Ashtabula Area City School District

Fiscal Year

2027

August

Financial Forecast Report

ASHTABULA
AREA CITY SCHOOLS

Prepared By:

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Ashtabula Area City School District

Table of Contents

Forecast Purpose/Objectives

Ohio Department of Education and Workforce's purposes/objectives for the financial forecast are:

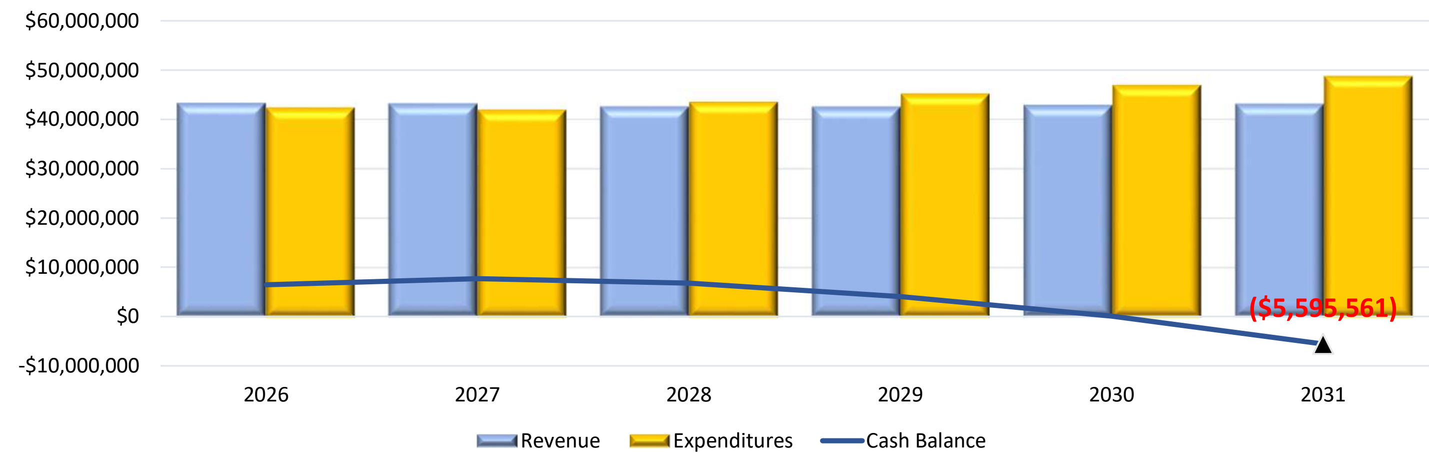
1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412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

Forecast Methodology

This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year, and while cash flow monitoring helps to identify unexpected variances, no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

Forecast Summary

Projected Revenue, Expenditures, and Cash Balance



Financial Forecast Summary

	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
Beginning Balance (Line 7.010)	6,483,517	7,699,627	6,755,327	4,066,826	42,594
**Includes Renewal/New Levy Revenue, see Disclosures*					
+ Revenue	43,191,887	42,635,041	42,541,309	42,936,967	43,142,462
- Expenditures	(41,975,777)	(43,579,341)	(45,229,810)	(46,961,199)	(48,780,617)
= Revenue Surplus or Deficit	1,216,110	(944,300)	(2,688,501)	(4,024,232)	(5,638,155)
Line 7.020 Ending Balance with Renewal/New Levies	7,699,627	6,755,327	4,066,826	42,594	(5,595,561)

Financial Summary Notes

Expenditure growth is projected to outpace revenue change. By the end of 2031, the cash balance is projected to decline by a total of $12,079,078 compared to 2026. For fiscal year 2031, expenditures are currently projected to exceed revenue, resulting in a revenue shortfall the final year of the forecast period.

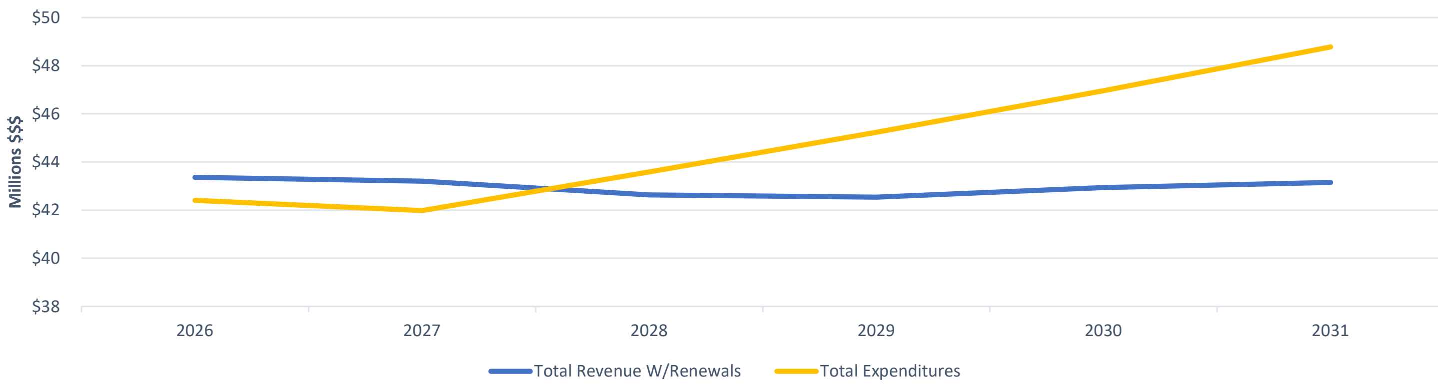
For revenue, projected change is expected to be less than the historical average. Annually, on average, over the past five years, revenue increased by 1.22% ($503,877 annually). However, it is projected to decrease by -0.10% (-$44,597 annually) through fiscal year 2031. Notably, All Othr Op Rev, is expected to be $389,024 less per year compared to history, and is the biggest driver of trend change on the revenue side.

For expenses, projected change is forecasted to increase at a faster pace than the historical trend. Expenditures decreased by 0.34% ($186,701, on average, annually) during the past 5-year period, and are projected to increase by 2.86% ($1,273,378 annually) through 2031. The forecast line with the most change on the expense side, Benefits, is anticpated to be $1,036,973 more per year in the projected period compared to historical averages.

Disclosure Items:	*2027*	*2028*	*2029*	*2030*	*2031*
Modeled Renewal Levies - Annual Amount	-	-	-	-	-
Modeled New Levies - Annual Amount	-	-	-	-	-
Encumbrances (not subtracted from Cash Balance)	-	-	-	-	-

Forecast Analysis

Revenue Compared to Expenditures

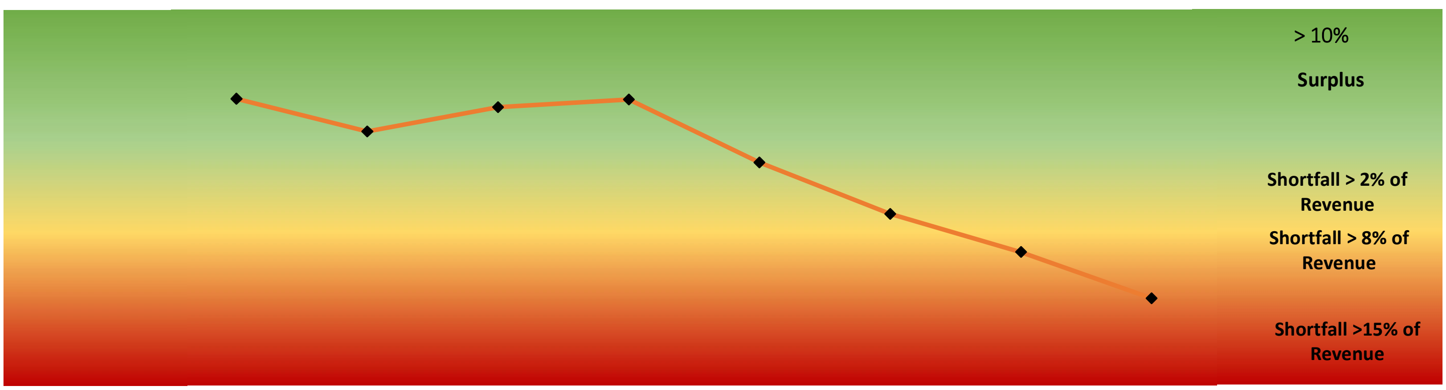


From 2027 to 2031, total revenues are projected to change by -0.10%

Expenditure change is expected to outpace revenue change.

From 2027 to 2031, total expenses are projected to change by 2.86%

Revenue Surplus/(Shortfall) as a Percentage of Revenue

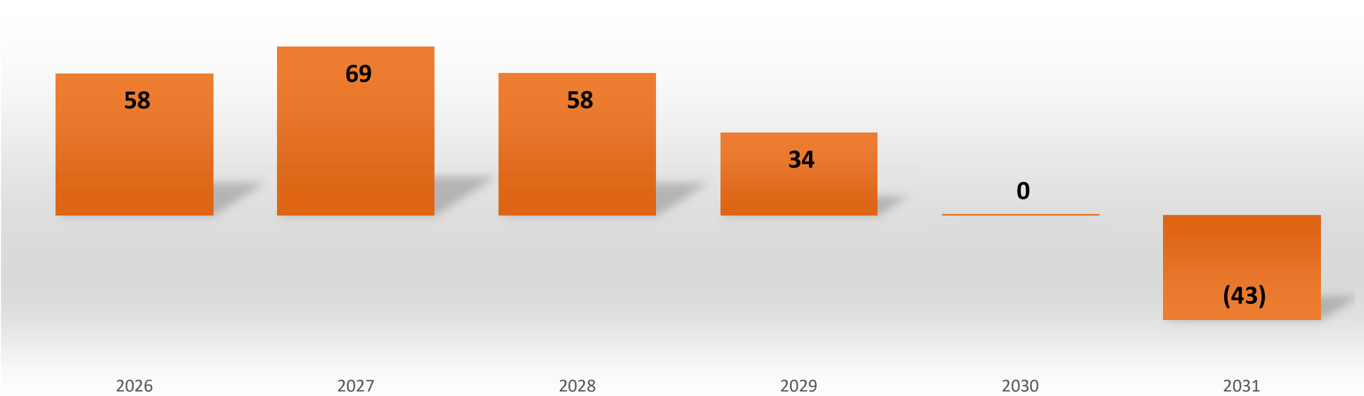


	2025	2026	2027	2028	2029	2030	2031
Current Forecast Surplus/(Shortfall)	.3%	2.2%	2.8%	-2.2%	-6.3%	-9.4%	-13.1%

The district is trending toward revenue shortfall with the expenditures growing faster than revenue.
A revenue increase of 9.37% is needed to balance the budget in fiscal year 2031, or a $5,638,155 reduction in expenditures.

- The largest contributor to the projected revenue trend is the change in All Othr Op Rev.
- The expenditure most impacting the changing trend is Benefits.

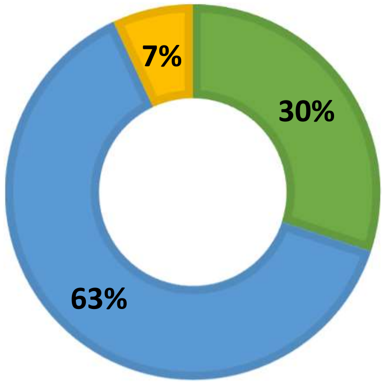
Days Cash on Hand at Fiscal Year-end



**based on 365 days*

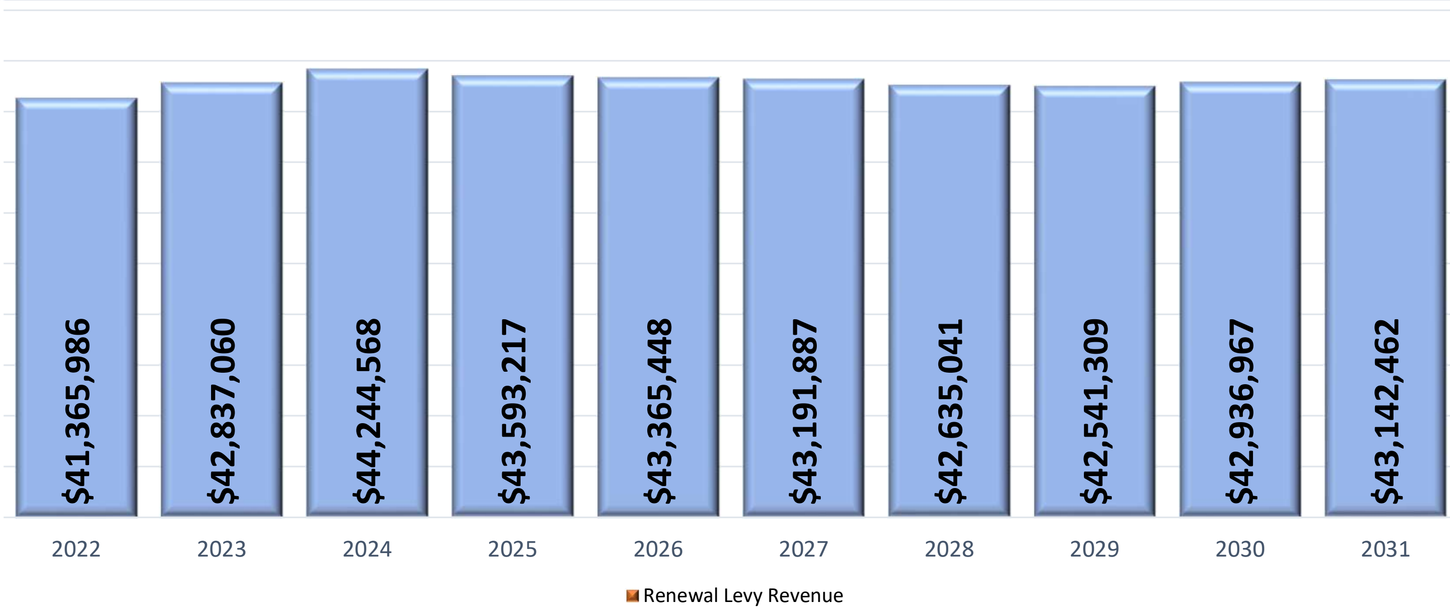
Revenue Overview

Revenue Sources



Local Taxes	
Real Estate Tax	23.92%
Public Utility Tax	6.19%
Income Tax	0.00%
State Sources	
State Funding	50.24%
Restricted Aid	9.14%
State Reimb Prop Tax Cr	3.56%
All Other Revenue	
Other Revenue	3.72%
Other Sources	3.22%

Annual Revenue Actual + Projected



Historic Revenue Change versus Projected Revenue Change

	Historical Average Annual $$ Change	Projected Average Annual $$ Change	Projected Compared to Historical Variance
Real Estate	$407,594	$132,967	($274,628)
Public Utility	$146,971	$33,698	($113,273)
Income Tax	$0	$0	$0
State Funding	($305,063)	($95,019)	$210,044
State Reimb Prop Tax Credits	$40,905	$86,270	$45,365
All Othr Op Rev	$160,112	($228,912)	($389,024)
Other Sources	$53,358	$26,400	($26,958)
Total Average Annual Change	$503,877	($44,597)	($548,474)
	1.22%	-0.10%	-1.32%

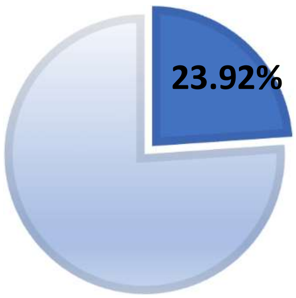
Annually, on average, over the past five years, revenue increased by 1.22% ($503,877 annually). However, it is projected to decrease by -0.10% (-$44,597 annually) through fiscal year 2031. Notably, All Othr Op Rev, is expected to be $389,024 less per year compared to history, and is the biggest driver of trend change on the revenue side.

For Comparison:

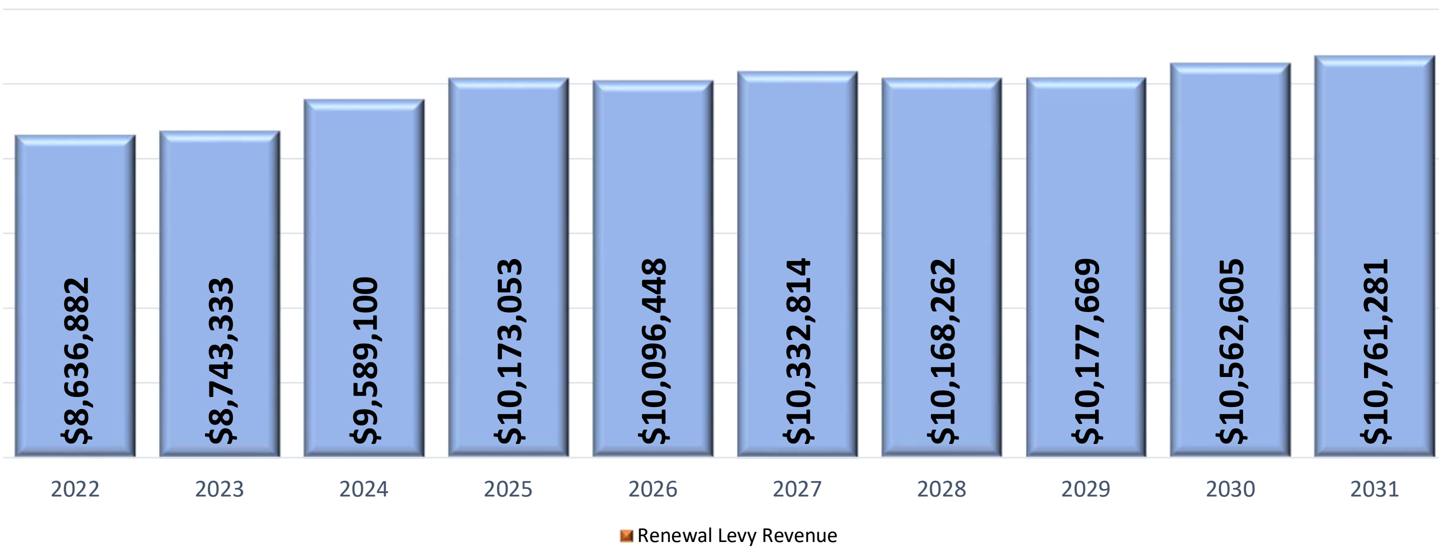
Expenditure average annual change is projected to be > $1,273,378 On an annual average basis, expenditures are projected to grow faster than revenue.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



Real estate property tax revenue accounts for 23.92% of total district general fund revenue.



Key Assumptions & Notes

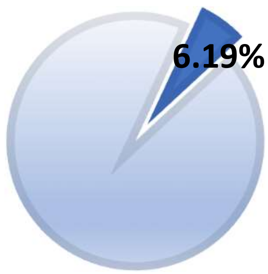
Values, Tax Rates and Gross Collections							Gross Collection Rate
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class 2 Rate	Change	Including Delinquencies
2025	542,165,199	8,950,879	20.04	-	27.18	-	100.0%
2026	631,230,199	89,065,000	20.00	(0.04)	25.62	(1.56)	100.0%
2027	631,145,199	(85,000)	20.01	0.01	25.68	0.06	100.0%
2028	631,060,199	(85,000)	20.02	0.01	25.74	0.06	100.0%
2029	685,625,199	54,565,000	20.00	(0.02)	25.32	(0.42)	100.0%
2030	685,540,199	(85,000)	20.01	0.01	25.38	0.06	100.0%

Class I, or residential/agricultural taxes make up approximately 72.22% of the real estate property tax revenue. The Class I tax rate is 20.00 mills in tax year 2026. The projections reflect an average gross collection rate of 100.0% annually through tax year 2030. The revenue changed at an average annual historical rate of 4.68% and is projected to change at an average annual rate of 1.30% through fiscal year 2031.

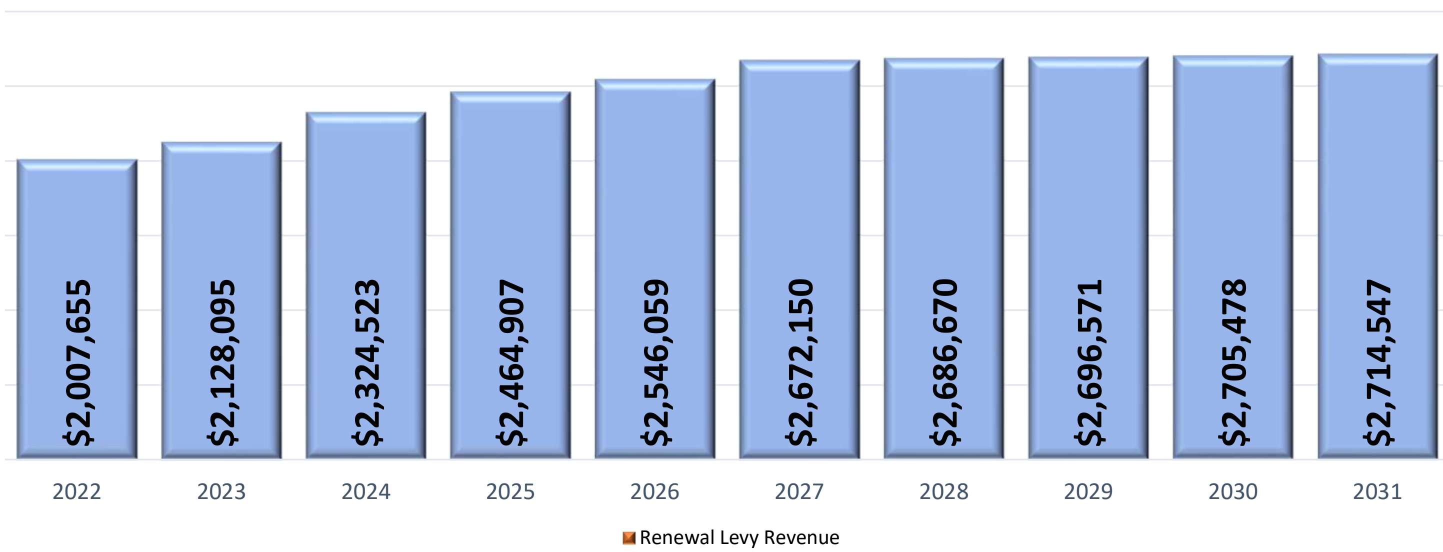
The largest revenue source remains General Property Tax (Real Estate), which increases from approximately $10.1 million in FY2026 to $10.8 million in FY2031..

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



Public Utility Personal Property tax revenue accounts for 6.19% of total district general fund revenue.



Key Assumptions & Notes

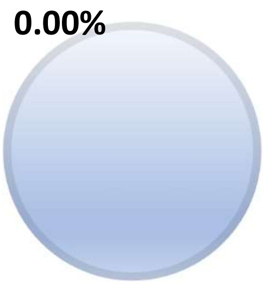
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2025	66,704,870	2,783,710	40.30	-	99.0%
2026	67,704,870	1,000,000	40.00	(0.30)	99.0%
2027	67,954,870	250,000	40.00	-	99.0%
2028	68,204,870	250,000	40.00	-	99.0%
2029	68,454,870	250,000	39.98	(0.03)	99.0%
2030	68,704,870	250,000	39.98	-	99.0%

The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. The property is taxed at the full voted tax rate which in tax year 2026 is 40.00 mills. The forecast is modeling an average gross collection rate of 99.00%. The revenue changed historically at an average annual dollar amount of $146,971 and is projected to change at an average annual dollar amount of $33,698 through fiscal year 2031.

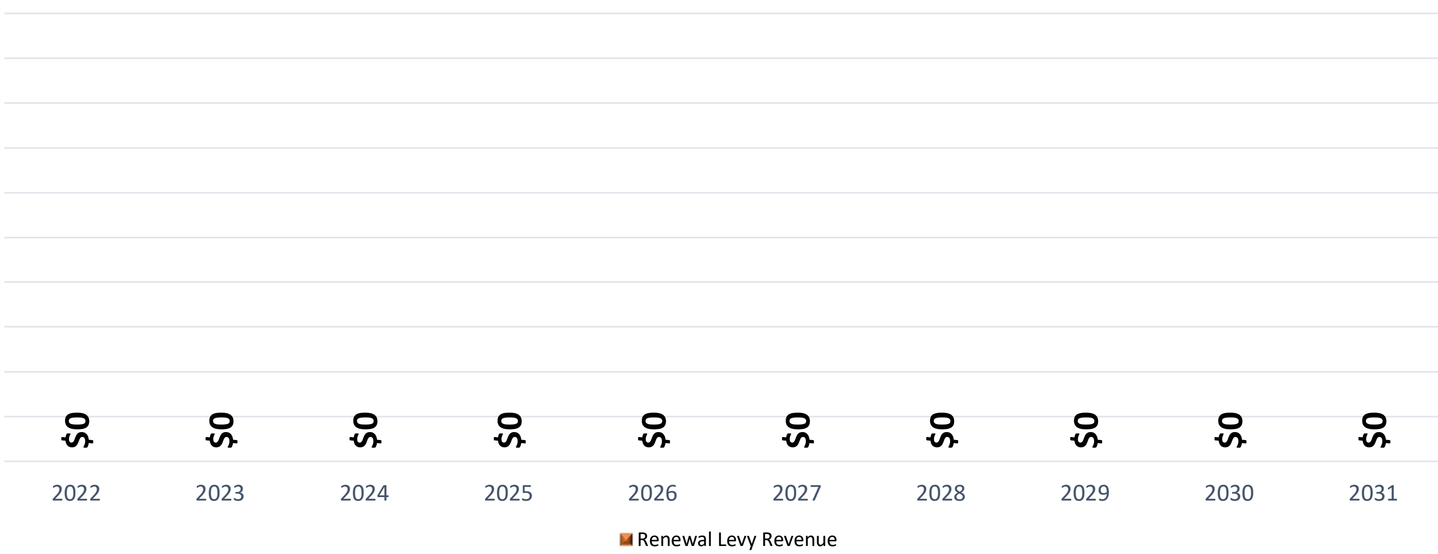
Tangible Personal Property Tax increases from approximately $2.5 million to $2.7 million

1.030 - School District Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



The district does not have a School District Income Tax levy.

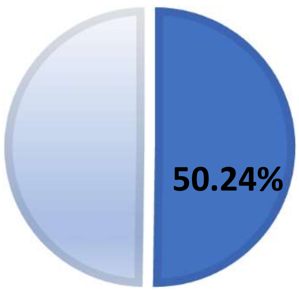


Key Assumptions & Notes

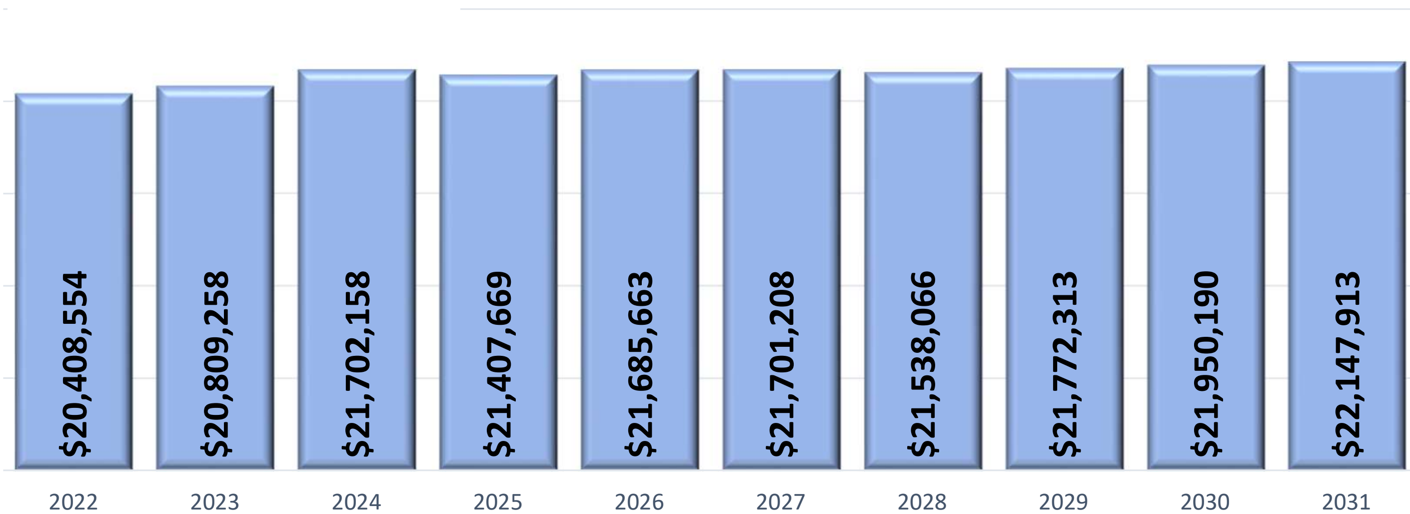
The district does not have an income tax levy.

1.035 - Unrestricted Grants-in-Aid

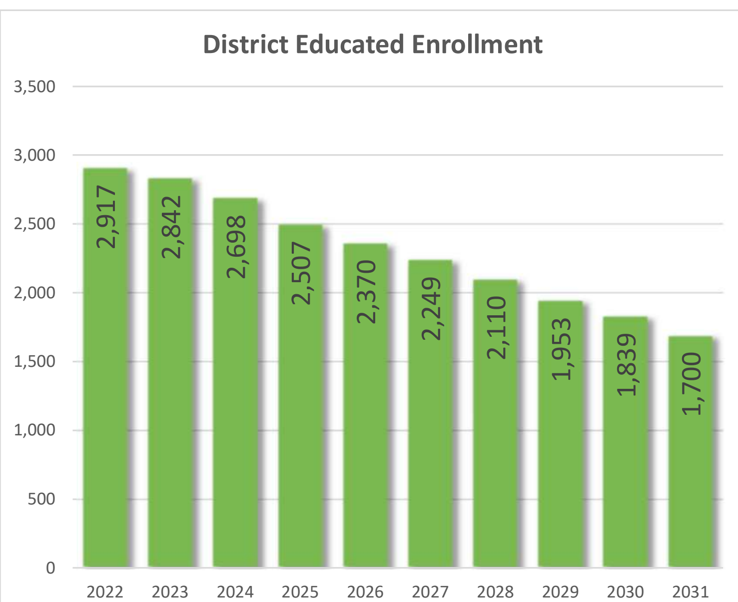
Funds received through the State Foundation Program with no restriction.



Unrestricted State Aid revenue accounts for 50.24% of total district general fund revenue.



Key Assumptions & Notes



Beginning in fiscal year 2022, Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

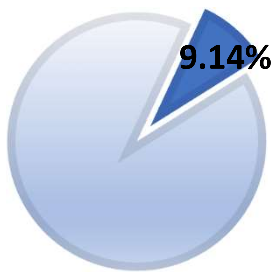
For Ashtabula Area City School District, the calculated Base Cost total is $20,412,533 in 2027.

The State's Share of the calculated Base Cost total is $9,463,297, or $4,208 per pupil.

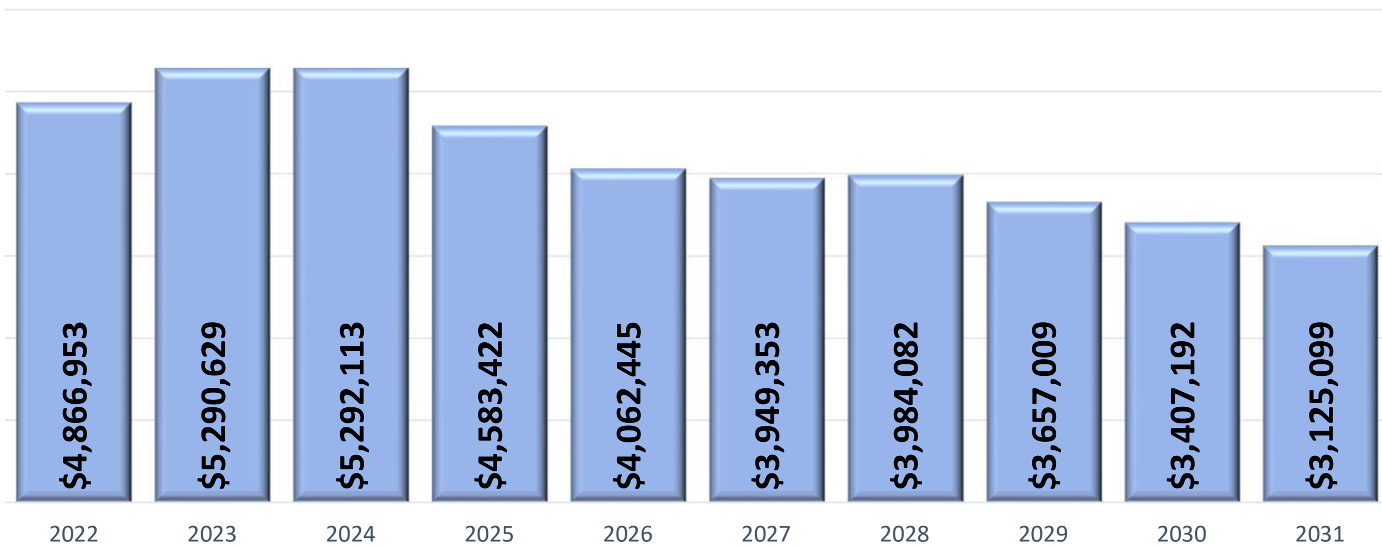
The FSFP also started funding students where they attended school. Therefore district educated enrollment is now used for per pupil funding. At the same time, the FSFP eliminated tuition transfer payments from school districts, which impacts the expense side of the forecast.

1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted State Aid revenue accounts for 9.14% of total district general fund revenue.

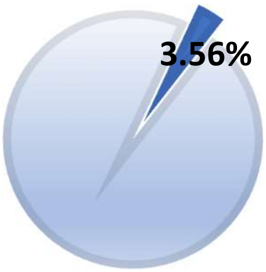


Key Assumptions & Notes

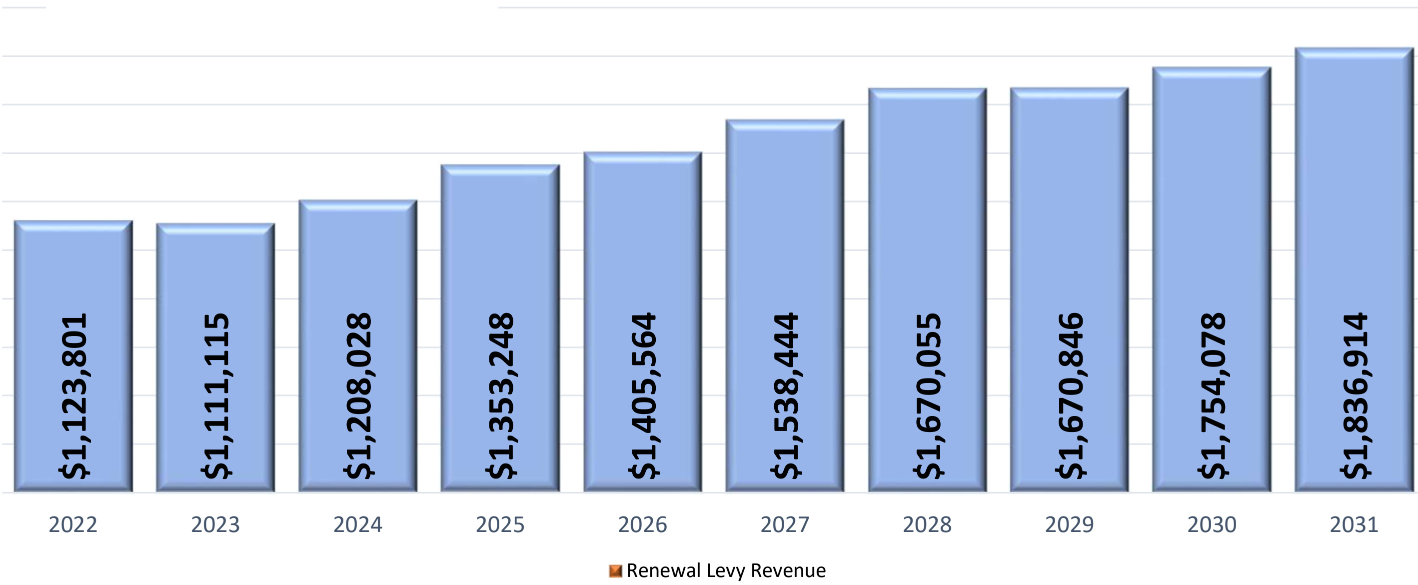
Restricted aid is the portion of state per pupil funding that must be classifed as restricted use. Historically the district's restricted state aid changed annually on average by -$409,395 and is projected to change annually on average by -$187,469. Restricted funds represent 9.14% of the district's total revenue. Starting in fiscal year 2022, the district's Success & Wellness funding became restricted; the state's share of this funding recorded as restricted is $453,532. This funding has implications on general fund expenditures in that certain spending now occuring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

1.050 - State Reimbursement Property Tax Credits

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



State Reimbursement of Property Tax Credit revenue accounts for 3.56% of total district general fund revenue.



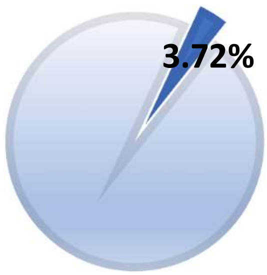
Key Assumptions & Notes

State Reimbursement of Property Tax Credits primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions to their tax bill. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In fiscal year 2027, approximately 11.6% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 4.4% will be reimbursed in the form of qualifying homestead exemption credits.

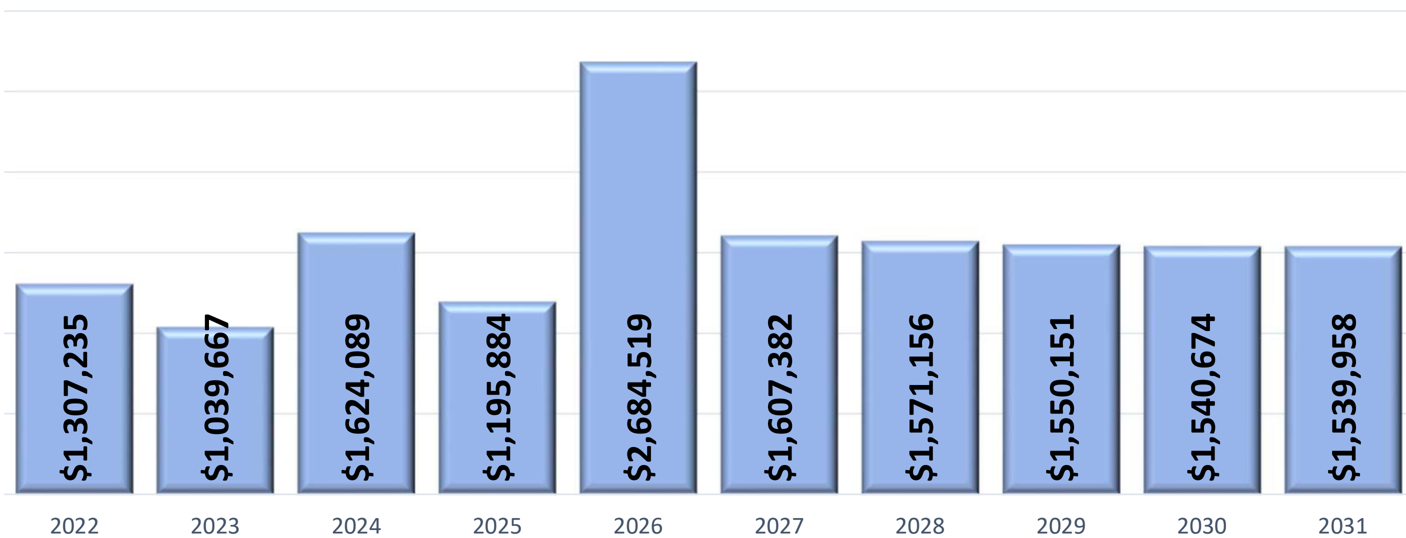
State Share of Local Property Taxes, which increases from approximately $1.4 million to $1.8 million over the forecast period

1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.



All Other Revenue accounts for 3.72% of total district general fund revenue.



Key Assumptions & Notes

Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was $160,112. The projected average annual change is -$228,912 through fiscal year 2031.

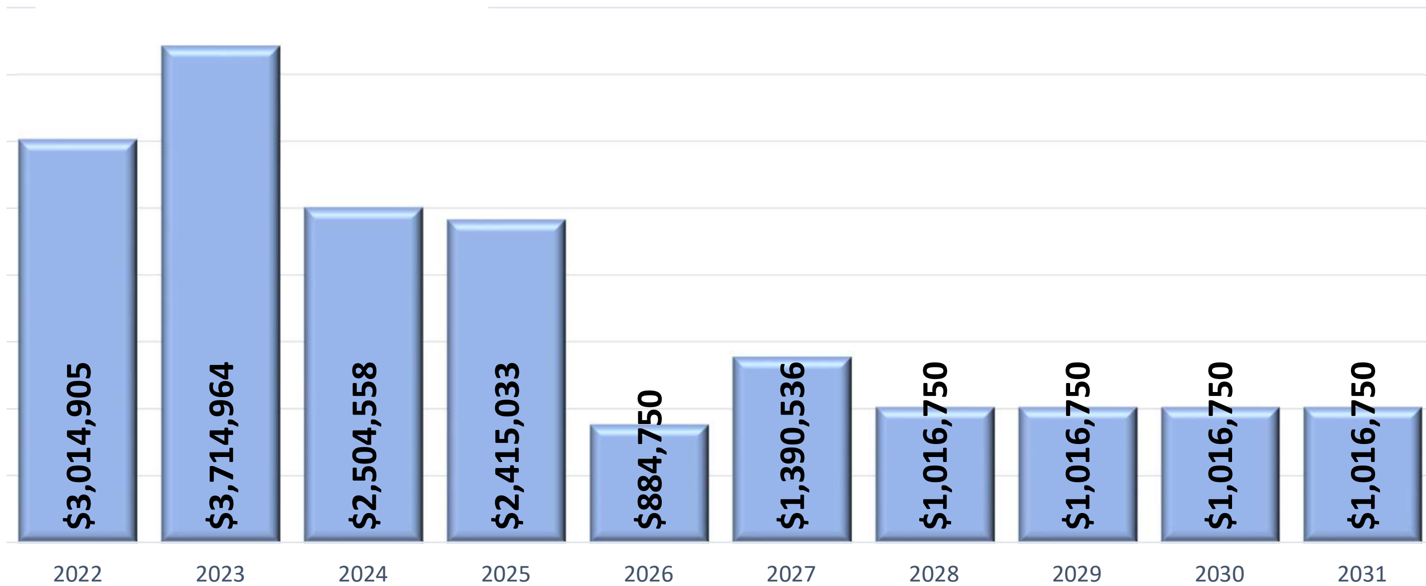
Other revenue is projected to remain relatively stable, ranging from approximately $1.5 million to $1.6 million annually over the forecast period. The largest contributor is Unrestricted Grants-in-Aid (receipt code 4100), which increases from approximately $883,000 in FY2027 to $956,000 in FY2031, providing a consistent and growing source of support.

Tuition revenue also demonstrates steady growth, rising from approximately $321,000 in FY2027 to $338,000 in FY2031, while Miscellaneous Receipts from Local Sources remain stable at roughly $105,000 to $109,000 per year. Conversely, Earnings on Investments decline significantly, due to a declining cah balance, from approximately $237,000 in FY2027 to $75,000 in FY2031, reducing a source of supplemental revenue.

2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.

Other Sources of revenue accounts for 3.22% of total district general fund revenue.



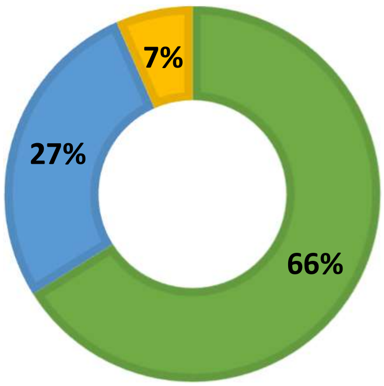
Key Assumptions & Notes

		FORECASTED				
	2026	2027	2028	2029	2030	2031
Transfers In	276,494	-	-	-	-	-
Advances In	582,715	1,373,786	1,000,000	1,000,000	1,000,000	1,000,000
All Other Financing Sources	25,541	16,750	16,750	16,750	16,750	16,750

Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In 2026 the district receipted $582,715 as advances-in and is projecting advances of $1,373,786 in fiscal year 2027. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be $16,750 in 2027 and average $16,750 annually through 2031.

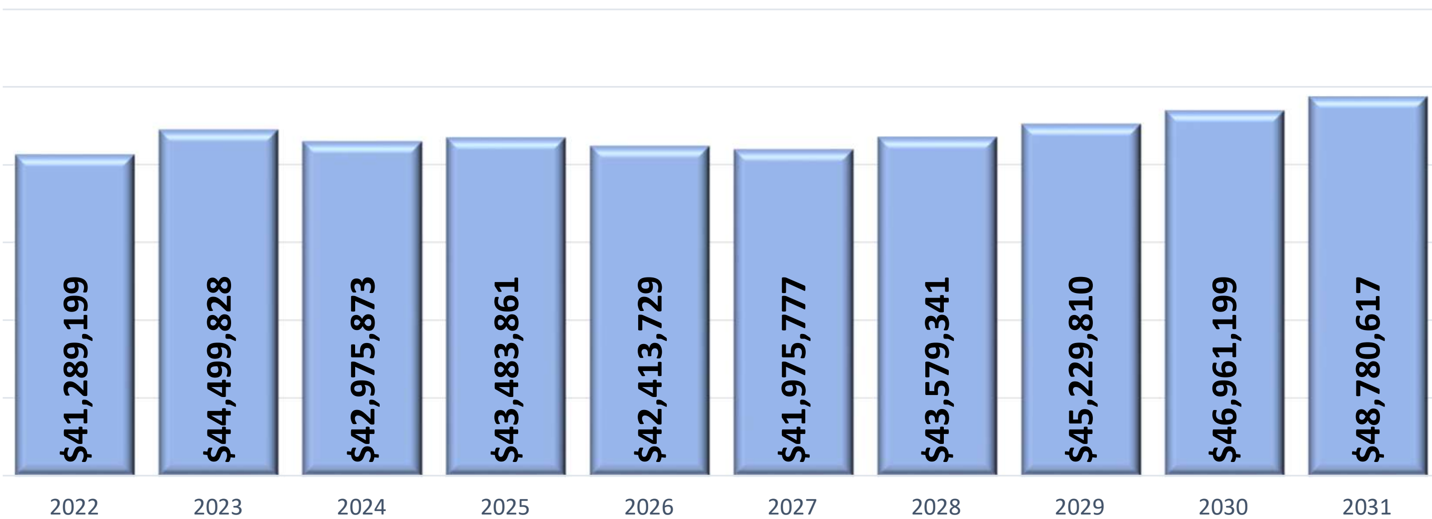
Expenditure Overview

Expenditure Categories



Personnel Costs	
Salaries	41.16%
Benefits	24.96%
Purchased Services	27.27%
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	3.52%
Other Uses	3.10%

Annual Expenditures Actual + Projected



Historic Expenditures Change versus Projected Expenditures Change

	Historical Average Annual $$ Change	Projected Average Annual $$ Change	Projected Compared to Historical Variance
Salaries	($284,679)	$675,224	$959,903
Benefits	($297,008)	$739,965	$1,036,973
Purchased Services	($58,127)	$178,877	$237,004
Supplies & Materials	$19,697	$15,596	($4,101)
Capital Outlay	($14,657)	$11,382	$26,039
Intergov & Debt	$0	$0	($0)
Other Objects	$19,830	$8,754	($11,075)
Other Uses	$428,243	($356,421)	($784,664)
Total Average Annual Change	($186,701)	$1,273,378	$1,460,078
	-0.34%	2.86%	3.19%

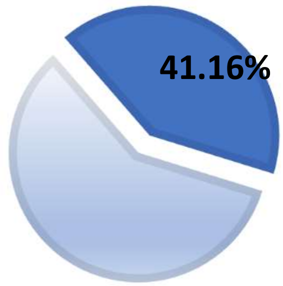
Expenditures decreased by 0.34% ($186,701, on average, annually) during the past 5-year period, and are projected to increase by 2.86% ($1,273,378 annually) through 2031. The forecast line with the most change on the expense side, Benefits, is anticpated to be $1,036,973 more per year in the projected period compared to historical averages.

For Comparison:

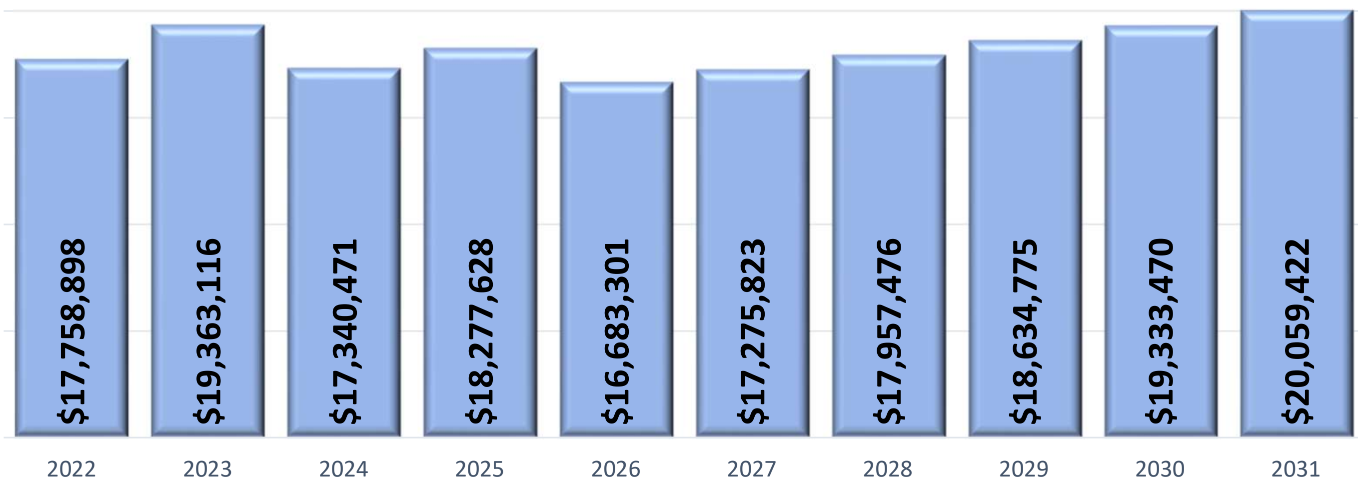
Revenue average annual change is projected to be > ($44,597) On an annual average basis, revenues are projected to contract while expenditures grows

3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



Salaries account for 41.16% of the district's total general fund spending.



Key Assumptions & Notes

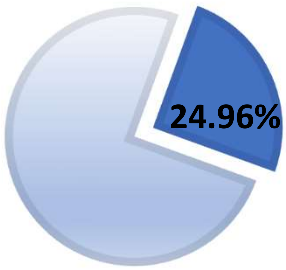
Salaries represent 41.16% of total expenditures and decreased at a historical average annual rate of -1.33% (or -$284,679). This category of expenditure is projected to grow at an annual average rate of 3.75% (or $675,224) through fiscal year 2031. The projected average annual rate of change is 5.09% more than the five year historical annual average.

Salary expenditures are projected to increase from approximately $16.7 million in FY2026 to $20.1 million in FY2031, representing growth of roughly 20% over the forecast period. The increase is driven primarily by Certified Regular Salaries, which remain the district's largest personnel expense and grow from approximately $10.2 million to $12.5 million.

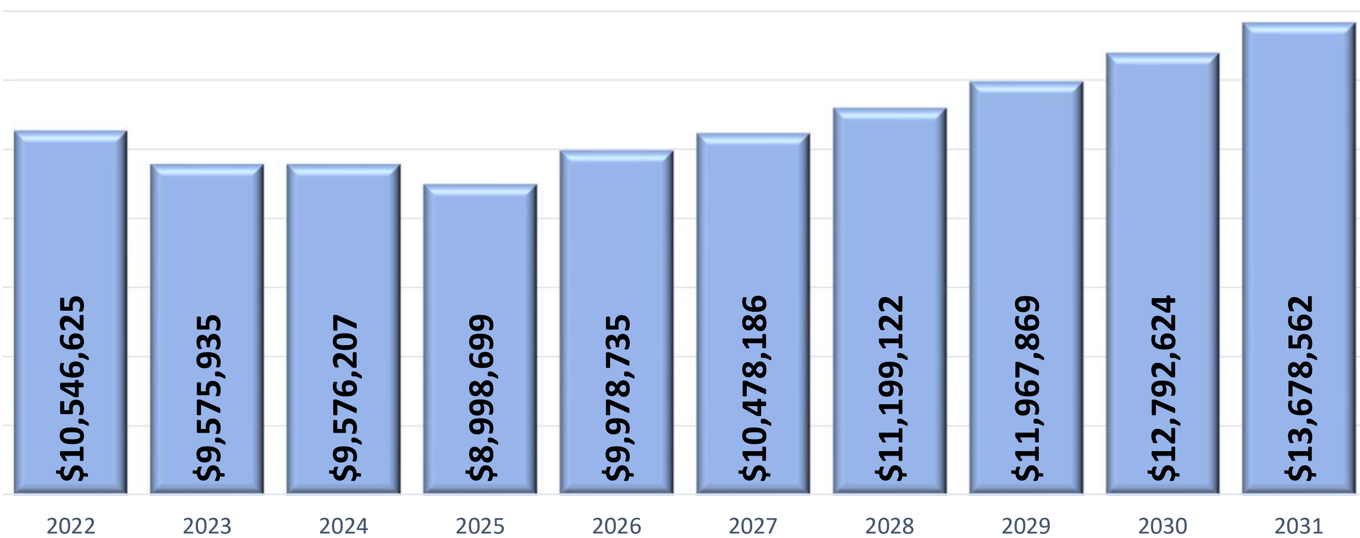
Classified Regular Salaries also increase steadily from $3.2 million to $3.8 million, while Certified Administrative Salaries rise from approximately $1.9 million to $2.3 million. Other salary categories remain relatively stable and account for a smaller share of overall expenditures.

3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.



Benefits account for 24.96% of the district's total general fund spending.



Key Assumptions & Notes

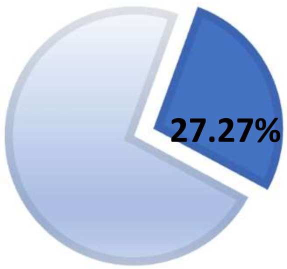
Benefits represent 24.96% of total expenditures and decreased at a historical average annual rate of -2.47%. This category of expenditure is projected to grow at an annual average rate of 6.51% through fiscal year 2031. The projected average annual rate of change is 8.98% more than the five year historical annual average.

Benefit expenditures are projected to increase significantly from approximately $10.0 million in FY2026 to $13.7 million in FY2031, representing growth of nearly 37% over the forecast period. The primary driver is Health Insurance Benefits, which rise from approximately $6.9 million to $10.3 million and account for the vast majority of the increase.

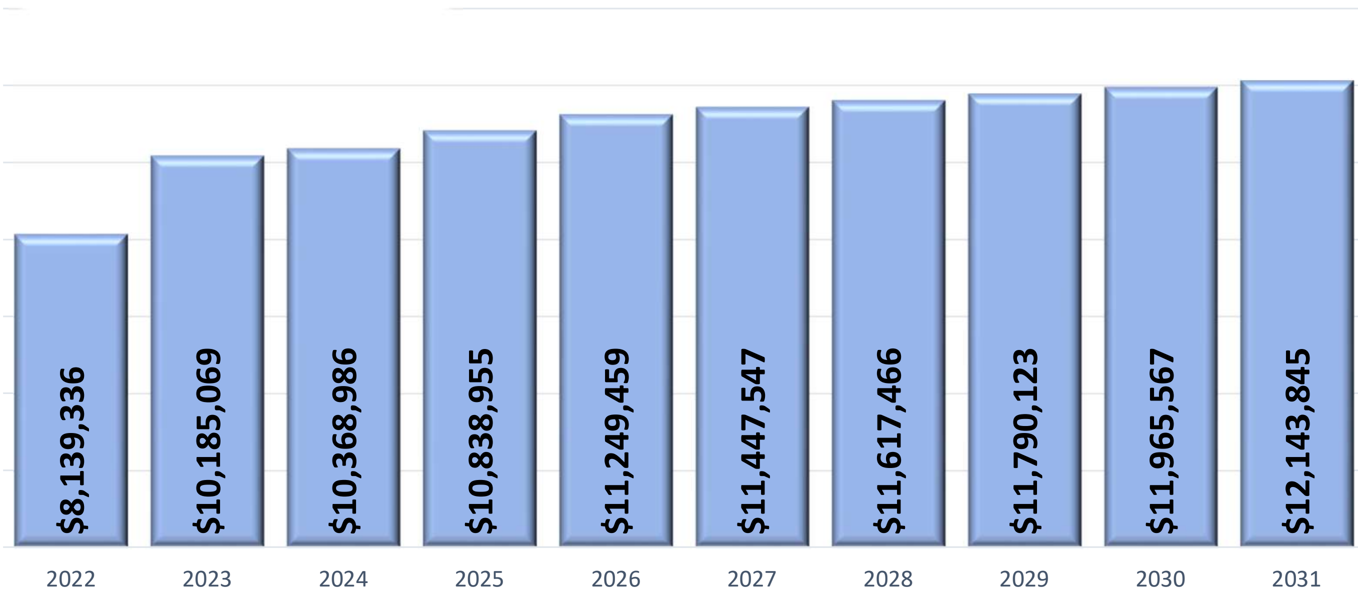
Retirement Benefits also trend upward, increasing from approximately $2.9 million in FY2026 to $3.1 million in FY2031, while all other benefit costs remain minimal and relatively stable throughout the forecast period.

3.030 - Purchased Services

Amounts paid for services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utility costs and other services which the school district may purchase.



Purchased Services account for 27.27% of the district's total general fund spending.



Key Assumptions & Notes

Purchased Services represent 27.27% of total expenditures and increased at a historical average annual rate of 1.16%. This category of expenditure is projected to grow at an annual average rate of 1.54% through fiscal year 2031. Starting in 2022, the Fair School Funding Plan (State Funding) only accounted for district educated enrollment, thereby reducing district tuition costs for open enrollment 'out,' community schools, STEM, and scholarship students. This change resulted in lower district costs, but also less per pupil state revenue since per pupil funding is now paid directly by the state to the district students attend.

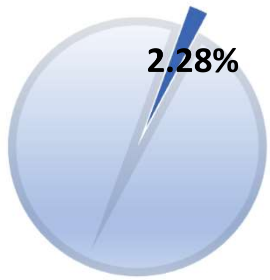
Purchased services expenditures are projected to increase steadily from approximately $11.2 million in FY2026 to $12.1 million in FY2031, reflecting continued growth in operational and student support services.

The largest spending categories throughout the forecast period are Professional and Technical Services, Tuition and Other Similar Payments, and Property Services. Professional and Technical Services increase from approximately $3.2 million to $3.6 million, while Tuition and Other Similar Payments grow from $3.6 million to $3.8 million. Property Services also rise steadily from $2.1 million to $2.3 million, indicating ongoing investment in facilities and maintenance operations.

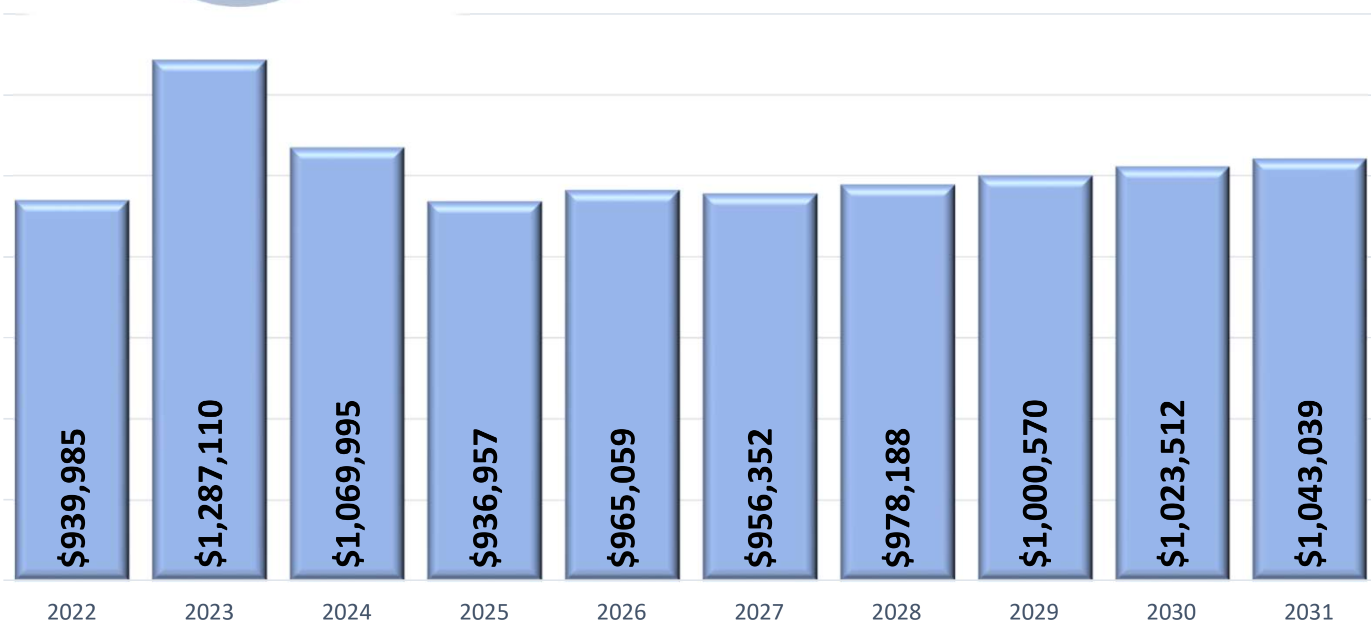
Utility Services and Pupil Transportation costs show moderate growth, while other purchased service categories remain relatively small and stable.

3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.



Supplies and Materials account for 2.28% of the district's total general fund spending.



Key Assumptions & Notes

Supplies & Materials represent 2.28% of total expenditures and increased at a historical average annual rate of 3.82%. This category of expenditure is projected to grow at an annual average rate of 1.57% through fiscal year 2031. The projected average annual rate of change is 2.25% less than the five year historical annual average.

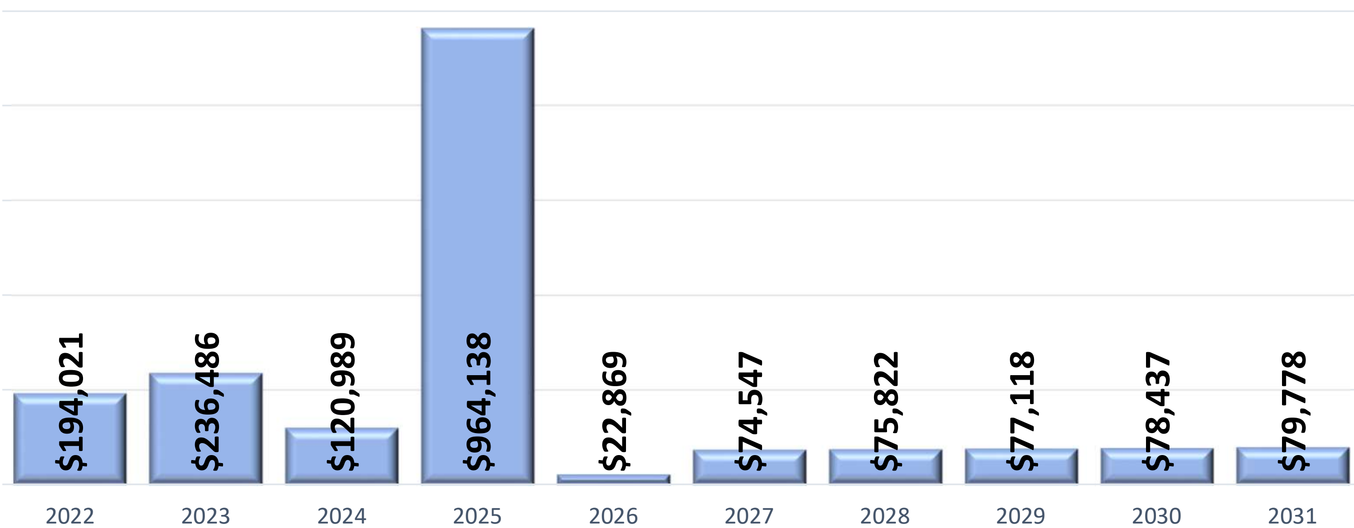
Supply and materials expenditures are projected to increase gradually from approximately $966,000 in FY2026 to $1.04 million in FY2031, reflecting a stable and predictable spending pattern. The largest cost drivers are Operations and Maintenance Supplies, Supplies for Operation and Repair of Motor Vehicles. General Supplies, shows a slight decrease over the forecast period.

Operations and Maintenance Supplies remain the largest category, increasing from approximately $286,000 in FY2026 to $324,000 in FY2031, while Motor Vehicle Supplies rise from $326,000 to $398,000. General Supplies decrease slightly from $287,000 to $257,000.

3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.

Capital Outlay account for 0.18% of the district's total general fund spending.



Key Assumptions & Notes

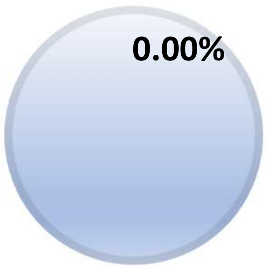
Capital Outlay represent 0.18% of total expenditures and decreased at a historical average annual amount of $14,657. This category of expenditure is projected to grow at an annual average rate of $11,382 through 2031. The projected average annual change is less than the five year historical annual average.

Capital outlay expenditures decline significantly following a major investment period and then stabilize at sustainable levels through FY2031. Total capital spending falls from approximately $970,000 in FY2025 to just $24,000 in FY2026, before gradually increasing to approximately $80,000 by FY2031 as the district resumes a regular asset replacement cycle.

The primary focus of capital spending during the forecast period is equipment purchases, which increase steadily from approximately $15,000 in FY2026 to $72,000 in FY2031. Other capital outlay expenditures remain relatively modest and stable, with no major facility construction or building projects planned during the forecast horizon.

3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.



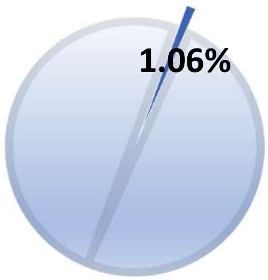
Intergovernmental and Debt account for 0.00% of the district's total general fund spending.

Key Assumptions & Notes

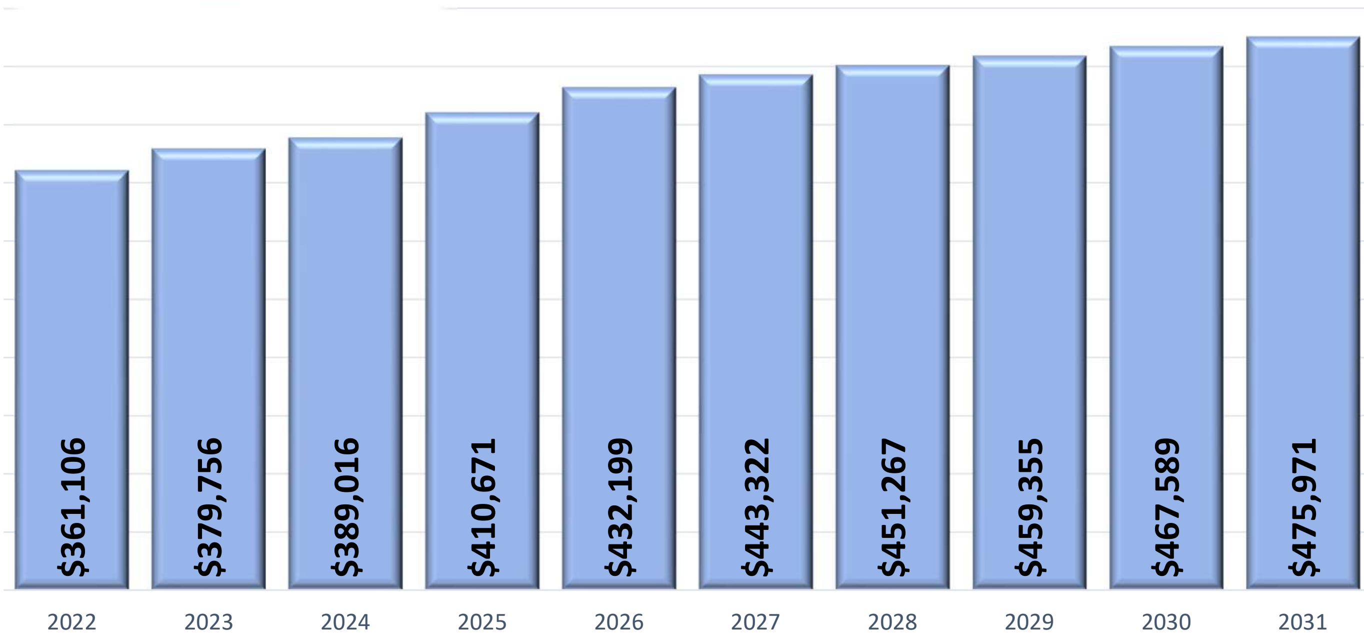
The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.



Other Objects account for 1.06% of the district's total general fund spending.



Key Assumptions & Notes

Other Objects represent 1.06% of total expenditures and increased at a historical average annual rate of 5.37%. This category of expenditure is projected to grow at an annual average rate of 1.95% through fiscal year 2031. The projected average annual rate of change is 3.42% less than the five year historical annual average.

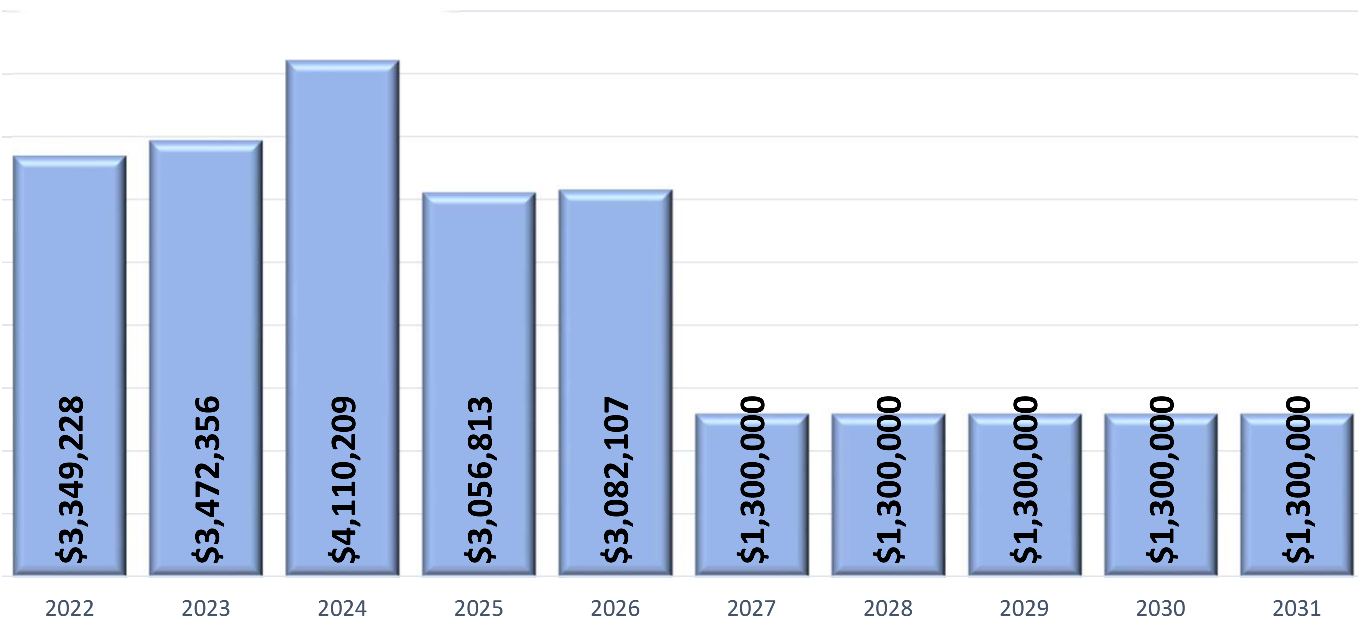
Other operating expenditures are projected to increase modestly from approximately $432,000 in FY2026 to $476,000 in FY2031, reflecting a stable and predictable cost structure.

The category is overwhelmingly driven by Dues and Fees, which account for more than 95% of total expenditures and are projected to grow steadily from approximately $431,000 in FY2026 to $474,000 in FY2031. All other categories, including insurance, judgments, taxes and assessments, and awards, remain minimal and relatively unchanged throughout the forecast period.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.

Other Uses account for 3.10% of the district's total general fund spending.



Key Assumptions & Notes

		FORECASTED				
	2026	2027	2028	2029	2030	2031
Transfers Out	1,708,321	300,000	300,000	300,000	300,000	300,000
Advances Out	1,373,786	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In 2026 the district had advances-out and has advances-out forecasted through fiscal year 2031. The district can also move general funds permanently to other funds, and as the schedule above presents, the district has transfers forecasted through fiscal year 2031. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

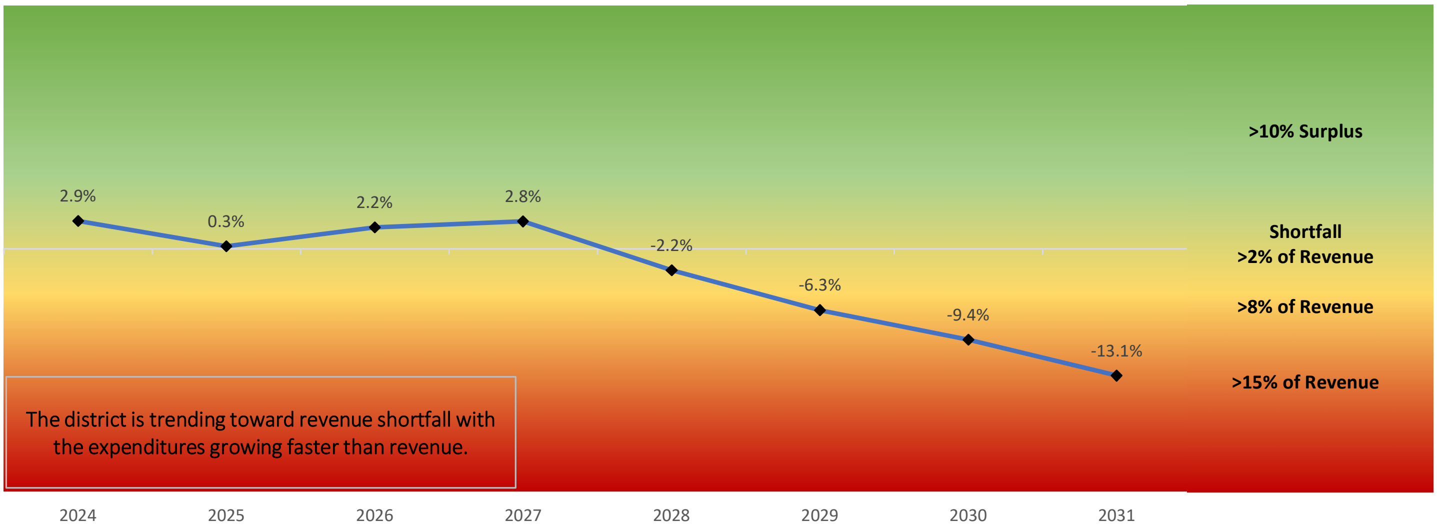
Ashtabula Area City School District

Five Year Forecast

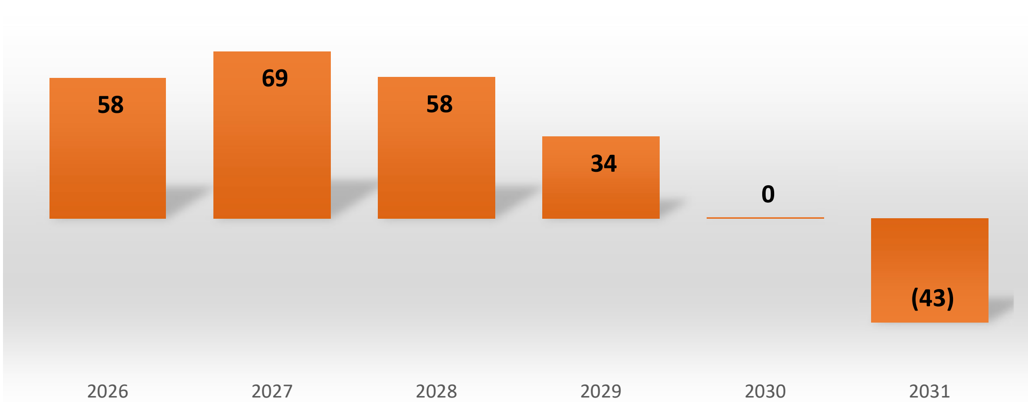
August Fiscal Year 2027

	Actual	FORECASTED				
Fiscal Year:	2026	2027	2028	2029	2030	2031
Revenue:						
1.010 - General Property Tax (Real Estate)	10,096,448	10,332,814	10,168,262	10,177,669	10,562,605	10,761,281
1.020 - Public Utility Personal Property	2,546,059	2,672,150	2,686,670	2,696,571	2,705,478	2,714,547
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	21,685,663	21,701,208	21,538,066	21,772,313	21,950,190	22,147,913
1.040 - Restricted Grants-in-Aid	4,062,445	3,949,353	3,984,082	3,657,009	3,407,192	3,125,099
1.050 - State Reimb Prop Tax Credits	1,405,564	1,538,444	1,670,055	1,670,846	1,754,078	1,836,914
1.060 - All Other Operating Revenues	2,684,519	1,607,382	1,571,156	1,550,151	1,540,674	1,539,958
1.070 - Total Revenue	42,480,698	41,801,351	41,618,291	41,524,559	41,920,217	42,125,712
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	276,494	-	-	-	-	-
2.050 - Advances-In	582,715	1,373,786	1,000,000	1,000,000	1,000,000	1,000,000
2.060 - All Other Financing Sources	25,541	16,750	16,750	16,750	16,750	16,750
2.070 - Total Other Financing Sources	884,750	1,390,536	1,016,750	1,016,750	1,016,750	1,016,750
2.080 - Total Rev & Other Sources	43,365,448	43,191,887	42,635,041	42,541,309	42,936,967	43,142,462
Expenditures:						
3.010 - Personnel Services	16,683,301	17,275,823	17,957,476	18,634,775	19,333,470	20,059,422
3.020 - Employee Benefits	9,978,735	10,478,186	11,199,122	11,967,869	12,792,624	13,678,562
3.030 - Purchased Services	11,249,459	11,447,547	11,617,466	11,790,123	11,965,567	12,143,845
3.040 - Supplies and Materials	965,059	956,352	978,188	1,000,570	1,023,512	1,043,039
3.050 - Capital Outlay	22,869	74,547	75,822	77,118	78,437	79,778
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	432,199	443,322	451,267	459,355	467,589	475,971
4.500 - Total Expenditures	39,331,622	40,675,777	42,279,341	43,929,810	45,661,199	47,480,617
Other Financing Uses						
5.010 - Operating Transfers-Out	1,708,321	300,000	300,000	300,000	300,000	300,000
5.020 - Advances-Out	1,373,786	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	3,082,107	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
5.050 - Total Exp and Other Financing Uses	42,413,729	41,975,777	43,579,341	45,229,810	46,961,199	48,780,617
6.010 - Excess of Rev Over/(Under) Exp	951,719	1,216,110	(944,300)	(2,688,501)	(4,024,232)	(5,638,155)
7.010 - Cash Balance July 1 (No Levies)	5,531,798	6,483,517	7,699,627	6,755,327	4,066,826	42,594
7.020 - Cash Balance June 30 (No Levies)	6,483,517	7,699,627	6,755,327	4,066,826	42,594	(5,595,561)
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	6,483,517	7,699,627	6,755,327	4,066,826	42,594	(5,595,561)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies		-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
12.010 - Fund Bal June 30 for Cert of Obligations	6,483,517	7,699,627	6,755,327	4,066,826	42,594	(5,595,561)
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	6,483,517	7,699,627	6,755,327	4,066,826	42,594	(5,595,561)

Revenue Surplus/(Shortfall) - Current Forecast



Days Cash on Hand - Current Forecast

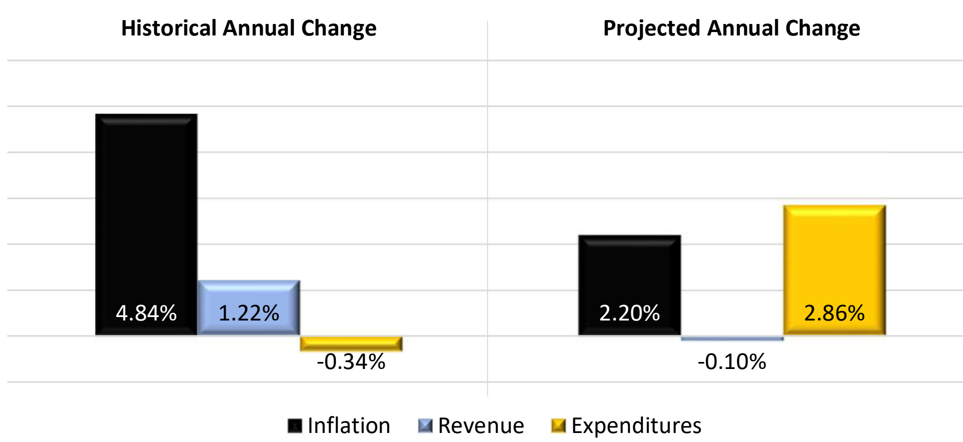


Days cash on hand is projected to decline and is projected to be negative by 2031.

based on 365 days

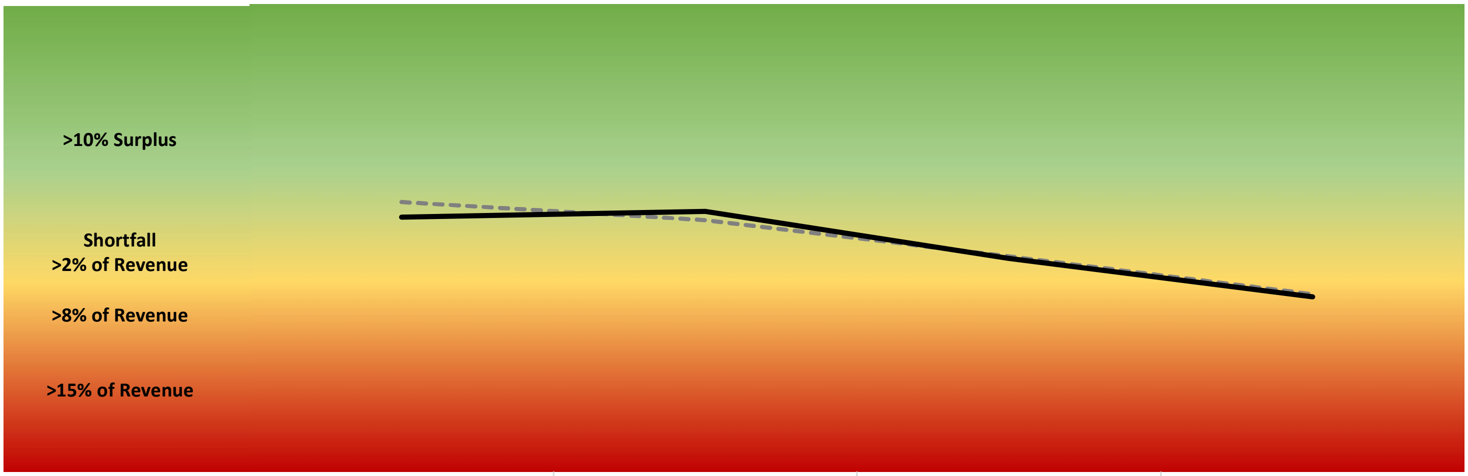
5-Year Average Annual Change - Inflation, Revenue and Expenditures

Average projected annual expenditure change is greater than inflation, and more than revenue.



CPI (Inflation) Source: Federal Reserve Bank of St. Louis (July 1, 2026)
https://alfred.stlouisfed.org

Revenue Surplus/(Shortfall) - Current Compared to Prior Forecast



	2026	2027	2028	2029
Prior Forecast	3.8%	1.9%	-2.0%	-6.0%
Current Forecast	2.2%	2.8%	-2.2%	-6.3%

Days Cash on Hand - Current Compared to Prior Forecast

Overall, the current forecast remains closely aligned with the February 2026 forecast, with only minor changes to projected revenues and expenditures. Total revenue projections are within 0.9% of the prior forecast, with the largest variance occurring in Other Revenue. Increased federal Medicaid reimbursements for FY2026 and the projected years improved revenue by approximately $400,000 compared to the February forecast. These gains are partially offset by lower-than-anticipated real estate tax collections, resulting in an overall revenue variance of less than one percent.

On the expenditure side, the forecast reflects additional salary savings from attrition, which are largely offset by higher tuition costs within Purchased Services. The most significant expenditure change is an additional $1.4 million transfer from the General Fund to other funds at the end of FY2026 that was not included in the February forecast. As a result of these updates, overall expenditures vary by only 1.19% from the prior forecast, indicating the district's financial outlook remains substantially consistent with the assumptions approved in February.

Revenue and Expenditure Variances - Current Compared to Prior Forecast

	Revenue Variance	
Cumulative Favorable Revenue Variance	**0.90%**	$1,538,522
	Largest Revenue Variances	
1.035,1.040 State	**-0.07%**	($110,671)
1.01 Real Estate	**-0.61%**	($1,037,793)
1.03 Income Tax	**0.00%**	$0
All Other Revenue Categories	**1.58%**	$2,686,987

The current revenue forecast is up by 0.90% compared to the prior forecast.

NET cumulative forecast impact for the forecast period 2026 - 2029 of Revenue and Expense variances is -0.28% (or -$494,760).

The current forecast for expenditures is up by 1.19% compared to the prior forecast.

Expenditure Variance		
1.19%	$2,033,282	Cumulative Unfavorable Expenditure Variance
Largest Expenditure Variances		
-0.88%	($1,458,073)	3.01 Salaries
0.05%	$81,096	3.02 Benefits
1.08%	$1,786,553	3.03 Purchased Serv.
0.98%	$1,623,706	All Other Expenditure Categories

Property Tax Reform Impact - Retrospective Look

Tax Years 2024, 2025, and 2026

District's Outside Millage "Floor" Status Before Property Tax Reform

Class I	**TY 2024**	**TY 2025**	**TY 2026**
Inside Millage	4.20	4.20	3.90
Effective Outside Millage	15.83	15.84	16.10
Effective Inside + Outside Millage	20.03	20.04	20.00

Before property tax reform, H.B. 920 prevented inside plus outside millage from dropping below the 20-mill floor, resulting in large increases in taxpayer bills after reappraisals.

Class I Property Values Change	**TY 2024**	**TY 2025**	**TY 2026**
Reappraisal or Update Year	No	No	Yes
Class I Combined Change	0.0%	0.0%	18.8%
New GDP-D Allowed Growth	15.40%	13.30%	9.15%

Do local taxpayers qualify for prior property tax relief in the way of Credits or Millage reductions?

Millage Change	**TY 2024**	**TY 2025**	**TY 2026**
Combined Ag/Residential Inflation	0.00%	0.00%	18.83%
Outside Millage Reduction	0.03	0.01	(0.04)
Percentage Change in Millage	0.20%	0.04%	1.63%

Taxpayer Credits	**TY 2024**	**TY 2025**	**TY 2026**
If at the floor and exceeded GDP-D Growth	.	$ -	$ (1,421,391)

H.B. 186 taxpayer credits can occur when a district was at the millage floor and the reappraisal or update growth exceeded GDP-D. Otherwise, no credits are generated.

H.B. 186 credits should apply to 2nd half tax year

Memo: Retrospective Credits	TY23 Retro Credit	TY24 Retro Credit
	$ (564,937)	$ -

Property Tax Reform - Prospective Look

Tax Years 2026, 2027, 2028, 2029, and 2030

Does projected property value Reappraisal/Update/Inflation exceed cumulative GDP-D?

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Reappraisal or Update Year	Yes	No	No	Yes	No
Percent of District in Reappraisal/Update	0.00%	0.00%	0.00%	0.00%	0.00%
Class I Combined Change	16.4%	0.0%	0.0%	8.6%	0.0%
GDP-D	9.15%	8.00%	8.05%	7.65%	7.50%

With Property Tax Reform, how are projected tax rates responding to property value inflation?

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Inside Millage Class I & II*	3.90	3.90	3.90	3.88	3.88
Millage Change	-0.30	0.00	0.00	-0.03	0.00
Percentage Change in Millage	-7.05%	0.00%	0.00%	-0.69%	0.00%

*Starting in TY 2026, H.B. 335 provides for the County Budget Commission to reduce inside millage when reappraisal exceeds GPD-D

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Outside Millage	16.10	16.11	16.12	16.12	16.13
Millage Change	0.26	0.01	0.01	0.01	0.01
Percentage Change in Millage	1.29%	0.05%	0.05%	0.03%	0.05%
Fixed Sum Millage	0.00	0.00	0.00	0.00	0.00
Millage Change (no change)	0.00	0.00	0.00	0.00	0.00
Percentage Change in Millage	0.00%	0.00%	0.00%	0.00%	0.00%

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Total Effective Rate (Inside+Outside+Fixed Sum)	20.00	20.01	20.02	20.00	20.01

***Beginning with the first reappraisal or update cycle occurring in tax year 2026 or after, H.B. 129 includes fixed sum levies in the district floor calculation.

Does the Reappraisal/Update/Inflation generate taxpayer credits?

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
H.B. 186 - Calculated Credit if at 20 Mill Floor	$ (1,421,391)	$ (1,421,391)	$ (1,421,391)	$ (1,728,142)	$ (1,728,142)

***H.B. 186 credits are only for districts at the floor, if H.B. 129 and the inclusion of fixed-sum levies may bring districts off the floor and end credits.

	Retro TY 2023	Retro TY 2024	TY 2025
Memo: Historical Credits for Reference	$ (564,937)	$ -	$ -

Is the district modeling county budget commission imposed homestead and owner-occupied credit increases?

	FY 2027	FY 2028	FY 2029	FY 2030
Homestead/Owner-Occupied Credits	$ (0)	$ (0)	$ (0)	$ (0)

Property Tax Reform Disclosure Items

The Ohio Department of Taxation, county auditors, and other partners are actively working through interpertation and implementation of property tax reform. As details are finalized, assumptions may evolve and updated forecasts may be necessary.

Property Tax Reform includes the following pieces of legistlation:

H.B. 129 revises the 20-mill floor calculation to include fixed-sum levies. Impact begins in first update/ reappraisal cycle after tax year 2025.

H.B. 186 limits revenue increases associated with the 20-mill and 2-mill floors to inflation measured by three years of Gross Domestic Product Deflator (GDP-D) change. Taxpayers are given a credit based on update/reappraisal changes beginning in Tax Year 2023; credits are recalculated with each update/reappraisal. Districts first experience a fiscal impact in FY 2027 the impact represents full Tax Year 2025 revenue loss and one half of Tax Year 2026 revenue loss. In FY2028 and beyond the impact is only one year of revenue loss. Districts above the floor are not eligible for Inflation Cap Credits. DEW will reimburse districts on the 2023/2024 reappraisal cycles for the credit until the next reappraisal/ update cycle (2026/2027).

H.B. 335 caps inside millage revenue growth due to inflation. Beginning with update/reappraisal in tax year 2026 requires County Budget Commission to adjust inside millage rates to limit real property revenue increases to GDP-D growth over the three preceding years. Reduction applies to real and public utility personal property.

H.B. 96 allows counties to offer a property tax exemption that "piggy-backs" on existing state homestead exemption and owner-occupied credit. Unlike existing credit and exemption the piggy-back amounts are not reimbursed to the district by the state.

The Gross Domestic Product Delfator (GDP-D) is estimated based on available data from the U.S. Bureau of Economic Analysis (BEA) and Federal Reserve Bank's forward inflation expectation rate.