

**LICKING VALLEY LOCAL SCHOOL DISTRICT - LICKING 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
Licking Valley Local School District
Treasurer's Office
Andrew Douglass, Treasurer
August 10, 2026**

Licking Valley Local School District

Licking 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)	\$6,039,423	\$6,756,673	\$6,228,560	2.0%	\$6,751,300	\$6,121,743	\$6,165,771	\$6,325,612	\$6,487,712
1.020 Public Utility Personal Property Tax	757,770	965,517	954,503	13.1%	1,047,200	1,053,180	1,059,160	1,065,140	1,071,120
1.030 Income Tax	3,711,218	4,012,283	4,479,012	9.9%	4,613,382	4,751,784	4,799,303	4,847,295	4,895,768
1.035 Unrestricted State Grants-in-Aid	12,774,115	13,066,948	12,919,210	0.6%	12,860,202	12,824,068	12,826,287	12,828,550	12,830,834
1.040 Restricted State Grants-in-Aid	912,980	912,043	734,802	-9.8%	692,632	692,632	692,632	692,632	692,632
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	841,645	952,870	964,350	7.2%	1,462,158	1,215,392	1,209,124	1,305,468	1,374,948
1.060 All Other Revenues	1,111,857	1,160,769	1,365,953	11.0%	1,213,353	1,056,314	873,101	781,495	735,692
1.070 Total Revenues	\$26,149,008	\$27,827,103	\$27,646,390	2.9%	\$28,640,227	\$27,715,113	\$27,625,378	\$27,846,192	\$28,088,706
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	0	0	0	0.0%	0	0	0	0	0
2.040 Operating Transfers-In	0	0	999,950	0.0%	0	0	0	0	0
2.050 Advances-In	189,901	235,481	139,124	-8.5%	155,000	155,000	155,000	155,000	155,000
2.060 All Other Financing Sources	138,500	76,929	16,355	-61.6%	16,355	16,355	16,355	16,355	16,355
2.070 Total Other Financing Sources	\$328,401	\$312,410	\$1,155,429	132.5%	\$171,355	\$171,355	\$171,355	\$171,355	\$171,355
2.080 Total Revenues and Other Financing Sources	\$26,477,409	\$28,139,513	\$28,801,819	4.3%	\$28,811,582	\$27,886,468	\$27,796,733	\$28,017,547	\$28,260,061
Expenditures									
3.010 Personal Services	\$12,996,496	\$13,938,094	\$14,785,764	6.7%	\$15,969,801	\$16,634,450	\$17,397,553	\$18,182,599	\$19,002,839
3.020 Employees' Retirement/Insurance Benefits	3,783,757	4,145,588	4,380,743	7.6%	4,989,618	5,541,262	6,163,739	6,840,285	7,575,937
3.030 Purchased Services	2,832,358	3,251,638	3,378,077	9.3%	3,796,657	3,921,356	4,050,311	4,183,674	4,321,599
3.040 Supplies and Materials	958,511	1,447,175	1,291,677	20.1%	1,548,332	1,776,801	1,690,101	1,899,962	2,121,625
3.050 Capital Outlay	367,812	359,737	234,894	-18.4%	494,290	414,062	430,624	447,849	465,763
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	0	0	0	0.0%	0	0	0	0	0
4.055 Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060 Interest and Fiscal Charges	0	0	-	0.0%	0	0	0	0	0
4.300 Other Objects	305,202	335,672	364,020	9.2%	399,238	415,208	435,773	457,397	480,139
4.500 Total Expenditures	\$21,244,136	\$23,477,904	\$24,435,175	7.3%	\$27,197,936	\$28,703,139	\$30,168,101	\$32,011,766	\$33,967,902
Other Financing Uses									
5.010 Operating Transfers-Out	\$838,529	\$10,959,386	\$1,628,175	560.9%	\$253,529	\$253,529	\$406,529	\$561,529	\$716,529
5.020 Advances-Out	235,481	139,124	259,781	22.9%	259,781	259,781	259,781	259,781	259,781
5.030 All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040 Total Other Financing Uses	\$1,074,010	\$11,098,510	\$1,887,956	425.2%	\$513,310	\$513,310	\$666,310	\$821,310	\$976,310
5.050 Total Expenditures and Other Financing Uses	\$22,318,146	\$34,576,414	\$26,323,131	15.5%	\$27,711,246	\$29,216,449	\$30,834,411	\$32,833,076	\$34,944,212
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses	\$4,159,263	(\$6,436,901)	\$2,478,688	-196.6%	\$1,100,336	(\$1,329,981)	(\$3,037,678)	(\$4,815,529)	(\$6,684,151)
Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$13,877,919	\$18,037,182	\$11,600,281	-2.9%	\$14,078,969	\$15,179,305	\$13,849,324	\$10,811,646	\$5,996,117
7.020 Cash Balance June 30	\$18,037,182	\$11,600,281	\$14,078,969	-7.2%	\$15,179,305	\$13,849,324	\$10,811,646	\$5,996,117	(\$688,035)
8.010 Estimated Encumbrances June 30	\$0	\$0	\$42,797	0.0%	\$62,167	\$62,167	\$62,167	\$62,167	\$62,167
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	0	0	0	0.0%	0	0	0	0	0
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 Reservations of fund Balance	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
Fund Balance June 30 for Certification of Appropriations	\$18,037,182	\$11,600,281	\$14,036,172	-7.3%	\$15,117,138	\$13,787,157	\$10,749,479	\$5,933,950	(\$750,202)

Licking Valley Local School District

Licking 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
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 Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>									
12.010	\$18,037,182	\$11,600,281	\$14,036,172	-7.3%	\$15,117,138	\$13,787,157	\$10,749,479	\$5,933,950	(\$750,202)
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
15.010 <i>Unreserved Fund Balance June 30</i>	\$18,037,182	\$11,600,281	\$14,036,172	-7.3%	\$15,117,138	\$13,787,157	\$10,749,479	\$5,933,950	(\$750,202)

Licking Valley Local School District – Licking County
Notes to the Five-Year Forecast
General Fund Only
August 10, 2026

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 of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Three important purposes or objectives of the five-year forecast are:

- (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 five-year forecast is based on the best and most reliable information available as of the date of preparation. Actual results may vary from the projections presented due to changes in economic conditions, property valuations, state funding, legislative action, and other factors outside the District's control.

Significant uncertainty exists regarding recently enacted changes to Ohio property tax law and future state biennial budgets. Several property tax bills signed by the Governor on December 19, 2025, materially changed Ohio's property tax framework. In addition, future state budget deliberations for FY28-FY29 and FY30-FY31 may result in changes to school funding, taxation, or other provisions that could affect the District's financial outlook.

The forecast incorporates the anticipated impact of enacted legislation when the financial effect can be reasonably estimated. Where implementation guidance, calculations, or future legislative action remain unresolved, the forecast reflects management's best estimate based on information currently available. These assumptions will be reviewed and updated as additional information becomes available.

The following summarizes the primary issues currently affecting, or potentially affecting, the forecast:

- 1. On December 19, 2025, Governor DeWine signed House Bills 129, 186, 309, and 335, which became effective March 19, 2026. Collectively, these measures represent significant changes to Ohio's property tax system. House Bill 479, a subsequent state budget correction bill signed June 24, 2026 and effective September 23, 2026, included revisions affecting the implementation of HB335 and inside millage.

Of particular significance to the District is HB186, which establishes property tax limitations applicable to certain reappraisal and triennial update cycles, including provisions affecting tax years 2023, 2024, and 2025. Because implementation requires complex calculations, the Ohio Department of Taxation (ODT) is responsible for determining applicable adjustments and communicating those calculations to Ohio's county auditors. As a result, the ultimate timing and amount of the impact on property tax settlements remain subject to final calculations and implementation.

A summary of the primary legislation and anticipated District impact is provided below. Additional detail regarding the estimated financial effect is included under Estimated Real Estate Taxes – Line 1.01 of these forecast assumptions.

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.

Primary Legislative Drivers of Fiscal Risk

Legislation	Core Provision	District Financial Impact
HB129	Modifies the treatment of certain fixed-sum levies in determining the 20-mill floor.	No material financial impact is currently anticipated for the District.
HB186	Establishes property tax limitation mechanisms, including inflation-related credits and retroactive	The District currently estimates a cumulative revenue reduction of approximately \$2.78 million through

	adjustments associated with recent valuation cycles.	FY31. The timing of adjustments is also expected to create significant year-to-year variation in property tax revenue, particularly in FY27.
HB309	Expands the authority of County Budget Commissions to reduce certain voter-approved property tax levies.	Creates additional uncertainty regarding future levy collections because actual revenue could be affected by actions of the County Budget Commission. No specific reduction has been assumed unless otherwise noted in the forecast.
HB335	Limits growth in revenue generated from inside millage, subject to provisions tied to the GDP Deflator	Limits the District's ability to realize the full revenue growth that would otherwise result from increases in property valuation and creates additional uncertainty surrounding future inside-millage collections.

- **HB129 – Fixed-Sum Levies and the 20-Mill Floor:** HB129 establishes new requirements for certain fixed-sum levies and restores provisions affecting those levies. Beginning with a county's next reappraisal or triennial update cycle, but no later than Tax Year 2028 (collected in calendar year 2029), qualifying fixed-sum levy millage will be included in the calculation used to determine whether a school district is at the 20-mill floor. This change may reduce property tax revenue for districts that have affected fixed-sum levies and are at or near the 20-mill floor. Licking Valley Local School District is currently on the 20-mill floor; however, the District does not have fixed-sum levies subject to this provision.
- **HB186 – Inflation Cap Credits and Temporary Tax Credits:** HB186 establishes Inflation Cap Credits following county reappraisals and triennial updates, when applicable, to limit increases in school district property tax collections associated with valuation growth based on the Gross Domestic Product Deflator (GDP Deflator). The legislation also establishes Temporary Tax Credits that apply retroactively to qualifying reappraisals and triennial updates occurring in Tax Years 2023, 2024, and 2025. These retroactive adjustments effectively reduce future property tax settlements to account for revenue previously collected before the law became effective.

The retroactive nature of these adjustments creates a significant financial impact for affected school districts because the related property tax revenue had already been received and may have been expended or incorporated into previous and future financial planning. While the legislation is intended to limit the effect of significant property valuation increases on taxpayers, the retroactive adjustment has a particularly significant impact on districts operating at the 20-mill floor.

Licking Valley Local School District was on the 20-mill floor under prior law and is expected to be materially affected by HB186. Based on information currently available, the District estimates an ongoing reduction of approximately \$500,000 annually from Inflation Cap Credits. The FY27 impact is currently estimated at approximately \$758,000, reflecting the timing of implementation and approximately one and one-half years of adjustments being recognized during the fiscal year. The District's estimated cumulative reduction in property tax revenue attributable to Inflation Cap Credits through FY31 is approximately \$2.78 million. These estimates remain subject to final calculations and implementation guidance from the Ohio Department of Taxation and the County Auditor.

Evaluation of Emerging Property Tax Risks

In addition to the estimated impact of HB186 described above, several recently enacted provisions create additional uncertainty for future property tax collections. Because the timing and financial impact of these provisions cannot yet be reasonably quantified, no specific revenue reduction has been incorporated into the forecast unless otherwise noted.

- **HB309 – County Budget Commission Authority:** HB309 expands the authority of County Budget Commissions (CBCs) to reduce certain voter-approved property tax levies after the first year of collection when the CBC determines that collections are unnecessary or excessive based upon the taxing authority's reasonably anticipated financial needs, fund balances, projected expenditures, and other available resources. The legislation includes limitations on the extent to which certain levies may be reduced, including provisions applicable to school districts operating at or near the 20-mill floor.

Because implementation decisions will be made at the county level and will depend upon each taxing authority's financial circumstances, the future impact of HB309 cannot currently be reasonably estimated. Accordingly, the District has not assumed a reduction in property tax revenue attributable to HB309 in this forecast. Any future action by the County Budget Commission that affects District levy collections will be incorporated into subsequent forecasts when sufficient information becomes available.

- HB335 limits revenue growth from "inside millage" to the GDP Deflation Factor at property reevaluation cycles. To mitigate this, the district has adopted a defensive strategy of projecting at or below the anticipated GDP DF. This is a critical tactical move to prevent the state from applying further downward inflationary adjustments to the district's remaining growth potential. HB479 that becomes law September 23, 2026, corrected inside millage language in HB335 so that any inside 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.
- **HB335 / HB479 – Inside Millage Growth Limitation:** HB335 establishes a mechanism to limit growth in revenue generated from inside millage following county reappraisals and triennial updates. Generally, the legislation limits increases attributable to valuation changes to the cumulative change in the Gross Domestic Product Deflator (GDP Deflator) over the applicable three-year period.

HB479 subsequently modified the implementation of HB335, including the treatment of taxing districts located in more than one county. For multi-county taxing districts, the inside-millage adjustment is triggered by the reappraisal or triennial update cycle of the district's principal county, defined generally as the county containing the greatest taxable property value within the taxing district.

The forecast projects future property tax growth conservatively and generally at or below anticipated inflationary limitations where appropriate. Because future valuation changes, GDP Deflator amounts, and the resulting inside-millage calculations are not yet known, any additional impact from HB335 and HB479 cannot currently be reasonably estimated. These assumptions will be updated as valuation and implementation information becomes available.

- **HB96 – Local “Piggyback” Property Tax Exemptions:** HB96 authorizes counties to provide additional locally funded property tax relief that may supplement certain existing property tax

exemptions or credits. Unlike existing state-funded property tax relief programs for which taxing authorities generally receive reimbursement from the State, locally authorized exemptions may result in reduced collections to affected taxing authorities without a corresponding state reimbursement.

As of the date of this forecast, the Licking County Commissioners have not authorized a local piggyback exemption. Therefore, no reduction in District property tax revenue related to this provision has been assumed. If such an exemption is authorized in the future, the District will evaluate the estimated financial impact and incorporate it into subsequent forecasts as appropriate.

The implementation of significant changes to Ohio property tax law has also affected the timing and availability of information used in preparing this forecast. Delays in second-half property tax billing and final settlement information may limit the amount of actual property tax data available prior to completion of the forecast.

Accordingly, property tax revenue projections contained in this forecast are based upon the most reliable information available as of the date of preparation, including available county data, prior collection experience, current valuation information, and the District's understanding of recently enacted property tax legislation.

Implementation of HB186 and other recently enacted property tax provisions remains ongoing. As additional authoritative information, calculations, and settlement data become available from the Ohio Department of Taxation and County Auditor, actual results may differ from the assumptions reflected in this forecast. Depending upon the magnitude and timing of those adjustments, future forecast revisions could be significant.

2. Property Tax Collection Risk

Property tax collections are one of the District's largest revenue sources and represent a significant area of risk within the forecast. Future property values are projected using anticipated changes associated with county reappraisal and triennial update cycles, new construction, and the limitations established under HB186 and HB335 based on the Gross Domestic Product Deflator (GDP Deflator).

Local revenue, consisting predominantly of property taxes, represents approximately 47.8% of the District's total resources. As a result, changes in property valuation, tax rates, statutory credits, or the timing of tax settlements can have a significant effect on the District's financial position.

As discussed above, HB186 provides for retroactive adjustments associated with reappraisals and triennial updates occurring in Tax Years 2023, 2024, and 2025 when applicable valuation-related revenue growth exceeded statutory limitations. These adjustments may result in reductions to second-half property tax settlements that would normally be received by the District during approximately August through September 2026.

If the Ohio Department of Taxation (ODT) determines that additional adjustments are required under HB186, further reductions may also affect Tax Year 2026 taxes collected during calendar year 2027. The forecast includes the District's current estimated impacts of HB186 and HB335 within the assumptions for Estimated Real Estate Taxes – Line 1.01. These estimates will be updated as additional authoritative information and final calculations become available.

3. Property Valuation Assumptions

Licking County completed a countywide reappraisal in Tax Year 2023, with the resulting valuations first affecting collections in FY24. The reappraisal increased the District's combined Class I and Class II assessed valuation by approximately \$92.86 million, or 32.2%.

The next countywide triennial update is scheduled for Tax Year 2026, with the resulting valuations affecting collections beginning in FY27. For forecast purposes, the District anticipates increases in Class I (Residential/Agricultural) and Class II (Commercial/Industrial) values generally within an estimated range of 7% to 9%, consistent with current expectations regarding the applicable cumulative GDP Deflator limitation.

HB335's limitation on growth in revenue generated from inside millage applies beginning with reappraisals and triennial updates occurring in Tax Year 2026. Because the District's projected valuation growth is generally consistent with the anticipated GDP Deflator range, no significant additional reduction attributable to HB335 is currently anticipated beyond the amounts already reflected in the forecast assumptions.

HB129 also becomes applicable to the District beginning with the next qualifying reappraisal or triennial update cycle. However, because the District does not currently have fixed-sum levies subject to the HB129 20-mill-floor provisions, no material impact from HB129 is presently anticipated.

All estimated property valuation changes, tax-rate adjustments, and anticipated effects of recently enacted property tax legislation are reflected in the assumptions for Estimated Real Estate Taxes – Line 1.01.

4. State Foundation Funding

HB96, the current state biennial budget, continues implementation of the Fair School Funding Plan (FSFP) through FY27. FY27 represents full implementation of the phase-in percentages established under the current funding formula.

While the FSFP is fully phased in for FY27, HB96 did not update certain base-cost inputs used in calculating the formula. At the same time, measures of local capacity continue to reflect changes in property valuation and resident income. As local capacity increases without corresponding updates to base-cost inputs, a greater share of the calculated cost of education may be attributed to the local district, limiting or reducing growth in State foundation aid.

For FY27, the forecast uses the most recent foundation payment information published by the Ohio Department of Education and Workforce. The District is currently considered a formula-funded district; however, based on the current funding formula and available projections, the forecast does not assume material growth in State foundation funding through FY31.

Future State funding remains subject to legislative action, including development of the FY28-FY29 and FY30-FY31 biennial budgets. Accordingly, projected State aid will be updated as additional funding information and future legislative changes become available.

5. State Funding Risks

State funding represents approximately 51.9% of the District's total revenues and is therefore a significant area of risk within the forecast.

The primary uncertainty occurs in FY28 and beyond because two future State biennial budgets—covering FY28-FY29 and FY30-FY31 will be enacted during the forecast period. Future legislative decisions could modify the Fair School Funding Plan, formula inputs, funding guarantees, categorical funding, or other components of State support for public schools.

For FY27, the forecast uses the most recent foundation funding calculations and payment information published by the Ohio Department of Education and Workforce. For FY28 through FY31, State funding is projected generally at FY27 funding levels unless more reliable information is available to support a different assumption.

This approach is intended to avoid assuming future increases that have not yet been authorized by the General Assembly. However, actual State funding could increase or decrease depending upon future biennial budget decisions, changes to the school funding formula, enrollment and local capacity measures, and overall State economic conditions.

Because State funding represents a substantial portion of District revenue, changes to the funding formula or future State appropriations could have a material effect on the District's long-range financial outlook. These assumptions will be reviewed and updated as future State budgets and funding information become available.

6. Property Reappraisal and Triennial Update Schedule

On January 15, 2026, the Ohio Department of Taxation announced revisions to the statewide property tax reappraisal and triennial update schedule, including a one-year delay for certain counties.

Licking County is not affected by the revised schedule. Accordingly, the District continues to assume the previously scheduled Tax Year 2026 triennial update for purposes of this forecast.

7. Income Tax Revenue

Income tax is a significant source of revenue for the District. Collections remained relatively stable in FY26, and the forecast assumes this general level of stability will continue into FY27 and throughout the forecast period.

Income tax collections will continue to be monitored for changes in employment, wages, economic conditions, and other factors that could positively or negatively affect future receipts. Forecast assumptions will be adjusted as actual collection trends provide sufficient information to support a change.

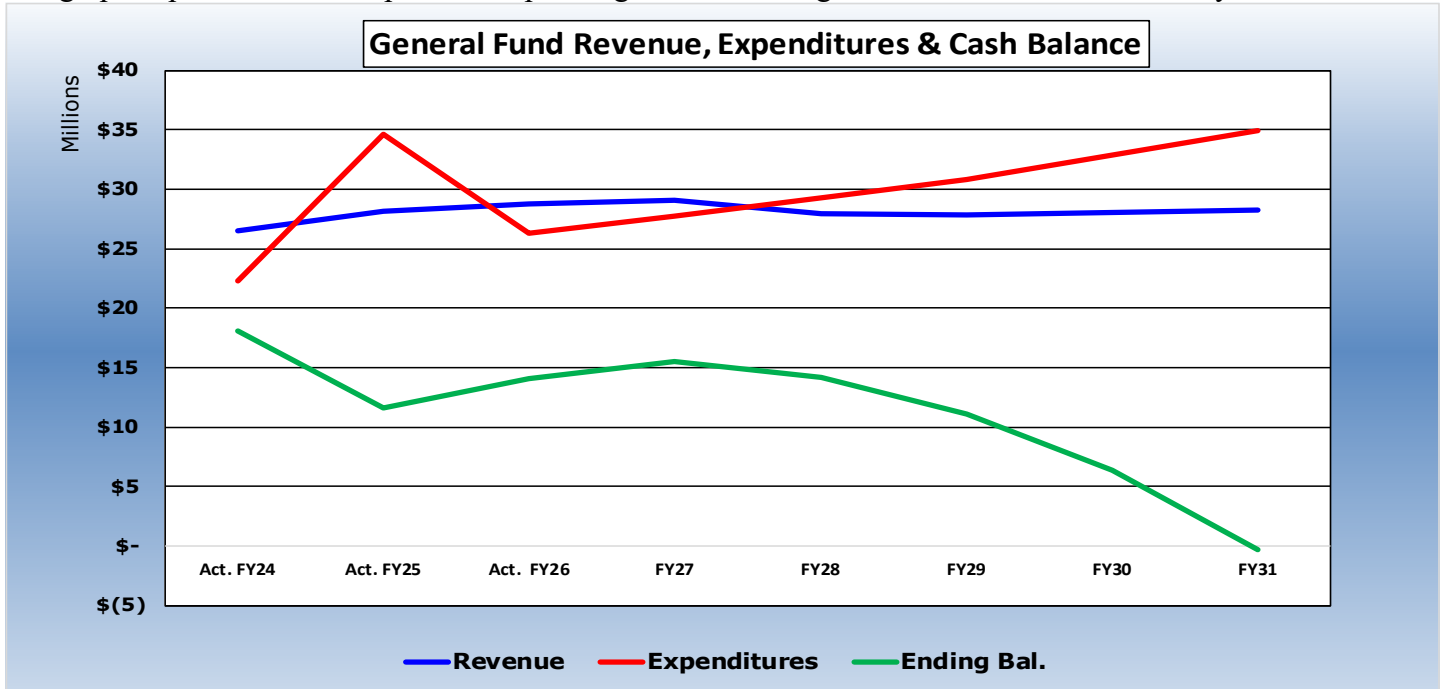
8. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

The major revenue and expenditure categories included in the forecast are discussed below, along with the key assumptions used to develop each projection. These explanations are intended to assist the reader in understanding the basis for the District's financial projections and the factors that may affect future results.

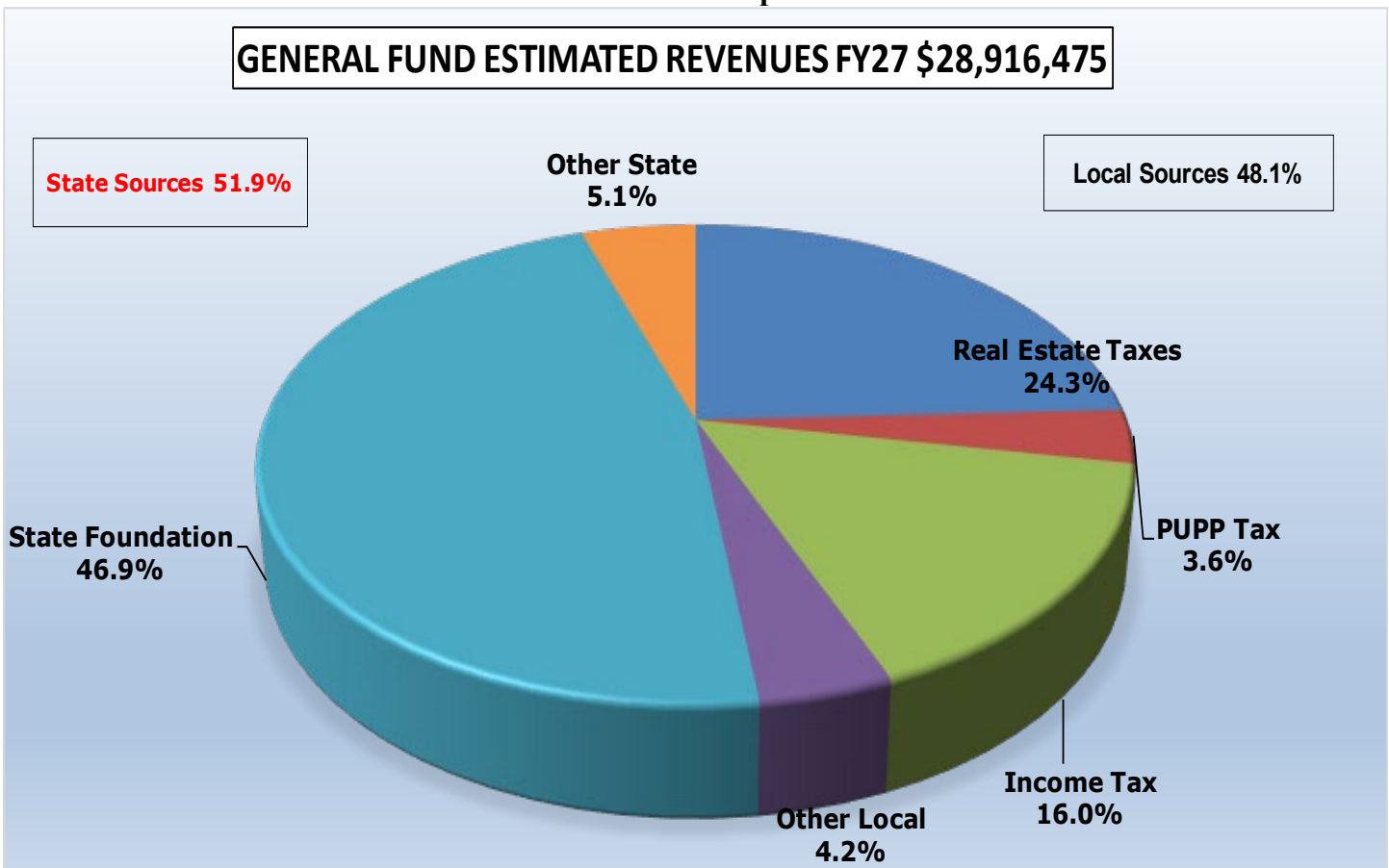
Questions regarding the forecast or the assumptions presented below may be directed to Andrew Douglass, Treasurer, Licking Valley Local School District.

General Fund Revenue, Expenditure and Ending Cash Balance

The graph captures in one snapshot the operating scenario facing the district over the next few years.



Revenue Assumptions



General Property Tax and Property Value Assumptions (Real Estate) – Line #1.010

Property values are established annually by the County Auditor and are affected by new construction, demolitions, Board of Revision (BOR) and Board of Tax Appeals (BTA) activity, and countywide reappraisals and triennial updates. Under HB186, qualifying new construction growth is generally permitted in addition to property tax growth limitations associated with the Gross Domestic Product Deflator (GDP Deflator).

Licking County completed a countywide reappraisal in Tax Year 2023, with the resulting values first affecting collections in calendar year 2024. District Class I residential/agricultural assessed values increased approximately 31.63%, or \$84.8 million, as a result of the reappraisal and significant increases in residential property values.

Licking County's next triennial update will occur in Tax Year 2026, with the resulting values affecting collections beginning in FY27. Due to recent legislative changes intended to limit property tax revenue growth resulting from reappraisals and triennial updates, the forecast assumes approximately 5% growth in Class I values and a modest increase in Class II commercial/industrial values.

These valuation assumptions are intended to remain within anticipated statutory growth limitations associated with the GDP Deflator and therefore incorporate the expected effects of HB186 and HB335 into the forecast. Actual property values and resulting tax collections will be updated as information becomes available from the County Auditor and Ohio Department of Taxation.

Public Utility Personal Property (PUPP) assessed values increased by approximately \$1.2 million in Tax Year 2025. Based on recent trends and information currently available, the forecast assumes continued PUPP assessed-value growth of approximately \$200,000 annually throughout the forecast period. Actual values will be monitored and forecast assumptions adjusted as updated valuation information becomes available.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Actual	Actual	Actual	Actual	Estimated
	TAX YEAR2026	TAX YEAR2027	TAX YEAR2028	TAX YEAR2029	TAX YEAR2030
Classification	COLLECT 2027	COLLECT 2028	COLLECT 2029	COLLECT 2030	COLLECT 2031
Res./Ag.	\$384,013,554	\$386,018,554	\$388,023,554	\$409,429,731	\$411,434,731
Comm./Ind.	30,118,964	30,268,964	30,418,964	30,873,154	31,023,154
Public Utility Personal Property (PUPP)	35,123,423	35,323,423	35,523,423	35,723,423	35,923,423
Total Assessed Value	<u>\$449,255,941</u>	<u>\$451,610,941</u>	<u>\$453,965,941</u>	<u>\$476,026,308</u>	<u>\$478,381,308</u>

Tax Rate Assumptions

The County Auditor establishes the effective tax rates for voter-approved property tax levies in accordance with Ohio law. Tax reduction factors are applied to certain voted levies to limit increases in revenue attributable solely to increases in existing property values. As property values increase, these reduction factors may reduce effective millage rates so that qualifying voted levies do not generate the same level of revenue growth that would occur if the full voted rate remained in effect.

Reduction factors are calculated separately for Class I Residential/Agricultural property and Class II Commercial/Industrial property, resulting in different effective tax rates for each property class.

The District's total voted General Fund millage is 29.90 mills. The District is currently at the 20-mill floor for both Class I and Class II property, meaning qualifying current-expense millage is not reduced below the statutory 20-mill level. Ohio law establishes specific rules governing the calculation of this floor and related property tax adjustments.

HB129 modifies the treatment of fixed-sum levies by generally including qualifying fixed-sum levy millage in the calculation of a school district's 20-mill floor beginning with the applicable reappraisal or triennial update cycle. For Licking County, this will coincide with the Tax Year 2026 triennial update.

Licking Valley Local School District does not currently have fixed-sum or emergency levies affected by this provision. Accordingly, the District does not anticipate a material impact from HB129 on the property tax revenues projected in this forecast.

Estimated Real Estate Tax Collection Assumptions & New Tax Laws

HB96- Piggyback Property Tax Exemptions

HB96 created a local option commonly referred to as a "Piggyback Property Tax Exemption," which allows county commissioners to provide additional property tax relief related to the Homestead Exemption and the 2.5% owner-occupied credit.

Licking County Commissioners have not approved an additional Piggyback Property Tax Exemption for Tax Year 2026. Accordingly, no reduction in District property tax revenue related to this provision has been included in the forecast. The potential impact for Tax Year 2027 and beyond cannot currently be determined and will depend upon future action by the County Commissioners. The forecast will be updated if a local exemption is approved in a future year.

HB186-Inflation Cap Credits and Temporary Tax Credits

HB186 establishes Inflation Cap Credits for school district property taxes following qualifying reappraisals and triennial updates, limiting certain property tax revenue growth based on the Gross Domestic Product Deflator (GDP Deflator). The legislation also establishes Temporary Tax Credits that apply retroactively to affected reappraisals and triennial updates occurring in Tax Years 2023, 2024, and 2025.

These retroactive adjustments effectively reduce future property tax settlements to account for revenue previously collected before implementation of the new law. Because this revenue had already been received and may have been expended or incorporated into prior and future financial planning, the retroactive adjustment creates a significant financial impact for affected school districts.

Licking Valley Local School District is currently at the 20-mill floor and anticipates a material reduction in property tax revenue as a result of HB186. The adjustments reflected in Line 1.01 represent the District's best estimate based on information currently available, including recently obtained DTE Form 186 information and HB186 Certified Tax Credit Factors.

Based on these calculations, the District currently estimates a cumulative reduction in property tax revenue of approximately \$2.78 million through FY31. Final second-half property tax settlement information will not be available prior to the forecast filing deadline; therefore, actual results may differ from the amounts currently projected. The forecast will be updated as additional authoritative information and final settlement data become available.

HB335 – Inside Millage Revenue Limitation

HB335 limits certain revenue growth generated from inside millage following property reappraisals and triennial updates based on the applicable GDP Deflator.

The forecast does not assume future valuation-related revenue growth in excess of the anticipated statutory limitations. Therefore, no additional material reduction attributable to HB335 is currently anticipated beyond the conservative property value and tax collection assumptions already incorporated into the forecast. Given the significant recent changes to Ohio property tax law and the continued development of implementation guidance, the District has used conservative assumptions for future property values and real estate tax collections. These assumptions will continue to be reviewed and adjusted as additional valuation, tax-rate, and settlement information becomes available.

ESTIMATED REAL ESTATE TAX (Line #1.010)

Property tax collections are projected at approximately 96.75% of the annual amount, allowing for an estimated 3.25% delinquency rate. Actual collection rates may fluctuate from year to year.

Historically, approximately 57.78% of annual Class I Residential/Agricultural and Class II Commercial/Industrial property tax collections are received through the first-half settlement, generally in February, with approximately 42.22% received through the second-half settlement, generally in August.

For FY27, the District anticipates a significant reduction to the second-half 2026 property tax settlement as a result of the retroactive adjustments required under HB186. The forecast reflects the District's current estimate of this adjustment based on information available as of the forecast preparation date.

Source	FY27	FY28	FY29	FY30	FY31
Est. Real Estate Taxes	<u>\$7,026,815</u>	<u>\$6,648,855</u>	<u>\$6,689,220</u>	<u>\$6,858,593</u>	<u>\$7,013,231</u>
Piggyback Exemption HB96	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Other Tax Adjustments	<u>-\$758,316</u>	<u>-\$505,544</u>	<u>-\$505,544</u>	<u>-\$505,544</u>	<u>-\$505,544</u>
Total Line #1.01 Real Estate Taxes	<u>\$7,026,815</u>	<u>\$6,143,311</u>	<u>\$6,183,676</u>	<u>\$6,353,049</u>	<u>\$6,507,687</u>

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

The amounts shown below represent property tax collections from Public Utility Personal Property (PUPP). PUPP assessed values are shown in the property valuation table above and are estimated at approximately \$35.1 million for Tax Year 2026. PUPP property is taxed at the District's full applicable voted millage rate and is not subject to the same tax reduction factors applied to Class I and Class II real property.

PUPP tax collections are generally received in two installments, with approximately 50% received in March and 50% in August.

PUPP assessed values increased approximately 1.72% in Tax Year 2025. For forecast purposes, the District assumes assessed values will increase by approximately \$200,000 annually throughout the forecast period. These assumptions will be updated as actual public utility valuations become available.

Source	FY27	FY28	FY29	FY30	FY31
Public Utility Personal Property	<u>\$1,047,200</u>	<u>\$1,053,180</u>	<u>\$1,059,160</u>	<u>\$1,065,140</u>	<u>\$1,071,120</u>
Total PUPP Tax Line #1.020	<u>\$1,047,200</u>	<u>\$1,053,180</u>	<u>\$1,059,160</u>	<u>\$1,065,140</u>	<u>\$1,071,120</u>

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

School District Income Tax – Line#1.030

The District has a 1.0% School District Income Tax (SDIT) approved on a continuing basis. Based on recent collection trends, the forecast assumes income tax revenue growth of 3.0% in FY27, 3.0% in FY28, and 1.0% annually from FY29 through FY31.

The reduced growth assumption in the later years of the forecast reflects a conservative outlook due to uncertainty surrounding future economic conditions, employment, wage growth, and inflation. Actual income tax collections will be monitored throughout the forecast period and projections will be adjusted as collection trends and economic conditions become clearer.

Source	FY27	FY28	FY29	FY30	FY31
July payment	\$1,613,303	\$1,661,702	\$1,678,319	\$1,695,102	\$1,712,053
October payment	889,857	916,553	925,719	934,976	944,326
January payment	910,928	938,256	947,639	957,115	966,686
April payment	1,199,294	1,235,273	1,247,626	1,260,102	1,272,703
Total SDIT Collections	\$4,613,382	\$4,613,382	\$4,751,784	\$4,799,303	\$4,847,295
Adjustments	0	138,402	47,519	47,992	48,473
Total SDIT Line #1.030	<u>\$4,613,382</u>	<u>\$4,751,784</u>	<u>\$4,799,303</u>	<u>\$4,847,295</u>	<u>\$4,895,768</u>

Current State Funding Model per HB96 through June 30, 2027

State Foundation Revenue Estimates

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 FY26 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 on the formula in FY28-FY31 on the Fair School Funding Plan (FSFP).

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

State Funding FY26-FY27

The Fair School Funding Plan was presented as a six (6) year phase-in plan, the state legislature approved the final two (2) years of the funding plan in HB96 phasing in funding at 83.33% in FY26 and then 100% in FY27. However, the legislature did not increase the funding base inputs from FY25. In other words, the legislature did not increase funding in the foundation formula. They did increase transportation funding's state share percentage to 45.83% in FY26, and 50% in FY27, which could increase funding, and; they added three (3) Supplemental Payments outside the formula: a Base Funding Supplement, Enrollment Growth Supplement and Performance Supplement.

The Base Funding Supplement will be paid to all districts. The funding supplement per pupil is \$27 in FY26 and \$40 in FY27.

The Enrollment Growth Supplement is paid to eligible districts based on the current FY26 enrolled ADM multiplied by \$225 per student, and in FY27 based on FY27 enrolled ADM multiplied by \$250. To be eligible

enrolled ADM growth between FY22 and FY25 must equal or exceed 5% growth, and FY27 enrolled ADM growth between FY23 and FY26 must equal or exceed 3%. Our district does not qualify for this payment.

The Performance Supplement was included in HB96. The eligibility for the supplement payment uses data from the state report card for the 2024-2025 school year for FY26 and 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. Our district will not receive additional performance supplement funds.

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.

Future State Budget Projections beyond FY27

Our funding status for FY28-FY31 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget processes; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative date 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	\$12,482,763	\$12,490,605	\$12,490,605	\$12,490,605	\$12,490,605
Additional Aid Items	<u>231.158</u>	<u>184.983</u>	<u>184.983</u>	<u>184.983</u>	<u>184.983</u>
Basic Aid-Unrestricted Subtotal	12,713,921	12,675,588	12,675,588	12,675,588	12,675,588
Ohio Casino Commission ODT	<u>146.281</u>	<u>148.480</u>	<u>150.699</u>	<u>152.962</u>	<u>155.246</u>
Total Unrestricted State Aid Line #1.035	<u>\$12,860,202</u>	<u>\$12,824,068</u>	<u>\$12,826,287</u>	<u>\$12,828,550</u>	<u>\$12,830,834</u>

Restricted State Revenues – Line #1.040

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. We were also notified that Threshold reimbursements starting in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

We have estimated revenues for these new restricted funding lines using the most current funding factors available. For fiscal years 2026 and 2027, HB96 modifies how DPIA is calculated by factoring in both directly certified and economically disadvantaged students. The new DPIA formula modified the weight given to these student groups over the biennium which has resulted in calculated DPIA state funding in FY26 and FY27 being \$86.6 million less than in FY25.

Source	FY27	FY28	FY29	FY30	FY31
Economically Disadvantaged Aid	\$108,421	\$108,421	\$108,421	\$108,421	\$108,421
ESL	589	589	589	589	589
Gifted	123,390	123,390	123,390	123,390	123,390
Career Tech - Restricted	61,012	61,012	61,012	61,012	61,012
Student Wellness	351,580	351,580	351,580	351,580	351,580
Other Restricted State Funds	0	0	0	0	0
Threshold Aid	<u>47,640</u>	<u>47,640</u>	<u>47,640</u>	<u>47,640</u>	<u>47,640</u>
Total Restricted State Revenues Line #1.040	<u>\$692,632</u>	<u>\$692,632</u>	<u>\$692,632</u>	<u>\$692,632</u>	<u>\$692,632</u>

Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

SUMMARY	FY27	FY28	FY29	FY30	FY31
Unrestricted Line #1.035	\$12,860,935	\$12,825,533	\$12,828,528	\$12,831,588	\$12,834,713
Restricted Line #1.040	692,632	692,632	692,632	692,632	692,632
Rest. Federal Funds #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$13,553,567</u>	<u>\$13,518,165</u>	<u>\$13,521,160</u>	<u>\$13,524,220</u>	<u>\$13,527,345</u>

State Share of Local Property Tax – Line #1.050

Rollback and Homestead Reimbursement

Property tax rollback and homestead reimbursements are payments received from the State of Ohio to reimburse the District for certain property tax credits provided to qualifying taxpayers.

Historically, qualifying owner-occupied residential property has received both a 10% nonbusiness property tax rollback and a 2.5% owner-occupancy credit on eligible levies approved before September 29, 2013. HB59 eliminated these credits for new levies approved after that date. Homestead Exemption reimbursements are also paid by the State for qualifying elderly, disabled, veteran, surviving-spouse, and other eligible property owners.

HB96 modifies the existing rollback structure beginning in Tax Year 2026. For most residential property, the 10% nonbusiness rollback is phased down over four years, while the owner-occupancy credit is increased over the same period. The combined effect for qualifying owner-occupied property is an increase in the total credit from 12.5% to 15.38% by Tax Year 2029. The 10% rollback generally remains in place for qualifying nontimber agricultural land. The State continues to reimburse the District for these statutory credits.

The forecast reflects the scheduled phase-in of these changes based on currently available information. The ultimate amount attributable to agricultural property and other classifications will be refined as actual tax settlement information becomes available. Homestead reimbursements will continue to vary annually based on the number of qualifying taxpayers and applicable exemption amounts.

HB479, signed in June 2026 and generally effective September 23, 2026, also provides a one-time additional property tax reduction for qualifying homestead properties for Tax Year 2026, which will generally affect tax bills paid in calendar year 2027. The State will reimburse local governments and school districts for the resulting reduction in property tax collections.

HB479 also modifies the ongoing calculation of the homestead exemption in coordination with the new HB186 property tax credits. This change is estimated to increase statewide homestead tax relief by approximately \$44 million annually, with a corresponding increase in State reimbursements to local governments and school districts.

Forecasted rollback and homestead reimbursements are based on the most current statutory provisions and available tax information and will be updated as actual settlement data and State reimbursement information become available

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 HB 186 Revenue Guarantee

HB 186 authorizes temporary “hold harmless” payments to school districts and joint vocational school districts (JVSDs located in counties that underwent a reappraisal or triennial update in tax year 2023 or 2024 and that, as a result of the act’s temporary tax credit, would otherwise receive less property tax revenue in tax year 2025 than in tax year 2024.

- For districts in 2023 reappraisal/update counties, the guarantee applies to tax year 2025.
- For districts in 2024 reappraisal/update counties, the guarantee applies to tax years 2025 and 2026.

Under the act, the Ohio Tax Commissioner will calculate the difference between a district’s real property tax revenue in tax year 2024 and its revenue in tax year 2025 (and 2026, if applicable) and issue payments for any shortfall.

Licking Valley anticipates receiving a hold-harmless payment under HB 186. The Ohio Department of Taxation expects to notify the Ohio Department of Education of these amounts and districts who receive this payment in August. A record request has been made for this data and we will adjust the forecast as data from the ODT becomes available.

Summary of State Reimbursement for Property Tax Credits – Line #1.050

Source	FY27	FY28	FY29	FY30	FY31
Rollback and Homestead	\$1,113,458	\$1,215,392	\$1,209,124	\$1,305,468	\$1,374,948
b) TPP Reimbursement - Fixed Rate	0	0	0	0	0
HB 186 Partial Reimbursement of Taxes	348,700	0	0	0	0
Total Tax Reimbursements #1.050	\$1,462,158	\$1,215,392	\$1,209,124	\$1,305,468	\$1,374,948

Other Local Revenues – Line #1.060

The main sources of revenue in this area have been tuition for court placed students, student fees, Federal Impact Aid, Medicaid reimbursements and general rental fees. These revenue sources are expected to remain relatively stable.

Interest income is based on the district's cash balances. While interest income in FY26 remained steady due to laddered investment strategies, expected Federal Reserve rate cuts will begin to have an impact on earnings in FY27 and future years. We will continue to monitor the investments for the district.

<u>Source</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Tuition Related Payments	\$240,897	\$240,897	\$240,897	\$240,897	\$240,897
Class & Sports Oriented Fees	107,232	107,232	107,232	107,232	107,232
Interest Earnings	523,465	366,426	183,213	91,607	45,804
Miscellaneous	<u>341,759</u>	<u>341,759</u>	<u>341,759</u>	<u>341,759</u>	<u>341,759</u>
Total Other Local Revenue Line #1.060	<u>\$1,213,353</u>	<u>\$1,056,314</u>	<u>\$873,101</u>	<u>\$781,495</u>	<u>\$735,692</u>

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

There is no short-term borrowing projected in this forecast.

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

These are non-operating revenues which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year.

<u>Source</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Transfers In - Line #2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line #2.050	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>
Total Transfer & Advances In	<u>\$155,000</u>	<u>\$155,000</u>	<u>\$155,000</u>	<u>\$155,000</u>	<u>\$155,000</u>

All Other Financial Sources – Line #2.060 & Line #14.010

This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent from year to year.

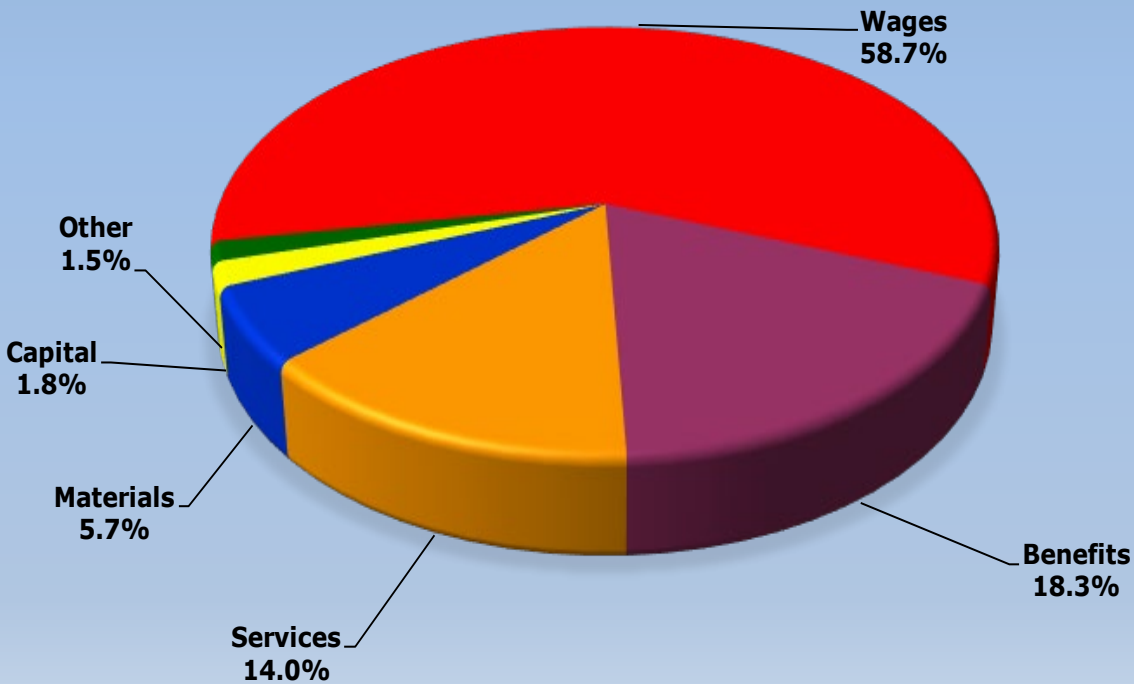
<u>Source</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Refund of prior years expenditures	<u>\$16,355</u>	<u>\$16,355</u>	<u>\$16,355</u>	<u>\$16,355</u>	<u>\$16,355</u>

Expenditures Assumptions

The District continually evaluates its expenditures to ensure available resources are aligned with student needs and the educational priorities of the District. Staffing levels, curriculum and instructional programs, technology, facilities, and other operational needs are reviewed on an ongoing basis as part of the District's financial planning process.

Expenditure projections included in this forecast reflect the District's current staffing, programs, contractual obligations, and anticipated operational needs. As conditions change, the administration will continue to evaluate expenditures with the goal of supporting student achievement while maintaining long-term financial sustainability.

GENERAL FUND OPERATING EXPENDITURES EST. FY27
\$27,202,389



Personnel Services – Employees’ Salaries & Wages – Line #3.010

Expenditures in this category represent salaries and wages for services provided by all certificated, classified, administrative, and other union and non-union employees of the District.

Current collective bargaining agreements include base salary increases of 4.0% in FY25, 3.0% in FY26, and 3.0% in FY27. For planning purposes, the forecast assumes annual salary increases of approximately 2.0% for FY28 through FY31. These future increases are estimates only and will be adjusted as future collective bargaining agreements and compensation decisions are finalized.

The forecast also includes the addition of one Intervention Specialist position in FY27. Based on projected enrollment, student needs, and special education service requirements, the District has also included an additional Intervention Specialist position beginning in FY28.

<u>Source</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Base Wages	\$13,110,549	\$13,989,711	\$14,725,251	\$15,432,084	\$16,159,681
Based Pay Increase	400,055	286,667	301,516	315,653	330,205
Steps & Academic Training	360,540	360,540	384,717	404,944	424,382
Growth Staff	66,667	81,333	13,600	0	0
New Building Staff	0	0	0	0	0
Substitutes	1,308,401	1,334,569	1,361,260	1,388,485	1,416,255
Supplementals	431,702	402,336	426,536	451,220	476,397
Severance	246,887	179,294	184,673	190,213	195,919
Grant Adjustments	185,000	0	0	0	0
Other Adjustments/Reductions	<u>(140,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Wages Line #3.010	<u>\$15,969,801</u>	<u>\$16,634,450</u>	<u>\$17,397,553</u>	<u>\$18,182,599</u>	<u>\$19,002,839</u>

Employees' Retirement & Insurance Benefits Estimates Line #3.020

This category includes expenditures for employee retirement contributions, health insurance, Medicare, workers' compensation, unemployment compensation, tuition reimbursement, and other employee-related benefits. Many of these costs are directly tied to salaries and wages, while others vary based on insurance rates, claims experience, statutory requirements, and employee participation.

STRS/SERS

The District contributes 14% of eligible wages to either the State Teachers Retirement System (STRS) or the School Employees Retirement System (SERS), as required by Ohio law. In addition, the District pays an annual SERS surcharge for certain lower-paid employees as calculated by SERS.

Insurance

The forecast assumes an increase in health insurance costs of approximately 11% in FY27 and 10% annually from FY28 through FY31. Actual costs will depend on future premiums, claims experience, plan design, employee participation, and other factors affecting the District's health insurance program.

Workers Compensation & Unemployment Compensation

Workers' compensation costs are projected at approximately 0.25% of wages in FY27. Future workers' compensation and unemployment compensation costs are projected based on current experience and may vary depending on claims activity, staffing changes, and other factors throughout the forecast period.

Medicare

The District contributes 1.45% of applicable wages for employees subject to Medicare. Medicare expenditures are therefore projected to increase generally in relation to changes in salaries and wages throughout the forecast period.

Other/Tuition

The District provides tuition reimbursement to eligible employees in accordance with applicable collective bargaining agreements, contracts, and District requirements. No significant increase in tuition reimbursement expenditures is currently anticipated during the forecast period.

Summary of Retirement/Insurance Benefits – Line #3.02

Source	FY27	FY28	FY29	FY30	FY31
A) STRS/SERS	\$2,483,019	\$2,583,517	\$2,704,307	\$2,827,575	\$2,956,162
B) Insurance's	2,211,323	2,656,379	3,150,122	3,689,975	4,283,814
C) Workers Comp/Unemployment	39,933	38,550	40,081	41,656	43,301
D) Medicare	226,331	233,804	240,217	252,067	263,648
Other/Tuition/Annuities	<u>29,012</u>	<u>29,012</u>	<u>29,012</u>	<u>29,012</u>	<u>29,012</u>
Total Fringe Benefits Line #3.020	<u>\$4,989,618</u>	<u>\$5,541,262</u>	<u>\$6,163,739</u>	<u>\$6,840,285</u>	<u>\$7,575,937</u>

Purchased Services – Line #3.030

Expenditures in this category include College Credit Plus, excess costs and other tuition-related expenses, utilities, special education services, security-related costs, and other purchased services.

College Credit Plus, excess costs, and other tuition expenses are expected to continue throughout the forecast period and have been projected based on recent historical trends and anticipated student participation.

The District also anticipates increased utility costs, primarily due to higher electricity costs, as well as increased special education expenditures based on current and anticipated student service needs.

The forecast further includes anticipated costs associated with upgrading security camera systems throughout the District, with an initial focus on improvements at the Elementary School.

Overall, expenditures in this category are projected to increase by approximately 3% annually during the forecast period. Actual expenditures may vary depending on student needs, utility rates, participation in tuition-based programs, and the timing and scope of security and other operational projects.

Source	FY27	FY28	FY29	FY30	FY31
Professional & Technical Services, ESC	\$992,403	\$1,022,175	\$1,052,840	\$1,084,425	\$1,116,958
Maintenance, Insurance & Garbage Removal	612,851	631,237	650,174	669,679	689,769
Professional Development	54,481	56,115	57,798	59,532	61,318
Communications, Postage, & Telephone	62,613	64,491	66,426	68,419	70,472
Utilities	794,112	829,847	867,190	906,214	946,994
Contracted Trades & Services	0	0	0	0	0
Tuition, Excess Costs & Scholarship Costs	1,165,568	1,200,535	1,236,551	1,273,648	1,311,857
College Credit Plus	110,959	113,178	115,442	117,751	120,106
Contract Transportation	3,548	3,654	3,764	3,877	3,993
Miscellaneous Purchased Services	<u>122</u>	<u>124</u>	<u>126</u>	<u>129</u>	<u>132</u>
Total Purchased Services Line #3.030	<u>\$3,796,657</u>	<u>\$3,921,356</u>	<u>\$4,050,311</u>	<u>\$4,183,674</u>	<u>\$4,321,599</u>

Supplies and Materials – Line #3.040

This category includes expenditures for curriculum and instructional materials, testing supplies, copy paper, maintenance and custodial supplies, fuel, and other operating supplies.

The District anticipates an update to the Elementary School mathematics curriculum during FY27, which is reflected in the forecasted expenditures for this category.

Overall, supplies and materials are projected to increase by approximately 4% annually during the forecast period to account for anticipated inflationary increases and ongoing instructional and operational needs. Actual expenditures may vary based on curriculum adoption schedules, fuel costs, purchasing needs, and market conditions.

Source	FY27	FY28	FY29	FY30	FY31
General Office Supplies & Materials	\$692,506	\$865,206	\$717,814	\$861,527	\$1,010,988
Textbooks & Instructional Supplies	253,369	285,040	320,670	360,754	405,848
Facility Supplies & Materials	310,430	322,847	335,761	349,191	363,159
Transportation Fuel & Supplies	292,027	303,708	315,856	328,490	341,630
Other adjustments	0	0	0	0	0
Total Supplies Line #3.040	<u>\$1,548,332</u>	<u>\$1,776,801</u>	<u>\$1,690,101</u>	<u>\$1,899,962</u>	<u>\$2,121,625</u>

Capital Outlay – Line #3.050

Capital outlay expenditures in the General Fund are primarily for necessary equipment, technology, furnishings, and other capital-related purchases that are not funded through other District resources.

The District does not anticipate significant growth in General Fund capital outlay during the forecast period because many larger capital needs are planned and funded through the Permanent Improvement Fund and other designated capital resources.

Forecasted General Fund capital outlay will continue to reflect anticipated operational needs and may vary based on equipment replacement cycles, technology needs, and other unforeseen capital requirements.

Source	FY27	FY28	FY29	FY30	FY31
Capital Outlay & Maintenance	\$494,290	\$414,062	\$430,624	\$447,849	\$465,763
Technology/Curriculum Purchases	0	0	0	0	0
Busses & Other Vehicles	0	0	0	0	0
Other adjustments	0	0	0	0	0
Total Equipment Line #3.050	<u>\$494,290</u>	<u>\$414,062</u>	<u>\$430,624</u>	<u>\$447,849</u>	<u>\$465,763</u>

Other Objects – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses.

Source	FY27	FY28	FY29	FY30	FY31
County Auditor & Treasurer Fees	\$190,226	\$197,835	\$209,705	\$222,287	\$235,624
ESC Deduction	0	0	0	0	0
Annual Audit Costs	41,245	42,895	44,611	46,395	48,251
Dues, Fees & other Expenses	<u>167,767</u>	<u>174,478</u>	<u>181,457</u>	<u>188,715</u>	<u>196,264</u>
Total Other Expenses Line #4.300	<u>\$399,238</u>	<u>\$415,208</u>	<u>\$435,773</u>	<u>\$457,397</u>	<u>\$480,139</u>

Transfers Out/Advances Out – Line #5.010

This line includes fund-to-fund transfers and year-end short-term advances from the General Fund to other funds pending reimbursement. Transfers are reduced in FY27 and remain stable during the forecast period.

Source	FY27	FY28	FY29	FY30	FY31
Operating Transfers Out Line #5.010	\$253,529	\$253,529	\$406,529	\$561,529	\$716,529
Advances Out Line #5.020	<u>259,781</u>	<u>259,781</u>	<u>259,781</u>	<u>259,781</u>	<u>259,781</u>
Total Transfer & Advances Out	<u>\$513,310</u>	<u>\$513,310</u>	<u>\$666,310</u>	<u>\$821,310</u>	<u>\$976,310</u>

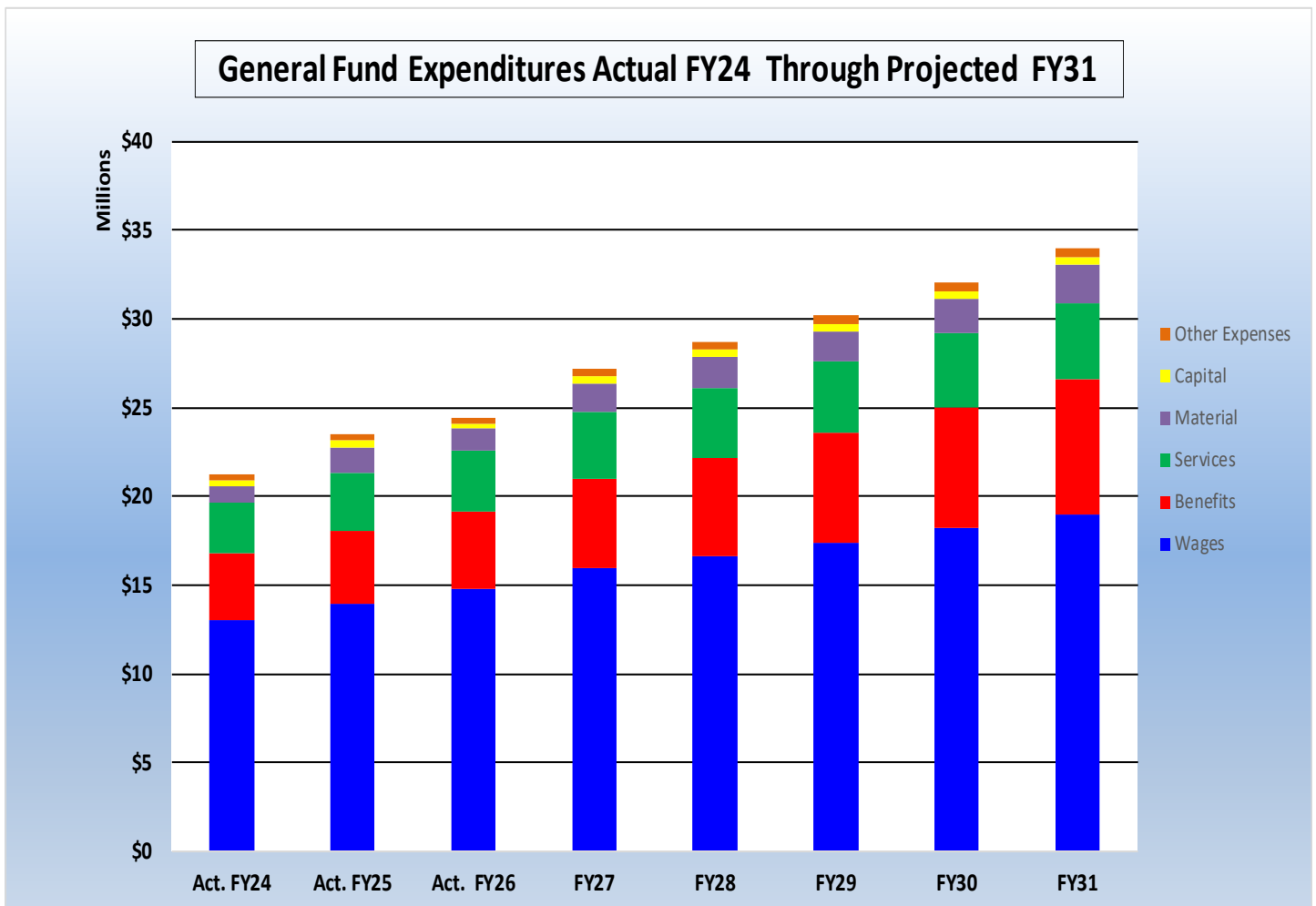
Encumbrances – Line #8.010

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.

	FY27	FY28	FY29	FY30	FY31
Estimated Encumbrances Line #8.010	<u>\$62,167</u>	<u>\$62,167</u>	<u>\$62,167</u>	<u>\$62,167</u>	<u>\$62,167</u>

Total Expenditure Categories Actual Fiscal Year 2024 through Fiscal Year 2026 and Estimated Fiscal Year 2027 through Fiscal Year 2031

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



Ending Unencumbered Cash Balance– Line #15.010

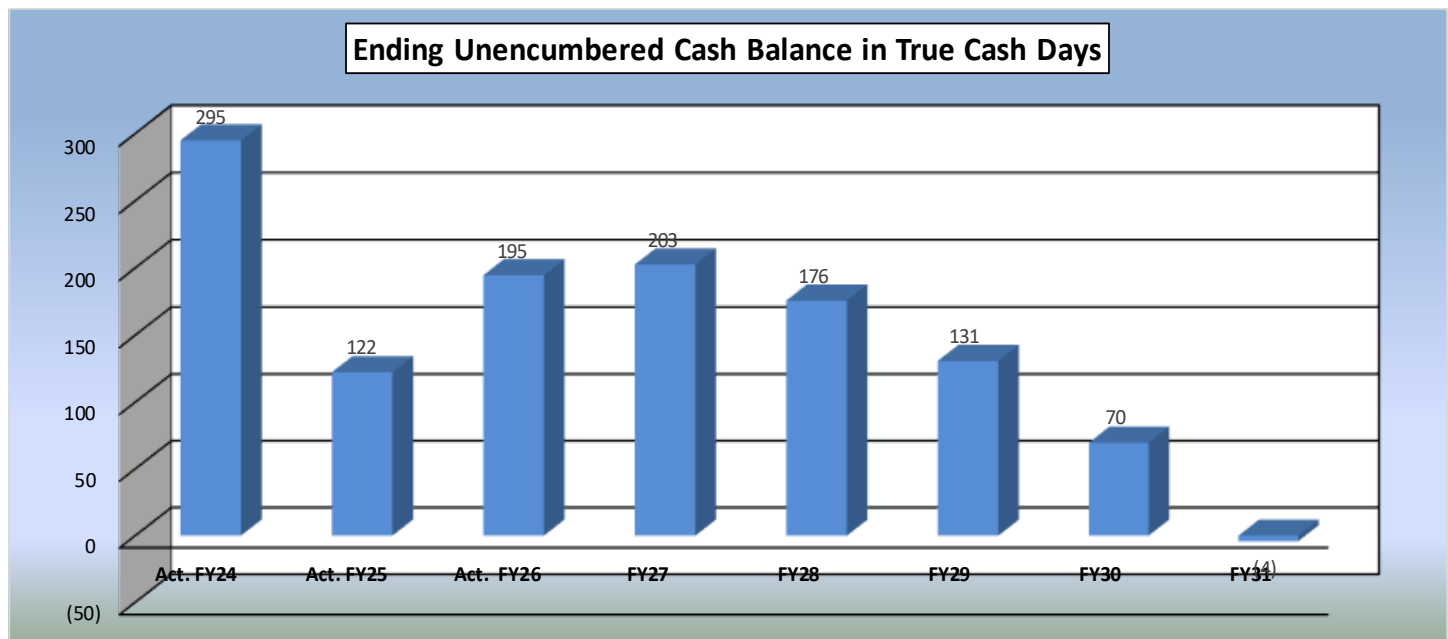
This amount must not go below \$-0- or the district General Fund will violate Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of Ohio Revised Code section 5705.412, punishable by personal liability of \$10,000, unless an alternative “412”

certificate can be issued pursuant to House Bill 153 effective September 30, 2011. It is recommended by the GFOA and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance.

	FY27	FY28	FY29	FY30	FY31
Ending Unreserved Cash Balance Line #15.01	<u>\$15,388,933</u>	<u>\$14,077,354</u>	<u>\$11,054,930</u>	<u>\$6,264,707</u>	<u>(\$401,053)</u>

True Cash Days Ending Balance

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = 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 of cash on hand at year end but could be more depending on each district’s complexity and risk factors for revenue collection.



As you read through the notes and review the forecast, remember that the forecast is based on the best information available to us when the forecast is prepared.