

**HUBER HEIGHTS CITY SCHOOL DISTRICT
MONTGOMERY 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 2024**



**Forecast Provided By
Huber Heights City School District
Treasurer's Office
Gina M. Helmick, CPA, Treasurer/CFO
Katie L. Arnett, CPA, Assistant Treasurer
(937) 237 - 4126
May 26, 2020**

Huber Heights City School District

Montgomery 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				Average Change	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019			Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Revenues										
1.010 General Property Tax (Real Estate)	\$ 25,220,055	\$ 25,135,533	\$ 25,377,479	0.31%	\$ 25,970,536	\$ 24,393,661	\$ 25,711,067	\$ 25,746,084	\$ 25,781,129	
1.020 Tangible Personal Property	736,241	889,693	884,563	10.13%	941,756	951,729	980,854	1,009,979	1,039,104	
1.035 Unrestricted State Grants-in-Aid	33,639,774	34,793,555	35,987,742	3.43%	35,093,524	31,667,186	36,094,146	36,165,872	36,167,932	
1.040 Restricted State Grants-in-Aid	1,083,023	1,248,186	1,150,597	3.72%	1,219,611	1,219,611	1,219,611	1,219,611	1,219,611	
1.045 Restricted Fed. SFSF Fd. 532 FY10&11/Ed Jobs Fd.504 FY12	0	0	0	0.00%	0	0	0	0	0	
1.050 Property Tax Allocation	4,027,555	3,986,418	3,964,848	-0.78%	3,947,493	3,984,635	3,997,466	4,003,947	4,010,431	
1.060 All Other Revenues	3,753,231	4,298,181	4,554,607	10.24%	4,206,018	3,798,560	3,286,466	3,294,874	3,303,379	
1.070 Total Revenues	68,459,880	70,351,566	71,919,836	2.50%	71,378,938	66,015,382	71,289,610	71,440,367	71,521,586	
Other Financing Sources										
2.010 Proceeds from Sale of Notes	0	0	0	0.00%	0	0	0	0	0	
2.020 State Emergency Loans and Advancements (Approved)	0	0	0	0.00%	0	0	0	0	0	
2.040 Operating Transfers-In	0	812,005	0	0.00%	0	0	0	0	0	
2.050 Advances-In	353,792	348,092	701,704	49.99%	524,000	300,000	300,000	300,000	300,000	
2.060 All Other Financing Sources	35,344	75,006	10,562	13.15%	422	10,562	10,562	10,562	10,562	
2.070 Total Other Financing Sources	389,136	1,235,103	712,266	87.53%	524,422	310,562	310,562	310,562	310,562	
2.080 Total Revenues and Other Financing Sources	68,849,016	71,586,669	72,632,102	2.72%	71,903,360	66,325,944	71,600,172	71,750,929	71,832,148	
Expenditures										
3.010 Personal Services	32,368,660	34,162,768	35,949,847	5.39%	37,966,172	40,666,340	42,465,462	44,206,200	45,990,297	
3.020 Employees' Retirement/Insurance Benefits	11,944,515	12,799,177	13,405,178	5.94%	16,378,895	17,509,610	18,757,726	20,052,380	21,445,754	
3.030 Purchased Services	10,538,323	10,366,405	10,011,029	-2.53%	9,677,944	9,699,953	9,739,900	9,835,290	9,936,230	
3.040 Supplies and Materials	1,931,710	1,543,458	1,542,418	-10.08%	1,406,143	3,716,343	1,478,349	1,490,715	1,503,452	
3.050 Capital Outlay	50,773	17,064	324,774	868.44%	639,916	411,913	424,270	436,998	450,108	
3.060 Intergovernmental	0	0	0	0.00%	0	0	0	0	0	
Debt Service:										
4.010 Principal-All (Historical Only)	0	0	0	0.00%	0	0	0	0	0	
4.020 Principal-Notes	0	0	0	0.00%	0	0	0	0	0	
4.030 Principal-State Loans	0	0	0	0.00%	0	0	0	0	0	
4.040 Principal-State Advancements	0	0	0	0.00%	0	0	0	0	0	
4.050 Principal-HB 264 Loans	0	0	0	0.00%	0	0	0	0	0	
4.055 Principal-Other	0	0	0	0.00%	0	0	0	0	0	
4.060 Interest and Fiscal Charges	0	0	0	0.00%	0	0	0	0	0	
4.300 Other Objects	2,371,896	2,900,251	3,074,338	14.14%	3,014,492	2,032,927	2,117,715	2,206,166	2,298,440	
4.500 Total Expenditures	59,205,877	61,789,123	64,307,584	4.22%	69,083,562	74,037,086	74,983,421	78,227,748	81,624,281	
Other Financing Uses										
5.010 Operating Transfers-Out	0	912,005	100,000	0.00%	200,000	100,000	100,000	100,000	100,000	
5.020 Advances-Out	348,092	701,704	524,000	38.13%	300,000	300,000	300,000	300,000	300,000	
5.030 All Other Financing Uses	0	0	152	0.00%	0	0	0	0	0	
5.040 Total Other Financing Uses	348,092	1,613,709	624,152	151.13%	500,000	400,000	400,000	400,000	400,000	
5.050 Total Expenditures and Other Financing Uses	59,553,969	63,402,832	64,931,736	4.44%	69,583,562	74,437,086	75,383,421	78,627,748	82,024,281	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	9,295,047	8,183,837	7,700,366	-8.93%	2,319,798	(8,111,142)	(3,783,249)	(6,876,819)	(10,192,133)	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	28,659,109	37,954,156	46,137,993	27.00%	53,838,359	56,158,157	48,047,015	44,263,766	37,386,946	
7.020 Cash Balance June 30	37,954,156	46,137,993	53,838,359	19.13%	56,158,157	48,047,015	44,263,766	37,386,946	27,194,813	
8.010 Estimated Encumbrances June 30	834,207	583,032	954,884	16.83%	600,000	600,000	600,000	600,000	600,000	
10.010 Fund Balance June 30 for Certification of Appropriations	37,119,949	45,554,961	52,883,475	19.41%	55,558,157	47,447,015	43,663,766	36,786,946	26,594,813	

Huber Heights City School District

Montgomery 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				Average Change	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019			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	0	0.00%	0	0	0	0	0
11.020	Property Tax - Renewal or Replacement	0	0	0	0.00%	0	0	0	0	0
11.300	Cumulative Balance of Replacement/Renewal Levies	0	0	0	0.00%	0	0	0	0	0
12.010	<i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	37,119,949	45,554,961	52,883,475	19.41%	55,558,157	47,447,015	43,663,766	36,786,946	26,594,813
Revenue from New Levies										
13.010	Income Tax - New	0	0	0	0.00%	0	0	0	0	0
13.020	Property Tax - New	0	0	0	0.00%	0	0	0	0	0
13.030	Cumulative Balance of New Levies	0	0	0	0.00%	0	0	0	0	0
14.010	Revenue from Future State Advancements	0	0	0	0.00%	0	0	0	0	0
15.010	<i>Unreserved Fund Balance June 30</i>	\$ 37,119,949	\$ 45,554,961	\$ 52,883,475	19.4%	\$ 55,558,157	\$ 47,447,015	\$ 43,663,766	\$ 36,786,946	\$ 26,594,813

Huber Heights City School District-Montgomery County
Notes to the Five Year Forecast
General Fund Only
May 26, 2020

Introduction to the Five Year Forecast

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 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 state, country and global economy. School districts play a vital role in their communities and we believe it is important to maintain continuity of services to our students and staff. The district is following events and conducting video conferences daily to plan, what we believe, is the best course of action during a time of unprecedented uncertainty. State and local resources are going to be under extreme stress as we continue through and eventually recover from the pandemic. We have reviewed historical data from the Great Recession of 2008, but there is no historic data or situation to compare to what the district is facing now. The current pandemic situation makes it extremely challenging to project where our finances will be through fiscal year 2024. Data and assumptions noted in this forecast were based on the best and most reliable data available to us as of the date of this forecast.

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 \$71,378,938 or 1.69% lower than the November forecasted amount of \$72,604,524. This indicates the November forecast was 98.31% accurate.

The decrease in revenue is due to the cuts made by ODE to foundation revenue in FY20 due to the mandated statewide budget cuts.

Expenditures FY20:

Total General Fund expenditures (line 4.5) are estimated to be \$69,083,562 for FY20 which is \$1.7 million less than the amount in the November forecast.

Unreserved Ending Cash Balance:

With revenues decreasing slightly under estimates and expenditures ending below estimates, our ending unreserved cash balance June 30, 2020 is anticipated to be roughly \$55.6 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2024 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 FY21.

Forecast Risks and Uncertainty:

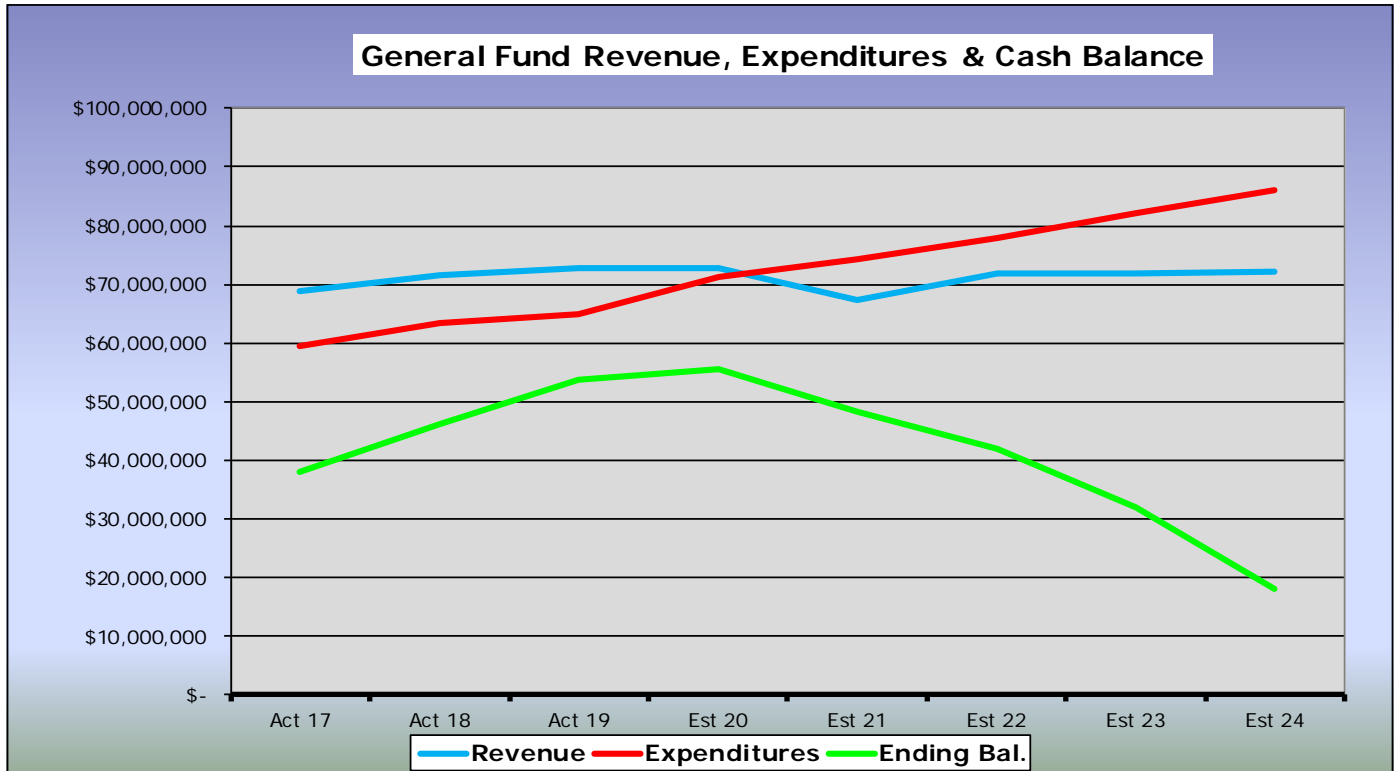
In addition to the above noted uncertainty due to the COVID-19 Pandemic, a five year financial forecast typically has inherent risks and uncertainties. This is due to normal economic uncertainties and to state legislative changes that will take place during the deliberation of two (2) state biennium budgets that will occur in the spring of 2021 and 2023. These budget deliberations will affect this five year forecast in FY22-23 and FY24-25. 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:

- I. Montgomery County went through an appraisal update in tax year 2017 the values on which 2018 tax collections were based. Class I values increased \$29.6 million to a total value of \$566 million and Class II values decreased \$3.4 million to a value of \$123 million as a result of the 2017 appraisal update. A reappraisal update will take place during calendar year 2020. A 2.0% increase in property value is projected as a result of the reappraisal update.
- II. HB166 the current state budget for FY20-21 has frozen 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 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. This is not General Fund money and thus not included in the forecast. We have assumed this money will not continue after FY22.
- III. The State Budget represents 56% of district revenues, which means it is a significant area of risk to revenue. The state has reduced our funding for FY20 and we are anticipating a 10% reduction in FY21 due to drastically reduced state revenue because of the COVID-19 pandemic. Additional future risk comes in FY22 and beyond if the state economy does not bounce back as expected following the pandemic 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 be in line with our current estimates through FY24. We will make adjustments to the forecast in future years as we have data to help guide this decision.
- IV. 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 2019-21 school years, even though funding for our students was not increased to our district for this biennium budget.

HB197 passed in March 2020 freezes EdChoice eligibility at the 2019-2020 list of 517 buildings. The district does not presently have schools designated as underperforming 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 that 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 closely monitoring Ed Choice voucher legislation and are watching for any new threats to our state aid and increased costs.
- V. Labor relations in the district have been 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 strong working relationship will continue.

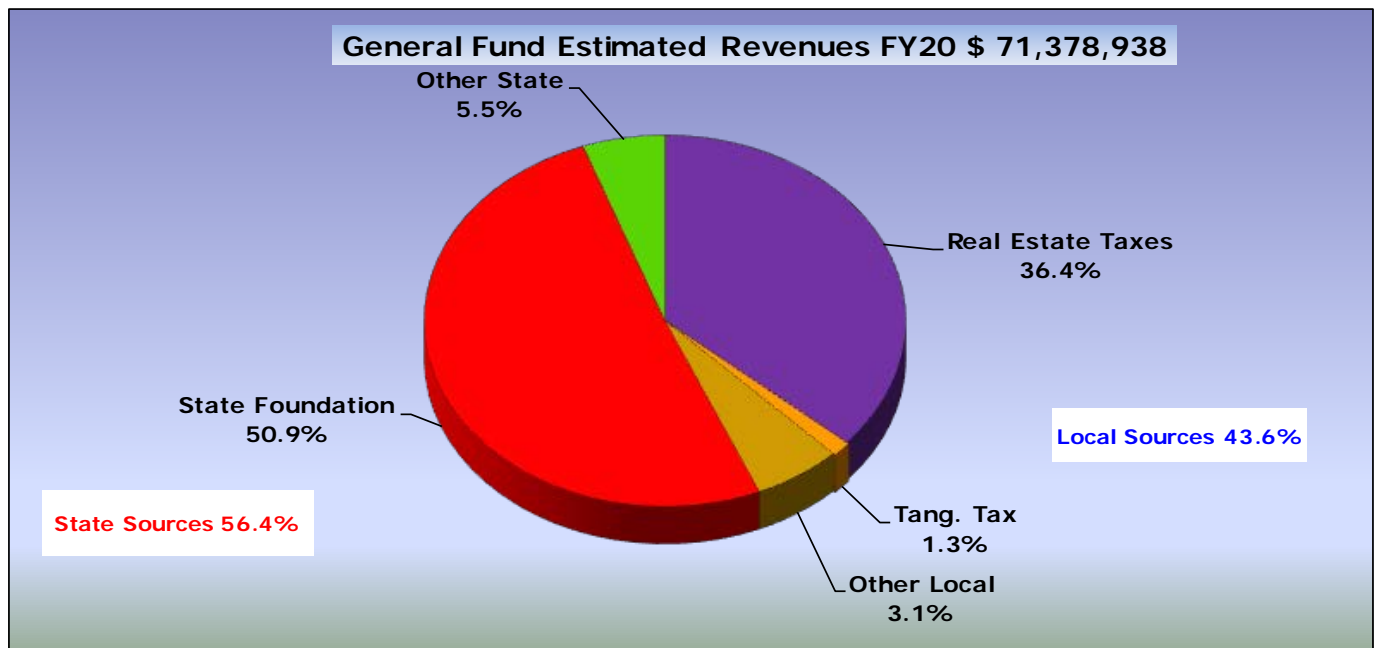
If you would like further information please feel free to contact me – Ms. Gina Helmick, Treasurer/CFO of Huber Heights City School District at 937-237-4126.

General Fund Revenue, Expenditure and Ending Cash Balance



Revenue Assumptions

Estimated General Fund Revenues



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction and complete reappraisal or updated values. Montgomery County went through an appraisal update in tax year 2017 which was collected in 2018. Class I values increased \$29.6 million to a total value of \$566 million and Class II values decreased \$3.4 million to a value of \$123 million. Montgomery County will go through a reappraisal updated in calendar year 2020. A 2% increase in property values is projected as a result of the reappraisal updated. We are projecting tax values will remain steady through 2024.

HB49 authorized a reduction in CAUV computations that will result in CAUV values falling on average by 30%. These reductions will occur as districts experience their next reappraisal or update cycle. CAUV values represent less than 1% of the District’s Class I residential agricultural values, therefore there will be no significant effect on our tax payers or tax revenues.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2019	TAX YEAR2020	TAX YEAR2021	TAX YEAR2022	TAX YEAR2023
	COLLECT 2020	COLLECT 2021	COLLECT 2022	COLLECT 2023	COLLECT 2024
Res./Ag.	\$569,703,590	\$581,747,662	\$582,397,662	\$583,047,662	\$583,697,662
Comm./Ind.	129,354,990	129,054,990	128,754,990	128,454,990	128,154,990
Public Utility Personal Property (PUPP)	16,088,700	16,588,700	17,088,700	17,588,700	18,088,700
Tangible Personal Property (TPP)	0	0	0	0	0
Total Assessed Value	<u>\$715,147,280</u>	<u>\$727,391,352</u>	<u>\$728,241,352</u>	<u>\$729,091,352</u>	<u>\$729,941,352</u>

ESTIMATED REAL ESTATE TAX (Line #1.010)

Source	FY 20	FY 21	FY 22	FY 23	FY 24
Estimated Property Taxes	<u>\$25,970,536</u>	<u>\$24,393,661</u>	<u>\$25,711,067</u>	<u>\$25,746,084</u>	<u>\$25,781,129</u>

Property tax levies are estimated to be collected at 97.5% of the annual amount. This allows a 2.5% delinquency. Typically, 52.5% of the new residential/agriculture (Res/Ag) and commercial/industrial (Comm/Ind) is expected to be collected in the February tax settlements and 47.5% is expected to be collected in the August tax settlements. Public utility tax settlements (PUPP) are estimated to be received 50% in February and 50% in August.

Renewal and Replacement Levies – Line #11.02

No renewal or replacement levies are modeled in this forecast.

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

Estimated Tangible Personal Tax – Line#1.020

The phase out of tangible personal property tax (TPP) began in fiscal year 2006. The TPP was eliminated after fiscal year 2011. Any revenues received in this line at Public Utility Personal Property taxes which are collected at the districts gross tax rates not subject to reduction factors.

Source	FY 20	FY 21	FY 22	FY 23	FY 24
Public Utility Taxes	<u>\$941,756</u>	<u>\$951,729</u>	<u>\$980,854</u>	<u>\$1,009,979</u>	<u>\$1,039,104</u>

Other Local Revenues – Line #1.060

Tuition is forecasted to increase slightly for fiscal years 2020 through 2024. The District also received payments in lieu of taxes (TIF payments) from various companies in order to alleviate the loss of property taxes. These payments are expected to increase slightly across the forecast. Beginning in FY20 interest is expected to decline due to fed rate reductions which will impact our earning capability in this area. We have reduced FY21 interest by 50% and FY22 by another 25% due to the rapid reduction in interest rates to help stimulate the economy due to the COVID-19 recession. The remaining other local revenue sources are expected to remain constant from FY20 to FY24. The COVID-19 shutdown could reduce future collections of state funded tuition reimbursements. At this time we will continue monitoring this line of the forecast for future projections.

<u>Source</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
Tuition SF-14 & SF-14H	\$871,807	\$876,166	\$880,547	\$884,950	\$889,375
Interest	1,392,437	696,219	174,055	172,314	170,591
TIF & PILOT Payments	284,491	568,892	574,581	580,327	586,130
Student Fees	138,171	138,171	138,171	138,171	138,171
Medicaid, other Income and rentals	<u>1,519,112</u>	<u>1,519,112</u>	<u>1,519,112</u>	<u>1,519,112</u>	<u>1,519,112</u>
Total Line# 1.060	<u>\$4,206,018</u>	<u>\$3,798,560</u>	<u>\$3,286,466</u>	<u>\$3,294,874</u>	<u>\$3,303,379</u>

State Taxes Reimbursement/Property Tax Allocation

a) Rollback and Homestead Reimbursement

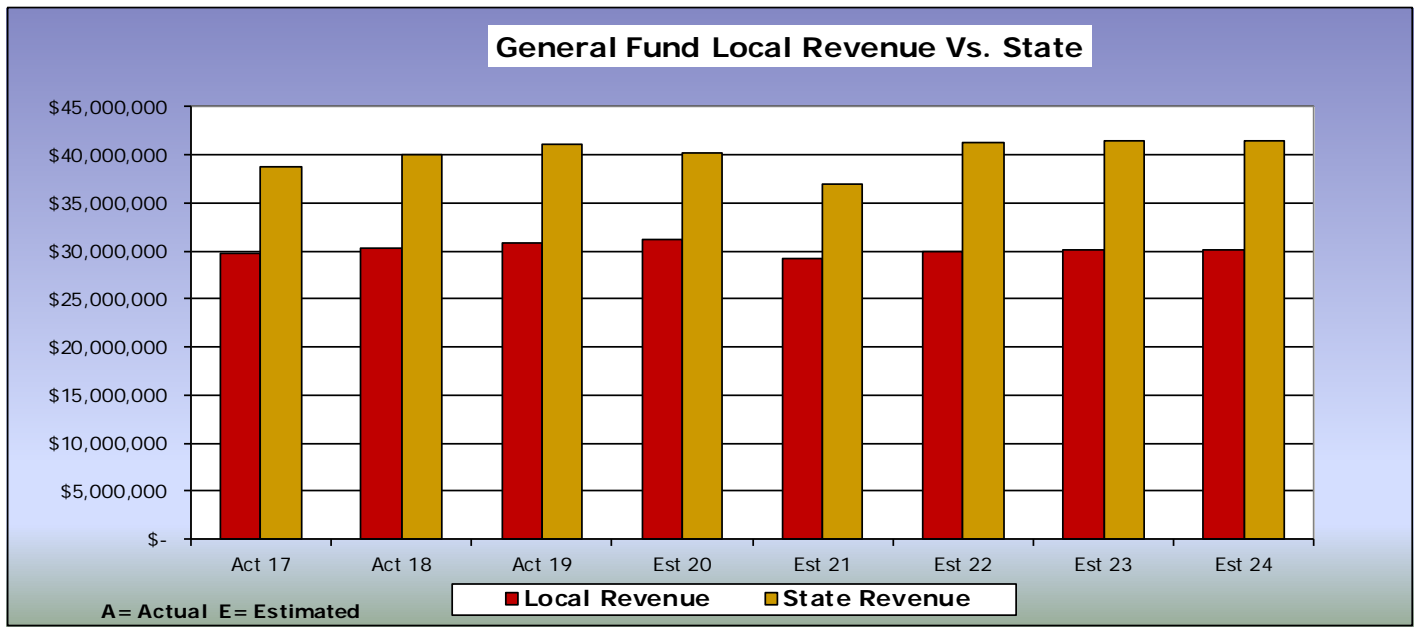
Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged to residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 which is the effective date of HB59.

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 or who are disabled regardless of income. Effective September 29, 2013 HB59 changed the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers.

Summary of State Tax Reimbursement – Line #1.050

<u>Source</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
a) Rollback and Homestead	\$3,947,493	\$3,984,635	\$3,997,466	\$4,003,947	\$4,010,431
b) TPP Reimbursement - Fixed Rate	0	0	0	0	0
c) TPP Reimbursement - Fixed Sum	0	0	0	0	0
Total Tax Reimb./Prop. Tax Allocations #1.050	<u>\$3,947,493</u>	<u>\$3,984,635</u>	<u>\$3,997,466</u>	<u>\$4,003,947</u>	<u>\$4,010,431</u>

Comparison of Local Revenue and State Revenue



State Foundation Revenue Estimates

A) Unrestricted State Foundation Revenue – Line #1.035

The amounts estimated for state funding are based on HB166 funding simulations which essentially 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 being considered 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 have projected state aid flat through FY24 as we have nothing authoritative to rely on at this time. **Note: state funding was reduced for our district by \$979,564 for FY20 and estimate an additional reduction of 10% in FY21. We will continue to monitor diligently for future revenues reductions as a result of shutdowns due to the COVID-19 Pandemic.**

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 \$1,159,316 in FY20 and \$1,682,240 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 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:

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

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

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.

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 will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts 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 as 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. Casinos have been closed since March 16 due to the COVID-19 pandemic. This will likely impact future casino payments for FY21 and possibly FY22. We have reduced payments in FY21-23 as a result of the anticipated slow return to current casino funding levels.

<u>Source</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
Basic Aid-Unrestricted	\$33,964,548	\$30,568,093	\$34,944,112	\$34,944,112	\$34,944,112
Additional Aid Items	<u>808,354</u>	<u>907,370</u>	<u>907,370</u>	<u>907,370</u>	<u>907,370</u>
Basic Aid-Unrestricted Subtotal	\$34,772,902	\$31,475,463	\$35,851,482	\$35,851,482	\$35,851,482
Ohio Casino Commission ODT	<u>320,622</u>	<u>191,723</u>	<u>242,664</u>	<u>314,390</u>	<u>316,450</u>
Total Unrestricted State Aid Line# 1.035	<u>\$35,093,524</u>	<u>\$31,667,186</u>	<u>\$36,094,146</u>	<u>\$36,165,872</u>	<u>\$36,167,932</u>

B) Restricted State Revenues – Line # 1.040

HB166 continues funding two restricted sources of revenues to school districts which are Economic Disadvantaged Funding and Career Technical Education Funding. The district has elected to also post Catastrophic Aid for special education as restricted revenues. The amount of the Economically Disadvantaged Aid is estimated to remain stable each remaining year of the forecast. We have incorporated this amount into the restricted aid amount in Line # 1.04 for FY20-24.

<u>Source</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
Economically Disadvantaged Aid	\$806,901	\$806,901	\$806,901	\$806,901	\$806,901
Career Tech - Restricted	142,544	142,544	142,544	142,544	142,544
Catastrophic Sp Ed Reimb.	<u>270,166</u>	<u>270,166</u>	<u>270,166</u>	<u>270,166</u>	<u>270,166</u>
Total Restricted State Revenues Line #1.040	<u>\$1,219,611</u>	<u>\$1,219,611</u>	<u>\$1,219,611</u>	<u>\$1,219,611</u>	<u>\$1,219,611</u>

C) Restricted Federal Grants in Aid – line #1.045

No amounts are included throughout the forecast period.

Short-Term Borrowing – Lines #2.010 & Line #2.020

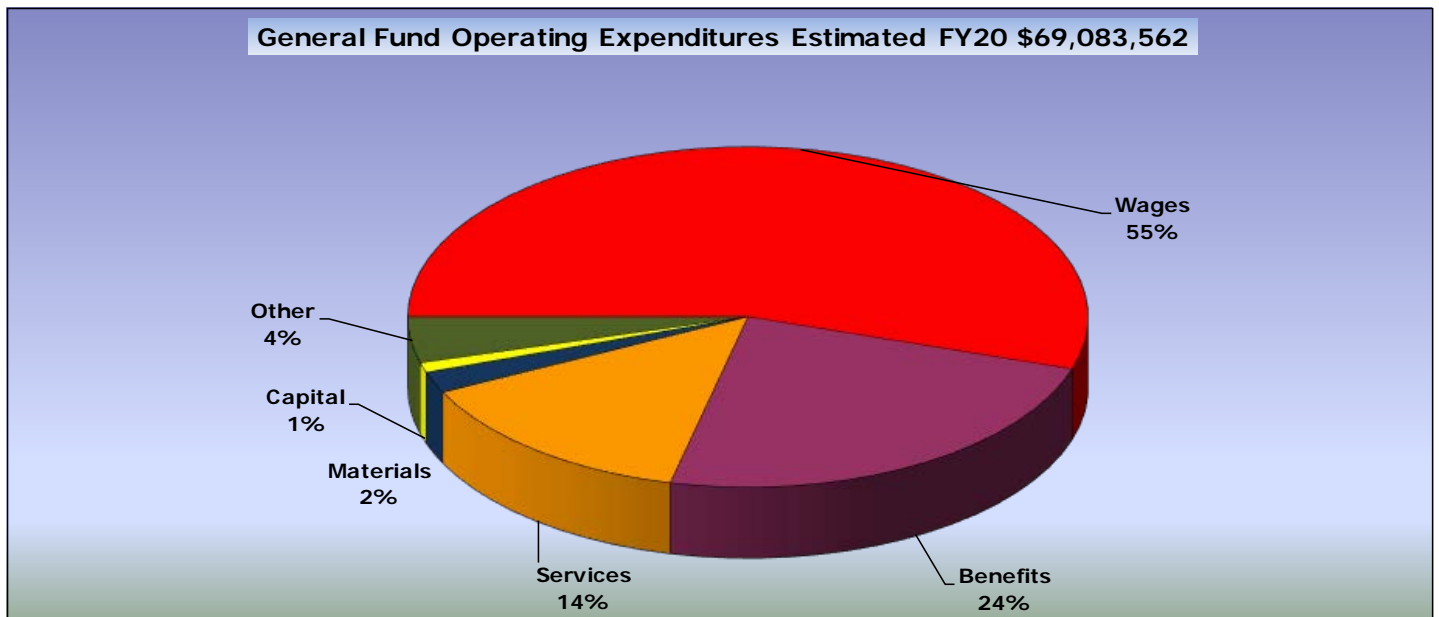
There is no short term borrowing planned for in this forecast at this time from any sources.

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

Other financing sources consist of transfers and advances. Transfers are permanent reallocation of funds and advances are those funds that the school district anticipates will be re-paid during the forecasted period. Advances are made from the general fund to other funds, primarily to cover grant monies that are not received as of fiscal year end. Advances are forecasted based on the historical timeliness of grant monies not received at fiscal year end.

Expenditures Assumptions

Estimated General Fund Expenditures



Wages – Line #3.010

The model reflects a base increase of 3% for FY20 and 2.5% for FY 21-24. Additionally, the model reflects known or anticipated growth in FY20-FY22.

<u>Source</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
Base Wages	\$34,974,291	\$37,276,939	\$39,736,726	\$41,553,429	\$43,309,765
Increases/COA	0	0	0	0	0
Steps & Training/Performance Based Pay	528,747	675,000	700,000	700,000	700,000
Growth	687,146	815,599	103,205	0	0
Substitutes	1,010,723	1,049,406	1,059,900	1,070,499	1,081,204
Supplementals	565,265	649,396	665,631	682,272	699,328
Severance Pay/Other Compensation	200,000	200,000	200,000	200,000	200,000
Total Wages Line 3.010	<u>\$37,966,172</u>	<u>\$40,666,340</u>	<u>\$42,465,462</u>	<u>\$44,206,200</u>	<u>\$45,990,297</u>

Fringe Benefits Estimates Line 3.02

This area of the forecast captures all costs associated with benefits and retirement costs, of which all benefits except health insurance are directly related to the wages paid.

A) STRS/SERS

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The model also includes an estimate for the annual surcharge due to the School Employees Retirement System.

B) Insurance

The estimated increase for medical and dental insurance is 26% for FY20, 7.5% for FY21 and 10% for FY22-FY24. The increases include adjustments for inflation and the most current research of where premiums will be going in the future.

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. These added costs are no longer a uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is estimated at 0.7% of wages which is consistent with past forecasts. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully. However, we are anticipating a potential increase in unemployment for FY20-21 due to the COVID-19 shutdowns. This increase has been caused by our reduced need for substitutes help during the COVID-19 Pandemic.

D) Medicare

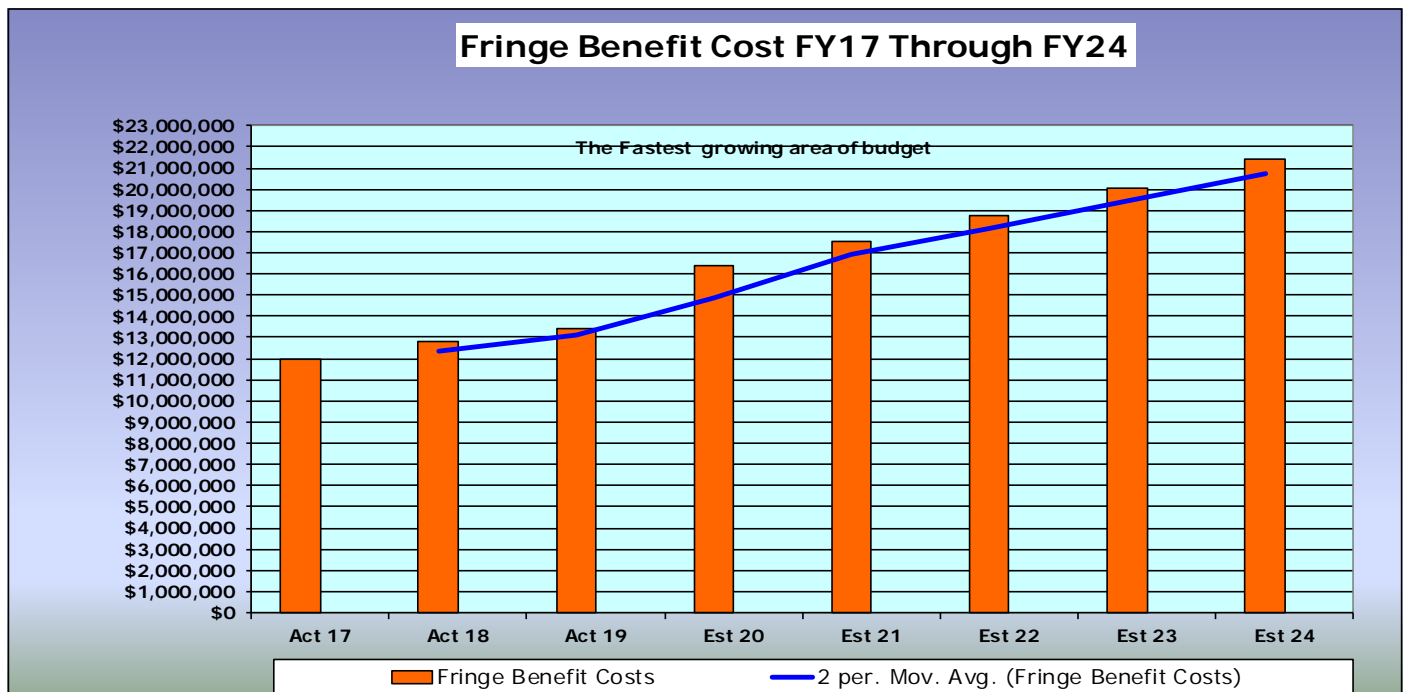
Medicare will continue to increase at the rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

<u>Source</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
A) STRS/SERS	\$5,318,420	\$5,665,287	\$5,917,165	\$6,160,868	\$6,410,642
B) Insurance's	10,086,376	10,846,798	11,791,098	12,789,278	13,877,688
C) Workers Comp/Unemployment	423,427	407,700	433,551	461,081	490,402
D) Medicare	550,509	589,662	615,749	640,990	666,859
Other/Tuition	163	163	163	163	163
Total Line 3.020	<u>\$16,378,895</u>	<u>\$17,509,610</u>	<u>\$18,757,726</u>	<u>\$20,052,380</u>	<u>\$21,445,754</u>

Fringe Benefits Actual Fiscal Year 2017 through Fiscal Year 2019 and Estimated Fiscal Year 2020 through Fiscal Year 2024

The graph below notes that health care is becoming an area for which expenditures are outpacing inflation. The federal Affordable Care Act and the increase in claims will require management to control the cost of health care.



Purchased Services – Line #3.030

Purchased services include expenditures for utilities, professional development and state foundation deductions for tuition-type students, including open enrollment, community school, scholarships and college credit plus. Estimates for this line item were based upon historical trends and estimated service needs. A 3-4% increase was incorporated throughout the forecast from FY20 – FY24 for inflationary purposes; with the exception of community school deduction expenditures for which the model shows a slight decrease due to the decrease in

students enrolled in community schools. We currently do not have any schools considered underperforming and eligible for Ed Choice Vouchers but we are watching potential legislative amendments to the current law that may affect our district negatively. We have reduced costs in purchased services for FY20 and 21 for the Student Wellness and Success (Fund 467) recoding and then return these costs to the General Fund in FY22-24. We will continue to monitor the effects of state budget cuts on the potential reductions in costs to tuition, community school, scholarship and STEM school payments made to other organizations that are deducted from our foundation payments.

<u>Source</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
Base Services	\$614,484	\$614,484	\$614,484	\$614,484	\$614,484
Professional Services	1,113,893	1,113,893	1,113,893	1,113,893	1,113,893
Open Enrollment Deduction	1,300,000	1,339,000	1,379,170	1,420,545	1,463,161
Community School Deductions	2,800,000	2,744,000	2,689,120	2,635,338	2,582,631
Other Tuition Including Ed Scholarship	1,303,000	1,342,090	1,382,353	1,423,824	1,466,539
Copier Lease	462,600	400,000	350,000	350,000	350,000
Utilities	1,458,165	1,501,910	1,546,967	1,593,376	1,641,177
Trans/Property Maintenance and Repair	625,802	644,576	663,913	683,830	704,345
Reduction for Student Wellness and Success Funds	<u>(1,158,662)</u>	<u>(1,158,662)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Line 3.030	<u>\$9,677,944</u>	<u>\$9,699,953</u>	<u>\$9,739,900</u>	<u>\$9,835,290</u>	<u>\$9,936,230</u>

Supplies and Materials – Line #3.040

An overall inflation of 3.0% is being estimated for this category of expenses, as well as the District’s five year plans for technology and textbook adoptions.

<u>Source</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
Supplies, Technology & Curriculum	\$1,066,143	\$1,066,143	\$1,066,143	\$1,066,143	\$1,066,143
Textbooks	\$0	\$2,250,000	\$0	\$0	\$0
Transportation Fuel and Supplies	<u>340,000</u>	<u>400,200</u>	<u>412,206</u>	<u>424,572</u>	<u>437,309</u>
Total Line 3.040	<u>\$1,406,143</u>	<u>\$3,716,343</u>	<u>\$1,478,349</u>	<u>\$1,490,715</u>	<u>\$1,503,452</u>

Capital Outlay – Line # 3.050

Costs in FY 20-24 include purchasing equipment for students and staff and is based on the District’s five-year plans for bus purchases, capital improvements and technology.

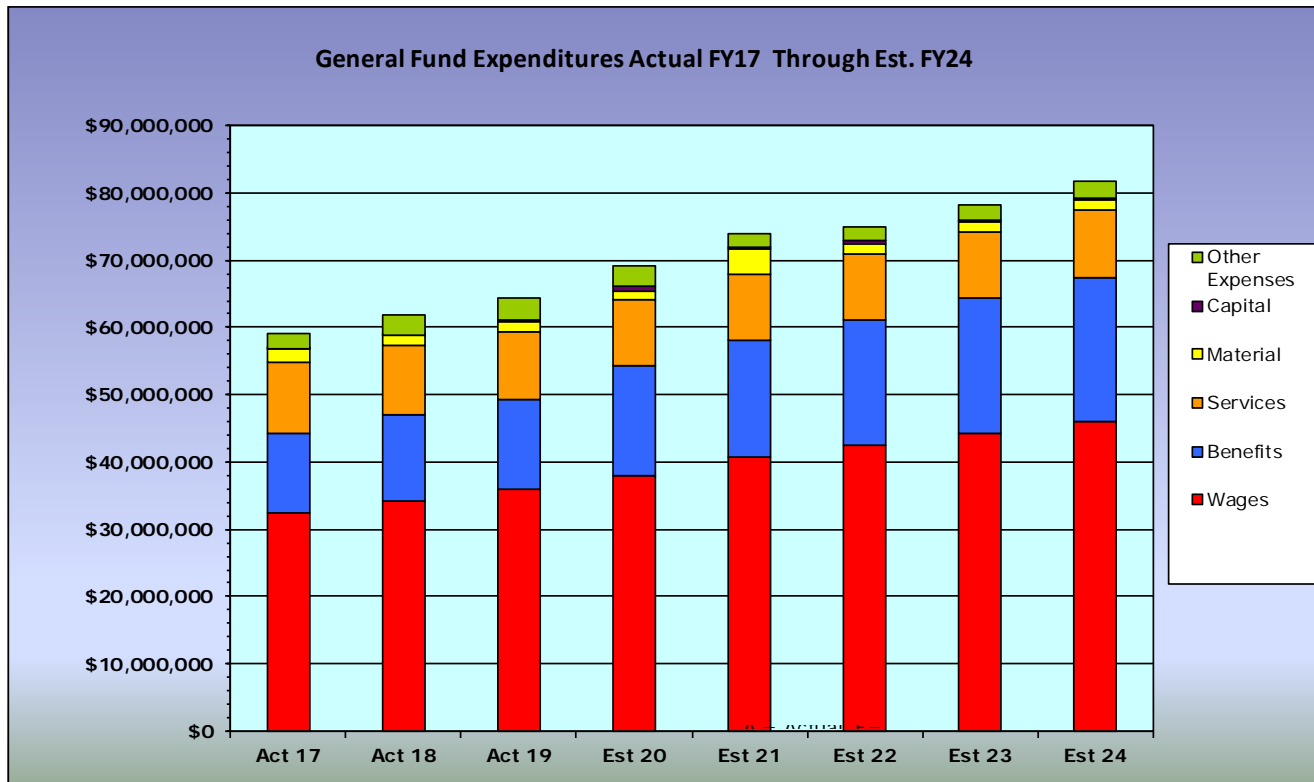
<u>Source</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
Capital Outlay	\$399,916	\$411,913	\$424,270	\$436,998	\$450,108
Replacement Bus Purchases	<u>\$240,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Line 3.050	<u>\$639,916</u>	<u>\$411,913</u>	<u>\$424,270</u>	<u>\$436,998</u>	<u>\$450,108</u>

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of the County ESC deductions for specialized services provided to the District and Auditor & Treasurer (A&T) fees. Auditor and Treasurer Fees will increase sharply anytime a new operating levy is collected. Also new construction will cause A&T fees to increase as more dollars are collected. Currently, we are estimating annual increases of 3% for this forecast.

<u>Source</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
County Auditor & Treasurer Fees	\$447,000	\$460,410	\$474,222	\$488,449	\$503,102
County ESC	2,400,000	1,400,000	1,465,800	1,534,693	1,606,823
Other expenses	167,492	172,517	177,693	183,024	188,515
Total Line 4.300	<u>\$3,014,492</u>	<u>\$2,032,927</u>	<u>\$2,117,715</u>	<u>\$2,206,166</u>	<u>\$2,298,440</u>

**Total Expenditure Categories Actual Fiscal Year 2017 through Fiscal Year 2019 and
Estimated Fiscal Year 2020 through Fiscal Year 2024**



Transfers Out/Advances Out – Line# 5.010

This account group covers fund to fund transfers and end of year short term loans (advances) from the General Fund to other funds until they have received reimbursements to repay the General Fund. Transfers are permanent reallocation of funds. Advances have limited impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund.

<u>Source</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
Operating Transfers Out Line #5.010	\$200,000	\$100,000	\$100,000	\$100,000	\$100,000
Advances Out Line #5.020	300,000	300,000	300,000	300,000	300,000
Total	<u>\$500,000</u>	<u>\$400,000</u>	<u>\$400,000</u>	<u>\$400,000</u>	<u>\$400,000</u>

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.

	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
Estimated Encumbrances	<u>\$600,000</u>	<u>\$600,000</u>	<u>\$600,000</u>	<u>\$600,000</u>	<u>\$600,000</u>

Ending Unencumbered Cash Balance “The Bottom-line” – 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 Ohio Revised Code section 5705.412, punishable by personal liability of \$10,000, unless an alternative “412” certificate can be issued pursuant to House Bill 153 effective September 30, 2011. Based on the chart immediately below, unencumbered fund balance will be positive throughout the forecast. In addition, Board policy requires cash reserves equal 4 months of operating expenditures. Based on the chart immediately below, cash reserves are in compliance with Board policy throughout FY23.

	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
Ending Unencumbered Cash Balance	<u>\$55,558,157</u>	<u>\$47,447,015</u>	<u>\$43,663,766</u>	<u>\$36,786,946</u>	<u>\$26,594,813</u>

