

**BUCYRUS CITY SCHOOL DISTRICT-CRAWFORD 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
Bucyrus City School District
Treasurer's Office
Ryan Cook, Treasurer/CFO**

May 19, 2022

BUCYRUS CITY SCHOOLS

Crawford County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2019, 2020, 2021
Forecasted Fiscal Year 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)	3,546,042	3,631,910	3,646,929	1.4%	3,782,256	3,711,632	3,712,112	3,719,715	3,725,012
1.020 Public Utility Personal Property Tax	338,462	354,764	341,581	0.6%	448,863	394,691	402,312	408,848	415,364
1.030 Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035 Unrestricted State Grants-in-Aid	11,807,142	11,689,244	11,741,288	-0.3%	9,100,507	9,113,403	9,114,135	9,114,870	9,115,605
1.040 Restricted State Grants-in-Aid	414,180	379,005	383,045	-3.7%	663,433	654,872	654,872	654,872	654,872
1.045 Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050 Property Tax Allocation	747,931	709,789	677,906	-4.8%	619,225	644,312	644,398	646,311	648,075
1.060 All Other Revenues	1,678,967	1,165,066	592,240	-39.9%	486,252	251,645	253,689	255,802	257,978
1.070 Total Revenues	18,532,724	17,929,778	17,382,989	-3.2%	15,100,536	14,770,555	14,781,518	14,800,418	14,816,906
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	67,822	-	11,000	0.0%	-	-	-	-	-
2.050 Advances-In	-	-	-	0.0%	-	-	-	-	-
2.060 All Other Financing Sources	47,483	49,080	180,557	135.6%	6,020	6,020	6,020	6,020	6,020
2.070 Total Other Financing Sources	115,305	49,080	191,557	116.4%	6,020	6,020	6,020	6,020	6,020
2.080 Total Revenues and Other Financing Sources	18,648,029	17,978,858	17,574,546	-2.9%	15,106,556	14,776,575	14,787,538	14,806,438	14,822,926
Expenditures									
3.010 Personal Services	\$7,330,226	\$6,987,343	\$6,729,893	-4.2%	\$5,629,162	\$5,039,329	\$7,860,202	\$8,017,360	\$8,204,982
3.020 Employees' Retirement/Insurance Benefits	3,455,967	3,415,566	3,332,970	-1.8%	3,458,752	3,734,835	4,538,791	\$5,116,221	\$5,647,024
3.030 Purchased Services	5,296,881	4,892,467	5,730,251	4.7%	2,670,850	2,788,938	2,912,620	\$3,042,171	\$3,177,879
3.040 Supplies and Materials	264,969	290,930	320,334	10.0%	\$326,351	342,669	359,802	377,792	396,682
3.050 Capital Outlay	410,399	81,188	110,215	-22.2%	\$370,000	225,000	225,000	225,000	225,000
3.060 Intergovernmental	-	-	-	0.0%	-	-	-	-	-
Debt Service:									
4.010 Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020 Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030 Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040 Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050 Principal-HB 264 Loans	-	-	-	0.0%	-	-	-	-	-
4.055 Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060 Interest and Fiscal Charges	-	-	-	0.0%	-	-	-	-	-
4.300 Other Objects	679,344	828,062	898,030	15.2%	\$978,240	\$1,016,620	\$1,056,555	\$1,098,110	\$1,141,351
4.500 Total Expenditures	\$17,437,786	16,495,556	17,121,693	-0.8%	13,433,355	13,147,391	16,952,970	17,876,654	18,792,918
Other Financing Uses									
5.010 Operating Transfers-Out	67,822	-	-	0.0%	-	-	-	-	-
5.020 Advances-Out	-	-	-	0.0%	-	-	-	-	-
5.030 All Other Financing Uses	(2)	-	-	0.0%	-	-	-	-	-
5.040 Total Other Financing Uses	67,820	-	-	0.0%	-	-	-	-	-
5.050 Total Expenditures and Other Financing Uses	17,505,606	16,495,556	17,121,693	-1.0%	13,433,355	13,147,391	16,952,970	17,876,654	18,792,918
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,142,423	1,483,302	452,853	-19.8%	1,673,201	1,629,184	(2,165,432)	(3,070,216)	(3,969,992)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	9,030,568	10,172,991	11,656,293	13.6%	12,109,146	13,782,347	15,411,531	13,246,099	10,175,883
7.020 Cash Balance June 30	10,172,991	11,656,293	12,109,146	9.2%	13,782,347	15,411,531	13,246,099	10,175,883	6,205,891
8.010 Estimated Encumbrances June 30	515,620	359,915	1,022,487	76.9%	100,000	100,000	100,000	100,000	100,000
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 Subtotal	-	-	-	0.0%	-	-	-	-	-
Fund Balance June 30 for Certification of Appropriations	9,657,371	11,296,378	11,086,659	7.6%	13,682,347	15,311,531	13,146,099	10,075,883	6,105,891

BUCYRUS CITY SCHOOLS

Crawford County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2019, 2020, 2021
Forecasted Fiscal Year 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
Revenue from Replacement/Renewal Levies										
11.010	Income Tax - Renewal	-	-		0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement	-	-		0.0%	-	-	-	-	-
11.300	Cumulative Balance of Replacement/Renewal Levies	-	-		0.0%	-	-	-	-	-
12.010	<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>									
		9,657,371	11,296,378	11,086,659	7.6%	13,682,347	15,311,531	13,146,099	10,075,883	6,105,891
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>	9,657,371	11,296,378	11,086,659	7.6%	13,682,347	15,311,531	13,146,099	10,075,883	6,105,891

Bucyrus City School District – Crawford County
Notes to the Five Year Forecast
General Fund Only
May 19, 2022

Introduction to the Five Year Forecast

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

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

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

Here are at least three purposes or objectives of the five-year forecast:

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

O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022 (July 1, 2021-June 30, 2022) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the May 2022 filing.

Economic Outlook

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

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

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

May 2022 Updates:

Revenues FY22:

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$15,100,536 or 1% lower than the November forecasted amount of \$15,254,084. This indicates the November forecast was 99% accurate.

Line 1.01 and 1.02 - Property tax revenues represent 28% of revenues and are estimated to be \$4,231,119 which is \$94,970 higher for FY22 than the original estimate of \$4,136,149. Our estimates are 93.5% accurate for FY22 and should mean future projections are on target as well.

Line 1.035 and 1.04 - State Aide began the year with a completely new funding formula with only Legislative Service Commission (LSC) estimates to anticipate our funding for FY22 and FY23. The LSC estimated provided little to no detail on how the funding level was calculated. The November forecast used components of the LSC simulations of HB110 funding in order to project anticipated funding. In January of 2022 the first formula calculations were released in part by the Ohio Department of Education. While there are still details unpublished at this time we can see that through early April our state aid is estimated to be \$9,763,940 which is \$476,402 lower than the original estimate for FY22. We are pleased that with very little detail we were able to be 95% accurate for FY22. We are currently on the guarantee and are expected to remain on a guarantee for FY23 through FY26.

Line 1.06 - Other revenues are up \$242,345 over original estimates primarily due to a Medicaid reimbursement for FY20 services.

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

Expenditures FY22:

Total General Fund expenditures (line 4.5) are estimated to be \$13,433,355 for FY22 which is \$22,720 higher than the original estimate of \$13,410,635 in the November forecast, which is roughly 99% on target with original estimates.

Unreserved Ending Cash Balance:

With revenues slightly lower than estimates and expenditures ending on target, our ending unreserved cash balance at June 30, 2022 is anticipated to be roughly \$13.85 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2026 if assumptions we have made for property tax collections, state aid in future state budgets and expenditure assumptions remain close to our estimates.

Forecast Risks and Uncertainty:

A five year financial forecast has risks and uncertainty not only due to 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) In tax year 2018 Crawford County went through a reappraisal update. Residential/Agricultural values increased 7.9% Commercial/Industrial values increased 9.33%. These increases indicated the housing market in our District has recovered from the 2008 recession. The 2021 Crawford County reappraisal update resulted in an increase in Class I residential agricultural values of 13.8% and no significant increase in Class II commercial property for an overall tax value increase of 11.2%. There is a low risk that any decrease in values would have a major impact on our forecast as our operating levies would roll up due to HB920 in response to any decline in values.
- 2) HB110, the current state budget, implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula

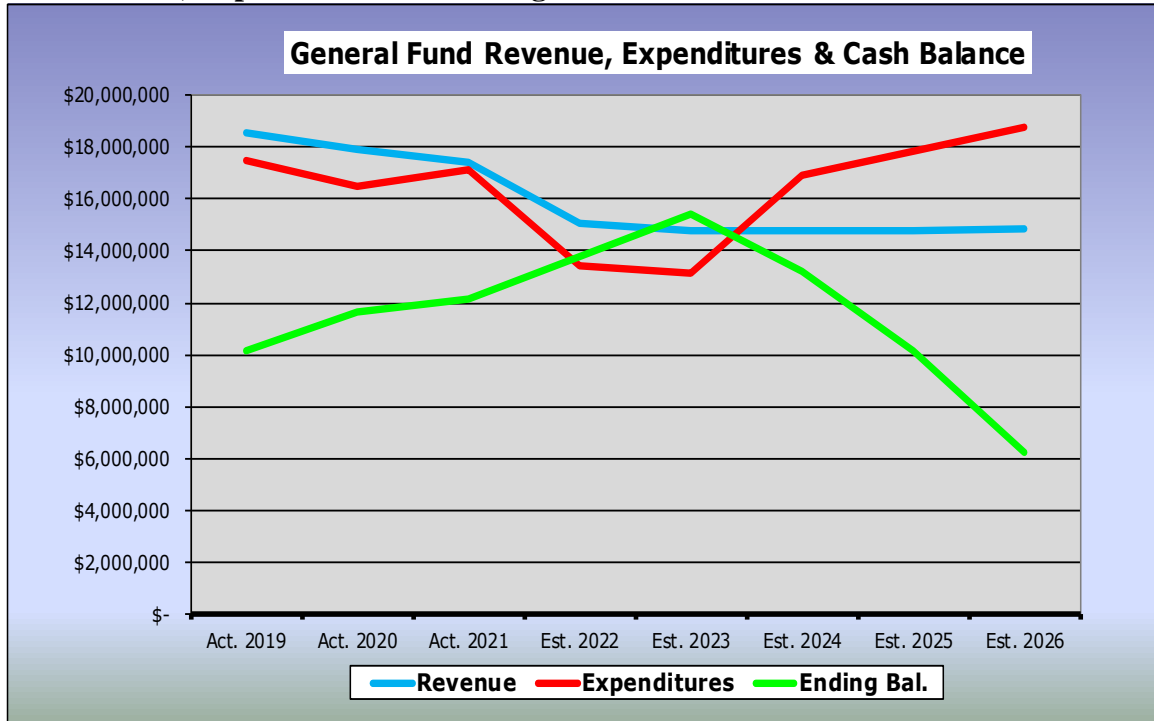
calculations was delayed until January 2022. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools and scholarship recipients. The initial impact 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, 1.06 and 3.03 beginning in FY22. Longer term there may be adjustments to state aid for FY23 as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula available as of this forecast.

- 3) The State Budget represents 68.8% of district revenues, which means it is a significant area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls due to record high inflation we are witnessing at this time, or the Fair School Funding Plan is not funded in future state budgets due to an economic downturn. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY26. We have projected our state funding to be in line with the FY23 funding levels through FY26 which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.
- 4) HB 166 has continued the Fixed Sum TPP phase out over five years through FY21. There will be no fixed sum TPP reimbursement in FY22. Districts will not lose money due to the phase out. The amount of money the state is cutting as its reimbursement will be added on the local fixed sum millage and collected in local property taxes. This is directly shifting the burden to local tax payers by the state cut in fixed sum TPP reimbursement.
- 5) HB110 direct pays costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from state aid which will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can exposes the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any new proposed laws are introduced in the legislature.
- 6) Labor relations in the district have been very amicable with all parties working for the best interest of students and realizing the resource challenges the district faces. We believe as the district moves forward a strong working relationship will continue.

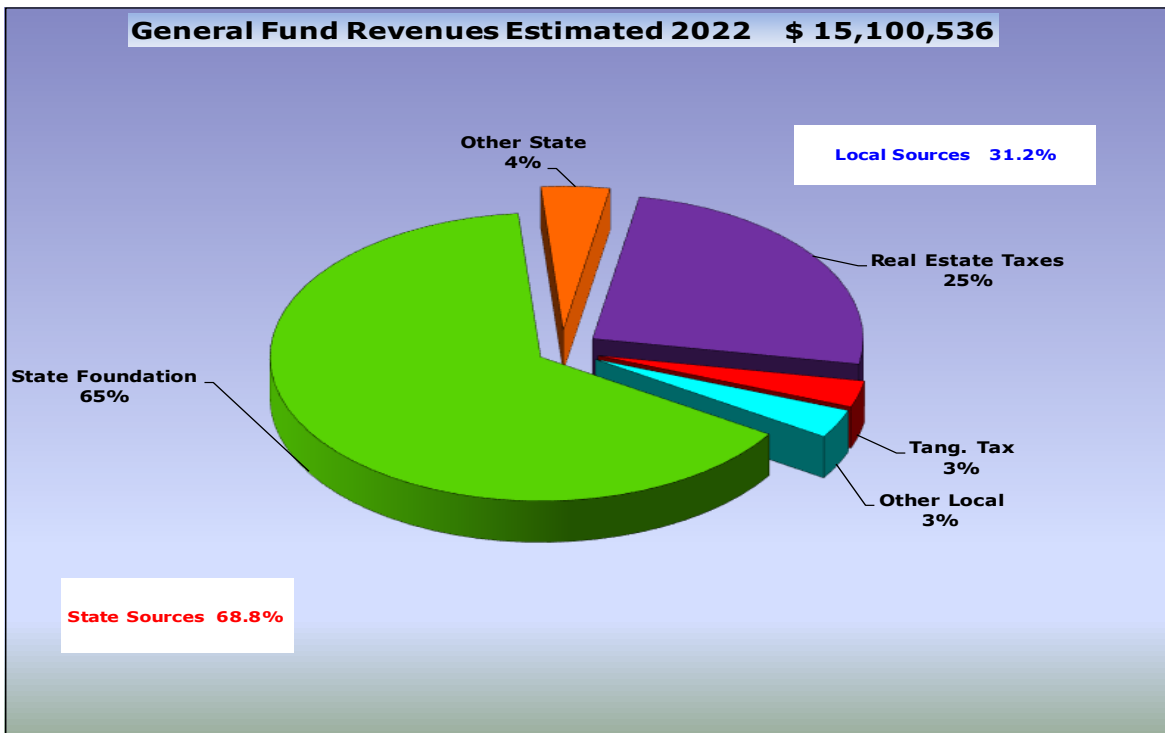
The financial forecast presents, to the best of the Bucyrus City School District Board of Education's knowledge and belief, the expected revenues, expenditures, and operating balance of the General Fund. Accordingly, the forecast reflects the Board of Education's judgment of the expected conditions and its expected course of action as of the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected.

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Mr. Ryan Cook, Treasurer of the Bucyrus City Schools 419-562-4045.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY19-21 and Estimated FY22-26



REVENUE ASSUMPTIONS



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. The County went through a reappraisal update in 2018 for collection in 2019. Residential/Agricultural values increased 7.9% Commercial/Industrial values increased 9.33%. The 2021 Crawford County reappraisal update resulted in an increase in Class I residential agricultural values of 13.8% and no significant increase in Class II commercial property for an overall tax value increase of 11.2%.

As a reminder Tangible Personal Property (TPP) values were reduced to \$-0- in 2011 as a result of HB 66.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2021	TAX YEAR 2022	TAX YEAR 2023	TAX YEAR 2024	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.	\$109,020,430	\$108,970,430	\$108,920,430	\$112,138,043	\$112,088,043
Comm./Ind.	25,348,120	25,318,120	25,288,120	25,511,001	25,481,001
PUPP	7,724,920	7,874,920	8,024,920	8,174,920	8,324,920
Total Assessed Value	<u>\$142,093,470</u>	<u>\$142,163,470</u>	<u>\$142,233,470</u>	<u>\$145,823,964</u>	<u>\$145,893,964</u>

ESTIMATED REAL ESTATE TAX (Line #1.010)

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Est. Property Tax Line #1.010	<u>\$3,782,256</u>	<u>\$3,711,632</u>	<u>\$3,712,112</u>	<u>\$3,719,715</u>	<u>\$3,725,012</u>

Property tax levies are estimated to be collected at 95% of the annual amount allowing a 5% current delinquent factor. In general, 55% of the new Res/Ag. and Comm/Ind. is expected to be collected in February tax

settlements and 45% collected in August tax settlements. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the Crawford County Auditor. As previously noted, TPP taxes ceased to be collected after FY11.

Estimated Public Utility Personal Property Tax – Line#1.020

The phase out of Tangible Personal Property (TPP) taxes as noted earlier began in FY06 and were eliminated after FY11. Only Public Utility Personal Property (PUPP) taxes are collected in Line 1.02. FY22 receipts were higher due to a delinquent payment by Columbia Natural Gas. FY23 will resume at normal anticipated revenue levels.

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Public Utility Tax	<u>\$448,863</u>	<u>\$394,691</u>	<u>\$402,312</u>	<u>\$408,848</u>	<u>\$415,364</u>

Renewal and Replacement Levies – Line #11.02

The district currently does not have any levies that expire.

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

Income Tax – Line #1.03

The district does not have a school district income tax.

State Foundation Revenue Estimates

A) Unrestricted State Foundation Revenue– Line #1.035

The partial release of the new Fair School Funding Plan formula occurred in January 2022 half way through FY22, and as of the date of this forecast there are still some detailed calculations not released. We have projected FY22 and FY23 funding based on the April 2022 foundation settlement and funding factors.

Our district is currently a guarantee district in FY22 and is expected to be in FY23-FY26 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110 implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. The current formula introduces many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five year forecast look different with estimates FY22 through FY26 compared to actual data FY19 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

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

- A. Student Population and Demographics
- B. Property Valuation
- 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. Newer more up to date state wide average costs will not update for FY23 and remains frozen at FY18 levels, while other factors impacting a districts local capacity will update for FY23. Base costs per pupil includes funding for five (5) areas:

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

State Share Percentage – Unrestricted Basic Aid Foundation Funding

Once the base cost is calculated, which is currently at a state wide average of \$7,350.77 per pupil in FY22, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage in concept will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth the lower the state share percentage. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income and 20% on federal median income, as follows:

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

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

Categorical State Aid

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

Unrestricted Categorical State Aid

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

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

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

HB110 includes three (3) guarantees: 1) “Formula Transition Aid”; 2) Supplemental Targeted Assistance, and, 3) Formula Transition Supplement. The three (3) guarantees in both temporary and permanent law ensure that no district will get less funds in FY22 and FY23 than they received in FY21. The guarantee level of funding for FY22 is a calculated funding guarantee level based on full state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items. It is estimated that nearly 420 districts are on one form of a guarantee in FY22 and in general the same number will occur in FY23, since state average costs were frozen at FY18 in the Base Cost calculations, while property values and Federal Adjusted Gross Income will be allowed to update and increase for FY23, which should push districts toward one of the three (3) guarantees.

Student Wellness and Success (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, actual payments in FY22 were \$62.87per pupil. FY22 Casino revenues have resumed their historical growth rate and assume a 2% annual growth rate for the forecast period.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Basic Aid-Unrestricted	\$8,722,564	\$8,734,725	\$8,734,725	\$8,734,725	\$8,734,725
Additional Aid Items	<u>309,198</u>	<u>309,198</u>	<u>309,198</u>	<u>309,198</u>	<u>309,198</u>
Basic Aid-Unrestricted Subtotal	\$9,031,762	\$9,043,923	\$9,043,923	\$9,043,923	\$9,043,923
Ohio Casino Commission ODT	<u>68,745</u>	<u>69,480</u>	<u>70,212</u>	<u>70,947</u>	<u>71,682</u>
Unrestricted State Aid Line # 1.035	<u>\$9,100,507</u>	<u>\$9,113,403</u>	<u>\$9,114,135</u>	<u>\$9,114,870</u>	<u>\$9,115,605</u>

Restricted State Revenues – Line # 1.040

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under “Restricted Categorical Aid” for Gifted, English Learners (ESL) and Student Wellness. Using current April funding factors, we have estimated revenues for these new restricted funding lines. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23. We have flat lined funding at FY23 levels for FY24-FY26 due to uncertainty on continued funding of the current funding formula.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
DPIA	\$345,359	\$337,785	\$337,785	\$337,785	\$337,785
Career Tech - Restricted	0	0	0	0	0
Gifted	72,476	71,896	71,896	71,896	71,896
ESL	5,915	5,508	5,508	5,508	5,508
Student Wellness	239,683	239,683	239,683	239,683	239,683
Restricted State Revenues Line #1.040	<u>\$663,433</u>	<u>\$654,872</u>	<u>\$654,872</u>	<u>\$654,872</u>	<u>\$654,872</u>

B) Restricted Federal Grants in Aid – line #1.045

The district is not anticipating any new federal dollars for general fund operations in this forecast period.

Summary

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Unrestricted Line # 1.035	\$9,100,507	\$9,113,403	\$9,114,135	\$9,114,870	\$9,115,605
Restricted Line # 1.040	663,433	654,872	654,872	654,872	654,872
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>\$9,763,940</u>	<u>\$9,768,275</u>	<u>\$9,769,007</u>	<u>\$9,769,742</u>	<u>\$9,770,477</u>

State Taxes Reimbursement/Property Tax Allocation Line 1.050

a) Rollback and Homestead Reimbursement

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

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 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 slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers.

b) Tangible Personal Property Reimbursements – Fixed Rate

The district no longer receives any fixed rate reimbursement.

c) Tangible Personal Property Reimbursements – Fixed Sum

HB 166 has continued the Fixed Sum TPP phase out over five years through FY21. There will be no fixed sum TPP reimbursement in FY22. Districts will not lose money due to the phase out. The amount of money the state is cutting its reimbursement by will be added on the local fixed sum millage and collected in local property taxes. This is directly shifting the burden to local tax payers by the state cut in fixed sum TPP reimbursement.

Summary of State Tax Reimbursement – Line #1.050

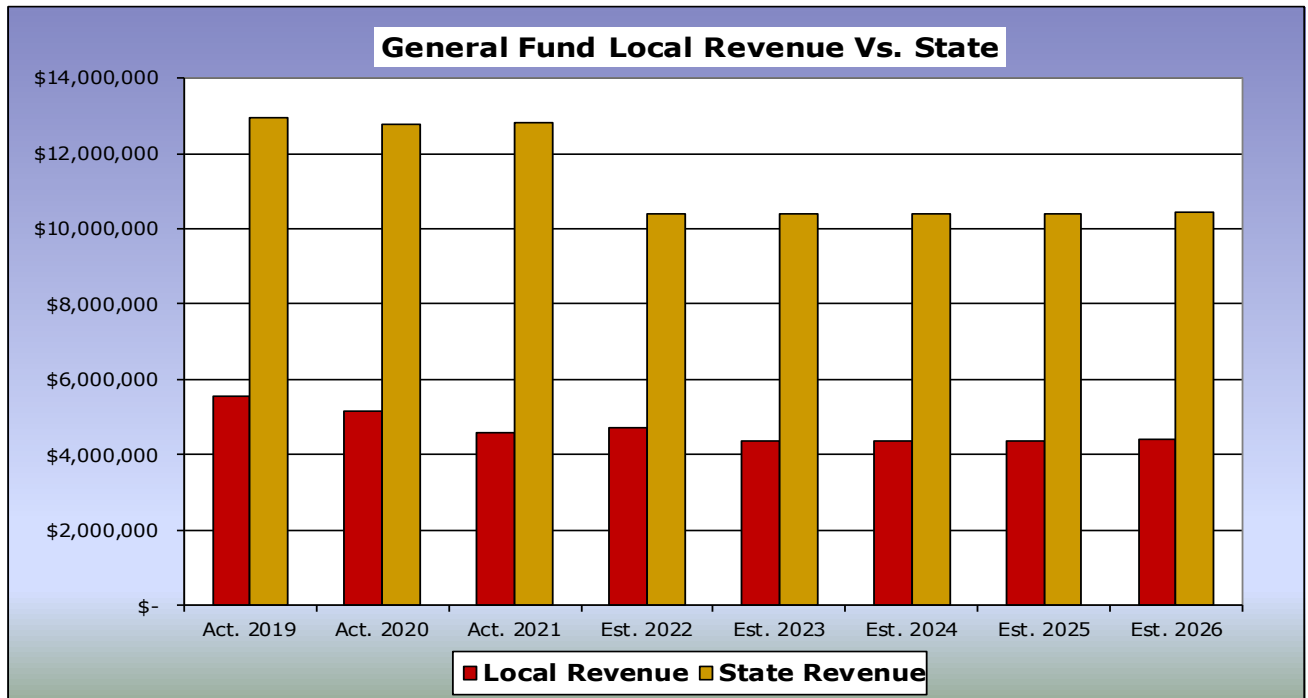
<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Rollback and Homestead	\$619,225	\$644,312	\$644,398	\$646,311	\$648,075
TPP Reimbursement - Fixed Rate	0	0	0	0	0
TPP Reimbursement - Fixed Sum	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Tax Reimb./Prop. Tax Allocations #1.050	<u>\$619,225</u>	<u>\$644,312</u>	<u>\$644,398</u>	<u>\$646,311</u>	<u>\$648,075</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, Medicaid reimbursements, investment income 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 where they are being educated and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as state basic aid. In FY21 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historic trends. We will receive a one-time payment for Medicaid services from FY20 of \$242,345 in FY22 then we anticipate revenue to return to normal trends.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Open Enrollment Gross	\$0	\$0	\$0	\$0	\$0
Interest	4,763	4,287	3,858	3,472	3,125
Tuition SF-14 & SF-14H	43,976	44,416	44,860	45,309	45,762
Medicare Reimbursement	326,580	90,900	91,809	92,727	93,654
Rentals, Fines, Fees,& other	<u>110,933</u>	<u>112,042</u>	<u>113,162</u>	<u>114,294</u>	<u>115,437</u>
Total Other Local Revenue Line #1.060	<u>\$486,252</u>	<u>\$251,645</u>	<u>\$253,689</u>	<u>\$255,802</u>	<u>\$257,978</u>

Comparison of Local Revenue and State Revenue:



Short-Term Borrowing – Lines #2.010 & Line #2.020

There is no short term borrowing planned in this forecast at this time from any sources.

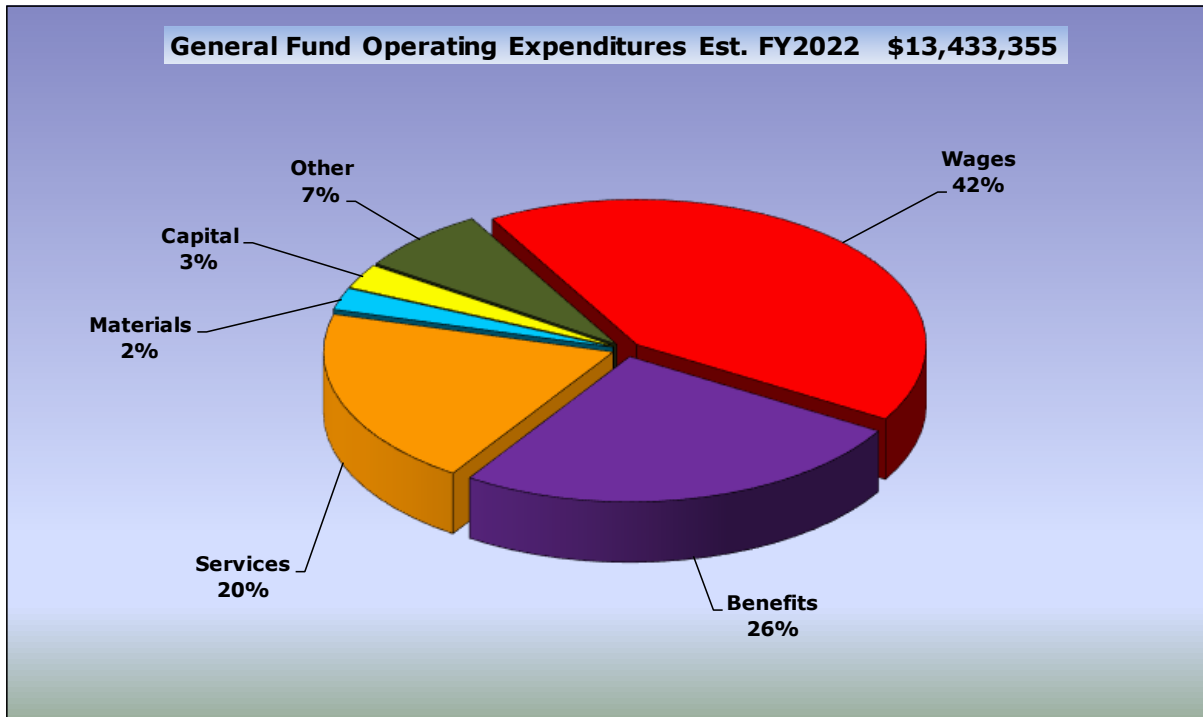
Transfers In / Return of Advances & All Other Financial Sources – Line #2.040, #2.050 and #2.060

Returns of advances to other funds from the previous year comprise most of the historical revenue in this category.

Other financial sources are typically a refund of prior year expenditures that are 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.

Source	FY22	FY23	FY24	FY25	FY26
Other Sources Line 2.060	<u>\$6,020</u>	<u>\$6,020</u>	<u>\$6,020</u>	<u>\$6,020</u>	<u>\$6,020</u>

Expenditure Assumptions



Wages – Line #3.010

Negotiations with staff have resulted in a 3% base increase for FY19-FY21. For planning purposes the forecast reflects a 3% increase for FY22-23 and a 1% increase FY24-26. Step and training pay increases are reflected based on current staffing levels FY22-26. We have used ESSER and Student Wellness and Success funds in FY22-23 to help offset wage costs. Wage costs covered by ESSER have been added back in FY24 when the ESSER funds will no longer be available. We added a net new 2.5 FTE administrators in FY22.

Source	FY22	FY23	FY24	FY25	FY26
Base Wages	\$6,024,657	\$4,935,127	\$4,325,673	\$7,139,809	\$7,290,163
Base Increases	180,740	180,740	49,351	43,257	71,398
Steps & Training/Performance Based Pay	90,370	74,027	64,885	107,097	109,352
New or Replacement Staff	206,285	18,753	0	0	0
Substitutes & Supplementals	585,781	603,354	609,388	615,482	621,637
Overtime & Other	68,254	70,302	71,005	71,715	72,432
Severance	40,000	40,000	40,000	40,000	40,000
Staff Adjustments/Fund 467 & ESSER	-1,566,925	-882,974	2,699,900	0	0
Total Wages Line #3.010	<u>\$5,629,162</u>	<u>\$5,039,329</u>	<u>\$7,860,202</u>	<u>\$8,017,360</u>	<u>\$8,204,982</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 being 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

We are estimating an increase in insurance of 14% for each year FY22-26. This is based on our current employee census and claims data. This could increase at a much higher rate should claims increase dramatically.

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 .07% of wages in FY21-25. Unemployment is expected to remain at a very low level. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

D) Medicare

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

Summary of Fringe Benefits – Line #3.020

<u>Source</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
STRS/SERS	\$844,283	\$804,196	\$1,215,110	\$1,314,920	\$1,345,674
Insurance's	2,385,805	2,725,165	3,106,688	3,541,624	4,037,451
Workers Comp/Unemployment	45,033	40,314	62,881	64,139	65,640
Medicare	103,764	85,293	74,245	115,671	118,392
Tuition Reimb./Health Sav. Acct.	<u>79,867</u>	<u>79,867</u>	<u>79,867</u>	<u>79,867</u>	<u>79,867</u>
Total Fringe Benefits Line #3.020	<u>\$3,458,752</u>	<u>\$3,734,835</u>	<u>\$4,538,791</u>	<u>\$5,116,221</u>	<u>\$5,647,024</u>

Purchased Services – Line #3.030

We are estimating an inflation rate of 4% for FY22-26. 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.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Base Services- Including repairs, PSEO	\$675,485	\$709,259	\$744,722	\$781,958	\$821,056
Instructional Services - ESC	515,161	525,464	535,973	546,692	557,626
Open Enrollment Deduction	0	0	0	0	0
Community School Deductions	0	0	0	0	0
Tuition Payments, Autism Scholarship	1,125,132	1,181,389	1,240,458	1,302,481	1,367,605
Utilities	<u>355,072</u>	<u>372,826</u>	<u>391,467</u>	<u>411,040</u>	<u>431,592</u>
Total Purchased Services Line #3.030	<u>\$2,670,850</u>	<u>\$2,788,938</u>	<u>\$2,912,620</u>	<u>\$3,042,171</u>	<u>\$3,177,879</u>

Supplies and Materials – Line #3.040

These amounts account for funds to purchase new textbooks and educational supplies related to new curriculum adoptions. The other area of expenses included in this category are all consumable supplies that are purchased to operate the school district, such as textbooks, paper, cleaning supplies, tires and bus fuel.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Supplies	\$326,351	\$342,669	\$359,802	\$377,792	\$396,682
Budget Adj. Fund 507	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Supplies Line #3.040	<u>\$326,351</u>	<u>\$342,669</u>	<u>\$359,802</u>	<u>\$377,792</u>	<u>\$396,682</u>

Equipment – Line # 3.050

Capital outlay expenditures are estimated based on recent historical patterns with the expectation that all other capital outlay expenditures will be out of the permanent improvement funds.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
Capital Outlay	\$370,000	\$140,000	\$225,000	\$137,500	\$137,500
Replacement Bus Purchases	<u>0</u>	<u>85,000</u>	<u>0</u>	<u>87,500</u>	<u>87,500</u>
Total Equipment Line #3.050	<u>\$370,000</u>	<u>\$225,000</u>	<u>\$225,000</u>	<u>\$225,000</u>	<u>\$225,000</u>

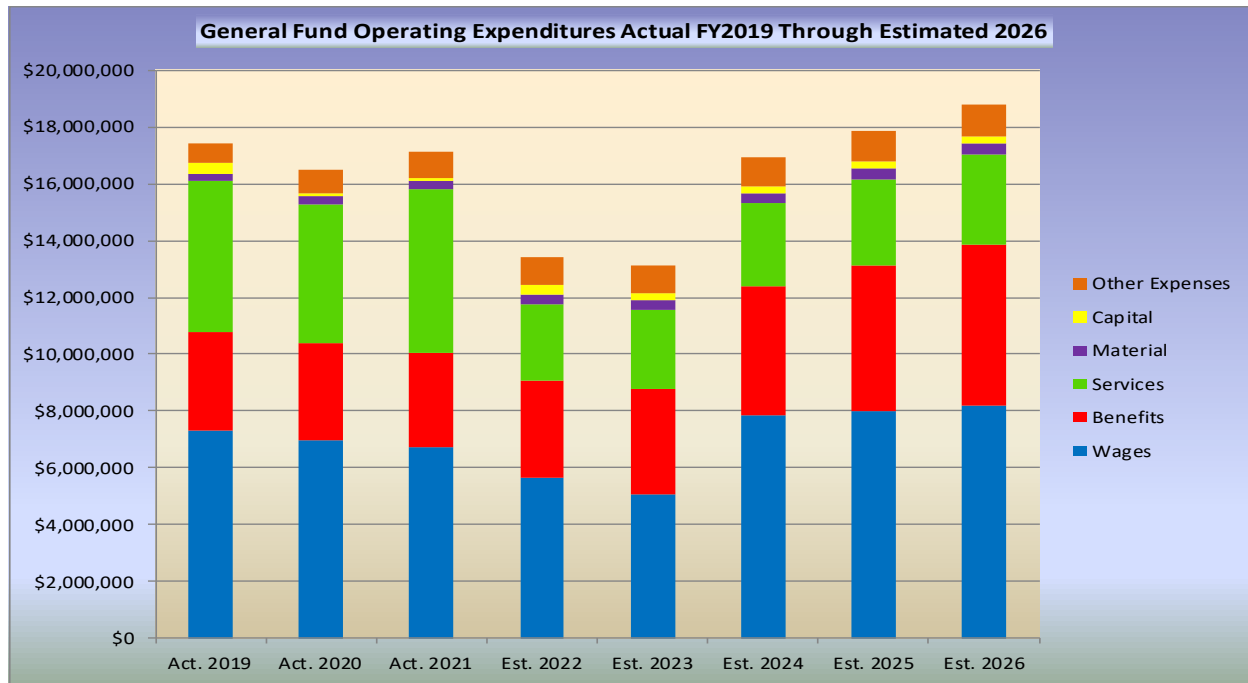
Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, but also includes annual audit costs, OSBA dues, and other miscellaneous expenses.

<u>Source</u>	FY22	FY23	FY24	FY25	FY26
County Auditor & Treasurer Fees	\$116,784	\$122,623	\$128,754	\$135,192	\$141,952
Audit fees, dues and other expenses	95,889	97,807	99,763	101,758	103,793
County ESC	<u>765,567</u>	<u>796,190</u>	<u>828,038</u>	<u>861,160</u>	<u>895,606</u>
Total Other Expenses Line #4.300	<u>\$978,240</u>	<u>\$1,016,620</u>	<u>\$1,056,555</u>	<u>\$1,098,110</u>	<u>\$1,141,351</u>

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

Declines in FY22 and FY23 are due to moving costs from the General Fund to ESSER Funds for continuity of operation as noted in the authorized use of these funds. Costs return in FY24 to the General Fund.



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. Advances are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund.

Encumbrances –Line#8.010

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

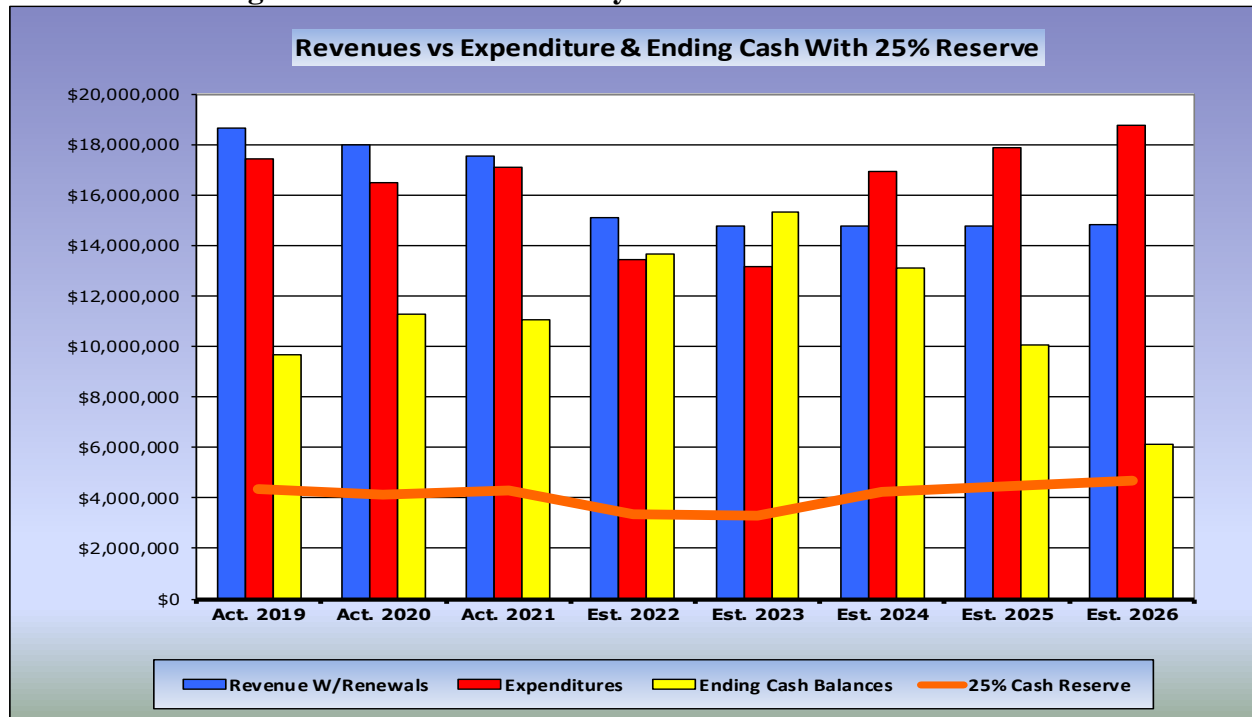
	FY22	FY23	FY24	FY25	FY26
Estimated Encumbrances	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>

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 5705.412, ORC punishable by personal liability of \$10,000, unless an alternative “412” certificate can be issued pursuant to HB153 effective September 30, 2011. In October 2007 the Board passed an ending cash balance policy calling for no less than 25% of the current years’ operating budget in ending unreserved cash. This policy is maintained through FY26 in the forecast period.

	FY22	FY23	FY24	FY25	FY26
Ending Cash Balance	<u>\$13,682,347</u>	<u>\$15,311,531</u>	<u>\$13,146,099</u>	<u>\$10,075,883</u>	<u>\$6,105,891</u>

General Fund Ending Cash Balance with 90 Day Reserve Actual FY19-21 and Estimated FY22-26



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. This is calculated including transfers as this is predictable funding source for other funds such as for severance payments. The district is at the 60 day mark through FY26.

