

BEXLEY CITY SCHOOL DISTRICT-FRANKLIN 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 JUNE 30, 2025



Forecast Provided By
Bexley City School District
Treasurer's Office
Kyle F. Smith, Treasurer

May 11, 2021

Bexley City School District

Franklin County

Schedule of Revenues, 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

	Actual				Forecasted				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Average Change	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Revenues									
1.010 General Property Tax (Real Estate)	19,937,546	20,092,947	23,663,441	9.3%	27,025,608	27,080,444	27,155,472	27,314,768	27,461,384
1.020 Public Utility Personal Property Tax	0	0	0	0.0%	0	0	0	0	0
1.030 Income Tax	6,845,069	6,885,311	7,999,781	8.4%	8,484,086	8,271,984	8,354,704	8,438,251	8,522,634
1.035 Unrestricted State Grants-in-Aid	4,320,558	4,616,729	4,380,427	0.9%	4,668,678	4,862,700	4,865,324	4,868,000	4,870,730
1.040 Restricted State Grants-in-Aid	17,987	16,751	23,066	15.4%	23,065	23,065	23,065	23,065	23,065
1.045 Restricted Federal Grants In Aid	0	0	0	0.0%	0	0	0	0	0
1.050 Property Tax Allocation	2,813,743	2,817,191	2,846,437	0.6%	2,895,882	2,962,865	2,967,374	2,983,646	2,999,825
1.060 All Other Revenues	654,078	800,143	754,657	8.3%	472,204	385,468	351,960	325,430	304,485
1.070 Total Revenues	34,588,981	35,229,072	39,667,809	7.2%	43,569,523	43,586,526	43,717,899	43,953,161	44,182,123
Other Financing Sources									
2.010 Proceeds from Sale of Notes	0	0	0	0.0%	0	0	0	0	0
2.020 State Emergency Loans and Advancements (Approved)	0	0	0	0.0%	0	0	0	0	0
2.040 Operating Transfers-In	0	89,591	150,000	0.0%	100,000	100,000	100,000	100,000	100,000
2.050 Advances-In	117,638	117,248	171,121	22.8%	48,171	100,000	100,000	100,000	100,000
2.060 All Other Financing Sources	140,740	215,975	280,700	41.7%	446,135	63,721	63,721	63,721	63,721
2.070 Total Other Financing Sources	258,378	422,814	601,821	53.0%	594,306	263,721	263,721	263,721	263,721
2.080 Total Revenues and Other Financing Sources	34,847,359	35,651,886	40,269,630	7.6%	44,163,829	43,850,247	43,981,620	44,216,882	44,445,844
Expenditures									
3.010 Personnel Services	19,261,918	20,279,720	21,006,719	4.4%	22,096,168	23,462,263	24,504,956	25,534,695	26,541,244
3.020 Employees' Retirement/Insurance Benefits	8,306,557	8,902,520	8,827,632	3.2%	8,764,031	9,510,213	10,103,671	10,706,130	11,318,945
3.030 Purchased Services	6,212,288	6,692,000	6,329,526	1.2%	6,802,149	6,934,684	7,122,679	7,666,604	7,873,671
3.040 Supplies and Materials	1,580,401	1,641,646	1,639,066	1.9%	1,287,146	1,516,123	1,543,753	1,572,034	1,600,983
3.050 Capital Outlay	1,206,861	691,582	671,987	-22.8%	370,036	445,036	445,036	445,036	445,036
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0
Debt Service:									
4.010 Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0
4.020 Principal-Notes	0	0	0	0.0%	0	0	0	0	0
4.030 Principal-State Loans	0	0	0	0.0%	0	0	0	0	0
4.040 Principal-State Advancements	0	0	0	0.0%	0	0	0	0	0
4.050 Principal-HB 264 Loans	0	0	0	0.0%	0	0	0	0	0
4.055 Principal-Other	0	0	0	0.0%	0	0	0	0	0
4.060 Interest and Fiscal Charges	0	0	0	0.0%	0	0	0	0	0
4.300 Other Objects	524,177	550,836	515,793	-0.6%	523,967	532,314	540,838	549,543	558,434
4.500 Total Expenditures	37,092,202	38,758,304	38,990,723	2.5%	39,843,498	42,400,633	44,260,933	46,474,043	48,338,313
Other Financing Uses									
5.010 Operating Transfers-Out	231,000	284,591	275,000	9.9%	350,000	300,000	250,000	250,000	250,000
5.020 Advances-Out	117,248	171,121	48,171	-13.0%	100,000	100,000	100,000	100,000	100,000
5.030 All Other Financing Uses	0	100	0	0.0%	0	0	0	0	0
5.040 Total Other Financing Uses	348,248	455,812	323,171	0.9%	450,000	400,000	350,000	350,000	350,000
5.050 Total Expenditures and Other Financing Uses	37,440,450	39,214,116	39,313,894	2.5%	40,293,498	42,800,633	44,610,933	46,824,043	48,688,313
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-2,593,091	-3,562,230	955,736	-44.7%	3,870,332	1,049,614	-629,312	-2,607,161	-4,242,469
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	25,473,305	22,880,214	19,317,984	-12.9%	20,273,720	24,144,052	25,193,666	24,564,353	21,957,192
7.020 Cash Balance June 30	22,880,214	19,317,984	20,273,720	-5.3%	24,144,052	25,193,666	24,564,353	21,957,192	17,714,723
8.010 Estimated Encumbrances June 30	1,426,069	1,317,289	1,495,099	2.9%	1,495,099	1,495,099	1,495,099	1,495,099	1,495,099
Reservation of Fund Balance									
9.010 Textbooks and Instructional Materials	0	0	0	0.0%	0	0	0	0	0
9.020 Capital Improvements	0	0	0	0.0%	0	0	0	0	0
9.030 Budget Reserve	0	0	0	0.0%	0	0	0	0	0
9.040 DPIA	0	0	0	0.0%	0	0	0	0	0
9.045 Fiscal Stabilization	0	0	0	0.0%	0	0	0	0	0
9.050 Debt Service	0	0	0	0.0%	0	0	0	0	0
9.060 Property Tax Advances	1,700,000	0	0	0.0%	0	0	0	0	0
9.070 Bus Purchases	0	0	0	0.0%	0	0	0	0	0
9.080 Subtotal	1,700,000	0	0	0.0%	0	0	0	0	0
Fund Balance June 30 for Certification of Appropriations	19,754,145	18,000,695	18,778,621	-2.3%	22,648,953	23,698,567	23,069,254	20,462,093	16,219,624
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal				0.0%	0	0	0	0	0
11.020 Property Tax - Renewal or Replacement				0.0%	0	0	0	0	0
11.300 Cumulative Balance of Replacement/Renewal Levies				0.0%	0	0	0	0	0
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	19,754,145	18,000,695	18,778,621	-2.3%	22,648,953	23,698,567	23,069,254	20,462,093	16,219,624

Bexley City School District

Franklin County

Schedule of Revenues, 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

	Actual				Forecasted				
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Average Change	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Revenue from New Levies									
13.010 Income Tax - New				0.0%	0	0	0	0	0
13.020 Property Tax - New				0.0%	0	0	0	0	0
13.030 Cumulative Balance of New Levies	0	0		0.0%	0	0	0	0	0
14.010 Revenue from Future State Advancements				0.0%	0	0	0	0	0
15.010 <i>Unreserved Fund Balance June 30</i>	19,754,145	18,000,695	18,778,621	-2.3%	22,648,953	23,698,567	23,069,254	20,462,093	16,219,624

Bexley City School District – Franklin County
Notes to the Five Year Forecast
General Fund Only
May 11, 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 \$43,569,523 or 3.77% higher than the November forecasted amount of \$41,984,690.

In the February collection, the district received more Real Estate Tax receipts than expected since the final certified valuations for property taxes were greater than the previously projected amounts.

The district's collection of SDIT was originally projected to be lower than previous years due to the effects of the pandemic on our economy. While our July and October collections were somewhat off due to the delay in payments, the January payment was aligned with historic collections and the April collection was greater than anticipated with our overall collections great than the past three years.

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

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 \$39,843,498 for FY21 which is below the original estimate of \$40,002,709 in the November forecast. The expenditure line most significantly below projections is Employee Benefits (line 3.02) due to a premium rebate from MMO.

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 \$22.6 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through FY25 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 typically has inherent risks and uncertainties. This is due to normal economic uncertainties and 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 which affect this five-year forecast. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

1. Property tax collections are the largest single revenue source for the school system. The housing market in our district is strong. We project continued growth in appraised values every three (3) years with continued modest increases in local taxes. Total local revenues which are predominately local property taxes equate to 63% of the district's resources.
2. Income tax is the district's second largest revenue source. The Covid-19 pandemic has made it very difficult to forecast what will happen with the collection of income tax. With the present economy we were projecting lower revenues than in the past for FY21, however, the April payment was greater than expected. We will monitor the income tax revenue very closely for any positive or negative changes that may occur.
3. The State Budget represents 17.4% of district revenues and is an 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 through FY25. We have projected our state funding to be in line with the FY21 funding level through FY25 which we feel is conservative and should be close to whatever the state approves for the FY22-23 biennium budget. We will adjust the forecast in future years as we have data to help guide this decision.
4. 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 the basic aid funding for our students was not increased to our district for this biennium budget. College Credit Plus costs continue to increase as this program becomes more understood. We will continue to keep a close watch on the EdChoice Voucher legislation. At this time the district does not have any buildings that are eligible for these vouchers. These are examples of new choice programs that increase with each biennium budget cost the district money. Expansion or creation of programs such as these exposes the district to new expenditures that are not currently in the forecast. We are monitoring any new threats to our state aid and increased costs very closely as the proposed new state budget bill (Sub. HB110) moves through the legislative process.
5. The enrollment for the district has increased over the past ten years at a steady rate and is expected to increase during the forecast years based on the district's report for Ohio Facilities Construction Commission from Future Think. However, the district has seen a decrease in enrollment in FY21 due to students attending Community Schools and home schooling caused by the COVID-19 pandemic. We believe that the growth will

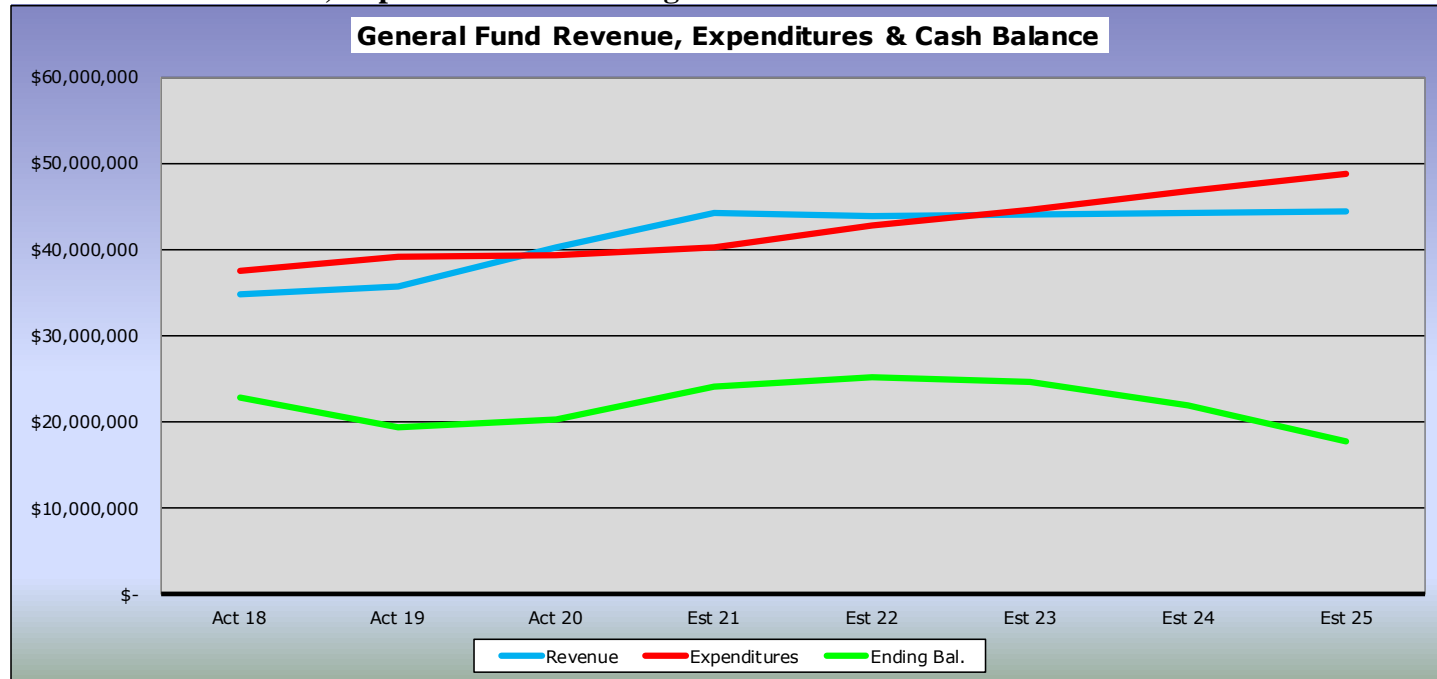
need to be monitored for staffing growth and building needs in order to know the effect of the increased enrollment.

6. The needs for students are changing due to social emotional well-being as a result of COVID-19 and the total new environment of the world. We are seeing this as a district in increased special education evaluation requests.

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

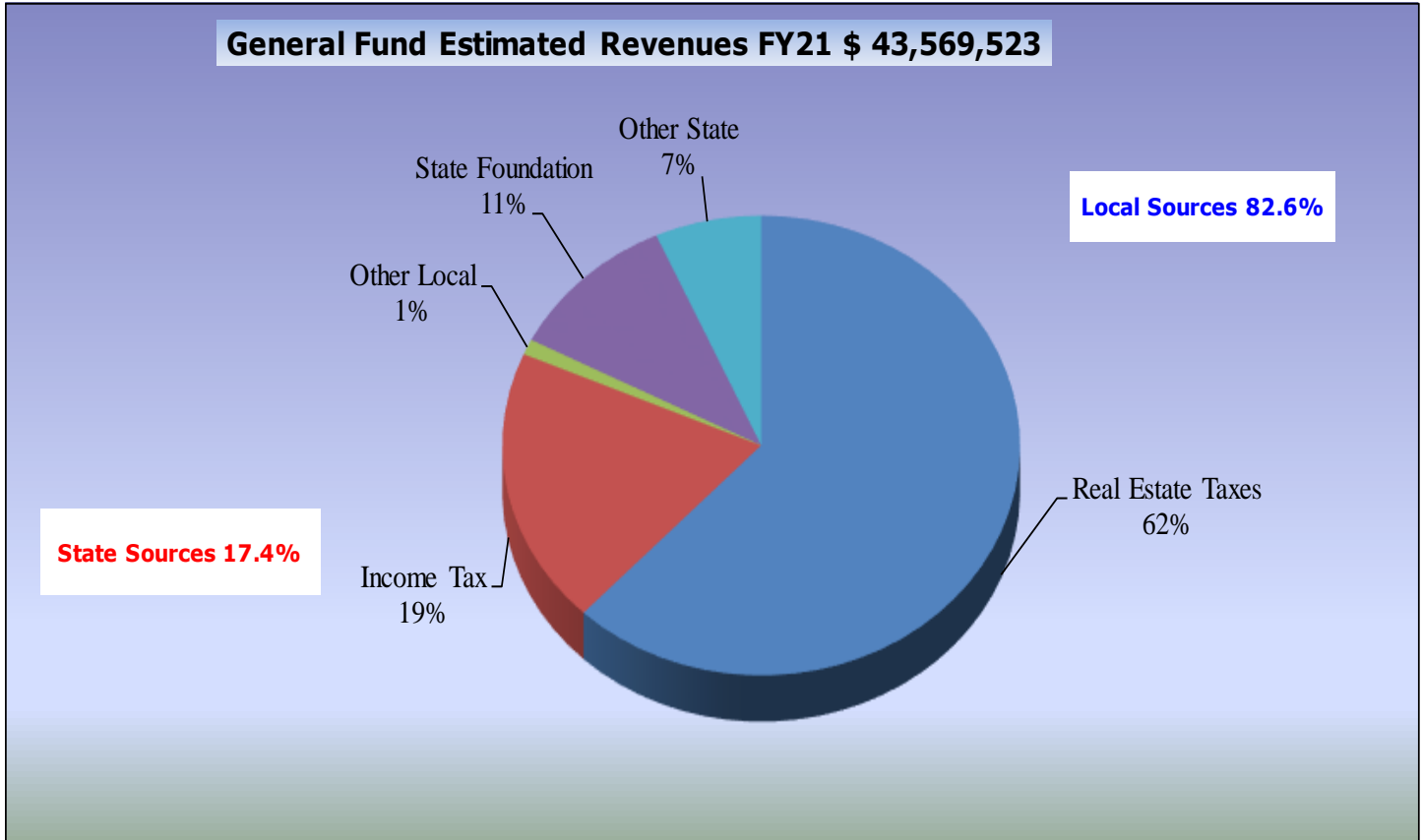
The major categories of revenue and expenditures on the forecast are noted below in the headings to make it easier to reference the assumptions made for the forecast item. It should be of assistance to the reader in understanding the overall financial forecast for our district, to review the assumptions noted below. If you would like further information please feel free to contact Mr. Kyle Smith, Treasurer/CFO of Bexley City School District at (614) 231-7611.

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



REVENUE ASSUMPTIONS

Estimated General Fund Revenues



Real Estate Value Assumptions – Line # 1.010

Property values are established each year by the County Auditor based on new construction, demolitions, BOR/BTA activity and complete reappraisal or updated values. Franklin County experienced the triennial update for taxable values in 2020 for the collection in 2021. The reappraisal for Class I Residential/Agricultural values increased by 16.88% or \$90,414,490 and Class II Commercial/Industrial values increased by 11.23% or \$2,350,220 in 2020 for collection in 2021. As values increase, the millage rates will decrease per HB920 which allows for no real increase in tax dollars except what is received on the 5.7 mills of inside millage and new construction. The full reappraisal for valuations will be in 2023 for collection in 2024, the district is estimating increases in Class I of 5% and Class II of 2%.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

	Estimated	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.	\$630,692,590	\$631,442,590	\$632,192,590	\$664,552,220	\$665,302,220
Comm./Ind.	\$23,781,160	\$24,076,160	\$24,371,160	\$25,153,583	\$25,448,583
Public Utility Personal Property (PUPP)	\$7,045,070	\$7,195,070	\$7,345,070	\$7,495,070	\$7,645,070
Total Assessed Value	<u>\$661,518,820</u>	<u>\$662,713,820</u>	<u>\$663,908,820</u>	<u>\$697,200,873</u>	<u>\$698,395,873</u>

Property tax levies are estimated to be collected at 98% of the annual amount. The district is basing the collection percentage on the collection in 2020 of 53.04% in February and 46.96% in August; this is more in

line with collection rates prior to the changes in federal tax laws for 2018. Public utility tax settlements (PUPP) are estimated to be received 50% in February and 50% in August. The phase out of TPP taxes began in FY06 with HB66 that was adopted in June 2005. The passage in November 2019 of the 9 mill levy increased property tax collection beginning in FY20 for one-half of first year of collections and a full year collection in FY21.

ESTIMATED REAL ESTATE TAX (Line #1.010)

Category	FY21	FY22	FY23	FY24	FY25
General Property Taxes	<u>\$27,025,608</u>	<u>\$27,080,444</u>	<u>\$27,155,472</u>	<u>\$27,314,768</u>	<u>\$27,461,384</u>

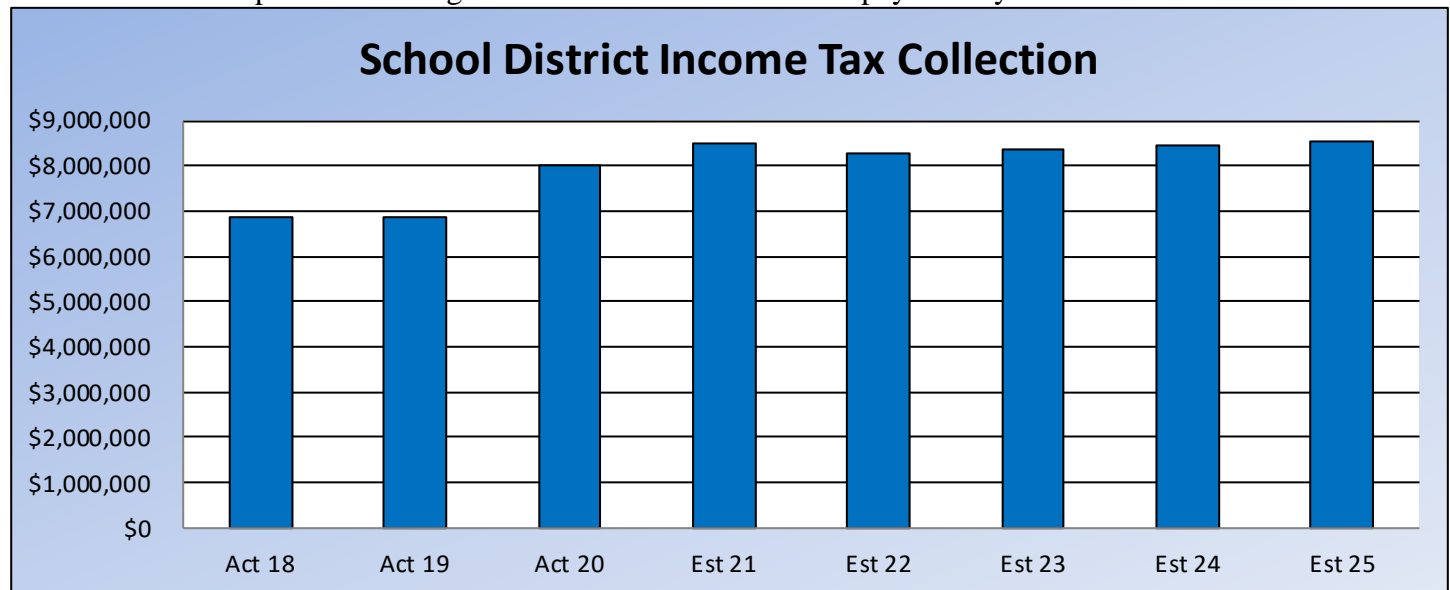
School District Income Tax Collections – Line #1.030

The district has a .75% continuous income tax levy that was approved in 2004. School District Income tax will be impacted by the COVID-19 Recession due to record levels of high unemployment and from the tax due date being changed from April 15th to July 15th for 2019 taxes.

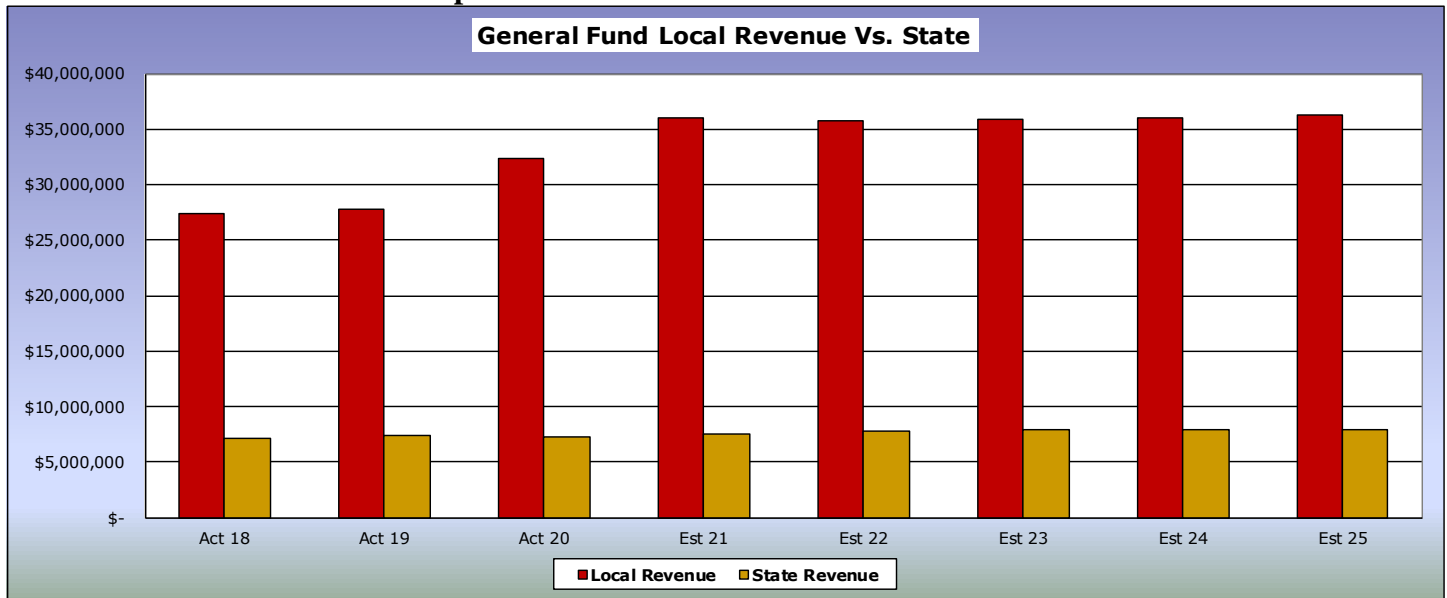
FY21 was projected to have a decrease of 3.5% due to the July and October payments, however, January and April payments were greater than any of the past three years for those collection months, therefore the district experienced at 6.05% increase in FY21. We are projecting a 2.5% decrease in FY22 as the employer withholding increase seemed too high for the April payment. The increase for FY23-FY25 has been decreased to 1% from 2% at this time. We will monitor the income tax payments and make adjustments as information is made available.

Category	FY21	FY22	FY23	FY24	FY25
SDIT Collection	\$7,999,782	\$8,484,086	\$8,271,984	\$8,354,704	\$8,438,251
Adjustments	<u>\$484,304</u>	<u>-\$212,102</u>	<u>\$82,720</u>	<u>\$83,547</u>	<u>\$84,383</u>
Total to Line #1.030	<u>\$8,484,086</u>	<u>\$8,271,984</u>	<u>\$8,354,704</u>	<u>\$8,438,251</u>	<u>\$8,522,634</u>

The chart below explains the changes as described above as to the payment cycles for the income tax.



Comparison of Local Revenue and State Revenue



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

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 Reduction and HB164 for FY20

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. HB164 reimbursed approximately 70 districts that had originally had more than 6% deducted from the state funding reduction in FY20.

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 \$186,019 from the FY19 amount.

Enrollment Growth Supplement: This funding element that was also introduced by Am. Sub. HB 166 for implementation in FY20 is aimed at providing additional funding to school districts that have increased enrollment over the past 3 years. The district will receive this funding in FY20 of \$132,673 and \$196,870 in FY21.

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 received \$109,546 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 3317.26 (B) which will be funded in the new Fund 467.

Casino Revenue: The district receives two payments annually that are based on the state enrollment and revenue from the casinos. These two payments, one in August and one in January, are then added together to obtain the annual average of the payments for future years. The average payment for all districts in FY19 was \$52.57 and increased to \$55.06 for FY20 per student. Due to the COVID-19, casinos were closed from March 12, to June 18, 2020. In FY21, we are using the actual amount that the district received that included a decrease mainly for the closures of the casinos 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 and have projected a modest 2% increase for FY23-25.

A) Unrestricted State Foundation Revenue – Line #1.035

<u>Category</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Basic Aid-Unrestricted	\$4,196,810	\$4,361,288	\$4,361,288	\$4,361,288	\$4,361,288
Additional Aid Items	\$370,206	\$370,206	\$370,206	\$370,206	\$370,206
Basic Aid-Unrestricted Subtotal	<u>\$4,567,016</u>	<u>\$4,731,494</u>	<u>\$4,731,494</u>	<u>\$4,731,494</u>	<u>\$4,731,494</u>
Ohio Casino Commission ODT	<u>\$101,662</u>	<u>\$131,206</u>	<u>\$133,830</u>	<u>\$136,506</u>	<u>\$139,236</u>
Total Unrestricted State Aid Line # 1.035	<u>\$4,668,678</u>	<u>\$4,862,700</u>	<u>\$4,865,324</u>	<u>\$4,868,000</u>	<u>\$4,870,730</u>

B) Restricted State Revenues – Line #1.040

HB64 continues to fund two restricted sources of revenues to school district which are Economic Disadvantaged Funding and Career Technical Education funding. We have incorporated this amount into the restricted aid amount in Line #1.04 throughout the forecast.

<u>Category</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Economically Disadvantaged Aid	\$2,577	\$2,577	\$2,577	\$2,577	\$2,577
Career Tech - Restricted	<u>\$20,488</u>	<u>\$20,488</u>	<u>\$20,488</u>	<u>\$20,488</u>	<u>\$20,488</u>
Total Restricted State Revenues Line #1.040	<u>\$23,065</u>	<u>\$23,065</u>	<u>\$23,065</u>	<u>\$23,065</u>	<u>\$23,065</u>

C) Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected FY21-25.

<u>Summary of State Foundaton Revenues</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Unrestricted Line # 1.035	\$4,668,678	\$4,862,700	\$4,865,324	\$4,868,000	\$4,870,730
Restricted Line # 1.040	<u>\$23,065</u>	<u>\$23,065</u>	<u>\$23,065</u>	<u>\$23,065</u>	<u>\$23,065</u>
Total State Foundation Revenue	<u>\$4,691,743</u>	<u>\$4,885,765</u>	<u>\$4,888,389</u>	<u>\$4,891,065</u>	<u>\$4,893,795</u>

State Taxes Reimbursement/Property Tax Allocation

a) Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013, which is the effective date of HB59. HB66 the FY06-07 budget bill previously eliminated 10% rollback on Class II (commercial and industrial) property.

Homestead Exemptions are also credits paid to the district from the State of Ohio for qualified elderly and disabled. In 2007 HB119 expanded the Homestead Exemption for all seniors over age 65 years of age or older or who are disabled regardless of income. Effective September 29, 2013 HB59 changed 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 reduce 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/Fixed Sum

The district no longer receives fixed rate or fixed sum TPP reimbursements.

Summary of State Tax Reimbursement – Line #1.050

<u>Category</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
a) Rollback and Homestead	\$2,895,882	\$2,962,865	\$2,967,374	\$2,983,646	\$2,999,825
b) TPP Reimbursement - Fixed Rate	\$0	\$0	\$0	\$0	\$0
c) TPP Reimbursement - Fixed Sum	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Tax Reimb./Prop. Tax Allocations #1.050	<u>\$2,895,882</u>	<u>\$2,962,865</u>	<u>\$2,967,374</u>	<u>\$2,983,646</u>	<u>\$2,999,825</u>

Other Local Revenues – Line #1.060

Interest income will increase and decrease as the cash position of the General Fund fluctuates over the forecast period. The district's balances available for investment vary month to month due to cash flow needs. As the district balances decrease we have decreased the amount of interest each year of the forecast. Due to the Federal Reserve lowering the interest rates to booster the economy from COVID-19 we are estimating that interest will be decreased by 65% in FY21 and another 25% in FY22. Security of the public funds collected by the district is the top priority of the treasurer's office.

The district has entered into an agreement with another district for special education services that increased the tuition revenue for FY19-FY21 by \$30,000 each year to \$144,038 per year and then reduced to \$114,038 per year for remainder of the forecast. Other income and rentals has a 1% increase for FY21-FY25.

<u>Category</u>	FY21	FY22	FY23	FY24	FY25
Tuition	\$109,834	\$79,834	\$79,834	\$79,834	\$79,834
Interest	\$232,153	\$174,115	\$139,292	\$111,433	\$89,147
Other Income and rentals	<u>\$130,217</u>	<u>\$131,519</u>	<u>\$132,835</u>	<u>\$134,163</u>	<u>\$135,505</u>
Total Line # 1.060	<u>\$472,204</u>	<u>\$385,468</u>	<u>\$351,960</u>	<u>\$325,430</u>	<u>\$304,485</u>

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

No future short term borrowing from any sources is planned, and therefore not included in this forecast at this time.

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

These are non-operating revenues which are the repayment of short term loans to other funds during the previous fiscal year and reimbursements for expenses incurred in the previous fiscal year. All advances during the current year are planned to be returned in the succeeding fiscal year which is being shown in FY21-FY25.

<u>Category</u>	FY21	FY22	FY23	FY24	FY25
Transfers In - Line 2.040	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Advance Returns - Line 2.050	<u>\$48,171</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>
Total Transfer & Advances In	<u>\$148,171</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>

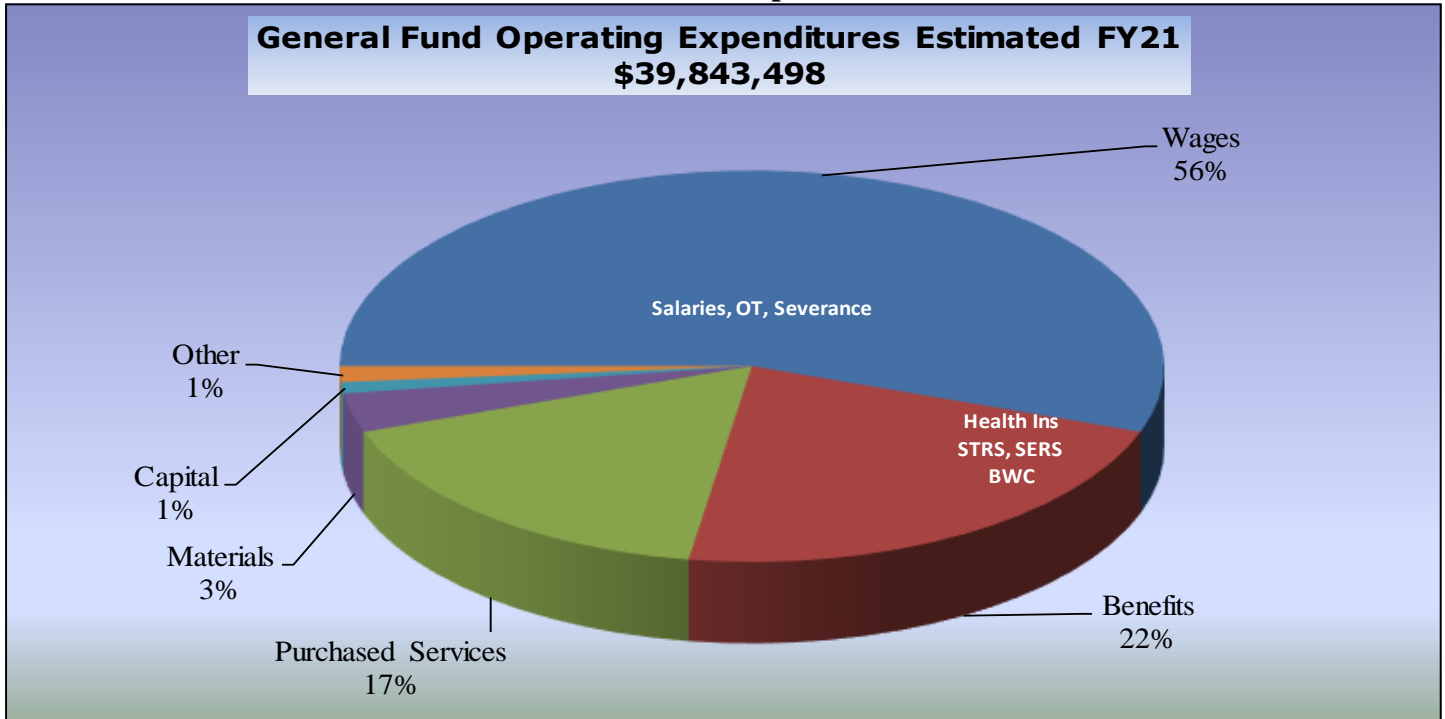
All Other Financial Sources – Line #2.060

Refund of Prior year expenses which are for refunds that the district has received, and a similar amount is anticipated each year. We did receive two (2) Bureau of Workers Compensation refunds in FY21 of \$389,379. We will not project these refunds in FY22 through FY25 as BWC has announced efforts to reduce premiums to more closely align with anticipated claims so their excess reserves are not as high.

<u>Category</u>	FY21	FY22	FY23	FY24	FY25
Refund of prior years expenditures	<u>\$446,135</u>	<u>\$63,721</u>	<u>\$63,721</u>	<u>\$63,721</u>	<u>\$63,721</u>

EXPENDITURE ASSUMPTIONS

Estimated General Fund Expenditures for FY21:



Wages – Line #3.010

The district has negotiated agreements for the three years of FY19, FY20 and FY21 and has included a 3% base wage rate for each of those years. For forecasting purposes only, we are including a 2.0% base increase in FY22-FY25. An annual increase of 2.1% for steps is included for FY21- FY25.

Staffing is reviewed annually to review additional positions for all areas of the district. The changes that we are expecting throughout the forecast will be as follows: in FY21 are middle school assistant principal and director of curriculum and gifted, 1 certified staff and .5 classified position; in FY22 additional 6 teachers and .5 classified positions, in FY23 and FY24 are 2 teachers and in FY25 1 teacher.

Supplemental salaries are being increased to the amount paid in FY19 plus a 3% increase since there was a decrease last year due to the COVID-19 payments at the end of the school year.

The district is contracting with the ESC for the services for the Interim Superintendent which is not coded as salary but will be paid from purchase services and the same coding is true for the outsourcing of bus drivers which will decrease the salary amount by \$312,000. We have increased salaries in FY22 for when the district will hire the next superintendent. In FY21 we have decreased overtime and other expenses by \$61,000 for amounts that will no longer be paid as salaries from the outsourcing of transportation.

<u>Category</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Base Wages	\$19,951,235	\$21,013,399	\$22,347,179	\$23,385,170	\$24,394,814
Base Increase	\$598,537	\$399,025	\$420,268	\$446,944	\$467,703
Steps	\$441,141	\$464,020	\$492,708	\$514,604	\$536,229
Growth	\$454,232	\$1,024,017	\$428,486	\$301,381	\$243,002
Unfunded Recapture	\$75,000	\$0	\$0	\$0	\$0
Severance	\$117,000	\$130,000	\$115,000	\$115,000	\$115,000
Supplemental	\$821,044	\$837,465	\$854,214	\$871,298	\$888,724
Substitutes, Overtime and Other	\$144,725	\$147,619	\$150,572	\$153,583	\$156,655
Staff Reductions	<u>-\$506,746</u>	<u>-\$553,282</u>	<u>-\$303,471</u>	<u>-\$253,285</u>	<u>-\$260,883</u>
Total Wages Line 3.010	<u>\$22,096,168</u>	<u>\$23,462,263</u>	<u>\$24,504,956</u>	<u>\$25,534,695</u>	<u>\$26,541,244</u>

Fringe Benefits Estimates Line 3.02

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

A) STRS/SERS

The district pays 14% of each dollar paid in wages to either the State Teachers Retirement System or the School Employees Retirement System as required by Ohio law. The district is required to pay SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members. It is exclusively used to fund health care.

B) Insurance

The estimated increases for medical and dental insurance are 2.5% increase in FY21, a 5.8% in FY22, a 6.9% increase in FY23 and a 7% increase in FY24 and FY25. The above increases include adjustments for inflation and are based on our current employee census and claims data. The district received a one-time premium rebate in December for FY21 from Medical Mutual of Ohio for \$125,000.

Through negotiations with the certified and classified unions, the district will have a new insurance plan on January 1, 2019. The plan will be a High Deductible Health Plan with a Health Savings Account and is a much more consumer driven plan than what the district had previously. The district is making generous contributions towards the employees' Health Savings Account for the first three years; therefore, the savings are not fully realized until 2021. Not considering the cost of these contributions, the plan's savings is 12% on premium.

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.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to remain at about .6% of wages based on experience over prior years. Unemployment Compensation has been negligible and is anticipated to remain as such as we plan our staffing needs carefully.

D) Medicare

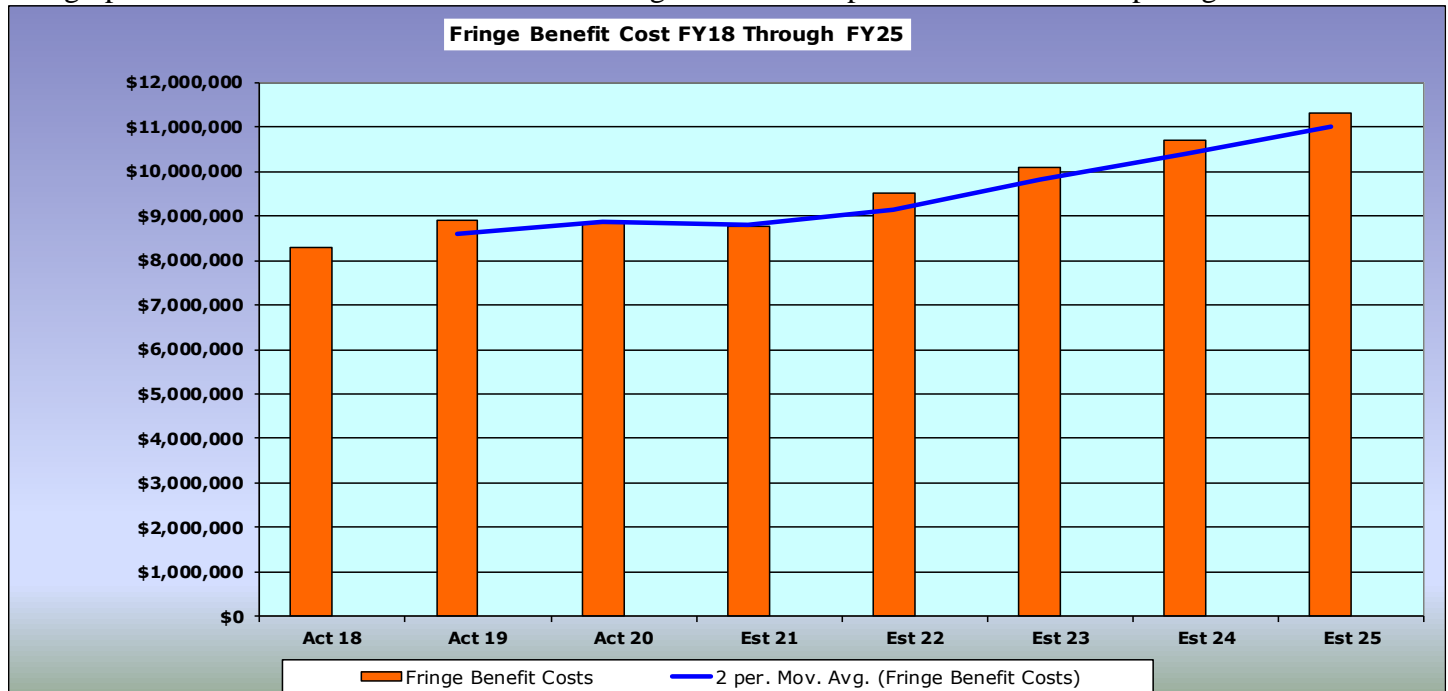
Medicare will continue to increase at the same rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986.

Summary of Fringe Benefits – Line #3.020

Category	FY21	FY22	FY23	FY24	FY25
A) STRS/SERS	\$3,256,334	\$3,455,984	\$3,616,986	\$3,771,107	\$3,921,690
B) Insurance's	\$5,039,418	\$5,569,680	\$5,983,992	\$6,414,414	\$6,859,131
C) Workers Comp/Unemployment	\$82,079	\$78,541	\$81,564	\$84,551	\$87,470
D) Medicare	\$320,394	\$340,202	\$355,322	\$370,253	\$384,848
Other/Tuition	\$65,806	\$65,806	\$65,806	\$65,806	\$65,806
Total Line 3.020	\$8,764,031	\$9,510,213	\$10,103,671	\$10,706,130	\$11,318,945

Fringe Benefits Actual Fiscal Year 2018 through Fiscal Year 2020 and Estimated Fiscal Year 2021 through Fiscal Year 2025

The graph below notes that health care is becoming the area of expenditures that are outpacing inflation.



Purchased Services – Line #3.030

One of the largest expenses in this area is contracted payments for substitute teachers, educational aides and special education aides that are employees of the Educational Service Center of Central Ohio's Council (ESC) of Governments.

Educational Choice programs such as Community Schools, College Credit Plus, STEM and Scholarships are a significant portion of the purchased service line. Community School deductions have increased substantially in FY21. We are using the April #1 payment for Open Enrollment and Community School deductions. We currently do not have any 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. The number of students that have been attending Community Schools in FY21 due to the COVID-19 pandemic is greater than the district has ever experienced. The district has been made aware that many of those students will be returning to the school district in FY22 therefore we have reduced to \$175,000 beginning in FY22 and will be adjusted as information is obtained.

FY21 the district is expected to enter a 1:1 computer lease for \$250K per year. The FY21 lease payment was paid with CARES Act and donations from the Bexley Education Foundation. The Bexley Education foundation has secured the majority of funding for the leases in FY22 and FY23 in order to continue to the payment of the leases. The district will be paying the lease beginning with FY24 for the remainder of the forecast. There are significant challenges in delivering instruction when families share technology at home and by ensuring each student has the same device, we feel confident that we can appropriately support each students learning.

The district has decreased Professional Support services by \$217,750 for staffing that was added to salaries and benefits and has increased the amount that will be paid to the ESC for the Interim Superintendent for FY21 only.

The district has increased Building Maintenance and Transportation by \$350,000 for the outsourcing of busing and has decrease for budget reductions of \$209,000.

We have assumed the utilities to increase 3% in FY21-FY25 with an increase in FY21 of \$20,000 for added costs that were deducted in the previous year for COVID-19 shutting of the buildings. The other areas within this line are based on 2% to 3% for inflation.

<u>Category</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Base Services	\$359,486	\$370,271	\$381,379	\$392,820	\$404,605
Instructional Support	\$1,198,178	\$1,234,123	\$1,271,147	\$1,309,281	\$1,348,559
Professional Support	\$2,043,423	\$1,874,291	\$1,911,777	\$1,950,013	\$1,989,013
Building Maintenance & Transportation	\$1,320,838	\$1,556,255	\$1,587,380	\$1,969,128	\$2,008,511
Other Tuition	\$550,796	\$578,336	\$607,253	\$637,616	\$669,497
Open Enrollment	\$25,108	\$26,363	\$27,681	\$29,065	\$30,518
Community School Deductions	\$223,755	\$175,000	\$175,000	\$175,000	\$175,000
College Credit Plus, STEM & Scholarships	\$353,148	\$370,805	\$389,345	\$408,812	\$429,253
Utilities	<u>\$727,417</u>	<u>\$749,240</u>	<u>\$771,717</u>	<u>\$794,869</u>	<u>\$818,715</u>
Total Line 3.030	<u>\$6,802,149</u>	<u>\$6,934,684</u>	<u>\$7,122,679</u>	<u>\$7,666,604</u>	<u>\$7,873,671</u>

Supplies and Materials – Line #3.040

This category of expenses is characterized by textbooks, copy paper, maintenance supplies and fuel. In FY21 the district will decrease the supplies and building/transportation supplies by 90% of FY20 with an additional \$204,000 budget reduction and 95% of FY20 for textbooks. An inflation rate of 3% is being estimated for textbooks and building/transportation supplies and a 1% increase for all other supplies in FY22-FY25.

<u>Category</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Supplies	\$681,830	\$892,648	\$901,574	\$910,590	\$919,696
Textbook Upgrade- Electronic or Textbook	\$303,734	\$312,846	\$322,231	\$331,898	\$341,855
Building and Transportation	<u>\$301,582</u>	<u>\$310,629</u>	<u>\$319,948</u>	<u>\$329,546</u>	<u>\$339,432</u>
Total Line 3.040	<u>\$1,287,146</u>	<u>\$1,516,123</u>	<u>\$1,543,753</u>	<u>\$1,572,034</u>	<u>\$1,600,983</u>

Equipment – Line #3.050

The district is making budget reduction in FY21 of \$296,000 and then increasing the amount by \$150,000 in FY22 with no increases in FY23-FY25 for Capital Outlay. The district reduced the bus purchase from \$110,000 to the amount of a bus less the amount that the district will receive from the state bus purchase grant, this may be paid from Permanent Improvement to be determined later in the year.

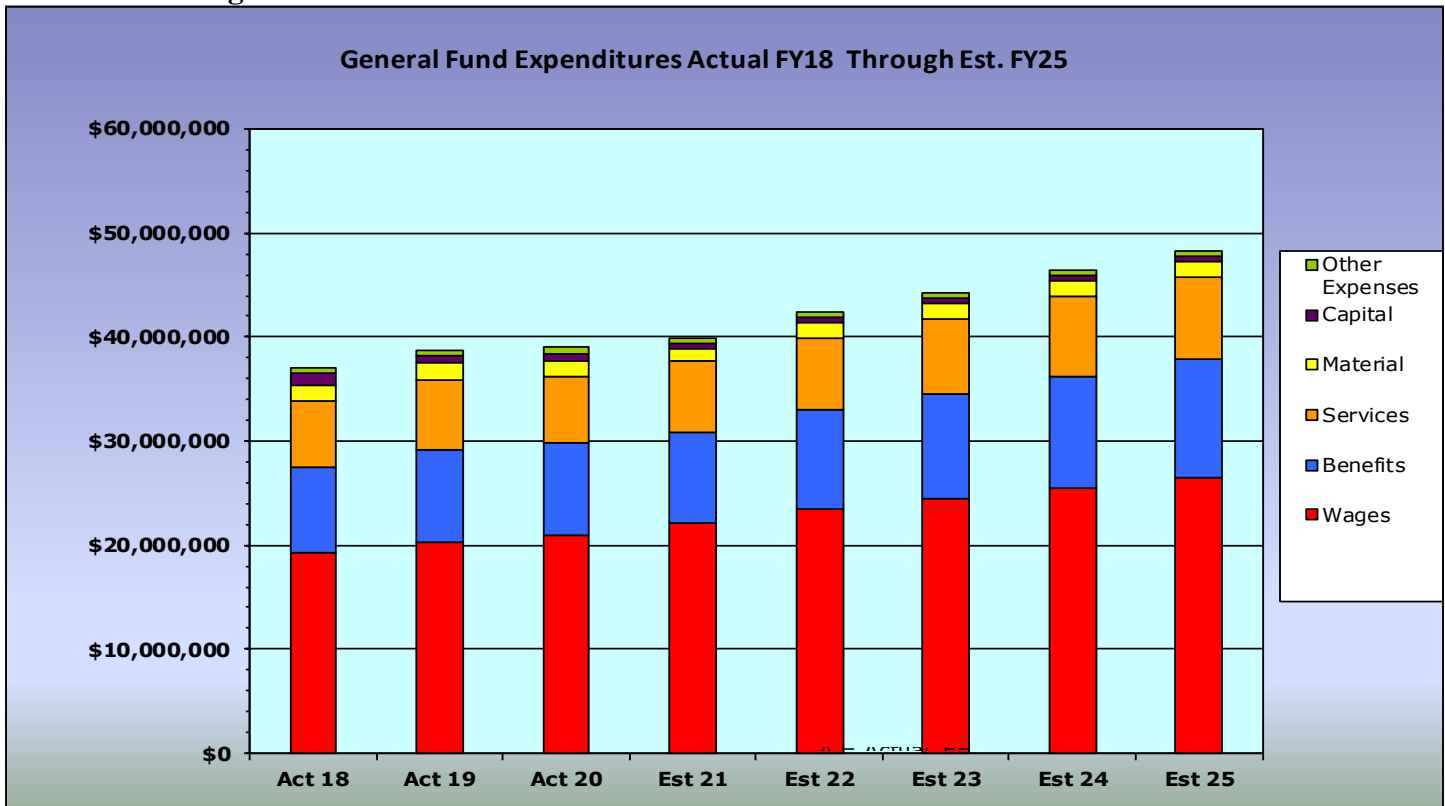
<u>Category</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Capital Outlay	\$295,036	\$445,036	\$445,036	\$445,036	\$445,036
Replacement Bus Purchases	<u>75,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Line 3.050	<u>\$370,036</u>	<u>\$445,036</u>	<u>\$445,036</u>	<u>\$445,036</u>	<u>\$445,036</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 (A&T) fees. Auditor and Treasurer Fees will increase sharply anytime a new operating levy is collected. Also new construction will cause A&T fees to increase as more dollars are collected. Currently, we are estimating annual increase for A&T of 1% for this forecast. We are estimating an annual increase of 3% for FY21-FY25 for other expenses.

<u>Category</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
County Auditor & Treasurer Fees	\$368,594	\$372,280	\$376,003	\$379,763	\$383,561
Other expenses	\$155,373	\$160,034	\$164,835	\$169,780	\$174,873
Total Line 4.300	<u>\$523,967</u>	<u>\$532,314</u>	<u>\$540,838</u>	<u>\$549,543</u>	<u>\$558,434</u>

Total Expenditure Categories Actual Fiscal Year 2018 through Fiscal Year 2020 and Estimated Fiscal Year 2021 through Fiscal Year 2025



Transfers/Advances Out – Line #5.010 & Line #5.020

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 to repay the General Fund. These amounts are limited in impact to the General Fund as the amounts are repaid as soon as dollars are received in the debtor fund. Annually, the district expects to transfer funds to food service to supplement those programs. The district

anticipates advancing funds to other funds by \$100,000 each year and will evaluate the need to advance these funds annually.

Category	FY21	FY22	FY23	FY24	FY25
Operating Transfers Out Line #5.010	\$350,000	\$300,000	\$250,000	\$250,000	\$250,000
Advances Out Line #5.020	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Total	<u>\$450,000</u>	<u>\$400,000</u>	<u>\$350,000</u>	<u>\$350,000</u>	<u>\$350,000</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.

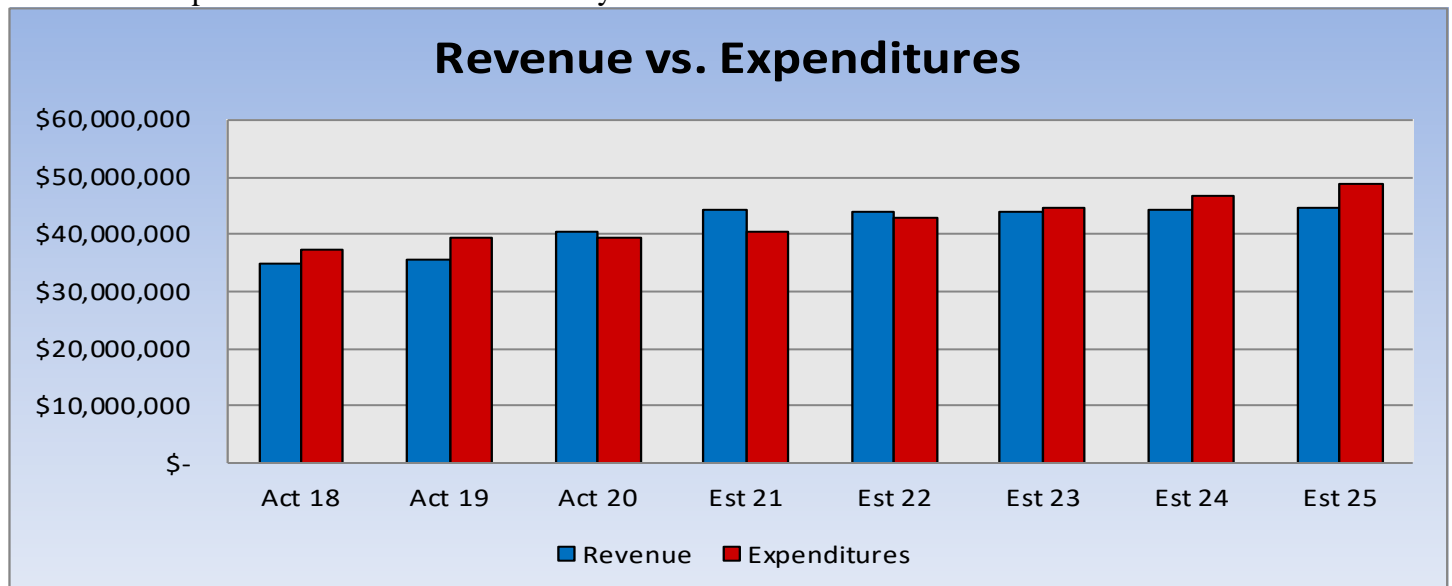
	FY21	FY22	FY23	FY24	FY25
Estimated Encumbrances	<u>\$1,495,099</u>	<u>\$1,495,099</u>	<u>\$1,495,099</u>	<u>\$1,495,099</u>	<u>\$1,495,099</u>

Ending Unencumbered Cash Balance “The Bottom-line” – Line#15.010

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of Ohio Revised Code section 5705.412, punishable by personal liability of \$10,000, unless an alternative “412” certificate can be issued pursuant to House Bill 153 effective September 30, 2011.

	FY21	FY22	FY23	FY24	FY25
Ending Unencumbered Cash Balance	<u>\$22,648,953</u>	<u>\$23,698,567</u>	<u>\$23,069,254</u>	<u>\$20,462,093</u>	<u>\$16,219,624</u>

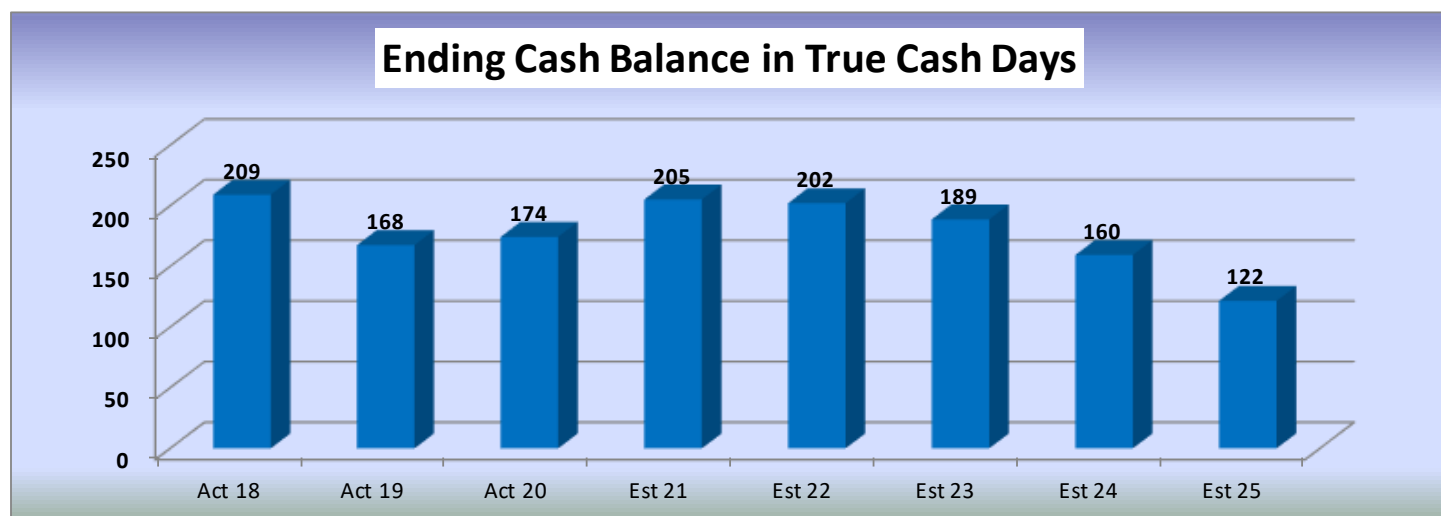
The chart below shows that the district is deficit spending in FY23–FY25 of the forecast. By deficit spending a district will deplete the cash balance in future years.



True Cash Days

The Government Financial Officers Association (GFOA) recommends, at a minimum, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. Because of the volatility of income taxes, it would be wise for a district like ours to have a higher balance on hand. The district projects to have

approximately 205 days true cash at the end of FY21. As the chart below shows, the ending cash balance will continue to decrease.



Conclusion

The district is fortunate to have received increase in state funding from HB49 (FY18 and FY19). Being that 17.4% is from state dollars of the funding for the district, the administration will be able to use these additional dollars for students of our district. The district is also fortunate that we will receive additional funding for the enrollment growth that we have been having over the past few years. However, we are disappointed that all other state funding is not increasing in HB166 for FY20 and FY21. Future state biennium budgets could affect us positively or negatively for FY22 through FY25, especially with the COVID-19 Recession reducing state revenues through FY20 and FY21.

In response to budget cuts from the state, the Board of Education approved \$1.3 million in expenditure reductions based on the May 18, 2020 forecast. That was reduced after the passage of HB164 which restored \$224,000 with 53% of this being returned with Governor's executive order in January 2021. These reductions have been incorporated into this forecast for FY21 and have been restored, for the most part, into FY22 and beyond.

As you read through the notes and review the forecast, remember that the forecast is a best estimate based on the information that is known at the time that it is prepared.