MARYSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT- UNION COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2018, 2019 and 2020 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2021 THROUGH JUNE 30, 2025

Innovate Collaborate Inspire

Forecast Provided By
Marysville Exempted Village School District
Treasurer's Office
Todd Johnson, Treasurer/CFO

April 15, 2021

Marysville Exempted Village School District

Union County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2018, 2019 and 2020 Actual;
Forecasted Fiscal Years Ending June 30, 2021 Through 2025

		Actual				Forecasted				
		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Average Change	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
	Revenues									
1.010	General Property Tax (Real Estate)	$19,557,647	$19,874,805	$20,279,069	1.8%	$21,344,957	$20,827,977	$20,956,782	$21,073,809	$21,132,939
1.020	Public Utility Personal Property Tax	5,185,849	5,133,255	4,988,842	-1.9%	5,645,145	$5,433,340	$5,481,200	$5,529,060	$5,576,920
1.035	Unrestricted State Grants-in-Aid	21,601,000	22,287,478	21,200,349	-0.8%	21,726,628	$22,141,530	$22,148,570	$22,155,778	$22,163,159
1.040	Restricted State Grants-in-Aid	343,276	306,783	254,483	-13.8%	253,711	$253,711	$253,711	$253,711	$253,711
1.045	Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	5,751,585	5,298,808	4,849,822	-8.2%	4,409,211	$3,854,144	$3,289,345	$2,702,471	$2,134,681
1.060	All Other Revenues	1,717,675	3,261,876	3,587,823	49.9%	3,312,046	$3,138,911	$3,066,031	$3,093,409	$3,121,046
1.070	*Total Revenues*	$54,157,032	$56,163,005	$55,160,388	1.8%	$56,691,698	$55,649,613	$55,195,639	$54,808,238	$54,382,456
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.020	State Emergency Loans	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.040	Operating Transfers-In	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.050	Advances-In	$0	$0	$0	0.0%	$2,000,000	$1,150,000	$0	$0	$0
2.060	All Other Financing Sources	0	$15,359	6,581	0.0%	795,679	$500	$500	$500	$500
2.070	*Total Other Financing Sources*	-	15,359	6,581	0.0%	2,795,679	1,150,500	500	500	500
2.080	*Total Revenues and Other Financing Sources*	$54,157,032	$56,178,364	$55,166,969	1.0%	$59,487,377	$56,800,113	$55,196,139	$54,808,738	$54,382,956
	Expenditures									
3.010	Personal Services	$31,401,963	$32,663,868	$33,831,623	3.8%	$34,510,025	$35,774,577	$36,898,913	$38,047,856	$39,521,940
3.020	Employees' Retirement/Insurance Benefits	11,308,825	12,274,403	12,495,861	5.2%	13,659,079	14,546,757	15,488,324	16,506,310	17,727,386
3.030	Purchased Services	5,077,173	5,166,429	5,220,291	1.4%	5,502,938	5,836,027	5,965,111	6,098,261	6,235,633
3.040	Supplies and Materials	1,195,539	1,181,184	1,060,448	-5.7%	1,060,623	1,292,442	1,331,215	1,371,151	1,412,286
3.050	Capital Outlay	19,623	20,296	18,836	-1.9%	27,050	29,091	29,673	30,266	30,871
3.060	Intergovernmental	-	-	-	0.0%					
	Debt Service:									
4.010	Principal-All (Historical Only)	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.020	Principal-Notes	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.030	Principal-State Loans	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.040	Principal-State Advancements	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.050	Principal-HB 264 Loans	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.055	Principal-Other	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.060	Interest and Fiscal Charges	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
4.300	Other Objects	595,942	633,901	628,354	2.7%	637,699	644,076	650,518	657,023	663,594
4.500	*Total Expenditures*	$49,599,065	$51,940,081	$53,255,413	3.6%	$55,397,414	$58,122,970	$60,363,754	$62,710,867	$65,591,710
	Other Financing Uses									
5.010	Operating Transfers-Out	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
5.020	Advances-Out	$0	$3,150,000	$0	0.0%	$0	$0	$0	$0	$0
5.030	All Other Financing Uses	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
5.040	*Total Other Financing Uses*	-	3,150,000	-	0.0%	-	-	-	-	-
5.050	*Total Expenditures and Other Financing Uses*	$49,599,065	$55,090,081	$53,255,413	3.9%	$55,397,414	$58,122,970	$60,363,754	$62,710,867	$65,591,710
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	4,557,967	1,088,283	1,911,556	-0.2%	4,089,963	(1,322,857)	(5,167,615)	(7,902,129)	(11,208,754)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	18,932,726	23,490,693	24,578,976	14.4%	26,490,532	30,580,495	29,257,638	24,090,023	16,187,894
7.020	*Cash Balance June 30*	23,490,693	24,578,976	26,490,532	6.2%	30,580,495	29,257,638	24,090,023	16,187,894	4,979,140
8.010	*Estimated Encumbrances June 30*	419,787	343,359	436,459	4.5%	400,000	400,000	400,000	400,000	400,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.020	Capital Improvements	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.030	Budget Reserve	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.040	DPIA	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.045	Fiscal Stabilization	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.050	Debt Service	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.060	Property Tax Advances	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.070	Bus Purchases	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
9.080	*Subtotal*	-	$0	$0	0.0%	$0	$0	$0	$0	$0
10.010	*Fund Balance June 30 for Certification of Appropriations*	$23,070,906	$24,235,617	$26,054,073	6.3%	$30,180,495	$28,857,638	$23,690,023	$15,787,894	$4,579,140
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%					
11.020	Property Tax - Renewal or Replacement	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
11.300	Cumulative Balance of Replacement/Renewal Levies	-	-		0.0%	-	-	-	-	-

Marysville Exempted Village School District

Union County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2018, 2019 and 2020 Actual;
Forecasted Fiscal Years Ending June 30, 2021 Through 2025

		Actual				Forecasted				
		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Average Change	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$23,070,906	$24,235,617	$26,054,073	6.3%	$30,180,495	$28,857,638	$23,690,023	$15,787,894	$4,579,140
	Revenue from New Levies									
13.010	Income Tax - New	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
13.020	Property Tax - New	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
13.030	Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
15.010	*Unreserved Fund Balance June 30*	$23,070,906	$24,235,617	$26,054,073	6.3%	$30,180,495	$28,857,638	$23,690,023	$15,787,894	$4,579,140
	ADM Forecasts									
20.010	Kindergarten - October Count	373	360	438	9.1%	438	438	438	438	438
20.015	Grades 1-12 - October Count	4,580	4,562	4,742	1.8%	4,742	4,742	4,742	4,742	4,742
	State Fiscal Stabilization Funds									
21.010	Personal Services SFSF				0.0%					
21.020	Employees Retirement/Insurance Benefits SFSF				0.0%					
21.030	Purchased Services SFSF				0.0%					
21.040	Supplies and Materials SFSF				0.0%					
21.050	Capital Outlay SFSF				0.0%					
21.060	*Total Expenditures - SFSF*	-	-		0.0%	-	-	-	-	-
True Days Cash Line 59		**173**	**163**	**182**	**585**	**201**	**184**	**146**	**94**	**28**
True Days Unencumbered Cash Line 91		**170**	**161**	**179**	**592**	**199**	**181**	**143**	**92**	**25**

Marysville Exempted Village School District –Union County
Notes to the Five Year Forecast
General Fund Only
April 15, 2021

Introduction to the Five Year Forecast
School districts are required to file a five (5) year financial forecast by November 30, 2020, and May 31, 2021 for fiscal year 2021 (July 1, 2020 to June 30, 2021). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2021 (July 1, 2020-June 30, 2021) 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 2021 filing.

Economic Outlook
This five-year forecast is being filed in during a recovery from the COVID-19 Pandemic and a health and financial struggle that encompassed our state, country and global economy. School districts play a vital role in their communities and we believe it is important to maintain continuity of services to our students and staff. The district has maintained services to students throughout the Pandemic. The State of Ohio's economic pressure has not been as great as first expected due to the effects of the pandemic thus the restoration of a portion of the original school foundation funding cuts was ordered by Governor DeWine on January 22, 2021. Federal funding sent to school districts through the Elementary and Secondary Schools Education Relief Funds (ESSER) has also been a much needed resource to offset the loss of state funding. Additional Federal CARES funding was used to cover the costs of additional technology needs, personal protective equipment, and cleaning costs caused by the pandemic. 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 2021 Updates:

Revenues FY21:
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 $56,691,698 or 2.81% higher than the November forecasted amount of $55,140,169. This indicates the November forecast was 97.19% accurate.

Property tax revenues are up in FY21 due to an additional collection of $455,000 in delinquent taxes from prior years.

State Aide, as noted above, began the year with continued cuts; however, on January 22, 2021 the Governor reinstated approximately 53% of those reductions thus having a positive impact of $669,856 for our district's revenue.

All other areas of revenue are tracking as anticipated for FY21 based on our best information at this time.

Expenditures FY21:
Total General Fund expenditures (line 4.5) are estimated to be $55,397,414 for FY21 which is below the original estimate of $56,759,174 in the November forecast. The expenditure lines most significantly below projections are Personnel Services (line 3.01) due to ESSER fund adjustments and Purchased Services (line 3.03) due to lower than expected costs. The SWSF and ESSER Funds the district received has helped lower costs originally projected in the General Fund. This will have a positive effect on the long term forecast.

Unreserved Ending Cash Balance:

With revenues increasing over estimates and expenditures ending below estimates, our ending unreserved cash balance June 30, 2021 is anticipated to be roughly $30.18 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2025 if assumptions we have made for state aid in future state budgets remain close to our estimates, and there are no future state budget cuts to our funding beyond FY21.

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 2021 and 2023 due to deliberation of the next two (2) state biennium budgets for FY22-23 and FY24-25, 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:

Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes if the COVID-19 pandemic ends and the economy recovers as anticipated. Total local revenues which are predominately local taxes equate to 53.5% of the district's resources. Our tax collections in the August 2020 and March 2021 settlements did not fall due to higher delinquencies as anticipated due to the rise in unemployment. Longer term there is a low risk that local collections would fall below projections throughout the forecast.

Union County experienced a reappraisal update in the 2019 tax year to be collected in FY20. The 2019 update increased overall assessed values by $66.78 million or an increase of 9.3%. Over all values rose $78.38 million or 9.7%, which includes reappraisal and new construction for all classes of property. A reappraisal update will occur in tax year 2022 for collection in FY23. We anticipate value increases for Class I and II property by $31.8 million for an overall increase of 4.0%. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.

With the FY20 and FY21 state cuts to our foundation payments, the state budget represented 46.5% of district revenues, which means it is a significant area of risk to revenue. The state reduced our funding for FY20 $1,030,723 and FY21 by $465,438 each year. The Governor submitted his FY22-FY23 biennial budget (HB110) which returns state foundation funding to schools at their FY19 funded level. The biennial budget is now working its way through the legislative process. HB1, also known as the Fair School Funding bill, was also introduced on February 4, 2021 and will work its way through the legislative process where it could be combined with HB110. The certainty of foundation funding levels will not likely be known until late June 2021. At this time the FY19 funding level is the basis for districts state funding in FY22 and FY23. We believe Ohio's economy will continue to improve through FY21 and that FY22-25 will see funding returned to the FY19 levels at a minimum. We will not project an increase beyond the FY19 levels at this time until the state budget is known for FY22 and FY23.

The current state budget that ends June 30, 2021 continues the TPP Fixed Rate Reimbursement phase-out contained in SB208 that will lower the payment we receive each year by the amount raised by five-eights (5/8) of 1 mill based on the 3 year average of Tax Year 14-16 assessed district values. We have estimated that this phase out will continue in our projections until TPP is finally gone in FY26 based on our estimates.

HB166 continues the many provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus, Community Schools and increases in per pupil scholarship amounts deducted from our state aid in the 2019-21 school years, even though funding for our students was not increased to our district for this biennium budget.

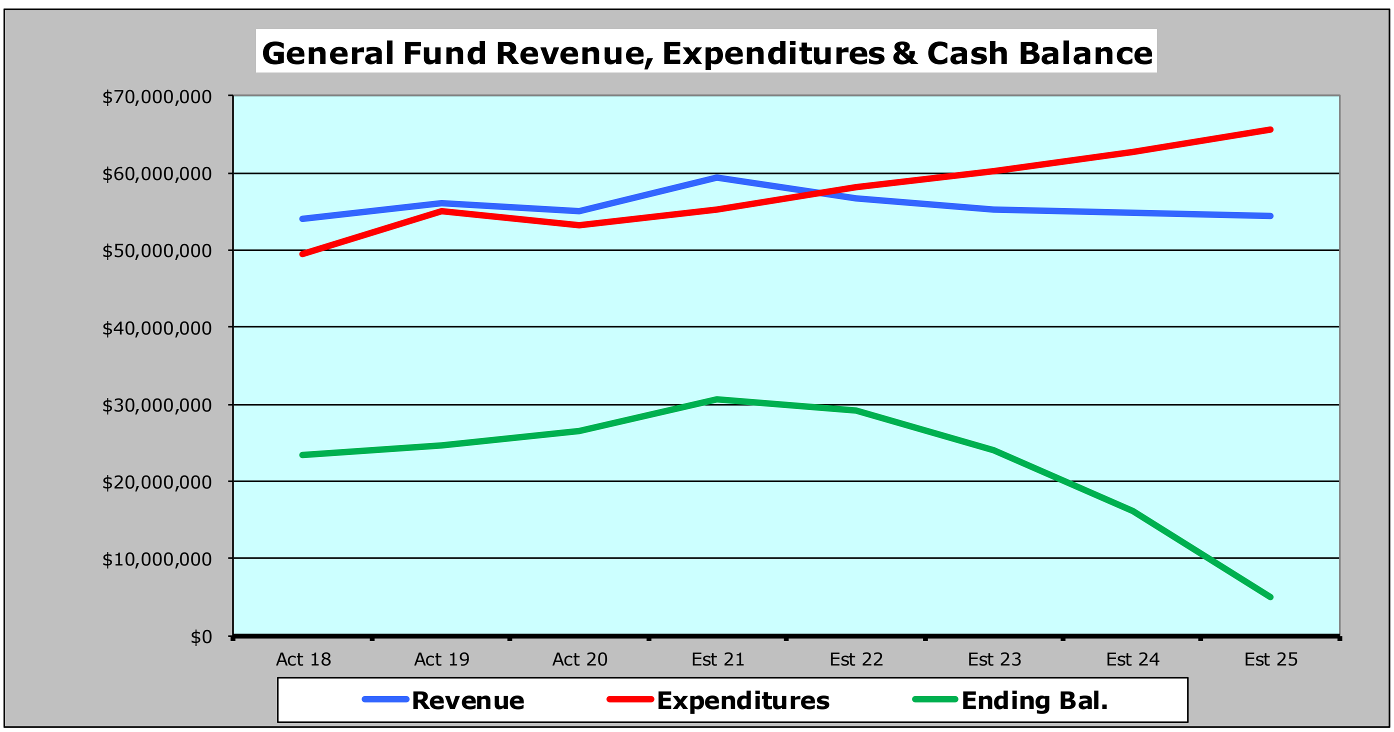
HB197 passed in March 2020 freezes EdChoice eligibility at the 2019-2020 level of 517 buildings statewide. The district does not presently have schools designated as underperforming but the measures used by the state could be changed for the future. These are examples of new choice programs that increase with each biennium budget that cost the district money. Expansion or creation of programs such as these exposes the district to new expenditures that are not currently in the forecast. We are closely monitoring Ed Choice voucher legislation and are watching for any new threats to our state aid and increased costs.

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

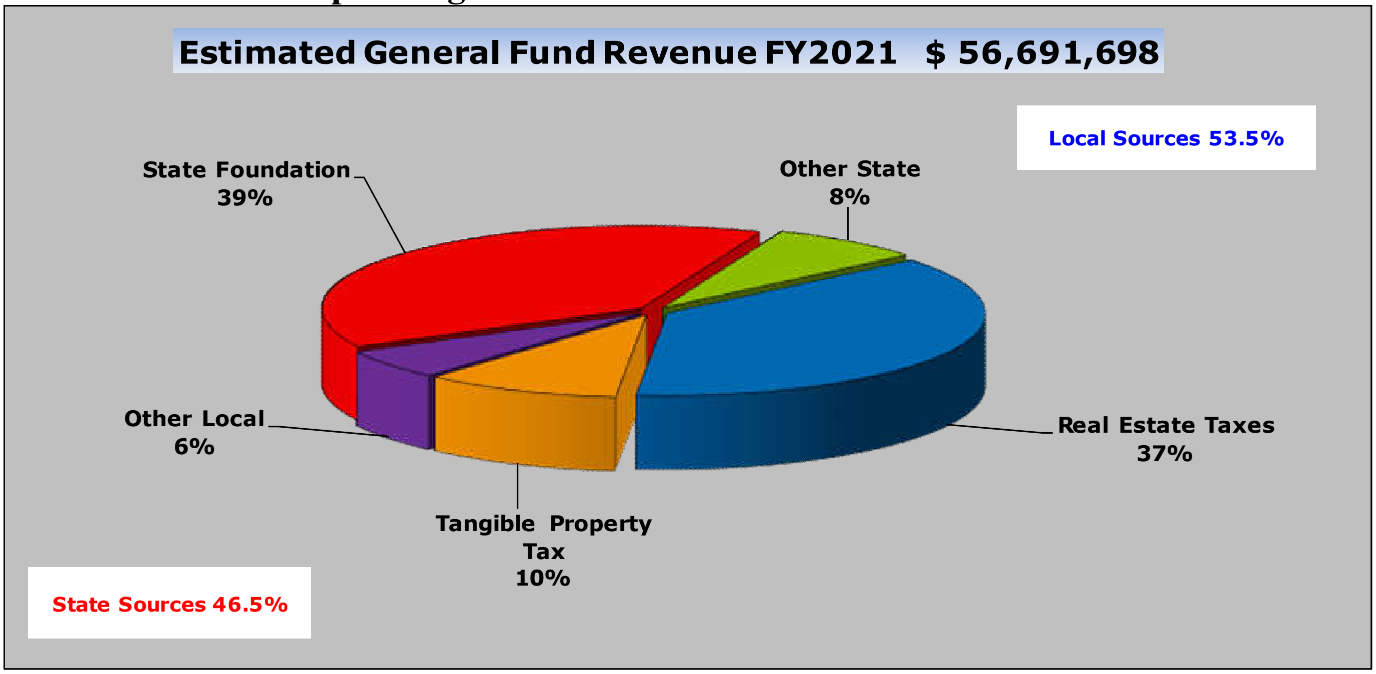
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Todd Johnson, Treasurer/CFO at 937-578-6100.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY18-20 and Estimated FY21-25

The graph captures in one snapshot the operating scenario facing the District over the next few years.



Revenue Assumptions
Operating Revenue Sources General Fund FY21



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. Union County experienced a reappraisal for the 2019 tax year to be collected in 2020. Residential/agricultural values increased 12.93% or $71.3 million due to the reappraisal led by an improving housing market.

For tax year 2020 new construction in residential property was up 1.6% or $9.9 million in assessed value and commercial/industrial values decreased $1.6 million. Over all values rose $20.42 million or 2.25%, which includes new construction for all classes of property.

A reappraisal update will occur in 2022 for collection in 2023 for which we are estimating a 5% increase in residential and a 0% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase $33.63 million or 4.2% overall.

Public Utility Personal Property (PUPP) values increased by $2.3 million in Tax Year 2020. We expect our values to continue to grow by $1 million each year of the forecast.

The table below shows actual property value history for the district along with actual values for Tax Year 2020.

Tax Year	Agriculture	Residential	Class I Total	Class II Total	TPP	P.U. Personal	Total
2000	35,906,310	223,021,930	258,928,240	111,926,960	155,970,920	46,622,390	573,448,510
2001	40,261,430	265,935,530	306,196,960	122,728,440	161,268,517	30,979,820	621,173,737
2002	42,851,560	284,555,480	327,407,040	133,256,490	166,053,975	31,614,380	658,331,885
2003	40,980,990	301,544,680	342,525,670	136,651,920	167,907,464	33,708,920	680,793,974
2004	39,824,490	350,730,270	390,554,760	155,785,160	206,921,855	34,990,230	788,252,005
2005	42,157,490	367,845,740	410,003,230	163,576,650	209,045,632	32,945,240	815,570,752
2006	42,158,070	383,860,330	426,018,400	173,277,940	150,034,977	36,697,280	786,028,597
2007	52,326,910	419,955,760	472,282,670	178,941,610	99,321,489	34,785,750	785,331,519
2008	48,758,160	415,489,265	464,247,425	189,193,070	42,118,470	35,623,300	731,182,265
2009	48,938,010	403,162,400	452,100,410	193,941,160	1,154,260	35,008,550	682,204,380
2010	59,312,410	402,879,460	462,191,870	191,757,760	538,340	35,035,830	689,523,800
2011	59,740,000	404,237,160	463,977,160	192,626,280	0	36,733,820	693,337,260
2012	59,680,678	407,870,848	467,551,526	186,843,428	0	38,997,660	693,392,614
2013	82,062,280	394,103,180	476,165,460	150,316,670	0	60,532,510	687,014,640
2014	83,474,140	392,790,640	476,264,780	157,365,410	0	67,337,060	700,967,250
2015	84,308,881	394,596,859	478,905,740	158,576,820	0	102,700,670	740,183,230
2016	91,277,010	450,191,020	541,468,030	162,027,150	0	107,678,300	811,173,480
2017	92,145,920	454,267,330	546,413,250	162,886,870	0	108,819,130	818,119,250
2018	92,045,730	459,222,700	551,268,430	168,653,610	0	107,957,310	827,879,350
2019	90,550,000	539,549,630	630,099,630	165,242,590	0	110,756,000	906,098,220
2020	90,550,000	552,322,150	642,872,150	170,615,900	0	113,025,700	926,513,750

(A)- 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 YEAR2020	TAX YEAR2021	TAX YEAR2022	TAX YEAR2023	TAX YEAR2024
Classification	COLLECT 2021	COLLECT 2022	COLLECT 2023	COLLECT 2024	COLLECT 2025
Res./Ag.	$642,872,150	$645,372,150	$679,140,758	$681,640,758	$684,140,758
Comm./Ind.	170,615,900	170,965,900	171,315,900	171,665,900	172,015,900
Public Utility (PUPP)	113,025,700	114,025,700	115,025,700	116,025,700	117,025,700
Total Assessed Valuation	$926,513,750	$930,363,750	$965,482,358	$969,332,358	$973,182,358

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Est. Prop. Taxes Excluding PUPP	$21,344,957	$20,827,977	$20,956,782	$21,073,809	$21,132,939

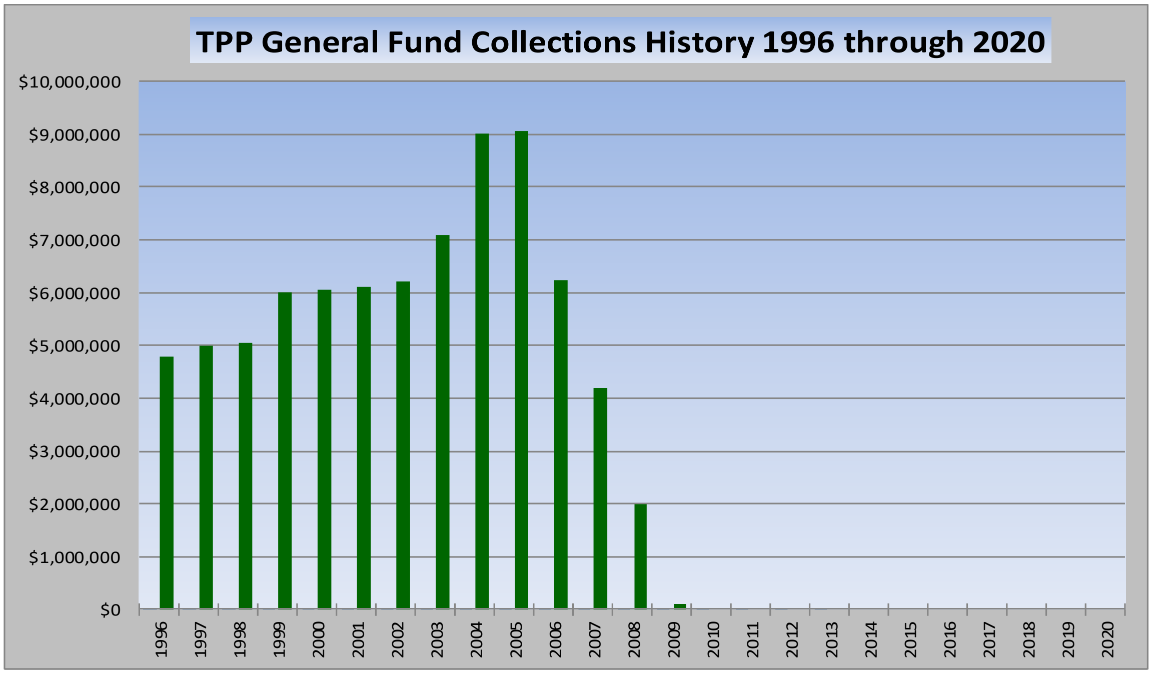
Property tax levies are estimated to be collected at 97.40% of the annual amount. This allows 2.60% delinquency factor. In general, 53.66% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 46.34% collected in the August tax settlement. Collections in FY21 were up $455,000 due to additional delinquent taxes collected in the August and March tax settlements, which are expected to return to normal in FY22 and beyond.

Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in March and 50% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

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

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

The phase out of TPP taxes as noted earlier began in FY06 with HB66 that was adopted in June 2005. TPP tax assessments ended in FY11. The only amounts received after FY11 are from delinquent TPP taxes outstanding as of 2010. The graph below shows the demise of TPP taxes collected locally by the district. This was a significant revenue source that was lost.



Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under P.U. Personal, which were $113.03 million in assessed values in 2020 and are collected at the district's gross voted millage rate. Collections are typically 50% in March and 50% in August along with the real estate settlements from the county auditor. The values in 2020 rose by 2.04 % or $2.26 million and are expected to grow by $1 million each year of the forecast. Collections in FY21 saw a larger collection due to timing in the August settlement which results in a higher than normal collection but is expected to return to a normal collection split in FY22.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Public Utility Personal Property	$5,645,145	$5,433,340	$5,481,200	$5,529,060	$5,576,920

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

Current State Funding Model Per HB166 through June 30, 2021
A) Unrestricted State Foundation Revenue– Line #1.035
The amounts estimated for state funding are based on HB166 which on May 6, 2020 was cut and then partially restored by executive order signed January 22, 2021 by the Governor. Initially state aid funding for all 610 traditional school districts and 49 Joint Vocational and Career Centers was frozen for FY20 & FY21 at the FY19 funding level. The State Foundation Funding Formula used since FY14 was dropped in FY20 after six (6) years. HB1, the Fair School Funding plan is currently being considered by the legislature and may produce a successor funding formula for the FY22-23 biennium budget. Currently HB110, the proposed budget, projects funding for districts at FY19 guarantee amounts for FY22 and FY23. For this reason, we have projected state aid flat at the FY19 funding level through FY25 as we have nothing authoritative to rely on at this time.

Foundation Funding Partially Restored January 22, 2021 for FY21

On January 22, 2021 the Governor signed an executive order reinstating $160 million of previous cuts to public schools thus reducing the cuts in FY21. At this time the state funding for FY21 is being reduced $465,438 from the FY19 amount.

Supplemental Funding for Student Wellness and Success (Restricted Fund 467)
Nearly all of the new funding for K-12 public education in the FY20-21 Executive Budget is provided through a formula allocating $250 million in FY20 and $358 million in FY21 based upon each district's percentage of students in households at or below 185% of the Federal Poverty Level (FPL) and the total number of students enrolled in each district. In FY21, proposed funding ranges from $30 per student to $360 per student. All schools and students are to receive a minimum additional funding of $36,000 in FY21. All districts are guaranteed to get 131% of what they received in FY20, and the proposed state budget (HB110) is guaranteeing all districts will get 100% of what they received in FY21 for FY22 and FY23. Our district received $419,171 in FY21. Money will be received twice each year in October and February. These dollars are to be deposited in a Special Revenue Fund 467 and are restricted to expenses that follow a plan developed in coordination with two approved community partner organizations as proposed in HB110.

At this time our district is spending money in our General Fund that is servicing student needs as identified in 3317.26 (B) and our approved plan calls for a portion of these expenses to be recoded to Fund 467 for FY20 and FY21, then returning these expenses to the General Fund for FY22-25 as we have no direction on the future continuation of this funding. The General Fund reflects the reduction of these expenses for FY20 and FY21.

We believe our current state funding estimates for FY21-25 are reasonable and that we will adjust the forecast in the future when we actually have authoritative data to work with.

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.

Due to the COVID-19 casinos were closed from March 12 to June 18, 2020. We are reducing the amount of funding in FY21 by 26% then increasing the amount in FY22 back to 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 FY21-25 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $95.5 million or $53.75 per pupil. We believe it will be FY22 when revenues return to the post COVID-19 level.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
State Basic Aid	$20,842,259	$21,193,814	$21,193,814	$21,193,814	$21,193,814
Additional Aid	664,416	664,416	664,416	664,416	664,416
Basic Aid-Unrestricted Subtotal	$21,506,675	$21,858,230	$21,858,230	$21,858,230	$21,858,230
Ohio Casino Commission ODT	219,953	283,300	290,340	297,548	304,929
Total Unrestricted State Aid Line # 1.035	$21,726,628	$22,141,530	$22,148,570	$22,155,778	$22,163,159

B) Restricted State Revenues – Line # 1.040
HB166 continues funding two restricted sources of revenues to school districts which are Economic Disadvantaged Funding and Career Technical Education Funding. The district has elected to also post Catastrophic Aid for special education as restricted revenues. The amount of the Economically Disadvantaged

Aid is estimated to remain stable each remaining year of the forecast. We have incorporated this amount into the restricted aid amount in Line # 1.04 for FY21-25.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Catastrophic Aid - JV96	$89,497	$89,497	$89,497	$89,497	$89,497
Economically Disadvantaged Aid	48,559	48,559	48,559	48,559	48,559
Career Tech - Restricted	115,655	115,655	115,655	115,655	115,655
Total Restricted Revenues Line #1.040	$253,711	$253,711	$253,711	$253,711	$253,711

C) Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected FY21-25.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Unrestricted Line # 1.035	$21,726,628	$22,141,530	$22,148,570	$22,155,778	$22,163,159
Restricted Line # 1.040	253,711	253,711	253,711	253,711	253,711
Restricted Fed. SFSF /EdJobs #1.045	0	0	0	0	0
Total State Foundation Revenue	$21,980,339	$22,395,241	$22,402,281	$22,409,489	$22,416,870

State Taxes Reimbursement/Property Tax Allocation

A) Rollback and Homestead Reimbursement

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

Homestead Exemptions are 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 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

b) Tangible Personal Property Reimbursements – Fixed Rate

State budget bill HB153 slashed these reimbursements to our district after FY12, reducing our state revenue each year starting in FY13. HB64, the FY16-17 state budget, reinstituted the phase out of TPP reimbursements to districts beginning in FY16, which included a TPP Supplemental Payment for some districts. We were not eligible for TPP Supplemental Payments as our state foundation aid grew by enough to offset the loss in TPP.

Beginning in FY18, SB 208 amended HB64 and became effective February 15, 2016. SB 208 provides that beginning in FY18, the TPP Fixed Rate funding will be phased out at 5/8ths (62.5%) of what 1 mill would raise in local taxes on the three (3) year average of TY14-16 assessed values. Based on our calculations, we will receive TPP Phase out payments FY20 through FY24. We project with the new phase-out calculation that TPP Fixed Rate reimbursements will be fully phased out for our district in 2024.

Summary of State Tax Reimbursement – Line #1.050

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Rollback and Homestead	$2,070,874	$2,094,878	$2,111,556	$2,128,109	$2,134,681
TPP Reimbursement - Fixed Rate	2,338,337	1,759,266	1,177,789	574,362	0
TPP Reimbursement - Fixed Sum	0	0	0	0	0
Total Tax Reimb./Prop Allocations Line #1.050	$4,409,211	$3,854,144	$3,289,345	$2,702,471	$2,134,681

Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area are open enrollment, tuition for court placed students, pay to participate fees, student fees, and general rental fees. Beginning in FY21 interest is expected to decline due to fed rate reductions which will impact our earning capability in this area. We have reduced FY21 interest by 54% and FY22 by another 57% due to the rapid reduction in interest rates to help stimulate the economy due to the COVID-19 recession. The COVID-19 shutdown could reduce future collections of state funded tuition reimbursements. At this time, we will continue monitoring this line of the forecast for future projections. All other revenues are expected to continue on historic trends.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Open Enrollment and other tuition revenue	$550,982	$553,737	$556,506	$559,289	$562,085
Interest	350,000	150,000	50,000	50,000	50,000
Student Fees	378,048	381,828	385,646	389,502	393,397
Medicaid Reimbursement	173,291	175,024	176,774	178,542	180,327
Rentals, PILOT's, and Other Income	1,859,725	1,878,322	1,897,105	1,916,076	1,935,237
Total Other Local Revenue Line #1.060	$3,312,046	$3,138,911	$3,066,031	$3,093,409	$3,121,046

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

There is no short term borrowing projected in this forecast.

Transfers In / Return of Advances – Line #2.040 & Line #2.050

These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The advances out in FY19 are planned to be repaid over a two year period as noted in the table below.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Transfers In - Line 2.040	$0	$0	$0	$0	$0
Advance Returns - Line 2.050	2,000,000	1,150,000	0	0	0
Total Transfer & Advances In	$2,000,000	$1,150,000	$0	$0	$0

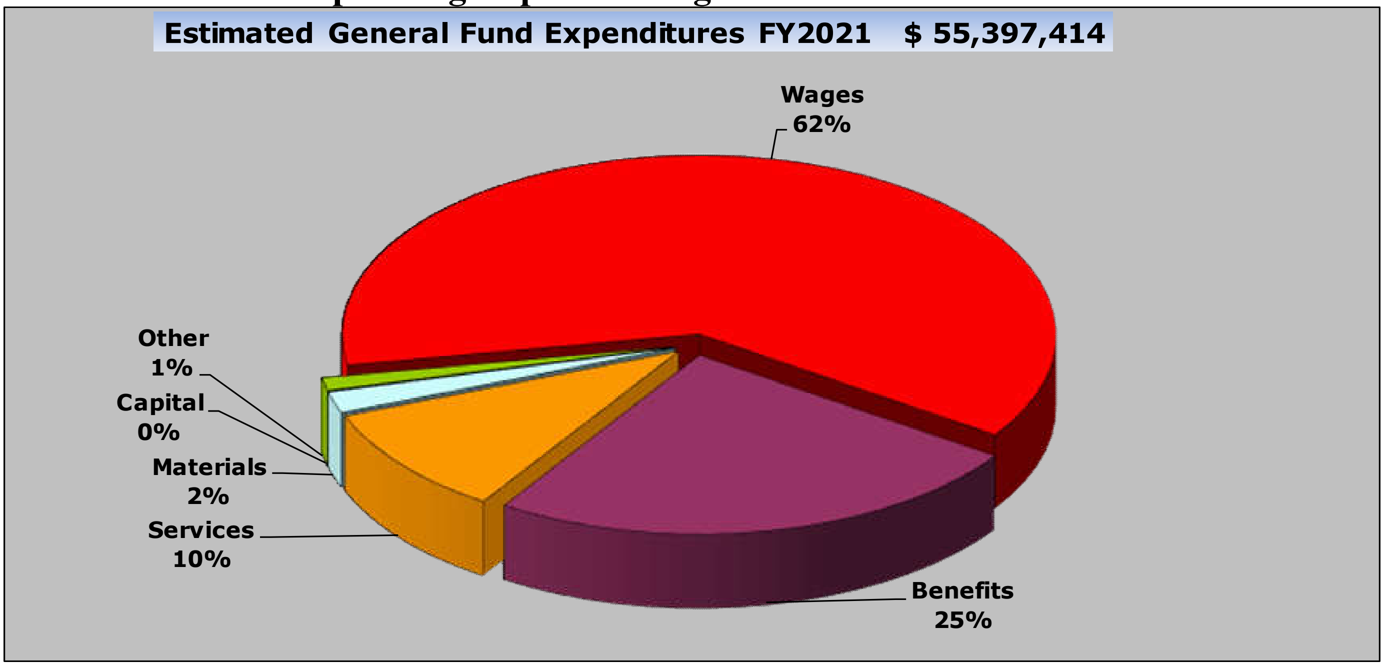
All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable. We did receive $795,679 in a Bureau of Workers Compensation refund in December 2020.

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

All Operating Expense Categories - General Fund FY21



Wages – Line #3.010

Negotiations with bargaining unit members resulted in an agreement to include base increases of 2.0% for FY17 through FY20 including step increases. This was extended an additional two years to include base increases of 3.0% for FY21 and 2.5% for FY22, while insurance waiver stipends of $215,000 was removed in FY20. We have used ESSER funds in FY22-24 to help offset wage costs.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Base Wages	$32,791,755	$33,517,407	$34,769,279	$35,880,681	$37,016,431
Base Increases	983,753	837,935	695,386	717,614	740,329
Steps & Performance	600,000	610,000	610,000	610,000	610,000
Substitutes	208,604	208,604	208,604	208,604	208,604
New/Replacement Staff	101,899	103,937	106,016	108,136	110,299
Supplemental Contracts	634,014	646,694	659,628	672,821	686,277
Severance	150,000	150,000	150,000	150,000	150,000
Wage Adjustments/ESSER	(960,000)	(300,000)	(300,000)	(300,000)	0
Total Wages Line #3.010	$34,510,025	$35,774,577	$36,898,913	$38,047,856	$39,521,940

Fringe Benefits Estimates

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

A) STRS/SERS will increase as Wages Increase

As required by law, the BOE pays 14% of all employee wages to STRS or SERS.

B) Insurance
Due to switching from fully insured medical insurance to self-insured, there was no increase in premiums for the 2016 renewal. FY21 saw an increase in insurance rates of 13.8% due to high claims. We are estimating an increase of 10% for FY22-25 which reflects trend and the likely increase in health care costs as a result of PPACA. This is based on our current employee census and claims data.

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 be approximately .06% of wages FY21– FY25. Unemployment is expected to remain at a very low level FY21-FY25. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

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

Summary of Fringe Benefits – Line #3.020

Source	FY 21	FY 22	FY 23	FY 24	FY 25
STRS/SERS	$5,447,943	$5,645,653	$5,827,068	$6,009,504	$6,240,629
Insurances	7,117,273	7,792,102	8,534,996	9,352,774	10,318,935
Workers Comp & Unempl	137,940	140,501	144,774	149,140	154,741
Medicare	514,028	526,606	539,591	552,997	571,186
Other/VEBA/ERIP/Tuition	441,895	441,895	441,895	441,895	441,895
Total Fringe Benefits Line #3.020	$13,659,079	$14,546,757	$15,488,324	$16,506,310	$17,727,386

Purchased Services – Line #3.030
Open enrollment, community schools and other tuition costs continue to draw funds away from the district, which are major expenditures in this area and have been adjusted based on historical trend. In FY21, community school and open enrollment deductions are expected to remain stable due to slower growth of students leaving our district and smaller increases in per pupil scholarship from the state which will flow through our funding formula to these schools. We have reduced costs in purchased services for FY20 and 21 for the Fund 467 recoding for our SRO's and then returned these costs to the General Fund in FY22-25. We will continue to monitor the effects of state budget cuts on the potential reductions in costs to tuition, community school, scholarship and STEM school payments from our foundation payments.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Base Services, Prof Fees, etc.	$608,390	$614,474	$620,619	$626,825	$633,093
Prof. & Tech. Student Services	527,786	743,064	750,495	758,000	765,580
Contracted Staff Services	419,254	423,447	427,681	431,958	436,278
Tuition, Sp. Ed. Services & College Credit Plus	1,036,383	1,067,474	1,099,498	1,132,483	1,166,457
Open Enrollment Deduction	1,322,321	1,335,544	1,348,899	1,362,388	1,376,012
Community School Deductions	811,000	835,330	860,390	886,202	912,788
Utilities	777,804	816,694	857,529	900,405	945,425
Total Purchased Services Line #3.030	$5,502,938	$5,836,027	$5,965,111	$6,098,261	$6,235,633

Supplies and Materials – Line #3.040

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

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Supplies	$1,060,623	$1,292,442	$1,331,215	$1,371,151	$1,412,286
Total Supplies Line #3.040	$1,060,623	$1,292,442	$1,331,215	$1,371,151	$1,412,286

Equipment – Line # 3.050

The District does not anticipate costs increasing significantly in this line because most capital outlay is paid by the Permanent Improvement Fund.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Capital Outlay	$27,050	$29,091	$29,673	$30,266	$30,871
Total Equipment Line #3.050	$27,050	$29,091	$29,673	$30,266	$30,871

Principal and Interest Payment – Lines # 4.05 and 4.06

There are no borrowings planned in the forecast period.

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. A rate of 1% increase is projected in this area.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
A & T Fees/ Election Costs	$497,000	$501,970	$506,990	$512,060	$517,181
Annual Audit Fees	33,166	33,498	33,833	34,171	34,513
Fees/Charges/Misc	75,000	75,750	76,508	77,273	78,046
ESC Fees	32,533	32,858	33,187	33,519	33,854
Total Other Expenses Line #4.300	$637,699	$644,076	$650,518	$657,023	$663,594

Transfers Out/Advances Out – Lines # 5.010 and 5.020

This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The advance of $3,150,000 in FY19 was a loan from the General Fund to the Medical Self Insurance Fund due to a bad claims year and also the Permanent Improvement Fund to help pay for the stadium project until sufficient TIF revenue was received. These amounts will be repaid to the General fund. There are no planned transfers or advances in the forecast period at this time.

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Transfer Line 5.010	$0	$0	$0	$0	$0
Advances Line 5.020	-	-	-	-	-
Total Transfers & Advances	$0	$0	$0	$0	$0

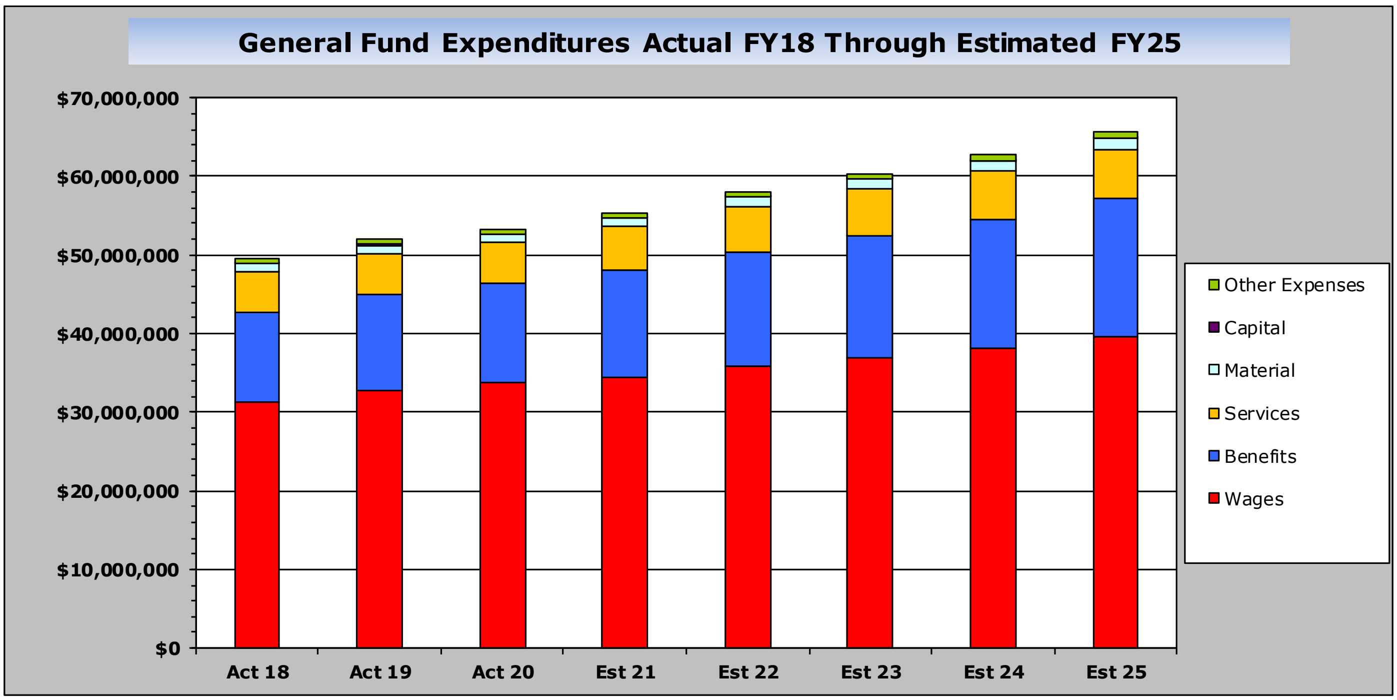
Encumbrances –Line#8.010

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

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Estimated Encumbrances	$400,000	$400,000	$400,000	$400,000	$400,000

Operating Expenditures Actual FY18 through FY20 and Estimated FY21-FY25

As the graph on the following page indicates, we have been diligent at reducing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.



Ending Unencumbered Cash Balance – Line#15.010

This amount must not go below $0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000. It is recommended by the GFOA and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance, which is approximately $4.7 million for our district.

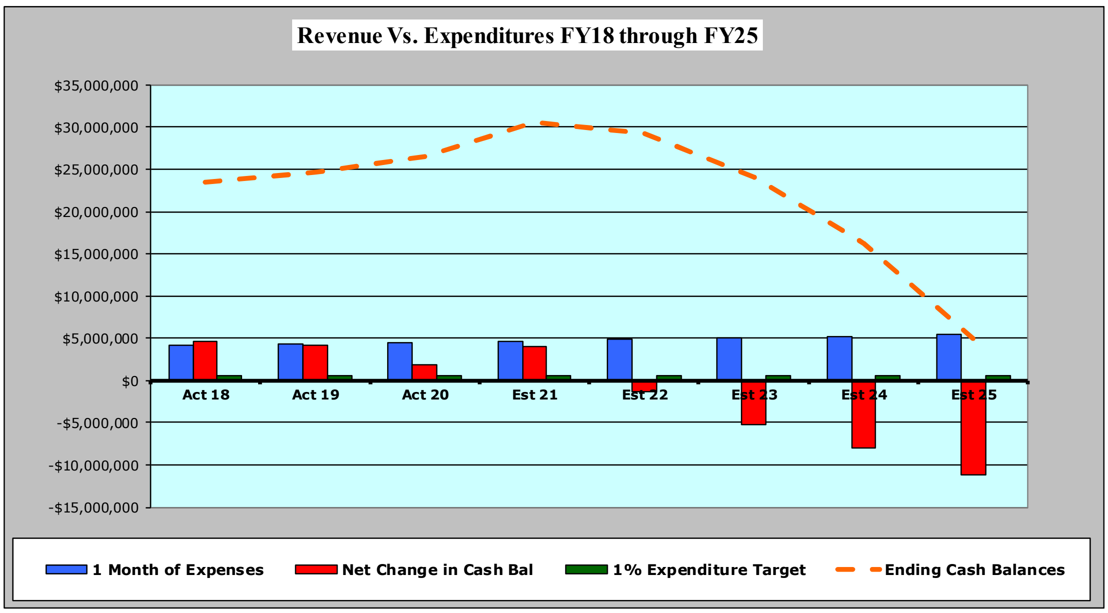
Board Policy DBE calls for the district to manage finances according to both of these criteria:

- Projected General Fund cash balances for the current year and following four fiscal years are at least equal to one month of expected expenditures.
- Projected year-end General Fund expenditures do not exceed projected General Fund revenues by more than one percent.

The Graph below shows cash balances compared to one month expenditures and the net change in cash balance (revenues less expenditures) compared to the 1% target. We are meeting policy DBE directives in FY21 on all criteria. FY22 indicates that expenditures are exceeding revenues by more than 1%. The District is in the process of analyzing this variance and will make decisions as necessary to bring cash in line with this policy.

	FY 21	FY 22	FY 23	FY 24	FY 25
Ending Cash Balance	$30,180,495	$28,857,638	$23,690,023	$15,787,894	$4,579,140

Operating Revenue, Expenditures, Ending Cash Balances Compared to Board Policy DBE



Conclusion

The district was very fortunate to have received additional state funding in HB64 (FY16 and FY17) and HB49 (FY18 and FY19). The increases have been beneficial to the overall operations of the district and for the education of our students. In addition to the cuts to state funding in FY20 and FY21, we are disappointed that HB166 does not provide additional non-restricted funding to our district to help offset the ongoing phase out of TPP reimbursements enacted by HB64 and SB 208. The cuts to FY20 and FY21 foundation funding in the current biennium magnifies the loss of TPP revenue, which means unrestricted state revenues are being reduced to our district overall. In addition, the impact of the TPP revenue loss will be felt in the long-term as foundation funding levels off.

The district administration notes that this current state biennium budget is why we have to be mindful and watch each state budget carefully as HB166 has not provided new unrestricted operating funds to our district which in the past has helped to offset the drop in our TPP reimbursements. Future state biennium budgets could affect us positively or negatively for FY22 through FY25.

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