BRIGHT LOCAL SCHOOL DISTRICT-HIGHLAND COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2019, 2020 and 2021 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2022 THROUGH JUNE 30, 2026

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

November 17, 2021

Bright Local School District

Highland County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
	Revenues									
1.010	General Property Tax (Real Estate)	1,616,740	1,987,233	1,737,403	5.2%	1,770,449	1,805,747	1,811,559	1,828,001	1,841,059
1.020	Public Utility Personal Property Tax	260,316	273,413	286,671	4.9%	287,841	306,623	319,473	332,323	345,173
1.030	Income Tax	0	0	0	0.0%	0	0	0	0	0
1.035	Unrestricted State Grants-in-Aid	5,859,687	5,757,291	5,855,406	0.0%	6,130,836	6,542,899	6,543,743	6,544,601	6,545,480
1.040	Restricted State Grants-in-Aid	196,556	169,201	197,040	1.3%	197,040	197,040	197,040	197,040	197,040
1.045	Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	261,999	3,503	135,433	1833.8%	283,535	286,270	287,188	289,545	291,901
1.060	All Other Revenues	1,314,143	1,243,987	1,922,662	24.6%	367,621	371,032	374,477	377,956	381,469
1.070	*Total Revenues*	9,509,441	9,434,628	10,134,615	3.3%	9,037,322	9,509,611	9,533,480	9,569,466	9,602,122
	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	350,401	230,343	271,970	-8.1%	194,168	194,161	194,156	194,148	184,311
2.050	Advances-In	14,674	0	0	0.0%	489,585	0	0	0	0
2.060	All Other Financing Sources	0	0	128,539	0.0%	24,130	24,130	24,130	24,130	24,130
2.070	*Total Other Financing Sources*	365,075	230,343	400,509	18.5%	707,883	218,291	218,286	218,278	208,441
2.080	*Total Revenues and Other Financing Sources*	9,874,516	9,664,971	10,535,124	3.4%	9,745,205	9,727,902	9,751,766	9,787,744	9,810,563
	Expenditures									
3.010	Personal Services	3,970,969	4,111,231	4,245,416	3.4%	4,403,266	4,567,421	4,738,135	4,915,668	5,100,294
3.020	Employees' Retirement/Insurance Benefits	1,775,963	1,876,339	1,775,852	0.1%	2,148,089	2,245,218	2,346,890	2,453,323	2,564,743
3.030	Purchased Services	2,138,073	2,081,849	2,052,622	-2.0%	1,084,121	1,088,643	1,093,319	1,098,151	1,103,140
3.040	Supplies and Materials	306,981	337,872	252,395	-7.6%	254,921	257,470	260,044	262,644	265,270
3.050	Capital Outlay	115,783	173,338	11,604	-21.8%	11,720	11,837	11,955	12,075	12,196
3.060	Intergovernmental	0	0	0	0.0%	0	0	0	0	0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	144,622	145,401	746,200	206.9%	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%	71,094	71,898	72,715	73,547	74,392
4.055	Principal-Other	0	0	0	0.0%	84,233	85,765	87,324	88,912	90,528
4.060	Interest and Fiscal Charges	46,796	62,819	53,391	9.6%	38,841	36,499	34,117	31,690	19,391
4.300	Other Objects	116,026	127,690	129,322	5.7%	129,321	129,321	129,321	129,321	129,321
4.500	*Total Expenditures*	8,615,213	8,916,539	9,266,802	3.7%	8,225,606	8,494,071	8,773,820	9,065,330	9,359,275
	Other Financing Uses									
5.010	Operating Transfers-Out	451,714	628,267	413,767	2.5%	286,916	294,161	294,156	294,148	284,311
5.020	Advances-Out	0	0	489,585	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*	451,714	628,267	903,352	41.4%	286,916	294,161	294,156	294,148	284,311
5.050	*Total Expenditures and Other Financing Uses*	9,066,927	9,544,806	10,170,154	5.9%	8,512,522	8,788,232	9,067,977	9,359,479	9,643,587
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	807,589	120,165	364,970	59.3%	1,232,683	939,670	683,790	428,266	166,977
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	3,645,896	4,453,485	4,573,650	12.4%	4,938,620	6,171,303	7,110,973	7,794,762	8,223,028
7.020	*Cash Balance June 30*	4,453,485	4,573,650	4,938,620	5.3%	6,171,303	7,110,973	7,794,762	8,223,028	8,390,004
8.010	*Estimated Encumbrances June 30*	265,980	115,485	(120,845)	-130.6%	75,000	75,000	75,000	75,000	75,000
`	**Reservation of Fund Balance**									
9.010	Textbooks and Instructional Materials	60,000	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*	60,000	0	0	0.0%	0	0	0	0	0
10.010	*Fund Balance June 30 for Certification of Appropriations*	4,127,505	4,458,165	5,059,465	10.7%	6,096,303	7,035,973	7,719,762	8,148,028	8,315,004

Bright Local School District

Highland County

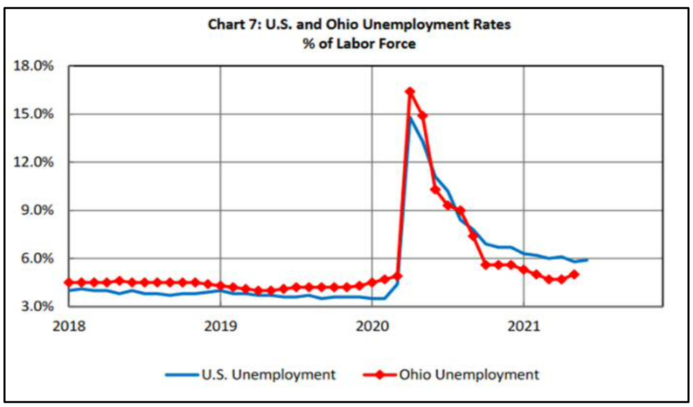
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal				0.0%	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*	4,127,505	4,458,165	5,059,465	10.7%	6,096,303	7,035,973	7,719,762	8,148,028	8,315,004
	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*	4,127,505	4,458,165	5,059,465	10.7%	6,096,303	7,035,973	7,719,762	8,148,028	8,315,004

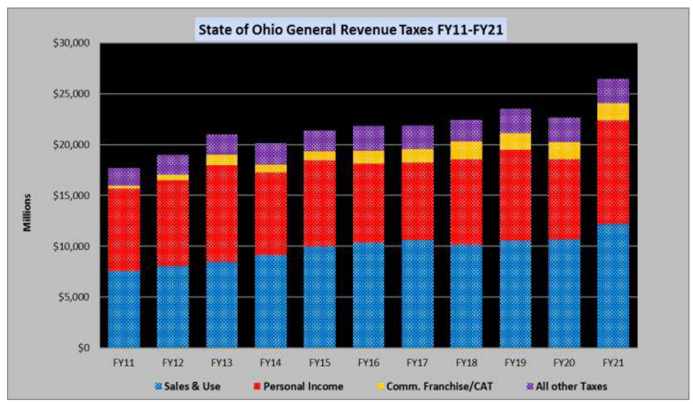
Bright Local School District – Highland County
Notes to the Five Year Forecast
General Fund Only
November 17, 2021

Introduction to the Five Year Forecast
School districts are required to file a five (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022 (July 1, 2021 through June 30, 2022) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the November 2021 filing.

Economic Outlook
This five-year forecast is being filed during the ongoing global health and financial recovery from the COVID-19 Pandemic which began in early 2020. The effects of the pandemic continue to impact our state, country and our globalized economy. Our school district plays a vital role in the recovery in our community and we have maintained continuity of services to our students and staff. As noted in the graphs below, the State of Ohio's economy has steadily recovered over the past year thus the full restoration of the original school foundation funding cuts from May 2020 are being restored to school districts beginning July 1, 2021. While increased inflation impacting district costs are expected to continue over the next few years, the economy is also expected to continue to grow as the recovery from the pandemic continues.



Source: Ohio Office of Budget and Management



Source: Ohio Office of Budget and Management

As a result from the financial stresses that responding to the pandemic placed on school district budgets, all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER) which began being disbursed in fiscal year 2020 and can be extended into fiscal year 2025 for ESSER III expenses. The ESSER funds and restored state budget cuts will assist our district in providing vital services to our students.

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

Forecast Risks and Uncertainty:
A five year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the next two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

1. 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 27% of the district's resources. Collection rates for the first and second half 2020 collections, 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.

2. Highland County experienced a 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 triennial update will occur in tax year 2021 for collection in 2022. We anticipate value will increase for Class I by 8% or $7.5 million. Class II is anticipated to increase by 2% or $25 thousand. The current forecast contains another full reappraisal in 2024 for collection in 2025, which we will continue to monitor for future updates.

3. HB110, the current state budget implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula has been delayed until December which is beyond the filing deadline of this forecast. We have projected FY22 and FY23 funding to be in line with the June 28, 2021 Legislative Service Commission estimates for our district. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools and scholarship recipients. The initial impact on the forecast will be that the historic actual costs for FY19 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. Longer term there may be some adjustments for FY22 and FY23 in state aid as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula as calculated by the Ohio Department of Education.

4. HB110 direct pays costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus which continue to be deducted from state aid which will increase costs to the district. Expansion or creation of programs that are not directly paid by the state of Ohio can exposes the district to new expenditures that are not currently in the forecast. We are monitoring closely any new threats to our state aid and increased costs as any new proposed laws are introduced in the legislature.

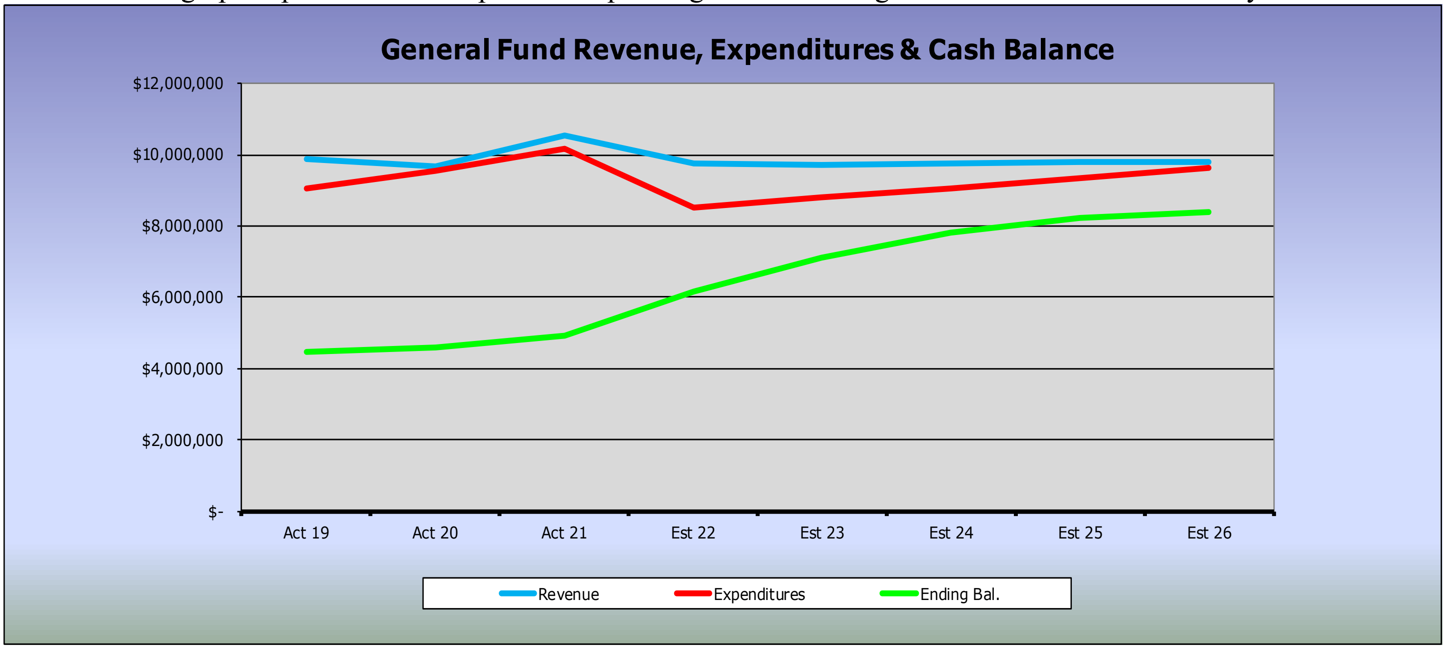
5. The state budget represents 73% of district revenues, which means it is a significant area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in state aid. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY26. We have projected our state funding to be in line with the FY23 funding levels through FY26, which we feel is conservative and should be close to whatever the state approves for the FY24-27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

6. 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.

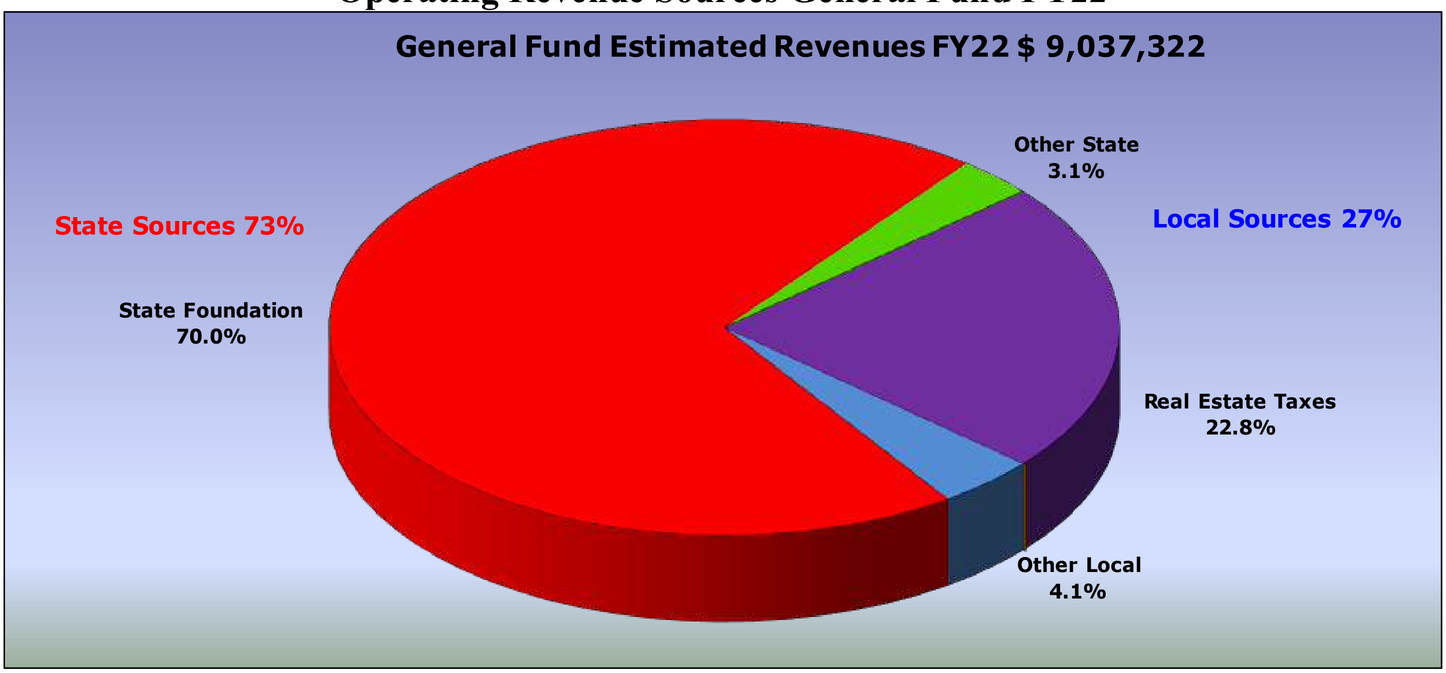
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast 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 FY19-21 and Estimated FY22-26

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



Revenue Assumptions
Operating Revenue Sources General Fund FY22



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 update for the 2018 tax year to be collected in 2019. Residential/agricultural values decreased 1.08% or $1 million due to the reappraisal.

For tax year 2020 new construction in residential property was up 0.91% or $853 thousand in assessed value and commercial/industrial values increased $110 thousand. Overall values declined $473 thousand or 0.5%, which includes new construction for all classes of property.

A triennial update will occur in 2021 for collection in 2022 for which we are estimating an 8% increase in residential and a 2% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase $7.8 million or 8.27% overall.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Estimated TAX YEAR2021 COLLECT 2022	Estimated TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR 2025 COLLECT 2026
Res./Ag.	$101,135,980	$101,460,980	$101,785,980	$103,128,840	$103,453,840
Comm./Ind.	1,276,389	1,281,389	1,286,389	1,297,821	1,302,821
Public Utility Personal Property (PUPP)	11,680,850	12,180,850	12,680,850	13,180,850	13,680,850
Total Assessed Value	$114,093,219	$114,923,219	$115,753,219	$117,607,511	$118,437,511

Estimated Real Estate Tax (Line #1.010)

Source	FY22	FY23	FY24	FY25	FY26
Total General Property Taxes - Line #1.010	$1,770,449	$1,805,747	$1,811,559	$1,828,001	$1,841,059

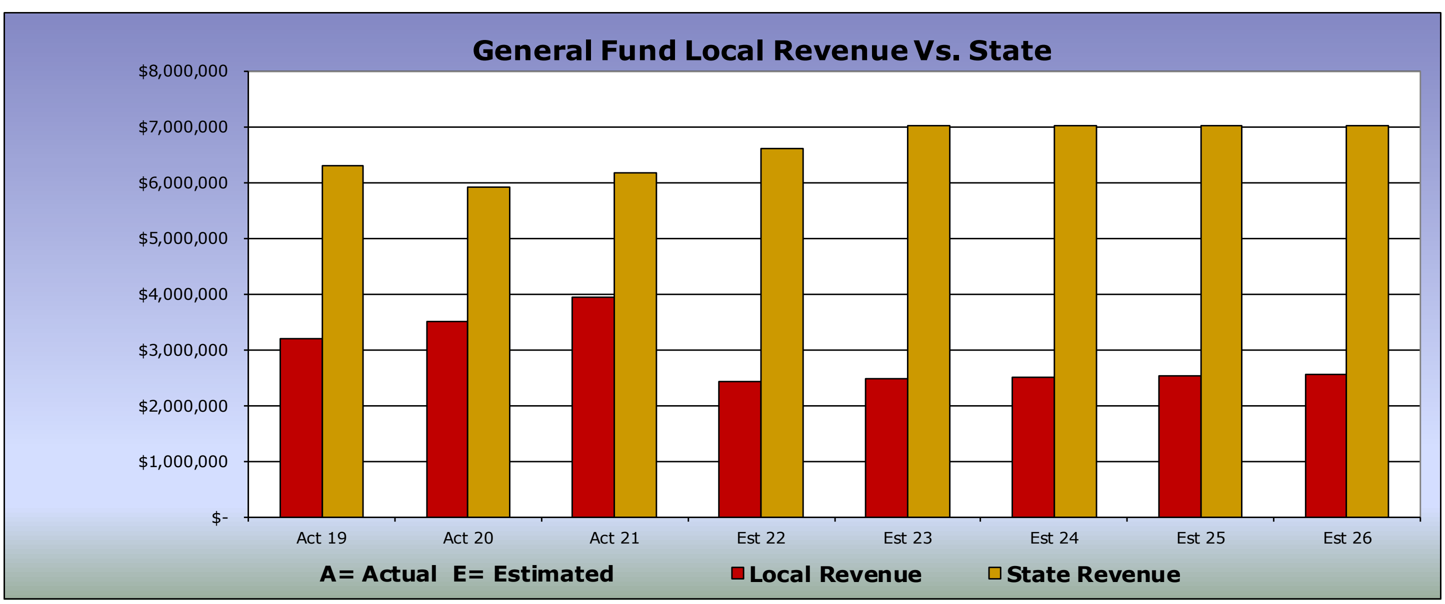
Property tax levies are estimated to be collected at 98% of the annual amount. This allows 2% delinquency factor. In general, 59% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 41% collected in the August tax settlement. Collections in FY21 were up $59,000 due to additional delinquent taxes collected in the first half and second half tax settlements, which are expected to return to normal in FY22 and beyond. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in 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 $11.1 million in assessed values in 2020 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 1.8% or $200 thousand, but are expected to grow by $500 thousand each year of the forecast.

Source	FY22	FY23	FY24	FY25	FY26
Public Utility Personal Property (Line#1.020)	$287,841	$306,623	$319,473	$332,323	$345,173
Total Public Utility Persosonal Property Line # 1.020	$287,841	$306,623	$319,473	$332,323	$345,173



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

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

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

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

Base Cost Approach- Unrestricted Basic Aid Foundation Funding
The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district that includes base funding for five (5) areas:

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

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

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

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

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

Unrestricted Categorical State Aid

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

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA)- Formerly Economically Disadvantaged Funding, DPIA is based on number and concentration of economically disadvantaged students compared to state average and multiplied by $422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23.
2. English Learners – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds –Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. Student Wellness & Success Funding – moved into DPIA funding, is restricted funding and will be spent on same initiatives and requirements that were previously designated under the stand alone fund.

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

HB110 includes "formula transition aid" which is a guarantee. There are actually three (3) guarantees in both temporary and permanent law to ensure that no district will get less funds in FY22 than they received in FY21. The guarantee level of funding for FY22 is a calculated funding guarantee level based on full state funding cuts from May 2020 restored, net of transfers and deductions, plus Student Wellness and Success funds (based on FY21 SWSF amounts), enrollment growth supplement funds paid in FY21 and special education preschool and special education transportation additional aid items.

Student Wellness and Success (Restricted Fund 467)
In FY20 and FY21, HB166 provided Student Wellness and Success Funds (SWSF) to be deposited in a Special Revenue Fund 467. HB110, the new state budget, has essentially eliminated these funds by merging them into state aid and wrapped into the expanded funding and mission of DPIA funds noted above and on Line 1.04 below. Any remaining funds in Special Revenue Fund 467 will be required to be used for the restricted purposes governing these funds until spent fully.

Future State Budgets Projections Beyond FY23
Our funding status for the FY24-26 will depend on two (2) new state budgets which are unknown. There is no guarantee that the current Fair School Funding Plan in HB110 will be funded or continued beyond FY23. For this reason funding is held constant FY23 through FY26.

Casino Revenue

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

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $106.35 million or $59.80 per pupil. We believe FY22 Casino revenues will resume their historical growth rate.

Source	FY22	FY23	FY24	FY25	FY26
Basic Aid-Unrestricted	$6,016,447	$6,427,680	$6,427,680	$6,427,680	$6,427,680
Additional Aid Items	73,007	73,007	73,007	73,007	73,007
Basic Aid-Unrestricted Subtotal	$6,089,454	$6,500,687	$6,500,687	$6,500,687	$6,500,687
Ohio Casino Commission ODT	41,382	42,212	43,056	43,914	44,793
Total Unrestricted State Aid Line # 1.035	$6,130,836	$6,542,899	$6,543,743	$6,544,601	$6,545,480

B) Restricted State Revenues – Line # 1.040

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under "Restricted Categorical Aid" for Gifted, English Learners (ESL) and Student Wellness. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23. At this time we do not have the actual distribution of restricted revenue in HB110 which is anticipated to be released in December, after this submission. We will update this allocation with the May submission.

Source	FY22	FY23	FY24	FY25	FY26
Economically Disadvantaged Aid	$141,562	$141,562	$141,562	$141,562	$141,562
Career Tech	55,478	55,478	55,478	55,478	55,478
Gifted	0	0	0	0	0
ESL	0	0	0	0	0
Total Restricted State Revenues Line #1.040	$197,040	$197,040	$197,040	$197,040	$197,040

C) Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected in this forecast.

Summary of State Foundation Revenues	FY22	FY23	FY24	FY25	FY26
Unrestricted Line # 1.035	$6,130,836	$6,542,899	$6,543,743	$6,544,601	$6,545,480
Restricted Line # 1.040	197,040	197,040	197,040	197,040	197,040
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045	0	0	0	0	0
Total State Foundation Revenue	$6,327,876	$6,739,939	$6,740,783	$6,741,641	$6,742,520

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
The district does not receive TPP Fixed Rate reimbursements.

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	FY22	FY23	FY24	FY25	FY26
Total Rollback and Homestead - Line 1.050	$283,535	$286,270	$287,188	$289,545	$291,901

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, tuition for court placed students, student fees, and general rental fees. HB110, the new state budget, will stop paying open enrollment as an increase to other revenue for the district. This is projected below as zeros to help show the difference between projected FY22-26 Line 1.06 revenues and historical FY19 through FY21 revenues on the five year forecast. Open enrolled students will be counted in the enrolled student base at the school district they are being educated at and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as state basic aid. In FY21 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. Rentals are expected to remain somewhat lower due to COVID-19 restrictions and lower participation. All other revenues are expected to continue on historic trends.

Source	FY22	FY23	FY24	FY25	FY26
Open Enrollment Gross	$0	$0	$0	$0	$0
Tuitions	218,205	220,387	222,591	224,817	227,065
Other Income and rentals	41,653	42,070	42,491	42,916	43,345
Medicaid	51,366	51,880	52,399	52,923	53,452
Interest	29,803	30,101	30,402	30,706	31,013
Manufactured Homes	26,594	26,594	26,594	26,594	26,594
Total Other Local Revenue Line #1.060	$367,621	$371,032	$374,477	$377,956	$381,469

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
Transfers In as seen below, are for General Fund debt payments. Funds must be transferred, as these debt service payments are not backed by voted millage in the Debt Service - Fund 002. The advances out in the previous fiscal year are planned to be repaid in the following fiscal year.

Source	FY22	FY23	FY24	FY25	FY26
Transfers In - Line 2.040	$194,168	$194,161	$194,156	$194,148	$184,311
Advance Returns - Line 2.050	489,585	0	0	0	0
Total Transfer & Advances In	$683,753	$194,161	$194,156	$194,148	$184,311

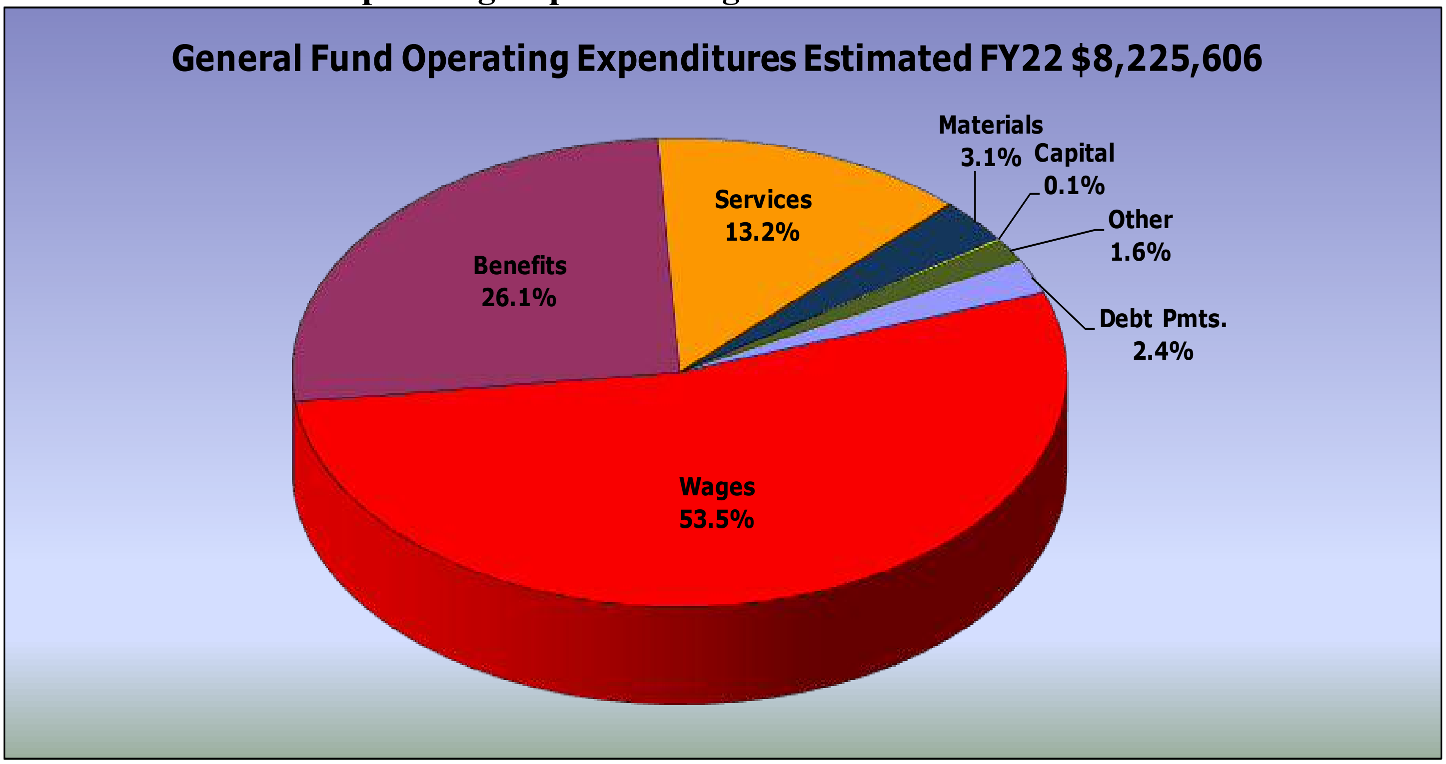
All Other Financial Sources – Line #2.010 through Line #2.060 & Line #14.010
This funding source is typically a refund of prior year expenditures that is very unpredictable We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in FY22. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Source	FY22	FY23	FY24	FY25	FY26
Sale of Personal Property	$2,052	$2,052	$2,052	$2,052	$2,052
Refund of Prior Year Expense	22,078	22,078	22,078	22,078	22,078
Total All Other Financing - Line #2.060	$24,130	$24,130	$24,130	$24,130	$24,130

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 FY22



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	FY22	FY23	FY24	FY25	FY26
Base Wages	$3,939,238	$4,096,808	$4,260,680	$4,431,108	$4,608,352
Increases	78,785	81,936	85,214	88,622	92,167
All Staff - Steps and Training	78,785	81,936	85,214	88,622	92,167
Overtime/Board	28,327	28,610	28,896	29,185	29,477
Substitutes	193,934	193,934	193,934	193,934	193,934
Supplementals	84,197	84,197	84,197	84,197	84,197
Staff Increases/Reductions	0	0	0	0	0
Total Wages Line 3.010	$4,403,266	$4,567,421	$4,738,135	$4,915,668	$5,100,294

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 5% for FY22-26, 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 an uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be approximately 0.46% of wages FY22-26. Unemployment is expected to remain at a very low level FY22-26. 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. We received several Bureau of Workers Compensation refunds over the past two years which reduced this expense. However, we do not expect to receive a refund in FY22. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

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	FY22	FY23	FY24	FY25	FY26
A) STRS/SERS	$740,180	$768,112	$797,157	$827,365	$858,781
B) Insurance's	1,322,872	1,389,016	1,458,467	1,531,390	1,607,960
C) Workers Comp/Unemployment	18,944	19,699	20,484	21,301	22,150
D) Medicare	61,799	64,097	66,488	68,973	71,558
Other/Tuition	4,294	4,294	4,294	4,294	4,294
Total Fringe Benefits Line #3.020	$2,148,089	$2,245,218	$2,346,890	$2,453,323	$2,564,743

Purchased Services – Line #3.030

HB110, the new state budget, will impact Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to show these amounts below as zeros to help reflect the difference between projected FY22-26 Line 3.03 costs and historical FY19 through FY21 costs on the five year forecast. College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

Source	FY22	FY23	FY24	FY25	FY26
Open Enrollment Deduction	$0	$0	$0	$0	$0
Professional Support	330,817	337,433	344,182	351,066	358,087
Utilities	209,414	207,320	205,247	203,195	201,163
Building Maintenance/Insurance	128,933	128,933	128,933	128,933	128,933
Excess Cost	136,155	136,155	136,155	136,155	136,155
Other Tuition	108,124	108,124	108,124	108,124	108,124
Base Services	37,311	37,311	37,311	37,311	37,311
Community School Deductions	108,430	108,430	108,430	108,430	108,430
Travel/Meeting	24,937	24,937	24,937	24,937	24,937
Total Purchased Services Line #3.030	$1,084,121	$1,088,643	$1,093,319	$1,098,151	$1,103,140

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.

Source	FY22	FY23	FY24	FY25	FY26
Supplies	$83,175	$84,007	$84,847	$85,695	$86,552
Transportation	111,923	113,042	114,172	115,314	116,467
Digital/Paper Textbooks	16,415	16,579	16,745	16,912	17,081
Building Maintenance	43,408	43,842	44,280	44,723	45,170
Total Supplies Line #3.040	$254,921	$257,470	$260,044	$262,644	$265,270

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	FY22	FY23	FY24	FY25	FY26
Bus Purchases	$0	$0	$0	$0	$0
Equipment	11,720	11,837	11,955	12,075	12,196
Buildings	0	0	0	0	0
Total Equipment Line #3.050	$11,720	$11,837	$11,955	$12,075	$12,196

Principal and Interest Payment – Lines # 4.05, 4.055 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	FY22	FY23	FY24	FY25	FY26
2011 HB 264 Principal	$25,200	$25,200	$25,200	$25,200	$25,200
2016 HB 264 Principal	10,772	10,961	11,152	11,348	11,546
2016 HB 264 Principal	35,122	35,737	36,363	36,999	37,646
Total HB 264 Principal Line # 4.050	$71,094	$71,898	$72,715	$73,547	$74,392
Source	FY22	FY23	FY24	FY25	FY26
2019 Broiler/Chiller Principal Line # 4.055	84,233	85,765	87,324	88,912	90,528
Total Principal Payments - Line #4.055	$84,233	$85,765	$87,324	$88,912	$90,528
Source	FY22	FY23	FY24	FY25	FY26
Interest Broiler/Chiller & HB 264 Total Line 4.060	$38,841	$36,499	$34,117	$31,690	$19,391

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	FY22	FY23	FY24	FY25	FY26
County Auditor & Treasurer Fees	$56,483	$56,483	$56,483	$56,483	$56,483
Other expenses	32,798	32,798	32,798	32,798	32,798
Audit Fees	17,281	17,281	17,281	17,281	17,281
Audit Fees	13,418	13,418	13,418	13,418	13,418
ESC Deduction	9,341	9,341	9,341	9,341	9,341
Total Other Expense - Line #4.300	$129,321	$129,321	$129,321	$129,321	$129,321

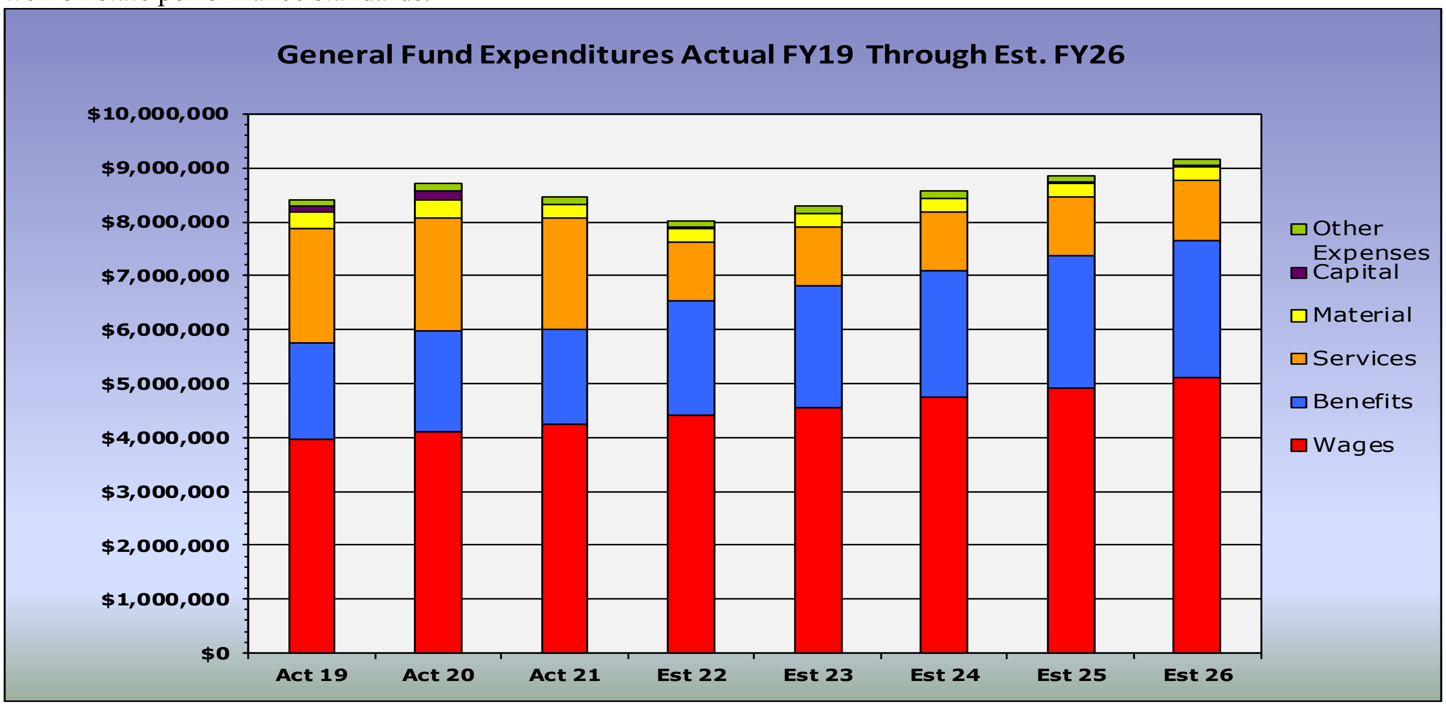
Transfers Out and Advances Out – Line# 5.010 and Line# 5.020

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. Advanced amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. The district has elected to transfer receipts collected for Medicaid reimbursements, and Casino payments received from the state to fund the Permanent Improvement fund. General Fund debt obligations must be transferred yearly to the Debt Service – Fund 002 for payment.

Source	FY22	FY23	FY24	FY25	FY26
Medicaid to PI Resolution #33-2020	$51,366	$51,880	$52,399	$52,923	$53,452
Casino to PI Resolution #34-2020	41,382	42,212	43,056	43,914	44,793
Debt Payment Fund 002	194,168	194,161	194,156	194,148	184,311
Total Operating Transfers Out Line #5.010	$286,916	$294,161	$294,156	$294,148	$284,311
Advances Out Line #5.020	0	0	0	0	0
Total Transfer & Advances Out	$286,916	$294,161	$294,156	$294,148	$284,311

Operating Expenditures Actual FY19 through FY21 and Estimated FY22-26

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.

Source	FY22	FY23	FY24	FY25	FY26
Total Estimated Encumbrances - Line #8.010	$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 $685 thousand for our district.

Source	FY22	FY23	FY24	FY25	FY26
Total Unencumbered Cash Balance - Line #15.010	$6,096,303	$7,035,973	$7,719,762	$8,148,028	$8,315,004

True Cash Days Ending Balance

Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The Government Finance Officers Association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each districts complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics and severance reserves.