Coshocton City School District

Coshocton 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)	4,623,757	4,186,752	4,610,237	0.3%	4,626,112	4,586,904	4,120,723	3,795,533	3,811,558
1.020	Public Utility Personal Property Tax	593,317	447,731	882,078	36.2%	716,878	717,145	697,345	676,630	691,435
1.030	Income Tax	-	-	-	0.0%	-	-	-	-	-
1.035	Unrestricted State Grants-in-Aid	11,174,204	11,111,360	11,095,037	-0.4%	9,801,963	10,369,824	10,373,696	10,375,791	10,377,927
1.040	Restricted State Grants-in-Aid	1,599,809	1,551,016	1,549,300	-1.6%	1,861,814	2,087,115	2,087,115	2,087,115	2,087,115
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	-	-	-	-	-
1.050	Property Tax Allocation	615,858	604,550	598,525	-1.4%	588,964	588,106	533,873	480,870	484,140
1.060	All Other Revenues	1,158,116	1,081,699	1,006,749	-6.8%	370,441	472,424	475,501	478,675	481,943
1.070	*Total Revenues*	19,765,061	18,983,108	19,741,926	0.0%	17,966,172	18,821,518	18,288,252	17,894,614	17,934,117
	Other Financing Sources									
2.040	Operating Transfers-In	0	58,102	0	0.0%	-	-	-	-	-
2.050	Advances-In	99,796	353,917	0	77.3%	78,866	50,000	50,000	50,000	50,000
2.060	All Other Financing Sources	66,348	210,003	272,913	123.2%	30,000	30,000	30,000	30,000	30,000
2.070	*Total Other Financing Sources*	166,144	622,022	272,913	109.1%	108,866	80,000	80,000	80,000	80,000
2.080	*Total Revenues and Other Financing Sources*	19,931,205	19,605,130	20,014,839	0.2%	18,075,038	18,901,518	18,368,252	17,974,614	18,014,117
	Expenditures									
3.010	Personnel Services	9,767,411	9,982,086	9,900,827	0.7%	10,104,262	10,112,489	11,150,527	11,571,633	12,042,261
3.020	Employees' Retirement/Insurance Benefits	4,352,460	4,770,144	4,909,927	6.3%	4,335,296	4,716,212	5,585,355	5,941,117	6,335,737
3.030	Purchased Services	3,894,527	4,208,024	4,128,452	3.1%	1,949,276	1,991,498	2,034,662	2,078,789	2,123,902
3.040	Supplies and Materials	589,426	506,125	436,375	-14.0%	627,732	642,377	657,377	672,741	688,480
3.050	Capital Outlay	257,188	246,885	136,783	-24.3%	139,519	242,309	145,155	148,058	251,019
4.050	Principal-HB 264 Loans	72,402	75,000	78,000	3.8%	80,000	83,000	85,000	87,000	91,000
4.055	Principal-Other	-	46,000	35,000	0.0%	36,000	37,000	38,000	39,000	41,000
4.060	Interest and Fiscal Charges	28,390	40,225	40,322	21.0%	36,645	32,855	28,934	24,933	19,610
4.300	Other Objects	511,250	485,715	453,244	-5.8%	362,423	369,671	377,064	384,606	392,298
4.500	*Total Expenditures*	19,473,054	20,360,204	20,118,930	1.7%	17,671,153	18,227,411	20,102,074	20,947,878	21,985,307
	Other Financing Uses									
5.010	Operating Transfers-Out	227,794	160,496	35,185	-53.8%	71,538	71,538	71,538	71,538	71,538
5.020	Advances-Out	141,044	212,873	78,866	-6.0%	50,000	50,000	50,000	50,000	50,000
5.030	All Other Financing Uses	-	-	-	0.0%	-	-	-	-	-
5.040	*Total Other Financing Uses*	368,838	373,369	114,051	-34.1%	121,538	121,538	121,538	121,538	121,538
5.050	*Total Expenditures and Other Financing Uses*	19,841,892	20,733,573	20,232,981	1.0%	17,792,691	18,348,949	20,223,612	21,069,416	22,106,845
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	89,313	(1,128,443)	(218,142)	-722.1%	282,348	552,570	(1,855,360)	(3,094,802)	(4,092,728)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	4,664,007	4,753,320	3,624,877	-10.9%	3,406,735	3,689,083	4,241,652	2,386,292	(708,510)
7.020	*Cash Balance June 30*	4,753,320	3,624,877	3,406,735	-14.9%	3,689,083	4,241,652	2,386,292	(708,510)	(4,801,238)
8.010	*Estimated Encumbrances June 30*	273,181	226,060	426,236	35.7%	434,761	443,456	452,325	461,372	470,599
10.010	*Appropriations*	4,480,139	3,398,817	2,980,499	-18.2%	3,254,322	3,798,196	1,933,967	(1,169,881)	(5,271,837)
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	-	-	-	0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement	-	-	-	0.0%	-	-	534,140	1,021,300	1,021,300
11.300	Cumulative Balance of Replacement/Renewal Levies	-	-	-	0.0%	-	-	534,140	1,555,440	2,576,740
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	4,480,139	3,398,817	2,980,499	-18.2%	3,254,322	3,798,195	2,468,107	385,557	(2,695,098)
	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%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	4,480,139	3,398,817	2,980,499	-18.2%	3,254,322	3,798,195	2,468,107	385,557	(2,695,098)

COSHOCTON CITY SCHOOL DISTRICT- COSHOCTON COUNTY

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

Forecast Provided By
Coshocton City School District
Treasurer's Office
Terri Eyerman, Treasurer/CFO
May 19, 2022

Coshocton City School District –Coshocton County
Notes to the Five Year Forecast
General Fund Only

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/ 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 or 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 (July 1, 2021-June 30, 2022) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the 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.

While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER) which began in 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.

May 2022 Updates:

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 $17,966,172 or 1.63% higher than the March forecasted amount of $17,678,394. This indicates the March forecast was 98.37% accurate.

Line 1.01 and 1.02 - Property tax revenues represent a large source of revenue at 32% and are $5,342,990 which is $381,834 higher for FY22 than the original estimate of $4,961,156. Our estimates are 92.4% 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 estimated provided little to no detail on how the funding level was calculated. The March forecast used the most recent State Aid settlement sheet to project this funding source. While there are still details unpublished at this time we can see that through April our state aid is estimated to be $11,663,777 which is on target with the March estimate for FY22. We are currently on the guarantee and are expected to remain on a guarantee for FY23 through FY26.

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

Expenditures FY22:
Total General Fund expenditures (line 4.5) are estimated to be $17,671,153 for FY22 which is a decrease of $128,572 from the March 2022 submission.

Unreserved Ending Cash Balance:
With revenues increasing over estimates and expenditures ending most on target, our ending unreserved cash balance June 30, 2022 is anticipated to be roughly $3,254,322. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2025 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 economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the next two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

1) HB110, the current state budget, implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula 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. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools and scholarship recipients. The initial impact will be noticed in the historic actual costs for FY19 through FY21 on the forecast and will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. Longer term 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.

2) On May 4, 2021 the district renewed the 4.9 mill operating levy which became a continuing levy. The district also has a $900,000 emergency levy, which is collecting at $977,000 in 2021, approved by voters in 2019 that will expire on 12/31/2023. The renewal of this levy is critical to the Coshocton City Schools.

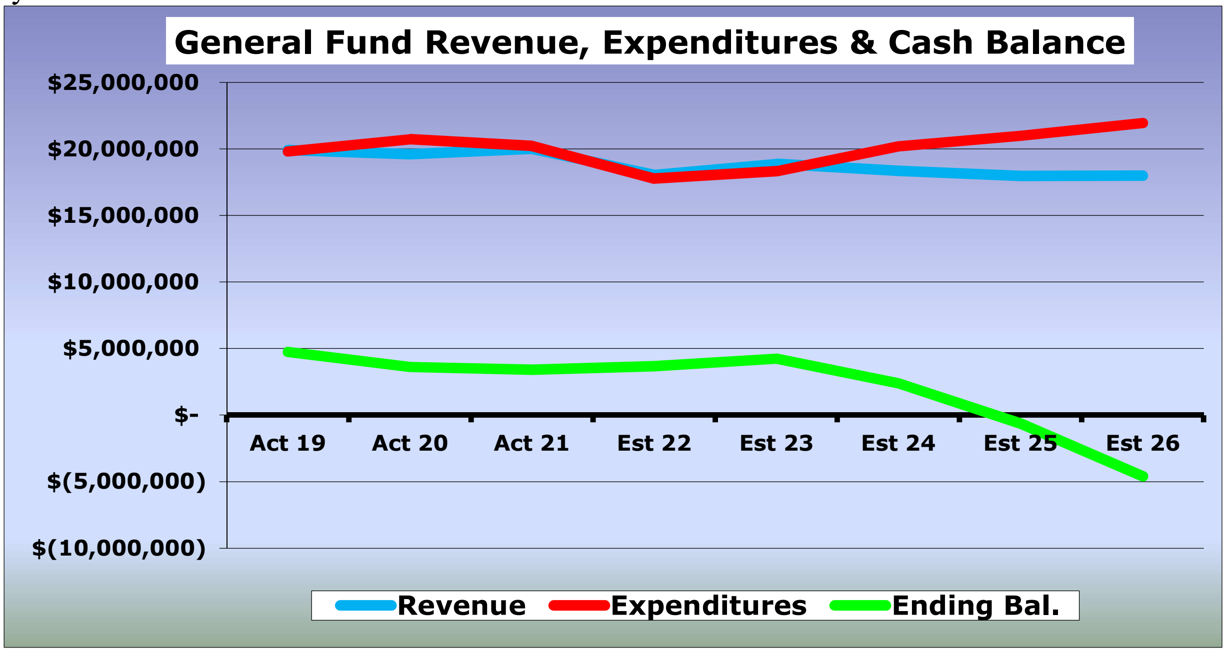
3) The state budget represented 68% of district revenues, which means it is a significant area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in state aid. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY26. We have projected our state funding to be in line with the FY23 funding levels through FY26, which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

4) Coshocton County experienced a reappraisal update in the 2018 tax year to be collected in FY19. The 2018 update increased overall assessed values by $8.8 million or an increase of 8.56%. A full reappraisal occurred in tax year 2021 for collection in FY22. The value increased for Class I property by $4.6 million or 4.1% and Class II increased by $8.0 million or 18.06% for an overall increase of 8.12% based on current sales data.

5) 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 still are education option programs such as College Credit Plus which continue to be deducted from state aid which will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can 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.

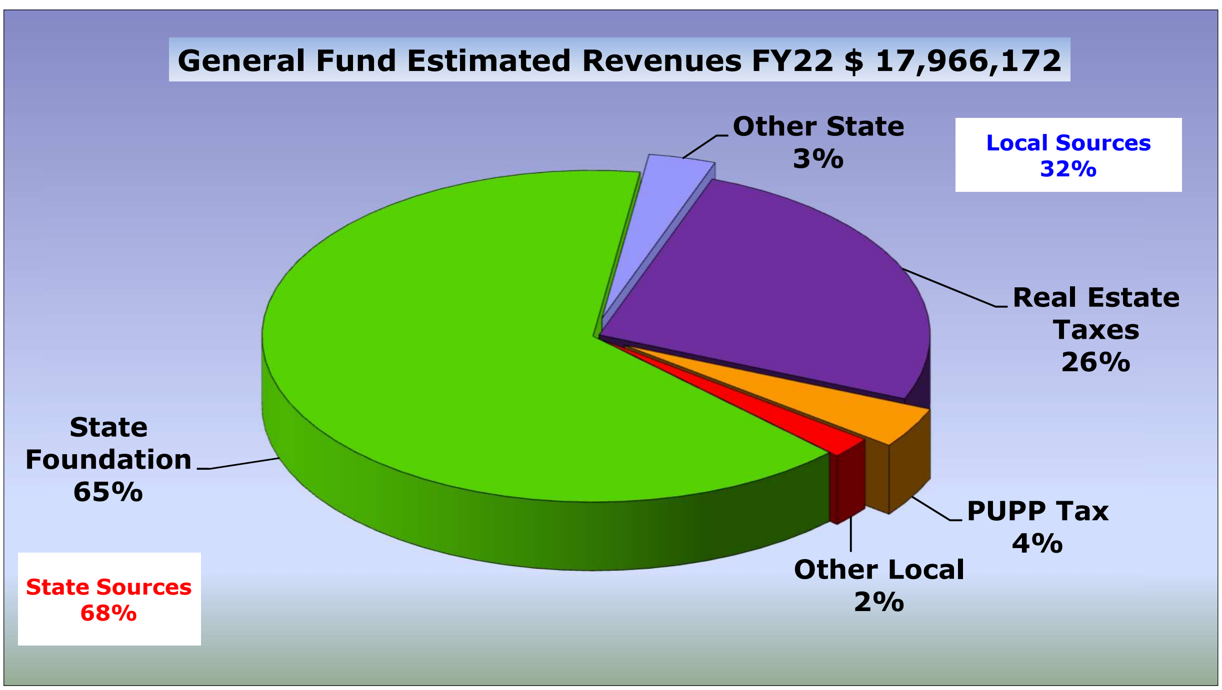
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Terri Eyerman, Treasurer at 740-622-1901 ext.1113.

General Fund Revenue, Expenditure and Ending Cash Balance Actual FY19-21 and Estimated FY22-26
The graph captures in one snapshot the operating scenario facing the district over the next few years. The 4.9 Mill Operating Levy set to expire on 12/31/21 was approved by voters in May2021. The Substitute Emergency Levy expires December 31, 2023 and is moved to Line 11.02 of the forecast and contributes to the negative balances in future years.



Revenue Assumptions

All Revenue Sources General Fund FY22 (Forecast Line 1.07)



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. Coshocton County experienced a reappraisal for

the 2018 tax year to be collected in 2019. Residential/agricultural values increased 8.56% or $8.8 million due to the reappraisal update led by an improving housing market while Commercial/Industrial values fell by -5.18% or $2.9 million. FY21 realized an $8 million decrease in values due to a change in exempt status which decreased RE collections. A full reappraisal did occur in 2021 for collection in 2022 which realized a 4.1% increase in residential/agricultural based on current market trends and an 18.06% increase for commercial/industrial property.

Property tax levies are estimated to be collected at 97.5% of the annual amount, which accounts for delinquencies that occur. We also anticipate 52.3% of the Res/Ag and Comm/Ind property taxes will be collected in the February tax settlement and 47.7% will be collected in the August tax settlement.

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.	$116,952,000	$116,963,860	$116,976,638	$120,499,643	$124,129,275
Comm./Ind.	52,300,280	52,150,280	52,150,280	52,150,280	52,150,280
Public Utility (PUPP)	12,960,840	13,260,840	13,560,840	13,860,840	14,160,840
Total Assessed Value	$182,213,120	$182,374,980	$182,687,758	$186,510,763	$190,440,395

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 22	FY 23	FY 24	FY 25	FY 26
Est. Property Taxes Line #1.010	$4,626,112	$4,586,904	$4,120,723	$3,795,533	$3,811,558

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020
Coshocton does not receive any TPP payments.

Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. Collections are typically 50% in March and 50% in August along with the real estate settlements from the county auditor. FY21 includes a $200,000 payment received in the 2nd half (August 2020 collection) that was delinquent from the 1st half 2020 collection.

ESTIMATED PUBLIC UTILITY PERSONAL TAX – Line 1.020

Source	FY 22	FY 23	FY 24	FY 25	FY 26
Public Utility Personal Property Taxes	$716,878	$717,145	$697,345	$676,630	$691,435

Renewal Tax Levies – Line #11.020
On May 4, 2021 the district renewed the 4.9 mill operating levy which became a continuing levy. The district also has a $900,000 emergency levy, which is collecting at $977,000 in 2021, approved by voters in 2019 that will expire on 12/31/2023. The emergency levy renewal is modeled at the bottom of the forecast and is not included in line 1.01 per ODE requirements. The renewal of this levy is critical to the Coshocton City Schools.

Source	FY 22	FY 23	FY 24	FY 25	FY 26
Renew Emergency Levy Exp. 12/31/23	0	0	534,140	1,021,300	1,021,300
Total Line # 11.020	$0	$0	$534,140	$1,021,300	$1,021,300

New Tax Levies – Line #13.030 - No new levies are modeled in this forecast, however, the district will need to evaluate the needed resources to allow for the current educational delivery model and added services provided.

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 & Casino Revenue– Line #1.035

The partial release of the new Fair School Funding Plan formula occurred in January 2022 half way through FY22, and 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.

Our district is currently a guarantee district in FY22 and is expected to be FY23-FY26 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 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. The current formula introduces many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five year forecast look different with estimates FY22 through FY26 compared to actual data FY19 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

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

A. Student Population and Demographics
B. Property Valuation Per Pupil
C. Personal Income of District Residents Per Pupil
D. Historical Funding - CAPS and Guarantees from prior funding formulas “Funding Bases” for guarantees.

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. Newer more up to date state wide average costs will not update for FY23 and remains frozen at FY18 levels, while other factors impacting a districts local capacity will update for FY23. Base costs per pupil includes 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 currently at a state wide average of $7,350.77 per pupil in FY22, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage in concept will be higher for districts will less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district’s ability to raise taxes based on local wealth the lower the state share percentage. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income and 20% on federal median income, as follows:

1. 60% based on most recent three (3) year average assessed values or the most recent year, whichever is lower divided by base students enrolled.

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

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

Categorical State Aid

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

<u>Unrestricted Categorical State Aid</u>

1. <u>Targeted Assistance/Capacity Aid</u> – 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. <u>Special Education Additional Aid</u> – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all district's calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. <u>Transportation Aid</u> – 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. In general, districts whose state share percentage is less than 33.33% will see a benefit from the increase to 33.33% funding.

<u>Restricted Categorical State Aid</u>

1. <u>Disadvantage Pupil Impact Aid (DPIA)</u> - Formerly Economically Disadvantaged Funding is based on number and concentration of economically disadvantaged students compared to state average and multiplied by $422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23.
2. <u>English Learners</u> – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
3. <u>Gifted Funds</u> – Based on average daily membership multiplied by a weighted amount per pupil.
4. <u>Career-Technical Education Funds</u> – 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 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 three (3) guarantees: 1) "Formula Transition Aid"; 2) Supplemental Targeted Assistance, and, 3) Formula Transition Supplement. The three (3) guarantees in both temporary and permanent law ensure that no district will get less funds in FY22 and FY23 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. It is estimated that nearly 420 districts are on one form of a guarantee in FY22 and in general the same number will occur in FY23, since state average costs were frozen at FY18 in the Base Cost calculations, while property values and Federal Adjusted Gross Income will be allowed to update and increase for FY23, which should push districts toward one of the three (3) guarantees.

Student Wellness and Success Funds (SWSF) - (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 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, with only a smaller portion devoted to SWSF. Any remaining funds in Special Revenue Fund 467 from FY20 and FY21 will be required to be used for the restricted purposes governing these funds until spent fully.

Future State Budget Projections beyond FY23
Our funding status for the FY24-26 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason, funding is held constant 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 will be collected as a tax. School districts will receive 34% of the 33% Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $106.35 million or $59.80 per pupil, actual payments in FY22 were $62.87per pupil. FY22 Casino revenues have resumed their historical growth rate and assume a 2% annual growth rate for the forecast period.

Source	FY 22	FY 23	FY 24	FY 25	FY 26
Basic Aid-Unrestricted	$9,519,635	$10,103,258	$10,105,077	$10,105,077	$10,105,077
Additional Aid Items	181,682	163,910	163,910	163,910	163,910
Basic Aid-Unrestricted Subtotal	$9,701,317	$10,267,168	$10,268,987	$10,268,987	$10,268,987
Ohio Casino Commission ODT	100,646	102,656	104,709	106,804	108,940
Total Unrestricted State Aid Line #1.035	$9,801,963	$10,369,824	$10,373,696	$10,375,791	$10,377,927

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. Using current April funding factors, we have estimated revenues for these new restricted funding lines. The amount of DPIA is limited to 0% phase

in growth for FY22 and 14% in FY23. We have flat lined funding at FY23 levels for FY24-FY26 due to uncertainty on continued funding of the current funding formula.

Restricted Federal Grants in Aid – line #1.045

There is no additional restricted federal funding projected in this forecast.

Source	FY 22	FY 23	FY 24	FY 25	FY 26
DPIA	$1,465,611	$1,689,137	$1,689,137	$1,689,137	$1,689,137
Career Tech - Restricted	40,920	38,575	38,575	38,575	38,575
Gifted	84,415	88,515	88,515	88,515	88,515
ESL	156	180	180	180	180
Student Wellness	270,712	270,708	270,708	270,708	270,708
Catastrophic Aid	0	0	0	0	0
Total Restricted State Revenues Line #1	$1,861,814	$2,087,115	$2,087,115	$2,087,115	$2,087,115

Summary of State Foundation Revenues

SUMMARY	FY 22	FY 23	FY 24	FY 25	FY 26
Unrestricted Line # 1.035	$9,801,963	$10,369,824	$10,373,696	$10,375,791	$10,377,927
Restricted Line # 1.040	1,861,814	2,087,115	2,087,115	2,087,115	2,087,115
Restricted Fed. Grants - Line #1.045	0	0	0	0	0
Total State Foundation Revenue	$11,663,777	$12,456,939	$12,460,811	$12,462,906	$12,465,042

State Taxes Reimbursement/Property Tax Allocation

A) Rollback and Homestead Reimbursement

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

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 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 did not currently have their Homestead Exemption approved or those who did not get a new application approved for tax year 2013, and who become eligible thereafter only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 did not lose it going forward and did 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	FY 22	FY 23	FY 24	FY 25	FY 26
Rollback and Homestead	$588,964	$588,106	$533,873	$480,870	$484,140

Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area are open enrollment, which has been eliminated by HB110 and reflected here, tuition for court placed students, student fees, and general rental fees. In FY21 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase.

Rentals are expected to remain somewhat lower due to COVID-19 restrictions and lower participation. All other revenues are expected to continue on historic trends.

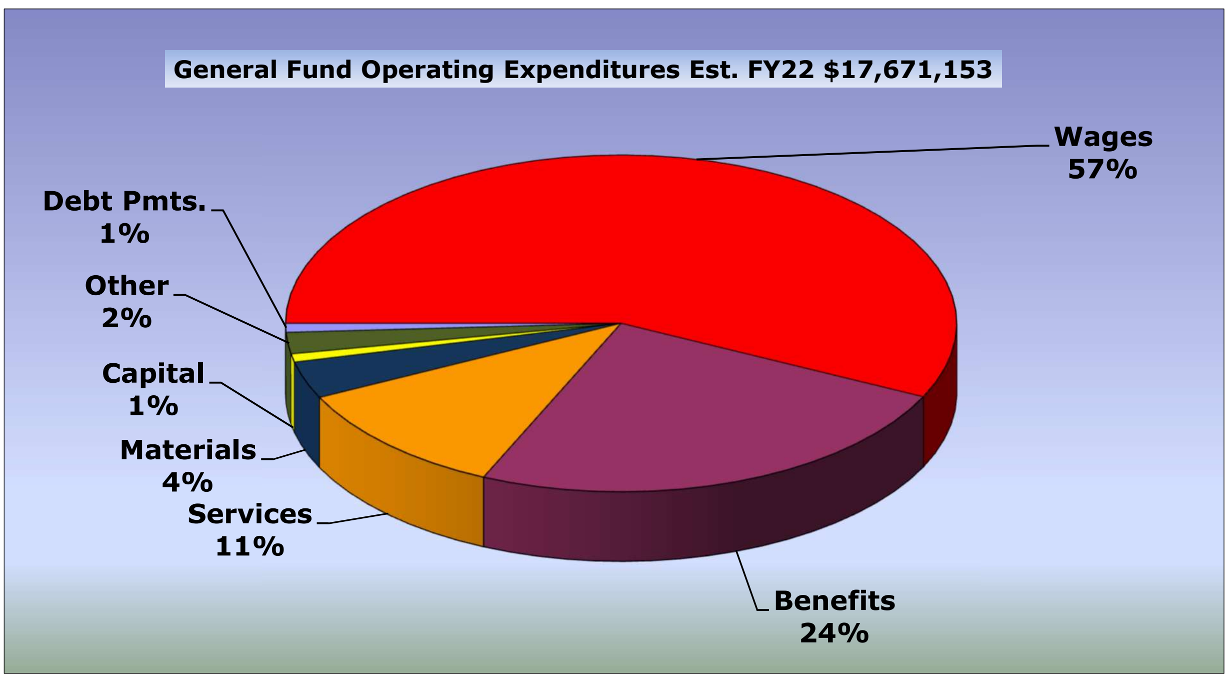
Source	FY 22	FY 23	FY 24	FY 25	FY 26
Open Enrollment	$0	$0	$0	$0	$0
Tuition	181,132	282,944	285,773	288,631	291,517
Interest	6,795	6,116	5,504	4,954	4,458
Medicaid Reimbursement	97,472	97,472	97,472	97,472	97,472
Other Income	85,042	85,892	86,751	87,619	88,495
Total Line # 1.060	$370,441	$472,424	$475,501	$478,675	$481,943

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. The district does not anticipate any Transfers or Advances during the remainder of the forecast.

All Other Financial Sources – Line #2.060
This funding source is typically a refund of prior year expenditures that is very unpredictable. We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in FY22. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Expenditures Assumptions (Forecast Line #4.50)

The district's leadership team is always looking at ways to improve the education of our students whether with changes in curriculum or new technology needs. As the administration of the district constantly reviews expenditures the education of our students is at the forefront of decision making.



Wages – Line #3.010
The current negotiated agreement with CCEA was ratified on November 2nd and will expire June 30, 2023 with a reopener to discuss wages and insurance in FY23. FY22-FY24 includes 2.5% base amount and 2% has been

calculated in the forecast for FY24-26 for planning purposes. The calculation below assumes an equal rate increase for all staff.

Summary of Personal Services – Line #3.010

Source	FY 22	FY 23	FY 24	FY 25	FY 26
Base Wages	$9,596,312	$9,504,494	$10,253,294	$10,629,794	$10,991,098
Wage adjustments	239,908	237,612	256,332	212,596	219,822
Steps & Training	163,137	161,576	174,306	180,706	186,849
Growth/Replacement staff	-	-	172,000	-	-
Substitutes	267,495	272,845	278,301	283,868	289,545
Supplemental	215,274	216,350	217,432	218,519	219,611
Severance	117,000	25,000	25,000	25,000	25,000
Staff Reductions (Retire/Resignation)	(494,863)	(305,388)	(226,139)	(31,998)	0
Total Wages Line #3.010	$10,104,262	$10,112,489	$11,150,527	$11,518,484	$11,931,925

Fringe Benefits Estimates – Line #3.020

A) STRS/SERS will increase as Wages Increase

As required by law the BOE pays 14% of all employee wages to STRS or SERS. The district is using a blended rate of 15.9% for those that received pick-up on pick-up of the retirement and the additional surcharge for SERS members that do not earn $21,600 each year.

B) Insurance

As the graph below notes health care is a significant cost for the district and continues to be a real challenge as costs rise. The district has an insurance committee made up of members of both classified, certificated and administrative staff. The committee will determine rate increases. At this time the district is projecting an 0% increase for the balance of FY22. FY23 is includes a 10% and FY24-FY26 is includes an 8% increase each year. This increase is a blend of the districts history of claims increases and the industry standards of annual premium increases. The district is also recoding $528,000 and $471,000 in FY22 and FY23, respectively, as an ESSER expenditure offset to the district expenditures to relieve general fund expenses in order to retain staff for a longer period of time. These are one-time adjustments and are not reflected in future years.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be approximately .06% of wages FY22– FY26. Unemployment is expected to remain at a very low level FY22-FY26. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

D) Medicare

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

Summary of Fringe Benefits – Line #3.020

Source	FY 22	FY 23	FY 24	FY 25	FY 26
STRS/SERS	$1,543,097	$1,554,636	$1,713,424	$1,771,312	$1,835,264
Insurance's	2,567,543	2,936,576	3,627,164	3,909,657	4,222,430
Workers Comp/Unemployment	53,744	53,787	59,289	61,239	63,430
Medicare	135,913	136,213	150,478	155,468	161,081
Tuition and Other Benefits	35,000	35,000	35,000	35,000	35,000
Total Fringe Benefits Line #3.020	$4,335,296	$4,716,212	$5,585,355	$5,932,676	$6,317,205

Purchased Services – Line #3.030

HB110, the new state budget, will impact Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to show these amounts below as zeros to help reflect the difference between projected FY22-FY26 Line 3.03 costs and historical FY19 through FY21 costs on the five year forecast. College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend. We reduced costs in purchased services for FY20 and 21 for the Fund 467 recoding for our SRO's and then returned these costs to the General Fund in FY22-26.

Source	FY 22	FY 23	FY 24	FY 25	FY 26
Insurance, Leases, Postage, & Other	$132,706	$135,360	$138,067	$140,829	$143,645
Professional Services, Legal Fees & ESC	370,499	377,909	385,467	393,176	401,040
Open Enrollment	0	0	0	0	0
Community Schools	0	0	0	0	0
Other Tuition	764,631	779,924	795,522	811,432	827,661
Utilities	323,675	333,386	343,387	353,689	364,300
Building Repairs & Services	357,765	364,920	372,219	379,663	387,256
Total Purchased Services Line #3.030	$1,949,276	$1,991,498	$2,034,662	$2,078,789	$2,123,902

Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel.

Source	FY 22	FY 23	FY 24	FY 25	FY 26
Supplies, Textbooks, and other	$418,743	$427,118	$435,660	$444,373	$453,261
Maintenance & Transportation Supplies	208,989	215,259	221,716	228,368	235,219
Total Supplies Line #3.040	$627,732	$642,377	$657,377	$672,741	$688,480

Equipment – Line # 3.050

Equipment includes items that cost $1,000 and have a useful life of five years or longer and typically include items such as buses, roof repair, asphalt, computers, and furniture. ESSER funds have been used to offset some of the district's Capital Outlay, Technology and a bus purchase in both FY21 and FY22.

Source	FY 22	FY 23	FY 24	FY 25	FY 26
Capital Outlay	$127,200	$129,744	$132,339	$134,986	$137,686
Technology	12,319	12,565	12,816	13,073	13,334
Replacement Bus Purchases	0	90,000	0	0	90,000
Total Equipment Line #3.050	$139,519	$232,309	$145,155	$148,058	$241,019

Principal and Interest Payment – Lines # 4.05 and 4.06
This category of expenditures includes HB264 projects and an operating lease. This is considered un-voted debt as there is a revenue source for the payment.

Source	FY 22	FY 23	FY 24	FY 25	FY 26
Principal - Other Line 4.055	36,000	37,000	38,000	39,000	41,000
Total Principal Payments	$36,000	$37,000	$38,000	$39,000	$41,000

Source	FY 22	FY 23	FY 24	FY 25	FY 26
HB 264 Principal Line 4.050	$80,000	$83,000	$85,000	$87,000	$91,000

Source	FY 22	FY 23	FY 24	FY 25	FY 26
Interest Total Line 4.060	$36,645	$32,855	$28,934	$24,933	$19,610

Other Expenses – Line #4.300
The category of Other Expenses consists primarily of Auditor & Treasurer fees, County Board of Education and other miscellaneous expenses. The district uses an average increase of 2% for the annual increase for this area.

Source	FY 22	FY 23	FY 24	FY 25	FY 26
Auditor & Treasurer Fees	$164,941	$168,240	$171,605	$175,037	$178,538
County Board of Education	100,000	102,000	104,040	106,121	108,243
Other expenses	97,481	99,431	101,420	103,448	105,517
Total Other Expenses Line #4.300	$362,423	$369,671	$377,064	$384,606	$392,298

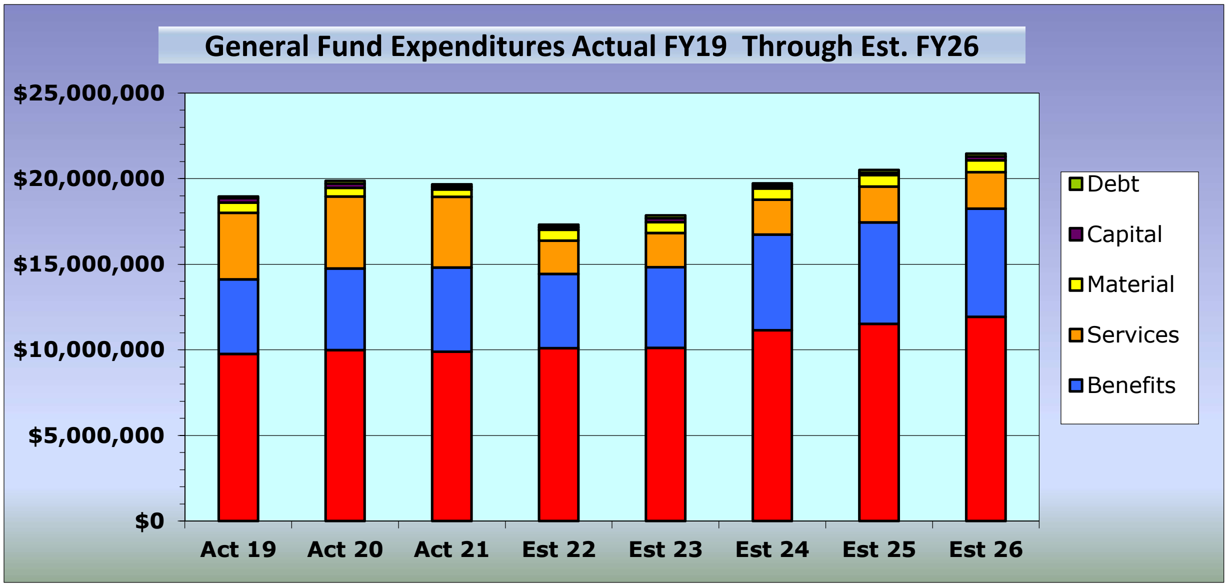
Transfers Out/Advances Out – Line #5.010 and 5.020
This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. These expenses have been projected using historical trends. Transfers and advances must take Board of Education action and are processed on an as-needed basis.

Source	FY 22	FY 23	FY 24	FY 25	FY 26
Operating Transfers Out Line #5.010	$71,538	$71,538	$71,538	$71,538	$71,538
Advances Out Line #5.020	50,000	50,000	50,000	50,000	50,000
Total Transfer & Advances Out	$121,538	$121,538	$121,538	$121,538	$121,538

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	FY 22	FY 23	FY 24	FY 25	FY 26
Estimated Encumbrances	$434,761	$443,456	$452,325	$461,372	$470,599

Operating Expenditures Actual FY19 through FY21 and Estimated FY22 through FY26.
As the graph below indicates the largest expenditure for the district is that of staffing which includes salaries and benefits.



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 which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000.

Source	FY 22	FY 23	FY 24	FY 25	FY 26
Ending Cash Balance	$3,254,322	$3,808,195	$2,478,107	457,146	(2,484,642)

True Cash Days
The Government Financial Officers Association (GFOA) recommends, at a minimum, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. Based on the current fund balances the district dropped below the sixty (60) day balance at the end of FY24.