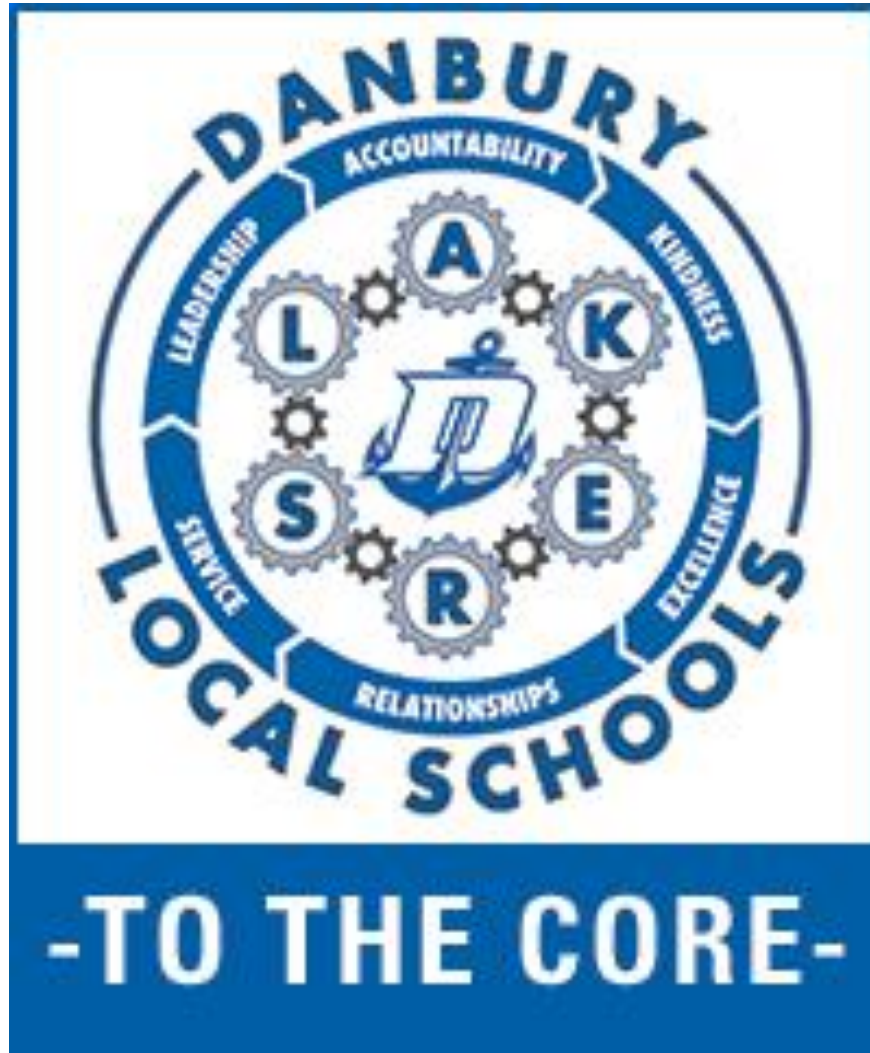


**DANBURY LOCAL SCHOOL DISTRICT-OTTAWA COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2018, 2019 and 2020 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2021 THROUGH 2025**



**Forecast Provided By
Danbury Local School District
Treasurer's Office
Shane Baumgardner, Treasurer**

May 19, 2021

DANBURY LOCAL SCHOOL DISTRICT

Ottawa County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2018, 2019, 2020
Forecasted Fiscal Year Ending June 30, 2021 through 2025

	Actual				Average Change	Forecasted				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020			Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Revenues										
1.010 General Property Tax (Real Estate)	\$7,880,252	\$7,967,174	\$8,655,838	4.9%	\$8,964,287	\$9,156,501	\$9,362,980	\$9,432,575	\$9,767,251	
1.020 Public Utility Personal Property Tax	445,472	465,652	490,724	5.0%	487,087	551,424	568,784	586,144	603,504	
1.030 Income Tax	-	-	-	0.0%	-	-	-	-	-	
1.035 Unrestricted State Grants-in-Aid	676,745	632,194	507,675	-13.1%	596,729	655,090	655,035	654,967	654,888	
1.040 Restricted State Grants-in-Aid	19,310	15,599	15,663	-9.4%	15,664	15,664	15,664	15,664	15,664	
1.045 Restricted Federal Grants In Aid	-	-	-	0.0%	-	-	-	-	-	
1.050 Property Tax Allocation	926,609	979,835	1,033,831	5.6%	1,078,216	1,100,338	1,131,188	1,139,969	1,177,359	
1.060 All Other Revenues	1,067,168	1,128,650	1,181,868	5.2%	1,149,214	1,164,899	1,180,171	1,191,271	1,200,320	
1.070 <i>Total Revenues</i>	<i>11,015,556</i>	<i>11,189,104</i>	<i>11,885,599</i>	<i>3.9%</i>	<i>12,291,197</i>	<i>12,643,916</i>	<i>12,913,822</i>	<i>13,020,590</i>	<i>13,418,986</i>	
Other Financing Sources										
2.040 Operating Transfers-In	-	-	-	0.0%	-	-	-	-	-	
2.050 Advances-In	3,257	-	-	0.0%	-	-	-	-	-	
2.060 All Other Financing Sources	21,426	30,212	55,077	61.7%	110,424	12,000	12,000	12,000	12,000	
2.070 <i>Total Other Financing Sources</i>	<i>24,683</i>	<i>30,212</i>	<i>55,077</i>	<i>52.4%</i>	<i>110,424</i>	<i>12,000</i>	<i>12,000</i>	<i>12,000</i>	<i>12,000</i>	
2.080 <i>Total Revenues and Other Financing Sources</i>	<i>11,040,239</i>	<i>11,219,316</i>	<i>11,940,676</i>	<i>4.0%</i>	<i>12,401,621</i>	<i>12,655,916</i>	<i>12,925,822</i>	<i>13,032,590</i>	<i>13,430,986</i>	
Expenditures										
3.010 Personal Services	\$5,314,735	\$5,653,804	\$5,642,324	3.1%	\$6,099,544	\$6,307,216	\$6,587,723	\$6,891,898	\$7,104,431	
3.020 Employees' Retirement/Insurance Benefits	2,016,729	2,010,167	2,090,478	1.8%	2,119,802	2,269,772	2,447,787	\$2,663,071	\$2,851,865	
3.030 Purchased Services	1,720,449	1,618,091	1,757,342	1.3%	1,813,677	1,820,160	1,787,548	\$1,765,366	\$1,773,641	
3.040 Supplies and Materials	377,712	383,171	363,450	-1.9%	551,000	445,000	445,000	445,000	445,000	
3.050 Capital Outlay	2,392,277	1,378,926	131,500	-66.4%	50,000	50,000	50,000	50,000	50,000	
4.300 Other Objects	249,791	259,358	262,426	2.5%	265,489	268,592	271,735	274,920	278,146	
4.500 <i>Total Expenditures</i>	<i>\$12,071,693</i>	<i>11,303,517</i>	<i>10,247,520</i>	<i>-7.9%</i>	<i>10,899,512</i>	<i>11,160,740</i>	<i>11,589,793</i>	<i>12,090,255</i>	<i>12,503,083</i>	
Other Financing Uses										
5.010 Operating Transfers-Out	166,000	183,000	212,000	13.0%	130,000	170,000	170,000	170,000	170,000	
5.020 Advances-Out	-	-	-	0.0%	-	-	-	-	-	
5.030 All Other Financing Uses	-	-	-	0.0%	-	-	-	-	-	
5.040 <i>Total Other Financing Uses</i>	<i>166,000</i>	<i>183,000</i>	<i>212,000</i>	<i>13.0%</i>	<i>130,000</i>	<i>170,000</i>	<i>170,000</i>	<i>170,000</i>	<i>170,000</i>	
5.050 <i>Total Expenditures and Other Financing Uses</i>	<i>12,237,693</i>	<i>11,486,517</i>	<i>10,459,520</i>	<i>-7.5%</i>	<i>11,029,512</i>	<i>11,330,740</i>	<i>11,759,793</i>	<i>12,260,255</i>	<i>12,673,083</i>	
6.010 <i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	<i>(1,197,454)</i>	<i>(267,201)</i>	<i>1,481,156</i>	<i>-366.0%</i>	<i>1,372,109</i>	<i>1,325,176</i>	<i>1,166,029</i>	<i>772,335</i>	<i>757,903</i>	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	4,435,441	3,237,987	2,970,786	-17.6%	4,451,942	5,824,051	7,149,227	8,315,256	9,087,591	
7.020 <i>Cash Balance June 30</i>	<i>3,237,987</i>	<i>2,970,786</i>	<i>4,451,942</i>	<i>20.8%</i>	<i>5,824,051</i>	<i>7,149,227</i>	<i>8,315,256</i>	<i>9,087,591</i>	<i>9,845,494</i>	
8.010 <i>Estimated Encumbrances June 30</i>	<i>1,435,889</i>	<i>600,000</i>	<i>373,489</i>	<i>-48.0%</i>	<i>300,000</i>	<i>300,000</i>	<i>300,000</i>	<i>300,000</i>	<i>300,000</i>	
10.010 <i>Fund Balance June 30 for Certification of Appropriations</i>	<i>1,802,098</i>	<i>2,370,786</i>	<i>4,078,453</i>	<i>51.8%</i>	<i>5,524,051</i>	<i>6,849,227</i>	<i>8,015,256</i>	<i>8,787,591</i>	<i>9,545,494</i>	
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	<i>1,802,098</i>	<i>2,370,786</i>	<i>4,078,453</i>	<i>51.8%</i>	<i>5,524,051</i>	<i>6,849,227</i>	<i>8,015,256</i>	<i>8,787,591</i>	<i>9,545,494</i>	
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 <i>Unreserved Fund Balance June 30</i>	<i>\$1,802,098</i>	<i>\$2,370,786</i>	<i>\$4,078,453</i>	<i>51.8%</i>	<i>\$5,524,051</i>	<i>\$6,849,227</i>	<i>\$8,015,256</i>	<i>\$8,787,591</i>	<i>\$9,545,494</i>	

Danbury Local School District – Ottawa County
Notes to the Five-Year Forecast
General Fund Only
May 19, 2021

Introduction to the Five-Year Forecast

School districts are required to file a five (5) year financial forecast by November 30, 2020, and May 31, 2021 for fiscal year 2021 (July 1, 2020 to June 30, 2021). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2021 (July 1, 2020-June 30, 2021) 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 2021 filing.

Economic Outlook

This five-year forecast is being filed during a recovery from the COVID-19 Pandemic and a health and financial struggle that encompassed 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 has maintained services to students throughout the Pandemic. The State of Ohio's economic pressure has not been as great as first expected due to the effects of the pandemic thus the restoration of a portion of the original school foundation funding cuts was ordered by the Governor on January 22, 2021. Federal funding sent to school districts through the Elementary and Secondary Schools Education Relief Funds (ESSER) has also been a much needed resource to offset the loss of state funding. Additional Federal CARES Act funding was used to cover the costs of additional technology needs, personal protective equipment, and cleaning costs caused by the pandemic. Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

May 2021 Updates:

Revenues FY21:

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 \$12,291,197 or 3.62% higher than the November forecasted amount of \$11,861,492. This indicates the November forecast was 96.38% accurate.

Property taxes were up \$256,000 due to higher new construction values in residential property than originally estimated.

State Aide, as noted above, began the year with continued cuts at the FY20 level; however, on January 22, 2021 Governor DeWine reinstated funding of approximately 53% of those reductions thus having a positive impact of \$79,748 for our district's revenue.

Open enrollment revenues are also up \$83,000 more than originally anticipated.

All other areas of revenue are tracking as anticipated for FY21 based on our best information at this time.

Expenditures FY21:

Total General Fund expenditures (line 4.5) are estimated to be \$10,899,512 for FY21 which is above the original estimate of \$10,720,178 in the November forecast. The expenditure line most significantly below projections is Wages (Line 3.01) for added severance, and Supplies and Materials (line 3.04) due to adding \$86,000 for a textbook adoption and \$20,000 for Chromebooks. All other expenses are tracking as anticipated.

Unreserved Ending Cash Balance:

With revenues increasing over estimates and expenditures ending below estimates, our ending unreserved cash balance June 30, 2021 is anticipated to be roughly \$5.5 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2025 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:

A five-year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due 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, both of 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) HB166 the current state budget for FY20-21 initially froze funding for all school districts in Ohio at their FY19 level with two exceptions: Student Wellness and Success Funding (SWSF) and Enrollment Growth Supplement funds. Student Wellness and Success is restricted in use and must be placed in Fund 467. This is not General Fund money and thus not included in the forecast. The current proposed state budget for FY22 - FY23 is Sub. HB110 and it includes increases for SWSF for each year of the biennium budget along with guarantees that no district will receive less funding than they received in FY21. We have assumed this money will continue through FY25. Enrollment Growth Supplement money is paid to a small number of growing districts and Sub. HB110 also proposes these funds be continued in FY22 and FY23 at current FY21 levels. Our district is estimated to receive enrollment growth money for FY21 and will treat it as guaranteed FY22-25.
- 2) While state funding was initially guaranteed at the FY19 level, the Coronavirus Pandemic caused the most rapid and largest decrease of employment in history. In order to balance the State Budget on May 6, 2020 the Governor ordered a reduction of state foundation funding to school districts by \$300.5 million by the end of June 2020. These cuts were to continue through FY21 as well, however the Governor subsequently reinstated \$160 million of these reductions to school districts in an executive order dated January 22, 2021. With the economy rebounding from the sharp drop in employment in March and April 2020 and state tax revenues well above estimates for FY21, we anticipate funding will remain unchanged for the rest of FY21. Governor DeWine submitted his FY22-FY23 biennial budget (Sub. HB110) which returns state foundation funding to schools at their FY19 funded level. The biennial budget is now working its way through the legislative process. HB1, also known as the Fair School Funding Bill, was introduced on February 4, 2021 and will work its way through the legislative process where it has been combined with Sub. HB110. The certainty of foundation funding levels will not likely be known until late June 2021. At this time the FY19 funding level is the basis for districts state funding in FY22 and FY23. We believe Ohio's economy will continue to improve through FY21 and that FY22-25 will see funding returned to the FY19 levels at a minimum. We will not project an increase beyond the FY19 levels at this time until the state budget is known for FY22 and FY23.
- 3) The State Budget represents 14% of the district revenues and is an area of moderate risk to revenue. The future risk comes in FY22 and beyond if the state economy stalls or worsens and 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 FY25. We have projected our state funding to be in line with the FY19 funding level FY22 through FY25 which we feel is conservative and should be close to whatever the state approves for the FY22-23 biennium budget. We will adjust the forecast in future years as we have data to help guide this decision.

4) Property tax collections are the largest single revenue source for the school system. The housing market in our district is stable and growing. We project continued growth in appraised values every three (3) years and new construction growth with continued modest increases in local taxes. Total local revenues which are predominately local taxes equate to 86% of the district's resources. Collection rates for the 1st half 2020 collection in 2021 did not show declines due to increased delinquencies. We believe there is a low risk that local collections would fall below projections in the forecast.

5) Ottawa County experienced a full reappraisal in the 2018 tax year to be collected in FY19. The 2018 reappraisal increased overall assessed values by \$42.08 million or an increase of 9.87%. A reappraisal update will occur in tax year 2021 for collection in FY22. We anticipate value increases for Class I and II property by \$18.22 million for an overall increase of 3.73%. There is however always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.

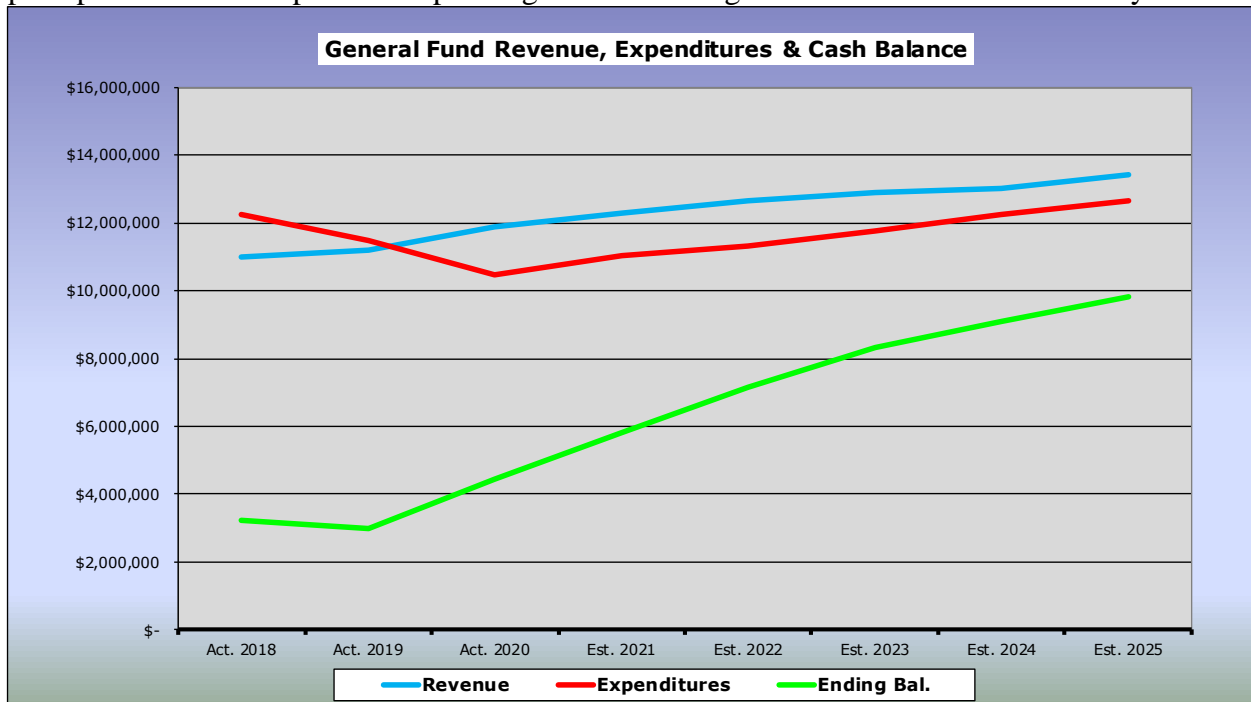
6) HB166 continues the many provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus, Community Schools and increases in per pupil scholarship amounts deducted from our state aid in the 2019-21 school years, even though funding for our students was not increased to our district for this biennium budget. These are examples of school choice programs that increase with each biennium budget and cost the district money. Expansion or creation of programs such as these can 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 as the proposed new state budget bill Sub. HB110 moves through the legislative process.

7) Labor relations in our district have all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue.

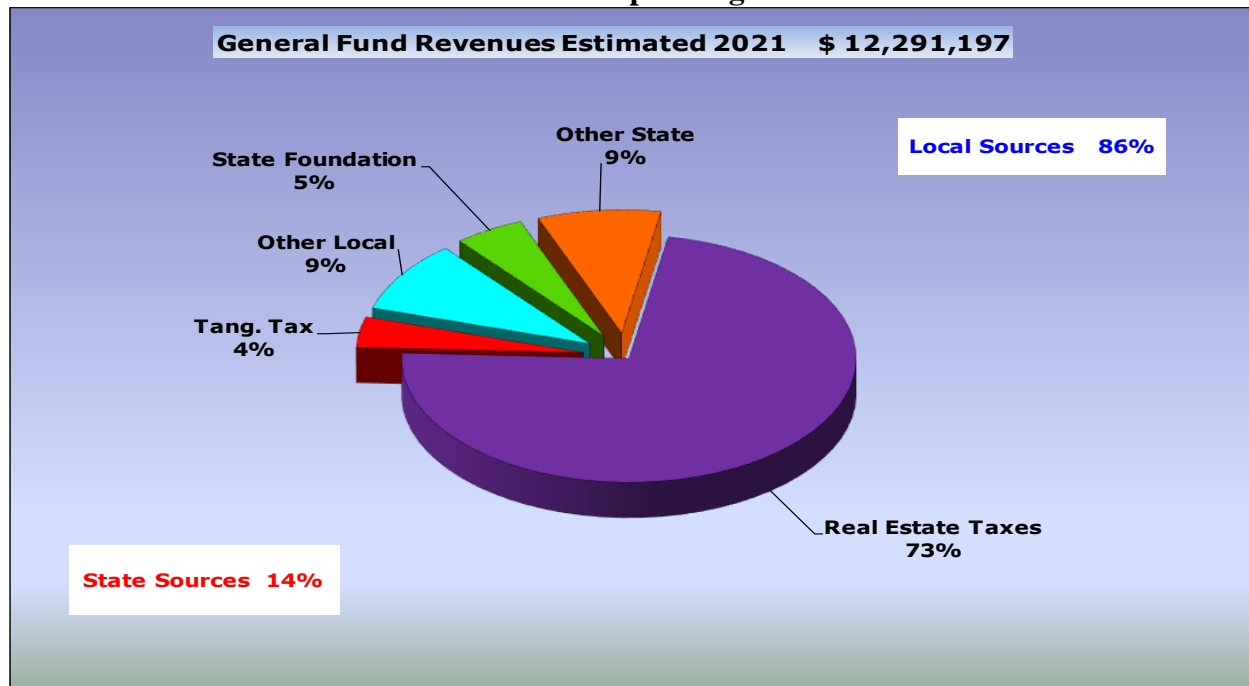
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Shane Baumgardner, Treasurer at 419.562.4045.

General Fund Revenue, Expenditures and Ending Cash Balance Actual FY18-20 and Estimated FY21-25

The graph captures in one snapshot the operating scenario facing the District over the next few years.



REVENUE ASSUMPTIONS Estimated General Fund Operating Revenue for FY21



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the Ottawa County Auditor based on new construction, demolitions, Board of Revisions/Board of Tax Appeals activity and complete reappraisal or updated values. Ottawa County experienced a full reappraisal for the 2018 tax year to be collected in FY19.

Residential/Agricultural values increased 10.55% or \$40.61 million. Commercial/Industrial values increased 3.54% or \$1.47 million for the reappraisal.

A reappraisal update will occur in tax year 2021 for collection in FY22. We anticipate value increases for Class I of 4% and Class II 1%, which is an overall increase of \$18.22 million or 3.73%.

The district is on the 20-mill floor for Class I and Class II, as the district experiences growth in values the millage can no longer be decreased as the valuation increases. Consequently, the district will experience revenue growth when values increase due to reappraisal years where values increase.

Agricultural values represent 1.4% of Class I values, and are unaffected by changes HB49 authorized in CAUV computations.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR 2020	TAX YEAR 2021	TAX YEAR2022	TAX YEAR2023	TAX YEAR2024
<u>Classification</u>	<u>Collect 2021</u>	<u>Collect 2022</u>	<u>COLLECT 2023</u>	<u>COLLECT 2024</u>	<u>COLLECT 2025</u>
Res./Ag.	\$453,112,540	\$475,442,042	\$479,147,042	\$482,852,042	\$510,699,644
Comm./Ind.	45,191,670	45,848,587	46,053,587	46,258,587	47,388,758
PUPP	<u>12,505,630</u>	<u>12,905,630</u>	<u>13,305,630</u>	<u>13,705,630</u>	<u>14,105,630</u>
Total Assessed Value	<u>\$510,809,840</u>	<u>\$534,196,259</u>	<u>\$538,506,259</u>	<u>\$542,816,259</u>	<u>\$572,194,032</u>

ESTIMATED REAL ESTATE TAX (Line #1.010)

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Est. Property Tax Line #1.010	<u>\$8,964,287</u>	<u>\$9,156,501</u>	<u>\$9,362,980</u>	<u>\$9,432,575</u>	<u>\$9,767,251</u>

Property tax levies are estimated to be collected at 98% of the annual amount. This allows 2% delinquency factor. Lower collection rates predicted due to the COVID-19 pandemic and economic slowdown did not occur. In general, 58.76% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 41.24% collected in the August tax settlement. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

Renewal and Replacement Levies – Line #11.02

The district currently does not have any levies that expire.

New Tax Levies – Line #13.030

No new levies are modeled in this forecast.

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

The phase out of TPP taxes as noted earlier began in FY06. HB66 was adopted in June 2005 and the provisions of the legislation have estimated that the locally collected tangible personal property tax would be eliminated after FY11. Only Public Utility Personal Property taxes are collected in Line 1.02 with values estimated to grow \$400,000 each year.

Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. Collections are typically 50% in February and 50% in August along with the real estate settlements from the county auditor.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Public Utility Tax	<u>\$487,087</u>	<u>\$551,424</u>	<u>\$568,784</u>	<u>\$586,144</u>	<u>\$603,504</u>

School District Income Tax Collections – Line #1.030

The district does not have a school district income tax.

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

Current State Funding Model Per HB166 Through June 30, 2021

A) Unrestricted State Foundation Revenue – Line #1.035

The amounts estimated for state funding are based on HB166 which on May 6, 2020 was cut and then funding partially restored by executive order signed January 22, 2021 by the Governor. Initially state aid funding for all 610 traditional school districts and 49 Joint Vocational and Career Centers was frozen for FY20 & FY21 at the FY19 funding level. The State Foundation Funding Formula used since FY14 was dropped in FY20 after six (6) years. HB1, aka the Fair School Funding plan, is currently being considered by the legislature and has been combined with Sub. HB110 and will produce a successor funding formula for the FY22-23 biennium budget. Currently Sub. HB110, the proposed budget, projects funding for districts at FY19 guarantee amounts for FY22 and FY23. For this reason we have projected state aid flat at the FY19 funding level through FY25 as we have nothing authoritative to rely on at this time.

Foundation Funding Partially Restored January 22, 2021 for FY21

On January 22, 2021 the Governor signed an executive order reinstating \$160 million of previous cuts to public schools thus reducing the cuts in FY21. At this time the state funding for FY21 is being reduced \$61,786 from the FY19 amount.

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 FY21, proposed funding ranges from \$30 per student to \$360 per student. All schools and students are to receive a minimum additional funding of \$36,000 in FY21. All districts are guaranteed to get 131% of what they received in FY20, and the proposed state budget (Sub. HB110) is guaranteeing all districts will get 100% of what they received in FY21 for FY22 and FY23. Our district is estimated to receive \$139,895 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 two approved community partner organizations per HB110.

Future State Budgets: Our funding status for the FY22-25 will depend on two (2) new state budgets which are unknown. With the change to the state funding and reductions for FY20-21 state amounts, we will increase funding in FY22 back to FY19 levels and hold it level through FY25. We believe our current state funding estimates for FY21-25 are reasonable and that we 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. 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.

Due to the COVID-19, casinos were closed from March 12, to June 18, 2020. We are reducing the amount of funding in FY21 by 26% then increasing the amount in FY22 back to FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY21-25 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to \$95.5 million or \$53.75 per pupil. We believe it will be FY22 when revenues return to the post COVID-19 level.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Basic Aid-Unrestricted	\$526,266	\$579,716	\$579,716	\$579,716	\$579,716
Additional Aid Items	<u>50,638</u>	<u>50,638</u>	<u>50,638</u>	<u>50,638</u>	<u>50,638</u>
Basic Aid-Unrestricted Subtotal	576,904	630,354	630,354	630,354	630,354
Ohio Casino Commission ODT	<u>19,825</u>	<u>24,736</u>	<u>24,681</u>	<u>24,613</u>	<u>24,534</u>
Unrestricted State Aid Line # 1.035	<u>\$596,729</u>	<u>\$655,090</u>	<u>\$655,035</u>	<u>\$654,967</u>	<u>\$654,888</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 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 FY21-25.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Economically Disadvantage Aid	\$15,274	\$15,274	\$15,274	\$15,274	\$15,274
Career Tech - Restricted	<u>390</u>	<u>390</u>	<u>390</u>	<u>390</u>	<u>390</u>
Restricted State Revenues Line #1.040	<u>\$15,664</u>	<u>\$15,664</u>	<u>\$15,664</u>	<u>\$15,664</u>	<u>\$15,664</u>

C) Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected FY21-25.

Summary

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Unrestricted Line # 1.035	\$596,729	\$655,090	\$655,035	\$654,967	\$654,888
Restricted Line # 1.040	15,664	15,664	15,664	15,664	15,664
Rest. Fed. Grants - Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$612,393</u>	<u>\$670,754</u>	<u>\$670,699</u>	<u>\$670,631</u>	<u>\$670,552</u>

State Taxes Reimbursement/Property Tax Allocation - Line 1.050

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 changes 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 currently have 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 generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Summary of State Tax Reimbursement – Line #1.050

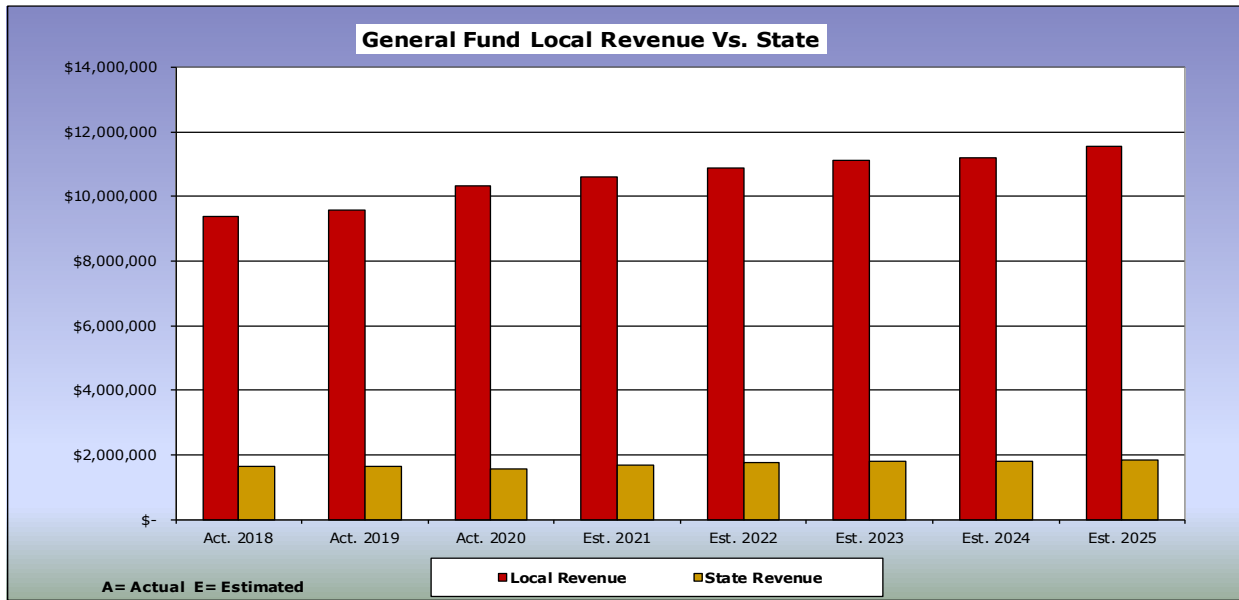
<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Rollback and Homestead Line #1.05	<u>\$1,078,216</u>	<u>\$1,100,338</u>	<u>\$1,131,188</u>	<u>\$1,139,969</u>	<u>\$1,177,359</u>
Tax Reimb./Prop. Tax Allocations #1.050	<u>\$1,078,216</u>	<u>\$1,100,338</u>	<u>\$1,131,188</u>	<u>\$1,139,969</u>	<u>\$1,177,359</u>

Other Local Revenues – Line #1.060

Revenues from all other sources are based on historical growth patterns. This revenue largely consists of open enrollment, Manufactured Home taxes, tuition payments, Medicare reimbursements, and investment income. Open enrollment, tuition and Mobile Home tax are expected to remain mostly steady with slight increases projected. The district maintains a conservative investment philosophy, investing predominately in Star Ohio, CD’s, and US Agencies. Beginning in FY21 interest is expected to decline due to fed rate reductions which will impact our earning capability in this area. All other revenues are expected to continue on historic trends.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Open Enrollment Gross	\$584,162	\$590,004	\$595,904	\$601,863	\$607,882
Interest	42,872	32,154	28,939	26,045	23,441
Manufactured Home Tax	233,993	238,673	248,220	253,184	255,716
Tuition SF-14 & SF-14H	182,516	197,341	199,314	201,307	203,320
Medicare Reimbursement	77,732	78,509	79,294	80,087	80,888
Rentals, Fines, Fees,& other	<u>27,939</u>	<u>28,218</u>	<u>28,500</u>	<u>28,785</u>	<u>29,073</u>
Total Line # 1.060	<u>\$1,149,214</u>	<u>\$1,164,899</u>	<u>\$1,180,171</u>	<u>\$1,191,271</u>	<u>\$1,200,320</u>

Comparison of Local Revenue and State Revenue:



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

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

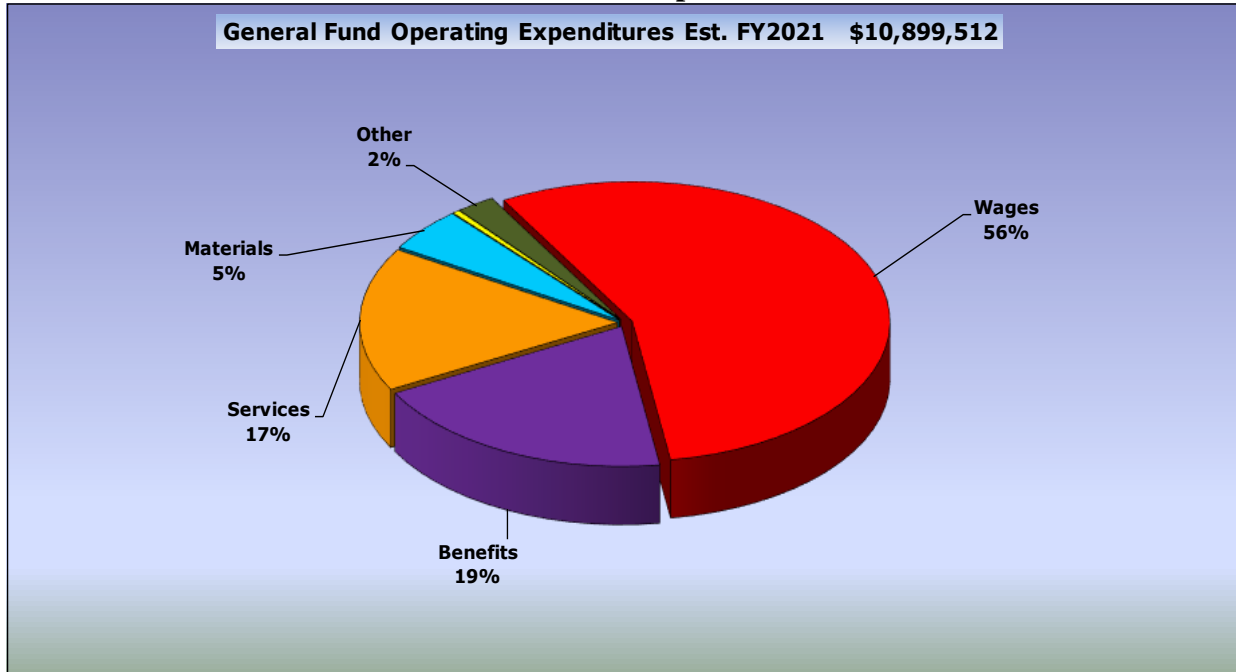
Transfers In / Return of Advances & All Other Financial Sources – Line #2.040, #2.050 and #2.060

Returns of advances to other funds from the previous year comprise most of the historical revenue in this category.

Other financial sources are typically a refund of prior year expenditures that are very unpredictable. We received two (2) BWC refunds in FY21 totaling \$108,782. It is unlikely we will receive further large BWC refunds as they are attempting to more closely match what they collect to claims paid. Other amounts in this category vary unpredictably year to year.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Other Sources Line 2.060	<u>\$110,424</u>	<u>\$12,000</u>	<u>\$12,000</u>	<u>\$12,000</u>	<u>\$12,000</u>

**Expenditure Assumptions
Estimated General Fund Expenditures for FY21**



Wages – Line #3.010

Negotiations with staff have resulted in a 2% base increase for FY21, 3% for FY22, 2.25% for FY23, and 2% for FY24. For planning purposes, the forecast reflects a 2% increase for FY25. Step and training pay are reflected based on current staffing levels FY21-25. Amounts noted as in lieu of costs are payments for stipends help reduce health insurance plan costs. We have also budgeted in FY24 a new math coach and literacy camp staff.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Base Wages	\$5,245,972	\$5,452,175	\$5,754,808	\$5,958,049	\$6,256,558
Base Increases	107,759	157,379	122,674	115,096	119,161
Steps & Training	73,444	76,330	80,567	83,413	87,592
New or Replacement Staff	0	0	0	100,000	0
Substitutes	36,720	37,822	38,673	39,446	40,235
Supplementals	232,292	239,261	244,644	249,537	254,528
Severance & In lieu of Costs	378,357	346,357	346,357	346,357	346,357
Staff Reduction	0	(71,032)	0	0	0
Unfunded Recapture	<u>25,000</u>	<u>68,924</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Wages Line #3.010	<u>\$6,099,544</u>	<u>\$6,307,216</u>	<u>\$6,587,723</u>	<u>\$6,891,898</u>	<u>\$7,104,431</u>

Fringe Benefits Estimates - Line 3.02

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

A) STRS/SERS

As required by law the BOE pays 14% of all employee wages to STRS or SERS.

B) Insurance

We are estimating an increase in insurance of 7% for FY21 and then 10% each year FY22-25. This is based on our current employee census and claims data. This could increase at a much higher rate should claims increase dramatically.

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 an uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about .55% of wages in FY20-24. Unemployment is expected to remain at a very low level. The district is a direct reimbursement employer, which means 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. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts grow at the general growth rate of wages.

Summary of Fringe Benefits – Line #3.020

Source	FY21	FY22	FY23	FY24	FY25
STRS/SERS	\$841,885	\$906,654	\$960,112	\$1,006,347	\$1,039,979
Insurance's	1,133,841	1,225,915	1,348,507	1,511,868	1,663,055
Workers Comp/Unemployment	40,618	30,240	28,168	29,446	30,339
Medicare	82,958	86,463	90,500	94,910	97,992
Tuition Reimb./Cell Phone	<u>20,500</u>	<u>20,500</u>	<u>20,500</u>	<u>20,500</u>	<u>20,500</u>
Total Fringe Benefits Line #3.020	<u>\$2,119,802</u>	<u>\$2,269,772</u>	<u>\$2,447,787</u>	<u>\$2,663,071</u>	<u>\$2,851,865</u>

Purchased Services – Line #3.030

We are estimating an average inflation rate of 1% for FY21-24. Open enrollment and Community schools continue to draw a significant number of students from our funding, which is the largest share in this expenditure. In FY21 open enrollment grew \$83,000 more than anticipated. In FY22 -FY25, community school and open enrollment deductions are expected to continue to grow.

Source	FY21	FY22	FY23	FY24	FY25
Base Services	\$153,169	\$153,169	\$153,169	\$153,169	\$153,169
Instructional Services - ESC	387,965	391,845	395,763	399,721	403,718
Open Enrollment Deduction	370,763	374,471	378,216	381,998	385,818
Community School Deductions	76,372	68,735	61,862	55,676	50,108
Tuition Payments, Autism Schp., CC+	394,754	398,702	402,689	406,716	410,783
Utilities	172,175	172,175	172,175	172,175	172,175
Building Maintenance	<u>258,479</u>	<u>261,063</u>	<u>223,674</u>	<u>195,911</u>	<u>197,870</u>
Total Purchased Services Line #3.030	<u>\$1,813,677</u>	<u>\$1,820,160</u>	<u>\$1,787,548</u>	<u>\$1,765,366</u>	<u>\$1,773,641</u>

Supplies and Materials – Line #3.040

These amounts account for funds to purchase new textbooks and educational supplies related to new curriculum adoptions. The other area of expenses included in this category are all consumable supplies that are purchased to operate the school district, such as textbooks, paper, cleaning supplies, tires and bus fuel. In FY21 we increased our budget for \$86,000 for a textbook adoption and \$20,000 for Chromebook.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Supplies	\$551,000	\$445,000	\$445,000	\$445,000	\$445,000
Total Supplies Line #3.040	\$551,000	\$445,000	\$445,000	\$445,000	\$445,000

Equipment – Line # 3.050

Capital outlay expenditures are estimated based on recent historical patterns with the expectation that other capital outlay expenditures will be out of the permanent improvement funds

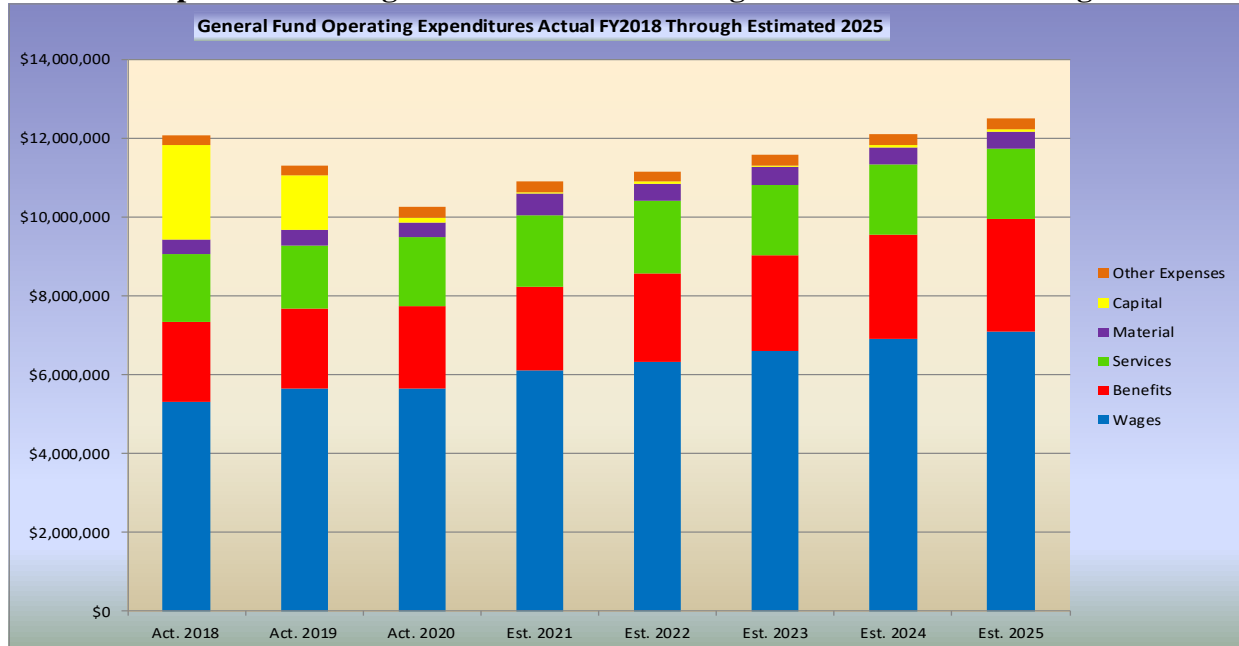
<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Capital Outlay	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Total Equipment Line #3.050	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, but also includes annual audit costs, OSBA dues, and other miscellaneous expenses.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
County Auditor & Treasurer Fees	\$213,769	\$215,907	\$218,066	\$220,247	\$222,449
Audit fees, dues and other expenses	48,242	49,207	50,191	51,195	52,219
County ESC	3,478	3,478	3,478	3,478	3,478
Total Other Expenses Line #4.300	\$265,489	\$268,592	\$271,735	\$274,920	\$278,146

Total Expenditure Categories Actual FY18 through Estimated FY20 through FY25



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. Advances are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund.

Source	FY21	FY22	FY23	FY24	FY25
Operating Transfers Out Line #5.010	\$130,000	\$170,000	\$170,000	\$170,000	\$170,000
Advances Out Line #5.020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances Out	<u>\$130,000</u>	<u>\$170,000</u>	<u>\$170,000</u>	<u>\$170,000</u>	<u>\$170,000</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. Estimates are based on historic trends.

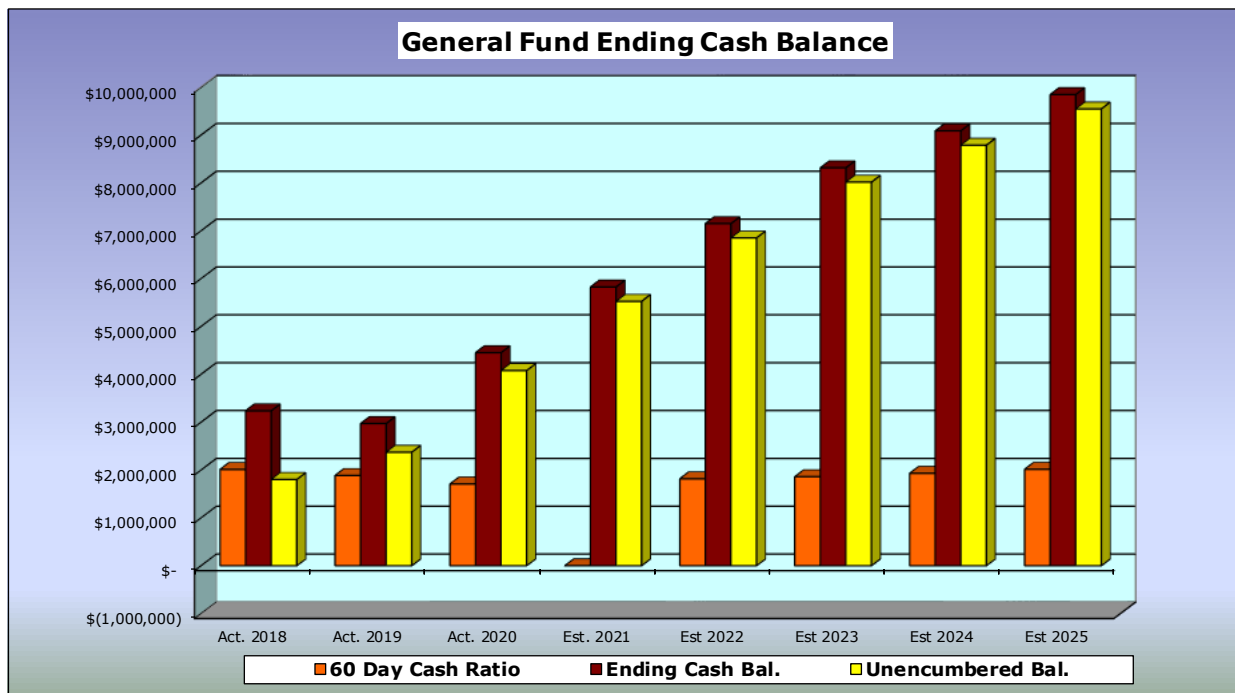
	FY21	FY22	FY23	FY24	FY25
Estimated Encumbrances	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>

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 5705.412, ORC punishable by personal liability of \$10,000, unless an alternative “412” certificate can be issued pursuant to HB153 effective September 30, 2011. The district maintains a solid sixty (60) unencumbered cash balance for the entire forecast period.

	FY21	FY22	FY23	FY24	FY25
Ending Cash Balance	<u>\$5,524,051</u>	<u>\$6,849,227</u>	<u>\$8,015,256</u>	<u>\$8,787,591</u>	<u>\$9,545,494</u>

General Fund Ending Cash Balance Actual FY18-19 and Estimated FY20-25



True Cash Days Ending Balance

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash

Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each districts complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics and severance reserves.

