DUBLIN SCHOOL DISTRICT- FRANKLIN 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**

DUBLIN CITY SCHOOLS

THE DUBLIN DIFFERENCE

**Forecast Provided By
Dublin School District
Treasurer's Office
Brian Kern, Treasurer/CFO
May 9, 2022**

Dublin City School District

Franklin County

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

		Actual				Forecasted				
		Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Average Change	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
	Revenues									
1.010	General Property Tax (Real Estate)	$163,722,569	$176,758,010	$184,005,969	6.0%	$193,380,833	$185,573,888	$187,220,303	$189,267,963	$191,087,811
1.020	Public Utility Personal Property Tax	6,833,014	7,725,156	8,227,580	9.8%	9,204,581	9,720,984	9,806,484	9,891,984	9,977,484
1.030	Income Tax	-	-	-	0.0%	-	-	-	-	-
1.035	Unrestricted State Grants-in-Aid	20,086,878	18,176,271	19,142,915	-2.1%	19,868,312	20,132,876	20,164,823	20,197,734	20,220,300
1.040	Restricted State Grants-in-Aid	934,517	990,191	942,570	0.6%	1,316,719	1,260,513	1,260,513	1,260,513	1,260,513
1.045	Restricted Federal Grants In Aid	-	-	-	0.0%	-	-	-	-	-
1.050	Property Tax Allocation	14,994,998	15,361,276	15,604,209	2.0%	15,894,557	15,812,919	15,985,341	16,146,442	16,271,940
1.060	All Other Revenues	4,724,651	7,691,928	2,891,067	0.2%	5,908,358	4,832,959	4,853,133	4,873,508	4,894,088
1.070	***Total Revenues***	$211,296,627	$226,702,832	$230,814,310	4.6%	$245,573,360	$237,334,139	$239,290,597	$241,638,144	$243,712,136
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	3,250,879	-	-	0.0%	-	-	-	-	-
2.020	State Emergency Loans (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	-	-	-	0.0%	-	-	-	-	-
2.050	Advances-In	530,977	539,000	582,400	4.8%	3,441,100	575,000	575,000	575,000	575,000
2.060	All Other Financing Sources	2,274	1,219,197	3,222,295	999.9%	173,567	5,733	5,733	5,733	5,733
2.070	*Total Other Financing Sources*	$3,784,130	$1,758,197	$3,804,695	31.4%	$3,614,667	$580,733	$580,733	$580,733	$580,733
2.080	***Total Revenues and Other Financing Sources***	$215,080,757	$228,461,029	$234,619,005	4.5%	$249,188,027	$237,914,872	$239,871,330	$242,218,877	$244,292,869
	Expenditures									
3.010	Personal Services	$132,649,766	$138,049,404	$144,154,790	4.2%	$154,159,412	$162,321,638	$171,483,530	$182,645,610	$190,877,697
3.020	Employees' Retirement/Insurance Benefits	42,881,363	44,831,458	48,531,041	6.4%	53,558,507	57,784,432	62,470,544	68,478,451	73,633,180
3.030	Purchased Services	15,214,548	14,623,426	16,277,241	3.7%	18,420,872	19,296,571	20,214,694	21,177,323	22,186,640
3.040	Supplies and Materials	4,984,689	7,112,740	5,825,804	12.3%	6,560,629	6,757,448	6,960,172	7,168,976	7,384,045
3.050	Capital Outlay	9,089,786	3,177,114	1,344,867	-61.4%	1,706,496	1,791,821	1,881,412	2,975,483	3,124,257
4.060	Interest and Fiscal Charges	170,859	-	-	0.0%	-	-	-	-	-
4.300	Other Objects	2,176,645	2,769,797	2,985,887	17.5%	3,349,037	3,683,692	3,748,896	3,815,375	3,883,159
4.500	***Total Expenditures***	$207,167,656	$210,563,939	$219,119,630	2.9%	$237,754,953	$251,635,602	$266,759,248	$286,261,218	$301,088,978
	Other Financing Uses									
5.010	Operating Transfers-Out	$551,050	$521,050	$677,050	12.2%	$491,050	$566,050	$566,050	$566,050	$566,050
5.020	Advances-Out	539,000	582,400	3,441,100	249.5%	575,000	575,000	575,000	575,000	575,000
5.030	All Other Financing Uses	23,551	13,691	8,880	-38.5%	-	-	-	-	-
5.040	*Total Other Financing Uses*	$1,113,601	$1,117,141	$4,127,030	134.9%	$1,066,050	$1,141,050	$1,141,050	$1,141,050	$1,141,050
5.050	***Total Expenditures and Other Financing Uses***	$208,281,257	$211,681,080	$223,246,660	3.5%	$238,821,003	$252,776,652	$267,900,298	$287,402,268	$302,230,028
6.010	***Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses***	$6,799,500	$16,779,949	$11,372,345	57.3%	$10,367,024	($14,861,780)	($28,028,968)	($45,183,391)	($57,937,159)
7.010	**Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies**	$79,188,007	$85,987,507	$102,767,456	14.1%	$114,139,801	$124,506,825	$109,645,046	$81,616,078	$36,432,687
7.020	***Cash Balance June 30***	$85,987,507	$102,767,456	$114,139,801	15.3%	$124,506,825	$109,645,046	$81,616,078	$36,432,687	($21,504,472)
8.010	***Estimated Encumbrances June 30***	$7,211,593	$3,147,074	$3,146,277	-28.2%	$3,300,000	$3,300,000	$3,300,000	$3,300,000	$3,300,000
10.010	***Fund Balance June 30 for Certification of Appropriations***	$78,775,914	$99,620,382	$110,993,524	18.9%	$121,206,825	$106,345,046	$78,316,078	$33,132,687	($24,804,472)
12.010	***Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations***	$78,775,914	$99,620,382	$110,993,524	18.9%	$121,206,825	$106,345,046	$78,316,078	$33,132,687	($24,804,472)
15.010	***Unreserved Fund Balance June 30***	$78,775,914	$99,620,382	$110,993,524	18.9%	$121,206,825	$106,345,046	$78,316,078	$33,132,687	($24,804,472)

Dublin School District –Franklin County
Notes to the Five Year Forecast
General Fund Only
May 9, 2022

Introduction to the Five Year Forecast

A forecast is somewhat like a painting of the future based upon a snapshot of today. That snapshot, however, will be adjusted and the further into the future the forecast extends, the more likely it is that the projections will deviate from actual experience. A variety of events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/ replacement), salary increases, or businesses moving in or out of the district. The five-year forecast is viewed as a key management tool and must be updated periodically. 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 ODE when events take place that will significantly change their forecast or, at a minimum, when required under statute.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions to the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are especially important to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

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

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 #1.070) are estimated to be $245,573,360 or 4.08% higher than the November forecasted amount of $235,935,552. This indicates the November forecast was 95.92% accurate. The majority of the $9.6 million variance resulted from much higher than normal BOR/BTA collections and a PUPP assessed valuation increase that was $12 million over estimates.

Line #1.010 and 1.020 - Property tax revenues represent our largest source of revenues at 82.5% and are estimated to be $202,585,414 which is $8,967,755 higher for FY22 than the original estimate of $193,617,659. Our estimates are 95.4% accurate for FY22 and should mean future projections are on target as well.

Line #1.035 and 1.040 - 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 $21,185,031 which is $1,371,712 lower than the original estimate for FY22. We are pleased that with very little detail we were able to be 93.9% accurate for FY22. We are currently on the formula however, we are expected to move to the guarantee for FY23 through FY26.

Line #1.060 - Other revenues are up $1,846,850 over original estimates primarily due to added miscellaneous revenue received by the district which is somewhat unpredictable.

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 $237,754,953 for FY22 which is 0.32 % Higher than the estimated $236,996,336 for the November forecast. This difference is the result of higher than expected purchased services and capital outlay.

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 approximately $121,206,825. The ending unreserved cash balance on Line #15.010 of the forecast is anticipated to be a positive accumulative balance through 2025 if assumptions we have made for 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:

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 continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes as the pandemic ends and the economy continues its recovery as anticipated. Total local revenues which are predominately local taxes equate to 84.9% of the district's resources. Our tax collections in the August 2021 and March 2022 settlements did not fall due to higher delinquencies as anticipated due to the brief rise in unemployment due to the pandemic in 2020. Longer term we believe there is a low risk that local collections would fall below projections throughout the forecast.

2) The state budget represented 15.1% of district revenues, which means it is a significant area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls due to record high inflation we are witnessing at this time, or the Fair School Funding Plan is not funded in future state budgets due to an economic downturn. 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.

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, 1.040, 1.060 and 3.030 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.

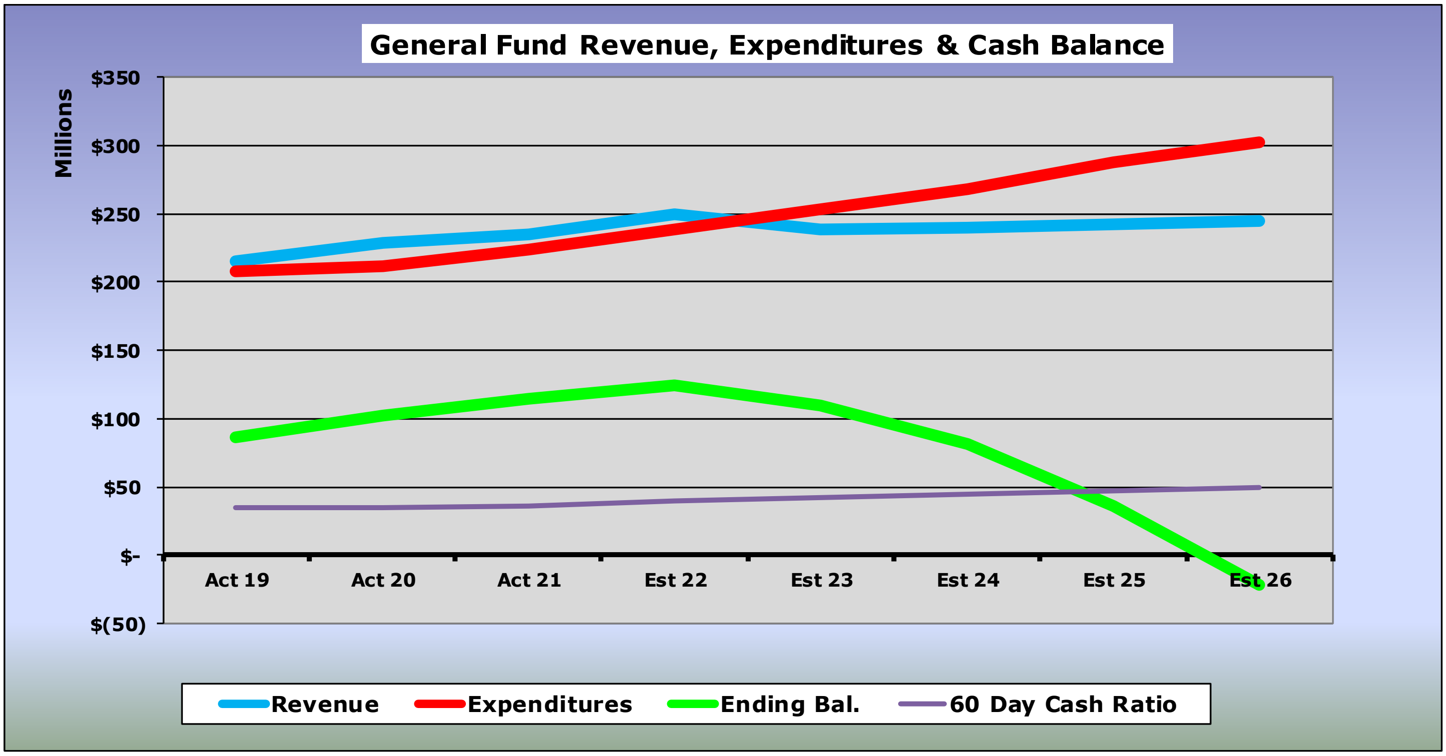
3) HB110 direct pays costs associated with open enrollment, community and STEM schools, and for all scholarships including EdChoice Scholarships. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus which continue to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

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

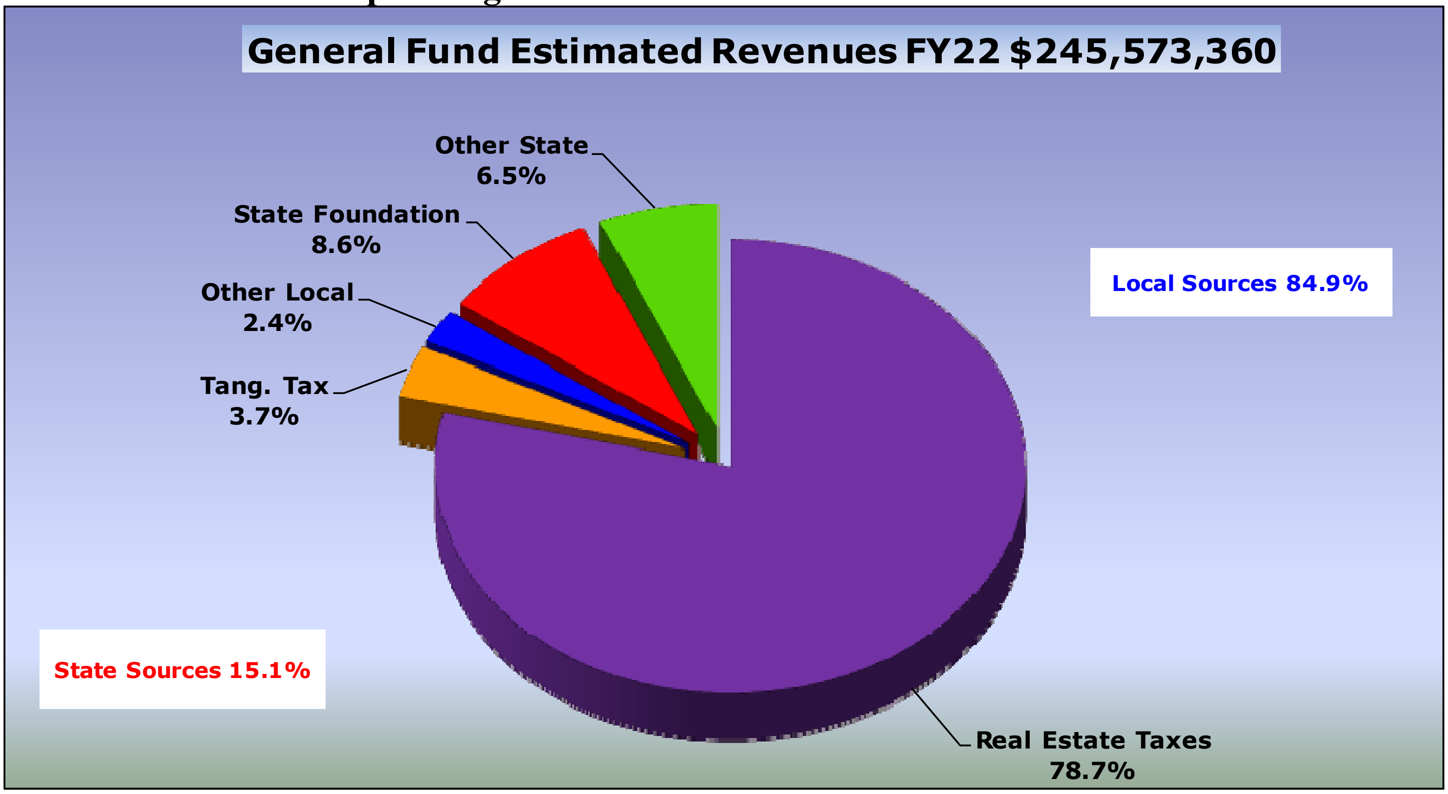
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Brian Kern, Treasurer/CFO at 614.760.4310.

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

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



Revenue Assumptions
Operating Revenue Sources General Fund FY22



Real Estate Value Assumptions – Line #1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Franklin and Delaware counties experienced a reappraisal for the 2017 tax year to be collected in 2018. Residential/agricultural values increased 7.04% or $159.90 million due to the reappraisal update led by an improving housing market. Additionally, commercial/industrial values increased 5.63% or $42.68 million. This led to an overall increase of $202.58 million or 6.68%. In addition, Union County had a full reappraisal occur in 2019 to be collected in 2020. Here we experienced an increase in Class I residential/agricultural values of $37.78 million or 1.50%. Class II commercial/industrial values increased at 0.08% or $654,450.

Franklin and Delaware Counties had a reappraisal update in 2020 to be collected in 2021 and a full reappraisal will occur in 2023 to be collected in 2024. The 2020 reappraisal update provided an overall increase in value of $538.65 million or 15.57%. For the 2023 reappraisal we are estimating an increase in values of $196.5 million or 4.8%. Union County is our third county and had a full reappraisal occur in 2019 to be collected in 2020 with an update scheduled to occur in 2022 and collected in 2023 and we are estimating a 1.0% increase in residential and a 0.0% increase for commercial/industrial property. Total Assessed values for TY2021 increased by 1.24% or $50.6 million over TY20. This increase was largely due to an increase in new construction, PUPP and reappraisal/update value adjustments.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Actual TAX YEAR2021 COLLECT 2022	Estimated TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR2025 COLLECT 2026
Res./Ag.	$3,074,303,980	$3,128,017,020	$3,307,387,871	$3,330,357,871	$3,386,631,450
Comm./Ind.	960,928,580	968,328,580	985,411,866	992,811,866	1,000,211,866
Public Utility Personal Property (PUPP)	113,195,720	114,195,720	115,195,720	116,195,720	117,195,720
Total Assessed Value	$4,148,428,280	$4,210,541,320	$4,407,995,457	$4,439,365,457	$4,504,039,035

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY22	FY23	FY24	FY25	FY26
Est. Real Estate Taxes	$171,933,621	$171,039,475	$172,799,944	$174,451,044	$175,863,427
TIF Tax Collections	13,658,796	14,034,413	14,420,359	14,816,919	15,224,384
BOR/BTA Tax Collections	7,788,416	500,000	0	0	0
Total Line #1.010 Real Estate Taxes	$193,380,833	$185,573,888	$187,220,303	$189,267,963	$191,087,811

Property tax levies are estimated to be collected at 98% of the annual amount. This allows 2% delinquency factor. Lower collection rates predicted due to the COVID-19 economic slowdown did not occur as advised by the County Auditor. The districts total collection rate in calendar year 2020 was approximately 99.15%. In general, 52.05% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 47.95% collected in the August tax settlement. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the County Auditor and are noted in Line #1.020 totals below.

A note about H.B. 126 that just passed the state legislature and signed into law. BOR/BTA will be eliminated as a result of H.B. 126 that the Governor signed into law on April 21, 2022. From FY19 to FY21, BOR/BTA revenue has represented an average of 1.8% or $3 million of our real estate taxes annually. As seen in the table above, in FY22 these settlements realized $7.8 million in revenue to our district which is nearly 2 mills of additional taxes. We still should have some small amount for BOR/BTA revenues in FY23 then we anticipate this will be gone due to legislative action at the state level which will hurt school districts across Ohio.

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

Estimated Tangible Personal Tax & PUPP Taxes – Line #1.020
The phase out of Tangible Personal Property (TPP) taxes began in FY06 with HB66 adopted in June 2005 and the provisions of the legislation that general tangible personal property tax would be eliminated after FY11. Any TPP revenues received FY12 and beyond are delinquent TPP taxes.

Amounts noted below are public utility personal property (PUPP) tax payments from public utilities. The values for PUPP are noted on the table above and are typically 50% in February and 50% in August along with the real estate settlements from the county auditor. We are estimating PUPP values to grow $1.0 million each year of the forecast period.

Source	FY22	FY23	FY24	FY25	FY26
Public Utility Personal Property	$9,204,581	$9,720,984	$9,806,484	$9,891,984	$9,977,484

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

Current State Funding Model Per HB110 Through June 30, 2023

A) Unrestricted State Foundation Revenue – Line #1.035
The 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 (state revenue received above the FY21 funding base) in FY22 however, we are expected to move to the **guarantee** for 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, 1.040, 1.060 and 3.030 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 state wide average costs will not update for FY23 and remains frozen at FY18 levels, while other factors impacting a districts local capacity will update for FY23. Base costs per pupil includes funding for five (5) areas:

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

<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 $7,350.77 per pupil in FY22, the FSFP calculates a state share percentage (SSP) calculation. The state share percentage in concept will be higher for districts will 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 item 1 through 3 above added together the total is then multiplied by a Local Share Multiplier Index from 0% for low wealth districts to a maximum of 2.5% for wealthy districts.

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

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

Unrestricted Categorical State Aid
1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). Also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all 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. In general, districts whose state share percentage is less than 33.33% will see a benefit from the increase to 33.33% funding.

Restricted Categorical State Aid
1. Disadvantage Pupil Impact Aid (DPIA) - Formerly Economically Disadvantaged Funding is based on number and concentration of economically disadvantaged students compared to state average and multiplied by $422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23.
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.

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

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

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

Future State 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 in the forecast for FY23 through FY26.

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

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a 0.4% decline in pupils to 1,778,441 and GCR increasing to $106.35 million or $59.80 per pupil, actual payments in FY22 were $62.87 per pupil. FY22 Casino revenues have resumed their historical growth rate and assume a 2% annual growth rate for the forecast period.

Source	FY22	FY23	FY24	FY25	FY26
Basic Aid-Unrestricted	$17,729,422	$17,962,946	$17,962,946	$17,962,946	$17,962,946
Additional Aid Items	1,112,104	1,112,104	1,112,104	1,112,104	1,112,104
Basic Aid-Unrestricted Subtotal	18,841,526	19,075,050	19,075,050	19,075,050	19,075,050
Ohio Casino Commission ODT	1,026,786	1,057,826	1,089,773	1,122,684	1,145,250
Total Unrestricted State Aid Line #1.035	$19,868,312	$20,132,876	$20,164,823	$20,197,734	$20,220,300

A) Restricted State Revenues – Line #1.040
HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under "Restricted Categorical Aid" for Gifted, English Learners (ESL) and Student Wellness. Using current 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.

Source	FY22	FY23	FY24	FY25	FY26
DPIA	$25,708	$25,690	$25,690	$25,690	$25,690
Career Tech - Restricted	8,088	7,179	7,179	7,179	7,179
Gifted	428,970	390,221	390,221	390,221	390,221
ESL	217,191	200,681	200,681	200,681	200,681
Student Wellness	636,762	636,742	636,742	636,742	636,742
Total Restricted State Revenues Line #1.040	$1,316,719	$1,260,513	$1,260,513	$1,260,513	$1,260,513

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

SUMMARY	FY22	FY23	FY24	FY25	FY26
Unrestricted Line #1.035	$19,868,312	$20,132,876	$20,164,823	$20,197,734	$20,220,300
Restricted Line #1.040	1,316,719	1,260,513	1,260,513	1,260,513	1,260,513
Total State Foundation Revenue	$21,185,031	$21,393,389	$21,425,336	$21,458,247	$21,480,813

State Taxes Reimbursement/Property Tax Allocation
A) Rollback and Homestead Reimbursement
Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given owner-occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59. HB66, the FY06-07 budget bill, previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are credits paid to the district from the State of Ohio for qualified elderly and disabled. In 2007, HB119 expanded the Homestead Exemption for all seniors 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013, HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Summary of State Tax Reimbursement – Line #1.050

Source	FY22	FY23	FY24	FY25	FY26
a) Rollback and Homestead	$15,894,557	$15,812,919	$15,985,341	$16,146,442	$16,271,940
Total Tax Reimbursements #1.050	$15,894,557	$15,812,919	$15,985,341	$16,146,442	$16,271,940

Other Local Revenues – Line #1.060
We have elected to show revenue sharing agreements such as the Bridge Street Agreement with the City of Dublin and Payment In Lieu of Taxes (PILOT) payments in other income separate from property taxes on Line #1.010. These are the largest other revenue sources in the General fund other than rentals, interest income and other miscellaneous revenues. These are estimated to generally grow at 1% per year and based on trend data we have

observed. Beginning in FY22 interest is expected to be dramatically lower than FY20 and FY21 due to federal funds rate reductions which will impact our earning capability in this area. All other revenues are expected to continue on historic trends. The COVID-19 shutdown could reduce future collections of state funded tuition reimbursements. At this time we will continue monitoring this line of the forecast for future projections. Beginning in FY22 we will reflect Catastrophic Aid reimbursement from the state of Ohio in other revenues and not as restricted state funding. These are reimbursements to our district for dollars we have spent above and beyond the states categorical funding for special needs students.

Source	FY22	FY23	FY24	FY25	FY26
City of Dublin Bridge St. Agreement	$1,500,000	$1,500,000	$1,500,000	$1,500,000	$1,500,000
PILOT payments	6,805	6,805	6,805	6,805	6,805
Tuition & Catastrophic Aide payments	1,675,707	1,377,464	1,391,239	1,405,151	1,419,203
Interest	869,105	719,105	719,105	719,105	719,105
Dues, Fees, Rentals & Other	633,575	639,911	646,310	652,773	659,301
Medicaid and Misc. Receipts	1,223,166	589,674	589,674	589,674	589,674
Total Line #1.060	$5,908,358	$4,832,959	$4,853,133	$4,873,508	$4,894,088

Short-Term Borrowing – Lines #2.010 & Line #2.020

No borrowing is anticipated in this forecast period. In recent history however, in FY18 we borrowed Bond Anticipation Notes we identified as Series 2017A to purchase the Emerald Parkway Building. The $9.45 million is estimated to be borrowed over a 2 year period at a 1.415% interest rate. A second Bond Anticipation Note Series 2017B is a $9.1 million credit line at 1.99% that we will only draw $3.5 million on in FY19 due to passage of the November 6, 2018 bond issue, which will be used to pay for renovation costs of the new Emerald Parkway Building over the period FY18-20. The final maturity and principal for these debts will come from the November 6, 2018 bond issue.

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 during the previous fiscal year and reimbursements for expenses incurred in the previous fiscal year. In FY22, advances were dramatically higher due to the COVID related Federal grant expenses. All advances during the current year are planned to be returned in the succeeding fiscal year and are not considered operating revenues and are of an immaterial amount.

Source	FY22	FY23	FY24	FY25	FY26
Transfers In - Line #2.040	$0	$0	$0	$0	$0
Advance Returns - Line #2.050	3,441,100	575,000	575,000	575,000	575,000
Total Transfer & Advances In	$3,441,100	$575,000	$575,000	$575,000	$575,000

All Other Financial Sources – Line #2.060

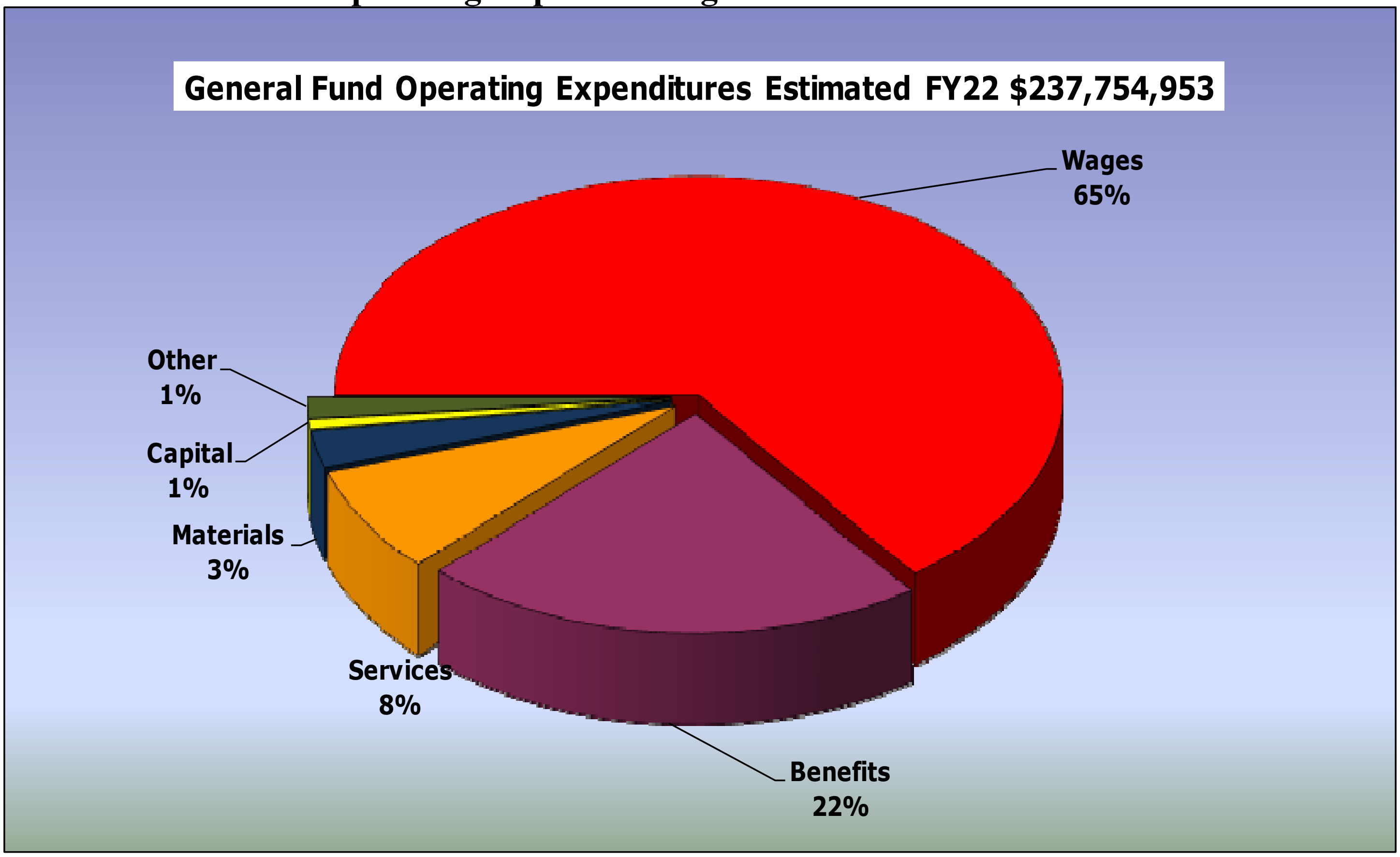
This funding source is typically a refund of prior year expenditures that is very unpredictable. In FY20 and FY21we received several Bureau of Workers Compensation (BWC) refunds that we did not receive in FY22. These revenues are inconsistent year to year and we will not project BWC refunds in the remainder of the forecast.

Source	FY22	FY23	FY24	FY25	FY26
Refund of prior years expenditures	$173,567	$5,733	$5,733	$5,733	$5,733

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

All Operating Expense Categories - General Fund FY22



Wages – Line #3.010

The model reflects pay increases approved by the Board of Education for certificated, administrative and classified staff for FY22 and FY23 of 2.0% for both years. Estimated wage increases based on historical trend and step increases are included for FY21-FY25. **We have included new staffing to open one (1) new middle school in FY22**. Also, the 37 additional teachers needed at the Virtual Academy are being charged to the ARP ESSER Fund for FY22. In FY23 we will reduce the number of Virtual Academy teachers to 15 while the remaining 22 teachers will be used to fill vacancies through attrition at the buildings which will not impact the General Fund. The 15 Virtual Academy teachers will continue to be paid from ARP ESSER until these funds are spent out in approximately FY24. We have recoded the ESSER fund 507 wage and fringe benefit expenses to the General Fund through FY25. We recoded existing qualified costs from our General Fund to Fund 467 as noted below and when the funds were spent out we returned these costs to the General Fund in FY22 per the new state funding model contained in HB110.

Source	FY22	FY23	FY24	FY25	FY26
Base Wages	$138,582,797	$148,537,788	$156,649,934	$165,761,292	$176,872,380
Based Pay Increase	2,771,656	2,970,756	3,132,999	3,315,226	3,537,448
Steps & Academic Training	2,693,205	2,660,790	2,851,926	3,007,679	3,182,617
Growth Staff	2,496,951	1,910,906	1,697,433	1,786,183	1,460,568
New Building Staff	3,381,754	461,779	0	0	0
Substitutes	55,398	55,564	55,731	55,898	56,066
Supplementals	2,692,065	2,718,986	2,746,176	2,773,638	2,801,374
Stipends/OT/Severence & Misc.	2,874,161	2,897,154	2,920,331	2,943,694	2,967,244
Wage Adjustments Fd. 467 & 507	(1,388,575)	107,915	1,429,000	3,002,000	0
Total Wages Line #3.010	$154,159,412	$162,321,638	$171,483,530	$182,645,610	$190,877,697

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

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

B) Insurance
In FY20 the district was pleased to receive a 2.7% rate increase, following three years of rate decreases prior. In FY21 the district received a 6.5% increase and rates are expected to increase 8.0% in FY22-24 and 9.0% for FY25-26. Our estimates are based on our current employee census and claims data. This could increase at a much higher rate should claims increase dramatically.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. “Cadillac Tax”), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation
Workers Compensation is expected to be about 0.35% of wages FY22-FY26. Unemployment is expected to remain at a very low level FY22-FY26. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

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

Summary of Fringe Benefits – Line #3.020

Source	FY22	FY23	FY24	FY25	FY26
A) STRS/SERS	$23,300,744	$24,566,899	$25,950,154	$27,625,826	$28,916,096
B) Insurance's	27,216,921	29,984,874	33,130,613	37,257,960	40,958,791
C) Workers Comp/Unemployment	579,358	703,993	738,390	780,480	829,806
D) Medicare	2,278,877	2,346,059	2,468,780	2,631,578	2,745,880
Other/Tuition/Annuities	182,607	182,607	182,607	182,607	182,607
Total Fringe Benefits Line #3.020	$53,558,507	$57,784,432	$62,470,544	$68,478,451	$73,633,180

Purchased Services – Line #3.030

One of the largest expenses in this area is contracted payment for substitute teachers with the ESC-COG of Central Ohio which reduces district costs to acquire substitutes, and other contract services purchased for special education and other areas of special needs. **With passage of the new permanent improvement levy and $195 million bond issue we have been able to move some targeted capital and maintenance cost items to these funds beginning in FY19 that were planned to spent from the General Fund. This will help reduce capital costs in the General Fund and prolong our new 5.9 mill operating levy**. We have estimated utilities to rise due to recent sharp increases in all forms of carbon derived energy and the likelihood of increasing electric rates due to large capital investments being made by AEP in infrastructure which will ultimately become approved rate hikes. **We increased costs for additional utility costs in FY21 for two (2) new elementary schools and in FY22 for one (1) new middle school building, (1) online academy building, and additions to Jerome High School.** Additional ESSER II and III funds have been allocated to our district that can be used through September, 2023 and September 2024 which will continue to offset the COVID-19 expenses noted above and help with academic support for lost learning due to school closures as a result of the pandemic.

Source	FY22	FY23	FY24	FY25	FY26
Legal Fees, Prof. Development, Other Misc.	$988,617	$1,018,276	$1,048,824	$1,080,289	$1,112,698
ESC Substitutes & Training, SRO, Other Misc.	9,112,075	9,567,679	10,046,063	10,548,366	11,075,784
Repairs & Maint., Property Ins., Other Misc.	3,844,496	4,036,721	4,238,557	4,450,485	4,673,009
Tuition, Excess Costs, CCP, Other Misc.	935,147	963,201	992,097	1,021,860	1,052,516
Student Transportation	343,477	353,781	364,394	375,326	386,586
Utilities	3,197,060	3,356,913	3,524,759	3,700,997	3,886,047
Total Purchased Services Line #3.030	$18,420,872	$19,296,571	$20,214,694	$21,177,323	$22,186,640

Supplies and Materials – Line #3.040

An overall inflation of 3.0% is being estimated for this category of expenses which are characterized by textbooks, copy paper, maintenance supplies and fuel. Graded Course of Study adoptions have been planned for the forecast period to keep curriculum materials current district-wide. **We have adjusted costs for supplies and materials to open two (2) new elementary buildings in FY21 and one (1) new middle school in FY22.** Additional ESSER II and III funds have been allocated to our district that can be used through September, 2023 and September 2024 which will continue to offset the COVID expenses noted above and help with academic support for lost learning due to school closures as a result of the pandemic.

Source	FY22	FY23	FY24	FY25	FY26
General Office Supplies and Materials	$3,366,150	$3,467,135	$3,571,149	$3,678,283	$3,788,631
Textbooks/GCOS/Building Repairs	1,901,575	1,958,622	2,017,381	2,077,902	2,140,239
Transportation Fuel and Supplies	1,292,904	1,331,691	1,371,642	1,412,791	1,455,175
Total Line #3.040	$6,560,629	$6,757,448	$6,960,172	$7,168,976	$7,384,045

Equipment – Line #3.050

With the passage of the new permanent improvement levy and $195 million bond issue approved November 6, 2018 we have moved several items previously planned to be spent from the General Fund to the permanent improvement or bond issue, and away from the General Fund. We continue to use funds from the City of Dublin agreement to purchase and update technology in the district. **Bus purchases will be moved to the permanent improvement fund due to passage of the new levy.** Additional ESSER II and III funds have been allocated to our district that can be used through September, 2023 and September 2024 which will continue to offset the COVID expenses noted above and help with academic support for lost learning due to school closures as a result of the pandemic.

Source	FY22	FY23	FY24	FY25	FY26
Capital Outlay & Maintenance	$482,281	$506,395	$531,715	$558,301	$586,216
Replacement Bus Purchases	0	0	0	0	0
Technology and Equipment Purchases	1,224,215	1,285,426	1,349,697	2,417,182	2,538,041
Total Equipment Line #3.050	$1,706,496	$1,791,821	$1,881,412	$2,975,483	$3,124,257

Interest and Fiscal charges on Short-Term BANS – Line #4.060

The district borrowed short-term BANS to purchase and renovate the Emerald Parkway Building through Series A & B Bond Anticipation Notes. **Beginning in FY20 these costs will be paid from the new $195 million bond issue and moved away from the General Fund.**

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of County Auditor and Treasurer Fees for collection of property taxes and advertising for delinquent taxes. Other expenses are liability insurance and dues and fees. County ESC deductions for fees provided to the District and membership for participation in SB140 City County Agreement.

Source	FY22	FY23	FY24	FY25	FY26
County Auditor & Treasurer Fees	$2,705,169	$3,020,508	$3,065,816	$3,111,803	$3,158,480
ESC Deduction	101,673	104,723	107,865	111,101	114,434
Other expenses	542,195	558,461	575,215	592,471	610,245
Total Other Expenses Line #4.300	$3,349,037	$3,683,692	$3,748,896	$3,815,375	$3,883,159

Transfers Out/Advances Out – Line #5.010

This account group covers fund to fund transfers and end of year short term loans from the General Fund to other funds until they have received reimbursements to repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. We have included a transfer from General Fund (001) $380,000 to the Sinking Fund (002) to pay our debt for the HB264 project, $35,000 for summer school and $76,050 for high school athletic funds. Beginning in FY23 we will transfer an additional $60,000 to middle school athletic funds. We have to estimate advances to be $575,000 for each year to cover year-end negative balances in our federal grant funds.

Source	FY22	FY23	FY24	FY25	FY26
Operating Transfers Out Line #5.010	$491,050	$566,050	$566,050	$566,050	$566,050
Advances Out Line #5.020	575,000	575,000	575,000	575,000	575,000
Total Transfer & Advances Out	$1,066,050	$1,141,050	$1,141,050	$1,141,050	$1,141,050

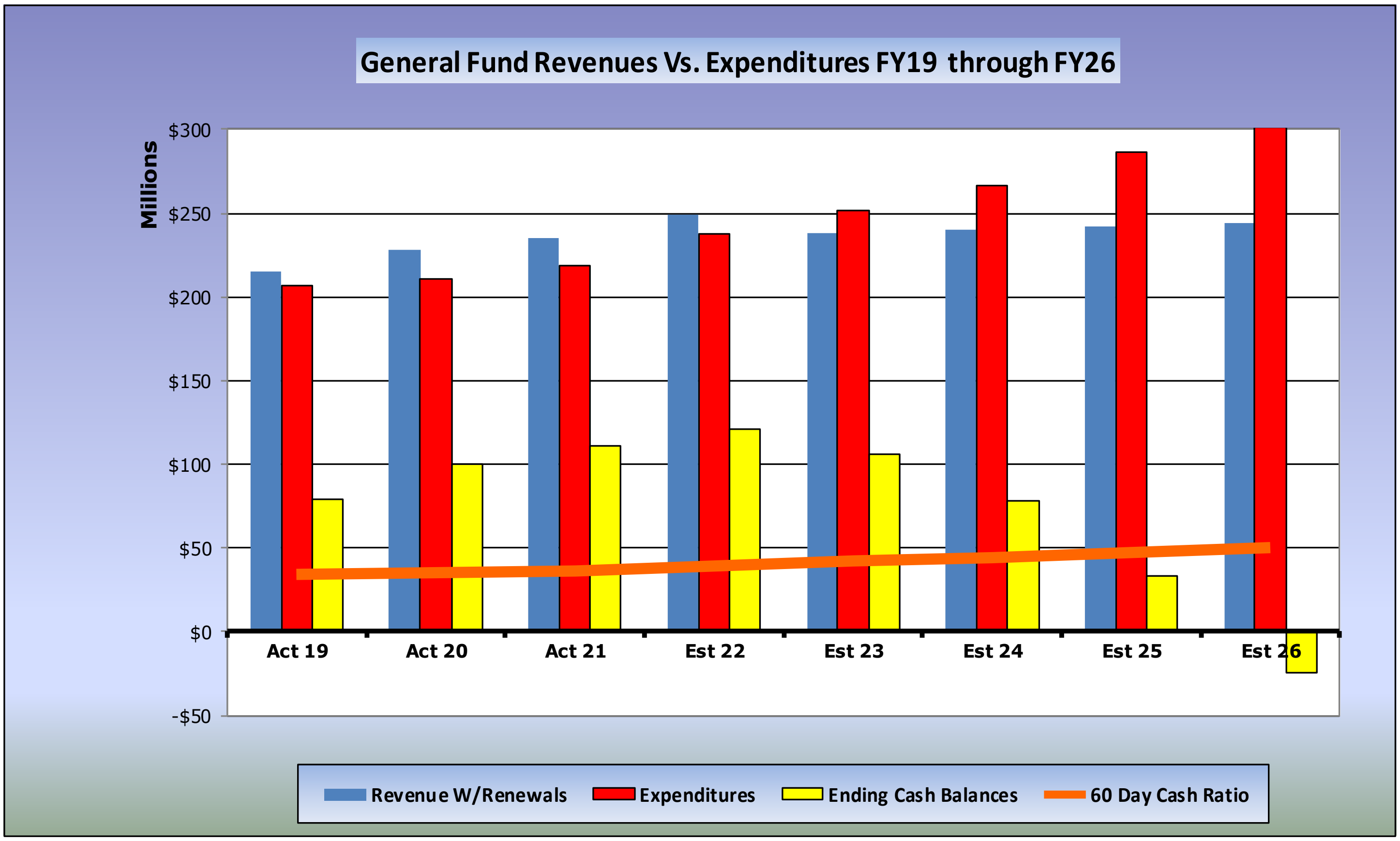
Encumbrances –Line #8.010

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.

	FY22	FY23	FY24	FY25	FY26
Estimated Encumbrances	$3,300,000	$3,300,000	$3,300,000	$3,300,000	$3,300,000

Operating Expenditures Actual FY19 through FY21 and Estimated FY22-FY26

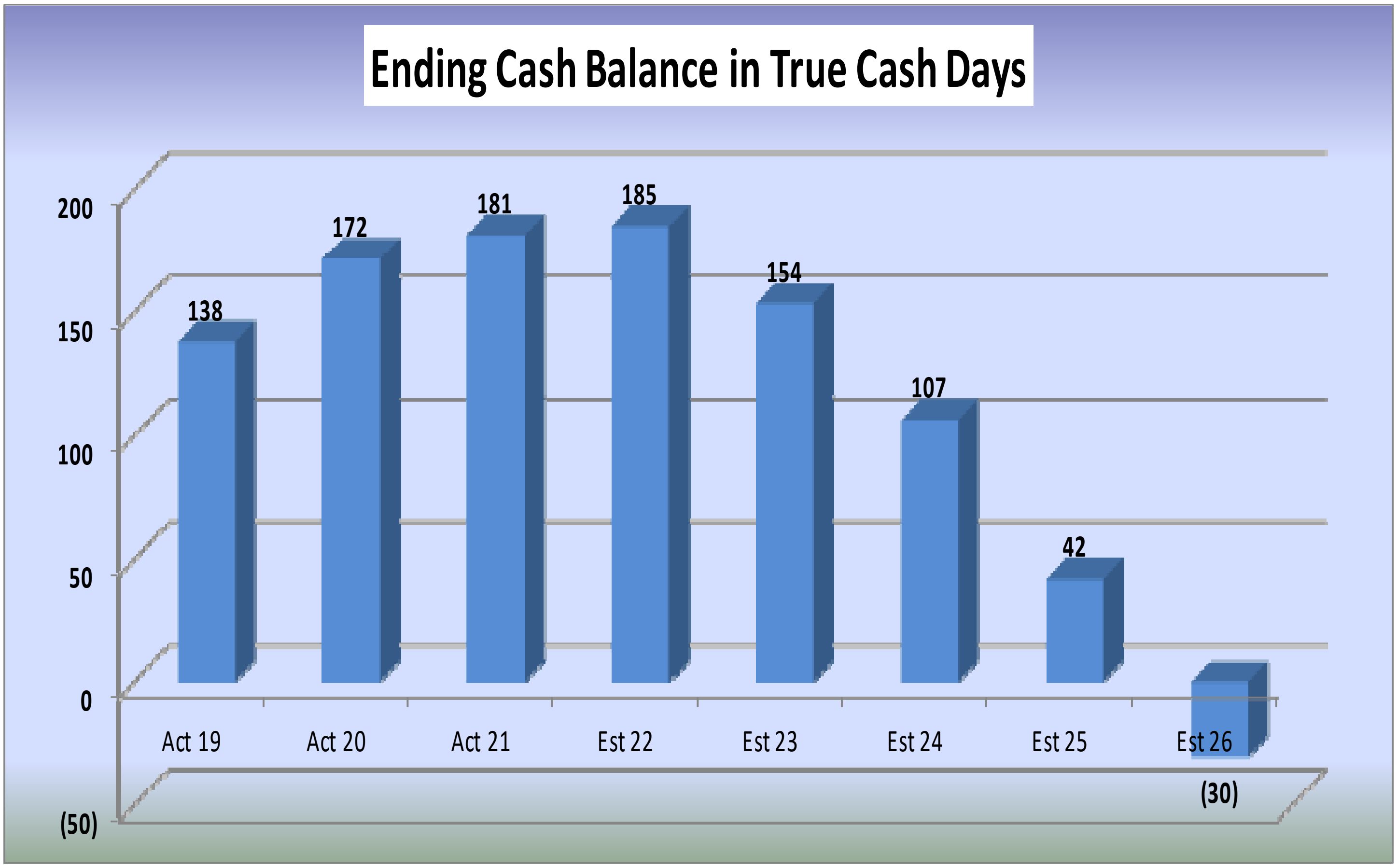
As the graph below indicates, we have been diligent at reducing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.



Ending Unencumbered Cash Balance – Line #15.010

This amount must not go below $0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000. It is recommended by the GFOA and other authoritative sources that a district maintains a minimum of sixty (60) day cash balance.

	FY22	FY23	FY24	FY25	FY26
Ending Cash Balance	$121,206,825	$106,345,046	$78,316,078	$33,132,687	($24,804,472)



True Cash Days Ending Balance

Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each districts complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics and severance reserves. Beginning in FY25 our district may fall under this recommended cash balance but this could change with future state funding which we do not know at this time.