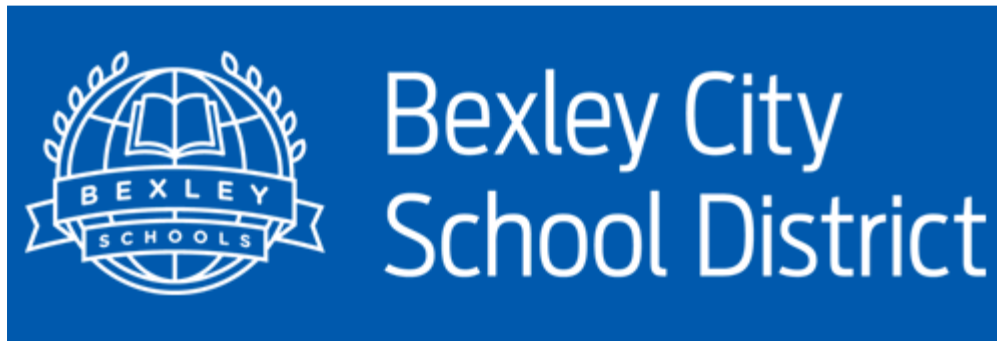


BEXLEY CITY SCHOOL DISTRICT-FRANKLIN COUNTY
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2017, 2018 and 2019 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2020 THROUGH JUNE 30, 2024



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

May 5, 2020

Bexley City School District

Franklin County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2017, 2018 and 2019 Actual;

Forecasted Fiscal Years Ending June 30, 2020 Through 2024

	Actual				Average Change	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019			Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Revenues										
1.010 General Property Tax (Real Estate)	20,689,927	19,937,546	20,092,947	-1.4%	23,663,434	26,156,188	26,395,675	26,473,601	26,632,519	
1.020 Tangible Personal Property	0	0	0	0.0%	0	0	0	0	0	0
1.030 Income Tax	8,123,073	6,845,069	6,885,311	-7.6%	7,999,782	7,399,798	6,955,810	7,303,601	7,595,745	
1.035 Unrestricted State Grants-in-Aid	4,102,582	4,320,558	4,616,729	6.1%	4,781,505	4,829,586	4,829,586	4,829,586	4,829,586	
1.040 Restricted State Grants-in-Aid	18,251	17,987	16,751	-4.2%	16,964	16,964	16,964	16,964	16,964	
1.045 Restricted Fed. SFSF Fd. 532 FY10&11/Ed Jobs Fd.504 FY	0	0	0	0.0%	0	0	0	0	0	0
1.050 Property Tax Allocation	2,811,040	2,813,743	2,817,191	0.1%	2,846,438	2,900,445	2,932,194	2,936,822	2,952,798	
1.060 All Other Revenues	505,018	654,078	800,143	25.9%	820,153	559,164	465,066	427,232	397,289	
1.070 Total Revenues	36,249,891	34,588,981	35,229,072	-1.4%	40,128,276	41,862,146	41,595,295	41,987,806	42,424,901	
Other Financing Sources										
2.010 Proceeds from Sale of Notes	0	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	0
2.040 Operating Transfers-In	0	0	89,591	0.0%	100,000	100,000	100,000	100,000	100,000	
2.050 Advances-In	67,626	117,638	117,248	36.8%	171,121	115,000	115,000	115,000	115,000	
2.060 All Other Financing Sources	37,168	140,740	215,975	166.1%	275,824	42,482	42,482	42,482	42,482	
2.070 Total Other Financing Sources	104,794	258,378	422,814	105.1%	546,945	257,482	257,482	257,482	257,482	
2.080 Total Revenues and Other Financing Sources	36,354,685	34,847,359	35,651,886	-0.9%	40,675,221	42,119,628	41,852,777	42,245,288	42,682,383	
Expenditures										
3.010 Personnel Services	18,285,046	19,261,918	20,279,720	5.3%	21,270,763	22,575,347	23,531,336	24,521,440	25,523,107	
3.020 Employees' Retirement/Insurance Benefits	8,002,990	8,306,557	8,902,520	5.5%	8,966,160	9,477,208	10,199,307	10,866,696	11,495,372	
3.030 Purchased Services	5,949,307	6,212,288	6,692,000	6.1%	6,473,404	6,792,897	7,090,160	7,296,151	7,509,173	
3.040 Supplies and Materials	1,301,482	1,580,401	1,641,646	12.7%	1,928,906	1,760,479	1,795,576	1,831,549	1,868,422	
3.050 Capital Outlay	720,009	1,206,861	691,582	12.5%	583,118	848,274	738,274	738,274	738,274	
3.060 Intergovernmental	0	0	0	0.0%	0	0	0	0	0	0
Debt Service:				0.0%						
4.010 Principal-All (Historical Only)	0	0	0	0.0%	0	0	0	0	0	0
4.020 Principal-Notes	0	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	0
4.040 Principal-State Advancements	0	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	0
4.055 Principal-Other	0	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	0
4.300 Other Objects	591,236	524,177	550,836	-3.1%	560,089	569,547	579,215	589,098	599,204	
4.500 Total Expenditures	34,850,070	37,092,202	38,758,304	5.5%	39,782,440	42,023,751	43,933,868	45,843,208	47,733,551	
Other Financing Uses										
5.010 Operating Transfers-Out	270,000	231,000	284,591	4.4%	240,000	250,000	250,000	250,000	250,000	
5.020 Advances-Out	120,015	117,248	171,121	21.8%	115,000	115,000	115,000	115,000	115,000	
5.030 All Other Financing Uses	0	0	100	0.0%	0	0	0	0	0	0
5.040 Total Other Financing Uses	390,015	348,248	455,812	10.1%	355,000	365,000	365,000	365,000	365,000	
5.050 Total Expenditures and Other Financing Uses	35,240,085	37,440,450	39,214,116	5.5%	40,137,440	42,388,751	44,298,868	46,208,208	48,098,551	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	1,114,600	-2,593,091	-3,562,230	-147.6%	537,782	-269,123	-2,446,091	-3,962,921	-5,416,168	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	24,358,704	25,473,304	22,880,213	-2.8%	19,317,983	19,855,765	19,586,641	17,140,551	13,177,630	
7.020 Cash Balance June 30	25,473,304	22,880,213	19,317,983	-12.9%	19,855,765	19,586,641	17,140,551	13,177,630	7,761,462	
8.010 Estimated Encumbrances June 30	1,447,443	1,426,069	1,317,289	-4.6%	1,317,289	1,317,289	1,317,289	1,317,289	1,317,289	
Reservation of Fund Balance										
9.010 Textbooks and Instructional Materials	0	0	0	0.0%	0	0	0	0	0	0
9.020 Capital Improvements	0	0	0	0.0%	0	0	0	0	0	0
9.030 Budget Reserve	0	0	0	0.0%	0	0	0	0	0	0
9.040 DPIA	0	0	0	0.0%	0	0	0	0	0	0
9.045 Fiscal Stabilization	0	0	0	0.0%	0	0	0	0	0	0
9.050 Debt Service	0	0	0	0.0%	0	0	0	0	0	0
9.060 Property Tax Advances	1,700,000	1,700,000	0	-50.0%	0	0	0	0	0	0
9.070 Bus Purchases	0	0	0	0.0%	0	0	0	0	0	0
9.080 Subtotal	1,700,000	1,700,000	0	-50.0%	0	0	0	0	0	
10.010 Fund Balance June 30 for Certification of Appropriations	22,325,861	19,754,144	18,000,694	-10.2%	18,538,476	18,269,352	15,823,262	11,860,341	6,444,173	
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal				0.0%	0	0	0	0	0	0
11.020 Property Tax - Renewal or Replacement				0.0%	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	22,325,861	19,754,144	18,000,694	-10.2%	18,538,476	18,269,352	15,823,262	11,860,341	6,444,173	
Revenue from New Levies										
13.010 Income Tax - New				0.0%	0	0	0	0	0	0
13.020 Property Tax - New				0.0%	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 Unreserved Fund Balance June 30	22,325,861	19,754,144	18,000,694	-10.2%	18,538,476	18,269,352	15,823,262	11,860,341	6,444,173	

Bexley City School District – Franklin County
Notes to the Five Year Forecast
General Fund Only
May 5, 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. HB87, effective November 1, 2018, changed the October filing deadline to November 30 beginning with this forecast. The May 31 filing date remains unchanged. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. HB166, the new state biennium budget provided new restricted state funding to school districts in Fiscal Years 20 and 21 specifically for Student Wellness and Success. These revenues are restricted and are required to be accounted for in a Special Revenue Fund (Fund 467) and are NOT included in this forecast.

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

Economic Outlook 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. The district is following events and video conferences daily to help determine how to maintain continuity of services to our students and staff as we play a vital role in our community. State and local resources are going to be under extreme stress as we continue through and eventually recover from the pandemic. We have drawn upon our experiences in projecting revenues and expenses from the Great Recession of 2008, but there is no historic data or situation to compare to what the district is facing now. That makes it extremely challenging to project where our finances will be through fiscal year 2024 as noted in this forecast. Given the requirement in Ohio Law that we file a forecast in May that goes through June 2024, we are using the best and most recent reliable data available to us.

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 \$40,128,276 or .54% greater than the November forecasted amount of \$39,911,430.

The increase in revenue estimate is mostly affected by an increase in interest, and the increase in income taxes. These increases will have a positive effect on revenues throughout the entire forecast period.

All other areas of revenue are tracking as anticipated for FY20 based on our best information at this time.

Expenditures FY20:

Total General Fund expenditures (line 4.5) are estimated to be \$39,782,440 for FY20 which is below the original estimate of \$40,547,447 in the November forecast. The expenditure lines most significantly below projections are Personnel Services (line 3.01) due to lower than anticipated expenditures for full time staff on leaves of absences, substitutes and supplemental salaries due to the COVID-19 shutting of school and Purchased Services (line 3.03) due to ESC payments for substitute teacher and utility savings from the COVID-19 pandemic and state foundation deductions coming in under budget. This will have a positive effect on the long term forecast.

Unreserved Ending Cash Balance:

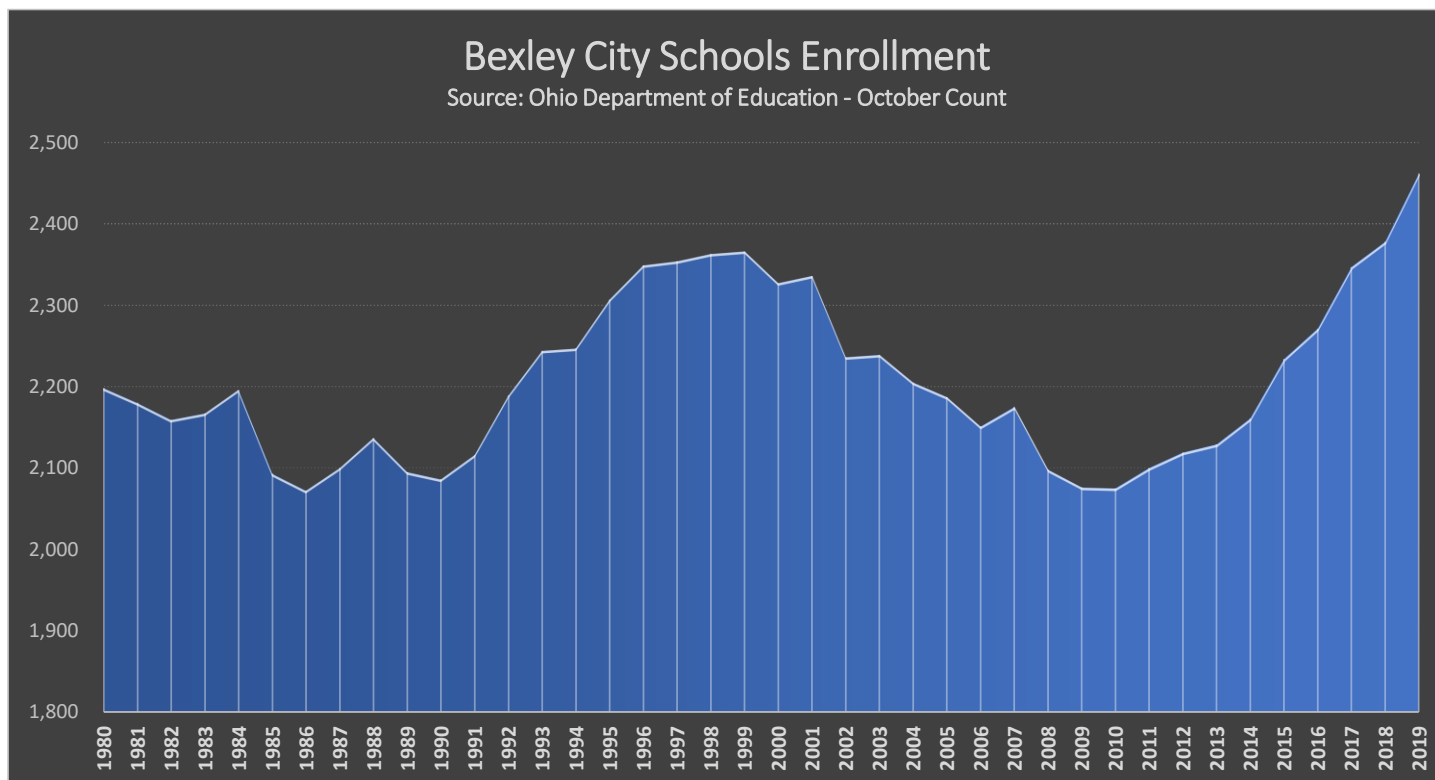
With revenues increasing slightly over estimates and expenditures ending below estimates, our ending unreserved cash balance June 30, 2020 is anticipated to be roughly \$18.5 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance 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 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:

- I. 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 and new construction growth with continued modest increases in local taxes. Total local revenues which are predominately local property taxes equate to 60% of the district's resources. We believe that current collections in the August 2020 settlement may fall due to current record unemployment, but that longer term there is a low risk that local collections would fall below projections throughout the forecast.
- II. Income tax is the district's second largest revenue source. With the present economy we are projecting lower revenues than in the past and will not know until later in 2020 as to how long these decreases will last. We will monitor the income tax revenue very closely for any positive or negative changes that may occur.
- III. The State Budget represents 19.1% 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 following the pandemic as expected 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 will make adjustments to the forecast in future years as we have data to help guide this decision.
- IV. HB166 continues the many provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus, Community Schools and increases in per pupil scholarship amounts deducted from our state aid in the 2019-21 school years, even though 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.

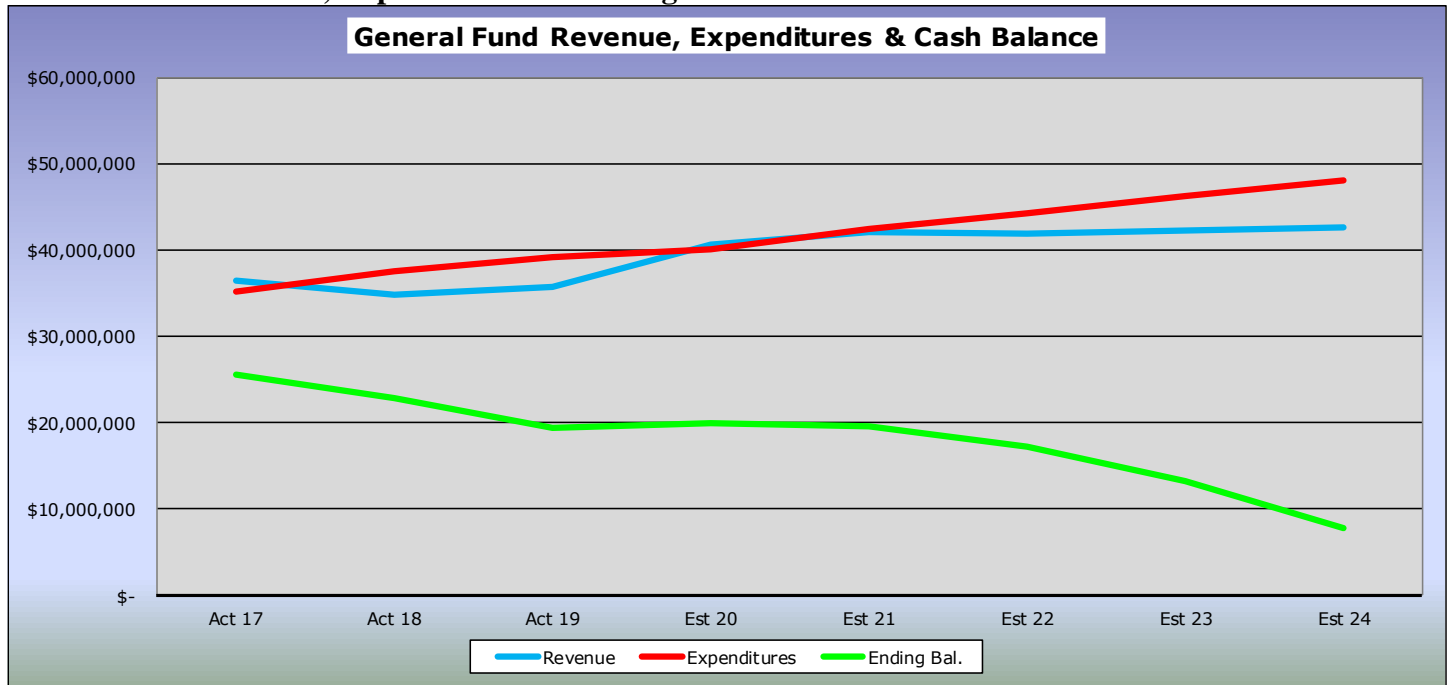
- V. We appreciate the community’s approval of the 9.0 mill operating levy in November 2019. The passage of this levy will help to keep the district financially healthy in the long term.
- VI. The enrollment for the district has increased over the past ten years at a steady rate and is expected to increase during the forecast years based on the district’s report for Ohio Facilities Construction Commission from Future Think. We believe that the growth will need to be monitored for staffing growth and building needs in order to know the affect of the increased enrollment.



- VII. 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.

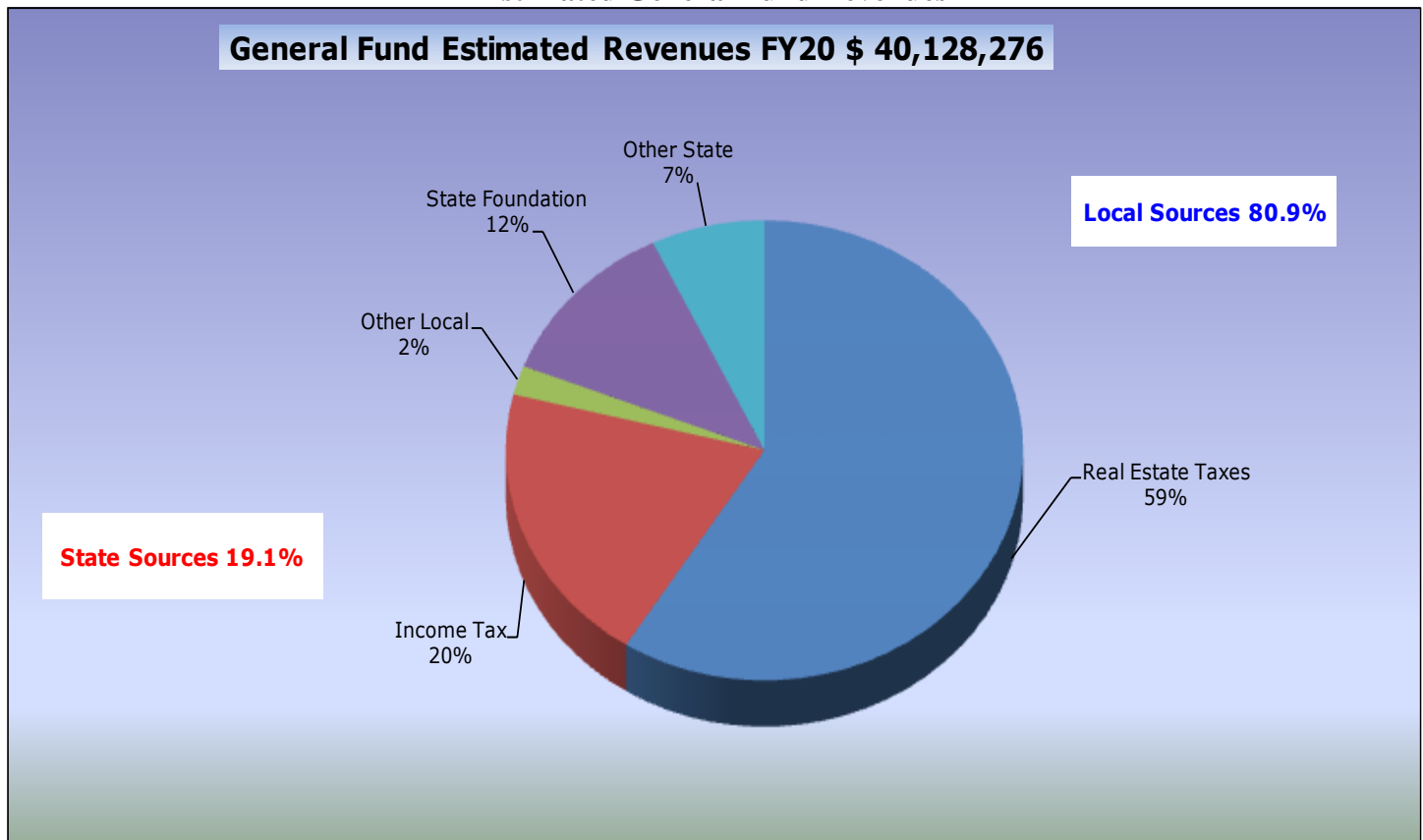
The major categories of revenue and expenditures on the forecast are noted below in the headings to make it easier to reference the assumptions made for the forecast item. It should be of assistance to the reader in understanding the overall financial forecast for our district, to review the assumptions 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 FY17-19 and Estimated FY20-24



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 reappraisal for taxable values in 2017 for the collection in 2018. The reappraisal for Class I Residential/Agricultural values increased by 11.87% or \$56,306,450 and Class II Commercial/Industrial values increased by 17.4% or \$3,342,320 in 2017 for collection in 2018. The large increase in Class II was due to the sale of the Trinity Lutheran Seminary, assessed valuation of \$2,849,390, to Capital University which had been tax exempt but lost the exempt status with the sale of the property. The exemption for that property has been since granted and the Class II values have been decreased for the exemption in 2019 collect in 2020. 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. The triennial update for valuation will be in 2020 for collection in 2021, the district is estimating increases in reappraisals for Class I of 13.5% and Class II of 1%.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

<u>Classification</u>	Actual TAX YEAR2019 <u>COLLECT 2020</u>	Estimated TAX YEAR2020 <u>COLLECT 2021</u>	Estimated TAX YEAR2021 <u>COLLECT 2022</u>	Estimated TAX YEAR2022 <u>COLLECT 2023</u>	Estimated TAX YEAR2023 <u>COLLECT 2024</u>
Res./Ag.	\$473,570,125	\$474,870,125	\$476,170,125	\$476,720,125	\$477,270,125
Comm./Ind.	\$54,757,831	\$54,957,831	\$55,157,831	\$55,357,831	\$55,557,831
Public Utility Personal Property (PUPP)	\$15,662,440	\$16,162,440	\$16,662,440	\$17,162,440	\$17,662,440
Tangible Personal Property (TPP)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Assessed Value	<u>\$543,990,397</u>	<u>\$545,990,397</u>	<u>\$547,990,397</u>	<u>\$549,240,397</u>	<u>\$550,490,397</u>

Property tax levies are estimated to be collected at 97% of the annual amount. The district is basing the collection percentage on the collection in 2019 of 53.76% in February and 46.24% in August; this is less than the previous year due to the one time 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 difference in the taxes for FY18 to FY19 is that the district received a tax advance of \$1,700,000 in June 2017 that was actually for FY18. The district will no longer accept tax advances in June that should be used in for the following fiscal year. The passage in November 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.

Due to the COVID-19 pandemic we may see a decrease in taxes received in August 2020 due to the higher unemployment causing the constituents to not be able to make real estate tax payments on time. If taxes are not paid on time in 2020, then in future years the amount of delinquencies will be increased and we will need to monitor this for each forecast period for the next couple of years.

ESTIMATED REAL ESTATE TAX (Line #1.010)

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
General Property Taxes	<u>\$23,663,434</u>	<u>\$26,156,188</u>	<u>\$26,395,675</u>	<u>\$26,473,601</u>	<u>\$26,632,519</u>

School District Income Tax Collections – Line #1.030

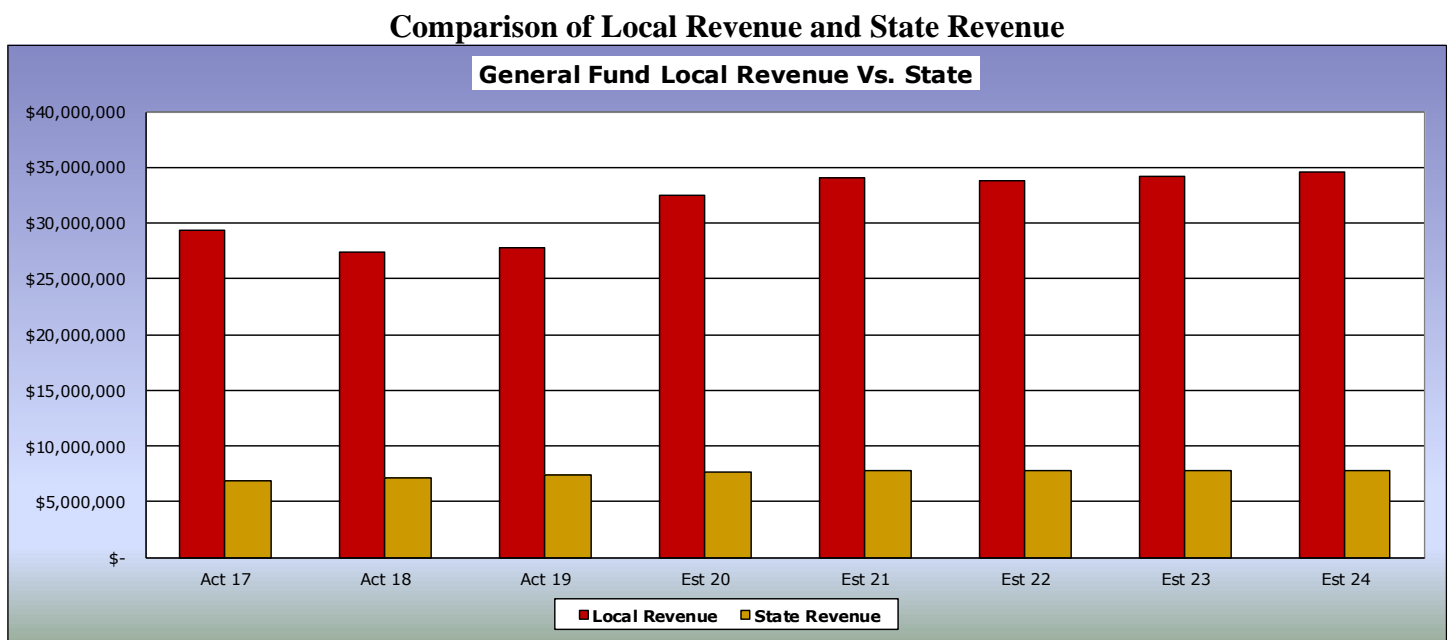
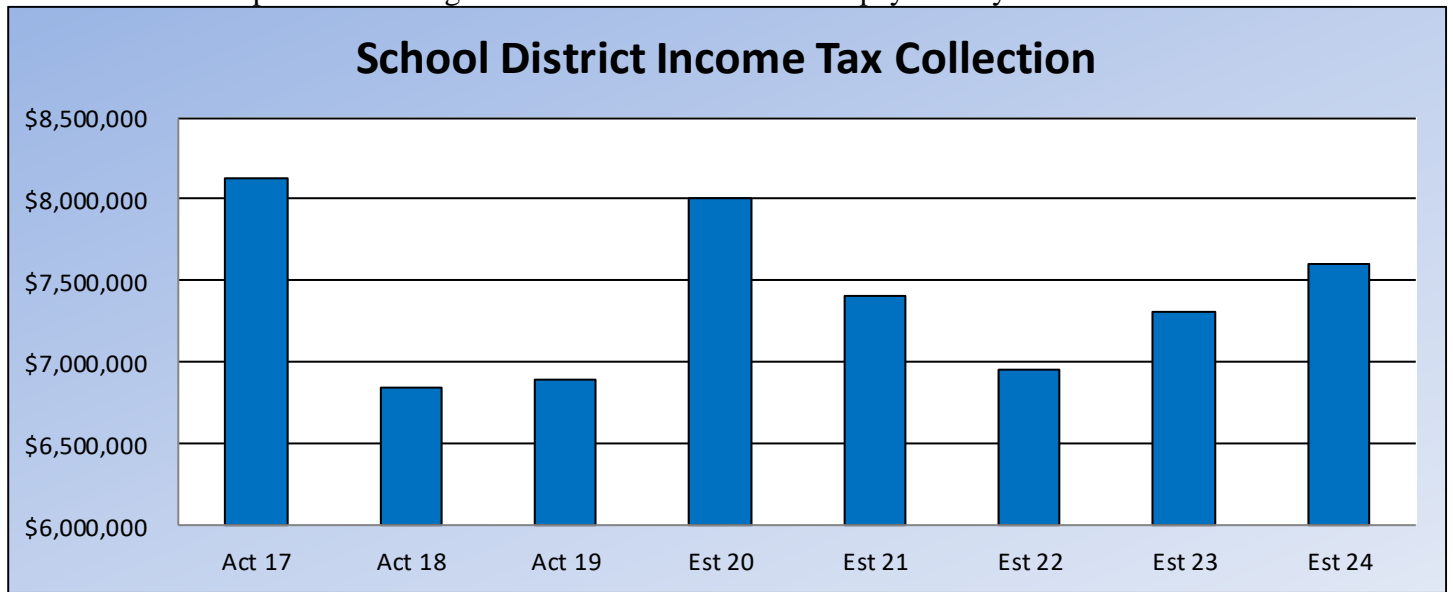
The district has a .75% continuous income tax levy that was approved in 2004. Previous years saw large refunds in taxes that have affected the collection. FY19 saw a modest increase of 0.59% that included some refunds. However, FY20 final amount received in April was much more than what the district expected with an overall increase of 17.17% or \$1.18 million more than FY19.

School District Income tax will be impacted by the COVID-19 Recession due to record levels of high unemployment. FY21 is being projected with a decrease by 7.50% at this time. We are projecting FY22 to be

6% decrease reflecting a slow return of employment and then growth in FY23 of 5% and FY24 of 4%, we will continue to monitor these amounts until we receive additional information.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
SDIT Collection	\$6,885,311	\$7,999,782	\$7,399,798	\$6,955,810	\$7,303,601
Adjustments	<u>\$1,114,471</u>	<u>-\$599,984</u>	<u>-\$443,988</u>	<u>\$347,791</u>	<u>\$292,144</u>
Total to Line #1.030	<u>\$7,999,782</u>	<u>\$7,399,798</u>	<u>\$6,955,810</u>	<u>\$7,303,601</u>	<u>\$7,595,745</u>

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



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

The amounts estimated for state funding are based on HB166 funding simulations which basically 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. Due to the COVID-19 pandemic state funding could be cut for FY20 and/or FY21 and future state revenues could be reduced as a result of the pandemic.

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 \$189,535 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 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 \$83,533 in FY20 and \$119,519 in FY21. Money will be received twice each year in October and February. These dollars are to be deposited in a Special Revenue Fund 467 and are restricted to expenses that follow a plan developed in coordination with one of the approved community partner organizations approved in HB166 that include the following:

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

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

B. Community Partners (ORC 3317.26(C))

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

At this time our district has not finalized the plan on the best method to utilize the Student Wellness and Success Funds as identified in 3317.26(B). However, we are working on a plan to expand services with these dollars. Should state funding not include these resources in the future, we will evaluate it at that time. These expenditures are not added to the forecast.

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.

Future State Budgets: Our funding status for the FY22-24 will depend on two (2) new state budgets which are unknown. With the change to the state funding and no growth for the FY20-21 state amounts, we are not increasing the state funding for any year of the forecast. 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. However, there could be decreases in state funding due to the COVID-19 pandemic as soon as FY21 and might continue into the next biennial budget.

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. WE have decreased revenues for FY21 due to casinos being closed due to the COVID-19 pandemic. We will increase estimates for out years when actual casino revenues show signs of stronger increases.

A) Unrestricted State Foundation Revenue – Line #1.035

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Basic Aid-Unrestricted	\$4,368,790	\$4,367,389	\$4,367,389	\$4,367,389	\$4,367,389
Additional Aid Items	\$275,759	\$338,937	\$338,937	\$338,937	\$338,937
Basic Aid-Unrestricted Subtotal	<u>\$4,644,549</u>	<u>\$4,706,326</u>	<u>\$4,706,326</u>	<u>\$4,706,326</u>	<u>\$4,706,326</u>
Ohio Casino Commission ODT	<u>\$136,956</u>	<u>\$123,260</u>	<u>\$123,260</u>	<u>\$123,260</u>	<u>\$123,260</u>
Total Unrestricted State Aid Line # 1.035	<u>\$4,781,505</u>	<u>\$4,829,586</u>	<u>\$4,829,586</u>	<u>\$4,829,586</u>	<u>\$4,829,586</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>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Economically Disadvantaged Aid	\$2,759	\$2,759	\$2,759	\$2,759	\$2,759
Career Tech - Restricted	<u>\$14,205</u>	<u>\$14,205</u>	<u>\$14,205</u>	<u>\$14,205</u>	<u>\$14,205</u>
Total Restricted State Revenues Line #1.040	<u>\$16,964</u>	<u>\$16,964</u>	<u>\$16,964</u>	<u>\$16,964</u>	<u>\$16,964</u>

C) Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected FY20-24.

<u>Summary of State Foundaton Revenues</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Unrestricted Line # 1.035	\$4,781,505	\$4,829,586	\$4,829,586	\$4,829,586	\$4,829,586
Restricted Line # 1.040	<u>\$16,964</u>	<u>\$16,964</u>	<u>\$16,964</u>	<u>\$16,964</u>	<u>\$16,964</u>
Total State Foundation Revenue	<u>\$4,798,469</u>	<u>\$4,846,550</u>	<u>\$4,846,550</u>	<u>\$4,846,550</u>	<u>\$4,846,550</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>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
a) Rollback and Homestead	\$2,846,438	\$2,900,445	\$2,932,194	\$2,936,822	\$2,952,798
Total Tax Reimb./Prop. Tax Allocations #1.050	<u>\$2,846,438</u>	<u>\$2,900,445</u>	<u>\$2,932,194</u>	<u>\$2,936,822</u>	<u>\$2,952,798</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. However yields have been decreasing in 2019. 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 50% 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 FY19-FY23.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Tuition	\$144,038	\$144,038	\$114,038	\$114,038	\$114,038
Interest	\$525,000	\$262,500	\$196,875	\$157,500	\$126,000
Other Income and rentals	<u>\$151,115</u>	<u>\$152,626</u>	<u>\$154,153</u>	<u>\$155,694</u>	<u>\$157,251</u>
Total Line # 1.060	<u>\$820,153</u>	<u>\$559,164</u>	<u>\$465,066</u>	<u>\$427,232</u>	<u>\$397,289</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 FY20-FY24.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Transfers In - Line 2.040	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Advance Returns - Line 2.050	<u>\$171,121</u>	<u>\$115,000</u>	<u>\$115,000</u>	<u>\$115,000</u>	<u>\$115,000</u>
Total Transfer & Advances In	<u>\$271,121</u>	<u>\$215,000</u>	<u>\$215,000</u>	<u>\$215,000</u>	<u>\$215,000</u>

All Other Financial Sources – Line #2.060

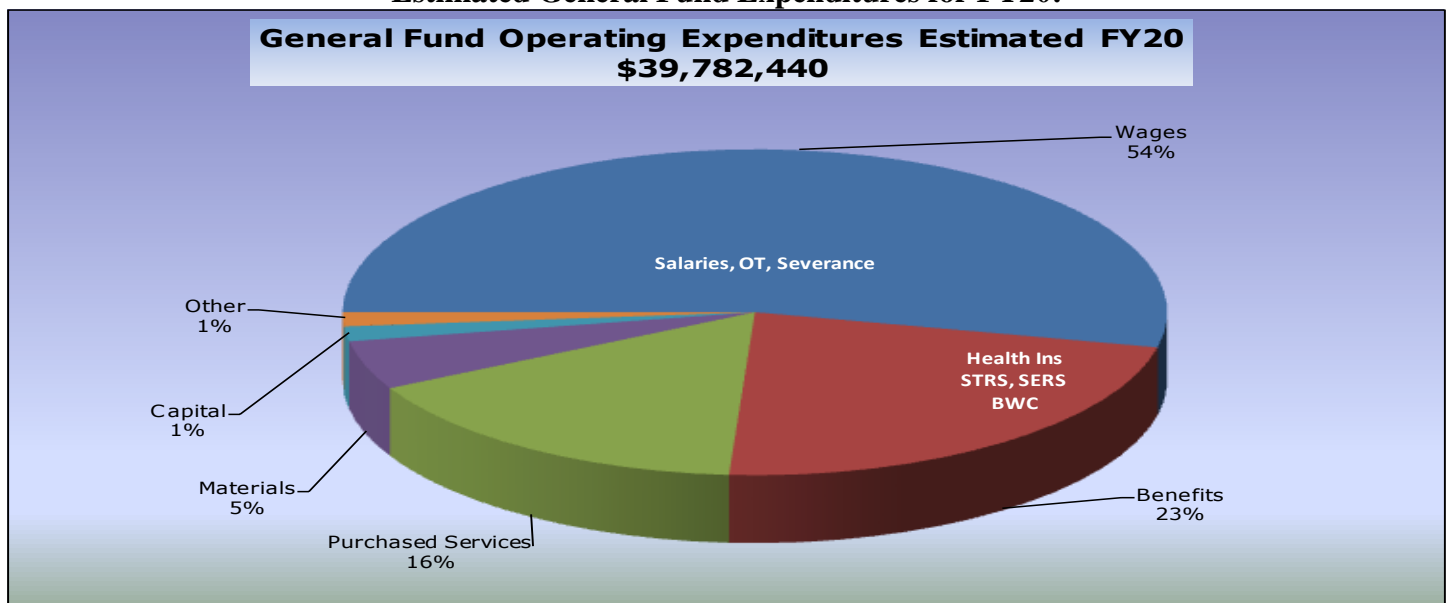
Refund of Prior year expenses which are for refunds that the district has received, and a similar amount is anticipated each year.

The district received a large refund from BWC of \$96,024 in FY20 and is expecting a second refund from BWC in FY20 of \$137,317 but does not expect to receive any large refunds in future years. During FY21-FY24 the district does not expect to receive any additional large refunds.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Refund of prior years expenditures	<u>\$275,824</u>	<u>\$42,482</u>	<u>\$42,482</u>	<u>\$42,482</u>	<u>\$42,482</u>

EXPENDITURE ASSUMPTIONS

Estimated General Fund Expenditures for FY20:



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-FY24. An annual increase of 2.1% for steps is included for FY20- FY24.

Staffing is reviewed annually and the district is planning for net growth in FY20 of 5 certified staff members. Additional staffing in FY21 will be for 2 administrators and 2 certified staff members; FY22 we are forecasting 3 additional certified staff members; 2 additional certified staff members in FY 23; and 1 additional certified staff in FY24. For planning purposes the district expects retirements of 1 teacher in FY20 and either 2 to 3 teachers in FY21-FY24.

The district is seeing many changes for staffing due to the COVID-19 shutting down the school district in March 2020. Due to not having to pay substitutes for teachers that are on leaves of absences in FY20, there is a decrease of \$150,000 for unfunded recapture and the district only expects for \$75,000 to be needed in the following year. The district plans to not pay all of the supplemental salaries for spring sports and will see a decrease of \$50,000 and a decrease of \$25,000 for classified substitutes and overtime payments. We are expecting changes in severance for staff of a decrease for the forecast of \$62,600. We will continue to monitor these changes and the affects of the pandemic on our staffing needs.

<u>Category</u>	FY20	FY21	FY22	FY23	FY24
Base Wages	\$19,095,735	\$20,065,645	\$21,426,586	\$22,305,500	\$23,258,088
Base Increase	\$572,872	\$572,872	\$401,313	\$428,532	\$446,110
Steps	\$395,455	\$446,686	\$474,082	\$494,158	\$514,950
Growth	\$589,083	\$542,670	\$326,252	\$292,603	\$235,924
Unfunded Recapture	-\$150,000	\$75,000	\$0	\$0	\$0
Severance	\$123,000	\$45,000	\$100,000	\$115,000	\$150,000
Supplemental	\$789,159	\$804,942	\$821,041	\$837,462	\$854,211
Substitutes, Overtime and Other	\$292,960	\$298,819	\$304,795	\$310,891	\$317,109
Staff Reductions	-\$437,500	-\$276,287	-\$322,733	-\$262,705	-\$253,285
Total Wages Line 3.010	<u>\$21,270,763</u>	<u>\$22,575,347</u>	<u>\$23,531,336</u>	<u>\$24,521,440</u>	<u>\$25,523,107</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.

B) Insurance

The estimated increases for medical and dental insurance are -2.0% in FY20, a 4% increase in FY21 and 10% in FY22, an 8% increase in FY23 and a 7% increase in FY24. The above increases include adjustments for inflation and are based on our current employee census and claims data.

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

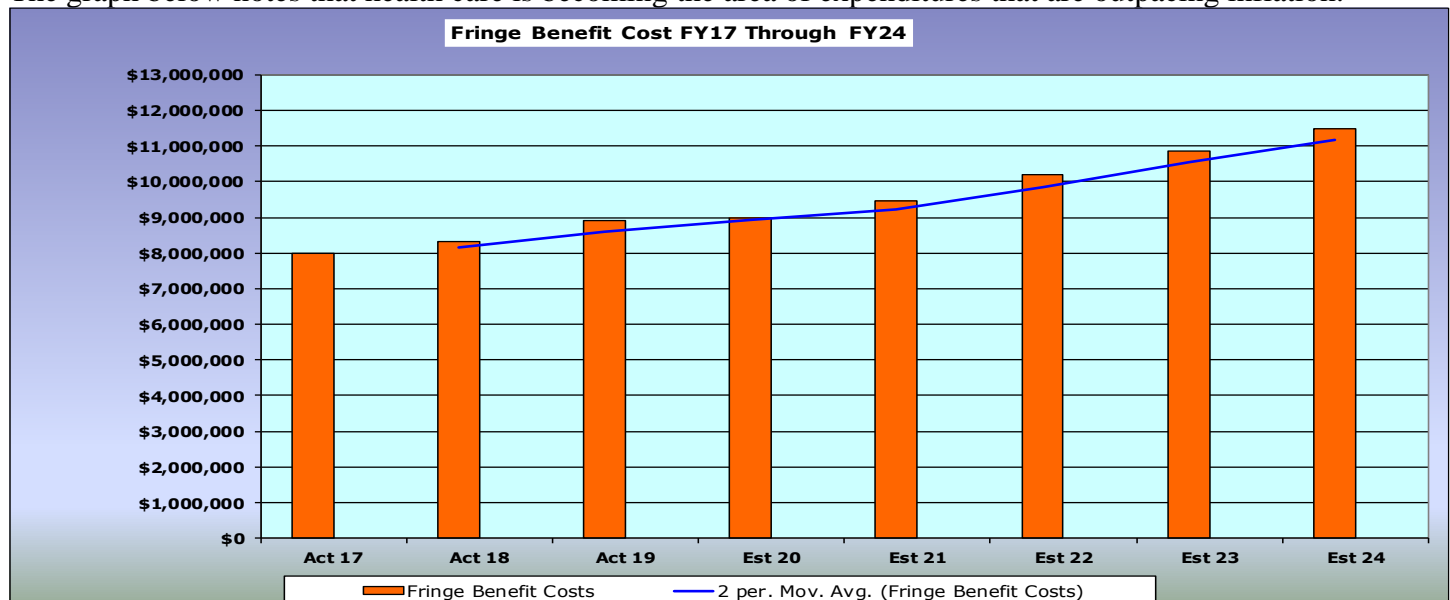
Medicare will continue to increase at the same rate of increase of wages. Contributions are 1.45% for all new employees to the district on or after April 1, 1986.

Summary of Fringe Benefits – Line #3.020

Category	FY20	FY21	FY22	FY23	FY24
A) STRS/SERS	\$3,110,630	\$3,313,071	\$3,451,981	\$3,596,431	\$3,740,420
B) Insurance's	\$5,359,524	\$5,643,837	\$6,209,065	\$6,712,966	\$7,178,708
C) Workers Comp/Unemployment	\$136,625	\$144,452	\$150,188	\$156,129	\$162,139
D) Medicare	\$287,892	\$304,359	\$316,584	\$329,681	\$342,616
Other/Tuition	\$71,489	\$71,489	\$71,489	\$71,489	\$71,489
Total Line 3.020	<u>\$8,966,160</u>	<u>\$9,477,208</u>	<u>\$10,199,307</u>	<u>\$10,866,696</u>	<u>\$11,495,372</u>

Fringe Benefits Actual Fiscal Year 2017 through Fiscal Year 2019 and Estimated Fiscal Year 2020 through Fiscal Year 2024

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. Due to COVID-19 we have decreased our substitute costs for the ESC by \$80,000 for FY20 only.

Educational Choice programs such as Community Schools, College Credit Plus, STEM and Scholarships are a significant portion of the purchased service line. While Community School deductions from the state have decreased we have seen a steady increase in deductions for Scholarships such as the John Peterson and Autism Scholarships. We currently do not have any schools considered under performing and eligible for Ed Choice Vouchers but we are watching potential legislative amendments to the current law that may affect our district negatively.

FY21 the district is expected to enter a 1:1 computer lease for \$250K per year. With the possibility of future extended school closures due to the COVID-19 pandemic, the district will need to prepare its students to be educated from home. In FY22 the district is adding an additional \$100K per year for computer leases that will

be partially purchased with funds from the CARES Act for funding. 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.

We have assumed the utilities to increase 3% in FY20-FY24 with a decrease of \$20,000 for COVID-19 shutting of the buildings in FY20. The other areas within this line are based on 2% to 3% for inflation.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Base Services	\$192,870	\$198,656	\$204,616	\$210,754	\$217,077
Instructional Support	\$853,051	\$958,643	\$987,402	\$1,017,024	\$1,047,535
Professional Support	\$1,938,143	\$1,759,156	\$1,794,339	\$1,830,226	\$1,866,831
Building Maintenance	\$1,166,290	\$1,439,616	\$1,568,408	\$1,599,776	\$1,631,772
Other Tuition	\$1,034,811	\$1,086,552	\$1,140,880	\$1,197,924	\$1,257,820
Open Enrollment	\$20,096	\$21,101	\$22,156	\$23,264	\$24,427
Community School Deductions	\$117,689	\$117,689	\$117,689	\$117,689	\$117,689
College Credit Plus, STEM & Scholarships	\$325,798	\$342,088	\$359,192	\$377,152	\$396,010
Utilities	<u>\$824,656</u>	<u>\$869,396</u>	<u>\$895,478</u>	<u>\$922,342</u>	<u>\$950,012</u>
Total Line 3.030	<u>\$6,473,404</u>	<u>\$6,792,897</u>	<u>\$7,090,160</u>	<u>\$7,296,151</u>	<u>\$7,509,173</u>

Supplies and Materials – Line #3.040

This category of expenses is characterized by textbooks, copy paper, maintenance supplies and fuel. FY20 the district is increasing the supplies by 20% and by 15% for textbooks and building/transportation supplies. In FY21 the district will decrease the supplies and building/transportation supplies by 90% of FY20 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-FY24.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Supplies	\$984,306	\$885,875	\$894,734	\$903,681	\$912,718
Textbook Upgrade- Electronic or Textbook	\$489,278	\$464,814	\$478,758	\$493,121	\$507,915
Building and Transportation	<u>\$455,322</u>	<u>\$409,790</u>	<u>\$422,084</u>	<u>\$434,747</u>	<u>\$447,789</u>
Total Line 3.040	<u>\$1,928,906</u>	<u>\$1,760,479</u>	<u>\$1,795,576</u>	<u>\$1,831,549</u>	<u>\$1,868,422</u>

Equipment – Line #3.050

The district is making a one-time decrease of \$100,000 in FY20 for capital outlay. The district plans on increases of 5% in FY21 with no increases in FY22 through FY24. The district is planning on purchasing a bus in FY21.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Capital Outlay	\$583,118	\$738,274	\$738,274	\$738,274	\$738,274
Replacement Bus Purchases	<u>0</u>	<u>110,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Line 3.050	<u>\$583,118</u>	<u>\$848,274</u>	<u>\$738,274</u>	<u>\$738,274</u>	<u>\$738,274</u>

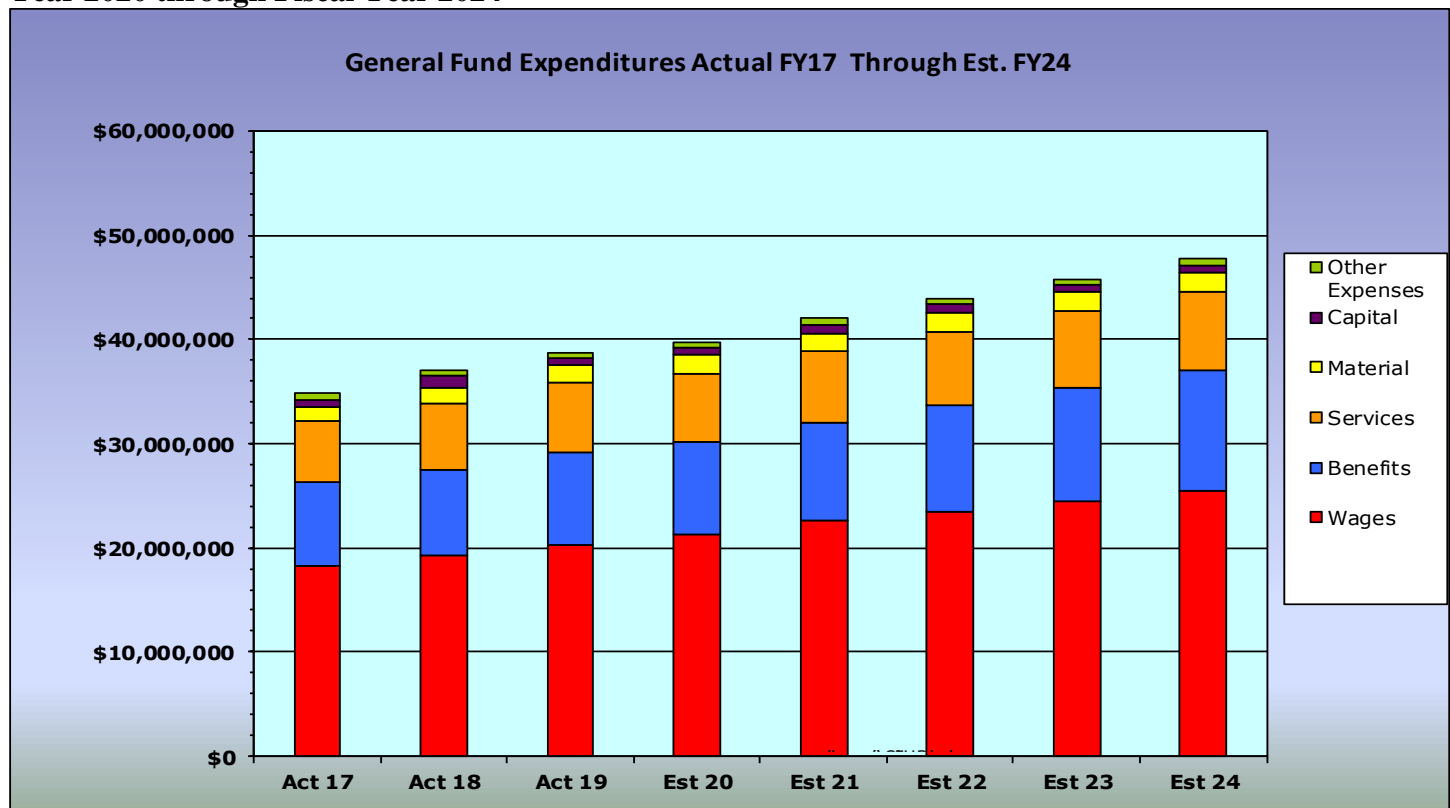
Other Expenses – Line #4.300

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 FY20-FY24 for other expenses.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
County Auditor & Treasurer Fees	\$367,251	\$370,924	\$374,633	\$378,379	\$382,163
Other expenses	\$192,838	\$198,623	\$204,582	\$210,719	\$217,041
Total Line 4.300	<u>\$560,089</u>	<u>\$569,547</u>	<u>\$579,215</u>	<u>\$589,098</u>	<u>\$599,204</u>

Total Expenditure Categories Actual Fiscal Year 2017 through Fiscal Year 2019 and Estimated Fiscal Year 2020 through Fiscal Year 2024



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 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 Athletics and food service to supplement those programs. The district anticipates advancing funds to other funds by \$115,000 each year and will evaluate the need to advance these funds annually.

<u>Category</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Operating Transfers Out Line #5.010	\$240,000	\$250,000	\$250,000	\$250,000	\$250,000
Advances Out Line #5.020	<u>\$115,000</u>	<u>\$115,000</u>	<u>\$115,000</u>	<u>\$115,000</u>	<u>\$115,000</u>
Total	<u>\$355,000</u>	<u>\$365,000</u>	<u>\$365,000</u>	<u>\$365,000</u>	<u>\$365,000</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.

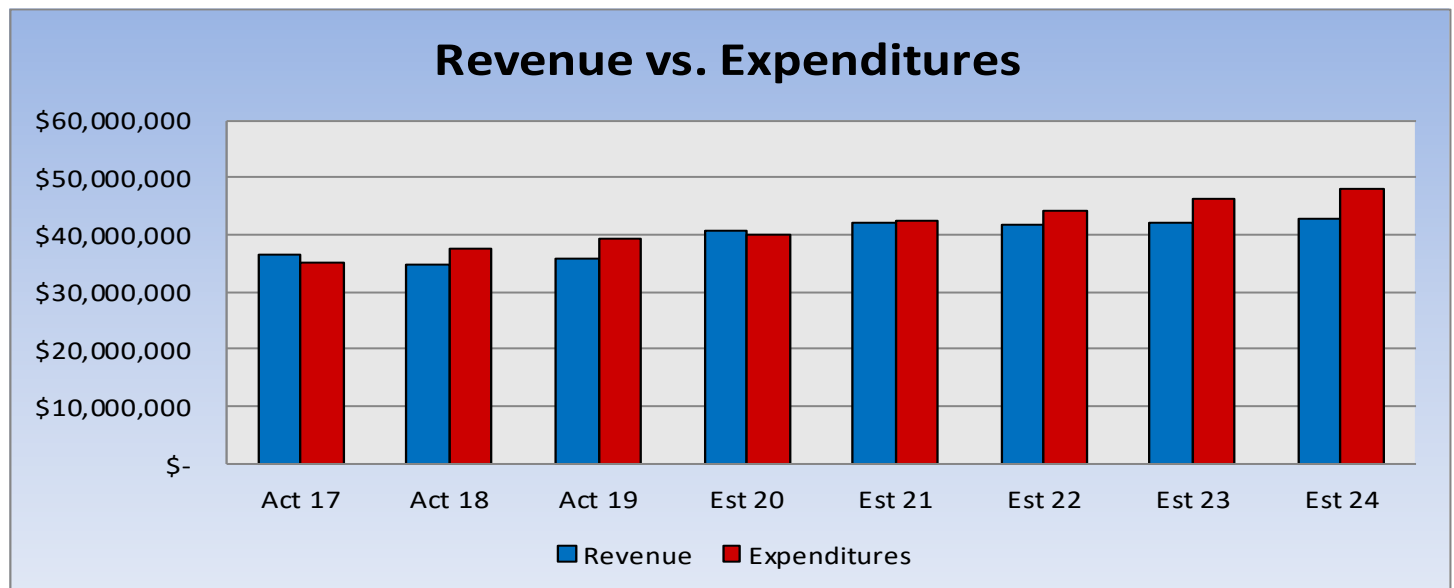
	FY20	FY21	FY22	FY23	FY24
Estimated Encumbrances	<u>\$1,317,289</u>	<u>\$1,317,289</u>	<u>\$1,317,289</u>	<u>\$1,317,289</u>	<u>\$1,317,289</u>

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.

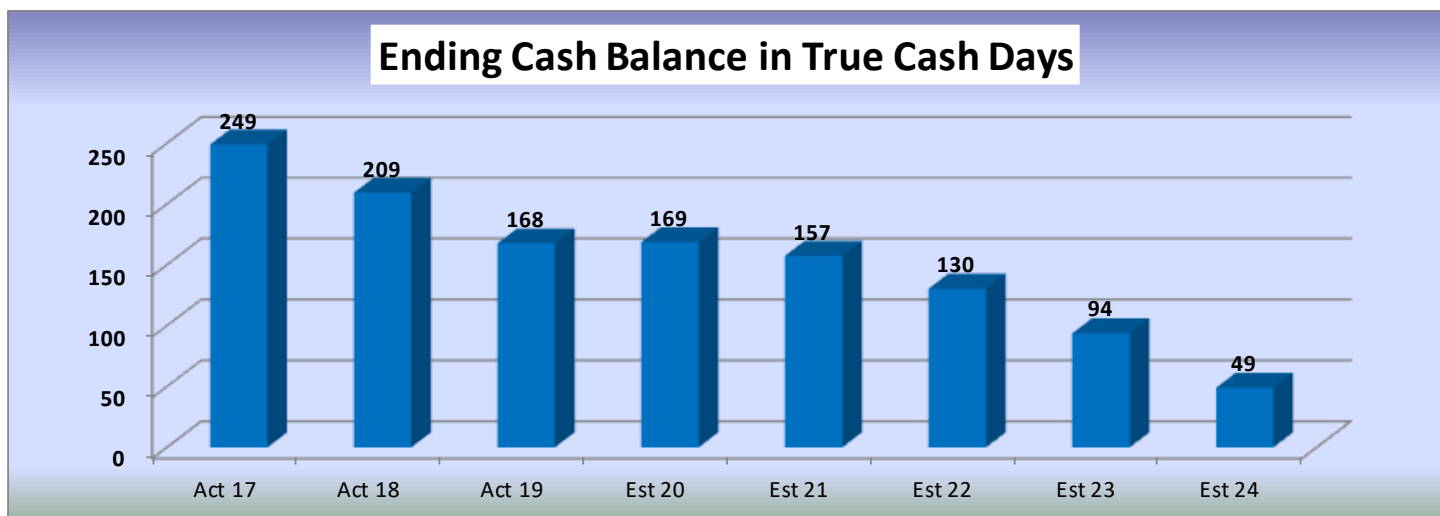
	FY20	FY21	FY22	FY23	FY24
Ending Unencumbered Cash Balance	<u>\$18,538,476</u>	<u>\$18,269,352</u>	<u>\$15,823,262</u>	<u>\$11,860,341</u>	<u>\$6,444,173</u>

The chart below shows that the district is deficit spending in FY21–FY24 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 169 days true cash at the end of FY20. As the chart below shows, the ending cash balance will continue to decrease.



Conclusion

The Bexley City Schools are very appreciative of the support that they received with the passage of the 9 mill operating levy in November 2019. The levy will allow the programs within the district to continue at the current levels.

The district is fortunate to have received increase in state funding from HB49 (FY18 and FY19). Being that 19.1% 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 FY24, especially with the COVID-19 Recession reducing state revenues through FY20 and projected through FY21.

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.