

**PIONEER TECHNOLOGY CENTER SCHOOL DISTRICT
RICHLAND COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN GENERAL FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2023, 2024, and 2025 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2026, THROUGH JUNE 30, 2030**



**Forecast Provided By
Pioneer Technology Center School District
Treasurer's Office
Gavyn Bazley, Treasurer
February 16, 2026**

Pioneer Career and Technology Center

Richland County

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

	Actual				Average Change	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025			Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Revenues										
1.010 General Property Tax (Real Estate)	6,100,938	6,114,771	6,445,080	2.8%		6,733,556	6,732,690	6,818,810	6,764,499	6,777,770
1.020 Public Utility Personal Property Tax	1,853,775	1,949,089	2,088,887	6.2%		2,300,054	2,238,751	2,257,251	2,275,751	2,294,251
1.030 Income Tax	0	0	0	0.0%		0	0	0	0	0
1.035 Unrestricted State Grants-in-Aid	9,025,000	10,520,156	11,554,446	13.2%		12,151,415	12,354,588	12,357,126	12,359,713	12,362,324
1.040 Restricted State Grants-in-Aid	4,346,816	4,869,341	5,248,901	9.9%		4,931,156	4,972,047	4,972,047	4,972,047	4,972,047
1.045 Restricted Federal Grants In Aid	0	0	0	0.0%		0	0	0	0	0
1.050 State Reimbursement for Property Tax Credits	455,060	440,306	449,053	-0.6%		480,949	902,559	912,515	506,230	516,427
1.060 All Other Revenues	527,130	1,108,215	1,380,335	67.4%		1,071,390	975,765	887,666	786,550	695,388
1.070 <i>Total Revenues</i>	22,308,719	25,001,878	27,166,702	10.4%		27,668,520	28,176,400	28,205,415	27,664,790	27,618,207
Other Financing Sources										
2.010 Proceeds from Sale of Notes	0	0	0	0.0%		0	0	0	0	0
2.020 State Emergency Loans and Advancements	0	0	0	0.0%		0	0	0	0	0
2.040 Operating Transfers-In	0	0	0	0.0%		0	0	0	0	0
2.050 Advances-In	63,656	59,000	0	-53.7%		317,928	0	0	0	0
2.060 All Other Financing Sources	39,228	62,595	68,268	34.3%		10,336	10,336	10,336	10,336	10,336
2.070 <i>Total Other Financing Sources</i>	102,884	121,595	68,268	-12.8%		328,264	10,336	10,336	10,336	10,336
2.080 <i>Total Revenues and Other Financing Sources</i>	22,411,603	25,123,473	27,234,970	10.3%		27,996,784	28,186,736	28,215,751	27,675,126	27,628,543
Expenditures										
3.010 Personal Services	11,178,684	11,489,474	12,089,781	4.0%		12,565,791	13,239,847	13,879,204	14,550,419	15,255,084
3.020 Employees' Retirement/Insurance Benefits	5,056,727	5,319,617	5,467,459	4.0%		5,943,338	6,445,580	6,979,394	7,560,837	8,194,382
3.030 Purchased Services	1,632,259	1,761,244	2,500,935	25.0%		2,616,097	2,690,501	2,825,026	2,966,278	3,114,593
3.040 Supplies and Materials	654,211	721,803	785,483	9.6%		876,120	900,896	953,694	1,009,706	1,069,132
3.050 Capital Outlay	0	0	0	0.0%		2,750,000	1,000,000	1,000,000	1,000,000	1,000,000
3.060 Intergovernmental	0	0	0	0.0%		0	0	0	0	0
Debt Service:				0.0%						
4.010 Principal-All (Historical Only)	435,000	455,000	470,000	3.9%		0	0	0	0	0
4.020 Principal-Notes	0	0	0	0.0%		490,000	505,000	520,000	540,000	550,000
4.030 Principal-State Loans	0	0	0	0.0%		0	0	0	0	0
4.040 Principal-State Advancements	0	0	0	0.0%		0	0	0	0	0
4.050 Principal-HB 264 Loans	0	0	0	0.0%		0	0	0	0	0
4.055 Principal-Other	0	0	0	0.0%		0	0	0	0	0
4.060 Interest and Fiscal Charges	285,139	269,514	251,014	-6.2%		234,264	219,339	203,639	186,739	168,683
4.300 Other Objects	255,705	260,700	259,839	0.8%		262,437	265,062	267,712	270,389	273,092
4.500 <i>Total Expenditures</i>	19,497,725	20,277,352	21,824,511	5.8%		25,738,047	25,266,225	26,628,669	28,084,368	29,624,966
Other Financing Uses										
5.010 Operating Transfers-Out	1,002,281	964,400	1,328,095	17.0%		14,328,095	1,328,095	1,328,095	1,328,095	928,095
5.020 Advances-Out	59,000	0	317,928	0.0%		0	0	0	0	0
5.030 All Other Financing Uses	0	0	0	0.0%		0	0	0	0	0
5.040 <i>Total Other Financing Uses</i>	1,061,281	964,400	1,646,023	30.8%		14,328,095	1,328,095	1,328,095	1,328,095	928,095
5.050 <i>Total Expenditures and Other Financing Uses</i>	20,559,006	21,241,752	23,470,534	6.9%		40,066,142	26,594,320	27,956,764	29,412,463	30,553,061
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	1,852,597	3,881,721	3,764,436	53.3%		(12,069,358)	1,592,416	258,987	(1,737,337)	(2,924,518)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	19,383,149	21,235,746	25,117,467	13.9%		28,881,903	16,812,545	18,404,961	18,663,948	16,926,611
7.020 <i>Cash Balance June 30</i>	21,235,746	25,117,467	28,881,903	16.6%		16,812,545	18,404,961	18,663,948	16,926,611	14,002,093
8.010 <i>Estimated Encumbrances June 30</i>	276,653	238,236	330,957	12.5%		330,957	330,957	330,957	330,957	330,957

Pioneer Career and Technology Center

Richland County

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

	Actual				Average Change	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025			Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Reservation of Fund Balance										
9.010 Textbooks and Instructional Materials	0	0	0	0.0%		0	0	0	0	0
9.020 Capital Improvements	0	0	0	0.0%		0	0	0	0	0
9.030 Budget Reserve	0	0	0	0.0%		0	0	0	0	0
9.040 DPIA	0	0	0	0.0%		0	0	0	0	0
9.045 Fiscal Stabilization	0	0	0	0.0%		0	0	0	0	0
9.050 Debt Service	0	0	0	0.0%		0	0	0	0	0
9.060 Property Tax Advances	0	0	0	0.0%		0	0	0	0	0
9.070 Bus Purchases	0	0	0	0.0%		0	0	0	0	0
9.080 <i>Subtotal</i>	0	0	0	0.0%		0	0	0	0	0
<i>Fund Balance June 30 for Certification of</i>										
10.010 <i>Appropriations</i>	20,959,093	24,879,231	28,550,946	16.7%		16,481,588	18,074,004	18,332,991	16,595,654	13,671,136
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal	0	0	0	0.0%		0	0	0	0	0
11.020 Property Tax - Renewal or Replacement	0	0	0	0.0%		0	0	0	0	0
11.300 Cumulative Balance of Replacement/Renewal Levies	0	0	0	0.0%		0	0	0	0	0
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	20,959,093	24,879,231	28,550,946	16.7%		16,481,588	18,074,004	18,332,991	16,595,654	13,671,136
Revenue from New Levies										
13.010 Income Tax - New	0	0	0	0.0%		1	0	0	0	0
13.020 Property Tax - New	0	0	0	0.0%		0	0	0	0	0
13.030 Cumulative Balance of New Levies	0	0	0	0.0%		1	1	1	1	1
14.010 Revenue from Future State Advancements	0	0	0	0.0%		0	0	0	0	0
15.010 <i>Unreserved Fund Balance June 30</i>	20,959,093	24,879,231	28,550,946	16.7%		16,481,589	18,074,005	18,332,992	16,595,655	13,671,137

Pioneer Technology Center School District – Richland County
Notes to the Five-Year Forecast
General Fund Only
February 16, 2026

Introduction to the Five-Year Forecast

A forecast is a snapshot of today. Based on historical trends, what we know and future assumptions. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, enrollment variances, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast 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. School districts are encouraged to update their forecasts with the Ohio Department of Education and Workforce (ODEW) when events materially change their forecast or, at a minimum, when required under the statute.

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 (3) 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 the end of February. The filing deadlines will change in fiscal year 2027 to August 31, and end of February each fiscal year thereafter. While the legislative requirement is to file a four-year forecast, as noted above, we believe it is a prudent business practice to continue to develop a five-year forecast for planning purposes. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the financial forecast is considered the current year budget and is used as the base for future years projections. Our forecast is updated to reflect the most current economic data available for the February 2026 filing.

Economic Outlook

The current global economic condition is marked by a mix of recovery and uncertainty. While some regions, particularly advanced economies, are experiencing stable growth, inflation rates remain high in several parts of the world, driven by supply chain disruptions, rising energy costs, and labor shortages. Central banks, notably the Federal Reserve, have raised interest rates to combat inflation, which has slowed economic activity in some sectors. Meanwhile, emerging markets face unique challenges, such as fluctuating commodity prices and currency depreciation, exacerbating debt burdens. Overall, the outlook is cautious, with geopolitical tensions, particularly around energy and trade, adding further complexity to the global economic landscape.

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.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws signed by Governor DeWine on December 19, 2025, and also state legislative changes that will occur in the spring of 2027 and 2029 due to deliberation of the following 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 are the most sweeping changes to Ohio property tax law since 1976 when HB920 was passed. The legislation approved are: HB129, HB186, HB309, and HB335. These laws become effective March 19, 2026, which is after the February filing deadline for this forecast. Of particular concern is HB186, which implements new caps on property tax increases, applied retroactively, for property reappraisal and triennial updates that occurred in tax year 2023, 2024, and 2025. Due to the complexity of these calculations, the Ohio Department of Taxation (ODT) has been charged with calculating the effects of this legislation and notifying Ohio's 88 county auditors as to the impact on property tax bills and subsequent tax settlements to local governments. The ODT has until April 20, 2026 to calculate any tax reductions that impact school districts.

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

- HB129 restores fixed sum levies and implements new requirements. It will also include fixed sum levy millage in the 2-mill floor calculation beginning in the next sexennial reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028, which will collect in calendar year 2029. For some districts, this will result in a loss due to a change in the 2-mill floor. Pioneer CTC District is on the 2-mill floor for residential/agricultural values.
- HB186 establishes Inflation Cap Credits and Temporary Tax Credits (claw back). Following reappraisals and triennial updates for school district property taxes, the Inflation Cap Credits prevent increases beyond the Gross Domestic Product Deflation Factor (GDP DF). The Temporary Tax Credits (claw back) provision refunds tax revenue that has already been collected by school districts beginning with sexennial reappraisals and triennial updates that occurred before the effective date of the law, retroactive back to tax year 2023, 2024, and 2025. These are funds that have already been realized and have been spent and/or included in future educational planning. While skyrocketing home values resulted in the need for property tax reform that limits tax growth for taxpayers, the retroactive claw back of taxes already paid is very detrimental to districts at the 2-mill floor. Pioneer CTC District is on the 2-mill floor for residential/agricultural values.
- HB309 allows County Budget Commissions (CBC's) to reduce any voter-approved levy (except debt) to bring taxes levied within levels the CBC finds reasonable and prudent to avoid unnecessary collections. This law gives locally elected CBC officials the power to override voter-approved levies and local school board fiscal decisions. The impact of this new law is indeterminable and can be administered inconsistently in 88 counties across Ohio.
- HB335 limits revenue growth from inside millage due to sexennial valuation reappraisals or triennial updates to no more than the Gross Domestic Product Deflation Factor (GDP DF). Our district plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage.

Because the new, accelerated February filing deadline for school district forecasts, and the ODT's deadline to supply the tax reductions to school districts of April 20, 2026 are misaligned, authoritative data concerning HB186's official impact on our district will not be received as of the filing of this forecast. We have estimated revenues and expenses based on the limited data available and our understanding of this legislation. As authoritative data concerning HB186 is made available to the district, changes may need to be made to the forecast that may or may not be significant.

2. Being in eight different counties can pose many challenges in determining the increases or decreases in values. The reappraisal cycles for the counties are spread over the full three-year cycle. The sexennial reappraisal was completed in 2023, to be collected in 2024 for Richland, Morrow, and Seneca Counties and will have a triennial update in 2026, to be collected in 2027. Crawford and Huron Counties' triennial update was completed in 2021, for collection in 2022 and will have a reappraisal in 2024 to be collected in 2025. Ashland County had a triennial update in 2023 for collection in 2024 and will have a sexennial reappraisal in 2026 for collection in 2027. Marion and Wyandot Counties' triennial update was completed in 2022, collecting in 2023, and will have a reappraisal in 2025 to be collected in 2026. Richland and Crawford Counties' valuations are the most significant of all of the counties; therefore, we are basing our reappraisal increases on the cycles they follow every three years. Richland County makes up 51% of Class I, 55% of Class II, and 44% of PUPP values for the district. Where Crawford County makes up 24% of Class I, 28% of Class II, and 41% of PUPP values for the district. Combined these two Counties make up 75% of Class I, 83% of Class II, and 85% of all values for the district.

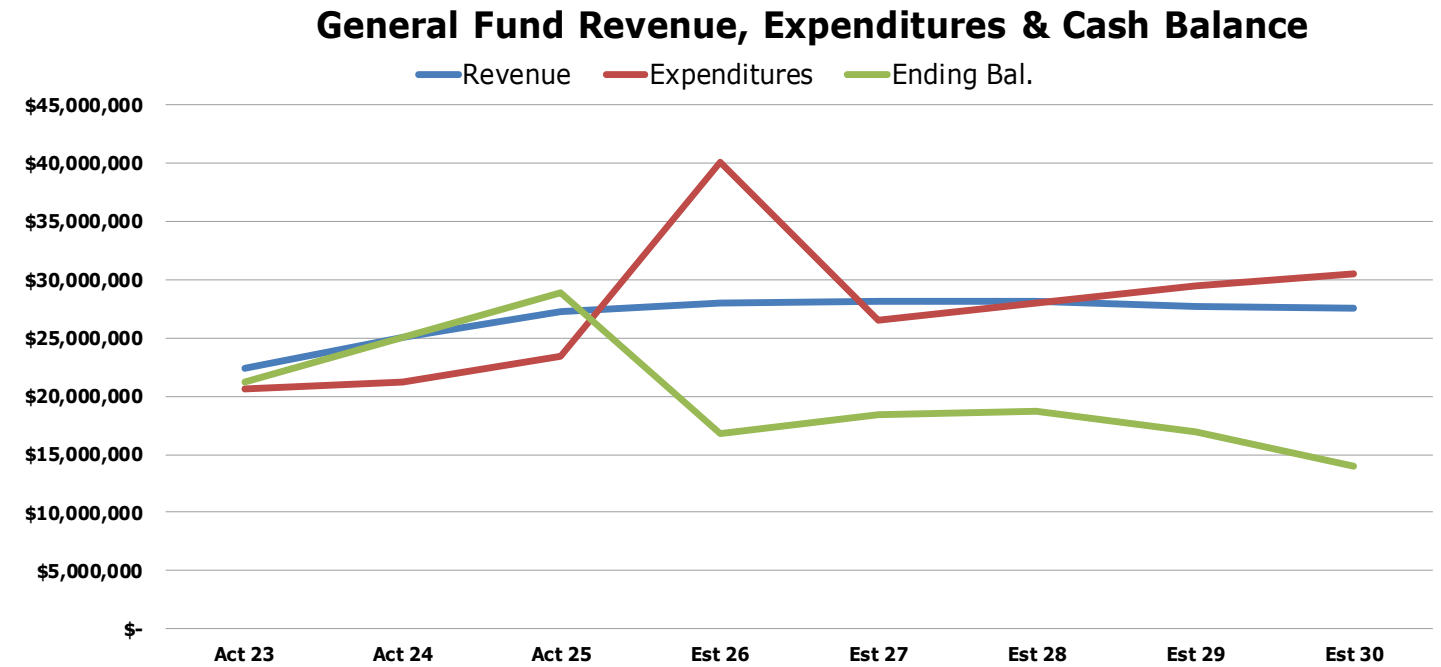
As noted above, HB186 indicates any adjustment for prior year appraisals and updates that exceeded GDP DF in reappraisals and triennial updates that occurred in tax years 2023, 2024 and 2025 will result in possible, significant reductions (claw back) in the second half property tax collections that typically occur in August to September 2026. If the Ohio Department of Taxation (ODT) determines adjustments are required due to HB186, further revenue reductions in Tax Year 2026 collected in calendar year 2027 taxes will also result. 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. 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 update in tax year 2027. We have anticipated any 2-mill floor adjustment at that time in Line 1.01 assumptions below. We do not anticipate any impact of HB335 on our tax projections due to our estimates for future growth in reappraisal being in line with anticipated GDP DF.

3. HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY26 and FY27. FY26 reflects 83.33% of the implementation cost at year five of a six-year phase-in plan, which increases by 16.66% each year. FY27 will result in 100% funding of (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 simulations published by the Department of Education and Workforce for our forecasted revenues in FY27-FY30.
4. HB96, the current state biennium budget, also enacted a new provision called "Piggyback Property Tax Exemptions". This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Current Homestead and 2.5% owner occupied credits are reimbursed to the district from the state of Ohio. These expanded "Piggyback Property Tax Exemptions" will not be reimbursed. Richland County Commissioners approved the Piggyback exemption for owner occupied credit for tax year 2025, which is collected in calendar year 2026. This will result in estimated tax reductions for FY26 and FY27 noted in Line 1.01 Property Tax Estimates below. This new law creates a potential risk to our local tax collections every year. County auditors have until December 2026 to implement this tax credit for tax year 2026. We will adjust the forecast in the future accordingly.
5. The Ohio Department of Taxation, on January 15, 2026, announced an updated state property tax sexennial reappraisal and triennial update schedule. Sixteen counties will have their reappraisal moved back by one year in accordance with the new schedule. Crawford and Morrow counties will be impacted by this change.
6. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe that as we move forward our positive working relationship will continue and will only grow stronger. Negotiations for FY25-27 were finalized in late April 2024. Negotiations for a new contract will begin in the spring of 2027.

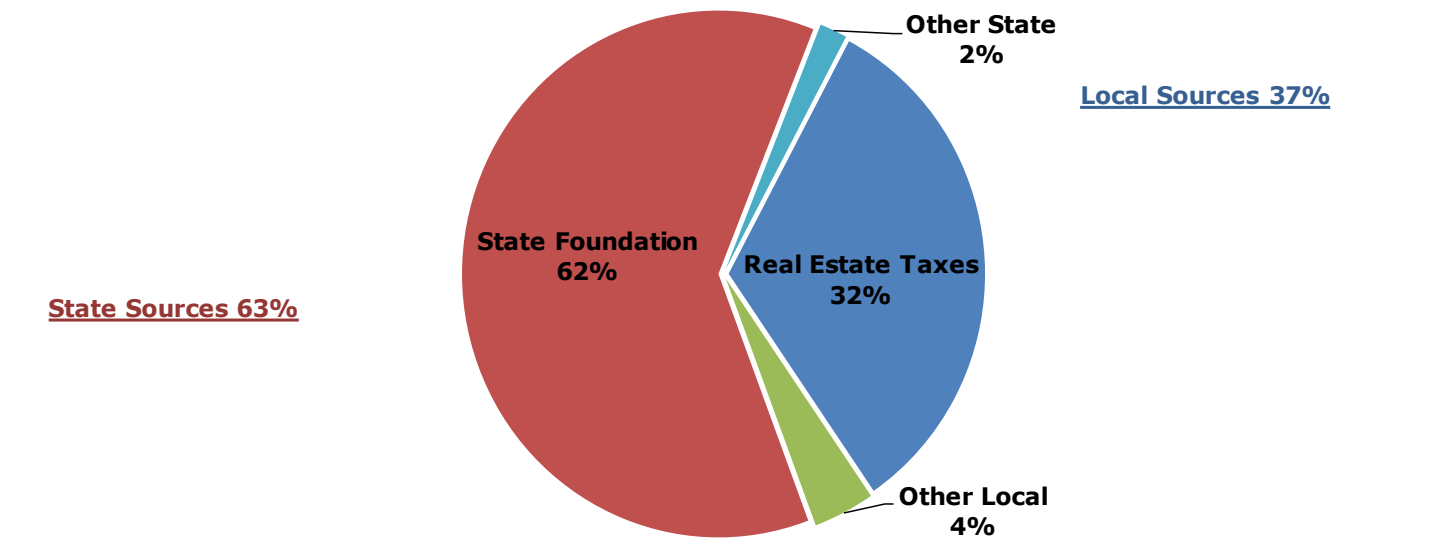
The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted

below in understanding the overall financial forecast for our district. If you would like further information, please contact Gavyn Bazley, Treasurer.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY23-25 and Estimated FY26-30
The graph below captures in one snapshot the operating scenario facing the district over the forecasted years.



Revenue Assumptions
All Operating Revenue Sources General Fund FY26
General Fund Estimated Revenues FY26 \$ 27,668,520



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditors in Richland, Crawford, Morrow, Huron, Ashland, Seneca, Wyandot, and Marion counties based on new construction and complete reappraisal or updated values. New to this forecast, HB186 allows new construction growth in property taxes irrespective of GDP DF. There was a sexennial reappraisal completed in 2023 for the collection in 2024 for Richland, Morrow, and Seneca Counties. These counties combined make up 64.9% of Class I, 59% of Class II, and 53% of PUPP. Crawford and Huron Counties had a triennial update in 2021 to be collected in 2022, which make up 31.5% of Class I, 40.1% of Class II, and 43.6% of PUPP. Ashland County had a reappraisal in 2020 to be collected in 2021, and makes up 2.4% of Class I, 0.6% of Class II, and 3.1% of PUPP. Marion and Wyandot Counties had a reappraisal in 2022 collected in 2023, and makes up 1.2% of Class I, 0.2% of Class II, and 0.3% of PUPP.

Class I, the residential/agricultural, values increased 21.5%, or \$464.4 million, due to the updates for Richland, Morrow, and Seneca Counties due to an increasing housing market in tax year 2023. There was an increase in the Class II commercial/industrial values of 10.5%, or \$33.5 million, for the reappraisal. The 2021 triennial update, to be collected in 2022, for Crawford and Huron Counties realized an increase in Class I of 2.8%, or \$57.8 million, and an increase of 0.15%, or \$455 thousand, in Class II. The update in 2026, for collection in 2027, for Richland, Morrow, and Seneca Counties, we are projecting an increase in valuations of 1%, or \$30.6 million, in Class I and a 0.5% increase in Class II for \$1.8 million of valuation. The update in 2027 for collection in 2028 for Crawford and Huron Counties, we are projecting an increase in valuations of 1%, or \$31 million, in Class I and a 0.5% increase in Class II for \$1.9 million of valuation.

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

Tax Rate Assumptions

A Career Center has a 2-mill floor if that is the amount of the original millage rate voted for the district. The Pioneer CTC has 3.7 mills voted that are collecting at 2 mills for Class I in tax year 2024 and 2.96 mills for Class II, but the millage rate cannot go any lower than 2 mills at any time. Due to HB920, the district's effective millage will decrease as values increase until they reach the 2-mill floor. Currently, our district is on the floor for Class I but above the floor for Class II effective millage.

HB129 is a new law that restores fixed sum levies and now includes them in the 2-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. Richland County Commissioners approved the Piggyback exemption for owner occupied credit for tax year 2025, which is collected in calendar year 2026. This will result in estimated tax reductions for FY26 and FY27, noted in Line 1.01 Estimated Real Estate Tax Estimates below. County auditors have until December 2026 to implement this tax credit for tax year 2026. We will adjust the forecast in the future accordingly.

HB186 is a new law that establishes an Inflation Cap Credit for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF) in reappraisal and triennial updates. HB186 also includes Temporary Tax Credits (claw back) provision that retroactively refunds property tax revenue that has already been collected by school districts for impacted districts starting in their sexennial reappraisal or triennial updates in tax years 2023, 2024, and 2025. These funds have already been realized and have been spent and/or included in future educational planning. The Ohio Department of Taxation is charged, as the authoritative source, with calculating the adjustments due to HB186, but has until April 20, 2026 to do so, which is after the filing deadline for this forecast.

Pioneer CTC is at the 2-mill floor and 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 our best estimate of HB186, but there is no authoritative updated information from the Ohio Department of Taxation at this time on the actual claw back amount. For planning purposes, we believe this is the worst-case scenario but again there is NO authoritative data on this. When authoritative data is released by the Ohio Department of Taxation, we will adjust the forecast accordingly.

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

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

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

Estimated Assessed Value (AV) by Collection Years

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029
Classification	<u>COLLECT 2026</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>	<u>COLLECT 2030</u>
Res./Ag.	\$3,073,462,660	\$3,111,997,287	\$3,150,917,260	\$3,190,226,433	\$3,229,928,697
Comm./Ind.	379,474,187	384,271,558	389,092,916	393,938,381	398,808,073
Public Utility Personal Property (PUPP)	<u>601,567,844</u>	<u>606,567,844</u>	<u>611,567,844</u>	<u>616,567,844</u>	<u>621,567,844</u>
Total Assessed Value	<u>\$4,054,504,691</u>	<u>\$4,102,836,689</u>	<u>\$4,151,578,020</u>	<u>\$4,200,732,658</u>	<u>\$4,250,304,614</u>

Estimated Real Estate Tax Collection - Line #1.010

Property tax levies are estimated to be collected at 95% of the annual amount. This allows for a 5% delinquency factor. In general, 58.2% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the March tax settlement and 41.8% collected in the August tax settlement. We are anticipating a significant adjustment to our second half settlement in 2026 in August through September due to HB186.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
General Property Taxes	\$6,743,981	\$6,773,727	\$6,849,422	\$6,925,727	\$7,002,648
Homestead Piggyback Exemption (HB96)	0	0	0	0	0
2.5% Rollback Piggyback Exemption (HB96)	(10,425)	(10,425)	0	0	0
Property Tax Inflation Cap Credits (HB186)	<u>0</u>	<u>(30,612)</u>	<u>(30,612)</u>	<u>(161,228)</u>	<u>(224,878)</u>
Estimated Property Taxes Line #1.010	<u>\$6,733,556</u>	<u>\$6,732,690</u>	<u>\$6,818,810</u>	<u>\$6,764,499</u>	<u>\$6,777,770</u>

Estimated Public Utility Personal Tax – Line#1.020

Amounts noted below are public utility personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under Public Utility (PUPP), which were \$601.5 million in assessed values in tax year 2025 and are collected at the district's gross voted millage rate. Collections are typically 70% in March and 30% in August along with the real estate settlements from the county auditor. The values in 2025 increased by 0.8%, or \$5 million, and are expected to continue growing by \$5 million each year of the forecast.

The values in 2018, 2019, and 2020 increased by 77.69%, 48.35%, and 27.37% or \$123, \$136 million, and \$114 million, respectively, due to the Rover pipeline. However, Rover has not been paying on their entire valuation pending their appeal of the valuations. In tax year 2021, values decreased by 11.7% or \$62.7 million. We will continue to monitor and update as more information is provided.

On August 13, 2025, the Ohio Supreme Court upheld the Board of Tax Appeals' (BTA) decision, valuing the Rover Pipeline at \$3.669 billion. Rover had previously disputed this value, seeking roughly 56% of the value. Since 2020, Rover has been paying taxes based on a lower value under a "Tender Payment" method while the case was pending.

With the supreme court case now closed there was supposed to be no further appeals possible. However, on November 10, 2025 Rover filed an appeal in Franklin County Common Pleas Court contesting the state department of taxation’s post-2019 valuations. The case is not expected to be heard until November 18, 2026, if then. We have wisely not projected these values in our forecast, this won’t impact our revenue risk, but it may increase revenues once finalized. We are closely monitoring this matter as it unfolds and will include revenues as we have factual data on amount and timing of payments which may be several years in the future.

Source	FY26	FY27	FY28	FY29	FY30
Public Utility Personal Property (Line#1.020)	<u>\$2,300,054</u>	<u>\$2,238,751</u>	<u>\$2,257,251</u>	<u>\$2,275,751</u>	<u>\$2,294,251</u>

School District Income Tax – Line#1.030

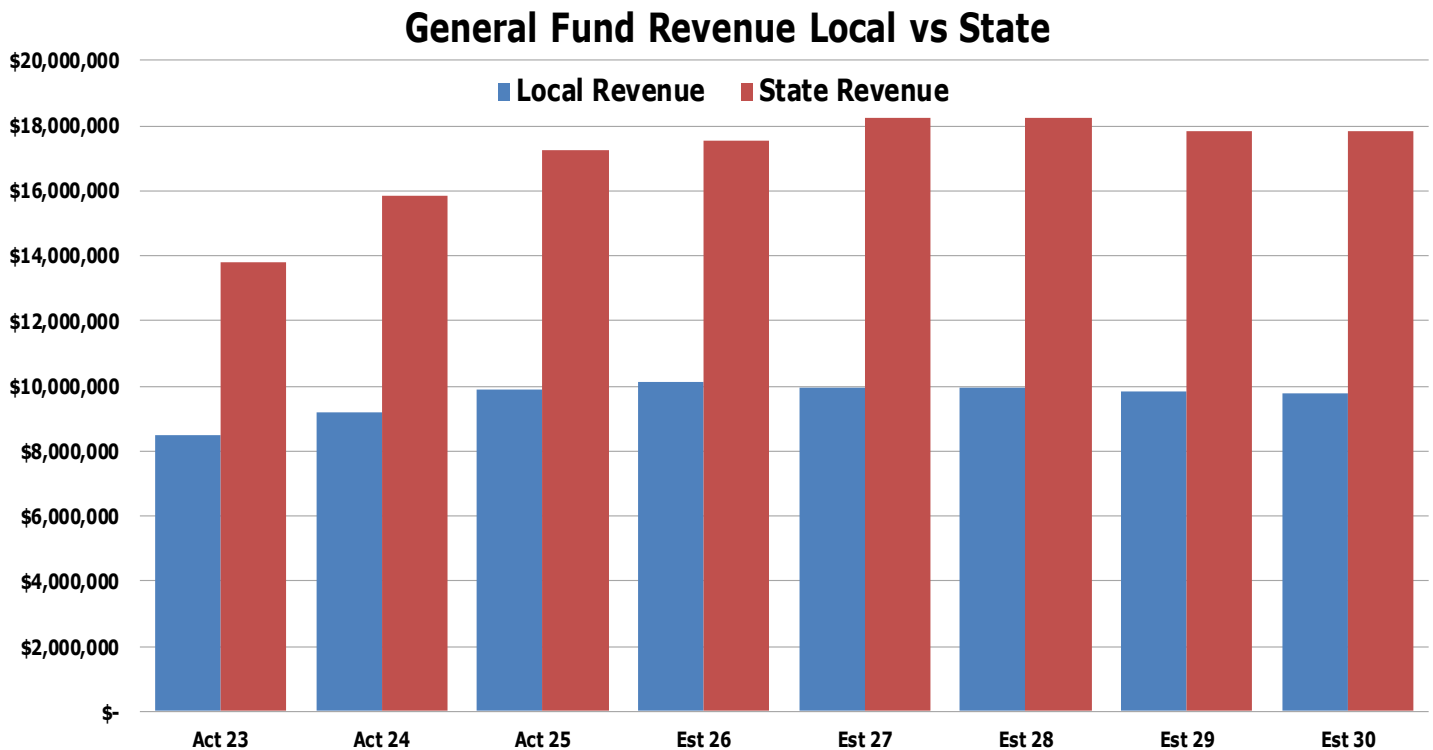
No income taxes are modeled in this forecast.

Levy Renewal –Lines #11.010-11.030

No levy renewals are modeled in this forecast.

New Tax Levies – Lines #13.010-13.030

No new levies are modeled in this forecast.



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 FY26 and FY27, which funds students where they are educated rather than where they live. We have projected FY26 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY26 and is expected to continue to be on the formula in FY26-FY30 on the new 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. Please visit the Ohio Department of Education and Workforce at: <https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

Joint Vocational Career-Technical Funding in FY26

The new funding formula for joint vocational school districts is substantially similar to the formula for traditional school districts as described above, including the phase-in and guarantee, with the following changes:

1. Replaces the “special teacher” cost in the base cost computation with the “cost for teachers providing health and physical education, instruction regarding employability and soft skills, development and coordination and internships and job placements, career-technical student organization activities, pre-apprenticeship and apprenticeship coordination, and any assessment related to career-technical education, including any nationally recognized job skills or end-of-course assessment,” which are calculated in the same manner.
2. Does not specify a minimum for the number of staff members for the staffing cost for student wellness and success for the district in base cost computation.
3. Calculates the district’s cost for that fiscal year for career-technical curriculum specialists and coordinators, career assessment and program placement, recruitment and orientation, student success coordination, analysis of test results, development of intervention and remediation plans and monitoring of those plans, and satellite program coordination. This funding replaces a traditional district's cost computations for academic and athletic co-curricular activities.
4. Replaces per-pupil dollar amount with weighted funding for the five different career-technical programs.
5. A funding unit will be based on the funding unit’s state share percentage times the career-technical education associated services amount times the statewide average career technical base costs per pupil in that fiscal year times the sum of the funding unit’s categories one through five career-technical education ADM.
6. Once the base cost is calculated by the state, the FSFP then calculates the state share percentage for each district.

CTE Credential Program: HB96 authorized, industry-recognized credentials for high school students. This program is to be used by the Department of Education and Workforce and the Governor's Office of Workforce Transformation to operate the Innovative Workforce Incentive Program. The Office of Workforce Transformation shall maintain a list of credentials that qualify for the program. The Department of Education and Workforce shall pay each city, local, and exempted village school district, community school, STEM school, and joint vocational school district an amount equal to \$725 for each qualifying credential a student attending the district or school earned in the school year preceding the fiscal year in which the funds are appropriated. If the \$16 million per year that is appropriated is not sufficient, the Department shall prorate the amounts so that the aggregate amount appropriated is not exceeded.

Career Awareness and Exploration Funds

Requires the lead district or each CTC to receive career awareness and exploration funds and to report the use of the funds to ODEW. The amount per pupil in HB96 was reduced from \$10 to \$3 per pupil for FY26 and FY27.

Future State Budget Projections beyond FY27

Our funding status for FY28-FY30 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget process; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY28 through FY30.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed 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.

Total casino funding in FY24 was \$113.1 million or \$64.90 per pupil. In FY25, the funding totaled \$114.18 million or \$65.44 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	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Basic Aid-Unrestricted	\$11,873,522	\$12,074,197	\$12,074,197	\$12,074,197	\$12,074,197
Innovative Workforce	<u>111,191</u>	<u>111,191</u>	<u>111,191</u>	<u>111,191</u>	<u>111,191</u>
Basic Aid-Unrestricted Subtotal	<u>\$11,984,713</u>	<u>\$12,185,388</u>	<u>\$12,185,388</u>	<u>\$12,185,388</u>	<u>\$12,185,388</u>
Ohio Casino Commission ODT	<u>166,702</u>	<u>169,200</u>	<u>171,738</u>	<u>174,325</u>	<u>176,936</u>
Total Unrestricted State Aid Line # 1.035	<u>\$12,151,415</u>	<u>\$12,354,588</u>	<u>\$12,357,126</u>	<u>\$12,359,713</u>	<u>\$12,362,324</u>

Restricted State Revenues – Line #1.040

HB96 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding), Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. We were notified in January that the state of Ohio overspent their Science of Reading Appropriation and will be reducing funding to recover funds previously paid. We have estimated revenues for these new restricted funding lines using the most current funding factors available. For fiscal years 2026 and 2027, HB96 modifies how DPIA is calculated by factoring in both directly certified and economically disadvantaged students. The new formula modifies the weight given to these student groups over the biennium. 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 being \$86.6 million less than in FY25.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Disadvantaged Pupil Impact Aid (DPIA)	236,299	238,662	238,662	238,662	238,662
English Learners	20,294	20,294	20,294	20,294	20,294
Career Tech - Restricted	4,173,985	4,203,745	4,203,745	4,203,745	4,203,745
Student Wellness and Success	431,454	434,064	434,064	434,064	434,064
CTE Associated Services	25,458	25,738	25,738	25,738	25,738
Other Restricted State Funds	(4,758)	0	0	0	0
Career Awareness & Explorations	<u>48,424</u>	<u>49,544</u>	<u>49,544</u>	<u>49,544</u>	<u>49,544</u>
Total Restricted State Revenues Line #1.040	<u>\$4,931,156</u>	<u>\$4,972,047</u>	<u>\$4,972,047</u>	<u>\$4,972,047</u>	<u>\$4,972,047</u>

Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Unrestricted Line # 1.035	\$12,151,415	\$12,354,588	\$12,357,126	\$12,359,713	\$12,362,324
Restricted Line # 1.040	4,931,156	4,972,047	4,972,047	4,972,047	4,972,047
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$17,082,571</u>	<u>\$17,326,635</u>	<u>\$17,329,173</u>	<u>\$17,331,760</u>	<u>\$17,334,371</u>

State Reimbursement for 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.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years or older or disabled, regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who still need to get their Homestead Exemption approved or those who did not get a new application approved for the tax year 2013 and who become eligible after that will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013, will not lose it and will not have to meet the new income

qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

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 anticipate receiving a hold harmless payment for HB186, but since the ODT has not released authoritative data on HB186 calculations, we cannot be certain of this. We will adjust the forecast as data from the ODT becomes available.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Rollback and Homestead	\$480,949	\$486,198	\$496,154	\$506,230	\$516,427
HB186 Partial Reimbursement	<u>0</u>	<u>416,361</u>	<u>416,361</u>	<u>0</u>	<u>0</u>
Total - Line # 1.050	<u>\$480,949</u>	<u>\$902,559</u>	<u>\$912,515</u>	<u>\$506,230</u>	<u>\$516,427</u>

Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been; class fees, interest on investments, tuition for court-placed students, Manufactured Homes, rental income and Associated Services. Since FY22, any open-enrolled students since have been counted in our Enrolled ADM numbers for state funding and are not separately funded.

Interest income is based on the district cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. The Federal Reserve Bank cut interest rates by 25 basis point in September 2025, another 25 basis points in October 2025, and an additional 25 basis points in December 2025. While interest income in FY26 should remain steady, the rate cuts will begin to have an impact on earnings in FY27 and future years. We will continue to monitor the investments for the district.

Rentals have returned to pre-pandemic levels. All other revenues are expected to continue on historical trends.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Interest	\$1,177,886	\$1,083,655	\$996,963	\$897,267	\$807,540
Associated Services	(162,967)	(164,597)	(166,243)	(167,905)	(169,584)
Class fees and Other	20,740	20,947	21,156	21,368	21,582
Other Tax - MH	11,259	11,259	11,259	11,259	11,259
Tax Abatement	21,543	21,543	21,543	21,543	21,543
Other Tuition	<u>2,929</u>	<u>2,958</u>	<u>2,988</u>	<u>3,018</u>	<u>3,048</u>
Total Other Local Revenue Line #1.060	<u>\$1,071,390</u>	<u>\$975,765</u>	<u>\$887,666</u>	<u>\$786,550</u>	<u>\$695,388</u>

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

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

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

These are non-operating revenues, which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. We are not anticipating transfers in at this time, and only advancing in the amount advanced out in the prior fiscal year. Advances in will match the prior year advance out.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>317,928</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances In	<u>\$317,928</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable. For future years we are estimating an amount of refunds that are in line with historical collections.

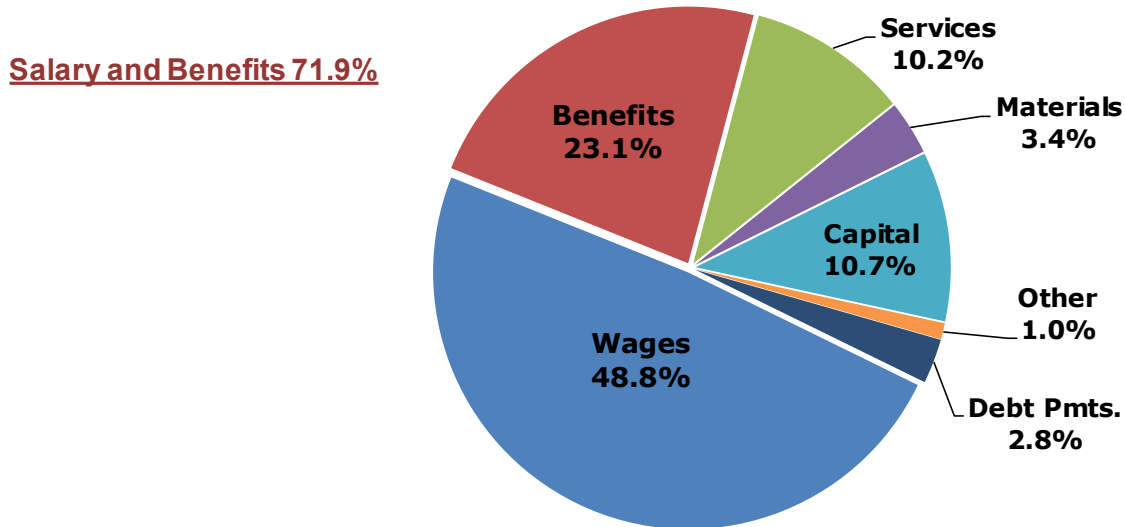
Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Sale of Fixed Assets	\$10,223	\$10,223	\$10,223	\$10,223	\$10,223
Refund of prior years expenditures	<u>113</u>	<u>113</u>	<u>113</u>	<u>113</u>	<u>113</u>
Total Other Financing Sources Line #2.060	<u>\$10,336</u>	<u>\$10,336</u>	<u>\$10,336</u>	<u>\$10,336</u>	<u>\$10,336</u>

Expenditure 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 FY26

General Fund Operating Expenditures Estimated FY26 \$25,738,047



Wages – Line #3.010

This line of the forecast is made up primarily of wages or salaries paid to staff. Substitutes and supplemental extracurricular contracts, as well as payments for the Board of Education can also be found here. The forecast reflects base increases of 3% in FY26-30 for planning purposes. Administration and non-represented staff typically will see a similar increase as the collective bargaining units; however, these are reviewed on an annual basis. The district will continue to monitor the staffing levels to effectively manage the largest expense for our district. The increases above align with the negotiated agreement that is in place for FY25-27. The district will negotiate in the spring of 2027, prior to the end of this contract.

The district received a career technology expansion grant and, depending on when the project is completed, we anticipate adding an additional class in the 2026-2027 school year. Due to this, we have included an estimated addition of one teacher.

Source	FY26	FY27	FY28	FY29	FY30
Base Wages	\$11,535,871	\$12,054,985	\$12,727,735	\$13,364,122	\$14,032,328
Increases	346,076	361,650	381,832	400,924	420,970
All Staff - Steps and Training	173,038	241,100	254,555	267,282	280,647
BOE/OT	27,031	27,031	27,031	27,031	27,031
Substitutes	201,146	203,157	205,189	207,241	209,313
Supplementals	46,004	46,924	47,862	48,819	49,795
Staff Increases/Reductions	0	70,000	0	0	0
Severance	<u>236,625</u>	<u>235,000</u>	<u>235,000</u>	<u>235,000</u>	<u>235,000</u>
Total Wages Line #3.010	<u>\$12,565,791</u>	<u>\$13,239,847</u>	<u>\$13,879,204</u>	<u>\$14,550,419</u>	<u>\$15,255,084</u>

Fringe Benefits Estimates – Line #3.020

This area of the forecast captures all costs associated with benefits and retirement costs. These payments 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 healthcare.

B) Insurance

The district saw an increase of 4.8% in FY25 and are estimating to receive a 10% increase for FY26-30, which reflects trend, and the likely increase in health care costs as a result of actual claims incurred. This is based on our current employee census and claims data.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately 0.20% of wages FY26 through FY30. Unemployment is likely to remain at a shallow level FY26 through FY30. 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 increases in wages and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Estimated Fringe Benefits – Line #3.020

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
A) STRS/SERS	\$2,006,866	\$2,117,131	\$2,221,464	\$2,330,997	\$2,445,992
B) Insurance's	3,699,718	4,080,690	4,499,759	4,960,735	5,467,809
C) Workers Comp/Unemployment	27,061	28,413	29,691	31,034	32,443
D) Medicare	176,193	185,846	194,980	204,571	214,638
Health Savings Account	<u>33,500</u>	<u>33,500</u>	<u>33,500</u>	<u>33,500</u>	<u>33,500</u>
Total Fringe Benefits Line #3.020	<u>\$5,943,338</u>	<u>\$6,445,580</u>	<u>\$6,979,394</u>	<u>\$7,560,837</u>	<u>\$8,194,382</u>

Purchased Services – Line #3.030

Purchased Services includes various services and supports that the district acquires from external providers to enhance educational operations and student well-being. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. In FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio's electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period. For purchased services overall, we have built in a 5% increase for FY26-30.

The district encountered a timing issue with respect to the college credit plus deductions that flow through our foundation payments with the State of Ohio. One of the colleges we work with was delayed in their fall 2023 course reporting. This is causing an estimated \$332 thousand to not be deducted from our foundation payments until the August payment of 2024, which is in fiscal year 2025. We have removed this increase from FY26 estimates to not include the inflated FY25 expenditures in our trend analysis.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
College Credit Plus	\$842,778	\$884,917	\$929,163	\$975,621	\$1,024,402
Professional Support	825,000	866,250	909,563	955,041	1,002,793
Utilities	331,772	291,959	306,557	321,885	337,979
Building Maintenance Repairs and Leases	400,000	420,000	441,000	463,050	486,203
PD/Travel	86,254	90,567	95,095	99,850	104,843
Transportation and Other Tuition	36,293	38,108	40,013	42,014	44,115
Communications, Phone, and Other	<u>94,000</u>	<u>98,700</u>	<u>103,635</u>	<u>108,817</u>	<u>114,258</u>
Total Purchased Services Line #3.030	<u>\$2,616,097</u>	<u>\$2,690,501</u>	<u>\$2,825,026</u>	<u>\$2,966,278</u>	<u>\$3,114,593</u>

Supplies and Materials – Line #3.040

Supplies and materials expenses include curricular supplies, testing supplies, copy paper, maintenance, custodial supplies, materials, bus fuel, and other supplies consumed or used during the educational process.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Supplies	\$525,000	\$525,000	\$551,250	\$578,813	\$607,754
Textbooks and Software	258,148	276,218	295,553	316,242	338,379
Building Maint Supplies	74,671	80,645	87,097	94,065	101,590
Vehicles Parts, Fuel, and Tires	<u>18,301</u>	<u>19,033</u>	<u>19,794</u>	<u>20,586</u>	<u>21,409</u>
Total Supplies Line #3.040	<u>\$876,120</u>	<u>\$900,896</u>	<u>\$953,694</u>	<u>\$1,009,706</u>	<u>\$1,069,132</u>

Capital Outlay – Line # 3.050

Capital Outlay is distinct from Supplies and Materials, as these purchases are for assets with a longer lifespan and higher cost, such as land, buildings, equipment, and vehicles. The district is in planning to undergo a construction project that will expand the cafeteria space for students. This is the reason for the higher estimated capital outlay expenditure in FY26. The estimates for future years are in line with historical expenditures for capital outlay.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Capital Outlay	<u>\$2,750,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>
Total Equipment Line #3.050	<u>\$2,750,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>

Principal and Interest Payments – Lines #4.010 through #4.060

Payments on this line are made for the principal and interest on the 2008 OSFC renovation project Certificates of Participation (COPS). In March 2015, with interest rates low, the district seized the opportunity to refinance the original COPS issue that funded the renovations completed to the district in fiscal year 2012. The refinance yielded a net present value savings of \$458 thousand to the district and their taxpayers over the remaining life of the COPS.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Principal TANS Line #4.020	\$490,000	\$505,000	\$520,000	\$540,000	\$550,000
Interest on TANS & HB 264 Total Line 4.060	<u>234,264</u>	<u>219,339</u>	<u>203,639</u>	<u>186,739</u>	<u>168,683</u>
Total Principal & Interest	<u>\$724,264</u>	<u>\$724,339</u>	<u>\$723,639</u>	<u>\$726,739</u>	<u>\$718,683</u>

Other Expenses – Line #4.300

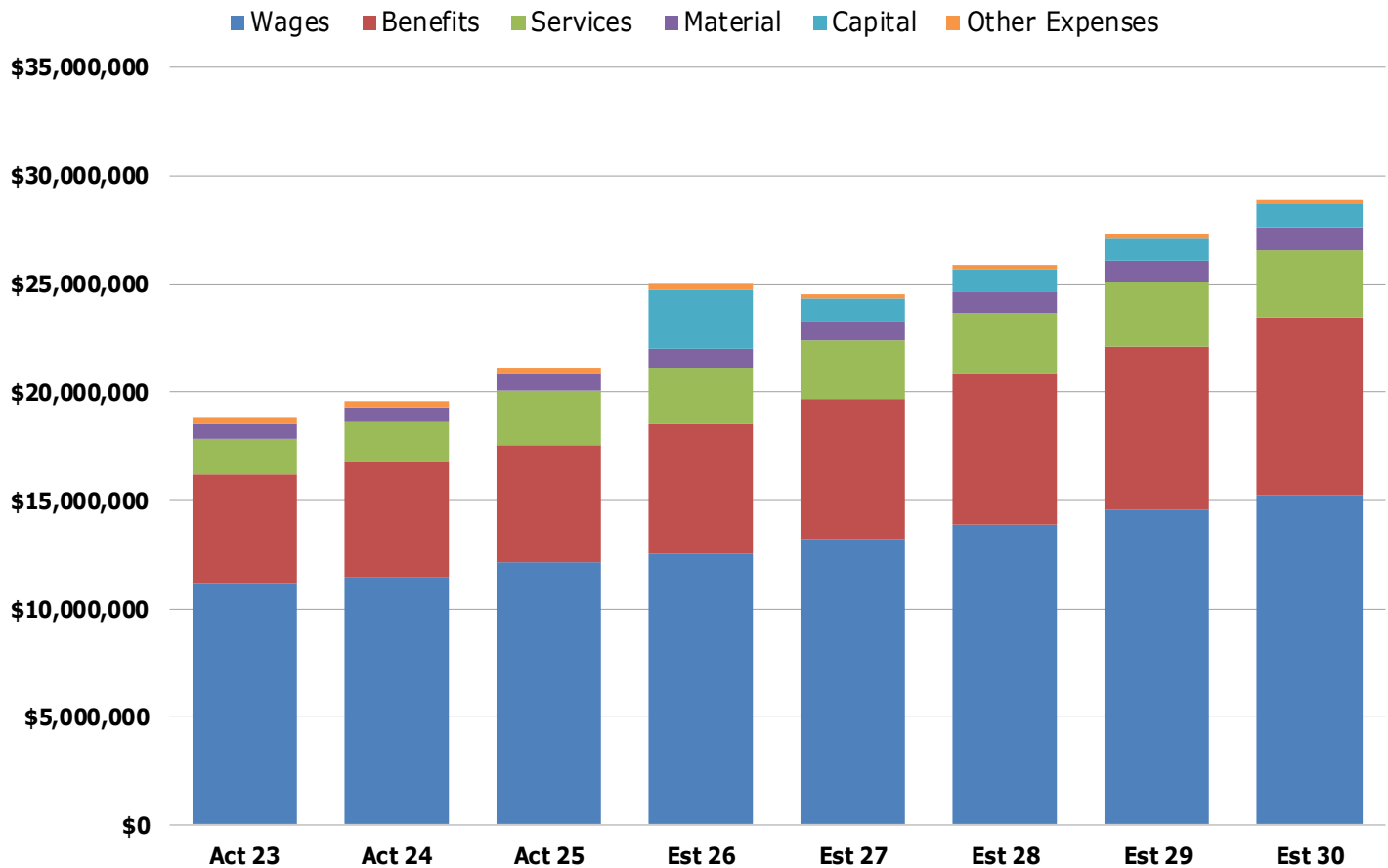
This category of expenses is primarily fees to the county auditors and treasurers for collecting property taxes and the annual financial audit. The other expense category is several small expenses with the largest being district liability insurance and dues and fees to organizations such as OSBA. This line reflects a 1% increase for the forecasted period. We will continue to monitor and adjust in future years as necessary.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
County Auditor & Treasurer Fees	\$172,404	\$174,128	\$175,869	\$177,628	\$179,404
Other expenses	32,650	32,977	33,307	33,640	33,976
Annual Audit	37,265	37,638	38,014	38,394	38,778
Memberships	<u>20,118</u>	<u>20,319</u>	<u>20,522</u>	<u>20,727</u>	<u>20,934</u>
Total Other Expenses Line #4.300	<u>\$262,437</u>	<u>\$265,062</u>	<u>\$267,712</u>	<u>\$270,389</u>	<u>\$273,092</u>

Operating Expenditures Actual FY23 through FY25 and Estimated FY26-FY30

As the following graph indicates, we have diligently contained costs due to lower and flat state revenues. We control our expenses while balancing students' academic needs to enable them to excel and perform well on state performance standards.

General Fund Expenditures Actual FY23 through Est. FY30



Transfers/Advances Out – Line# 5.010

This account group covers fund-to-fund transfer and end of year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. We are anticipating transfers out each year of the forecast to be \$1.3 million for FY27-30, distributed as follows: Maintenance Fund of \$425 thousand, Permanent Improvement Fund of \$800 thousand, and other transfers totaling \$102 thousand. The transfers in FY26 will have a one-time transfer of \$13 million to the Capital Projects Fund (Fund 070) for current and future projects. Advances are projected

to be paid back in the following year and are typically to cover negative balances in reimbursement-based grant funds. Currently, we are not projecting an increase to this line.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Permanent Improvement - Transfer	\$800,000	\$800,000	\$800,000	\$800,000	\$400,000
Maintenance - Transfer	425,360	425,360	425,360	425,360	425,360
Other - Transfer	<u>13,102,735</u>	<u>102,735</u>	<u>102,735</u>	<u>102,735</u>	<u>102,735</u>
Operating Transfers Out Line #5.010	<u>\$14,328,095</u>	<u>\$1,328,095</u>	<u>\$1,328,095</u>	<u>\$1,328,095</u>	<u>\$928,095</u>
Advances Out Line #5.020	\$0	\$0	\$0	\$0	\$0
Total Transfer & Advances Out	<u>\$14,328,095</u>	<u>\$1,328,095</u>	<u>\$1,328,095</u>	<u>\$1,328,095</u>	<u>\$928,095</u>

Encumbrances – Line#8.010

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments, which have been performed, are awaiting invoicing and payment. Encumbrances, on a budget basis of accounting, are treated as the equivalent of expenditure at the time authorization is made to maintain compliance with spending restrictions established by Ohio law. For presentation in the forecast, outstanding encumbrances are presented as a reduction of the general fund cash balance.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Estimated Encumbrances	<u>\$330,957</u>	<u>\$330,957</u>	<u>\$330,957</u>	<u>\$330,957</u>	<u>\$330,957</u>

Ending Unencumbered Cash Balance – Line#15.010

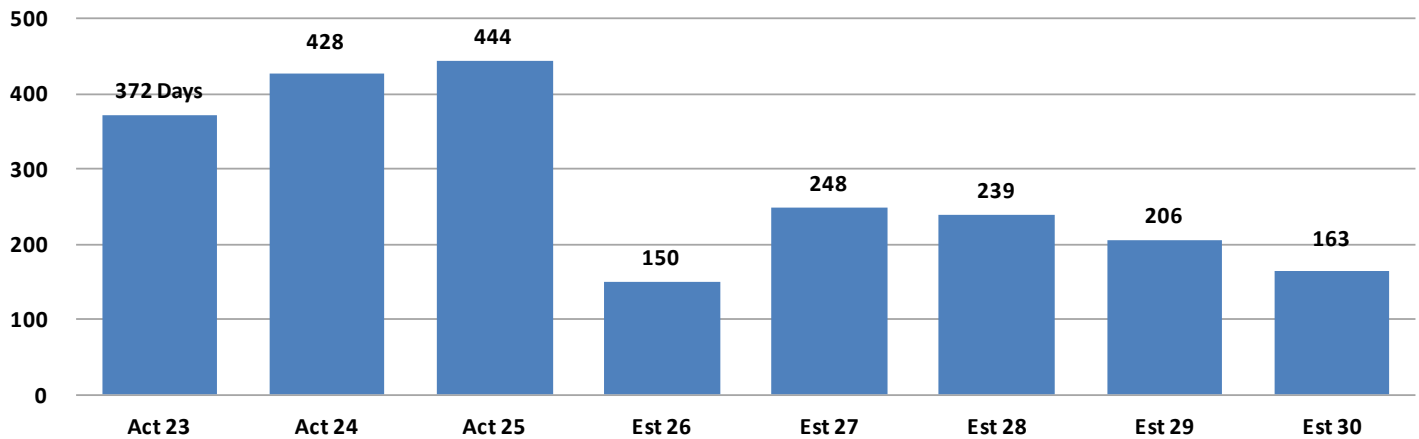
This amount must not go below \$-0- or the district general fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, and which results in a negative unencumbered cash balance, is a violation of O.R.C. §5705.412, which is punishable by personal liability of \$10,000; unless an alternative 412 certificate, as permitted by HB153, effective September 30, 2011, could be issued. It is recommended by the Government Finance Officers Association (GFOA) and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance, which is approximately \$2.1 million for our district.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Ending Unencumbered Cash Balance	<u>\$16,481,589</u>	<u>\$18,074,005</u>	<u>\$18,332,992</u>	<u>\$16,595,655</u>	<u>\$13,671,137</u>

True Cash Days Ending Balance

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year-end if no additional revenues were received? This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The Government Finance Officers Association (GFOA) recommends that no fewer than two (2) months or 60 days of cash is on hand at year-end. Still, it could be more dependent 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.

Ending Cash Balance in True Cash Days



Conclusion

As the administration plans for the future, they will need to make sure that the district is able to maintain a positive cash balance throughout the forecast. The expenditures will need to be reviewed based on the current revenues in order to obtain this.

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

Please direct any questions to:

Gavyn Bazley, Treasurer

Pioneer Career & Technology Center

Email address: bazley.gavyn@pioneerctc.edu

Please visit the Ohio Department of Education website at

<https://public.education.ohio.gov/geoDoc/5-yrForecast/>