BRIGHT LOCAL SCHOOL DISTRICT-HIGHLAND 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**

**Forecast Provided By
Bright Local School District
Treasurer's Office
Jeff Rowley, Treasurer/CFO**

May 19, 2021

Bright Local School District

Highland 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)	1,623,524	1,616,740	1,723,768	3.1%	1,737,403	1,714,147	1,720,252	1,727,972	1,735,699
1.020	Public Utility Personal Property Tax	249,017	260,316	273,413	4.8%	286,671	294,813	311,271	324,121	336,971
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	5,700,672	5,859,689	5,757,291	0.5%	5,859,302	5,921,051	5,921,807	5,922,576	5,923,359
1.040	Restricted State Grants-in-Aid	203,272	196,558	169,201	-8.6%	197,043	197,043	197,043	197,043	197,043
1.045	Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	264,389	261,999	266,968	0.5%	269,714	271,574	272,479	273,705	274,931
1.060	All Other Revenues	1,101,711	1,314,144	1,243,987	7.0%	1,274,323	1,286,462	1,299,091	1,311,847	1,324,731
1.070	*Total Revenues*	9,142,585	9,509,446	9,434,628	1.6%	9,624,456	9,685,090	9,721,943	9,757,264	9,792,734
	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 and Advancements (Approved)	0	0	0	0.0%	0	0	0	0	0
2.040	Operating Transfers-In	86,345	337,677	211,433	126.8%	210,639	122,916	181,450	181,445	181,441
2.050	Advances-In	38,612	14,674	0	-81.0%	0	0	0	0	0
2.060	All Other Financing Sources	700	0	0	0.0%	128,314	0	0	0	0
2.070	*Total Other Financing Sources*	125,657	352,351	211,433	70.2%	338,953	122,916	181,450	181,445	181,441
2.080	*Total Revenues and Other Financing Sources*	9,268,242	9,861,797	9,646,061	2.1%	9,963,409	9,808,006	9,903,393	9,938,709	9,974,175
	Expenditures									
3.010	Personal Services	3,746,561	3,970,969	4,111,231	4.8%	4,283,038	4,445,367	4,614,185	4,789,749	4,972,329
3.020	Employees' Retirement/Insurance Benefits	1,640,330	1,775,962	1,876,339	7.0%	1,981,984	2,078,780	2,172,676	2,270,950	2,373,802
3.030	Purchased Services	2,317,839	2,138,072	2,081,849	-5.2%	1,984,192	1,985,240	1,986,384	1,987,624	1,988,963
3.040	Supplies and Materials	286,044	306,981	337,872	8.7%	291,873	294,793	297,740	300,717	303,723
3.050	Capital Outlay	251,990	115,784	173,338	-2.2%	30,283	30,586	30,892	31,201	31,513
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	57,968	134,395	134,996	66.1%	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%	34,518	35,122	35,737	36,363	36,999
4.055	Principal-Other	0	0	0	0.0%	28,936	84,233	85,765	87,324	88,912
4.060	Interest and Fiscal Charges	28,349	44,306	60,509	46.4%	34,262	36,895	34,743	32,554	30,324
4.300	Other Objects	101,749	116,026	127,690	12.0%	127,571	127,571	127,571	127,571	127,571
4.500	*Total Expenditures*	8,430,830	8,602,495	8,903,824	2.8%	8,796,657	9,118,587	9,385,693	9,664,053	9,954,136
	Other Financing Uses									
5.010	Operating Transfers-Out	58,401	316,337	628,267	270.1%	333,888	281,450	281,445	281,441	281,435
5.020	Advances-Out	14,674	0	0	0.0%	0	0	0	0	0
5.030	All Other Financing Uses	0	135,377	0	0.0%	0	0	0	0	0
5.040	*Total Other Financing Uses*	73,075	451,714	628,267	278.6%	333,888	281,450	281,445	281,441	281,435
5.050	*Total Expenditures and Other Financing Uses*	8,503,905	9,054,209	9,532,091	5.9%	9,130,545	9,400,038	9,667,138	9,945,494	10,235,571
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	764,337	807,588	113,970	-40.1%	832,864	407,968	236,255	(6,785)	(261,396)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	2,881,553	3,645,890	4,453,478	24.3%	4,567,448	5,400,312	5,808,280	6,044,535	6,037,750
7.020	*Cash Balance June 30*	3,645,890	4,453,478	4,567,448	12.4%	5,400,312	5,808,280	6,044,535	6,037,750	5,776,354
8.010	*Estimated Encumbrances June 30*	47,000	265,980	115,485	204.7%	75,000	75,000	75,000	75,000	75,000
`	**Reservation of Fund Balance**									
9.010	Textbooks and Instructional Materials	99,556	60,000	0	-69.9%	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	21,126	0	0	0.0%	0	0	0	0	0
9.080	*Subtotal*	120,682	60,000	0	-75.1%	0	0	0	0	0
10.010	*Fund Balance June 30 for Certification of Appropriations*	3,478,208	4,127,498	4,451,963	13.3%	5,325,312	5,733,280	5,969,535	5,962,750	5,701,354

Bright Local School District

Highland 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
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement				0.0%	0	0	0	0	0
11.300	Cumulative Balance of Replacement/Renewal Levies				0.0%	0	0	0	0	0
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	3,478,208	4,127,498	4,451,963	13.3%	5,325,312	5,733,280	5,969,535	5,962,750	5,701,354
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	0	0	0	0	0
13.020	Property Tax - New				0.0%	0	0	0	0	0
13.030	Cumulative Balance of New Levies	0	0		0.0%	0	0	0	0	0
14.010	Revenue from Future State Advancements				0.0%	0	0	0	0	0
15.010	*Unreserved Fund Balance June 30*	3,478,208	4,127,498	4,451,963	13.3%	5,325,312	5,733,280	5,969,535	5,962,750	5,701,354

Bright Local School District – Highland County
Notes to the Five Year Forecast
General Fund Only
May 19, 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 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 the Governor 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 Act funding was used to cover the cost of additional technology needs and to offset the cost of staff necessary to meet our educational needs. 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 $9,624,456 or 2.92% higher than the November forecasted amount of $9,351,541.

State Aide, as noted above, began the year with continued cuts at the FY20 level; however, on January 22, 2021 Governor DeWine reinstated funding of approximately 54.84% of those reductions thus having a positive impact of $70,807.23 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 $8,796,657 for FY21, which is below the original estimate of $8,939,328 in the November forecast. The expenditure lines most significantly below projections are Capital Outlay (line 3.05) due to technology purchases being made with ESSER funds and Principal and Interest (lines 4.055 and 4.06, respectively) due to refinancing debt from a boiler purchased in 2019. Although we did see a reduction in expense due to SWSF and ESSER, students taking alternative education options due to the pandemic increased our state deductions. Overall, 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 $5.3 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:

1) HB166 the current state budget for FY20-21 initially froze funding for all school districts in Ohio at their FY19 level with two exceptions; student wellness and success funding (SWSF) and enrollment growth supplement funds. Student Wellness and Success is new revenue to school districts in FY20 and FY21, but is restricted in use and must be placed in Fund 467 and is NOT General Fund revenue and consequently not included in this forecast. The current proposed state budget for FY22-23 is Sub. HB110 and it includes increases for SWSF for each year of the biennium budget along with guarantees that no district will receive less funding than they received in FY21. We have assumed this money will continue through FY25. Enrollment Growth Supplement money is paid to a small number of growing districts and Sub. HB110 also proposes these funds be continued in FY22 and FY23 at current FY21 levels. We have assumed these funds will continue at the guarantee level through FY25. Our district is estimated to receive enrollment growth money for FY21 and will treat it as guaranteed FY22-25.

2) While state foundation funding was initially guaranteed at the FY19 level, the Coronavirus pandemic caused the most rapid and largest decrease of employment in history. In order to balance the State Budget on May 6, 2020 the Governor ordered a $300.5 million reduction of state foundation funding to school districts by the end of June 2020. These cuts were to continue through FY21 as well, however the Governor subsequently reinstated $160 million of these reductions to school districts in an executive order dated January 22, 2021. With the economy rebounding from the sharp drop in employment in March and April 2020 and state tax revenues well above estimates for FY21, we anticipate funding will remain unchanged for the rest of FY21. Governor DeWine submitted his FY22-23 biennial budget (Sub. 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 introduced on February 4, 2021 and will work its way through the legislative process where it has been combined with Sub. 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. Due to the Enrollment Growth Funding, we are projecting a slight increase beyond the FY19 levels at this time until the state budget is known for FY22 and FY23

3) The State Budget represents 66% of district revenues and is an area of risk to revenue. The future risk comes in FY22 and beyond if the state economy stalls or worsens and the funding formula in future state budgets reduces funding to our district. There are two future State Biennium Budgets covering the period from FY22-23 and FY24-25 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 FY25. We have projected our state funding to be in line with the FY19 funding level FY22 through FY25, which we feel is conservative and should be close to whatever the state approves for the new FY22-23 biennium budget. We will adjust the forecast in future years as we have data to help guide this decision.

4) Property tax collections are the second largest revenue source for the school system. The housing market in our district is stable. We are not projecting material change in New Construction growth and we are not anticipating an aggregate reduction in our tax base over the forecasted period. Total local revenues, which are predominately local taxes, equate to 34% of the district's resources. Collection rates for the 1st half 2020 collection, collected in 2021 did not show sharp declines due to increased delinquencies. We believe there is a low risk that local collections would fall below projections in the forecast.

5) Highland County experienced a full reappraisal in the 2018 tax year, which was collected in FY19. The 2018 reappraisal decreased overall assessed values by $1,012,950 or a decrease of 1.08%. A reappraisal update will occur in tax year 2021 for collection in FY22. We anticipate value decreases for Class I by $1,026,687 for an overall decrease of 1.08% or the equivalent to the update. This is due to including the adjustment for lower Current Agricultural Use Values (CAUV) authorized by HB49 which makes up 47.1% of the Class I tax base. Class II is anticipated to remain the same at this time. The current forecast contains another full reappraisal in FY25 which we will continue to monitor fur future updates.

6) 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

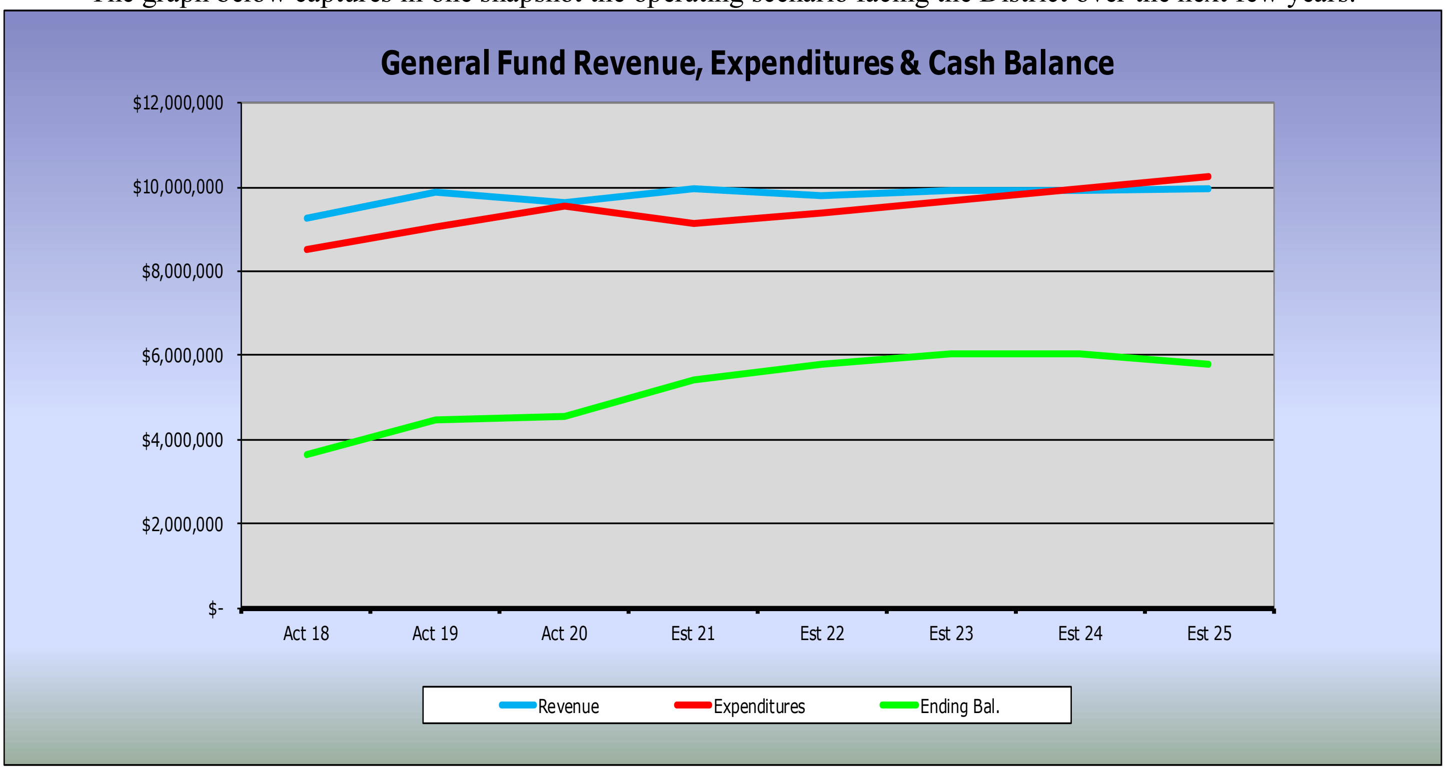
in per pupil scholarship amounts deducted from our state aid in the 2019-21 school years, even though funding for our students was not increased to our district for this biennium budget. These are examples of school choice programs that increase with each biennium budget and costs the district money. Expansion or creation of programs such as these can exposes the district to new expenditures that are not currently in the forecast. We are monitoring any new threats to our state aid and increased costs very closely as the proposed new state budget bill Sub. HB110 moves through the legislative process.

7) 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.

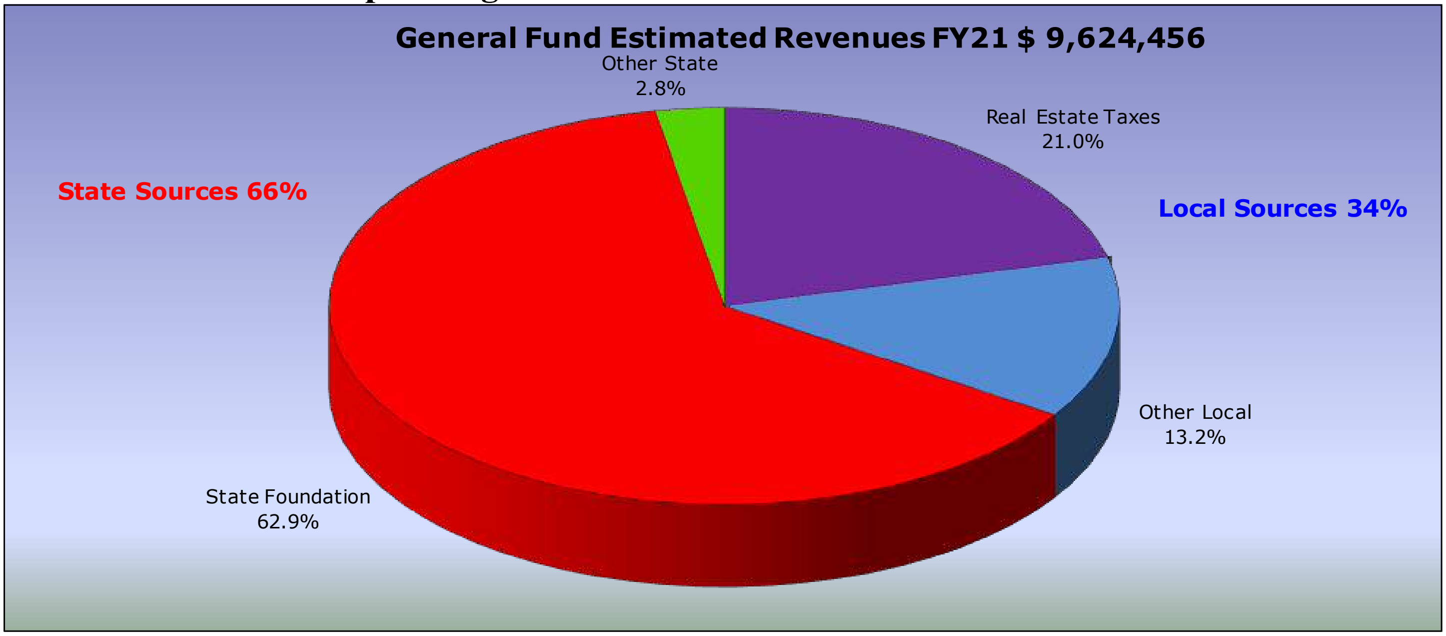
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast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

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

The graph below 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. Highland County experienced a reappraisal for the 2018 tax year to be collected in 2019. Residential/agricultural values decreased by 1.08% or $1 million due to the reappraisal update led by an improving housing market. New construction in residential property was up 1.4% or $1,310,290 in assessed value. Commercial/industrial values increased $84,590.

A reappraisal update will occur in 2021 for collection in 2022 for which we are estimating a 1.08% decrease again in Class I due to an additional 30% reduction in CAUV and a no increase for commercial/industrial property. CAUV values represent 47.1% of Class I residential/agricultural values HB49 authorized a reduction in CAUV computations that will result in these values falling on average by 30%. These reductions will occur as districts experience their next reappraisal or update cycle. We will experience this in the Tax Year 2021 reappraisal. A reduction of value has been weighted in to our average Class I value change in 2021. This will cause somewhat of a shift in taxes from agricultural taxpayers to residential taxpayers but should not result in lower taxes to our district. We anticipate Residential/Agricultural and

Public Utility Personal Property (PUPP) values increased by $381,730 in Tax Year 2020 due to new PUPP asset growth exceeding depreciation of assets. We expect our values to continue to grow by $500,000 each year of the forecast.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Actual TAX YEAR2020 COLLECT 2021	Estimated TAX YEAR2021 COLLECT 2022	Estimated TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025
Res./Ag.	$94,729,770	$94,028,083	$94,353,083	$94,678,083	$95,003,083
Comm./Ind.	1,246,320	1,251,320	1,256,320	1,261,320	1,266,320
Public Utility Personal Property (PUPP)	11,361,730	11,861,730	12,361,730	12,861,730	13,361,730
Total Assessed Value	$107,337,820	$107,141,133	$107,971,133	$108,801,133	$109,631,133

Estimated Real Estate Tax (Line #1.010)

Source	FY21	FY22	FY23	FY24	FY25
General Property Taxes	$1,737,403	$1,714,147	$1,720,252	$1,727,972	$1,735,699

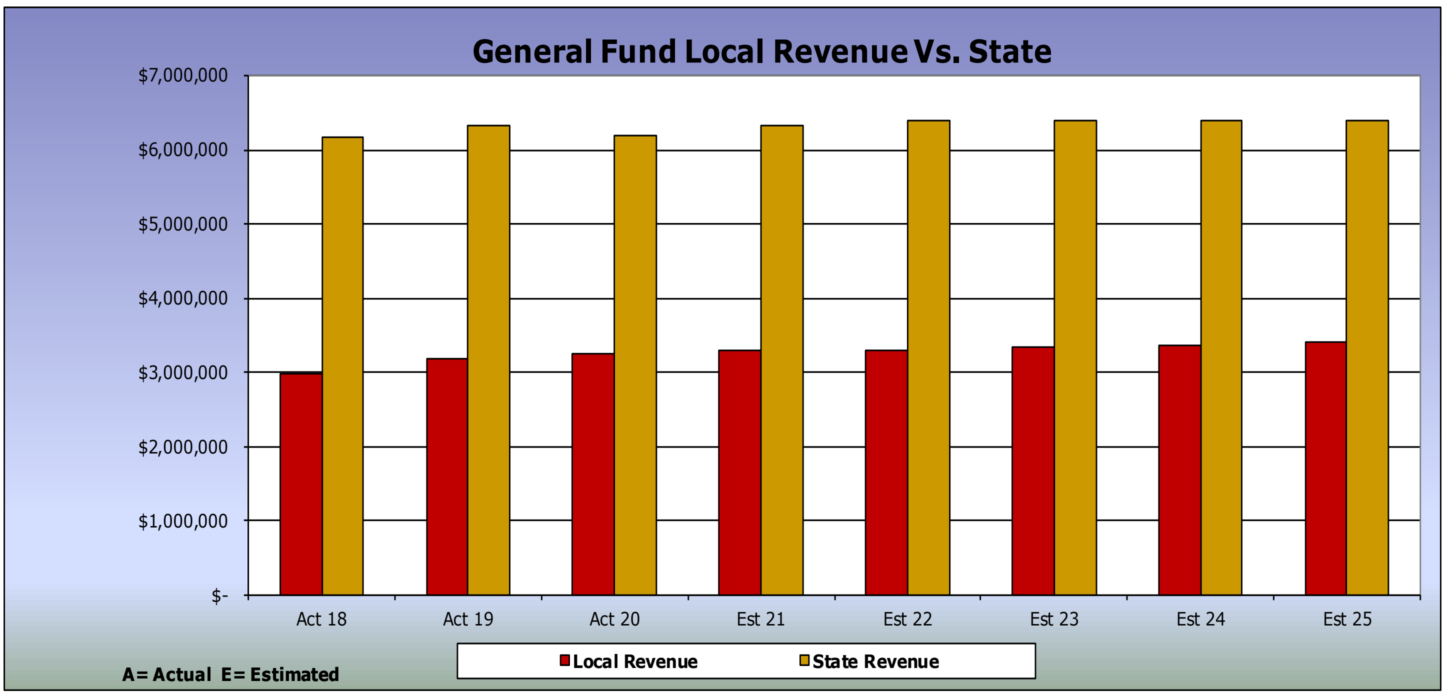
Property tax levies are estimated to be collected at 98% of the annual amount. This allows 2% delinquency factor. Lower collection rates predicted due to the COVID-19 pandemic and economic slowdown did not occur as advised by the County Auditor. In general, 59% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 41% collected in the August tax settlement. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

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

Estimated Public Utility Personal Tax – Line#1.020

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 Public Utility (PUPP), which were $10.98 million in assessed values in 2019 and are collected at the district's gross voted millage rate. Collections are typically 50% in February and 50% in August along with the real estate settlements from the county auditor. The values in 2020 increased by 3.5% or $381,730, but are expected to grow by $500,000 each year of the forecast.

Source	FY21	FY22	FY23	FY24	FY25
Public Utility Personal Property (Line#1.020)	$286,671	$294,813	$311,271	$324,121	$336,971
Total Line # 1.020	$286,671	$294,813	$311,271	$324,121	$336,971



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 funding 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, aka 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 Sub. 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, plus a conservative Enrollment Growth Funding estimate, through FY25 as we have nothing authoritative to rely on at this time.

Foundation Reduction and HB164 for FY20

In FY20 the Governor ordered a reduction of state foundation funding by $300.5 million to be reduced from districts bi-monthly payments by the end of June 2020. The reductions were made using an equalized per-pupil approach which resulted in districts with less local capacity to raise revenue to receive smaller percentage decreases. The state-share index that was last calculated in FY19 was used to apportion the FY20 ordered reduction to traditional public-school districts.

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 $58,300 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 (Sub. HB110) is guaranteeing all districts will get 100% of what they received in FY21 for FY22 and FY23. Our district is estimated to receive $372,459 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 per Sub. HB110.

At this time our district is recoding qualified General Fund expenses that is servicing student needs as identified in 3317.26 (B) and our approved plan to Fund 467 for FY20 and FY21, and since Sub. HB110 provides that these funds will continue in FY22 and FY23 at FY21 levels at a minimum, we have left these expenses in Fund 467 for the remainder of the forecast.

Future State Budgets: Our funding status for the FY22-25 will depend on two (2) new state budgets which are unknown. With the change to the state funding and reductions for FY20-21 state amounts, we will increase funding in FY22 back to FY19 levels and hold it level through FY25. We believe our current state funding estimates for FY21-25 are reasonable and that we will adjust the forecast in the future when we 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 pandemic, casinos were closed from March 12, to June 18, 2020. We are reducing the amount of funding in FY21 by 21.75% 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	FY21	FY22	FY23	FY24	FY25
Basic Aid-Unrestricted	$5,718,819	$5,772,369	$5,772,369	$5,772,369	$5,772,369
Additional Aid Items	110,986	110,986	110,986	110,986	110,986
Basic Aid-Unrestricted Subtotal	$5,829,805	$5,883,355	$5,883,355	$5,883,355	$5,883,355
Ohio Casino Commission ODT	29,497	37,696	38,452	39,221	40,004
Total Unrestricted State Aid Line # 1.035	$5,859,302	$5,921,051	$5,921,807	$5,922,576	$5,923,359

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 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	FY21	FY22	FY23	FY24	FY25
Economically Disadvantaged Aid	$141,565	$141,565	$141,565	$141,565	$141,565
Career Tech	55,478	55,478	55,478	55,478	55,478
Total Restricted State Revenues Line #1.040	$197,043	$197,043	$197,043	$197,043	$197,043

C) Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected FY21-25.

Summary of State Foundation Revenues	FY21	FY22	FY23	FY24	FY25
Unrestricted Line # 1.035	$5,859,302	$5,921,051	$5,921,807	$5,922,576	$5,923,359
Restricted Line # 1.040	197,043	197,043	197,043	197,043	197,043
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045	0	0	0	0	0
Total State Foundation Revenue	$6,056,345	$6,118,094	$6,118,850	$6,119,619	$6,120,402

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 Supplement 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.

c) Tangible Personal Property Reimbursements – Fixed Sum

The district does not receive TPP Fixed Sum reimbursements.

Summary of State Tax Reimbursement – Line #1.050

Source	FY21	FY22	FY23	FY24	FY25
Rollback and Homestead	$269,714	$271,574	$272,479	$273,705	$274,931

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 from the State, interest, Medicaid reimbursements, general rental fees, and Manufactured Homes tax. Beginning in FY21 interest is expected to decline due to fed rate reductions which will impact our earning capability in this area. Pay to participate fees and rentals are expected to be lower due to COVID-19 restrictions and lower participation. Open Enrollment and Tuition payments have increased in FY21 and are expected to continue through the remainder of the forecast. All other revenues are expected to continue on historic trends at this time.

Source	FY21	FY22	FY23	FY24	FY25
Open Enrollment Gross	$920,207	$929,409	$938,703	$948,090	$957,571
Tuitions	201,295	203,308	205,341	207,394	209,468
Other Income and rentals	69,256	69,949	70,648	71,354	72,068
Medicaid	21,625	21,841	22,059	22,280	22,503
Interest	38,086	38,467	38,852	39,241	39,633
Manufactured Homes	23,854	23,488	23,488	23,488	23,488
Total Other Local Revenue Line #1.060	$1,274,323	$1,286,462	$1,299,091	$1,311,847	$1,324,731

Short-Term Borrowing – Lines #2.010 & Line #2.020
Short term borrowing is not 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 the previous fiscal year are planned to be repaid in following FY21-25.

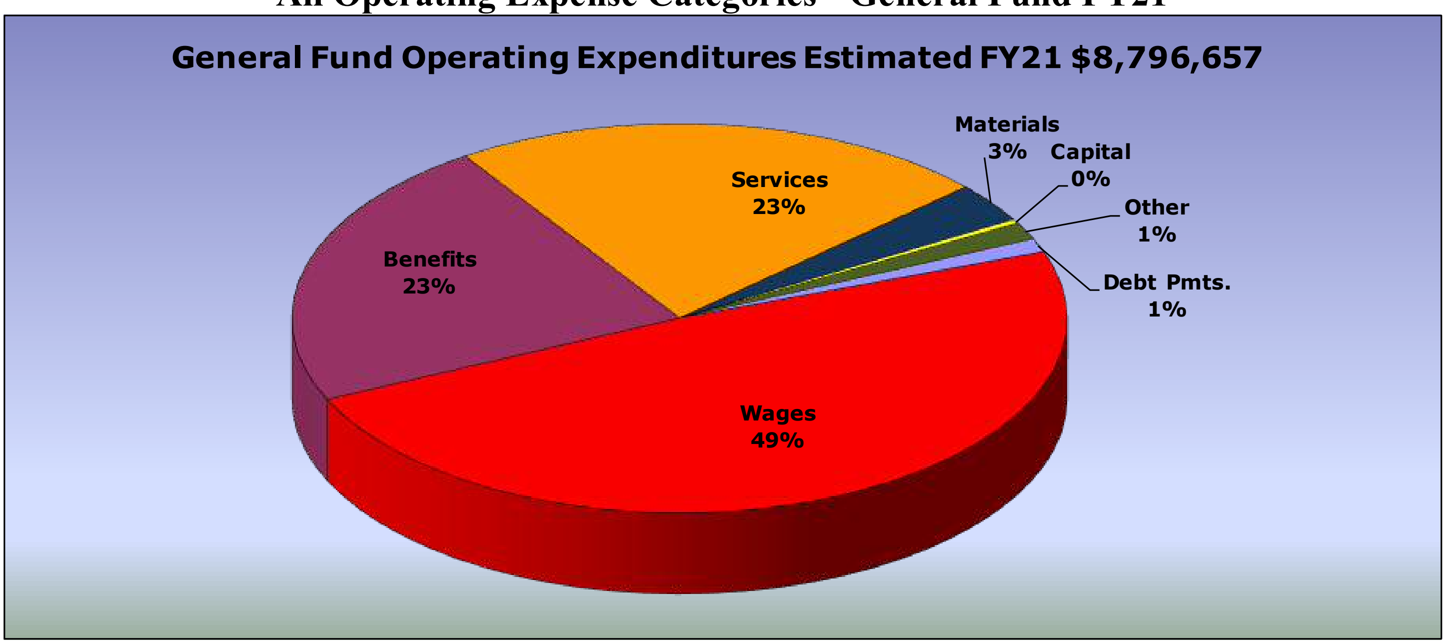
Source	FY21	FY22	FY23	FY24	FY25
Transfers In - Line 2.040	$210,639	$122,916	$181,450	$181,445	$181,441
Advance Returns - Line 2.050	0	0	0	0	0
Total Transfer & Advances In	$210,639	$122,916	$181,450	$181,445	$181,441

All Other Financial Sources – Line #2.010 through Line #2.060 & Line #14.010
This funding source is typically a refund of prior year expenditures that is very unpredictable. The majority of the amount received in FY21 is for BWC premium dividends. Due to these distributions not being guaranteed, we will not include them for the remainder of the forecast.

Source	FY21	FY22	FY23	FY24	FY25
Refund of prior years expenditures	$128,314	$0	$0	$0	$0

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 our bargaining units were pushed back to FY22, once state funding and local initiatives are realized. Because of this the current Certified and Classified contracts are set to expire at the end of the FY22 contract year. Negotiations for FY23-25 will begin in the spring of 2022. The forecast as presented reflects a 2% base increase for planning purposes only at this time.

Source	FY21	FY22	FY23	FY24	FY25
Base Wages	$3,897,128	$4,053,014	$4,215,134	$4,383,740	$4,559,090
Increases	77,943	81,060	84,303	87,675	91,182
All Staff - Steps and Training	77,943	81,060	84,303	87,675	91,182
Overtime/Board	20,942	21,151	21,363	21,577	21,793
Substitutes	120,480	120,480	120,480	120,480	120,480
Supplementals	88,602	88,602	88,602	88,602	88,602
Staff Increases/Reductions	0	0	0	0	0
Total Wages Line 3.010	$4,283,038	$4,445,367	$4,614,185	$4,789,749	$4,972,329

Fringe Benefits Estimates

This area of the forecast captures all costs associated with benefits and retirement costs.

A) STRS/SERS will increase as Wages Increase

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The district is required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members, which is exclusively used to fund health care.

B) Insurance

The district is a member of the Brown County Insurance Consortium for medical and dental coverage. The consortium is made up of nine entities; six Brown County schools (Eastern, Fayetteville-Perry, Georgetown, Ripley Union Lewis Huntington, Southern Hills Career Tech Center, and Western Brown), two Highland County schools (Bright Local and Lynchburg-Clay), and the Brown County Educational Service Center. The consortium is governed by 9 Superintendents representing each of the member districts with the ESC acting as the Fiscal Agent. At this time we are estimating an increase of 3% for FY21, and 5% for FY22-25 which reflects trend and the likely increase in health care costs as a result of actual claims incurred. 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 a uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be about 0.46% of wages FY21-25. Unemployment is expected to remain at a very low level FY21-25. However, in FY21 the district is seeing an increase due to qualification rules if employees held other positions outside of the district. We are anticipating this to be a one-time increase due to the shutdowns in the spring of 2020 from COVID-19. 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. The district received a BWC dividend refund for the 2019 premium year in the fall of 2020 in the amount of $27,331.94. This payment is booked as a refund of a prior year expense, which is included in All Other Financing Sources (line 2.06) in the current year for the received amount.

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	FY21	FY22	FY23	FY24	FY25
A) STRS/SERS	$722,026	$749,647	$778,374	$808,249	$839,317
B) Insurance's	1,164,702	1,240,602	1,302,632	1,367,764	1,436,152
C) Workers Comp/Unemployment	29,447	20,449	21,225	22,033	22,873
D) Medicare	60,077	62,350	64,713	67,172	69,728
Other/Tuition	5,732	5,732	5,732	5,732	5,732
Total Fringe Benefits Line #3.020	$1,981,984	$2,078,780	$2,172,676	$2,270,950	$2,373,802

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 Professional Support will decrease due to the district reducing a Speech Therapist contract by shifting this to salaries and benefits. Deductions are expected remain relatively the same through the forecasted period. Open Enrollment deductions were moderately lower than projected, but that savings has been offset by increases in Excess Cost and Community School deductions.

Source	FY21	FY22	FY23	FY24	FY25
Open Enrollment Deduction	$966,536	$966,536	$966,536	$966,536	$966,536
Professional Support	177,100	180,642	184,255	187,940	191,699
Utilities	249,414	246,920	244,451	242,006	239,586
Building Maintenance/Insurance	129,867	129,867	129,867	129,867	129,867
Excess Cost	136,155	136,155	136,155	136,155	136,155
Other Tuition	117,241	117,241	117,241	117,241	117,241
Base Services	58,684	58,684	58,684	58,684	58,684
Community School Deductions	108,126	108,126	108,126	108,126	108,126
Travel/Meeting	41,069	41,069	41,069	41,069	41,069
Total Purchased Services Line #3.030	$1,984,192	$1,985,240	$1,986,384	$1,987,624	$1,988,963

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. The district used Cares grant funds to purchase one to one devices for students. In FY21 Supplies and Transportation will decrease due to lower than anticipated expenditures in facilities supplies, vehicle repairs, and fuel.

Source	FY21	FY22	FY23	FY24	FY25
Supplies	$98,260	$99,243	$100,235	$101,237	$102,249
Transportation	94,750	95,698	96,655	97,622	98,598
Digital/Paper Textbooks	50,613	51,119	51,630	52,146	52,667
Building Maintenance	48,250	48,733	49,220	49,712	50,209
Total Supplies Line #3.040	$291,873	$294,793	$297,740	$300,717	$303,723

Capital Outlay – 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. The district currently purchases one bus per year through the Permanent Improvement Fund 003. This has shifted this expense out of this section of the forecast and into Transfers to fund this initiative.

Source	FY21	FY22	FY23	FY24	FY25
Bus Purchases	$0	$0	$0	$0	$0
Equipment	30,283	30,586	30,892	31,201	31,513
Buildings	0	0	0	0	0
Total Equipment Line #3.050	$30,283	$30,586	$30,892	$31,201	$31,513

Principal and Interest Payment – Lines # 4.05 and 4.06

The District has two HB264 loans from 2011 and 2016, which will be completed in FY26 and FY31, respectively. The District refinanced the debt incurred to purchase a boiler and chiller and has saved the district, in net present value terms, $43,337. In accordance with the new debt schedule, this debt will be completely paid in FY28.

Source	FY21	FY22	FY23	FY24	FY25
2011 HB 264 Principal	$25,200	$25,200	$25,200	$25,200	$25,200
2016 HB 264 Principal	34,518	35,122	35,737	36,363	36,999
Total HB 264 Principal Line # 4.050	$59,718	$60,322	$60,937	$61,563	$62,199
Source	FY21	FY22	FY23	FY24	FY25
2019 Broiler/Chiller Principal Line # 4.055	28,936	84,233	85,765	87,324	88,912
Total Principal Payments	$28,936	$84,233	$85,765	$87,324	$88,912
Source	FY21	FY22	FY23	FY24	FY25
Interest Broiler/Chiller & HB 264 Total Line 4.06	$34,262	$36,895	$34,743	$32,554	$30,324

Other Expenses – Line #4.300

This category of expenses is primarily fees to the county auditors and treasurers for collecting property taxes and the Ohio Department of Taxation to collect and manage the district's real estate tax collection. The other expense category is several small expenses with the largest being district liability insurance and dues and fees to organization such as OSBA. The district's annual audit and ESC per pupil deduction. This line is not anticipating material growth in the forecasted years.

Source	FY21	FY22	FY23	FY24	FY25
County Auditor & Treasurer Fees	$56,105	$56,105	$56,105	$56,105	$56,105
Other expenses	30,635	30,635	30,635	30,635	30,635
Audit Fees	17,586	17,586	17,586	17,586	17,586
Audit Fees	13,904	13,904	13,904	13,904	13,904
ESC Deduction	9,341	9,341	9,341	9,341	9,341
Total Line 4.300	$127,571	$127,571	$127,571	$127,571	$127,571

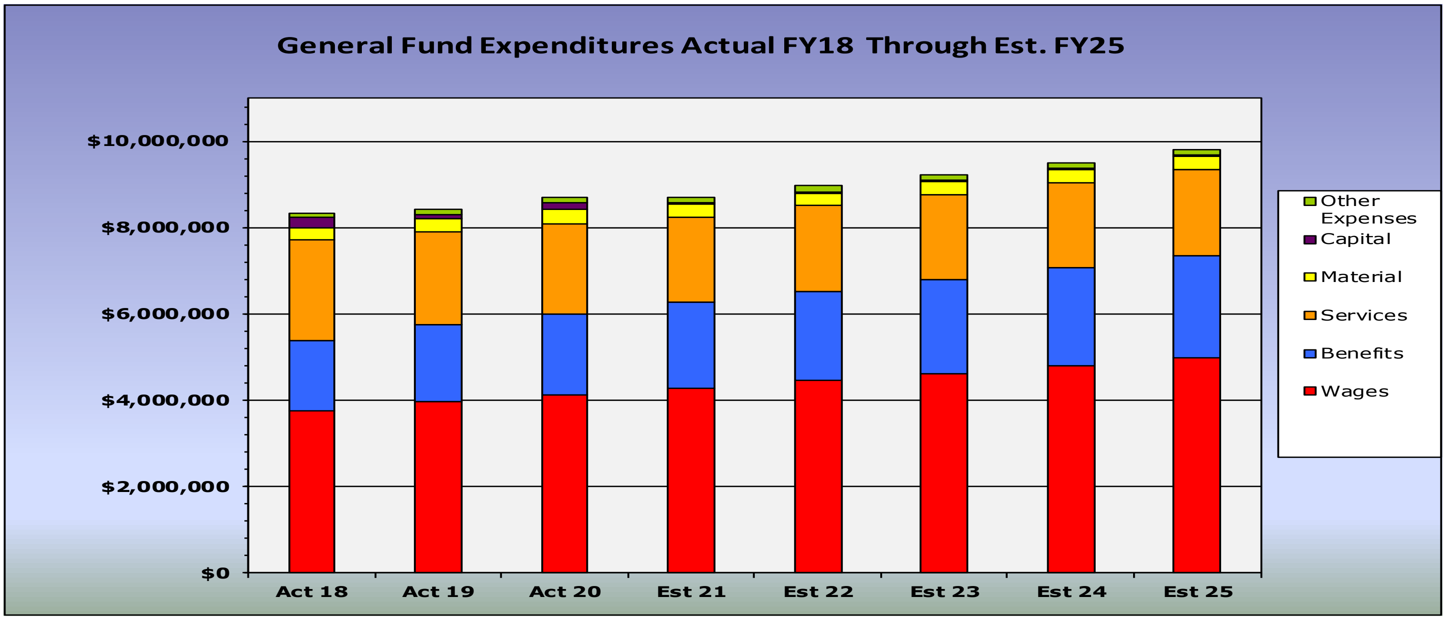
Transfers Out and Advances Out – Line# 5.010

This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. We are anticipating transfers out to the Permanent Improvement Fund $100,000 as well as transfers to meet General Fund debt obligations.

Source	FY21	FY22	FY23	FY24	FY25
Operating Transfers Out Line #5.010	$333,888	$281,450	$281,445	$281,441	$281,435
Advances Out Line #5.020	0	0	0	0	0
Total Transfer & Advances Out	$333,888	$281,450	$281,445	$281,441	$281,435

Operating Expenditures Actual FY18 through FY20 and Estimated FY21-25

As the following graph 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.



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.

	FY21	FY22	FY23	FY24	FY25
Estimated Encumbrances	$75,000	$75,000	$75,000	$75,000	$75,000

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 about $737 thousand for our district.

	FY21	FY22	FY23	FY24	FY25
Ending Unencumbered Cash Balance	$5,325,312	$5,733,280	$5,969,535	$5,962,750	$5,701,354

True Cash Days Ending Balance

Another way to look at ending cash is to state it in ‘True Cash Days”. In other words, how many days could the district operate at year end if no additional revenues were received. The Government Finance Officers Association (GFOA) recommends no less than two (2) months or 60 days cash to be on hand at year end but could be more depending on each district’s complexity and risk factors for revenue collection. This chart does not include the renewal of the income tax levy.