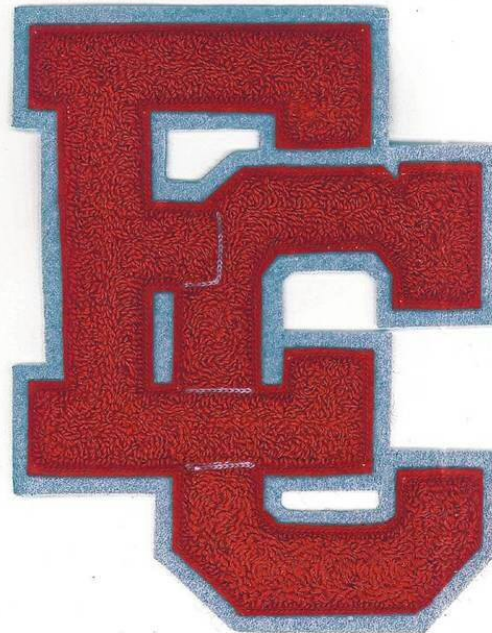


**EAST CLINTON LOCAL SCHOOL DISTRICT - CLINTON COUNTY**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES FOR THE FISCAL YEARS ENDED**  
**JUNE 30, 2021, 2022, and 2023 ACTUAL**  
**FORECASTED FISCAL YEARS ENDING**  
**JUNE 30, 2024, THROUGH JUNE 30, 2028**



**Forecast Provided By**  
**East Clinton Local School District**  
**Treasurer's Office**  
**John Stanley, Treasurer/CFO**

**May 28, 2024**

# East Clinton Local School District

Clinton County

Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2021, 2022, and 2023 Actual;  
Forecasted Fiscal Years Ending June 30, 2024 through 2028

	Actual			Average Change	Forecasted				
	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023		Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
<b>Revenues</b>									
1.010	3,166,842	3,144,478	3,174,066	0.1%	3,746,497	4,193,451	4,201,137	4,235,058	4,283,436
1.020	204,610	210,647	238,677	8.1%	253,378	283,806	304,251	324,901	345,551
1.030	0	0	0	0.0%	0	0	0	0	0
1.035	8,652,463	8,818,781	8,753,798	0.6%	9,361,423	9,355,868	9,622,891	9,692,574	9,693,838
1.040	219,986	501,259	508,238	64.6%	635,828	589,155	600,938	612,957	612,957
1.045	0	0	0	0.0%	0	0	0	0	0
1.050	424,393	501,789	461,342	5.1%	512,226	563,524	564,644	568,593	575,401
1.060	1,346,300	420,998	838,075	15.2%	758,621	725,204	699,584	676,952	657,015
1.070	<b>14,014,594</b>	<b>13,597,952</b>	<b>13,974,196</b>	<b>-0.1%</b>	<b>15,267,973</b>	<b>15,711,008</b>	<b>15,993,445</b>	<b>16,111,035</b>	<b>16,168,198</b>
<b>Other Financing Sources</b>									
2.010	0	0	0	0.0%	0	0	0	0	0
2.020	0	0	0	0.0%	0	0	0	0	0
2.040	0	0	0	0.0%	0	0	0	0	0
2.050	0	0	0	0.0%	0	0	0	0	0
2.060	172,289	88,740	64,480	-37.9%	70,330	74,517	69,776	71,541	71,944
2.070	<b>172,289</b>	<b>88,740</b>	<b>64,480</b>	<b>-37.9%</b>	<b>70,330</b>	<b>74,517</b>	<b>69,776</b>	<b>71,541</b>	<b>71,944</b>
2.080	<b>14,186,883</b>	<b>13,686,692</b>	<b>14,038,676</b>	<b>-0.5%</b>	<b>15,338,303</b>	<b>15,785,525</b>	<b>16,063,221</b>	<b>16,182,576</b>	<b>16,240,142</b>
<b>Expenditures</b>									
3.010	5,673,767	8,105,616	8,986,912	26.9%	9,390,921	9,908,641	10,113,873	10,323,210	10,536,733
3.020	2,488,903	3,081,485	3,364,358	16.5%	3,616,467	3,845,866	4,030,927	4,227,745	4,436,551
3.030	2,941,021	1,887,724	2,094,780	-12.4%	2,144,337	2,154,680	2,165,260	2,176,082	2,187,154
3.040	267,801	444,649	537,167	43.4%	558,653	580,999	604,238	628,408	653,544
3.050	10,046	80,672	120,377	376.1%	120,000	70,365	107,016	103,580	99,127
3.060	0	0	0	0.0%	0	0	0	0	0
<b>Debt Service:</b>									
4.010	0	0	0	0.0%	0	0	0	0	0
4.020	0	0	0	0.0%	94,800	99,300	103,900	108,800	113,900
4.030	0	0	0	0.0%	0	0	0	0	0
4.040	0	0	0	0.0%	0	0	0	0	0
4.050	40,000	40,000	40,000	0.0%	45,000	45,000	0	0	0
4.055	0	0	0	0.0%	0	0	0	0	0
4.060	2,470	1,950	1,430	-23.9%	83,250	87,504	82,436	77,437	72,204
4.300	173,114	189,695	190,970	5.1%	201,613	203,238	204,880	206,538	208,213
4.500	<b>11,597,122</b>	<b>13,831,791</b>	<b>15,335,994</b>	<b>15.1%</b>	<b>16,255,041</b>	<b>16,995,593</b>	<b>17,412,530</b>	<b>17,851,800</b>	<b>18,307,426</b>
<b>Other Financing Uses</b>									
5.010	2,801,642	83,000	105,000	999.0%	105,000	105,000	105,000	105,000	105,000
5.020	0	0	0	0.0%	0	0	0	0	0
5.030	0	0	0	0.0%	0	0	0	0	0
5.040	<b>2,801,642</b>	<b>83,000</b>	<b>105,000</b>	<b>-35.3%</b>	<b>105,000</b>	<b>105,000</b>	<b>105,000</b>	<b>105,000</b>	<b>105,000</b>
5.050	<b>14,398,764</b>	<b>13,914,791</b>	<b>15,440,994</b>	<b>3.8%</b>	<b>16,360,041</b>	<b>17,100,593</b>	<b>17,517,530</b>	<b>17,956,800</b>	<b>18,412,426</b>
6.010	<b>(211,881)</b>	<b>(228,099)</b>	<b>(1,402,318)</b>	<b>261.2%</b>	<b>(1,021,738)</b>	<b>(1,315,068)</b>	<b>(1,454,309)</b>	<b>(1,774,224)</b>	<b>(2,172,284)</b>
7.010	7,620,542	7,408,661	7,180,562	-2.9%	5,778,244	4,756,506	3,441,438	1,987,129	212,905
7.020	<b>7,408,661</b>	<b>7,180,562</b>	<b>5,778,244</b>	<b>-11.3%</b>	<b>4,756,506</b>	<b>3,441,438</b>	<b>1,987,129</b>	<b>212,905</b>	<b>(1,959,379)</b>
8.010	0	0	0	0.0%	0	0	0	0	0
<b>Reservation of Fund Balance</b>									
9.010	0	0	0	0.0%	0	0	0	0	0
9.020	0	0	0	0.0%	0	0	0	0	0
9.030	0	0	0	0.0%	0	0	0	0	0
9.040	0	0	0	0.0%	0	0	0	0	0
9.045	0	0	0	0.0%	0	0	0	0	0
9.050	0	0	0	0.0%	0	0	0	0	0
9.060	0	0	0	0.0%	0	0	0	0	0
9.070	0	0	0	0.0%	0	0	0	0	0
9.080	0	0	0	0.0%	0	0	0	0	0
10.010	<b>7,408,661</b>	<b>7,180,562</b>	<b>5,778,244</b>	<b>-11.3%</b>	<b>4,756,506</b>	<b>3,441,438</b>	<b>1,987,129</b>	<b>212,905</b>	<b>(1,959,379)</b>
<b>Revenue from Replacement/Renewal Levies</b>									
11.010	0	0	0	0.0%	0	0	0	0	0
11.020	0	0	0	0.0%	0	0	0	0	0
11.300	0	0	0	0.0%	0	0	0	0	0
12.010	<b>7,408,661</b>	<b>7,180,562</b>	<b>5,778,244</b>	<b>-11.3%</b>	<b>4,756,506</b>	<b>3,441,438</b>	<b>1,987,129</b>	<b>212,905</b>	<b>(1,959,379)</b>
<b>Revenue from New Levies</b>									
13.010	0	0	0	0.0%	0	0	0	0	0
13.020	0	0	0	0.0%	0	0	0	0	0
13.030	0	0	0	0.0%	0	0	0	0	0
14.010	0	0	0	0.0%	0	0	0	0	0
15.010	<b>7,408,661</b>	<b>7,180,562</b>	<b>5,778,244</b>	<b>-11.3%</b>	<b>4,756,506</b>	<b>3,441,438</b>	<b>1,987,129</b>	<b>212,905</b>	<b>(1,959,379)</b>

**East Clinton Local School District – Clinton County**  
**Notes to the Five-Year Forecast**  
**General Fund Only**  
**May 28, 2024**

**Introduction to the Five-Year Forecast**

A forecast is like a future painting based on a snapshot of today. 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, 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 then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with ODE when events significantly 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 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 Department of Education and Auditor of State to identify school districts with potential financial problems.

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five-year financial forecast by November 30, 2023, and May 31, 2024, for the fiscal year 2024 (July 1, 2023, to June 30, 2024). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2024 (July 1, 2023-June 30, 2024) is the first year of the five-year forecast and is considered the baseline year. Our forecast is updated to reflect the most current economic data and assumptions available for the May 2024 filing.

**May 2024 Updates**

**Revenues FY24**

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$479 thousand or 3.2% higher than the November forecasted amount of \$14.7 million. This indicates that the November forecast was 96.8% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our second largest source of revenues at 26.2% and are estimated to be \$4 million, which is \$310 thousand higher for FY24 than the original November estimate of \$3.6 million. Our estimates are 91.6% accurate for FY24, due to using conservative estimates for the property tax sexennial values in Class I and Class II values, which came in substantially higher than anticipated.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be \$10 million, which is

\$15 thousand higher than the original estimate for FY24. We are pleased that we were able to be 99.8% accurate for FY24. We are currently on the formula and are expected to continue as a formula district for FY25 through FY28.

Line 1.06 - Other revenues are \$120 thousand over original estimates, primarily due to Medicaid reimbursements received by the district, which are based on claims for services provided and are somewhat unpredictable from year to year.

All areas of revenue are tracking as anticipated for FY24 based on our best information at this time.

### **Expenditures FY24**

Total General Fund expenditures (line 4.5) are estimated to be \$16.2 million for FY24, which is \$100 thousand lower than original estimates in the November forecast, which is roughly 99.4% on target with initial estimates.

All other areas of expenses are expected to remain on target with original projections for the year.

### **Unreserved Ending Cash Balance**

With revenues increasing from estimates and expenditures ending primarily on target, our ending unreserved cash balance June 30, 2024, is anticipated to be roughly \$4.7 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2027 if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

### **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 2025 and 2027 due to deliberation of the following two (2) state biennium budgets for FY26-27 and FY28-29, 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 the affect that may occur in the forecast in the long term:

- I. Property tax collections are the second largest revenue source for the school system. The housing market in our district is stable and growing. We project growth in appraised values every three (3) years and new construction growth with modest increases in local taxes as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues, which are predominately local taxes, equate to 31.2% of the district's resources. We believe there is a low risk that local collections will fall below projections throughout the forecast.

The legislature has formed a "Joint Committee on Property Tax Review and Reform" which is pending as of this forecast. We are watching these deliberations closely and they could impact future reappraisals and possibly the impact of the 20 mill floor currently in law. Our district is currently on the 20 mill floor for Class I and Class II values. We are watching the Joint Committee carefully and will adjust the forecast pending their outcome.

- II. Clinton County, which comprises 70% of the district, experienced a sexennial reappraisal in the 2023 tax year to be collected in 2024. The 2023 reappraisal increased Class I and Class II assessed values by \$62.8 million, or an increase of 37%. Highland County, which comprises 30% of the district, experienced a triennial update in the 2021 tax year to be collected in 2022. The update increased values by \$2.5 million or 1.5%. Clinton County will experience a triennial update in tax year 2026 to be collected in 2027, which is estimated to increase Class I and Class II values by \$2.6 million or 1.1%. Highland County is not expected to have material changes to their Class I and Class II values during the next reappraisal in tax year 2024. There is, however, always a minor risk that the district could sustain a reduction in values in the next reappraisals but we do not anticipate that at this time.
- III. The state budget represents 68.8% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY26 and beyond if the state economy stalls due to the high inflation or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. In this forecast, two forthcoming State Biennium Budgets cover FY26-27 and FY28-29. 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 FY28. We have projected our state funding in FY24 and FY25 based on the additional phase-in of HB33 (the Fair School Funding Plan). This forecast reflects state revenue to grow with modest inflationary increases of 3% per year for FY26 through FY28, which we

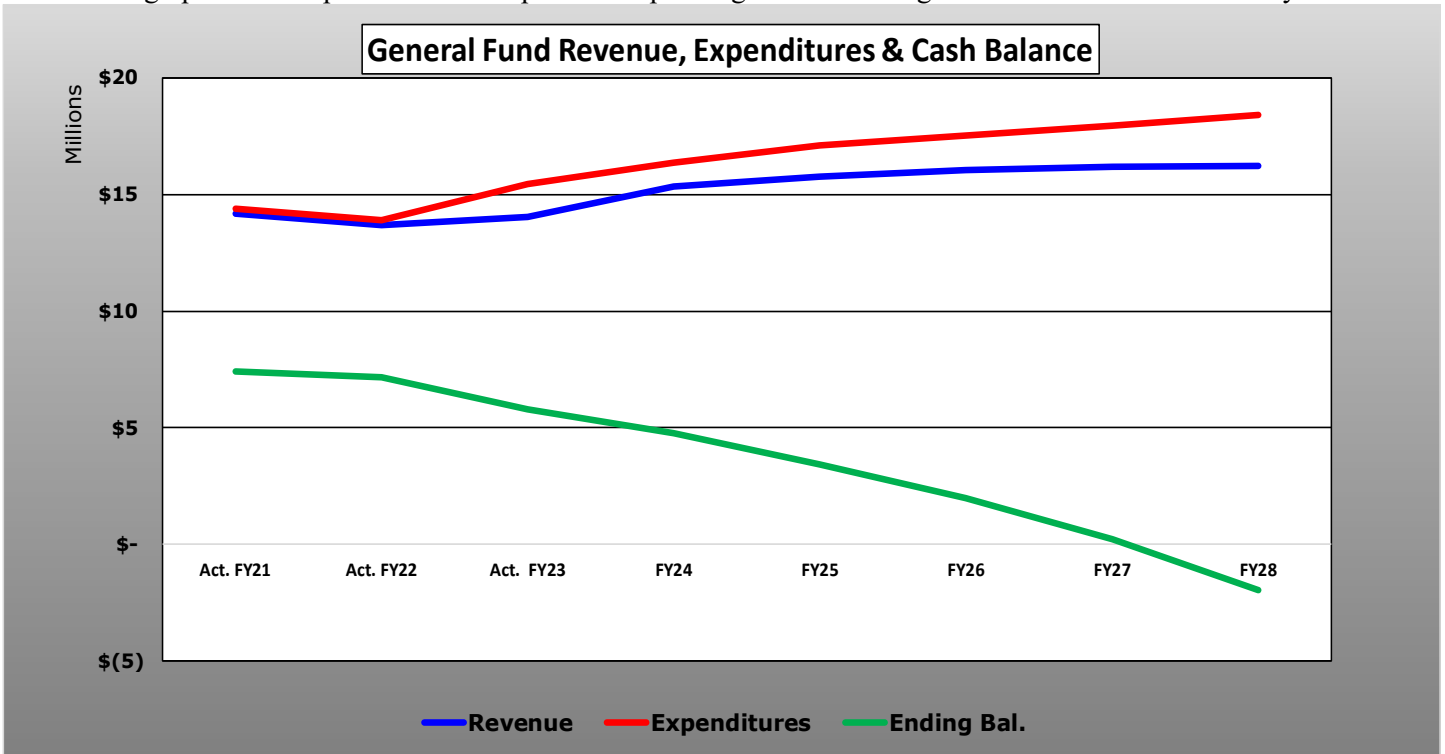
feel is conservative and should be close to what-the state approves for the FY26-FY28 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

- IV. HB33, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY24 and FY25. FY24 reflects 50% of the implementation cost at year three of a six-year phase-in plan, which increases by 16.66% each year. FY25 will result in 66.66% funding of (FSFP), however, the final two years of the phase-in are not guaranteed. The FSFP has made many significant changes to how foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. We have used the most recent simulations published by the Department of Education and Workforce for our forecasted revenues in FY25.
- V. HB33 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs are no longer deducted from our state aid. However, education option programs such as College Credit Plus continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid for by the state of Ohio can expose the district to new expenditures currently outside the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.
- VI. 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. We believe that as we move forward our positive working relationship will continue and will only grow stronger.

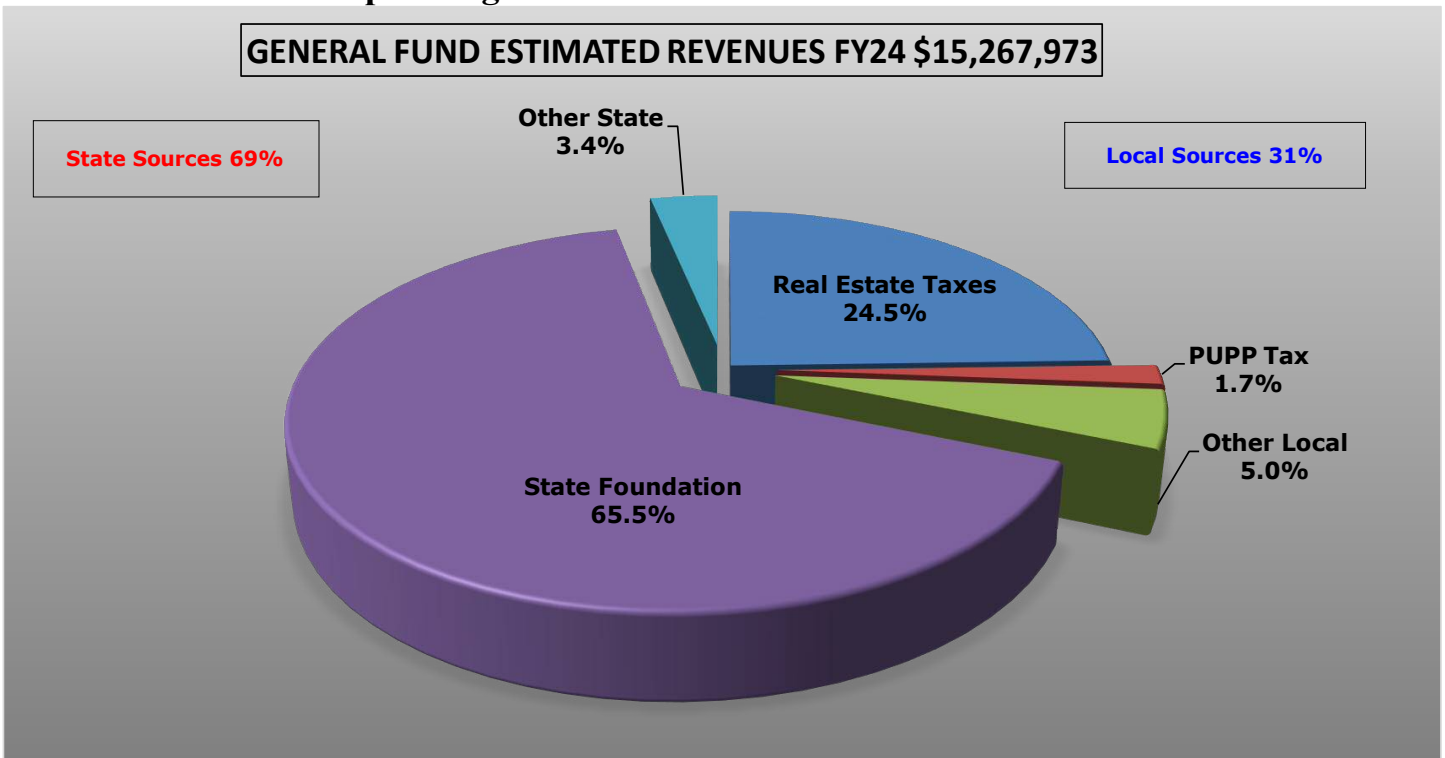
The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below in understanding the overall financial forecast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

# General Fund Revenue, Expenditures and Ending Cash Balance Actual FY21-23 and Estimated FY24-28

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



## Revenue Assumptions Operating Revenue Sources General Fund FY24



**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 1% increase in residential and a 0.5% increase for commercial/industrial property. We anticipate residential/agricultural and commercial/industrial values to increase \$2.6 million or 1.1%, overall. For Highland County, a sexennial reappraisal will occur in tax year 2024 for collection in FY25. Currently, we are not anticipating material increases to residential/agricultural or commercial/industrial property.

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.

**Estimated Assessed Value (AV) by Collection Years**

Classification	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2023	TAX YEAR 2024	TAX YEAR 2025	TAX YEAR 2026	TAX YEAR 2027
	<u>COLLECT 2024</u>	<u>COLLECT 2025</u>	<u>COLLECT 2026</u>	<u>COLLECT 2027</u>	<u>COLLECT 2028</u>
Res./Ag.	\$216,524,010	\$216,955,470	\$217,386,930	\$219,992,259	\$222,623,642
Comm./Ind.	16,226,790	16,226,790	16,226,790	16,307,924	16,389,464
Public Utility Personal Property (PUPP)	<u>9,235,580</u>	<u>9,935,580</u>	<u>10,635,580</u>	<u>11,335,580</u>	<u>12,035,580</u>
Total Assessed Value	<u>\$241,986,380</u>	<u>\$243,117,840</u>	<u>\$244,249,300</u>	<u>\$247,635,763</u>	<u>\$251,048,685</u>

**Tax Rates**

The county auditor sets tax rates for each levy voted on to provide tax revenues for the school district. Ohio law (HB920) provides for “reduction factors” of all voted property tax levies to adjust the millage rates lower for the levy collections not to 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 and Class II effective millage rates are 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”.

**Estimated Real Estate Tax - Line #1.010**

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Est. Real Estate Taxes	<u>\$3,746,497</u>	<u>\$4,193,451</u>	<u>\$4,201,137</u>	<u>\$4,235,058</u>	<u>\$4,283,436</u>
Total Line #1.01 Real Estate Taxes	<u>\$3,746,497</u>	<u>\$4,193,451</u>	<u>\$4,201,137</u>	<u>\$4,235,058</u>	<u>\$4,283,436</u>

Property tax levies are estimated to be collected at 99% of the annual amount. This allows for a 1% delinquency factor. In general, 64% of the Residential/Agricultural and Commercial/Industrial property taxes are expected to be collected in the March tax settlement and 36% collected in the August tax settlement.

**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.

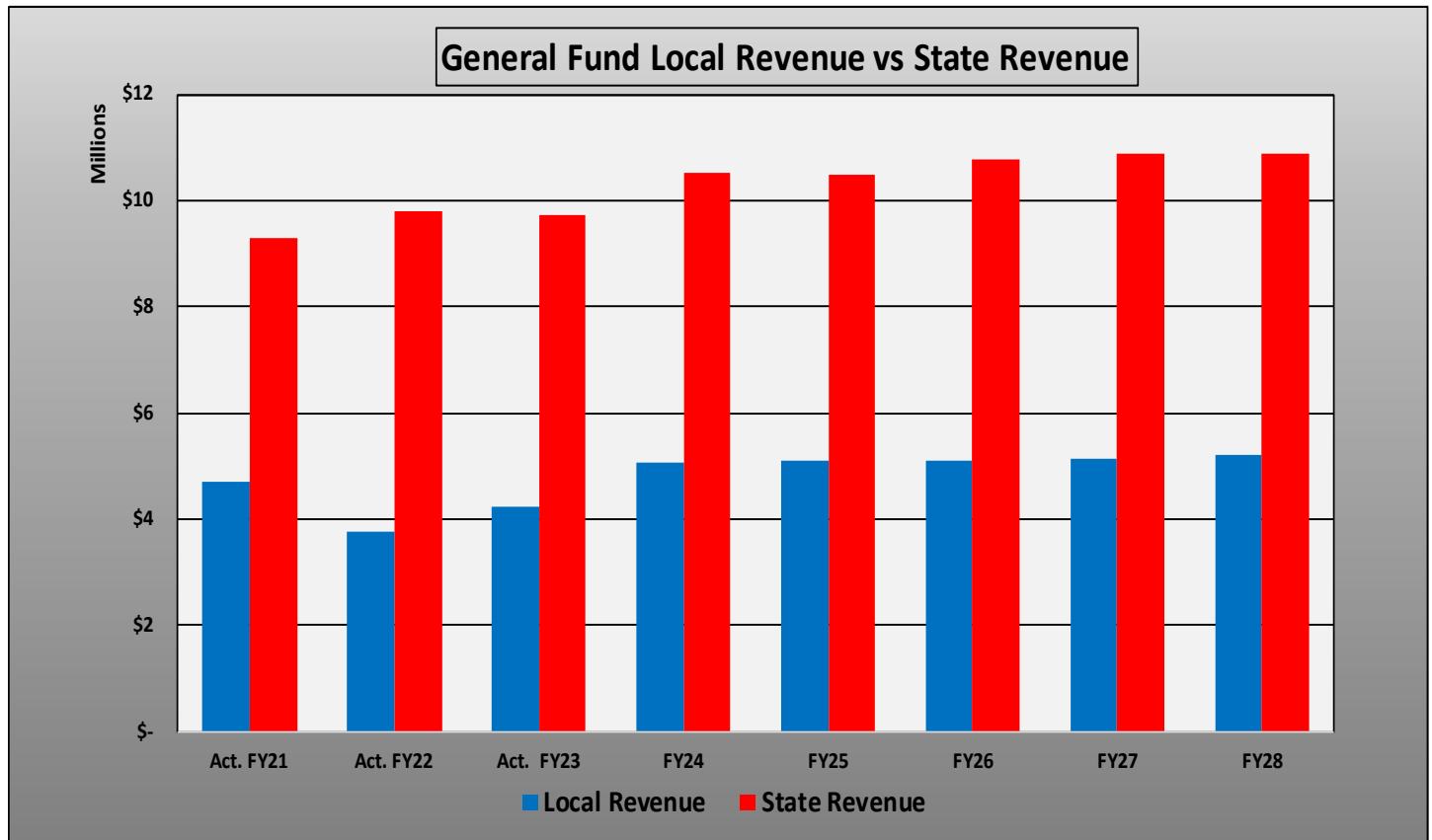
**Estimated Public Utility Personal Property Tax (PUPP) – Line #1.020**

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 \$9.2 million in assessed values in 2023 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 2023 rose by 15.7% or \$1.2 million and are expected to grow by \$700 thousand each year of the forecast.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Public Utility Personal Property	\$253,378	\$283,806	\$304,251	\$324,901	\$345,551
Total PUPP Tax Line #1.020	\$253,378	\$283,806	\$304,251	\$324,901	\$345,551

**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 HB33 through June 30, 2025**

**Unrestricted State Foundation Revenue – Line #1.035**

HB33, the current state budget, continued the Fair School Funding Plan for FY24 and FY25. We have projected the funding in FY24 based on the May 2024 foundation settlement and funding factors for FY25 from the simulations provided by the Department of Education and Workforce.

Our district is currently a formula district in FY24 and is expected to continue on the guarantee / formula in FY25-FY28 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The previous funding formula began in FY14. It was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, then HB110, as amended by HB583 for FY22 and FY23, with continuation of this formula in HB33 for FY24 and FY25. The current formula introduced many changes to how state foundation is calculated and expenses deducted from state funding, which will potentially make the actual five-year forecast look different with estimates FY24 through FY28 compared to real data in FY21 through FY23 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecasts.

### **Overview of Key Factors that Influence State Basic Aid in the Fair School Funding Plan**

- A. Student Population and Demographics
- B. Property Valuation Per Pupil
- C. Personal Income of District Residents Per Pupil
- D. Historical Funding - CAPS and Guarantees from prior funding formulas “Funding Bases” for guarantees.

### **Base Cost Approach - Unrestricted Basic Aid Foundation Funding**

The current funding formula uses FY22 statewide average district costs and develops a base cost approach that includes minimum service levels and student-teacher ratios to calculate a unique base cost for each district. Newer, more up-to-date statewide average prices will not update for FY24 and FY25 and remain frozen at FY22 levels; while other factors impacting a district’s local capacity will update for FY24. Base costs per pupil include funding for five (5) areas:

- 1. Teacher Base Cost (4 subcomponents)
- 2. Student Support (7 subcomponents-including a restricted Student Wellness component)
- 3. District Leadership & Accountability (7 subcomponents)
- 4. Building Leadership & Operations (3 subcomponents)
- 5. Athletic Co-curricular (contingent on participation)

### **State Share Percentage – Unrestricted Basic Aid Foundation Funding**

Once the base cost is calculated, which is currently at a state-wide average of \$8,242.19 per pupil in FY24, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage, in concept, will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district’s ability to raise taxes based on local wealth, the lower the state share percentage. HB33 increased the minimum state share from 5% in FY23 to 10% for FY24 and FY25. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income, and 20% on federal median income, as follows:

- 1. 60% based on the most recent three (3) year average assessed values or the most recent year, whichever is lower, divided by base students enrolled.
- 2. 20% based on the most recent three-year average federal adjusted gross income of district residents or the most recent year, whichever is lower, divided by base students enrolled.
- 3. 20% based on the most recent year’s federal median income of district residents multiplied by the number of returns in that year divided by base students enrolled.
- 4. When the weighted values are calculated, and items 1 through 3 above are added together, the total is multiplied by a Local Share Multiplier Index from 0% for low-wealth districts to a maximum of 2.5% for wealthy districts.

When the unrestricted base cost is determined and multiplied by the state share percentage, the resulting amount is multiplied by the current year enrolled students (including open-enrolled students being educated in each district) and multiplied by the local share multiplier index for each district. The result is the local per pupil capacity of the base per pupil funding amount.

### **Categorical State Aid**

In addition to the base state foundation funding calculated above, the FSFP also has unrestricted categorical funding and new restricted funding beginning in FY22, some of which will have the state share percentage applied to these calculations as noted below:

### Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). It also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount, not a specific amount. 10% will be reduced from all districts' calculations to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding is based on all resident students who ride, including preschool students and those living within 1 mile of school. Provides supplemental transportation for low-density districts. Increases state minimum share to 37.5% in FY24 and 41.67% in FY25.

### Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on the number and concentration of economically disadvantaged students compared to the state average and multiplied by \$422 per pupil. Phase-in increases are limited 50% in FY24 and 66.67% in FY25.
2. English Learners – Based on funded categories based on the time students enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds – Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. Student Wellness and Success Funds – These funds are based on initiatives similar to those for DPIA. They are restricted funds for school climate, attendance, discipline, and academic achievement programs.

### **State Funding Phase-In FY24 and FY25 and Guarantees**

While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110, which was amended by HB583 in June 2022 and has now extended the plan in HB33 for FY24 and FY25. The FSFP does not include caps on funding; instead, it will consist of a general phase-in percentage for most components of 50% in FY24 and 66.67% in FY25.

The funding formula includes three (3) guarantees: 1) “Formula Transition Aid,” 2) Supplemental Targeted Assistance, and 3) Formula Transition Supplement. The three (3) guarantees in both temporary and permanent law ensure that no district will get fewer funds in FY24 and FY25 than they received in FY21.

### **Future State Budget Projections beyond FY25**

Our funding status for FY26-28 will depend on unknown (2) new state budgets. There is no guarantee that the current Fair School Funding Plan in HB33 will be funded or continued beyond FY25; 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 forecasted to grow modestly with inflationary increases of 3% for FY26 through FY28.

### **Threshold Aid**

Threshold Aid (formerly Catastrophic Aid) 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 31<sup>st</sup> of January and August each year, beginning for the first time on January 31, 2013.

The casino revenue has recovered from the pandemic from closing the casinos in 2020. Total funding in FY22, was \$109.39 million for schools or \$62.86 per pupil, in FY23, the funding totaled \$113.1 million or \$64.90 per pupil, and in FY24 the

funding totaled \$113.11 million or \$65.02 average 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>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Basic Aid-Unrestricted	\$8,891,231	\$8,859,883	\$9,125,679	\$9,194,122	\$9,194,122
Additional Aid Items	<u>304,604</u>	<u>329,193</u>	<u>329,193</u>	<u>329,193</u>	<u>329,193</u>
Basic Aid-Unrestricted Subtotal	\$9,195,835	\$9,189,076	\$9,454,872	\$9,523,315	\$9,523,315
Ohio Casino Commission ODT/Catastrophic	<u>165,588</u>	<u>166,792</u>	<u>168,019</u>	<u>169,259</u>	<u>170,523</u>
Total Unrestricted State Aid Line #1.035	<u>\$9,361,423</u>	<u>\$9,355,868</u>	<u>\$9,622,891</u>	<u>\$9,692,574</u>	<u>\$9,693,838</u>

### Restricted State Revenues – Line #1.040

HB33 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged Funding) and Career Technical funding. In addition, new restricted funds have been added under “Restricted Categorical Aid” for Gifted, English Learners (ESL), and Student Wellness. We have estimated revenues for these new restricted funding lines using current May funding factors and using the simulations from the Department of Education and Workforce for FY25. The amount of DPIA is limited to a 50% phase in growth for FY24 and 66.67% in FY25. We have projected modest growth in this funding as well; however, we have been more conservative with a 2% estimate each year for FY26-FY28, due to uncertainty on continued funding of the current funding formula.

HB33 set aside \$64 million state-wide to subsidize the cost of high-quality instructional materials purchased by schools and districts aligned to the Science of Reading. The funds are provided to support both high-quality core curriculum and instructional materials in English language areas and evidenced-based reading intervention programs. The district received \$59,365 from this one-time subsidy and is required to maintain documentation as to how the funds were leveraged along with expenses incurred beyond the subsidy.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
DPIA	\$231,387	\$252,579	\$257,631	\$262,784	\$262,784
ESL	391	482	492	502	502
Gifted	69,074	66,817	68,153	69,516	69,516
Career Tech - Restricted	19,223	12,814	13,070	13,331	13,331
Other Restricted State Funds	59,365	0	0	0	0
Student Wellness and Success	<u>256,388</u>	<u>256,463</u>	<u>261,592</u>	<u>266,824</u>	<u>266,824</u>
Total Restricted State Revenues Line #1.040	<u>\$635,828</u>	<u>\$589,155</u>	<u>\$600,938</u>	<u>\$612,957</u>	<u>\$612,957</u>

### Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

<u>SUMMARY</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Unrestricted Line #1.035	\$9,361,423	\$9,355,868	\$9,622,891	\$9,692,574	\$9,693,838
Restricted Line #1.040	635,828	589,155	600,938	612,957	612,957
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>\$9,997,251</u>	<u>\$9,945,023</u>	<u>\$10,223,829</u>	<u>\$10,305,531</u>	<u>\$10,306,795</u>

### State Share of Local Property Taxes – 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.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Rollback and Homestead	\$512,226	\$563,524	\$564,644	\$568,593	\$575,401
Total State Share of Local Property Taxes #1.050	\$512,226	\$563,524	\$564,644	\$568,593	\$575,401

**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 open enrollment, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees.

HB110, the previous state budget, stopped paying open enrollment as an increase to other revenue for the district. This is projected below as zeros to help show the difference between projected FY24-FY28 Line 1.06 revenues and historical FY21 through FY23 revenues on the five-year forecast. Open-enrolled students will be counted in the enrolled student base at the school district where they are being educated, and state aid will follow the students. Open-enrolled student revenues will be included in Line 1.035 as basic state aid.

Interest income is based on the district cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. Once the economy stabilizes, there will be pressure on the Federal Reserve to lower interest rates, which we believe will begin sometime in 2024, decreasing the opportunity for more significant interest income for the district. We will continue to monitor the investments for the district.

Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historical trends.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Tuition Related Payments	\$185,045	\$186,895	\$188,764	\$190,652	\$192,559
Preschool	31,000	31,310	31,623	31,939	32,258
Open Enrollment	0	0	0	0	0
Class & Sports Oriented Fees	52,956	53,486	54,021	54,561	55,107
Interest Earnings	327,580	294,822	265,340	238,806	214,925
Medicaid	75,000	75,750	76,508	77,273	78,046
Mobile Home Taxes	44,785	40,686	41,073	41,466	41,865
Miscellaneous	42,255	42,255	42,255	42,255	42,255
Total Other Local Revenue Line #1.060	\$758,621	\$725,204	\$699,584	\$676,952	\$657,015

**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 & Line #14.010**

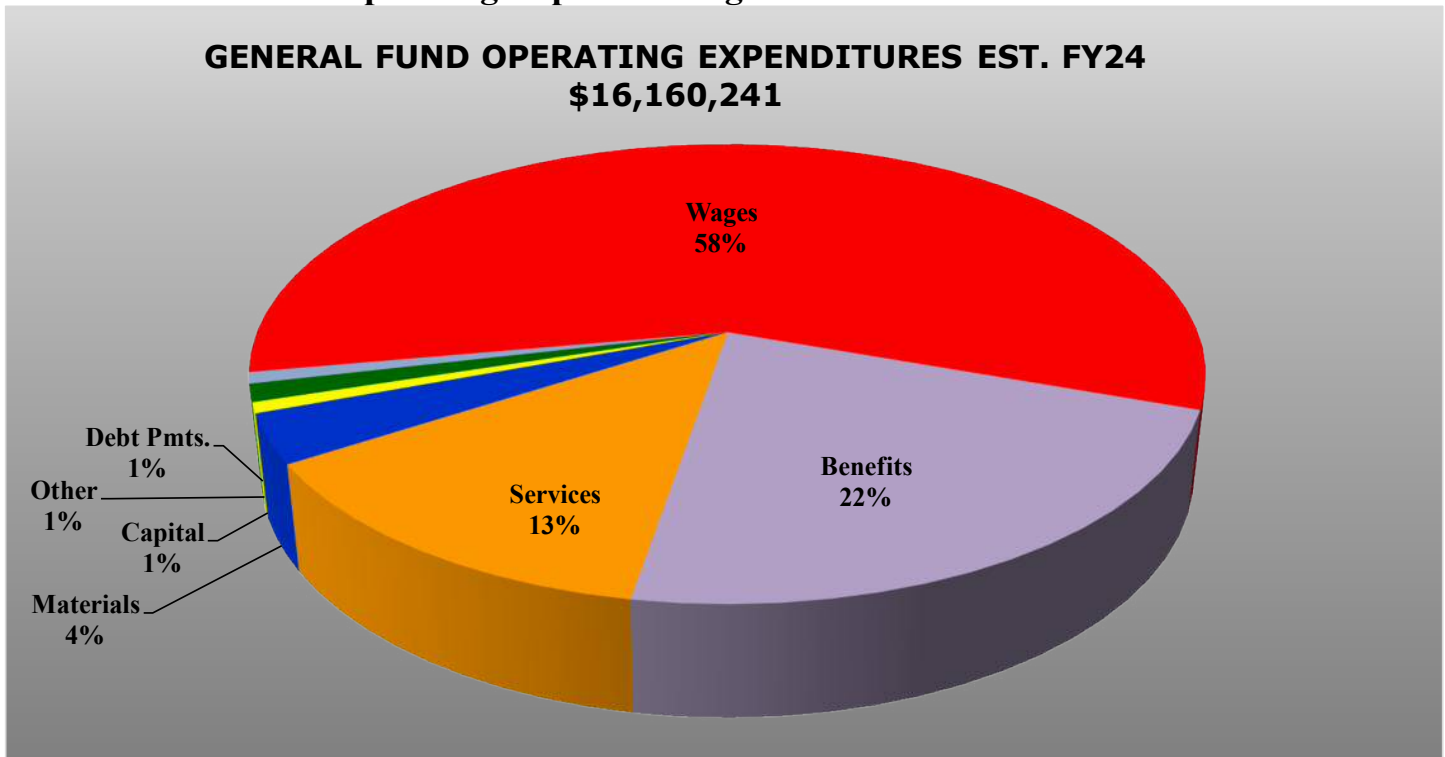
This funding source is typically a refund of prior year expenditures that is very unpredictable. For future years we are estimating the amount of refunds that are in line with historical collections.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Sale of Property & Refund of prior years exp.	\$70,330	\$74,517	\$69,776	\$71,541	\$71,944

## 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 FY24



#### Wages – Line #3.010

Negotiations with bargaining unit members resulted in an agreement which included base increases of 3.0% for FY23 and 2.5% for FY24, including step increases of 2%. For planning purposes, a 2% base increase is planned for FY25 through FY28. 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 will return in FY25.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Base Wages	\$8,642,089	\$9,039,435	\$9,551,691	\$9,751,350	\$9,955,002
Based Pay Increase	216,052	180,789	191,034	195,027	199,100
Steps & Academic Training	172,669	172,842	0	0	0
Growth Staff (ESSER/SWSF Return)	0	150,000	0	0	0
Substitutes/OT	78,298	78,298	78,298	78,298	78,298
Supplementals	273,188	278,652	284,225	289,910	295,708
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>\$9,390,921</u>	<u>\$9,908,641</u>	<u>\$10,113,873</u>	<u>\$10,323,210</u>	<u>\$10,536,733</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 we are estimating an increase of 7% for FY25-28, which reflects trend. This is based on our current employee census and claims data.

The Further Consolidated Appropriations Act of 2020 included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. “Cadillac Tax”), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our healthcare costs in the forecast.

## C) Workers Compensation & Unemployment Compensation

Workers’ Compensation is expected to be approximately 0.3% of wages FY24-28. Unemployment is expected to remain at a shallow level for FY24-28. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if we have employees who are eligible 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>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
A) STRS/SERS	\$1,450,319	\$1,530,520	\$1,562,146	\$1,594,509	\$1,627,519
B) Insurance's	2,009,659	2,150,335	2,300,858	2,461,918	2,634,252
C) Workers Comp/Unemployment	27,844	29,379	29,987	30,608	31,241
D) Medicare	124,845	131,832	134,136	136,910	139,739
Tuition	<u>3,800</u>	<u>3,800</u>	<u>3,800</u>	<u>3,800</u>	<u>3,800</u>
Total Fringe Benefits Line #3.020	<u>\$3,616,467</u>	<u>\$3,845,866</u>	<u>\$4,030,927</u>	<u>\$4,227,745</u>	<u>\$4,436,551</u>

### Purchased Services – Line #3.030

HB110, the previous state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education will directly pay these costs to the education districts for open enrollment, community, and STEM schools and for scholarships granted to students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to offer these amounts below as zeros to help reflect the difference between projected FY24-FY28 Line 3.03 costs and historical FY21 through FY23 costs in the five-year forecast. 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.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Professional & Technical Services, ESC	\$964,473	\$964,473	\$964,473	\$964,473	\$964,473
Maintenance, Insurance & Garbage Removal	236,426	236,426	236,426	236,426	236,426
Professional Development	25,602	25,602	25,602	25,602	25,602
Communications, Postage, & Telephone	55,127	55,127	55,127	55,127	55,127
Utilities	221,613	228,261	235,109	242,162	249,427
Tuition & Excess Costs	179,080	179,080	179,080	179,080	179,080
Local Tuition	369,503	373,198	376,930	380,699	384,506
Open Enroll, Comm School & Scholarship	0	0	0	0	0
College Credit Plus	84,275	84,275	84,275	84,275	84,275
Miscellaneous Purchased Services	<u>8,238</u>	<u>8,238</u>	<u>8,238</u>	<u>8,238</u>	<u>8,238</u>
Total Purchased Services Line #3.030	<u>\$2,144,337</u>	<u>\$2,154,680</u>	<u>\$2,165,260</u>	<u>\$2,176,082</u>	<u>\$2,187,154</u>

### Supplies and Materials – Line #3.040

Expenses, which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
General Office Supplies & Materials	\$168,992	\$175,752	\$182,782	\$190,093	\$197,697
Textbooks & Instructional Supplies	37,992	39,512	41,092	42,736	44,445
Facility Supplies & Materials	88,706	92,254	95,944	99,782	103,773
Transportation Fuel & Supplies	262,430	272,927	283,844	295,198	307,006
Other adjustments SWSF, CARES, Etc.	<u>533</u>	<u>554</u>	<u>576</u>	<u>599</u>	<u>623</u>
Total Supplies Line #3.040	<u>\$558,653</u>	<u>\$580,999</u>	<u>\$604,238</u>	<u>\$628,408</u>	<u>\$653,544</u>

### Equipment – Line #3.050

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 FY25-28 are based on a three-year rolling average..

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Capital Outlay & Maintenance	<u>\$120,000</u>	<u>\$70,365</u>	<u>\$107,016</u>	<u>\$103,580</u>	<u>\$99,127</u>
Total Equipment Line #3.050	<u>\$120,000</u>	<u>\$70,365</u>	<u>\$107,016</u>	<u>\$103,580</u>	<u>\$99,127</u>

### Principal and Interest Payment – Lines # 4.05 and 4.06

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

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Principal COPS Line #4.020	\$94,800	\$99,300	\$103,900	\$108,800	\$113,900
HB 264 Principal Line #4.050	45,000	45,000	0	0	0
Total Principal	<u>\$139,800</u>	<u>\$144,300</u>	<u>\$103,900</u>	<u>\$108,800</u>	<u>\$113,900</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>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
County Auditor & Treasurer Fees	\$107,531	\$108,606	\$109,692	\$110,789	\$111,897
ESC Deduction	15,330	15,330	15,330	15,330	15,330
Annual Audit Costs	23,752	23,752	23,752	23,752	23,752
Dues, Fees & other Expenses	<u>55,000</u>	<u>55,550</u>	<u>56,106</u>	<u>56,667</u>	<u>57,234</u>
Total Other Expenses Line #4.300	<u>\$201,613</u>	<u>\$203,238</u>	<u>\$204,880</u>	<u>\$206,538</u>	<u>\$208,213</u>

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

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 and a \$55 thousand transfer to the athletic fund.

<u>Source</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Operating Transfers Out Line #5.010	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000
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>\$105,000</u>	<u>\$105,000</u>	<u>\$105,000</u>	<u>\$105,000</u>	<u>\$105,000</u>

### Encumbrances – Line #8.010

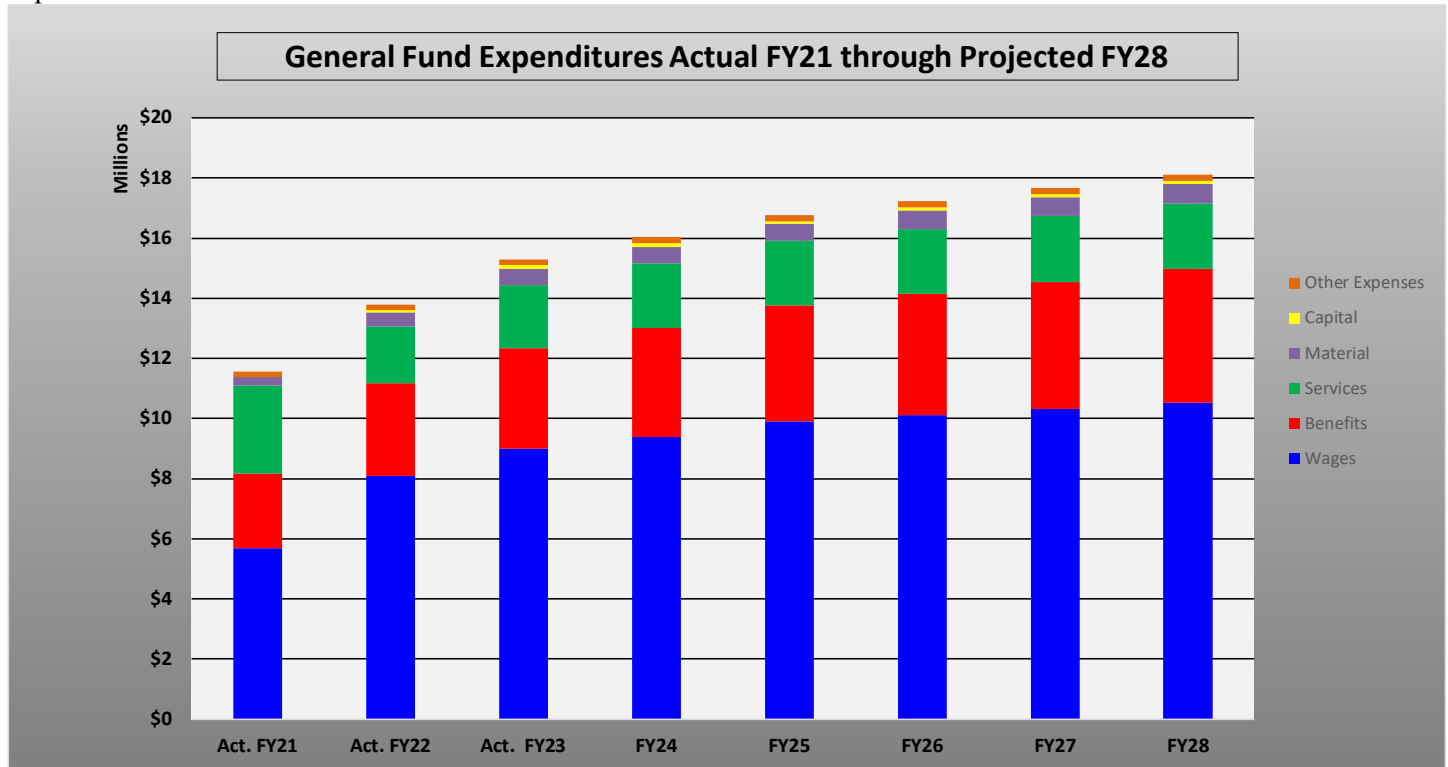
Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments, which have been performed, are awaiting invoicing and payment. Encumbrances, on a budget basis of accounting, are treated as the equivalent of expenditure 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>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Estimated Encumbrances Line #8.010	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### Operating Expenditures Actual FY21 through FY23 and Estimated FY24-FY28

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



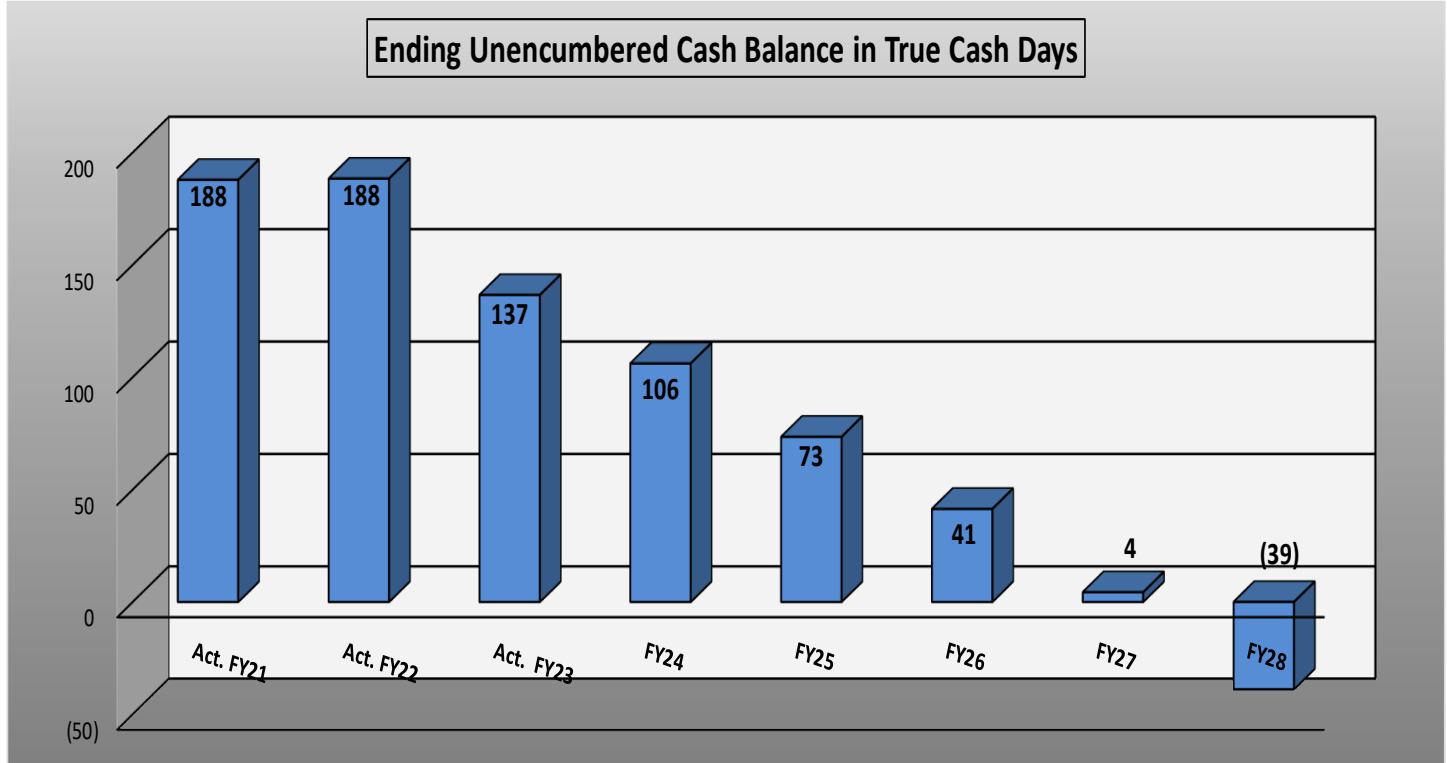
### Ending Unencumbered Cash Balance – Line#15.010

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 \$2.6 million for our district.

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
Ending Unreserved Cash Balance Line #15.01	<u>\$4,756,506</u>	<u>\$3,441,438</u>	<u>\$1,987,129</u>	<u>\$212,905</u>	<u>(\$1,959,379)</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 68.8% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

The district administration is grateful for the changes in the current state budget HB33 as it has reduced the amount that was deducted for programs that were not within the district's control. However, future state budgets funding will need to be watched since the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in state budgets for FY26-FY28.

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.