LAKOTA LOCAL SCHOOL DISTRICT-BUTLER COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2020 and 2021 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2022 THROUGH JUNE 30, 2026

LAKOTA

LOCAL SCHOOLS

Forecast Provided By
Lakota Local School District
Treasurer's Office
Ms. Jenni Logan, Treasurer/CFO

November 29, 2021

Lakota Local School District

Butler County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
	Revenues									
1.010	General Property Tax (Real Estate)	97,495,142	100,372,603	106,047,366	4.3%	107,746,508	110,651,974	112,717,759	114,892,441	116,769,069
1.020	Tangible Personal Property	2,099	4,268	2,146	26.8%	2,429	0	0	0	0
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	51,352,680	48,019,862	50,394,027	-0.8%	49,354,884	49,919,685	50,169,114	50,420,026	50,672,595
1.040	Restricted State Grants-in-Aid	151,891	151,776	151,776	0.0%	1,092,842	1,429,763	1,718,219	1,718,219	1,718,219
1.045	Restricted Fed. SFSF Fd. 532 FY10&11/Ed Jobs Fd.504 FY12	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	10,188,753	10,292,275	10,480,153	1.4%	10,850,900	10,871,619	11,049,513	11,244,213	11,394,174
1.060	All Other Revenues	21,030,779	21,662,638	20,641,703	-0.9%	19,211,826	19,331,317	19,455,862	19,585,697	19,721,071
1.070	*Total Revenues*	180,221,344	180,503,422	187,717,171	2.1%	188,259,389	192,204,358	195,110,467	197,860,596	200,275,128
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020	State Emergency Loans and Advancements (Approved)	0	0	0	0.0%	0	0	0	0	0
2.040	Operating Transfers-In	0	4,304,536	732,413	0.0%	1,984,281	616,183	0	0	0
2.050	Advances-In	0	0	597,959	0.0%	0	20,000	20,000	20,000	20,000
2.060	All Other Financing Sources	112,889	125,918	137,101	10.2%	138,472	139,857	141,256	142,669	144,096
2.070	*Total Other Financing Sources*	112,889	4,430,454	1,467,473	999.0%	2,122,753	776,040	161,256	162,669	164,096
2.080	*Total Revenues and Other Financing Sources*	180,334,233	184,933,876	189,184,644	2.4%	190,382,142	192,980,398	195,271,723	198,023,265	200,439,224
	Expenditures									
3.010	Personal Services	94,134,285	99,634,532	103,798,482	5.0%	106,673,700	110,215,267	113,874,414	117,199,547	120,621,773
3.020	Employees' Retirement/Insurance Benefits	31,266,755	33,241,346	33,689,469	3.8%	35,144,954	36,415,542	37,741,446	39,044,703	40,387,253
3.030	Purchased Services	35,317,800	34,682,824	36,952,921	2.4%	32,705,901	33,405,419	34,313,105	34,651,797	35,001,198
3.040	Supplies and Materials	4,759,646	4,129,880	4,214,392	-5.6%	4,406,530	4,472,628	4,539,717	4,607,813	4,676,930
3.050	Capital Outlay	742,564	1,508,842	807,295	28.3%	819,404	831,695	844,171	856,833	869,686
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	638,000	653,000	664,000	2.0%	689,000	689,000	689,000	689,000	689,000
4.020	Principal-Notes	0	0	0	0.0%	0	0	0	0	0
4.030	Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040	Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050	Principal-HB 264 Loans	802,000	827,000	846,000	2.7%	856,000	856,000	856,000	856,000	856,000
4.055	Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060	Interest and Fiscal Charges	295,861	351,652	202,952	-11.7%	183,113	183,113	183,113	183,113	183,113
4.300	Other Objects	1,744,507	2,217,918	1,322,817	-6.6%	1,667,138	1,677,763	1,688,558	1,699,526	1,710,669
4.500	*Total Expenditures*	169,701,418	177,246,994	182,498,328	3.7%	183,145,740	188,746,427	194,729,524	199,788,332	204,995,622
	Other Financing Uses									
5.010	Operating Transfers Out	1,825,221	6,171,686	2,458,211	89.0%	3,784,281	2,416,183	1,800,000	1,800,000	1,800,000
5.020	Advances-Out	0	597,959	0	0.0%	20,000	20,000	20,000	20,000	20,000
5.030	All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040	*Total Other Financing Uses*	1,825,221	6,769,645	2,458,211	103.6%	3,804,281	2,436,183	1,820,000	1,820,000	1,820,000
5.050	*Total Expenditures and Other Financing Uses*	171,526,639	184,016,639	184,956,539	3.9%	186,950,021	191,182,610	196,549,524	201,608,332	206,815,622
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	8,807,594	917,237	4,228,105	135.7%	3,432,121	1,797,788	(1,277,801)	(3,585,067)	(6,376,398)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	99,355,831	108,163,425	109,080,662	4.9%	113,308,767	116,740,888	118,538,676	117,260,875	113,675,808
7.020	*Cash Balance June 30*	108,163,425	109,080,662	113,308,767	2.4%	116,740,888	118,538,676	117,260,875	113,675,808	107,299,410
8.010	*Estimated Encumbrances June 30*	641,848	303,421	562,965	16.4%	500,000	500,000	500,000	500,000	500,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	0	0	0	0.0%	0	0	0	0	0
9.020	Capital Improvements	0	0	0	0.0%	0	0	0	0	0
9.030	Budget Reserve	0	0	0	0.0%	0	0	0	0	0
9.040	DPIA	0	0	0	0.0%	0	0	0	0	0
9.045	Fiscal Stabilization	0	4,304,536	5,036,949	0.0%	7,021,230	7,637,413	7,637,413	7,637,413	7,637,413
9.050	Debt Service	0	0	0	0.0%	0	0	0	0	0
9.060	Property Tax Advances	0	0	0	0.0%	0	0	0	0	0
9.070	Bus Purchases	0	0	0	0.0%	0	0	0	0	0
9.080	*Subtotal*	0	4,304,536	5,036,949	0.0%	7,021,230	7,637,413	7,637,413	7,637,413	7,637,413
10.010	*Fund Balance June 30 for Certification of Appropriations*	107,521,577	104,472,705	107,708,853	0.1%	109,219,658	110,401,263	109,123,462	105,538,395	99,161,997

Lakota Local School District

Butler County

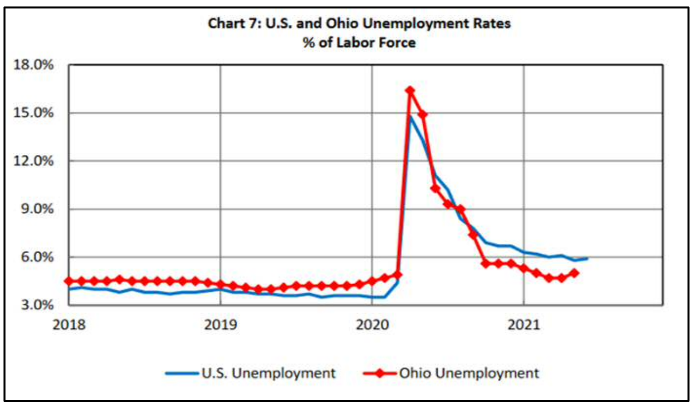
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	0	0	0	0.0%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	0	0	0
11.300	Cumulative Balance of Replacement/Renewal Levies	0	0	0	0.0%	0	0	0	0	0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	107,521,577	104,472,705	107,708,853	0.1%	109,219,658	110,401,263	109,123,462	105,538,395	99,161,997
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	0	0	0	0	0
13.020	Property Tax - New	0	0	0	0.0%	0	0	0	0	0
13.030	Cumulative Balance of New Levies	0	0	0	0.0%	0	0	0	0	0
14.010	Revenue from Future State Advancements	0	0	0	0.0%	0	0	0	0	0
15.010	*Unreserved Fund Balance June 30*	107,521,577	104,472,705	107,708,853	0.1%	109,219,658	110,401,263	109,123,462	105,538,395	99,161,997

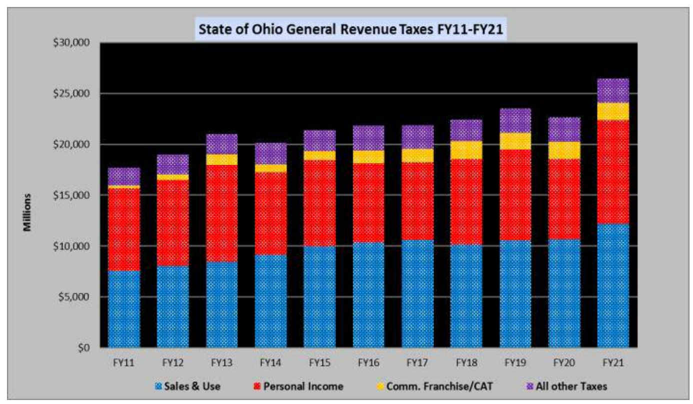
Lakota Local School District – Butler County
Notes to the Five-Year Forecast
General Fund, Related Debt and Federal Funds Only
November 15, 2021

Introduction to the Five Year Forecast
School districts are required to file a five (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022 (July 1, 2021 through June 30, 2022) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the November 2021 filing.

Economic Outlook
This five-year forecast is being filed during the ongoing global health and financial recovery from the COVID-19 Pandemic which began in early 2020. The effects of the pandemic continue to impact our state, country and our globalized economy. Our school district plays a vital role in the recovery in our community and we have maintained continuity of services to our students and staff. As noted in the graphs below, the State of Ohio's economy has steadily recovered over the past year thus the full restoration of the original school foundation funding cuts from May 2020 are being restored to school districts beginning July 1, 2021. While increased inflation impacting district costs are expected to continue over the next few years, the economy is also expected to continue to grow as the recovery from the pandemic continues.



Source: Ohio Office of Budget and Management



Source: Ohio Office of Budget and Management

As a result from the financial stresses that responding to the pandemic placed on school district budgets, all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER) which began being disbursed in fiscal year 2020 and can be extended into fiscal year 2025 for ESSER III expenses. The ESSER funds and restored state budget cuts will assist our district in providing vital services to our students.

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

Forecast Risks and Uncertainty:
A five year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the next two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

I. Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes. Total local revenues, which are predominately local taxes, equate to 67% of the district's resources. Collection rates for the first half and second half 2020 collection, collected in 2021 did not show sharp declines due to increased delinquencies. We believe there is a low risk that local collections would fall below projections in the forecast.

II. Butler County experienced a full reappraisal in the 2020 tax year and was being collected in calendar year 2021. The 2020 reappraisal increased overall residential assessed values by 13.33%. A triennial update will occur in tax year 2023 for collection in calendar year 2024. We anticipate value increases for residential and commercial property by an overall rate of 4.27% at that time. We feel these estimates are conservative, but they could unexpectedly be lower which would reduce anticipated property tax collections. New construction assessed value in 2020 for residential property was $39.6 million and $25 million for commercial industrial property. Commercial property also realized a $7.3 million increase in exempt property while Board of Revision updates reduced these values by $1.5 million.

III. The state budget represents 33% of district revenues, which means it is a significant area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in state aid. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY26. We have projected our state funding to grow by 0.5% with the FY23 funding levels through FY26, which we feel is conservative and should be close to whatever the state approves for the FY24-27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

IV. HB110, the current state budget implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula has been delayed until December which is beyond the filing deadline of this forecast. We have projected FY22 and FY23 funding to be in line with the June 28, 2021 Legislative Service Commission estimates for our district. The FSFP has many significant changes to the way 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. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools and scholarship recipients. The initial impact on the forecast will be that the historic actual costs for FY19 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. Longer term there may be some adjustments for FY22 and FY23 in state aid as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula as calculated by the Ohio Department of Education.

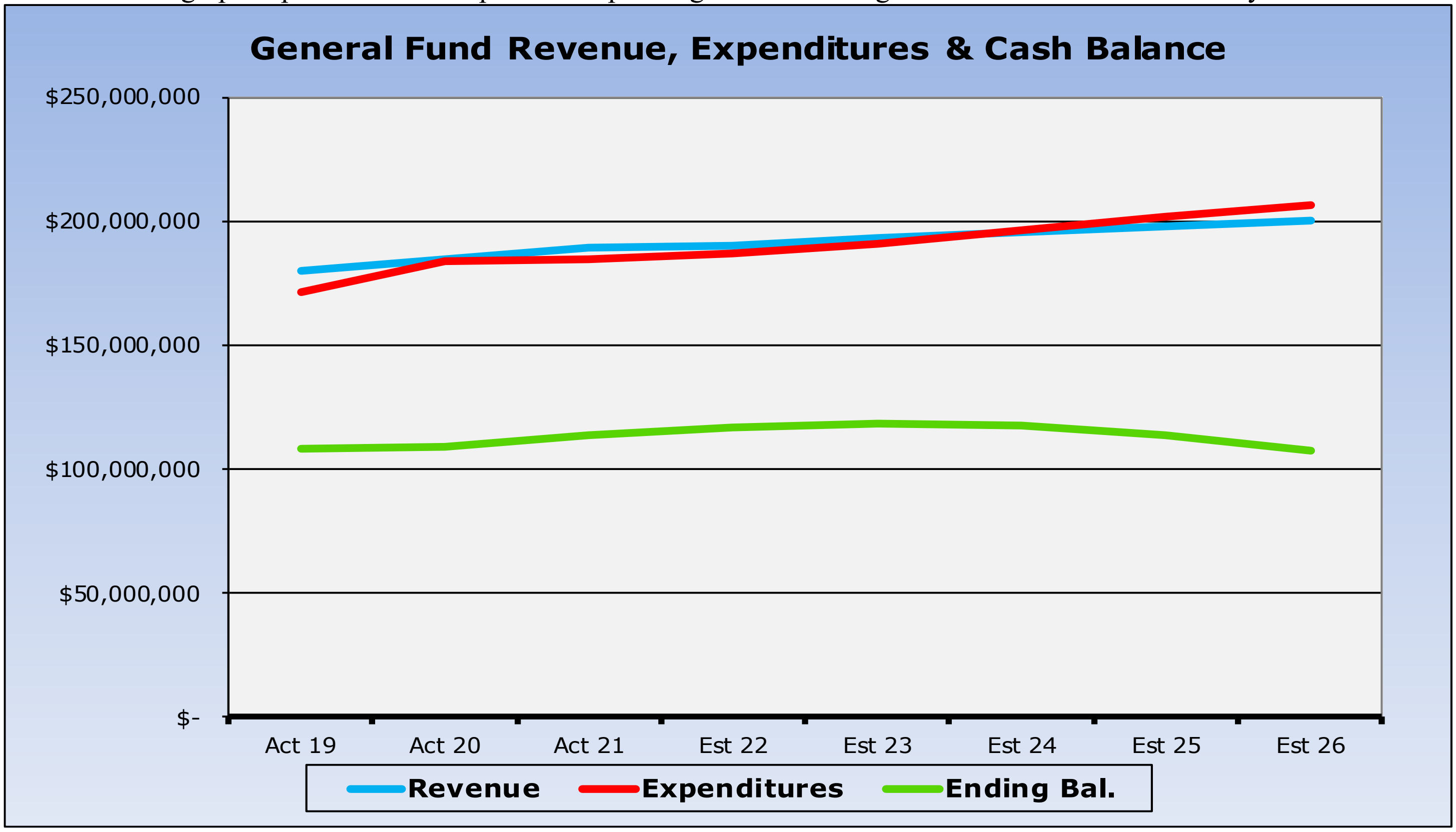
V. HB110 direct pays costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from state aid which will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can expose the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any 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. We believe as we move forward our positive working relationship will continue. Both labor union contracts cover the period of July 1, 2021 through June 30, 2024.

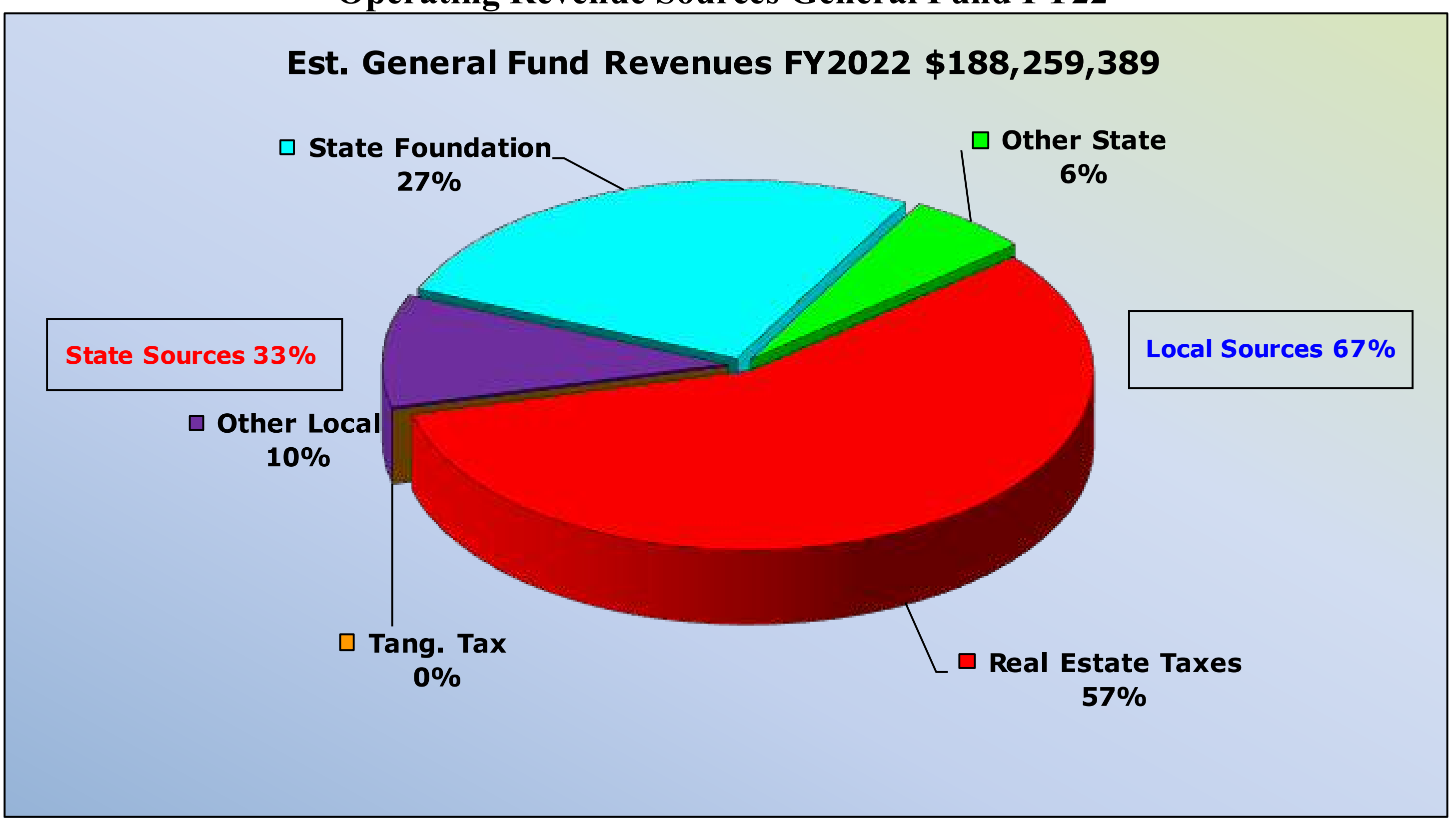
The district's five-year forecast identifies major revenue, expenditures and balances by line number. Those major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the actual forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Ms. Jenni Logan, Treasurer/CFO of Lakota Local Schools at 513-644-1180.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY19-21 and Estimated FY22-26

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



Revenue Assumptions
Operating Revenue Sources General Fund FY22



Real Estate Value Assumptions – Line # 1.010

Property values have shown a trend of recovering since 2014 and the pace of the recovery is picking up. Our 2020 reappraisal shows value increasing at a pace not seen since before 2008. When the district values rise due to inflation, HB920 will reduce voted tax rates so there is no increase other than on the unvoted inside millage amount. As we get further away from the recession of 2008, our values will continue to increase and HB920 will prevent our district from collecting additional revenues from those increased values.

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Butler County experienced a reappraisal update for the 2020 tax year to be collected in 2021. Residential/agricultural values increased 13.33% or $316.8 million due to the reappraisal led by an improving housing market.

For tax year 2020 new construction in residential property was up 1.67% or $39.6 million in assessed value and commercial/industrial values increased $25 million. Overall values rose $473 million or 15.7%, which includes new construction for all classes of property.

A triennial update will occur in 2023 for collection in 2024 for which we are estimating a 5% increase in residential and a 1.5% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase $151.7 million or 4.27% overall.

Public Utility Personal Property (PUPP) values increased by $16.9 million in tax year 2020. We expect our values to continue to grow by $5 million each year of the forecast.

Tangible personal property (TPP) values decreased to $-0- in 2011 because of HB66 passed in 2005 to be effective July 1, 2005.This began a systematic phase-out of this tax base statewide to be replaced by a Commercial Activities Tax (CAT). The district has not been held harmless from the loss of the local taxes by the state TPP reimbursements noted below for Line # 1.050, under TPP Reimbursements due to cuts made in HB153 reimbursements. In 2004, our district's TPP values were $183,373,135 and yielded the General Fund $11,119,738, in local taxes, which is equivalent to losing a 4.42 mill levy each year. Eliminating the TPP taxes, in effect, transferred the burden for those lost dollars into increased taxes on local taxpayers, a shift of taxes from businesses to residential taxpayers.

Estimated Assessed Property Valuations by Collection Years

Classification	Estimated TAX YEAR2021 COLLECT 2022	Estimated TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026
Res./Ag.	$2,785,792,730	$2,811,742,730	$2,983,279,866	$3,019,229,866	$3,060,179,866
Comm./Ind.	733,586,160	742,086,160	761,717,452	770,217,452	778,717,452
Public Utility (PUPP)	137,574,500	142,574,500	147,574,500	152,574,500	157,574,500
Total	$3,656,953,390	$3,696,403,390	$3,892,571,819	$3,942,021,819	$3,996,471,819

Estimated Real Estate Tax Collections

Property tax levies are estimated to be collected at 98.5% of the annual amount for the first year of the forecast. This delinquency percentage is predicted to reduce to pre-pandemic trends of .5% by the end of the forecasted period. In general, 52% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 48% collected in the August tax settlement. Public Utility tax settlements (PUPP taxes) are estimated to be received 51% in February and 49% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

Tax Levies	Year Approved	Last Calendar Year of Collection	Full Tax Rate (per $1,000 of assessed valuation)	Effective Rates Res/Ag	Effective Rates Comm/Ind
Inside Ten Mill Limitation	n/a	n/a	6.49	6.49	6.49
Continuing Operating	1976	n/a	15.88	2.58	4.15
Continuing Operating	1978	n/a	3.80	0.62	0.99
Continuing Operating	1985	n/a	5.90	1.88	2.33
Continuing Operating	1988	n/a	5.67	2.03	2.65
Continuing Operating	1991	n/a	5.90	2.87	3.69
Continuing Operating	1996	n/a	6.50	3.64	4.76
Continuing Operating	2000	n/a	4.90	3.13	3.90
Continuing Operating	2005	n/a	5.60	4.38	4.45
Continuing Operating	2013	n/a	3.50	2.74	2.78
Total Gross & Effective Tax Rates			**64.14**	**30.36**	**36.19**

Amounts noted below also include 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 $132.5 million in assessed values in 2020 and are collected at the district's gross voted millage rate. Collections are typically 51% in February and 49% in August along with the real estate settlements from the county auditor. The values in 2020 increased by 14.6% or $16.9 million, and are expected to grow by $5 million each year of the forecast.

Estimated Real Estate Tax Collections - Line #1.010

Source	FY22	FY23	FY24	FY25	FY26
Estimated Real Estate Tax Line # 1.010	$107,746,508	$110,651,974	$112,717,759	$114,892,441	$116,769,069

New Tax Levies – Line #13.020

No new tax levies are modeled in this five-year forecast.

Estimated Tangible Personal Tax – Line#1.020

The phase out of TPP taxes as noted earlier began in FY06 because of HB66, which systematically phased out General Personal Property tax along with telephone/railroad public utility property by 2011. The last collection of local TPP taxes was October 2010. Any amounts received in the forecast period are from settlement of old outstanding delinquent TPP taxes. These settlements are not determinable and are not estimated.

Source	FY22	FY23	FY24	FY25	FY26
Tangible Personal Property Taxes (TPP)	$2,429	$0	$0	$0	$0

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Current State Funding Model per HB110 through June 30, 2023

A) Unrestricted State Foundation Revenue– Line #1.035

The actual release of the new Fair School Funding Plan formula has been delayed until December which is beyond the filing deadline of this forecast. We have projected FY22 and FY23 funding to be in line with the June 28, 2021 Legislative Service Commission estimates for our district.

The amounts estimated for state funding are based on HB110, referred to as the Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110 implements the newest funding formula for FY22 and FY23. HB110, the current formula, introduces 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 FY22 through FY26 compared to actual data FY19 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

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

A. Student Population and Demographics
B. Property Valuation
C. Personal Income of District Residents
D. Historical Funding- CAPS and Guarantees from prior funding formulas

Base Cost Approach- Unrestricted Basic Aid Foundation Funding

The new funding formula uses FY18 statewide average district costs and developed a non-prescriptive base cost funding methodology that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district that includes base 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 estimated to be as high as $7,202 per pupil when fully phased in, 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. 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 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 most recent three (3) 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 most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled
4. When the weighted values are calculated and Items 1. through 3. above added together, the total is then multiplied by a Local Share Multiplier Index from ranging 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 finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity amount of the base per pupil funding amount. The balance of this amount is the state share to pay.

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). 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 – Increased from 90% to 100% funding of six (6) weighted funding categories of disability instead of a specific dollar amount. The additional 10% in overall funding will be reduced from all districts' calculation and used toward the state appropriation for Catastrophic Cost reimbursement.

3. Transportation Aid – Funding 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 29.17% in FY22 and 33.33% in FY23.

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA)- Formerly Economically Disadvantaged Funding, DPIA is based on number and concentration of economically disadvantaged students compared to state average and multiplied by $422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23.
2. English Learners – Based on 3 weighted categories instead of specific dollar amounts which are based on the time the student has been enrolled.
3. Gifted Funds –Funding of seven cost drivers identified in the Gifted cost study.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. Student Wellness & Success Funding – moved into base cost and DPIA funding, is restricted funding and will be spent on same initiatives and requirements that were previously designated under the stand alone fund.

State Funding Phase-In FY22 and FY23 and Guarantees

HB110 provides funding for FY22 and FY23. While the FSFP was presented as a six (6) year phase-in plan, the state legislature only approved the first two (2) years of the funding plan. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in 0% in FY22 and 14% in FY23. Transportation categorical funds will not be subject to a phase in.

HB110 includes "formula transition aid" which is a guarantee. There are actually three (3) guarantees in both temporary and permanent law to ensure that no district will get less funds in FY22 than they received in FY21. The guarantee level of funding for FY22 is a calculated funding guarantee level based on full state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items.

Student Wellness and Success (Restricted Fund 467)

In FY20 and FY21, HB166 provided Student Wellness and Success Funds (SWSF) to be deposited in a Special Revenue Fund 467. HB110, the new state budget, has merged these into state aid and wrapped into the expanded funding and mission of base costs and DPIA funds noted above and on Line 1.04 below. Any remaining funds in Special Revenue Fund 467 will be required to be used for the restricted purposes governing these funds until spent fully.

Future State Budgets Projections Beyond FY23

Our funding status for the FY24-26 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason funding is conservatively projected to grow at 0.5% each year beginning with FY23 through FY26.

Casino Revenue

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

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $106.35 million or $59.80 per pupil. We believe FY22 Casino revenues will resume their historical growth rate.

Source	FY22	FY23	FY24	FY25	FY26
Basic Aid-Per HB166	$45,209,672	$45,754,153	$45,982,924	$46,212,839	$46,443,903
Additional Items	2,227,611	2,227,611	2,227,611	2,227,611	2,227,611
Basic Aid- Subtotal	47,437,283	47,981,764	48,210,535	48,440,450	48,671,514
Casino & Catastrophic Aid	1,917,601	1,937,921	1,958,579	1,979,576	2,001,081
Total Unrestricted State Aid Line # 1.035	$49,354,884	$49,919,685	$50,169,114	$50,420,026	$50,672,595

Restricted State Revenues – Line # 1.040

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under "Restricted Categorical Aid" for Gifted, English Learners (ESL) and Student Wellness. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23. At this time we do not have the actual distribution of restricted revenue in HB110 which is anticipated to be released in December, after this submission. We will update this allocation with the May submission.

Source	FY22	FY23	FY24	FY25	FY26
DPIA	$118,724	$118,724	$118,724	$118,724	$118,724
Career Tech - Restricted	33,052	33,052	33,052	33,052	33,052
Gifted	0	0	0	0	0
ESL	0	0	0	0	0
Student Wellness and Success Funds	941,066	1,277,987	1,566,443	1,566,443	1,566,443
Total Restricted State Revenues Line # 1.040	$1,092,842	$1,429,763	$1,718,219	$1,718,219	$1,718,219

Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected FY22-26.

Summary of State Aid Projections

Summary	FY22	FY23	FY24	FY25	FY26
A) Unrestricted State Aid Line # 1.035	$49,354,884	$49,919,685	$50,169,114	$50,420,026	$50,672,595
B) Restricted State Aid Line # 1.040	1,092,842	1,429,763	1,718,219	1,718,219	1,718,219
C) Restricted Federal Grants Line # 1.045	0	0	0	0	0
Total State Foundation Revenue	$50,447,726	$51,349,448	$51,887,333	$52,138,245	$52,390,814

State Tax Reimbursements/Property Tax Allocation – Line #1.050

A) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66, the FY06-07 budget bill, previously eliminated 10% rollback on Class II (commercial and industrial) property.

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 of age or older or who are disabled regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter 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 going forward 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.

B) Tangible Personal Property Reimbursements – Fixed Rate

School districts were to be reimbursed for the TPP tax losses by the state of Ohio at varying levels through 2026 but those reimbursements were severely curtailed or eliminated by HB153 effective July 1, 2012. The state of Ohio reduced its funding to school districts for TPP reimbursements from $1.13 billion in FY11 to $510 million in FY13, where it froze for FY15. HB64 the previous state budget eliminated TPP reimbursements to our district going forward. Our current state budget HB166 does not contain a TPP supplement or guarantee. Our district is losing roughly $3 million each year because of legislative cuts to our funding.

Source	FY22	FY23	FY24	FY25	FY26
Rollback and Homestead	$10,850,900	$10,871,619	$11,049,513	$11,244,213	$11,394,174

Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area have been open enrollment, tuition for court placed students, student fees, and general rental fees. HB110, the new state budget, will stop 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 FY22-26 Line 1.06 revenues and historical FY19 through FY21 revenues on the five year forecast. Open enrolled students will be counted in the enrolled student base at the school district they are being educated at and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as state basic aid. In FY21 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. Rentals are expected to remain somewhat lower due to COVID-19 restrictions and lower participation. All other revenues are expected to continue on historic trends.

The School District received payments in lieu of taxes from several TIFs and RIDs to help facilitate economic development within the district. These are significant revenue sources for the district. In total the Lakota Local School District's borders include 8 TIF districts for West Chester Township, 12 TIF/RID districts for Liberty Township and 4 TIF districts for Butler County. The District currently receives compensation on all but one TIF, the Union Centre Boulevard (UCB) TIF. The TIF district was created before legislation was adopted which required school district involvement and approval. Due to the early expiration of a portion of the UCB TIF the District began receiving tax revenue in the collection year of 2019. West Chester did extend the remaining UCB TIF district for 15 years but at the same time worked with the District to modify the current 747 TIF. All other TIFs involve some sort of compensation agreement with the district. Unfortunately, not all agreements hold the district financially harmless. The district strives to balance the economic vitality of the entire community with the financial well-being of the district. Two RIDs in Liberty Township have also been terminated early: Hawthorne Hills and Allen Estates, which have lowered our payments beginning in 2018 and beyond. This has merely moved the revenue line item from Other Local Revenues to Real Estate Tax collections.

Source	FY22	FY23	FY24	FY25	FY26
Payment In Lieu of Taxes	$14,683,228	$14,683,228	$14,683,228	$14,683,228	$14,683,228
Open Enrollment In	0	0	0	0	0
Interest	1,174,563	1,198,054	1,222,015	1,246,455	1,271,384
Tuition	1,812,034	1,902,636	1,997,768	2,097,656	2,202,539
Rentals	252,193	252,193	252,193	252,193	252,193
Medicare Reimbursement	750,000	750,000	750,000	750,000	750,000
Miscellaneous	539,808	545,206	550,658	556,165	561,727
Total Other Local Revenues Line # 1.060	$19,211,826	$19,331,317	$19,455,862	$19,585,697	$19,721,071

All Other Financial Sources – Line #2.010 through Line #2.060 & Line #14.010

There is no short-term borrowing planned for in this forecast at this time from any sources. Other financing sources consist of advances that the school district anticipates during the forecasted period. Transfers into the General Fund has increased due to the Boards approval of Budget Stabilization policy 6217 on June 10, 2019. Advances are approved from the general fund to other funds, primarily to cover grant monies that are not received as of fiscal year end. Advances are forecasted based on the historical timeliness of grant monies not received at fiscal year-end.

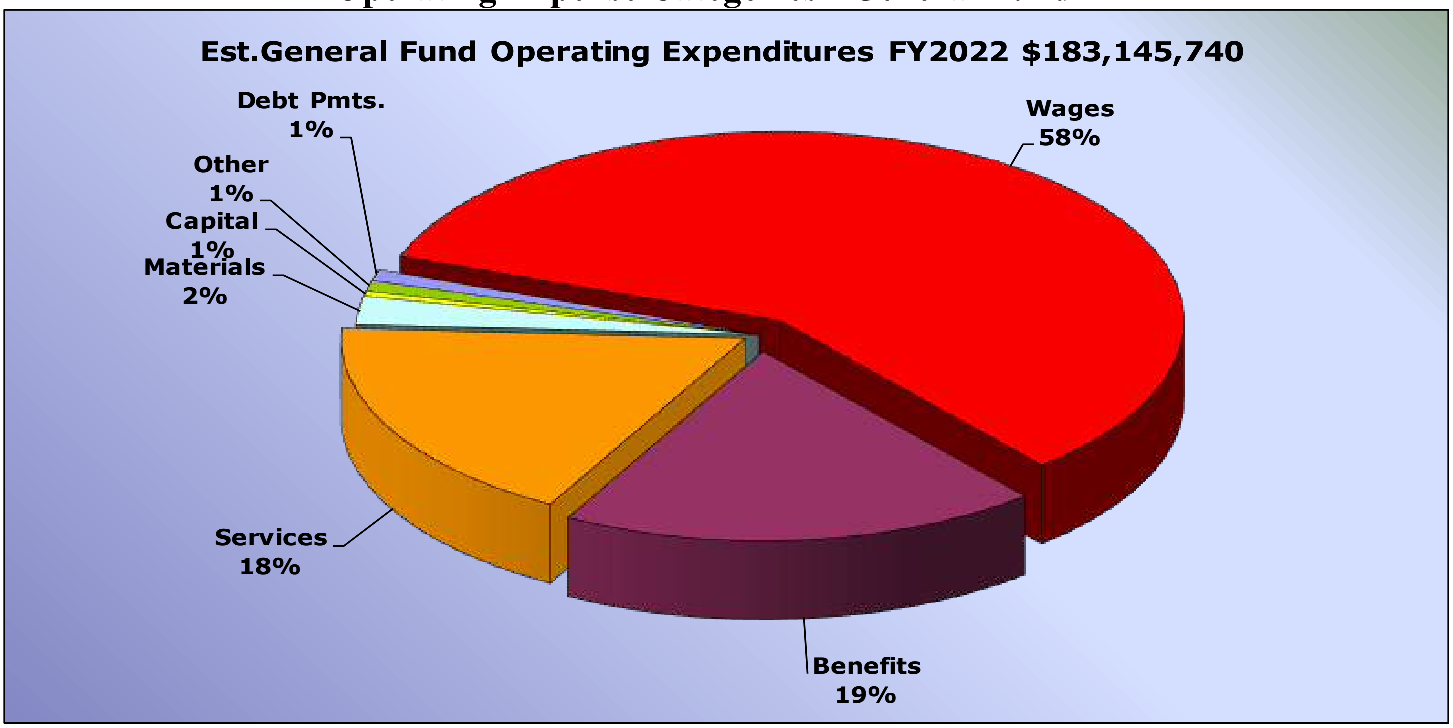
Source	FY22	FY23	FY24	FY25	FY26
Transfers In Line # 2.040	$1,984,281	$616,183	$0	$0	$0
Advance Returns # 2.050	0	20,000	20,000	20,000	20,000
Total Transfers and Advances In	$1,984,281	$636,183	$20,000	$20,000	$20,000

Source	FY22	FY23	FY24	FY25	FY26
Refund of prior years expense Line # 2.060	$138,472	$139,857	$141,256	$142,669	$144,096

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.

All Operating Expense Categories - General Fund FY22



Wages – Line #3.010

The expenditures in this category represent salaries and wages for services rendered for all union and non-union employees. A new agreement with the LEA (Lakota Education Association) provides for a 1.97% COLA (cost of living adjustment) for FY22-24 as well as a 2% increase on the base. A new agreement with the LSSA (Lakota School Support Association) was also approved and provides for a 1% COLA and a 2.5% increase on the base for FY22-24. Administrative and non-represented salary increases have been estimated to be comparable to the base increases received by the union employees, these increases are reviewed on an annual basis. Stipend, supplemental, severance and sub cost for classified positions are included in this line item also.

Staffing and Enrollment

The District continues to analyze and audit classroom sizes. We plan to continue this practice and align classroom teachers to enrollment. The District also considers the demographic study completed in February 2019 when predicting enrollment and the staff needed. Our current enrollment exceeds the predicted demographic study by more than 300 students for the current year. A recurring conversation centers on elementary pupil teacher ratios. Additionally, the temporary influx of federal aid has allowed the district to increase staffing for the identified priorities. The District plans to further analyze its staffing needs for the forecasted period. Until that analysis and planning is completed the forecast will reflect no changes in staffing.

Source	FY22	FY23	FY24	FY25	FY26
Base Wages	$103,798,482	$106,673,700	$110,215,267	$113,874,414	$117,199,547
Increases	2,875,218	3,541,567	3,659,147	3,325,133	3,422,227
Additional Staff	0	0	0	0	0
Total Wages Line #3.010	$106,673,700	$110,215,267	$113,874,414	$117,199,547	$120,621,773

Fringe Benefits - Line #3.020

This area of the forecast captures all costs associated with benefits and retirement costs. With the exception of medical and dental insurance, all are directly related to the wages paid.

A) Retirement Contributions

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. It is exclusively used to fund health care.

B) Insurance

In January 2019, the District moved from Anthem to Medical Mutual of Ohio (MMO) for health care coverage of its employees. This move facilitated a 1% decrease in premiums, which will remain constant for two (2) additional years through December 31, 2021. The District will be moving to a self-insured plan for health care coverage with Anthem January 1, 2022. This change will bring with it an 8.5% premium increase. Therefore, we are reflected a 5% increase for fiscal year 2022. Our self-insured dental plan did result in a 2% decrease in premiums for 2022. Moving forward and based on national trends, we are assuming a 4% premium increase for health and dental for the remainder of the forecast. The District also provides life insurance to its employees which is estimated at $160,000 annually. The district works hard to control these costs.

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 health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Lakota is one of a handful of Districts in the state who have taken advantage of self-insuring their Workers Compensation. We have historically funded this at slightly less than 1% of wages. This move to self-insurance has saved the District and its residents millions of dollars over the past decade. After meeting with our worker's comp consultant, Hunter Consultants, and analyzing our cash reserve and maximum exposure, we are setting a reserve target of $750,000. To meet this reserve target, we have been taking an advantage of a premium vacation, which ended in 2022. The district is a direct reimbursement employer, which means 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 increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

Source	FY22	FY23	FY24	FY25	FY26
STRS/SERS	$16,491,295	$17,030,243	$17,595,647	$18,116,053	$18,645,041
Insurances	16,803,541	17,475,682	18,174,710	18,901,698	19,657,766
Workers Comp/Unemployment	335,021	345,646	356,623	366,599	376,865
Medicare	1,472,097	1,520,971	1,571,467	1,617,354	1,664,580
Other	43,000	43,000	43,000	43,000	43,000
Total Fringe Benefits Line # 3.020	$35,144,954	$36,415,542	$37,741,446	$39,044,703	$40,387,253

Purchased Services – Line #3.030

HB110, the new state budget, will impact Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted 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 show these amounts below as zeros to help reflect the difference between projected FY22-26 Line 3.03 costs and historical FY19 through FY21 costs on the five year forecast. College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

This line includes contracted services, utilities, legal services, data processing, tuition and professional meetings expenses. We are projecting expenditures to return to 2019 trend increases in 2022 and beyond.

Source	FY22	FY23	FY24	FY25	FY26
Phone, Postage & Advertising	$314,367	$319,082	$323,869	$328,727	$333,657
Transportation	19,169,740	19,550,788	20,130,087	20,130,087	20,130,087
CS/OE/CCP/Scholarships/Tuition	2,396,606	2,516,436	2,642,258	2,774,371	2,913,090
Professional Services	6,936,750	7,040,801	7,146,413	7,253,609	7,362,414
Repairs & Maintenance	438,978	445,563	452,247	459,030	465,916
Rental & Lease Payments	940,091	954,192	968,505	983,033	997,778
Utilities	2,103,094	2,166,187	2,231,173	2,298,108	2,367,051
Travel & Meeting Exp.	283,246	287,495	291,807	296,184	300,627
Property Insurance	123,028	124,874	126,747	128,648	130,578
Total Purchased Services Line # 3.030	$32,705,901	$33,405,419	$34,313,105	$34,651,797	$35,001,198

Supplies and Materials – Line #3.040

Textbooks, copy paper, maintenance supplies and materials, etc. characterize this category of expenses. The cost of diesel fuel for buses and necessary repairs required for existing school buildings are forecasted to increase for fiscal years 2022 through 2026 and return to normal trend levels at 1.5 percent.

Additional ESSER II and III funds have been allocated to our district that can be used through September, 2023 and September 2024, respectively, which will continue to offset the COVID expenses and help with academic support for lost learning due to school closures as a result of the pandemic.

Source	FY22	FY23	FY24	FY25	FY26
General Supplies	$211,536	$214,709	$217,930	$221,199	$224,517
Instructional Supplies	783,763	795,519	807,452	819,564	831,857
Health Supplies	16,062	16,303	16,548	16,796	17,048
Textbooks & Library Books	806,799	818,901	831,185	843,652	856,307
Building Maintenance Supplies	820,223	832,527	845,015	857,690	870,555
Fuel for vehicles	791,464	803,335	815,385	827,616	840,031
Software & Computer Supplies	976,683	991,333	1,006,203	1,021,296	1,036,615
Total Supplies and Materials Line # 3.040	$4,406,530	$4,472,628	$4,539,717	$4,607,813	$4,676,930

Equipment – Line #3.050

The capital outlay category consists of any item with a life expectancy of five years or more, such as land, buildings, ground improvements, computers/technology, buses, vehicles, furnishings and equipment. With the passage of the permanent improvement 2 mill levy, we are able to move most of the expenditures for the upkeep and maintenance of all 25 of the Districts' facilities. The PI funds are not maintained in the general fund and is not reflected in the five-year forecast.

Source	FY22	FY23	FY24	FY25	FY26
Equipment	819,404	831,695	844,171	856,833	869,686
Total Capital Outlay Line # 3.050	$819,404	$831,695	$844,171	$856,833	$869,686

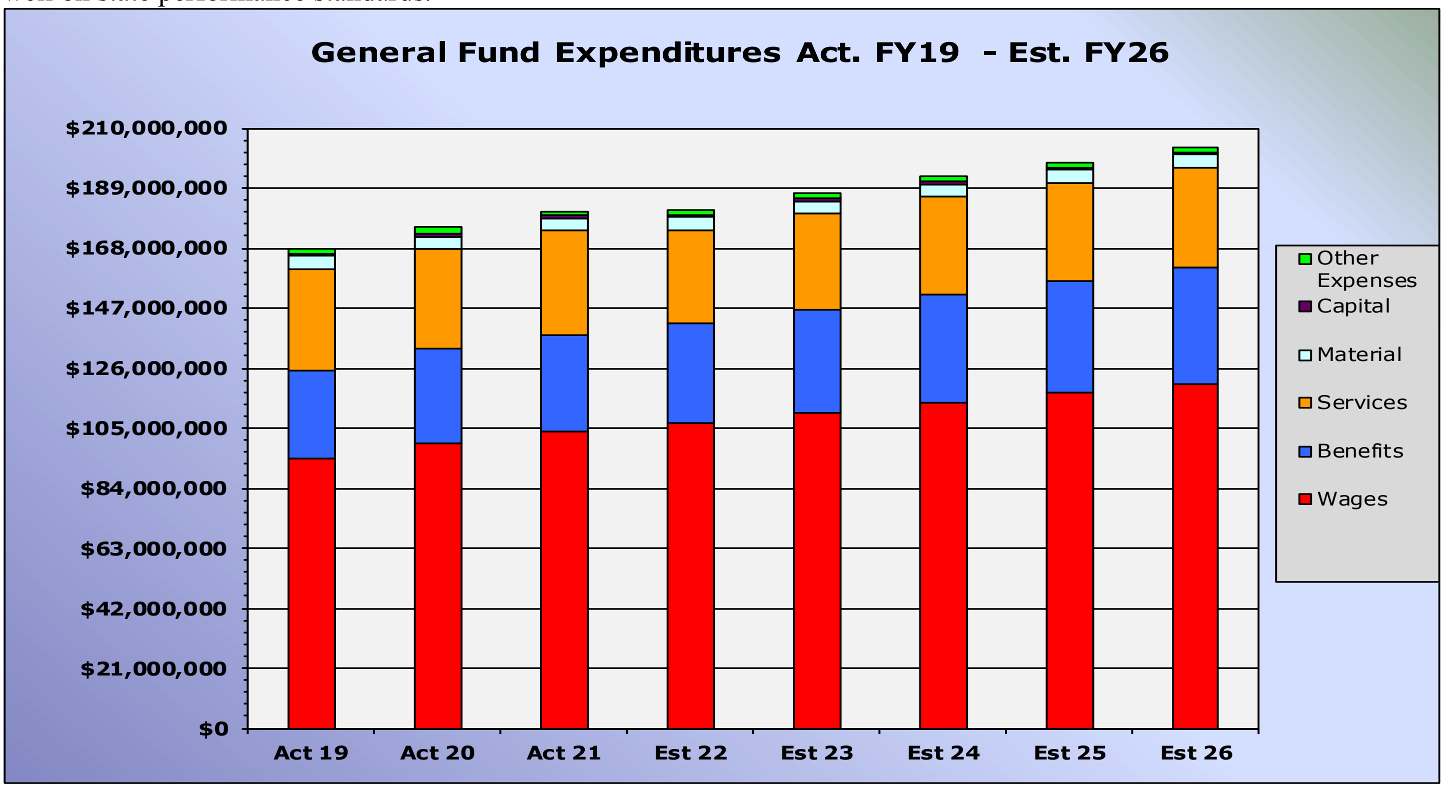
Other Expenses – Line #4.300

The category of Other Expenses consists primarily of the County ESC deductions for specialized services provided to the district and auditor & treasurer fees. Auditor and treasurer fees will increase anytime a new operating levy is collected. Overall costs are estimated to increase by 1.5 percent.

Source	FY22	FY23	FY24	FY25	FY26
County Auditor & Treasurer Fees	$1,494,359	$1,494,359	$1,494,359	$1,494,359	$1,494,359
Real Estate Fee Return	($500,367)	($500,367)	($500,367)	($500,367)	($500,367)
Butler County ESC	105,623	107,735	109,890	112,088	114,330
Dues & Fees	189,481	192,323	195,208	198,136	201,108
Audit Fees	83,907	85,166	86,443	87,740	89,056
Banking Fees	131,423	133,394	135,395	137,426	139,487
Other expenses	162,712	165,153	167,630	170,144	172,696
Total Other Expenses Line #4.300	$1,667,138	$1,677,763	$1,688,558	$1,699,526	$1,710,669

Operating Expenditures Actual FY19 through FY21 and Estimated FY22-26

As the following graph indicates, we have been diligent at reducing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.



Debt Service – Line #4.020; 4.050; 4.060

Debt, which commits general fund sources to its repayment, must be included in the forecast. Repayment on debt began in FY08 for a $10 million bond issue, which provided funding for the new Union elementary school. Additionally, the District issued debt in 2009 and 2010 for energy conversation projects at both high schools and the central office. The final issuance, which is required to be included in the forecast, is debt associated with the artificial turf at both high school stadiums. Payments for the aforementioned debt are reflected in the forecast but paid from the debt service fund per applicable Ohio law. Sequestration has increased our interest payments for our energy conservation projects from its original debt issuance. Our guaranteed federal subsidies have reduced indefinitely by 8.7%. This is an average of $17,000 additional each year in interest expense to the District.

Source	FY22	FY23	FY24	FY25	FY26
Principal Bonds - $1.65 M Athletic Bldg.	$149,000	$149,000	$149,000	$149,000	$149,000
Principal Bonds - $10 M Elem. Bldg.	540,000	540,000	540,000	540,000	540,000
Total Principal Payments Line # 4.055	$689,000	$689,000	$689,000	$689,000	$689,000

Source	FY22	FY23	FY24	FY25	FY26
HB 264 Principal 3 Issues Line # 4.050	$856,000	$856,000	$856,000	$856,000	$856,000

Source	FY22	FY23	FY24	FY25	FY26
Int on Bonds & HB 264 Total Line # 4.060	$183,113	$183,113	$183,113	$183,113	$183,113

Transfers, Advances and All Other Financing Uses – Line #5.010; 5.020; 5.030

This category includes operating transfers-out, advances-out and refund of prior year receipts. Operating transfers are funds transferred to the athletic fund to pay for coaching supplemental contracts, athletic administration and field maintenance supplies. The District recognized Marching Band as an extra-curricular beginning in 2014. Therefore, the District transfers an equal amount per pupil to the band fund as it contributes for athletics. This has been estimated at $1,800,000. Transfers out increased in line with the levy promise to reduce fees and implement a family cap. The Board of Education reduced extra-curricular student fees by ½ as well as provided for a fee waiver for our students in poverty, which increased this line by and additional $300,000. Advances out include loans to another fund to cover a temporary end of year deficit balance. These funds are returned to the general fund in the subsequent fiscal year. Refunds of prior year receipts are payments received in one fiscal year and returned to the original payer in another fiscal year.

In collaboration with the Finance Committee, the district voted in policy 6217 "Budget Stabilization Policy" on June 10, 2019. Policy 6217 states that the district may approve a transfer for 50 percent of the district general operating fund (001) unencumbered balance over the prior fiscal year end closing unencumbered balance may be set-aside in the budget stabilization reserve. This annual set-aside may not exceed 5 percent of the revenue credited to the general operating fund the prior fiscal year. The cumulative balance of the Budget Stabilization Fund shall not exceed 15 percent of total district general operating fund expenditures for the past three years as reported in the five-year forecast submitted to the State of Ohio in May of the same fiscal year. Expenditure of these monies will require a separate resolution approved by the Board.

Source	FY22	FY23	FY24	FY25	FY26
Operating Transfers Out Line # 5.010	$1,800,000	$1,800,000	$1,800,000	$1,800,000	$1,800,000
Budget Stabilization Fund Transfer	1,984,281	616,183	-	-	-
Advances Out Line # 5.020	20,000	20,000	20,000	20,000	20,000
Total Transfers and Advances	$3,804,281	$2,436,183	$1,820,000	$1,820,000	$1,820,000

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, invoiced, and are awaiting payment. Encumbrances on a budget basis of accounting are treated as the equivalent of expenditure at the time authorization is made in order 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. Encumbrances for purchased services, supplies and materials, capital outlay and other objects are forecasted based on historic data used to make future estimates for fiscal years 2022 through 2026.

Source	FY22	FY23	FY24	FY25	FY26
Estimated Encumbrances Line # 8.010	$500,000	$500,000	$500,000	$500,000	$500,000

Reservations of Fund Balance – Line #9.080

On June 10, 2019 the Board approved policy 6217 "Budget Stabilization" to transfer a portion of the prior year general fund unencumbered carry-over balance to a reserve fund. The district made the first transfer to this newly established fund in July 2019. The forecast reflects estimated yearly transfers to this fund based on the rules of the policy. The school district does not have formal reservations of fund balance at this time as HB153 did away with textbook set-asides.

Source	FY22	FY23	FY24	FY25	FY26
Fiscal Stabilization Line # 9.045	$7,021,230	$7,637,413	$7,637,413	$7,637,413	$7,637,413
Total Reservations of Balance Line # 9.080	$7,021,230	$7,637,413	$7,637,413	$7,637,413	$7,637,413

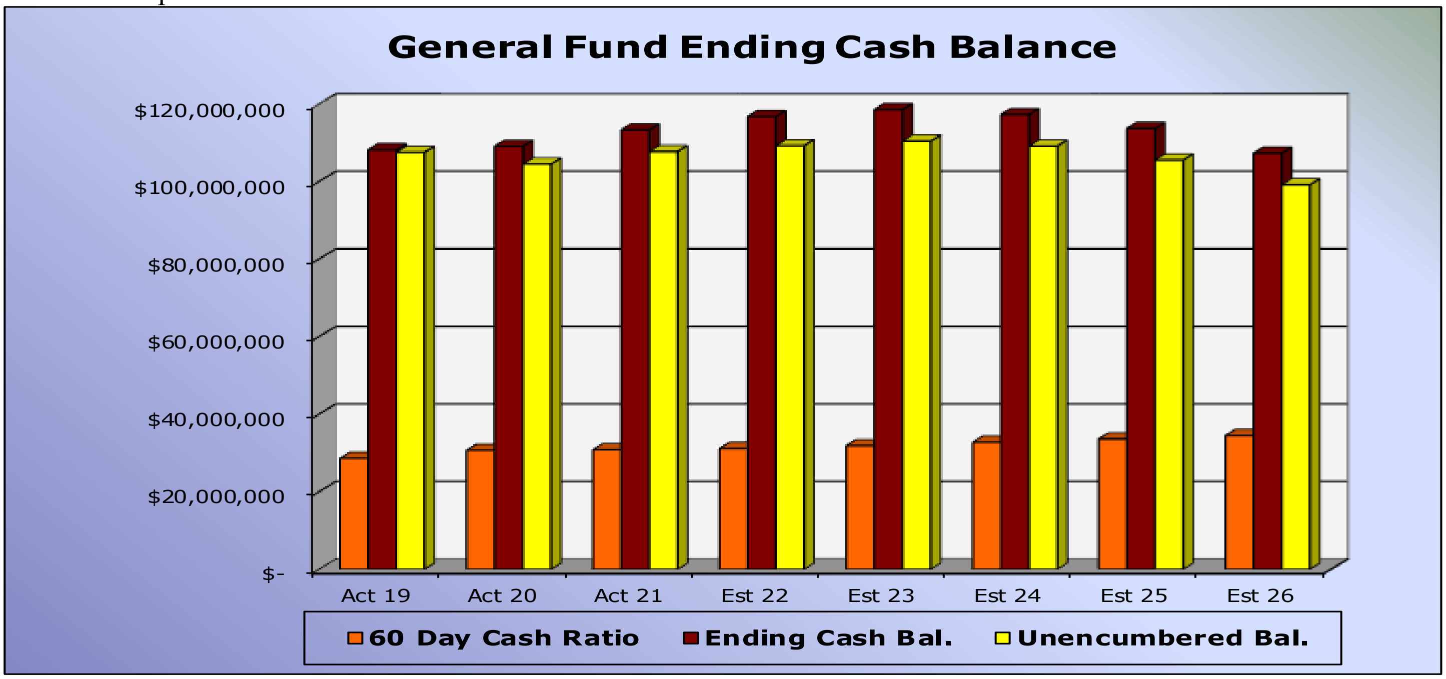
Ending Unreserved Cash Balance "The Bottom-line" – Line #12.010

This amount must not go below $-0- or the district general fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly, signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000, unless the new alternative 412 certificate allowed by HB153 would be applicable after September 30, 2011. It is recommended by the GFOA and other authoritative sources that a district maintains a minimum of sixty (60) day cash balance, which is approximately $31.2 million for our district.

Source	FY22	FY23	FY24	FY25	FY26
Ending Unreserved Cash Balance	$109,219,658	$110,401,263	$109,123,462	$105,538,395	$99,161,997

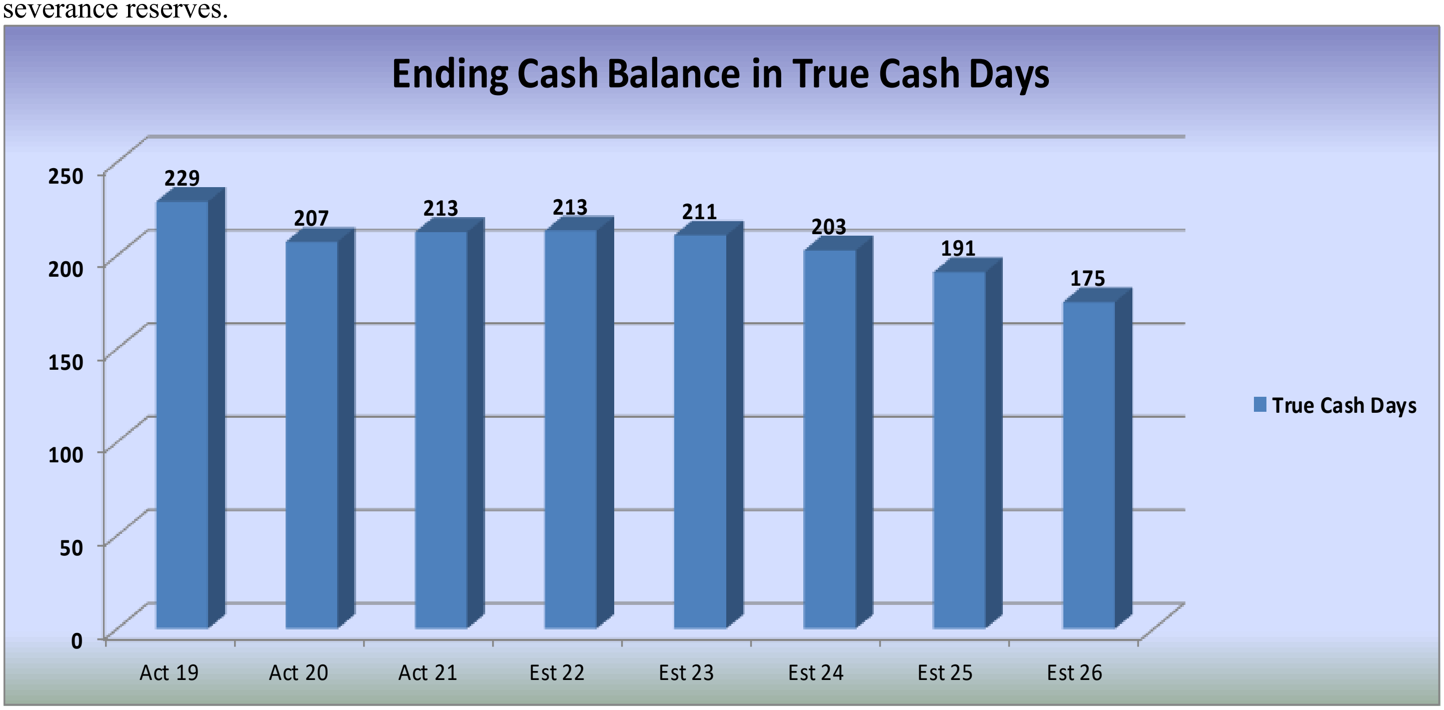
Operating Expenditures Actual FY19 through FY21 and Estimated FY22-26

As the following graph indicates, we have been diligent at reducing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.



True Cash Days Ending Balance

Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The Government Finance Officers Association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each district's complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics, and severance reserves.



Additional Financial Resources:
Treasurer's Office Webpage
Financial Prospectus
Comprehensive Annual Financial Report
Budget and Appropriations
Monthly Board Reports
Public Records
Strategic Plan
2013 Levy Facts
District Report Cards
Financial Audit
Quality Profile
Back - to_- School 2021-2022
School Finances 101