

**MILTON-UNION EXEMPTED
VILLAGE SCHOOL DISTRICT-MIAMI 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
Milton-Union Exempted Village School District
Treasurer's Office
David Stevens, Treasurer/CFO**

November 15, 2021

Milton Union Exempted Village School District

Miami 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				Average Change	Forecasted				
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021			Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
Revenues										
1.010 General Property Tax (Real Estate)	4,498,633	4,676,719	4,754,926	2.8%		4,733,065	4,825,557	4,221,526	3,756,202	3,772,990
1.020 Public Utility Personal Property Tax	665,987	698,568	721,964	4.1%		726,296	737,442	681,755	625,250	633,050
1.030 Income Tax	187,099	196,754	195,528	2.3%		206,265	208,328	210,412	212,518	214,644
1.035 Unrestricted State Grants-in-Aid	6,480,277	6,190,957	6,325,297	-1.1%		6,903,626	6,942,259	6,943,084	6,943,934	6,944,810
1.040 Restricted State Grants-in-Aid	127,013	131,390	142,353	5.9%		143,686	145,032	146,392	147,765	149,152
1.045 Restricted Federal Grants In Aid	-	-	-	0.0%		-	-	-	-	-
1.050 Property Tax Allocation	784,987	781,994	778,206	-0.4%		776,556	773,786	690,407	605,227	607,975
1.060 All Other Revenues	1,468,632	1,476,866	1,410,324	-2.0%		567,477	569,653	571,839	574,036	576,244
1.070 <i>Total Revenues</i>	14,212,628	14,153,248	14,328,598	0.4%		14,056,971	14,202,057	13,465,415	12,864,932	12,898,865
Other Financing Sources										
2.010 Proceeds from Sale of Notes	-	-	-	0.0%		-	-	-	-	-
2.020 State Emergency Loans (Approved)	-	-	-	0.0%		-	-	-	-	-
2.040 Operating Transfers-In	-	-	-	0.0%		-	-	-	-	-
2.050 Advances-In	9,771	9,613	-	-50.8%		9,700	-	-	-	-
2.060 All Other Financing Sources	160,841	229,661	324,355	42.0%		52,510	52,510	52,510	52,510	52,510
2.070 <i>Total Other Financing Sources</i>	170,612	239,274	324,355	37.9%		62,210	52,510	52,510	52,510	52,510
2.080 <i>Total Revenues and Other Financing Sources</i>	14,383,240	14,392,522	14,652,953	0.9%		14,119,181	14,254,567	13,517,925	12,917,442	12,951,375
Expenditures										
3.010 Personal Services	7,699,361	7,880,293	7,855,129	1.0%		8,369,296	8,728,563	9,041,834	9,406,768	9,716,962
3.020 Employees' Retirement/Insurance Benefits	3,030,518	3,177,077	3,291,901	4.2%		3,510,830	3,777,686	4,058,772	4,392,572	4,719,064
3.030 Purchased Services	2,333,972	2,591,062	2,645,161	6.6%		2,240,188	2,409,753	2,506,219	2,616,808	2,722,006
3.040 Supplies and Materials	473,139	377,084	362,908	-12.0%		407,268	414,620	422,193	436,993	445,237
3.050 Capital Outlay	120,208	13,191	11,162	-52.2%		58,138	58,719	59,307	59,900	60,499
3.060 Intergovernmental	-	-	-	0.0%		-	-	-	-	-
Debt Service:				0.0%						
4.010 Principal-All (Historical Only)	-	-	-	0.0%		-	-	-	-	-
4.020 Principal-Notes	-	-	-	0.0%		-	-	-	-	-
4.030 Principal-State Loans	-	-	-	0.0%		-	-	-	-	-
4.040 Principal-State Advancements	-	-	-	0.0%		-	-	-	-	-
4.050 Principal-HB 264 Loans	-	-	-	0.0%		-	-	-	-	-
4.055 Principal-Other	-	-	-	0.0%		-	-	-	-	-
4.060 Interest and Fiscal Charges	-	-	-	0.0%		-	-	-	-	-
4.300 Other Objects	143,391	184,314	161,312	8.0%		191,469	195,183	198,988	202,886	206,881
4.500 <i>Total Expenditures</i>	13,800,589	14,223,021	14,327,573	1.9%		14,777,188	\$15,584,525	16,287,312	17,115,926	17,870,648
Other Financing Uses										
5.010 Operating Transfers-Out	325,000	325,000	283,000	-6.5%		345,000	345,000	345,000	345,000	345,000
5.020 Advances-Out	9,613	-	9,700	0.0%		-	-	-	-	-
5.030 All Other Financing Uses	-	-	-	0.0%		-	-	-	-	-
5.040 <i>Total Other Financing Uses</i>	334,613	325,000	292,700	-6.4%		345,000	345,000	345,000	345,000	345,000
5.050 <i>Total Expenditures and Other Financing Uses</i>	14,135,202	14,548,021	14,620,273	1.7%		15,122,188	15,929,525	16,632,312	17,460,926	18,215,648
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	248,038	(155,499)	32,680	-141.9%		(1,003,008)	(1,674,958)	(3,114,387)	(4,543,485)	(5,264,273)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	8,308,402	8,556,440	8,400,941	0.6%		8,433,621	7,430,613	5,755,655	2,641,268	(1,902,216)
7.020 <i>Cash Balance June 30</i>	8,556,440	8,400,941	8,433,621	-0.7%		7,430,613	5,755,655	2,641,268	(1,902,216)	(7,166,490)
8.010 <i>Estimated Encumbrances June 30</i>	259,197	95,240	260,675	55.2%		200,000	200,000	200,000	200,000	200,000

Milton Union Exempted Village School District

Miami 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			Average Change	Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
Reservation of Fund Balance										
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030	Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.040	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080	<i>Subtotal</i>	-	-	-	0.0%	-	-	-	-	-
<i>Fund Balance June 30 for Certification of</i>										
10.010	<i>Appropriations</i>	8,297,243	8,305,701	8,172,946	-0.7%	7,230,613	5,555,655	2,441,268	(2,102,216)	(7,366,490)
Revenue from Replacement/Renewal Levies										
11.010	Income Tax - Renewal				0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement				0.0%	-	-	821,269	1,488,885	1,488,885
11.300	Cumulative Balance of Replacement/Renewal Levies				0.0%	-	-	821,269	2,310,154	3,799,039
<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>										
		8,297,243	8,305,701	8,172,946	-0.7%	7,230,613	5,555,655	3,262,537	207,938	(3,567,450)
Revenue from New Levies										
13.010	Income Tax - New				0.0%	-	-	-	-	-
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-		0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010	<i>Unreserved Fund Balance June 30</i>	8,297,243	8,305,701	8,172,946	-0.7%	7,230,613	5,555,655	3,262,537	207,938	(3,567,450)

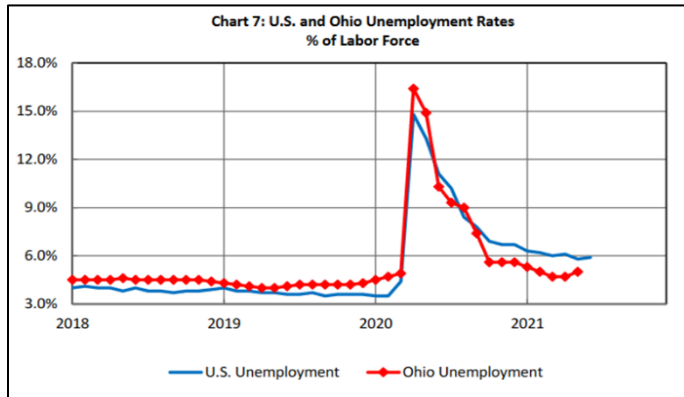
Milton-Union Exempted Village School District – Miami County
Notes to the Five Year Forecast
General Fund Only
November 15, 2021

Introduction to the Five Year Forecast

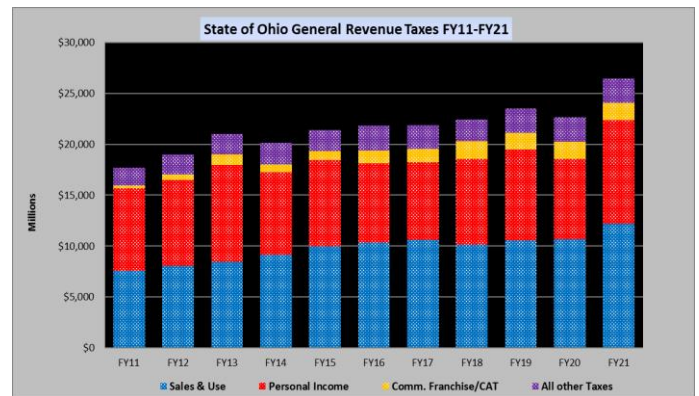
School districts are required to file a five (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022 (July 1, 2021 through 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 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. 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 school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER) which began being disbursed in fiscal year 2020 and can be extended into fiscal year 2025 for ESSER III expenses. The ESSER funds and restored state budget cuts will assist our district in providing vital services to our students.

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.

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:

- I. Miami County experienced a reappraisal in tax year 2019 for collection in FY20. Class I and II property values increased 9.4% as a result of the reappraisal.

Site and infrastructure work has begun on a new mixed-use commercial and residential development at Stillwater Crossings, including Randall Residence, senior cottages and a Ryan Homes Development. Some of these may involve payment in lieu of taxes (PILOT) payments and additional new construction. At this time, we are estimating increases in new construction for the Ryan Home Development of up to 40 homes projecting 8 houses per year with an estimated fair market value of \$250,000 to \$350,000 beginning in 2020 for estimated collection in 2022. We will continue to monitor developments and

project them in future forecasts when we have clear data to base our estimates and are confident the project will proceed with a timeline that is reliable. Our main objective in projecting new development revenues is to not over project these revenues or build speculation into our forecasting tool.

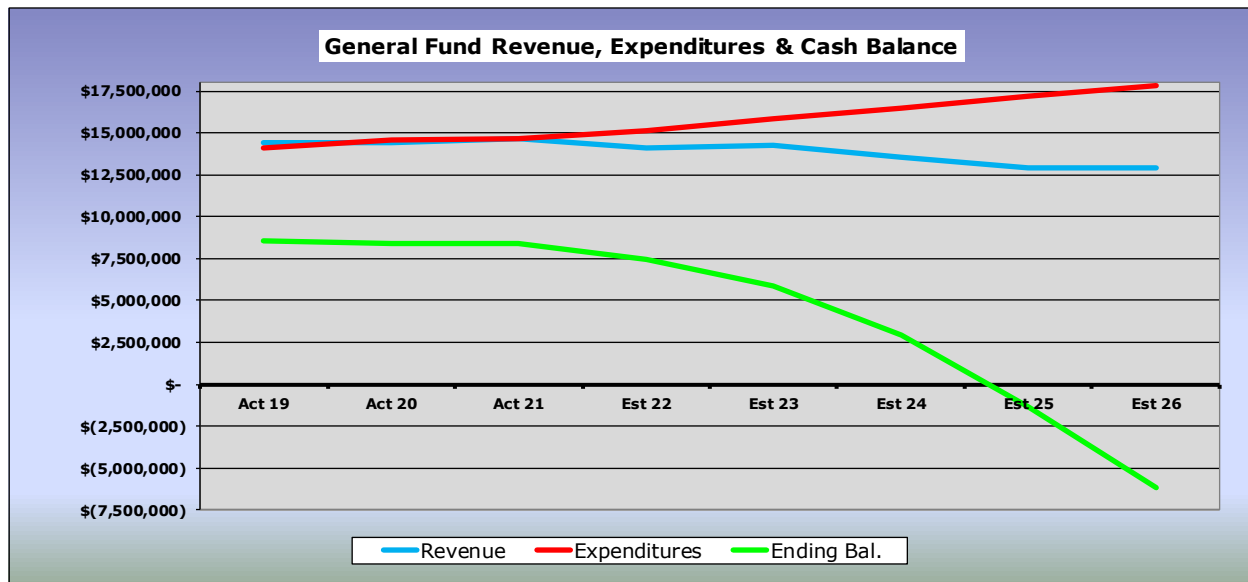
- II. HB110, the current state budget implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula has been delayed until December which is beyond the filing deadline of this forecast. We have projected FY22 and FY23 funding to be in line with the June 28, 2021 Legislative Service Commission estimates for our district. 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 on the forecast will be that the historic actual costs for FY19 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 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.
- III. The State Budget represents 56% 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.
- IV. 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.
- V. The labor relations goal in our district has been for all parties to work for the best interest of students and realize the resource challenges we face.

The major categories of revenue and expenditures in 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 David Stevens, Treasurer/CFO of Milton Union Exempted Village School District at 937-884-7910.

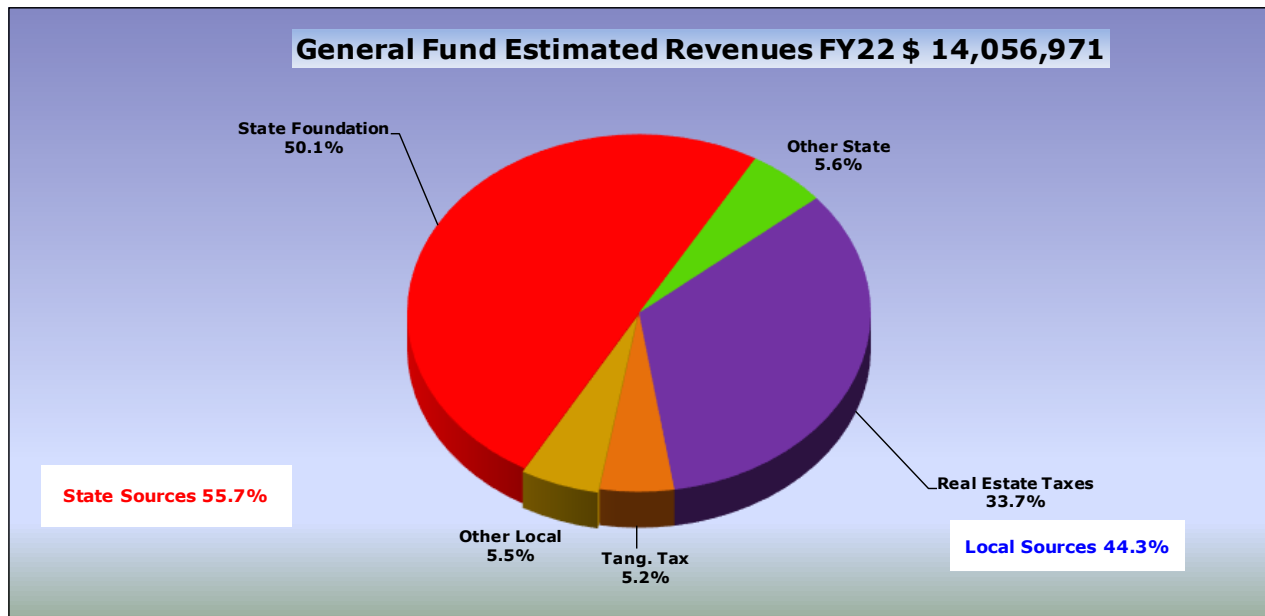
General Fund Revenue, Expenditure and Ending Cash Balance

The graph on the following page shows in summary the forecasted revenue, expenses and ending balance of the district's General Fund for the period FY22-26, with actual data provided for FY19-21.

General Fund Revenue, Expenditure and Ending Cash Balances



Revenue Assumptions



Real Estate Value Assumptions – Line # 1.010

Property values are established each year by the County Auditor based on new construction and complete reappraisal or updated values. Miami County experienced a reappraisal update in the 2016 tax year which was collected in FY17. The 2016 update increased overall assessed values by \$8.4 million or an increase of 5%. A reappraisal occurred in tax year 2019 for collection in FY20. Class I and II property values increased 9.4% as a result of the reappraisal. The next update will occur in 2022 for collection in 2023 and we are estimating a 3% increase in Class I values and 0% for Class II. We are not at the 20 mill floor so any increase in value will only increase revenue on our 3.6 mills on inside millage.

Site and infrastructure work has begun on a new mixed-use commercial and residential development at Stillwater Crossings, including Randall Residence, senior cottages, and a Ryan Homes Development. Some of these may involve payment in lieu of taxes (PILOT) payments and additional new construction. At this time we are estimating increases in new construction for the Ryan Home Development of up to 40 homes projecting 8 houses per year with an estimated fair market value of \$250,000 to \$350,000. We are estimating this development to begin in 2020 and have taxable values for collection in calendar year 2022. We will continue to monitor developments and project them in the future forecasts when we have data to base our estimates and are confident the project

will proceed with a timeline that is reliable. Our main objective in projecting new development revenues is to not over project these revenues, and we will do so when the data is known to us.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2021	TAX YEAR2022	TAX YEAR2023	TAX YEAR2024	TAX YEAR 2025
<u>Classification</u>	<u>COLLECT 2022</u>	<u>COLLECT 2023</u>	<u>COLLECT 2024</u>	<u>COLLECT 2025</u>	<u>COLLECT 2026</u>
Res./Ag.	\$189,846,130	\$196,439,514	\$197,337,514	\$198,235,514	\$199,133,514
Comm./Ind.	11,915,580	11,945,580	11,975,580	12,005,580	12,035,580
Public Utility Personal Property (PUPP)	<u>11,649,040</u>	<u>11,799,040</u>	<u>11,949,040</u>	<u>12,099,040</u>	<u>12,249,040</u>
Total Assessed Value	<u>\$213,410,750</u>	<u>\$220,184,134</u>	<u>\$221,262,134</u>	<u>\$222,340,134</u>	<u>\$223,418,134</u>

ESTIMATED REAL ESTATE TAX (Line #1.010)

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
General Property Taxes	<u>\$4,733,065</u>	<u>\$4,825,557</u>	<u>\$4,221,526</u>	<u>\$3,756,202</u>	<u>\$3,772,990</u>

Property tax levies are estimated to be collected at 97% of the annual amount. This allows a 3% delinquency factor. Typically, 55.16% of the new residential/agriculture (Res/Ag) and commercial/industrial (Comm./Ind.) is expected to be collected in the February tax settlements and 44.84% is expected to be collected in the August tax settlements. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the County Auditor and are noted in Line #1.02 totals. An increase in delinquencies did not occur in the August second half settlement as warned due to the COVID-19 pandemic. This is good news for our district but we will continue to keep a close eye on this as the economic recovery continues. Tax collections begin to fall in FY23 as we are required to move our renewal levies to Line 11.02 of the forecast. This will lower Lines 1.01, 1.02 and 1.05 of the forecast when renewal levies expire.

Renewal and Replacement Levies – Line #11.02

With the recent renewal of the district's 17 mill operating levy as a continuing levy in November 2021, the district now has only one regular operating levy which has a term limit of five (5) years. The district's 10.9 mill operating levy will expire December 31, 2023. Renewal levies are required to be reported on Line 11.02 of the forecast. As a reminder, renewal levies do not generally provide new revenues to the district.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Renew 10 Mill Levy in 2023	<u>\$0</u>	<u>\$0</u>	<u>\$821,269</u>	<u>\$1,488,885</u>	<u>\$1,488,885</u>
Total Line # 11.020	<u>\$0</u>	<u>\$0</u>	<u>\$821,269</u>	<u>\$1,488,885</u>	<u>\$1,488,885</u>

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

Public Utility Property Tax – Line#1.020

Public Utility Personal Property Taxes are the only source of revenues in this line since the State of Ohio phased out tangible personal property tax (TPP), beginning in fiscal year 2006.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Public Utility Personal Property (PUPP)	<u>\$726,296</u>	<u>\$737,442</u>	<u>\$681,755</u>	<u>\$625,250</u>	<u>\$633,050</u>

School District Income Tax – Line#1.030

The district passed a 1.25% SDIT in November 2008. The tax is dual purpose, with 1.15% allocated to the permanent improvement fund and 0.10% allocated to the general fund. The permanent improvement portion is used to pay the debt service payments of the local portion of the Ohio School Facility Commission building project. Due to the COVID-19 recession we experienced a slight decrease in income tax collections in FY21, and are projecting an increase of 5% in FY22, and 1% for FY23 through FY26.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
SDIT Collection	\$195,528	\$206,265	\$208,328	\$210,412	\$212,518
Adjustments	<u>10,736</u>	<u>2,064</u>	<u>2,084</u>	<u>2,105</u>	<u>2,126</u>
Total SDIT Line #1.030	<u>\$206,265</u>	<u>\$208,328</u>	<u>\$210,412</u>	<u>\$212,518</u>	<u>\$214,644</u>

State Foundation Revenue Estimates

A) Unrestricted State Foundation Revenue– Line #1.035

The actual release of the new Fair School Funding Plan formula has been delayed until December which is beyond the filing deadline of this forecast. We have projected FY22 and FY23 funding to be in line with the June 28, 2021 Legislative Service Commission estimates for our district.

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 forecast.

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

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

Base Cost Approach- Unrestricted Basic Aid Foundation Funding

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

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

State Share Percentage – Unrestricted Basic Aid Foundation Funding

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

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

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

Categorical State Aid

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

Unrestricted Categorical State Aid

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

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA)- Formerly Economically Disadvantaged Funding, DPIA is based on number and concentration of economically disadvantaged students compared to state average and multiplied by \$422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23.
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 only 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 FY22 than they received in FY21. The guarantee level of funding for FY22 is a calculated funding guarantee level based on full state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items.

Student Wellness and Success (Restricted Fund 467)

In FY20 and FY21, HB166 provided Student Wellness and Success Funds (SWSF) to be deposited in a Special Revenue Fund 467. HB110, the new state budget, has essentially eliminated these funds by merging them into state aid and wrapped into the expanded funding and mission of DPIA funds noted above and on Line 1.04 below. 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 \$106.35 million or \$59.80 per pupil. We believe FY22 Casino revenues will resume their historical growth rate.

Unrestricted State Foundation Revenue – Line #1.035

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Basic Aid-Unrestricted	\$6,716,649	\$6,753,573	\$6,752,654	\$6,751,726	\$6,750,789
Additional Aid Items	101,523	101,523	101,523	101,523	101,523
Basic Aid-Unrestricted Subtotal	<u>\$6,818,172</u>	<u>\$6,855,096</u>	<u>\$6,854,177</u>	<u>\$6,853,249</u>	<u>\$6,852,312</u>
Ohio Casino Commission ODT	<u>85,454</u>	<u>87,163</u>	<u>88,907</u>	<u>90,685</u>	<u>92,498</u>
Total Unrestricted State Aid Line # 1.035	<u><u>\$6,903,626</u></u>	<u><u>\$6,942,259</u></u>	<u><u>\$6,943,084</u></u>	<u><u>\$6,943,934</u></u>	<u><u>\$6,944,810</u></u>

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. We will need to see the new HB110 funding formula in December to see what new restricted funding is to be posted to these new restricted areas below. The district has elected to also post Catastrophic Aid for special education as restricted revenues. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
DPIA	\$90,976	\$91,886	\$92,805	\$93,733	\$94,670
Career Tech - Restricted	9,061	9,061	9,061	9,061	9,061
Gifted	-	-	-	-	-
ESL	-	-	-	-	-
Student Wellness	-	-	-	-	-
Catastrophic Aid	<u>43,649</u>	<u>44,085</u>	<u>44,526</u>	<u>44,971</u>	<u>45,421</u>
Total Restricted State Revenues Line #1.040	<u><u>\$143,686</u></u>	<u><u>\$145,032</u></u>	<u><u>\$146,392</u></u>	<u><u>\$147,765</u></u>	<u><u>\$149,152</u></u>

C) Restricted Federal Grants in Aid – line #1.045

No restricted federal grants in aid are included throughout the forecast.

<u>Summary of State Foundaton Revenues</u>	FY22	FY23	FY24	FY25	FY26
Unrestricted Line # 1.035	\$6,903,626	\$6,942,259	\$6,943,084	\$6,943,934	\$6,944,810
Restricted Line # 1.040	143,686	145,032	146,392	147,765	149,152
Rest. Fed. Grants Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u><u>\$7,047,312</u></u>	<u><u>\$7,087,291</u></u>	<u><u>\$7,089,476</u></u>	<u><u>\$7,091,699</u></u>	<u><u>\$7,093,962</u></u>

State Taxes Reimbursement/Property Tax Allocation- Line #1.050**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. The drop in reimbursements beginning in FY23 is due to the renewal levies mentioned earlier.

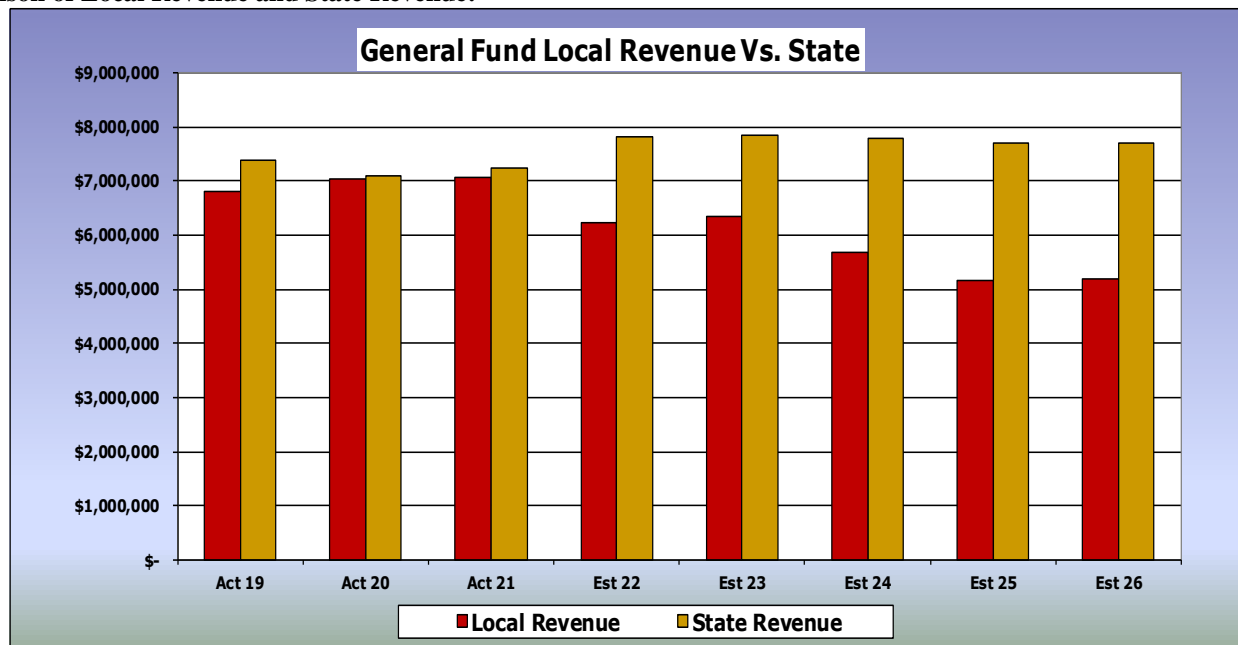
Summary of State Tax Reimbursement – Line #1.050

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Rollback and Homestead	<u><u>\$776,556</u></u>	<u><u>\$773,786</u></u>	<u><u>\$690,407</u></u>	<u><u>\$605,227</u></u>	<u><u>\$607,975</u></u>

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, and general rental fees. 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-FY26 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. Rentals are expected to remain somewhat lower due to COVID-19 restrictions and lower participation. We have reduced FY22 interest by 25% due to the rapid reduction in interest rates to help stimulate the economy due to the COVID-19 recession. All other revenues are expected to continue on historic trends.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Open Enrollment Gross	\$0	\$0	\$0	\$0	\$0
Interest	77,111	77,497	77,884	78,273	78,664
Medicaid	53,328	53,328	53,328	53,328	53,328
Tuition SF-14 & SF-14H	358,013	359,803	361,602	363,410	365,227
Other Income and rentals	79,025	79,025	79,025	79,025	79,025
Total Line # 1.060	<u>\$567,477</u>	<u>\$569,653</u>	<u>\$571,839</u>	<u>\$574,036</u>	<u>\$576,244</u>

Comparison of Local Revenue and State Revenue:**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

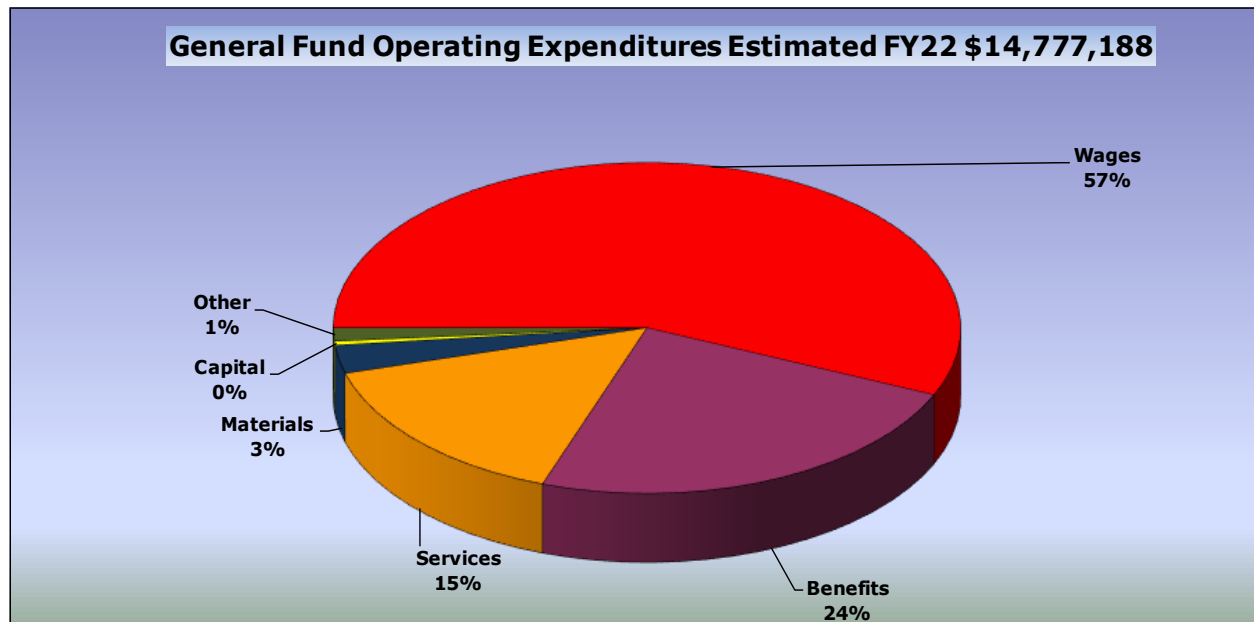
There are no transfers planned in this forecast at this time. Other financing sources consist of advances that the school district anticipates will be re-paid during the forecasted period. Advances are made from the general fund to other funds, primarily to cover grant monies that are not received as of fiscal year end. Advances are forecasted based on the historical timeliness of grant monies not received at fiscal year-end.

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.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Refund of prior year expenditures	<u>\$52,510</u>	<u>\$52,510</u>	<u>\$52,510</u>	<u>\$52,510</u>	<u>\$52,510</u>

Expenditures Assumptions



Wages – Line #3.010

The model reflects a base increase of 2.5% for FY22 and 2% for FY 23-26. We have estimated step and training increases of 1.8% for each year of the forecast. We have recoded expenses that qualify in our plan for use of Student Wellness and Success funding in FY21 and will reintroduce those costs to the General Fund for the period FY22-26.

Source	FY22	FY23	FY24	FY25	FY26
Base Wages	\$7,552,311	\$7,955,291	\$8,310,768	\$8,620,211	\$8,981,279
Increases	188,808	159,106	166,215	172,404	179,626
Steps & Training	135,942	143,195	149,594	155,164	161,663
Growth/Replacement Staff	74,317	35,729	2,634	0	0
Fund 467 & 507 Recoding	62,553	52,447	26,000	68,500	0
Substitutes & Supplementals	379,005	382,795	386,623	390,489	394,394
Staff Reductions/Attrition	-23,640	0	0	0	0
Total Wages Line #3.010	<u>\$8,369,296</u>	<u>\$8,728,563</u>	<u>\$9,041,834</u>	<u>\$9,406,768</u>	<u>\$9,716,962</u>

Fringe Benefits Estimates Line 3.02

This area of the forecast captures all costs associated with benefits and retirement costs, which all except 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 estimated increases for insurance are 8.1% for FY22, and then 10% for FY23-26.

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. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about 0.60% of wages throughout the forecast due to a moderated claim 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

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
A) STRS/SERS	\$1,337,851	\$1,397,015	\$1,448,693	\$1,506,591	\$1,557,962
B) Insurances	1,986,840	2,194,676	2,417,475	2,685,733	2,954,306
C) Workers Comp/Unemployment	58,216	52,671	54,551	56,741	58,602
D) Medicare	125,483	130,884	135,613	141,067	145,754
Other/Tuition	<u>2,440</u>	<u>2,440</u>	<u>2,440</u>	<u>2,440</u>	<u>2,440</u>
Total Fringe Benefits Line #3.020	<u>\$3,510,830</u>	<u>\$3,777,686</u>	<u>\$4,058,772</u>	<u>\$4,392,572</u>	<u>\$4,719,064</u>

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 Plus, 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.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Base Services	\$114,986	\$118,436	\$121,989	\$135,649	\$139,718
Professional/Instructional & ESC	612,292	710,016	731,316	753,255	775,853
Open Enrollment Deduction	-	-	-	-	-
Community School Deductions	-	-	-	-	-
SF14, Other Tuition & College Credit Plus	1,077,674	1,131,558	1,188,136	1,247,543	1,309,920
Building Maintenance & Service	111,765	117,353	123,221	129,382	135,851
Utilities	178,064	183,406	188,908	194,575	200,412
Security Services	<u>145,407</u>	<u>148,984</u>	<u>152,649</u>	<u>156,404</u>	<u>160,252</u>
Total Purchased Services Line #3.030	<u>\$2,240,188</u>	<u>\$2,409,753</u>	<u>\$2,506,219</u>	<u>\$2,616,808</u>	<u>\$2,722,006</u>

Supplies and Materials – Line #3.040

An overall inflation of 3.0% is being estimated for this category of expenses. This is due to an anticipated increase in fuel costs and instructional materials as a whole. Educational supplies include textbooks, office and classroom supplies. We have held building budgets at current levels and assumed textbook replacements for each year of the forecast. Building and transportation costs include supplies to clean the buildings, provide paper supplies and other items custodians would need, and transportation costs are largely fuel, tires and other costs required to keep our fleet safe and operational.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Supplies, Textbooks & Technology	\$245,068	\$252,420	\$259,993	\$274,793	\$283,037
Building and Transportation	<u>162,200</u>	<u>162,200</u>	<u>162,200</u>	<u>162,200</u>	<u>162,200</u>
Total Supplies Line #3.040	<u>\$407,268</u>	<u>\$414,620</u>	<u>\$422,193</u>	<u>\$436,993</u>	<u>\$445,237</u>

Equipment – Line # 3.050

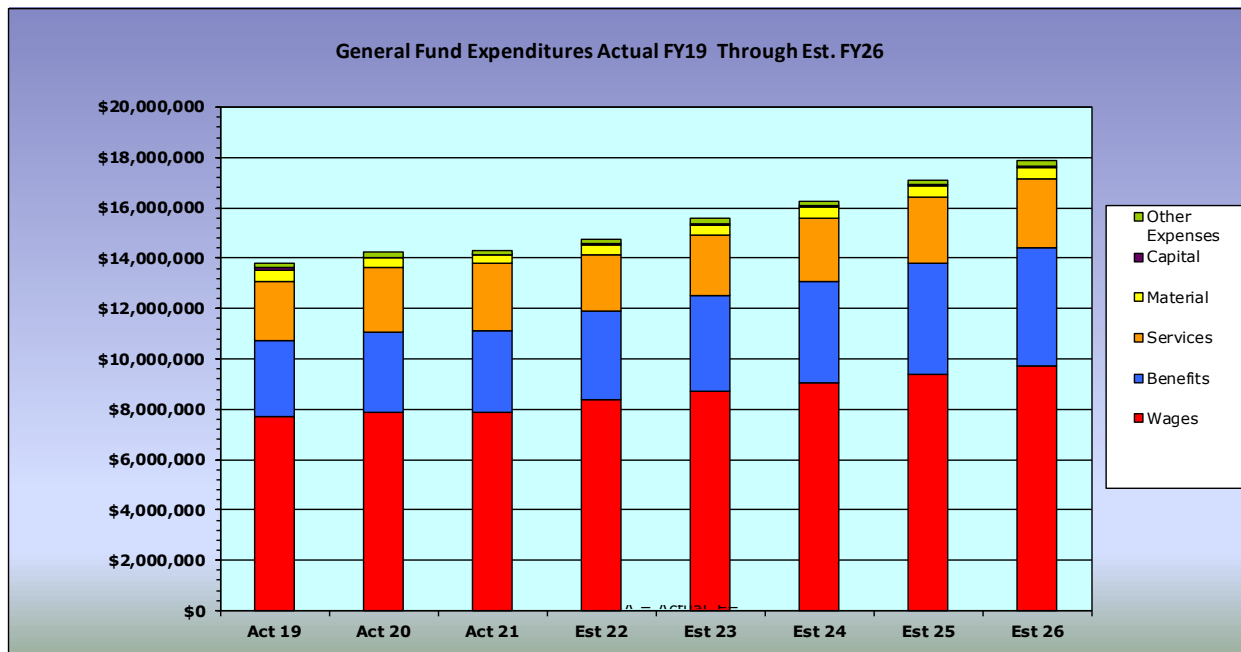
Costs in FY 22-26 include purchasing equipment for students and staff and is expected to increase 1% annually. We are projected to use our permanent improvement levy for major capital items but smaller items of equipment that have a shorter life will still need to come from the general fund. These amounts can vary year to year based on anticipated need.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Capital Outlay	\$58,138	\$58,719	\$59,307	\$59,900	\$60,499
Replacement Bus Purchases	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Equipment Line #3.050	<u>\$58,138</u>	<u>\$58,719</u>	<u>\$59,307</u>	<u>\$59,900</u>	<u>\$60,499</u>

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer (A&T) fees and state audit fees. Other items such as dues and fees to professional organizations such as OSBA and employee bonds are paid from these funds. Currently, we are estimating annual increase of 2% for this forecast.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
County Auditor & Treasurer Fees	\$101,500	\$102,515	\$103,540	\$104,575	\$105,621
Other expenses	<u>89,969</u>	<u>92,668</u>	<u>95,448</u>	<u>98,311</u>	<u>101,260</u>
Total Other Expenses Line #4.300	<u>\$191,469</u>	<u>\$195,183</u>	<u>\$198,988</u>	<u>\$202,886</u>	<u>\$206,881</u>

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 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 amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. Transfers out for FY22-26 is \$80,000 transferred to fund 035 for severance payments annually, and \$265,000 to fund 300.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Operating Transfers Out Line #5.010	\$345,000	\$345,000	\$345,000	\$345,000	\$345,000
Advances Out Line #5.020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances Out	<u>\$345,000</u>	<u>\$345,000</u>	<u>\$345,000</u>	<u>\$345,000</u>	<u>\$345,000</u>

Encumbrances –Line#8.010

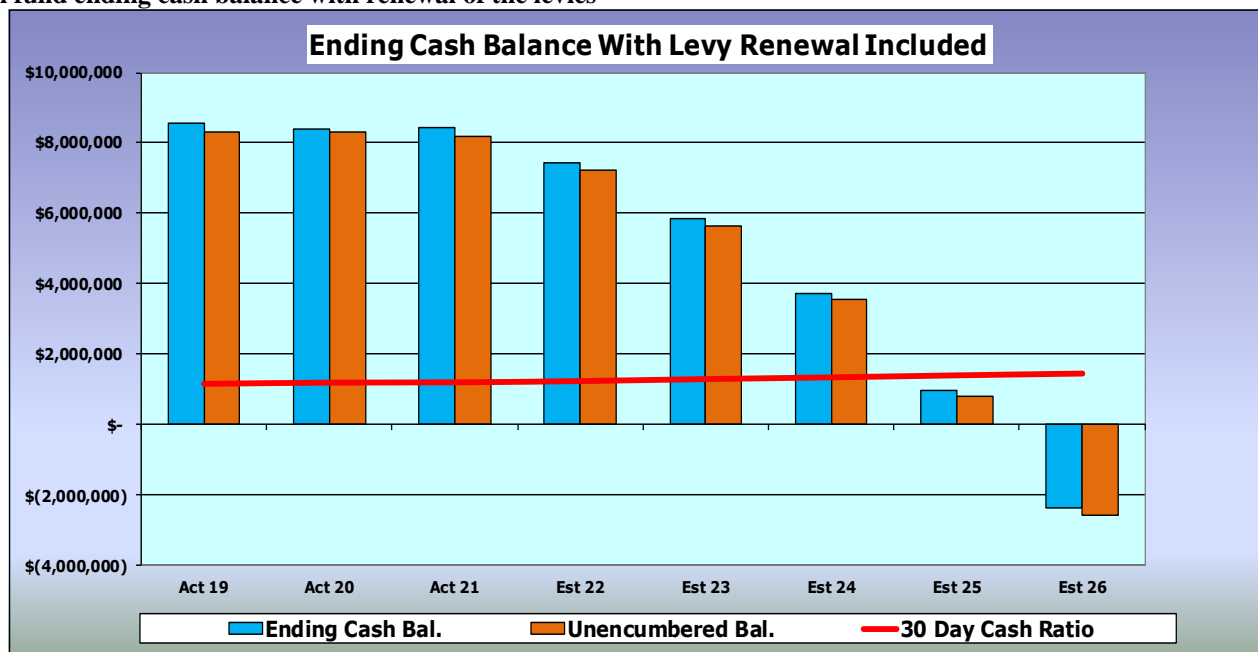
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

	FY22	FY23	FY24	FY25	FY26
Estimated Encumbrances	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>

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 November 2, 2021 renewal of the 17 mill levy in 2022 and proposed renewal of the 10.9 mill operating levy that expires in December 2023. Very clearly if the 10.9 mill levy renewal fails it would spell financial difficulties for the district.

	FY22	FY23	FY24	FY25	FY26
Ending Unencumbered Cash Balance	<u>\$7,230,613</u>	<u>\$5,555,655</u>	<u>\$3,262,537</u>	<u>\$207,938</u>	<u>\$ (3,567,450)</u>

General fund ending cash balance with renewal of the levies**True Cash Days Ending Balance – Includes Renewal of Two Emergency Levies**

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. This is calculated including transfers as this is predictable funding source for other funds such as for severance payments. The district will need to keep an eye on expenses year to year to ensure we have adequate resources to end FY25 and FY26.

Ending Cash Balance in True Cash Days

