

**LITTLE MIAMI LOCAL  
SCHOOL DISTRICT**

**Counties of Warren and Clermont, Ohio**

**2021**

**Annual Financial Information  
Statement**

This Annual Financial Information Statement pertains to the operations of Little Miami Local School District for the fiscal year ending June 30, 2021.

This Annual Financial Information Statement is intended to satisfy the District's Continuing Disclosure obligations for providing annual financial information and operating data in compliance with Securities and Exchange Commission Rule 15c2-12.

Questions regarding information contained in this Annual Financial Information Statement should be directed to: Terry Gonda, Treasurer, Board of Education, Little Miami Local School District, 95 E. U.S. 22&3, Maineville, Ohio 45039.

The date of this Annual Financial Information Statement is October 1, 2021.

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## **REGARDING THIS ANNUAL FINANCIAL INFORMATION STATEMENT**

This Annual Financial Information Statement does not constitute an offering of any security of the Board of Education (the "Board" or "Board of Education") of the Little Miami Local School District (the "District" or "School District"), Counties of Warren and Clermont, Ohio.

The information and expressions of opinion herein are subject to change without notice. The delivery of this Annual Financial Information Statement shall not create any implication that there has been no change in the affairs of the Board of Education or the School District since the date hereof.

Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency except the Board of Education will have, at the request of the Board of Education, passed upon the accuracy or adequacy of this Annual Financial Information Statement.

This Annual Financial Information Statement, which includes the cover page and Appendices A and B, has been prepared by the School District, pursuant to Continuing Disclosure Agreements and Certificates entered into by the School District in compliance with Securities and Exchange Commission Rule 15c-2-12 for outstanding obligations of the School District. Certain information contained herein is not required to be supplied under the Rule and the School District is under no obligation to provide this additional information in the future

All financial and other information presented in this Annual Financial Information Statement has been provided by the Board of Education from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Board of Education. No representation is made that past experience, as is shown by the financial and other information, will necessarily continue or be repeated in the future.

Insofar as the statements contained in this Annual Financial Information Statement involve matters of opinion or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty, no representation is made that any of such statements have been or will be realized, and such statements should be regarded as suggesting independent investigation or consultation of other sources prior to the making of investment decisions. Certain information may not be current; however, attempts were made to date and document sources of information.

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code (the "Revised Code") or uncoded, or to the provisions of the Ohio Constitution or the Board of Education's resolutions, are references to such provisions as they presently exist. Any of these provisions may from time to time be amended, repealed or supplemented.

Certain information contained in this Annual Financial Information Statement is attributed to the Ohio Municipal Advisory Council (OMAC). OMAC compiles information

from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Annual Financial Information Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

Certain information contained in this Annual Financial Information Statement is attributed to the County Auditor of the county or counties in which the District is located. The County Auditor maintains records of certain tax information for subdivisions within its jurisdiction, which the District believes to be accurate and reliable, but such information is not independently confirmed or verified and the accuracy thereof is not guaranteed. The County Auditor has not reviewed this Annual Financial Information Statement.

As used in this Annual Financial Information Statement, "School District" or "District" means the Little Miami Local School District; and "State" or "Ohio" means the State of Ohio.

Additional information concerning this Annual Financial Information Statement, as well as copies of the basic documentation relating to any outstanding obligations of the School District, is available from Terry Gonda, Treasurer, Board of Education, Little Miami Local School District, 95 E. U.S. 22&3, Maineville, Ohio 45039, (513) 899-2264.

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## **GENERAL INFORMATION AND OPERATING DATA CONCERNING THE BOARD OF EDUCATION AND THE SCHOOL DISTRICT**

There follows in this Annual Financial Information Statement a brief description of the District, together with certain information concerning its governmental organization, its indebtedness, current major revenue sources and general and specific funds.

### **Introduction**

The Little Miami Local School District (the "District") encompasses approximately 98 square miles and is located in Warren and Clermont Counties in southwest Ohio, approximately 25 miles northeast of downtown Cincinnati, Ohio.

### **About the District**

The Little Miami Local School District (the "District") is located in the southeastern portion of Warren County, and encompasses approximately 98 square miles. The 2021-22 school year enrollment is 5,382 students, and those students are educated in 5 buildings: three (3) elementary buildings for grades PK-5, one (1) middle school (grades 6-8) and one (1) senior high building (grades 9-12).

The District's administrative staff consists of the following: Superintendent (1), Principals (6), Assistant Principals (6), Director of Preschool (1), Director of Support Operations (1), Director of Special Education (1), Assistant Superintendent Curriculum and Instruction (1), Director of Human Resources (1), Director of Technology (1), Director of Food Service (1), Athletic Director (1), and Treasurer (1).

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## Overlapping Governmental Entities

The major political subdivisions overlapping all or a portion of the territory of the School District, the approximate percentages of the assessed valuation of such subdivisions located within the School District and the net overlapping debt, excluding self-supporting debt, attributable to the School District from such subdivisions are as follows:

<u>Subdivision</u>	<u>% of Assessed Valuation</u>	
	<u>Within the District</u>	<u>Net Debt</u>
Little Miami Local School District	100.00%	\$103,984,913
Warren County	13.69	3,308,873
Clermont County	0.03	-0-
City of Loveland	9.16	668,222
Village of Blanchester	0.02	-0-
Village of Butlerville	100.00	-0-
Village of Maineville	100.00	61,861
Village of Morrow	100.00	-0-
Village of South Lebanon	20.22	131,430
Goshen Township	0.42	-0-
Hamilton Township	78.36	513,258
Harlan Township	76.34	-0-
Salem Township	98.25	-0-
Turtle Creek Township	0.01	-0-
Union Township	3.52	19,715
Washington Township	31.56	-0-
Warren County Joint Vocational School District	20.56	30,840

### School District Net Debt

<u>Total</u>	<u>Per Capita</u>	<u>% of A/V</u>
\$103,984,913	\$3,245	9.43%

### Net Overlapping Debt

<u>Total</u>	<u>Per Capita</u>	<u>% of A/V</u>
\$108,719,112	\$3,393	9.86%

*Source: Ohio Municipal Advisory Council; October 8, 2021 (OMAC date of record is approximately 3 weeks ahead of actual date). Excludes self-supporting and special assessment debt.*

Each of these entities operates independently under and is governed by Ohio law with its own budget, tax rate and sources of revenue. All such entities may levy unvoted ad valorem property taxes within the "ten-mill limitation" discussed herein at "BOARD OF EDUCATION DEBT AND OTHER LONG-TERM OBLIGATIONS – Indirect Debt Limitation".

## Population

The population of the Villages of Morrow, Maineville and Butlerville, each in the District, and Hamilton Township (which has over 75% of its territory in the District), is shown in the following comparative figures:

<u>Census</u>	<u>Village of Morrow Population</u>	<u>Village of Maineville Population</u>	<u>Village of Butlerville Population</u>	<u>Hamilton Township Population</u>
1970	1,486	333	204	5,310
1980	1,254	307	223	5,379
1990	1,206	359	188	5,900
2000	1,286	885	231	9,630
2010	1,188	975	163	23,556
2011*	1,203	990	164	23,809
2012*	1,219	1,006	164	23,255
2013*	1,229	1,015	165	23,830
2014*	1,412	915	113	24,272
2015*	1,581	1,003	99	24,603
2016*	1,490	1,249	122	24,909
2017*	1,583	1,008	139	25,228
2018*	1,660	1,047	172	25,626
2019*	2,005	1,156	224	25,962

*\*American Community Survey 5-Year Estimates  
Source: U.S. Census Bureau*

Warren County's population has increased, as shown in the figures below:

<u>Warren County</u>	
<u>Census</u>	<u>Population</u>
1970	85,505
1980	99,276
1990	113,927
2000	158,383
2010	212,693
2011*	215,406
2012*	217,310
2013*	219,578
2014*	221,659
2015*	224,469
2016*	227,063
2017*	228,882
2018*	232,173
2019*	234,602

*\*As of July 1  
Source: U.S. Census Bureau*

## Economic Activity and Employment

The ten largest employers in Warren County are:

	<u>Employer</u>	<u>Number of Employees</u>
1.	Procter & Gamble Company	3,047
2.	Macy's Credit and Customer Service	2,100
3.	EssilorLuxottica	1,621
4.	Cintas Corporation	1,335
5.	WellPoint	1,300
6.	Anthem Blue Cross and Blue Shield	1,300
7.	Warren County	1,276
8.	Kings Island	1,250
9.	Atrium Medical Center	1,200
10.	Mason City Schools	1,090

Source: Warren County Office of Economic Development (2021)

Employment statistics for the School District are not available; however, civilian labor force statistics for Warren County, as well as State and national figures, are as follows:

<u>Year</u>	<u>Employed</u>	<u>Average Unemployment Rates**</u>		
		<u>County</u>	<u>State</u>	<u>Nation</u>
2017	112,000	4.1%	5.0%	4.4%
2018	114,000	3.8	4.5	3.9
2019	116,700	3.5	4.2	3.7
2020	111,300	6.4	8.1	8.1
2021*	112,700	5.0	5.9	5.7

\* as of July; County and State are preliminary

\*\* not seasonally adjusted

Source: Ohio Department of Job and Family Services

## Organization and Officials of the Board of Education

The Board of Education is a body politic and corporate and, as such, can be sued and can sue, can enter into contracts and can be contracted with, can acquire, hold, possess and dispose of real and personal property, and take and hold in trust for the use and benefit of the District, any grant or devise of land, and any donation or bequest of money or other personal property. It is comprised of five members who are elected for overlapping four-year terms.

The Board of Education is charged with the duties and responsibilities of managing the affairs of the District pursuant to the laws governing public education in Ohio. The Board of Education directly employs the Superintendent and Treasurer. The Board of Education serves as the legislative body of the District.

The Treasurer is appointed for a term not longer than five years and serves as the fiscal officer of the Board of Education and, with the president of the Board of Education, executes all conveyances made by the Board of Education.

The Superintendent is appointed for a term not longer than five years and is the executive officer of the Board of Education. The Superintendent is responsible for administering Board-adopted policies, is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board of Education on all aspects of the educational program and total operation of schools in the District.

The Board of Education employs all certified employees and classified employees upon the recommendation of the Superintendent.

The current members of the Board of Education, and the Superintendent and Treasurer of the District are as follows:

BOARD OF EDUCATION

<u>Name</u>	<u>Term Expires</u>	<u>Years as Member</u>	<u>Occupation</u>
Tony Niemesh, President	12/23	5	Educator
Bobbie Grice	12/21	21	Curriculum Consultant
Martin Hamlin	12/23	1	Program Manager
Diane Horvath	12/23	1	Educator
Wayne Siebert	12/21	3	Retired Engineer

**Administration**

The Superintendent of the District is Greg Power. Mr. Power has been the Superintendent since 2012 and in 2019 was given a contract as Superintendent of the District for the 2020 through 2024 school years. Mr. Power joined Little Miami in 2004 as the high school assistant principal. In 2008, he was appointed as the Director of Administrative Services, overseeing the completion of construction and renovation projects and managing all facility operations. For the 2010-2011 school year, he served as the Director of Curriculum and Instruction. Mr. Power, who has more than 30 years of experience in education, has undergraduate and Master's degrees from the University of Cincinnati and holds his administrative licensure from Xavier University.

The Treasurer of the District is Terry Gonda. Mr. Gonda joined the Little Miami District in November 2009 as the assistant treasurer. In July, 2011, he became part of the administrative team as treasurer, bringing with him more than twelve years of experience as an auditor with the Auditor of the State of Ohio. In the August 2019 Board meeting, Mr. Gonda was named Treasurer of the District for the 2020 through 2024 school years. He received an undergraduate degree in accounting from Heidelberg College.

## Budget Procedure

The fiscal year for all Ohio school districts runs from July 1 to June 30. Each spring, the Administration reviews the enrollment projections along with the objectives of the upcoming fiscal year. A tentative budget is prepared for review by the Administration and the Board of Education. The budget is then approved at a public meeting of said Board.

## Employee Relations

The Board currently employs 549 employees (including non-teaching personnel). In fiscal year 2020-21, the Board paid \$29,714,549 in salaries and wages to these employees (including substitutes) and \$13,755,051 for fringe benefits which include state employer retirement contributions, workers' compensation insurance coverage, unemployment compensation, severance payments, and medical, dental and life insurance premiums. Of the Board's current employees, 281 are certified by the Ohio Department of Education serving as classroom teachers, education specialists and administrators, all of whom have at least a bachelor's degree and 224 of whom hold advanced degrees. The starting salary for a teacher with a bachelor's degree for 2021-22 is \$47,992. The maximum teacher salary in 2021-22 for a master's degree plus 40 hours is \$99,713 with 30 years' experience. In addition, there are 66 exempted employees who are not certified and are not part of a labor union.

The Board's certificated teachers and educational specialists are represented by the Little Miami Teachers' Association (the "Association") which is a labor organization affiliated with the Ohio Education Association. The present contract between the Board and the Association became effective July 1, 2021, and expires June 30, 2023.

The Board's 202 classified employees are represented by the Ohio Association of Public School Employees Local 516 ("OAPSE"). The present contract between the Board and OAPSE Local 516 (Cooks, Custodians, Secretaries and Transportation Employees) became effective July 1, 2021 and expires June 30, 2023.

## Enrollment

Actual enrollment in the School District for the school years 2016-17 through 2021-22 and is shown in the table below:

<u>School Year</u>	<u>PK-4*</u>	<u>Grades</u>		<u>Total Enrollment</u>
		<u>5-8</u>	<u>9-12</u>	
2016-17	1,755	1,438	1,296	4,489
2017-18	1,854	1,481	1,401	4,736
2018-19	1,955	1,567	1,472	4,994
2019-20	2,012	1,582	1,545	5,139
2020-21	1,891	1,624	1,537	5,052
2021-22	2,110	1,674	1,598	5,382

*\*2018-19 going forward includes preschool*

*Source: Records of the Treasurer of the Board of Education*

## State Performance Standards

The State has created and implemented a new report card methodology which is reflected in the report cards issued in August 2013 and thereafter. Previous designations such as “excellent” and “effective” were replaced with letter grades such as “A” and “B.” Under the new methodology, school districts are assigned an overall grade of “A” to “F.” Each school district’s overall grade is determined by combining six graded components: (a) Achievement, (b) Progress, (c) Gap Closing, (d) Graduation Rate, (e) Improving At-Risk K-3 Readers and (f) Prepared for Success. Each component is assigned a grade of “A” to “F.” Some components are assigned a grade based upon a single measure, while other components are assigned a grade based upon the combination of grades assigned to multiple measures. Recent changes in Ohio school law extend the time districts have before they are *accountable* for all measures on the report card.

As part of the State’s response to COVID-19, Amended Substitute House Bill No. 197 (“HB 197”) provided that school report cards would be issued, but without grades assigned or ratings issued for the 2019-2020 academic year, and, if a school district or building was subject to penalties or sanctions for the 2019-2020 academic year, those penalties or sanctions would remain in place for the 2020-2021 academic year. House Bill No. 67 of the 134th General Assembly extended the period in which school report card ratings would not be published through the 2020-2021 academic year. If a school district or building was subject to penalties or sanctions for the 2020-2021 academic year, those penalties or sanctions will remain in place for the 2021-2022 academic year. Report cards for the 2020-2021 school year are not expected to be released until after October 1, 2021 and will not have grades assigned or rankings issued; however, all available data will be reported and the measures with sufficient data will be calculated. Once released, report cards will be available at <http://education.ohio.gov/Topics/Data/Report-Card-Resources>.

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The District received the following report card from the State based on its performance during the 2018-2019 school year:

<u>Component</u>	<u>Grade</u>
<b>District Overall Grade</b>	B
<b>Achievement</b>	C
Performance Indicators (11/24) (45.8%)	F
Performance Index (96.0/120.0) (80.0%)	B
<b>Progress</b>	A
Overall	A
Gifted Students	A
Students in the Lowest 20% in Achievement	A
Students with Disabilities	A
<b>Gap Closing</b>	A
Annual Measurable Objectives (100.0%)	A
<b>Graduation Rate</b>	A
Four-Year Graduation Rate (97.0%)	A
Five-Year Graduation Rate (97.5%)	A
<b>Improving At-Risk K-3 Readers</b>	C
Improving At-Risk K-3 Readers (47.8%)	C
<b>Prepared for Success</b>	D
Prepared for Success (305.4/582) (52.5%)	D

Source: Ohio Department of Education

For more information, go to <http://reportcard.education.ohio.gov/>

## FINANCIAL MATTERS

### Introduction

The Board of Education's fiscal year corresponds with the July 1 to June 30, school year. The levy and collection of taxes are made on a calendar year basis.

The responsibilities for the major financial functions of the Board of Education are divided between the Board of Education and the Treasurer.

The Treasurer is the fiscal officer of the Board of Education, its fiscal and chief accounting officer, and serves the Board of Education as financial advisor. The Treasurer keeps the accounts of the Board of Education and is responsible for accurate statements of all moneys received and expended and of all taxes. At the end of each fiscal year, the Treasurer must examine the accounts of all offices and departments of the Board of Education. The Treasurer is not to allow the amount set aside for any appropriation to be overdrawn, or the amount appropriated for any one item of expense to be drawn upon for any other purpose, or allow a voucher to be paid unless sufficient funds are in the treasury of the Board of Education to the credit of the fund upon which such voucher is drawn.

Other important financial functions relating to the District include:

(a) General financial recommendations and planning, and budget and annual appropriation preparation by the Treasurer and the Superintendent;

(b) Express approval of all budgeting and appropriations of moneys by the Board of Education;

(c) Examinations of accounts by the Bureau of Inspection and Supervision of Public Offices (the "Bureau of Inspection") in the office of the Auditor of the State, which by law is required to inspect and supervise the accounts and reports of the offices of each taxing district or public institution of the State, including the Board of Education;

(d) Assessment of real property by the County Auditor, who is elected at large within the County, subject to supervision by the Ohio Tax Commissioner (the "Tax Commissioner") who is appointed by the Governor and confirmed by the Ohio General Assembly;

(e) Assessment of public utility property and tangible personal property by the Tax Commissioner; and

(f) Billing and collection of property taxes and assessments by the County Treasurer, who is elected at large within the County.

### **Budgeting, Tax Levy and Appropriations Procedures**

Detailed provisions for budgeting by the Board of Education, tax levies and appropriations are made in the Revised Code.

In general, the budgetary process begins six months or more before the start of the fiscal year for which the budget is to be adopted, and involves review by County officials at several stages. Significant steps in the budgetary process are summarized as follows:

1. On or before January 15 of each year, the Board of Education administration prepares, and, after a public hearing, the Board of Education adopts, a tax budget for the succeeding fiscal year. The tax budget must show estimated receipts and expenditures and indicate the amount of ad valorem property taxes, both inside and outside the ten-mill limitation, as hereinafter described, that must be levied in such fiscal year.

2. The proposed tax budget is filed with the County Auditor on or before January 20 of each year, who presents it to the County Budget Commission, which is comprised of the County Auditor, County Treasurer and County Prosecuting Attorney. On or before March 1 of each year, the County Budget Commission reviews the tax budget, makes any necessary changes in the amount of ad valorem property taxes to be levied, and in particular, ascertains that sufficient ad valorem property taxes are to be levied, both inside and outside the ten-mill limitation, to pay all debt charges.

3. The County Budget Commission then certifies the results of its review to the Board of Education. Before April 1 of each year, the Board of Education approves the tax levies as determined by the County Budget Commission and certifies them to the appropriate County officials, who bill and collect the ad valorem property taxes as approved. Real property taxes are payable in two installments, the first usually in February and the second in July.

4. No later than October 1 of each year, the Board of Education adopts an annual appropriation resolution for the current fiscal year, which may not contain amounts in excess of those approved by the County Budget Commission. The annual appropriation resolution is certified to the County Auditor, who must certify that the amounts appropriated do not exceed current estimated receipts. Temporary appropriation measures may be enacted pending adoption of the annual appropriation resolution.

In addition to the procedure discussed above, Ohio law provides for amendments to the amounts certified by the County Budget Commission and for supplemental appropriation measures by the Board of Education to reflect changes in the amounts of estimated receipts and expenditures of the Board of Education as the fiscal year progresses.

### **Financial Reports and Examinations of Accounts**

The Board of Education maintains its accounts, appropriations and other fiscal records in accordance with the procedure established and prescribed by the Auditor of State. The Auditor of State is charged by Ohio law with responsibility for inspecting and supervising the accounts and reports of all taxing districts and public institutions in the State, including the Board of Education. The most recent examination of the Board of Education was completed through June 30, 2020 by the Auditor of the State of Ohio.

The financial statements of the Little Miami Local School District has been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles provide, among other things, for (i) the use of the modified accrual basis of accounting with respect to revenues and expenditures of "governmental funds" (e.g. the general fund, debt service fund, and special revenue funds) and certain trust and agency funds; (ii) a full accrual basis of accounting for revenues and expenditures of proprietary funds (e.g. utility funds) and certain other trust funds; and (iii) recognition of interfund transfers in the accounting period during which the interfund receivables and payables arise.

### **Insurance**

The Board of Education maintains comprehensive insurance coverage with private carriers for real property, building contents, general liability and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are insured by blanket coverage in the amount of \$171,719,371. The general liability coverage provides for \$1,000,000 coverage per occurrence and \$3,000,000 aggregate coverage.

Pursuant to statutes enacted in November, 1985, the liability of political subdivisions, including boards of education in Ohio, has been significantly reduced. As a general rule, Ohio law provides that political subdivisions such as the Board of Education have immunity from

liability in damages for injury, death, or loss to persons or property allegedly caused by an act or omission of such political subdivisions or their employees in connection with governmental and proprietary functions, as defined in the Ohio statutes. The statutes have no effect on any liability imposed by federal law or other federal cause of action. Pursuant to Ohio law, there are, however, five areas in which a political subdivision may be held liable for such loss. These include the negligent operation of a motor vehicle on public roads, highways or streets; negligent performance of proprietary functions; failure to keep public roads, highways, streets, sidewalks, bridges or public grounds open, in repair, and free from nuisance; negligence of employees within or upon the grounds of buildings used in the performance of governmental functions, excluding jails, juvenile detention workhouses and other detention facilities; and liability specifically imposed by statute. Ohio law also imposes a two-year statute of limitations and puts limits on the damages which may be recovered from such political subdivisions. No punitive or exemplary damages can be recovered, and any insurance benefits are deducted from any award against a political subdivision. Although there is no limitation with respect to compensatory damages representing a person's economic loss, there is a \$250,000 per person ceiling on the compensatory damage that represents a person's non-economic loss in cases other than wrongful death, in which case there is no maximum limitation.

### **Investment Policies of the District and the County**

Section 135.14 of the Ohio Revised Code sets forth the requirements and limitations for investments of the state's political subdivisions, including the District. Under Section 135.14, the District may invest its funds provided that such investments must mature or be redeemable within two years from the date of purchase. The only classifications of obligations which are eligible for such investment by the District are as follows:

(A) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest thereon;

(B) Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, or the Export-Import Bank of Washington, D.C.;

(C) Interim deposits in the eligible institutions applying for interim moneys as provided in Section 135.08 of the Revised Code. The award of interim deposits shall be made in accordance with Section 135.09 of the Revised Code and the treasurer or the governing board shall determine the periods for which such interim deposits are to be made and shall award such interim deposits for such periods, provided that any eligible institution receiving an interim deposit award may, upon notification that the award has been made, decline to accept the interim deposit in which event the award shall be made as though such institution had not applied for such interim deposit;

(D) Notes and other obligations of this state; and

(E) No-load money market mutual funds consisting exclusively of obligations described in division (A) or (B) above and repurchase agreements secured by such

obligations, provided that investments in securities described in this section (E) are made only through eligible institutions mentioned in Section 135.03 of the Revised Code.

Further, under Section 135.14 of the Ohio Revised Code, all investments, except for investments in securities described in division (E) above, shall be made only through a member of the National Association of Securities Dealers, Inc., or through an institution regulated by the superintendent of banks, superintendent of savings and loan associations, comptroller of the currency, federal deposit insurance corporation, board of governors of the federal reserve system, or federal home loan bank board. Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer.

The District invests in United States Treasuries and eligible guaranteed obligations of the United States, State Treasurer's Asset Reserve (STAR Ohio), certificates of deposit, repurchase agreements and eligible Treasury Obligation Funds. The Treasurer may invest up to twenty-five percent of interim moneys in corporate commercial paper notes or bankers acceptances. The District interprets the limits on Federal guaranteed investments, bankers acceptances, commercial paper and all other legal investments very conservatively. The District has never owned any derivative type investments, interest only investments or reverse repurchase agreements. The Treasurer has attended special training in all of the investment areas to assure compliance with the strictly conservative philosophy of the District. All investments of interim funds must be redeemable or mature within five years from the date of purchase. All investments are transacted with reputable banks or other financial institutions operating in the State of Ohio that are well versed in the statutory restrictions Ohio political subdivisions operate under and also have an understanding of the District's investment requirements. All banks and financial institutions transacting business with the District are provided with a copy of the District's investment policy, to which they must assent.

The County invests in United States Treasury obligations and eligible guaranteed obligations of the United States, STAR Ohio, certificates of deposit, repurchase agreements and mutual funds which are invested exclusively in United States obligations. All investments comply with the limitations with respect to length of maturities contained in Chapter 135 of the Ohio Revised Code. The maximum maturity of any investment of the County will be three years. The County interprets the limit on federal guaranteed investments, and all legal investments very conservatively. The County has never owned, and does not plan to own, any derivative type investments, interest only investments, cmo's or reverse repurchase agreements. The County Treasurer has attended special training in all of the investment areas to assure compliance with the strictly conservative philosophy of the County. All investments are transacted with banks the County believes to be reputable or other financial institutions operating in the State of Ohio that are well versed in the statutory restrictions that Ohio political subdivisions operate under and also have an understanding of the County investment requirements.

## AD VALOREM TAX REVENUES

### Ad Valorem Tax Base

During Tax Year 2018, the County experienced the statutory sexennial reappraisal of real property, whereby the true value of real property was adjusted to reflect current market values. Ohio law requires that the County Auditor reassess real property at any time he finds that the true or taxable value thereof has changed, and in the third calendar year following the year in which a sexennial reappraisal is completed if ordered by the Tax Commissioner.

Existing law requires that taxable real property be assessed at not more than 35% of its true value except that taxable real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value as determined by the County Auditor in accordance with rules adopted by the Ohio Commissioner of Taxation (the "Commissioner") for such purpose. The assessment ratio has been fixed at 35% under existing rules of the Commissioner. The County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal) taxable real property values triennially to reflect true values. Any taxable real property which the owner thereof, under rules and regulations promulgated by the Chief of the Ohio Division of Forestry, declares is devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its true value.

Given the standard assessment base determined under the provisions noted above, legislation effective in 1976 and recent legislation enacted pursuant to a constitutional amendment approved by the voters of Ohio in November 1980, have provided for a two-phase tax reduction of real property taxes, with respect to taxes other than taxes levied at a rate required to produce a specified amount of tax money (i.e. for payment of debt charges), taxes levied inside the ten-mill limitation, or taxes authorized by a municipal charter.

(1) The County Auditor must annually classify all real property into two classes: (a) residential/agricultural real property, and (b) nonresidential/agricultural real property. The Commissioner then determines the amount of carryover property in each such case for each taxing district, "carryover property" being defined as all real property on the current year's tax list except: (a) land and improvements that were not taxed by the district in both the preceding year and the current year, and (b) land and improvements that were not in the same class in both the preceding year and the current year. The Commissioner must determine annually by what percent (the "Tax Reduction Factor"), if any, the sums that would otherwise be levied by a tax against the carryover property in each class would have to be reduced to equal the amount that would be levied if the full rate thereof were imposed against the total taxable value of such property in the preceding tax year. Thereafter, the County Auditor must reduce the sum to be levied by the tax against each parcel of real property in the district by the Tax Reduction Factor certified by the Commissioner for its class. However, if said reduction for either class of property could cause the total taxes charged and payable for current expenses of a school district, other than a joint vocational school district, prior to the statutory ten percent reduction, discussed hereinafter, to be less than two percent of the taxable value of all real property in that class that is subject to taxation, the Commissioner, upon notification thereof by the County Auditor, must adjust the Tax Reduction Factor as required by law.

(2) The County Auditor must reduce the sums remaining thereafter to be levied against parcels of real property by ten percent; such reduction is reimbursed by the State to the County for distribution to the affected subdivisions after deduction of a statutorily determined fee to be used by the Department of Taxation for administrative purposes. Since June 26, 2003, only one-half of this reduction has been reimbursed from state sources. The taxes remaining after such reduction constitute the real and public utility property tax chargeable and payable on such property.

In addition, Ohio law provides a two and one half percent (2.5%) real property tax reduction for certain owner-occupied properties. Historically, the two and one half percent reduction has been reimbursed by the State to the School District.

The 2014-2015 State Budget eliminated the ten percent reduction and the two and a half percent reduction discussed above for taxes levied under new or replacement levies of the School District approved at elections held after October 11, 2013. The State continued to reimburse the School District for revenues lost as a result of to these rollbacks on existing tax levies, renewal tax levies and tax levies within the ten mill limitation, discussed below, in the same manner as it did before the 2014-2015 State Budget.

The State also provides a homestead exemption to certain elderly or disabled property owners, which enables qualified owners to shield a portion of the value of their home from property taxes. This reduction is reimbursed by the State to the School District. The 2014-2015 State Budget placed certain additional restrictions on the availability of the homestead exemption for those not eligible for the exemption as of tax year 2013.

While the aforesaid tax reductions may not affect the determination of the principal amount of notes that may be issued in anticipation of any tax levies or the amount of notes or bonds for any planned improvements, if funds for the payment of debt service charges on notes or bonds payable from taxes so reduced are insufficient for such purpose, then the reduction of taxes is adjusted to the extent necessary to provide sufficient funds from real property taxes for the payment of such debt charges.

Failure of the County Auditor to supply to the Tax Commissioner the information required to determine the Tax Reduction Factor may result in substantial withholding of State revenues to the local government until such time as the County Auditor supplies such information.

A corporation with taxable property in more than one county must also make, directly to the Tax Commissioner, a single combined return, listing all taxable property. Distribution of the funds so generated is normally made by the Tax Commissioner to the respective county auditors during the last quarter of each calendar year.

Recent changes to the assessment of tangible personal property enacted by the Ohio General Assembly include:

(a) Beginning in 2006, taxation affecting three classes of tangible personal property used in business changed. Tangible personal property taxes on (i) manufacturing equipment, (ii) furniture and fixtures and (iii) inventory was phased-out over a four year period, ending in 2009.

Tangible personal property taxes on a fourth class, telephone, telegraph and interexchange communication companies, were phased-out from 2007-2011. A portion of the commercial activities tax (the “CAT tax”), implemented in 2005, replaced the tax on business tangible personal property. Prior to the passage of Am.Sub. HB 153, effective June 30, 2011 (“HB 153”), as part of the CAT tax, gross rents and royalties from tangible personal property, as well as gross receipts from the sale of tangible personal property (among several other categories of receipts) were credited to the State’s general revenue fund and used to reimburse school districts and other local taxing units for the phase-out of taxes on business tangible personal property. These payments are commonly referred to as “replacement payments.”

The application of the CAT to certain types of business receipts has been the subject of litigation. On September 17, 2009, the Ohio Supreme Court held that the CAT is not an excise tax “upon the sale or purchase of food” and does not violate the State’s constitutional prohibitions against such a tax. On July 26, 2011, an Ohio appellate court held that the CAT “is not a tax upon motor vehicle fuel” and, thus, upheld the constitutionality of the application of the CAT to gross receipts from the sales of motor fuels. The Ohio Supreme Court has reversed the appellate court and declared that the allocation to non-highway purposes of revenue derived from the application of Ohio’s CAT to gross receipts from the sale of motor vehicle fuel violates the Ohio Constitution. The Court determined the decision would be prospective and that such revenue would be held until properly appropriated by the General Assembly.

The division of CAT tax revenue among these sources was scheduled to be phased-out in 2018, with the State’s general fund receiving 100% of the CAT tax revenues thereafter. HB 153 has generally accelerated the phase-out and reduces the reimbursement payments, depending on the type of levy and the financial resources of each particular school district or other taxing unit.

Generally, HB 153 accelerates the phase-down of the reimbursement amounts for fixed-rate levies by means of a formula based on a school district’s or taxing unit’s reliance on such reimbursements as a percentage of its total budget (or “total resources”), rather than by a fixed fractional reduction of reimbursement amounts through 2019, as provided under prior law. For example, under this formula for reimbursement, certain thresholds for fixed-rate levy loss reimbursement (which, in some cases, apply to current expense fixed-rate levies) have been established for school districts (2% for fiscal year 2012 and 4% for fiscal year 2013 and thereafter) and for other taxing units (4% for fiscal year 2012 and 6% for fiscal year 2013 and thereafter). If a school district or other taxing unit does not receive reimbursement (also referred to as an “allocation”) for fixed-rate levy loss in an amount equal to these respective minimum thresholds, then the school district or other taxing unit receives no reimbursement. By the end of fiscal year 2013, fixed-rate levy loss reimbursements were reduced or terminated. Reimbursement for fixed-rate levies other than current expense levies were reduced by 50% for school districts by 2013 and 75% for municipalities by 2013. Reimbursement will continue to be paid for fixed-sum and unvoted debt levy losses although the phase-out period has generally been accelerated. Fixed-sum levy losses and losses on unvoted debt levies will be calculated in a manner similar to the manner in which losses for fixed-rate levies are calculated.

For additional information regarding expected changes to reimbursement amounts, please reference the following website: [http://www.tax.ohio.gov/personal\\_property/phaseout.aspx](http://www.tax.ohio.gov/personal_property/phaseout.aspx) and <http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?Page=3&TopicRelationID=990&Content=137784>.

On November 15, 2015, the Governor signed Substitute Senate Bill No. 208 (“SB 208”) which changed the schedule for phasing out tangible personal property replacement payments for school districts. Pursuant to SB 208, beginning in Fiscal Year 2018, the phase-down schedule implemented by HB 153 described above was replaced with one that phases tangible personal property replacement payments down each year solely on the basis of a fixed portion of each district's taxable property valuation. Starting with Fiscal Year 2018, such replacement payments will decline by 1/16 of 1% (0.0625%) of a district's taxable property valuation averaged over the three-year period from 2014 to 2016. In each succeeding Fiscal Year, replacement payments will equal the previous Fiscal Year's replacement payment amount minus 0.0625% of the three-year average valuation (based on the period from 2014 to 2016), until the replacement payments are reduced to zero.

(b) Beginning with tax year 2006, the percentages used to determine the assessed value of electric company personal property used in the production of electricity were reduced to 24% of true value; taxable transmission and distribution property are assessed at 85% of true value (50% of true value for rural electric companies). The State is to reimburse school districts and other local taxing districts for a portion of the revenues lost due to this reduction in tax valuation with proceeds of a kilowatt-hour excise tax imposed on electricity consumers as well as natural gas distribution tax revenue (the “Utility Taxes”). The reimbursement paid to school districts and other taxing units as a result of the lower Utility Taxes are commonly referred to as “replacement payments.” Prior to the passage of Am. Sub. H.B. 153, effective June 30, 2011 (“HB 153”), qualifying levy reimbursements to school districts were scheduled to be distributed, in full, through 2016 (or, for fixed-rate levies, the reimbursement period could end prior to 2016 if increases in a school district’s state aid exceeded its fixed-rate reimbursement measured against 2002 levels) with no further reimbursements thereafter for losses resulting from the reduction in tax valuation against utility property. Reimbursements for such losses to other taxing units were scheduled to be made through 2017 on a declining basis after 2006. HB 153 changes the manner in which replacement payments are made to school districts and local taxing units.

Generally, reimbursement for fixed-rate levy loss is calculated by determining the difference between personal property taxes due using the higher assessed rates under a pre-determined prior year (which prior year varies depending on whether the property is electric or gas) and taxes due using lower rates under the new law. Similar to determining reimbursement amounts for business tangible personal property losses, HB 153 provides a methodology for determining reimbursement amounts for fixed-rate levies by means of a formula based on a school district’s or taxing unit’s reliance on such reimbursements as a percentage of its total budget (or “total resources”). For example, under this recently implemented formula for reimbursement, certain thresholds for fixed-rate levy loss reimbursement (which, in some cases, apply to current expense fixed-rate levies) have been established for school districts (2% for fiscal year 2012 and 4% for fiscal year 2013 and thereafter) and for other taxing units (4% for fiscal year 2012 and 6% for fiscal year 2013 and thereafter). If a school district or other taxing

unit does not receive reimbursement (also referred to as an “allocation”) for fixed-rate levy loss in an amount equal to these respective minimum thresholds, then the school district or other taxing unit receives no reimbursement. By the end of fiscal year 2013, fixed-rate levy loss reimbursements will be either reduced or terminated. Reimbursement for fixed-rate levies other than current expense levies will be reduced by 50% for school districts by 2013 and 75% for municipalities by 2013. Reimbursement will continue to be paid for fixed-sum and unvoted debt levy losses with reimbursement for all but ¼ of a mill per dollar. Fixed-sum levy losses and losses on unvoted debt levies will be calculated in a manner similar to the manner in which losses for fixed-rate levies are calculated.

For additional information regarding expected changes to reimbursement amounts, please reference the following website: [http://www.tax.ohio.gov/personal\\_property/phaseout.aspx](http://www.tax.ohio.gov/personal_property/phaseout.aspx). Also, see the last paragraph under subparagraph (a) above regarding the changes that began in Fiscal Year 2018, to the phase-down of tangible personal property replacement payments reflected in SB 208.

### Changes to Assessed Valuation

The Ohio General Assembly has exercised from time to time its power to revise Ohio law applicable to the determination of assessed valuation of property subject to ad valorem taxation and the amount of tax proceeds produced by ad valorem taxation against such property, as evidenced by the replacement of the tangible personal property tax with a portion of the revenues from the CAT tax. It is anticipated that the General Assembly will continue to make similar revisions.

### Assessed Valuation of the School District

The assessed valuation of property within the School District subject to levy of ad valorem taxes in Tax Year 2020 (Collection Year 2021) for Clermont County is \$1,426,300 and for Warren County over the last five years is indicated in the following table:

<u>ASSESSED VALUATION</u>				
<u>Tax Year</u>	<u>Real (a)</u>	<u>Public Utility (b)</u>	<u>Total Assessed Valuation</u>	<u>Percentage Increase/Decrease Over Pervious Year</u>
2016	\$ 842,381,860	\$24,223,850	\$ 866,605,710	2.24%
2017	863,541,560	26,359,720	889,901,280	2.69%
2018	1,013,851,500	28,217,670	1,042,069,170	17.09%
2019	1,041,927,100	29,738,140	1,071,665,240	2.84%
2020	1,069,895,120	32,549,700	1,102,444,820	2.87%

(a) Including public utility

(b) Tangible personal only

Source: Warren County Auditor

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## Largest Taxpayers

The largest taxpayers and public utilities within the District for Tax Year 2020 (Collection Year 2021) are shown in the following table:

### LITTLE MIAMI LOCAL SCHOOL DISTRICT LARGEST TAXPAYERS

<u>Taxpayer</u>	<u>Tax Valuation (Real and Personal Property)</u>	<u>% of Total Assessed Valuation</u>
1. Duke Energy	\$27,429,510	2.49
2. Dayton P & L	4,298,760	0.39
3. AMH 2014-3 Borrower LLC	3,601,980	0.33
4. AMH 2015-1 Borrower LLC	3,395,380	0.31
5. American Residential	2,899,940	0.26
6. Fischer Single Family	2,036,390	0.18
7. AMH 2015-2 Borrower LLC	1,857,660	0.17
8. Tournament Players Club	1,785,030	0.16
9. Grandin Shoppes LLC	1,513,400	0.14
10. Kroger Limited PTNR	1,477,080	0.13

*Source: Warren County Auditor*

## Collections and Delinquencies of Ad Valorem Taxes

Real property taxes which remain unpaid for a period of one year after they are due are certified delinquent. Foreclosure proceedings to enforce collection are required to be instituted if delinquent taxes have not been paid within the year following the certification of delinquent taxes. In addition to foreclosure proceedings, delinquent real property taxes may be collected by the appointment of a receiver or by forfeiture of the property. Another law provides for notice by publication and mass foreclosure proceedings and sales after three years, delinquency and may facilitate the County Auditor's method of collecting delinquencies under the circumstances covered by the law. Taxes other than those in real estate are, in general, certified delinquent if they remain unpaid for one year. In addition to the remedies of foreclosure, receivership and forfeiture, such delinquent taxes may be collected through civil action in the local courts. The delinquent taxes that are collected become part of the current collection and are distributed as current collections to the respective subdivisions. Special assessments levied by the various subdivisions are collected with the real property taxes; upon collection, delinquent special assessments are remitted to the levying subdivisions. The preceding is a general description of such procedures which varies in practice among Ohio counties.

The following table sets forth the amounts billed and collected for ad valorem real estate and public utility taxes and tangible personal property taxes for the School District on the tax duplicate for the last five years:

**REAL ESTATE, PUBLIC UTILITY AND  
TANGIBLE PERSONAL PROPERTY TAX COLLECTION PERCENTAGES**

General and Permanent Improvement Funds

<u>Tax Year</u>	<u>Collection Year</u>	<u>Taxes Billed</u>	<u>Current Taxes Collected</u>	<u>% Collected</u>	<u>Taxes Billed</u>	<u>Delinquent Taxes Collected</u>	<u>% Collected</u>
2015	2016	\$37,170,146	\$36,313,810	97.69%	\$1,164,738	\$ 845,566	72.59%
2016	2017	38,041,991	37,389,553	98.28	990,061	652,438	65.89
2017	2018	38,915,972	38,255,027	98.30	972,683	670,809	68.96
2018	2019	45,849,592	44,420,343	96.88	898,875	722,371	80.36
2019	2020	48,143,179	47,436,407	98.53	1,508,107	1,332,167	88.33

*Source: Warren County Auditor*

**Unvoted and Voted Taxes for Local Purposes**

To meet current expenses of subdivisions, the laws of Ohio authorize two types of ad valorem tax levies - unvoted and voted.

Unvoted ad valorem tax levies are permitted by the State Constitution and the Revised Code so long as all such unvoted taxes do not exceed one per cent (ten mills) of any property's assessed valuation. This limitation is known as the "ten-mill limitation" and such unvoted taxes are referred to as the "inside millage".

Ohio law permits voted ad valorem tax levies outside the one percent limitation when approved by a majority of the electors of a taxing district voting on the proposition. A voted tax levy for a board of education is generally initiated by a resolution of the board of education to place such a levy on the ballot at a general, primary or other special election.

The following chart lists the effective rates of taxation for the General Fund and Bond Retirement Fund of the Board of Education for the most recent five years:

**RATES OF TAXATION**

<u>Year</u>	<u>MILLS - GENERAL FUND</u>			<u>PERMANENT MILLS-IMPROVEMENT</u>	
	<u>Inside</u>	<u>Outside (Effective)</u>	<u>Total</u>	<u>Bond Retirement Fund</u>	<u>Outside</u>
2016 Valuation					
2017 Collection	1.60	33.01	34.61	5.70	3.00
2017 Valuation					
2018 Collection	1.60	32.90	34.50	5.70	3.00
2018 Valuation					
2019 Collection	1.60	30.40	32.00	8.40	3.00
2019 Valuation					
2020 Collection	1.60	29.40	31.00	8.40	3.00
2020 Valuation					
2021 Collection	1.60	28.40	30.00	8.40	3.00

*Source: Records of the Treasurer of the District*

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**Sources of Income**

The following chart shows the sources of income for the General Fund of the Board of Education for the fiscal years 2016-17 through 2020-21, inclusive:

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
LOCAL					
Real Estate	\$26,329,014	\$27,645,537	\$28,064,659	\$29,612,730	\$29,920,407
Personal					
Tangible	0	1,424	1,529	1,651	677
Other	1,899,952	1,937,279	2,033,780	2,020,958	1,456,598
STATE					
Foundation	12,992,560	14,030,951	14,032,624	13,273,702	14,041,390
Rollback &					
Homestead	3,897,773	3,977,068	4,157,472	4,240,504	4,186,766
Other State	<u>175,913</u>	<u>115,504</u>	<u>266,281</u>	<u>188,069</u>	<u>174,430</u>
Total	\$45,295,212	\$47,707,763	\$48,556,346	\$49,337,614	\$49,780,269
Operating					
Revenue					
Total Other					
Financing					
Sources	<u>17,892</u>	<u>109,836</u>	<u>107,462</u>	<u>0</u>	<u>24,881</u>
TOTAL	\$45,313,104	\$47,817,599	\$48,663,808	\$49,337,614	\$49,805,149

Source: Records of the Treasurer of the District

**Financial Condition of the School District**

The Board of Education has been able to maintain an unencumbered balance in the general operating fund in each of the last five years under the cash basis of accounting as shown:

<u>Fiscal</u> <u>Year Ending</u>	<u>Beginning</u> <u>Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Cash Balance</u>
2017	\$28,792,020	\$45,313,104	\$40,676,741	\$33,428,383
2018	33,428,383	47,817,599	47,575,435	33,670,547
2019	33,670,547	48,663,808	48,023,945	34,310,410
2020	34,310,410	49,337,614	51,114,943	32,533,081
2021	32,533,081	49,805,149	51,819,665	30,518,565

Source: Records of the Treasurer of the Board of Education

## Voting Records

The following table shows the history of bond issues, operating levy elections and school income tax elections for the District since 1987:

### HISTORY OF BOND ISSUE ELECTIONS

<u>Date</u>	<u>Amount</u>	<u>For</u>	<u>Against</u>	<u>% For</u>	<u>Purpose</u>
05/08/18	\$64,600,000	4,544	4,475	50.38%	Construction, Improvement of School Facilities
11/07/17	64,600,000	4,021	4,822	45.47	Construction, Improvement of School Facilities
05/02/06	62,500,000	4,537	4,038	52.91	Construction, Improvement of School Facilities
11/08/05	59,000,000	4,280	4,343	49.63	Construction, Improvement of School Facilities
02/08/05	39,800,000	2,749	3,493	44.04	Construction, Improvement, Renovate School Facilities
11/02/04	37,000,000	5,644	6,246	47.47	Construction, Improve School Facilities
11/04/97	17,600,000	2,589	2,435	51.53	Site Improvements
02/04/97	16,800,000	1,324	1,797	42.42	Improving School Sites
11/05/96	16,800,000	3,014	3,116	49.17	Construction, Improvements, Furnishings
11/08/94	11,200,000	1,601	3,010	34.72	Renovating, Improving Sites

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HISTORY OF OPERATING LEVIES

<u>Date</u>	<u>Millage</u>	<u>Purpose</u>	<u>Duration</u>	<u>For</u>	<u>Against</u>	<u>% For</u>
11/03/20	9.920	Emergency (R)	5	11,265	10,020	52.92%
03/17/20	9.920	Emergency (S)	Continuing	3,323	3,704	47.29
11/13/15	13.86	Emergency (R)	5	6,619	4,834	57.79
11/08/11	13.95	Emergency (N)	5	6,688	6,618	50.26
05/03/11	13.95	Emergency (N)	5	4,796	4,939	49.27
11/02/10*	16.95	Emergency (N)	4	6,551	6,863	48.84
05/04/10	6.48	Emergency (N)	5	4,343	5,755	43.01
02/02/10	16.95	Emergency (N)	5	4,925	5,951	45.28
11/03/09	7.95	Current Expense (N)	4	5,558	6,103	47.66
05/05/09	9.95	Emergency (N)	3	3,891	5,276	42.45
11/05/02	6.90	Emergency (R)	5	3,780	3,506	51.88
05/07/02	6.90	Emergency (R)	5	1,849	2,490	42.61
		Permanent				
03/07/00	1.85	Improvement (R)	5	2,183	1,446	60.15
05/06/97	4.52	Current Expense (R)	5	2,078	815	71.83
		Permanent				
11/07/95	1.85	Improvement (R)	5	2,081	1,489	58.29
11/03/92	6.90	Current Expense (N)	5	3,008	2,928	50.67
08/04/92	6.90	Current Expense (N)	5	1,282	1,401	47.78
06/02/92	6.90	Current Expense (N)	5	1,457	1,584	47.91
		Permanent				
05/08/90	1.85	Improvement (R)	5	1,504	975	60.67
05/02/89	3.93	Current Expense (N)	Continuing	1,157	516	69.16
11/03/87	4.42	Current Expense (N)	5	1,417	1,415	50.04

*(N) – New*

*(R) – Renewal*

*(S) – Substitute*

*\* - Levy proposed was an incremental levy that started at 10.95 and increased 1.5 mills/year until it reached 16.95 mills.*

HISTORY OF SCHOOL INCOME TAX ELECTIONS

<u>Date</u>	<u>Purpose</u>	<u>Percentage</u>	<u>Duration</u>	<u>For</u>	<u>Against</u>	<u>% For</u>
05/04/10	Current Expense	1.00%	5 years	4,616	5,582	45.26%
11/04/08	Current Expense	1.00	Continuing	6,406	8,928	41.78
11/07/00	Current Expense	0.75	5 years	2,137	5,744	27.12

*Source: Records of the Treasurer of the Board of Education of the Warren County Board of Elections.*

**State Funding for Public Schools**

There are certain restrictions on participation in the state funding program; for example, the school district must levy at least 20 mills for operating purposes, certain reporting and accounting requirements must be met, schools in the district must be open for a minimum number of days or hours for instructional purposes, and teachers' salaries must meet certain criteria. Failure to comply with these requirements may result in the elimination or reduction of funding received by a school district.

The Board of Education currently participates in the state funding program. As shown in the following table, the Board of Education relies on the state funding program for approximately 28% of its operating revenues:

<u>Fiscal Year</u>	<u>General Fund Revenues</u>	<u>State Funding Program</u>	<u>Percentage of General Fund Revenues Consisting of State Funding Programs</u>
2017	\$45,313,104	\$12,992,560	28.67%
2018	47,817,599	14,030,951	29.34
2019	48,663,808	14,032,624	28.83
2020	49,337,614	13,273,702	26.90
2021	49,805,149	14,041,390	28.19

Since the funding for the State Funding Program must be appropriated by the General Assembly for each biennium, there can be no assurance that current funding levels will be continued. From time to time there may be an increase, a stabilization or a reduction of the level of State assistance to school districts.

On June 30, 2021, Ohio Governor Mike DeWine signed Amended Substitute House Bill 110 ("HB 110"), which is the State budget for the 2022-2023 fiscal biennium and provides the State funding formula for Ohio schools for fiscal years 2022 and 2023.

The new school funding formula implemented by HB 110 (the "New Formula") changes how State funding for public schools is calculated and differs significantly from the prior formula. Under the New Formula, a per-pupil base cost will be computed for each school district based upon five cost components representing that district's costs in educating its students. The

five cost components used for each district are (i) teacher base cost, (ii) student support base cost, (iii) leadership and accountability base cost, (iv) building leadership and operations base cost, and (v) athletic co-curricular activities base cost. The funding responsibility for each district's per-pupil base cost is allocated between the State and that district based upon a per-pupil local capacity amount that is determined uniquely for each district under the New Formula. The determination of each district's per-pupil local capacity amount considers the residents' income of that district and that district's property valuation. While the State's share of each district's per-pupil base cost is based on the district's per-pupil local capacity amount, no district's State share will be less than five percent.

In addition to the State's share of per-pupil base cost, a district's core foundation funding under the New Formula may also include targeted assistance funds (which are based on wealth and capacity as compared to other districts), special education and related services funding, funds for English learners and for economically disadvantaged and gifted students, and funds for career-technical education and associated services. HB 110 also provides for temporary transitional aid to certain districts for fiscal years 2022 and 2023.

HB 110 specifies that the New Formula's funding mechanisms are only authorized for fiscal years 2022 and 2023. The form and funding levels of future school funding provisions that the General Assembly may enact cannot be predicted.

## **BOARD OF EDUCATION DEBT AND OTHER LONG-TERM OBLIGATIONS**

The following describes the security for the Board of Education's general obligation debt, applicable statutory and constitutional debt limitations, and outstanding and projected bond and note indebtedness and certain other long term financial obligations of the Board of Education. The Board of Education is not and has never been in default in the payment of debt service on any of its general obligation bonds or notes.

### **Security For and Sources of Payment of General Obligation Debt**

Unvoted Debt. The basic security for unvoted Board of Education general obligation debt is the Board of Education's ability to levy, and its levy pursuant to constitutional and statutory requirements, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the Board of Education, within the ten-mill limitation imposed by Ohio law (see "Indirect Debt Limitation" below). This tax must be in sufficient amount to pay (to the extent not paid from other sources) as it becomes due the debt service on unvoted Board of Education general obligation bonds, both outstanding and in anticipation of which notes are outstanding. The law provides that the levy necessary for debt service has priority over any levy for current expenses within the ten-mill limitation; however, that priority may be subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights. See the discussion in this Section, under "Indirect Debt Limitation", of the ten-mill limitation, and the priority of claim thereon for debt service on unvoted general obligation debt of the Board of Education and all overlapping taxing subdivisions.

Voted Debt. The basic security for voted Board of Education general obligation debt is the authorization by the electors for the School District to levy ad valorem taxes without limitation as to rate or amount on all real and tangible personal property subject to ad valorem

taxation by the Board of Education. This tax is outside of the tax limitations referred to above under "Unvoted Debt", and is calculated to be in sufficient amount to pay (to the extent not paid from other sources) as it becomes due the debt service on voted Board of Education general obligation bonds, both outstanding and in anticipation of which notes are outstanding, subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights.

Notes in Anticipation of Bonds. While general obligation bond anticipation notes run, Ohio law requires the Board of Education to levy ad valorem property taxes in an amount not less than that which would have been levied if bonds had been issued without the prior issuance of the notes, provided that such levy need not actually be collected if payment of debt service on such notes is, in fact, to be provided from other sources, such as proceeds from the sale of renewal notes or bonds.

In general, such notes, including renewals of such notes, may be issued and outstanding from time to time up to a maximum period of twenty years from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five year period.

Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes. The ability of the Board of Education to retire its outstanding bond anticipation notes from the proceeds of the sale of either bonds or renewal notes will be dependent upon the marketability of those obligations under market conditions prevailing at the time of such sale.

### **Direct Debt Limitations**

The Revised Code provides that the aggregate principal amount of voted and unvoted "net indebtedness" of a board of education may not exceed nine percent of the total value of all property in such board's school district as listed and assessed for taxation, and that the aggregate principal amount of unvoted "net indebtedness" of such board of education may not exceed one-tenth of one percent of such value, except for energy conservation bond anticipation notes which may not exceed nine-tenths of one percent.

Within the nine percent limitation, a bond issue may not be submitted to a vote of the electorate in an amount which will make a board of education's "net indebtedness" (after issuance of the Refunding Bonds) exceed four percent of its assessed valuation, unless the State Tax Commissioner and the State Superintendent of Public Instruction, acting under policies adopted by the State Board of Education, consent thereto. Such consents were obtained for the Refunded Bonds.

In calculating "net indebtedness", the Revised Code exempts certain self-supporting, revenue and special assessment obligations.

Other infrequently-issued types of obligations are also excluded from the calculation of net indebtedness. The Board of Education has no such obligations outstanding. Notes issued in

anticipation of bonds excluded from the calculation of net indebtedness are also excluded from such calculation. In calculating net indebtedness, amounts in a board of education's bond retirement fund allocable to the principal amount of bonds otherwise included in the amount of net indebtedness are deducted from the total net indebtedness of such board of education.

Under Section 133.06(E) of the Revised Code, if a board of education determines that its students are not being adequately serviced by existing facilities, and that sufficient funds to provide such facilities cannot be obtained when needed by the issuance of bonds within the nine percent limitation, may, upon certain showings as to projected growth in its assessed valuation, qualify as a "special needs district", and thereby be permitted to incur net indebtedness, calculated as described above, in a sum not exceeding the greater of (1)(a) twelve percent of assessed valuation, plus (b) an amount arrived at by multiplying the current assessed valuation by the percentage by which current assessed valuation has increased over the assessed valuation as of the first day of the sixtieth month preceding the month in which the board of education of the special needs district determines to submit to the electors the question of the issuance of the indebtedness proposed to be issued and (2) twelve percent of the sum of its tax valuation plus an amount that is the product of multiplying that tax valuation by the percentage, determined by the Superintendent of Public Instruction, by which that tax valuation is expected to increase during the next ten years. The Board of Education has obtained consent of the State Tax Commissioner and the Superintendent of Public Instruction to issue debt beyond the nine percent debt limitation and has qualified as a "special needs" district.

The total principal amount of voted and unvoted general obligation debt that could be issued by the Board of Education, subject to the nine percent total direct debt limitation is \$99,220,033.80 and the Board of Education's net debt subject to such nine percent limitation presently outstanding is \$103,984,912.25 leaving a balance of \$-0- borrowing capacity issuable within the nine percent limitation. However, as stated above, the School District has qualified as a "special needs" district in order to issue debt in excess of the nine percent limitation.

The total unvoted Board of Education general obligation debt that could be issued subject to the one-tenth of one percent unvoted direct debt limitation is \$1,102,444.82. The net Board of Education debt subject to such one-tenth of one per cent limitation presently outstanding is \$-0-, leaving the entire \$1,102,444.82 of additional unvoted non-exempt debt that could be issued by the Board of Education under such one-tenth of one percent limitation. However, as described below, the Board of Education's ability to incur unvoted debt in this amount is restricted by the indirect debt limitation. In the case of unvoted general obligation debt issued within the one-tenth of one percent limitation, both the direct and the indirect debt limitations must be met. Such is also the case for energy conservation bond anticipation notes issued within the nine-tenths of one percent limitation.

The total unvoted Board of Education general obligation debt that could be issued subject to the nine-tenth of one percent unvoted direct debt limitation is \$9,922,003.38. The net Board of Education debt subject to such nine-tenth of one per cent limitation presently outstanding is \$-0-, leaving \$9,922,003.38 of additional unvoted non-exempt debt that could be issued by the Board of Education under such nine-tenths of one percent limitation. However, as described below, the Board of Education's ability to incur unvoted debt in this amount is restricted by the indirect debt limitation. In the case of unvoted general obligation debt issued within the nine-tenth of one percent limitation, both the direct and the indirect debt limitations must be met.

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**Principal Amounts of Outstanding Debt;  
Leeway for Additional Debt Within  
Direct Debt Limitations**

Present Total Assessed Valuation	\$1,102,444,820.00
Total Debt	103,984,912.25
Exempt Debt	0.00
Total non-exempt debt	103,984,912.25
1/10th of 1% of tax valuation (unvoted debt limitation)	1,102,444.82
Total limited tax non-exempt bonds Outstanding subject to 1/10th of 1% limit	0.00
Debt leeway within the 1/10th of 1% unvoted debt limitation but subject to indirect debt limitation	1,102,444.82
9/10th of 1% of tax valuation (unvoted debt limitation)	9,922,003.38
Total limited tax non-exempt bonds Outstanding subject to 9/10th of 1% limit	0.00
Debt leeway within the 9/10th of 1% unvoted debt limitation but subject to indirect debt limitation	9,922,003.38
9% of tax valuation (voted and unvoted debt limitation)	99,220,033.80
Total non-exempt bonds outstanding	103,984,912.25
Debt leeway within debt limitation	0.00
Debt issued beyond the 9% limitation with special needs district approval	4,764,878.45

## **Indirect Debt Limitation**

Ohio boards of education may issue voted general obligation debt within the direct debt limitation described above. Ad valorem taxes, without limitation as to rate or amount, to pay debt service on such voted bonds, are authorized by the electors at the same time the bonds are authorized. Certain other subdivisions may also issue voted debt.

The Ohio Constitution and the Revised Code, by limiting the amount of ad valorem taxes which may be levied without a vote to one percent (or ten mills) of the valuation of the property to be taxed, while requiring that an ad valorem tax sufficient to pay debt service be levied whenever general obligation indebtedness is incurred, operate to indirectly limit the amount of unvoted bonds that may be issued. This indirect limitation on the amount of unvoted general obligation indebtedness is commonly known as the "ten-mill limitation".

Typically, the various taxing subdivisions levy the full ten mills of unvoted taxes permitted by Ohio law (which is sometimes referred to as the "inside millage"), regardless of whether such millage is needed for debt service, and this inside millage is allocated by the County Budget Commission among the overlapping subdivisions pursuant to a formula contained in the Revised Code.

The inside millage allocated to a taxing subdivision is required by Ohio law to be used first for the payment of debt service on unvoted general obligation debt of the subdivision, unless provision has been made for its payment from other sources, and the balance may be used for general fund purposes of the subdivision. To the extent that this inside millage is required for debt service of a taxing subdivision (which may exceed the formula allocation for that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Since the inside millage that may actually be required to pay debt service on unvoted general obligation debt of a subdivision may exceed the formula allocation of inside millage to such subdivision, such excess reduces the amount of inside millage available to overlapping subdivisions.

In determining whether additional unvoted bonds may be issued within this indirect debt limitation, the outstanding unvoted general obligation indebtedness of the issuing board of education and all overlapping political subdivisions must be considered, including general obligation indebtedness which is expected to be paid from sources other than ad valorem taxes. Since the indirect debt limit results from tax limitations and the requirement to levy taxes to pay bonds, it has application only to bonds that are payable from unvoted taxes either initially or in the event other non-tax revenues pledged to pay such bonds prove to be insufficient.

Unlike the direct debt limitations, the test for applying the indirect debt limitation is not expressed in terms of a percentage of tax valuation. The amount of bonds that may be issued under this indirect debt limitation is determined by whether the amount required for debt service on the proposed bonds in a given year is greater than the number of dollars that will be produced by a tax levy equal to the inside millage available. The inside millage available is determined by subtracting from ten mills the number of mills required for unvoted outstanding general obligation bonds of the issuing board of education and all other political subdivisions that overlap such board of education in the highest year. In arriving at the available inside millage,

the inside millage that is actually being used by the overlapping subdivision at the time to pay debt service on unvoted general obligation debt is not considered; instead, it is the inside millage that could be required to pay all such debt and the inside millage that could be required to retire the proposed issue, if no funds were available from other sources, that is considered.

A constitutional amendment designed to remove this indirect debt limitation was defeated by the voters of Ohio at an election held on June 8, 1976.

### **Outstanding Debt**

The District currently has the following outstanding bonds, notes and other debt obligations:

#### BONDS

<u>Issue Date</u>	<u>Issue Amount</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Amount Outstanding</u>
03/06/07	\$47,199,948.50	Advance Refunding	4.00 – 10.17%	12/01/24	\$ 2,164,948.50
07/13/16	5,129,995.05	Advance Refunding	1.50-18.11%	12/01/34	4,629,995.05
07/13/16	39,634,968.70	Advance Refunding	0.92-8.19%	12/01/34	35,679,968.70
12/18/18	31,625,000.00	School Imp 2018A	4.00-5.00%	11/01/55	31,625,000.00
12/18/18	27,975,000.00	School Imp 2018B	2.50-5.00%	11/01/48	26,885,000.00

#### NOTES

<u>Issue Date</u>	<u>Issue Amount</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Amount Outstanding</u>
11/17/20	\$3,000,000	School Improvement	1.00%	11/16/21	\$3,000,000

### **Other Obligations**

On July 7, 2020, the District entered into a Lease Purchase Agreement with First Internet Public Finance Corp. to finance the acquisition and installation of athletic facilities improvements. The principal amount of the transaction was \$880,000. Principal payments will be made on December 1 each year, commencing on December 1, 2020, with a final payment on December 1, 2029.

### **Future Financings**

The Board of Education plans to issue bond anticipation notes in the not to exceed amount of \$3,000,000 by the end of 2021 to retire outstanding \$3,000,000 School Improvement Unlimited Tax General Obligation Bond Anticipation Notes, Series 2020A, dated November 17, 2020 and maturing November 16, 2021.

## Pension Obligations

The tables below show the employee and employer contributions to the retirement programs of certified and non-certified employees of the District for the years 2016-17 through 2020-21:

### RETIREMENT PROGRAMS

#### STATE TEACHERS' RETIREMENT - CERTIFIED EMPLOYEES

<u>Year</u>	<u>Percent</u>	<u>Member Contribution</u>		<u>Employer Contribution</u>	
		<u>\$ Amount</u>	<u>Percent</u>	<u>\$ Amount</u>	<u>Percent</u>
2016-17	14%	\$2,400,070	14%	\$2,478,652	
2017-18	14%	2,566,226	14%	2,655,998	
2018-19	14%	2,739,165	14%	2,650,638	
2019-20	14%	2,907,839	14%	2,807,379	
2020-21	14%	2,963,367	14%	3,235,626	

#### SCHOOL EMPLOYEE RETIREMENT – NON-CERTIFIED EMPLOYEES

<u>Year</u>	<u>Percent</u>	<u>Member Contribution</u>		<u>Employer Contribution</u>	
		<u>\$ Amount</u>	<u>Percent</u>	<u>\$ Amount</u>	<u>Percent</u>
2016-17	10%	\$614,281	14%	\$ 957,279	
2017-18	10%	698,873	14%	1,085,505	
2018-19	10%	736,231	14%	1,147,335	
2019-20	10%	800,321	14%	1,222,803	
2020-21	10%	813,860	14%	1,231,007	

*Source: Records of the Treasurer of the Board of Education and Records of State Teachers' Retirement System and School Employee Retirement System*

The Board of Education's annual contributions to STRS and SERS are treated as a current expense and are paid primarily from its General Fund. Payments are deducted by the State from each monthly School Foundation Program payment. Current law establishes maximum contribution rates to STRS of 14% and to SERS of 10% for the employees' portion and 14% for the employer's portion.

STRS and SERS are not now subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

Both STRS and SERS were created by and operate pursuant to Ohio law. The General Assembly could determine to amend the format of either system and could revise rates or methods of contribution to be made by the Board of Education into the pension funds and revise benefits or benefits levels.

The District does not have an Early Retirement Incentive (ERI) plan, nor does it plan to in the near future.

On September 12, 2012, the General Assembly passed SB 341 and SB 342 modifying SERS and STRS respectively. The Governor signed both bills on September 26, 2012. Each bill became effective January 7, 2013.

SB 341 changes multiple aspects of SERS in ways expected to enhance its ability to amortize its unfunded actuarial accrued liabilities within thirty years. Some of the changes made by SB 341 include: (1) an increase in minimum age and service requirements with respect to certain employees and (2) a reduction in disability benefits with respect to certain employees. SB 341 permits the SERS Board to modify minimum age and service requirements as necessary to amortize its unfunded actuarial accrued liabilities within thirty years.

SB 342 changes numerous aspects of STRS in ways expected to enhance its ability to amortize its unfunded actuarial accrued liabilities within thirty years. Some of the changes made by SB 342 include: (1) an increase in the minimum age and service requirements with respect to certain employees, (2) an increase in the STRS employee contribution rate from 10% to 14%, in annual increments of 1% a year, starting July 1, 2013, (3) a change in the method by which benefits for certain employees are calculated that is expected to result in a reduction of such benefits, (4) a reduction in the annual cost of living adjustment applied to benefits with a temporary freeze in cost of living adjustments and (5) a reduction in disability benefits to certain employees. SB 342 permits the STRS Board to modify minimum age and service requirements, employee contributions and cost of living adjustments as necessary to amortize its unfunded actuarial accrued liabilities within thirty years.

### **Accrued Fringe Benefits**

Employees are eligible to enroll in the group medical and dental insurance programs as follows:

All employees of the Board of Education qualify to enroll in the benefits offered. Substitute teachers are eligible on their 61st day of continuous service. The percentage of Board of Education financial support varies dependent upon contracted scheduled hours. The following percentages are based on qualified full time employees.

Vision 60%  
Dental 95%  
Dental 90% (certified)  
Health 90%

Certified and Non-Certified personnel receive 1-1/4 days of sick leave per month up to a maximum allowable accumulation of their annual contracted days. The maximum paid to each employee at retirement is 68 days.

## STATE FISCAL OVERSIGHT

The State of Ohio has created a fiscal oversight system designed to ensure the financial stability of public school districts. Under this system, a school district can be declared to be in a state of "fiscal caution," "fiscal watch," or "fiscal emergency." With each successive determination, increased levels of control and intervention are imposed by the State.

### **Fiscal Caution**

Fiscal caution alerts a school district of fiscal practices or budgetary conditions which could lead to fiscal watch or fiscal emergency. Before placing a district in fiscal caution, the Ohio Department of Education ("ODE") consults with the school board. The board of education is required to provide a written proposal to ODE to correct the fiscal deficiencies. ODE may provide technical assistance.

### **Fiscal Watch**

The Auditor of State ("AOS") is required to declare a fiscal watch if the school district meets certain conditions that threaten its solvency. Within 60 days of declaration, the school district must develop and submit a financial plan to eliminate the crisis. ODE must evaluate the plan for approval within 30 calendar days. Under fiscal watch, the plan is implemented at the local level by district officials and the school board. Both the AOS and ODE can provide technical assistance to the district in developing the plan.

#### Conditions for a Declaration of Fiscal Watch

- A forecasted operating deficit for the current fiscal year exceeding 8 percent of the school district's general fund revenue for the preceding fiscal year, and the district has not passed a tax levy to eliminate the deficit the succeeding year.
- A school district that has restructured its operating debt while in fiscal emergency and its financial planning and supervision commission has been terminated is placed in fiscal watch until the restructured debt is paid off.
- A school district in fiscal caution has not acted reasonably to correct the noted fiscal conditions, and the ODE determines declaration of fiscal watch is necessary to prevent further fiscal decline.
- A forecasted operating deficit for the current fiscal year between 2 percent and 8 percent of the school district's general fund revenue for the preceding fiscal year, the district has not passed a levy to eliminate the deficit in the succeeding fiscal year, and the AOS determines there is no reasonable cause for the deficit or that declaring fiscal watch is necessary to prevent further fiscal decline.

### Guidelines for Termination of Fiscal Watch

- The district must request release by letter, with accompanying school board resolution, to the AOS and ODE.
- The AOS will then examine the district's five-year forecast to ensure the fiscal watch conditions have been eliminated. The ODE will conduct a separate analysis and review of the financial plan to ensure that the district will avoid future fiscal watch criteria.
- The AOS and ODE will concur that sound accounting, reporting and purchasing policies have been adopted. This will include a review of the most recent financial statement audit reflecting no material citations relating to accounting policies and procedures that could negatively impact the financial recovery.
- The district no longer meets the criteria for fiscal watch.

### **Fiscal Emergency**

A fiscal emergency is the last and most severe stage of a school district's financial solvency problems. The declaration of fiscal emergency by the AOS triggers the creation of a commission that may assume all or part of the powers of the board of education. The commission develops a financial plan to alleviate the school district's financial crisis.

### Conditions for a Declaration of Fiscal Emergency

- A forecasted operating deficit for the current fiscal year exceeding 15 percent of the school district's general fund revenue for the preceding fiscal year, and the district has not passed a levy to eliminate the deficit in the succeeding fiscal year.
- A school district in fiscal watch fails to submit a recovery plan that is acceptable to the ODE within 120 days of the date of fiscal watch declaration, or an updated plan when one is required.
- A school district in fiscal watch is not materially complying with the provisions of an original or updated recovery plan and the ODE has determined that declaration of a fiscal emergency is necessary to prevent further fiscal decline.
- A school district in fiscal watch has restructured debt under Section 3316.041, R.C., and the school district further experiences an operating deficit, fails to satisfactorily comply with the terms of the recovery plan, or fails to submit an acceptable updated plan when required.

- A forecasted operating deficit for the current fiscal year between 10 percent and 15 percent of the school district's general fund revenue for the preceding fiscal year, the district has not passed a levy to eliminate the deficit in the succeeding fiscal year, and the AOS determines that declaring a fiscal emergency is necessary to correct the district's fiscal problems and to prevent further fiscal decline.

#### Criteria for Termination of Fiscal Emergency

- All fiscal emergency conditions eliminated, and no new emergency conditions have occurred.
- An effective financial accounting and reporting system is being implemented with expected completion in two years.
- The financial recovery plan objectives are being met.
- The examination of the school district's five-year forecast includes a nonadverse opinion rendered by AOS.

#### Members of the Financial Planning and Supervision Commission

- Director of the state Office of Budget and Management (or representative)
- State Superintendent of Public Instruction (or representative)
- District parent with a child currently enrolled appointed by the State Superintendent of Public Instruction.
- District resident (by home or business) with financial expertise appointed by the Governor.
- District resident (by home or business) with financial expertise appointed by the Mayor.

The three appointed members are to be named within 15 days of the declaration of a fiscal emergency. The commission will include women and at least one African-American or Hispanic if those minorities comprise 20 percent of the district student population.

#### Basic Responsibilities of the Commission

- Adopt within 120 days of first meeting a financial recovery plan to eliminate fiscal emergency conditions, balance the budget, avoid future deficits, and restore the school district's ability to market long-term obligations.
- To achieve the above goals, the commission may assume any powers of the school board it considers necessary, including those related to personnel, curriculum, and legal issues.

- Require the school district board to establish monthly levels of expenditures and obligations consistent with the recovery plan.
- If necessary, restructure or refinance outstanding district debt during fiscal emergency once a levy is passed.

Fiscal Emergency status has changed some of the daily operations and procedures of the District. All purchase orders greater than \$5,000 must be approved by the Commission at their monthly meeting. All purchase orders below \$5,000 must be approved by a Commission representative. In addition, the Commission must authorize and approve any collective bargaining agreements and all levy requests. The Commission is also empowered to implement additional expense reductions. In effect, the Commission has taken the place of the local Board of Education.

#### Auditor of State Responsibilities

The AOS serves as an advisor to the financial planning and supervision commission for all school districts in a fiscal emergency. In this role, the office provides accounting training and assistance, and monthly monitoring of the school district's financial activity to ensure compliance with the recovery plan and various accounting rules and reports. The AOS reports periodically to the commission on the status of the school district's progress.

The School District was declared to be in a state of Fiscal Emergency on July 13, 2010. A Financial Planning and Supervision Commission was created at that time whose purpose was to direct the School District's return to financial stability.

Since that time, pursuant to a request submitted to the Auditor of State by the Little Miami Local School District Financial Planning and Supervision Commission, the Auditor of State performed an analysis of the Little Miami Local School District to determine whether the Commission and its functions under Chapter 3316 of the Ohio Revised Code should be terminated. Based on the analysis, the Auditor of State certified that the Little Miami Local School District no longer met the fiscal emergency conditions set forth in Section 3316.03(B), Revised Code, that the objectives of the financial recovery plan were being met, that an effective financial accounting and reporting system in accordance with Section 3316.10 of the Revised Code had been implemented, that the Board of Education had prepared a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State and an opinion had been rendered by the Auditor of State that the financial forecast was considered to be non-adverse. Therefore, the existence of the Little Miami Local School District Financial Planning and Supervision Commission and its role in the Little Miami Local School District was terminated as of May 22, 2013.

## **School Funding Litigation**

Between 1997 and 2003, the Ohio Supreme Court released several decisions in the case *DeRolph v. State of Ohio*, in which the Plaintiffs challenged the constitutionality of the way the State funded public schools at that time. The original decision from the Ohio Supreme Court on May 24, 1997 held that the State's school funding system at that time was unconstitutional and that property taxes may not be the primary means for providing the finances for a thorough and efficient system of schools. The decision was stayed for twelve months to give the State Legislature time to develop a revised system. The Supreme Court remanded the case to the trial court to retain jurisdiction until legislation was passed that provided adequate school funding in conformity with the Ohio Constitution and the decision of the Supreme Court.

In response to the case, the State General Assembly enacted laws that changed the basic State funding of Ohio school districts and established an increased minimum base cost per pupil for an adequate education, with the funding to be provided from State and local sources. However, in a decision released in May of 2000, the Ohio Supreme Court held that the State's revised method of funding public schools was still unconstitutional. Despite attempts to reach a settlement, the case again reached the Ohio Supreme Court in 2001 and 2002. In its opinion released December 11, 2002, the Ohio Supreme Court ruled that the State's then-current school funding system was unconstitutional and directed the State to enact a school funding scheme that was thorough and efficient. However, in 2003, the Ohio Supreme Court prohibited the lower court from proceeding further in the case, effectively ending the litigation. Plaintiffs petitioned the United States Supreme Court for a Writ of Certiorari, but the Petition was denied, thereby ending the *DeRolph* case.

In June 2021, the General Assembly enacted HB 110, which implemented a new school funding formula (the "New Formula") for Ohio schools in an effort to bring the State's school funding system into conformity with the Ohio Constitution. The New Formula is effective for fiscal years 2022 and 2023 and differs significantly from prior funding formulae. The constitutionality of the New Formula has not been determined. See "AD VALOREM TAX REVENUES - State Funding for Public Schools" for a discussion of the New Formula.

## **General Litigation**

To the knowledge of the District, no litigation or administrative action or proceeding is pending or threatened directly affecting the security for the District's general obligation debt.

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**APPENDIX A  
UNAUDITED FINANCIAL REPORT OF THE  
BOARD OF EDUCATION  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Fund #	Fund Description	FYTD	MTD	FYTD	Current	Current	Unencumbered	Bank
Begin	Balance	Receipts	Expenditures	Expenditures	Fund Balance	Encumbrances	Fund Balance	Code
		MTD Receipts						
001	0000 GENERAL FUND							
	32,261,508.30	1,229,950.93	49,805,149.16	4,505,961.11	51,791,198.03	30,275,459.43	1,887,391.69	28,388,067.74 R
001	9002 E-RATE							
	271,572.12	0.00	0.00	3,461.90	28,466.90	243,105.22	0.00	243,105.22 R
	TOTAL FOR Fund 001 - GENERAL:							
	32,533,080.42	1,229,950.93	49,805,149.16	4,509,423.01	51,819,664.93	30,518,564.65	1,887,391.69	28,631,172.96
002	0000 BOND RETIREMENT FUND							
	9,300,553.32	79.06	12,230,484.08	528,307.75	11,861,614.34	9,669,423.06	0.00	9,669,423.06 R
	TOTAL FOR Fund 002 - BOND RETIREMENT:							
	9,300,553.32	79.06	12,230,484.08	528,307.75	11,861,614.34	9,669,423.06	0.00	9,669,423.06
003	0000 SCHOOL IMPROVEMENT FUND							
	3,865,346.48	33,444.98	4,259,386.85	192,667.41	2,800,452.60	5,324,280.73	864,278.72	4,460,002.01 R
003	9001 SCHOOL IMPROVEMENTS (FROM DONATIONS)							
	5,365.54	0.00	0.00	0.00	0.00	5,365.54	0.00	5,365.54
	TOTAL FOR Fund 003 - PERMANENT IMPROVEMENT:							
	3,870,712.02	33,444.98	4,259,386.85	192,667.41	2,800,452.60	5,329,646.27	864,278.72	4,465,367.55
004	0000 BUILDING FUND							
	55,571,428.89	46,286.05	401,333.53	3,937,453.20	38,186,593.69	17,786,168.73	14,658,261.44	3,127,907.29 R
004	9001 LM FOUNDATION PROJECTS FUND							
	121,087.25	1,977.50	58,982.50	11,637.75	113,021.75	67,048.00	0.00	67,048.00 S
	TOTAL FOR Fund 004 - BUILDING:							
	55,692,516.14	48,263.55	460,316.03	3,949,090.95	38,299,615.44	17,853,216.73	14,658,261.44	3,194,955.29
006	0000 FOOD SERVICE FUND							
	379,027.14	246,360.44	2,334,102.90	239,842.71	2,093,927.78	619,202.26	163,217.84	455,984.42 R
	TOTAL FOR Fund 006 - FOOD SERVICE:							
	379,027.14	246,360.44	2,334,102.90	239,842.71	2,093,927.78	619,202.26	163,217.84	455,984.42
007	9001 BOARD SCHOLARSHIP FUND							
	2,050.00	0.00	1,800.00	1,000.00	2,000.00	1,850.00	0.00	1,850.00 R
007	9002 TMD Family Service Fund							
	7,500.00	0.00	0.00	0.00	233.19	7,266.81	0.00	7,266.81
007	970A NEEDIEST KIDS OF ALL TRUST - HB							
	56.62	0.00	0.00	0.00	0.00	56.62	0.00	56.62 S

Fund #	Fund Description	FYTD	MTD	FYTD	Current	Current	Unencumbered	Bank	
Begin	Balance	Receipts	Expenditures	Expenditures	Fund Balance	Encumbrances	Fund Balance	Code	
007 970B	NEEDIEST KIDS OF ALL TRUST - HM	162.00	0.00	0.00	0.00	162.00	0.00	162.00 S	
007 970C	NEEDIEST KIDS OF ALL TRUST - ME	148.63	0.00	0.00	148.63	0.00	0.00	0.00 S	
007 970D	NEEDIEST KIDS OF ALL TRUST - JR HI	243.38	0.00	100.00	200.00	143.38	0.00	143.38 S	
007 970E	NEEDIEST KIDS OF ALL TRUST - HS	1,007.68	0.00	2,500.00	1,955.52	1,552.16	0.00	1,552.16 S	
007 970F	NEEDIEST KIDS OF ALL TRUST - IS	536.03	0.00	600.00	500.00	636.03	0.00	636.03	
007 970I	NEEDIEST KIDS OF ALL - SE	0.00	0.00	350.00	0.00	350.00	0.00	350.00 S	
TOTAL FOR Fund 007 - SPECIAL TRUST:		11,704.34	0.00	5,350.00	2,000.00	5,037.34	12,017.00	0.00	12,017.00
008 0000	C.S. SMITH TRUST SCHOLARSHIP FUND	23,329.53	0.00	195.00	0.00	23,524.53	0.00	23,524.53 R	
TOTAL FOR Fund 008 - ENDOWMENT:		23,329.53	0.00	195.00	0.00	23,524.53	0.00	23,524.53	
009 9001	UNIFORM SCHOOL SUPPLIES - BUTLERVILLE ELEM.	17,619.73	47.00	9,593.99	0.00	15,213.01	12,000.71	0.00	12,000.71 R
009 9002	UNIFORM SCHOOL SUPPLIES - MAINEVILLE ELEM.	53,762.22	94.00	15,638.00	0.00	10,575.29	58,824.93	0.00	58,824.93 R
009 9004	UNIFORM SCHOOL SUPPLIES - JR HIGH SCHOOL	8,309.90-	127,378.00	171,027.10	132,041.82	153,670.83	9,046.37	6,450.00	2,596.37 R
009 9005	UNIFORM SCHOOL SUPPLIES - HIGH SCHOOL	124,323.35	764.80	122,844.55	32,286.68	173,276.78	73,891.12	10,676.81	63,214.31 R
009 9006	UNIFORM SCHOOL SUPPLIES - INTERMEDIATE SCHOOL	11,346.78-	65.00	37,733.50	0.00	40,318.87	13,932.15-	0.00	13,932.15-
009 9007	UNIFORM SCHOOL SUPPLIES - KINDERGARTEN ANNEX	53,255.13	0.00	5,573.00	0.00	0.00	58,828.13	0.00	58,828.13
009 9008	USS - PRESCHOOL	3,209.76	0.00	9,168.00	3,245.40	3,245.40	9,132.36	0.00	9,132.36

Fund #	Fund Description	FYTD	MTD	FYTD	Current	Current	Unencumbered	Bank
Begin	Balance	Receipts	Expenditures	Expenditures	Fund Balance	Encumbrances	Fund Balance	Code
		MTD Receipts						
009	9009 UNIFORM SCHOOL SUPPLIES - SALEM TWP ELEM.	94.00	0.00	35,257.79	23,588.37	0.00	23,588.37	R
	32,315.15	26,531.01						
009	980C PRESCHOOL SUPPLIES	0.00	0.00	0.00	150.00	0.00	150.00	
	6,663.00	6,513.00-						
009	9900 USS FEE - LOCKS/TECH	943.00	199.99	88,178.67	112,119.30	6,803.12	105,316.18	
	116,072.07	84,225.90						
	TOTAL FOR Fund 009 - UNIFORM SCHOOL SUPPLIES:							
	387,563.73	129,385.80	167,773.89	519,736.64	343,649.14	23,929.93	319,719.21	
018	980A PUBLIC SCHOOL SUPPORT FUND - HB	30,445.32	254.00	1,964.03	44,359.82	0.00	44,359.82	S
	13,876.64	32,447.21						
018	980B PUBLIC SCHOOL SUPPORT FUND - HM	25,727.33-	474.07	14,146.79	1,016.61	1,016.61	0.00	S
	25,551.29	10,387.89-						
018	980C PRE SCHOOL PUBLIC SCHOOL SUPPORT	9,536.95-	0.00	1,211.67	0.00	0.00	0.00	S
	7,832.07	6,620.40-						
018	980D PUBLIC SCHOOL SUPPORT FUND - JR HI	14,759.78	271.15	4,620.69	18,268.78	114.20	18,154.58	S
	5,234.32	17,655.15						
018	980E PUBLIC SCHOOL SUPPORT FUND - HS	30.00	1,887.25	10,112.45	15,224.71	1,452.92	13,771.79	S
	19,439.38	5,897.78						
018	980F PUBLIC SCHOOL SUPPORT FUND - IS	9,832.57	0.00	9,778.19	32,403.46	0.00	32,403.46	
	25,749.05	16,432.60						
018	980G PUBLIC SCHOOL SUPPORT - KA	2,882.36-	0.00	0.00	0.00	0.00	0.00	
	2,882.36	2,882.36-						
018	980I PUBLIC SCHOOL SUPPORT - SALEM TWP ELEMENTARY	15,223.41-	261.16	23,274.98	31,130.61	6,738.84	24,391.77	
	54,290.10	115.49						
018	980J PUBLIC SCHOOL SUPPORT FUND - LM GR 3 SCHOOL	1,580.00-	0.00	0.00	0.00	0.00	0.00	
	1,580.00	1,580.00-						
	TOTAL FOR Fund 018 - PUBLIC SCHOOL SUPPORT:							
	156,435.21	51,077.58	3,147.63	65,108.80	142,403.99	9,322.57	133,081.42	
019	9014 UC INTERN	0.00	0.00	0.00	4,740.44	0.00	4,740.44	
	4,740.44	0.00						
019	9100 STEM Demonstration Grant Funds	0.00	0.00	0.00	1,532.96	0.00	1,532.96	
	1,532.96	0.00						

Fund #	Fund Description	FYTD	MTD	FYTD	Current	Current	Unencumbered	Bank
Begin	Balance	Receipts	Expenditures	Expenditures	Fund Balance	Encumbrances	Fund Balance	Code
019 9200	LMCC PARENT DIRECTORY 2000-2001							
	705.17	0.00	0.00	0.00	705.17	0.00	705.17	R
019 9502	SEND OUR STUDENTS TO COLLEGE GRANT							
	928.67	0.00	0.00	0.00	928.67	0.00	928.67	R
019 9703	SERRC OISM GRANT							
	1,499.81	0.00	0.00	0.00	1,499.81	0.00	1,499.81	
019 9900	HCESC - ESL FROM CCIP							
	12,609.17	0.00	4,875.88	512.32	6,885.72	10,599.33	0.00	10,599.33 R
	TOTAL FOR Fund 019 - OTHER GRANT:							
	22,016.22	0.00	4,875.88	512.32	6,885.72	20,006.38	0.00	20,006.38
020 0000	SUMMER EDUCATION FUND							
	20,956.89	65.00	13,200.00	1,871.12	6,479.79	27,677.10	300.00	27,377.10
	TOTAL FOR Fund 020 - SPECIAL ENTERPRISE FUND:							
	20,956.89	65.00	13,200.00	1,871.12	6,479.79	27,677.10	300.00	27,377.10
022 0000	DISTRICT AGENCY FUND - EMPLOYEE HSA ACCOUNT							
	6,487.88	0.00	0.00	0.00	0.00	6,487.88	0.00	6,487.88
	TOTAL FOR Fund 022 - DISTRICT CUSTODIAL:							
	6,487.88	0.00	0.00	0.00	0.00	6,487.88	0.00	6,487.88
200 901E	ART CLUB							
	1,255.00	0.00	10.00	0.00	0.00	1,265.00	0.00	1,265.00 S
200 905E	ACADEMIC TEAM							
	18,994.07	0.00	6,236.00	0.00	879.40	24,350.67	0.00	24,350.67 S
200 915E	BOOKSTORE (HS)							
	0.00	0.00	3,267.00	0.00	4,375.99	1,108.99-	0.00	1,108.99- S
200 930E	CHEERLEADERS - HS							
	18.75	0.00	0.00	0.00	0.00	18.75	0.00	18.75 S
200 931D	DRAMA - JH							
	953.50	0.00	0.00	0.00	0.00	953.50	0.00	953.50
200 932E	DRAMA - HS							
	40,392.91	0.00	3,720.46	0.00	1,520.00	42,593.37	1,245.00	41,348.37 S
200 933E	FCCLA CLUB - HS							
	1,286.38	0.00	0.00	0.00	0.00	1,286.38	0.00	1,286.38 S

Fund #	Fund Description	FYTD	MTD	FYTD	Current	Current	Unencumbered	Bank
Begin	Balance	Receipts	Expenditures	Expenditures	Fund Balance	Encumbrances	Fund Balance	Code
		MTD Receipts						
200 934E	FRENCH CLUB - HS							
	2,381.08	0.00	1,437.25	0.00	2,428.50	1,389.83	0.00	1,389.83 S
200 935E	LITERARY CLUB							
	0.73	0.00	0.00	0.00	0.00	0.73	0.00	0.73 S
200 936E	GUARD (FLAG CORPS) - HS							
	0.43	0.00	0.00	0.00	0.00	0.43	0.00	0.43 S
200 937E	LITTLE MIAMI BRICK FOUNDATION							
	0.92	0.00	0.00	0.00	0.00	0.92	0.00	0.92
200 938E	NATIONAL HONOR SOCIETY - HS							
	5,165.68	0.00	2,417.00	0.00	6,912.00	670.68	0.00	670.68 S
200 939D	NATIONAL HONOR SOCIETY (JH)							
	95.61	0.00	0.00	0.00	0.00	95.61	0.00	95.61 S
200 939E	PROM FUND							
	19,526.35	0.00	6,186.16	2,000.00	17,297.25	8,415.26	0.00	8,415.26 S
200 940E	JUNIOR ACHIEVEMENT (ECONOMICS CLASS)							
	984.74	0.00	0.00	0.00	0.00	984.74	0.00	984.74 S
200 942E	RADIO STATION - HS							
	450.63	0.00	0.00	0.00	0.00	450.63	0.00	450.63 S
200 944E	SCIENCE OLYMPIAD							
	193.05	0.00	0.00	0.00	0.00	193.05	0.00	193.05 S
200 946E	SPANISH CLUB - HS							
	3,288.80	0.00	70.00	0.00	0.00	3,358.80	0.00	3,358.80 S
200 947E	SPECIAL EDUCATION - SPECIAL GIFTS FUND							
	370.45	0.00	0.00	0.00	0.00	370.45	0.00	370.45
200 948E	STUDENT GOVERNMENT - HS							
	15,180.95	0.00	594.00	0.00	2,100.00	13,674.95	0.00	13,674.95 S
200 949E	TOYS FOR TOTS							
	1,270.22	0.00	0.00	0.00	0.00	1,270.22	0.00	1,270.22 S
200 950E	WOMEN'S EMPOWERMENT GROUP							
	327.31	0.00	0.00	0.00	0.00	327.31	0.00	327.31
200 951E	TALENT SHOW FUND - HS							
	319.04	0.00	0.00	0.00	0.00	319.04	0.00	319.04

Fund #	Fund Description	FYTD	MTD	FYTD	Current	Current	Unencumbered	Bank
Begin	Balance	Receipts	Expenditures	Expenditures	Fund Balance	Encumbrances	Fund Balance	Code
		MTD Receipts						
200 952E	VOCAL MUSIC - HS	770.62	0.00	0.00	0.00	770.62	0.00	770.62 S
200 953E	TECH PREP CLUB - HS	800.00	0.00	0.00	0.00	800.00	0.00	800.00 S
200 954D	YEARBOOK - JH	3,368.24	0.00	1,420.00	0.00	4,788.24	0.00	4,788.24 S
200 956E	YEARBOOK - HS	13,790.42	0.00	1,690.00	0.00	15,480.42	0.00	15,480.42 S
200 957E	UNIFIED FOR UGANDA	1,153.51	0.00	1,260.00	0.00	2,413.51	0.00	2,413.51
200 965D	STUDENT COUNCIL - (JR HI)	3,263.39	0.00	2,077.50	0.00	2,255.00	1,000.00	2,085.89 S
200 965F	STUDENT COUNCIL - INTERMEDIATE SCHOOL	1,792.30	0.00	0.00	0.00	1,792.30	0.00	1,792.30 S
200 980D	TEACHING TEAMS FUND - JH	308.24	0.00	0.00	0.00	308.24	0.00	308.24 S
200 992E	CLASS OF 2012	120.00	0.00	0.00	0.00	120.00	0.00	120.00
200 993E	Graduation	8,863.95	0.00	5,000.68	2,330.00	3,500.95	0.00	10,363.68
	TOTAL FOR Fund 200 - STUDENT MANAGED ACTIVITY:	146,687.27	0.00	35,386.05	4,330.00	41,269.09	2,245.00	138,559.23
300 910A	OHSAA TOURNAMENTS	924.00	0.00	0.00	0.00	924.00	0.00	924.00
300 910D	ATHLETICS - JH	5,490.24	0.00	2,926.00	0.00	23,217.88	3,071.00	17,872.64- S
300 910E	ATHLETICS - HS	8,584.64	6,460.60	255,571.61	7,081.73	185,509.37	3,747.52	74,899.36 S
300 913E	BOYS' BASKETBALL - HS	103.00	0.00	0.00	0.00	103.00	0.00	103.00 S
300 914E	GIRLS' BASKETBALL - HS	190.00	0.00	0.00	0.00	190.00	0.00	190.00 S

Fund #	Fund Description		FYTD	MTD	FYTD	Current	Current	Unencumbered	Bank
Begin	Balance	MTD Receipts	Receipts	Expenditures	Expenditures	Fund Balance	Encumbrances	Fund Balance	Code
300 915E	FOOTBALL - HS								
	0.00	0.00	0.00	0.00	15,028.11	15,028.11-	0.00	15,028.11-	S
300 916E	GIRLS' SOFTBALL - HS								
	234.16	0.00	0.00	0.00	0.00	234.16	0.00	234.16	S
300 918E	TENNIS - HS								
	130.97	0.00	0.00	0.00	0.00	130.97	0.00	130.97	S
300 919D	JR HIGH TRACK								
	88.42	0.00	0.00	0.00	0.00	88.42	0.00	88.42	S
300 919E	BOYS' TRACK - HS								
	10.00	0.00	0.00	0.00	0.00	10.00	0.00	10.00	S
300 920E	WRESTLING - HS								
	232.39	0.00	0.00	0.00	0.00	232.39	0.00	232.39	S
300 921E	VOLLEYBALL								
	1,748.29	0.00	0.00	0.00	0.00	1,748.29	0.00	1,748.29	S
300 922E	GIRLS' TRACK (HS)								
	194.34	0.00	0.00	0.00	0.00	194.34	0.00	194.34	S
300 923E	BOYS' SOCCER - HS								
	1,811.79	0.00	0.00	0.00	0.00	1,811.79	0.00	1,811.79	S
300 924E	GIRLS' SOCCER - HS								
	103.04	0.00	0.00	0.00	0.00	103.04	0.00	103.04	S
300 925D	JH BAND								
	2,093.24	0.00	4,205.00	1,118.78	4,892.21	1,406.03	221.92	1,184.11	
300 925E	BAND - HS								
	2,310.43	0.00	0.00	0.00	0.00	2,310.43	0.00	2,310.43	S
300 926E	SWIM TEAM - HS								
	267.50	0.00	0.00	0.00	0.00	267.50	0.00	267.50	S
300 935D	SCIENCE CLUB - JH								
	1,531.78	0.00	0.00	0.00	0.00	1,531.78	0.00	1,531.78	S
300 936E	JOURNALISM FUND (HS NEWSPAPER)								
	231.00	0.00	0.00	0.00	0.00	231.00	0.00	231.00	
300 937E	SKI CLUB								
	2,239.40	0.00	0.00	0.00	0.00	2,239.40	0.00	2,239.40	

Fund #	Fund Description	FYTD	MTD	FYTD	Current	Current	Unencumbered	Bank
Begin Balance	MTD Receipts	Receipts	Expenditures	Expenditures	Fund Balance	Encumbrances	Fund Balance	Code
TOTAL FOR Fund 300 - DISTRICT MANAGED ACTIVITY:								
28,518.63	6,460.60	262,702.61	8,200.51	228,647.57	62,573.67	7,040.44	55,533.23	
451	9020 PUBLIC SCHOOL CONNECTIVITY							
10,800.00	0.00	0.00	0.00	10,800.00	0.00	0.00	0.00	
451	9021 PUBLIC SCHOOL CONNECTIVITY							
0.00	0.00	10,800.00	0.00	5,400.00	5,400.00	0.00	5,400.00	
TOTAL FOR Fund 451 - DATA COMMUNICATION FUND:								
10,800.00	0.00	10,800.00	0.00	16,200.00	5,400.00	0.00	5,400.00	
459	9400 OHIO READS CONTINUATION GRANT 04/05-HM							
0.36	0.00	0.00	0.00	0.00	0.36	0.00	0.36	R
TOTAL FOR Fund 459 - OHIO READS:								
0.36	0.00	0.00	0.00	0.00	0.36	0.00	0.36	
461	9020 HSTW FY 2020							
9,000.00-	0.00	9,000.00	0.00	0.00	0.00	0.00	0.00	
461	9021 HSTW FY 2021							
0.00	0.00	0.00	0.00	5,302.60	5,302.60-	4,000.00	9,302.60-	
TOTAL FOR Fund 461 - VOCATIONAL EDUC. ENHANCEMENTS								
9,000.00-	0.00	9,000.00	0.00	5,302.60	5,302.60-	4,000.00	9,302.60-	
467	0000 STUDENT WELLNESS							
101,299.54	109,266.64	218,240.64	25,004.71	268,172.00	51,368.18	0.00	51,368.18	
TOTAL FOR Fund 467 - STUDENT WELLNESS AND SUCCESS:								
101,299.54	109,266.64	218,240.64	25,004.71	268,172.00	51,368.18	0.00	51,368.18	
499	9019 SAFETY GRANT							
24,425.00	0.00	0.00	0.00	24,425.00	0.00	0.00	0.00	
499	9020 SAFETY GRANT							
20,682.57	0.00	0.00	0.00	20,682.57	0.00	0.00	0.00	
499	9021 SAFETY GRANT							
0.00	0.00	24,269.19	0.00	24,269.19	0.00	0.00	0.00	
499	9121 SCHOOL BUS PURCHASE PROGRAM							
0.00	0.00	0.00	29,076.18	29,076.18	29,076.18-	0.00	29,076.18-	
TOTAL FOR Fund 499 - MISCELLANEOUS STATE GRANT FUN								
45,107.57	0.00	24,269.19	29,076.18	98,452.94	29,076.18-	0.00	29,076.18-	

Fund #	Fund Description	FYTD	MTD	FYTD	Current	Current	Unencumbered	Bank
Begin	Balance	Receipts	Expenditures	Expenditures	Fund Balance	Encumbrances	Fund Balance	Code
		MTD Receipts						
506	9015 RACE TO THE TOP							
	2,800.00	0.00	0.00	0.00	2,800.00	0.00	2,800.00	
	TOTAL FOR Fund 506 - RACE TO THE TOP:							
	2,800.00	0.00	0.00	0.00	2,800.00	0.00	2,800.00	
507	9021 ESSER CARES FY 2021							
	0.00	0.00	30,253.58	128.69-	212,646.43	182,392.85-	0.00	182,392.85-
	TOTAL FOR Fund 507 - ELEM/SECONDARY SCH EMER RELIE							
	0.00	0.00	30,253.58	128.69-	212,646.43	182,392.85-	0.00	182,392.85-
510	9021 CRF SUBURBAN FY 2021							
	0.00	0.00	277,248.17	0.00	277,248.17	0.00	0.00	0.00
510	9121 BROADBAND FY2021							
	0.00	0.00	67,622.60	0.00	67,622.60	0.00	0.00	0.00
	TOTAL FOR Fund 510 - CORONAVIRUS RELIEF FUND:							
	0.00	0.00	344,870.77	0.00	344,870.77	0.00	0.00	0.00
516	9020 IDEA VI B FY 2020							
	90,590.02-	0.00	243,819.04	0.00	153,229.02	0.00	0.00	0.00
516	9021 IDEA VI B FY 2021							
	0.00	0.00	807,977.12	82,368.56	938,663.47	130,686.35-	1,377.90	132,064.25-
516	9120 IDEA VI FY 2020 RESTORE GRANT							
	29,590.37-	0.00	29,590.37	0.00	0.00	0.00	0.00	0.00
516	9121 IDEA Restore FY 2021							
	0.00	0.00	0.00	0.00	538.19-	538.19	0.00	538.19
	TOTAL FOR Fund 516 - IDEA PART B GRANTS:							
	120,180.39-	0.00	1,081,386.53	82,368.56	1,091,354.30	130,148.16-	1,377.90	131,526.06-
572	9020 TITLE I FY 2020							
	18,688.16-	0.00	46,013.92	0.00	27,325.76	0.00	0.00	0.00
572	9021 TITLE I FY 2021							
	0.00	0.00	178,029.27	25,542.08	214,739.99	36,710.72-	0.00	36,710.72-
572	9121 EXPANDING OPPORTUNITIES FY 2021							
	0.00	5,313.84	5,313.84	0.00	5,313.84	0.00	0.00	0.00
	TOTAL FOR Fund 572 - TITLE I DISADVANTAGED CHILDRE							
	18,688.16-	5,313.84	229,357.03	25,542.08	247,379.59	36,710.72-	0.00	36,710.72-

Fund #	Fund Description	FYTD	MTD	FYTD	Current	Current	Unencumbered	Bank
Begin	Balance	Receipts	Expenditures	Expenditures	Fund Balance	Encumbrances	Fund Balance	Code
		MTD Receipts						
587 9020	EARLY CHILD FY 2020							
	6,285.23-	0.00	6,285.23	0.00	0.00	0.00	0.00	
587 9021	EARLY CHILD FY 2021							
	0.00	0.00	18,913.32	0.00	18,943.32	30.00-	30.00-	
587 9109	PRESCHOOL GRANT (BAILEY)							
	450.00	0.00	0.00	0.00	450.00	0.00	450.00	
587 9120	EARLY CHILD RESTORATIVE FY 2020							
	4,496.30-	0.00	4,496.30	0.00	0.00	0.00	0.00	
TOTAL FOR Fund 587 - IDEA PRESCHOOL-HANDICAPPED:								
	10,331.53-	0.00	29,694.85	0.00	18,943.32	420.00	420.00	
590 9020	Title II FY 2020							
	0.00	0.00	3,408.74	0.00	3,408.74	0.00	0.00	
590 9021	Title II FY 2021							
	0.00	0.00	31,000.00	58,259.87	89,259.87	58,259.87-	58,759.87-	
TOTAL FOR Fund 590 - IMPROVING TEACHER QUALITY:								
	0.00	0.00	34,408.74	58,259.87	92,668.61	58,259.87-	58,759.87-	
599 9020	Title IV FY 2020							
	7,950.84-	0.00	0.00	0.00	7,950.84-	0.00	0.00	
599 9021	Title IV FY 2021							
	0.00	0.00	6,010.10	12,713.63	18,723.73	12,713.63-	12,713.63-	
TOTAL FOR Fund 599 - MISCELLANEOUS FED. GRANT FUND								
	7,950.84-	0.00	6,010.10	12,713.63	10,772.89	12,713.63-	12,713.63-	
GRAND TOTALS:								
	102,573,445.29	1,808,708.46	71,956,339.62	9,840,003.64	110,155,203.49	64,374,581.42	17,621,865.53	46,752,715.89

**APPENDIX B**  
**SUMMARY OF ANNUAL APPROPRIATION RESOLUTION**  
**LITTLE MIAMI LOCAL SCHOOL DISTRICT**  
**2021-2022**

PERMANENT APPROPRIATIONS  
LITTLE MIAMI LOCAL SD  
FY2022

Fund			FY 2022 Permanent Appropriations
1	G	General Fund	52,900,000
2	DS	Bond Retirement	11,000,000
3	CP	Permanent Improvement	6,500,000
4	CP	Construction/Facilities	3,127,900
6	E	Food Service	2,500,000
7	T	Scholarships and Trusts	12,000
8		Scholarships and Trusts	
9	E	Student Fees	550,000
18	SR	School Support Funds	130,000
19	SR	Local Grants	20,000
20	E	Summer School	25,000
200	A	Student Activities	150,000
300	SR	Extra Curriculars	255,000
432		EMIS	
440		State Grant	
450		State Grant	
451	SR	School Connectivity	10,800
461	SR	State Grant	9,000 HSTW
467	SR	Student Wellness	51,368
499	SR	State Grant	24,269 Safety Grant
506		Federal Grant - CCIP	
507	SR	Federal Grant - CCIP	3,265,857 ARP ESSER, ESSER II
510	SR	Federal Grant - CCIP	
516	SR	Federal Grant - CCIP	1,231,961 Special Education, Part B-IDEA, ARP IDEA
524		Federal Grant - CCIP	
532		Federal Grant - CCIP	
572	SR	Federal Grant - CCIP	290,119 Title I, Expanding Opportunities
573		Federal Grant - CCIP	
584	SR	Federal Grant - CCIP	24,433 Title IV-A
587	SR	Federal Grant - CCIP	44,836 Early Child Spec Educ
590	SR	Federal Grant - CCIP	73,553 Title II-A
599		Federal Grant - CCIP	0
		Grand Total	82,196,096

**2021 ADDENDUM  
VOLUNTARY DISCLOSURE  
REGARDING THE IMPACT OF THE COVID-19 PANDEMIC**

*The School District is providing this Addendum on a voluntary basis and by releasing such Addendum undertakes and assumes no obligation to further update the information contained herein except as otherwise required by law.*

*This Addendum is current only as of date of this Annual Financial Information Statement to which it is attached and the School District makes no representation as to the accuracy or completeness of the information contained herein after the release of such Annual Financial Information Statement.*

**COVID-19 Disclosure**

The spread of the strain of coronavirus commonly known as COVID-19 continues to alter the behavior of businesses and people in a manner that is having negative effects on global, state and local economies. The School District's two primary revenue sources are local property taxes and the State funding program. On May 5, 2020, the Governor of the State (the "Governor") announced that School Foundation Program funds to school districts, including the School District, would be cut by \$300 million, and there would also be \$55 million in other education-related, line-item cuts for the Fiscal Year ending June 30, 2020. These cuts were carried forward and repeated in Fiscal Year 2021. However, on January 22, 2021, the Governor signed an executive order that returned \$160 million to school districts for Fiscal Year 2021. The School District ultimately received no loss in State funding for the Fiscal Year 2020 and \$456,372 less for the Fiscal Year 2021 due to such cuts.

The District was awarded \$277,251 from the Coronavirus Aid, Relief, and Economic Security Act (CARES), \$1,218,312 from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and \$2,501,212 from the American Rescue Plan. These federal funds more than offset the State funding reductions in Fiscal Year 2020 and 2021. The State's new biennium budget for Fiscal Years 2022 and 2023 has been finalized, which implements a new funding formula for school districts. As part of the new funding plan, school districts are guaranteed to receive no less in net funding during the biennium than in Fiscal Year 2019.

The School District was open for in person instruction for most of the 2020-2021 school year and intends to be fully open for the 2021-2022 school year. However, the School District cannot fully predict future operational costs associated with responding to COVID-19, such as operational costs to clean, sanitize and maintain its facilities, costs of protective measures for its students and staff, costs to hire substitute employees, or costs support students, faculty, and staff during an outbreak, and it cannot predict the full effect that the spread of COVID-19 will have on its finances or operations. However, the School District is well positioned to address this by utilizing federal funding from the American Rescue Plan to remain open for in person instruction as conditions allow. As required by the American Rescue Plan, the School District created a Safe Return to In-person Instruction and Continuity of Services Plan. The plan provides flexibility for the School District to adjust procedures to respond to the ever-changing environment caused by the pandemic. The details of the School District's plan can be found at [www.littlemiamischools.com](http://www.littlemiamischools.com).