LAKOTA LOCAL SCHOOL DISTRICT-BUTLER COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2018, 2019 and 2020 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2021 THROUGH JUNE 30, 2025

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

November 16, 2020

Lakota Local School District

Butler County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2018, 2019 and 2020 Actual;
Forecasted Fiscal Years Ending June 30, 2021 Through 2025

		Actual				Forecasted				
		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Average Change	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
	Revenues									
1.010	General Property Tax (Real Estate)	97,670,034	97,495,142	100,372,603	1.4%	103,014,489	104,072,288	104,804,473	106,090,881	107,454,753
1.020	Tangible Personal Property	18,095	2,099	4,268	7.5%	0	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	51,451,089	51,352,680	48,019,862	-3.3%	48,121,503	51,175,890	51,603,953	51,863,932	52,125,127
1.040	Restricted State Grants-in-Aid	141,940	151,891	151,776	3.5%	151,776	1,107,774	1,107,774	1,107,774	1,107,774
1.045	Restricted Fed. SFSF Fd. 532 FY10&11/Ed Jobs Fd.504 FY12	0	0	0	0.0%	1,321,207	0	0	0	0
1.050	Property Tax Allocation	10,484,541	10,188,753	10,292,275	-0.9%	10,714,350	11,068,540	11,128,788	11,272,914	11,435,111
1.060	All Other Revenues	19,657,578	21,030,779	21,662,638	5.0%	20,380,699	20,489,718	20,538,504	20,588,012	20,638,256
1.070	*Total Revenues*	179,423,277	180,221,344	180,503,422	0.3%	183,704,024	187,914,210	189,183,492	190,923,513	192,761,021
	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	0	4,304,536	0.0%	732,413	0	0	0	0
2.050	Advances-In	8,839	0	0	0.0%	20,000	20,000	20,000	20,000	20,000
2.060	All Other Financing Sources	136,885	112,889	125,918	-3.0%	115,000	116,150	117,312	118,485	119,670
2.070	*Total Other Financing Sources*	145,724	112,889	4,430,454	1901.0%	867,413	136,150	137,312	138,485	139,670
2.080	*Total Revenues and Other Financing Sources*	179,569,001	180,334,233	184,933,876	1.5%	184,571,437	188,050,360	189,320,804	191,061,998	192,900,691
	Expenditures									
3.010	Personal Services	87,971,208	94,134,285	99,634,532	6.4%	102,982,252	104,611,432	106,266,384	107,947,519	109,655,248
3.020	Employees' Retirement/Insurance Benefits	29,996,697	31,266,755	33,241,346	5.3%	33,857,210	35,211,460	36,785,709	38,461,516	40,246,239
3.030	Purchased Services	36,726,498	35,317,800	34,682,824	-2.8%	38,759,405	40,677,379	41,714,289	42,975,274	43,683,950
3.040	Supplies and Materials	4,472,115	4,759,646	4,129,880	-3.4%	4,291,828	4,356,206	4,421,549	4,487,872	4,555,190
3.050	Capital Outlay	800,291	742,564	1,508,842	48.0%	1,031,475	796,947	808,901	821,034	833,350
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	663,000	638,000	653,000	-0.7%	664,000	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	777,000	802,000	827,000	3.2%	846,000	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	344,180	295,861	351,652	2.4%	211,567	183,113	183,113	183,113	183,113
4.300	Other Objects	1,692,181	1,744,507	2,217,918	15.1%	1,944,351	2,030,060	2,041,848	2,053,824	2,065,991
4.500	*Total Expenditures*	163,443,170	169,701,418	177,246,994	4.1%	184,588,088	189,411,597	193,766,793	198,475,152	202,768,081
	Other Financing Uses									
5.010	Operating Transfers Out	1,743,379	1,825,221	6,171,686	121.4%	2,532,413	1,800,000	1,800,000	1,800,000	1,800,000
5.020	Advances-Out	0	0	597,959	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*	1,743,379	1,825,221	6,769,645	137.8%	2,552,413	1,820,000	1,820,000	1,820,000	1,820,000
5.050	*Total Expenditures and Other Financing Uses*	165,186,549	171,526,639	184,016,639	5.6%	187,140,501	191,231,597	195,586,793	200,295,152	204,588,081
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	14,382,452	8,807,594	917,237	-64.2%	(2,569,064)	(3,181,237)	(6,265,989)	(9,233,154)	(11,687,390)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	84,991,474	99,373,926	108,181,520	12.9%	109,098,757	106,529,693	103,348,456	97,082,467	87,849,313
7.020	*Cash Balance June 30*	99,373,926	108,181,520	109,098,757	4.9%	106,529,693	103,348,456	97,082,467	87,849,313	76,161,923
8.010	*Estimated Encumbrances June 30*	423,349	641,848	303,421	-0.6%	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	0	0	0.0%	5,036,949	5,036,949	5,036,949	5,036,949	5,036,949
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	0	0	0.0%	5,036,949	5,036,949	5,036,949	5,036,949	5,036,949
10.010	*Fund Balance June 30 for Certification of Appropriations*	98,950,577	107,539,672	108,795,336	4.9%	100,992,744	97,811,507	91,545,518	82,312,364	70,624,974

Lakota Local School District

Butler County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2018, 2019 and 2020 Actual;
Forecasted Fiscal Years Ending June 30, 2021 Through 2025

		Actual				Forecasted				
		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Average Change	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
	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*	98,950,577	107,539,672	108,795,336	4.9%	100,992,744	97,811,507	91,545,518	82,312,364	70,624,974
	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*	98,950,577	107,539,672	108,795,336	4.9%	100,992,744	97,811,507	91,545,518	82,312,364	70,624,974

Lakota Local School District – Butler County
Notes to the Five-Year Forecast
General Fund, Related Debt and Federal Funds Only
November 16, 2020

Introduction to the Five Year Forecast

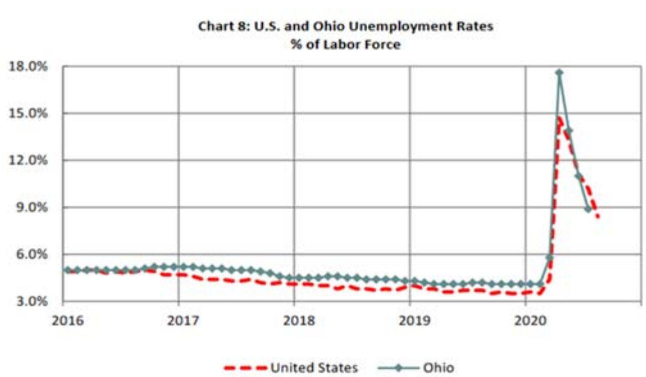
For fiscal year 2021 (July 1, 2020 – June 30, 2021) school districts in Ohio are required to file a five (5) year financial forecast by November 30, 2020, and May 31, 2021. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. HB166, the new state biennium budget provided new restricted state funding to school districts in Fiscal Years 2020 and 2021 specifically for Student Wellness and Success but regular foundation funding was reduced on May 6, 2020 for all school districts for FY20 and FY21. The Student Wellness and Success Fund revenues are restricted and are required to be accounted for in a Special Revenue Fund (Fund 467). For planning purposes, we have included these funds in the forecast beginning in fiscal year 2022.

Fiscal year 2021 (July 1, 2020-June 30, 2021) 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 2020 filing.

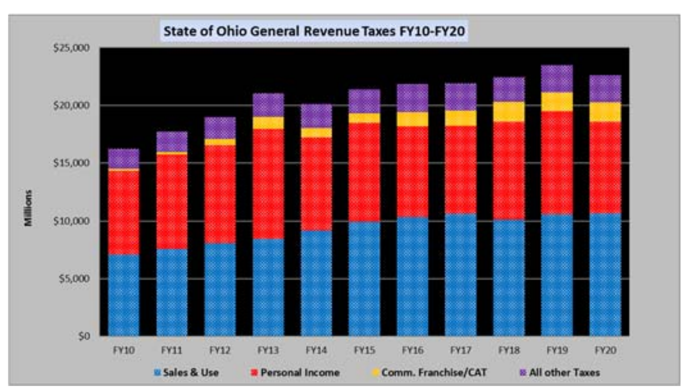
It is prudent in long range forecasting to consider the economic climate that our long range projection of revenues and expenses are made. State and local resources are under stress as the economy recovers from the COVID-19 Global Pandemic. We have reviewed historical data from the Great Recession of 2008, but there is no recent historic data or similar economic situation to compare to what the district is facing now. The pandemic's economic impact makes it challenging to project where our finances will be through fiscal year 2025. 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 state of Ohio provides roughly 50% of all school district funding so the state's financial health is a stabilizing factor for school district funding. As the graph on the following page notes, the state of Ohio ended FY20 $1.1 billion or 4.6% under estimated tax revenues and $866 million below actual FY19 tax revenues. Note that $441.5 million of this shortfall was due to the April 15, 2020 state tax filing deadline moved to July 15, 2020. Total state program expenditures ended FY20 $865.1 million under estimated expenses. The state ended in essentially an even position in FY20 and has maintained the $2.7 billion in the Budget Stabilization Fund. Through August 2020 the state of Ohio bottom-line is $389 million better than estimated. Ohio's economy is recovering along with improving employment.

Due to COVID-19 closures unemployment rates statewide rose rapidly from 4.7% in February to 17.4% in April. The graph on the following page shows rates have improved to 8.8% in August and are trending lower according to the Ohio Office of Budget and Management. As unemployment rates drop this positively impacts state and local revenues for districts. These indicators suggest the state of Ohio's overall economy is rebounding and should be able to maintain stable funding through the foundation program through the forecast period.



Source: Ohio Office of Budget and Management



Source: Ohio Office of Budget and Management

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 2021 and 2023 due to deliberation of the next two (2) state biennium budgets for FY22-23 and FY24-25, 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. Butler County experienced a reappraisal update in the 2017 tax year and was being collected in calendar year 2018. The 2017 update increased overall residential assessed values by 8.67%. A full reappraisal will occur in tax year 2020 for collection in calendar year 2021. We anticipate value increases for residential and commercial property by an overall rate of 15% based on information received from the County Auditors Office. New construction assessed value in 2019 for residential property was $30.2 million and $11.8 million for commercial industrial property. Commercial property also realized a $25.66 million increase in exempt property while Board of Revision updates reduced these values by $6.5 million.

II. HB166 the current state budget for FY20-21 initially froze funding for all school districts in Ohio at their FY19 level with two exceptions student wellness and success funding and enrollment growth supplement funds: Student Wellness and Success is restricted in use and must be placed in Fund 467. This is not General Fund money and thus not included in the forecast for fiscal year 2020-21. We have assumed this money will continue and have included in restricted aid beginning in FY22. Enrollment Growth Supplement money is paid to a small number of growing districts. Our district is estimated to receive enrollment growth money for FY21 and will treat it as guaranteed FY22-25.

III. Property tax collections are the largest single revenue source for the district. We are projecting a 15% increase in class I and a 7% increase in Class II for the 2020 revaluation. Collection rates for the 2nd half 2020 collection 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.

IV. The State Budget represents 33% of district revenues and is an area of risk to revenue. The future risk comes in FY22 and beyond if the state economy stalls or worsens and the funding formula in future state budgets reduce funding to our district. There are two future State Biennium Budgets covering the period from FY22-23 and FY24-25 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 FY25. We have projected our state funding to return to the 2019 funding level in FY22. In fiscal year 23 through FY25 we have projected a ½% increase annually. We will adjust the forecast in future years as we have data to help guide this decision.

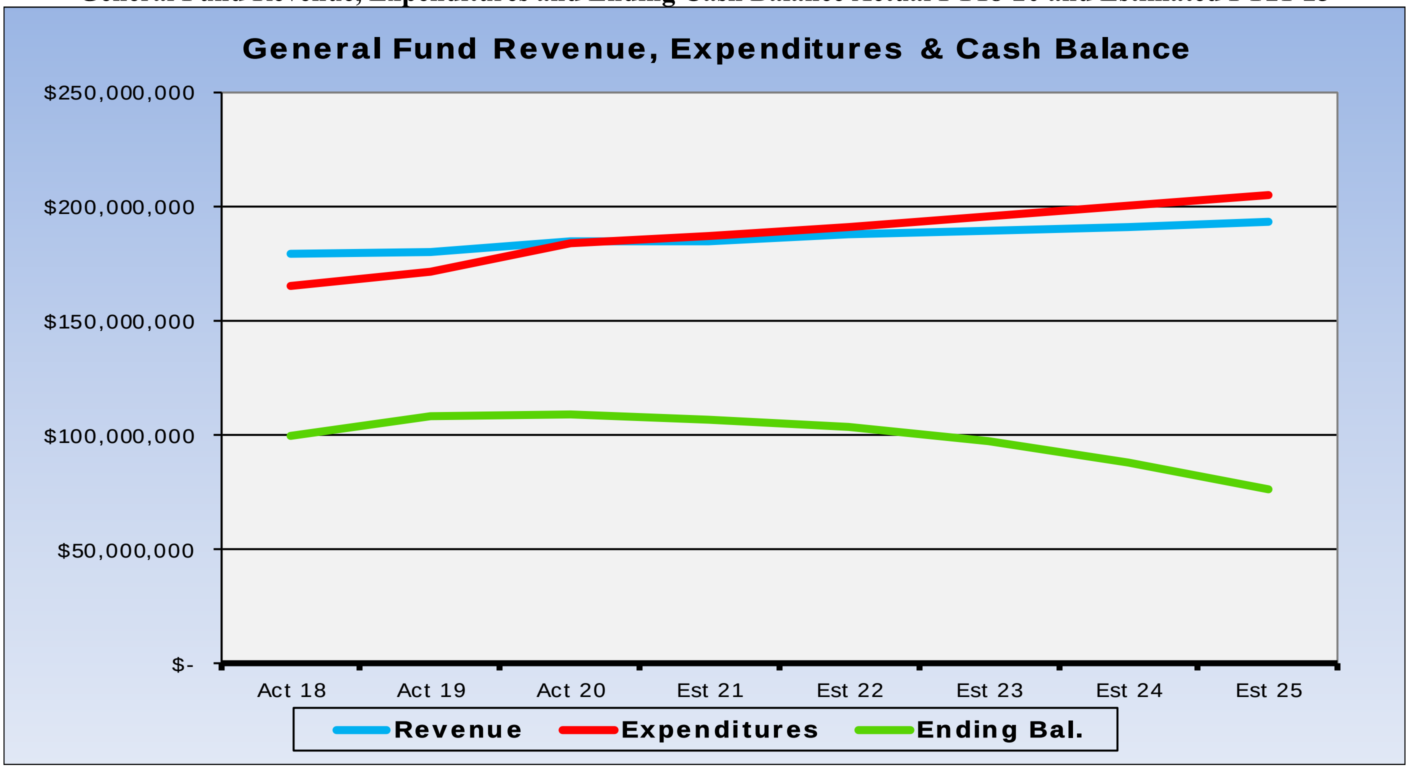
V. While state funding was initially guaranteed at the FY19 level, the Coronavirus Pandemic caused the most rapid and largest decrease of employment in history. In order to balance the State Budget on May 6, 2020 the Governor ordered a reduction of state foundation funding to school districts by $300.5 million by the end of June 2020. Districts with less local capacity to raise revenue received a smaller percent decrease. Many higher wealth districts saw more than a 6% decrease in state funding resulting in the Ohio legislature to approve HB164 effective June 19, 2020 that ensured no district received a cut to funding more than 6%. At this time the decreases that occurred in FY20 are the basis for districts state funding in FY21. We do not feel that there will be further cuts in FY21 as the economy is rebounding from the sharp drop in employment in March and April 2020 and state tax revenues are rebounding. We believe Ohio's economy will continue to improve and that FY22will see funding returned to the FY19 levels.

VI. HB166 continues the many provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus, Community Schools and increases in per pupil scholarship amounts deducted from our state aid in the 2019-21 school years, even though funding for our students was not increased to our district for this biennium budget. These are examples of school choice programs that increase with each biennium budget and costs the district money. Expansion or creation of programs such as these can exposes the district to new expenditures that are not currently in the forecast. We are monitoring any new threats to our state aid and increased costs very closely.

VII. 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, 2018 through June 30, 2021.

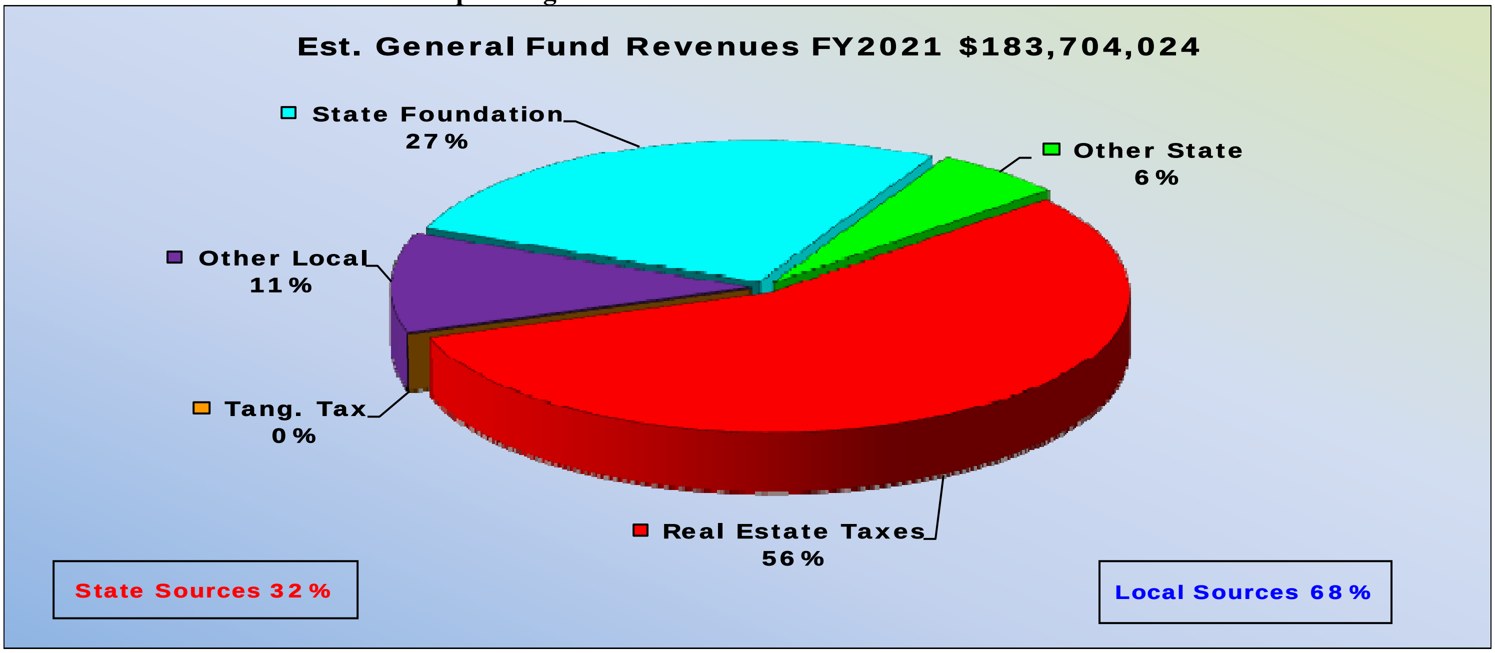
The district's five-year forecast identifies major revenue, expenditures and balances by line number. Those major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the actual forecast. It should 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 FY18-20 and Estimated FY21-25



Revenue Assumptions

Operating Revenue Sources General Fund FY21



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 2017 reappraisal update 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 form 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 Butler County Auditor based on new construction and complete reappraisal or updated values, which occur every three (3) years. The update for 2017 has shown 8.67% increase for residential and 2.53% increase for commercial. Our new construction continues to exceed our expectations. We are watching new construction closely to determine the trend direction for the forecast period. A full reappraisal will occur in tax year 2020 for collection in calendar year 2021. We anticipate value increases for residential and commercial property by an overall rate of 15% at that time.

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.

CAUV values represent 1% of Class I residential/agricultural values and therefore is not a significant part of our tax base. HB49 authorized a reduction in CAUV computations that will result in these values falling on average by 30%. These reductions will occur in 2017 for our district and have been factored into the overall Class I value increase of 15%, which is marginally lower than it would have been without this change to HB49.

Estimated Assessed Property Valuations by Collection Years

Classification	Estimated TAX YEAR2020 COLLECT 2021	Estimated TAX YEAR2021 COLLECT 2022	Estimated TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025
Res./Ag.	$2,755,465,425	$2,766,415,425	$2,782,365,425	$2,942,433,696	$2,968,383,696
Comm./Ind.	687,830,055	692,330,055	696,830,055	711,782,506	716,282,506
Public Utility (PUPP)	118,644,350	121,644,350	124,644,350	127,644,350	130,644,350
Tangible Property (TPP)	0	0	0	0	0
Total	$3,561,939,830	$3,580,389,830	$3,603,839,830	$3,781,860,552	$3,815,310,552

Estimated Real Estate Tax Collections

Technically 100% of taxes will be settled on property due to Ohio's Tax Law. However, the timing of the tax payments necessitates a conservative approach to estimated resources due to the current state of the economy. We are predicting delinquencies will remain consistent at .5% throughout the forecasted period. Property taxes are estimated to be 52.5% of the Res/Ag. and Comm. /Ind. expected to be collected in the February tax settlements and 47.5% collected in the August tax settlements. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in the February and 50% in the August settlement from the Butler County Auditor. Gross and effective tax rates for General Fund Operations for 2019 collected in 2020 noted 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	2.93	4.50
Continuing Operating	1978	n/a	3.80	.70	1.08
Continuing Operating	1985	n/a	5.90	2.12	2.53
Continuing Operating	1988	n/a	5.67	2.31	2.87
Continuing Operating	1991	n/a	5.90	3.25	4.00
Continuing Operating	1996	n/a	6.50	4.12	5.15
Continuing Operating	2000	n/a	4.90	3.55	4.22
Continuing Operating	2005	n/a	5.60	4.96	4.24
Continuing Operating	2013	n/a	3.50	3.10	3.02
Total Gross & Effective Tax Rates			**64.14**	**33.54**	**38.10**

The termination of a portion of the Union Centre Boulevard TIF prior to its expiration is also reflected beginning in fiscal year 2019. This is estimated to generate an additional $1.4 million in calendar year tax revenue. Therefore, we have predicted ½ of this collection in 2019 and full collection thereafter. Additionally, two RIDs were terminated in Liberty Township which have resulted in additional tax revenue and less PILOT (payments in lieu of taxes) payments to the District. Which all these complicated revenue changes converging at the same time it is difficult to predict the exact amount of additional dollars collected due to the SALT changes.

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 $115.6 million in assessed values in 2019 and are collected at the district's gross voted millage rate. Collections are typically 50% in February and 50% in August along with the real estate settlements from the county auditor. The values in 2019 increased by 5.65% or $6.18 million, and are expected to grow by $3 million each year of the forecast.

Estimated Real Estate Tax Collections - Line #1.010

Source	FY21	FY22	FY23	FY24	FY25
Estimated Real Estate Tax Line # 1.010	$103,014,489	$104,072,288	$104,804,473	$106,090,881	$107,454,753

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.

Current State Funding Model Per HB166 Through June 30, 2021

A) Unrestricted State Foundation Revenue– Line #1.035

The amounts estimated for state funding are based on HB166 and HB164 following the May 6, 2020 foundation cuts. Initially state aid funding for all 610 traditional school districts and 49 Joint Vocational and Career Centers was frozen for FY20 & FY21 at the FY19 funding level. The State Foundation Funding Formula used since FY14 was dropped in FY20 after six (6) years. HB305 is currently being considered by the legislature and may produce a successor funding formula for the

FY22-23 biennium budget but there is nothing to base future projections on. For this reason we have projected state aid flat at the FY19 funding level through FY25 as we have nothing authoritative to rely on at this time. HB305 is currently being considered by the legislature and may produce a successor funding formula for the FY22-23 biennium budget but there is nothing to base future projections on at this time. We are also predicting an increase due to the Student Wellness and Success Funds returning to the general fund FY22-25. We will continue to monitor all areas of state funding for future changes.

May 6, 2020 Foundation Reduction and HB164
In FY20 the Governor ordered a reduction of state foundation funding by $300.5 million to be reduced from districts bi-monthly payments by the end of June 2020. The reductions were made using an equalized per-pupil approach which resulted in districts with less local capacity to raise revenue to receive smaller percentage decreases. The state-share index that was last calculated in FY19 was used to apportion the FY20 ordered reduction to traditional public-school districts. HB164 reimbursed approximately 70 districts that had originally had more than 6% deducted from the state funding reduction in FY20. At this time the state funding for FY21 is being reduced $3,428,888 from the FY19 amount, which is the same cut received in FY20.

Enrollment Growth Supplement
This funding element that was also introduced HB 166 for implementation in FY20, is aimed at providing additional funding to school districts that have experienced ADM increases in the past 3 years. The district will receive the Enrollment Growth Supplement of $351,407 in FY20 and estimated $520,909 for FY21.

Supplemental Funding for Student Wellness and Success (Restricted Fund 467)
The new funding for K-12 public education in the FY20-21 Executive Budget is provided through a formula allocating $250 million in FY20 and $358 million in FY21 based upon each district's percentage of students in households at or below 185% of the Federal Poverty Level (FPL) and the total number of students enrolled in each district. In FY20 proposed funding ranges from $20 per student to $250 per student and in FY21 funding ranges from $25 per student to $300 per student. All schools and students are to receive a minimum additional funding of $25,000 in FY20 and $30,000 in FY21. Our district is estimated to receive $678,887 in FY20 and $940,969 in FY21. Money will be received twice each year in October and February. These dollars are to be deposited in a Special Revenue Fund 467 and are restricted to expenses that follow a plan developed in coordination with one of the approved community partner organizations approved in HB166.

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.

Due to the COVID-19 casinos were closed from March 12, to June 18, 2020. We are reducing the amount of funding in FY21 by 40% then increasing the amount in FY22 by 30%, FY23 by 25% and 2% in FY24-FY25 as we go through the next few years we will adjust as the funding information is available. Prior to COVID-19 closure, casino revenues were not growing robustly as originally predicted but were still growing as the economy improved. Original projections for FY21-25 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $95.5 million or $53.75 per pupil. We believe it will be FY23 or FY24 before revenues return to the post COVID-19 level.

Unrestricted State Foundation Revenue Estimate – Line #1.035

Source	FY21	FY22	FY23	FY24	FY25
Basic Aid-Per HB166	$44,815,281	$47,260,375	$47,502,216	$47,745,266	$47,989,531
Additional Items	2,164,485	2,604,485	2,604,485	2,604,485	2,604,485
Basic Aid- Subtotal	$46,979,766	$49,864,860	$50,106,701	$50,349,751	$50,594,016
Casino & Catastrophic Aid	1,141,737	1,311,030	1,497,252	1,514,181	1,531,111
Total Unrestricted State Aid Line # 1.035	$48,121,503	$51,175,890	$51,603,953	$51,863,932	$52,125,127

B) Restricted State Revenues – Line # 1.040
HB166 continues funding two restricted sources of revenues to school districts which are Economic Disadvantaged Funding and Career Technical Education Funding. The forecast will reflect an increase in FY22 of Student Wellness and Success Funds back to the general fund FY22-24. The amount of the Economically Disadvantaged Aid and Career Tech is estimated to remain stable

each remaining year of the forecast. We have incorporated this amount into the restricted aid amount in Line # 1.04 for FY21-25.

Source	FY21	FY22	FY23	FY24	FY25
Economically Disadvantaged	$118,724	$118,724	$118,724	$118,724	$118,724
Career Tech Aid	33,052	33,052	33,052	33,052	33,052
Studen Wellness and Success Funds	0	955,998	955,998	955,998	955,998
Total Restricted State Revenues Line # 1.040	$151,776	$1,107,774	$1,107,774	$1,107,774	$1,107,774

C) Restricted Federal Grants in Aid – line #1.045

The federal government announced a relief package for citizens, businesses, and local governments. Based on simulations provided by the Ohio Department of Education, our district received a distribution of $1,368,379 in FY21. These funds have been used to offset losses to our state foundation revenue to continue meeting the needs of our students.

Source	FY21	FY22	FY23	FY24	FY25
CARES - 2020	$1,321,207	$0	$0	$0	$0
Restricted Federal Grants in Aid Line # 1.045	$1,321,207	$0	$0	$0	$0

Summary of State Aid Projections

Summary	FY21	FY22	FY23	FY24	FY25
A) Unrestricted State Aid Line # 1.035	$48,121,503	$51,175,890	$51,603,953	$51,863,932	$52,125,127
B) Restricted State Aid Line # 1.040	151,776	1,107,774	1,107,774	1,107,774	1,107,774
C) Restricted Federal Grants Line # 1.045	1,321,207	0	0	0	0
Total State Foundation Revenue	$49,594,486	$52,283,664	$52,711,727	$52,971,706	$53,232,901

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 (such as our November 5.5 mill combined levy) 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 also 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 over age 65 years of age or older or who were disabled regardless of income. Effective September 29, 2013, HB59 changes 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 currently have 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 slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on 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 $3.14 million each year because of legislative cuts to our funding.

Source	FY21	FY22	FY23	FY24	FY25
A) Rollback and Homestead	$10,714,350	$11,068,540	$11,128,788	$11,272,914	$11,435,111
B) TPP Reimbursement - Fixed Rate	0	0	0	0	0
Total Property Tax Allocation Line # 1.050	$10,714,350	$11,068,540	$11,128,788	$11,272,914	$11,435,111

Other Local Revenues – Line #1.060

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/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. The modifications agreed to in this amendment are predicted to produce an additional $2 million in revenue for the District beginning in tax collection year 2020. 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.

The school district receives tuition for special education students from other districts who attend the Lakota Local School District. Tuition is forecasted to increase slightly for fiscal years 2020 through 2024. The District does allow open enrollment tuition now and has held the cap in an attempt to offset the open enrollment number of students going out. The goal is to try to make the open enrollment in this District a non-issue on the financial statements and not require any additions to staff. Beginning in FY21 interest is expected to decline due to fed rate reductions which will impact our earning capability in this area. All other revenues are expected to continue on historic trends. The COVID-19 shutdown could reduce future collections of state funded tuition reimbursements. At this time we will continue to monitor this line of the forecast for future projections.

Source	FY21	FY22	FY23	FY24	FY25
Payment In Lieu of Taxes	$14,083,860	$14,083,860	$14,083,860	$14,083,860	$14,083,860
Open Enrollment In	1,704,202	1,704,202	1,704,202	1,704,202	1,704,202
Interest	1,179,000	1,179,000	1,202,580	1,226,632	1,251,165
Credit Card Rebates	26,485	26,750	27,018	27,288	27,561
Tuition	1,840,828	1,859,236	1,877,829	1,896,607	1,915,573
Rentals	168,129	252,193	252,193	252,193	252,193
Medicare Reimbursement	750,000	750,000	750,000	750,000	750,000
Miscellaneous	628,195	634,477	640,822	647,230	653,702
Total Other Local Revenues Line # 1.060	$20,380,699	$20,489,718	$20,538,504	$20,588,012	$20,638,256

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.

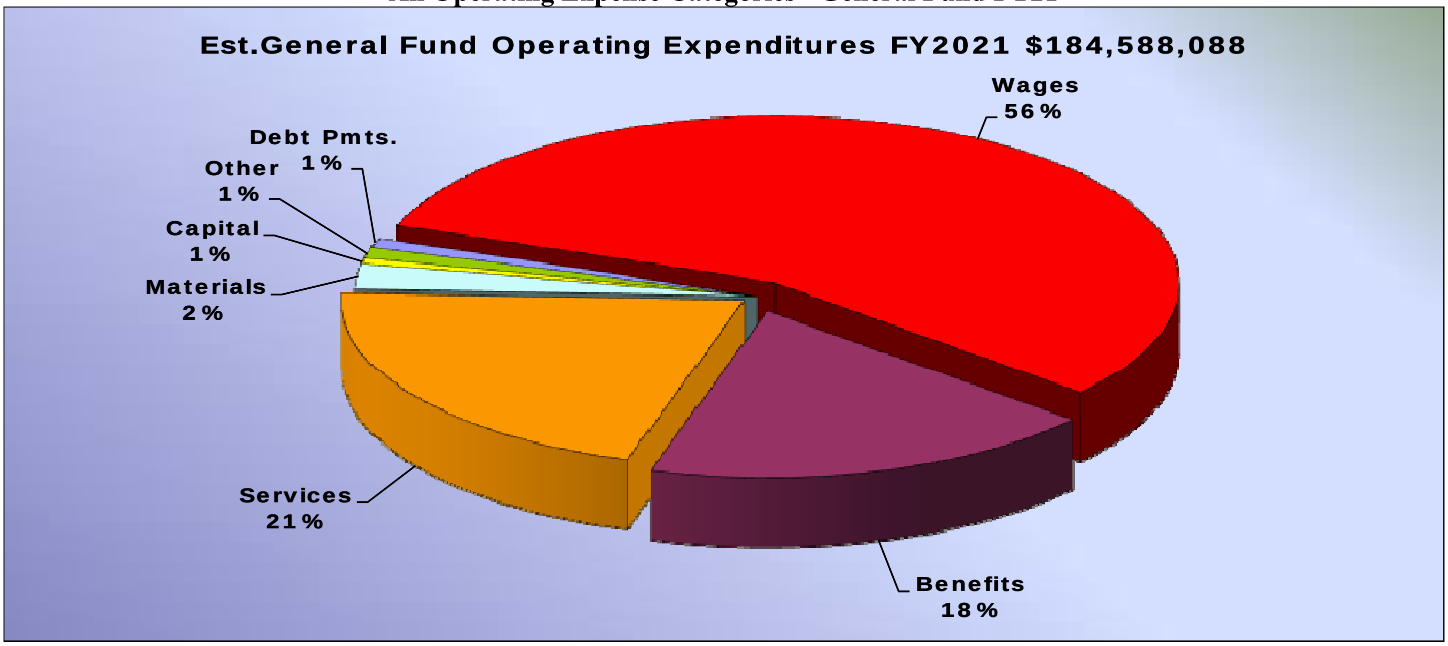
Source	FY21	FY22	FY23	FY24	FY25
Transfers In Line # 2.040	$732,413	$0	$0	$0	$0
Advance Returns # 2.050	20,000	20,000	20,000	20,000	20,000
Total Transfers and Advances In	$752,413	$20,000	$20,000	$20,000	$20,000

Source	FY21	FY22	FY23	FY24	FY25
Refund of prior years expense Line # 2.060	$115,000	$116,150	$117,312	$118,485	$119,670

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 FY21



Wages – Line #3.010

The expenditures in this category represent salaries and wages for services rendered for all union and non-union employees. The agreement with LEA (Lakota Education Association) provides for a 1.97% COLA (cost of living adjustment) for each year as well as a 3.5%, 3.25%, 3.25% increase on the base for each year of the contract. The contract for LSSA transitions to a new salary schedule which provides for a 1% COLA and a 2.5% increase on the base for the next three (3) years. Administrative and non-represented salary increases for the same time period have been estimated at 3% annually.

The trend in total wage increase versus the base plus COLA increases have resulted in a lesser net result. Therefore, we are predicting an overall 3.35% increase in 2021. Due to the situation in our community and nationwide with record numbers of unemployment and reductions in wages being seen and predicted, we are not making an assumption on wage growth beyond 2021. Only the COLA increases have been assumed for 2022-2025. The district elected to discontinue contracting the pre-school administration and itinerant services through the Butler County Education Service Center in FY20. This has allowed the district to hire these individuals internally and utilize these services more robustly and effectively service a larger population of students, not exclusively pre-school. This has shifted these expenditures from the Purchased Services line of the forecast to wages as well as benefits.

Stipend, supplemental, severance and sub cost for classified positions are included in this line item also.

Staffing and Enrollment

The District has put into place a process to analyze and audit classroom sizes. We will continue this practice and align classroom teachers to enrollment. The District completed a new demographic study in February 2019. We are not predicting additional staff for new programming in this forecast.

Source	FY21	FY22	FY23	FY24	FY25
Base Wages	$99,634,532	$102,982,252	$104,611,432	$106,266,384	$107,947,519
Increases	3,347,720	1,629,179	1,654,953	1,681,134	1,707,730
Total Wages Line # 3.010	$102,982,252	$104,611,432	$106,266,384	$107,947,519	$109,655,248

Fringe Benefits - Line #3.020

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

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.

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. We also negotiated a contingent premium agreement which could result in a payment back to the district if our loss ratios result positively at the end of the third year. Premiums reflect a 1 percent increase for dental insurance. Both increases are 1 percent less than our guaranteed caps. Based on national trends, we are assuming a 5 percent annual increase in premiums in calendar year 2022 for health insurance and 7.5 percent for the remaining three years. Additionally, we are assuming a 5 percent annual increase in premiums for dental insurance for the same period. Life insurance is estimated to be $120,000 annually. The district works hard to control these costs.

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 $300,000. To meet this reserve target, we have been taking an advantage of a premium vacation which will end in 2022. At this time we are forecasting workers compensation will cost the district .24 percent per year FY22-25. We are anticipating an increase in unemployment for FY21 due to the COVID-19 shutdowns. This increase has been caused by our reduced need for substitutes help during the COVID-19 Pandemic. 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.

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	FY21	FY22	FY23	FY24	FY25
STRS/SERS	$15,912,033	$16,190,334	$16,446,465	$16,706,648	$16,970,948
Insurance's	16,447,986	17,270,385	18,565,664	19,958,089	21,454,946
Workers Comp/Unemployment	34,536	265,603	265,603	265,603	265,603
Medicare	1,421,155	1,443,638	1,466,476	1,489,676	1,513,242
Other	41,500	41,500	41,500	41,500	41,500
Total Fringe Benefits Line # 3.020	$33,857,210	$35,211,460	$36,785,709	$38,461,516	$40,246,239

Purchased Services – Line #3.030

This line includes contracted services, utilities, legal services, data processing, tuition and professional meetings expenses. We will continue to monitor the effects of the state budget cuts for potential reductions in cost to tuition, community school, scholarship and STEM school payments made to other organizations that are deducted from our foundation payments. Due to the COVID-19 Pandemic, the district realized a decrease in substitutes and utilities due to closure of our buildings. This forecast reflects these expenditures returning to normal levels in FY21 and beyond. Should the state mandate districts go remote, this could result in another year of decreased expense in this section. However, these estimates do not anticipate our buildings closing.

Source	FY21	FY22	FY23	FY24	FY25
Postage & Advertising	$285,910	$290,199	$294,552	$298,970	$303,455
Transportation	18,794,788	19,169,740	19,550,788	20,130,087	20,130,087
CS/OE/CCP/Scholarships/Tuition	8,147,489	8,554,863	8,982,607	9,431,737	9,903,324
Professional Services	7,648,638	8,688,915	8,819,249	8,951,537	9,085,811
Repairs & Maintenance	600,370	609,376	618,517	627,794	637,211
Rental & Lease Payments	830,221	842,675	855,315	868,144	881,167
Utilities	2,189,478	2,255,163	2,322,817	2,392,502	2,464,277
Travel & Meeting Exp.	150,000	152,250	154,534	156,852	159,205
Property Insurance	112,511	114,198	115,911	117,650	119,415
Total Purchased Services Line # 3.030	$38,759,405	$40,677,379	$41,714,289	$42,975,274	$43,683,950

Supplies and Materials – Line #3.040

This category of expenses estimated an overall inflation rate of 3.9 percent, which include textbooks, copy paper, maintenance supplies and materials, etc. The cost of diesel fuel for buses and necessary repairs required for existing school buildings are also forecasted to increase for fiscal years 2022 through 2025 returns to normal trend levels at 1.5 percent.

Source	FY21	FY22	FY23	FY24	FY25
General Supplies	$151,367	$153,637	$155,942	$158,281	$160,655
Instructional Supplies	732,793	743,785	754,942	766,266	777,760
Health Supplies	13,919	14,127	14,339	14,554	14,773
Textbooks & Library Books	881,303	894,523	907,941	921,560	935,383
Building Maintenance Supplies	831,062	843,528	856,181	869,023	882,059
Fuel for vehicles	981,017	995,733	1,010,669	1,025,829	1,041,216
Software & Computer Supplies	700,367	710,873	721,536	732,359	743,344
Total Supplies and Materials Line # 3.040	$4,291,828	$4,356,206	$4,421,549	$4,487,872	$4,555,190

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 5-year forecast. We are predicting this line item to decrease from 2021 to 2022 due to the completion of the turf replacement at both high school stadiums.

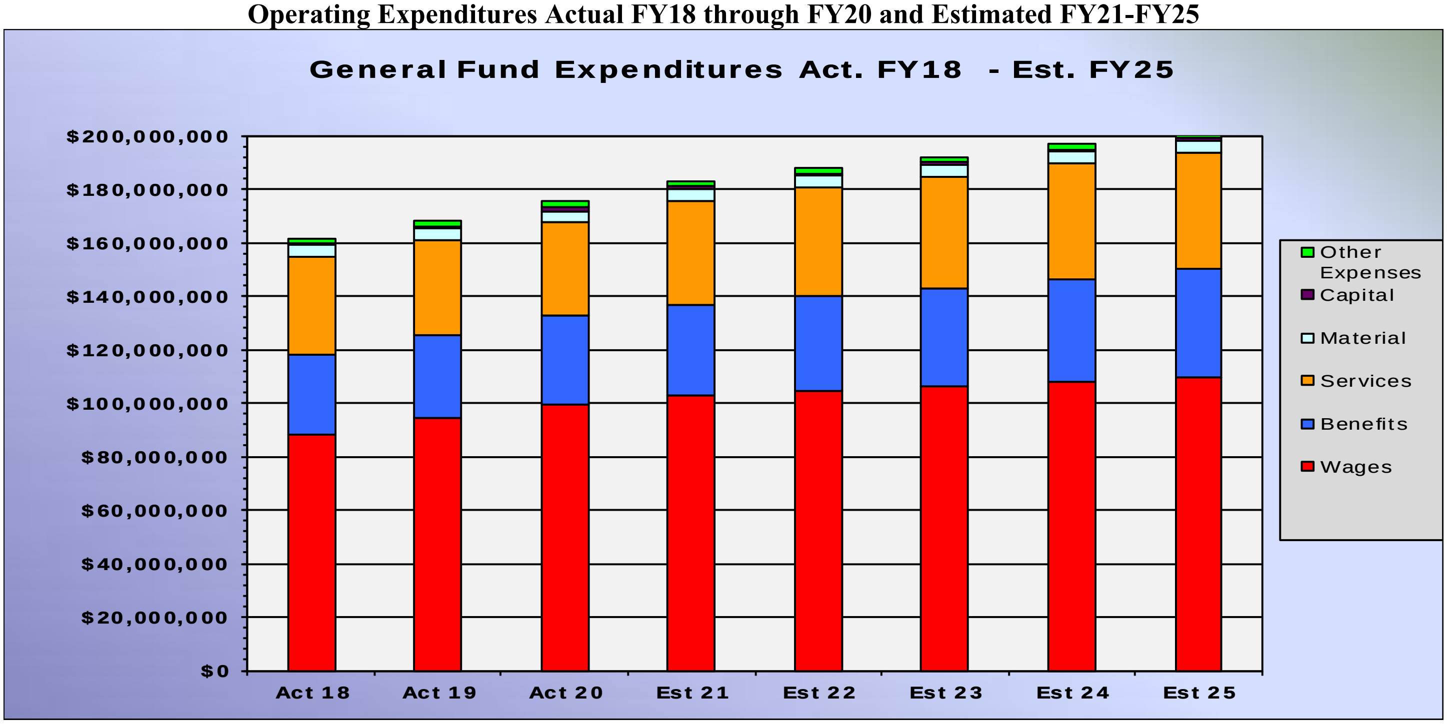
Source	FY21	FY22	FY23	FY24	FY25
Equipment	$1,031,475	$796,947	$808,901	$821,034	$833,350
Total Capital Outlay Line # 3.050	$1,031,475	$796,947	$808,901	$821,034	$833,350

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	FY21	FY22	FY23	FY24	FY25
County Auditor & Treasurer Fees	$1,205,218	$1,279,323	$1,279,323	$1,279,323	$1,279,323
Butler County ESC	103,448	105,517	107,628	109,780	111,976
Dues & Fees	177,060	179,716	182,411	185,147	187,925
Audit Fees	75,335	76,465	77,612	78,777	79,958
Banking Fees	196,556	199,504	202,497	205,534	208,617
Other expenses	186,734	189,535	192,378	195,263	198,192
Total Other Expenses Line # 4.300	$1,944,351	$2,030,060	$2,041,848	$2,053,824	$2,065,991

Operating Expenditures Actual FY18 through FY20 and Estimated FY21-FY25



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	FY21	FY22	FY23	FY24	FY25
Principal Bonds - $1.65 M Athletic Bldg.	$149,000	$149,000	$149,000	$149,000	$149,000
Principal Bonds - $10 M Elem. Bldg.	515,000	540,000	540,000	540,000	540,000
Total Principal Payments Line # 4.055	$664,000	$689,000	$689,000	$689,000	$689,000
Source	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
HB 264 Principal 3 Issues Line # 4.050	$846,000	$856,000	$856,000	$856,000	$856,000
Source	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Int on Bonds & HB 264 Total Line # 4.060	$211,567	$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	FY21	FY22	FY23	FY24	FY25
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	732,413	0	0	0	0
Advances Out Line # 5.020	20,000	20,000	20,000	20,000	20,000
Total Transfers and Advances	$2,552,413	$1,820,000	$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 2021 through 2025.

Source	FY21	FY22	FY23	FY24	FY25
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.

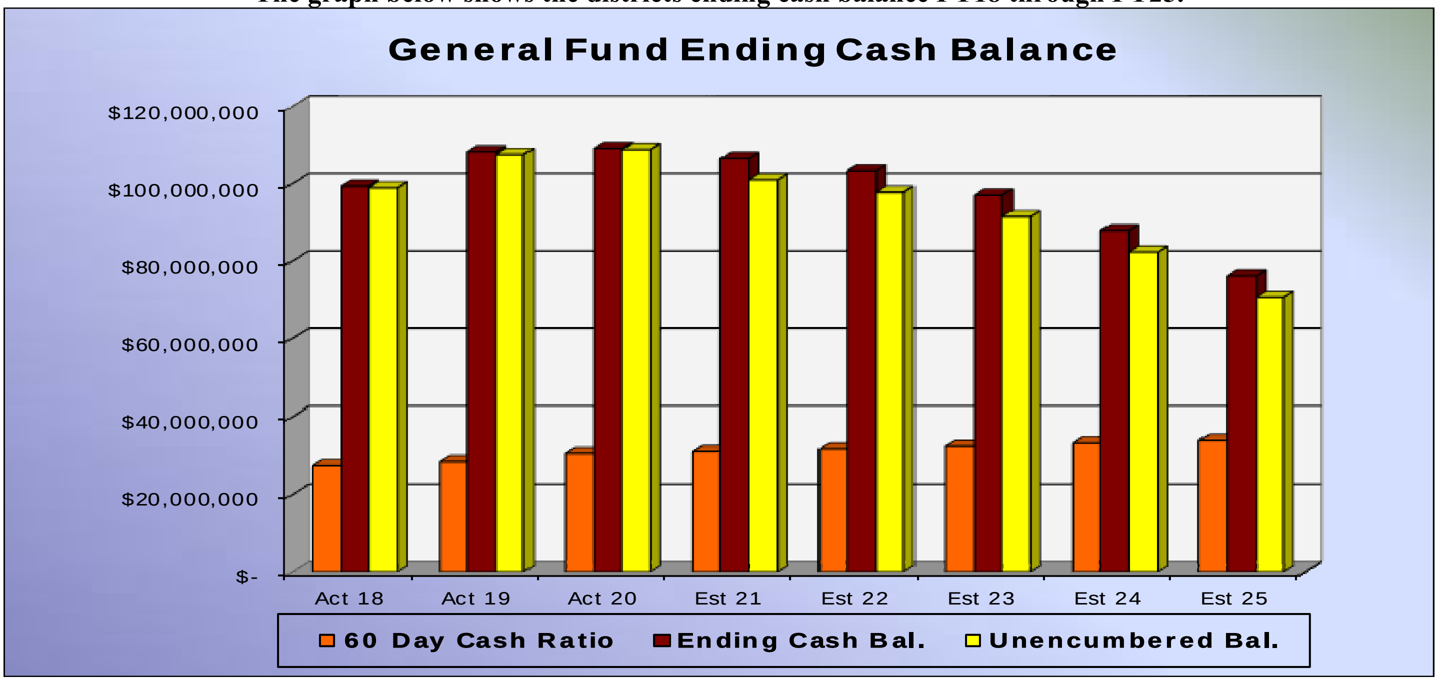
Source	FY21	FY22	FY23	FY24	FY25
Fiscal Stabilization Line # 9.045	$5,036,949	$5,036,949	$5,036,949	$5,036,949	$5,036,949
Total Reservations of Balance Line # 9.080	$5,036,949	$5,036,949	$5,036,949	$5,036,949	$5,036,949

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.

Source	FY21	FY22	FY23	FY24	FY25
Ending Unreserved Cash Balance	$100,992,744	$97,811,507	$91,545,518	$82,312,364	$70,624,974

The graph below shows the districts ending cash balance FY18 through FY25.



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 with out additional resources or a severe resource interruption. The government finance officers association (GFOA) recommends no less than two (2) months or 60 days cash is on hand at year-end but could be more depending on each districts complexity and risk factors for revenue collection. This is calculated including transfers as this is predictable funding source for other funds.