



Little Miami Local School District

Five Year Forecast Financial Report

November, 2022

Terry Gonda, CFO/Treasurer

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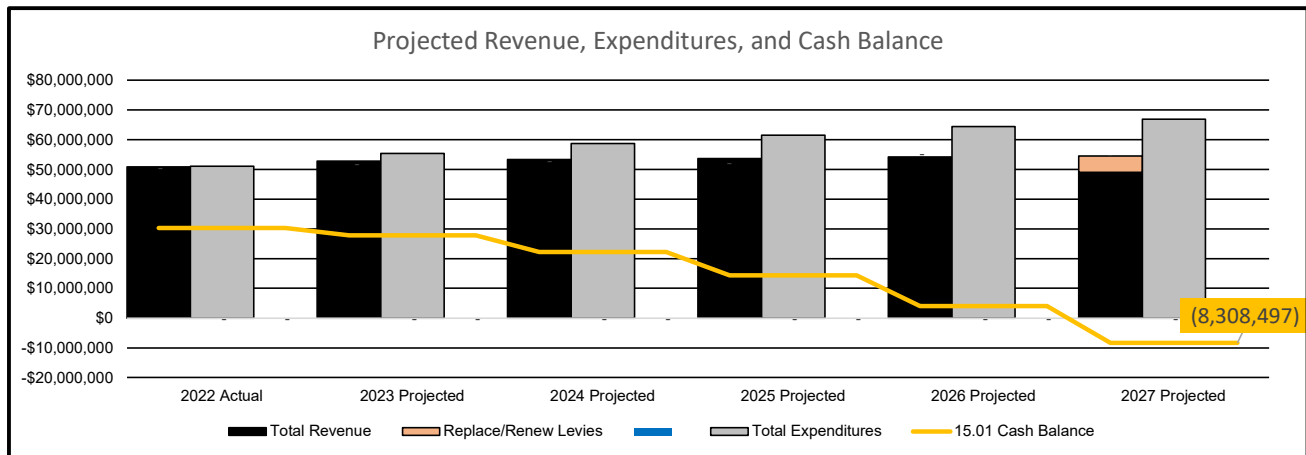
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Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

Forecast Methodology - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.



Note: Cash balance (Line 7.020) plus any existing levy modeled as renewed or new during the forecast.

Financial Forecast	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Beginning Balance (Line 7.010) Plus Renewal/New Levies Modeled	30,321,728	27,740,914	22,293,461	14,381,478	4,055,197
+ Revenue	52,841,239	53,296,953	53,684,136	54,158,442	49,053,014
+ Proposed Renew/Replacement Levies	-	-	-	-	5,513,294
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(55,422,054)	(58,744,406)	(61,596,119)	(64,484,723)	(66,930,002)
= Revenue Surplus or Deficit	(2,580,815)	(5,447,453)	(7,911,983)	(10,326,281)	(12,363,694)
Line 7.020 Ending Balance with renewal/new levies	27,740,914	22,293,461	14,381,478	4,055,197	(8,308,497)

Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	(2,580,815)	(5,447,453)	(7,911,983)	(10,326,281)	(17,876,988)
Ending Balance w/o Levies	27,740,914	22,293,461	14,381,478	4,055,197	(13,821,791)

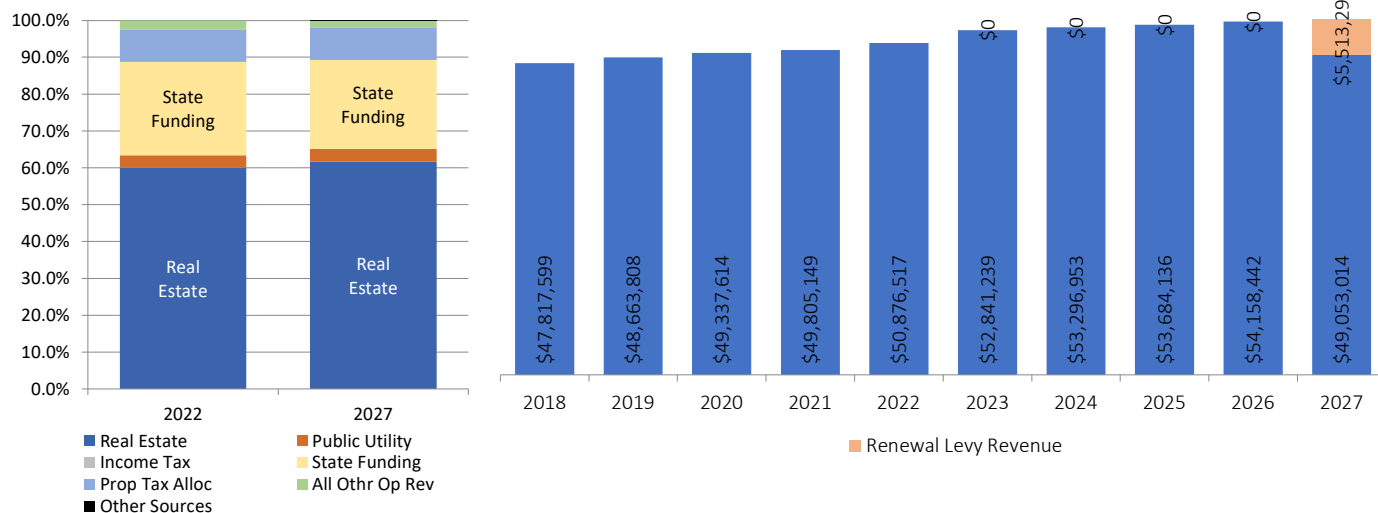
In FY 2023 a revenue shortfall is expected. This means that expenditures are expected to be greater than revenue by \$2,580,815 in FY 2023. By the last year of the forecast, FY 2027, the district is expected to have a revenue shortfall where expenditures are projected to be greater than revenue by \$17,876,988. The district would need to cut its FY 2027 projected expenses by 26.71% in order to balance its budget without additional revenue.

The district's cash balance is positive at year-end in FY 2023 and is projected to worsen by FY 2027. A worsening cash balance can erode the district's financial stability over time.

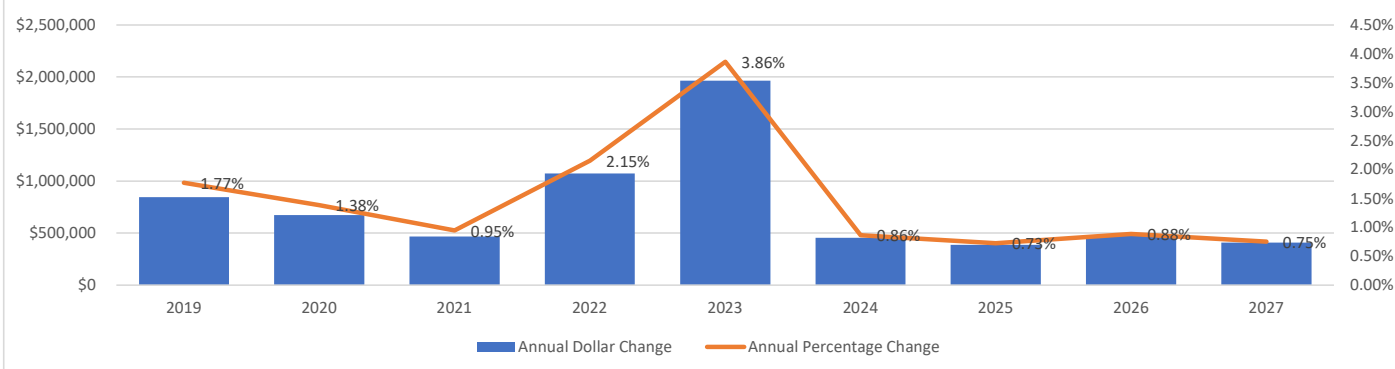
This forecast includes the Fair School Funding Plan (FSFP) adopted by Ohio starting in FY 2022. The district expects a combined impact of \$1,473,755 in FY 2023. This forecast includes a CFO adjusted trend calculation of the FSFP impact using current information. As information changes the estimates will be updated. The district is considered a guarantee district in FY 2023. A detailed state funding supplement to this forecast has been prepared and should be reviewed and considered part of the forecast assumptions.

Revenue Sources and Forecast Year-Over-Year Projected Overview

Sources of Revenue Over Time



Year-Over-Year Dollar & Percentage Change



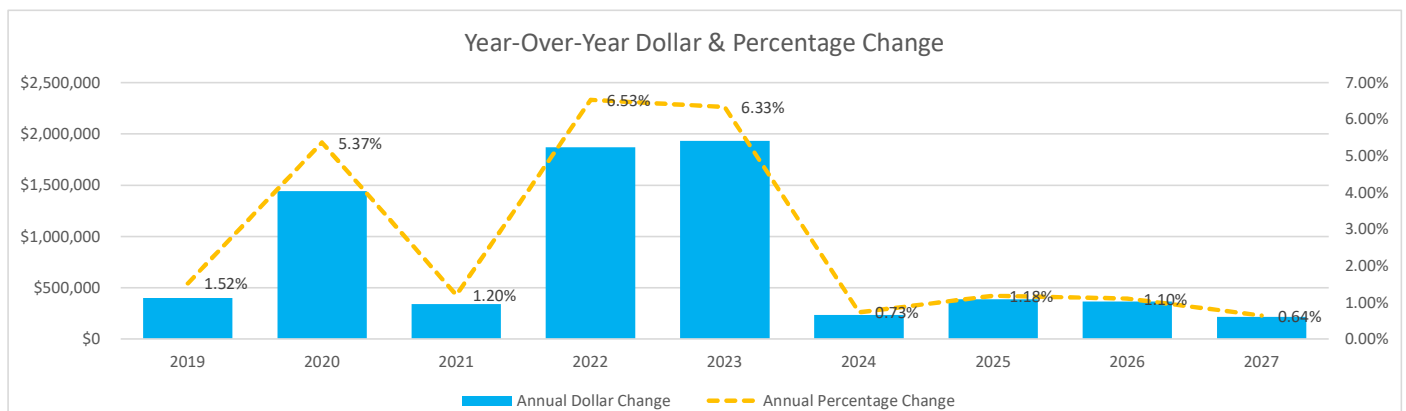
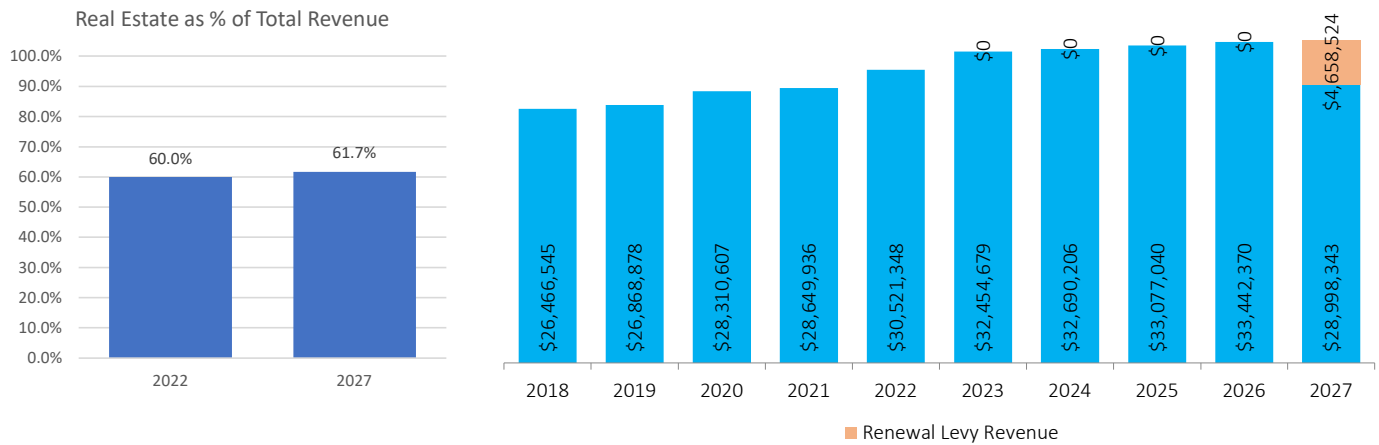
5-Year Historical Actual Average Annual Dollar Change Compared to 5-year Projected

	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total revenue increased 2.26% or \$1,112,683 annually during the past 5-Year period and is projected to increase 1.37% or \$737,958 annually through FY2027. Real Estate has the most projected average annual variance compared to the historical average at - \$436,287
Real Estate	1,063,391	627,104	(\$436,287)	
Public Utility	\$122,976	\$26,475	(\$96,501)	
Income Tax	\$0	\$0	\$0	
State Funding	(\$56,483)	56,279	\$112,761	
Prop Tax Alloc	\$103,809	\$88,485	(\$15,324)	
All Othr Op Rev	(\$117,433)	(\$64,618)	\$52,815	
Other Sources	(\$3,578)	\$4,233	\$7,812	
Total Average Annual Change	1,112,683	737,958	(\$374,724)	
	2.26%	1.37%	-0.88%	

Note: Expenditure average annual change is projected to be > \$3,171,330 On an annual average basis, expenditures are projected to grow faster than revenue.

1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies	
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change		
2021	1,303,034,010	233,138,890	28.18	-	34.99	-	99.9%	
2022	1,315,329,010	12,295,000	28.10	(0.08)	34.86	(0.13)	100.0%	
2023	1,327,574,010	12,245,000	28.03	(0.07)	34.74	(0.13)	100.0%	
2024	1,358,319,010	30,745,000	27.85	(0.18)	34.50	(0.23)	100.0%	
2025	1,370,564,010	12,245,000	27.78	(0.07)	34.38	(0.12)	100.0%	
2026	1,382,809,010	12,245,000	27.72	(0.07)	34.26	(0.12)	100.0%	

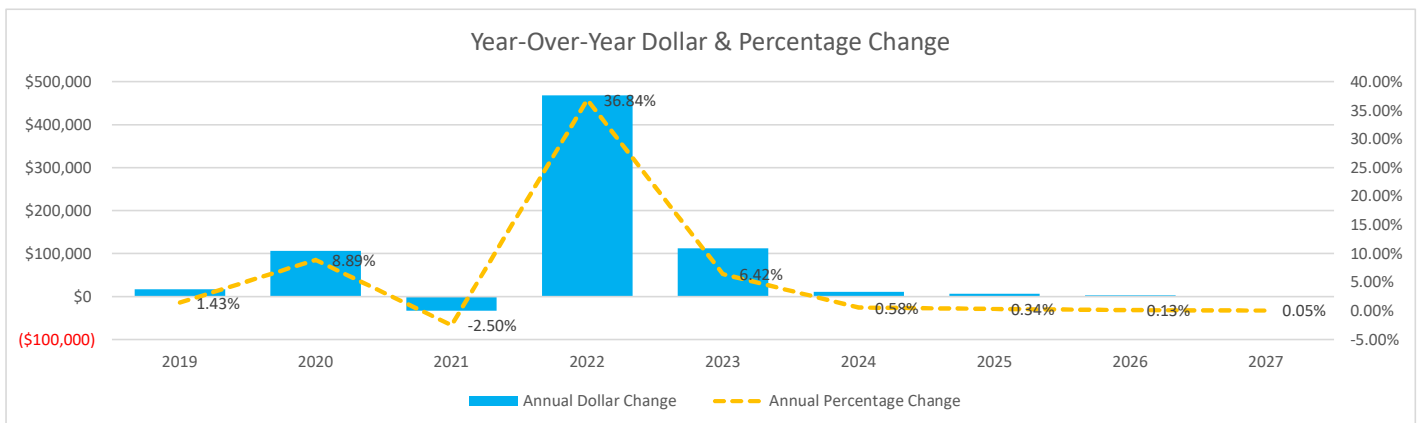
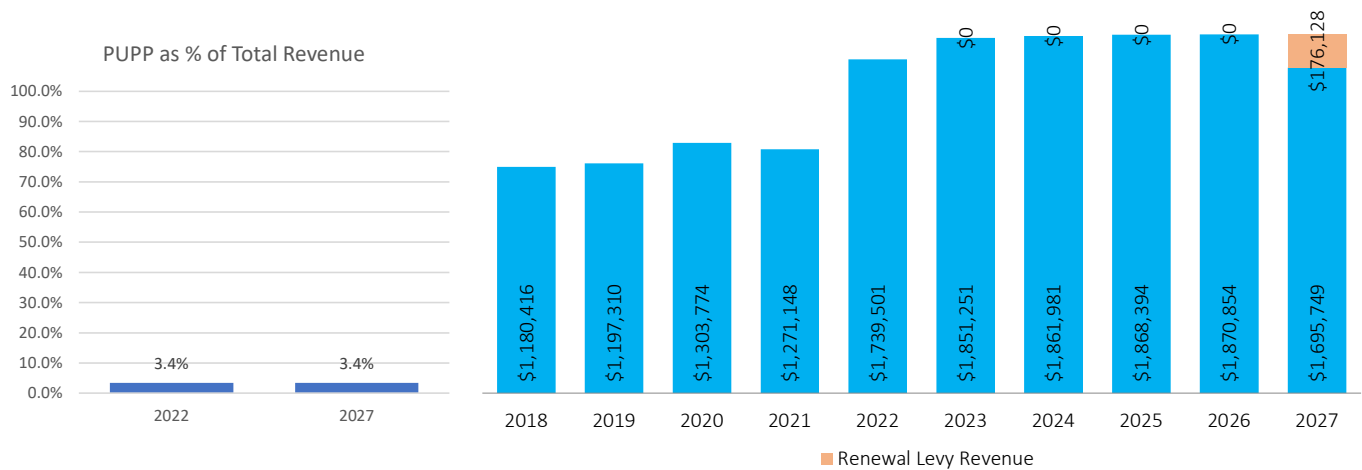
Real estate property tax revenue accounts for 59.99% of total revenue. Class I or residential/agricultural taxes make up approximately 94.81% of the real estate property tax revenue. The Class I tax rate is 28.1 mills in tax year 2022. The district is modeling the renewal of real estate property taxes levies through 2024. The projections reflect an average gross collection rate of 100.0% annually through tax year 2026. The revenue changed at an average annual historical rate of 3.78% and is projected to change at an average annual rate of 1.90% through FY 2027.

The Triennial Update/Reappraisal process is where property values are reappraised every 6 years, with a valuation update being performed in the third year between each reappraisal. The triennial update was completed in 2021. The increase for real estate Class I & II valuations was 21.7%. FY23 is the first complete school year that will have property tax collections at the new real estate valuations.

**Projected % trends include renewal levies*

1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2021	44,450,840	11,901,140	41.52	(1.82)	99.9%
2022	44,850,840	400,000	41.44	(0.08)	99.9%
2023	45,150,840	300,000	41.37	(0.07)	99.9%
2024	45,450,840	300,000	41.19	(0.18)	99.9%
2025	45,550,840	100,000	41.12	(0.07)	99.9%
2026	45,650,840	100,000	41.06	(0.07)	99.9%

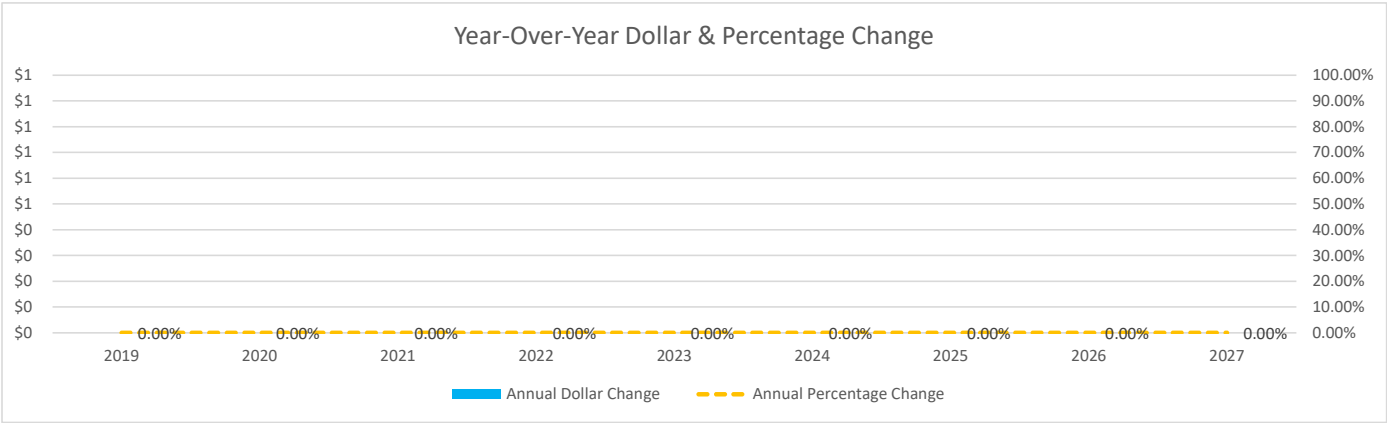
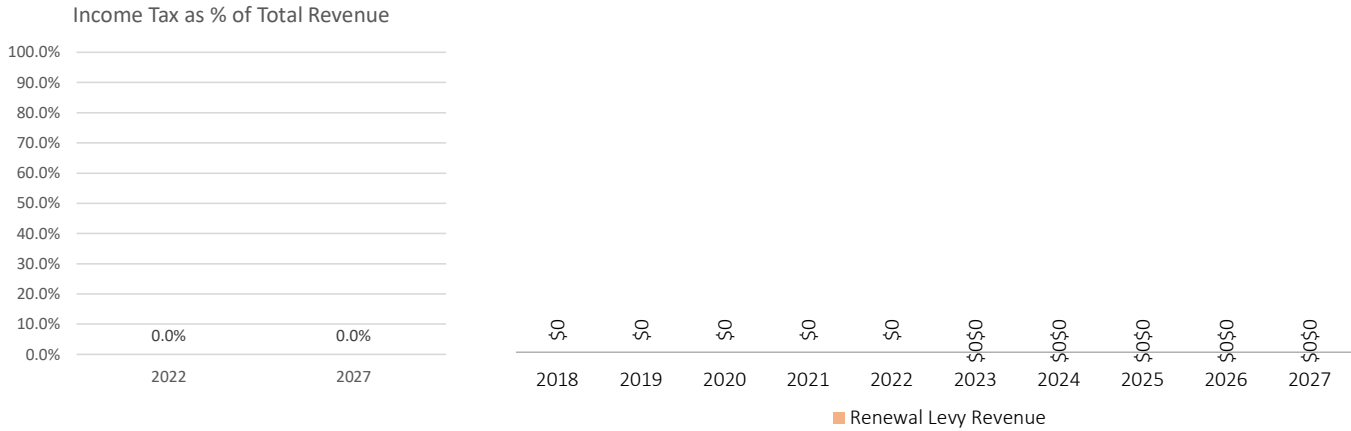
The public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 3.42% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2022 is 41.44 mills. The forecast is modeling an average gross collection rate of 99.90%. The revenue changed historically at an average annual dollar amount of \$122,976 and is projected to change at an average annual dollar amount of \$26,475 through FY 2027.

The PUPP valuation increase for 2021 is 36.5%.

*Projected % trends include renewal levies

1.030 - No Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.

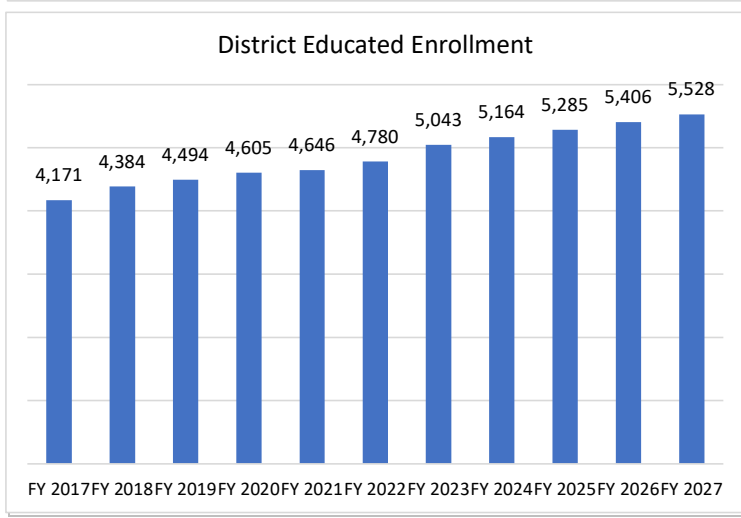
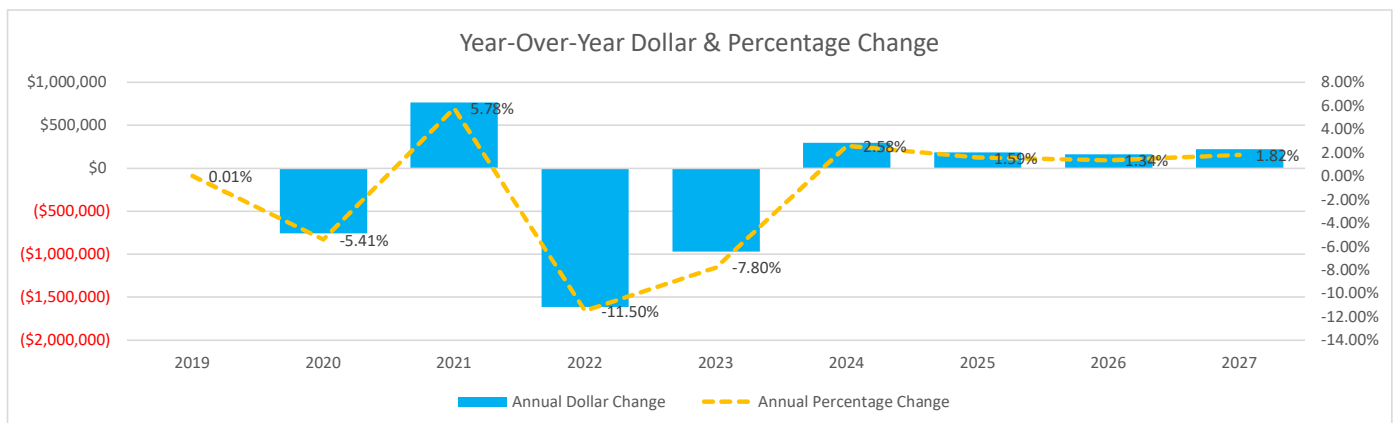
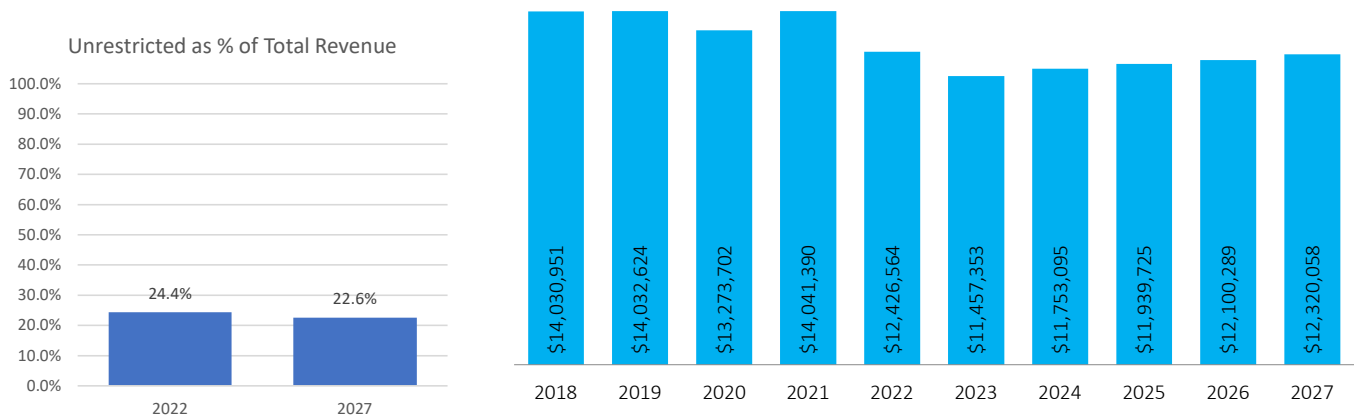


The district does not have an income tax levy.

*Projected % trends include renewal levies

1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



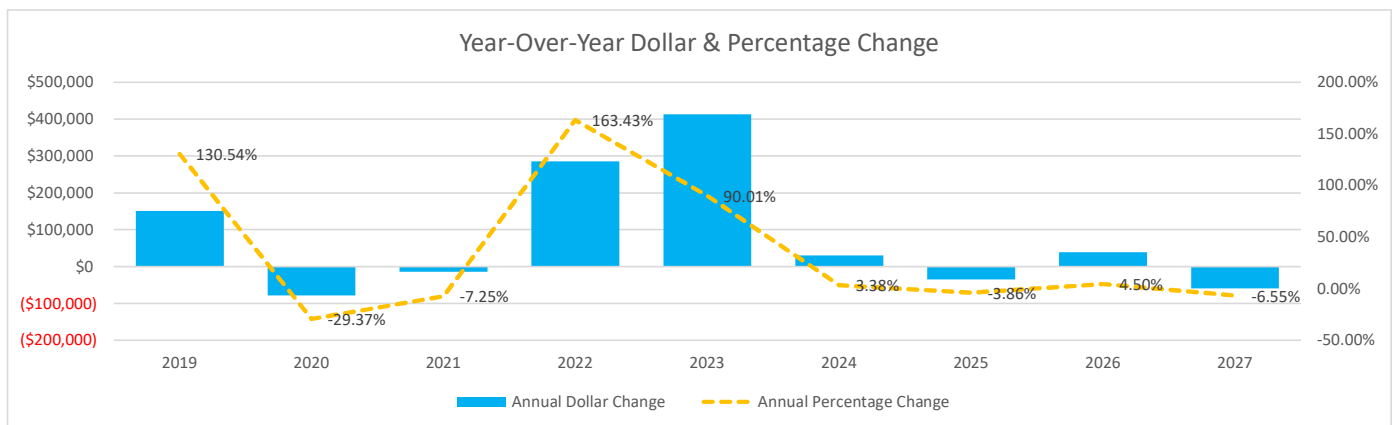
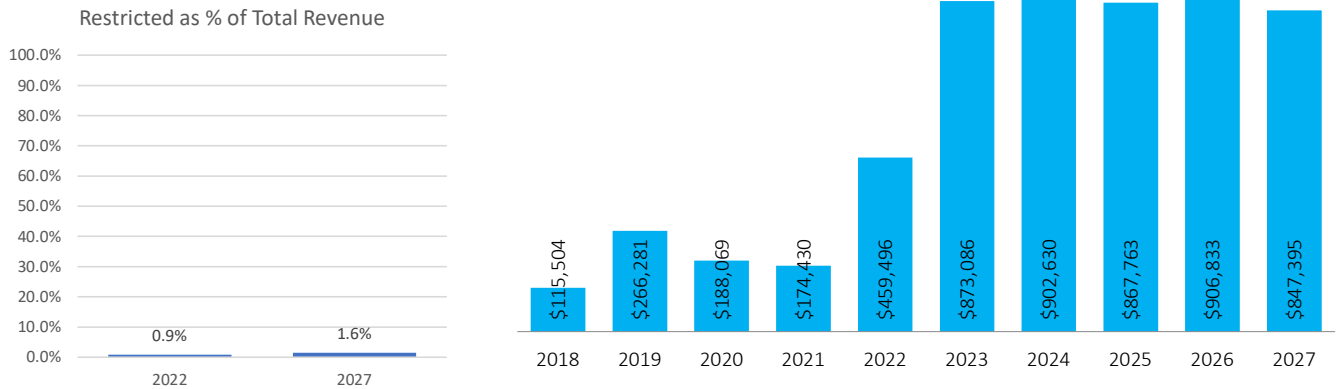
Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual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

For Little Miami Local School District the calculated Base Cost total is \$34,935,588 in FY 2023. The state's share of the calculated Base Cost total is \$4,109,135 or \$815 per pupil.

For reference: The FSFP change to district educated enrollment could be lower than the district's historical formula funded enrollment but also potentially reduces tuition cost. In FY 2021, the district had approximately \$3,102,747 in possible tuition cost reductions. These reductions will be reflected in the purchased services expenditure note.

1.040 & 1.045 - Restricted Grants-in-Aid

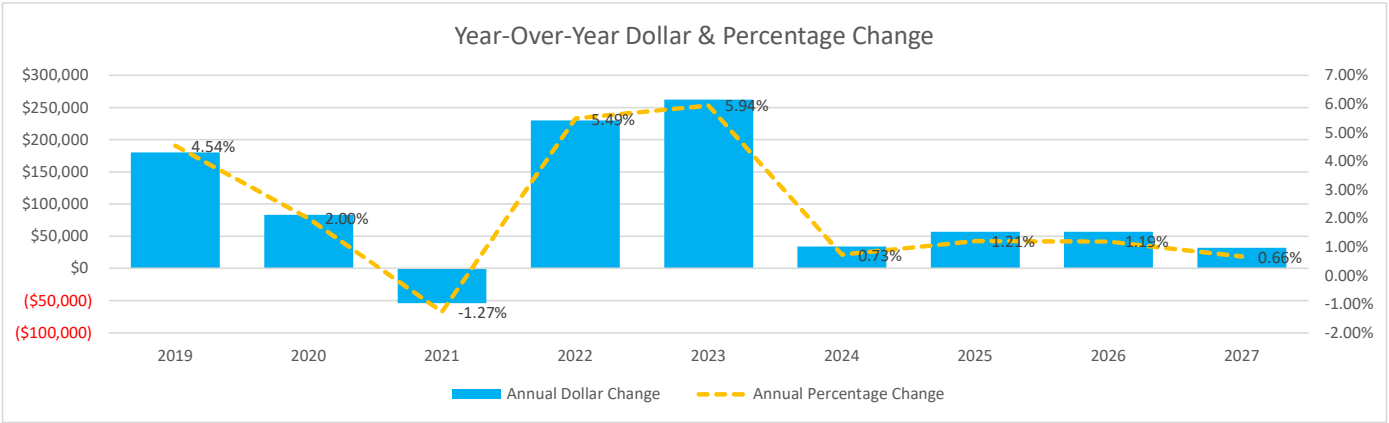
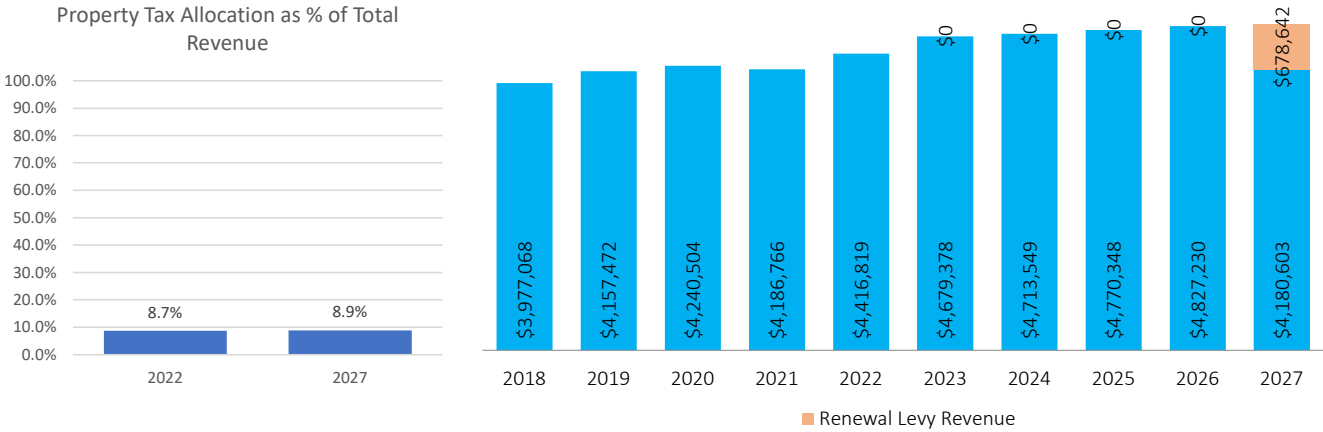
Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.



Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on average by \$64,405 and is projected to change annually on average by \$77,580. Restricted funds represent 0.90% of total revenue. Starting in FY 2022 the district's Success & Wellness funding is considered restricted, the state's share of this funding is recorded as restricted is \$313,907. This funding has implications on general fund expenditures in that certain spending now occurring in a fund external to the general fund could shift to the general fund. The expenditures in this forecast are adjusted to reflect this change.

1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.

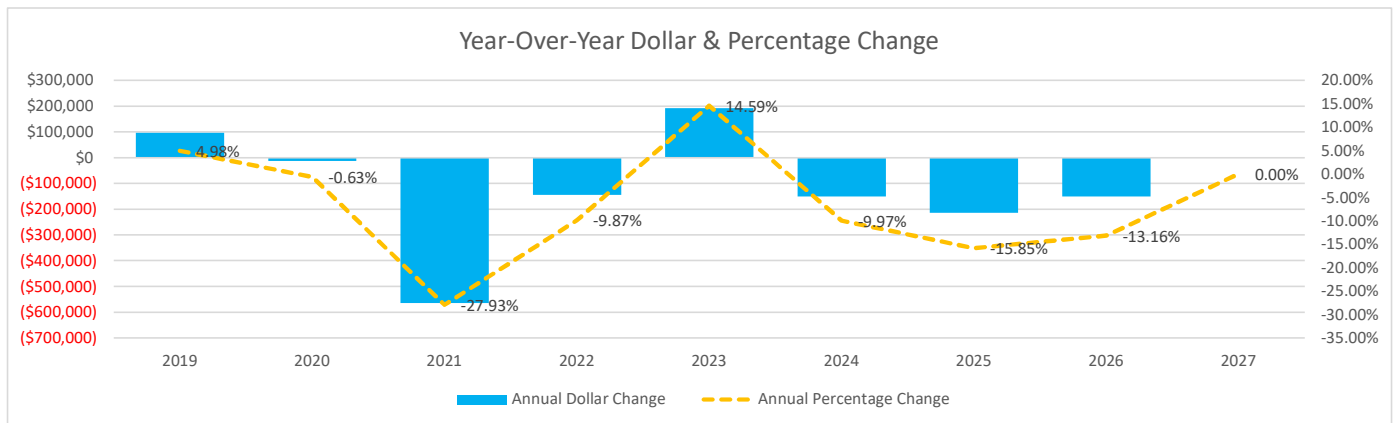
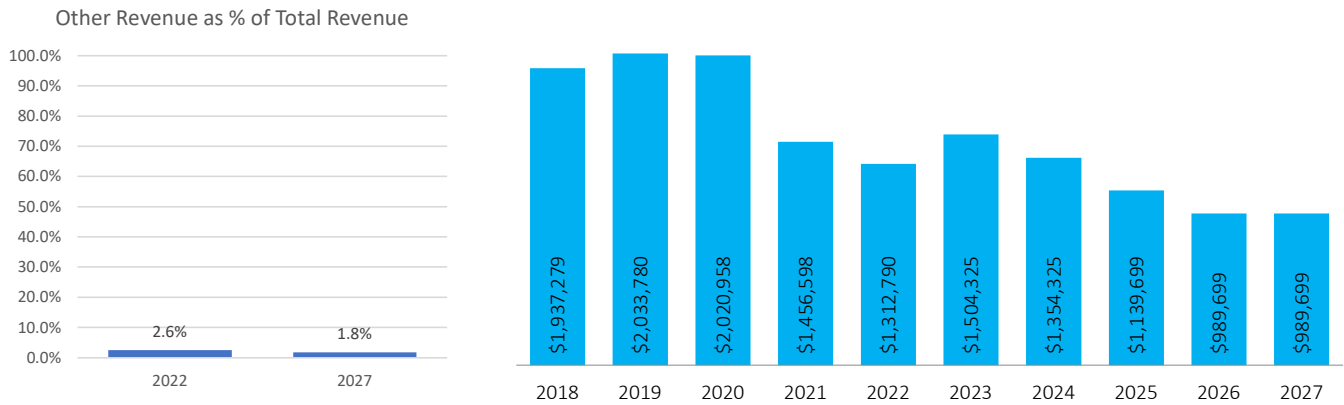


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2023, approximately 12.0% local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 1.2% will be reimbursed in the form of qualifying homestead exemption credits.

*Projected % trends include renewal levies

1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.

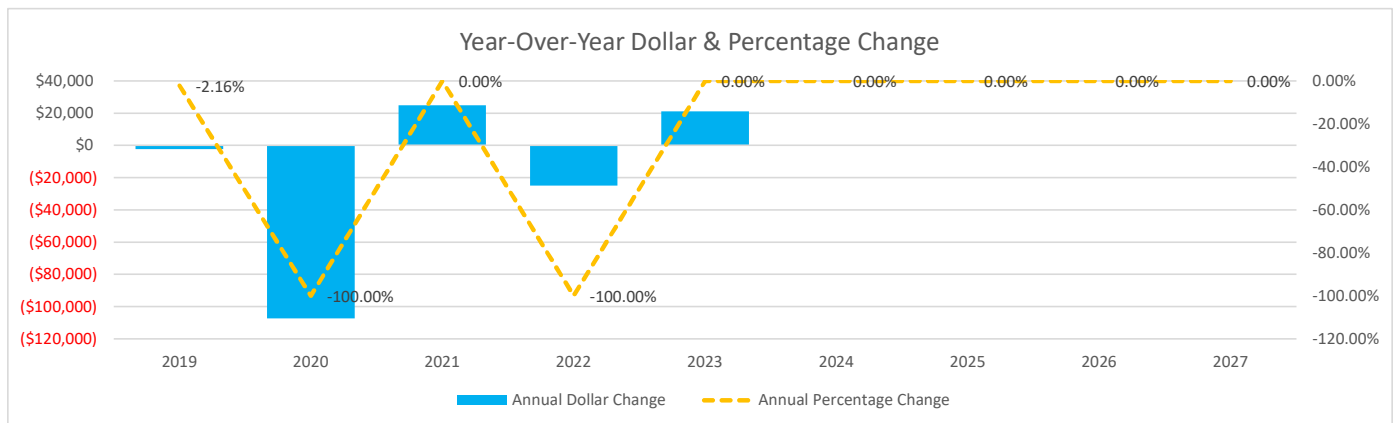
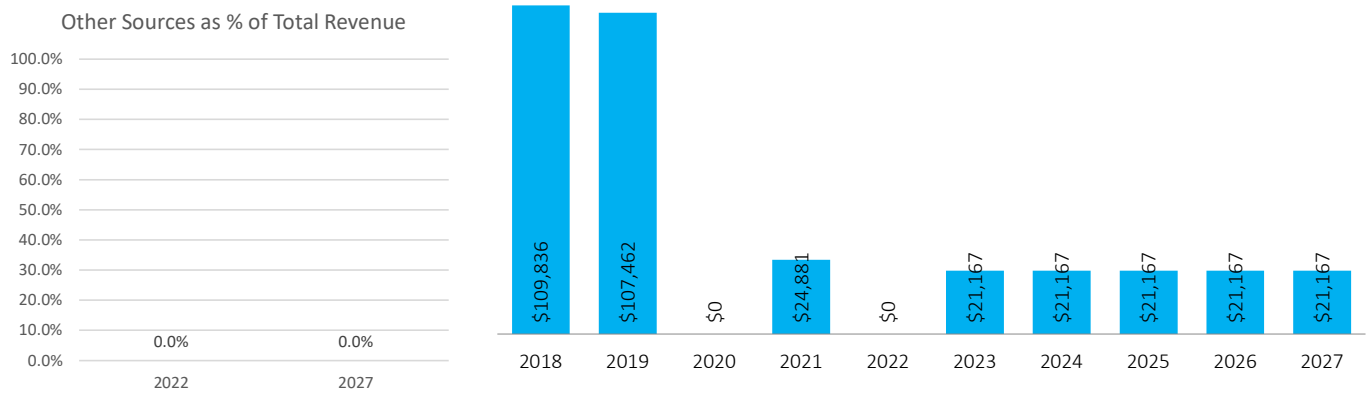


Other revenue includes tuition received by the district for non-resident students educated by the district. It also includes interest income, payments in lieu of taxes, and miscellaneous revenue. The historical average annual change was -\$117,433. The projected average annual change is -\$64,618 through FY 2027. The FSPF includes per pupil funding for any open enrollment in students the district is educating. This revenue, if any, was recorded in 'other revenue' prior to FY 2022. Fiscal year 2022 and beyond will not include any open enrollment in revenue. The district posted revenue code 1227 open enrollment in revenue of \$80,992 in FY 2021.

The main indicator for the increase in Other Revenue is the amount of interest earnings. With overall interest rates at a steady climb, we are projecting an increase in this revenue in the near future. However, the available fund balance to invest is diminishing each year to lower levels which also effects the return.

2.070 - Total Other Financing Sources

Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.

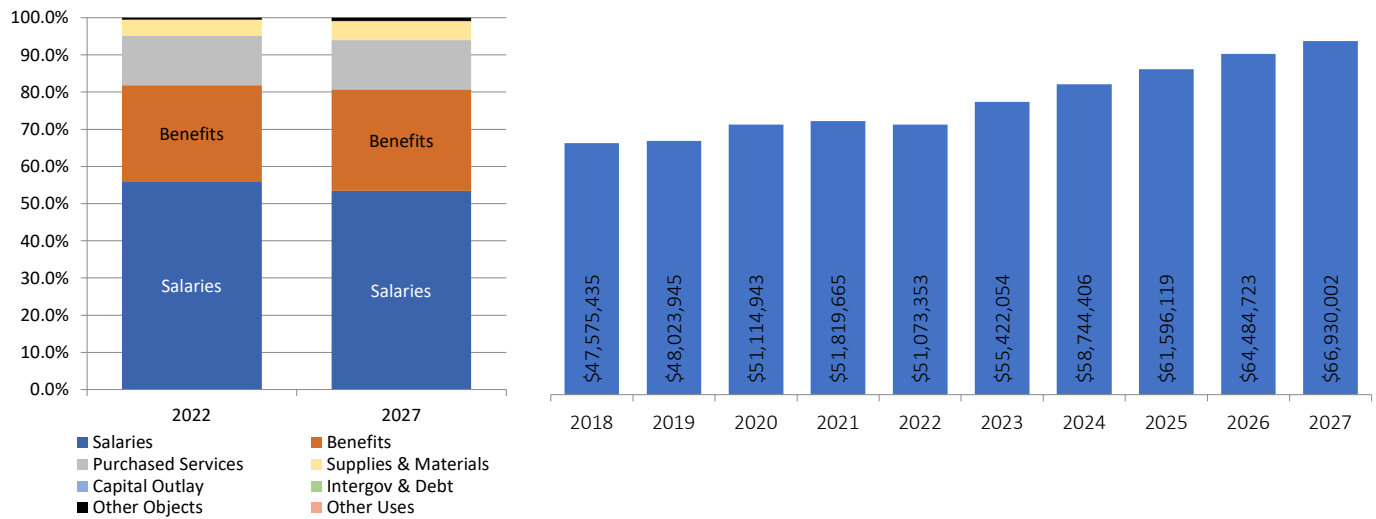


	2022	FORECASTED				
		2023	2024	2025	2026	2027
Transfers In	-	-	-	-	-	-
Advances In	-	21,167	21,167	21,167	21,167	21,167
All Other Financing Sources	-	-	-	-	-	-

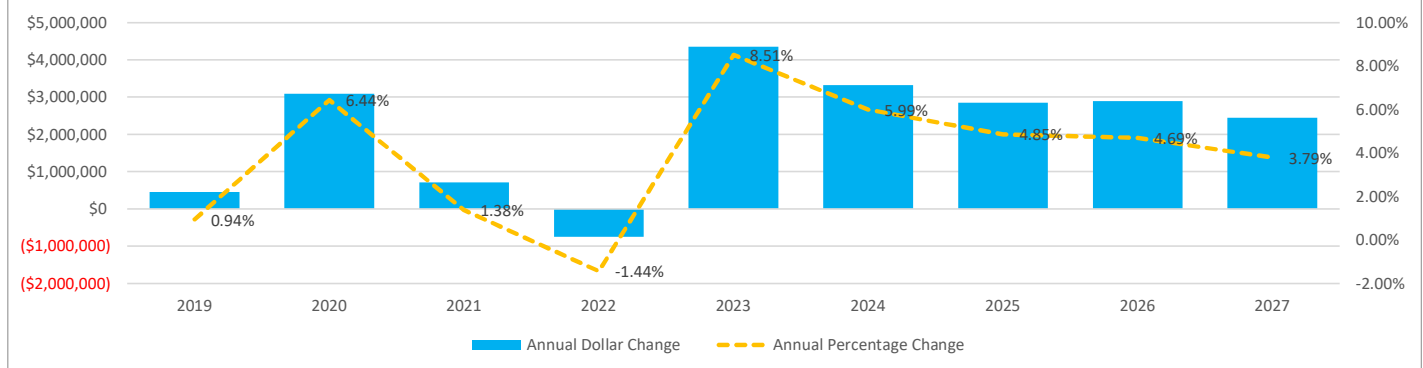
Other sources includes revenue that is generally classified as non-operating. Return advances-in are the most common revenue source. In FY 2022 the district receipted \$0 as advances-in and is projecting advances of \$21,167 in FY 2023. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$0 in FY 2023 and average \$0 annually through FY 2027.

Expenditure Categories and Forecast Year-Over-Year Projected Overview

Expenditure Categories Over Time



Year-Over-Year Dollar & Percentage Change



5-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

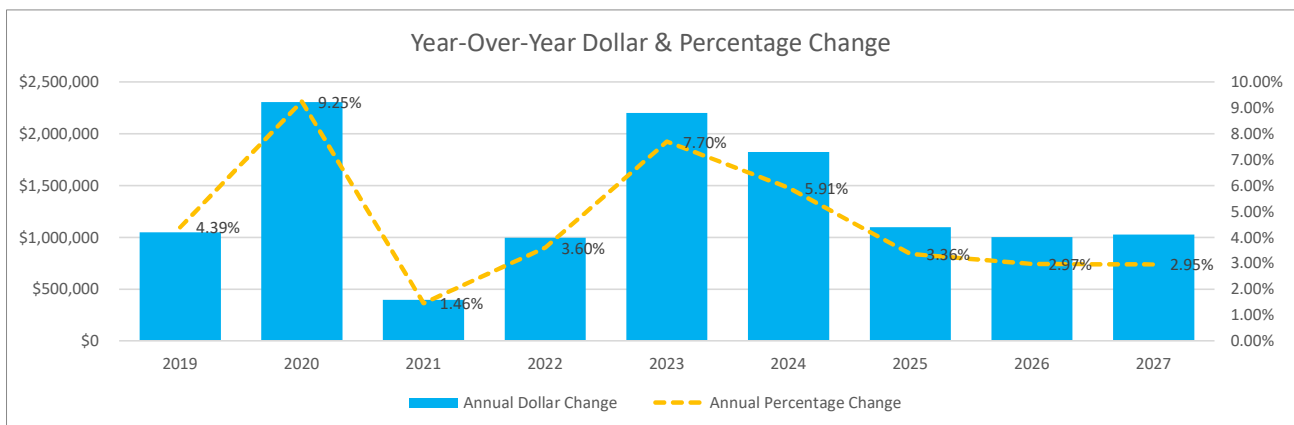
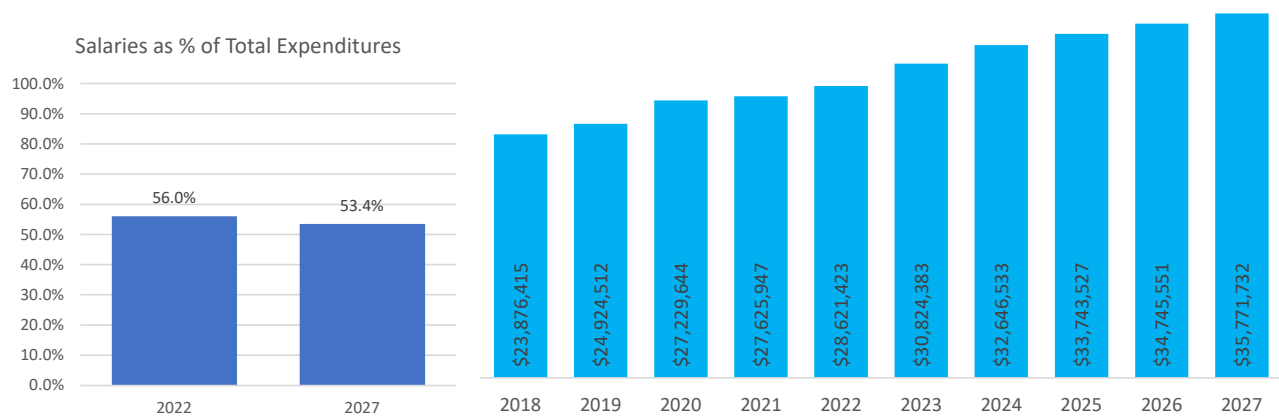
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance	Total expenditures increased 4.17% or \$2,079,323 annually during the past 5-Year period and is projected to increase 6.21% or \$3,171,330 annually through FY2027. Purchased Services has the largest projected average annual variance compared to the historical average at \$458,069.
Salaries	1,332,414	1,430,062	\$97,648	
Benefits	\$802,306	\$1,012,413	\$210,107	
Purchased Services	(\$39,593)	\$418,476	\$458,069	
Supplies & Materials	\$204,008	\$235,316	\$31,308	
Capital Outlay	(\$184,448)	\$8,583	\$193,031	
Intergov & Debt	\$0	\$0	(\$0)	
Other Objects	(\$35,364)	\$66,480	\$101,844	
Other Uses	\$0	\$0	\$0	
Total Average Annual Change	\$2,079,323 4.17%	\$3,171,330 6.21%	\$1,092,007 2.04%	

Note: Revenue average annual change is projected to be > \$737,958

On an annual average basis, revenues are projected to grow slower than expenditures.

3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.



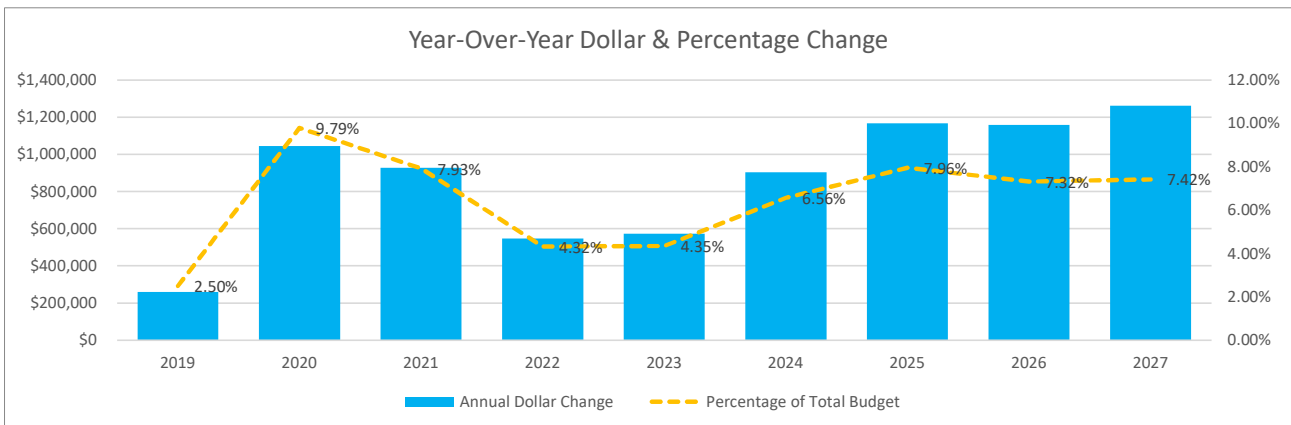
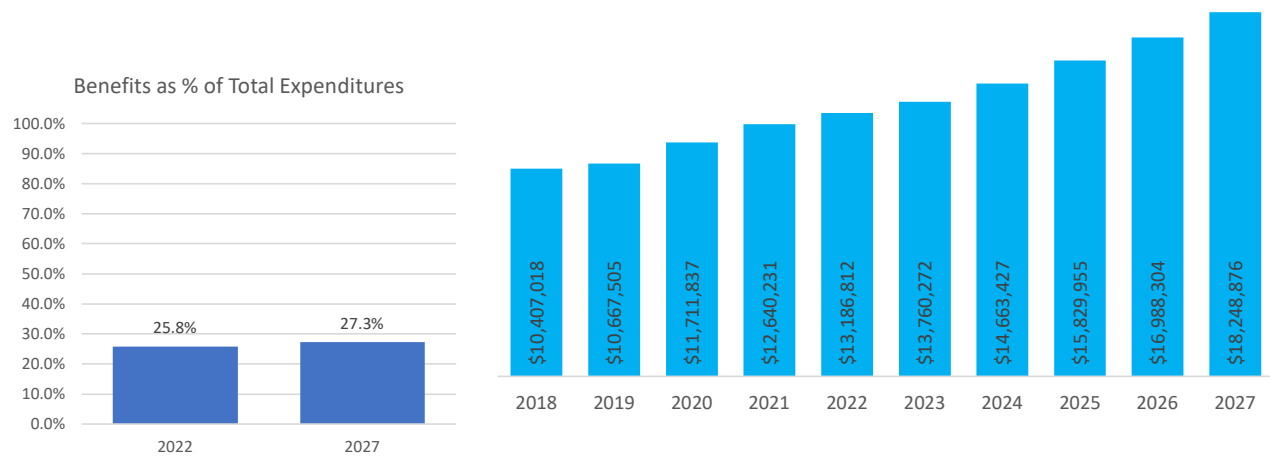
Salaries represent 56.04% of total expenditures and increased at a historical average annual rate of 5.04% or \$1,332,414. This category of expenditure is projected to grow at an annual average rate of 4.26% or \$1,430,062 through FY 2027. The projected average annual rate of change is -0.77% less than the five year historical annual average.

The district employs 3 groups of employees; certified, classified, and exempted employees. The certified staff is represented by LMTA, the classified staff are represented by OASPE Local 516, and the exempted staff do not work with a labor union. The labor employment contracts for both the classified staff (OAPSE) and certified staff (LMTA) currently run through June 30, 2023.

Annual base salary increases for FY'22 & FY'23 are for certified (1.5%+stipend) and exempted (2.75%). Classified staff received in FY'22 (1.75%+stipend) and FY'23 (1.75%). A 0% base salary increase is assumed for FY'24 through FY'26 for LMTA, OAPSE, and Exempted staff at this point. In addition to base salary increases, the district also pays step increases. For FY'22 – FY'26 a step increase has also been factored into the forecast, which have been calculated at approximately 2.43%. FY'23 staffing includes 9 (12 in FY24 returning to the general fund) certified, 17 classified and 2 exempt staff.. Staffing levels are always subject to change and will be reevaluated

3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.

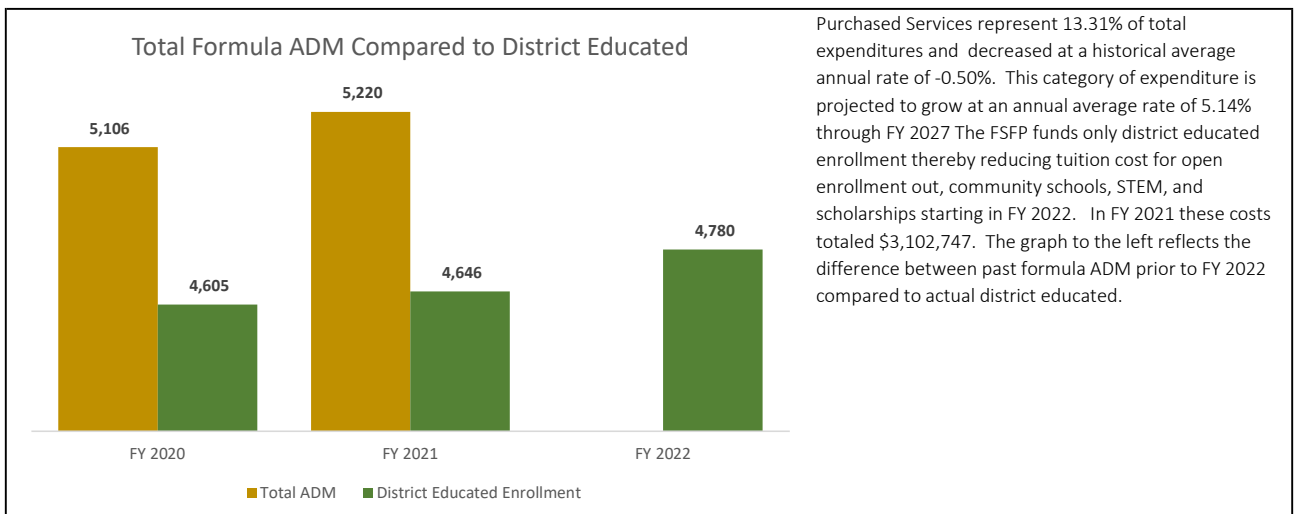
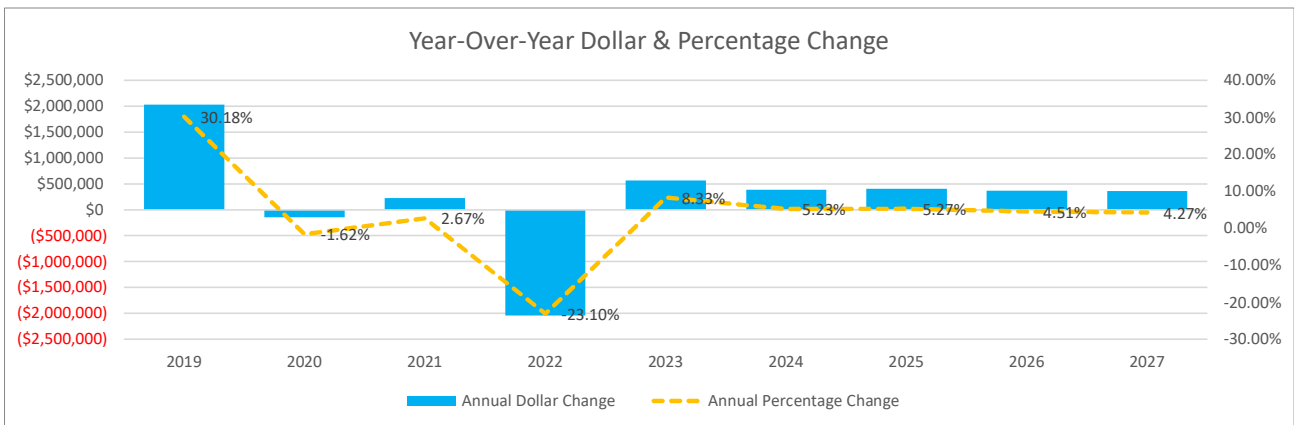
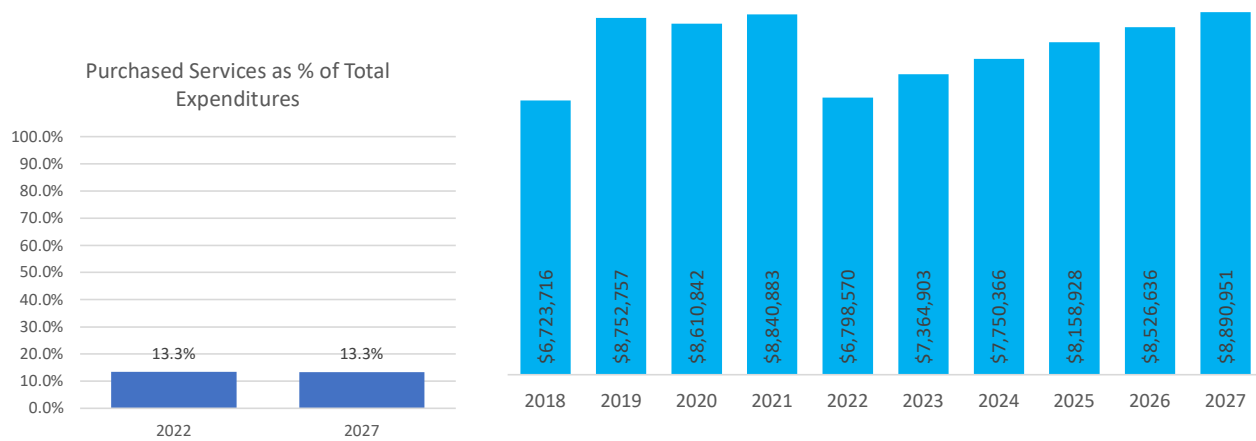


Benefits represent 25.82% of total expenditures and increased at a historical average annual rate of 6.84%. This category of expenditure is projected to grow at an annual average rate of 6.37% through FY 2027. The projected average annual rate of change is -0.48% less than the five year historical annual average.

Calendar year 2023 premium increase for medical insurance will be 1.5% for certified/exempt and 2% for classified staff. Future years are projected at more historical increases of 7-12%.

3.030 - Purchased Services

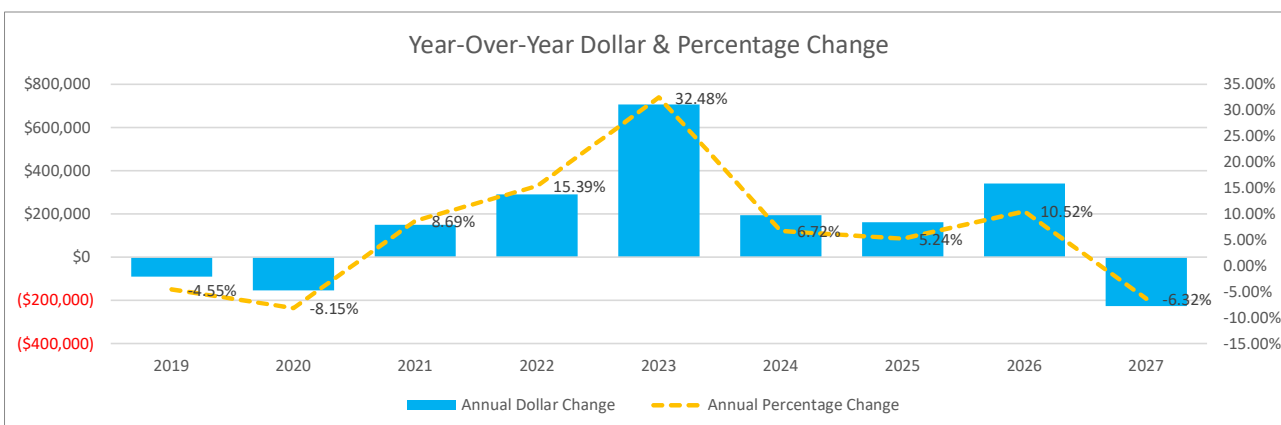
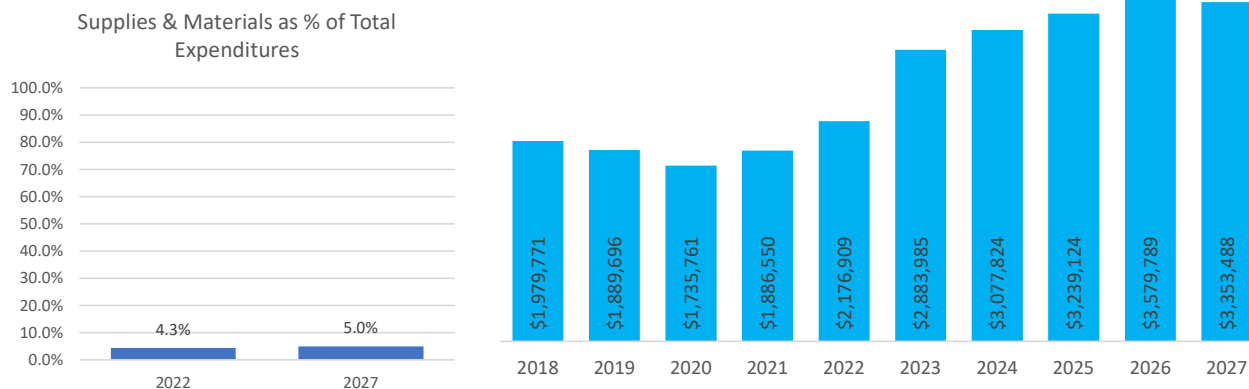
Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, expenses for tuition paid to other districts, utilities costs and other services which the school district may purchase.



Purchased Services represent 13.31% of total expenditures and decreased at a historical average annual rate of -0.50%. This category of expenditure is projected to grow at an annual average rate of 5.14% through FY 2027. The FSFP funds only district educated enrollment thereby reducing tuition cost for open enrollment out, community schools, STEM, and scholarships starting in FY 2022. In FY 2021 these costs totaled \$3,102,747. The graph to the left reflects the difference between past formula ADM prior to FY 2022 compared to actual district educated.

3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.

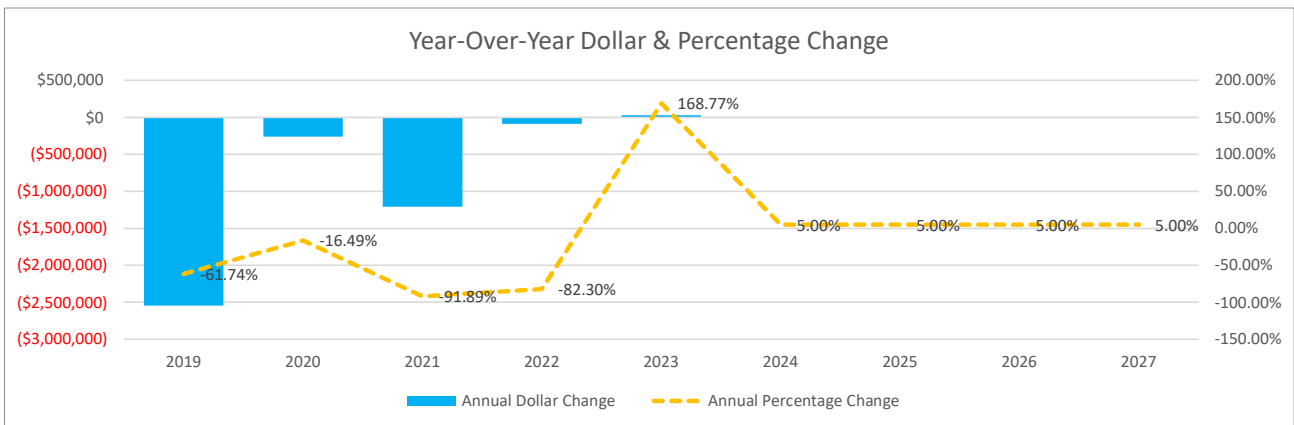
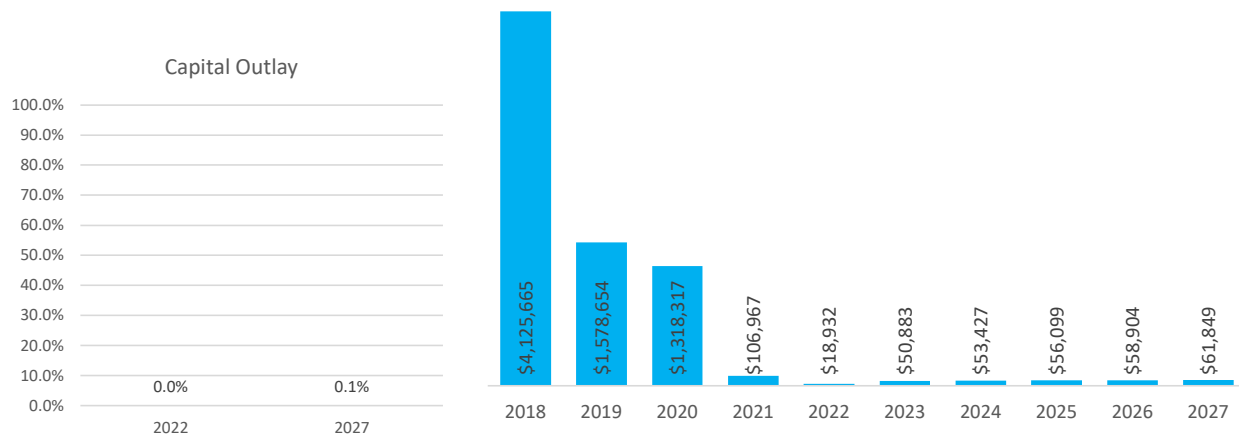


Supplies & Materials represent 4.26% of total expenditures and increased at a historical average annual rate of 10.55%. This category of expenditure is projected to grow at an annual average rate of 7.29% through FY 2027. The projected average annual rate of change is -3.26% less than the five year historical annual average.

Supplies and materials include teacher resources, student supplies, maintenance supplies, fuel and many other items. The district projects to spend approximately \$2.8M in FY'23. One of the current main drivers of this line item is diesel fuel prices. They are projected to increase in FY'23 and beyond. This will continually be evaluated.

3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.

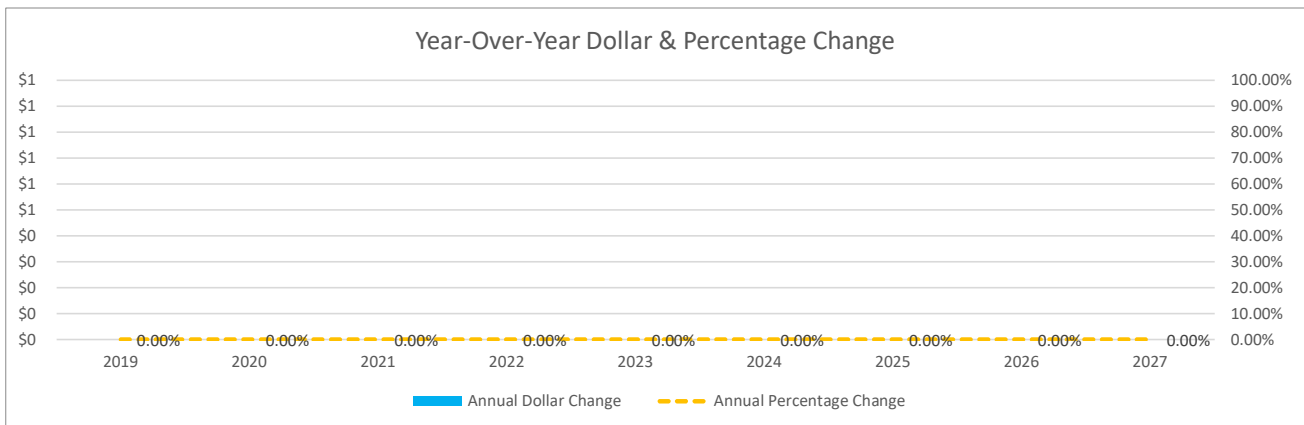
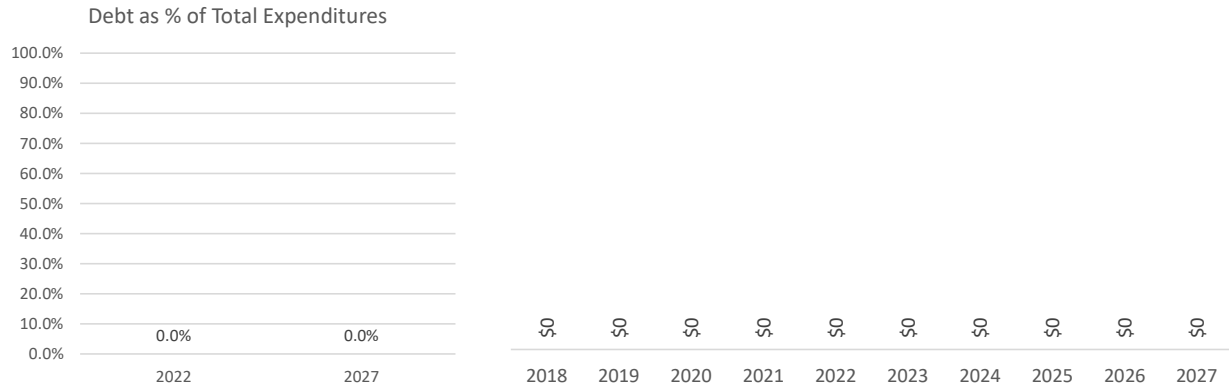


Capital Outlay represent 0.04% of total expenditures and decreased at a historical average annual amount of -\$184,448. This category of expenditure is projected to grow at an annual average rate of \$8,583 through FY 2027. The projected average annual change is more than the five year historical annual average.

Capital outlay expenses include expenses for any item that has a useful life of 5 years or greater, including equipment, buildings, technology, and school buses etc. The major factor that was the increase in FY'18 was the district purchased a new administration building for \$3 million. FY'19 includes renovation costs for the new building of \$645K. Due to the aging bus fleet of the district and the 98 square miles (just under 6,000 miles driven daily) the district is in need of additional buses. However, starting in FY'21 the district no longer is making nor projecting bus purchases to be made from the general fund going forward. Due to some debt being retired, the district will purchase the buses from the Permanent Improvement fund.

3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.

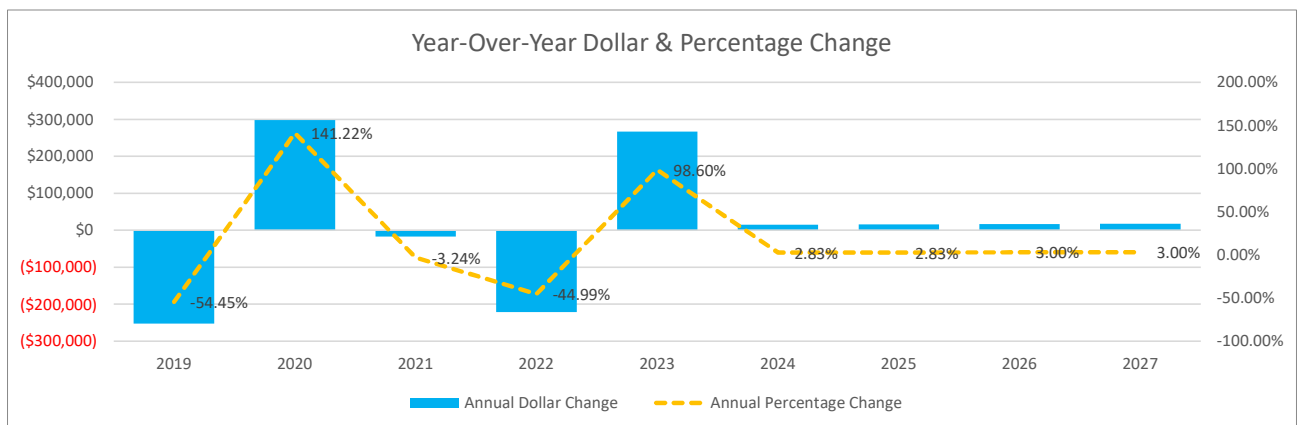
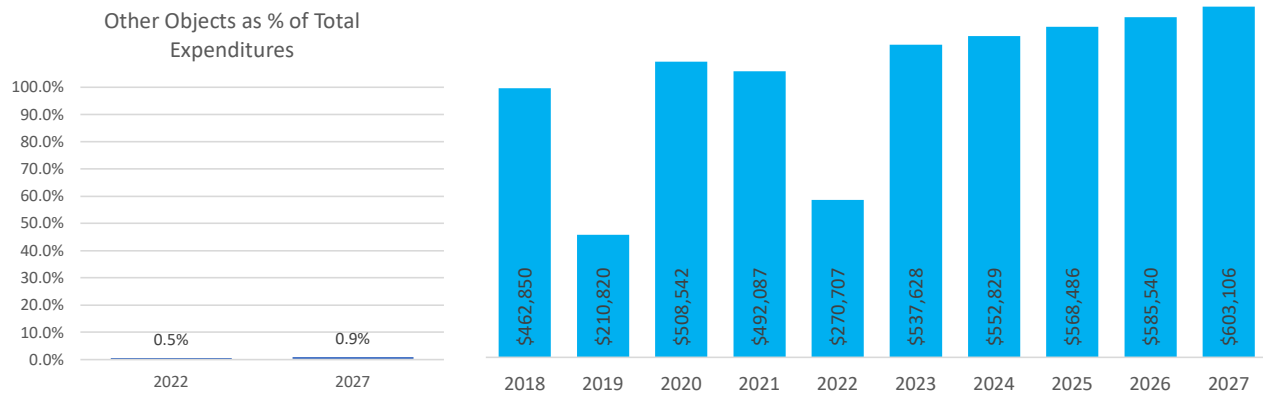


The Intergovernmental/Debt expenditure category details general fund debt issued by the District.

--

4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.

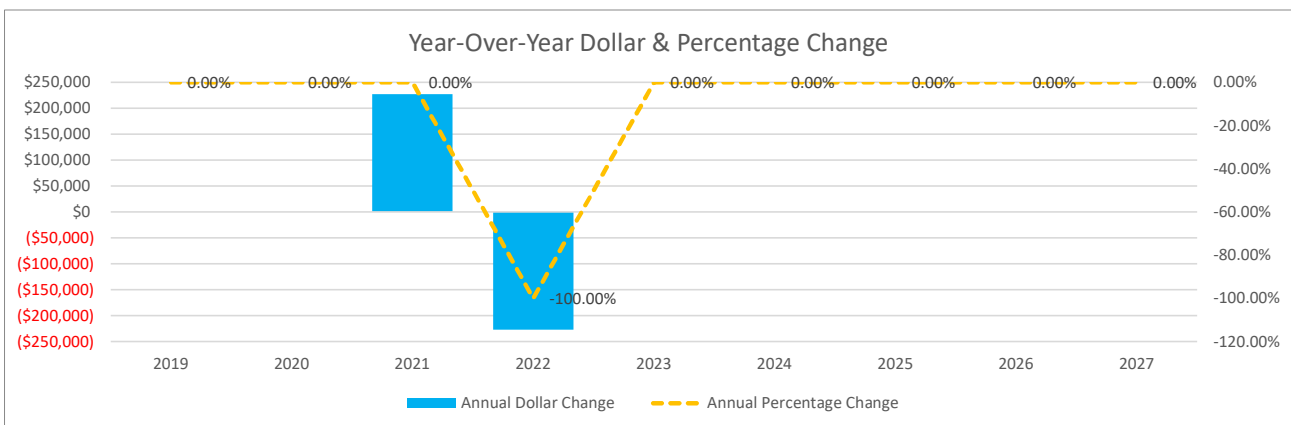
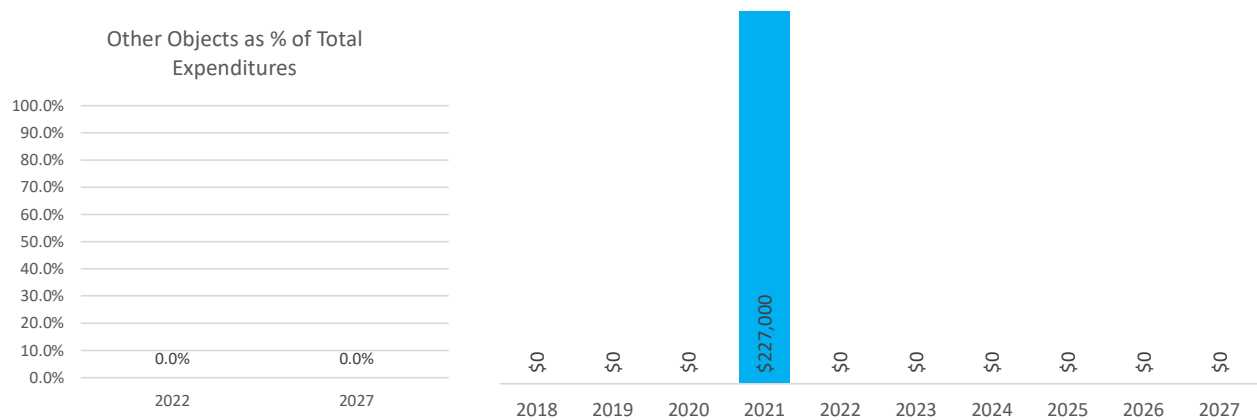


Other Objects represent 0.53% of total expenditures and decreased at a historical average annual rate of -9.09%. This category of expenditure is projected to grow at an annual average rate of 11.67% through FY 2027. The projected average annual rate of change is 20.76% more than the five year historical annual average.

Other object expenditures consist of dues and fees (property tax collection fees), insurance and awards. FY'19 reduction is due to a refund received from the Warren County Auditor for collections fees. FY'23 through FY'27 resorts back to historical trends and has marginal increases forecasted for each year.

5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



	2022	FORECASTED				
		2023	2024	2025	2026	2027
Transfers Out	-	-	-	-	-	-
Advances Out	-	-	-	-	-	-
Other Financing Uses	-	-	-	-	-	-

Other uses includes expenditures that are generally classified as non-operating. It is typically in the form of advances-out which are then repaid into the general fund from the other district funds. In FY 2022 the district had no advances-out and has no advances-out forecasted through FY 2027. The district can also move general funds permanently to other funds and as the schedule above presents, the district has no transfers forecasted through FY 2027. The table above presents the district's planned advances and transfers. The district can also have other uses of funds which is reflected in the table above.

In FY 21 athletic revenue has seen a sharp decline due to Covid19. This transfer to the Athletic funds was in response to the shortfall.

The Advance Out was made to the Middle School uniform school supplies fund to purchase new math workbooks (6 years) at a discount. The advance will be repaid to the general fund over the six-year period. No further advances are projected at this point.

Little Miami Local School District

Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2022	2023	2024	2025	2026	2027
Revenue:						
1.010 - General Property Tax (Real Estate)	30,521,348	32,454,679	32,690,206	33,077,040	33,442,370	28,998,343
1.020 - Public Utility Personal Property	1,739,501	1,851,251	1,861,981	1,868,394	1,870,854	1,695,749
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	12,426,564	11,457,353	11,753,095	11,939,725	12,100,289	12,320,058
1.040 - Restricted Grants-in-Aid	459,496	873,086	902,630	867,763	906,833	847,395
1.050 - Property Tax Allocation	4,416,819	4,679,378	4,713,549	4,770,348	4,827,230	4,180,603
1.060 - All Other Operating Revenues	1,312,790	1,504,325	1,354,325	1,139,699	989,699	989,699
1.070 - Total Revenue	50,876,517	52,820,072	53,275,786	53,662,969	54,137,275	49,031,847
Other Financing Sources:						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	-	21,167	21,167	21,167	21,167	21,167
2.060 - All Other Financing Sources	-	-	-	-	-	-
2.070 - Total Other Financing Sources	-	21,167	21,167	21,167	21,167	21,167
2.080 - Total Rev & Other Sources	50,876,517	52,841,239	53,296,953	53,684,136	54,158,442	49,053,014
Expenditures:						
3.010 - Personnel Services	28,621,423	30,824,383	32,646,533	33,743,527	34,745,551	35,771,732
3.020 - Employee Benefits	13,186,812	13,760,272	14,663,427	15,829,955	16,988,304	18,248,876
3.030 - Purchased Services	6,798,570	7,364,903	7,750,366	8,158,928	8,526,636	8,890,951
3.040 - Supplies and Materials	2,176,909	2,883,985	3,077,824	3,239,124	3,579,789	3,353,488
3.050 - Capital Outlay	18,932	50,883	53,427	56,099	58,904	61,849
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	270,707	537,628	552,829	568,486	585,540	603,106
4.500 - Total Expenditures	51,073,353	55,422,054	58,744,406	61,596,119	64,484,723	66,930,002
Other Financing Uses						
5.010 - Operating Transfers-Out	-	-	-	-	-	-
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
5.040 - Total Other Financing Uses	-	-	-	-	-	-
5.050 - Total Exp and Other Financing Uses	51,073,353	55,422,054	58,744,406	61,596,119	64,484,723	66,930,002
6.010 - Excess of Rev Over/(Under) Exp	(196,836)	(2,580,815)	(5,447,453)	(7,911,983)	(10,326,281)	(17,876,988)
7.010 - Cash Balance July 1 (No Levies)	30,518,565	30,321,728	27,740,914	22,293,461	14,381,478	4,055,197
7.020 - Cash Balance June 30 (No Levies)	30,321,728	27,740,914	22,293,461	14,381,478	4,055,197	(13,821,791)
		Reservations				
8.010 - Estimated Encumbrances June 30	-	-	-	-	-	-
9.080 - Reservations Subtotal	-	-	-	-	-	-
10.010 - Fund Bal June 30 for Cert of App	30,321,728	27,740,914	22,293,461	14,381,478	4,055,197	(13,821,791)
Rev from Replacement/Renewal Levies						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	5,513,294
11.030 - Cumulative Balance of Levies	-	-	-	-	-	5,513,294
12.010 - Fund Bal June 30 for Cert of Obligations	30,321,728	27,740,914	22,293,461	14,381,478	4,055,197	(8,308,497)
Revenue from New Levies						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
15.010 - Unreserved Fund Balance June 30	30,321,728	27,740,914	22,293,461	14,381,478	4,055,197	(8,308,497)



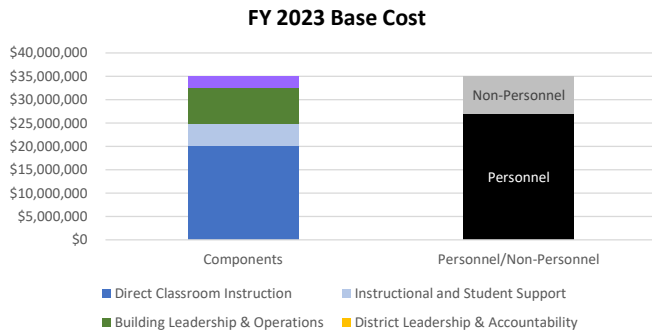
Little Miami Local School District

State Funding Supplement to Five-Year Forecast

November, 2022

Terry Gonda, CFO/Treasurer

Ohio's Fair School Funding Plan Base Cost State Share Overview - FY 2023

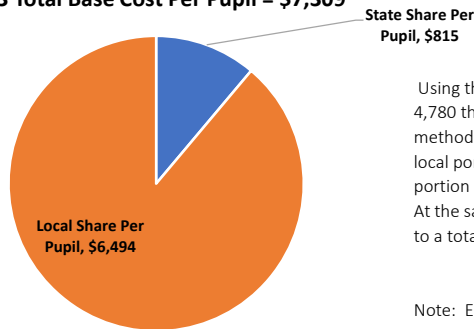


Beginning in FY 2022 Ohio adopted the Fair School Funding Plan (FSFP). Funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual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

For Little Miami Local School District the calculated Base Cost total is \$34,935,588 in FY 2023.

There are four Base Cost component areas: Direct Classroom Instruction \$20,229,148, Instructional and Student Support \$4,763,515, Building Leadership and Operations \$7,743,477, Leadership and Accountability \$2,199,447. Of the total base cost about 77% is estimated for personnel related cost. Note: Calculations are based upon Financial Planning Software - Assumption Assist.

FY 2023 Total Base Cost Per Pupil = \$7,309



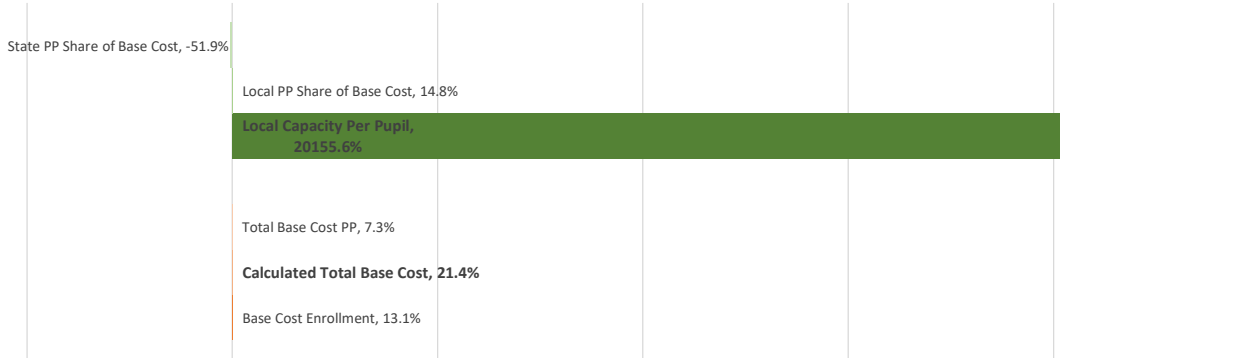
Using the total Base Cost of \$34,935,588 shown above, with an enrollment of 4,780 the total per pupil base cost is \$7,309. The FSFP local capacity methodology, using a per pupil wealth/capacity of \$259,767 calculates that the local portion of total base cost is \$6,494 per pupil in FY 2023. The local per pupil portion is updated each fiscal year and is projected to go down -\$423 by FY 2027. At the same time, the total base cost per pupil is estimated to increase by \$537 to a total per pupil base cost of \$7,846.

Note: Enrollment used for base cost calculations is the higher of the three year average (district educated) for years 2020, 2021, and 2022, or 2022.

Local and State Share - Key Funding Demographics

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

Key Funding Demographics - Cumulative Change Over Forecast Period



The district's calculated total base cost is projected to go up 21.4% over the forecast period ending June 30, 2027. This change is a function of 'inflationary considerations' of the base cost components and enrollment. The district's base cost enrollment is estimated to increase 13.1% over the forecast period. The resulting per pupil base cost is expected to go up 7.3%. These results are trend-based and are only intended as an indication of overall direction. The current law calculates base cost for both years of the biennium, the same is assumed for subsequent biennial budgets. This method causes per pupil base cost to remain stagnant in the 2nd year of a biennium. Additionally, the FSFP methodology as passed by the legislature is using 2018 salary and benefit information for FY 22 and 23 cost calculations. By FY 2024, these cost factors will be five years behind the current forecast and in some cases the local share calculations.

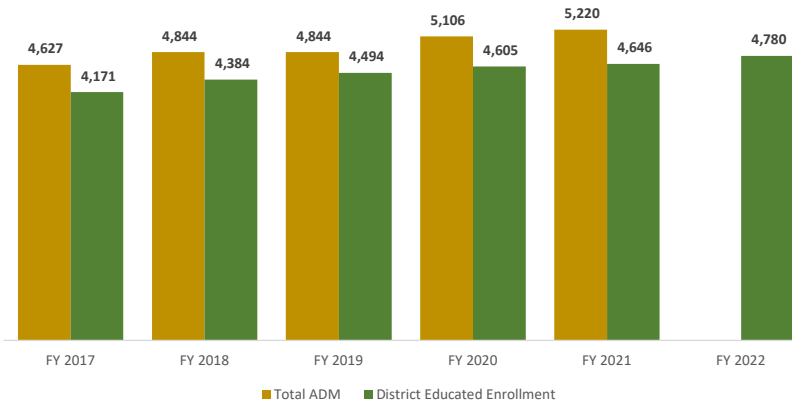
Calculated local capacity to pay for the base cost is expected to increase 20155.6% over the forecast period. Therefore, the calculated locally generated funding of per pupil base cost is expected to go up 14.8%. At the same time the calculated state share is expected to drop -51.9%. This results in a local share of 88.85% of calculated base cost in FY 2022, compared to a local share of 95.9% in FY 2026. These are calculated changes and actual funding results could vary. For example, in some cases a district may be on the funding guarantee.

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<u>Total Base Cost</u>	\$39,260,495	\$43,265,696	\$44,307,305	\$47,107,930	\$48,172,433
<u>YOY Change</u>		10.2%	2.4%	6.3%	2.3%
			<u>FY 22 to FY 26 Change</u>		22.7%
<u>Base Cost Enrollment</u>	4,780	5,043	5,164	5,285	5,406
<u>YOY Change</u>		5.5%	2.4%	2.3%	2.3%
			<u>FY 22 to FY 26 Change</u>		13.1%
	<u>Current Biennium</u>		<u>FY 24 & FY 25 Biennium</u>		<u>FY 26/27 Bienn.</u>
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<u>Total Per Pupil Base Cost</u>	\$7,309	\$7,564	\$7,565	\$7,848	\$7,846
<u>YOY Change</u>		3.5%	0.0%	3.7%	0.0%
			<u>FY 22 to FY 26 Change</u>		7.3%

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<u>Local PP Wealth/Income Factor =</u>					
<u>Property Values + Taxpayer Income</u>	\$259,767	\$264,997	\$276,736	\$280,059	\$52,617,232
<u>YOY Change</u>		2.0%	4.4%	1.2%	18687.9%
			<u>FY 22 to FY 26 Change</u>		20155.6%
<u>Calculated Amount Generated Locally</u>					
<u>Local Per Pupil Capacity</u>	\$6,494	\$6,625	\$6,918	\$7,001	\$7,453
<u>YOY Change</u>		2.0%	4.4%	1.2%	6.5%
			<u>FY 22 to FY 26 Change</u>		14.8%
<u>Total PP Base Cost - Local PP Capacity =</u>					
<u>State Per Pupil Funding</u>	\$815	\$939	\$646	\$846	\$392
<u>YOY Change</u>		15.2%	-31.1%	30.9%	-53.7%
			<u>FY 22 to FY 26 Change</u>		-51.9%

Ohio's Fair School Funding Plan - Districted Educated Enrollment
(and implications beyond state revenue)

Total ADM Compared to District Educated



Perhaps one of the biggest changes that Ohio made to per pupil funding is the definition of enrollment. Ohio started using "district educated" which is comprised of resident students attending and open enrollment "in" students. In prior funding formulas the district total/ formula ADM was used to calculate state funding. This change, in some cases reduces net state funding because the district is no longer receiving funding for community school, scholarship students, etc. However, at the same time, the district will not be expensing tuition to pay for these students and therefore cost will be lower.

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

The following is an example built from the Ohio Department of Education's FY 2021 SFPR and is for illustration of the tuition change.

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

	FY 2021	
	ODE SFPR	
Open Enrollment (OE) Net	(\$1,236,008)	Net OE Out, expenditures will decrease more than OE revenue will decrease. This potentially has a 'net favorable' impact on the forecast.
Impact on Expenses Only:		
Community School	(\$1,205,459)	The difference in how enrollment is calculated for funding in most cases will create a net favorable result. In other words, the tuition the district was paying as a transfer to others will be eliminated and FY 2022 expenditures should decrease. For open enrollment "in" districts, the tuition revenue will also decrease (and open enrollment tuition out will decrease). The table to the left provides a conceptual result of the potential impact using FY 2021 state funding data.
Stem School	\$0	
Cleveland Scholarship & Pilot	\$0	
Autism Scholarship	(\$256,053)	
EdChoice Scholarship	\$0	
Peterson Scholarship	(\$324,236)	
Net Impact on "other revenue" and "Tuition Cost"	(\$3,021,755)	Expenses are decreasing more than the revenues are decreasing. This potentially has a 'net favorable' impact on the forecast.





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

Little Miami Local School District

I. Revenue Impact FY 2021 to FY 2022

	Actual Posted FY 2021	District Actual FY 2022	
Overall State Revenue Gain/Loss FY 2021 to FY 2022			
Unrestricted State Funding Per 5Cast Forecast Lines	\$14,041,390	\$12,426,564	<After State Funding Assumption Asst.
Restricted State Funding Per 5Cast Forecast Lines	\$174,430	\$459,496	<After State Funding Assumption Asst.
Open Enrollment In Revenue Code 1227 as Posted 5Cast	\$80,992		
Total State Funding as Posted	\$14,296,811	\$12,886,060	< Total State Funding as Forecasted
Revenue Change FY 22 over/(Under) FY 21		(\$1,410,751)	Potential Unfavorable Impact on Revenue Current Assumption Assist Results

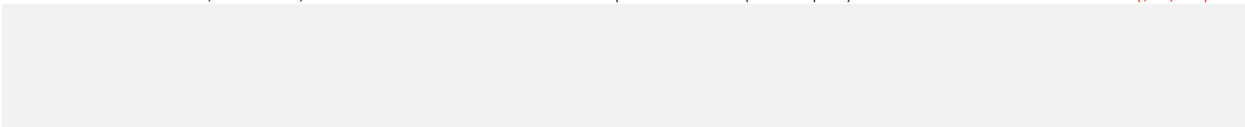
II. Expenditure Impact FY 2021 to FY 2022

Other FSFP Factors Beyond State Revenue Detail		FY 2021	
Open Enrollment Expense (Calculated)		(\$1,316,999)	SFPR Net Adjusted for Posted Open Enrollment In Revenue
From FY 21 June#2 SFPR:			
Community School		(\$1,205,459)	
Stem School		\$0	
Cleveland Scholarship & Pilot		\$0	
Autism Scholarship		(\$256,053)	
EdChoice Scholarship		\$0	
Peterson Scholarship		(\$324,236)	
Potential "Tuition Cost Reduction" Impact		(\$3,102,747)	
FY 21 S Wellness Expenditures Shifted to General Fund in FY 22		\$218,241	Potential Unfavorable Impact Wellness Spending Shifted to General Fd (Assumes All Wellness) If spent less then could be less unfavorable.
Memo: SF10 Restricted FY 2022 Wellness	\$313,907		
Net Impact on Expenditures		(\$2,884,506)	Potential Favorable Impact

III. Combined FSFP Conceptual Impact on Both Revenue and Expenditures

	FY 2022	
Net Impact on FY 22 Revenue Compared to FY 2021	(\$1,410,751)	Section I Above
Net Impact Expenditures Compared to FY 2021	\$2,884,506	Section II Above
Combined Revenue and Expenditure FSFP Impact	\$1,473,755	

Note: When comparing to the state's simulations keep in mind that the simulations used the January 2021 SFPR, and the above is June #2, 2021. Also, the simulations did not account for the special education (cat cost pool) deduction of: (\$99,811)



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

Little Miami Local School District

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	
Local Demographics						
.A						
.A1	Per Pupil Base Cost (SF4 Line C)	\$7,309	\$7,564	\$7,565	\$7,848	\$7,846
.A2	State Per Pupil Share (SF4 Line E)	\$815	\$939	\$646	\$846	\$392
.B	Current District Educated Enrollment (SF1a)	5,043.0	5,164.2	5,285.3	5,406.5	5,527.6
Current Year's FSFP Formula Funding:						
.C	State's Share of Base Cost Amt. (SF4 Line I)	\$4,109,135	\$4,849,117	\$3,416,951	\$4,576,300	\$2,168,384
.D	State's Share of Category's (SF5)	\$580,294	\$760,102	\$540,362	\$722,389	\$351,060
.E	Targeted SF6 (without Supplemental)	\$74,657	\$0	\$0	\$30,343	\$0
.F	Calculated FSFP Formula Funding (C+D+E)	\$4,764,086	\$5,609,219	\$3,957,313	\$5,329,032	\$2,519,444
FY 2020 Guarantee Base Funding:						
.G	2020 SFPR Base Funding w/o DPIA (Result 1)	\$9,460,739	\$9,460,739	\$9,460,739	\$9,460,739	\$9,460,739
.H	FSFP Formula to FY20 Base Difference (F - G)	(\$4,696,653)	(\$3,851,520)	(\$5,503,426)	(\$4,131,707)	(\$6,941,296)
.I	Formula Phase In or CFO's (below)	33.33%	33.00%	33.00%	33.00%	33.00%
.J	FSFP Formula Phase In Current Years' (H x I)	(\$1,565,395)	(\$1,271,002)	(\$1,816,131)	(\$1,363,463)	(\$2,290,628)
.K	2020 SFPR + FSFP Formula Phase In (G + J)	\$7,895,345	\$8,189,738	\$7,644,609	\$8,097,276	\$7,170,112
Add-on DPIA and Supplemental Targeted						
.L	2020 DPIA Base (Step SF6)	\$26,677	\$26,677	\$26,677	\$26,677	\$26,677
.M	Calculated DPIA (Step SF6)	\$44,443	\$46,833	\$49,345	\$51,987	\$54,766
.N	DPIA Phase In or CFO's (below)	14.00%	14.00%	14.00%	14.00%	14.00%
.O	Phased In DPIA Funding (L + (M - L)*N)	\$29,164	\$29,499	\$29,850	\$30,220	\$30,609
.P	Supplemental Targeted (SF6)	\$0	\$0	\$0	\$0	\$0
.Q	Add-on DPIA and Supplemental Targeted (O + P)	\$29,164	\$29,499	\$29,850	\$30,220	\$30,609
Base FY20 Guarantee Calculation						
.R	Current FY Funding (K+ Q)	\$7,924,509	\$8,219,236	\$7,674,459	\$8,127,496	\$7,200,721
.R1	2020 Base (G) Plus DPIA Base (L)	\$9,487,416	\$9,487,416	\$9,487,416	\$9,487,416	\$9,487,416
.R2	'20 Base Transitional Aid (R1 - R) (Result 1)	\$1,562,907	\$1,268,180	\$1,812,957	\$1,359,920	\$2,286,695
	Formula Phase In or CFO's (below)	\$9,487,416	\$9,487,416	\$9,487,416	\$9,487,416	\$9,487,416
YOY Analysis						
	Unphased-in Formula (H - J)	\$0	\$0	\$0	\$0	\$0
	YOY Change		\$0	\$0	\$0	\$0
	FY 2020 Guarantee Line R2	\$1,562,907	\$1,268,180	\$1,812,957	\$1,359,920	\$2,286,695
	YOY Change		(\$294,728)	\$544,777	(\$453,037)	\$926,775

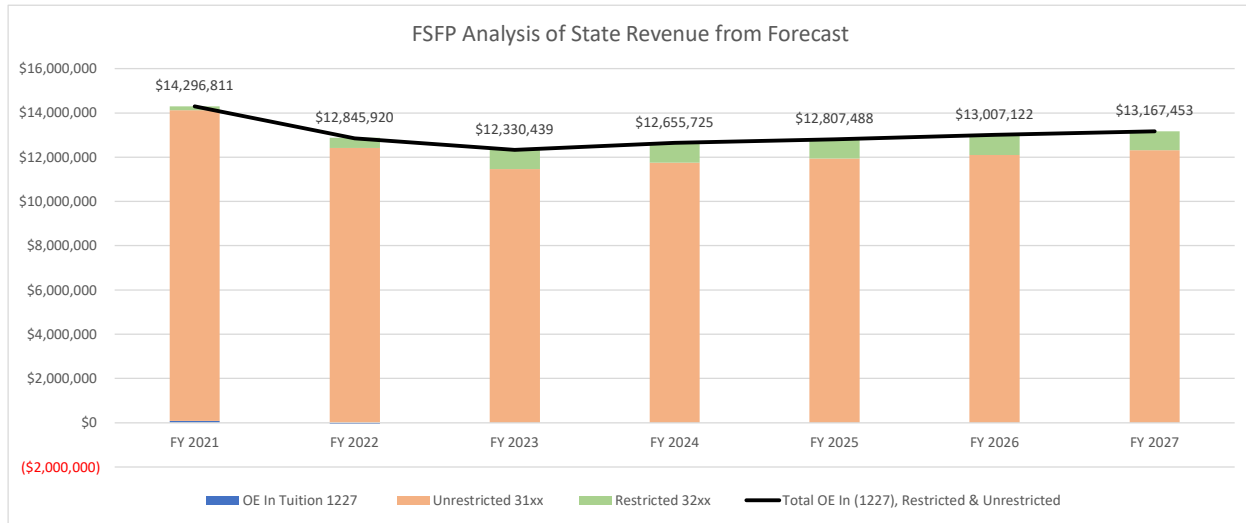


Ohio's Fair School Funding Plan - Summary Funding Results (SF8)

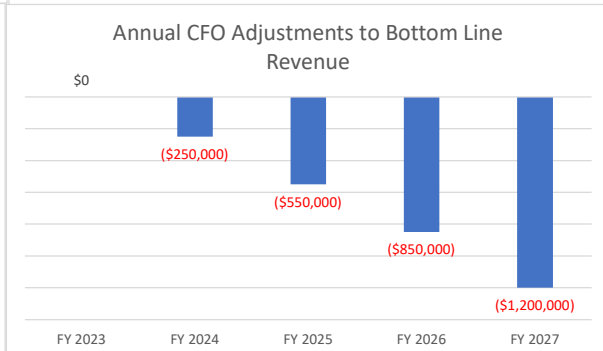
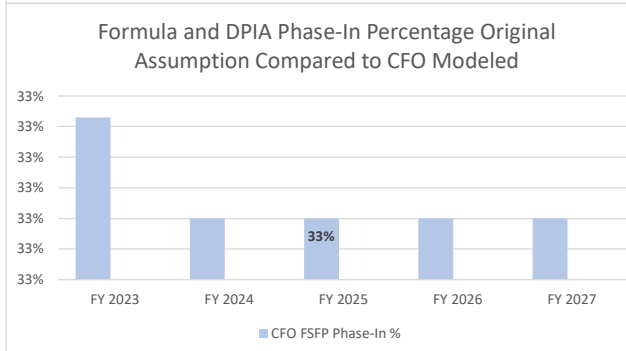
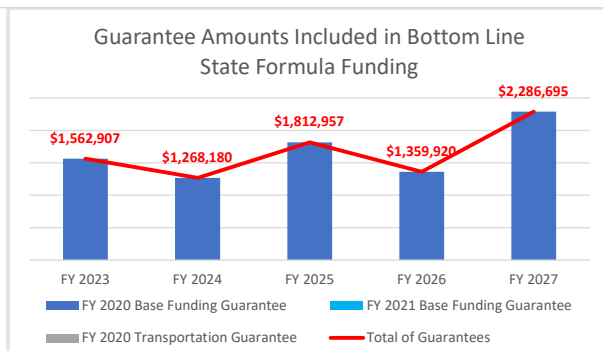
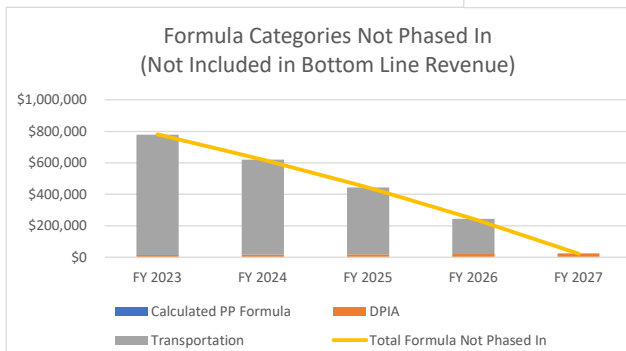
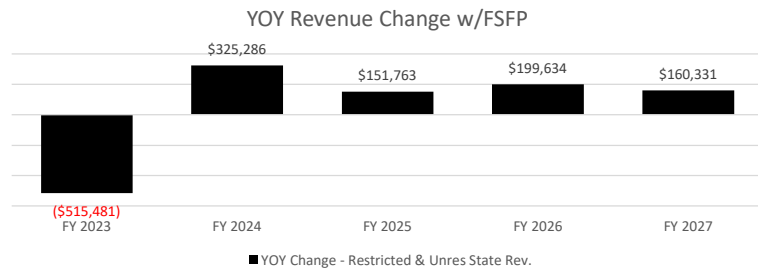
	Funding Summary	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
.R3	Current Year's Funding (R + R2)	\$9,487,416	\$9,487,416	\$9,487,416	\$9,487,416	\$9,487,416
.S1	Open Enrolled ADM Loss Impact (Result 2)	\$0	\$0	\$0	\$0	\$0
.S2	Special Education Set-Aside (SF5)	(\$99,811)	(\$105,544)	(\$99,462)	(\$104,619)	(\$94,275)
.T1	Career Awareness Revenue	\$0	\$0	\$0	\$0	\$0
.T2	CTC Associated Services Adj.	\$1	(\$236)	(\$166)	(\$225)	(\$107)
.T3	Transportation (SF7)	\$1,703,290	\$2,039,938	\$2,413,392	\$2,827,171	\$3,254,545
.U	FY 2021 Transition Supp Result 3	\$0	\$0	\$0	\$0	\$0
.V	CFO Bottom Line Funding Adjustment Below	\$0	(\$250,000)	(\$550,000)	(\$850,000)	(\$1,200,000)
	Total State Funding	\$11,090,896	\$11,171,574	\$11,251,180	\$11,359,743	\$11,447,579
	YOY Change		\$80,678	\$79,607	\$108,563	\$87,836
	YOY % Change		0.73%	0.71%	0.96%	0.77%
	Trend Indicator of Funding Status	Guarantee	Guarantee	Guarantee	Guarantee	Guarantee
	FY 20 + FY 21 Base Guarantee Total	\$1,562,907	\$1,268,180	\$1,812,957	\$1,359,920	\$2,286,695

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

Ohio's Fair School Funding Plan - CFO Bottom Line Revenue Analysis

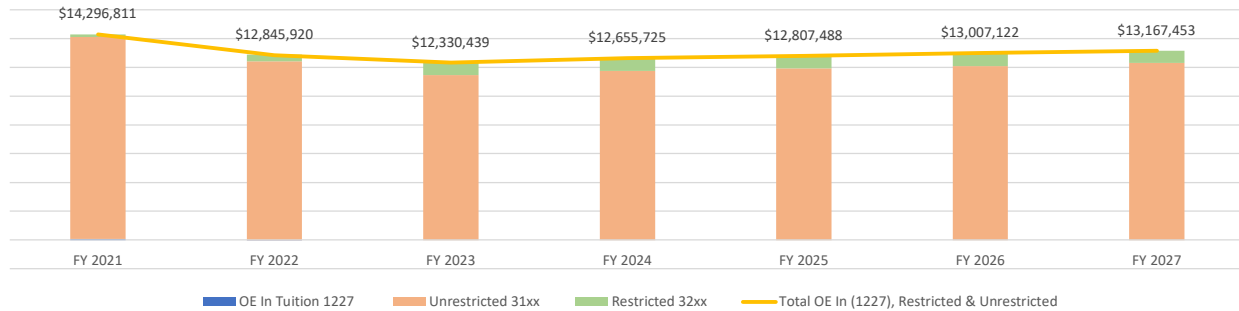


The FSFP is a formula that is being phased in and includes guarantees. With phase-ins some districts may have formula funding that is not phased-in. Other districts may experience guarantee funding. The graphs below point out these key points and the CFO's adjustment response, if any, in the bottom two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



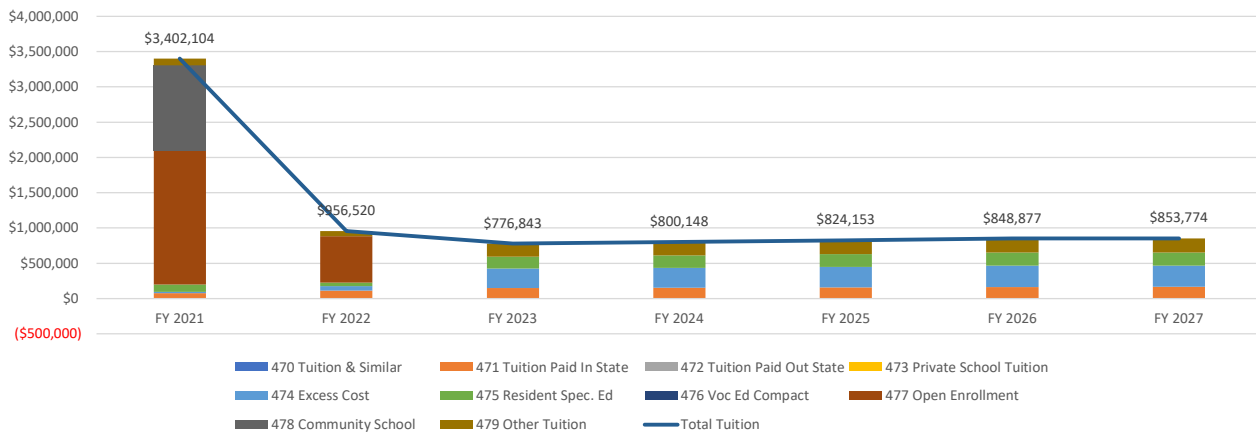
Ohio's Fair School Funding Plan - Results in Forecast

Current Forecasted State Revenue (FSFP)



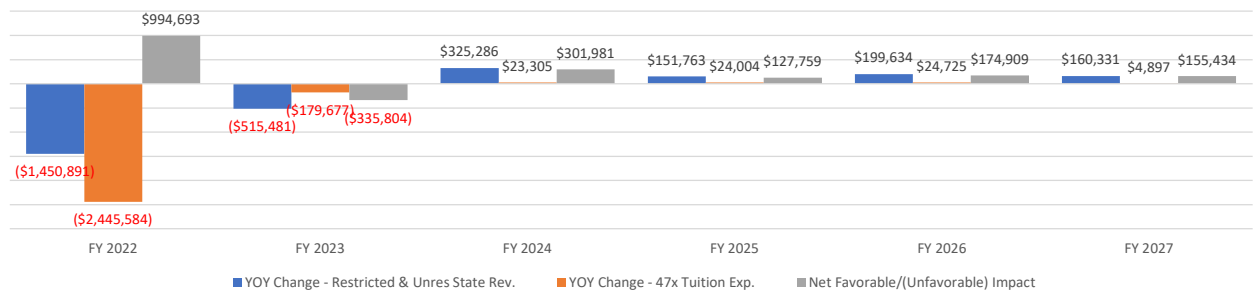
The above graph summarizes key state revenue line items impacted by the FSFP plan. Districts that had open enrollment 'in' revenue will not see this source of revenue in the future. Overall the district's projected revenue decreased -\$515,481 from FY 2022 to FY 2023. The above results are from the district's forecast and assume USAS codification standards. Note: FY 2021 and FY 2022 are actual. FY 2023 through FY 2027 are current forecast results.

Current Forecasted Tuition FSFP Analysis



Tuition expenses were impacted by the FSFP plan. Tuition expense for community schools, open enrollment out, STEM, scholarships, and EdChoice were no longer incurred as expenses starting in FY 2022. Many districts will see a decline in overall tuition cost from FY 2021 to FY 2022. In FY 2022 total tuition expense decreased -\$179,677. Note: FY 2021 and 2022 are actual. FY 2023 through FY 2027 are current forecast results.

YOY Change w/FSFP



In FY 2022, the first year of FSFP, state revenue (blue bars) decreases -\$1,450,891. Assuming, as presented in the bar chart above, that the YOY change is all the result of FSFP, then the district is expected to experience a net favorable impact of \$994,693 in FY 2022 (gray bars) and is impacted by the district's phase-in of the new formula. The favorability/unfavorability analysis continues into FY 2023 through FY 2027 as represented by the gray bars. Note: Tuition is comprised of the USAS codes commonly recognized for use with community school, and other scholarships.

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

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
FY 2020 Base Transitional Aid Guarantee	\$1,562,907	\$1,268,180	\$1,812,957	\$1,359,920	\$2,286,695
Calculated Formula Phased In	\$22,475	\$580,041	(\$510,217)	\$395,117	(\$1,459,211)
FY 2020 Guarantee as % of Calculated Formula	6953.9%	218.6%	-355.3%	344.2%	-156.7%
State Base Cost Per Pupil Funding	\$815	\$939	\$646	\$846	\$392
Memo Only: Guarantee Reflected as Student Count	1,918	1,351	2,804	1,607	5,829

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

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
FY 2021 Base Supplemental Transitional Guarantee	\$0	\$0	\$0	\$0	\$0
Calculated Formula Phased In	\$22,475	\$580,041	(\$510,217)	\$395,117	(\$1,459,211)
FY 2021 Guarantee as % of Calculated Formula	-	-	-	-	-
State Base Cost Per Pupil Funding	\$815	\$939	\$646	\$846	\$392
Memo Only: Guarantee Reflected as Student Count	-	-	-	-	-

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

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Transportation Guarantee	\$0	\$0	\$0	\$0	\$0
Open Enrollment Reduction to FY 2020 Guarantee	\$0	\$0	\$0	\$0	\$0

District Educated Enrollment

