BOARDMAN LOCAL SCHOOL DISTRICT- MAHONING COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2020 and 2021 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2022 THROUGH JUNE 30, 2026

Forecast Provided By
Boardman Local School District
Treasurer's Office
Terry Armstrong, Treasurer

November 22, 2021

Boardman Local School District

Mahoning County

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

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
	Revenues									
1.010	General Property Tax (Real Estate)	28,905,877	31,729,980	32,081,917	5.4%	32,153,286	32,371,930	30,230,333	28,319,316	28,366,428
1.020	Public Utility Personal Property Tax	2,551,037	2,691,772	2,780,707	4.4%	2,718,593	2,833,386	2,701,675	2,569,522	2,576,431
1.030	Income Tax	-	-	-	0.0%	-	-	-	-	-
1.035	Unrestricted State Grants-in-Aid	9,964,775	9,010,499	9,616,228	-1.4%	7,773,408	8,614,128	8,616,509	8,618,964	8,618,946
1.040	Restricted State Grants-in-Aid	263,386	262,222	262,222	-0.2%	251,422	251,422	253,936	256,475	259,040
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	-	-	-	-	-
1.050	Property Tax Allocation	3,384,691	3,434,534	3,395,439	0.2%	3,369,985	3,362,759	3,122,359	2,881,746	2,882,315
1.060	All Other Revenues	1,455,827	1,627,132	1,161,887	-8.4%	1,238,653	1,285,064	1,282,898	1,291,153	1,299,485
1.070	*Total Revenues*	46,525,593	48,756,139	49,298,400	3.0%	47,505,347	48,718,689	46,207,710	43,937,176	44,002,645
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	-	-	-	-	-
2.020	State Emergency Loans (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	37,475	25,734	-	-65.7%	-	-	-	-	-
2.050	Advances-In	49,756	72,856	51,501	8.6%	1,288,913	50,000	50,000	50,000	50,000
2.060	All Other Financing Sources	99,987	352,183	366,393	128.1%	28,767	28,767	28,767	28,767	28,767
2.070	*Total Other Financing Sources*	187,218	450,773	417,894	66.7%	1,317,680	78,767	78,767	78,767	78,767
2.080	*Total Revenues and Other Financing Sources*	46,712,811	49,206,912	49,716,294	3.2%	48,823,027	48,797,456	46,286,477	44,015,943	44,081,412
	Expenditures									
3.010	Personal Services	24,980,558	24,836,157	24,281,698	-1.4%	26,895,059	27,704,198	28,105,434	28,512,508	28,925,505
3.020	Employees' Retirement/Insurance Benefits	10,514,260	10,519,733	9,865,572	-3.1%	10,413,494	10,858,921	11,120,822	11,379,225	11,644,288
3.030	Purchased Services	7,758,530	7,880,101	7,787,031	0.2%	4,982,432	4,970,813	5,173,609	5,385,417	5,606,654
3.040	Supplies and Materials	1,033,980	1,059,962	904,353	-6.1%	1,111,057	885,418	769,481	1,204,566	1,240,703
3.050	Capital Outlay	431,643	717,220	563,562	22.4%	600,000	785,000	785,000	785,000	785,000
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	123,641	127,152	130,763	2.8%	134,477	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	0.0%	-	-	-	-	-
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	14,655	11,144	7,533	-28.2%	3,819	-	-	-	-
4.300	Other Objects	592,997	724,368	668,506	7.2%	744,189	752,473	760,880	769,413	778,073
4.500	*Total Expenditures*	45,450,264	45,875,837	44,209,018	-1.3%	44,884,527	$45,956,824	$46,715,226	$48,036,130	$48,980,223
	Other Financing Uses									
5.010	Operating Transfers-Out	885,722	1,465,156	1,049,903	18.5%	800,000	1,146,427	1,146,338	1,146,338	847,267
5.020	Advances-Out	72,856	51,501	1,288,913	1186.7%	50,000	50,000	50,000	50,000	50,000
5.030	All Other Financing Uses	-	-	-	0.0%	$0	$0	$0	$0	$0
5.040	*Total Other Financing Uses*	958,578	1,516,657	2,338,816	56.2%	850,000	1,196,427	1,196,338	1,196,338	897,267
5.050	*Total Expenditures and Other Financing Uses*	46,408,842	47,392,494	46,547,834	0.2%	45,734,527	47,153,250	47,911,564	49,232,468	49,877,490
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	303,969	1,814,418	3,168,460	285.8%	3,088,500	1,644,206	(1,625,087)	(5,216,525)	(5,796,078)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	6,560,550	6,864,519	8,678,937	15.5%	11,847,397	14,935,897	16,580,103	14,955,016	9,738,491
7.020	*Cash Balance June 30*	6,864,519	8,678,937	11,847,397	31.5%	14,935,897	16,580,103	14,955,016	9,738,491	3,942,413
8.010	*Estimated Encumbrances June 30*	80,484	524,108	822,861	304.1%	200,000	200,000	200,000	200,000	200,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030	Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.040	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080	*Subtotal*	-	-	-	0.0%	-	-	-	-	-
10.010	*Fund Balance June 30 for Certification of Appropriations*	6,784,035	8,154,829	11,024,536	27.7%	14,735,897	16,380,103	14,755,016	9,538,491	3,742,413

Boardman Local School District

Mahoning County

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

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement				0.0%	-	-	2,554,174	4,911,873	4,911,873
11.300	Cumulative Balance of Replacement/Renewal Levies				0.0%	-	-	2,554,174	7,466,047	12,377,920
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	6,784,035	8,154,829	11,024,536	27.7%	14,735,897	16,380,103	17,309,190	17,004,538	16,120,334
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	-	-	-	-	-
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-		0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	6,784,035	8,154,829	11,024,536	27.7%	14,735,897	16,380,103	17,309,190	17,004,538	16,120,334

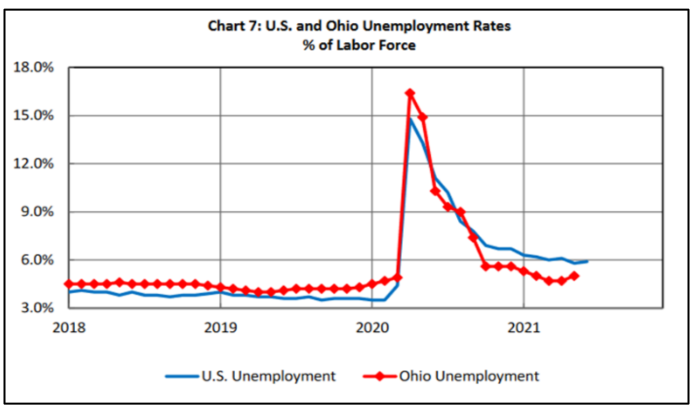
Boardman Local School District –Mahoning County
Notes to the Five Year Forecast
General Fund Only
November 22, 2021

Introduction to the Five Year Forecast

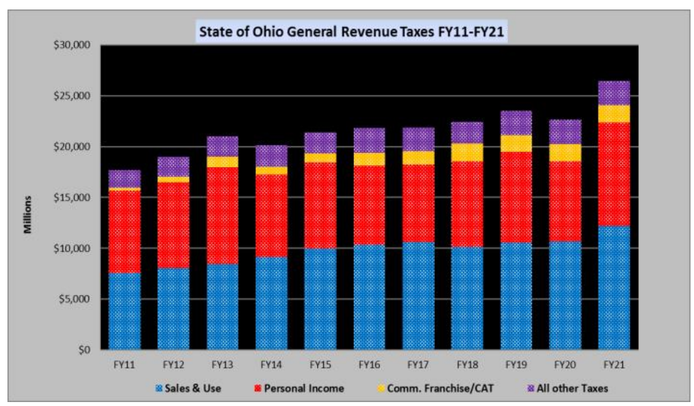
School districts are required to file a five (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022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

Economic Outlook

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



Source: Ohio Office of Budget and Management



Source: Ohio Office of Budget and Management

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

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

Forecast Risks and Uncertainty

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

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

2) The State Budget represents 24% of district revenues and is an area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in state aid. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY26. We have projected our state funding to be in line with the FY23 funding levels through FY26 which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

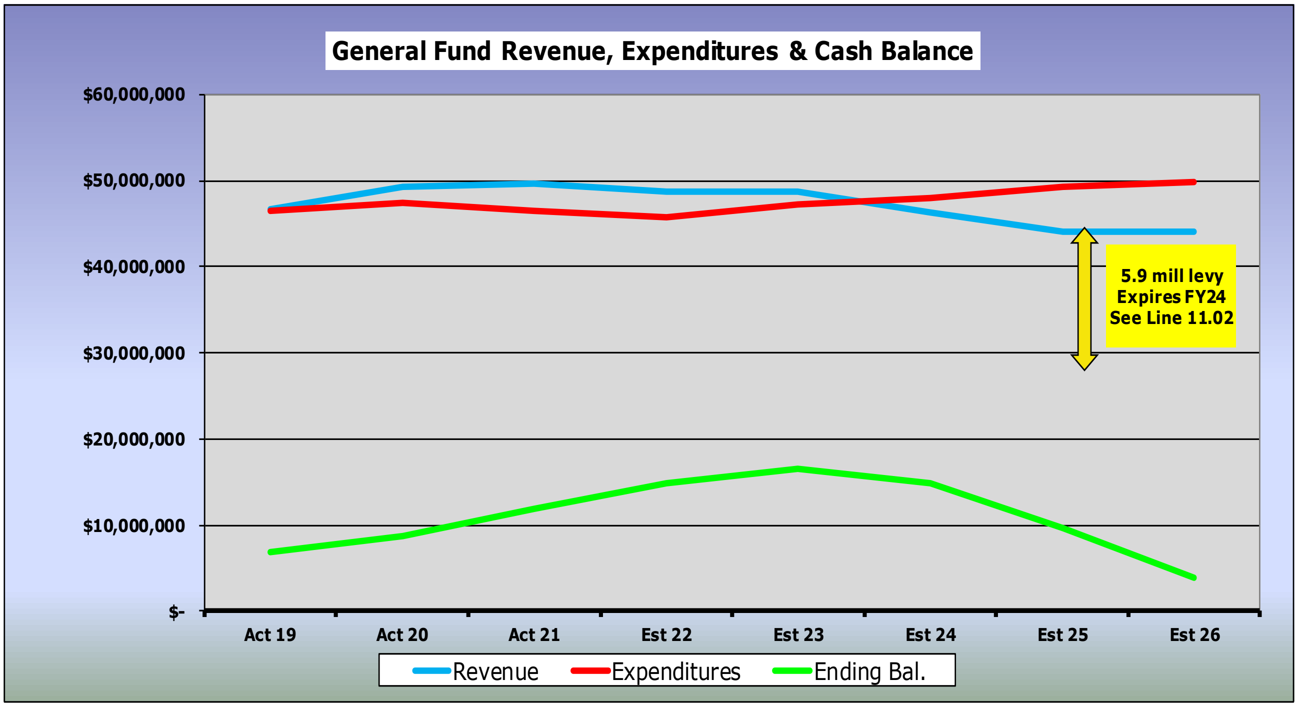
3) Property tax collections are 68% of revenues which is the largest single revenue source for the school system. The housing market in our district is stable and growing. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes. Total local revenues which are predominately local property taxes and income tax equate to 76% of the district's resources. Collection rates for the 2021 property tax collections did not show sharp declines due to increased delinquencies. With the economy recovering and growing we believe there is a low risk that local collections would fall below projections in the forecast.

4) 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.

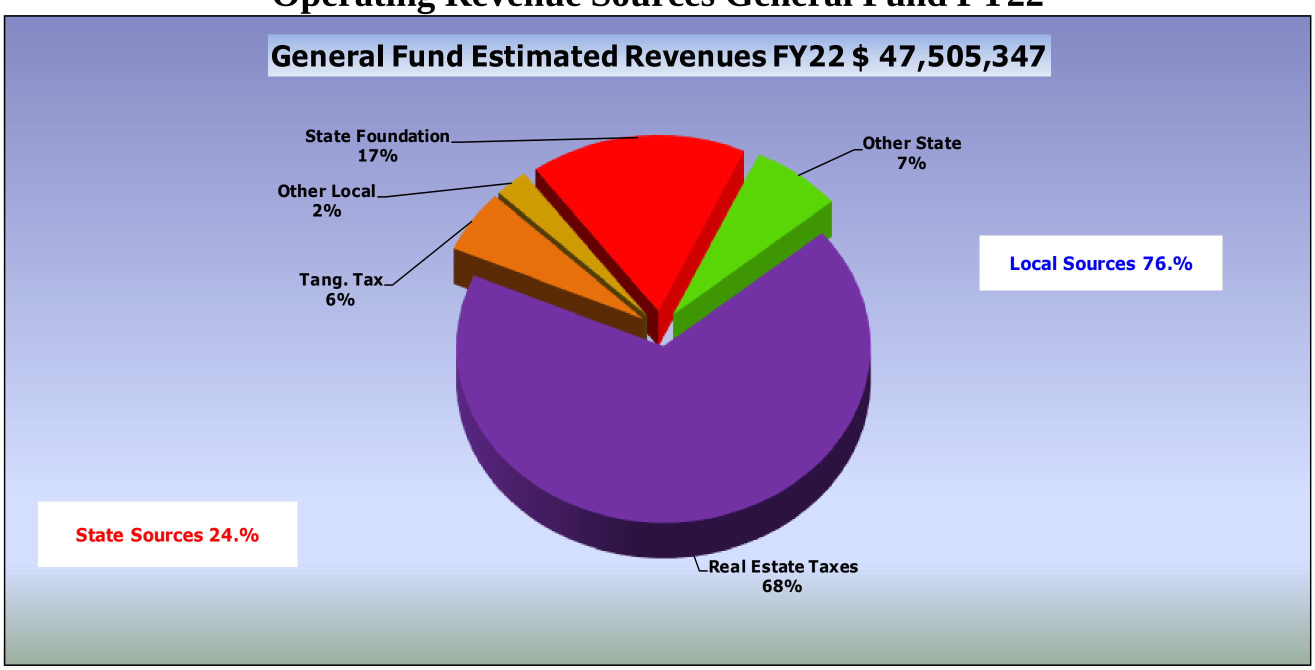
5) HB110 direct pays costs associated with open enrollment, community and STEM schools, and for scholarships. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from state aid which will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can expose the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any new proposed laws are introduced in the legislature.

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 FY19-21 and Estimated FY22-26
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 FY22



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

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2021	TAX YEAR2022	TAX YEAR2023	TAX YEAR2024	TAX YEAR2025
Classification	COLLECT 2022	COLLECT 2023	COLLECT 2024	COLLECT 2025	COLLECT 2026
Res./Ag.	$576,729,270	$577,229,270	$583,501,563	$584,001,563	$584,501,563
Comm./Ind.	299,488,999	300,968,999	302,448,999	303,928,999	305,408,999
Public Utility Personal Property (PUPP)	46,372,470	46,522,470	46,672,470	46,822,470	46,972,470
Total Assessed Value	$922,590,739	$924,720,739	$932,623,032	$934,753,032	$936,883,032

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY22	FY23	FY24	FY25	FY26
General Property Taxes	$32,153,286	$32,371,930	$30,230,333	$28,319,316	$28,366,428

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	FY22	FY23	FY24	FY25	FY26
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	2,554,174	4,911,873	4,911,873
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	$2,554,174	$4,911,873	$4,911,873

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. Revenues begin to fall in FY25 due to the renewal levy being moved to Line 11.02 of the forecast.

Source	FY22	FY23	FY24	FY25	FY26
Public Utility Personal Property PUPP	$2,718,593	$2,833,386	$2,701,675	$2,569,522	$2,576,431

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045
Current State Funding Model Per HB110 through June 30, 2023

A) Unrestricted State Foundation Revenue– Line #1.035
The actual release of the new Fair School Funding Plan formula has been delayed until December which is beyond the filing deadline of this forecast. We have projected FY22 and FY23 funding to be in line with the June 28, 2021 Legislative Service Commission estimates for our district.

The amounts estimated for state funding are based on HB110, referred to as the Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110 implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. HB110 the current formula introduces many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five year forecast look different with estimates FY22 through FY26 compared to actual data FY19 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

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

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

Base Cost Approach- Unrestricted Basic Aid Foundation Funding
The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district that includes base funding for five (5) areas:

1. Teacher Base Cost (4 subcomponents)

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

State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is estimated to be as high as $7,202 per pupil when fully phased in, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage in concept will be higher for districts will less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth the lower the state share percentage. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income and 20% on federal median income, as follows:

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

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

Categorical State Aid

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

Unrestricted Categorical State Aid

1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). Also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all district's calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding based on all resident students who ride including preschool students and those living within 1 mile of school. Provides supplemental transportation for low density districts. Increases state minimum share to 29.17% in FY22 and 33.33% in FY23.

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on number and concentration of economically disadvantaged students compared to state average and multiplied by $422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23.
2. English Learners – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.

3. Gifted Funds – Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.

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

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

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

Future State Budget Projections beyond FY23
Our funding status for the FY24-26 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason funding is held constant FY23 through FY26.

Casino Revenue
On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. 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.

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

Source	FY22	FY23	FY24	FY25	FY26
Basic Aid-Unrestricted	$7,187,513	$8,023,433	$8,020,919	$8,018,380	$8,015,815
Additional Aid Items	345,918	345,918	345,918	345,918	345,918
Basic Aid-Unrestricted Subtotal	7,533,431	8,369,351	8,366,837	8,364,298	8,361,733
Ohio Casino Commission ODT	239,977	244,777	249,672	254,666	257,213
Total Unrestricted State Aid Line # 1.035	$7,773,408	$8,614,128	$8,616,509	$8,618,964	$8,618,946

B) Restricted State Revenues – Line # 1.040

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under "Restricted Categorical Aid" for Gifted, English Learners (ESL) and Student Wellness. We will need to see the new HB110 funding formula in order to determine what amounts are to be posted to the new restricted funds noted below. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23.

Source	FY22	FY23	FY24	FY25	FY26
DPIA	$243,502	$243,502	$245,937	$248,396	$250,880
Career Tech	7,920	7,920	7,999	8,079	8,160
Gifted	0	0	0	0	0
ESL	0	0	0	0	0
Student Wellness	0	0	0	0	0
Total Restricted State Revenues Line #1.040	$251,422	$251,422	$253,936	$256,475	$259,040

C) Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected FY22-26.

Summary of State Foundaton Revenues	FY22	FY23	FY24	FY25	FY26
Unrestricted Line # 1.035	$7,773,408	$8,614,128	$8,616,509	$8,618,964	$8,618,946
Restricted Line # 1.040	251,422	251,422	253,936	256,475	259,040
Rest. Federal Grants #1.045	0	0	0	0	0
Total State Foundation Revenue	$8,024,830	$8,865,550	$8,870,445	$8,875,439	$8,877,986

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	FY22	FY23	FY24	FY25	FY26
Rollback and Homestead Line #1.050	$3,369,985	$3,362,759	$3,122,359	$2,881,746	$2,882,315

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 has been open enrollment, tuition for court placed students, student fees, and general rental fees. HB110 the new state budget will stop paying open enrollment as an increase to other revenue for the district. This is projected below as zeros to help show the difference between projected FY22-FY26 Line 1.06 revenues and historical FY19 through FY21 revenues on the five year forecast. Open enrolled students will be counted in the enrolled student base at the school district they are being educated at and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as state basic aid. In FY21 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. Rentals are expected to remain somewhat lower due to COVID-19 restrictions and lower participation. All other revenues are expected to continue on historic trends.

Source	FY22	FY23	FY24	FY25	FY26
Tuition Income-1200	$710,218	$717,320	$724,493	$731,738	$739,055
Interest	110,000	99,000	89,100	89,546	89,994
Medicaid	200,000	200,000	200,000	200,000	200,000
Class & Transportation Fees	61,883	112,192	112,753	113,317	113,884
Other Income and rentals	156,552	156,552	156,552	156,552	156,552
Total Line # 1.060	$1,238,653	$1,285,064	$1,282,898	$1,291,153	$1,299,485

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.

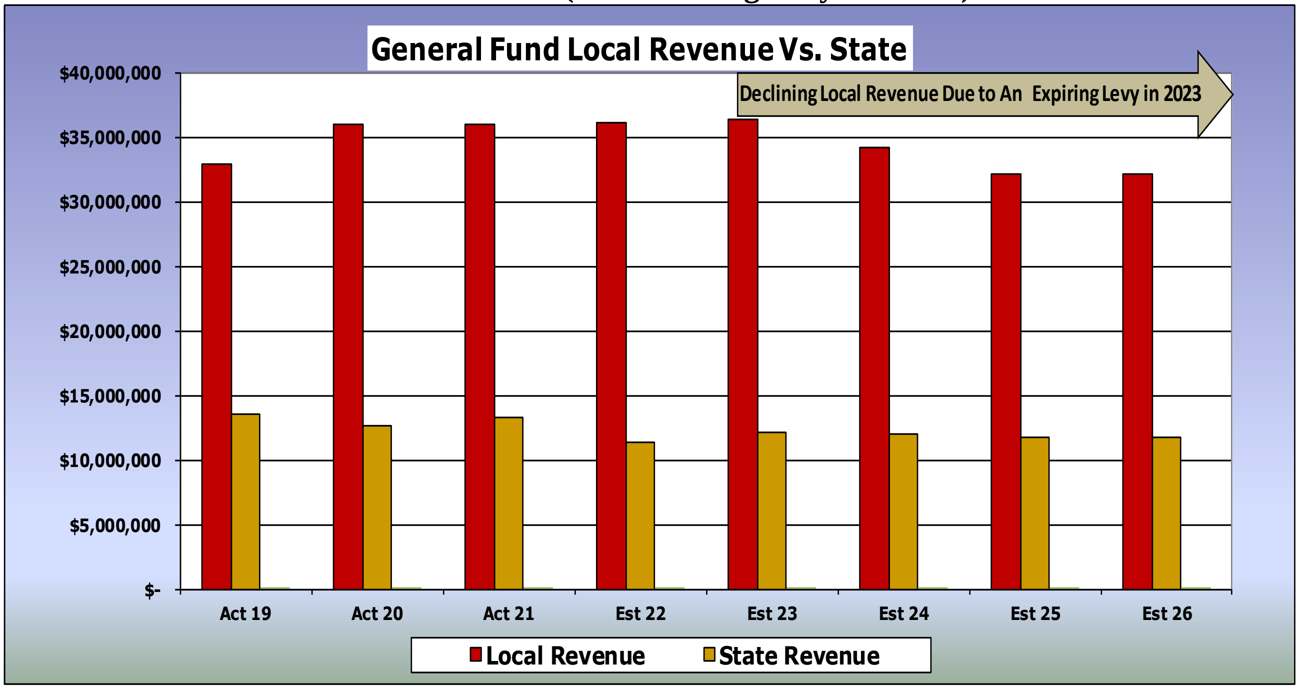
Source	FY22	FY23	FY24	FY25	FY26
Transfers In - Line 2.040	$0	$0	$0	$0	$0
Advance Returns - Line 2.050	1,288,913	50,000	50,000	50,000	50,000
Total Transfer & Advances In	$1,288,913	$50,000	$50,000	$50,000	$50,000

All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable. We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in FY22. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

	FY22	FY23	FY24	FY25	FY26
Other Financing Sources Line 2.06	$28,767	$28,767	$28,767	$28,767	$28,767

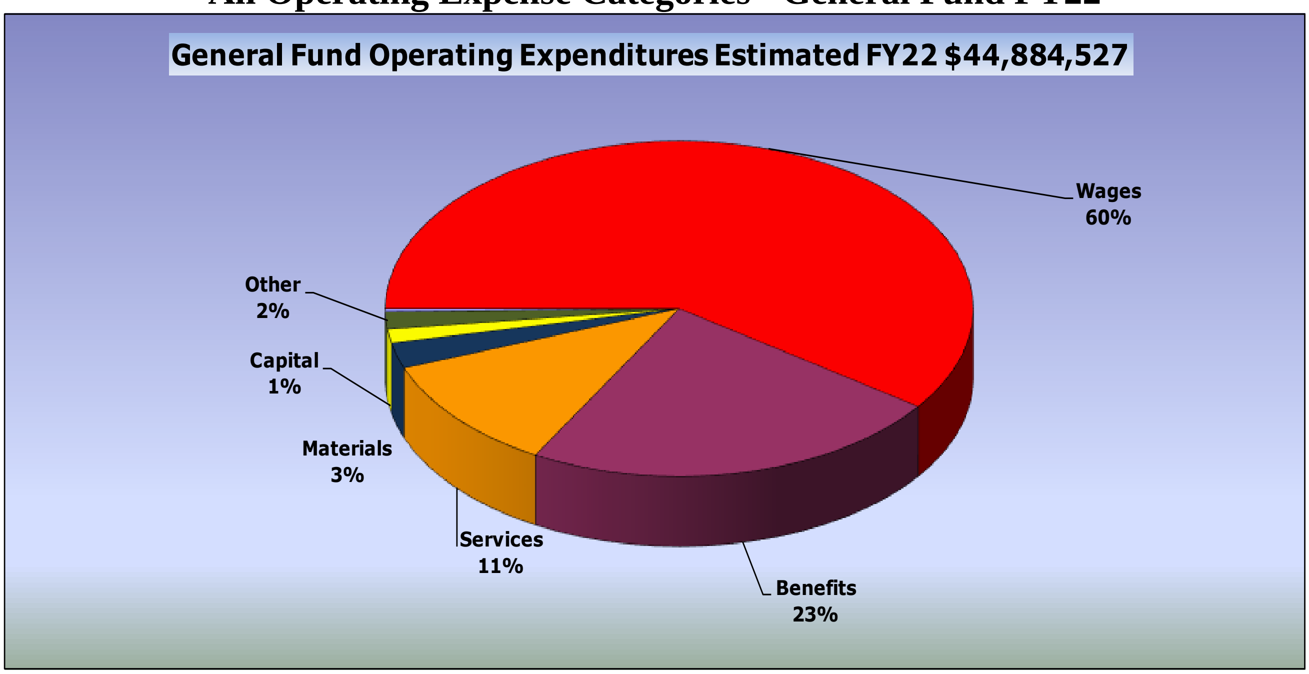
Total General Fund Local Revenue (Not including Levy Renewal) Vs. State Revenue



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 FY22



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 FY22-26, plus longevity pay for FY22 and FY23. For planning purposes a 0% base amount has been used for FY24-26. In FY22 we have added staff for an operations manager, speech pathology positon, school psychologist and an auditorium manager. In addition we have added costs for classroom and independent aids, bus driver and bus driver aides and added costs for existing staff for additional coverage.

We have recoded expenses that qualify in our plan for use of Student Wellness and Success funding in FY20 and 21 to Fund 467 and have returned those costs to the General Fund in FY22 as Sub. HB110 includes this funding in the next biennium budget as part of our Foundation Funding. 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 as these funds are received and allocated through FY24.

Source	FY22	FY23	FY24	FY25	FY26
Base Wages	$23,595,814	$25,627,845	$26,424,312	$26,812,749	$27,206,896
Increases/Stipend	516,288	669,738	0	0	0
Steps & Training	346,858	376,729	388,437	394,147	399,941
Growth/Replacement Staff	236,438	0	0	0	0
Fund 467 recoding	537,542	0	0	0	0
ESSER Recoding	394,905	0	0	0	0
Classified Substitutes & All Sulpplementals	1,267,214	1,279,886	1,292,685	1,305,612	1,318,668
Staff Reductions/Attrition	0	(250,000)	0	0	0
Total Wages Line #3.010	$26,895,059	$27,704,198	$28,105,434	$28,512,508	$28,925,505

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 by $250,000. 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 .025% of wages FY22– FY26. Unemployment is expected to remain at a very low level FY22-FY26. 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	FY22	FY23	FY24	FY25	FY26
A) STRS/SERS	$4,023,655	$4,314,472	$4,387,968	$4,452,472	$4,517,923
B) Insurance's	5,925,989	6,053,769	6,235,382	6,422,443	6,615,116
C) Workers Comp/Unemployment	67,538	69,560	70,564	71,581	72,614
D) Medicare	371,312	396,120	401,908	407,729	413,635
Other/Tuition	25,000	25,000	25,000	25,000	25,000
Total Fringe Benefits Line #3.020	$10,413,494	$10,858,921	$11,120,822	$11,379,225	$11,644,288

Purchased Services – Line #3.030

HB110 the new state budget will impact Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to show these amount below as zeros to help reflect the difference between projected FY22-FY26 Line 3.03 costs and historical FY19 through FY21 costs on the five year forecast. College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend. 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.

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.

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 as these funds are received and allocated through FY24.

Source	FY22	FY23	FY24	FY25	FY26
Base Services	$409,754	$413,852	$417,991	$422,171	$426,393
Professional/Instructional	1,205,420	1,029,608	1,060,496	1,092,311	1,125,080
Open Enrollment Deduction	0	0	0	0	0
Community& STEM School Deductions	0	0	0	0	0
ESC, SF14 Tuition & Scholarship Costs	2,079,328	2,183,294	2,292,459	2,407,082	2,527,436
Building Maintenance & Service	461,140	484,197	508,407	533,827	560,518
Utilities	826,790	859,862	894,256	930,026	967,227
ESSER Recoding	0	0	0	0	0
Total Purchased Services Line #3.030	$4,982,432	$4,970,813	$5,173,609	$5,385,417	$5,606,654

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 as these funds are received and allocated through FY24.

Source	FY22	FY23	FY24	FY25	FY26
Supplies, Textbooks & Technology	$448,511	$452,996	$466,586	$480,584	$495,002
Building and Transportation	662,546	682,422	702,895	723,982	745,701
ESSER Recoding	0	(250,000)	(400,000)	0	0
Total Supplies Line #3.040	$1,111,057	$885,418	$769,481	$1,204,566	$1,240,703

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 final adjustments will be made as these funds are received and allocated through FY24.

Source	FY22	FY23	FY24	FY25	FY26
Capital Outlay	$425,000	$425,000	$425,000	$425,000	$425,000
Replacement Bus Purchases	285,000	360,000	360,000	360,000	360,000
ESSER Recoding	(110,000)	0	0	0	0
Total Equipment Line #3.050	$600,000	$785,000	$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	FY22	FY23	FY24	FY25	FY26
Principal Bus Lease Line #4.020	$134,477	$0	$0	$0	$0
Source	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**
Interest on Leases Total Line 4.060	$3,819	$0	$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	FY22	FY23	FY24	FY25	FY26
County Auditor & Treasurer Fees	$629,140	$635,431	$641,785	$648,203	$654,685
Other expenses	66,448	68,441	70,494	72,609	74,787
ABC Water Assessments	48,601	48,601	48,601	48,601	48,601
Total Other Expenses Line #4.300	$744,189	$752,473	$760,880	$769,413	$778,073

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 FY22 we are forecasting a transfer of $153,617 to the P.I. Fund due to the $646,294 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 of $500,000 will be continued FY23-26.

Purpose	FY22	FY23	FY24	FY25	FY26
Fund 035 Severance	$200,000	$200,000	$200,000	$200,000	$200,000
Fund 003 P.I.	$153,617	$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	421,383	421,427	421,338	421,338	122,267
Transfers Out Line #5.010	800,000	1,146,427	1,146,338	1,146,338	847,267
Advances Out Line #5.020	50,000	50,000	50,000	50,000	50,000
Total Transfer & Advances Out	$850,000	$1,196,427	$1,196,338	$1,196,338	$897,267

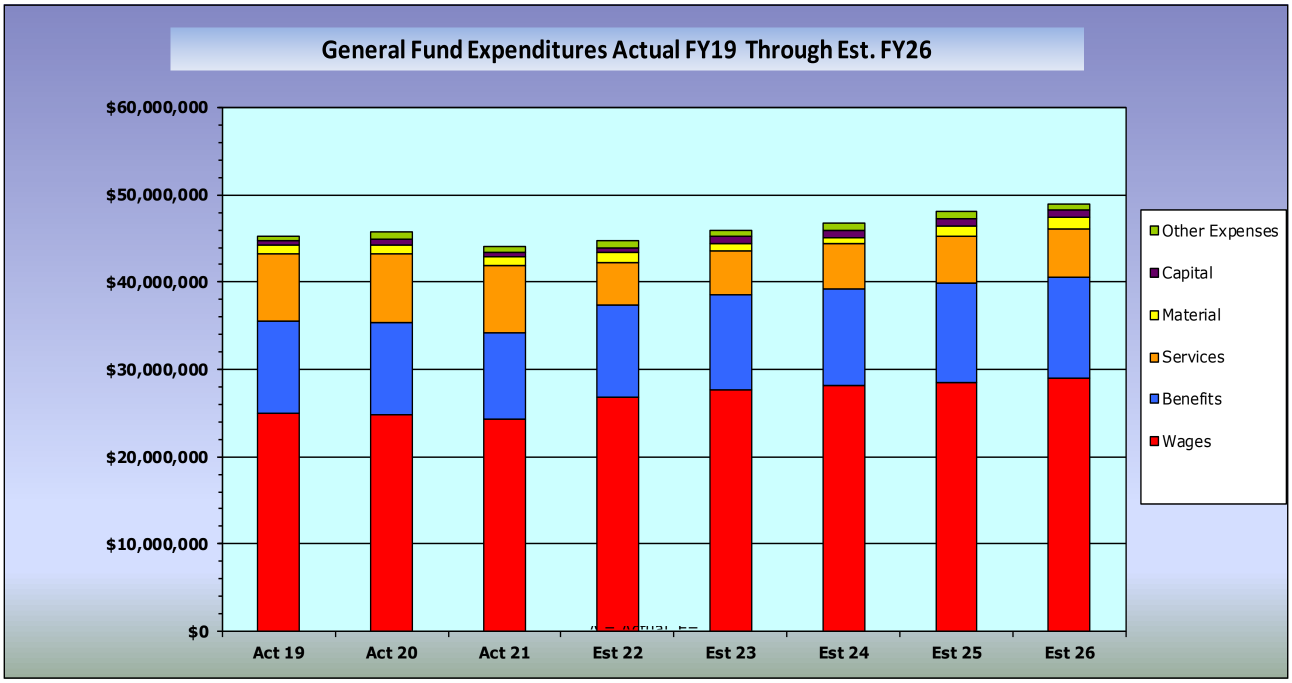
Encumbrances –Line#8.010

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.

	FY22	FY23	FY24	FY25	FY26
Estimated Encumbrances	$200,000	$200,000	$200,000	$200,000	$200,000

Operating Expenditures Actual FY19 through FY21 and Estimated FY22-FY26

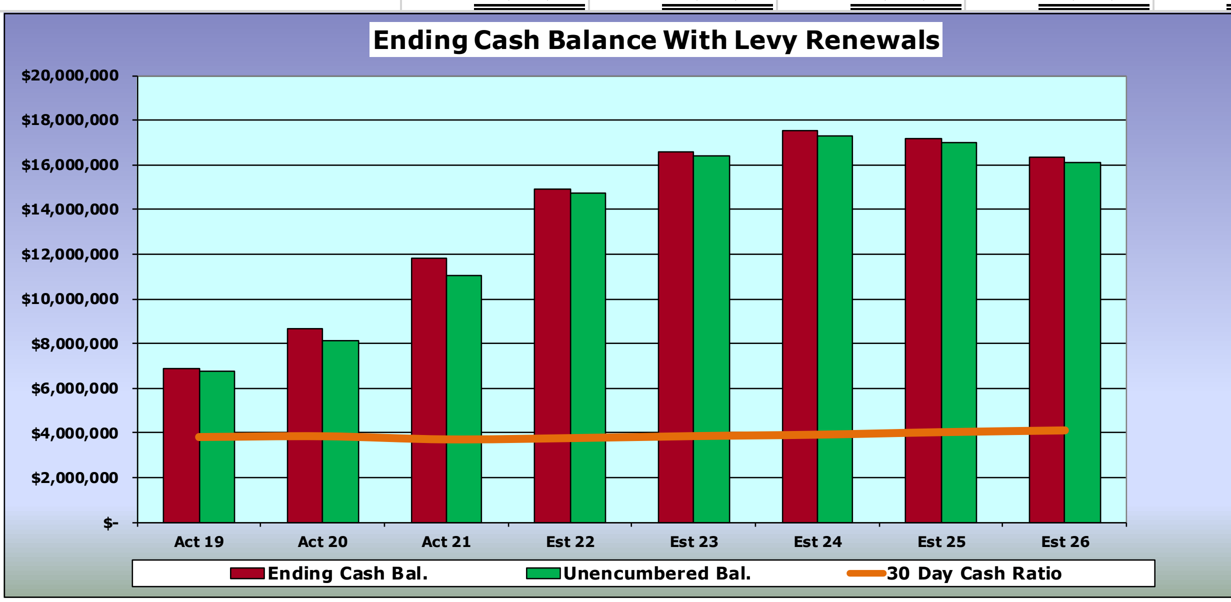
As the graph below indicates the steady growth in general fund expenses year over year and shows the categories of most notable growth.



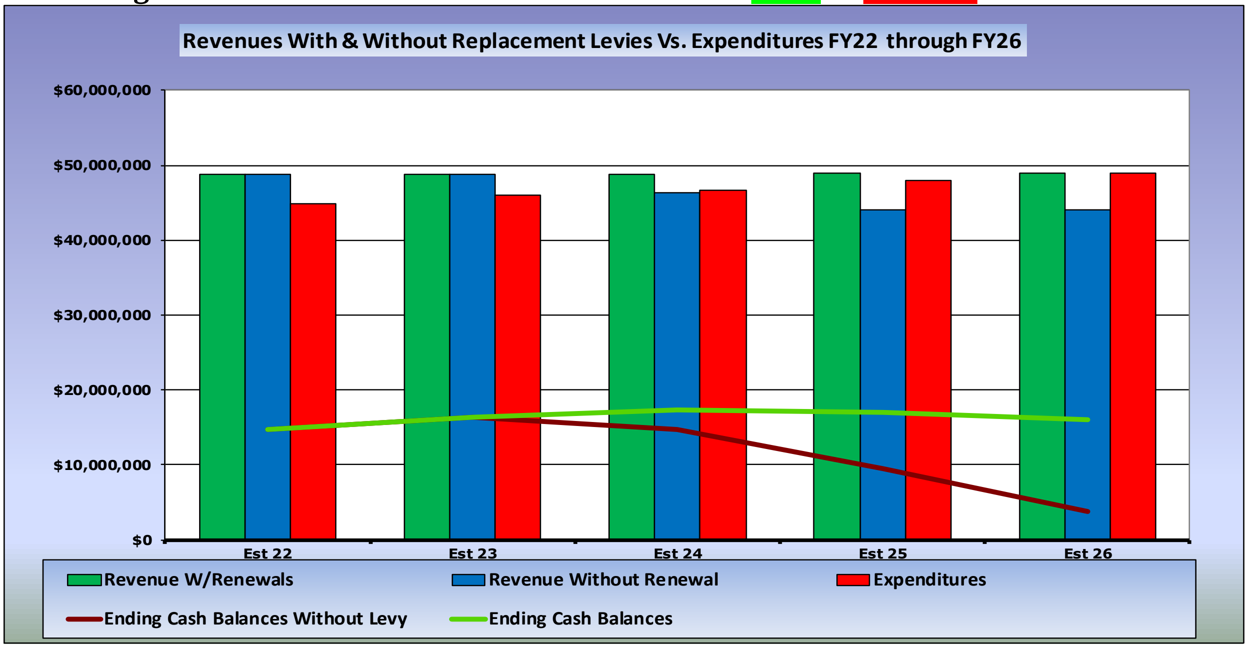
Ending Unencumbered Cash Balance Including All Levy Renewals – Line#15.010
This amount must not go below $0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, 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

	FY22	FY23	FY24	FY25	FY26
Ending Unencumbered Cash Balance	$14,735,897	$16,380,103	$17,309,190	$17,004,538	$16,120,334



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 FY26.** Renewing our levies is critical to the financial sustainability of the district.