

**NORTH FORK LOCAL SCHOOL DISTRICT-LICKING 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**  
**North Fork Local School District**  
**Treasurer's Office**  
**Kellie Breehl, Treasurer**

*November 18, 2019*

# North Fork Local School District

Licking 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
<b>Revenues</b>										
1.010 General Property Tax (Real Estate)	4,026,423	4,141,141	4,199,325	2.1%	4,355,034	4,337,777	4,377,812	4,393,270	4,435,214	
1.020 Tangible Personal Property	680,825	685,286	738,661	4.2%	773,693	783,272	791,104	799,015	807,005	
1.030 Income Tax	2,163,105	2,294,679	2,253,674	2.1%	2,276,211	2,298,973	2,321,963	2,345,183	2,368,635	
1.035 Unrestricted State Grants-in-Aid	8,179,956	8,248,058	8,285,071	0.6%	8,240,825	8,246,530	8,247,438	8,248,356	8,249,282	
1.040 Restricted State Grants-in-Aid	191,323	179,181	140,756	-13.9%	155,926	156,070	156,216	156,363	156,511	
1.045 Restricted Fed. SFSF Fd. 532 FY10&11/Ed Jobs Fd.504 FY11	-	-	-	0.0%	-	-	-	-	-	
1.050 Property Tax Allocation	652,613	662,930	675,696	1.8%	682,410	694,244	700,003	702,554	708,495	
1.060 All Other Revenues	1,308,294	1,587,267	1,646,021	12.5%	1,576,705	1,567,944	1,560,185	1,553,328	1,547,284	
1.070 <b>Total Revenues</b>	<b>17,202,539</b>	<b>17,798,542</b>	<b>17,939,204</b>	<b>2.1%</b>	<b>18,060,804</b>	<b>18,084,810</b>	<b>18,154,721</b>	<b>18,198,069</b>	<b>18,272,426</b>	
<b>Other Financing Sources</b>										
2.010 Proceeds from Sale of Notes	-	-	-	0.0%	-	-	-	-	-	
2.020 State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-	
2.040 Operating Transfers-In	182,635	326,619	-	-10.6%	-	-	-	-	-	
2.050 Advances-In	990	2,024	-	2.2%	-	-	-	-	-	
2.060 All Other Financing Sources	37,508	61,887	67,769	37.3%	93,000	60,000	60,000	60,000	60,000	
2.070 <b>Total Other Financing Sources</b>	<b>221,133</b>	<b>390,530</b>	<b>67,769</b>	<b>-3.0%</b>	<b>93,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>17,423,672</b>	<b>18,189,072</b>	<b>18,006,973</b>	<b>1.7%</b>	<b>18,153,804</b>	<b>18,144,810</b>	<b>18,214,721</b>	<b>18,258,069</b>	<b>18,332,426</b>	
<b>Expenditures</b>										
3.010 Personal Services	8,131,047	8,534,502	9,073,541	5.6%	9,533,045	9,812,632	10,093,968	10,383,606	10,681,783	
3.020 Employees' Retirement/Insurance Benefits	2,879,950	3,065,245	3,227,097	5.9%	3,289,536	3,461,397	3,637,793	3,824,469	4,022,212	
3.030 Purchased Services	3,447,843	3,620,279	3,950,877	7.1%	4,180,000	4,272,936	4,398,676	4,528,809	4,663,507	
3.040 Supplies and Materials	598,949	722,773	671,020	6.8%	673,837	680,575	687,380	694,254	701,196	
3.050 Capital Outlay	317,677	712,004	676,087	59.5%	300,000	309,000	318,270	327,818	337,653	
3.060 Intergovernmental	-	-	-	0.0%	-	-	-	-	-	
Debt Service:										
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	69,120	69,120	69,120	0.0%	69,120	69,120	69,120	69,120	69,120	
4.300 Other Objects	402,569	176,476	183,976	-26.0%	187,869	191,862	195,959	200,162	204,474	
4.500 <b>Total Expenditures</b>	<b>15,847,155</b>	<b>16,900,399</b>	<b>17,851,718</b>	<b>6.1%</b>	<b>18,233,407</b>	<b>18,797,522</b>	<b>19,401,166</b>	<b>20,028,238</b>	<b>20,679,945</b>	
<b>Other Financing Uses</b>										
5.010 Operating Transfers-Out	652,420	549,599	125,000	-46.5%	200,000	200,000	200,000	200,000	200,000	
5.020 Advances-Out	2,024	-	-	0.0%	-	-	-	-	-	
5.030 All Other Financing Uses	86,507	86,264	-	-50.1%	65,000	65,000	65,000	65,000	65,000	
5.040 <b>Total Other Financing Uses</b>	<b>740,951</b>	<b>635,863</b>	<b>125,000</b>	<b>-47.3%</b>	<b>265,000</b>	<b>265,000</b>	<b>265,000</b>	<b>265,000</b>	<b>265,000</b>	
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>16,588,106</b>	<b>17,536,262</b>	<b>17,976,718</b>	<b>4.1%</b>	<b>18,498,407</b>	<b>19,062,522</b>	<b>19,666,166</b>	<b>20,293,238</b>	<b>20,944,945</b>	
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>835,566</b>	<b>652,810</b>	<b>30,255</b>	<b>-58.6%</b>	<b>(344,603)</b>	<b>(917,712)</b>	<b>(1,451,445)</b>	<b>(2,035,169)</b>	<b>(2,612,519)</b>	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	6,199,350	7,034,916	7,687,726	11.4%	7,717,981	7,373,378	6,455,666	5,004,221	2,969,052	
7.020 <b>Cash Balance June 30</b>	<b>7,034,916</b>	<b>7,687,726</b>	<b>7,717,981</b>	<b>4.8%</b>	<b>7,373,378</b>	<b>6,455,666</b>	<b>5,004,221</b>	<b>2,969,052</b>	<b>356,533</b>	
8.010 <b>Estimated Encumbrances June 30</b>	<b>266,394</b>	<b>594,355</b>	<b>182,322</b>	<b>26.9%</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	

# North Fork Local School District

Licking 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
<b>Reservation of Fund Balance</b>									
9.010 Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-
9.020 Capital Improvements	-	-	-	0.0%	-	-	-	-	-
9.030 Budget Reserve	-	-	-	0.0%	50,000	50,000	50,000	50,000	50,000
9.040 DPIA	-	-	-	0.0%	-	-	-	-	-
9.045 Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-
9.050 Debt Service	-	-	-	0.0%	853,000	938,000	1,024,000	1,110,000	1,196,000
9.060 Property Tax Advances	-	-	-	0.0%	-	-	-	-	-
9.070 Bus Purchases	-	-	-	0.0%	-	-	-	-	-
9.080 <i>Subtotal</i>	-	-	-	0.0%	903,000	988,000	1,074,000	1,160,000	1,246,000
<i>Fund Balance June 30 for Certification of Appropriations</i>	6,768,522	7,093,371	7,535,659	5.5%	6,395,378	5,392,666	3,855,221	1,734,052	(964,467)
<b>Revenue from Replacement/Renewal Levies</b>									
11.010 Income Tax - Renewal				0.0%	-	-	-	-	-
11.020 Property Tax - Renewal or Replacement				0.0%	-	-	-	-	-
11.300 Cumulative Balance of Replacement/Renewal Levies				0.0%	-	-	-	-	-
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>	6,768,522	7,093,371	7,535,659	5.5%	6,395,378	5,392,666	3,855,221	1,734,052	(964,467)
<b>Revenue from New Levies</b>									
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>	6,768,522	7,093,371	7,535,659	5.5%	6,395,378	5,392,666	3,855,221	1,734,052	(964,467)

**North Fork Local School District – Licking County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**November 18, 2019**

**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. HB87, effective November 1, 2018, changed the October filing deadline to November 30 beginning with this forecast. The May 31 filing date remains unchanged. 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 restricted state funding to 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 November 2019 filing.

**Economic Outlook**

It is prudent in long range forecasting to consider the economic climate that long range projection of revenues and expenses are made. The state of Ohio provides roughly 50% of all school district funding so the state's financial health is a stabilizing factor for school district funding. The state of Ohio ended FY19 with a surplus of revenue over expenses and is maintaining a statutory maximum balance of \$2.8 billion in the Budget Stabilization Fund that would enable it to weather an economic slowdown during the forecast period. Unemployment rates statewide fell from 4.5% in June 2018 to 4.0% in June 2019 and overall economic growth is predicted to grow at a relatively steady rate of 2% annually through 2021 according to the Ohio Office of Budget and Management. This positively impact state revenues and local revenues for districts with school district income taxes and will reduce delinquent local property tax payments if employment remains strong. These indicators suggest the state of Ohio's overall economy is healthy and should be able to maintain stable funding through the foundation program through the forecast period.

Statewide assessed property values and local tax collections have recovered from the sharp drops that occurred in 2008 through 2011. In 2008 statewide property values reached \$256.23 billion of assessed value and in 2017 they rose above this to \$263.73 billion for the first time. Assessed values grew 4.3% overall from 2017 to \$275.01 billion in 2018. Property values and new construction are expected to continue growing throughout the forecast period with some districts with high agricultural values experiencing slightly lower growth due to changes in current agricultural use valuation that will occur during reappraisal and update years. Property values and tax collections show trends supporting stability and growth for the forecast period.

**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:

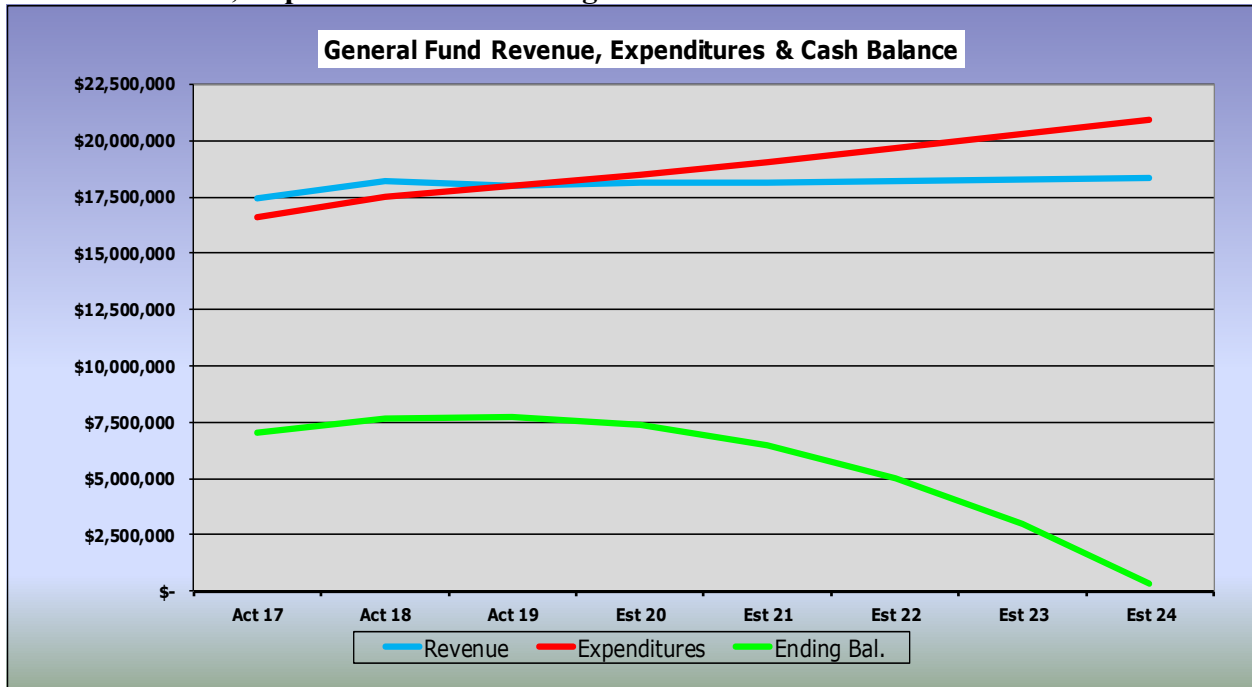
- I. Licking County reappraisal will occur in tax year 2020 for collection in FY21. We anticipate an overall value increases for Class I and II property of \$12,977,559 or 4.55%. Total local revenues which are predominately local taxes equate to 49.2% of the district's resources. There is however always a chance

that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.

- 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. 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.
- III. The State Budget represents 50.3% of district revenues and is an area of risk to revenue. The 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 be inline with our current estimates through FY24 which we feel are 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.
- 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. College Credit Plus costs continue to increase as this program becomes more understood. These are examples of new choice programs that increase with each biennium budget 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.
- V. Labor relations in our district have been amicable with 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 and will only grow stronger.

The major categories of revenue and expenditures in the forecast are noted below in the headings to make it easier to reference the assumptions made for the forecast item. 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 Kellie Breehl, Treasurer of North Fork Local District, at 740-892-3897.

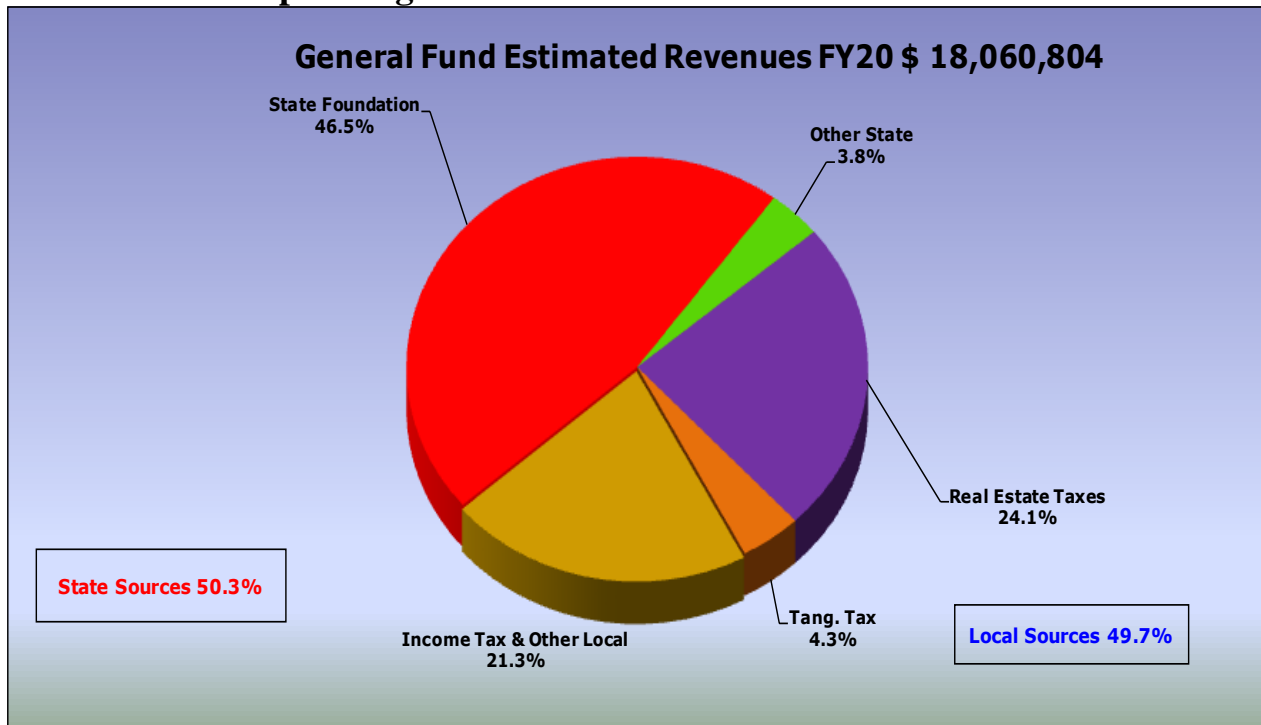
**General Fund Revenue, Expenditures and Ending Cash Balance Actual FY16-18 and Estimated FY19-23**



The graph captures in one snapshot the operating scenario facing the District over the next few years including the renewal of the 1% School District Income Tax renewal was approved May 7, 2019. The income tax now expires December 31, 2025.

**Revenue Assumptions**

**Operating Revenue Sources General Fund FY20**



**Real Estate Value Assumptions – Line # 1.010**

Property values are established each year by the Knox and Licking County Auditors based on new construction and complete reappraisal or updated values. Licking County experienced a full reappraisal and Knox County

experienced a reappraisal update in the 2017 tax year to be collected in FY18. The 2017 updates increased overall assessed values by \$9.45 million or an increase of 4.1% for residential/agricultural property (Class I) and commercial/industrial property (Class II). A reappraisal will occur in tax year 2020 for collection in FY21. We anticipate an overall value increases for Class I and II property of 4.55%. There is however always a chance that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.

Public Utility Personal Property (PUPP) grew in Tax Year 2018 by 8.32% or an increase of \$2.23 million. For tax year 2019 through 2023 an annual increase of 1% is expected on an annual basis due to reinvestments being made by utilities statewide.

**ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS**

<u>Classification</u>	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2019 COLLECT 2020	TAX YEAR2020 COLLECT 2021	TAX YEAR2021 COLLECT 2022	TAX YEAR2022 COLLECT 2023	TAX YEAR2023 COLLECT 2024
Res./Ag.	\$230,988,660	\$243,388,093	\$244,238,093	\$245,088,093	\$258,192,498
Comm./Ind.	13,847,236	14,154,181	14,184,181	14,214,181	14,528,464
Public Utility Personal Property (PI)	27,118,116	27,389,297	27,663,190	27,939,822	28,219,220
Tangible Personal Property (TPP)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assessed Value	<u>\$271,954,012</u>	<u>\$284,931,571</u>	<u>\$286,085,464</u>	<u>\$287,242,096</u>	<u>\$300,940,182</u>

**ESTIMATED REAL ESTATE TAX - Line #1.010**

<u>Source</u>	FY20	FY21	FY22	FY23	FY24
General Property Taxes - Line #1.0	<u>\$4,355,034</u>	<u>\$4,337,777</u>	<u>\$4,377,812</u>	<u>\$4,393,270</u>	<u>\$4,435,214</u>

Property tax levies are estimated to be collected at 98% of the annual amount. This allows a 2% delinquency factor. Typically, 58% of the new residential/agriculture (Res/Ag) and commercial/industrial (Comm/Ind) is expected to be collected in the February tax settlements and 42% is expected to be collected in the August tax settlements. 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.

**Public Utility Property Tax – Line#1.020**

Public Utility Personal Property Taxes are the only source of revenues in this line since the state Ohio phased out tangible personal property tax (TPP), began in fiscal year 2006. These tax collections are estimate to continue to grow slightly year to year throughout the forecast. For tax year 2019 through 2022 an annual increase of 1% is expected on an annual basis due to reinvestments being made by utilities statewide. PUPP values increased by 8.32% in TY18 or an increase of \$2,239,330 in valuation.

<u>Source</u>	FY20	FY21	FY22	FY23	FY24
Tangible Personal Property Taxes	<u>773,693</u>	<u>783,272</u>	<u>791,104</u>	<u>799,015</u>	<u>807,005</u>
Total Line # 1.020	<u>\$773,693</u>	<u>\$783,272</u>	<u>\$791,104</u>	<u>\$799,015</u>	<u>\$807,005</u>

**Renewal and Replacement Levies – Line #11.01**

The 1% income tax was approved May 7, 2019 and will expire December 31, 2025.

**New Tax Levies – Line #13.030**

No new levies are modeled in this forecast.

**School District Income Tax – Line#1.030**

The district renewed a 1% SDIT in May 7, 2019. FY19 saw the SDIT fall 1.81% over FY18, but we are anticipating growth of 1% a year for the forecast period. When the SDIT expires in FY26 it will be moved to Line 11.01 of the forecast as required.

<u>Source</u>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
SDIT Collection	\$2,253,674	\$2,276,211	\$2,298,973	\$2,321,963	\$2,345,183
Adjustments	<u>22,537</u>	<u>22,762</u>	<u>22,990</u>	<u>23,220</u>	<u>23,452</u>
Total to Line #1.030	<u>\$2,276,211</u>	<u>\$2,298,973</u>	<u>\$2,321,963</u>	<u>\$2,345,183</u>	<u>\$2,368,635</u>

## **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 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.

### **Supplemental Funding for Student Wellness and Success (Restricted Fund 467)**

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 \$448,867 in FY20 and \$653,849 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:

#### **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

**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 31<sup>st</sup> of January and August each year which began for the first time on January 31, 2013.

The state continues to report that revenues from casinos are not growing robustly as originally predicted but are still growing 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. We will increase estimates for out years when actual casino revenues show signs of stronger increases.

**B) Unrestricted State Foundation Revenue – Line #1.035**

<u>Source</u>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Basic Aid-Unrestricted	\$7,974,538	\$7,979,343	\$7,979,343	\$7,979,343	\$7,979,343
Additional Aid Items	176,337	176,337	176,337	176,337	176,337
Basic Aid-Unrestricted Subtotal	8,150,875	8,155,680	8,155,680	8,155,680	8,155,680
Ohio Casino Commission ODT	<u>89,950</u>	<u>90,850</u>	<u>91,758</u>	<u>92,676</u>	<u>93,602</u>
Total Unrestricted State Aid Line #	<u>\$8,240,825</u>	<u>\$8,246,530</u>	<u>\$8,247,438</u>	<u>\$8,248,356</u>	<u>\$8,249,282</u>

**C) Restricted State Revenues – Line # 1.040**

The current funding model 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 throughout the forecast.

<u>Source</u>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Economically Disadvantaged Aid	\$77,080	\$77,080	\$77,080	\$77,080	\$77,080
Career Tech - Restricted	64,436	64,436	64,436	64,436	64,436
Catastrophic Aid	<u>14,410</u>	<u>14,554</u>	<u>14,700</u>	<u>14,847</u>	<u>14,995</u>
Total Restricted State Revenues Li	<u>\$155,926</u>	<u>\$156,070</u>	<u>\$156,216</u>	<u>\$156,363</u>	<u>\$156,511</u>

**D) Restricted Federal Grants in Aid – line #1.045**

No restricted federal grants in aid are included throughout the forecast.

<u>Summary of State Foundation Revenue</u>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Unrestricted Line # 1.035	\$8,240,825	\$8,246,530	\$8,247,438	\$8,248,356	\$8,249,282
Restricted Line # 1.040	155,926	156,070	156,216	156,363	156,511
Rest. Fed. Grants - SFSF & Ed Job:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$8,396,751</u>	<u>\$8,402,600</u>	<u>\$8,403,654</u>	<u>\$8,404,719</u>	<u>\$8,405,793</u>

**Other Local Revenues – Line #1.060**

The main sources of revenue in this area are open enrollment, Medicaid, tuition for court placed students, student fees, and general rental fees. Beginning in FY20 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>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Open Enrollment Gross	\$947,309	\$947,309	\$947,309	\$947,309	\$947,309
Interest	99,614	89,653	80,688	72,619	65,357
Class Fees & School Supplies	102,119	102,119	102,119	102,119	102,119
Tuition SF-14 & SF-14H	239,954	241,154	242,360	243,572	244,790
Other Income, Rentals & Medicaid	<u>187,709</u>	<u>187,709</u>	<u>187,709</u>	<u>187,709</u>	<u>187,709</u>
OTHER LOCAL REVENUES - Li	<u>\$1,576,705</u>	<u>\$1,567,944</u>	<u>\$1,560,185</u>	<u>\$1,553,328</u>	<u>\$1,547,284</u>

**State Taxes Reimbursement/Property Tax Allocation- Line #1.050**

**a) Rollback and Homestead Reimbursement**

Rollback funds are reimbursements paid to the district from the State of 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 slow the growth of homestead reimbursements to the district, 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**

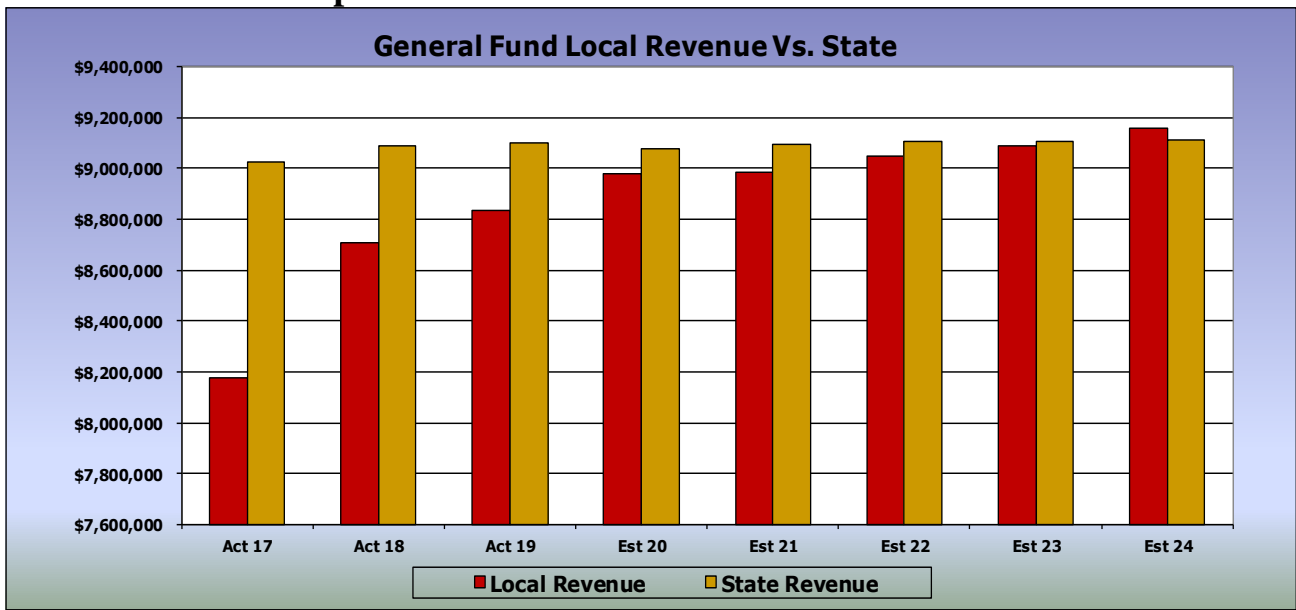
<u>Source</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
a) Rollback and Homestead	<u>682,410</u>	<u>694,244</u>	<u>700,003</u>	<u>702,554</u>	<u>708,495</u>
Total Tax Reimb./Prop. Tax Alloca	<u>\$682,410</u>	<u>\$694,244</u>	<u>\$700,003</u>	<u>\$702,554</u>	<u>\$708,495</u>

**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 sources of revenue in this area are open enrollment, interest, tuition for court placed students, student fees, and general rental fees.

<u>Source</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Open Enrollment Gross	\$947,309	\$947,309	\$947,309	\$947,309	\$947,309
Interest	99,614	89,653	80,688	72,619	65,357
Class Fees & School Supplies	102,119	102,119	102,119	102,119	102,119
Tuition SF-14 & SF-14H	239,954	241,154	242,360	243,572	244,790
Other Income, Rentals & Medicaid	<u>187,709</u>	<u>187,709</u>	<u>187,709</u>	<u>187,709</u>	<u>187,709</u>
OTHER LOCAL REVENUES - Li	<u>\$1,576,705</u>	<u>\$1,567,944</u>	<u>\$1,560,185</u>	<u>\$1,553,328</u>	<u>\$1,547,284</u>

## Comparison of Local Revenue and State Revenue



### 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 transfer and advances 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. The refund of prior year expenditures line varies from year to year and is highly unpredictable.

<u>Source</u>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transfer & Advances In	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### All Other Financial Sources – Line #2.060

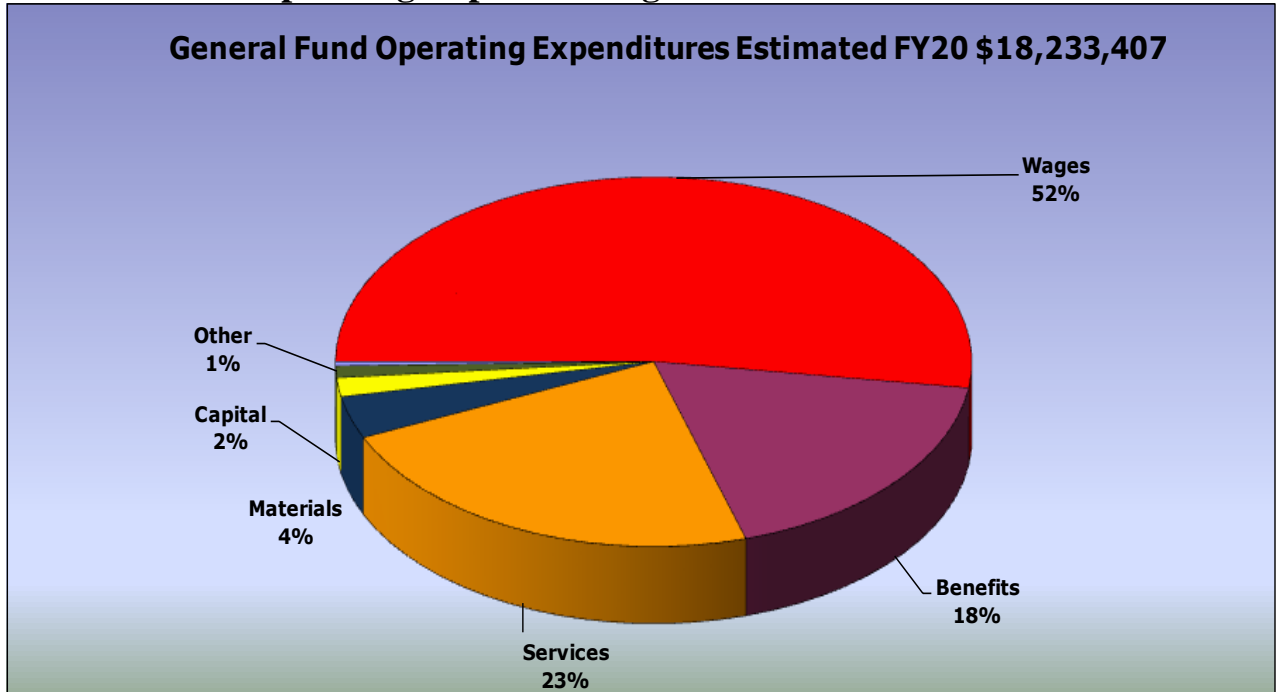
This funding source is typically a refund of prior year expenditures that is very unpredictable. We did receive a Bureau of Workers Compensation refund of \$61,004 for FY20, but this is inconsistent year to year and we will continue to monitor in future years.

<u>Source</u>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Refund of prior year expenditures	<u>\$93,000</u>	<u>\$60,000</u>	<u>\$60,000</u>	<u>\$60,000</u>	<u>\$60,000</u>

## Expenditures Assumptions

The district’s leadership team is always looking at ways to improve the education of the students whether it is with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

### All Operating Expense Categories - General Fund FY20



#### Wages – Line #3.010

The model reflects a base increase of 2.0% for FY19, 2.5% for FY20, and for planning purposes a 1% increase for FY21-24. We have estimated step and training increases of 1.8% for each year of the forecast in addition to 1 FTE certificated staff that may be needed. The district will begin negotiations with Certified and Classified staff in the spring of FY20 for FY21-23. This forecast contains the current and two future bargaining unit agreements.

<u>Source</u>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Base Wages	\$8,550,382	\$9,005,004	\$9,279,661	\$9,556,017	\$9,840,625
Increases	213,760	90,050	92,797	95,560	98,406
Steps & Training	153,907	162,090	167,034	172,008	177,131
Growth/Replacement Staff	121,955	57,517	51,525	52,040	52,560
Substitutes & Sulpplementals	493,041	497,971	502,951	507,981	513,061
Staff Reductions/Attrition	0	0	0	0	0
<b>Total Wages Line 3.010</b>	<u>\$9,533,045</u>	<u>\$9,812,632</u>	<u>\$10,093,968</u>	<u>\$10,383,606</u>	<u>\$10,681,783</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 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.

##### B) Insurance

The estimated increases for insurance are 1% for fiscal year 2020 and 7% for fiscal year 2021-2024.

Patient Protection and Affordable Care Act (PPACA) Costs- the **Patient Protection and Affordable Care Act (PPACA)** commonly called **Obamacare** or the **Affordable Care Act (ACA)**, is a United States federal statute signed into law by President Barack Obama on March 23, 2010. It is uncertain to what extent the implementation of PPACA will cost our district in additional funds especially since it is being reviewed carefully at the federal level for amendment or repeal. We are not certain what these added costs may be but Longer-term, a significant concern is the 40% “Cadillac Tax” provision but in December 2017 this was delayed until 2022 by congress. This tax would be imposed on plans whose value of benefits exceeds \$10,200 for individual plans and \$27,500 for family plans. The rules and implementation of the PPACA is an ongoing issue we are watching closely to evaluate the effect on our district.

**C) Workers Compensation & Unemployment Compensation**

Workers Compensation is expected to remain at about 0.38% of wages throughout the forecast due to a moderated claim experience over prior years. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

**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>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
A) STRS/SERS	\$1,436,608	\$1,484,153	\$1,528,336	\$1,573,709	\$1,620,433
B) Insurances	1,637,133	1,756,333	1,883,398	2,019,399	2,164,962
C) Workers Comp/Unemployment	36,526	37,588	38,657	39,758	40,891
D) Medicare	138,229	142,283	146,362	150,563	154,886
Other/Tuition	<u>41,040</u>	<u>41,040</u>	<u>41,040</u>	<u>41,040</u>	<u>41,040</u>
Total Line 3.020	<u>\$3,289,536</u>	<u>\$3,461,397</u>	<u>\$3,637,793</u>	<u>\$3,824,469</u>	<u>\$4,022,212</u>

**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 post-secondary enrollment option. Estimates for many items covered in this area of the forecast were based on historical trends and estimated service needs. A 3% increase was incorporated throughout the forecast for inflationary purposes as well as estimated increases in college credit plus deductions.

<u>Source</u>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Base Services	\$99,166	\$102,141	\$105,205	\$108,361	\$111,612
ESC & Instructional Services	1,458,196	1,501,942	1,547,000	1,593,410	1,641,212
Open Enrollment Deduction	895,727	913,642	931,915	950,553	969,564
Community School	314,066	314,066	314,066	314,066	314,066
Tuition, Scholarship Trasnfers & C	402,471	422,595	443,725	465,911	489,207
Building Maintenance & Service	393,255	382,918	402,064	422,167	443,275
Utilities	<u>506,909</u>	<u>522,116</u>	<u>537,779</u>	<u>553,912</u>	<u>570,529</u>
Total Line 3.030	<u>\$4,180,000</u>	<u>\$4,272,936</u>	<u>\$4,398,676</u>	<u>\$4,528,809</u>	<u>\$4,663,507</u>

**Supplies and Materials – Line #3.040**

An overall inflation of 1.0% is being estimated for this category of expenses. This is due to an anticipated increase in fuel costs and instructional materials as a whole. Educational supplies include textbooks, office and classroom supplies, we have no textbook updates budgeted at this time. Building and transportation costs

include supplies to clean the buildings, provide paper supplies and other items custodians would need, and transportation costs are largely fuel, tires and other costs required to keep our fleet safe and operational.

<u>Source</u>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Supplies, Textbooks & Technolog	\$284,504	\$287,349	\$290,222	\$293,124	\$296,055
Building and Transportation	<u>389,333</u>	<u>393,226</u>	<u>397,158</u>	<u>401,130</u>	<u>405,141</u>
Total Line 3.040	<u>\$673,837</u>	<u>\$680,575</u>	<u>\$687,380</u>	<u>\$694,254</u>	<u>\$701,196</u>

**Equipment – Line # 3.050**

Costs in FY20-24 include purchasing equipment for students and staff. We continue to fund the lease purchase agreement to update the bus fleet. Completion of the new bus garage decreased this line by \$365,000 from FY19. These amounts can vary year to year based on anticipated need.

<u>Source</u>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Capital Outlay	<u>300,000</u>	<u>309,000</u>	<u>318,270</u>	<u>327,818</u>	<u>337,653</u>
Total Line 3.050	<u>\$300,000</u>	<u>\$309,000</u>	<u>\$318,270</u>	<u>\$327,818</u>	<u>\$337,653</u>

**Other Expenses – Line #4.300**

The category of Other Expenses consists primarily of Auditor & Treasurer (A&T) fees and state audit fees. Other items such as dues and fees to professional organizations such as OSBA and employee bonds are paid from these funds. Currently, we are estimating annual increase of 2% for this forecast.

<u>Source</u>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
County Auditor & Treasurer Fees	\$82,142	\$82,963	\$83,793	\$84,631	\$85,477
Other expenses	<u>105,727</u>	<u>108,899</u>	<u>112,166</u>	<u>115,531</u>	<u>118,997</u>
Total Line 4.300	<u>\$187,869</u>	<u>\$191,862</u>	<u>\$195,959</u>	<u>\$200,162</u>	<u>\$204,474</u>

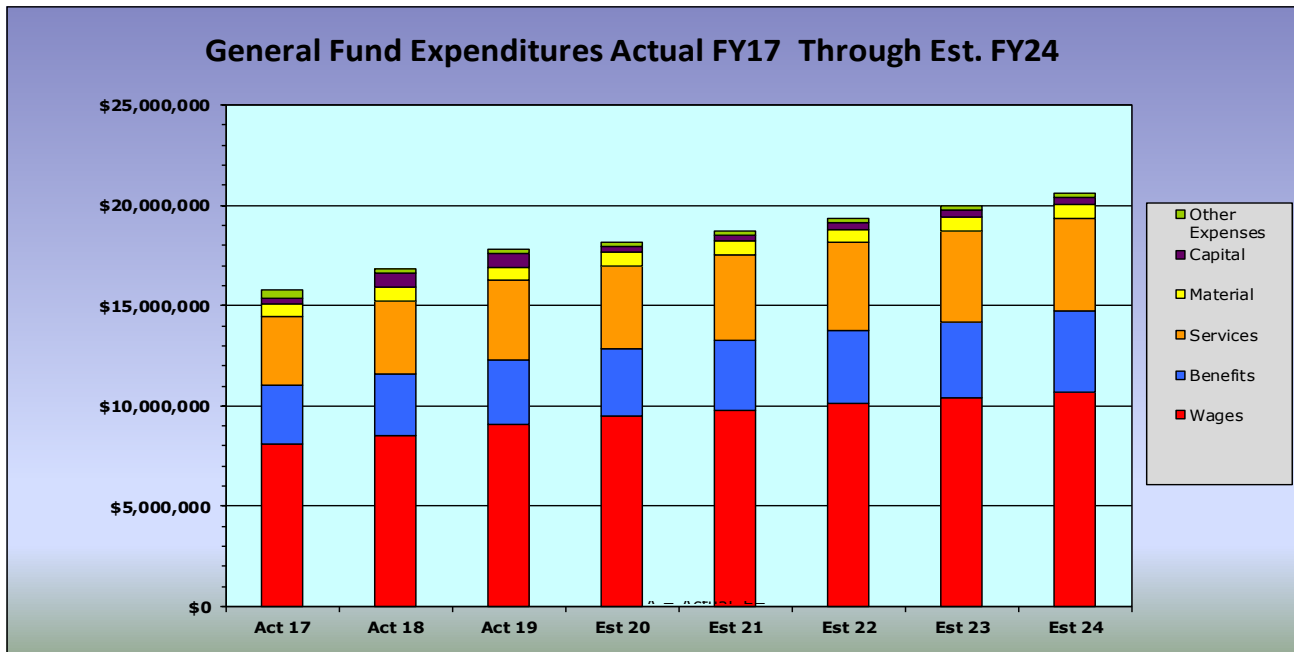
**Transfers Out– Line# 5.010**

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 transfer of \$200,000 in FY20 consists of \$150,000 to the PI Fund (003) and \$50,000 to Food Service Fund (006).

<u>Source</u>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
Operating Transfers Out Line #5.0	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Advances Out Line #5.020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>

**Operating Expenditures Actual FY17 through FY19 and Estimated FY20-FY24**

As the graph on the following page indicates, we have been diligent at reducing costs in reaction to lower and flat state revenues in the past. We are maintaining control over our expenses while balancing student academic needs to enable them to excel and do well on state performance standards.



**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. .

	FY20	FY21	FY22	FY23	FY24
Estimated Encumbrances - Line #8	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$75,000</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.

Source	FY20	FY21	FY22	FY23	FY24
Ending Unencumbered Cash Balar	<u>\$6,395,378</u>	<u>\$5,392,666</u>	<u>\$3,855,221</u>	<u>\$1,734,052</u>	<u>-\$964,467</u>

**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 (GFOA) recommends no less than two (2) months or 60 days cash to be on hand at year end but could be more depending on each district’s complexity and risk factors for revenue collection. This is calculated including transfers as this is predictable funding source for other funds such as for severance payments. The district will need to keep an eye on FY23 and beyond as reserves are anticipated to dip below suggested safelevel sof ending cash.

### Ending Cash Balance in True Cash Days

