

**BERKSHIRE LOCAL SCHOOL DISTRICT-GEAUGA COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2024, 2025, and 2026 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2027, THROUGH JUNE 30, 2031**



**Forecast Provided By
Berkshire Local School District**

**Matthew Hosler, Treasurer
August 10, 2026**

Berkshire Local School District

Geauga County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2024, 2025 and 2026 Actual;
Forecasted Fiscal Years Ending June 30, 2027 Through 2031

	Actual				Forecasted				
	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Average Change	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
Revenues									
1.010 General Property Tax (Real Estate)	7,787,775	8,460,076	8,839,753	6.6%	7,680,206	8,378,409	8,445,496	8,420,916	8,804,707
1.020 Public Utility Personal Property Tax	1,244,488	768,730	776,839	-18.6%	953,430	936,876	949,326	961,776	974,226
1.030 Income Tax	3,708,399	3,962,417	4,269,452	7.3%	4,441,352	4,619,007	4,803,768	4,995,920	5,195,758
1.035 Unrestricted State Grants-in-Aid	5,404,394	5,409,942	5,584,594	1.7%	5,716,969	5,716,484	5,715,980	5,715,457	5,714,914
1.040 Restricted State Grants-in-Aid	486,013	471,108	286,349	-21.1%	241,686	241,686	241,686	241,686	241,686
1.045 Restricted Federal Grants In Aid	-	-	-	0.0%	-	-	-	-	-
1.050 State Reimbursement for Property Tax Credits	1,056,056	1,201,431	1,173,258	5.7%	1,986,093	1,541,158	1,509,955	1,585,718	1,692,606
1.060 All Other Revenues	1,478,180	1,740,988	2,048,724	17.7%	2,215,572	2,090,516	2,005,610	2,020,855	2,036,252
1.070 Total Revenues	21,165,305	22,014,692	22,978,969	4.2%	23,235,307	23,524,136	23,671,821	23,942,328	24,660,149
Other Financing Sources									
2.010 Proceeds from Sale of Notes	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
2.020 State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040 Operating Transfers-In	-	-	-	0.0%	-	-	-	-	-
2.050 Advances-In	50,626	20,000	58,001	64.8%	20,000	0	0	0	0
2.060 All Other Financing Sources	56,129	10,221	14,086	-22.0%	13,834	13,834	13,834	13,834	13,834
2.070 Total Other Financing Sources	106,755	30,221	72,087	33.4%	33,834	13,834	13,834	13,834	13,834
2.080 Total Revenues and Other Financing Sources	21,272,060	22,044,913	23,051,056	4.1%	23,269,141	23,537,970	23,685,655	23,956,162	24,673,983
Expenditures									
3.010 Personal Services	9,936,690	11,445,477	11,830,271	9.3%	\$11,869,531	12,111,154	12,384,672	12,679,600	12,981,570
3.020 Employees' Retirement/Insurance Benefits	3,495,640	3,807,281	3,961,912	6.5%	\$3,990,015	3,947,662	4,030,682	4,119,146	4,209,773
3.030 Purchased Services	5,458,500	5,180,212	4,951,666	-4.8%	\$5,592,764	5,742,083	5,896,334	6,055,694	6,220,346
3.040 Supplies and Materials	687,814	571,247	571,748	-8.4%	698,472	698,472	698,472	698,472	698,472
3.050 Capital Outlay	295,501	457,604	240,389	3.7%	188,521	112,934	112,934	112,934	57,934
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	339,053	365,971	400,320	8.7%	364,209	364,209	364,209	364,209	364,209
4.500 Total Expenditures	20,213,198	21,827,792	21,956,306	4.3%	22,703,512	\$22,976,514	23,487,302	24,030,055	24,532,304
Other Financing Uses									
5.010 Operating Transfers-Out	1,190,844	1,320,295	1,615,320	16.6%	1,610,241	1,610,000	1,569,478	1,569,478	1,569,478
5.020 Advances-Out	222,256	58,001	3,537	-83.9%	0	0	0	0	0
5.030 All Other Financing Uses	-	-	-	0.0%	0	0	0	0	0
5.040 Total Other Financing Uses	1,413,100	1,378,296	1,618,857	7.5%	1,610,241	1,610,000	1,569,478	1,569,478	1,569,478
5.050 Total Expenditures and Other Financing Uses	21,626,298	23,206,088	23,575,163	4.4%	24,313,753	24,586,514	25,056,780	25,599,533	26,101,782
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(354,238)	(1,161,175)	(524,107)	86.5%	(1,044,612)	(1,048,544)	(1,371,125)	(1,643,371)	(1,427,800)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	4,416,373	4,062,135	2,900,960	-18.3%	2,376,853	1,332,241	283,698	(1,087,428)	(2,730,799)
7.020 Cash Balance June 30	4,062,135	2,900,960	2,376,853	-23.3%	1,332,241	283,698	1,087,428-	(2,730,799)	(4,158,598)
8.010 Estimated Encumbrances June 30	566,782	150,385	125,839	-44.9%	126,000	126,000	126,000	126,000	126,000
Fund Balance June 30 for Certification of Appropriations	3,495,353	2,750,575	2,251,014	-19.7%	1,206,241	157,698	(1,213,428)	(2,856,799)	(4,284,598)
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	3,495,353	2,750,575	2,251,014	-19.7%	1,206,241	157,698	(1,213,428)	(2,856,799)	(4,284,598)
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	3,495,353	2,750,575	2,251,014	-19.7%	1,206,241	157,698	(1,213,428)	(2,856,799)	(4,284,598)

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. The filing deadlines of February and August are out of alignment with when final 1st half and 2nd half tax settlements will actually be received in most cases, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations which is September 30th of each year.

Requirement vs. Reality: A Structural Diagnostic

The new filing timelines are fundamentally unaligned with the natural availability of key data needed to make accurate projections.

Data Requirement	HB96 Deadline	Real-World Availability
Baseline Appropriations	August 31	September 30 (Statutory Law)
1st Half Property Tax Settlement	February 28	After Feb 28
2nd Half Property Tax Settlement	August 31	After Aug 31

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 August 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws noted below that were signed by the Governor 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:

- I. On December 19, 2025, Governor DeWine signed into law several pieces of legislation that became law March 19, 2026, and are the most sweeping changes to Ohio property tax law since 1976 when HB920 was passed. The laws that were approved are: HB129, HB186, HB309 and HB335. Subsequently HB479 the state budget correction bill was signed June 24, 2026, and becomes law September 23, 2026, that made needed corrections to HB335 inside millage. 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.

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:

Primary Legislative Drivers of Fiscal Risk

Legislation	Core Provision	District Financial Impact
HB129	Reclassifies fixed-sum (emergency/substitute) levies to be included in "20-mill floor" calculations.	No Impact to our district.
HB186	Establishes "Inflation Cap Credits" and a retroactive "claw back" of realized revenues.	Anticipated cumulative loss of \$3,889,183 through FY31; creates a sharp revenue drop in FY27.
HB309	Empowers County Budget Commissions (CBCs) to reduce voter-approved levies.	Shifts fiscal authority to CBC officials, creating an unpredictable risk to local levy yields.
HB335	Limits revenue growth from inside millage to the GDP Deflation Factor (GDP DF).	Restricts the district's ability to realize revenue gains from property valuation reappraisals.

Revenue Risk Loss Assessment of HB129 and HB186 To Our Forecast

- 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 not on the 20-mill floor and is not anticipating any impact from HB129.
- HB186 establishes Inflation Cap Credits, if districts were at the 20-mill floor, 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 like ours at the 20-mill floor. Our district was on the 20-mill floor under prior law and is anticipated to lose \$812,329 a year in inflationary cap credits. The loss in FY27 is expected to be \$1,218,494 due to delayed implementation of the new law which results in one and a half years loss in the fiscal year. Anticipated losses due to inflationary cap credits through FY31 is estimated at \$3,889,183.

Evaluation of Emerging Risks: HB309, HB335, and Piggyback Exemptions

- HB309 indicates an erosion of local fiscal autonomy, shifting power from elected school boards to County Budget Commissions (CBC's) and County Commissioners. HB309 allows a CBC 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" to the GDP Deflation Factor at property reevaluation cycles. To mitigate this, the district has adopted a defensive strategy of projecting at or below the anticipated GDP DF. This is a critical tactical move to prevent the state from applying further downward inflationary adjustments to the district's remaining growth potential. HB479 that becomes law September 23, 2026, corrected inside millage language in HB335 so that any inside mileage adjustment occurs only in the home county during revaluations if districts are in multiple counties. Any future inside millage adjustment is indeterminable at this time.
- HB96 Expanded Piggyback Option introduces a significant *local political* risk through "Piggyback" exemptions. Unlike standard Homestead and 2.5% owner-occupied credits—which the state reimburses—Piggyback exemptions are **not reimbursed**. Geauga County Commissioners did not approve the Piggyback exemption for tax year 2025 collect in calendar year 2026. Our county commissioners also did not vote by July 1, 2026, to approve Piggyback Property Tax Exemptions for tax year 2026 for reductions in calendar year 2027. If both owner occupied, and homestead were approved every year this could result in reduced property tax collections for the school district of roughly \$323,000 each year from current operating levies. This new law creates an unpredictable potential risk to our local tax collections every year. We will adjust the forecast in the future accordingly.

Because the new accelerated August filing deadline for school district forecasts and the enormity of the property tax law changes, second half property tax bills have been delayed along with later final due dates. This will delay second half final actual tax settlement data to update our forecast with actual key data. We have estimated revenues and expenses based on the data available and understanding of the new property tax laws. As authoritative data concerning HB186 continues to be made available to the district changes may need to be made to the forecast that may or may not be significant.

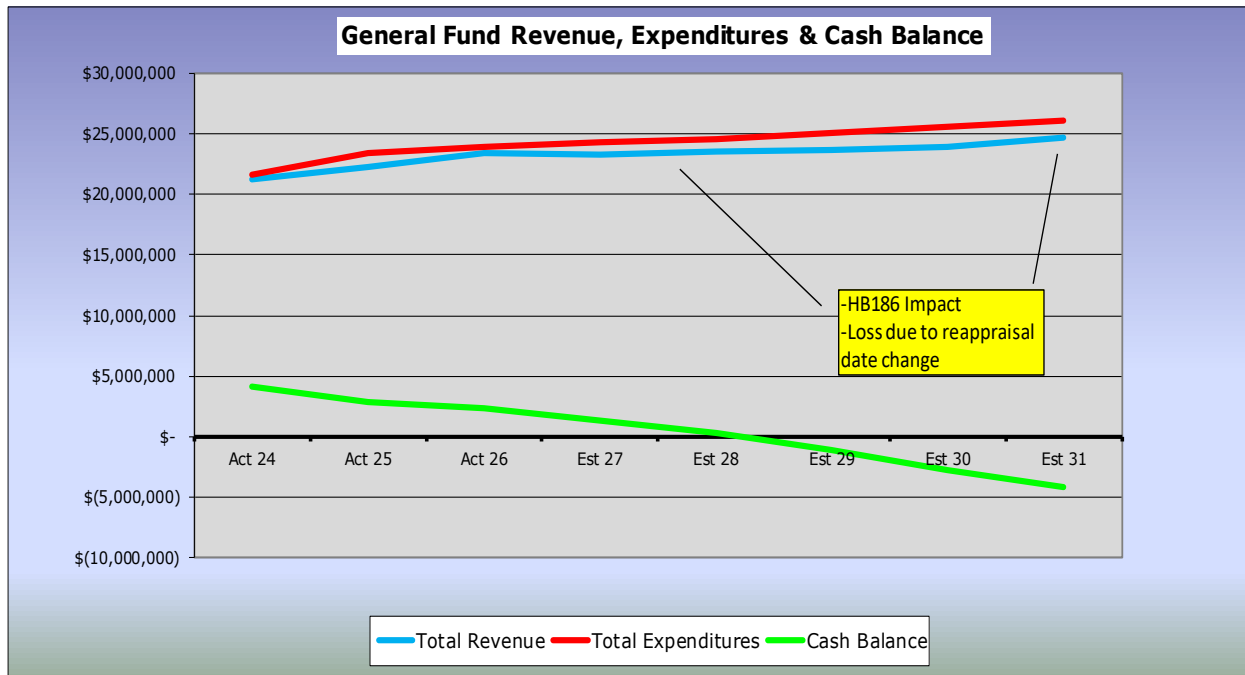
- II. Property tax collections are the single largest revenue source for the school system and a significant risk to the forecast. We project growth in appraised values every three (3) years that aligns with the new HB186 and HB335 Gross Domestic Product Deflation Factor (GDP DF) and new construction growth. The effects of HB186 and HB335 will be to limit property tax growth following reappraisals and updates. Total local revenues, predominately local taxes, equate to 66% 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. We have included any estimated adjustment for HB186 and HB335 in Line 1.01 assumptions below.
- III. Our county completed a full reappraisal for calendar year 2023. The result of the reappraisal was an increase of 29.73% in Class I values and 10.07% increase in Class II values, for an overall increase of \$105.83 million in value increases. Geauga County will experience a reappraisal update in calendar year 2026 for collection in calendar year 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 and HB129 will become effective for our reappraisal 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 HB186 or HB335 on our future tax projections due to our estimates for future growth in revaluations being in line with anticipated GDP DF.

- IV. HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 foundation payment published by the Department of Education and Workforce for our forecasted revenues in FY27-FY31. We are considered a guarantee district and do not anticipate increases in state aid.
- V. The State Budget represents 34% of district revenues and is an area of risk to revenue. The future risk comes in FY28 and beyond due to uncertainty that the Fair School Funding Plan is not continued and funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY28-29 and FY30-31. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY31. We have projected our state funding in FY27 based on recent formula calculations and use of the Ohio Department of Education and Workforce (ODEW) most recent funding settlement. This forecast reflects state revenue to align with the FY27 funding levels through FY31, 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.
- VI. 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, with the next reappraisal being moved one year to 2030. The loss due to this move is estimated at \$784,400 a year.
- VII. Labor relations in the district have been very amicable with all parties working for the best interest of students and realizing the resource challenges the district faces. We believe as the district moves forward a strong working relationship will continue.

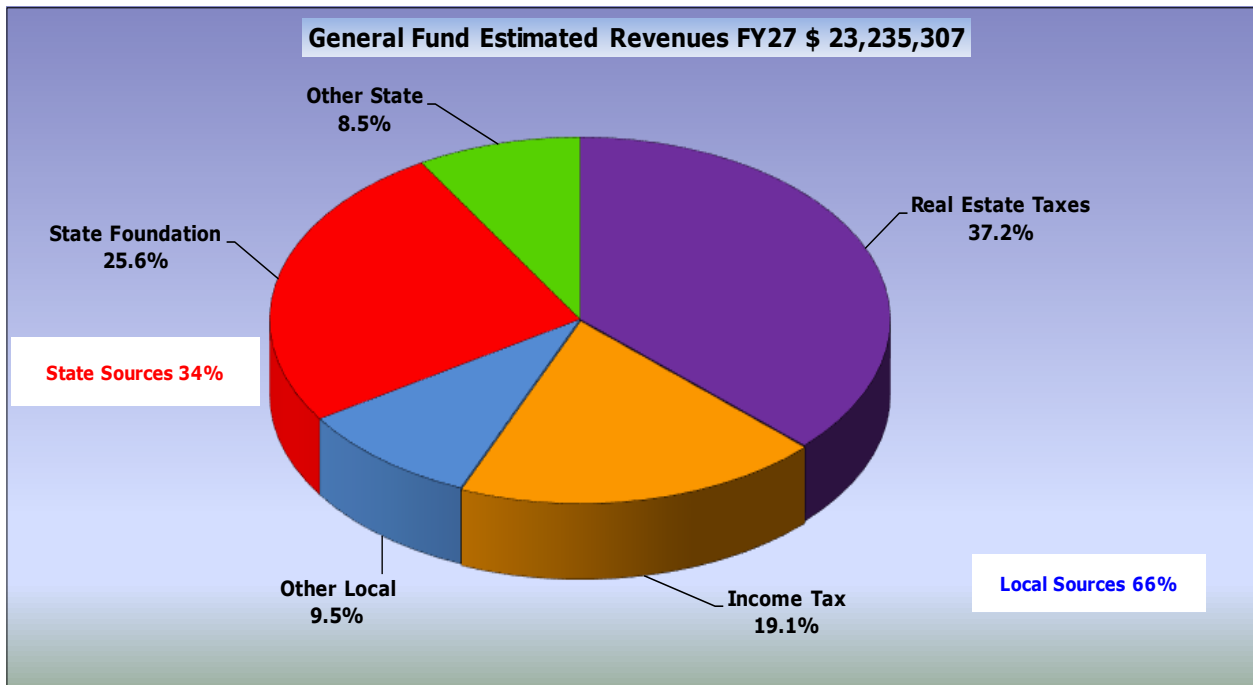
The major categories of revenue and expenditures on the forecast are noted below in the headings to make it easier to reference the assumptions made for the forecast item. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact me – Matthew Hosler, Treasurer of Berkshire School District at 440.834.3380.

General Fund Revenue, Expenditure and Ending Cash Balance

The district is heavily impacted by the new state legislation on property taxes as can be seen below.



Revenue Assumptions



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. Due to legislative changes that slow the impact of rapid property tax growth in Ohio, we have estimated a 9% increase in Class I and a negligible increase in Class II. This should be in line with GDP DF rates and HB186 and HB335 should not impact our property tax projections. 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

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029	TAX YEAR 2030
Classification	COLLECT 2027	COLLECT 2028	COLLECT 2029	COLLECT 2030	COLLECT 2031
Res./Ag.	\$483,216,765	\$485,566,765	\$487,916,765	\$490,266,765	\$531,838,106
Comm./Ind.	50,835,680	50,835,680	50,835,680	50,835,680	50,835,680
Public Utility Personal Property (PUPP)	18,677,777	18,927,777	19,177,777	19,427,777	19,677,777
Total Assessed Value	<u>\$552,730,222</u>	<u>\$555,330,222</u>	<u>\$557,930,222</u>	<u>\$560,530,222</u>	<u>\$602,351,564</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 levies is 49.8 mills while the total Class I effective rate is 20.00 mills and Class II effective millage rate is 20.40 mills. The 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 the voted and the non-voted millage rates; this is called the “20-Mill Floor”. As mentioned, our district is on the floor for Class I property.

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 2026. County commissioners have until July 1 each year to approve this for the coming calendar year. This is indeterminable at this time for tax year 2027 and beyond. 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.

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. This is based on recently obtained Department of Tax Equalization (DTE) Form 186 amounts and DTE HB186 Certified Tax Credit Factors. For planning purposes, we believe this is likely the worst-case scenario removing additional revenue of \$3,889,183 (net of estimated guarantee payment of \$578,627) through FY31, but final second half tax settlements will not be received before this forecast filing deadline.

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 revaluations above anticipated GDP DF, thus no adverse impact to the forecasted property tax revenue is anticipated from this new law.

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>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
General Property Taxes	\$8,898,700	\$9,190,738	\$9,257,825	\$9,233,245	\$9,617,036
Piggyback Exemption HB96	\$0	\$0	\$0	\$0	\$0
Other Tax Adjustments-HB186	<u>-\$1,218,494</u>	<u>-\$812,329</u>	<u>-\$812,329</u>	<u>-\$812,329</u>	<u>-\$812,329</u>
Total General Property Taxes	<u>\$7,680,206</u>	<u>\$8,378,409</u>	<u>\$8,445,496</u>	<u>\$8,420,916</u>	<u>\$8,804,707</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 due to HB186.

New Tax Levies – Line #13.030

Due primarily to the anticipated loss of \$3.89 million from the new property tax law HB186, on July 13, 2026, the Board of Education unanimously approved a resolution to place an additional 0.50% earned income tax levy on the November 3, 2026, General Election ballot. If approved by the voters, the projected revenue from the levy is expected to provide sufficient funding to sustain District operations throughout the forecast period. Failure to approve the new income tax will place the district in Fiscal Precaution as determined by the Ohio Department of Education and Workforce. Revenue from the new income tax will be shown if the new tax is approved by our voters.

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 are \$19.7 million in assessed values in tax year 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 2026 declined by \$1.266 million due to a First Energy tax appeal submitted to the Ohio Department Bureau of Taxation (BTA). While the BTA has not officially granted the appeal in value, it is expected to do so. Values in FY27 through FY31 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. Flaiz has appealed to the Ohio Supreme Court and the District will be submitting an amicus brief as an interested party.

Source	FY27	FY28	FY29	FY30	FY31
Public Utility Personal Property (Line#1.020)	<u>\$953,430</u>	<u>\$936,876</u>	<u>\$949,326</u>	<u>\$961,776</u>	<u>\$974,226</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. Our collection in FY26 was \$4.269 million which is up 7.75% over FY25. We will assume that income from withholdings will continue to increase in future collections. We will assume an annual growth rate of 4% for FY27-FY31.

Source	FY27	FY28	FY29	FY30	FY31
School District Income Tax	\$4,269,452	\$4,441,352	\$4,619,007	\$4,803,768	\$4,995,920
Adjustments	<u>171,900</u>	<u>177,655</u>	<u>184,761</u>	<u>192,152</u>	<u>199,838</u>
Total to Line #1.030	<u>\$4,441,352</u>	<u>\$4,619,007</u>	<u>\$4,803,768</u>	<u>\$4,995,920</u>	<u>\$5,195,758</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 FY27, which funds students where they are educated rather than where they live. We have projected FY27 funding based on the most current foundation settlement and funding factors.

Our district is currently a guarantee district in FY27 and is expected to continue to be on the guarantee in FY28-FY31 on the Fair School Funding Plan (FSFP).

A detailed overview of how foundation funding is calculated including all of the HB96 changes is available at the link below. 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 are estimating \$66,746 in FY27.

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-FY31 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget processes; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY28 through FY31.

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 FY26, the funding totaled \$108.29 million or \$68.14 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>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Basic Aid-Unrestricted	\$5,159,022	\$5,159,022	\$5,159,022	\$5,159,022	\$5,159,022
Additional Aid Items	467,635	467,635	467,635	467,635	467,635
Basic Aid-Unrestricted Subtotal	\$5,626,657	\$5,626,657	\$5,626,657	\$5,626,657	\$5,626,657
Ohio Casino Commission ODT	90,312	89,827	89,323	88,800	88,257
Total Unrestricted State Aid Line # 1.035	<u>\$5,716,969</u>	<u>\$5,716,484</u>	<u>\$5,715,980</u>	<u>\$5,715,457</u>	<u>\$5,714,914</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 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	FY27	FY28	FY29	FY30	FY31
DPIA	\$44,426	\$44,426	\$44,426	\$44,426	\$44,426
Career Tech	5,039	5,039	5,039	5,039	5,039
Gifted	17,333	17,333	17,333	17,333	17,333
ESL	190	190	190	190	190
Student Wellness	49,745	49,745	49,745	49,745	49,745
Other Restricted State Funds	0	0	0	0	0
Threshold Aid	<u>124,953</u>	<u>124,953</u>	<u>124,953</u>	<u>124,953</u>	<u>124,953</u>
Total Restricted State Revenues Line #1.040	<u>\$241,686</u>	<u>\$241,686</u>	<u>\$241,686</u>	<u>\$241,686</u>	<u>\$241,686</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	FY27	FY28	FY29	FY30	FY31
Unrestricted Line # 1.035	\$5,716,969	\$5,716,484	\$5,715,980	\$5,715,457	\$5,714,914
Restricted Line # 1.040	241,686	241,686	241,686	241,686	241,686
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>\$5,958,655</u>	<u>\$5,958,170</u>	<u>\$5,957,666</u>	<u>\$5,957,143</u>	<u>\$5,956,600</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. Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled taxpayers.

HB96 began a phase down of the 10% rollback credit that has been in effect since 1971 and an equal phase up of the Owner Occupied Credit (OOC) that has been in effect since 1978. In addition, HB96 increased the OOC by 2.88% by phasing it in over four (4) years starting in tax year 2026. The table below shows the phasing of these changes. Eventually there will be some amount of 10% rollback for non-timber farmland, but we will need tax settlement sheets to determine that amount. These amounts are fully reimbursed to the school district when deducted from Class I property tax bills. Homestead credits vary annually based on applicants and eligibility.

The state of Ohio passed HB479 on June 24, 2026, and becomes effective September 23, which included a one-time doubling of the homestead exemption credit to start with tax bills in calendar 2027. This is a one-time only increase to help homeowners and is estimated to provide \$350 million in taxpayer relief for qualified Homestead applicants and will be reimbursed to local governments from a \$2.0 billion surplus in the state budget at the end of May 2026. There were also technical adjustments that if HB186 inflationary tax credits are present, they will be applied after the homestead credits are determined to maximize the credit for homeowners. This will cost the state an addition \$44 million annually which will also be reimbursed to local governments if applicable. The \$44 million increase is ongoing.

HB186 10% Phase down and OCC Phase up					
	TY25	TY26	TY27	TY28	TY29
	Collect CY26	Collect CY27	Collect CY28	Collect CY29	Collect CY30
10% Rollback*	10.00%	7.50%	5.00%	2.50%	0.00%
2.5% OOC	2.50%	5.00%	7.50%	10.00%	12.50%
HB96 Inc. OCC	0.00%	0.72%	1.44%	2.16%	2.88%
Total	12.50%	13.22%	13.94%	14.66%	15.38%
Homestead	varies	2x	varies	varies	varies
*Non-timber farm land will still keep 10% rollback					

Partial HB186 Guarantee

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.

Summary of State Tax Reimbursement – Line #1.050

Source	FY27	FY28	FY29	FY30	FY31
Rollback and Homestead	\$1,407,466	\$1,541,158	\$1,509,955	\$1,585,718	\$1,692,606
HB186 Partial Reimbursement	<u>\$578,627</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Tax Reimb./Prop. Tax Allocations #1.050	<u>\$1,986,093</u>	<u>\$1,541,158</u>	<u>\$1,509,955</u>	<u>\$1,585,718</u>	<u>\$1,692,606</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 and increased interest rates due to the Federal Reserve raising rates to curb inflation. Interest income remained steady in FY26 due to ladder investment strategies, expected Federal Reserve rate cuts and declining cash balances will begin to have an impact on earnings in FY27 and future years. We will continue to monitor the investments for the district.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Preston Rent	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Interest	240,000	100,000	0	0	0
Medicaid	116,928	118,094	119,272	120,462	121,664
Tuitions	1,377,782	1,391,560	1,405,476	1,419,531	1,433,726
MH Tax, Fees, and Miscellaneous	<u>420,862</u>	<u>420,862</u>	<u>420,862</u>	<u>420,862</u>	<u>420,862</u>
Total Other Local Revenue Line #1.060	<u>\$2,215,572</u>	<u>\$2,090,516</u>	<u>\$2,005,610</u>	<u>\$2,020,855</u>	<u>\$2,036,252</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 FY27.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>\$20,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Transfer & Advances In	<u>\$20,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

All Other Financial Sources – Line #2.060

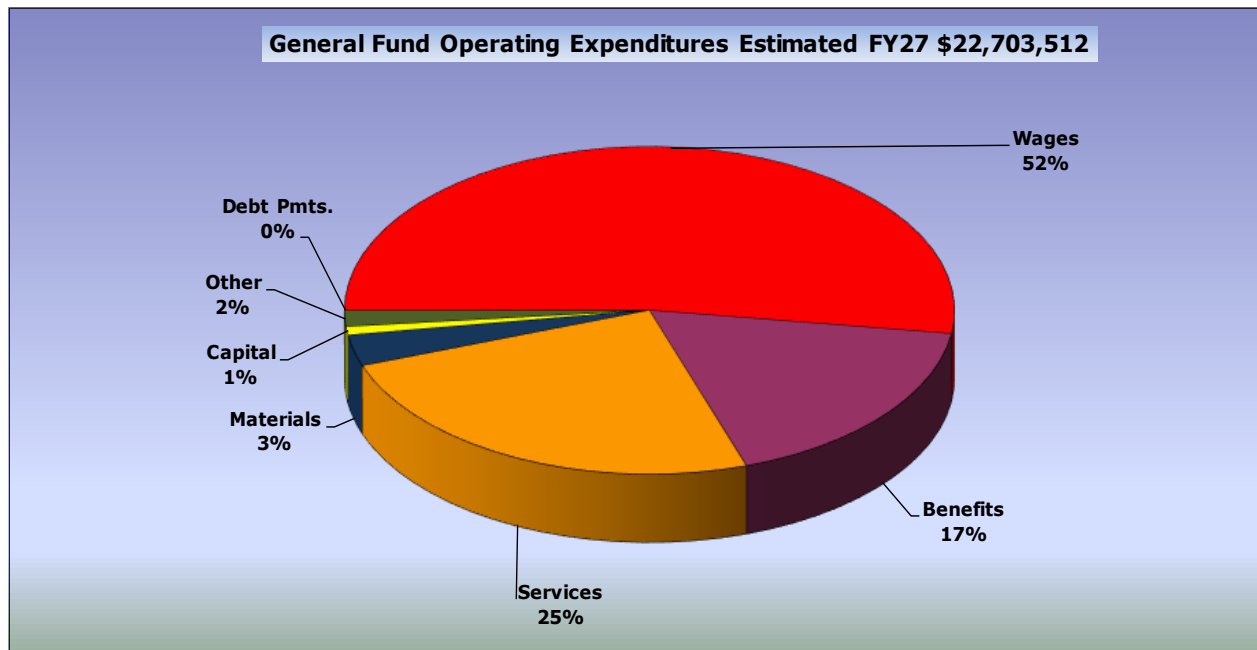
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we will not project that occurring in the remainder of the forecast.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Refund of prior years expenditures	<u>\$13,834</u>	<u>\$13,834</u>	<u>\$13,834</u>	<u>\$13,834</u>	<u>\$13,834</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 FY27



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 1% a year from FY28 through FY31 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. FY27 reflects the following reductions: two (2) administrative positions, and three (3) permanent subs. There were two (2) teacher resignations, those positions were filled with two (2) new teacher hires at the bottom of the salary schedule.

Source	FY27	FY28	FY29	FY30	FY31
Base Wages	\$11,753,297	\$11,574,289	\$11,791,084	\$12,064,712	\$12,360,297
Step & Training	152,793	167,827	170,971	174,938	179,224
Growth	134,849	14,569	0	0	0
Fund 467/ESSER 507	(24,319)	(855)	(15,254)	0	0
Substitutes	209,000	230,000	230,000	230,000	230,000
Supplementals	203,775	205,813	207,871	209,950	212,049
Staff Reductions	(559,864)	(80,489)	0	0	0
Total Wages Line #3.010	<u>\$11,869,531</u>	<u>\$12,111,154</u>	<u>\$12,384,672</u>	<u>\$12,679,600</u>	<u>\$12,981,570</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 FY27-28 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-FY31. 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 FY28– FY31. Unemployment is likely to remain at a shallow level FY27-FY31. 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	FY27	FY28	FY29	FY30	FY31
A) STRS/SERS	\$1,965,893	\$1,851,694	\$1,892,830	\$1,937,704	\$1,983,850
B) Insurance's	\$1,796,567	\$1,867,949	\$1,904,367	\$1,942,454	\$1,981,303
C) Workers Comp/Unemployment	\$54,764	\$49,445	\$50,539	\$51,718	\$52,926
D) Medicare	\$171,291	\$177,075	\$181,446	\$185,770	\$190,194
Other/Tuition	<u>\$1,500</u>	<u>\$1,500</u>	<u>\$1,500</u>	<u>\$1,500</u>	<u>\$1,500</u>
Total Fringe Benefits Line #3.020	<u>\$3,990,015</u>	<u>\$3,947,662</u>	<u>\$4,030,682</u>	<u>\$4,119,146</u>	<u>\$4,209,773</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.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Base Services	\$50,715	\$50,715	\$50,715	\$50,715	\$50,715
Excess Cost County ESC 474	125,000	125,000	125,000	125,000	125,000
Other Tuition Including Ed Scholarship-479	1,120,806	1,143,222	1,166,086	1,189,408	1,213,196
Professional Support 41x	1,114,539	1,136,830	1,159,567	1,182,758	1,206,413
Building & Bus Repairs 42x	383,268	383,268	383,268	383,268	383,268
Transportaion	2,432,174	2,529,461	2,630,639	2,735,865	2,845,300
Utilities	366,262	373,587	381,059	388,680	396,454
Total Purchased Services Line #3.030	<u>\$5,592,764</u>	<u>\$5,742,083</u>	<u>\$5,896,334</u>	<u>\$6,055,694</u>	<u>\$6,220,346</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 was 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	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Supplies 511,512,514,516,519	\$474,733	\$474,733	\$474,733	\$474,733	\$474,733
Textbooks 521	15,290	15,290	15,290	15,290	15,290
Chromebooks 570	10,052	10,052	10,052	10,052	10,052
Building Maintenance	67,100	67,100	67,100	67,100	67,100
Transportation 570,572,582	<u>131,297</u>	<u>131,297</u>	<u>131,297</u>	<u>131,297</u>	<u>131,297</u>
Total Supplies Line #3.040	<u>\$698,472</u>	<u>\$698,472</u>	<u>\$698,472</u>	<u>\$698,472</u>	<u>\$698,472</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 FY27-FY31.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Capital Outlay	\$5,232	\$0	\$0	\$0	\$0
Chromebooks 690	61,976	55,000	55,000	55,000	0
Replacement Bus/Van Purchases	<u>121,313</u>	<u>57,934</u>	<u>57,934</u>	<u>57,934</u>	<u>57,934</u>
Total Equipment Line #3.050	<u>\$188,521</u>	<u>\$112,934</u>	<u>\$112,934</u>	<u>\$112,934</u>	<u>\$57,934</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>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
County Auditor & Treasurer Fees	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
County ESC	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500
Other expenses	<u>\$155,709</u>	<u>\$155,709</u>	<u>\$155,709</u>	<u>\$155,709</u>	<u>\$155,709</u>
Total Other Expenses Line #4.300	<u>\$364,209</u>	<u>\$364,209</u>	<u>\$364,209</u>	<u>\$364,209</u>	<u>\$364,209</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 FY27 include \$400,000 to the Self Insurance Fund, \$150,000 to Severance Fund; \$405,604 to Athletic Supplementals; \$484,783 to Permanent Improvement Debt Service and \$169,854 to OFCC Fund 034.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Operating Transfers Out Line #5.010	\$1,610,241	\$1,610,000	\$1,569,478	\$1,569,478	\$1,569,478
Advances Out Line #5.020	\$0	\$0	\$0	\$0	\$0
Total Transfer & Advances Out	<u>\$1,610,241</u>	<u>\$1,610,000</u>	<u>\$1,569,478</u>	<u>\$1,569,478</u>	<u>\$1,569,478</u>

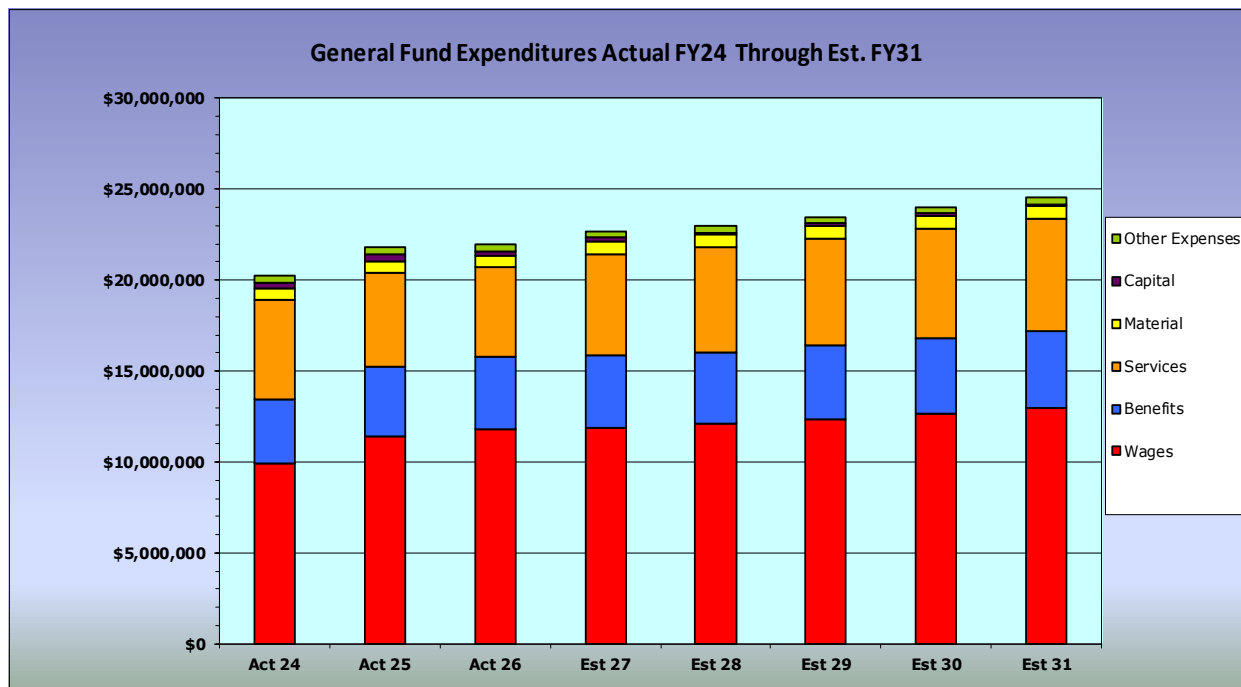
Encumbrances –Line#8.010

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>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Estimated Encumbrances	<u>\$126,000</u>	<u>\$126,000</u>	<u>\$126,000</u>	<u>\$126,000</u>	<u>\$126,000</u>

Operating Expenditures Actual FY24 through FY26 and Estimated FY27-FY31

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.



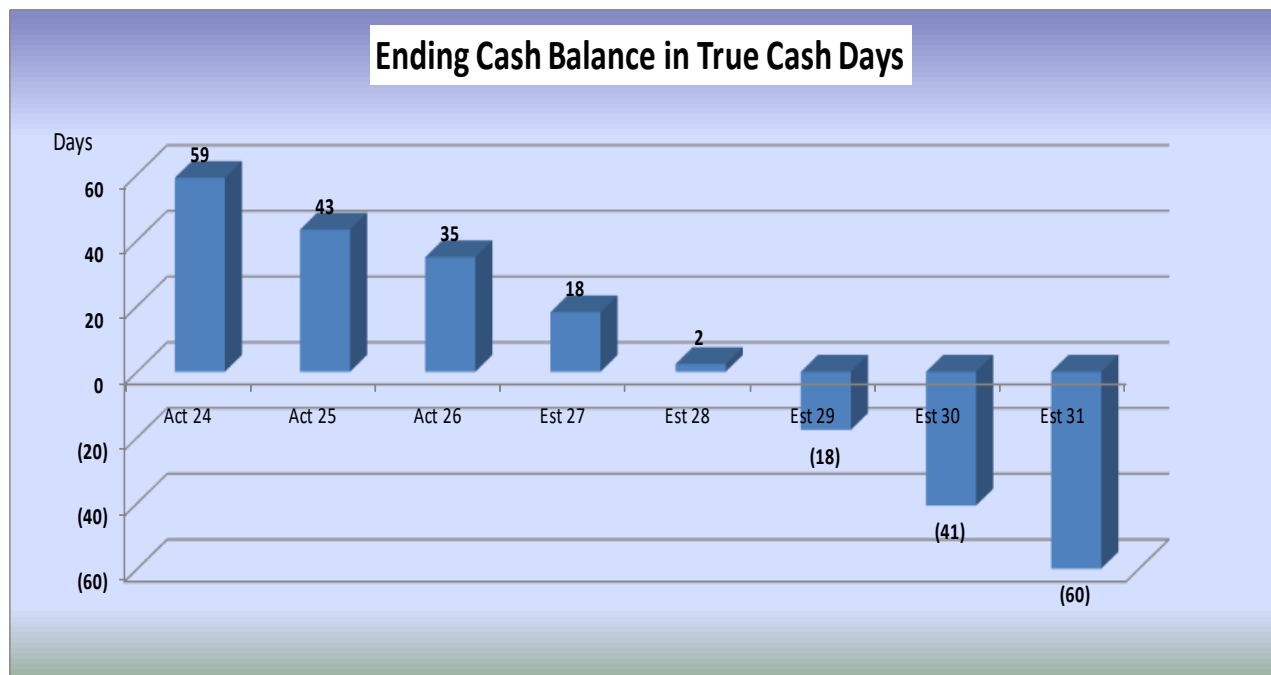
Ending Unencumbered Cash Balance “The Bottom-line” Line#15.010

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 \$2.0 million for our district.

	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Ending Unencumbered Cash Balance	\$ <u>1,206,241</u>	\$ <u>157,698</u>	\$ <u>(1,213,428)</u>	\$ <u>(2,856,799)</u>	\$ <u>(4,284,598)</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.



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.