Wayne Local School District

Fiscal Year

2027

August

Financial Forecast Report

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Wayne Local School District

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Forecast Purpose/Objectives

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

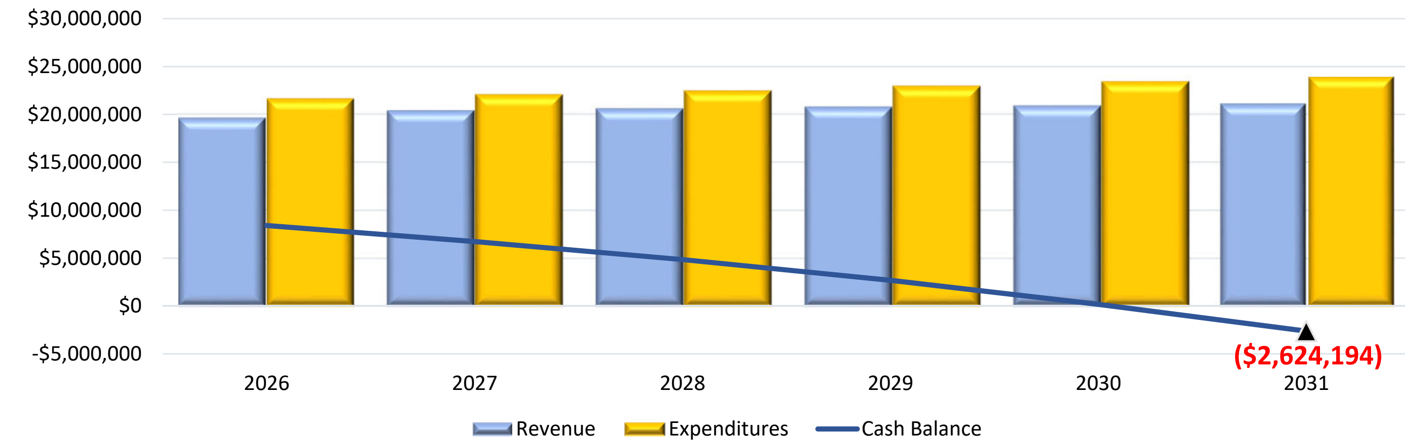
1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 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

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) **Includes Renewal/New Levy Revenue, see Disclosures*	8,397,887	6,714,159	4,849,118	2,687,897	182,118
+ Revenue	20,438,275	20,634,187	20,819,867	20,947,852	21,125,343
- Expenditures	(22,122,003)	(22,499,228)	(22,981,088)	(23,453,631)	(23,931,655)
= Revenue Surplus or Deficit	(1,683,728)	(1,865,041)	(2,161,221)	(2,505,779)	(2,806,312)
Line 7.020 Ending Balance with Renewal/New Levies	6,714,159	4,849,118	2,687,897	182,118	(2,624,194)

Financial Summary Notes

House Bill 96 removed the requirement to submit a fifth year as part of the financial forecast. Despite this change, the District has elected to continue including a fifth-year projection, as it provides important insight into the long-term financial impact of current legislation and supports a more complete assessment of the District's fiscal health.

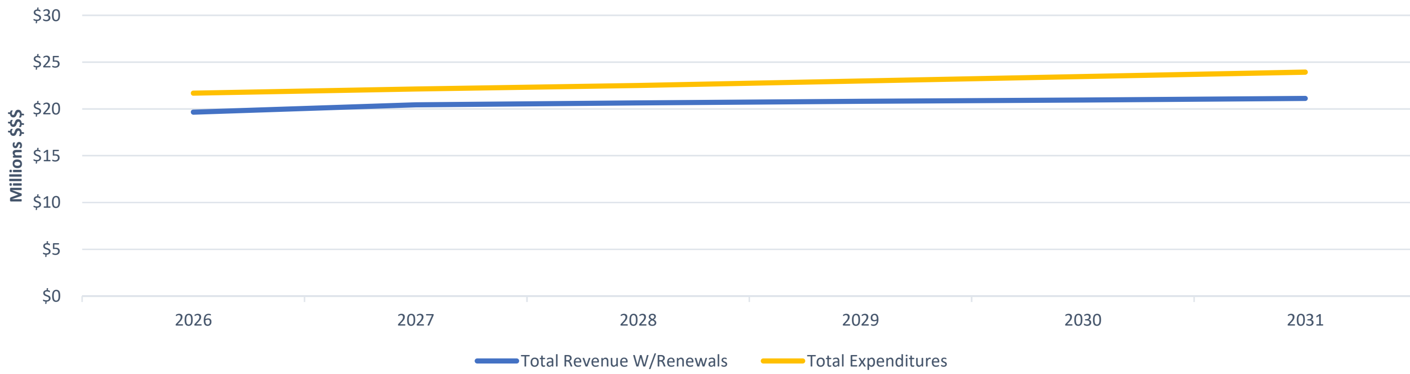
Expenditure growth is projected to outpace revenue change. By the end of 2031, the cash balance is projected to decline by a total of $11,022,080 compared to 2026.   For fiscal year 2031, expenditures are currently projected to exceed revenue, resulting in a revenue shortfall the final year of the forecast 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 7.26% ($938,016 annually). However, it is projected to increase by 1.45% ($292,788 annually) through fiscal year 2031. This is largely due to the recent property tax reform laws which change the 20-mil floor calculation and limit growth on inside millage to the rate of inflation.

For expenditures, projected change is expected to be at a slower pace than the historical trend. Expenditures increased by 9.44% ($1,355,657, on average, annually) during the past 5-year period, and are projected to increase by 2.00% ($450,125 annually) through 2031. The forecast line with the most change on the expense side, Salaries, is anticpated to be $529,373 less per year in the projected period compared to historical averages.

Forecast Analysis

Revenue Compared to Expenditures

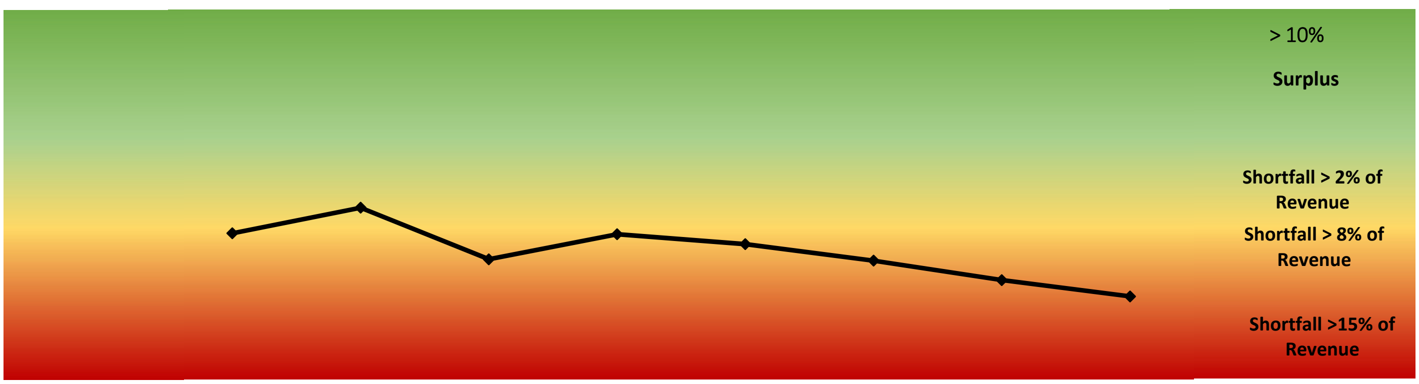


From 2027 to 2031, total revenues are projected to change by 1.45%

Expenditure change is expected to outpace revenue change.

From 2027 to 2031, total expenses are projected to change by 2.00%

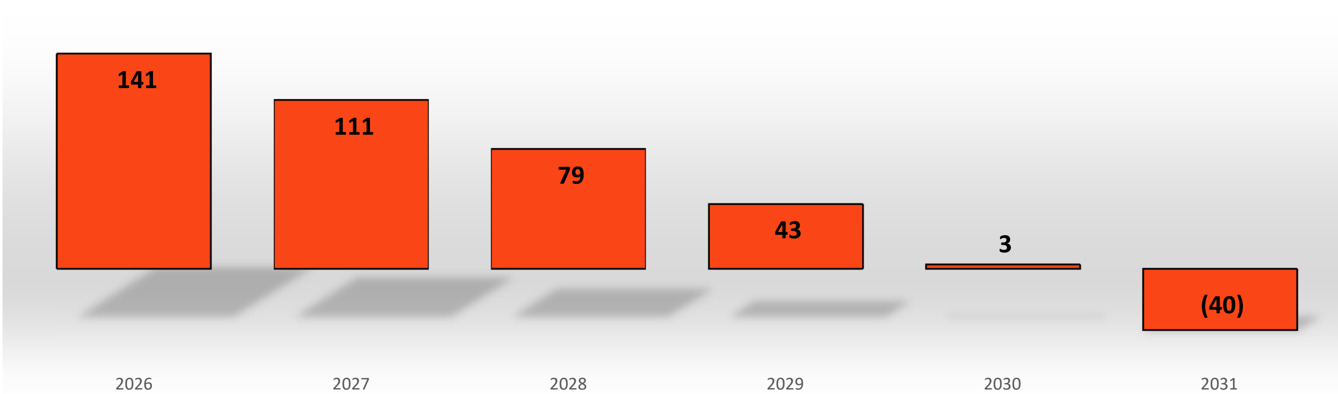
Revenue Surplus/(Shortfall) as a Percentage of Revenue



Current Forecast Surplus/(Shortfall)	2025	2026	2027	2028	2029	2030	2031
	-6.1%	-10.3%	-8.2%	-9.%	-10.4%	-12.%	-13.3%

The district is trending toward revenue shortfall with the expenditures growing faster than revenue.
A revenue increase of 11.96% is needed to balance the budget in fiscal year 2031, or a $2,806,312 reduction in expenditures.

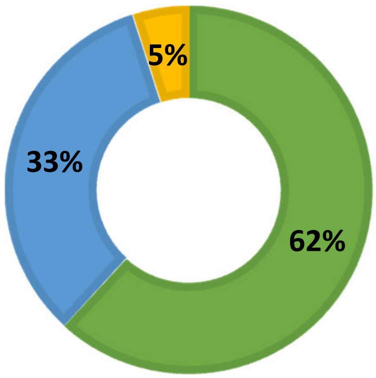
Days Cash on Hand at Fiscal Year-end



**based on 365 days*

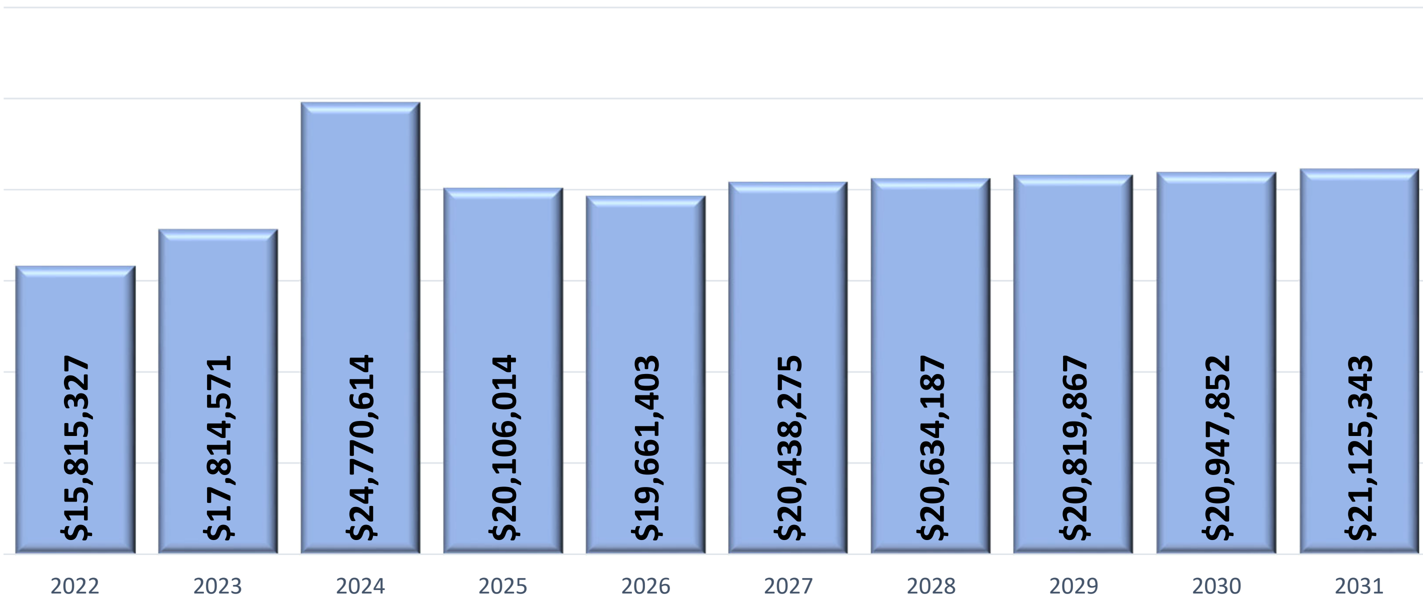
Revenue Overview

Revenue Sources



Local Taxes	
Real Estate Tax	53.72%
Public Utility Tax	8.08%
Income Tax	0.00%
State Sources	
State Funding	25.05%
Restricted Aid	0.48%
State Reimb Prop Tax Cre	7.68%
All Other Revenue	
Other Revenue	4.76%
Other Sources	0.22%

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	$403,617	$223,745	($179,872)
Public Utility	$323,159	$7,055	($316,104)
Income Tax	$0	$0	$0
State Funding	$228,910	$40,323	($188,587)
State Reimb Prop Tax Credits	$97,637	$19,610	($78,027)
All Othr Op Rev	($121,432)	$6,179	$127,611
Other Sources	$6,125	($4,125)	($10,250)
Total Average Annual Change	$938,016	$292,788	($645,228)
	7.26%	1.45%	-5.80%

Annually, on average, over the past five years, revenue increased by 7.26% ($938,016 annually). However, it is projected to increase by 1.45% ($292,788 annually) through fiscal year 2031. The biggest change appears to be Public Utility revenue, however the historical average reflects changes due to a valuation challenge and update.

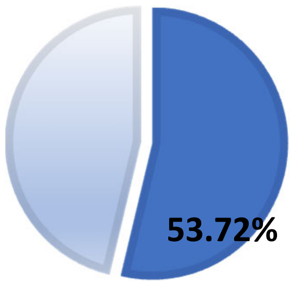
This forecast includes the impacts of recent property tax reform bills - HB335, HB186, and HB129. The reform changes the 20-mil floor calculation, which results in less real estate revenue. It also limits growth on inside millage to the rate of inflation, also resulting in a reduction of real estate revenue growth.

For Comparison:

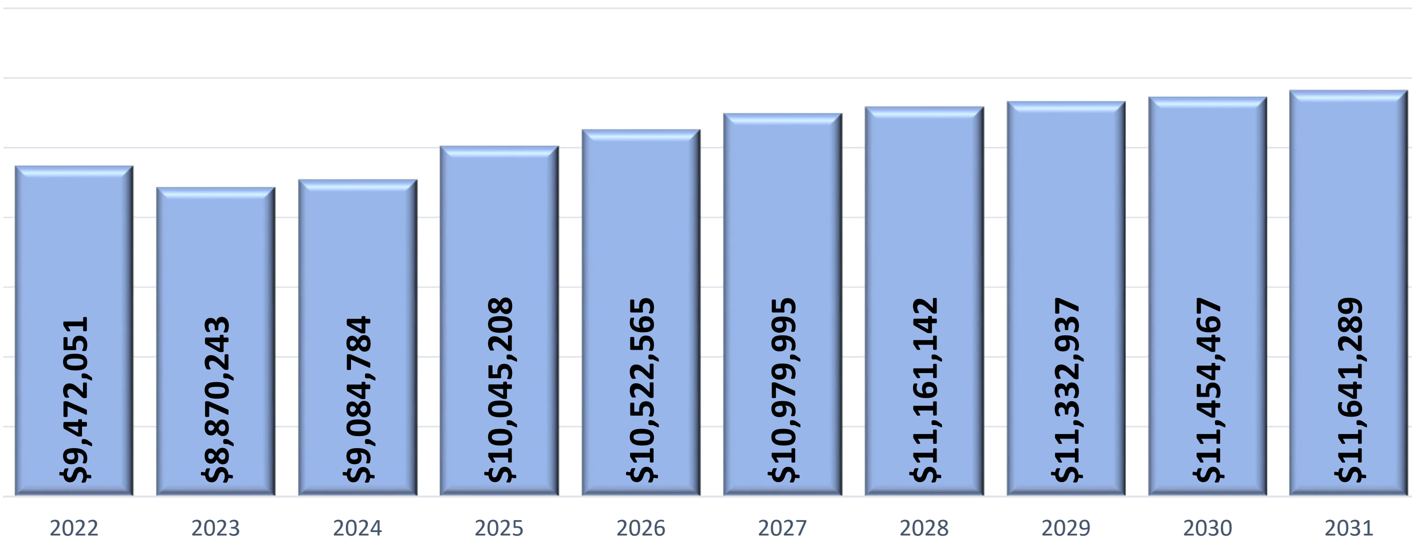
Expenditure average annual change is projected to be > $450,125 On an annual average basis, expenditures are projected to grow faster than revenue.

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 53.72% of total district general fund revenue.



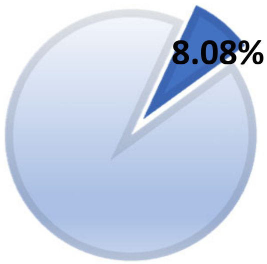
Key Assumptions & Notes

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class 2 Rate	Change	
2025	472,995,250	8,970,880	26.80	-	26.87	-	98.1%
2026	480,745,250	7,750,000	26.70	(0.10)	26.77	(0.10)	98.1%
2027	545,095,250	64,350,000	23.99	(2.70)	25.05	(1.72)	98.1%
2028	552,845,250	7,750,000	23.91	(0.08)	24.98	(0.08)	98.1%
2029	560,595,250	7,750,000	23.84	(0.08)	24.90	(0.08)	98.1%
2030	613,345,250	52,750,000	22.19	(1.65)	23.62	(1.28)	98.1%

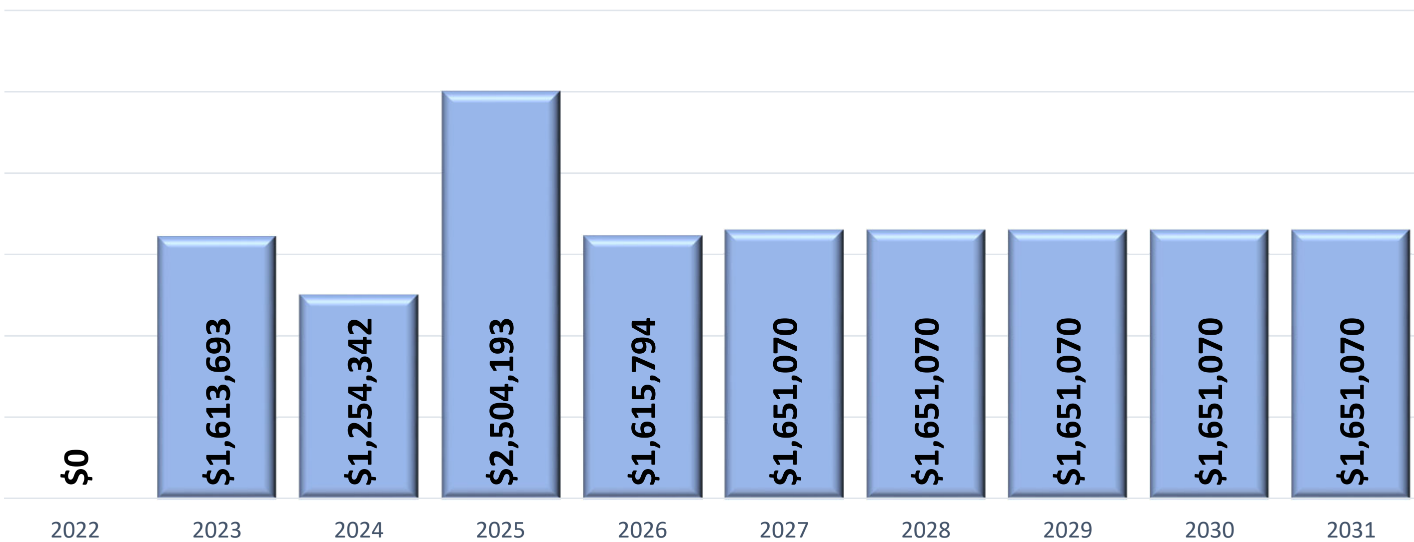
Class I, or residential/agricultural taxes make up approximately 95.09% of the real estate property tax revenue. The Class I tax rate is 26.70 mills in tax year 2026. The projections reflect an average gross collection rate of 98.1% annually through tax year 2030. The revenue changed at an average annual historical rate of 4.55% and is projected to change at an average annual rate of 2.05% through fiscal year 2031.

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 8.08% of total district general fund revenue.



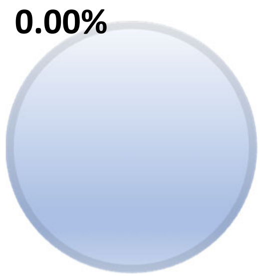
Key Assumptions & Notes

Values and Tax Rates					Gross Collection Rate
Tax Year	Valuation	Value Change	Full Voted Rate	Change	Including Delinquencies
2025	39,410,583	1,427,643	41.90	0.00	100.0%
2026	39,510,583	100,000	41.80	(0.10)	100.0%
2027	39,610,583	100,000	40.96	(0.84)	100.0%
2028	39,710,583	100,000	40.88	(0.08)	100.0%
2029	39,810,583	100,000	40.81	(0.08)	100.0%
2030	39,910,583	100,000	40.32	(0.48)	100.0%

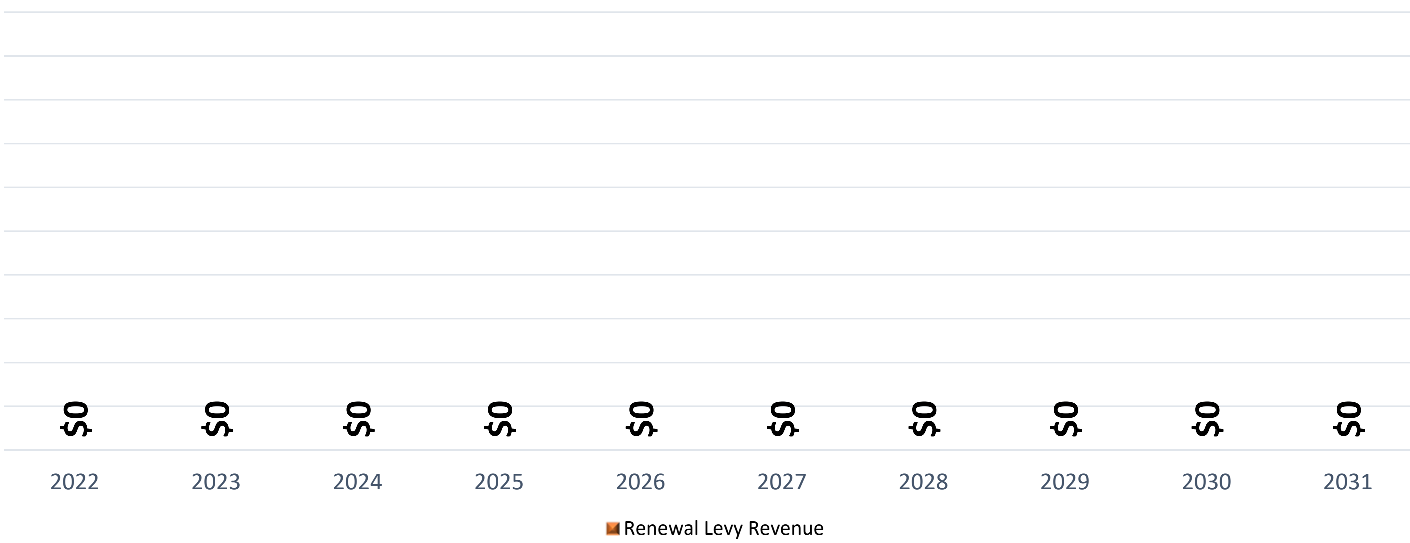
The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. The property is taxed at the full voted tax rate which in tax year 2026 is 41.80 mills. The forecast is modeling an average gross collection rate of 99.98%. The revenue changed historically at an average annual dollar amount of $323,159 and is projected to change at an average annual dollar amount of $7,055 through fiscal year 2031. The historical data is inconsistent for a few reasons - the public utitility revenue was recorded as real estate revenue in 2022. Additionally, the Rockies Pipeline taxes were paid late that year, and received and recorded by the district in FY23. Also in 2022, the pipeline contested its property value, arguing that its value should be 50% of the current value. Until the new value was settled, taxes were paid on the anticipated new value. In FY25, the state and Rockies settled for 88% of its previous value and back taxes were paid. Because the history is so inconsistent, this forecast assumes a fairly flat valuation throughout the forecast period.

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.

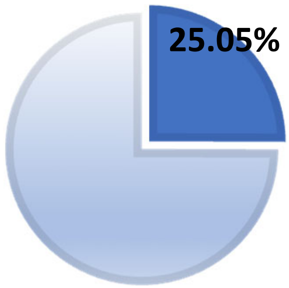


Key Assumptions & Notes

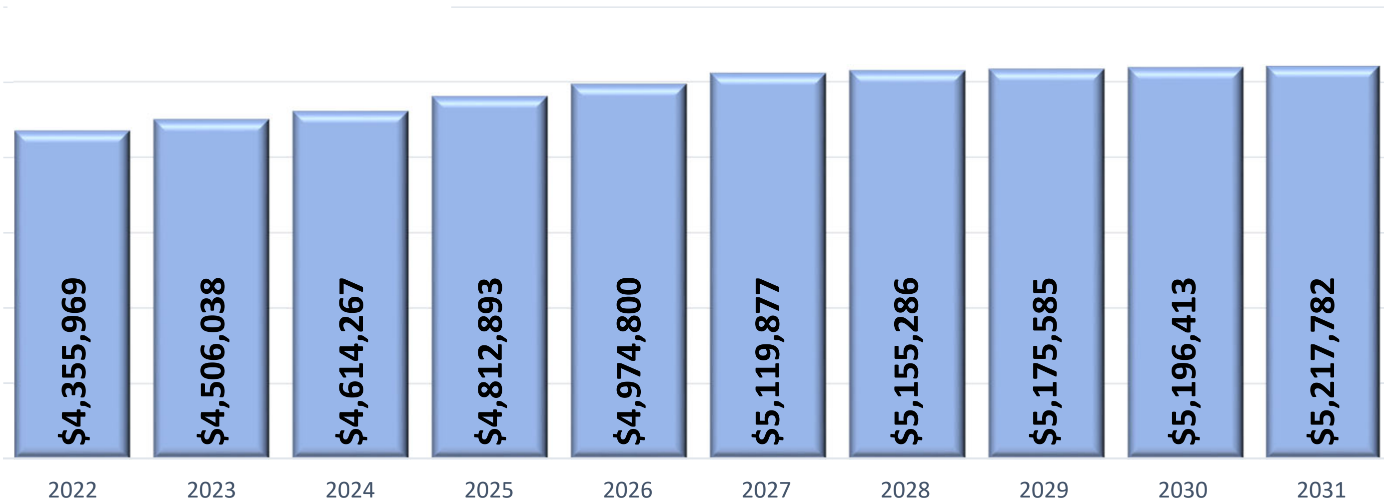
The district does not have an income tax levy.

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



Unrestricted State Aid revenue accounts for 25.05% 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. The current bienniel budget bill (HB96) did not include an increase to the base cost inputs, but did include the most recent updates to district property values and income, making the district appear wealthier. This calculation reduces the State Share for the district from 11.89% in FY26, to the state minimum of 10% for FY27 and beyond.

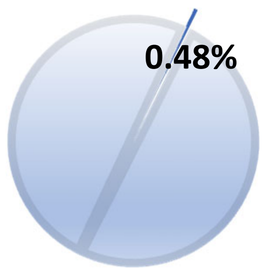
For FY27 , the calculated Base Cost total is $11,527,647 ($8,081 per student), with the calculated State Share at $1,141,216 ($808 per student.)
HB96 also continued the 2020 Funding Guarantee, which is $4,079,718 for WLS. This guarantee is assumed throughout the forecast period. In addition to the guarantee, the the budget includes a Performance supplement of $91,790 for being a high-performing district.

This revenue line item also includes Catastrophic Aid Reimburement of $90,000 each year of the forecast. The state withholds 10% of the Restricted Special Education funding ($12,592 for FY27) to setaside funds for Catastrophic Aid Reimbursement. Districts submit documentation for students that cost over $27,375 (or $32,850 for category 6) in the prior year and the state reimburses districts based on the total amount of the fund and the total amount of costs submitted.

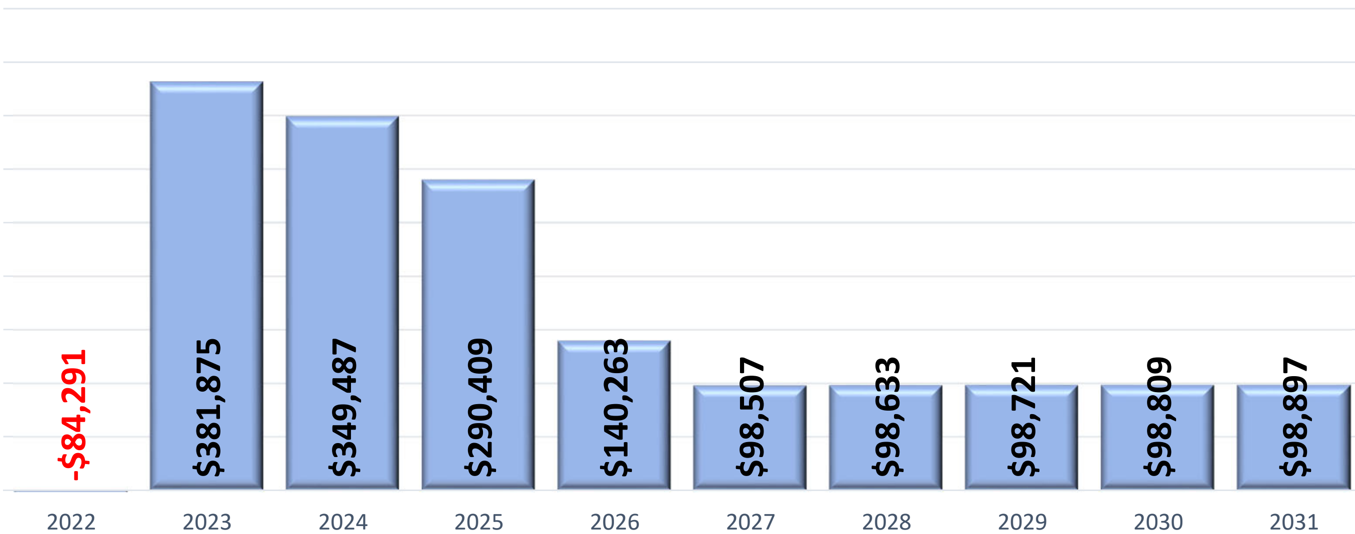
Casino revenue is also included in this line item - $107,444 estimated for FY27.

1.040 & 1.045 - Restricted Grants-in-Aid

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

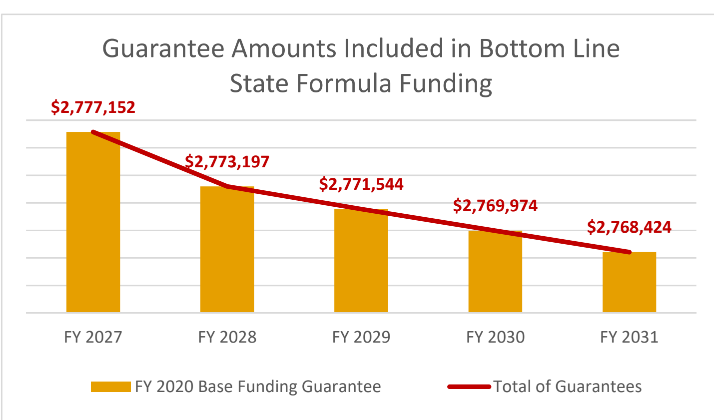


Restricted State Aid revenue accounts for 0.48% of total district general fund revenue.



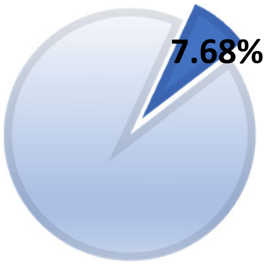
Key Assumptions & Notes

Restricted aid is the portion of state per pupil funding that must be classifed as restricted use. In FY22, the district made a posting correction to the Student Success & Welness revenue that skews the historical trend. The 2020 Funding Guarantee does not apply to Restricted Funds. Although the student enrollment in the Restricted categories is increasing, the State Share is applied, reducing the funding to the minimum 10% funding level. Restricted funds represent 0.48% of the district's total revenue.

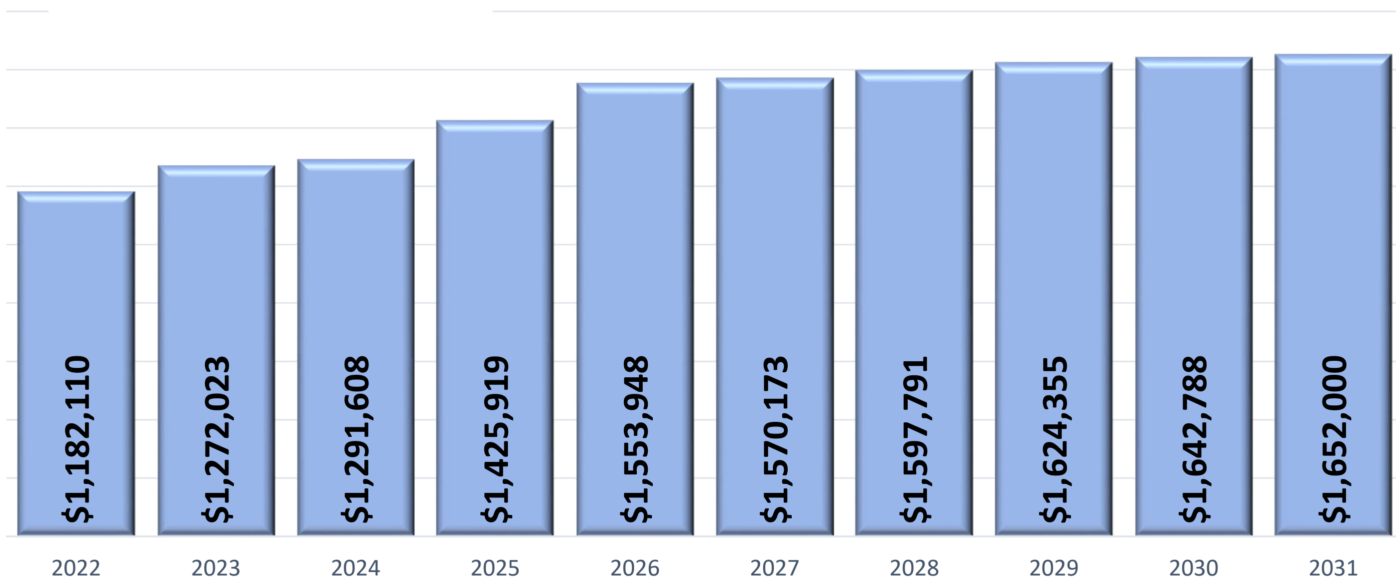


1.050 - State Reimbursement Property Tax Credits

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



State Reimbursement of Property Tax Credit revenue accounts for 7.68% of total district general fund revenue.

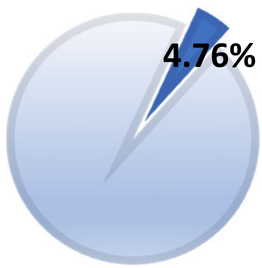


Key Assumptions & Notes

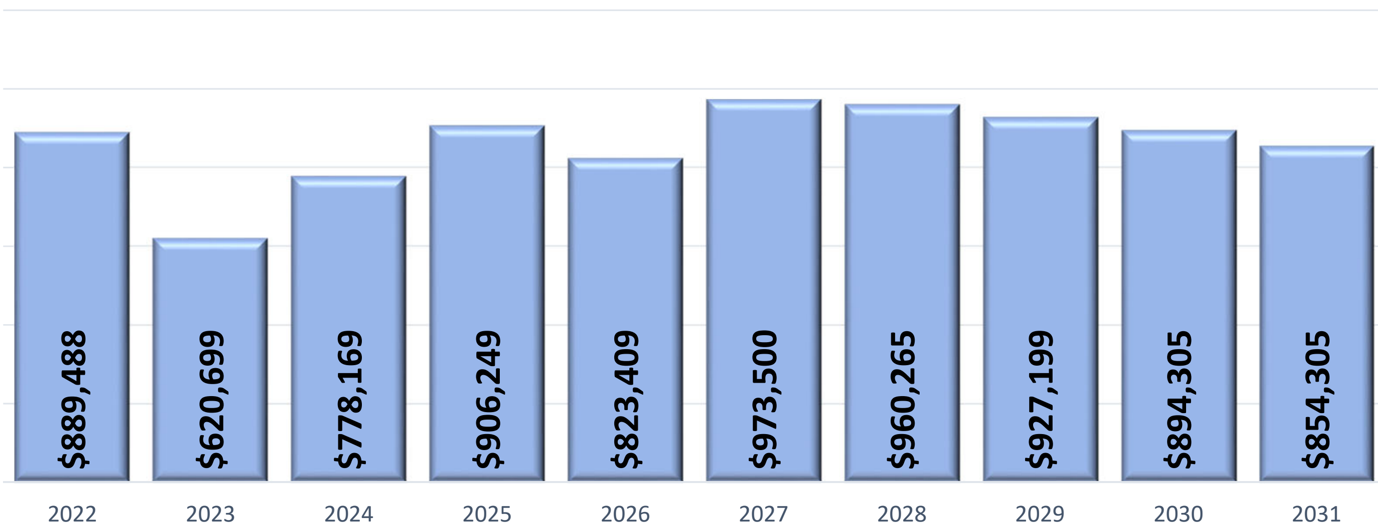
State Reimbursement of Property Tax Credits primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions to their tax bill.   The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers.   In fiscal year 2027, approximately 11.7% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.1% will be reimbursed in the form of qualifying homestead exemption credits.

1.060 - All Other Operating Revenues

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



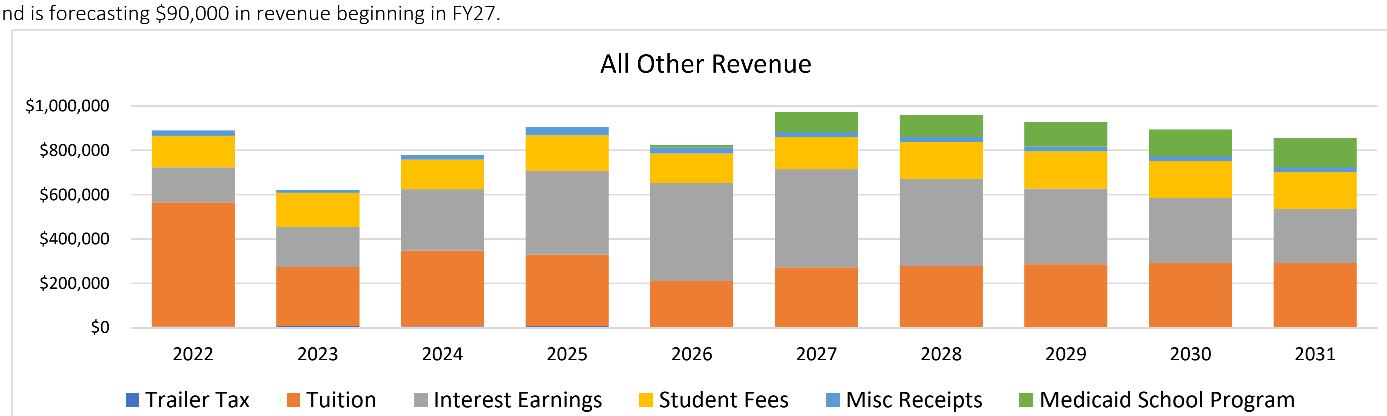
All Other Revenue accounts for 4.76% of total district general fund revenue.



Key Assumptions & Notes

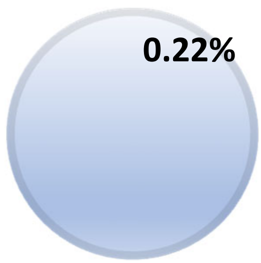
Other revenue includes tuition received by the district for non-resident students educated by the district. In 2022, this included tuition for students open-enrolled in the district, but the funding formula for FY23 and beyond included those students in the district's enrollment, rather than transferring funds between districts. The biggest source of growth in this category has been investment interest over the past 4 years, but that trend will reverse as the cash balance declines throughout the forecast period.

This category also includes student academic fees, and miscellaneous payments. In Fy25, the district started participating in the Medicaid for School Program and is forecasting $90,000 in revenue beginning in FY27.

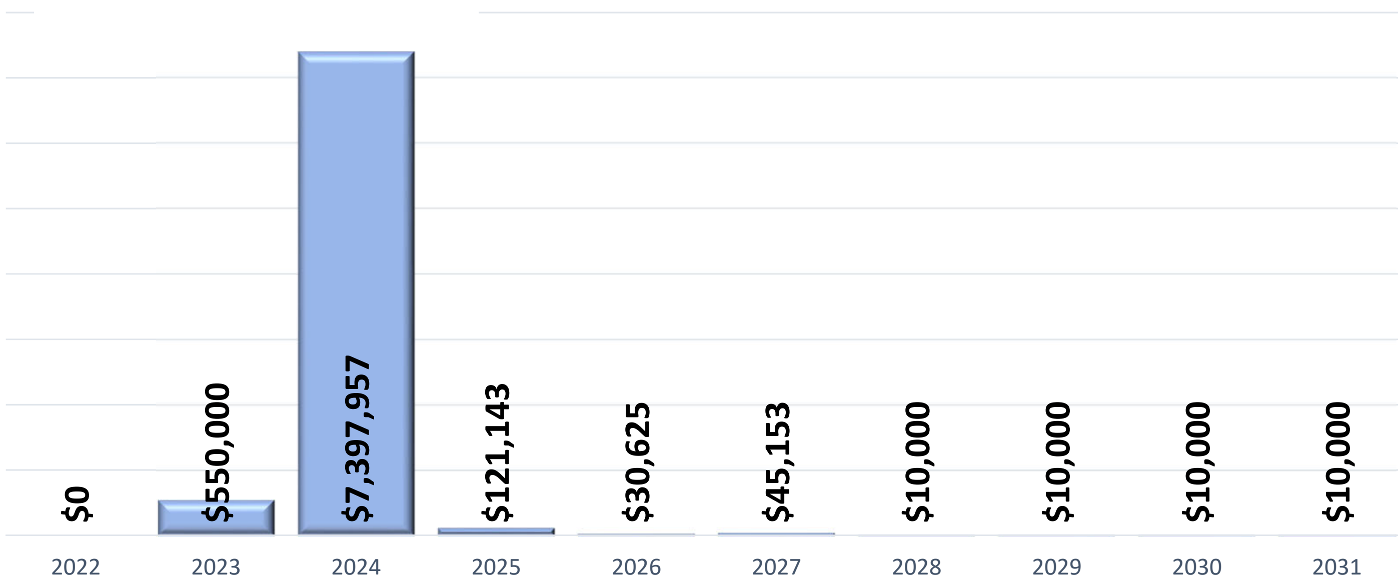


2.070 - Total Other Financing Sources

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 0.22% of total district general fund revenue.



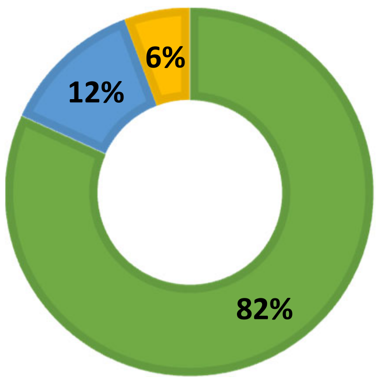
Key Assumptions & Notes

		FORECASTED				
	2026	2027	2028	2029	2030	2031
Transfers In	-	-	-	-	-	-
Advances In	-	10,153	-	-	-	-
All Other Financing Sources	30,625	35,000	10,000	10,000	10,000	10,000

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 $0 as advances-in and is projecting advances of $10,153 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 $35,000 in 2027 and average $10,000 annually through 2031.

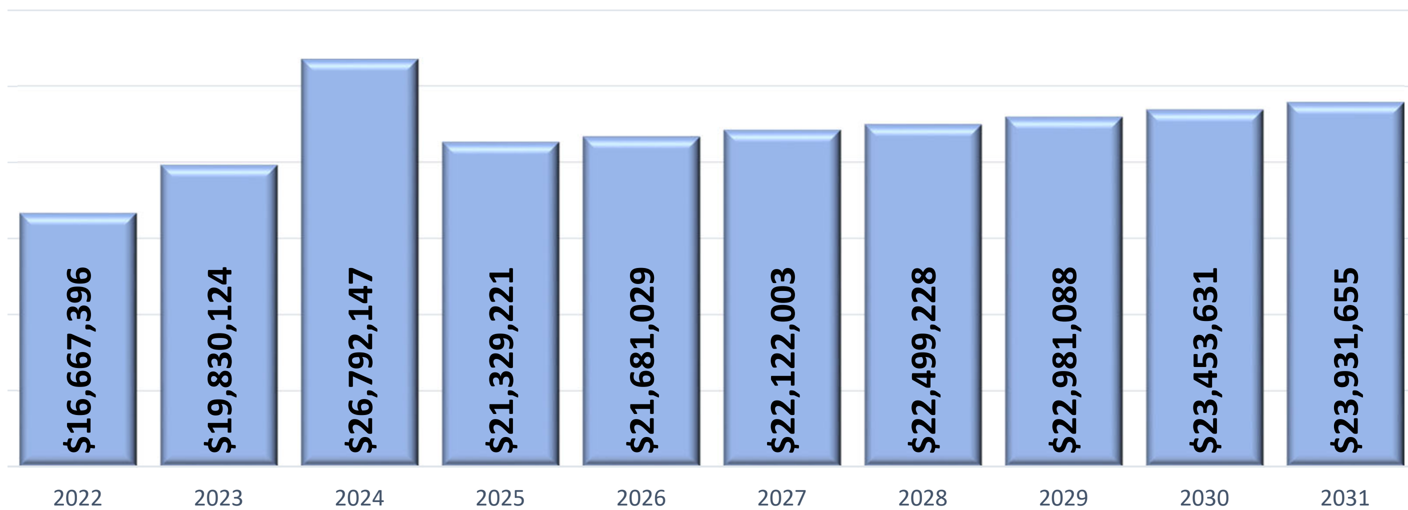
Expenditure Overview

Expenditure Categories



Personnel Costs	
Salaries	57.18%
Benefits	24.63%
Purchased Services	12.46%
All Other Expenditures	
Supplies, Capital, Debt, Other Obj	5.51%
Other Uses	0.23%

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	$790,474	$261,101	($529,373)
Benefits	$361,518	$153,643	($207,875)
Purchased Services	$205,848	$20,471	($185,377)
Supplies & Materials	$39,379	$13,648	($25,731)
Capital Outlay	($16,214)	($2,000)	$14,214
Intergov & Debt	$0	$0	($0)
Other Objects	($37,379)	$5,292	$42,671
Other Uses	$12,030	($2,030)	($14,061)
Total Average Annual Change	$1,355,657	$450,125	($905,532)
	9.44%	2.00%	-7.44%

Expenditures increased by 9.44% ($1,355,657, on average, annually) during the past 5-year period, and are projected to increase by 2.00% ($450,125 annually) through 2031. The forecast line with the most change on the expense side, Salaries, is anticpated to be $529,373 less per year in the projected period compared to historical averages.

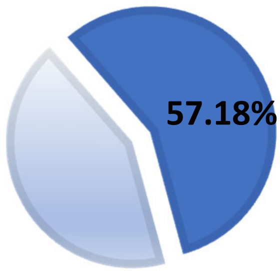
In 2024, the district consolidated general fund accounts which resulted in an expenditure and a receipt of approximately $7.4 million. The net is $0 but the historical data is impacted by this transaction.

For Comparison:

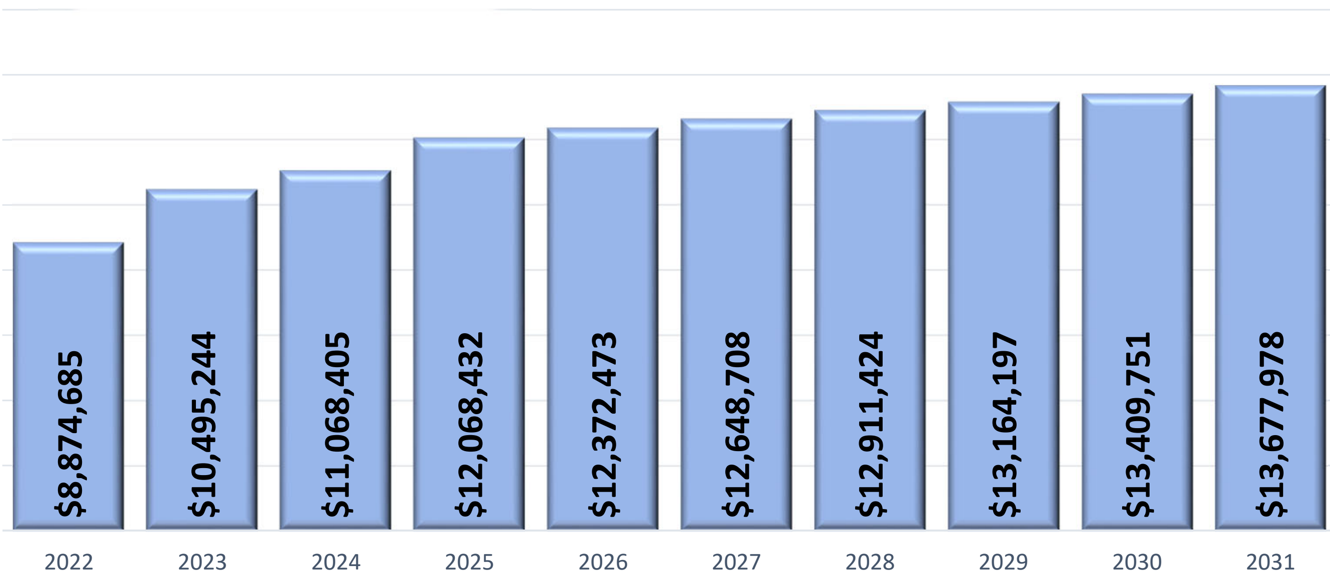
Revenue average annual change is projected to be > $292,788 On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

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



Salaries account for 57.18% of the district's total general fund spending.

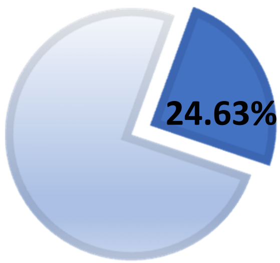


Key Assumptions & Notes

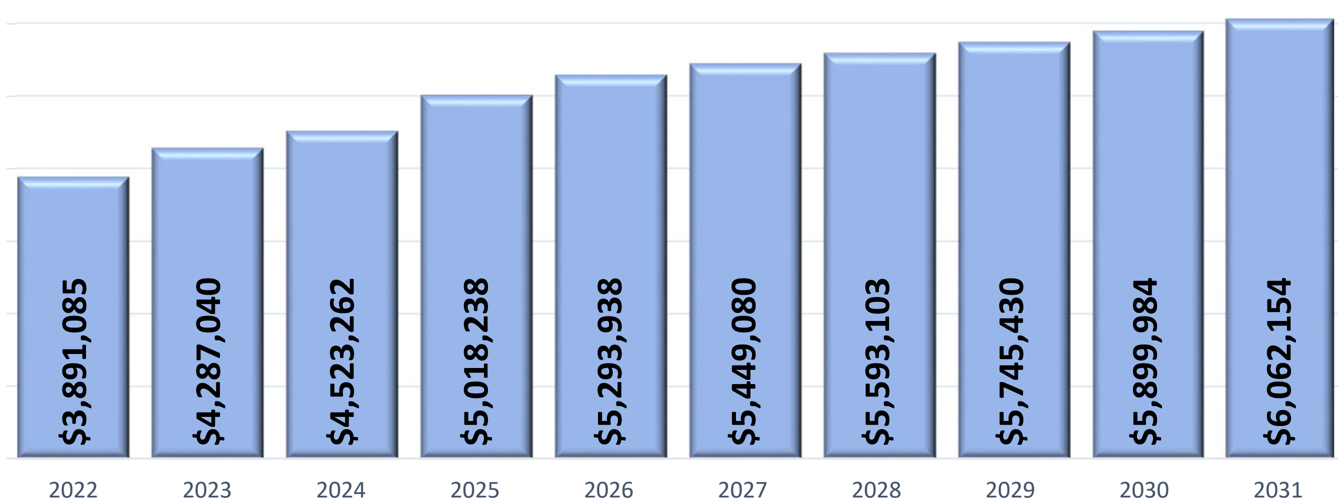
Salaries represent 57.18% of total expenditures and increased at a historical average annual rate of 8.13% (or $790,474). This category of expenditure is projected to grow at an annual average rate of 2.03% (or $261,101) through fiscal year 2031. The projected average annual rate of change is 6.11% less than the five year historical annual average.

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 24.63% of the district's total general fund spending.

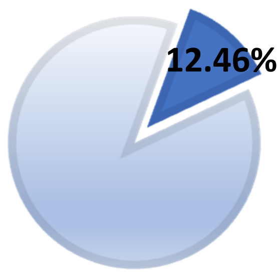


Key Assumptions & Notes

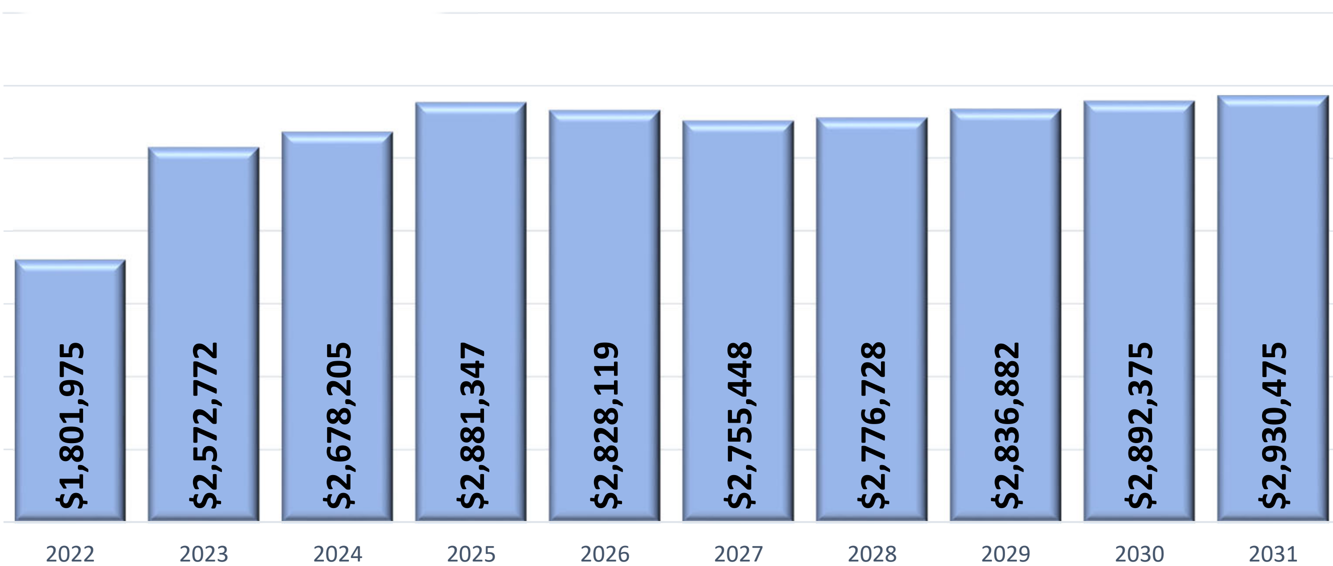
Benefits represent 24.63% of total expenditures and increased at a historical average annual rate of 8.75%. This category of expenditure is projected to grow at an annual average rate of 2.75% through fiscal year 2031. The projected average annual rate of change is 6.00% less than the five year historical annual average.

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 12.46% of the district's total general fund spending.

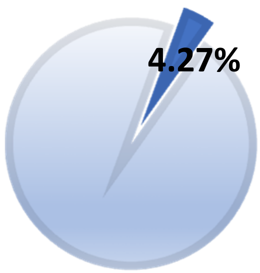


Key Assumptions & Notes

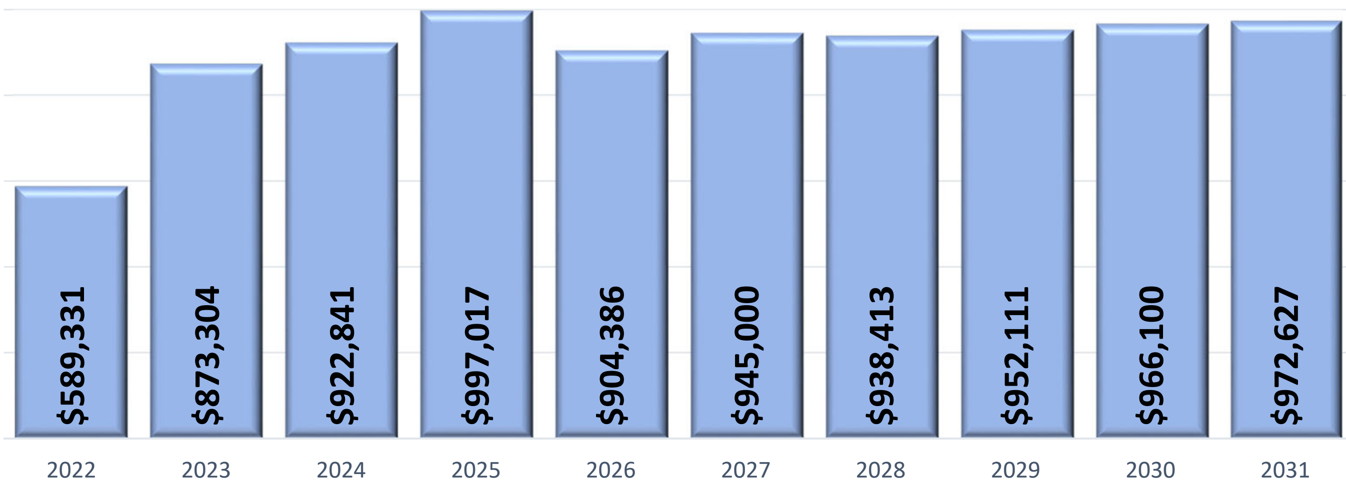
Purchased Services represent 12.46% of total expenditures and increased at a historical average annual rate of 10.56%. This category of expenditure is projected to grow at an annual average rate of 0.73% through fiscal year 2031. The district participates with the Southwest Ohio Council of Governments for teaching substitutes.

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 4.27% of the district's total general fund spending.

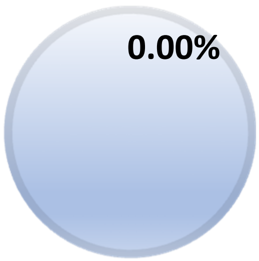


Key Assumptions & Notes

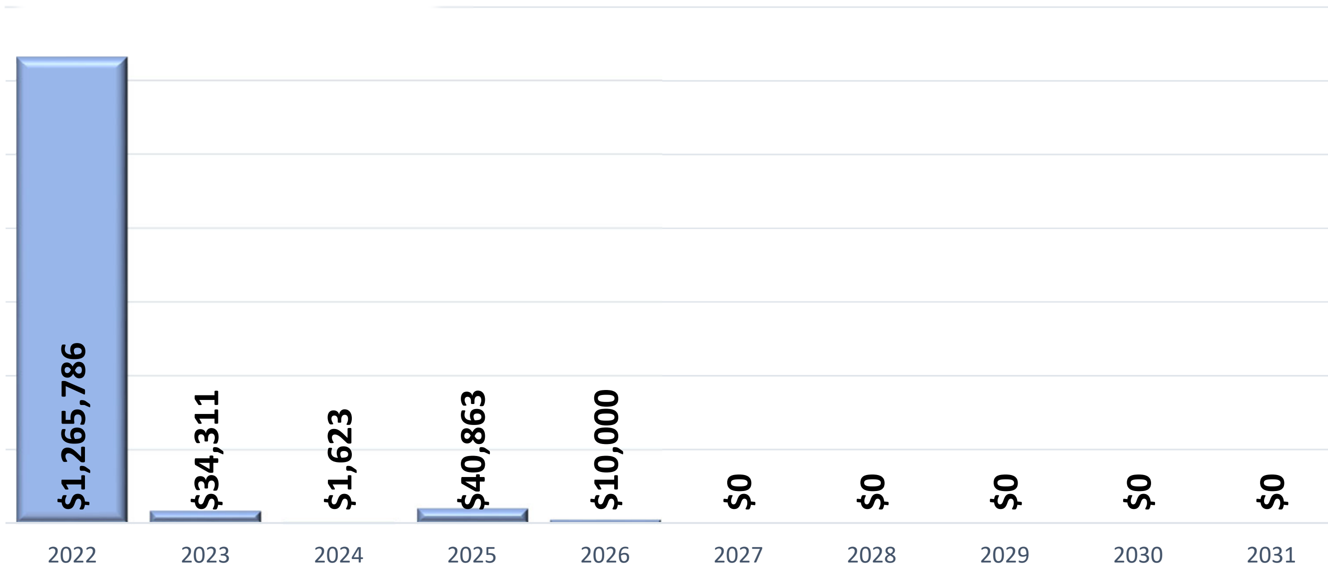
Supplies & Materials represent 4.27% of total expenditures and increased at a historical average annual rate of 7.18%. This category of expenditure is projected to grow at an annual average rate of 1.48% through fiscal year 2031. The projected average annual rate of change is 5.70% less than the five year historical annual average.

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 0.00% of the district's total general fund spending.

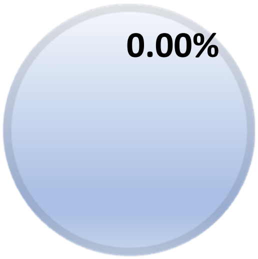


Key Assumptions & Notes

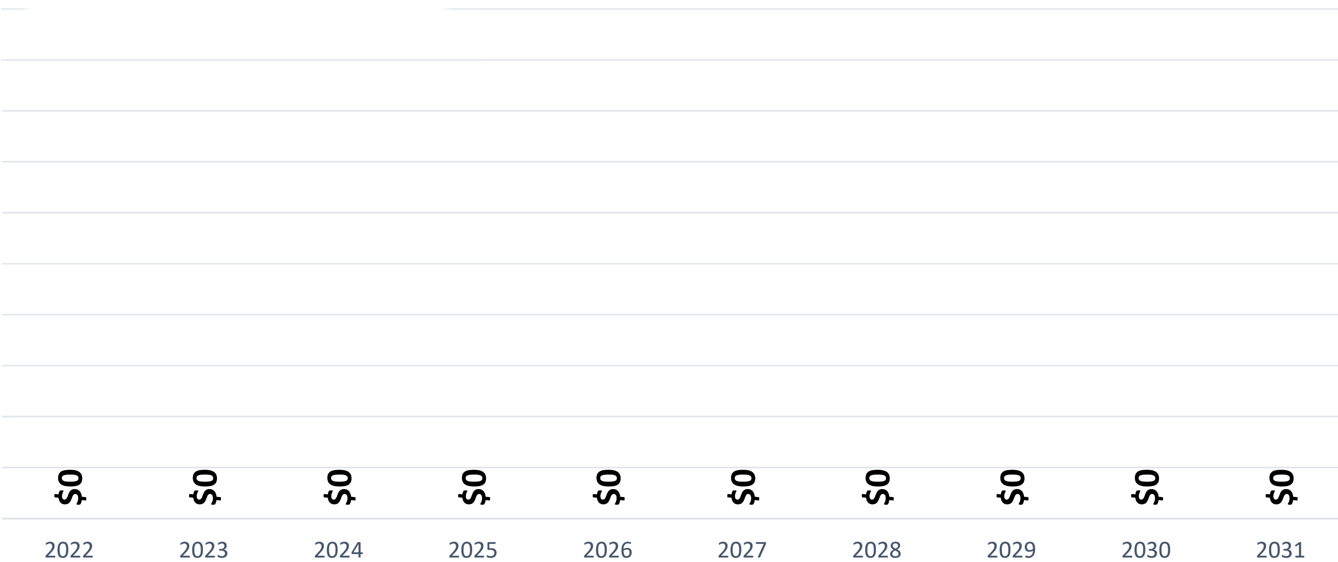
Capital Outlay represent 0.00% of total expenditures and decreased at a historical average annual amount of $16,214. This category of expenditure is projected to decrease at an annual average rate of $2,000 through 2031. The projected average annual change is less than the five year historical annual average. The district has a permanent improvement fund, funded by 2.28 inside mills, for facility and equipment repairs, maintenance, and upgrades and therefore does not anticipate using general fund dollars for capital outlay.

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.

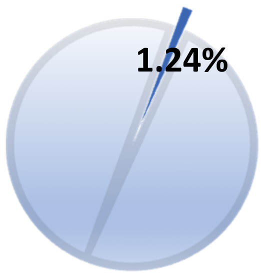


Key Assumptions & Notes

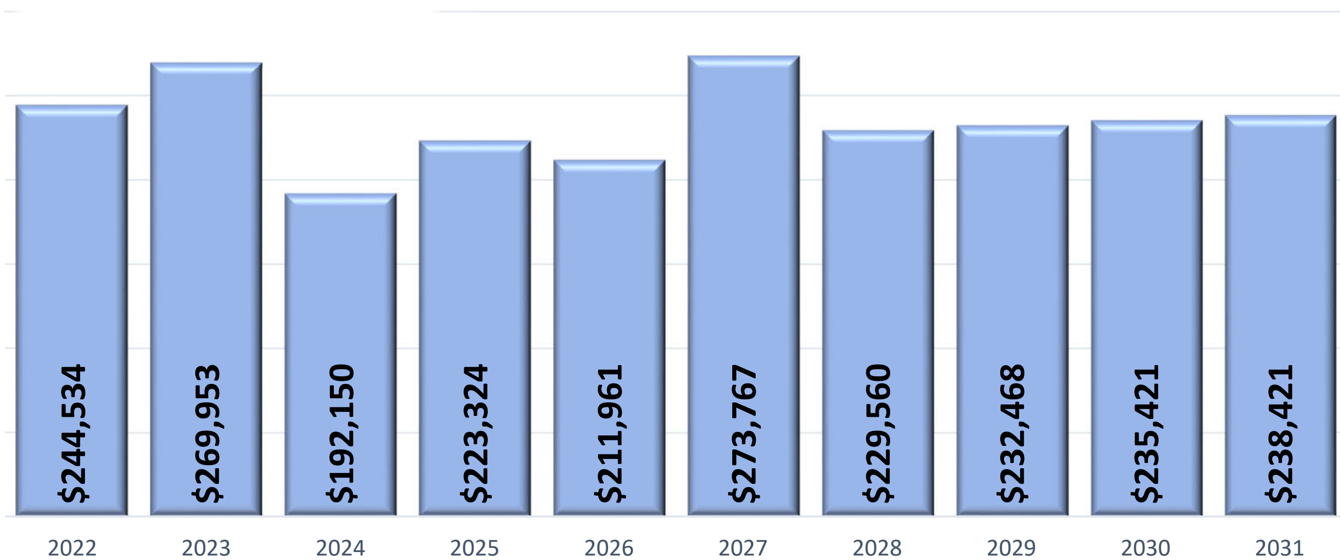
The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

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 1.24% of the district's total general fund spending.

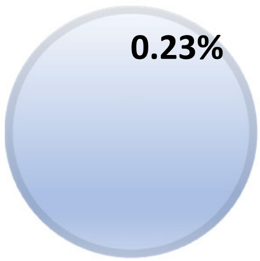


Key Assumptions & Notes

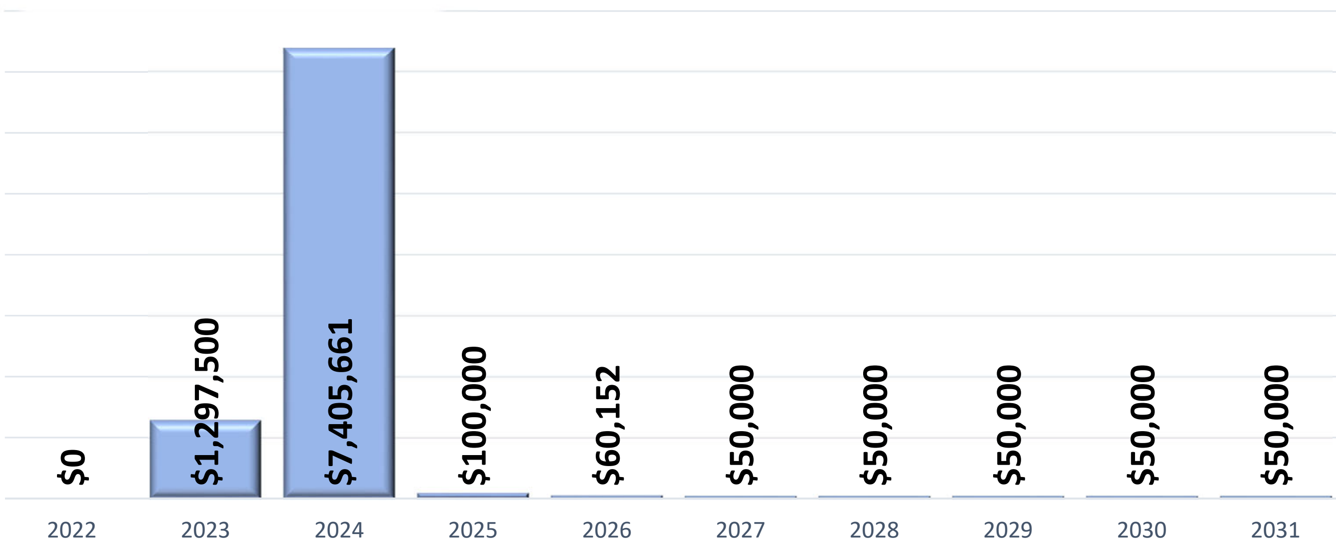
Other Objects represent 1.24% of total expenditures and decreased at a historical average annual rate of -9.20%. This category of expenditure is projected to grow at an annual average rate of 3.36% through fiscal year 2031. The projected average annual rate of change is 12.56% more than the five year historical annual average.

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 0.23% of the district's total general fund spending.



Key Assumptions & Notes

		FORECASTED				
	2026	2027	2028	2029	2030	2031
Transfers Out	50,000	50,000	50,000	50,000	50,000	50,000
Advances Out	10,152	-	-	-	-	-
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 to be repaid in 2027 but expects no advances-out 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. This is an annual transfer to a fund for the payment of severance for retiring employees. The table above presents the district's planned advances and transfers.

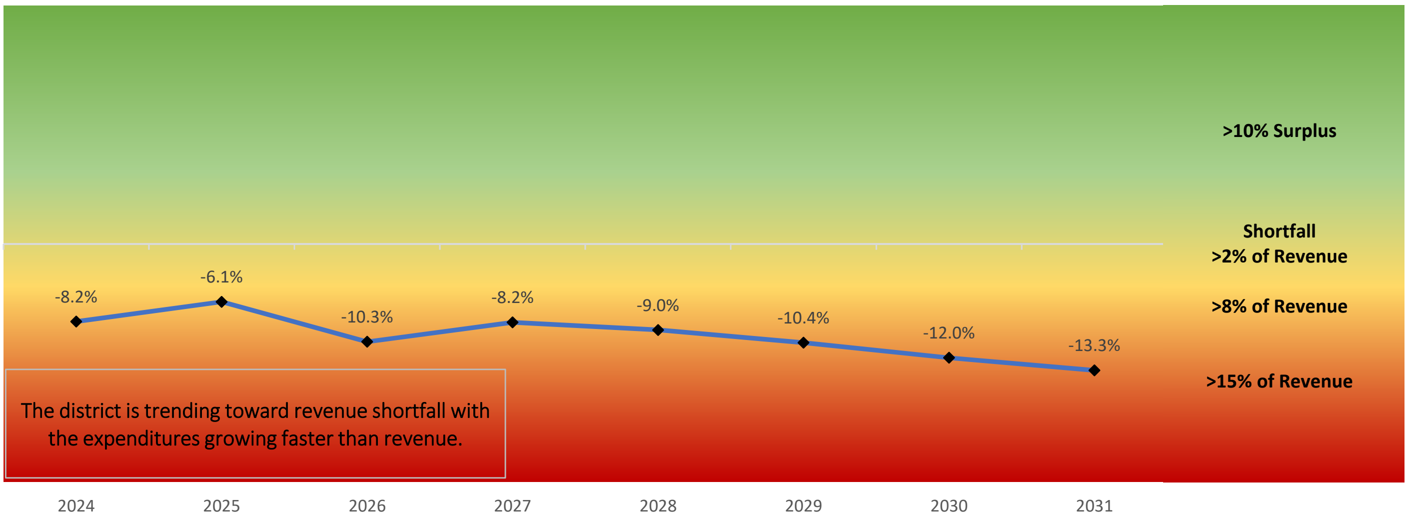
Wayne Local School District

Financial Forecast

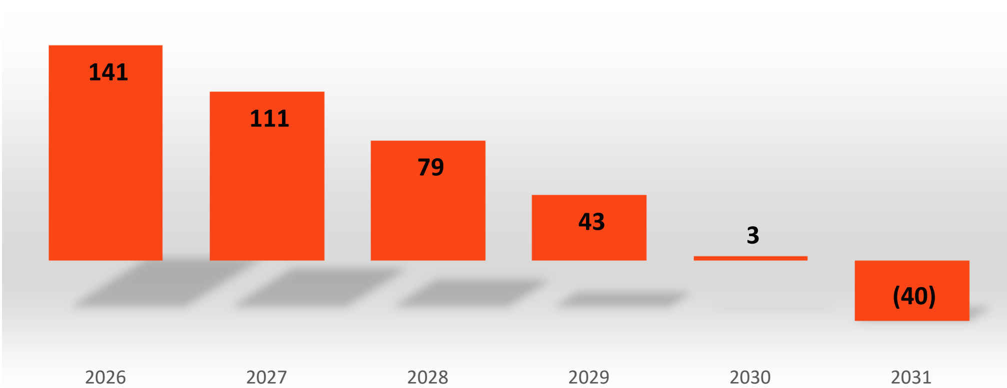
August Fiscal Year 2027

	Actual	FORECASTED				
Fiscal Year:	2026	2027	2028	2029	2030	2031
Revenue:						
1.010 - General Property Tax (Real Estate)	10,522,565	10,979,995	11,161,142	11,332,937	11,454,467	11,641,289
1.020 - Public Utility Personal Property	1,615,794	1,651,070	1,651,070	1,651,070	1,651,070	1,651,070
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	4,974,800	5,119,877	5,155,286	5,175,585	5,196,413	5,217,782
1.040 - Restricted Grants-in-Aid	140,263	98,507	98,633	98,721	98,809	98,897
1.050 - State Reimb Prop Tax Credits	1,553,948	1,570,173	1,597,791	1,624,355	1,642,788	1,652,000
1.060 - All Other Operating Revenues	823,409	973,500	960,265	927,199	894,305	854,305
1.070 - Total Revenue	19,630,778	20,393,122	20,624,187	20,809,867	20,937,852	21,115,343
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	-	10,153	-	-	-	-
2.060 - All Other Financing Sources	30,625	35,000	10,000	10,000	10,000	10,000
2.070 - Total Other Financing Sources	30,625	45,153	10,000	10,000	10,000	10,000
2.080 - Total Rev & Other Sources	19,661,403	20,438,275	20,634,187	20,819,867	20,947,852	21,125,343
Expenditures:						
3.010 - Personnel Services	12,372,473	12,648,708	12,911,424	13,164,197	13,409,751	13,677,978
3.020 - Employee Benefits	5,293,938	5,449,080	5,593,103	5,745,430	5,899,984	6,062,154
3.030 - Purchased Services	2,828,119	2,755,448	2,776,728	2,836,882	2,892,375	2,930,475
3.040 - Supplies and Materials	904,386	945,000	938,413	952,111	966,100	972,627
3.050 - Capital Outlay	10,000	-	-	-	-	-
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	211,961	273,767	229,560	232,468	235,421	238,421
4.500 - Total Expenditures	21,620,877	22,072,003	22,449,228	22,931,088	23,403,631	23,881,655
Other Financing Uses						
5.010 - Operating Transfers-Out	50,000	50,000	50,000	50,000	50,000	50,000
5.020 - Advances-Out	10,152	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	60,152	50,000	50,000	50,000	50,000	50,000
5.050 - Total Exp and Other Financing Uses	21,681,029	22,122,003	22,499,228	22,981,088	23,453,631	23,931,655
6.010 - Excess of Rev Over/(Under) Exp	(2,019,626)	(1,683,728)	(1,865,041)	(2,161,221)	(2,505,779)	(2,806,312)
7.010 - Cash Balance July 1 (No Levies)	10,417,513	8,397,887	6,714,159	4,849,118	2,687,897	182,118
7.020 - Cash Balance June 30 (No Levies)	8,397,887	6,714,159	4,849,118	2,687,897	182,118	(2,624,194)
		Reservations				
8.010 - Estimated Encumbrances June 30	-	50,000	50,000	50,000	50,000	50,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	8,397,887	6,664,159	4,799,118	2,637,897	132,118	(2,674,194)
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	8,397,887	6,664,159	4,799,118	2,637,897	132,118	(2,674,194)
Revenue from New Levies						
13.010 & 13.020 - New Levies		-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	8,397,887	6,664,159	4,799,118	2,637,897	132,118	(2,674,194)

Revenue Surplus/(Shortfall) - Current Forecast



Days Cash on Hand - Current Forecast

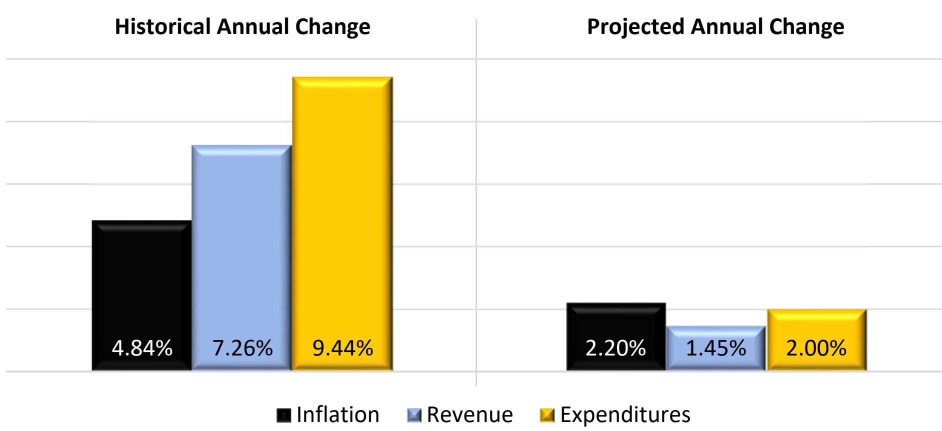


Days cash on hand is projected to decline and is projected to be negative by 2031.

**based on 365 days*

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

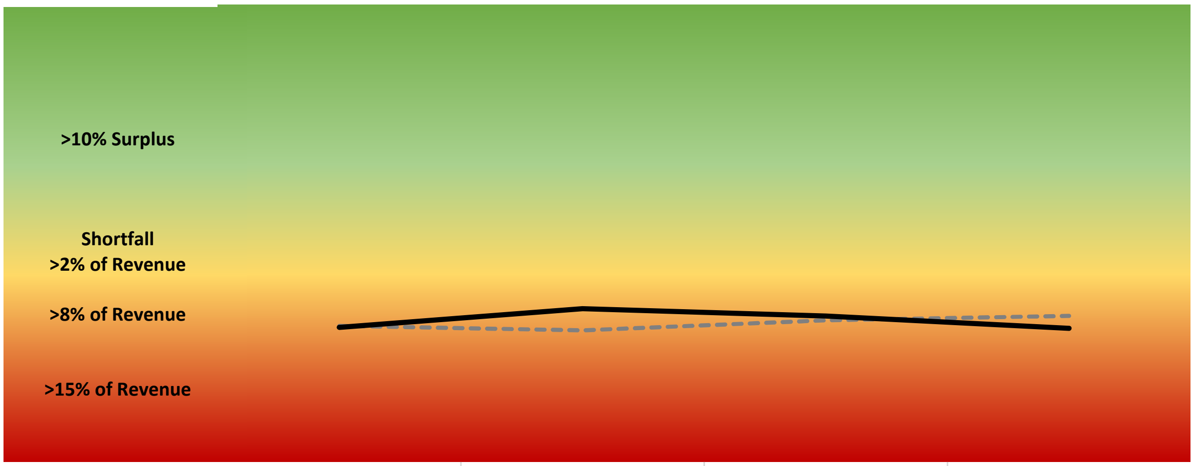
Average projected annual expenditure change is less than inflation , and more than revenue.



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

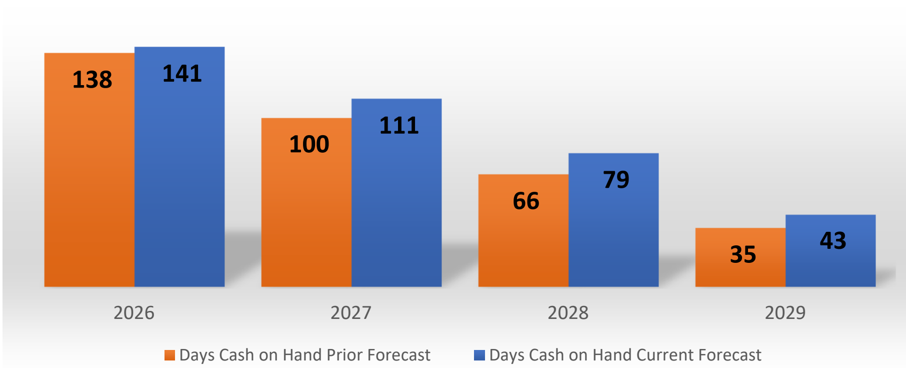
Current to Prior Forecast Comparison

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



	2026	2027	2028	2029
Prior Forecast	-10.1%	-10.6%	-9.5%	-9.0%
Current Forecast	-10.3%	-8.2%	-9.0%	-10.4%

Days Cash on Hand - Current Compared to Prior Forecast



Days cash on hand is forecasted to decline, and is similar to the prior forecast trend.

**based on 365 days*

Revenue and Expenditure Variances - Current Compared to Prior Forecast

	Revenue Variance	
Cumulative Unfavorable Revenue Variance	**-2.27%**	($1,679,909)
	Largest Revenue Variances	
1.035,1.040 State	**-0.70%**	($582,525)
1.01 Real Estate	**-0.94%**	($785,473)
1.03 Income Tax	**0.00%**	$0
All Other Revenue Categories	**-0.37%**	($311,910)

The current revenue forecast is down by 2.27% compared to the prior forecast.

NET cumulative forecast impact for the forecast period 2026 - 2029 of Revenue and Expense variances is 0.29% (or $661,515).

Expenditure Variance		
-2.56%	($2,341,424)	Cumulative Favorable Expenditure Variance
Largest Expenditure Variances		
-0.71%	($646,007)	3.01 Salaries
-0.01%	($7,552)	3.02 Benefits
-1.79%	($1,634,781)	3.03 Purchased Serv.
-0.06%	($53,084)	All Other Expenditure Categories

The current forecast for expenditures is down by 2.56% compared to the prior forecast.

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	2.60	2.60	2.60
Effective Outside Millage	17.40	17.40	17.40
Effective Inside + Outside Millage	20.00	20.00	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	Yes	No	Yes
Class I Combined Change	28.2%	0.0%	0.0%
New GDP-D Allowed Growth	15.40%	13.30%	9.15%

<< district is in more than one county

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	28.21%	0.00%	0.00%
Outside Millage Reduction	(0.00)	(0.00)	(0.00)
Percentage Change in Millage	0.00%	0.00%	0.00%

Taxpayer Credits	**TY 2024**	**TY 2025**	**TY 2026**
If at the floor and exceeded GDP-D Growth	.	$ -	$ -

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
	$ (5,120)	$ (780,132)

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	Yes	No	Yes	Yes
Percent of District in Reappraisal/Update	0.00%	0.00%	0.00%	0.00%	0.00%
Class I Combined Change	0.0%	1308.1%	0.0%	0.0%	1040.0%
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*	2.60	2.50	2.50	2.50	2.49
Millage Change	0.00	-0.10	0.00	0.00	-0.01
Percentage Change in Millage	0.00%	-3.73%	0.00%	0.00%	-0.50%

*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	17.40	15.53	15.53	15.53	14.36
Millage Change	0.00	-1.87	0.00	0.00	-1.17
Percentage Change in Millage	0.00%	-9.35%	0.00%	0.00%	-6.48%
Fixed Sum Millage	6.70	5.96	5.88	5.80	5.33
Millage Change (no change)	-0.10	-0.74	-0.08	-0.08	-0.47
Percentage Change in Millage	-1.51%	-11.02%	-1.32%	-1.31%	-8.09%

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Total Effective Rate (Inside+Outside+Fixed Sum)	26.70	23.99	23.91	23.84	22.19

***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	$ -	$ -	$ -	$ -	$ -

***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	$ (5,120)	$ (780,132)	$ -

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. Neither Warren nor Greene Counties implemented this option, at this time.

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.