ALLEN EAST LOCAL SCHOOL DISTRICT - ALLEN 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



"Home of the Mustangs"

Forecast Provided By
Allen East Local School District
Treasurer's Office
Andrea Snyder, CPA Treasurer/CFO
August 18, 2026

Allen East Local School District

Allen 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				Forecast				
		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)	$3,237,488	$3,804,738	$4,120,432	12.9%	$2,784,682	$3,261,836	$3,294,205	$3,274,396	$3,370,113
1.035	Unrestricted State Grants-in-Aid	7,321,650	7,592,102	7,704,486	2.6%	7,653,445	7,653,734	7,654,022	7,654,309	7,654,594
1.040	Restricted State Grants-in-Aid	423,931	467,598	431,398	1.3%	376,498	376,498	376,498	376,498	376,498
1.050	State Reimbursement for Property Tax Credits	431,667	494,254	557,941	13.7%	1,058,345	1,082,217	648,705	680,164	711,906
1.060	All Other Revenues	1,182,617	1,008,928	1,117,505	-2.0%	1,043,275	958,664	887,486	827,735	777,705
1.070	*Total Revenues*	$12,597,353	$13,367,620	$13,931,762	5.2%	$12,916,245	$13,332,949	$12,860,916	$12,813,102	$12,890,816
	Other Financing Sources									
2.060	All Other Financing Sources	$5,237	$12,859	$17,837	92.1%	$2,000	$2,000	$2,000	$2,000	$2,000
2.070	*Total Other Financing Sources*	$5,237	$12,859	$17,837	92.1%	$2,000	$2,000	$2,000	$2,000	$2,000
2.080	*Total Revenues and Other Financing Sourc*	$12,602,590	$13,380,479	$13,949,599	5.2%	$12,918,245	$13,334,949	$12,862,916	$12,815,102	$12,892,816
	Expenditures									
3.010	Personal Services	$6,274,358	$6,871,169	$7,311,638	8.0%	$7,632,824	$7,704,394	$7,776,681	$7,849,691	$7,923,430
3.020	Employees' Retirement/Insurance Benefits	2,385,578	2,563,929	2,887,070	10.0%	3,246,314	3,229,326	3,426,344	3,641,865	3,877,729
3.030	Purchased Services	1,077,625	1,274,597	1,181,029	5.5%	1,364,211	1,405,137	1,447,291	1,490,710	1,535,431
3.040	Supplies and Materials	657,675	825,333	578,607	-2.2%	789,709	813,400	837,802	862,936	888,824
3.050	Capital Outlay	35,477	111,474	78,343	92.2%	21,400	21,828	22,265	22,710	23,164
4.300	Other Objects	123,465	131,961	133,669	4.1%	159,707	164,498	169,433	174,516	179,752
4.500	*Total Expenditures*	$10,554,178	$11,778,463	$12,170,356	7.5%	$13,214,165	$13,338,583	$13,679,816	$14,042,428	$14,428,330
	Other Financing Uses									
5.010	Operating Transfers-Out	$2,000,000	$3,575,000	$1,000,000	3.4%	$0	$0	$0	$0	$0
5.040	*Total Other Financing Uses*	$2,000,000	$3,575,000	$1,000,000	3.4%	$0	$0	$0	$0	$0
5.050	*Total Expenditures and Other Financing Us*	$12,554,178	$15,353,463	$13,170,356	4.0%	$13,214,165	$13,338,583	$13,679,816	$14,042,428	$14,428,330
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	$48,412	($1,972,984)	$779,243	-2157.4%	($295,920)	($3,634)	($816,900)	($1,227,326)	($1,535,514)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$7,495,210	$7,543,622	$5,570,638	-12.8%	$6,349,881	$6,053,961	$6,050,327	$5,233,426	$4,006,100
7.020	*Cash Balance June 30*	$7,543,622	$5,570,638	$6,349,881	-6.1%	$6,053,961	$6,050,327	$5,233,426	$4,006,100	$2,470,586
8.010	*Estimated Encumbrances June 30*	$118,087	$129,449	$50,131	-25.8%	$50,131	$50,131	$50,131	$50,131	$50,131
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.020	Capital Improvements	0	0	0	0.0%	0	0	0	0	0
9.030	Budget Reserve	0	0	0	0.0%	0	0	0	0	0
9.040	DPIA	0	0	0	0.0%	0	0	0	0	0
9.045	Fiscal Stabilization	585,713	585,713	630,130	3.8%	645,912	666,747	643,146	640,755	644,641
9.050	Debt Service	0	0	0	0.0%	0	0	0	0	0
9.060	Property Tax Advances	0	0	0	0.0%	0	0	0	0	0
9.070	Bus Purchases	0	0	0	0.0%	0	0	0	0	0
9.080	*Subtotal*	585,713	585,713	630,130	3.8%	645,912	666,747	643,146	640,755	644,641
10.010	*Fund Balance June 30 for Certification of Appropriations*	$6,839,822	$4,855,476	$5,669,620	-6.1%	$5,357,918	$5,333,449	$4,540,149	$3,315,214	$1,775,814
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
11.020	Property Tax - Renewal or Replacement	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
11.300	Cumulative Balance of Replacement/Renev	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$6,839,822	$4,855,476	$5,669,620	-6.1%	$5,357,918	$5,333,449	$4,540,149	$3,315,214	$1,775,814

Allen East Local School District

Allen 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				Forecast				
		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
	Revenue from New Levies									
13.010	Income Tax - New	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
13.020	Property Tax - New	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
13.030	Cumulative Balance of New Levies	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
14.010	Revenue from Future State Advancements	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
15.010	*Unreserved Fund Balance June 30*	$6,839,822	$4,855,476	$5,669,620	-6.1%	$5,357,918	$5,333,449	$4,540,149	$3,315,214	$1,775,814

Allen East Local School District – Allen 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 to the financial forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important 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 or Board of Education (BOE) with any questions you may have. The Treasurer/CFO submits the forecast, but the BOE is recognized as ultimately responsible for the development of the forecast and the official owner.

Here are at least three 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.



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, 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 was the state budget correction bill that 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.	Forces the district off the 20-mill floor in TY27, suppressing future Class I tax collections cost through FY31 $682,534.
HB186	Establishes "Inflation Cap Credits" and a retroactive "claw back" of realized revenues.	Anticipated cumulative loss of $1.57 million 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 with emergency levies used to get to the 20-mill floor this will result in a loss due to a change in the 20-mill floor calculation. Our district has fixed sum levies and has been on the 20-mill floor but will move off the 20-mill floor in the Tax Year 2027 revaluation due to HB129 including fixed sum levies in our general fund effective millage. Moving off the 20-mill floor is estimated to lower our future Class I tax collections by $682,534 through FY31.

- HB186 establishes Inflation Cap Credits, if applicable, following reappraisals and triennial updates for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF). HB186 also includes Temporary Tax Credits (claw back) provision that takes back tax revenue that has already been collected by school districts beginning with reappraisals and triennial updates that occurred before the effective date of the law retroactive back to tax year 2023, 2024 and 2025. These are funds that have already been realized and have been spent and/or included in future educational planning. Under prior law, our District was on the 20-mill floor and is anticipated to lose $444,428 annually in inflationary cap credits. Due to the delayed implementation of the new law, the loss in FY27 is projected to increase to $666,641, reflecting one and a half years of lost credits for that fiscal year. Through FY31, cumulative losses from inflationary cap credits, net of hold harmless reimbursements, are estimated at approximately $1.57 million. As noted above, HB129 will remove our District from the 20-mill floor as a result of the Tax Year 2027 revaluation. Once our District is no longer on the 20-mill floor, additional inflationary cap credit losses under HB186 are not expected, as the HB920 reduction factors will offset inflationary increases in property values.

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 Ohio's 88 counties.

- 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 corrected inside millage language in HB335 so than 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. Allen County Commissioners did not approve the Piggyback exemption for tax year 2025 collect in calendar year 2026. Our county commissioners did not vote by July 1, 2026, to approve Piggyback Property Tax Exemptions for tax year 2026 for reductions in calendar year 2027 which would reduce tax collections in FY27 and FY28. 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. The long-range forecast through FY31 shows a positive balance throughout the forecast. This could change depending upon a number of variables such as state funding for FY27-31, new legislation that could increase costs, negotiations and other variables.

III. Property tax collections are the second largest single revenue source for the school system and a significant risk to the forecast. We project growth in appraised values every three (3) years that aligns with the new HB186 Gross Domestic Product Deflation Factor (GDP DF) and new construction growth. The effects of HB186 will be to limit property tax growth following reappraisals and updates. Total local revenues, predominately local taxes, equate to 30% 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 in Line 1.01

assumptions below, but only the ODT will have actual authoritative data when it is released after this forecast filing deadline.

IV. Allen County experienced an appraisal update in tax year 2024 collected in fiscal year 2025. As a result of the update there was a 35.7% or $51.3 million increase in Residential/Agricultural values and a 9.7% or $367,030 increase in Class II – Commercial/Industrial values. These increases will trigger HB186 Temporary Tax Credits. Allen County will go through a full reappraisal in tax year 2027 to be collected in fiscal year 2028. We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property within the Gross Domestic Product Deflation Factor range of 7% to 9%. HB335 inside millage cap and HB129 will become effective for the next reappraisal in tax year 2027. 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.

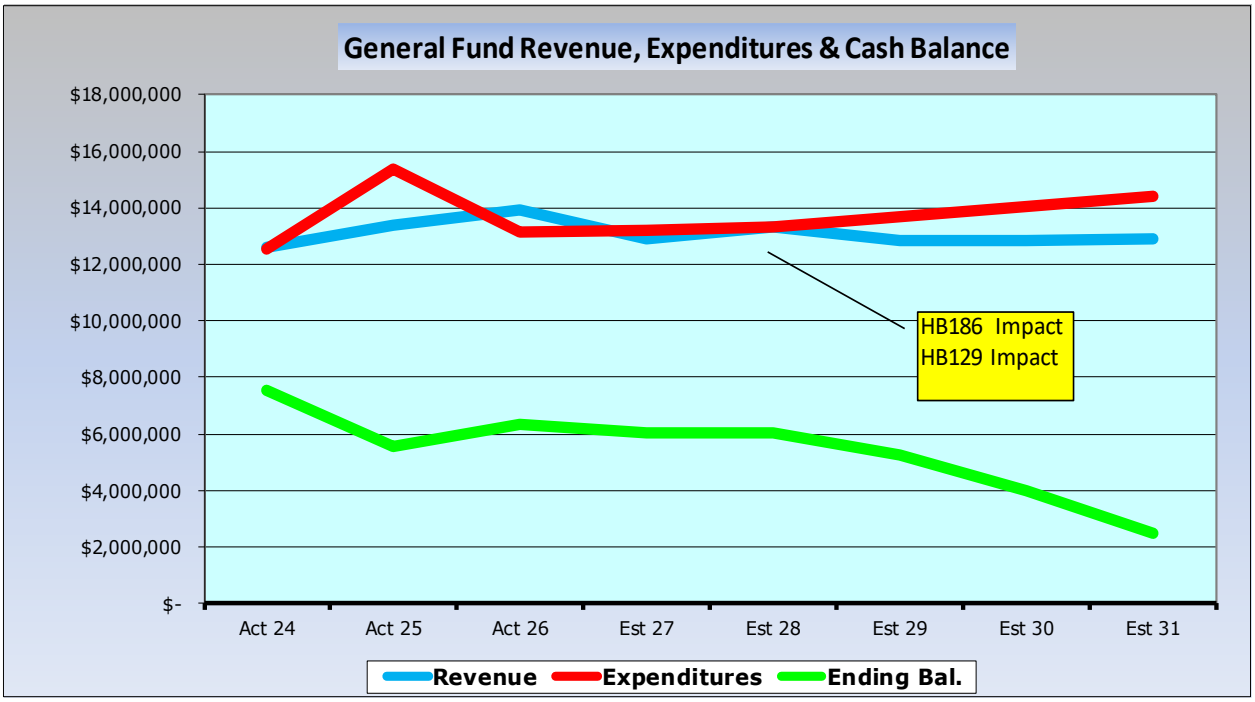
V. HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local 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 formula district and do not anticipate increases in state aid.

VI. The state budget represents 70% of district revenues and is an area of risk to revenue. 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.

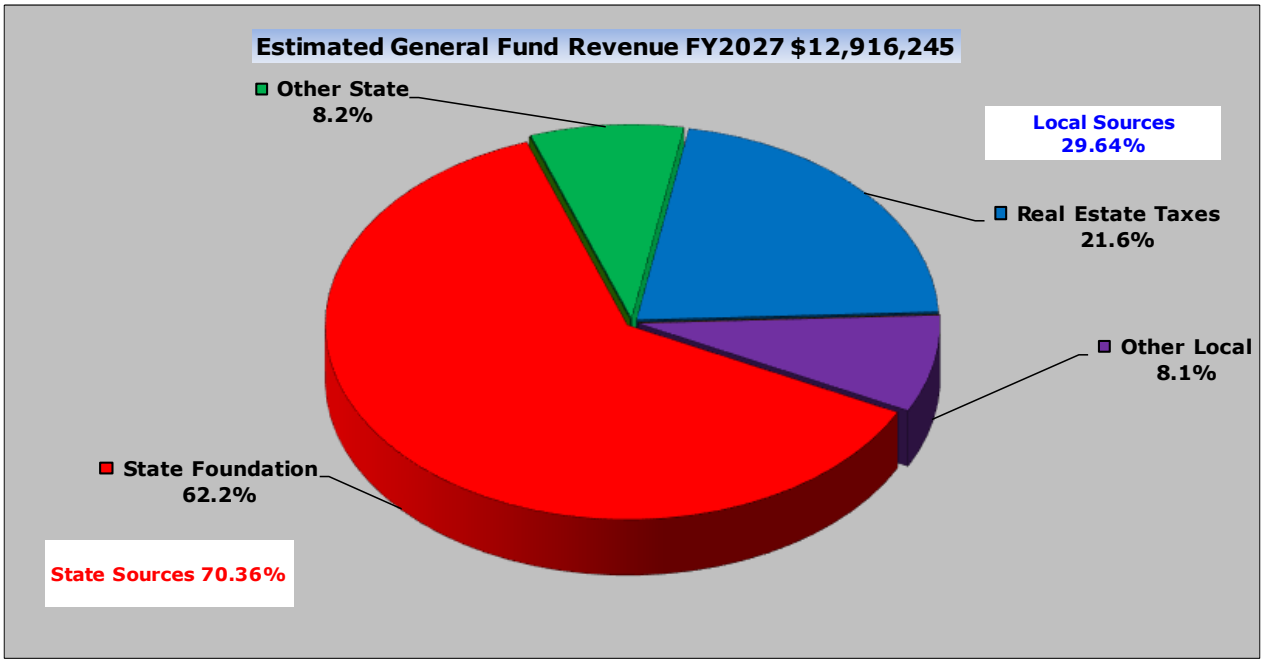
VII. The Ohio Department of Taxation on January 15, 2026, announced an updated state property tax reappraisal and triennial update schedule. Sixteen counties will have their reappraisal moved back by one year in accordance with the new schedule. Our county will not be impacted by this change.

The major line numbers used as references to the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like additional information, please feel free to contact Mrs. Andrea Snyder, CPA, Treasurer/CFO at (419) 648-3333.

General Fund Revenue, Expenditure and Ending Cash Balance Actual FY24-26 and Estimated FY27-31
The graph below shows in summary the forecasted revenue, expenses and ending balance of the district's General Fund for the period FY27-31, with actual data provided for FY24-26. The new property tax laws HB129 and HB186 are impacting our district heavily.



Revenue Assumptions



General Property Tax and Property Value Assumptions (Real Estate) – Line #1.010
Property values are established each year by the County Auditor based on new construction and complete reappraisal or updated values. New HB186 allows new construction growth in property taxes irrespective of GDP DF. Historically, residential and commercial property values have remained mostly stable to increasing modestly.

Allen County went through an appraisal update in tax year 2024 collected in fiscal year 2025. As a result of the update there was a 35.7% or $51.3 million increase in Residential/Agricultural values and a 9.7% or $367,030 increase in Class II – Commercial/Industrial values. Allen County will go through a full reappraisal in tax year 2027 to be collected in fiscal year 2028. We are conservatively estimating a 7% increase in values as a result of these reappraisals which should be at or near the allowed Gross Domestic Product Deflation Factor.

Public Utility Personal Property values are estimated to grow $200,000 a year and are collected at our gross voted tax rate.

Estimated Assessed Value (AV) by Collection Years

Classification	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029	Estimated TAX YEAR 2029 COLLECT 2030	Estimated TAX YEAR 2030 COLLECT 2031
Res./Ag.	$198,896,430	$213,134,180	$213,449,180	$213,764,180	$229,042,673
Comm./Ind.	4,235,290	4,257,966	4,259,466	4,260,966	4,283,771
Public Utility Personal Property (PUPP)	15,026,310	15,226,310	15,426,310	15,626,310	15,826,310
Total Assessed Value	$218,158,030	$232,618,457	$233,134,957	$233,651,457	$249,152,754

Property 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 28.67 mills while the Class I total effective millage rate is 21.57 mills and the Class II effective millage rate is 22.07 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". Currently, our district is on the 20-mill floor for Class I values. Any emergency or substitute emergency levy that is voted on is not included in the 20-mill floor until HB129 becomes effective in tax year 2027. The district has one substitute emergency levy of 1.57 mills that was voted on for an annual amount of $330,000 of taxes.

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 2027 reappraisal update. Our district is expected to be impacted by including fixed sum (formerly emergency) levies in our 20-mill floor calculation starting for collection in calendar year 2028. This is expected to result in a loss of $208,808 each year starting in calendar year 2028 and an additional $111,741 each year starting in 2031, which will reduce future projected taxes by $682,534 through FY31 on the forecast of taxes on Line 1.01 below.

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 $1.65 million through FY31, but final second half tax settlements will not be received before this forecast filing deadline. When HB129 takes our district off the 20-mill floor for the tax year 2026 and 2029 revaluations, there should not be additional inflationary cap credits.

HB335 is a new law that limits revenue growth from inside millage due to valuation reappraisals or triennial updates to the Gross Domestic Product Deflation Factor (GDP DF) for future real estate tax revenue growth. We have not forecasted any increases for future reappraisals/triennial updates above anticipated GDP DF, thus no adverse impact to the forecasted property tax revenue is anticipated from this new law.

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	FY27	FY28	FY29	FY30	FY31
Property Taxes Including PUPP to Line #1.010	$3,451,323	$3,706,264	$3,738,633	$3,718,824	$3,814,541
Piggyback Exemption HB96	0	0	0	0	0
Other Tax Adjustments-HB186	(666,641)	(444,428)	(444,428)	(444,428)	(444,428)
Property Taxes Including PUPP to Line #1.010	$2,784,682	$3,261,836	$3,294,205	$3,274,396	$3,370,113

Property tax levies are estimated to be collected at 98.2% of the annual amount due to the low delinquency rate. In general, 60.7% of the Res/Ag and Comm/Ind taxes are expected to be collected in the February tax settlements and 39.3% collected in the August tax settlements. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the County Auditors. We are anticipating a significant adjustment to our second half settlement in 2026 due to HB186

Renewal Tax Levies – Line #11.020 – The district's $330,000 emergency levy was renewed May 4, 2021, as a continuing substitute emergency levy. There are no additional levies at the district that require renewal in the future.

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 formula district in FY27 and is expected to continue to be 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 on the Ohio Department of Education and Workforce is now available. Please visit the Ohio Department of Education and Workforce at: https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding.

State Funding 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 anticipate receiving $50,685, for this supplement in FY27.

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26 but still includes two (2) primary guarantees: 1) Formula 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 currently a formula district in FY27.

Future State Budget Projections beyond FY27
Our funding status for FY28-FY31 will depend on two (2) unknown 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	FY27	FY28	FY29	FY30	FY31
Basic Aid-Unrestricted	$7,413,461	$7,413,461	$7,413,461	$7,413,461	$7,413,461
Additional Aid Items	169,273	169,273	169,273	169,273	169,273
Basic Aid-Unrestricted Subtotal	$7,582,734	$7,582,734	$7,582,734	$7,582,734	$7,582,734
Ohio Casino Commission ODT	70,711	71,000	71,288	71,575	71,860
Total Unrestricted State Aid Line #1.035	$7,653,445	$7,653,734	$7,654,022	$7,654,309	$7,654,594

Restricted State Revenues – Line #1.040

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding.

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 & FY27 being $86.6 million less than in FY25.

Source	FY27	FY28	FY29	FY30	FY31
DPIA	$36,952	$36,952	$36,952	$36,952	$36,952
Career Tech - Restricted	66,628	66,628	66,628	66,628	66,628
Gifted	54,777	54,777	54,777	54,777	54,777
ESL	1,180	1,180	1,180	1,180	1,180
Student Wellness	216,961	216,961	216,961	216,961	216,961
Other Restricted Aid	0	0	0	0	0
Total Restricted State Revenues Line #1.040	$376,498	$376,498	$376,498	$376,498	$376,498

B) Restricted Federal Grants in Aid – Line #1.045

There are no federal unrestricted funds estimated in this forecast.

Source	FY27	FY28	FY29	FY30	FY31
Unrestricted Line #1.035	$7,653,445	$7,653,734	$7,654,022	$7,654,309	$7,654,594
Restricted Line #1.040	376,498	376,498	376,498	376,498	376,498
Rest. Federal Grants - Line #1.045	0	0	0	0	0
Total State Foundation Revenue	$8,029,943	$8,030,232	$8,030,520	$8,030,807	$8,031,092

State Share of Local Property Tax – Line #1.050

Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013. Homestead Exemptions are credits paid to the district from the State of Ohio for qualified elderly and disabled.

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 additional $44 million annually which will also be reimbursed to local governments, if applicable.

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

New HB186 authorizes payments to school districts and JVSDs that are located in a county that underwent a reappraisal or triennial update in Tax Years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in Tax Year 2025 than in Tax Year 2024. The revenue guarantee applies to Tax Year 2025, in the case of 2023 reappraisal or update counties, and to Tax Years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district's real property tax revenue in Tax Year 2024 and its revenue in 2025 and, if applicable, 2026. We do anticipate hold harmless payments for HB186.

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

Source	FY27	FY28	FY29	FY30	FY31
Rollback and Homestead	$613,843	$649,915	$648,705	$680,164	$711,906
TPP Reimbursement - Fixed Rate	0	0	0	0	0
HB186 Partial Reimbursement	444,502	432,302	0	0	0
Total Tax Reimb./Prop. Tax Allocations #1.050	$1,058,345	$1,082,217	$648,705	$680,164	$711,906

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, and general rental fees.

Interest income remained steady in FY26 due to laddered 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. All other revenues are expected to continue on historical trends.

Source	FY27	FY28	FY29	FY30	FY31
Other Local Taxes MFH	$13,989	$14,269	$14,554	$14,845	$15,142
Other Tuition	292,000	294,920	297,869	300,848	303,856
Interest	594,902	505,667	429,817	365,344	310,542
Other Income and Rentals	142,384	143,808	145,246	146,698	148,165
Total Other Local Revenue Line #1.060	$1,043,275	$958,664	$887,486	$827,735	$777,705

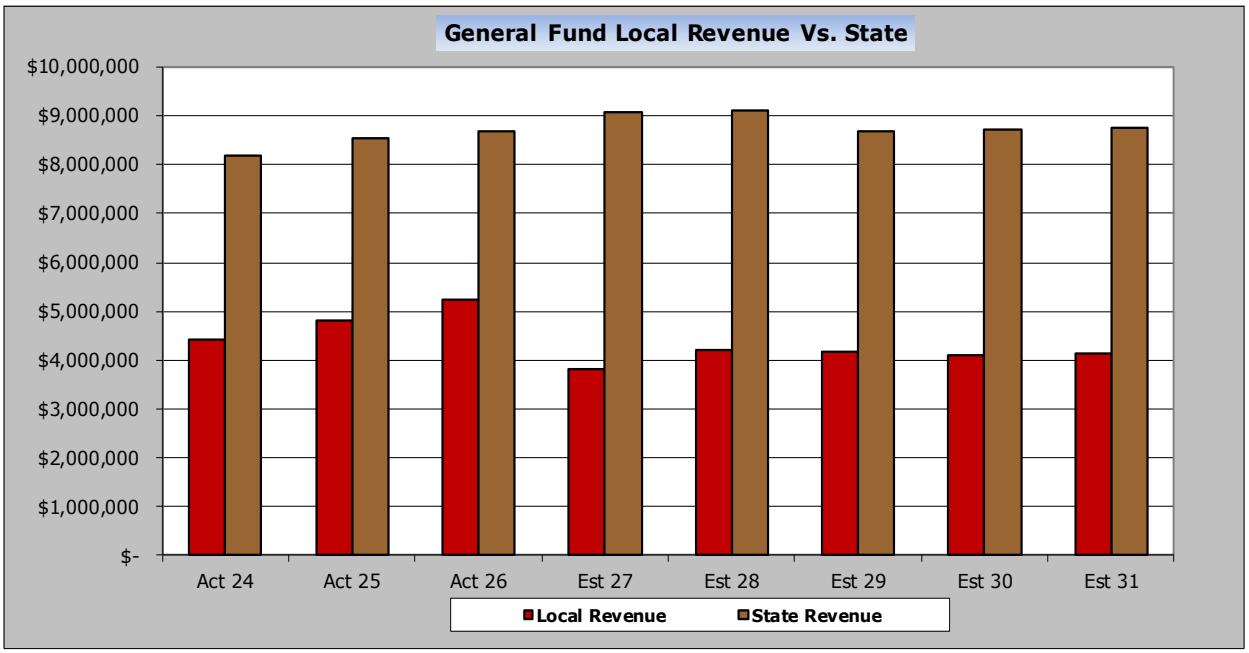
Short-Term Borrowing – Line #2.010 & Line #2.020

There is no short-term borrowing planned for this forecast from any sources.

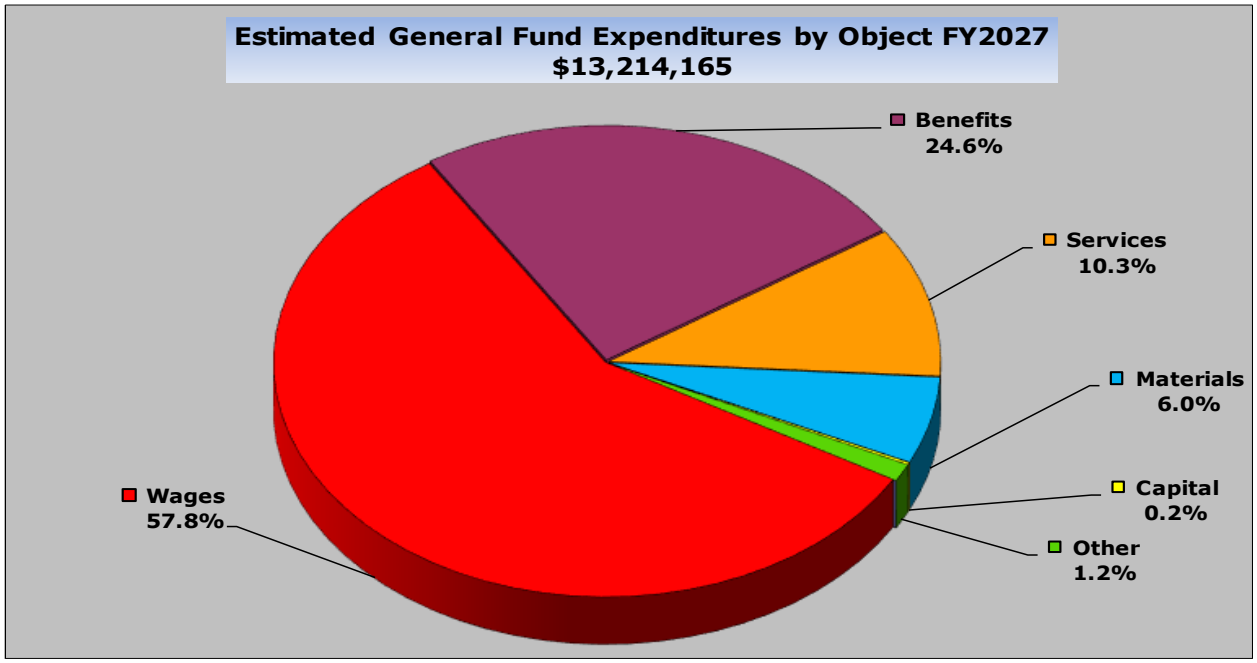
Transfers In / Return of Advances & All Other Financial Sources – Line #2.040, #2.050, #2.060 & Line #14.010

There are no transfers in or advances planned in the forecast period. All other financial resources are typically a refund of prior year expenditures that are very unpredictable. These revenues are inconsistent year to year and we will project a minimal amount occurring in the remainder of the forecast.

Comparison of Local Revenue and State Revenue:



Expenditures Assumptions



Wages – Line #3.010

For planning purposes, a 4% base increase for FY27 and 0% for FY28-FY31 is included in the forecast. We have seen consistent increases in wages over the course of the forecast, with expansion of staff being the primary driver. We added a total of 20 positions at the District from FY23 to FY26. Out of the total additional 18.5 positions, 6 were for teachers and 10.5 were for aides, with a heavy focus on special education needs. Due to the

significant cut in revenue from recent legislation, we have cut our previous assumptions for increasing staffing for FY27-FY31 and aim at maintaining current staffing levels. In FY27 we actually decreased our teaching staff by 2.5 positions and added 0.5 as a preschool aide, for a net decrease of 2 positions. We have forecasted standard annual turnover of five (5) certified staff members and four (4) classified staff members.

Source	FY27	FY28	FY29	FY30	FY31
Base Wages	$6,801,741	$7,157,089	$7,228,660	$7,300,947	$7,373,956
Base Pay Increase	273,859	0	0	0	0
Steps & Academic Advancement	68,017	71,571	72,287	73,009	73,740
Replacement & New Staff	498,936	492,264	492,264	492,264	492,264
Substitutes	200,717	200,717	200,717	200,717	200,717
Supplementals	275,018	275,018	275,018	275,018	275,018
Staff Reductions/Attrition	(485,464)	(492,264)	(492,264)	(492,264)	(492,264)
Total Wages Line #3.010	$7,632,824	$7,704,394	$7,776,681	$7,849,691	$7,923,430

Fringe Benefits Estimates – Line #3.020
This area of the forecast captures all costs associated with benefits and retirement costs. All except health insurance is directly related to the wages paid.

A) STRS/SERS
The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. In addition, the district pays SERS an annual surcharge amount as required by law.

B) Insurance
We anticipate a trend increase of 10% a year for FY27-31. The district continues to work on keeping these costs down by participating in the Allen County Schools Health Benefit Plan consortium.

C) Workers Compensation & Unemployment Compensation
Workers' compensation is expected to remain at about .3% of wages in FY27 through FY31 due to positive claim experience and being a part of a group plan. Unemployment compensation is estimated to be $2,000 a year throughout the forecast period.

D) Medicare
Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all employees.

Source	FY27	FY28	FY29	FY30	FY31
STRS/SERS	$1,426,530	$1,239,650	$1,251,380	$1,263,228	$1,275,195
Insurances	1,668,700	1,835,570	2,019,127	2,221,040	2,443,144
Workers Comp/Unemployment	23,829	24,484	25,159	25,854	26,570
Medicare	118,674	119,622	120,678	121,743	122,820
Other/Tuition	8,581	10,000	10,000	10,000	10,000
Total Line #3.020	$3,246,314	$3,229,326	$3,426,344	$3,641,865	$3,877,729

Purchased Services – Line #3.030

College Credit Plus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend. A significant portion of our special education related costs are excess costs paid to other districts that are educating Allen East resident students. Utility costs, including electricity, continue to increase for the District.

Source	FY27	FY28	FY29	FY30	FY31
Other Purchased Services	$274,934	$283,182	$291,677	$300,427	$309,440
Building & Vehicle Maintenance	191,902	197,659	203,589	209,697	215,988
CC+, Tuition, Community School	99,306	102,285	105,354	108,515	111,770
ESC & Other Special Education	391,529	403,275	415,373	427,834	440,669
Utilities	406,540	418,736	431,298	444,237	457,564
Total Purchased Services Line #3.030	$1,364,211	$1,405,137	$1,447,291	$1,490,710	$1,535,431

Supplies and Materials – Line #3.040

Materials and supplies include expenses such as classroom supplies, textbooks, copy paper, technology supplies, software, administrative supplies, maintenance supplies, transportation supplies, and bus fuel costs. We have seen an increase in supplies and materials as we expand on programs, software, and curriculum. Multi-year agreements for software and curriculum have caused significant variances in historical actual spending. We have included a 3% increase for each year within the forecast.

Source	FY27	FY28	FY29	FY30	FY31
Other Supplies	$180,623	$186,042	$191,623	$197,372	$203,293
Fuel	81,320	83,760	86,273	88,861	91,527
Maintenance Supplies	124,482	128,216	132,062	136,024	140,105
Software	250,637	258,156	265,901	273,878	282,094
Textbooks	152,647	157,226	161,943	166,801	171,805
Total Supplies Line #3.040	$789,709	$813,400	$837,802	$862,936	$888,824

Capital Outlay – Line #3.050

Capital outlay includes purchase of fixed assets that have a useful life over one year. Common capital outlay purchases include equipment and furniture. We have increased capital outlay expenses by an overall inflation rate of 2%.

Source	FY27	FY28	FY29	FY30	FY31
Capital Outlay	$21,400	$21,828	$22,265	$22,710	$23,164
Total Equipment Line #3.050	$21,400	$21,828	$22,265	$22,710	$23,164

Debt Service – Line #4.010 - 4.060

This forecast does not contain any General Fund Debt.

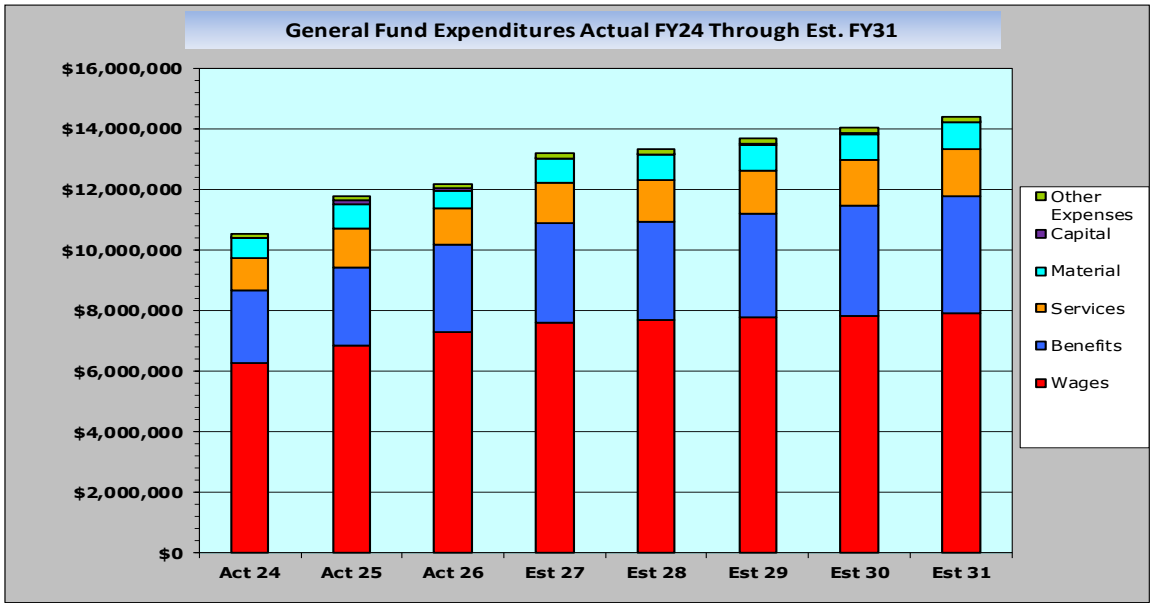
Other Expenses – Line #4.300

This category of expenses is primarily fees to the county auditor and treasurer for collecting property taxes, County ESC charges for shared services, financial audit fees, and bank service charges. We have increased the ESC and other expenses by an overall inflation rate of 3%.

Source	FY27	FY28	FY29	FY30	FY31
County Auditor & Treasurer Fees	$82,000	$84,460	$86,994	$89,604	$92,292
County ESC	6,732	6,934	7,142	7,356	7,577
Other expenses	70,975	73,104	75,297	77,556	79,883
Total Other Expenses Line #4.300	159,707	164,498	169,433	174,516	179,752

Total Expenditure Categories Actual FY24 through FY26 and Estimated FY27 through FY31

The graph on the following page reflects an overview of actual and estimated expenses by proportion to total in the General Fund.



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. Due to the significant decrease in revenue, the District no longer has a surplus of funds in order to transfer for the Severance Fund or Capital Projects Fund. All previous transfers were made to those two funds in order to save for future planned expenses. The economic situation makes it unlikely the District will be able to transfer funds for Capital Projects for the foreseeable future.

Source	FY27	FY28	FY29	FY30	FY31
Operating Transfers Out Line #5.010	$0	$0	$0	$0	$0
Advances Out Line #5.020	0	0	0	0	0
Total	$0	$0	$0	$0	$0

Encumbrances – Line #8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered. The amounts outstanding vary year to year. All outstanding purchase orders that can be closed prior to fiscal year-end are closed.

	FY27	FY28	FY29	FY30	FY31
Estimated Encumbrances	$50,131	$50,131	$50,131	$50,131	$50,131

Reservations of Fund Balance – Line #9.045

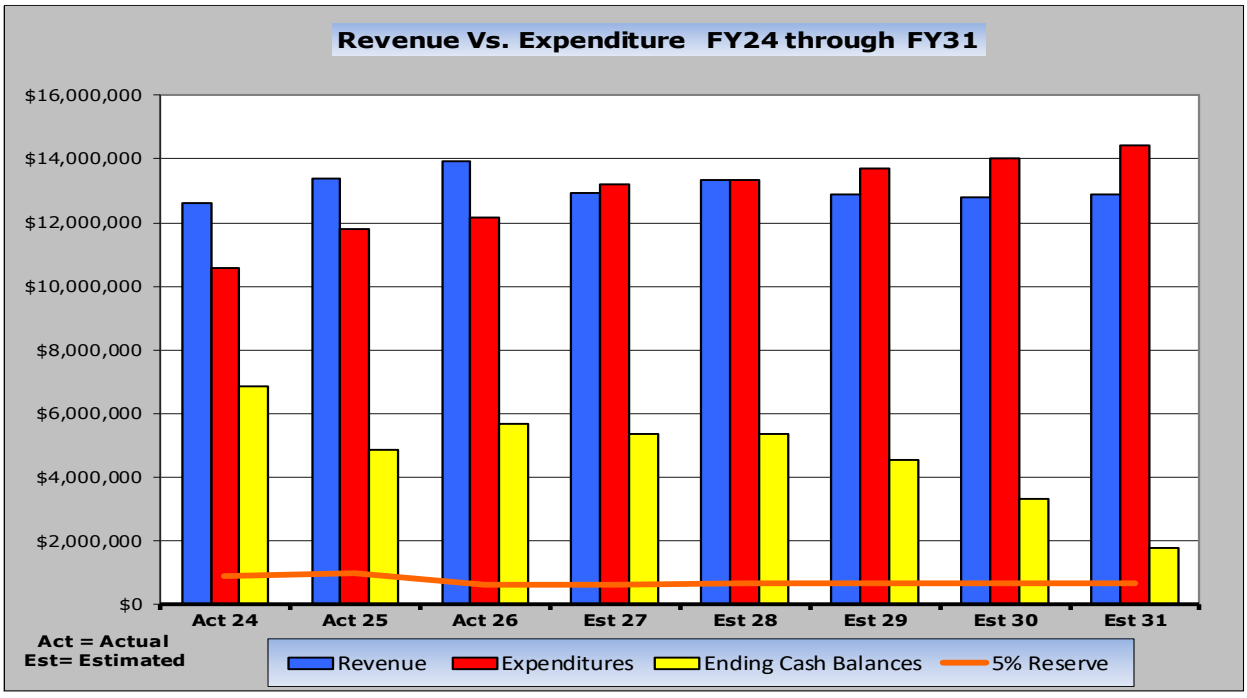
Allen East Local School District has established a Fiscal Stabilization Reserve of 5% of prior year General Fund revenues pursuant to ORC §5705.13. This reservation is designed to make sure we have adequate reserves should our economic condition change and we need time to adjust. Due to the decrease in revenue in FY27 compared to FY26, the reserve fund will actually have to have its balance reduced in order to not exceed ORC limitations.

Source	FY27	FY28	FY29	FY30	FY31
Fiscal Stabilization - Line #9.045	$645,912	$666,747	$643,146	$640,755	$644,641
Total Reservations of Balance- Line #9.080	$645,912	$666,747	$643,146	$640,755	$644,641

Ending Unencumbered Cash Balance "The Bottom-line"– Line #15.010

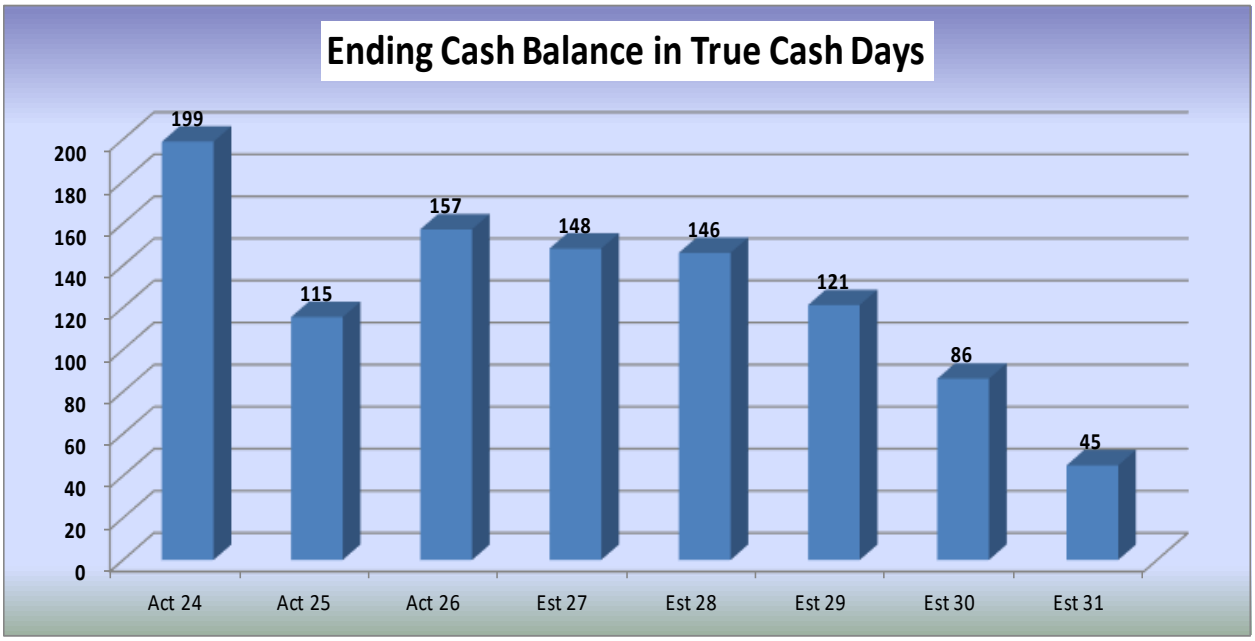
This amount must not go below $-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of ORC §5705.412, punishable by personal liability of $10,000, unless an alternative 412 certificate could be entered into as permitted by HB153 which was effective September 30, 2011.

	FY27	FY28	FY29	FY30	FY31
Ending Cash Balance	$5,357,918	$5,333,449	$4,540,149	$3,315,214	$1,775,814



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 365 (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.



Conclusion

Throughout the forecast current projections indicate our funding from the State may be relatively flat. Since approximately 70% of the funding for the district is from state dollars, this is an area of concern regarding our fiscal stability long term.

The district will have to remain mindful that there are many risks and uncertainties that will need to be considered in future planning as there are two new state budgets in the time period from FY27-31.

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