MARYSVILLE EXEMPTED VILLAGE SCHOOL DISTRICT- UNION COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2020, 2021 and 2022 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2023 THROUGH JUNE 30, 2027

Innovate Collaborate Inspire

Forecast Provided By
Marysville Exempted Village School District
Treasurer's Office
Todd Johnson, Treasurer/CFO
October 20, 2022

Marysville Exempted Village School District

Union County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2020, 2021 and 2022 Actual;
Forecasted Fiscal Years Ending June 30, 2023 Through 2027

		Actual				Forecasted				
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Average Change	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
	Revenues									
1.010	General Property Tax (Real Estate)	$20,279,069	$21,574,410	$20,822,265	1.5%	$21,588,899	$21,929,536	$21,983,987	$22,341,873	$22,648,233
1.020	Public Utility Personal Property Tax	4,988,842	5,476,082	5,667,404	6.6%	5,670,681	5,717,417	5,765,277	5,813,137	5,860,997
1.035	Unrestricted State Grants-in-Aid	21,200,349	21,748,946	20,011,446	-2.7%	20,451,577	20,461,802	20,470,565	20,479,537	20,488,723
1.040	Restricted State Grants-in-Aid	254,483	268,406	1,343,396	203.0%	1,253,155	1,253,155	1,253,155	1,253,155	1,253,155
1.045	Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	4,849,822	4,409,209	3,978,592	-9.4%	3,560,547	2,918,888	2,230,156	2,264,418	2,313,250
1.060	All Other Revenues	3,587,823	3,465,825	3,263,137	-4.6%	3,630,562	3,460,033	3,239,793	3,169,848	3,200,199
1.070	*Total Revenues*	$55,160,388	$56,942,878	$55,086,240	1.8%	$56,155,421	$55,740,831	$54,942,933	$55,321,968	$55,764,557
	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	2,700,000	0.0%	0	450,000	0	0	0
2.060	All Other Financing Sources	6,581	798,562	555	5967.2%	500	500	500	500	500
2.070	*Total Other Financing Sources*	6,581	798,562	2,700,555	6136.3%	500	450,500	500	500	500
2.080	*Total Revenues and Other Financing Sources*	$55,166,969	$57,741,440	$57,786,795	2.4%	$56,155,921	$56,191,331	$54,943,433	$55,322,468	$55,765,057
	Expenditures									
3.010	Personal Services	$33,831,623	$34,572,565	$36,230,568	3.5%	$37,745,629	$39,496,568	$42,007,097	$43,672,248	$45,375,202
3.020	Employees' Retirement/Insurance Benefits	12,495,861	13,631,224	14,560,476	8.0%	15,579,935	16,558,454	17,991,872	19,172,258	20,423,853
3.030	Purchased Services	5,220,291	5,927,155	3,715,203	-11.9%	4,521,211	4,828,783	4,900,394	5,025,814	5,155,720
3.040	Supplies and Materials	1,060,448	991,994	1,208,585	7.7%	1,344,907	1,345,254	1,385,612	1,427,180	1,469,995
3.050	Capital Outlay	18,836	16,455	22,888	13.2%	29,380	29,968	30,567	31,178	31,802
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	628,354	651,729	676,250	3.7%	691,608	698,524	705,509	712,565	719,691
4.500	*Total Expenditures*	$53,255,413	$55,791,122	$56,413,970	2.9%	$59,912,670	$62,957,551	$67,021,051	$70,041,243	$73,176,263
	Other Financing Uses									
5.010	Operating Transfers-Out	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
5.020	Advances-Out	0	0	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*	-	-	-	0.0%	-	-	-	-	-
5.050	*Total Expenditures and Other Financing Uses*	$53,255,413	$55,791,122	$56,413,970	2.9%	$59,912,670	$62,957,551	$67,021,051	$70,041,243	$73,176,263
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	1,911,556	1,950,318	1,372,825	-13.8%	(3,756,749)	(6,766,220)	(12,077,618)	(14,718,775)	(17,411,206)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	24,578,976	26,490,532	28,440,850	7.6%	29,813,675	26,056,926	19,290,706	7,213,088	(7,505,687)
7.020	*Cash Balance June 30*	26,490,532	28,440,850	29,813,675	6.1%	26,056,926	19,290,706	7,213,088	(7,505,687)	(24,916,893)
8.010	*Estimated Encumbrances June 30*	436,459	363,199	401,943	-3.1%	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*	$26,054,073	$28,077,651	$29,411,732	6.3%	$25,656,926	$18,890,706	$6,813,088	($7,905,687)	($25,316,893)
	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, 2020, 2021 and 2022 Actual;
Forecasted Fiscal Years Ending June 30, 2023 Through 2027

		Actual				Forecasted				
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Average Change	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	$26,054,073	$28,077,651	$29,411,732	6.3%	$25,656,926	$18,890,706	$6,813,088	($7,905,687)	($25,316,893)
	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*	$26,054,073	$28,077,651	$29,411,732	6.3%	$25,656,926	$18,890,706	$6,813,088	($7,905,687)	($25,316,893)

Marysville Exempted Village School District –Union County
Notes to the Five Year Forecast
General Fund Only
October 20, 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 because 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. The five-year forecast enables 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 of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three important 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

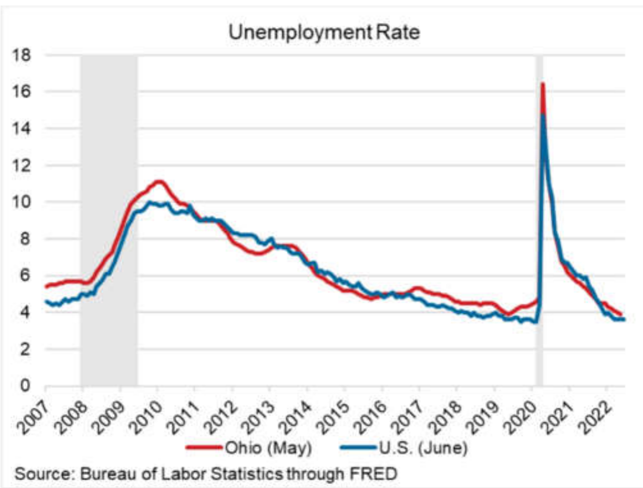
O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five (5) year financial forecast by November 30, 2022, and May 31, 2023 for fiscal year 2023 (July 1, 2022 to June 30, 2023). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2023 (July 1, 2022-June 30, 2023) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the November 2022 filing.

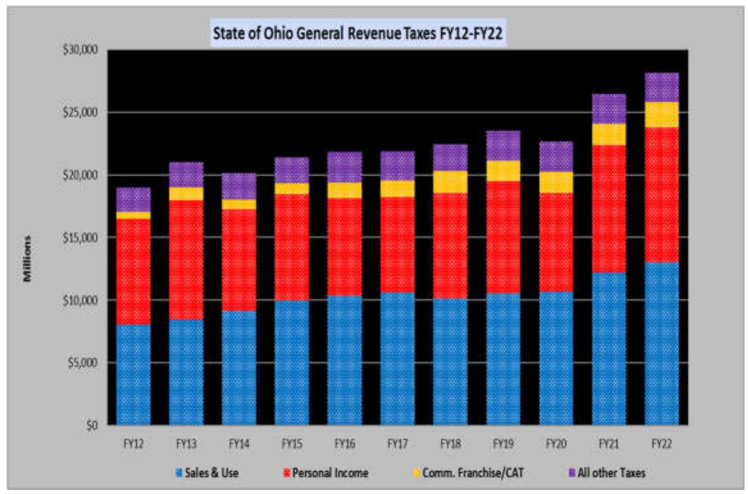
Economic Outlook

This five-year forecast is being filed during a two year economic recovery following the COVID-19 Pandemic which began in early 2020. The effects of the pandemic have lessened but several supply chain concerns and high inflation continues to impact our state, country and broader globalized economy. Inflation in June 2022 hit a 40 year high of 9.1%, before falling to 8.3% in August. Costs in FY22 were notably impacted in areas such a diesel fuel for busses, electric and natural gas, and building materials for facility maintenance and repair. Increased inflation impacting district costs are expected to continue in FY23, 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.

The Federal Reserve Bank has made fighting inflation its number one concern. It is expected that interest rate increases that will occur before December 2022, will result in increased unemployment and many economists anticipate an economic recession in the first half of calendar year 2023. If that were to occur, the recession will happen right as the state legislature considers the next biennium budget for FY24 and FY25. In spite of the strong economic recovery the state of Ohio has enjoyed over the past two years, as noted below in the graphs, a recession may impact funding for primary and secondary education.

As noted in the graphs below, the State of Ohio's economy has steadily recovered over the past two years. School funding cuts made in FY20 have been fully restored and a new state funding formula is in year two of a projected five year phase in. While increased inflation impacting district costs are expected to continue over the next few years, the state's economy has grown as indicated in the graphs below and may enable the state to continue the phase in of the new founding formula even if a cyclical recession occurs in the first half of 2023 calendar year.





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.

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:

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 as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues which are predominately local taxes equate to 55% of the district's resources. Our tax collections in the March 2022 and August 2022 settlements showed normal collection trends. We believe there is a low risk that local collections would fall below projections throughout the forecast.

Union County experienced a reappraisal 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%. Overall values rose $78.4 million or 9.47%, 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 $159.4 million for an overall increase of 19.23%. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.

The state budget represented 45% 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 recession. 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 FY27. We have projected our state funding to be in line with the FY23 funding levels through FY27 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.

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 a district's state foundation funding for open enrollment, community schools, STEM schools and scholarship recipients. The initial impact on the forecast will be noticed in that the historic actual costs for FY20 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. In June 2022 the legislature passed HB583 to resolves issues and possible unintended consequences in the new funding formula. Some of these changes impacted FY22 and future years funding. Our state aid projections have been based on the best information on the new HB110 formula as amended by HB583 that are available as of this forecast.

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 expose the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any new proposed laws are introduced in the legislature.

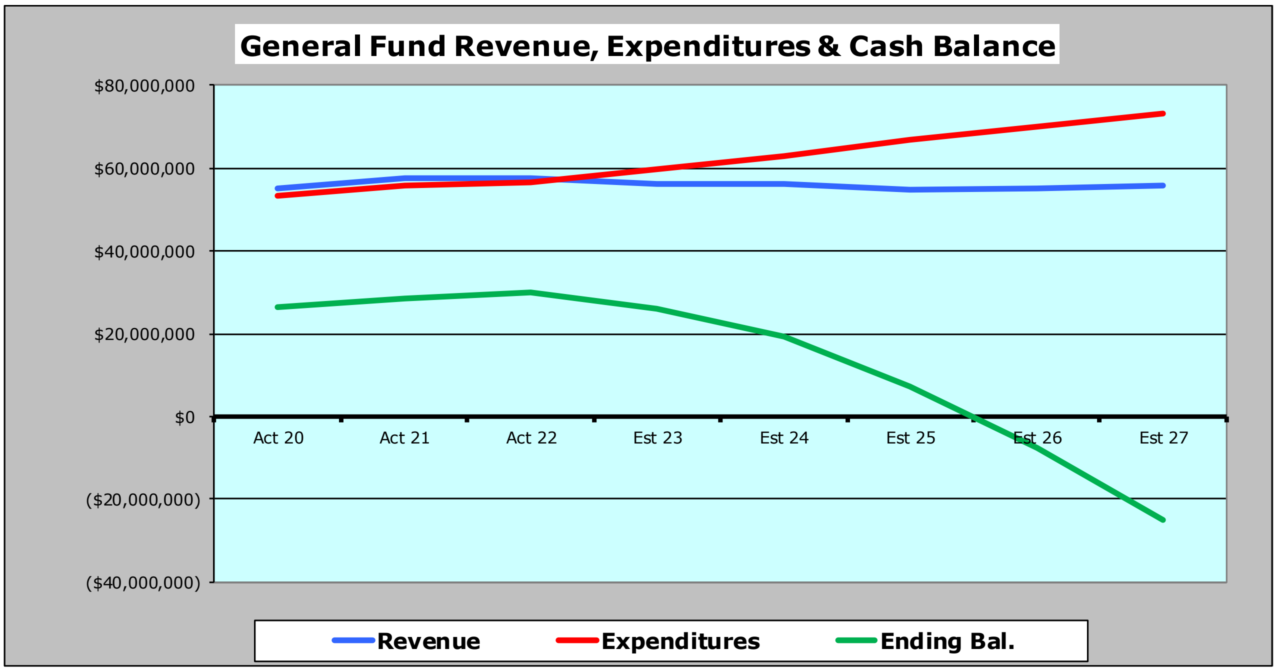
The current state budget that ends June 30, 2023 continues the TPP Fixed Rate Reimbursement phase-out contained in SB208 that will lower the payment we receive each year by the amount raised by five-eights (5/8) of 1 mill based on the 3 year average of assessed district values. We have estimated that this phase out will continue in our projections until TPP is finally gone in FY25 based on our estimates.

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.

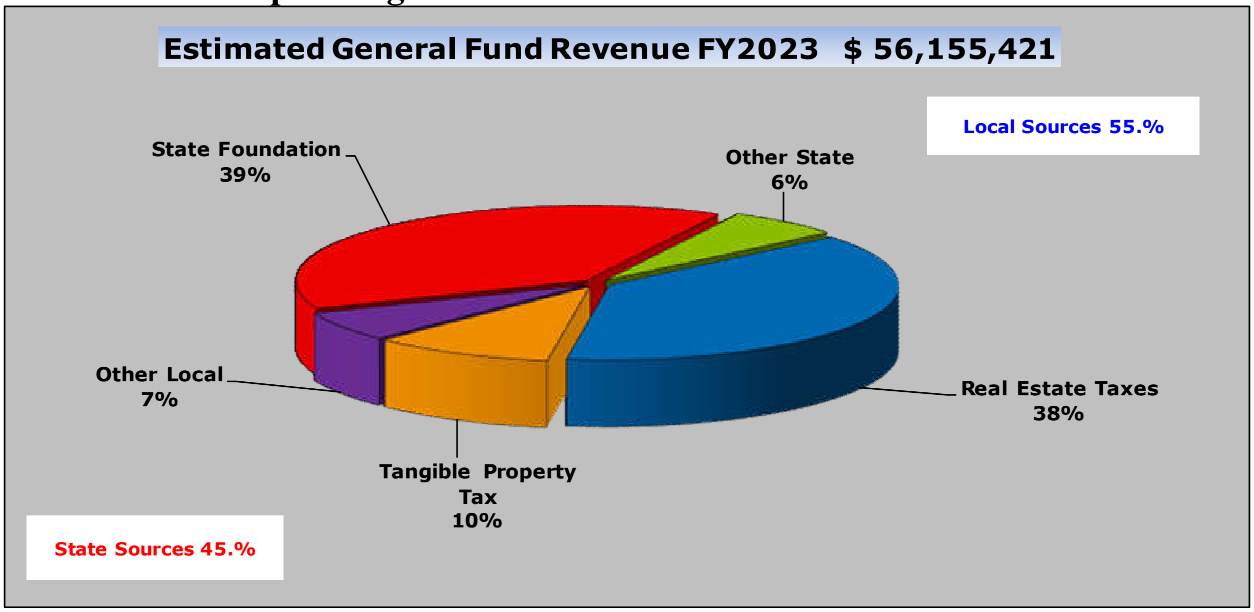
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast 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 FY20-22 and Estimated FY23-27

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



Revenue Assumptions
Operating Revenue Sources General Fund FY23



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 2021, residential property values were up largely due to new construction by 2.13% or $13.71 million in assessed value and commercial/industrial values increased by 1% or $1.69 million. Overall values rose $20.34 million or 2.19%, 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 24% increase in residential and a 0% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase $159.4 million or 19.23% overall.

Public Utility Personal Property (PUPP) values increased by $4.9 million in Tax Year 2021. We expect our values to continue to grow by $1 million each year of the forecast.

The table on the next page shows actual property value history for the district along with actual values for Tax Year 2021.

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
2021	87,098,380	569,482,330	656,580,710	172,308,490	0	117,961,280	946,850,480

(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 YEAR2022	TAX YEAR2023	TAX YEAR2024	TAX YEAR 2025	TAX YEAR 2026
Classification	COLLECT 2023	COLLECT 2024	COLLECT 2025	COLLECT 2026	COLLECT 2027
Res./Ag.	$815,660,080	$818,160,080	$820,660,080	$863,193,084	$865,693,084
Comm./Ind.	172,658,490	173,008,490	173,358,490	173,708,490	174,058,490
Public Utility (PUPP)	118,961,280	119,961,280	120,961,280	121,961,280	122,961,280
Total Assessed Valuation	$1,107,279,850	$1,111,129,850	$1,114,979,850	$1,158,862,854	$1,162,712,854

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Est. Prop. Taxes Excluding PUPP	$21,588,899	$21,929,536	$21,983,987	$22,341,873	$22,648,233

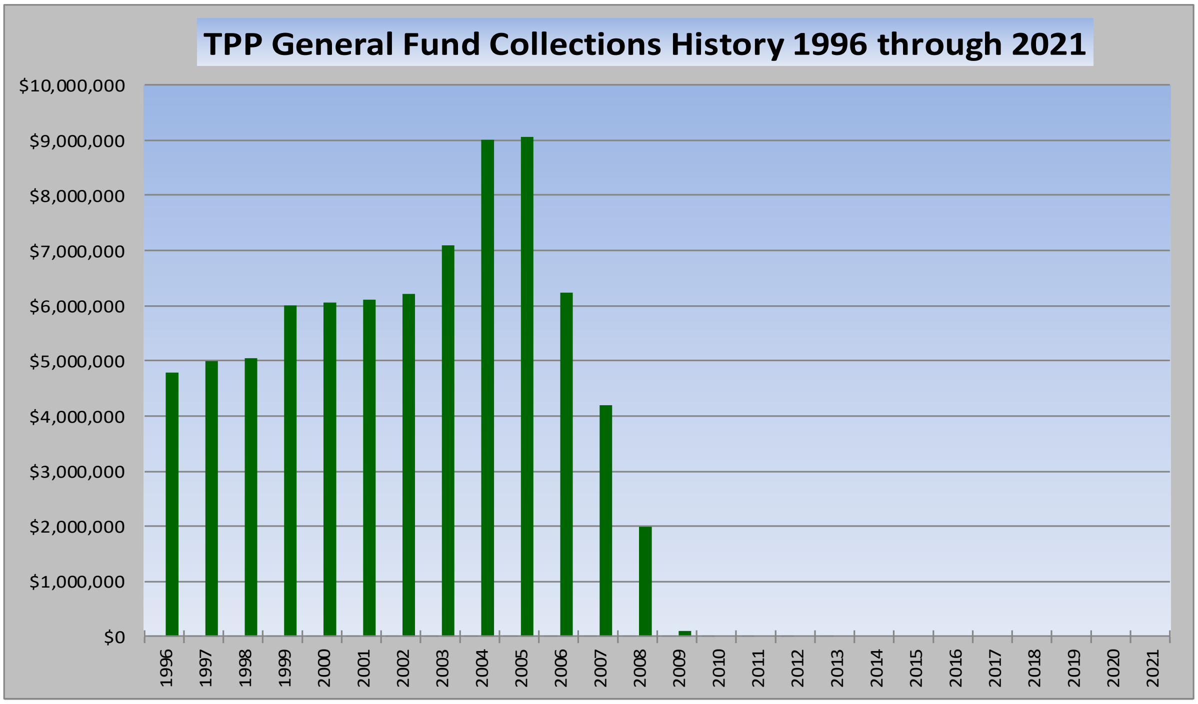
Property tax levies are estimated to be collected at 97.75% of the annual amount. This allows 2.25% delinquency factor. In general, 54.20% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 45.80% collected in the August tax settlement. Collections in FY21 were up $455,000 due to additional delinquent taxes collected in the August and March tax settlements, which returned to normal in FY22.

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 $117.96 million in assessed values in 2021 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 2021 rose by 4.4 % or $4.93 million and are expected to grow by $1 million each year of the forecast.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Public Utility Personal Property	$5,670,681	$5,717,417	$5,765,277	$5,813,137	$5,860,997

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

Current State Funding Model per HB110 through June 30, 2023

A) Unrestricted State Foundation Revenue– Line #1.035

The full release of the new Fair School Funding Plan formula occurred in March 2022 and was amended in HB583 passed in June 2022. Full calculations of the new formula were not available for nearly all of last fiscal year. We have projected FY23 funding based on the September 2022 foundation settlement and funding factors.

Our district is currently a formula district in FY23 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, as amended by HB583, 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 FY23 through FY27 compared to actual data FY20 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

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

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

Base Cost Approach - Unrestricted Basic Aid Foundation Funding
The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district. Newer more up to date state wide average costs will not update for FY23 and remains frozen at FY18 levels, while other factors impacting a district's 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 $7,351.71 per pupil in FY23, 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 item 1 through 3 above added together, the total is then multiplied by a Local Share Multiplier Index from 0% for low wealth districts to a maximum of 2.5% for wealthy districts.

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

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

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' calculations 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 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. There is no legislation indicating what the percentage increase may be for FY24 and beyond for DPIA.
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 and Success Funds- These funds in FY20 and FY21 were accounted for in Fund 467 but are now restricted funds to be accounted for in the General Fund as part of the foundation formula.

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, which was amended in HB583 in June 2022. The FSFP does not include caps on funding, rather it will include a general phase-in percentage for most components in the amount of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in 0% in FY22 and 14% in FY23. Transportation categorical funds will not be subject to a phase in.

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

Student Wellness and Success Funds (SWSF)- (Restricted Fund 467)

In FY20 and FY21, HB166 provided Student Wellness and Success Funds (SWSF) to be deposited in a Special Revenue Fund 467. HB110 the new state budget essentially eliminated these funds by merging them into state aid and wrapped them into the expanded funding and mission of DPIA funds noted above and on Line 1.04

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

Future State Budget Projections beyond FY23

Our funding status for the FY24-27 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason, funding is held constant in the forecast for FY23 through FY27.

Casino Revenue

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

Casino revenue fell slightly in FY21 due to COVID-19 and casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY23-27 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 $62.87 per pupil.   FY23 Casino revenues have resumed their historical growth rate and assume a 2% annual growth rate for the forecast period.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
State Basic Aid	$19,220,869	$19,222,534	$19,222,534	$19,222,534	$19,222,534
Additional Aid	884,484	884,484	884,484	884,484	884,484
Basic Aid-Unrestricted Subtotal	$20,105,353	$20,107,018	$20,107,018	$20,107,018	$20,107,018
Ohio Casino Commission ODT	346,224	354,784	363,547	372,519	381,705
Total Unrestricted State Aid Line # 1.035	$20,451,577	$20,461,802	$20,470,565	$20,479,537	$20,488,723

A) 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 September 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-FY27 due to uncertainty on continued funding of the current funding formula.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Catastrophic Aid - JV96	$155,725	$155,725	$155,725	$155,725	$155,725
DPIA	43,703	43,703	43,703	43,703	43,703
Career Tech - Restricted	103,321	103,321	103,321	103,321	103,321
ESL	25,888	25,888	25,888	25,888	25,888
Gifted	250,621	250,621	250,621	250,621	250,621
Student Wellness	673,897	673,897	673,897	673,897	673,897
Total Restricted Revenues Line #1.040	$1,253,155	$1,253,155	$1,253,155	$1,253,155	$1,253,155

B) Restricted Federal Grants in Aid – line #1.045
No federal unrestricted grants are projected FY22-26.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Unrestricted Line # 1.035	$20,451,577	$20,461,802	$20,470,565	$20,479,537	$20,488,723
Restricted Line # 1.040	1,253,155	1,253,155	1,253,155	1,253,155	1,253,155
Restricted Fed. SFSF /EdJobs #1.045	0	0	0	0	0
Total State Foundation Revenue	$21,704,732	$21,714,957	$21,723,720	$21,732,692	$21,741,878

State Taxes Reimbursement/Property Tax Allocation
A) Rollback and Homestead Reimbursement
Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given owner-occupied residences. Credits equal 12.5% of the gross property taxes charged residential taxpayers on levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013.

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 did 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 assessed values. Based on our calculations, we will receive TPP Phase out payments FY20 through FY25. We project with the new phase-out calculation that TPP Fixed Rate reimbursements will be fully phased out for our district in FY25.

Summary of State Tax Reimbursement – Line #1.050

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Rollback and Homestead	$2,159,956	$2,210,347	$2,216,071	$2,264,418	$2,313,250
TPP Reimbursement - Fixed Rate	1,400,591	708,541	14,085	0	0
TPP Reimbursement - Fixed Sum	0	0	0	0	0
Total Tax Reimb./Prop Allocations Line #1.050	$3,560,547	$2,918,888	$2,230,156	$2,264,418	$2,313,250

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 have been open enrollment, interest on investments, tuition for court placed students,

student fees, Payment In Lieu of Taxes, and general rental fees. HB110, the new state budget, stopped 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 FY23-FY27 Line 1.06 revenues and historical FY20 through FY22 revenues on the five year forecast. Open enrolled students will be counted in the enrolled student base at the school district they are being educated and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as state basic aid. In FY21 and FY22, interest income fell due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates and our ending cash balance begin to increase. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historic trends.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Open Enrollment and other tuition revenue	$167,005	$167,840	$168,679	$169,522	$170,370
Interest	600,000	400,000	150,000	50,000	50,000
Student Fees	497,760	502,738	507,765	512,843	517,971
Medicaid Reimbursement	133,080	134,411	135,755	137,113	138,484
Rentals, PILOT's, and Other Income	2,232,717	2,255,044	2,277,594	2,300,370	2,323,374
Total Other Local Revenue Line #1.060	$3,630,562	$3,460,033	$3,239,793	$3,169,848	$3,200,199

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 as noted in the table below.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Transfers In - Line 2.040	$0	$0	$0	$0	$0
Advance Returns - Line 2.050	0	450,000	0	0	0
Total Transfer & Advances In	$0	$450,000	$0	$0	$0

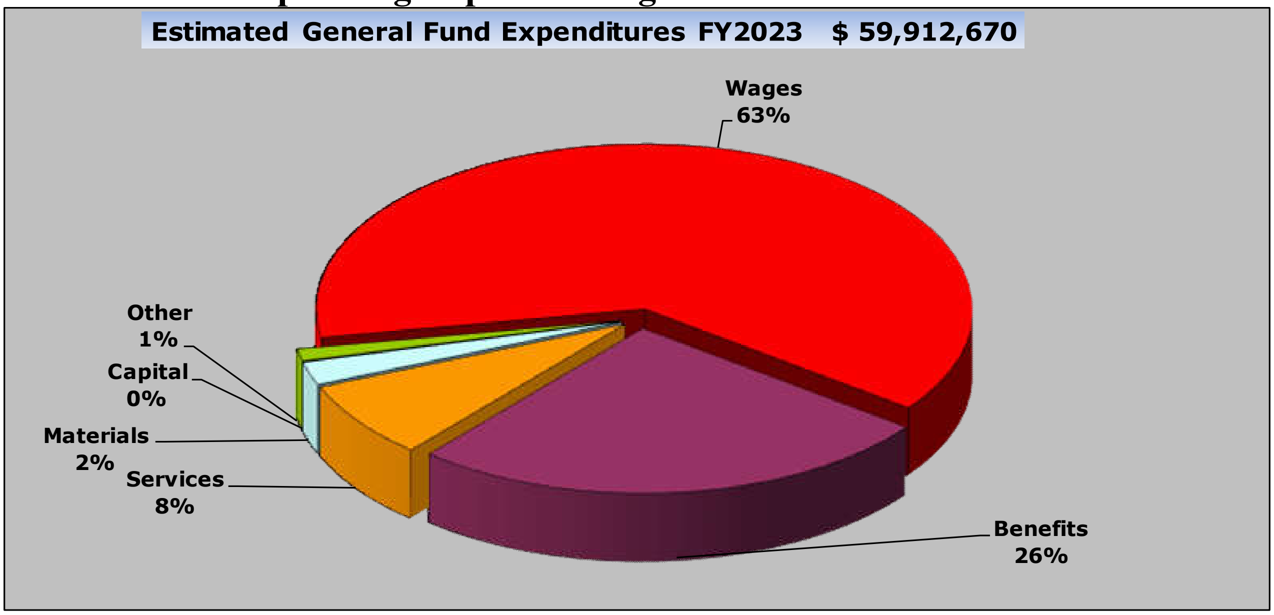
All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable. The revenue in FY21 in this line was a dividend payment received from the Bureau of Workers Compensation. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

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 FY23



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. In June 2021, the agreement was extended to include raises of 2.25% in FY23 and 2.5% in FY24. We have used ESSER funds in FY22-24 to help offset wage costs. For planning purposes, a 2% base increase is planned FY25 through FY27.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Base Wages	$34,969,592	$36,489,803	$38,210,593	$40,705,402	$42,354,519
Base Increases	786,816	912,245	764,212	814,108	847,090
Steps & Performance	610,000	610,000	610,000	610,000	610,000
Substitutes	300,000	300,000	300,000	300,000	300,000
New/Replacement Staff	123,395	198,545	220,597	225,009	229,509
Supplemental Contracts	770,564	785,975	801,695	817,729	834,084
Severance	185,262	200,000	200,000	200,000	200,000
Wage Adjustments/ESSER	0	0	900,000	0	0
Total Wages Line #3.010	$37,745,629	$39,496,568	$42,007,097	$43,672,248	$45,375,202

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
The district is on a self-insured medical insurance plan. FY22 saw an increase in insurance rates of 6.2% due to high claims. We are estimating an increase of 9.2% for FY23 and 8% for FY24 through FY27 which reflects trend 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 .038% of wages FY23– FY27. Unemployment is expected to remain at a very low level FY23-FY27. 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 23	FY 24	FY 25	FY 26	FY 27
STRS/SERS	$5,951,570	$6,223,746	$6,615,997	$6,887,327	$7,157,260
Insurances	8,493,382	9,228,446	10,226,489	11,107,611	12,060,483
Workers Comp & Unempl	148,433	100,087	109,627	115,955	122,426
Medicare	558,215	577,840	611,424	633,030	655,349
Other/VEBA/ERIP/Tuition	428,335	428,335	428,335	428,335	428,335
Total Fringe Benefits Line #3.020	$15,579,935	$16,558,454	$17,991,872	$19,172,258	$20,423,853

Purchased Services – Line #3.030
HB110, the new state budget, impacted Purchased Services beginning in FY22 as the Ohio Department of Education began 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 FY23-FY27 Line 3.03 costs and historical FY20 through FY21 costs on the five year forecast. College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend. We reduced costs in purchased services for FY20 and 21 for the Fund 467 recoding for our SRO's and then returned these costs to the General Fund in FY23-27.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Base Services, Prof Fees, etc.	$924,913	$894,162	$903,104	$912,135	$921,256
Prof. & Tech. Student Services	1,143,029	1,386,459	1,350,324	1,363,827	1,377,465
Contracted Staff Services	436,150	449,235	462,712	476,593	490,891
Tuition, Sp. Ed. Services & College Credit Plus	952,395	980,967	1,010,396	1,040,708	1,071,929
Open Enrollment Deduction	0	0	0	0	0
Community School Deductions	0	0	0	0	0
Utilities	1,064,724	1,117,960	1,173,858	1,232,551	1,294,179
Total Purchased Services Line #3.030	$4,521,211	$4,828,783	$4,900,394	$5,025,814	$5,155,720

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 23	FY 24	FY 25	FY 26	FY 27
Supplies	$1,344,907	$1,345,254	$1,385,612	$1,427,180	$1,469,995
Total Supplies Line #3.040	$1,344,907	$1,345,254	$1,385,612	$1,427,180	$1,469,995

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 23	FY 24	FY 25	FY 26	FY 27
Capital Outlay	$29,380	$29,968	$30,567	$31,178	$31,802
Total Equipment Line #3.050	$29,380	$29,968	$30,567	$31,178	$31,802

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 23	FY 24	FY 25	FY 26	FY 27
A & T Fees/ Election Costs	$452,263	$456,786	$461,354	$465,968	$470,628
Annual Audit Fees	23,998	24,238	24,480	24,725	24,972
Fees/Charges/Misc	182,732	184,559	186,405	188,269	190,152
ESC Fees	32,615	32,941	33,270	33,603	33,939
Total Other Expenses Line #4.300	$691,608	$698,524	$705,509	$712,565	$719,691

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.

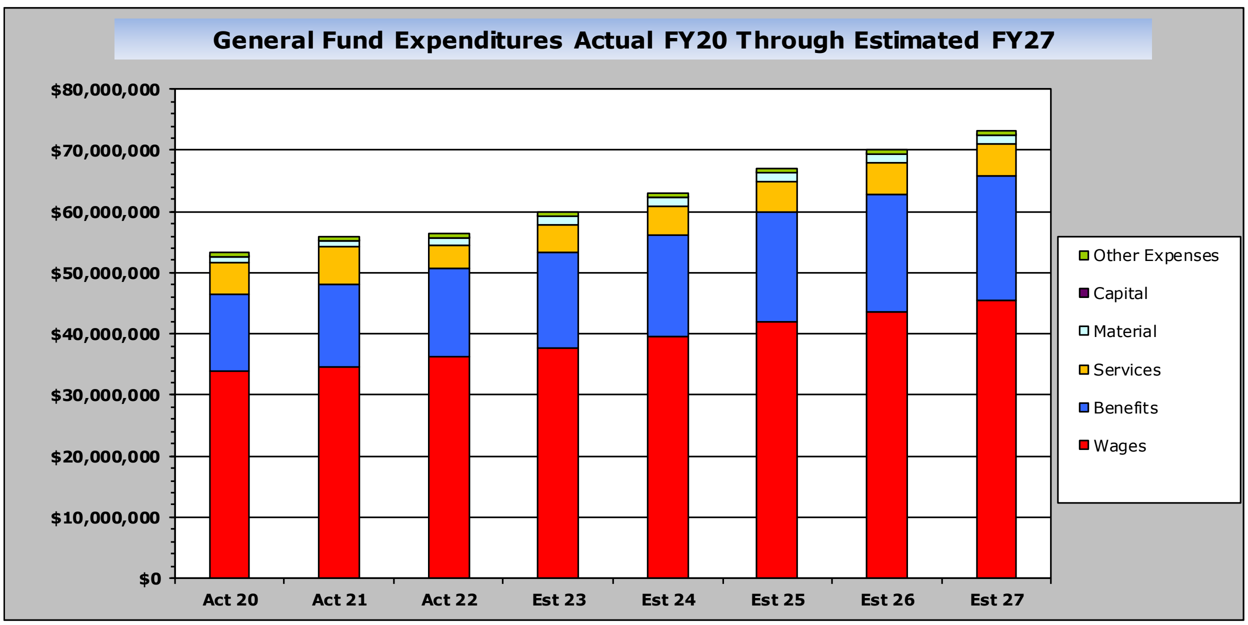
The Permanent Improvement Fund advance was repaid in FY22 and the Self Insurance Fund advance is projected to be repaid in FY24. There are no planned transfers or advances in the forecast period at this time.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
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 23	FY 24	FY 25	FY 26	FY 27
Estimated Encumbrances	$400,000	$400,000	$400,000	$400,000	$400,000

Operating Expenditures Actual FY20 through FY22 and Estimated FY23-FY27
As the graph on the following page indicates, we have been diligent at containing 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:

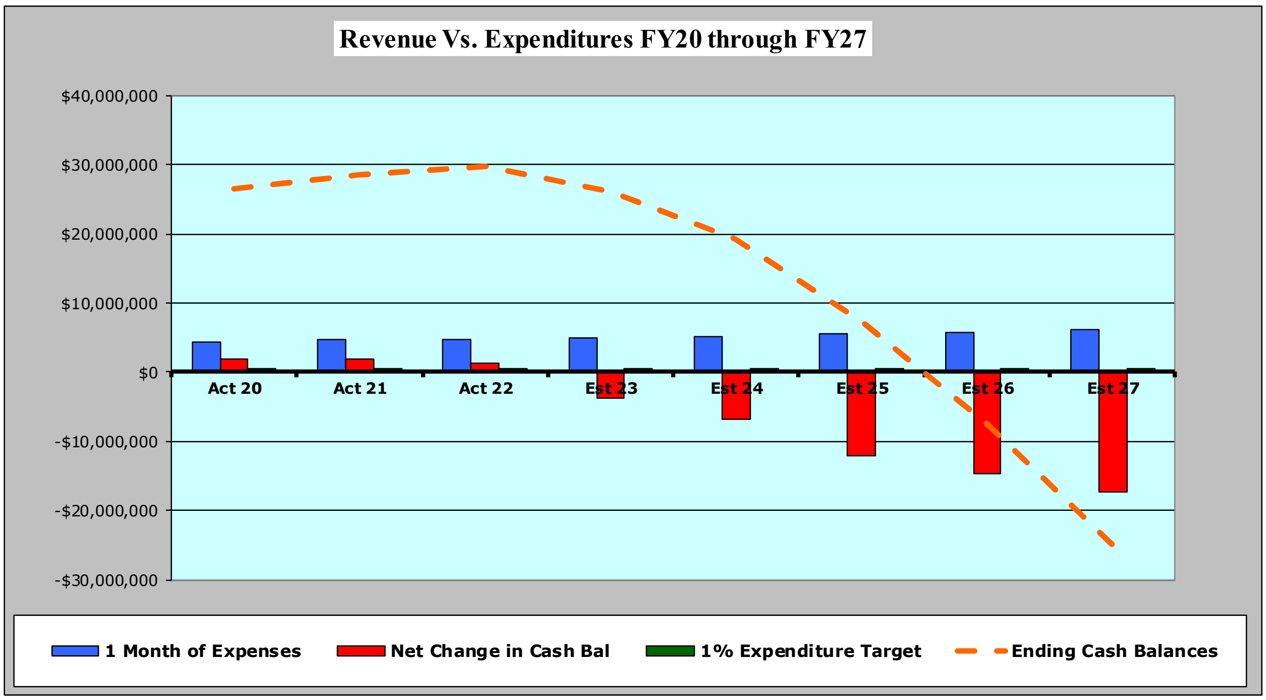
- Projected General Fund cash balances for the current year and following four fiscal years are at least equal to one month of expected expenditures.

- 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 FY22 on all criteria. FY23 indicates that expenditures are exceeding revenues by more than 1%. Beginning in FY26, it is projected that the ending cash balance will not exceed one month of expected expenditures. The District is in the process of analyzing these variances and will make decisions as necessary to bring cash in line with this policy.

	FY 23	FY 24	FY 25	FY 26	FY 27
Ending Cash Balance	$25,656,926	$18,890,706	$6,813,088	-$7,905,687	-$25,316,893

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, the last state budget HB166 did 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 foundation funding magnified the loss of TPP revenue. The impact of the TPP revenue loss will be felt in the long-term by our district.

The district administration notes that HB110, the current FY22 and FY23 state biennium budget, is why we have to be mindful and watch each state budget carefully as HB110 has not provided significant new unrestricted operating funds to our district which in the past has helped to offset the drop in our TPP reimbursements. HB110 does institute direct payments for open enrollment and community school costs, which has lowered our costs and may net some added funds through reduced costs. Future state biennium budgets could affect us positively or negatively for FY24 through FY27.

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.