

**COVINGTON EXEMPTED VILLAGE SCHOOL DISTRICT-MIAMI COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2024, 2025, and 2026 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2027, THROUGH JUNE 30, 2031**



**Forecast Provided By
Covington Exempted Village School District
Treasurer's Office
Carmen Siefring, Treasurer
August 19, 2026**

Covington Exempted Village School District

Miami County

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

	Actual				Forecasted				
	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Average Change	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031
Revenues									
1.010 General Property Tax (Real Estate)	\$2,492,911	\$2,441,814	\$2,854,920	7.4%	\$2,517,504	\$2,751,788	\$2,965,185	\$3,049,297	\$3,046,106
1.020 Public Utility Personal Property Tax	179,815	206,145	245,403	16.8%	273,070	276,110	279,150	282,190	285,230
1.030 Income Tax	3,214,242	3,705,593	3,508,001	5.0%	3,748,890	3,786,378	3,810,115	3,834,089	2,856,683
1.035 Unrestricted State Grants-in-Aid	5,477,608	5,942,924	6,281,038	7.1%	6,514,688	6,470,885	6,471,010	6,471,127	6,471,235
1.040 Restricted State Grants-in-Aid	410,515	432,429	426,556	2.0%	351,112	369,455	369,455	369,455	369,455
1.050 State Reimbursement for Property Tax Credits	348,603	354,017	410,370	8.7%	521,716	546,594	556,411	604,256	618,211
1.060 All Other Revenues	510,211	448,724	481,374	-2.4%	433,467	411,409	383,869	369,398	356,564
1.070 Total Revenues	\$12,633,905	\$13,531,646	\$14,207,662	6.1%	\$14,360,447	\$14,612,619	\$14,835,195	\$14,979,812	\$14,003,484
Other Financing Sources									
2.040 Operating Transfers-In	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.050 Advances-In	0	0	4,293	0.0%	3,384	0	0	0	0
2.060 All Other Financing Sources	700	1,269	1,455	48.0%	1,269	1,269	1,269	1,269	1,269
2.070 Total Other Financing Sources	\$700	\$1,269	\$5,748	217.1%	\$4,653	\$1,269	\$1,269	\$1,269	\$1,269
2.080 Total Revenues and Other Financing Sources	12,634,605	13,532,915	14,213,410	6.1%	14,365,100	14,613,888	14,836,464	14,981,081	14,004,753
Expenditures									
3.010 Personal Services	\$6,479,703	\$7,010,562	\$7,035,354	4.3%	\$7,301,603	\$7,484,498	\$7,637,326	\$7,790,719	\$7,950,679
3.020 Employees' Retirement/Insurance Benefits	2,573,690	2,695,377	2,921,461	6.6%	3,106,634	3,114,853	3,146,969	3,177,864	3,205,571
3.030 Purchased Services	1,782,904	2,232,348	2,762,438	24.5%	2,779,611	2,827,132	2,906,434	2,988,190	3,072,481
3.040 Supplies and Materials	302,856	283,653	298,024	-0.6%	303,584	312,151	320,970	330,048	339,393
3.050 Capital Outlay	402,410	211,681	264,501	-11.2%	335,400	325,000	458,650	224,400	209,400
4.300 Other Objects	129,092	133,679	136,806	2.9%	124,595	151,038	127,501	158,985	130,489
4.500 Total Expenditures	\$11,670,655	\$12,567,300	\$13,418,584	7.2%	\$13,951,426	\$14,214,672	\$14,597,850	\$14,670,205	\$14,908,013
Other Financing Uses									
5.010 Operating Transfers-Out	\$1,338,218	\$1,497,892	\$730,000	-19.7%	\$468,611	\$473,297	\$476,264	\$479,261	\$479,261
5.020 Advances-Out	0	4,293	3,384	0.0%	0	0	0	0	0
5.030 All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040 Total Other Financing Uses	\$1,338,218	\$1,502,185	\$733,384	-19.5%	\$468,611	\$473,297	\$476,264	\$479,261	\$479,261
5.050 Total Expenditures and Other Financing Uses	\$13,008,873	\$14,069,485	\$14,151,968	4.4%	\$14,420,038	\$14,687,969	\$15,074,115	\$15,149,467	\$15,387,274
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(\$374,268)	(\$536,570)	\$61,442	-34.0%	(\$54,937)	(\$74,081)	(\$237,651)	(\$168,386)	(\$1,382,521)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$3,778,185	\$3,403,917	\$2,867,347	-12.8%	\$2,928,789	\$2,873,852	\$2,799,770	\$2,562,119	\$2,393,733
7.020 Cash Balance June 30	\$3,403,917	\$2,867,347	\$2,928,789	-6.8%	\$2,873,852	\$2,799,770	\$2,562,119	\$2,393,733	\$1,011,212
8.010 Estimated Encumbrances June 30	82,984	10,806	20,009	-0.9%	75,000	75,000	75,000	75,000	75,000
Fund Balance June 30 for Certification of Appropriations	\$3,320,933	\$2,856,541	\$2,908,780	-6.1%	\$2,798,852	\$2,724,770	\$2,487,119	\$2,318,733	\$936,212
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$1,001,620
11.020 Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	0	0	0
11.300 Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$1,001,620
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	3,320,933	2,856,541	2,908,780	-6.1%	2,798,852	2,724,770	2,487,119	2,318,733	1,937,832
15.010 Unreserved Fund Balance June 30	3,320,933	2,856,541	2,908,780	-6.1%	2,798,852	2,724,770	2,487,119	2,318,733	1,937,832

Covington Exempted Village School District – Miami County
Notes to the Five-Year Forecast
General Fund Only

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), new state mandates, tax levies, property reappraisals and updates, salary increases, health insurance increases, enrollment variances, or changes to property valuations due to businesses moving in or out of the district.

As noted below the current state budget approved in HB96 changed the forecast based on what the state Ohio and the Ohio Department of Workforce and Education will require, however the Board of Education will continue to plan over a five-year period. Our district leadership believes that the five-year forecast is a crucial management tool. A five-year planning horizon enables district management teams to examine future years' projections and identify when challenges will arise. This helps district management to be proactive in meeting those challenges.

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

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer of the school district with any questions you may have. The Treasurer 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 Ohio Department of Education and Workforce, and the Auditor of State to identify school districts with potential financial problems.

Ohio HB96 was passed in June 2025 which amended O.R.C. 5705.391 and O.A.C. 3301-92.04 requiring a Board of Education (BOE) to file their current years budgeted revenue and expenses, and three additional years. This is essentially a four (4) year forecast. Beginning in fiscal year 2026 (July 1 to June 30) the financial forecast must be filed by October 15, and the end of February. The filing deadlines will change in fiscal year 2027 to August 31, and end of February each fiscal year thereafter. The filing deadlines of February and August are out of alignment with when final 1st half and 2nd half tax settlements will actually be received in most cases, and the August 31 deadline is out of alignment with when school districts statutorily have to make final fiscal year appropriations which is September 30th of each year.

Requirement vs. Reality: A Structural Diagnostic

The new filing timelines are fundamentally unaligned with the natural availability of key data needed to make accurate projections.

Data Requirement	HB96 Deadline	Real-World Availability
Baseline Appropriations	August 31	September 30 (Statutory Law)
1st Half Property Tax Settlement	February 28	After Feb 28
2nd Half Property Tax Settlement	August 31	After Aug 31

While the legislative requirement is to file a four-year forecast, as noted above, we believe it is a prudent business practice to continue to develop a five-year forecast for planning purposes. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the financial forecast is considered the current year budget and is used as the base for future years projections. Our forecast is updated to reflect the most current economic data available for the August 2026 filing.

Forecast Risks and Uncertainty:

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

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

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

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

Primary Legislative Drivers of Fiscal Risk

Legislation	Core Provision	District Financial Impact
HB129	Reclassifies fixed-sum (emergency/substitute) levies to be included in "20-mill floor" calculations.	No Impact to our district.
HB186	Establishes "Inflation Cap Credits" and a retroactive "claw back" of realized revenues.	Anticipated cumulative loss of \$1,880,789 through FY31; creates a revenue drop in FY27.
HB309	Empowers County Budget Commissions (CBCs) to reduce voter-approved levies.	Shifts fiscal authority to CBC officials, creating an unpredictable risk to local levy yields.
HB335	Limits revenue growth from inside millage to the GDP Deflation Factor (GDP DF).	Restricts the district's ability to realize revenue gains from property valuation reappraisals.

Revenue Risk Loss Assessment of HB129 and HB186 To Our Forecast

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. Our district is not anticipating any impact from HB129.
- HB186 establishes Inflation Cap Credits, if districts were at the 20-mill floor, following reappraisals and triennial updates for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF). HB186 also includes Temporary Tax Credits (claw back) provision that takes back tax revenue that has already been collected by school districts beginning with reappraisals and triennial updates that occurred before the effective date of the law retroactive back to tax year 2023, 2024 and 2025. These are funds that have already been realized and have been spent and/or included in future educational planning. Our district was on the 20-mill floor under prior law and is anticipated to lose \$417,953 a year in inflationary cap credits. The loss in FY27 is expected to be \$626,930 due to delayed implementation of the new law which results in one and a half years loss in the fiscal year. Anticipated losses due to inflationary cap credits through FY31 is estimated at \$1,880,789.

Evaluation of Emerging Risks: HB309, HB335, and Piggyback Exemptions

- HB309 indicates an erosion of local fiscal autonomy, shifting power from elected school boards to County Budget Commissions (CBC's) and County Commissioners. HB309 allows a CBC to reduce any voter-approved levy (except debt) to bring taxes levied within levels the CBC finds reasonable and prudent to avoid unnecessary collections. This law gives locally elected CBC officials the power to override voter-approved levies and local school board fiscal decisions. The impact of this new law is indeterminable and can be administered inconsistently in Ohio's 88 counties.
- HB335 limits revenue growth from "inside millage" to the GDP Deflation Factor at property reevaluation cycles. To mitigate this, the district has adopted a defensive strategy of projecting at or below the anticipated GDP DF. This is a critical tactical move to prevent the state from applying further downward inflationary adjustments to the district's remaining growth potential. HB479 corrected inside millage language in HB335 so that any inside mileage adjustment occurs only in

the home county during revaluations if districts are in multiple counties. Any future inside millage adjustment is indeterminable at this time.

- HB96 Expanded Piggyback Option introduces a significant *local political* risk through "Piggyback" exemptions. Unlike standard Homestead and 2.5% owner-occupied credits—which the state reimburses—Piggyback exemptions are **not reimbursed**. Miami County Commissioners did approve the Piggyback exemption for owner occupied credit owners occupied credit for tax year 2025 collect in calendar year 2026. This will result in estimated tax reductions of \$32,125 for tax year 2026 that will impact FY26 and FY27 noted in Line 1.01 Property Tax Estimates below. Our county commissioners voted by July 1, 2026, to approve Piggyback Property Tax Exemptions for owner occupied and homestead exemptions for tax year 2026 for reductions in calendar year 2027 which would reduce tax collections in FY27 and FY28. This will result in estimated total tax reductions of \$162,125 over FY27 and FY28 noted in Line 1.01 Property Tax Estimates below. This new law creates an unpredictable potential risk to our local tax collections every year. We will adjust the forecast in the future accordingly.

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

- II. Property tax collections are the third largest revenue source for the school system and a significant risk to the forecast. We project growth in appraised values every three (3) years that aligns with the new HB186 and HB335 Gross Domestic Product Deflation Factor (GDP DF) and new construction growth. The effects of HB186 and HB335 will be to limit property tax growth following reappraisals and updates. Total local revenues, predominately local taxes, equate to 48.6% of the district's resources. As noted above, HB186 indicates any adjustment for prior year appraisals and updates that exceeded GDP DF in reappraisals and triennial updates that occurred in tax years 2023, 2024 and 2025 will result in possible significant reductions (claw back) in the second half property tax collections that typically occur in August to September 2026. We have included any estimated adjustment for HB186 and HB335 in Line 1.01 assumptions below.
- III. Our county completed a reappraisal for calendar year 2025. The result of the reappraisal was an increase of 34.17% in Class I values and 20.52% increase in Class II values, for an overall increase of \$47.35 million in value increases. Miami County will experience a reappraisal update in calendar year 2028 for collection in calendar year 2029. We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property within the Gross Domestic Product Deflation Factor range of 7% to 9%. HB335 and HB129 will become effective for our reappraisal in tax year 2028. We have anticipated any 20-mill floor adjustment at that time in Line 1.01 assumptions below. We do not anticipate any impact of HB186 or HB335 on our future tax projections due to our estimates for future growth in revaluations being in line with anticipated GDP DF.
- IV. HB96, the current state budget, continues to phase in what has been referred to as the Fair School Funding Plan (FSFP) for FY27. FY27 reflects 100% of the implementation cost of the (FSFP). HB96 did not increase the base cost inputs (no increase from the state on formula funding) while allowing local capacity inputs to increase. This causes more districts to appear to have greater local ability to fund their schools thus reducing the amount of State Aid they receive. We have used the most recent FY27 foundation payment published by the Department of Education and Workforce for our forecasted

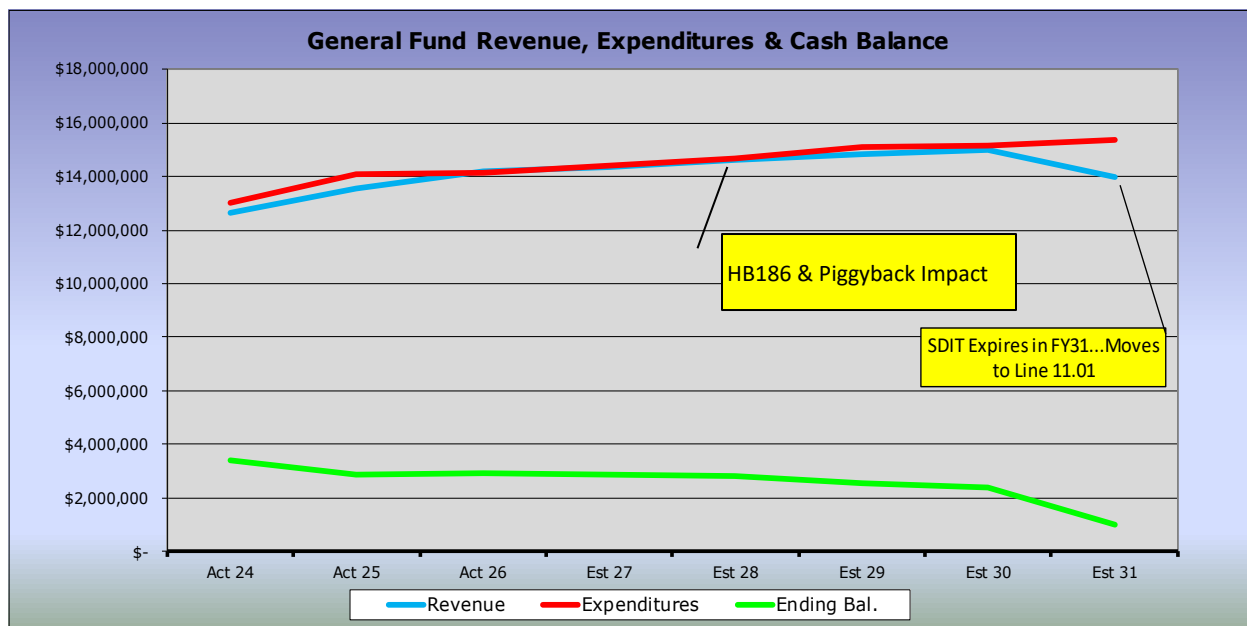
revenues in FY27-FY31. We are considered a formula district but do not anticipate significant increases in state aid.

- V. The State Budget represents 51.4% of district revenues and is an area of risk to revenue. In this forecast, there are two unknown future State Biennium Budgets covering FY28-29 and FY30-31. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY31. We have projected our state funding in FY27 based on recent formula calculations and use of the Ohio Department of Education and Workforce (ODEW) most recent funding settlement. This forecast reflects state revenue to align with the FY27 funding levels through FY31, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.
- VI. The Ohio Department of Taxation on January 15, 2026, announced an updated state property tax reappraisal and triennial update schedule. Sixteen counties will have their reappraisal moved back by one year in accordance with the new schedule. Our county will not be impacted by this change.
- VII. Labor relations in the district have been very amicable with all parties working for the best interest of students and realizing the resource challenges the district faces. We believe as the district moves forward a strong working relationship will continue.

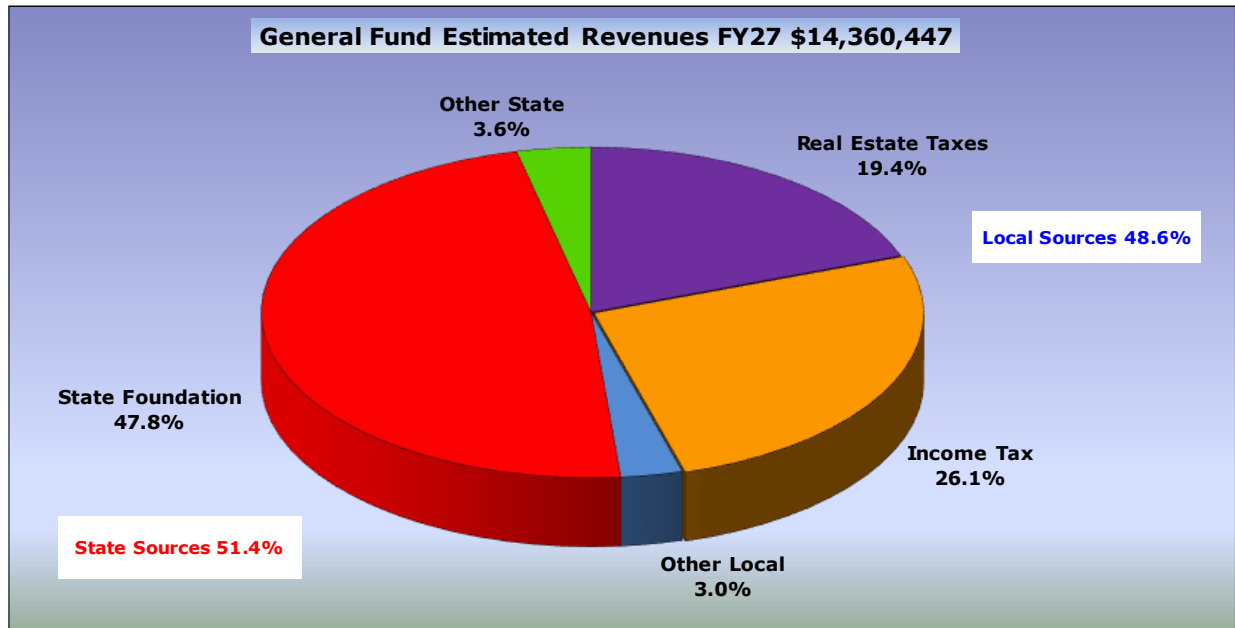
The major categories of revenue and expenditures on the forecast are noted below in the headings to make it easier to reference the assumptions made for the forecast item. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact me – Carmen Siefring, Treasurer of Covington Exempted Village School District at 937.473.2249.

General Fund Revenue, Expenditures, and Ending Cash Balance

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



Revenue Assumptions



General Property Tax and Property Value Assumptions (Real Estate) – Line #1.010

Property Values are established annually by the County Auditor based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. New HB186 allows new construction growth in property taxes irrespective of GDP DF. Miami County experienced a reappraisal in the 2025 tax year to be collected in FY26. The 2025 reappraisal increased overall assessed values by \$47.35 million or an increase of 33.85%. Class I values rose \$44.73 million or 35.21%, including the update and new construction for res/ag class.

A reappraisal update will occur in tax year 2028 for collection in FY29. Due to legislative changes that slow the impact of rapid property tax growth in Ohio, we have estimated an 8% increase in Class I and a negligible increase in Class II. This should be in line with GDP DF rates and HB186 and HB335 should not impact our property tax projections.

Public Utility Personal Property (PUPP) values increased by \$1.72 million in the tax year 2025. We expect our values to continue to grow by \$100,000 each year of the forecast.

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

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR 2026 COLLECT 2027	Estimated TAX YEAR 2027 COLLECT 2028	Estimated TAX YEAR 2028 COLLECT 2029	Estimated TAX YEAR 2029 COLLECT 2030	Estimated TAX YEAR 2030 COLLECT 2031
Res./Ag.	\$172,024,280	\$172,299,280	\$186,358,222	\$186,633,222	\$186,908,222
Comm./Ind.	15,636,500	15,776,500	15,916,500	16,056,500	16,196,500
Public Utility Personal Property (PUPP)	<u>9,031,670</u>	<u>9,131,670</u>	<u>9,231,670</u>	<u>9,331,670</u>	<u>9,431,670</u>
Total Assessed Value	<u>\$196,692,450</u>	<u>\$197,207,450</u>	<u>\$211,506,392</u>	<u>\$212,021,392</u>	<u>\$212,536,392</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 30.40 mills while the total Class I effective rate is 20.00 mills and Class II effective millage rate is 20.66 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”. As mentioned, our district is on the floor for Class I property.

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

Estimated Real Estate Tax Collection Assumptions & New Tax Laws

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

Our district is anticipating a negative claw back impact to our forecast due to HB186. We are anticipating adjustments noted on the table below for Line 1.01. This is based on recently obtained Department of Tax Equalization (DTE) Form 186 amounts and DTE HB186 Certified Tax Credit Factors. For planning purposes, we believe this is likely the worst-case scenario removing additional revenue of \$1,880,789 through FY31, but final second half tax settlements will not be received before this forecast filing deadline.

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

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

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

Estimated Real Estate Tax (Line #1.010)

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
General Property Taxes	\$3,241,559	\$3,234,741	\$3,383,138	\$3,467,250	\$3,464,059
Piggyback Exemption HB96	-\$97,125	-\$65,000	\$0	\$0	\$0
Other Tax Adjustments-HB186	<u>-\$626,930</u>	<u>-\$417,953</u>	<u>-\$417,953</u>	<u>-\$417,953</u>	<u>-\$417,953</u>
General Property Taxes	<u>\$2,517,504</u>	<u>\$2,751,788</u>	<u>\$2,965,185</u>	<u>\$3,049,297</u>	<u>\$3,046,106</u>

Property tax levies are estimated to be collected at 98.4% of the annual amount. This allows a 1.6% delinquency factor. In general, 55.96% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 44.04% in the August tax settlement. We are anticipating a significant adjustment to our second half settlement in 2026 due to HB186.

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

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

The amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted in the table above, which was \$8.93 million in assessed values in 2025 and is collected at the district's full voted millage rate. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor. The values in 2025 rose by \$1.72 million and are expected to grow by \$100,000 each year of the forecast.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Public Utility Personal Property Line #1.020	<u>\$273,070</u>	<u>\$276,110</u>	<u>\$279,150</u>	<u>\$282,190</u>	<u>\$285,230</u>

School District Income Tax – Line#1.030 Covington's tax is traditional

The district has a .5% continuing period SDIT for operations and a .25% continuing period SDIT for capital. The district also has a 1.25% SDIT that was renewed on November 5, 2024, and will now expire on December 31, 2030. The three (3) SDIT's produced \$3.4 million in FY26.

In FY26, income tax collection statewide rose around 3.0%. The income tax for FY26 was actually \$3.71 million which is a \$197,592 decrease over FY25. There was an \$224,000 abnormally high SD100 July 2024 collection in FY25 that caused that year to be higher. We anticipated the actual decline in FY26 from FY25 due to the unusual collection that year, but then assume an annual growth rate of 1.5% for FY27, and 1.0% for FY28 through FY31. The collection drop sin FY31 due to the renewal being moved to Line 11.01 of the forecast.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
School District Income Tax	\$3,508,001	\$3,748,890	\$3,786,378	\$3,810,115	\$3,834,089
Adjustments	<u>240,889</u>	<u>37,488</u>	<u>23,737</u>	<u>23,974</u>	<u>(977,406)</u>
Total SDIT Line #1.030	<u>\$3,748,890</u>	<u>\$3,786,378</u>	<u>\$3,810,115</u>	<u>\$3,834,089</u>	<u>\$2,856,683</u>

School District Income Tax Renewal- Line #11.01

The districts income tax levy renewed November 5, 2024, and will expire December 31, 2030.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Renew SDIT Total Line #11.010	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,001,620</u>

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 FY27, which funds students where they are educated rather than where they live. We have projected FY27 funding based on the most current foundation settlement and funding factors.

Our district is currently a formula district in FY27 and is expected to remain as such FY28-FY31 if the funding plan is retained in future state budgets.

A detailed overview of how foundation funding is calculated including all of the HB96 changes is available at the link below. Please visit the Ohio Department of Education and Workforce at:

<https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

State Funding FY26-FY27

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

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

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

The Performance Supplement was included in HB96. The eligibility for the supplement payment uses data from the state report card for the 2024-2025 school year for FY26 and 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We are estimated to receive \$38,824 in FY27.

The funding formula eliminated the Supplemental Targeted Assistance guarantee beginning in FY26 but still includes two (2) primary guarantees: 1) Temporary 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. We are a formula district in FY27.

Future State Budget Projections beyond FY27

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

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. School districts will receive 34% 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.

In FY26, the funding totaled \$108.29 million or \$68.14 per pupil. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Basic Aid-Unrestricted	\$6,259,397	\$6,215,460	\$6,215,460	\$6,215,460	\$6,215,460
Additional Aid Items	<u>199,442</u>	<u>199,442</u>	<u>199,442</u>	<u>199,442</u>	<u>199,442</u>
Basic Aid-Unrestricted Subtotal	6,458,839	6,414,902	6,414,902	6,414,902	6,414,902
Credentials and Safety Grants					
Ohio Casino Commission ODT	<u>55,849</u>	<u>55,983</u>	<u>56,108</u>	<u>56,225</u>	<u>56,333</u>
Total Unrestricted State Aid Line # 1.035	<u>\$6,514,688</u>	<u>\$6,470,885</u>	<u>\$6,471,010</u>	<u>\$6,471,127</u>	<u>\$6,471,235</u>

Restricted State Revenues – Line # 1.040

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. The district has elected to also post Catastrophic (Threshold) Aid for special education as restricted revenues. We were notified that Threshold reimbursements in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

We have estimated revenues for these new restricted funding lines using the most current funding factors available. For fiscal years 2026 and 2027, HB96 modifies how DPIA is calculated by factoring in both directly certified and economically disadvantaged students. The new DPIA formula modified the weight given to these student groups over the biennium which has resulted in calculated DPIA state funding in FY26 being \$86.6 million less than in FY25.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
DPIA	\$46,603	\$46,603	\$46,603	\$46,603	\$46,603
Career Tech	0	0	0	0	0
Gifted	58,463	58,463	58,463	58,463	58,463
Student Wellness	229,376	239,389	239,389	239,389	239,389
Other Restricted State Funds	0	0	0		
Threshold Aid	<u>16,670</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Total Restricted State Revenues Line #1.040	<u>\$351,112</u>	<u>\$369,455</u>	<u>\$369,455</u>	<u>\$369,455</u>	<u>\$369,455</u>

Restricted Federal Grants in Aid – Line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Unrestricted Line # 1.035	\$6,514,688	\$6,470,885	\$6,471,010	\$6,471,127	\$6,471,235
Restricted Line #1.040	351,112	369,455	369,455	369,455	369,455
Rest. Federal Grants Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$6,865,800</u>	<u>\$6,840,340</u>	<u>\$6,840,465</u>	<u>\$6,840,582</u>	<u>\$6,840,690</u>

State Reimbursement of Property Tax Credits – Line #1.050 **Rollback and Homestead Reimbursement**

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

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

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

HB186 10% Phase down and OCC Phase up					
	TY25	TY26	TY27	TY28	TY29
	Collect CY26	Collect CY27	Collect CY28	Collect CY29	Collect CY30
10% Rollback*	10.00%	7.50%	5.00%	2.50%	0.00%
2.5% OOC	2.50%	5.00%	7.50%	10.00%	12.50%
HB96 Inc. OCC	0.00%	0.72%	1.44%	2.16%	2.88%
Total	12.50%	13.22%	13.94%	14.66%	15.38%
Homestead	varies	2x	varies	varies	varies
*Non-timber farm land will still keep 10% rollback					

Partial HB186 Guarantee

HB186 authorizes payments to school districts and JVSDs that are located in a county that underwent a reappraisal or triennial update in tax years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in tax year 2025 than in tax year 2024. The revenue guarantee applies to tax year 2025, in the case of 2023 reappraisal or update counties, and to tax years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Ohio Department of Taxation will calculate the difference between a district's real property tax revenue in tax year 2024 and its revenue in 2025 and, if applicable, 2026. We do not anticipate a hold harmless payment for HB186.

Summary of State Tax Reimbursement – Line #1.050

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Rollback and Homestead	\$521,716	\$546,594	\$556,411	\$604,256	\$618,211
HB186 Partial Reimbursement	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
State Reimbursement for Property Tax Credits	<u>\$521,716</u>	<u>\$546,594</u>	<u>\$556,411</u>	<u>\$604,256</u>	<u>\$618,211</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, student fees, and general rental fees.

Interest income is based on the district's cash balances. Interest income remained steady in FY26 due to laddered investment strategies, expected Federal Reserve rate cuts and declining cash balances will begin to have an impact on earnings in FY27 and future years. We will continue to monitor the investments for the district.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Interest	\$200,104	\$180,094	\$162,085	\$145,877	\$131,289
Change Interest Allocation From Other Funds	\$15,000	\$11,250	\$0	\$0	\$0
SF-14, SF6 and Other Tuitions	170,545	172,247	173,966	175,703	177,457
Class Fees	5,000	5,000	5,000	5,000	5,000
Other Income, Rentals and Donations	<u>42,818</u>	<u>42,818</u>	<u>42,818</u>	<u>42,818</u>	<u>42,818</u>
Total Line #1.060	<u>\$433,467</u>	<u>\$411,409</u>	<u>\$383,869</u>	<u>\$369,398</u>	<u>\$356,564</u>

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

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

All Other Financial Sources – Line #2.060

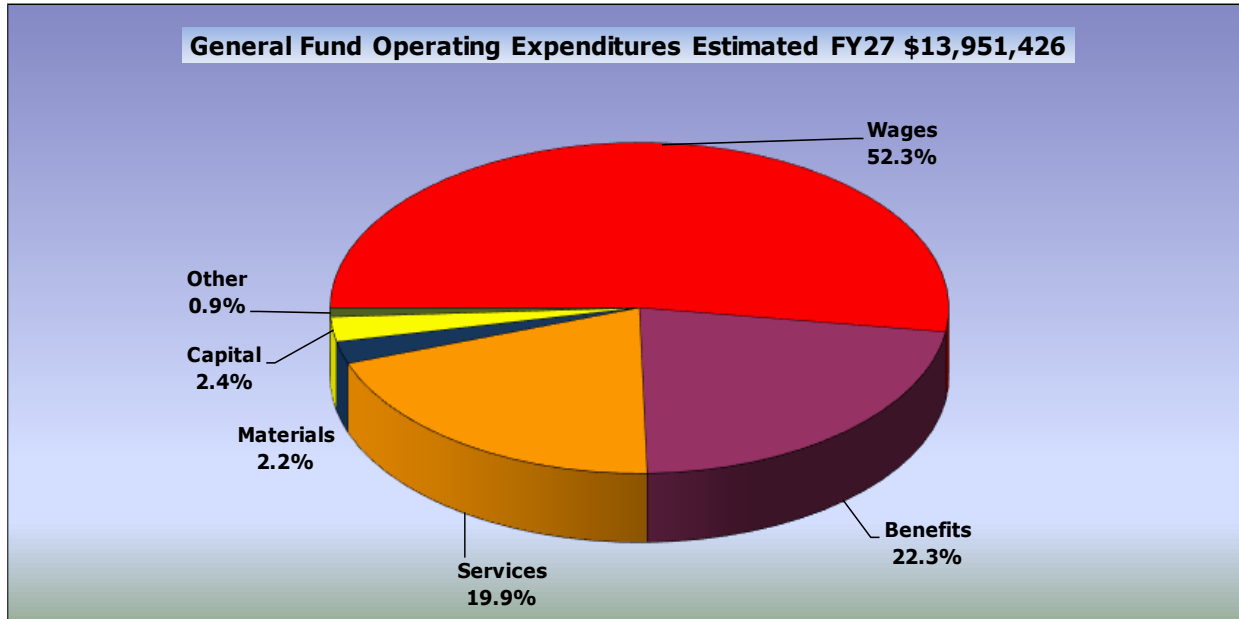
This funding source is typically a refund of prior year expenditures that is very unpredictable. These revenues are inconsistent year to year, and have projected the FY25 amount in the remainder of the forecast.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>3,384</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances In	<u>\$3,384</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Expenditures Assumptions

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

Estimated General Fund Operating Expenditures



Wages – Line #3.010

Negotiations with bargaining unit members resulted in a 3% base increase for FY25 and 2.5% for FY26 for certificated staff. Classified staff received a 4% increase in FY26 and 2.5% in FY27. A new agreement was reached for FY27 and FY28 that included 4% and 3% respectively for those years. For planning purposes, we have included 2.5% FY29 - FY31.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Base Wages	\$6,810,819	\$7,015,927	\$7,160,596	\$7,316,341	\$7,473,627
Step & Training Increases	125,784	129,271	136,730	134,378	137,052
Substitutes	180,000	180,000	180,000	180,000	180,000
Longevity & Attendances Bonuses& Stipends	145,000	110,000	110,000	110,000	110,000
Supplementals	310,000	319,300	320,000	320,000	320,000
Payroll charged to 006 and 5%% funds	<u>(270,000)</u>	<u>(270,000)</u>	<u>(270,000)</u>	<u>(270,000)</u>	<u>(270,000)</u>
Total Wages Line #3.010	<u>\$7,301,603</u>	<u>\$7,484,498</u>	<u>\$7,637,326</u>	<u>\$7,790,719</u>	<u>\$7,950,679</u>

Fringe Benefits Estimates – Line #3.020

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

A) STRS/SERS will increase as Wages Increase

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

B) Insurance

The district insurances are a part of a group plan offered through the Southwestern Ohio EPC. FY26 saw an increase in insurance rates of 8%. We are estimating an increase of 9.5% for FY27, and 8% FY28 through FY31, which reflects the trend of our current employee census and claims data.

C) Workers Compensation & Unemployment Compensation

Workers' Compensation is expected to be approximately .23% of wages FY27– FY31. Unemployment is likely to remain at a shallow level FY27-FY31. 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.

E) Other/Tuition

The district reimburses employees for the tuition to further their education to maintain licensure for teaching. The district does not anticipate any increase during the forecast.

Summary of Fringe Benefits – Line #3.020

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
A) STRS/SERS	\$1,090,934	\$1,113,430	\$1,135,968	\$1,157,114	\$1,179,882
B) Insurance's	1,869,297	1,850,540	1,855,540	1,860,540	1,860,540
C) Workers Comp/Unemployment	17,064	17,466	17,802	18,140	18,491
D) Medicare	101,960	106,038	110,280	114,691	119,279
Other/Tuition	<u>27,379</u>	<u>27,379</u>	<u>27,379</u>	<u>27,379</u>	<u>27,379</u>
Total Fringe Benefits Line #3.020	<u>\$3,106,634</u>	<u>\$3,114,853</u>	<u>\$3,146,969</u>	<u>\$3,177,864</u>	<u>\$3,205,571</u>

Purchased Services – Line #3.030

College Credit Plus, excess costs and other tuition costs will continue to draw funds away from the district and have been adjusted based on historical trend. We have seen an increase in costs with the ESC due to the increase in special education services and students attending the Cooperative Learning Center. We have assumed a 3% increase each year to account for staffing costs and inflation.

In FY26 there was 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.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Base Services	\$223,108	\$225,339	\$227,592	\$229,868	\$232,167
Excess Cost & Other Tuitions	1,371,595	1,385,311	1,419,944	1,455,443	1,491,829
Other Tuition, CCPlus, Ed Scholarship-479	93,883	96,699	99,600	102,588	105,666
Professional Support 41x	687,431	701,283	722,424	744,200	766,629
Building Maintenance Repairs 42x	123,818	127,533	131,359	135,300	139,359
Utilities	<u>279,776</u>	<u>290,967</u>	<u>305,515</u>	<u>320,791</u>	<u>336,831</u>
Total Purchased Services Line #3.030	<u>\$2,779,611</u>	<u>\$2,827,132</u>	<u>\$2,906,434</u>	<u>\$2,988,190</u>	<u>\$3,072,481</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.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Supplies	\$200,531	\$206,547	\$212,743	\$219,125	\$225,699
Textbooks	27,006	27,276	27,549	27,824	28,102
Building Maintenance	27,739	28,571	29,428	30,311	31,220
Transportation	<u>48,308</u>	<u>49,757</u>	<u>51,250</u>	<u>52,788</u>	<u>54,372</u>
Total Supplies Line #3.040	<u>\$303,584</u>	<u>\$312,151</u>	<u>\$320,970</u>	<u>\$330,048</u>	<u>\$339,393</u>

Equipment – Line # 3.050

The district does not anticipate costs increasing significantly above what is projected in this line because the Permanent Improvement Fund pays most capital outlay.

The district now has a source of funding for permanent improvements with the 0.25% income tax effective January 2014, which was passed for bond retirement and the classroom facilities maintenance fund, with the remainder going to the permanent improvement fund. These are reflected in Transfers Out in Line 5.01 below.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Capital Outlay	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Curriculum and Technology	285,400	275,000	258,650	174,400	159,400
Transportation	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>0</u>	<u>0</u>
Total Equipment Line #3.050	<u>\$335,400</u>	<u>\$325,000</u>	<u>\$458,650</u>	<u>\$224,400</u>	<u>\$209,400</u>

Principal and Interest Payment – Lines # 4.05 and 4.06

There are no borrowings planned from the General Fund in the forecast period.

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses.

Source	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Auditor & Treasurer Fees, SDIT Fees	\$114,771	\$115,919	\$117,078	\$118,249	\$119,431
Audit Fees	0	25,000	0	30,000	0
Other expenses	<u>9,824</u>	<u>10,119</u>	<u>10,423</u>	<u>10,736</u>	<u>11,058</u>
Total Other Expenses Line #4.300	<u>\$124,595</u>	<u>\$151,038</u>	<u>\$127,501</u>	<u>\$158,985</u>	<u>\$130,489</u>

Transfers Out/Advances Out – Lines # 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. There are no planned advances in the forecast period at this time. For FY26 to FY30 transfers included \$47,892 to the 034 Maintenance Fund as part of the ½ mill local requirement for the Ohio School Facilities Commission; and amounts will vary annually as needed to the Permanent Improvement Fund, and the 035 Severance Fund.

Source	FY27	FY28	FY29	FY30	FY31
Operating Transfers Out Line #5.010	\$468,611	\$473,297	\$476,264	\$479,261	\$479,261
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>\$468,611</u>	<u>\$473,297</u>	<u>\$476,264</u>	<u>\$479,261</u>	<u>\$479,261</u>

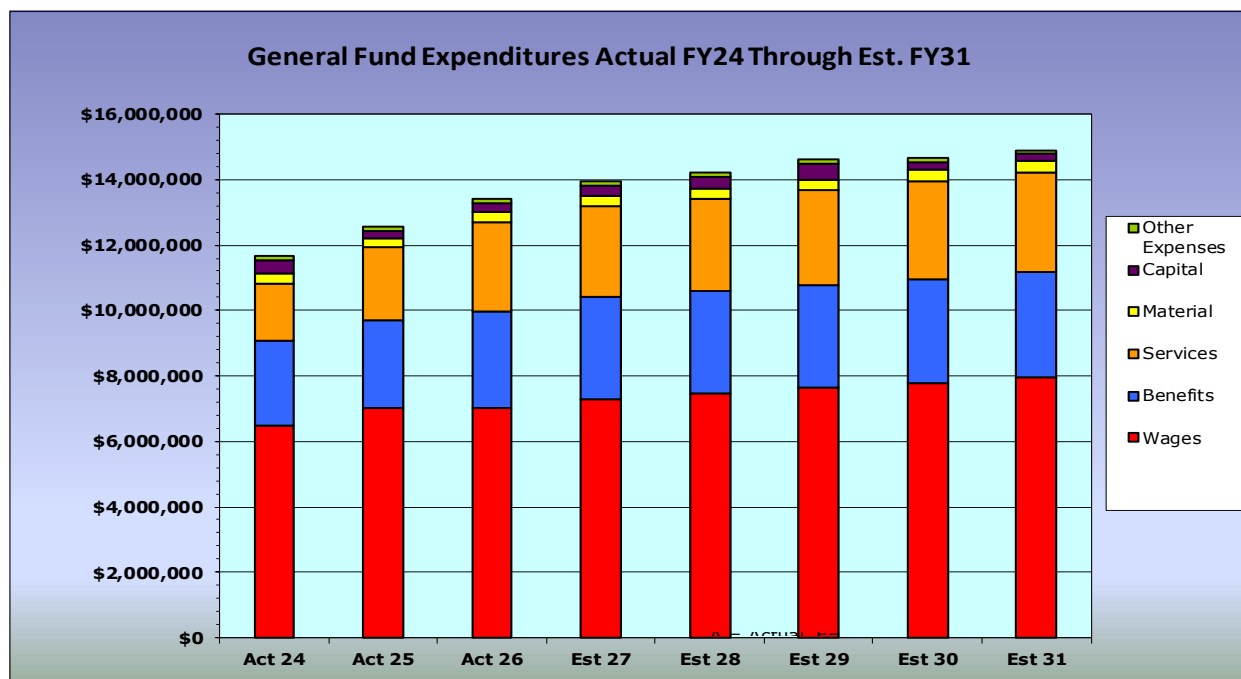
Encumbrances –Line#8.010

These outstanding purchase orders have yet to be approved for payment, as the goods were not received in the fiscal year in which they were ordered.

Source	FY27	FY28	FY29	FY30	FY31
Estimated Encumbrances Line #8.010	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>

Operating Expenditures Actual FY24 through FY26 and Estimated FY27-FY31

As the graph on the following page 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.



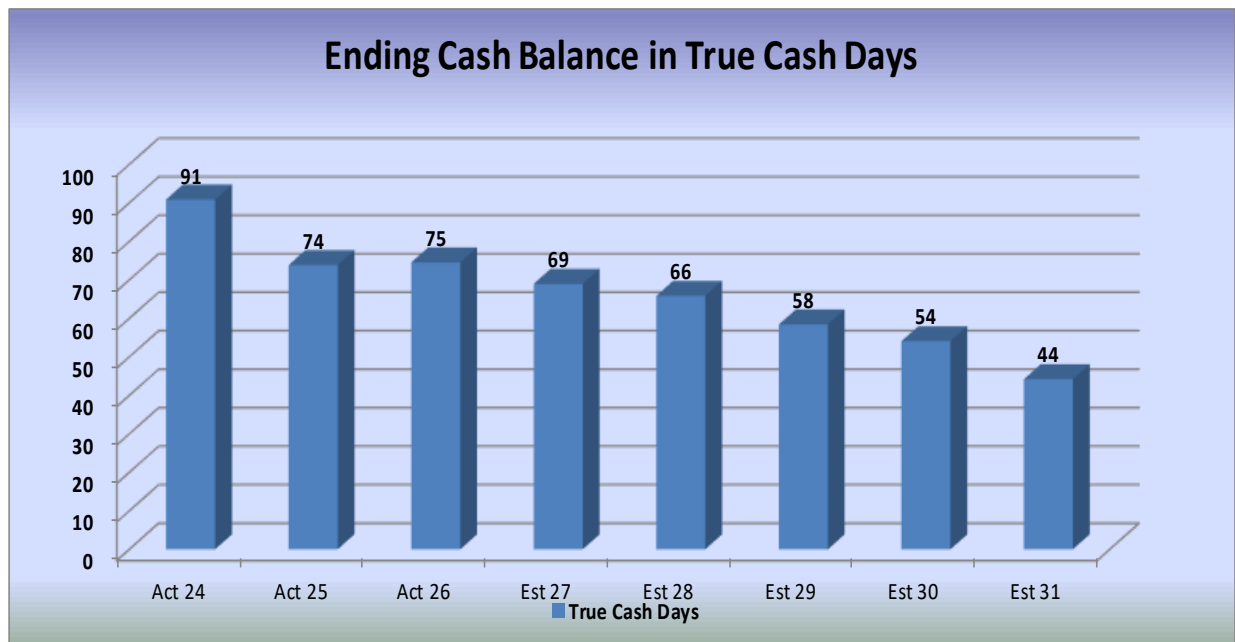
Ending Unencumbered Cash Balance – Line#15.010

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 that a district maintains a minimum of thirty (30) day cash balance, which is about \$1.1 million for our district.

	FY27	FY28	FY29	FY30	FY31
Ending Unencumbered Cash Balance	<u>\$2,798,852</u>	<u>\$2,724,770</u>	<u>\$2,487,119</u>	<u>\$2,318,733</u>	<u>\$1,937,832</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 365 (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 recommends that no less than two (2) months or 60 days of cash is on hand at year-end. Still, it could be more depending on each district's complexity and risk factors for revenue collection. This is calculated, including transfers, as this is a predictable funding source for other funds such as capital, athletics, and severance reserves.



Conclusion

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.