U.S. GRANT CAREER CENTER
CLERMONT COUNTY

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

GRANT
CAREER CENTER

Forecast Provided By
U.S. Grant Career Center School District
Treasurer's Office
Kelly Sininger, Treasurer

May 19, 2022

U.S. Grant Career Center

Clermont County

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

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
	Revenues									
1.010	General Property Tax (Real Estate)	2,311,654	2,270,558	2,142,283	-3.7%	2,189,140	2,258,644	2,151,826	2,168,079	2,184,657
1.020	Public Utility Personal Property Tax	751,919	598,777	429,813	-24.3%	561,217	402,004	278,989	281,913	284,839
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	1,791,543	1,837,117	1,916,242	3.4%	2,342,665	2,707,395	2,708,316	2,709,260	2,710,224
1.040	Restricted State Grants-in-Aid	785,969	774,318	774,529	-0.7%	1,033,052	1,087,380	1,087,380	1,087,380	1,087,380
1.045	Restricted Federal Grants-in-Aid	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	349,659	290,977	291,833	-8.2%	291,059	277,944	279,801	281,717	283,725
1.060	All Other Revenues	376,638	621,193	856,707	51.4%	194,200	152,900	159,637	159,637	159,637
1.070	*Total Revenues*	6,367,382	6,392,940	6,411,407	0.3%	6,611,333	6,886,267	6,665,949	6,687,986	6,710,462
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020	State Emergency Loans	0	0	0	0.0%	0	0	0	0	0
2.040	Operating Transfers-In	0	0	0	0.0%	0	0	0	0	0
2.050	Advances-In	0	3,000	0	0.0%	77,803	0	0	0	0
2.060	All Other Financing Sources	6,453	12,474	0	-3.3%	20,841	0	0	0	0
2.070	*Total Other Financing Sources*	6,453	15,474	0	19.9%	98,644	0	0	0	0
2.080	*Total Revenues and Other Financing Sources*	6,373,835	6,408,414	6,411,407	0.3%	6,709,977	6,886,267	6,665,949	6,687,986	6,710,462
	Expenditures									
3.010	Personal Services	3,911,622	3,726,546	3,557,169	-4.6%	3,719,148	3,813,262	3,846,662	3,964,819	4,084,153
3.020	Employees' Retirement/Insurance Benefits	1,225,914	1,249,648	1,130,653	-3.8%	1,187,949	1,261,551	1,284,477	1,349,388	1,417,319
3.030	Purchased Services	732,108	536,424	628,036	-4.8%	899,870	1,047,416	1,067,459	1,087,951	1,108,902
3.040	Supplies and Materials	310,231	314,418	340,336	4.8%	415,143	589,295	595,188	601,140	607,151
3.050	Capital Outlay	200,774	579,781	154,699	57.7%	230,714	325,000	325,000	325,000	325,000
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0
4.020	Principal-Notes	0	0	0	0.0%	0	0	0	0	0
4.030	Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040	Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050	Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0
4.055	Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060	Interest and Fiscal Charges	0	0	0	0.0%	0	0	0	0	0
4.300	Other Objects	127,351	123,698	129,625	1.0%	140,807	137,674	139,050	140,440	141,845
4.500	*Total Expenditures*	6,508,000	6,530,515	5,940,518	-4.3%	6,593,631	7,174,198	7,257,836	7,468,738	7,684,370
	Other Financing Uses									
5.010	Operating Transfers-Out	250,000	100,000	200,000	20.0%	155,000	130,000	100,000	100,000	100,000
5.020	Advances-Out	0	3,000	77,803	0.0%	0	0	0	0	0
5.030	All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040	*Total Other Financing Uses*	250,000	103,000	277,803	55.5%	155,000	130,000	100,000	100,000	100,000
5.050	*Total Expenditures and Other Financing Uses*	6,758,000	6,633,515	6,218,321	-4.1%	6,748,631	7,304,198	7,357,836	7,568,738	7,784,370
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses*	(384,165)	(225,101)	193,086	-113.6%	(38,654)	(417,931)	(691,887)	(880,752)	(1,073,908)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	7,818,205	7,434,040	7,208,939	-4.0%	7,402,025	7,363,371	6,945,440	6,253,553	5,372,801
7.020	*Cash Balance June 30*	7,434,040	7,208,939	7,402,025	-0.2%	7,363,371	6,945,440	6,253,553	5,372,801	4,298,893
8.010	*Estimated Encumbrances June 30*	51,865	202,184	60,192	109.8%	100,000	100,000	100,000	100,000	100,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	0	0	0	0.0%	0	0	0	0	0
9.020	Capital Improvements	0	0	0	0.0%	0	0	0	0	0
9.030	Budget Reserve	101,846	101,846	101,846	0.0%	101,846	101,846	101,846	101,846	101,846
9.040	DPIA	0	0	0	0.0%	0	0	0	0	0
9.045	Fiscal Stabilization	0	0	0	0.0%	0	0	0	0	0
9.050	Debt Service	0	0	0	0.0%	0	0	0	0	0
9.060	Property Tax Advances	0	0	0	0.0%	0	0	0	0	0
9.070	Bus Purchases	0	0	0	0.0%	0	0	0	0	0
9.080	*Subtotal Reservations of fund Balance*	101,846	101,846	101,846	0.0%	101,846	101,846	101,846	101,846	101,846
10.010	*Fund Balance June 30 for Certification of Appropriations*	7,280,329	6,904,909	7,239,987	-0.2%	7,161,525	6,743,594	6,051,707	5,170,955	4,097,047

U.S. Grant Career Center

Clermont County

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

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	0	0	0	0.0%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.0%	0	0	0	0	0
11.300	Cumulative Balance of Renewal Levies	0	0	0	0.0%	0	0	0	0	0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	7,280,329	6,904,909	7,239,987	-0.2%	7,161,525	6,743,594	6,051,707	5,170,955	4,097,047
	Revenue from New Levies									
13.010	Income Tax - New	0	0	0	0.0%	0	0	0	0	0
13.020	Property Tax - New	0	0	0	0.0%	0	0	0	0	0
13.030	Cumulative Balance of New Levies	0	0	0	0.0%	0	0	0	0	0
14.010	Revenue from Future State Advancements				0.0%	0	0	0	0	0
15.010	*Unreserved Fund Balance June 30*	7,280,329	6,904,909	7,239,987	-0.2%	7,161,525	6,743,594	6,051,707	5,170,955	4,097,047

U.S. Grant Career Center – Clermont County
Notes to the Five-Year Forecast
General Fund Only
May 19, 2022

Introduction to the Five-Year Forecast

A forecast is somewhat like a painting of the future based upon a snapshot of today. That snapshot, however, will be adjusted and the further into the future the forecast extends, the more likely it is that the projections will deviate from actual 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, or replacement), salary increases, or businesses moving in or out of the district. The five-year forecast is viewed as a key management tool and must be updated periodically. In Ohio, most school districts understand how they will manage their finances in the current year. The five-year forecast encourages 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 take place that will significantly change their forecast or, at a minimum, when required under 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 to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important 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 or Board of Education (BOE) of the individual school district with any questions you may have. The Treasurer/CFO submits the forecast, but the BOE is recognized as ultimately responsible for the development of the forecast and the official owner.

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

Economic Outlook

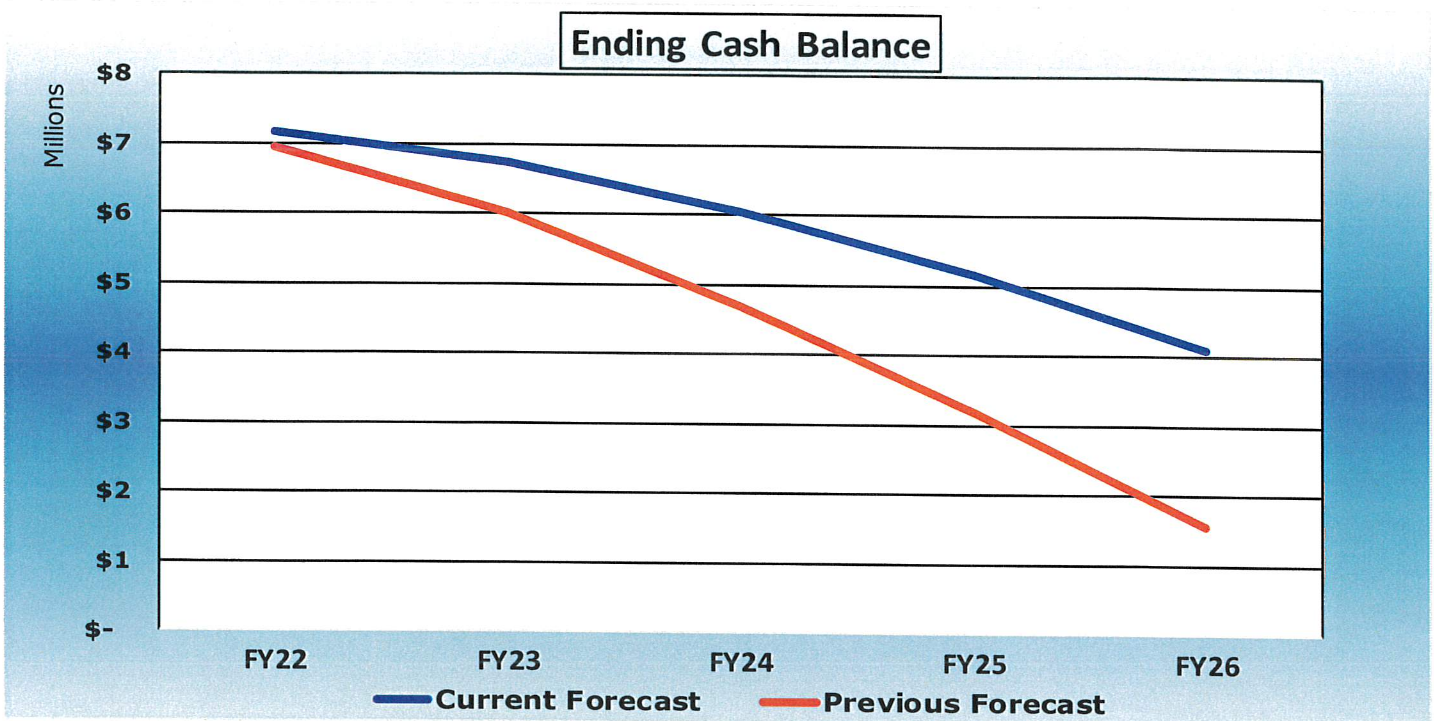
This five-year forecast is being filed during the recovery from the COVID-19 Pandemic which began in early 2020. The effects of the pandemic continue to impact our state, country, and our globalized economy. Inflation during April hit a 40 year high not seen since the early 1980's. While increased inflation impacting district costs are expected to continue in the short-term, it remains to be seen if these costs are transitory or will last over the next few years, which could have a significant impact on our forecast in addition to negative effects on state and local funding.

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

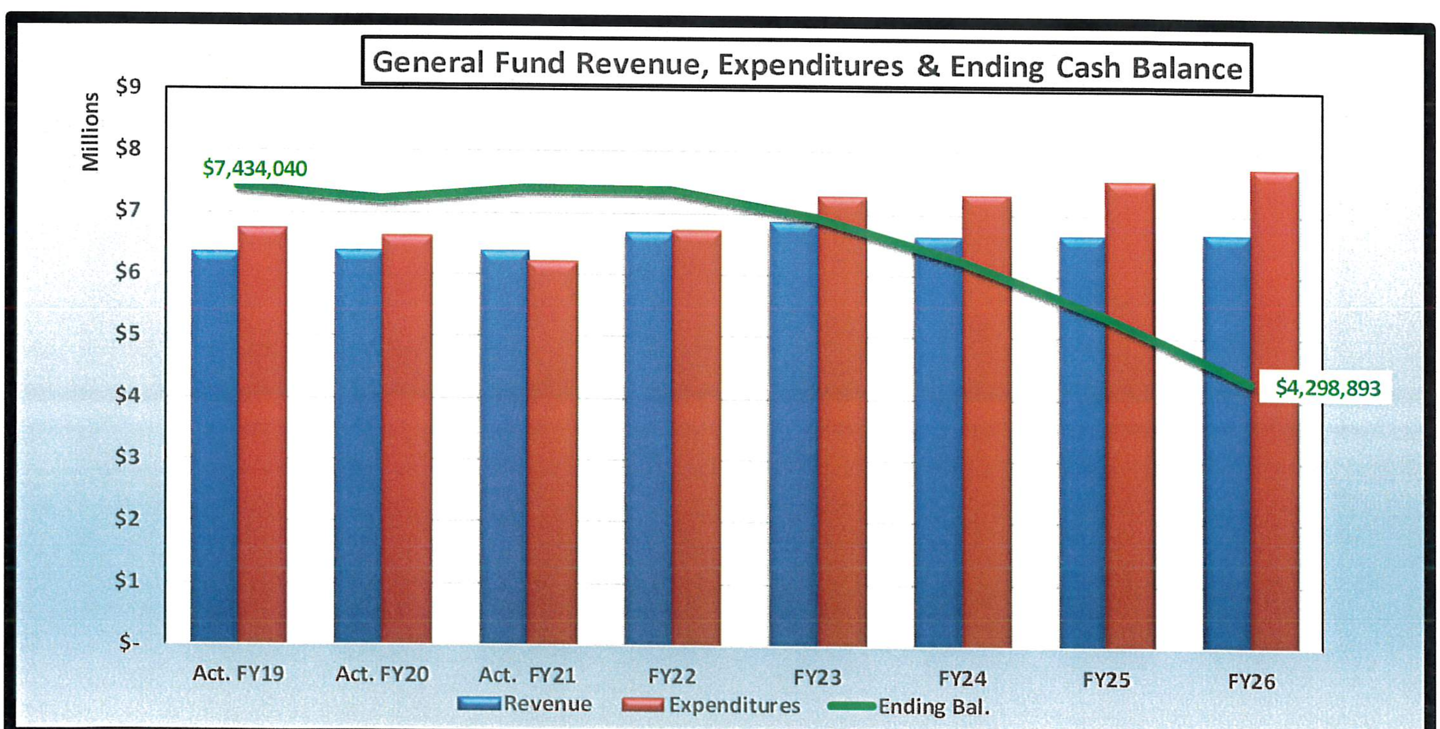
May 2022 Updates:

Overall, the district's financial position has improved when compared to the prior forecast. Since the last forecast was published:

- The new Fair School Funding Plan has been implemented resulting in additional revenues;
- FY22 expenditures are lower than projected as a result of accessing grant dollars; and
- Programmatic changes and retirements have resulted in lower personnel costs during the forecasted period.



A summary of the current forecast is as follows:



Updated Revenues FY22

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be $119,002 or 1.8% higher than the November forecasted amount of $6,492,331. This indicates the November forecast was 98.2% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our second largest source of revenues at 41.6% and are estimated to be $2,750,357, which is $51,058 lower for FY22 than the original November estimate of $2,801,415. Our estimates are 98.2% accurate for FY22 and should mean future projections are on target as well.

Line 1.035 and 1.04 - State Aide began the year with a completely new funding formula with only Legislative Service Commission (LSC) estimates to anticipate our funding for FY22 and FY23. The LSC estimate provided little to no detail on how the funding level was calculated. The November forecast used components of the LSC simulations of HB110 to project anticipated funding. In January of 2022, the first formula calculations were released, in part, by the Ohio Department of Education. While there are still details unpublished at this time, we can see that through April our state aid is estimated to be $3,375,717, which is $202,648 higher than the original estimate for FY22. We are currently on the formula and are expected to remain a formula district for FY23 through FY26.

Line 1.06 - Other revenues are $31,814 under original estimates, primarily due to miscellaneous revenue received by the district, which is somewhat unpredictable year to year.

All areas of revenue are tracking as anticipated for FY22 based on our best information at this time.

Updated Expenditures FY22

Total General Fund expenditures (line 4.5) are estimated to be $6,593,631 for FY22, which is $200,151 lower than the original estimate of $6,793,782 in the November forecast, which is roughly 97.1% on target with original estimates. The primary reasons for the variance include:

- Supplies and Materials – The November forecast projected that student One-to-One laptops would be purchased from the General Fund. Fortunately, grant funding was available which reduced the expenditures in the General Fund.
- Capital Outlay – Federal E-rate reimbursement was received for the District's wireless upgrade project, which reduced the amount of expenditures needed in the General Fund.

Total Other Financing Uses (line 5.04) are estimated to be $155,000 for FY22, which is $55,000 higher than the original estimate of $100,000 in the November forecast. The increase is attributable to severance payments for individuals who have announced their retirements.

All other areas of expenses are expected to run on target with original projections for the year.

Unreserved Ending Cash Balance

With revenues increasing over estimates and expenditures decreasing, our ending unreserved cash balance June 30, 2022 is anticipated to be roughly $7.2 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2026 if assumptions we have made for property tax collections, state aid in future state budgets, and expenditure assumptions remain close to our estimates.

Forecast Risks and Uncertainty

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

Property tax collections are the second largest revenue source for Grant Career Center. The housing market in our district is stable and growing. The forecast reflects projected continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes as the pandemic ends, and the economy continues its recovery as anticipated. Total local revenues, which are predominately local taxes, equate to 44.5% of the district's resources. The tax collections in the August 2021 and February 2022 settlements did not fall due to increased delinquencies as anticipated due to the brief rise in unemployment due to the pandemic in 2020. Long-term, we believe there is a low risk that local collections would fall below projections throughout the forecast.

1. Clermont County experienced a reappraisal in the 2020 tax year to be collected in FY21. The 2020 update increased overall assessed values by $41.1 million or an increase of 5.2%. A triennial update will occur in tax year 2023 for collection in FY24. We anticipate value increases for Class I and II property by $37 million for an overall increase of 4.5%. There is, however, always a minor risk that the district could sustain a reduction in values in the next triennial update, but we do not anticipate that at this time.

2. Zimmer Power Plant is closing May 31, 2022. The power plant currently represents $230 thousand of the Real Estate Property Tax revenues (line 1.01) and $284 thousand of the Public Utility Personal Property (PUPP) Tax revenues (line 1.02). Anticipating the impact of the closure, the forecast assumes that one-half ($142,000) of the PUPP Tax revenues will be eliminated in FY23, with the remaining $142,000 eliminated in FY24.

   Additionally, Zimmer Power Plant is contesting the 2020 real estate valuation of $140 million, which could lower the valuation to $28.5 million. The case is scheduled to be reviewed by the State Board of Tax Appeals on April 19th-20th, 2023. If successful, Grant Career Center and six other public entities would owe a refund on tax year 2020 and 2021. Based upon information received from the Clermont County Auditor's Office, Grant Career Center's refund for these two years totals $366 thousand. The forecast assumes this refund would be paid back over a three-year period beginning in FY24.

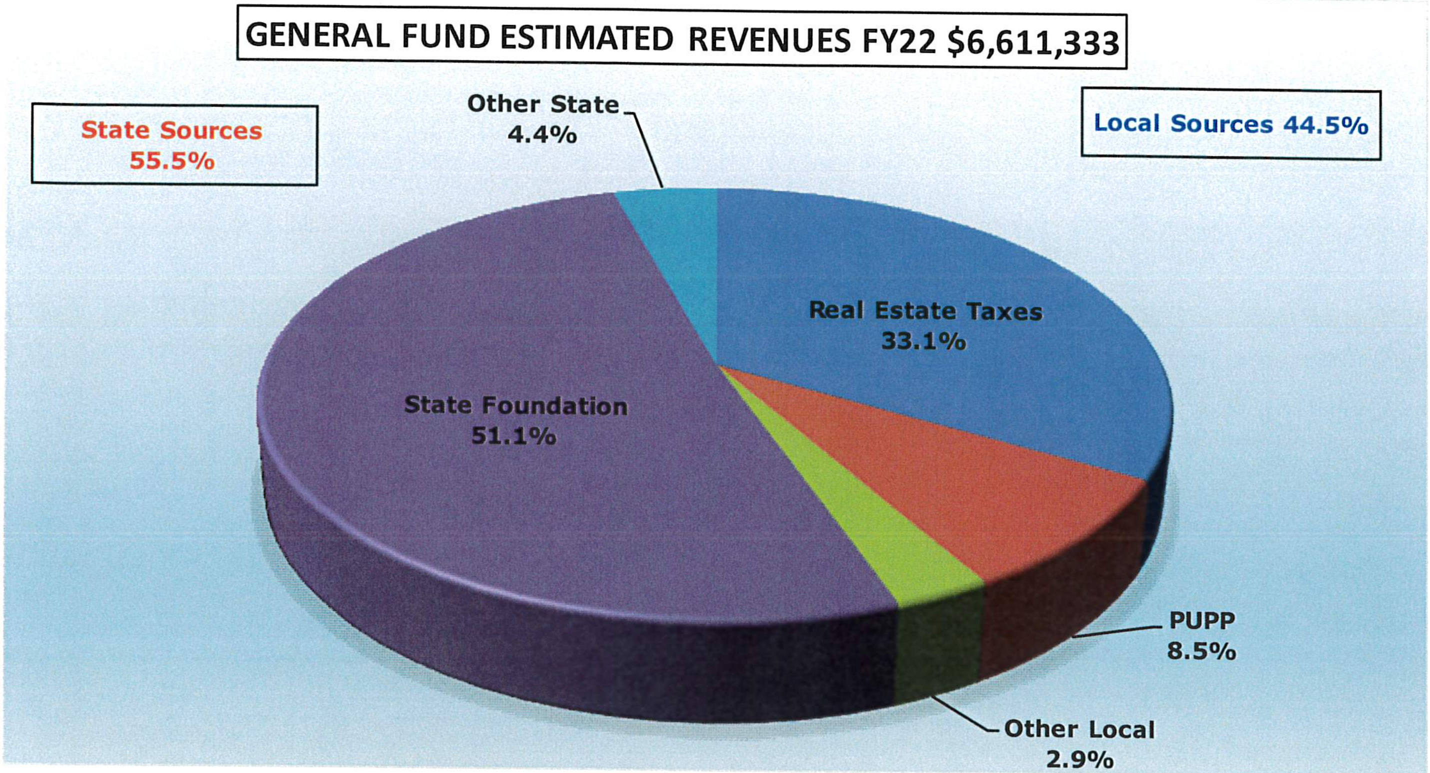
3. The state budget represents 55.5% of district revenues, which means it is a significant area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls due to record high inflation we are witnessing at this time, or the Fair School Funding Plan is not funded in future state budgets due to an economic downturn. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY26. To be conservative, the forecast assumes state funding to be in line with the FY23 funding levels through FY26. The forecast will be updated in future years as additional data is received from the state.

4. HB110, the current state budget, implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula calculations was delayed until January 2022. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. Under the new FSFP funding model, FY22 is the first year in which there are no separate open enrollment revenue payments. The initial impact on the forecast can be seen in FY22 on Lines 1.035, 1.04, and 1.06. There may be adjustments to state aid for FY23 as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula available as of this forecast.

5. HB110 still includes other education option programs such as College Credit Plus which continue to be deducted from state aid and will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can expose the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to the district's state aid and increased costs as any new proposed laws are introduced in the legislature.

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item, and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for the district. If you would like further information please feel free to contact Kelly Sininger, Treasurer.

Revenue Assumptions
Operating Revenue Sources General Fund FY22



Real Estate Value Assumptions – Line # 1.010
Property Values are established each year by the County Auditor based on new construction, demolitions, Board of Revision/Board of Tax Appeals activity and complete reappraisal or updated values. Clermont County experienced a complete reappraisal for the 2020 tax year to be collected in 2021. Residential/agricultural values increased 6% or $40.6 million due to the update led by an improving housing market.

For tax year 2021 new construction in residential property was up 1% or $7 million in assessed value and commercial/industrial values increased $456 thousand. Overall values rose $5.0 million or 0.6%, which includes new construction for all classes of property.

A triennial update will occur in 2023 for collection in 2024 for which we are estimating a 5% increase in residential and a 0.5% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase $37 million or 4.5% overall.

Zimmer Power Plant is contesting the 2020 real estate valuation of $140 million, which could lower the valuation to $28.5 million. The case is scheduled to be reviewed by the State Board of Tax Appeals on April 19th-20th, 2023. If successful, Grant Career Center and six other public entities would owe a refund on tax year 2020 and 2021. Based upon information from the Clermont County Auditor's Office, Grant Career Center's refund for these two years totals $366 thousand. The forecast assumes this refund will be paid back over a three-year period beginning in FY24 ($122 thousand per year).

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Actual TAX YEAR2021 COLLECT 2022	Estimated TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026
Res./Ag.	$727,135,690	$731,029,088	$771,765,789	$776,038,427	$780,496,938
Comm./Ind.	98,856,430	99,331,288	100,355,943	100,968,070	101,330,996
Public Utility Personal Property (PUPP)	95,487,370	47,440,361	47,940,361	48,440,361	48,940,361
Total Assessed Value	$921,479,490	$877,800,736	$920,062,094	$925,446,859	$930,768,295

ESTIMATED REAL ESTATE TAX (Line #1.010)

Source	FY22	FY23	FY24	FY25	FY26
Est. Real Estate Taxes	$2,189,140	$2,258,644	$2,151,826	$2,168,079	$2,184,657
Total Line #1.01 Real Estate Taxes	$2,189,140	$2,258,644	$2,151,826	$2,168,079	$2,184,657

Property tax levies are estimated to be collected at 97.2% of the annual amount. This allows for a 2.8% delinquency factor. In general, 57.3% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 42.7% collected in the August tax settlement. Collections in FY22 were down $5 thousand from the prior year due to reduced delinquent taxes collected in the August and February tax settlements.

Renewal and Replacement Levies – Line #11.02
No renewal or replacement levies are modeled in this forecast.

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

Estimated Tangible Personal Property (TPP) Tax & Public Utility Personal Property – Line#1.020
The phase out of TPP taxes began in FY06 with HB66 that was adopted in June 2005. TPP tax assessments ended in FY11. The only amounts received after FY11 are from delinquent TPP taxes outstanding as of 2010.

Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under Public Utility (PUPP), which were $95.4 million in assessed values in 2021 and are collected at the district's gross voted millage rate. Collections are typically 50% in February and 50% in August along with the real estate settlements from the county auditor. The values in 2021 decreased by 7.5% or $7.8 million.

Zimmer Power Plant is closing May 31, 2022. The power plant currently represents $284 thousand of the district's PUPP tax revenues. Anticipating the impact of the closure, the forecast assumes that one-half ($142,000) of the PUPP Tax revenues will be eliminated in FY23, with the remaining $142 thousand eliminated in FY24.

Source	FY22	FY23	FY24	FY25	FY26
Public Utility Personal Property	$561,217	$402,004	$278,989	$281,913	$284,839
Total PUPP Tax Line #1.020	$561,217	$402,004	$278,989	$281,913	$284,839

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Current State Funding Model per HB110 through June 30, 2023
A) Unrestricted State Foundation Revenue– Line #1.035
The partial release of the new Fair School Funding Plan (FSFP) formula occurred in January 2022, which was halfway through FY22. As of the date of this forecast, there are still some detailed calculations not released. We have projected FY22 and FY23 funding based on the April 2022 foundation settlement and funding factors.

The district is currently a formula district in FY22 and is expected to be a formula district in FY23-26 on the new 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 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 FY22 through FY26 compared to actual data FY19 through FY21 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecast.

Base Cost Approach for Career Technical Districts - Unrestricted Basic Aid Foundation Funding
The new funding formula uses FY18 statewide average district costs, and develops a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each career-technical district. Newer more up to date statewide average costs will not update for FY23 and remains frozen at FY18 levels, while other factors impacting a district's local capacity will update for FY23. Base costs per pupil for career-technical districts includes funding for four (4) areas:

1. Teacher Base Cost (4 subcomponents)
2. Student Support (7 subcomponents-including a restricted Student Wellness component and Career-Technical Education Support Cost)
3. District Leadership & Accountability (7 subcomponents)
4. Building Leadership & Operations (3 subcomponents)

State Share Percentage – Unrestricted Basic Aid Foundation Funding
Once the base cost is calculated, which is currently at a state-wide average of $8,891.03 per pupil in FY22 for career-technical schools, the FSFP calculates a state share percentage (SSP) for each career-technical district. The state share percentage in concept will be higher for districts with less capacity (lower local wealth), and 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 for Grant Career Center is calculated as follows:

Grant Career Center's aggregate base cost as calculated by the FSFP	$ 4,034,870.00	
Less: The Local Share, which equates to a 1/2 mill assessed valuation for Grant Career Center	$ (448,294.00)	11.11049%
Remainder is the State Share	$ 3,586,576.00	88.88951%

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), and finally multiplied by the local share multiplier index for each district. The result is the local per pupil capacity amount of the base per pupil funding amount.

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

Unrestricted Categorical State Aid

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' calculations, to be used toward the state appropriation for Catastrophic Cost reimbursement.

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding, is based on number and concentration of economically disadvantaged students compared to the state average, and multiplied by $422 per pupil. Phase-in increases are limited to 0% for FY22 and 14% in FY23.
2. Career-Technical Education Funds – Based on career-technical average daily membership and five (5) weighted funding categories students enrolled in.

State Funding Phase-In FY22 and FY23 and Guarantees

While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110. The FSFP does not include caps on funding, rather it includes a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding is phased in at 0% in FY22 and 14% in FY23.

Other Restricted CTE State Aid

1. CTE Associated Services – Based on the Funding unit's state share percentage X 0.0294 X Statewide average career technical base cost per pupil for that fiscal year X Sum of the funding unit's categories one through five career-technical education ADM; which are to provide the funds for non-administrative expenditures a school district expends on vocational programming development.
2. CTE Career Awareness and Explorations – Based on $2.50 per ADM in FY22 and $5.00 per ADM in FY23, to provide funds for the delivery of career awareness programs to students enrolled in grades kindergarten through twelve.

CTE Credential Program: The district may receive a portion of the $8 million for high school students who earn an Industry-recognized Credential or receive a journeyman certification recognized by the United States Department of Labor. Also, the district is to receive funding through the Innovative Workforce Incentive Program for students that have completed the industry-recognized credentials and are career-ready. The district will receive a share of a total of $12.5 million earmarked for this credentialing program that has been set aside at the state level for all of the credentials throughout the state. The Department of Education shall pay each city, local, and exempted village school district, community school, STEM school, and joint vocational school district an amount equal to $1,250 for each qualifying credential a student attending the district or school earned in the school year preceding the fiscal year in which the funds are appropriated, which will be prorated if the amount that is appropriated by the Department of Education is insufficient.

Student Wellness and Success Funds (SWSF)

In FY20 and FY21, the district received Student Wellness and Success Funds (SWSF) of $45,231 and $79,536 respectively. The funds were required to be deposited in a Special Revenue Fund 467. HB110, the new state budget, merged these funds into state aid and wrapped them in to the expanded funding and mission of DPIA funds. These funds are now deposited into the General Fund and reflected in the forecast on Line 1.04. For FY22, the amount of Student Wellness & Success funds is $71,019.

Future State Budget Projections beyond FY23

Grant Career Center's funding status for the FY24-26 will depend on two (2) new state budgets, which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason, funding is held constant in the forecast for FY23 through FY26.

Casino Revenue

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

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. FY20 levels appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to the COVID-19 closure, State-wide casino revenues were growing modestly as the economy improved. Original state-wide projections for FY22-26 estimated a 0.4% decline in pupils to 1,778,441 and gross casino revenue increasing to $106.35 million or $59.80 per pupil. Actual payments in FY22 were $62.98 per pupil. FY22 Casino revenues have resumed their historical growth rate and we are assuming a 2% annual growth rate for the forecast period.

Source	FY22	FY23	FY24	FY25	FY26
Basic Aid-Unrestricted	$2,280,290	$2,644,109	$2,644,109	$2,644,109	$2,644,109
Credentials	17,033	17,033	17,033	17,033	17,033
Basic Aid-Unrestricted Subtotal	2,297,323	2,661,142	2,661,142	2,661,142	2,661,142
Ohio Casino Commission ODT	45,342	46,253	47,174	48,118	49,082
Total Unrestricted State Aid Line #1.035	$2,342,665	$2,707,395	$2,708,316	$2,709,260	$2,710,224

B) Restricted State Revenues – Line # 1.040

HB110 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 Student Wellness & Success, and Career Awareness & Explorations. These new restricted funding lines have been estimated using the current funding factors known as of April '22. The amount of DPIA is limited to 0% phase-in growth for FY22 and 14% in FY23. The forecast projects no growth in this line-item beyond FY23 due to the uncertainty on continued funding of the current funding formula.

Source	FY22	FY23	FY24	FY25	FY26
Student Wellness and Success	$71,019	$71,019	$71,019	$71,019	$71,019
Disadvantaged Pupil Impact Aid (DPIA)	60,585	57,857	57,857	57,857	57,857
English Learners	0	0	0	0	0
Career Tech - Restricted	883,494	928,195	928,195	928,195	928,195
CTE Associated Services	5,569	5,516	5,516	5,516	5,516
Career Awareness & Explorations	12,385	24,793	24,793	24,793	24,793
Total Restricted State Revenues Line #1.040	$1,033,052	$1,087,380	$1,087,380	$1,087,380	$1,087,380

C) Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected FY22-26.

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 to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013.

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled residential taxpayers. 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 had 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.

Source	FY22	FY23	FY24	FY25	FY26
Rollback and Homestead	$291,059	$277,944	$279,801	$281,717	$283,725
Total Tax Reimbursements #1.050	$291,059	$277,944	$279,801	$281,717	$283,725

Other Local Revenues – Line #1.060
All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area have been open enrollment, interest, tuition for court placed students, tax increment financing (TIF) payments, and tower lease payments.

HB110, the new state budget, will stop paying open enrollment as an increase to Other Revenue for the district. This is projected below as zeros to help show the difference between projected FY22-26 Line 1.06 revenues and historical FY19 through FY21 revenues on the five-year forecast. Open enrolled students will be counted in the enrolled student base at the school district they are being educated at and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as state basic aid.

In FY21 interest income fell sharply due to federal rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historic trends.

The primary reasons for the spike in 2021 include a one-time payment of $130 thousand from the University of Cincinnati (UC) for renovation of the Mechanical Engineering and Technology (MET) Laboratory, as well as, $27 thousand received from the Ohio Bureau of Worker's Compensation for rebates/dividend payments to help local governments during the pandemic. Also, starting in fiscal year 2021, the forecast reflects $15 thousand per year for Brown & Clermont Adult Career Campuses fiscal management.

In the forecasted period of 2022 through 2026, the forecast reflects an average of $15 thousand per year of tax increment financing revenue, as well as, $25 thousand per year for the partnership with the UC for reimbursement of instructor time in the College Credit Plus engineering class and reimbursement of Common Area Maintenance charges

Source	FY22	FY23	FY24	FY25	FY26
Tax Increment Financing (TIF)	$14,155	$14,155	$23,592	$23,592	$23,592
Open Enrollment	0	0	0	0	0
Interest Earnings	60,000	60,000	60,000	60,000	60,000
E-Rate	44,000	2,700	0	0	0
Miscellaneous	76,045	76,045	76,045	76,045	76,045
Total Other Local Revenue Line #1.060	$194,200	$152,900	$159,637	$159,637	$159,637

Short-Term Borrowing – Lines #2.010 & Line #2.020
There is no short-term borrowing projected in this forecast.

Transfers In / Return of Advances – Line #2.040 & Line #2.050
These are non-operating revenues, which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year.

Source	FY22	FY23	FY24	FY25	FY26
Transfers In - Line #2.040	$0	$0	$0	$0	$0
Advance Returns - Line #2.050	77,803	0	0	0	0
Total Transfer & Advances In	$77,803	$0	$0	$0	$0

All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable. During FY22, the district received $12 from the federal e-rate program for prior year projects. This line-item also includes proceeds from the sale of obsolete equipment. These revenues are inconsistent year-to year-and therefore no projections have been made for the remainder of the forecast.

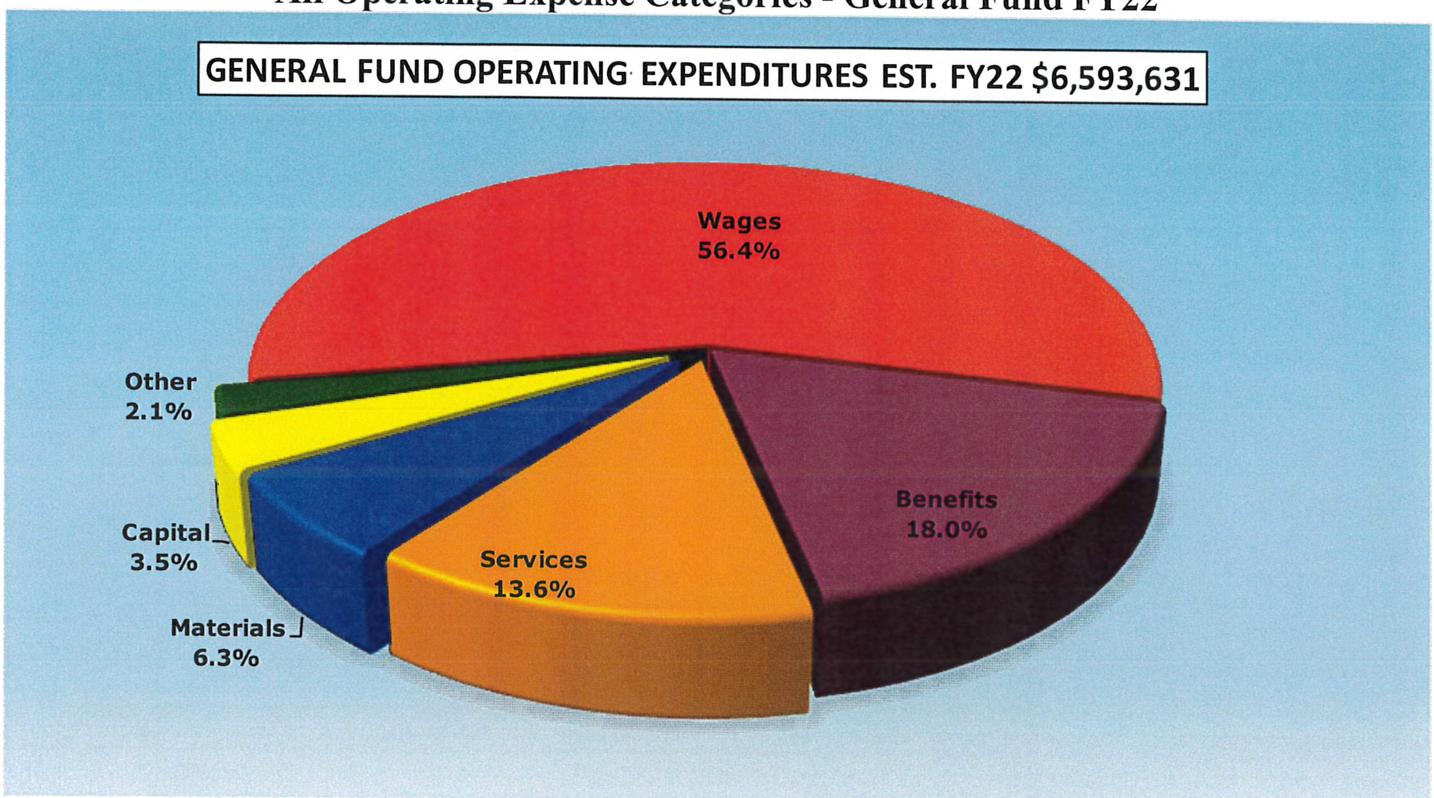
Source	FY22	FY23	FY24	FY25	FY26
Sale of Personal Property	$9,200	$0	$0	$0	$0
Refund of prior years expenditures	11,641	0	0	0	0
All Other Financing Sources - Line #2.070	$20,841	$0	$0	$0	$0

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. The district's mission and values drive the administration's decision-making process when it comes to adding new expenditures:

- Will it improve student performance or operational efficiency?
- Can we afford and sustain it?
- Is it ethical?
- Will it improve student engagement?
- Does it improve partner engagement?
- Does it improve community engagement?

All Operating Expense Categories - General Fund FY22



A more in-depth description of each Expenditure line-item follows:

Wages – Line #3.010

This line-item is the largest expense of the district and consists primarily of salaries/wages paid to staff. Substitutes and supplemental extracurricular contracts, as well as payments for the Board of Education can also be found in this line-item. This forecasted amounts for FY22-26 reflect a step on the salary schedule and a 2.0% increase to the base salary. Administration will typically see similar increases, however, administrative salaries are reviewed on an annual basis.

The district continually monitors the staffing levels to effectively manage this significant line-item. The prior forecast included the addition of one administrative position beginning in FY23. This forecast removes the additional cost related to that position, as the role will be filled with current personnel. In addition, this forecast reflects the elimination of one teaching position effective FY24, and reduces existing administrative salaries by $27,000 per year as a result of projected savings in retire/rehire positions.

Source	FY22	FY23	FY24	FY25	FY26
Base Wages & Payout of Personal Leave	$3,408,737	$3,514,408	$3,605,654	$3,636,129	$3,751,302
Based Pay Increase	68,175	70,288	72,113	72,723	75,026
Steps & Academic Training	37,496	38,658	39,662	39,997	41,264
Growth Staff	0	(17,700)	(81,300)	0	0
Extra Time/Stipend/BOE	10,340	10,340	10,340	10,340	10,340
Substitutes	51,000	51,000	51,000	51,000	51,000
Supplementals	143,400	146,268	149,193	152,177	155,221
Other Adjustments/Reductions	0	0	0	2,453	0
Total Wages Line #3.010	$3,719,148	$3,813,262	$3,846,662	$3,964,819	$4,084,153

Employees' Retirement/Benefits – Line #3.020

This area of the forecast captures all costs associated with benefits and retirement costs. These payments along with HSA costs are included in the table below.

A) STRS/SERS will increase as Wages Increase

As required by law, the BOE pays 14% of all employee wages to the State Teachers Retirement System (STRS) or the School Employees Retirement System (SERS).

B) Insurance

The forecasted amounts include a 5.5% increase for FY22 and 7.5% increase for FY23-26, which reflects trend and the likely increase in health care costs as a result of actual claims incurred. This is based on the current employee census and claims data.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be approximately 0.15% of wages FY22-26. Unemployment is expected to remain at a very low level FY22-26. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if there are employees who are eligible and draw unemployment.

D) Medicare

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

Source	FY22	FY23	FY24	FY25	FY26
A) STRS/SERS	$614,515	$630,127	$635,618	$655,234	$675,047
B) Insurance's	499,322	555,771	572,658	615,981	662,180
C) Workers Comp/Unemployment	5,579	5,720	5,770	5,947	6,126
D) Medicare	55,334	56,734	57,232	59,027	60,767
Other/Tuition/Annuities	13,199	13,199	13,199	13,199	13,199
Total Fringe Benefits Line #3.020	$1,187,949	$1,261,551	$1,284,477	$1,349,388	$1,417,319

Purchased Services – Line #3.030

This line-item primarily includes contracted services, utilities, professional development/meeting expenses, memberships, legal expenses, and travel/mileage. Contracted services include items such as computer services received from the Hamilton Clermont Cooperative, instructional services contracted through Bethel-Tate Local School District for the satellite program, and instructional services contracted through Child Focus for the early childhood education program.

College Credit Plus will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

The COVID-19 pandemic resulted in instruction being delivered remotely during the last quarter of fiscal year 2020, and several times during fiscal year 2021. In addition, many CTSO events and staff professional development were either cancelled or were held virtually in fiscal year 2020 and 2021. For fiscal years 2022-2026, the forecast reflects pre-COVID expenditure levels for those types of expenditures.

The District's new strategic plan is on-track to be fully implemented in fiscal year 2023. The plan's purpose is to move the District forward toward achieving the aspirations set by the Board of Education. One of the Board's aspirations is "The District leads educational innovation nationally to assure student engagement and success". The District has set aside $125 thousand per year starting in 2023 for innovative projects. The District has developed an Innovation Action Planning process that will be followed to identify projects that are eligible for this funding. The actual projects may include Supplies & Materials, Capital Outlay, etc., however for purposes of forecasting the entire $125 thousand is accounted for in Purchased Services.

Source	FY22	FY23	FY24	FY25	FY26
Professional & Technical Services, ESC - Bethel LSD	$110,325	$113,635	$117,044	$120,555	$124,172
Maintenance, Insurance & Garbage Removal	30,568	31,485	32,430	33,403	34,405
Professional Development	583,887	595,565	607,476	619,626	632,019
Communications, Postage, & Telephone	13,888	14,305	14,734	15,176	15,631
Utilities (Duke, Clermont Water & Bethel Utilities)	100,000	105,000	107,100	109,242	111,427
College Credit Plus	61,202	62,426	63,675	64,949	66,248
Strategic Plan Innovation	0	125,000	125,000	125,000	125,000
Total Purchased Services Line #3.030	$899,870	$1,047,416	$1,067,459	$1,087,951	$1,108,902

Supplies and Materials – Line #3.040

This line-item includes instructional supplies, technology supplies, custodial/operational supplies, marketing supplies and general office supplies. An overall inflation of 1% is being estimated for this category of expenses which are characterized by textbooks, copy paper, maintenance supplies and fuel.

In 2020, student laptops for the One-to-One program were purchased from the Capital Outlay line-item. Starting in 2021, new laptops are charged to Supplies, as they do not meet the capitalization threshold of $5,000 with a useful life of more than 5 years. In fiscal years 2020 - 2022, the majority of One-to-One laptops have been purchased with grant funding. The projections for 2023 through 2026 anticipate the laptops will be funded from the General Fund, however, we will continue to use grant funds to the extent they are available.

Source	FY22	FY23	FY24	FY25	FY26
General Office Supplies & Materials	$316,413	$319,577	$322,773	$326,001	$329,261
Textbooks & Instructional Supplies	9,773	59,871	60,470	61,075	61,686
Facility Supplies & Materials	38,957	39,347	39,740	40,137	40,538
Technology Replacement	50,000	170,500	172,205	0	175,666
Total Supplies Line #3.040	$415,143	$589,295	$595,188	$601,140	$607,151

Capital – Line # 3.050
This line-item reflects the cost of instructional, as well as, building capital acquisitions and replacement equipment. Career based programming requires ongoing capital equipment to stay abreast of industry needs and provide relevant programming for our students. Starting in fiscal year 2023 the forecast reflects a consistent, annual investment in capital projects of $325 thousand.

Source	FY22	FY23	FY24	FY25	FY26
Capital Outlay & Maintenance	$230,714	$325,000	$325,000	$325,000	$325,000
Total Equipment Line #3.050	$230,714	$325,000	$325,000	$325,000	$325,000

Other Expenses – Line #4.300
This line-item primarily includes the cost of property and liability insurance, county auditor and county treasurer fees for collection and distribution of property taxes, audit fees, memberships, student awards, and miscellaneous expenses not categorized elsewhere. The forecast includes a 1% annual increase for most expenses in this category.

Source	FY22	FY23	FY24	FY25	FY26
County Auditor & Treasurer Fees	$42,000	$42,420	$42,844	$43,272	$43,705
Liability Insurance	34,101	34,442	34,786	35,134	35,485
Annual Audit Costs	17,367	13,000	13,130	13,261	13,394
Dues, Fees & other Expenses	47,339	47,812	48,290	48,773	49,261
Total Other Expenses Line #4.300	$140,807	$137,674	$139,050	$140,440	$141,845

Transfers Out/Advances Out – Line# 5.010 & #5.020
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.

Historically, this line-item consists primarily of transfers-out to other District funds. Below is a summary of transfers that occurred during 2018-2021, and thus far in 2022:

Year	Amount	Transfer To:
2018	$250,000	Adult Education Fund
2019	$50,000	Food Service Fund
2019	$200,000	Adult Education Fund
2020	$100,000	Termination Benefits Fund
2021	$200,000	Adult Education Fund
2022	$100,000	Adult Education Fund

The forecasted amounts for FY22 and FY23 include projected transfers to the Termination Benefits fund for retirements of $55,000 and $30,000 respectively. Fiscal years 23-26 include a $100,000 transfer to the Adult Education Fund.

Source	FY22	FY23	FY24	FY25	FY26
Operating Transfers Out Line #5.010	$155,000	$130,000	$100,000	$100,000	$100,000
Advances Out Line #5.020	0	0	0	0	0
Total Transfer & Advances Out	$155,000	$130,000	$100,000	$100,000	$100,000

Debt Service:
The District currently has no General Fund Debt issuances.

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.

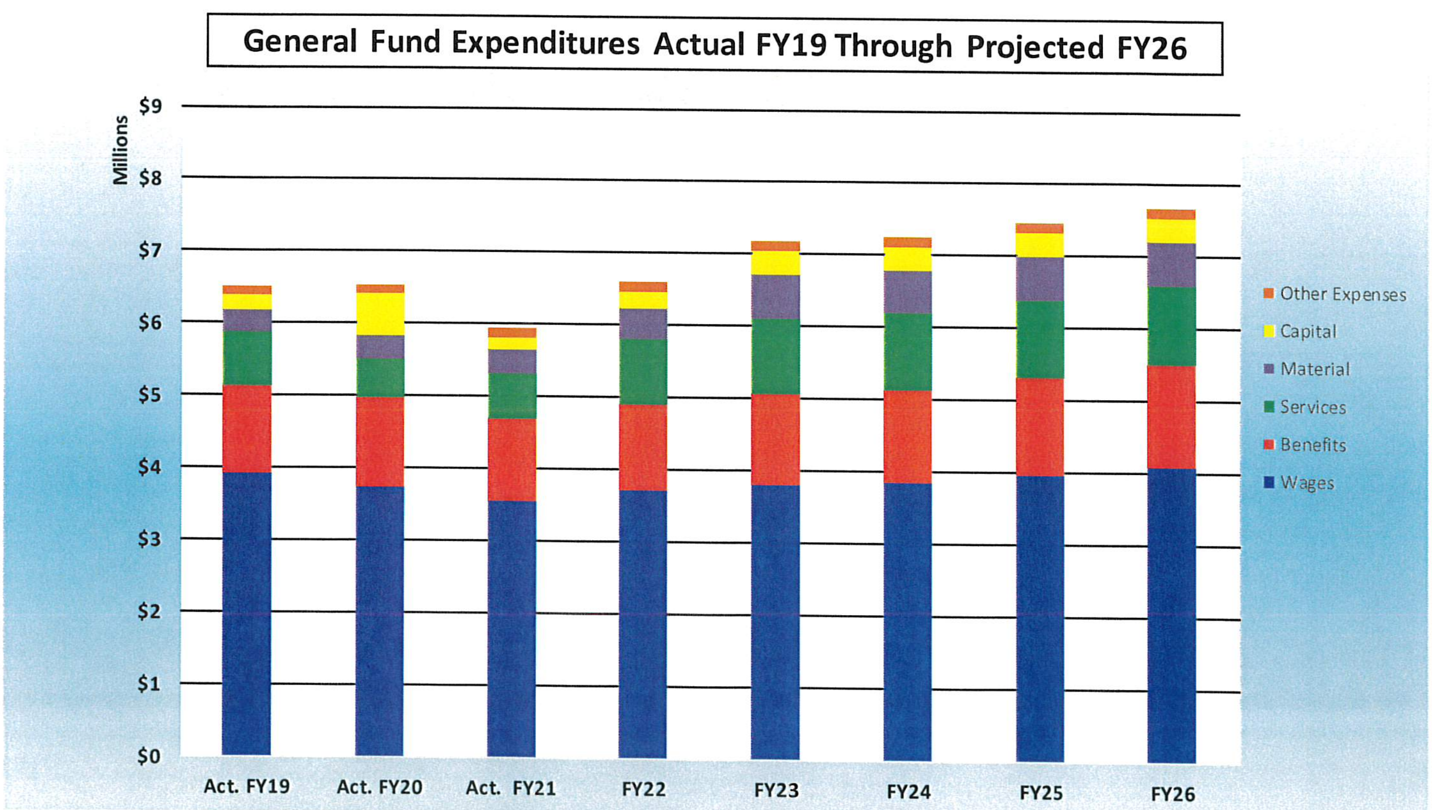
Source	FY22	FY23	FY24	FY25	FY26
Estimated Encumbrances Line #8.010	$100,000	$100,000	$100,000	$100,000	$100,000

Operating Expenditures Actual FY19 through FY21 and Estimated FY22-26

As the following graph indicates, we have been diligent at reducing costs in reaction to lower state and local revenues. Specific examples include:

- Reducing full-time staff from 57 to 48
- Reducing the district's share of health and dental insurance from 85% to 80%;
- Merging the adult education program with Southern Hills Technical Center, thus reducing the cost to the General Fund;
- Contracting for food service operations with Clermont-Northeastern Local School District, thus reducing the cost to the General Fund;
- Contracting with Child Focus to provide instruction for the Early Childhood program;

We are maintaining control over our expenses while balancing student educational needs to enable them to excel and do well on state performance standards.

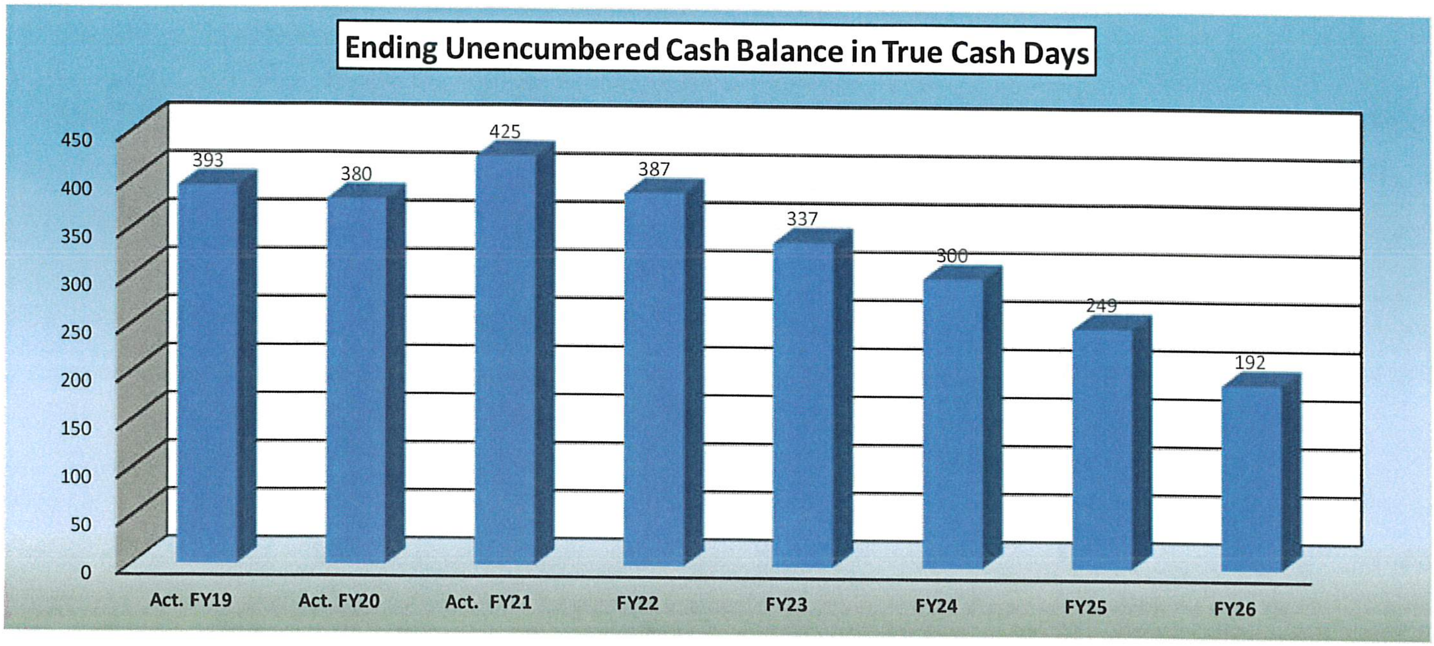


Ending Unencumbered Cash Balance – Line#15.010
This amount must not go below $0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract, which is knowingly signed, resulting in a negative unencumbered cash balance is a violation of O.R.C. §5705.412 and is punishable by personal liability of $10,000. It is recommended by the Government Finance Officers Association (GFOA), and other authoritative sources, that a district maintains a minimum of sixty (60) day cash balance, which is approximately $1.1 million for our district.

Source	FY22	FY23	FY24	FY25	FY26
Ending Unreserved Cash Balance Line #15.01	$7,161,525	$6,743,594	$6,051,707	$5,170,955	$4,097,047

True Cash Days Ending Balance

Another way to look at ending cash is to state it in 'True Cash Days." In other words, how many days could the district operate at year-end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Year's Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The GFOA recommends no less than two (2) months or sixty (60) days cash is on hand at year-end but could be more depending on each district's complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as adult education and severance reserves.



Conclusion

The district administration is encouraged by the implementation of the new funding model, however, future state budgets funding will need to be watched since, the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in state budgets for FY24-26.