

**COSHOCTON CITY SCHOOL DISTRICT- COSHOCTON COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2023, 2024, and 2025 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2026, THROUGH JUNE 30, 2030**



**Forecast Provided By
Coshocton City School District
Treasurer's Office
Terri Eyerman, Treasurer/CFO
February 26, 2026**

Coshocton City School District

Coshocton County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2023, 2024 and 2025 Actual;
Forecasted Fiscal Years Ending June 30, 2026 Through 2030

	Actual				Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Average Change	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Revenues									
1.010 General Property Tax (Real Estate)	4,593,946	4,499,695	4,553,001	-0.4%	4,793,942	4,756,116	4,729,139	4,710,787	4,717,253
1.020 Public Utility Personal Property Tax	862,536	985,596	1,025,556	9.2%	977,393	967,865	980,683	993,474	1,008,139
1.030 Income Tax	-	-	-	0.0%	-	-	-	-	-
1.035 Unrestricted State Grants-in-Aid	11,011,705	12,161,301	13,325,592	10.0%	13,751,496	14,639,803	14,640,861	14,641,929	14,643,009
1.040 Restricted State Grants-in-Aid	2,235,220	2,210,096	1,981,052	-5.7%	1,792,662	1,725,706	1,725,706	1,725,706	1,725,706
1.045 Restricted Federal Grants In Aid	-	-	-	0.0%	-	-	-	-	-
1.050 State Reimbursement for Property Tax Credits	577,106	569,265	595,741	1.6%	631,730	639,497	639,973	640,592	641,815
1.060 All Other Revenues	529,708	814,207	765,557	23.9%	738,981	715,562	694,989	676,984	661,294
1.070 Total Revenues	19,810,221	21,240,160	22,246,499	6.0%	22,686,202	23,444,548	23,411,352	23,389,472	23,397,217
Other Financing Sources									
2.040 Operating Transfers-In	0	0	0	0.0%	-	-	-	-	-
2.050 Advances-In	145,340	422,604	39,237	50.0%	20,000	20,000	50,000	50,000	50,000
2.060 All Other Financing Sources	60,575	32,061	24,159	-35.9%	30,000	30,000	30,000	30,000	30,000
2.070 Total Other Financing Sources	205,915	454,665	63,396	17.4%	50,000	50,000	80,000	80,000	80,000
2.080 Total Revenues and Other Financing Sources	20,016,136	21,694,825	22,309,895	5.6%	22,736,202	23,494,548	23,491,352	23,469,472	23,477,217
Expenditures									
3.010 Personnel Services	9,942,848	10,660,542	12,121,040	10.5%	11,609,773	11,965,016	12,544,898	13,153,603	13,792,570
3.020 Employees' Retirement/Insurance Benefits	4,618,228	5,368,075	6,079,345	14.7%	6,437,894	6,798,684	7,252,366	7,740,941	8,265,374
3.030 Purchased Services	2,733,867	3,180,157	3,509,799	13.3%	3,927,348	3,929,574	4,012,378	4,096,965	4,183,375
3.040 Supplies and Materials	663,953	953,260	761,650	11.7%	836,324	856,153	876,473	897,294	918,631
3.050 Capital Outlay	137,536	169,828	128,066	-0.6%	688,203	133,240	135,905	138,623	141,395
4.050 Principal-HB 264 Loans	83,000	85,000	87,000	2.4%	91,000	94,000	96,000	30,000	30,000
4.055 Principal-Other	37,000	38,000	76,701	52.3%	-	-	-	-	-
4.060 Interest and Fiscal Charges	32,855	28,934	23,004	-16.2%	9,622	6,498	3,272	548	548
4.300 Other Objects	262,432	279,042	246,653	-2.6%	273,427	278,896	284,474	290,163	295,966
4.500 Total Expenditures	18,511,719	20,762,838	23,033,258	11.5%	23,873,591	24,062,060	25,205,765	26,348,136	27,627,859
Other Financing Uses									
5.010 Operating Transfers-Out	53,993	63,750	51,918	-0.2%	55,000	75,000	75,000	75,000	75,000
5.020 Advances-Out	422,604	39,237	20,000	-69.9%	20,000	50,000	50,000	50,000	50,000
5.030 All Other Financing Uses	-	-	-	0.0%	-	-	-	-	-
5.040 Total Other Financing Uses	476,597	102,987	71,918	-54.3%	75,000	125,000	125,000	125,000	125,000
5.050 Total Expenditures and Other Financing Uses	18,988,316	20,865,825	23,105,176	10.3%	23,948,591	24,187,060	25,330,765	26,473,136	27,752,859
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,027,820	829,000	(795,281)	-107.6%	(1,212,388)	(692,513)	(1,839,413)	(3,003,665)	(4,275,642)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	3,713,452	4,741,272	5,570,272	22.6%	4,774,991	3,562,603	2,870,090	1,030,677	(1,972,988)
7.020 Cash Balance June 30	4,741,272	5,570,272	4,774,991	1.6%	3,562,603	2,870,090	1,030,677	(1,972,988)	(6,248,629)
8.010 Estimated Encumbrances June 30	482,676	465,881	376,116	-11.4%	383,638	391,311	399,137	407,120	415,262
Reservation of Fund Balance									
9.010 Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020 Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030 Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.040 DPIA	-	-	-	0.0%	-	-	-	-	-
9.045 Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050 Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060 Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070 Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080 Subtotal	-	-	-	0.0%	-	-	-	-	-
10.010 Appropriations	4,258,596	5,104,391	4,398,875	3.0%	3,178,964	2,478,779	631,540	(2,380,108)	(6,663,892)
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal	-	-	-	0.0%	-	-	-	-	-
11.020 Property Tax - Renewal or Replacement	-	-	-	0.0%	-	-	-	-	-
11.300 Cumulative Balance of Replacement/Renewal Levies	-	-	-	0.0%	-	-	-	-	-
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	4,258,596	5,104,391	4,398,875	3.0%	3,178,964	2,478,779	631,540	(2,380,108)	(6,663,892)
Revenue from New Levies									
13.010 Income Tax - New	-	-	-	0.0%	-	-	-	-	-
13.020 Property Tax - New	-	-	-	0.0%	-	-	-	-	-
13.030 Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
15.010 Unreserved Fund Balance June 30	4,258,596	5,104,391	4,398,875	3.0%	3,178,964	2,478,779	631,540	(2,380,108)	(6,663,892)

Coshocton City School District –Coshocton County
Notes to the Five-Year Forecast
General Fund Only

Introduction to the Five Year Forecast

A forecast is a snapshot of today. Based on historical trends, what we know and future assumptions. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), new state mandates, tax levies, property reappraisals and updates, salary increases, health insurance increases, enrollment variances, or changes to property valuations due to businesses moving in or out of the district.

As noted below the current state budget approved in HB96 changed the forecast based on what the state Ohio and the Ohio Department of Workforce and Education will require, however the Board of Education will continue to plan over a five-year period. Our district leadership believes that the five-year forecast is a crucial management tool. A five-year planning horizon enables district management teams to examine future years' projections and identify when challenges will arise. This helps district management to be proactive in meeting those challenges.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer or Board of Education (BOE) of the individual school district with any questions you may have. The Treasurer or CFO submits the forecast, but the BOE is recognized as ultimately responsible for the development of the forecast and the official owner.

Here are at least three purposes or objectives of the five-year forecast:

- (1) To engage the local board of education and the community in long range planning and discussions of financial issues facing the school district
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate"
- (3) To provide a method for the Ohio Department of Education and Workforce, and the Auditor of State to identify school districts with potential financial problems

Ohio HB96 was passed in June 2025 which amended O.R.C. 5705.391 and O.A.C. 3301-92.04 requiring a Board of Education (BOE) to file their current years budgeted revenue and expenses, and three additional years. This is essentially a four (4) year forecast. Beginning in fiscal year 2026 (July 1 to June 30) the financial forecast must be filed by October 15, and the end of February. The filing deadlines will change in fiscal year 2027 to August 31, and end of February each fiscal year thereafter. 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 February 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws signed by Governor DeWine 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:

- 1) HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY26 and FY27. FY26 reflects 83.33% of the implementation cost at year five of a six-year phase-in plan, which increases by 16.66% each year. FY27 will result in 100% funding of (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 simulations published by the Department of Education and Workforce for our forecasted revenues in FY26.
- 2) On May 4, 2021, the district renewed the 4.9 mill operating levy which became a continuing levy. Voters also approved the \$900,000 substitute emergency levy for a continuing period.
- 3) The state budget represented 71% 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 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 FY30. We have projected our state funding in FY26 based on HB96 legislation with the Governor's vetoes in place. This forecast reflects state revenue to align with the FY27 funding levels through FY30, 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.

Coshocton County experienced a reappraisal update in tax year 2024 for collection in FY25. The 2024 update increased overall assessed values by \$34.6 million or an increase of 29.54% and Class II increased by \$2.2 million or 4.57% for an overall increase of 22.29% based on current sales data. A reappraisal update will occur in tax year 2027 to collect in 2028. The District is projecting a 3% increase in Class I values and 0% in Class II.

- 4) December 19, 2025, Governor DeWine signed into law several pieces of legislation that are the most sweeping changes to Ohio property tax law since 1976 when HB920 was passed. The legislation approved are: HB129, HB186, HB309 and HB335. These laws become effective March 19, 2026, which is after the February filing deadline for this forecast. 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. The ODT has until April 20, 2026 to calculate any tax reductions that impact school districts.

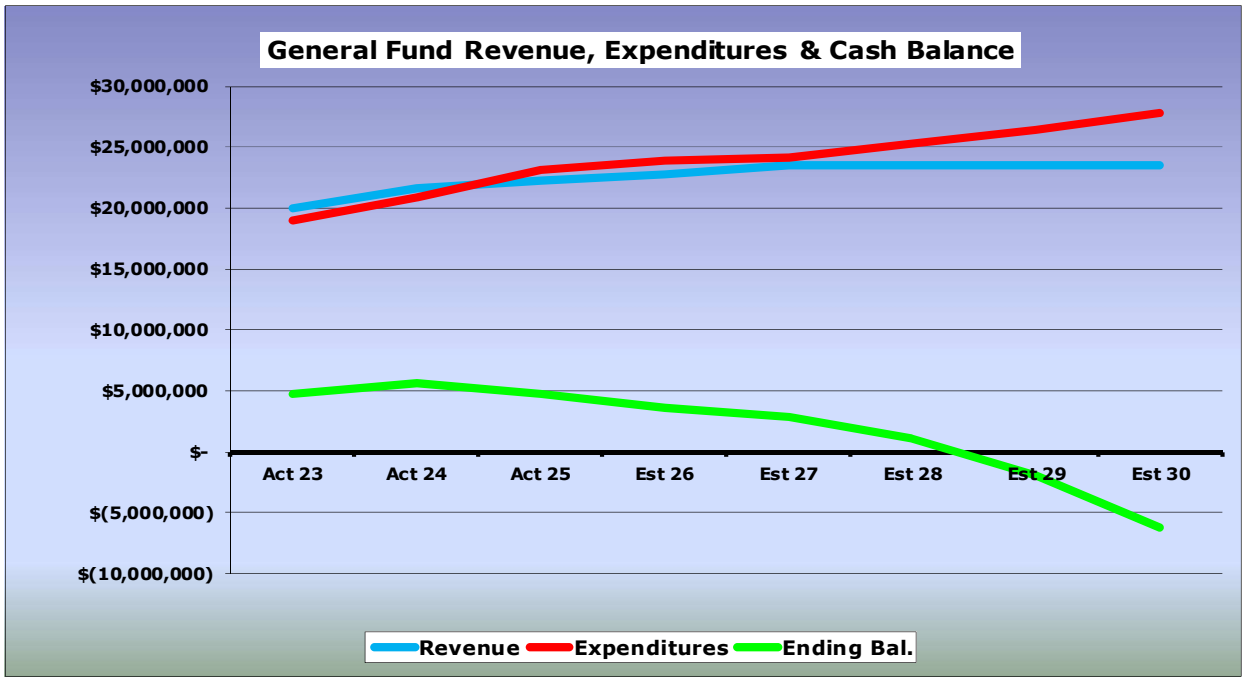
A brief summary of the impact of each piece of legislation is noted below with specific anticipated impacts to this forecast noted in Estimated Real Estate Tax Line 1.01 section of these assumptions below:

- 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. Coshocton is on the 20-mill floor.
- 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. Coshocton is on the 20-mill floor as of tax year 2025.
- 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). Our district moved inside millage to permanent improvement to finance much needed repair. Due to the impact of HB335, HB129 and HB186, this move has had a negative impact on the forecast. However, we believe this was still in the best interest of the school district due to the major capital maintenance needs we have.

Because the new accelerated February filing deadline for school district forecasts and the Ohio Department of Taxations deadline of April 20, are misaligned, authoritative data concerning HB186's official impact on our district will not be received as of the filing of this forecast. We have estimated revenues and expenses based on the limited data available and understanding of this legislation. 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.

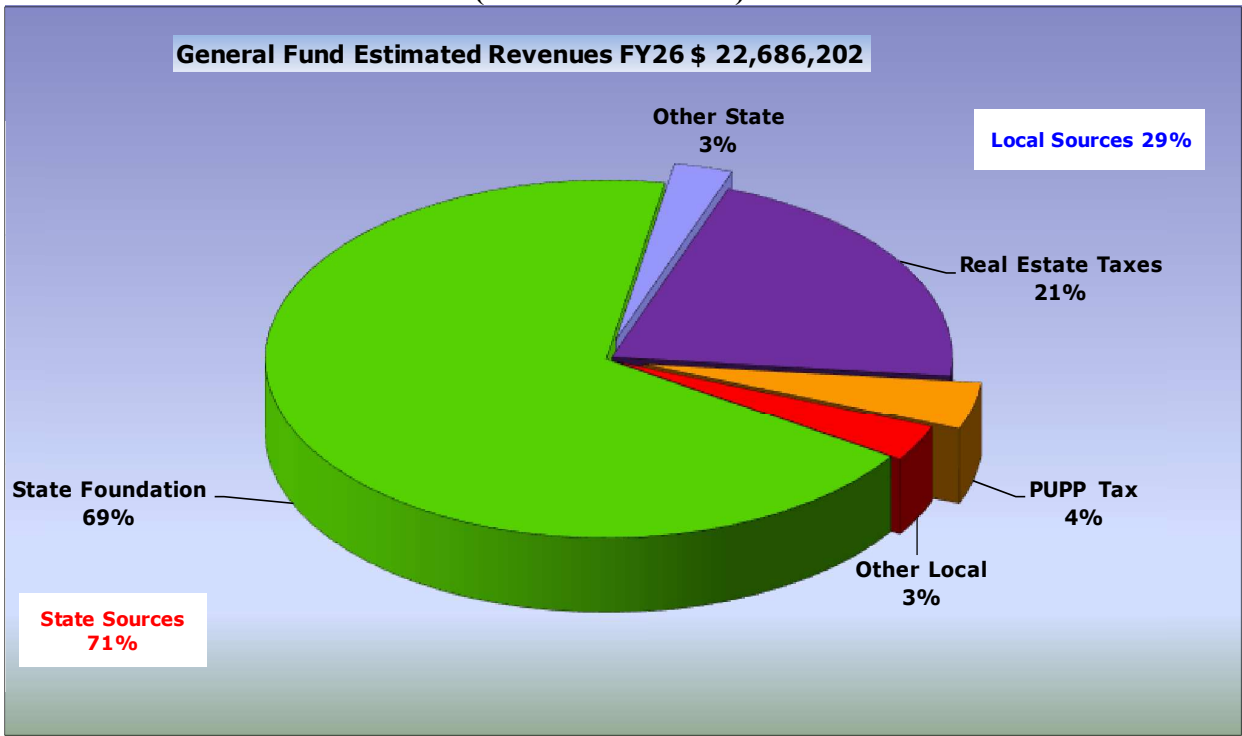
The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below to understand the overall financial forecast for our district. If you want further information, please contact Terri Eyerman, Treasurer/CFO, at 740-622-1901 ext. 1113.

General Fund Revenue, Expenditure and Ending Cash Balance Actual FY23-25 and Estimated FY26-30.
The graph captures in one snapshot the operating scenario facing the district over the next few years. The 4.9 Mill Operating Levy was approved by voters in May2021 for a continuing period. The substitute Emergency Levy was approved by voters in May 2023 for a continuing period.



Revenue Assumptions

All Revenue Sources General Fund FY26 (Forecast Line 1.07)



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Coshocton County experienced a reappraisal update in 2024 for collection in 2025 which realized a 29.54% increase in residential/agricultural based on current market trends and a 4.57% increase for commercial/industrial property for an overall increase of 22.29%. A full reappraisal will occur in tax year 2027 to collect in 2028. New HB186 allows new construction growth in property taxes irrespective of GDP DF. An increase in Class I values of 6% and Class II of 2% is projected due to the update.

Property tax levies are estimated to be collected at 99.5% of the annual amount, which accounts for delinquencies that occur. We also anticipate 61% of the Res/Ag and Comm/Ind property taxes will be collected in the February tax settlement and 39% will be collected in the August tax settlement.

Tax Rate Assumptions

The county auditor sets property tax rates for each levy that voters approve to fund the school district. Ohio law requires these tax rates to be adjusted over time so that rising property values do not automatically increase the amount of money the district collects beyond what voters originally approved. These adjustments are called “reduction factors.”. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. While voters approved a total rate of 44.75 mills for the district’s general fund levies, the current effective rate is 20.00 mills for Class I property and 28.37 mills for Class II property. Current Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Our district is on the floor for Class I but not on the floor for Class II.

HB129 is a new law that restores fixed sum levies AND now includes them in the 20-mill floor calculation. HB129 will be in effect following the Tax Year 2027 reappraisal/triennial update. Our district is expected to be impacted by including fixed sum (formerly emergency) levies in our 20-mill floor calculation starting for collection in calendar year 2028. This is expected to result in a loss of \$675 thousand in calendar year 2028 and reduce taxes by -\$1.7 million through FY30 on the forecast of taxes on Line 1.01 below.

Estimated Real Estate Tax Collection Assumptions & New Tax Laws

HB96 enacted a new provision called “Piggyback Property Tax Exemptions”. This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Our county commissioners did not vote to approve further Piggyback Property Tax Exemptions for tax year 2025. County commissioners have until December 2026 to implement this tax credit for tax year 2026. 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. The Ohio Department of Taxation is charged as the authoritative source with calculating the adjustments due to HB186, but has until April 20, 2026 to do so, which is after the filing deadline for this forecast.

Coshocton is not anticipating a negative claw back impact to our forecast due to HB186. This is based on our best estimate of HB186, but there is no authoritative updated information from the Ohio Department of

Taxation (ODT) at this time on the actual claw back amount. For planning purposes, we believe this is the worst-case scenario but again there is NO authoritative data on this. When authoritative data is released by the ODT, we will adjust the forecast accordingly.

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

As noted in the Forecast Risks and Uncertainty section above, there is no authoritative data for school districts that has been released by the Ohio Department of Taxation (ODT) on HB186. The ODT is the authority noted in HB186 to calculate all of the temporary tax credits and inflation cap credits to be used in tax year 2025 to collect in calendar year 2026. We will continue to monitor guidance as it is released and will update our forecast accordingly.

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

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated TAX YEAR 2025 COLLECT 2026	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029	Estimated TAX YEAR 2029 COLLECT 2030
<u>Classification</u>					
Res./Ag.	\$152,581,014	\$152,806,401	\$162,203,226	\$162,434,752	\$162,669,393
Comm./Ind.	51,474,000	51,474,000	52,503,480	52,503,480	52,503,480
Public Utility (PUPP)	<u>19,562,350</u>	<u>19,862,350</u>	<u>20,162,350</u>	<u>20,462,350</u>	<u>20,762,350</u>
Total Assessed Value	<u>\$223,617,364</u>	<u>\$224,142,751</u>	<u>\$234,869,056</u>	<u>\$235,400,582</u>	<u>\$235,935,223</u>

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Est. Property Taxes	\$4,793,942	\$4,756,116	\$4,729,139	\$4,710,787	\$4,717,253
Piggyback Exemption HB96	\$0	\$0	\$0	\$0	\$0
Other Tax Adjustments HB186	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Est. Property Taxes Line #1.010	<u>\$4,793,942</u>	<u>\$4,756,116</u>	<u>\$4,729,139</u>	<u>\$4,710,787</u>	<u>\$4,717,253</u>

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

Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. Collections are typically 50% in March and 50% in August along with the real estate settlements from the county auditor.

<u>Source</u>	FY 26	FY 27	FY 28	FY 29	FY 30
Public Utility Personal Property Taxes	<u>\$977,393</u>	<u>\$967,865</u>	<u>\$980,683</u>	<u>\$993,474</u>	<u>\$1,008,139</u>

Renewal Tax Levies – Line #11.020

On May 4, 2021, the district renewed the 4.9 mill operating levy which became a continuing levy. Voters also approved the \$900,000 substitute emergency levy for a continuing period.

New Tax Levies – Line #13.030 - No new levies are modeled in this forecast; however, the district will need to evaluate the needed resources to allow for the current educational delivery model and added services provided.

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Current State Funding Model per HB110 through June 30, 2023

A) Unrestricted State Foundation Revenue & Casino 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 FY26 and is expected to continue to be on the formula in FY27-FY30 on the Fair School Funding Plan (FSFP).

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

State Funding FY26-FY27 and Guarantees

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

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

The Enrollment Growth Supplement is paid to eligible districts based on the current FY26 enrolled ADM multiplied by \$225 per student, and in FY27 based on FY27 enrolled ADM multiplied by \$250. To be eligible enrolled ADM growth between FY22 and FY25 must equal or exceed 5% growth, and FY27 enrolled ADM growth between FY23 and FY26 must equal or exceed 3%. Our district does not qualify for this payment.

The Performance Supplement was included in HB96. The eligibility for the supplement payment uses data from the state report card for the 2024-2025 school year for FY26 and 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We are estimated to receive \$71 thousand in FY26.

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-FY30 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 data to work with. For this reason, funding is held constant in the forecast for FY28 through FY30.

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. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% 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 which began for the first time on January 31, 2013.

In FY25, the funding totaled \$114.30 million or \$65.70 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.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Basic Aid-Unrestricted	\$12,956,333	\$13,819,238	\$13,819,238	\$13,819,238	\$13,819,238
Additional Aid Items	<u>531,774</u>	<u>556,129</u>	<u>556,129</u>	<u>556,129</u>	<u>556,129</u>
Basic Aid-Unrestricted Subtotal	\$13,488,107	\$14,375,367	\$14,375,367	\$14,375,367	\$14,375,367
Ohio Casino Commission ODT/Medicaid	<u>263,389</u>	<u>264,436</u>	<u>265,494</u>	<u>266,562</u>	<u>267,642</u>
Total Unrestricted State Aid Line #1.035	<u>\$13,751,496</u>	<u>\$14,639,803</u>	<u>\$14,640,861</u>	<u>\$14,641,929</u>	<u>\$14,643,009</u>

B) Restricted State Revenues – Line # 1.040

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. The district has elected to also post Catastrophic (Threshold) Aid for special education as restricted revenues. 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 formula modified the weight given to these student groups over the biennium. We will not see the specific impact of this until after this forecast period.

Restricted Federal Grants in Aid – line #1.045

There is no additional restricted federal funding projected in this forecast.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
DPIA	\$1,334,372	\$1,247,828	\$1,247,828	\$1,247,828	\$1,247,828
Career Tech - Restricted	21,828	31,939	31,939	31,939	31,939
Gifted	88,068	91,439	91,439	91,439	91,439
ESL	1,015	1,142	1,142	1,142	1,142
Student Wellness	349,482	353,358	353,358	353,358	353,358
Other Restricted State Funding	<u>-2,103</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1	<u>\$1,792,662</u>	<u>\$1,725,706</u>	<u>\$1,725,706</u>	<u>\$1,725,706</u>	<u>\$1,725,706</u>

Summary of State Foundation Revenues

<u>SUMMARY</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Unrestricted Line # 1.035	\$13,751,496	\$14,639,803	\$14,640,861	\$14,641,929	\$14,643,009
Restricted Line # 1.040	1,792,662	1,725,706	1,725,706	1,725,706	1,725,706
Restricted Fed. Grants - Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$15,544,158</u>	<u>\$16,365,509</u>	<u>\$16,366,567</u>	<u>\$16,367,635</u>	<u>\$16,368,715</u>

State Taxes Reimbursement/Property Tax Allocation

A) 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, 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 to double the current Homestead Exemption and owner occupied 2.5% tax credit. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$259 thousand from current operating levies, if our County Commissioners implemented this.

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSs that are located in a county that underwent a reappraisal or triennial update in Tax Years 2023 and 2024 and that, due to the act’s temporary credit, would otherwise receive less property tax revenue in Tax Year 2025 than in Tax Year 2024. The revenue guarantee applies to Tax Year 2025, in the case of 2023 reappraisal or update counties, and to Tax Years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district’s real property tax revenue in Tax Year 2024 and its revenue in 2025 and, if applicable, 2026. We do not anticipate a hold harmless payment for HB186, but since the Ohio Department of Taxation has not released authoritative data on HB186 calculations, we cannot be certain of this. We will adjust the forecast as data from the ODT becomes available.

Summary of State Tax Reimbursement – Line #1.050

<u>Source</u>	FY 26	FY 27	FY 28	FY 29	FY 30
Rollback and Homestead	\$631,730	\$639,497	\$639,973	\$640,592	\$641,815
HB186 Partial Reimbursement	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
State Reimbursement for Property Tax C	<u>\$631,730</u>	<u>\$639,497</u>	<u>\$639,973</u>	<u>\$640,592</u>	<u>\$641,815</u>

Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees. Since FY22 any open-enrolled students since have been counted in our Enrolled ADM numbers for state funding and are not separately funded.

Interest income is based on the district’s cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. The Federal Reserve Bank cut interest rates by 50 basis point in September 2024. While interest income in FY25 should remain steady due to laddered investment strategies, the rate cuts will begin to have an impact on earnings in FY26 and future years. We will continue to monitor the investments for the district.

<u>Source</u>	FY 26	FY 27	FY 28	FY 29	FY 30
Tuition	333,501	336,836	340,204	343,606	347,042
Interest	280,080	252,072	226,865	204,178	183,760
Other Income	<u>125,400</u>	<u>126,654</u>	<u>127,920</u>	<u>129,199</u>	<u>130,491</u>
Total Line # 1.060	<u>\$738,981</u>	<u>\$715,562</u>	<u>\$694,989</u>	<u>\$676,984</u>	<u>\$661,294</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 to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The district does not anticipate any Transfers during the remainder of the forecast.

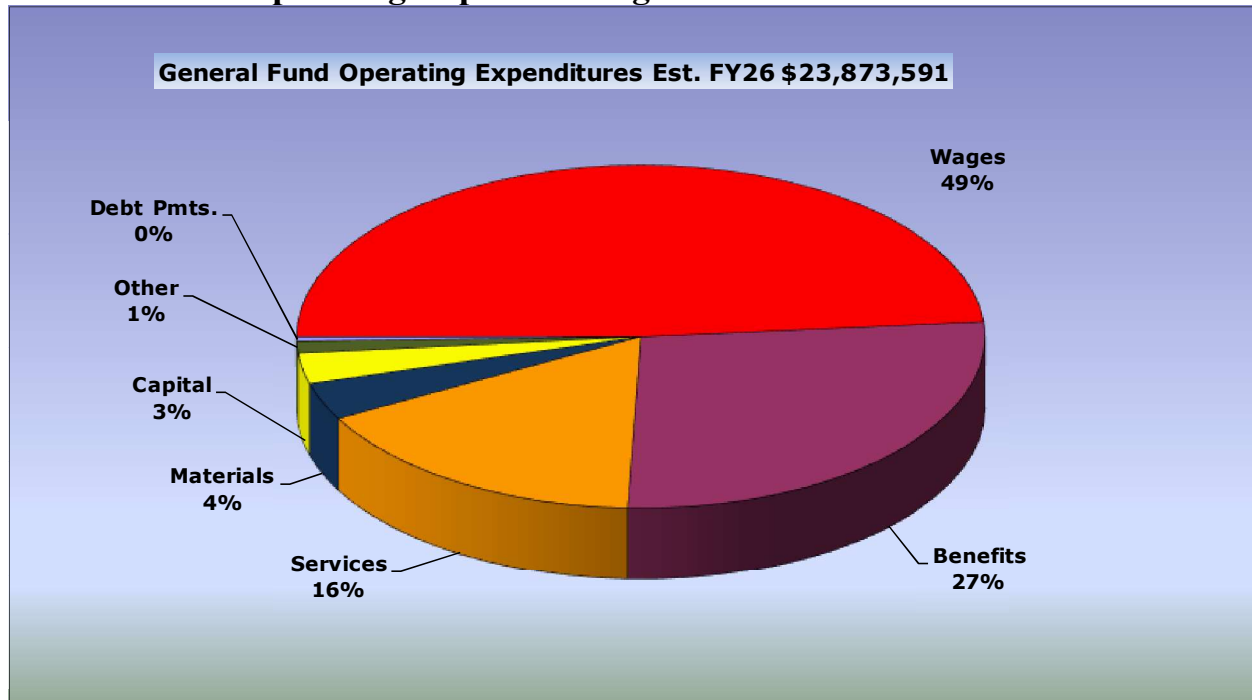
All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable. We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in FY24. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Expenditures Assumptions (Forecast Line #4.50)

The district's leadership team is always looking at ways to improve the education of our students whether with changes in curriculum or new technology needs. As the administration of the district constantly reviews expenditures the education of our students is at the forefront of decision making.

All Operating Expense Categories - General Fund FY26



Wages – Line #3.010

FY26 includes a 3% and FY27-FY30 include a 1% base increase. The calculation below assumes an equal rate increase for all staff. All OAPSE and CCEA employees received a one-time \$1,000 wage payout in FY24.

Summary of Personal Services – Line #3.010

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Base Wages	\$10,902,156	\$11,050,225	\$11,512,042	\$12,087,645	\$12,692,027
Wage adjustments	327,065	110,502	115,120	120,876	126,920
Steps & Training	436,086	442,009	460,482	483,506	507,681
Substitutes	161,374	162,988	164,618	166,264	167,927
Supplemental	262,362	264,985	267,635	270,311	273,015
Severance	135,812	25,000	25,000	25,000	25,000
Staff Reductions (Retire/Resignation)	(615,082)	(90,694)	0	0	0
Total Wages Line #3.010	<u>\$11,609,773</u>	<u>\$11,965,016</u>	<u>\$12,544,898</u>	<u>\$13,153,603</u>	<u>\$13,792,570</u>

Fringe Benefits Estimates – Line #3.020

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 using a blended rate of 15.9% for those that received pick-up on pick-up of the retirement and the additional surcharge for SERS members that do not earn \$21,600 each year. The amount included for SERS surcharge is \$35,000 per year based on historical trends.

B) Insurance

As the graph above notes health care is a significant cost for the district and continues to be a real challenge as costs rise. The district has an insurance committee made up of members of both classified, certificated and administrative staff. The committee will determine rate increases. FY26-FY30 includes an 8% increase each year. This increase is a blend of the districts history of claims increases and the industry standards of annual premium increases.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be approximately .038% of wages FY25- FY29. Unemployment is expected to remain at a very low level FY25-FY29. 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.

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 new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
STRS/SERS	\$2,068,705	\$2,136,765	\$2,226,724	\$2,322,879	\$2,423,817
Insurance's	4,112,760	4,420,014	4,773,615	5,155,505	5,567,945
Workers Comp/Unemployment	24,439	45,467	47,671	49,984	52,412
Medicare	168,342	161,437	169,356	177,574	186,200
Tuition and Other Benefits	<u>63,649</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Total Fringe Benefits Line #3.020	<u>\$6,437,894</u>	<u>\$6,798,684</u>	<u>\$7,252,366</u>	<u>\$7,740,941</u>	<u>\$8,265,374</u>

Purchased Services – Line #3.030

HB110, the previous state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education will directly pay these costs to the educating districts for open enrollment, community, and STEM schools and for scholarships granted to students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. In FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio's electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Insurance, Leases, Postage, & Other	\$212,514	\$216,765	\$221,100	\$225,522	\$230,033
Professional Services, Legal Fees & ESC	1,762,699	1,797,953	1,833,912	1,870,590	1,908,002
Other Tuition	1,047,786	1,068,742	1,090,117	1,111,919	1,134,158
Utilities	487,889	421,326	433,965	446,984	460,394
Building Repairs & Services	<u>416,459</u>	<u>424,788</u>	<u>433,284</u>	<u>441,949</u>	<u>450,788</u>
Total Purchased Services Line #3.030	<u>\$3,927,348</u>	<u>\$3,929,574</u>	<u>\$4,012,378</u>	<u>\$4,096,965</u>	<u>\$4,183,375</u>

Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Supplies, Textbooks, and other	\$526,023	\$536,543	\$547,274	\$558,220	\$569,384
Maintenance & Transportation Supplies	310,301	319,610	329,198	339,074	349,247
Total Supplies Line #3.040	<u>\$836,324</u>	<u>\$856,153</u>	<u>\$876,473</u>	<u>\$897,294</u>	<u>\$918,631</u>

Equipment – Line # 3.050

Equipment includes items that cost \$1,000 and have a useful life of five years or longer and typically include items such as buses, roof repair, asphalt, computers, and furniture. ESSER funds were used to offset some of the district's Capital Outlay, Technology and a bus purchase in FY25.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Capital Outlay	\$130,627	\$133,240	\$135,905	\$138,623	\$141,395
Curriculum/Sport Facility	400,000	-	-	-	-
Replacement Bus Purchases	157,576	-	-	-	-
Total Equipment Line #3.050	<u>\$688,203</u>	<u>\$133,240</u>	<u>\$135,905</u>	<u>\$138,623</u>	<u>\$141,395</u>

Principal and Interest Payment – Lines # 4.05 and 4.06

This category of expenditures includes HB264 projects and an operating lease. This is considered un-voted debt as there is a revenue source for the payment.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
HB 264 Principal Line 4.050	<u>\$91,000</u>	<u>\$94,000</u>	<u>\$96,000</u>	<u>\$30,000</u>	<u>\$30,000</u>
<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Interest Total Line 4.060	<u>\$9,622</u>	<u>\$6,498</u>	<u>\$3,272</u>	<u>\$548</u>	<u>\$548</u>

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, County Board of Education and other miscellaneous expenses. The district uses an average increase of 2% for the annual increase for this area.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Auditor & Treasurer Fees	\$168,947	\$172,326	\$175,772	\$179,288	\$182,873
County Board of Education	3,063	3,124	3,187	3,251	3,316
Other expenses	101,417	103,446	105,515	107,625	109,777
Total Other Expenses Line #4.300	<u>\$273,427</u>	<u>\$278,896</u>	<u>\$284,474</u>	<u>\$290,163</u>	<u>\$295,966</u>

Transfers Out/Advances Out – Line #5.010 and 5.020

This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. These expenses have been projected using historical trends. Transfers and advances must take Board of Education action and are processed on an as-needed basis.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Operating Transfers Out Line #5.010	\$55,000	\$75,000	\$75,000	\$75,000	\$75,000
Advances Out Line #5.020	20,000	50,000	50,000	50,000	50,000
Total Transfer & Advances Out	<u>\$75,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>

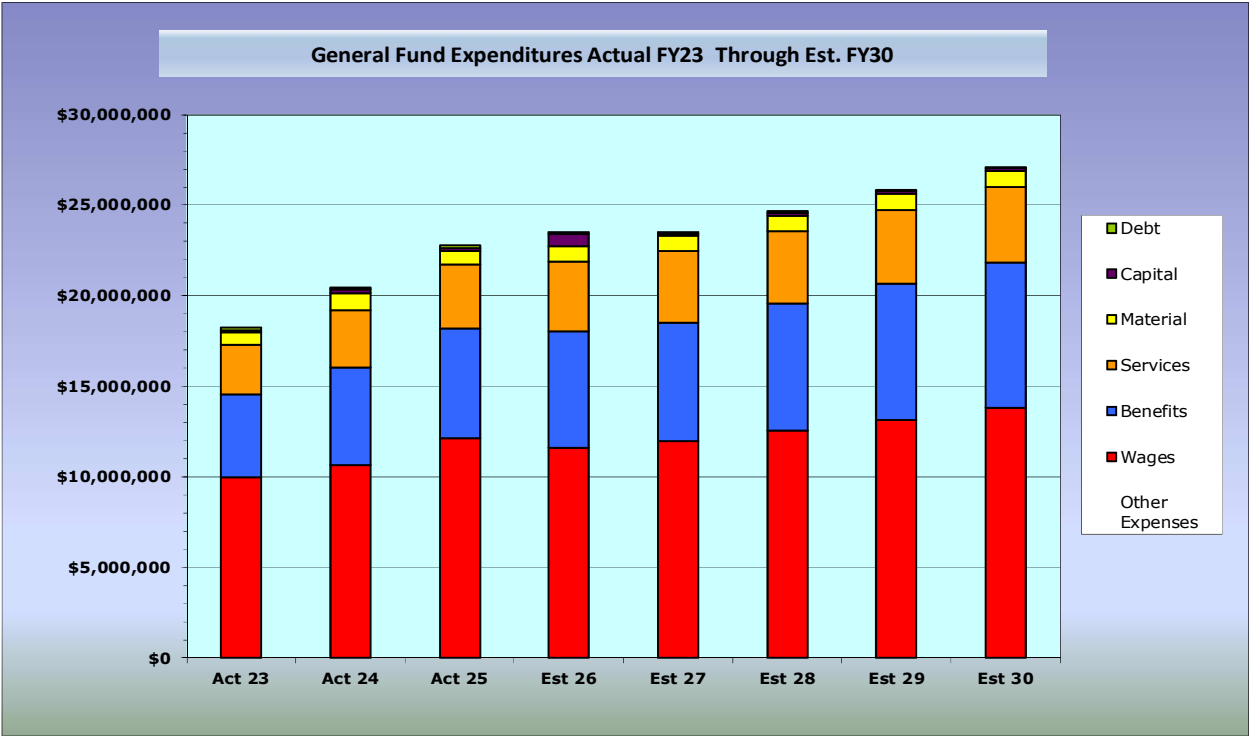
Encumbrances – Line #8.010

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.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Estimated Encumbrances	<u>\$383,638</u>	<u>\$391,311</u>	<u>\$399,137</u>	<u>\$407,120</u>	<u>\$415,262</u>

Operating Expenditures Actual FY23 through FY25 and Estimated FY26 through FY30

As the graph below indicates the largest expenditure for the district is that of staffing which includes salaries and benefits.



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.

Source	FY 26	FY 27	FY 28	FY 29	FY 30
Ending Cash Balance	<u>\$3,178,964</u>	<u>\$2,478,779</u>	<u>\$631,540</u>	<u>-\$2,380,108</u>	<u>-\$6,663,892</u>

True Cash Days

The Government Financial Officers Association (GFOA) recommends, at a minimum, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. Based on the current fund balances the district drops below the sixty (60) day balance at the end of FY26.

