SOUTHERN LOCAL BOARD OF EDUCATION

August 11, 2026 @ 6:00 pm / Williams Energy Building

I. Call to Order
II. Pledge of Allegiance
III. Roll Call:

Cole _____, Pastore _____, Shagnot _____, Weston _____, Hart _____

IV. Adoption of Minutes: Moved by ____________Seconded by_______________

Waive the reading of the minutes

Vote: Pastore _____, Shagnot _____, Weston _____, Cole _____, Hart _____

V. 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.

VI. 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 _____, Weston _____, Cole _____, Pastore _____, Hart _____

VII. Career Center Report
VIII. Building Reports
IX. Superintendent's Report

26-187 Recommend approval of the following substitutes for the 2026-2027 school year: (Attachment A)

Moved by ____________________, Seconded by ____________________

Vote: Weston _____, Cole _____, Pastore _____, Shagnot _____, Hart _____

26-188 Recommend the Board to approve then and now purchase orders as approved by the Treasurer. (Attachment B)

Moved by ____________________, Seconded by ____________________

Vote: Cole _____, Pastore _____, Shagnot _____, Weston _____, Hart _____

26-189 Recommend approval of a one-year contract renewal with Nutrition Inc.

Moved by ____________________, Seconded by ____________________

Vote: Cole _____, Pastore _____, Shagnot _____, Weston _____, Hart _____

26-190 Recommend approval of the agreement with East Liverpool City Hospital to provide physical therapy services for the 2026-2027 school year.

Moved by ____________________, Seconded by ____________________

Vote: Pastore _____, Shagnot _____, Weston _____, Cole _____, Hart _____

26-191 Recommend approval of the Service Agreement with the Columbiana County Educational Service Center for Project Inspire for the 2026-2027 school year.

Moved by ____________________, Seconded by ____________________

Vote: Shagnot _____, Weston _____, Cole _____, Pastore _____, Hart _____

26-192 Recommend approval of Zabel' s proposal for the purchase of a new cafeteria dishwasher.

Moved by ____________________, Seconded by ____________________

Vote: Weston _____, Cole _____, Pastore _____, Shagnot _____, Hart _____

26-193 Recommend the approval of the estimate from Richardson Electric for lighting at the new parking lot on the Allison property.

Moved by ____________________, Seconded by ____________________

Vote: Cole _____, Pastore _____, Shagnot _____, Weston _____, Hart _____

26-194 Recommend approval of a maternity leave extension for an employee for the 2026-2027 school year.

Moved by ____________________, Seconded by ____________________

Vote: Pastore _____, Shagnot _____, Weston _____, Cole _____, Hart _____

26-195 Recommend approval of the five-year forecast as presented by the Treasurer. (Attachment C)

Moved by ____________________, Seconded by ____________________

Vote: Shagnot _____, Weston _____, Cole _____, Pastore ______, Hart _____

26-196 Recommend approval of the following one-year contracts:

Tiffany McDevitt – Paraprofessional
Mikaela Bentley – Bus Driver
Brittany Homewood – Cafeteria Worker
Diane Callehan – Cafeteria Worker

Moved by ____________________, Seconded by ____________________

Vote: Weston _____, Cole _____, Pastore _____, Shagnot _____, Hart _____

26-197 Recommend approval of the retirement of Robert Mike Jarvis, custodian, effective August 28, 2026. We wish him well in his future endeavors.

Moved by ____________________, Seconded by ____________________

Vote: Cole _____, Pastore _____, Shagnot _____, Weston _____, Hart _____

26-198 Recommend approval of the following volunteer coaches for the 2026-2027 school year:

Alleigh Ingledue – Volleyball coach

Logan Redfern – Cross Country coach

Moved by ____________________, Seconded by ____________________

Vote: Pastore _____, Shagnot _____, Weston _____, Cole _____, Hart _____

26-199 Recommend approval of the following supplementals for the 2026-2027 school year:

Jesse Liggitt – Marching Band Assistant

Jimmy Malone – Football Conditioning and Weightlifting

Kelly Malone – High School Yearbook Advisor

Gerard Grimm – Head Girls Golf Coach

Skyler Lasure – Head High School Wrestling Coach

Logan Krulik – Assistant Senior High Wrestling Coach

Brenden Severs – Girls Wrestling Coach

Moved by ____________________ Seconded by ____________________

Cole _____, Pastore _____, Shagnot _____, Weston _____, Hart _____

26-200 Recommend approval of the student/parent handbooks for the Elementary, Junior/Senior High School and the Indian Academy.

Moved by ____________________, Seconded by ____________________

Vote: Pastore _____, Shagnot _____, Weston _____, Cole _____, Hart _____

26-201 Recommend approval of the Leetonia/Southern Agreement

Moved by ____________________, Seconded by ____________________

Vote: Shagnot _____, Weston _____, Cole _____, Pastore _____, Hart _____

26-202 Recommend approval of the Indian Academy Policy.

Moved by ____________________, Seconded by ____________________

Vote: Weston _____, Cole _____, Pastore _____, Shagnot _____, Hart _____

26-203 Recommend approval of Ron Sines as the K-12 Academic Coach.

Moved by ____________________, Seconded by ____________________

Vote: Cole _____, Pastore _____, Shagnot _____, Weston _____, Hart _____

26-204 Recommend approval of free admission for Southern Local students to home athletic events utilizing the new ticket system. Student in grades K-5 must be accompanied by an adult.

Moved by ____________________, Seconded by ____________________

Vote: Pastore _____, Shagnot _____, Weston _____, Cole _____, Hart _____

26-205 Recommend approval of the prices of passes to Southern Local Athletic events.
Senior Citizen Pass (free) Proof of age and Southern Local address
All Season Passes - Family $250 / Adult $100
Football Passes only - Adult $32
Volleyball Passes only – Adult $70
Basketball Passes only – Adult $80
(Family passes include 2 adults and 2 students)

Moved by ____________________, Seconded by ____________________

Vote: Shagnot _____, Weston _____, Cole _____, Pastore _____, Hart _____

26-206 Recommend approval of the following one-year contracts for Community Health Workers for Utica Shale for the 2026-2027 school year:
Kayla Terdina
Elizabeth McKinnon
Sklyer Lasure
Logan Krulik

Moved by ____________________, Seconded by ____________________

Vote: Weston _____, Cole _____, Pastore _____, Shagnot _____, Hart _____

26-207 Recommend approval of a three-year contract for Jocelyn Reed as the Community Health Worker Supervisor for Utica Shale.

Moved by ____________________, Seconded by ____________________

Vote: Cole _____, Pastore _____, Shagnot _____, Weston _____, Hart _____

26-208 Recommend approval of a five-year contract for Carter Hill, Utica Shale, effective in FY 2027.

Moved by ____________________, Seconded by ____________________

Vote: Pastore _____, Shagnot _____, Weston _____, Cole _____, Hart _____

26-209 Recommend approval of a five- year contract for Laura Krulik, Utica Shale, effective in FY 2027.

Moved by ____________________, Seconded by ____________________

Vote: Shagnot _____, Weston _____, Cole _____, Pastore _____, Hart _____

26-210 Recommendation to go into executive session for matters required to be kept confidential by federal law of rules 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

Moved by ____________________ Seconded by ____________________

Vote: Weston _____, Cole _____, Pastore _____, Shagnot _____, Hart _____

Returned from Executive Session: Time ____________________

Roll Call: Cole _____, Pastore _____, Shagnot _____, Weston _____, Hart _____

Next Regular Meeting: ____________________

Adjournment: Time ____________________

Moved by ____________________ Seconded by ____________________

Vote: Pastore _____, Shagnot _____, Weston _____, Cole _____, Hart _____

Substitutes for 2026-2027 school year:

Teachers:

John Bryan
Eric Chronister
Lexie Elliott
Sue Henthorn
Anna Marshalek
Marianna Milajecki
Rebecca Maynard Francis
Laurie Ronshak
China Willis

Paraprofessionals

Natlalie Champion
Roxanne Kelly
Amanda Ketchum
Dorothy Ketchum
Tina Smith
Rebecca Maynard Francis
Andrea Rodgers
Brittany Garrett
Kadence Mann
China Willis

Custodians

Patty Bailey
Melody Felton
Brittany Garrett
Gary Pecorelli
Calvin Sell
Jennifer Weston
Virginia Daniels
Joe Abadella

Cafeteria

Natalie Champion
Melody Felton

Roxann Kelly
Kadence Mann
Logan Redfern
Virginia Daniels
Joe Abadella

Secretary
Melody Felton
Patty Gruszecki
Tina Smith
Andrea Rodgers

Bus Driver
John Ewing
Nicole Bricker Alfieri

Attachment B

Then and Now July 2026

PO No	Vendor	PO Date	Requestor	PO Amount
221086	Columbiana County Mental Health Clinic	07/01/2026	julie.dowling@slindians.org	$18,000.00
221153	S.A. Comunale Co., Inc.	07/01/2026	julie.dowling@slindians.org	$10,000.00
221130	NEOLA, INC.	07/01/2026	julie.dowling@slindians.org	$4,000.00
221228	Visionary Holding Company, LLC	07/01/2026	julie.dowling@slindians.org	$2,989.00
221034	Columbia Gas of Ohio	07/01/2026	julie.dowling@slindians.org	$4,000.00
221101	Melissa Antonio	07/01/2026	julie.dowling@slindians.org	$5,000.00
221128	Nathan Yoder	07/01/2026	julie.dowling@slindians.org	$4,000.00
221223	Village of Salineville	07/01/2026	julie.dowling@slindians.org	$650.00
221093	AT&T Mobility II LLC	07/01/2026	julie.dowling@slindians.org	$10,000.00
221093	AT&T Mobility II LLC	07/01/2026	julie.dowling@slindians.org	$10,000.00
221019	AT&T	07/01/2026	julie.dowling@slindians.org	$17,000.00
221132	OHI VALLEY WASTE SERVICE	07/01/2026	julie.dowling@slindians.org	$20,000.00
221038	COMMUNITY ACTION AGENCY	07/01/2026	julie.dowling@slindians.org	$2,500.00
221033	CLEARLY THE BEST	07/01/2026	julie.dowling@slindians.org	$5,500.00
221091	BRETT HUGHES	07/01/2026	julie.dowling@slindians.org	$900.00
221235	BUREAU OF EDUCATION & RESEARCH	07/01/2026	julie.dowling@slindians.org	$295.00
221144	QUILL CORPORATION	07/01/2026	julie.dowling@slindians.org	$10,000.00
221167	T-Mobile USA, Inc	07/01/2026	julie.dowling@slindians.org	$8,000.00
221193	STAPLES BUSINESS ADVANTAGE	07/01/2026	marjorie.hiller@slindians.org	$10,000.00
221[illegible]	American Electric Power	07/01/2026	julie.dowling@slindians.org	$10,000.00
221083	BSN SPORTS, INC	07/01/2026	robert.shansky@slindians.org	$2,852.34
221063	HILL INTERNATIONAL TRUCKS, N.A.,LLC	07/01/2026	julie.dowling@slindians.org	$50,000.00
221025	BORDEN OFFICE EQUIPMENT	07/01/2026	julie.dowling@slindians.org	$28,500.00
221118	LEWIS LAWN SERVICE	07/01/2026	julie.dowling@slindians.org	$20,000.00
221029	CARROLL ELECTRIC CO-OP	07/01/2026	julie.dowling@slindians.org	$241,000.00
221106	Michael Smith	07/01/2026	julie.dowling@slindians.org	$3,000.00
221112	Jostens	07/01/2026	julie.dowling@slindians.org	$4,000.00
221062	HERITAGE COOPERATIVE	07/01/2026	julie.dowling@slindians.org	$100,000.00
221062	HERITAGE COOPERATIVE	07/01/2026	julie.dowling@slindians.org	$100,000.00
221221	VERIZON WIRELESS	07/01/2026	julie.dowling@slindians.org	$23,000.00

Attachment C

SOUTHERN LOCAL SCHOOL DISTRICT-COLUMBIANA COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2024, 2025, and 2026 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2027, THROUGH JUNE 30, 2031

Forecast Provided By
Southern Local School District
Treasurer's Office
Greg Sabbato, Treasurer
August 11, 2026

Southern Local School District

Columbiana County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2024, 2025 and 2026 Actual;
Forecasted Fiscal Years Ending June 30, 2027 Through 2031

		Actual				Forecasted				
		Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Average Change	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
	Revenues									
1.010	General Property Tax (Real Estate)	$2,365,640	$2,500,364	$2,567,830	4.2%	$2,447,249	$2,511,127	$2,582,944	$2,602,482	$2,545,226
1.020	Public Utility Personal Property Tax	$1,405,998	$1,733,784	$1,739,839	11.8%	$1,788,778	$1,797,288	$1,805,799	$1,814,310	$1,609,788
1.030	Income Tax	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
1.035	Unrestricted State Grants-in-Aid	$8,497,536	$8,846,563	$9,389,612	5.1%	$9,958,368	$9,959,160	$9,959,965	$9,960,781	$9,961,610
1.040	Restricted State Grants-in-Aid	$1,056,810	$1,070,534	$951,056	-4.9%	$944,322	$944,322	$944,322	$944,322	$944,322
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	$367,579	$330,813	$350,786	-2.0%	$442,458	$462,997	$451,271	$487,073	$498,762
1.060	All Other Revenues	$1,505,589	$2,492,433	$2,594,787	34.8%	$2,061,697	$2,087,234	$2,113,266	$2,139,804	$2,166,856
1.070	*Total Revenues*	$15,199,152	$16,974,491	$17,593,910	7.7%	$17,642,872	$17,762,129	$17,857,567	$17,948,772	$17,726,564
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	$0	$518,906	$0	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	$141,925	$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	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.070	*Total Other Financing Sources*	$141,925	$518,906	$0	82.8%	$0	$0	$0	$0	$0
2.080	*Total Revenues and Other Financing Sources*	$15,341,077	$17,493,397	$17,593,910	7.3%	$17,642,872	$17,762,129	$17,857,567	$17,948,772	$17,726,564
	Expenditures									
3.010	Personal Services	$7,238,407	$8,317,853	$9,170,319	12.6%	$9,644,326	$10,044,561	$10,462,364	$10,898,518	$11,353,842
3.020	Employees' Retirement/Insurance Benefits	$4,017,788	$3,929,607	$4,014,322	0.0%	$4,087,154	$4,252,240	$4,422,323	$4,599,503	$4,784,076
3.030	Purchased Services	$2,374,851	$1,974,168	$1,919,784	-9.8%	$1,954,788	$1,990,793	$2,027,832	$2,065,938	$2,105,146
3.040	Supplies and Materials	$627,969	$695,691	$709,859	6.4%	$725,715	$741,952	$758,580	$775,609	$793,048
3.050	Capital Outlay	$230,272	$269,539	$451,192	42.2%	$75,541	$75,541	$355,541	$75,541	$75,541
3.060	Intergovernmental	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
	Debt Service:				0.0%					
	Principal-All (Historical Only)	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.020	Principal-Notes	$60,423	$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	$107,916	$0	0.0%	$71,222	$0	$0	$0	$0
4.055	Principal-Other	$0	$87,928	$0	0.0%	$83,913	$89,143	$94,781	$91,830	$0
4.060	Interest and Fiscal Charges	$1,106	$17,612	$25,756	769.3%	$21,644	$15,740	$10,103	$4,150	$0
4.300	Other Objects	$290,955	$300,194	$315,692	4.2%	$322,006	$328,446	$335,015	$341,715	$348,549
4.500	*Total Expenditures*	$14,841,771	$15,700,508	$16,606,924	5.8%	$16,986,309	$17,538,417	$18,466,539	$18,852,803	$19,460,203
	Other Financing Uses									
5.010	Operating Transfers-Out	$86,270	$125,000	$73,000	1.6%	$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*	$86,270	$125,000	$73,000	1.6%	$73,000	$73,000	$73,000	$73,000	$73,000
5.050	*Total Expenditures and Other Financing Uses*	$14,928,041	$15,825,508	$16,679,924	5.7%	$17,059,309	$17,611,417	$18,539,539	$18,925,803	$19,533,203
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	$413,036	$1,667,889	$913,986	129.3%	$583,563	$150,711	($681,972)	($977,032)	($1,806,640)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$3,376,839	$3,789,875	$5,457,764	28.1%	$6,371,750	$6,955,313	$7,106,025	$6,424,053	$5,447,021
7.020	*Cash Balance June 30*	$3,789,875	$5,457,764	$6,371,750	30.4%	$6,955,313	$7,106,025	$6,424,053	$5,447,021	$3,640,382
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
	Property Tax Advances	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.[illegible]	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, 2024, 2025 and 2026 Actual;
Forecasted Fiscal Years Ending June 30, 2027 Through 2031

		Actual				Forecasted				
		Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Average Change	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
10.010	*Fund Balance June 30 for Certification of Appropriations*	$3,789,875	$5,457,764	$6,371,750	30.4%	$6,955,313	$7,106,025	$6,424,053	$5,447,021	$3,640,382
	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	$275,973
11.300	Cumulative Balance of Replacement/Renewal Levies				0.0%	$0	$0	$0	$0	$275,973
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$3,789,875	$5,457,764	$6,371,750	30.4%	$6,955,313	$7,106,025	$6,424,053	$5,447,021	$3,916,355
	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	*Unreserved Fund Balance June 30*	$3,789,875	$5,457,764	$6,371,750	30.4%	$6,955,313	$7,106,025	$6,424,053	$5,447,021	$3,916,355
20.010	Kindergarten -ADM count	61	66	65		65	65	65	63	64
20.015	Grades -ADM count	726	680	698		698	686	682	687	691

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

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.

As noted below the current state budget approved in HB96 changed the forecast based on what the state of Ohio and the Ohio Department of Education and Workforce 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.

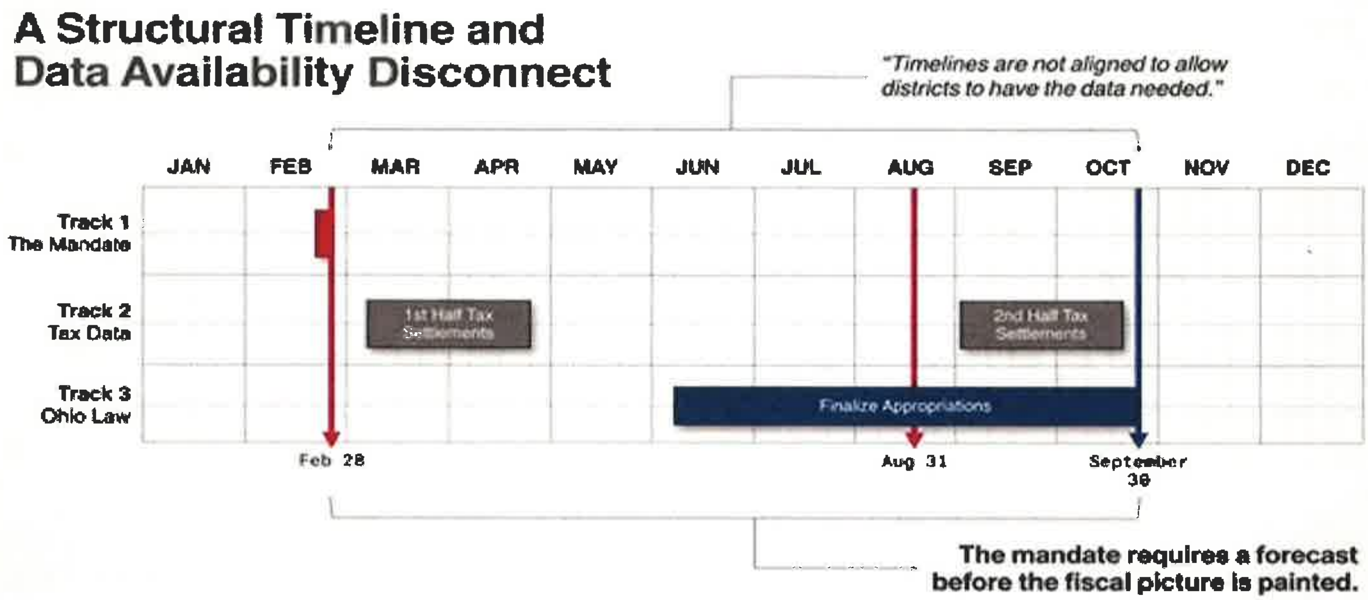
In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to 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 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. The filing deadlines of February and August are out of alignment with when final 1st half and 2nd half tax settlements will actually be received, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations.



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 August 2026 filing.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws noted below that were signed by the Governor on December 19, 2025, and also due to state legislative changes that will occur in the spring of 2027 and 2029 due to deliberation of the two (2) state biennium budgets for FY28-29 and FY30-31, all of which affect this forecast.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast. The items below give a short description of the current issues and how they may affect our forecast in the long term:

1) On December 19, 2025, Governor DeWine signed into law several pieces of legislation that became law March 19, 2026, and are the most sweeping changes to Ohio property tax law since 1976 when HB920 was passed. The laws that were approved are: HB129, HB186, HB309 and HB335. Subsequently HB479 the state budget correction bill was signed June 24, 2026, and becomes law September 23, 2026, that made needed corrections to HB335 inside millage. Of particular concern is HB186 which implements new property tax caps retroactively for property reappraisal and triennial updates that occurred in tax year 2023, 2024 and 2025. Due to the complexity of these calculations, the Ohio Department of Taxation (ODT) has been charged with calculating the effects of this legislation and notifying Ohio's 88 county auditors as to the impact on property tax bills and subsequent tax settlements to local governments..

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

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 20-mill floor. Our district is on the 20-mill floor. This will not affect our district since we do not have any fixed sum levies and we are already on the 20-mill floor

- HB186 establishes Inflation Cap Credits, if applicable, following reappraisals and triennial updates for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF). HB186 also includes Temporary Tax Credits (claw back) provision that takes back tax revenue that has already been collected by school districts beginning with reappraisals and triennial updates that occurred before the effective date of the law retroactive back to tax year 2023, 2024 and 2025. These are funds that have already been realized and have been spent and/or included in future educational planning. While skyrocketing home values resulted in the need for property tax reform that limits tax growth for taxpayers, the retroactive claw back of taxes already paid is very detrimental to districts at the 20-mill floor. Our district was on the 20-mill floor under prior law and is anticipated to lose $38,717 a year in inflationary cap credits. The loss in FY27 is expected to be $58,075 due to delayed implementation of the new law which results in one and a half years loss in the fiscal year. Anticipated losses due to inflationary cap credits through FY31 is estimated at $212,942. time.

- HB309 allows County Budget Commissions (CBC's) to reduce any voter-approved levy (except debt) to bring taxes levied within levels the CBC finds reasonable and prudent to avoid unnecessary collections. This law gives locally elected CBC officials the power to override voter-approved levies and local school board fiscal decisions. The impact of this new law is indeterminable and can be administered inconsistently in 88 counties across Ohio.

- HB335 limits revenue growth from inside millage due to valuation reappraisals or triennial updates to no more than the Gross Domestic Product Deflation Factor (GDP DF). HB479 that becomes law September 23, 2026, corrected inside millage language in HB335 so than any inside mileage adjustment occurs only in the home county during revaluations if districts are in multiple counties. Any future inside millage adjustment is indeterminable at this time. Our district plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage.

- HB96 Expanded Piggyback Option introduces a significant *local political* risk through "Piggyback" exemptions. Unlike standard Homestead and 2.5% owner-occupied credits—which the state reimburses—Piggyback exemptions are **not reimbursed**. Columbiana County Commissioners did not approve the Piggyback exemption for owner occupied credit for tax year 2025 collect in calendar year 2026. However, our county commissioners did vote by July 1, 2026, to approve Piggyback Property Tax Exemptions for the owner occupied credit for tax year 2026. We will adjust the forecast in the future accordingly.

Because the new accelerated August filing deadline for school district forecasts and the enormity of the property tax law changes, second half property tax bills have been delayed along with later final due dates. This will delay second half final actual tax settlement data with which to update our forecast with and will be beyond the August filing date. We have estimated revenues and expenses based on the data available and understanding of the new property tax laws. As authoritative data concerning HB186 is made available to the district changes may need to be made to the forecast that may or may not be significant.

2) Columbiana County experienced a reappraisal in tax year 2025 for collection in 2026. We experienced value increases for Class I of 15.725 or $17.46 million and for Class II for 0.34% or %55,030. An update will occur in tax year 2028 for collection in 2029. We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property within the Gross Domestic Product Deflation Factor range of 4% to 9%. HB335 and HB129 will become effective for our reappraisal in tax year 2028. We have anticipated any 20-mill floor adjustment at that time in Line 1.01 assumptions below. We do not anticipate any impact of HB186 or HB335 on our future tax projections due to our estimates for future growth in revaluations being in line with anticipated GDP DF.

3) 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 that aligns with the new HB186 and HB335 Gross Domestic Product Deflation Factor (GDP DF) and new construction growth. The effects of HB186 and HB335 will be to limit property tax growth following reappraisals and updates. Total local revenues, predominately local taxes, equate to 35.7% of the district's resources. As noted above, HB186 indicates any adjustment for prior year appraisals and updates that exceeded GDP DF in reappraisals and triennial updates that occurred in tax years 2023, 2024 and 2025 will result in possible significant reductions (claw back) in the second half property tax collections that typically occur in August to September 2026. If the Ohio Department of Taxation (ODT) determines adjustments are required due to HB186, further reductions in Tax Year 2026 collected in calendar year 2027 taxes will also result. We have included any estimated adjustment for HB186 and HB335 in Line 1.01 assumptions below.

4) 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.

5) 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.

6) The state budget represents 64.3% of district revenues and is an area of risk to revenue. The future risk comes in FY28 and beyond due to uncertainty that 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 FY31. We have projected our state funding in FY27 based the July #2 state foundation payment. This forecast reflects state revenue to align with the FY27 funding levels through FY31, which we feel is conservative and should be close to what the state approves for the next two biennium budgets

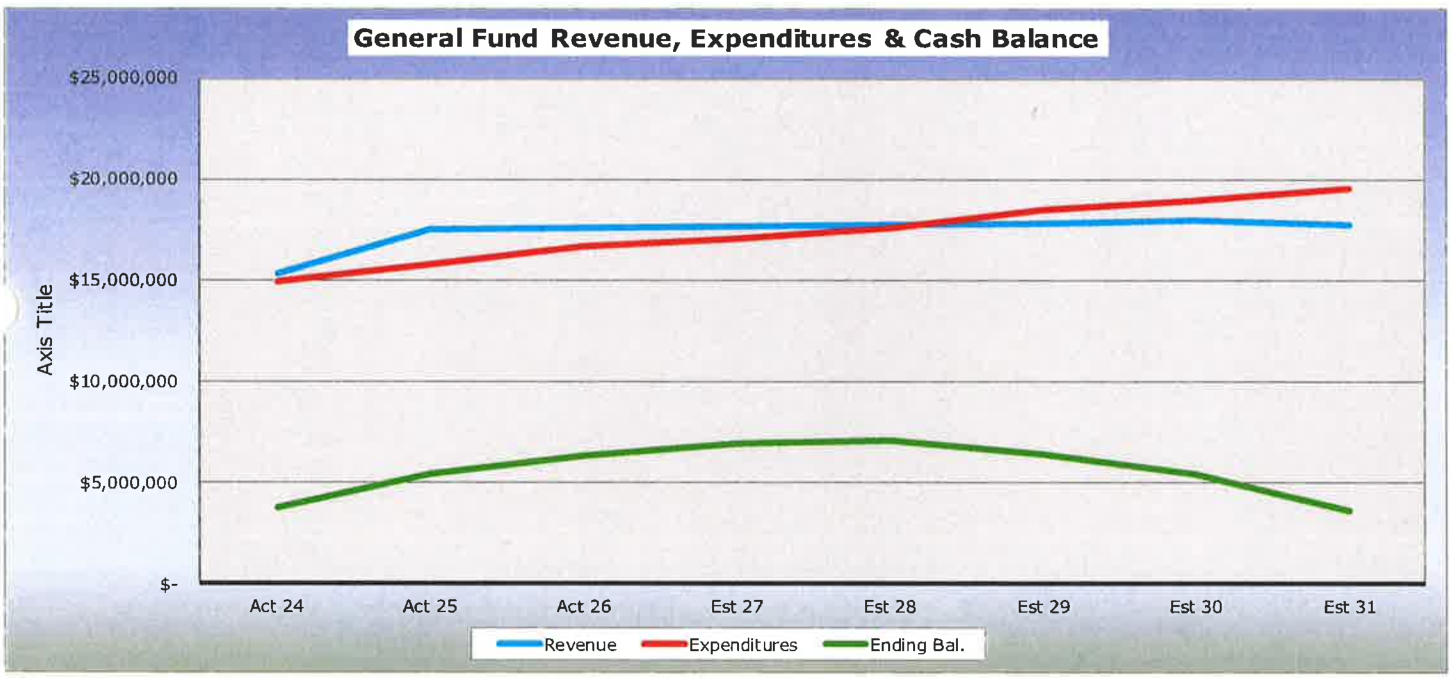
7) HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 foundation payment published by the Department of Education and Workforce for our forecasted revenues in FY27-FY31. We are considered a formula district and do not anticipate increases in state aid.

8) HB96, the current state biennium budget also enacted a new provision called "Piggyback Property Tax Exemptions". This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Current Homestead and 2.5% owner occupied credits are reimbursed to the district from the state of Ohio. These expanded "Piggyback Property Tax

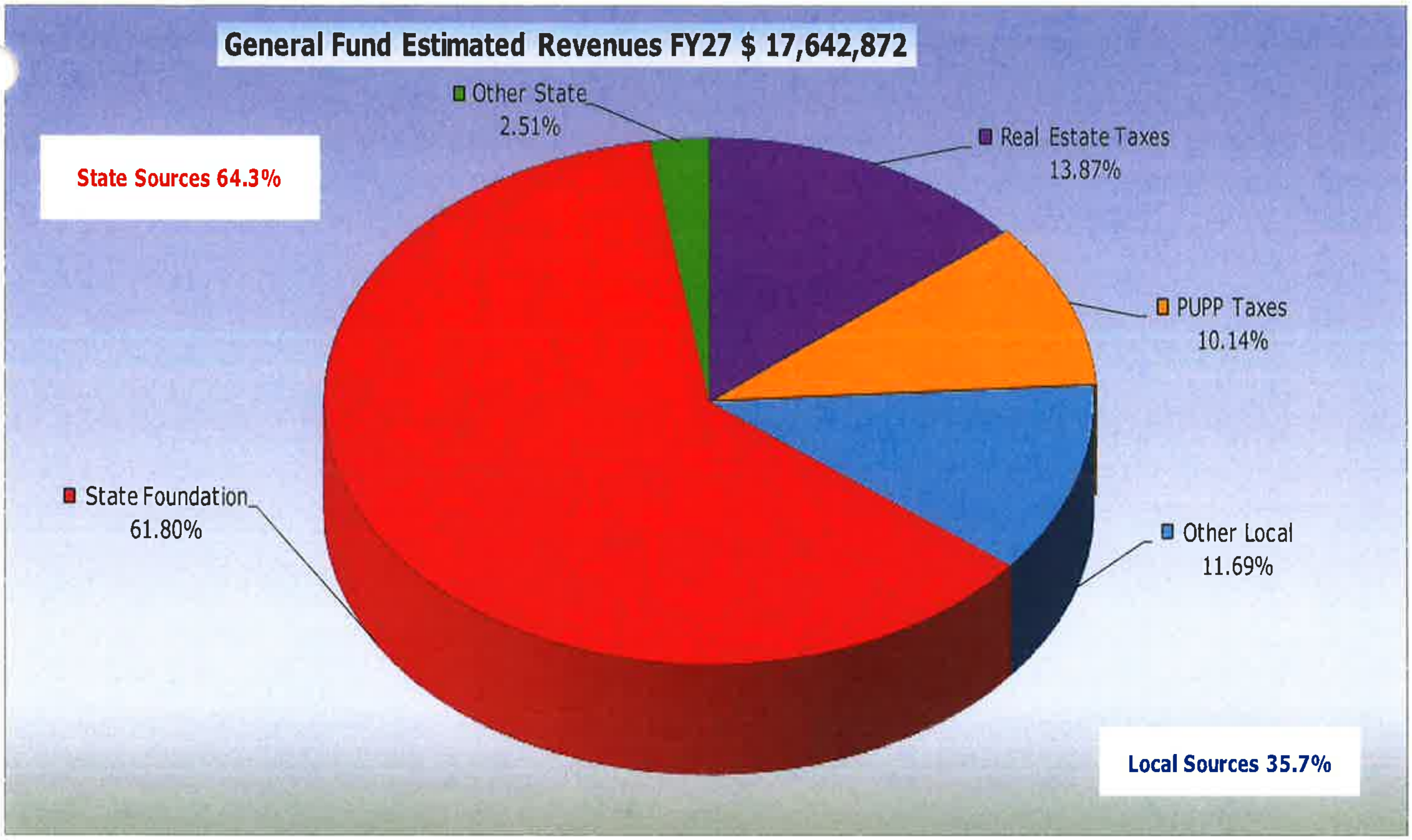
Exemptions" will NOT be reimbursed. Our county commissioners did not vote to approve further Piggyback Property Tax Exemptions for tax year 2025. Columbiana County Commissioners did not approve the Piggyback exemption for owner occupied credit for tax year 2025 collect in calendar year 2026 However, our county commissioners did vote by July 1, 2026, to approve Piggyback Property Tax Exemptions for the owner occupied credit for tax year 2026 for reductions in calendar year 2027. This will result in estimated tax reductions of $32,343 for tax year 2026 that will impact FY27 and FY28 noted in Line 1.01 Property Tax Estimates below. This new law creates an unpredictable potential risk to our local tax collections every year.

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 FY24-26 and Estimated FY27-31
The graph below captures the finances in one snapshot of the operating scenario facing Southern Local Schools over the next few years.



Revenue Assumptions



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. The new HB186 allows new construction growth in property taxes irrespective of GDP DF. 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 sexennial reappraisal in 2025 for collection in 2026, which increased the Class I values by $17.46 million or 15.72% and for the Class II value an increase of 0.34% or $55,030.

The next reappraisal is in 2028 for collection in 2029, due to legislative changes that slow the impact of rapid property tax growth in Ohio, we have estimated a 4% increase in Class I and a negligible increase in Class II. This should be in line with GDP DF rates and HB186 and HB335 should not impact our property tax projections.

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 TY2025 for all PUPP values is $52.42 million. This is an increase of $748,480 over the amount that was used for TY2024. 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 TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029	Estimated TAX YEAR 2029 COLLECT 2030	Estimated TAX YEAR 2030 COLLECT 2031
Res./Ag.	$129,961,380	$130,551,380	$136,363,435	$136,953,435	$137,543,435
Comm./Ind.	$13,838,576	$13,903,576	$14,038,094	$14,103,094	$14,168,094
Public Utility Personal Property (PUPP)	$52,668,770	$52,918,770	$53,168,770	$53,418,770	$53,668,770
Total Assessed Value	$196,468,726	$197,373,726	$203,570,299	$204,475,299	$205,380,299

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 20.00 mills and the Class II effective millage rate is 31.243102 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.

HB129 is a new law that restores fixed sum levies and now includes them in the 20-mill floor calculation. HB129 will be in effect following the tax year 2028 reappraisal/triennial update. Our district does not have fixed sum, or emergency, levies, therefore, this will not impact our forecast.

Estimated Real Estate Tax Collection Assumptions & New Tax Laws
HB96, the current state biennium budget also enacted a new provision called "Piggyback Property Tax Exemptions". This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Current Homestead and 2.5% owner occupied credits are reimbursed to the district from the state of Ohio. These expanded "Piggyback Property Tax Exemptions" will NOT be reimbursed. Our county commissioners did not vote to approve further Piggyback Property Tax Exemptions for tax year 2025. However, our county commissioners did vote by July 1, 2026, to approve Piggyback Property Tax Exemptions for the owner occupied credit for tax year 2026 for reductions in calendar year 2027. This new law creates an unpredictable potential risk to our local tax collections every year.

HB186 is a new law that establishes an Inflation Cap Credit for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF) in reappraisal and triennial updates. HB186 also includes Temporary Tax Credits (claw back) provision that retroactively takes back property tax revenue that has already been collected. For impacted districts this starts with their reappraisal or triennial updates in tax years 2023, 2024 and 2025. These funds have already been realized and have been spent and/or included in future educational planning.

Our district is anticipating a negative claw back impact to our forecast due to HB186. We are anticipating adjustments noted on the table below for Line 1.01. This is based on recently obtained Department of Tax Equalization (DTE) Form 186 amounts and DTE HB186 Certified Tax Credit Factors. For planning purposes, we believe this is likely the worst-case scenario removing additional revenue of $212,942 through FY31, but final second half tax settlements will not be received before this forecast filing deadline. When HB129 takes our district off the 20-mill floor for the tax year 2026 and 2029 revaluations there should not be additional inflationary cap credits.

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

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

General Property Tax (Real Estate) – Line #1.010

Property tax levies are estimated to be collected at 93.47% of the annual amount. This allows a 6.53% delinquency factor. In general, 63.57 % of the Residential/Agriculture and Commercial/Industrial property taxes are expected to be collected in the February tax settlement and 36.43% in the August tax settlement. We are anticipating a significant adjustment to our second half settlement in 2026 in August/September due to HB186.

Source	FY27	FY28	FY29	FY30	FY31
General Property Taxes	$2,489,152	$2,511,127	$2,582,944	$2,602,482	$2,545,226
HB96 Piggyback Exemption	$16,172	$16,172	$0	$0	$0
HB186 Tax Adjustments	-$58,075	($38,717)	($38,717)	($38,717)	($38,717)
General Property Taxes	$2,447,249	$2,511,127	$2,582,944	$2,602,482	$2,545,226

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 50.63% in February and 49.97% in August, along with the real estate settlements from the county auditor.

Source	FY27	FY28	FY29	FY30	FY31
Public Utility Personal Property (Line#1.020)	$1,788,778	$1,797,288	$1,805,799	$1,814,310	$1,609,788

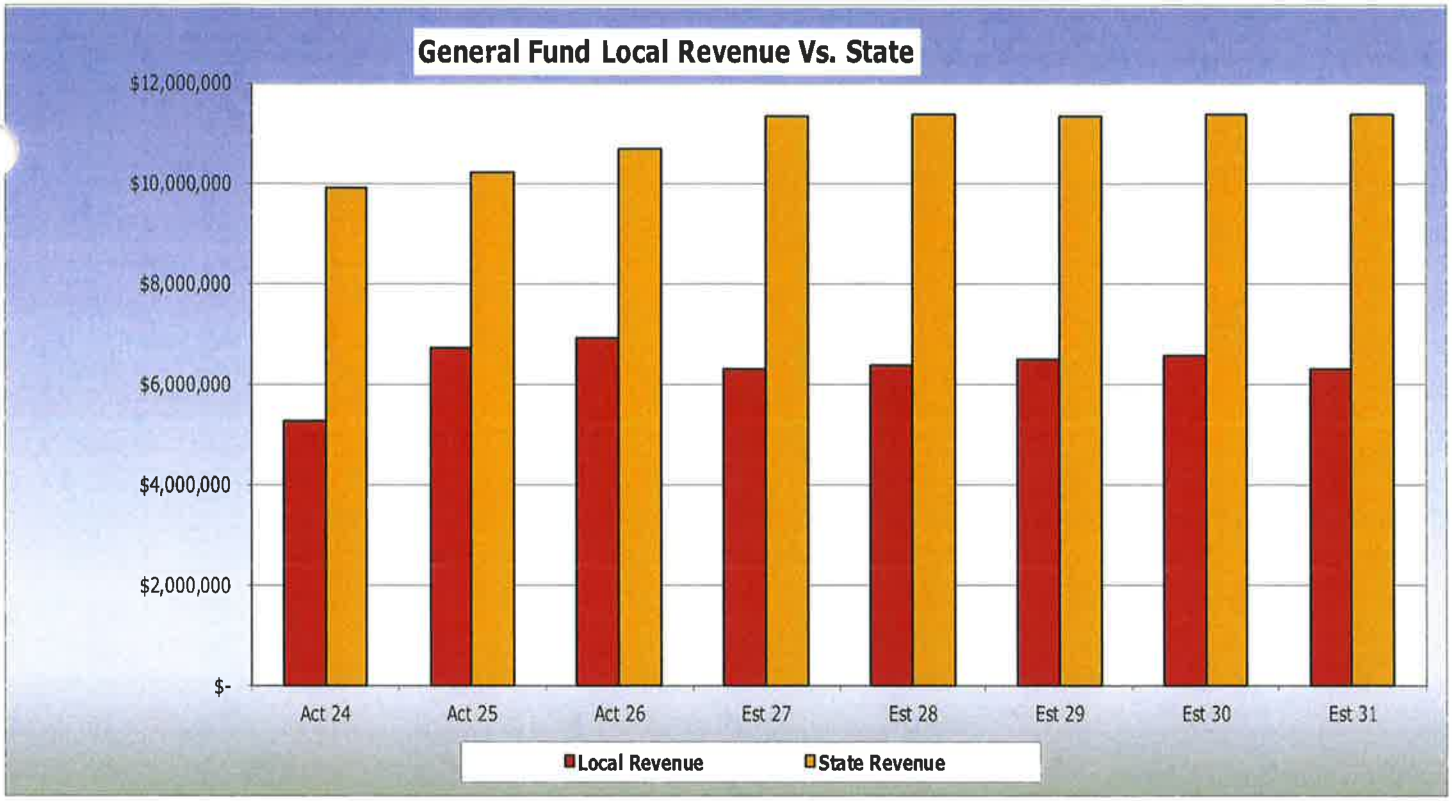
Renewal and Replacement Property Tax Levies – Line #11.020

The district has one current expense levy that will expire on December 31, 2030, vote at 7.84 mills. The revenue from renewal levies is required to be removed from all revenue lines on the forecast Line 1.010 and moved to Line 11.02 where it can be factored into the ending cash balance.

Source	FY27	FY28	FY29	FY30	FY31
Renew of 7.84 Mill Operating Levy	$0	$0	$0	$0	$275,973
Total Line # 11.020	$0	$0	$0	$0	$275,973

Comparison of Local and State Revenue

Note that local revenues fall in FY27 and FY31 is due to the expiration of the 7.84 mill levy along with HB186 tax reductions. Renewal of all levies is critical for the district's financial survival.



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

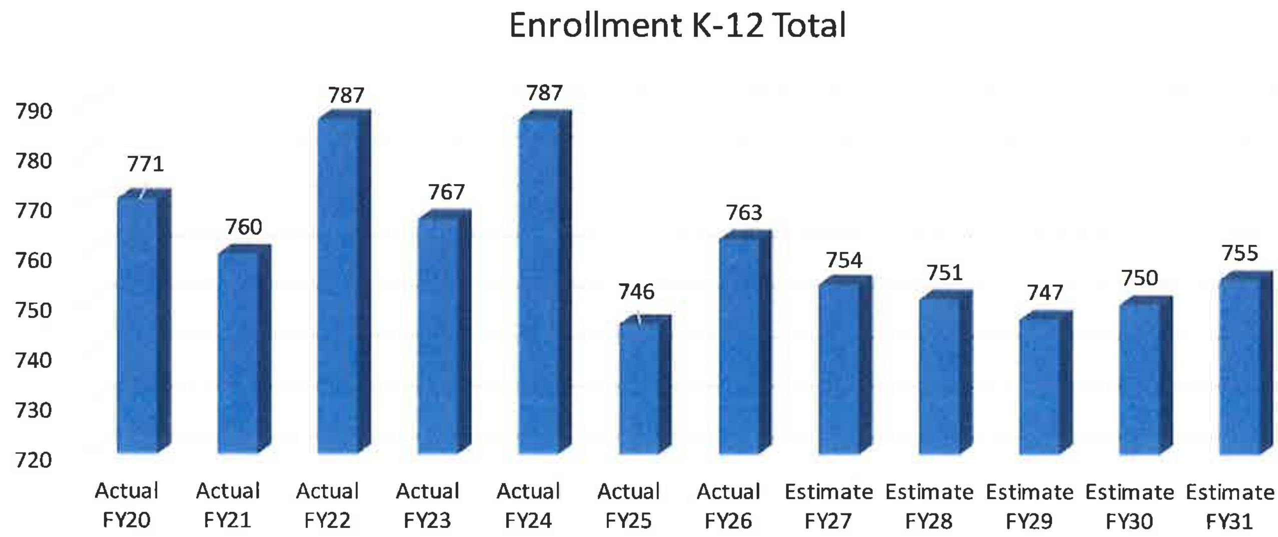
HB96, the current state budget, continued the Fair School Funding Plan for FY26 and FY27, which funds students where they are educated rather than where they live. We have projected FY26 funding based on the January #1 foundation settlement and funding factors.

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 is available at the link below. 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. We are estimated to receive $28,134.58 in FY26.



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 FY26, the funding totaled $108.29 million or $68.14 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	FY27	FY28	FY29	FY30	FY31
Basic Aid-Unrestricted	$9,845,196	$9,845,196	$9,845,196	$9,845,196	$9,845,196
Additional Aid Items	$58,216	$58,216	$58,216	$58,216	$58,216
Basic Aid-Unrestricted Subtotal	$9,903,411	$9,903,412	$9,903,412	$9,903,412	$9,903,412
Career Technical Credentialing	$2,128	$2,128	$2,128	$2,128	$2,128
Ohio Casino Commission ODT	$52,829	$53,621	$54,425	$55,242	$56,070
Total Unrestricted State Aid Line # 1.035	$9,958,368	$9,959,160	$9,959,965	$9,960,781	$9,961,610

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 DPIA formula modified the weight given to these student groups over the biennium which has resulted in calculated DPIA state funding in FY26 being $86.6 million less than in FY25.

Source	FY27	FY28	FY29	FY30	FY31
Disadvantaged Pupil Impact Aid (DPIA)	$597,756	$597,756	$597,756	$597,756	$597,756
Career Technical	$41,603	$41,603	$41,603	$41,603	$41,603
Gifted	$55,567	$55,567	$55,567	$55,567	$55,567
English Learner	$682	$682	$682	$682	$682
Student Wellness & Success	$248,714	$248,714	$248,714	$248,714	$248,714
Catastrophic Costs	$0	$0	$0	$0	$0
Other Restricted	$0	$0	$0	$0	$0
Total Restricted State Revenues Line #1.040	$944,322	$944,322	$944,322	$944,322	$944,322

C) Restricted Federal Grants in Aid – Line #1.045
There are no restricted federal grants projected during this forecast.

Summary of State Foundation Revenues	FY27	FY28	FY29	FY30	FY31
Unrestricted Line # 1.035	$9,958,368	$9,959,160	$9,959,965	$9,960,781	$9,961,610
Restricted Line # 1.040	$944,322	$944,322	$944,322	$944,322	$944,322
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.04	$0	$0	$0	$0	$0
Total State Foundation Revenue	$10,902,690	$10,903,483	$10,904,287	$10,905,103	$10,905,932

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 began a phase down of the 10% rollback credit that has been in effect since 1971 and an equal phase up of the Owner Occupied Credit (OOC) that has been in effect since 1978. In addition, HB96 increased the OOC by 2.88% by phasing it in over four (4) years starting in tax year 2026. The table below shows the phasing of these changes. Eventually there will be some amount of 10% rollback for non-timber farmland but we will need tax settlement sheets to determine that amount. But these amounts are fully reimbursed to the school district when deducted from Class I property tax bills. Homestead credits vary annually based on applicants and eligibility.

The state of Ohio passed HB479 was signed June 24, 2026, and becomes effective September 23, which included a one-time doubling of the homestead exemption credit to start with tax bills in calendar 2027. This is a one-time only increase to help homeowners and is estimated to provide $350 million in taxpayer relief for qualified Homestead applicants and will be reimbursed to local governments from a $2.0 billion surplus in the state budget at the end of May 2026. There were also technical adjustments that if HB186 inflationary tax credits are present, they will be applied after the homestead credits are determined to maximize the credit for homeowners. This will cost the state an additional $44 million annually which will also be reimbursed to local governments if applicable. The $44 million increase is ongoing.

HB186 10% Phase down OOC Phase up					
	TY25 Coll CY26	TY26 Coll CY27	TY27 Coll CY28	TY28 Coll CY29	TY29 Coll CY30
10% Rollback *	10.00%	7.50%	5.00%	2.50%	0.00%
2.5% OOC	2.50%	5.00%	7.50%	10.00%	12.50%
Inc. OOC	0.00%	0.70%	1.42%	2.15%	2.88%
Total	12.50%	13.20%	13.92%	14.65%	15.38%
Homestead	varies	2x	varies	varies	varies
*- non-timber farm land will still keep 10% rollback					

Partial HB186 Guarantee
New HB186 authorizes payments to school districts and JVSDs that are located in a county that underwent a reappraisal or triennial update in tax years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in tax year 2025 than in tax year 2024. The revenue guarantee applies to tax year 2025, in the case of 2023 reappraisal or update counties, and to tax years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district's real property tax revenue in tax year 2024 and its revenue in 2025 and, if applicable, 2026. We do not anticipate a hold harmless payment for HB186. The Ohio Department of Taxation expects to notify the Ohio Department of Education of these amounts and districts who receive this payment by August 1. A record request has been made for this data and we will adjust the forecast as data from the ODT becomes available.

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

Source	FY27	FY28	FY29	FY30	FY31
Rollback and Homestead	$442,458	$462,997	$451,271	$487,073	$498,762
HB186 Partial Reimbursement	$0	$0	$0	$0	$0
Total Tax Reimb./Prop. Tax Allocations #1.050	$442,458	$462,997	$451,271	$487,073	$498,762

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	FY27	FY28	FY29	FY30	FY31
Shale Academy	$1,200,000	$1,224,000	$1,248,480	$1,273,450	$1,298,919
Medicaid	$153,663	$155,200	$156,752	$158,320	$159,903
Tuitions	$323,514	$323,514	$323,514	$323,514	$323,514
Other Income and rentals	$384,520	$384,520	$384,520	$384,520	$384,520
Total Line # 1.060	$2,061,697	$2,087,234	$2,113,266	$2,139,804	$2,166,856

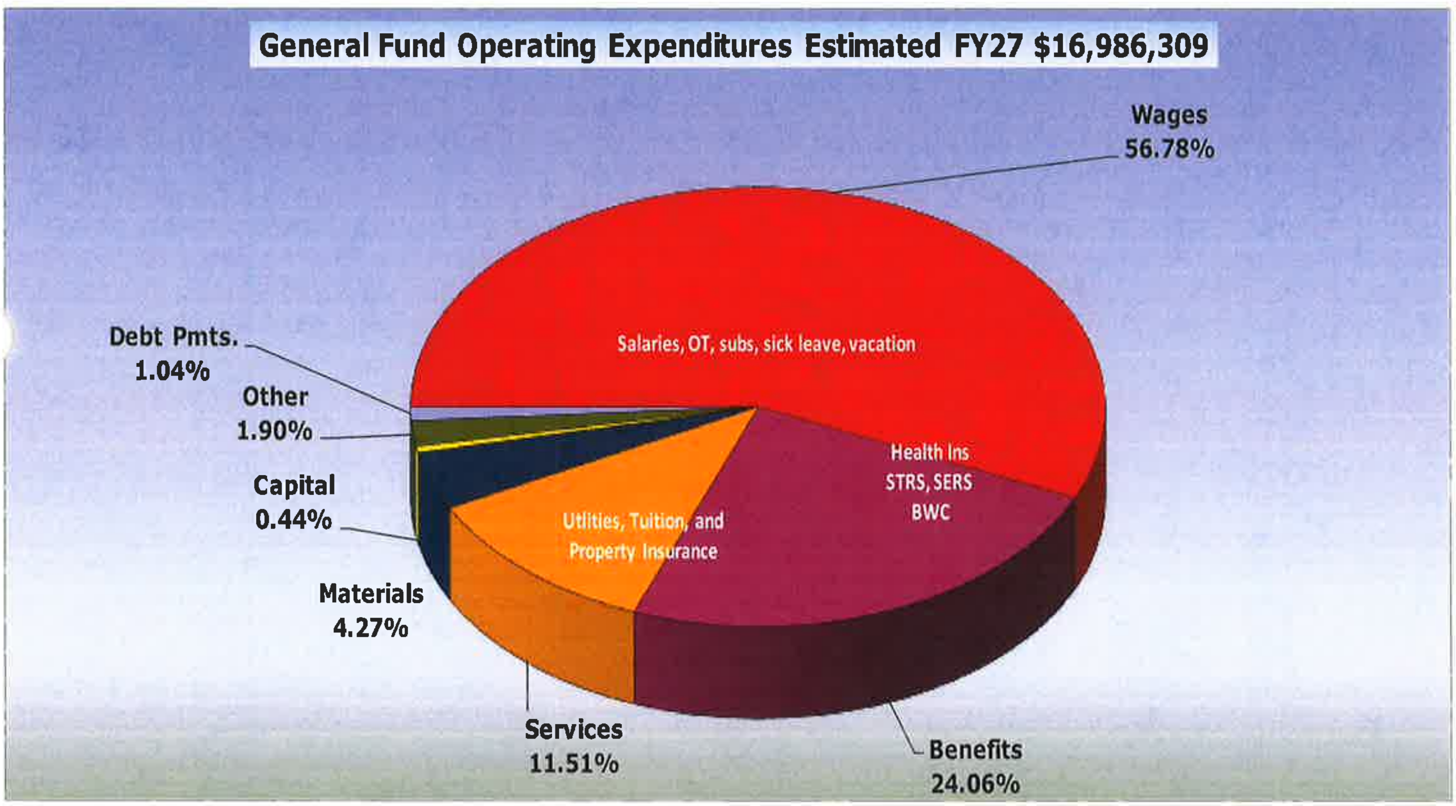
Short-Term Borrowing – Lines #2.010 & Line #2.020
The district does not expect any borrowing during the forecast timeline.

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.



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-FY31. The district also has a 2.5% increase for steps and education increases each year of the forecast.

Source	FY27	FY28	FY29	FY30	FY31
Base Wages	$8,099,959	$8,559,123	$8,944,284	$9,346,777	$9,767,382
Steps/ Education Increases	$202,499	$213,978	$223,607	$233,669	$244,185
Base Rate Increase	$242,999	$171,182	$178,886	$186,936	$195,348
Staff Growth	$13,667	$0	$0	$0	$0
Staff Reductions	$0	$0	$0	$0	$0
Substitutes	$662,977	$669,607	$676,303	$683,066	$689,897
Supplementals	$422,226	$430,670	$439,284	$448,070	$457,031
Severance	$0	$0	$0	$0	$0
Total Wages Line 3.010	$9,644,326	$10,044,561	$10,462,364	$10,898,518	$11,353,842

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 FY31.

C) Workers Compensation & Unemployment Compensation
Workers' Compensation is expected to remain at about .48% of wages FY27-FY31 which is in line with historic growth recently. The district is estimating each year of $1,000 in FY27-FY31 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 FY27-FY31.

Estimated Fringe Benefits – Line #3.020

Source	FY27	FY28	FY29	FY30	FY31
A) STRS/SERS	$1,573,909	$1,639,427	$1,705,928	$1,775,351	$1,847,825
B) Insurance's	$2,296,109	$2,387,953	$2,483,471	$2,582,810	$2,686,122
C) Workers Comp/Unemployment	$47,293	$49,214	$51,219	$53,313	$55,498
D) Medicare	$139,843	$145,646	$151,704	$158,029	$164,631
E) Other/Tuition	$30,000	$30,000	$30,000	$30,000	$30,000
Total Line 3.020	$4,087,154	$4,252,240	$4,422,323	$4,599,503	$4,784,076

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.

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 FY27-FY31 for repairs and maintenance projects. The utilities have an annual increase of 4% throughout the forecast.

Source	FY27	FY28	FY29	FY30	FY31
Base Services	$665,383	$678,690	$692,264	$706,109	$720,232
Professional Support	$127,696	$130,250	$132,855	$135,512	$138,222
Tuition	$546,762	$546,762	$546,762	$546,762	$546,762
Building Maintenance Operations	$222,707	$227,161	$231,704	$236,338	$241,065
Utilities	$392,240	$407,930	$424,247	$441,217	$458,866
Total Line 3.030	$1,954,788	$1,990,793	$2,027,832	$2,065,938	$2,105,146

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 FY27-FY31. Due to the rising cost of fuel for the transportation fleet we are increasing the transportation supplies by 3% in FY27-FY31.

Source	FY27	FY28	FY29	FY30	FY31
Supplies	$481,648	$491,281	$501,107	$511,129	$521,351
Textbooks	$23,924	$23,924	$23,924	$23,924	$23,924
Building Maintenance	$99,959	$102,958	$106,047	$109,228	$112,505
Transportation	$120,183	$123,789	$127,503	$131,328	$135,268
Total Line 3.040	$725,715	$741,952	$758,580	$775,609	$793,048

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 FY29.

Source	FY27	FY28	FY29	FY30	FY31
Capital Outlay	$75,541	$75,541	$75,541	$75,541	$75,541
Replacement Bus Purchases	$0	$0	$280,000	$0	$0
Total Line 3.050	$75,541	$75,541	$355,541	$75,541	$75,541

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	FY27	FY28	FY29	FY30	FY31
Principal Other Notes Line # 4.055	$83,913	$89,143	$94,781	$91,830	$0
Note Principal HB264 Line # 4.050	$71,222	$0	$0	$0	$0
Note Interest Total Line 4.060	$21,644	$15,740	$10,103	$4,150	$0

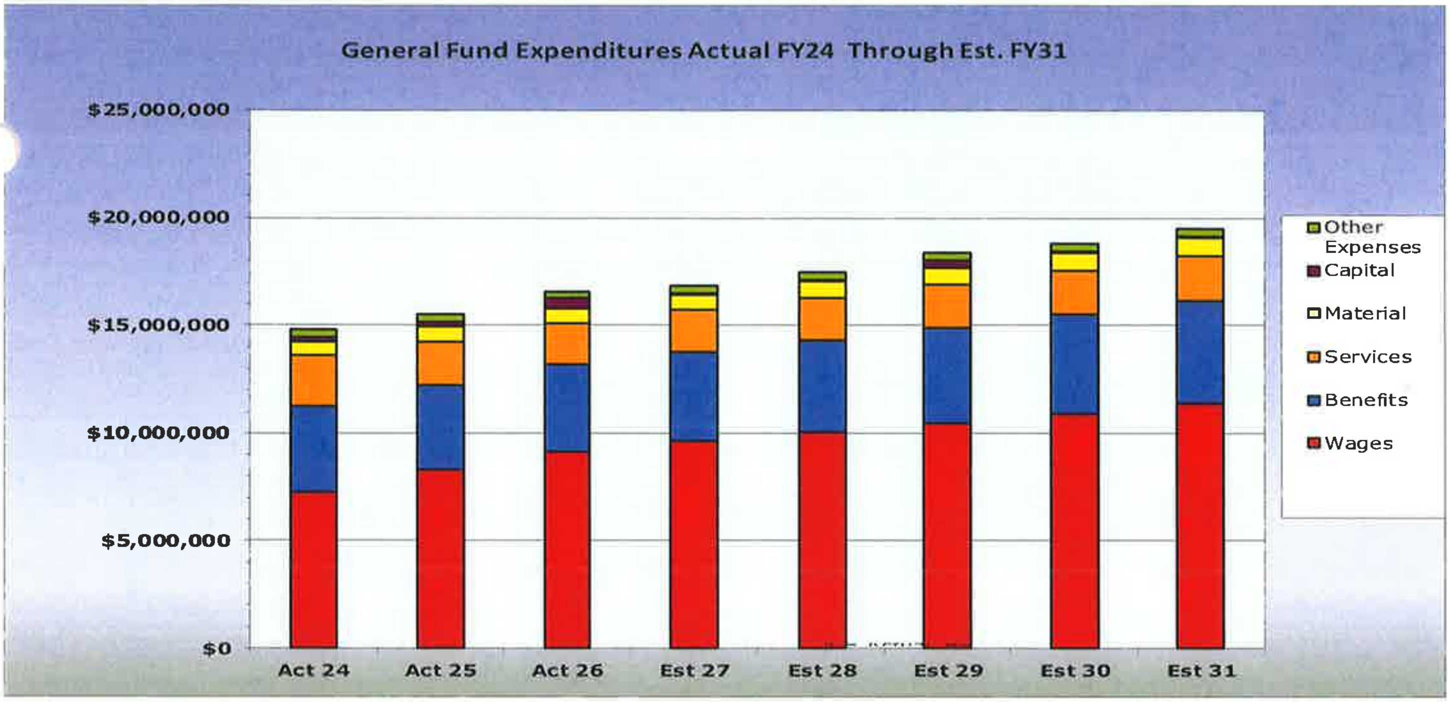
Other Expenses – Line #4.300

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	FY27	FY28	FY29	FY30	FY31
County Auditor & Treasurer Fees	$83,111	$84,773	$86,468	$88,198	$89,962
Audit Fees	$21,084	$21,506	$21,936	$22,375	$22,822
Other expenses	$217,811	$222,167	$226,610	$231,143	$235,765
Total Line 4.300	$322,006	$328,446	$335,015	$341,715	$348,549

Operating Expenditures Actual FY24 through FY26 and Estimated FY27-FY31

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	FY27	FY28	FY29	FY30	FY31
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	$73,000	$73,000	$73,000	$73,000	$73,000

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.

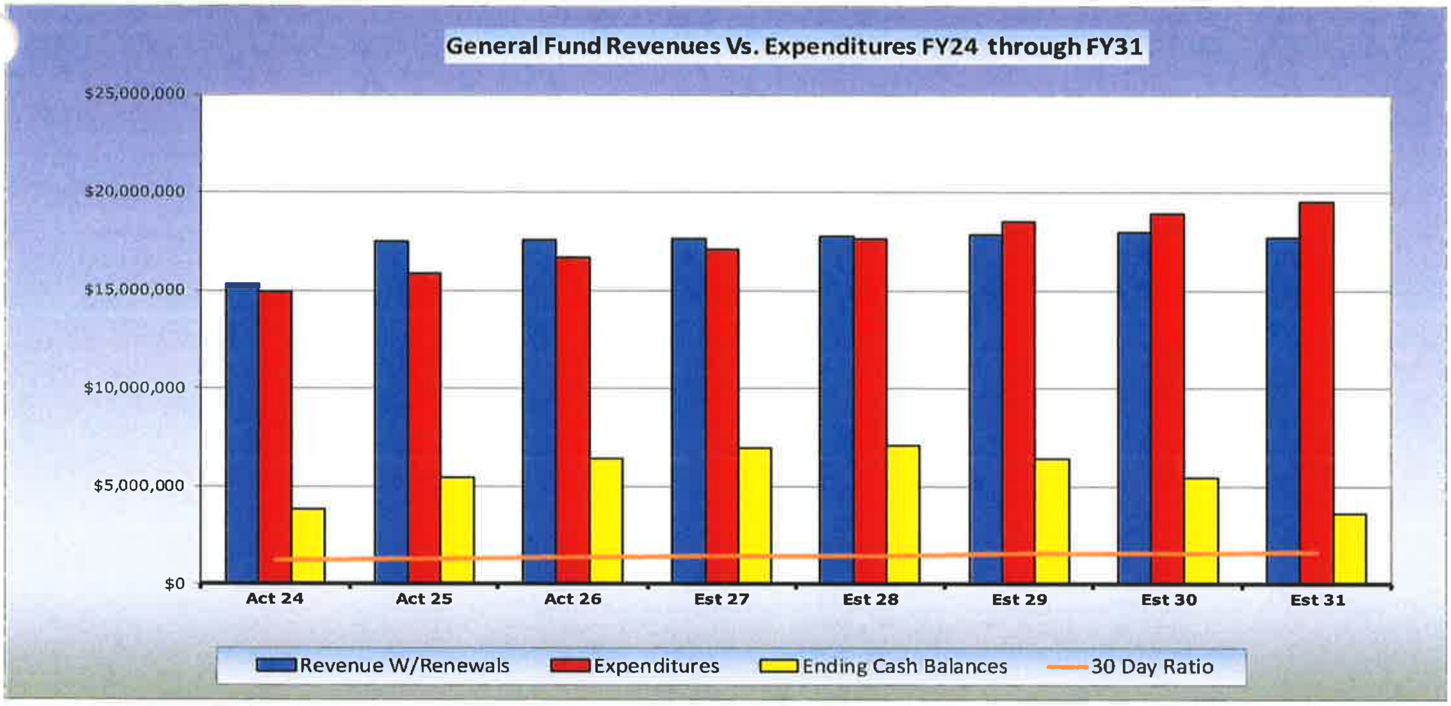
Ending Unreserved Cash Balance "The Bottom-line"– Line #15.010

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.

	FY27	FY28	FY29	FY30	FY31
Ending Unreserved Cash Balance	$6,955,313	$7,106,025	$6,424,053	$5,447,021	$3,916,355

Revenues vs Expenditures with Deficit Spending

The chart below shows that the district will not deficit spend during this forecast.



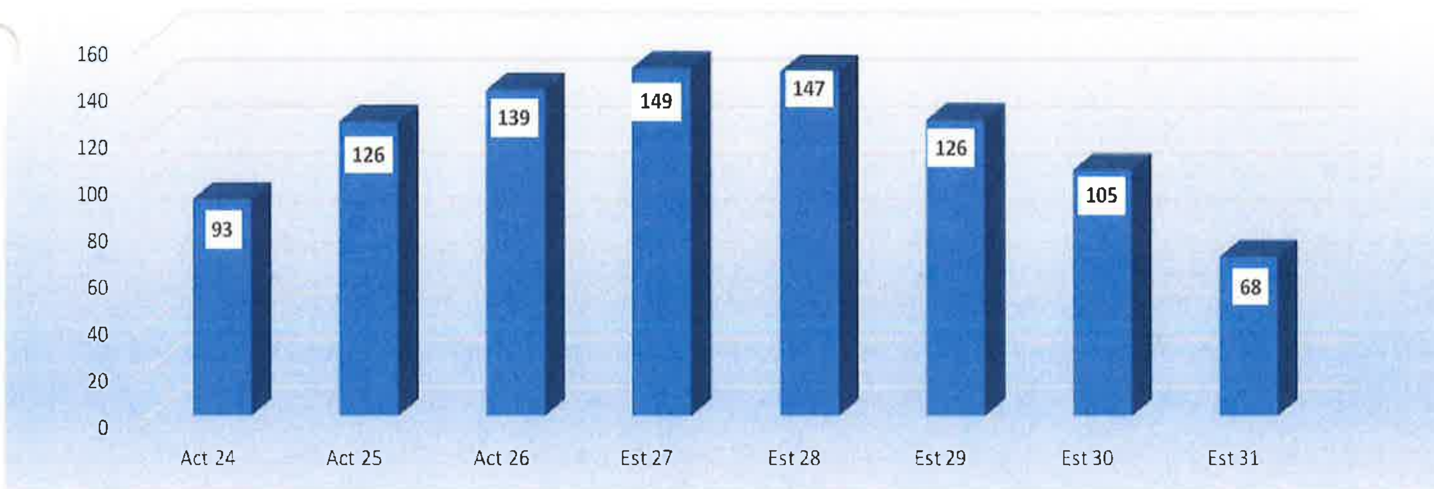
Deficit spending affects the amount of carryover that the district has to plan for the future. When reviewing the needs of the district we review the amount of spending and what would be needed to remove any deficit spending to have positive cash balances on the forecast.

	FY27	FY28	FY29	FY30	FY31
Excess Revenues over/(under) Expenditures	$583,563	$150,711	($681,972)	($977,032)	($1,806,640)
Millage equivalent for deficit spending	0.00	0.00	3.49	4.97	9.15

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.

Ending Cash Balance in True Cash Days



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 64.3% 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 results any additional staffing beyond the state metrics will need to be funded locally.

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.