BIG WALNUT LOCAL SCHOOL DISTRICT- DELAWARE COUNTY

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2017, 2018 and 2019 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2020 THROUGH JUNE 30, 2024

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Forecast Provided By
Big Walnut Local School District
Treasurer's Office
Jeremy Buskirk, Treasurer/CFO
May 21, 2020

Big Walnut Local School District

Delaware County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2017, 2018 and 2019 Actual;
Forecasted Fiscal Years Ending June 30, 2020 Through 2024

		Actual				Forecasted				
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Average Change	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
	Revenues									
1.010	General Property Tax (Real Estate)	16,416,912	17,574,730	18,283,805	5.5%	19,459,483	20,751,124	21,612,573	22,022,279	23,114,869
1.020	Tangible Personal Property	4,293,414	4,497,858	4,457,625	1.9%	4,492,567	4,445,760	4,327,645	4,222,841	4,104,378
1.030	Income Tax	6,356,869	6,901,674	7,609,785	9.4%	8,208,628	7,959,783	8,039,283	8,279,569	8,640,904
1.035	Unrestricted State Grants-in-Aid	6,648,879	6,844,308	6,883,850	1.8%	6,127,061	5,795,279	6,603,536	7,162,488	7,172,887
1.040	Restricted State Grants-in-Aid	31,867	51,038	82,077	60.5%	134,560	94,560	94,560	94,560	94,560
1.045	Restricted Federal Funds	0	0	0	0.0%	0	0	0	0	0
1.050	Property Tax Allocation	2,317,544	2,442,919	2,575,146	5.4%	2,679,835	2,813,290	2,939,700	2,996,964	3,153,401
1.060	All Other Revenues	1,564,909	1,657,908	2,179,404	18.7%	1,789,797	1,520,457	1,486,853	1,485,253	1,485,134
1.070	*Total Revenues*	37,630,394	39,970,435	42,071,692	5.7%	42,891,932	43,380,253	45,104,150	46,263,953	47,766,133
	Other Financing Sources									
2.010	Proceeds from Sale of Notes	-	-	-	0.0%	-	-	-	-	-
2.020	State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-
2.040	Operating Transfers-In	-	-	-	0.0%	-	-	-	-	-
2.050	Advances-In	-	-	-	0.0%	-	-	-	-	-
2.060	All Other Financing Sources	26,624	159,108	375,379	316.8%	160,851	26,978	26,978	26,978	26,978
2.070	*Total Other Financing Sources*	26,624	159,108	375,379	316.8%	160,851	26,978	26,978	26,978	26,978
2.080	*Total Revenues and Other Financing Sources*	37,657,018	40,129,543	42,447,071	6.2%	43,052,783	43,407,231	45,131,128	46,290,931	47,793,111
	Expenditures									
3.010	Personnel Services	$20,472,771	$22,300,785	$23,102,495	6.3%	23,851,490	25,647,908	27,565,574	29,608,831	31,896,600
3.020	Employees' Retirement/Insurance Benefits	$8,767,212	10,109,935	11,159,419	12.8%	12,296,398	12,978,173	14,208,240	15,681,540	17,340,009
3.030	Purchased Services	$5,430,706	5,600,413	5,492,543	0.6%	5,690,843	6,031,268	6,275,301	6,746,943	7,256,986
3.040	Supplies and Materials	1,023,501	1,074,984	1,051,625	1.4%	1,140,026	1,248,730	1,280,085	1,312,259	1,395,273
3.050	Capital Outlay	657,112	436,716	15,335	-65.0%	1,000	10,000	10,000	10,000	10,000
3.060	Intergovernmental	-	-	-	0.0%	-	-	-	-	-
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-
4.020	Principal-Notes	-	-	-	0.0%	-	-	-	-	-
4.030	Principal-State Loans	-	-	-	0.0%	-	-	-	-	-
4.040	Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-
4.050	Principal-HB 264 Loans	-	-	-	0.0%	-	-	-	-	-
4.055	Principal-Other	-	-	-	0.0%	-	-	-	-	-
4.060	Interest and Fiscal Charges	-	-	-	0.0%	-	-	-	-	-
4.300	Other Objects	$515,390	510,312	527,508	1.2%	567,551	576,025	589,768	606,276	624,963
4.500	*Total Expenditures*	36,866,692	40,033,145	41,348,925	5.9%	43,547,308	46,492,104	49,928,968	53,965,848	58,523,831
	Other Financing Uses									
5.010	Operating Transfers-Out	$0	-	-	0.0%	150,000	100,000	-	-	-
5.020	Advances-Out	-	-	-	0.0%	-	-	-	-	-
5.030	All Other Financing Uses	$0	-	-	0.0%	-	-	-	-	-
5.040	*Total Other Financing Uses*	-	-	-	0.0%	150,000	100,000	-	-	-
5.050	*Total Expenditures and Other Financing Uses*	36,866,692	40,033,145	41,348,925	5.9%	43,697,308	46,592,104	49,928,968	53,965,848	58,523,831
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	790,326	96,398	1,098,146	475.7%	(644,525)	(3,184,873)	(4,797,841)	(7,674,917)	(10,730,720)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	9,182,461	9,972,787	10,069,185	4.8%	11,167,331	10,522,806	7,337,933	2,540,092	(5,134,825)
7.020	*Cash Balance June 30*	9,972,787	10,069,185	11,167,331	5.9%	10,522,806	7,337,933	2,540,092	(5,134,825)	(15,865,544)
8.010	*Estimated Encumbrances June 30*	568,542	339,757	280,428	-28.9%	286,037	291,757	297,592	303,544	309,615
`	**Reservation of Fund Balance**									
9.010	Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020	Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030	Budget Reserve	-	-	-	0.0%	-	-	-	-	-
9.040	DPIA	-	-	-	0.0%	-	-	-	-	-
9.045	Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050	Debt Service	-	-	-	0.0%	-	-	-	-	-
9.060	Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070	Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080	*Subtotal*	-	-	-	0.0%	-	-	-	-	-
10.010	*Fund Balance June 30 for Certification of Appropriations*	9,404,245	9,729,428	10,886,903	7.7%	10,236,769	7,046,175	2,242,499	(5,438,369)	(16,175,160)

Big Walnut Local School District

Delaware County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2017, 2018 and 2019 Actual;
Forecasted Fiscal Years Ending June 30, 2020 Through 2024

		Actual				Forecasted				
		Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Average Change	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal	-			0.0%	-	-	-	-	-
11.020	Property Tax - Renewal or Replacement	-			0.0%	$0	$0	$0	$0	$0
11.300	Cumulative Balance of Replacement/Renewal Levies	-			0.0%	-	-	-	-	-
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	9,404,245	9,729,428	10,886,903	7.7%	10,236,769	7,046,175	2,242,499	(5,438,369)	(16,175,160)
	Revenue from New Levies									
13.010	Income Tax - New				0.0%	-	-	-	-	-
13.020	Property Tax - New				0.0%	-	-	-	-	-
13.030	Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010	Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010	*Unreserved Fund Balance June 30*	9,404,245	9,729,428	10,886,903	7.7%	10,236,769	7,046,175	2,242,499	(5,438,369)	(16,175,160)

Big Walnut Local School District –Delaware County
Notes to the Five Year Forecast
General Fund Only

For fiscal year 2020 (July 1, 2019 – June 30, 2020) school districts in Ohio are required to file a five (5) year financial forecast by November 30, 2019, and May 31, 2020. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. HB166, the new state biennium budget, provided new state funding to all school districts in Fiscal Years 20 and 21 specifically for Student Wellness and Success. These revenues are restricted and are required to be accounted for in a Special Revenue Fund (Fund 467) and are NOT included in this forecast.

Fiscal year 2020 (July 1, 2019-June 30, 2020) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect our best estimates for the future using the most current economic data available to us for the May 2020 filing.

Economic Outlook during the COVID-19 Global Pandemic
This five-year forecast is filed in the midst of a health and financial struggle that encompasses our global, national, state, and local economies. The district is following events and video conferences daily to help determine how to maintain continuity of services to our students and staff as we play a vital role in our community. State and local resources are going to be under extreme stress as we continue through and eventually recover from the pandemic. We have drawn upon our experiences in projecting revenues and expenses from the Great Recession of 2008, but there is no historic data or situation to compare to what the district is facing now. That makes it extremely challenging to project where our finances will be through fiscal year 2024 as noted in this forecast. Given the requirement in Ohio Law that we file a forecast in May that goes through June 2024, we are using the best and most recent reliable data available to project an uncertain future.

May 2020 Updates:

Revenues FY20:
The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be $42,891,932 or 1.87% lower than the November forecasted amount of $43,709,801.

The decrease in revenue estimate is from the cut in state funding of 14.72% in the last three payments of the fiscal year and a decrease of Open Enrollment students attending the Big Walnut School District. All other areas of revenue are tracking as anticipated for FY20 based on our best information at this time.

Expenditures FY20:
Total General Fund expenditures (line 4.5) are estimated to be $43,547,308 for FY20 which is below the original estimate of $44,709,522 in the November forecast. The expenditure line most significantly below projections is Purchased Services (line 3.03) due to tuition and state foundation deductions coming in under budget. This will have a positive effect on the long term forecast.

Unreserved Ending Cash Balance:
With revenues increasing slightly over estimates and expenditures ending below estimates, our ending unreserved cash balance June 30, 2020 is anticipated to be roughly $10.2 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through FY22 if assumptions we have made for state aid in future state budgets remain close to our estimates, and there are no future state budget cuts to our funding beyond what we have already anticipated.

Forecast Risks and Uncertainty:

In addition to the above noted uncertainty due to the COVID-19 Pandemic, a five-year financial forecast typically has inherent risks and uncertainties. This is due to normal economic uncertainties and to state legislative changes that will occur in the spring of 2021 and 2023 due to deliberation of the next two (2) state biennium budgets for FY22-23 and FY24-25 which affect this five-year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

1) Delaware County experienced the reappraisal for the 2017 tax year to be collected in 2018, which increased residential/agricultural, assessed values by $67.6 million or an increase of 10.12%, and an increase of $2.8 million or 4.84% for commercial/industrial values. The changes authorized by HB49 to CAUV values lower Class I agricultural values for counties experiencing a reappraisal of update in Tax Year 2017. Since Delaware County experienced a reappraisal in 2017, these changes essentially took effect immediately and decreased our agricultural assessed valuation by 14.29% compared to Tax Year 2016. It is anticipated this reduction will be mostly offset by HB920 as rates will adjust up if net values for Class I are lower. The cuts in CAUV will shift a larger tax burden to residential taxpayers which may be an unintended consequence of the legislature responding to agricultural interests.

2) The district's 6.9 mill substitute emergency levy was passed in May 2015 and will expire on December 31, 2020. The current effective millage rate has been set by the county at 5.45 for this levy. The renewal of this levy is necessary to keep the district financially healthy long term. We are concerned; however, we may not be able to provide the same level of services with only a renewal levy and District leadership is working to plan for what new resources are anticipated.

3) The portion of our budget coming from the State represented nearly 20.85% of district revenues in FY20 and is an area of risk to revenue as was exemplified this year. The state has reduced the district funding in FY20 by $935,804 which is 14.72% and we expect a decrease in FY21 but no definitive amount has been indicated at this time. Additional future risk comes in FY22 and beyond if the state economy worsens or if the funding formula in future state budgets reduce funding to our district. There are two future State Biennium Budgets covering the period from FY22-23 and FY24-25 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY24. We have projected our state funding to return to current levels by for FY23 and FY24, which we feel are reasonable assumptions for what the state may approve for the FY22-23 biennium budget. We will adjust the forecast in future years as we have data to help guide this decision

4) HB166 the current state budget for FY20-21 froze funding for all school districts in Ohio at their FY19 level with the only exception being the addition of Enrollment Growth Supplement money for a small number of growing districts. Our district is estimated to receive enrollment growth money for FY20-21 and will treat it as guaranteed in FY22-24. The only increase in funding to all districts in Ohio is restricted use money for Student Wellness and Success which is restricted in use and must be placed in Fund 467 and is not General Fund money and thus not included in the forecast. We have assumed this money will not continue after FY22.

5) HB166 continues the many provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus, Community Schools and increases in per pupil scholarship amounts deducted from our state aid in the 2020 and 2021 school years, even though funding for our students was not increased to our district for this biennium budget. College Credit Plus costs continue to increase as this program becomes more understood. We continue to watch closely the EdChoice Voucher legislation. HB197 passed in March

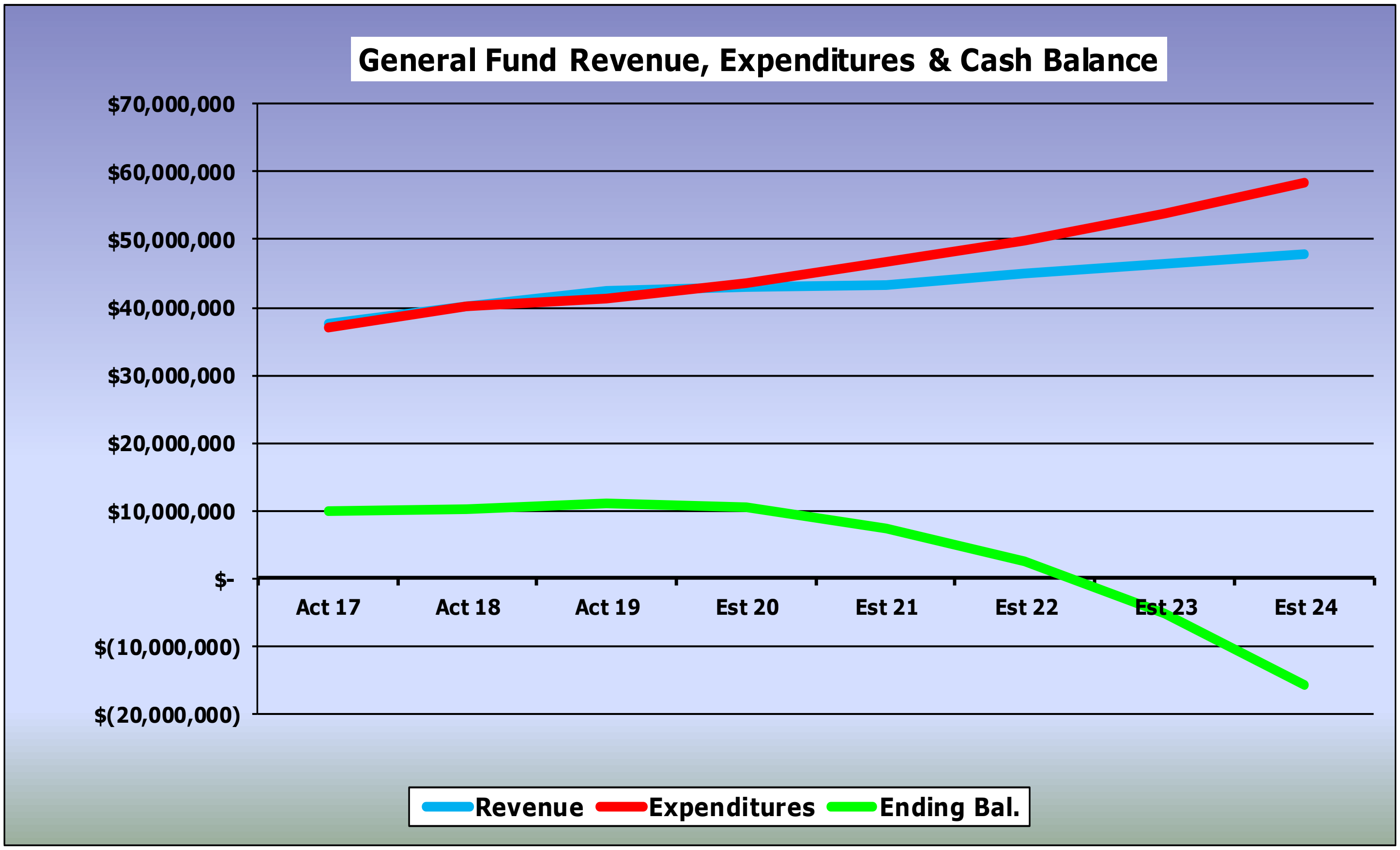
2020 freezes EdChoice eligibility of 517 buildings for the school year of 2019-2020. The district does not have any school buildings that are designated as under performing but the measures used by the state could be changed for the future. These are examples of new choice programs that increase with each biennium budget and cost the district money. Expansion or creation of programs such as these exposes the district to new expenditures that are not currently in the forecast. We are monitoring any new threats to our state aid and increased costs very closely.

6) The enrollment reporting for the state is very difficult to track. This is another area that we must monitor very closely especially with the increased enrollment that we are expecting from new housing developments.

7) Labor relations in the district have been fairly amicable with all parties working for the best interest of students and realizing the resource challenges the district faces. We believe as the district moves forward a good working relationship will continue.

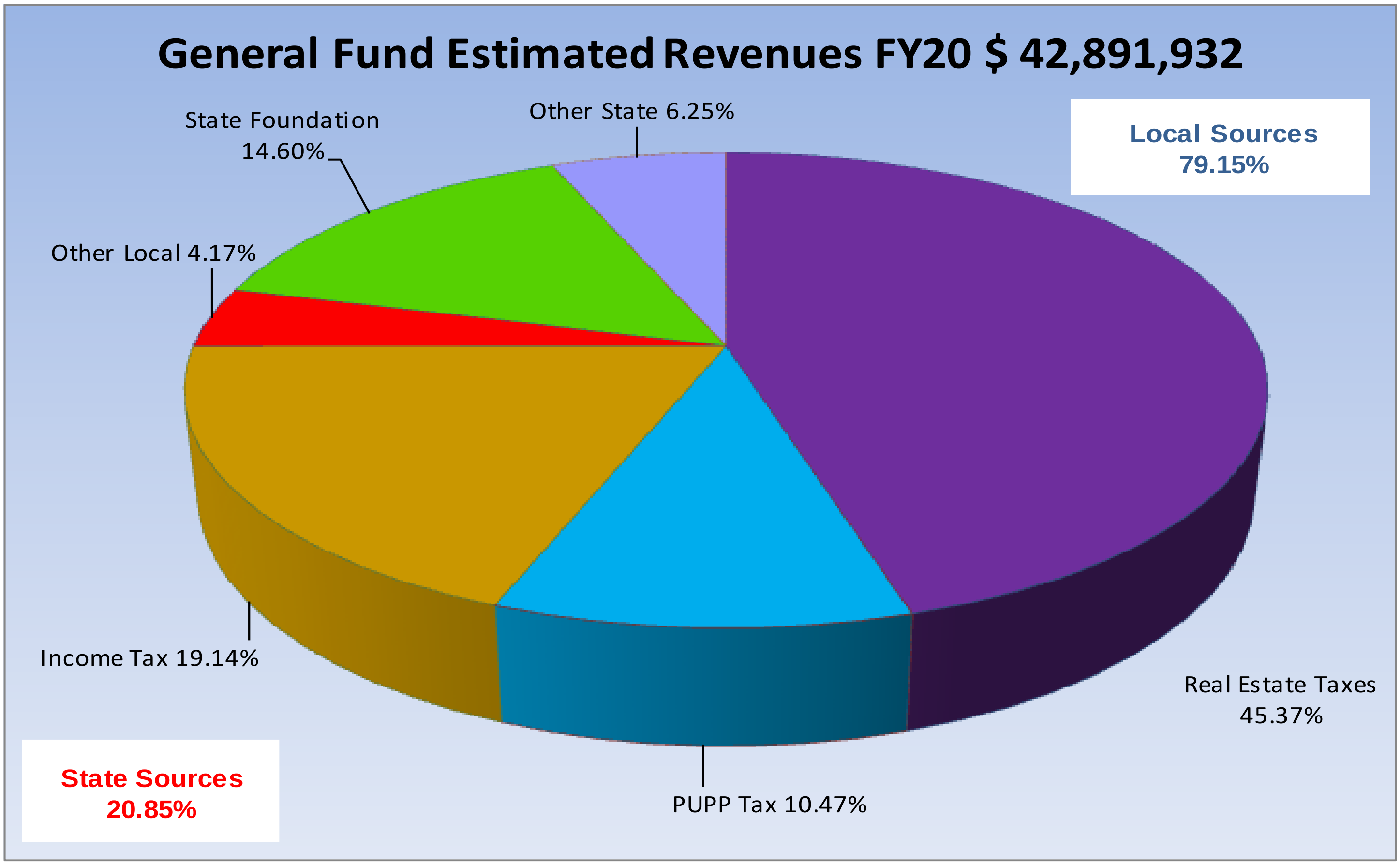
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Jeremy Buskirk, Treasurer at 740-965-3010.

General Fund Revenue, Expenditure and Ending Cash Balance Actual FY17-19 and Estimated FY20-24
The graph captures in one snapshot the operating scenario facing the district over the next few years.



Revenue Assumptions

All Revenue Sources General Fund FY20



Real Estate Value Assumptions – Line # 1.010

The County Auditor, based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values, establishes property values each year.

Delaware County went through a reappraisal for the 2017 tax year to be collected in 2018, which included a 10.12% increase in Class I reappraisal and a 4.84% increase for Class II. The Class I reappraisal includes the decreases for CAUV due to the changes in HB49 that took effect in the first year for any county going through either reappraisal or update after the passage of the law. This will cause a shift in taxes from agricultural taxpayers to residential taxpayers and may contribute to lower than anticipated taxes to our district.

There will be a reappraisal update in 2020 for collection in 2021. The district is estimating an 8% increase of values for Class I and a 2% increase in Class II for this update.

The growth of new construction for homes has increased the district's valuations each year between the reappraisal in 2017 and the update in 2020. With the growth in the district, we continue to be at the 20 mill floor for the tax rates to be collected in 2017 for our Class I property. When values increase reduction factors are increased and House Bill 920 decreases effective tax rates so the district tax revenues are held harmless, until the effective millage is lowered to 20 mills. No district can collect less than 20 mills if the district voted millage is greater than 20 mills. Only the Class I rates will be at the 20 mill floor with the new values. Since the district is at the 20 mill floor the district will see some increase in the amount that is collected for taxes. The substitute emergency levy is not included in the millage rate for the 20 mill floor.

Data captured from the different townships and villages is used to estimate new construction for each collection year for the forecast. These are only estimates based on information provided at this time. The actual increase for new construction in Class I was 32,694,810 and Class II was 6,083,240 for 2019 collection in 2020. This is important in that new construction is taxed at the full voted rate and not subject to the effective millage rates, for the first year of collection, which will increase the estimate for taxes being collected. Due to the downturn in the economy from COVID-19 the district is reducing the new construction estimates for Class I property in collection years 2021 and 2022 to 100 new homes instead of the 200 home, with an increase to 200 new homes for collection in 2023 and a 1% increase in the 2024 collection.

Property tax levies are estimated to be collected at 98.14% of the annual amount, which accounts for delinquencies that occur. Due to economic challenges some residents may encounter, our delinquency rate may increase, but this is something we will need to monitor for the second half property tax collections. We, also, anticipate 51.45% of the Res/Ag and Comm/Ind property taxes will be collected in the February tax settlement and 48.55% will be collected in the August tax settlement. While we saw a shift from historical trends in 2018 payments, which we believe was due to federal tax law changes, we believe collection splits between first and second half will come back in line with trends.

The AEP Vassell Substation continues to be a very important section of the Public Utility Personal Property (PUPP) tax valuation for the district. Since the substation was first added to the values in 2016 the district has seen increases and decreases each year in PUPP tax values. The district has been told to expect decreases in PUPP throughout the remainder of the forecast due to depreciation of the power plant equipment of approximately 3% to 3.5% each year. However, in 2019 for collection in 2020 there was a $1.17 million increase instead of the 2% decrease that was expected in the November forecast. Due to new planned housing developments, we believe there will be additions to public utility infrastructure that will compensate for current depreciation, and our projections assume decreases throughout the forecast in this line of 2.0% in fiscal year 2021, 2.25% in fiscal year 2022, and 2.5% in fiscal years 2023 and beyond. The PUPP collections are 50% for each half collection in 2020.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2019	TAX YEAR2020	TAX YEAR2021	TAX YEAR2022	TAX YEAR2023
Classification	COLLECT 2020	COLLECT 2021	COLLECT 2022	COLLECT 2023	COLLECT 2024
Res./Ag.	$820,686,690	$898,421,625	$910,501,625	$934,831,625	$1,015,496,523
Comm./Ind.	$64,344,950	$68,771,849	$69,596,849	$70,421,849	$72,655,286
Public Utility (PUPP)	$132,928,210	$130,269,645	$127,338,578	$124,155,114	$121,051,236
Total Assessed Value	$1,017,959,850	$1,097,463,120	$1,107,437,053	$1,129,408,588	$1,209,203,045

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY 20	FY 21	FY 22	FY 23	FY 24
Est. Property Taxes Line #1.010	$19,459,483	$20,751,124	$21,612,573	$22,022,279	$23,114,869

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

There was a phase out of TPP taxes beginning in FY06 with HB66 that was adopted in June 2005. TPP tax assessments ended in FY11. The only amounts received after FY11 are from delinquent TPP taxes outstanding as of 2010. Big Walnut does not receive any TPP payments.

The amounts on this line of the forecast consist of Public Utility Personal Property (PUPP) tax payments. The amounts noted below are tax payments from public utilities. The values for PUPP are noted on the estimated assessments table above under Public Utility, which was $132.9 million in assessed values in 2019 collected in 2020. These tax payments are collected at the district's gross voted millage rate. Collections are typically 50% in February and 50% in August along with the real estate settlements from the county auditor.

ESTIMATED PUBLIC UTILITY PERSONAL TAX – Line 1.020

Source	FY 20	FY 21	FY 22	FY 23	FY 24
Public Utility Personal Property Taxes	$4,492,567	$4,445,760	$4,327,645	$4,222,841	$4,104,378
Est. PUPP Taxes Line 1.020	$4,492,567	$4,445,760	$4,327,645	$4,222,841	$4,104,378

Renewal Tax Levies – Line #11.020 - The Substitute Emergency Levy was approved in the March/April primary election as a continuing levy and has been moved to line 1.010 for General Property Taxes. The district does not have any other levies that will be included in this line.

New Tax Levies – Line #13.030 - No new levies are modeled in this forecast, however, the district will need to evaluate the needed resources to allow for the current educational delivery model and added services provided.

School District Income Tax – Line #1.03

The district passed an income tax (SDIT) of .75% effective in 1995, which was approved as a continuing tax in 2003. The amount of growth in income tax is difficult to estimate as most of the information from the Ohio Department of Taxation is confidential. The Department of Taxation has advised for increases between 2.0% and 4.0% for school income taxes. The district has received increases that have out-paced these estimates in the past years, and until the impacts of COVID-19, we believed this trend would continue. In FY20 saw an increase of 7.87% increase over FY19, which might have been even greater, had the SDIT filing date had not been changed due to COVID-19 pandemic. The COVID-19 pandemic has changed our projections of a 6.0% growth in FY21 through FY24 to -4% in FY21, 0% increase in, 2% increase in FY23 and a 3.5% increase in FY24. In addition, we are estimating growth from new families based on the following assumption: 100 families per year in FY21-FY23 and 90 families per year in FY24 with an annual family income of approximately $106,000 as estimated data from U.S. Census Bureau, 2013-2017 American Community Survey as compiled by Ohio Municipal Advisory Council OMAC data. This will be something we monitor closely as we plan for the coming years.

Source	FY 20	FY 21	FY 22	FY 23	FY 24
SDIT Collection	$7,609,785	$8,208,628	$7,959,783	$8,039,283	$8,279,569
Adjustments	$598,843	-$248,845	$79,500	$240,286	$361,335
Total to Line #1.030	$8,208,628	$7,959,783	$8,039,283	$8,279,569	$8,640,904

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

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

The amounts estimated for state funding are based on HB166 funding simulations which basically guarantee all school districts the same amount of state aid they received in FY19. Essentially funding for all 610 traditional school districts and 49 Joint Vocational and Career Centers is frozen for FY20 & 21 at the FY19 funding level for state basic aid. The State Foundation Funding Formula used since FY14 has now been abandoned after six (6) years. HB305 is currently under consideration by the legislature and may produce a successor funding formula for the FY22-23 biennium budget but there is nothing to base future projections on. For this reason, we had, prior to very recent state funding reductions, projected state aid flat through FY24 as we have nothing authoritative to rely on at this time.

Due to COVID-19 the governor cut education for FY20 by over $300 million, which was 3.72% of basic State education funding aid. The district's portion of the reduction is $935,804 or 14.72% of our current state foundation amount. This amount will be reduced from the final 3 payments of our foundation funding in FY20. There has been no indication on what may happen in FY21, however, districts like Big Walnut generally are not treaty favorably. As such, we are planning for an additional 20% reduction in basic state aid for FY21, with an additional decrease in FY22 of $500,000. The final two years of the forecast we are estimating them to be flat funded at the FY19 amount for basic aid. This would hopefully bring us back to our current funding levels, which have remained flat since FY17.

Enrollment Growth Supplement: This funding element that was also introduced by Am. Sub. HB 166 for implementation in FY20 is aimed at providing additional funding to school districts that have experienced increased enrollment the past 3 years. The district is anticipated to receive this funding in FY20 of $246,509 and $370,722 in FY21. At this point, we are hopeful that these funds will not also be taken away and are anticipating these resources to continue.

Supplemental Funding for Student Wellness and Success (Restricted Fund 467)
Nearly all of the new funding for K-12 public education in the FY20-21 Executive Budget is provided through a formula allocating $250 million in FY20 and $358 million in FY21 based upon each district's percentage of students in households at or below 185% of the Federal Poverty Level (FPL) and the total number of students enrolled in each district. In FY20 proposed funding ranges from $20 per student to $250 per student and in FY21 funding ranges from $25 per student to $300 per student. All schools and students are to receive a minimum additional funding of $25,000 in FY20 and $30,000 in FY21. Our district is estimated to receive $145,897 in FY20 and $205,489 in FY21. Money will be received twice each year in October and February. These dollars are to be deposited in a Special Revenue Fund 467, which is not included in this forecast, and are restricted to expenses that follow a plan developed in coordination with one of the approved community partner organizations approved in HB166 that include the following:

A. **Student Wellness and Success Initiatives (ORC 3317.26(B))**

- Mental health services
- Services for homeless youth
- Services for child welfare involved youth
- Community liaisons
- Physical health care services
- Mentoring programs
- Family engagement and support services
- City Connects programming
- Professional development regarding the provision of trauma-informed care
- Professional development regarding cultural competence
- Student services provided prior to or after the regularly scheduled school day or any time school is not in session

B. Community Partners (ORC 3317.26(C))

- A board of alcohol, drug and mental health services
- An educational service center
- A county board of developmental disabilities
- A community-based mental health treatment provider
- A board of health of a city or general health district
- A county department of job and family services
- A nonprofit organization with experience serving children
- A public hospital agency

At this time our district is planning on adding new initiatives to service student needs per our plan as identified in 3317.26 (B) which will be funded in the new Fund 467. These initiatives are a partnership with the Education

Service Center of Central Ohio and focus on student mental health and physical wellness. We anticipate that these funds will be discontinued in FY22-24 but if successful we will add these new costs to the General Fund FY22-24 and the General Fund forecast has been adjusted for these new expenses.

We believe our current state funding estimates for FY20-24 are reasonable and that we will adjust the forecast in the future when we have authoritative data to work with.

Future State Budgets: Our funding status for the FY22-24 will depend on two (2) new state budgets which are unknown. With the change to the state funding and no growth for the FY20-21 state amounts, we had not planned on increases to the state funding for any year of the forecast. As previously noted, we have made adjustments to our state funding based on very recent reduction due to COVID-19 and are estimating future funding with minimal additional guidance at this point. We believe our current state funding estimates for FY20-24 are reasonable and will adjust the forecast in the future when we have authoritative data to work with.

Casino Revenue: On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. As of March 4, 2013 all four (4) casinos were open for business and generating Gross Casino Tax Revenues (GCR). Thirty-three percent (33%) of the gross casino revenue is collected as a tax. School districts receive 34% of the 33% GCR that is paid into a student fund at the state level. These funds are distributed to school districts twice a year on the 31st of January and August each year which began for the first time on January 31, 2013.

The state indicated recently that revenues from casinos are not growing robustly as originally predicted but are still growing slowly as the economy has improved. Actual numbers generated for FY19 statewide were 1,785,583 students at $52.59 per pupil. That is a decline of .36% students from the prior year. For FY20-24 we estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $95.5 million or $53.75 per pupil. Due to the COVID-19 closing the casinos in 2020 we are reducing the amount of funding in FY21 by 40% then increasing the amount in FY22 by 25%, FY23 by 32% and 1% in FY24 as we go through the next few years we will adjust as the funding information is available.

Source	FY 20	FY 21	FY 22	FY 23	FY 24
Basic Aid-Unrestricted	$5,440,843	$5,071,702	$5,843,267	$6,343,267	$6,343,267
Additional Aid Items	$482,708	$601,482	$601,482	$601,482	$601,482
Basic Aid-Unrestricted Subtotal	$5,923,551	$5,673,184	$6,444,749	$6,944,749	$6,944,749
Ohio Casino Commission ODT	$203,510	$122,095	$158,786	$217,738	$228,138
Total Line # 1.035	$6,127,061	$5,795,279	$6,603,536	$7,162,488	$7,172,887

B) Restricted State Revenues – Line # 1.040

HB64 continues funding two restricted sources of revenues to school district which are Economic Disadvantaged Funding and Career Technical Education funding. We have incorporated this amount into the restricted aid amount in Line # 1.04 for FY19-23. The district also submits for catastrophic costs, which provides reimbursement for a portion of the extraordinary costs paid for students with special needs.

Source	FY 20	FY 21	FY 22	FY 23	FY 24
Economically Disadvantage Aid	$13,066	$13,066	$13,066	$13,066	$13,066
Career Tech - Restricted	$1,494	$1,494	$1,494	$1,494	$1,494
Catestrophic Aid	$120,000	$80,000	$80,000	$80,000	$80,000
Total Line #1.040	$134,560	$94,560	$94,560	$94,560	$94,560

Restricted Federal Grants in Aid – line #1.045
There is no additional restricted federal funding projected in this forecast.

Summary of State Foundation Revenues

SUMMARY	FY 20	FY 21	FY 22	FY 23	FY 24
Unrestricted Line # 1.035	$6,127,061	$5,795,279	$6,603,536	$7,162,488	$7,172,887
Restricted Line # 1.040	$134,560	$94,560	$94,560	$94,560	$94,560
Restricted Fed. Grants - Line #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$6,261,621	$5,889,839	$6,698,096	$7,257,048	$7,267,447

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

Homestead Exemptions are also credits paid to the district from the state of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who did not currently have their Homestead Exemption approved or those who did not get a new application approved for tax year 2013, and who become eligible thereafter only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 did not lose it going forward and did not have to meet the new income qualification. These changes have slowed the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increases the taxes collected locally on taxpayers.

b) Tangible Personal Property Reimbursements –
The previous state budget bill HB153 reduced all reimbursements that the district received on TPP replacement dollars for both Fixed Rate and Fixed Sum Levies.

Summary of State Tax Reimbursement – Line #1.050

Source	FY 20	FY 21	FY 22	FY 23	FY 24
a) Rollback and Homestead	$2,679,835	$2,813,290	$2,939,700	$2,996,964	$3,153,401
b) TPP Reimbursement - Fixed Rate	$0	$0	$0	$0	$0
Total Tax Reimb./Prop. Tax Allocations #1.(	$2,679,835	$2,813,290	$2,939,700	$2,996,964	$3,153,401

Other Local Revenues – Line #1.060
All other local revenue encompasses any type of revenue that does not fit into the above lines. The main source of revenue in this area is tuition for court placed students, preschool tuition, full-day kindergarten tuition, open enrollment, general rental fees, interest earnings and Medicaid reimbursements.

We anticipate TIF receipts to continue throughout the forecast period with a modest growth rate which is indicative of the past trends. The TIF payments are from the Sunbury Mills Plaza development.

FY15 was the first year for Open Enrollment for our staff only. According to the April #1 payment the district experienced a loss of 15 students for Open Enrollment for FY20, which the district only expects to be for one year. The district is expecting a ½% increase each year for remaining years of the forecast. We have reduced FY21 interest by 60% and FY22 by another 25% due to the rapid reduction in interest rates to help stimulate the economy due to the COVID-19 pandemic and 10% decrease in FY23 and FY24 for declining balances.

In FY19, the district received several large payments for Medicaid reimbursements from previous years, but not expecting any of those payments in FY20 which has decreased the other miscellaneous receipts to a more normal amount with a 1% increase for each year of the forecast.

Source	FY 20	FY 21	FY 22	FY 23	FY 24
TIF and PILOTS	$151,716	$153,233	$154,765	$156,313	$157,876
Tuition	$566,616	$566,616	$572,283	$578,005	$583,785
Open Enrollment	$283,915	$285,335	$286,761	$288,195	$289,636
Interest	$455,595	$182,238	$136,678	$123,011	$110,709
Class Fees	$223,971	$223,971	$226,210	$228,472	$230,757
Other Miscellaneous Receipts	$107,985	$109,064	$110,155	$111,257	$112,369
Total Line # 1.060	$1,789,797	$1,520,457	$1,486,853	$1,485,253	$1,485,134

Short-Term Borrowing – Lines #2.010 & Line #2.020 –There is no additional borrowing planned in the forecast at this time.

Transfers In / Return of Advances – Line #2.040 & Line #2.050

These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The district does not anticipate any Transfers or Advances during the remainder of the forecast.

All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures and one-time payments that are very unpredictable. In FY20 the district received a refund from BWC of 61,587 and a second dividend of $72,286 to help employers with costs due to the COVID-19 pandemic.

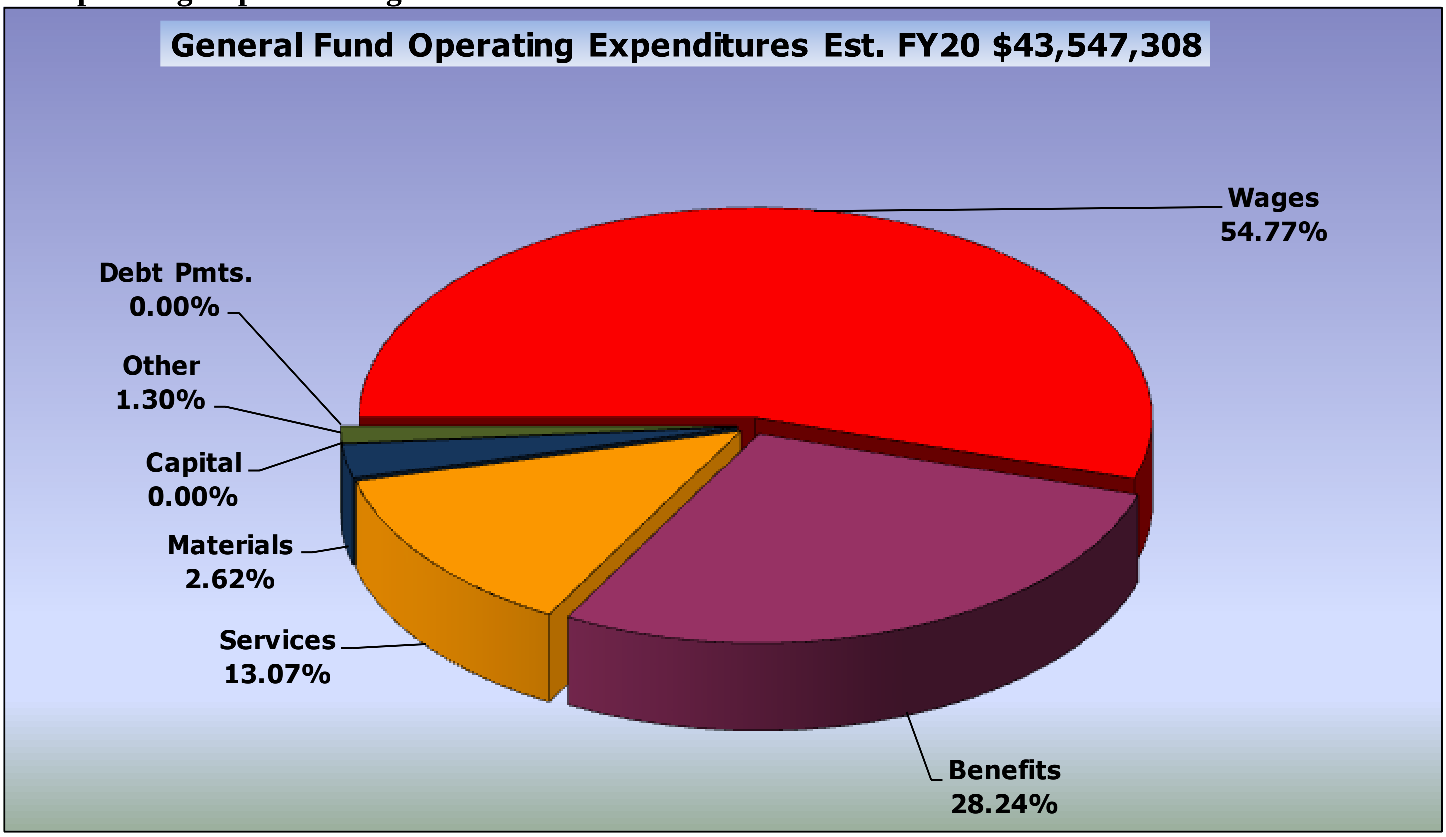
The district is estimating amounts for FY21 through FY24 based on currently received receipts and historical trends for this revenue area.

Source	FY 20	FY 21	FY 22	FY 23	FY 24
All Other Sources	$160,851	$26,978	$26,978	$26,978	$26,978

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether with changes in curriculum or new technology needs. As the administration of the district constantly reviews expenditures the education of our students is the forefront of decision making.

All Operating Expense Categories - General Fund FY20



Wages – Line #3.010

The district evaluates staffing needs with the help of enrollment projections that are based on the study conducted for the district by Future Think. Even though the district continues to see enrollment growth minimal staffing increases have been made recently due to budget pressures. The estimated net new hires in our forecast accounted for are 2.5 in FY20, 12.1 in FY21, 13.5 in FY22, 14.0 in FY23 and 17.5 in FY24. The planned positions are mainly for staffing we believe will be necessary to meet the demands of the new buildings, state or federal requirements for busing and students with special needs. These estimates will be adjusted each year with the needs of the educational programs and as actual student information is available. The district will continue to keep a close watch of available resources to evaluate whether additional staffing can be accommodated or if other action will need to be taken. The district approved a contract in the fall with BWEA and BWPSS that runs retroactively from July 1, 2019 to June 30, 2021. These agreements provide a 3% increase in wages for each year and modifies the district's insurance plan design, which will be discussed in the next section. Step increases for current employees are estimated to be 2.6%. The district has a contract with both OAPSE 524 and 696 unions that run from July 1, 2017 to June 30, 2020, which provide a 2% increase in wages for each year. The district is forecasting an increase of 3% growth in Substitutes and Extra Curricular wages during the forecast years.

Due to hiring practices, the district has experienced some wage savings from originally anticipated costs. In additions with school being closed from the COVID-19 pandemic the district has seen decreases in needs for substitutes and overtime. In total, we have reduced salaries from November by approximately $365,000 of which we anticipate $125,000 are one-year savings from not being in our buildings.

Summary of Personal Services – Line #3.010

Source	FY 20	FY 21	FY 22	FY 23	FY 24
Base Wages	$21,988,381	$22,770,534	$24,501,323	$26,372,558	$28,366,638
Wage adjustments	$609,804	$631,495	$490,026	$527,451	$567,333
Steps & Training	$527,721	$592,034	$637,034	$685,687	$737,533
Growth/Replacement staff	$1,111,339	$710,046	$683,848	$719,329	$876,069
Other	$0	$200,000	$200,000	$200,000	$200,000
Salary In Lieu of Insurance	$179,013	$193,334	$212,667	$233,934	$257,327
Substutites & Supplemental	$876,943	$903,251	$930,349	$958,259	$987,007
Severance	$25,000	$50,000	$50,000	$50,000	$50,000
Staff Reductions	-$1,466,710	-$402,786	-$139,673	-$138,388	-$145,307
Total Wages Line 3.010	$23,851,490	$25,647,908	$27,565,574	$29,608,831	$31,896,600

Fringe Benefits Estimates – Line #3.020

A) STRS/SERS will increase as Wages Increase

As required by law the BOE pays 14% of all employee wages to STRS or SERS. The district is using a blended rate of 15.9% for those that received pick-up on pick-up of the retirement and the additional surcharge for SERS members that do not earn $21,600 each year.

B) Insurance

As the graph below notes health care is a significant cost for the district and continues to be a real challenge as costs rise. Through the negotiations with the BWEA, administrators and classified support staff, the district made modifications to its medical insurance plan design and implement a high deductible health plan. This plan change decreased our anticipated premium increase and resulted in slightly lower participation. This has resulted in a lower overall insurance trend percentage for FY20 and FY21 and provided significant savings for the district. Our May forecast update anticipates a insurance costs increases of 13.75% for FY20, 8.00% for FY21 and 10.0% for FY22-FY24. This increase is a blend of the districts history of claims increases and the industry standards of annual premium increases.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. "Cadillac Tax"), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is based on the district's rate of .3323% of the total salaries paid for each year of the forecast. The district will move to Retro Group Rating in FY21 for Worker's Compensation payments, which will lower payments in future years. The district for the past two years has had nominal claims for Unemployment, therefore, is not forecasting any expenditure during the forecast since we are a direct reimbursement employer. By being a direct reimbursement employer unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

D) Medicare

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

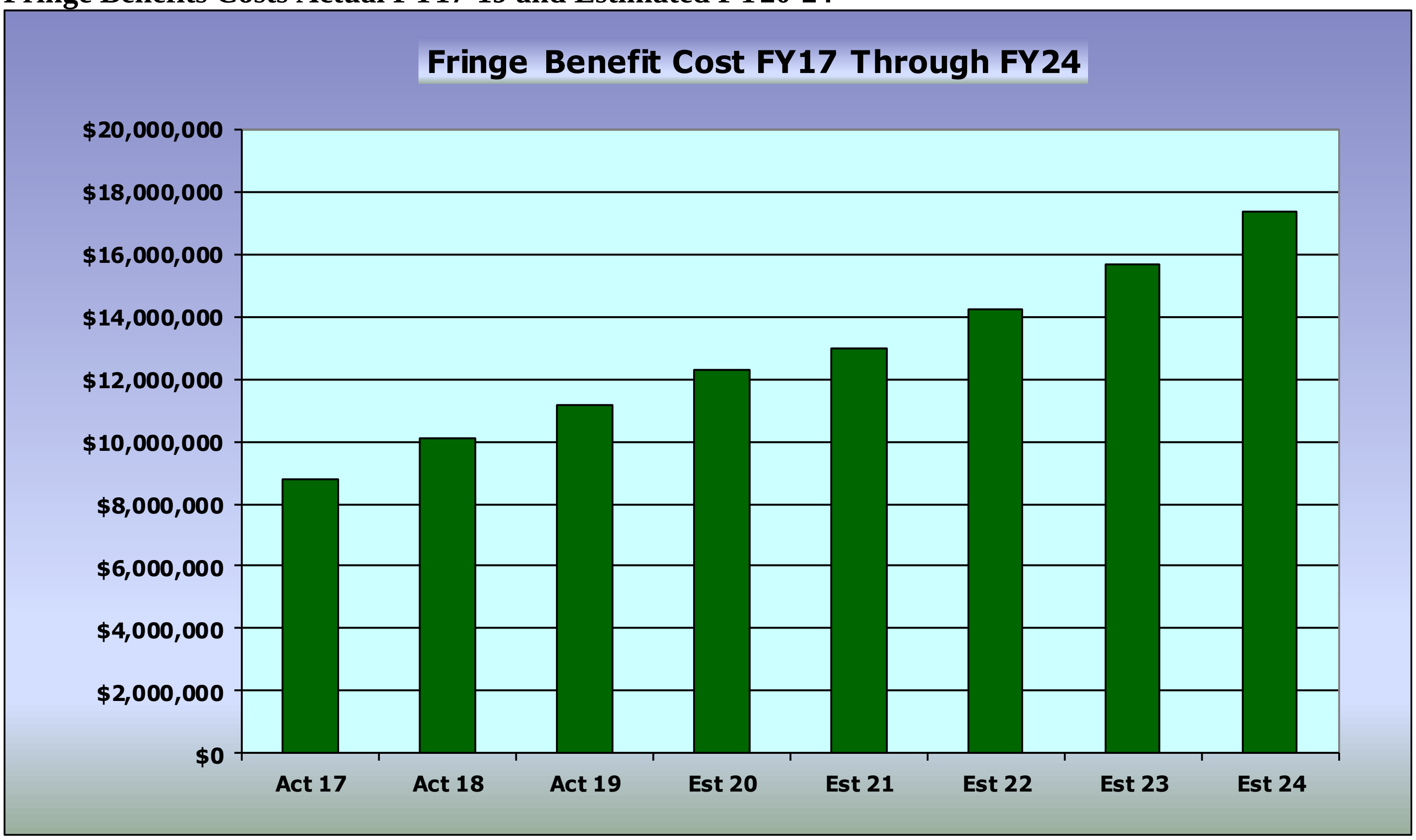
E) Tuition and Other Benefits

The district has implemented an early retirement incentive in FY20 and FY21. The district is also paying a portion for staffs that have taken the HSA in FY20 and FY21. These costs will be decreased to the normal tuition reimbursement in FY22 and the remainder of the forecast.

Summary of Fringe Benefits – Line #3.020

Source	FY 20	FY 21	FY 22	FY 23	FY 24
STRS/SERS	$3,745,088	$4,006,442	$4,305,609	$4,624,771	$4,980,217
Insurance's	$7,614,506	$8,345,409	$9,358,552	$10,481,833	$11,753,399
Workers Comp/Unemployment	$79,259	$95,228	$96,480	$97,709	$95,992
Medicare	$345,847	$371,895	$399,701	$429,328	$462,501
Tuition and Other Benefits	$511,699	$159,199	$47,899	$47,899	$47,899
Total Line 3.020	$12,296,398	$12,978,173	$14,208,240	$15,681,540	$17,340,009

Fringe Benefits Costs Actual FY17-19 and Estimated FY20-24



Purchased Services – Line #3.030

An overall average inflation of 2% is being estimated for this category. Community School deductions and tuition paid to other districts are the largest unknown costs for the district as these areas are dependent upon the information that is received from other districts and can fluctuate significantly from one year to the next. Municipal leases for student technology are forecasted on this line. The District uses the permanent improvement levy funds to pay for buses that had previously been paid as a general fund cost in this line.

The ESC of Central Ohio or other third party vendor costs increased in FY20 due to additional full time equivalency (FTE) services for 0.2 speech and 5 tutors, which is estimated at $139,000. Due to COVID-19 we have evaluated future years and either reduced or deferred some supports we had hoped to be able to provide.

In FY21, the district anticipates FTE needs of 0.5 occupational therapist, 0.2 physical therapist and 0.5 speech therapist as contracted services. As a way to help absorb some of the state reductions, we plan to reduce 4.5 tutoring positions. In FY22, it is believed that an additional 0.2 adaptive physical education will be needed. The district is also planning to recode to the general fund from the Student Wellness and Success Fund for 1 nurse and 1 mental health specialist as we are not counting on these funds to be renewed with the next state budget. In FY23, the district is planning on a 0.5 additional occupational therapist and 1.0 psychologist to be paid through the ESC. For FY24 the district is planning for additional ESC costs for 0.5 speech therapist, 0.2 occupational therapist, 0.2 physical therapist, 0.2 adaptive physical education specialist, 1 technology specialist and 5 tutors.

FY20 expenditures were also increased by $165,000 for students with special needs that require them to be provided intervention at external facilities, and these costs are planned to continue throughout the forecast.

We have experienced a decrease of the use of the ESC substitutes due to the COVID-19 and have decreased our expenses by $125,000 for FY20 only.

Utilities are being increased annually by 3% and will see increases in FY21 for the new elementary and a reduction of partial closing for turning Harrison Street into an Early Learning Center; in FY23 will see changes for the new high school and bringing the intermediate school off line for a year; and FY24 will increase for reopening the intermediate school as an updated elementary school. Due to COVID-19 and the closures of the buildings we have experienced a decrease of $20,000 in FY20 of utility costs.

Maintenance and repair costs will increase with the changes and additions of the new buildings and have a base increase of 2% each year. Due to COVID-19 and the closures of the buildings we are anticipating a decrease of $15,000 in FY20 of repairs and services for one year only.

Purchased Services – Line #3.030

Source	FY 20	FY 21	FY 22	FY 23	FY 24
Insurance, Leases, Postage, & Other	$777,261	$807,806	$823,963	$840,442	$857,251
Professional Services, Legal Fees & ESC	$2,337,525	$2,489,276	$2,654,861	$2,857,858	$3,228,316
Tuition, OE, SF14, CCP & Excess Costs	$1,014,989	$1,035,289	$1,055,995	$1,077,114	$1,098,657
Community School Deductions	$409,416	$417,604	$425,956	$434,476	$443,165
Phone and Internet Services	$76,726	$78,261	$79,826	$81,423	$83,051
Utilities	$660,898	$760,725	$783,547	$980,453	$1,051,867
Building Repairs & Services	$414,027	$442,307	$451,153	$475,177	$494,680
Total Line 3.030	$5,690,843	$6,031,268	$6,275,301	$6,746,943	$7,256,986

Supplies and Materials – Line #3.040

On average an inflation rate of 3% is being estimated for this category of expenses which are characterized by classroom supplies, textbooks, copy paper, maintenance supplies, materials, and bus fuel. We are anticipating additional costs for educational supplies and maintenance supplies when each of the new schools area opened. We have decreased each line of supplies in FY20 by $20,000 due to the COVID-19 pandemic.

Source	FY 20	FY 21	FY 22	FY 23	FY 24
Supplies, Textbooks, and other	$549,676	$610,670	$622,883	$635,341	$678,047
Maintenance & Transportation Supplies	$590,350	$638,061	$657,202	$676,918	$717,226
Total Line 3.040	$1,140,026	$1,248,730	$1,280,085	$1,312,259	$1,395,273

Equipment – Line # 3.050
The district continues to update its capital projects budget to update the aging bus fleet and replenish or refresh other assets such as roofing, asphalt, computers, desks and chairs that will be paid from the permanent improvement fund or within construction fund for the new buildings. The district has reduced the amount for FY20 to $1,000, which is the amount that has been spent so far this year with a little extra for the end of the year. The district has decreased the amount for FY21-FY24 from $15,000 to $10,000 for any minor capital outlay.

Source	FY 20	FY 21	FY 22	FY 23	FY 24
Capital Outlay	$1,000	$10,000	$10,000	$10,000	$10,000
Technology	$0	$0	$0	$0	$0
Facility Upkeep	$0	$0	$0	$0	$0
Replacement Bus Purchases	$0	$0	$0	$0	$0
Total Line 3.050	$1,000	$10,000	$10,000	$10,000	$10,000

Principal and Interest Payment – Lines # 4.05 and 4.06
There is no additional borrowing planned in the forecast at this time.

Other Expenses – Line #4.300
The category of Other Expenses consists primarily of Auditor & Treasurer fees, SDIT collection fees and our annual audit and other miscellaneous expenses. The district uses an average increase of 2.8% for the annual increase for this area.

Source	FY 20	FY 21	FY 22	FY 23	FY 24
Auditor & Treasurer Fees	$331,811	$341,765	$352,018	$362,578	$373,456
County ESC	$21,926	$22,364	$22,812	$23,268	$23,733
SDIT Tax Collection Fees	$123,129	$119,397	$120,589	$124,194	$129,614
Other expenses	$90,685	$92,499	$94,349	$96,236	$98,161
Total Line 4.300	$567,551	$576,025	$589,768	$606,276	$624,963

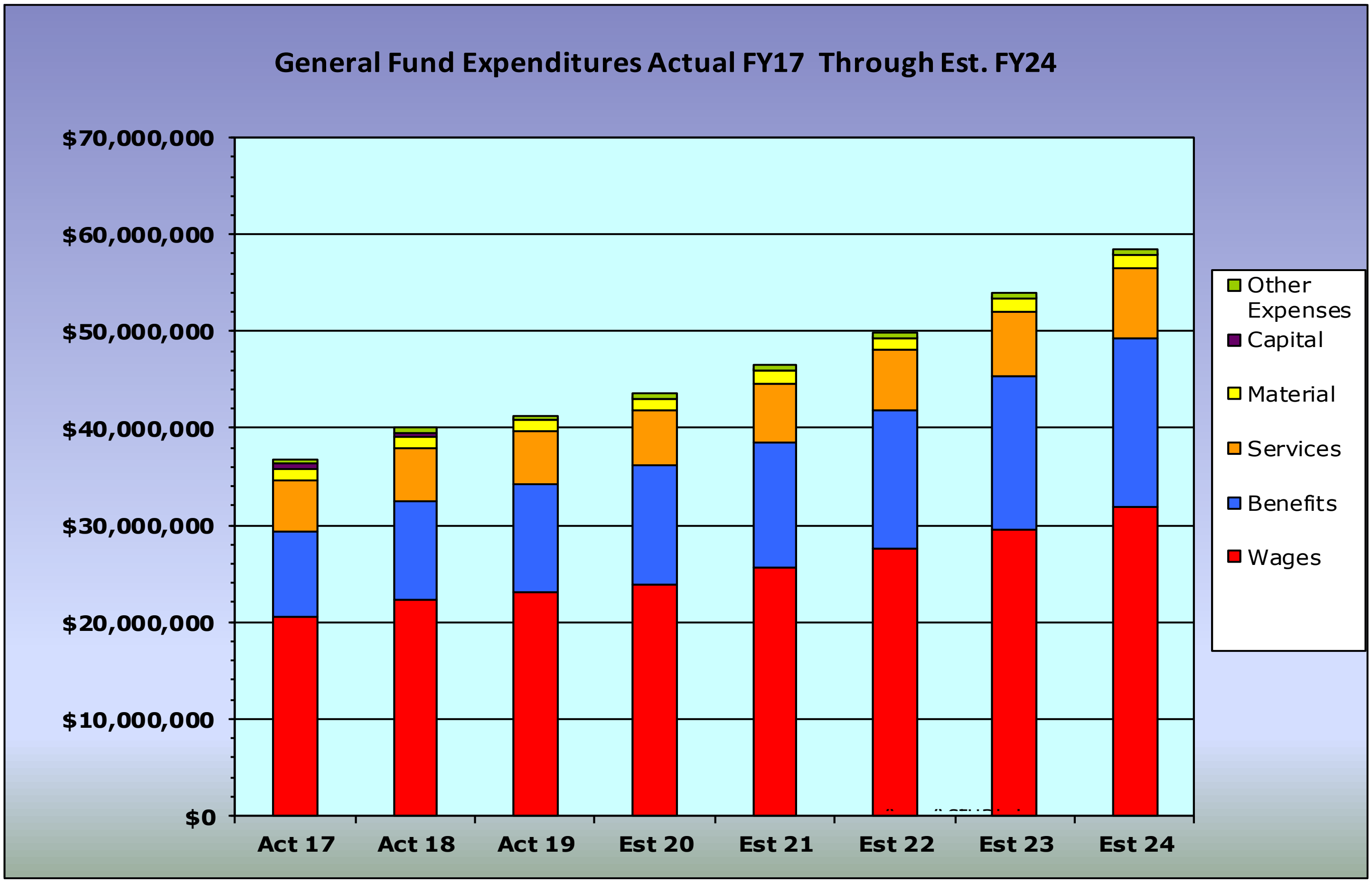
Transfers Out/Advances Out – Line #5.010
This account group covers fund to fund transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The district is anticipating transferring to the Food Service Fund due to the COVID-19 pandemic in FY20 and FY21.

Source	FY 20	FY 21	FY 22	FY 23	FY 24
Operating Transfers Out Line #5.010	$150,000	$100,000	$0	$0	$0
Advances Out Line #5.020	$0	$0	$0	$0	$0
Total	$150,000	$100,000	$0	$0	$0

Encumbrances –Line #8.010
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

Source	FY 20	FY 21	FY 22	FY 23	FY 24
Estimated Encumbrances	$286,037	$291,757	$297,592	$303,544	$309,615

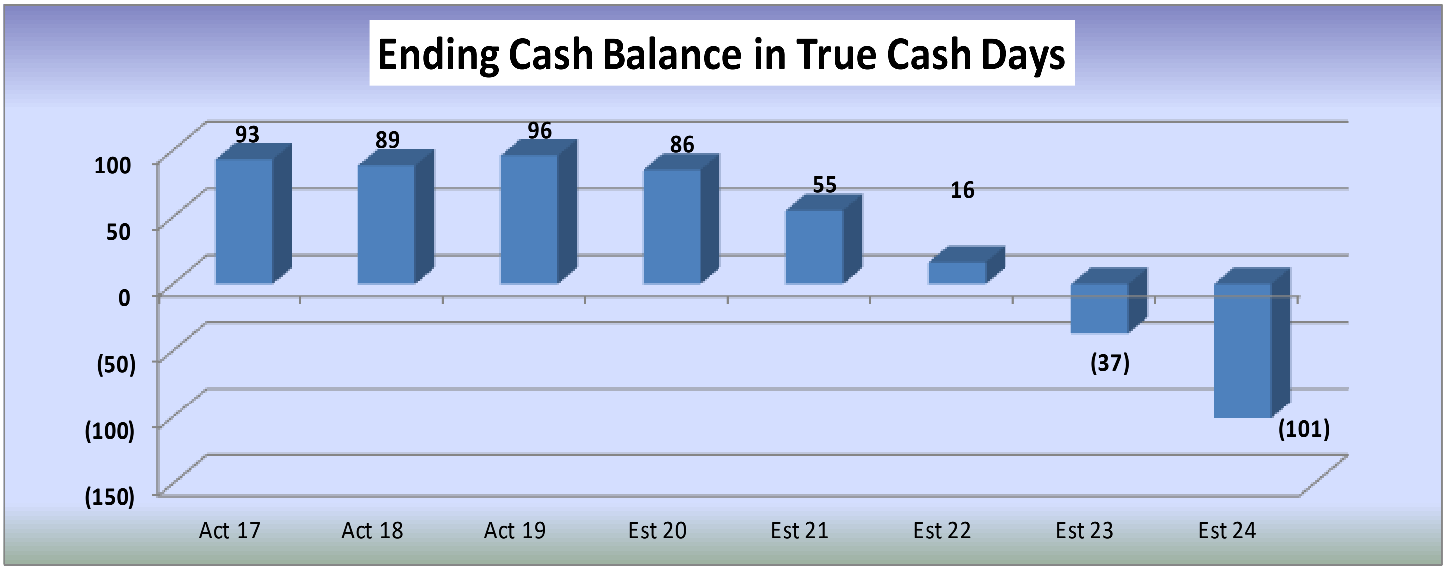
Operating Expenditures Actual FY17 through FY19 and Estimated FY20 through FY24.
As the graph below indicates the largest expenditure for the district is that of staffing. We are attempting to accommodate the needs of a growing student population with these expenditures, but understand the challenging budgetary constraints we face.



Ending Unencumbered Cash Balance – Line#15.010
This amount must not go below $-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000. Until the last minute reductions to our State funding, we were pleased that it did not appear we would need to utilize our cash balance or "rainy day fund" for current year operating needs. With the state cuts, this positive position is no longer likely.

Source	FY 20	FY 21	FY 22	FY 23	FY 24
Ending Cash Balance	$10,236,769	$7,046,175	$2,242,499	(5,438,369)	(16,175,160)

True Cash Days
The Government Financial Officers Association (GFOA) recommends, at a minimum, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. Based on the current fund balances the district will not have the sixty (60) day balance at the end of FY21.



Conclusion

The Big Walnut Local Schools would like to offer a sincere thank you to the voters for the continued support of our schools with the passage of the 5.45 Mill Substitute Emergency Levy at the April 2020 election. Amidst the challenges of COVID-19, the support of our community is greatly appreciated and of utmost importance. This levy will help to continue opportunities for our students education no and in the future.

The Big Walnut Local Schools would also like to thank the voters for the passage of the 1.25 Mill Permanent Improvement Levy in November 2017. The passage of this levy allows the district to readjust the funding from general fund to permanent improvement which provides needed funding for facility upkeep and helps with the overall fiscal health of the district.

The district administration notes that this current state biennium budget is why we have to be mindful and watch each state budget carefully as HB166 has not provided new unrestricted operating funds to our district. Future state biennium budgets could affect us positively or negatively for FY22 through FY24, especially with the COVID-19 pandemic reducing state revenues through FY20 and projected through FY21.

The district will receive funding through the CARES Act of approximately $179,127 that is to be used for help due to the COVID-19. However, we have not received how these funds will be dispersed or if they will be included with the districts five-year forecast. We will monitor this and all other funding that is affecting our forecast from the pandemic.

District administrations appreciates the supportive Big Walnut community and are actively planning for the future needs of our students while keeping an eye on the financial stability of the district. The administration is mindful that there are many risks and uncertainties that will need to be considered in future planning.

As you read through the notes and review the forecast, remember that the forecast is based on the information that is known at the time that it is prepared.