CHARDON HILLTOPPERS

CHARDON LOCAL SCHOOLS

MAY 2021 ASSUMPTIONS

Financial Summary – Fiscal year 2021 like fiscal year 2020 started in a strong financial position for Chardon Local Schools. The COVID-19 pandemic has continued to show financial impact, but not at the rate that was originally anticipated. State revenue cuts were reduced, the 2020 triennial appraisal was positive, and higher than anticipated collections were all factors that improved the revenue picture. Expenditures were less than projected due to the CARES Act with continued ESSER funds from the federal government along with attention to cost effective measures enacted while providing a **quality**, **in-person**, **safe** education to the students.

The purpose and objective for the five-year forecast is to engage the local Board of Education and the community in the long range planning and discussions of financial issues facing the school district. This tool serves 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. In addition, this forecast is a method for the Department of Education and the Auditor of State to identify school districts with potential financial problems.

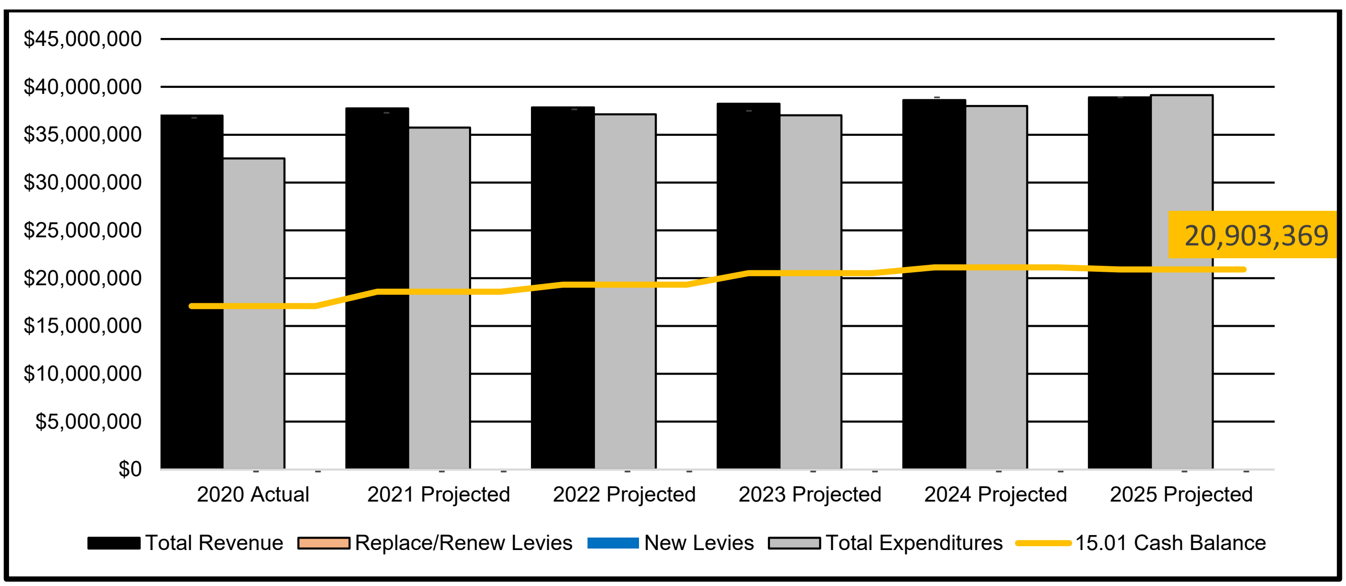
It is important to note that the five-year forecast is an **ESTIMATE** which is based on historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances, no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability. **This five-year forecast is based on information we have at the time it was created and subject to change with any catastrophic change to the economy.**

In November 2020 the five-year forecast projected an ending cash balance for fiscal year 2021 at $17,431,230 before open encumbrances. Due to increased revenues and reduced expenditures the May forecast includes adjustments to project an ending cash balance of $19,089,861 (before open encumbrances). This difference is explainable. First, state revenue cuts started at slightly over $500,000 and were reduced to half as much midway through 2021. Secondly, tax collections were projected at a 98.6% collection rate and actually came in slightly over 102%. Thirdly, the triennial appraisal for Geauga County came in at an average 8.8% property value increase (residential, commercial, and public utility). This is a slight increase for the district with new construction and inside-mill updates. Lastly, reduced expenditures, primarily in personnel services and supplies, impacted the final cash balance projection.

In fiscal year 2021 a revenue surplus is expected. This means the expenditures are expected to be less than revenue by $2,000,168 in fiscal year 2021, therefore increasing our cash balance. By the last year of the forecast, fiscal year 2025, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by $231,184 (deficit spending), therefore beginning to decrease our cash balance. The district would need to cut its fiscal year 2025 projected expenses by .59% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end fiscal 2021 and is projected to improve by fiscal year 2025 with the projected cash balance of $20,903,369 after encumbrances. A worsening cash balance can erode the district's financial stability over time. To justify this projection, assumptions in each category are included in this report to explain the ending cash balance together with possible changes.

Forecast Summary May 2021



Financial Forecast	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Beginning Balance	17,089,692	19,089,860	19,820,592	21,017,814	21,634,553
+ Revenue	37,744,463	37,858,038	38,228,325	38,618,772	38,902,586
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(35,744,295)	(37,127,307)	(37,031,102)	(38,002,033)	(39,133,770)
= Revenue Surplus or Deficit	2,000,168	730,731	1,197,222	616,739	(231,184)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	19,089,860	19,820,592	21,017,814	21,634,553	21,403,369
Analysis Without Renewal Levies Included:					
Revenue Surplus or Deficit w/o Levies	2,000,168	730,731	1,197,222	616,739	(231,184)
Ending Balance w/o Levies	19,089,860	19,820,592	21,017,814	21,634,553	21,403,369

REVENUES

Total Revenue increased 3.01% or $1,047,644 annually during the past five years and is projected to increase 1.01% or $379,621 annually through fiscal year 2025. Future projections also show increases in Public Utility, State Funding, and Property Tax Allocations with a slight decline in Other Operating Revenue and Other Source Revenue, this is due to the uncertainty of these revenue line items.

From the chart below it is easy to see the increase that was felt in 2020 was directly related to the levy that passed in 2018. It typically takes two years for the revenue to show within the statistics. The projection is that revenue growth will decline in 2022 due to the lack of new revenue primarily because of House Bill 920.

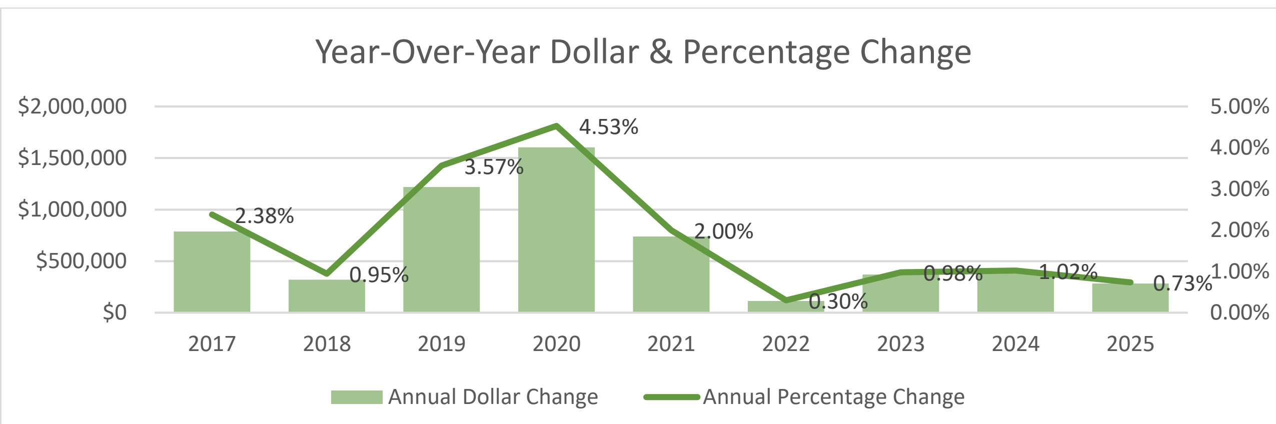


Figure 1 - Year-Over-Year Dollar & Percent Change all Revenue

Revenue Sources and Forecast Year-Over-Year Projected Overview

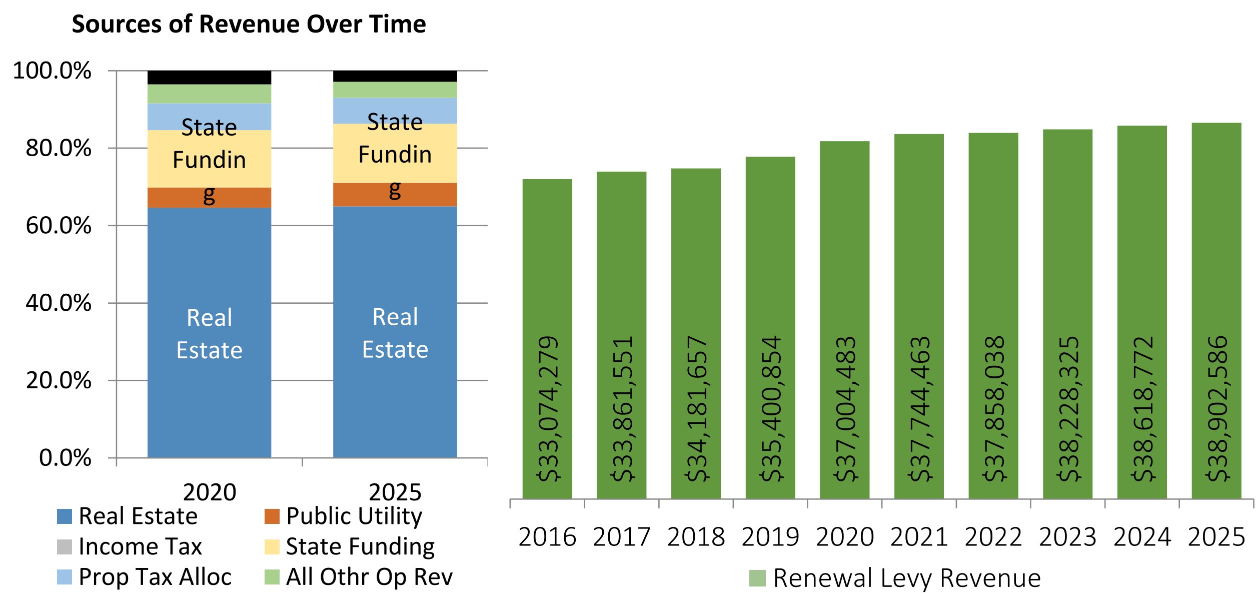


Figure 2- Total of all Revenue

1.010 – General Property Tax – Real estate property tax revenue accounts for roughly 64.58% of the districts total revenue. Class I or residential/agricultural taxes make up approximately 80.98% of the real estate property tax revenue. The Class I tax rate is 35.71 mills in tax year 2020. Projected tax revenue for fiscal year 2021 is estimated at $24,480,347 which is slightly higher than the November 2020 amount of $24,469,747.

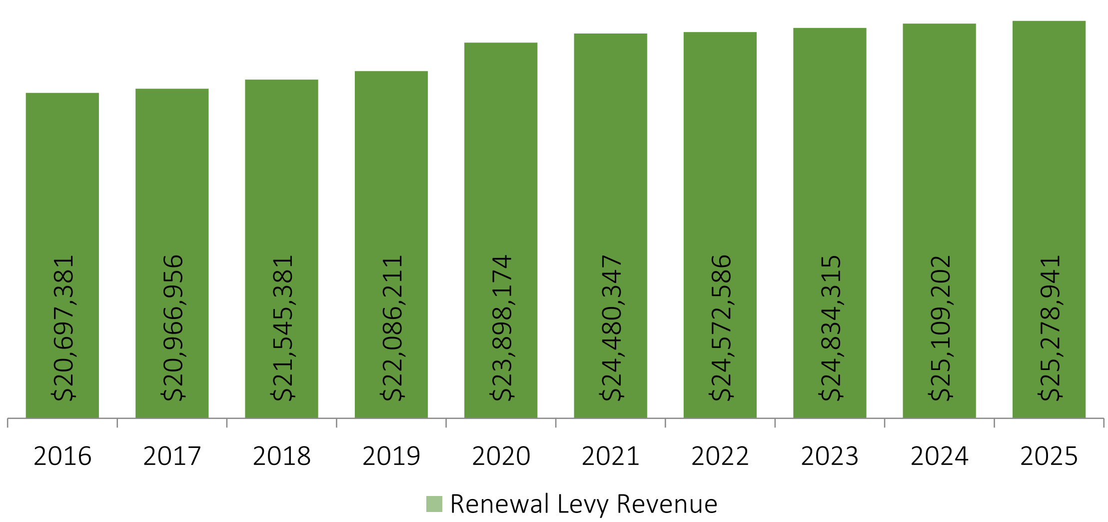


Figure 3 - Property Tax Revenue

The Geauga County Budget Commission met on emergency action due to COVID-19 and reduced the collection rate to 95% across Geauga County for fiscal year 2021. Again in 2021 the Commission set the collection rate for 2022 to 95%, but then adjusted this projection to 98%. The projections in this forecast reflect an average gross collection rate of 99.8% annually through tax year 2024. The revenue change is at an average historical rate of 4.49% and is project to change at an average annual rate of 1.13% through fiscal year 2025. Again, this is due to "**no new revenue**" other than potential inside-mill projected from fiscal year 2022 through fiscal year 2025.

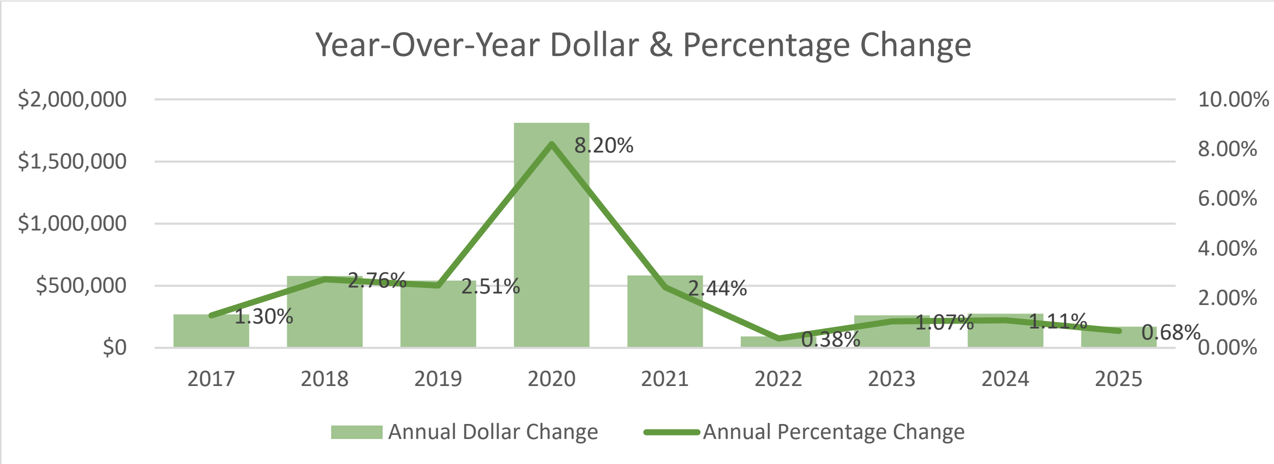


Figure 4- Year-Over-Year Dollar & Percent Change Tax Revenue

Fiscal year 2020 was an update year for valuations by the Geauga County Auditor. Property value rate changes came in at a 10.8% increase in residential values and 2.35% in commercial values, which was much higher than anticipated.

This model includes valuation changes to account for the new Starbucks, which is currently under construction and projected to finish by summer of 2021. Also included in this model is the tax value for the $17,700,000 Redwood Apartment Complex which will be completed within fiscal year 2022. Portions of this property will be abated for two years. Lastly, the property located at 125 Parker Court has completed the twelve year term for tax abatement and will begin paying taxes in calendar year 2022 for the 2021 calendar year. Future considerations include the Thistle Creek Development on North Hamden which has a projected 32 units at approximately $380,000/unit. The Thistle Creek project has a buildout of two to three years and is not yet included in this model.

Fiscal year 2023 is a revaluation year for property values, and depending on the length of the COVID-19 crisis, could potentially show reduced values. Because of "inside-mill" this would net in a slight loss of revenue. Property valuation loss is not estimated in this model.

Tax Year	Res Reapp/Update	% Change	.	Res New Constr	% Change	.	Total Res Values	% Change
2014 act	-1,057,850	-0.22%	.	3,807,070	0.79%	.	482,433,540	0.57%
2015 act	-483,490	-0.10%	.	3,277,710	0.68%	.	485,227,760	0.58%
2016 act	-366,060	-0.08%	.	3,401,270	0.70%	.	488,262,970	0.63%
2017 act	23,926,100	4.90%	.	19,649,550	4.02%	.	531,838,620	8.92%
2018 act	-133,010	-0.03%	.	3,953,560	0.74%	.	535,659,170	0.72%
2019 act	-90,390	-0.02%	.	3,133,750	0.59%	.	538,702,530	0.57%
2020 est	53,531,150	9.94%	.	4,639,910	0.86%	.	596,873,590	10.80%
2021 est	0	0.00%	.	3,500,000	0.59%	.	600,373,590	0.59%

Tax Year	Class II Reapp/Upd	% Change	.	Class II New Con:	% Change	.	Total Class II Valu	% Change
2014 act	-98,190	-0.11%	.	430,080	0.50%	.	86,089,810	0.39%
2015 act	-259,170	-0.30%	.	-110,820	-0.13%	.	85,719,820	-0.43%
2016 act	-1,377,400	-1.61%	.	-534,560	-0.62%	.	83,807,860	-2.23%
2017 act	-2,426,940	-2.90%	.	631,130	0.75%	.	82,012,050	-2.14%
2018 act	-242,920	-0.30%	.	537,330	0.66%	.	82,306,460	0.36%
2019 act	3,737,560	4.54%	.	3,635,490	4.42%	.	89,679,510	8.96%
2020 est	-1,577,130	-1.76%	.	3,685,420	4.11%	.	91,787,800	2.35%
2021 est	-300,000	-0.33%	.	500,000	0.54%	.	91,987,800	0.22%
2022 est	-300,000	-0.33%	.	5,000,000	5.44%	.	96,687,800	5.11%

House Bill 920 plays a key factor in revenue generated from property tax. Each levy has a maximum amount of collections associated with the levy. For example, if a levy were to generate $2 million dollars, it would remain at $2 million dollars for the district no matter how high property valuations increase. In effect, the millage is reduced "effective millage" so that the dollar amount of revenue does not exceed the initial $2-million-dollar amount. There is a small percentage of taxes (4.5 mill) that are collected on what is called "inside-mill". This amount does increase from year to year, showing a slight increase in taxes on the forecast. Inside-mill is not protected by House Bill 920 and revenue can decline if property values were to plummet.

1.020 – Public Utility – Public Utility Personal Property Tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 5.28% of the total district revenue. The property is taxed at the full voted tax rate which in tax year 2020 is 78.68 mills. Total Public Utility Personal Property tax collection for 2021 is $2,061,389 which is slightly less than the projected amount from the November 2020 forecast at $2,079,146.

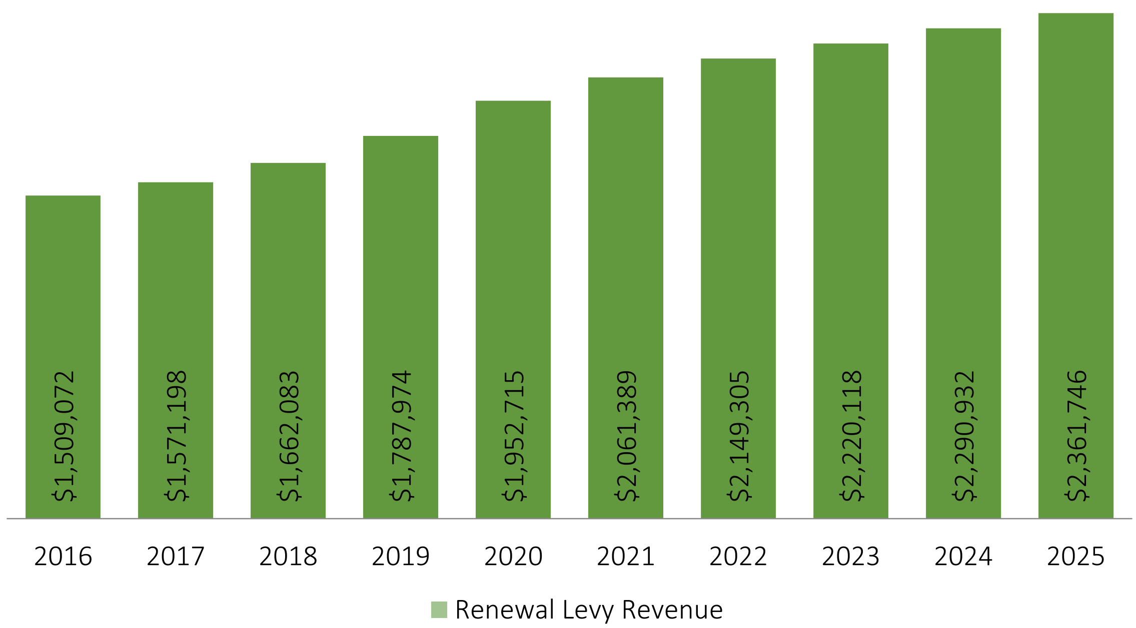


Figure 5 - 1.020 – Public Utility Personal Property Revenue

Collection rates for Public Utility are typically at 100%, but due to the ongoing conflict with the Orwell Trumbull Pipeline the average gross collection rate is at 97.31%. The revenue changed at an average annual dollar amount of $127,172 and is projected to change at an average annual dollar amount of $81,806 through fiscal year 2025. The Orwell Trumbull Pipeline has filed for bankruptcy and the assets are being sold separately from the liabilities. This issue is affecting all school districts that are associated with the pipeline. The Public Utility valuations were reduced by -$2,624,880 after the 2020 Geauga County triennial appraisal and the Orwell Trumbull Pipeline values were completely removed. A 100% collection rate is estimated at the reduced values over the next four years. This model does not take into consideration the possibility of increased valuations which may result in the sale of the pipeline assets.

Public utility year-over-year dollar and percent changes show a steady increase through fiscal year 2020, but due to stabilizing valuations, this forecast includes a continued increase but at lower percentage rates. The growth rate is projected to stabilize at 3.2% for fiscal year 2023 through fiscal year 2025.

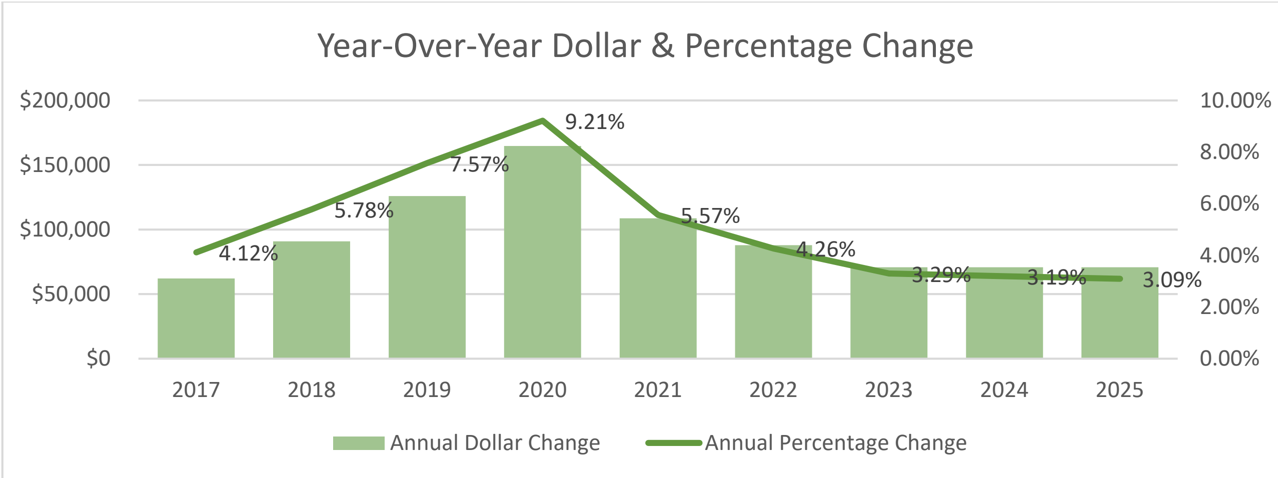


Figure 6 - Year-Over-Year Dollar & Percent Change Public Utility Tax

1.030 – Income Tax – Chardon Local District does not have an income tax in place.

1.035 – Unrestricted Grants-in-Aid –The fiscal year 2019 per pupil and foundation revenue amount is the base aid amount used for this line item. In addition to this aid, casino tax and foundation adjustments affect the total revenue reported. State cuts were included in the November 2020 forecast for fiscal year 2021 at $528,000. The cuts were reduced by half in fiscal year 2021. This projection does not include future state cuts and is based on the base aid formula used in fiscal year 2019 for the next four years. Casino revenue came in at $42 per student for fiscal year 2021 and is due to the mandate of casino closings in calendar year 2020. This revenue is projected to return to $52 per student for the following four years. Special education transportation went up slightly from $65,000 to $75,000 for all five years, and pre-school special education state funding has dropped from $158,570 per year to $132,736 for the next five years. A new state formula is currently in legislation and may affect revenue within this line item. Student Wellness funding is not included in the General Fund.

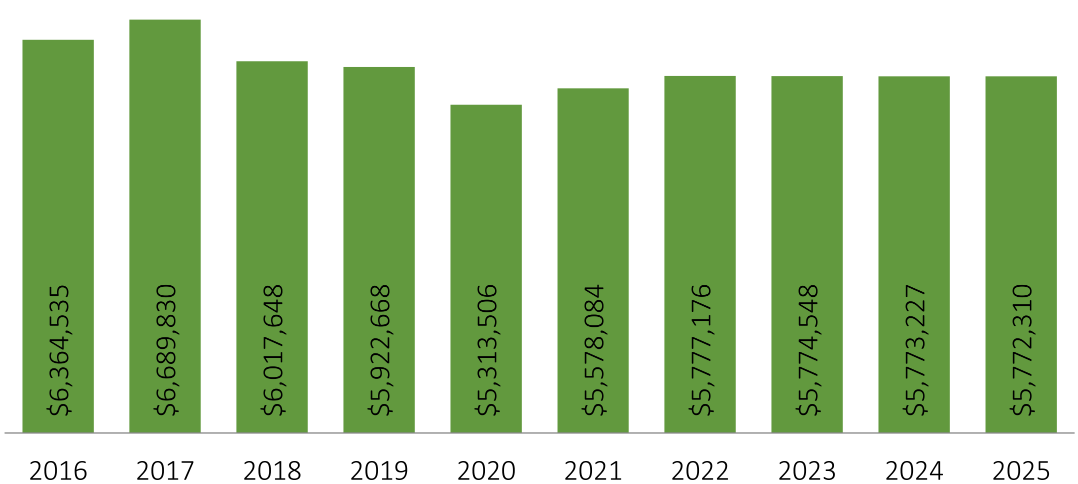


Figure 7 - **1.035 – Unrestricted Grants-in-Aid Revenue**

Because foundation and casino tax revenues are based on Charon's student count (ADM), the five-year assumption includes a declining student count which slightly affects the revenue in this line item to reduce over time. A note for fiscal year 2021, student counts did increase, but are expected to drop again in fiscal year 2022 through fiscal year 2025.

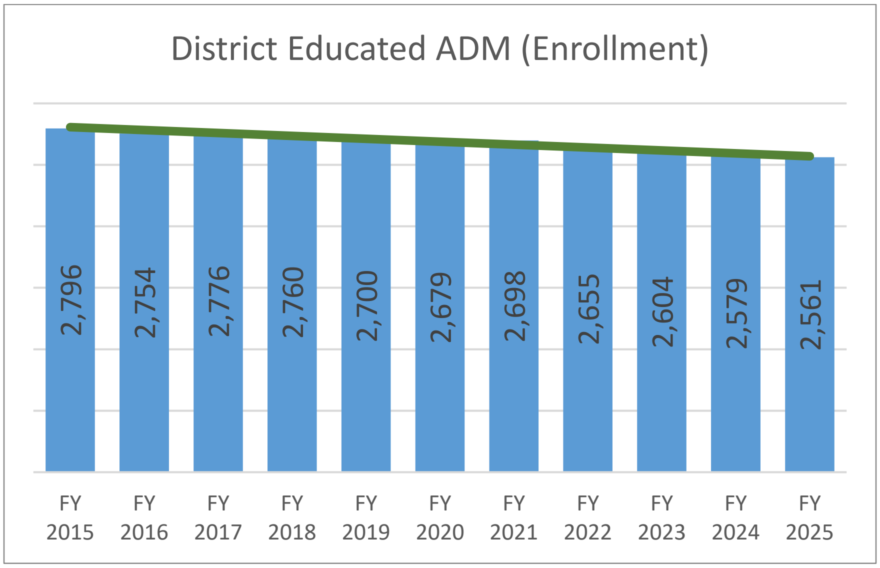


Figure 8 - Chardon ADM - Number of Students

1.040 & 1.045 – Restricted Grants-in-Aid – Restricted aid is the portion of state per pupil funding that must be classified for a restricted purpose. Historically the district's restricted state aid changed annually on average by $1,104. Restricted funds represents .44% of the total district revenue. The total projected amount for fiscal year 2021 is $158,970 which is down from the November 2020 forecasted amount of $174,501.

This line represents the expected revenue from the Ohio Department of Education for catastrophic special education reimbursements, economically disadvantaged funding, and career tech funding. The assumption is that catastrophic special education will decrease slightly in fiscal year 2021 and then all three areas will continue at the same value for the following four years. The slight decrease in catastrophic special education is due to a reimbursement for additional special needs students that require unique services. This revenue counters additional spending in the Purchased Services Expenditure line 3.030.

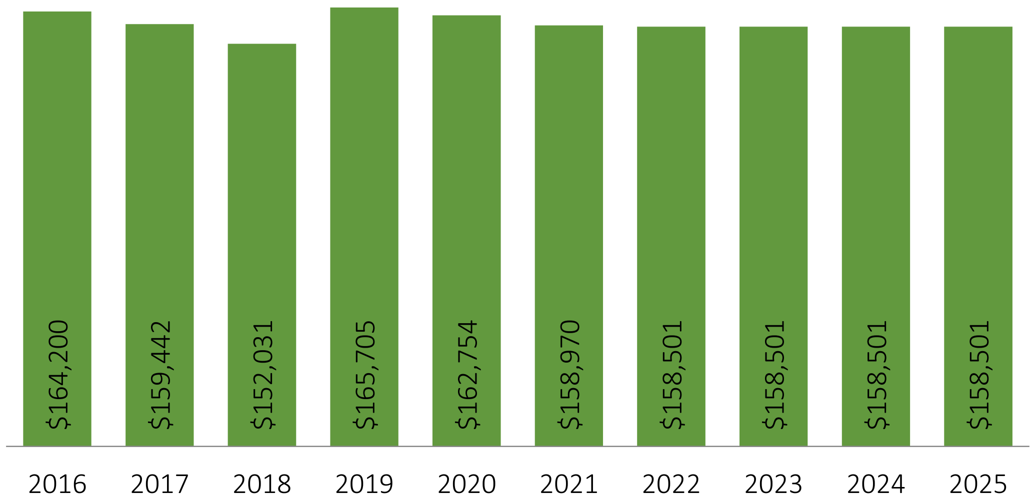


Figure 9 - 1.040 & 1.045 – Restricted Grants-in-Aid Revenue

1.050 – Property Tax Allocation – Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions on their property taxes. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In fiscal year 2021 approximately 8.9% local residential property taxes will be reimbursed by the state in the form of rollback credit and approximately 2.3% will be reimbursed in the form of qualifying homestead exempt credits. The actual amount reported for fiscal year 2021 is $2,552,722 which is slightly more than the November 2020 forecast's projection of $2,521,009. This is due to increased valuations.

This amount is expected to rise slightly alongside property tax increases at an average rate of .59% each year for the next four years. Note, the percent increase is .59% in comparison to $1.13% because the property tax allocation is a percent of the total residential tax amount and does not include commercial taxes.

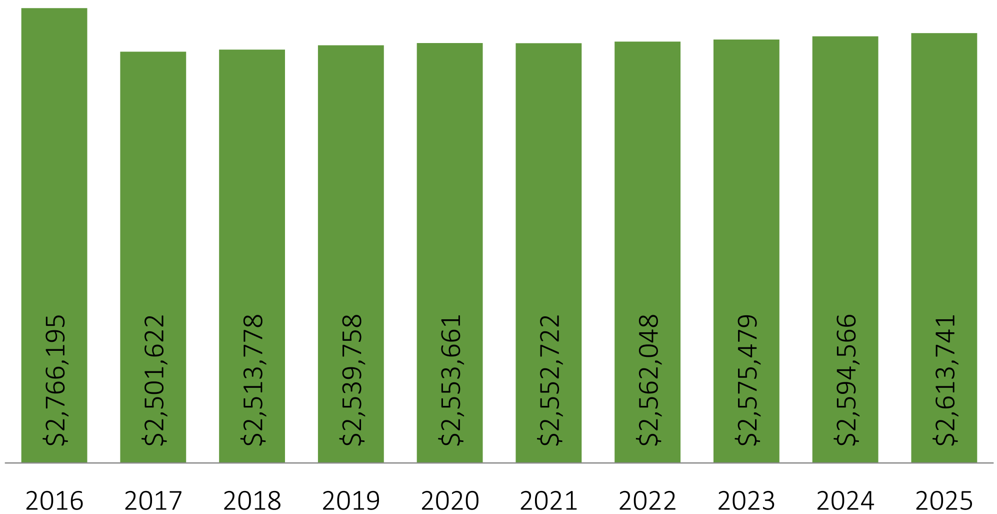


Figure 10 - 1.050 – Property Tax Allocation Revenue

1.060 – All Other Operating Revenues – Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. In the November 2020 forecast other operating revenue was project at $1,453,985. New projections included in this model are slightly higher at $1,528,985.

An assumption is incorporated into this line item to allow for an additional decline in interest for fiscal year 2022. It is also assumed that the economy will bounce back beginning in late 2022 to show a steady growth. Also affecting this line item is the lost revenue due to facility rentals and custodian rentals. Facility/custodial rental comprised $31,642 in revenue for fiscal year 2020, this line item was assumed at zero in the November 2020 forecast due to COVID-19. Rentals brought in $8,021 in fiscal year 2021 and are projected to increase back to average amounts in 2023, 2024 and 2025.

Other Operating Revenue has fluctuated over the years but is typically never under a million dollars. Fiscal year 2021 includes an additional one time revenue of $329,000 due to the dividend funds provided by the Ohio Bureau of Workers Compensation. An additional refund was received from the Ohio Bureau of Workers Compensation in the amount of $88,646 but is not reflected in this forecast because it was posted to a special enterprise fund for payment back to the bureau. Should interest rates increase and buildings are rented sooner than expected, this revenue could increase back to the average levels.

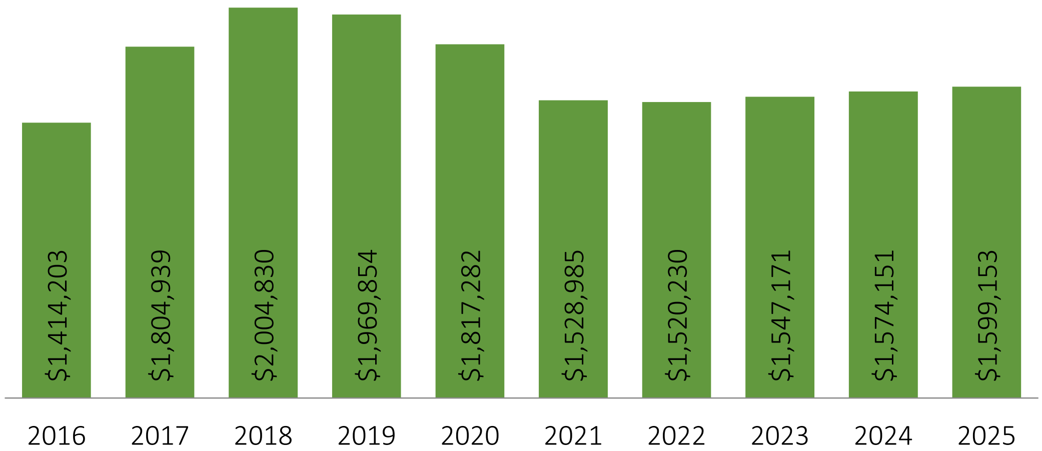


Figure 11 - 1.060 - All Other Operating Revenues

2.070 – Total Other Financing sources – Other sources includes revenue that is generally classified as non-operating including transfers-in, advances-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures. Advances-in are the repayment of temporary loans made from the general fund to other district funds. In fiscal year 2021 the district receipted $490,574 as advances-in from a grant fund and the projection is $475,000 in returned advances for fiscal year 2021. The district is projecting that all other financing sources will be $1,383,966 in fiscal year 2021 and average $1,118,191 annually through fiscal year 2025.

The reason for the large spike in 2019 is due to the moving of preschool to an in-house service. A transfer-in is made in the amount of $650,000 to cover the cost of preschool within this fund. This inter-fund transfer helps us monitor the cost of preschool and reassures that running this service in-house is economical. Additionally, as mentioned above, an increase starting in fiscal year 2020 includes advance returns primarily from grant funds.

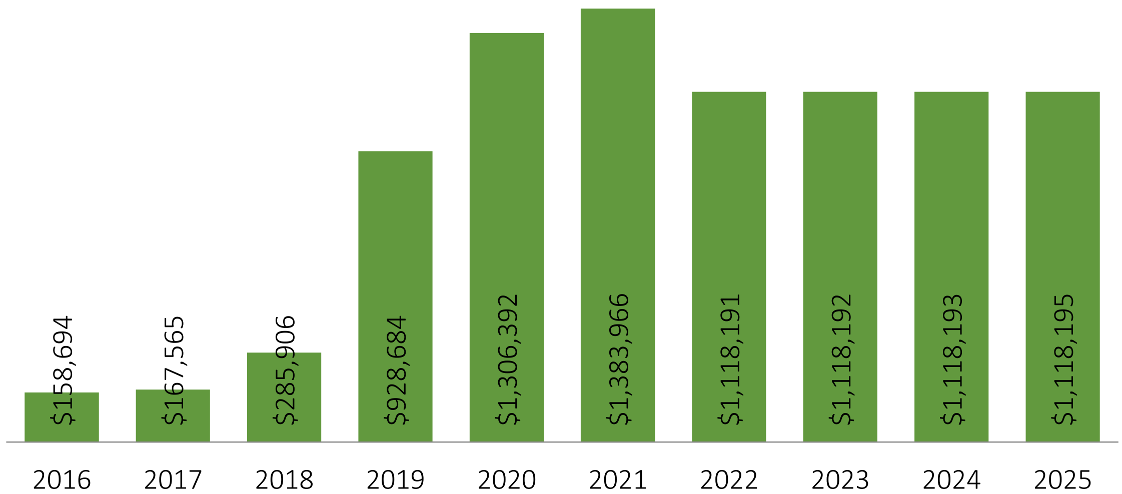


Figure 12- 2.070 – Total Other Financing sources Revenue

EXPENDITURES

Total expenditures increased .88% or $276,797 annually during the past five years and is projected to increase 4.07% or $1,324,362 annually through fiscal year 2025. Purchased Services has the largest projected average annual variance compared to the historical average at $543,122. COVID-19 has played a large pare in the expenditure increases for 2021 and 2022, and the assumption is that this impact will taper off beginning in 2023.

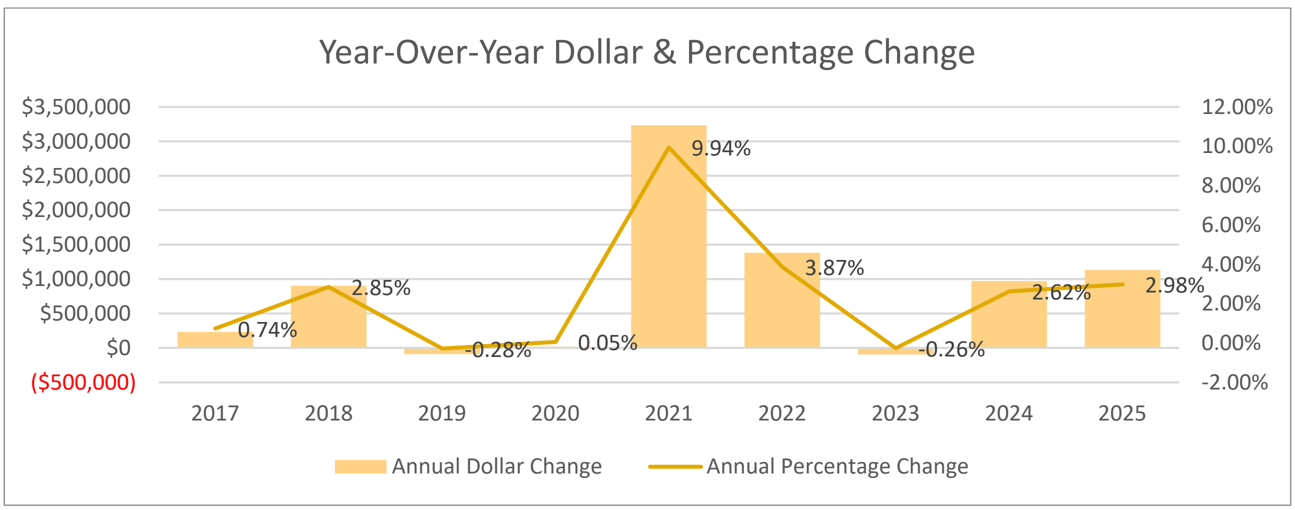


Figure 13- Year-Over-Year Dollar & Percent Change All Expenditures

The projected year-over-year chart below shows a strong expenditure savings between fiscal years 2016 and 2020. During this time period re-configuration occurred and the cost savings are evident with the consolidation of buildings and the reduction of staff. Expenditure reductions were also evident in 2020 due to COVID-19 and expenditure reductions in salaries, benefits, purchased services, and capital outlay. In 2020 administrative and certified staff along with purchased services and supplies were spent out of grant accounts causing less burden on the general fund.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

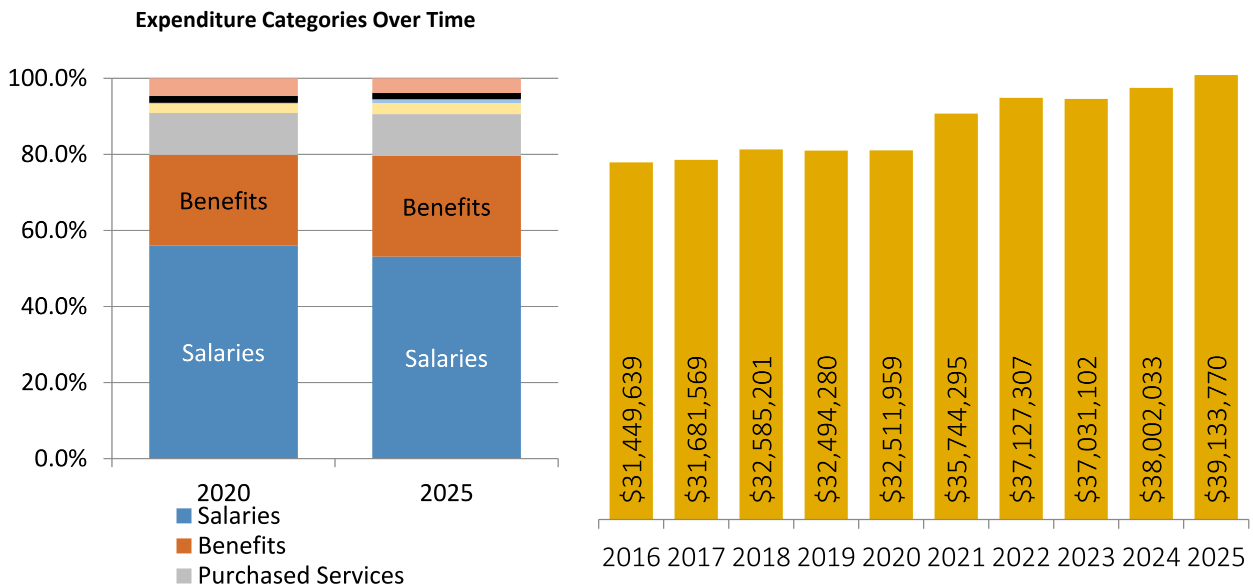


Figure 14 - Expenditure Categories and Forecast Year-Over-Year All Expenditures

Fiscal year 2021 clearly shows a spike in expenditures due to COVID-19, one that is carried forward with the continuation of the pandemic. The assumptions for this increase is described in the line items below.

3.010 – Personnel Services – This line item represents employee salaries and wages, including extended time, and non-athletic supplemental contracts. Salaries represents 56.06% of the total expenditures and has increased at a historical average annual rate of .27%.

November forecast allowed for additional staff due to COVID-19. At the beginning of the 2020-2021 school year Chardon estimated seven new teachers, four aides, two recess monitors, and one custodian to account for social distancing, and extra sanitization due to the current pandemic. Salary estimates for substitute workers were added for coverage during the heights of the pandemic. Chardon started the school year with full instruction K-7 and a hybrid model for 8-12. In February 2021 Chardon Schools moved to full instruction for the remainder of the school year. Staff added includes two and a half (2.5) teachers, one (1) aid, two (2) recess monitors, and one custodian. This reduced our salary estimates from $20,022,410 for 2021 to an estimated $19,459,132.

The projection for 2022 includes a reduction of force which represents five (5) teachers, two (2) administrators, and one recess monitor. An assumption is made for future reductions including an additional recess monitor and a custodian which are accounted for in the model for 2023. Negotiated agreements for both the teacher’s union and the classified union are agreed upon until fiscal year 2022. The forecast reflects the agreements until 2022 and then reduces the increase to 1% base increase percentage plus step increases for 2023, 2024 and 2025. Personnel Services continues to be the largest expenditure for Chardon Local Schools and the average teacher salary is in the middle range for Geauga County.

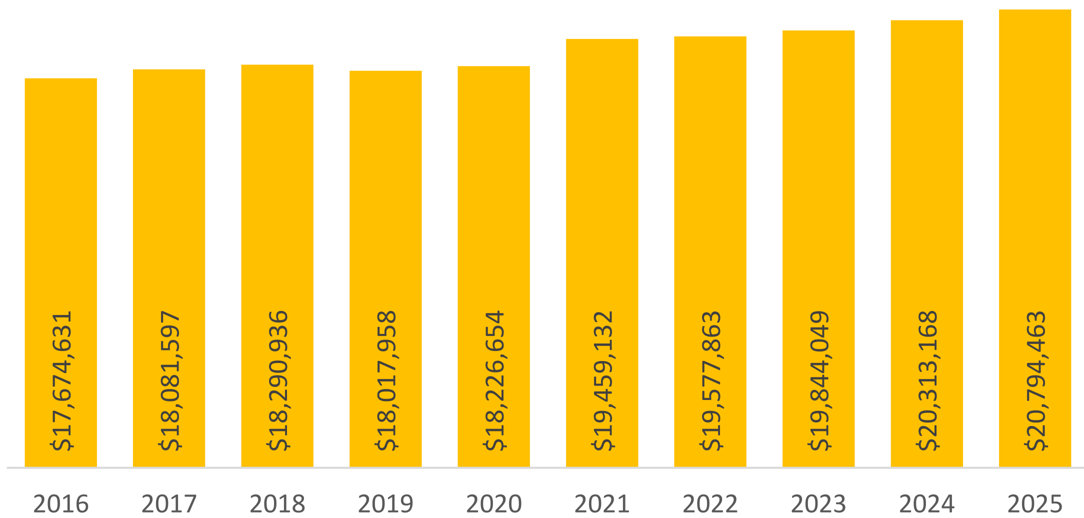


Figure 15 - 3.010 - Personnel Services Expenditures

3.020 – Employee Benefits – Employee Benefits represent 23.81% of the total expenditures and increased at a historical average annual rate of 3.72%. This category of expenditure is projected to grow at an annual average rate of 5.94% through fiscal year 2025. The projected average annual rate is 2.21% more than the five-year historical annual average. The November projection for fiscal year 2021 for Employee Benefits was $8,397,074. The reduction of positions caused a ripple effect in the reduction of benefits for 2021. The May forecast estimates 2021 benefits at $8,243,894 just slightly lower than anticipated in November.

The self-insurance funds cash balance has been increasing during fiscal year 2021 fluctuating above and below the reserve total of $1,906,977. Although this fund is not included in the general fund, the purpose is to pay for medical and dental procedures. The general fund would be responsible to transfer into this fund if the funds were not sufficient to cover the costs. This is not a concern at this time. The assumption is that the pandemic is nearing an end, and medical claims are projected to rise driving down the balance of this fund, but not to the point of transfer.

The Employee Benefit line item includes a total of employee insurances (health, dental, and life), Medicare, Worker's Compensation, and retirement costs for the district. The assumption includes the 6.5% increase for 2021, moving to 9% for the remaining four years of the forecast for a conservative look at rising insurance costs. This line item was first reduced by the reduction in force, then increased by the appropriate percentages for each year of the five-year forecast.

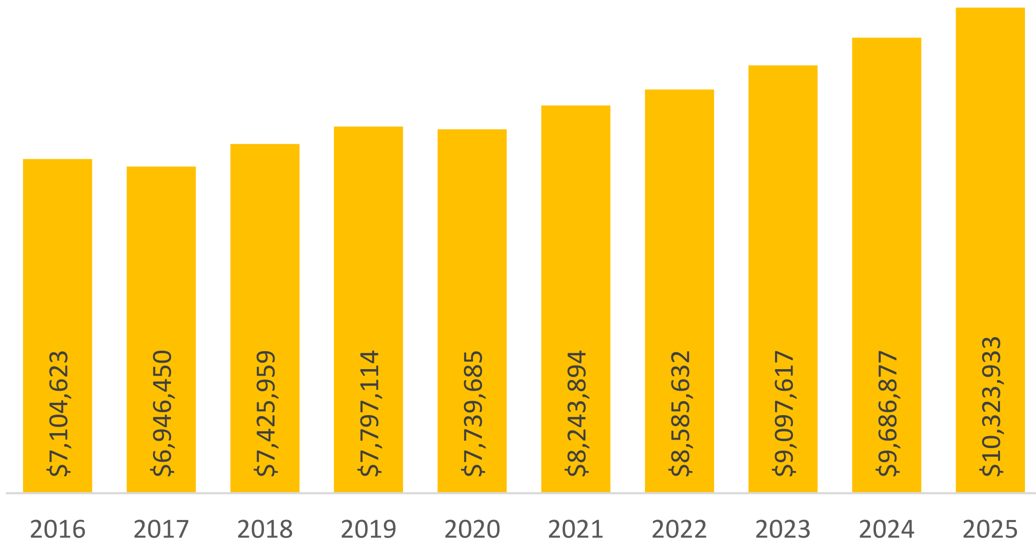


Figure 16 - Employee Benefits

3.030 – Purchased Services – This line item represents amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase. Purchased Services represents 11.01% of the total expenditures and decreased at a historical average annual rate of -8.60%. This category of expenditure is projected to grow at an annual average rate of 5.08% through fiscal year 2025.

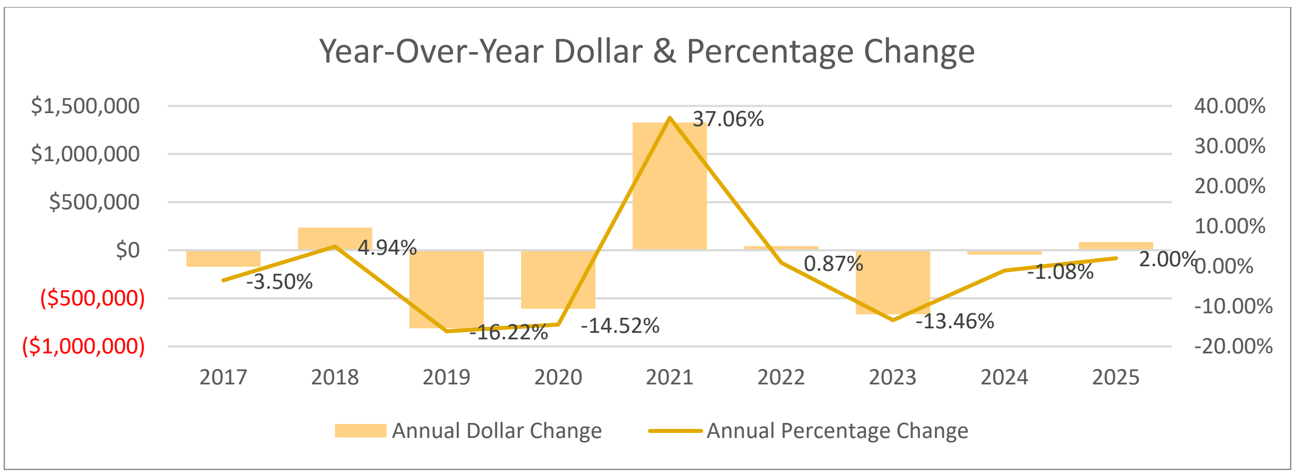


Figure 17 – Purchased Services

The projected average annual rate of change is 13.68% more than the five-year historical annual average and is a direct effect of COVID-19 and additional services needed for the pandemic. November forecasted Purchased Services for 2021 was $4,691,141. This amount included increases for COVID-19, and also included the addition of a Transportation Supervisor and four (4) bus drivers to aide with social distancing and the transportation of Chardon students. This is the largest change from the November forecast pushing the new amount for 2021 to $4,908,414.

Other increases included in this assumption include a $35,000 increase in the cost of Community School Tuition (2020 to 2021), and an increased in legal fees due to COVID-19. Each object code was reviewed with the Superintendent to allow for expenditures for continued program operations. The assumption for the five-year forecast includes the additional costs for COVID-19 and the additions to transportation for the 2022 school year, then moving back to normal operations for 2023 through 2025. Additionally, the assumption includes a 2% cost-of-living increase in this line item from 2023 through 2025.

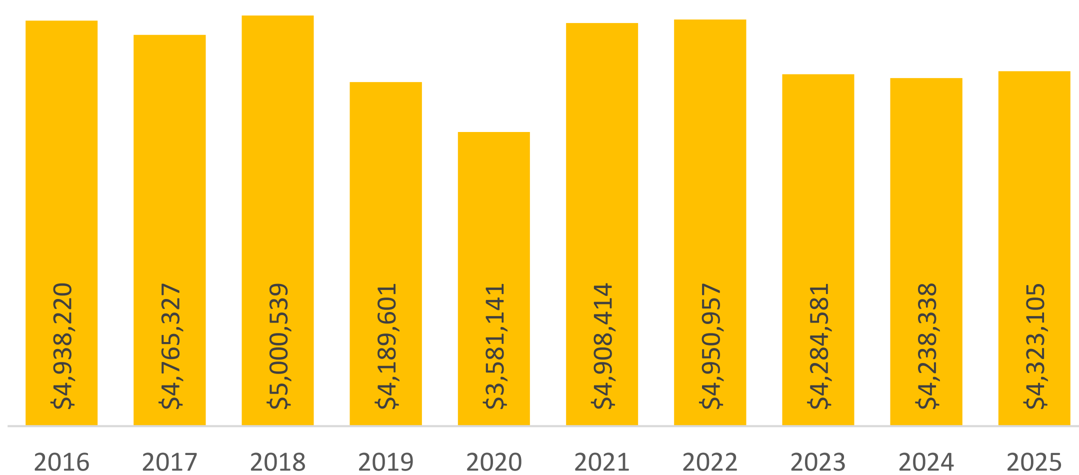


Figure 18 - Purchased Services

3.040 – Supplies & Materials – This line item represents expenditures for general supplies, instruction materials including textbooks, media material, bus fuel, tires, and all other maintenance supplies. Supplies and Materials represents 2.44% of the total expenditures and decreased at a historical average annual rate of -8.45%. This category of expenditure is projected to grow at an annual average rate of 8.29% through fiscal year 2025. The projected average annual rate of change is 16.75% more than the five-year historical annual average and again is a direct result of COVID-19.

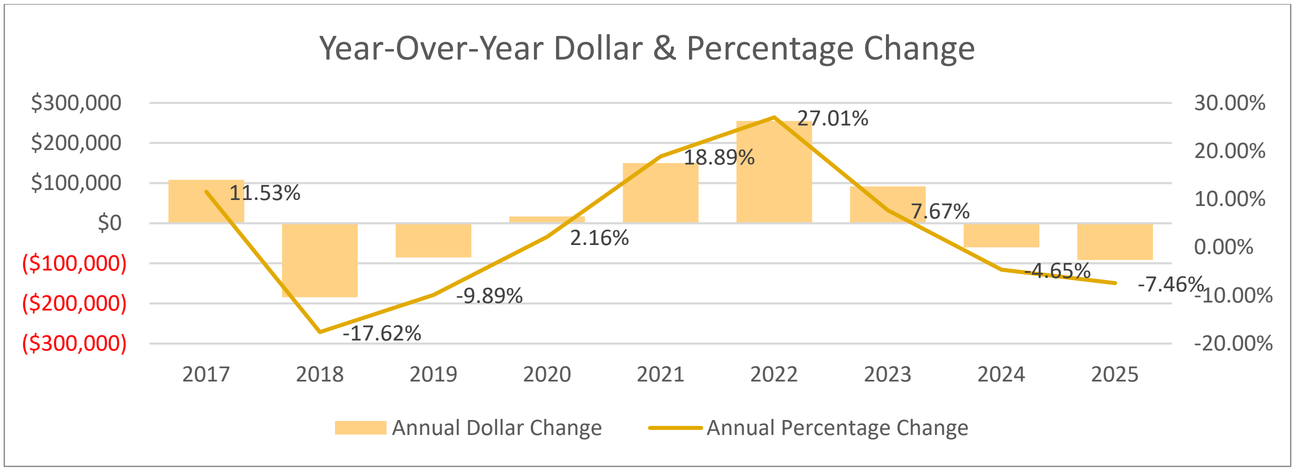


Figure 19 – Supplies and Materials

Supplies and materials were forecasted on the November 2020 forecast at $1,475,525 for fiscal year 2021. The May 2021 forecast moves this number to $944,025. The difference is explainable due to the various ESSER grants offered by the Federal Government. November estimates included $500K for PPE purchases to keep our students safe. Much of the PPE required was purchased from ESSER driving down the expenditures for this line item. This expenditure also fluctuates from year to year based on textbook purchases. A spending plan was outlined with the Assistant Superintendent who oversees Curriculum. Additionally, the original textbook plan, which was included in November's forecast, was to purchase new textbooks in 2020. This plan was updated to reflect textbook replacement in 2022, 2023, and 2024 tapering off in 2025. This change of plan aided in driving down the estimates on this line item. The assumption includes a 2% cost-of-living increase in this line item from 2023 through 2025.

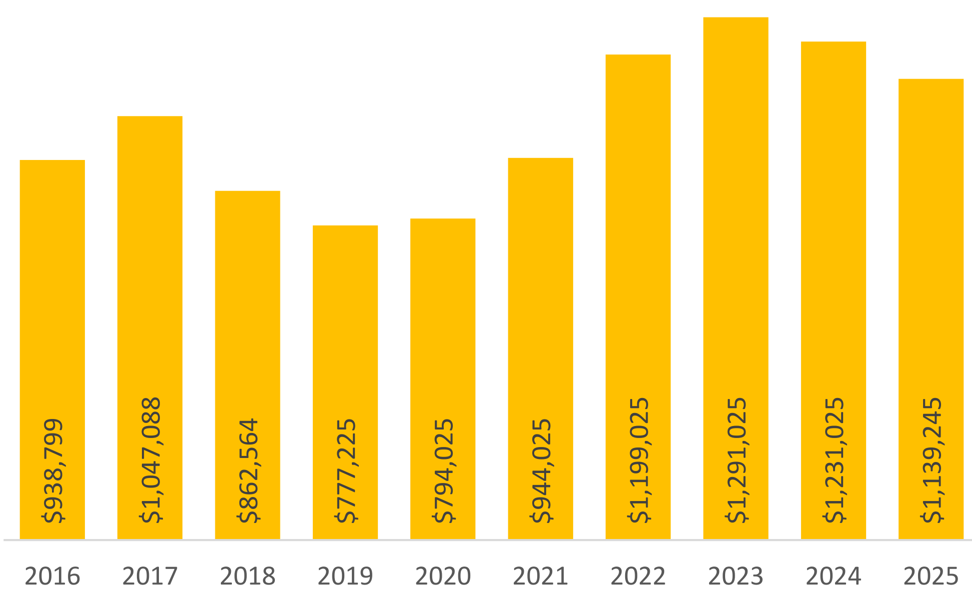


Figure 20 - Supplies and Materials

3.050 – Capital Outlay – This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, and furnishings. Capital Outlay represents .21% of the total expenditures and decreased at a historical average annual amount of $5,252. This category of expenditure is projected to grow at an annual average amount of $65,069 through fiscal year 2025. The projected average annual change is more than the five-year historical annual average.

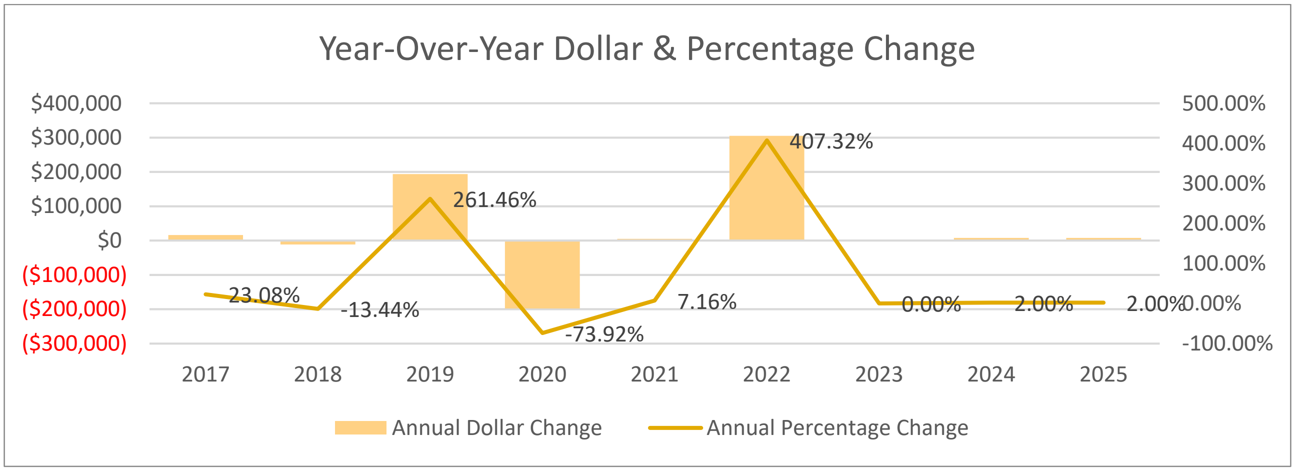


Figure 20 – Capital Outlay

Capital Outlay forecast for 2021 in November was $275,879. The May forecast moves this number to $74,879. The original amount included COVID-19 equipment that was purchased from ESSER funds. The original assumption also included the purchase of Chromebooks, which expended from the Chromebook Insurance fund for fiscal year 2021. The assumption continues the expenditure of Chromebooks from this fund from 2022 through 2025.

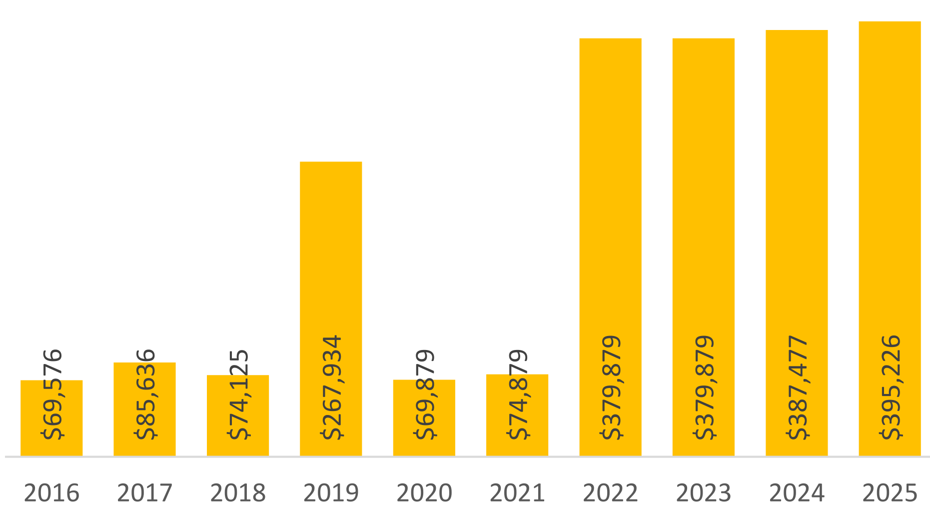


Figure 21 - Capital Outlay

4.300 – Other Objects – Primary components for this expenditure line are membership dues and fees, Educational Service Center contract deductions, County Auditor/Treasurer fees, and audit expenses. Other objects represent 1.76% of the total expenditures and increased at a historical average annual rate of 2.23%. This category of expenditure is projected to grow at an annual average rate of 2.44% through FY 2025. The projected average annual rate of change is .21% more than the Five-year historical annual average. The assumption includes a 2% cost-of-living increase in this line item from 2023 through 2025.

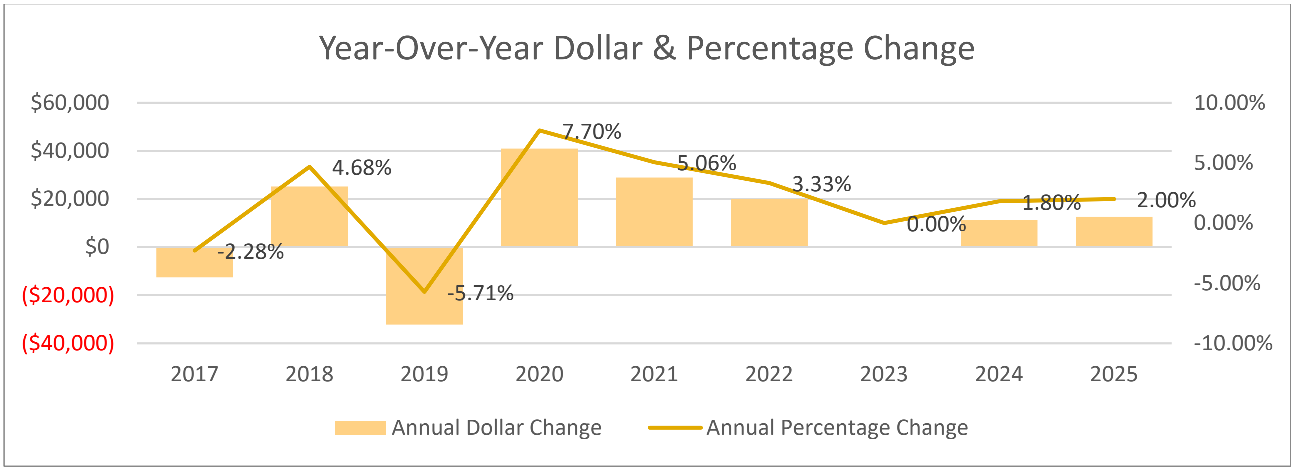


Figure 22 - Capital Outlay

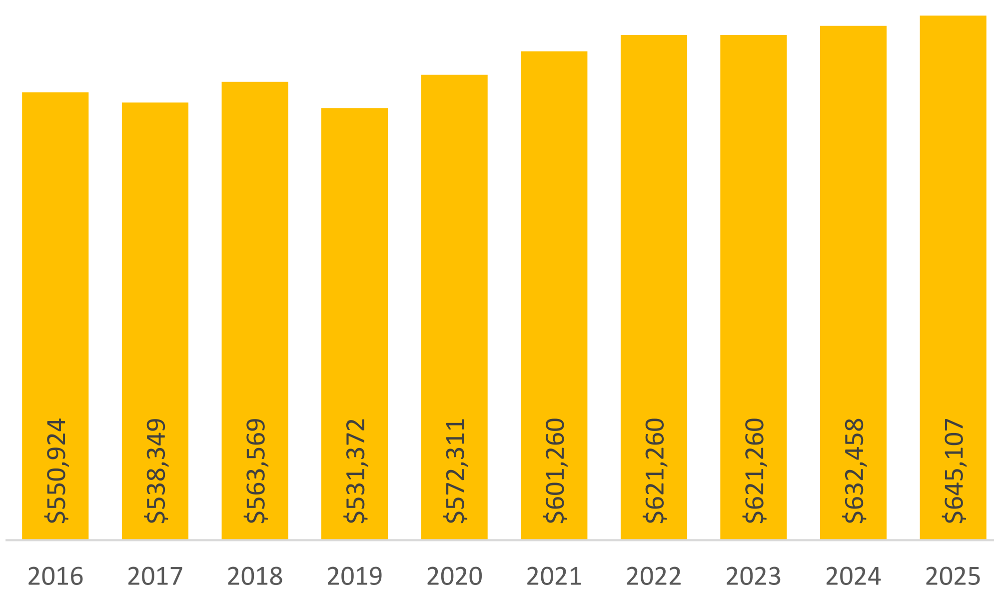


Figure 21 - Other Objects

5.010 to 5.040 – Total Other Financing Uses – Total Other Financing Uses November projection for 2021 was $1,512,691. This is a combination of transfers estimated and pass through funds for 2020 due to COVID-19. This amount has not changed in the May forecast. Projected transfers are $292,117 to the athletics fund, $80,000 to the foods service fund, $650,00 (inter-fund) to pre-school, and a $490,579 advance to the grant accounts to bring them into a positive status prior to the end of the fiscal year. This assumption projects the same amount will be needed for the next five years with an addition of a $300,000 transfer in 2020 to rebuild the retirement fund. Due to a new federal program for food service offering free lunches to all students until the end of fiscal year 2021, it is likely that the $80,000 estimated transfer to this fund will not be necessary. This program will continue through the 2022 fiscal year to possibly alleviate the transfer in 2022 as well. There is also a possibility of a larger transfer to athletics due to COVID-19 and reduced gate receipts, this is still the case for the May forecast although help was applied to this line item from the ESSER fund.

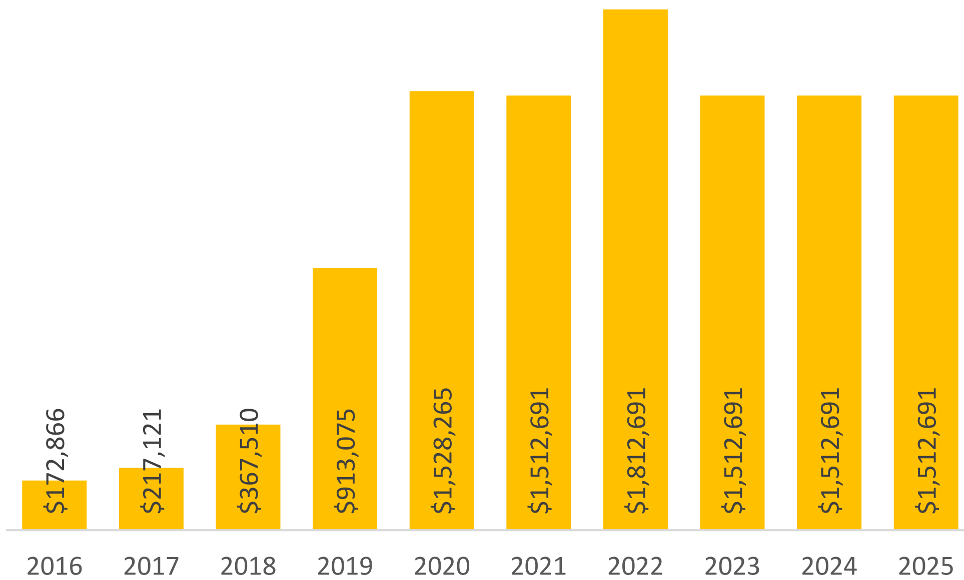
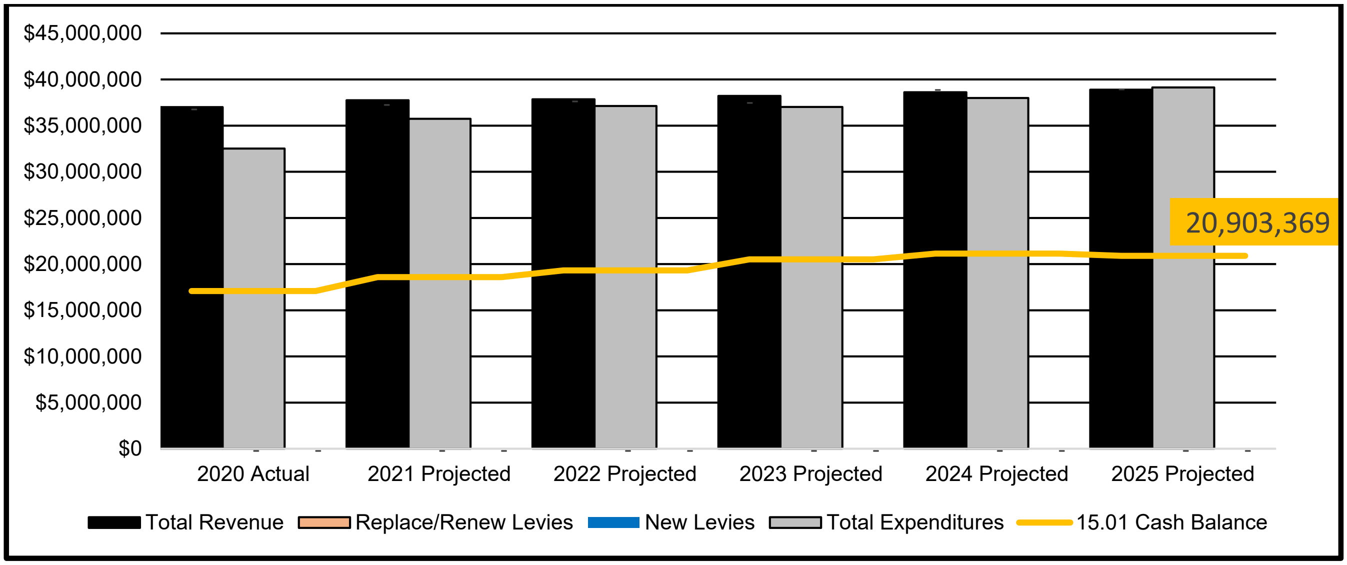


Figure 22 - Total Other Financing Uses

Ending Cash Balance – the projected ending cash balance for this model is $21,403,369 with a reduction to **$20,903,369** with open purchase orders (encumbrances). This model shows the actual effects of COVID-19 for fiscal year 2020 and 2021 and is a conservative look for fiscal year 2022. The assumption brings 2023 back to normal spending patterns with little to know effect from COVID19.



This model shows that deficit spending will occur in 2025 in the amount of $231,184. This occurs when expenses are larger than revenue for the given year. The cash balance will grow from 2022 through 2024 and then begin to decline in 2025. This is due primarily to cost-of-living adjustments for salaries which is the largest expenditure category. In conjunction with increased expenditures Chardon receives minimal revenue increases due to House Bill 920. The Board of Education at Chardon Local Schools continues to analyze all funds to determine the effects of the economy and/or any direct impacts on the financial picture such as COVID-19.

Chardon Local School District will provide an updated five-year forecast if conditions should vary significantly from this model and assumptions.

Chardon Local School District
Schedule Of Revenue, Expenditures and Changes In Fund Balances
Actual and Forecasted Operating Fund

	ACTUAL			FORECASTED				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Revenue:								
1.010 - General Property Tax (Real Estate)	21,545,381	22,086,211	23,898,174	24,480,347	24,572,586	24,834,315	25,109,202	25,278,941
1.020 - Public Utility Personal Property	1,662,083	1,787,974	1,952,715	2,061,389	2,149,305	2,220,118	2,290,932	2,361,746
1.030 - Income Tax	-	-	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	6,017,648	5,922,668	5,313,506	5,578,084	5,777,176	5,774,548	5,773,227	5,772,310
1.040 - Restricted Grants-in-Aid	152,031	165,705	162,754	158,970	158,501	158,501	158,501	158,501
1.045 - Restricted Federal Grants-in-Aid - SFSF	-	-	-	-	-	-	-	-
1.050 - Property Tax Allocation	2,513,778	2,539,758	2,553,661	2,552,722	2,562,048	2,575,479	2,594,566	2,613,741
1.060 - All Other Operating Revenues	2,004,830	1,969,854	1,817,282	1,528,985	1,520,230	1,547,171	1,574,151	1,599,153
1.070 - Total Revenue	33,895,751	34,472,170	35,698,092	36,360,497	36,739,846	37,110,132	37,500,579	37,784,392
Other Financing Sources:								
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-	-	-
2.020 - State Emergency Loans and Advancements	-	-	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	463,075	643,190	643,190	643,191	643,191	643,192	643,193
2.050 - Advances-In	82,000	222,510	200,000	490,574	475,000	475,001	475,001	475,002
2.060 - All Other Financing Sources	203,906	243,099	463,202	250,202	-	-	-	-
2.070 - Total Other Financing Sources	285,906	928,684	1,306,392	1,383,966	1,118,191	1,118,192	1,118,193	1,118,195
2.080 - Total Revenues and Other Financing Sources	34,181,657	35,400,854	37,004,483	37,744,463	37,858,038	38,228,325	38,618,772	38,902,586
Expenditures:								
3.010 - Personnel Services	18,290,936	18,017,958	18,226,654	19,459,132	19,577,863	19,844,049	20,313,168	20,794,463
3.020 - Employees' Retirement/Insurance Benefits	7,425,959	7,797,114	7,739,685	8,243,894	8,585,632	9,097,617	9,686,877	10,323,933
3.030 - Purchased Services	5,000,539	4,189,601	3,581,141	4,908,414	4,950,957	4,284,581	4,238,338	4,323,105
3.040 - Supplies and Materials	862,564	777,225	794,025	944,025	1,199,025	1,291,025	1,231,025	1,139,245
3.050 - Capital Outlay	74,125	267,934	69,879	74,879	379,879	379,879	387,477	395,226
3.060 - Intergovernmental	-	-	-	-	-	-	-	-
Debt Service:								
4.010 - Principal-All Years	-	-	-	-	-	-	-	-
4.020 - Principal - Notes	-	-	-	-	-	-	-	-
4.030 - Principal - State Loans	-	-	-	-	-	-	-	-
4.040 - Principal - State Advances	-	-	-	-	-	-	-	-
4.050 - Principal - HB264 Loan	-	-	-	-	-	-	-	-
4.055 - Principal - Other	-	-	-	-	-	-	-	-
4.060 - Interest and Fiscal Charges	-	-	-	-	-	-	-	-
4.300 - Other Objects	563,569	531,372	572,311	601,260	621,260	621,260	632,458	645,107
4.500 - Total Expenditures	32,217,691	31,581,205	30,983,695	34,231,604	35,314,616	35,518,412	36,489,343	37,621,079
Other Financing Uses								
5.010 - Operating Transfers-Out	145,000	713,075	1,037,690	1,037,690	1,337,690	1,037,690	1,037,690	1,037,690
5.020 - Advances-Out	222,510	200,000	490,574	475,000	475,000	475,000	475,000	475,000
5.030 - All Other Financing Uses	-	-	-	-	-	-	-	-
5.040 - Total Other Financing Uses	367,510	913,075	1,528,265	1,512,691	1,812,691	1,512,691	1,512,691	1,512,691
5.050 - Total Expenditures and Other Financing Uses	32,585,201	32,494,280	32,511,959	35,744,295	37,127,307	37,031,102	38,002,033	39,133,770
Excess of Rev & Other Financing Uses Over (Under) 6.010 - Expenditures and Other Financing Uses	1,596,456	2,906,574	4,492,524	2,000,168	730,731	1,197,222	616,739	(231,184)
Cash Balance July 1 - Excluding Proposed Renewal/ 7.010 - Replacement and New Levies	8,094,138	9,690,594	12,597,169	17,089,692	19,089,860	19,820,592	21,017,814	21,634,553
7.020 - Cash Balance June 30	9,690,594	12,597,169	17,089,692	19,089,860	19,820,592	21,017,814	21,634,553	21,403,369
8.010 - Estimated Encumbrances June 30	-	-	-	500,000	500,000	500,000	500,000	500,000
Reservations of Fund Balance:								
9.010 - Textbooks and Instructional Materials	-	-	-	-	-	-	-	-
9.020 - Capital Improvements	-	-	-	-	-	-	-	-
9.030 - Budget Reserve	-	-	-	-	-	-	-	-
9.040 - DPIA	-	-	-	-	-	-	-	-
9.050 - Debt Service	-	-	-	-	-	-	-	-
9.060 - Property Tax Advances	-	-	-	-	-	-	-	-
9.070 - Bus Purchases	-	-	-	-	-	-	-	-
9.080 - Subtotal	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification 10.010 - of Appropriations	9,690,594	12,597,169	17,089,692	18,589,860	19,320,592	20,517,814	21,134,553	20,903,369
Rev from Replacement/Renewal Levies								
11.010 - Income Tax - Renewal				-	-	-	-	-
11.020 - Property Tax - Renewal or Replacement				-	-	-	-	-
11.030 - Cumulative Balance of Replacement/Renewal Levies	-	-	-	-	-	-	-	-
Fund Balance June 30 for Certification 12.010 - of Contracts, Salary and Other Obligations	9,690,594	12,597,169	17,089,692	18,589,860	19,320,592	20,517,814	21,134,553	20,903,369
Revenue from New Levies								
13.010 - Income Tax - New				-	-	-	-	-
13.020 - Property Tax - New				-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-	-	-
14.010 - Revenue from Future State Advancements	-	-	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	9,690,594	12,597,169	17,089,692	18,589,860	19,320,592	20,517,814	21,134,553	20,903,369