HARRISON HILLS CITY SCHOOL DISTRICT
HARRISON COUNTY

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

Harrison Hills City School District

Treasurer's Office
Roxane Harding, Treasurer

May 26, 2023

HARRISON HILLS CITY SCHOOL DISTRICT
Harrison County

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

		Actual				Forecasted				
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Average Change	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
	Revenues									
1.010	General Property Tax (Real Estate)	18,024,699	19,882,105	18,556,111	1.8%	20,479,324	20,144,923	19,282,604	18,380,030	17,956,055
1.020	Public Utility Personal Property Tax	-	-	-	0.0%	-	-	-	-	-
1.030	Income Tax	-	-	-	0.0%	-	-	-	-	-
1.035	Unrestricted State Grants-in-Aid	9,542,937	9,758,385	8,605,349	-4.8%	8,711,729	8,629,710	8,631,023	8,632,348	8,633,684
1.040	Restricted State Grants-in-Aid	329,703	302,920	589,413	43.2%	515,251	515,251	515,251	515,251	515,251
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	$0	$0	$0	$0	$0
1.050	Property Tax Allocation	702,043	731,865	746,513	3.1%	710,950	721,143	724,807	724,883	728,584
1.060	All Other Revenues	1,926,700	1,579,474	731,008	-35.9%	1,004,505	589,000	588,500	588,000	588,000
1.070	*Total Revenues*	30,526,082	32,254,749	29,228,394	-1.9%	31,421,759	30,600,027	29,742,185	28,840,512	28,421,574
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	-	-	-	-	-
2.020	State Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	272,009	272,345	264,980	-1.3%	312,713	315,000	315,000	315,000	315,000
2.050	Advances-In	537	671,760	852,909	62511.0%	329,186	500,000	500,000	500,000	500,000
2.060	All Other Financing Sources	123,943	157,517	4,266	-35.1%	0	0	0	0	0
2.070	*Total Other Financing Sources*	396,489	1,101,622	1,122,155	89.9%	641,899	815,000	815,000	815,000	815,000
2.080	*Total Revenues and Other Financing Sources*	30,922,571	33,356,371	30,350,549	-0.6%	32,063,658	31,415,027	30,557,185	29,655,512	29,236,574
	Expenditures									
3.010	Personal Services	8,388,764	9,007,926	9,310,602	5.4%	$9,911,030	$10,071,600	$11,048,469	$12,081,633	$13,173,861
3.020	Employees' Retirement/Insurance Benefits	5,103,837	5,460,100	5,875,027	7.3%	$5,910,318	$7,040,309	$8,086,170	$8,894,787	$9,872,411
3.030	Purchased Services	4,348,799	4,591,702	1,985,992	-25.6%	$2,562,361	$2,103,387	$2,308,557	$2,423,984	$2,545,183
3.040	Supplies and Materials	867,541	632,727	656,670	-11.6%	996,511	1,046,336	1,123,653	1,179,836	1,238,829
3.050	Capital Outlay	767,992	603,226	1,081,592	28.9%	511,453	1,388,335	1,457,752	1,530,640	1,607,172
4.050	Principal-HB 264 Loans	35,000	40,000	40,000	7.1%	$40,000	$45,000	$45,000	$50,000	$0
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	7,532	(350)	(405)	-44.5%	$4,887	$1,500	$1,500	$1,500	$0
4.300	Other Objects	626,332	632,379	653,491	2.2%	$751,956	$713,431	$734,834	$756,879	$779,586
4.500	*Total Expenditures*	$20,145,797	20,967,710	19,602,969	-1.2%	20,688,515	22,409,898	24,805,935	26,919,260	29,217,041
	Other Financing Uses									
5.010	Operating Transfers-Out	7,784,259	6,833,969	6,654,583	-7.4%	$4,371,055	$2,000,000	$1,500,000	$1,000,000	$1,000,000
5.020	Advances-Out	2,474	847,161	805,641	17068.8%	198,578	500,000	500,000	500,000	500,000
5.030	All Other Financing Uses	-	-	-	0.0%	$0	$0	$0	$0	$0
5.040	*Total Other Financing Uses*	7,786,733	7,681,130	7,460,224	-2.1%	4,569,633	2,500,000	2,000,000	1,500,000	1,500,000
5.050	*Total Expenditures and Other Financing Uses*	27,932,530	28,648,840	27,063,193	-1.5%	25,258,148	24,909,898	26,805,935	28,419,260	30,717,041
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	2,990,041	4,707,531	3,287,356	13.6%	6,805,510	6,505,129	3,751,250	1,236,252	(1,480,467)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	31,468,722	34,458,763	39,166,294	11.6%	42,453,650	49,259,160	55,764,289	59,515,539	60,751,791
7.020	*Cash Balance June 30*	34,458,763	39,166,294	42,453,650	11.0%	49,259,160	55,764,289	59,515,539	60,751,791	59,271,324
8.010	*Estimated Encumbrances June 30*	610,640	1,024,099	353,982	1.1%	1,451,710	1,379,513	1,200,000	1,200,000	1,200,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	1,042,000	990,000	900,000	1,032,000	1,101,000
9.030	Budget Reserve	-	-	-	0.0%	151,803	151,803	151,803	151,803	151,803
9.080	*Subtotal*	-	-	-	0.0%	1,193,803	1,141,803	1,051,803	1,183,803	1,252,803
10.010	*Fund Balance June 30 for Certification of Appropriations*	33,848,123	38,142,195	42,099,668	11.5%	46,613,647	53,242,973	57,263,736	58,367,988	56,818,521
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	-	-		0.0%	-	-	-	-	-

HARRISON HILLS CITY SCHOOL DISTRICT
Harrison County

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

		Actual				Forecasted				
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Average Change	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
11.020	Property Tax - Renewal or Replacement	-	-		0.0%	-	-	-	-	-
11.300	Cumulative Balance of Renewal Levies	-	-		0.0%	-	-	-	-	-
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	33,848,123	38,142,195	42,099,668	11.5%	46,613,647	53,242,973	57,263,736	58,367,988	56,818,521
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	-	-	-	-	-
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements	-			0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	33,848,123	38,142,195	42,099,668	11.5%	46,613,647	53,242,973	57,263,736	58,367,988	56,818,521

Harrison Hills City School District – Harrison County
Notes to the Five Year Forecast
General Fund Only
May 26, 2023

Introduction to the Five-Year Forecast

A forecast is somewhat like a future painting based on a snapshot of today. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. A variety of events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, or businesses moving in or out of the district. The five-year forecast is a crucial management tool and must be updated periodically. The five-year forecast enables district management teams to examine future years' projections and identify when challenges will arise. This then helps district management to be proactive in meeting those challenges. School districts are encouraged to update their forecasts with ODE when events significantly change their forecast or, at a minimum, when required under the 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 of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

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

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

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

Revenues FY23

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 $31.42 million or .50% higher than the November forecasted amount of $31.27 million. This indicates that the November forecast was 99.50% accurate.

Line 1.01 and 1.02 - Property tax revenues represent our most significant source of revenues at 66% and are estimated to be $20.48 million, which is $165,864 lower for FY23 than the original November estimate of

$20.64 million. Our estimates are 99.2% accurate for FY23 and should mean future projections are also on target.

Line 1.035 and 1.04 - State Aid continues the implementation of the Fair School Funding Plan (FSFP), which has caused significant changes to the way our state revenues are calculated. We are estimating our state aid to be $9.2 million, which is $45,109 higher than the original estimate for FY23. We are pleased that we were able to be 99.96% accurate for FY23. We are currently on the guarantee/and are expected to remain as a guarantee district for FY24 through FY27.

Line 1.06 - Other revenues are tracking higher $286,140 due to increased interest rates and earning on our investments.

All areas of revenue are tracking as anticipated for FY23 based on our best information at this time.

Expenditures FY23

Total General Fund expenditures (line 4.5) are estimated to be $20.69 million for FY23, which is $592,733 less than projected in November. Many areas have been adjusted based on new information since November but we are still roughly 97.2% on target with initial estimates.

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

Unreserved Ending Cash Balance

With revenues ending mostly on target from estimates and expenditures ending primarily on target, our ending unreserved cash balance June 30, 2023, is anticipated to be roughly $46.6million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2027, 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 uncertainties not only due to the 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 following 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 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 largest single revenue source for the school system. The housing market in our district is stable and growing. We project growth in appraised values every three (3) years, and new construction growth with modest increases in local taxes, as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues, predominately local taxes, equating to 68.1% of the district's resources. Our tax collections in the August 2022 and March 2023 settlements showed a higher collection, due to a 2nd half tax payment delayed from 1st half as well as higher delinquency receipts. We believe there is a low risk that local collections would fall below projections throughout the forecast.

2) Harrison County experienced a reappraisal update in the 2020 tax year to be collected in FY21. The 2020 update increased overall assessed values by $53.65 million or an increase of 14.02%. A full reappraisal will occur in tax year 2023 for collection in FY24. We anticipate value increases for Class I and II property by $20.7 million for an overall increase of 4.59%, including the adjustment for lower Current Agricultural Use Values (CAUV) authorized by HB49. This increase is being driven by Class II increases, but we expect future values to

decline each year throughout the forecast period. There is also a minor risk that the district could sustain a reduction in Class I values in the next appraisal update but we do not anticipate that at this time.

3) We have been notified by the Carrol and Harrison County Auditors that Rover Pipeline has filed a second appeal to lower values by $109,269,580 on their Public Utility Personal Property (PUPP) values. They made payments in CY2021 that would equal the new lower value they seek. In the first half settlement made April 2022 it appears they paid 50% of their estimated new lower value. As a result, if they are successful our district would not face a refund to Rover on taxes paid. If they lose then we would be due additional revenues. To be conservative we have assumed the $109.3M in PUPP value will be removed from our values for future projections. That reduces PUPP taxes by $3.8M per year in the forecast. We are monitoring the Ohio Board of Tax Appeals where this case has been rescheduled from November 10, 2021, to May 9, 2022 and on March 30, 2022 it was continued again for a third time to August 1, 2022. No decision has been reached as of this forecast date and there is no word from the Ohio Department of Taxation when a determination may be made. It is unlikely that a decision will be reached until the Nexus Pipeline Supreme Court case is decided.

4) The state budget represented 31.6% of district revenues, of which 28% is our state aid. This means it is a significant area of risk to the revenue. The future risk comes in FY24 and beyond if the state economy stalls due to the record high inflation we are witnessing at this time or the Fair School Funding Plan is not funded in future state budgets due to an economic recession. Two future state biennium budgets cover the period from FY24-25 and FY26-27. Future uncertainty in the state foundation funding formula and the state's economy make this area an elevated risk to district funding long range through FY27. We have projected our state funding to be in line with the FY23 funding levels through FY27, which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

5) HB 110, the current state budget, implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The FSFP has many significant changes to how 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. Beginning in FY22, a district's open enrollment payments will no longer be delivered separately, as those payments are included with basic aid. A change in expenditures, beginning in FY22, ~~will also~~ will occur. There will no longer be deductions for students that attend elsewhere for open enrollment, community schools, STEM schools and scholarship recipients as these payments will be paid directly to those districts from the state. The initial impact of these changes on the forecast will be noticed in actual historical costs for FY20 through FY21, which ~~may~~ reflect different trends on Lines 1.035, 1.04, 1.06, and 3.03 beginning in FY22. In June 2022, the legislature passed HB583 to resolve issues and possible unintended consequences in the new funding formula. Some of these changes impacted FY22 and future years' funding. Our state aid projections have been based on the best information on the new HB110 formula as amended by HB583 that are available as of this forecast for FY23.

6) HB110 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. However, there still are education option programs such as College Credit Plus, which continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs not directly paid for by the state of Ohio can expose the district to new expenditures that are not currently in the forecast. We closely monitor any new threats to our state aid and increased costs as new proposed laws are introduced in the legislature.

7) The current proposed state budget for FY24-25, HB33 was introduced on February 15, 2023, and proposes to continue the implementation of the Fair School Funding Plan (FSFP). In the initial proposal of HB33, the base cost statewide factors are the area of most significance and remain at FY18 levels. Formula districts would benefit from the continued phase-in of the FSFP, while ensuring districts would receive at least FY21

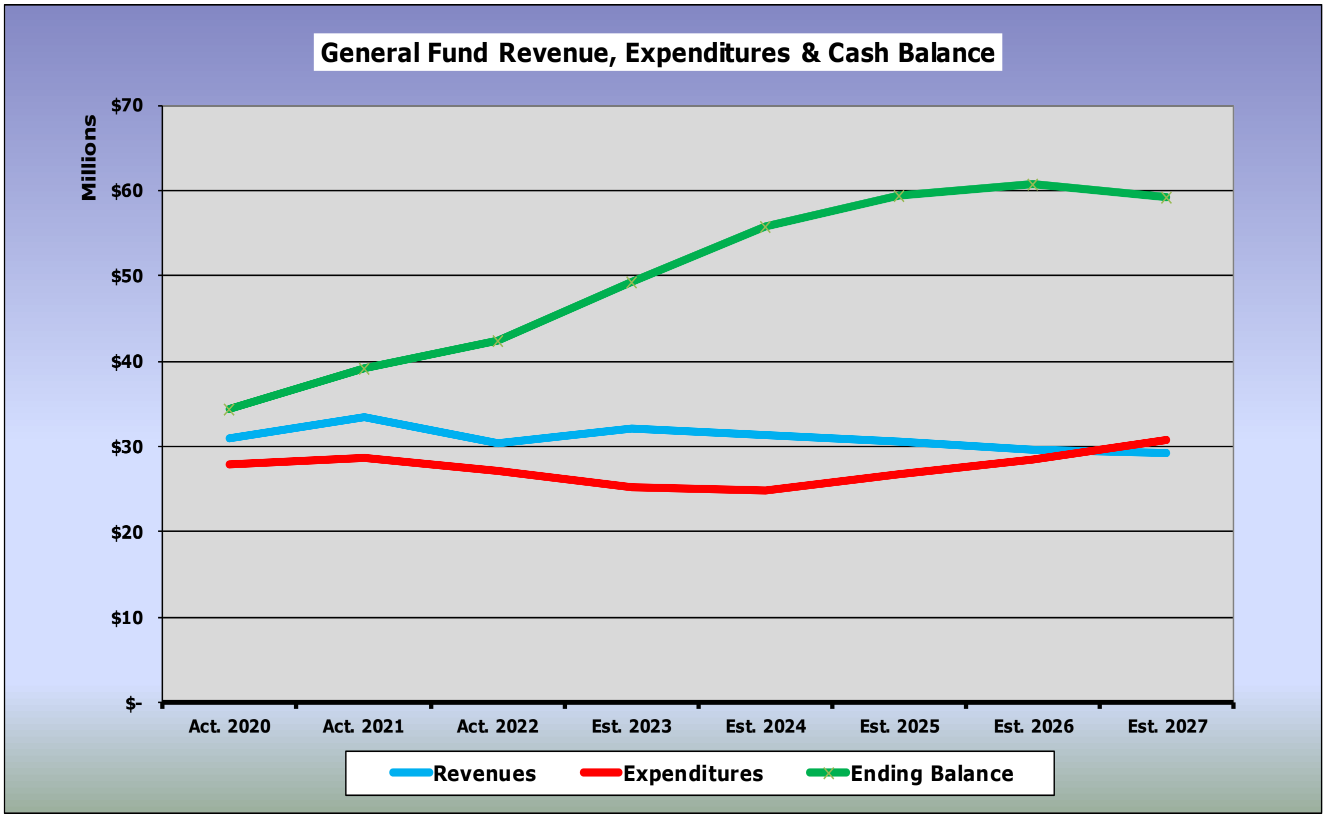
foundation funding. Certainty surrounding these and other significant funding components will not likely be known until late June 2023, after the filing of this forecast. We will be closely monitoring the progress of HB33 as it works its way through the legislative process.

8) The legislature has introduced House Bill 1 (HB1), proposing to modify the property taxation law and Ohio income tax rates. Proposed changes to the existing law include applying a single income tax rate of 2.75%, eliminating the 10% property tax rollback reimbursement, revising the 2.5% owner-occupied property tax rollback to be a flat $125 credit, indexing the homestead exemption amounts to inflation, and reducing the property tax assessment percentage for Class I and II property from 35% to 31.5% to offset the 10% rollback which would be paid by local taxpayers. HB1 as currently written, would increase the effective rates for local property owners through HB920 due to the reduction in the assessed valuation for Class I and II property. HB920, enacted in 1976, states that voted school district levies collect the amount of tax revenues stated on the ballot at the time of passage and no more. The "effective" millage rate on voted levies will decrease as property values grow. If HB1 causes the assessed property values to decrease by changing the taxable values from 35% to 31.5%, this would cause "effective" millage rates and increase local taxpayers' property tax liability in nearly all cases. Taxpayers would, however, see a reduction in their tax liability on inside millage, which local governments are granted by the Ohio Constitution, and would also be a direct loss of revenue for our district. The House Ways and Means Committee had its fifth hearing regarding HB1 on March 28, 2023. As this bill is facing opposition from various entities due to the significant implications to the taxable valuation of property statewide, it will remain an area of increased risk and uncertainty and will be closely monitored to determine who the outcome will be.

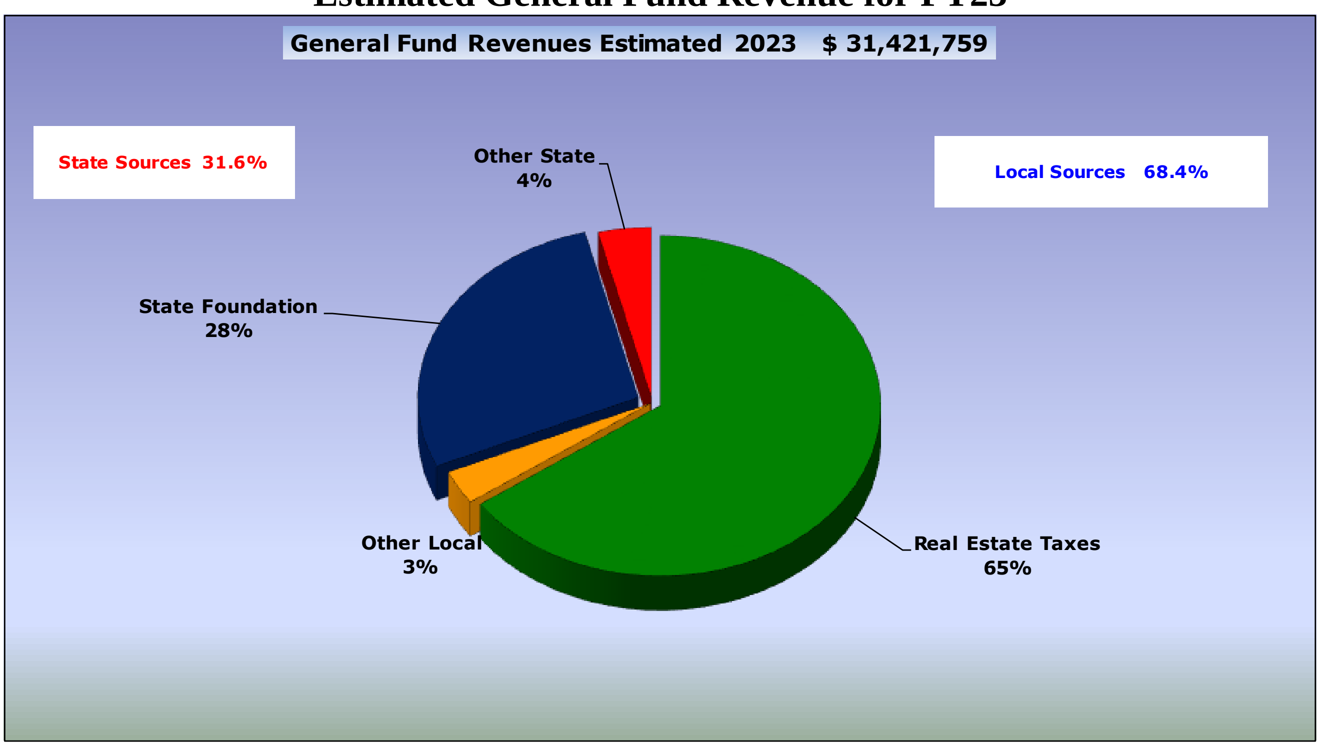
Labor relations in our district have been amicable, with all parties working for the best interest of students and realizing the resource challenges we face. We believe that as we move forward, our positive working relationship will continue and will only grow stronger.

The significant 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 assist the reader in reviewing the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please contact Roxane Harding, Treasurer, at 740.942.7810.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY20-22 and Estimated FY23-27
The graph captures in one snapshot the operating scenario facing the District over the next few years.



Revenue Assumptions
Estimated General Fund Revenue for FY23



Real Estate Value Assumptions – Line # 1.010
Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Harrison County experienced a reappraisal update for the 2020 tax year to be collected in 2021. Residential/agricultural (Class I values) were increased 9.54% or $20.1 million. Commercial/industrial/mineral (Class II values) increased by $1.4 million overall or a .86% increase as noted below.

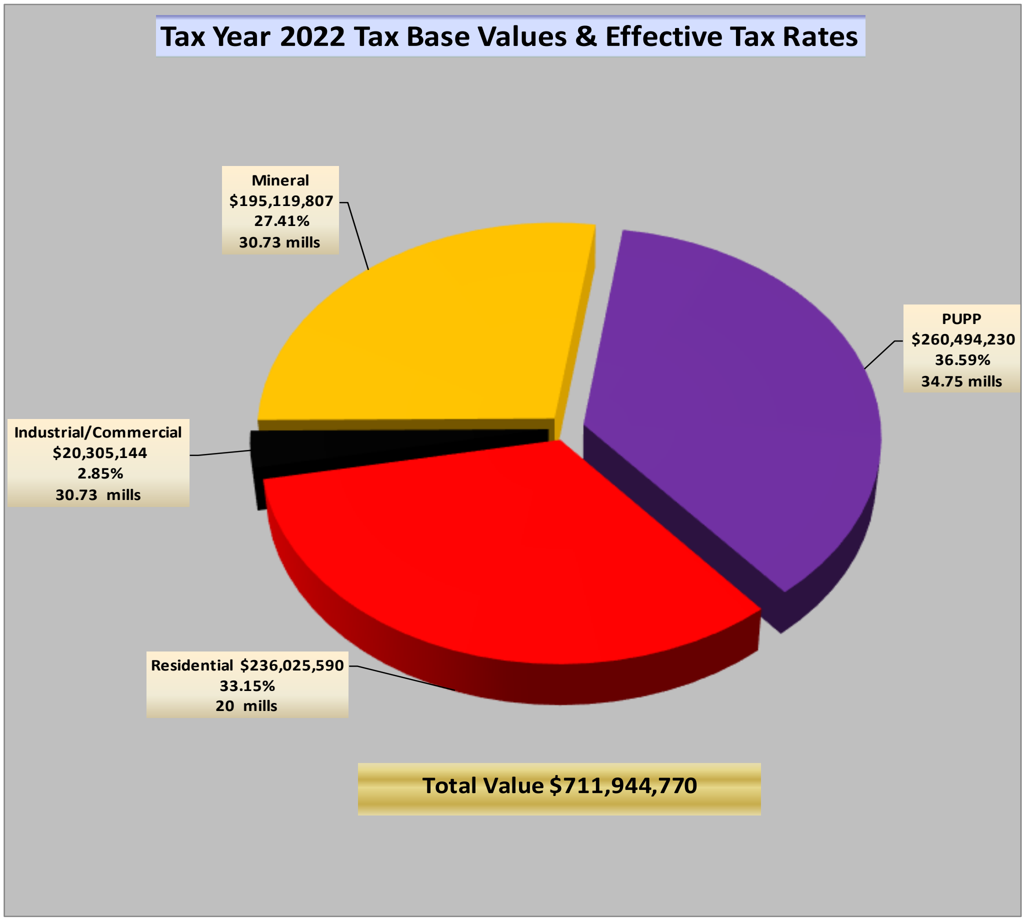
A reappraisal update occurred in 2020 for collection in 2021 for which we saw a 9.21% increase in residential and a 20.42% increase for commercial/industrial property. CAUV values represent 47.9% of Class I residential/agricultural values HB49 authorized a reduction in CAUV computations. These reductions will occur as districts experience their next reappraisal or update cycle and we experienced this in the Tax Year 2020 reappraisal update. This caused somewhat of a shift in taxes from agricultural taxpayers to residential taxpayers but should not result in lower taxes to our district. Residential/Agricultural and Commercial/Industrial values increased $53.6 million or 14.02% overall. A reappraisal is scheduled to occur in 2023 to be collected FY24. We anticipate a 1% increase in Class I for $2.39M and an increase in Class II of 8.51% or $18.3 million.

Tax Year 2017 we noted our mineral values (which are part of Class II commercial/industrial/mineral values) fell $43.9 million or a 17% drop, in tax year 2018 they fell again $28.9 million at 15% drop, and, again in tax year 2019 they fell $20.9 million or 11% drop. In 2020 mineral values shot up $32.8 million or a 20% increase and in 2021 they increased $12.4 million or 6.2%. This pattern illustrates the boom and bust type cycle for mineral values. We will continue to monitor these values and information we receive closely but the values are not easily predictable. Based on this we are reluctant to speculate on future value increases or decreases with so little information to base these predictions on. We have estimated values to increase conservatively in each future year of the forecast but these values could just as likely continue to fall.

Public Utility Personal Property (PUPP) values dropped by $84.6 million in 2021. This is due to the Ohio Department of Taxation reduction of values for Rover. But as noted below, values are still being contested with no decision reached following the August 1, 2022 hearing. We expect our values to vary each year of the forecast. PUPP values are determined at the Ohio Department of Taxation from confidential filings from utilities and then certified to each county auditor late in the calendar year. These values are particularly valuable as they are taxed at our full 34.75 general fund tax rate. We did note that Rover Pipeline has filed an appeal to lower their values by 43% ($109.27 million drop) on the new pipeline. The case was originally scheduled to be heard in May 2021 it was delayed again to November 10, 2021, and delayed a second time until May 9, 2022. The hearing to determine what their 2019 values are has been rescheduled and delayed a 3rd time to August 1, 2022, but no determination or other dates have been announced since this hearing. This case is unlikely to be settled until the Nexus Supreme Court case is decided and this could take a year or more to settle. We have removed the entire $109.27 million from the districts certified PUPP values as Rover is not paying taxes on the ODT amount. They are "tender paying" on the amount they believe their values should be. We want to be conservative in our estimates of these taxes since there is no way to predict these values ahead with accuracy or as to the outcome of the eventual Board of Tax Appeals outcome.

PUPP values are taxed at our full gross rate; therefore, any increase will have a positive effect on revenues through the entire forecast period.

The chart below shows our tax year 2021 values as reported to us by the County Auditor and our current tax rates for each type of property value.



Tax Year	Residential Agriculture	Commercial Industrial	Mineral	P.U. Personal	TPP	Total Value Per ODT
2000	107,078,450	21,382,490	2,270,880	27,367,290	1,893,140	159,992,250
2001	107,300,860	20,868,180	2,149,920	15,918,080	18,942,170	165,179,210
2002	122,471,490	21,620,110	2,284,990	16,331,890	15,844,980	178,553,460
2003	124,618,210	21,607,490	2,277,140	15,982,620	15,462,424	179,947,884
2004	126,834,060	21,909,710	2,222,460	16,456,650	15,995,181	183,418,061
2005	151,685,100	23,312,520	2,442,430	16,809,190	15,711,322	209,960,562
2006	148,911,080	23,481,720	2,282,770	16,807,600	16,609,385	208,092,555
2007	149,561,300	23,312,980	2,131,290	17,171,880	9,573,205	201,750,655
2008	170,195,390	23,714,630	2,075,290	17,551,500	4,744,460	218,281,270
2009	169,242,380	23,621,210	2,560,120	19,033,780	534,140	214,991,630
2010	169,597,730	23,377,810	2,113,010	22,040,450	285,520	217,414,520
2011	177,763,050	22,774,160	3,319,110	23,028,781	0	226,885,101
2012	177,485,840	22,354,770	37,036,660	25,705,729	0	262,582,999
Adj. 2013	176,838,360	19,781,770	26,271,424	25,705,729	0	248,597,283
2014	199,556,190	23,977,805	27,059,567	50,813,460	0	301,407,022
2015	198,239,160	32,001,450	117,801,920	72,341,180	0	420,383,710
2016	205,255,632	30,862,628	224,123,060	78,674,302	0	538,915,622
2017	217,520,810	46,912,550	175,763,850	139,368,280	0	579,565,490
2018	217,514,490	40,245,421	146,802,520	247,488,520	0	652,050,951
2019	218,443,130	13,001,465	151,206,596	304,173,060	0	686,824,250
2020	238,563,890	13,720,535	184,019,496	343,140,560	0	779,444,480
2021	235,698,290	15,027,765	196,395,536	258,494,230	0	705,615,820
2022	236,025,590	20,305,144	195,119,807	260,494,230	0	711,944,770

Historic Concerns with Property Valuation and Tax Collections and Growth in Energy Development
The table below shows the property valuation of the district since tax year 2000 for collection in 2001. Property values continued to grow in the district even during the phase out of TPP values by HB66 and reductions in values for the housing bubble were made in 2009. A major factor in our growth is anticipated to be mineral value as a result of the oil and gas "fracking" boom underway in our county. According to the Ohio

Department of Natural Resources our county continues to have the highest number of active “fracking” wells in the state. It was not a surprise that mineral values soared in tax year 2012, 2015 and again in 2016. It was a surprise, however, to find that our tax collections for 2013 actually fell from a year earlier. The tax collections in 2012 were $5,076,221 while in 2013 they were $4,737,901. This is improbable since our values were actually up by 15.7%. Upon further investigation between the County Auditor and Ohio Department of Taxation, we noted various reporting errors in assessed valuations. Those errors in turn resulted in the undulations in tax collections between fiscal years. For this reason, we are very conservative in estimating increases in assessed values and tax revenues.

Our most recent tax base concerns are for mineral value drops that are anticipated based on new well data from our consultant beginning in Tax Year 2024 through TY26. In the table below you can see on the Commercial/Mineral line drops are anticipated starting in Tax Year 2024. These are large drops in Class II mineral values will fluctuate, which is in a boom and bust cycle which is normal for well production. This underscores the ongoing concerns we have about large tax base swings and the reason we continue to try work closely with our county auditor’s office. We continue to work with the County Auditor to obtain data in order to make more accurate estimates for FY 24-27.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2022	TAX YEAR2023	TAX YEAR2024	TAX YEAR 2025	TAX YEAR 2026
Classification	COLLECT 2023	COLLECT 2024	COLLECT 2025	COLLECT 2026	COLLECT 2027
Res./Ag.	$236,025,590	$238,410,846	$238,435,846	$238,460,846	$240,870,454
Commercial/Mineral	215,424,950	233,757,950	178,822,950	156,437,950	141,182,950
Public Utility (PUPP)	260,494,230	262,494,230	264,494,230	266,494,230	268,494,230
Total Assessed Value	$711,944,770	$734,663,026	$681,753,026	$661,393,026	$650,547,635

ESTIMATED REAL ESTATE TAX (Line #1.010)

Property tax levies are estimated to be collected at 95% of the annual amount. This allows a 5% delinquency factor. In general, 68% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 32% in the August tax settlement.

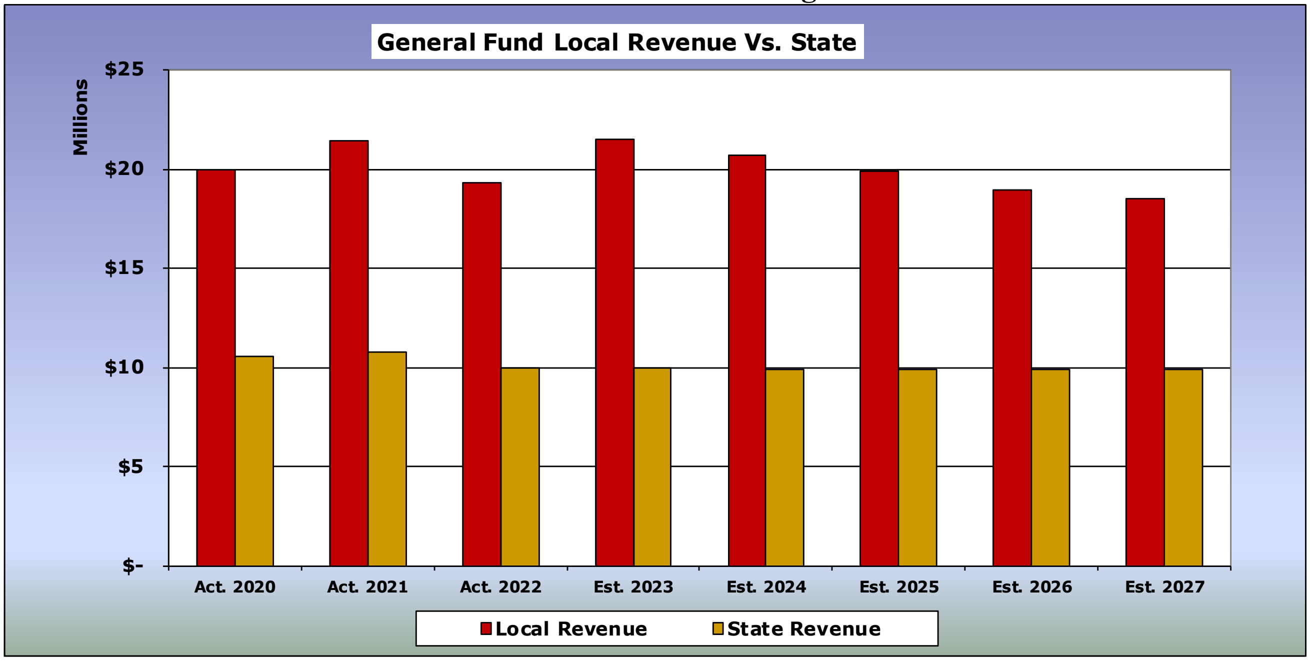
Amounts below are public utility tangible personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above under Public Utility (PUPP), which was $260.5 million in assessed values in 2022 and are collected at the district’s gross voted millage rate. Collections are typically 50% in March and 50% in August, along with the real estate settlements from the county auditor. The values in 2021 fell $84.6 million due to ODT revision of Rover values but are expected to grow by $2 million each year of the forecast. As stated above Rover/pipeline payments are forecasted at a tender rate, or the value the companies believe it should be. We will continue to monitor and update as more information is provided.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Property Taxes (Including PUPP)	$20,479,324	$20,144,923	$19,282,604	$18,380,030	$17,956,055

Estimated Tangible Personal Tax– Line#1.020

Tangible personal property (TPP) values were reduced to $-0- in 2011 as a result of HB66.
The only amounts received after FY11 are from delinquent TPP taxes outstanding as of 2010.

Comparison of Local Revenue and State Revenue Actual FY20 through FY22 and Estimated FY23 through 27



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 & Casino Revenue – Line #1.035
The full release of the new Fair School Funding Plan formula occurred in March 2022 and was amended in HB583, passed in June 2022. We have projected FY23 funding based on the March #2 2023 foundation settlement and adjustments from FY22.

Our district is currently a guarantee district in FY23 and is expected to continue on the guarantee in FY24-FY27 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. It was dropped in FY19 after six (6) years, followed by no foundation formula for two (2) years in FY20 and FY21, and now HB110, as amended by HB583, implements the newest and possibly the most complicated funding formula in recent years for FY22 and FY23. The current formula introduces many changes to how state foundation is calculated and expenses deducted from state funding, which will potentially make the actual five-year forecast look different with estimates FY23 through FY27 compared to actual data FY20 through FY21 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecast.

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

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

<u>Base Cost Approach - Unrestricted Basic Aid Foundation Funding</u>
The new funding formula uses FY18 statewide average district costs and developed a base cost approach that includes minimum service levels and student-teacher ratios to calculate a unique base cost for each district. Newer, more up-to-date statewide average prices will not update for FY23 and remain frozen at FY18 levels,

while other factors impacting a district's local capacity will update for FY23. Base costs per pupil include 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)

<u>State Share Percentage – Unrestricted Basic Aid Foundation Funding</u>
Once the base cost is calculated, which is currently at a state-wide average of $7,351.71 per pupil in FY23, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage, in concept, will be higher for districts with less capacity (lower local wealth) and be a lower state share percentage for districts with more capacity (higher local wealth). The higher the district's ability to raise taxes based on local wealth, the lower the state share percentage. The state share percentage will be based on 60% property valuation of the district, 20% on federally adjusted gross income, and 20% on federal median income, as follows:

1. 60% based on the 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 the 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 the most recent year federal median income of district residents multiplied by the number of returns in that year divided by base students enrolled.
4. When the weighted values are calculated, and items 1 through 3 above are added together, the total is multiplied by a Local Share Multiplier Index from 0% for low-wealth districts to a maximum of 2.5% for wealthy districts.

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

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

<u>Unrestricted Categorical State Aid</u>

1. <u>Targeted Assistance/Capacity Aid</u> – 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). It also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. <u>Special Education Additional Aid</u> – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount, not a specific amount. An amount of 10% will be reduced from all districts' calculations to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. <u>Transportation Aid</u> – Funding is based on all resident students who ride, including preschool students and those living within 1 mile of school. Provides supplemental transportation for low-density districts. Increases state minimum share to 29.17% in FY22 and 33.33% in FY23. In general, districts whose state share is less than 33.33% will benefit from the increase to 33.33% funding.

Restricted Categorical State Aid

1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on the number and concentration of economically disadvantaged students compared to the state average and multiplied by $422 per pupil. Phase-in increases are limited to 0% for FY22 and 33.34% in FY23.
2. English Learners – Based on funded categories generated from the time student enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds – Based on four funded components generated primarily from a ratio of teachers to gifted pupils multiplied by a weighted teacher cost.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. Student Wellness and Success Funds- These funds, were moved as a part of DPIA funding, which is restricted funding and will be spent on the same initiatives and requirements that were previously designated for under the stand-alone fund of 467.

State Funding Phase-In FY22 and FY23 and Guarantees

While the FSFP was presented as a six (6) year phase-in plan, the state legislature approved the first two (2) years of the funding plan in HB110, which was amended in HB583 in June 2022. The FSFP does not include caps on funding; instead, it will consist of a general phase-in percentage for most components of 16.67% in FY22 and 33.33% in FY23. DPIA funding will be phased in at 0% in FY22 and 33.34% in FY23. Transportation categorical funds will not be subject to a phase-in.

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

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

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

Future State Budget Projections beyond FY23

Our funding status for FY24-27 will depend on two new state budgets. The current proposed state budget for FY24-25, HB33, was introduced on February 15, 2023, and continues the implementation of the FSFP, with the following changes.

Unrestricted Basic Aid Foundation Funding

a) The statewide average base cost per pupil will remain at FY18 levels in FY24-25.
b) Increases the general phase-in percentage from 33.33% in FY23 to 50% in FY24 and 67% in FY25.
c) Extends payment of the temporary transitional aid and the formula transition supplement to ensure districts are guaranteed to be funded at FY21 levels, at a minimum, through FY25.

Unrestricted Categorical State Aid

a) Transportation Aid - Increases the minimum state share percentage from 33.33% in FY23 to 37.5% in FY24 and 41.67% in FY25.

Restricted Categorical State Aid

a) Disadvantage Pupil Impact Aid (DPIA) - Increases phase-in percentage from 33.33% in FY23 to 50% in FY24 and 67% in FY25.
b) Gifted Funds - Increases per pupil funding for the gifted professional development component from $14 in FY23 to $21 in FY24 and $28 in FY25.
c) Student Wellness and Success Funds
    a. Expenditures for physical or mental health-based initiatives, or a combination of both, must comprise at least 50% of these funds.
    b. Any SWSF funds received between FY20-23 must be expended by June 30, 2025, or the funds must be returned to the ODE.
    c. School resource officer funding will be allocated on a per building basis. Funds can support existing SROs.

Additionally, there are two other funding components in HB33 which provide additional support for districts. The first is the sports gaming profits education fund, which is projected to appropriate $30 million each year of the biennium, of which $15 million is targeted toward eliminating or reducing pay to participate fees. The second component is information technology support for schools and districts, which is projected to appropriate $14.3 million over the biennium for cybersecurity and building connectivity. We are still awaiting concrete information on how the funds will be allocated to schools.

With these still unknown changes to the state funding for FY24-25, we will continue to project our unrestricted and categorical state funding to align with the FY23 funding levels through the remainder of the forecast. The state budget for FY26-27 is unknown; however, we believe that our state funding estimates are reasonable, and we will adjust the forecast in the future when we have authoritative data to work with.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open 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% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and casinos closing for over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as casino revenues appear to have dipped mainly due to their closure and not in response to the economic downturn. Before the COVID-19 closure, casino revenues grew modestly as the economy improved. Original projections for FY23-27 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $106.35 million or $59.80 per pupil; actual payments in FY23 were $62.87 per pupil. FY24-27 Casino revenues have resumed their historical growth rate and assume a 2% annual growth rate for the forecast period.

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 March 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 33.34% in FY23. We have flat lined funding at FY23 levels for FY24-27 due to uncertainty on continued funding of the current funding formula. The district has elected also to post Catastrophic Aid for special education as restrict revenues.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
DPIA	$211,227	$211,227	$211,227	$211,227	$211,227
Career Tech - Restricted	1,424	1,424	1,424	1,424	1,424
Gifted	55,453	55,453	55,453	55,453	55,453
ESL	278	278	278	278	278
Student Wellness	211,869	211,869	211,869	211,869	211,869
Catastrophic Aid	35,000	35,000	35,000	35,000	35,000
Restricted Revenues Line #1.040	$515,251	$515,251	$515,251	$515,251	$515,251

C) Restricted Federal Grants in Aid – line #1.045

No restricted federal grants are projected for FY23-27.

Summary	FY 23	FY 24	FY 25	FY 26	FY 27
Unrestricted Line # 1.035	$8,711,729	$8,629,710	$8,631,023	$8,632,348	$8,633,684
Restricted Line # 1.040	$515,251	$515,251	$515,251	$515,251	$515,251
Rest. Fed. Grants #1.045	0	0	0	0	0
Total State Foundation Revenue	$9,226,980	$9,144,961	$9,146,274	$9,147,599	$9,148,935

State Taxes Reimbursement/Property Tax Allocation – Line #1.050

a) Rollback and Homestead Reimbursement

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

Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years or older or disabled regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who did not get a new application approved for the tax year 2013 and who become eligible after that 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 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.

Summary of State Tax Reimbursement – Line #1.050

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Rollback and Homestead	$710,950	$721,143	$724,807	$724,883	$728,584

Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. The primary sources of revenue in this area have been interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, Medicaid reimbursements (CAFS) and general rental fees.

HB110, the current state budget, stopped paying open enrollment as an increase to other revenue for the district. This is projected below as zeroes to help show the difference between projected FY23-27 Line 1.06 revenues and historical FY20 through FY22 revenues on the five-year forecast. Open-enrolled students will be counted in the enrolled student base at the school district they are being educated and state aid will follow the students. Open-enrolled student revenues will be included in Line 1.035 as basic state aid

In FY21 and FY22 interest income fell due to the pandemic; however, in FY23, rates began to rise quickly due to the Federal Reserve's strategy to combat inflation. We have adjusted interest income up in response to higher rates. We will closely monitor our investments to capitalize on these increased rates while they continue. Although increasing interest rates place risk on our local economy, we are able to benefit from the interest rates revenue due to our firm cash reserves.

All other revenues are expected to continue on historical trends.

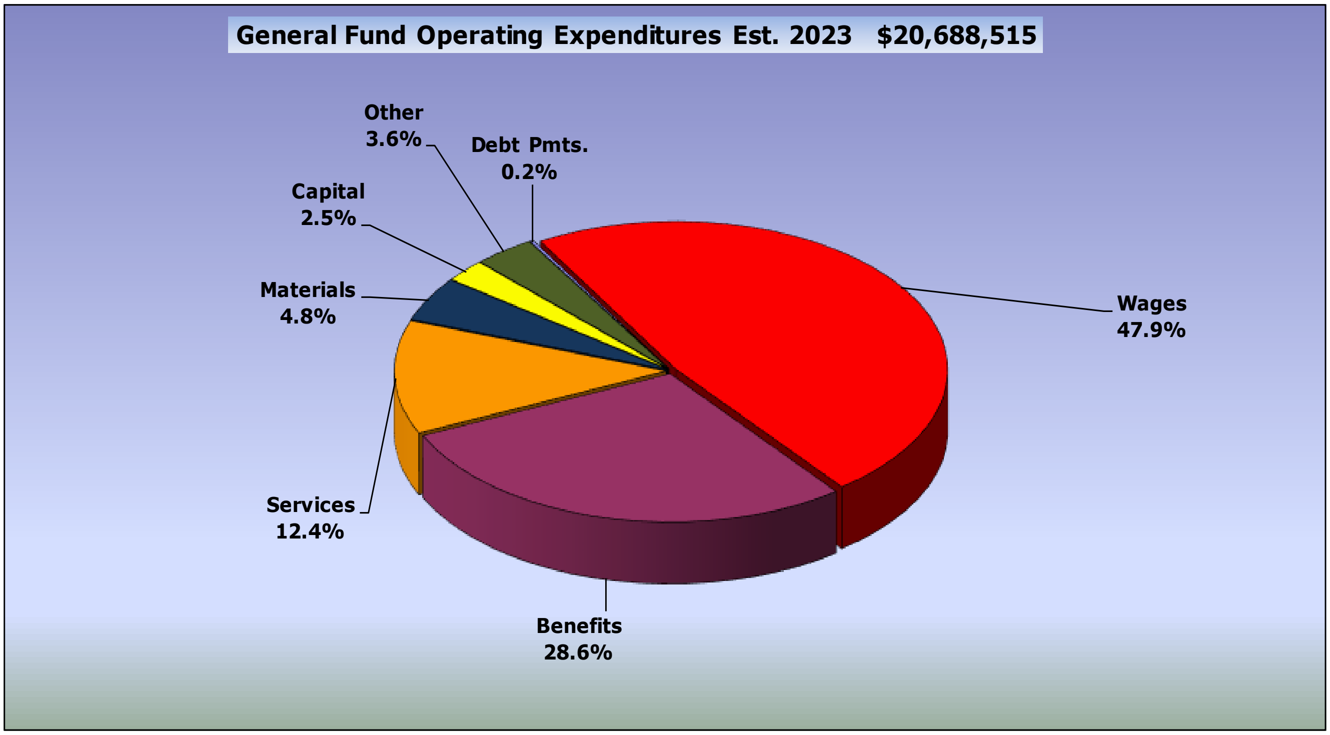
Source	FY 23	FY 24	FY 25	FY 26	FY 27
PILOT Payments	$0	$0	$0	$0	$0
Open Enrollment Gross	0	0	0	0	0
Interest	630,000	636,300	642,663	649,090	655,581
Tuition SF-14 & SF-14H	144,221	145,663	147,120	148,591	150,077
CAFS Funding	7,400	7,400	7,400	7,400	7,400
Other Income and adjustments	222,884	(200,363)	(208,683)	(217,081)	(225,058)
Total Other Local Revenue Line #1.060	$1,004,505	$589,000	$588,500	$588,000	$588,000

Short-Term Borrowing – Lines #2.010 & Line #2.020
There is no short-term borrowing projected in this forecast.

Transfers In / Return of Advances – Line #2.040 & Line #2.050
These are non-operating revenues which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for a prior fiscal year in the current fiscal year. The advances out in the prior fiscal year are expected to be repaid in the current year, as noted in the table below.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Transfers In - Line 2.040	$312,713	$315,000	$315,000	$315,000	$315,000
Advance Returns - Line 2.050	329,186	500,000	500,000	500,000	500,000
Total Transfer & Advances In	$641,899	$815,000	$815,000	$815,000	$815,000

Expenditure Assumptions
All Operating Expense Categories – General Fund FY23



Wages – Line #3.010

The amounts for salaries and benefits are based on existing negotiated agreements and estimates for future settlements. The board of education and classified staff successfully negotiated a 3-year contract beginning FY21 through FY23 with a 4% increase in each year of the contract. The certified staff's contract is for the period of FY22 through FY24. A 4% increase for each year of the contract was negotiated. Costs for salaries also includes: extended time, shift differential, overtime, substitute cost, leave incentive, severances and retirements with replacements. For planning purposes, a 4% base amount has been used for FY24-27. In FY25, FY26 and FY27 positons paid from ESSER funds have been moved to the General Fund. ESSER funding will expire at the end of FY24. A total of 7 full time certified/classified positions in addition to positions related to summer school instruction and bussing will be paid from General Fund.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Total Wages Line #3.010	$9,911,030	$10,071,600	$11,048,469	$12,081,633	$13,173,861

Fringe Benefits Estimates – Line #3.02

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

A) STRS/SERS Retirement Costs

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. In addition, there are negotiated "pick ups" that are paid by the district for certified and administrative staff.

B) Insurance

Due to the district being a self-funded district, their experience and future impact on claims has to be considered. The district has experienced rate increases from 1% to 10% in the past. In FY 23 the district had a

0% increase in their rates. For FY24, the rate increase of 6.46% has been applied. A rate of 10% FY2~~3~~5 through FY27 is being used. The insurance committee will continue to work to shop around for the best benefit at the most reasonable costs.

The Further Consolidated Appropriations Act of 2020 included a full repeal of three taxes initially 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 .95% of wages FY23– FY27. Unemployment is likely to remain at a shallow level FY23-FY27. The district is a direct reimbursement employer, meaning unemployment costs are only incurred and due if we have eligible employees and draw unemployment.

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

Summary of Fringe Benefits – Line #3.020

Source	FY 23	FY 24	FY 25	FY 26	FY 27
STRS/SERS	$1,623,853	$1,656,946	$1,798,451	$1,959,719	$2,132,999
Insurances	4,528,251	4,977,113	5,649,623	6,393,468	7,218,164
Workers Comp/Unemployment	94,199	95,644	104,436	113,735	123,565
Medicare	168,464	171,524	196,030	213,400	231,435
Other adjustments/Tuition	(504,449)	139,082	337,630	214,465	166,248
Total Fringe Benefits Line #3.020	$5,910,318	$7,040,309	$8,086,170	$8,894,787	$9,872,411

Purchased Services – Line #3.030
HB110, the new state budget, will impact Purchased Services beginning in FY22 as the Ohio Department of Education will start to direct pay these costs to the education districts for open enrollment, community, and STEM schools and for scholarships granted to 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 offer these amounts below as zeros to help reflect the difference between projected FY23-FY27 Line 3.03 costs and historical FY20 through FY21 costs on the five-year forecast. College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends. We reduced costs in purchased services for FY20 and 21 for the Fund 467 recoding for our SROs and then returned these costs to the General Fund in FY23-27.

It is anticipated that the costs incurred by special education and utilities will continue to increase. Therefore, the historical trend was utilized to determine increase trends. The district contracts for physical therapy and resource officers. Any increase for FY23 through FY27 was based on each individual budget line. We are working hard to control costs as much as possible in the purchased services area. Since the school district was successful in passing its bond issue in November of 2015, additional costs that were not co-fundable, as well as some anticipated increased costs of operating the new facility, have been included. We will continue to monitor the effects of state budget cuts on the potential reductions in costs to tuition payments made to other organizations that are deducted from our foundation payments.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Base Services	$266,231	$274,218	$282,445	$290,918	$299,646
Tuition, CAFS, Scholarship & CC+	807,816	832,050	857,012	882,722	909,204
Open Enrollment Deduction	0	0	0	0	0
Community School Deduction	0	0	0	0	0
Utilities	309,109	324,564	340,792	357,832	375,724
Other	1,179,205	672,555	828,308	892,512	960,609
Total Purchased Services Line #3.030	$2,562,361	$2,103,387	$2,308,557	$2,423,984	$2,545,183

Supplies and Materials – Line #3.040
The permanent appropriations were used to determine this line item. In FY25 & FY26 we are bringing back cost to the General Fund from ESSER funds for license fees for online curriculum, since ESSER funding will end. Any other increase for FY23 through FY27 is based on each individual budget line.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Supplies	$964,504	$1,012,729	$1,088,365	$1,167,783	$1,251,173
Items for New School	32,007	33,607	35,288	12,053	(12,344)
Total Supplies Line #3.040	$996,511	$1,046,336	$1,123,653	$1,179,836	$1,238,829

Equipment – Line # 3.050
Computers and technological upgrades will be done by using federal and general fund monies when available. General fund monies will be monitored closely. Capital Improvement Set Aside funds will be used as much as possible. In addition, the board of education did not renew the Permanent Improvement Levy at the end of CY 2019. Therefore, we have projected the cost of 3 new busses to this line for FY24-27.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Capital Outlay	$714,004	$403,542	$437,535	$507,363	$580,804
Items for New School	(202,551)	681,793	714,187	714,187	714,187
School Busses	0	303,000	306,030	309,090	312,181
Total Equipment Line #3.050	$511,453	$1,388,335	$1,457,752	$1,530,640	$1,607,172

Principal, Interest and Fiscal Charges– HB264 Loans – Lines #4.05 and #4.06
Funding for the HB 264 project was completed using the Federally Taxable Qualified School Construction Bonds – Direct Pay program. The district is responsible for interest payments. However, due to the funding mechanism, the district will complete a Form 8038-CP for a reduction to the credit payment. If funding is available through the federal government, the district will be reimbursed up to the full amount of the interest payment.

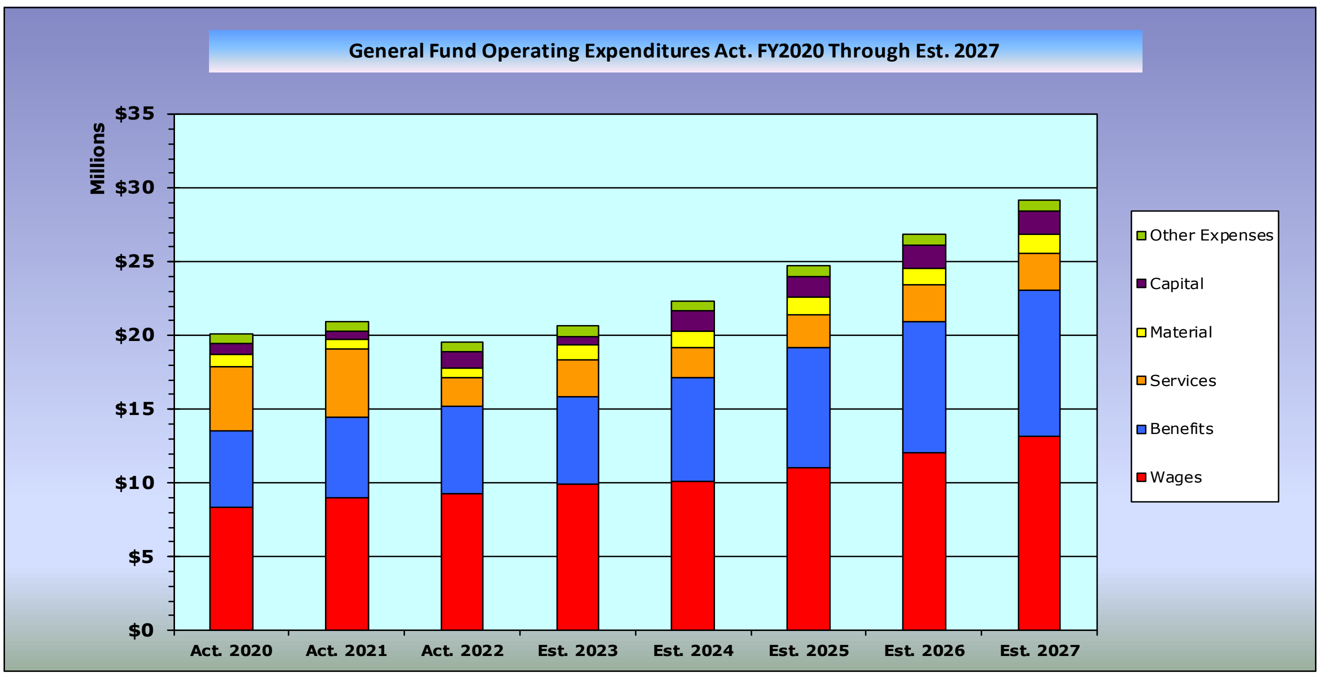
This is for the repayment of principal related to the HB 264 project that was done the summer and fall of 2010. This was for a lighting project at Harrison East Elementary and the Jr. /Sr. High School; and replacement of steam traps at the Jr. /Sr. High School. The final payment will be December 2025.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
HB 264 Principal Line # 4.050	$40,000	$45,000	$45,000	$50,000	$0
Source	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**
Interest on Borrowing Line 4.060	$4,887	$1,500	$1,500	$1,500	$0

Other Expenses – Line #4.300
The category of Other Expenses consists primarily of the County ESC deductions for specialized services provided to the District and Auditor & Treasurer fees. Also, any increase in local taxes will cause Auditor and Treasurer fees to increase as more dollars are collected. A rate of 1% increase is projected in this area.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
County Auditor & Treasurer Fees	$424,572	$441,555	$459,217	$477,586	$496,689
County ESC	56,682	59,516	62,492	65,617	68,898
Other expenses	193,179	195,111	197,062	199,033	201,023
Miscellaneous	77,523	17,249	16,063	14,643	12,976
Total Other Expenses Line #4.300	$751,956	$713,431	$734,834	$756,879	$779,586

Total Expenditure Categories Actual FY20 through FY22 and Estimated FY23 through FY27
The graph below shows an overview of actual and estimated expenses by proportion to the General Fund total.



Transfers Out/Advances Out – Line# 5.010
The expenditures that are reflected are for those transfer of funds from the general fund (001 no special cost center) to the set aside fund~~s~~ (001 with special cost center~~s~~). The board set up the Capital Improvement Fund in FY17. The board of education has determined these revisions were necessary to the success of the new facility and to meet the needs of the students. These costs are not covered by the Ohio School Facility Commission. When the building project is officially closed by the Ohio School Facilities Commission, any excess funds may be returned to the general fund. It is the goal of the board of education to provide a facility that will meet the needs of the district and its students for many years to come. In FY22, the board transferred $5 million dollars for a new baseball field and complex. Beginning in FY23, we are transferring $2 million to the bond retirement fund. It is the goal of the board of education to continue to transfer funds every year thereafter to the bond retirement fund.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Operating Transfers Out Line #5.010	$4,371,055	$2,000,000	$1,500,000	$1,000,000	$1,000,000
Advances Out Line #5.020	198,578	500,000	500,000	500,000	500,000
Total Transfer & Advances Out	$4,569,633	$2,500,000	$2,000,000	$1,500,000	$1,500,000

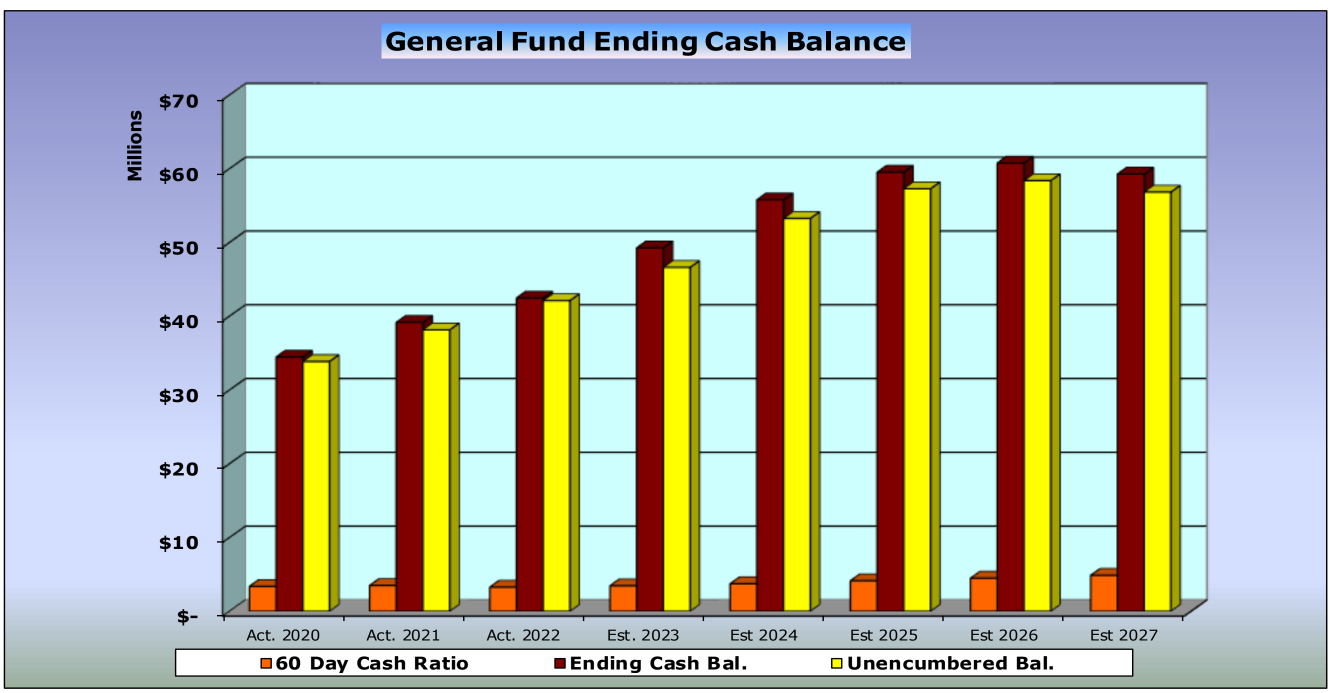
Encumbrances – Line #8.010
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered. Encumbering funds is based on the financial condition of the district.

	FY 23	FY 24	FY 25	FY 26	FY 27
Estimated Encumbrances	$1,451,710	$1,379,513	$1,200,000	$1,200,000	$1,200,000

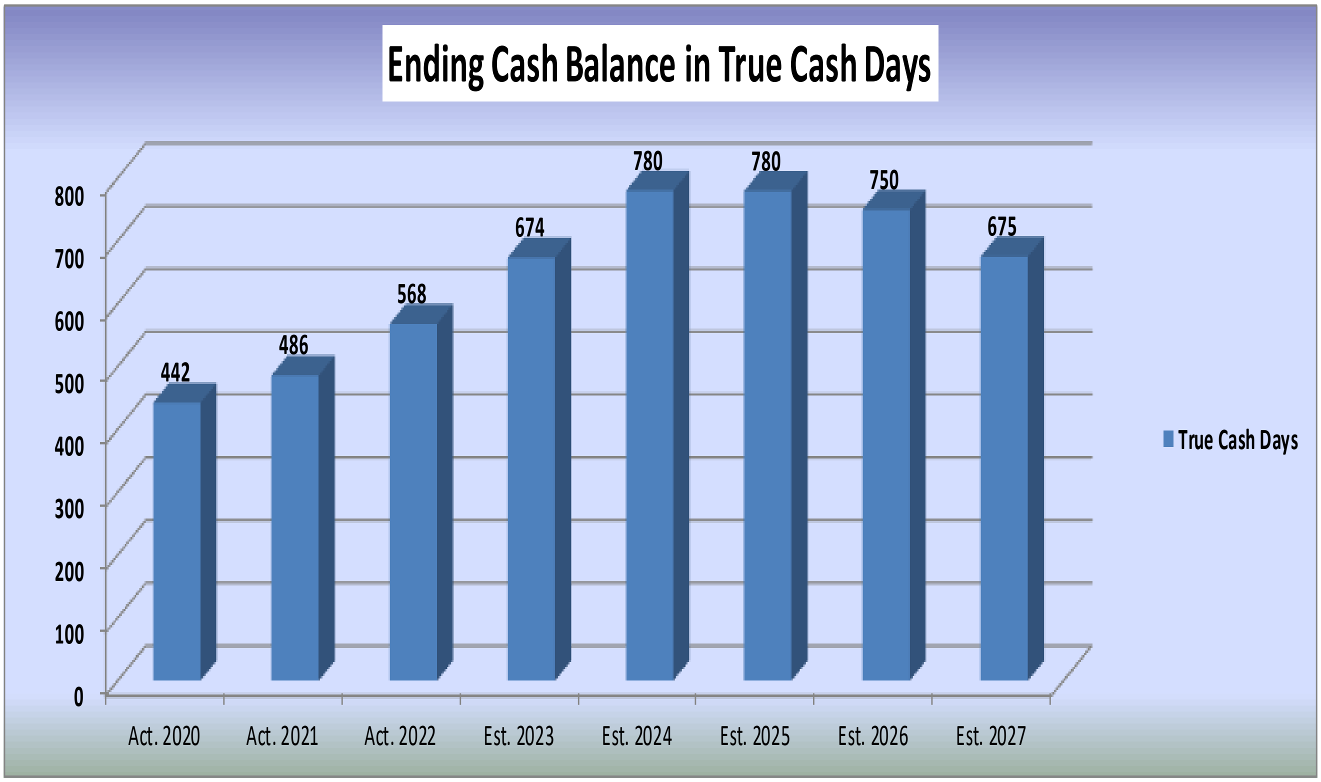
Reserve Assumptions
The district is planning a small budget reserve each of the forecast years. We also are carrying a set aside for capital improvements as required by state law.

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 knowingly signed that results in a negative unencumbered cash balance violate 5705.412, ORC, punishable by the personal liability of $10,000. It is recommended that a district maintains a minimum of thirty (30) day cash balance, which is about $2.05 million for our district.

	FY 23	FY 24	FY 25	FY 26	FY 27
Ending Cash Balance	$ 46,613,647	$ 53,242,973	$ 57,263,736	$ 58,367,988	$ 56,818,521



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) = the number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends that no less than two (2) months or 60 days of 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.



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