BATH LOCAL SCHOOL DISTRICT - ALLEN 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
Bath Local School District
Treasurer's Office
Mrs. Natalie Scott, Treasurer/CFO
November 15, 2022

Bath Local School District

Allen 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)	6,482,284	6,574,474	6,958,935	3.6%	7,052,704	7,181,353	5,775,071	4,647,913	4,657,574
1.020	Public Utility Personal Property Tax	1,256,111	1,462,403	1,623,563	13.7%	1,657,737	1,688,858	1,380,516	1,074,260	1,083,760
1.030	Income Tax	-	-	-	0.0%	$0	$0	$0	$0	$0
1.035	Unrestricted State Grants-in-Aid	5,909,696	6,076,077	6,826,874	7.6%	7,236,439	7,024,786	7,027,170	7,029,602	7,032,083
1.040	Restricted State Grants-in-Aid	144,768	144,732	440,823	102.3%	447,071	447,071	447,071	447,071	447,071
1.045	Restricted Federal Grants-in-Aid	-	-	-	0.0%	$0	$0	$0	$0	$0
1.050	Property Tax Allocation	1,050,150	982,586	933,576	-5.7%	920,007	902,239	740,773	581,777	582,333
1.060	All Other Revenues	2,016,408	1,894,772	601,211	-37.2%	495,568	495,062	495,096	495,623	496,597
1.070	*Total Revenues*	16,859,417	17,135,044	17,384,982	1.5%	17,809,526	17,739,369	15,865,697	14,276,246	14,299,418
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	$0	$0	$0	$0	$0
2.020	State Emergency Loans (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	-	-	0	0.0%	-	-	-	-	-
2.050	Advances-In	2,000	0	14,500	0.0%	7,000	20,000	20,000	20,000	20,000
2.060	All Other Financing Sources	127,782	296,614	8,586	17.5%	2,000	2,000	2,000	2,000	2,000
2.070	*Total Other Financing Sources*	129,782	296,614	23,086	18.2%	9,000	22,000	22,000	22,000	22,000
2.080	*Total Revenues and Other Financing Sources*	16,989,199	17,431,658	17,408,068	1.2%	17,818,526	17,761,369	15,887,697	14,298,246	14,321,418
	Expenditures									
3.010	Personal Services	9,301,084	9,280,152	9,715,363	2.2%	10,361,459	10,799,323	10,982,820	11,173,726	11,367,717
3.020	Employees' Retirement/Insurance Benefits	$3,117,990	3,152,390	3,388,657	4.3%	3,602,384	$3,828,456	$4,022,734	$4,227,350	$4,446,293
3.030	Purchased Services	$3,669,876	3,569,768	2,848,742	-11.5%	2,936,888	$3,027,962	$3,122,068	$3,219,314	$3,319,814
3.040	Supplies and Materials	328,661	360,699	383,003	8.0%	425,458	438,807	452,585	466,808	481,489
3.050	Capital Outlay	54,114	98,435	31,026	6.7%	217,512	217,512	429,754	433,999	438,329
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
	Debt Service:									
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	$0	$0	$0	$0	$0
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	44,905	44,998	45,000	0.1%	45,000	$45,000	$45,000	$0	$0
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	4,579	3,746	2,914	-20.2%	2,128	$1,342	$556	$0	$0
4.300	Other Objects	$272,151	269,312	283,093	2.0%	301,545	$315,349	$329,793	$344,906	$360,720
4.500	*Total Expenditures*	16,793,360	16,779,500	16,697,798	-0.3%	17,892,374	18,673,751	19,385,310	19,866,102	20,414,362
	Other Financing Uses									
5.010	Operating Transfers-Out	69,000	31,000	160,000	180.5%	50,000	$50,000	$50,000	$50,000	$50,000
5.020	Advances-Out	2,000	7,500	7,000	134.2%	20,000	20,000	20,000	20,000	20,000
5.030	All Other Financing Uses	-	115	-	0.0%	$0	$0	$0	$0	$0
5.040	*Total Other Financing Uses*	71,000	38,615	167,000	143.4%	70,000	70,000	70,000	70,000	70,000
5.050	*Total Expenditures and Other Financing Uses*	16,864,360	16,818,115	16,864,798	0.0%	17,962,374	18,743,751	19,455,310	19,936,102	20,484,362
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	124,839	613,543	543,270	190.0%	(143,848)	(982,382)	(3,567,613)	(5,637,856)	(6,162,944)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	13,965,604	14,090,443	14,703,986	2.6%	15,247,256	15,103,408	14,121,026	10,553,413	4,915,557
7.020	*Cash Balance June 30*	14,090,443	14,703,986	15,247,256	4.0%	15,103,408	14,121,026	10,553,413	4,915,557	(1,247,387)
8.010	*Estimated Encumbrances June 30*	256,160	109,063	291,055	54.7%	125,000	125,000	125,000	125,000	125,000
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030	Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.040	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080	*Subtotal*	-	-	-	0.0%	-	-	-	-	-
10.010	*Fund Balance June 30 for Certification of Appropriations*	13,834,283	14,594,923	14,956,201	4.0%	14,978,408	13,996,026	10,428,413	4,790,557	(1,372,387)

Bath Local School District

Allen 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
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	-			0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement	-			0.0%	-	-	2,318,807	4,294,088	4,294,088
11.300	Cumulative Balance of Replacement/Renewal Levies	-			0.0%	-	-	2,318,807	6,612,895	10,906,983
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	13,834,283	14,594,923	14,956,201	4.0%	14,978,408	13,996,026	12,747,220	11,403,452	9,534,596
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	$0	$0	$0	$0	$0
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	13,834,283	14,594,923	14,956,201	4.0%	14,978,408	13,996,026	12,747,220	11,403,452	9,534,596

Bath Local School District – Allen County
Notes to the Five Year Forecast
General Fund Only
November 15, 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

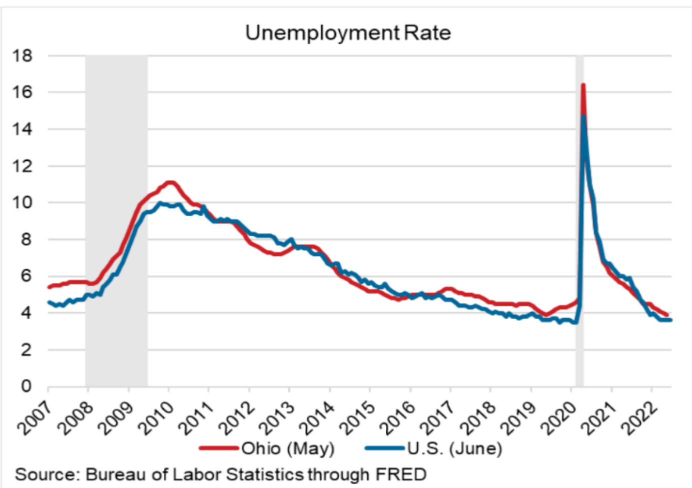
O.R.C. §5705.391 and O.A.C. 3301-92-04 require a Board of Education (BOE) to file a five (5) year financial forecast by November 30, 2022, and May 31, 2023, for the fiscal year 2023 (July 1, 2022, to June 30, 2023). The five-year forecast includes three years of actual and five years of projected general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

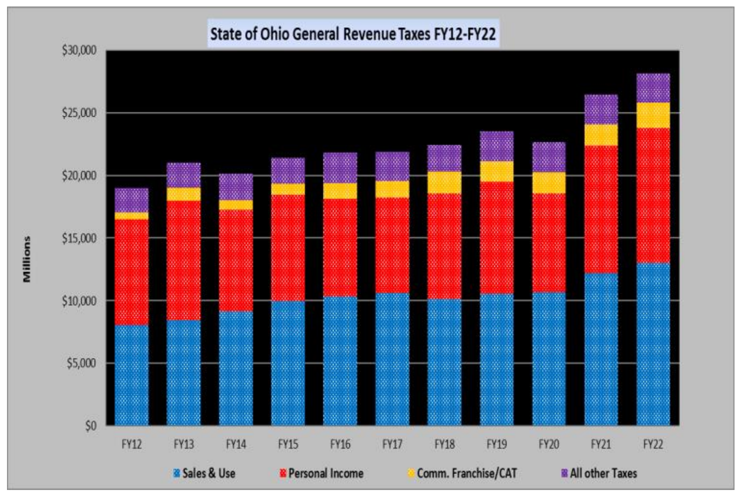
Economic Outlook

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:

I. The district's 11.47 mill emergency levy was renewed May 8, 2018 and will expire again on December 31, 2024. The renewal of this levy is necessary to keep the district financially healthy long term.

II. Allen County went through a reappraisal update in tax year 2018 which was collected in fiscal year 2019. The reappraisal update resulted in a 5.8% increase in Residential/Agricultural values and no significant increase in Commercial/Industrial values. Allen County experienced a full reappraisal in tax year 2021, collected in fiscal year 2022. The update resulted in a 15.67% increase in Class I – Residential/Agricultural values and a 12% increase in Class II – Commercial/Industrial values. Allen County will go through an appraisal update in tax year 2024 to be collected in fiscal year 2025. We are conservatively estimating a 3% increase in Residential/Agricultural values and no significant change in Class II – Commercial/Industrial values. There is a minor risk that the district could sustain an overall reduction in values in the next reappraisal but we do not anticipate that at this time.

III. 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.

IV. The State Budget represents 48.3% of district revenues and is an area of risk to 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.

V. 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.

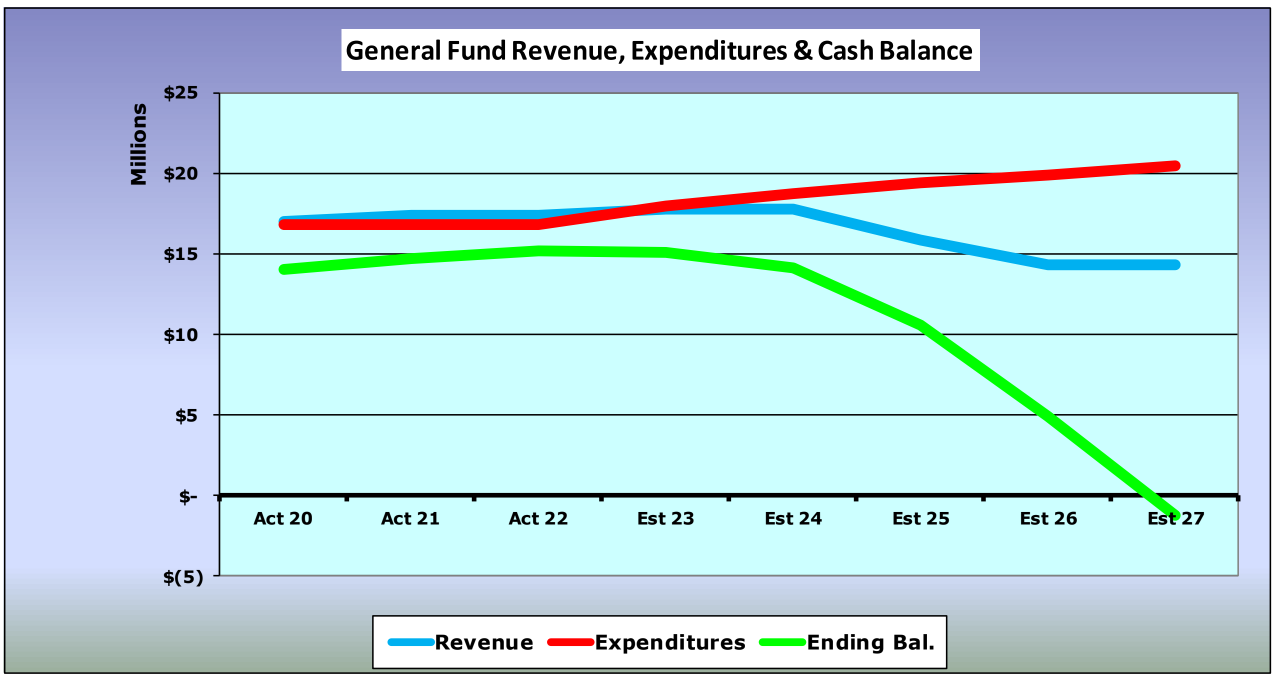
VI. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the extreme resource challenges today. We believe as we move forward our positive working relationship will continue and will only grow stronger.

The financial forecast presents, to the best of the Bath Local School District Board of Education's knowledge and belief, the expected revenues, expenditures, and operating balance of the General Fund. Accordingly, the forecast reflects the Board of Education's judgment of the expected conditions and its expected course of action as of the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected, and those differences may be material.

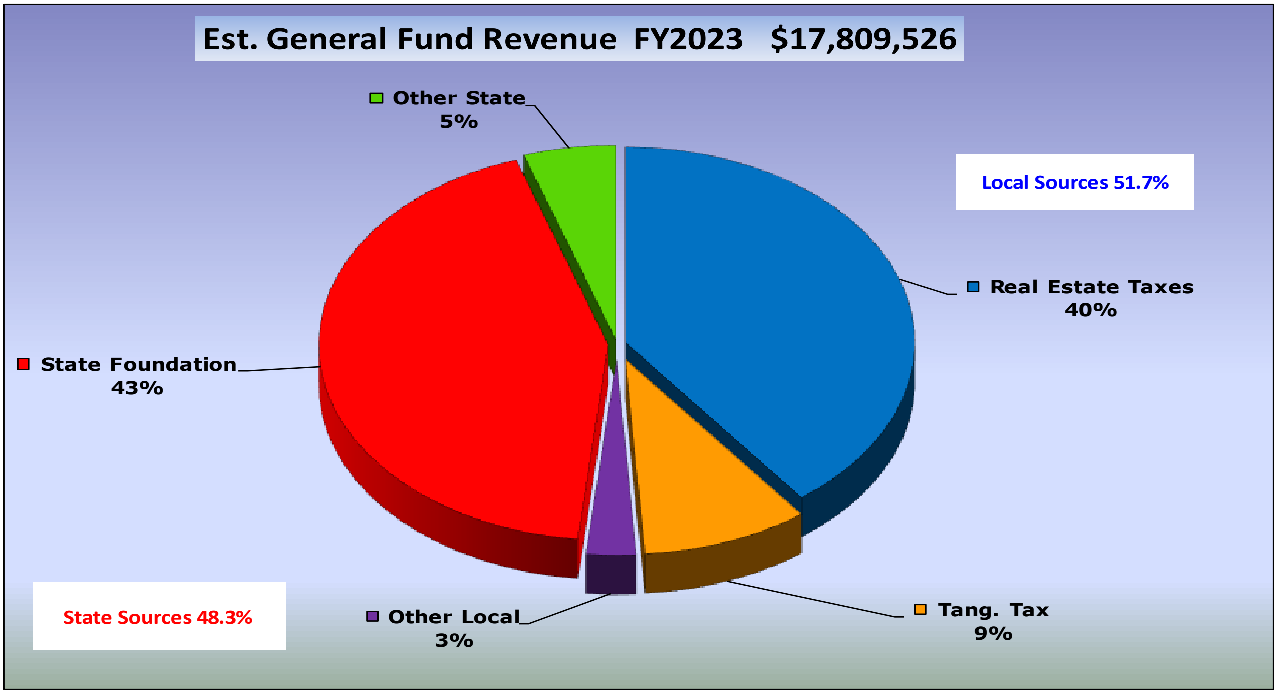
The major Line numbers used as references to the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Mrs. Natalie Scott, Treasurer/CFO at 419-221-0807.

General Fund Revenue, Expenditure and Ending Cash Balance

The graph below shows in summary the forecasted revenue, expenses and ending balance of the district's General Fund for the period FY23-27, with actual data provided for FY20-22.



Revenue Assumptions



Real Estate Value Assumptions – Line # 1.010
In 2018 the district experienced a complete reappraisal of property. The overall assessed values increased 4.4% as a result of the reappraisal. HB49 included reductions in CAUV agricultural values to become effective at each county's next reappraisal or update. CAUV values represent 12.8% of Class I residential agricultural values. We experienced this in the tax year 2018 update for Allen County.

Allen County experienced a full reappraisal in tax year 2021, collected in fiscal year 2022. The update resulted in a 15.67% increase in Class I – Residential/Agricultural values and a 12% increase in Class II – Commercial/Industrial values. Allen County will go through an appraisal update in tax year 2024 to be collected in fiscal year 2025. We are conservatively estimating a 3% increase in Residential/Agricultural values and no significant change in Class II – Commercial/Industrial values. When values increase in our district we will see an increase in taxes on our fixed rate levies because they are at the 20 mill floor and cannot be reduced below that according to Ohio law.

Tangible Personal Property (TPP) values decreased to $-0- for 2011 as a result of HB 66 effective July 1, 2005. Public Utility Personal Property (PUPP) values are expected to increase $500,000 a year for the forecast period.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2022	TAX YEAR2023	TAX YEAR2024	TAX YEAR 2025	TAX YEAR 2026
Classification	COLLECT 2023	COLLECT 2024	COLLECT 2025	COLLECT 2026	COLLECT 2027
Res./Ag.	$202,846,700	$203,046,700	$209,338,101	$209,538,101	$209,738,101
Comm./Ind.	65,869,183	70,258,551	70,959,844	71,309,844	71,659,844
Public Utility Personal Property (PUPP)	55,289,980	55,789,980	56,289,980	56,789,980	57,289,980
Total Assessed Value	$324,005,863	$329,095,231	$336,587,924	$337,637,924	$338,687,924

Estimated Real Estate Tax (Line #1.010)

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Real Estate Taxes to Line #1.010	$7,052,704	$7,181,353	$5,775,071	$4,647,913	$4,657,574

Property tax levies are estimated to be collected at 97.64% of the annual amount due to the historically low delinquency rate. In general 56.5% of the Res/Ag and Comm/Ind. taxes are expected to be collected in February tax settlements and 43.5% collected in August tax settlements. Public Utility Personal Property (PUPP taxes) is estimated to be received 50% in February and 50% in August settlement from the County Auditor. As previously noted, general personal property tax TPP ceased to be collected after FY11.

Revenues will fall in FY25 and FY26 on Line 1.01, 1.02 and 1.05 due to the expiring emergency levy being moved from revenue lines of the forecast to Line 11.02 as expiring levies are required to be removed from revenue. The renewal levy is allowed to be added into the total ending cash balance on Line 15.01. The 11.47 mill emergency levy expires December 31, 2024.

Estimated Public Utility Personal Property Tax – Line #1.020

The amounts noted on Line 1.02 in the forecast are public utility personal property taxes (PUPP) which jumped in 2020 by $8.07 million in values. Collections increased in FY21 and FY22 and will increase again in FY23 as a result and are expected to increase slightly each year according to historic trends.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Public Utility Taxes to Line # 1.020	$1,657,737	$1,688,858	$1,380,516	$1,074,260	$1,083,760

Renewal of Property Tax Levy – Line #11.020

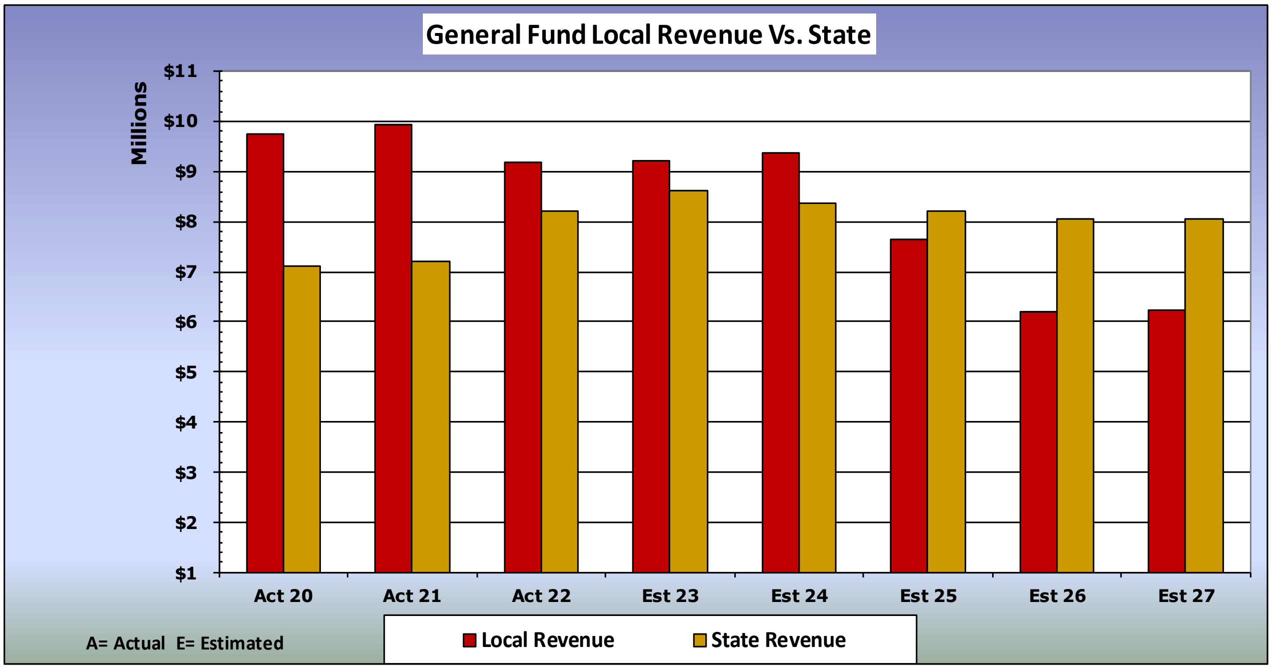
The district renewed the 11.47 mill emergency levy at the May 8, 2018 election. The levy will next expire on December 31, 2024. No new levies are planned or modeled in this forecast at this time.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Renew 11.603 mill emergency levy	$0	$0	$2,318,807	$4,294,088	$4,294,088

School District Income Tax – Line #1.03

The school district has no income tax levy at this time.

Comparison of Local Revenue and State Revenue:



State Foundation Revenue Estimates

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

The full release of the new Fair School Funding Plan formula occurred in March 2022 and was amended in HB583, passed in June 2022. 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 a formula district in FY23 and is expected to be 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 FY22 on Lines 1.035, 1.04, 1.06, and 3.03 of the forecast.

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

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

<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)

State Share Percentage – Unrestricted Basic Aid Foundation Funding
Once the base cost is calculated, which is currently at a state wide average of $7,351.71 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 district residents or the most recent year, whichever is lower divided by base students enrolled
3. 20% based on most recent year federal median income of district residents multiplied by number of returns in that year divided by base students enrolled
4. When the weighted values are calculated and Items 1. through 3. above added together, the total is then multiplied by a Local Share Multiplier Index ranging from 0% for low wealth districts to a maximum of 2.5% for wealthy districts.

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

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

Unrestricted Categorical State Aid
1. Targeted Assistance/Capacity Aid – Provides additional funding based on a wealth measure using 60% weighted on property value and 40% on income. Uses current year enrolled average daily membership (ADM). Also will provide supplemental targeted assistance to lower wealth districts whose enrolled ADM is less than 88% of their total FY19 ADM.
2. Special Education Additional Aid – Based on six (6) weighted funding categories of disability and moved to a weighted funding amount and not a specific amount. An amount of 10% will be reduced from all districts' calculation to be used toward the state appropriation for Catastrophic Cost reimbursement.
3. Transportation Aid – Funding based on all resident students who ride including preschool students and those living within 1 mile of school. Provides supplemental transportation for low density districts. Increases state minimum share to 29.17% in FY22 and 33.33% in FY23. 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, DPIA is based on number and concentration of economically disadvantaged students compared to state average and multiplied by $422 per pupil. Phase in increases are limited to 0% for FY22 and 14% in FY23. There is no legislation indicating the percentage increase for FY24 and beyond for DPIA.
2. English Learners – Based on funded categories based on time student enrolled in schools and multiplied by a weighted amount per pupil.
3. Gifted Funds –Based on average daily membership multiplied by a weighted amount per pupil.
4. Career-Technical Education Funds – Based on career technical average daily membership and five (5) weighted funding categories students enrolled in.
5. Student Wellness & Success Funding – 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, 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, has essentially eliminated these funds by merging them into state aid and wrapped into the expanded funding and mission of DPIA funds noted above and on Line 1.04 below. Any remaining funds in Special Revenue Fund 467 will be required to be used for the restricted purposes governing these funds until spent fully.

Future State Budgets Projections Beyond FY23

Our funding status for the FY24-27 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 for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for 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	FY 23	FY 24	FY 25	FY 26	FY 27
Basic Aid-Unrestricted	$6,900,141	$6,686,150	$6,686,150	$6,686,150	$6,686,150
Additional Aid Items	219,414	219,414	219,414	219,414	219,414
Basic Aid-Unrestricted Subtotal	7,119,555	6,905,564	6,905,564	6,905,564	6,905,564
Ohio Casino Commission ODT	116,884	119,222	121,606	124,038	126,519
Total Unrestricted State Aid Line # 1.035	$7,236,439	$7,024,786	$7,027,170	$7,029,602	$7,032,083

B) Restricted State Revenues – Line # 1.040

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under "Restricted Categorical Aid" for Gifted, English Learners (ESL) and Student Wellness. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23. We have flat lined funding at FY23 levels for FY24-FY27 due to uncertainty on continued funding of the current funding formula.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
DPIA	$134,708	$134,708	$134,708	$134,708	$134,708
Career Tech - Restricted	52	52	52	52	52
Gifted	65,200	65,200	65,200	65,200	65,200
ESL	6,589	6,589	6,589	6,589	6,589
Student Wellness	240,522	240,522	240,522	240,522	240,522
Total Restricted State Revenues Line #1.040	$447,071	$447,071	$447,071	$447,071	$447,071

C) Restricted Federal Grants in Aid – line #1.045

There is no restricted federal funding estimated in this forecast.

SUMMARY	FY 23	FY 24	FY 25	FY 26	FY 27
Unrestricted Line # 1.035	$7,236,439	$7,024,786	$7,027,170	$7,029,602	$7,032,083
Restricted Line # 1.040	447,071	447,071	447,071	447,071	447,071
Rest. Fed. Grants Line #1.045	0	0	0	0	0
Total State Foundation Revenue	$7,683,510	$7,471,857	$7,474,241	$7,476,673	$7,479,154

State Taxes Reimbursement & TPP Property Tax Allocations – Line #1.05

a) Rollback and Homestead Reimbursement

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

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

b) Tangible Personal Property Reimbursements – Fixed Sum
HB 166 continued the Fixed Sum TPP phase out over five years through FY21. There will be no fixed sum TPP reimbursement in FY23 and beyond. Districts will not lose money due to the phase out. The amount of money the state is cutting its reimbursement by will be added on the local fixed sum millage and collected in local property taxes. This is directly shifting the burden to local tax payers by the state cut in fixed sum TPP reimbursement.

Summary of State Tax Reimbursement – Line #1.050

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Rollback and Homestead	$920,007	$902,239	$740,773	$581,777	$582,333
TPP Reimbursement - Fixed Rate	0	0	0	0	0
TPP Reimbursement - Fixed Sum	0	0	0	0	0
Tax Reimb./Prop. Tax Allocations #1.050	$920,007	$902,239	$740,773	$581,777	$582,333

Other Local Revenues – Line #1.060
The main sources of revenue in this area have been open enrollment, tuition for court placed students, student fees, and general rental fees. HB110, the new state budget, will stop paying open enrollment as an increase to other revenue for the district. This is projected below as zeros to help show the difference between projected FY22-FY27 Line 1.06 revenues and historical FY20 through FY22 revenues on the five year forecast. Open enrolled students will be counted in the enrolled student base at the school district they are being educated at and state aid will follow the students. Open enrolled student revenues will be included in Line 1.035 as state basic aid. In FY21 and FY22 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. Rentals are expected to return to pre-pandemic levels over time. All other revenues are expected to continue on historic trends. The district received a $105,586 Medicaid reimbursement in FY22 that was for the 2020 school year.

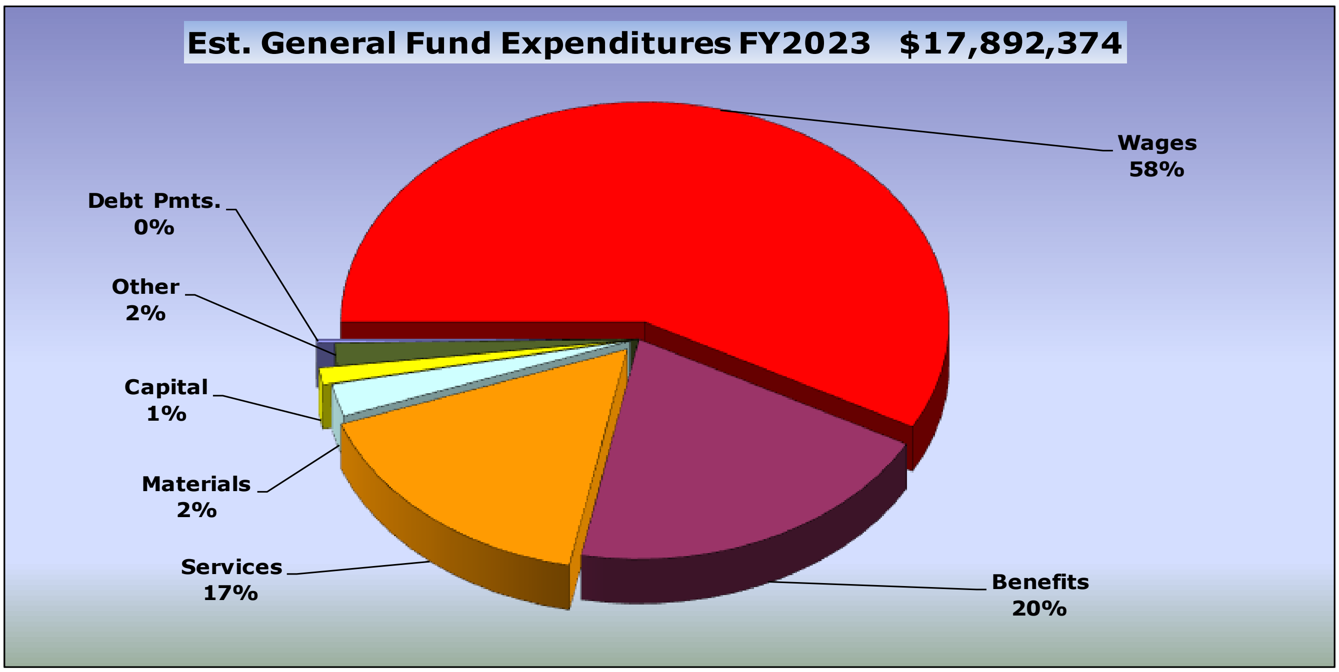
Source	FY 23	FY 24	FY 25	FY 26	FY 27
Open Enrollment Gross	$0	$0	$0	$0	$0
Interest	49,655	44,690	40,221	36,199	32,579
Tuition SF6, SF-14 & SF-14H	125,387	126,641	127,907	129,186	130,478
Other Income,Medicare Reimb. and rentals	320,526	323,731	326,968	330,238	333,540
Total Other Local Revenue Line #1.060	$495,568	$495,062	$495,096	$495,623	$496,597

Short-Term Borrowing – Lines #2.010 & Line #2.020
There is no short term borrowing planned for in this forecast at this time from any sources.

Transfers In / Return of Advances & All Other Financial Sources – Line #2.040, #2.050 and #2.060
The district is forecasting advance returns based on amounts anticipated to be advanced out in the prior years. There are no transfers in during the forecast period as noted below. All other financial sources on Line 2.06 include a refund of prior year's expenditures which are 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	FY 23	FY 24	FY 25	FY 26	FY 27
Transfers In - Line 2.040	$0	$0	$0	$0	$0
Advance Returns - Line 2.050	7,000	20,000	20,000	20,000	20,000
Total Transfer & Advances In	7,000	20,000	20,000	20,000	20,000

Expenditures Assumptions



Wages – Line #3.010
The forecast reflects a 2.7% base increase for FY23 and 2.9% base increase for FY24. For planning purposes, a 0% base increase is forecasted for FY25-FY27. Step and training increases are reflected at current step and training amounts of 1.7% for FY23-27. Future increases FY25-27 will be based on collective bargaining agreements yet to be negotiated. We have charged allowable programs to the student wellness and success fund 467 and will have brought those costs back to the general fund due to the funding changes in HB110.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Base Wages	$9,148,859	$9,792,122	$10,227,140	$10,407,776	$10,595,807
Base wage Increases	244,859	265,317	0	0	0
Steps & Training	154,171	155,531	166,466	173,861	176,932
New/Replacement Staff	19,233	14,170	14,170	14,170	14,170
SWSF Fund 467	225,000	0	0	0	0
Supplementals	316,485	318,067	319,657	321,255	322,861
Substitutes	252,852	254,116	255,387	256,664	257,947
Staff Retirements/RIF	0	0	0	0	0
Total Wages Line 3.010	$10,361,459	$10,799,323	$10,982,820	$11,173,726	$11,367,717

Fringe Benefits Estimates Line 3.02
This area of the forecast captures all costs associated with benefits and retirement costs, where all except health insurance are directly related to wages paid.

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

B) Insurance
The District anticipates an overall composite trend increase of 4.6% for FY23 and then 8% FY24-27. The graph below shows that the district has been working hard to keep these costs down with the cooperation of the district's employees. This area is the main contributor to the reason fringe benefits continue to be one of the fastest growing costs in the budget FY23-27.

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.

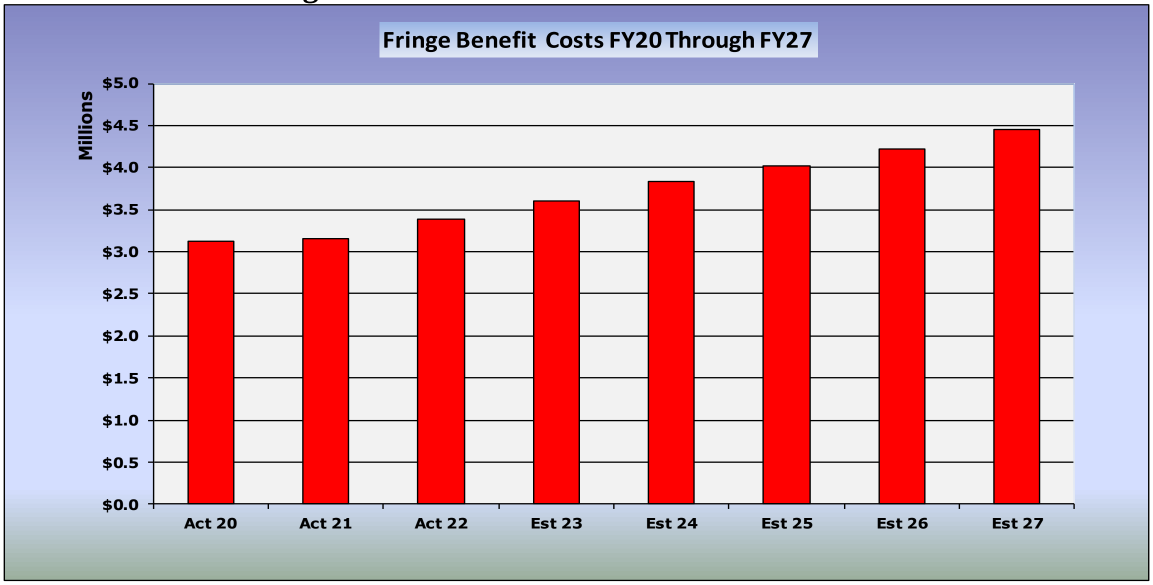
C) Workers Compensation & Unemployment Compensation
Workers Compensation is expected to be .04% of payroll FY23-FY27. Unemployment is estimated at an annual amount of $3,000 throughout the forecast period.

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

Estimated Fringe Benefits – Line #3.020

Source	FY 23	FY 24	FY 25	FY 26	FY 27
STRS/SERS	$1,578,688	$1,648,995	$1,680,775	$1,710,032	$1,739,821
Insurances	1,801,030	1,948,229	2,107,204	2,278,897	2,464,326
Workers Comp/Unemployment	44,446	46,197	46,931	47,695	48,471
Medicare	157,324	164,139	166,928	169,830	172,779
Other/Tuition	20,896	20,896	20,896	20,896	20,896
Total Fringe Benefits Line #3.020	$3,602,384	$3,828,456	$4,022,734	$4,227,350	$4,446,293

Fringe Benefit Costs FY20 through Estimated FY27



Purchased Services – Line #3.030

HB110, the new state budget, will impact Purchased Services beginning in FY22 as the Ohio Department of Education will begin to direct pay these costs to the educating districts for open enrollment, community and STEM schools, and for scholarships granted students to be educated elsewhere, as opposed to deducting these amounts from our state foundation funding and shown below as expenses. We have continued to show these amounts below as zeros to help reflect the difference between projected FY22-FY27 Line 3.03 costs and historical FY20 through FY21 costs on the five year forecast.   College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Repairs, insurance, rentals, and other	$502,775	$512,831	$523,088	$533,550	$544,221
County ESC Services	1,326,210	1,365,996	1,406,976	1,449,185	1,492,661
SF14 Tuition, Comm.School & Schlships	534,380	550,411	566,923	583,931	601,449
Open Enrollment	0	0	0	0	0
Utilities	399,752	419,740	440,727	462,763	485,901
College Credit Plus & Other Fees	173,771	178,984	184,354	189,885	195,582
Total Purchased Services Line #3.030	$2,936,888	$3,027,962	$3,122,068	$3,219,314	$3,319,814

Supplies and Materials – Line #3.040

We have included a 3% increase for each year within the forecast. This category of expenses includes textbooks, copy paper, maintenance supplies and materials, bus fuel, etc.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Supplies	$396,220	$408,107	$420,350	$432,961	$445,950
Textbooks	29,238	30,700	32,235	33,847	35,539
Total Supplies Line #3.040	$425,458	$438,807	$452,585	$466,808	$481,489

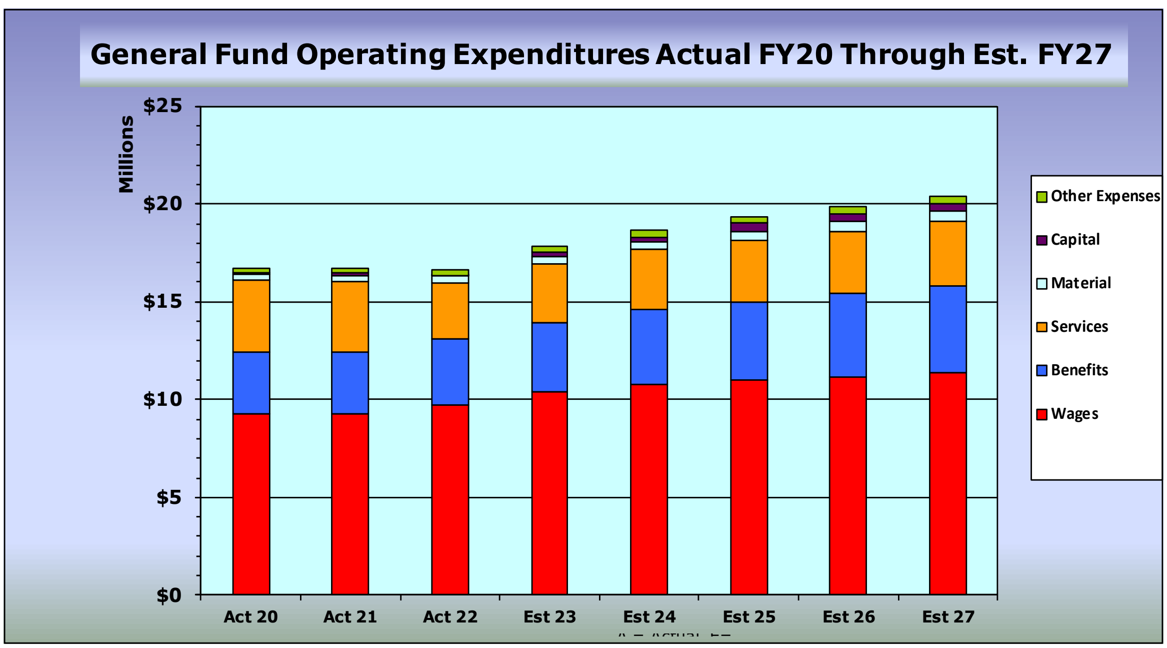
Equipment – Line # 3.050
Equipment expenditures include the purchase of two new busses each year for FY25-FY27. This is needed to offset the $212,000 annual TPP reimbursement loss to our Permanent Improvement Fund. Without this support from the General Fund, our P.I. Fund would be short the amount needed to maintain our facilities.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Capital Outlay	$217,512	$217,512	$217,512	$217,512	$217,512
Replacement Bus Purchases	0	0	212,242	216,487	220,817
Total Equipment Line #3.050	$217,512	$217,512	$429,754	$433,999	$438,329

Other Expenses – Line #4.300
This category of expenses is primarily fees to the county auditor and treasurer for collecting property taxes. The other expense category is several small expenses with the largest being district liability insurance and dues.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
County Auditor & Treasurer Fees	$174,265	$182,978	$192,127	$201,733	$211,820
Other expenses	127,280	132,371	137,666	143,173	148,900
Total Other Expenses Line #4.300	$301,545	$315,349	$329,793	$344,906	$360,720

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



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 and can 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. The transfer is related to funding severance payments in a fund 035 so the district is recognizing future obligations.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
Operating Transfers Out Line #5.010	$50,000	$50,000	$50,000	$50,000	$50,000
Advances Out Line #5.020	20,000	20,000	20,000	20,000	20,000
Total Transfer & Advances Out	$70,000	$70,000	$70,000	$70,000	$70,000

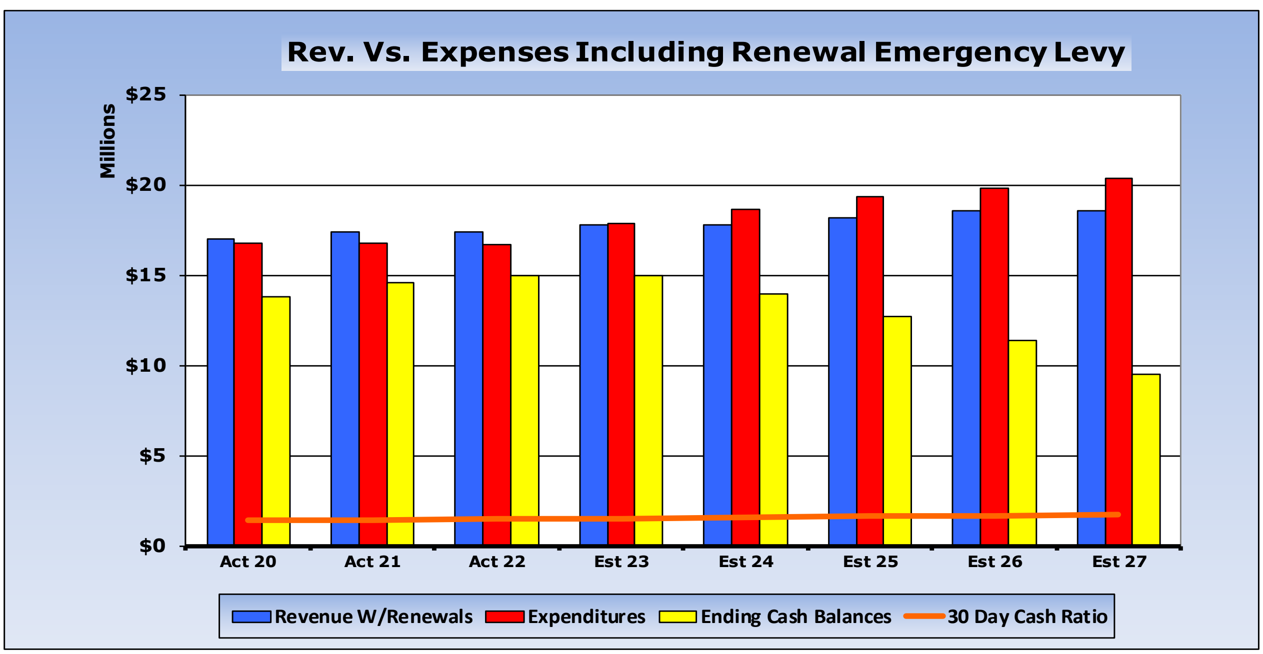
Debt Service – Line# 4.050; 4.060;
The Debt Service relates to a HB264 Energy project that is structured so that the savings in utility costs for a project will finance the debt payment; Bath Local completed a HB264 project in 2010 and will pay the debt through Fiscal Year 2025.

Source	FY 23	FY 24	FY 25	FY 26	FY 27
HB 264 Principal Line # 4.050	$45,000	$45,000	$45,000	$0	$0
Source	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**
Interest on HB 264 Total Line 4.060	$2,128	$1,342	$556	$0	$0

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. The amounts outstanding vary year to year. All outstanding purchase orders that can be closed prior to fiscal year-end are closed.

Ending Unencumbered Cash Balance "The Bottom-line" – Line#15.010
This amount must not go below $-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000, unless an alternate 412 certificate can be issued under new provisions established by HB153.

	FY 23	FY 24	FY 25	FY 26	FY 27
Ending Cash Balance	$ 14,978,408	$ 13,996,026	$ 12,747,220	$ 11,403,452	$ 9,534,596



True Cash Days Ending Balance –Including Renewal Levy
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. With our renewal levy included we meet this suggested guideline through FY27.