DELAWARE AREA CAREER CENTER-DELAWARE 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

Forecast Provided By
Delaware Area Career Center
Treasurer's Office
Chris Bell, Treasurer/CFO

November 2021

Delaware Area Career Center

Delaware 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)	$10,663,545	$11,199,132	$11,859,953	5.5%	$13,119,813	$13,269,532	$13,557,922	$13,832,905	$14,109,239
1.020	Public Utility Personal Property Tax	951,514	1,033,924	1,149,821	9.9%	1,228,409	1,264,232	1,302,159	1,341,224	1,381,461
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	2,282,573	2,292,974	2,325,867	0.9%	3,873,809	3,876,206	3,878,657	3,881,163	3,883,740
1.040	Restricted State Grants-in-Aid	92,227	92,145	92,227	0.0%	144,914	144,914	144,914	144,914	144,914
1.045	Restricted Federal Grants-in-Aid	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	1,406,085	1,451,067	1,554,741	5.2%	1,744,316	1,849,928	1,889,754	1,928,091	1,966,595
1.060	All Other Revenues	2,723,470	2,624,326	2,910,793	3.6%	1,329,551	1,355,051	1,372,051	1,392,051	1,412,051
1.070	*Total Revenues*	$18,119,414	$18,693,568	$19,893,402	4.8%	$21,440,812	$21,759,863	$22,145,457	$22,520,348	$22,898,000
	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	159,614	222,882	199,414	14.6%	205,209	225,000	225,000	225,000	225,000
2.060	All Other Financing Sources	177,397	68,081	195,783	63.0%	50,000	50,000	50,000	50,000	50,000
2.070	*Total Other Financing Sources*	$337,011	$290,963	$395,197	11.1%	$255,209	$275,000	$275,000	$275,000	$275,000
2.080	*Total Revenues and Other Financing Sources*	$18,456,425	$18,984,531	$20,288,599	4.9%	$21,696,021	$22,034,863	$22,420,457	$22,795,348	$23,173,000
	Expenditures									
3.010	Personal Services	$7,721,676	$8,032,650	$8,634,070	5.8%	$8,923,146	$9,539,799	$9,925,804	$10,246,560	$10,579,521
3.020	Employees' Retirement/Insurance Benefits	3,215,960	3,455,566	3,650,955	6.6%	3,848,453	4,147,578	4,359,618	4,557,134	4,763,027
3.030	Purchased Services	1,296,362	1,079,753	1,133,556	-5.9%	1,334,564	1,357,922	1,371,374	1,384,920	1,398,562
3.040	Supplies and Materials	559,782	681,772	785,482	18.5%	932,826	966,743	981,225	995,883	1,010,720
3.050	Capital Outlay	2,833	-	1,868	0.0%	0	0	0	0	0
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	2,985,000	3,055,000	0	-48.8%	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	138,920	70,245	-	-74.7%	0	0	0	0	0
4.300	Other Objects	267,974	238,102	368,600	21.8%	366,156	367,996	382,538	396,915	403,301
4.500	*Total Expenditures*	$16,188,507	$16,613,088	$14,574,531	-4.8%	$15,405,145	$16,380,038	$17,020,559	$17,581,412	$18,155,131
	Other Financing Uses									
5.010	Operating Transfers-Out	$3,172,250	$135,000	$3,201,150	1087.7%	$4,900,000	$5,150,000	$5,150,000	$5,150,000	$5,150,000
5.020	Advances-Out	222,882	199,414	205,209	-3.8%	225,000	225,000	225,000	225,000	225,000
5.030	All Other Financing Uses	0	0	0	0.0%	0	0	0	0	0
5.040	*Total Other Financing Uses*	$3,395,132	$334,414	$3,406,359	414.2%	$5,125,000	$5,375,000	$5,375,000	$5,375,000	$5,375,000
5.050	*Total Expenditures and Other Financing Uses*	$19,583,639	$16,947,502	$17,980,890	-3.7%	$20,530,145	$21,755,038	$22,395,559	$22,956,412	$23,530,131
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses*	($1,127,214)	$2,037,029	$2,307,709	-133.7%	$1,165,876	$279,825	$24,898	($161,064)	($357,131)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	$4,853,493	$3,726,279	$5,763,308	15.7%	$8,071,017	$9,236,893	$9,516,718	$9,541,616	$9,380,552
7.020	*Cash Balance June 30*	$3,726,279	$5,763,308	$8,071,017	47.4%	$9,236,893	$9,516,718	$9,541,616	$9,380,552	$9,023,421
8.010	*Estimated Encumbrances June 30*	$392,877	$416,924	$254,917	-16.4%	$500,000	$500,000	$500,000	$500,000	$500,000
	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	0	0	0	0.0%	0	0	0	0	0
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*	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
10.010	*Fund Balance June 30 for Certification of Appropriations*	$3,333,402	$5,346,384	$7,816,100	53.3%	$8,736,893	$9,016,718	$9,041,616	$8,880,552	$8,523,421
	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*	$3,333,402	$5,346,384	$7,816,100	53.3%	$8,736,893	$9,016,718	$9,041,616	$8,880,552	$8,523,421
	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%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	$3,333,402	$5,346,384	$7,816,100	53.3%	$8,736,893	$9,016,718	$9,041,616	$8,880,552	$8,523,421

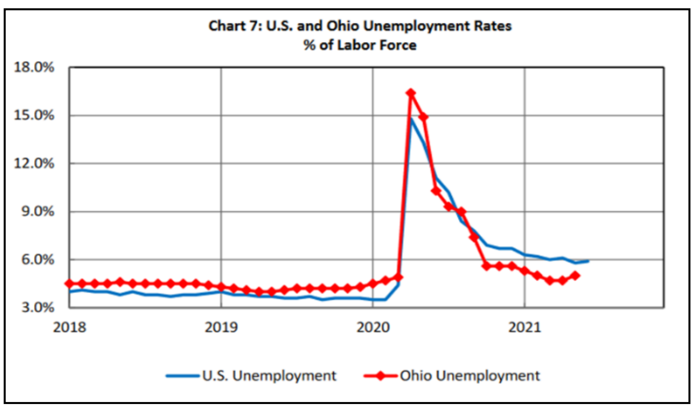
Delaware Area Career Center – Delaware County
Notes to the Five Year Forecast
General Fund Only
November 2021

Introduction to the Five Year Forecast

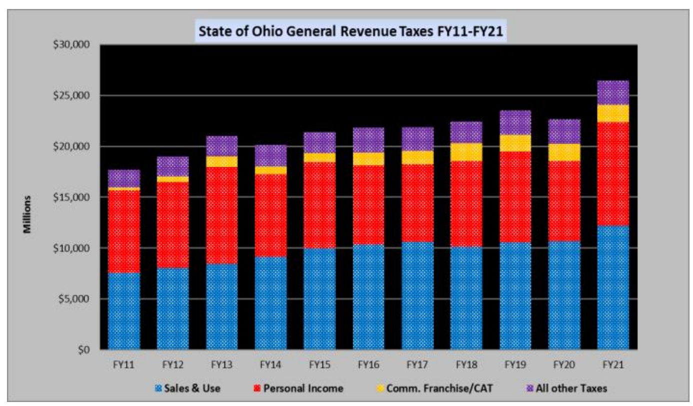
School districts are required to file a five (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022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

Economic Outlook

This five-year forecast is being filed during the ongoing global health and financial recovery from the COVID-19 Pandemic which began in early 2020, and continues due to several serious virus mutations such as the Delta, Alpha B.1.1.7; Beta B.1.351, and; Gamma P.1 strains. The effects of the pandemic continue to impact our state, country and our globalized economy. Our school district plays a vital role in the recovery in our community and we have maintained continuity of services to our students and staff. As noted in the graphs below the State of Ohio's economy has steadily recovered over the past year thus the full restoration of the original school foundation funding cuts from May 2020 are being restored to school districts beginning July 1, 2021. While increased inflation impacting district costs are expected to continue over the next few years, the economy is also expected to continue to grow as the recovery from the pandemic continues.



Source: Ohio Office of Budget and Management



Source: Ohio Office of Budget and Management

As a result, from the financial stresses that responding to the pandemic placed on school district budgets, all career centers are being aided by two (2) rounds of Governors Emergency Relief Fund (GEER) which began being disbursed in fiscal year 2020 and can be extended into fiscal year 2022.

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.

<u>Forecast Risks and Uncertainty:</u>

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. The State Budget represents 26.9% of district revenues and is an area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in state aid. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY26. We have projected our state funding to be in line with the FY23 funding levels through FY26 which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

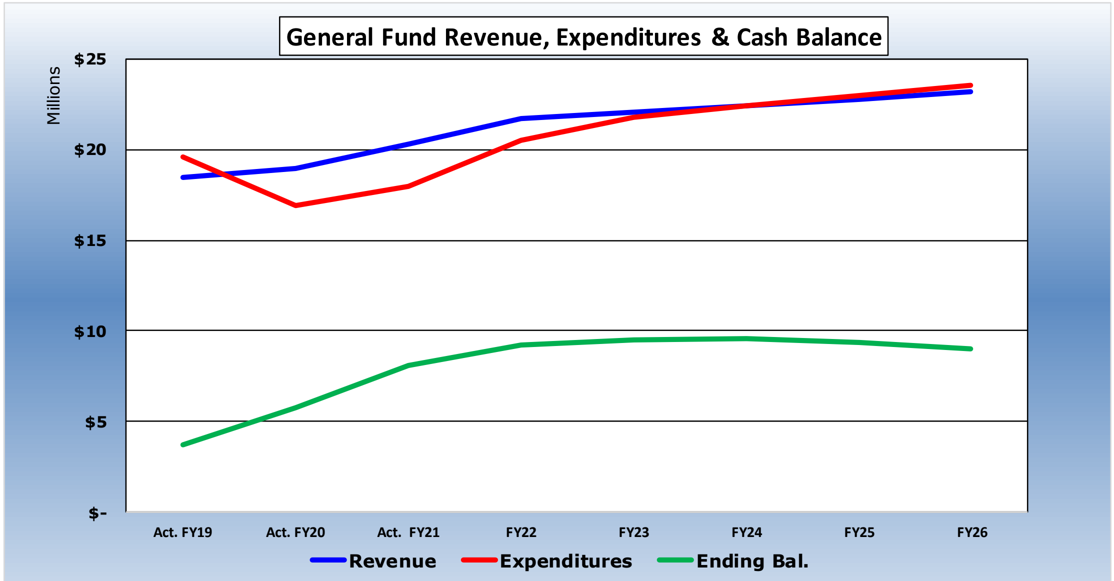
2. HB110 the current state budget implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be 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. The initial impact on the forecast will be noticed that the historic actual costs for FY19 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, and 1.06 beginning in FY22. Longer term there may be some adjustments for FY22 and FY23 in state aid as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula as calculated by the Ohio Department of Education.

3. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the extreme resource challenges today. We believe as we move forward our positive working relationship will continue and will only grow stronger.

4. Delaware County experienced a reappraisal update in the 2019 tax year to be collected in FY20. The 2019 reappraisal increased overall assessed values by $45.4 million or an increase of 8.9%. The next update will occur 2022 for collection in FY23. We anticipate value increases for Class I and II property by $15.6 million for an overall increase of 2.8% including the adjustment for lower Current Agricultural Use Values (CAUV) authorized by HB49. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.

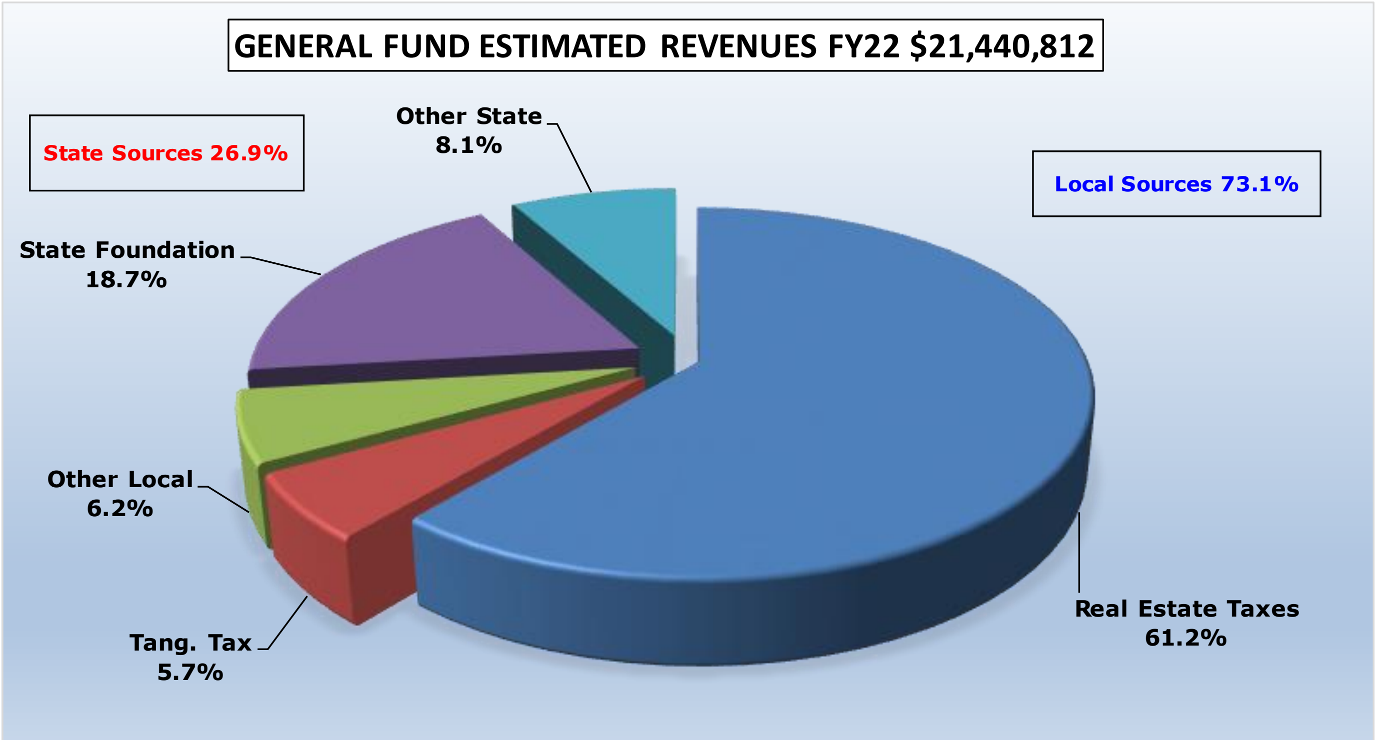
The major categories of revenue and expenditures on the forecast are noted below in the headings to make it easier to reference the assumptions made for the forecast item. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact, Chris Bell, Treasurer/CFO of Delaware Area Career Center.

General Fund Revenue, Expenditure and Ending Cash Balance:
The graph below shows in summary the forecasted revenue, expenses and ending balance of the district's General Fund for the period FY22-FY26, with actual data provided for FY19-FY21.



Revenue Assumptions

Estimated General Fund Revenues:



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. Delaware County experienced an update for the 2020 tax year to be collected in 2021. Residential/agricultural values increased 13.73% or $774.0 million due to new construction and an improving housing market. Commercial/industrial values increased 5.0% or $39.5 million.

A reappraisal update will occur in 2023 for collection in 2024 for which we are estimating a 9% increase in residential and a 1% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase $778.4 million or 10.3% overall.

Public Utility Personal Property (PUPP) values increased by $44.1 million in Tax Year 2020. We expect our values to continue to grow by 3% each year of the forecast.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated 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.	$6,555,790,383	$6,701,945,667	$7,454,564,555	$7,602,305,846	$7,753,001,963
Comm./Ind.	847,312,469	868,649,528	894,494,284	911,384,170	928,611,853
Public Utility Personal Property (PUPP)	444,838,872	458,184,038	471,929,559	486,087,446	500,670,069
Total Assessed Value	$7,847,941,724	$8,028,779,233	$8,820,988,398	$8,999,777,462	$9,182,283,885

ESTIMATED REAL ESTATE TAX (Line #1.010)

Source	FY22	FY23	FY24	FY25	FY26
Est. Real Estate Taxes	$13,119,813	$13,269,532	$13,557,922	$13,832,905	$14,109,239
Total Line #1.01 Real Estate Taxes	$13,119,813	$13,269,532	$13,557,922	$13,832,905	$14,109,239

Property tax levies are estimated to be collected at 99% of the annual amount. This allows a 1.0% delinquency rate. Typically, 55% of the new residential/agriculture (Res/Ag) and commercial/industrial (Comm/Ind) is expected to be collected in the February tax settlements and 45% is expected to be collected in the August 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 Tax & Public Utility Personal Property – Line#1.020
Revenues posted on this line are Public Utility Personal Property (PUPP) taxes which are collected at the districts' gross tax rates not subject to reduction factors. We have estimated past trend growth in these values for future years. The phase out of tangible personal property tax (TPP) began in fiscal year 2006 and was completely eliminated after fiscal year 2011 for DACC School District.

Source	FY22	FY23	FY24	FY25	FY26
Public Utility Personal Property	$1,228,409	$1,264,232	$1,302,159	$1,341,224	$1,381,461
Total PUPP Tax Line #1.020	$1,228,409	$1,264,232	$1,302,159	$1,341,224	$1,381,461

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045
Current State Funding Model per HB110 through June 30, 2023
The actual release of the new Fair School Funding Plan formula has been delayed until December which is beyond the filing deadline of the forecast. We have projected FY22 and FY23 funding to be in line with the June 28, 2021 Legislative Service Commission estimates for our district.

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

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

A. Student Population and Demographics
B. Property Valuation
C. Personal Income of District Residents

D. Historical Funding- CAPS and Guarantees from prior funding formulas

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

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

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

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

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

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

<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. Transportation Aid – Funding based on all resident students who ride including preschool students and those living within 1 mile of school. Provides supplemental transportation for low density districts. Increases state minimum share to 29.17% in FY22 and 33.33% in FY23.

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA)- Formerly Economically Disadvantaged Funding is based on number and concentration of economically disadvantaged students compared to state average and multiplied by $422 per pupil. The phase-in increases are limited to 0% for FY22 and 14% in FY23.
2. English Learners – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds –Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. Student Wellness & Success Funding – moved into DPIA funding, is restricted funding and will be spent on same initiatives and requirements that were previously designated under the stand-alone fund.

State Funding Phase-In FY22 and FY23 and Guarantees

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

HB110 includes “formula transition aid” which is a guarantee. There are actually three (3) guarantees in both temporary and permanent law to ensure that no district will get less funds in FY21 than they received in FY21. The guarantee level of funding for FY21 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.

Joint Vocational Career-Technical Funding in FY22 and FY23

A new funding formula for joint vocational school districts is substantially similar to the formula for traditional school districts as described above, including the phase-in and guarantee, with the following changes:

1. Replaces the “special teacher” cost in the base cost computation with the “cost for teachers providing health and physical education, instruction regarding employability and soft skills, development and coordination and internships and job placements, career-technical student organization activities, pre-apprenticeship and apprenticeship coordination, and any assessment related to career-technical education, including any nationally recognized job skills or end-of course assessment,” which are calculated in the same manner.
2. Does not specify a minimum for the number of staff members for the staffing cost for student wellness and success for the district in base cost computation.
3. Calculates district’s cost for that fiscal year for career-technical curriculum specialists and coordinators, career assessment and program placement, recruitment and orientation, student success coordination, analysis of test results, development of intervention and remediation plans and monitoring of those plans, and satellite program coordination. This funding replaces the cost computations for academic and athletic co-curricular for a traditional district.
4. Replaces per-pupil dollar amount to a weighted funding for the five different career-technical programs.
5. A funding unit will be based on the funding unit’s state share percentage times the career-technical education associated services amount times the statewide average career technical base costs per pupil in

that fiscal year times the sum of the funding unit's categories one through five career-technical education ADM.

CTE Credential Program: The district may receive a portion of the $8 million for Industry-recognized Credentials for high school student for those that 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. The district received $5,363 in FY20 the first year of the program and $48,747 in FY21, the remaining years of the forecast will be based on the amount received in FY21.

Student Wellness and Success (Restricted Fund 467)

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

Future State Budgets Projections beyond FY23

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

Casino Revenue

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

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $95.8 million or $59.80 per pupil. We believe FY22 Casino revenues will resume their historical growth rate.

A) Unrestricted State Foundation Revenue – Line #1.035

Source	FY22	FY23	FY24	FY25	FY26
Basic Aid-Unrestricted	$3,693,552	$3,693,552	$3,693,552	$3,693,552	$3,693,552
Additional Aid Items	85,000	85,000	85,000	85,000	85,000
Basic Aid-Unrestricted Subtotal	3,778,552	3,778,552	3,778,552	3,778,552	3,778,552
Ohio Casino Commission ODT	95,257	97,654	100,105	102,611	105,188
Total Unrestricted State Aid Line #1.035	$3,873,809	$3,876,206	$3,878,657	$3,881,163	$3,883,740

B) Restricted State Revenues – Line # 1.040

HB110 has continued Disadvantaged Pupil Impact Aid (formerly economically disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under "Restricted Categorical Aid" for Gifted, English Learners (ESL) and Student Wellness. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23. We will not know until after the forecast submission deadline as to the amount of funds that will be restricted with HB110, since the Ohio Department of Education is still working on the formula accounting changes with tentative completion for the first payment in December 2021, therefore we have not included any amounts within the restricted chart at this time.

Source	FY22	FY23	FY24	FY25	FY26
Economically Disadvantaged Aid	$0	$0	$0	$0	$0
Career Tech - Restricted	86,438	86,438	86,438	86,438	86,438
Student Wellness & Success	58,476	58,476	58,476	58,476	58,476
Total Restricted State Revenues Line #1.040	$144,914	$144,914	$144,914	$144,914	$144,914

C) Restricted Federal Grants in Aid – line #1.045

No amounts are included in the forecasted years 2022 through 2026.

SUMMARY	FY22	FY23	FY24	FY25	FY26
Unrestricted Line #1.035	$3,873,809	$3,876,206	$3,878,657	$3,881,163	$3,883,740
Restricted Line #1.040	144,914	144,914	144,914	144,914	144,914
Rest. Federal Funds #1.045	0	0	0	0	0
Total State Foundation Revenue	$4,018,723	$4,021,120	$4,023,571	$4,026,077	$4,028,654

State Taxes Reimbursement/Property Tax Allocation

a) Rollback and Homestead Reimbursement

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

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. 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 changes the requirement for

Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter, will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will reduce homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers. On the District revenue, if an existing levy is not renewed we would never regain this revenue on any levies in the future.

b) Tangible Personal Property Reimbursements – Fixed Rate/Fixed Sum
The District no longer receives fixed rate or fixed sum TPP reimbursements.

Summary of State Tax Reimbursement – Line #1.050

Source	FY22	FY23	FY24	FY25	FY26
Rollback and Homestead	$1,744,316	$1,849,928	$1,889,754	$1,928,091	$1,966,595
Total Tax Reimbursements #1.050	$1,744,316	$1,849,928	$1,889,754	$1,928,091	$1,966,595

Other Local Revenues – Line #1.060
The main sources of revenue in this area have been open enrollment, tuition for court placed students, student fees, Manufactured home taxes and general rental fees.

HB110 the new state budget will stop paying open enrollment as an increase to other revenue for the district. Open enrolled students will be counted as students that attend the district within the Enrolled ADM and will be included in the state basic funding. This change is projected below as zeros to help show the difference between projected FY22-FY26 Line 1.06 revenues and historical FY19 through FY21 revenues on the five-year forecast.

The district anticipates earning slightly more interest income in the future years as our cash balance grows and interest rates rise.

Source	FY22	FY23	FY24	FY25	FY26
Tuition Related Payments	$5,500	$5,500	$5,500	$5,500	$5,500
Contract Tuition (open enrollment removed HB110)	1,033,515	1,033,515	1,033,515	1,033,515	1,033,515
Interest Earnings	55,000	78,000	95,000	115,000	135,000
Payments In Lieu of Taxes	181,111	181,111	181,111	181,111	181,111
Rental Related Fees	20,425	22,925	22,925	22,925	22,925
Mobile Home Taxes	9,000	9,000	9,000	9,000	9,000
Miscellaneous	25,000	25,000	25,000	25,000	25,000
Total Other Local Revenue Line #1.060	$1,329,551	$1,355,051	$1,372,051	$1,392,051	$1,412,051

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

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 during the previous fiscal year and reimbursements for expenses incurred in the previous fiscal year. All advances during the current year are planned to be returned in the succeeding fiscal year.

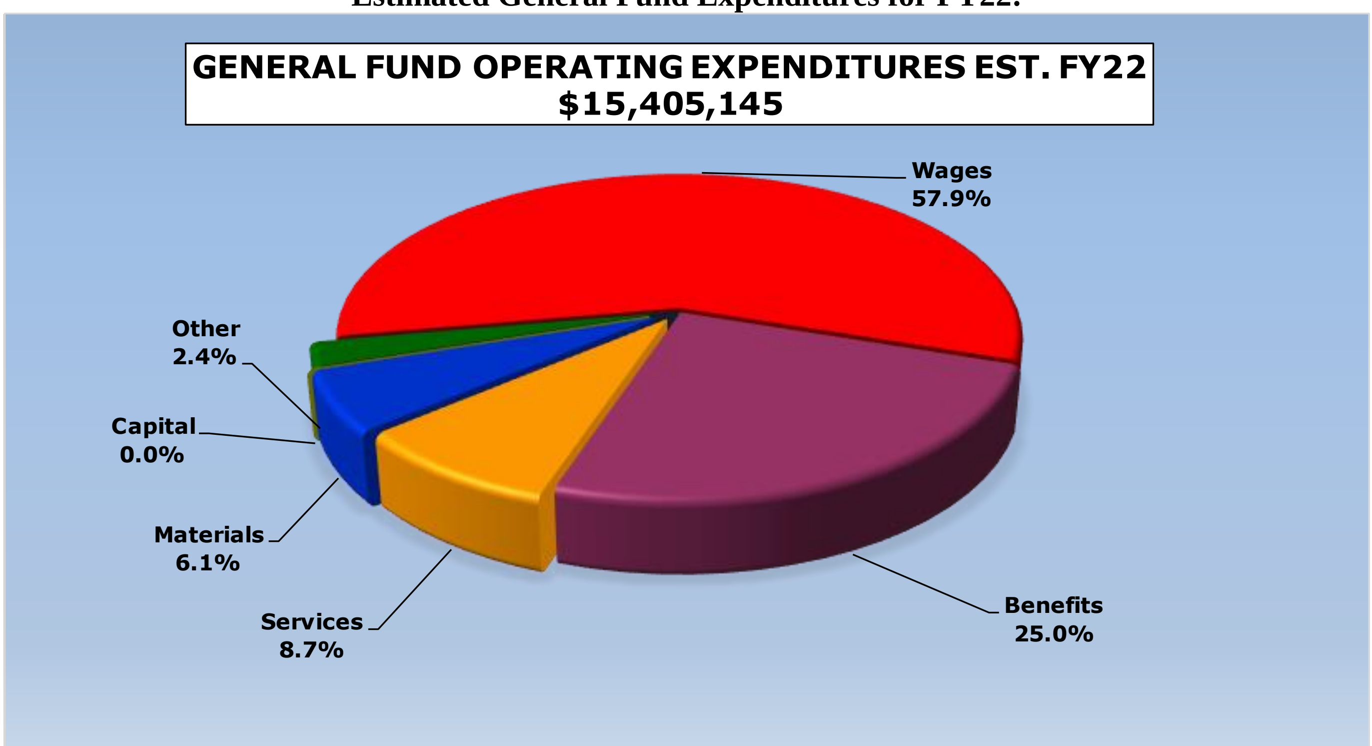
Source	FY22	FY23	FY24	FY25	FY26
Transfers In - Line #2.040	$0	$0	$0	$0	$0
Advance Returns - Line #2.050	205,209	225,000	225,000	225,000	225,000
Total Transfer & Advances In	$205,209	$225,000	$225,000	$225,000	$225,000

All Other Financial Sources – Line #2.060

Source	FY22	FY23	FY24	FY25	FY26
Refund of prior years expenditures	$50,000	$50,000	$50,000	$50,000	$50,000

Expenditures Assumptions

Estimated General Fund Expenditures for FY22:



Wages – Line #3.010
In March 2019, the Board ratified a contract with the DACC Exempted Village Education Association (NELEA) effective August 1, 2019. A contract with the DACC Exempted Village Association of School Employee/OEA-NEA effective September 1, 2019 was ratified in August 2019 by the Board of Education. We included a 2.5% increase in base wages and 1.5% increase for step and training adjustments for FY22 through FY24, and 2% for FY25 and FY26. The District intends to hire 5 new certified staff positions for nontraditional programming in FY23.

Source	FY22	FY23	FY24	FY25	FY26
Base Wages	$7,998,154	$8,327,230	$8,943,883	$9,329,888	$9,650,644
Based Pay Increase	199,954	208,181	223,597	186,598	193,013
Steps & Academic Training	129,122	119,972	124,908	134,158	139,948
Growth Staff	0	288,500	37,500	0	0
Substitutes & Supplements	25,916	25,916	25,916	25,916	25,916
Extended time	570,000	570,000	570,000	570,000	570,000
Other Adjustments/Reductions	0	0	0	0	0
Total Wages Line #3.010	$8,923,146	$9,539,799	$9,925,804	$10,246,560	$10,579,521

Fringe Benefits Estimates Line 3.02
This area of the forecast captures all costs associated with benefits and retirement costs, which all except for health insurance are directly related to the wages paid.

A) STRS/SERS
The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law.

B) Insurance
The increases for medical and dental insurance are estimated at 5.5% for the life of the forecast. The administration will again be meeting with the employee groups to work together to address the growth and changes to control the increases for future years.

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

C) Workers Compensation & Unemployment Compensation
Workers Compensation is expected to remain at about .5% of wages after fiscal year 2020 due to a moderated claims experience over prior years. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

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

Summary of Fringe Benefits – Line #3.020

Source	FY22	FY23	FY24	FY25	FY26
A) STRS/SERS	$1,467,530	$1,562,219	$1,631,924	$1,686,634	$1,741,396
B) Insurance's	2,167,905	2,356,380	2,494,981	2,632,205	2,776,976
C) Workers Comp/Unemployment	42,848	45,561	47,260	48,671	50,136
D) Medicare	131,170	144,418	146,453	150,624	155,519
Other/Tuition/Annuities	39,000	39,000	39,000	39,000	39,000
Total Fringe Benefits Line #3.020	$3,848,453	$4,147,578	$4,359,618	$4,557,134	$4,763,027

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 mental health services and then returned these costs to the General Fund in FY22-26

Source	FY22	FY23	FY24	FY25	FY26
Professional & Technical Services, ESC	$509,995	$512,545	$515,108	$517,684	$520,272
Maintenance, Insurance & Garbage Removal	376,877	378,761	380,655	382,558	384,471
Professional Development	70,000	80,000	80,000	80,000	80,000
Communications, Postage, & Telephone	102,000	102,510	103,023	103,538	104,056
Utilities	170,692	174,106	177,588	181,140	184,763
Tuition, Excess Costs & Scholarship Costs	0	0	0	0	0
Open Enrollment & Community School Costs	0	0	0	0	0
College Credit Plus	70,000	70,000	70,000	70,000	70,000
Miscellaneous Purchased Services	35,000	40,000	45,000	50,000	55,000
Total Purchased Services Line #3.030	$1,334,564	$1,357,922	$1,371,374	$1,384,920	$1,398,562

Supplies and Materials – Line #3.040

The District expects modest increases in this area for the life of the forecast for additional programs and students.

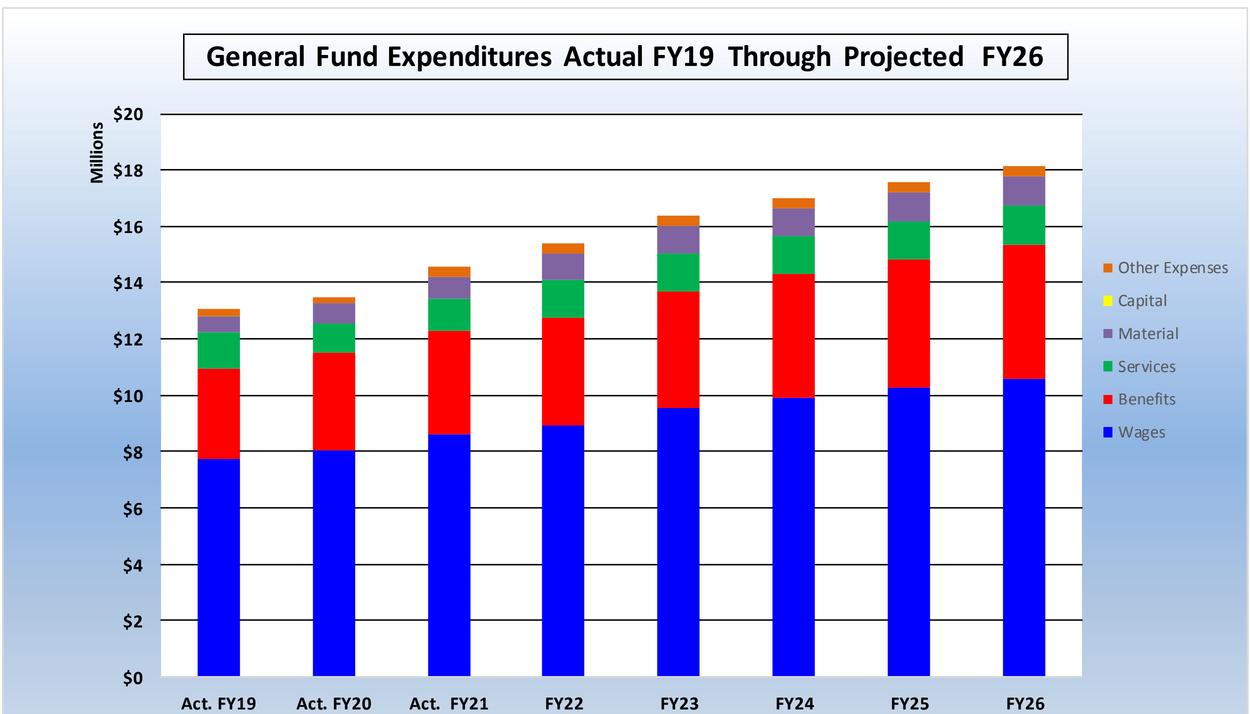
Source	FY22	FY23	FY24	FY25	FY26
General Supplies & Materials	$376,618	$404,150	$412,233	$420,478	$428,888
Textbooks & Software	417,700	422,700	427,700	432,700	437,700
Facility Supplies & Materials	133,008	134,338	135,681	137,038	138,408
Transportation Fuel & Supplies	5,500	5,555	5,611	5,667	5,724
Other adjustments SWSF, CARES, Etc.	0	0	0	12,202	0
Total Supplies Line #3.040	$932,826	$966,743	$981,225	$995,883	$1,010,720

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of the County ESC deductions for specialized services provided to the District and Auditor & Treasurer (A&T) fees. Auditor and Treasurer Fees will increase sharply anytime a new operating levy is collected. Also new construction will cause A&T fees to increase as more dollars are collected.

Source	FY22	FY23	FY24	FY25	FY26
County Auditor & Treasurer Fees	$213,000	$213,940	$227,555	$240,977	$246,380
Annual Audit Costs	30,000	30,900	31,827	32,782	33,765
Memberships	23,568	23,568	23,568	23,568	23,568
Dues, Fees & other Expenses	99,588	99,588	99,588	99,588	99,588
Total Other Expenses Line #4.300	$366,156	$367,996	$382,538	$396,915	$403,301

Total Expenditure Categories Actual Fiscal Year 2019 Through Fiscal Year 2021 and Estimated Fiscal Year 2022 Through Fiscal Year 2026



Transfers Out/Advances Out – Line# 5.010

This account group covers fund to fund transfers and advances (end of year short term loans) from the General Fund to other funds until they have received reimbursements to repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. The transfers are permanent and will not be paid back to the General Fund, the funds go to the permanent improvement fund for future construction and repairs.

Source	FY22	FY23	FY24	FY25	FY26
Operating Transfers Out Line #5.010	$4,900,000	$5,150,000	$5,150,000	$5,150,000	$5,150,000
Advances Out Line #5.020	225,000	225,000	225,000	225,000	225,000
Total Transfer & Advances Out	$5,125,000	$5,375,000	$5,375,000	$5,375,000	$5,375,000

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

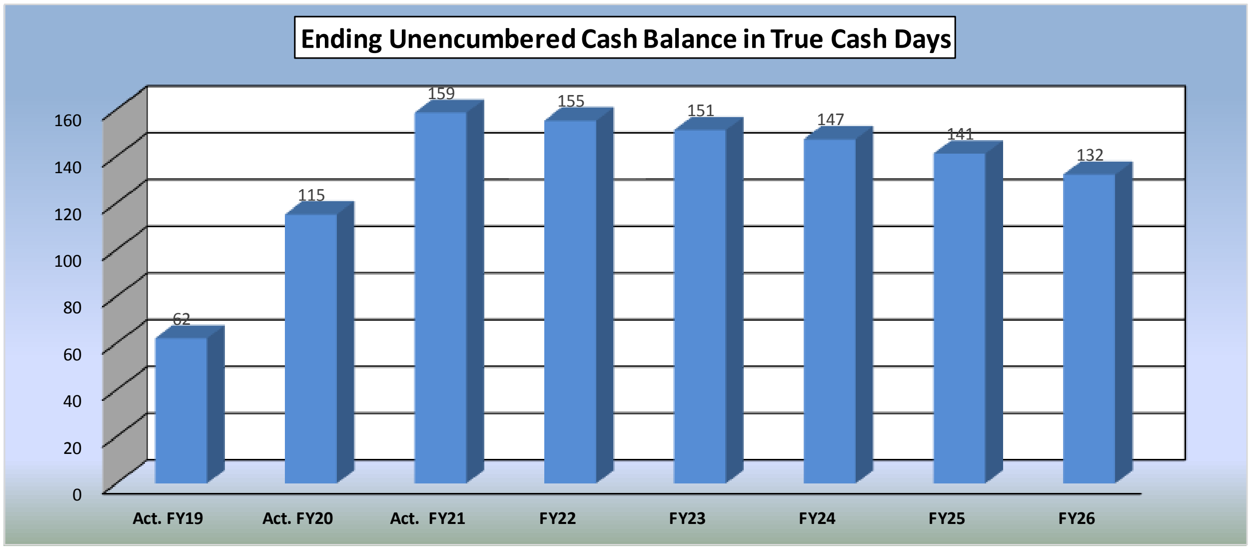
Encumbrances –Line#8.010
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	FY22	FY23	FY24	FY25	FY26
Estimated Encumbrances Line #8.010	$500,000	$500,000	$500,000	$500,000	$500,000

Ending Unencumbered Cash Balance "The Bottom-line" – Line#15.010
This amount must not go below $-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of Ohio Revised Code section 5705.412, punishable by personal liability of $10,000, unless an alternative "412" certificate can be issued pursuant to House Bill 153 effective September 30, 2011. The cash balance below includes the 1% Income Tax.

	FY22	FY23	FY24	FY25	FY26
Ending Unreserved Cash Balance Line #15.01	$8,736,893	$9,016,718	$9,041,616	$8,880,552	$8,523,421

True Cash Days Ending Balance
Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The Government Finance Officers Association (GFOA) recommends no less than two (2) months or 60 days cash to be on hand at year end but could be more depending on each district's complexity and risk factors for revenue collection.



Conclusion
The forecast presented includes assumptions and facts that can be altered by external and internal issues. For the entire forecast period through June 30, 2026, the district forecast has adequate reserves to continue the instructions and programs as provided currently.

As you read through the notes and review the forecast, remember that the forecast is based on the best information that is available to us at the time the forecast is prepared.