East Knox Local School District

Fiscal Year

2027

August

Financial Forecast Report



Prepared By:

Treasurer/CFO

East Knox Local School District

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Forecast Purpose/Objectives

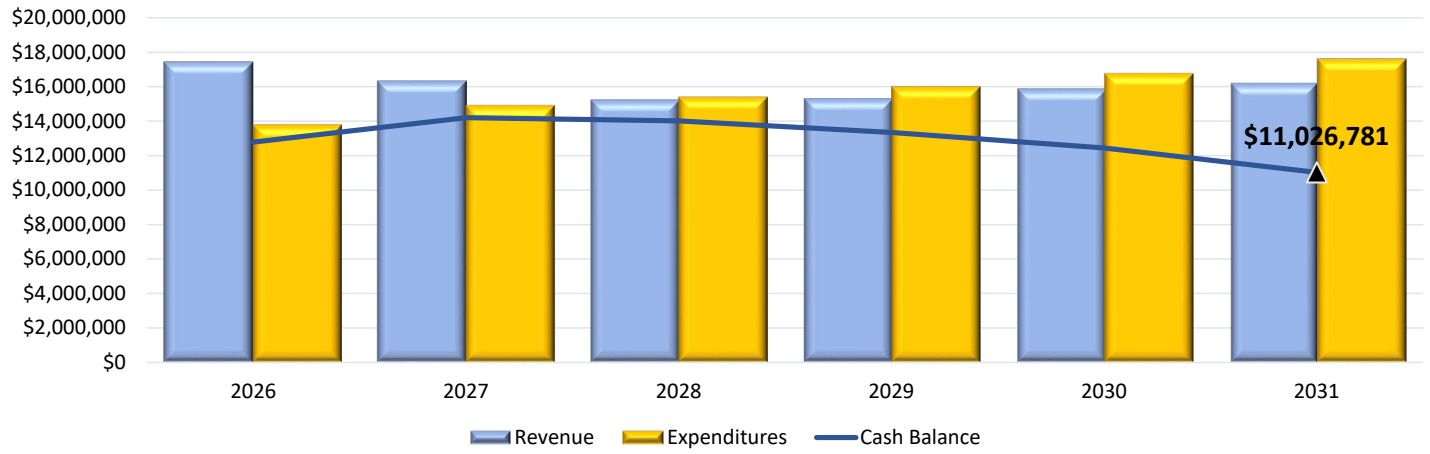
Ohio Department of Education and Workforce's purposes/objectives for the financial forecast are:

1. To engage the local board of education and the community in the 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 Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology

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

Projected Revenue, Expenditures, and Cash Balance



Financial Forecast Summary

	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
Beginning Balance (Line 7.010) **Includes Renewal/New Levy Revenue, see Disclosures*	12,789,624	14,203,048	14,023,284	13,343,086	12,450,190
+ Revenue	16,303,293	15,202,758	15,292,332	15,849,208	16,159,872
- Expenditures	(14,889,869)	(15,382,522)	(15,972,530)	(16,742,104)	(17,583,281)
= Revenue Surplus or Deficit	1,413,424	(179,764)	(680,198)	(892,896)	(1,423,409)
Line 7.020 Ending Balance with Renewal/New Levies	14,203,048	14,023,284	13,343,086	12,450,190	11,026,781

Financial Summary Notes

Expenditure growth is projected to outpace revenue change. By the end of 2031, the cash balance is projected to decline by a total of $1,762,844 compared to 2026. For fiscal year 2031, expenditures are currently projected to exceed revenue, resulting in a revenue shortfall the final year of the forecast period.

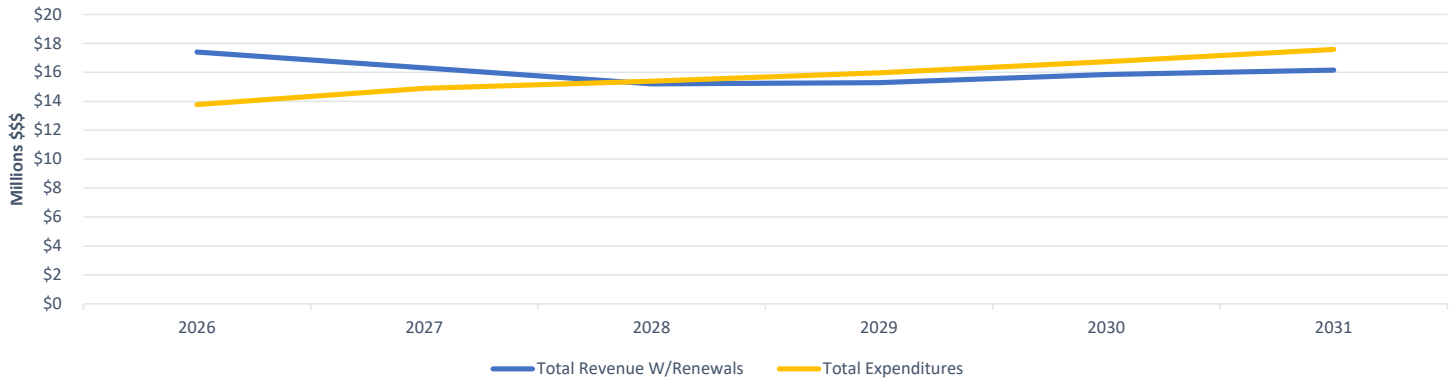
For revenue, projected change is expected to be less than the historical average. Annually, on average, over the past five years, revenue increased by 7.19% ($1,003,560 annually). However, it is projected to decrease by -1.38% (-$248,555 annually) through fiscal year 2031. Notably, Real Estate, is expected to be $1,132,951 less per year compared to history, and is the biggest driver of trend change on the revenue side.

For expenditures, projected change is expected to be at a slower pace than the historical trend. Expenditures increased by 15.95% ($486,940, on average, annually) during the past 5-year period, and are projected to increase by 5.02% ($761,944 annually) through 2031. The forecast line with the most change on the expense side, Purchased Services, is anticpated to be $304,740 more per year in the projected period compared to historical averages.

Disclosure Items:	*2027*	*2028*	*2029*	*2030*	*2031*
Modeled Renewal Levies - Annual Amount	-	-	-	-	-
Modeled New Levies - Annual Amount	-	-	-	-	-
Encumbrances (not subtracted from Cash Balance)	*150,000*	*150,000*	*150,000*	*150,000*	*150,000*

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Revenue Compared to Expenditures

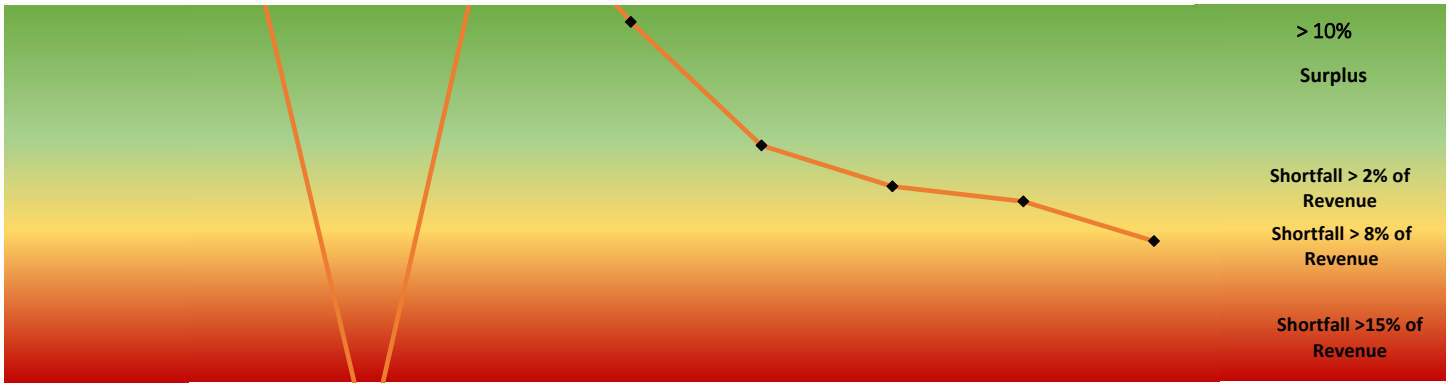


From 2027 to 2031, total revenues are projected to change by -1.38%

Expenditure change is expected to outpace revenue change.

From 2027 to 2031, total expenses are projected to change by 5.02%

Revenue Surplus/(Shortfall) as a Percentage of Revenue

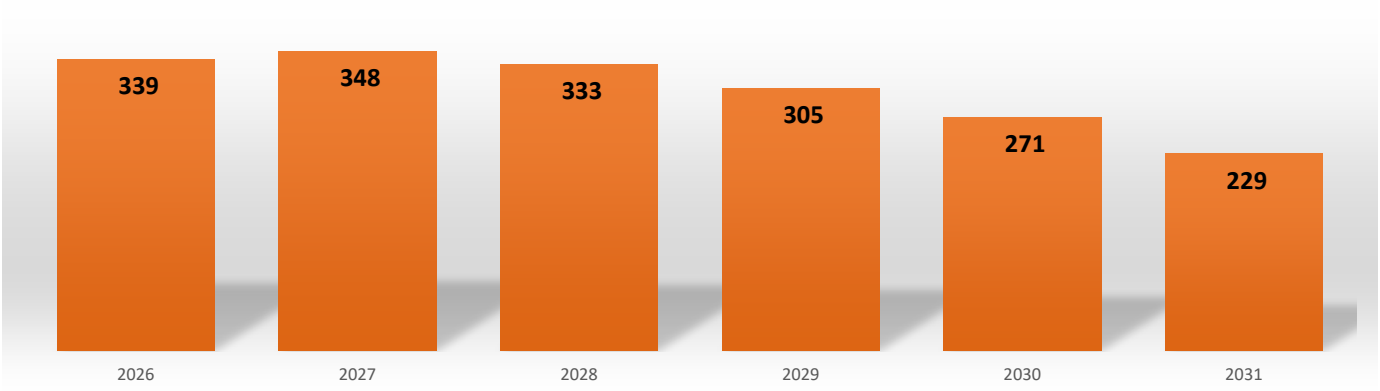


	2025	2026	2027	2028	2029	2030	2031
Current Forecast Surplus/(Shortfall)	-25.%	20.9%	8.7%	-1.2%	-4.4%	-5.6%	-8.8%

The district is trending toward revenue shortfall with the expenditures growing faster than revenue.
A revenue increase of 5.63% is needed to balance the budget in fiscal year 2031, or a $1,423,409 reduction in expenditures.

- The largest contributor to the projected revenue trend is the change in Real Estate.
- The expenditure most impacting the changing trend is Purchased Services.

Days Cash on Hand at Fiscal Year-end

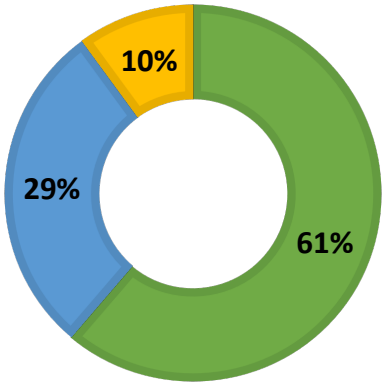


*based on 365 days

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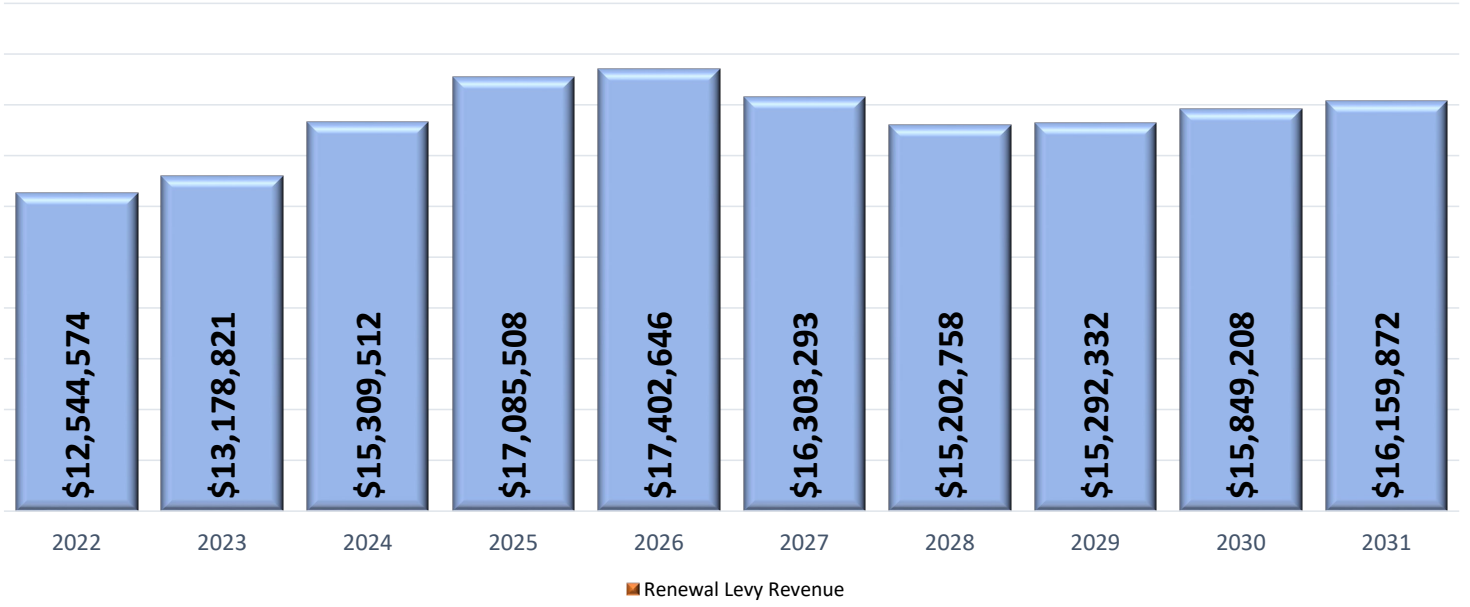
Revenue Overview

Revenue Sources



Local Taxes	
Real Estate Tax	57.40%
Public Utility Tax	3.79%
Income Tax	0.00%
State Sources	
State Funding	16.42%
Restricted Aid	4.08%
State Reimb Prop Tax Cr	8.30%
All Other Revenue	
Other Revenue	10.01%
Other Sources	0.00%

Annual Revenue Actual + Projected



Historic Revenue Change versus Projected Revenue Change

	Historical Average Annual $$ Change	Projected Average Annual $$ Change	Projected Compared to Historical Variance
Real Estate	$849,634	($283,317)	($1,132,951)
Public Utility	$42,826	$10,369	($32,457)
Income Tax	$0	$0	$0
State Funding	($90,307)	($3,774)	$86,534
State Reimb Prop Tax Credits	$98,915	$79,823	($19,093)
All Othr Op Rev	$122,690	($47,881)	($170,571)
Other Sources	($20,197)	($3,774)	$16,423
Total Average Annual Change	$1,003,560	($248,555)	($1,252,115)
	7.19%	-1.38%	-8.57%

Annually, on average, over the past five years, revenue increased by 7.19% ($1,003,560 annually). However, it is projected to decrease by -1.38% (-$248,555 annually) through fiscal year 2031. Notably, Real Estate, is expected to be $1,132,951 less per year compared to history, and is the biggest driver of trend change on the revenue side.

For Comparison:

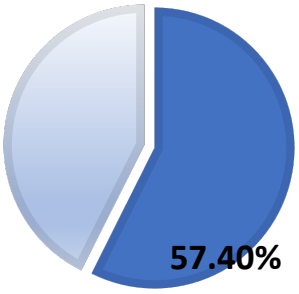
Expenditure average annual change is projected to be > $761,944

On an annual average basis, expenditures are projected to grow faster than revenue.

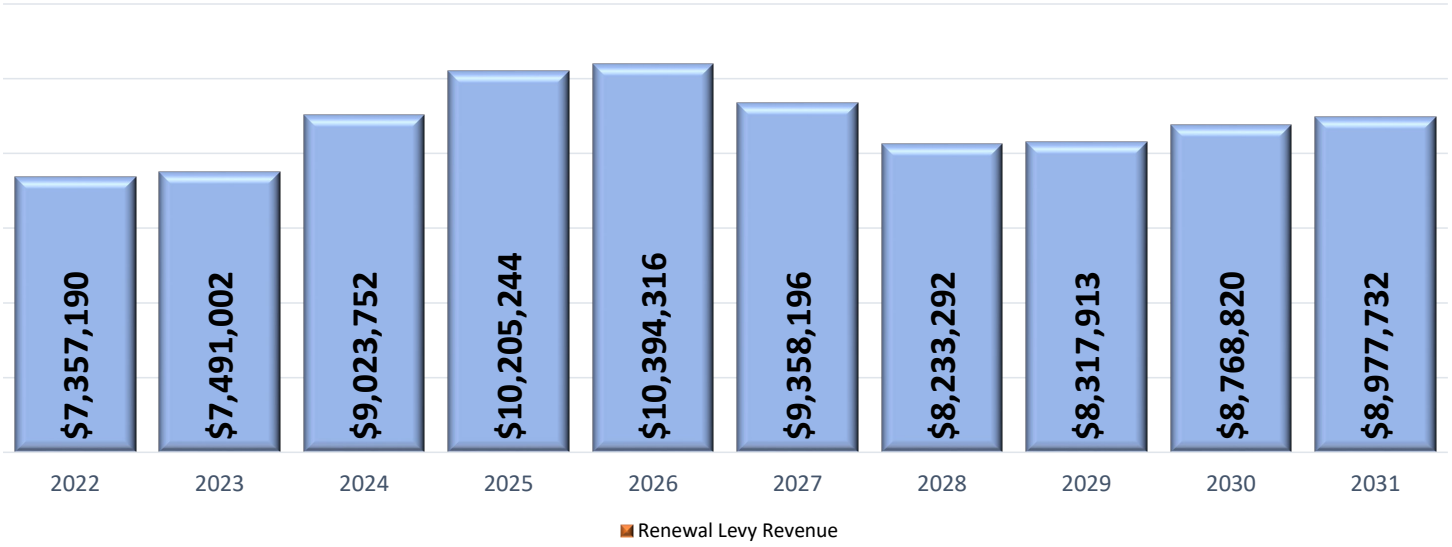
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1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



Real estate property tax revenue accounts for 57.40% of total district general fund revenue.



Key Assumptions & Notes

Values, Tax Rates and Gross Collections							Gross Collection Rate
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class 2 Rate	Change	Including Delinquencies
2025	529,061,242	13,600,840	22.23	-	22.20	-	100.0%
2026	654,591,242	125,530,000	20.00	(2.23)	20.00	(2.20)	100.0%
2027	659,173,242	4,582,000	20.01	0.01	20.00	-	100.0%
2028	664,053,242	4,880,000	20.00	(0.00)	20.00	-	100.0%
2029	761,533,242	97,480,000	20.00	(0.00)	20.00	-	100.0%
2030	766,365,242	4,832,000	20.00	-	20.00	-	100.0%

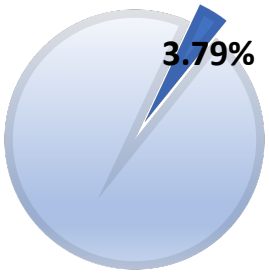
Class I, or residential/agricultural taxes make up approximately 97.53% of the real estate property tax revenue. The Class I tax rate is 20.00 mills in tax year 2026. The projections reflect an average gross collection rate of 100.0% annually through tax year 2030. The revenue changed at an average annual historical rate of 11.39% and is projected to change at an average annual rate of -2.63% through fiscal year 2031.

The Board of Education voted to not renew the $1.2 million emeregncy levy in 2026. Due to changes in regards to property tax reform and the 20 mill floor, it was determined that there was no significant advantage to maintain this levy any longer.

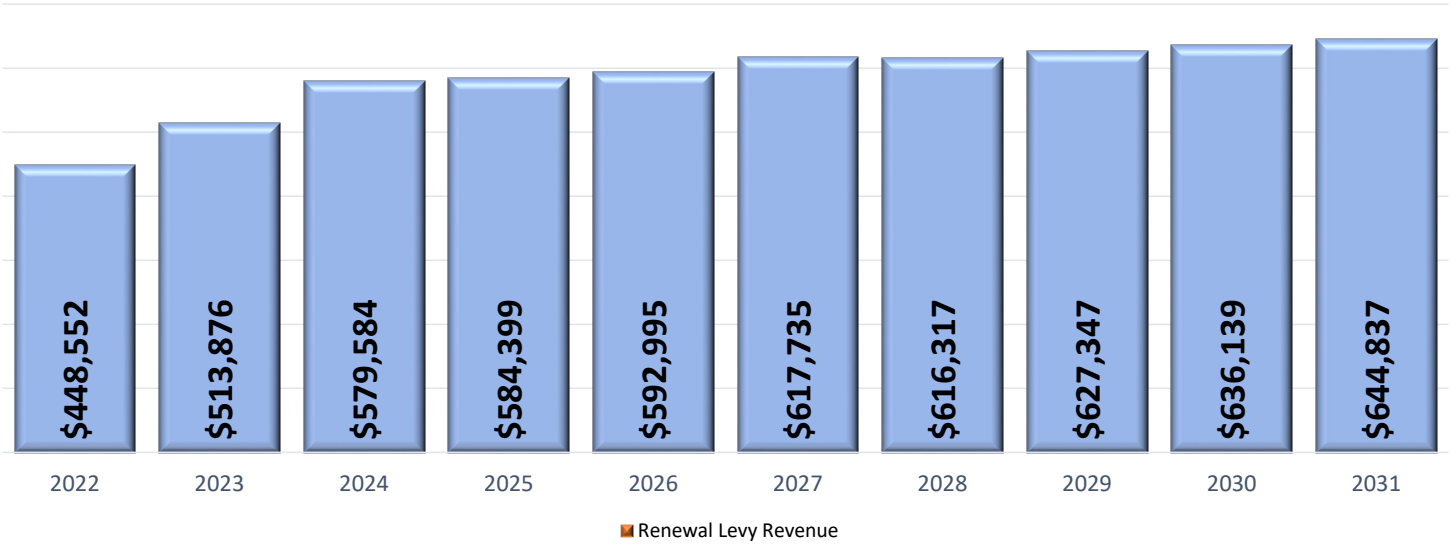
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1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



Public Utility Personal Property tax revenue accounts for 3.79% of total district general fund revenue.



Key Assumptions & Notes

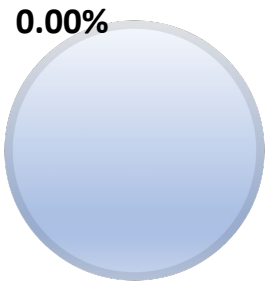
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2025	17,276,936	1,584,406	37.40	(0.13)	96.6%
2026	18,276,936	1,000,000	34.59	(2.81)	96.6%
2027	18,606,936	330,000	34.59	-	96.6%
2028	18,936,936	330,000	34.59	-	96.6%
2029	19,266,936	330,000	34.34	(0.24)	96.6%
2030	19,596,936	330,000	34.34	-	96.6%

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. The property is taxed at the full voted tax rate which in tax year 2026 is 34.59 mills. The forecast is modeling an average gross collection rate of 96.64%. The revenue changed historically at an average annual dollar amount of $42,826 and is projected to change at an average annual dollar amount of $10,369 through fiscal year 2031.

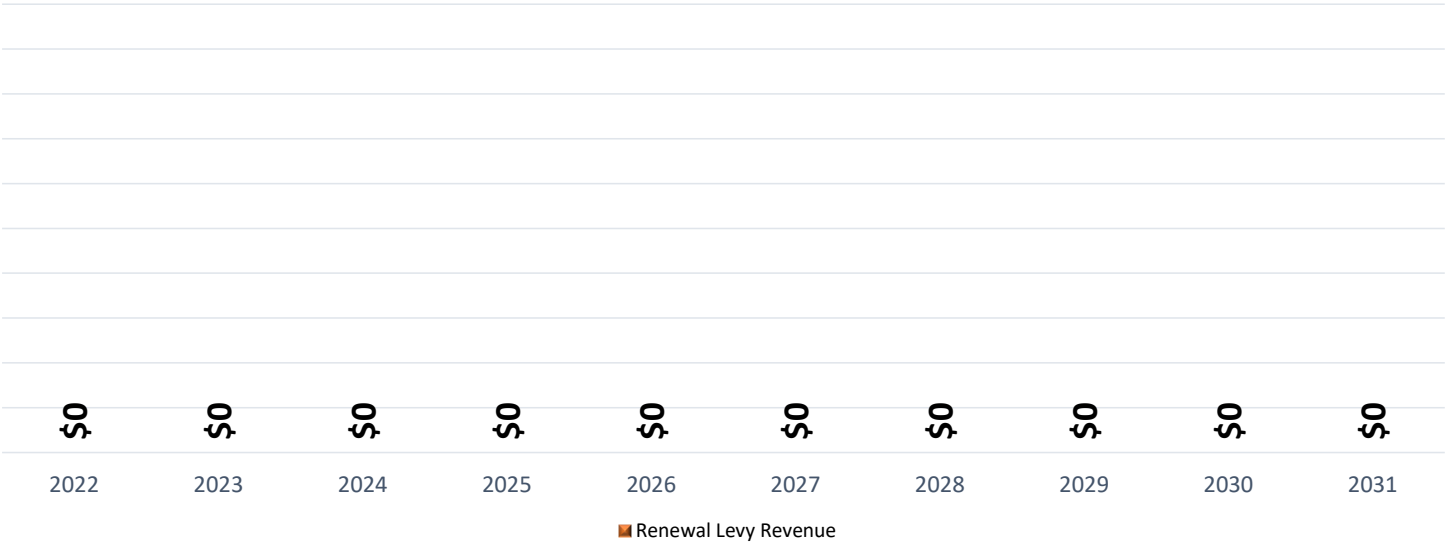
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1.030 - School District Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



The district does not have a School District Income Tax levy.



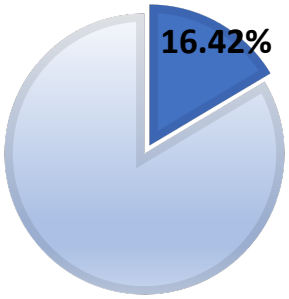
Key Assumptions & Notes

The district does not have an income tax levy.

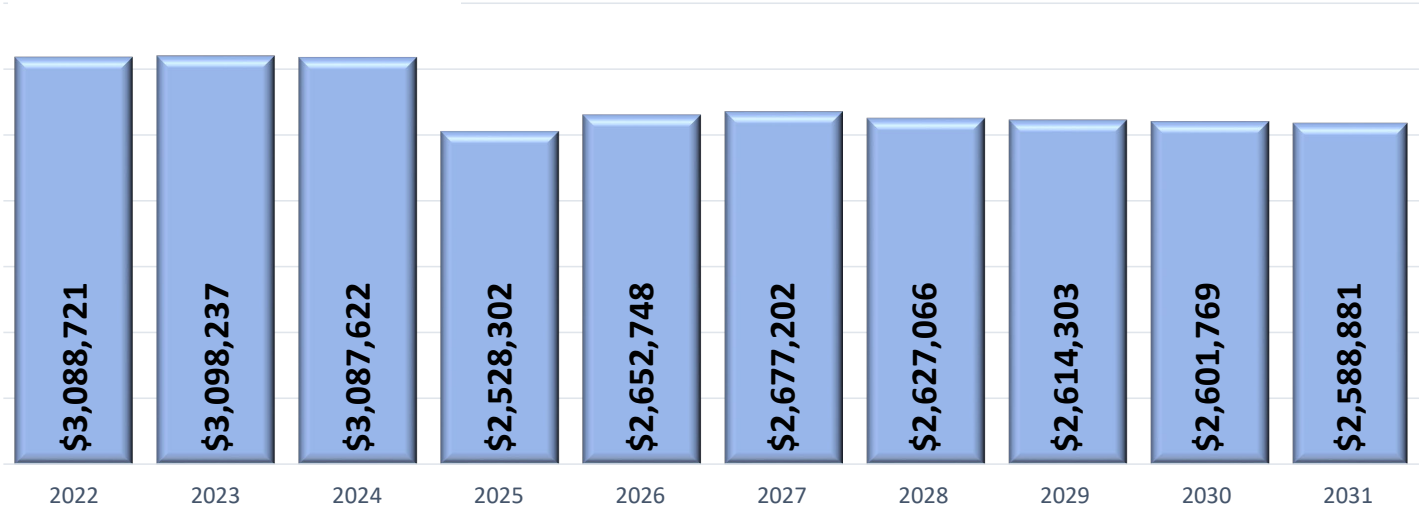
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1.035 - Unrestricted Grants-in-Aid

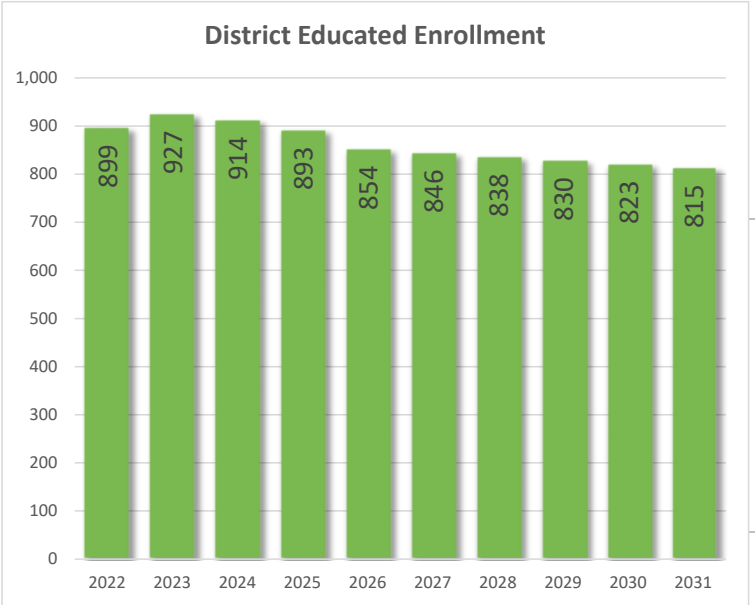
Funds received through the State Foundation Program with no restriction.



Unrestricted State Aid revenue accounts for 16.42% of total district general fund revenue.



Key Assumptions & Notes



Beginning in fiscal year 2022, Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

For East Knox Local School District, the calculated Base Cost total is $7,639,099 in 2027.

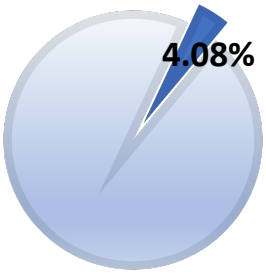
The State's Share of the calculated Base Cost total is $725,272, or $857 per pupil.

The FSFP also started funding students where they attended school. Therefore district educated enrollment is now used for per pupil funding. At the same time, the FSFP eliminated tuition transfer payments from school districts, which impacts the expense side of the forecast.

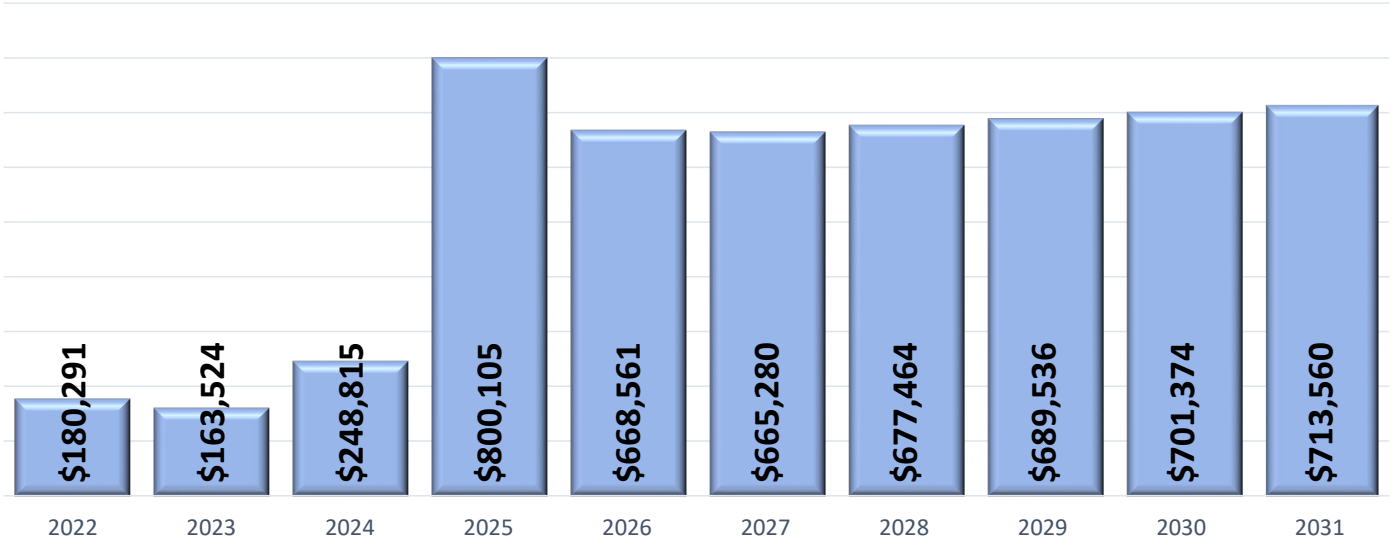
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1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted State Aid revenue accounts for 4.08% of total district general fund revenue.



Key Assumptions & Notes

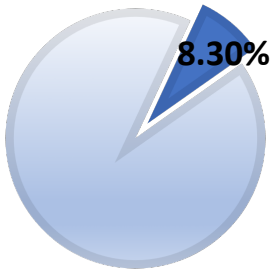
Restricted aid is the portion of state per pupil funding that must be classifed as restricted use. Historically the district's restricted state aid changed annually on average by $168,346 and is projected to change annually on average by $9,000. Restricted funds represent 4.08% of the district's total revenue. Starting in fiscal year 2022, the district's Success & Wellness funding became restricted; the state's share of this funding recorded as restricted is $45,980. This funding has implications on general fund expenditures in that certain spending now occuring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

Restricted aid increased significantly in 2025 due to the district participating in the Community Eligibility Provision (CEP) which gives all students free breakfast and lunch. The overall state revenue to the district was nuetral because the restricted revenue increase was off-set by an unresricted revenue decrease.

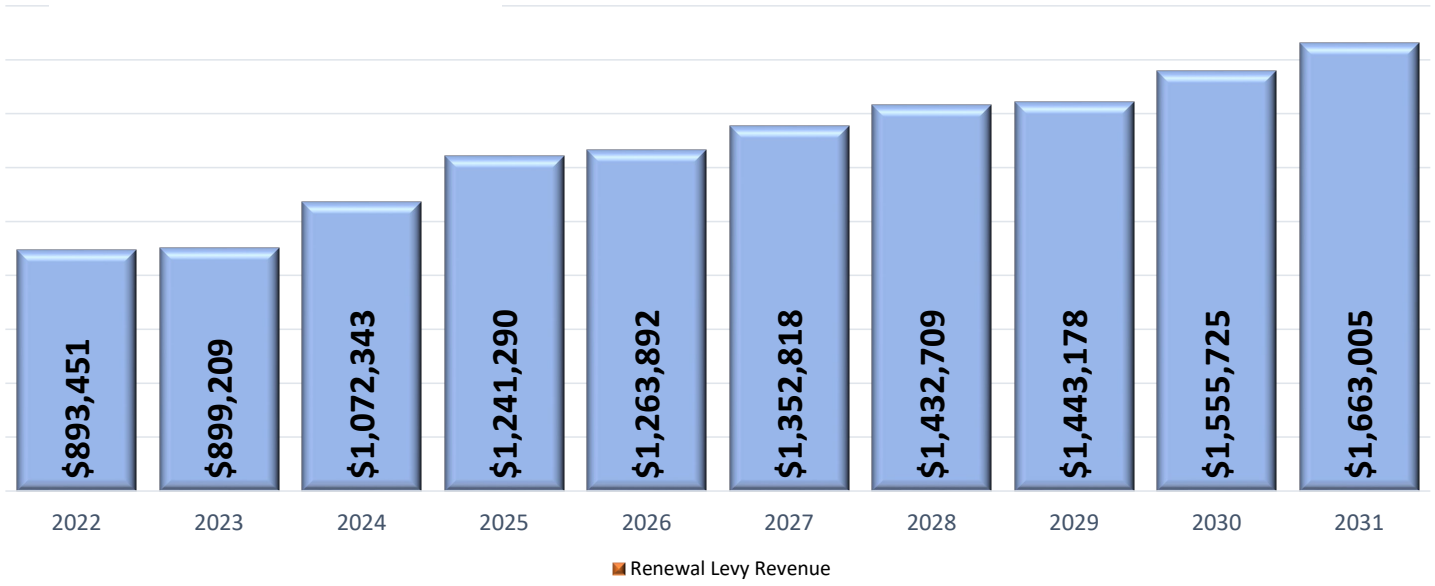
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1.050 - State Reimbursement Property Tax Credits

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



State Reimbursement of Property Tax Credit revenue accounts for 8.30% of total district general fund revenue.



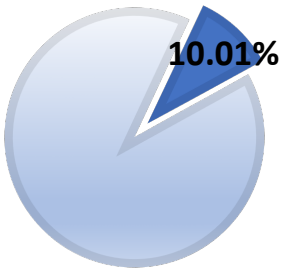
Key Assumptions & Notes

State Reimbursement of Property Tax Credits primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions to their tax bill. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In fiscal year 2027, approximately 9.8% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.3% will be reimbursed in the form of qualifying homestead exemption credits.

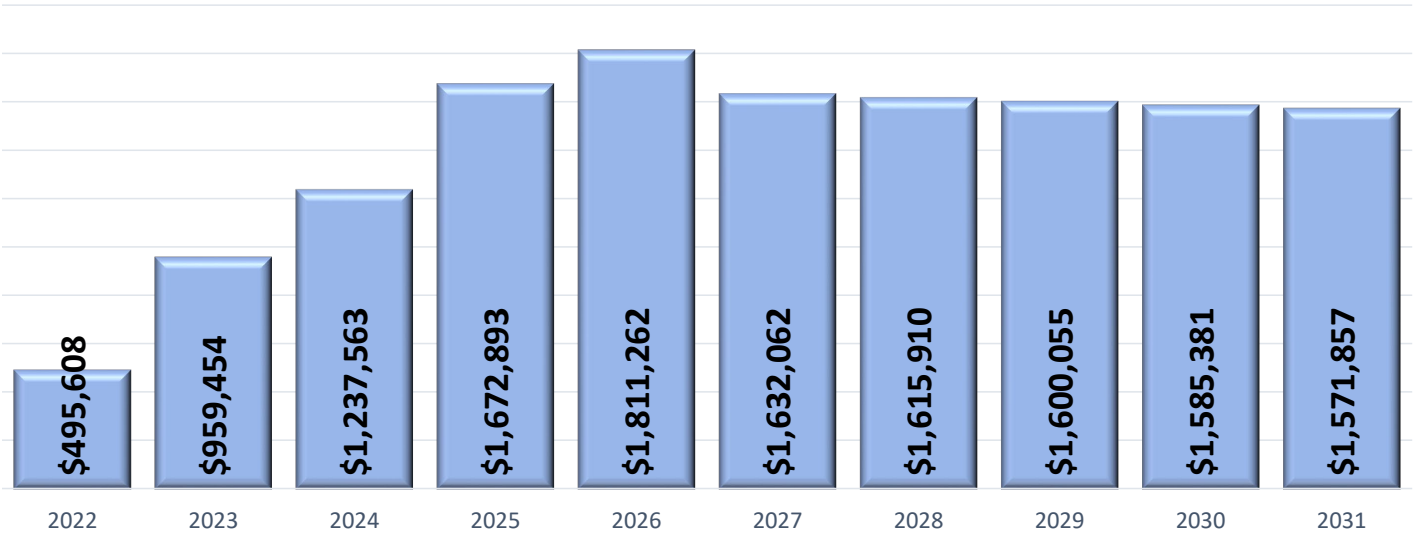
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1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



All Other Revenue accounts for 10.01% of total district general fund revenue.



Key Assumptions & Notes

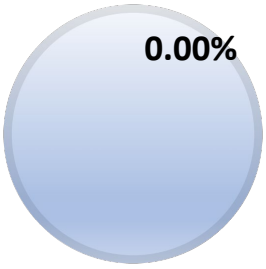
Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was $122,690. The projected average annual change is -$47,881 through fiscal year 2031.

The district receives nearly $1 million in interest earnings per year.

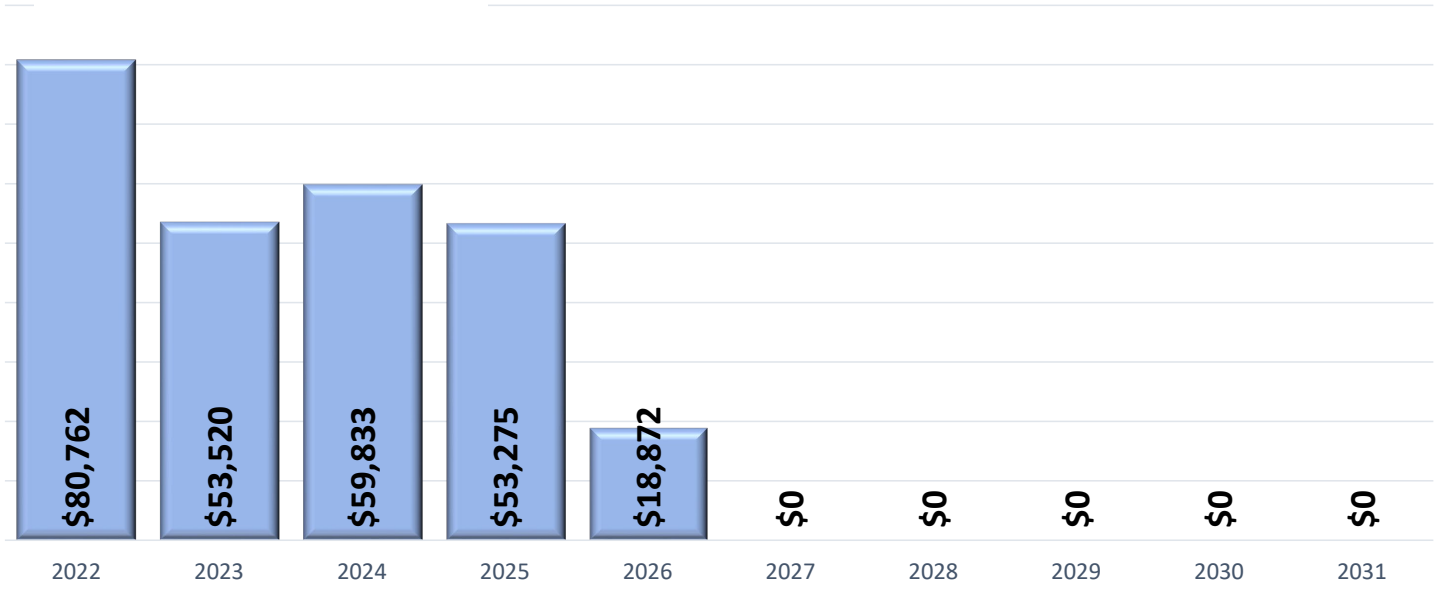
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2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



Other Sources of revenue accounts for 0.00% of total district general fund revenue.



Key Assumptions & Notes

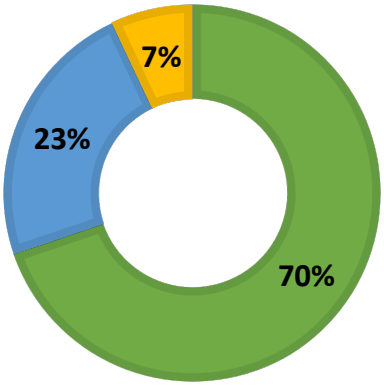
		FORECASTED				
	2026	2027	2028	2029	2030	2031
Transfers In	-	-	-	-	-	-
Advances In	-	-	-	-	-	-
All Other Financing Sources	18,872	-	-	-	-	-

Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In 2026 the district receipted $0 as advances-in and is projecting advances of $0 in fiscal year 2027. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be $0 in 2027 and average $0 annually through 2031.

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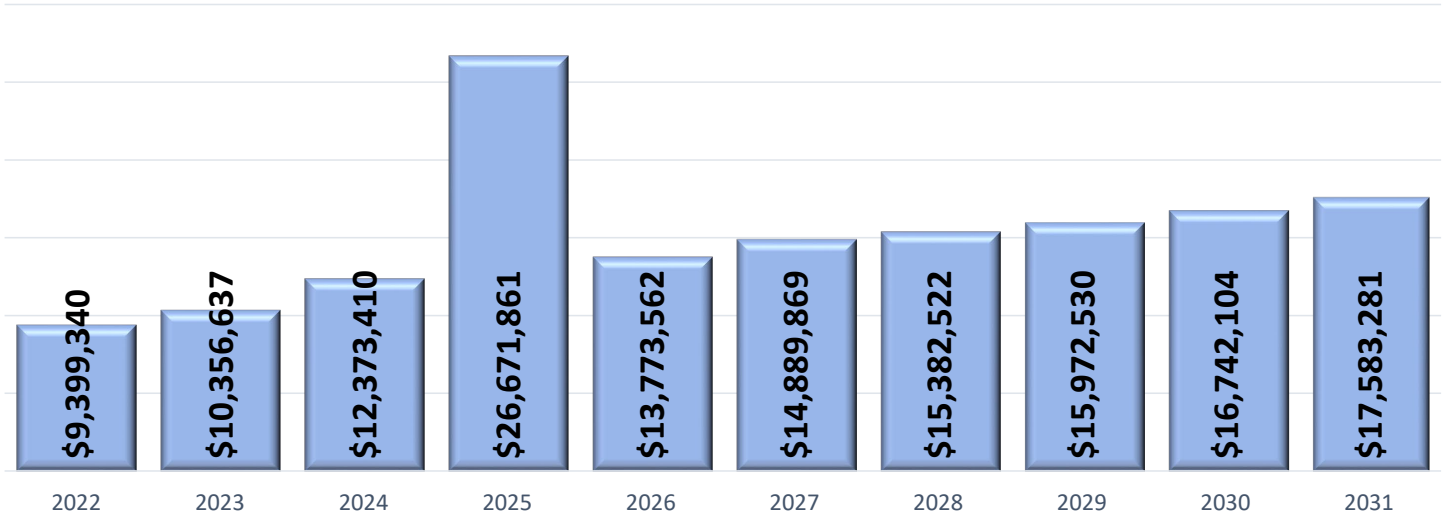
Expenditure Overview

Expenditure Categories



Personnel Costs	
Salaries	46.90%
Benefits	22.87%
Purchased Services	23.27%
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	6.63%
Other Uses	0.34%

Annual Expenditures Actual + Projected



Historic Expenditures Change versus Projected Expenditures Change

	Historical Average Annual $$ Change	Projected Average Annual $$ Change	Projected Compared to Historical Variance
Salaries	$368,429	$348,571	($19,859)
Benefits	$141,086	$260,218	$119,132
Purchased Services	($127,363)	$177,377	$304,740
Supplies & Materials	$40,736	$53,513	$12,777
Capital Outlay	$67,492	($82,492)	($149,985)
Intergov & Debt	$0	$0	($0)
Other Objects	($1,441)	$4,758	$6,199
Other Uses	($2,000)	$0	$2,000
Total Average Annual Change	$486,940	$761,944	$275,004
	15.95%	5.02%	-10.93%

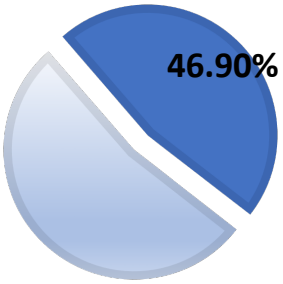
Expenditures increased by 15.95% ($486,940, on average, annually) during the past 5-year period, and are projected to increase by 5.02% ($761,944 annually) through 2031. The forecast line with the most change on the expense side, Purchased Services, is anticpated to be $304,740 more per year in the projected period compared to historical averages.

For Comparison:
Revenue average annual change is projected to be > ($248,555) On an annual average basis, revenues are projected to contract while expenditures grows

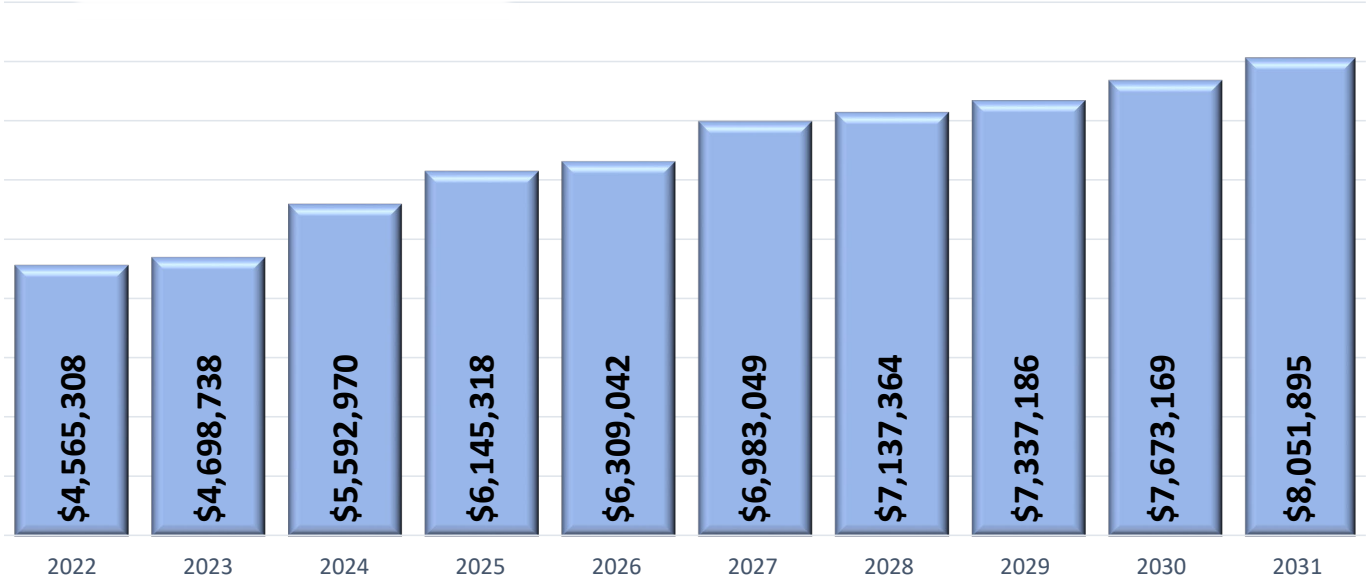
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3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries account for 46.90% of the district's total general fund spending.



Key Assumptions & Notes

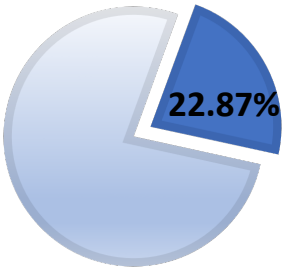
Salaries represent 46.90% of total expenditures and increased at a historical average annual rate of 7.34% (or $368,429). This category of expenditure is projected to grow at an annual average rate of 5.04% (or $348,571) through fiscal year 2031. The projected average annual rate of change is 2.30% less than the five year historical annual average.

The Board of Education and EKEA negotiated a new contract to begin the 2026-2027 school year. The agreement consolidated two salary schedules and increased the teacher starting pay to be more competitive with area districts. During the 2025-2026 the district added an elementary teacher, a bus driver, and an assistant principal. During the 2026-2027 school year the district added a high school graphic arts teacher and an elementary teacher. Also, a social worker and elementary teacher are no longer covered under grant funds due to loss of funding. There were several retirement in FY26 that impact salaries in FY27.

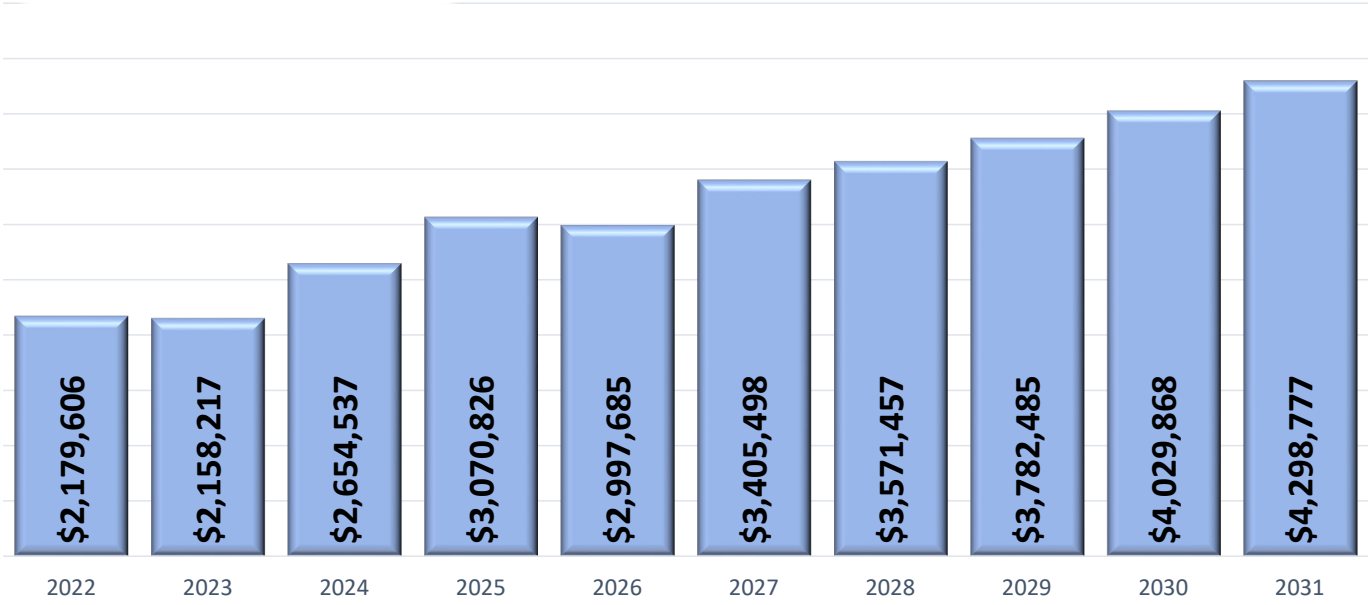
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3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits account for 22.87% of the district's total general fund spending.



Key Assumptions & Notes

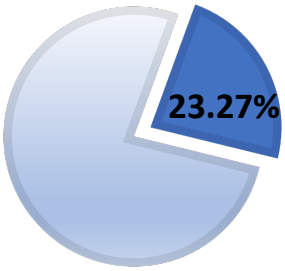
Benefits represent 22.87% of total expenditures and increased at a historical average annual rate of 6.08%. This category of expenditure is projected to grow at an annual average rate of 7.52% through fiscal year 2031. The projected average annual rate of change is 1.44% more than the five year historical annual average.

The district took a premium holiday for health insurance in December 2025. This was a one-time savings of approximately $165,000 in FY26. Health insurance rates increased by 6.96% in FY27. There are currently 37 individuals and 54 families covered under the district plan.

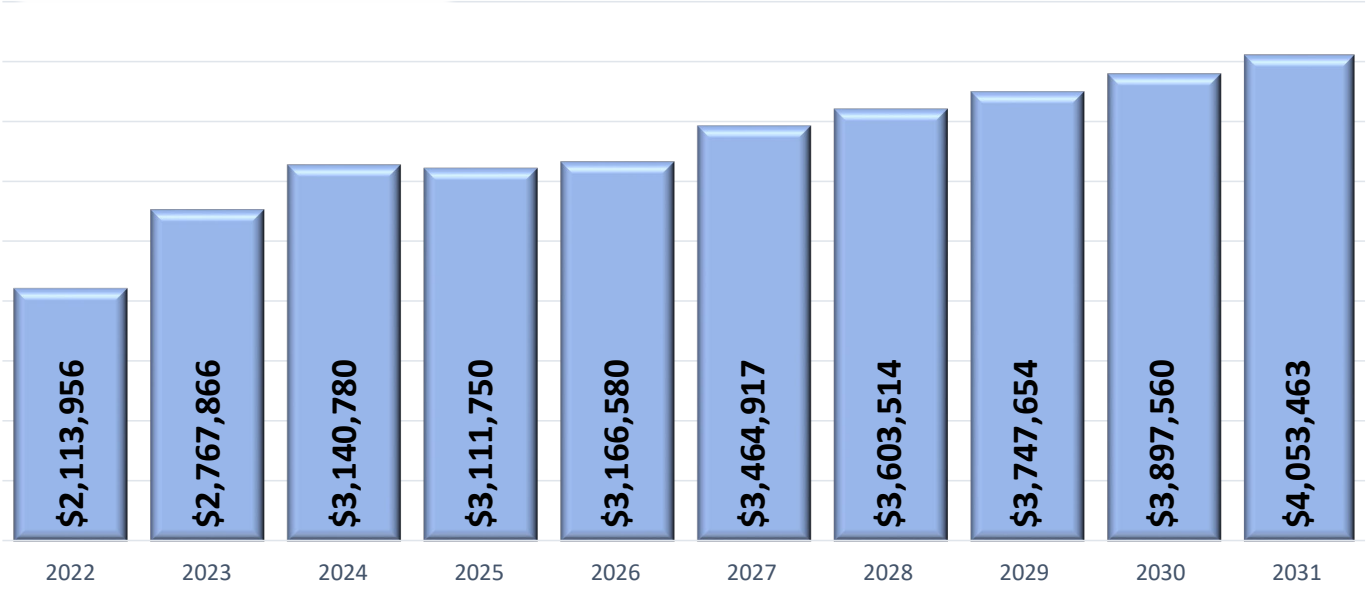
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3.030 - Purchased Services

Amounts paid for services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utility costs and other services which the school district may purchase.



Purchased Services account for 23.27% of the district's total general fund spending.



Key Assumptions & Notes

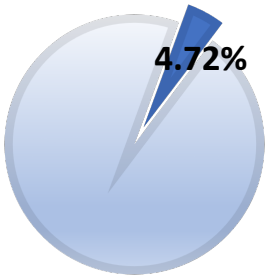
Purchased Services represent 23.27% of total expenditures and increased at a historical average annual rate of 0.16%. This category of expenditure is projected to grow at an annual average rate of 5.08% through fiscal year 2031. Starting in 2022, the Fair School Funding Plan (State Funding) only accounted for district educated enrollment, thereby reducing district tuition costs for open enrollment 'out,' community schools, STEM, and scholarship students. This change resulted in lower district costs, but also less per pupil state revenue since per pupil funding is now paid directly by the state to the district students attend.

The largest purchased service cost for the district is the contract with the Knox County Educational Service Center. This contract covers costs of educational aides, preschool, special education units housed off campus. Other purchased service costs are for utilities, technology support, and school resource officer costs.

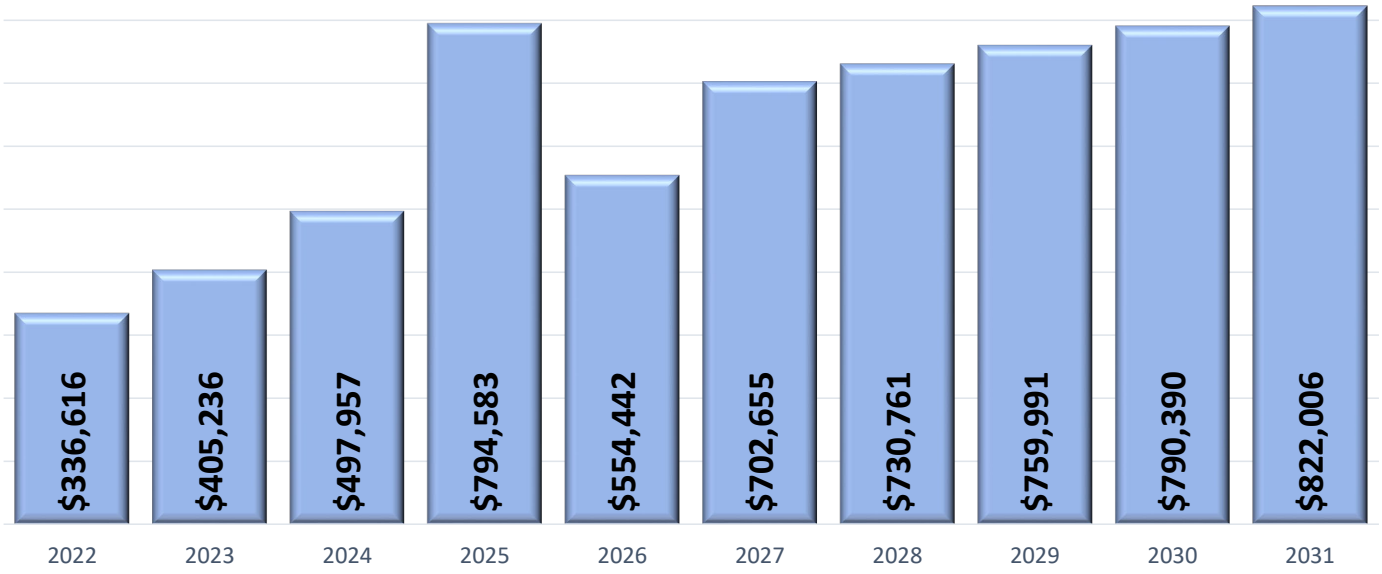
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3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies and Materials account for 4.72% of the district's total general fund spending.



Key Assumptions & Notes

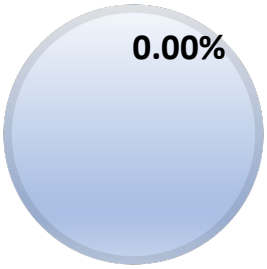
Supplies & Materials represent 4.72% of total expenditures and increased at a historical average annual rate of 13.72%. This category of expenditure is projected to grow at an annual average rate of 8.55% through fiscal year 2031. The projected average annual rate of change is 5.17% less than the five year historical annual average.

The major components of this section are classroom instructional materials, instructional software, janitorial and maintenance supplies, office supplies and diesel fuel. In FY25, the district prepaid several multi year software agreements and purchased high quality instructional materials that were partially off-set by grant funding.

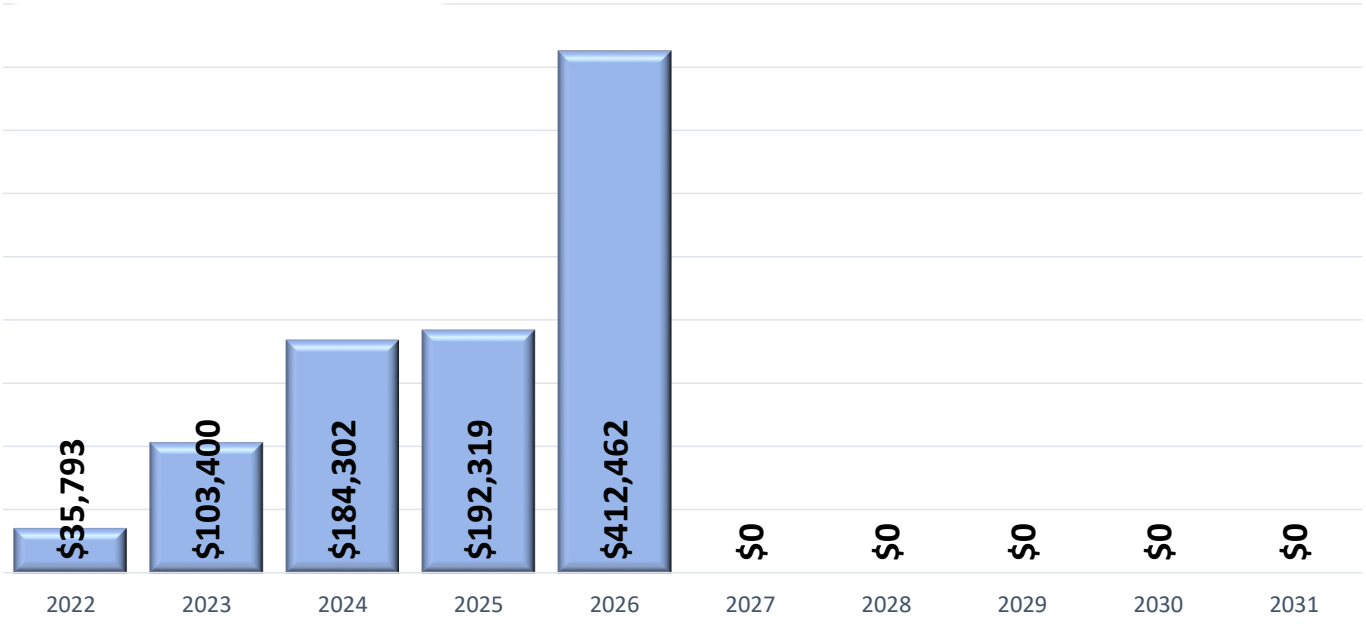
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3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



Capital Outlay account for 0.00% of the district's total general fund spending.



Key Assumptions & Notes

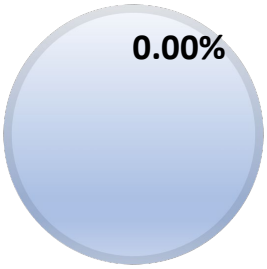
Capital Outlay represent 0.00% of total expenditures and increased at a historical average annual amount of $67,492. This category of expenditure is projected to decrease at an annual average rate of $82,492 through 2031. The projected average annual change is less than the five year historical annual average.

The Board of Education established an 070 Capital Projects Fund in May 2025 and transferred $12.5 million general funds into it. This fund is being used to account for all capital expenditures at this time. In addition, the district has a 3 mill continuing permanent improvement levy that generates over $700,000 per year.

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3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



Intergovernmental and Debt account for 0.00% of the district's total general fund spending.



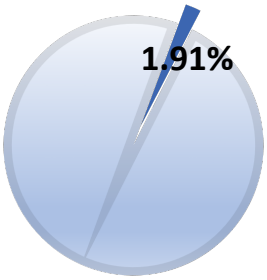
Key Assumptions & Notes

The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

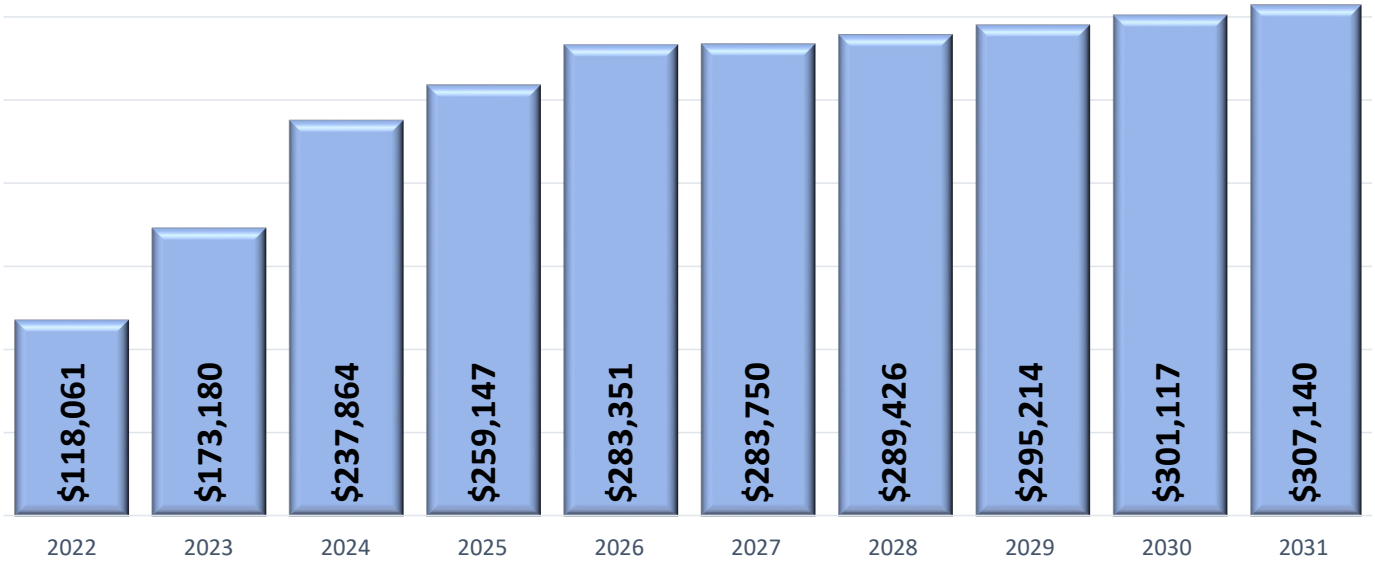
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4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects account for 1.91% of the district's total general fund spending.



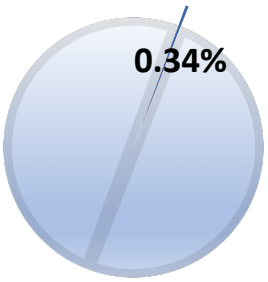
Key Assumptions & Notes

Other Objects represent 1.91% of total expenditures and increased at a historical average annual rate of 8.59%. This category of expenditure is projected to grow at an annual average rate of 1.63% through fiscal year 2031. The projected average annual rate of change is 6.96% less than the five year historical annual average.

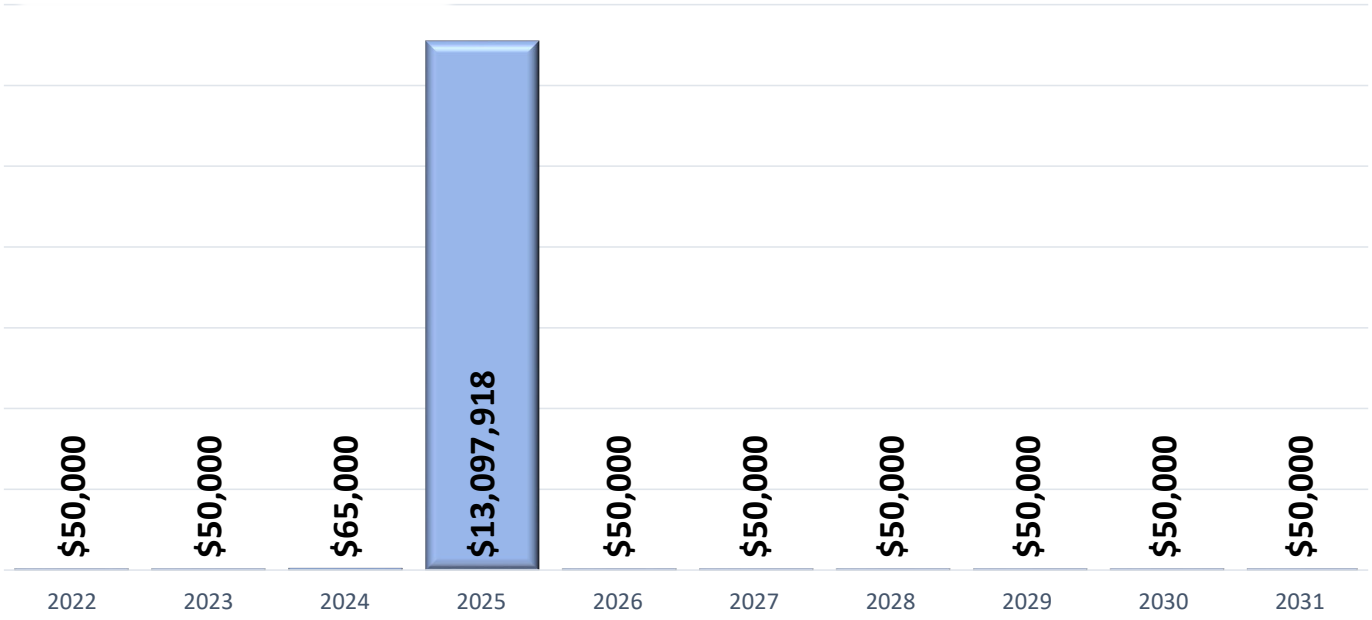
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5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



Other Uses account for 0.34% of the district's total general fund spending.



Key Assumptions & Notes

		FORECASTED				
	2026	2027	2028	2029	2030	2031
Transfers Out	50,000	50,000	50,000	50,000	50,000	50,000
Advances Out	-	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In 2026 the district had no advances-out and has no advances-out forecasted through fiscal year 2031. The district can also move general funds permanently to other funds, and as the schedule above presents, the district has transfers forecasted through fiscal year 2031. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

In 2025 the Board of Education transferred $12.5 million to an 070 Capital Projects Fund and $350,000 to an 035 Severance Set Aside fund. At this time, the district will continue to transfer $50,000 per year to the 035 Severance fund.

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East Knox Local School District

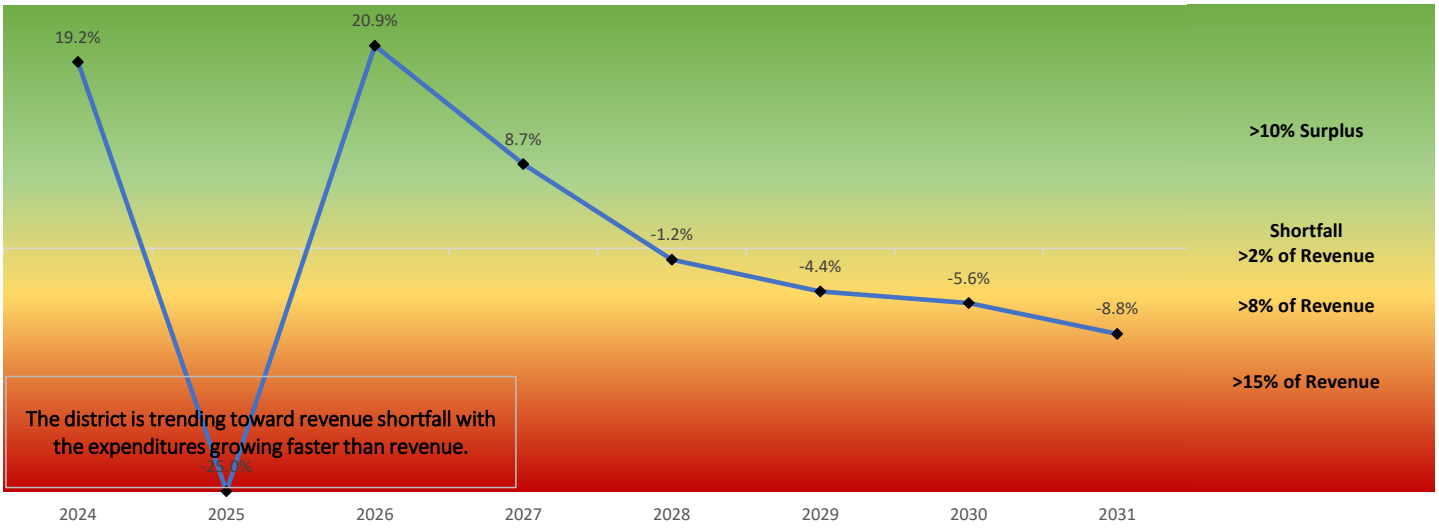
Five Year Forecast

August Fiscal Year 2027

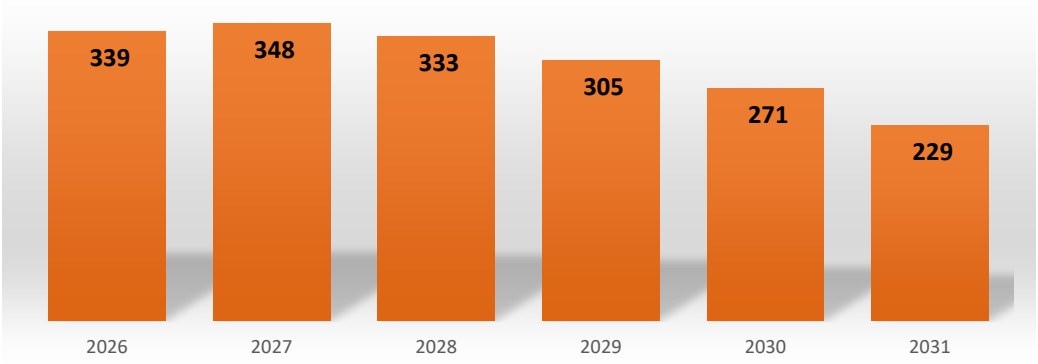
	Actual	FORECASTED				
Fiscal Year:	2026	2027	2028	2029	2030	2031
Revenue:						
1.010 - General Property Tax (Real Estate)	10,394,316	9,358,196	8,233,292	8,317,913	8,768,820	8,977,732
1.020 - Public Utility Personal Property	592,995	617,735	616,317	627,347	636,139	644,837
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	2,652,748	2,677,202	2,627,066	2,614,303	2,601,769	2,588,881
1.040 - Restricted Grants-in-Aid	668,561	665,280	677,464	689,536	701,374	713,560
1.050 - State Reimb Prop Tax Credits	1,263,892	1,352,818	1,432,709	1,443,178	1,555,725	1,663,005
1.060 - All Other Operating Revenues	1,811,262	1,632,062	1,615,910	1,600,055	1,585,381	1,571,857
1.070 - Total Revenue	17,383,774	16,303,293	15,202,758	15,292,332	15,849,208	16,159,872
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	-	-	-	-	-	-
2.060 - All Other Financing Sources	18,872	-	-	-	-	-
2.070 - Total Other Financing Sources	18,872	-	-	-	-	-
2.080 - Total Rev & Other Sources	17,402,646	16,303,293	15,202,758	15,292,332	15,849,208	16,159,872
Expenditures:						
3.010 - Personnel Services	6,309,042	6,983,049	7,137,364	7,337,186	7,673,169	8,051,895
3.020 - Employee Benefits	2,997,685	3,405,498	3,571,457	3,782,485	4,029,868	4,298,777
3.030 - Purchased Services	3,166,580	3,464,917	3,603,514	3,747,654	3,897,560	4,053,463
3.040 - Supplies and Materials	554,442	702,655	730,761	759,991	790,390	822,006
3.050 - Capital Outlay	412,462	-	-	-	-	-
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	283,351	283,750	289,426	295,214	301,117	307,140
4.500 - Total Expenditures	13,723,562	14,839,869	15,332,522	15,922,530	16,692,104	17,533,281
Other Financing Uses						
5.010 - Operating Transfers-Out	50,000	50,000	50,000	50,000	50,000	50,000
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	50,000	50,000	50,000	50,000	50,000	50,000
5.050 - Total Exp and Other Financing Uses	13,773,562	14,889,869	15,382,522	15,972,530	16,742,104	17,583,281
6.010 - Excess of Rev Over/(Under) Exp	3,629,084	1,413,424	(179,764)	(680,198)	(892,896)	(1,423,409)
7.010 - Cash Balance July 1 (No Levies)	9,160,540	12,789,624	14,203,048	14,023,284	13,343,086	12,450,190
7.020 - Cash Balance June 30 (No Levies)	12,789,624	14,203,048	14,023,284	13,343,086	12,450,190	11,026,781
		Reservations				
8.010 - Estimated Encumbrances June 30	150,000	150,000	150,000	150,000	150,000	150,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	12,639,624	14,053,048	13,873,284	13,193,086	12,300,190	10,876,781
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies		-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	12,639,624	14,053,048	13,873,284	13,193,086	12,300,190	10,876,781
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	12,639,624	14,053,048	13,873,284	13,193,086	12,300,190	10,876,781

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Revenue Surplus/(Shortfall) - Current Forecast



Days Cash on Hand - Current Forecast

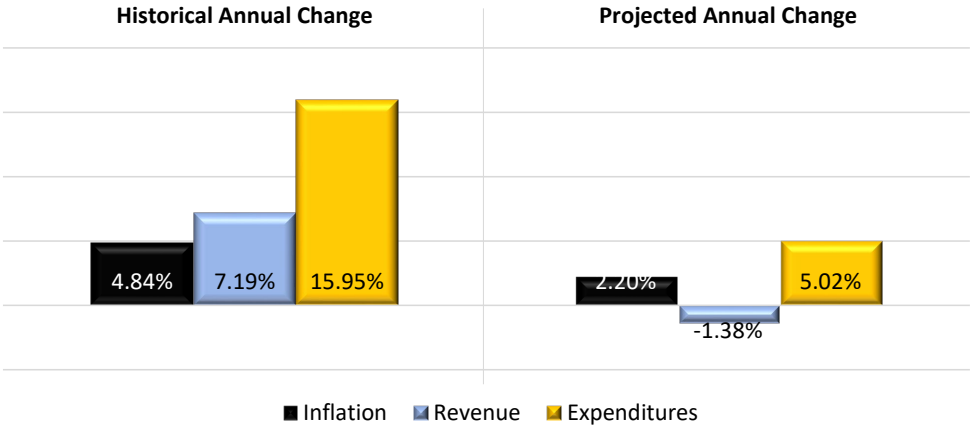


Days cash on hand is projected to decline.

*based on 365 days

5-Year Average Annual Change - Inflation, Revenue and Expenditures

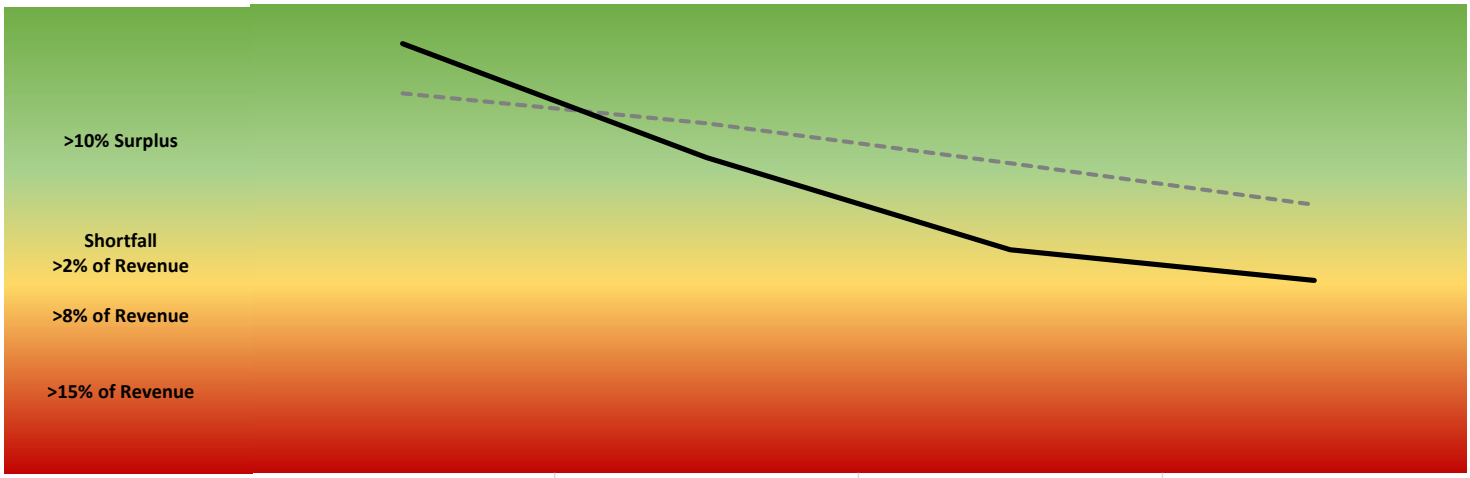
Average projected annual expenditure change is greater than inflation, and more than revenue.



CPI (Inflation) Source: Federal Reserve Bank of St. Louis (July 1, 2026)
https://alfred.stlouisfed.org

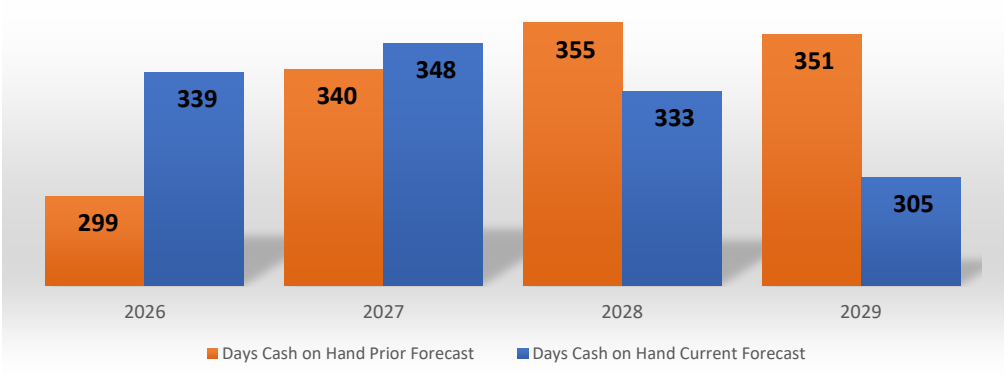
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Revenue Surplus/(Shortfall) - Current Compared to Prior Forecast



	2026	2027	2028	2029
Prior Forecast	15.5%	12.3%	8.1%	3.6%
Current Forecast	20.9%	8.7%	-1.2%	-4.4%

Days Cash on Hand - Current Compared to Prior Forecast



Days cash on hand is forecasted to decline, and is similar to the prior forecast trend.

*based on 365 days

Revenue and Expenditure Variances - Current Compared to Prior Forecast

	Revenue Variance	
Cumulative Unfavorable Revenue Variance	**-6.25%**	($4,280,703)
	Largest Revenue Variances	
1.035,1.040 State	**0.15%**	$103,272
1.01 Real Estate	**-3.49%**	($2,391,709)
1.03 Income Tax	**0.00%**	$0
All Other Revenue Categories	**-2.91%**	($1,992,266)

The current revenue forecast is down by 6.25% compared to the prior forecast.

NET cumulative forecast impact for the forecast period 2026 - 2029 of Revenue and Expense variances is -3.51% (or -$2,586,931).

The current forecast for expenditures is down by 2.74% compared to the prior forecast.

Expenditure Variance		
-2.74%	($1,693,772)	**Cumulative Favorable Expenditure Variance**
Largest Expenditure Variances		
-0.73%	($450,925)	3.01 Salaries
-0.65%	($399,555)	3.02 Benefits
-1.34%	($823,634)	3.03 Purchased Serv.
-0.03%	($19,658)	All Other Expenditure Categories

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Property Tax Reform Impact - Retrospective Look

Tax Years 2024, 2025, and 2026

District's Outside Millage "Floor" Status Before Property Tax Reform

Class I	**TY 2024**	**TY 2025**	**TY 2026**
Inside Millage	4.50	4.50	3.89
Effective Outside Millage	15.53	15.53	16.11
Effective Inside + Outside Millage	20.03	20.03	20.00

Before property tax reform, H.B. 920 prevented inside plus outside millage from dropping below the 20-mill floor, resulting in large increases in taxpayer bills after reappraisals.

Class I Property Values Change	**TY 2024**	**TY 2025**	**TY 2026**
Reappraisal or Update Year	Yes	No	Yes
Class I Combined Change	-0.2%	0.0%	23.8%
New GDP-D Allowed Growth	15.40%	13.30%	9.15%

<< district is in more than one county

Do local taxpayers qualify for prior property tax relief in the way of Credits or Millage reductions?

Millage Change	**TY 2024**	**TY 2025**	**TY 2026**
Combined Ag/Residential Inflation	-0.18%	0.00%	23.81%
Outside Millage Reduction	0.03	(0.00)	(0.03)
Percentage Change in Millage	0.18%	-0.02%	3.79%

H.B. 186 taxpayer credits can occur when a district was at the millage floor and the reappraisal or update growth exceeded GDP-D. Otherwise, no credits are generated.

Taxpayer Credits	**TY 2024**	**TY 2025**	**TY 2026**
If at the floor and exceeded GDP-D Growth	.	$ -	$ (3,329,851)

H.B. 186 credits should apply to 2nd half tax year

Memo: Retrospective Credits	TY23 Retro Credit	TY24 Retro Credit
	$ (1,661,589)	$ -

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Property Tax Reform - Prospective Look

Tax Years 2026, 2027, 2028, 2029, and 2030

Does projected property value Reappraisal/Update/Inflation exceed cumulative GDP-D?

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Reappraisal or Update Year	Yes	Yes	No	Yes	Yes
Percent of District in Reappraisal/Update	0.00%	0.00%	0.00%	0.00%	0.00%
Class I Combined Change	23.4%	0.0%	0.0%	14.6%	0.0%
GDP-D	9.15%	8.00%	8.05%	7.65%	7.50%

With Property Tax Reform, how are projected tax rates responding to property value inflation?

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Inside Millage Class I & II*	3.89	3.89	3.89	3.64	3.64
Millage Change	-0.61	0.00	0.00	-0.24	0.00
Percentage Change in Millage	-13.65%	0.00%	0.00%	-6.26%	0.00%

*Starting in TY 2026, H.B. 335 provides for the County Budget Commission to reduce inside millage when reappraisal exceeds GPD-D

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Outside Millage	16.11	16.12	16.12	16.36	16.36
Millage Change	0.59	0.01	0.00	0.24	0.00
Percentage Change in Millage	2.94%	0.03%	-0.01%	1.19%	0.00%
Fixed Sum Millage	0.00	0.00	0.00	0.00	0.00
Millage Change (no change)	-2.20	0.00	0.00	0.00	0.00
Percentage Change in Millage	-100.00%	0.00%	0.00%	0.00%	0.00%

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Total Effective Rate (Inside+Outside+Fixed Sum)	20.00	20.01	20.00	20.00	20.00

***Beginning with the first reappraisal or update cycle occurring in tax year 2026 or after, H.B. 129 includes fixed sum levies in the district floor calculation.

Does the Reappraisal/Update/Inflation generate taxpayer credits?

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
H.B. 186 - Calculated Credit if at 20 Mill Floor	$ (3,329,851)	$ (3,329,851)	$ (3,329,851)	$ (4,467,414)	$ (4,467,938)

***H.B. 186 credits are only for districts at the floor, if H.B. 129 and the inclusion of fixed-sum levies may bring districts off the floor and end credits.

	Retro TY 2023	Retro TY 2024	TY 2025
Memo: Historical Credits for Reference	$ (1,661,589)	$ -	$ -

Is the district modeling county budget commission imposed homestead and owner-occupied credit increases?

	FY 2027	FY 2028	FY 2029	FY 2030
Homestead/Owner-Occupied Credits	$ (156,798)	$ (166,074)	$ (167,290)	$ (180,359)

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Property Tax Reform Disclosure Items

The Ohio Department of Taxation, county auditors, and other partners are actively working through interpertation and implementation of property tax reform. As details are finalized, assumptions may evolve and updated forecasts may be necessary.

Property Tax Reform includes the following pieces of legistlation:

H.B. 129 revises the 20-mill floor calculation to include fixed-sum levies. Impact begins in first update/ reappraisal cycle after tax year 2025.

H.B. 186 limits revenue increases associated with the 20-mill and 2-mill floors to inflation measured by three years of Gross Domestic Product Deflator (GDP-D) change. Taxpayers are given a credit based on update/reappraisal changes beginning in Tax Year 2023; credits are recalculated with each update/reappraisal. Districts first experience a fiscal impact in FY 2027 the impact represents full Tax Year 2025 revenue loss and one half of Tax Year 2026 revenue loss. In FY2028 and beyond the impact is only one year of revenue loss. Districts above the floor are not eligible for Inflation Cap Credits. DEW will reimburse districts on the 2023/2024 reappraisal cycles for the credit until the next reappraisal/ update cycle (2026/2027).

H.B. 335 caps inside millage revenue growth due to inflation. Beginning with update/reappraisal in tax year 2026 requires County Budget Commission to adjust inside millage rates to limit real property revenue increases to GDP-D growth over the three preceding years. Reduction applies to real and public utility personal property.

H.B. 96 allows counties to offer a property tax exemption that "piggy-backs" on existing state homestead exemption and owner-occupied credit. Unlike existing credit and exemption the piggy-back amounts are not reimbursed to the district by the state.

The Gross Domestic Product Delfator (GDP-D) is estimated based on available data from the U.S. Bureau of Economic Analysis (BEA) and Federal Reserve Bank's forward inflation expectation rate.

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