

**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**

**October 15, 2025**

# 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   |
| <b>Revenues</b>   |                    |                   |                   |                |                   |                    |                    |                    |                    |
| 1.010 General Property Tax (Real Estate)  | 3,174,066          | 3,746,752         | 4,170,862         | 14.7%          | 4,295,545         | 4,409,640          | 4,531,125          | 4,564,075          | 4,579,643          |
| 1.020 Public Utility Personal Property Tax  | 238,677            | 253,378           | 290,821           | 10.5%          | 323,990           | 341,747            | 362,397            | 383,047            | 403,697            |
| 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%           | 9,187,054         | 9,146,192          | 9,351,009          | 9,292,982          | 9,296,168          |
| 1.040 Restricted State Grants-in-Aid  | 508,238            | 634,692           | 1,205,926         | 57.4%          | 1,224,228         | 1,357,326          | 1,357,326          | 1,356,910          | 1,356,910          |
| 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%          | 595,369           | 608,861            | 629,153            | 634,623            | 636,969            |
| 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 <b>Total Revenues</b>   | <b>13,974,196</b>  | <b>15,453,065</b> | <b>16,793,388</b> | <b>9.6%</b>    | <b>16,603,716</b> | <b>16,816,542</b>  | <b>17,161,956</b>  | <b>17,143,391</b>  | <b>17,168,326</b>  |
| <b>Other Financing Sources</b>  |                    |                   |                   |                |                   |                    |                    |                    |                    |
| 2.010 Proceeds from Sale of Notes   | 0                  | 0                 | 0                 | 0.0%           | 0                 | 0                  | 0                  | 0                  | 0                  |
| 2.020 State Emergency Loans   | 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 <b>Total Other Financing Sources</b>  | <b>64,480</b>      | <b>71,121</b>     | <b>97,177</b>     | <b>23.5%</b>   | <b>77,593</b>     | <b>81,964</b>      | <b>85,578</b>      | <b>81,711</b>      | <b>83,084</b>      |
| 2.080 <b>Total Revenues and Other Financing Sources</b>   | <b>14,038,676</b>  | <b>15,524,186</b> | <b>16,890,565</b> | <b>9.7%</b>    | <b>16,681,309</b> | <b>16,898,506</b>  | <b>17,247,534</b>  | <b>17,225,102</b>  | <b>17,251,410</b>  |
| <b>Expenditures</b>   |                    |                   |                   |                |                   |                    |                    |                    |                    |
| 3.010 Personal Services   | 8,986,912          | 9,306,002         | 9,674,899         | 3.8%           | 10,014,316        | 10,360,652         | 10,718,932         | 11,089,498         | 11,472,774         |
| 3.020 Employees' Retirement/Insurance Benefits  | 3,364,358          | 3,562,662         | 3,826,928         | 6.7%           | 4,045,132         | 4,267,788          | 4,503,939          | 4,754,434          | 5,020,207          |
| 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                  |
| <b>Debt Service:</b>  |                    |                   |                   |                |                   |                    |                    |                    |                    |
| 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 <b>Total Expenditures</b>   | <b>15,335,994</b>  | <b>16,422,217</b> | <b>16,878,622</b> | <b>4.9%</b>    | <b>17,379,372</b> | <b>17,953,444</b>  | <b>18,589,177</b>  | <b>19,256,525</b>  | <b>19,930,526</b>  |
| <b>Other Financing Uses</b>   |                    |                   |                   |                |                   |                    |                    |                    |                    |
| 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 <b>Total Other Financing Uses</b>   | <b>105,000</b>     | <b>50,000</b>     | <b>50,000</b>     | <b>-26.2%</b>  | <b>50,000</b>     | <b>50,000</b>      | <b>50,000</b>      | <b>50,000</b>      | <b>50,000</b>      |
| 5.050 <b>Total Expenditures and Other Financing Uses</b>  | <b>15,440,994</b>  | <b>16,472,217</b> | <b>16,928,622</b> | <b>4.7%</b>    | <b>17,429,372</b> | <b>18,003,444</b>  | <b>18,639,177</b>  | <b>19,306,525</b>  | <b>19,980,526</b>  |
| 6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses</b>      | <b>(1,402,318)</b> | <b>(948,031)</b>  | <b>(38,057)</b>   | <b>-64.2%</b>  | <b>(748,063)</b>  | <b>(1,104,938)</b> | <b>(1,391,643)</b> | <b>(2,081,423)</b> | <b>(2,729,116)</b> |
| <b>Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies</b>                        |                    |                   |                   |                |                   |                    |                    |                    |                    |
| 7.010   | 7,180,562          | 5,778,244         | 4,830,213         | -18.0%         | 4,792,156         | 4,044,093          | 2,939,155          | 1,547,512          | (533,911)          |
| 7.020 <b>Cash Balance June 30</b>   | <b>5,778,244</b>   | <b>4,830,213</b>  | <b>4,792,156</b>  | <b>-8.6%</b>   | <b>4,044,093</b>  | <b>2,939,155</b>   | <b>1,547,512</b>   | <b>(533,911)</b>   | <b>(3,263,027)</b> |
| 8.010 <b>Estimated Encumbrances June 30</b>   | <b>0</b>           | <b>(960)</b>      | <b>0</b>          | <b>0.0%</b>    | <b>0</b>          | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           |
| <b>Reservation of Fund Balance</b>  |                    |                   |                   |                |                   |                    |                    |                    |                    |
| 9.010 Textbooks and Instructional Materials   | 0                  | 0                 | 0                 | 0.0%           | 0                 | 0                  | 0                  | 0                  | 0                  |
| 9.020 Capital Improvements  | 0                  | 0                 | 0                 | 0.0%           | 0                 | 0                  | 0                  | 0                  | 0                  |
| 9.030 Budget Reserve  | 0                  | 0                 | 0                 | 0.0%           | 0                 | 0                  | 0                  | 0                  | 0                  |
| 9.040 DPIA  | 0                  | 0                 | 0                 | 0.0%           | 0                 | 0                  | 0                  | 0                  | 0                  |
| 9.045 Fiscal Stabilization  | 0                  | 0                 | 0                 | 0.0%           | 0                 | 0                  | 0                  | 0                  | 0                  |
| 9.050 Debt Service  | 0                  | 0                 | 0                 | 0.0%           | 0                 | 0                  | 0                  | 0                  | 0                  |
| 9.060 Property Tax Advances   | 0                  | 0                 | 0                 | 0.0%           | 0                 | 0                  | 0                  | 0                  | 0                  |
| 9.070 Bus Purchases   | 0                  | 0                 | 0                 | 0.0%           | 0                 | 0                  | 0                  | 0                  | 0                  |
| 9.080 <b>Subtotal Reservations of fund Balance</b>  | <b>0</b>           | <b>0</b>          | <b>0</b>          | <b>0.0%</b>    | <b>0</b>          | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           |
| 10.010 <b>Fund Balance June 30 for Certification of Appropriations</b>                                    | <b>5,778,244</b>   | <b>4,831,173</b>  | <b>4,792,156</b>  | <b>-8.6%</b>   | <b>4,044,093</b>  | <b>2,939,155</b>   | <b>1,547,512</b>   | <b>(533,911)</b>   | <b>(3,263,027)</b> |
| <b>Revenue from Replacement/Renewal Levies</b>  |                    |                   |                   |                |                   |                    |                    |                    |                    |
| 11.010 Income Tax - Renewal   | 0                  | 0                 | 0                 | 0.0%           | 0                 | 0                  | 0                  | 0                  | 0                  |
| 11.020 Property Tax - Renewal or Replacement  | 0                  | 0                 | 0                 | 0.0%           | 0                 | 0                  | 0                  | 0                  | 0                  |
| 11.300 <b>Cumulative Balance of Renewal Levies</b>  | <b>0</b>           | <b>0</b>          | <b>0</b>          | <b>0.0%</b>    | <b>0</b>          | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           |
| 12.010 <b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b> | <b>5,778,244</b>   | <b>4,831,173</b>  | <b>4,792,156</b>  | <b>-8.6%</b>   | <b>4,044,093</b>  | <b>2,939,155</b>   | <b>1,547,512</b>   | <b>(533,911)</b>   | <b>(3,263,027)</b> |
| <b>Revenue from New Levies</b>  |                    |                   |                   |                |                   |                    |                    |                    |                    |
| 13.010 Income Tax - New   | 0                  | 0                 | 0                 | 0.0%           | 0                 | 0                  | 0                  | 0                  | 0                  |
| 13.020 Property Tax - New   | 0                  | 0                 | 0                 | 0.0%           | 0                 | 0                  | 0                  | 0                  | 0                  |
| 13.030 <b>Cumulative Balance of New Levies</b>  | <b>0</b>           | <b>0</b>          | <b>0</b>          | <b>0.0%</b>    | <b>0</b>          | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           |
| 14.010 <b>Revenue from Future State Advancements</b>  | <b>0</b>           | <b>0</b>          | <b>0</b>          | <b>0.0%</b>    | <b>0</b>          | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           |
| 15.010 <b>Unreserved Fund Balance June 30</b>   | <b>5,778,244</b>   | <b>4,831,173</b>  | <b>4,792,156</b>  | <b>-8.6%</b>   | <b>4,044,093</b>  | <b>2,939,155</b>   | <b>1,547,512</b>   | <b>(533,911)</b>   | <b>(3,263,027)</b> |

**East Clinton Local School District – Clinton County**  
**Notes to the Five-Year Forecast**  
**General Fund Only**  
**October 15, 2025**

**Introduction to the Five-Year Forecast**

A forecast is a snapshot of today. Based on historical trends, what we know and future assumptions. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), 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 October 2025 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:**

A five-year financial forecast has risks and uncertainty not only due to economic delays noted above but also due to state legislative changes that will occur in the spring of 2027 and 2029 due to deliberation of the following two (2) state biennium budgets for FY28-29 and FY30-31, both of which affect this five-year forecast. We have estimated revenues and expenses based on the best data available and the laws currently in effect. The items below give a short description of the current issues and how they may affect our forecast in the long term:

- (1) Property tax collections are the second largest revenue source for the school system. The housing market in our district is stable. We project stability in appraised values every three (3) years and new construction growth with modest increases in local taxes. Total local revenues, which are predominately local taxes, equate to 34% of the district's resources. We believe there is a low risk that local collections would fall below projections throughout the forecast.
- (2) Clinton County experienced a sexennial triennial update in the 2023 tax year to be collected in 2024. The 2023 reappraisal increased assessed values by \$62.87 million, or 37.02%. A triennial update will occur in the tax year 2026 for collection in 2027. We anticipate value increases for Class I and II property by \$12.4 million for an overall increase of 5%. However, there is always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that now.
- (3) Due to historic property value increases in reappraisal and update years the Ohio Legislature has considered various proposals since 2023 to help reduce non-voted tax increases on taxpayers. HB96 the current state biennium budget passed in June which included several proposals that would have ultimately reduced districts' cash balances and placed severe restrictions on increasing local tax revenues. The Governor vetoed four (4) property tax measures that he said would jeopardize the financial stability of public schools. The Ohio House of Representatives pulled three (3) of the Governor's vetoes addressing school district to attempt to override them. They included: 1) County Budget Commission Authority; 2) manipulates the calculation of the 20-mill floor to include emergency, substitute and other levies in the calculation; and 3) the elimination of various levies including emergency, replacement and renewal levies

The Ohio House of Representatives met on July 21, 2025 and voted (61-58) in favor of overriding the elimination of various levy types - only. The Ohio Senate met on October 1, 2025 and also voted (21-11) in favor of overriding the Governor's veto. After 90 days, districts in Ohio will no longer be able to place replacement levies, fixed-sum emergency or substitute levies, or combined school district income tax and fixed sum levies on a ballot.

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

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

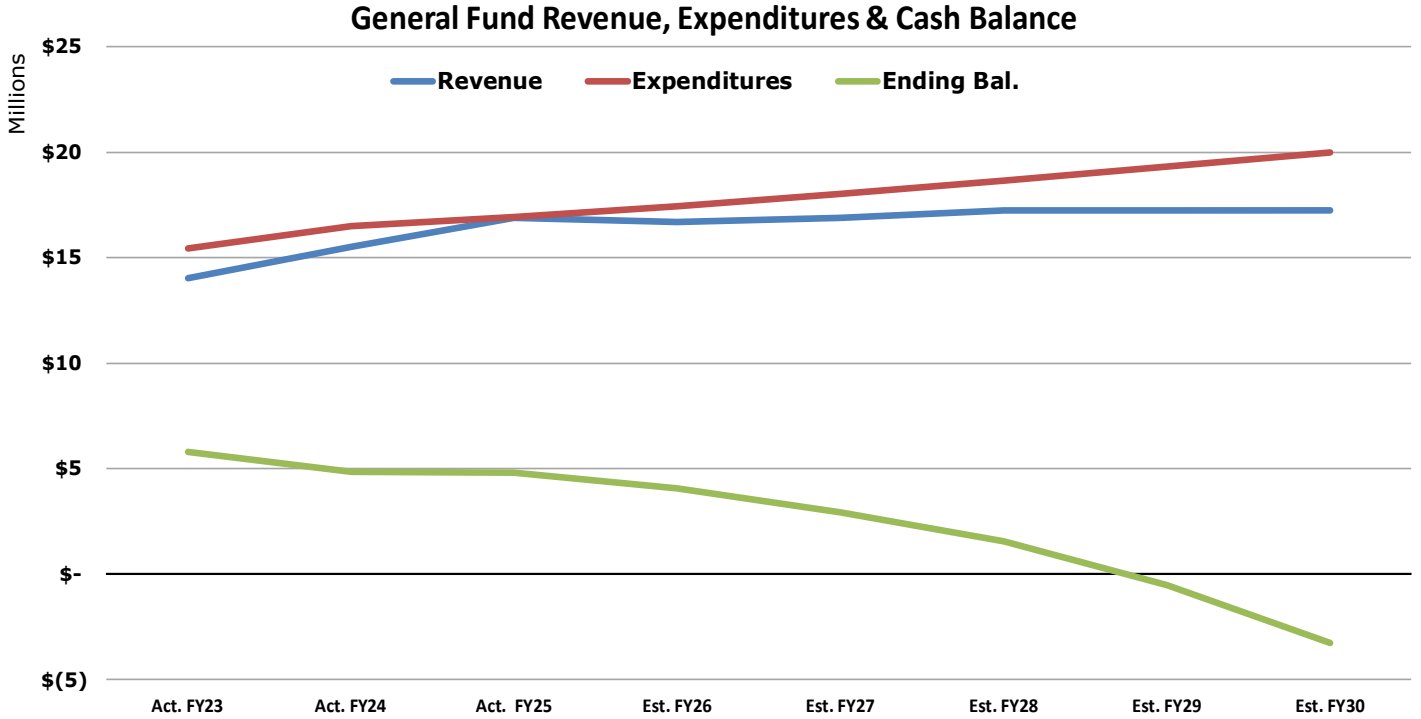
- (4) The state budget represented 66% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond if the state economy stalls due to a possible recession or the last two (2) years of the Fair School Funding Plan is not funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY28-29 and FY30-31. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY30. We have projected our state funding in FY26 based on HB96 legislation with the Governor's vetoes in place. This forecast reflects state revenue to align with the FY28 funding levels through FY30, which we feel is conservative and should be close to what-the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

- (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 cost inputs while allowing revenue inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY26.
- (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. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$129 thousand from current operating levies, if our County Commissioners implement this. This new law creates a potential risk to our local tax collections.
- (7) 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.

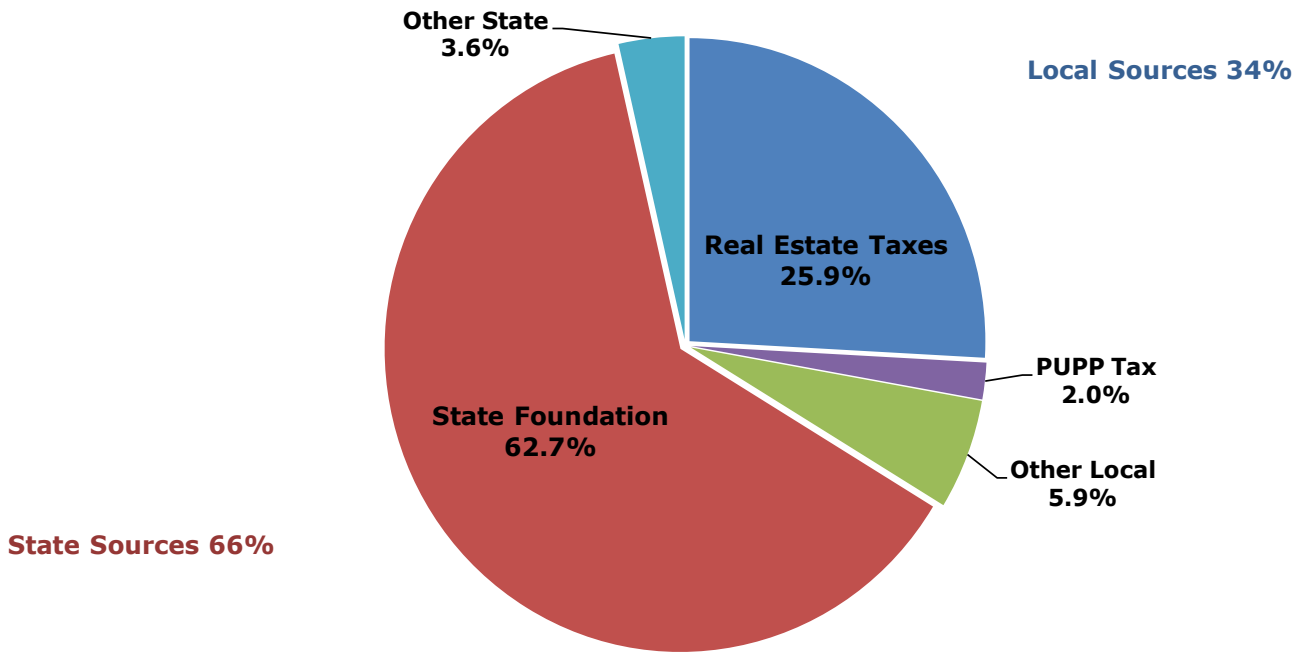
The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below to understand the overall financial forecast 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 \$16,603,716



**Real Estate Value Assumptions – Line #1.010**

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Clinton County, which comprises 70% of the district’s tax base, experienced a triennial update for the 2023 tax year to be collected in FY24. Residential/agricultural values decreased 38.35%, or \$59.99 million, due to the update, which is primarily due to a decline in residential/agricultural values. Highland County, which comprises 30% of the district’s tax base, experienced a triennial update for the 2021 tax year to be collected in FY22. Residential/agricultural values increased 1.5%, or \$2.5 million, due to the update, which was led by an improving housing market.

For tax year 2023, new construction in residential property was up 0.15%, or \$231 thousand, in assessed value, and commercial/industrial values remained stable. Overall values increased \$62.9 million or 37%, which includes new construction for all classes of property.

For Clinton County, a triennial update will occur in 2026 for collection in FY27, for which we are estimating a 5% increase in residential and a 0.5% increase for commercial/industrial property. We anticipate residential/agricultural and commercial/industrial values to increase \$12.4 million, or 5%, overall.

Public Utility Personal Property (PUPP) values increased by \$1.25 million in tax year 2023. We expect our values to continue to grow by \$700 thousand each year of the forecast period.

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<br>TAX YEAR 2025<br><u>COLLECT 2026</u> | Estimated<br>TAX YEAR 2026<br><u>COLLECT 2027</u> | Estimated<br>TAX YEAR 2027<br><u>COLLECT 2028</u> | Estimated<br>TAX YEAR 2028<br><u>COLLECT 2029</u> | Estimated<br>TAX YEAR 2029<br><u>COLLECT 2030</u> |
|---|---|---|---|---|---|
| Res./Ag.                                | \$228,870,720                                     | \$241,219,886                                     | \$244,537,715                                     | \$245,443,345                                     | \$246,348,975                                     |
| Comm./Ind.                              | 16,535,040  | 16,613,725  | 16,692,804  | 16,688,814  | 16,684,824  |
| Public Utility Personal Property (PUPP) | 11,204,740  | 11,904,740  | 12,604,740  | 13,304,740  | 14,004,740  |
| Total Assessed Value                    | <u>\$256,610,500</u>                              | <u>\$269,738,351</u>                              | <u>\$273,835,259</u>                              | <u>\$275,436,899</u>                              | <u>\$277,038,539</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 mills and the Class II effective millage rate is 20 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.

Property tax levies are estimated to be collected at 96.7% of the annual amount. This allows a 3.3% delinquency factor. In general, 60% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 40% in the August tax settlement.

| <u>Source</u>                      | <u>FY26</u>        | <u>FY27</u>        | <u>FY28</u>        | <u>FY29</u>        | <u>FY30</u>        |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Line #1.01 Real Estate Taxes | <u>\$4,295,545</u> | <u>\$4,409,640</u> | <u>\$4,531,125</u> | <u>\$4,564,075</u> | <u>\$4,579,643</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 Public Utility Personal Property Tax (PUPP) – Line #1.020**

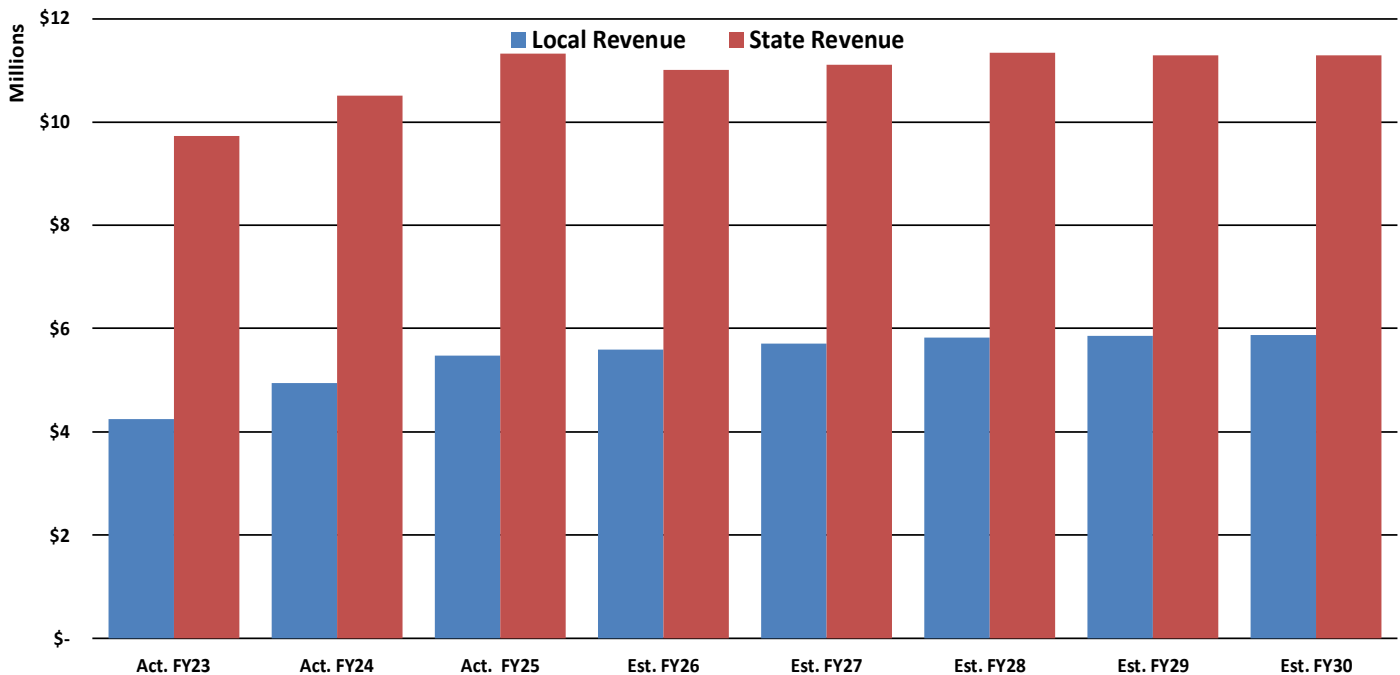
Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under Public Utility (PUPP), which were \$10.5 million in assessed values in 2024 and are collected at the district’s gross voted millage rate. Collections are typically 54% in March and 46% in August along with the real estate settlements from the county auditor. The values in 2024 rose by 13.74% or \$1.2 million and are expected to grow by \$700 thousand each year of the forecast.

| <u>Source</u>              | <u>FY26</u>      | <u>FY27</u>      | <u>FY28</u>      | <u>FY29</u>      | <u>FY30</u>      |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| Total PUPP Tax Line #1.020 | <u>\$323,990</u> | <u>\$341,747</u> | <u>\$362,397</u> | <u>\$383,047</u> | <u>\$403,697</u> |

**School District Income Tax – Line#1.030**

No school district income taxes are modeled in this forecast.

**General Fund Local Revenue vs State Revenue**



**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 FY27-FY30 on the new Fair School Funding Plan (FSFP).

A detailed overview of how foundation funding is calculated including all of the HB96 changes on the Ohio Department of Education and Workforce is not available at this time. When a detailed analysis is available, please visit the Ohio Department of Education and Workforce at: <https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

## State Funding FY26-FY27

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

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

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

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

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26, but still includes two (2) primary guarantees: 1) 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. For this reason, funding is held constant in the forecast for FY28 through FY30.

## 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.

## 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                   | \$8,721,707        | \$8,677,843        | \$8,879,598        | \$8,818,447        | \$8,818,447        |
| Additional Aid Items                     | 315,233            | 315,233            | 315,233            | 315,233            | 315,233            |
| Basic Aid-Unrestricted Subtotal          | <u>\$9,036,940</u> | <u>\$8,993,076</u> | <u>\$9,194,831</u> | <u>\$9,133,680</u> | <u>\$9,133,680</u> |
| Ohio Casino Commission ODT               | \$85,110           | \$85,110           | \$85,110           | \$85,110           | \$85,110           |
| Threshold Cost                           | 150,114            | 153,116            | 156,178            | 159,302            | 162,488            |
| Total Unrestricted State Aid Line #1.035 | <u>\$9,187,054</u> | <u>\$9,146,192</u> | <u>\$9,351,009</u> | <u>\$9,292,982</u> | <u>\$9,296,168</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 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.

| <u>Source</u>                               | <u>FY26</u>        | <u>FY27</u>        | <u>FY28</u>        | <u>FY29</u>        | <u>FY30</u>        |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| DPIA  | \$895,435          | \$1,040,486        | \$1,040,486        | \$1,040,486        | \$1,040,486        |
| ESL   | 1,352              | 1,565              | 1,565              | 1,636              | 1,636              |
| Gifted                                      | 65,985             | 63,728             | 63,728             | 63,241             | 63,241             |
| Career Tech - Restricted                    | 6,409              | 0                  | 0                  | 0                  | 0                  |
| Other Restricted State Funds                | 3,500              | 0                  | 0                  | 0                  | 0                  |
| Student Wellness and Success                | 251,547            | 251,547            | 251,547            | 251,547            | 251,547            |
| Total Restricted State Revenues Line #1.040 | <u>\$1,224,228</u> | <u>\$1,357,326</u> | <u>\$1,357,326</u> | <u>\$1,356,910</u> | <u>\$1,356,910</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       | \$9,187,054         | \$9,146,192         | \$9,351,009         | \$9,292,982         | \$9,296,168         |
| Restricted Line #1.040         | 1,224,228           | 1,357,326           | 1,357,326           | 1,356,910           | 1,356,910           |
| Rest. Federal Funds #1.045     | 0                   | 0                   | 0                   | 0                   | 0                   |
| Total State Foundation Revenue | <u>\$10,411,282</u> | <u>\$10,503,518</u> | <u>\$10,708,335</u> | <u>\$10,649,892</u> | <u>\$10,653,078</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.

HB96, the current state biennium budget also enacted a new provision called “Piggyback Property Tax Exemptions”. This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. The extended tax credits for qualifying taxpayers would result in reduced property tax collections for the school district of roughly \$129 thousand from current operating levies, if our County Commissioners implemented this.

| <u>Source</u>  | <u>FY26</u>      | <u>FY27</u>      | <u>FY28</u>      | <u>FY29</u>      | <u>FY30</u>      |
|--|------------------|------------------|------------------|------------------|------------------|
| Rollback and Homestead                                   | \$595,369        | \$608,861        | \$629,153        | \$634,623        | \$636,969        |
| Total State Reimbursement for Property Tax Credits #1.05 | <u>\$595,369</u> | <u>\$608,861</u> | <u>\$629,153</u> | <u>\$634,623</u> | <u>\$636,969</u> |

### Other Local Revenues – Line #1.060

All other local revenue encompasses any revenue that does not fit the above lines. The primary sources of revenue in this area have been; interest on investments, tuition for court-placed students, Manufactured Homes, rental income, 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 50 basis point in September 2024 and an additional 25 basis points in December 2024. While interest income in FY26 should remain steady, the rate cuts will begin to have an impact on earnings in FY27 and future years. We will continue to monitor the investments for the district.

Rentals have returned to pre-pandemic levels. All other revenues are expected to continue on 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.

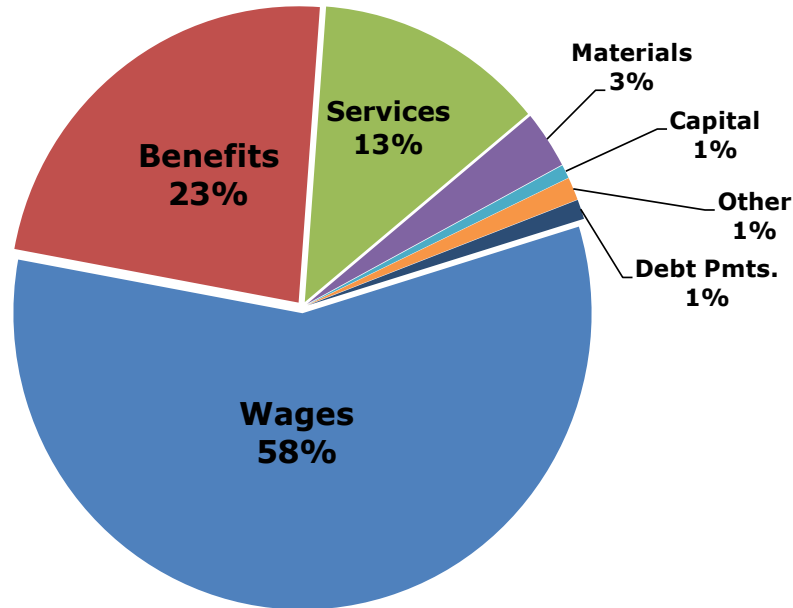
| <u>Source</u>                                 | <u>FY26</u>     | <u>FY27</u>     | <u>FY28</u>     | <u>FY29</u>     | <u>FY30</u>     |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sale of Property & Refund of prior years exp. | <u>\$77,593</u> | <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 \$17,379,372



#### 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 2% 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         | \$9,650,331         | \$9,991,700         | \$10,344,914        | \$10,710,313        |
| Based Pay Increase        | 186,316             | 193,007             | 199,834             | 206,898             | 214,206             |
| Steps & Academic Training | 139,607             | 139,737             | 144,755             | 149,876             | 155,174             |
| Substitutes/OT            | 115,659             | 115,659             | 115,659             | 115,659             | 115,659             |
| Supplementals             | 248,326             | 253,293             | 258,359             | 263,526             | 268,797             |
| 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>\$10,014,316</u> | <u>\$10,360,652</u> | <u>\$10,718,932</u> | <u>\$11,089,498</u> | <u>\$11,472,774</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 will increase as Wages Increase

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 required to pay SERS Surcharge, which is an additional employer charge based on the salaries of lower-paid members.

**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                      | \$1,546,736        | \$1,600,346        | \$1,655,808        | \$1,713,172        | \$1,772,505        |
| B) Insurance's                    | 2,335,744          | 2,499,246          | 2,674,193          | 2,861,387          | 3,061,684          |
| C) Workers Comp/Unemployment      | 27,775             | 28,736             | 29,730             | 30,757             | 31,821             |
| D) Medicare                       | 133,002            | 137,585            | 142,333            | 147,243            | 152,322            |
| Tuition                           | 1,875              | 1,875              | 1,875              | 1,875              | 1,875              |
| Total Fringe Benefits Line #3.020 | <u>\$4,045,132</u> | <u>\$4,267,788</u> | <u>\$4,503,939</u> | <u>\$4,754,434</u> | <u>\$5,020,207</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. College Credit Plus, excess fees, 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.

| <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         | 20,794             | 20,794             | 20,794             | 20,794             | 20,794             |
| 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 gym flooring replacement was partially paid for in FY23 and FY24. The amount for FY24 increased to \$120 thousand as a result. 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 | \$103,900        | \$108,800        | \$113,900        | \$119,300        | \$124,300        |
| 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>    |
| Total Principal and Interest        | <u>\$186,336</u> | <u>\$186,237</u> | <u>\$186,104</u> | <u>\$186,024</u> | <u>\$185,285</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

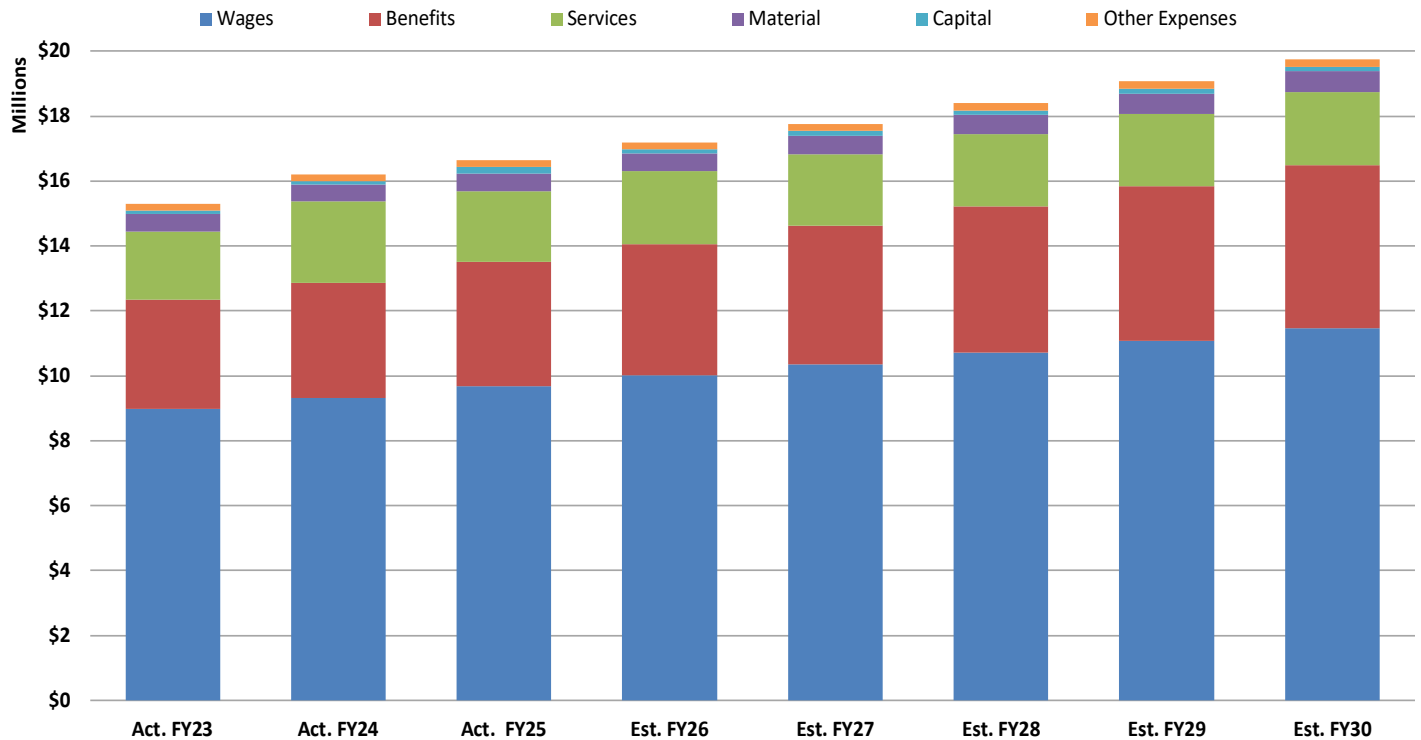
This account group covers fund-to-fund transfers and end of year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The district is projecting to make a \$50 thousand transfer to a termination benefits fund to make severance payments.

| <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 – Line#15.010

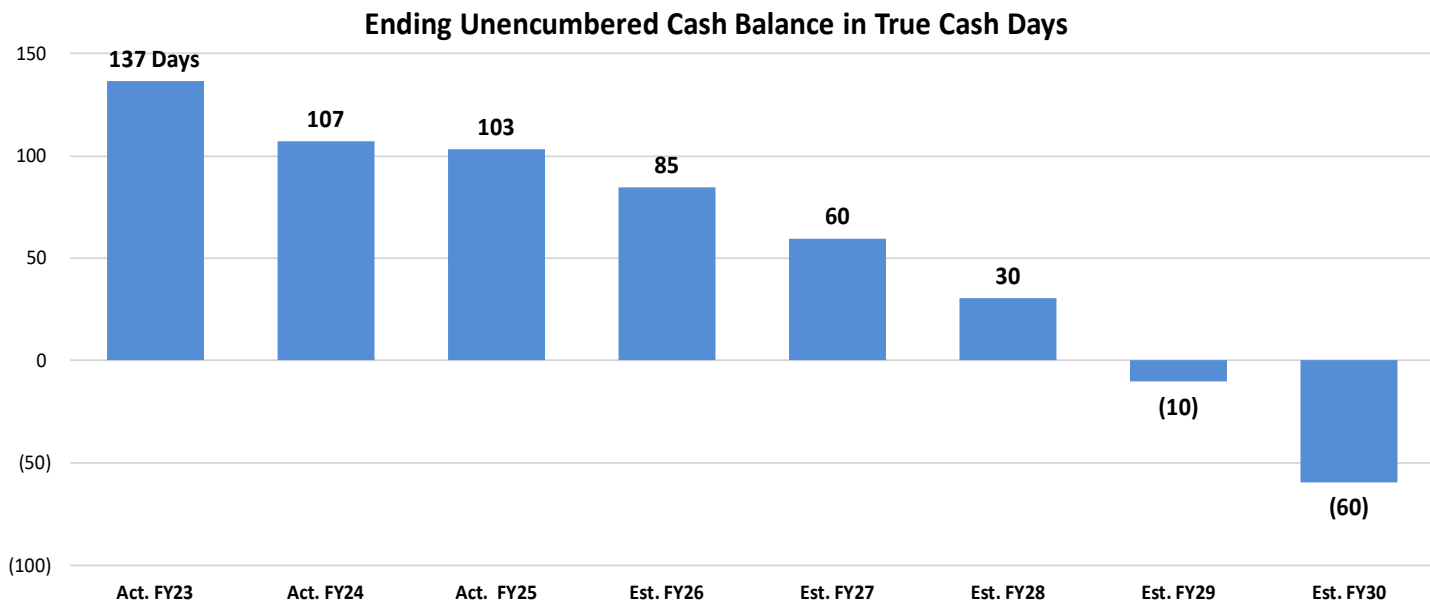
This amount must not go below \$-0- or the district general fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, and which results in a negative unencumbered cash balance, is a violation of O.R.C. §5705.412, which is punishable by personal liability of \$10,000; 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 \$2.9 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>\$4,044,093</u> | <u>\$2,939,155</u> | <u>\$1,547,512</u> | <u>(\$533,911)</u> | <u>(\$3,263,027)</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.



**Conclusion**

East Clinton Local School District receives 66% 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.