

COSHOCTON CITY SCHOOL DISTRICT- COSHOCTON 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
Coshocton City School District
Treasurer's Office
Terri Eyerman, Treasurer/CFO
August 27, 2026

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 have changed in fiscal year 2027 to August 31, and end of February each fiscal year. The filing deadlines of February and August are out of alignment with when final 1st half and 2nd half tax settlements will actually be received in most cases, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations which is September 30th of each year.

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

projections. Our forecast is updated to reflect the most current economic data available for the August 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws noted below, and 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 FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 simulations published by the Department of Education and Workforce for our forecasted revenues in FY27-FY31.
- 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 budget represented 73% of district revenues, which means it is a significant area of risk to 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 FY31. We have projected our state funding in FY27 based on the Ohio Department of Education and Workforce (ODEW) funding simulator for FY27 projections. This forecast reflects state revenue to align with the FY27 funding levels through FY31, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

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 6% increase in Class I values and 2% in Class II.

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

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

Revenue Risk Loss Assessment of HB129 and HB186 To Our Forecast

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 20-mill floor. Crestview was on the 20-mill floor and **does** have a fixed sum substitute levy, therefore, HB129 pulls the district off 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. Based on the County Auditor, we do not expect an impact from HB186..

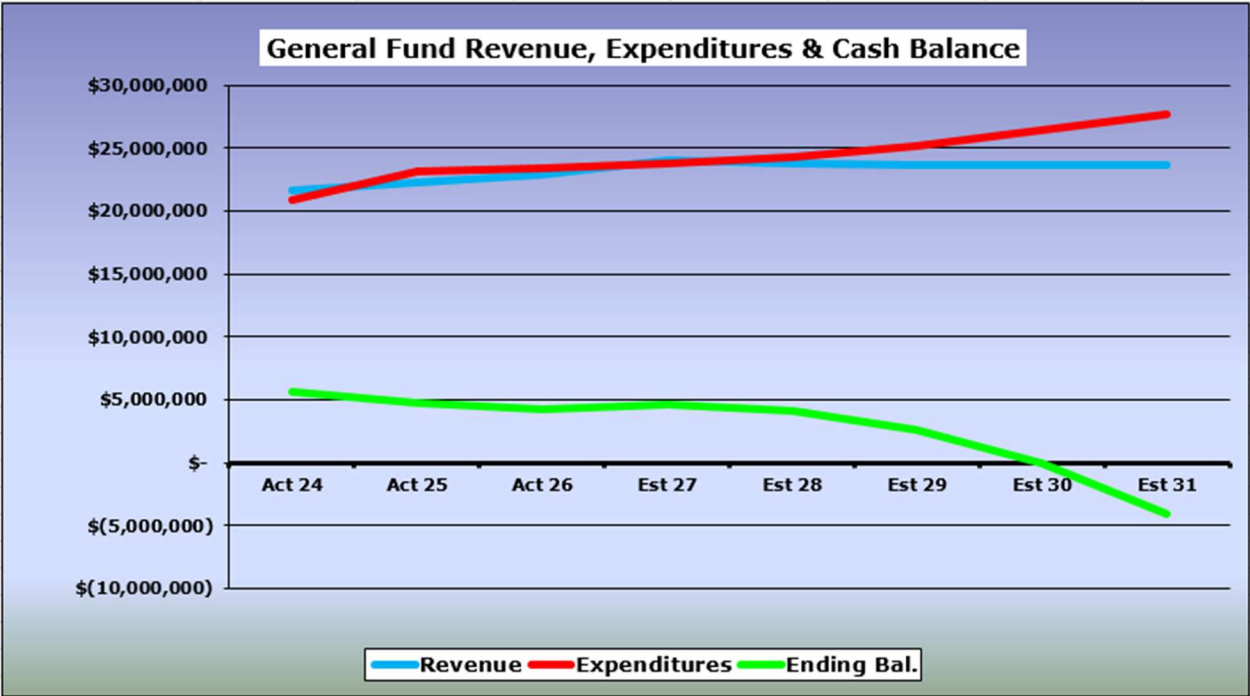
Evaluation of Emerging Risks: HB309, HB335, and Piggyback Exemptions

- 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 plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage collections.
- HB96 Expanded Piggyback Option introduces a significant *local political* risk through "Piggyback" exemptions. Unlike standard Homestead and 2.5% owner-occupied credits—which the state reimburses—Piggyback exemptions are **not reimbursed**. Our County Commissioners did not vote to approve Piggyback Property Tax Exemptions for tax year 2027.

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.

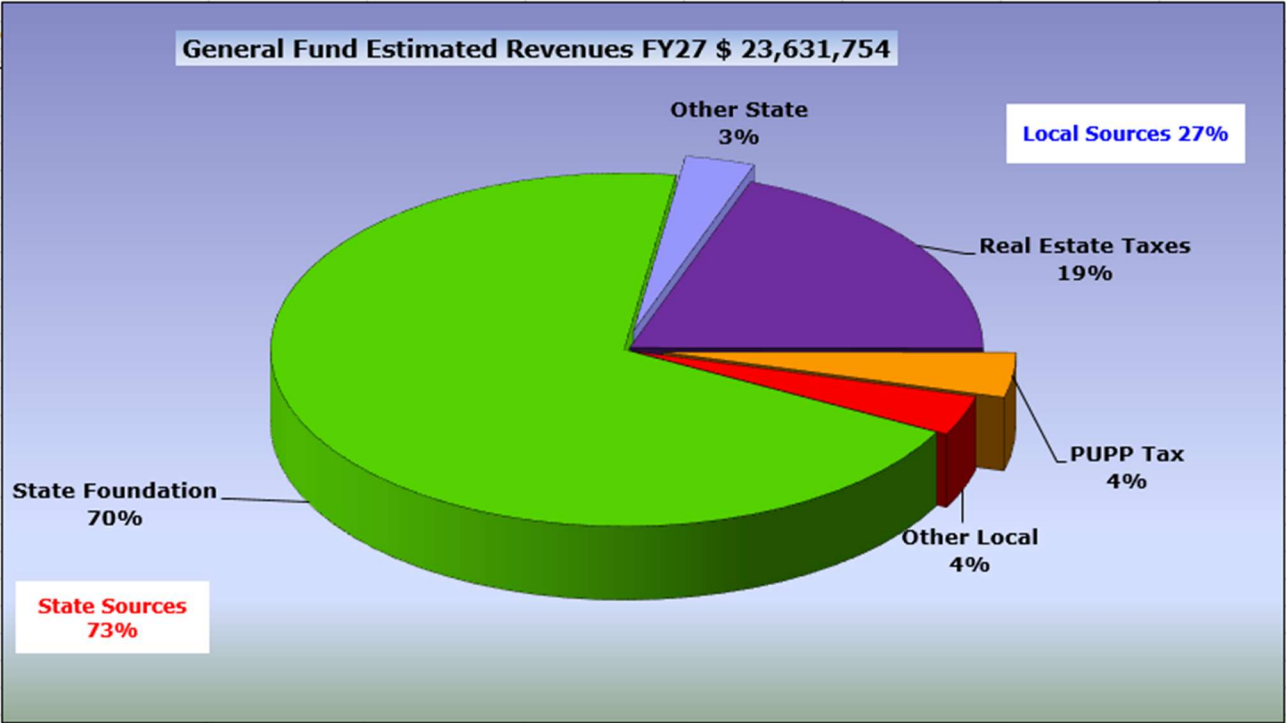
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY24-26 and Estimated FY27-31.

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 FY27 (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 not voted to implement this tax credit for tax year 2027. 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.

Coshocton is not anticipating a negative claw back impact to our forecast due to HB186 based on information obtained from the County Auditor.

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

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

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029	TAX YEAR 2030
<u>Classification</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>	<u>COLLECT 2030</u>	<u>COLLECT 2031</u>
Res./Ag.	\$153,045,471	\$162,439,009	\$162,652,727	\$162,869,383	\$163,089,005
Comm./Ind.	50,624,824	51,637,320	51,637,320	51,637,320	51,637,320
Public Utility (PUPP)	<u>19,862,350</u>	<u>20,162,350</u>	<u>20,462,350</u>	<u>20,762,350</u>	<u>21,062,350</u>
Total Assessed Value	<u>\$223,532,645</u>	<u>\$234,238,680</u>	<u>\$234,752,398</u>	<u>\$235,269,053</u>	<u>\$235,788,675</u>

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Est. Property Taxes	\$4,601,244	\$4,568,853	\$4,593,414	\$4,571,383	\$4,565,961
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>\$4,601,244</u>	<u>\$4,568,853</u>	<u>\$4,593,414</u>	<u>\$4,571,383</u>	<u>\$4,565,961</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.

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Public Utility Personal Property Taxes	<u>\$967,675</u>	<u>\$980,491</u>	<u>\$993,278</u>	<u>\$1,007,940</u>	<u>\$1,022,603</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 FY27, which funds students where they are educated rather than where they live. We have projected FY27 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY27 and is expected to continue to be on the formula in FY28-FY31 on the new Fair School Funding Plan (FSFP) based on **current law**.

For a detailed overview of how foundation funding is calculated 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 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We will now know until report card data is released in September if we qualify for this payment for FY27.

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 data to work with. For this reason, funding is held constant in the forecast for FY28 through FY31.

Casino Revenue

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. 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 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.

B) Restricted State Revenues – Line # 1.040

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Basic Aid-Unrestricted	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371
Additional Aid Items	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>
Basic Aid-Unrestricted Subtotal	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396
Ohio Casino Commission ODT/Medicaid	<u>264,436</u>	<u>265,494</u>	<u>266,562</u>	<u>267,642</u>	<u>268,732</u>
Total Unrestricted State Aid Line #1.035	<u>\$14,736,832</u>	<u>\$14,737,890</u>	<u>\$14,738,958</u>	<u>\$14,740,038</u>	<u>\$14,741,128</u>

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 were notified in January that the state of Ohio overspent their Science of Reading Appropriation and will be reducing funding to recover funds previously paid. We were also notified that Threshold reimbursements in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

Restricted Federal Grants in Aid – line #1.045

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

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
DPIA	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943
Career Tech - Restricted	23,613	23,613	23,613	23,613	23,613
Gifted	90,031	90,031	90,031	90,031	90,031
ESL	11,283	11,283	11,283	11,283	11,283
Student Wellness	358,396	358,396	358,396	358,396	358,396
Other Restricted State Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>

Summary of State Foundation Revenues

<u>SUMMARY</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Unrestricted Line # 1.035	\$14,736,832	\$14,737,890	\$14,738,958	\$14,740,038	\$14,741,128
Restricted Line # 1.040	1,717,266	1,717,266	1,717,266	1,717,266	1,717,266
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>\$16,454,098</u>	<u>\$16,455,156</u>	<u>\$16,456,224</u>	<u>\$16,457,304</u>	<u>\$16,458,394</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, began a phase down of the 10% rollback credit that has been in effect since 1971 and an equal phase up of the Owner Occupied Credit (OOC) that has been in effect since 1978. In addition, HB96 increased the OOC by 2.88% by phasing it in over four (4) years starting in tax year 2026. The table below shows the phasing of these changes. Eventually there will be some amount of 10% rollback for non-timber farmland but we will need tax settlement sheets to determine that amount. These amounts are fully reimbursed to the school district when deducted from Class I property tax bills. Homestead credits vary annually based on applicants and eligibility.

The state of Ohio passed HB479 on June 24, 2026, and becomes effective September 23, which included a one-

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

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSDs that are located in a county that underwent a reappraisal or triennial update in Tax Years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in Tax Year 2025 than in Tax Year 2024. The revenue guarantee applies to Tax Year 2025, in the case of 2023 reappraisal or update counties, and to Tax Years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district's real property tax revenue in Tax Year 2024 and its revenue in 2025 and, if applicable, 2026. We do 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>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Rollback and Homestead	\$755,759	\$796,055	\$734,149	\$763,107	\$779,069
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>\$755,759</u>	<u>\$796,055</u>	<u>\$734,149</u>	<u>\$763,107</u>	<u>\$779,069</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. While interest income in FY27 should remain relatively steady due to laddered investment strategies, the rate cuts may begin to have an impact on earnings in FY28 and future years. We will continue to monitor the investments for the district.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Tuition	433,363	437,696	442,073	446,494	450,959
Interest	232,697	209,427	188,484	169,636	152,672
Other Income	<u>186,919</u>	<u>188,788</u>	<u>190,676</u>	<u>192,583</u>	<u>194,508</u>
Total Line # 1.060	<u>\$852,978</u>	<u>\$835,911</u>	<u>\$821,233</u>	<u>\$808,713</u>	<u>\$798,140</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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>385,868</u>	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances In	<u>\$385,868</u>	<u>\$150,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

All Other Financial Sources – Line #2.060

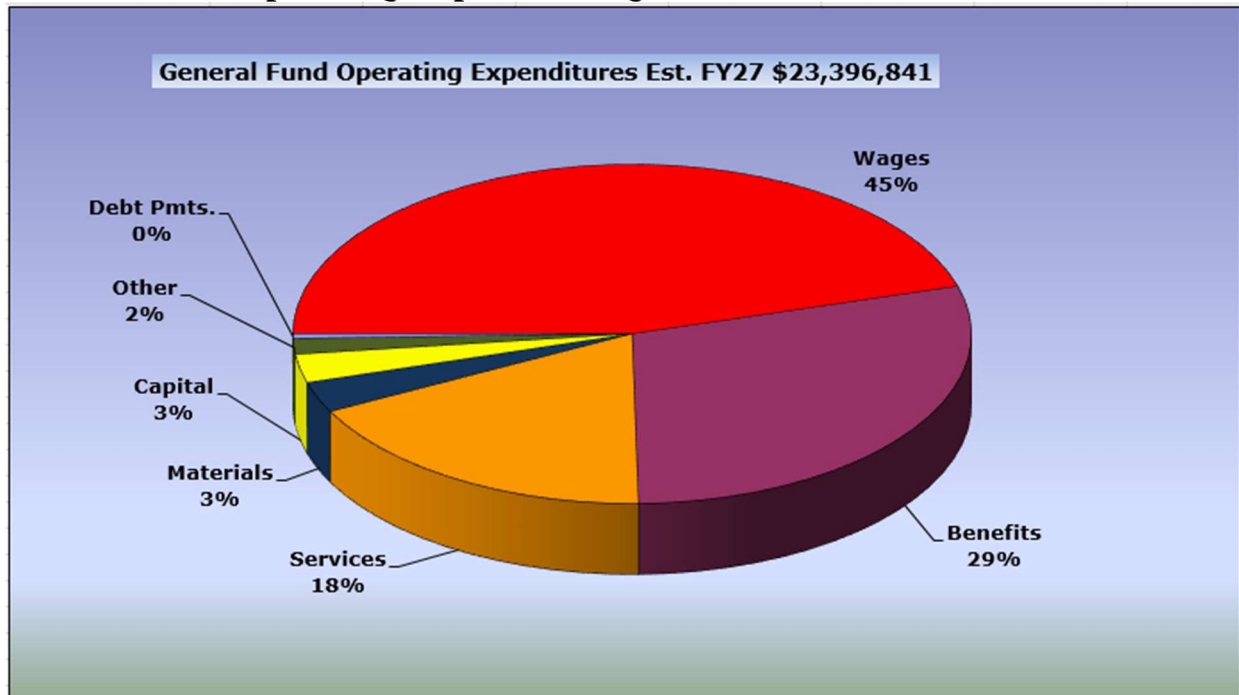
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we project a set estimated amount occurring in the remainder of the forecast.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
All Other Sources	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>

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 FY27



Wages – Line #3.010

The district and CCEA are currently in negotiations. Therefore, the wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

Summary of Personal Services – Line #3.010

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Base Wages	\$9,955,561	\$10,164,867	\$10,673,111	\$11,206,766	\$11,767,105
Wage adjustments	250,000	101,649	106,731	112,068	117,671
Steps & Training	50,000	406,595	426,924	448,271	470,684
Substitutes	195,000	196,950	198,920	200,909	202,918
Supplemental	277,308	280,081	282,882	285,711	288,568
Severance	-	25,000	25,000	25,000	25,000
Staff Reductions (Retire/Resignation)	(90,694)	0	0	0	0
Total Wages Line #3.010	<u>\$10,637,175</u>	<u>\$11,175,142</u>	<u>\$11,713,567</u>	<u>\$12,278,724</u>	<u>\$12,871,945</u>

Fringe Benefits Estimates – Line #3.020

The wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

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. FY27-FY31 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 FY27- FY31. Unemployment is expected to remain at a very low level FY27-FY31. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
STRS/SERS	\$1,943,569	\$2,009,361	\$2,094,398	\$2,183,659	\$2,277,356
Insurance's	4,674,871	5,048,861	5,452,770	5,888,991	6,360,111
Workers Comp/Unemployment	43,699	45,744	47,790	49,937	52,191
Medicare	143,511	150,864	158,133	165,763	173,771
Tuition and Other Benefits	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Total Fringe Benefits Line #3.020	<u>\$6,840,651</u>	<u>\$7,289,830</u>	<u>\$7,788,090</u>	<u>\$8,323,350</u>	<u>\$8,898,430</u>

Purchased Services – Line #3.030

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 was 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. Due to the continued increase in electric rates the district is projecting a continued increase in utility costs.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Insurance, Leases, Postage, & Other	\$132,381	\$135,028	\$137,729	\$140,483	\$143,293
Professional Services, Legal Fees & ESC	1,672,854	1,706,311	1,740,437	1,775,246	1,810,751
Other Tuition	1,318,283	1,344,648	1,371,541	1,398,972	1,426,952
Utilities	524,719	540,461	556,674	573,375	590,576
Building Repairs & Services	497,237	507,181	517,325	527,672	538,225
Total Purchased Services Line #3.030	<u>\$4,145,473</u>	<u>\$4,233,630</u>	<u>\$4,323,707</u>	<u>\$4,415,748</u>	<u>\$4,509,797</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Supplies, Textbooks, and other	\$440,919	\$449,738	\$458,733	\$467,907	\$477,265
Maintenance & Transportation Supplies	<u>244,969</u>	<u>252,318</u>	<u>259,888</u>	<u>267,684</u>	<u>275,715</u>
Total Supplies Line #3.040	<u>\$685,889</u>	<u>\$702,056</u>	<u>\$718,620</u>	<u>\$735,592</u>	<u>\$752,980</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Capital Outlay	\$133,240	\$135,905	\$138,623	\$141,395	\$144,223
Curriculum/Sport Facility	500,000	-	-	-	-
Replacement Bus Purchases	-	125,000	-	-	-
Total Equipment Line #3.050	<u>\$633,240</u>	<u>\$260,905</u>	<u>\$138,623</u>	<u>\$141,395</u>	<u>\$144,223</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
HB 264 Principal Line 4.050	<u>\$94,000</u>	<u>\$96,000</u>	<u>\$30,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Interest Total Line 4.060	<u>\$6,498</u>	<u>\$3,272</u>	<u>\$548</u>	<u>\$0</u>	<u>\$0</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Auditor & Treasurer Fees	\$180,867	\$184,485	\$188,174	\$191,938	\$195,777
County Board of Education	10,360	10,567	10,779	10,994	11,214
Other expenses	<u>162,687</u>	<u>165,941</u>	<u>169,259</u>	<u>172,645</u>	<u>176,098</u>
Total Other Expenses Line #4.300	<u>\$353,915</u>	<u>\$360,993</u>	<u>\$368,213</u>	<u>\$375,577</u>	<u>\$383,088</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Operating Transfers Out Line #5.010	\$200,000	\$75,000	\$75,000	\$75,000	\$75,000
Advances Out Line #5.020	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances Out	<u>\$350,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>

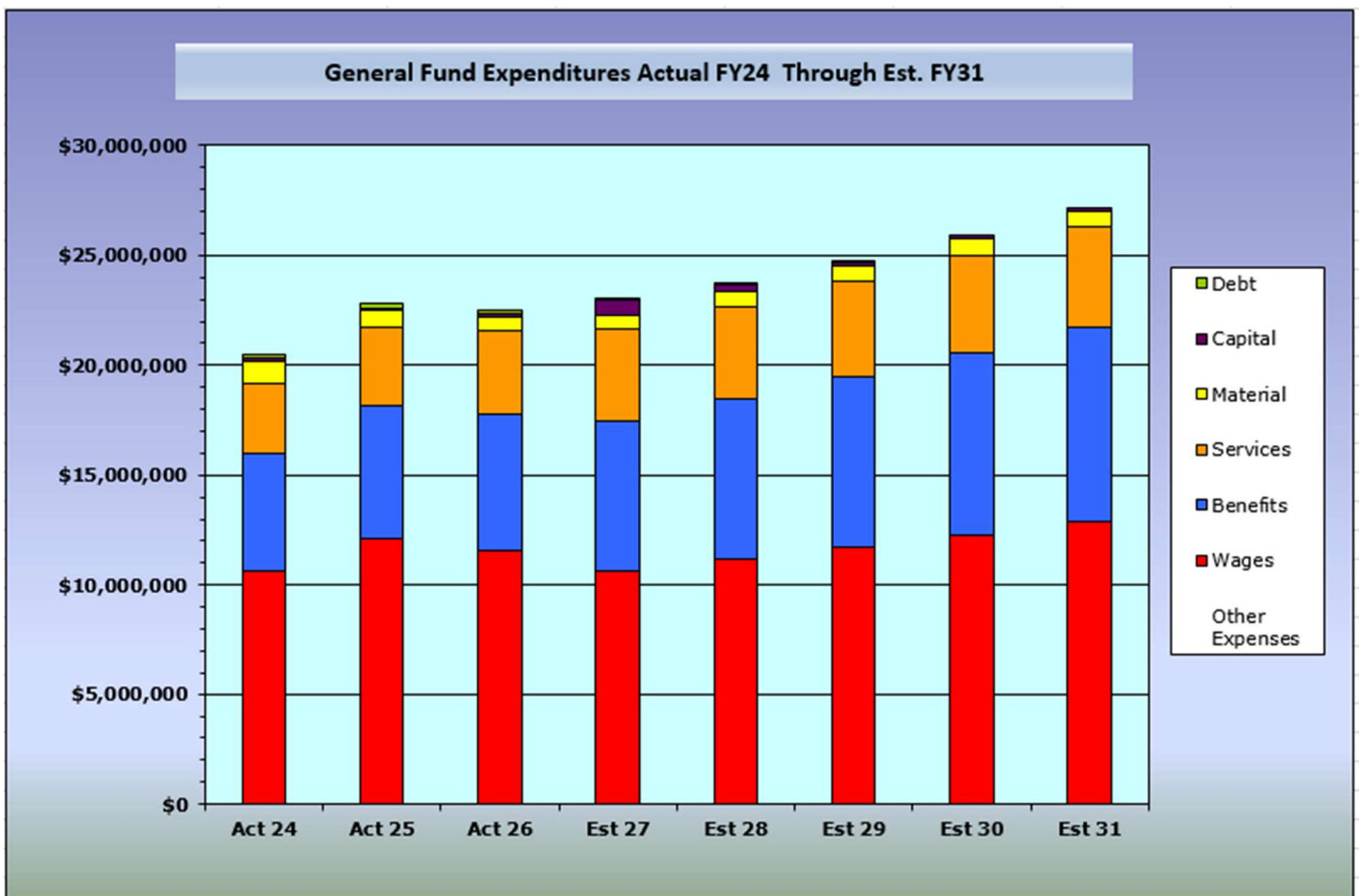
Encumbrances – Line #8.010

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Estimated Encumbrances	<u>\$476,679</u>	<u>\$486,212</u>	<u>\$495,936</u>	<u>\$505,855</u>	<u>\$515,972</u>

Operating Expenditures Actual FY24 through FY26 and Estimated FY27 through FY31

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



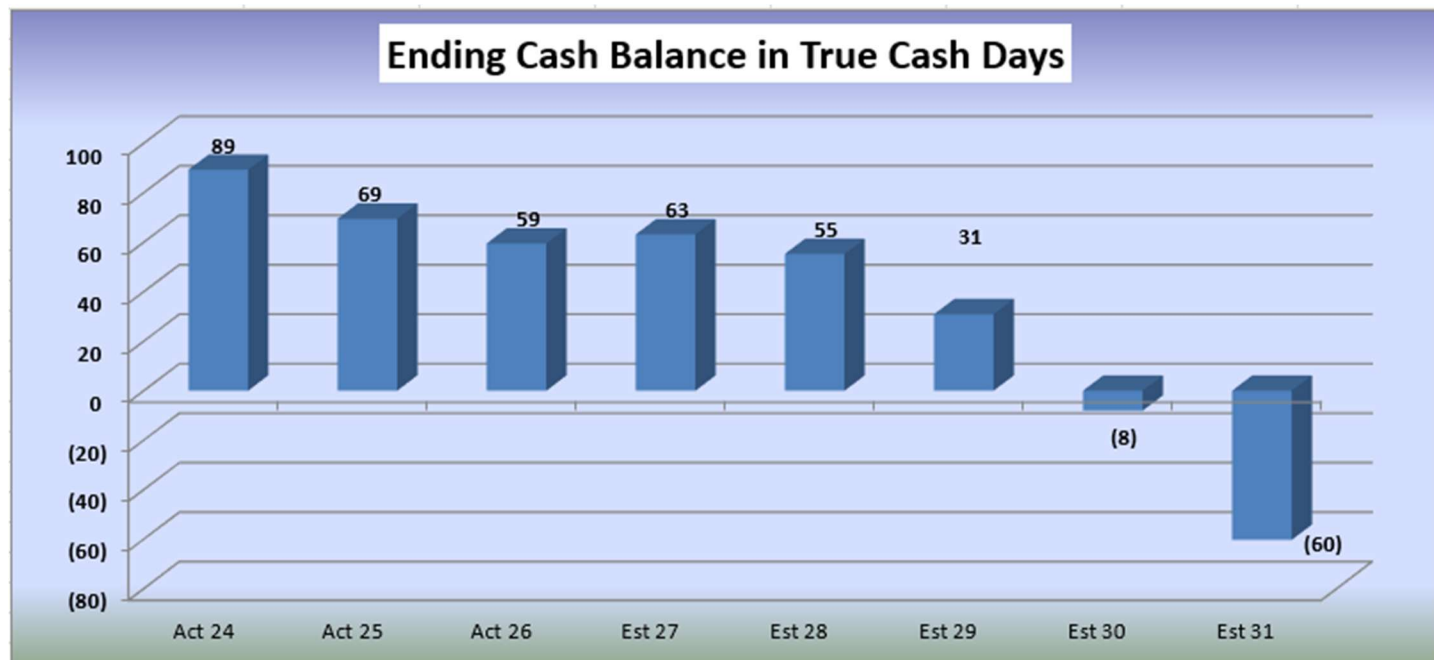
Ending Unencumbered Cash Balance – Line#15.010

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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Ending Cash Balance	<u>\$4,111,190</u>	<u>\$3,671,295</u>	<u>\$2,133,501</u>	<u>-\$583,358</u>	<u>-\$4,574,772</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 FY28.



COSHOCTON CITY SCHOOL DISTRICT- COSHOCTON 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
Coshocton City School District
Treasurer's Office
Terri Eyerman, Treasurer/CFO
August 27, 2026

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 have changed in fiscal year 2027 to August 31, and end of February each fiscal year. The filing deadlines of February and August are out of alignment with when final 1st half and 2nd half tax settlements will actually be received in most cases, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations which is September 30th of each year.

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

projections. Our forecast is updated to reflect the most current economic data available for the August 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws noted below, and 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 FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 simulations published by the Department of Education and Workforce for our forecasted revenues in FY27-FY31.
- 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 budget represented 73% of district revenues, which means it is a significant area of risk to 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 FY31. We have projected our state funding in FY27 based on the Ohio Department of Education and Workforce (ODEW) funding simulator for FY27 projections. This forecast reflects state revenue to align with the FY27 funding levels through FY31, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

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 6% increase in Class I values and 2% in Class II.

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

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

Revenue Risk Loss Assessment of HB129 and HB186 To Our Forecast

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 20-mill floor. Crestview was on the 20-mill floor and **does** have a fixed sum substitute levy, therefore, HB129 pulls the district off 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. Based on the County Auditor, we do not expect an impact from HB186..

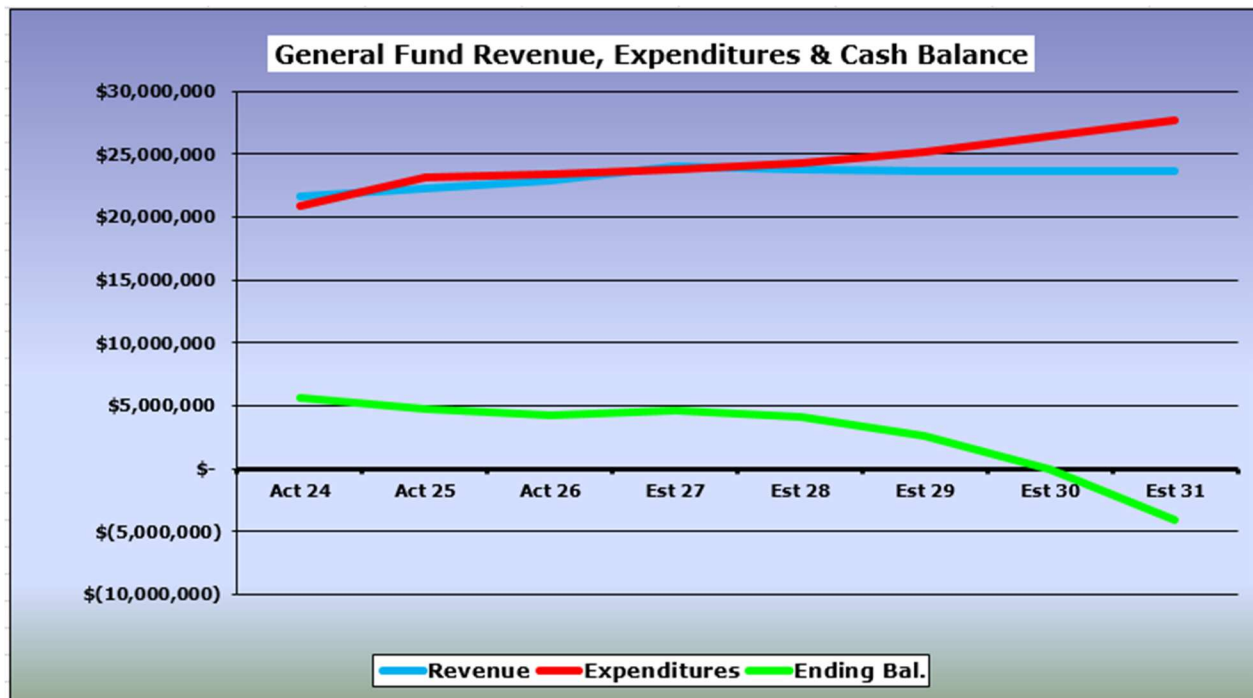
Evaluation of Emerging Risks: HB309, HB335, and Piggyback Exemptions

- 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 plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage collections.
- HB96 Expanded Piggyback Option introduces a significant *local political* risk through "Piggyback" exemptions. Unlike standard Homestead and 2.5% owner-occupied credits—which the state reimburses—Piggyback exemptions are **not reimbursed**. Our County Commissioners did not vote to approve Piggyback Property Tax Exemptions for tax year 2027.

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.

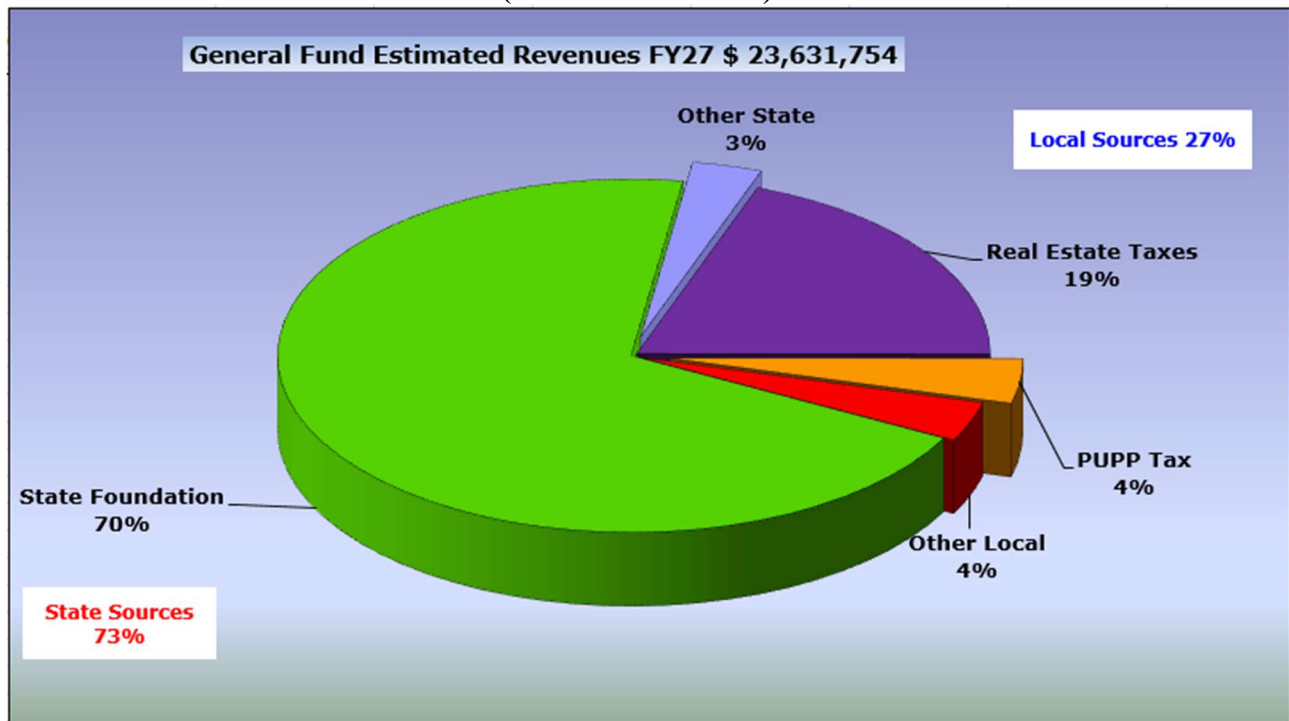
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY24-26 and Estimated FY27-31.

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 May 2021 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 FY27 (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 not voted to implement this tax credit for tax year 2027. 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.

Coshocton is not anticipating a negative claw back impact to our forecast due to HB186 based on information obtained from the County Auditor.

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

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

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029	TAX YEAR 2030
<u>Classification</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>	<u>COLLECT 2030</u>	<u>COLLECT 2031</u>
Res./Ag.	\$153,045,471	\$162,439,009	\$162,652,727	\$162,869,383	\$163,089,005
Comm./Ind.	50,624,824	51,637,320	51,637,320	51,637,320	51,637,320
Public Utility (PUPP)	<u>19,862,350</u>	<u>20,162,350</u>	<u>20,462,350</u>	<u>20,762,350</u>	<u>21,062,350</u>
Total Assessed Value	<u>\$223,532,645</u>	<u>\$234,238,680</u>	<u>\$234,752,398</u>	<u>\$235,269,053</u>	<u>\$235,788,675</u>

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Est. Property Taxes	\$4,601,244	\$4,568,853	\$4,593,414	\$4,571,383	\$4,565,961
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>\$4,601,244</u>	<u>\$4,568,853</u>	<u>\$4,593,414</u>	<u>\$4,571,383</u>	<u>\$4,565,961</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.

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Public Utility Personal Property Taxes	<u>\$967,675</u>	<u>\$980,491</u>	<u>\$993,278</u>	<u>\$1,007,940</u>	<u>\$1,022,603</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 FY27, which funds students where they are educated rather than where they live. We have projected FY27 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY27 and is expected to continue to be on the formula in FY28-FY31 on the new Fair School Funding Plan (FSFP) based on **current law**.

For a detailed overview of how foundation funding is calculated 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 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We will now know until report card data is released in September if we qualify for this payment for FY27.

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 data to work with. For this reason, funding is held constant in the forecast for FY28 through FY31.

Casino Revenue

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. 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 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.

B) Restricted State Revenues – Line # 1.040

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Basic Aid-Unrestricted	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371
Additional Aid Items	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>
Basic Aid-Unrestricted Subtotal	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396
Ohio Casino Commission ODT/Medicaid	<u>264,436</u>	<u>265,494</u>	<u>266,562</u>	<u>267,642</u>	<u>268,732</u>
Total Unrestricted State Aid Line #1.035	<u>\$14,736,832</u>	<u>\$14,737,890</u>	<u>\$14,738,958</u>	<u>\$14,740,038</u>	<u>\$14,741,128</u>

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 were notified in January that the state of Ohio overspent their Science of Reading Appropriation and will be reducing funding to recover funds previously paid. We were also notified that Threshold reimbursements in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

Restricted Federal Grants in Aid – line #1.045

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

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
DPIA	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943
Career Tech - Restricted	23,613	23,613	23,613	23,613	23,613
Gifted	90,031	90,031	90,031	90,031	90,031
ESL	11,283	11,283	11,283	11,283	11,283
Student Wellness	358,396	358,396	358,396	358,396	358,396
Other Restricted State Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>

Summary of State Foundation Revenues

<u>SUMMARY</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Unrestricted Line # 1.035	\$14,736,832	\$14,737,890	\$14,738,958	\$14,740,038	\$14,741,128
Restricted Line # 1.040	1,717,266	1,717,266	1,717,266	1,717,266	1,717,266
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>\$16,454,098</u>	<u>\$16,455,156</u>	<u>\$16,456,224</u>	<u>\$16,457,304</u>	<u>\$16,458,394</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, began a phase down of the 10% rollback credit that has been in effect since 1971 and an equal phase up of the Owner Occupied Credit (OOC) that has been in effect since 1978. In addition, HB96 increased the OOC by 2.88% by phasing it in over four (4) years starting in tax year 2026. The table below shows the phasing of these changes. Eventually there will be some amount of 10% rollback for non-timber farmland but we will need tax settlement sheets to determine that amount. These amounts are fully reimbursed to the school district when deducted from Class I property tax bills. Homestead credits vary annually based on applicants and eligibility.

The state of Ohio passed HB479 on June 24, 2026, and becomes effective September 23, which included a one-

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

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSDs that are located in a county that underwent a reappraisal or triennial update in Tax Years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in Tax Year 2025 than in Tax Year 2024. The revenue guarantee applies to Tax Year 2025, in the case of 2023 reappraisal or update counties, and to Tax Years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district's real property tax revenue in Tax Year 2024 and its revenue in 2025 and, if applicable, 2026. We do 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>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Rollback and Homestead	\$755,759	\$796,055	\$734,149	\$763,107	\$779,069
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>\$755,759</u>	<u>\$796,055</u>	<u>\$734,149</u>	<u>\$763,107</u>	<u>\$779,069</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. While interest income in FY27 should remain relatively steady due to laddered investment strategies, the rate cuts may begin to have an impact on earnings in FY28 and future years. We will continue to monitor the investments for the district.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Tuition	433,363	437,696	442,073	446,494	450,959
Interest	232,697	209,427	188,484	169,636	152,672
Other Income	<u>186,919</u>	<u>188,788</u>	<u>190,676</u>	<u>192,583</u>	<u>194,508</u>
Total Line # 1.060	<u>\$852,978</u>	<u>\$835,911</u>	<u>\$821,233</u>	<u>\$808,713</u>	<u>\$798,140</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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>385,868</u>	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances In	<u>\$385,868</u>	<u>\$150,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

All Other Financial Sources – Line #2.060

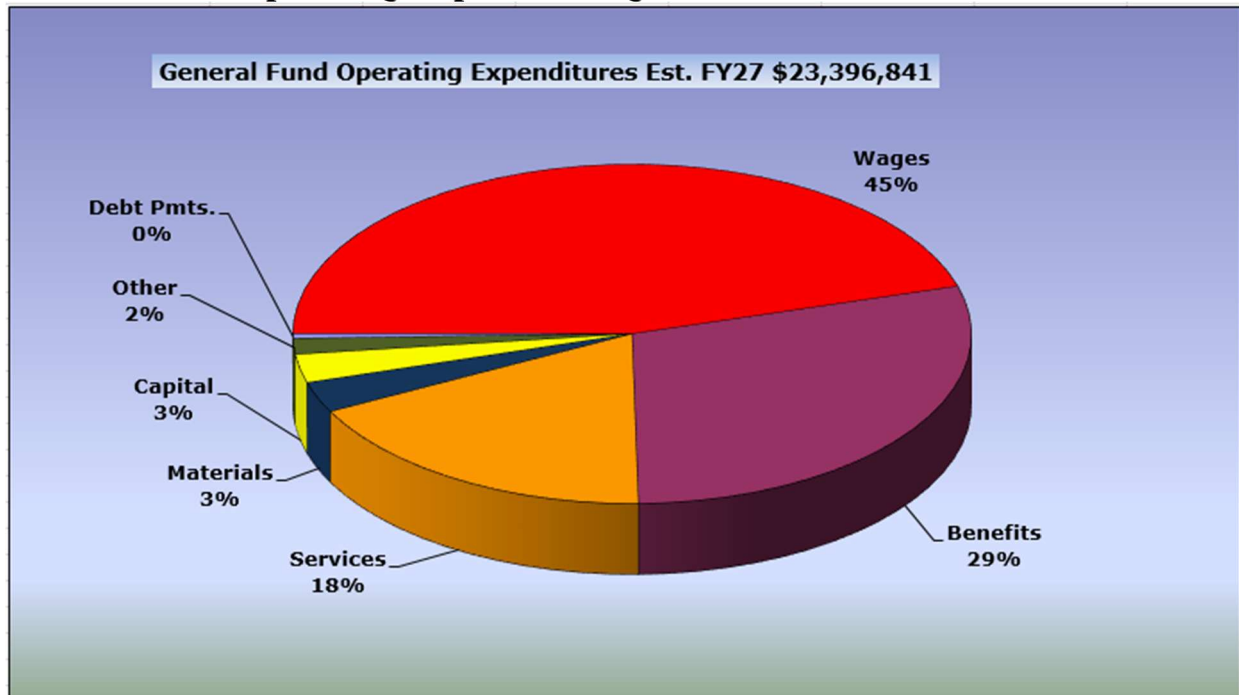
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we project a set estimated amount occurring in the remainder of the forecast.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
All Other Sources	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>

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 FY27



Wages – Line #3.010

The district and CCEA are currently in negotiations. Therefore, the wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

Summary of Personal Services – Line #3.010

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Base Wages	\$9,955,561	\$10,164,867	\$10,673,111	\$11,206,766	\$11,767,105
Wage adjustments	250,000	101,649	106,731	112,068	117,671
Steps & Training	50,000	406,595	426,924	448,271	470,684
Substitutes	195,000	196,950	198,920	200,909	202,918
Supplemental	277,308	280,081	282,882	285,711	288,568
Severance	-	25,000	25,000	25,000	25,000
Staff Reductions (Retire/Resignation)	(90,694)	0	0	0	0
Total Wages Line #3.010	<u>\$10,637,175</u>	<u>\$11,175,142</u>	<u>\$11,713,567</u>	<u>\$12,278,724</u>	<u>\$12,871,945</u>

Fringe Benefits Estimates – Line #3.020

The wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

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. FY27-FY31 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 FY27- FY31. Unemployment is expected to remain at a very low level FY27-FY31. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
STRS/SERS	\$1,943,569	\$2,009,361	\$2,094,398	\$2,183,659	\$2,277,356
Insurance's	4,674,871	5,048,861	5,452,770	5,888,991	6,360,111
Workers Comp/Unemployment	43,699	45,744	47,790	49,937	52,191
Medicare	143,511	150,864	158,133	165,763	173,771
Tuition and Other Benefits	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Total Fringe Benefits Line #3.020	<u>\$6,840,651</u>	<u>\$7,289,830</u>	<u>\$7,788,090</u>	<u>\$8,323,350</u>	<u>\$8,898,430</u>

Purchased Services – Line #3.030

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 was 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. Due to the continued increase in electric rates the district is projecting a continued increase in utility costs.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Insurance, Leases, Postage, & Other	\$132,381	\$135,028	\$137,729	\$140,483	\$143,293
Professional Services, Legal Fees & ESC	1,672,854	1,706,311	1,740,437	1,775,246	1,810,751
Other Tuition	1,318,283	1,344,648	1,371,541	1,398,972	1,426,952
Utilities	524,719	540,461	556,674	573,375	590,576
Building Repairs & Services	497,237	507,181	517,325	527,672	538,225
Total Purchased Services Line #3.030	<u>\$4,145,473</u>	<u>\$4,233,630</u>	<u>\$4,323,707</u>	<u>\$4,415,748</u>	<u>\$4,509,797</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Supplies, Textbooks, and other	\$440,919	\$449,738	\$458,733	\$467,907	\$477,265
Maintenance & Transportation Supplies	<u>244,969</u>	<u>252,318</u>	<u>259,888</u>	<u>267,684</u>	<u>275,715</u>
Total Supplies Line #3.040	<u>\$685,889</u>	<u>\$702,056</u>	<u>\$718,620</u>	<u>\$735,592</u>	<u>\$752,980</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Capital Outlay	\$133,240	\$135,905	\$138,623	\$141,395	\$144,223
Curriculum/Sport Facility	500,000	-	-	-	-
Replacement Bus Purchases	-	125,000	-	-	-
Total Equipment Line #3.050	<u>\$633,240</u>	<u>\$260,905</u>	<u>\$138,623</u>	<u>\$141,395</u>	<u>\$144,223</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
HB 264 Principal Line 4.050	<u>\$94,000</u>	<u>\$96,000</u>	<u>\$30,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Interest Total Line 4.060	<u>\$6,498</u>	<u>\$3,272</u>	<u>\$548</u>	<u>\$0</u>	<u>\$0</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Auditor & Treasurer Fees	\$180,867	\$184,485	\$188,174	\$191,938	\$195,777
County Board of Education	10,360	10,567	10,779	10,994	11,214
Other expenses	<u>162,687</u>	<u>165,941</u>	<u>169,259</u>	<u>172,645</u>	<u>176,098</u>
Total Other Expenses Line #4.300	<u>\$353,915</u>	<u>\$360,993</u>	<u>\$368,213</u>	<u>\$375,577</u>	<u>\$383,088</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Operating Transfers Out Line #5.010	\$200,000	\$75,000	\$75,000	\$75,000	\$75,000
Advances Out Line #5.020	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances Out	<u>\$350,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>

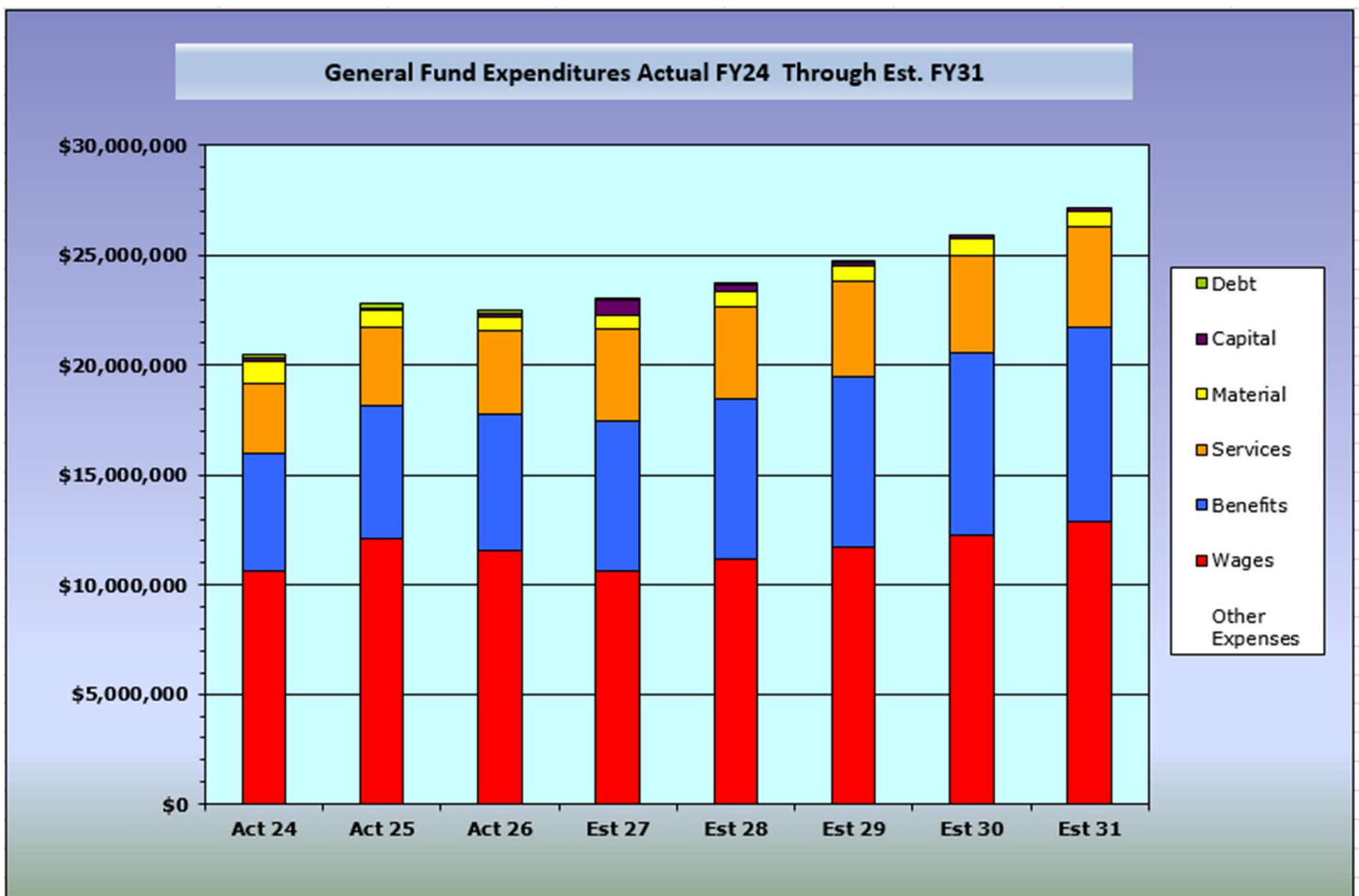
Encumbrances – Line #8.010

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Estimated Encumbrances	<u>\$476,679</u>	<u>\$486,212</u>	<u>\$495,936</u>	<u>\$505,855</u>	<u>\$515,972</u>

Operating Expenditures Actual FY24 through FY26 and Estimated FY27 through FY31

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



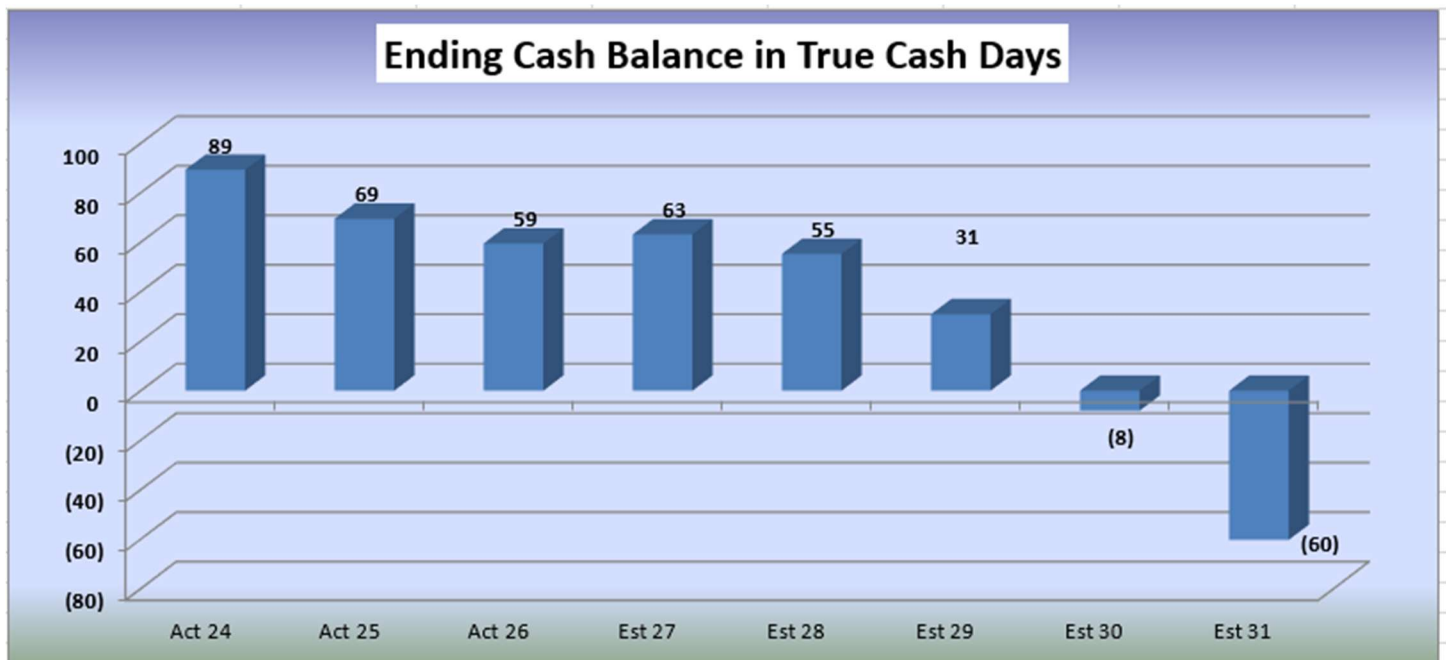
Ending Unencumbered Cash Balance – Line#15.010

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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Ending Cash Balance	<u>\$4,111,190</u>	<u>\$3,671,295</u>	<u>\$2,133,501</u>	<u>-\$583,358</u>	<u>-\$4,574,772</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 FY28.



COSHOCTON CITY SCHOOL DISTRICT- COSHOCTON 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
Coshocton City School District
Treasurer's Office
Terri Eyerman, Treasurer/CFO
August 27, 2026

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 have changed in fiscal year 2027 to August 31, and end of February each fiscal year. The filing deadlines of February and August are out of alignment with when final 1st half and 2nd half tax settlements will actually be received in most cases, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations which is September 30th of each year.

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

projections. Our forecast is updated to reflect the most current economic data available for the August 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws noted below, and 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 FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 simulations published by the Department of Education and Workforce for our forecasted revenues in FY27-FY31.
- 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 budget represented 73% of district revenues, which means it is a significant area of risk to 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 FY31. We have projected our state funding in FY27 based on the Ohio Department of Education and Workforce (ODEW) funding simulator for FY27 projections. This forecast reflects state revenue to align with the FY27 funding levels through FY31, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

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 6% increase in Class I values and 2% in Class II.

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

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

Revenue Risk Loss Assessment of HB129 and HB186 To Our Forecast

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 20-mill floor. Crestview was on the 20-mill floor and **does** have a fixed sum substitute levy, therefore, HB129 pulls the district off 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. Based on the County Auditor, we do not expect an impact from HB186..

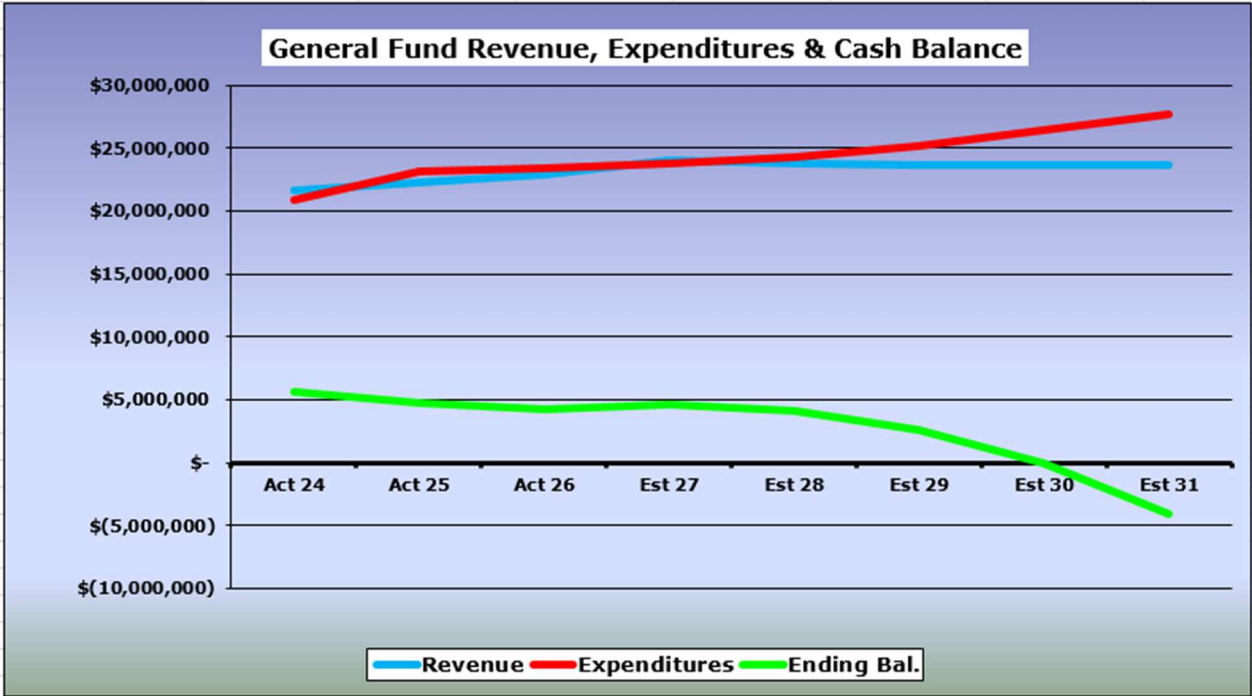
Evaluation of Emerging Risks: HB309, HB335, and Piggyback Exemptions

- 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 plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage collections.
- HB96 Expanded Piggyback Option introduces a significant *local political* risk through "Piggyback" exemptions. Unlike standard Homestead and 2.5% owner-occupied credits—which the state reimburses—Piggyback exemptions are **not reimbursed**. Our County Commissioners did not vote to approve Piggyback Property Tax Exemptions for tax year 2027.

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.

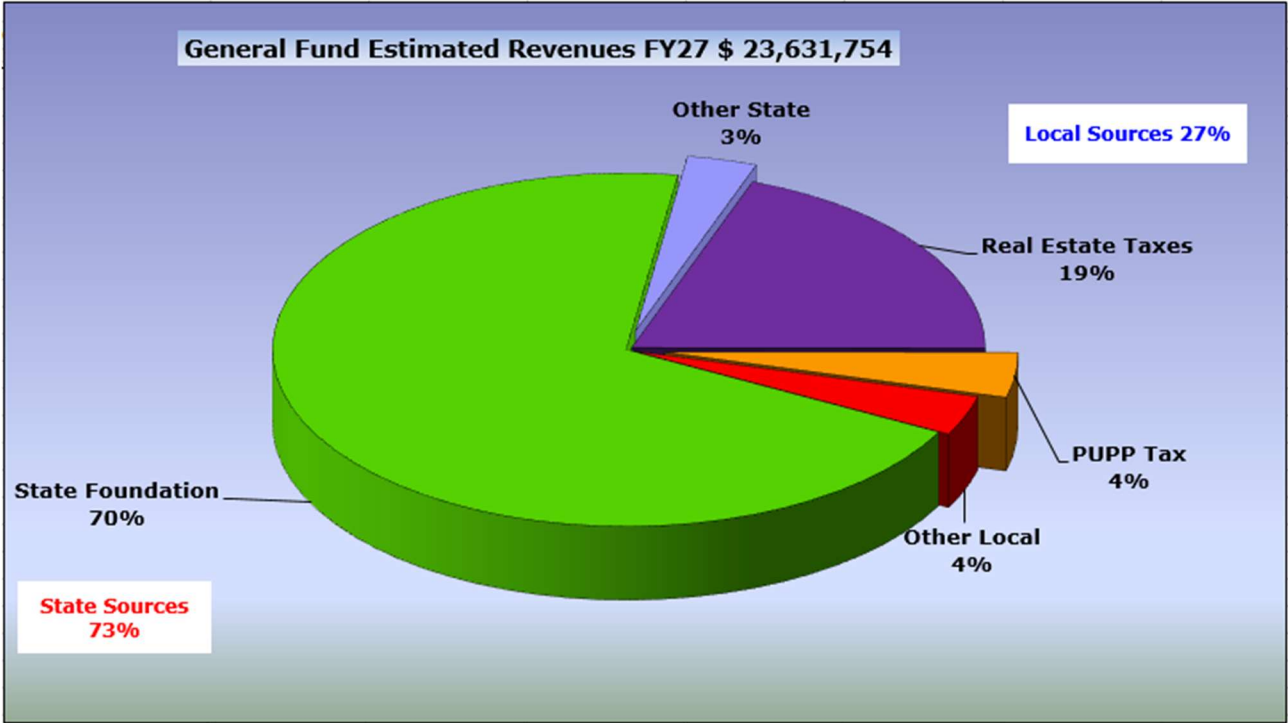
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY24-26 and Estimated FY27-31.

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 FY27 (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 not voted to implement this tax credit for tax year 2027. 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.

Coshocton is not anticipating a negative claw back impact to our forecast due to HB186 based on information obtained from the County Auditor.

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

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

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029	TAX YEAR 2030
<u>Classification</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>	<u>COLLECT 2030</u>	<u>COLLECT 2031</u>
Res./Ag.	\$153,045,471	\$162,439,009	\$162,652,727	\$162,869,383	\$163,089,005
Comm./Ind.	50,624,824	51,637,320	51,637,320	51,637,320	51,637,320
Public Utility (PUPP)	<u>19,862,350</u>	<u>20,162,350</u>	<u>20,462,350</u>	<u>20,762,350</u>	<u>21,062,350</u>
Total Assessed Value	<u>\$223,532,645</u>	<u>\$234,238,680</u>	<u>\$234,752,398</u>	<u>\$235,269,053</u>	<u>\$235,788,675</u>

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Est. Property Taxes	\$4,601,244	\$4,568,853	\$4,593,414	\$4,571,383	\$4,565,961
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>\$4,601,244</u>	<u>\$4,568,853</u>	<u>\$4,593,414</u>	<u>\$4,571,383</u>	<u>\$4,565,961</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.

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Public Utility Personal Property Taxes	<u>\$967,675</u>	<u>\$980,491</u>	<u>\$993,278</u>	<u>\$1,007,940</u>	<u>\$1,022,603</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 FY27, which funds students where they are educated rather than where they live. We have projected FY27 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY27 and is expected to continue to be on the formula in FY28-FY31 on the new Fair School Funding Plan (FSFP) based on **current law**.

For a detailed overview of how foundation funding is calculated 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 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We will now know until report card data is released in September if we qualify for this payment for FY27.

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 data to work with. For this reason, funding is held constant in the forecast for FY28 through FY31.

Casino Revenue

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. 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 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.

B) Restricted State Revenues – Line # 1.040

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Basic Aid-Unrestricted	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371
Additional Aid Items	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>
Basic Aid-Unrestricted Subtotal	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396
Ohio Casino Commission ODT/Medicaid	<u>264,436</u>	<u>265,494</u>	<u>266,562</u>	<u>267,642</u>	<u>268,732</u>
Total Unrestricted State Aid Line #1.035	<u>\$14,736,832</u>	<u>\$14,737,890</u>	<u>\$14,738,958</u>	<u>\$14,740,038</u>	<u>\$14,741,128</u>

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 were notified in January that the state of Ohio overspent their Science of Reading Appropriation and will be reducing funding to recover funds previously paid. We were also notified that Threshold reimbursements in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

Restricted Federal Grants in Aid – line #1.045

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

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
DPIA	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943
Career Tech - Restricted	23,613	23,613	23,613	23,613	23,613
Gifted	90,031	90,031	90,031	90,031	90,031
ESL	11,283	11,283	11,283	11,283	11,283
Student Wellness	358,396	358,396	358,396	358,396	358,396
Other Restricted State Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>

Summary of State Foundation Revenues

<u>SUMMARY</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Unrestricted Line # 1.035	\$14,736,832	\$14,737,890	\$14,738,958	\$14,740,038	\$14,741,128
Restricted Line # 1.040	1,717,266	1,717,266	1,717,266	1,717,266	1,717,266
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>\$16,454,098</u>	<u>\$16,455,156</u>	<u>\$16,456,224</u>	<u>\$16,457,304</u>	<u>\$16,458,394</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, began a phase down of the 10% rollback credit that has been in effect since 1971 and an equal phase up of the Owner Occupied Credit (OOC) that has been in effect since 1978. In addition, HB96 increased the OOC by 2.88% by phasing it in over four (4) years starting in tax year 2026. The table below shows the phasing of these changes. Eventually there will be some amount of 10% rollback for non-timber farmland but we will need tax settlement sheets to determine that amount. These amounts are fully reimbursed to the school district when deducted from Class I property tax bills. Homestead credits vary annually based on applicants and eligibility.

The state of Ohio passed HB479 on June 24, 2026, and becomes effective September 23, which included a one-

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

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSDs that are located in a county that underwent a reappraisal or triennial update in Tax Years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in Tax Year 2025 than in Tax Year 2024. The revenue guarantee applies to Tax Year 2025, in the case of 2023 reappraisal or update counties, and to Tax Years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district's real property tax revenue in Tax Year 2024 and its revenue in 2025 and, if applicable, 2026. We do 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>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Rollback and Homestead	\$755,759	\$796,055	\$734,149	\$763,107	\$779,069
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>\$755,759</u>	<u>\$796,055</u>	<u>\$734,149</u>	<u>\$763,107</u>	<u>\$779,069</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. While interest income in FY27 should remain relatively steady due to laddered investment strategies, the rate cuts may begin to have an impact on earnings in FY28 and future years. We will continue to monitor the investments for the district.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Tuition	433,363	437,696	442,073	446,494	450,959
Interest	232,697	209,427	188,484	169,636	152,672
Other Income	<u>186,919</u>	<u>188,788</u>	<u>190,676</u>	<u>192,583</u>	<u>194,508</u>
Total Line # 1.060	<u>\$852,978</u>	<u>\$835,911</u>	<u>\$821,233</u>	<u>\$808,713</u>	<u>\$798,140</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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>385,868</u>	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances In	<u>\$385,868</u>	<u>\$150,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

All Other Financial Sources – Line #2.060

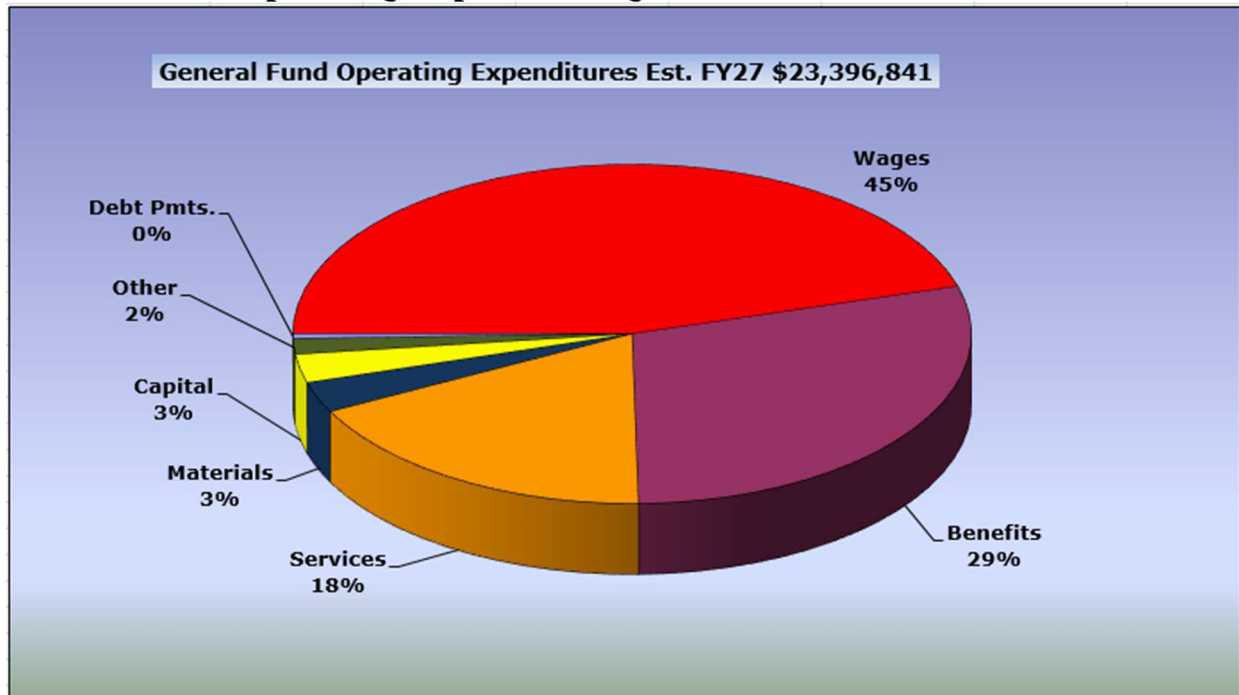
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we project a set estimated amount occurring in the remainder of the forecast.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
All Other Sources	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>

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 FY27



Wages – Line #3.010

The district and CCEA are currently in negotiations. Therefore, the wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

Summary of Personal Services – Line #3.010

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Base Wages	\$9,955,561	\$10,164,867	\$10,673,111	\$11,206,766	\$11,767,105
Wage adjustments	250,000	101,649	106,731	112,068	117,671
Steps & Training	50,000	406,595	426,924	448,271	470,684
Substitutes	195,000	196,950	198,920	200,909	202,918
Supplemental	277,308	280,081	282,882	285,711	288,568
Severance	-	25,000	25,000	25,000	25,000
Staff Reductions (Retire/Resignation)	(90,694)	0	0	0	0
Total Wages Line #3.010	<u>\$10,637,175</u>	<u>\$11,175,142</u>	<u>\$11,713,567</u>	<u>\$12,278,724</u>	<u>\$12,871,945</u>

Fringe Benefits Estimates – Line #3.020

The wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

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. FY27-FY31 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 FY27- FY31. Unemployment is expected to remain at a very low level FY27-FY31. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
STRS/SERS	\$1,943,569	\$2,009,361	\$2,094,398	\$2,183,659	\$2,277,356
Insurance's	4,674,871	5,048,861	5,452,770	5,888,991	6,360,111
Workers Comp/Unemployment	43,699	45,744	47,790	49,937	52,191
Medicare	143,511	150,864	158,133	165,763	173,771
Tuition and Other Benefits	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Total Fringe Benefits Line #3.020	<u>\$6,840,651</u>	<u>\$7,289,830</u>	<u>\$7,788,090</u>	<u>\$8,323,350</u>	<u>\$8,898,430</u>

Purchased Services – Line #3.030

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 was 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. Due to the continued increase in electric rates the district is projecting a continued increase in utility costs.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Insurance, Leases, Postage, & Other	\$132,381	\$135,028	\$137,729	\$140,483	\$143,293
Professional Services, Legal Fees & ESC	1,672,854	1,706,311	1,740,437	1,775,246	1,810,751
Other Tuition	1,318,283	1,344,648	1,371,541	1,398,972	1,426,952
Utilities	524,719	540,461	556,674	573,375	590,576
Building Repairs & Services	497,237	507,181	517,325	527,672	538,225
Total Purchased Services Line #3.030	<u>\$4,145,473</u>	<u>\$4,233,630</u>	<u>\$4,323,707</u>	<u>\$4,415,748</u>	<u>\$4,509,797</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Supplies, Textbooks, and other	\$440,919	\$449,738	\$458,733	\$467,907	\$477,265
Maintenance & Transportation Supplies	<u>244,969</u>	<u>252,318</u>	<u>259,888</u>	<u>267,684</u>	<u>275,715</u>
Total Supplies Line #3.040	<u>\$685,889</u>	<u>\$702,056</u>	<u>\$718,620</u>	<u>\$735,592</u>	<u>\$752,980</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Capital Outlay	\$133,240	\$135,905	\$138,623	\$141,395	\$144,223
Curriculum/Sport Facility	500,000	-	-	-	-
Replacement Bus Purchases	-	125,000	-	-	-
Total Equipment Line #3.050	<u>\$633,240</u>	<u>\$260,905</u>	<u>\$138,623</u>	<u>\$141,395</u>	<u>\$144,223</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
HB 264 Principal Line 4.050	<u>\$94,000</u>	<u>\$96,000</u>	<u>\$30,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Interest Total Line 4.060	<u>\$6,498</u>	<u>\$3,272</u>	<u>\$548</u>	<u>\$0</u>	<u>\$0</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Auditor & Treasurer Fees	\$180,867	\$184,485	\$188,174	\$191,938	\$195,777
County Board of Education	10,360	10,567	10,779	10,994	11,214
Other expenses	<u>162,687</u>	<u>165,941</u>	<u>169,259</u>	<u>172,645</u>	<u>176,098</u>
Total Other Expenses Line #4.300	<u>\$353,915</u>	<u>\$360,993</u>	<u>\$368,213</u>	<u>\$375,577</u>	<u>\$383,088</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Operating Transfers Out Line #5.010	\$200,000	\$75,000	\$75,000	\$75,000	\$75,000
Advances Out Line #5.020	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances Out	<u>\$350,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>

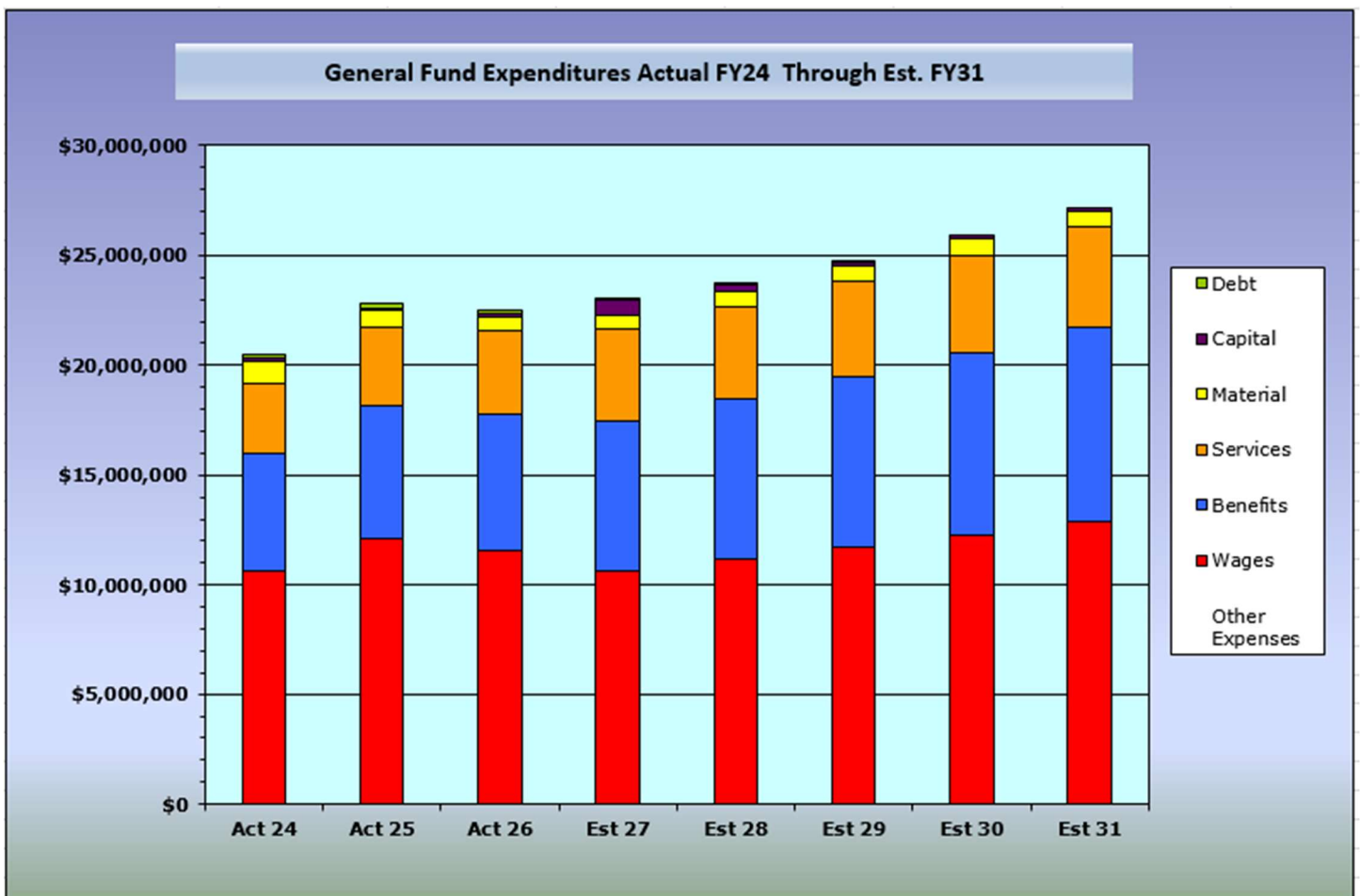
Encumbrances – Line #8.010

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Estimated Encumbrances	<u>\$476,679</u>	<u>\$486,212</u>	<u>\$495,936</u>	<u>\$505,855</u>	<u>\$515,972</u>

Operating Expenditures Actual FY24 through FY26 and Estimated FY27 through FY31

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



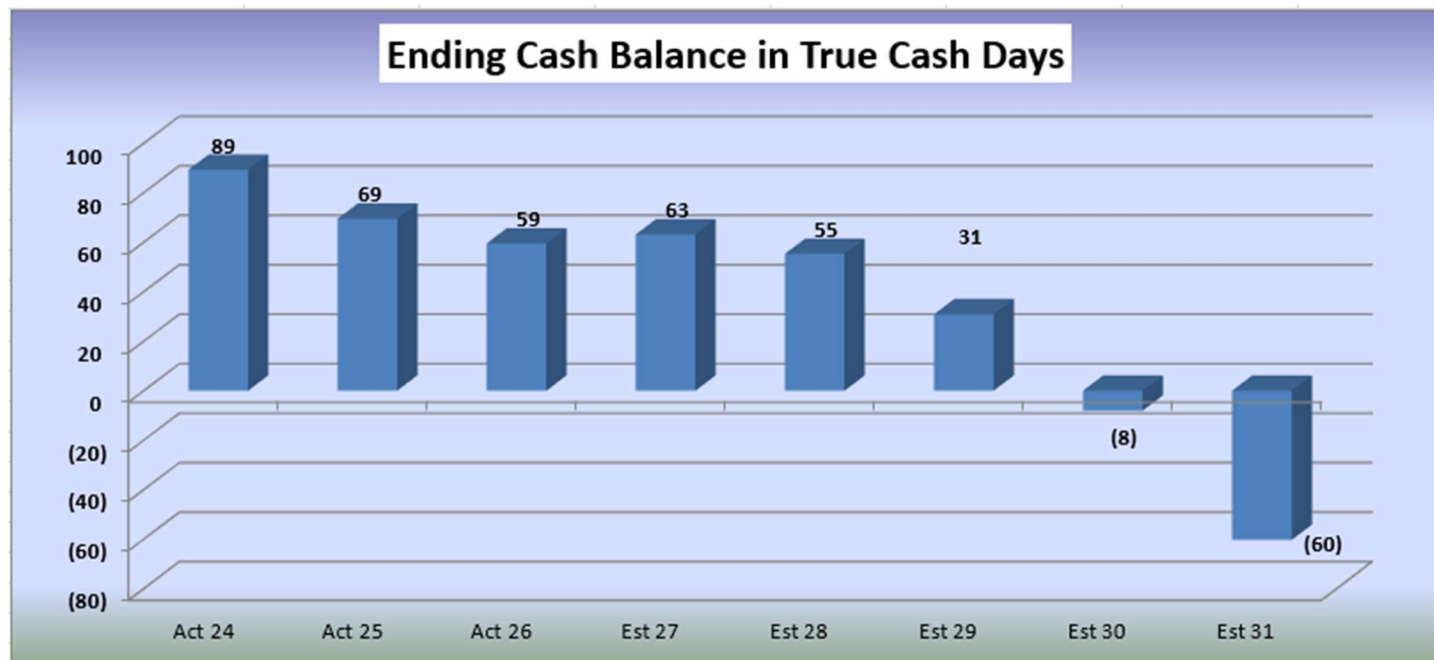
Ending Unencumbered Cash Balance – Line#15.010

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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Ending Cash Balance	<u>\$4,111,190</u>	<u>\$3,671,295</u>	<u>\$2,133,501</u>	<u>-\$583,358</u>	<u>-\$4,574,772</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 FY28.



COSHOCTON CITY SCHOOL DISTRICT- COSHOCTON 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
Coshocton City School District
Treasurer's Office
Terri Eyerman, Treasurer/CFO
August 27, 2026

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 have changed in fiscal year 2027 to August 31, and end of February each fiscal year. The filing deadlines of February and August are out of alignment with when final 1st half and 2nd half tax settlements will actually be received in most cases, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations which is September 30th of each year.

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

projections. Our forecast is updated to reflect the most current economic data available for the August 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws noted below, and 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 FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 simulations published by the Department of Education and Workforce for our forecasted revenues in FY27-FY31.
- 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 budget represented 73% of district revenues, which means it is a significant area of risk to 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 FY31. We have projected our state funding in FY27 based on the Ohio Department of Education and Workforce (ODEW) funding simulator for FY27 projections. This forecast reflects state revenue to align with the FY27 funding levels through FY31, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

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 6% increase in Class I values and 2% in Class II.

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

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

Revenue Risk Loss Assessment of HB129 and HB186 To Our Forecast

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 20-mill floor. Crestview was on the 20-mill floor and **does** have a fixed sum substitute levy, therefore, HB129 pulls the district off 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. Based on the County Auditor, we do not expect an impact from HB186..

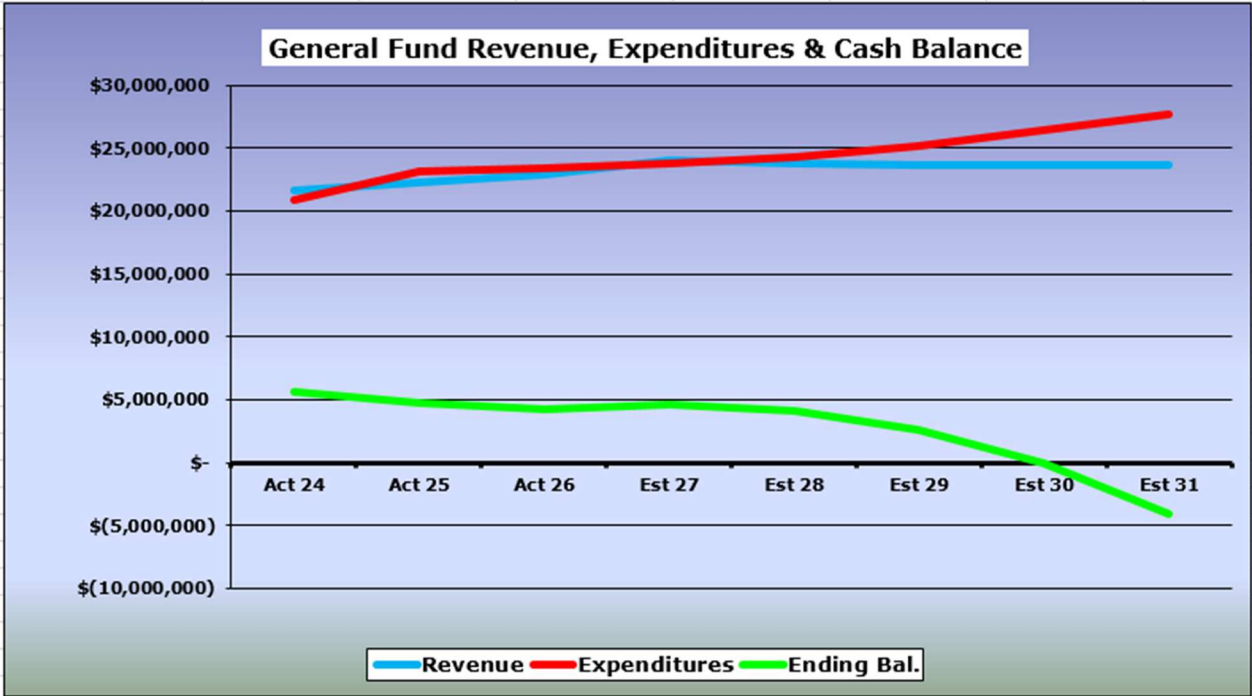
Evaluation of Emerging Risks: HB309, HB335, and Piggyback Exemptions

- 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 plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage collections.
- HB96 Expanded Piggyback Option introduces a significant *local political* risk through "Piggyback" exemptions. Unlike standard Homestead and 2.5% owner-occupied credits—which the state reimburses—Piggyback exemptions are **not reimbursed**. Our County Commissioners did not vote to approve Piggyback Property Tax Exemptions for tax year 2027.

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.

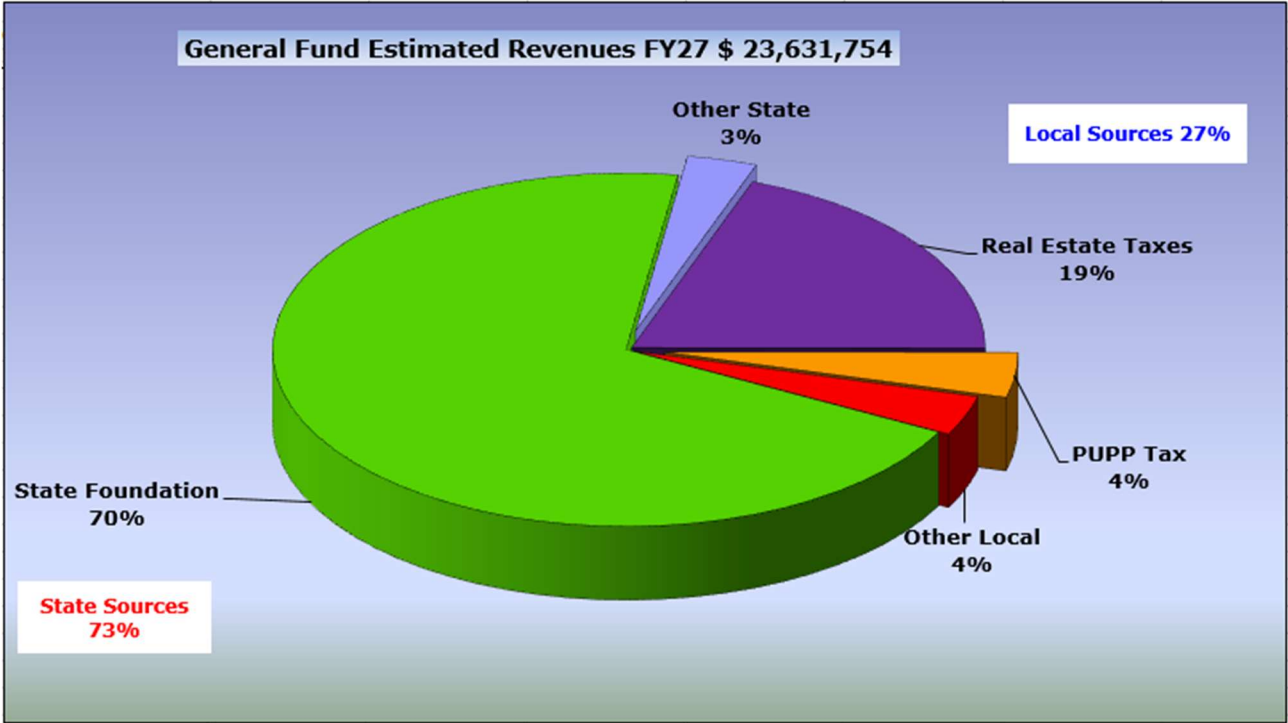
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY24-26 and Estimated FY27-31.

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 FY27 (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 not voted to implement this tax credit for tax year 2027. 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.

Coshocton is not anticipating a negative claw back impact to our forecast due to HB186 based on information obtained from the County Auditor.

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

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

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029	TAX YEAR 2030
<u>Classification</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>	<u>COLLECT 2030</u>	<u>COLLECT 2031</u>
Res./Ag.	\$153,045,471	\$162,439,009	\$162,652,727	\$162,869,383	\$163,089,005
Comm./Ind.	50,624,824	51,637,320	51,637,320	51,637,320	51,637,320
Public Utility (PUPP)	<u>19,862,350</u>	<u>20,162,350</u>	<u>20,462,350</u>	<u>20,762,350</u>	<u>21,062,350</u>
Total Assessed Value	<u>\$223,532,645</u>	<u>\$234,238,680</u>	<u>\$234,752,398</u>	<u>\$235,269,053</u>	<u>\$235,788,675</u>

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Est. Property Taxes	\$4,601,244	\$4,568,853	\$4,593,414	\$4,571,383	\$4,565,961
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>\$4,601,244</u>	<u>\$4,568,853</u>	<u>\$4,593,414</u>	<u>\$4,571,383</u>	<u>\$4,565,961</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.

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Public Utility Personal Property Taxes	<u>\$967,675</u>	<u>\$980,491</u>	<u>\$993,278</u>	<u>\$1,007,940</u>	<u>\$1,022,603</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 FY27, which funds students where they are educated rather than where they live. We have projected FY27 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY27 and is expected to continue to be on the formula in FY28-FY31 on the new Fair School Funding Plan (FSFP) based on **current law**.

For a detailed overview of how foundation funding is calculated 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 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We will now know until report card data is released in September if we qualify for this payment for FY27.

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 data to work with. For this reason, funding is held constant in the forecast for FY28 through FY31.

Casino Revenue

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. 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 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.

B) Restricted State Revenues – Line # 1.040

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Basic Aid-Unrestricted	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371
Additional Aid Items	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>
Basic Aid-Unrestricted Subtotal	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396
Ohio Casino Commission ODT/Medicaid	<u>264,436</u>	<u>265,494</u>	<u>266,562</u>	<u>267,642</u>	<u>268,732</u>
Total Unrestricted State Aid Line #1.035	<u>\$14,736,832</u>	<u>\$14,737,890</u>	<u>\$14,738,958</u>	<u>\$14,740,038</u>	<u>\$14,741,128</u>

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 were notified in January that the state of Ohio overspent their Science of Reading Appropriation and will be reducing funding to recover funds previously paid. We were also notified that Threshold reimbursements in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

Restricted Federal Grants in Aid – line #1.045

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

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
DPIA	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943
Career Tech - Restricted	23,613	23,613	23,613	23,613	23,613
Gifted	90,031	90,031	90,031	90,031	90,031
ESL	11,283	11,283	11,283	11,283	11,283
Student Wellness	358,396	358,396	358,396	358,396	358,396
Other Restricted State Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>

Summary of State Foundation Revenues

<u>SUMMARY</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Unrestricted Line # 1.035	\$14,736,832	\$14,737,890	\$14,738,958	\$14,740,038	\$14,741,128
Restricted Line # 1.040	1,717,266	1,717,266	1,717,266	1,717,266	1,717,266
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>\$16,454,098</u>	<u>\$16,455,156</u>	<u>\$16,456,224</u>	<u>\$16,457,304</u>	<u>\$16,458,394</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, began a phase down of the 10% rollback credit that has been in effect since 1971 and an equal phase up of the Owner Occupied Credit (OOC) that has been in effect since 1978. In addition, HB96 increased the OOC by 2.88% by phasing it in over four (4) years starting in tax year 2026. The table below shows the phasing of these changes. Eventually there will be some amount of 10% rollback for non-timber farmland but we will need tax settlement sheets to determine that amount. These amounts are fully reimbursed to the school district when deducted from Class I property tax bills. Homestead credits vary annually based on applicants and eligibility.

The state of Ohio passed HB479 on June 24, 2026, and becomes effective September 23, which included a one-

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

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSDs that are located in a county that underwent a reappraisal or triennial update in Tax Years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in Tax Year 2025 than in Tax Year 2024. The revenue guarantee applies to Tax Year 2025, in the case of 2023 reappraisal or update counties, and to Tax Years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district's real property tax revenue in Tax Year 2024 and its revenue in 2025 and, if applicable, 2026. We do 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>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Rollback and Homestead	\$755,759	\$796,055	\$734,149	\$763,107	\$779,069
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>\$755,759</u>	<u>\$796,055</u>	<u>\$734,149</u>	<u>\$763,107</u>	<u>\$779,069</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. While interest income in FY27 should remain relatively steady due to laddered investment strategies, the rate cuts may begin to have an impact on earnings in FY28 and future years. We will continue to monitor the investments for the district.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Tuition	433,363	437,696	442,073	446,494	450,959
Interest	232,697	209,427	188,484	169,636	152,672
Other Income	<u>186,919</u>	<u>188,788</u>	<u>190,676</u>	<u>192,583</u>	<u>194,508</u>
Total Line # 1.060	<u>\$852,978</u>	<u>\$835,911</u>	<u>\$821,233</u>	<u>\$808,713</u>	<u>\$798,140</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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>385,868</u>	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances In	<u>\$385,868</u>	<u>\$150,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

All Other Financial Sources – Line #2.060

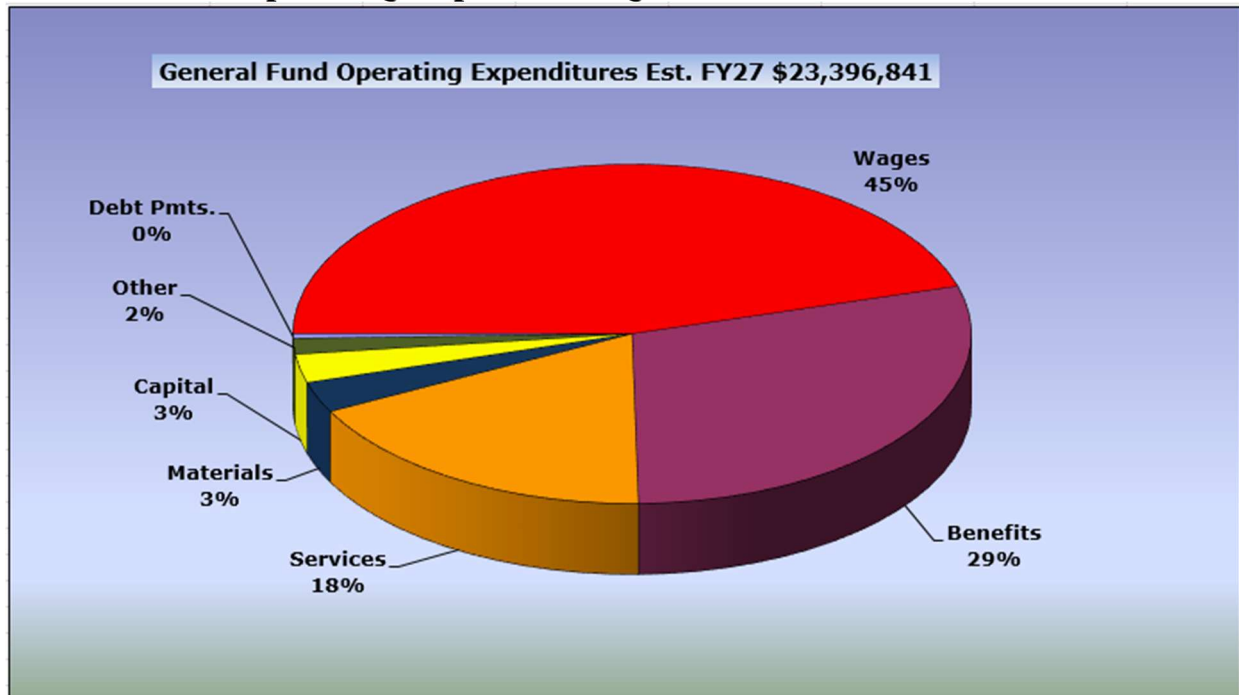
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we project a set estimated amount occurring in the remainder of the forecast.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
All Other Sources	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>

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 FY27



Wages – Line #3.010

The district and CCEA are currently in negotiations. Therefore, the wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

Summary of Personal Services – Line #3.010

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Base Wages	\$9,955,561	\$10,164,867	\$10,673,111	\$11,206,766	\$11,767,105
Wage adjustments	250,000	101,649	106,731	112,068	117,671
Steps & Training	50,000	406,595	426,924	448,271	470,684
Substitutes	195,000	196,950	198,920	200,909	202,918
Supplemental	277,308	280,081	282,882	285,711	288,568
Severance	-	25,000	25,000	25,000	25,000
Staff Reductions (Retire/Resignation)	(90,694)	0	0	0	0
Total Wages Line #3.010	<u>\$10,637,175</u>	<u>\$11,175,142</u>	<u>\$11,713,567</u>	<u>\$12,278,724</u>	<u>\$12,871,945</u>

Fringe Benefits Estimates – Line #3.020

The wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

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. FY27-FY31 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 FY27- FY31. Unemployment is expected to remain at a very low level FY27-FY31. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
STRS/SERS	\$1,943,569	\$2,009,361	\$2,094,398	\$2,183,659	\$2,277,356
Insurance's	4,674,871	5,048,861	5,452,770	5,888,991	6,360,111
Workers Comp/Unemployment	43,699	45,744	47,790	49,937	52,191
Medicare	143,511	150,864	158,133	165,763	173,771
Tuition and Other Benefits	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Total Fringe Benefits Line #3.020	<u>\$6,840,651</u>	<u>\$7,289,830</u>	<u>\$7,788,090</u>	<u>\$8,323,350</u>	<u>\$8,898,430</u>

Purchased Services – Line #3.030

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 was 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. Due to the continued increase in electric rates the district is projecting a continued increase in utility costs.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Insurance, Leases, Postage, & Other	\$132,381	\$135,028	\$137,729	\$140,483	\$143,293
Professional Services, Legal Fees & ESC	1,672,854	1,706,311	1,740,437	1,775,246	1,810,751
Other Tuition	1,318,283	1,344,648	1,371,541	1,398,972	1,426,952
Utilities	524,719	540,461	556,674	573,375	590,576
Building Repairs & Services	497,237	507,181	517,325	527,672	538,225
Total Purchased Services Line #3.030	<u>\$4,145,473</u>	<u>\$4,233,630</u>	<u>\$4,323,707</u>	<u>\$4,415,748</u>	<u>\$4,509,797</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Supplies, Textbooks, and other	\$440,919	\$449,738	\$458,733	\$467,907	\$477,265
Maintenance & Transportation Supplies	<u>244,969</u>	<u>252,318</u>	<u>259,888</u>	<u>267,684</u>	<u>275,715</u>
Total Supplies Line #3.040	<u>\$685,889</u>	<u>\$702,056</u>	<u>\$718,620</u>	<u>\$735,592</u>	<u>\$752,980</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Capital Outlay	\$133,240	\$135,905	\$138,623	\$141,395	\$144,223
Curriculum/Sport Facility	500,000	-	-	-	-
Replacement Bus Purchases	-	125,000	-	-	-
Total Equipment Line #3.050	<u>\$633,240</u>	<u>\$260,905</u>	<u>\$138,623</u>	<u>\$141,395</u>	<u>\$144,223</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
HB 264 Principal Line 4.050	<u>\$94,000</u>	<u>\$96,000</u>	<u>\$30,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Interest Total Line 4.060	<u>\$6,498</u>	<u>\$3,272</u>	<u>\$548</u>	<u>\$0</u>	<u>\$0</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Auditor & Treasurer Fees	\$180,867	\$184,485	\$188,174	\$191,938	\$195,777
County Board of Education	10,360	10,567	10,779	10,994	11,214
Other expenses	<u>162,687</u>	<u>165,941</u>	<u>169,259</u>	<u>172,645</u>	<u>176,098</u>
Total Other Expenses Line #4.300	<u>\$353,915</u>	<u>\$360,993</u>	<u>\$368,213</u>	<u>\$375,577</u>	<u>\$383,088</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Operating Transfers Out Line #5.010	\$200,000	\$75,000	\$75,000	\$75,000	\$75,000
Advances Out Line #5.020	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances Out	<u>\$350,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>

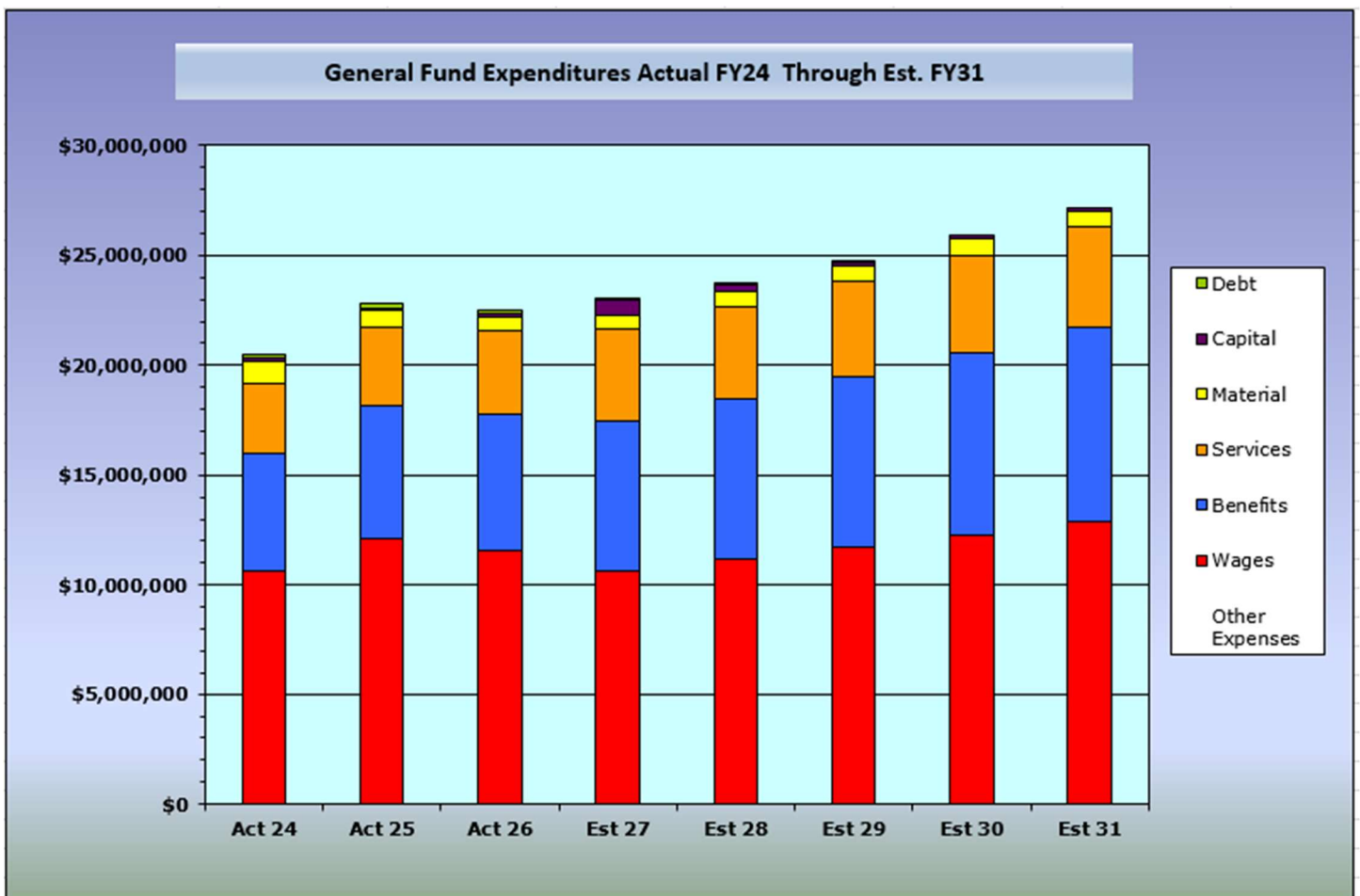
Encumbrances – Line #8.010

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Estimated Encumbrances	<u>\$476,679</u>	<u>\$486,212</u>	<u>\$495,936</u>	<u>\$505,855</u>	<u>\$515,972</u>

Operating Expenditures Actual FY24 through FY26 and Estimated FY27 through FY31

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



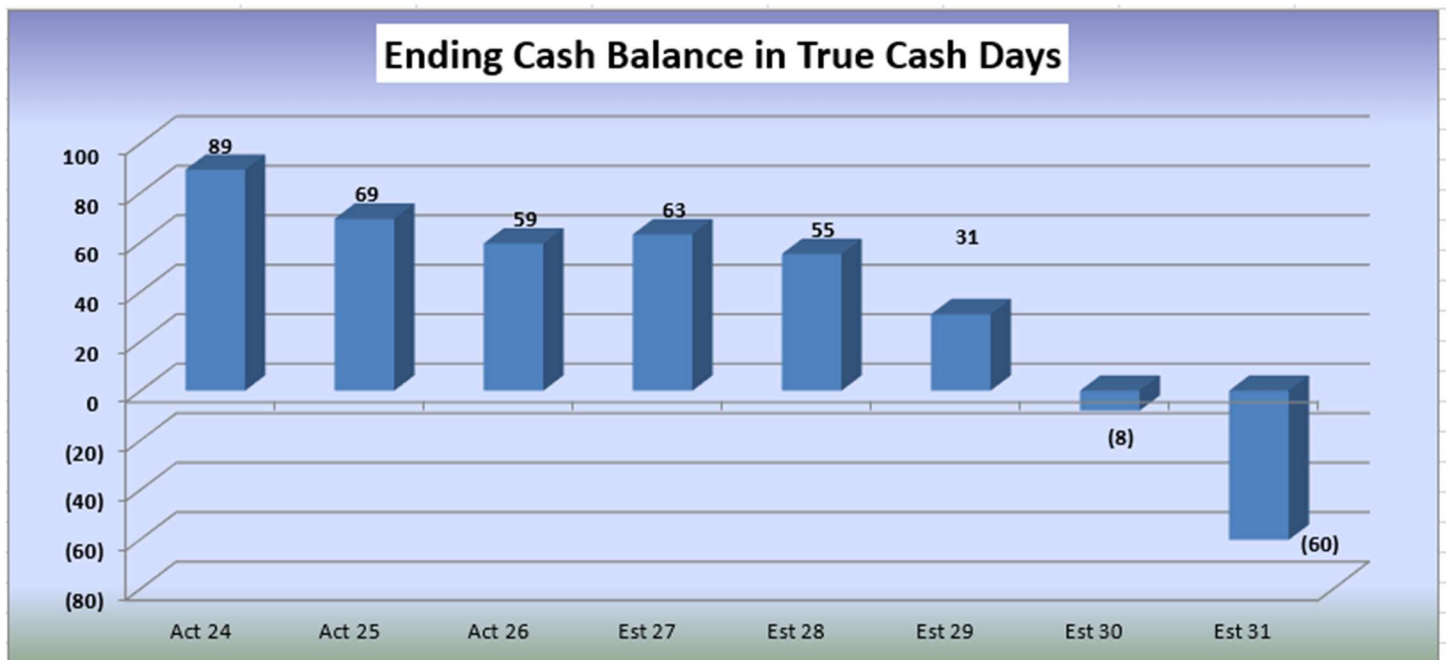
Ending Unencumbered Cash Balance – Line#15.010

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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Ending Cash Balance	<u>\$4,111,190</u>	<u>\$3,671,295</u>	<u>\$2,133,501</u>	<u>-\$583,358</u>	<u>-\$4,574,772</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 FY28.



COSHOCTON CITY SCHOOL DISTRICT- COSHOCTON 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
Coshocton City School District
Treasurer's Office
Terri Eyerman, Treasurer/CFO
August 27, 2026

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 have changed in fiscal year 2027 to August 31, and end of February each fiscal year. The filing deadlines of February and August are out of alignment with when final 1st half and 2nd half tax settlements will actually be received in most cases, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations which is September 30th of each year.

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

projections. Our forecast is updated to reflect the most current economic data available for the August 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws noted below, and 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 FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 simulations published by the Department of Education and Workforce for our forecasted revenues in FY27-FY31.
- 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 budget represented 73% of district revenues, which means it is a significant area of risk to 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 FY31. We have projected our state funding in FY27 based on the Ohio Department of Education and Workforce (ODEW) funding simulator for FY27 projections. This forecast reflects state revenue to align with the FY27 funding levels through FY31, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

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 6% increase in Class I values and 2% in Class II.

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

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

Revenue Risk Loss Assessment of HB129 and HB186 To Our Forecast

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 20-mill floor. Crestview was on the 20-mill floor and **does** have a fixed sum substitute levy, therefore, HB129 pulls the district off 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. Based on the County Auditor, we do not expect an impact from HB186..

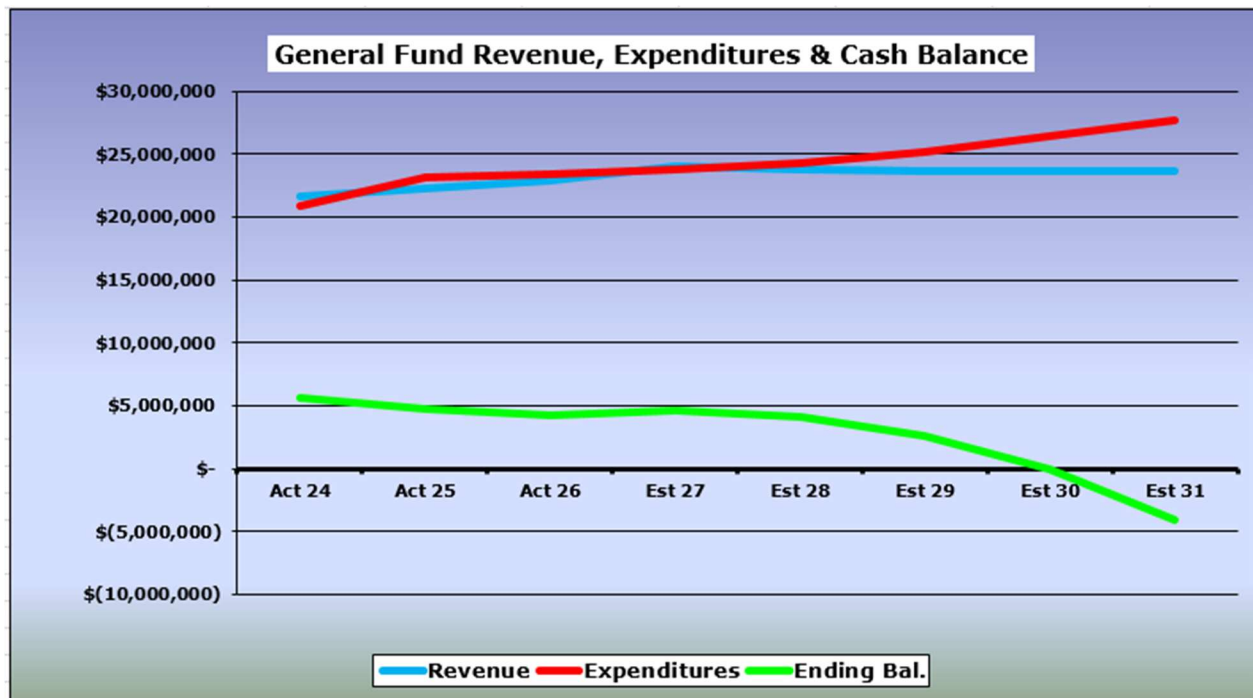
Evaluation of Emerging Risks: HB309, HB335, and Piggyback Exemptions

- 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 plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage collections.
- HB96 Expanded Piggyback Option introduces a significant *local political* risk through "Piggyback" exemptions. Unlike standard Homestead and 2.5% owner-occupied credits—which the state reimburses—Piggyback exemptions are **not reimbursed**. Our County Commissioners did not vote to approve Piggyback Property Tax Exemptions for tax year 2027.

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.

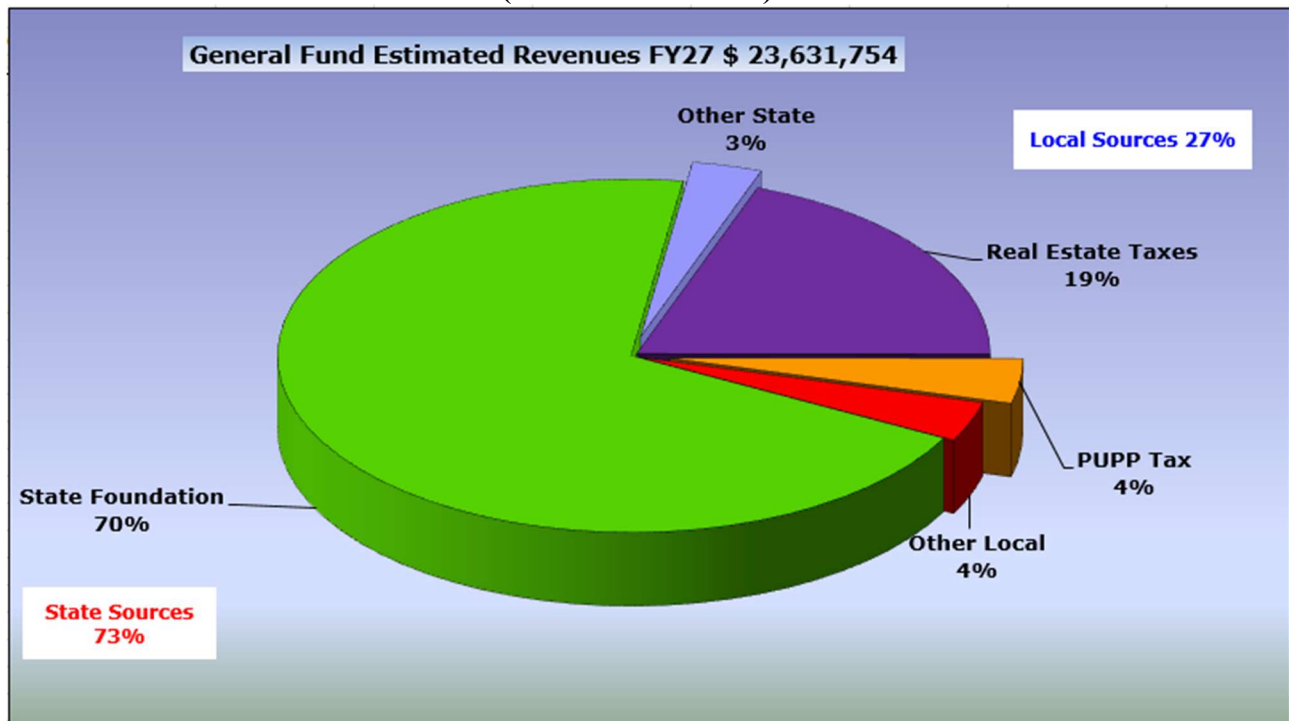
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY24-26 and Estimated FY27-31.

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 May 2021 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 FY27 (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 not voted to implement this tax credit for tax year 2027. 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.

Coshocton is not anticipating a negative claw back impact to our forecast due to HB186 based on information obtained from the County Auditor.

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

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

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029	TAX YEAR 2030
<u>Classification</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>	<u>COLLECT 2030</u>	<u>COLLECT 2031</u>
Res./Ag.	\$153,045,471	\$162,439,009	\$162,652,727	\$162,869,383	\$163,089,005
Comm./Ind.	50,624,824	51,637,320	51,637,320	51,637,320	51,637,320
Public Utility (PUPP)	<u>19,862,350</u>	<u>20,162,350</u>	<u>20,462,350</u>	<u>20,762,350</u>	<u>21,062,350</u>
Total Assessed Value	<u>\$223,532,645</u>	<u>\$234,238,680</u>	<u>\$234,752,398</u>	<u>\$235,269,053</u>	<u>\$235,788,675</u>

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Est. Property Taxes	\$4,601,244	\$4,568,853	\$4,593,414	\$4,571,383	\$4,565,961
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>\$4,601,244</u>	<u>\$4,568,853</u>	<u>\$4,593,414</u>	<u>\$4,571,383</u>	<u>\$4,565,961</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.

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Public Utility Personal Property Taxes	<u>\$967,675</u>	<u>\$980,491</u>	<u>\$993,278</u>	<u>\$1,007,940</u>	<u>\$1,022,603</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 FY27, which funds students where they are educated rather than where they live. We have projected FY27 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY27 and is expected to continue to be on the formula in FY28-FY31 on the new Fair School Funding Plan (FSFP) based on **current law**.

For a detailed overview of how foundation funding is calculated 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 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We will now know until report card data is released in September if we qualify for this payment for FY27.

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 data to work with. For this reason, funding is held constant in the forecast for FY28 through FY31.

Casino Revenue

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. 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 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.

B) Restricted State Revenues – Line # 1.040

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Basic Aid-Unrestricted	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371
Additional Aid Items	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>
Basic Aid-Unrestricted Subtotal	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396
Ohio Casino Commission ODT/Medicaid	<u>264,436</u>	<u>265,494</u>	<u>266,562</u>	<u>267,642</u>	<u>268,732</u>
Total Unrestricted State Aid Line #1.035	<u>\$14,736,832</u>	<u>\$14,737,890</u>	<u>\$14,738,958</u>	<u>\$14,740,038</u>	<u>\$14,741,128</u>

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 were notified in January that the state of Ohio overspent their Science of Reading Appropriation and will be reducing funding to recover funds previously paid. We were also notified that Threshold reimbursements in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

Restricted Federal Grants in Aid – line #1.045

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

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
DPIA	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943
Career Tech - Restricted	23,613	23,613	23,613	23,613	23,613
Gifted	90,031	90,031	90,031	90,031	90,031
ESL	11,283	11,283	11,283	11,283	11,283
Student Wellness	358,396	358,396	358,396	358,396	358,396
Other Restricted State Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>

Summary of State Foundation Revenues

<u>SUMMARY</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Unrestricted Line # 1.035	\$14,736,832	\$14,737,890	\$14,738,958	\$14,740,038	\$14,741,128
Restricted Line # 1.040	1,717,266	1,717,266	1,717,266	1,717,266	1,717,266
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>\$16,454,098</u>	<u>\$16,455,156</u>	<u>\$16,456,224</u>	<u>\$16,457,304</u>	<u>\$16,458,394</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, began a phase down of the 10% rollback credit that has been in effect since 1971 and an equal phase up of the Owner Occupied Credit (OOC) that has been in effect since 1978. In addition, HB96 increased the OOC by 2.88% by phasing it in over four (4) years starting in tax year 2026. The table below shows the phasing of these changes. Eventually there will be some amount of 10% rollback for non-timber farmland but we will need tax settlement sheets to determine that amount. These amounts are fully reimbursed to the school district when deducted from Class I property tax bills. Homestead credits vary annually based on applicants and eligibility.

The state of Ohio passed HB479 on June 24, 2026, and becomes effective September 23, which included a one-

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

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSDs that are located in a county that underwent a reappraisal or triennial update in Tax Years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in Tax Year 2025 than in Tax Year 2024. The revenue guarantee applies to Tax Year 2025, in the case of 2023 reappraisal or update counties, and to Tax Years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district's real property tax revenue in Tax Year 2024 and its revenue in 2025 and, if applicable, 2026. We do 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>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Rollback and Homestead	\$755,759	\$796,055	\$734,149	\$763,107	\$779,069
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>\$755,759</u>	<u>\$796,055</u>	<u>\$734,149</u>	<u>\$763,107</u>	<u>\$779,069</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. While interest income in FY27 should remain relatively steady due to laddered investment strategies, the rate cuts may begin to have an impact on earnings in FY28 and future years. We will continue to monitor the investments for the district.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Tuition	433,363	437,696	442,073	446,494	450,959
Interest	232,697	209,427	188,484	169,636	152,672
Other Income	<u>186,919</u>	<u>188,788</u>	<u>190,676</u>	<u>192,583</u>	<u>194,508</u>
Total Line # 1.060	<u>\$852,978</u>	<u>\$835,911</u>	<u>\$821,233</u>	<u>\$808,713</u>	<u>\$798,140</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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>385,868</u>	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances In	<u>\$385,868</u>	<u>\$150,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

All Other Financial Sources – Line #2.060

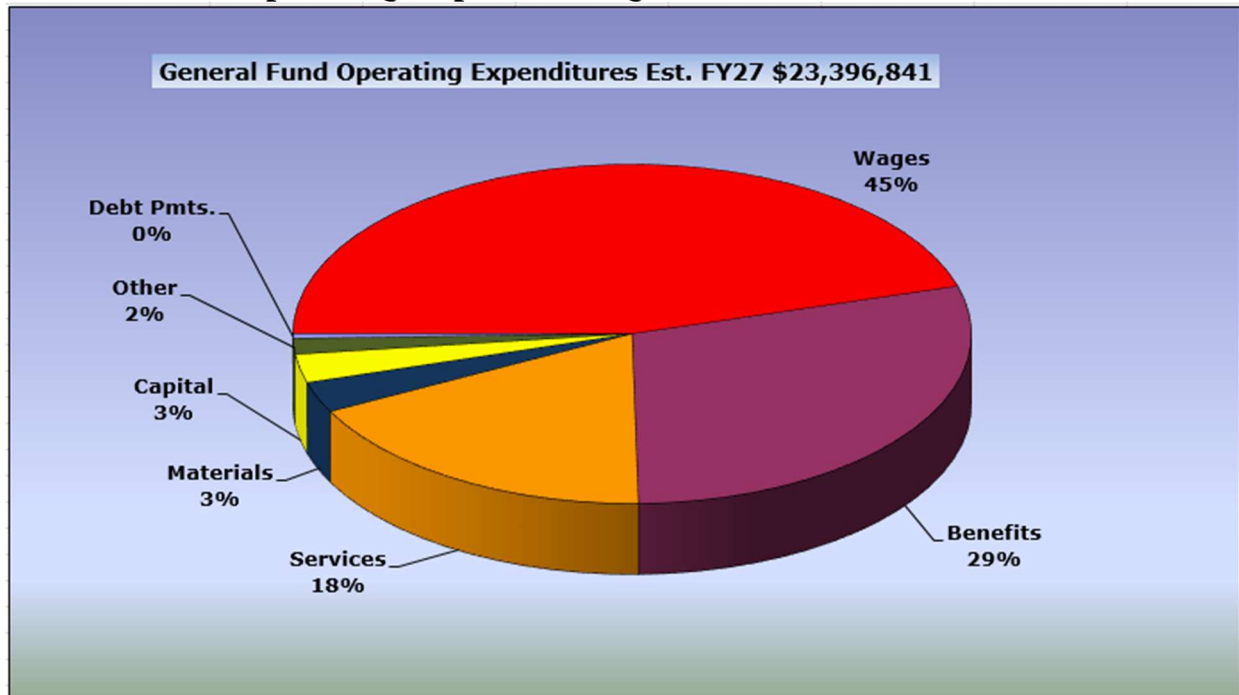
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we project a set estimated amount occurring in the remainder of the forecast.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
All Other Sources	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>

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 FY27



Wages – Line #3.010

The district and CCEA are currently in negotiations. Therefore, the wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

Summary of Personal Services – Line #3.010

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Base Wages	\$9,955,561	\$10,164,867	\$10,673,111	\$11,206,766	\$11,767,105
Wage adjustments	250,000	101,649	106,731	112,068	117,671
Steps & Training	50,000	406,595	426,924	448,271	470,684
Substitutes	195,000	196,950	198,920	200,909	202,918
Supplemental	277,308	280,081	282,882	285,711	288,568
Severance	-	25,000	25,000	25,000	25,000
Staff Reductions (Retire/Resignation)	(90,694)	0	0	0	0
Total Wages Line #3.010	<u>\$10,637,175</u>	<u>\$11,175,142</u>	<u>\$11,713,567</u>	<u>\$12,278,724</u>	<u>\$12,871,945</u>

Fringe Benefits Estimates – Line #3.020

The wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

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. FY27-FY31 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 FY27- FY31. Unemployment is expected to remain at a very low level FY27-FY31. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
STRS/SERS	\$1,943,569	\$2,009,361	\$2,094,398	\$2,183,659	\$2,277,356
Insurance's	4,674,871	5,048,861	5,452,770	5,888,991	6,360,111
Workers Comp/Unemployment	43,699	45,744	47,790	49,937	52,191
Medicare	143,511	150,864	158,133	165,763	173,771
Tuition and Other Benefits	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Total Fringe Benefits Line #3.020	<u>\$6,840,651</u>	<u>\$7,289,830</u>	<u>\$7,788,090</u>	<u>\$8,323,350</u>	<u>\$8,898,430</u>

Purchased Services – Line #3.030

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 was 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. Due to the continued increase in electric rates the district is projecting a continued increase in utility costs.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Insurance, Leases, Postage, & Other	\$132,381	\$135,028	\$137,729	\$140,483	\$143,293
Professional Services, Legal Fees & ESC	1,672,854	1,706,311	1,740,437	1,775,246	1,810,751
Other Tuition	1,318,283	1,344,648	1,371,541	1,398,972	1,426,952
Utilities	524,719	540,461	556,674	573,375	590,576
Building Repairs & Services	497,237	507,181	517,325	527,672	538,225
Total Purchased Services Line #3.030	<u>\$4,145,473</u>	<u>\$4,233,630</u>	<u>\$4,323,707</u>	<u>\$4,415,748</u>	<u>\$4,509,797</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Supplies, Textbooks, and other	\$440,919	\$449,738	\$458,733	\$467,907	\$477,265
Maintenance & Transportation Supplies	<u>244,969</u>	<u>252,318</u>	<u>259,888</u>	<u>267,684</u>	<u>275,715</u>
Total Supplies Line #3.040	<u>\$685,889</u>	<u>\$702,056</u>	<u>\$718,620</u>	<u>\$735,592</u>	<u>\$752,980</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Capital Outlay	\$133,240	\$135,905	\$138,623	\$141,395	\$144,223
Curriculum/Sport Facility	500,000	-	-	-	-
Replacement Bus Purchases	-	125,000	-	-	-
Total Equipment Line #3.050	<u>\$633,240</u>	<u>\$260,905</u>	<u>\$138,623</u>	<u>\$141,395</u>	<u>\$144,223</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
HB 264 Principal Line 4.050	<u>\$94,000</u>	<u>\$96,000</u>	<u>\$30,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Interest Total Line 4.060	<u>\$6,498</u>	<u>\$3,272</u>	<u>\$548</u>	<u>\$0</u>	<u>\$0</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Auditor & Treasurer Fees	\$180,867	\$184,485	\$188,174	\$191,938	\$195,777
County Board of Education	10,360	10,567	10,779	10,994	11,214
Other expenses	<u>162,687</u>	<u>165,941</u>	<u>169,259</u>	<u>172,645</u>	<u>176,098</u>
Total Other Expenses Line #4.300	<u>\$353,915</u>	<u>\$360,993</u>	<u>\$368,213</u>	<u>\$375,577</u>	<u>\$383,088</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Operating Transfers Out Line #5.010	\$200,000	\$75,000	\$75,000	\$75,000	\$75,000
Advances Out Line #5.020	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances Out	<u>\$350,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>

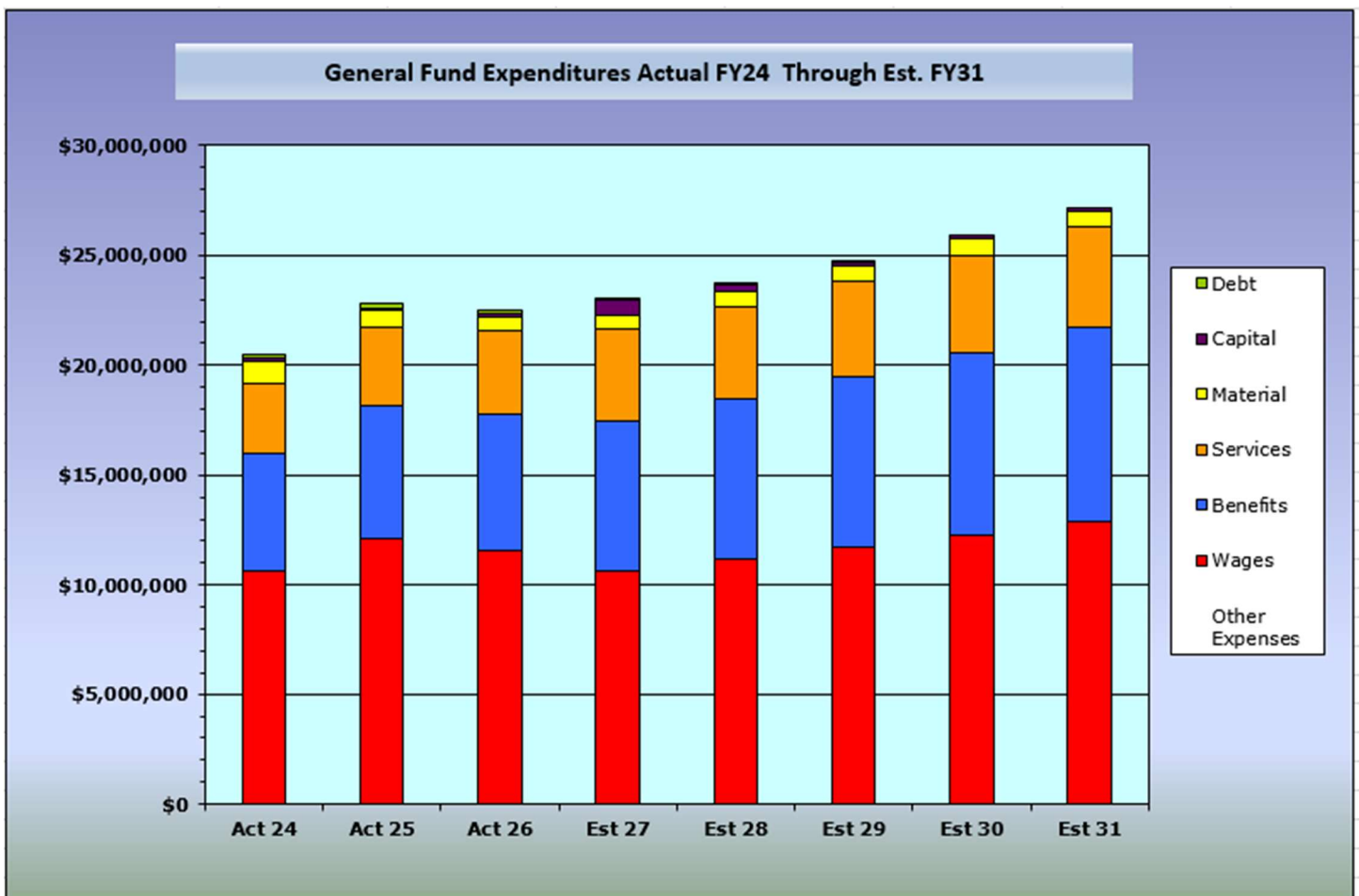
Encumbrances – Line #8.010

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Estimated Encumbrances	<u>\$476,679</u>	<u>\$486,212</u>	<u>\$495,936</u>	<u>\$505,855</u>	<u>\$515,972</u>

Operating Expenditures Actual FY24 through FY26 and Estimated FY27 through FY31

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



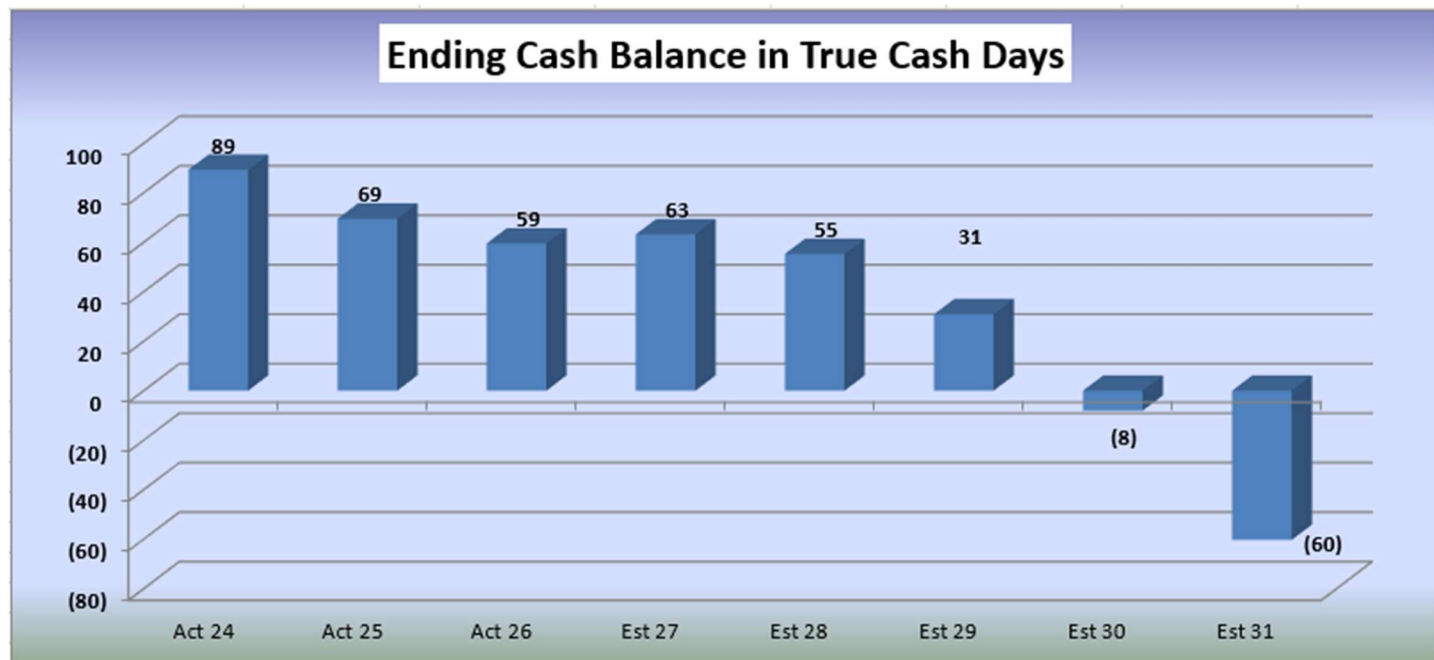
Ending Unencumbered Cash Balance – Line#15.010

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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Ending Cash Balance	<u>\$4,111,190</u>	<u>\$3,671,295</u>	<u>\$2,133,501</u>	<u>-\$583,358</u>	<u>-\$4,574,772</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 FY28.



COSHOCTON CITY SCHOOL DISTRICT- COSHOCTON 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
Coshocton City School District
Treasurer's Office
Terri Eyerman, Treasurer/CFO
August 27, 2026

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 have changed in fiscal year 2027 to August 31, and end of February each fiscal year. The filing deadlines of February and August are out of alignment with when final 1st half and 2nd half tax settlements will actually be received in most cases, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations which is September 30th of each year.

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

projections. Our forecast is updated to reflect the most current economic data available for the August 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws noted below, and 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 FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 simulations published by the Department of Education and Workforce for our forecasted revenues in FY27-FY31.
- 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 budget represented 73% of district revenues, which means it is a significant area of risk to 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 FY31. We have projected our state funding in FY27 based on the Ohio Department of Education and Workforce (ODEW) funding simulator for FY27 projections. This forecast reflects state revenue to align with the FY27 funding levels through FY31, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

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 6% increase in Class I values and 2% in Class II.

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

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

Revenue Risk Loss Assessment of HB129 and HB186 To Our Forecast

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 20-mill floor. Crestview was on the 20-mill floor and **does** have a fixed sum substitute levy, therefore, HB129 pulls the district off 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. Based on the County Auditor, we do not expect an impact from HB186..

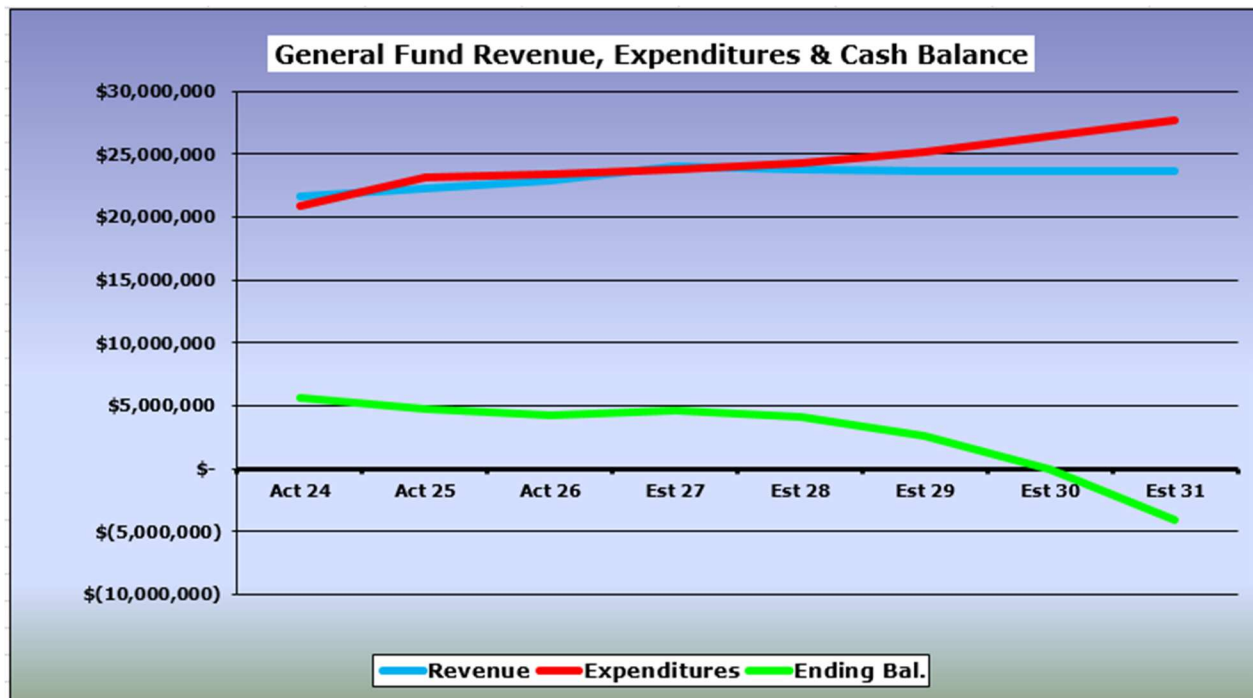
Evaluation of Emerging Risks: HB309, HB335, and Piggyback Exemptions

- 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 plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage collections.
- HB96 Expanded Piggyback Option introduces a significant *local political* risk through "Piggyback" exemptions. Unlike standard Homestead and 2.5% owner-occupied credits—which the state reimburses—Piggyback exemptions are **not reimbursed**. Our County Commissioners did not vote to approve Piggyback Property Tax Exemptions for tax year 2027.

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.

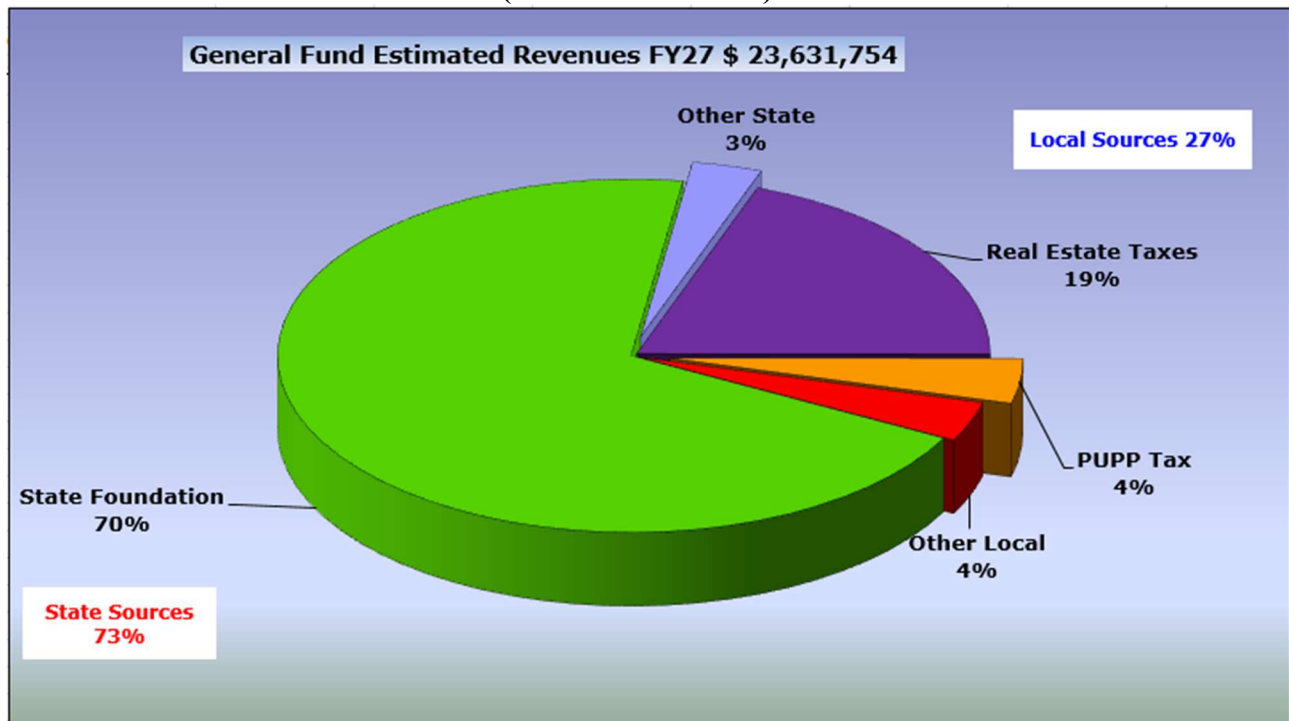
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY24-26 and Estimated FY27-31.

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 May 2021 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 FY27 (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 not voted to implement this tax credit for tax year 2027. 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.

Coshocton is not anticipating a negative claw back impact to our forecast due to HB186 based on information obtained from the County Auditor.

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

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

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029	TAX YEAR 2030
<u>Classification</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>	<u>COLLECT 2030</u>	<u>COLLECT 2031</u>
Res./Ag.	\$153,045,471	\$162,439,009	\$162,652,727	\$162,869,383	\$163,089,005
Comm./Ind.	50,624,824	51,637,320	51,637,320	51,637,320	51,637,320
Public Utility (PUPP)	<u>19,862,350</u>	<u>20,162,350</u>	<u>20,462,350</u>	<u>20,762,350</u>	<u>21,062,350</u>
Total Assessed Value	<u>\$223,532,645</u>	<u>\$234,238,680</u>	<u>\$234,752,398</u>	<u>\$235,269,053</u>	<u>\$235,788,675</u>

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Est. Property Taxes	\$4,601,244	\$4,568,853	\$4,593,414	\$4,571,383	\$4,565,961
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>\$4,601,244</u>	<u>\$4,568,853</u>	<u>\$4,593,414</u>	<u>\$4,571,383</u>	<u>\$4,565,961</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.

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Public Utility Personal Property Taxes	<u>\$967,675</u>	<u>\$980,491</u>	<u>\$993,278</u>	<u>\$1,007,940</u>	<u>\$1,022,603</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 FY27, which funds students where they are educated rather than where they live. We have projected FY27 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY27 and is expected to continue to be on the formula in FY28-FY31 on the new Fair School Funding Plan (FSFP) based on **current law**.

For a detailed overview of how foundation funding is calculated 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 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We will now know until report card data is released in September if we qualify for this payment for FY27.

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 data to work with. For this reason, funding is held constant in the forecast for FY28 through FY31.

Casino Revenue

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. 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 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.

B) Restricted State Revenues – Line # 1.040

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Basic Aid-Unrestricted	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371
Additional Aid Items	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>
Basic Aid-Unrestricted Subtotal	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396
Ohio Casino Commission ODT/Medicaid	<u>264,436</u>	<u>265,494</u>	<u>266,562</u>	<u>267,642</u>	<u>268,732</u>
Total Unrestricted State Aid Line #1.035	<u>\$14,736,832</u>	<u>\$14,737,890</u>	<u>\$14,738,958</u>	<u>\$14,740,038</u>	<u>\$14,741,128</u>

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 were notified in January that the state of Ohio overspent their Science of Reading Appropriation and will be reducing funding to recover funds previously paid. We were also notified that Threshold reimbursements in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

Restricted Federal Grants in Aid – line #1.045

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

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
DPIA	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943
Career Tech - Restricted	23,613	23,613	23,613	23,613	23,613
Gifted	90,031	90,031	90,031	90,031	90,031
ESL	11,283	11,283	11,283	11,283	11,283
Student Wellness	358,396	358,396	358,396	358,396	358,396
Other Restricted State Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>

Summary of State Foundation Revenues

<u>SUMMARY</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Unrestricted Line # 1.035	\$14,736,832	\$14,737,890	\$14,738,958	\$14,740,038	\$14,741,128
Restricted Line # 1.040	1,717,266	1,717,266	1,717,266	1,717,266	1,717,266
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>\$16,454,098</u>	<u>\$16,455,156</u>	<u>\$16,456,224</u>	<u>\$16,457,304</u>	<u>\$16,458,394</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, began a phase down of the 10% rollback credit that has been in effect since 1971 and an equal phase up of the Owner Occupied Credit (OOC) that has been in effect since 1978. In addition, HB96 increased the OOC by 2.88% by phasing it in over four (4) years starting in tax year 2026. The table below shows the phasing of these changes. Eventually there will be some amount of 10% rollback for non-timber farmland but we will need tax settlement sheets to determine that amount. These amounts are fully reimbursed to the school district when deducted from Class I property tax bills. Homestead credits vary annually based on applicants and eligibility.

The state of Ohio passed HB479 on June 24, 2026, and becomes effective September 23, which included a one-

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

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSDs that are located in a county that underwent a reappraisal or triennial update in Tax Years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in Tax Year 2025 than in Tax Year 2024. The revenue guarantee applies to Tax Year 2025, in the case of 2023 reappraisal or update counties, and to Tax Years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district's real property tax revenue in Tax Year 2024 and its revenue in 2025 and, if applicable, 2026. We do 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>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Rollback and Homestead	\$755,759	\$796,055	\$734,149	\$763,107	\$779,069
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>\$755,759</u>	<u>\$796,055</u>	<u>\$734,149</u>	<u>\$763,107</u>	<u>\$779,069</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. While interest income in FY27 should remain relatively steady due to laddered investment strategies, the rate cuts may begin to have an impact on earnings in FY28 and future years. We will continue to monitor the investments for the district.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Tuition	433,363	437,696	442,073	446,494	450,959
Interest	232,697	209,427	188,484	169,636	152,672
Other Income	<u>186,919</u>	<u>188,788</u>	<u>190,676</u>	<u>192,583</u>	<u>194,508</u>
Total Line # 1.060	<u>\$852,978</u>	<u>\$835,911</u>	<u>\$821,233</u>	<u>\$808,713</u>	<u>\$798,140</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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>385,868</u>	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances In	<u>\$385,868</u>	<u>\$150,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

All Other Financial Sources – Line #2.060

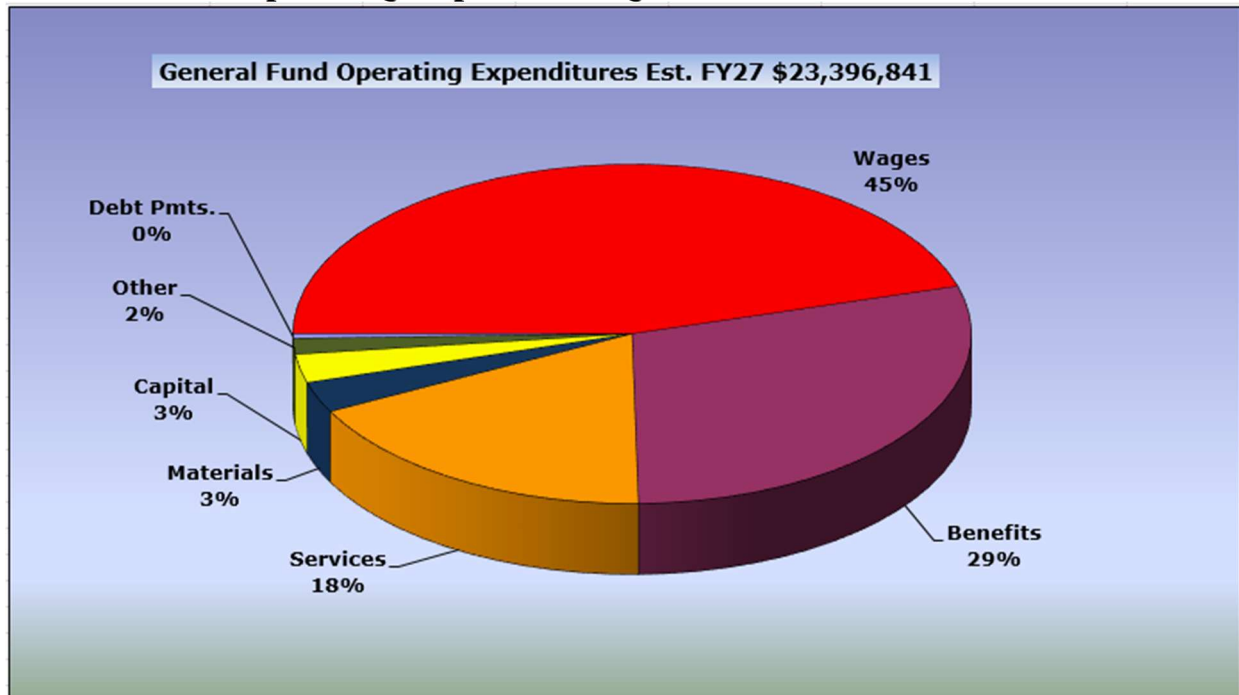
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we project a set estimated amount occurring in the remainder of the forecast.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
All Other Sources	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>

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 FY27



Wages – Line #3.010

The district and CCEA are currently in negotiations. Therefore, the wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

Summary of Personal Services – Line #3.010

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Base Wages	\$9,955,561	\$10,164,867	\$10,673,111	\$11,206,766	\$11,767,105
Wage adjustments	250,000	101,649	106,731	112,068	117,671
Steps & Training	50,000	406,595	426,924	448,271	470,684
Substitutes	195,000	196,950	198,920	200,909	202,918
Supplemental	277,308	280,081	282,882	285,711	288,568
Severance	-	25,000	25,000	25,000	25,000
Staff Reductions (Retire/Resignation)	(90,694)	0	0	0	0
Total Wages Line #3.010	<u>\$10,637,175</u>	<u>\$11,175,142</u>	<u>\$11,713,567</u>	<u>\$12,278,724</u>	<u>\$12,871,945</u>

Fringe Benefits Estimates – Line #3.020

The wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

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. FY27-FY31 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 FY27- FY31. Unemployment is expected to remain at a very low level FY27-FY31. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
STRS/SERS	\$1,943,569	\$2,009,361	\$2,094,398	\$2,183,659	\$2,277,356
Insurance's	4,674,871	5,048,861	5,452,770	5,888,991	6,360,111
Workers Comp/Unemployment	43,699	45,744	47,790	49,937	52,191
Medicare	143,511	150,864	158,133	165,763	173,771
Tuition and Other Benefits	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Total Fringe Benefits Line #3.020	<u>\$6,840,651</u>	<u>\$7,289,830</u>	<u>\$7,788,090</u>	<u>\$8,323,350</u>	<u>\$8,898,430</u>

Purchased Services – Line #3.030

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 was 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. Due to the continued increase in electric rates the district is projecting a continued increase in utility costs.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Insurance, Leases, Postage, & Other	\$132,381	\$135,028	\$137,729	\$140,483	\$143,293
Professional Services, Legal Fees & ESC	1,672,854	1,706,311	1,740,437	1,775,246	1,810,751
Other Tuition	1,318,283	1,344,648	1,371,541	1,398,972	1,426,952
Utilities	524,719	540,461	556,674	573,375	590,576
Building Repairs & Services	497,237	507,181	517,325	527,672	538,225
Total Purchased Services Line #3.030	<u>\$4,145,473</u>	<u>\$4,233,630</u>	<u>\$4,323,707</u>	<u>\$4,415,748</u>	<u>\$4,509,797</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Supplies, Textbooks, and other	\$440,919	\$449,738	\$458,733	\$467,907	\$477,265
Maintenance & Transportation Supplies	<u>244,969</u>	<u>252,318</u>	<u>259,888</u>	<u>267,684</u>	<u>275,715</u>
Total Supplies Line #3.040	<u>\$685,889</u>	<u>\$702,056</u>	<u>\$718,620</u>	<u>\$735,592</u>	<u>\$752,980</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Capital Outlay	\$133,240	\$135,905	\$138,623	\$141,395	\$144,223
Curriculum/Sport Facility	500,000	-	-	-	-
Replacement Bus Purchases	-	125,000	-	-	-
Total Equipment Line #3.050	<u>\$633,240</u>	<u>\$260,905</u>	<u>\$138,623</u>	<u>\$141,395</u>	<u>\$144,223</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
HB 264 Principal Line 4.050	<u>\$94,000</u>	<u>\$96,000</u>	<u>\$30,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Interest Total Line 4.060	<u>\$6,498</u>	<u>\$3,272</u>	<u>\$548</u>	<u>\$0</u>	<u>\$0</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Auditor & Treasurer Fees	\$180,867	\$184,485	\$188,174	\$191,938	\$195,777
County Board of Education	10,360	10,567	10,779	10,994	11,214
Other expenses	<u>162,687</u>	<u>165,941</u>	<u>169,259</u>	<u>172,645</u>	<u>176,098</u>
Total Other Expenses Line #4.300	<u>\$353,915</u>	<u>\$360,993</u>	<u>\$368,213</u>	<u>\$375,577</u>	<u>\$383,088</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Operating Transfers Out Line #5.010	\$200,000	\$75,000	\$75,000	\$75,000	\$75,000
Advances Out Line #5.020	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances Out	<u>\$350,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>

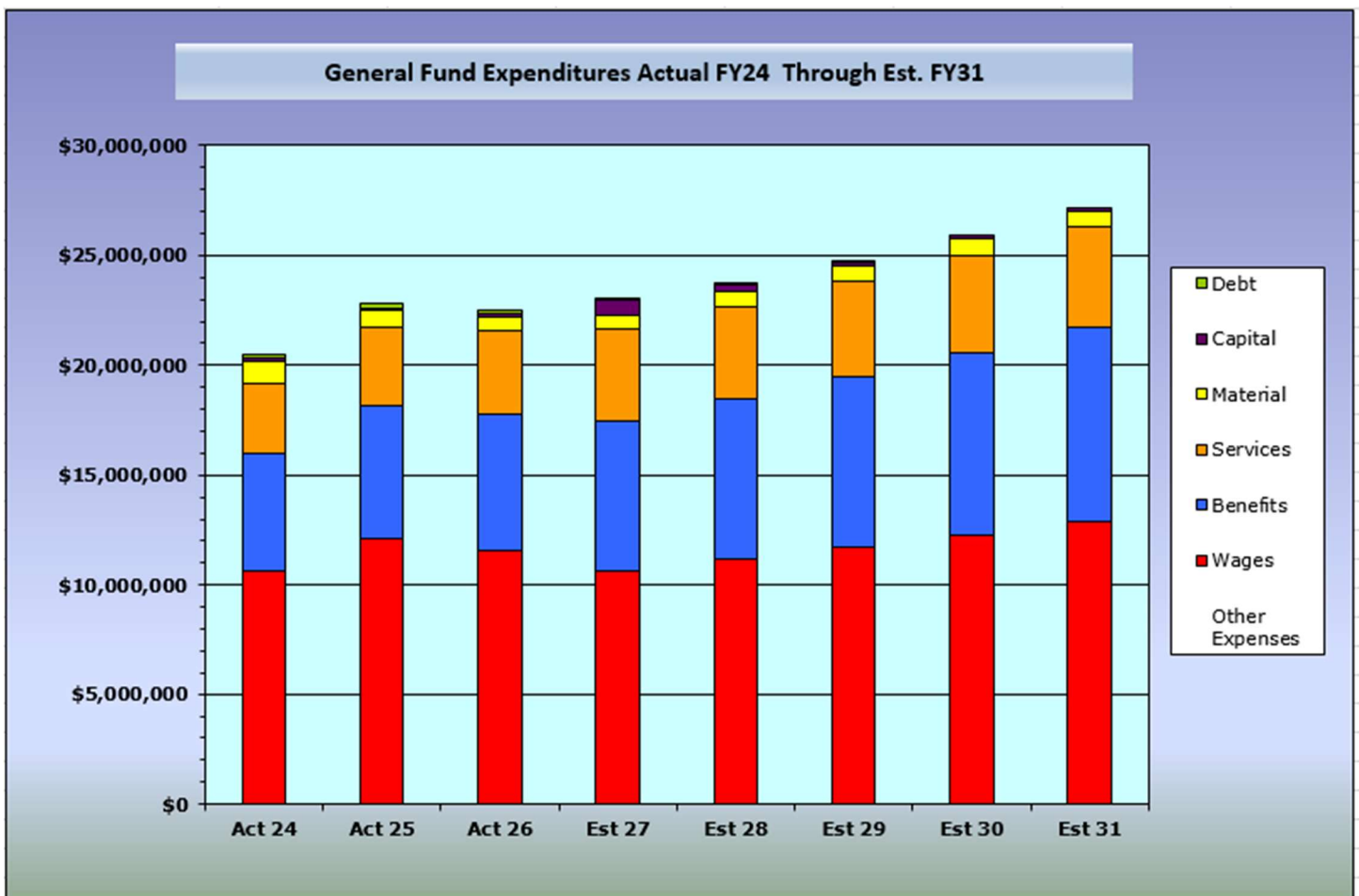
Encumbrances – Line #8.010

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Estimated Encumbrances	<u>\$476,679</u>	<u>\$486,212</u>	<u>\$495,936</u>	<u>\$505,855</u>	<u>\$515,972</u>

Operating Expenditures Actual FY24 through FY26 and Estimated FY27 through FY31

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



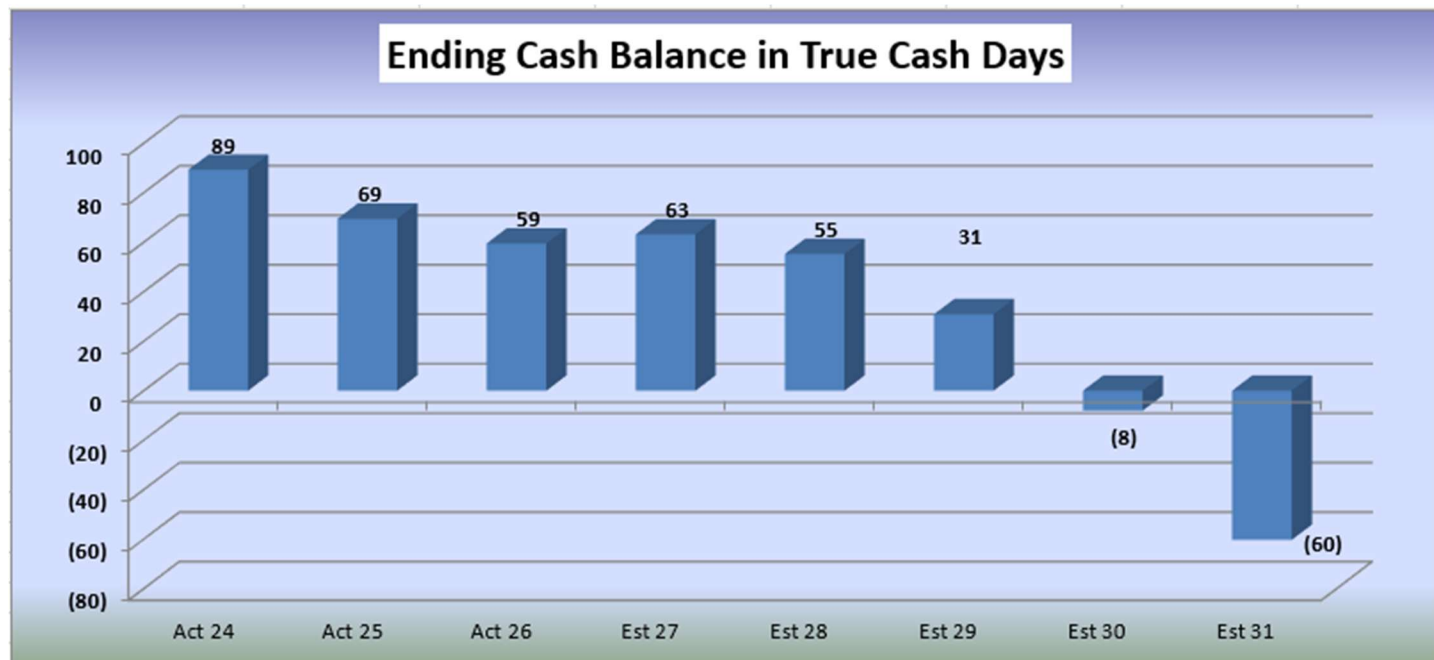
Ending Unencumbered Cash Balance – Line#15.010

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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Ending Cash Balance	<u>\$4,111,190</u>	<u>\$3,671,295</u>	<u>\$2,133,501</u>	<u>-\$583,358</u>	<u>-\$4,574,772</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 FY28.



COSHOCTON CITY SCHOOL DISTRICT- COSHOCTON 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
Coshocton City School District
Treasurer's Office
Terri Eyerman, Treasurer/CFO
August 27, 2026

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 have changed in fiscal year 2027 to August 31, and end of February each fiscal year. The filing deadlines of February and August are out of alignment with when final 1st half and 2nd half tax settlements will actually be received in most cases, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations which is September 30th of each year.

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

projections. Our forecast is updated to reflect the most current economic data available for the August 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws noted below, and 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 FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 simulations published by the Department of Education and Workforce for our forecasted revenues in FY27-FY31.
- 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 budget represented 73% of district revenues, which means it is a significant area of risk to 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 FY31. We have projected our state funding in FY27 based on the Ohio Department of Education and Workforce (ODEW) funding simulator for FY27 projections. This forecast reflects state revenue to align with the FY27 funding levels through FY31, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

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 6% increase in Class I values and 2% in Class II.

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

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

Revenue Risk Loss Assessment of HB129 and HB186 To Our Forecast

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 20-mill floor. Crestview was on the 20-mill floor and **does** have a fixed sum substitute levy, therefore, HB129 pulls the district off 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. Based on the County Auditor, we do not expect an impact from HB186..

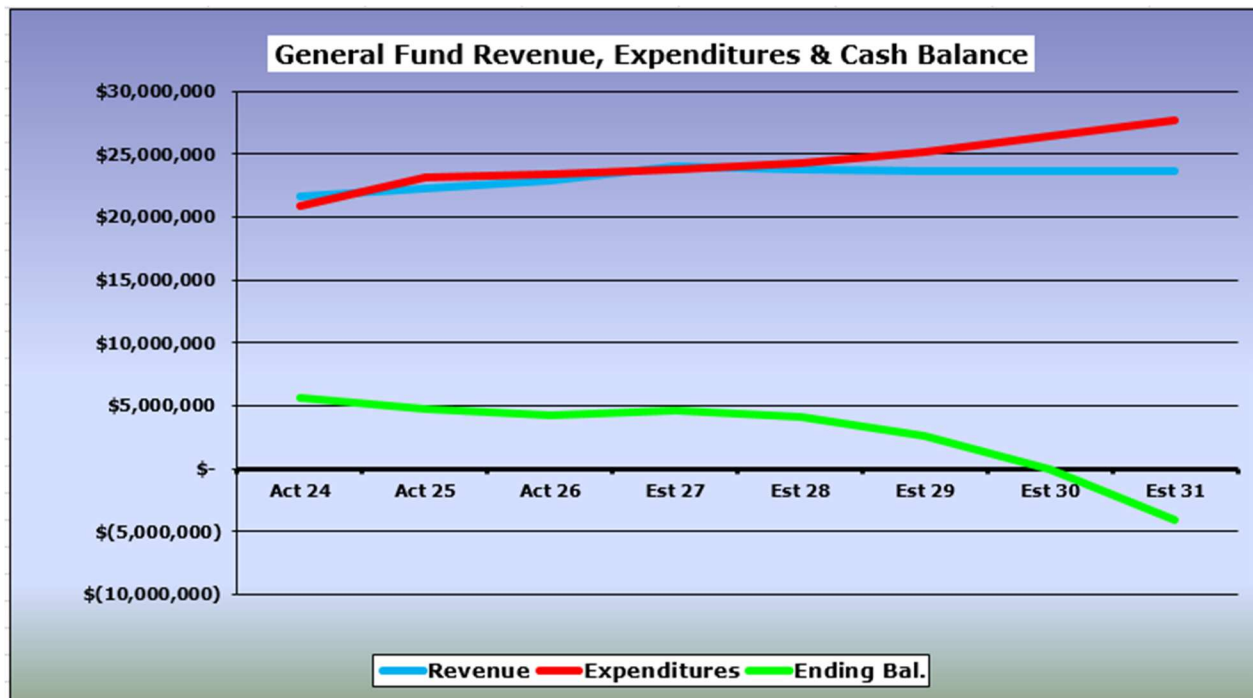
Evaluation of Emerging Risks: HB309, HB335, and Piggyback Exemptions

- 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 plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage collections.
- HB96 Expanded Piggyback Option introduces a significant *local political* risk through "Piggyback" exemptions. Unlike standard Homestead and 2.5% owner-occupied credits—which the state reimburses—Piggyback exemptions are **not reimbursed**. Our County Commissioners did not vote to approve Piggyback Property Tax Exemptions for tax year 2027.

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.

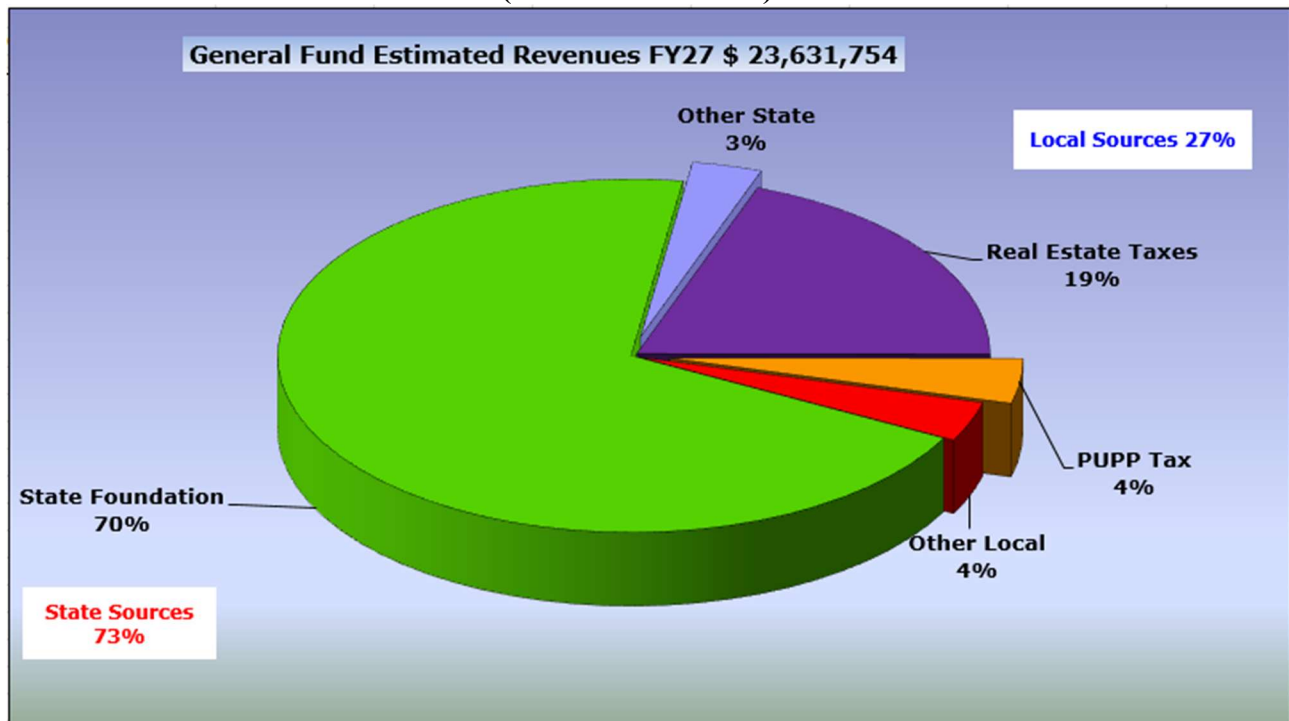
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY24-26 and Estimated FY27-31.

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 May 2021 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 FY27 (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 not voted to implement this tax credit for tax year 2027. 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.

Coshocton is not anticipating a negative claw back impact to our forecast due to HB186 based on information obtained from the County Auditor.

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

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

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029	TAX YEAR 2030
<u>Classification</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>	<u>COLLECT 2030</u>	<u>COLLECT 2031</u>
Res./Ag.	\$153,045,471	\$162,439,009	\$162,652,727	\$162,869,383	\$163,089,005
Comm./Ind.	50,624,824	51,637,320	51,637,320	51,637,320	51,637,320
Public Utility (PUPP)	<u>19,862,350</u>	<u>20,162,350</u>	<u>20,462,350</u>	<u>20,762,350</u>	<u>21,062,350</u>
Total Assessed Value	<u>\$223,532,645</u>	<u>\$234,238,680</u>	<u>\$234,752,398</u>	<u>\$235,269,053</u>	<u>\$235,788,675</u>

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Est. Property Taxes	\$4,601,244	\$4,568,853	\$4,593,414	\$4,571,383	\$4,565,961
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>\$4,601,244</u>	<u>\$4,568,853</u>	<u>\$4,593,414</u>	<u>\$4,571,383</u>	<u>\$4,565,961</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.

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Public Utility Personal Property Taxes	<u>\$967,675</u>	<u>\$980,491</u>	<u>\$993,278</u>	<u>\$1,007,940</u>	<u>\$1,022,603</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 FY27, which funds students where they are educated rather than where they live. We have projected FY27 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY27 and is expected to continue to be on the formula in FY28-FY31 on the new Fair School Funding Plan (FSFP) based on **current law**.

For a detailed overview of how foundation funding is calculated 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 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We will now know until report card data is released in September if we qualify for this payment for FY27.

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 data to work with. For this reason, funding is held constant in the forecast for FY28 through FY31.

Casino Revenue

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. 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 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.

B) Restricted State Revenues – Line # 1.040

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Basic Aid-Unrestricted	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371
Additional Aid Items	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>
Basic Aid-Unrestricted Subtotal	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396
Ohio Casino Commission ODT/Medicaid	<u>264,436</u>	<u>265,494</u>	<u>266,562</u>	<u>267,642</u>	<u>268,732</u>
Total Unrestricted State Aid Line #1.035	<u>\$14,736,832</u>	<u>\$14,737,890</u>	<u>\$14,738,958</u>	<u>\$14,740,038</u>	<u>\$14,741,128</u>

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 were notified in January that the state of Ohio overspent their Science of Reading Appropriation and will be reducing funding to recover funds previously paid. We were also notified that Threshold reimbursements in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

Restricted Federal Grants in Aid – line #1.045

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

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
DPIA	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943
Career Tech - Restricted	23,613	23,613	23,613	23,613	23,613
Gifted	90,031	90,031	90,031	90,031	90,031
ESL	11,283	11,283	11,283	11,283	11,283
Student Wellness	358,396	358,396	358,396	358,396	358,396
Other Restricted State Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>

Summary of State Foundation Revenues

<u>SUMMARY</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Unrestricted Line # 1.035	\$14,736,832	\$14,737,890	\$14,738,958	\$14,740,038	\$14,741,128
Restricted Line # 1.040	1,717,266	1,717,266	1,717,266	1,717,266	1,717,266
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>\$16,454,098</u>	<u>\$16,455,156</u>	<u>\$16,456,224</u>	<u>\$16,457,304</u>	<u>\$16,458,394</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, began a phase down of the 10% rollback credit that has been in effect since 1971 and an equal phase up of the Owner Occupied Credit (OOC) that has been in effect since 1978. In addition, HB96 increased the OOC by 2.88% by phasing it in over four (4) years starting in tax year 2026. The table below shows the phasing of these changes. Eventually there will be some amount of 10% rollback for non-timber farmland but we will need tax settlement sheets to determine that amount. These amounts are fully reimbursed to the school district when deducted from Class I property tax bills. Homestead credits vary annually based on applicants and eligibility.

The state of Ohio passed HB479 on June 24, 2026, and becomes effective September 23, which included a one-

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

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSDs that are located in a county that underwent a reappraisal or triennial update in Tax Years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in Tax Year 2025 than in Tax Year 2024. The revenue guarantee applies to Tax Year 2025, in the case of 2023 reappraisal or update counties, and to Tax Years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district's real property tax revenue in Tax Year 2024 and its revenue in 2025 and, if applicable, 2026. We do 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>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Rollback and Homestead	\$755,759	\$796,055	\$734,149	\$763,107	\$779,069
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>\$755,759</u>	<u>\$796,055</u>	<u>\$734,149</u>	<u>\$763,107</u>	<u>\$779,069</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. While interest income in FY27 should remain relatively steady due to laddered investment strategies, the rate cuts may begin to have an impact on earnings in FY28 and future years. We will continue to monitor the investments for the district.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Tuition	433,363	437,696	442,073	446,494	450,959
Interest	232,697	209,427	188,484	169,636	152,672
Other Income	<u>186,919</u>	<u>188,788</u>	<u>190,676</u>	<u>192,583</u>	<u>194,508</u>
Total Line # 1.060	<u>\$852,978</u>	<u>\$835,911</u>	<u>\$821,233</u>	<u>\$808,713</u>	<u>\$798,140</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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>385,868</u>	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances In	<u>\$385,868</u>	<u>\$150,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

All Other Financial Sources – Line #2.060

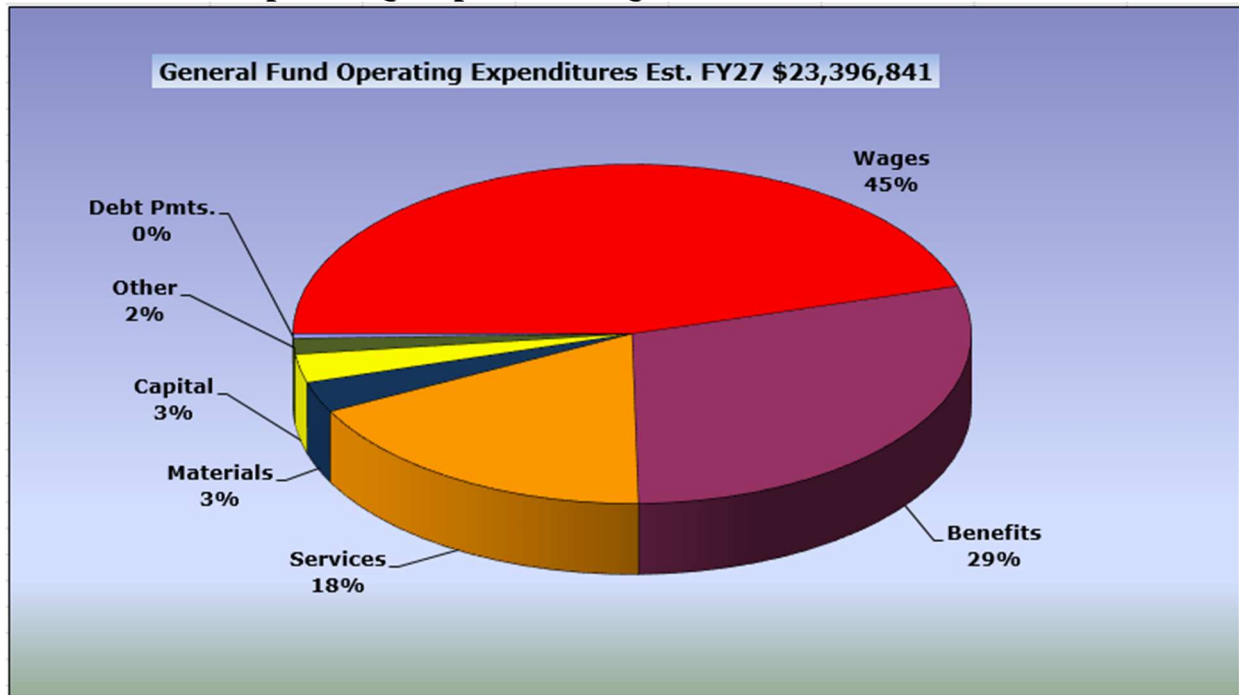
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we project a set estimated amount occurring in the remainder of the forecast.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
All Other Sources	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>

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 FY27



Wages – Line #3.010

The district and CCEA are currently in negotiations. Therefore, the wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

Summary of Personal Services – Line #3.010

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Base Wages	\$9,955,561	\$10,164,867	\$10,673,111	\$11,206,766	\$11,767,105
Wage adjustments	250,000	101,649	106,731	112,068	117,671
Steps & Training	50,000	406,595	426,924	448,271	470,684
Substitutes	195,000	196,950	198,920	200,909	202,918
Supplemental	277,308	280,081	282,882	285,711	288,568
Severance	-	25,000	25,000	25,000	25,000
Staff Reductions (Retire/Resignation)	(90,694)	0	0	0	0
Total Wages Line #3.010	<u>\$10,637,175</u>	<u>\$11,175,142</u>	<u>\$11,713,567</u>	<u>\$12,278,724</u>	<u>\$12,871,945</u>

Fringe Benefits Estimates – Line #3.020

The wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

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. FY27-FY31 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 FY27- FY31. Unemployment is expected to remain at a very low level FY27-FY31. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
STRS/SERS	\$1,943,569	\$2,009,361	\$2,094,398	\$2,183,659	\$2,277,356
Insurance's	4,674,871	5,048,861	5,452,770	5,888,991	6,360,111
Workers Comp/Unemployment	43,699	45,744	47,790	49,937	52,191
Medicare	143,511	150,864	158,133	165,763	173,771
Tuition and Other Benefits	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Total Fringe Benefits Line #3.020	<u>\$6,840,651</u>	<u>\$7,289,830</u>	<u>\$7,788,090</u>	<u>\$8,323,350</u>	<u>\$8,898,430</u>

Purchased Services – Line #3.030

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 was 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. Due to the continued increase in electric rates the district is projecting a continued increase in utility costs.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Insurance, Leases, Postage, & Other	\$132,381	\$135,028	\$137,729	\$140,483	\$143,293
Professional Services, Legal Fees & ESC	1,672,854	1,706,311	1,740,437	1,775,246	1,810,751
Other Tuition	1,318,283	1,344,648	1,371,541	1,398,972	1,426,952
Utilities	524,719	540,461	556,674	573,375	590,576
Building Repairs & Services	497,237	507,181	517,325	527,672	538,225
Total Purchased Services Line #3.030	<u>\$4,145,473</u>	<u>\$4,233,630</u>	<u>\$4,323,707</u>	<u>\$4,415,748</u>	<u>\$4,509,797</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Supplies, Textbooks, and other	\$440,919	\$449,738	\$458,733	\$467,907	\$477,265
Maintenance & Transportation Supplies	<u>244,969</u>	<u>252,318</u>	<u>259,888</u>	<u>267,684</u>	<u>275,715</u>
Total Supplies Line #3.040	<u>\$685,889</u>	<u>\$702,056</u>	<u>\$718,620</u>	<u>\$735,592</u>	<u>\$752,980</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Capital Outlay	\$133,240	\$135,905	\$138,623	\$141,395	\$144,223
Curriculum/Sport Facility	500,000	-	-	-	-
Replacement Bus Purchases	-	125,000	-	-	-
Total Equipment Line #3.050	<u>\$633,240</u>	<u>\$260,905</u>	<u>\$138,623</u>	<u>\$141,395</u>	<u>\$144,223</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
HB 264 Principal Line 4.050	<u>\$94,000</u>	<u>\$96,000</u>	<u>\$30,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Interest Total Line 4.060	<u>\$6,498</u>	<u>\$3,272</u>	<u>\$548</u>	<u>\$0</u>	<u>\$0</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Auditor & Treasurer Fees	\$180,867	\$184,485	\$188,174	\$191,938	\$195,777
County Board of Education	10,360	10,567	10,779	10,994	11,214
Other expenses	<u>162,687</u>	<u>165,941</u>	<u>169,259</u>	<u>172,645</u>	<u>176,098</u>
Total Other Expenses Line #4.300	<u>\$353,915</u>	<u>\$360,993</u>	<u>\$368,213</u>	<u>\$375,577</u>	<u>\$383,088</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Operating Transfers Out Line #5.010	\$200,000	\$75,000	\$75,000	\$75,000	\$75,000
Advances Out Line #5.020	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances Out	<u>\$350,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>

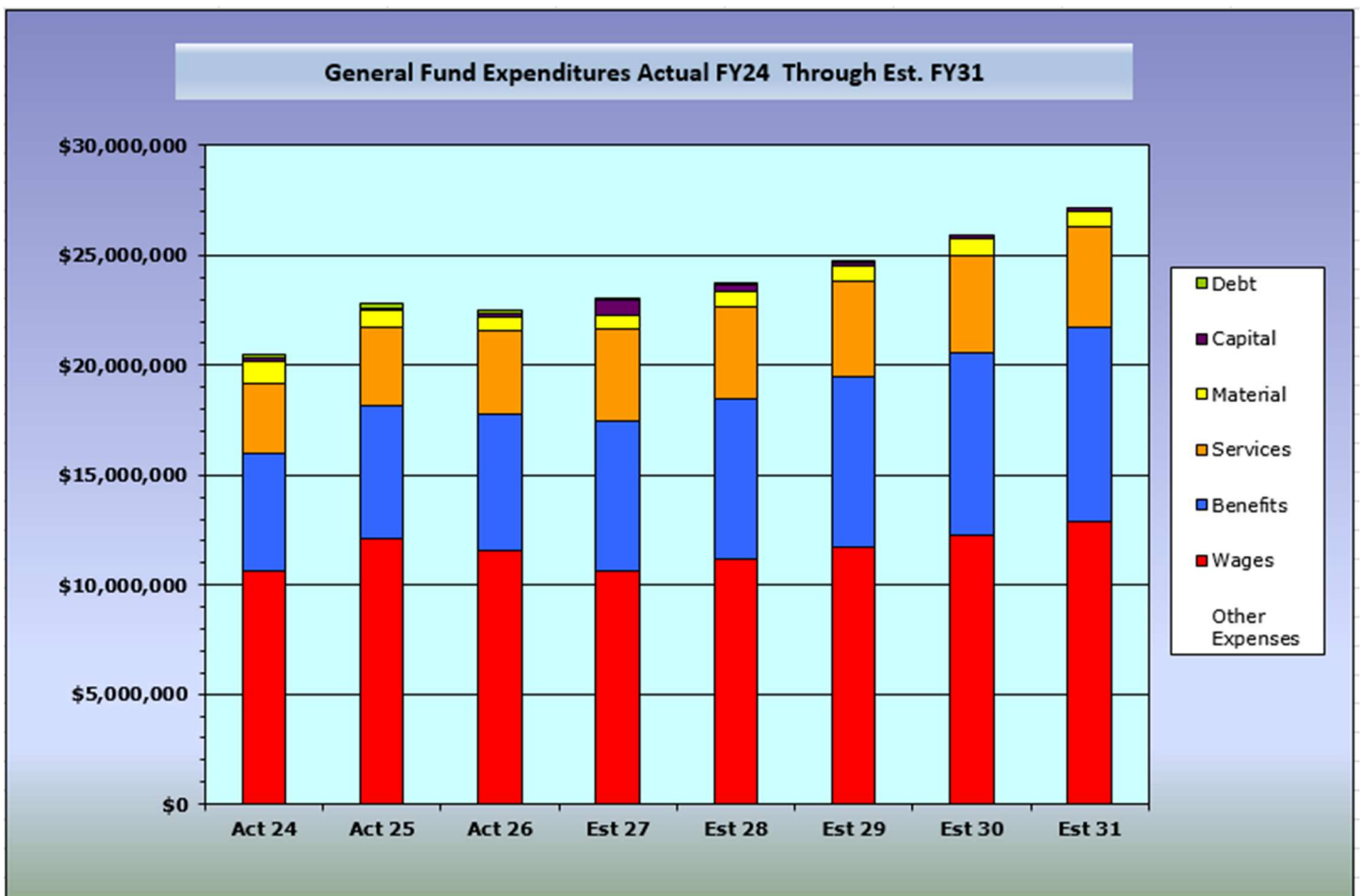
Encumbrances – Line #8.010

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Estimated Encumbrances	<u>\$476,679</u>	<u>\$486,212</u>	<u>\$495,936</u>	<u>\$505,855</u>	<u>\$515,972</u>

Operating Expenditures Actual FY24 through FY26 and Estimated FY27 through FY31

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



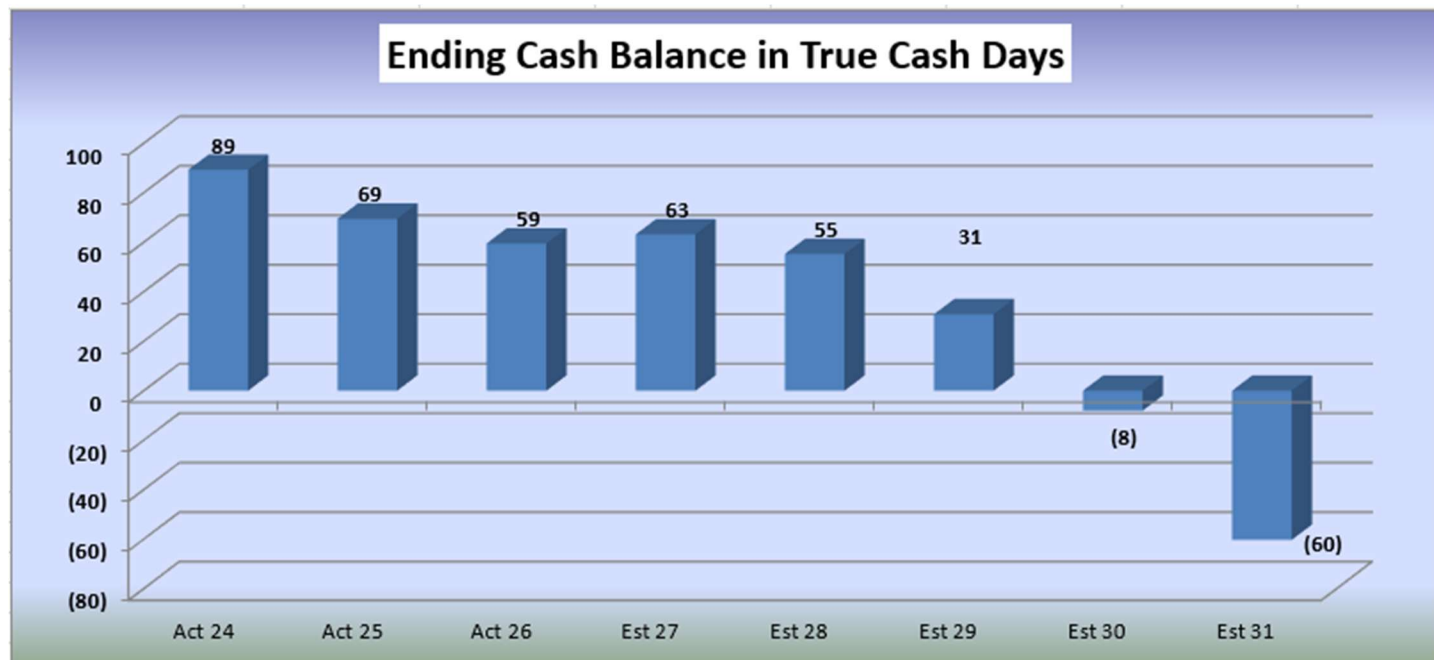
Ending Unencumbered Cash Balance – Line#15.010

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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Ending Cash Balance	<u>\$4,111,190</u>	<u>\$3,671,295</u>	<u>\$2,133,501</u>	<u>-\$583,358</u>	<u>-\$4,574,772</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 FY28.



COSHOCTON CITY SCHOOL DISTRICT- COSHOCTON 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
Coshocton City School District
Treasurer's Office
Terri Eyerman, Treasurer/CFO
August 27, 2026

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 have changed in fiscal year 2027 to August 31, and end of February each fiscal year. The filing deadlines of February and August are out of alignment with when final 1st half and 2nd half tax settlements will actually be received in most cases, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations which is September 30th of each year.

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

projections. Our forecast is updated to reflect the most current economic data available for the August 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws noted below, and 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 FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 simulations published by the Department of Education and Workforce for our forecasted revenues in FY27-FY31.
- 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 budget represented 73% of district revenues, which means it is a significant area of risk to 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 FY31. We have projected our state funding in FY27 based on the Ohio Department of Education and Workforce (ODEW) funding simulator for FY27 projections. This forecast reflects state revenue to align with the FY27 funding levels through FY31, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

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 6% increase in Class I values and 2% in Class II.

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

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

Revenue Risk Loss Assessment of HB129 and HB186 To Our Forecast

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 20-mill floor. Crestview was on the 20-mill floor and **does** have a fixed sum substitute levy, therefore, HB129 pulls the district off 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. Based on the County Auditor, we do not expect an impact from HB186..

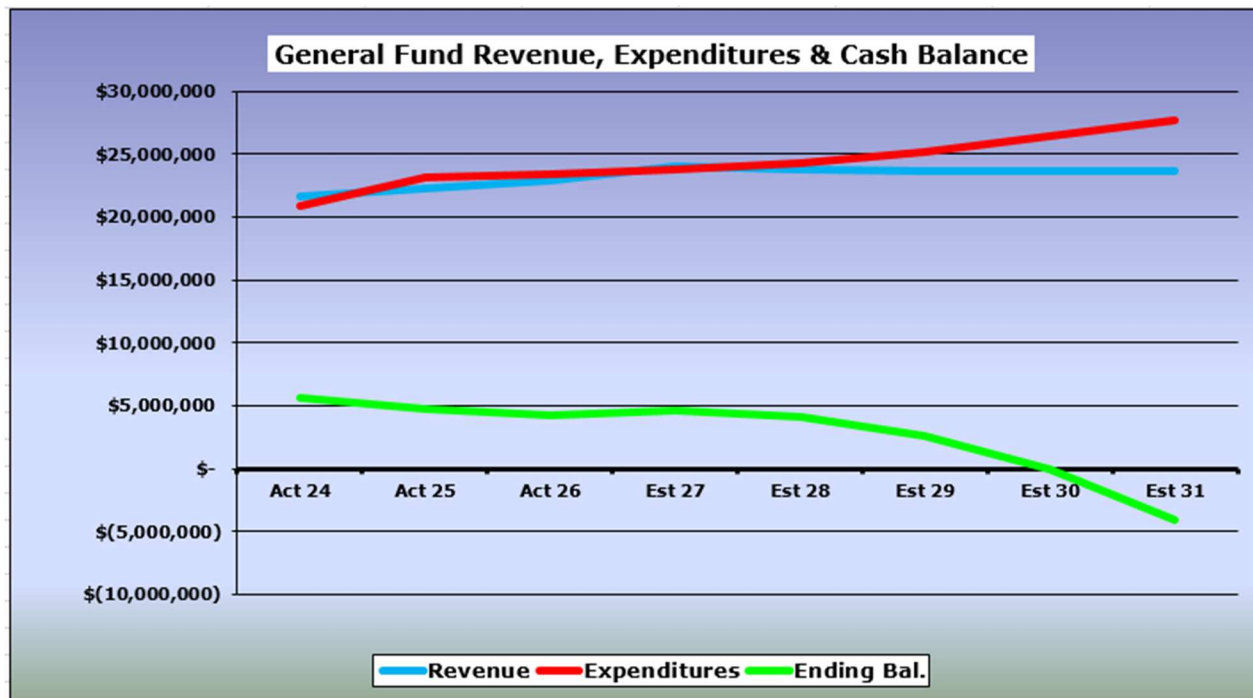
Evaluation of Emerging Risks: HB309, HB335, and Piggyback Exemptions

- 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 plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage collections.
- HB96 Expanded Piggyback Option introduces a significant *local political* risk through "Piggyback" exemptions. Unlike standard Homestead and 2.5% owner-occupied credits—which the state reimburses—Piggyback exemptions are **not reimbursed**. Our County Commissioners did not vote to approve Piggyback Property Tax Exemptions for tax year 2027.

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.

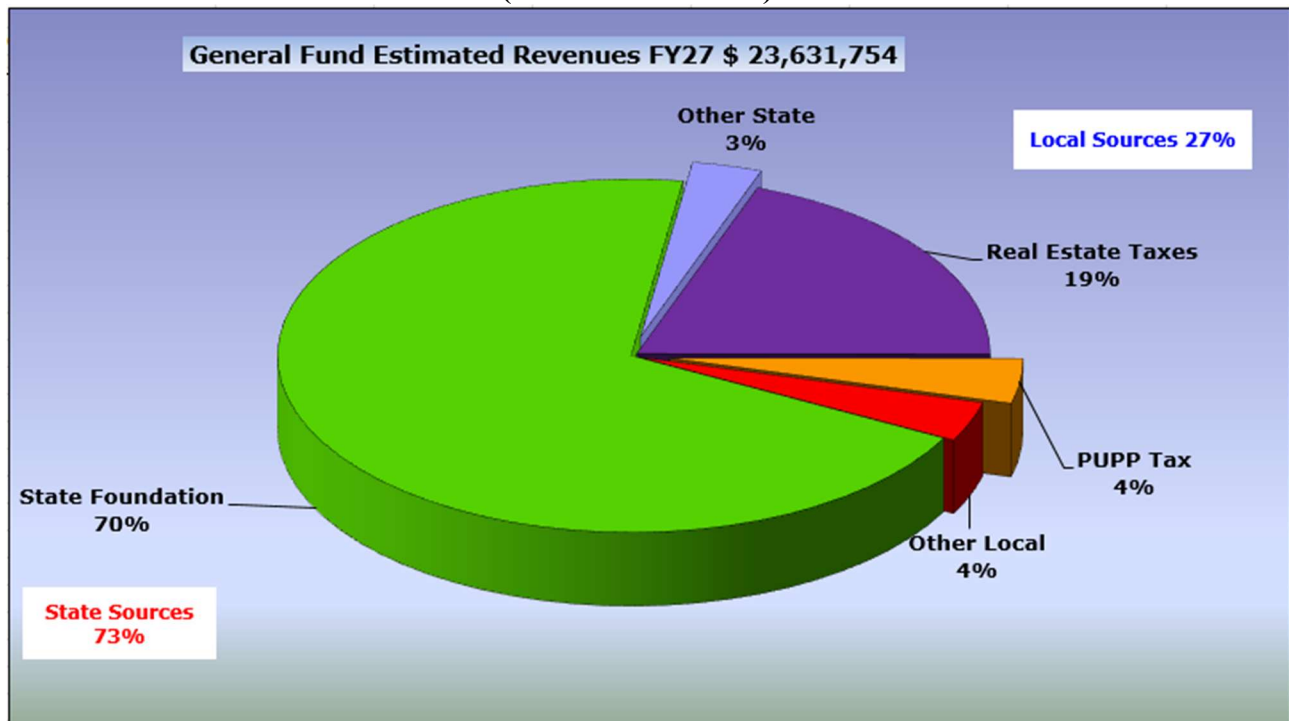
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY24-26 and Estimated FY27-31.

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 May 2021 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 FY27 (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 not voted to implement this tax credit for tax year 2027. 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.

Coshocton is not anticipating a negative claw back impact to our forecast due to HB186 based on information obtained from the County Auditor.

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

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

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029	TAX YEAR 2030
<u>Classification</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>	<u>COLLECT 2030</u>	<u>COLLECT 2031</u>
Res./Ag.	\$153,045,471	\$162,439,009	\$162,652,727	\$162,869,383	\$163,089,005
Comm./Ind.	50,624,824	51,637,320	51,637,320	51,637,320	51,637,320
Public Utility (PUPP)	<u>19,862,350</u>	<u>20,162,350</u>	<u>20,462,350</u>	<u>20,762,350</u>	<u>21,062,350</u>
Total Assessed Value	<u>\$223,532,645</u>	<u>\$234,238,680</u>	<u>\$234,752,398</u>	<u>\$235,269,053</u>	<u>\$235,788,675</u>

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Est. Property Taxes	\$4,601,244	\$4,568,853	\$4,593,414	\$4,571,383	\$4,565,961
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>\$4,601,244</u>	<u>\$4,568,853</u>	<u>\$4,593,414</u>	<u>\$4,571,383</u>	<u>\$4,565,961</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.

Source	FY 27	FY 28	FY 29	FY 30	FY 31
Public Utility Personal Property Taxes	<u>\$967,675</u>	<u>\$980,491</u>	<u>\$993,278</u>	<u>\$1,007,940</u>	<u>\$1,022,603</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 FY27, which funds students where they are educated rather than where they live. We have projected FY27 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY27 and is expected to continue to be on the formula in FY28-FY31 on the new Fair School Funding Plan (FSFP) based on **current law**.

For a detailed overview of how foundation funding is calculated 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 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We will now know until report card data is released in September if we qualify for this payment for FY27.

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 data to work with. For this reason, funding is held constant in the forecast for FY28 through FY31.

Casino Revenue

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. 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 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.

B) Restricted State Revenues – Line # 1.040

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Basic Aid-Unrestricted	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371	\$13,908,371
Additional Aid Items	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>	<u>564,025</u>
Basic Aid-Unrestricted Subtotal	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396	\$14,472,396
Ohio Casino Commission ODT/Medicaid	<u>264,436</u>	<u>265,494</u>	<u>266,562</u>	<u>267,642</u>	<u>268,732</u>
Total Unrestricted State Aid Line #1.035	<u>\$14,736,832</u>	<u>\$14,737,890</u>	<u>\$14,738,958</u>	<u>\$14,740,038</u>	<u>\$14,741,128</u>

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 were notified in January that the state of Ohio overspent their Science of Reading Appropriation and will be reducing funding to recover funds previously paid. We were also notified that Threshold reimbursements in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

Restricted Federal Grants in Aid – line #1.045

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

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
DPIA	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943	\$1,233,943
Career Tech - Restricted	23,613	23,613	23,613	23,613	23,613
Gifted	90,031	90,031	90,031	90,031	90,031
ESL	11,283	11,283	11,283	11,283	11,283
Student Wellness	358,396	358,396	358,396	358,396	358,396
Other Restricted State Funding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>	<u>\$1,717,266</u>

Summary of State Foundation Revenues

<u>SUMMARY</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Unrestricted Line # 1.035	\$14,736,832	\$14,737,890	\$14,738,958	\$14,740,038	\$14,741,128
Restricted Line # 1.040	1,717,266	1,717,266	1,717,266	1,717,266	1,717,266
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>\$16,454,098</u>	<u>\$16,455,156</u>	<u>\$16,456,224</u>	<u>\$16,457,304</u>	<u>\$16,458,394</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, began a phase down of the 10% rollback credit that has been in effect since 1971 and an equal phase up of the Owner Occupied Credit (OOC) that has been in effect since 1978. In addition, HB96 increased the OOC by 2.88% by phasing it in over four (4) years starting in tax year 2026. The table below shows the phasing of these changes. Eventually there will be some amount of 10% rollback for non-timber farmland but we will need tax settlement sheets to determine that amount. These amounts are fully reimbursed to the school district when deducted from Class I property tax bills. Homestead credits vary annually based on applicants and eligibility.

The state of Ohio passed HB479 on June 24, 2026, and becomes effective September 23, which included a one-

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

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSDs that are located in a county that underwent a reappraisal or triennial update in Tax Years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in Tax Year 2025 than in Tax Year 2024. The revenue guarantee applies to Tax Year 2025, in the case of 2023 reappraisal or update counties, and to Tax Years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district's real property tax revenue in Tax Year 2024 and its revenue in 2025 and, if applicable, 2026. We do 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>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Rollback and Homestead	\$755,759	\$796,055	\$734,149	\$763,107	\$779,069
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>\$755,759</u>	<u>\$796,055</u>	<u>\$734,149</u>	<u>\$763,107</u>	<u>\$779,069</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. While interest income in FY27 should remain relatively steady due to laddered investment strategies, the rate cuts may begin to have an impact on earnings in FY28 and future years. We will continue to monitor the investments for the district.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Tuition	433,363	437,696	442,073	446,494	450,959
Interest	232,697	209,427	188,484	169,636	152,672
Other Income	<u>186,919</u>	<u>188,788</u>	<u>190,676</u>	<u>192,583</u>	<u>194,508</u>
Total Line # 1.060	<u>\$852,978</u>	<u>\$835,911</u>	<u>\$821,233</u>	<u>\$808,713</u>	<u>\$798,140</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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>385,868</u>	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances In	<u>\$385,868</u>	<u>\$150,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

All Other Financial Sources – Line #2.060

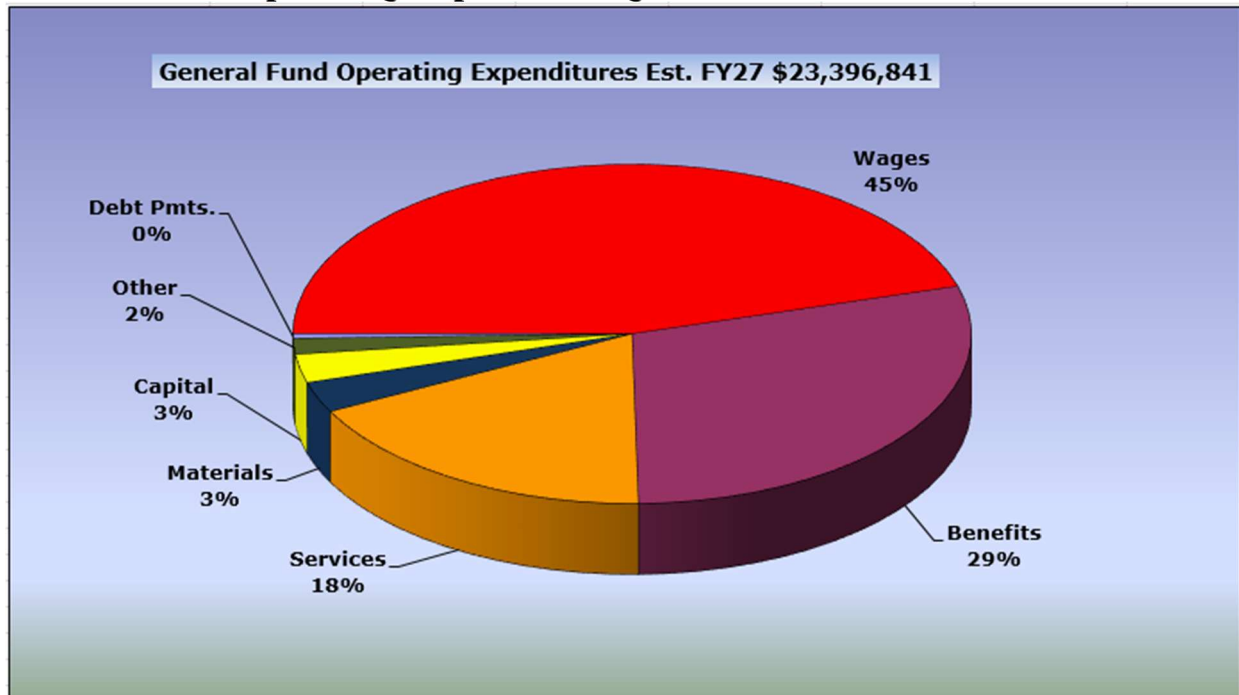
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we project a set estimated amount occurring in the remainder of the forecast.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
All Other Sources	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>

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 FY27



Wages – Line #3.010

The district and CCEA are currently in negotiations. Therefore, the wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

Summary of Personal Services – Line #3.010

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Base Wages	\$9,955,561	\$10,164,867	\$10,673,111	\$11,206,766	\$11,767,105
Wage adjustments	250,000	101,649	106,731	112,068	117,671
Steps & Training	50,000	406,595	426,924	448,271	470,684
Substitutes	195,000	196,950	198,920	200,909	202,918
Supplemental	277,308	280,081	282,882	285,711	288,568
Severance	-	25,000	25,000	25,000	25,000
Staff Reductions (Retire/Resignation)	(90,694)	0	0	0	0
Total Wages Line #3.010	<u>\$10,637,175</u>	<u>\$11,175,142</u>	<u>\$11,713,567</u>	<u>\$12,278,724</u>	<u>\$12,871,945</u>

Fringe Benefits Estimates – Line #3.020

The wage and benefits section of the forecast have had some estimated adjustments, but the numbers do not reflect any % increase or assumed calculations. Once an agreement is approved by the CCEA membership and the Board, these lines in the forecast will be updated to reflect the final changes to the contract. To be clear – THESE NUMBERS WILL CHANGE.

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. FY27-FY31 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 FY27- FY31. Unemployment is expected to remain at a very low level FY27-FY31. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
STRS/SERS	\$1,943,569	\$2,009,361	\$2,094,398	\$2,183,659	\$2,277,356
Insurance's	4,674,871	5,048,861	5,452,770	5,888,991	6,360,111
Workers Comp/Unemployment	43,699	45,744	47,790	49,937	52,191
Medicare	143,511	150,864	158,133	165,763	173,771
Tuition and Other Benefits	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Total Fringe Benefits Line #3.020	<u>\$6,840,651</u>	<u>\$7,289,830</u>	<u>\$7,788,090</u>	<u>\$8,323,350</u>	<u>\$8,898,430</u>

Purchased Services – Line #3.030

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 was 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. Due to the continued increase in electric rates the district is projecting a continued increase in utility costs.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Insurance, Leases, Postage, & Other	\$132,381	\$135,028	\$137,729	\$140,483	\$143,293
Professional Services, Legal Fees & ESC	1,672,854	1,706,311	1,740,437	1,775,246	1,810,751
Other Tuition	1,318,283	1,344,648	1,371,541	1,398,972	1,426,952
Utilities	524,719	540,461	556,674	573,375	590,576
Building Repairs & Services	497,237	507,181	517,325	527,672	538,225
Total Purchased Services Line #3.030	<u>\$4,145,473</u>	<u>\$4,233,630</u>	<u>\$4,323,707</u>	<u>\$4,415,748</u>	<u>\$4,509,797</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Supplies, Textbooks, and other	\$440,919	\$449,738	\$458,733	\$467,907	\$477,265
Maintenance & Transportation Supplies	<u>244,969</u>	<u>252,318</u>	<u>259,888</u>	<u>267,684</u>	<u>275,715</u>
Total Supplies Line #3.040	<u>\$685,889</u>	<u>\$702,056</u>	<u>\$718,620</u>	<u>\$735,592</u>	<u>\$752,980</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Capital Outlay	\$133,240	\$135,905	\$138,623	\$141,395	\$144,223
Curriculum/Sport Facility	500,000	-	-	-	-
Replacement Bus Purchases	-	125,000	-	-	-
Total Equipment Line #3.050	<u>\$633,240</u>	<u>\$260,905</u>	<u>\$138,623</u>	<u>\$141,395</u>	<u>\$144,223</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
HB 264 Principal Line 4.050	<u>\$94,000</u>	<u>\$96,000</u>	<u>\$30,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Interest Total Line 4.060	<u>\$6,498</u>	<u>\$3,272</u>	<u>\$548</u>	<u>\$0</u>	<u>\$0</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Auditor & Treasurer Fees	\$180,867	\$184,485	\$188,174	\$191,938	\$195,777
County Board of Education	10,360	10,567	10,779	10,994	11,214
Other expenses	<u>162,687</u>	<u>165,941</u>	<u>169,259</u>	<u>172,645</u>	<u>176,098</u>
Total Other Expenses Line #4.300	<u>\$353,915</u>	<u>\$360,993</u>	<u>\$368,213</u>	<u>\$375,577</u>	<u>\$383,088</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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Operating Transfers Out Line #5.010	\$200,000	\$75,000	\$75,000	\$75,000	\$75,000
Advances Out Line #5.020	<u>150,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances Out	<u>\$350,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$125,000</u>

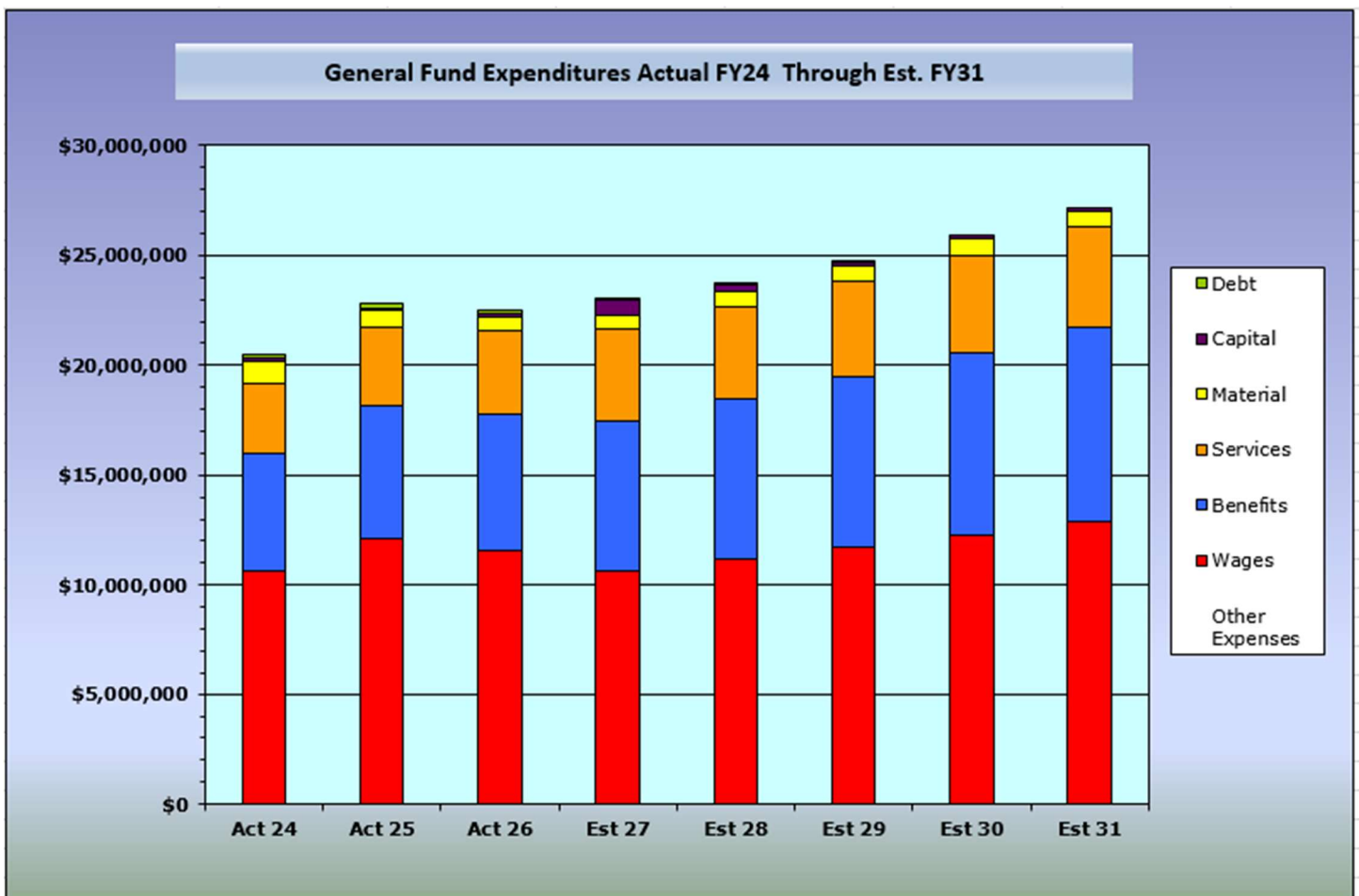
Encumbrances – Line #8.010

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 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Estimated Encumbrances	<u>\$476,679</u>	<u>\$486,212</u>	<u>\$495,936</u>	<u>\$505,855</u>	<u>\$515,972</u>

Operating Expenditures Actual FY24 through FY26 and Estimated FY27 through FY31

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.

<u>Source</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>	<u>FY 31</u>
Ending Cash Balance	<u>\$4,111,190</u>	<u>\$3,671,295</u>	<u>\$2,133,501</u>	<u>-\$583,358</u>	<u>-\$4,574,772</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 FY28.

