

***Madison Local School District
(Counties of Lake and Geauga, Ohio)***

2022

Annual Financial Information Statement



This Annual Financial Information Statement pertains to the operations of Madison Local School District for the fiscal year ended June 30, 2021.

This Annual Financial Information Statement is intended to satisfy the School District's Continuing Disclosure obligations for providing annual financial information and operating data in compliance with Securities and Exchange Commission Rule 15c2-12.

Questions regarding information contained in this Annual Financial Information Statement should be directed to: Michael Vaccariello, Treasurer, Madison Local School District, 1956 Red Bird Road, Madison, Ohio 44057.

The date of this Annual Financial Information Statement is March 1, 2022.

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REGARDING THIS ANNUAL FINANCIAL INFORMATION STATEMENT

General

This Annual Financial Information Statement does not constitute an offering of any security of the Board of Education of the School District of Madison (the “School District” or “District”), Counties of Lake and Geauga, Ohio.

The information herein is subject to change without notice. The delivery of this Annual Financial Information Statement shall not create any implication that there has been no change in the affairs of the School District since the date hereof.

Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency except the School District will have, at the request of the School District, passed upon the accuracy or adequacy of this Annual Financial Information Statement.

This Annual Financial Information Statement, which includes the cover page and *Appendices A* through *E* has been prepared by the School District, pursuant to Continuing Disclosure Agreements and Certificates entered into by the School District in compliance with Securities and Exchange Commission Rule 15c2-12 for outstanding obligations of the School District. Certain information contained herein is not required to be supplied under the Rule and the School District is under no obligation to provide this additional information in the future.*

This Annual Financial Information Statement is not sufficient to base an investment decision on but should be read in conjunction with the original offering document and all subsequent updates.

All financial and other information presented in this Annual Financial Information Statement has been provided by the School District from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the School District. No representation is made that past experience, as is shown by the financial and other information, will necessarily continue or be repeated in the future.

Insofar as the statements contained in this Annual Financial Information Statement involve matters of opinion or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty, no representation is made that any of such statements have been or will be realized, and such statements should be regarded as suggesting independent investigation or consultation of other sources prior to the making of investment decisions. Certain information may not be current; however, attempts were made to date and document sources of information.

* See also “Impact of the COVID-19 Pandemic” in this section.

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code (the “Revised Code”) or uncodified, or to the provisions of the Ohio Constitution or the School District's resolutions, are references to such provisions, as they presently exist. Any of these provisions may from time to time be amended, repealed or supplemented.

As used in this Annual Financial Information Statement: “School District” means the Madison Local School District, located in Lake and Geauga Counties, Ohio, “State” or “Ohio” means the State of Ohio, “Lake County” means Lake County, Ohio, and “Gauga County” means Gauga County, Ohio.

Certain information contained in this Annual Financial Information Statement is attributed to the Ohio Municipal Advisory Council (“OMAC”). OMAC compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Official Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

Any addresses of or links to web sites, which may be contained herein, are given for the convenience of the user only. The School District has not participated in the preparation, compilation or selection of information on these websites, and therefore presents no warranties or representations of the material contained therein. Further, the School District assumes no responsibility or liability for the contents there.

Additional information concerning this Annual Financial Information Statement, as well as copies of the basic documentation relating to any outstanding obligations of the School District, is available from Michael Vaccariello, Treasurer, Madison Local School District, 1956 Red Bird Road, Madison, Ohio 44057, (440) 428-9328.

Impact of the COVID-19 Pandemic

Please see the attached *Addendum* for additional information provided by the School District on a voluntary basis regarding the impact of the COVID-19 Pandemic on its financial position and operations.

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**GENERAL INFORMATION AND OPERATING DATA CONCERNING
THE BOARD OF EDUCATION AND THE SCHOOL DISTRICT**

Organization of the School District

Effective with the 2021-22 school year, the School District organization was as follows:

	Grades	Enrollment[†]	Capacity
Madison Pre-K	Pre-K	176	825
North Elementary School	K-5	554	1,100
South Elementary School	K-5	581	740
Madison Middle School	6-8	621	741
Madison High School	9-12	888	1,500
TOTAL		2,820	4,906

Source: Records of Treasurer of the School District

[†] Due to different methodologies in data collection, this enrollment by building data does not exactly match (i) the enrollment by grade data provided in the table herein under “Enrollment - *General*” or (ii) the ODE Average Daily Membership data provided in the table herein under “Enrollment – *Average Daily Membership*.”

The School District is affiliated with but does not operate the Auburn Career Center Vocational School. For the 2021-2022 academic year, the School District has 98 students participating in joint vocational education programs and includes such students when calculating its enrollment.

The School District's administrative staff consists of the following: Superintendent (1), Assistant Superintendent (1), Principals (4), full-time High School Assistant Principals (2), full-time Middle School Assistant Principal (1), full-time Elementary School Assistant Principals (2), Director of Special Education (1), Director of Early Childhood Education (1), and Treasurer (1).

The School District employs 205 certificated personnel and 114 classified support staff including food service, secretarial, custodial, latchkey, maintenance and educational aides.

The School District provided transportation in 2020-21 for 979 public school students and 0 non-public school students.

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Overlapping Governmental Entities

The major political subdivisions overlapping all or a portion of the territory of the School District, the approximate percentages of the assessed valuation of such subdivisions located within the School District and the net overlapping debt (excluding self-supporting debt) attributable to the School District from such subdivisions are as follows:

Subdivision	% of Assessed Valuation Within School District	Net Debt
Madison Local School District	100.00%	\$20,456,853
Geauga County	0.04	5,292
Lake County	6.20	1,581,930
Madison Village	100.00	-0-
Madison Township	100.00	-0-
Thompson Township	2.61	-0-
Auburn Career Ctr. Jt. Voc. School District	7.85	281,030
Geauga County Park District	0.04	-0-
Geauga-Trumbull Jt. Solid Waste Mgmt. Misc.	0.02	-0-
Lake County Community College Misc.	6.20	2,039,800
Lake County Financing District Misc.	19.25	-0-
Lake County Metro Park District Misc.	6.20	-0-
Madison Fire District	100.00	-0-
Madison Public Library Misc.	100.00	-0-

NET DEBT			NET OVERLAPPING DEBT		
Net Debt	Per Capita	% of AV	Overlapping Debt	Per Capita	% of AV
\$20,346,853	\$1,083	5.09%	\$24,254,905	\$1,291	6.07%

Source: OMAC, as of February 18, 2022, which date is a benchmark date based on data collected or identified approximately two to four weeks prior to such date.

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Tax Rates

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of assessed valuation.

Overlapping Tax Rates (Highest Value Line). The following are the rates at which the School District and overlapping taxing subdivisions have in recent years levied ad valorem property taxes in that area of the School District having the highest overlapping tax rate (as identified below).

Overlapping Tax Rates, Lake County ***(Highest Value Line)****

Collection Year	Lake County Rate	School District	Madison Township	Madison Public Library District	Lake County Financing District	Auburn JVSD	Lakeland Comm. College	Metro Park District	Madison Fire District	Total
2018	9.70	61.24	14.95	2.25	4.90	1.50	3.60	2.70	8.48	109.320
2019	10.50	60.58	14.95	2.25	4.90	1.50	3.58	2.70	10.48	111.440
2020	10.40	60.52	14.95	2.25	4.90	1.50	3.58	2.80	10.48	111.380
2021	10.50	60.50	14.95	2.25	4.90	1.50	3.57	2.70	10.48	111.350
2022	10.50	59.98	14.95	2.25	4.90	1.50	3.53	3.10	10.48	111.190

Source: OMAC and records of the Lake County Auditor

*For each of the Collection Years 2018-2022, the Highest Value Line has been Taxing District Number 00100 (Madison Township – Madison LSD).

School District Tax Rates. The following are the rates at which the School District has levied ad valorem property taxes over the last five collection years in Lake and Geauga Counties.

School District Tax Rates, Lake County

Unvoted Mills (Inside the Ten-Mill Limitation)

Collection Year	Total, All Operating
2018	4.85
2019	4.85
2020	4.85
2021	4.85
2022	4.85

Voted Mills (Outside the Ten-Mill Limitation)

Collection Year	Operating	Debt	Classroom Facility	Perm Improvement	Emergency	Total
2018	49.29	3.67	0.50	1.00	1.93	56.39
2019	49.29	3.15	0.50	1.00	1.79	55.73
2020	49.29	3.11	0.50	1.00	1.77	55.67
2021	49.29	3.11	0.50	1.00	1.75	55.65
2022	49.29	2.80	0.50	1.00	1.54	55.13

Source: Lake County Auditor, Real Property Tax Rates and OMAC – *Property Tax Rates – Composite Reduction Factor Reports*

School District Tax Rates, Geauga County

Unvoted Mills (Inside the Ten-Mill Limitation)

Collection Year	Total, All Operating
2018	4.80
2019	4.80
2020	4.80
2021	4.80
2022	4.80

Voted Mills (Outside the Ten-Mill Limitation)

Collection Year	Operating	Debt	Classroom Facility	Perm Improvement	Emergency	Total
2017	44.30	3.63	0.50	1.00	1.95	51.38
2018	49.29	3.67	0.50	1.00	1.93	56.39
2019	49.29	3.15	0.50	1.00	1.79	55.73
2021	49.29	3.11	0.50	1.00	1.75	55.65
2022	49.29	2.80	0.50	1.00	1.54	55.13

Source: Geauga County Auditor, Real Property Tax Rates

Population

Population statistics for the School District, the Village of Madison, Lake County and Geauga County are as follows:

Year	School District		Village of Madison		Lake County		Gauga County	
	Population	% Change	Population	% Change	Population	% Change	Population	% Change
2010	18,944	---	3,184	---	230,041	---	93,389	---
2020	18,552	-2.07%	3,435	7.88%	232,603	1.11%	95,397	2.15%

Source: U.S. Census Bureau

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Economic Activity and Employment

The following table provides the average annual unemployment rates for the past five years for Lake County, Geauga County, the State, and the United States (except as otherwise noted). The unemployment rate represents the ratio of the total unemployed to the total labor force.

Average Unemployment Rates

Year	Lake County	Gauga County	State of Ohio	United States
2017	5.1%	4.7%	5.0%	4.4%
2018	4.4	4.0	4.5	3.9
2019	3.8	3.5	4.2	3.7
2020	8.4	6.7	8.1	8.1
2021	4.3 [†]	3.5 [†]	3.4 [†]	5.3

Note: Information in this table is not seasonally adjusted

Source: Ohio Department of Job and Family Services: Ohio Labor Market Information - Employment and Unemployment Statistics - LAUS (Data for all years as available on February 6, 2022.)

[†] The average unemployment rates listed for 2021 are preliminary, with the exception of the average unemployment rate for the United States. The unemployment rate listed for the State represents the preliminary unemployment rate for December 2021. The preliminary average unemployment rate for the State for 2021 is unavailable at this time.

The following table provides general labor force statistics for Lake County for the past five years.

Labor Force Statistics – Lake County

Year	Total Labor Force	Employment	Unemployment	% Unemployed
2017	126,200	119,800	6,400	5.1%
2018	126,700	121,200	5,500	4.4
2019	128,000	123,100	4,800	3.8
2020	120,900	110,700	10,100	8.4
2021 [†]	121,500	116,300	5,200	4.3

Note: Information in this table is not seasonally adjusted

Source: Ohio Department of Job and Family Services - Ohio Labor Market Information: Civilian Labor Force Estimates (Data for all years as available on February 6, 2022.)

[†] All amounts listed for 2021 are preliminary.

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Income and Housing Data

The following shows the median household income, median family income, per capita income, and median value of owner-occupied housing units for 2015-2019 for the Village of Madison, Madison Township, Geauga County, Lake County, the State of Ohio and the United States of America:

	Village of Madison	Madison Township	Gauga County	Lake County	State of Ohio	United States
Median Household Income	59,511	57,240	\$82,303	\$64,466	\$56,602	\$62,843
Median Family Income	82,941	71,318	100,455	80,053	72,439	77,263
Per Capita Income	29,723	27,852	42,958	34,409	31,552	34,103
Median Home Value	150,700	142,700	240,900	156,200	145,700	217,500

Source: U.S. Census Bureau, American Community Survey (ACS), 5-Year Estimates (2015-2019). The U.S. Census Bureau stated that following pandemic-related data collection disruptions, the ACS methodology was revised to reduce nonresponse bias in data collected in 2020. The ACS 5-Year Estimates for 2016-2020 are scheduled to be released on March 17, 2022.

Major Employers

The District is primarily located in Lake County. The principal employers in Lake County, Ohio as of December 31, 2020 were as follows:

Employer	Nature of Business	Number Employed	Percentage of Total Employment with Lake County
Lake Health, Inc. ⁽²⁾	Health care	3,600	3.24%
Steris Corporation ⁽¹⁾	Infection and contamination preventive systems	1,870	1.68
Lake County Government ⁽⁵⁾	County government	1,634	1.47
Avery Dennison Fasson ⁽⁷⁾	Pressure-sensitive products	1,518	1.37
Lubrizol Corporation ⁽⁶⁾	Chemical additives	1,412	1.27
Willoughby-Eastlake City Schools ⁽²⁾	School District	1,382	1.24
City of Mentor ⁽¹⁾	City Government	916	0.82
Mentor Exempted Village Schools ⁽¹⁾	School District	904	0.81
Wal-Mart Stores, Inc. ⁽²⁾	Retail	745	0.67
Classic Auto Group ⁽¹⁾	Auto Sales	624	0.56
TOTALS		<u>14,605</u>	<u>13.15%</u>
TOTAL EMPLOYMENT WITHIN LAKE COUNTY - 2020⁽⁴⁾		111,100	

Source: Lake Metroparks, 2020 Annual Comprehensive Financial Report (including the following footnotes)

(1) From Mentor Exempted Village School District Annual Comprehensive Financial Report

(2) From respective businesses – latest information available

(3) [Reserved]

(4) Ohio Labor Market Information website

(5) From Lake County Auditor and includes Lake County Board of Development Disabilities

(6) From City of Wickliffe

(7) From Mentor Exempted Village School District and City of Painesville Annual Comprehensive Financial Reports

Building Permits

The level of area building activity is evidenced by the following data relating to the issuance of new single family dwelling building permits by the Village of Madison.

Year	Number of Permits	Estimated Valuation
2017	26	\$3,830,813
2018	16	3,641,067
2019	20	4,844,193
2020	2	400,000
2021	0	0

Source: Lake County, Ohio Building Inspection Department

Organization and Officials of the Board of Education

The current members of the Board of Education, and the Superintendent and Treasurer of the District are as follows:

Name	Term Expires	Years as Member/Years of Service	Occupation
Shawn S. Douglas, President	2025	6.0	Human Resources
C. Michelle Hayes, Vice President	2025	12.0	Customer Service
Brian Horvath	2023	1.5	Site Operations Manager
Jean Sency	2023	4.0	Vice President, Resource Development
Jeff Thompson	2025	Elected in 2021	Owner, Executive Recruiting Agency
Angela Smith	N/A	6.5	Superintendent
Michael Vaccariello	N/A	11	Treasurer

Enrollment

General. Actual enrollment in the School District for the 2020-2021 school year and 2021-2022 school year are shown in the table below:

Enrollment by Grade[†]

School Year	Pre-K	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2020-2021	117	177	182	200	182	215	209	180	245	216	246	206	249	235	2,859
2021-2022	174	183	190	184	201	177	217	218	185	239	223	241	215	260	2,907

Source: Ohio Department of Education – Enrollment Data (FY-2021 Data – Fall Enrollment (Headcount) – October 2020 and FY-2022 Data – Fall Enrollment (Headcount) – October 2021)

[†]Due to different methodologies in data collection, this data does not exactly match (i) the enrollment by building data provided in the table herein under “Organization of the District” or (ii) the ODE Average Daily Membership data provided in the table below under “Enrollment – Average Daily Membership.”

Average Daily Membership. The Ohio Department of Education (ODE) uses a measure of “Average Daily Membership” for funding calculation purposes. “Average Daily Membership” is defined by ODE as the full time equivalency number of public school students residing within a school district’s boundaries or non-resident students who are eligible to attend the district. Certain additional statistical information related to the District’s average daily membership is shown in the table below:

			Per Pupil Expenditure General Fund		Per Pupil Assessed Valuation	
Fiscal Year	K-12 Enrollment	K-12 Average Daily Membership [†]	District Average	State Average	District Average	State Average
2016-2017	3,038	2,740	\$9,075	\$11,603	\$130,734	\$148,683
2017-2018	3,062	2,741	9,315	11,953	132,262	155,016
2018-2019	2,985	2,707	9,939	12,472	144,976	162,294
2019-2020	2,865	2,625	10,385	12,692	150,640	169,009
2021-2022	2,734	2,585	10,721	13,387	154,632	184,385

Source: State of Ohio Department of Education

[†] Due to different methodologies in data collection, this data does not exactly match the enrollment data provided herein in (i) the table under “Organization of the District” or (ii) the table above under “Enrollment – General.” The calculation of Average Daily Membership includes adjustments to enrollment data for funding purposes per funding regulations.

School District Facilities

The District operates six school buildings: two elementary schools, one pre-school/board office, one middle school and one high school. Through the use of a five-year building grounds and maintenance plan, all facilities are kept in the best operating and physical condition possible. An energy conservation program, monitored in conjunction with a regional consulting firm, has kept utility costs stable. The facilities of the District are described as follows:

Building	Grades Housed	Date of Original Construction	Dates of Improvement	Description of Improvement
Madison Pre-K School/Board Office	Pre-K	1958	1966, 1976, 1993	Classrooms and Kindergarten
North Elementary School	K-5	1955	1975	Kindergarten
South Elementary School	K-5	2013	N/A	N/A
Madison Middle School	6-8	2013	N/A	N/A
Madison High School	9-12	1971	1993	Classrooms
Maintenance Shop/Annex	N/A	1938	1993	N/A

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Employee Relations

The School District currently employs 319 employees (including non-teaching personnel). In fiscal year 2020-2021 the School District paid \$17,311,916 in salaries and wages to these employees (including substitutes) and \$6,564,801 for fringe benefits, which include state employer retirement contributions, Workers' Compensation insurance coverage, unemployment compensation, severance payments, and medical, dental and life insurance premiums. Of the School District's current employees, 205 are certified by the Ohio Department of Education serving as classroom teachers, education specialists and administrators, all of whom have at least a Bachelor's degree and 137 of whom hold advanced degrees. The starting salary for a teacher with a Bachelor's degree for the period beginning September 1, 2021 was \$39,695. The maximum teacher salary in 2021-2022 for a Master's degree is \$86,932, with 30 years of experience.

The School District's certificated teachers and educational specialists are represented by the Madison Education Association (the "Association") which is a labor organization affiliated with the Ohio Education Association. The present contract between the School District and the Association became effective August 13, 2021 and expires August 12, 2022.

The School District's classified employees are represented by the Ohio Association of Public School Employees ("OAPSE") which is a labor organization affiliated with the American Federation of State, County and Municipal Employees ("AFSCME"). The present contract between the Board and OAPSE Local #238 became effective July 1, 2021 and expires June 30, 2022.

In the judgment of the School District, its employee relations are excellent, and there have been no work stoppages in the School District.

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State Performance Standards

Madison Local School District Report Card For the School Years 2019-2020 and 2020-2021*

Component	Grades	
	2019-2020	2020-2021
District Grade	N/A	N/A
<i>Achievement Component Grade</i>	<i>N/A</i>	<i>N/A</i>
Performance Index	N/A	68.5% (82.2/120)
Performance Indicators	N/A	N/A
Gifted Indicator	N/A	N/A
<i>Progress Component Grade</i>	<i>N/A</i>	<i>N/A</i>
All Students	N/A	N/A
Gifted Students	N/A	N/A
Students in the Lowest 20% in Achievement	N/A	N/A
Students with Disabilities	N/A	N/A
<i>Gap Closing Component Grade</i>	<i>N/A</i>	<i>N/A</i>
Annual Measurable Objectives	N/A	N/A
<i>Graduation Rate Component Grade</i>	<i>N/A</i>	<i>N/A</i>
Four-Year Graduation Rate	N/A 91.2%	N/A 93.8%
Five-Year Graduation Rate	N/A 93.2%	N/A 91.9%
<i>K-3 Literacy Component Grade</i>	<i>N/A</i>	<i>N/A</i>
K-3 Literacy Improvement	N/A	N/A 22.8% (45/197)
<i>Prepared for Success Component Grade</i>	<i>N/A</i> 41.6%	<i>N/A</i> 43.4%

Source: Ohio Department of Education – Ohio School Report Cards

* The state's education community experienced unprecedented changes during the 2019-2020 and 2020-2021 academic years due to the COVID-19 Pandemic. As a result, and in line with legislative action allowing schools to forego certain state tests, limited data is available for the 2019-2020 and 2020-2021 academic years compared to prior years. For the 2019-2020 and 2020-2021 academic years, the Ohio School Report Cards did not feature overall grades for any school district. Further, there were no individual grades for any given components or measures. The abbreviated edition of the Ohio School Report Cards for the 2019-2020 and 2020-2021 academic years provided only available information including information about graduation rates and prepared for success indicators. The purpose of the District's abbreviated Report Card released for the 2020-2021 academic year was to report all available data for recovery and improvement planning. Most consequences, such as federal identification requirements, were waived or paused during the 2020-2021 academic year.

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Comparative Position of the School District

The following tables compare the School District with its similar district cohorts (as defined by the Department) and the State average in the areas of sources of revenue and expenditures by category.

Sources of Revenue, 2020-2021 (FY 2021)

	School District	Similar Districts	State of Ohio
State Funding	46.14%	43.14%	40.73%
Local Funding	35.33	38.93	43.32
Other Non-Tax Revenue	8.53	8.75	6.83
Federal Funding	10.00	9.18	9.12

Source: Ohio Department of Education/FY 2021 District Profile Report

Expenditures by Category, 2020-2021 (FY 2021) (Dollars per Pupil)

	District	Similar Districts	State of Ohio
Administration	\$1,593.32	\$1,520.58	\$1,763.65
Building Operations	1,838.90	1,941.59	2,269.29
Instruction	6,592.18	6,981.33	7,996.54
Pupil Support	646.63	755.27	901.24
Staff Support	49.82	402.49	455.97
Total Spending Per Pupil	\$10,720.85	\$11,601.27	\$13,386.70

Source: Ohio Department of Education/FY 2021 District Profile Report

FINANCIAL MATTERS

Financial Condition of the School District

The School District has maintained unencumbered balances in the general operating fund in each of the last five fiscal years as shown:

<u>Fiscal Year Ending</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Cash Balance</u>	<u>Unencumbered</u>
6/30/2017	\$3,169,963	\$26,835,071	\$26,268,483	\$3,736,551	\$1,910,529
6/30/2018	3,736,551	27,017,409	27,347,299	3,406,661	1,889,309
6/30/2019	3,406,661	28,015,539	29,192,545	2,229,655	1,158,858
6/30/2020	2,229,655	27,271,241	27,589,955	1,910,941	983,161
6/30/2021	1,910,941	28,323,497	26,964,604	3,269,834	2,132,055

Source: Five Year Forecasts of the School District

Insurance

The School District maintains comprehensive insurance coverage with private carriers for real property, building contents, general liability and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. For FY 2022 (effective July 1, 2021), real property and contents are insured by blanket coverage in the amount of \$117,391,452. General liability coverage provides for \$15,000,000 per occurrence and \$17,000,000 aggregate.

AD VALOREM TAX REVENUES

Assessed Valuation of the School District

The assessed valuation of property within the School District subject to levy of ad valorem taxes over the last five years is indicated in the following table:

Assessed Valuation

Tax Year	Collection Year	Real^(a)	Tangible Personal^(b)	Public Utility^(c)	Total A/V	% Increase/Decrease Over Previous Year
2017 ^(d)	2018	\$349,979,560	-0-	\$12,553,150	\$362,532,710	1.18%
2018 ^(e)	2019	379,611,810	-0-	12,769,910	392,381,720	8.23
2019	2020	381,839,780	-0-	13,565,200	395,404,980	0.77
2020 ^(f)	2021	385,457,840	-0-	14,200,040	399,657,880	1.08
2021 ^(g)	2022	440,973,040	-0-	14,841,720	455,814,760	14.05

Source: Lake and Geauga County Auditors

(a) Including public utility.

(b) Reflects phase-out of tangible personal property.

(c) Tangible personal only.

(d) Sexennial reappraisal year for Geauga County.

(e) Sexennial reappraisal year for Lake County.

(f) Triennial update year for Geauga County.

(g) Triennial update year for Lake County.

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Largest Taxpayers

The largest taxpayers within the School District for Tax Year 2021 (Collection Year 2022) are shown in the following table:

	Taxpayer	Total Assessed Valuation (Real and Personal)	% of Total Assessed Valuation
1.	CEI	\$9,841,520	2.16%
2.	Villas of Madison LLC	3,121,580	0.68%
3.	American Transmission Systems Inc.	2,953,920	0.65%
4.	Madison Pointe Limited	2,565,900	0.56%
5.	Wal Mart Real Estate	2,287,510	0.50%
6.	East Ohio Gas	1,698,030	0.37%
7.	Desantis Pasquale Tr	1,560,300	0.34%
8.	RVE Real Estate Ltd. and Dake WGC	1,495,940	0.33%
9.	CW Propco LLC	1,449,150	0.32%
10.	Artcraft Homes Inc.	1,348,410	0.30%
	TOTAL	\$28,322,260	6.21%
	Total Assessed Valuation for the School District (TY 2021)[†]	\$455,814,760	

Source: Lake and Geauga County Auditors. For TY 2021, all of the largest taxpayers in the School District are located in Lake County.

[†]Includes assessed valuation amounts from both Lake and Geauga Counties. The percentage breakdown by of the assessed valuation by County for such year for the School District is: 99.66% located in Lake County and 0.34% located in Geauga County.

Collections and Delinquencies of Ad Valorem Taxes

The following table sets forth the amounts billed and collected for ad valorem real estate and public utility taxes and tangible personal property taxes for the School District on the tax duplicate for the following collection years:

Real Estate and Public Utility Taxes **Tax Collection Percentages**

Tax Year	Collection Year	Current			Delinquent		
		Billed	Collected	% Collected	Billed	Collected	% Collected
2016	2017	\$11,081,278	\$10,726,413	96.80%	\$624,697	\$328,844	52.64%
2017	2018	12,964,057	12,682,871	97.83	603,256	414,021	68.63
2018	2019	13,091,299	12,755,056	97.43	453,843	226,905	50.00
2019	2020	13,163,137	12,822,680	97.41	661,742	385,041	58.19
2020	2021	13,305,586	13,092,276	98.40	672,500	365,627	54.37

Source: Lake and Geauga County Auditors. The calculation of current and delinquent collection amounts may vary between Counties due to the inclusion or exclusion of amounts related to reimbursements, rollbacks, refunds, and various fees.

Unvoted and Voted Taxes for Local Purposes

To meet current expenses of subdivisions, the laws of Ohio authorize two types of ad valorem tax levies - unvoted and voted.

Unvoted ad valorem tax levies are permitted by the State Constitution and the Revised Code so long as all such unvoted taxes do not exceed one per cent (ten mills) of any property's assessed valuation. This limitation is known as the "ten-mill limitation" and such unvoted taxes are referred to as the "inside millage".

Ohio law permits voted ad valorem tax levies outside the one percent limitation when approved by a majority of the electors of a taxing District voting on the proposition. A voted tax levy for a board of education is generally initiated by a resolution of the School District to place such a levy on the ballot at a general, primary or special election.

The following chart lists the rates of taxation for the School District for the following collection years:

Rates of Taxation, Lake County Ohio

Tax Year	FULL RATE				RESIDENTIAL/AGRICULTURE EFFECTIVE RATE				COMMERCIAL/INDUSTRIAL EFFECTIVE RATE			
	Inside	Outside	Bond Ret.	Total	Inside	Outside	Bond Ret.	Total	Inside	Outside	Bond Ret.	Total
2017	4.850	52.720	3.670	61.240	4.850	25.965646	3.670	34.485646	4.850	28.239443	3.670	36.759443
2018	4.850	52.580	3.150	60.580	4.850	24.108799	3.150	32.108799	4.850	26.527688	3.150	34.527688
2019	4.850	52.560	3.110	60.520	4.850	24.083874	3.110	32.043874	4.850	26.062732	3.110	34.022732
2020	4.850	52.540	3.110	60.500	4.850	24.057248	3.110	32.017248	4.850	25.946432	3.110	33.906432
2021	4.850	55.130	2.800	59.980	4.850	20.685349	2.800	28.335349	4.850	26.091240	2.800	33.741240

Source: Lake County Auditor and OMAC (*Property Tax Rates – Composite Reduction Factor Reports*)

Rates of Taxation, Geauga County, Ohio

Tax Year	FULL RATE				RESIDENTIAL/AGRICULTURE EFFECTIVE RATE				COMMERCIAL/INDUSTRIAL EFFECTIVE RATE			
	Inside	Outside	Bond Ret.	Total	Inside	Outside	Bond Ret.	Total	Inside	Outside	Bond Ret.	Total
2017	4.800	52.720	3.670	61.190	4.80	25.965646	3.670	34.435646	4.80	28.239443	3.670	36.709443
2018	4.800	52.580	3.150	60.530	4.80	24.108799	3.150	32.058799	4.80	26.527688	3.150	34.477688
2019	4.800	52.560	3.110	60.470	4.80	24.083873	3.110	31.993873	4.80	26.062731	3.110	33.972731
2020	4.800	52.540	3.110	60.450	4.80	24.057248	3.110	31.967248	4.80	25.946432	3.110	33.856432
2021	4.800	52.330	2.800	59.930	4.80	20.685349	2.800	28.285349	4.80	26.091240	2.800	33.691240

Source: Geauga County Auditor (*Composite Reduction Factor Reports*)

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Sources of Income

The following chart shows the sources of income for the General Fund of the School District for the last five fiscal years:

	2017	2018	2019	2020	2021
Real Estate	\$8,500,927	\$9,429,358	\$10,163,245	\$10,430,846	\$10,544,249
Unrestricted State Grants	13,330,080	13,062,589	13,014,942	12,588,937	12,883,262
Restricted State Grants	42,365	42,482	46,975	46,195	46,175
Property Tax Allocation	1,146,215	1,190,336	1,211,739	1,220,097	1,213,766
All Other Revenue	3,403,343	3,207,226	3,364,754	2,929,254	3,112,560
Total Revenues	26,422,930	26,931,991	27,801,655	27,215,329	27,800,012
Operating Transfers-In	291,927	0	104,155	0	0
Advances-In	988	43,579	109,602	55,912	132,530
All Other Financing Sources	119,226	41,839	127	0	
Total Other Financing Sources	412,141	85,418	213,884	55,912	523,485
GRAND TOTAL	\$26,835,071	\$27,017,409	\$28,015,539	\$27,271,241	\$28,323,497

Source: District's Five Year Forecasts

Voting Records

The following tables show the history of bond issue elections for the School District since 1984, during which time the voters of the School District have approved 63% of the proposed bond issues and 57% of the proposed operating levies, 50% of permanent improvement levies and 0% of income tax levies.

History of Bond Issue Elections

Date	Bond Issue Amt.	For	Against	% For	Purpose
05/04/10*	\$21,857,274	2,409	2,015	54.45%	New Construction; Renovations
08/05/08	33,600,000	-0-	-0-	Withdrawn	School Construction
11/06/07	33,600,000	2,262	3,584	38.69	School Construction
11/04/97*	2,250,000	2,478	2,304	51.82	Library Improvements
11/03/92*	8,840,000	3,999	2,860	58.30	Construction adding School Facilities
05/02/89*	200,000	1,838	1,782	50.77	Building & Improvements
05/05/87*	300,000	1,297	1,119	53.68	Building & Improvements
05/07/84	1,333,500	-0-	-0-	Approved	Renovations

* Issues passed by voters of the District

Source: Ohio Municipal Advisory Council

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History of Operating Levies

<u>Date</u>	<u>Millage</u>	<u>For</u>	<u>Against</u>	<u>% For</u>	<u>Purpose</u>	<u>Years</u>
05/04/21	6.990	907	2,756	24.76%	Current Expense	Continuing
05/07/19*	1.790	1,085	952	53.26	Emergency	5
05/02/17*	4.990	1,798	1,410	56.05	Current Expense	Continuing
11/04/14*	1.960	2,606	2,483	51.21	Emergency	5
08/07/12	4.900	1,006	2,610	27.82	Emergency	10
08/04/09*	1.680	865	495	63.60	Emergency	5
02/07/06	7.340	2,760	2,964	48.22	Emergency	5
11/08/05	7.340	3,159	3,354	48.50	Emergency	5
03/02/04*	2.420	1,880	1,329	58.59	Emergency	5
11/04/03*	1.000	3,117	2,281	57.74	Current Expense	Continuing
05/06/03*	1.000	2,168	1,075	66.85	Current Expense	5
05/04/99*	2.910	979	835	53.97	Emergency	5
05/05/98*	1.000	1,552	1,262	55.15	Current Expense	5
11/04/97	0.750	2,217	2,542	46.59	Current Expense	5
11/08/94	4.000	1,951	3,587	35.23	Current Expense	Continuing
08/02/94*	4.070	1,373	1,331	50.78	Emergency	5
05/03/94	4.070	1,765	1,817	49.27	Emergency	5
05/02/89*	4.900	1,805	1,796	50.12	Emergency	5
08/02/88*	4.900	1,728	1,506	53.43	Current Expense	1
05/03/88*	1.000	2,033	2,014	50.23	Current Expense	5
05/03/88	7.700	1,997	2,051	49.33	Current Expense	5
08/04/87	4.100	994	1,191	45.49	Emergency	1
05/05/87	4.100	1,059	1,304	44.82	Current Expense	1

* Issues passed by voters of the District

Source: Ohio Municipal Advisory Council

History of Permanent Improvement Levies

<u>Date</u>	<u>Millage</u>	<u>For</u>	<u>Against</u>	<u>% For</u>	<u>Purpose</u>	<u>Years</u>
11/06/18*	1.000	3,876	2,873	57.43	Permanent Improvement	5
05/06/14	4.990	1,121	2,447	31.42	Current Expense & Permanent Improvement	Continuing
11/05/13*	1.000	1,949	1,864	51.11	Permanent Improvement	5
05/04/10*	0.500	2,409	2,015	54.45	Permanent Improvement	23
11/04/08*	1.000	4,838	4,089	54.20	Permanent Improvement	5
08/05/08	0.500	N/A	N/A	Withdrawn	Permanent Improvement	23
11/06/07	0.500	2,262	3,584	38.69	Permanent Improvement	23
05/06/97	1.000	956	1,236	43.61	Permanent Improvement	5
11/05/96	1.000	2,915	3,216	47.55	Permanent Improvement	5
11/02/93*	1.000	2,341	1,836	56.05	Permanent Improvement	5

* Issues passed by voters of the District

Source: Ohio Municipal Advisory Council

History of Income Tax Levies

<u>Date</u>	<u>Millage</u>	<u>For</u>	<u>Against</u>	<u>% For</u>	<u>Purpose</u>
11/02/04	N/A	2,887	5,961	32.63	Current Expense

* Issues passed by voters of the District

Source: Ohio Municipal Advisory Council

The Lake County School Financing District was created in 1990 and is comprised of the Madison, Painesville, Perry, and Riverside local school districts. The following table shows the election history for the 4.9 mill levy for the Lake County School Financing District, which was first approved in 1990 and subject to renewal for five-year periods in subsequent years. The approval percentage for such levy and the renewals thereof is 78%.

History of the Lake County School Financing District Operating Levy⁺

Date	Millage	For	Against	% For	Purpose
08/07/1990	4.9	3,963	5,021	44.1%	Current Expenses
11/06/1990 [*]	4.9	9,925	5,685	63.6	Current Expenses
05/02/1995 [*]	4.9	6,376	2,244	74.0	Current Expenses
03/07/2000 [*]	4.9	7,261	4,686	60.8	Current Expenses
05/03/2005 [*]	4.9	6,571	5,071	56.4	Current Expenses
05/04/2010 [*]	4.9	6,672	4,312	60.7	Current Expenses
05/05/2015 [*]	4.9	2,167	1,181	64.7	Current Expenses
11/05/2019	4.9	8,290	8,320	49.9	Current Expenses
03/17/2020 [*]	4.9	7,954	5,703	58.2	Current Expenses

Source: Lake County Board of Elections

⁺ The Lake County Board of Elections has confirmed that results for Geauga County have been included in the totals above for all elections, with the exception of the elections on May 2, 1995 and May 3, 2005, for which the inclusion of results for Geauga County could not be confirmed.

^{*} Issues passed by voters of the Lake County School Financing District.

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State Funding For Public Schools

Public schools in Ohio receive financial assistance from the State. There are certain requirements for receipt of state funding; for example, the school district must levy at least 20 mills for operating purposes, certain reporting and accounting requirements must be met, schools in the district must be open for a minimum number of days or hours for instructional purposes, and teachers' salaries must meet certain criteria. Failure to comply with these requirements may result in the elimination or reduction of benefits received by a school district.

The School District currently participates in the State Funding Program. As shown in the following table, in fiscal year 2020-2021, the School District relied on the State Funding Program for approximately 46.51% of its operating revenues:

Fiscal Year	General Fund Revenues^(a)	State Funding Program^(b)	Percentage of General Fund Revenues Consisting of State Programs
2016-2017	\$26,422,930	\$13,372,445	50.61%
2017-2018	26,931,991	13,105,071	48.66
2018-2019	27,801,655	13,061,917	46.98
2019-2020	27,215,329	12,635,132	46.43
2020-2021	27,800,012	12,929,437	46.51

Source: District's Five Year Forecasts

^(a) General fund revenue totals presented in this table exclude advances-in and other financing sources.

^(b) See discussion following the table for information regarding the methodology used in distributing funds through the State Funding Program in each fiscal year.

Since the funding for the State Funding Program must be appropriated by the General Assembly for each biennium, there can be no assurance that current funding levels will be continued. From time to time there may be an increase, a stabilization or a reduction of the level of State assistance to school districts (referred to as "State Foundation Aid").

On June 30, 2015, Ohio Governor John Kasich signed Am. Sub. H.B. 64 ("H.B. 64") which was the budget for the 2016-2017 biennium and provided a new funding formula for Ohio schools. Under H.B. 64, the Ohio Department of Education computed and paid State Foundation Aid to each school district based on per pupil funding (calculated to be \$5,900 in Fiscal Year 2016 and \$6,000 in Fiscal Year 2017) multiplied by each school district's "state share index" which used a three year average of property valuation per pupil and median income of that school district to calculate the percentage of the per-pupil amount that was to be paid by the State and the amount that was assumed to be contributed by the school district through local sources. Additional funds were provided for students with exceptional needs, including those with special needs and the disabled, and limited English proficiency, and for economically disadvantaged and gifted students. Funding was also provided based on the number of K-3 students at each school district to be used to help school districts comply with Ohio's 3rd grade reading guarantee. H.B. 64 also provided for the payment to certain districts of capacity aid funds, graduation bonuses and 3rd grade reading bonuses.

H.B. 64 continued the payment of tangible personal property “replacement payments” to districts and provided for tangible personal property “supplement payments” in Fiscal Year 2016. Such supplement payments guaranteed that no district would receive less in Fiscal Year 2016 than that district received the previous year in State Foundation Aid and tangible personal property replacement payments combined. H.B. 64 did not provide for payment in Fiscal Year 2017 of tangible personal property supplement payments, therefore eliminating such a guarantee for Fiscal Year 2017. However on November 15, 2015, Ohio Governor John Kasich signed S.B. 208 into law which provided for the payment in Fiscal Year 2017 of tangible personal property supplement payments such that no city, local or exempted village district would receive less in Fiscal Year 2017 than 96% of the amount that district received in Fiscal Year 2015 in State Foundation Aid and tangible personal property replacement payments combined.

On June 30, 2017, Ohio Governor John Kasich signed Am. Sub. H.B. 49 (“H.B. 49”), which was the budget for the 2018-2019 biennium and provided the funding formula to Ohio schools. Under H.B. 49, similar to the prior formula, the State Department of Education computed and paid State Foundation Aid to each school district based on per pupil funding (calculated to be \$6,010 in Fiscal Year 2018 and \$6,020 in Fiscal Year 2019) multiplied by each school district’s “state share index” which uses a three year average of property valuation per pupil and median income of that school district to calculate the percentage of the per-pupil amount that is to be paid by the State and the amount assumed to be contributed by the school district through local sources. Additional funds were provided for students with exceptional needs, including those with special needs and the disabled, and limited English proficiency, and for economically disadvantaged and gifted students. H.B. 49 provided for State Foundation Aid to be based on the number of K-3 students at each school district, in an effort to assist school districts in complying with Ohio’s third-grade reading guarantee. H.B. 49 also provided for the payment to certain districts of capacity aid funds, graduation bonuses and third-grade reading bonuses and continued the payment of tangible personal property “replacement payments” to districts.

On July 18, 2019, Ohio Governor Mike DeWine signed into law Am. Sub. House Bill 166 (“H.B. 166”), which was the budget for the 2020-2021 biennium and provided the funding formula to Ohio schools. H.B. 166 retained the existing school financing system whereby the State Department of Education computed and paid State Foundation Aid to each school district based on per pupil funding (calculated to be \$6,010 in Fiscal Year 2018 and \$6,020 in Fiscal Year 2019) multiplied by each school district’s “state share index.” However, H.B. 166 suspended the use of the existing formula for school districts for Fiscal Year 2020 and Fiscal Year 2021 and, instead, provided for State Foundation Aid to be paid based on Fiscal Year 2019 funding. Thus, under H.B. 166, the appropriations for State Foundation Aid totaled \$8.37 billion in both Fiscal Year 2020 and Fiscal Year 2021, the same amount appropriated for State Foundation Aid in Fiscal Year 2019. H.B. 166 also continued the payment of tangible personal property “replacement payments” to districts.

While H.B. 166 retained the existing formula with respect to State Foundation Aid, H.B. 166 required that the State Department of Education provide for funding for student wellness and success to all school districts (including the District) on a per-pupil basis. Districts are required to use student wellness and success funding on a number initiatives, including: mental health services; services for homeless youth; services for child welfare involved youth; community liaisons; physical health care services; mentoring programs; family engagement and support

services; City Connects programing; professional development regarding the provision of trauma informed care; professional development regarding cultural competence; services for child nutrition and physical health, fitness, and wellness; and student services provided prior to or after the regularly scheduled school day or any time school is not in session.

The State Department of Education must pay half of the payment by October 31 of the fiscal year for which the payment is calculated and the other half by February 28 of that fiscal year. The per-pupil amounts for student wellness and success payments range from \$20 to \$250 for Fiscal Year 2020, and \$25 to \$300 for Fiscal Year 2021. To determine each district's per pupil amount, the State Department of Education must group the districts into quintiles each fiscal year based on the percentages of children residing in the districts with family incomes below 185% of the Federal Poverty Guidelines. Districts in the highest quintile are paid the highest per-pupil amount and districts in the other four quintiles are paid a smaller per pupil amount based on a sliding scale calculation. The State Department of Education was required to pay a minimum aggregate payment of \$25,000 to each district for Fiscal Year 2020 and \$30,000 for Fiscal Year 2021 (unless the district has fewer than five enrolled students).

Impact of the COVID-19 Pandemic on 2020-2021 Biennium Budget

As a result of the impact of the COVID-19 Pandemic on the 2020-2021 Biennium Budget, on May 5, 2020, Governor DeWine announced a State budget reduction for the final two months of FY 2020 in the amount of \$775 million, including a \$300 million reduction in State Foundation Aid appropriated for school districts in FY 2020 (which represented a 3.7% reduction) and a \$55 million reduction in other education budget line items.

On June 19, 2020, Governor DeWine signed Substitute House Bill No. 164 (H.B. 164), which included funding provisions for school districts for Fiscal Years 2020 and 2021. H.B. 164 requires the Ohio Department of Education to make payments to school districts that have seen more than a ten percent decrease in the taxable value of utility tangible personal property that have at least one power plant within their respective territories. Such payments have been or will be made for both Fiscal Years 2020 and 2021. Additionally, H.B. 164 provides that if a school district experienced an increase in the taxable value of utility tangible personal property which resulted in a deduction from the district's State Foundation Aid, such district must be credited the deducted amount. Finally, H.B. 164 requires the Ohio Department of Education to make an additional payment to any school district that received, for FY 2020, a combined amount of State Foundation Aid (after the State budget reductions and taking into account any funding received from the CARES Act (as described in the *Addendum* attached hereto) that is less than 94% of its State Foundation Aid funding for FY 2020, as calculated before the State budget reductions described above.

On July 6, 2020, the Ohio Department of Education had announced that the 3.7 percent budget reduction in State Foundation Aid for FY 2020 would continue in FY 2021. However, on January 22, 2021, Governor DeWine signed an executive order partially restoring K-12 State Foundation Aid with a net \$140 million reduction for FY 2021. The amount of the reduction in State Foundation Aid for the District in FY 2020 was \$510,354. The revised reduction in State Foundation Aid for the District in FY 2021 was \$230,455.

Please see the attached *Addendum* for additional information provided by the District on a voluntary basis regarding the impact of the COVID-19 Pandemic on its financial position and operations.

Current State Budget Bill and the Fair School Funding Plan

On June 30, 2021, Ohio Governor Mike DeWine signed Amended Substitute House Bill 110 (“H.B. 110”), which is the State budget for the 2022-2023 fiscal biennium and provides the basis for a new state funding formula for Ohio schools for fiscal years 2022 and 2023.

The new school funding formula implemented by H.B. 110 (the “Fair School Funding Plan”) changes how State funding for public schools is calculated and differs significantly from the prior formula. Under the Fair School Funding Plan, a per-pupil base cost will be computed for each school district based upon five cost components representing that district’s costs in educating its students. The five cost components used for each district are (i) teacher base cost, (ii) student support base cost, (iii) leadership and accountability base cost, (iv) building leadership and operations base cost, and (v) athletic co-curricular activities base cost. The funding responsibility for each district’s per-pupil base cost is allocated between the State and that district based upon a per-pupil local capacity amount that is determined uniquely for each district under the Fair School Funding Plan. The determination of each district’s per-pupil local capacity amount considers the residents’ income of that district and that district’s property valuation. While the State’s share of each district’s per-pupil base cost is based on the district’s per-pupil local capacity amount, no district’s State share will be less than 5%. Further, H.B. 110 repeals the provision under H.B. 166 which required the State Department of Education to provide funding for student wellness and success to all school district on a per-pupil basis. Under H.B. 110, funding for student wellness and success is included in the student support base cost component of the per-pupil base cost calculation and is calculated using the average statewide salary of counselors with salaries between \$30,000 and \$95,000 and a student to staff ratio of 250 to 1, with a minimum of five staff members funded.

In addition to the State’s share of per-pupil base cost, a district’s core foundation funding under the Fair School Funding Plan may also include targeted assistance funds (which are based on wealth and capacity as compared to other districts), special education and related services funding, funds for English learners and for economically disadvantaged and gifted students, and funds for career-technical education and associated services. H.B. 110 also provides for temporary transitional aid to certain districts for fiscal years 2022 and 2023.

Further, prior to H.B. 110, the State Department of Education utilized a measure of “Average Daily Membership” for funding calculation purposes. “Average Daily Membership” was defined by the State Department of Education as the full-time equivalency number of public school students residing within a school district’s boundaries or non-resident students who are eligible to attend the district with funding for all students being paid directly to resident districts. For fiscal years 2022 and 2023, H.B. 110 will require funding for community school students, STEM school students, students participating in a scholarship program (including Ed Choice, Cleveland Scholarship, Autism Scholarship and Jon Peterson Special Needs Scholarship) and students participating in open enrollment to be paid directly to their respective educating entities as opposed to resident districts. This change will eliminate the deduction and transfer of funds

from resident districts to educating entities for students participating in the school choice options above. As a result, this will cause significant changes in both the revenue and expenses that school districts should expect in FY 2022 and beyond. School districts with large numbers of students who leave through choice options should expect to see less state foundation funding without the inclusion of these students. However school districts will no longer see purchased services expenses associated with the deduction and transfer of funds for these students.

H.B. 110 specifies that the Fair School Funding Plan's funding mechanisms are only authorized for fiscal years 2022 and 2023. The form and funding levels of future school funding provisions that the General Assembly may enact cannot be predicted. The constitutionality of the Fair School Funding Plan has not been determined.

BOARD OF EDUCATION DEBT AND OTHER LONG-TERM OBLIGATIONS

Principal Amounts of Outstanding Debt; Leeway for Additional Debt Within Direct Debt Limitations

Tax Valuation [†]		\$455,814,760.00
Total Debt		\$16,393,853.10
Less Exempt Debt		(342,000.00)
Total Non-exempt Debt		\$16,051,853.10
1/10 th of 1% of tax valuation (unvoted debt limitation)		\$455,814.76
Less total limited tax non-exempt bonds outstanding		(0.00)
Debt leeway within the 1/10th of 1% unvoted debt limitation but subject to indirect debt limitation		\$455,814.76
9/10th of 1% of tax valuation (unvoted debt limitation)		\$4,102,332.84
Less total limited tax non-exempt bonds outstanding		(975,000.00)
Debt leeway within the 9/10th of 1% unvoted debt limitation but subject to indirect debt limitation		\$3,127,332.84
9% of tax valuation (voted and unvoted debt limitation)		\$41,023,328.40
Total non-exempt bonds outstanding [†]	\$16,051,853.10	
Balance in Bond Retirement Fund as of 03/01/2021	(0.00)	
Less net Non-exempt Debt		(16,051,853.10)
Debt leeway within the 9% voted and unvoted debt limitation		\$24,971,475.30

[†] Source: Lake and Geauga County Auditors.

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Outstanding Obligations

The School District currently has the following outstanding obligations.

General Obligation Bonds

Date of Original Issue	Purpose	Interest Rate	Final Maturity	Original Amount Issued	Amount Outstanding
09/08/10	Classroom Facilities, 2010A ¹	N/A	04/01/32	\$ 1,731,853.10	\$ 86,853.10
09/08/10	Classroom Facilities, 2010B ²	5.00	04/01/27	9,460,000.00	5,165,000.00
11/07/19	Classroom Facilities, Ref., 2019 ³	2.00-4.00	10/01/41	9,920,000.00	9,825,000.00
	TOTAL				<u>\$15,076,853.10</u>

¹ Refers to the District's Tax-Exempt Classroom Facilities General Obligation Bonds, Series 2010A (Unlimited Tax). The remaining maturities of this issue consist of capital appreciation bonds only.

² Refers to the District's Taxable Classroom Facilities General Obligation Bonds, Series 2010B (Qualified School Construction Bonds – Direct Payment to the District) (Unlimited Tax). The amount outstanding reflects mandatory sinking fund deposits to be made annually each April 1 to maturity.

³ Refers to the District's Classroom Facilities Unlimited Tax General Obligation Refunding Bonds, Series 2019.

General Obligation Bond Anticipation Notes

Date of Original Issue	Purpose	Interest Rate	Final Maturity	Original Amount Issued	Amount Outstanding
09/29/2021	Energy Conservation ^(a)	1.00%	09/29/2022	\$975,000	\$975,000

^(a) Refers to the District's Energy Conservation Improvement General Obligation Bond Anticipation Notes, Series 2021 (Tenth Renewal).

Lease-Purchase Obligations (Capital Expenditures)

Date of Original Issue	Purpose	Interest Rate	Final Maturity	Original Amount Issued	Amount Outstanding
05/30/19	Energy Conservation ¹	2.74%	12/01/29	\$411,000	\$342,000

¹ Refers to the Lease Obligation issued pursuant to the Master Lease Agreement, dated as of May 30, 2019, by an between The Andover Bank (as Lessor) and the District (as Lessee) and Equipment Schedule No. 1 attached thereto (the "2019 Lease Obligation"). The 2019 Lease Obligation is not considered debt for state law purposes.

Other Lease Obligations (Operating Leases)

The District contracts with ComDoc for copier/fax/scanning equipment. Effective June 1, 2017, the School District entered into a 63-month lease, with a payment of \$4,237 per month.

These equipment lease obligations are not included in the calculation of the total debt of the District.

Future Financings

The School District has no imminent plans for future financings.

Pension Obligations

The tables below show the employee and employer contributions to the retirement programs of certificated and classified employees of the School District for the following school years:

Retirement Programs **State Teachers' Retirement - Certificated Employees**

Year	Employer Contribution		Member Contribution	
	Percent	\$ Amount	Percent	\$ Amount
2016-2017	14.0%	\$1,798,869	14.0%	\$1,782,239
2017-2018	14.0	1,850,254	14.0	1,850,254
2018-2019	14.0	1,942,720	14.0	1,942,720
2019-2020	14.0	1,582,029	14.0	1,582,029
2020-2021	14.0	1,964,284	14.0	1,964,284

School Employee Retirement - Classified Employees

Year	Employer Contribution		Member Contribution	
	Percent	\$ Amount	Percent	\$ Amount
2016-2017	14.0%	\$471,106	10.0%	\$336,505
2017-2018	14.0	482,123	10.0	344,374
2018-2019	14.0	483,707	10.0	345,505
2019-2020	14.0	471,948	10.0	337,106
2020-2021	14.0	459,381	10.0	328,129

Source: Records of the Treasurer of the Board of Education.

The School District's annual contributions to STRS and SERS are treated as a current expense and are paid primarily from its General Fund. Payments are deducted by the State from each bi-monthly School Foundation Program payment. Current law establishes maximum contribution rates to STRS of 10% and to SERS of 10% for the employees' portion and 14% for the employer's portion.

The deduction is made as stated above. Retirement cost is charged to the appropriate accounts two times per month as a result of posting the School Foundation Program payments.

STRS and SERS are not subject to the funding and vesting requirements of the Federal Employee Retirement Income Security Act of 1974.

Both STRS and SERS were created by and operate pursuant to Ohio law. The General Assembly could determine to amend the format of either system and could revise rates or methods of contribution to be made by the School District into the pension funds and revise benefits or benefit levels.

On September 12, 2012, the General Assembly passed S.B. 341 and S.B. 342 modifying SERS and STRS respectively. The Governor signed both bills on September 26, 2012, which became effective January 7, 2013.

S.B. 341 changed multiple aspects of SERS in ways expected to enhance its ability to amortize its unfunded actuarial accrued liabilities within thirty years. Some of the changes made by S.B. 341 include: (1) an increase in minimum age and service requirements with respect to certain employees and (2) a reduction in disability benefits with respect to certain employees. The SERS Board is permitted to modify minimum age and service requirements if an actuary determines such adjustments are necessary to amortize its unfunded actuarial accrued liabilities within thirty years. Current law establishes maximum contribution rates to SERS of 10% for the employees' portion and 14% for the employer's portion.

S.B. 342 changed numerous aspects of STRS in ways expected to enhance its ability to amortize its unfunded actuarial accrued liabilities within thirty years. Some of the changes made by S.B. 342 include: (1) an increase in the minimum age and service requirements with respect to certain employees, (2) an increase in the STRS employee contribution rate from 10% to 14%, in annual increments of 1% a year, starting July 1, 2013, (3) a change in the method by which benefits for certain employees are calculated that is expected to result in a reduction of such benefits, (4) a reduction in the annual cost of living adjustment applied to benefits with a temporary freeze in cost of living adjustments and (5) a reduction in disability benefits to certain employees. Beginning on July 1, 2017, the STRS Board may reduce the employee contribution rate to less than 14% if an actuary determines that such reduction does not materially impair the fiscal integrity of STRS. The STRS Board is also permitted to increase or decrease minimum age and service requirements and cost of living adjustments if an actuary determines that such increase does not materially impair the fiscal integrity of STRS or if such decrease is necessary to preserve the fiscal integrity of STRS.

With the implementation of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*," and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement of Date – an Amendment of GASB Statement No. 68*," the School District had the net pension liability reported and explained in Note 9A to the Basic Financial Statements contained in the Single Audit for the Fiscal Year ended June 30, 2021 (the "FY 2021 Audited Financial Statements"), attached as *Appendix A* hereto.

Accrued Fringe Benefits

All certificated and classified employees may enroll in the group medical, dental, vision and life insurance programs.

All certificated and classified employees working over four hours per day may enroll in the group medical, dental, vision and life insurance programs.

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CONCLUDING STATEMENT

This Annual Financial Information Statement has been duly authorized and prepared by, and executed and delivered for and on behalf of, the Board of Education by its President and Treasurer.

BOARD OF EDUCATION OF THE MADISON LOCAL SCHOOL DISTRICT

By: /s/ Shawn S. Douglas
President

By: /s/ Michael J. Vaccariello
Treasurer

Dated: March 1, 2022

APPENDIX A
AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The FY 2021 Audited Financial Statements have been posted separately through the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board (MSRB) under the applicable issues of the District, under the heading, “FINANCIAL INFORMATION AND DOCUMENTS – Audited Financial Statement or ACFR.”

The FY 2021 Audited Financial Statements are also available from the website of the Ohio Auditor of State at:

<https://ohioauditor.gov/auditsearch/Search.aspx>

Note: The reference to this website is for the purpose of accessing the audited financials of the District only; the District does not make any representation as to the accuracy of the information appearing on such website. The District does not undertake any obligation to maintain or update such website or such information contained on such website.

APPENDIX B
BUDGET APPROPRIATIONS

[SEE ATTACHED]

To approve permanent appropriation for FY2022 as follows:

<u>Fund</u>	<u>#</u>	<u>Amount</u>
General Fund	001	\$27,782,999.41
Bond Retirement	002	\$2,819,034.90
Permanent Improvements	003	\$250,000.00
Food Service	006	\$950,000.00
Special Trust	007	\$8,000.00
Public School Support	018	\$30,000.00
Latchkey/Preschool	020	\$90,000.00
District Agency	022	\$4,000.00
Employees Self Insurance	024	\$31,804.32
Special Revenue	030	\$1,150,000.00
Half Mill Equalization	034	\$200,000.00
Student Activity	200	\$45,000.00
District Managed Activities	300	\$91,000.00
Public Preschool	439	\$128,000.00
Network Connectivity	451	\$6,300.00
ESSER	507	\$2,108,733.39
Coronavirus Relief Fund	510	\$25,101.83
IDEA IV-B	516	\$585,653.23
Bilingual Education	551	\$7,500.00
Title I	572	\$491,204.99
Title IV-Student Support	584	\$31,123.70
Handicapped Preschool	587	\$22,401.34
Improving Teacher Quality	590	\$77,415.30
Miscellaneous Federal Grants	599	<u>\$2,026.75</u>
Total		<u>\$36,937,299.16</u>

APPENDIX C
FIVE YEAR FORECAST

[SEE ATTACHED]

Madison Local - 047886 (Lake)
Fiscal Year 2022 Five-Year Forecast for First Required Submission (Fall)
Submission date: 11/24/2021

Forecast Line and Description	Actual 2019	Actual 2020	Actual 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026
01.010 : General Property Tax (Real Estate)	10,163,245	10,430,846	10,544,249	10,694,249	10,822,720	10,876,834	10,582,583	10,288,604
01.035 : Unrestricted Grants-in-Aid	13,014,942	12,588,937	12,883,262	14,097,242	14,097,242	14,097,242	14,097,242	14,097,242
01.040 : Restricted Grants-in-Aid	46,975	46,195	46,175	46,175	46,175	46,175	46,175	46,175
01.050 : Property Tax Allocation	1,211,739	1,220,097	1,213,766	1,225,000	1,228,063	1,231,133	1,234,210	1,237,296
01.060 : All Other Operating Revenue	3,364,754	2,929,254	3,112,560	1,198,500	1,198,500	1,198,500	1,198,500	1,198,500
01.070 : Total Revenue	27,801,655	27,215,329	27,800,012	27,261,166	27,392,700	27,449,884	27,158,710	26,867,817
02.040 : Operating Transfers-In	104,155	0	0	0	0	0	0	0
02.050 : Advances-In	109,602	55,912	132,530	133,000	133,000	133,000	133,000	133,000
02.060 : All Other Financing Sources	127	0	390,955	0	0	0	0	0
02.070 : Total Other Financing Sources	213,884	55,912	523,485	133,000	133,000	133,000	133,000	133,000
02.080 : Total Revenue and Other Financing Sources	28,015,539	27,271,241	28,323,497	27,394,166	27,525,700	27,582,884	27,291,710	27,000,817
03.010 : Personal Services - Employee Salaries & Wages	16,364,134	15,641,836	15,484,934	15,270,912	16,226,768	16,450,940	16,667,062	16,890,224
03.020 : Employees' Retirement and Insurance Benefits	6,076,412	5,843,390	5,980,263	6,388,543	6,736,253	7,103,952	7,497,064	7,920,126
03.030 : Purchased Services	4,922,801	4,554,302	4,250,725	4,686,428	4,853,761	5,027,450	5,207,755	5,394,942
03.040 : Supplies and Materials	746,828	682,156	494,696	620,950	621,250	621,565	621,896	622,243
03.050 : Capital Outlay	188,207	0	0	5,000	5,000	5,000	5,000	5,000
04.300 : Other Objects	204,738	201,028	285,413	261,167	261,167	261,167	261,167	261,167
04.500 : Total Expenditures	28,503,120	26,922,712	26,496,031	27,233,000	28,704,199	29,470,074	30,259,944	31,093,702
05.010 : Operational Transfers-Out	607,213	489,223	303,813	400,000	400,000	400,000	400,000	400,000
05.020 : Advances-Out	82,212	178,020	164,760	150,000	150,000	150,000	150,000	150,000
05.040 : Total Other Financing Uses	689,425	667,243	468,573	550,000	550,000	550,000	550,000	550,000
05.050 : Total Expenditures and Other Financing Uses	29,192,545	27,589,955	26,964,604	27,783,000	29,254,199	30,020,074	30,809,944	31,643,702
06.010 : Excess Of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(1,177,006)	(318,714)	1,358,893	(388,834)	(1,728,499)	(2,437,190)	(3,518,234)	(4,642,885)
07.010 : Beginning Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	3,406,661	2,229,655	1,910,941	3,269,834	2,881,000	1,152,501	(1,284,689)	(4,802,923)
07.020 : Ending Cash Balance June 30 - Excluding Proposed Renewal/Replacement and New Levies	2,229,655	1,910,941	3,269,834	2,881,000	1,152,501	(1,284,689)	(4,802,923)	(9,445,808)
08.010 : Estimated Encumbrances June 30	1,070,797	927,780	1,137,779	900,000	900,000	900,000	900,000	900,000
10.010 : Fund Balance June 30 For Certification of Appropriations	1,158,858	983,161	2,132,055	1,981,000	252,501	(2,184,689)	(5,702,923)	(10,345,808)
11.020 : Property Tax - Renewal or Replacement	0	0	0	0	0	0	348,635	697,270
11.300 : Cumulative Balance of Replacement/Renewal Levies	0	0	0	0	0	0	348,635	1,045,905
12.010 : Fund Balance June 30 For Certificates of Contracts Salary Schedules, and Other Obligations	1,158,858	983,161	2,132,055	1,981,000	252,501	(2,184,689)	(5,354,288)	(9,299,903)
15.010 : Unreserved Fund Balance June 30	1,158,858	983,161	2,132,055	1,981,000	252,501	(2,184,689)	(5,354,288)	(9,299,903)
20.010 : Kindergarten - October count	107	93	92	92	92	92	92	92
20.015 : Grades 1-12 - October count	2,600	2,532	2,493	2,493	2,493	2,493	2,493	2,493

Madison Local School District
Assumptions
Five-Year Forecast
As Required by the Ohio Department of Education

GENERAL:

This financial forecast presents, to the best of management's knowledge, the District's expected revenue, expenditures and changes in the **General Fund** balance for the forecast period. Accordingly, the forecast reflects its judgment as of **November 16, 2021**, the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecast and actual results because events and circumstances, many out of the District's control, frequently do not occur as expected, and those differences may be material.

This financial forecast includes three years of historical data and five years of projected data in the District's **General Fund**. The current fiscal year, 2022, is the first year of projected data. This forecast does not include the other funds of the district such as debt service, capital projects, food service, joint financing district, state grants or federal grants funds.

REVENUES:

Property Taxes - Property tax revenue estimates are based on current legislation and recent historical growth patterns, including updates and reappraisals, and are substantiated by information provided for the current fiscal year from the county auditor. The property tax figures are based on historical collection levels.

1.010 General Property Tax (Real Estate)

Property values are established each year by the County Auditor based on new construction and complete or updated values. The values reflect the reappraisals for the 2018 values collected in 2019.

The reappraisal update in 2018 resulted in a very little change in real estate tax values. These changes have been factored into the projection for District property values. A revaluation will occur in calendar year 2021 effective for collection year 2022. Any increase in values will have a small effect on the real estate tax revenue as only the inside millage will generate additional funds as a result of this increase. While it is unknown at this time what actual increase in values will occur, the real estate tax revenue has been increased for the effects of an overall 14% estimated increase on that inside millage.

Tax levies are collected on a calendar basis (January through December), and our fiscal year is July through June. Real estate taxes are settled or paid twice a year; in March and September.

Contained in this forecast, as in all prior forecast, there is some additional revenue forecast for new construction. While there is new construction being planned at the State

Route 528 and Interstate 90 interchange, the values added are part of a tax abatement zone. Once complete, the additional development will be 75% abated. This level of abatement means that even significant development in that area will not create a large increase in real estate tax revenue.

1.035 Unrestricted Grants-in-Aid

Unrestricted Grants-in-Aid is the District's revenue received from the State of Ohio, also commonly referred to as foundation payments. In FY2020, as a result of COVID19, we received a budget cut of \$510,353.86 but was later restored at approximately 50% in FY2021. Starting in FY2022, the District might be receiving additional funding from the State budget that included parts of the Fair School Funding Plan. This Plan now funds the district for the students they educate, regardless of where that student resides. Student who reside in and attend the Madison Local School District, as well as those who attend the District through open enrollment are funded at the same amount The Fair School Funding Plan could result in additional funding but the details have not been made available since the budget bill was signed on July 1, 2021. While the original Fair School Funding Plan anticipated a six-year phase in, only the first two years are part of the State biennium budget. Future legislators may vote to either continue the phase in, not continue the phase in or completely change the funding formula. The Ohio Department of Education (ODE) states that the new funding will begin in December and all districts will be made whole and will not receive partial funding. The funding that ODE has estimated is in the forecast for FY2022 is the most current information at this time. The revenue estimated for FY2022 is the same amount used for the estimated revenue for FY2023 through FY2026.

1.040 Restricted Grants-in-Aid

Restricted grants-in-aid are the amounts received for gifted education and career technical education.

1.045 Restricted Federal Grants-in-Aid SFSF

The District does not currently have any restricted federal grants in the general fund.

1.050 Property Tax Allocation

The rollback and homestead reimbursements are tax credits by the State of Ohio granted to owners of real estate property. A 10% reduction in the property taxes paid by the owner is paid by the State to the District. If the property owner occupies the property, then an additional 2.5% reduction in the property taxes is paid by the State to the District instead of the property owner. Increases in this line item are anticipated to reflect the anticipated increases in real estate. This provision was eliminated for new levies passed after 2013.

1.060 All Other Revenues

Other revenues include investment earnings, proceeds from rental of the District facilities, pay-to-participate fees, tuition from other districts for special education students, open enrollment students (for the fiscal years FY2019, FY2020 and FY2021 only), casino revenue and workers' compensation premium rebates. These revenue items

can greatly fluctuate from year-to-year based on changes in interest rates, usage of facilities and students attending the District for either special or regular education.

A major change in the funding is the elimination of open enrollment revenue. The students attending our district from other public school districts will now be funded the same as our resident students and that income will be included in line 1.035 – Unrestricted Grants-in-Aid. The open enrollment revenue previously included in this line was \$1,569,639, \$1,335,148 and \$1,297,415 for FY2019, FY2020 and FY2021, respectively, and are included in line 1.060 in those years in this forecast.

EXPENDITURES

As a result of the passage of a part of the Fair School Funding Plan, not only was the revenue changed, the expenditures of the District were also affected. The District will no longer see a deduction for outgoing open enrollment and charter schools students. Since the formula was changed to funding students where they are educated, the District will no longer initially receive funding for these students just to have it transferred to another school or charter school.

Expenditures that were funded as part of the Student Wellness and Success Funds were removed from the forecast for FY2020 and FY2021. These expenditures are now included in the forecast for the remaining years. These amounts were approximately \$792,800 each year. These funds expired at the end of FY2021.

3.010 Personal Services

This line accounts for the salaries of the entire staff. The current negotiated agreement for the classified staff expires June 30, 2022. The current negotiated agreement for the teaching staff expires August 12, 2022. The forecast includes no increases in base salaries since the current negotiated agreements contained no increase in base salaries. Salaries that are funded from (paid out of) the Elementary and Secondary School Emergency Relief (ESSER). Funds have been removed from the forecast for FY2022. These salaries are included in the forecast for the remaining years. These amounts are approximately \$562,000 each year. Salaries of approximately \$232,100 that were previously funded through the Student Wellness and Success Funds are included in the expenses in FY2022 and beyond.

3.020 Employees' Retirement/Insurance Benefits

This line accounts for the fringe benefits (Board paid contributions to employee retirement systems, medical, dental, vision and life insurance premiums, Medicare, and workers' compensation) of the entire staff. These benefits were calculated using the actual rates for employee retirement systems (14%), Medicare (1.45%) and workers' compensation (1%) of the related salaries shown on the personal services line. Health and life insurance includes an 8% increase in health care costs. Benefits of approximately \$90,500 that were previously funded through the Student Wellness and Success Funds are included in the expenses in FY2022 and beyond.

3.030 Purchased Services

For planning purposes, this area is projected to increase approximately 3% annually. The main budget items in this area include all utilities (gas, electric, water, sewer, phone, garbage), community school tuition, post secondary education option tuition, special education tuition, outgoing open enrollment tuition, property, liability, and vehicle insurance, equipment repairs, rentals, and postage. These budget items are generally considered the fixed cost items of operating the District. Purchased Services of approximately \$470,200 that were previously funded through the Student Wellness and Success Funds are included in the expenses in FY2022 and beyond. As a result of the passage of a part of the Fair School Funding Plan, not only was the revenue changed, the expenditures of the District were affected. The District will no longer see a deduction for outgoing open enrollment and charter schools students. Since the formula was changed to funding students where they are educated, the District will no longer initially receive funding for these students just to have it transferred to another school or charter school.

3.040 Supplies and Materials

For planning purposes, there have been no projected annual increases in costs. The main budget item in this area includes instructional supplies, maintenance and custodial supplies, and transportation fuel and parts.

3.050 Capital Outlay

For planning purposes, there have been no projected annual increases in costs. Capital outlay includes all new and replacement equipment for the District.

Other Financing Uses

These line items cover fund-to-fund transfers and end of year short-term loans from the General Fund to other funds until they have received reimbursement and can repay the General Fund. The debt from the 2011 HB264 project required principal payments beginning in FY2017. The amount of these principal payments is determined annually. An annual principal payment amount of \$80,000 has been included in the forecast.

REVENUE FROM REPLACEMENT/RENEWAL LEVIES

11.020 Property Tax – Renewal or Replacements

A five-year, 1.90 mill operating levy was renewed in 2019. It must be renewed in calendar year 2024. If it is not renewed, the District will lose approximately \$348,635 for fiscal year 2025 and \$697,270 annually thereafter.

ADM FORECASTS

20.010 Kindergarten – October Count

20.015 Grades 1–12 – October Count

Enrollment (ADM) is based on actual numbers for FY2019, FY2020 and FY2021.

Projections are based on the current year enrollment. Many factors will effect the actual change in enrollment. These factors include birth rate, home construction activity, real estate transactions and other economic conditions

APPENDIX D FINANCIAL STATEMENT

FINANCIAL STATEMENT FOR BOARD OF EDUCATION

Ohio Revised Code Sections 133.04, 133.06 and 133.33

I, Michael J. Vaccariello, Treasurer of the Board of Education of the Madison Local School District in Lake and Geauga Counties, Ohio, do hereby certify that the following statements concerning the finances of such Board of Education and School District are true and correct:

1.	Tax valuation of the District as shown by the tax lists and duplicates for the calendar year 2021, the year most recently certified for collection:.....	\$ 455,814,760.00
2.	Total principal amount of all outstanding securities of the Board of Education, including the present issue of \$N/A	\$ 16,393,853.10
3.	Exempt securities included in item 2:	
(a)	Notes issued in anticipation of the collection of current revenues under Section 133.10 O.R.C.:	\$ -0-
(b)	Notes issued in anticipation of the collection of taxes under Sections 133.10 or 133.301 O.R.C.:	\$ -0-
(c)	Notes with maturities over one year and issued in anticipation of the collection of the proceeds from a specifically identified voter-approved tax levy under Section 5705.194 or Section 5705.21 O.R.C.:	\$ -0-
(d)	Securities issued under Sections 139.01 to 139.04 O.R.C. to participate in Federal aid programs:	\$ -0-
(e)	Securities issued prior to August 19, 1994 to finance energy conservation measures under Section 3313.372 O.R.C.:	\$ -0-
(f)	Securities evidencing loans received under Sections 3313.483, 3317.0211 and 3317.64 O.R.C.:	\$ -0-
(g)	Securities issued for school buses and other equipment used in transporting pupils under Section 133.06(D) O.R.C.:	\$ -0-
(h)	Securities issued to establish a self-insurance program for health care benefits under Section 9.833 O.R.C.:	\$ -0-
(i)	Other exempt securities:	\$ 342,000.00
	Total of items 3(a) to 3(i), inclusive:	\$ 342,000.00
4.	(a) Total securities subject to 9% limitation [item 2 minus item 3]:	\$ 16,051,853.10
	(b) Bond retirement fund applicable to principal of such securities:	\$ 0.00
	(c) Net amount subject to 9% limitation:	\$ 16,051,853.10
5.	Securities included in item 4(a), but issued without authority of an election:	\$ 975,000.00
6.	(a) Securities included in item 5 issued for energy conservation measures under Section 3313.372 O.R.C. after August 19, 1994 and Section 133.06(G) O.R.C.:	\$ 975,000.00
	(b) Bond retirement fund applicable to principal of such securities:	\$ 0.00
	(c) Net amount subject to 9/10 of 1% limitation of Section 133.06(G) O.R.C.:	\$ 975,000.00
7.	(a) Unvoted securities issued for other purposes [item 5 minus item 6(a)]:	\$ 0.00
	(b) Bond retirement fund applicable to principal of such securities:	\$ 0.00
	(c) Net amount subject to 1/10 of 1% limitation of Section 133.06(A) O.R.C.:	\$ 0.00
8.	Bonds or notes issued for the purchase of classroom facilities from the State under Chapter 3318 O.R.C., included in item 4(a):	\$ 15,076,853.10
9.	Bonds or notes included in item 4(a) but issued beyond 9% limitation by virtue of certification as approved special needs district under Section 133.06(E) O.R.C.:	\$ 0.00

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of March, 2022.

/s/ Michael J. Vaccariello
Treasurer

APPENDIX E-1
LAKE COUNTY TAX RATES

[SEE ATTACHED]

RATES OF TAXATION FOR 2021 (Payable 2022)

In pursuance of law, Section 323.08, I MICHAEL ZURAN, TREASURER of Lake County, Ohio do hereby give notice that the number of mills levied on each dollar of property listed for taxation within said county for the tax year 2021 is as follows:

<u>FOR GENERAL COUNTY PURPOSES:</u>	<u>INSIDE</u>	<u>OUTSIDE</u>	<u>TOTAL</u>
General Fund	1.00		1.00
Metropolitan Park District (Lake Metroparks)	0.10	3.10	3.20
Lakeland Community College		3.53	3.53
Board of Developmental Disabilities (Deepwood)		4.90	4.90
Board of Alcohol, Drug Addiction & Mental Health Svcs		1.60	1.60
Narcotics Agency		0.30	0.30
Child Welfare		1.10	1.10
Senior Citizens		0.80	0.80
Regional Forensic Crime Laboratory		<u>0.70</u>	<u>0.70</u>
Total	1.10	16.03	17.13

FOR LOCAL PURPOSES - See Table Below

PLEASE NOTE:

On your real estate tax bill, the "Other" distribution is comprised of the following entities for the respective districts noted:

Madison or Perry Fire Districts - (Only Taxing Districts noted in column (A) below)

Lake County School Financing District - (Only Taxing Districts noted in column (B) below)

***Taxes are computed on each \$1,000.00 of assessed valuation.

(Assessed value is 35% of market value)

District No.**	District Name	County	Township	(A) Fire District	Municipal	Library District	School	(B) Lake City School Finance District	Joint Vocational School	Total per \$1,000***	Residential/ Agricultural Effective Rate per \$1,000***	Commercial/ Industrial Effective Rate per \$1,000***	District No.**
1	Madison Township	17.13	14.95	10.48		2.25	59.98	4.90	1.50	111.19	67.153987	82.447389	1
2	Madison Village	17.13	0.95	10.48	5.80	2.25	59.98	4.90	1.50	102.99	60.538415	74.713196	2
3	Perry Township	17.13	6.50	7.40		1.75	44.20	4.90	1.50	83.38	49.204794	78.273468	3
4	Perry Village	17.13	1.30	7.40	2.30	1.75	44.20	4.90	1.50	80.48	46.811697	75.379396	4
5	North Perry Village	17.13	1.30	7.40	2.30	1.75	44.20	4.90	1.50	80.48	46.811697	75.379396	5
7	Leroy Township	17.13	12.80			1.00	59.75	4.90	1.50	97.08	58.454234	67.478906	7
8	Concord Township/Painesville	17.13	12.27			1.00	59.75	4.90	1.50	96.55	57.682100	68.850867	8
9	Concord Township/Chardon	17.13	12.27			1.00	80.68		1.50	112.58	63.005510	80.456645	9
10	Concord Township/Mentor	17.13	12.27			2.00	80.37			111.77	57.979662	78.402125	10
11	Painesville Township	17.13	23.12			1.00	59.75	4.90	1.50	107.40	64.060430	76.320272	11
12	Painesville Township/Fairport	17.13	23.12			1.84	90.64		1.50	134.23	77.165583	102.044609	12
13	Grand River Village	17.13	0.50		7.50	1.00	59.75	4.90	1.50	92.28	53.933043	64.296636	13
14	Fairport Harbor Village/Port Auth.	17.13	0.50		17.86	1.84	90.64		1.50	129.47	74.344064	99.399010	14
15	Painesville City	17.13			10.67	1.00	88.94	4.90	1.50	124.14	67.090964	94.441674	15
16	Mentor City	17.13			4.50	2.00	80.37			104.00	51.882961	70.581239	16
19	Mentor-on-the-Lake City	17.13			27.80	2.00	80.37			127.30	62.761080	83.575929	19
20	Kirtland City	17.13			11.05	1.00	74.33		1.50	105.01	58.499027	62.593453	20
21	Willoughby City/Kirtland	17.13			8.40	1.00	74.33		1.50	102.36	57.582408	62.202882	21
22	Kirtland Hills Village/Mentor	17.13			23.00	2.00	80.37			122.50	70.747290	89.152379	22
24	Kirtland Hills Village/Kirtland	17.13			23.00	1.00	74.33		1.50	116.96	75.159188	78.849862	24
25	Waite Hill Village/Kirtland	17.13			22.20	1.00	74.33		1.50	116.16	74.359188	78.049862	25
26	Waite Hill Village/Willoughby	17.13			22.20	3.30	63.88			106.51	84.145965	91.923624	26
27	Willoughby City	17.13			8.40	3.30	63.88			92.71	67.369185	76.076644	27
28	Willowick	17.13			19.75	3.30	63.88			104.06	80.179559	88.626075	28
29	Wickliffe City	17.13			11.00	2.90	92.61			123.64	78.393026	108.405303	29
30	Lakeline Village	17.13			8.00	3.30	63.88			92.31	69.229755	77.723624	30
31	Willoughby Hills City	17.13			7.30	3.30	63.88			91.61	68.680613	76.703274	31
33	Timberlake Village	17.13			21.20	3.30	63.88			105.51	75.627163	90.923624	33
34	Eastlake City	17.13			12.80	3.30	63.88			97.11	70.738879	81.217804	34
35	Painesville City/P'ville Twp.	17.13			10.67	1.00	59.75	4.90	1.50	94.95	56.342365	66.279608	35
36	Willowick City/Kirtland	17.13			19.75	1.00	74.33		1.50	113.71	70.392782	74.752313	36
37	Eastlake City/Kirtland	17.13			12.80	1.00	74.33		1.50	106.76	60.952102	67.344042	37

Find your appropriate taxing district on the chart above. Multiply the assessed valuation (35% of the market value) by the effective rate for your taxing district and divide by 1,000 (effective rates are per \$1,000 of valuation). As an example, a Painesville City homeowner with an assessed valuation of \$52,500 (\$150,000 market value times 35%) would multiply the \$52,500 by the effective residential rate of 67.090964 for the City of Painesville and then divide by 1,000 which results in \$3,522.28. A Non-Business reduction in real estate taxes is provided by the State of Ohio for all residential/agricultural property in the State and an additional Owner Occupancy reduction is provided for owner-occupied residences. Therefore, in the example above, an additional 8.9384%(Non-Business) or \$314.84 and another 2.2346%(Owner Occupancy) or \$78.71 or a total of \$393.55, would be deducted from the \$3,522.28 amount, which equals a net tax of \$3,128.73. The Non-Business and Owner Occupancy factors will be on your tax bill and can fluctuate between taxing districts. This amount would be for a full year of taxes. It is imperative to understand that with the State Budget that was passed that beginning with the November 2013 election no new, additional, or replacement levies will receive Non-Business or Owner Occupancy Reductions therefore you may no longer be receiving the full 10% and/or 2.5%.

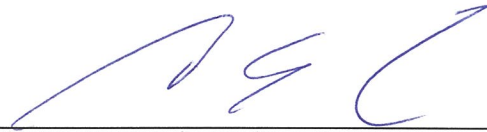
APPENDIX E-2
GEAUGA COUNTY TAX RATES

[SEE ATTACHED]

GEAUGA COUNTY
Rates of Taxation for the Tax Year 2021 (2022 Collection)

LOCAL TAXING DISTRICT		Full Tax Rates										Previous Year			
		Effective Rates		Total County	Total Township	Total School	Total JVSD	Special District	Total Village	Total Park	Total Library	Total 2021	Total 2020	Non-Bus Credit	Owner Occ. Credit
		Agri/Resid	Other												
01.	Auburn Twp-Kenston LSD	64.641739	77.270449	12.650	13.300	89.460	1.500			2.000	2.130	121.040	122.960	8.6254%	2.1563%
02.	Bainbridge Twp-Kenston LSD	69.055710	83.090954	12.650	27.600	89.460	1.500			2.000	2.130	135.340	137.260	8.9452%	2.2363%
03.	Bainbridge Twp-Chagrin Falls EVSD	84.146510	101.141011	12.650	27.600	124.000				2.000	2.130	168.380	169.640	8.3005%	2.0751%
04.	Burton Twp-Berkshire LSD	47.957830	53.151766	12.650	10.350	55.950	1.500			2.000	1.700	84.150	84.980	7.7514%	1.9378%
05.	Burton Village-Berkshire LSD	51.802430	57.863058	12.650		55.950	1.500		15.000	2.000	1.700	88.800	89.630	7.5365%	1.8841%
06.	Chardon Twp-Chardon LSD	59.813134	74.146732	12.650	8.450	80.680	1.500			2.000	2.130	107.410	108.320	8.0965%	2.0241%
07.	Chardon Twp-Riverside LSD	54.489725	62.540956	12.650	8.450	59.750	1.500	4.900		2.000	2.130	91.380	92.980	8.1852%	2.0463%
08.	Chardon Twp-Kirtland LSD	58.062469	60.631532	12.650	8.450	74.330	1.500			2.000	1.000	99.930	102.140	9.4527%	2.3631%
09.	Chardon Twp-Mentor EVSD	53.650570	70.934046	12.650	8.450	80.370				2.000	2.000	105.470	107.040	8.8637%	2.2159%
10.	City of Chardon-Chardon LSD	61.962004	77.109985	12.650		80.680	1.500		14.000	2.000	2.130	112.960	112.120	8.0415%	2.0103%
11.	Chester Twp-West Geauga LSD	56.336504	62.295937	12.650	21.720	49.726		0.200		2.000	2.130	88.426	90.850	8.8216%	2.2054%
12.	Claridon Twp-Berkshire LSD	46.425800	50.807468	12.650	9.690	55.950	1.500			2.000	1.700	83.490	84.320	8.5421%	2.1355%
13.	Claridon Twp-Chardon LSD	59.647629	73.412546	12.650	9.690	80.680	1.500			2.000	2.130	108.650	109.810	8.2190%	2.0547%
14.	Aquilla Village-Chardon LSD	63.137337	81.106690	12.650	6.790	80.680	1.500		9.500	2.000	2.130	115.250	116.410	8.1706%	2.0426%
15.	Hambden Twp-Chardon LSD	62.891876	77.534440	12.650	11.850	80.680	1.500			2.000	2.130	110.810	111.470	7.8277%	1.9569%
16.	Huntsburg Twp-Cardinal LSD	50.546711	62.213924	12.650	9.000	59.560	1.500			2.000	2.130	86.840	88.650	8.7245%	2.1811%
17.	Huntsburg Twp-Berkshire LSD	47.217260	51.483045	12.650	9.000	55.950	1.500			2.000	2.130	83.230	84.370	8.9220%	2.2305%
18.	Middlefield Twp-Cardinal LSD	54.987279	67.624126	12.650	9.600	59.560	1.500	3.800		2.000	2.130	91.240	93.050	7.1113%	1.7778%
19.	Middlefield Village-Cardinal LSD	51.593885	64.344518	12.650		59.560	1.500	3.800	6.450	2.000	2.130	88.090	89.900	7.7394%	1.9348%
20.	Montville Twp-Berkshire LSD	48.533325	53.347814	12.650	11.400	55.950	1.500			2.000	2.130	85.630	86.770	8.2893%	2.0723%
21.	Munson Twp-Chardon LSD	62.828755	78.166753	12.650	14.200	80.680	1.500			2.000	2.130	113.160	114.020	8.0765%	2.0191%
22.	Munson Twp-West Geauga LSD	51.445672	56.958173	12.650	14.200	49.726		0.200		2.000	2.130	80.906	83.530	9.3410%	2.3352%
23.	Newbury Twp-West Geauga LSD	54.055649	58.515762	12.650	14.000	49.726		0.200		2.000	2.130	80.706	86.270	8.7164%	2.1791%
24.	Newbury Twp-Kenston LSD	66.101433	78.142520	12.650	14.000	89.460	1.500			2.000	2.130	121.740	117.560	8.3301%	2.0825%
25.	Parkman Twp-Cardinal LSD	51.596641	64.494137	12.650	10.800	59.560	1.500			2.000	2.130	88.640	90.450	8.2240%	2.0560%
26.	Russell Twp-West Geauga LSD	59.212796	66.521636	12.650	26.300	49.726		0.200		2.000	2.130	93.006	96.060	8.7282%	2.1820%
27.	Hunting Valley/W.Gaega LSD	56.759217	60.556033	12.650		49.726		0.200	16.100	2.000	2.130	82.806	85.730	8.3372%	2.0843%
28.	Russell Twp-Chagrin Falls EVSD	86.349380	104.198451	12.650	26.300	124.000				2.000	2.130	167.080	168.470	7.8406%	1.9601%
29.	S Russell Village-Chagrin Falls EVSD	76.059406	91.560624	12.650		124.000			13.450	2.000	2.130	154.230	155.490	8.1742%	2.0435%
30.	Thompson Twp-Berkshire LSD	48.776631	54.373198	12.650	12.500	55.950	1.500			2.000	2.130	86.730	87.870	8.1866%	2.0466%
31.	Thompson Twp-Madison LSD	52.505921	63.590321	12.650	12.500	59.930	1.500	4.900		2.000		93.480	94.850	8.3185%	2.0796%
32.	Troy Twp-Berkshire LSD	50.664809	54.949382	12.650	15.400	55.950	1.500			2.000	1.700	89.200	87.130	8.1881%	2.0470%
33.	Troy Twp-Cardinal LSD	54.392759	66.070392	12.650	15.400	59.560	1.500			2.000	2.130	93.240	92.150	8.2815%	2.0703%

I hereby certify that these are the tax rates for tax year 2021 as approved by the Geauga County Budget Commission, certified by each taxing district to the County Auditor, with the effective tax rates as certified by the Department of Tax Equalization applied.


Charles E. Walder, Geauga County Auditor

1-7-2022
(Date)

**2022 ADDENDUM
VOLUNTARY DISCLOSURE
REGARDING THE IMPACT OF THE COVID-19 PANDEMIC**

The School District is providing this Addendum on a voluntary basis and by releasing such Addendum undertakes and assumes no obligation to further update the information contained herein except as otherwise required by law.

This Addendum is current only as of date of this Annual Information Statement to which it is attached and the School District makes no representation as to the accuracy or completeness of the information contained herein after the release of such Annual Information Statement.

Information previously provided by the School District

The FY 2021 Audited Financial Statements and the Five Year Forecast of the School District, dated November 24, 2021 (the “November 2021 Forecast”), which are attached as ***Appendix A*** and ***Appendix C*** to this Annual Financial Information Statement, respectively, provide information regarding the impact of the COVID-19 Pandemic on the School District as of the respective dates thereof, including, but not limited to, information available under the following sections:

- FY 2021 Audited Financial Statements
 - Pg. 2: Independent Auditor’s Report - *Emphasis of Matter*
 - Pgs. 9-10: Management Discussion and Analysis – The School District as a Whole - *Governmental Activities* and – The School District’s Funds
 - Pg. 57: Notes to the Basic Financial Statements – COVID-19
 - Pg. 58: Schedule of Expenditures of Federal Awards
 - Pg. 60: Report on Internal Control over Financial Reporting and on Compliance and Other Matters required by *Government Auditing Standards*
- November 2021 Forecast
 - Pg. 4 – “1.035 Unrestricted Grants in Aid.”

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Additional Information

Federal Assistance.

General. The U.S. Congress adopted the following legislation in order to provide federal assistance in managing the collateral effects of the COVID-19 Pandemic:

(a) In March 2020, three separate measures including (i) the Coronavirus Preparedness and Response Supplemental Appropriations Act, (ii) the Families First Coronavirus Response Act, and (iii) the Coronavirus, Relief and Economic Security (or “CARES”) Act, providing approximately \$3 trillion to deliver fast and direct economic assistance to American workers, families and small businesses;

(b) In December 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (the “CRRSA Act”), providing approximately \$900 billion in additional assistance; and

(c) In March 2021, the American Rescue Plan Act of 2021 (the “ARP Act”), providing approximately \$1.9 trillion in additional assistance.

Coronavirus Relief Fund. The CARES Act established the \$150 billion Coronavirus Relief Fund (“CRF”) to provide assistance to states and eligible units of local governments to cover costs that (a) are necessary expenditures incurred due to the public health emergency with respect to COVID-19, (b) were not accounted for in the budget most recently approved as of March 27, 2020 and (c) are expenditures that were incurred from March 1, 2020 through December 31, 2021 (as extended in the CRRSA). Ohio received approximately \$4.5 billion from the CRF, which included approximately \$1.2 billion to be distributed to local government units smaller than 500,000 in population. Approximately \$100 million was allocated to traditional school districts and nonpublic schools to be used for expenses such as protective equipment, cleaning and sanitation and remote learning, with the restrictions in use described above.

The School District was awarded the following CRF assistance: (i) an allocation of \$150,533 from the State and (ii) an additional CRF allocation of \$171,128 from the Village of Madison, Ohio, all of which has been spent or applied to reimbursement for eligible expenditures.

ESSER Funds. In addition to the Coronavirus Relief Fund, the CARES Act also established the Education Stabilization Fund (the “Stabilization Fund”), with a FY 2020 appropriations level of \$30.75 billion. The CRRSA Act provided an additional \$82 billion for the Stabilization Fund, to remain available through September 30, 2022. The Stabilization Fund is comprised of three emergency relief funds for public and non-public institutions of higher education and elementary and secondary schools, including the Elementary and Secondary School Emergency Relief (“ESSER”) Fund. The ESSER Fund was established with a FY 2020 appropriations level of \$13.2 billion (the “ESSER I Fund”), the CRRSA Act provided an additional \$54.3 billion (the “ESSER II Fund”) in assistance, and the ARP Act will provide an additional \$122 billion in assistance (the “ARP ESSER Fund”). The State was awarded an additional allocation of approximately \$4.4 billion from such ARP ESSER Fund.

The ESSER I Fund guidelines provided that local education agencies can use funds from the ESSER I and the ESSER II Funds for purposes including any activity authorized under various federal education laws, coordination of preparedness and response to the coronavirus emergency, technology acquisition, mental health services, and activities related to summer learning. However, with respect to the ARP ESSER Fund, local education agencies must reserve at least 20 percent of its total allocation to address learning loss through the implementation of evidence-based interventions (e.g. after school or summer learning programs) while the remaining ARP ESSER Fund allocation may be used for the same allowable purposes provided for under the ESSER I and ESSER II Funds. States must distribute at least 90% of funds to local education agencies based on their proportional share of Title I-A funds under the Elementary and Secondary Education Act. States have the option to reserve 10% of their respective allocation for emergency needs, as determined by each state, to address issues in responding to the COVID-19 Pandemic.

Each state receiving monies from the ESSER I Fund must meet the reporting requirements of Section 15011 of the CARES Act. In addition, states receiving monies from the ESSER II Fund must not only meet the same reporting requirements applicable to the ESSER I Fund, but must also submit a report to the U.S. Department of Education within six months of award detailing the use thereof, including how such funding is being used to measure and address learning loss among students disproportionately affected by the COVID-19 Pandemic and school closures. States receiving monies from the ARP ESSER Fund must comply with all reporting requirements at such time and manner and containing such information as the U.S. Department of Education may reasonably require. Further, any local education agency that receives funding from the ARP ESSER Fund must, within 30 days of receiving such funds, make publicly available a plan for the safe return to in-person instruction and continuity of services.

The District was awarded \$355,882.49 from the ESSER I Fund¹, all of which has been spent or applied to reimbursement for eligible expenditures as of the date hereof. The District was awarded \$1,395,268.27 in additional funding from the ESSER II Fund. As of the date hereof, the District has received approximately \$1,650,101.03 from the ESSER I and ESSER II Funds. The District was awarded approximately \$3,135,800 in additional funding under the ARP ESSER Fund. The District has used and/or anticipates using ESSER funds for acquiring textbooks and Chromebooks and hiring additional staff to assist with loss of learning due to the COVID-19 Pandemic.

Other legislation may be currently pending and/or may in the future be proposed in the U.S. House of Representatives and/or the U.S. Senate. It cannot be predicted whether, when or in what form any such additional Congressional legislation may be proposed or passed by the U.S. Congress.

Reductions in State Funding. See “AD VALOREM TAX REVENUES - Impact of the COVID-19 Pandemic on 2020-2021 Biennium Budget” in the Annual Financial Information Statement to which this Addendum is attached.

¹ Amount includes a non-public allocation of \$2,146.03 awarded to benefit resident students of the District attending non-public schools. The ESSER I guidelines required administration of such non-public allocation by the District.

Property Tax Revenues. While the effects of the COVID-19 Pandemic on the local economy have the potential to adversely impact property tax revenues, to date, neither property tax valuation nor property tax revenues have been impacted in a materially adverse manner.

While the COVID-19 Pandemic has the potential to adversely affect the finances of the District, to date, the COVID-19 Pandemic has not had a material adverse impact thereon. The federal relief funds received by the District have assisted the District in managing such impact and covering necessary expenditures. The District cannot predict the full effect that the COVID-19 Pandemic will have on its financial condition or operations and will continue to monitor the impact.