

WASHINGTON COURT HOUSE CITY SCHOOL DISTRICT- FAYETTE COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2024, 2025, and 2026 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2027, THROUGH JUNE 30, 2031



Forecast Provided By
Washington Court House City School District
Treasurer's Office
Becky Mullins, CPA, Treasurer/CFO
August 24, 2026

Washington Court House City School District

Fayette County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2024, 2025 and 2026 Actual;

Forecasted Fiscal Years Ending June 30, 2027 Through 2031

	Actual				Forecasted				
	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Average Change	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
Revenues									
1.010 General Property Tax (Real Estate)	\$4,764,104	\$5,515,848	\$5,865,361	11.1%	\$4,832,516	\$5,316,527	\$5,490,244	\$5,457,861	\$5,647,929
1.020 Public Utility Personal Property Tax	\$0	\$0	\$450,413	0.0%	\$504,825	\$541,175	\$577,525	\$613,875	\$650,225
1.030 Income Tax	\$2,667,198	\$3,144,101	\$3,434,001	13.6%	\$3,567,053	\$2,623,697	\$500,000	\$0	\$0
1.035 Unrestricted State Grants-in-Aid	\$15,959,487	\$15,310,176	\$14,784,631	-3.8%	\$14,637,723	\$14,639,517	\$14,641,337	\$14,643,185	\$14,645,060
1.040 Restricted State Grants-in-Aid	\$1,320,138	\$1,993,241	\$1,898,399	23.1%	\$1,859,600	\$1,859,600	\$1,859,600	\$1,859,600	\$1,859,600
1.045 Restricted Federal Grants In Aid	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
1.050 State Reimbursement for Property Tax Credits	\$572,873	\$656,319	\$746,148	14.1%	\$1,453,773	\$1,274,434	\$957,062	\$997,328	\$1,053,351
1.060 All Other Revenues	\$1,863,200	\$1,803,994	\$1,937,905	2.1%	\$1,890,518	\$1,845,994	\$1,804,197	\$1,335,669	\$1,105,741
1.070 Total Revenues	\$27,147,000	\$28,423,679	\$29,116,858	1.8%	\$28,746,007	\$28,100,944	\$25,829,965	\$24,907,517	\$24,961,906
Other Financing Sources									
2.010 Proceeds from Sale of Notes	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.020 State Emergency Loans and Advancements (Approved)	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.040 Operating Transfers-In	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.050 Advances-In	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.060 All Other Financing Sources	\$6,559	\$0	\$265	0.0%	\$0	\$0	\$0	\$0	\$0
2.070 Total Other Financing Sources	\$6,559	\$0	\$265	0.0%	\$0	\$0	\$0	\$0	\$0
2.080 Total Revenues and Other Financing Sources	\$27,153,559	\$28,423,679	\$29,117,123	3.6%	\$28,746,007	\$28,100,944	\$25,829,965	\$24,907,517	\$24,961,906
Expenditures									
3.010 Personnel Services	\$13,147,938	\$14,057,188	\$14,459,979	4.9%	\$15,540,281	\$16,195,045	\$16,513,638	\$16,937,228	\$17,399,142
3.020 Employees' Retirement/Insurance Benefits	\$4,862,482	\$4,989,739	\$5,114,669	2.6%	\$5,718,218	\$6,119,190	\$6,509,553	\$6,934,967	\$7,398,044
3.030 Purchased Services	\$4,044,133	\$4,260,391	\$4,954,653	10.8%	\$5,135,937	\$5,287,222	\$5,423,047	\$5,582,947	\$5,747,644
3.040 Supplies and Materials	\$1,111,506	\$917,090	\$825,830	-13.7%	\$1,164,000	\$1,206,200	\$1,250,510	\$1,247,036	\$1,025,888
3.050 Capital Outlay	\$64,751	\$43,026	\$138,313	94.0%	\$260,000	\$260,000	\$260,000	\$260,000	\$260,000
3.060 Intergovernmental	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
Debt Service:									
4.010 Principal-All (Historical Only)	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.020 Principal-Notes	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.030 Principal-State Loans	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.040 Principal-State Advancements	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.050 Principal-HB 264 Loans	\$50,000	\$50,000	\$51,316	1.3%	\$55,000	\$55,000	\$55,000	\$60,000	\$0
4.055 Principal-Other	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.060 Interest and Fiscal Charges	\$8,785	\$7,530	\$4,959	-24.2%	\$4,957	\$3,577	\$2,196	\$753	\$0
4.300 Other Objects	\$259,035	\$276,231	\$311,702	9.7%	\$321,820	\$318,039	\$276,219	\$278,982	\$281,771
4.500 Total Expenditures	\$23,548,630	\$24,601,195	\$25,861,421	4.8%	\$28,200,213	\$29,444,272	\$30,290,164	\$31,301,912	\$32,112,490
Other Financing Uses									
5.010 Operating Transfers-Out	\$1,130,170	\$7,056,889	\$173	212.2%	\$0	\$0	\$0	\$0	\$0
5.020 Advances-Out	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
5.030 All Other Financing Uses	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
5.040 Total Other Financing Uses	\$1,130,170	\$7,056,889	\$173	212.2%	\$0	\$0	\$0	\$0	\$0
5.050 Total Expenditures and Other Financing Uses	\$24,678,800	\$31,658,084	\$25,861,594	5.0%	\$28,200,213	\$29,444,272	\$30,290,164	\$31,301,912	\$32,112,490
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$2,474,759	(\$3,234,405)	\$3,255,529	-215.7%	\$545,794	(\$1,343,328)	(\$4,460,199)	(\$6,394,395)	(\$7,150,584)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$13,174,828	\$15,649,587	\$12,415,182	-0.9%	\$15,670,711	\$16,216,505	\$14,873,177	\$10,412,978	\$4,018,583
7.020 Cash Balance June 30	\$15,649,587	\$12,415,182	\$15,670,711	2.8%	\$16,216,505	\$14,873,177	\$10,412,978	\$4,018,583	(\$3,132,001)
8.010 Estimated Encumbrances June 30	\$1,183,058	\$755,652	\$1,323,374	19.5%	\$1,323,374	\$1,323,374	\$1,323,374	\$1,323,374	\$1,323,374
Reservation of Fund Balance									
9.010 Textbooks and Instructional Materials				0.0%	\$0	\$0	\$0	\$0	\$0
9.020 Capital Improvements				0.0%	\$0	\$0	\$0	\$0	\$0
9.030 Budget Reserve				0.0%	\$25,226	\$25,226	\$25,226	\$25,226	\$25,226
9.040 DPIA				0.0%	\$0	\$0	\$0	\$0	\$0
9.045 Fiscal Stabilization				0.0%	\$0	\$0	\$0	\$0	\$0
9.050 Debt Service				0.0%	\$0	\$0	\$0	\$0	\$0
9.060 Property Tax Advances				0.0%	\$0	\$0	\$0	\$0	\$0
9.070 Bus Purchases				0.0%	\$0	\$0	\$0	\$0	\$0
9.080 Subtotal	\$0	\$0	\$0	0.0%	\$25,226	\$25,226	\$25,226	\$25,226	\$25,226
Fund Balance June 30 for Certification of Appropriations	\$14,466,529	\$11,659,530	\$14,347,337	1.8%	\$14,867,905	\$13,524,577	\$9,064,378	\$2,669,983	(\$4,480,601)
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal				0.0%	\$0	\$1,000,000	\$3,623,697	\$3,623,697	\$3,623,697
11.020 Property Tax - Renewal or Replacement	\$0			0.0%	\$0	\$0	\$0	\$0	\$0
11.300 Cumulative Balance of Replacement/Renewal Levies	\$0	\$0		0.0%	\$0	\$1,000,000	\$4,623,697	\$8,247,394	\$11,871,091

Washington Court House City School District

Fayette 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			Average Change	Forecasted				
	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026		Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	\$14,466,529	\$11,659,530	\$14,347,337	1.8%	\$14,867,905	\$14,524,577	\$13,688,075	\$10,917,377	\$7,390,490
Revenue from New Levies									
13.010 Income Tax - New	\$0		\$0	0.0%	\$0	\$0	\$0	\$0	\$0
13.020 Property Tax - New	\$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
15.010 Unreserved Fund Balance June 30	\$14,466,529	\$11,659,530	\$14,347,337	1.8%	\$14,867,905	\$14,524,577	\$13,688,075	\$10,917,377	\$7,390,490
ADM Forecasts									
20.010 Kindergarten - October Count	129	149	121		145	148	143	145	66
20.015 Grades 1-12 - October Count	1,713	1,538	1,472		1,424	1,441	1,454	1,463	1,516

Washington Court House City School District –Fayette 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.

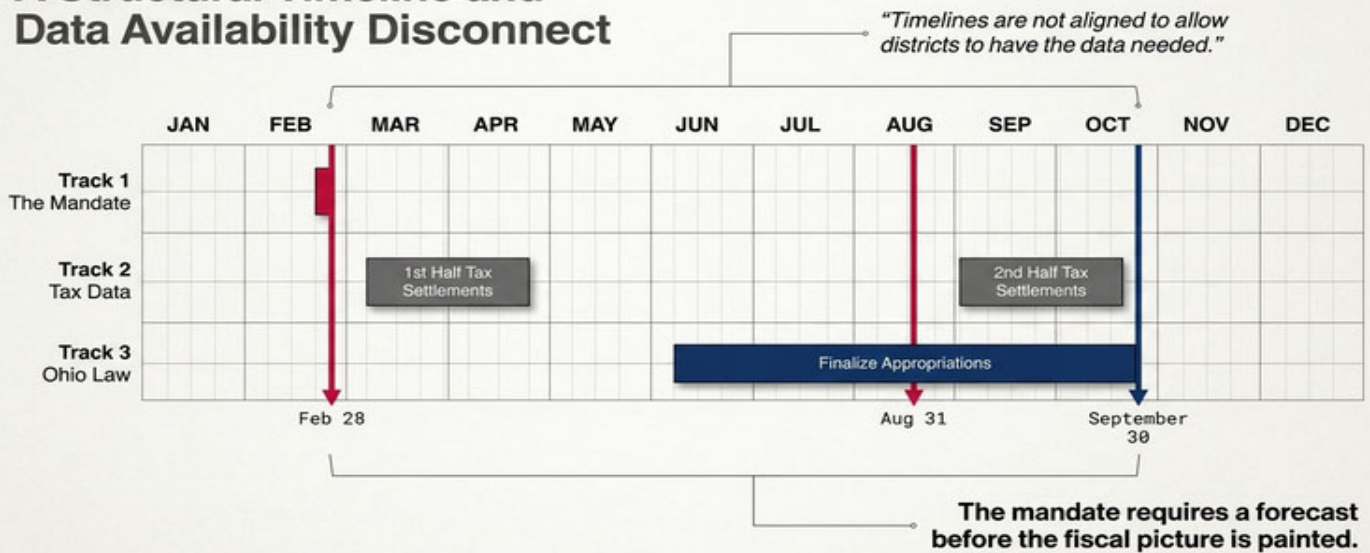
Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Financial Officer or Board of Education with any questions you may have. The Treasurer/CFO submits the forecast, but the BOE 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:

- To engage the local board of education and the community in long range planning and discussions of financial issues facing the school district
- To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
- To provide a method for the Ohio Department of Education and 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, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations.

A Structural Timeline and Data Availability Disconnect



While the legislative requirement is to file a four-year forecast, as noted above, we believe it is a prudent business practice to continue to develop a five-year forecast for planning purposes. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the financial forecast is considered the current year budget and is used as the base for future years projections. Our forecast is updated to reflect the most current economic data available for the August 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws noted below that were signed by the Governor on December 19, 2025, and also due to state legislative changes that will occur in the spring of 2027 and 2029 due to deliberation of the two (2) state biennium budgets for FY28-29 and FY30-31, all of which affect this forecast.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast. The items below give a short description of the current issues and how they may affect our forecast in the long term:

- I. On December 19, 2025, Governor DeWine signed into law several pieces of legislation that became law March 19, 2026, and are the most sweeping changes to Ohio property tax law since 1976 when HB920 was passed. The laws that were approved are: HB129, HB186, HB309 and HB335. Subsequently HB479 the state budget correction bill was signed June 24, 2026, and becomes law September 23, 2026, that made needed corrections to HB335 inside millage. Of particular concern is HB186 which implements new property tax caps retroactively for property reappraisal and triennial updates that occurred in tax year 2023, 2024 and 2025. Due to the complexity of these calculations, the Ohio Department of Taxation (ODT) has been charged with calculating the effects of this legislation and notifying Ohio's 88 county auditors as to the impact on property tax bills and subsequent tax settlements to local governments.

A brief summary of the impact of each piece of legislation is noted below with specific anticipated impacts to this forecast noted in Estimated Real Estate Tax Line 1.01 section of these assumptions below:

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 20-mill floor. Our district is on the 20-mill floor but does not have any fixed sum levies, so we are not anticipating any impact from HB129.
- HB186 establishes Inflation Cap Credits, if applicable, following reappraisals and triennial updates for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF). HB186 also includes Temporary Tax Credits (claw back) provision that takes back tax revenue that has already been collected by school districts beginning with reappraisals and triennial updates that occurred before the effective date of the law retroactive back to tax year 2023, 2024 and 2025. These are funds that have already been realized and have been spent and/or included in future educational planning. While skyrocketing home values resulted in the need for property tax reform that limits tax growth for taxpayers, the retroactive claw back of taxes already paid is very detrimental to districts at the 20-mill floor. Our district was on the 20-mill floor under prior law and is anticipated to lose \$581,467 a year in inflationary cap credits. The loss in FY27 is expected to be \$872,201 due to delayed implementation of the new law which results in one and a half years loss in the fiscal year. Anticipated losses due to inflationary cap credits through FY31 is estimated at \$3.2 million. The district has received the HB186 Section 5 reimbursement payment of \$582,458 for non-business, which is for residential/agriculture or Class I property, in the August 2026 payment. We are also anticipating reimbursement of \$320,325 in FY28.
- HB309 allows County Budget Commissions (CBC's) to reduce any voter-approved levy (except debt) to bring taxes levied within levels the CBC finds reasonable and prudent to avoid unnecessary collections. This law gives locally elected CBC officials the power to override voter-approved levies and local school board fiscal decisions. The impact of this new law is indeterminable and can be administered inconsistently in 88 counties across Ohio.
- HB335 limits revenue growth from inside millage due to valuation reappraisals or triennial updates to no more than the Gross Domestic Product Deflation Factor (GDP DF). HB479 that becomes law September 23, 2026, corrected inside millage language in HB335 so that any inside millage 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. Our district plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage.

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 with which to update our forecast which will be beyond the August filing date. We have estimated revenues and expenses based on the data available and understanding of the new property tax laws. As authoritative data concerning HB186 is made available to the district changes may need to be made to the forecast that may or may not be significant.

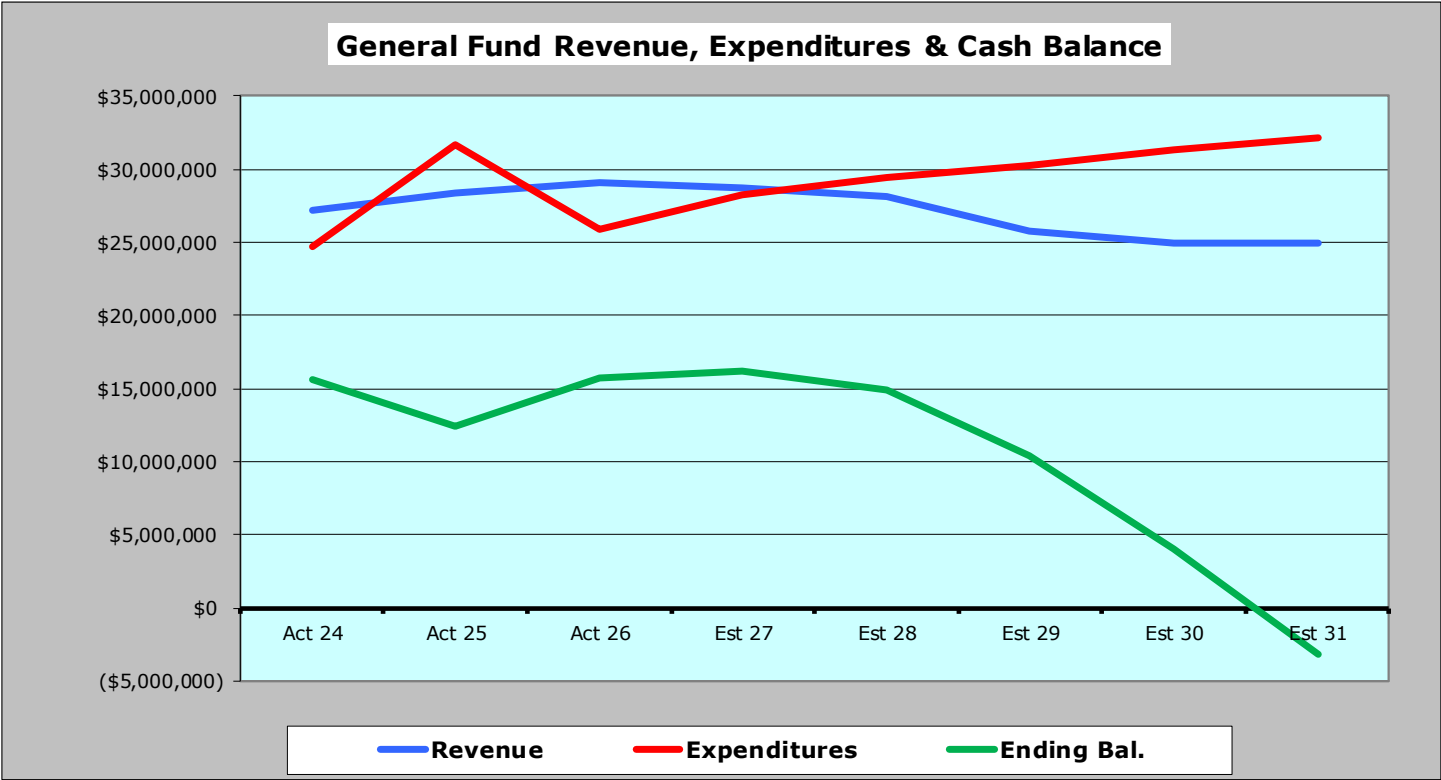
- 1) Property tax collections are the second largest revenue source for the school system and a significant risk to the forecast. We project growth in appraised values every three (3) years that aligns with the new HB186 and HB335 Gross Domestic Product Deflation Factor (GDP DF) and new construction growth. The effects of HB186 and HB335 will be to limit property tax growth following reappraisals and updates. Total local revenues, predominately local taxes, equate to 37.54% of the district's resources. As noted above, HB186 indicates any adjustment for prior year appraisals and updates that exceeded GDP DF in reappraisals and triennial updates that occurred in tax years 2023, 2024 and 2025 will result in possible significant reductions

(claw back) in the second half property tax collections that typically occur in August to September 2026. If the Ohio Department of Taxation (ODT) determines adjustments are required due to HB186, further reductions in Tax Year 2026 collected in calendar year 2027 taxes will also result. We have included any estimated adjustment for HB186 and HB335 in Line 1.01 assumptions below.

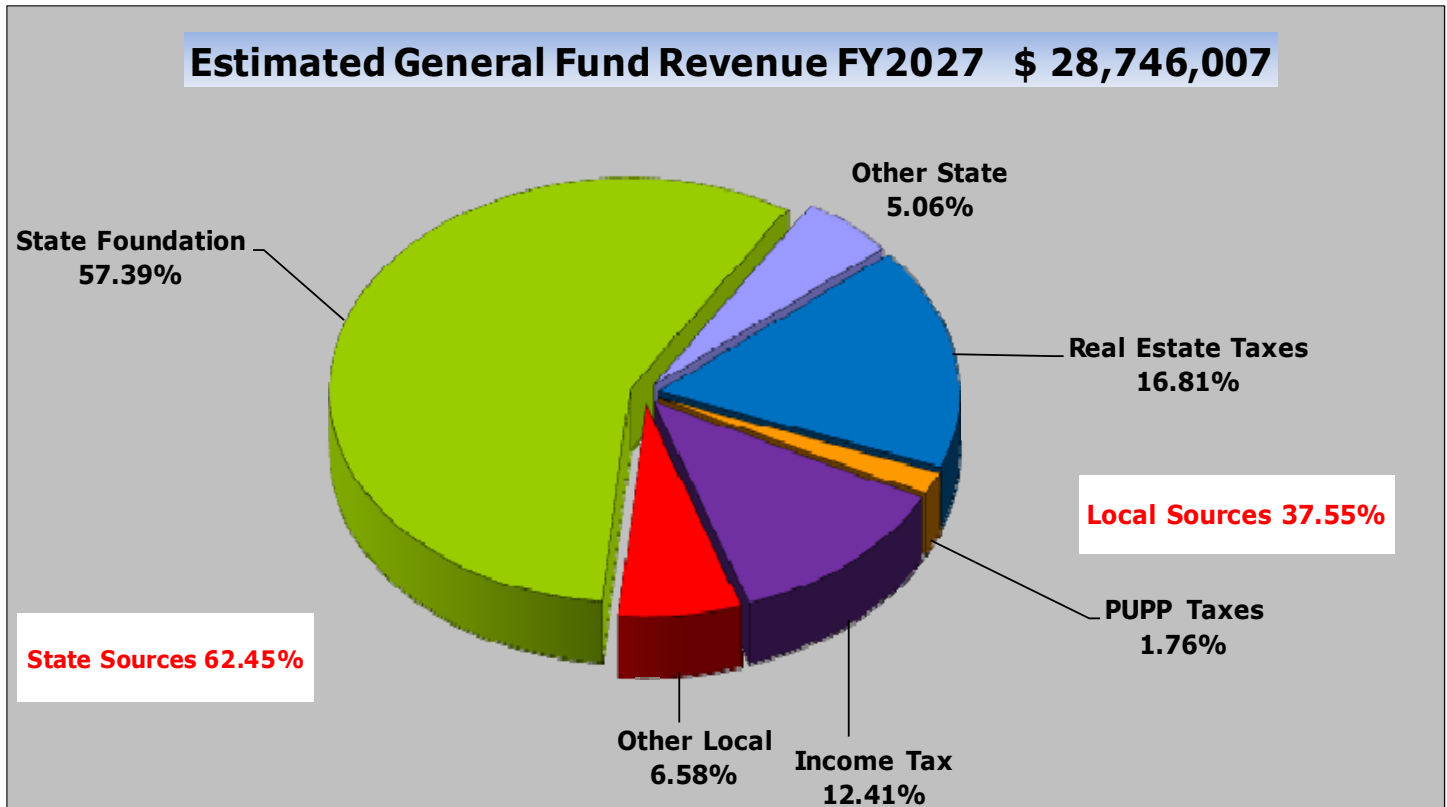
- 2) Fayette County performed a full reappraisal in 2024 for collection in 2025, We experienced value increases for Class I and II property by \$72.38 million for an overall increase of 28.59%. A triennial update will occur in tax year 2027 for collection in 2028. We anticipate value increases for Class 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 will become effective for any reappraisal and update beginning in tax year 2026, and HB129 will become effective for our district in the next update 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 HB335 on our tax projections due to our estimates for future growth in reappraisal being in line with anticipated GDP DF.
- 3) HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 foundation payment published by the Department of Education and Workforce for our forecasted revenues in FY27-FY31. We are considered a guarantee district and do not anticipate increases in state aid.
- 4) The state budget represented 62.46% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond if the state economy stalls due to a possible recession and the Fair School Funding Plan is not continued and/or funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY28-29 and FY30-31. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY31. We have projected our state funding in FY26 based on recent formula calculations and use of the Ohio Department of Education and Workforce (ODEW) funding simulator for FY27 projections. This forecast reflects state revenue to align with the FY27 funding levels through 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.
- 5) HB96, the current state biennium budget also enacted a new provision called "Piggyback Property Tax Exemptions". This provision allows county commissioners in each county in Ohio by July 1 each year to vote to double the current Homestead Exemption and owner occupied 2.5% tax credit. Current Homestead and 2.5% owner occupied credits are reimbursed to the district from the state of Ohio. These "Piggyback Property Tax Exemptions" would NOT be reimbursed resulting in a direct loss of revenue to our district. Fayette County Commissioners did not approve the Piggyback exemption for both owners occupied credit and homestead 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. If both owner-occupied, and homestead were approved every year this could result in reduced property tax collections for the school district of roughly \$246,265 each year from current operating levies. This new law creates an unpredictable potential risk to our local tax collections every year. We will adjust the forecast in the future accordingly.
- 6) Income tax collections are dependent upon the economy. We will monitor the income tax revenue very closely for any positive or negative changes that may occur.

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer 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 further information, please feel free to contact Mrs. Becky Mullins, Treasurer/CFO at 740-335-6620.

General Fund Revenue, Expenditure and Ending Cash Balance Actual FY24-26 and Estimated FY27-31
The graph below captures in one snapshot the operating scenario facing the Washington Court House School District over the next few years.



Revenue Assumptions



Property Valuation Assumptions

Property values are established annually by the Fayette County Auditor based on the type of property either residential/agriculture or commercial/industrial. The new HB186 allows new construction growth in property taxes irrespective of GDP DF. The values are defined even further based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. Fayette County performed a sexennial reappraisal in tax year 2024 for collection in 2025. The increase in 2024 for collection in 2025 for Residential/Agriculture or Class I was 34.44% or \$65.99 million and the Commercial/Industrial or Class II was a 16.66% or \$10.25 million increase.

A reappraisal update will occur in 2027 for collection in 2028. Due to legislative changes that slow the impact of rapid property tax growth in Ohio, we have estimated an 8% increase in Class I and a 1% increase in Class II. This should be in line with GDP DF rates and HB186 and HB335 should not impact our property tax projections.

Public Utility Personal Property (PUPP) values change annually as the values are not included in the reappraisal or update years, which make them very difficult to forecast. PUPP values increased by \$2.14 million in Tax Year 2025. We expect our values to continue to grow by \$1,000,000 in FY27 and each year of the forecast.

We have been conservative with any future value increases for reappraisal or updates due to uncertainty over pending legislative as noted in the Forecast Risks and Uncertainty above.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029	TAX YEAR 2030
	COLLECT 2027	COLLECT 2028	COLLECT 2029	COLLECT 2030	COLLECT 2031
Res./Ag.	\$262,615,670	\$283,774,924	\$283,924,924	\$284,074,924	\$304,110,168
Comm./Ind.	\$67,734,493	\$68,561,838	\$68,711,838	\$68,861,838	\$69,700,456
Public Utility (PUPP)	<u>\$14,387,899</u>	<u>\$15,387,899</u>	<u>\$16,387,899</u>	<u>\$17,387,899</u>	<u>\$18,387,899</u>
Total Assessed Valuation	<u>\$344,738,062</u>	<u>\$367,724,661</u>	<u>\$369,024,661</u>	<u>\$370,324,661</u>	<u>\$392,198,524</u>

Tax Rate Assumptions

The county auditor sets tax rates for each voted levy to provide tax revenues for the school district. Ohio law uses “reduction factors” to lower property tax rates so schools and other districts don’t collect more money than voters originally approved, even if property values rise. 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 operating levies is 36.35 mills while the Class I effective millage rate is 20.00 mills, and the Class II effective millage rate is 20.00 mills. Ohio law sets a “20-mill floor,” meaning property tax rates for each class (residential and commercial) can’t be reduced below 20 mills, including both voted and unvoted taxes. Our district is already at this floor for both classes.

HB129 is a new law that restores fixed sum levies and now includes them in the 20-mill floor calculation, which will be in effect following the tax year 2027 reappraisal/triennial update. Our district does not have fixed sum, or emergency, levies, therefore, this will not impact our forecast.

Estimated Real Estate Tax Collection Assumptions and 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 \$2.5 million through FY31 after including FY27 and FY28 reimbursements of \$686,351. But final second half tax settlements will not be received before this forecast filing deadline.

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

General Property Tax (Real Estate) – Line #1.010

Property tax levies are estimated to be collected at 95.18% of the annual amount including delinquent collections. This allows for a 4.82% delinquency factor. In general, 57.20% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 42.80% collected in the August tax settlement. We are anticipating a significant adjustment to our second half settlement in 2026 in August/September due to HB186.

ESTIMATED REAL ESTATE TAX - Line #1.010

Category	FY 27	FY 28	FY 29	FY 30	FY 31
Est. Prop. Taxes	\$5,704,717	\$5,897,994	\$6,071,711	\$6,039,328	\$6,229,396
HB96 Piggyback Tax Adjustment	\$0	\$0	\$0	\$0	\$0
HB186 Tax Adjustment	<u>(\$872,201)</u>	<u>(\$581,467)</u>	<u>(\$581,467)</u>	<u>(\$581,467)</u>	<u>(\$581,467)</u>
Est. Prop. Taxes	<u>\$4,832,516</u>	<u>\$5,316,527</u>	<u>\$5,490,244</u>	<u>\$5,457,861</u>	<u>\$5,647,929</u>

Estimated Public Utility Personal Property (PUPP) Taxes – Line#1.020

Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement, along with the real estate settlements from the county auditor.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
Public Utility Personal Property	<u>\$504,825</u>	<u>\$541,175</u>	<u>\$577,525</u>	<u>\$613,875</u>	<u>\$650,225</u>
Total Line # 1.020	<u>\$504,825</u>	<u>\$541,175</u>	<u>\$577,525</u>	<u>\$613,875</u>	<u>\$650,225</u>

School District Income Tax Collections – Line #1.030

The district has a 1% seven-year income tax levy that was approved in August 2020, beginning in 2021 and ending in 2027, unless renewed by the voters.

The income tax experienced growth of 9.22% in FY26 over FY25. We will assume an annual growth rate of 3.0% for FY27 and a 2.5% growth in FY28 through FY29, since that is the last year of the levy. We will continue to monitor and adjust the amounts throughout the forecast years.

The last year of collection of the income tax will be in 2028. Since we are not permitted to include any tax that is not approved by the voter on this line; the amount we have estimated for FY29 is for the July payment that includes the April 15th tax returns filed in 2029 for calendar year 2028, and no collection in FY30 and beyond.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
SDIT Collection	\$3,434,001	\$2,839,074	\$1,895,718	\$0	\$0
Increases/(Decreases)	<u>\$133,051</u>	<u>(\$215,377)</u>	<u>(\$1,395,718)</u>	<u>\$0</u>	<u>\$0</u>
Total to Line #1.030	<u>\$3,567,053</u>	<u>\$2,623,697</u>	<u>\$500,000</u>	<u>\$0</u>	<u>\$0</u>

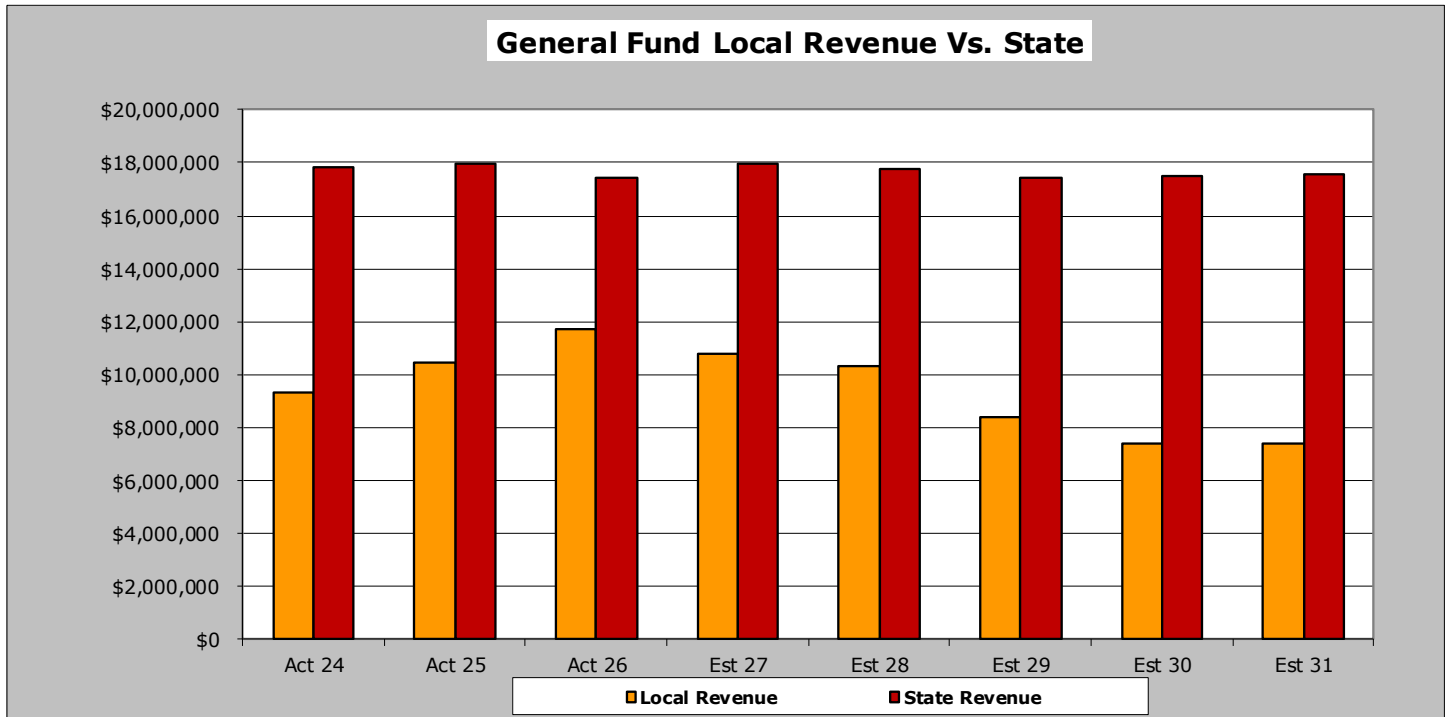
Renewal of Income Tax (SDIT) Levy – Line #11.010

SDIT levies that are not continuous by law cannot be included with the income taxes on line 1. 03. Therefore, we are including the renewal of the 1% income tax in levy year 2027 in Line #11.01 as it will expire December 31, 2027, which is during FY28. We are including the estimated amount that was reduced from Line #1.030 in FY28 and the total estimated amount that would be received in FY29 through FY31 for the levy renewal.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
Total Line # 11.010	<u>\$0</u>	<u>\$1,000,000</u>	<u>\$3,623,697</u>	<u>\$3,623,697</u>	<u>\$3,623,697</u>

Comparison of Local Revenue and State Revenue

Note that local revenues fall in FY27 due to HB186 tax reductions and in FY29 through FY31 due to the expiration of the income tax levy. Renewal of the levy is critical for the district's financial survival.



State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045 Current State Funding Model per HB96 through June 30, 2027

A) Unrestricted State Foundation Revenue – Line #1.035

HB96, the current state budget, continued the Fair School Funding Plan for FY26 and FY27, which funds students where they are educated rather than where they live. We have projected FY27 funding based on the most current foundation settlement July #2, which does not have all of the special education preschool funding amounts in it based on the changes with Department of Developmental Disabilities.

Our district is currently on the guarantee in FY27 through FY31 on the new Fair School Funding Plan (FSFP).

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

A detailed overview of how foundation funding is calculated including all of the HB96 changes on the Ohio Department of Education and Workforce. The detailed analysis is now available, please visit the Ohio Department of Education and Workforce at: <https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26 but still includes two (2) primary guarantees: 1) Temporary Transition Aid, and 2) Formula Transition Supplement. The two (2) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY26

and FY27 than they received in FY21. We are currently on the Temporary Transition Aid Guarantee and Formula Transition Supplement Guarantee.

A 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. Our district does not qualify for this payment.

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.

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 for the opening of four (4) casinos, one each in Cleveland, Toledo, Columbus, and Cincinnati. All four (4) casinos are open for business and generating Gross Casino Tax Revenues (GCR). Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR 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.

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.

A) Unrestricted State Revenues – Line #1.035

Category	FY 27	FY 28	FY 29	FY 30	FY 31
State Basic Aid	\$14,101,640	\$14,101,640	\$14,101,640	\$14,101,640	\$14,101,640
Additional Aid	\$337,263	\$337,263	\$337,263	\$337,263	\$337,263
Basic Aid-Unrestricted Subtotal	\$14,438,903	\$14,438,903	\$14,438,903	\$14,438,903	\$14,438,903
Threshold Reimbursement & Credentials	\$79,256	\$79,256	\$79,256	\$79,256	\$79,256
Ohio Casino Commission ODT	\$119,564	\$121,358	\$123,178	\$125,026	\$126,901
Total Unrestricted State Aid Line # 1.035	<u>\$14,637,723</u>	<u>\$14,639,517</u>	<u>\$14,641,337</u>	<u>\$14,643,185</u>	<u>\$14,645,060</u>

B) Restricted State Revenues – Line #1.040

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

We have estimated revenues for these 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.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
DPIA	\$1,374,313	\$1,374,313	\$1,374,313	\$1,374,313	\$1,374,313
Career Tech - Restricted	\$0	\$0	\$0	\$0	\$0
Gifted	\$115,172	\$115,172	\$115,172	\$115,172	\$115,172
English Learners	\$9,584	\$9,584	\$9,584	\$9,584	\$9,584
Student Wellness	\$360,530	\$360,530	\$360,530	\$360,530	\$360,530
Other Restricted	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Restricted State Revenues Line #1.040	<u>\$1,859,600</u>	<u>\$1,859,600</u>	<u>\$1,859,600</u>	<u>\$1,859,600</u>	<u>\$1,859,600</u>

C) Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues

Category	FY 27	FY 28	FY 29	FY 30	FY 31
Unrestricted Line # 1.035	\$14,637,723	\$14,639,517	\$14,641,337	\$14,643,185	\$14,645,060
Restricted Line # 1.040	\$1,859,600	\$1,859,600	\$1,859,600	\$1,859,600	\$1,859,600
Restricted Fed. SFSF /EdJobs #1.045	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total State Foundation Revenue	<u>\$16,497,323</u>	<u>\$16,499,117</u>	<u>\$16,500,937</u>	<u>\$16,502,785</u>	<u>\$16,504,660</u>

State Share of Local Property Tax – Line #1.050

Rollback and Homestead Reimbursement

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

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

HB186 10% Phase Down and OOC 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. OOC	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 farmland 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. The district has received the HB186 Section 5 reimbursement payment of \$582,458 for non-business, which is for residential/agriculture or Class I property, in the August 2026 payment. We are also anticipating reimbursement of \$320,325 in FY28.

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

Category	FY 27	FY 28	FY 29	FY 30	FY 31
Rollback and Homestead	\$871,315	\$954,109	\$957,062	\$997,328	\$1,053,351
HB 186 Partial Reimbursement of Taxes	<u>\$582,458</u>	<u>\$320,325</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
State Reimbursement for Property Tax Credits	<u>\$1,453,773</u>	<u>\$1,274,434</u>	<u>\$957,062</u>	<u>\$997,328</u>	<u>\$1,053,351</u>

Other Local Revenues – Line #1.060 All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area have been interest on investments, tuition for court placed students, student fees, and general rental fees.

Interest income is expected to remain steady in FY27 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 have decreased the amount in FY30 and FY31 due to lower cash balances if the levy does not pass. We will continue to monitor the investments for the district.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
Tuition Revenue	\$346,947	\$350,416	\$353,920	\$357,459	\$361,034
Interest	\$1,057,130	\$1,004,273	\$954,059	\$477,030	\$238,515
Other Income, Rentals and Refunds	<u>\$486,441</u>	<u>\$491,305</u>	<u>\$496,218</u>	<u>\$501,180</u>	<u>\$506,192</u>
Total Line # 1.060	<u>\$1,890,518</u>	<u>\$1,845,994</u>	<u>\$1,804,197</u>	<u>\$1,335,669</u>	<u>\$1,105,741</u>

Transfers In / Return of Advances – Line #2.040 & Line #2.050

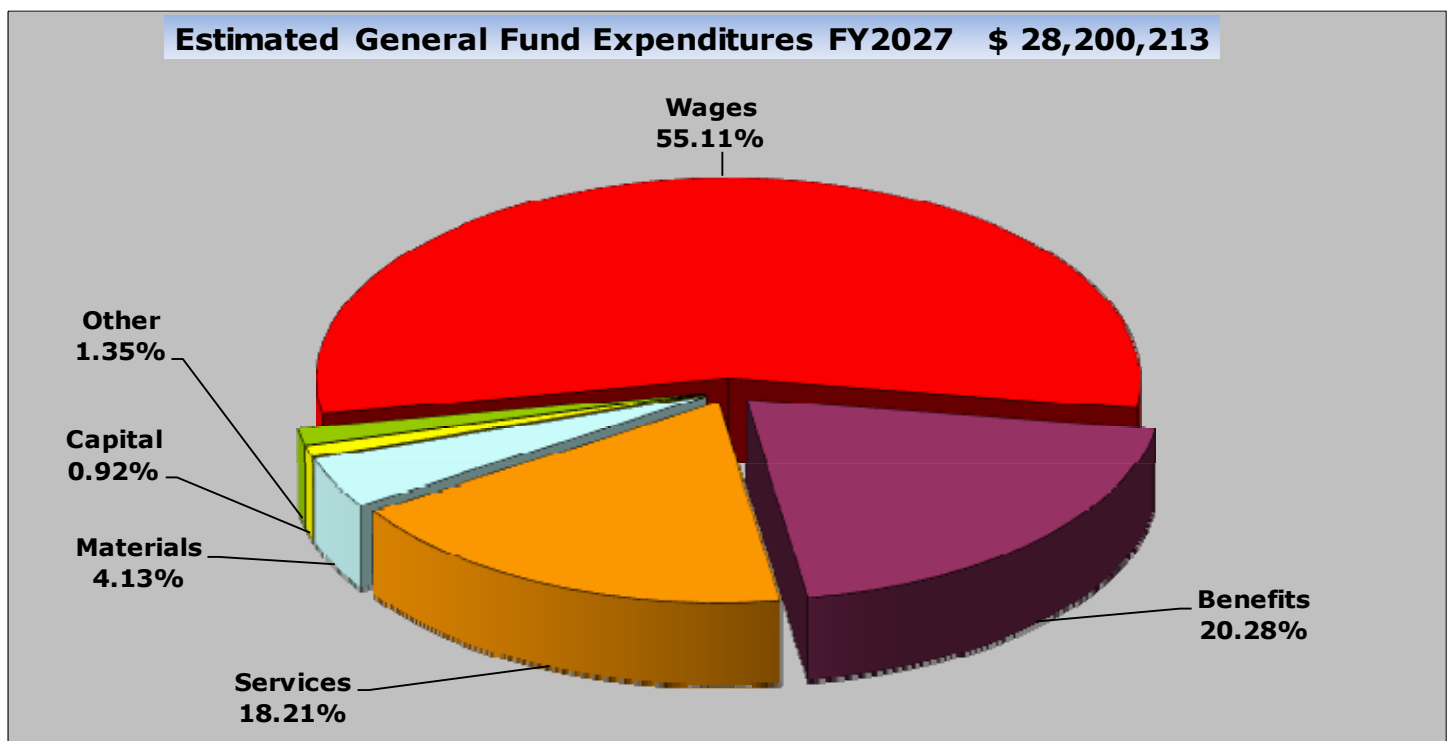
These are non-operating revenues which are the repayment of short-term loans (advances) to other funds over the previous fiscal year and which are then reimbursed in the current fiscal year. The district does not plan on any advances at the end of the fiscal year throughout the forecast.

All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that are very unpredictable. The district does not expect any refunds for the remainder of the forecast. If any are received, we will include them in the forecast at that time.

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether with changes in curriculum or new technology needs. Expenditures are always looked upon through the filter of doing what's best for students and their educational needs.



Personal Services – Employees' Salaries & Wages – Line #3.010

Collective bargaining agreement agreed to a 1.5% base wage increase in FY27 and a 1% FY28 through FY31 for forecasting purposes only. The district is also including a 1.75% step increase each year.

There are changes in staffing for FY27 with the increase of two administrators (one curriculum replacement, and one special education supervisor/preschool director), the increase of three teaching positions (preschool), and an increase of 20 classified staff of which 13 are for the preschool (aides, bus driver, custodian), while others are cross categorical classroom and 1:1 aides, a custodian for the high school, and one maintenance/grounds position that was unfilled for the majority of the previous school year.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
Base Wages	\$13,387,605	\$14,649,464	\$15,138,476	\$15,554,784	\$15,982,541
Base Increases	\$200,814	\$146,495	\$151,385	\$155,548	\$159,825
Steps & Training	\$234,283	\$256,366	\$264,923	\$272,209	\$279,694
Substitutes	\$393,597	\$405,405	\$417,567	\$430,094	\$442,997
New/Replacement Staff	\$846,860	\$86,151	\$0	\$0	\$0
Stipends	\$0	\$0	\$0	\$0	\$0
Supplemental Contracts	\$447,220	\$456,164	\$465,287	\$474,593	\$484,085
Severance	\$50,000	\$195,000	\$76,000	\$50,000	\$50,000
Staff Reductions	(\$20,098)	\$0	\$0	\$0	\$0
Total Wages Line 3.010	<u>\$15,540,281</u>	<u>\$16,195,045</u>	<u>\$16,513,638</u>	<u>\$16,937,228</u>	<u>\$17,399,142</u>

Fringe Benefits Estimates – Line #3.020

This area of the forecast captures all costs associated with benefits and retirement costs.

A) STRS/SERS will increase as Wages Increase

As required by law the BOE pays 14% of all employee wages to STRS or SERS. The district is also required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid SERS members. The surcharge is exclusively used to fund health care.

B) Insurance

The district had an increase of 14.11% in FY27 and are estimating annual increases of 10% in FY27-FY31, which reflects industry trend. This is based on our current employee census and claims data. Insurance could increase at a much higher rate should claims increase dramatically. The district is including an HSA incentive for staff taking the high-deductible plan. The incentive is estimated at \$225,000 in FY27-FY31 which will be recalculated each year based on the number of staff members taking the high-deductible plan.

C) Workers' Compensation & Unemployment Compensation

Workers' Compensation is expected to remain at about .4337% of wages for FY27-FY31. The district is a direct reimbursement employer which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment, therefore we expect the costs to be approximately \$2,200 in FY27 through FY31.

D) Medicare

Medicare will continue to increase at the rate of increases in wages and as new employees are hired. Contributions are 1.45% for all employees.

E) Tuition and Other Reimbursements

The district reimburses staff for course work in order to further their teaching and administrative licenses. The collective bargaining agreement calls for an appropriation not to exceed \$40,000 per year for tuition reimbursement.

Summary of Fringe Benefits – Line #3.020

Category	FY 27	FY 28	FY 29	FY 30	FY 31
STRS/SERS	\$2,272,220	\$2,353,298	\$2,418,297	\$2,484,432	\$2,552,380
Insurance's	\$3,111,066	\$3,418,626	\$3,737,989	\$4,089,288	\$4,475,717
Workers Comp & Unemployment	\$69,598	\$72,438	\$73,820	\$75,657	\$77,660
Medicare	\$225,334	\$234,828	\$239,448	\$245,590	\$252,288
Tuition/Other Reimbursement	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>
Total Line 3.020	<u>\$5,718,218</u>	<u>\$6,119,190</u>	<u>\$6,509,553</u>	<u>\$6,934,967</u>	<u>\$7,398,044</u>

Purchased Services – Line #3.030

An overall inflation between 1% and 3% is being estimated for this category of expenses. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which has been adjusted based on historical trends.

The district has experienced larger than expected expenditures for students that are attending other districts for mainly special education programs, we are including a 3% increase FY27 through FY31. The district costs for utilities are increasing annually as we have included a 2% in FY27 and 3% annual increase in FY28-FY31. Leases include copiers of \$53,064 annually and \$40,000 for the lease of the preschool building in FY27 through FY31.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
Base Services, Prof Fees, etc.	\$3,256,611	\$3,354,309	\$3,434,938	\$3,537,986	\$3,644,126
Property Repairs & Insurance	\$244,073	\$251,395	\$258,937	\$266,705	\$274,706
Tuition & Sp. Ed. Services	\$804,630	\$828,769	\$853,632	\$879,241	\$905,618
College Credit Plus Tuition	\$105,179	\$108,334	\$111,584	\$114,932	\$118,380
Leases	\$93,064	\$93,064	\$93,064	\$93,064	\$93,064
Utilities	<u>\$632,380</u>	<u>\$651,351</u>	<u>\$670,892</u>	<u>\$691,019</u>	<u>\$711,750</u>
Total Line 3.030	<u>\$5,135,937</u>	<u>\$5,287,222</u>	<u>\$5,423,047</u>	<u>\$5,582,947</u>	<u>\$5,747,644</u>

Supplies and Materials – Line #3.040

An overall inflation of 5% is being estimated in FY27-FY31 for supplies and materials which are characterized by educational supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. The district includes the cost of College Credit Plus textbooks of \$20,000 annually during the forecast. In addition to the CCP textbooks, the district has identified the needs and the cycle for new curriculum and textbook adoptions as follows: FY27 \$300,000 for math curriculum; FY28 \$300,000 for unified arts and cross categorical curriculum; FY29 \$300,000 for grades kindergarten through 5th English/language arts curriculum and FY30 for \$250,000 for English/language arts curriculum for grades 6th through 12th.

Beginning in FY27 the district will purchase school supplies instead of asking parents to purchase them for their children, this is an additional \$80,000 for supplies in FY27 through FY31.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
Textbooks	\$320,000	\$320,000	\$320,000	\$270,000	\$0
Supplies & Materials	<u>\$844,000</u>	<u>\$886,200</u>	<u>\$930,510</u>	<u>\$977,036</u>	<u>\$1,025,888</u>
Total Line 3.040	<u>\$1,164,000</u>	<u>\$1,206,200</u>	<u>\$1,250,510</u>	<u>\$1,247,036</u>	<u>\$1,025,888</u>

Equipment – Line #3.050

The district has a long-term capital plan that is vital to funding the proper maintenance of buildings, infrastructure and District vehicles and equipment. The capital plan expenditures have been transferred to a Capital Project fund so that the district can better track those expenditures. We are estimating other capital and technology expenditures to remain constant throughout the forecast.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
Capital Plan	\$0	\$0	\$0	\$0	\$0
Other Capital Outlay	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Technology Plan	<u>\$160,000</u>	<u>\$160,000</u>	<u>\$160,000</u>	<u>\$160,000</u>	<u>\$160,000</u>
Total Line 3.050	<u>\$260,000</u>	<u>\$260,000</u>	<u>\$260,000</u>	<u>\$260,000</u>	<u>\$260,000</u>

Other Debt Payment – Line #4.050 & 4.060

The district began to repay the HB264 notes in December 2015. The principal is due each December 1st and interest will be paid December 1st and June 1st of each year with final payment on December 1, 2029.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
HB 264 Principal - Line 4.050	\$55,000	\$55,000	\$55,000	\$60,000	\$0
HB 264 Interest - Line 4.060	<u>\$4,957</u>	<u>\$3,577</u>	<u>\$2,196</u>	<u>\$753</u>	<u>\$0</u>
	<u>\$59,957</u>	<u>\$58,577</u>	<u>\$57,196</u>	<u>\$60,753</u>	<u>\$0</u>

Other Expenses – Line #4.300

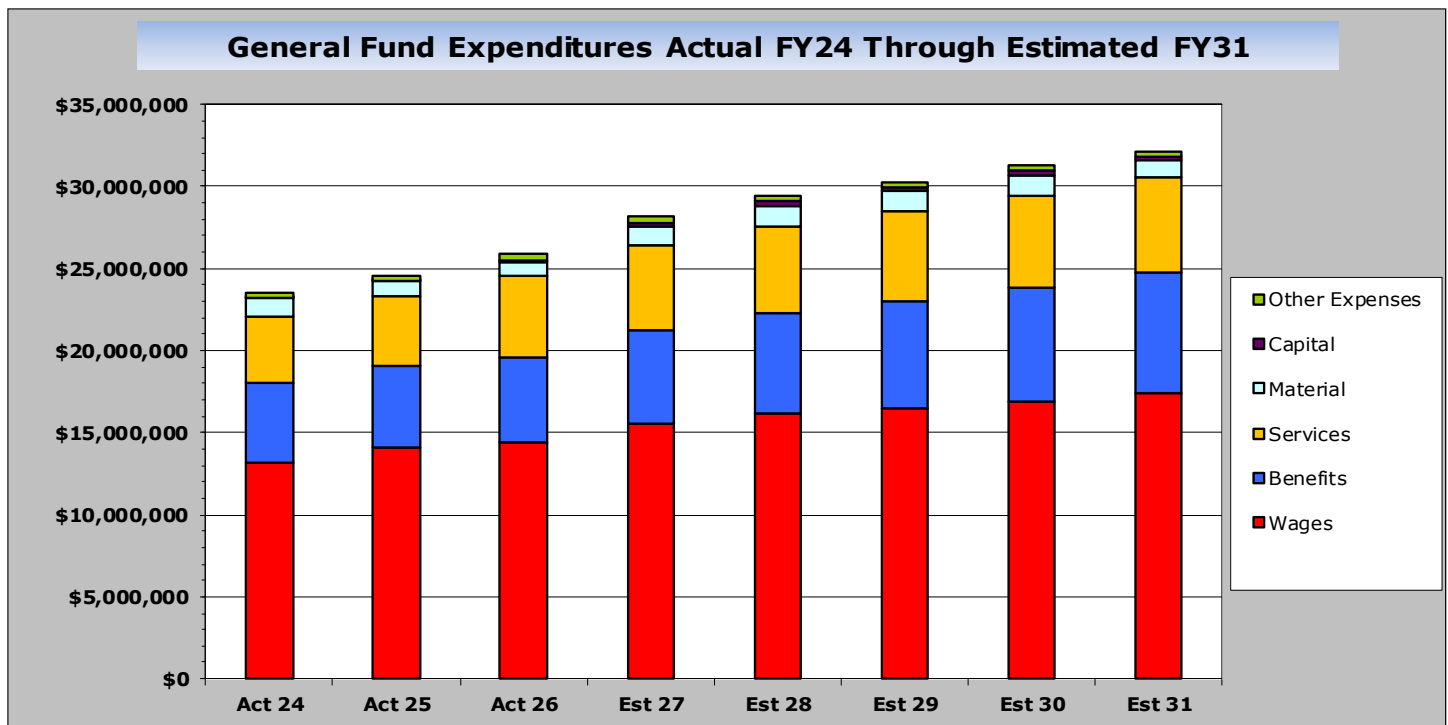
The category of Other Expenses consists primarily of Auditor & Treasurer fees, ESC charges, our annual audit, and other miscellaneous expenses. A rate of 1% increase is used in this area for the annual increase each year of the forecast.

In FY27 the district expects the election cost to be \$7,000 which is added to the A&T Fees/Election Costs line for that year only. The we have deducted administrative fees beginning in FY29 from the renewal of the income tax levy until it is renewed of \$45,000 from the A&T Fees.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
A & T Fees/Election Costs	\$237,055	\$232,426	\$189,750	\$191,648	\$193,564
ESC Fees	\$23,487	\$23,722	\$23,959	\$24,199	\$24,441
Fees/Charges/Miscellaneous	<u>\$61,278</u>	<u>\$61,891</u>	<u>\$62,510</u>	<u>\$63,135</u>	<u>\$63,766</u>
Total Line 4.300	<u>\$321,820</u>	<u>\$318,039</u>	<u>\$276,219</u>	<u>\$278,982</u>	<u>\$281,771</u>

Operating Expenditures Actual FY24 through FY26 and Estimated FY27-FY31

The graph below shows a quick overview of actual and estimated expenses by proportion to the total for the General Fund expenditures.



Transfers Out/Advances Out – Line #5.010

This account group covers fund to fund transfers and end of year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The district does not expect to make advances to any other fund throughout the forecast.

Encumbrances –Line #8.010

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments, which have been performed, are awaiting invoicing and payment. Encumbrances, on a budget basis of accounting, are treated as the equivalent of expenditure at the time authorization is made to maintain compliance with spending restrictions established by Ohio law. For presentation in the forecast, outstanding encumbrances are presented as a reduction of the general fund cash balance.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
Estimated Encumbrances	<u>\$1,323,374</u>	<u>\$1,323,374</u>	<u>\$1,323,374</u>	<u>\$1,323,374</u>	<u>\$1,323,374</u>

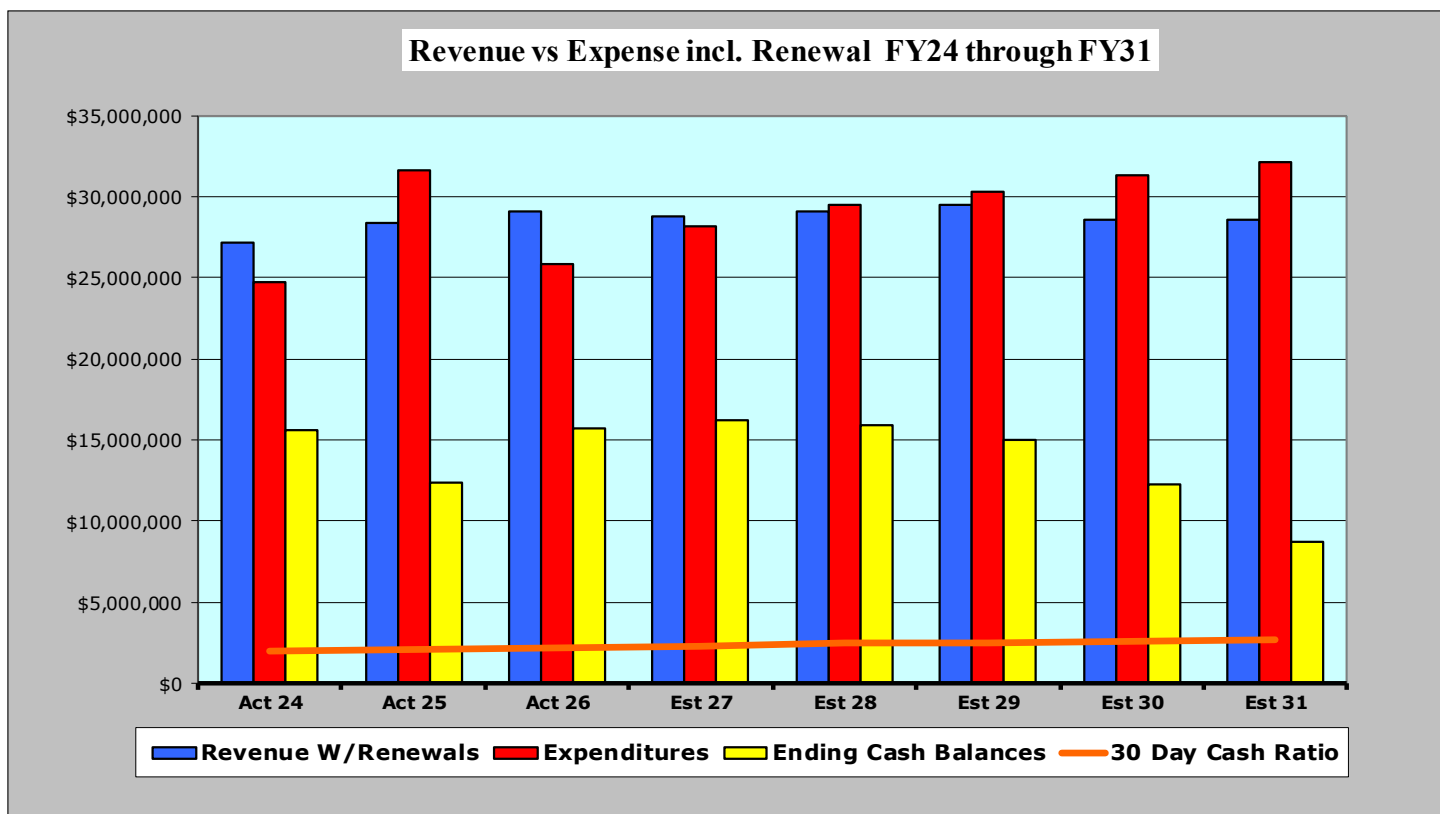
Reservations of Fund Balance – Line #9.080

The district has a small budget reserve balance to be used for emergencies and can only be used with permission of the Board of Education.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
Budget Reserve - Line #9.030	<u>\$25,226</u>	<u>\$25,226</u>	<u>\$25,226</u>	<u>\$25,226</u>	<u>\$25,226</u>
Total Reservations of Balance - Line#9.080	<u>\$25,226</u>	<u>\$25,226</u>	<u>\$25,226</u>	<u>\$25,226</u>	<u>\$25,226</u>

Revenue vs Expenditures with Deficit Spending

The graph below shows that the district will begin to deficit spend in FY27. This chart includes the renewal of the income tax levy in FY28. The deficit spending in FY25 is due to a transfer-out to the capital project fund for the window replacement project, with deficit spending beginning in FY27 due to actual spending over revenues.



Deficit spending affects the amount of carryover that the district has to plan for the future. When reviewing the needs of the district, we review the amount of spending and what would be needed to remove any deficit spending in order to have positive cash balances on the forecast. The chart below shows the amount of deficit spending that is included on Line 6.010 of the forecast and the millage or income tax percentage for each year that would be needed to erase the deficit spending that does not include the renewal of the income tax levy.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
Excess of Revenues over/(under) Expenditures	\$545,794	(\$1,343,328)	(\$4,460,199)	(\$6,394,395)	(\$7,150,584)
Millage equivalent for deficit spending	0.00	3.99	12.99	18.55	19.45
Income tax for deficit spending	0.00%	0.00%	1.27%	1.83%	2.04%

Ending Unencumbered Cash Balance – Line #15.010

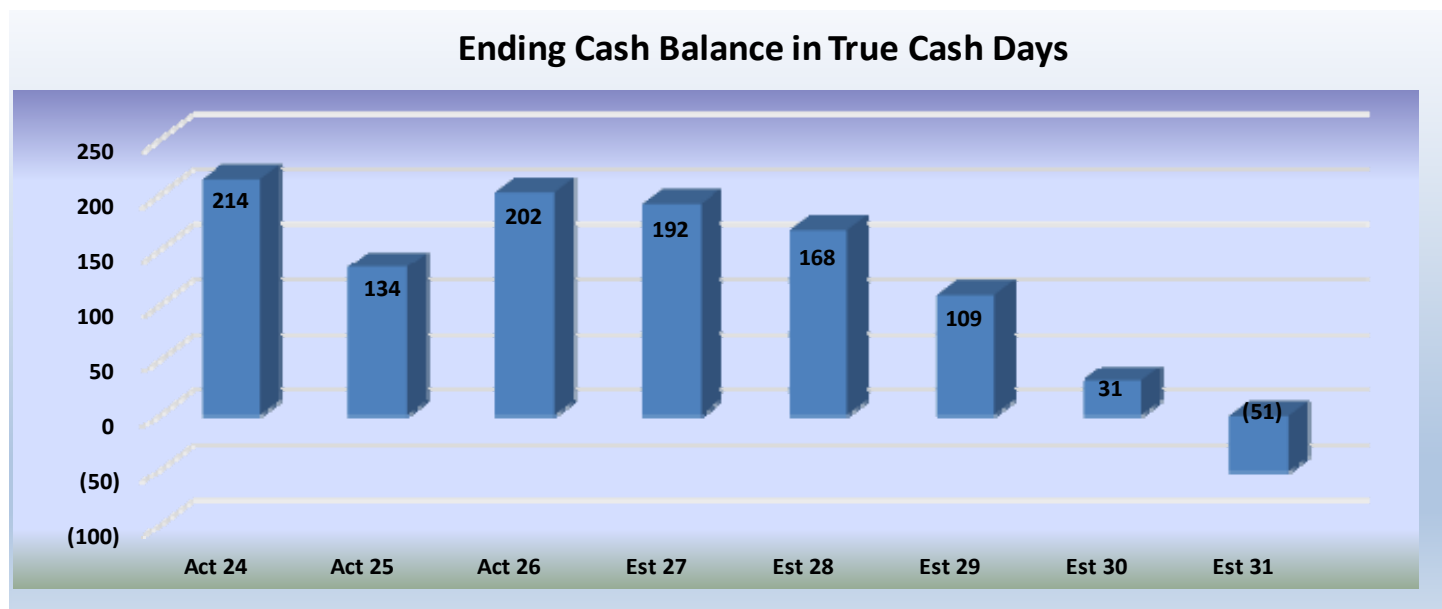
This amount must not go below \$0 or the District General Fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, which results in a negative unencumbered cash balance, is a violation of 5705.412, ORC punishable by personal liability of \$10,000.

Category	FY 27	FY 28	FY 29	FY 30	FY 31
Ending Cash Balance - Line #15.010	<u>\$14,867,905</u>	<u>\$14,524,577</u>	<u>\$13,688,075</u>	<u>\$10,917,377</u>	<u>\$7,390,490</u>

True Cash Days for Ending Cash Balance

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The Government Finance Officers Association recommends no less than two (2) months or 60 days cash should be on hand at year end but could be more

depending on each district’s complexity and risk factors for revenue collection. This graph does not include the renewal of the income tax levy.



Conclusion

The Washington Court House City School District’s financial outlook remains stable in the near term but becomes more uncertain beginning in FY28. Strong state support through the Fair School Funding Plan (FSFP), steady property values, and the district’s conservative forecasting provide a solid foundation. However, several key risks could significantly alter the forecast in later years.

1. **State Funding Dependence** – With over 60% of revenue coming from the State of Ohio, future funding decisions in the FY28–29 and FY30–31 biennium budgets present the largest uncertainty. If state revenues decline or the FSFP is not fully supported, district funding may be reduced.
2. **Local Property Taxes** – The district is at the state’s 20-mill floor, which means revenue will grow as values increase. Yet, pending legislation on property tax reform—including changes to levy types, homestead exemptions, and the 20-mill floor itself—could reduce or limit local collections.
3. **Income Tax Levy Renewal** – The district’s 1% income tax levy expires in 2027. Renewal in FY28 is essential to maintaining long-term solvency. Without renewal, the district will see a sharp revenue decline in FY29 and beyond.
4. **Expenditure Growth** – Health insurance costs are projected to rise 10–14% annually, utilities face added surcharges, and curriculum adoptions are scheduled each year of the forecast. These rising costs will put pressure on revenues, particularly as deficit spending begins in FY27.
5. **Deficit Spending** – Even with renewal of the income tax levy, deficit spending is projected beginning in FY27. Without continued cost controls or additional revenues, ending cash balances will steadily erode, reducing the district’s financial flexibility.

Overall Outlook

The district is financially stable today and should remain so for the next two to three years. However, beginning in FY28, the combination of uncertain state funding, the need for voter approval of the income tax renewal, and continued expenditure growth will create challenges. District leadership will need to carefully monitor legislation, manage spending growth, and prepare now for the 2027 income tax renewal campaign.

By continuing to use the forecast as a planning tool, maintaining conservative revenue estimates, and engaging the community in financial discussions, the district can position itself to navigate these risks while sustaining educational quality for students.

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.