NEW ALBANY-PLAIN LOCAL SCHOOL DISTRICT

FRANKLIN COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED

ACTUAL JUNE 30, 2020, 2021, 2022

FORECASTED FISCAL YEARS ENDING

JUNE 30, 2023 THROUGH 2027

Forecast Provided By

NEW ALBANY-PLAIN LOCAL SCHOOL DISTRICT

Treasurer's Office

Rebecca Jenkins, CFO/Treasurer

October 24, 2022

New Albany-Plain Local Schools

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2020, 2021 and 2022 Actual;
Forecasted Fiscal Years Ending June 30, 2023 Through 2027

		Actual				Forecasted				
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Average Change	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
	Revenues									
1.010	General Property Tax (Real Estate)	$51,948,771	$55,629,996	$57,507,236	5.2%	$56,614,170	$56,870,232	$57,802,332	$58,464,357	$59,265,274
1.020	Public Utility Personal Property Tax	-	-	-	0.0%	$0	$0	$0	$0	$0
1.035	Unrestricted State Grants-in-Aid	$3,521,547	3,822,335	3,139,474	-4.7%	3,447,295	3,418,752	3,447,858	3,458,101	3,468,616
1.040	Restricted State Grants-in-Aid	$143,130	185,806	121,900	-2.3%	124,764	124,764	124,764	124,764	124,764
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	$0	$0	$0	$0	$0
1.050	Property Tax Allocation	$5,492,903	5,573,607	5,648,457	1.4%	5,622,306	5,615,564	5,648,835	5,668,483	5,699,782
1.060	All Other Revenues	5,662,447	5,673,197	5,829,787	1.5%	5,832,229	5,878,202	5,925,178	5,973,178	6,022,225
1.070	*Total Revenues*	$66,768,797	$70,884,942	$72,246,853	4.0%	$71,640,764	$71,907,514	$72,948,967	$73,688,883	$74,580,661
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	$0	$0	$0	$0	$0
2.020	State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	$0	$0	$0	$0	$0
2.040	Operating Transfers-In	-	-	-	0.0%	-	-	-	-	-
2.050	Advances-In	-	-	-	0.0%	-	-	-	-	-
2.060	All Other Financing Sources	412,846	838,405	327,219	21.1%	327,219	327,219	327,219	327,219	327,219
2.070	*Total Other Financing Sources*	412,846	838,405	327,219	21.1%	327,219	327,219	327,219	327,219	327,219
2.080	*Total Revenues and Other Financing Sources*	$67,181,643	$71,723,347	$72,574,072	4.0%	$71,967,983	$72,234,733	$73,276,186	$74,016,102	$74,907,880
	Expenditures									
3.010	Personal Services	38,559,339	$39,501,169	$41,748,928	4.1%	$44,849,473	$47,065,108	$49,747,342	$52,021,238	$54,283,379
3.020	Employees' Retirement/Insurance Benefits	11,784,371	12,177,305	12,673,173	3.7%	13,533,944	14,782,081	16,136,890	17,428,227	18,785,734
3.030	Purchased Services	6,286,729	7,013,571	5,972,410	-1.6%	6,769,539	6,912,972	7,061,178	7,214,352	7,372,700
3.040	Supplies and Materials	1,626,783	1,741,461	1,732,528	3.3%	2,061,643	1,950,000	1,989,000	2,028,780	2,069,356
3.050	Capital Outlay	252,961	210,611	127,371	-28.1%	1,071,037	1,075,268	1,079,626	1,084,115	1,088,738
3.060	Intergovernmental	-	-	-	0.0%					
	Debt Service:									
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	225,000	-	-	0.0%	$0	$0	$0	$0	$0
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	4,700	-	-	0.0%	$0	$0	$0	$0	$0
4.300	Other Objects	1,035,659	1,121,232	1,107,180	3.5%	1,317,806	1,328,984	1,340,274	1,351,677	1,363,194
4.500	*Total Expenditures*	$59,775,541	$61,765,349	$63,361,591	3.0%	$69,603,442	$73,114,413	$77,354,310	$81,128,389	$84,963,100
	Other Financing Uses									
5.010	Operating Transfers-Out	4,100,000	4,000,000	5,200,000	13.8%	$2,735,085	$2,735,085	$2,735,085	$2,735,085	$2,735,085
5.020	Advances-Out	-	-	-	0.0%	-	-	-	-	-
5.030	All Other Financing Uses	643,164	646,545	666,756	1.8%	$750,000	$775,000	$775,000	$775,000	$775,000
5.040	*Total Other Financing Uses*	4,743,164	4,646,545	5,866,756	12.1%	3,485,085	3,510,085	3,510,085	3,510,085	3,510,085
5.050	*Total Expenditures and Other Financing Uses*	$64,518,705	$66,411,894	$69,228,347	3.6%	$73,088,527	$76,624,498	$80,864,395	$84,638,474	$88,473,185
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	2,662,938	5,311,453	3,345,725	31.2%	(1,120,544)	(4,389,765)	(7,588,209)	(10,622,372)	(13,565,305)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	29,209,405	31,872,343	37,183,797	12.9%	40,529,521	39,408,977	35,019,212	27,431,003	16,808,631
7.020	*Cash Balance June 30*	31,872,343	37,183,797	40,529,521	12.8%	39,408,977	35,019,212	27,431,003	16,808,631	3,243,326
8.010	*Estimated Encumbrances June 30*	565,415	581,327	696,177	11.3%	750,000	772,500	795,675	819,545	844,132
10.010	*Fund Balance June 30 for Certification of Appropriations*	$31,306,928	$36,602,470	$39,833,344	12.9%	$38,658,977	$34,246,712	$26,635,328	$15,989,086	$2,399,194
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%					
11.020	Property Tax - Renewal or Replacement				0.0%	-	-	-	-	-
11.300	Cumulative Balance of Replacement/Renewal Levies	-	-		0.0%	-	-	-	-	-
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$31,306,928	$36,602,470	$39,833,344	12.9%	$38,658,977	$34,246,712	$26,635,328	$15,989,086	$2,399,194

New Albany-Plain Local Schools

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2020, 2021 and 2022 Actual;
Forecasted Fiscal Years Ending June 30, 2023 Through 2027

		Actual				Forecasted				
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Average Change	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
	Revenue from New Levies									
13.010	Income Tax - New	-	-	-	0.0%	-	-	-	-	-
13.020	Property Tax - New	-	-	-	0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements	-	-	-	0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	$31,306,928	$36,602,470	$39,833,344	12.9%	$38,658,977	$34,246,712	$26,635,328	$15,989,086	$2,399,194

New Albany-Plain Local School District – Franklin County
Notes to the Five Year Forecast
General Fund Only

DISTRICT MISSION:
To ensure the development of high-achieving, ethical, self-directed, and intellectually curious citizens of the world.

STATEMENT OF PURPOSE:
To create a culture of accountability that achieves the best academic and developmental outcomes for each student.

2022-2023 CONTINUOUS IMPROVEMENT PLAN

Commitment to Excellence
The New Albany-Plain Local School District is committed to creating a culture of accountability that achieves the best academic and developmental outcomes for each student. The District aspires, by September 2023, to be ranked in the top 10 or higher of all public school districts for student achievement in the State of Ohio as reported by the Ohio Department of Education (ODE) Performance Index Ranking. As our long term commitment, we aspire to become and remain the best rated school district in the State of Ohio.

Focus
All employees will be accountable for implementing research-based practices including a rigorous and aligned curriculum, common assessments, focused instruction and data-driven decisions to achieve the best academic and developmental outcomes for every student within a fiscally sustainable budget.

<u>Benchmarks and Indicators</u>
Benchmark 1: Increase achievement
● Earn a District Performance Index result of 95% or greater on the Local Report Card.

Benchmark 2: Facilitate a year or more of growth for every year of instruction
● Earn a Progress Component Rating of Four Stars or greater on the Local Report Card. 1

Benchmark 3: Meet or exceed State's achievement gap closing standards for identified subgroups
● Earn a Gap Closing Component Rating of Four Stars or greater on the Local Report Card.

Benchmark 4: Graduate students who are college and career ready
● Earn a Graduation Component Rating of Four Stars or greater on the Local Report Card.
● Students in the Class of 2023 taking the SAT will earn a mean score that is at least 20% higher than the state average as reported by the SAT Cohort Annual Report.
● Administer the PSAT to all eighth graders and the SAT to all juniors during the 2022-23 school year.

Benchmark 5: Enhance school culture and social-emotional well-being
● Administer age-appropriate student surveys to measure the percentage of students who feel safe at school, supported, have at least one staff member to approach with problems, and the effectiveness of specific well-being programs offered in grade-levels.

Benchmark 6: Demonstrate sustainable fiscal management
● Reduce FY23 Five Year Forecast Line Item 4.500 (Total Expenditures) by at least $709,817 resulting in a 1% or greater reduction in total expenditures, to positively increase the District's Five Year Forecast.

Benchmark 7: Ensure community engagement and stakeholder satisfaction
● Administer parent and staff surveys to measure the level of satisfaction with educational quality, school culture, communications, student services, climate and/or fiscal management. Board Adopted - September 19, 2022

Introduction to the Five-Year Forecast
A forecast is somewhat like a future painting based on a snapshot of today. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. A variety of events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast enables district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with ODE when events significantly change their forecast or, at a minimum, when required under the statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer (CFO) of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

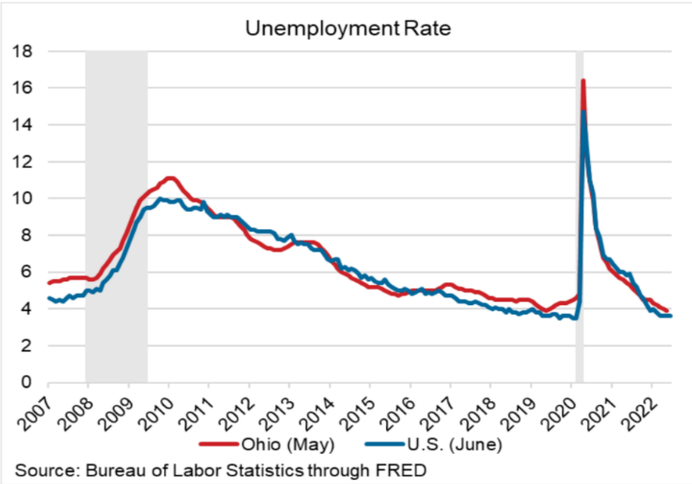
Here are three essential purposes or objectives of the five-year forecast:
(1) To engage the local board of education and the community in long-range planning and discussions of financial issues facing the school district
(2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate"
(3) To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

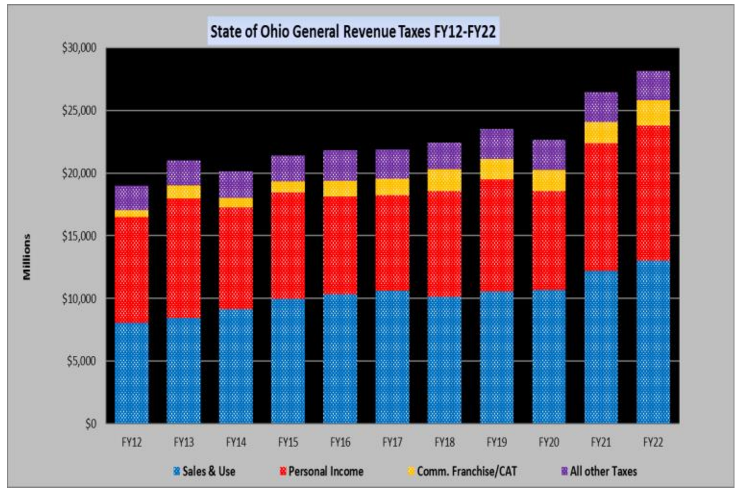
O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five (5) year financial forecast by November 30, 2022, and May 31, 2023, for the fiscal year 2023 (July 1, 2022, to June 30, 2023). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The fiscal year 2023 (July 1, 2022-June 30, 2023) is the first year of the five-year forecast and is considered the baseline year. Our forecast is updated to reflect the most current economic data available for the November 2022 filing.

Economic Outlook
This five-year forecast is being filed during a two-year economic recovery following the COVID-19 Pandemic, which began in early 2020. The effects of the pandemic have lessened, but several supply chain concerns and high inflation continues to impact our state, country, and broader globalized economy. Inflation in June 2022 hit a 40-year high of 9.1% before falling to 8.3% in August. Costs in FY22 were notably impacted in areas such as diesel fuel for buses, electric and natural gas, and building materials for facility maintenance and repair. Increased inflation affecting district costs is expected to continue in FY23; it remains to be seen if these costs are transitory or will last over the next few years, which could significantly impact our forecast and adversely affect state and local funding.

The Federal Reserve Bank has made fighting inflation its number one concern. It is expected that interest rate increases before December 2022 will result in increased unemployment, and many economists anticipate an economic recession in the first half of the calendar year 2023. If that occurs, the recession will happen as the state legislature considers the next biennium budget for FY24 and FY25. Despite the solid economic recovery the state of Ohio has enjoyed over the past two years, as noted below in the graphs, a recession may impact funding for primary and secondary education.

As noted in the graphs below the State of Ohio's economy has steadily recovered over the past two years. School funding cuts made in FY20 have been fully restored, and a new state funding formula is in year two of a projected five-year phase. While increased inflation impacting district costs is expected to continue over the next few years, the state's economy has grown, as indicated in the graphs below. It may enable the state to continue the phase-in of the new funding formula even if a cyclical recession occurs in the first half of the 2023 calendar year.



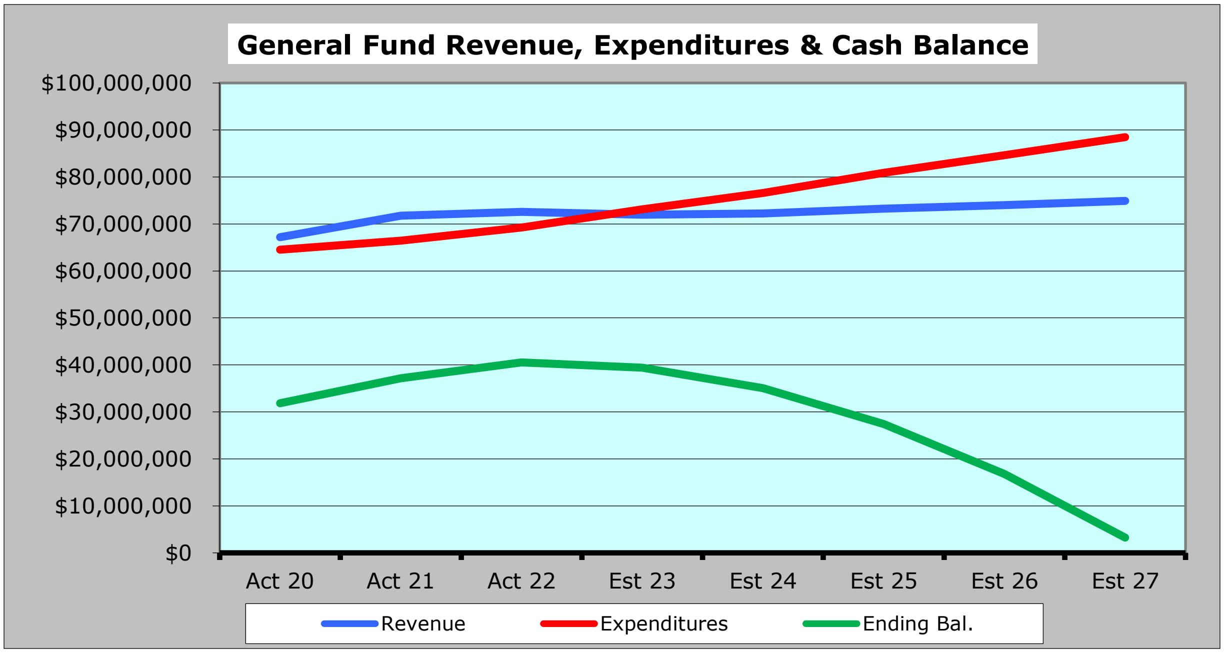


While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER), which began in the fiscal year 2020, the most recent allocation of ESSER funds must be spent or encumbered by September 30, 2024.

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

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Rebecca Jenkins, CFO/Treasurer at 614-855-2040.

General Fund Revenue, Expenditure and Ending Cash Balance:

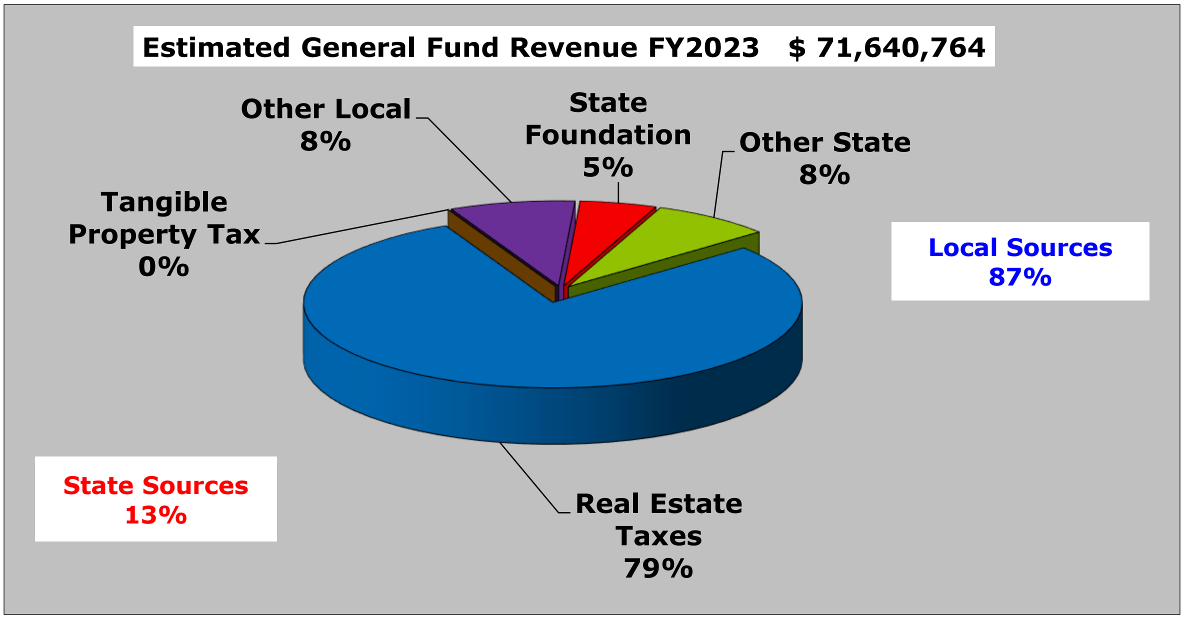


Enrollment Growth

Enrollment growth is a key driver of District expenditures. Below is a snapshot of both actual historical and future projected growth. The 2021 Future Think enrollment projection report is the source of the actual and projected numbers below. The District began using the "Low" projection due to the lower to flat enrollment recently experienced. We will monitor this growth and revise accordingly as we learn more about any future developments.

Grade	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Pre-K-K	282	327	294	268	307	253	433	432	497	428	484	459	463	468	472
1-3	1,112	1,130	1,134	1,122	1,087	1,073	1,051	1,088	1,196	1,128	1,092	1,264	1,268	1,260	1,263
4-6	1,138	1,162	1,166	1,206	1,208	1,178	1,115	1,105	1,103	1,083	1,117	1,185	1,271	1,307	1,315
7-8	690	765	801	817	768	790	724	769	758	791	760	757	746	768	851
9-12	1,210	1,264	1,337	1,410	1,484	1,553	1,536	1,543	1,622	1,592	1,592	1,539	1,485	1,518	1,467
Total	4,432	4,648	4,732	4,823	4,854	4,847	4,959	4,937	5,076	5,022	5,110	5,204	5,233	5,321	5,368

Revenue Assumptions
Estimated General Fund Revenue for FY23



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. A reappraisal update occurred in 2020 for collection in 2021 which produced a 10.98% increase in residential and a 7.34% increase for commercial/industrial property.

New construction growth is projected at 1% of total tax values as a base amount then known material new construction is added to the base amount in all future years. This forecast also includes the abated real estate values rolling onto the tax duplicate as the associated abatements expire. As explained in the "All Other Financial Sources" section below there is an offsetting reduction in the associated income tax sharing agreements which was included in those agreements and expected by the District. In most instances the real estate tax gain is greater than the reduction in income tax sharing. An additional increase in new construction is added to the projection in the years where the abatement expires. Outside of the impact of a new levy, tax collections are anticipated to grow at a rate consistent with new construction and any other value adjustments considered new construction made by the Franklin County Auditor.

It is important to note that Real Estate Collections have been at 99% collection for several years. This is due to the increased collection of delinquent taxes. This will have to be monitored to determine whether to extend the increased delinquent tax rate into future years.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR2025 COLLECT 2026	Estimated TAX YEAR2026 COLLECT 2027
Res./Ag.	$906,151,430	$964,035,894	$965,285,894	$966,535,894	$1,006,447,330
Comm./Ind.	$189,197,380	$206,481,328	$211,981,328	$217,481,328	$227,330,954
Public Utility (PUPP)	$71,753,120	$72,503,120	$71,753,120	$72,503,120	$73,253,120
Total Assessed Valuation	$1,167,101,930	$1,243,020,342	$1,249,020,342	$1,256,520,342	$1,307,031,404

ESTIMATED REAL ESTATE TAX (Line #1.010)

Source	FY23	FY24	FY25	FY26	FY27
Est. Prop. Taxes Including PUPP	$56,614,170	$56,870,232	$57,802,332	$58,464,357	$59,265,274

In general, 53.5% of the new Res/Ag and Comm/Ind. is expected to be collected annually in February tax settlements and 46.5% is collected in August tax settlements. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the Franklin County Auditor.

State Foundation Revenue Estimates

Unrestricted State Foundation Revenue– Line #1.035

The full release of the new Fair School Funding Plan formula occurred in March 2022 and was amended in HB583, passed in June 2022. Complete calculations of the new formula were not available for nearly all of the last fiscal year. We have projected FY23 funding based on the September 2022 foundation settlement and funding factors.

Our district is currently a formula district in FY23 and is expected to continue on the formula in FY24-FY27 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14. It was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110, as amended by HB583, implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. The current formula introduces many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five-year forecast look different with estimates FY23 through FY27 compared to actual data FY20 through FY21 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecast.

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

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

Base Cost Approach- Unrestricted Basic Aid Foundation Funding

The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district that includes base funding for five (5) areas:

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

State Share Percentage – Unrestricted Basic Aid Foundation Funding

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

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

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

Categorical State Aid

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

Unrestricted Categorical State Aid

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

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA)- Formerly Economically Disadvantaged Funding, DPIA is based on number and concentration of economically disadvantaged students compared to state average and multiplied by $422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23. No legislation indicates the percentage increase for FY24 and beyond for DPIA.
2. English Learners – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds –Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. Student Wellness & Success Funding – moved into DPIA funding, is restricted funding and will be spent on same initiatives and requirements that were previously designated under the stand alone fund.

State Funding Phase-In FY22 and FY23 and Guarantees

While the FSFP was presented as a six (6) year phase-in plan, the state legislature only approved the first two (2) years of the funding plan in HB110, which was amended in HB583 in June 2022.. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in 0% in FY22 and 14% in FY23. Transportation categorical funds will not be subject to a phase in.

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

Student Wellness and Success (Restricted Fund 467)

In FY20 and FY21, HB166 provided Student Wellness and Success Funds (SWSF) to be deposited in a Special Revenue Fund 467. HB110, the new state budget, has essentially eliminated these funds by merging them into state aid and wrapped into the expanded funding and mission of DPIA funds noted above and on Line 1.04 below. This is a loss of

$240,000 to the District. Any remaining funds in Special Revenue Fund 467 will be required to be used for the restricted purposes governing these funds until spent fully.

Future State Budgets Projections Beyond FY23

Our funding status for the FY24-76 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason funding is held constant FY23 through FY27.

Casino Revenue

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

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY23-27 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $106.35 million or $59.80 per pupil; actual payments in FY22 were $62.87 per pupil. FY23 Casino revenues have resumed their historical growth rate and assume a 2% annual growth rate for the forecast period.

A) Unrestricted State Foundation Revenue – Line #1.035

Source	FY23	FY24	FY25	FY26	FY27
Basic Aid-Unrestricted	$2,747,653	$2,709,393	$2,728,523	$2,728,523	$2,728,523
Additional Aid Items	$376,980	$376,980	$376,980	$376,980	$376,980
Basic Aid-Unrestricted Subtotal	$3,124,633	$3,086,373	$3,105,503	$3,105,503	$3,105,503
Ohio Casino Commission ODT	$322,662	$332,379	$342,355	$352,598	$363,113
Total Unrestricted State Aid Line # 1.035	$3,447,295	$3,418,752	$3,447,858	$3,458,101	$3,468,616

B) Restricted State Revenues – Line # 1.040

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under "Restricted Categorical Aid" for Gifted, English Learners (ESL) and Student Wellness. The district has elected to also post Catastrophic Aid for special education as restricted revenues. We have flat-lined funding at FY23 levels for FY24-FY27 due to uncertainty on continued funding of the current funding formula.

Source	FY23	FY24	FY25	FY26	FY27
Economically Disadvantage Aid	$382	$382	$382	$382	$382
Career Tech - Restricted	$0	$0	$0	$0	$0
Gifted	$48,604	$48,604	$48,604	$48,604	$48,604
ESL	$8,628	$8,628	$8,628	$8,628	$8,628
Student Wellness	$67,150	$67,150	$67,150	$67,150	$67,150
Total Restricted State Revenues Line #1.040	$124,764	$124,764	$124,764	$124,764	$124,764

C) Restricted Federal Grants in Aid – line #1.045

There are no restricted federal funds projected for the forecast period.

SUMMARY	FY23	FY24	FY25	FY26	FY27
Unrestricted Line # 1.035	$3,447,295	$3,418,752	$3,447,858	$3,458,101	$3,468,616
Restricted Line # 1.040	$124,764	$124,764	$124,764	$124,764	$124,764
Restricted Fed. SFSF /EdJobs #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$3,572,059	$3,543,516	$3,572,622	$3,582,865	$3,593,380

State Taxes Reimbursement/Property Tax Allocation Line 1.050

Rollback and Homestead Reimbursement

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

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled tax payers. In 2007 HB119 expanded the Homestead Exemption for all seniors 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Summary of State Tax Reimbursement – Line #1.050

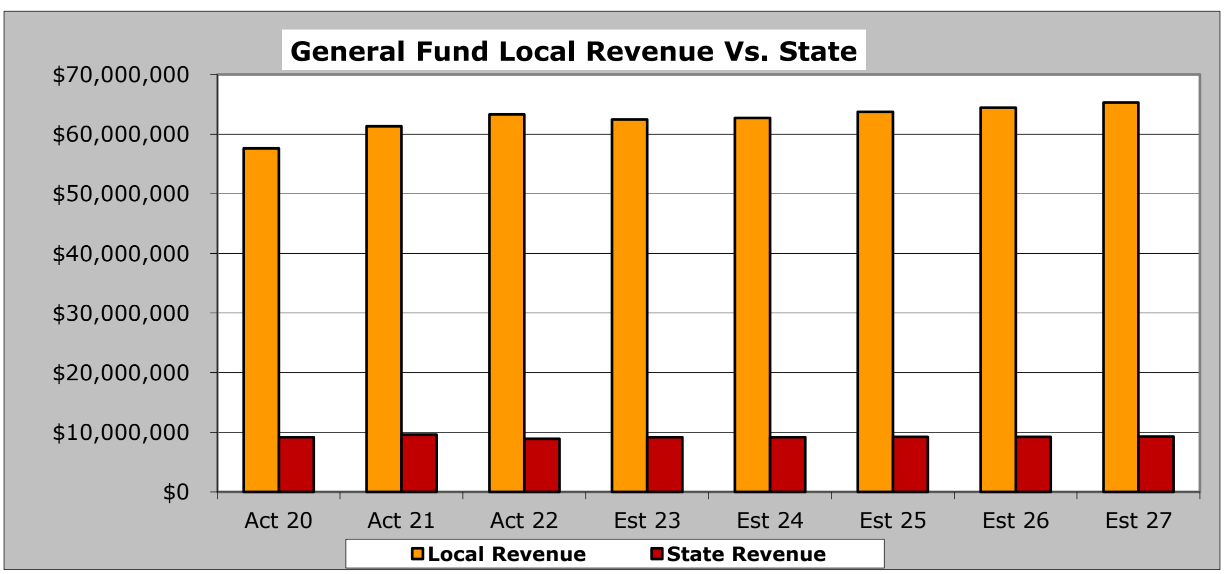
Source	FY23	FY24	FY25	FY26	FY27
Rollback and Homestead	$5,622,306	$5,615,564	$5,648,835	$5,668,483	$5,699,782

Other Local Revenues – Line #1.060

Revenues from all other sources are based on historical growth patterns. This revenue largely consists of income tax sharing revenue and pay-to- participate fees as well as some rental income, tuition payments, and investment income. The income tax sharing portion is projected to decrease based on conversations with the City of New Albany. As abatements begin to expire real estate tax collections will increase as explained in the “Real Estate Value Assumption” section above. This also causes income tax sharing to decrease in accordance with the abatement agreements in place. The district has also expanded its All-Day Kindergarten program which is a tuition based program.

Source	FY23	FY24	FY25	FY26	FY27
Tuition (All Day K; JV Adjsutments)	$992,726	$1,012,581	$1,032,833	$1,053,490	$1,074,560
Interest	$473,960	$483,439	$493,108	$502,970	$513,029
Income Tax Sharing	$3,700,000	$3,700,000	$3,700,000	$3,700,000	$3,700,000
Other Income and rentals	$665,543	$682,182	$699,237	$716,718	$734,636
Total Line # 1.060	$5,832,229	$5,878,202	$5,925,178	$5,973,178	$6,022,225

Comparison of Local Revenue and State Revenue:



Short-Term Borrowing – Lines #2.010 & Line #2.020
There is no short term borrowing planned in this forecast at this time from any sources.

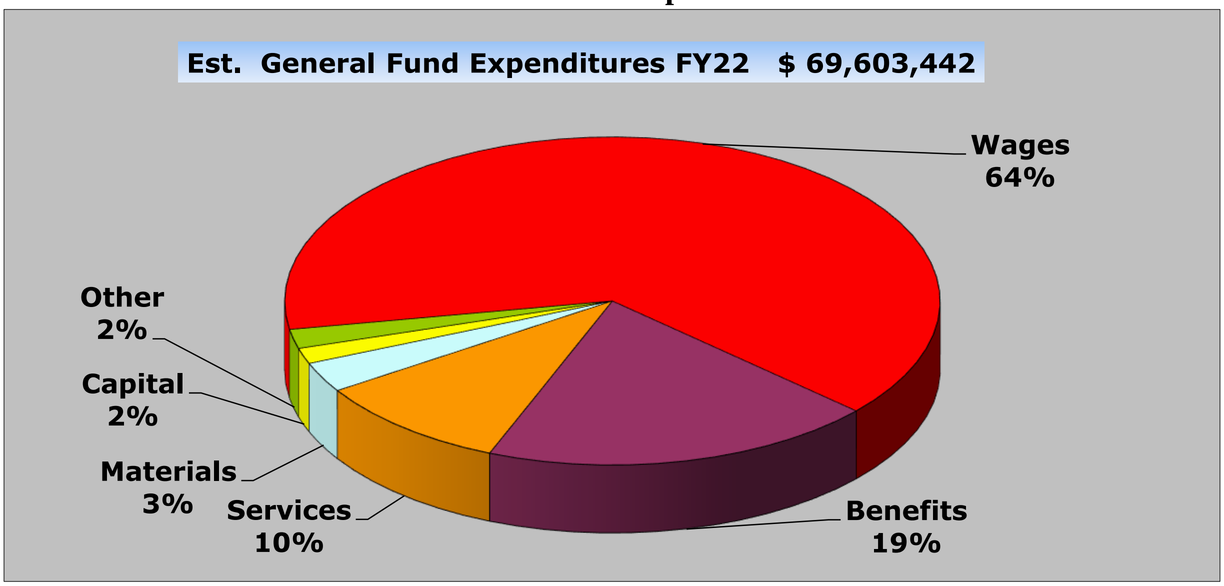
Transfers In / Return of Advances – Line #2.040 & Line #2.050
Returns of advances to other funds from the previous year comprise most of the historical revenue in this category.

All Other Financial Sources – Line #2.060
This funding source is typically a refund of prior year expenditures that is very unpredictable. We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in future years. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students, whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

Estimated General Fund Expenditures for FY23



Wages – Line #3.010
The model reflects the most recent negotiated agreement base increases of 2%, 2% and 1% for FY22, FY23 and FY24 respectively. 1% is included in FY25 through FY27 for planning purposes. The negotiated agreement reflects a standardized 2.5% step increase due to a complete change to the PLEA salary schedule where all steps are 2.5% over a 26 year period. This change ensures the district will not see a "boom and bust" salary cycle. The district included an average step increase of 1.73% for classified bargaining unit members in FY23-FY27. Future negotiations can effect these assumptions. The current negotiated agreements expire on June 30, 2024. New hires have been included in FY23-FY27 for growth and critical need areas as determined by the Superintendent. All new employees hired and funded as part of ESSER funding to address learning gaps due to the pandemic have been brought into FY25 of this forecast. The Superintendent and his team will review the added positions for efficacy to determine their continuance.

The Board of Education also implemented a financial goal of reducing current year (FY23) expenditures (Line 4.50) by $709,817. This has been accomplished in reduced spending in several lines of the forecast with the major reductions taking place in Personnel Services and Fringe Benefits. Wages are running under projections and have been adjusted accordingly.

Source	FY23	FY24	FY25	FY26	FY27
Base Wages	$39,526,517	$41,922,132	$44,031,699	$46,675,863	$48,911,081
Increases	$790,530	$419,221	$440,317	$466,759	$489,111
Steps	$906,753	$993,253	$1,031,656	$1,082,500	$1,123,820
Performance Compensation/One-Time Payments	$872,000	$950,000	$959,500	$969,095	$978,786
Supplemental	$1,329,392	$1,342,686	$1,356,113	$1,369,674	$1,383,371
Temporary/Extended Days/Student/Extra	$590,949	$605,723	$620,866	$636,388	$652,298
New Hires/Adjustments	$698,332	$697,093	$1,172,191	$685,959	$609,912
Severance	$0	$0	$0	$0	$0
Professional Development	$135,000	$135,000	$135,000	$135,000	$135,000
Personnel Reductions/Turnover Reductions	$0	$0	$0	$0	$0
Total Wages Line #3.010	$44,849,473	$47,065,108	$49,747,342	$52,021,238	$54,283,379

Fringe Benefits Estimates Line 3.02

This area of the forecast captures all costs associated with benefits and retirement costs, which all except medical insurance being directly related to the wages paid. The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System (STRS) or the School Employees Retirement System (SERS) as required by Ohio law.

A) STRS/SERS

As required by law the BOE pays 14% of all employee wages to STRS or SERS.

B) Insurance

Due to an exceptionally high claim year the District's health insurance premium increase is 15% in FY23. FY24 includes 12.5%. FY25-27 include a 10% premium increase based on current trends and for planning purposes.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. "Cadillac Tax"), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be about .04% of wages FY23– FY27. Unemployment is expected to remain at a very low level FY23-FY27. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

D) Medicare

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

Summary of Fringe Benefits – Line #3.020

Source	FY23	FY24	FY25	FY26	FY27
STRS/SERS	$6,871,823	$7,217,946	$7,625,103	$7,983,110	$8,333,341
Health Insurances	$5,799,283	$6,663,612	$7,564,411	$8,458,044	$9,425,830
Workers Compensation and Unemployment Comp	$144,993	$151,682	$159,780	$166,645	$173,474
Medicare	$637,673	$668,669	$707,424	$740,256	$772,917
Other	$80,172	$80,172	$80,172	$80,172	$80,172
Total Fringe Benefits Line #3.020	$13,533,944	$14,782,081	$16,136,890	$17,428,227	$18,785,734

Purchased Services – Line #3.030

HB110, the new state budget, will impact Purchased Services began in FY22 as the Ohio Department of Education direct pays these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to show these amounts below as zeros and reduced amounts to help reflect the difference between projected FY23-FY27 Line 3.03 costs and historical FY20 through FY21 costs on the five year forecast. College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend. The district is adding $150,000 for an additional SRO in FY23.

Source	FY23	FY24	FY25	FY26	FY27
Base Services	$1,312,195	$1,351,561	$1,392,108	$1,433,871	$1,476,887
ESCCO, Spec Ed, Legal, ITC-Data Processing	$3,705,744	$3,742,801	$3,780,229	$3,818,031	$3,856,211
Community School Deductions	$0	$0	$0	$0	$0
Other Tuition, Autism Schol, Excess Costs, CCP	$216,000	$222,480	$229,154	$236,029	$243,110
Utilities	$1,210,600	$1,271,130	$1,334,687	$1,401,421	$1,471,492
Innovation and Professional Development	$325,000	$325,000	$325,000	$325,000	$325,000
Budget Modifications	$0	$0	$0	$0	$0
Total Line 3.030	$6,769,539	$6,912,972	$7,061,178	$7,214,352	$7,372,700

Supplies and Materials – Line #3.040

An overall increase of 2% is being estimated for this category of expenses which include all consumable supplies that are purchased to operate the school district, such as textbooks, paper, cleaning supplies, tires and bus fuel. FY23 is based on submitted budgets.

Source	FY23	FY24	FY25	FY26	FY27
Supplies	$2,061,643	$1,950,000	$1,989,000	$2,028,780	$2,069,356
Budget Modifications	$0	$0	$0	$0	$0
Total Supplies Line #3.040	$2,061,643	$1,950,000	$1,989,000	$2,028,780	$2,069,356

Equipment – Line #3.050

Capital outlay is estimated based on historical trends. The district passed a five (5) year permanent improvement levy in FY17 to collect in CY18 which collects approximately $1.2 million each year. The Board of Education committed to continuing to spend the $1.3 million it was spending prior to the levy so the levy ask could be as low as possible. This levy will expire December 2022. The Board of Education approved placing a 1.75 mill five (5) year replacement permanent improvement levy on the ballot on November 8, 2022. The District prepared a long-range capital improvement plan which identifies $2.5 million in capital maintenance/repairs each year. Focused capital expenses are included in this forecast. These funds are only spent when necessary.

Source	FY23	FY24	FY25	FY26	FY27
Capital Outlay	$141,037	$145,268	$149,626	$154,115	$158,738
Bus Purchases/ Capital Repairs	$180,000	$180,000	$180,000	$180,000	$180,000
Capital Improvements and Technology	$750,000	$750,000	$750,000	$750,000	$750,000
Total Equipment Line #3.050	$1,071,037	$1,075,268	$1,079,626	$1,084,115	$1,088,738

HB264 Note Repayment/Interest and Fiscal Charges – Lines 4.050 and 4.060

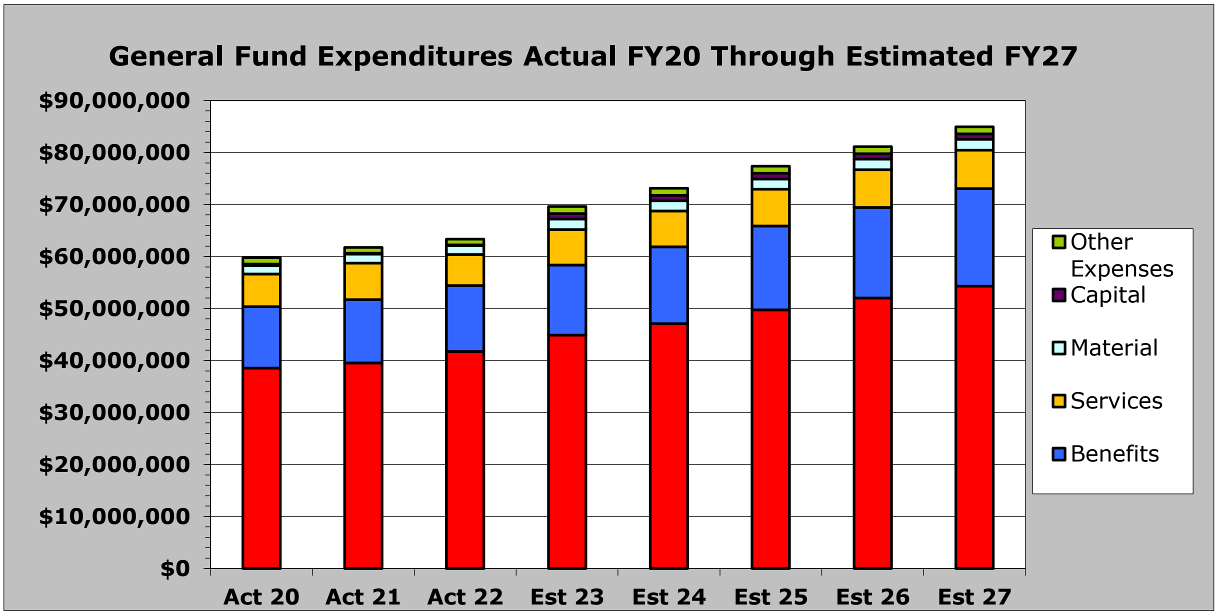
The District completed an energy conservation project in 2005 under HB264 legislation. HB264 allows districts to use the energy savings from replacing inefficient HVAC and mechanical systems with energy efficient systems to repay un-voted debt needed to finance the replacements. The District financed these improvements over a 15-year period and will make its final HB264 debt payment in FY20. The final payment was made in FY21.

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees. Auditor and Treasurer Fees will increase anytime a new operating levy is collected. All other expenditures in this line assume a 3% inflation rate.

Source	FY23	FY24	FY25	FY26	FY27
County Tax Fees & Election Costs	$800,000	$808,000	$816,080	$824,241	$832,483
County Board of Education	$35,000	$35,350	$35,704	$36,061	$36,422
Liability Ins & Other Misc.Costs	$282,806	$285,634	$288,490	$291,375	$294,289
Contingency	$200,000	$200,000	$200,000	$200,000	$200,000
Total Other Expenses Line #4.300	$1,317,806	$1,328,984	$1,340,274	$1,351,677	$1,363,194

Total Expenditure Categories Actual FY19 through FY21 and Estimated FY22 through FY26



Transfers Out/Advances Out – Line #5.010

This account group covers fund to fund transfers and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. Advances are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. Transfers are not repaid to the general fund. Transfers to the Permanent Improvement Fund and Termination Benefits are projected in this line as well as transfers to fund McCoy Performing Arts Center operating costs and Win-Win payments.

Source	FY23	FY24	FY25	FY26	FY27
Transfer Line 5.010	$2,735,085	$2,735,085	$2,735,085	$2,735,085	$2,735,085

Source	FY23	FY24	FY25	FY26	FY27
All Other Financing Uses (Win Win)- Line 5.030	$750,000	$775,000	$775,000	$775,000	$775,000

Encumbrances –Line#8.010

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

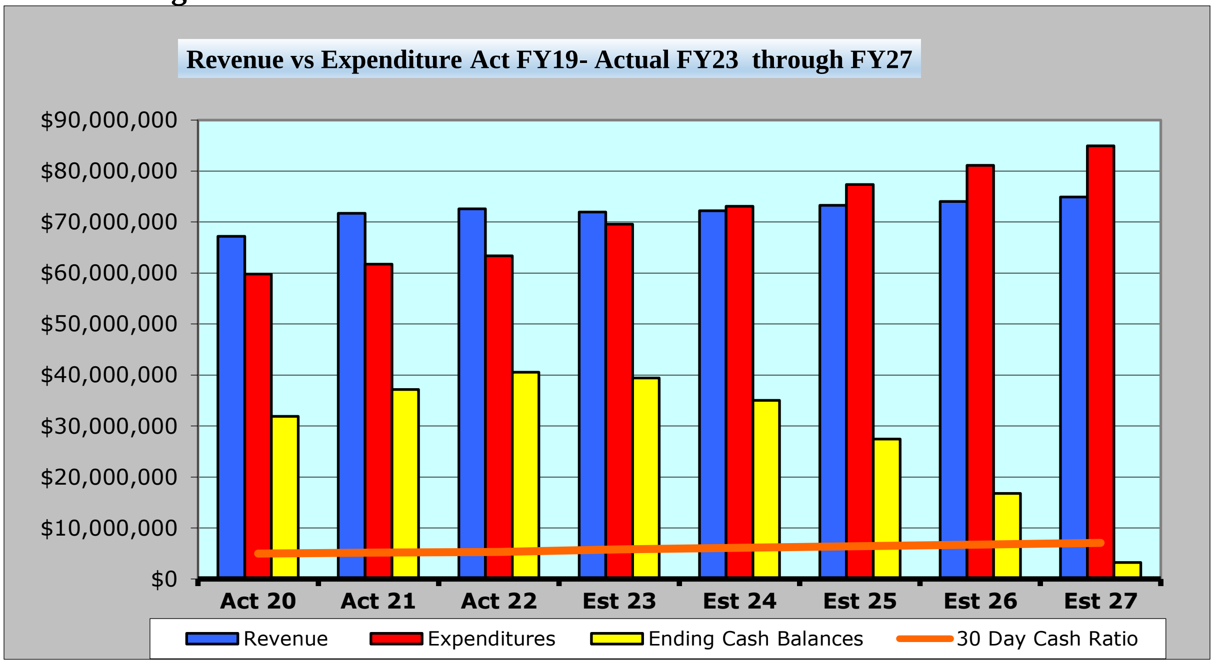
	FY23	FY24	FY25	FY26	FY27
Estimated Encumbrances	$750,000	$772,500	$795,675	$819,545	$844,132

Ending Unencumbered Cash Balance "The Bottom-line" – Line #15.010

This amount must not go below $-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year negotiated contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of ORC5705.412, punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to HB153 effective September 30, 2011. The district drops below a 30-day ending cash balance in FY26 though the balance is still projected to be positive.

	FY23	FY24	FY25	FY26	FY27
Ending Cash Balance	$38,658,977	$34,246,712	$26,635,328	$15,989,086	$2,399,194

General Fund Ending Cash Balance



RISK ASSESSMENT

- Revenue does not grow with inflation or enrollment growth due to HB920 and the state funding formula, respectively. This means current programming may not be sustainable without new revenue. Revenue is largely voter approved in an 87% locally funded school district such as New Albany.

- The amounts estimated for state funding are based on HB110, referred to as the Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110 implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. HB110, the current formula, introduces many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five year forecast look different with estimates FY23 through FY27 compared to actual data FY20 and FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

- Due to the high reliance on local property tax revenue property valuations continue to be a major area of risk given the current economic climate. Franklin County went through a reappraisal in calendar year 2020 and collected in calendar year 2021. The district realized a 10.98% increase in residential and a 7% increase in commercial property values. The next update will occur in calendar year 2023 to collect in 2024. We will continue to monitor this discussion and adjust the forecast accordingly.

- The district has seen an increase in collected delinquent property taxes. This revenue source must also be closely monitored for future fluctuations. The district expects to return to a more normal 95% collection rate from the current FY23 collection rate of 100% at a future date.

- Utility costs are also a risk factor depending on weather conditions and cost increases from year to year. This expenditure area actually benefited from remote learning as utilities were not used to the same level when buildings are empty. The district anticipates a large increase in electric costs beginning in FY23.

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

- Revenue from the income tax sharing agreement with the City of New Albany is also a potential major risk. The district continues a regular dialogue with the City of New Albany leadership for guidance on projecting this revenue source. This revenue source is expected to be approximately $3.7 million to New Albany-Plain Local Schools in FY23. This revenue will decrease as abatements expire as planned and with any economic fluctuation. The unabated property value will then transition into real estate values and the related tax collections will be added to the real estate revenue line. The abatement expiration schedule as reported to the district by the City of New Albany has been included in the real estate and other income lines.

- State reimbursements continue to be a risk especially at the beginning of any biennial budget process. Reimbursements such as Homestead and Rollback could be legislated away just as the TPP reimbursement has been. This revenue source is equal to approximately $5.6 million on existing levies to New Albany-Plain Local Schools.

- The district prepared a campus-wide capital improvement plan. The plan estimates $2.5 million each year for potential permanent improvement needs. The community approved a 5-year 1.25 mill permanent improvement levy in November 2017. The permanent improvement levy generates approximately $1.2 million and the general fund will continue to spend $1.3 million annually. The capital improvement plan has been updated and presented to the Board so they can consider renewal or replacement of the PI levy in November 2022. The Board of Education approved placing a 1.75 mill five (5) year permanent improvement replacement levy on the November 8, 2022 ballot.

- Enrollment growth is a risk to the five-year forecast. As noted on page six (6) of these assumptions, we expect to gain an additional 258 students from FY23 to FY27. The district has uses the “Low” enrollment growth estimate from the Future Think enrollment projection report due to current enrollment trends for planning purposes.

- The District recently learned of a $20 billion investment by Intel to locate within the New Albany City limits. Though in the City limits it will not be within the NAPLS boundaries. However, the District does expect some enrollment impact from this new development. As always, we will continue to work with our City and Community partners to understand what new housing developments are expected. The Board of Education is researching potential third party companies with expertise in helping gauge the development and enrollment impact. A sharp increase or decrease could have a substantial effect on the ending cash balance and must be monitored closely.

- HB59 eliminated the Rollback exemption on any future new or replacement levy after 2013. This means that taxpayers will no longer receive the 12.5% reduction on any new levies. This could make passing any new levy more difficult. This will not affect the total collection for the school district but will shift the tax burden from the State of Ohio onto local taxpayers.

- The district has included increases in purchased services as a result of College Credit Plus that mandates that district’s pay 100% of the tuition for current students attending up to 15 credit hours of higher education per semester as well as all course fees and textbooks. This legislation also prohibits districts from charging any type of fee associated with public colleges. We will continue to monitor this expense.

- Negotiated agreements expire June 30, 2024.