# CHARDON LOCAL SCHOOLS

## NOVEMBER 2021 ASSUMPTIONS

**Financial Summary –** Fiscal year 2021 ended in a strong financial position for Chardon Local Schools and that position is anticipated to continue through fiscal year 2022. The COVID-19 pandemic continued to show financial impact but at a reduced rate from fiscal year 2021. In the summer of 2021, the state of Ohio legislature approved the state fiscal 2022 - 2023 biennial budget which became law on July 1, 2021. Under the new biennial budget, the State Foundation Formula adopted the new Fair School Funding Plan. The biennial budget did provide additional dollars restricted for Student Wellness programs. This provided a positive effect on the five-year forecast along with changes in the recording of revenue and expenditures. As in fiscal year 2021, collections are higher than anticipated showing a positive effect on revenue. Expenditures were less than projected due to tuition adjustments from the Fair School Funding Formula along with continued savings from the 2019 fiscal year reconfiguration, and continued attention to cost effective measures. Significant savings occurred while still providing a **quality**, **in-person**, **safe** education for 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.  **<u>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.</u>**

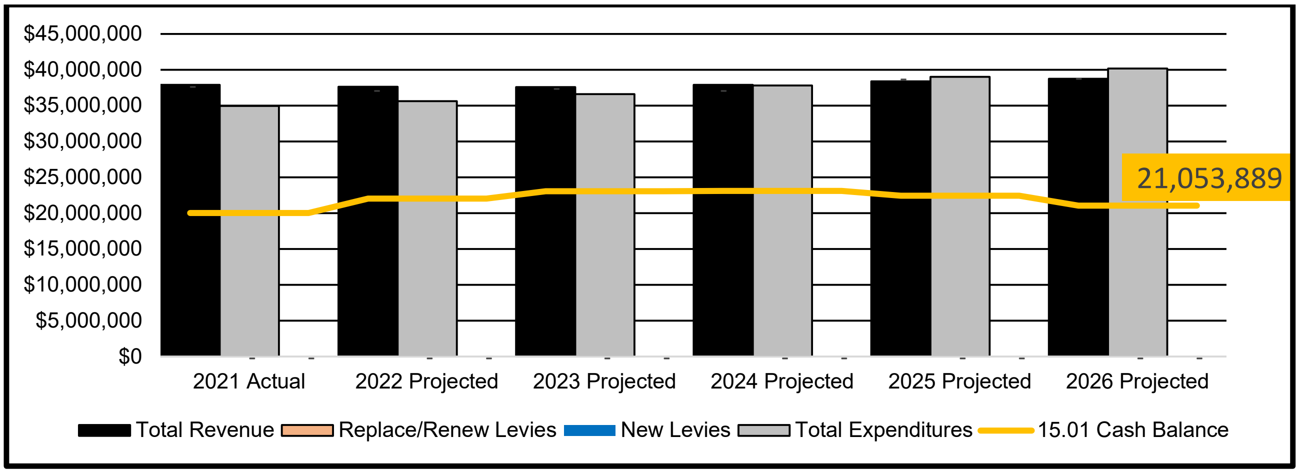
The May 2021 five-year forecast projected an ending cash balance for fiscal year 2022 at $19,089,863 before open encumbrances. Due to increased revenues and reduced expenditures this forecast includes adjustments to project an ending cash balance of $21,053,889 (before open encumbrances) with the final projection after open purchase orders at $20,553,889. This difference is explainable.  First, tax collections were projected at a 98.06% collection rate in May 2021.  This rate has been updated to 99.77% due to a favorable collection for the first half of the year.  It is important to note the three-year average collection rate is currently at 100.32%.  Second, although state revenues were reduced to account for the Fair School Funding Plan, expenditures were reduced even greater to show a positive effect on the forecast. Third, reduced expenditures, primarily in personnel services, benefits, and supplies impacted the final cash balance projection.  This reduction was due to reduced staff and expenditures no longer needed to account for COVID-19 restrictions placed by the state in 2020.

In fiscal year 2022 a revenue surplus is expected.  This means the expenditures are expected to be less than revenue by $2,009,221 in fiscal year 2022, therefore increasing our cash balance.  By the last year of the forecast, fiscal year 2026, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by $1,399,103 (deficit spending), therefore beginning to decrease our cash balance.  A worsening cash balance can erode the district's financial stability over time.  The district would need to cut its fiscal year 2026 projected expenses by 3.48% in order to balance its budget without additional revenue.

This forecast includes the Fair School Funding Plan (FSFP) adopted by the stat legislature starting in fiscal year 2022.  The district expects a combined impact of $397,397 in fiscal year 2022.  This forecast includes a CFO adjusted trend calculation of the FSFP impact using current information.  As information changes, the estimates will be updated.  The district is considered a guarantee district in fiscal year 2022.  A detailed state funding supplement (Addendum A) to this forecast has been prepared and should be reviewed and considered part of the forecast assumptions.

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 November 2021**




| Financial Forecast | Fiscal Year 2022 | Fiscal Year 2023 | Fiscal Year 2024 | Fiscal Year 2025 | Fiscal Year 2026 |
|---|---|---|---|---|---|
| Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled | 20,022,725 | 22,031,946 | 23,036,237 | 23,113,265 | 22,452,992 |
| + Revenue | 37,611,023 | 37,581,450 | 37,876,064 | 38,368,486 | 38,750,983 |
| + Proposed Renew/Replacement Levies | - | - | - | - | - |
| + Proposed New Levies | - | - | - | - | - |
| - Expenditures | (35,601,802) | (36,577,159) | (37,799,036) | (39,028,758) | (40,150,086) |
| = Revenue Surplus or Deficit | 2,009,221 | 1,004,291 | 77,028 | (660,272) | (1,399,103) |
| Line 7.020 Ending Balance with renewal/new levies | 22,031,946 | 23,036,237 | 23,113,265 | 22,452,992 | 21,053,889 |
| Analysis Without Renewal Levies Included: | | | | | |
| Revenue Surplus or Deficit w/o Levies | 2,009,221 | 1,004,291 | 77,028 | (660,272) | (1,399,103) |
| Ending Balance w/o Levies | 22,031,946 | 23,036,237 | 23,113,265 | 22,452,992 | 21,053,889 |

## REVENUES

Total revenue increased 3.36% or $1,236,641 annually during the past five years and is projected to increase 0.45% or $171,880 annually through fiscal year 2026. Real estate has the greatest projected average annual variance compared to the historical average at $772,203.

From the growth chart below it is easy to see the increase 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 and conservative collection rates projected for less than the three year average.

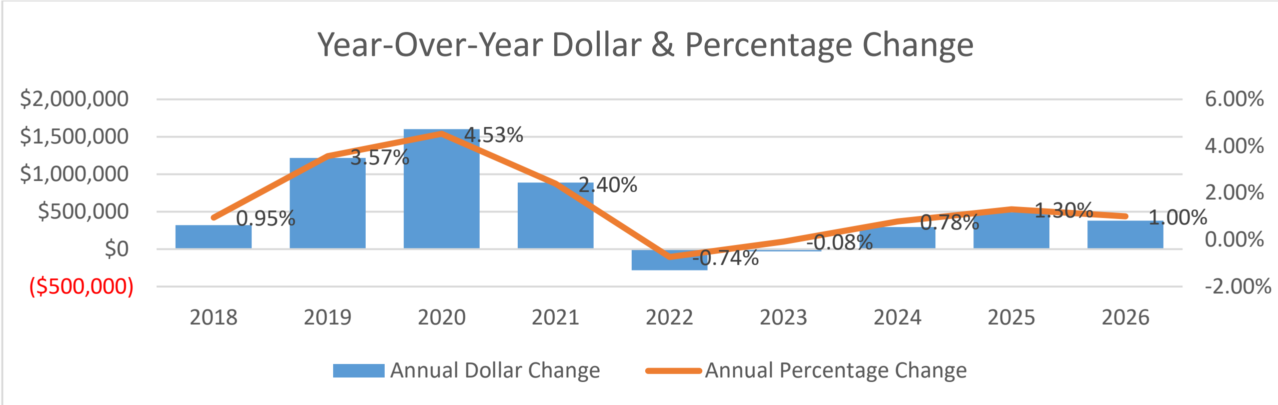



*Figure 1 - Year-Over-Year Dollar & Percent Change all Revenue*

Revenue Sources and Forecast Year-Over-Year Projected Overview

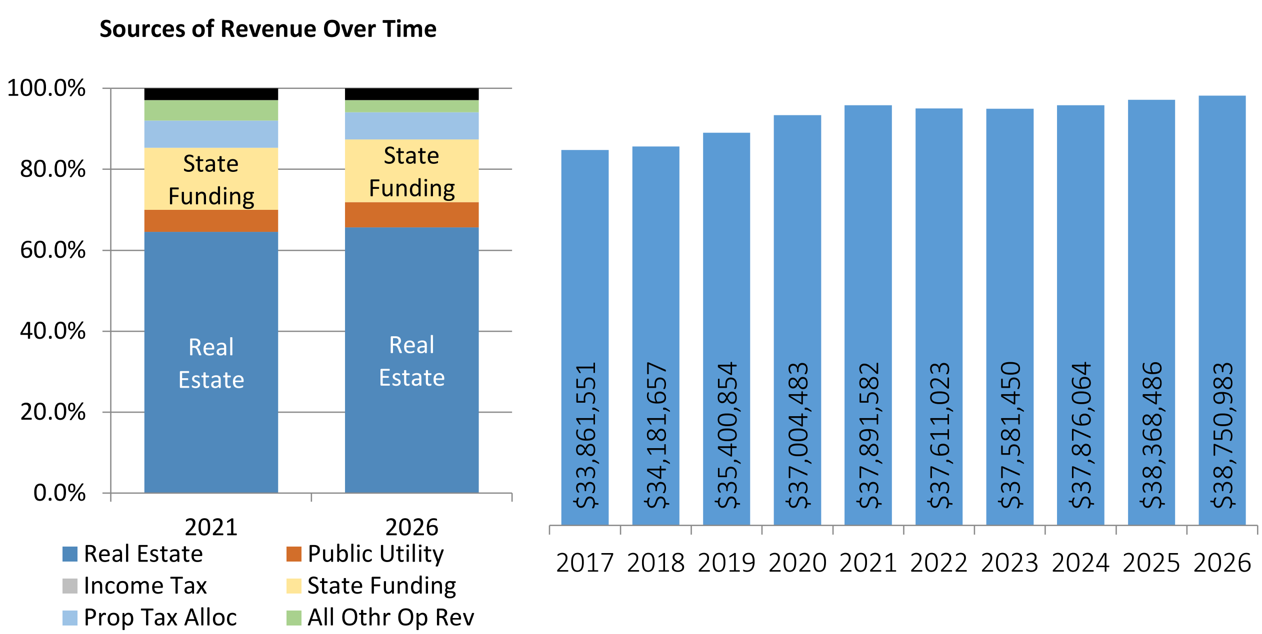



*Figure 2- Total of all Revenue*

**1.010 – General Property Tax –** Real estate property tax revenue accounts for roughly 64.53% of the district's total revenue. Class I or residential/agricultural taxes make up approximately 82.94% of the real estate property tax revenue. The Class I tax rate is 35.65 mills in tax year 2021. Projected tax revenue for fiscal year 2022 is estimated at $24,631,268 which is slightly higher than the May 2021 amount of $24,572,586. This is due to the CFO adjustment in the collection rate for 2022.

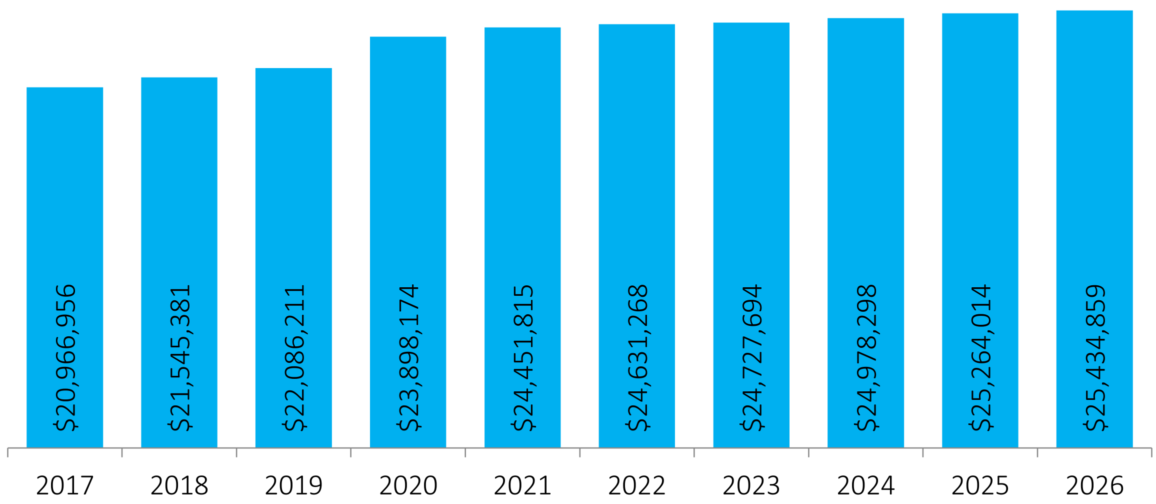



*Figure 3 - Property Tax Revenue*

The Geauga County Budget Commission set the collection rate for 2022 to 98%. The projections in this forecast reflect an average gross collection rate of 99.8% annually through tax year 2025. The revenue changed at an average annual historical rate of 4.13% and is project to change at an average annual rate of 0.79% through fiscal year 2026. Again, this is due to "**no new revenue**" other than potential inside-mill projected from fiscal year 2022 through fiscal year 2026.

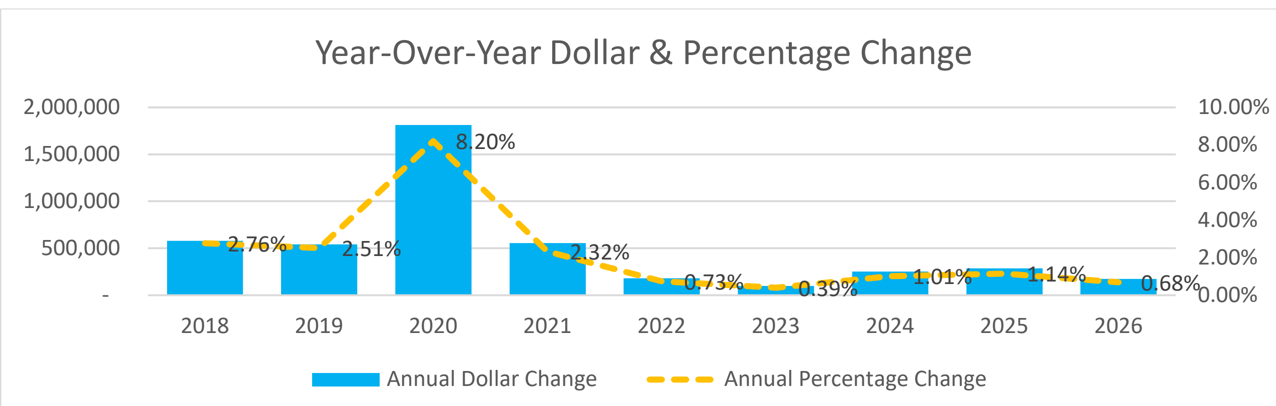



*Figure 4- Year-Over-Year Dollar & Percent Change Tax Revenue*

Calendar year 2023 is a reappraisal year in Geauga County and property values are expected to increase causing the growth rate to slightly increase from 2023 to 2024.

Calendar 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 properties, which was much higher than anticipated. From the model below, the 2023 reappraisal shows a projected increase of 6.38% resulting in a small increase in inside-mill for residential tax revenue.

| Tax Year | Res Reapp/Update | % Change | . | Res New Constr | % Change | . | Total Res Values | % Change |
|---|---|---|---|---|---|---|---|---|
| 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 act | 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% |
| 2022 est | 0 | 0.00% | . | 3,500,000 | 0.58% | . | 603,873,590 | 0.58% |
| 2023 est | 35,000,000 | 5.80% | . | 3,500,000 | 0.58% | . | 642,373,590 | 6.38% |
| 2024 est | 0 | 0.00% | . | 3,500,000 | 0.54% | . | 645,873,590 | 0.54% |
| 2025 est | 0 | 0.00% | . | 3,500,000 | 0.54% | . | 649,373,590 | 0.54% |

The commercial model below includes valuation changes to account for the new Starbucks which opened this fall. Also included in this model is the tax value for the $17,700,000 Redwood Apartment Complex which had an initial completion projection of 2022. This forecast pushes that completion to 2024 and estimates additional revenue in 2024 and 2025 accordingly. 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.

The below commercial model shows a 1.63% increase for the 2023 reappraisal, this includes an assumption that existing commercial values will continue to decline, while new construction will continue to increase. The result will generate a slight revenue increase for inside-mill which has been included in this forecast.

| Tax Year | Class II Reapp/Upd | % Change | . | Class II New Cons | % Change | . | Total Class II Valu | % Change |
|---|---|---|---|---|---|---|---|---|
| 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 act | -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% | . | 500,000 | 0.54% | . | 92,187,800 | 0.22% |
| 2023 est | -1,000,000 | -1.08% | . | 2,500,000 | 2.71% | . | 93,687,800 | 1.63% |
| 2024 est | -300,000 | -0.32% | . | 2,500,000 | 2.67% | . | 95,887,800 | 2.35% |
| 2025 est | -300,000 | -0.31% | . | 500,000 | 0.52% | . | 96,087,800 | 0.21% |

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 5.44% of the total district revenue. The property is taxed at the full voted tax rate which in tax year 2021 is 78.68 mills. Total Public Utility Personal Property tax projected for 2022 is $2,149,269 which is just under the assumption made for this line item in the May 2021 forecast at $2,149,305.

The forecast is modeling an average gross collection rate of $100%. The revenue changed historically at an average annual dollar amount of $133,102 and is projected to change at an average annual dollar amount of $74,237 through fiscal year 2026.

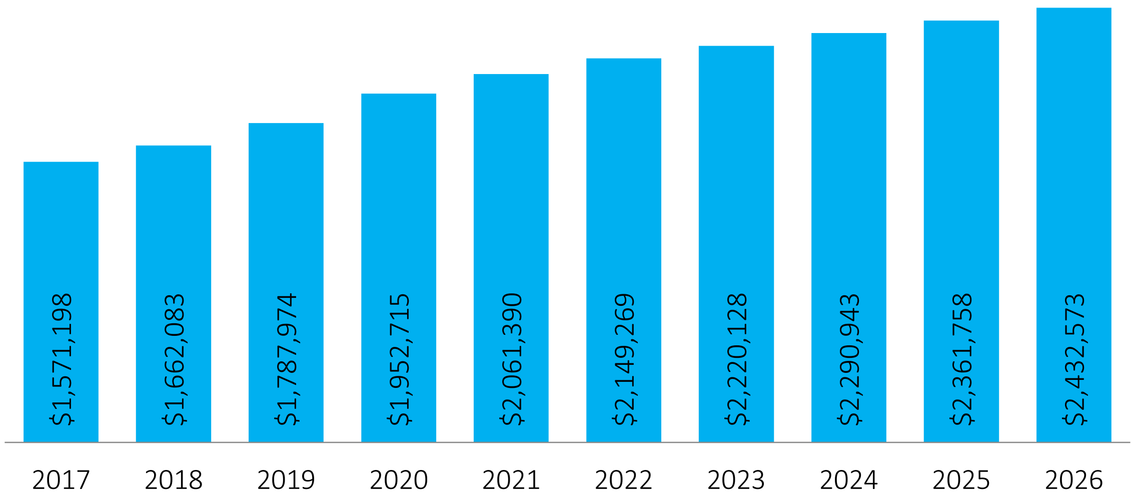



*Figure 5 - 1.020 – Public Utility Personal Property Revenue*

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.

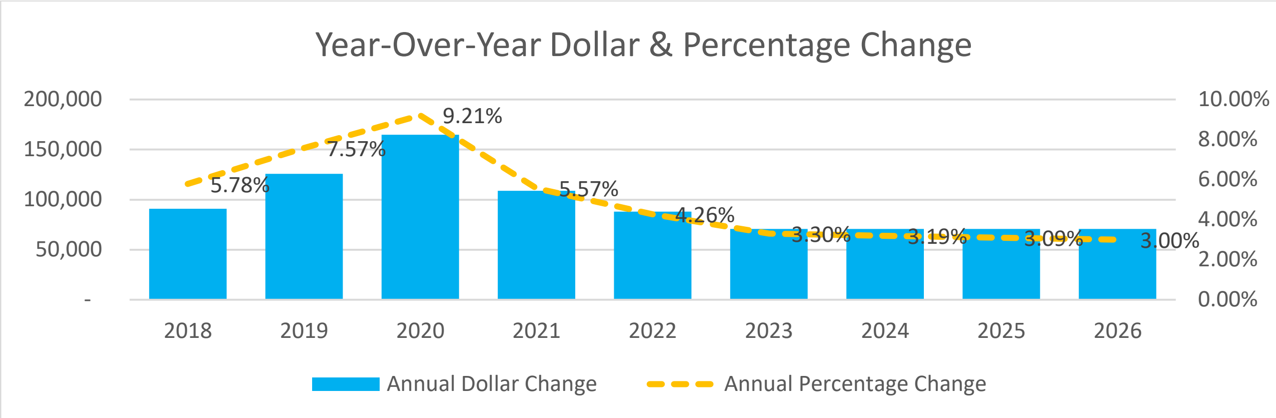



*Figure 6 - Year-Over-Year Dollar & Percent Change Public Utility Tax*

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

**1.035 – Unrestricted Grants-in-Aid** – Beginning in fiscal year 2022 the state legislatures adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates four components identified as necessary to the education process. The base cost is currently calculated for two years using a statewide average from historical actual data. For Chardon Local Schools the calculated base cost total is $18,906,390 in fiscal year 2022. The state's share of the calculated base cost total is $1,499,536 or $567 per pupil.

The FSFP change to district educated enrollment will reduce funded enrollment but also potentially reduce tuition cost. In fiscal year 2021, the district had approximately $1,243,072 in possible tuition cost reductions. These reductions will be reflected in the purchased services expenditure note.

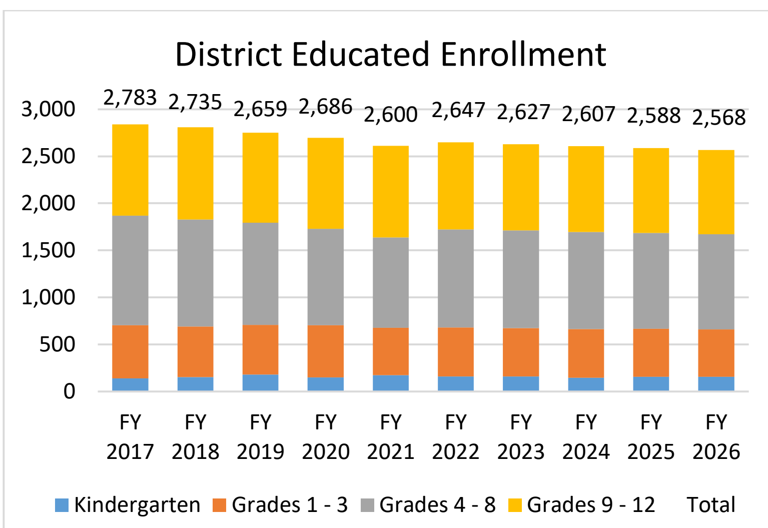



*Figure 7 - **1.035** – Chardon ADM - Number of Students*

A detailed state funding supplement (Addendum A) to this forecast has been prepared and should be reviewed and considered part of the forecast assumptions.

Unrestricted Revenue total for fiscal year 2021 was $5,595,434 and has been reduced to $4,986,916 for fiscal year 2022 due to the changes in the FSFP. This total includes Casino Tax, which was reduced in fiscal year 2021 but is expected to return to $52 per student for fiscal year 2022. With the changes in the funding formula, state revenue is projected to increase over the next two years even though we are experiencing a decline in student ADM. This can be attributed to a guarantee on transportation. The FSFP is approved for the next two years only by the state, the assumption is calculated based on the FSFP for a five-year period.

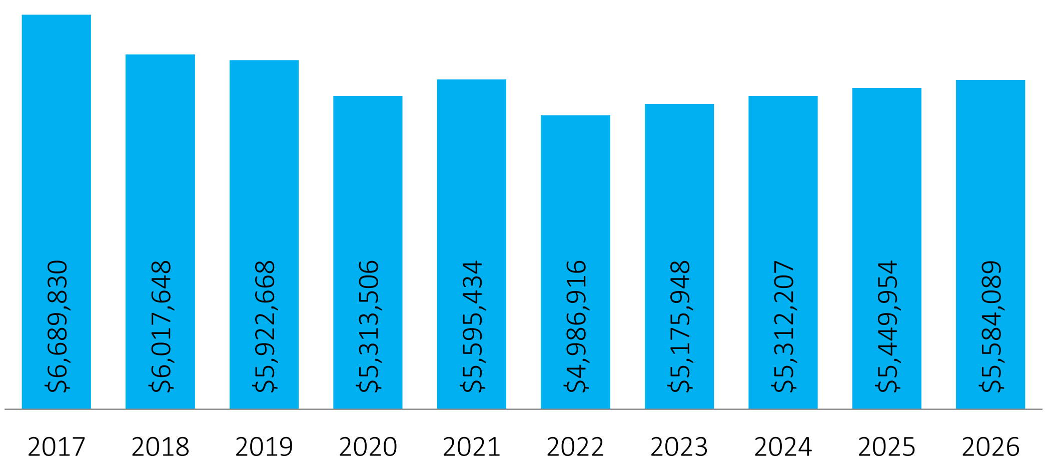



Figure 8 - ***1.035 – Unrestricted Grants-in-Aid Revenue***

**1.040 & 1.045 – Restricted Grants-in-Aid** – Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically, the district's restricted state aid changed annually on average by $18,575 and is projected to change annually on average by $36,562. Restricted funds represent 0.55% of the total revenue. The total projected amount for fiscal year 2022 is $487,522 which has increased considerably because starting in fiscal year 2022, the district's Success and Wellness funding is considered restricted, and the state's share of this funding recorded as restricted is $162,143.

Also included in restricted revenue is the Ohio Department of Education catastrophic special education reimbursements, economically disadvantaged funding, and career tech funding.  The assumption is that catastrophic special education will increase by almost double in fiscal year 2022 and then decrease slightly for the next four years due to reduced revenue for the Student and Wellness funding.  This revenue counters additional spending in the Purchased Services Expenditure line 3.030.

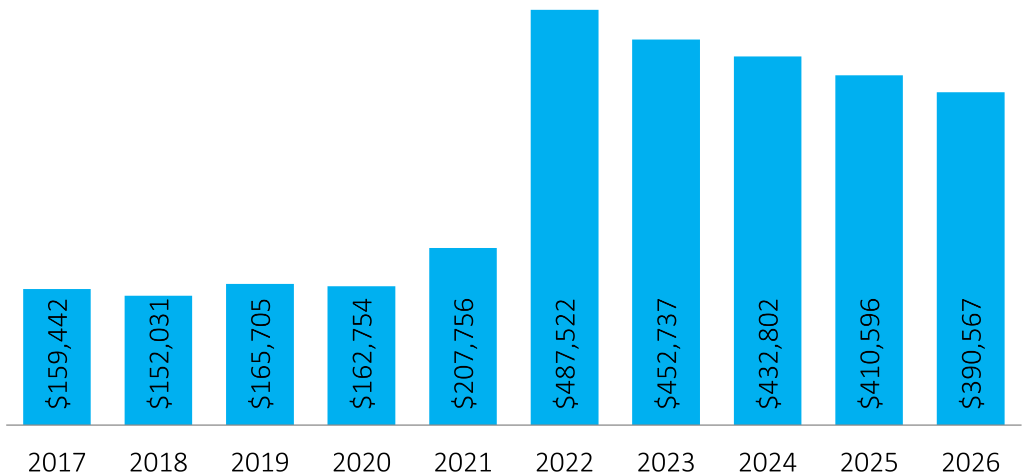



*Figure 8 - 1.040 & 1.045 – Restricted Grants-in-Aid Revenue*

**1.050 – Property Tax Allocation** – Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions.  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 2022, approximately 9.0% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 2.0% will be reimbursed in the form of qualifying homestead exemption credits.  A slight decrease has been noted in homestead exemption credits down from 2.3% in fiscal year 2021. The actual amount reported for fiscal year 2021 is $2,552,702 which is slightly more than this forecasted projection of $2,550,911.  This is due to decreased homestead credit collections mentioned above.

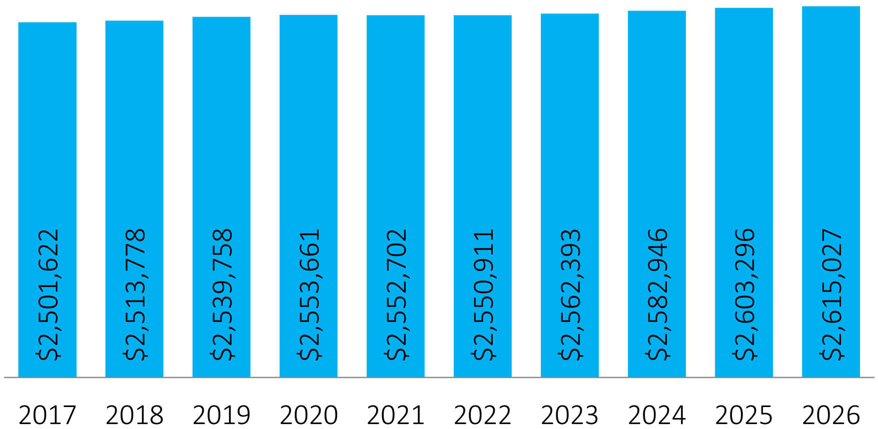



*Figure 9 - 1.050 – Property Tax Allocation Revenue*

The amount is expected to rise slightly alongside property tax increases at an average rate of 0.48% each year for the next four years. Note, the percent increase is 0.48% in comparison to 0.79% because the property tax allocation is a percent of the total residential tax amount and does not include commercial taxes.

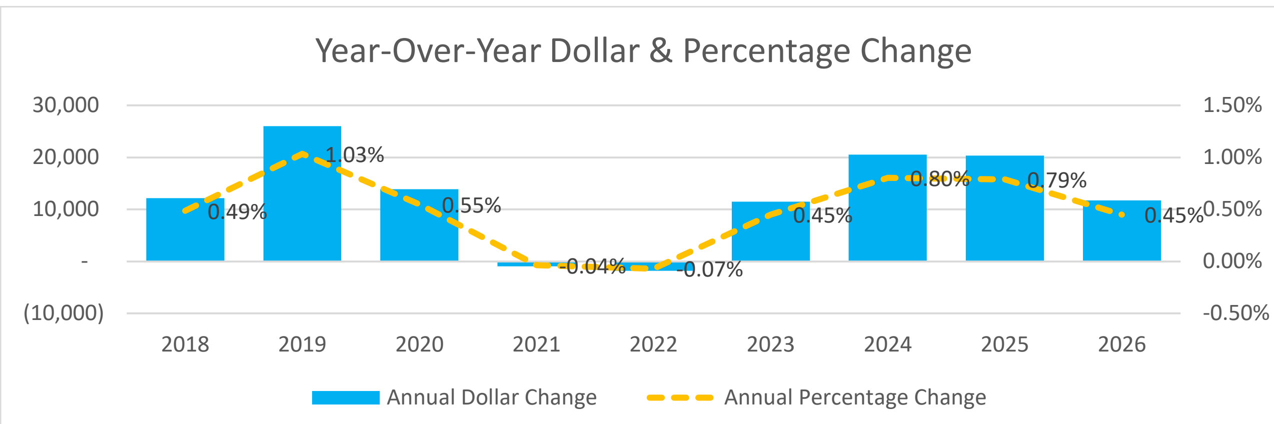



*Figure 10 - 1.050 – Year-Over-Year Dollar & Percentage Change*

**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 fiscal year 2021, Other Revenue ended the year with $1,908,216, and the projection for 2022 is $1,077,182.

The assumption is that interest will hold steady and show only a slight growth for the next five years. Other Operating Revenue has fluctuated over the years but is typically never under a million dollars. Fiscal year 2021 included an additional one-time revenue of dividend funds for $329,000 together with a one-time revenue $88,646 from the Bureau of Workers Compensation. This explains the differences viewed on the chart from 2021 to

2022. In fiscal year 2023, Chardon Local Schools has been approved for $180,720 from the Emergency Connectivity Fund to aid in the payment of technology items required for education. This explains the increase revenue projection for 2023, and the assumption for the remaining years shows little to no growth in this revenue line item. Should interest rates increase and buildings are rented more than expected, this revenue could increase back to the average levels.

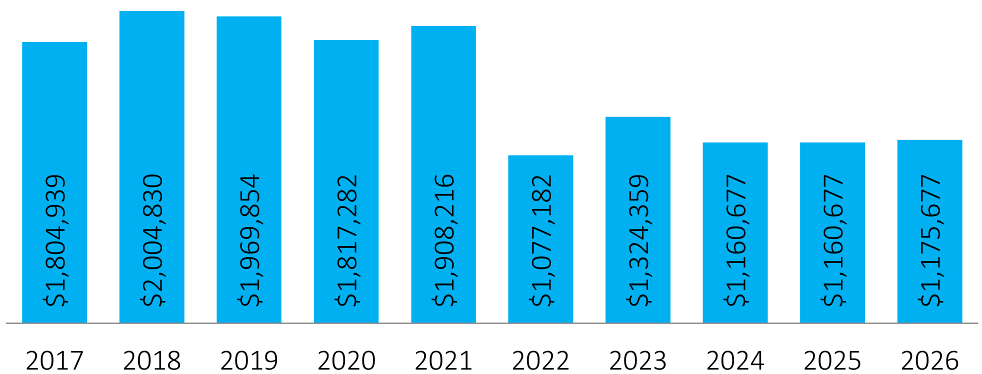



*Figure 11 - 1.060 - All Other Operating Revenues*

**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 $987,000 in returned advances for fiscal year 2022. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financial sources will be $97,764 in fiscal year 2022 and average $0 annually through fiscal year 2026. The amount projected is $1,727,955 in fiscal year 2022 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.

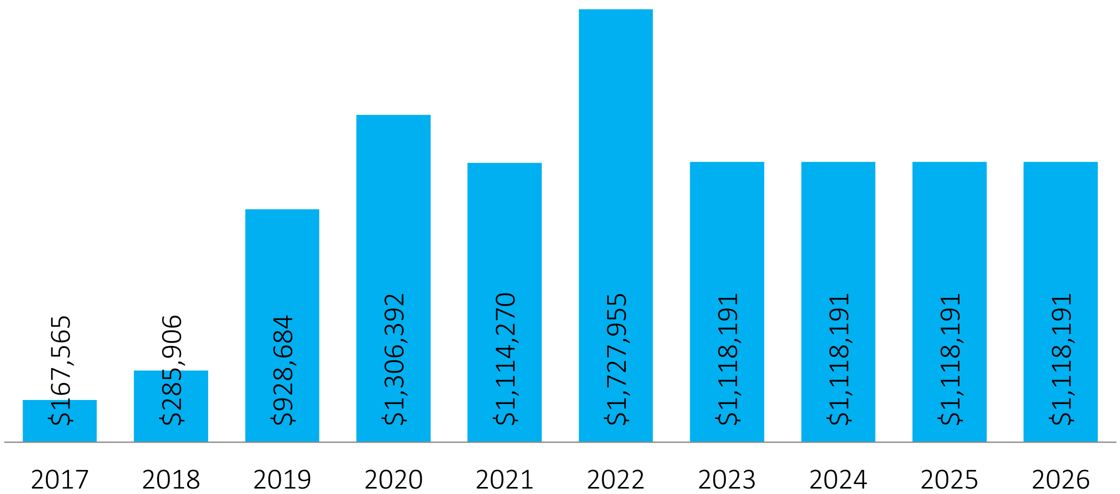



*Figure 12- 2.070 – Total Other Financing sources Revenue*

**EXPENDITURES**

Total expenditures increased 2.37% or $791,116 annually during the past five years and is projected to increase 2.97% or $1,038,307 annually through fiscal year 2026. Other Uses has the largest projected average annual variance compared to the historical average at $567,971. COVID-19 has played a large part in the expenditure increases for 2021 and 2022, and the assumption is that this impact will taper off beginning in 2023. Current negotiated agreements end in 2022 and a 1.5% increase has been assumed for both unions during this time justifying the increase from 2023 through 2025.

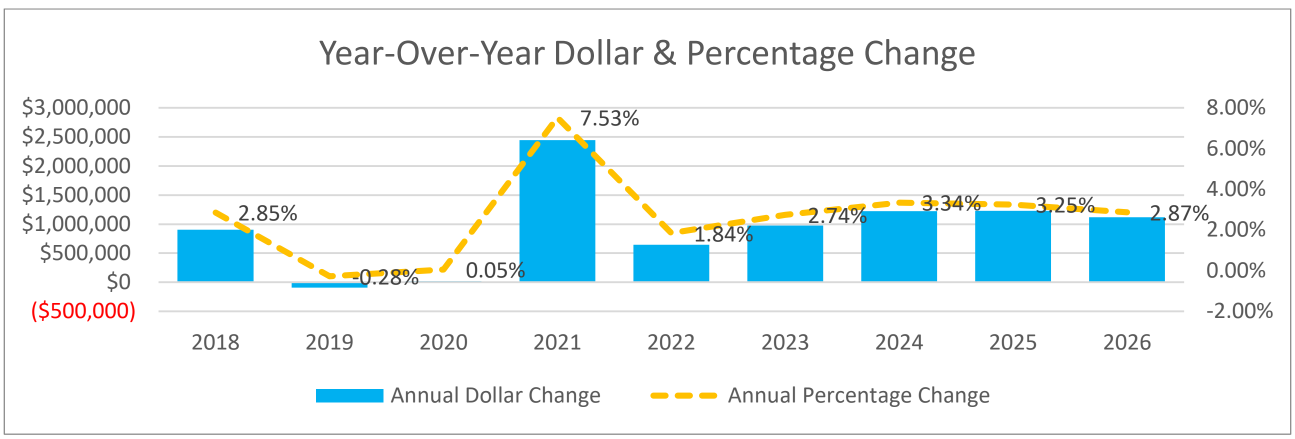



*Figure 13- Year-Over-Year Dollar & Percent Change All Expenditures*

The projected year-over-year chart below shows a strong expenditure savings between fiscal years 2016 and 2020. During this time period reconfiguration occurred and the cost savings are evident with the consolidation of buildings and the reduction of staff.

Estimated analysis (Reconfiguration Analysis) pinpoints over $3M in expenditure reductions while the actual difference between actuals to estimates from 2018 through 2021 document a savings of over $7.2M. In 2022, 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

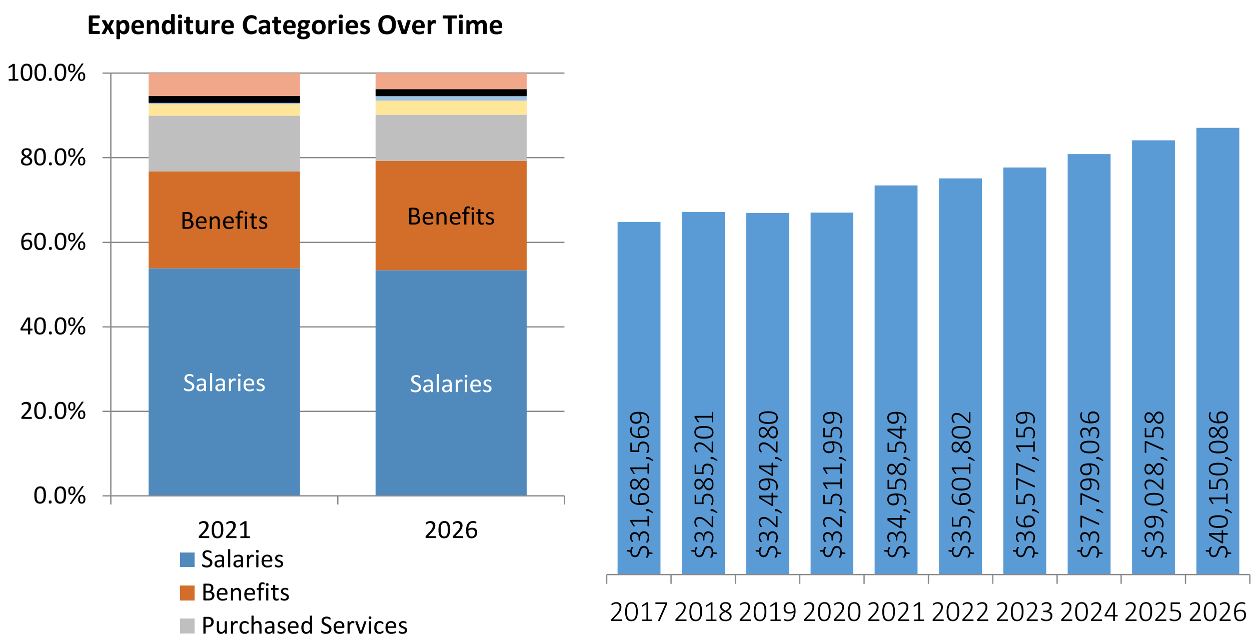



*Figure 14 - Expenditure Categories and Forecast Year-Over-Year All Expenditures*

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 are 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 represent 53.87% of the total expenditures and has increased at a historical average annual rate of .98% or $180,040. This category of expenditure is projected to grow at an annual average rate of 2.55% or $521,350 through fiscal year 2026. The projected average annual rate of change is 1.57% more than the five-year historical annual average.

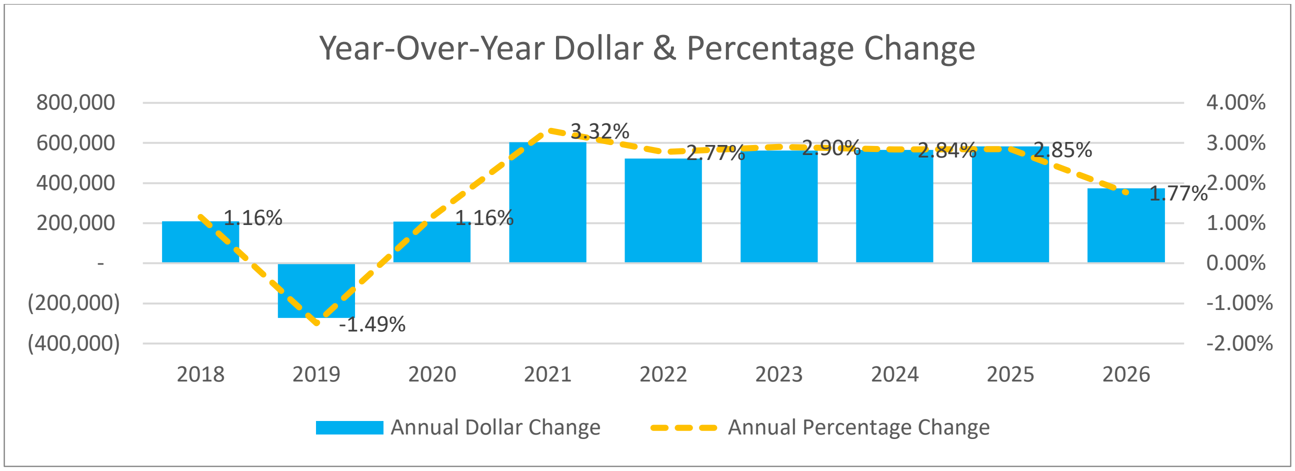



*Figure 15 - Year-Over-Year Dollar & Percent Change Personnel Services*

The May 2021 forecast allowed for additional staff due to COVID-19. At the beginning of the 2020-2021 school year, Chardon estimated seven (7) new instructional staff members, four (4) aides, two (2) recess monitors, and one (1) custodian to account for social distancing, and extra sanitization for the COVID-19 pandemic. Salary estimates for substitute workers were added for coverage during the height 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. Actual staff added includes two and a half (2.5) instructional staff members, one (1) educational aide, two (2) recess monitors, and one (1) custodian. The end result of these reductions lowered the May 2021 estimate from $19,459,132 to the 2021 actual of $18,831,056.

Fiscal year 2022 started in full instruction in all buildings and continues in this fashion for this model. The reductions included are eight and a half (8-1/2) instructional staff members, two (2) classified nine (9) month employees, and two (2) twelve (12) month classified employees. Staff increases include one administrator for Business Affairs (Transportation), and two (2) additional Transportation employees. An assumption is made for future reductions including one (1) custodian, and two (2) instructional staff members through attrition due to a declining student count. Negotiated agreements for both the teacher's union and the classified union are agreed upon until fiscal year 2022 at a 2% base increase plus step increases. The forecast reflects the agreements until 2022 and then reduces the increase to 1.5% base increase plus step increases for fiscal years 2023, 2024 and 2025. This forecast assumes a zero percent base increase for fiscal year 2026. 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.

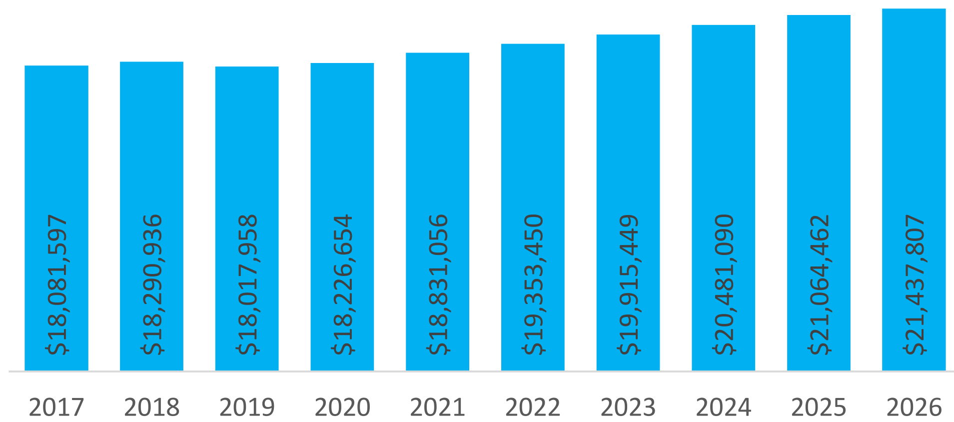



*Figure 16 - 3.010 - Personnel Services Expenditures*

**3.020 – Employee Benefits** – Employee Benefits represent 22.90% of the total expenditures and increased at a historical average annual rate of 2.46%. This category of expenditure is projected to grow at an annual average rate of 5.15% through fiscal year 2026. The projected average annual rate is 2.69% more than the five-year historical annual average. The May 2021 projection for fiscal year 2021 for Employee Benefits was $8,243,894. The reduction of positions caused a ripple effect in the reduction of benefits for 2021, ending the year at an actual cost of $8,005,027.

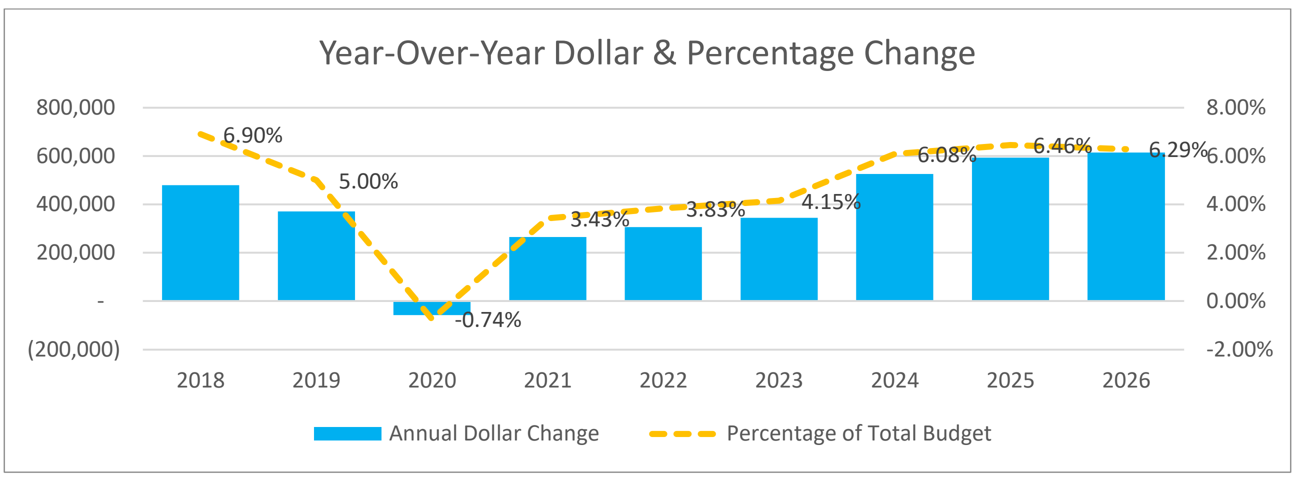



Figure 177 - 3.020 – Year-Over-Year Dollar & Percentage Change Benefits

The self-insurance fund cash balance at the conclusion of fiscal year 2021 was $2,072,966 which is slightly above 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 a 2.0% increase for fiscal year 2022, an 8.0% increase for fiscal year 2023, $8.5% for 2024, and a 9.0% increase for the remaining two years. This is a conservative estimate based on rising insurance costs. This line item was first reduced by the reduction in force listed in section 3.01, then increased by the appropriate percentages for each year of the five-year forecast.

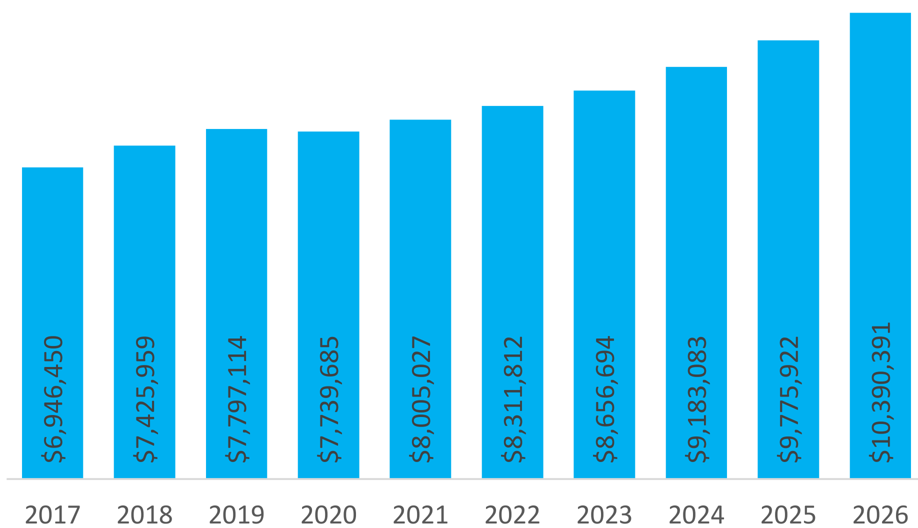



*Figure 18 - Employee Benefits*

**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 13.19% of the total expenditures and is projected to decrease due to the Fair School Funding Plan (FSFP at an annual average rate of -1.11% through fiscal year 2026.

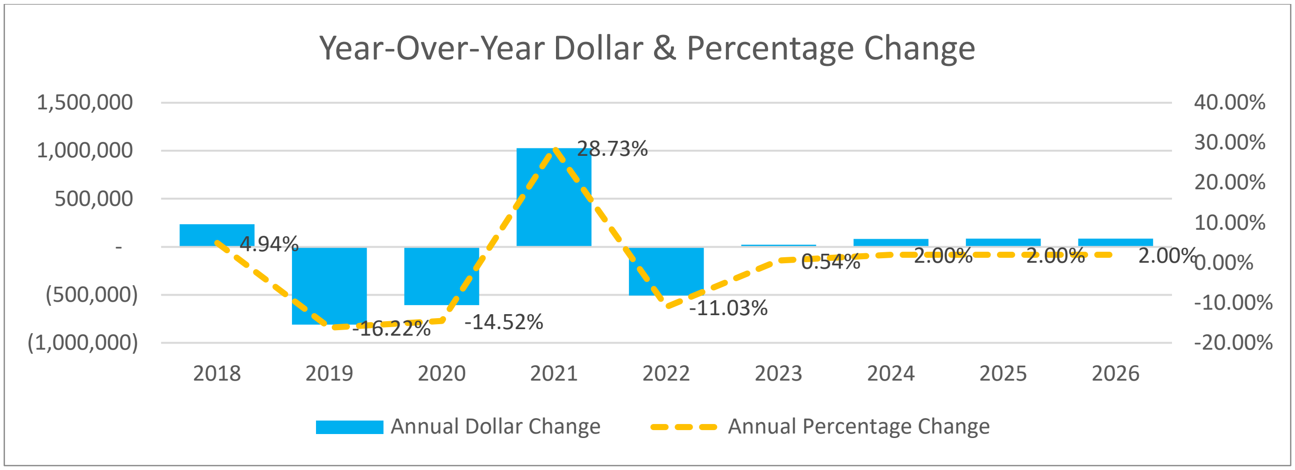



*Figure 19 – Total Formula ADM Compared to District Educated*

The FSFP funds only district educated enrollment thereby reducing tuition cost for open enrollment out, community schools, STEM schools, and scholarships starting in fiscal year 2022. In fiscal year 2021, these costs totaled $1,243,072. The graph below reflects the difference between past formula enrolled compared to actual district educated.

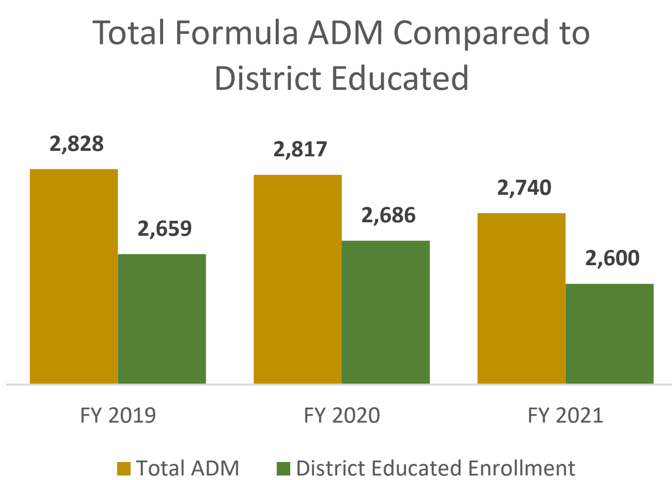



*Figure 20 – Total Formula ADM Compared to District Educated*

Fiscal year 2021 ended with an actual cost of $4,609,965 and the projection for fiscal year 2022 is $4,101,385. This amount includes continued additional costs for COVID-19, Student & Wellness expenditures that were moved to the general fund as part of the FSFP formula, increased insurance costs, increased utilities, increased special education support, and an increase of $150,000 for expenditures moved from the Permanent Improvement fund to the general fund for building upkeep expenses. In addition, purchase services were reduced from 2021 for transportation costs, tuitions (for open enrollment out, community schools, STEM schools, and scholarships), and special education transportation services.

Each object code was reviewed with the Superintendent to allow for expenditures for continued program operations. The assumption for the five-year forecast includes all of the increases and decreases listed above along with a 2% cost-of-living increase in this line item from 2023 through 2026.

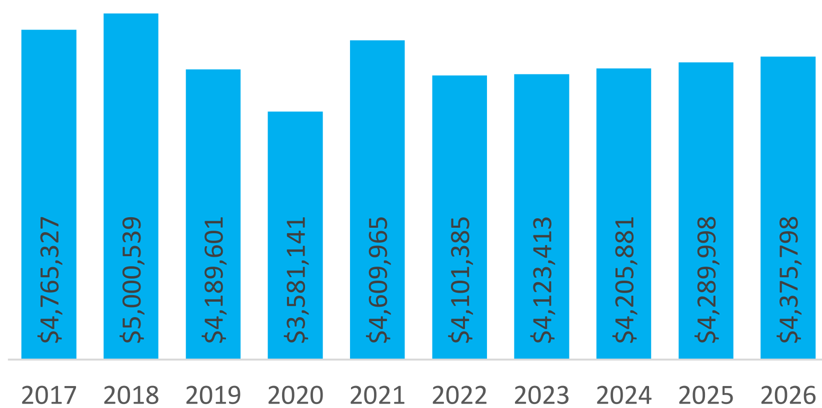



*Figure 21 - Purchased Services*

**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 2.76% of the total expenditures and increased at a historical average annual rate of 4.07% due to COVID-19 expenditures. This category of expenditure is projected to grow at an annual average rate of 5.72% through fiscal year 2026. The projected average annual rate of change is 1.65% more than the five-year historical annual average.

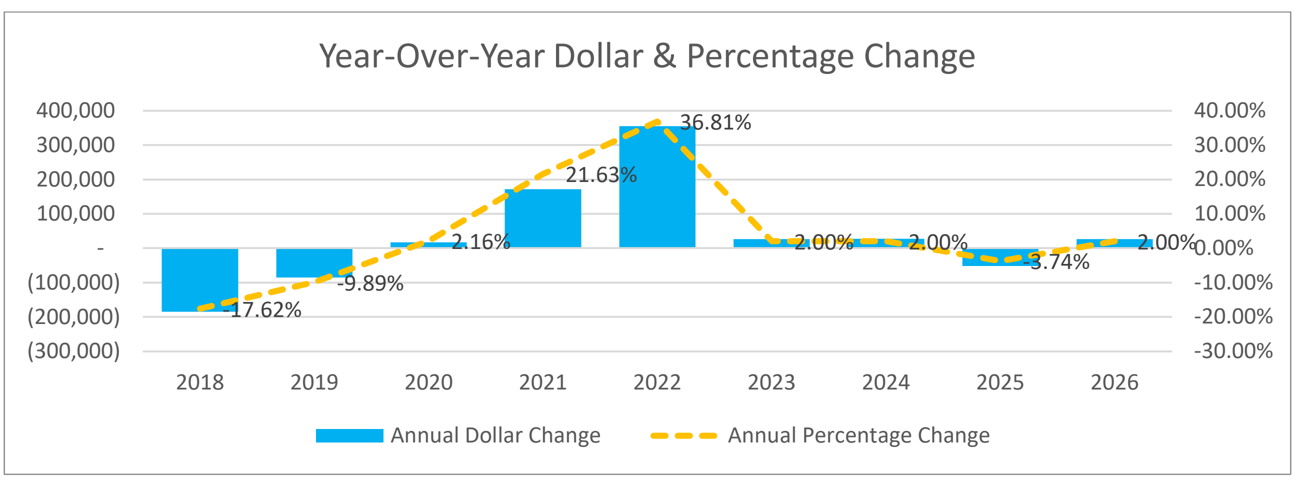


*Figure 22 – Supplies and Materials*

Supplies and materials ended fiscal year 2021 at $965,800 which was slightly over the forecasted amount from the May 2021 of $944,025. Fiscal year 2022 estimate on this line item increases to $1,321,325. Assumption increases from 2021 to 2022 include increased costs of supplies and materials, increased costs for textbooks, increased costs of auto parts for all vehicles, inflated gas prices, and the moving of supplies for buildings from the Permanent Improvement fund to the General Fund.

A textbook spending plan was outlined with the Assistant Superintendent who oversees Curriculum. This plan includes textbook replacements starting in fiscal year 2022 and continuing through fiscal year 2026, dipping slightly in fiscal year 2025, for both paper and electronic versions. Additionally, the assumption includes a 2% cost-of-living increase in this line item from 2023 through 2025.

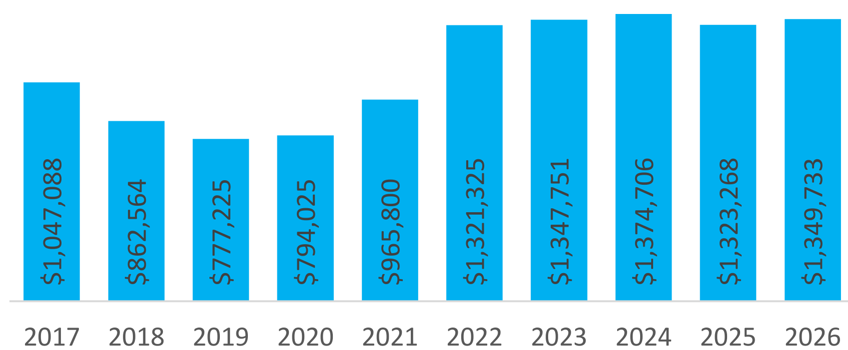



*Figure 23- Supplies and Materials*

**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 0.23% of the total expenditures and decreased at a historical average annual amount of $2,547. This category of expenditure is projected to grow at an annual average amount of $65,886 through fiscal year 2026. The projected average annual change is more than the five-year historical annual average.

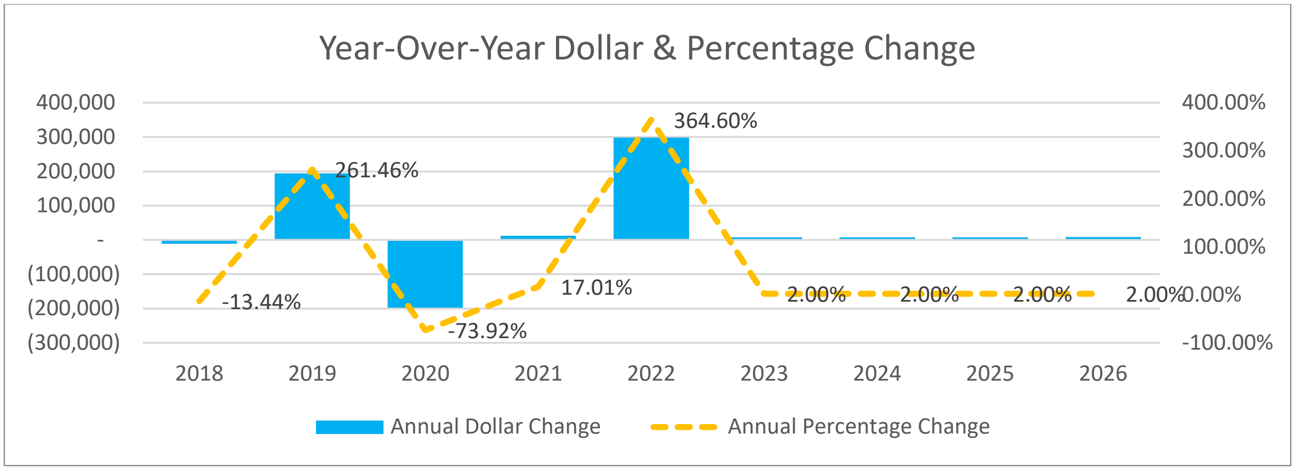



*Figure 24 – Capital Outlay*

Capital Outlay final for 2021 in November was $81,765. Grant funds were used to purchase Chromebooks for the 2021 school year saving the General Fund. The original assumption also included the purchase of Chromebooks which expended from the Chromebook Insurance fund for fiscal year 2021. The assumption continues with the expenditure of Chromebooks from this line item from 2022 through 2026.

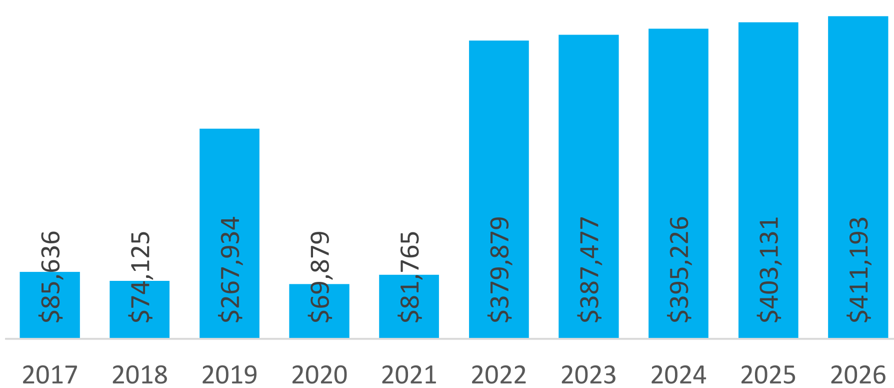



*Figure 25 - Capital Outlay*

**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 1.73% of the total expenditures and increased at a historical average annual rate of 2.31%. The projected average annual rate of change is -0.16% less than the five-year historical annual average. This category of expenditure is projected to grow at an annual average rate of 2.15% through FY 2026. This includes a 2% cost-of-living increase in this line item from 2023 through 2026.

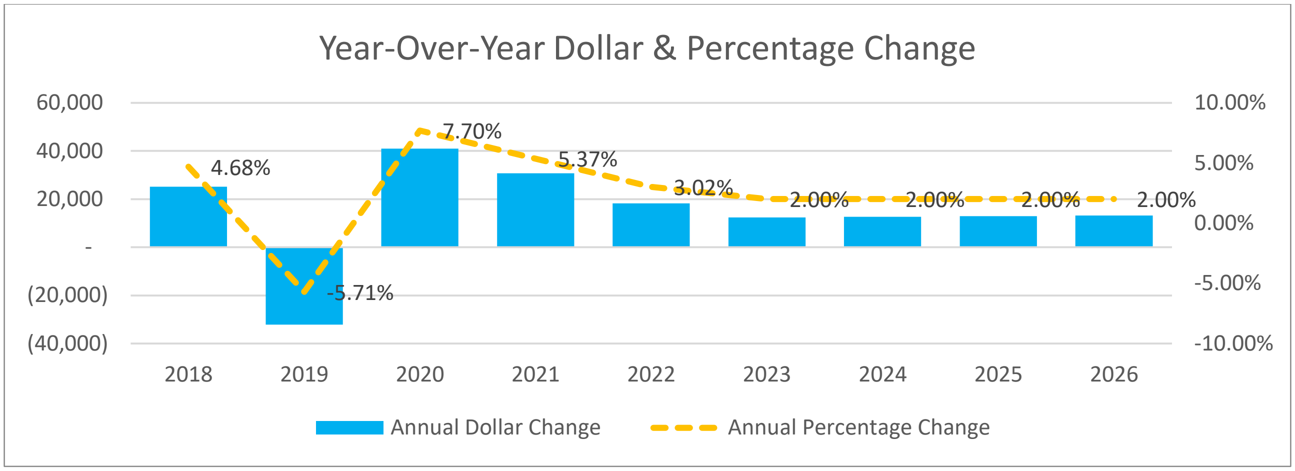



*Figure 26 - Capital Outlay*

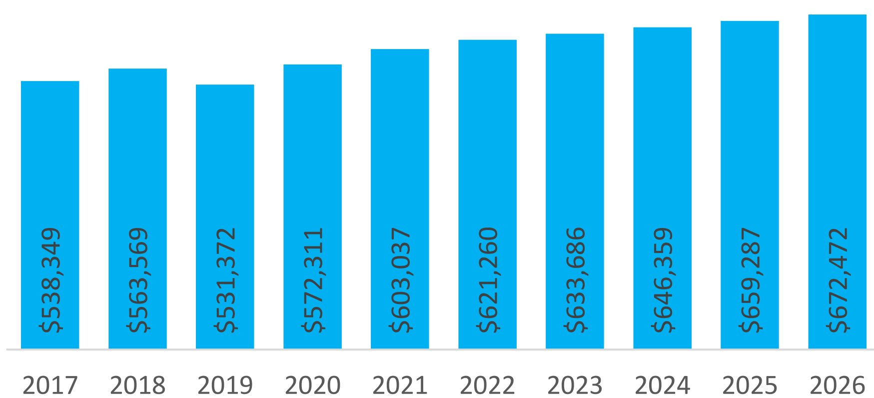



*Figure 20 - Other Objects*

**5.010 to 5.040 – Total Other Financing Uses** – Total Other Financing Uses final figure for 2021 was $1,861,899. Other uses include expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the General Fund from the other district funds. Other uses are a combination of transfers-out and advances-out of the general fund to other district funds. Projected transfers/advances for 2022 are $307,690 to the athletics fund, $80,000 to the food service fund, $650,000 (inter-fund) to pre-school, and a $475,000 advance to the grant accounts to bring them into a positive status prior to the end of the fiscal year.

Due to a new federal program for food service offering free lunches to all students until the end of fiscal year 2022, it is likely that the $80,000 estimated transfer to this fund will not be necessary. A possible transfer may be needed to the retirement fund and the assumption includes using left over food service transfers for this purpose. Estimation of retirements are difficult to predict, but are allotted for in this model.

This line item shows increased spending in fiscal year 2021 because $987,000 was advanced to the grant accounts instead of $475,000 to allow for the ESSER III fund.  This advance was returned to the General Fund in July 2021.

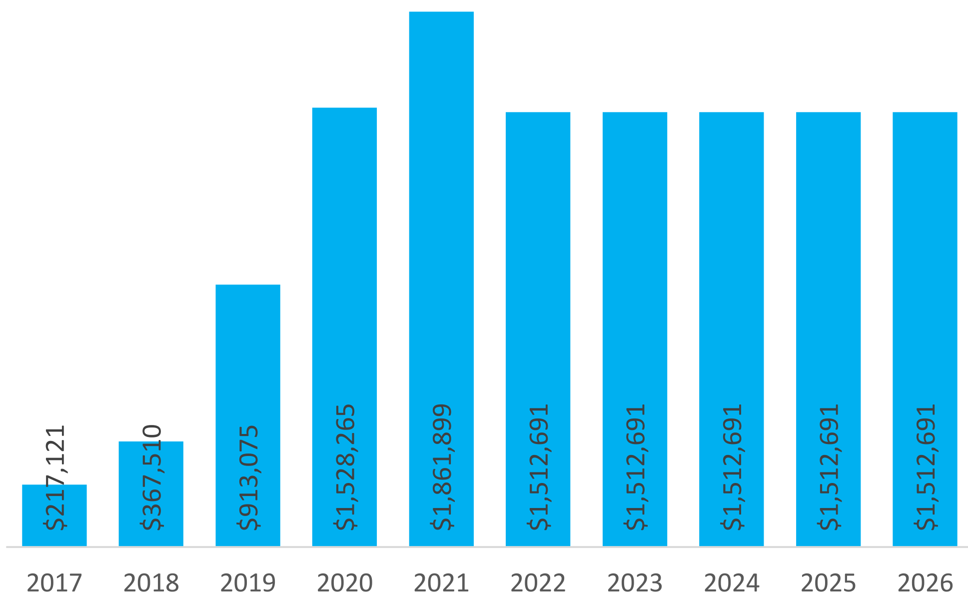
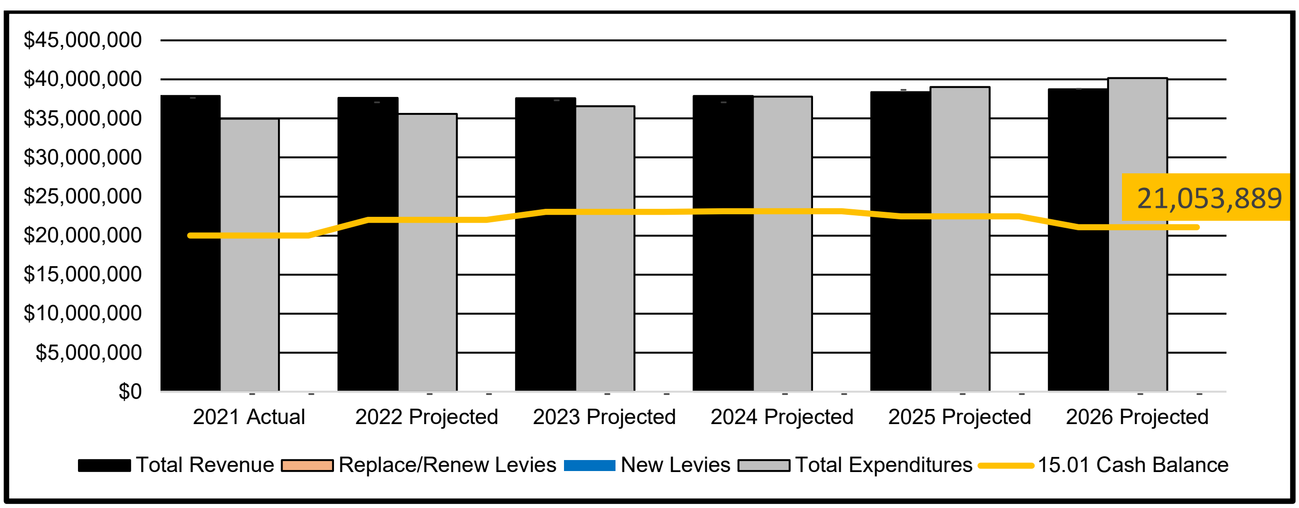



*Figure 21 - Total Other Financing Uses*

**Ending Cash Balance** – the projected ending cash balance for this model is $21,053,889 with a reduction to **$20,553,889** with open purchase orders (encumbrances).  This model shows the actual effects of COVID-19 for fiscal year 2020, 2021 and 2022.  The assumption brings 2023 back to normal spending patterns, but with increased inflationary costs that have resulted from COVID-19.  Personnel Services have been estimated at a 1.5% increase over a three-year period for both unions with a zero percent increase in 2026.  The forecast is an estimate and these estimates can change providing catastrophic changes to the economy.



This model shows that deficit spending will occur in 2025 in the amount of $660,272. 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, continuing to decline by an additional amount of $1,399,103 in fiscal year 2026. 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 continue to analyze all funds to determine the effects of the economy and/or any direct impacts on the financial picture such as COVID-19 and inflation.

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

CHARDON LOCAL SCHOOLS

## Addendum A - State Funding Supplement

## to the November 2021 Five-Year Forecast

**Base cost –** Beginning in fiscal year 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data.

For Chardon Local School District, the calculated Base Cost total is $18,906,390 in fiscal year 2022. There are four Base Cost component areas: Direct Classroom Instruction $10,935,785, Instructional and Student support $2,689,631, Building Leadership and Operations $4,034,345, Leadership and Accountability $1,246,728. Of the total Base Cost, about 78% is estimated for personnel related costs.

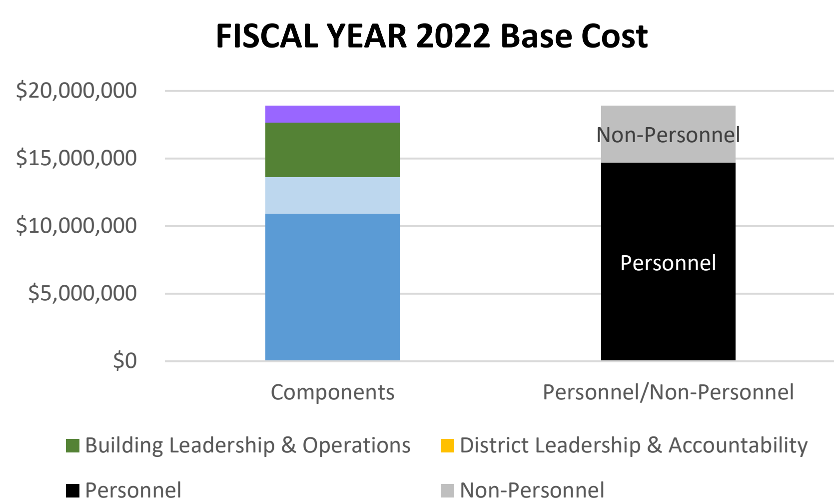



*Figure A-22 – Fiscal year 2022 Base Cost*

**Base Cost Per Pupil -** Using the total Base Cost of $18,906,390 shown above, with an enrollment of 2,648 the total per pupil base cost is $7,139. The Fair School Funding Plan (FSFP) local capacity methodology, using a per pupil wealth/capacity of $274,811 calculates that the local portion of total base cost is $6,572 per pupil in fiscal year 2022. The local per pupil portion is updated each fiscal year and is projected to go up $767 by fiscal year 2026. At the same time, the total base cost per pupil is estimated to increase by $586 to a total per pupil base cost of $7,725.

Note: *The FSFP has only been approved to be funded for the first two years of the six (6) year phase-in. All projections beyond year two are subject to that consideration.*

Note: *Enrollment used for Base Cost calculations is the lower of the three-year average (district educated) for years 2019, 2020 and 2021, or 2021 if lower.*

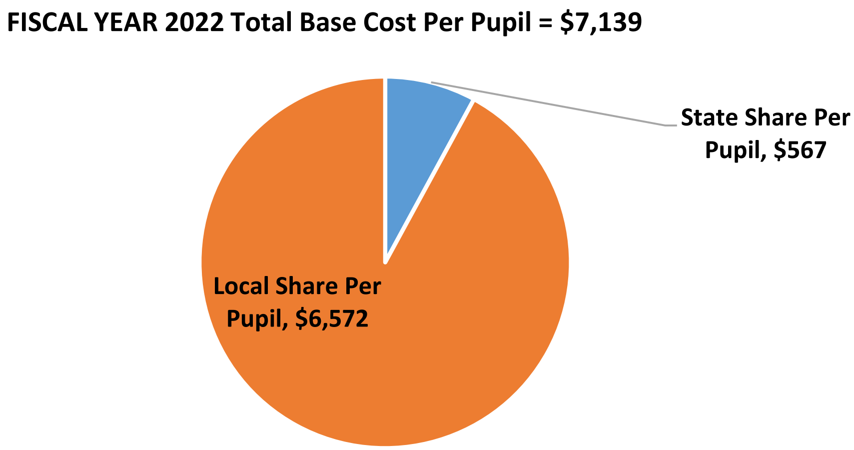



*Figure A-2 – Fiscal year 2022 Base Cost Per Pupil = $7,139*

**Local and State Share – Key Funding Demographics -** The Fair School Funding Plan (FSFP) relies upon a calculation of base cost to educate a student that is unique to each district. The calculation uses enrollment and student demographics to determine cost for teachers, other staff, supplies, etc. Once the base cost is calculated a local per pupil share is calculated based upon the district's capacity to pay. A state share percentage of the base cost is then determined based upon the remaining portion of total base cost.

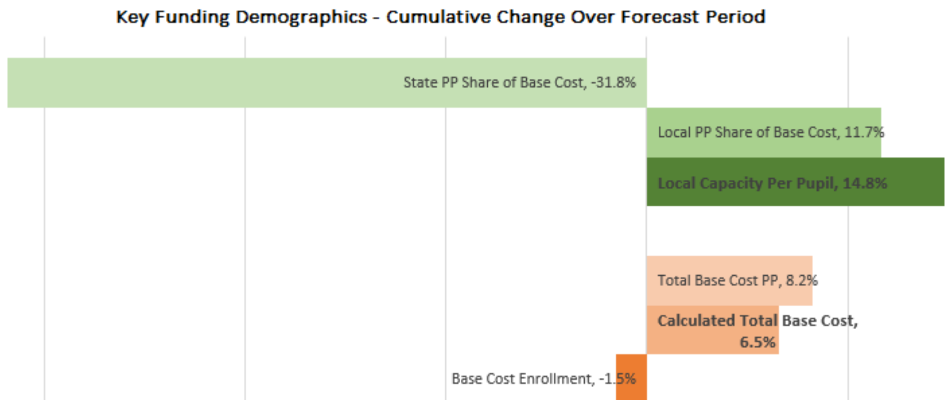



*Figure A-3 – Key Funding Demographics – Cumulative Change Over Forecast Period*

**Calculated Base Cost** - The district's calculated total base cost is projected to go up 6.5% over the forecast period ending June 30, 2026. This change is a function of inflationary considerations of the base cost components and enrollment. The district's base cost enrollment is estimated to decline -1.5% over the forecast period. The resulting per pupil base cost is expected to go up 8.2%. These results are trend-based and are only intended as an indication of overall direction. The current law calculates base cost for both years of the biennium, the same is assumed for subsequent biennial budgets. This method causes per pupil base cost to remain stagnant in the second year of a biennium. Additionally, the FSFP methodology as passed by the legislature is uses 2018 salary and benefit information for fiscal year 2022 and 2023 cost calculations. By fiscal year 2024, these cost factors will be five years behind the current forecast and in some cases the local share calculations.

**Calculated Local Capacity** - Calculated local capacity to pay for the base cost is expected to increase 14.8% over the forecast period. Therefore, the calculated locally generated funding of per pupil base cost is expected to go up 11.7%. At the same time the calculated state share is expected to drop -31.8%. This results in a local share of 92.06% of calculated base cost in fiscal year 2022, compared to a local share of 95.0% in fiscal year 2026. These are calculated changes and actual funding results could vary. For example, in some cases a district may be on the funding guarantee.

| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|---|---|---|---|---|---|
| Total Base Cost | $20,986,748 | $20,970,553 | $21,610,850 | $21,596,791 | $22,368,672 |
| YOY Change | | -0.1% | 3.1% | -0.1% | 3.6% |
| | | | | FY 22 to FY 26 Change | 6.6% |
| Base Cost Enrollment | 2,648 | 2,647 | 2,627 | 2,627 | 2,607 |
| YOY Change | | -0.1% | -0.7% | 0.0% | -0.7% |
| | | | | FY 22 to FY 26 Change | -1.5% |
| | Current Biennium | | FY 24 & FY 25 Biennium | | FY 26/27 Bienn. |
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
| Total Per Pupil Base Cost | $7,139 | $7,143 | $7,407 | $7,408 | $7,725 |
| YOY Change | | 0.1% | 3.7% | 0.0% | 4.3% |
| | | | | FY 22 to FY 26 Change | 8.2% |

| Local PP Wealth/Income Factor = | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|---|---|---|---|---|---|
| Property Values + Taxpayer Income | $274,811 | $284,950 | $296,025 | $304,479 | $315,461 |
| YOY Change | | 3.7% | 3.9% | 2.9% | 3.6% |
| | | | | FY 22 to FY 26 Change | 14.8% |
| Calculated Amount Generated Locally | | | | | |
| Local Per Pupil Capacity | $6,572 | $6,786 | $7,037 | $7,038 | $7,339 |
| YOY Change | | 3.2% | 3.7% | 0.0% | 4.3% |
| | | | | FY 22 to FY 26 Change | 11.7% |
| Total PP Base Cost - Local PP Capacity = | | | | | |
| State Per Pupil Funding | $567 | $357 | $370 | $370 | $386 |
| YOY Change | | -37.0% | 3.7% | 0.0% | 4.3% |
| | | | | FY 22 to FY 26 Change | -31.8% |

*Figure A-4 – Key Funding Demographics – Cumulative Change Over Forecast Period*

**Ohio's Fair School Funding Plan – districted Educated Enrollment** – Perhaps one of the biggest changes that Ohio made to per pupil funding is the definition of enrollment. Starting in fiscal year 2022 Ohio will use "district educated" enrollment which is comprised of resident students attending and open enrollment "in" students. In prior funding formulas the district total/ formula ADM was used to calculated state funding. This change, in some cases, reduces net state funding because the district is no longer receiving funding for community school, scholarship students, etc. However, at the same time, the district will not be expensing tuition to pay for these students and therefore cost will be lower.

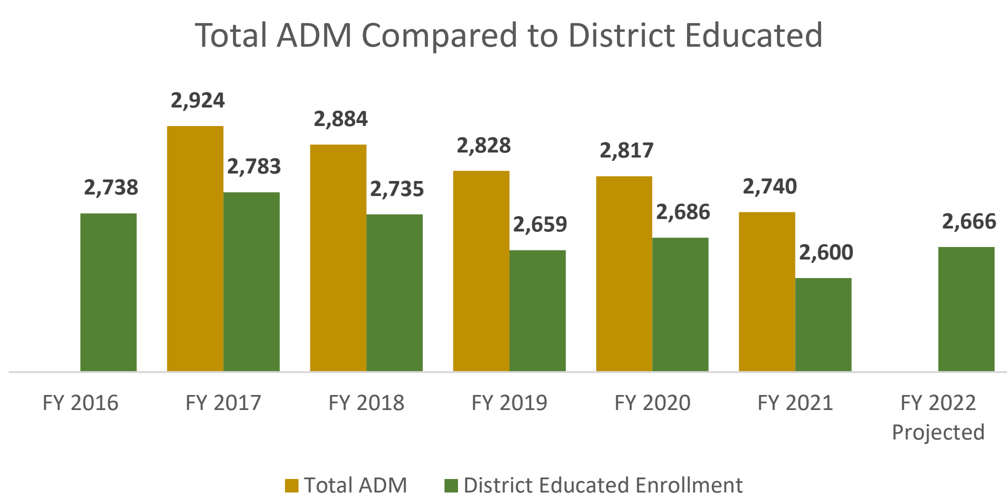


*Figure A-5 – Total ADM Compared to District Educated*

*Note: Total ADM includes community school, open enrollment "out", scholarships, STEM.*

Enrollment Implications on Other Revenue and Tuition Expenses (Purchased Services)

| | FY 2021 ODE SFPR | |
|---|---|---|
| Open Enrollment (OE) Net | $409 | Net OE In, revenue will decrease more than expenditures will decrease. This potentially has a 'net unfavorable' impact on the forecast. |
| Impact on Expenses Only: | | |
| Community School | ($334,884) | The difference in how enrollment is calculated for funding in most cases will create a net favorable result. In other words, the tuition the district was paying as a transfer to others will be eliminated and FY 2022 expenditures should decrease. For open enrollment "in" districts, the tuition revenue will also decrease (and open enrollment tuition out will decrease). The table to the left provides a conceptual result of the potential impact using FY 2021 state funding data. |
| Stem School | ($266,170) | |
| Cleveland Scholarship | $0 | |
| Autism Scholarship | ($89,194) | |
| EdChoice Scholarship | $0 | |
| Peterson Scholarship | ($211,477) | |
| Net Impact on "other revenue" and "Tuition Cost" | ($901,317) | Expenses are decreasing more than the revenues are decreasing This potentially has a 'net favorable' impact on the forecast. |

*Figure A-6 – Enrollment Implications on Other Revenue and tuition Expenses (Purchase Services)*

Ohio's Fair School Funding Plan - Favorable/(Unfavorable) Financial Impact

Chardon Local School District

**I. Revenue Impact FY 2021 to FY 2022**

| | | | |
|---|---|---|---|
| **Overall State Revenue Gain/Loss FY 2021 to FY 2022** | **Actual Posted FY 2021** | **District Projected FY 2022** | |
| **Unrestricted State Funding Per 5Cast Forecast Lines** | **$5,595,434** | **$4,986,916** | <After State Funding Assumption Asst. |
| **Restricted State Funding Per 5Cast Forecast Lines** | **$207,756** | **$487,522** | <After State Funding Assumption Asst. |
| **Open Enrollment In Revenue Code 1227 as Posted 5Cast** | **$341,755** | | |
| **Total State Funding as Posted** | **$6,144,945** | **$5,474,438** | < Total State Funding as Forecasted |
| **Revenue Change FY 22 over/(Under) FY 21** | | ($670,507) | Potential Unfavorable Impact on Revenue<br>Current Assumption Assist Results |

**II. Expenditure Impact FY 2021 to FY 2022**

Other FSFP Factors Beyond State Revenue Detail

| | | | |
|---|---|---|---|
| | | FY 2021 | |
| Open Enrollment Expense (Calculated) | | ($341,346) | SFPR Net Adjusted for Posted Open Enrollment In Revenue |
| From FY 21 June#2 SFPR: | | | |
| Community School | | ($334,884) | |
| Stem School | | ($266,170) | |
| Cleveland Scholarship | | $0 | |
| Autism Scholarship | | ($89,194) | |
| EdChoice Scholarship | | $0 | |
| Peterson Scholarship | | ($211,477) | |
| Potential "Tuition Cost Reduction" Impact | | ($1,243,072) | |
| FY 21 S Wellness Expenditures Shifted to General Fund in FY 22 | | $175,169 | Potential Unfavorable Impact<br>Wellness Spending Shifted to General Fd (Assumes All Wellness) |
| Memo: SF10 Restricted FY 2022 Wellness | **$162,143** | | **If spent less then could be less unfavorable.** |
| Net Impact on Expenditures | | ($1,067,904) | Potential Favorable Impact |

**III. Combined FSFP Conceptual Impact on Both Revenue and Expenditures**

| | | |
|---|---|---|
| | FY 2022 | |
| Net Impact on FY 22 Revenue Compared to FY 2021 | ($670,507) | Section I Above |
| Net Impact Expenditures Compared to FY 2021 | $1,067,904 | Section II Above |
| Combined Revenue and Expenditure FSFP Impact | $397,397 | |

Note: When comparing to the state's simulations keep in mind that the simulations used the January 2021 SFPR, and the above is June #2, 2021. Also, the simulations did not account for the special education (cat cost pool) deduction of: ($16,088)

*Figure A-7 – Chardon Local Schools Favorable Financial Impact*

Ohio's Fair School Funding Plan - Detailed Funding Results (SF8) | Chardon Local School Di

| | | | | | | |
|---|---|---|---|---|---|---|
| .A | **Local Demographics** | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
| .A1 | Per Pupil Base Cost (SF4 Line C ) | $7,139 | $7,143 | $7,407 | $7,408 | $7,725 |
| .A2 | State Per Pupil Share SF4 Line "E" | $567 | $357 | $370 | $370 | $386 |
| .B | Current Distrct Educated Enrollment (SF1a) | 2,646.7 | 2,627.0 | 2,607.4 | 2,587.8 | 2,568.1 |
| | **Current Year's FSFP Formula Funding:** | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
| .C | State's Share of Base Cost Amt. SF4 Line "I" | $1,499,536 | $938,267 | $965,671 | $958,502 | $991,985 |
| .D | State's Share of Categoricals Step SF5 | $207,300 | $135,456 | $139,575 | $138,537 | $142,785 |
| .E | Targeted SF6 (without Supplemental) | $0 | $0 | $0 | $0 | $0 |
| .F | Calculated FSFP Formula Funding (C+D+E) | $1,706,836 | $1,073,723 | $1,105,246 | $1,097,039 | $1,134,770 |
| | **FY 2020 Guarantee Base Funding:** | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
| .G | 2020 SFPR Base Funding w/o DPIA (Result 1) | $4,111,787 | $4,111,787 | $4,111,787 | $4,111,787 | $4,111,787 |
| .H | FSFP Formula to FY20 Base Difference (F - G) | ($2,404,951) | ($3,038,064) | ($3,006,542) | ($3,014,748) | ($2,977,018) |
| .I | Formula Phase In or CFO's (below) | 16.67% | 33.33% | 50.00% | 66.67% | 83.33% |
| .J | FSFP Formula Phase In Current Years' (H x I) | ($400,833) | ($1,012,587) | ($1,503,271) | ($2,009,932) | ($2,480,848) |
| .K | 2020 SFPR + FSFP Formula Phase In (G + J) | $3,710,954 | $3,099,200 | $2,608,516 | $2,101,855 | $1,630,939 |
| | **Add-on DPIA and Supplemental Targeted** | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
| .L | 2020 DPIA Base Step SF6 | $10,915 | $10,915 | $10,915 | $10,915 | $10,915 |
| .M | Calculated DPIA Step SF6 | $22,150 | $22,225 | $22,300 | $22,375 | $22,451 |
| .N | DPIA Phase In or CFO's (below) | 0.00% | 14.00% | 50.00% | 66.67% | 83.33% |
| .O | Phased In DPIA Funding (L +(M - L)*N) | $10,915 | $12,498 | $16,607 | $18,556 | $20,528 |
| .P | Supplemental Targeted (SF6) | $0 | $0 | $0 | $0 | $0 |
| .Q | Add-on DPIA and Supplemental Targeted (O + P) | $10,915 | $12,498 | $16,607 | $18,556 | $20,528 |
| | **Base FY20 Guarantee Calculation** | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
| .R | Current FY Funding (K+ Q) | $3,721,869 | $3,111,699 | $2,625,124 | $2,120,410 | $1,651,468 |
| .R1 | 2020 Base (G) Plus DPIA Base (L) | $4,122,702 | $4,122,702 | $4,122,702 | $4,122,702 | $4,122,702 |
| .R2 | .'20 Base Transitional Aid (R1 - R) (Result 1) | $400,833 | $1,011,003 | $1,497,578 | $2,002,291 | $2,471,234 |
| | Formula Phase In or CFO's (below) | $4,122,702 | $4,122,702 | $4,122,702 | $4,122,702 | $4,122,702 |
| | YOY Analysis | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
| | Unphased-in Formula (H - J) | $0 | $0 | $0 | $0 | $0 |
| | YOY Change | | $0 | $0 | $0 | $0 |
| | FY 2020 Guarantee Line R2 | $400,833 | $1,011,003 | $1,497,578 | $2,002,291 | $2,471,234 |
| | YOY Change | | $610,170 | $486,575 | $504,713 | $468,943 |

*Figure A-8 – Chardon Local Schools Detailed Funding Results*

Ohio's Fair School Funding Plan - Summary Funding Results (SF8)

| | Funding Summary | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|---|---|---|---|---|---|---|
| .R3 | Current Year's Funding (R + R2) | $4,122,702 | $4,122,702 | $4,122,702 | $4,122,702 | $4,122,702 |
| .S1 | Open Enrolled ADM Loss Impact (Result 2) | $0 | $0 | $0 | $0 | $0 |
| .S2 | Special Education Set-Aside SF5 | ($16,088) | ($10,067) | ($10,491) | ($10,412) | ($10,849) |
| .T1 | Career Awareness Revenue | $0 | $0 | $0 | $0 | $0 |
| .T2 | CTC Associated Services Adj. | ($171) | ($107) | ($111) | ($111) | ($115) |
| .T3 | Transportation SF7 | $665,192 | $792,785 | $885,750 | $977,343 | $1,067,562 |
| .U | FY 2021 Transition Supp Result 3 | $0 | $0 | $0 | $0 | $0 |
| .V | CFO Bottom Line Funding Adjustment Below | $0 | $0 | $0 | $0 | $0 |
| .W | **Total State Funding** | $4,771,635 | $4,905,314 | $4,997,850 | $5,089,523 | $5,179,299 |
| | YOY Change | | $133,679 | $92,536 | $91,673 | $89,776 |
| | YOY % Change | | 2.80% | 1.89% | 1.83% | 1.76% |
| | **Trend Indicator of Funding Status** | **Guarantee** | **Guarantee** | **Guarantee** | **Guarantee** | **Guarantee** |
| | **FY 20 + FY 21 Base Guarantee Total** | $400,833 | $1,011,003 | $1,497,578 | $2,002,291 | $2,471,234 |

These funding estimates culminating to row R3 above and beyond should be considered a trend estimate based upon current information. Many assumptions are made regarding future inflationary pressures and funding decisions based upon current law practice. Current laws can be changed and with it funding results.

*Figure A-9 – Chardon Local Schools Summary Funding Results*

The FSFP is a formula that is being phased in and includes guarantees. With phase-ins some districts may have formula funding that is not phased-in. Other districts may experience guarantee funding. The graphs below point out these key points and the CFO's adjustment response, if any, in the bottom chart.

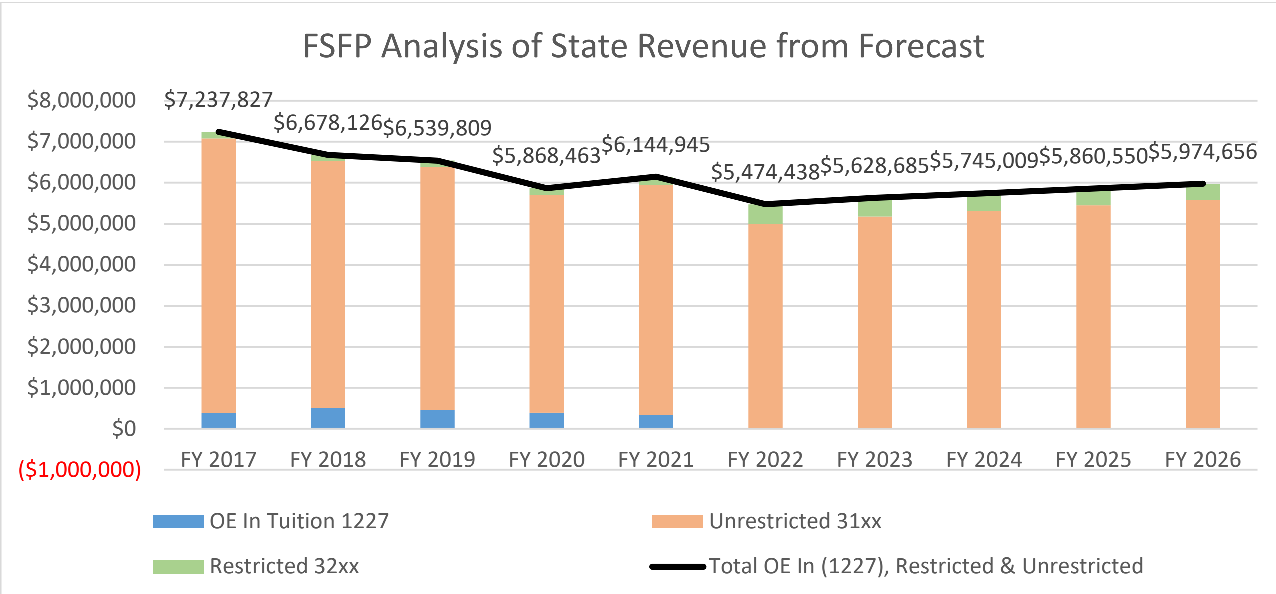



*Figure A-10 – Chardon Local Analysis of State Revenue from Forecast*

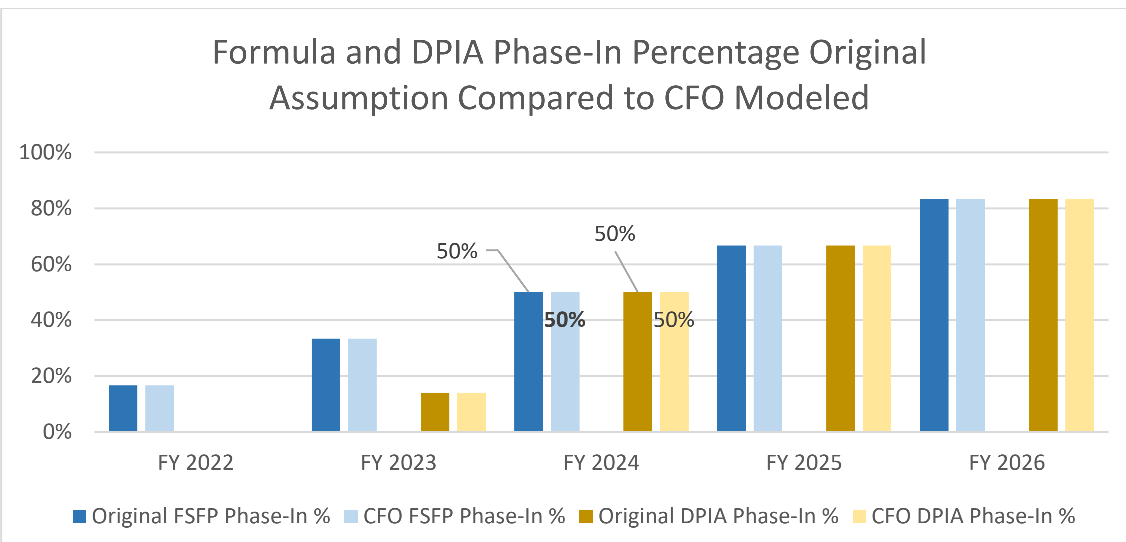



*Figure A-11 – Formula and DPIA Phase-In Percentage Original Assumption / CFO Model (Same)*

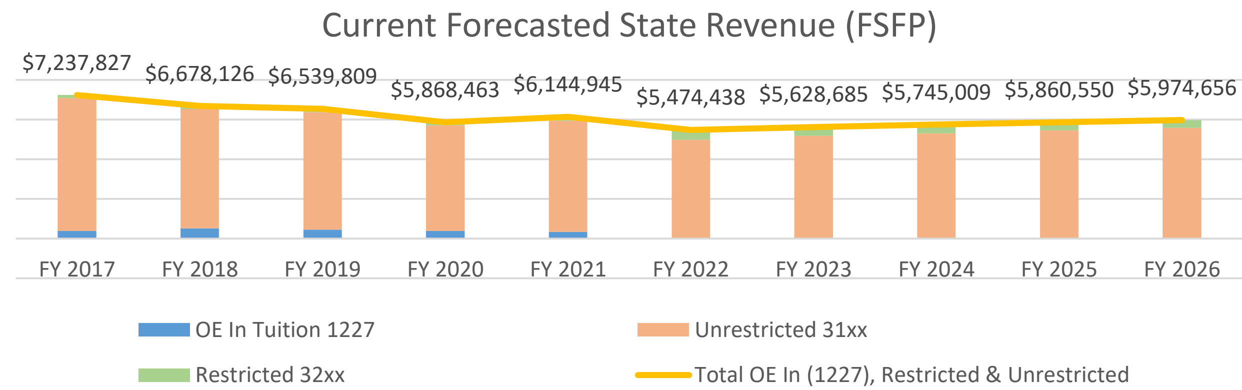



*Figure A-12 – Ohio's Fair School Funding Plan – Results in Forecast*

The above graph summarizes key state revenue line items impacted by the FSFP plan. Districts that had open enrollment "in" revenue will not see this source of revenue in the future. Overall the district's revenue decreased -$670,507 from fiscal year 2021 to fiscal year 2022. The above results are from the district's forecast and assume USAS codification standards.

Note: *fiscal year 2020 and fiscal year 2021 are actual. Fiscal year 2022 through fiscal year 2026 are current forecast results.*

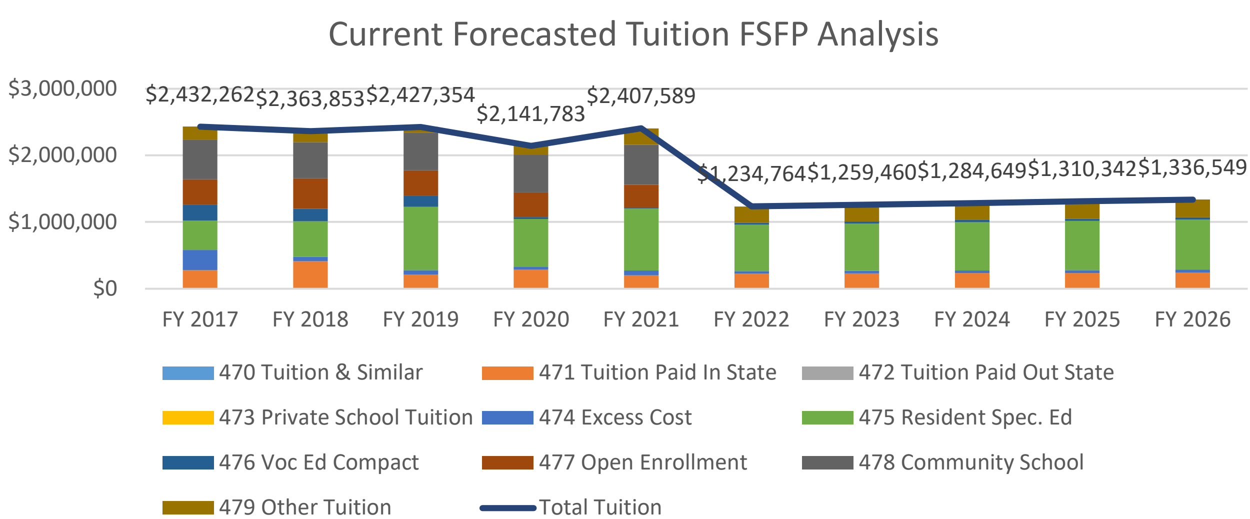



*Figure A-13 – Current Forecasted Tuition FSFP Analysis*

Tuition expenses were impacted by the FSFP plan. Tuition expense for community schools, open enrollment out, STEM, scholarships, and EdChoice are no longer incurred as expenses in fiscal year 2022. Many districts will see a decline in overall tuition cost from fiscal year 2021 to fiscal year 2022. Currently the district is forecasting that fiscal year 2022 total tuition expense will decrease -$1,172,825. Tuition may not decrease exactly as expended in fiscal year 2021 because the district may be assuming forecast growth/decreases in non-FSFP tuition expenditures.

Note: *fiscal year 2020 and 2021 are actual. Fiscal year 2022 through fiscal year 2026 are current forecast results.*

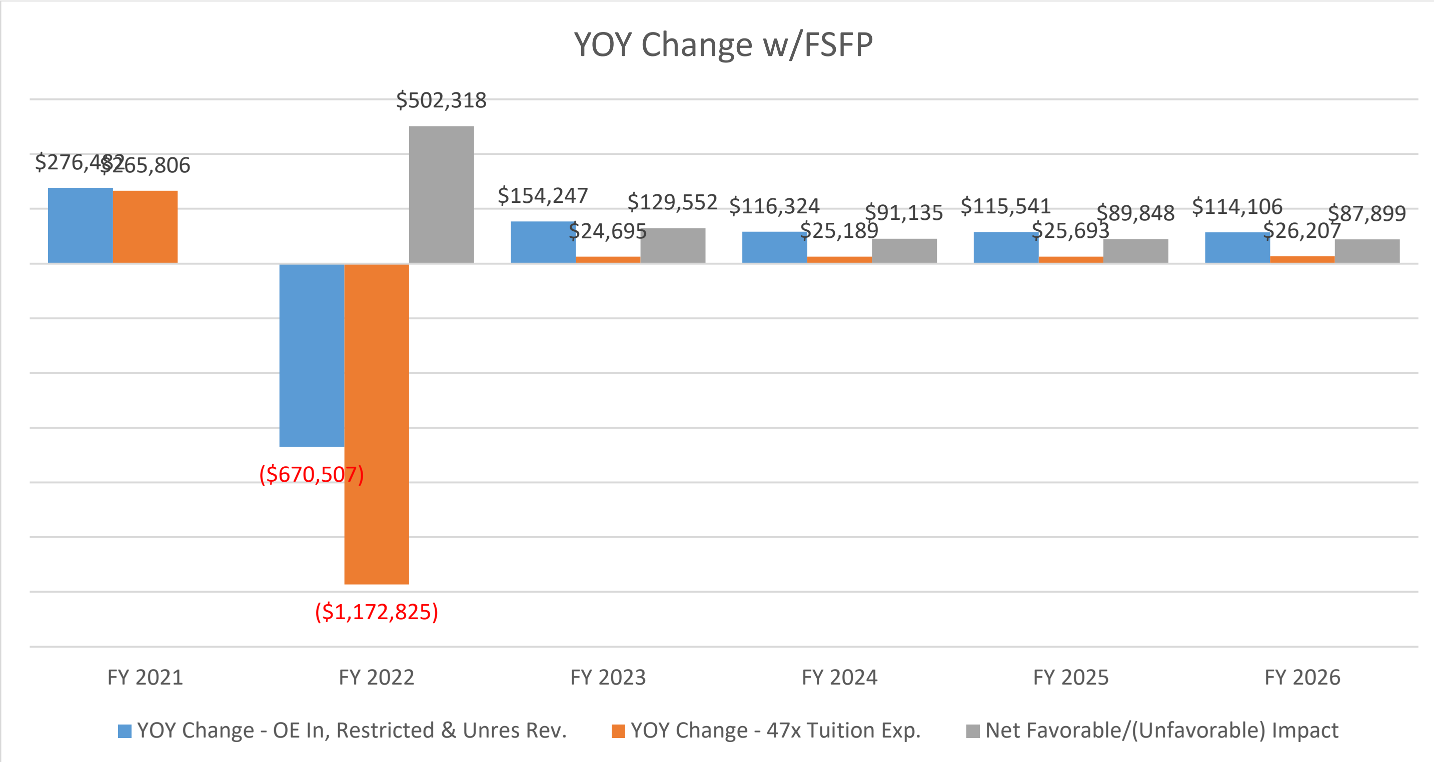



*Figure A-14 – YOY Change w/FSFP*

In fiscal year 2022 state revenue (blue bars) is projected to decrease -$670,507. At the same time, because of FSFP and enrollment count changes, 47x tuition (orange bars) expenditures are projected to go down -$1,172,825. Assuming, as presented in the bar chart above, that the YOY change is all the result of FSFP, then the district is expected to experience a net favorable impact of $502,318 in fiscal year 2022 (gray bars).

Ohio's Fair School Funding Plan - Transitional Aid "Guarantee Analysis"

| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|---|---|---|---|---|---|
| FY 2020 Base Transitional Aid Guarantee | $400,833 | $1,011,003 | $1,497,578 | $2,002,291 | $2,471,234 |
| Calculated Formula Phased In | ($116,355) | ($654,715) | ($950,648) | ($1,278,536) | ($1,535,245) |
| FY 2020 Guarantee as % of Calculated Formula | -344.5% | -154.4% | -157.5% | -156.6% | -161.0% |
| State Base Cost Per Pupil Funding | $567 | $357 | $370 | $370 | $386 |
| Memo Only: Guarantee Reflected as Student Count | 707 | 2,831 | 4,044 | 5,406 | 6,398 |

Note: Concept only, if students were added PP Funding would change.

| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|---|---|---|---|---|---|
| FY 2021 Base Supplemental Transitional Guarantee | $0 | $0 | $0 | $0 | $0 |
| Calculated Formula Phased In | ($116,355) | ($654,715) | ($950,648) | ($1,278,536) | ($1,535,245) |
| FY 2021 Guarantee as % of Calculated Formula | - | - | - | - | - |
| State Base Cost Per Pupil Funding | $567 | $357 | $370 | $370 | $386 |
| Memo Only: Guarantee Reflected as Student Count | - | - | - | - | - |

Note: Concept only, if students were added PP Funding would change.

| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|---|---|---|---|---|---|
| Transportation Guarantee | $0 | $0 | $0 | $0 | $0 |
| Open Enrollment Reduction to FY 2020 Guarantee | $0 | $0 | $0 | $0 | $0 |

*Figure A-15 – Transitional Aid "Guarantee Analysis"*

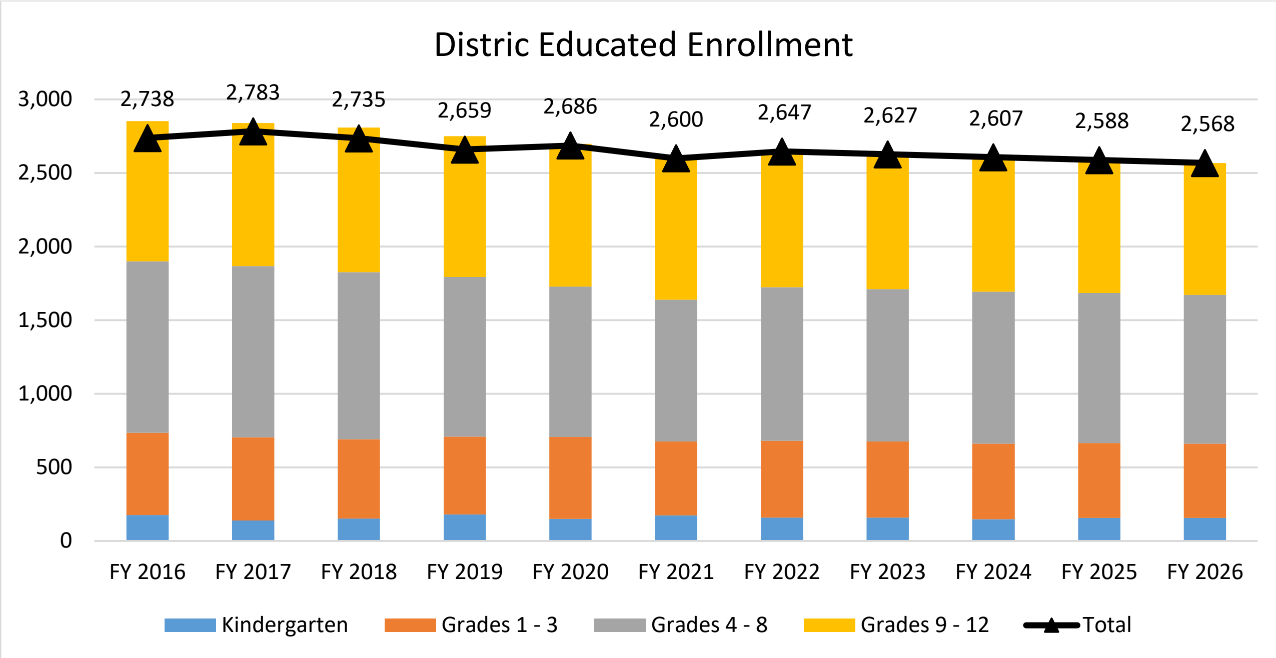



*Figure A-16 – District Educated Enrollment*

*Note: Many districts experienced loss in district educated enrollment in 2021 due to COVID implications. The review of 2021 below is intended to help identify any COVID impact on enrollment and the implications for 2022 and beyond if those students return.*

| | 2020 Enrollment | Change | 2021 Enrollment | |
|---|---|---|---|---|
| Acutual Results COVID Impacted | 2,686 | (86) | 2,600 | |
| Expected Results Using Historical Trend | 2,686 | (20) | 2,666 | |
| Difference | - | 66 | 66 | < Impact on 2022? |

Discussion: Historical trends indicate that district enrollment would have been higher in FY 2021 had COVID not impacted enrollment. It is possible that this impact will be reversed in 2022 with a net impact of 66.

*Figure A-17 – District Educated Enrollment*