

SOUTHERN LOCAL BOARD OF EDUCATION

October 14, 2025 @ 6:00 pm / High School Media Center

I. Call to Order

II. Roll Call:

Pastore____, Sawyer____, Shagnot____, Dowling____, Hart____

**III. Adoption of Minutes: Moved by____ Seconded by____
Waive the reading of the minutes**

Vote: Sawyer____, Shagnot____, Dowling____, Pastore____, Hart____

IV. Reception of Visitors

During the Reception of Visitors or in the meeting, anyone addressing the board must refrain from using specific names other than that of the person speaking. If used, the President will ask you to continue in an executive session to be held at the board's determination. This is in line with Board of Education Policy 0169.1. There is a time limit of five minutes to speak per person and a total of thirty minutes. To go beyond thirty minutes board vote is needed.

V. Treasurer's Report

Financial Report: (Approval of the payment of bills and the transfers and /or advances as presented by the treasurer).

Moved by____ Seconded by____

Vote: Shagnot____, Dowling____, Pastore____, Sawyer____, Hart____

VI. Career Center Report

VII. Building Reports

VIII. Superintendent's Report

25-187 Recommend the Board to approve then and now purchase orders as approved by the Treasurer. (Attachment A)

Moved by _____ Seconded by _____

Vote: Dowling _____, Pastore _____, Sawyer _____, Shagnot _____, Hart _____

25-188 Recommend approval of the following substitutes for the 2025-2026 school year.

Eric Chronister -teacher

Nigel Spann -teacher

Abby Patterson – teacher, paraprofessional, and secretary

Toby Warner – teacher and paraprofessional

Breanna Shasteen – teacher and paraprofessional

Jamie Clemens – paraprofessional

Aleah Bach – teacher

Pam Weekley – paraprofessional, secretary, and cafeteria

Moved by _____ Seconded by _____

Vote: Pastore _____, Sawyer _____, Shagnot _____, Dowling _____, Hart _____

25-189 Recommend approval of the resignation of Mary Craig, cafeteria worker, effective September 9, 2025.

Moved by _____ Seconded by _____

Vote: Sawyer _____, Shagnot _____, Dowling _____, Pastore _____, Hart _____

25-190 Recommend approval of Jim Dickson as the Junior High Football Coach for the 2025-2026 school year.

Moved by _____ Seconded by _____

Vote: Shagnot _____, Dowling _____, Pastore _____, Sawyer _____, Hart _____

25-191 Recommend approval of Jimmy Malone as a Bowling Coach for the 2025-2026 school year.

Moved by _____ Seconded by _____

Vote: Dowling _____, Pastore _____, Sawyer _____, Shagnot _____, Hart _____

25-192 Recommend approval or Fernando DeChellis as a Bowling Coach for the 2025-2026 school year

Moved by _____ Seconded by _____

Vote: Pastore _____, Sawyer _____, Shagnot _____, Dowling _____, Hart _____

25-193 Recommend approval of the FFA filed trip to Indianapolis, Indiana October 29, 2025 leaving at 6:30 am and returning November 1, 2025 at 8:00 pm.

Moved by _____ Seconded by _____

Vote: Sawyer _____, Shagnot _____, Dowling _____, Pastore _____, Hart _____

25-194 Recommend approval of the sixth grade Science Class to travel to the Carnegie Science Center in Pittsburgh, Pennsylvania on December 11, 2025. Time of departure is 8:45 am and time of return is 2:00 pm.

Moved by _____ Seconded by _____

Vote: Pastore _____, Sawyer _____, Shagnot _____, Dowling _____, Hart _____

25-195 Recommend approval of the Memorandum of Understanding with the Columbiana County Mental Health Clinic (dba The Counseling Center).

Moved by _____ Seconded by _____

Vote: Sawyer _____, Shagnot _____, Dowling _____, Pastore _____, Hart _____

25-196 Recommend approval of the Board to donate \$675.25 to the elementary yearbook.

Moved by _____ Seconded by _____

Vote: Shagnot _____, Dowling _____, Pastore _____, Sawyer _____, Hart _____

25-197 Recommend approval of a one-year limited contract for Mike Jarvis as high school afternoon custodian.

Moved by _____ Seconded by _____

Vote: Dowling _____, Pastore _____, Sawyer _____, Shagnot _____, Hart _____

25-198 Recommend approval of a one-year limited contract for Chelsey White as a cafeteria worker.

Moved by _____ Seconded by _____

Vote: Pastore _____, Sawyer _____, Shagnot _____, Dowling _____, Hart _____

25-199 Recommend approval of a one-year limited contract for Judy Murphy as an afternoon custodian.

Moved by _____ Seconded by _____

Vote: Sawyer _____, Shagnot _____, Dowling _____, Pastore _____, Hart _____

**25-200 Recommend approval of the following Certified Behavioral Specialists:
Stacy Smith
Micah Stevens**

Moved by _____ Seconded by _____

Vote: Shagnot _____, Dowling _____, Pastore _____, Sawyer _____, Hart _____

25-201 Recommend approval of Michele Skinner for a VLA grading stipend for Math.

Moved by _____ Seconded by _____

Vote: Dowling _____, Pastore _____, Sawyer _____, Shagnot _____, Hart _____

Jocelyn Reed, Skyler Lasure, China Willis, Kayla Terdina, and Logan Krulik.

Vote: Pastore _____, Sawyer _____, Shagnot _____, Dowling _____, Hart _____

Vote: Sawyer _____, Shagnot _____, Dowling _____, Pastore _____, Hart _____

Vote: Shagnot _____, Dowling _____, Pastore _____, Sawyer _____, Hart _____

Vote: Dowling _____, Pastore _____, Sawyer _____, Shagnot _____, Hart _____

25-206 Recommend approval of the permanent appropriations for FY 26 as presented by the Treasurer. (Attachment D)

Moved by _____ Seconded by _____

Vote: Pastore _____, Sawyer _____, Shagnot _____, Dowling _____, Hart _____

25-207 Recommend approval of the updated certificate of resources as presented by the Treasurer. (Attachment E)

Moved by _____ Seconded by _____

Vote: Sawyer _____, Shagnot _____, Dowling _____, Pastore _____, Hart _____

25-208 Recommend approval of the following staffing agreements with Shale:
Early In Program 2024-2025
Early In Program 2025-2026
Tactical Response Training
McKinney Vento Training

Moved by _____ Seconded by _____

Vote: Shagnot _____, Dowling _____, Pastore _____, Sawyer _____, Hart _____

25-209 Recommend approval of the Early In Program stipends for the following:
Matt Gates 2024-2025 and 2025-2026
John Wright 2024-2025 and 2025-2026

Moved by _____ Seconded by _____

Vote: Dowling _____, Pastore _____, Sawyer _____, Shagnot _____, Hart _____

**25-210 Recommend approval of the Tactical Response stipend for the following:
Matt Gates, John Wright, Carter Hill, Jessie Mahan, and Bill Watson.**

Moved by _____ Seconded by _____

Vote: Pastore _____, Sawyer _____, Shagnot _____, Dowling _____, Hart _____

25-211 Recommend approval of the McKinney Vento stipend for Jocelyn Reed.

Moved by _____ Seconded by _____

Vote: Sawyer _____, Shagnot _____, Dowling _____, Pastore _____, Hart _____

**25-212 Recommend approval of the following policies: (First Reading)
2266, 2430.02, 2431, 3130, 5130, 5136, 5200, 5223, 5410, 6109, 6152, 6830,
7540.02, 7541, 8300, 8305, 8400, 8462, 8640, 9270, 1422.02/3122.02/4122.02,
1662/3362/4362, 2260, 2260.01, 1623/3123/4123**

Moved by _____ Seconded by _____

Vote: Shagnot _____, Dowling _____, Pastore _____, Sawyer _____, Hart _____

**25-213 Recommend approval of a parental leave of absence for an unnamed
individual with a tentative start date of December 8, 2025 through the
remainder of the 2025-2026 school year.**

Moved by _____ Seconded by _____

Vote: Dowling _____, Pastore _____, Sawyer _____, Shagnot _____, Hart _____

25-214

Recommendation to go into executive session for matters required to be kept confidential by federal law or state statutes. WHEREAS, as a public board of education may hold an executive session only after a majority of a quorum of this board determines by a roll call vote to hold such a session and only at a regular or special meeting for the sole purpose of the consideration of any of the following matters: To consider one or more, as applicable, of the check-marked items with respect to a public employee or official:

- _____ 1. Appointment
- _____ 2. Employment
- _____ 3. Dismissal
- _____ 4. Discipline
- _____ 5. Promotion
- _____ 6. Demotion
- _____ 7. Compensation
- _____ 8. Personnel

Moved by _____

Seconded by _____

Vote: Pastore _____, Sawyer _____, Shagnot _____, Dowling _____, Hart _____

Returned from Executive Session: _____

Roll Call: Sawyer _____, Shagnot _____, Dowling _____, Pastore _____, Hart _____

Adjournment: _____

Moved by _____

Seconded by _____

Vote: Shagnot _____, Dowling _____, Pastore _____, Sawyer _____, Hart _____

Then and Now September 2025

PC	Vendor	PO Date	Invoice Date	Requestor	PO Amount
220371	Michael Helman	09/04/2025	09/08/2025	julie.dowling@slindians.org	\$140.00
220372	Keith Raffle	09/04/2025	09/08/2025	julie.dowling@slindians.org	\$280.00
220373	BRANDON HOPPEL	09/04/2025	09/08/2025	julie.dowling@slindians.org	\$140.00
220376	Jostens	09/05/2025	09/08/2025	julie.dowling@slindians.org	\$402.50
220381	Jeff Haugh	09/08/2025	09/18/2025	julie.dowling@slindians.org	\$140.00
220382	Samantha L. Wolfe	09/08/2025	09/18/2025	julie.dowling@slindians.org	\$140.00
220383	Matthew Alexander Deniro	09/08/2025	09/18/2025	julie.dowling@slindians.org	\$140.00
220426	WILLIE COLEMAN	09/22/2025	09/30/2025	julie.dowling@slindians.org	\$140.00
220427	Keith Raffle	09/22/2025	09/30/2025	julie.dowling@slindians.org	\$140.00
220428	Jordin Campbell	09/22/2025	09/30/2025	julie.dowling@slindians.org	\$140.00

Gerard Grimm - Freshman Class Advisor

Gerard Grimm - Sophomore Class Advisor

Kim Adams - Junior Class Advisor

Bob Shanksy - Senior Class Advisor, National Honor Society, High School Student Council

Alyssa Lockhart - Yearbook Advisor (HS)

Michele Skinner - Yearbook Advisor (Jr High)

Kim Adams -Art Club Advisor

Shannon Rodgers - Junior High Student Council Advisor

Amanda Wroblewski – Robotics

Dustin Brown - Robotics

Karen Marquis - Robotics (EL)

Janice Pierce - Robotics (EL)

Karla Calderon - Spanish Club

Shannon Rodgers - Intervention Coordinator

Emily Bowling - Play Advisor & Pep Band

Special Education: Brenda Kekel, Brian Eastham, Abby Dalton, Jimmy

Malone, Ashley Farnsworth, Mike Skrinjar, Jessica

Coleman, Allison Warner, Kylee Maple, Kim Louk, Fernando DeChellis, Heather Henderson

High School AM Duties: Brett Hughes, Sharon Campbell, Kenadee

Pezzano, Sue Lissi, Bob Shanksy, Todd Walters, Dustin Brown

High School PM Duties: Amanda Wroblewski, Bob Shanksy, Dustin Brown,

Todd Walters, Tiffany Scheel, Gerard Grimm, Kylee Maple, Kenadee Pezzano, Lisa Houk

Elementary AM Duties: Regina Utt, Jim Reese, Holly Keller, Holly Davis, Nikki Lewis, Elizabeth Callahan, Elizabeth Sevek, Jackie Collins, Ryan Smith, Kim Louk, Tracey Richards, Kim Blatch, Phyllis Maskaluk, Kim Crawford, Kya McCulley, Katie Forbes, Kristen Walter, Karen Marquis, Angela Martin

Elementary PM Duties: Jackie Collins, Sandy Lewis, Donna Hart

LPDC Members: Katie Forbes, Emily Smith, Jess Krulik, Karen Marquis, Susan Lissi, Kristy Sampson

Mentors: Dana Patterson, Ryan Smith, Holly Davis, Alyssa Lockhart

After School Detention Monitor – Karla Calderon

Yearbook (Elementary) Co-Advisor - Nikki Lewis

Yearbook (Elementary) Co-Advisor - Holly Davis

**SOUTHERN LOCAL SCHOOL DISTRICT-COLUMBIANA 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
Southern Local School District
Treasurer's Office
Greg Sabbato, Treasurer
October 14, 2025**

Southern Local School District

Columbiana 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)	\$2,048,084	\$2,365,640	\$2,500,364	10.6%	\$2,394,057	\$2,508,056	\$2,520,588	\$2,586,334	\$2,629,273
1.020	Public Utility Personal Property Tax	\$1,925,974	\$1,405,998	\$1,733,784	-1.8%	\$1,747,694	\$1,771,808	\$1,780,319	\$1,788,829	\$1,797,340
1.030	Income Tax	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
1.035	Unrestricted State Grants-in-Aid	\$7,904,368	\$8,497,536	\$8,846,563	5.8%	\$9,312,288	\$9,687,815	\$9,688,592	\$9,689,381	\$9,690,181
1.040	Restricted State Grants-in-Aid	\$1,034,203	\$1,056,810	\$1,070,534	1.7%	\$1,093,393	\$1,138,755	\$1,138,755	\$1,138,755	\$1,138,755
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	\$449,357	\$367,579	\$330,813	-14.1%	\$355,804	\$366,360	\$368,116	\$377,251	\$386,387
1.060	All Other Revenues	\$1,693,644	\$1,505,589	\$2,492,433	27.2%	\$2,482,971	\$1,712,067	\$1,738,185	\$1,764,804	\$1,791,934
1.070	Total Revenues	\$15,055,630	\$15,199,152	\$16,974,491	6.3%	\$17,386,207	\$17,184,862	\$17,234,556	\$17,345,354	\$17,433,870
Other Financing Sources										
2.010	Proceeds from Sale of Notes	\$0	\$0	\$518,906	0.0%	\$0	\$0	\$0	\$0	\$0
2.020	State Emergency Loans and Advancements (Approved)	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.040	Operating Transfers-In	\$177,786	\$141,925	\$0	-60.1%	\$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	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.070	Total Other Financing Sources	\$177,786	\$141,925	\$518,906	122.7%	\$0	\$0	\$0	\$0	\$0
2.080	Total Revenues and Other Financing Sources	\$15,233,416	\$15,341,077	\$17,493,397	7.4%	\$17,386,207	\$17,184,862	\$17,234,556	\$17,345,354	\$17,433,870
Expenditures										
3.010	Personal Services	\$6,755,305	\$7,238,407	\$8,317,853	11.0%	\$8,526,802	\$8,980,792	\$9,363,319	\$9,762,729	\$10,179,776
3.020	Employees' Retirement/Insurance Benefits	\$4,245,123	\$4,017,788	\$3,929,607	-3.8%	\$3,856,491	\$4,033,130	\$4,197,580	\$4,367,067	\$4,543,628
3.030	Purchased Services	\$2,180,879	\$2,374,851	\$1,974,168	-4.0%	\$1,802,022	\$1,830,737	\$1,860,343	\$1,890,871	\$1,922,351
3.040	Supplies and Materials	\$626,512	\$627,969	\$695,691	5.5%	\$560,622	\$572,889	\$585,438	\$598,277	\$611,413
3.050	Capital Outlay	\$218,029	\$230,272	\$269,539	11.3%	\$335,541	\$75,541	\$75,541	\$355,541	\$75,541
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	\$123,339	\$60,423	\$0	-75.5%	\$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%	\$78,849	\$84,032	\$88,877	\$94,422	\$100,269
4.050	Principal-HB 264 Loans	\$0	\$0	\$107,916	0.0%	\$105,017	\$71,222	\$0	\$0	\$0
4.055	Principal-Other	\$0	\$0	\$87,928	0.0%	\$78,849	\$84,032	\$88,877	\$94,422	\$100,269
4.060	Interest and Fiscal Charges	\$5,829	\$1,106	\$17,612	705.7%	\$28,884	\$21,824	\$16,006	\$10,462	\$4,617
4.300	Other Objects	\$284,571	\$290,955	\$300,194	2.7%	\$306,198	\$312,322	\$318,568	\$324,940	\$331,438
4.500	Total Expenditures	\$14,439,587	\$14,841,771	\$15,700,508	4.3%	\$15,679,275	\$16,066,521	\$16,594,551	\$17,498,730	\$17,869,303
Other Financing Uses										
5.010	Operating Transfers-Out	\$142,804	\$86,270	\$125,000	2.7%	\$73,000	\$73,000	\$73,000	\$73,000	\$73,000
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	Total Other Financing Uses	\$142,804	\$86,270	\$125,000	2.7%	\$73,000	\$73,000	\$73,000	\$73,000	\$73,000
5.050	Total Expenditures and Other Financing Uses	\$14,582,391	\$14,928,041	\$15,825,508	4.2%	\$15,752,275	\$16,139,521	\$16,667,551	\$17,571,730	\$17,942,303
6.010	Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$651,025	\$413,036	\$1,667,889	133.6%	\$1,633,931	\$1,045,341	\$567,005	(\$226,375)	(\$508,432)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$2,725,816	\$3,376,841	\$3,789,877	18.1%	\$5,457,766	\$7,091,697	\$8,137,038	\$8,704,043	\$8,477,668
7.020	Cash Balance June 30	\$3,376,841	\$3,789,877	\$5,457,766	28.1%	\$7,091,697	\$8,137,038	\$8,704,043	\$8,477,668	\$7,969,236
8.010	Estimated Encumbrances June 30	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
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	Subtotal	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0

Southern Local School District

Columbiana 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
<i>Fund Balance June 30 for Certification of Appropriations</i>	\$3,376,841	\$3,789,877	\$5,457,766	28.1%	\$7,091,697	\$8,137,038	\$8,704,043	\$8,477,668	\$7,969,236
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal				0.0%	\$0	\$0	\$0	\$0	\$0
11.020 Property Tax - Renewal or Replacement				0.0%	\$0	\$0	\$0	\$0	\$0
11.300 Cumulative Balance of Replacement/Renewal Levies				0.0%	\$0	\$0	\$0	\$0	\$0
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	\$3,376,841	\$3,789,877	\$5,457,766	28.1%	\$7,091,697	\$8,137,038	\$8,704,043	\$8,477,668	\$7,969,236
Revenue from New Levies									
13.010 Income Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.020 Property Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.030 Cumulative Balance of New Levies	\$0	\$0		0.0%	\$0	\$0	\$0	\$0	\$0
14.010 Revenue from Future State Advancements				0.0%	\$0	\$0	\$0	\$0	\$0
15.010 <i>Unreserved Fund Balance June 30</i>	\$3,376,841	\$3,789,877	\$5,457,766	28.1%	\$7,091,697	\$8,137,038	\$8,704,043	\$8,477,668	\$7,969,236
20.010 Kindergarten -ADM count	70	61	66		60	64	65	65	63
20.015 Grades -ADM count	697	726	680		674	672	662	665	686

Southern Local School District – Columbiana County
Notes to the Five-Year Forecast
General Fund Only
October 14, 2025

Introduction to the Five-Year Forecast

A forecast can be viewed as a still photo within a larger movie telling a story. It provides a snapshot of the district's financial position today, shaped by historical trends, current data, and reasonable assumptions about the future. As with a movie, however, the story continues to evolve, and the further the forecast extends, the greater the likelihood that actual results will diverge from the initial snapshot.

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 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 to 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) Columbiana County experienced a reappraisal update in the 2022 tax year to be collected in 2023. The 2022 reappraisal update increased overall assessed values by \$19.33 million or an increase of 18.98%. A reappraisal will occur in tax year 2025 for collection in 2026. We anticipate value increases for Class I and II property by \$11.9 million for an overall increase or 9.38%. There is however always a minor risk that the district could sustain a reduction in values in the next reappraisal, but we do not anticipate that at this time.
- 2) 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 (61-58) 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, 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.

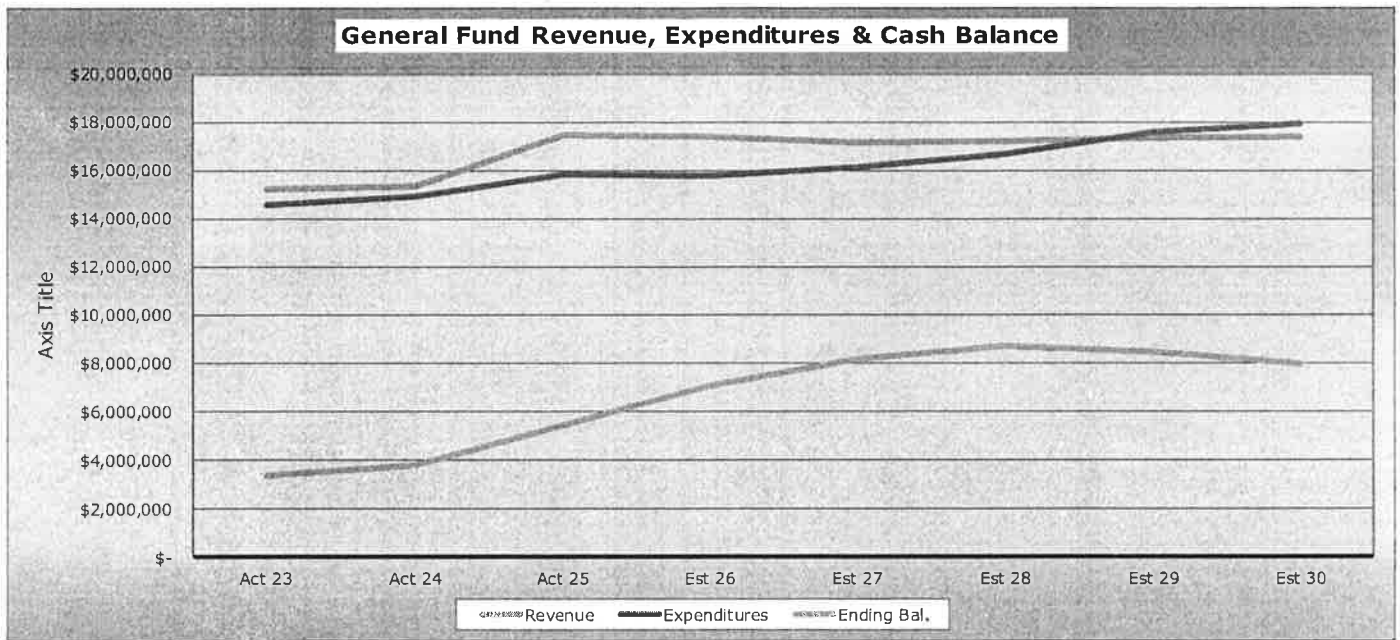
The legislature has introduced several other bills that would limit real estate tax growth or eliminate real estate tax collections completely. Many of these bills are still in committee. We are watching legislation closely for any impact on our local revenues.

- 3) Public Utility Personal Property tax collections have become a major source of income for the district with the Unity and NEXUS pipelines. There is a risk that changes in the values could be lowered due to tax appeals or depreciation for future years of the forecast.
- 4) The district has 7.84 mill operating levy that will expire in 2030. It will be important to renew this levy when it comes up for renewal. We believe the levy will be renewed, but there is always a chance that it would not be.

- 5) The state budget represented 61.9% 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 Fair School Funding Plan is not 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.
- 6) 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 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 July #2 settlement report published by the Department of Education and Workforce for our forecasted revenues in FY26.
- 7) 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 from current operating levies, if our County Commissioners implement this. This new law creates a potential risk to our local tax collections.
- 8) Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the extreme resource challenges today. We believe as we move forward our positive working relationship will continue and will only grow stronger.

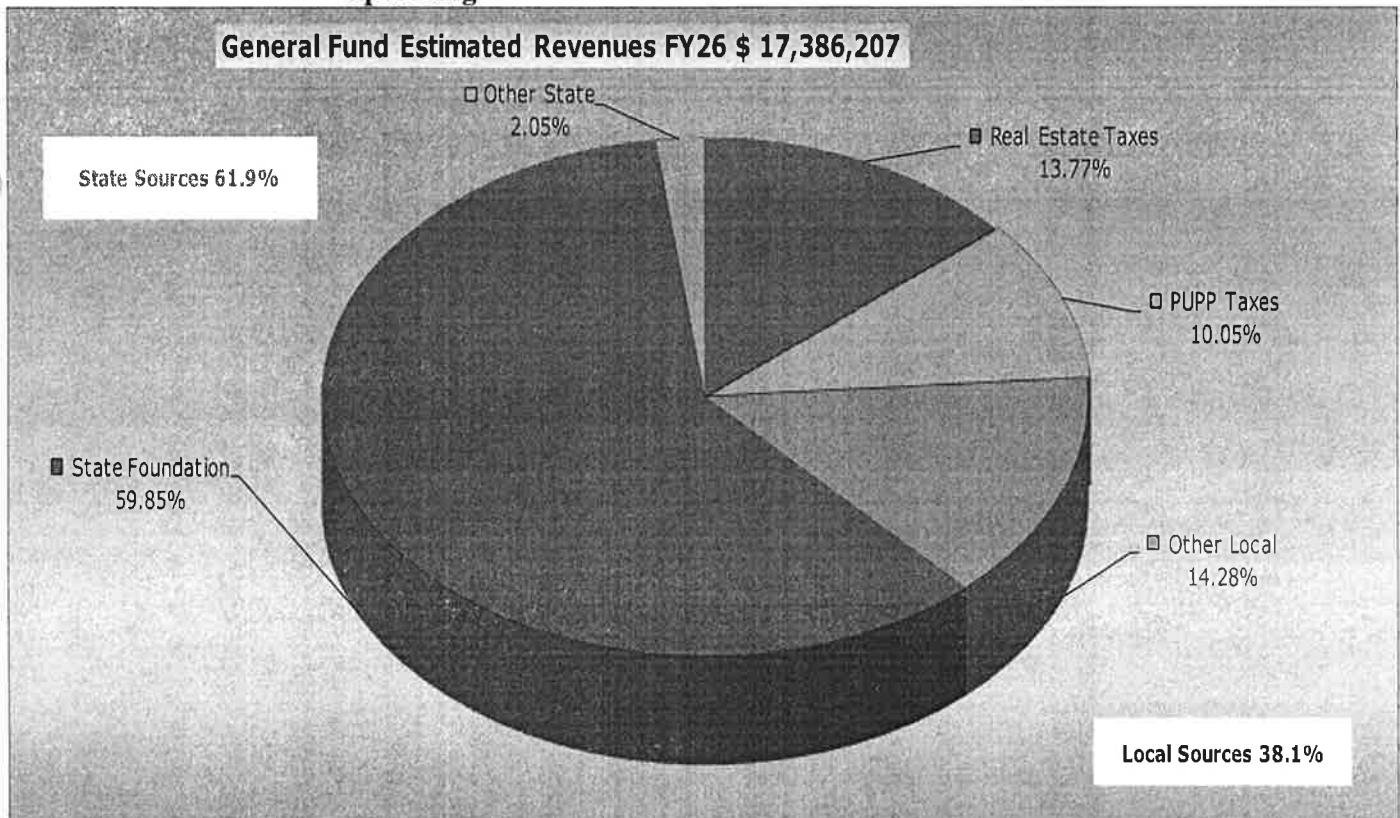
The major Line numbers used as references to the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Greg Sabbato, Treasurer.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY23-25 and Estimated FY26-30
The graph below captures the finances in one snapshot of the operating scenario facing Southern Local Schools over the next few years.



Revenue Assumptions

Estimated General Fund Operating Revenue for FY26



Property Value Assumptions

Property Values are established annually by the Columbiana County Auditor based on the type of property either residential/agriculture or commercial/industrial, which the values are defined even further based on new

construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. Our district resides within three counties, each county reappraisal cycle can be in different years and each county three-year cycle can be either a sexennial reappraisal or the triennial update. Since there are very little values in Carroll and Jefferson Counties, we are basing our changes for reappraisal on the data from Columbiana County. Columbiana County experienced a triennial update for the 2022 tax year to be collected in FY23. The update increased Residential/Agricultural (Class I) values by 19.87 % or \$18.08 million due to the update, and the Commercial/Industrial (Class II) values increased by 5.15% or \$559 thousand.

A sexennial reappraisal will occur in 2025 for collection in FY26, for which we are estimating a 10.0% increase in Class I and a 1.0% increase in Class II property. We anticipate overall residential/agricultural and commercial/industrial values to increase \$11.9 million or 9.38%.

Public Utility Personal Property (PUPP) values change annually as the values are not included in the reappraisal or update years, which make them very volatile and difficult to forecast. We expect our values to increase by approximately \$250,000 each year of the forecast. The NEXUS pipeline values have been finalized from the appeal with the State Tax Commissioner. The values were set at the amount that were lower than what NEXUS had asked them to be set at, based on the data from the Department of Taxation. The value for TY2024 for all PUPP values is \$51.67 million. This is an increase of \$2.25 million over the amount that was used for TY2023. We will continue to monitor the values that are assessed on the pipeline and for other PUPP values.

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
	<u>COLLECT 2026</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>	<u>COLLECT 2029</u>	<u>COLLECT 2030</u>
Res./Ag.	\$122,809,801	\$123,399,801	\$123,989,801	\$129,539,393	\$130,129,393
Comm./Ind.	\$16,192,195	\$16,257,195	\$16,322,195	\$16,468,806	\$16,533,806
Public Utility Personal Property (PUPP)	<u>\$51,920,290</u>	<u>\$52,170,290</u>	<u>\$52,420,290</u>	<u>\$52,670,290</u>	<u>\$52,920,290</u>
Total Assessed Value	<u>\$190,922,286</u>	<u>\$191,827,286</u>	<u>\$192,732,286</u>	<u>\$198,678,489</u>	<u>\$199,583,489</u>

Tax Rates

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law provides for “reduction factors” of all voted property tax levies 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 operating levies is 33.84 mills while the Class I effective millage rate is 20.00003 mills and the Class II effective millage rate is 27.547809 mills. The Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills, which includes both the voted and the non-voted millage rates; this is called the “20-Mill Floor”. Currently, our district is basically on the floor for either Class I but not on the floor for Class II. This must be closely monitored due to potential veto overrides in the House and Senate.

General Property Tax (Real Estate) – Line #1.010

Property tax levies are estimated to be collected at 95.35% of the annual amount. This allows a 4.65% delinquency factor. In general, 58.47% of the Residential/Agriculture and Commercial/Industrial property taxes are expected to be collected in the February tax settlement and 41.53% 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>\$2,394,057</u>	<u>\$2,508,056</u>	<u>\$2,520,588</u>	<u>\$2,586,334</u>	<u>\$2,629,273</u>

Estimated Tangible Personal Tax & PUPP Taxes – Line #1.020

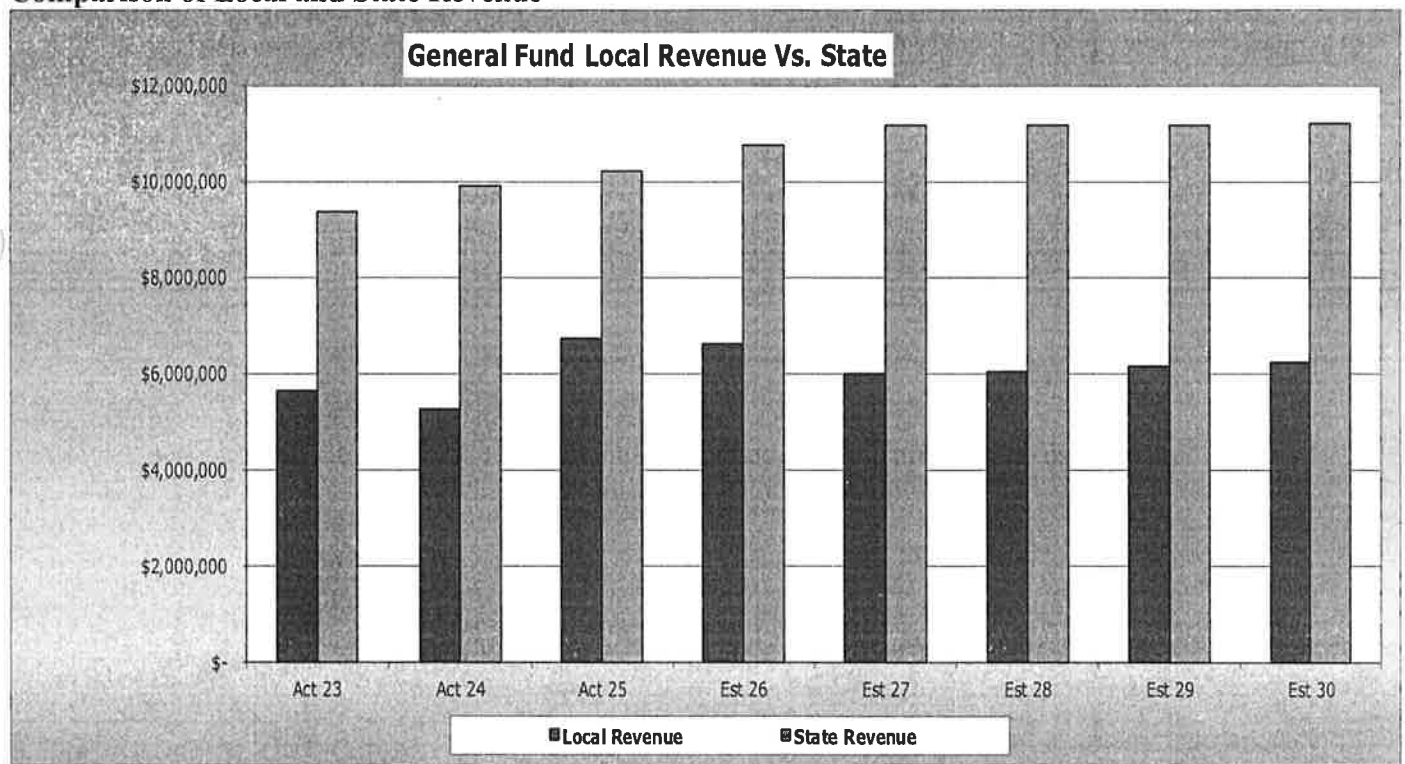
The amounts below are public utility personal property (PUPP) tax payments from public utilities. Collections are typically 52.72% in February and 47.28% in August, along with the real estate settlements from the county auditor.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Public Utility Personal Property (Line#1.020)	<u>\$1,747,694</u>	<u>\$1,771,808</u>	<u>\$1,780,319</u>	<u>\$1,788,829</u>	<u>\$1,797,340</u>

Renewal and Replacement Property Tax Levies – Line #11.020

Tax levies that are not continuous, by law, cannot be included with the property taxes, therefore the 7.84 operating levy that expires in 2030 will be included in this line beginning in FY31.

Comparison of Local and State Revenue



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

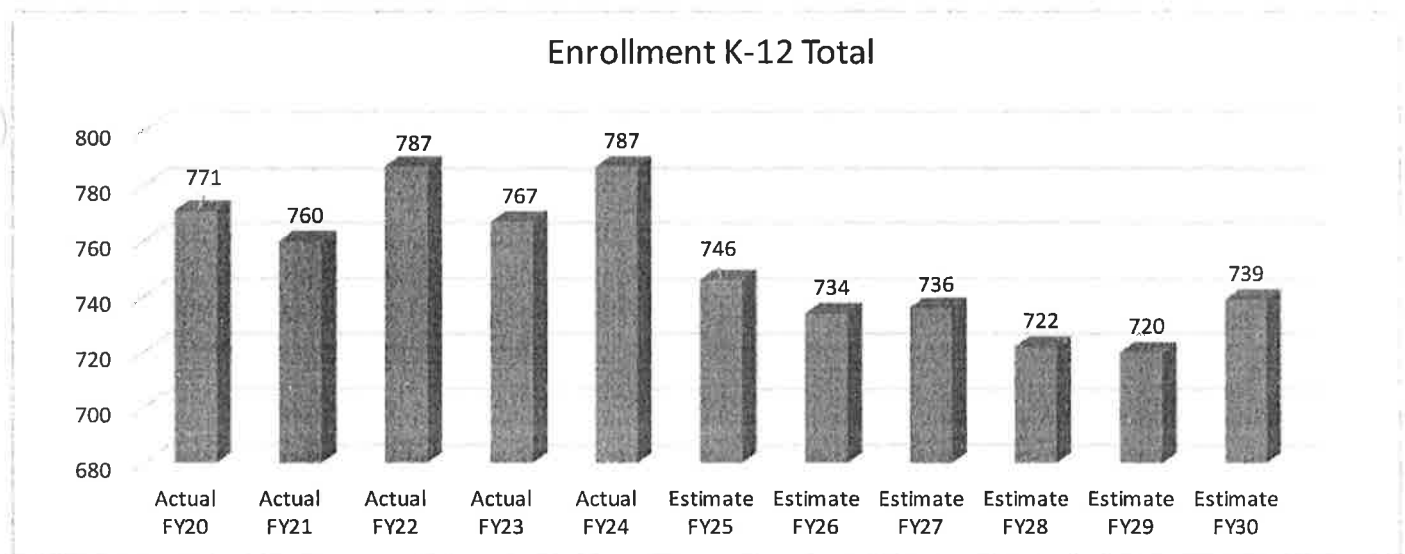
HB96, the current state budget, continued the Fair School Funding Plan for FY26 and FY27, which funds students where they are educated rather than where they live. We have projected FY26 funding based on the most current foundation settlement and funding factors.

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).

HB96 included a base funding supplement for all districts. The funding supplement per pupil of \$27 in FY26 and \$40 in FY27.

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>.

A 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. The district will not know until later this year if we will receive this additional funding.



Future State Budget Projections beyond FY27

Our funding status for FY28-FY31 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget processes; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative date to work with. For this reason, funding is held constant in the forecast for FY28 through FY30.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos, one each in Cleveland, Toledo, Columbus, and Cincinnati. As of March 4, 2013, all four (4)

casinos were open for business and generating Gross Casino Tax Revenues (GCR). Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR 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 which began for the first time on January 31, 2013.

In FY25, the funding totaled \$114.30 million or \$65.70 per pupil. The fall payment for Casino revenues increased from the previous year by 3% for FY26. 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	\$9,222,709	\$9,597,471	\$9,597,471	\$9,597,471	\$9,597,471
Additional Aid Items	\$36,417	\$36,417	\$36,417	\$36,417	\$36,417
Basic Aid-Unrestricted Subtotal	\$9,259,126	\$9,633,888	\$9,633,888	\$9,633,888	\$9,633,888
Career Technical Credentialing	\$2,128	\$2,128	\$2,128	\$2,128	\$2,128
Ohio Casino Commission ODT	<u>\$51,034</u>	<u>\$51,799</u>	<u>\$52,576</u>	<u>\$53,365</u>	<u>\$54,165</u>
Total Unrestricted State Aid Line # 1.035	<u>\$9,312,288</u>	<u>\$9,687,815</u>	<u>\$9,688,592</u>	<u>\$9,689,381</u>	<u>\$9,690,181</u>

B) 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. The district has elected to also post Catastrophic (Threshold) Aid for special education as restricted revenues. 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.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Disadvantaged Pupil Impact Aid (DPIA)	\$696,610	\$738,057	\$738,057	\$738,057	\$738,057
Career Technical	\$42,967	\$45,073	\$45,073	\$45,073	\$45,073
Gifted	\$54,713	\$56,400	\$56,400	\$56,400	\$56,400
English Learner	\$788	\$911	\$911	\$911	\$911
Student Wellness & Success	\$237,821	\$237,821	\$237,821	\$237,821	\$237,821
Catastrophic Costs	\$60,493	\$60,493	\$60,493	\$60,493	\$60,493
Other Restricted	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Restricted State Revenues Line #1.040	<u>\$1,093,393</u>	<u>\$1,138,755</u>	<u>\$1,138,755</u>	<u>\$1,138,755</u>	<u>\$1,138,755</u>

C) Restricted Federal Grants in Aid – Line #1.045

There are no restricted federal 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	\$9,312,288	\$9,687,815	\$9,688,592	\$9,689,381	\$9,690,181
Restricted Line # 1.040	\$1,093,393	\$1,138,755	\$1,138,755	\$1,138,755	\$1,138,755
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.04	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total State Foundation Revenue	<u>\$10,405,680</u>	<u>\$10,826,571</u>	<u>\$10,827,348</u>	<u>\$10,828,136</u>	<u>\$10,828,937</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. 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% Rollback tax credit. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$119,862 from current operating levies, if our County Commissioners implemented this.

Summary of State Reimbursement for Property Tax Credits – Line #1.050

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Rollback and Homestead	<u>\$355,804</u>	<u>\$366,360</u>	<u>\$368,116</u>	<u>\$377,251</u>	<u>\$386,387</u>
Total Tax Reimb./Prop. Tax Allocations #1.050	<u>\$355,804</u>	<u>\$366,360</u>	<u>\$368,116</u>	<u>\$377,251</u>	<u>\$386,387</u>

Other Local Revenues – Line #1.060

This line of the forecast includes fines, tuition from other districts, Medicaid payments, class fees and other miscellaneous income.

Shale Academy is expecting additional payments in FY26 due to increases from a grant, that will be decreased in FY27 since the grant will expire. The district does not expect any large payments in any of the other lines within Other Local Revenue.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Shale Academy	\$1,973,001	\$1,200,000	\$1,224,000	\$1,248,480	\$1,273,450
Medicaid	\$209,673	\$211,770	\$213,888	\$216,027	\$218,187
Tuitions	\$251,078	\$251,078	\$251,078	\$251,078	\$251,078
Other Income and rentals	<u>\$49,219</u>	<u>\$49,219</u>	<u>\$49,219</u>	<u>\$49,219</u>	<u>\$49,219</u>
Total Line # 1.060	<u>\$2,482,971</u>	<u>\$1,712,067</u>	<u>\$1,738,185</u>	<u>\$1,764,804</u>	<u>\$1,791,934</u>

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

The district does not expect any borrowing during the forecast timeline.

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. The district does not expect any of these receipts during the forecast period.

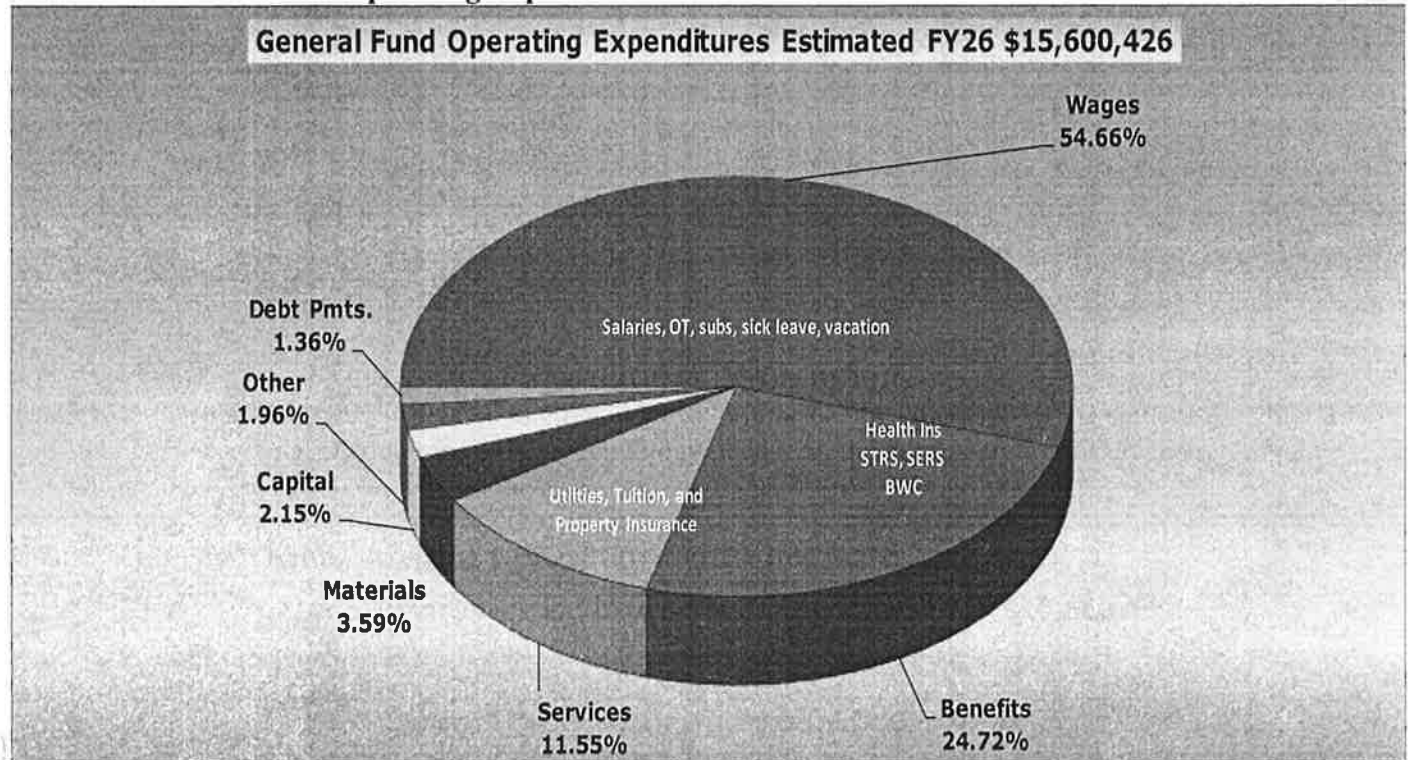
All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable, therefore the district is not expecting any funds from prior year expenditures.

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 focus for resource utilization.

Estimated General Fund Operating Expenditures for FY26



Wages – Line #3.010

The district finalized negotiation base rates for FY26 and FY27 of 3% in each year. For forecasting purposes only, the district is using a 2% base wage increase in FY28-FY30. The district also has a 2.5% increase for steps and education increases each year of the forecast. The district will increase staffing in FY26 of a school psychologist and an occupational therapist.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Base Wages	\$7,224,306	\$7,789,899	\$8,232,010	\$8,602,450	\$8,989,560
Steps/ Education Increases	\$180,608	\$194,747	\$205,800	\$215,061	\$224,739
Base Rate Increase	\$216,729	\$233,697	\$164,640	\$172,049	\$179,791
Staff Growth	\$168,256	\$13,667	\$0	\$0	\$0
Staff Reductions	\$0	\$0	\$0	\$0	\$0
Substitutes	\$285,976	\$288,835	\$291,724	\$294,641	\$297,587
Supplementals	\$450,928	\$459,946	\$469,145	\$478,528	\$488,099
Severance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Wages Line 3.010	<u>\$8,526,802</u>	<u>\$8,980,792</u>	<u>\$9,363,319</u>	<u>\$9,762,729</u>	<u>\$10,179,776</u>

Fringe Benefits Estimates Line #3.02

This area of the forecast captures all costs associated with benefits and retirement costs, with all except health insurance being directly related to the wages paid.

A) STRS/SERS

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The district is also required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid SERS members. It is exclusively used to fund health care.

B) Insurance

Health care is a significant cost for the district and has been a real challenge as we have seen rising costs over the last several years. We have made changes in the policy that have helped contain costs of insurances. Since our insurance rates increase begin in January, we are blending the rates for July through December and January through June for the rates. The blended rate increase for FY26 rate increase is 1.1% and then 4% in FY27 through FY30.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to remain at about .48% of wages FY26-FY30 which is in line with historic growth recently. The district is estimating each year of \$1,000 in FY26-FY30 for unemployment. The district is required to pay unemployment claims for those that might have been laid off from other positions but still might be employed for the district as a part-time substitute or coach.

D) Medicare

Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

E) Other/Tuition

The district reimburses staff to course work that they take to maintain their teaching license, the district expects to pay \$30,000 each year in FY25-FY29.

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	\$1,392,976	\$1,468,085	\$1,530,723	\$1,594,295	\$1,660,673
B) Insurance's	\$2,267,948	\$2,360,716	\$2,455,145	\$2,553,351	\$2,655,485
C) Workers Comp/Unemployment	\$41,929	\$44,108	\$45,944	\$47,861	\$49,863
D) Medicare	\$123,639	\$130,221	\$135,768	\$141,560	\$147,607
E) Other/Tuition	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$30,000</u>
Total Line 3.020	<u>\$3,856,491</u>	<u>\$4,033,130</u>	<u>\$4,197,580</u>	<u>\$4,367,067</u>	<u>\$4,543,628</u>

Purchased Services – Line #3.030

College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

Bases services, which include but are not limited too are legal fees, management fees, health services and ESC service are receiving a 2% increase each year of the forecast. The district will reduce services from the ESC in FY26 for a school psychologist and OT as they will be on staff within the district.

Also included in purchase services are the repairs and maintenance for the district and the utility costs. The district is expecting a 2% increase in FY25-FY29 for repairs and maintenance projects. The utilities have an annual increase of 4% throughout the forecast.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Base Services	\$263,374	\$268,642	\$274,015	\$279,495	\$285,085
Professional Support	\$115,521	\$117,832	\$120,188	\$122,592	\$125,044
Tuition	\$762,114	\$762,114	\$762,114	\$762,114	\$762,114
Building Maintenance Operations	\$265,161	\$270,464	\$275,874	\$281,391	\$287,019
Utilities	<u>\$395,851</u>	<u>\$411,685</u>	<u>\$428,152</u>	<u>\$445,279</u>	<u>\$463,090</u>
Total Line 3.030	<u>\$1,802,022</u>	<u>\$1,830,737</u>	<u>\$1,860,343</u>	<u>\$1,890,871</u>	<u>\$1,922,351</u>

Supplies and Materials – Line #3.040

The district is increasing basic supplies by 2% in FY26-FY30 with no increase for textbooks. The building maintenance supplies have seen larger increases in the past; therefore, we are increasing those supplies by 3% in FY26-FY30. Due to the rising cost of fuel for the transportation fleet we are increasing the transportation supplies by 3% in FY25-FY29.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Supplies	\$425,175	\$433,678	\$442,352	\$451,199	\$460,223
Textbooks	\$10,018	\$10,018	\$10,018	\$10,018	\$10,018
Building Maintenance	\$14,534	\$14,970	\$15,419	\$15,882	\$16,359
Transportation	<u>\$110,895</u>	<u>\$114,222</u>	<u>\$117,648</u>	<u>\$121,178</u>	<u>\$124,813</u>
Total Line 3.040	<u>\$560,622</u>	<u>\$572,889</u>	<u>\$585,438</u>	<u>\$598,277</u>	<u>\$611,413</u>

Capital Outlay – Line # 3.050

The area of capital outlay is for all types of equipment whether it is for educational purposes or building repairs. The district is projected to spend in Capital Outlay of \$75,541 each year of the forecast. The district plans on purchasing two buses in FY26 and in FY29.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Capital Outlay	\$75,541	\$75,541	\$75,541	\$75,541	\$75,541
Replacement Bus Purchases	\$260,000	\$0	\$0	\$280,000	\$0
Total Line 3.050	<u>\$335,541</u>	<u>\$75,541</u>	<u>\$75,541</u>	<u>\$355,541</u>	<u>\$75,541</u>

Other Debt Payment - Line #4.050 & #4.060

The district began to repay the HB264 notes in December 2018. The principal is due each December 1st and interest will be paid November 1st and March 1st of each year with final payment on November 1, 2026. The district will begin to repay the note in FY25 for the stadium turf project with the last payment in FY30.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Principal Other Notes Line # 4.055	\$78,849	\$84,032	\$88,877	\$94,422	\$100,269
Note Principal HB264 Line # 4.050	\$105,017	\$71,222	\$0	\$0	\$0
Note Interest Total Line 4.060	\$28,884	\$21,824	\$16,006	\$10,462	\$4,617

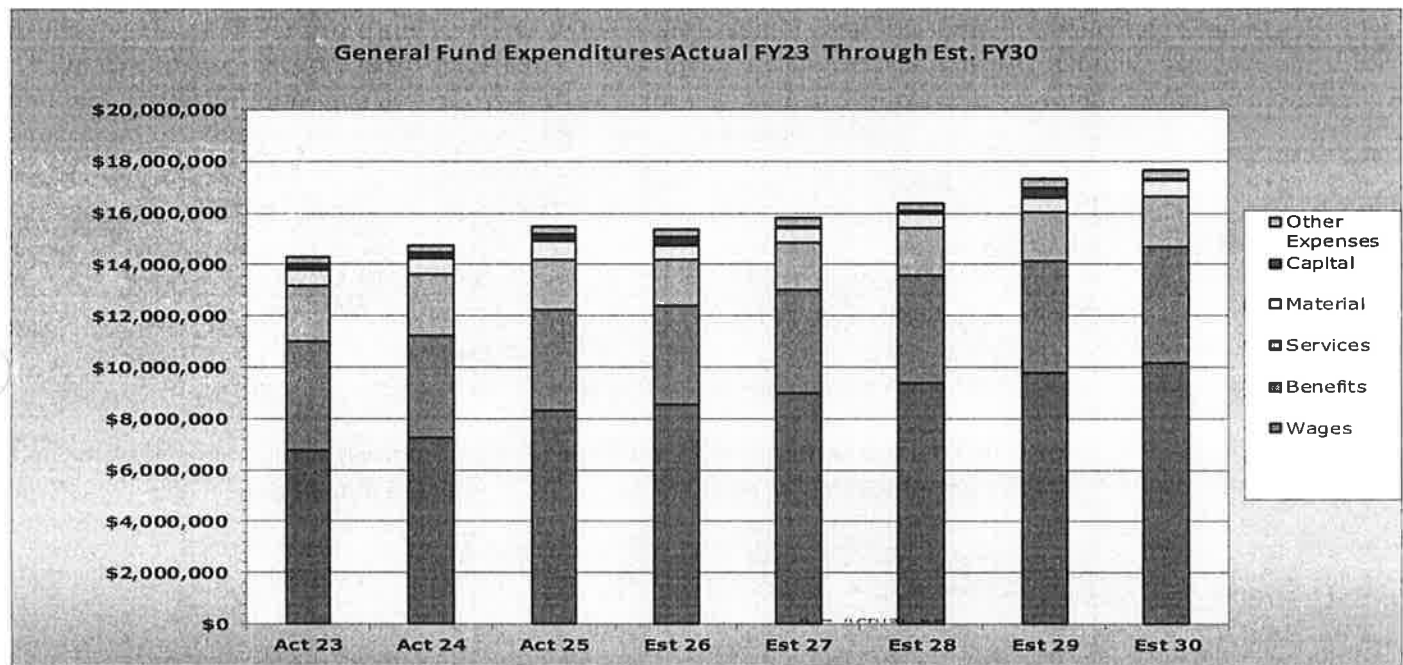
Other Expenses – Line #4.300

This category of expenses is primarily fees to the county auditors and treasurers for collecting property taxes. The other expense category is several small expenses with the largest being district liability insurance and dues and fees to organization such as OSBA. The district is expecting a 2% increase for County Auditor and Treasurer Fees and the annual audit cost each year of the forecast.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
County Auditor & Treasurer Fees	\$78,970	\$80,550	\$82,161	\$83,804	\$85,480
Audit Fees	\$28,718	\$29,292	\$29,878	\$30,476	\$31,085
Other expenses	<u>\$198,509</u>	<u>\$202,480</u>	<u>\$206,529</u>	<u>\$210,660</u>	<u>\$214,873</u>
Total Line 4.300	<u>\$306,198</u>	<u>\$312,322</u>	<u>\$318,568</u>	<u>\$324,940</u>	<u>\$331,438</u>

Operating Expenditures Actual FY23 through FY25 and Estimated FY26-FY30

The graph below shows a quick overview of actual and estimated expenses by proportion to total in the General Fund.



Transfer/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 transferring funds to the Athletic program each year of the forecast. There are no advances planned during this forecast.

Source	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Operating Transfers Out Line #5.010	\$73,000	\$73,000	\$73,000	\$73,000	\$73,000
Advances Out Line #5.020	\$0	\$0	\$0	\$0	\$0
Total	<u>\$73,000</u>	<u>\$73,000</u>	<u>\$73,000</u>	<u>\$73,000</u>	<u>\$73,000</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. The district closes all purchase order prior to the end of the fiscal year.

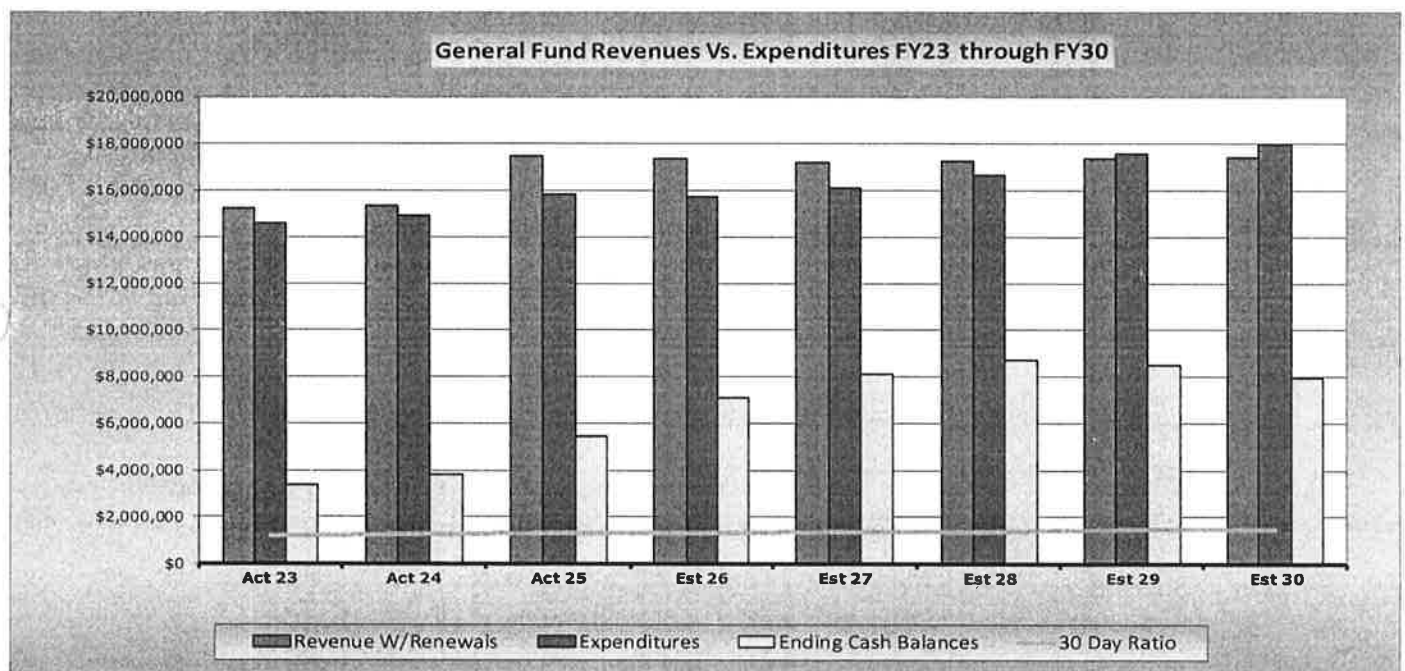
Ending Unreserved Cash Balance “The Bottom-line”– Line #15.010

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000, unless the new alternative 412 certificate can be issued pursuant to HB153 effective after September 30, 2011, this balance includes the renewal of the operating levy.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Ending Unreserved Cash Balance	<u>\$7,091,697</u>	<u>\$8,137,038</u>	<u>\$8,704,043</u>	<u>\$8,477,668</u>	<u>\$7,969,236</u>

Revenues vs Expenditures with Deficit Spending

The chart below shows that the district is in deficit spending beginning in FY29.

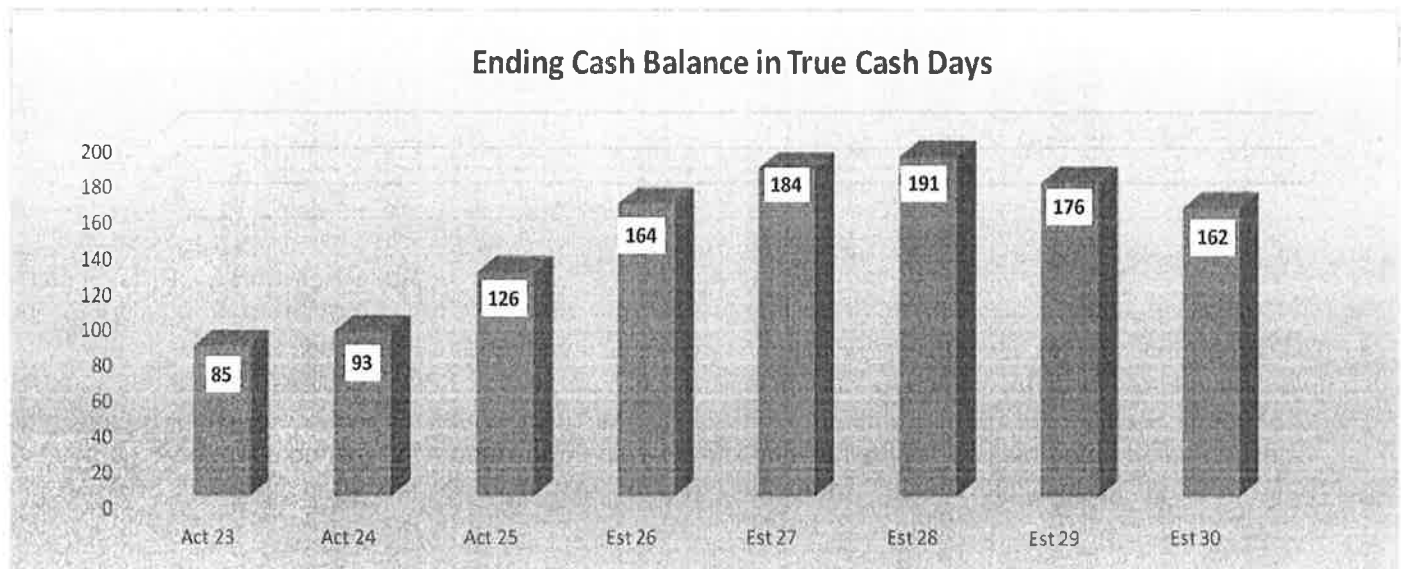


Deficit spending affects the amount of carryover that the district has to plan for the future. When reviewing the needs of the district we review the amount of spending and what would be needed to remove any deficit spending to have positive cash balances on the forecast. The chart below shows the amount of deficit spending that is included on Line 6.010 of the forecast and the millage for each year that would be needed in order to erase the deficit spending.

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Excess Revenues over/(under) Expenditures	\$1,633,931	\$1,045,341	\$567,005	(\$226,375)	(\$508,432)
Millage equivalent for deficit spending	0.00	0.00	0.00	1.18	2.64

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) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but 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, and athletics.



Conclusion

The district extends its gratitude to our community for renewing the 7.84 mill operating levy. Your continued support ensures that we can maintain the high-quality educational opportunities our students deserve.

The Southern Local School District receives 61.1% of its funding from state sources, greatly aiding our educational operations. However, relying heavily on state funding requires the district to comply with state-imposed staffing guidelines and ratios. As a result, any additional staffing beyond the state metrics will need to be funded locally.

HB96, now governs the state funding for FY26 and FY27. There were several items within the budget that were vetoed by the governor that the legislature can still overturn until December 31, 2026. The main items remaining in limbo that could have a major detrimental impact on the funding for the district, are having a carry-over balance that is greater than 40% of annual expenditures and changes to the 20-mill floor. We will continue to monitor these items as both of these will hinder the administration for planning for the future.

In preparing for the future, the administration remains committed to maintaining the district's financial stability by ensuring a positive cash balance throughout the forecast period. This will require ongoing evaluation of expenditures and prudent alignment with available revenues, reinforcing the district's commitment to long-term fiscal responsibility.

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.

SOUTHERN LOCAL SCHOOL DISTRICT
Appropriations Resolution Report

Rev. Code Sec. 5705.38

Fiscal Year: 2026

SOUTHERN LOCAL SCHOOL DISTRICT

Include Zero Balance Accounts: false

	Total Appropriation	Prior FY Carry Over	Appropriations
001 GENERAL	\$ 16,431,854.02	\$ 0.00	\$ 16,431,854.02
003 PERMANENT IMPROVEMENT	\$ 880,067.63	\$ 0.00	\$ 880,067.63
006 FOOD SERVICE	\$ 775,997.52	\$ 0.00	\$ 775,997.52
018 PUBLIC SCHOOL SUPPORT	\$ 50,167.84	\$ 0.00	\$ 50,167.84
024 EMPLOYEE BENEFITS SELF INS.	\$ 2,737,142.71	\$ 0.00	\$ 2,737,142.71
034 CLASSROOM FACILITIES MAINT.	\$ 100,000.00	\$ 0.00	\$ 100,000.00
200 STUDENT MANAGED ACTIVITY	\$ 124,604.20	\$ 0.00	\$ 124,604.20
300 DISTRICT MANAGED ACTIVITY	\$ 207,888.39	\$ 0.00	\$ 207,888.39
439 PUBLIC SCHOOL PRESCHOOL	\$ 49,284.70	\$ 0.00	\$ 49,284.70
467 STUDENT WELLNESS AND SUCCESS FUND	\$ 71,152.59	\$ 0.00	\$ 71,152.59
516 IDEA, PART B SPECIAL EDUCATION, ASSISTANCE FOR ALL CHILDREN	\$ 256,105.20	\$ 0.00	\$ 256,105.20
572 TITLE I DISADVANTAGED CHILDREN	\$ 311,226.43	\$ 0.00	\$ 311,226.43
584 TITLE IV, PART A, STUDENT SUPPORT AND ACADEMIC ENRICHMENT	\$ 32,315.40	\$ 0.00	\$ 32,315.40
587 IDEA PART B, SPECIAL EDUCATION, ASSISTANCE FOR ALL CHILDREN	\$ 3,069.21	\$ 0.00	\$ 3,069.21
590 IMPROVING TEACHER QUALITY	\$ 40,228.82	\$ 0.00	\$ 40,228.82
599 MISCELLANEOUS FED. GRANT FUND	\$ 27,620.62	\$ 0.00	\$ 27,620.62
Grand Total All Funds	\$ 22,098,725.28	\$ 0.00	\$ 22,098,725.28

Appropriation Recap Report

	Total Appropriation	Prior FY Carry Over	Allocations
Governmental Fund Type			
General Fund			
001 GENERAL	\$ 16,431,854.02	\$ 0.00	\$ 16,431,854.02
200 STUDENT MANAGED ACTIVITY	\$ 6,404.54	\$ 0.00	\$ 6,404.54
Total for General Fund	\$ 16,438,258.56	\$ 0.00	\$ 16,438,258.56
Special Revenue			
018 PUBLIC SCHOOL SUPPORT	\$ 50,167.84	\$ 0.00	\$ 50,167.84
034 CLASSROOM FACILITIES MAINT.	\$ 100,000.00	\$ 0.00	\$ 100,000.00
200 STUDENT MANAGED ACTIVITY	\$ 118,199.66	\$ 0.00	\$ 118,199.66
300 DISTRICT MANAGED ACTIVITY	\$ 207,888.39	\$ 0.00	\$ 207,888.39
439 PUBLIC SCHOOL PRESCHOOL	\$ 49,284.70	\$ 0.00	\$ 49,284.70
467 STUDENT WELLNESS AND SUCCESS FUND	\$ 71,152.59	\$ 0.00	\$ 71,152.59
516 IDEA, PART B SPECIAL EDUCATION, ASSISTANCE FOR ALL CHILDREN	\$ 256,105.20	\$ 0.00	\$ 256,105.20
572 TITLE I DISADVANTAGED CHILDREN	\$ 311,226.43	\$ 0.00	\$ 311,226.43
584 TITLE IV, PART A, STUDENT SUPPORT AND ACADEMIC ENRICHMENT	\$ 32,315.40	\$ 0.00	\$ 32,315.40
587 IDEA PART B, SPECIAL EDUCATION, ASSISTANCE FOR ALL CHILDREN	\$ 3,069.21	\$ 0.00	\$ 3,069.21
590 IMPROVING TEACHER QUALITY	\$ 40,228.82	\$ 0.00	\$ 40,228.82
599 MISCELLANEOUS FED. GRANT FUND	\$ 27,620.62	\$ 0.00	\$ 27,620.62
Total for Special Revenue	\$ 1,267,258.86	\$ 0.00	\$ 1,267,258.86
Capital Projects			
003 PERMANENT IMPROVEMENT	\$ 880,067.63	\$ 0.00	\$ 880,067.63
Total for Capital Projects	\$ 880,067.63	\$ 0.00	\$ 880,067.63
Total for Governmental Fund Type	\$ 18,585,585.05	\$ 0.00	\$ 18,585,585.05
Proprietary Fund Type			
Enterprise			
006 FOOD SERVICE	\$ 775,997.52	\$ 0.00	\$ 775,997.52
Total for Enterprise	\$ 775,997.52	\$ 0.00	\$ 775,997.52
Internal Service			
024 EMPLOYEE BENEFITS SELF INS.	\$ 2,737,142.71	\$ 0.00	\$ 2,737,142.71
Total for Internal Service	\$ 2,737,142.71	\$ 0.00	\$ 2,737,142.71
Total for Proprietary Fund Type	\$ 3,513,140.23	\$ 0.00	\$ 3,513,140.23
Grand Total All Funds	\$ 22,098,725.28	\$ 0.00	\$ 22,098,725.28

SOUTHERN LOCAL SCHOOL DISTRICT

Amended Official Certificate of Estimated Resources

Rev. Code Sec. 5705.36

	Fund	Unencumbered Balance July 1	Taxes	Other Sources	Total
Governmental Fund Type					
General Fund					
	001 GENERAL	\$ 5,457,763.54	\$ 4,707,638.58	\$ 12,970,122.55	\$ 23,135,524.67
	200 STUDENT MANAGED ACTIVITY	\$ 2,464.81	\$ 0.00	\$ 8,856.47	\$ 11,321.28
	Total:	\$ 5,460,228.35	\$ 4,707,638.58	\$ 12,978,979.02	\$ 23,146,845.95
Special Revenue					
	018 PUBLIC SCHOOL SUPPORT	\$ 32,741.22	\$ 0.00	\$ 64,441.50	\$ 97,182.72
	034 CLASSROOM FACILITIES MAINT.	\$ 603,613.58	\$ 0.00	\$ 612,000.00	\$ 1,215,613.58
	200 STUDENT MANAGED ACTIVITY	\$ 145,110.70	\$ 0.00	\$ 127,229.03	\$ 272,339.73
	300 DISTRICT MANAGED ACTIVITY	\$ 16,172.85	\$ 0.00	\$ 217,381.50	\$ 233,554.35
	439 PUBLIC SCHOOL PRESCHOOL	\$ 0.00	\$ 0.00	\$ 53,459.16	\$ 53,459.16
	451 DATA COMMUNICATION FUND	\$ 18,941.78	\$ 0.00	\$ 4,061.93	\$ 23,003.71
	467 Student Wellness and Success Fund	\$ 273,052.71	\$ 0.00	\$ 0.00	\$ 273,052.71
	507 ELEMENTARY AND SECONDARY SCHOOL EMERGENCY	\$ 30.00	\$ 0.00	\$ 508,420.48	\$ 508,450.48
	516 IDEA PART B GRANTS	\$ 4,430.23	\$ 0.00	\$ 366,662.87	\$ 371,093.10
	533 TITLE II D - TECHNOLOGY	\$ 55.36	\$ 0.00	\$ 0.00	\$ 55.36
	536 TITLE I SCHOOL IMPROVEMENT A	\$ 4,550.18	\$ 0.00	\$ 0.00	\$ 4,550.18
	537 TITLE I SCHOOL IMPROVEMENT G	\$ 4,286.68	\$ 0.00	\$ 0.00	\$ 4,286.68
	572 TITLE I DISADVANTAGED CHILDREN	\$ 23,275.08	\$ 0.00	\$ 421,703.83	\$ 444,978.91
	584 Title IV	\$ (8,816.00)	\$ 0.00	\$ 42,967.28	\$ 34,151.28
	587 IDEA PRESCHOOL-HANDICAPPED	\$ (2,713.03)	\$ 0.00	\$ 6,300.00	\$ 3,586.97
	590 IMPROVING TEACHER QUALITY	\$ 0.00	\$ 0.00	\$ 40,300.00	\$ 40,300.00
	599 MISCELLANEOUS FED. GRANT FUND	\$ 4,785.94	\$ 0.00	\$ 28,000.00	\$ 32,785.94
	Total:	\$ 1,119,517.28	\$ 0.00	\$ 2,492,927.58	\$ 3,612,444.86
Capital Projects					
	003 PERMANENT IMPROVEMENT	\$ 923,402.29	\$ 754,691.40	\$ 0.00	\$ 1,678,093.69
	Total:	\$ 923,402.29	\$ 754,691.40	\$ 0.00	\$ 1,678,093.69
Proprietary Fund Type					
Enterprise					
	006 FOOD SERVICE	\$ 277,322.07	\$ 0.00	\$ 670,764.42	\$ 948,086.49
	Total:	\$ 277,322.07	\$ 0.00	\$ 670,764.42	\$ 948,086.49
Internal Service					
	024 EMPLOYEE BENEFITS SELF INS.	\$ 1,345,713.33	\$ 0.00	\$ 2,579,462.33	\$ 3,925,175.66
	Total:	\$ 1,345,713.33	\$ 0.00	\$ 2,579,462.33	\$ 3,925,175.66
Grand Totals:					
		\$ 9,126,183.32	\$ 5,462,329.98	\$ 18,722,133.35	\$ 33,310,646.65