GENERAL FUND
FIVE YEAR FORECAST
JULY 1, 2026, THROUGH JUNE 30, 2031
AUGUST 10, 2026

PRESENTED BY JULIO VALLADARES, MBA,
TREASURER/CFO

PURPOSES AND OBJECTIVES OF THE FORECAST

- To engage the Board of Education in long range planning and discussions of financial issues facing the school district.
- To paint a picture of the future based upon a snapshot of today while serving as a key management tool and should be updated periodically.
- 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".
- To provide a method for the Ohio Department of Education and Auditor of State to identify school districts with potential financial problems.

FORECAST

	Actual			Forecasted				
	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
Total Revenues	91,564,361	96,954,832	95,038,019	90,127,160	88,105,091	88,606,796	86,414,474	87,746,953
Total Expenditures	88,601,195	115,364,517	95,130,674	98,725,661	103,279,772	108,210,919	113,427,601	118,953,952
Excess of Revenues and Other Financiang Sources over (under) Expenditures and Other Uses	2,963,166	(18,409,685)	(92,655)	(8,598,501)	(15,174,681)	(19,604,123)	(27,013,127)	(31,206,999)
Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	53,162,017	56,125,183	37,715,498	37,622,843	29,024,342	13,849,662	(5,754,461)	(32,767,588)
Cash Balance June 30	56,125,183	37,715,498	37,622,843	29,024,342	13,849,662	(5,754,461)	(32,767,588)	(63,974,587)
Reservations	3,856,277	4,450,790	2,815,005	3,434,406	3,434,406	3,434,406	3,434,406	3,434,406
Cumulative Balance of Replacement/Renewal Levies	0	0	0	0	0	0	0	0
Unreserved Fund Balance June 30	52,268,906	33,264,708	34,807,838	25,589,936	10,415,256	(9,188,867)	(36,201,994)	(67,408,993)

FORECAST OVERVIEW

- The changes in school funding have been estimated with the information we have available
- The effect of changes in State Laws are yet unknown, but we have updated the forecast with the most recent information and assumptions available.
- The financial forecast has risks and uncertainty due to economic changes and new property tax laws.
- Biennial budgets beyond FY25 are unknown, and we have estimated state foundation to be almost static for future years of the forecast.
- Expenditures are outpacing revenues starting this fiscal year (FY25)
- Cash balance decreasing Year-Over-Year.

NEW PROPERTY TAX LAWS. WHAT IT MEANS FOR OHIO SCHOOLS

WHAT THIS MEANS FOR OHIO SCHOOLS Based on FY26 Spring Update Financial Forecasts filed by districts in Spring 2026 and LSC fiscal notes on HB 129, 186, and 335.

92% of Ohio's 660 school districts projecting deficits by FY2029 (605 of 660 — ODEW FY26 Spring Forecasts)

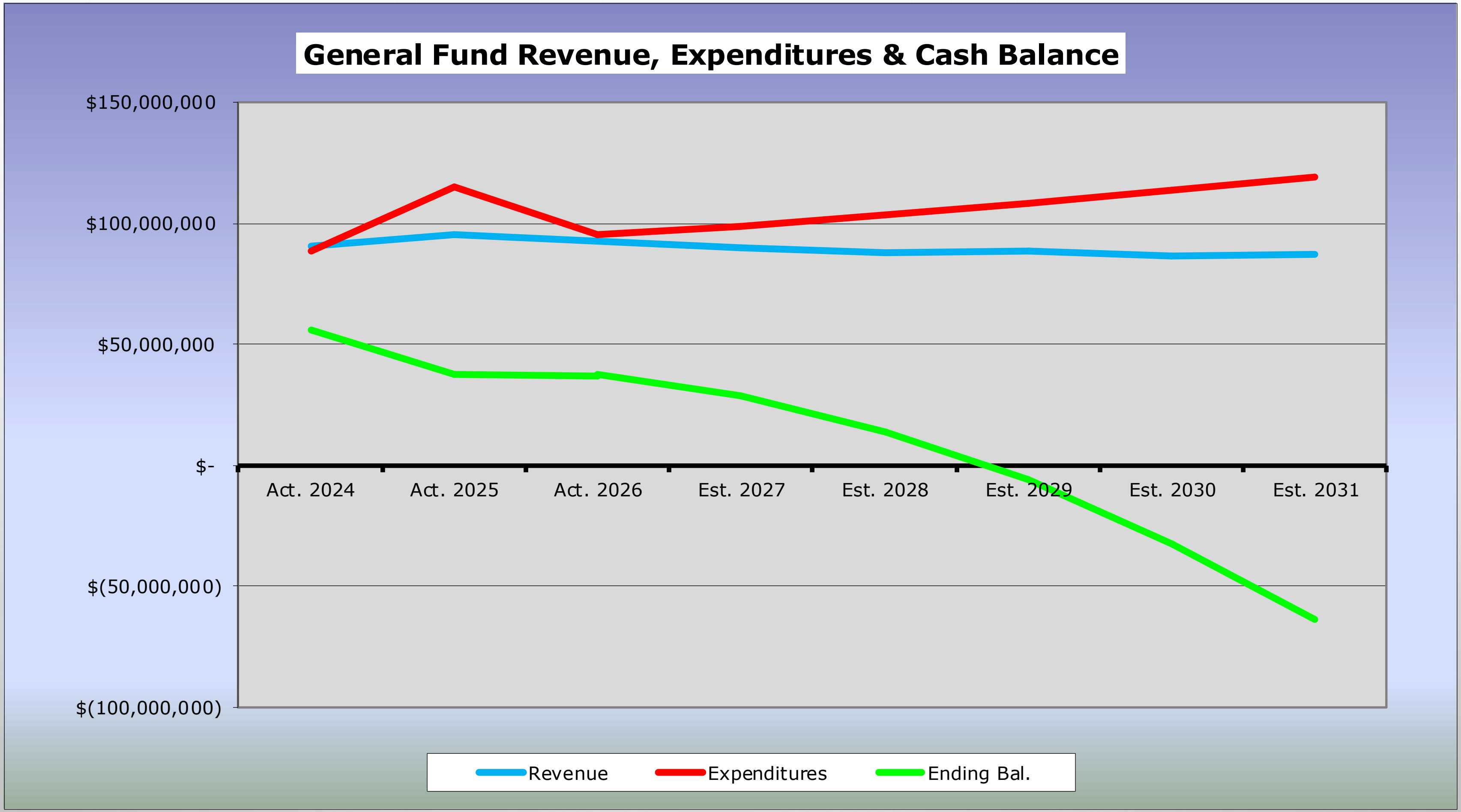
219 districts projecting Fiscal Emergency — deficit exceeds 15% of annual revenue; state takes financial control

210 districts projecting Fiscal Watch — deficit is 8–15% of annual revenue; must file a recovery plan within 60 days

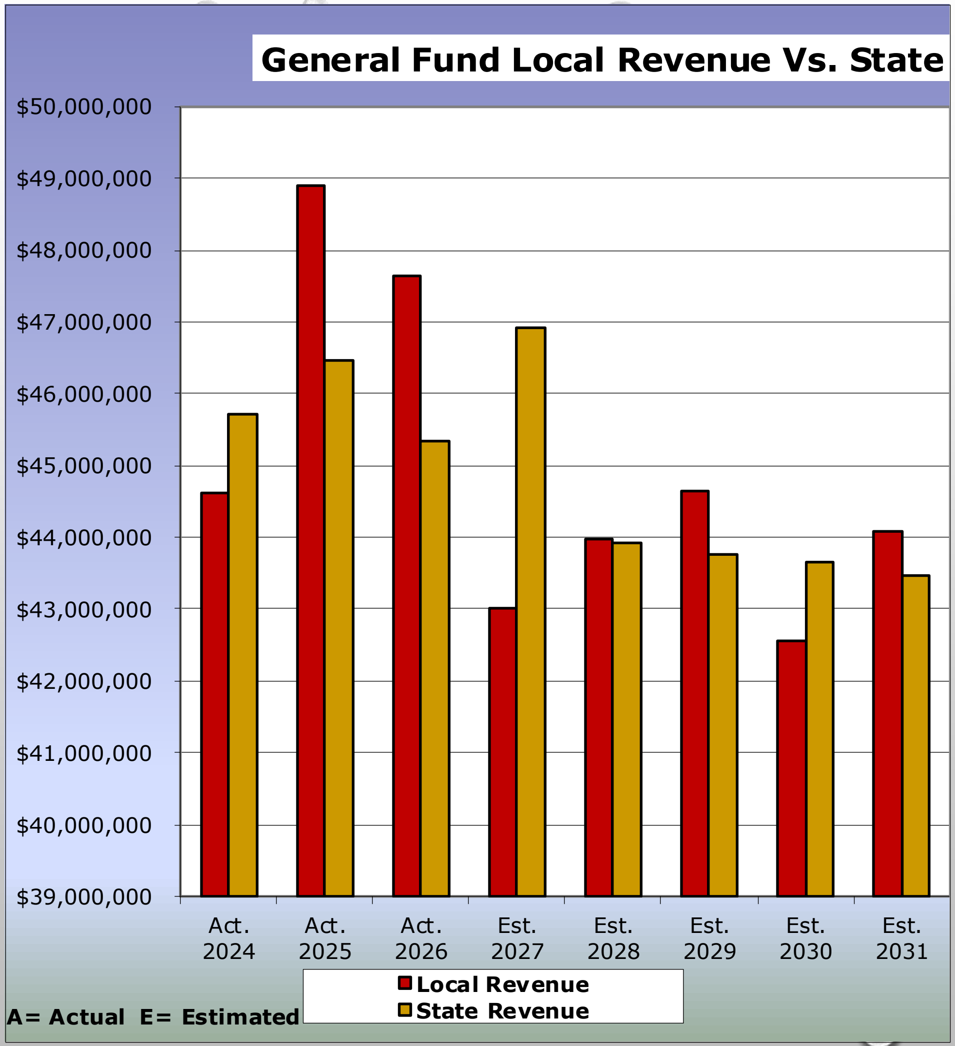
176 districts in Fiscal Caution — deficit is less than 8% of annual revenue; early warning status **55** districts with no projected deficit — just 8% of all 660 Ohio school districts

$2.5B estimated revenue reduction over 3 years from HB 186, 335 & 129 combined (to schools & local govt)

REVENUE VS. EXPENDITURE



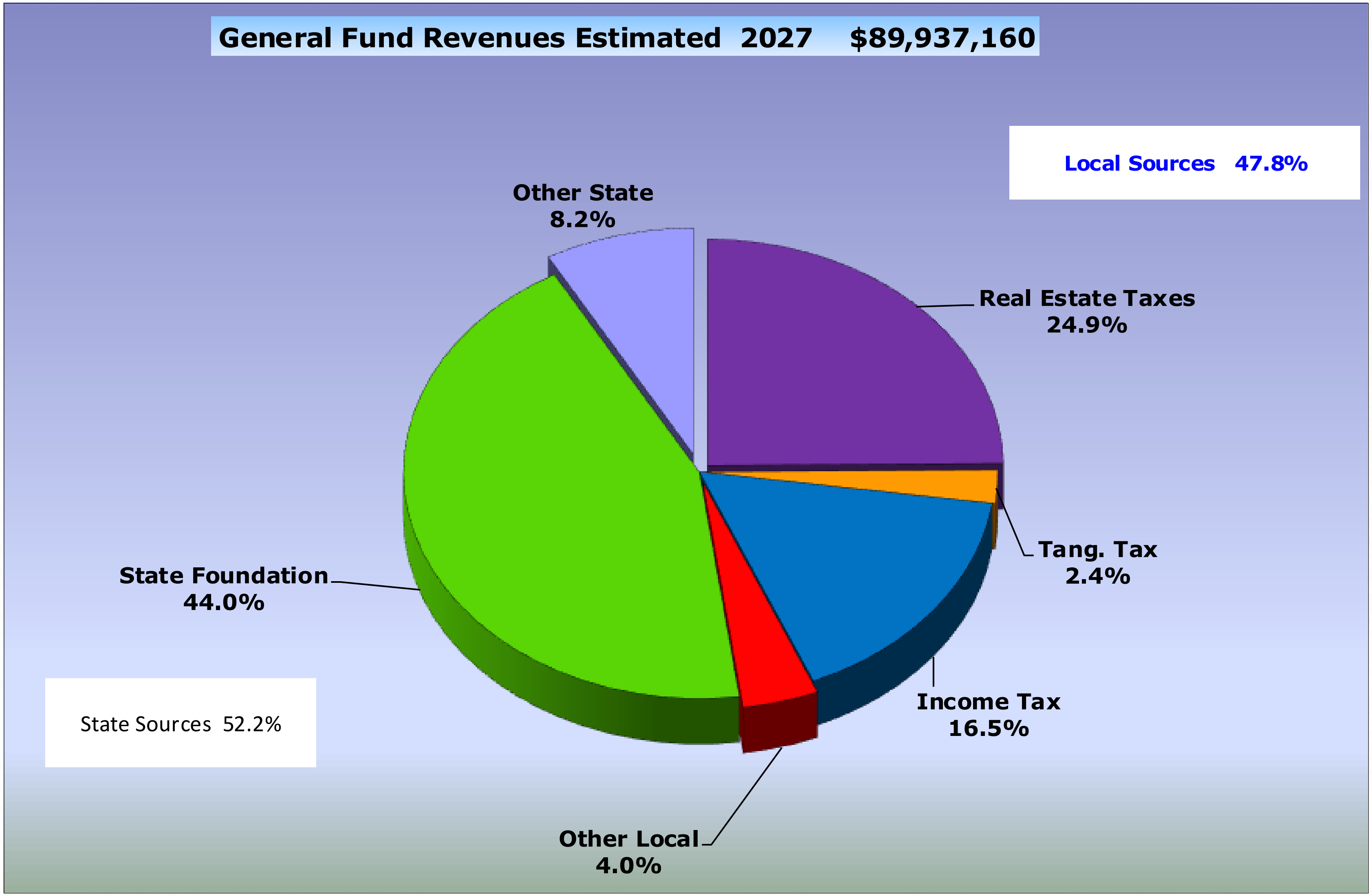
- **Since 2025 expenses exceed revenues**



REVENUE TREND. STATE VS. LOCAL

- LOCAL DEPENDENCY CONTINUES TO GROW

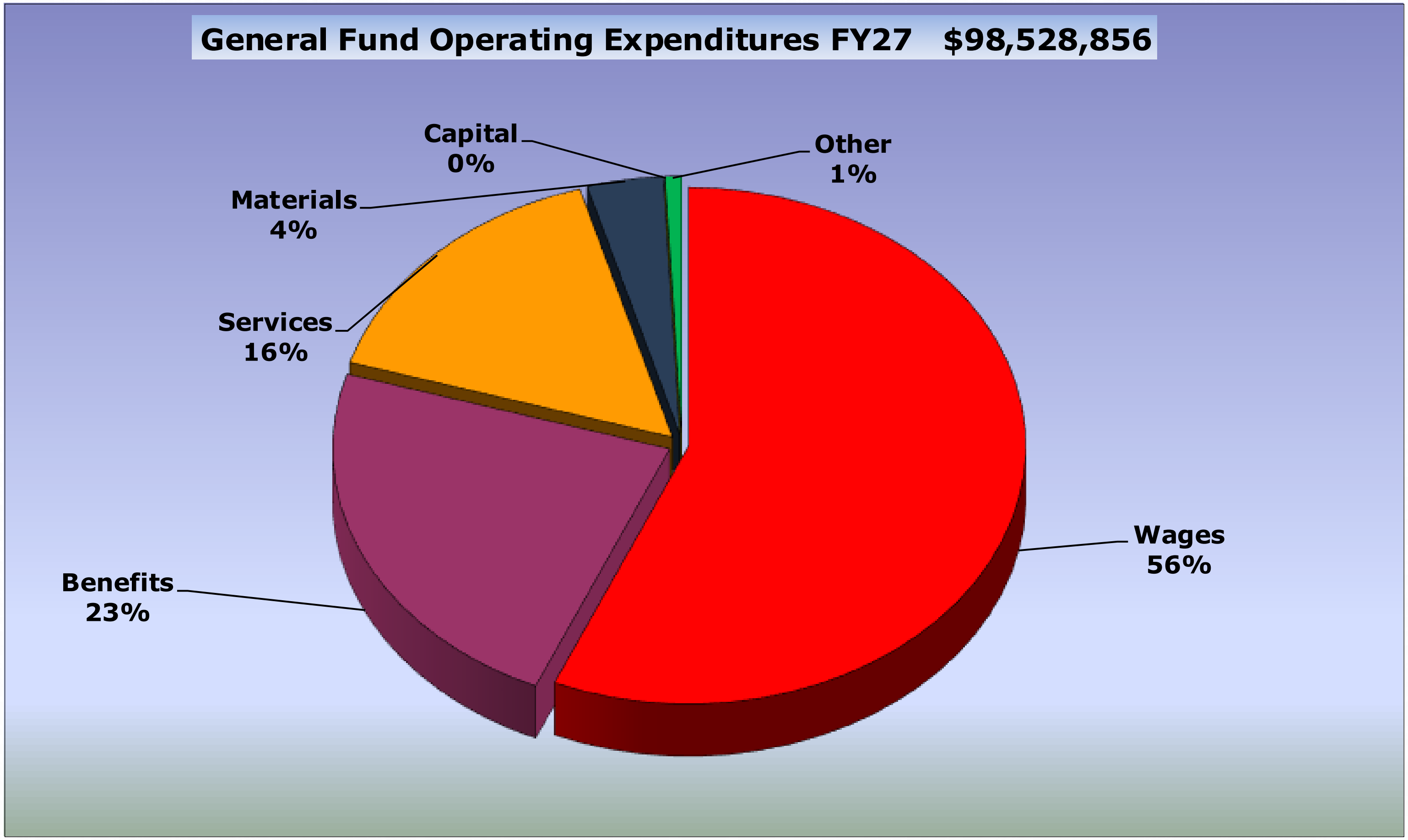
EST. GENERAL FUND REVENUE SOURCES FY27



CHALLENGES TO OPERATING REVENUE

- **THE STATE'S DECLINING SHARE OF SCHOOL FUNDING**
  - OHIO'S STATE SHARE OF SCHOOL FUNDING HAS DROPPED FROM ABOUT **44%** IN 2002 TO ABOUT **31%** IN 2023 — A TWO-DECADE DECLINE.
  - STATE INCOME TAX CUTS REDUCED STATE REVENUE BY MORE THAN $1 BILLION PER YEAR, MOSTLY BENEFITING HIGHER EARNERS. AS THE STATE HAS PAID LESS TOWARD SCHOOLS EACH YEAR, LOCAL PROPERTY TAXES — AND THE HOMEOWNERS WHO PAY THEM — HAVE MADE UP A LARGER PORTION OF THE TOTAL.
- **LOCAL REVENUES**
  - LIMITED WITH REAL ESTATE PROPERTY TAXES (NEW DEVELOPMENT)
  - JOB CREATIONS (INCOME TAXES)
  - NEW TAX LAWS. REDUCING OUR COLLECTIONS ON THE EMERGENCY LEVY.
  - ECONOMIC CHANGES AND UNCERTAINTY.

EST. GENERAL FUND EXPENDITURES FY27

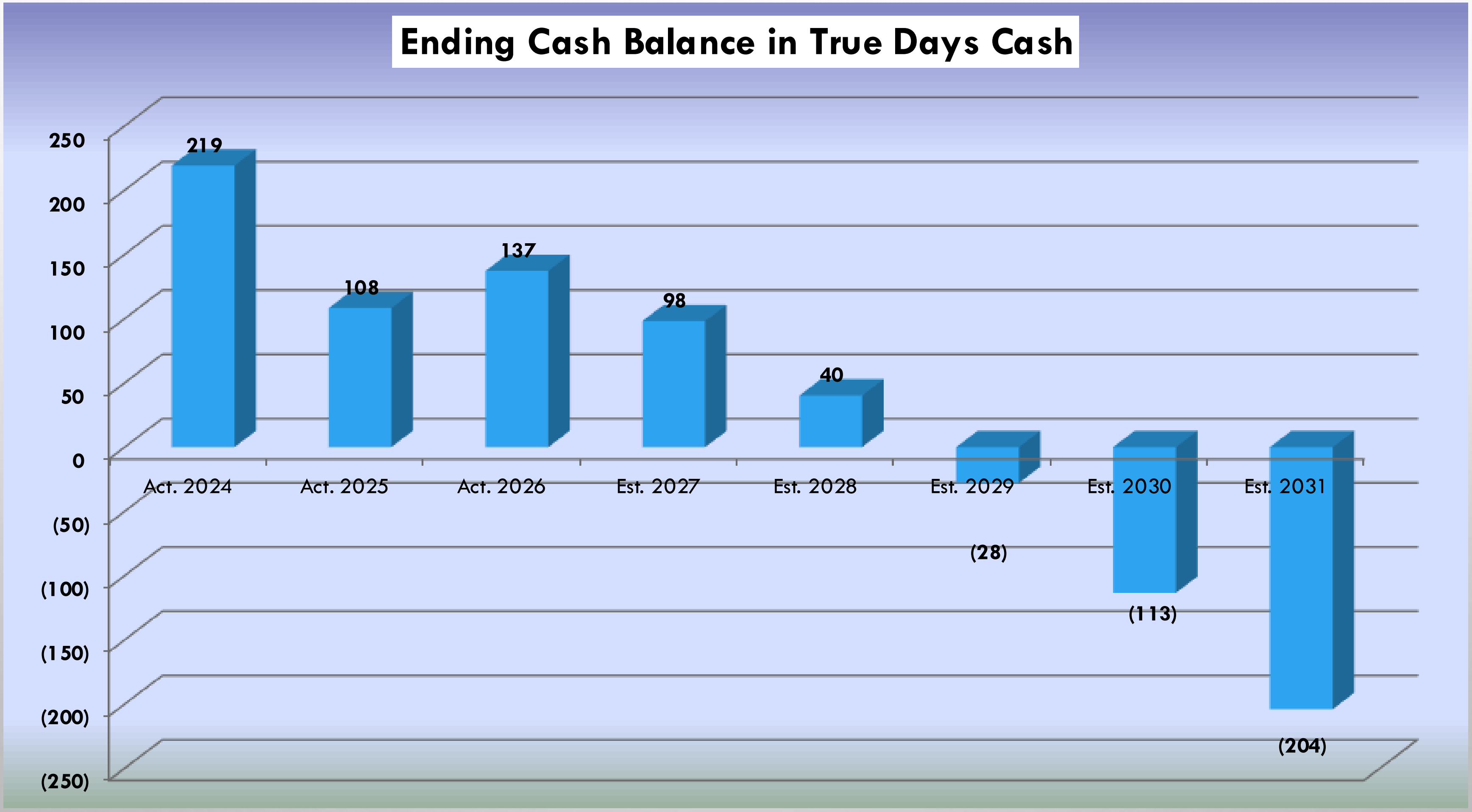


- District Wages and benefits Estimate is 79%

CHALLENGES TO OPERATING EXPENDITURES

- **VOLATILITY AND UNCERTAINTY OF THE ECONOMY**
    - **STATE PROPERTY TAX LAW CHANGES**
    - **INCREASING COST OF SUPPLIES AND MATERIALS**
    - **FUTURE WAGES NEGOTIATIONS**
    - **HIGH COSTS FOR HEALTH BENEFITS**
    - **MEDICAL AND DENTAL COST CONTROL MEASURES**
    - **HIGH COSTS FOR PROFESSIONAL INSTRUCTIONAL SERIVCES**
        - **CURRICULUM FOR ALL STUDENTS**
        - **RELATED SERVICES LIKE SPEECH, PHYSICAL THERAPY, PSYCHOLOGY, ETC..**

ENDING CASH BALANCE



CONCLUSION

- CONTINUE TO LOOK AT PROGRAMS AND IMPLEMENT COST MEASURES TO ACHIEVE SUSTAINABILITY

- MONITOR THE NEXT 2 STATE BIENNIAL BUDGET DELIBERATIONS, WHILE CONTINUING TO OPERATE CONSERVATIVELY

- MONITOR NEW PROPERTY TAX LAWS

- CONTINUE TO LOOK AT THE COSTS OF MEDICAL AND DENTAL BENEFITS
  - IMPLEMENT WELLNESS INITIATIVES
  - IMPLEMENT CHANGES IN PLAN BENEFIT STRUCTURES