

**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**

May 20, 2021

Trotwood-Madison City School District – Montgomery County
Notes to the Five Year Forecast
General Fund Only
May 20, 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 \$40,765,162 or 3.02% higher than the November forecasted amount of \$39,568,881. This indicates the November forecast was 97% accurate.

The revenue lines most significantly above projections are Unrestricted State Aid (1.035) and Other Revenues (line 1.07). Unrestricted State Aid 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 \$168,041 for our district's revenue. Other Revenues increased significantly by \$1,034,958 due to an increase in open enrollment into the District.

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 \$42,095,999 for FY21 which is on target with the original estimate in the November forecast.

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 \$28.2 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:

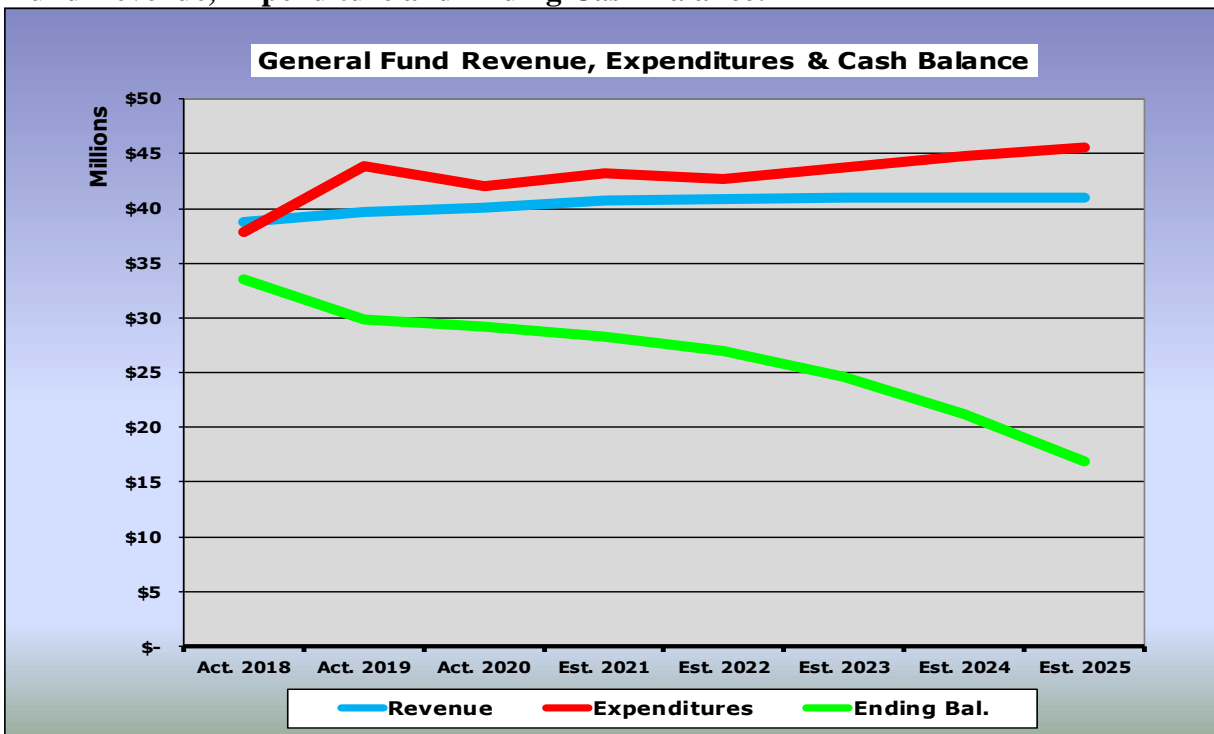
- Trotwood-Madison City School District went through an appraisal update in 2017 for collection in FY18. There was no significant change in values for residential and commercial property as a result of the 2017 appraisal update. Montgomery County went through a full reappraisal in tax year 2020 for collection in fiscal year 2021. The reappraisal resulted in a 14.4% or \$20.7 million increase in Residential/Agricultural values and a 1.2% or \$606,970 increase in Commercial/Industrial values. We anticipate future tax years will not see a significant change from the most recent reappraisal.
- 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 new revenue to school districts in FY20 and FY21 but is restricted in use and must be placed in Fund 467 and are NOT General Fund revenue and consequently not included in this 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. We have assumed the \$147,633 we receive in these funds will continue at the guarantee level through FY25.
- While state foundation 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 \$300.5 million reduction of state foundation funding to school districts 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 the district's 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.
- The State resources represent 75% 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 reduces 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 new 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 as the proposed new state budget bill Sub. HB110 moves through the legislative process.

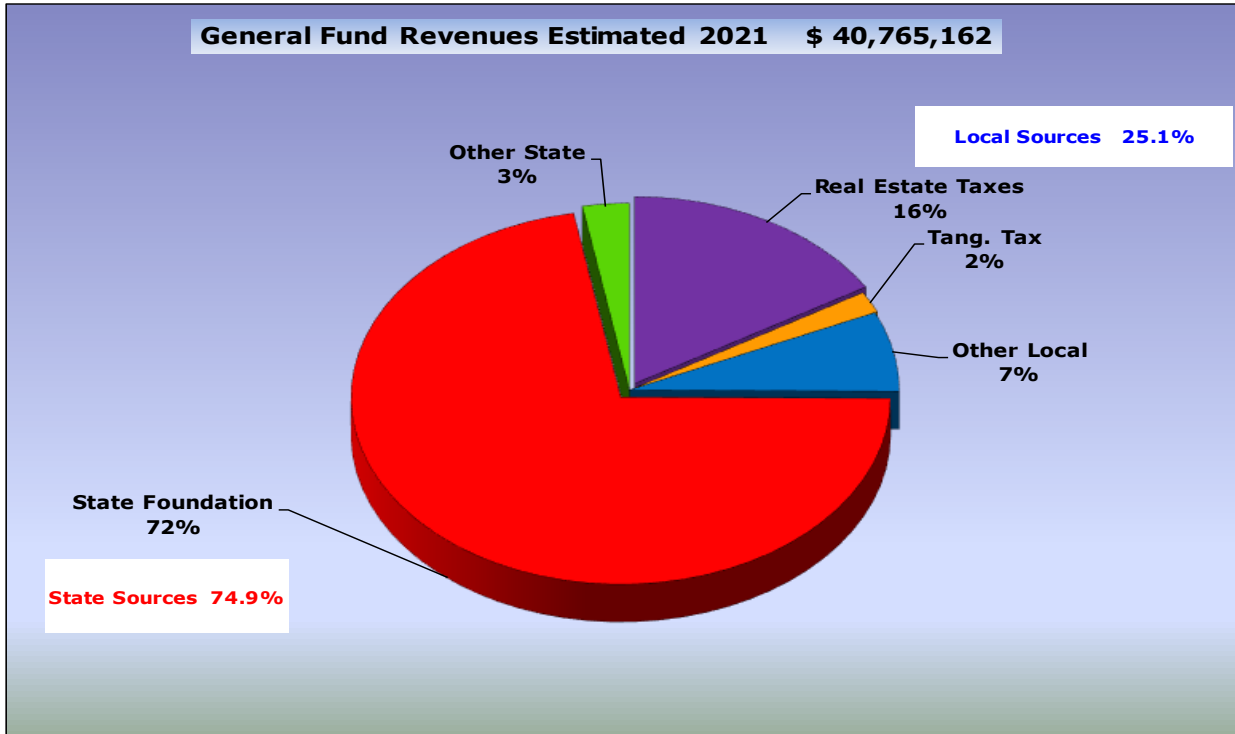
The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast 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. Montgomery County went through a full reappraisal in tax year 2020 for collection in fiscal year 2021. The reappraisal resulted in a 14.4% or \$20.7 million increase in Residential/Agricultural values and a 1.2% or \$606,970 increase in Commercial/Industrial values. We anticipate future tax years will not see a significant change from the most recent 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	Actual	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.	\$164,719,640	\$164,569,640	\$164,419,640	\$165,415,426	\$164,767,016
Comm./Ind.	47,272,330	46,847,330	46,422,330	45,997,330	45,572,330
Public Utility (PUPP)	<u>15,558,910</u>	<u>15,758,910</u>	<u>15,958,910</u>	<u>16,158,910</u>	<u>16,358,910</u>
Total Assessed Value	<u>\$227,550,880</u>	<u>\$227,175,880</u>	<u>\$226,800,880</u>	<u>\$227,571,666</u>	<u>\$226,698,256</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>\$6,672,161</u>	<u>\$6,621,239</u>	<u>\$6,613,947</u>	<u>\$6,601,054</u>	<u>\$6,581,540</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	<u>\$748,532</u>	<u>\$766,347</u>	<u>\$776,135</u>	<u>\$785,923</u>	<u>\$795,711</u>

State Foundation Revenue Estimates

A) Unrestricted State Foundation & Casino – 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 \$138,358 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 \$914,119 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.

At this time our district is planning on adding new initiatives to service student needs per our plan as identified in Ohio Revised Code 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 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 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	\$25,433,645	\$25,512,538	\$25,479,996	\$25,447,129	\$25,413,932
Additional Aid Items	<u>499,444</u>	<u>499,444</u>	<u>499,444</u>	<u>499,444</u>	<u>499,444</u>
Basic Aid-Unrestricted Subtotal	\$25,933,089	\$26,011,982	\$25,979,440	\$25,946,573	\$25,913,376
Ohio Casino Commission ODT	<u>109,268</u>	<u>139,090</u>	<u>140,773</u>	<u>142,467</u>	<u>144,172</u>
Total Unrestricted State Aid Line # 1.035	<u>\$26,042,357</u>	<u>\$26,151,072</u>	<u>\$26,120,213</u>	<u>\$26,089,040</u>	<u>\$26,057,548</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	<u>126,621</u>	<u>127,887</u>	<u>129,166</u>	<u>130,458</u>	<u>131,763</u>
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	\$26,042,357	\$26,151,072	\$26,120,213	\$26,089,040	\$26,057,548
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>\$29,390,998</u>	<u>\$29,533,199</u>	<u>\$29,536,161</u>	<u>\$29,539,147</u>	<u>\$29,542,157</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

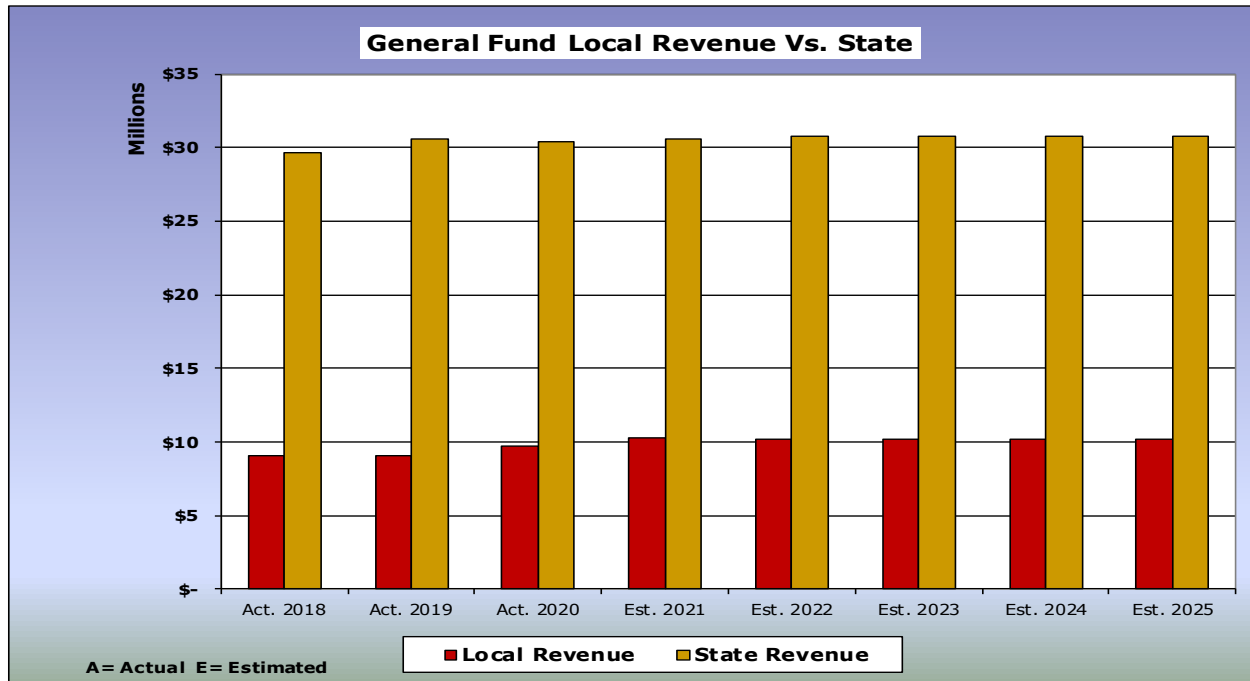
<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Rollback and Homestead	<u>\$1,141,612</u>	<u>\$1,189,358</u>	<u>\$1,189,465</u>	<u>\$1,188,861</u>	<u>\$1,186,500</u>

Other Local Revenues – Line #1.060

Revenues from all other sources are based on historical growth patterns. The revenue largely consists of open enrollment, rental income, tuition payments, and Medicaid reimbursements. 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. In FY21 our open enrollment jumped \$1,034,958. We anticipate this level for open enrollment will continue in the forecast for future years. 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	1,636,067	1,636,067	1,636,067	1,636,067	1,636,067
Interest	277,585	208,189	208,189	208,189	208,189
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 Other Local Revenue Line #1.060	<u>\$2,811,859</u>	<u>\$2,804,120</u>	<u>\$2,818,866</u>	<u>\$2,833,862</u>	<u>\$2,849,113</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.

<u>Source</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Transfers In - Line 2.040	\$12,750	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>814,683</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Total Transfer & Advances In	<u>\$827,433</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>

All Other Financial Sources – Line #2.060

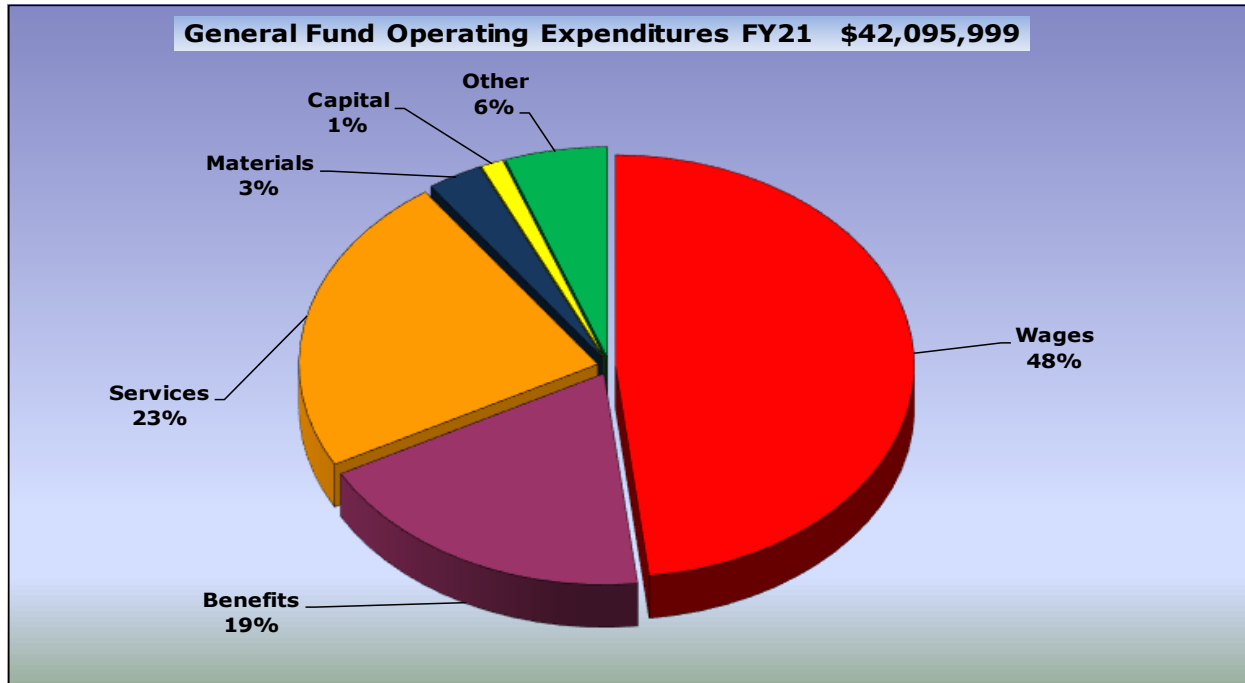
This funding source is typically a refund of prior year expenditures that is very unpredictable. We did receive two (2) Bureau of Workers Compensation refunds in FY21 totaling \$\$677,669 due to COVID-19. This is inconsistent year to year and we will not project that occurring in the remainder of the forecast

	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Other Financial Sources - Line 2.060	<u>\$699,112</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:

Additional ESSER III federal funds will be allocated to our district that can be used through September 2024 which will continue to offset the COVID expenses and help with academic support for lost learning due to school closures as a result of the pandemic. Any final adjustments to the lines on our forecast will be made when the plans have been approved in the state CCIP program and the required hearings for ESSER III have taken place. Interim final rules for ESSER III were just released on April 22, 2021. There is more information forthcoming on use of these funds as of the filing of this forecast.



Wages – Line #3.010

With HB166 state funding has been frozen for all school districts in Ohio and was then cut in FY20 and FY21 due to the COVID19 pandemic. This particularly hurts our district as 75% of our funding comes from the state.

For planning purposes the forecast includes an increase 2.5% increase in FY21, and 2.5% increases for planning purposes FY22-FY24 and a 1% increase in FY25.

Source	FY21	FY22	FY23	FY24	FY25
Base Wages	\$18,999,699	\$18,973,437	\$18,823,121	\$18,931,893	\$19,248,734
Increases/ Signing Bonus	467,389	474,992	474,336	470,578	189,319
Steps & Training/Performance Based Pay	373,911	379,994	379,469	376,462	378,638
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	\$20,290,052	\$20,150,902	\$20,270,952	\$20,599,183	\$20,675,994

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 there was a 17% increase; for planning purposes an 8% annual insurance increases for FY22– FY25

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 .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	\$3,170,538	\$3,184,658	\$3,232,849	\$3,249,795
Insurance's	4,334,092	4,600,395	4,908,824	5,259,114	5,639,631
Workers Comp/Unemployment	152,175	141,056	141,897	144,194	144,732
Medicare	281,626	277,611	283,126	291,000	292,514
Other/Tuition	<u>9,558</u>	<u>9,558</u>	<u>9,558</u>	<u>9,558</u>	<u>9,558</u>
Total Fringe Benefits Line #3.020	<u>\$7,967,801</u>	<u>\$8,199,158</u>	<u>\$8,528,063</u>	<u>\$8,936,715</u>	<u>\$9,336,230</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	1,058,123	1,068,704	1,079,391	1,090,185
Open Enrollment Deduction	702,869	683,955	704,474	725,608	747,376
Community School Deductions	4,708,139	4,602,302	4,694,348	4,788,235	4,884,000
Other Tuition and Ed Scholarship	1,858,767	1,634,530	1,683,566	1,734,073	1,786,095
Utilities	<u>695,548</u>	<u>730,325</u>	<u>766,841</u>	<u>805,183</u>	<u>845,442</u>
Total Purchased Services Line #3.030	<u>\$9,712,982</u>	<u>\$9,409,630</u>	<u>\$9,639,341</u>	<u>\$9,875,541</u>	<u>\$10,118,442</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 Supplies 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	\$260,000	\$265,200	\$270,504	\$275,914
Replacement Bus Purchases	-	-	180,000	180,000	<u>180,000</u>
Facility Renovation	<u>100,000</u>	<u>42,500</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total Equipment Line #3.050	<u>\$518,987</u>	<u>\$302,500</u>	<u>\$545,200</u>	<u>\$550,504</u>	<u>\$555,914</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	1,991,712	2,031,546	2,072,177	2,113,621
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 Other Expenses Line #4.300	<u>\$2,222,728</u>	<u>\$2,329,600</u>	<u>\$2,374,471</u>	<u>\$2,420,223</u>	<u>\$2,466,873</u>

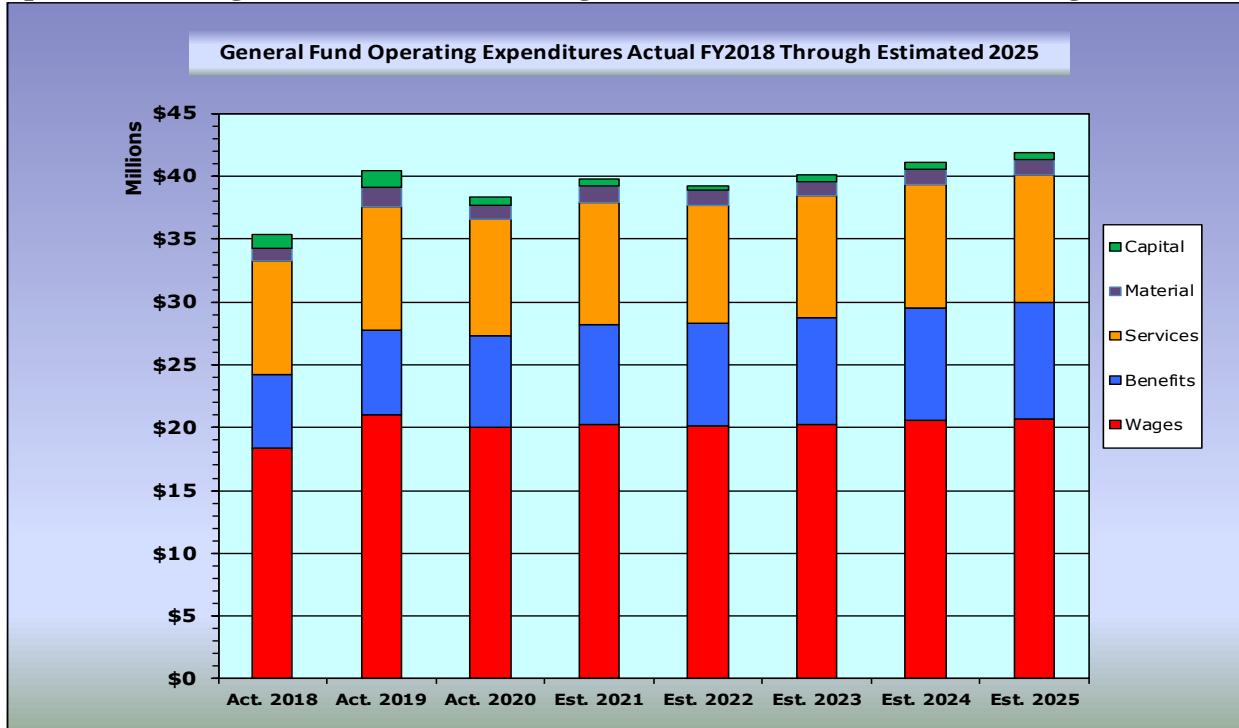
Principal and Interest Payment – Lines # 4.05 and 4.06

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

Source	FY21	FY22	FY23	FY24	FY25
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>

Source	FY21	FY22	FY23	FY24	FY25
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	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Total Transfer & Advances Out	<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.

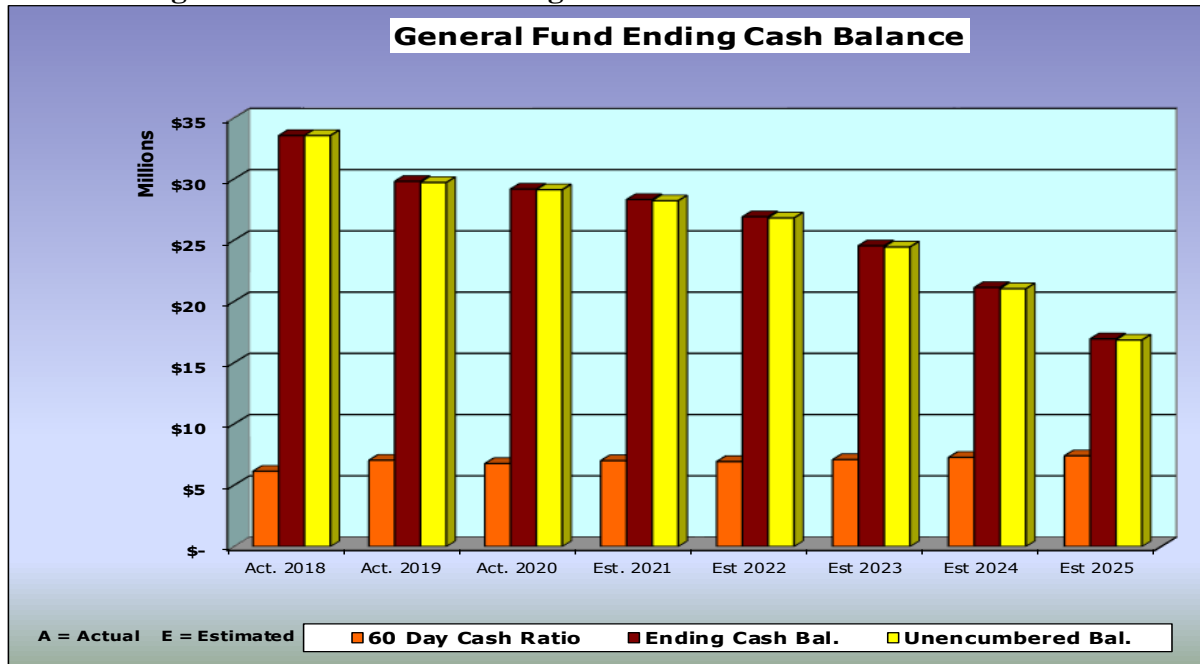
	FY21	FY22	FY23	FY24	FY25
Estimated Encumbrances	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>

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.

	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Ending Cash Balance	\$28,231,401	\$26,828,403	\$24,457,013	\$21,052,838	\$16,859,386

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.

Ending Cash Balance in True Cash Days

