

EAST CLINTON LOCAL SCHOOL DISTRICT - CLINTON 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
East Clinton Local School District
Treasurer's Office
John Stanley, Treasurer/CFO

February 18, 2026

East Clinton Local School District

Clinton 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)	3,174,066	3,746,752	4,170,862	14.7%	4,312,295	3,489,277	3,748,765	4,044,718	4,056,206
1.020 Public Utility Personal Property Tax	238,677	253,378	290,821	10.5%	347,069	407,351	470,526	533,701	596,877
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035 Unrestricted State Grants-in-Aid	8,753,798	9,365,839	9,535,357	4.4%	8,860,728	8,734,158	8,903,461	9,076,150	9,078,493
1.040 Restricted State Grants-in-Aid	508,238	634,692	1,205,926	57.4%	1,051,142	1,026,027	1,026,027	1,026,027	1,026,027
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	461,342	512,487	577,928	11.9%	595,389	826,630	641,302	649,985	652,331
1.060 All Other Revenues	838,075	939,917	1,012,494	9.9%	977,530	952,776	930,946	911,754	894,939
1.070 Total Revenues	13,974,196	15,453,065	16,793,388	9.6%	16,144,153	15,436,219	15,721,027	16,242,335	16,304,873
Other Financing Sources									
2.010 Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020 State Emergency Loans	0	0	0	0.0%	0	0	0	0	0
2.040 Operating Transfers-In	0	0	0	0.0%	0	0	0	0	0
2.050 Advances-In	0	0	0	0.0%	0	0	0	0	0
2.060 All Other Financing Sources	64,480	71,121	97,177	23.5%	77,593	81,964	85,578	81,711	83,084
2.070 Total Other Financing Sources	64,480	71,121	97,177	23.5%	77,593	81,964	85,578	81,711	83,084
2.080 Total Revenues and Other Financing Sources	14,038,676	15,524,186	16,890,565	9.7%	16,221,746	15,518,183	15,806,605	16,324,046	16,387,957
Expenditures									
3.010 Personal Services	8,986,912	9,306,002	9,674,899	3.8%	9,839,833	10,182,679	10,534,753	10,898,936	11,275,607
3.020 Employees' Retirement/Insurance Benefits	3,364,358	3,562,662	3,826,928	6.7%	4,014,987	4,237,328	4,472,413	4,721,817	4,986,460
3.030 Purchased Services	2,094,780	2,501,237	2,194,624	3.6%	2,238,047	2,207,321	2,218,803	2,230,564	2,242,612
3.040 Supplies and Materials	537,167	512,596	527,292	-0.9%	548,384	570,319	593,131	616,856	641,530
3.050 Capital Outlay	120,377	110,962	207,879	39.8%	129,972	142,298	147,778	156,982	144,257
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0
Debt Service:				0.0%					
4.010 Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0
4.020 Principal-Notes	0	0	0	0.0%	0	0	0	0	0
4.030 Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040 Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050 Principal-HB 264 Loans	40,000	45,000	45,000	6.3%	0	0	0	0	0
4.055 Principal-Other	0	94,800	99,300	0.0%	103,900	108,800	113,900	119,300	124,300
4.060 Interest and Fiscal Charges	1,430	83,250	87,503	2863.4%	82,436	77,437	72,204	66,724	60,985
4.300 Other Objects	190,970	205,708	215,197	6.2%	217,185	218,829	220,490	222,167	223,861
4.500 Total Expenditures	15,335,994	16,422,217	16,878,622	4.9%	17,174,744	17,745,011	18,373,472	19,033,346	19,699,612
Other Financing Uses									
5.010 Operating Transfers-Out	105,000	50,000	50,000	999.0%	50,000	50,000	50,000	50,000	50,000
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	105,000	50,000	50,000	-26.2%	50,000	50,000	50,000	50,000	50,000
5.050 Total Expenditures and Other Financing Uses	15,440,994	16,472,217	16,928,622	4.7%	17,224,744	17,795,011	18,423,472	19,083,346	19,749,612
<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses</i>	<i>(1,402,318)</i>	<i>(948,031)</i>	<i>(38,057)</i>	<i>-64.2%</i>	<i>(1,002,998)</i>	<i>(2,276,828)</i>	<i>(2,616,867)</i>	<i>(2,759,300)</i>	<i>(3,361,655)</i>
6.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	7,180,562	5,778,244	4,830,213	-18.0%	4,792,156	3,789,158	1,512,330	(1,104,537)	(3,863,837)
7.020 Cash Balance June 30	5,778,244	4,830,213	4,792,156	-8.6%	3,789,158	1,512,330	(1,104,537)	(3,863,837)	(7,225,492)
8.010 Estimated Encumbrances June 30	0	(960)	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 Reservations of fund Balance	0	0	0	0.0%	0	0	0	0	0
10.010 Fund Balance June 30 for Certification of Appropriations	5,778,244	4,831,173	4,792,156	-8.6%	3,789,158	1,512,330	(1,104,537)	(3,863,837)	(7,225,492)
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal	0	0	0	0.0%	0	0	0	0	0
11.020 Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	0	0	0
11.300 Cumulative Balance of Renewal Levies	0	0	0	0.0%	0	0	0	0	0
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	5,778,244	4,831,173	4,792,156	-8.6%	3,789,158	1,512,330	(1,104,537)	(3,863,837)	(7,225,492)
Revenue from New Levies									
13.010 Income Tax - New	0	0	0	0.0%	0	102,062	1,408,458	2,245,367	2,041,243
13.020 Property Tax - New	0	0	0	0.0%	0	0	0	0	0
13.030 Cumulative Balance of New Levies	0	0	0	0.0%	0	102,062	1,510,520	3,755,887	5,797,130
14.010 Revenue from Future State Advancements	0	0	0	0.0%	0	0	0	0	0
15.010 Unreserved Fund Balance June 30	5,778,244	4,831,173	4,792,156	-8.6%	3,789,158	1,614,392	405,983	(107,950)	(1,428,362)

East Clinton Local School District – Clinton County
Notes to the Five-Year Forecast
General Fund Only
February 18, 2026

Introduction to the Five-Year Forecast

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

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

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

Here are three (3) essential purposes or objectives of the five-year forecast:

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

Ohio HB96 was passed in June 2025 which amended O.R.C. 5705.391 and O.A.C. 3301-92.04 requiring a Board of Education (BOE) to file their current years budgeted revenue and expenses, and three additional years. This is essentially a four (4) year forecast. Beginning in fiscal year 2026 (July 1 to June 30) the financial forecast must be filed by October 15, and the end of February. The filing deadlines will change in fiscal year 2027 to August 31, and end of February each fiscal year thereafter. While the legislative requirement is to file a four-year forecast, as noted above, we believe it is a prudent business practice to continue to develop a five-year forecast for planning purposes. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the financial forecast is considered the current year budget and is used as the base for future years projections. Our forecast is updated to reflect the most current economic data available for the February 2026 filing.

Economic Outlook

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

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

Forecast Risks and Uncertainty:

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

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

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

- HB129 restores fixed sum levies and implements new requirements. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next sexennial reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028, which will collect in calendar year 2029. For some districts, this will result in a loss due to a change in the 20-mill floor.
- HB186 establishes Inflation Cap Credits and Temporary Tax Credits (claw back). Following reappraisals and triennial updates for school district property taxes, the Inflation Cap Credits prevent increases beyond the Gross Domestic Product Deflation Factor (GDP DF). The Temporary Tax Credits (claw back) provision refunds tax revenue that has already been collected by school districts beginning with sexennial reappraisals and triennial updates that occurred before the effective date of the law, retroactive back to tax year 2023, 2024, and 2025. These are funds that have already been realized and have been spent and/or included in future educational planning. While skyrocketing home values resulted in the need for property tax reform that limits tax growth for taxpayers, the retroactive claw back of taxes already paid is very detrimental to districts at the 20-mill floor. East Clinton School District is on the 20-mill floor.
- HB309 allows County Budget Commissions (CBC's) to reduce any voter-approved levy (except debt) to bring taxes levied within levels the CBC finds reasonable and prudent to avoid unnecessary collections. This law gives locally elected CBC officials the power to override voter-approved levies and local school board fiscal decisions. The impact of this new law is indeterminable and can be administered inconsistently in 88 counties across Ohio.
- HB335 limits revenue growth from inside millage due to sexennial valuation reappraisals or triennial updates to no more than the Gross Domestic Product Deflation Factor (GDP DF). Our district plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage.

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

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 brief description of the current issues and how they may affect our forecast in the long term:

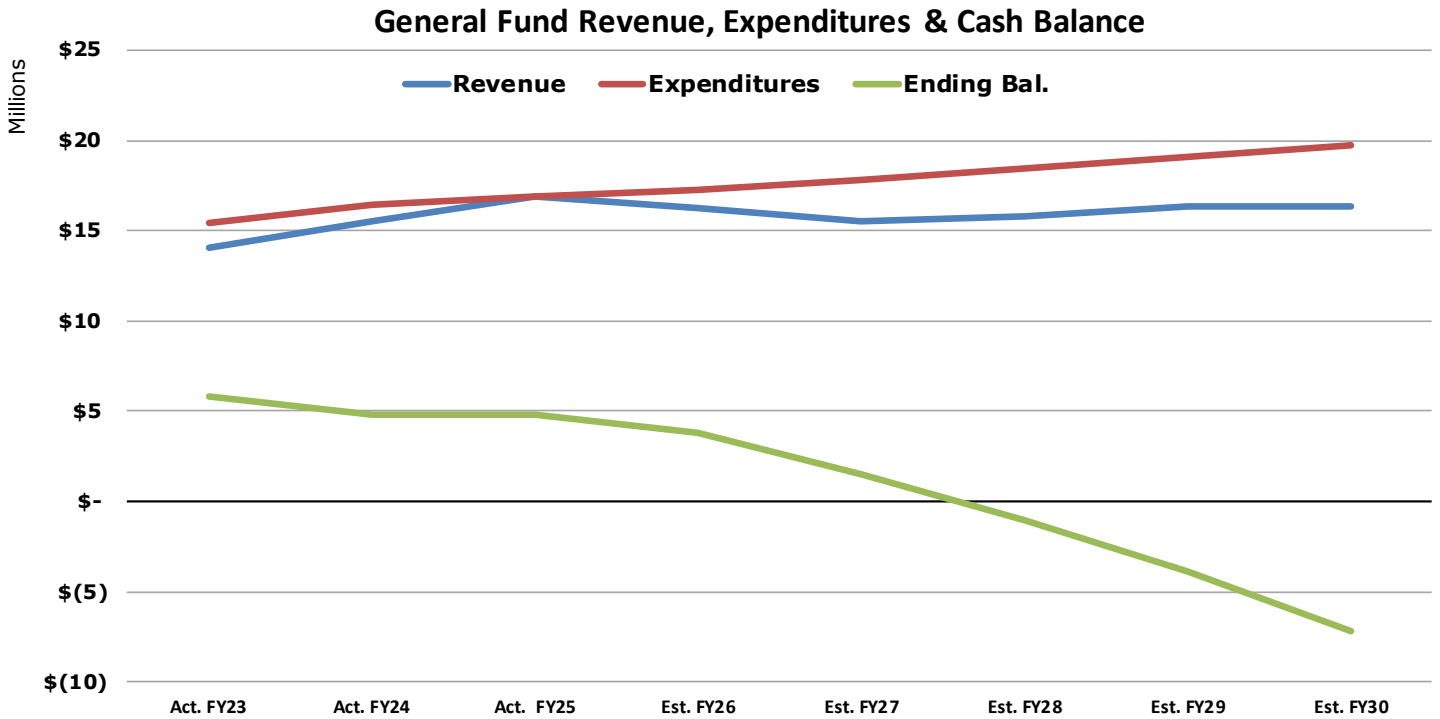
- (2) Property tax collections are second largest source for the school system and a significant risk to the forecast. We project growth in appraised values every three (3) years that aligns with the new HB186 Gross Domestic Product Deflation Factor (GDP DF) and new construction growth. The effects of HB186 will be to limit property tax growth following sexennial reappraisals and triennial updates. Total local revenues, predominately local taxes, equate to 35% 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 revenue reductions in Tax Year 2026 collected in calendar year 2027 taxes will also result. We have included any estimated adjustment for HB186 in Line 1.01 assumptions below, but only the ODT will have actual authoritative data when it is released after this forecast filing deadline.
- (3) Clinton County experienced a sexennial reappraisal in tax year 2023 for collection in FY2024. We experienced value increases for Class I and II property by \$63 million for an overall increase of 37%. A triennial update will occur in tax year 2026 for collection in FY2027. We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property within the Gross Domestic Product Deflation Factor range of 5% to 9%. HB335 inside millage cap will become effective for any reappraisal and update beginning in tax year 2026, and HB129 will become effective for our district in the next update in tax year 2026. We have anticipated any 20-mill floor adjustment at that time in Line 1.01 assumptions below. We do not anticipate any impact of HB335 on our tax projections due to our estimates for future growth in reappraisal being in line with anticipated GDP DF.
- (4) The state budget represented 65% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond if the state economy stalls due to a possible recession and the Fair School Funding Plan is not continued and/or 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 recent formula calculations and use of the Ohio Department of Education and Workforce (ODEW) funding simulator for FY27 projections. This forecast reflects state revenue to grow by an average of 0.55% from FY28 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.
- (5) HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY26 and FY27. FY26 reflects 83.33% of the implementation cost at year five of a six-year phase-in plan, which increases by 16.66% each year. FY27 will result in 100% funding of (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 simulations published by the Department of Education and Workforce for our forecasted revenues in FY27-FY30.
- (6) 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. Clinton County Commissioners did not vote to approve further Piggyback Property Tax Exemptions for tax year 2025.
- (7) The Ohio Department of Taxation, on January 15, 2026, announced an updated state property tax sexennial reappraisal and triennial update schedule. Sixteen counties will have their reappraisal moved back by one year in accordance with the new schedule. Our county will be impacted by this change.

- (8) Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. Our positive working relationship will continue and grow stronger as we move forward.

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

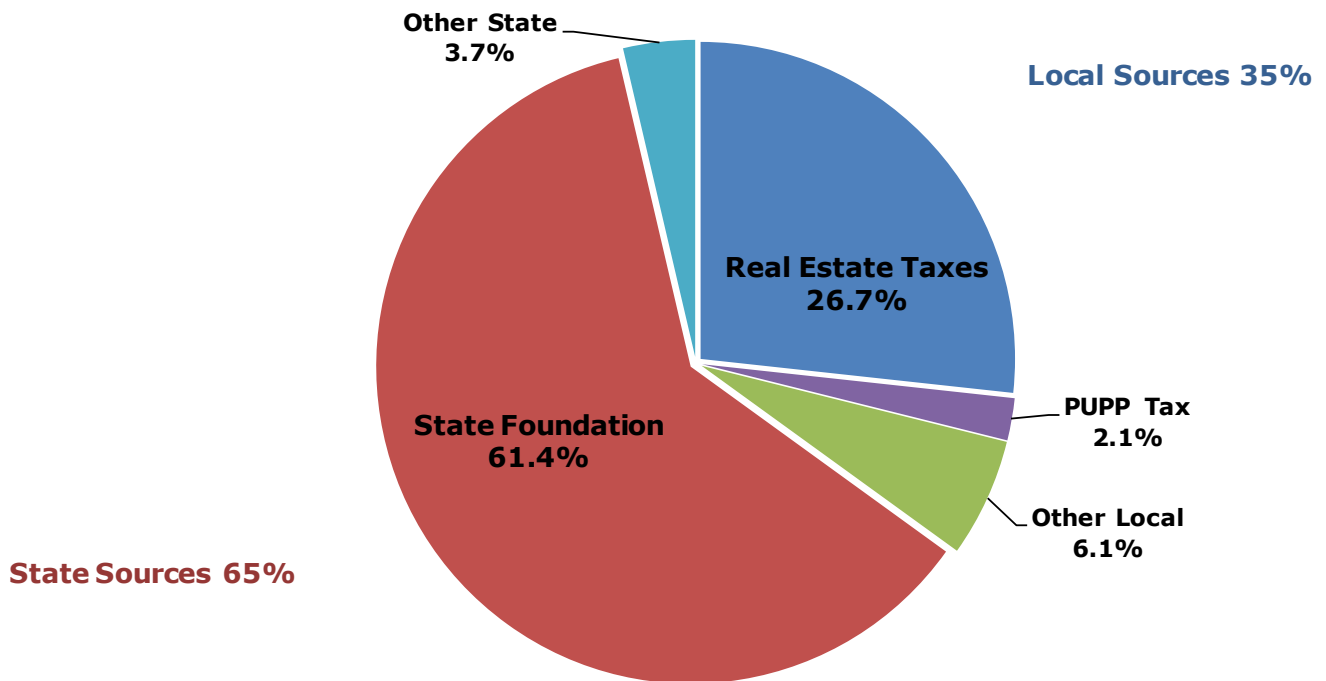
General Fund Revenue, Expenditures and Ending Cash Balance Actual FY23-25 and Estimated FY26-30

The graph below captures in one snapshot the operating scenario facing the district over the forecasted years.



Revenue Assumptions All Operating Revenue Sources General Fund FY26

GENERAL FUND ESTIMATED REVENUES FY26 \$16,144,153



Property Valuation Assumptions

Property Values are established each year by the County Auditor based on new construction, demolitions, Board of Revisions (BOR) or Bureau of Tax Appeals (BTA) activity, and complete reappraisal or updated values. New to this forecast, HB186 allows new construction growth in property taxes irrespective of GDP DF. Clinton County experienced a sexennial reappraisal in tax year 2023 for collection in 2024, which increased our residential values by 38.4% and increased our commercial/industrial property by 21.9%. Overall, total values for Residential/Agricultural and Commercial/Industrial increased \$63 million or 37% overall.

A triennial update will occur in 2026 for collection in FY2027, for which we are estimating a 6.5% increase in residential and a 0.50% increase for commercial/industrial property. We anticipate overall residential/agricultural and commercial/industrial values to increase \$15.8 million, or 6.4%.

Public Utility Personal Property (PUPP) values increased by \$2.1 million in tax year 2025. We expect our values to continue to grow by \$2.1 million each year of the forecast.

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

Estimated Assessed Value (AV) by Collection Years

Classification	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2025 COLLECT 2026	TAX YEAR 2026 COLLECT 2027	TAX YEAR 2027 COLLECT 2028	TAX YEAR 2028 COLLECT 2029	TAX YEAR 2029 COLLECT 2030
Res./Ag.	\$228,885,910	\$244,669,124	\$250,468,137	\$251,373,767	\$252,279,397
Comm./Ind.	17,940,934	18,026,649	18,112,792	18,108,802	18,104,812
Public Utility Personal Property (PUPP)	<u>12,646,270</u>	<u>14,787,800</u>	<u>16,929,330</u>	<u>19,070,860</u>	<u>21,212,390</u>
Total Assessed Value	<u>\$259,473,114</u>	<u>\$277,483,573</u>	<u>\$285,510,259</u>	<u>\$288,553,429</u>	<u>\$291,596,599</u>

Tax Rate Assumptions

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 levies is 29.5 mills while the Class I effective millage rate is 20.00 mills, and the Class II effective millage rate is 20.00 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 on the on the floor for both Class I and Class II effective millage.

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 2026 triennial update. Our district does not have fixed sum, or emergency, levies, therefore, this will not impact our forecast.

Estimated Real Estate Tax Collection Assumptions & New Tax Laws

HB96 enacted a new provision called “Piggyback Property Tax Exemptions”. This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Clinton County Commissioners did not vote to approve further Piggyback Property Tax Exemptions for tax year 2025.

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

Ohio Department of Taxation is charged, as the authoritative source, with calculating the adjustments due to HB186, but has until April 20, 2026, to do so, which is after the filing deadline for this forecast.

East Clinton Local School District is at the 20-mill floor and is anticipating a negative claw back impact to our forecast due to HB186. We are anticipating adjustments noted on the table below for Line 1.01. This is based on our best estimate of HB186, but there is no authoritative updated information from the Ohio Department of Taxation at this time on the actual claw back amount. For planning purposes, we believe this is the worst-case scenario but again there is NO authoritative data on this. When the Ohio Department of Taxation releases authoritative data, we will adjust the forecast accordingly.

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

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

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

General Property Tax (Real Estate) – Line #1.010

Property tax levies are estimated to be collected at 95.85% of the annual amount. This allows a 4.15% delinquency factor. In general, 58.70% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 41.30% in the August tax settlement. We are anticipating a significant adjustment to our second half settlement in 2026 in August through September due to HB186.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Est. Real Estate Taxes	\$4,312,295	\$4,473,292	\$4,644,389	\$4,694,594	\$4,710,162
Homestead Piggyback Exemption (HB96)	0	0	0	0	0
2.5% Rollback Piggyback Exemption (HB96)	0	0	0	0	0
Property Tax Inflation Cap Credits (HB186)	0	-984,015	-895,624	-649,876	-653,956
Total Line #1.01 Real Estate Taxes	<u>\$4,312,295</u>	<u>\$3,489,277</u>	<u>\$3,748,765</u>	<u>\$4,044,718</u>	<u>\$4,056,206</u>

Replacement/Renewal Levies – Line #11.30

No levy renewals are modeled in this forecast.

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

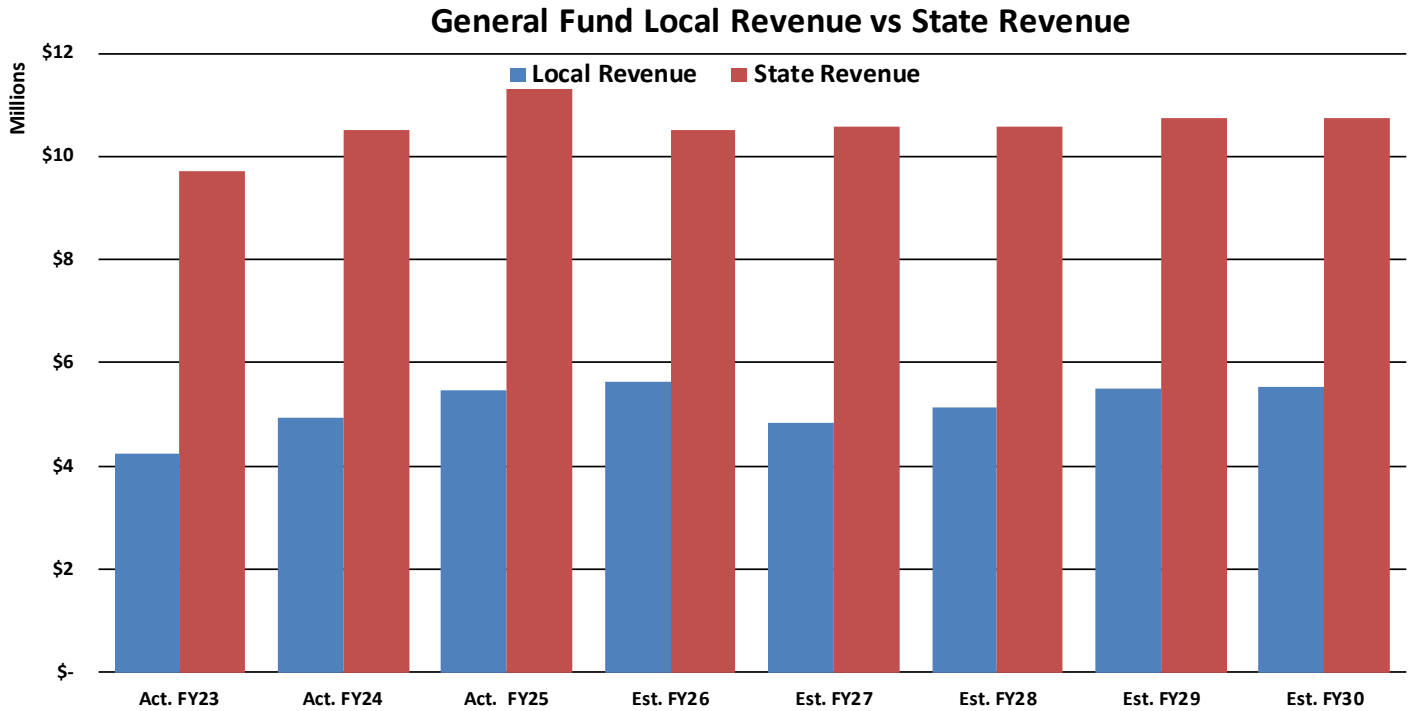
Estimated Tangible Personal Tax & PUPP Taxes – Line #1.020

Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under Public Utility (PUPP), which were \$12.6 million in assessed values in 2025 and are collected at the district’s gross voted millage rate. Collections are typically 54% in March and 46% in August along with the real estate settlements from the county auditor. The values in 2025 rose by 20.4% or \$2.1 million and are expected to grow by \$2.1 million each year of the forecast.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Public Utility Personal Property	<u>\$347,069</u>	<u>\$407,351</u>	<u>\$470,526</u>	<u>\$533,701</u>	<u>\$596,877</u>
Total PUPP Tax Line #1.020	<u>\$347,069</u>	<u>\$407,351</u>	<u>\$470,526</u>	<u>\$533,701</u>	<u>\$596,877</u>

School District Income Tax – Line#1.030

No school district income taxes are modeled in this forecast.



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

Unrestricted State Foundation Revenue – Line #1.035

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

Our district is currently a formula district in FY26 and is expected to continue to be on the formula in FY26-FY30 on the new Fair School Funding Plan (FSFP).

A detailed overview of how foundation funding is calculated including all of the HB96 changes on the Ohio Department of Education and Workforce is now available. Please visit the Ohio Department of Education and Workforce at: <https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

State Funding FY26-FY27

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

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

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

The Performance Supplement was included in HB96. The eligibility for the supplement payment uses data from the state report card for the 2024-2025 school year for FY26 and 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We are not projected to receive the performance supplement in FY26 or FY27.

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

Future State Budget Projections beyond FY27

Our funding status for FY28-FY30 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget process; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. This forecast reflects state revenue to grow by 0.55% from FY28 through FY30, which we feel is conservative and should be close to what the state approves for the next two biennium budgets.

Threshold Cost Reimbursement

Threshold Cost (formerly Catastrophic Cost) reimbursement nearly doubled in FY22 due to increased appropriations, which are funded at the state level by a reduction in special education funding at the local level. These revenues are inconsistent year-to-year, and we are not projecting any growth over the remainder of the forecast. We were notified that Threshold Cost reimbursements, and likely future years, are expected to be reduced by 30% from FY25 levels due to fixed state appropriations.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

Total casino funding in FY24 was \$113.1 million or \$64.90 per pupil. In FY25, the funding totaled \$114.18 million or \$65.44 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Basic Aid-Unrestricted	\$8,477,156	\$8,352,562	\$8,519,613	\$8,690,005	\$8,690,005
Additional Aid Items	273,194	269,010	269,010	269,010	269,010
Basic Aid-Unrestricted Subtotal	<u>\$8,750,350</u>	<u>\$8,621,572</u>	<u>\$8,788,623</u>	<u>\$8,959,015</u>	<u>\$8,959,015</u>
Ohio Casino Commission ODT	\$80,530	\$85,110	\$85,110	\$85,110	\$85,110
Threshold Cost	<u>110,378</u>	<u>112,586</u>	<u>114,838</u>	<u>117,135</u>	<u>119,478</u>
Total Unrestricted State Aid Line #1.035	<u>\$8,860,728</u>	<u>\$8,734,158</u>	<u>\$8,903,461</u>	<u>\$9,076,150</u>	<u>\$9,078,493</u>

Restricted State Revenues – Line #1.040

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

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

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
DPIA	\$730,165	\$732,190	\$732,190	\$732,190	\$732,190
ESL	579	624	624	624	624
Gifted	67,334	57,537	57,537	57,537	57,537
Career Tech - Restricted	6,409	6,409	6,409	6,409	6,409
Other Restricted State Funds	-900	0	0	0	0
Student Wellness and Success	<u>247,555</u>	<u>229,267</u>	<u>229,267</u>	<u>229,267</u>	<u>229,267</u>
Total Restricted State Revenues Line #1.040	<u>\$1,051,142</u>	<u>\$1,026,027</u>	<u>\$1,026,027</u>	<u>\$1,026,027</u>	<u>\$1,026,027</u>

Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

<u>SUMMARY</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Unrestricted Line #1.035	\$8,860,728	\$8,734,158	\$8,903,461	\$9,076,150	\$9,078,493
Restricted Line #1.040	1,051,142	1,026,027	1,026,027	1,026,027	1,026,027
Rest. Federal Funds #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$9,911,870</u>	<u>\$9,760,185</u>	<u>\$9,929,488</u>	<u>\$10,102,177</u>	<u>\$10,104,520</u>

State Reimbursement for Property Tax Credits – Line #1.050

Rollback and Homestead Reimbursement

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

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

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSs 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, but since the ODT has not released authoritative data on HB186 calculations, we cannot be certain of this. We will adjust the forecast as data from the ODT becomes available.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Rollback and Homestead	\$595,389	\$613,348	\$641,302	\$649,985	\$652,331
HB186 Partial Reimbursement	<u>0</u>	<u>213,282</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Reimbursement for Property Tax Credits	<u>\$595,389</u>	<u>\$826,630</u>	<u>\$641,302</u>	<u>\$649,985</u>	<u>\$652,331</u>

Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been interest on investments, tuition-related payments, Preschool, Manufactured Homes, and Medicaid

reimbursements. Since FY22, any open-enrolled students since have been counted in our Enrolled ADM numbers for state funding and are not separately funded.

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

All other revenues are expected to continue in line with historical trends.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Tuition Related Payments	\$235,171	\$237,523	\$239,898	\$242,297	\$244,720
Preschool	34,660	35,007	35,357	35,711	36,068
Open Enrollment	3,560	3,560	3,560	3,560	3,560
Class & Sports Oriented Fees	52,810	53,338	53,871	54,410	54,954
Interest Earnings	288,187	259,368	233,431	210,088	189,079
Medicaid	47,219	47,691	48,168	48,650	49,137
Mobile Home Taxes	40,570	40,936	41,308	41,685	42,068
Miscellaneous	<u>275,353</u>	<u>275,353</u>	<u>275,353</u>	<u>275,353</u>	<u>275,353</u>
Total Other Local Revenue Line #1.060	<u>\$977,530</u>	<u>\$952,776</u>	<u>\$930,946</u>	<u>\$911,754</u>	<u>\$894,939</u>

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

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

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

These are non-operating revenues, which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a prior fiscal year in the current fiscal year. The advances in the last fiscal year are expected to be repaid in the current year, as noted in the table below.

All Other Financial Sources – Line #2.060

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

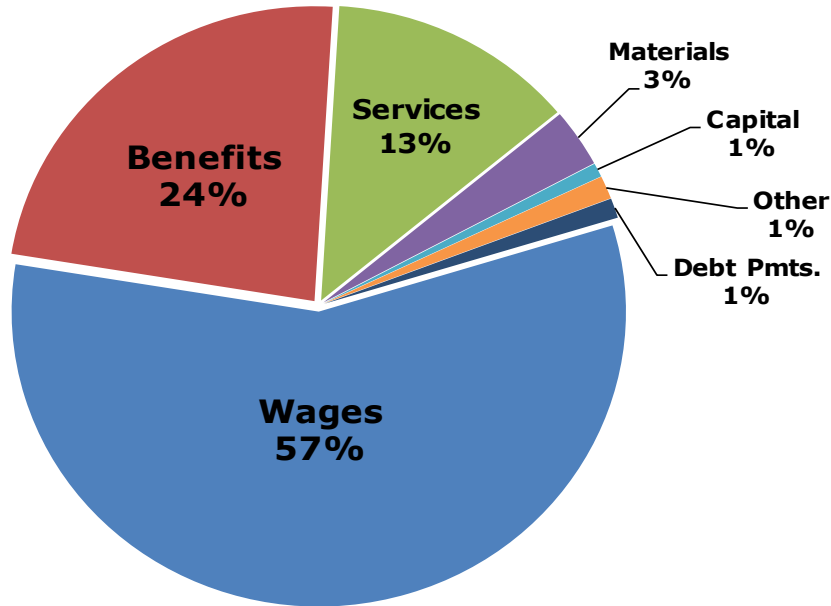
<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Sale of Property & Refund of prior years exp.	<u>\$77,593</u>	<u>\$81,964</u>	<u>\$85,578</u>	<u>\$81,711</u>	<u>\$83,084</u>

Expenditure Assumptions

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

All Operating Expense Categories - General Fund FY26

GENERAL FUND OPERATING EXPENDITURES EST. FY26 \$17,174,744



Wages – Line #3.010

Negotiations with bargaining unit members resulted in an agreement which included base increases of 3.0% for FY23, 2.5% for FY24, including step increases of 2% and a 2% increase for FY25. For planning purposes, a 1.5% base increase is planned for FY26 through FY30. In FY21, the district utilized ESSER funding to reduce General Fund wages by \$2 million. FY22 saw \$2 million of these wages return to the General Fund and an additional \$150 thousand returned in FY25.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Base Wages	\$9,315,783	\$9,473,925	\$9,811,766	\$10,158,735	\$10,517,711
Based Pay Increase	259,910	189,479	196,235	203,175	210,354
Steps & Academic Training	139,607	139,737	142,109	147,176	152,381
New Building Staff	(250,000)	0	0	0	0
Substitutes/OT	115,659	115,659	115,659	115,659	115,659
Supplementals	250,249	255,254	260,359	265,566	270,877
Board of Education	<u>8,625</u>	<u>8,625</u>	<u>8,625</u>	<u>8,625</u>	<u>8,625</u>
Total Wages Line #3.010	<u>\$9,839,833</u>	<u>\$10,182,679</u>	<u>\$10,534,753</u>	<u>\$10,898,936</u>	<u>\$11,275,607</u>

Fringe Benefits Estimates – Line #3.020

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

A) STRS/SERS

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

B) Insurance

The district is a member of the Southwestern Ohio Educational Purchasing Council for insurance coverage. We saw an increase of 7% in FY24 and FY25, and we are estimating an increase of 7% for FY26-30, which reflects trend. This is based on our current employee census and claims data.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately 0.28% of wages FY26 through FY30. Unemployment is likely to remain at a shallow level FY26 through FY30. The district is a direct reimbursement employer meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

D) Medicare

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

Summary of Fringe Benefits – Line #3.02

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
A) STRS/SERS	\$1,519,605	\$1,572,729	\$1,627,228	\$1,683,602	\$1,741,911
B) Insurance's	2,335,744	2,499,246	2,674,193	2,861,387	3,061,684
C) Workers Comp/Unemployment	27,291	28,242	29,219	30,229	31,274
D) Medicare	130,472	135,236	139,898	144,724	149,716
Tuition	<u>1,875</u>	<u>1,875</u>	<u>1,875</u>	<u>1,875</u>	<u>1,875</u>
Total Fringe Benefits Line #3.020	<u>\$4,014,987</u>	<u>\$4,237,328</u>	<u>\$4,472,413</u>	<u>\$4,721,817</u>	<u>\$4,986,460</u>

Purchased Services – Line #3.030

Purchased Services includes various services and supports that the district acquires from external providers to enhance educational operations and student well-being as well as utility costs, mileage, meeting expenses, repairs and maintenance, legal fees, and property insurance. College Credit Plus, excess cost, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. In FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio’s electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period. Overall, this line is increasing by an average of 0.5% over the forecasted period.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Professional & Technical Services, ESC	\$933,553	\$933,553	\$933,553	\$933,553	\$933,553
Maintenance, Insurance & Garbage Removal	171,213	171,213	171,213	171,213	171,213
Professional Development	45,042	45,042	45,042	45,042	45,042
Communications, Postage, & Telephone	98,858	98,858	98,858	98,858	98,858
Utilities	308,528	274,590	282,828	291,313	300,052
Tuition & Excess Costs	213,901	213,901	213,901	213,901	213,901
Local Tuition	321,170	324,382	327,626	330,902	334,211
College Credit Plus	124,988	124,988	124,988	124,988	124,988
Miscellaneous Purchased Services	<u>20,794</u>	<u>20,794</u>	<u>20,794</u>	<u>20,794</u>	<u>20,794</u>
Total Purchased Services Line #3.030	<u>\$2,238,047</u>	<u>\$2,207,321</u>	<u>\$2,218,803</u>	<u>\$2,230,564</u>	<u>\$2,242,612</u>

Supplies and Materials – Line #3.040

Supplies and materials expenses include curricular supplies, testing supplies, copy paper, maintenance, custodial supplies, materials, bus fuel, and other supplies consumed or used during the educational process. An average increase of 4% is projected in this area for the forecasted period.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
General Office Supplies & Materials	\$178,929	\$186,086	\$193,529	\$201,270	\$209,321
Textbooks & Instructional Supplies	112,758	117,268	121,959	126,837	131,910
Facility Supplies & Materials	96,225	100,074	104,077	108,240	112,570
Transportation Fuel & Supplies	160,319	166,732	173,401	180,337	187,550
Other adjustments SWSF, CARES, Etc.	<u>153</u>	<u>159</u>	<u>165</u>	<u>172</u>	<u>179</u>
Total Supplies Line #3.040	<u>\$548,384</u>	<u>\$570,319</u>	<u>\$593,131</u>	<u>\$616,856</u>	<u>\$641,530</u>

Equipment – Line #3.050

Capital Outlay is distinct from Supplies and Materials, as these purchases are for assets with a longer lifespan and higher cost, such as land, buildings, equipment, and vehicles. The district does not anticipate costs increasing significantly in this line because most capital outlay is paid by the Permanent Improvement Fund. The estimates for FY26-30 are based on a three-year rolling average with an increase of \$85 thousand for instructional technology purchased with restricted DPIA funds.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Capital Outlay & Maintenance	<u>\$129,972</u>	<u>\$142,298</u>	<u>\$147,778</u>	<u>\$156,982</u>	<u>\$144,257</u>
Total Equipment Line #3.050	<u>\$129,972</u>	<u>\$142,298</u>	<u>\$147,778</u>	<u>\$156,982</u>	<u>\$144,257</u>

Principal and Interest Payment – Lines # 4.010 through 4.060

This section is made up of payments for COPS debt payments. HB264 debt payments were completed in FY25. The new COPS debt will make its final payment in FY38.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Principal Em. Levy TANS Line #4.055	<u>\$103,900</u>	<u>\$108,800</u>	<u>\$113,900</u>	<u>\$119,300</u>	<u>\$124,300</u>
<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Interest On Debt Line # 4.060	<u>\$82,436</u>	<u>\$77,437</u>	<u>\$72,204</u>	<u>\$66,724</u>	<u>\$60,985</u>

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor and Treasurer fees, our annual audit, and other miscellaneous expenses. An increase of 1% is projected for Auditor and Treasurer fees.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
County Auditor & Treasurer Fees	\$117,419	\$118,593	\$119,779	\$120,977	\$122,187
Resident Educator and Supervisory	17,074	17,074	17,074	17,074	17,074
ESC Deduction	14,840	14,840	14,840	14,840	14,840
Annual Audit Costs	20,869	20,869	20,869	20,869	20,869
Dues, Fees & other Expenses	<u>46,983</u>	<u>47,453</u>	<u>47,928</u>	<u>48,407</u>	<u>48,891</u>
Total Other Expenses Line #4.300	<u>\$217,185</u>	<u>\$218,829</u>	<u>\$220,490</u>	<u>\$222,167</u>	<u>\$223,861</u>

Transfers Out/Advances Out – Line #5.010 and 5.020

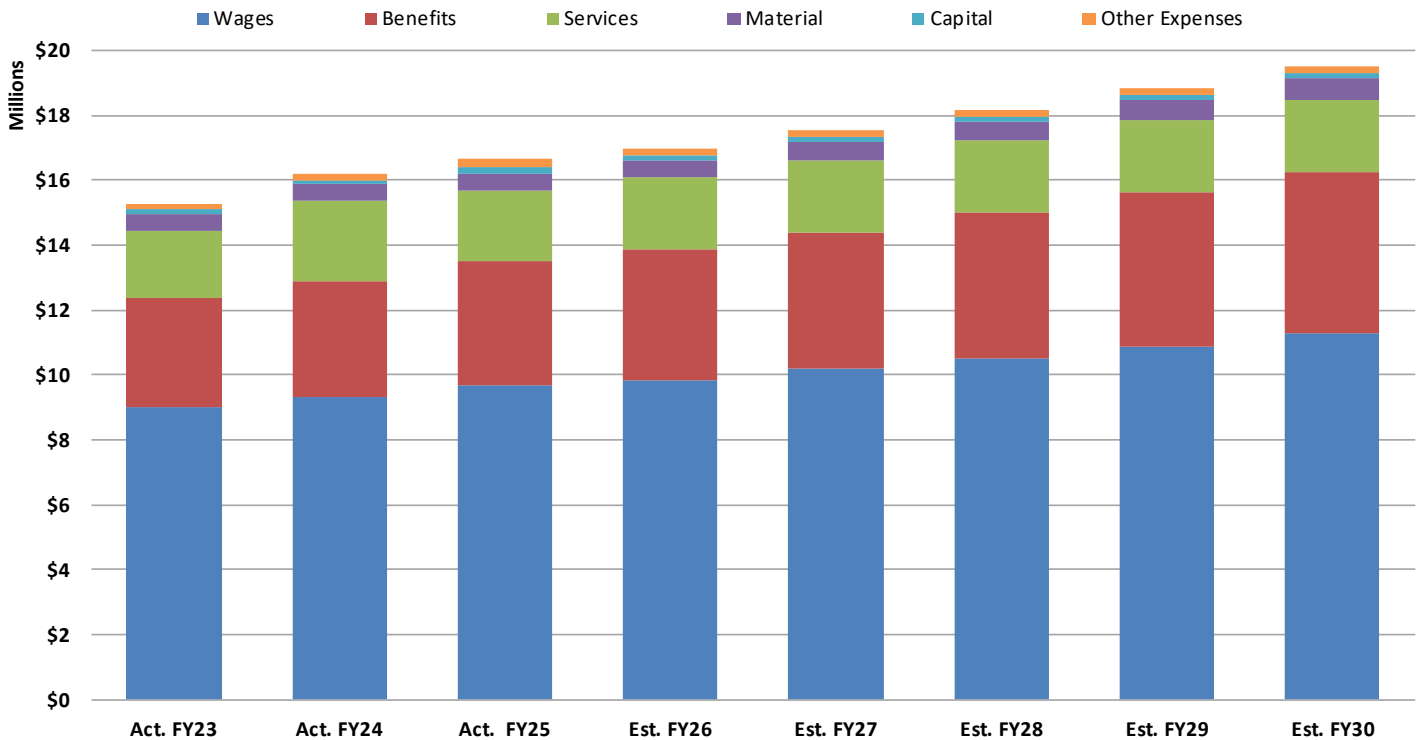
This account group covers fund-to-fund transfers and end of year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The district is projecting to make a \$50 thousand transfer to a termination benefits fund to make severance payments.

<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Operating Transfers Out Line #5.010	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Advances Out Line #5.020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances Out	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

Operating Expenditures Actual FY23 through FY25 and Estimated FY26-FY30

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

General Fund Expenditures Actual FY23 through Projected FY30



Encumbrances – Line #8.010

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

	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Estimated Encumbrances Line #8.010	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

This amount must not go below \$-0- or the district general fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, and which results in a negative unencumbered cash balance, is a violation of O.R.C. §5705.412, which is punishable by personal liability of \$10,000; unless an alternative 412 certificate, as permitted by HB153, effective September 30, 2011, could be issued. It is recommended by the Government Finance Officers Association (GFOA) and other authoritative sources that a district maintains a minimum of sixty (60) day cash balance, which is approximately \$2.8 million for our district.

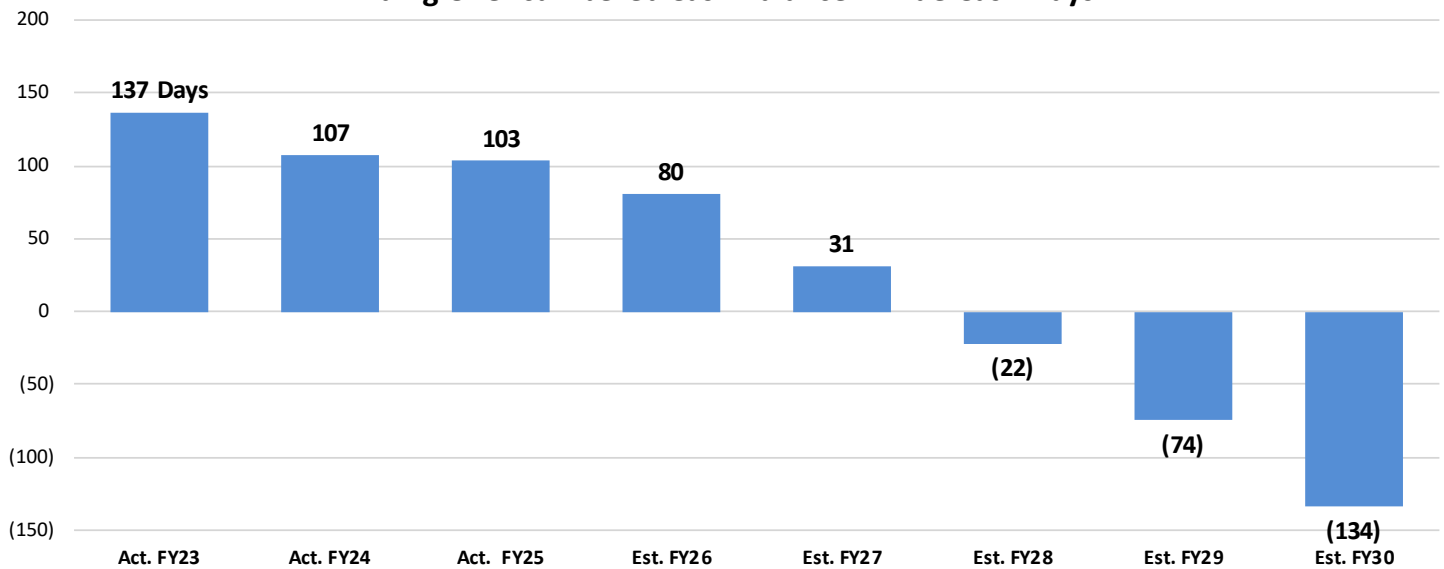
<u>Source</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>
Ending Unreserved Cash Balance Line #15.010	<u>\$3,789,158</u>	<u>\$1,614,392</u>	<u>\$405,983</u>	<u>(\$107,950)</u>	<u>(\$1,428,362)</u>

True Cash Days Ending Balance

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

(2) months or 60 days of cash is on hand at year-end. Still, it could be more dependent on each district's complexity and risk factors for revenue collection. This is calculated, including transfers, as this is a predictable funding source for other funds such as capital, athletics, and severance reserves.

Ending Unencumbered Cash Balance in True Cash Days



Conclusion

East Clinton Local School District receives 65% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

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

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