

**GALION CITY SCHOOL DISTRICT-CRAWFORD COUNTY  
SCHEDULE OF REVENUE, 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 JUNE 30, 2030**



**Forecast Provided By  
Galion City School District  
Treasurer's Office  
Shannon King, Treasurer  
October 8, 2025**

# Galion City School District

Crawford 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				Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Average Change	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	\$4,487,953	\$4,498,665	\$4,904,615	4.6%	\$5,305,572	\$5,222,636	\$5,220,759	\$5,350,918	\$5,487,464
1.020 Public Utility Personal Property Tax	361,475	368,972	508,362	19.9%	610,932	582,895	551,334	562,459	573,584
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035 Unrestricted State Grants-in-Aid	12,285,834	13,250,122	13,625,117	5.3%	13,164,308	12,967,053	12,967,262	12,967,453	12,967,625
1.040 Restricted State Grants-in-Aid	1,021,549	1,115,114	1,793,087	35.0%	1,828,224	1,984,894	1,984,894	1,984,894	1,984,894
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	655,676	649,694	686,439	2.4%	725,701	726,960	741,501	763,838	786,844
1.060 All Other Revenues	622,375	806,162	892,861	20.1%	857,308	845,678	835,683	827,163	819,977
1.070 <i>Total Revenues</i>	<b>\$19,434,862</b>	<b>\$20,688,729</b>	<b>\$22,410,481</b>	<b>7.4%</b>	<b>\$22,492,045</b>	<b>\$22,330,116</b>	<b>\$22,301,433</b>	<b>\$22,456,725</b>	<b>\$22,620,388</b>
<b>Other Financing Sources</b>									
2.010 Proceeds from Sale of Notes	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.020 State Emergency Loans (Approved)	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	0	0	0	0.0%	0	0	0	0	0
2.060 All Other Financing Sources	127,194	32,070	38,642	-27.1%	34,736	34,000	34,000	34,000	34,000
2.070 <i>Total Other Financing Sources</i>	<b>\$127,194</b>	<b>\$32,070</b>	<b>\$38,642</b>	<b>-27.1%</b>	<b>\$34,736</b>	<b>\$34,000</b>	<b>\$34,000</b>	<b>\$34,000</b>	<b>\$34,000</b>
2.080 <i>Total Revenues and Other Financing Sources</i>	<b>\$19,562,056</b>	<b>\$20,720,799</b>	<b>\$22,449,123</b>	<b>7.1%</b>	<b>\$22,526,781</b>	<b>\$22,364,116</b>	<b>\$22,335,433</b>	<b>\$22,490,725</b>	<b>\$22,654,388</b>
<b>Expenditures</b>									
3.010 Personal Services	\$7,435,745	\$10,681,653	\$11,433,934	25.3%	\$11,679,746	\$12,036,836	\$12,620,445	\$12,864,235	\$13,111,682
3.020 Employees' Retirement/Insurance Benefits	4,552,463	5,258,868	5,609,008	11.1%	5,548,547	5,781,902	6,072,969	6,319,746	6,577,297
3.030 Purchased Services	4,081,874	3,999,665	4,103,884	0.3%	4,372,452	4,454,408	4,537,911	4,623,008	4,709,745
3.040 Supplies and Materials	597,242	740,207	865,415	20.4%	914,666	963,923	1,013,186	1,062,456	1,111,732
3.050 Capital Outlay	11,000	187,345	96,313	777.3%	25,000	25,000	25,000	25,000	25,000
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0
Debt Service:				0.0%					
4.010 Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0
4.020 Principal-Notes	0	0	0	0.0%	0	0	0	0	0
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	0	0	-	0.0%	0	0	0	0	0
4.300 Other Objects	192,044	210,766	237,102	11.1%	240,985	244,954	249,009	253,153	257,387
4.500 <i>Total Expenditures</i>	<b>\$16,870,368</b>	<b>\$21,078,504</b>	<b>\$22,345,656</b>	<b>15.5%</b>	<b>\$22,781,396</b>	<b>\$23,507,023</b>	<b>\$24,518,520</b>	<b>\$25,147,598</b>	<b>\$25,792,843</b>
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	\$448,529	\$394,734	\$1,291,883	107.6%	\$600,000	\$600,000	\$400,000	\$200,000	\$200,000
5.020 Advances-Out	0	0	0	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>	<b>\$448,529</b>	<b>\$394,734</b>	<b>\$1,291,883</b>	<b>107.6%</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$400,000</b>	<b>\$200,000</b>	<b>\$200,000</b>
5.050 <i>Total Expenditures and Other Financing Uses</i>	<b>\$17,318,897</b>	<b>\$21,473,238</b>	<b>\$23,637,539</b>	<b>17.0%</b>	<b>\$23,381,396</b>	<b>\$24,107,023</b>	<b>\$24,918,520</b>	<b>\$25,347,598</b>	<b>\$25,992,843</b>
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	<b>\$2,243,159</b>	<b>(\$752,439)</b>	<b>(\$1,188,416)</b>	<b>-37.8%</b>	<b>(\$854,615)</b>	<b>(\$1,742,907)</b>	<b>(\$2,583,087)</b>	<b>(\$2,856,873)</b>	<b>(\$3,338,455)</b>
7.010 <i>Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies</i>	<b>\$4,582,386</b>	<b>\$6,825,545</b>	<b>\$6,073,106</b>	<b>19.0%</b>	<b>\$4,884,690</b>	<b>\$4,030,075</b>	<b>\$2,287,168</b>	<b>(\$295,919)</b>	<b>(\$3,152,792)</b>
7.020 <i>Cash Balance June 30</i>	<b>\$6,825,545</b>	<b>\$6,073,106</b>	<b>\$4,884,690</b>	<b>-15.3%</b>	<b>\$4,030,075</b>	<b>\$2,287,168</b>	<b>(\$295,919)</b>	<b>(\$3,152,792)</b>	<b>(\$6,491,247)</b>
8.010 <i>Estimated Encumbrances June 30</i>	<b>\$379,978</b>	<b>\$363,602</b>	<b>\$166,334</b>	<b>-29.3%</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>
<b>Reservation of Fund Balance</b>									
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>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Fund Balance June 30 for Certification of Appropriations</i>	<b>\$6,445,567</b>	<b>\$5,709,504</b>	<b>\$4,718,356</b>	<b>-14.4%</b>	<b>\$4,010,075</b>	<b>\$2,267,168</b>	<b>(\$315,919)</b>	<b>(\$3,172,792)</b>	<b>(\$6,511,247)</b>

# Galion City School District

Crawford 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				Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Average Change	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
<b>Revenue from Replacement/Renewal Levies</b>									
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	813,519	1,421,210	1,421,210	1,421,210
11.300 Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$813,519	\$2,234,729	\$3,655,938	\$5,077,148
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	\$6,445,567	\$5,709,504	\$4,718,356	-14.4%	\$4,010,075	\$3,080,687	\$1,918,810	\$483,147	(\$1,434,099)
<b>Revenue from New Levies</b>									
13.010 Income Tax - New	\$0	\$0	\$0	0.0%	\$0	\$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%	\$0	\$0	\$0	\$0	\$0
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>	\$6,445,567	\$5,709,504	\$4,718,356	-14.4%	\$4,010,075	\$3,080,687	\$1,918,810	\$483,147	(\$1,434,099)

**Galion City School District – Crawford County**  
**Notes to the Five-Year Forecast**  
**General Fund Only**  
**October 8, 2025**

**Introduction to the Five-Year Forecast**

A forecast is a snapshot of today. Based on historical trends, what we know and future assumptions. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), new state mandates, tax levies, property reappraisals and updates, salary increases, health insurance increases, enrollment variances, or changes to property valuations due to businesses moving in or out of the district.

As noted below the current state budget approved in HB96 changed the forecast based on what the state Ohio and the Ohio Department of Workforce and Education will require, however the Board of Education will continue to plan over a five-year period. Our district leadership believes that the five-year forecast is a crucial management tool. A five-year planning horizon enables district management teams to examine future years' projections and identify when challenges will arise. This helps district management to be proactive in meeting those challenges.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

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

Here are three essential purposes or objectives of the five-year forecast:

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

Ohio HB96 was passed in June 2025 which amended O.R.C. 5705.391 and O.A.C. 3301-92.04 requiring a Board of Education (BOE) to file their current years budgeted revenue and expenses, and three additional years. This is essentially a four (4) year forecast. Beginning in fiscal year 2026 (July 1 to June 30) the financial forecast must be filed by October 15, and 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 October 2025 filing.

## **Economic Outlook**

Ohio's economic outlook is for slow but steady growth, with industrial diversification in manufacturing, logistics, and technology, with an unemployment rate expected to remain between 4.5% and 5%. The state faces challenges including workforce issues particularly in attracting and retaining skilled labor and the need for affordable housing. In the short term, the state anticipates continued moderate growth despite national and global challenges such as inflation and interest rates, while the long term depends on continued strategic investment in high-growth sectors and addressing the skilled workforce shortage to make Ohio competitive. These conditions should result in stable revenue enabling the state to continue current levels of funding for school districts and stable local revenue as unemployment remains low.

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:**

A five-year financial forecast has risks and uncertainty not only due to economic delays noted above but also due to 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, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws currently in effect. The items below give a short description of the current issues and how they may affect our forecast in the long term:

- 1) The state budget represented 69.9% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond if the state economy stalls due to a possible recession and the Fair School Funding Plan is not continued and funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY28-29 and FY30-31. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY30. We have projected our state funding in FY26 based on HB96 legislation with the Governor's vetoes in place. This forecast reflects state revenue to align with the FY27 funding levels through FY30, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.
- 2) 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 simulations published by the Department of Education and Workforce for our forecasted revenues in FY26.
- 3) 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 "Piggyback Property Tax Exemptions" would NOT be reimbursed. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$248,930 from current operating levies, if our County Commissioners implement this. This new law creates a potential risk to our local tax collections.

- 4) Property tax collections are the second largest single revenue source for the school system and a significant risk to the forecast. We project growth in appraised values every three (3) years and new construction growth with modest increases in local taxes. Total local revenues, predominately local taxes, equating to 30.7% of the district's resources. Our tax collections in the March 2025 and August 2025 settlements showed average collection trends.
- 5) Being in three different counties can pose many challenges in determining the increases or decreases in values. Morrow and Richland Counties experienced full reappraisals for all property values in the 2023 tax year to be collected in FY24. The 2023 reappraisal increased assessed values by \$4.63 million, or 2.89%. Overall values rose \$4.71 million or 2.44%, including reappraisal and new construction for all property classes. Additionally, Crawford County experienced a full reappraisal for all property values in the 2024 tax year to be collected in FY25. The 2024 reappraisal increased values by \$71.5 million, or 43.31%. Overall values rose \$76 million or 38.48%, including reappraisal and new construction for all property classes. Reappraisal updates will occur in Morrow and Richland Counties in the tax year 2026 for collection in FY27. Crawford County will experience a reappraisal update in the tax year 2027 for collection for FY28. We anticipate future reappraisal and/or update values to be more in line with historical trends. There is always a risk that the district could sustain a reduction in values or changes to tax laws by the Ohio Legislature.
- 6) Due to historic property value increases in reappraisal and update years the Ohio Legislature has considered various proposals since 2023 to help reduce non-voted tax increases on taxpayers. HB96 the current state biennium budget passed in June which included several proposals that would have ultimately reduced districts' cash balances and placed severe restrictions on increasing local tax revenues. The Governor vetoed four (4) property tax measures that he said would jeopardize the financial stability of public schools. The Ohio House of Representatives pulled three (3) of the Governor's vetoes addressing school district to attempt to override them. They included: 1) County Budget Commission Authority; 2) manipulates the calculation of the 20-mill floor to include emergency, substitute and other levies in the calculation; and 3) the elimination of various levies including emergency, replacement and renewal levies

The Ohio House of Representatives met on July 21, 2025 and voted (61-28) in favor of overriding the elimination of various levy types - only. As of this forecast filing, the Senate has not met to vote on any of the vetoes thus the Governor's vetoes remain in effect.

As part of the Governors' vetoes, he created a property tax reform working group co-chaired by former legislators. The governor appointed 11 members including the co-chairs. The working group is tasked with thoroughly examining issues related to how to provide meaningful property tax relief to homeowners and businesses while ensuring that funding for local schools, local governments, fire, police, EMS, libraries, and developmental disabilities is adequate. The Governor has asked the working group to issue a report with concrete proposals by September 30, 2025.

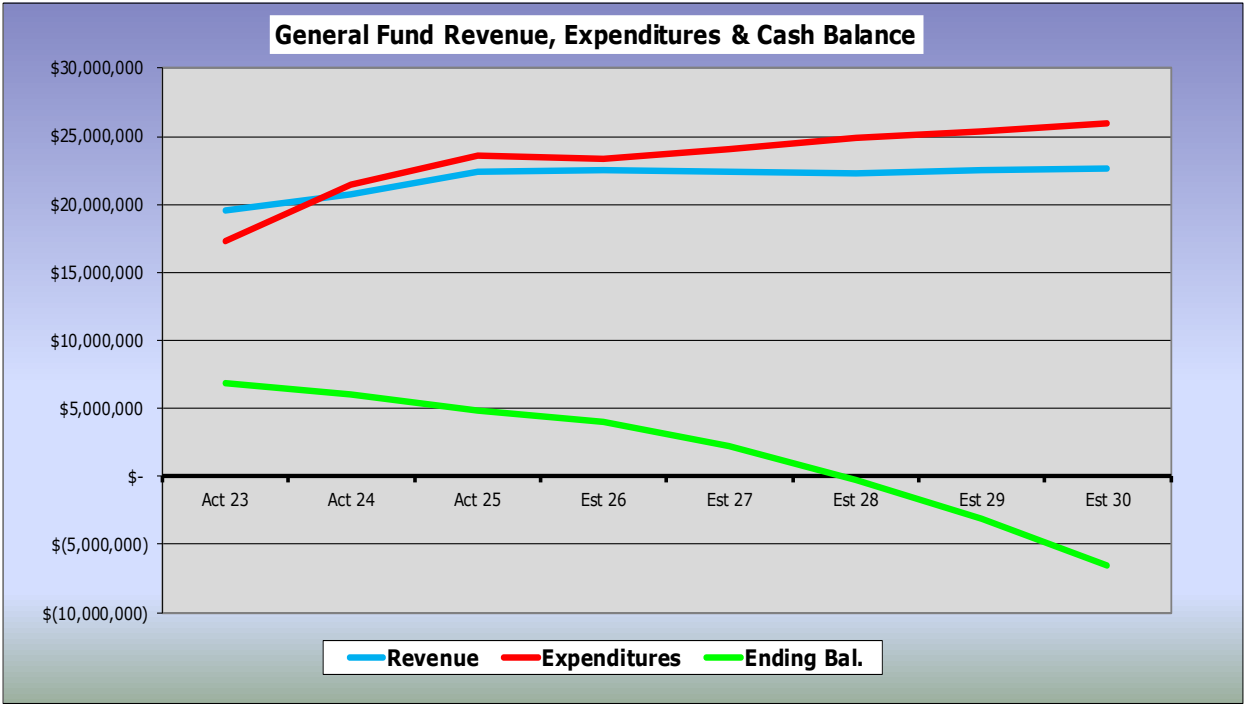
The legislature has introduced several other bills that would limit real estate tax growth or eliminate real estate tax collections completely. Many of these bills are still in committee. Many of these pending bills represent a serious risk to our school district funding. We are watching legislation closely for any impact on our local revenues.

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. Our positive working relationship will continue and grow stronger as we move forward.

The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below to understand the overall financial forecast for our district. If you want further information, please contact Shannon King, Treasurer/CFO, at 419.468.3432 x711003.

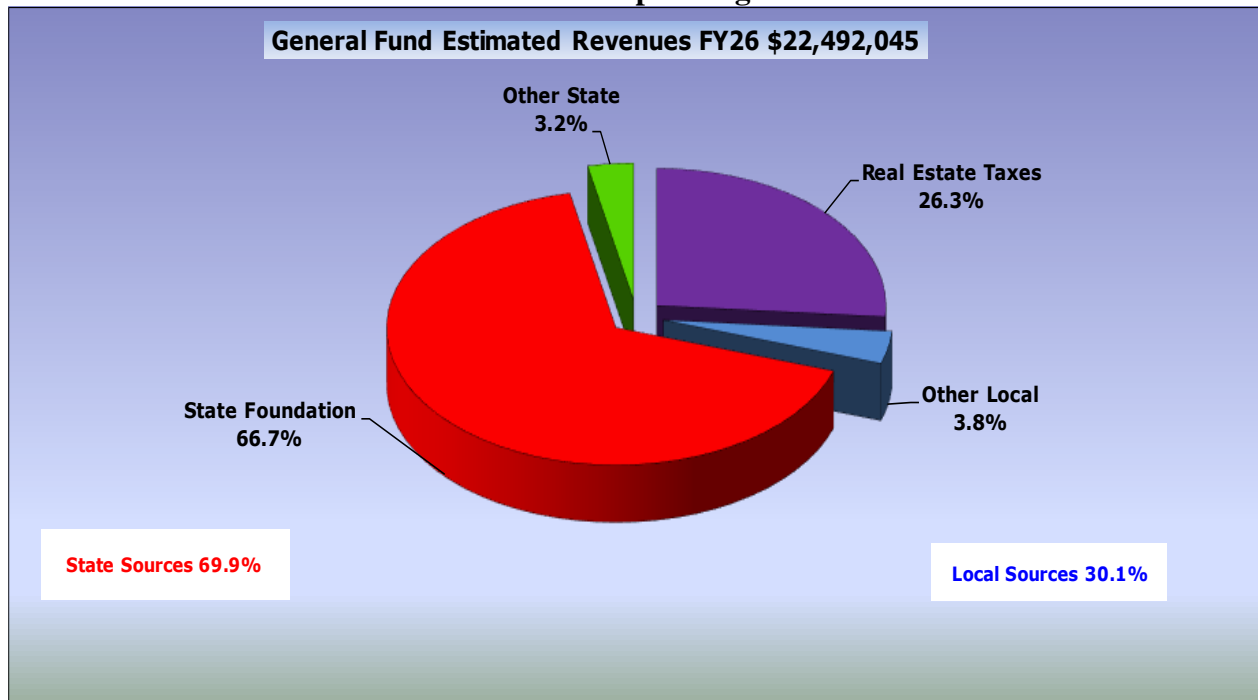
**General Fund Revenue, Expenditures, and Ending Cash Balance FY23-25 and Estimated FY26-30**

The graph captures in one snapshot the operating scenario facing the District over the next few years. The drop in ending cash balances below in FY27 is due to the operating levy expiring December 31, 2026.



## Revenue Assumptions

### Estimated General Fund Operating Revenue for FY26



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

Property Values are established annually by the County Auditor based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. Morrow and Richland Counties experienced reappraisals for the 2023 tax year to be collected in 2024. Due to the reappraisal led by an improving housing market, residential/agricultural values increased 2.89% or \$4.63 million.

For the tax year 2023, residential property values were up primarily due to new construction by 2.89% or \$4.63 million in assessed value, and commercial/industrial values remained stable. Overall values rose \$4.71 million or 2.44%, including new construction for all property classes. Additionally, Crawford County experienced a full reappraisal in tax year 2024 to be collected in FY25. Overall values rose \$76 million or 38.48%.

Reappraisal updates will occur in Morrow and Richland Counties in 2026 for collection in 2027, for which we estimate a 1% increase in residential and a 0% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase by \$2.34 million or .86% overall. Crawford County will experience a reappraisal update in tax year 2027 for collection in FY28. We anticipate Residential/Agricultural and Commercial/Industrial values to increase by \$7.9 million or 2.86%.

Public Utility Personal Property (PUPP) values increased by \$4.46 million in Tax Year 2024. We expect our values to continue to grow by \$250,000 each year of the forecast.

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



## ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027	TAX YEAR 2028	TAX YEAR 2029
	COLLECT 2026	COLLECT 2027	COLLECT 2028	COLLECT 2029	COLLECT 2030
Res./Ag.	\$237,106,410	\$239,507,474	\$246,722,698	\$254,154,379	\$261,809,011
Comm./Ind.	36,332,900	36,272,900	36,938,358	37,617,125	38,309,468
Public Utility Personal Property (PUPP)	<u>12,004,530</u>	<u>12,254,530</u>	<u>12,504,530</u>	<u>12,754,530</u>	<u>13,004,530</u>
Total Assessed Value	<u>\$285,443,840</u>	<u>\$288,034,904</u>	<u>\$296,165,586</u>	<u>\$304,526,034</u>	<u>\$313,123,008</u>

### Tax Rate Assumptions

The Crawford County Auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy to not increase from inflation of property values for the taxes received by a district to that of the actual amount of the levy at the time of the election. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. The district-voted rate for all general fund levies is 52.23 mills while the Class I effective millage rate is 20 mills and the Class II effective millage rate is 34.87 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills (excluding emergency and substitute emergency levies), which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is at the floor for Class I. This must be closely monitored due to potential HB96 veto overrides by the House and Senate which could change the 20-Mill Floor all the way through December 31, 2026.

### Estimated Real Estate Tax (Line #1.010)

Property tax levies are estimated to be collected at 95% of the annual amount. This allows a 5% delinquency factor. In general, 56.50% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 43.50% in the August tax settlement.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
General Property Taxes	<u>\$5,501,327</u>	<u>\$5,222,636</u>	<u>\$5,220,759</u>	<u>\$5,350,918</u>	<u>\$5,487,464</u>

### Levy Renewal – Line# 11.02

Residents renewed the 7.73 mill operating levy that was expiring December 31, 2021. The levy was renewed for a five (5) year period with the last collection ending in December 31, 2026. Renewal levies do not increase taxes for the school district or cost resident’s additional taxes.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Renewal of 7.73 Mill Operating levy-Line #11.02	<u>\$0</u>	<u>\$813,519</u>	<u>\$1,421,210</u>	<u>\$1,421,210</u>	<u>\$1,421,210</u>

### New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

### Estimated Public Utility Personal Tax – Line#1.020

The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP were \$11.75 million in assessed values in 2024 and is collected at the district’s gross voted millage rate. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor. The values in 2024 rose by \$4.46 million and are expected to grow by \$250,000 each year of the forecast.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Public Utility Personal Property - Line #1.020	<u>\$610,932</u>	<u>\$582,895</u>	<u>\$551,334</u>	<u>\$562,459</u>	<u>\$573,584</u>

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

**A) 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 FY27-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 not available at this time. When a detailed analysis is available, please visit the Ohio Department of Education and Workforce at: <https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

**State Funding FY26-FY27**

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

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

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

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

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

Our district is one of the 36 districts who received Supplemental Targeted Assistance. The funding source was eliminated as part of HB96. Our district will lose \$131,136 as a result of this elimination during the biennial budget process.

## Future State Budget Projections beyond FY27

Our funding status for FY28-FY31 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget processes; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY28 through 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 31<sup>st</sup> of January and August each year, beginning for the first time on January 31, 2013.

In FY25, the funding totaled \$114.30 million or \$65.70 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	\$12,499,092	\$12,301,612	\$12,301,612	\$12,301,612	\$12,301,612
Additional Aid Items	<u>559,427</u>	<u>559,427</u>	<u>559,427</u>	<u>559,427</u>	<u>559,427</u>
Basic Aid-Unrestricted Subtotal	13,058,519	12,861,039	12,861,039	12,861,039	12,861,039
Ohio Casino Commission ODT	<u>105,789</u>	<u>106,014</u>	<u>106,223</u>	<u>106,414</u>	<u>106,586</u>
Total Unrestricted State Aid - Line #1.035	<u>\$13,164,308</u>	<u>\$12,967,053</u>	<u>\$12,967,262</u>	<u>\$12,967,453</u>	<u>\$12,967,625</u>

### B) Restricted State Revenues – Line # 1.040

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. We have estimated revenues for these new restricted funding lines using the most current funding factors available. For fiscal years 2026 and 2027, HB96 modifies how DPIA is calculated by factoring in both directly certified and economically disadvantaged students. The new formula modified the weight given to these student groups over the biennium. We will not see the specific impact of this until after this forecast period.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
DPIA	\$1,291,577	\$1,457,709	\$1,457,709	\$1,457,709	\$1,457,709
Career Tech	68,232	60,790	60,790	60,790	60,790
Gifted Supplement	109,129	107,088	107,088	107,088	107,088
ESL	3,143	3,164	3,164	3,164	3,164
Student Wellness	356,143	356,143	356,143	356,143	356,143
Other State Restricted	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues - Line #1.040	<u>\$1,828,224</u>	<u>\$1,984,894</u>	<u>\$1,984,894</u>	<u>\$1,984,894</u>	<u>\$1,984,894</u>

### C) Restricted Federal Grants in Aid – line #1.045

There are no federal restricted grants projected during this forecast.

<b>Summary of State Foundation Revenues</b>	<b><u>FY26</u></b>	<b><u>FY27</u></b>	<b><u>FY28</u></b>	<b><u>FY29</u></b>	<b><u>FY30</u></b>
Unrestricted - Line #1.035	\$13,164,308	\$12,967,053	\$12,967,262	\$12,967,453	\$12,967,625
Restricted - Line #1.040	1,828,224	1,984,894	1,984,894	1,984,894	1,984,894
Restricted Federal - Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$14,992,532</u>	<u>\$14,951,947</u>	<u>\$14,952,156</u>	<u>\$14,952,347</u>	<u>\$14,952,519</u>

### **State Share of Local Property Tax – Line #1.050**

#### **Rollback and Homestead Reimbursement**

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013. And Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled.

HB96, 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. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$248,930 from current operating levies, if our County Commissioners implemented this.

### **Summary of State Tax Reimbursement – Line #1.050**

<b>Source</b>	<b><u>FY26</u></b>	<b><u>FY27</u></b>	<b><u>FY28</u></b>	<b><u>FY29</u></b>	<b><u>FY30</u></b>
Rollback and Homestead - Line #1.05	<u>\$725,701</u>	<u>\$726,960</u>	<u>\$741,501</u>	<u>\$763,838</u>	<u>\$786,844</u>

### **Other Local Revenues – Line #1.060**

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees. Since FY22 any open-enrolled students since have been counted in our Enrolled ADM numbers for state funding and are not separately funded.

Interest income is based on the district’s cash balances. While interest income in FY26 should remain steady due to laddered investment strategies, expected Federal Reserve 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 are expected to return to pre-pandemic levels over time. All other revenues are expected to continue historical trends.

<b>Source</b>	<b><u>FY26</u></b>	<b><u>FY27</u></b>	<b><u>FY28</u></b>	<b><u>FY29</u></b>	<b><u>FY30</u></b>
Open Enrollment Gross	\$650	\$657	\$664	\$671	\$678
Interest	159,194	143,275	128,948	116,053	104,448
Medicaid & CAT Aid	268,545	271,227	273,936	276,672	279,436
Tuitions	159,958	161,558	163,174	164,806	166,454
Other Income and rentals	<u>268,961</u>	<u>268,961</u>	<u>268,961</u>	<u>268,961</u>	<u>268,961</u>
Total Line # 1.060	<u>\$857,308</u>	<u>\$845,678</u>	<u>\$835,683</u>	<u>\$827,163</u>	<u>\$819,977</u>

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

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

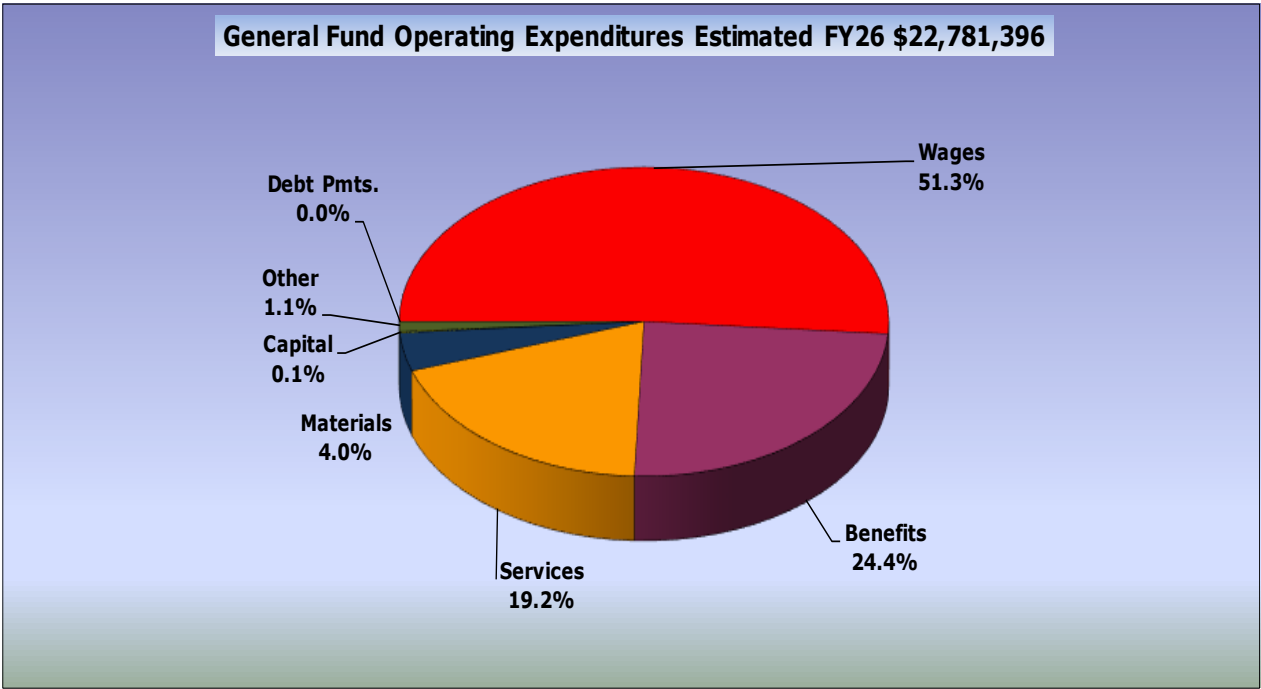
### **All Other Financial Sources – Line #2.060**

This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and we will not project that occurring in the remainder of the forecast.

**Expenditures Assumptions**

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

**Estimated General Fund Operating Expenditures for FY26**



**Wages – Line #3.010**

The district is implemented a “pause” in all hiring relating to attrition, for fiscal year 2021 a salary/benefits reduction of \$500,000 is reflected that is attributable to several positions being absorbed and not replaced. In 2023 the Galion Board of Education entered into a one (1) year agreement with the Galion Education Association and with the Ohio Association of Public-School Employees. The financial impact of these two contracts are fully recognized in this forecast submission. The forecast represents salary increases based upon negotiated “step increases” per the collective bargaining agreements with the Galion Education Association and the Ohio Association of Public Employees of 3% for FY25, 4% for FY26 and 3% increases for FY27 and FY28. For planning purposes, a 0% base amount has been used for FY29-30.

We have used ESSER funds in FY22-24 to help offset wage costs. ESSER funds have been fully spent and we have added back wage costs that were paid from ESSER funds in FY24, and other adjustments noted for attrition.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Base Wages	\$11,179,306	\$11,447,375	\$11,812,507	\$12,052,695	\$12,296,485
Steps & Training	167,690	171,711	177,188	180,790	184,447
Substitutes	216,000	216,000	216,000	216,000	216,000
Supplementals	351,750	351,750	351,750	351,750	351,750
Staff Adjustments SWSF & ESSER	<u>(235,000)</u>	<u>(150,000)</u>	<u>63,000</u>	<u>63,000</u>	<u>63,000</u>
Total Wages - Line #3.010	<u>\$11,679,746</u>	<u>\$12,036,836</u>	<u>\$12,620,445</u>	<u>\$12,864,235</u>	<u>\$13,111,682</u>

### **Fringe Benefits Estimates - Line #3.02**

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

#### **A) STRS/SERS**

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

#### **B) Insurance**

The District participates in the Wyandot-Crawford Health Benefit Plan (Plan) to provide major medical, prescription and dental coverage for participating employees. The Plan is a public entity shared risk pool. The Plan pays all claims for covered participants and provides for stop loss coverage for claims in excess of \$200,000. Major medical claims are reviewed by the District on a monthly basis and analyzed daily by the Plan administrator. We experienced an increase in insurance cost of 9% in FY25. We are estimating 5% for FY26-FY30 which reflects trend and the likely increase in health care costs. This is based on our current employee census and claims data. Renewal occurs January 1 each year.

#### **C) Workers Compensation & Unemployment Compensation**

Workers' Compensation is expected to be approximately .3% for FY26-FY30. Unemployment is likely to remain at a shallow level FY26-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 wage increases and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

### **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	\$2,026,441	\$2,085,815	\$2,180,300	\$2,222,838	\$2,266,013
B) Insurance's	3,281,879	3,445,973	3,633,392	3,830,182	4,036,811
C) Workers Comp/Unemployment	45,000	48,000	50,000	50,000	50,000
D) Medicare	172,184	179,071	186,234	193,683	201,430
Other/Tuition	<u>23,043</u>	<u>23,043</u>	<u>23,043</u>	<u>23,043</u>	<u>23,043</u>
Total Fringe Benefits - Line #3.020	<u>\$5,548,547</u>	<u>\$5,781,902</u>	<u>\$6,072,969</u>	<u>\$6,319,746</u>	<u>\$6,577,297</u>

### **Purchased Services – Line #3.030**

College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district and have been adjusted based on historical trend. We have seen an increase in costs with the ESC due to the

increase in Opportunity Center services. We have assumed a 3% increase each year to account for staffing costs and inflation.

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.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Base Services	\$97,812	\$98,790	\$99,778	\$100,776	\$101,784
Excess Cost County ESC	247,155	249,627	252,123	254,644	257,190
Tuition, CC+ and Ed Scholarship-479	422,207	426,429	430,693	435,000	439,350
Professional Support 41x	2,791,993	2,839,913	2,888,312	2,937,195	2,986,567
Building Maintenance Repairs 42x	205,586	207,642	209,718	211,815	213,933
Utilities	607,699	632,007	657,287	683,578	710,921
Total Purchased Services - Line #3.030	<u>\$4,372,452</u>	<u>\$4,454,408</u>	<u>\$4,537,911</u>	<u>\$4,623,008</u>	<u>\$4,709,745</u>

### **Supplies and Materials – Line #3.040**

Expenses include curricular supplies, testing supplies, copy paper, maintenance, custodial supplies, materials, and bus fuel.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Supplies	\$539,275	\$587,275	\$635,275	\$683,275	\$731,275
Textbooks	6,651	6,651	6,651	6,651	6,651
Building Maintenance	117,343	117,343	117,343	117,343	117,343
Transportation	<u>251,397</u>	<u>252,654</u>	<u>253,917</u>	<u>255,187</u>	<u>256,463</u>
Total Supplies - Line #3.040	<u>\$914,666</u>	<u>\$963,923</u>	<u>\$1,013,186</u>	<u>\$1,062,456</u>	<u>\$1,111,732</u>

### **Equipment – Line # 3.050**

The District does not anticipate costs increasing significantly in this line because the Permanent Improvement Fund pays most capital outlay.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Total Equipment - Line #3.050	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>

### **Other Expenses – Line #4.300**

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit, and other miscellaneous expenses. A rate of 1% increase is projected in this area.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
County Auditor & Treasurer Fees	\$163,054	\$164,685	\$166,332	\$167,995	\$169,675
County ESC	10,690	11,011	11,341	11,682	12,032
Other expenses	<u>67,241</u>	<u>69,258</u>	<u>71,336</u>	<u>73,476</u>	<u>75,680</u>
Total Other Expenses - Line #4.300	<u>\$240,985</u>	<u>\$244,954</u>	<u>\$249,009</u>	<u>\$253,153</u>	<u>\$257,387</u>

### **Transfers Out/Advances Out – Line# 5.010**

Amounts in this category reflect transfers from the general fund to the following funds, Permanent Improvement, Severance, and High School Athletics. The District does not have a voter approved Permanent

Improvement Levy, but the required year-end balance in the Permanent Improvement Fund, per House Bill 59, is approximately \$360,000. We are transferring money to the 070 Fund in FY25 to cover remaining lease payments on the bus garage lease payments. The in addition to the \$360,000 noted for the Permanent Improvement Fund we are transferring an additional \$240,000 a year starting in FY26 to cover other capital needs.

Severance costs are also included as operating transfers out to minimize the impact on the general fund for retirements and other expenses associated with the termination of employment.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Operating Transfers Out - Line #5.010	\$600,000	\$600,000	\$400,000	\$200,000	\$200,000
Advances Out - Line #5.020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances Out	<u>\$600,000</u>	<u>\$600,000</u>	<u>\$400,000</u>	<u>\$200,000</u>	<u>\$200,000</u>

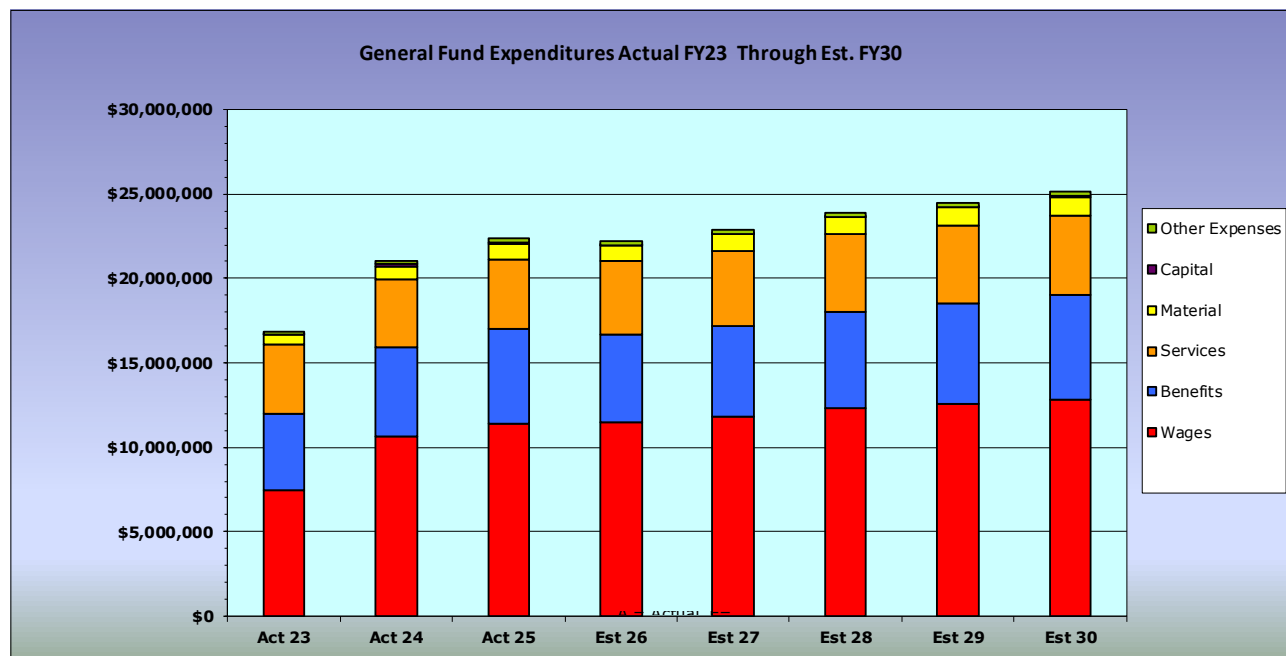
### Encumbrances –Line#8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Estimated Encumbrances	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>

### Operating Expenditures Actual FY23 through FY25 and Estimated FY26-FY30

As the graph on the following page 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.





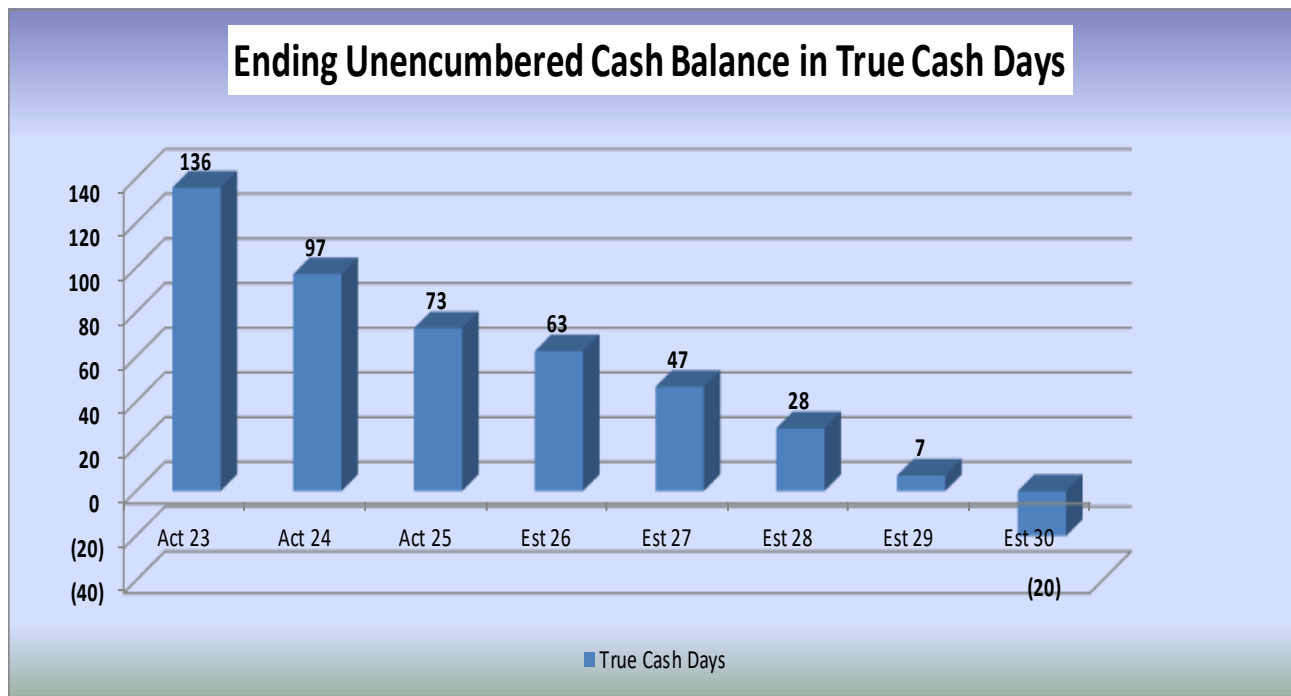
### Ending Unencumbered Cash Balance “The Bottom-line”– Line#15.010

This amount must not go below \$0, or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract knowingly signed those results in a negative unencumbered cash balance violates 5705.412, ORC, punishable by the personal liability of \$10,000. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about \$1.9 million for our district.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Ending Unencumbered Cash Balance	<u>\$4,010,075</u>	<u>\$3,080,687</u>	<u>\$1,918,810</u>	<u>\$483,147</u>	<u>(\$1,434,099)</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 365 (Current Years Expenditures/365 days) = the number of days the district could operate without additional resources or a severe resource interruption. The government Finance Officers Association recommends that no less than two (2) months or 60 days of cash is on hand at year-end. Still, it could be more depending on each district's complexity and risk factors for revenue collection. This is calculated, including transfers, as this is a predictable funding source for other funds such as capital, athletics, and severance reserves.



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