DUBLIN SCHOOL DISTRICT- FRANKLIN 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

Forecast Provided By
Dublin School District
Treasurer's Office
Brian Kern, Treasurer/CFO
October 24, 2022

Dublin City School District

Franklin County

Schedule of Revenues, 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 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)	$176,758,010	$184,005,969	$193,856,788	4.7%	$187,716,766	$189,074,128	$191,123,079	$192,933,815	$195,024,670
1.020	Public Utility Personal Property Tax	7,725,156	8,227,580	9,204,579	9.2%	9,722,553	9,806,484	9,891,984	9,977,484	10,062,984
1.035	Unrestricted State Grants-in-Aid	18,176,271	19,142,915	19,861,980	4.5%	20,243,451	20,228,524	20,261,435	20,284,001	20,307,020
1.040	Restricted State Grants-in-Aid	990,191	942,570	1,317,014	17.5%	1,176,295	1,176,295	1,176,295	1,176,295	1,176,295
1.050	Property Tax Allocation	15,361,276	15,604,209	15,894,661	1.7%	15,664,553	15,985,341	16,146,442	16,271,940	16,433,644
1.060	All Other Revenues	7,691,928	2,891,067	7,285,539	44.8%	6,202,738	6,215,435	6,228,260	6,241,213	6,254,296
1.070	***Total Revenues***	$226,702,832	$230,814,310	$247,420,561	4.5%	$240,726,356	$242,486,207	$244,827,495	$246,884,748	$249,258,909
	Other Financing Sources									
2.040	Operating Transfers-In	$0	$0	$0	0.0%	$0	$0	$0	$0	$0
2.050	Advances-In	539,000	582,400	3,441,100	249.5%	2,659,988	575,000	575,000	575,000	575,000
2.060	All Other Financing Sources	1,219,197	3,222,295	293,211	36.7%	5,733	5,733	5,733	5,733	5,733
2.070	*Total Other Financing Sources*	$1,758,197	$3,804,695	$3,734,311	57.3%	$2,665,721	$580,733	$580,733	$580,733	$580,733
2.080	***Total Revenues and Other Financing Sources***	$228,461,029	$234,619,005	$251,154,872	4.9%	$243,392,077	$243,066,940	$245,408,228	$247,465,481	$249,839,642
	Expenditures									
3.010	Personal Services	$138,049,404	$144,154,790	$155,577,005	6.2%	$163,956,418	$173,121,871	$181,289,285	$189,468,413	$196,105,149
3.020	Employees' Retirement/Insurance Benefits	44,831,458	48,531,041	52,583,338	8.3%	57,229,277	61,855,854	66,604,473	71,552,571	76,569,355
3.030	Purchased Services	14,623,426	16,277,241	19,247,514	14.8%	23,551,997	24,677,921	25,858,590	27,096,696	28,395,063
3.040	Supplies and Materials	7,112,740	5,825,804	7,045,808	1.4%	8,589,126	8,675,017	8,761,767	8,849,385	8,937,879
3.050	Capital Outlay	3,177,114	1,344,867	1,728,191	-14.6%	2,137,274	2,244,138	3,856,345	3,549,163	3,726,621
4.300	Other Objects	2,769,797	2,985,887	3,359,031	10.1%	3,494,592	3,557,434	3,621,531	3,686,911	3,753,603
4.500	***Total Expenditures***	$210,563,939	$219,119,630	$239,540,887	6.7%	$258,958,683	$274,132,235	$289,991,991	$304,203,139	$317,487,670
	Other Financing Uses									
5.010	Operating Transfers-Out	$521,050	$677,050	$491,050	1.2%	$566,050	$566,050	$566,050	$566,050	$566,050
5.020	Advances-Out	582,400	3,441,100	2,659,988	234.1%	575,000	575,000	575,000	575,000	575,000
5.030	All Other Financing Uses	13,691	8,880	25,530	76.2%	$25,530	$25,530	$25,530	$25,530	$25,530
5.040	*Total Other Financing Uses*	$1,117,141	$4,127,030	$3,176,568	123.2%	$1,166,580	$1,166,580	$1,166,580	$1,166,580	$1,166,580
5.050	***Total Expenditures and Other Financing Uses***	$211,681,080	$223,246,660	$242,717,455	7.1%	$260,125,263	$275,298,815	$291,158,571	$305,369,719	$318,654,250
6.010	***Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses***	$16,779,949	$11,372,345	$8,437,417	-29.0%	($16,733,186)	($32,231,875)	($45,750,343)	($57,904,238)	($68,814,608)
7.010	**Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies**	$85,987,507	$102,767,456	$114,139,801	15.3%	$122,577,218	$105,844,032	$73,612,157	$27,861,814	($30,042,424)
7.020	***Cash Balance June 30***	$102,767,456	$114,139,801	$122,577,218	9.2%	$105,844,032	$73,612,157	$27,861,814	($30,042,424)	($98,857,032)
8.010	***Estimated Encumbrances June 30***	$3,147,074	$3,146,277	$5,299,492	34.2%	$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***	$99,620,382	$110,993,524	$117,277,726	8.5%	$102,544,032	$70,312,157	$24,561,814	($33,342,424)	($102,157,032)
12.010	***Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations***	$99,620,382	$110,993,524	$117,277,726	8.5%	$102,544,032	$70,312,157	$24,561,814	($33,342,424)	($102,157,032)
15.010	***Unreserved Fund Balance June 30***	$99,620,382	$110,993,524	$117,277,726	8.5%	$102,544,032	$70,312,157	$24,561,814	($33,342,424)	($102,157,032)

Dublin School District –Franklin County
Notes to the Five Year Forecast
General Fund Only
October 24, 2022

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.

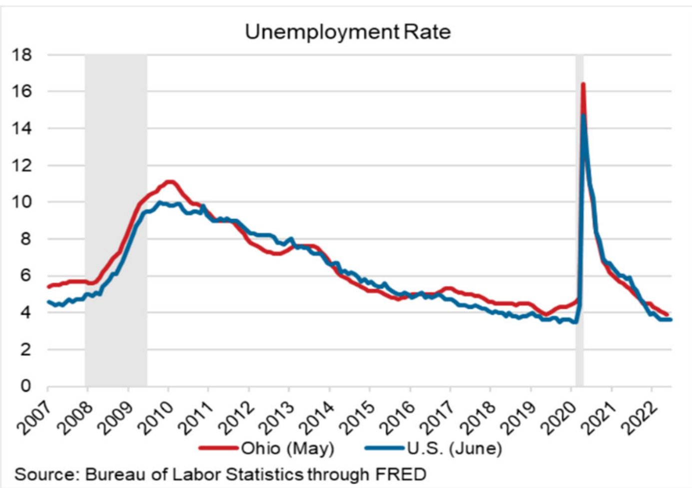
O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five (5) year financial forecast by November 30, 2022, and May 31, 2023, for the fiscal year 2023 (July 1, 2022, to June 30, 2023). The five-year forecast includes three years of actual and five years of projected general 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. Our forecast is updated to reflect the most current economic data available for the November 2022 filing.

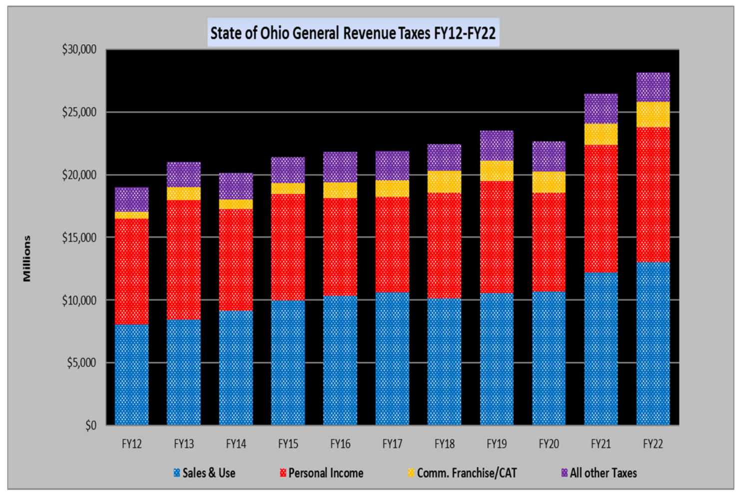
Economic Outlook

This five-year forecast is being filed during a two-year economic recovery following the COVID-19 Pandemic, which began in early 2020. The effects of the pandemic have lessened, but several supply chain concerns and high inflation continues to impact our state, country, and broader globalized economy. Inflation in June 2022 hit a 40-year high of 9.1% before falling to 8.3% in August. Costs in FY22 were notably impacted in areas such as diesel fuel for buses, electric and natural gas, and building materials for facility maintenance and repair. Increased inflation affecting district costs is expected to continue in FY23; it remains to be seen if these costs are transitory or will last over the next few years, which could significantly impact our forecast and adversely affect state and local funding.

The Federal Reserve Bank has made fighting inflation its number one concern. It is expected that interest rate increases before December 2022 will result in increased unemployment, and many economists anticipate an economic recession in the first half of the calendar year 2023. If that occurs, the recession will happen as the state legislature considers the next biennium budget for FY24 and FY25. Despite the solid economic recovery the state of Ohio has enjoyed over the past two years, as noted below in the graphs, a recession may impact funding for primary and secondary education.

As noted in the graphs below, the State of Ohio's economy has steadily recovered over the past two years. School funding cuts made in FY20 have been fully restored, and a new state funding formula is in year two of a projected five-year phase. While increased inflation impacting district costs is expected to continue over the next few years, the state's economy has grown, as indicated in the graphs below. It may enable the state to continue the phase-in of the new funding formula even if a cyclical recession occurs in the first half of the 2023 calendar year.





While all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER), which began in the 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.

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 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 84.6% of the district's resources. Our tax collections in the March 2022 and August 2022 settlements showed average collection trends. We believe there is a low risk that local collections would fall below projections throughout the forecast.

2) Union County experienced a reappraisal in the 2019 tax year to be collected in FY20. The 2019 reappraisal increased overall values by $86.4 million, or 2.56%, including reappraisal and new construction for all property classes. A reappraisal update will occur in the tax year 2022 for collection in FY23. We anticipate value increases for Class I and II property by $61.1 million for an overall increase of 1.51%. There is, however, always a slight risk that the district could sustain a reduction in values in the next appraisal update, but we do not anticipate that at this time.

Franklin and Delaware counties experienced a reappraisal update in the 2020 tax year to be collected in FY21. The 2020 update increased overall values by $538.6 million, or 15.57%, including updates and new construction for all property classes. A reappraisal will occur in the tax year 2023 for collection in FY24. We anticipate value increases for Class I and II property by $196.5 million for an overall increase of 4.80%. Again, there is always a slight risk that the district could sustain a reduction in values in the next appraisal, but we do not anticipate that at this time.

3) The state budget represented 15.4% of district revenues, which means it is an 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 are covering the period from FY24-25, and FY26-27 in this forecast. 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.

4) HB110, the current state budget, implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The full release of the new Fair School Funding Plan formula calculations was delayed until March 2022. 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 paid separately as those payments are included with basic aid. A change in expenditures beginning in FY22 will also occur, in that 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 that the actual historical costs for FY20 through FY21 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.

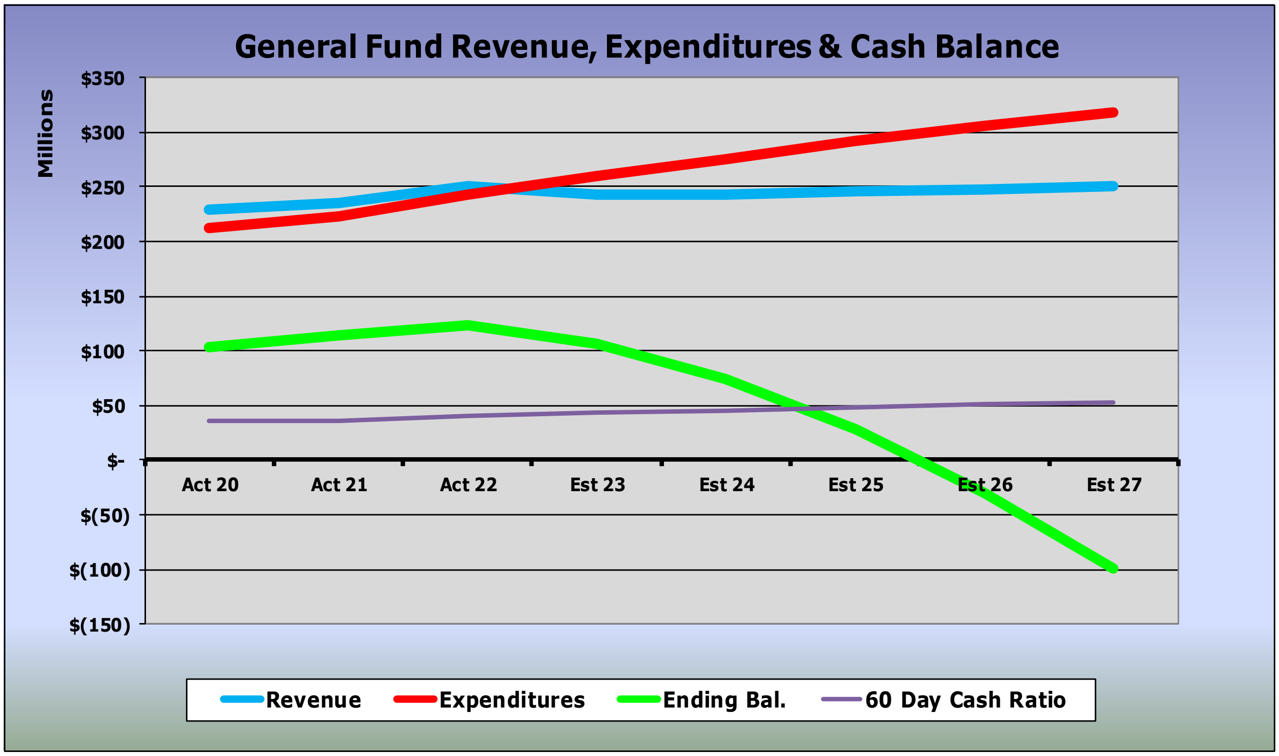
5) HB110 directly pays costs associated with open enrollment, community and STEM schools, and all scholarships, including EdChoice Scholarships. These costs will no longer be deducted from our state aid. However, there still are education option programs such as College Credit Plus, which continue to be removed from state aid, increasing costs to the district. Expansion or creation of programs that are 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.

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.

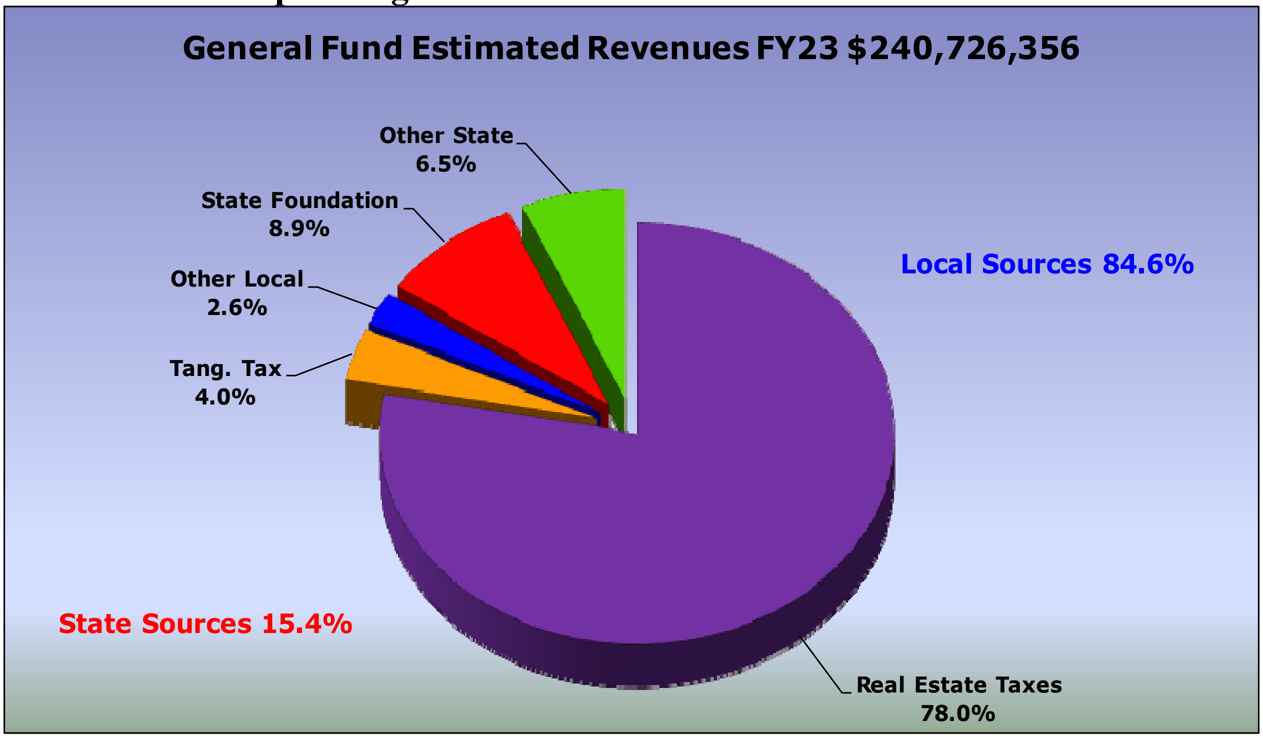
The significant lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should assist the reader in reviewing the assumptions noted below in understanding the overall financial forecast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

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
Operating Revenue Sources General Fund FY23



Real Estate Value Assumptions – Line #1.010

Property Values are established annually by the County Auditor based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. Union County experienced a reappraisal for the 2019 tax year to be collected in 2020. Due to the reappraisal led by an improving housing market, residential/agricultural values increased 2.56%, or $86.4 million.

For the tax year 2020, Franklin and Delaware counties experienced a reappraisal update. Overall values rose $538.65 million or 15.57%, including new construction for all property classes.

In Union County, a reappraisal update will occur in 2022 for collection in 2023, for which we estimate a 1% increase in residential and a 0% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase by $61.1 million or 1.51% overall.

Franklin and Delaware counties will experience a reappraisal in 2023 for collection in 2024, for which we estimate a 5% increase in residential and a 1% increase for commercial/industrial property. We anticipate Residential/Agricultural and Commercial/Industrial values to increase by $196.5 million or 4.80% overall.

We expect Public Utility Personal Property (PUPP) values to continue to grow by $1 million each year of the forecast.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Actual TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024	Estimated TAX YEAR2024 COLLECT 2025	Estimated TAX YEAR2025 COLLECT 2026	Estimated TAX YEAR2026 COLLECT 2027
Res./Ag.	$3,128,017,020	$3,307,387,871	$3,330,357,871	$3,386,631,450	$3,545,066,708
Comm./Ind.	968,328,580	985,411,866	992,811,866	1,000,211,866	1,017,613,984
Public Utility Personal Property (PUPP)	114,195,720	115,195,720	116,195,720	117,195,720	118,195,720
Total Assessed Value	$4,210,541,320	$4,407,995,457	$4,439,365,457	$4,504,039,035	$4,680,876,412

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY23	FY24	FY25	FY26	FY27
Est. Real Estate Taxes	$174,322,947	$175,825,729	$177,510,349	$178,946,735	$180,652,945
TIF Tax Collections	12,893,819	13,248,399	13,612,730	13,987,080	14,371,725
BOR/BTA Tax Collections	500,000	0	0	0	0
Total Line #1.010 Real Estate Taxes	$187,716,766	$189,074,128	$191,123,079	$192,933,815	$195,024,670

Property tax levies are estimated to be collected at 99.75% of the annual amount. This allows a 0.25% delinquency factor. In general, 51.36% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 48.64% in the August tax settlement. Collections in FY22 were up $9.8 million primarily due to $8.3 million in Board of Revision and Board of Tax Appeals settlements made directly with the district. Unfortunately, HB126 was passed at the end of FY22 that will severely curtail all districts in Ohio from contesting valuation adjustments which are sought by businesses, often times without adequate supporting documentation showing a fair value. This legislation is severely one sided and will likely end in other commercial tax payers paying higher taxes when these values for some are lowered unjustly. This is an example of legislation that is passed that significantly impacts our local revenues. The $8.3 million in FY22 is equivalent to 2.0 mill levy.

Public Utility tax settlements (PUPP taxes) are estimated to receive 50% in March and 50% in August settlement from the County Auditor and are noted in Line #1.02 below.

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

Estimated Tangible Personal Tax & PUPP Taxes – Line #1.020
As noted earlier, the phase-out of TPP taxes began in FY06 with HB66, which was adopted in June 2005. The 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 P.U. Personal, which was $113.2 million in assessed values in 2021 and is 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 rose by 12.9% or $12.9 million and are expected to grow by $1 million each year of the forecast.

Source	FY23	FY24	FY25	FY26	FY27
Public Utility Personal Property	$9,722,553	$9,806,484	$9,891,984	$9,977,484	$10,062,984

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 full release of the new Fair School Funding Plan formula occurred in March 2022 and was amended in HB583, passed in June 2022. Complete calculations of the new formula were not available for nearly all of the last fiscal year. We have projected FY23 funding based on the September 2022 foundation settlement and funding factors.

Our district is currently back to 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.

<u>Restricted Categorical State Aid</u>
1. <u>Disadvantage Pupil Impact Aid (DPIA)</u> - 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 14% in FY23. No legislation indicates the percentage increase for FY24 and beyond for DPIA.
2. <u>English Learners</u> – Based on funded categories based on the time student enrolled in schools and multiplied by a weighted amount per pupil.
3. <u>Gifted Funds</u> – Based on average daily membership multiplied by a weighted amount per pupil.
4. <u>Career-Technical Education Funds</u> – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. <u>Student Wellness and Success Funds</u>- These funds in FY20 and FY21 were accounted for in Fund 467 but are now restricted funds to be accounted for in the General Fund as part of the foundation formula.

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 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 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 the FY24-27 will depend on unknown (2) new state budgets. 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 FY27.

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 FY22 were $62.87 per pupil. FY23 Casino revenues have resumed their historical growth rate and assume a 2% annual growth rate for the forecast period.

Source	FY23	FY24	FY25	FY26	FY27
Basic Aid-Unrestricted	$18,053,934	$18,007,060	$18,007,060	$18,007,060	$18,007,060
Additional Aid Items	1,131,691	1,131,691	1,131,691	1,131,691	1,131,691
Basic Aid-Unrestricted Subtotal	19,185,625	19,138,751	19,138,751	19,138,751	19,138,751
Ohio Casino Commission ODT	1,057,826	1,089,773	1,122,684	1,145,250	1,168,269
Total Unrestricted State Aid Line #1.035	$20,243,451	$20,228,524	$20,261,435	$20,284,001	$20,307,020

B) Restricted State Revenues – Line # 1.040
HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, new restricted funds have been added as noted above under "Restricted

Categorical Aid" for Gifted, English Learners (ESL), and Student Wellness. The amount of DPIA is limited to a 0% phase in growth for FY22 and 14% in FY23. We have flat-lined funding at FY23 levels for FY24-FY27 due to uncertainty on continued funding of the current funding formula.

Source	FY23	FY24	FY25	FY26	FY27
DPIA	$25,796	$25,796	$25,796	$25,796	$25,796
Career Tech - Restricted	6,976	6,976	6,976	6,976	6,976
Gifted	378,524	378,524	378,524	378,524	378,524
ESL	204,833	204,833	204,833	204,833	204,833
Student Wellness	560,166	560,166	560,166	560,166	560,166
Total Restricted State Revenues Line #1.040	$1,176,295	$1,176,295	$1,176,295	$1,176,295	$1,176,295

C) Restricted Federal Grants in Aid – Line #1.045

No unrestricted federal grants are projected for FY23-27.

SUMMARY	FY23	FY24	FY25	FY26	FY27
Unrestricted Line #1.035	$20,243,451	$20,228,524	$20,261,435	$20,284,001	$20,307,020
Restricted Line #1.040	1,176,295	1,176,295	1,176,295	1,176,295	1,176,295
Total State Foundation Revenue	$21,419,746	$21,404,819	$21,437,730	$21,460,296	$21,483,315

State Taxes Reimbursement/Property Tax Allocation
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	FY23	FY24	FY25	FY26	FY27
Rollback and Homestead Line #1.050	$15,664,553	$15,985,341	$16,146,442	$16,271,940	$16,433,644

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 open enrollment, interest on investments, tuition for court-placed students, student fees, Payment In Lieu of Taxes, and general rental fees. HB110, the new state budget, will stop paying open enrollment as an increase to other revenue for the district. Open enrolled students will be counted 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 fed rate reductions due to the pandemic, which will impact our earning capability in this area until rates and our ending cash balance begin to increase. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historical trends.

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. Recent fed funds rate hikes should help stem the drop in interest income but our ending cash is also falling with will pull earnings down. All other revenues are expected to continue on historic trends. 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	FY23	FY24	FY25	FY26	FY27
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	555,433	560,987	566,597	572,263	577,986
Interest	965,603	965,603	965,603	965,603	965,603
Dues, Fees, Rentals and Other	714,342	721,485	728,700	735,987	743,347
Medicaid, Catastrophic Aide and Misc. Receipts	2,460,555	2,460,555	2,460,555	2,460,555	2,460,555
Total Line #1.060	$6,202,738	$6,215,435	$6,228,260	$6,241,213	$6,254,296

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 prior fiscal years are planned to be repaid in the following year as noted in the table below.

Source	FY23	FY24	FY25	FY26	FY27
Transfers In - Line #2.040	$0	$0	$0	$0	$0
Advance Returns - Line #2.050	2,659,988	575,000	575,000	575,000	575,000
Total Transfer & Advances In	$2,659,988	$575,000	$575,000	$575,000	$575,000

All Other Financial Sources – Line #2.060

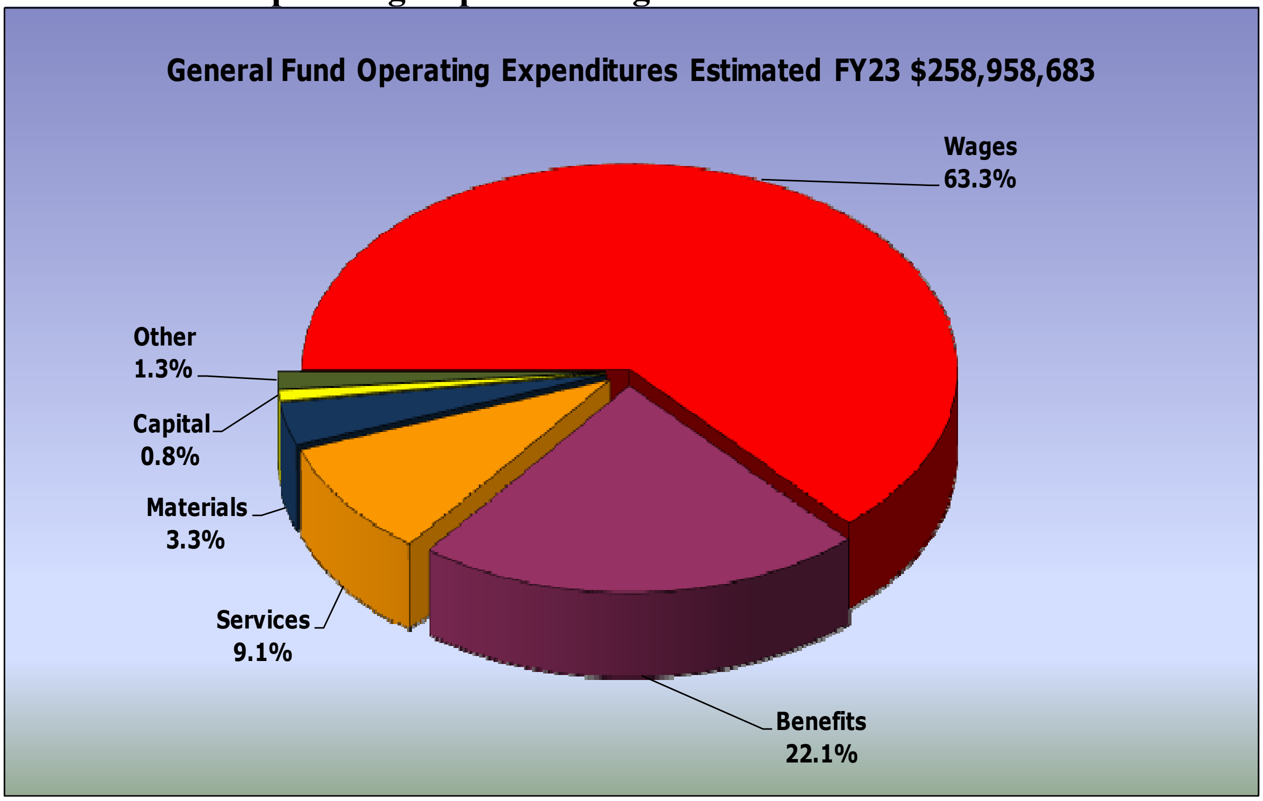
This funding source is typically a refund of prior year expenditures that is very unpredictable. We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in FY23. These revenues are inconsistent year to year, and we will not project that occurring in the remainder of the forecast.

Source	FY23	FY24	FY25	FY26	FY27
Refund of prior years expenditures	$5,733	$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 FY23



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 FY24-FY27. **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	FY23	FY24	FY25	FY26	FY27
Base Wages	$148,138,108	$156,452,382	$165,552,115	$173,653,226	$181,765,460
Based Pay Increase	2,962,762	3,129,048	3,311,042	3,473,065	1,817,655
Steps & Academic Training	2,870,912	2,844,252	3,003,886	3,178,601	3,334,142
Growth Staff	1,910,906	1,697,433	1,786,183	1,460,568	1,417,451
New Building Staff	461,779	0	0	0	0
Substitutes	50,985	51,138	51,291	51,445	51,599
Supplementals	2,970,855	3,000,564	3,030,570	3,060,876	3,091,485
Stipends/OT/Severence & Misc.	4,482,196	4,518,054	4,554,198	4,590,632	4,627,357
Wage Adjustments Fd. 467 & 507	107,915	1,429,000	0	0	0
Total Wages Line #3.010	$163,956,418	$173,121,871	$181,289,285	$189,468,413	$196,105,149

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, an 8.0% increase in FY22, and an expected 8.0% in FY23-24. We expect to see rates move up to 9.0% for FY25-27. 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 0.44% of wages FY23-FY27. Unemployment is expected to remain at a very low level FY23-FY27. 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	FY23	FY24	FY25	FY26	FY27
A) STRS/SERS	$24,790,812	$26,177,072	$27,433,346	$28,678,878	$29,708,613
B) Insurance's	29,205,270	32,288,641	35,619,731	39,173,122	43,036,056
C) Workers Comp/Unemployment	704,212	738,569	780,634	816,462	845,502
D) Medicare	2,346,780	2,469,369	2,588,559	2,701,906	2,796,981
Other/Tuition/Annuities	182,203	182,203	182,203	182,203	182,203
Total Fringe Benefits Line #3.020	$57,229,277	$61,855,854	$66,604,473	$71,552,571	$76,569,355

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	FY23	FY24	FY25	FY26	FY27
Legal Fees, Prof. Development, Other Misc.	$1,036,742	$1,067,844	$1,099,879	$1,132,875	$1,166,861
ESC Substitutes & Training, SRO, Other Misc.	10,438,421	10,960,342	11,508,359	12,083,777	12,687,966
Repairs & Maint., Property Ins., Other Misc.	6,723,092	7,059,247	7,412,209	7,782,819	8,171,960
Tuition, Excess Costs, CCP, Other Misc.	1,026,092	1,056,875	1,088,581	1,121,238	1,154,875
Student Transportation	520,962	536,591	552,689	569,270	586,348
Utilities	3,806,688	3,997,022	4,196,873	4,406,717	4,627,053
Total Purchased Services Line #3.030	$23,551,997	$24,677,921	$25,858,590	$27,096,696	$28,395,063

Supplies and Materials – Line #3.040

For FY24-FY27, an overall inflation of 1.0% 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	FY23	FY24	FY25	FY26	FY27
General Office Supplies and Materials	$5,792,066	$5,849,987	$5,908,487	$5,967,572	$6,027,248
Textbooks/GCOS/Building Repairs	1,428,930	1,443,219	1,457,651	1,472,228	1,486,950
Transportation Fuel and Supplies	1,368,130	1,381,811	1,395,629	1,409,585	1,423,681
Total Line #3.040	$8,589,126	$8,675,017	$8,761,767	$8,849,385	$8,937,879

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	FY23	FY24	FY25	FY26	FY27
Capital Outlay & Maintenance	$340,856	$357,899	$875,794	$419,584	$440,563
Replacement Bus Purchases	0	0	0	0	0
Technology and Equipment Purchases	1,796,418	1,886,239	2,980,551	3,129,579	3,286,058
Total Equipment Line #3.050	$2,137,274	$2,244,138	$3,856,345	$3,549,163	$3,726,621

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	FY23	FY24	FY25	FY26	FY27
County Auditor & Treasurer Fees	$2,799,771	$2,841,768	$2,884,395	$2,927,661	$2,971,576
ESC Deduction	104,723	107,865	111,101	114,434	117,867
Other expenses	590,098	607,801	626,035	644,816	664,160
Total Other Expenses Line #4.300	$3,494,592	$3,557,434	$3,621,531	$3,686,911	$3,753,603

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 $75,000 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	FY23	FY24	FY25	FY26	FY27
Operating Transfers Out Line #5.010	$566,050	$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	$1,141,050	$1,141,050	$1,141,050	$1,141,050	$1,141,050

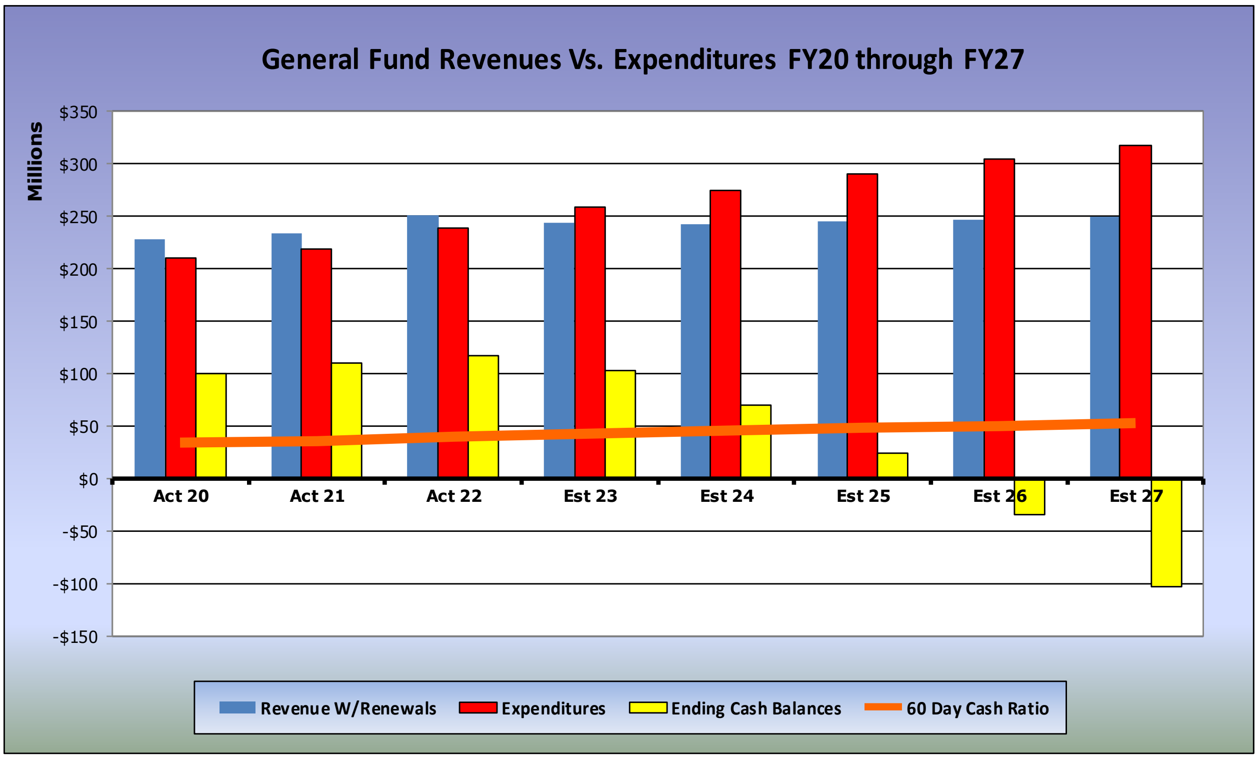
Encumbrances –Line #8.010

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.

	FY23	FY24	FY25	FY26	FY27
Estimated Encumbrances	$3,300,000	$3,300,000	$3,300,000	$3,300,000	$3,300,000

Operating Expenditures Actual FY20 through FY22 and Estimated FY23-FY27

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 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 $21 million for our district.

	FY23	FY24	FY25	FY26	FY27
Ending Cash Balance Line #15.010	$102,544,032	$70,312,157	$24,561,814	($33,342,424)	($102,157,032)

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.