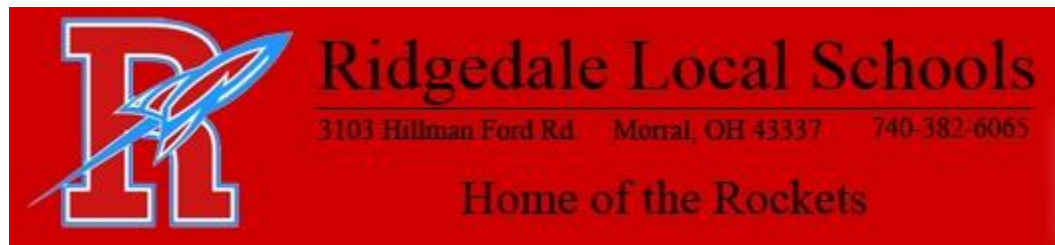


**RIDGEDALE LOCAL SCHOOL DISTRICT - MARION COUNTY**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES FOR THE FISCAL YEARS ENDED**  
**JUNE 30, 2019, 2020 and 2021 ACTUAL**  
**FORECASTED FISCAL YEARS ENDING**  
**JUNE 30, 2022 THROUGH JUNE 30, 2026**



**Forecast Provided By**  
**Ridgedale Local School District**  
**Treasurer's Office**  
**Jason Fleming, Treasurer/CFO**

**May 23, 2022**

**RIDGEDALE LOCAL SCHOOL DISTRICT**  
**Marion County**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2019, 2020, 2021  
Forecasted Fiscal Year Ending June 30, 2022 through 2026

	Actual			Average Change	Forecasted				
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
<b>Revenues</b>									
1.010 General Property Tax (Real Estate)	2,986,533	2,898,280	2,982,071	0.0%	2,880,881	2,975,953	2,977,782	2,984,362	2,996,978
1.020 Public Utility Personal Property Tax	777,150	804,941	918,336	8.8%	1,064,489	1,222,028	1,225,587	1,231,936	1,237,882
1.030 Income Tax	0	0	58,758	0.0%	653,062	906,200	906,200	906,200	906,200
1.035 Unrestricted State Grants-in-Aid	3,038,501	2,853,147	2,937,700	-1.6%	3,009,729	3,025,768	3,026,592	3,027,431	3,028,288
1.040 Restricted State Grants-in-Aid	86,768	86,703	86,703	0.0%	272,843	264,514	264,514	264,514	264,514
1.045 Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050 Property Tax Allocation	434,682	428,379	420,552	-1.6%	412,083	424,098	423,073	423,388	424,224
1.060 All Other Revenues	1,379,132	1,381,683	1,315,220	-2.3%	323,233	277,327	280,153	283,010	285,896
1.070 <i>Total Revenues</i>	8,702,766	8,453,133	8,719,340	0.1%	8,616,320	9,095,888	9,103,901	9,120,841	9,143,982
<b>Other Financing Sources</b>									
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	0	0	0	0.0%	0	0	0	0	0
2.050 Advances-In	0	0	0	0.0%	0	0	0	0	0
2.060 All Other Financing Sources	274,939	43,199	214,058	155.6%	18,939	18,939	18,939	18,939	18,939
2.070 <i>Total Other Financing Sources</i>	274,939	43,199	214,058	155.6%	18,939	18,939	18,939	18,939	18,939
2.080 <i>Total Revenues and Other Financing Sources</i>	8,977,705	8,496,332	8,933,398	-0.1%	8,635,259	9,114,827	9,122,840	9,139,780	9,162,921
<b>Expenditures</b>									
3.010 Personnel Services	\$4,375,329	\$4,403,634	\$4,351,510	-0.3%	\$3,594,635	\$4,351,446	\$4,526,169	\$4,684,878	\$4,773,334
3.020 Employees' Retirement/Insurance Benefits	1,784,732	1,918,391	1,912,802	3.6%	\$1,889,638	\$2,034,494	\$2,248,281	\$2,367,067	\$2,482,096
3.030 Purchased Services	2,218,363	2,143,539	2,272,838	1.3%	\$1,365,978	\$1,325,374	\$1,256,878	\$1,301,373	\$1,347,727
3.040 Supplies and Materials	438,368	401,134	447,648	1.6%	\$471,601	466,033	475,354	484,861	494,558
3.050 Capital Outlay	77,490	197,861	68,029	44.9%	\$212,070	108,432	89,685	92,376	95,147
3.060 Intergovernmental	-	-	-	0.0%	-	-	-	-	-
Debt Service:									
4.010 Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020 Principal-Notes	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
4.030 Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040 Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050 Principal-HB 264 Loans	-	-	-	0.0%	\$0	-	-	-	-
4.055 Principal-Other	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
4.060 Interest and Fiscal Charges	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
4.300 Other Objects	147,338	144,705	144,715	-0.9%	\$147,146	\$149,619	\$152,134	\$154,693	\$157,295
4.500 <i>Total Expenditures</i>	\$9,041,620	\$9,209,264	\$9,197,542	0.9%	\$7,681,068	\$8,435,397	\$8,748,501	\$9,085,248	\$9,350,156
<b>Other Financing Uses</b>									
5.010 Operating Transfers-Out	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
5.020 Advances-Out	-	-	-	0.0%	-	-	-	-	-
5.030 All Other Financing Uses	-	-	-	0.0%	\$0	\$0	\$0	\$0	\$0
5.040 <i>Total Other Financing Uses</i>	-	-	-	0.0%	-	-	-	-	-
5.050 <i>Total Expenditures and Other Financing Uses</i>	9,041,620	9,209,264	9,197,542	0.9%	7,681,068	8,435,397	8,748,501	9,085,248	9,350,156
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	(63,915)	(712,932)	(264,144)	476.2%	954,191	679,429	374,339	54,532	(187,236)
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	2,410,657	2,346,742	1,633,810	-16.5%	1,369,666	2,323,857	3,003,286	3,377,626	3,432,157
7.020 <i>Cash Balance June 30</i>	2,346,742	1,633,810	1,369,666	-23.3%	2,323,857	3,003,286	\$ 3,377,626	3,432,157	3,244,922
8.010 <i>Estimated Encumbrances June 30</i>	179,283	150,338	91,971	-27.5%	25,000	25,000	25,000	25,000	25,000
<b>Reservation of Fund Balance</b>									
9.010 Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020 Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030 Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.045 Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050 Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060 Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070 Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080 <i>Subtotal</i>	-	-	-	0.0%	-	-	-	-	-
10.010 <i>Fund Balance June 30 for Certification of Appropriations</i>	2,167,459	1,483,472	1,277,695	-22.7%	2,298,857	2,978,286	3,352,626	3,407,157	3,219,922
<b>Revenue from Replacement/Renewal Levies</b>									
11.010 Income Tax - Renewal	-	-	-	0.0%	-	-	-	-	-
11.020 Property Tax - Renewal or Replacement	-	-	-	0.0%	-	-	-	-	-

**RIDGEDALE LOCAL SCHOOL DISTRICT**  
**Marion County**  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Years Ended June 30, 2019, 2020, 2021  
Forecasted Fiscal Year Ending June 30, 2022 through 2026

	Actual			Average Change	Forecasted				
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021		Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
11.300 Cumulative Balance of Replacement/Renewal Levies	-	-		0.0%	-	-	-	-	-
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	2,167,459	1,483,472	1,277,695	-22.7%	2,298,857	2,978,286	3,352,626	3,407,157	3,219,922
<b>Revenue from New Levies</b>									
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%	-	-	-	-	-
14.010 Revenue from Future State Advancements	-			0.0%	-	-	-	-	-
15.010 <i>Unreserved Fund Balance June 30</i>	2,167,459	1,483,472	1,277,695	-22.7%	2,298,857	2,978,286	3,352,626	3,407,157	3,219,922
<b>ADM Forecasts</b>									
20.010 Kindergarten - October Count	53	52	38		47	51	52	51	53
20.015 Grades 1-12 - October Count	589	602	549		544	542	548	554	551

**Ridgedale Local School District – Marion County**  
**Notes to the Five-Year Forecast**  
**General Fund Only**  
**May 23, 2022**

**Introduction to the Five Year Forecast**

The five-year forecast is viewed as a key management tool and must be updated periodically. In Ohio, most school districts understand how they will manage their finances in the current year. The five-year forecast encourages district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with Ohio Department of Education 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.

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

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

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

**Economic Outlook**

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

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

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

## **May 2022 Updates**

### **Revenues FY22:**

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$8,615,118 or .06% higher than the November forecasted amount of \$8,610,048.

Line 1.01 and 1.02 - Property tax revenues represent our largest source of revenues at 44.49% and are estimated to be \$3,945,370 which is \$27,436 less for FY22 than the original estimate of \$3,972,806.

Line 1.03 - The district's collection of SDIT was originally projected to be more than the actual receipts for the year. However, the collections were up by 9.45% over our original estimate of \$591,360 but down from the November forecast estimate of 676,759. Overall statewide collection for income taxes have been up around 11% for FY22 and we are also seeing an increase this year that is similar. We expect future years to return more normal trends and not the increases we have seen due to the rapid recovery following the pandemic.

Line 1.035 and 1.04 - State Aide began the year with a completely new funding formula with only Legislative Service Commission (LSC) estimates to anticipate our funding for FY22 and FY23. The LSC estimated provided little to no detail on how the funding level was calculated. The November forecast used components of the LSC simulations of HB110 funding in order to project anticipated funding. In January of 2022 the first formula calculations were released in part by the Ohio Department of Education. While there are still details unpublished at this time we can see that through early April our state aid is estimated to be \$3,282,572 which is \$30,944 greater than the original estimate for FY22. We are currently on the guarantee and are expected to remain on a guarantee for FY23 through FY26.

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

### **Expenditures FY22:**

Total General Fund expenditures (line 4.5) are estimated to be \$7,607,068 for FY22 which is \$120,728 less than the original estimate of \$7,727,796 in the November forecast, which is roughly 1.76% on target with original estimates. The expenditure line most significantly over projection is Personnel Services (line 3.01) due to recoding of staff to the ESSER funds.

All other areas of expenses are expected to run on target with original projections for the year.

### **Unreserved Ending Cash Balance:**

With revenues increasing over estimates and expenditures ending most on target, our ending unreserved cash balance June 30, 2022 is anticipated to be roughly \$2.37 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2026 if assumptions we have made for property tax collections, state aid in future state budgets and expenditure assumptions remain close to our estimates.

### **Forecast Risks and Uncertainty:**

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

- I. Marion County completed reappraisal in 2019 for collection in 2020. There was a decrease in values for Class I of 7.85% or (\$10,327,379) and Class II values increased by 7.94% or \$822,090. The Class I

values decreased due to the changes in Current Agricultural Use Values (CAUV) authorized by HB49. The changes authorized by HB49 to CAUV to lower those values by an estimated 30% beginning with counties experiencing a reappraisal or update in Tax Year 2017. The cuts in CAUV will shift a larger tax burden to residential taxpayers which may be an unintended consequence of the legislature responding to agricultural interests. 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.

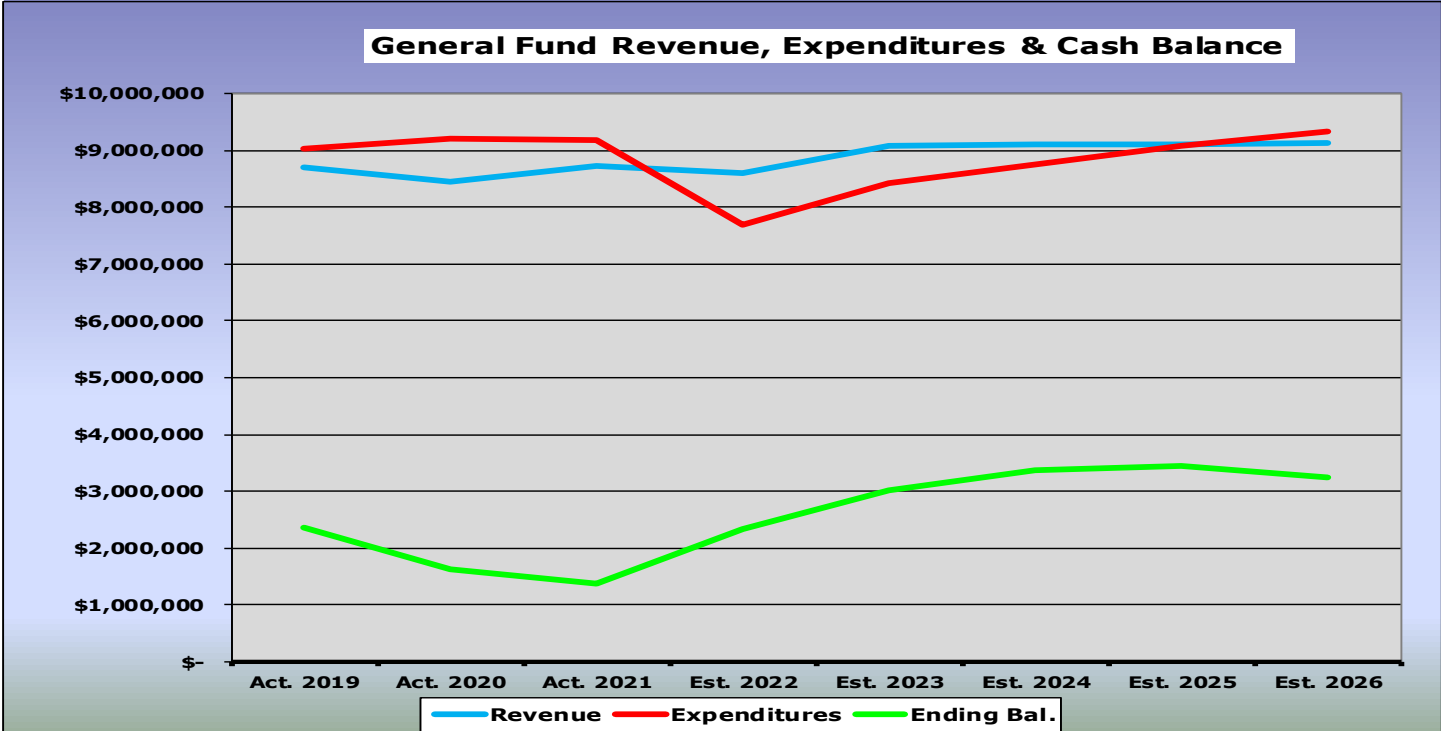
- II. The State Budget represents 42.87% of district revenues and is an area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in 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-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.
- III. HB110 will direct pays costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships to the educating school district. 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.
- IV. HB110 the current state budget implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The actual release of the new Fair School Funding Plan formula calculations was delayed until January 2022. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools and scholarship recipients. The initial impact on the forecast will be noticed that the historic actual costs for FY19 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. Longer term there may be adjustments to state aid for FY23 as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula available as of this forecast.
- V. 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 financial forecast presents, to the best of the Ridgedale Local School District Board of Education's knowledge and belief, the expected revenues, expenditures, and operating balance of the General Fund. Accordingly, the forecast reflects the Board of Education's judgment of the expected conditions and its expected course of action as of the date of this forecast. The assumptions disclosed herein are those that management

believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected.

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact Mr. Jason Fleming, 740-382-6065, Treasurer/CFO of the Ridgedale Local Schools.

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

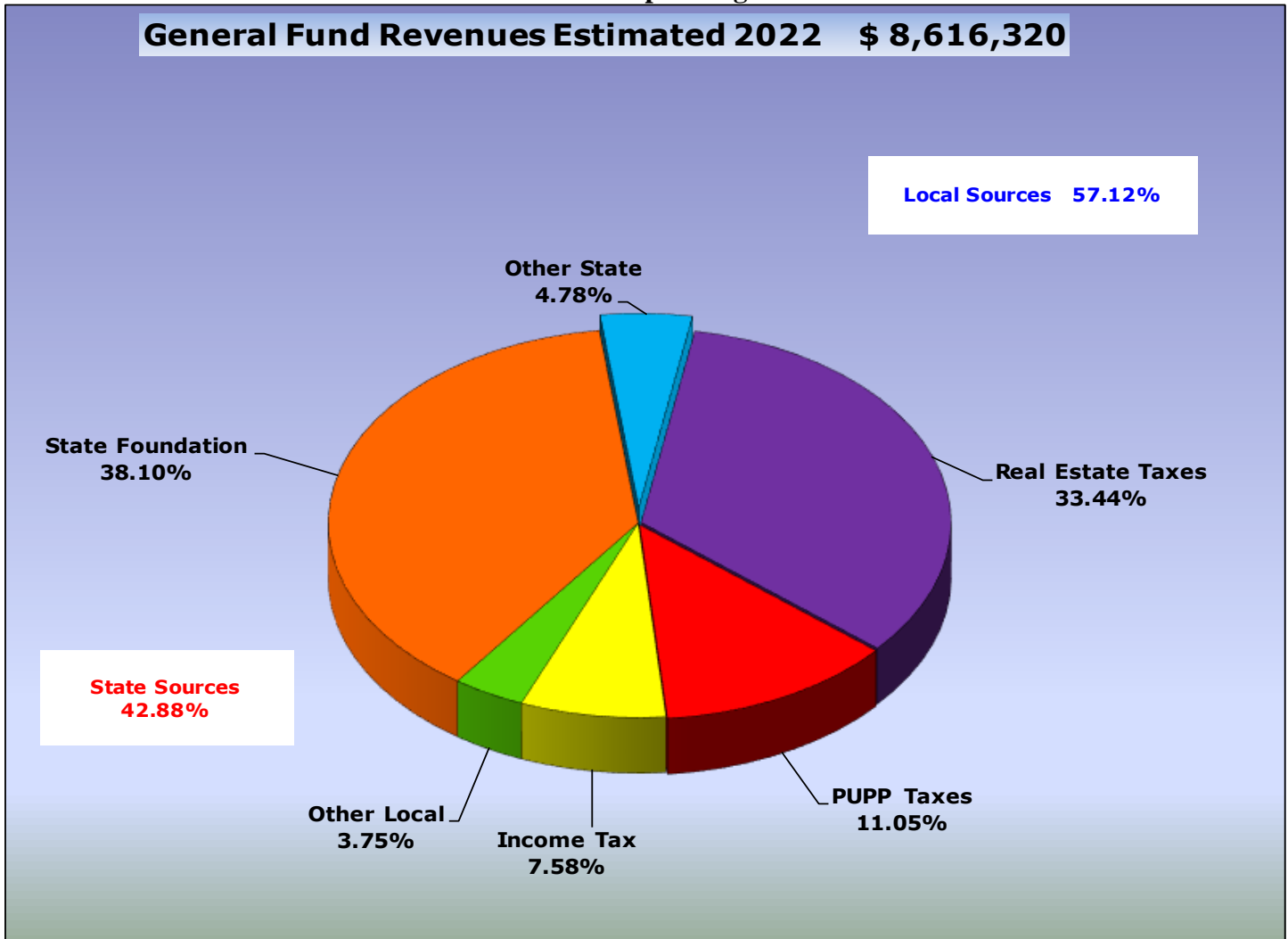


The graph captures in one snapshot the operating scenario facing Ridgedale Local School District over the next few years and the immediate need to take action to stop the decline in our ending cash balance. This graph does not include the renewal of the emergency levy.

## REVENUE ASSUMPTIONS

### Estimated General Fund Operating Revenue for FY22

**General Fund Revenues Estimated 2022 \$ 8,616,320**



#### 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. A reappraisal of the district property value occurred in 2019 for collection in calendar year 2020. Class I residential/agricultural values decreased overall by 7.85% while commercial/industrial values climbed by 7.94%. Overall values decreased by \$8,788,920.

The next update for the district will be tax year 2022 for collection in 2023. We are including an increase of 0.5% for Class I and a 2% increase in Class II for the update in 2023.

CAUV values represent 46.3% of Class I values. HB49 authorized a reduction in CAUV computations that will result in these values falling on average by 30%. These reductions occurred as districts experience their reappraisal or update cycle from 2017 through 2019. We experienced this in the Tax Year 2019 reappraisal. A reduction of value has been weighted in to our average Class I value change in 2019.

The district is including in 2021 for collection in 2022, the POET Biofuel plant valuation of \$4.4 million as new construction in Class II as the tax abatement will expire.



The district PUPP valuation increased in 2021 for collection in 2022 by \$6.18 million, the district did not expect this increase and does not expect this in future years, with forecasted increases of \$150,000 annually for the remainder of the forecast.

#### **ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS**

<u>Classification</u>	Estimated TAX YEAR2021 <u>COLLECT 2022</u>	Estimated TAX YEAR2022 <u>COLLECT 2023</u>	Estimated TAX YEAR2023 <u>COLLECT 2024</u>	Estimated TAX YEAR2024 <u>COLLECT 2025</u>	Estimated TAX YEAR 2025 <u>COLLECT 2026</u>
Res./Ag.	\$121,307,510	\$122,039,048	\$122,164,048	\$122,289,048	\$123,636,938
Comm./Ind.	\$13,805,940	\$14,282,059	\$14,482,059	\$14,682,059	\$15,028,879
PUPP	\$27,502,094	\$27,652,094	\$27,802,094	\$27,952,094	\$28,102,094
Total Assessed Value	<u>\$162,615,544</u>	<u>\$163,973,201</u>	<u>\$164,448,201</u>	<u>\$164,923,201</u>	<u>\$166,767,911</u>

Property tax levies are estimated to be collected at 97% of the annual amount. In general 62.11% of the Res/Ag and Comm/Ind are expected to be collected in February tax settlements and 37.89% collected in August tax settlements. The district was very close to the 20 mill floor for tax collections for Class I, however with the decrease in valuations from the reappraisal the district will not be near the 20 mill floor for the remainder of the forecast. With increases in valuations for Class II the district will be at the 20 mill floor during the last few years of the forecast. The 20 mill floor is the lowest millage rate a district is permitted to have based on HB920. Once a district is at the 20 mill floor then any increase in values will include additional revenue for the district. When values decrease millage rates increase so that districts do not lose tax dollars.

<u>Category</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Est. Property Tax Excluding PUPP to Line #1.010	\$2,880,881	\$2,975,953	\$2,977,782	\$2,984,362	\$2,996,978

#### **Estimated Public Utility Personal Property Tax – Line #1.020**

The phase out of TPP taxes began in FY06. HB66 was adopted in June 2005 and the provisions of the legislation have estimated that the locally collected tangible personal property tax would be eliminated after FY11. Only Public Utility Personal Property (PUPP) taxes are collected in Line 1.02 of the forecast now which is why we have renamed the line to better identify this tax base. PUPP tax settlements are estimated to be received 50% in February and 50% in August settlement from Marion County Auditor.

<u>Category</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Public Utility Personal Property - (PUPP)	<u>\$1,064,489</u>	<u>\$1,222,028</u>	<u>\$1,225,587</u>	<u>\$1,231,936</u>	<u>\$1,237,882</u>
Total Line # 1.020	<u>\$1,064,489</u>	<u>\$1,222,028</u>	<u>\$1,225,587</u>	<u>\$1,231,936</u>	<u>\$1,237,882</u>

#### **Renewal and Replacement Levies – Line #11.02**

State law requires that renewal levies be removed from taxes on Line 1.010 and 1.020 to be shown on the Renewal and Replacement Levy line 11.02. With the passage of the renewal of the 4 mill levy in November 2021, the renewal will not be included in the forecast until the levy is no longer included as voted millage.

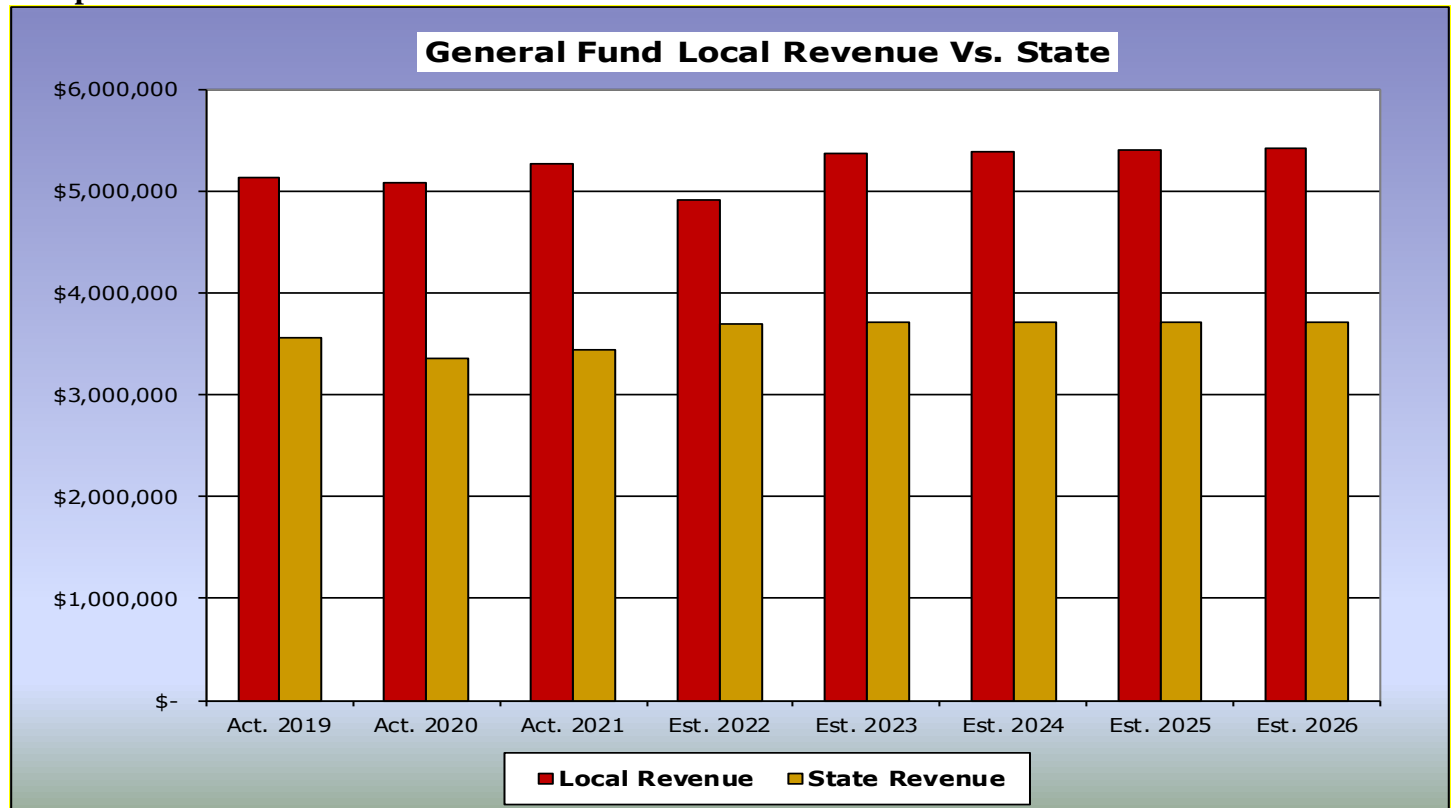
#### **Income Tax – Line #1.03**

The district passed a 1% continuous earned income tax in the primary election in 2020. The levy will begin being collected as of January 1, 2021 and will take 18 months to collect the first full year for the district. School District Income tax was impacted by the pandemic recession due to record levels of high unemployment. Since we are in the first year of collection we adjusted the amount of income tax receipts we received with the actual amounts for each quarter. Based on the original estimates we under estimated the first half of FY22 and overestimated the second half with our original estimate in FY21 to obtain the total from the

Ohio Department of Taxation. Now that we have collected almost a full year of taxes we have a better idea on the payment cycles. The July payment will be crucial to estimates for the final receipts through the tax filing deadline in April 2022. Based on the actual amount that was received in FY22 we have collected 9.45% more than the estimate that we were given for the tax levy. We expect to receive some extra for the tax returns in the July payments over that of what was received in FY22 July payment. For future years we are anticipating a 0% increase for FY23 through FY26. We will continue to monitor and adjust the amounts as more information is received.

<u>Category</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
SDIT Collection	\$591,360	\$892,920	\$906,200	\$906,200	\$906,200
Increases/(Decreases)	<u>\$61,702</u>	<u>\$13,280</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total to Line #1.030	<u>\$653,062</u>	<u>\$906,200</u>	<u>\$906,200</u>	<u>\$906,200</u>	<u>\$906,200</u>

### Comparison of Local Revenue and State Revenue



### State Foundation Revenue Estimates

#### Current State Funding Model per HB110 through June 30, 2023

##### A) Unrestricted State Foundation Revenue– Line #1.035

The partial release of the new Fair School Funding Plan formula occurred in January 2022 half way through FY22, and as of the date of this forecast there are still some detailed calculations not released. We have projected FY22 and FY23 funding based on the April 2022 foundation settlement and funding factors. Our district is currently a formula district in FY22 and is expected to be FY23-FY26 on the new Fair School Funding Plan (FSFP). The state foundation funding formula has gone through many changes in recent years. The most recent funding formula began in FY14 and was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110 implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. The current formula introduces

many changes to how state foundation is calculated and expenses deducted from state funding which will potentially make the actual five-year forecast look different with estimates FY22 through FY26 compared to actual data FY19 through FY21 on Lines 1.035, 1.04, 1.06 and 3.03 of the forecast.

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

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

### **Base Cost Approach- Unrestricted Basic Aid Foundation Funding**

The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student teacher ratios to calculate a unique base cost for each district 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 districts 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 district's 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 is based on number and concentration of economically disadvantaged students compared to state average and multiplied by \$422 per pupil. The 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 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 FY21 than they received in FY21. The guarantee level of funding for FY21 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.

### **State Funding changes for May Forecast**

Fiscal Year 22 revenue has been updated based on the April #1 settlement report payment and includes the updated calculations for FY23 with new valuations and enrollment from the April #1 report instead of the simulations that were used in November. As a result, FY22 experienced an increase from the simulations due to the actual data was used for FY22. FY23 revenue amounts will see changes from the simulations due to the Local Capacity that is calculated on a three-year average of valuations and federal adjusted gross income since the simulations did not include any change in this calculation from year one to year two of the simulations.

### 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 casinos one each in Cleveland, Toledo, Columbus and Cincinnati. As of March 4, 2013 all four casinos were open for business and generating Gross Casino Tax Revenues (GCR). 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 31<sup>st</sup> 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 \$95.8 million or \$59.80 per pupil, actual payments in FY22 were \$62.90 per pupil. FY22 Casino revenues have resumed their historical growth rate and assume a 2% annual growth rate for the forecast period.

<u>Category</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Basic Aid-Unrestricted	\$2,934,990	\$2,950,223	\$2,950,223	\$2,950,223	\$2,950,223
Additional Aid Items	<u>\$34,388</u>	<u>\$34,388</u>	<u>\$34,388</u>	<u>\$34,388</u>	<u>\$34,388</u>
Basic Aid-Unrestricted Subtotal	\$2,969,379	\$2,984,611	\$2,984,611	\$2,984,611	\$2,984,611
Ohio Casino Commission ODT	<u>\$40,350</u>	<u>\$41,157</u>	<u>\$41,981</u>	<u>\$42,820</u>	<u>\$43,677</u>
Unrestricted State Aid Line # 1.035	<u>\$3,009,729</u>	<u>\$3,025,768</u>	<u>\$3,026,592</u>	<u>\$3,027,431</u>	<u>\$3,028,288</u>

### 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. Using current April funding factors, we have estimated revenues for these new restricted funding lines. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23. We have flat lined funding at FY23 levels for FY24-FY26 due to uncertainty on continued funding of the current funding formula.

<u>Category</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
DPIA	\$48,898	\$51,152	\$51,152	\$51,152	\$51,152
Career Tech - Restricted	\$52,543	\$47,887	\$47,887	\$47,887	\$47,887
Gifted	\$42,522	\$36,595	\$36,595	\$36,595	\$36,595
ESL	\$0	\$0	\$0	\$0	\$0
Student Wellness	<u>\$128,880</u>	<u>\$128,880</u>	<u>\$128,880</u>	<u>\$128,880</u>	<u>\$128,880</u>
Total Restricted State Revenues Line #1.040	<u>\$272,843</u>	<u>\$264,514</u>	<u>\$264,514</u>	<u>\$264,514</u>	<u>\$264,514</u>

### C) Restricted Federal Grants in Aid – Line #1.045

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

## Summary of State Foundation Revenue

<u>SUMMARY</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Unrestricted Line # 1.035	\$3,009,729	\$3,025,768	\$3,026,592	\$3,027,431	\$3,028,288
Restricted Line # 1.040	\$272,843	\$264,514	\$264,514	\$264,514	\$264,514
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total State Foundation Revenue	<u>\$3,282,572</u>	<u>\$3,290,282</u>	<u>\$3,291,106</u>	<u>\$3,291,945</u>	<u>\$3,292,802</u>

## State Taxes Reimbursement/Property Tax Allocation Line #1.050

### a) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66 the FY06-07 budget bill previously eliminated 10% rollback on Class II (commercial and industrial) property. The percentage that the district receives in Rollback is based on the taxpayers applying for these credits, for our district we receive 11.10% of the possible 12.5% reimbursements from the state.

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 years of age or who are disabled regardless of income. Effective September 29, 2013 HB59 changes the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers.

### b) Tangible Personal Property Reimbursements – Fixed Rate

Our district no longer receives this reimbursement.

### c) Tangible Personal Property Reimbursements – Fixed Sum

HB 64 has continued reimbursement of Fixed Sum TPP reimbursements at current levels through FY17 and will begin a phase out over five years through TY21, with the last payment in FY22. Districts will not lose money due to the phase out. The amount of money the state is cutting its reimbursement by will be added on the local fixed sum millage and collected in local property taxes. This is directly shifting the burden to local tax payers by the state cut in fixed sum TPP reimbursement.

## Summary of State Tax Reimbursement – Line #1.050

<u>Category</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Rollback and Homestead	\$410,881	\$424,098	\$423,073	\$423,388	\$424,224
TPP Reimbursement - Fixed Rate	\$0	\$0	\$0	\$0	\$0
TPP Reimbursement - Fixed Sum	<u>\$1,202</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Tax Reimb./Prop. Tax Allocations #1.050	<u>\$412,083</u>	<u>\$424,098</u>	<u>\$423,073</u>	<u>\$423,388</u>	<u>\$424,224</u>

## Other Local Revenues – Line #1.060

Revenues from all other sources are based on historical growth patterns. This revenue largely consists of rental income, tuition payments, Medicaid reimbursements, and investment income.

HB110 the new state budget will stop paying open enrollment as an increase to other revenue for the district. Open enrolled students will be counted as students that attend the district within the Enrolled ADM and will be included in the state basic funding. This change is projected below as zeros to help show the difference between projected FY22-FY26 Line 1.06 revenues and historical FY19 through FY21 revenues on the five-year forecast.

The district maintains a conservative investment philosophy, investing predominately in Star Ohio, CD's, and checking account interest. We experienced a sharp decrease in FY21 and do not expect that type of decrease in future years. We are anticipating a 1% increase in FY23-FY26 with the interest from the income tax payments. Medicaid amounts have increased in FY22 due to catch up payments from previous years, we do not expect those types of payment in FY23 and beyond, therefore we are increasing FY24-FY26 by 1% each year.

In FY22 the district received a Medicaid settlement of \$33,457 and does not expect for another large payment throughout the forecast.

<u>Category</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Open Enrollment	\$0	\$0	\$0	\$0	\$0
Interest	\$5,227	\$5,332	\$5,438	\$5,547	\$5,658
Tuition SF-14 & SF-14H	\$194,754	\$196,702	\$198,669	\$200,656	\$202,663
Student Fees and Activity	\$36,310	\$36,673	\$37,040	\$37,410	\$37,784
Medicaid Reimbursement	\$73,457	\$25,000	\$25,250	\$25,503	\$25,758
Rentals, Fines, Fees, erate & other	<u>\$13,485</u>	<u>\$13,620</u>	<u>\$13,756</u>	<u>\$13,894</u>	<u>\$14,033</u>
Total Line # 1.060	<u>\$323,233</u>	<u>\$277,327</u>	<u>\$280,153</u>	<u>\$283,010</u>	<u>\$285,896</u>

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

Returns of advances to other funds from the previous year comprise most of the historical revenue in this category. The district is not expecting any transfers or advance returns for this forecast period.

#### **All Other Financial Sources – Line #2.060 & Line #14.010**

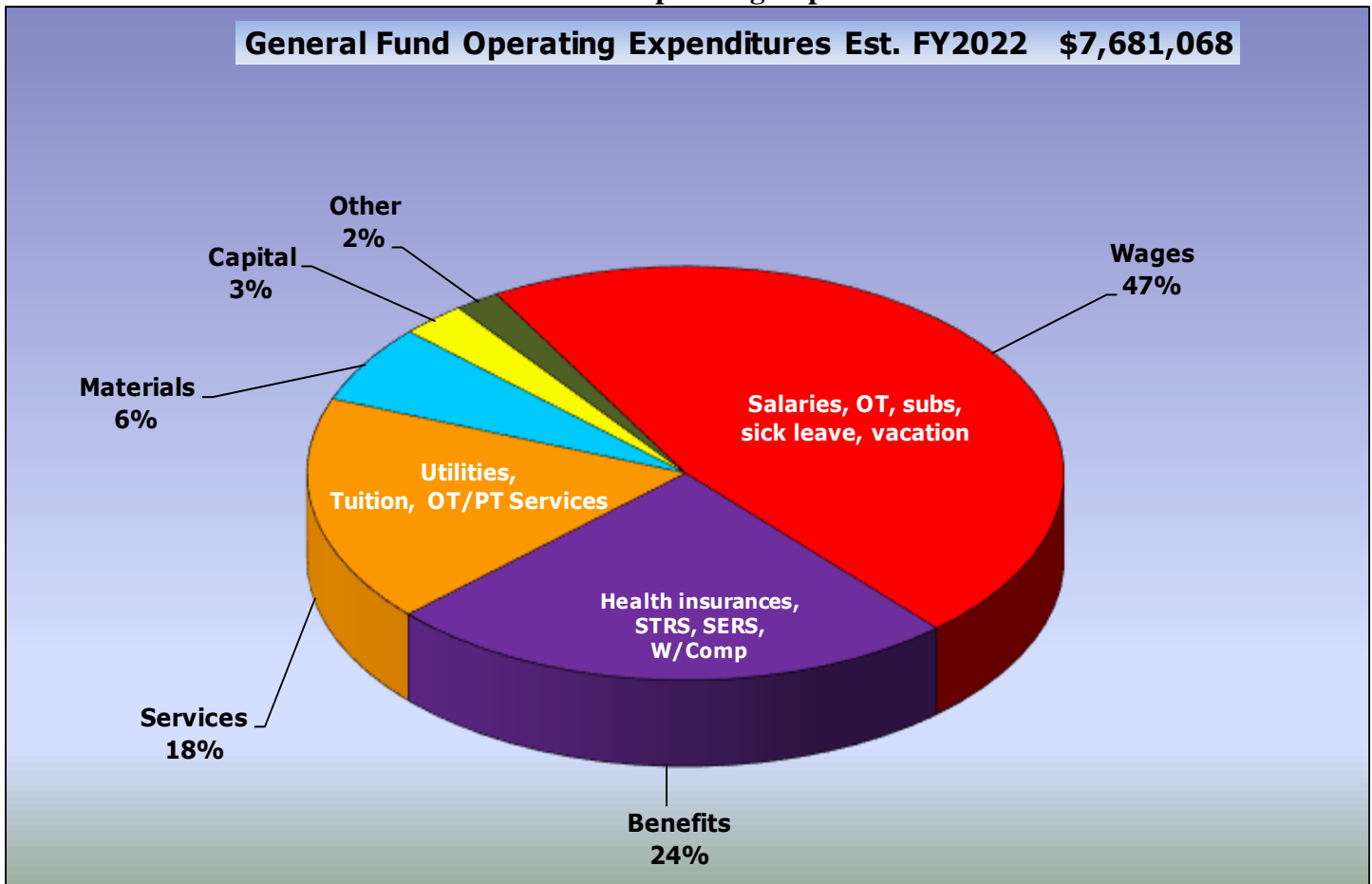
This funding source is typically a refund of prior year expenditures that are very unpredictable. The major items in in this line are from voided checks from previous years, refunds for Worker's Compensation and Farmers Co-Op. For FY22-FY26 we are estimating amounts of refunds that are more in line with historical collections.

<u>Category</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
All Other Financials Line #2.060	<u>\$18,939</u>	<u>\$18,939</u>	<u>\$18,939</u>	<u>\$18,939</u>	<u>\$18,939</u>

## 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.

### Estimated General Fund Operating Expenditures for FY22



#### Wages – Line #3.010

The district finalized negotiations with base increases of 3% in FY23, 2.5% in FY24 and 2% in FY25 while we will continue to use 1% for forecasting purposes after the year that the negotiated agreement ends. Step and training pay increases of 1% per year are reflected based on current staffing levels FY22-26.

The district is recoding 100% of the nurse and 85% of guidance counselor salaries through the SWSF Fund 467 the amount of salaries will be returned to the general fund partially each year from FY23 through FY24 until the fund is zeroed out since the district had the carryover funds to use.

The district will have reductions in staff in FY22 of one resignation, and two retirements, which will increase the amount of severance but decrease the overall salary amount.

The district will recode salaries as part of the relief from the COVID-19 ESSER funds of \$630,000 in FY22 and will return the expenditures in FY23.



<u>Category</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
Base Wages	\$4,087,997	\$3,296,743	\$4,109,350	\$4,282,863	\$4,440,355
Base Increases	\$41,122	\$122,640	\$82,419	\$82,187	\$42,829
Steps & Training/Performance Based Pay	\$40,880	\$32,967	\$41,094	\$42,829	\$44,404
New or Replacement Staff	-\$12,000	\$0	\$0	\$0	\$0
Substitutes & Supplementals	\$240,892	\$242,096	\$243,306	\$244,523	\$245,746
Recoding for SWSF & ESSER Funds	-\$630,000	\$657,000	\$50,000	\$32,476	\$0
Severance	\$57,000	\$0	\$0	\$0	\$0
Staff Reductions	-\$231,256	\$0	\$0	\$0	\$0
Total Wages Line 3.010	<u>\$3,594,635</u>	<u>\$4,351,446</u>	<u>\$4,526,169</u>	<u>\$4,684,878</u>	<u>\$4,773,334</u>

### **Fringe Benefits Estimates Line #3.02**

This area of the forecast captures all costs associated with benefits and retirement costs, which all except health insurance being directly related to the wages paid.

#### **A) STRS/SERS**

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law.

#### **B) Insurance**

The district is estimating an increase of 7.4% increase in FY23 and 6% annually in FY24-FY26. This is based on our current employee census and claims data. This could increase at a much higher rate should claims increase dramatically. The district is expecting to only receive one premium holiday in FY23.

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.

#### **C) Workers Compensation & Unemployment Compensation**

Workers Compensation is based on a 0.56% of total payroll in FY22-FY26. The district saw an increase of unemployment due to COVID-19 in FY21 but does not expect that type of expenditure in the future and has decreased the amount to \$500 per year from FY22 – FY26.

#### **D) Medicare**

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

### **Summary of Fringe Benefits – Line #3.020**

<u>Category</u>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
STRS/SERS	\$624,210	\$550,189	\$667,758	\$694,164	\$712,670
Insurance's	\$1,176,885	\$1,398,386	\$1,482,289	\$1,571,226	\$1,665,500
Workers Comp/Unemployment	\$20,630	\$24,868	\$25,847	\$26,735	\$27,231
Medicare	\$60,431	\$53,569	\$64,905	\$67,460	\$69,213
Tuition Reimb./H.S.A.	\$7,482	\$7,482	\$7,482	\$7,482	\$7,482
Total Line 3.020	<u>\$1,889,638</u>	<u>\$2,034,494</u>	<u>\$2,248,281</u>	<u>\$2,367,067</u>	<u>\$2,482,096</u>

### **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-FY26 Line 3.03 costs and historical FY19 through FY21 costs on the five-year forecast. College Credit Plus, 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.

The district will return the cost of the 1-1 nurse that was paid from SWSF beginning in FY23. The district will increase maintenance and repairs 2% annually along with the following items: annual roofing costs; painting in the high school in FY22 and FY23; landscaping in FY22; mulch for the playground in FY22 only; rental of toilet facilities while the restrooms are being renovated in FY22 only; cost of renovation of the restrooms for design, plumbing and contract work in FY22 only.

Beginning with FY22 the district will contract with SESI for services for special needs students that may include a 1 to 1 aide for one of the students.

<u>Category</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Instructional Services	\$350,826	\$450,367	\$452,885	\$475,529	\$499,305
Non-Instructional Services	\$33,112	\$33,774	\$34,449	\$35,138	\$35,841
Maintenance and Repairs	\$457,719	\$301,191	\$213,205	\$217,469	\$221,819
Open Enrollment Deduction	\$0	\$0	\$0	\$0	\$0
Community School Deductions	\$0	\$0	\$0	\$0	\$0
Other Tuition Payments	\$349,824	\$356,820	\$363,956	\$371,235	\$378,660
Utilities	<u>\$174,497</u>	<u>\$183,222</u>	<u>\$192,383</u>	<u>\$202,002</u>	<u>\$212,102</u>
Total Line 3.030	<u>\$1,365,978</u>	<u>\$1,325,374</u>	<u>\$1,256,878</u>	<u>\$1,301,373</u>	<u>\$1,347,727</u>

### **Supplies and Materials – Line #3.040**

These amounts account for funds to purchase new textbooks and educational supplies related to new curriculum adoptions. The other area of expenses included in this category are all consumable supplies that are purchased to operate the school district, such as textbooks, paper, cleaning supplies, tires and bus fuel. A 2% increase is forecasted FY22-FY26. The district will have a one-time purchase tools for the mechanic in FY22.

<u>Category</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Supplies	<u>\$471,601</u>	<u>\$466,033</u>	<u>\$475,354</u>	<u>\$484,861</u>	<u>\$494,558</u>
Total Line 3.040	<u>\$471,601</u>	<u>\$466,033</u>	<u>\$475,354</u>	<u>\$484,861</u>	<u>\$494,558</u>

### **Equipment – Line #3.050**

Capital Outlay each year for technology and other equipment has been included based on a schedule for FY22-FY26. In addition to the scheduled items the district is planning to resurface blacktop in FY22. The district increased FY22 by \$115,000 for items that were expected to be repairs but instead were actually Capital Outlay items.

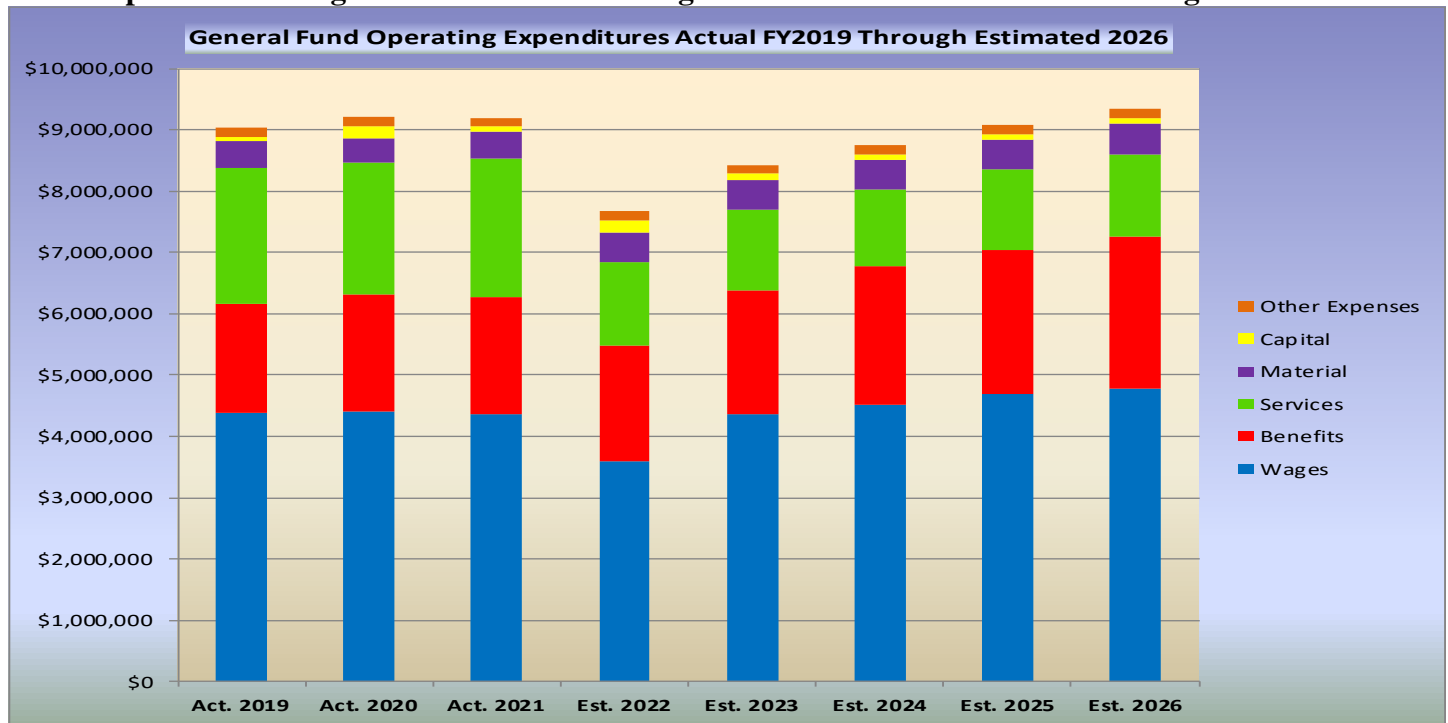
<u>Category</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Capital Outlay	\$212,070	\$108,432	\$89,685	\$92,376	\$95,147
Replacement Bus Purchases	\$0	\$0	\$0	\$0	\$0
Total Line 3.050	<u>\$212,070</u>	<u>\$108,432</u>	<u>\$89,685</u>	<u>\$92,376</u>	<u>\$95,147</u>

### Other Expenses – Line #4.300

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

<u>Category</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
County Auditor & Treasurer Fees	\$94,004	\$95,414	\$96,845	\$98,298	\$99,772
Audit fees, dues and other expenses	\$53,142	\$54,205	\$55,289	\$56,395	\$57,523
Total Line 4.300	<u>\$147,146</u>	<u>\$149,619</u>	<u>\$152,134</u>	<u>\$154,693</u>	<u>\$157,295</u>

### Total Expenditure Categories Actual FY19 through FY21 and Estimated FY212 through FY26



### Transfers Out & Advances Out – Line #5.010

This account group covers fund to fund transfer and end of year short term loans from the General Fund. The district is not planning for any transfers or advances out in FY22-FY26.

### Encumbrances – Line #8.010

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

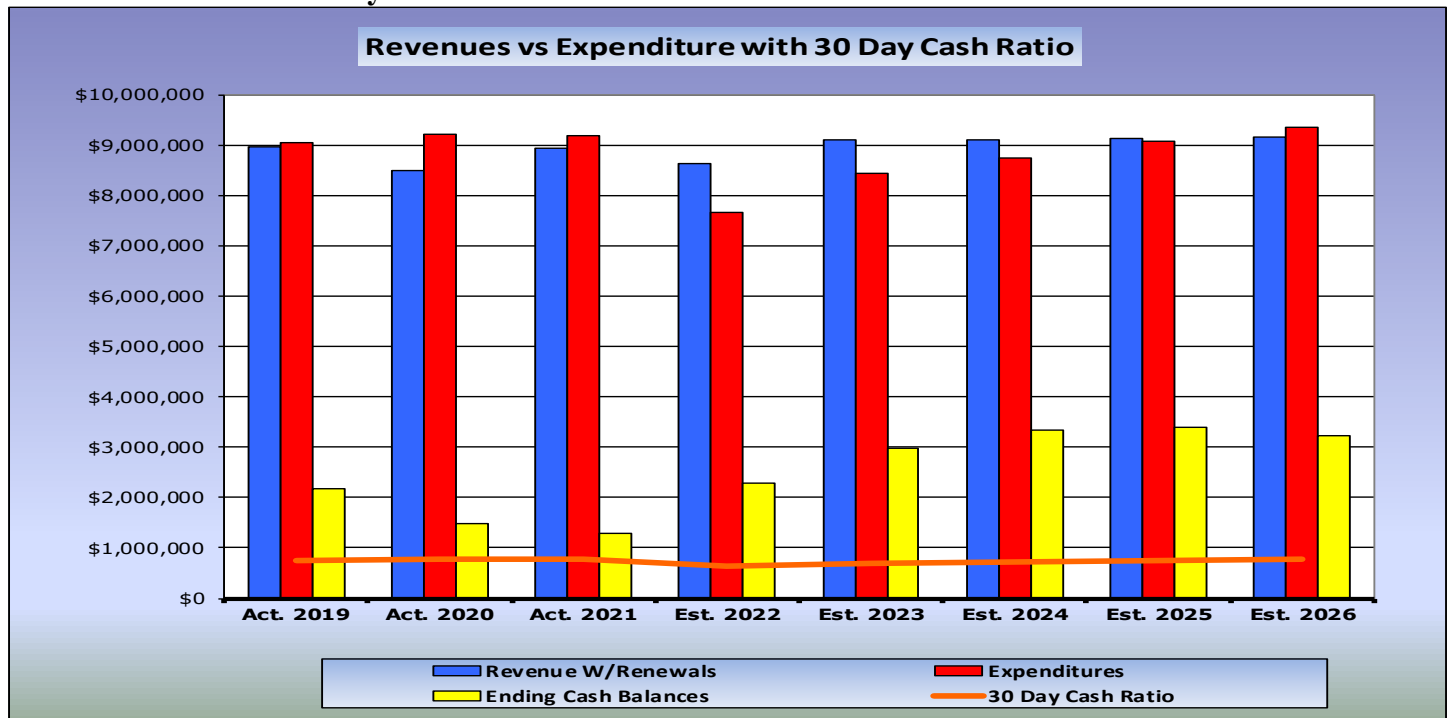
	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
Estimated Encumbrances	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$25,000</u>

### Ending Unencumbered Cash Balance “The Bottom-line” – Line #15.010

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000. These balances include the passage of the income tax levy in the spring of 2020 and the renewal of the property tax levy in 2021.

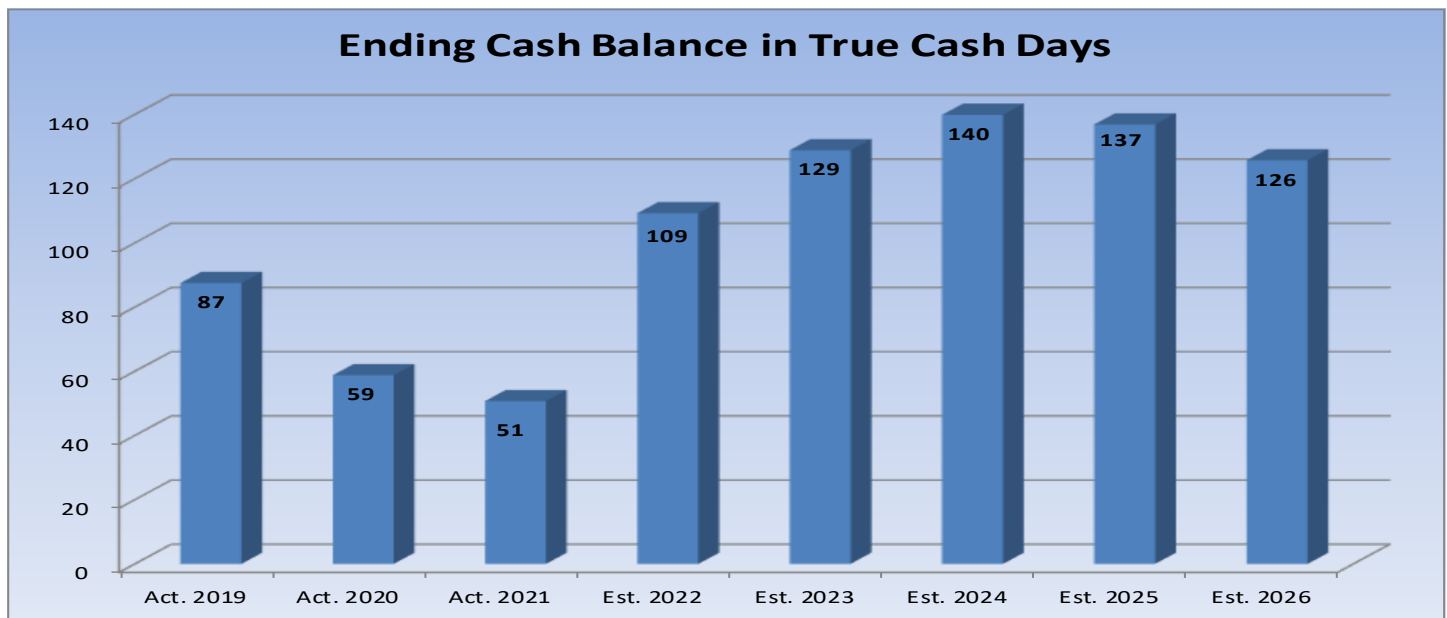
	FY22	FY23	FY24	FY25	FY26
Ending Cash Balance	<u>\$2,298,857</u>	<u>\$2,978,286</u>	<u>\$3,352,626</u>	<u>\$3,407,157</u>	<u>\$3,219,922</u>

### General Fund Ending Cash Balance Actual FY19-21 and Estimated FY22-26 with Levy Renewal and new earned income tax levy



### True Cash Days

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 district’s 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. True cash days are calculated without any renewal levy. One day of estimated expenditures in FY22 is \$20,841.



## Conclusion

Ridgedale Local School District receives 42.88% of it's funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

The current state budget, HB110, has now been updated for the May forecast using the Fair School Funding Plan. Simulations used for the November forecast projected less state aid than what was actually received due to changes in actual data for enrollment, property tax valuations and income factors. Furthermore, future state budgets funding will need to be watched since, the full amount of the Fair School Funding Plan was not totally implemented with this budget and there is no guarantee for future increases in state budgets for FY24-FY26.

As the administration plans for the future, they will need to make sure that the district is able to obtain positive cash balance throughout the forecast. They will need to review the expenditures based on the current revenues in able to obtain this.

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.