BOARDMAN LOCAL SCHOOL DISTRICT- MAHONING 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
Boardman Local School District
Treasurer's Office
Terry Armstrong, Treasurer

May 24, 2021

Boardman Local School District –Mahoning County
Notes to the Five Year Forecast
General Fund Only
May 24, 2021

Introduction to the Five Year Forecast

School districts are required to file a five (5) year financial forecast by November 30, 2020, and May 31, 2021 for fiscal year 2021 (July 1, 2020 to June 30, 2021). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. 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 May 2021 filing.

Economic Outlook

This five-year forecast is being filed during a recovery from the COVID-19 Pandemic and a health and financial struggle that encompassed our state, country and global economy. School districts play a vital role in their communities and we believe it is important to maintain continuity of services to our students and staff. The district has maintained services to students throughout the Pandemic. The State of Ohio's economic pressure has not been as great as first expected due to the effects of the pandemic thus the restoration of a portion of the original school foundation funding cuts was ordered by the Governor on January 22, 2021. Federal funding sent to school districts through the Elementary and Secondary Schools Education Relief Funds (ESSER) has also been a much needed resource to offset the loss of state funding. Additional Federal CARES Act funding was used to cover the costs of additional technology needs, personal protective equipment, and cleaning costs caused by the pandemic. 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.

May 2021 Updates:

Revenues FY21:

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be $49,558,621 or 2.79% higher than the November forecasted amount of $48,212,148. This indicates the November forecast was 97.21% accurate.

Line 1.01 - Property taxes came in $607,000 higher than estimated due to the allowance we place on the first half 2020 collection being lower due to anticipated higher delinquencies (lower payments) resulting from the COVID-19 economic slowdown. This did not occur and our collections appeared as normal.

Line 1.02 – Public Utility Personal Property values came in for 2020 $2.1 million higher than anticipated resulting in an additional $146,500 in taxes.

Line 1.035- State foundation funding, as noted above, began the year with continued cuts at the FY20 level; however, on January 22, 2021 Governor DeWine reinstated funding of approximately 53% of those reductions thus having a positive impact of $620,911 for our district's revenue. None of the FY20 cuts were reinstated.

All other areas of revenue are tracking as anticipated for FY21 based on our best information at this time.

Expenditures FY21:

Total General Fund expenditures (line 4.5) are estimated to be $44,551,908 for FY21 which is $2,595,478 lower than anticipated in November 2020. Nearly every line of the forecast has been reduced due to recoding costs to Student Wellness and Success Funds (SWSF) and ESSER Funding. The SWSF and ESSER Funds the district received has helped lower costs originally projected in the general fund for the period FY20 through FY24. This will have a positive effect on the long term forecast.

Unreserved Ending Cash Balance:
With revenues increasing over estimates, our ending unreserved cash balance June 30, 2021 is anticipated to be roughly $13.2 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2025 if our renewal levies are approved and assumptions we have made for state aid in future state budgets remain close to our estimates, and there are no future state budget cuts to our funding beyond FY21.

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:

1) 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 new revenue to school districts in FY20 and FY21 but is restricted in use and must be placed in Fund 467 and are NOT General Fund revenue and consequently not included in this forecast. The current proposed state budget for FY22-FY23 is Sub. HB110 and it includes increases for SWSF for each year of the biennium budget along with guarantees that no district will receive less funding than they received in FY21.We have assumed this money will continue through FY25. Enrollment Growth Supplement money is paid to a small number of growing districts and Sub. HB110 also proposes these funds be continued in FY22 and FY23 at current FY21 levels. We have assumed these funds will continue at the guarantee level through FY25.

2) 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. These cuts were to continue through FY21 as well, however the Governor subsequently reinstated $160 million of these reductions to school districts in an executive order dated January 22, 2021. With the economy rebounding from the sharp drop in employment in March and April 2020 and state tax revenues well above estimates for FY21, we anticipate funding will remain unchanged for the rest of FY21. Governor DeWine submitted his FY22-FY23 biennial budget (Sub. HB110) which returns state foundation funding to schools at their FY19 funded level. The biennial budget is now working its way through the legislative process. HB1, also known as the Fair School Funding Bill, was introduced on February 4, 2021 and will work its way through the legislative process where it has been combined with Sub. HB110. The certainty of foundation funding levels will not likely be known until late June 2021. At this time the FY19 funding level is the basis for districts state funding in FY22 and FY23. We believe Ohio's economy will continue to improve through FY21 and that FY22-25 will see funding returned to the FY19 levels at a minimum. We will not project an increase beyond the FY19 levels at this time until the state budget it known for FY22 and FY23.

3) The State Budget represents 26.8% 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 be in line with the FY19 funding level through FY25 which we feel is

conservative and should be close to whatever the state approves for the FY22-23 biennium budget. We will adjust the forecast in future years as we have data to help guide this decision.

4) Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. 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 73.2% of the district's resources. Collection rates for the 1st 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.

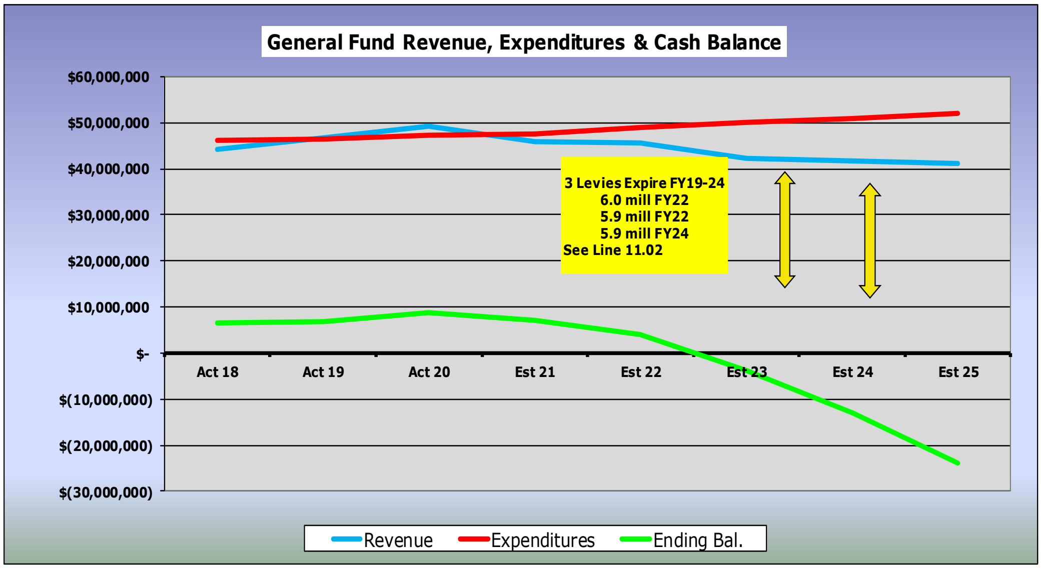
5) Mahoning County experienced a reappraisal update in the 2020 tax year to be collected in FY21. The 2020 update increased overall assessed values by $73.1 million or an increase of 9.11%. A full reappraisal will occur in tax year 2023 for collection in FY24. We anticipate value increases for Class I and II property by $7.75 million for an overall increase of .88%. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.

6) 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 expose 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 as the proposed new state budget bill Sub. HB110 moves through the legislative process.

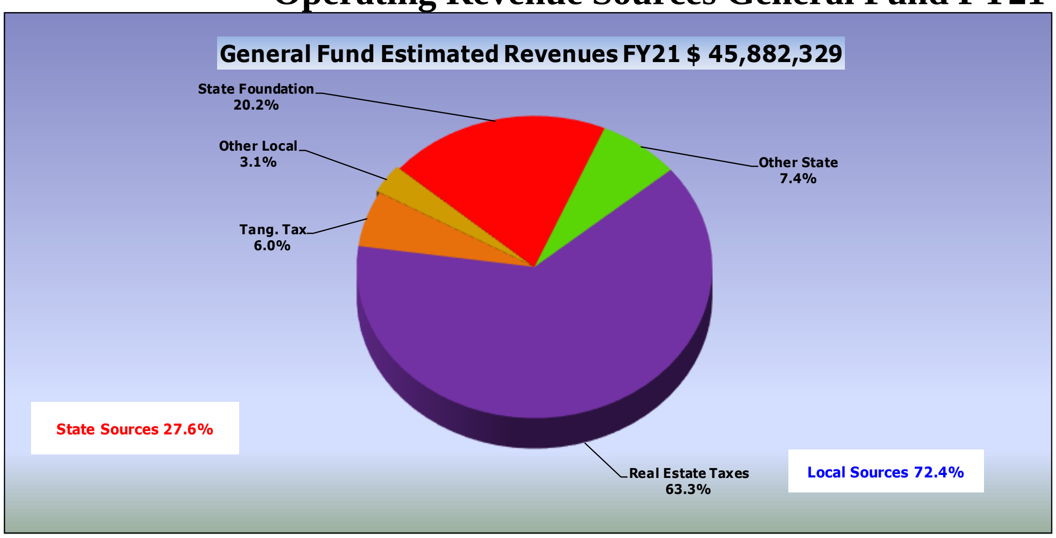
7) Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

The 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 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 Terry Armstrong, Treasurer at 330.726.3403 x67113.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY18-20 and Estimated FY21-25
The graph captures in one snapshot the operating scenario facing the District over the next few years if the renewal levy in 2023 does not pass.



Revenue Assumptions
Operating Revenue Sources General Fund FY21



Real Estate Value Assumptions – Line # 1.010
Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Mahoning County experienced a reappraisal update in the 2020 tax year and collected in FY21. Residential values increased by 13.75% and commercial

values increased by 1.16%. The district will experience a full reappraisal in 2023 and we have assumed a 1.09% modest growth for residential values and 0.49% growth for commercial values for an overall increase of $7.75 million or .88%.

In tax year 2020, collected in 2021 Class I values increased 13.75% from $506,586,660 to $576,229,270. This was led by an increase of 13.38% for the reappraisal update. Commercial values decreased by .11% as a result of the reappraisal update but overall values increased from $295,449,230 to $298,887,310 or 1.16%.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2020	TAX YEAR2021	TAX YEAR2022	TAX YEAR2023	TAX YEAR2024
Classification	COLLECT 2021	COLLECT 2022	COLLECT 2023	COLLECT 2024	COLLECT 2025
Res./Ag.	$576,229,270	$576,729,270	$577,229,270	$583,501,563	$584,001,563
Comm./Ind.	298,887,310	299,488,999	300,968,999	302,448,999	303,928,999
Public Utility Personal Property (PUPP)	46,222,470	46,372,470	46,522,470	46,672,470	46,822,470
Total Assessed Value	$921,339,050	$922,590,739	$924,720,739	$932,623,032	$934,753,032

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY21	FY22	FY23	FY24	FY25
General Property Taxes	$32,081,917	$32,183,604	$32,371,930	$30,230,333	$28,319,316

Property tax levies are estimated to be collected at 97.60% of the annual amount. This allows 2.4% delinquency factor. Lower collection rates predicted due to the COVID-19 pandemic and economic slowdown did not occur as advised by the County Auditor. 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 50% in February and 50% in August settlement from the County Auditor and are noted in Line #1.02 totals below. The increase in FY19 and FY20 are bumps showing the collection of the new May 8, 2018 Emergency Levy. The tax revenue falls in FY24 as we have removed a renewal levies to Line 11.02 as shown below.

Levy Renewal –Line # 11.02
The District renewed a 5.9 mill operating levies and one 6.0 mill operating levy on November 3, 2020. Thank you to the community for your continued support of our district. There is another 5.9 mill emergency levy that will expire in 2023 which we are planning on renewing as well. State law requires that renewal levies be removed from revenues on Line 1.01, 1.02 and 1.05 and shown on this line 11.02 of the forecast. Please note that renewal levies do not bring in additional tax revenues to the district unless they are substitute emergency levies. We are renewing levies for the same revenue we currently collect.

Source	FY21	FY22	FY23	FY24	FY25
Renewal 5.9 and 6.0 Mill Expire 12/31/26	$0	$0	$0	$0	$0
Renewal 5.9 Mill Expires 12/31/23	0	0	0	2,735,197	5,259,994
Renewal 2.5 Mill Expires 12/31/19	0	0	0	0	0
Renew Combined 1.8 & 3.9 Mill Expires 12/31/27	0	0	0	0	0
Renew 5.8 Mill Expires 12/31/28	0	0	0	0	0
Total Line # 11.020	$0	$0	$0	$2,735,197	$5,259,994

New Tax Levies – Line #13.030 - No new levies are modeled in this forecast.

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020
Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. Collections are typically 50% in February and 50% in August along with the real estate settlements from the county auditor. Public Utility Personal Property (PUPP) values grew in Tax Year 2020 by $2.16 million due to reinvestments by utilities statewide. We assume modest growth of $150,000 each in in PUPP value.

Source	FY21	FY22	FY23	FY24	FY25
Public Utility Personal Property PUPP	$2,780,707	$2,825,685	$2,833,386	$2,701,675	$2,569,522

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045
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 which on May 6, 2020 was cut and then funding partially restored by executive order signed January 22, 2021 by the Governor. 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. HB1, aka the Fair School Funding plan, is currently being considered by the legislature and has been combined with Sub. HB110 and will produce a successor funding formula for the FY22-23 biennium budget. Currently Sub. HB110, the proposed budget, projects funding for districts at FY19 guarantee amounts for FY22 and FY23. 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.

Foundation Funding Partially Restored January 22, 2021 for FY21
On January 22, 2021 the Governor signed an executive order reinstating $160 million of previous cuts to public schools thus reducing the cuts in FY21. At this time the state funding for FY21 is being reduced $398,730 from the FY19 amount.

Supplemental Funding for Student Wellness and Success (Restricted Fund 467)
Nearly all of 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 FY21, proposed funding ranges from $30 per student to $360 per student. All schools and students are to receive a minimum additional funding of $36,000 in FY21. All districts are guaranteed to get 131% of what they received in FY20, and the proposed state budget (Sub. HB110) is guaranteeing all districts will get 100% of what they received in FY21 for FY22 and FY23. Our district is estimated to receive $537,532 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 two approved community partner organizations per HB110.

At this time our district is spending money in our General Fund that is servicing student needs as identified in Ohio Revised Code 3317.26 (B) and our approved plan calls for these expenses to be recoded to Fund 467 for FY20 and FY21, then returning these expenses to the General Fund for FY22-25. The General Fund reflects the reduction of these expenses for FY20 and FY21 and increase in expenses in FY22-25.

Future State Budgets: Our funding status for the FY22-25 will depend on two (2) new state budgets which are unknown. With the change to the state funding and reductions for FY20-21 state amounts, we will increase funding in FY22 back to FY19 levels and hold it level FY22 through FY25. We believe our current state funding estimates for FY21-25 are reasonable and that we will adjust the forecast in the future when we have authoritative data to work with.

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. As of March 4, 2013 all four (4) casinos were open for business and generating Gross Casino Tax Revenues (GCR). 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 26% then increasing the amount in FY22 back to 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 FY21-25 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $95.5 million or $53.89 per pupil. We believe it will be FY22 when revenues return to the post COVID-19 level.

Source	FY21	FY22	FY23	FY24	FY25
Basic Aid-Unrestricted	$9,114,137	$9,490,025	$9,490,025	$9,487,511	$9,484,972
Additional Aid Items	334,819	334,819	334,819	334,819	334,819
Basic Aid-Unrestricted Subtotal	9,448,956	9,824,844	9,824,844	9,822,330	9,819,791
Ohio Casino Commission ODT	168,787	216,261	220,586	224,997	229,497
Total Unrestricted State Aid Line # 1.035	$9,617,743	$10,041,105	$10,045,430	$10,047,327	$10,049,288

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 amount of the Economically Disadvantaged Aid 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 Aid	$243,502	$243,502	$243,502	$245,937	$248,396
Career Tech	7,920	7,920	7,920	7,999	8,079
Total Restricted State Revenues Line #1.040	$251,422	$251,422	$251,422	$253,936	$256,475

C) Restricted Federal Grants in Aid – line #1.045
No federal unrestricted grants are projected FY21-25.

Summary of State Foundaton Revenues	FY21	FY22	FY23	FY24	FY25
Unrestricted Line # 1.035	$9,617,743	$10,041,105	$10,045,430	$10,047,327	$10,049,288
Restricted Line # 1.040	251,422	251,422	251,422	253,936	256,475
Rest. Federal Grants #1.045	0	0	0	0	0
Total State Foundation Revenue	$9,869,165	$10,292,527	$10,296,852	$10,301,263	$10,305,763

State Taxes Reimbursement/Property Tax Allocation
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 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 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.

Summary of State Tax Reimbursement – Line #1.050

Source	FY21	FY22	FY23	FY24	FY25
Rollback and Homestead Line #1.050	$3,395,437	$3,359,959	$3,362,759	$3,122,359	$2,881,746

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 are various tuition payments, pay to participate fees, student fees, and general rental fees. Beginning in FY21 interest is expected to decline due to fed rate reductions which will impact our earning capability in this area. Pay to participate fees and rentals are expected to be lower due to COVID-19 restrictions and lower participation. All other revenues are expected to continue on historic trends.

Source	FY21	FY22	FY23	FY24	FY25
Tuition Income-1200	$746,053	$753,514	$761,049	$768,659	$776,346
Interest	145,497	109,123	98,211	88,390	88,832
Medicaid	268,414	268,414	268,414	268,414	268,414
Class & Transportation Fees	23,561	73,561	123,929	124,549	125,172
Other Income and rentals	247,870	247,870	247,870	247,870	247,870
Total Line # 1.060	$1,431,395	$1,452,482	$1,499,473	$1,497,882	$1,506,634

Transfers In / Return of Advances – Line #2.040 & Line #2.050

These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. All advances over year end are planned to be returned in the succeeding fiscal year.

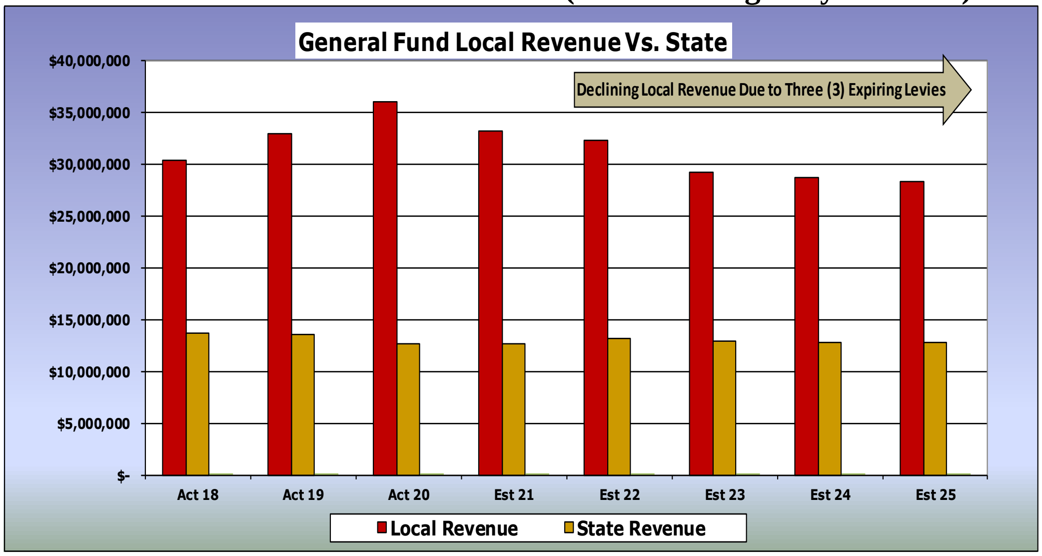
Source	FY21	FY22	FY23	FY24	FY25
Transfers In - Line 2.040	$0	$0	$0	$0	$0
Advance Returns - Line 2.050	51,501	50,000	50,000	50,000	50,000
Total Transfer & Advances In	$51,501	$50,000	$50,000	$50,000	$50,000

All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable. We did receive two Bureau of Workers Compensation refunds for FY21 which we account for in Fund 027.

	FY21	FY22	FY23	FY24	FY25
Other Financing Sources Line 2.06	$366,501	$28,875	$28,875	$28,875	$28,875

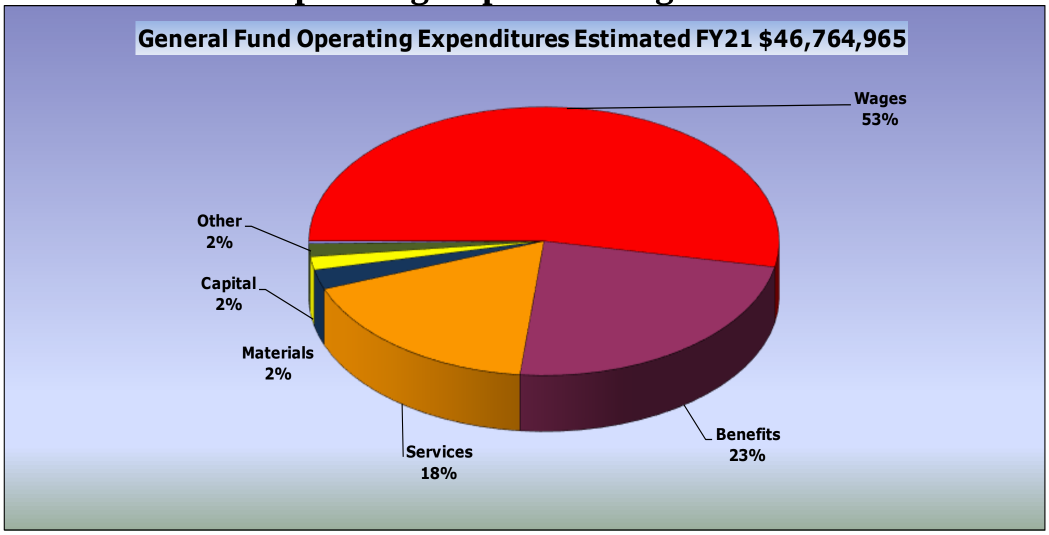
Total General Fund Local Revenue (Not including Levy Renewal) Vs. State Revenue



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
Negotiations with bargaining unit members was completed in spring 2021 resulting in a two year agreement that includes a base increases of 1.5% for FY22 and a 2% base increase for FY23. Step and training increases are included for FY21-25. For planning purposes a 0% base amount has been used for FY24-25. We have recoded expenses that qualify in our plan for use of Student Wellness and Success funding in FY20 and 21 and will leave those costs in SWSF Fund 467 for the period FY22-25 as Sub. HB110 includes this funding in the next biennium budget. We have also coded some qualifying expenses in FY21 to ESSER funds and returned those costs in FY22.

ESSER II and III will be 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. These final adjustments will be made when the plans have been approved in the state CCIP program and the required hearings for ESSER III have taken place. Interim final rules for ESSER III were just released on April 22, 2021. There is more information forthcoming on use of these funds as of the filing of this forecast.

Source	FY21	FY22	FY23	FY24	FY25
Base Wages	$23,920,158	$23,089,337	$23,919,995	$24,500,019	$24,860,169
Increases/Stipend	0	346,340	478,400	0	0
Steps & Training	351,626	339,413	351,624	360,150	365,444
Fund 467 recoding	(537,542)	0	0	0	0
ESSER Recoding	(394,905)	394,905	0	0	0
Classified Substitutes & All Sulpplementals	1,063,300	1,073,933	1,084,672	1,095,519	1,106,474
Staff Reductions/Attrition	(250,000)	(250,000)	(250,000)	0	0
Total Wages Line #3.010	$24,152,637	$24,993,928	$25,584,691	$25,955,688	$26,332,087

Fringe Benefits Estimates

This area of the forecast captures all costs associated with benefits and retirement costs.

A) STRS/SERS will increase as Wages Increase
As required by law the BOE pays 14% of all employee wages to STRS or SERS. In addition, the district pays SERS surcharge for classified staff that does not make a set amount for retirement purposes.

B) Insurance
We were able to take two (2) premium holidays in FY21 which saved the district significant funds. In FY22 we have elected to switch carriers which will result in a 0% premium increase and actually reduce our costs. A 3.0% increase for each year FY23 - FY25, is forecasted for planning purposes. This is based on our current employee census and anticipated claims data.

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

C) Workers Compensation & Unemployment Compensation
Workers Compensation is expected to remain at about .25% of wages FY21– FY25. Unemployment is expected to remain at a very low level FY21-FY25. However, we are anticipating a potential increase in unemployment for FY20-21 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.

D) Medicare

Medicare will continue to increase at the rate of increases in wages and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

Source	FY21	FY22	FY23	FY24	FY25
A) STRS/SERS	$4,102,464	$3,847,656	$4,004,082	$4,068,424	$4,128,230
B) Insurance's	5,664,072	6,316,072	6,455,554	6,649,221	6,848,698
C) Workers Comp/Unemployment	75,382	62,785	64,262	65,189	66,130
D) Medicare	358,667	351,716	365,811	371,166	376,549
Other/Tuition	25,000	25,000	25,000	25,000	25,000
Total Fringe Benefits Line #3.020	$10,225,585	$10,603,229	$10,914,709	$11,179,000	$11,444,607

Purchased Services – Line #3.030

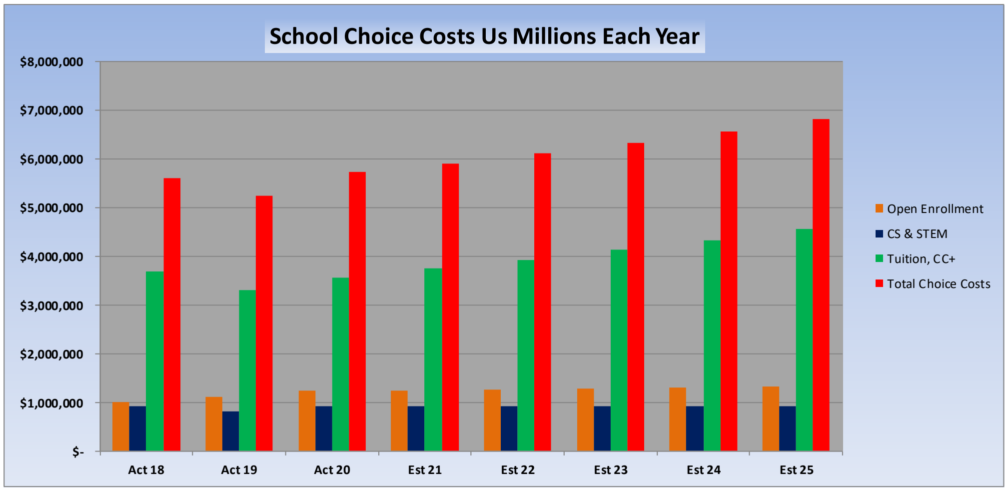
Utility costs are assumed to increase 4% per year, but can fluctuate significantly due to factors outside of our control such as the weather and rate changes. Open enrollment and community schools continue to draw a significant number of students, which are major expenditures in this area and have been increased based on historical trend. In FY21, community school and open enrollment deductions are expected to grow moderately due to slower growth of students leaving our district and smaller increases in per pupil scholarship from the state which will flow through our funding formula to these schools.

In FY21, community school deductions are projected to increase and then return to our normal trend prior to FY21 to account for the students and per pupil state funding which will flow through our funding formula to the community schools. We are concerned about increases for additional students who may be eligible for the education scholarship program which is expected to increase our costs beginning at some point in the future. In addition, the state mandated College Credit Plus tuition costs are paid out of this line. The graph on the following page shows the funds we anticipate to leave our district every year due to choice programs. In FY21 we anticipate $6.03 million in costs which is equivalent to a 6.54 mill levy leaving each year. Due to the EdChoice Expansion Scholarship that was adopted in the July 2019 Biennium we will continue to watch the legislature and any future adjustments to when these may begin to cost our district. The Boardman Schools are currently EdChoice Expansion Scholarship eligible in Boardman Center (4-6) and Boardman High School (9-12). If that expansion becomes part of future legislative action and is signed by the Governor Boardman Schools would see declining revenue for any students lost.

We have reduced costs in purchased services for FY20 and 21 for the Fund 467 recoding for our SRO's and then return these costs to the General Fund in FY22, and then recoding them out to Fund 467 for FY23-25.

ESSER II and III will be 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. These final adjustments will be made when the plans have been approved in the state CCIP program and the required hearings for ESSER III have taken place. Interim final rules for ESSER III were just released on April 22, 2021. There is more information forthcoming on use of these funds as of the filing of this forecast.

Source	FY21	FY22	FY23	FY24	FY25
Base Services	$206,068	$208,129	$210,210	$212,312	$214,435
Professional/Instructional	713,718	815,130	759,584	782,372	805,843
Open Enrollment Deduction	1,227,617	1,252,169	1,277,212	1,302,756	1,328,811
Community& STEM School Deductions	1,056,273	950,646	950,646	950,646	950,646
ESC, SF14 Tuition & Scholarship Costs	3,745,254	3,932,517	4,129,143	4,335,600	4,552,380
Building Maintenance & Service	439,181	461,140	484,197	508,407	533,827
Utilities	794,990	826,790	859,862	894,256	930,026
ESSER Recoding	(106,913)	0	0	0	0
Total Purchased Services Line #3.030	$8,076,188	$8,446,521	$8,670,854	$8,986,349	$9,315,968



Supplies and Materials – Line #3.040

An overall inflation of 3% is being estimated for this category of expenses which are characterized by textbooks, educational supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. We will buy the technology updates for students from these federal stimulus dollars to help our General Fund.

ESSER II and III will be 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. These final adjustments will be made when the plans have been approved in the state CCIP program and the required hearings for ESSER III have taken place. Interim final rules for ESSER III were just released on April 22, 2021. There is more information forthcoming on use of these funds as of the filing of this forecast.

Source	FY21	FY22	FY23	FY24	FY25
Supplies, Textbooks & Technology	$837,826	$448,511	$452,996	$466,586	$480,584
Building and Transportation	643,249	662,546	682,422	702,895	723,982
ESSER Recoding	(494,737)	(350,000)	(375,000)	(400,000)	0
Total Supplies Line #3.040	$986,338	$761,057	$760,418	$769,481	$1,204,566

Equipment – Line # 3.050
The District does not anticipate costs increasing significantly in this line because most capital outlay is paid by the Permanent Improvement Fund. Our Apple Lease entered into in 2017 was paid off in FY19. Those costs will be reallocated to replacing our Chromebooks to ensure that our students are supported for testing.

ESSER II and III will be 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. These adjustments will be made when the plans have been approved in the state CCIP program and the required hearings for ESSER III have taken place. Interim final rules for ESSER III were just released on April 22, 2021. There is more information forthcoming on use of these funds as of the filing of this forecast.

Source	FY21	FY22	FY23	FY24	FY25
Capital Outlay	$123,739	$425,000	$425,000	$425,000	$425,000
Replacement Bus Purchases	333,235	285,000	360,000	360,000	360,000
ESSER Recoding	(220,135)	0	0	0	0
Total Equipment Line #3.050	$236,839	$710,000	$785,000	$785,000	$785,000

Principal and Interest Payment – Lines # 4.05 and 4.06
All payments for the two HB264 projects, the Qualified School Construction Bonds, and the related interest charges will be reflected as a transfer out to the bond retirement fund of the district where these obligations are paid beginning in FY18. The transfer out section has been more detailed to reflect the amount being transferred for the payments. The bus lease will continue to be shown here as it is paid directly from the General Fund and will pay off on July 15, 2021.

Source	FY21	FY22	FY23	FY24	FY25
Principal Bus Lease Line #4.020	$130,763	$134,477	$0	$0	$0
Source	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Interest on Leases Total Line 4.060	$7,533	$3,819	$0	$0	$0

Other Expenses – Line #4.300
The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. A rate of 2% increase is projected in this area.

Source	FY21	FY22	FY23	FY24	FY25
County Auditor & Treasurer Fees	$622,911	$629,140	$635,431	$641,785	$648,203
Other expenses	64,513	66,448	68,441	70,494	72,609
ABC Water Assessments	48,601	48,601	48,601	48,601	48,601
Total Other Expenses Line #4.300	$736,025	$744,189	$752,473	$760,880	$769,413

Transfers and Advances Out – Lines #5.01 and #5.02
This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. We are detailing the transfer out section for debt payment to reflect what amount the general fund supports to pay debt for the district in several series of debt issued over the past years. The district has two current debt issues it is supporting payment of principal and interest from the General Fund. Debt payments are made from the district's Bond Retirement Fund (002 Fund). The #4 HB264 debt supported by a Qualified School Construction Bond (QSCB) is split

50/50 with the Permanent Improvement Fund (003 Fund). HB264 #3 includes the new principal and interest payment schedule from the refund of that issue in October 2017 that will save the district over $114,000 in interest costs over the term of the notes which will be paid off January 1, 2024. In FY21 we are forecasting a transfer of $646,294 due to cost savings realized from the closing of the elementary school and the proceeds from the sale of the bus garage. The $500,000 transfer to the Permanent Improvement Fund has been postponed for FY21 but will be continued FY22-25.

Purpose	FY21	FY22	FY23	FY24	FY25
Fund 035 Severance	$200,000	$200,000	$200,000	$200,000	$200,000
Fund 003 P.I.	-	500,000	500,000	500,000	500,000
Fund 300 Athletics	25,000	25,000	25,000	25,000	25,000
Fund 002 HB264 #3 & #4 -QSCB Debt	421,294	421,383	421,427	421,338	421,338
Transfers Out Line #5.010	646,294	1,146,383	1,146,427	1,146,338	1,146,338
Advances Out Line #5.020	50,000	50,000	50,000	50,000	50,000
Total Transfer & Advances Out	$696,294	$1,196,383	$1,196,427	$1,196,338	$1,196,338

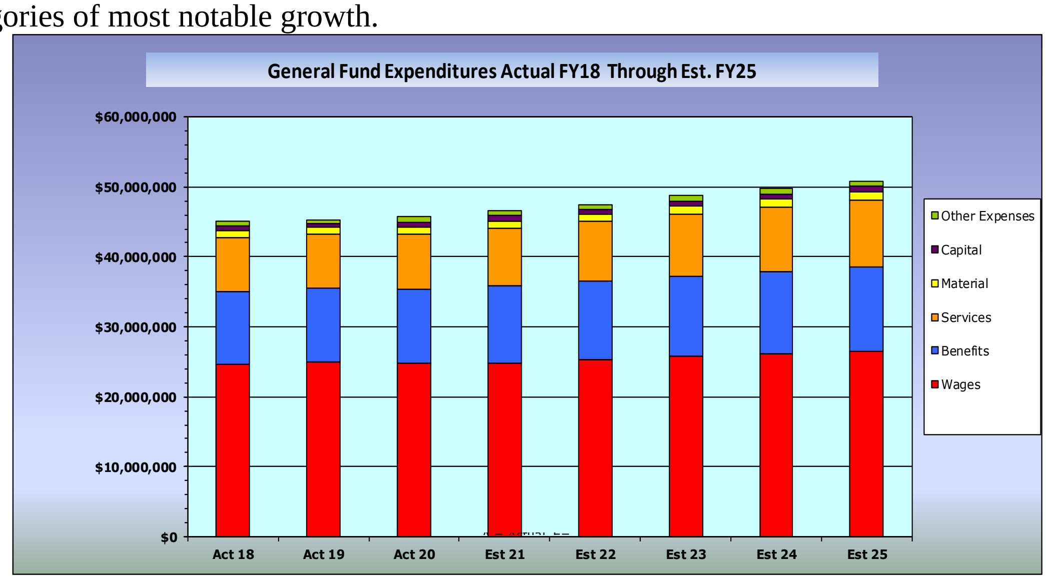
Encumbrances –Line#8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	FY21	FY22	FY23	FY24	FY25
Estimated Encumbrances	$200,000	$200,000	$200,000	$200,000	$200,000

Operating Expenditures Actual FY18 through FY20 and Estimated FY21-FY25

As the graph below indicates the steady growth in general fund expenses year over year and shows the categories of most notable growth.

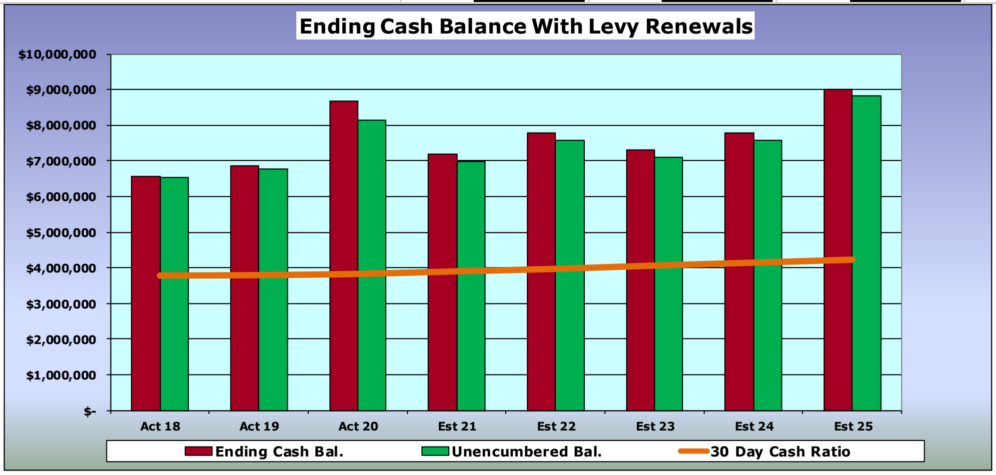


Ending Unencumbered Cash Balance Including All Levy Renewals – Line#15.010

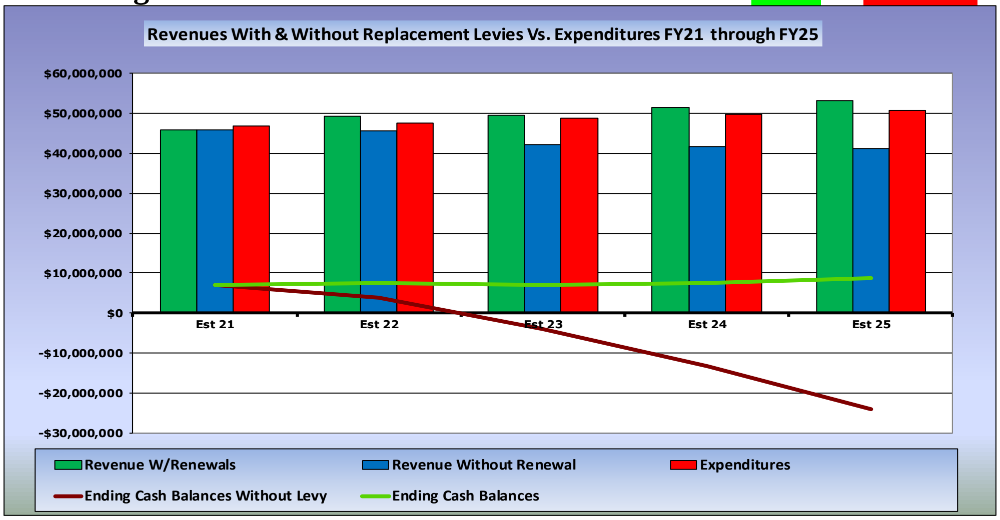
This amount must not go below $0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000. It is recommended by the GFOA and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance, which is about $3.8 million for our district. The Graphs on the following page shows cash balances compared to one month or a 30 day reserve, including renewal of the 2023 expiring levy the district has included in this forecast period. The second graph shows a combination of revenue with and without the levy renewals and the impact on our ending cash balance if the levy was not renewed. This points out the financial exposure the district has to levy renewals and the impact it would have if any or all were to fail.

Ending Unencumbered Cash Balance Line #15.010 with Renewal Levies

	FY21	FY22	FY23	FY24	FY25
Ending Unencumbered Cash Balance	$13,207,360	$15,806,889	$17,585,593	$18,620,440	$18,494,310



Ending Unencumbered Cash Balance Line #15.010 With & Without Renewal Levies



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 (GFOA) recommends no less than one (1) months or 30 days cash to be 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 predictable funding source to the districts debt service fund to pay for debt obligations that belong to the general fund and for other funds such as for severance payments. **This calculation includes our renewal of the 5. 9 mill levy in 2023 affecting this forecast through FY25.** Renewing our levies is critical to the financial sustainability of the district.