

**Trotwood-Madison City School District – Montgomery County
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2017, 2018 and 2019 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2020 THROUGH 2024**



**Forecast Provided By
Trotwood-Madison City School District
Treasurer's Office
Janice Allen, Treasurer/CFO**

May 21, 2020

Trotwood-Madison City School District – Montgomery County
Notes to the Five Year Forecast
General Fund Only
May 21, 2020

Introduction to the Five Year Forecast

For fiscal year 2020 (July 1, 2019 – June 30, 2020) school districts in Ohio are required to file a five (5) year financial forecast by November 30, 2019, and May 31, 2020. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. HB166, the new state biennium budget, provided new state funding to all school districts in Fiscal Years 20 and 21 specifically for Student Wellness and Success. These revenues are restricted and are required to be accounted for in a Special Revenue Fund (Fund 467) and are NOT included in this forecast.

Fiscal year 2020 (July 1, 2019-June 30, 2020) is the first year of the five year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the May 2020 filing.

Economic Outlook During The COVID-19 Global Pandemic

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

May 2020 Updates:

Revenues FY20:

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$40,145,421 or .87% higher than the November forecasted amount of \$39,798,379. This indicates the November forecast was 99.13% accurate.

Expenditures FY20:

Total General Fund expenditures (line 4.5) are estimated to be \$43,811,251 for FY20 which is below the original estimate of \$44,593,977 in the November forecast. The expenditure lines most significantly below projections are Purchased Services (line 3.03) due to utility savings and state foundation deductions coming in under budget and Capital Outlay (line 3.05) being reduced.

Unreserved Ending Cash Balance:

With revenues increasing slightly over estimates and expenditures ending below estimates, our ending unreserved cash balance June 30, 2020 is anticipated to be roughly \$26.4 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2024 if assumptions we have made for state aid in future state budgets remain close to our estimates, and there are no future state budget cuts to our funding.

Forecast Risks and Uncertainty:

In addition to the above noted uncertainty due to the COVID-19 Pandemic, a five year financial forecast typically has inherent risks and uncertainties. This is due to normal economic uncertainties and to state legislative changes that will during the deliberation of two (2) state biennium budgets that will occur in the spring of 2021 and 2023. These budget deliberations will affect this five year forecast in FY22-23 and FY24-25. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

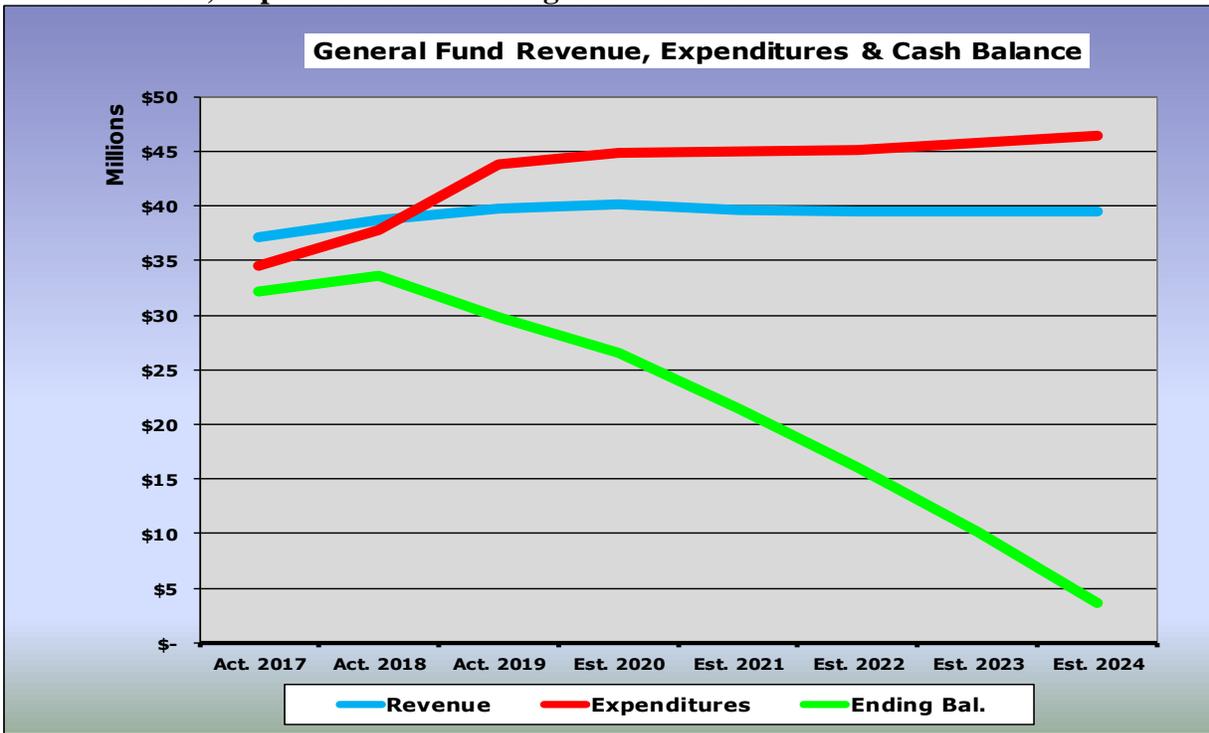
- Trotwood-Madison City School District went through an appraisal update in 2017 for collection in FY18. There was no significant change in values for residential and commercial property as a result of the 2017 appraisal update. We anticipate the full reappraisal in 2020 will also be unchanged.
- HB166 the current state budget for FY20-21 has frozen funding for all school districts in Ohio at their FY19 level with the only exception being the addition of Enrollment Growth Supplement money for a small number of growing districts. Our district is estimated to receive a small amount of enrollment growth money for FY20-21 and will treat it as guaranteed FY22-24. The only increase in funding to all districts in Ohio is restricted use money for Student Wellness and Success which is restricted in use and must be placed in Fund 467. This is not General Fund money and thus not included in the forecast. We have assumed this money will not continue after FY21.
- The State resources represent 76% of district revenues, which means it is a significant area of risk to revenue. The state could reduce funding for FY20 and FY21 due to drastically reduced state revenue because of the COVID-19 pandemic. Additional future risk comes in FY22 and beyond if the state economy does not bounce back as expected following the pandemic or if the funding formula in future state budgets reduce funding to our district. There are two future State Biennium Budgets covering the period from FY22-23 and FY24-25 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY24. We have projected our state funding to be in line with our current estimates through FY24. We will make adjustments to the forecast in future years as we have data to help guide this decision.
- HB166 continues the many provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus, Community Schools and increases in per pupil scholarship amounts deducted from our state aid in the 2019-21 school years, even though funding for our students was not increased to our district for this biennium budget.

HB197 passed in March 2020 freezes EdChoice eligibility at the 2019-2020 list of 517 buildings. The district has 3 school buildings that are designated as underperforming but the measures used by the state could be changed for the future. These are examples of new choice programs that increase with each biennium budget that cost the district money. Expansion or creation of programs such as these exposes the district to new expenditures that are not currently in the forecast. We are closely monitoring Ed Choice voucher legislation and are watching for any new threats to our state aid and increased costs.

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

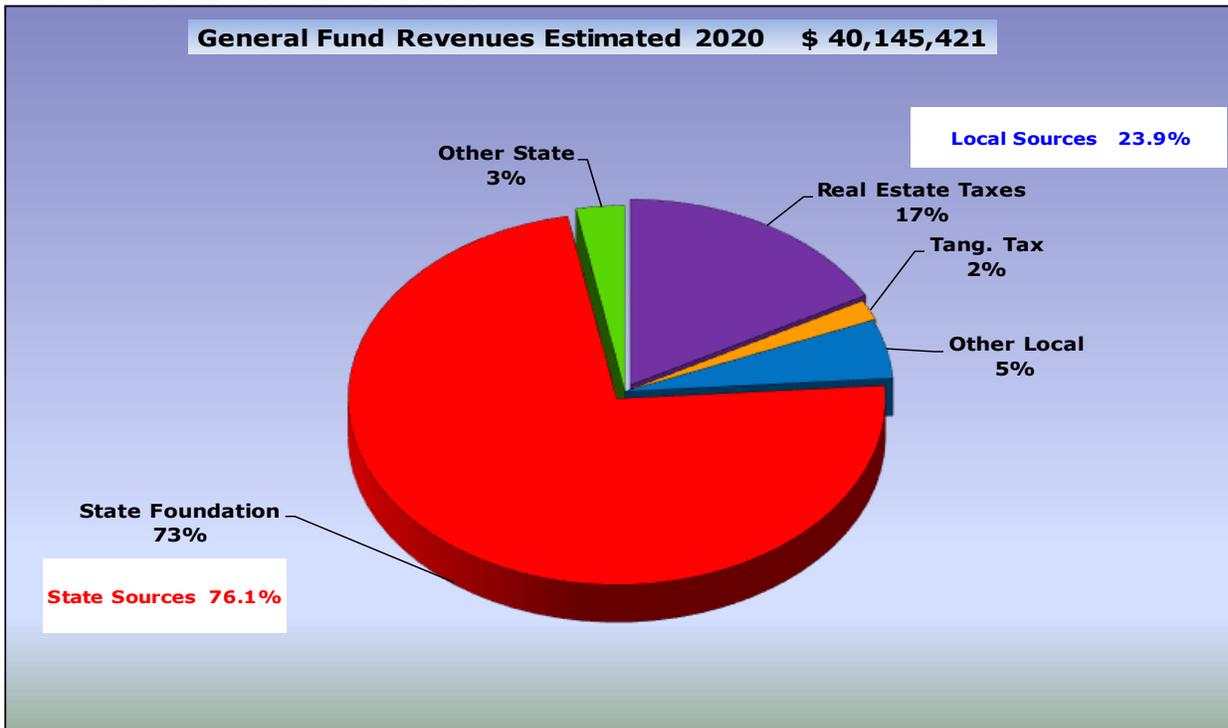
like further information please feel free to contact Janice Allen, Treasurer/CFO of Trotwood-Madison City School District at 937-854-3050.

General Fund Revenue, Expenditure and Ending Cash Balance:



Revenue Assumptions

Estimated General Fund Revenue for FY20



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

<u>Classification</u>	Actual	Actual	Estimated	Estimated	Estimated
	TAX YEAR2019	TAX YEAR2020	TAX YEAR2021	TAX YEAR2022	TAX YEAR2023
	<u>COLLECT 2020</u>	<u>COLLECT 2021</u>	<u>COLLECT 2022</u>	<u>COLLECT 2023</u>	<u>COLLECT 2024</u>
Res./Ag.	\$143,492,060	\$144,776,981	\$144,626,981	\$144,476,981	\$144,795,101
Comm./Ind.	48,779,940	48,354,940	47,929,940	47,504,940	46,840,080
Public Utility (PUPP)	15,030,860	15,230,860	15,430,860	15,630,860	15,830,860
Tangible Personal Property (TPP)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assessed Value	<u>\$207,302,860</u>	<u>\$208,362,781</u>	<u>\$207,987,781</u>	<u>\$207,612,781</u>	<u>\$207,466,041</u>

ESTIMATED REAL ESTATE TAX (Line #1.010)

<u>Source</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Est. General Property Taxes Line #1.010	<u>\$6,813,794</u>	<u>\$6,679,350</u>	<u>\$6,581,312</u>	<u>\$6,571,209</u>	<u>\$6,552,814</u>

Property tax levies are estimated to be collected at 90% of the annual amount. In general 53% of the new Res/Ag. and Comm/Ind. is expected to be collected in February tax settlements and 47% 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 Tangible Personal Tax – Line#1.020

The phase out of TPP taxes began in FY06. HB66 was adopted in June 2005 and the provisions of the legislation have estimated the tangible personal property tax would be 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>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Public Utility Pers Property	\$706,184	\$740,504	\$750,292	\$760,080	\$769,868
Total Line # 1.020	<u>\$706,184</u>	<u>\$740,504</u>	<u>\$750,292</u>	<u>\$760,080</u>	<u>\$769,868</u>

State Foundation Revenue Estimates

A) Unrestricted State Foundation & Casino – Line #1.035

The amounts estimated for state funding are based on HB166 funding simulations which essentially guarantee all school districts the same amount of state aid they received in FY19. Essentially funding for all 610 traditional school districts and 49 Joint Vocational and Career Centers is frozen for FY20 & 21 at the FY19 funding level for state basic aid. The State Foundation Funding Formula used since FY14 has now been abandoned after six (6) years. HB305 is currently being considered by the legislature and may produce a successor funding formula for the FY22-23 biennium budget but there is nothing to base future projections on. For this reason we have projected state aid flat through FY24 as we have nothing authoritative to rely on at this time. **Note: state funding could be cut for FY20 and/or FY21, and future revenues reduced as a result of COVID-19 Pandemic.**

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

Nearly all of the new funding for K-12 public education in the FY20-21 Executive Budget is provided through a formula allocating \$250 million in FY20 and \$358 million in FY21 based upon each district's percentage of students in households at or below 185% of the Federal Poverty Level (FPL) and the total number of students enrolled in each district. In FY20 proposed funding ranges from \$20 per student to \$250 per student and in FY21 funding ranges from \$25 per student to \$300 per student. All schools and students are to receive a minimum additional funding of \$25,000 in FY20 and \$30,000 in FY21. Our district is estimated to receive \$622,353 in FY20 and \$896,037 in FY21. Money will be received twice each year in October and February. These dollars are to be deposited in a Special Revenue Fund 467 and are restricted to expenses that follow a plan developed in coordination with one of the approved community partner organizations approved in HB166 that include the following:

Student Wellness and Success Initiatives (ORC 3317.26(B))

- Mental health services
- Services for homeless youth
- Services for child welfare involved youth
- Community liaisons
- Physical health care services
- Mentoring programs
- Family engagement and support services
- City Connects programming
- Professional development regarding the provision of trauma-informed care
- Professional development regarding cultural competence
- Student services provided prior to or after the regularly scheduled school day or any time school is not in session

Community Partners (ORC 3317.26(C))

- A board of alcohol, drug and mental health services
- An educational service center
- A county board of developmental disabilities
- A community-based mental health treatment provider
- A board of health of a city or general health district
- A county department of job and family services
- A nonprofit organization with experience serving children
- A public hospital agency

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 FY22-24 but if successful we will evaluate adding these costs to the general fund in FY22.

We believe our current state funding estimates for FY20-24 are reasonable and that we will adjust the forecast in the future when we have authoritative data to work with.

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.

The state indicated recently that revenues from casinos are not growing robustly as originally predicted but are still growing slowly as the economy has improved. Actual numbers generated for FY19 statewide were 1,785,583 students at \$52.59 per pupil. That is a decline of .36% students from the prior year. For FY20-24 we estimated a .4% decline in pupils to 1,778,441 and GCR increasing to \$95.5 million or \$53.75 per pupil. Casinos have been closed since March 16 due to the COVID-19 pandemic. This will likely impact future casino payments for FY21 and possibly FY22. We have reduced payments in FY21-23 as a result of the anticipated slow return to current casino funding levels.

<u>Source</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Basic Aid-Unrestricted	\$25,535,722	\$25,512,538	\$25,479,996	\$25,447,129	\$25,413,932
Additional Aid Items	<u>487,867</u>	<u>538,097</u>	<u>538,097</u>	<u>538,097</u>	<u>538,097</u>
Basic Aid-Unrestricted Subtotal	\$26,023,589	\$26,050,635	\$26,018,093	\$25,985,226	\$25,952,029
Ohio Casino Commission ODT	<u>142,619</u>	<u>84,915</u>	<u>105,333</u>	<u>130,652</u>	<u>140,008</u>
Total Unrestricted State Aid Line # 1.035	<u>\$26,166,208</u>	<u>\$26,135,550</u>	<u>\$26,123,426</u>	<u>\$26,115,878</u>	<u>\$26,092,037</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 FY20-24.

<u>Source</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Economically Disadvantaged Aid	\$3,050,627	\$3,081,133	\$3,111,944	\$3,143,063	\$3,174,494
Career Tech - Restricted	<u>171,393</u>	<u>173,107</u>	<u>174,838</u>	<u>176,586</u>	<u>178,352</u>
Total Restricted State Revenues Line #1.040	<u>\$3,222,020</u>	<u>\$3,254,240</u>	<u>\$3,286,782</u>	<u>\$3,319,649</u>	<u>\$3,352,846</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>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Unrestricted Line # 1.035	\$26,166,208	\$26,135,550	\$26,123,426	\$26,115,878	\$26,092,037
Restricted Line # 1.040	3,222,020	3,254,240	3,286,782	3,319,649	3,352,846
Fed. Grants - SFSF & Ed Jobs Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$29,388,228</u>	<u>\$29,389,790</u>	<u>\$29,410,208</u>	<u>\$29,435,527</u>	<u>\$29,444,883</u>

State Taxes Reimbursement/Property Tax Allocation Line 1.050

a) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged 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.

b) Tangible Personal Property Reimbursements – Fixed Rate

The district no longer receives any fixed rate reimbursement.

c) Tangible Personal Property Reimbursements – Fixed Sum

The district no longer receives TPP Fixed Sum reimbursement payments.

Summary of State Tax Reimbursement – Line #1.050

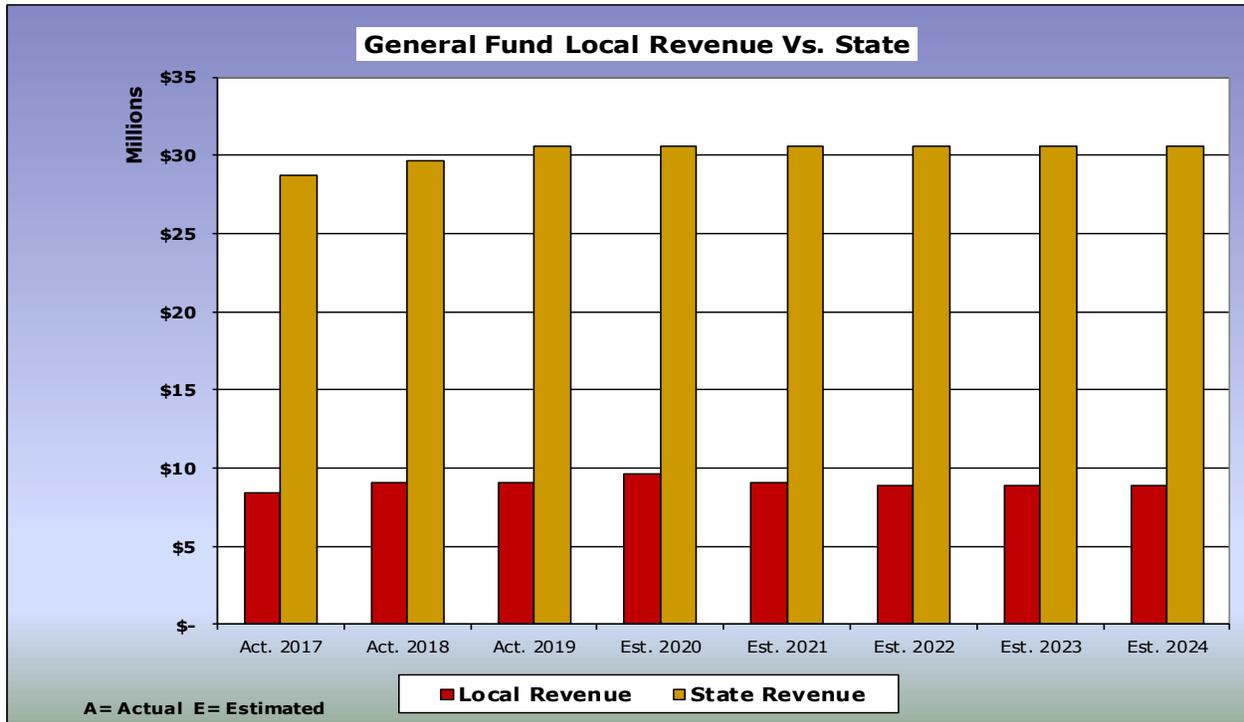
<u>Source</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Rollback and Homestead	\$1,175,008	\$1,160,764	\$1,161,823	\$1,161,971	\$1,160,777
TPP Reimbursement - Fixed Rate	0	0	0	0	0
TPP Reimbursement - Fixed Sum	0	0	0	0	0
Total Tax Reimb./Prop. Tax Allocations #1.050	<u>\$1,175,008</u>	<u>\$1,160,764</u>	<u>\$1,161,823</u>	<u>\$1,161,971</u>	<u>\$1,160,777</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. Beginning in FY20 interest is expected to decline due to fed rate reductions which will impact our earning capability in this area. We have reduced FY21 interest by 50% and FY22 by another 25% due to the rapid reduction in interest rates to help stimulate the economy due to the COVID-19 recession. The district estimates that other revenue amounts will grow by 1% a year.

<u>Source</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Tuition SF-14 & SF-14H	\$219,637	\$224,030	\$228,511	\$233,081	\$237,743
Open Enrollment	597,870	597,870	597,870	597,870	597,870
Interest	755,927	377,964	283,473	283,473	283,473
PILOT City of Trotwood	68,863	69,552	70,248	70,950	71,660
Donations, Rentals, Medicaid, erate	419,910	349,109	352,600	356,126	359,687
Total Line # 1.060	<u>\$2,062,207</u>	<u>\$1,618,525</u>	<u>\$1,532,702</u>	<u>\$1,541,500</u>	<u>\$1,550,433</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>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	1,107,591	300,000	300,000	300,000	300,000
Total Transfer & Advances In	<u>\$1,107,591</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>

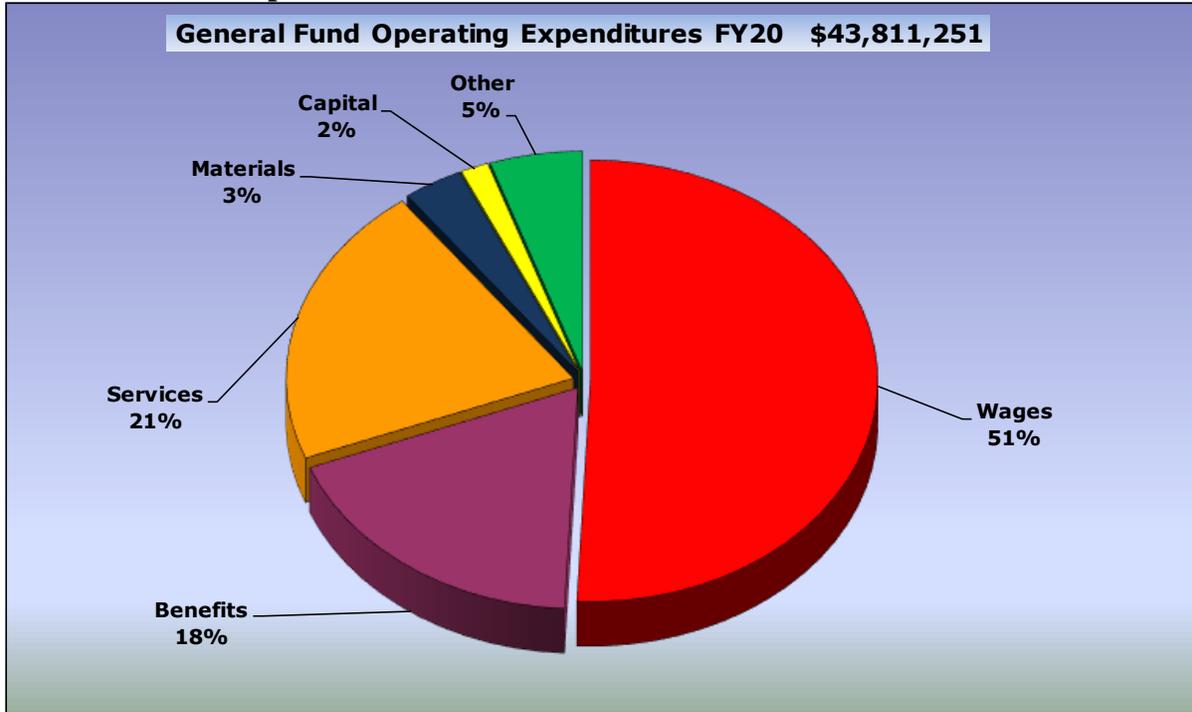
All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable. The District received a BWC dividend in October for \$135,723 for the 2017 policy year, and an additional \$130,946 in May 2020 for the 2018 policy year. These dividends will not be forecasted in the future.

	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Other Financial Sources - Line 2.060	<u>\$282,645</u>	<u>\$80,000</u>	<u>\$80,000</u>	<u>\$80,000</u>	<u>\$80,000</u>

Expenditures Assumptions

Estimated General Fund Expenditures for FY20:



Wages – Line #3.010

For FY19 the district hired 22 FTE certificated positions and 20 FTE non-teaching staff to increase daily student attendance and reduce discipline behaviors and to improve academic performance outcomes. Some of the additional positions are to increase parent participation and engagement. The district is initiating aggressive action to help students improve academic performance and prepare them for success in the future. With HB166 state funding has been frozen for all school districts in Ohio. This particularly hurts our district as 76% 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 of 3.5% for FY20, a 2.5% increase in FY21, a 2% increase in FY22 and a 1% increase in FY23-FY24.

<u>Source</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Base Wages	\$19,741,193	\$21,044,926	\$21,065,718	\$20,902,214	\$20,789,152
Increases/ Signing Bonus	695,846	493,530	420,899	210,657	209,022
Steps & Training/Performance Based Pay	397,626	394,824	420,899	421,314	418,044
Growth	210,261	0	0	0	0
Subs & Supplemental Costs	987,606	997,482	1,007,457	1,017,532	1,027,707
Severance/Retirement Incentive	200,000	200,000	200,000	200,000	200,000
Staff Reductions	0	-867,562	-1,005,302	-745,033	-530,199
Total Wages Line 3.010	<u>\$22,232,532</u>	<u>\$22,263,200</u>	<u>\$22,109,671</u>	<u>\$22,006,684</u>	<u>\$22,113,726</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 FY19 the District experienced a 12% increase in medical insurance rates due to several cancer and other severe medical cases in the district. These losses and medical trends will be with us for the next couple years before normalizing. In FY20 we are estimating 19% increase, in FY21 a 17% increase and then an 8% annual insurance increases for FY22– FY24 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 .9% of wages FY20 – FY24. 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. However, we are anticipating a potential increase in unemployment for FY20-21 due to the COVID-19 shutdowns. This increase has been caused by our reduced need for substitutes help during the COVID-19 Pandemic.

D) Medicare

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

Summary of Fringe Benefits – Line #3.020

<u>Source</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
STRS/SERS	\$3,395,487	\$3,419,483	\$3,398,452	\$3,381,732	\$3,395,174
Insurance's	4,095,603	4,600,992	4,747,905	4,963,830	5,244,292
Workers Comp/Unemployment	222,326	222,632	221,097	220,067	221,138
Medicare	325,421	310,236	306,013	308,294	312,961
Other/Tuition	<u>7,454</u>	<u>7,454</u>	<u>7,454</u>	<u>7,454</u>	<u>7,454</u>
Total Line 3.020	<u>\$8,046,291</u>	<u>\$8,560,797</u>	<u>\$8,680,921</u>	<u>\$8,881,377</u>	<u>\$9,181,019</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>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Base Services	\$708,651	\$744,911	\$767,259	\$790,278	\$813,987
Legal , Network, Curriculum etc.	1,027,687	1,037,964	1,048,344	1,058,827	1,069,415
Open Enrollment Deduction	667,430	687,453	708,077	729,319	751,199
Community School Deductions	4,638,025	4,730,786	4,825,402	4,921,910	5,020,348
Other Tuition and Ed Scholarship	1,305,999	1,345,179	1,385,534	1,427,100	1,469,913
Utilities	<u>725,912</u>	<u>762,208</u>	<u>800,318</u>	<u>840,334</u>	<u>882,351</u>
Total Line 3.030	<u>\$9,073,704</u>	<u>\$9,308,501</u>	<u>\$9,534,934</u>	<u>\$9,767,768</u>	<u>\$10,007,213</u>

Supplies and Materials – Line #3.040

Supplies and materials are expected to grow by 2% through FY24. In addition, in FY20 and 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>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Supplies	\$1,127,991	\$850,551	\$867,562	\$884,913	\$902,611
Textbook/Curriculum Updates	<u>350,000</u>	<u>150,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Line 3.040	<u>\$1,477,991</u>	<u>\$1,000,551</u>	<u>\$867,562</u>	<u>\$884,913</u>	<u>\$902,611</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 in FY20, FY23 and FY24.

<u>Source</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Capital Outlay	\$410,772	\$418,987	\$427,367	\$435,914	\$444,632
Replacement Bus Purchases	180,000	0	0	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>\$690,772</u>	<u>\$518,987</u>	<u>\$527,367</u>	<u>\$715,914</u>	<u>\$724,632</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>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
County Auditor & Treasurer Fees	\$162,046	\$163,666	\$165,303	\$166,956	\$168,626
County ESC	1,852,000	1,889,040	1,926,821	1,965,357	2,004,664
Audit Fees/Liability Ins/Other	<u>156,929</u>	<u>160,068</u>	<u>163,269</u>	<u>166,534</u>	<u>169,865</u>
Total Line 4.300	<u>\$2,170,975</u>	<u>\$2,212,774</u>	<u>\$2,255,393</u>	<u>\$2,298,847</u>	<u>\$2,343,155</u>

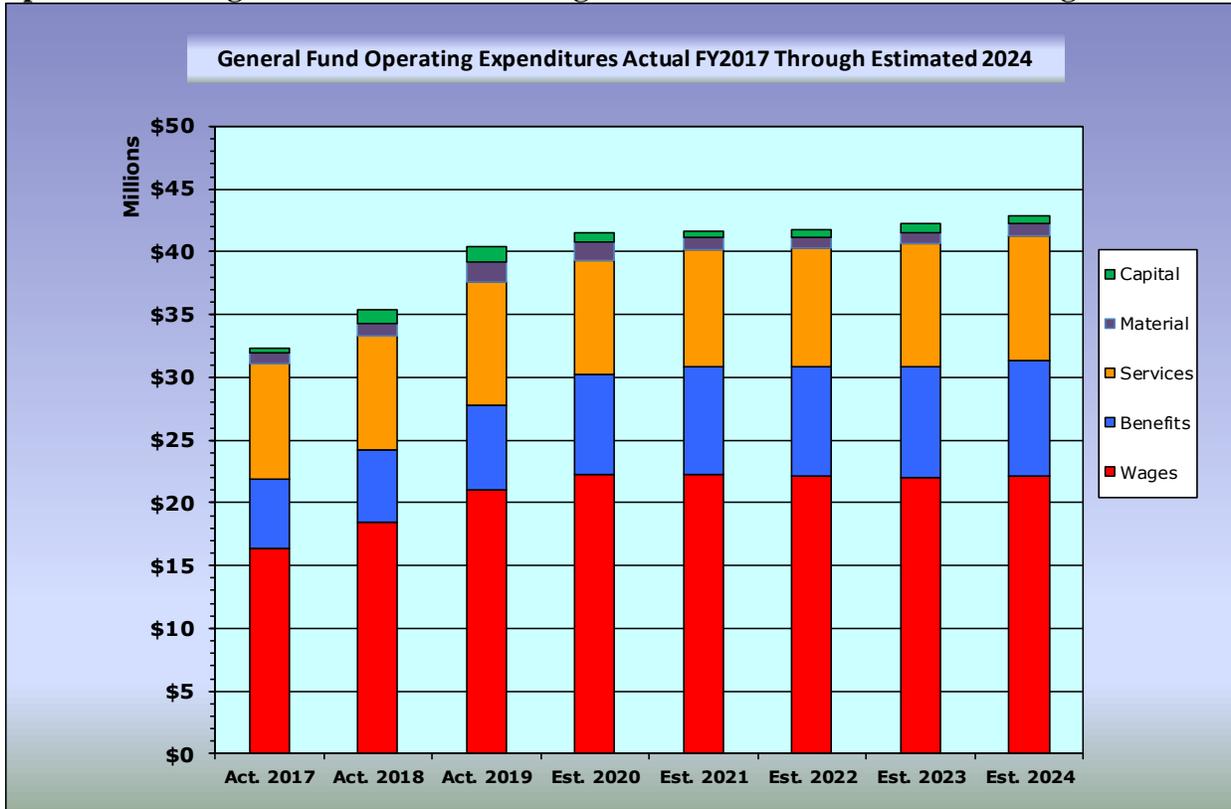
Principal and Interest Payment – Lines # 4.05 and 4.06

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

<u>Source</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
HB 264 Principal Line # 4.050	<u>\$108,075</u>	<u>\$108,887</u>	<u>\$109,705</u>	<u>\$110,529</u>	<u>\$110,529</u>

<u>Source</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY22</u>	<u>FY22</u>
Interest on TANS & HB 264 Total Line 4.060	<u>\$10,911</u>	<u>\$9,828</u>	<u>\$8,737</u>	<u>\$7,638</u>	<u>\$7,638</u>

Total Expenditure Categories Actual FY17 through FY19 and Estimated FY20 through FY24



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 FY20-24 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. In FY20 we are planning to transfer \$425,000 to the Food Service Fund due to the anticipated losses from school closure due to the COVID-19 Pandemic. This is to cover reduced income due to lost sales and state and federal reimbursements which are based on meals served.

<u>Source</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
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	<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.

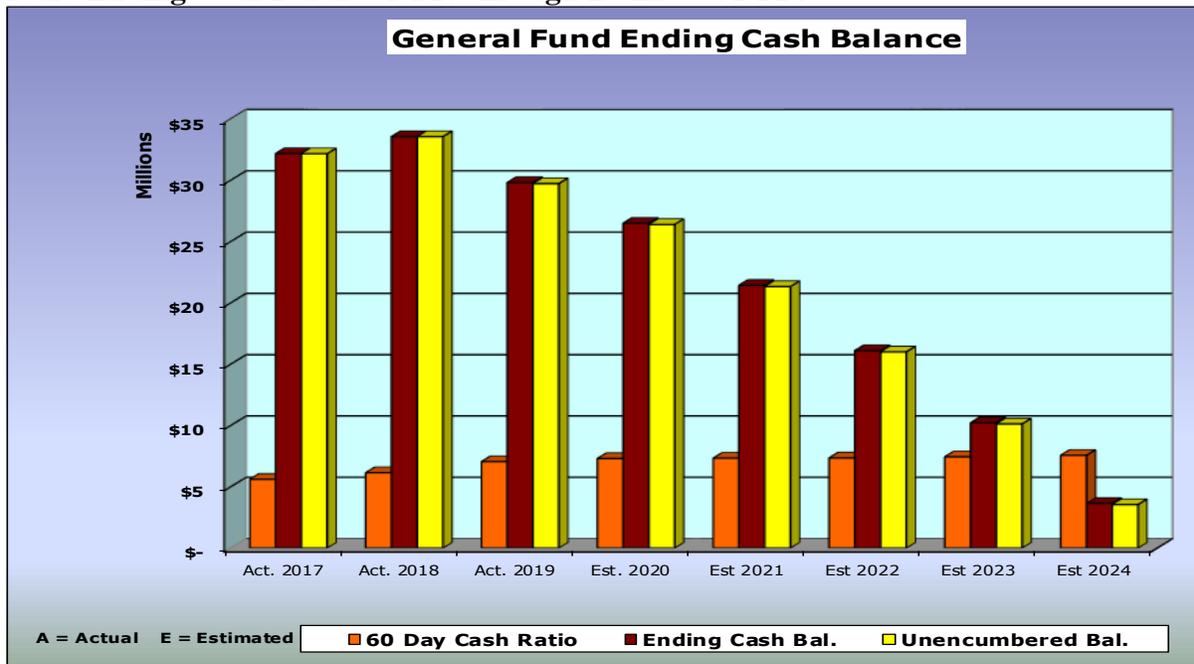
Estimated Encumbrances	<u>FY20</u> \$100,000	<u>FY21</u> \$100,000	<u>FY22</u> \$100,000	<u>FY23</u> \$100,000	<u>FY24</u> \$100,000
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Ending Unencumbered Cash Balance “The Bottom-line” – Line#15.010

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.

Ending Cash Balance	<u>FY20</u> \$26,391,671	<u>FY21</u> \$21,327,079	<u>FY22</u> \$15,999,126	<u>FY23</u> \$10,125,743	<u>FY24</u> \$3,543,995
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General Fund Ending Cash Balance FY17 through Estimated FY24



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.

