NORTH FORK LOCAL SCHOOL DISTRICT-LICKING COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2024, 2025, and 2026 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2027, THROUGH JUNE 30, 2031

Forecast Provided By
North Fork Local School District
Treasurer's Office
Kellie Breehl, Treasurer

August 24, 2026

North Fork Local School District

Licking County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2024, 2025 and 2026 Actual;
Forecasted Fiscal Years Ending June 30, 2027 Through 2031

		Actual				Forecasted				
		Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Average Change	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
	Revenues									
1.010	General Property Tax (Real Estate)	6,345,712	7,151,817	6,972,132	5.1%	6,661,231	7,265,444	7,281,862	7,455,707	7,605,478
1.020	Public Utility Personal Property Tax	1,070,367	1,164,499	1,277,074	9.2%	1,354,134	1,368,484	1,382,834	1,397,184	1,411,534
1.030	Income Tax	3,024,617	3,318,085	3,400,932	6.1%	3,434,942	3,469,293	3,503,987	3,539,028	3,574,419
1.035	Unrestricted State Grants-in-Aid	7,947,571	7,959,144	8,132,371	1.2%	8,267,011	8,268,597	8,270,206	8,271,839	8,273,497
1.040	Restricted State Grants-in-Aid	589,550	483,732	430,977	-14.4%	345,426	345,426	345,426	345,426	345,426
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	0	0	0	0	0
1.050	State Reimbursement for Property Tax Credits	909,409	1,031,267	1,053,474	7.8%	2,882,302	1,336,188	1,325,146	1,426,971	1,497,085
1.060	All Other Revenues	998,549	1,146,109	1,135,196	6.9%	1,049,554	1,000,913	934,780	878,778	831,389
1.070	*Total Revenues*	20,885,775	22,254,653	22,402,156	3.6%	23,994,600	23,054,345	23,044,241	23,314,933	23,538,828
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	0	0	0	0	0
2.020	State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	0	0	0	0	0
2.040	Operating Transfers-In	-	-	-	0.0%	0	0	0	0	0
2.050	Advances-In	-	-	-	0.0%	0	0	0	0	0
2.060	All Other Financing Sources	34,634	16,969	11,273	-42.3%	20,000	20,000	20,000	20,000	20,000
2.070	*Total Other Financing Sources*	34,634	16,969	11,273	-42.3%	20,000	20,000	20,000	20,000	20,000
2.080	*Total Revenues and Other Financing Sources*	20,920,409	22,271,622	22,413,429	3.5%	24,014,600	23,074,345	23,064,241	23,334,933	23,558,828
	Expenditures									
3.010	Personal Services	11,010,736	11,324,343	11,728,086	3.2%	11,847,145	12,191,172	12,545,315	12,909,860	13,285,106
3.020	Employees' Retirement/Insurance Benefits	4,232,723	4,490,372	4,911,386	7.7%	5,070,480	5,339,543	5,629,256	5,936,771	6,263,259
3.030	Purchased Services	3,136,986	3,622,169	4,086,814	14.1%	3,848,098	3,983,495	4,124,208	4,270,461	4,422,486
3.040	Supplies and Materials	709,966	894,157	958,377	16.6%	923,695	932,932	942,261	951,683	961,200
3.050	Capital Outlay	338,801	589,850	161,908	0.8%	367,000	378,010	389,350	401,031	413,062
3.060	Intergovernmental	-	-	-	0.0%	0	0	0	0	0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	-	-	-	0.0%	0	0	0	0	0
4.020	Principal-Notes	-	-	-	0.0%	0	0	0	0	0
4.030	Principal-State Loans	-	-	-	0.0%	0	0	0	0	0
4.040	Principal-State Advancements	-	-	-	0.0%	0	0	0	0	0
4.050	Principal-HB 264 Loans	-	1,280,000	-	0.0%	0	0	0	0	0
4.055	Principal-Other	120,000	123,000	-	-48.8%	0	0	0	0	0
4.060	Interest and Fiscal Charges	89,196	86,292	-	-51.6%	0	0	0	0	0
4.300	Other Objects	269,743	287,966	295,819	4.7%	331,899	338,235	344,725	351,374	358,185
4.500	*Total Expenditures*	19,908,151	22,698,149	22,142,390	5.8%	22,388,317	23,163,387	23,975,115	24,821,180	25,703,298
	Other Financing Uses									
5.010	Operating Transfers-Out	-	7,136,393	225,351	0.0%	-	-	-	-	-
5.020	Advances-Out	-	-	-	0.0%	-	-	-	-	-
5.030	All Other Financing Uses	-	1,019	-	0.0%	$0	$0	$0	$0	$0
5.040	*Total Other Financing Uses*	-	7,137,412	225,351	0.0%	-	-	-	-	-
5.050	*Total Expenditures and Other Financing Uses*	19,908,151	29,835,561	22,367,741	12.4%	22,388,317	23,163,387	23,975,115	24,821,180	25,703,298
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	1,012,258	(7,563,939)	45,688	-473.9%	1,626,283	(89,042)	(910,874)	(1,486,247)	(2,144,470)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	13,317,965	14,330,223	6,766,284	-22.6%	6,811,972	8,438,255	8,349,213	7,438,339	5,952,092
7.020	*Cash Balance June 30*	14,330,223	6,766,284	6,811,972	-26.1%	8,438,255	8,349,213	7,438,339	5,952,092	3,807,622
8.010	*Estimated Encumbrances June 30*	638,605	336,847	252,500	-36.1%	75,000	75,000	75,000	75,000	75,000
`	**Reservation of Fund Balance**									
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030	Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.040	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080	*Subtotal*	-	-	-	0.0%	-	-	-	-	-
10.010	*Fund Balance June 30 for Certification of Appropriations*	13,691,618	6,429,437	6,559,472	-25.5%	8,363,255	8,274,213	7,363,339	5,877,092	3,732,622

North Fork Local School District

Licking County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2024, 2025 and 2026 Actual;
Forecasted Fiscal Years Ending June 30, 2027 Through 2031

		Actual				Forecasted				
		Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Average Change	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement				0.0%	-	-	-	-	-
11.300	Cumulative Balance of Replacement/Renewal Levies				0.0%	-	-	-	-	-
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	13,691,618	6,429,437	6,559,472	-25.5%	8,363,255	8,274,213	7,363,339	5,877,092	3,732,622
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	-	-	-	-	-
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-		0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	13,691,618	6,429,437	6,559,472	-25.5%	8,363,255	8,274,213	7,363,339	5,877,092	3,732,622

North Fork Local School District – Licking 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 of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

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

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

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

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

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

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

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

Primary Legislative Drivers of Fiscal Risk

Legislation	Core Provision	District Financial Impact
HB129	Reclassifies fixed-sum (emergency/substitute) levies to be included in "20-mill floor" calculations.	No Impact to our district.
HB186	Establishes "Inflation Cap Credits" and a retroactive "claw back" of realized revenues.	Anticipated cumulative loss of $2.06 million through FY31; creates a drop in revenue in FY27.
HB309	Empowers County Budget Commissions (CBCs) to reduce voter-approved levies.	Shifts fiscal authority to CBC officials, creating an unpredictable risk to local levy yields.
HB335	Limits revenue growth from inside millage to the GDP Deflation Factor (GDP DF).	Restricts the district's ability to realize revenue gains from property valuation reappraisals.

Revenue Risk Loss Assessment of HB129 and HB186 to Our Forecast

- HB129 implements new requirements for and restores fixed sum levies. Our district is not going to be affected by this legislation as we do not use fixed sum levies to get to 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. Under prior law, our District was on the 20-mill floor and is anticipated to lose $676,842 annually in inflationary cap credits. Due to the delayed implementation of the new law, the loss in FY27 is projected to increase to $1,015,263, reflecting one and a half years of lost credits for that fiscal year. Through FY31, cumulative losses, net of anticipated guarantee payment, from HB186 are estimated at approximately $2.06 million.

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

- HB309 indicates an erosion of local fiscal autonomy, shifting power from elected school boards to County Budget Commissions (CBC's) and County Commissioners. HB309 allows a CBC to reduce any voter-approved levy (except debt) to bring taxes levied within levels the CBC finds reasonable and prudent to avoid unnecessary collections. This law gives locally elected CBC officials the power to override voter-approved levies and local school board fiscal decisions. The impact of this new law is indeterminable and can be administered inconsistently in Ohio's 88 counties.

- HB335 limits revenue growth from "inside millage" to the GDP Deflation Factor at property reevaluation cycles. To mitigate this, the district has adopted a defensive strategy of projecting at or below the anticipated GDP DF. This is a critical tactical move to prevent the state from applying further downward inflationary adjustments to the district's remaining growth potential. HB479 corrected inside millage language in HB335 so than any inside mileage adjustment occurs only in the home county during revaluations if districts are in multiple counties. Any future inside millage adjustment is indeterminable at this time.

- HB96 Expanded Piggyback Option introduces a significant *local political* risk through "Piggyback" exemptions. Unlike standard Homestead and 2.5% owner-occupied credits—which the state reimburses—Piggyback exemptions are **not reimbursed**. Knox County Commissioners approved the Piggyback exemption for homestead exemption for tax year 2025 collect in calendar year 2026. This will result in estimated tax reductions for FY26 and FY27 noted in Line 1.01 Property Tax Estimates below of $22,384. Our county commissioners did not vote by July 1, 2026 to approve Piggyback Property Tax Exemptions for tax year 2026 for reductions in calendar year 2027 which would reduce tax collections in FY27 and FY28. This new law creates an unpredictable potential risk to our local tax collections every year. We will adjust the forecast in the future accordingly.

Because the new accelerated August filing deadline for school district forecasts and the enormity of the property tax law changes, second half property tax bills have been delayed along with later final due dates. This will delay second half final actual tax settlement data to update our forecast with actual key data. We have estimated revenues and expenses based on the data available and understanding of the new property tax laws. As authoritative data concerning HB186 continues to be made available to the district changes may need to be made to the forecast that may or may not be significant

2) Property tax collections are the second largest single revenue source for the school system and a significant risk to the forecast. We project growth in appraised values every three (3) years that aligns with the new HB186 Gross Domestic Product Deflation Factor (GDP DF) and new construction growth. The effects of HB186 will be to limit property tax growth following reappraisals and updates. Total local revenues, predominately local taxes, equate to 52% of the district's resources. As noted above, HB186 indicates any adjustment for prior year appraisals and updates that exceeded GDP DF in reappraisals and triennial updates that occurred in tax years 2023, 2024 and 2025 will result in possible significant reductions (claw back) in the second half property tax collections that typically occur in August to September 2026. We have included any estimated adjustment for HB186 in Line 1.01 assumptions below, but only the ODT will have actual authoritative data when it is released after this forecast filing deadline.

3) Licking and Knox Counties experienced a full reappraisal in tax year 2023 for collection in FY24. We experienced value increases for Class I and II property by $108.79 million for an overall increase of 36.58%. An update will occur in tax year 2026 for collection in FY27. We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property within the Gross Domestic Product Deflation Factor range of 7% to 9%. HB335 inside millage cap will become effective for any reappraisal and update beginning in tax year 2026, and HB129 will become effective for our district in the next reappraisal update in tax year 2026. We have anticipated any 20-mill floor adjustment at that time in Line 1.01 assumptions below. We do not anticipate any further impact of HB186 or HB335 on our tax projections due to our estimates for future growth in reappraisal being in line with anticipated GDP DF.

4) The state budget represented 48% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond due to uncertainty that 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 recent formula calculations and use of the Ohio Department of Education and Workforce (ODEW) most recent funding settlement. This forecast reflects state revenue to align with the FY27 funding levels through FY31, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

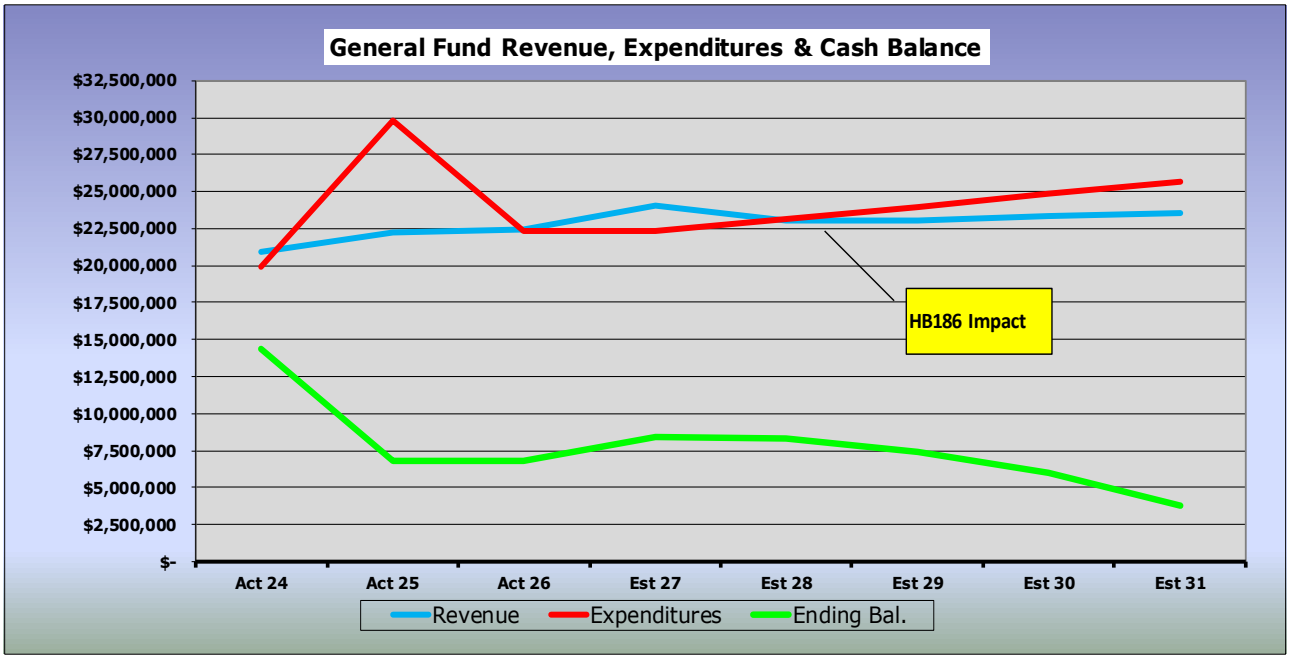
5) HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 foundation payment published by the Department of Education and Workforce for our forecasted revenues in FY27-FY31. We are considered a guarantee district and do not anticipate increases in state aid.

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

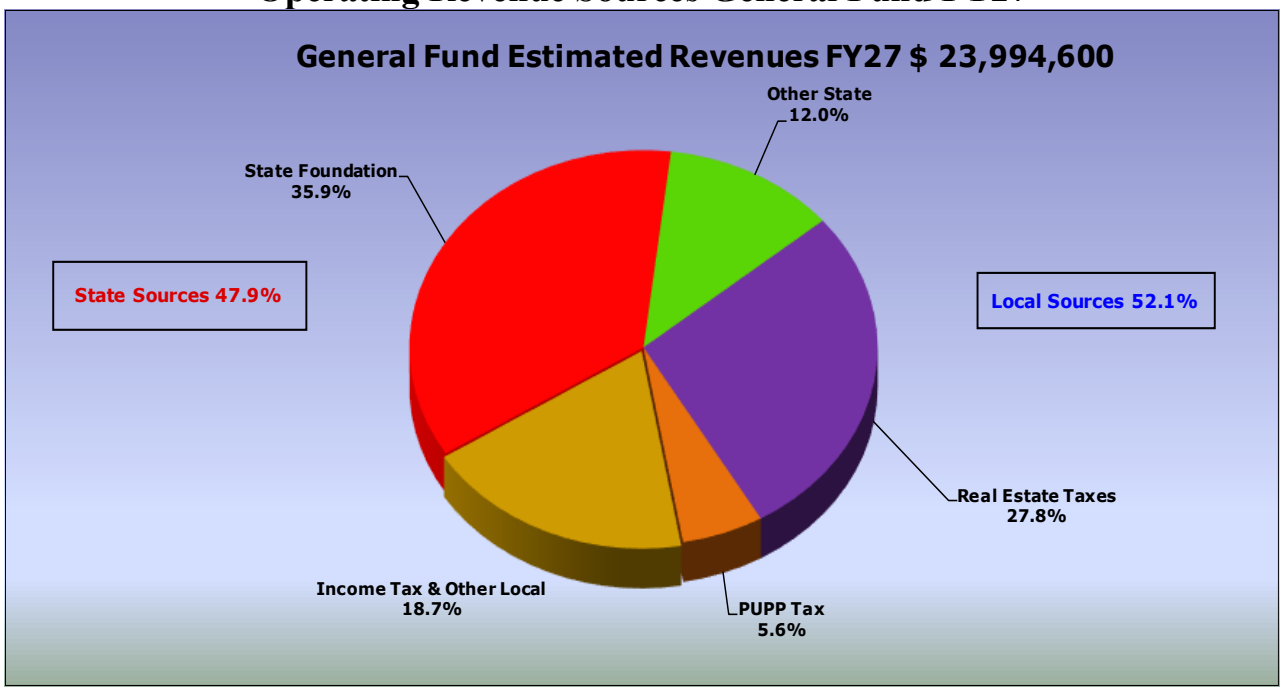
The significant lines of reference for the forecast are noted below in the headings to make it easier to relate to the assumptions made for the forecast items and refer back to the forecast. It will assist the reader in reviewing the assumptions noted below and to understand the overall financial forecast for our district. If you want further information, please contact Kellie Breehl, Treasurer, at 740.892.3897.

General Fund Revenue, Expenditures, and Ending Cash Balance FY24-26 and Estimated FY27-31

The graph captures in one snapshot the operating scenario facing the district over the next few years, including the renewal of the 1% School District Income Tax renewal was approved May 6, 2025. The income tax now expires December 31, 2033. HB186 will reduce tax collections as noted below and on Line 1.01.



Revenue Assumptions
Operating Revenue Sources General Fund FY27



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

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. New HB186 allows new construction growth in property taxes irrespective of Gross Domestic Product Deflation Factor (GDP DF). Licking and Knox Counties experienced a sexennial reappraisal in the 2023 tax year to be collected in FY24. The 2023 reappraisal increased overall assessed values by $108.79 million or an increase of 36.58%, which includes reappraisal and new construction for all classes of property. A triennial update will occur in tax year 2026 for collection in FY27. We anticipate value increases for Class I and II property in line with HB186 and HB335 at the GDP DF rate, of 9.29% and 3.0% respectively. However, there is always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that now.

Public Utility Personal Property (PUPP) values increased by $3.57 million in the tax year 2025. We expect our values to continue to grow by $500,000 each year of the forecast.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029	Estimated TAX YEAR 2029 COLLECT 2030	Estimated TAX YEAR 2030 COLLECT 2031
Res./Ag.	$440,430,063	$441,280,063	$442,130,063	$465,086,566	$465,936,566
Comm./Ind.	21,946,659	21,976,659	22,006,659	22,696,859	22,726,859
Public Utility Personal Property (PUPP)	47,432,356	47,932,356	48,432,356	48,932,356	49,432,356
Total Assessed Value	$509,809,078	$511,189,078	$512,569,078	$536,715,781	$538,095,781

Tax Rate Assumptions

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for "reduction factors" of all voted property tax levies. The reduction factors adjust the millage rates

lower for the levy to not increase from inflation of property values. This is for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all general fund levies is 28.70 mills while the Class I effective millage rate is 20.00 mills and the Class II effective millage rate is 20.00 mills. 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 and 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 2026 triennial update. Our district does not have fixed sum, or emergency, levies, therefore, this will not impact our forecast.

Estimated Real Estate Tax Collection Assumptions & 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. Knox County Commissioners approved the Piggyback exemption for homestead exemption for tax year 2025 collect in calendar year 2026. This will result in estimated tax reductions for FY27 noted in Line 1.01 Property Tax Estimates below of $11,896 for FY27. Our county commissioners did not vote by July 1, 2026, to approve Piggyback Property Tax Exemptions for tax year 2026 for reductions in calendar year 2027 which would reduce tax collections in FY27 and FY28.

HB186 is a new law that establishes an Inflation Cap Credit for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF) in reappraisal and triennial updates. HB186 also includes Temporary Tax Credits (claw back) provision that retroactively takes back property tax revenue that has already been collected. For impacted districts this starts with their reappraisal or triennial updates in tax years 2023, 2024 and 2025. These funds have already been realized and have been spent and/or included in future educational planning.

Our district is anticipating a negative claw back impact to our forecast due to HB186. We are anticipating adjustments noted on the table below for Line 1.01. This is based on recently obtained Department of Tax Equalization (DTE) Form 186 amounts and DTE HB186 Certified Tax Credit Factors. For planning purposes, we believe this is likely the worst-case scenario removing additional revenue of $3.7 million, net $2.06 million with guarantee payment, through FY31, but final second half tax settlements will not be received before this forecast filing deadline.

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

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

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY27	FY28	FY29	FY30	FY31
General Property Taxes	$7,688,390	$7,942,286	$7,958,704	$8,132,549	$8,282,320
Piggyback Exemption HB96	-11,896	0	0	0	0
Other Tax Adjustments-HB186	-1,015,263	-676,842	-676,842	-676,842	-676,842
General Property Taxes - Line #1.010	$6,661,231	$7,265,444	$7,281,862	$7,455,707	$7,605,478

Property tax levies are estimated to be collected at 97% of the annual amount. This allows a 3% delinquency factor. In general, 57.75% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 42.25% in the August tax settlement. We are anticipating a significant adjustment to our second half settlement in 2026 in August/September due to HB186.

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

Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in March and 50% in the August settlement from the County Auditor and are noted in Line #1.02 totals below.

The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP were $43.4 million in assessed values in 2024 and is collected at the district's gross voted millage rate. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor. The values in 2025 rose by 8.24% or $3.57million and are expected to grow by $500,000 each year of the forecast.

Source	FY27	FY28	FY29	FY30	FY31
Tangible Personal Property Taxes (TPP)	$1,354,134	$1,368,484	$1,382,834	$1,397,184	$1,411,534

Renewal and Replacement Levies – Line #11.01
The 1% income tax was approved on May 6, 2025, and will expire on December 31, 2033.

New Tax Levies – Line #13.030
No new levies are modeled in this forecast.

School District Income Tax – Line#1.030
The district has a 1% earned SDIT that was renewed on May 6, 2025, and will now expire on December 31, 2033. The changes in tax amounts are leveling off from the pandemic. In FY26, income tax collections were $82,847 higher than the same prior period. Statewide income taxes are generally stable but show a slowing growth trend. We will assume that income from withholdings will continue to increase in future collections. We will assume an annual growth rate of 1% for FY27-FY31 as the concerns over inflation may slow growth in this area.

Source	FY27	FY28	FY29	FY30	FY31
SDIT Collection	$3,400,932	$3,434,942	$3,469,293	$3,503,987	$3,539,028
Adjustments	34,010	34,350	34,694	35,041	35,391
Total SDIT Line #1.030	$3,434,942	$3,469,293	$3,503,987	$3,539,028	$3,574,419

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

Unrestricted State Foundation Revenue– Line #1.035
HB96, the current state budget, continued the Fair School Funding Plan for FY27, which funds students where they are educated rather than where they live. We have projected FY27 funding based on the most current foundation settlement and funding factors.

Our district is currently a guarantee district in FY27 and is expected to continue to be on the guarantee in FY2-FY310 on the Fair School Funding Plan (FSFP).

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

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

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

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

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

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26, but still includes two (2) primary guarantees: 1) Temporary Transition Aid, and 2) Formula Transition Supplement. The two (2) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY26 and FY27 than they received in FY21. We are on both Transition Aid Guarantee and Formula Transition Supplement in FY27.

Future State Budget Projections beyond FY27
Our funding status for FY28-FY31 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget processes; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative date to work with. For this reason, funding is held constant in the forecast for FY28 through FY31.

Casino Revenue
On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to

open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

In FY26, the funding totaled $108.29 million or $68.14 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

Source	FY27	FY28	FY29	FY30	FY31
Basic Aid-Unrestricted	$7,887,242	$7,887,242	$7,887,242	$7,887,242	$7,887,242
Additional Aid Items	274,079	274,079	274,079	274,079	274,079
Basic Aid-Unrestricted Subtotal	8,161,321	8,161,321	8,161,321	8,161,321	8,161,321
Ohio Casino Commission ODT	105,690	107,276	108,885	110,518	112,176
Total Unrestricted State Aid Line # 1.035	$8,267,011	$8,268,597	$8,270,206	$8,271,839	$8,273,497

Restricted State Revenues – Line # 1.040

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

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

Source	FY27	FY28	FY29	FY30	FY31
DPIA	$161,872	$161,872	$161,872	$161,872	$161,872
Career Tech - Restricted	45,810	45,810	45,810	45,810	45,810
Gifted	34,780	34,780	34,780	34,780	34,780
ESL	296	296	296	296	296
Student Wellness	102,668	102,668	102,668	102,668	102,668
Other Restricted State Funds	0	0	0	0	0
Total Restricted State Revenues Line #1.040	$345,426	$345,426	$345,426	$345,426	$345,426

Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundaton Revenue	FY27	FY28	FY29	FY30	FY31
Unrestricted Line # 1.035	$8,267,011	$8,268,597	$8,270,206	$8,271,839	$8,273,497
Restricted Line # 1.040	345,426	345,426	345,426	345,426	345,426
Restricted Fed. Grants Line #1.045	0	0	0	0	0
Total State Foundation Revenue	$8,612,437	$8,614,023	$8,615,632	$8,617,265	$8,618,923

State Reimbursement of Property Tax Credits – Line #1.050

Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies

passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013. And Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled.

HB96 began a phase down of the 10% rollback credit that has been in effect since 1971 and an equal phase up of the Owner-Occupied Credit (OOC) that has been in effect since 1978. In addition, HB96 increased the OOC by 2.88% by phasing it in over four (4) years starting in tax year 2026. The table below shows the phasing of these changes. Eventually there will be some amount of 10% rollback for non-timber farmland, but we will need tax settlement sheets to determine that amount. 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.

HB186 10% Phase down and OCC Phase up					
	TY25	**TY26**	**TY27**	**TY28**	**TY29**
	Collect CY26	**Collect CY27**	**Collect CY28**	**Collect CY29**	**Collect CY30**
10% Rollback*	10.00%	7.50%	5.00%	2.50%	0.00%
2.5% OOC	2.50%	5.00%	7.50%	10.00%	12.50%
HB96 Inc. OCC	0.00%	0.72%	1.44%	2.16%	2.88%
Total	12.50%	13.22%	13.94%	14.66%	15.38%
Homestead	varies	2x	varies	varies	varies
*Non-timber farm land will still keep 10% rollback					

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSDs that are located in a county that underwent a reappraisal or triennial update in Tax Years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in Tax Year 2025 than in Tax Year 2024. The revenue guarantee applies to Tax Year 2025, in the case of 2023 reappraisal or update counties, and to Tax Years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district's real property tax revenue in Tax Year 2024 and its revenue in 2025 and, if applicable, 2026. We received a partial hold harmless payment of $1,661,225 on August 13, 2026.

Summary of State Tax Reimbursement – Line #1.050

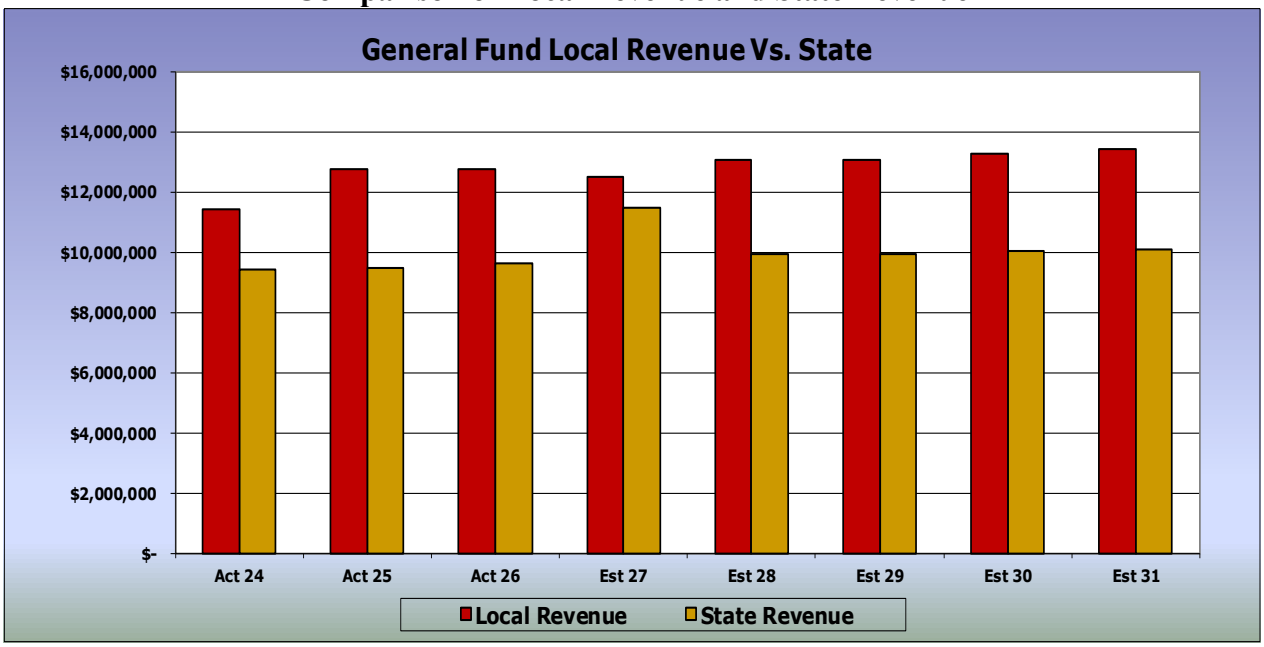
Source	**FY27**	**FY28**	**FY29**	**FY30**	**FY31**
Rollback & Homestead	$1,221,077	$1,336,188	$1,325,146	$1,426,971	$1,497,085
HB186 Partial Reimbursement	$1,661,225	$0	$0	$0	$0
State Reimbursement for Property Tax Credits	$2,882,302	$1,336,188	$1,325,146	$1,426,971	$1,497,085

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.

Interest income remained steady in FY26 due to laddered investment strategies, expected Federal Reserve rate cuts and declining cash balances will begin to have an impact on earnings in FY27and future years. We will continue to monitor the investments for the district. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue historical trends.

Source	FY27	FY28	FY29	FY30	FY31
Interest	$499,953	$449,958	$382,464	$325,094	$276,330
Class Fees & School Supplies	95,572	95,572	95,572	95,572	95,572
Tuition SF-14 & SF-14H	270,833	272,187	273,548	274,916	276,291
Other Income, Rentals & Medicaid	183,196	183,196	183,196	183,196	183,196
Total Other Local Revenue Line #1.060	$1,049,554	$1,000,913	$934,780	$878,778	$831,389

Comparison of Local Revenue and State Revenue



Short-Term Borrowing – Lines #2.010 & Line #2.020
There is no short-term borrowing projected in this forecast.

Transfers In / Return of Advances – Line #2.040 & Line #2.050
Other Financing sources consist of transfer and advances that the school district anticipates will be re-paid during the forecasted period. Advances made are made from the general fund to other funds to cover negative fund balances until the expected funds are received. Advances are forecasted based on the historical timeliness of funds not received at fiscal year-end.

Source	FY27	FY28	FY29	FY30	FY31
Transfers In - Line 2.040	$0	$0	$0	$0	$0
Advance Returns - Line 2.050	0	0	0	0	0
Total Transfer & Advances In	$0	$0	$0	$0	$0

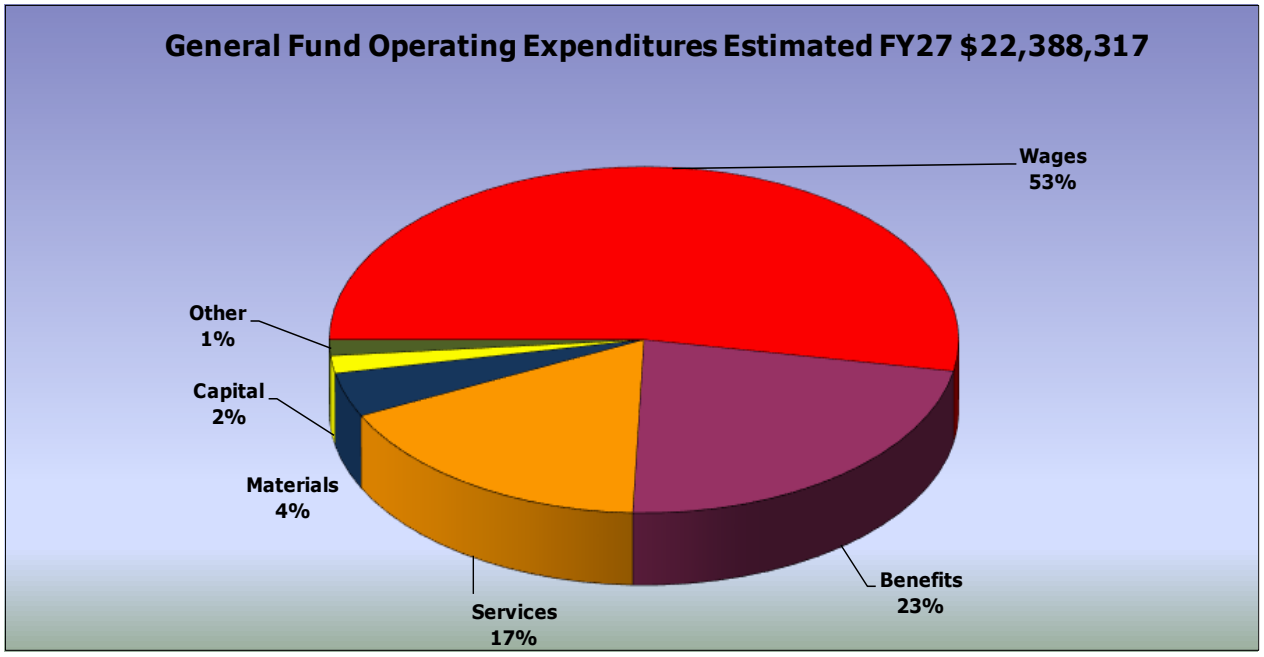
All Other Financial Sources – Line #2.060
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we will not project that occurring in the remainder of the forecast.

Source	FY27	FY28	FY29	FY30	FY31
Refund of prior year expenditures	$20,000	$20,000	$20,000	$20,000	$20,000

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students, whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

All Operating Expense Categories - General Fund FY27



Wages – Line #3.010
The model reflects a base increase of 1% for FY27-31 for planning purposes. We have estimated step and training increases of 1.8% for each year of the forecast in addition to 1 FTE certificated staff that may be needed. This forecast contains the current and one future bargaining unit agreements.

The 2025-2026 salary schedule for classified staff has been updated to be more competitive with other local districts.

Source	FY27	FY28	FY29	FY30	FY31
Base Wages	$11,196,977	$11,311,075	$11,650,091	$11,999,173	$12,358,607
Increases	111,970	113,111	116,501	119,992	123,586
Steps & Training	201,546	203,599	209,702	215,985	222,455
Growth/Replacement Staff	56,738	57,306	57,879	58,457	59,042
Substitutes & Supplementals	501,070	506,081	511,142	516,253	521,416
Other adjustments	(221,157)	0	0	0	0
Total Wages Line #3.010	$11,847,145	$12,191,172	$12,545,315	$12,909,860	$13,285,106

Fringe Benefits Estimates – Line #3.020

This area of the forecast captures all benefits and retirement costs. These payments and HSA costs are included in the table below.

A) STRS/SERS will increase as Wages Increase

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

B) Insurance

We are estimating an annual increase of 7% for FY27-31, reflecting the trend of our current employee census and claims data.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately .35% of wages FY27– FY31. Unemployment is likely to remain at a shallow level FY27-FY31. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

D) Medicare

Medicare will continue to increase at the rate of wage increases 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.

E) Other/Tuition

The district reimburses employees for the tuition to further their education to maintain licensure for teaching. The district does not anticipate any increase during the forecast.

Summary of Fringe Benefits – Line #3.020

Source	FY27	FY28	FY29	FY30	FY31
A) STRS/SERS	$1,854,547	$1,904,707	$1,960,220	$2,017,366	$2,076,191
B) Insurances	2,971,837	3,184,450	3,411,992	3,655,508	3,916,117
C) Workers Comp/Unemployment	41,765	42,969	44,209	45,485	46,798
D) Medicare	181,393	186,479	191,897	197,474	203,215
Other/Tuition	20,938	20,938	20,938	20,938	20,938
Total Fringe Benefits Line #3.020	$5,070,480	$5,339,543	$5,629,256	$5,936,771	$6,263,259

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 assessed on all electric bills to help expand Ohio's electric generating ability. This charge began June 2025 and ended June 2026. It is anticipated in increased electric costs by 20% annually for just that twelve (12) month period.

Source	FY27	FY28	FY29	FY30	FY31
Base Services	$11,758	$12,111	$12,474	$12,848	$13,233
ESC & Instructional Services	1,911,459	1,968,803	2,027,867	2,088,703	2,151,364
Tuition, Scholarship Transfers & CCP	402,778	422,917	444,063	466,266	489,579
Building Maintenance & Service	852,879	895,523	940,299	987,314	1,036,680
Utilities	497,224	512,141	527,505	543,330	559,630
ESSER Adjustment	172,000	172,000	172,000	172,000	172,000
Total Purchased Services Line #3.030	$3,848,098	$3,983,495	$4,124,208	$4,270,461	$4,422,486

Supplies and Materials – Line #3.040

Expenses which are characterized by educational supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. An average trend increase is projected in this area for the forecasted period.

An overall inflation of 1% FY27-31 increase in this category of expenses. Educational supplies include textbooks, office and classroom supplies. Building and transportation costs include supplies to clean the buildings, provide paper supplies and other custodial items. Transportation costs are largely fuel, tires and other costs required to keep our fleet safe and operational.

Source	FY27	FY28	FY29	FY30	FY31
Supplies, Textbooks & Technology	$593,604	$599,540	$605,535	$611,590	$617,706
Building and Transportation	330,091	333,392	336,726	340,093	343,494
Other Adjustment	0	0	0	0	0
Total Supplies Line #3.040	$923,695	$932,932	$942,261	$951,683	$961,200

Equipment – Line # 3.050

Estimating a 3% growth FY27 through FY31. Most significant costs are paid from the Permanent Improvement Fund.

Source	FY27	FY28	FY29	FY30	FY31
Capital Outlay	$367,000	$378,010	$389,350	$401,031	$413,062
Total Equipment Line #3.050	$367,000	$378,010	$389,350	$401,031	$413,062

Principal & Interest – Line # 4.02, 4.055 & 4.06

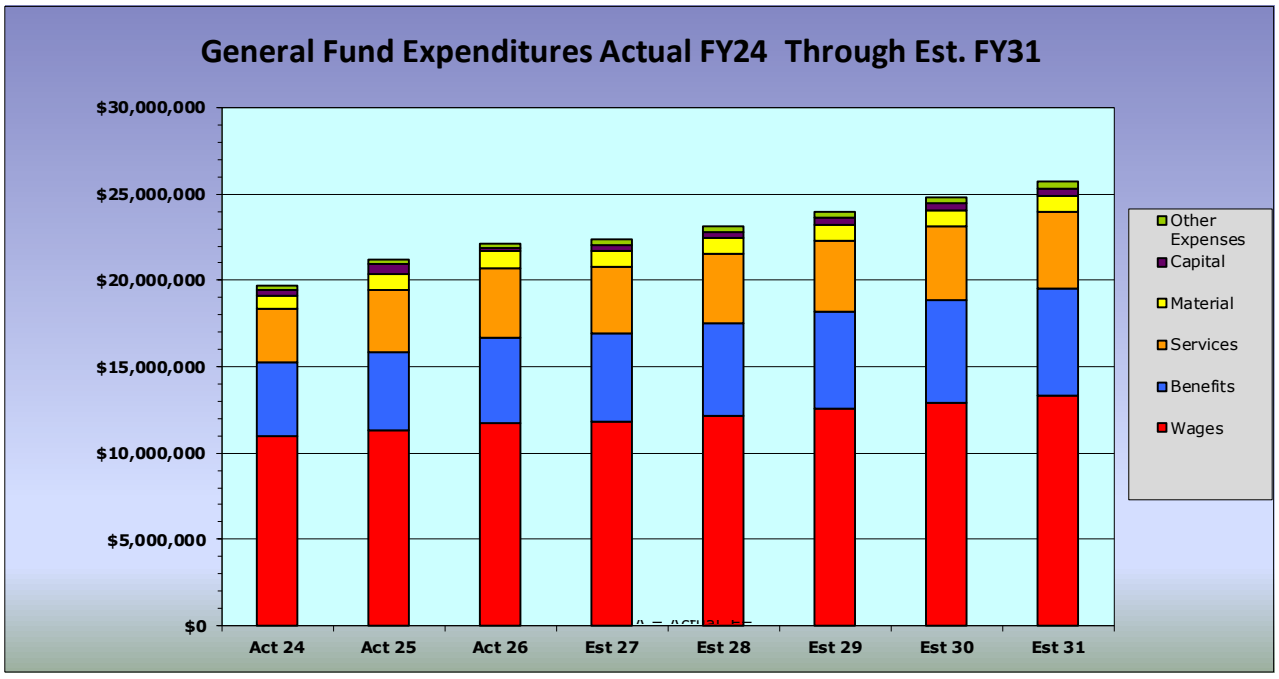
The District does not have any outstanding debt in operating funds at this time.

Other Expenses – Line #4.300
The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. An average increase of 2% is projected in this area for the forecasted period.

Source	FY27	FY28	FY29	FY30	FY31
County Auditor & Treasurer Fees	$181,018	$182,828	$184,656	$186,503	$188,368
Other expenses	150,881	155,407	160,069	164,871	169,817
Total Other Expenses Line #4.300	$331,899	$338,235	$344,725	$351,374	$358,185

Transfers Out– Line# 5.010
This account group covers fund-to-fund transfers from the General Fund to other funds. No transfers or advances are expected throughout the forecast period at this time.

Operating Expenditures Actual FY24 through FY26 and Estimated FY27-FY31
As the following graph indicates, we have been diligent at containing costs in reaction to the past lower and flat state revenues. We maintain control over our expenses while balancing student academic needs to enable them to excel and perform well on state performance standards.



Encumbrances –Line#8.010
These are outstanding purchase orders that have yet to be approved for payment as the goods and/or services were not received in the fiscal year in which they were ordered.

	FY27	FY28	FY29	FY30	FY31
Estimated Encumbrances - Line #8.010	$75,000	$75,000	$75,000	$75,000	$75,000

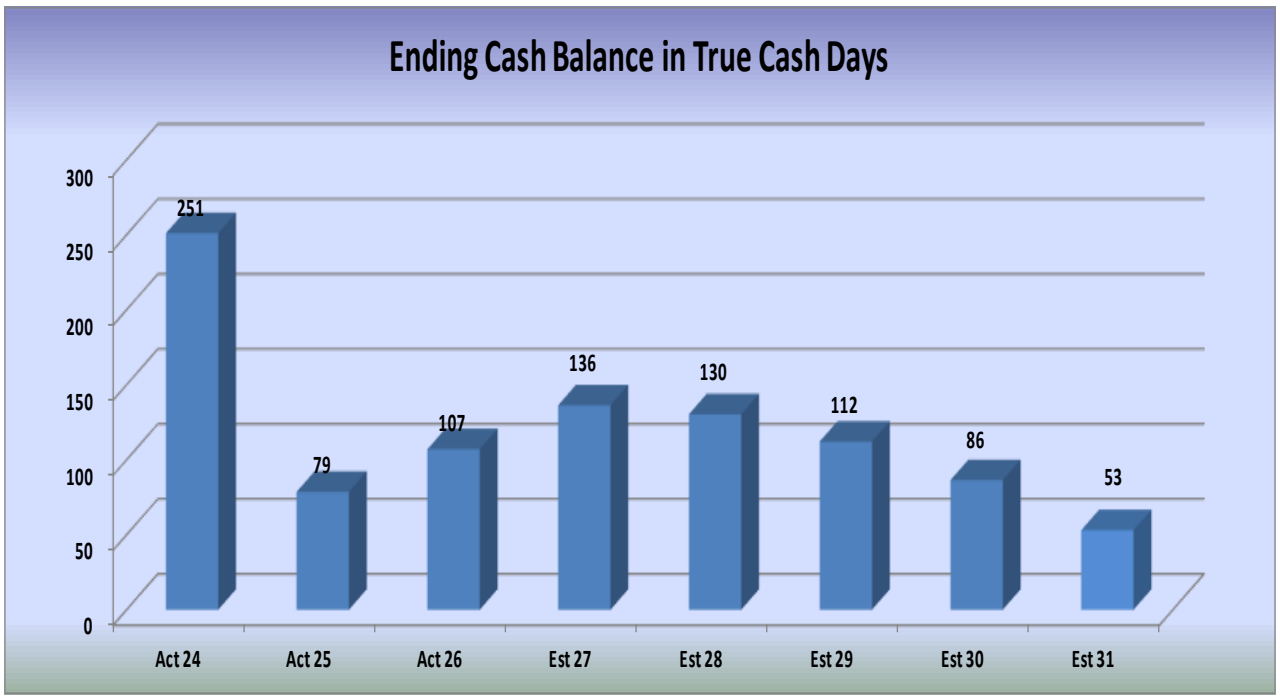
Ending Unencumbered Cash Balance – Line #15.010
This amount must not go below $-0- or the district general fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, and which results in a negative unencumbered cash balance, is a violation of O.R.C. §5705.412, which is punishable by personal liability of $10,000; unless an alternative 412

certificate, as permitted by HB153, effective September 30, 2011, could be issued. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about $1.8 million for our district.

Source	FY27	FY28	FY29	FY30	FY31
Ending Unencumbered Cash Balance - Line #15.010	$8,363,255	$8,274,213	$7,363,339	$5,877,092	$3,732,622

True Cash Days Ending Balance

Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year-end if no additional revenues were received? This is the Current Years Ending Cash Balance divided by 365 (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The government Finance Officers Association recommends that no less than two (2) months or 60 days of cash is on hand at year-end. Still, it could be more depending on each district's complexity and risk factors for revenue collection. This is calculated, including transfers, as this is a predictable funding source for other funds such as capital, athletics, and severance reserves.



Conclusion

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