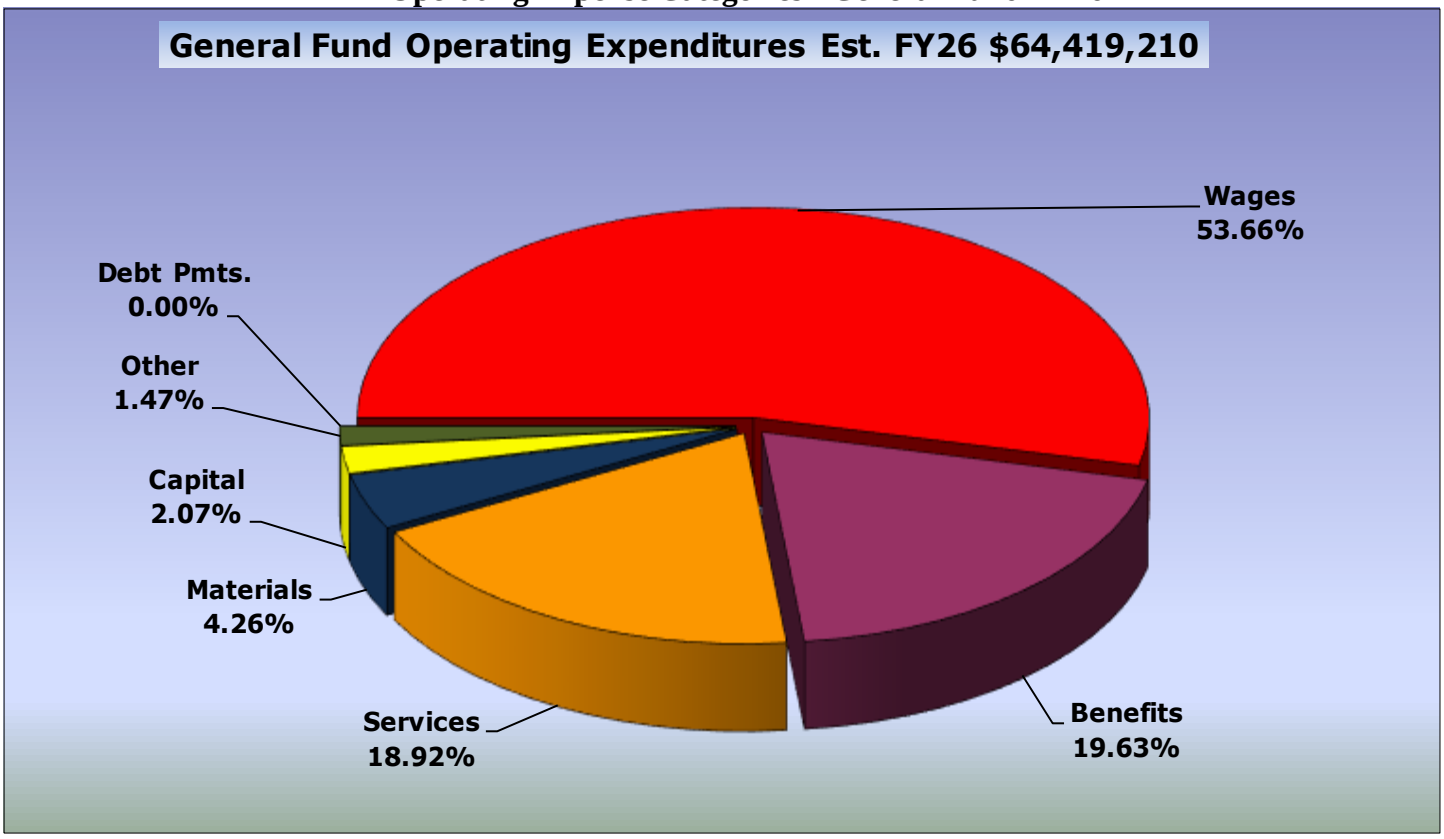
All Other Financial Sources – Line #2.060
This funding source is typically a refund of prior year expenditures and one-time payments that are very unpredictable. We have received small amounts for refunds in previous years and do not expect any other large payments within the forecast, however, we did receive a payment of $112,443 for E-Rate reimbursements in FY26 that we do not expect to receive in future years.

Source	FY 26	FY 27	FY 28	FY 29	FY 30
All Other Sources	$189,698	$77,255	$77,255	$77,255	$77,255

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether with changes in curriculum or new technology needs. As the administration of the district constantly reviews expenditures, the education of our students is the forefront of decision making.

All Operating Expense Categories - General Fund FY26



Wages – Line #3.010

The district evaluates staffing needs with the help of enrollment projections that are based on the study conducted for the district by Future Think. Even though the district continues to see enrollment growth minimal staffing increases have been made in recent years due to budget pressures. District leadership is currently reviewing staffing needs for both instructional and support roles as we attempt to accommodate anticipated enrollment growth and a focus on supporting the whole child, which was identified by the board as part of our District's strategic planning.

Our staffing increases are being accounted for in the estimated net new hires in our forecast of 18.00 in FY26, 18.50 in FY27, 19.00 in FY28, 15.00 in FY29 and 11.00 in FY30. Previously, the planned positions were mainly for staffing we believed were necessary to meet the demands of the new buildings, state, or federal requirements for busing and students with special needs. Step increases for all current employees are estimated to be 2.5%. The District and BWEA agreed to a new three-year contract in April 2025 with 5.0% (FY26), 4.0% (FY27) and 4.0% (FY28) increases. BWPSS agreed to a new three-year contract in April 2025 with 5.0% (FY26), 5.0% (FY27) and 4.25% (FY28) increases. OAPSE 524 has agreed to a three-year contract for FY26 through FY28 for 5.0%, 4.5%, and 4.25% base increases. For forecasting purposes, the district is projecting 2.5% increase (aligned to the current consumer price index published by the U.S. Bureau of Labor Statistics) for base wages in FY29 through FY30. The district is forecasting an increase of 3% growth in Substitutes and

Extra-Curricular wages in FY26 through FY30. The district will be paying the severance payments through transfers to the 035 Termination Benefit fund.

Summary of Personal Services – Line #3.010

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Base Wages	$28,986,431	$32,514,732	$35,912,384	$39,519,207	$42,629,502
Wage adjustments	$1,449,322	$1,347,508	$1,454,676	$987,980	$1,065,738
Steps & Training	$724,661	$812,868	$897,810	$987,980	$1,065,738
Growth/Replacement staff	$1,059,819	$950,787	$976,259	$865,088	$382,458
Other & ESSER Adjustments	$454,700	$454,700	$454,700	$454,700	$454,700
Salary In Lieu of Insurance	$744,366	$744,366	$856,021	$941,623	$1,035,785
Substitutes & Supplemental	$1,308,530	$1,347,786	$1,388,219	$1,429,866	$1,472,762
Severance	$0	$0	$0	$0	$0
Staff Reductions (Retire/Resignation)	($160,201)	($168,211)	($176,622)	($185,453)	($204,462)
Total Wages Line 3.010	$34,567,628	$38,004,536	$41,763,447	$45,000,991	$47,902,221

Fringe Benefits Estimates – Line #3.020

A) STRS/SERS will increase as Wages Increase

As required by law the BOE pays 14% of all employee wages to STRS or SERS. The district is using a blended rate of 15.9% for those that received pick-up on pick-up of the retirement and the additional amount is for the SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members, which is used for SERS insurance upon retirement.

B) Insurance

As the graph below notes, health care is a significant cost for the district and has been a real challenge as we have seen rising costs over the last several years. The district has been working on ways in which to reduce the insurance costs, with some changes the district has been able to receive 20% decrease in medical insurances in CY26 with a maximum increase in CY20 of 20%. With these changes the blended fiscal year decrease will be 5.32% in FY26, increase of 0% increase in FY27 and projected increases in FY28 of 15% and 10% in FY29 and FY30. These increases are a blend of the districts history of claims increases and the industry standards of annual premium increases.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. "Cadillac Tax"), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax.

C) Workers Compensation & Unemployment Compensation

The district moved to Retro Group Rating in FY21 for Worker's Compensation payments, which is anticipated to lower payments in future years due to higher premium refund amounts. The district is not projecting any unemployment claims throughout the forecast.

D) Medicare

Medicare will continue to increase at the rate of increases in wages 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.

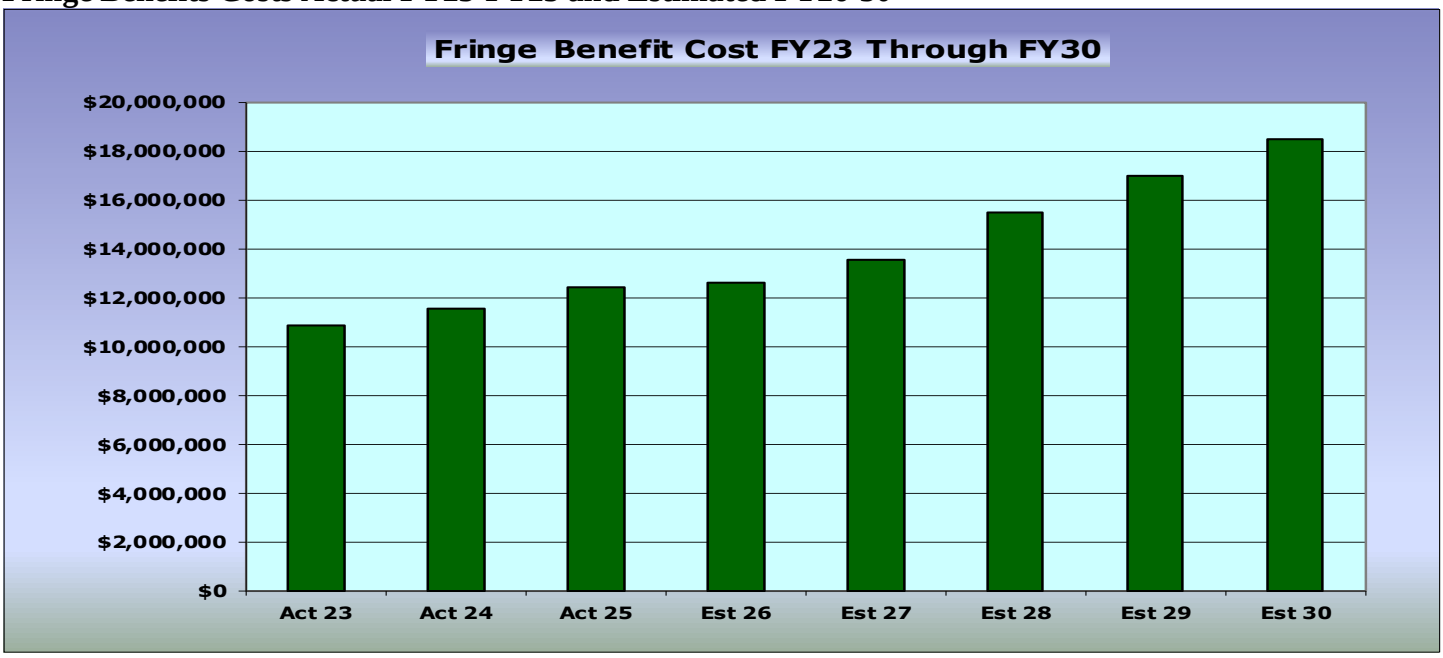
E) Tuition and Other Benefits

With the implementation of the high deductible health plan, the district agreed to make contributions into health savings accounts for employees on the plan which are included with tuition reimbursements on this line.

Summary of Fringe Benefits – Line #3.020

Source	FY 26	FY 27	FY 28	FY 29	FY 30
STRS/SERS	$5,224,880	$5,859,812	$6,435,751	$6,946,344	$7,399,244
Insurance's	$6,776,322	$6,964,141	$8,200,675	$9,183,855	$10,144,960
Workers Comp/Unemployment	$119,891	$129,089	$141,580	$152,338	$161,979
Medicare	$464,273	$551,066	$605,570	$652,514	$694,582
Tuition and Other Benefits	$57,363	$82,000	$82,000	$82,000	$82,000
Total Line 3.020	$12,642,730	$13,586,107	$15,465,576	$17,017,051	$18,482,766

Fringe Benefits Costs Actual FY23-FY25 and Estimated FY26-30



Purchased Services – Line #3.030

An overall average inflation of 2% is being estimated for all categories except utilities that are being projected with a 15% inflationary factor for FY26.

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.

In FY26, we are planning for additional ESC costs for 0.4 of occupational therapy, 0.4 of speech, and 1.0 of tutoring services. As always, the district will continue to evaluate the needs for additional services with the growth of the district and actual enrollment and make appropriate changes annually. An overall 2% annual increase in the costs of these services is estimated for inflation.

Utilities that are being projected with a 15% inflationary factor for 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. We are increasing utilities by 15% in FY26 for the additional capacity charge and then returning the annual increase to 3% in FY27.

Maintenance and repair costs will increase with the changes and additions of the new buildings and have a base increase of 2% each year. We will continue to monitor inflationary costs in this area to see if increased costs should be planned.

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Insurance, Leases, Meeting Expenses, & Ot	$1,516,539	$1,546,869	$1,577,807	$1,609,363	$1,641,550
Professional Services, Legal Fees & ESC	$6,745,734	$7,060,649	$7,318,862	$7,582,239	$7,850,884
Tuition, OE, SF14, CCP & Excess Costs	$1,158,136	$1,181,299	$1,204,925	$1,229,023	$1,253,604
Phone and Internet Services	$84,160	$85,843	$87,560	$89,311	$91,097
Utilities	$1,547,292	$1,423,509	$1,466,214	$1,510,200	$1,555,506
Building Repairs & Services	$1,134,344	$1,157,031	$1,180,172	$1,203,775	$1,227,851
Total Line 3.030	$12,186,205	$12,455,200	$12,835,539	$13,223,912	$13,620,493

Supplies and Materials – Line #3.040

The district is increasing supplies and textbooks by 2.5% increase in FY26 through FY30. Maintenance and transportation supplies are being increased with a 3% annual increase in FY26 through FY30.

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Supplies, Textbooks, and other	$1,637,247	$1,678,178	$1,720,133	$1,763,136	$1,807,214
Maintenance & Transportation Supplies	$1,109,181	$1,142,457	$1,176,731	$1,212,033	$1,248,394
Total Line 3.040	$2,746,429	$2,820,635	$2,896,863	$2,975,169	$3,055,608

Equipment – Line # 3.050

The district is reviewing the capital outlay needs of the district in order to budget for repairs and replacements of our assets such as roofing, asphalt, HVAC, and other equipment. Along with capital outlays, the district is planning for Technology replacements of staff Chromebooks each year to come out of the general fund. The district will purchase Chromebooks each year of the forecast with a 2.5% increase for inflation. The district is planning on purchasing vans and other vehicles each year of the forecast.

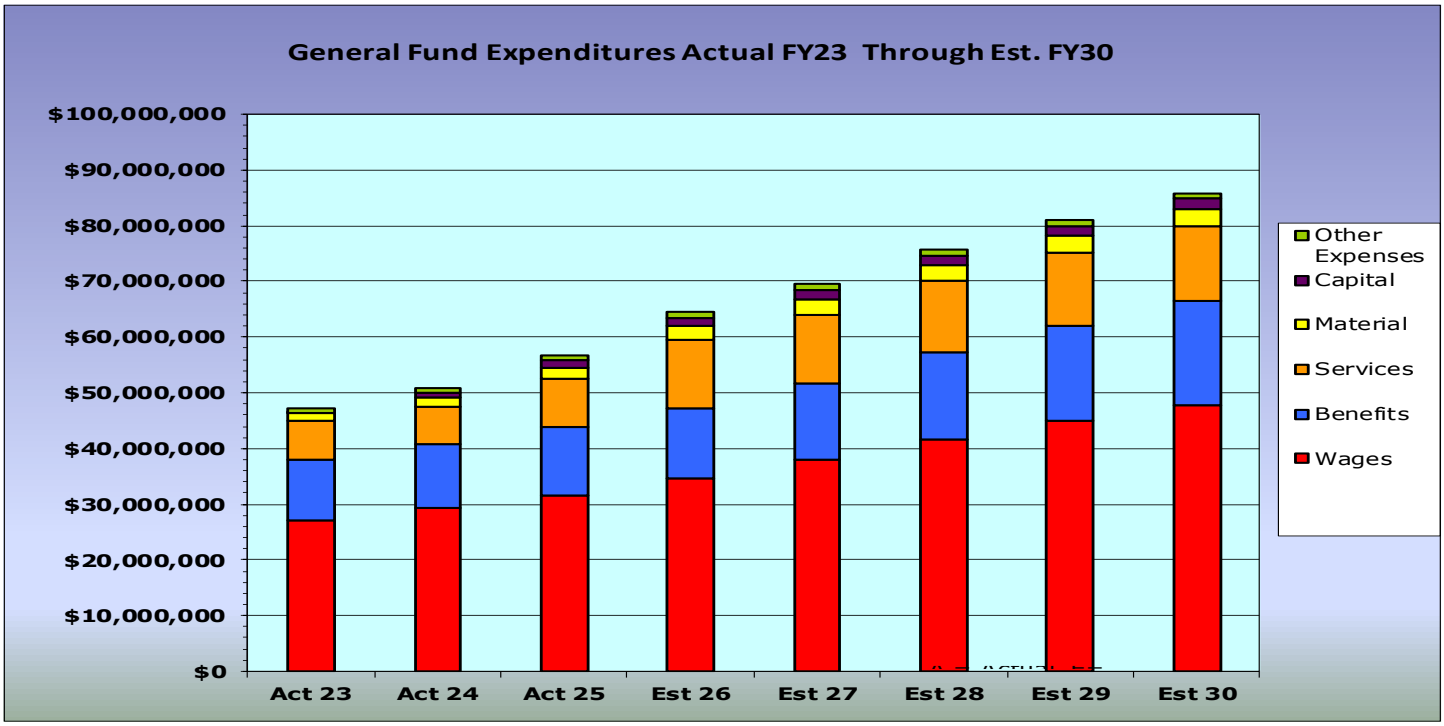
Source	FY 26	FY 27	FY 28	FY 29	FY 30
Capital Outlay	$152,576	$156,390	$160,300	$164,308	$168,415
Technology	$818,833	$839,304	$860,286	$881,794	$903,838
School Buses & Vehicles	$360,000	$626,482	$651,541	$677,603	$704,707
Total Line 3.050	$1,331,409	$1,622,176	$1,672,128	$1,723,704	$1,776,961

Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, school district income tax (SDIT) collection fees and our annual audit and other miscellaneous expenses. The district uses an average increase of 2.13% for the annual increase in our other expenses.

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Auditor & Treasurer Fees	$524,205	$539,931	$556,129	$572,813	$589,997
County ESC	$28,000	$28,560	$29,131	$29,714	$30,308
SDIT Fees	$212,164	$222,715	$233,794	$245,426	$257,640
Other expenses	$180,440	$184,049	$187,730	$191,484	$195,314
Total Line 4.300	$944,809	$975,255	$1,006,784	$1,039,438	$1,073,260

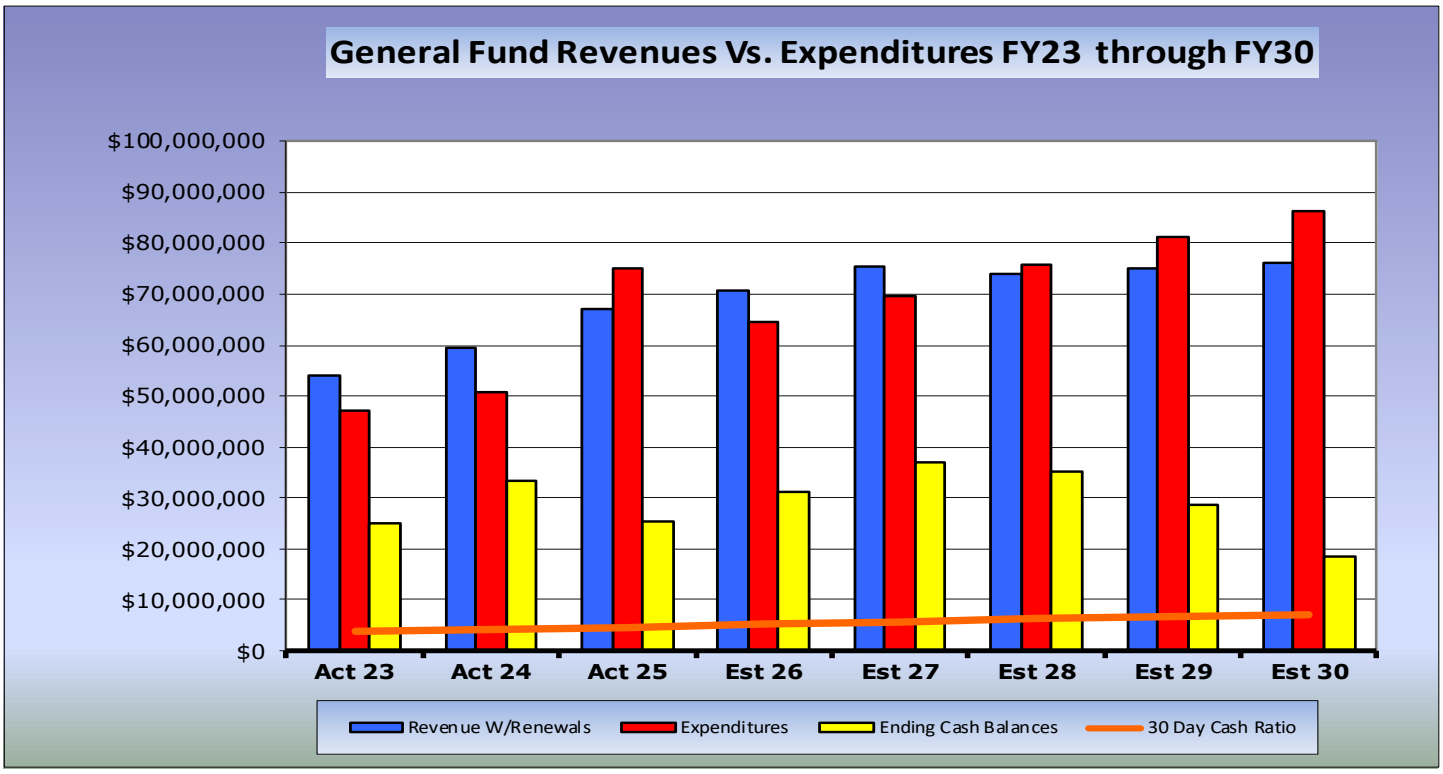
Operating Expenditures Actual FY23 through FY25 and Estimated FY26-FY30
The graph below shows a quick overview of actual and estimated expenses by proportion to the total for the General Fund expenditures.



Transfers Out/Advances Out – Line #5.010
This account group includes funds for 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. The district is planning on transferring funds annually to the 300 Athletics Fund of $160,000 and to the 035 Severance Fund of $140,000.

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Operating Transfers Out Line #5.010	$300,000	$300,000	$300,000	$300,000	$300,000
Advances Out Line #5.020	$0	$0	$0	$0	$0
Total	$300,000	$300,000	$300,000	$300,000	$300,000

Revenue vs Expenditures with Deficit Spending
The graph below shows that the district will begin to deficit spend in FY28 and each following year of the forecast.



Deficit spending affects the amount of carryover that the district has to plan for the future. When reviewing the needs of the district we review the amount of spending and what would be needed to remove any deficit spending in order to have positive cash balances on the forecast. The chart below shows the amount of deficit spending that is included on Line 6.010 of the forecast and the millage for each year that would be needed in order to erase the deficit spending.

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Excess Revenue over/(under) Expenditures	$5,746,185	($2,024,077)	($6,360,517)	($10,208,400)	($14,401,031)
Millage equivalend for deficit spending	0.00	1.09	3.16	5.01	6.99

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.

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Estimated Encumbrances	$713,986	$713,986	$713,986	$713,986	$713,986

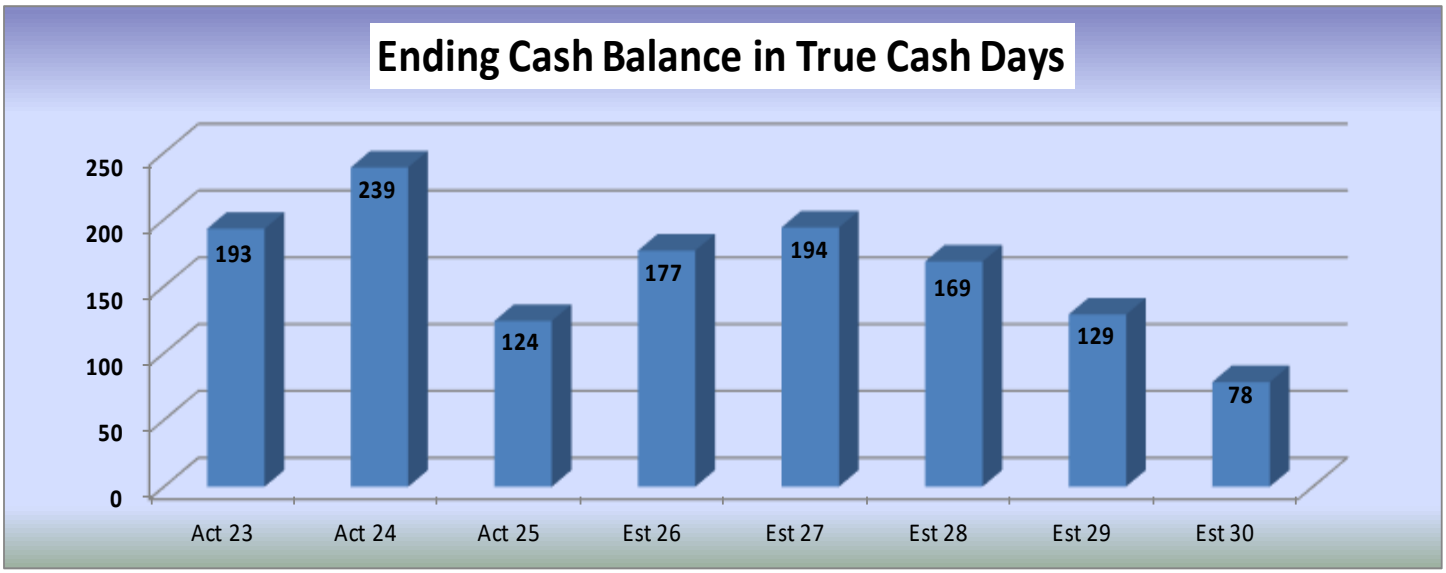
Ending Unencumbered Cash Balance – Line#15.010

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. While we have been able to shrink the variance between revenues and expenditures, we are anticipating with current trends to begin utilizing our cash balance or "rainy day fund" for operating needs in future years.

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Ending Cash Balance	$31,338,320	$37,084,505	$35,060,428	$28,699,911	$18,491,511

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) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but 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 permanent improvement and athletics.



CONCLUSION

Big Walnut Local School District receives 17.88% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

District administrations appreciate the supportive Big Walnut community and are actively planning for the future needs of our students while keeping an eye on the financial stability of the district. The administration is mindful that there are many risks and uncertainties that will need to be considered in future planning.

As you read through the notes and review the forecast, remember that the forecast is based on the information that is known at the time that it is prepared.