

**Trotwood-Madison City School District – Montgomery 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
Trotwood-Madison City School District
Treasurer's Office
Janice Allen, Treasurer/CFO**

November 19, 2020

Trotwood-Madison City School District – Montgomery County
Notes to the Five Year Forecast
General Fund Only
November 19, 2020

Introduction to the Five Year Forecast

For fiscal year 2021 (July 1, 2020 – June 30, 2021) school districts in Ohio are required to file a five (5) year financial forecast by November 30, 2020, and May 31, 2021. 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 2020 and 2021 specifically for Student Wellness and Success but regular foundation funding was reduced on May 6, 2020 for all school districts for FY20 and FY21. The Student Wellness and Success Fund revenues are restricted and are required to be accounted for in a Special Revenue Fund (Fund 467) and are NOT General Fund revenue and consequently not included in this forecast.

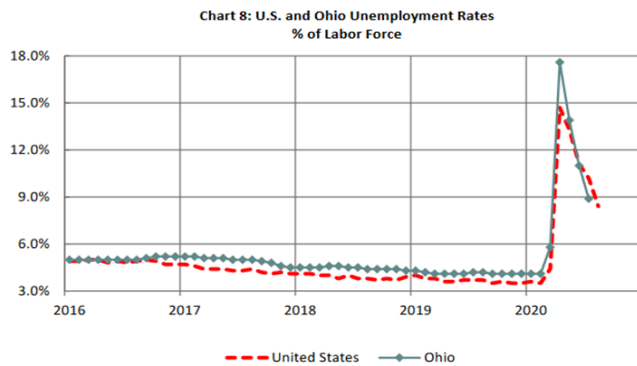
Fiscal year 2021 (July 1, 2020-June 30, 2021) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the November 2020 filing.

Economic Outlook

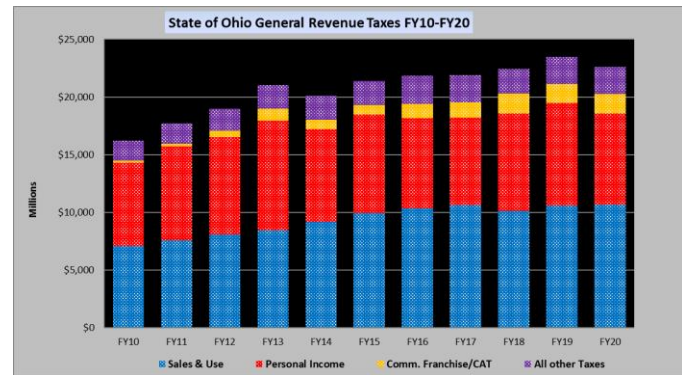
It is prudent in long range forecasting to consider the economic climate that our long range projection of revenues and expenses are made. State and local resources are under stress as the economy recovers from the COVID-19 Global Pandemic. We have reviewed historical data from the Great Recession of 2008, but there is no recent historic data or similar economic situation to compare to what the district is facing now. The pandemic's economic impact makes it challenging to project where our finances will be through fiscal year 2025. 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.

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. As the graph on the following page notes, the state of Ohio ended FY20 \$1.1 billion or 4.6% under estimated tax revenues and \$866 million below actual FY19 tax revenues. Note that roughly \$441.5 million of this shortfall was due to the April 15, 2020 state tax filing deadline moved to July 15, 2020. Total state program expenditures ended FY20 \$865.1 million under estimated expenses. The state ended in essentially a balanced position in FY20 with revenues equaling expense with the cuts and has maintained the \$2.7 billion in the Budget Stabilization Fund. Through August 2020 the state of Ohio bottom-line is \$389 million better than estimated. Ohio's economy is recovering along with improving employment.

Due to COVID-19 closures unemployment rates statewide rose rapidly from 4.7% in February to 17.4% in April. The graph on the following page shows rates have improved to 8.4% in September and are trending lower according to the Ohio Office of Budget and Management. As unemployment rates drop this positively impacts state and local revenues for districts. These indicators suggest the state of Ohio's overall economy is rebounding and should be able to maintain stable funding through the foundation program through the forecast period.



Source: Ohio Office of Budget and Management



Source: Ohio Office of Budget and Management

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:

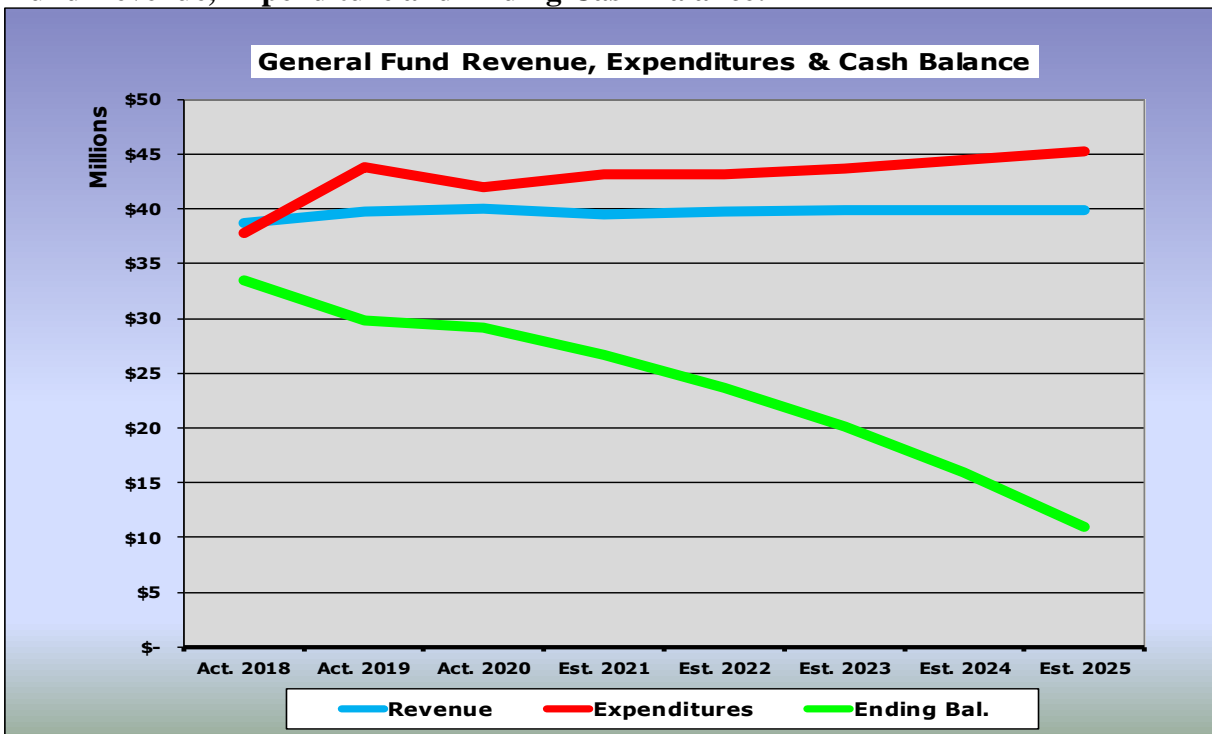
- Trotwood-Madison City School District went through an appraisal update in 2017 for collection in FY18. There was no significant change in values for residential and commercial property as a result of the 2017 appraisal update. We anticipate the full reappraisal in 2020 will also be unchanged.
- HB166 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 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. We have assumed this money will not continue after FY22. Enrollment Growth Supplement money is paid to a small number of growing districts. Our district is estimated to receive enrollment growth money for FY21 and will treat it as guaranteed FY22-25.
- 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. Districts with less local capacity to raise revenue received a smaller percent decrease. At this time the decreases that occurred in FY20 are the basis for districts state funding in FY21. We do not feel that there will be further cuts in FY21 as the economy is rebounding from the sharp drop in employment in March and April 2020 and state tax revenues are rebounding. We believe Ohio's economy will continue to improve and that FY22-25 will see funding returned to the FY19 levels. We will not project an increase beyond the FY19 levels.
- The State resources represent 77% of district revenues, which means it is a significant area of 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 FY22 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.

- 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 costs the district money. Expansion or creation of programs such as these can expose 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.

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 Janice Allen, Treasurer/CFO of Trotwood-Madison City School District at 937-854-3050.

General Fund Revenue, Expenditure and Ending Cash Balance:



Revenue Assumptions

Estimated General Fund Revenue for FY21



Real Estate Value Assumptions – Line # 1.010

Property Values are established each year by the County Auditor based on new construction, demolitions, Board of Revision (BOR)/Board of Tax Appeals (BTA) activity and complete reappraisal or updated values. District values have fallen from \$283.8 million in 2010 to \$207.3 million in 2020. This represents a drop of \$76.5 million or (26.9%) in the last 11 years. Due to HB920 provisions, tax rates will adjust up so losses would be limited; however, the district's 8.15 and 7.8 mill "fixed rate" levies can never exceed the 8.15 and 7.8 mill amounts. Any further drop in Assessed Values (AV) will result in lower taxes as most of the district's levies cannot adjust upward.

An appraisal update occurred in 2017 for collection in FY18. There was no significant change in tax values as a result of the 2017 update. We do not anticipate any significant value changes in 2020 when we have a full reappraisal.

In 2011 Tangible Personal Property (TPP) values were reduced to \$-0- as a result of HB 66 passed July 1, 2005.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2020	TAX YEAR2021	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.	\$144,776,981	\$144,626,981	\$144,476,981	\$145,273,340	\$144,624,930
Comm./Ind.	48,354,940	47,929,940	47,504,940	47,079,940	46,654,940
Public Utility (PUPP)	15,230,860	15,430,860	15,630,860	15,830,860	16,030,860
Tangible Personal Property (TPP)	0	0	0	0	0
Total Assessed Value	<u>\$208,362,781</u>	<u>\$207,987,781</u>	<u>\$207,612,781</u>	<u>\$208,184,140</u>	<u>\$207,310,730</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. General Property Taxes Line #1.010	<u>\$6,660,916</u>	<u>\$6,581,312</u>	<u>\$6,571,209</u>	<u>\$6,557,298</u>	<u>\$6,535,981</u>

Property tax levies are estimated to be collected at 90% of the annual amount. In general 52% of the new Res/Ag. and Comm/Ind. is expected to be collected in February tax settlements and 48% collected in August tax settlements. Public Utility tax settlements (PUPP) are estimated to be received 50% in February and 50% in August settlement from the Montgomery County Auditor. As previously noted, TPP ceased to be collected after FY11.

Estimated Public Utility Personal Property Tax – Line#1.020

The phase out of TPP taxes began in FY06 with HB66 and were eliminated after FY11. Any TPP revenues received in FY13 and beyond are delinquent TPP taxes. The amount remaining on Line 1.020 is the public utilities personal property (PUPP) tax revenues from telephone, electric, and gas companies tangible personal property which has shown signs of modest growth.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Public Utility Pers Property	\$740,504	\$750,292	\$760,080	\$769,868	\$779,656
Total Line # 1.020	<u>\$740,504</u>	<u>\$750,292</u>	<u>\$760,080</u>	<u>\$769,868</u>	<u>\$779,656</u>

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

The amounts estimated for state funding are based on HB166 and HB164 following the May 6, 2020 foundation cuts. 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. 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 at the FY19 funding level FY22 through FY25 as we have nothing authoritative to rely on at this time.

May 6, 2020 Foundation Reduction and HB164

In FY20 the Governor ordered a reduction of state foundation funding by \$300.5 million to be reduced from districts bi-monthly payments by the end of June 2020. The reductions were made using an equalized per-pupil approach which resulted in districts with less local capacity to raise revenue to receive smaller percentage decreases. The state-share index that was last calculated in FY19 was used to apportion the FY20 ordered reduction to traditional public-school districts. At this time the state funding for FY21 is being reduced \$306,399 from the FY19 amount, which is the same cut received in FY20.

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. Our district is estimated to receive \$915,156 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.

At this time our district is planning on adding new initiatives to service student needs per our plan as identified in 3317.26 (B) which will be funded in the new Fund 467. We anticipate that these funds will be discontinued in FY22-25, but if successful we will evaluate adding these costs to the general fund in FY22.

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 FY22 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 (GCR) 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 40% then increasing the amount in FY22 by 30%, FY23 by 25% and 2% in FY24-FY25 as we go through the next few years we will adjust as the funding information is available. Prior to COVID-19 closure, casino revenues were not growing robustly as originally predicted but were still growing 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 FY23 or FY24 before 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	\$25,249,222	\$25,512,538	\$25,479,996	\$25,447,129	\$25,413,932
Additional Aid Items	543,178	543,178	543,178	543,178	543,178
Basic Aid-Unrestricted Subtotal	\$25,792,400	\$26,055,716	\$26,023,174	\$25,990,307	\$25,957,110
Ohio Casino Commission ODT	84,915	105,333	130,652	140,008	150,026
Total Unrestricted State Aid Line # 1.035	<u>\$25,877,315</u>	<u>\$26,161,049</u>	<u>\$26,153,826</u>	<u>\$26,130,315</u>	<u>\$26,107,136</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 Disadvantaged Aid	\$3,050,627	\$3,081,133	\$3,111,944	\$3,143,063	\$3,174,494
Career Tech - Restricted	171,393	173,107	174,838	176,586	178,352
Half Mill Equalization	126,621	127,887	129,166	130,458	131,763
Total Restricted State Revenues Line #1.040	<u>\$3,348,641</u>	<u>\$3,382,127</u>	<u>\$3,415,948</u>	<u>\$3,450,107</u>	<u>\$3,484,609</u>

C) Restricted Federal Grants in Aid – line #1.045

The district does not expect to receive any federal unrestricted funds in the general fund throughout the forecast.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Unrestricted Line # 1.035	\$25,877,315	\$26,161,049	\$26,153,826	\$26,130,315	\$26,107,136
Restricted Line # 1.040	3,348,641	3,382,127	3,415,948	3,450,107	3,484,609
Federal Grants - #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$29,225,956</u>	<u>\$29,543,176</u>	<u>\$29,569,774</u>	<u>\$29,580,422</u>	<u>\$29,591,745</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. HB66 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, increase the taxes collected locally on taxpayers.

Summary of State Tax Reimbursement – Line #1.050

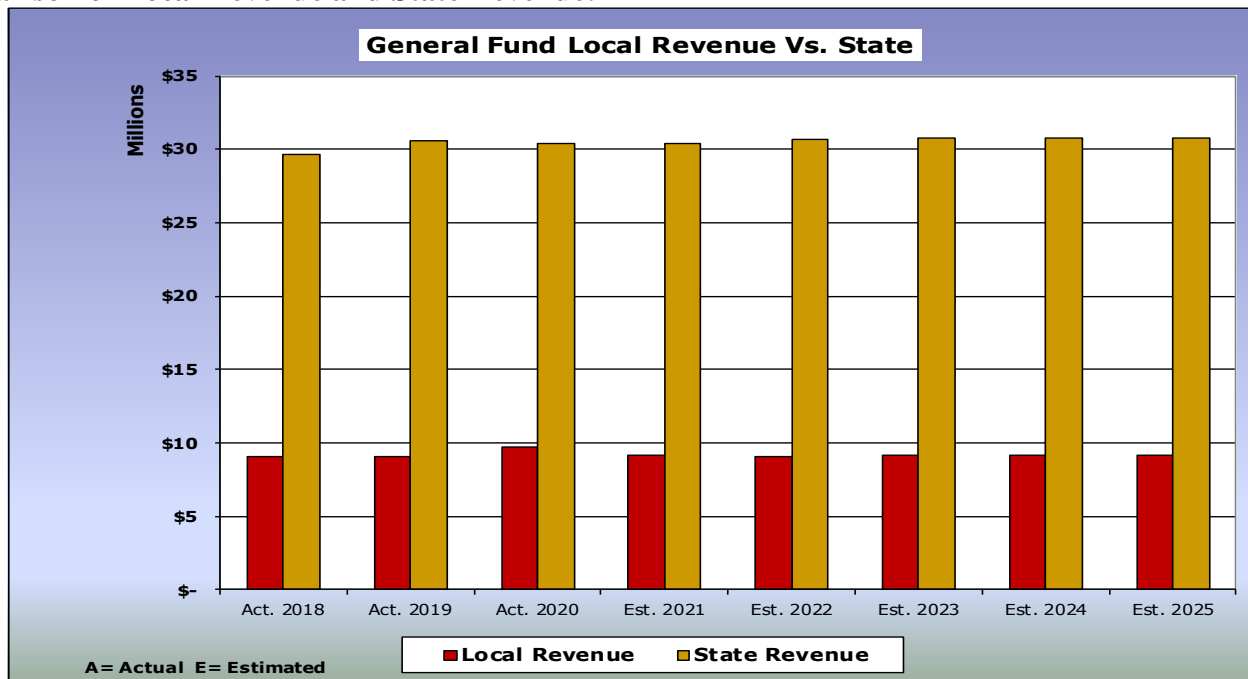
<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Rollback and Homestead	<u>\$1,164,604</u>	<u>\$1,161,823</u>	<u>\$1,161,971</u>	<u>\$1,161,086</u>	<u>\$1,158,247</u>
Total Tax Reimb./Prop. Tax Allocations #1.050	<u>\$1,164,604</u>	<u>\$1,161,823</u>	<u>\$1,161,971</u>	<u>\$1,161,086</u>	<u>\$1,158,247</u>

Other Local Revenues – Line #1.060

Revenues from all other sources are based on historical growth patterns. This revenue largely consists of rental income, tuition payments, Medicaid reimbursements and payments from PILOT (Payments in Lieu of Taxes) programs. 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 district estimates that other revenue amounts will grow by 1% a year.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Tuition SF-14 & SF-14H	\$457,447	\$514,696	\$524,990	\$535,490	\$546,200
Open Enrollment	601,109	601,109	601,109	601,109	601,109
Interest	277,585	208,189	208,189	208,189	208,189
PILOT City of Trotwood	0	0	0	0	0
Donations, Rentals, Medicaid, erate	<u>440,760</u>	<u>445,168</u>	<u>449,620</u>	<u>454,116</u>	<u>458,657</u>
Total Line # 1.060	<u>\$1,776,901</u>	<u>\$1,769,162</u>	<u>\$1,783,908</u>	<u>\$1,798,904</u>	<u>\$1,814,155</u>

Comparison of Local Revenue and State Revenue:



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

There are no short term borrowings planned at this time.

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

Returns of advances to other funds from the previous year are included in this area.

Source	FY21	FY22	FY23	FY24	FY25
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	814,683	300,000	300,000	300,000	300,000
Total Transfer & Advances In	<u>\$814,683</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>

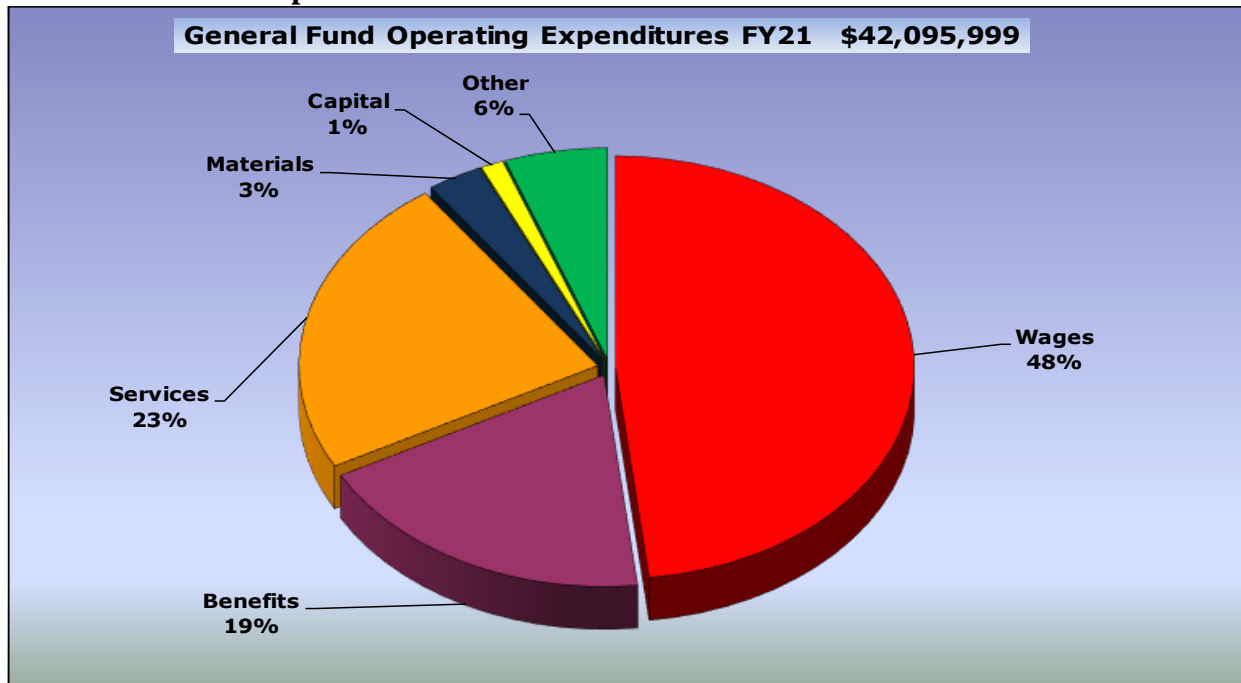
All Other Financial Sources – Line #2.060

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 \$143,432 for FY21, but this is inconsistent year to year and we will not project that occurring in the remainder of the forecast

	FY21	FY22	FY23	FY24	FY25
Other Financial Sources - Line 2.060	<u>\$223,432</u>	<u>\$80,000</u>	<u>\$80,000</u>	<u>\$80,000</u>	<u>\$80,000</u>

Expenditures Assumptions

Estimated General Fund Expenditures for FY21:



Wages – Line #3.010

With HB166 state funding has been frozen for all school districts in Ohio and was then cut in FY20 due to the COVID19 pandemic. This particularly hurts our district as 77% of our funding comes from the state. No sooner than we were adding needed staff to help our students, we will need to begin reducing staff through attrition and/or reductions in force starting in FY21 to be fiscally solvent.

For planning purposes the forecast includes an increase 2.5% increase in FY21, a 2% increase in FY22 and a 1% increase in FY23-FY25.

Source	FY21	FY22	FY23	FY24	FY25
Base Wages	\$18,999,699	\$18,973,437	\$18,728,123	\$18,552,293	\$18,583,937
Increases/ Signing Bonus	467,389	379,994	189,734	187,281	185,523
Steps & Training/Performance Based Pay	373,911	379,994	379,469	374,562	371,046
Subs & Supplemental Costs	1,116,615	1,127,781	1,139,059	1,150,449	1,161,954
Severance/Retirement Incentive	200,000	200,000	200,000	200,000	200,000
Staff Reductions	-867,562	-1,005,302	-745,033	-530,199	-502,651
Total Wages Line 3.010	<u>\$20,290,052</u>	<u>\$20,055,904</u>	<u>\$19,891,352</u>	<u>\$19,934,386</u>	<u>\$19,999,809</u>

Fringe Benefits Estimates Line 3.02

This area of the forecast captures all costs associated with benefits and retirement costs, with all except health insurance being 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

In FY21 we are estimating a 17% increase and then an 8% annual insurance increases for FY22– FY25 for planning purposes.

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 expected to remain at about .06% of wages FY21 – FY25. 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.

Summary of Fringe Benefits – Line #3.020

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
STRS/SERS	\$3,190,350	\$3,157,238	\$3,129,710	\$3,132,564	\$3,142,497
Insurance's	4,334,092	4,600,395	4,908,824	5,259,114	5,639,631
Workers Comp/Unemployment	152,175	140,391	139,239	139,540	139,999
Medicare	281,626	276,234	277,622	281,361	282,709
Other/Tuition	<u>9,558</u>	<u>9,558</u>	<u>9,558</u>	<u>9,558</u>	<u>9,558</u>
Total Line 3.020	<u>\$7,967,801</u>	<u>\$8,183,816</u>	<u>\$8,464,953</u>	<u>\$8,822,137</u>	<u>\$9,214,394</u>

Purchased Services – Line #3.030

This category includes payments for contracted services, utilities, gas, electric, property insurance and transportation. Significant payments are made to Community Schools, Open Enrollment and the Educational Choice Voucher program. We continue to look for cost savings in other areas through shared services, consortiums, and reduction of resources. We currently have three 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.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Base Services	\$679,994	\$700,395	\$721,408	\$743,051	\$765,344
Legal , Network, Curriculum etc.	1,067,665	1,078,342	1,089,125	1,100,016	1,111,016
Open Enrollment Deduction	702,869	723,955	745,674	768,044	791,085
Community School Deductions	4,708,139	4,802,302	4,898,348	4,996,315	5,096,241
Other Tuition and Ed Scholarship	1,858,767	1,767,142	1,820,156	1,874,761	1,931,004
Utilities	<u>695,548</u>	<u>730,325</u>	<u>766,841</u>	<u>805,183</u>	<u>845,442</u>
Total Line 3.030	<u>\$9,712,982</u>	<u>\$9,802,461</u>	<u>\$10,041,552</u>	<u>\$10,287,370</u>	<u>\$10,540,132</u>

Supplies and Materials – Line #3.040

Supplies and materials are expected to grow by 2% through FY25. In addition, in FY21 we are budgeting for curriculum updates in Math grades 6-8, World Languages for grades 8-12 and supplemental materials for Career Technical education.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Supplies	\$1,114,734	\$1,137,029	\$1,159,770	\$1,182,965	\$1,206,624
Textbook/Curriculum Updates	<u>150,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Line 3.040	<u>\$1,264,734</u>	<u>\$1,137,029</u>	<u>\$1,159,770</u>	<u>\$1,182,965</u>	<u>\$1,206,624</u>

Equipment – Line # 3.050

Capital replacement for district equipment according to the capital replacement program is estimated to grow at an inflationary rate of 2% each year. We are also budgeting to replace 2 busses annually in FY23 - FY25.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Capital Outlay	\$418,987	\$427,367	\$435,914	\$444,632	\$453,525
Replacement Bus Purchases	0	0	180,000	180,000	<u>180,000</u>
Facility Renovation	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total Line 3.050	<u>\$518,987</u>	<u>\$527,367</u>	<u>\$715,914</u>	<u>\$724,632</u>	<u>\$733,525</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 fees. Auditor and Treasurer Fees will fluctuate with real estate revenue collections. The County ESC costs are projected to increase by 2% each year. We have included a reasonable contingency for unforeseen expenses that could occur. The district is working on a plan to reduce the County ESC costs by decreasing the number of special needs students placed out of the district.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
County Auditor & Treasurer Fees	\$170,328	\$172,031	\$173,751	\$175,489	\$177,244
County ESC	1,889,795	1,927,591	1,966,143	2,005,466	2,045,575
Audit Fees/Liability Ins/Other	<u>162,605</u>	<u>165,857</u>	<u>169,174</u>	<u>172,557</u>	<u>176,008</u>
Total Line 4.300	<u>\$2,222,728</u>	<u>\$2,265,479</u>	<u>\$2,309,068</u>	<u>\$2,353,512</u>	<u>\$2,398,827</u>

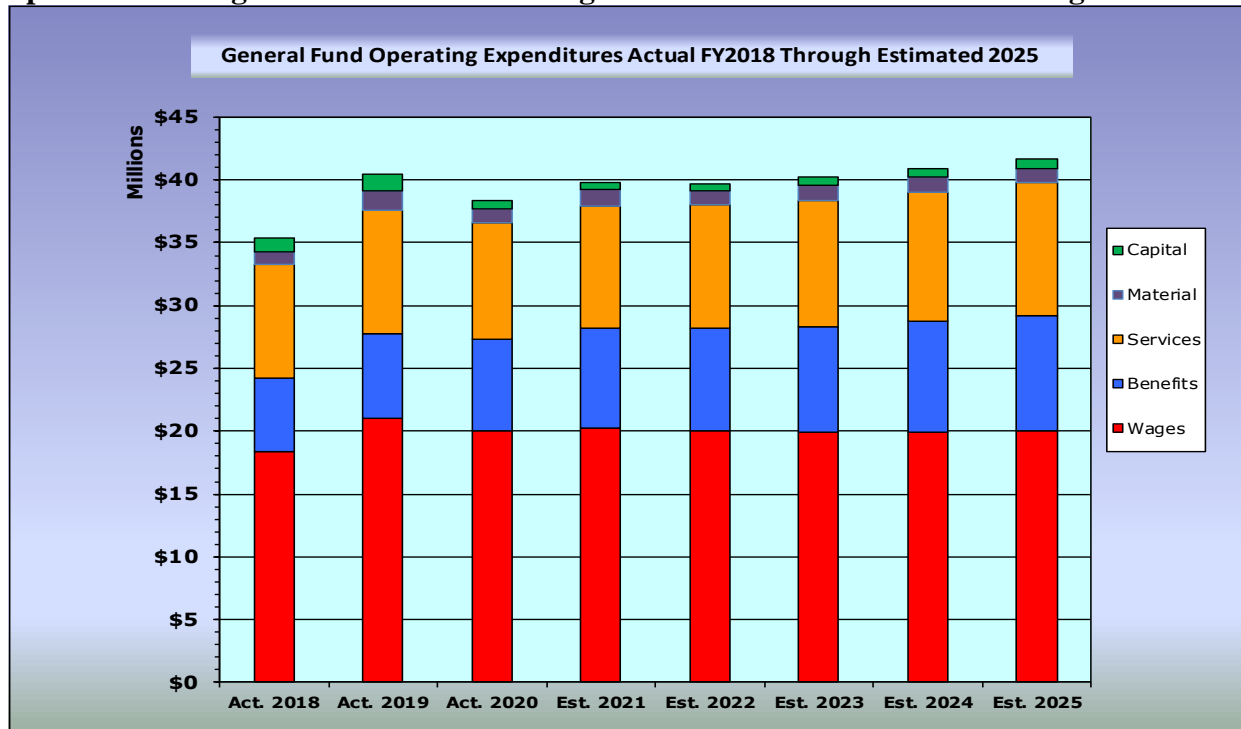
Principal and Interest Payment – Lines # 4.05 and 4.06

The district entered into a HB264 program. There is no additional borrowing planned in the forecast at this time.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
HB 264 Principal Line # 4.050	<u>\$108,887</u>	<u>\$109,705</u>	<u>\$110,529</u>	<u>\$111,360</u>	<u>\$112,198</u>

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Interest on TANS & HB 264 Total Line 4.060	<u>\$9,828</u>	<u>\$8,737</u>	<u>\$7,638</u>	<u>\$6,531</u>	<u>\$6,197</u>

Total Expenditure Categories Actual FY18 through FY20 and Estimated FY21 through FY25



Transfers Out/Advances Out – Line# 5.010

This account group covers fund to fund transfers 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. We are transferring \$350,000 each year FY21-25 to the Permanent Improvement Fund to support our new Capital Plan we adopted, \$100,000 annually for athletic fund support and \$300,000 for Bond Retirement Fund support that will help keep tax rates for our bond retirement fund stable for our taxpayers. 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	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
Advances Out Line #5.020	300,000	300,000	300,000	300,000	300,000
Total	<u>\$1,050,000</u>	<u>\$1,050,000</u>	<u>\$1,050,000</u>	<u>\$1,050,000</u>	<u>\$1,050,000</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.

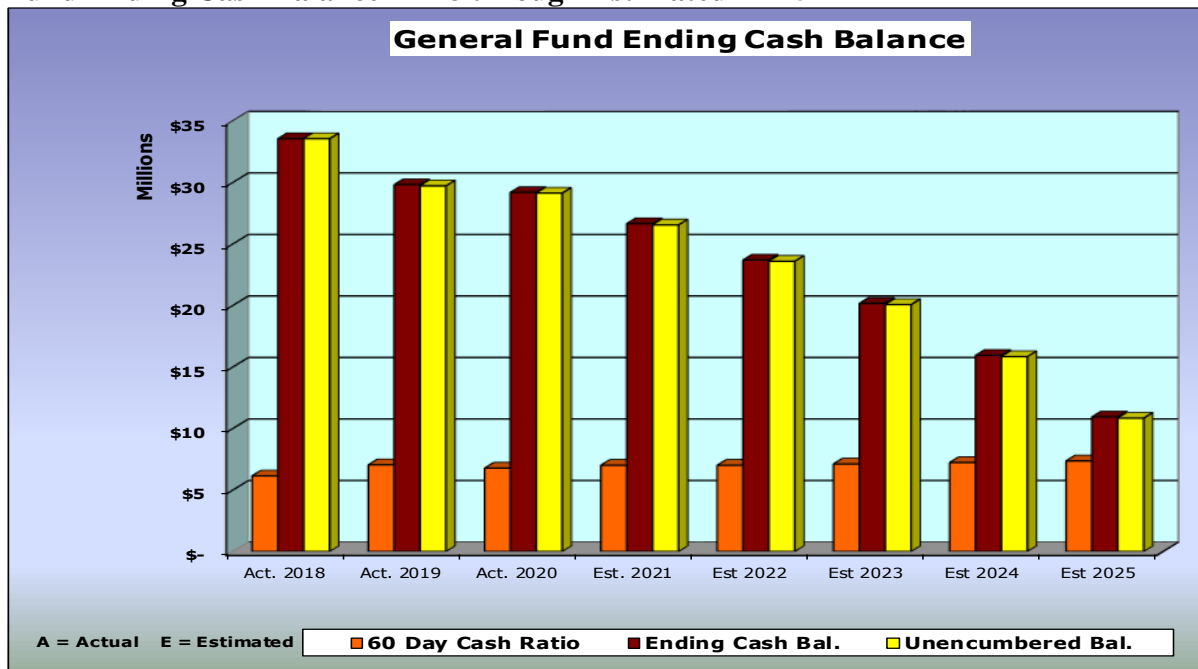
	FY21	FY22	FY23	FY24	FY25
Estimated Encumbrances	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>

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.

	FY21	FY22	FY23	FY24	FY25
Ending Cash Balance	<u>\$26,546,690</u>	<u>\$23,591,957</u>	<u>\$20,068,123</u>	<u>\$15,842,808</u>	<u>\$10,840,886</u>

General Fund Ending Cash Balance FY18 through Estimated FY25



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.

