

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



**Forecast Provided By  
Bath Local School District  
Treasurer's Office  
Mrs. Annette Morman, Treasurer/CFO  
May 19, 2020**

# Bath Local School District

Allen 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
<b>Revenues</b>										
1.010 General Property Tax (Real Estate)	5,752,414	5,843,349	6,062,860	2.7%	6,482,285	6,589,349	6,739,283	6,839,197	6,845,555	
1.020 Tangible Personal Property	924,369	1,053,151	1,141,032	11.1%	1,256,111	1,348,251	1,364,586	1,375,206	1,389,176	
1.030 Income Tax	-	-	-	0.0%	0	0	0	0	0	
1.035 Unrestricted State Grants-in-Aid	5,819,379	6,144,920	6,223,054	3.4%	5,910,643	5,566,656	6,177,290	6,199,148	6,200,147	
1.040 Restricted State Grants-in-Aid	111,158	95,957	144,637	18.5%	144,730	144,730	144,730	144,730	144,730	
1.045 Restricted Fed. SFSF Fd. 532 FY10&11/Ed Jobs Fd.504 FY	0	0	0	0.0%	0	0	0	0	0	
1.050 Property Tax Allocation	2,107,537	1,850,828	1,337,752	-20.0%	1,041,330	979,493	890,505	909,626	909,250	
1.060 All Other Revenues	1,688,127	1,806,455	2,030,407	9.7%	1,924,904	1,791,090	1,769,985	1,775,304	1,781,915	
1.070 <b>Total Revenues</b>	<b>16,402,984</b>	<b>16,794,660</b>	<b>16,939,742</b>	<b>1.6%</b>	<b>16,760,003</b>	<b>16,419,569</b>	<b>17,086,379</b>	<b>17,243,211</b>	<b>17,270,773</b>	
<b>Other Financing Sources</b>										
2.010 Proceeds from Sale of Notes	-	-	-	0.0%	-	-	-	-	0	
2.020 State Emergency Loans and Advancements (Approved)	-	-	-	0.0%	-	-	-	-	-	
2.040 Operating Transfers-In	-	-	0	0.0%	-	-	-	-	0	
2.050 Advances-In	0	0	1,600	0.0%	500	20,000	20,000	20,000	20,000	
2.060 All Other Financing Sources	58,685	126,773	62,557	32.7%	116,598	2,000	2,000	2,000	2,000	
2.070 <b>Total Other Financing Sources</b>	<b>58,685</b>	<b>126,773</b>	<b>64,157</b>	<b>33.3%</b>	<b>117,098</b>	<b>22,000</b>	<b>22,000</b>	<b>22,000</b>	<b>22,000</b>	
2.080 <b>Total Revenues and Other Financing Sources</b>	<b>16,461,669</b>	<b>16,921,433</b>	<b>17,003,899</b>	<b>1.6%</b>	<b>16,877,101</b>	<b>16,441,569</b>	<b>17,108,379</b>	<b>17,265,211</b>	<b>17,292,773</b>	
<b>Expenditures</b>										
3.010 Personal Services	8,550,158	8,649,196	8,955,254	2.3%	9,304,273	\$9,420,344	\$9,714,250	\$9,922,674	\$10,102,400	
3.020 Employees' Retirement/Insurance Benefits	\$2,887,407	2,932,334	3,014,783	2.2%	3,189,467	\$3,327,246	\$3,521,370	\$3,705,183	\$3,893,630	
3.030 Purchased Services	\$3,458,696	3,325,182	3,614,610	2.4%	4,099,951	\$3,982,356	\$4,100,137	\$4,221,686	\$4,347,135	
3.040 Supplies and Materials	393,084	401,248	364,008	-3.6%	466,836	481,917	497,505	513,618	530,272	
3.050 Capital Outlay	76,516	47,301	69,367	4.2%	417,512	421,512	425,592	429,754	433,998	
3.060 Intergovernmental	-	-	-	0.0%	-	-	-	-	-	
Debt Service:										
4.010 Principal-All (Historical Only)	-	-	-	0.0%	-	-	-	-	-	
4.020 Principal-Notes	-	-	-	0.0%	-	-	-	-	0	
4.030 Principal-State Loans	-	-	-	0.0%	-	-	-	-	-	
4.040 Principal-State Advancements	-	-	-	0.0%	-	-	-	-	-	
4.050 Principal-HB 264 Loans	39,997	39,983	44,928	6.2%	40,000	\$40,000	\$40,000	\$40,000	\$40,000	
4.055 Principal-Other	-	-	-	0.0%	0	-	-	-	-	
4.060 Interest and Fiscal Charges	6,938	6,198	5,411	-11.7%	4,906	\$4,120	\$3,334	\$2,548	\$1,762	
4.300 Other Objects	\$226,842	248,951	256,634	6.4%	325,537	\$340,064	\$355,247	\$371,116	\$387,703	
4.500 <b>Total Expenditures</b>	<b>15,639,638</b>	<b>15,650,393</b>	<b>16,324,995</b>	<b>2.2%</b>	<b>17,848,482</b>	<b>18,017,559</b>	<b>18,657,435</b>	<b>19,206,578</b>	<b>19,736,901</b>	
<b>Other Financing Uses</b>										
5.010 Operating Transfers-Out	70,664	30,000	26,000	-35.4%	29,000	\$50,000	\$50,000	\$50,000	\$50,000	
5.020 Advances-Out	-	1,600	300	0.0%	20,000	20,000	20,000	20,000	20,000	
5.030 All Other Financing Uses	-	-	-	0.0%	0	\$0	\$0	\$0	\$0	
5.040 <b>Total Other Financing Uses</b>	<b>70,664</b>	<b>31,600</b>	<b>26,300</b>	<b>-36.0%</b>	<b>49,000</b>	<b>70,000</b>	<b>70,000</b>	<b>70,000</b>	<b>70,000</b>	
5.050 <b>Total Expenditures and Other Financing Uses</b>	<b>15,710,302</b>	<b>15,681,993</b>	<b>16,351,295</b>	<b>2.0%</b>	<b>17,897,482</b>	<b>18,087,559</b>	<b>18,727,435</b>	<b>19,276,578</b>	<b>19,806,901</b>	
6.010 <b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>751,367</b>	<b>1,239,440</b>	<b>652,604</b>	<b>8.8%</b>	<b>(1,020,381)</b>	<b>(1,645,990)</b>	<b>(1,619,056)</b>	<b>(2,011,367)</b>	<b>(2,514,128)</b>	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	11,322,193	12,073,560	13,313,000	8.5%	13,965,604	12,945,223	11,299,233	9,680,176	7,668,809	
7.020 <b>Cash Balance June 30</b>	<b>12,073,560</b>	<b>13,313,000</b>	<b>13,965,604</b>	<b>7.6%</b>	<b>12,945,223</b>	<b>11,299,233</b>	<b>9,680,176</b>	<b>7,668,809</b>	<b>5,154,681</b>	
8.010 <b>Estimated Encumbrances June 30</b>	<b>115,871</b>	<b>169,260</b>	<b>159,446</b>	<b>20.1%</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	
<b>Reservation of Fund Balance</b>										
9.010 Textbooks and Instructional Materials	-	-	-	0.0%	-	-	-	-	-	
9.020 Capital Improvements	-	-	-	0.0%	-	-	-	-	-	
9.030 Budget Reserve	-	-	-	0.0%	-	-	-	-	-	
9.040 DPIA	-	-	-	0.0%	-	-	-	-	-	
9.045 Fiscal Stabilization	-	-	-	0.0%	-	-	-	-	-	
9.050 Debt Service	-	-	-	0.0%	-	-	-	-	-	
9.060 Property Tax Advancements	-	-	-	0.0%	-	-	-	-	-	
9.070 Bus Purchases	-	-	-	0.0%	-	-	-	-	-	
9.080 <b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
10.010 <b>Fund Balance June 30 for Certification of Appropriations</b>	<b>11,957,689</b>	<b>13,143,740</b>	<b>13,806,158</b>	<b>7.5%</b>	<b>12,820,223</b>	<b>11,174,233</b>	<b>9,555,176</b>	<b>7,543,809</b>	<b>5,029,681</b>	
<b>Revenue from Replacement/Renewal Levies</b>										
11.010 Income Tax - Renewal	-	-	-	0.0%	-	-	-	-	-	
11.020 Property Tax - Renewal or Replacement	-	-	-	0.0%	-	-	-	-	-	
11.300 <b>Cumulative Balance of Replacement/Renewal Levies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
12.010 <b>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</b>	<b>11,957,689</b>	<b>13,143,740</b>	<b>13,806,158</b>	<b>7.5%</b>	<b>12,820,223</b>	<b>11,174,233</b>	<b>9,555,176</b>	<b>7,543,809</b>	<b>5,029,681</b>	
<b>Revenue from New Levies</b>										

## Bath Local School District

Allen 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				Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Average Change	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
13.010 Income Tax - New				0.0%	-	-	-	-	-
13.020 Property Tax - New				0.0%	-	-	-	-	-
13.030 Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-
14.010 Revenue from Future State Advancements				0.0%	-	-	-	-	-
15.010 <i>Unreserved Fund Balance June 30</i>	11,957,689	13,143,740	13,806,158	7.5%	12,820,223	11,174,233	9,555,176	7,543,809	5,029,681

**Bath Local School District – Allen County**  
**Notes to the Five Year Forecast**  
**General Fund Only**  
**May 19, 2020**

**Introduction to the Five Year Forecast**

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

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

**Economic Outlook During The COVID-19 Global Pandemic**

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

**May 2020 Updates:**

**Revenues FY20:**

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$16,760,003 or 1.16% lower than the November forecasted amount of \$16,956,188. This indicates the November forecast was 98.84% accurate.

The decrease in the revenue estimate is mostly affected by ODE reducing foundation revenue in May by \$284,189 due to mandated statewide budget cuts.

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 \$17,848,482 for FY20 which is slightly lower than the original estimate of \$17,861,238 in the November forecast.

**Unreserved Ending Cash Balance:**

With revenues lower than estimates and expenditures ending slightly below estimates, our ending unreserved cash balance June 30, 2020 is anticipated to be roughly \$12.8 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 beyond FY21.

**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 take place during the deliberation of two (2) state biennium budgets that will occur in the spring of 2021 and 2023. These budget deliberations will affect this five year forecast in FY22-23 and FY24-25. We have estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

- I. The district’s 11.47 mill emergency levy was renewed May 8, 2018 and will expire again on December 31, 2024. The renewal of this levy is necessary to keep the district financially healthy long term.
- II. Allen County went through a reappraisal update in tax year 2018 which was collected in fiscal year 2019. The reappraisal update resulted in a 5.8% increase in Residential/Agricultural values and no significant increase in Commercial/Industrial values. There is a minor risk that the district could sustain an overall reduction in values in the next reappraisal that will occur in tax year 2021 but we do not anticipate that at this time.
- III. HB166 the current state budget for FY20-21 has frozen funding for all school districts in Ohio at their FY19 level with the only exception being the addition of Enrollment Growth Supplement money for a small number of growing districts. The only increase in funding to all districts in Ohio is restricted use money for Student Wellness and Success which is restricted in use and must be placed in Fund 467. This is not General Fund money and thus not included in the forecast. We have assumed this money will not continue after FY22.
  - 1) Prior to FY20 state cuts to our foundation payments, the state budget represented 44% of district revenues and is an area of risk to revenue. The state has reduced our funding for FY20 and we are anticipating a 10% reduction in FY21 due to drastically reduced state revenue because of the COVID-19 pandemic. Additional future risk comes in FY22 and beyond if the state economy does not bounce back as expected following the pandemic or if the funding formula in future state budgets reduce funding to our district. There are two future State Biennium Budgets covering the period from FY22-23 and FY24-25 in this forecast. Future uncertainty in both the state foundation funding formula and the state’s economy makes this area an elevated risk to district funding long range through FY24. We have projected our state funding to be in line with our current estimates through FY24. We will make adjustments to the forecast in future years as we have data to help guide this decision.
- IV. HB166 continued the Fixed Sum TPP reimbursement phase out over five years through FY21. There will be no fixed sum TPP reimbursement in FY22. Unlike the TPP Fixed Rate reimbursement, districts will not lose money due to this phase out. Instead, the amount of money the state is cutting will be added on to our emergency levy millage automatically each year and collected in local property taxes. The state directly shifted their financial obligation made in 2006 in HB66 to local taxpayers.
- V. HB166 continues the many provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus, Community Schools and increases in per pupil scholarship amounts deducted from our state aid in the 2019-21 school years, even though funding for our students was not increased to our district for this biennium budget.

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

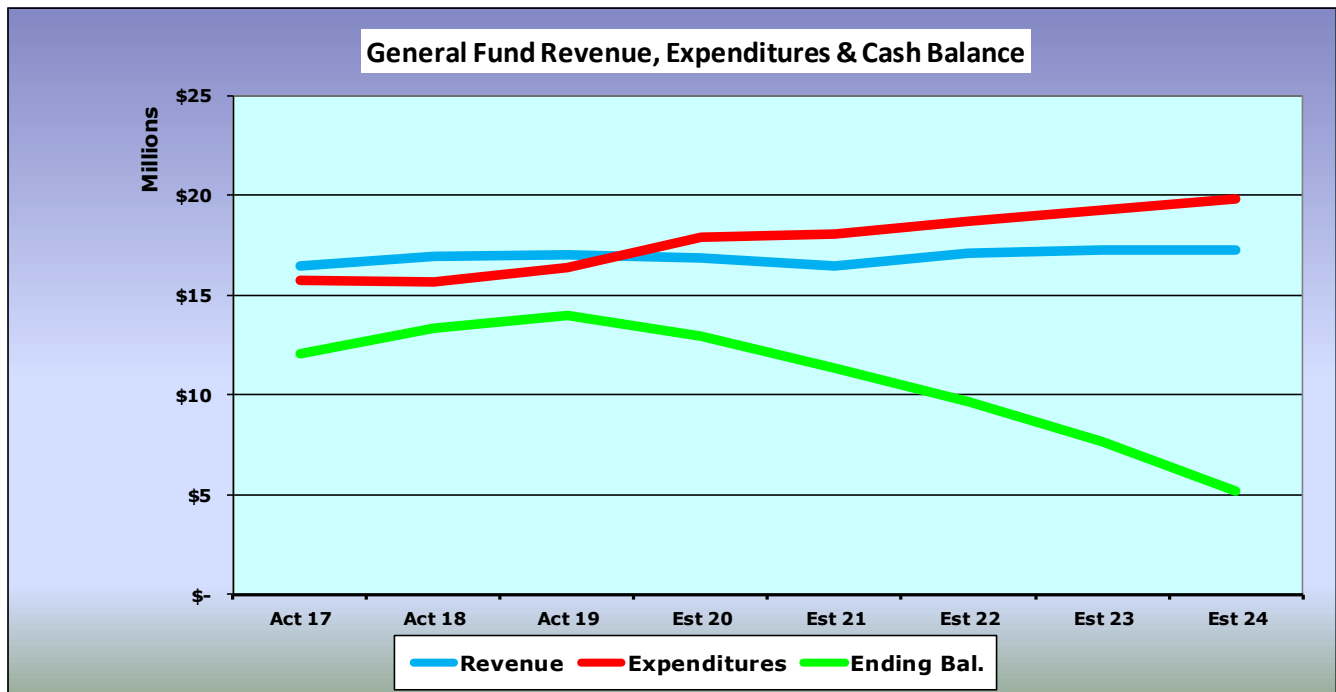
VI. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the extreme resource challenges today. We believe as we move forward our positive working relationship will continue and will only grow stronger.

The financial forecast presents, to the best of the Bath Local School District Board of Education's knowledge and belief, the expected revenues, expenditures, and operating balance of the General Fund. Accordingly, the forecast reflects the Board of Education's judgment of the expected conditions and its expected course of action as of the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected, and those differences may be material.

The major Line numbers used as references to the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Mrs. Annette Morman, Treasurer/CFO at 419-221-0807.

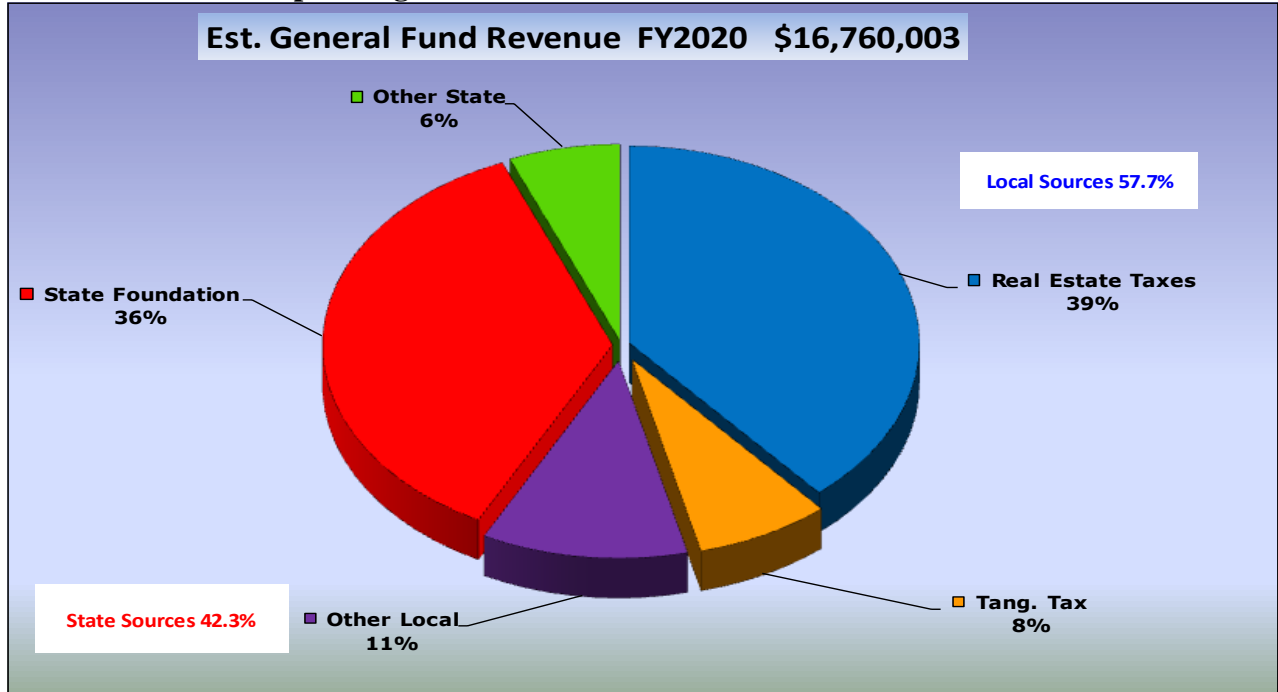
**General Fund Revenue, Expenditure and Ending Cash Balance**

The graph below shows in summary the forecasted revenue, expenses and ending balance of the district's General Fund for the period FY20-24, with actual data provided for FY17-19.



## Revenue Assumptions

### Estimated General Fund Operating Revenue for FY20



### Real Estate Value Assumptions – Line # 1.010

In 2015 the district experienced a complete reappraisal of property. The overall assessed values increased 2.3% as a result of the reappraisal. HB49 included reductions in CAUV agricultural values to become effective at each county's next reappraisal or update. Allen County experienced this in the 2018 tax update which was collected in fiscal year 2019.

CAUV values represent 12.8% of Class I residential agricultural values. HB49 authorized a reduction in CAUV computations that will result in these values falling on average by 30% according to the Ohio Department of Taxation. These reductions will occur as districts experience their next reappraisal or update cycle. We experienced this in the tax year 2018 update for Allen County. The reappraisal update resulted in a 5.8% increase in Residential/Agricultural values and no significant increase in Commercial/Industrial values. Our Class I values would have likely increased more if not for the CAUV changes. When values increase in our district we will see an increase in taxes on our fixed rate levies because they are at the 20 mill floor and cannot be reduced below that according to Ohio law.

Tangible Personal Property (TPP) values decreased to \$-0- for 2011 as a result of HB 66 effective July 1, 2005.

### ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Actual	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2019 COLLECT 2020	TAX YEAR2020 COLLECT 2021	TAX YEAR2021 COLLECT 2022	TAX YEAR2022 COLLECT 2023	TAX YEAR2023 COLLECT 2024
Res./Ag.	\$173,434,990	\$173,634,990	\$182,516,739	\$182,716,739	\$182,916,739
Comm./Ind.	57,015,860	57,365,860	58,002,689	58,352,689	58,702,689
Public Utility Personal Property (PUPP)	41,543,580	42,043,580	42,543,580	43,043,580	43,543,580
Tangible Personal Property (TPP)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assessed Value	<u>\$271,994,430</u>	<u>\$273,044,430</u>	<u>\$283,063,008</u>	<u>\$284,113,008</u>	<u>\$285,163,008</u>

**Estimated Real Estate Tax (Line #1.010)**

<u>Source</u>	FY 20	FY 21	FY 22	FY 23	FY 24
Real Estate Taxes to Line #1.010	<u>\$6,482,285</u>	<u>\$6,589,349</u>	<u>\$6,739,283</u>	<u>\$6,839,197</u>	<u>\$6,845,555</u>

Property tax levies are estimated to be collected at 100% of the annual amount due to the historically low delinquency rate. In general 56% of the Res/Ag and Comm/Ind. taxes are expected to be collected in February tax settlements and 44% collected in August tax settlements. Public Utility Personal Property (PUPP taxes) is estimated to be received 50% in February and 50% in August settlement from the County Auditor. As previously noted, general personal property tax TPP ceased to be collected after FY11.

**Estimated Public Utility Personal Property Tax – Line #1.020**

The phase out of TPP taxes as noted earlier began in FY06. Any general TPP tax revenues received in FY13 and beyond are delinquent TPP taxes. The amounts noted on Line 1.02 in the forecast are public utility personal property taxes (PUPP) which are expected to increase slightly each year according to historic trends.

In 2004 Bath Local School District’s TPP value was \$92,308,798 and local tax collections were \$2,793,264, which is equivalent to losing a 12 mill levy each year. This in effect transferred the burden for those lost dollars into increased taxes on local taxpayers.

<u>Source</u>	FY 20	FY 21	FY 22	FY 23	FY 24
Public Utility Taxes to Line # 1.020	<u>\$1,256,111</u>	<u>\$1,348,251</u>	<u>\$1,364,586</u>	<u>\$1,375,206</u>	<u>\$1,389,176</u>

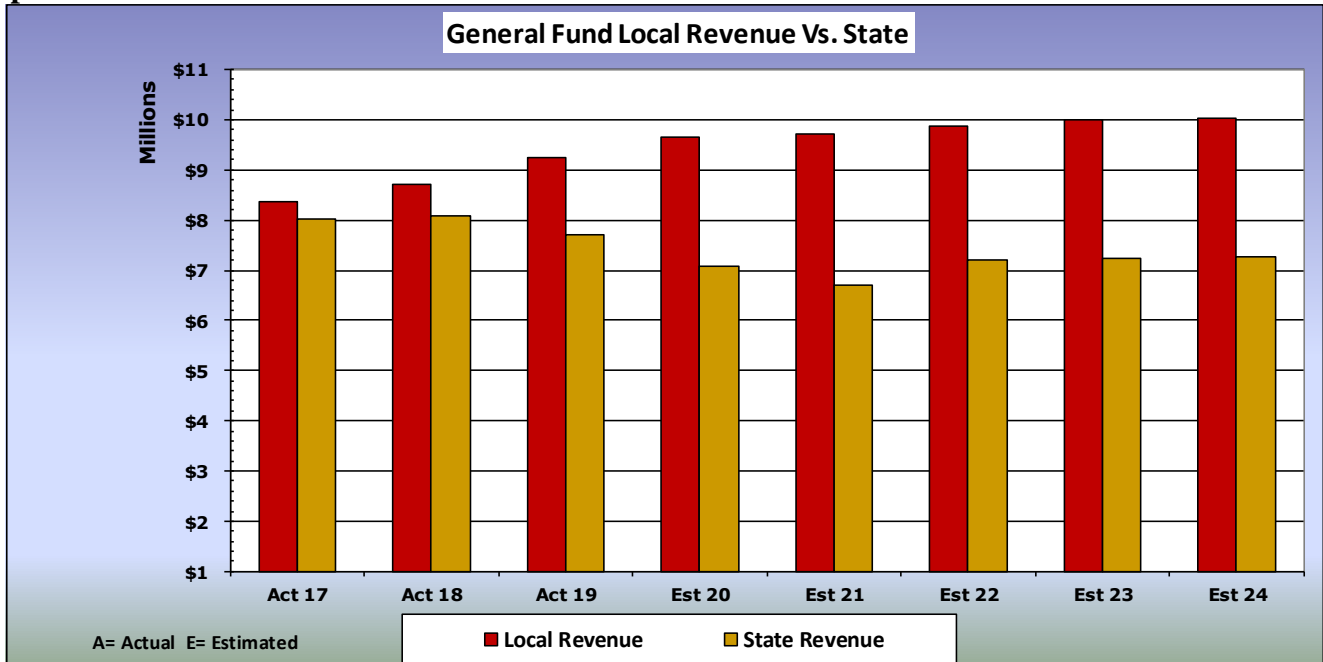
**Renewal of Property Tax Levy – Line #11.020**

The district renewed the 11.47 mill emergency levy at the May 8, 2018 election. The levy will next expire on December 31, 2024. No new levies are planned or modeled in this forecast at this time.

**School District Income Tax – Line #1.03**

The school district has no income tax levy at this time.

**Comparison of Local Revenue and State Revenue:**





## **State Foundation Revenue Estimates**

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

The amounts estimated for state funding are based on HB166 funding simulations which essentially guarantee all school districts the same amount of state aid they received in FY19. Essentially funding for all 610 traditional school districts and 49 Joint Vocational and Career Centers is frozen for FY20 & 21 at the FY19 funding level for state basic aid. The State Foundation Funding Formula used since FY14 has now been abandoned after six (6) years. HB305 is currently being considered by the legislature and may produce a successor funding formula for the FY22-23 biennium budget but there is nothing to base future projections on. For this reason we have projected state aid flat through FY24 as we have nothing authoritative to rely on at this time. **Note: state funding was reduced for our district by \$284,189 for FY20 and we estimate a 10% reduction in FY21. We will continue to monitor diligently for future revenues reductions as a result of shutdowns due to the COVID-19 Pandemic.**

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

Nearly all of the new funding for K-12 public education in the FY20-21 Executive Budget is provided through a formula allocating \$250 million in FY20 and \$358 million in FY21 based upon each district's percentage of students in households at or below 185% of the Federal Poverty Level (FPL) and the total number of students enrolled in each district. In FY20 proposed funding ranges from \$20 per student to \$250 per student and in FY21 funding ranges from \$25 per student to \$300 per student. All schools and students are to receive a minimum additional funding of \$25,000 in FY20 and \$30,000 in FY21. Our district is estimated to receive \$275,446 in FY20 and \$395,115 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 the initiatives listed below that follow a plan developed in coordination with one of the approved community partner organizations.

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

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

### **Community Partners (ORC 3317.26(C))**

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

At this time our district is spending money in our General Fund that is servicing student needs as identified in 3317.26 (B) and our approved plan calls for using about half of the Wellness allocation to offset these expenses for FY 20-22, then returning these expenses to the General Fund for FY23-24 as we have no direction on the future continuation of this funding. The General Fund reflects the reduction of these expenses for FY20 - FY22 and increase in expenses in FY23-24.

**Casino Revenue**

On November 3, 2009 Ohio voters passed the Ohio casino ballot issue. This issue allowed for the opening of four (4) casinos one each in Cleveland, Toledo, Columbus and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

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

<u>Source</u>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
Basic Aid-Unrestricted	\$5,637,522	\$5,333,568	\$5,926,187	\$5,926,187	\$5,926,187
Additional Aid Items	<u>173,038</u>	<u>173,038</u>	<u>173,038</u>	<u>173,038</u>	<u>173,038</u>
Basic Aid-Unrestricted Subtotal	\$5,810,560	\$5,506,606	\$6,099,225	\$6,099,225	\$6,099,225
Ohio Casino Commission ODT	<u>100,083</u>	<u>60,050</u>	<u>78,065</u>	<u>99,923</u>	<u>100,922</u>
Total Unrestricted State Aid Line # 1.035	<u>\$5,910,643</u>	<u>\$5,566,656</u>	<u>\$6,177,290</u>	<u>\$6,199,148</u>	<u>\$6,200,147</u>

**B) Restricted State Revenues – Line # 1.040**

HB166 continues funding two restricted sources of revenues to school districts which are Economic Disadvantaged Funding and Career Technical Education Funding. The amount of the Economically Disadvantaged Aid is estimated to remain stable each remaining year of the forecast. We have incorporated this amount into the restricted aid amount in Line # 1.04 for FY20-24.

<u>Source</u>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
Economically Disadvantaged Aid	\$137,158	\$137,158	\$137,158	\$137,158	\$137,158
Career Tech - Restricted	<u>7,572</u>	<u>7,572</u>	<u>7,572</u>	<u>7,572</u>	<u>7,572</u>
Total Restricted State Revenues Line #1.040	<u>\$144,730</u>	<u>\$144,730</u>	<u>\$144,730</u>	<u>\$144,730</u>	<u>\$144,730</u>

**C) Restricted Federal Grants in Aid – line #1.045**

There is no restricted federal funding estimated in this forecast.

<u>SUMMARY</u>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
Unrestricted Line # 1.035	\$5,910,643	\$5,566,656	\$6,177,290	\$6,199,148	\$6,200,147
Restricted Line # 1.040	144,730	144,730	144,730	144,730	144,730
Rest. Fed. Grants - Ed Jobs Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$6,055,373</u>	<u>\$5,711,386</u>	<u>\$6,322,020</u>	<u>\$6,343,878</u>	<u>\$6,344,877</u>

**State Taxes Reimbursement & TPP Property Tax Allocations – Line #1.05**

**a) Rollback and Homestead Reimbursement**

Rollback funds are reimbursements paid to the district from Ohio for tax credits given owner occupied residences equaling 12.5% of the gross property taxes charged residential taxpayers on tax levies passed prior to September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013 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 changes the requirement for Homestead Exemptions. Individual taxpayers who do not currently have their Homestead Exemption approved or those who do not get a new application approved for tax year 2013, and who become eligible thereafter will only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who currently have their Homestead Exemption as of September 29, 2013 will not lose it going forward and will not have to meet the new income qualification. This will slow the growth of homestead reimbursements to the district, and as with the rollback reimbursements above, increase the taxes collected locally on taxpayers.

**b) Tangible Personal Property Reimbursements – Fixed Rate**

HB49, FY18-19 state budget, continued the TPP Fixed Rate Reimbursement phase-out including the language provided for in SB208 that will lower the payment each year by what five-eighths (5/8) of 1 mill would raise locally in taxes, based on the 3 year average of Tax Year 14-16 assessed values. Our TPP fixed rate reimbursement reached \$1,365,355 per year in FY10, as a result of the phase out of TPP local tax collections by HB66 passed in 2006. Our TPP fixed rate reimbursement after FY18 is \$-0-. This is equivalent to losing a 5.46 mill operating levy every year.

**c) Tangible Personal Property Reimbursements – Fixed Sum**

HB 166 continued the Fixed Sum TPP phase out over five years through FY21. There will be no fixed sum TPP reimbursement in FY22. Districts will not lose money due to the phase out. The amount of money the state is cutting its reimbursement by will be added on the local fixed sum millage and collected in local property taxes. This is directly shifting the burden to local tax payers by the state cut in fixed sum TPP reimbursement.

**Summary of State Tax Reimbursement – Line #1.050**

<u>Source</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
Rollback and Homestead	\$855,015	\$867,704	\$890,505	\$909,626	\$909,250
TPP Reimbursement - Fixed Rate	0	0	0	0	0
TPP Reimbursement - Fixed Sum	<u>186,315</u>	<u>111,789</u>	<u>0</u>	<u>0</u>	<u>0</u>
Tax Reimb./Prop. Tax Allocations #1.050	<u>\$1,041,330</u>	<u>\$979,493</u>	<u>\$890,505</u>	<u>\$909,626</u>	<u>\$909,250</u>

**Other Local Revenues – Line #1.060**

This line of the forecast includes open enrollment, rentals, student fees, tuitions, federal funds, and interest income. Open enrollment is the largest item in this category. We anticipate this to grow slowly over the forecast period. The remaining other revenues are projected to grow by 1% annually with the exception of interest income which is expected to decline for the forecast period. The COVID-19 shutdown could reduce future collections of state funded tuition reimbursements. At this time we will continue monitoring this line of the forecast for future projections.

<u>Source</u>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
Open Enrollment Gross	\$1,245,983	\$1,258,443	\$1,271,027	\$1,283,737	\$1,296,574
Interest	300,124	150,062	112,547	101,292	91,163
Tuition SF6, SF-14 & SF-14H	91,937	92,856	93,785	94,723	95,670
Other Income, Medicare Reimb. and rentals	<u>286,860</u>	<u>289,729</u>	<u>292,626</u>	<u>295,552</u>	<u>298,508</u>
Total Line # 1.060	<u>\$1,924,904</u>	<u>\$1,791,090</u>	<u>\$1,769,985</u>	<u>\$1,775,304</u>	<u>\$1,781,915</u>

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

There is no short term borrowing planned for in this forecast at this time from any sources.

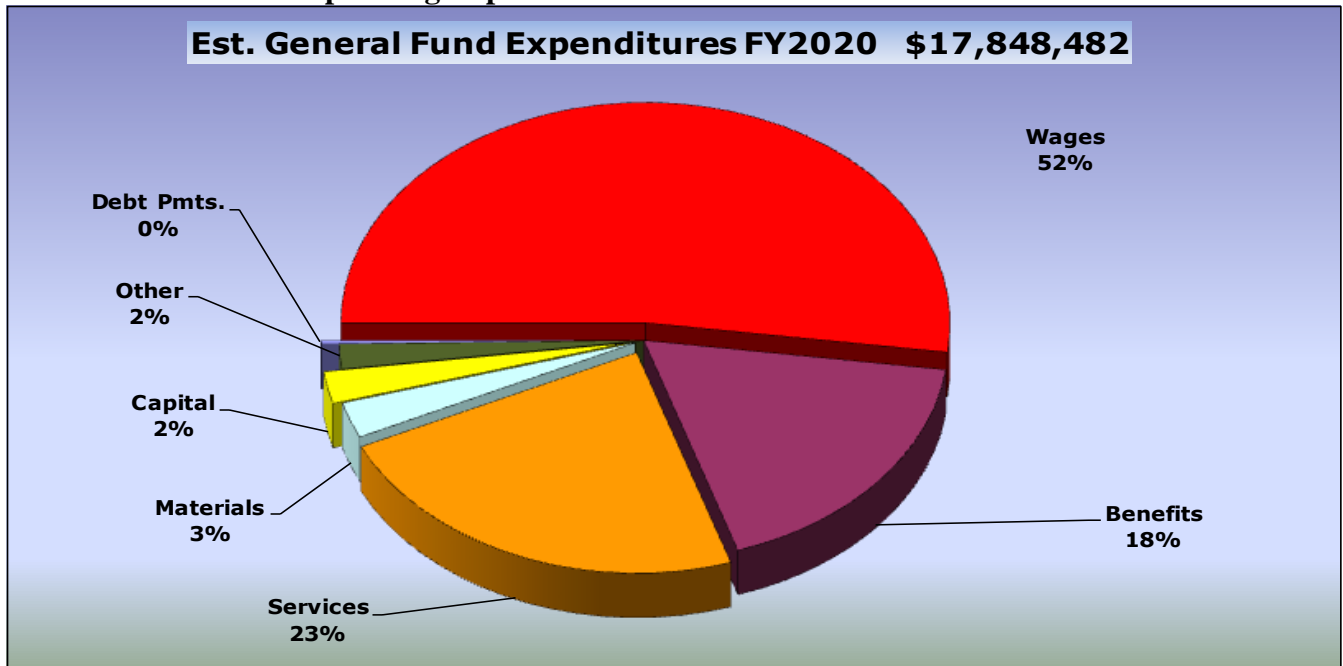
**Transfers In / Return of Advances & All Other Financial Sources – Line #2.040, #2.050 and #2.060**

The district is forecasting advance returns based on amounts anticipated to be advanced out in the prior years. There are no transfers in during the forecast period as noted below. All other financial sources on Line 2.06 include a refund of prior year’s expenditures which are unpredictable. The District received a BWC dividend in October for \$53,191 for the 2017 policy year, and an additional \$56,187 for the 2018 policy year. These dividends will not be forecasted in the future.

<u>Source</u>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
Transfers In - Line 2.040	\$0	\$0	\$0	\$0	\$0
Advance Returns - Line 2.050	<u>500</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total Transfer & Advances In	<u>\$500</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>

**Expenditures Assumptions**

**Estimated General Fund Operating Expenditures for FY20:**



### Wages – Line #3.010

Our collective bargaining agreements call for base increases of 2% in FY20 which has been built into our forecast. Step and training increases are reflected at current step and training amounts of 1.7% for FY20-24. For planning purposes a 1% base increase has been calculated for FY21.

<u>Source</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
Base Wages	\$8,961,918	\$9,354,859	\$9,588,991	\$9,746,800	\$9,922,674
Base wage Increases	179,105	89,619	0	0	0
Steps & Training	152,239	152,353	159,033	163,013	165,696
New/Replacement Staff	98,352	8,310	0	12,861	14,030
SWSF Fund 467	(50,586)	(168,647)	(32,550)	0	0
Staff Retirements/RIF	(36,755)	(16,150)	(1,224)	0	0
Total Wages Line 3.010	<u>\$9,304,273</u>	<u>\$9,420,344</u>	<u>\$9,714,250</u>	<u>\$9,922,674</u>	<u>\$10,102,400</u>

### Fringe Benefits Estimates Line 3.02

This area of the forecast captures all costs associated with benefits and retirement costs, where all except health insurance are directly related to 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 District anticipates an overall composite trend increase of 6% for FY20 and 8% for FY21-24. The graph below shows that the district has been working hard to keep these costs down with the cooperation of the district's employees. This area is the main contributor to the reason fringe benefits are expected to be one of the fastest growing costs in the budget FY20-24.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. "Cadillac Tax"), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax. These added costs are no longer an uncertainty factor for our health care costs in the forecast.

#### C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be .80% of payroll FY20-FY24. Unemployment is estimated at an annual amount of \$3,000 throughout the forecast period. However, we are anticipating a potential increase in unemployment for FY20-21 due to the COVID-19 shutdowns. This increase has been caused by our reduced need for substitutes help during the COVID-19 Pandemic.

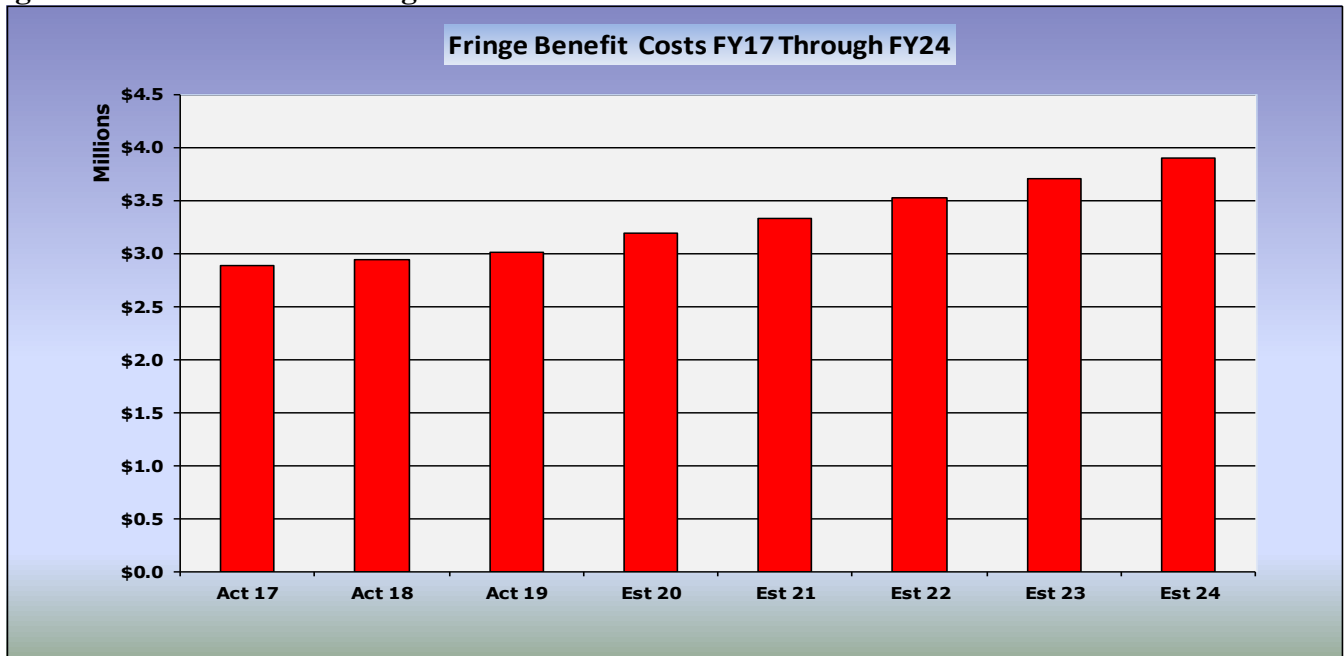
#### D) Medicare

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

**Estimated Fringe Benefits – Line #3.020**

<u>Source</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
STRS/SERS	\$1,442,172	\$1,461,431	\$1,504,002	\$1,535,376	\$1,563,175
Insurances	1,511,450	1,625,551	1,768,985	1,916,588	2,073,002
Workers Comp/Unemployment	77,434	78,363	80,714	82,381	83,819
Medicare	141,758	145,248	151,016	154,185	156,981
Other/Tuition	<u>16,653</u>	<u>16,653</u>	<u>16,653</u>	<u>16,653</u>	<u>16,653</u>
Total Line 3.020	<u>\$3,189,467</u>	<u>\$3,327,246</u>	<u>\$3,521,370</u>	<u>\$3,705,183</u>	<u>\$3,893,630</u>

**Fringe Benefit Costs FY17 through Estimated FY24**



**Purchased Services – Line #3.030**

The accounts in this area include utility and special education tuition charges. Open enrollment is one of the largest areas of expense in this category and continues to draw significant dollars from our funding. Community school and County ESC expenses are projected to grow by 3% annually. Utility costs are projected to increase by approximately 5% a year. Expenses for College Credit Plus are approximately \$121,000 a year now and are expected to grow slightly year to year. HB64, added over \$250,000 annually of new costs to our General Fund starting in FY17 and HB166 has continued those items, and will increase costs throughout the forecast. 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. We will continue to monitor the effects of state budget cuts on the potential reductions in costs to tuition, community school, scholarship and STEM school payments made to other organizations that are deducted from our foundation payments.

<u>Source</u>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
Repairs, insurance, rentals, and other	\$1,046,353	\$1,067,280	\$1,088,626	\$1,110,399	\$1,132,607
County ESC Services	1,396,780	1,200,000	1,236,000	1,273,080	1,311,272
Community School & Ed Scholarships	307,114	316,327	325,817	335,592	345,660
Open Enrollment	800,704	824,725	849,467	874,951	901,200
Utilities	427,709	449,094	471,549	495,126	519,882
College Credit Plus	<u>121,291</u>	<u>124,930</u>	<u>128,678</u>	<u>132,538</u>	<u>136,514</u>
Total Line 3.030	<u>\$4,099,951</u>	<u>\$3,982,356</u>	<u>\$4,100,137</u>	<u>\$4,221,686</u>	<u>\$4,347,135</u>

### Supplies and Materials – Line #3.040

We have included a 3% increase for each year within the forecast. This category of expenses includes textbooks, copy paper, maintenance supplies and materials, bus fuel, etc.

<u>Source</u>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
Supplies	\$413,007	\$425,397	\$438,159	\$451,304	\$464,843
Textbooks	<u>53,829</u>	<u>56,520</u>	<u>59,346</u>	<u>62,314</u>	<u>65,429</u>
Total Line 3.040	<u>\$466,836</u>	<u>\$481,917</u>	<u>\$497,505</u>	<u>\$513,618</u>	<u>\$530,272</u>

### Equipment – Line # 3.050

Equipment expenditures were increased to allow for the purchased of two new busses each year of the forecast. This is needed to offset the \$212,000 annual TPP reimbursement loss to our Permanent Improvement Fund. Without this support from the General Fund, our P.I. Fund would be short the amount needed to maintain our facilities.

<u>Source</u>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
Capital Outlay	\$217,512	\$217,512	\$217,512	\$217,512	\$217,512
Replacement Bus Purchases	<u>200,000</u>	<u>204,000</u>	<u>208,080</u>	<u>212,242</u>	<u>216,486</u>
Total Line 3.050	<u>\$417,512</u>	<u>\$421,512</u>	<u>\$425,592</u>	<u>\$429,754</u>	<u>\$433,998</u>

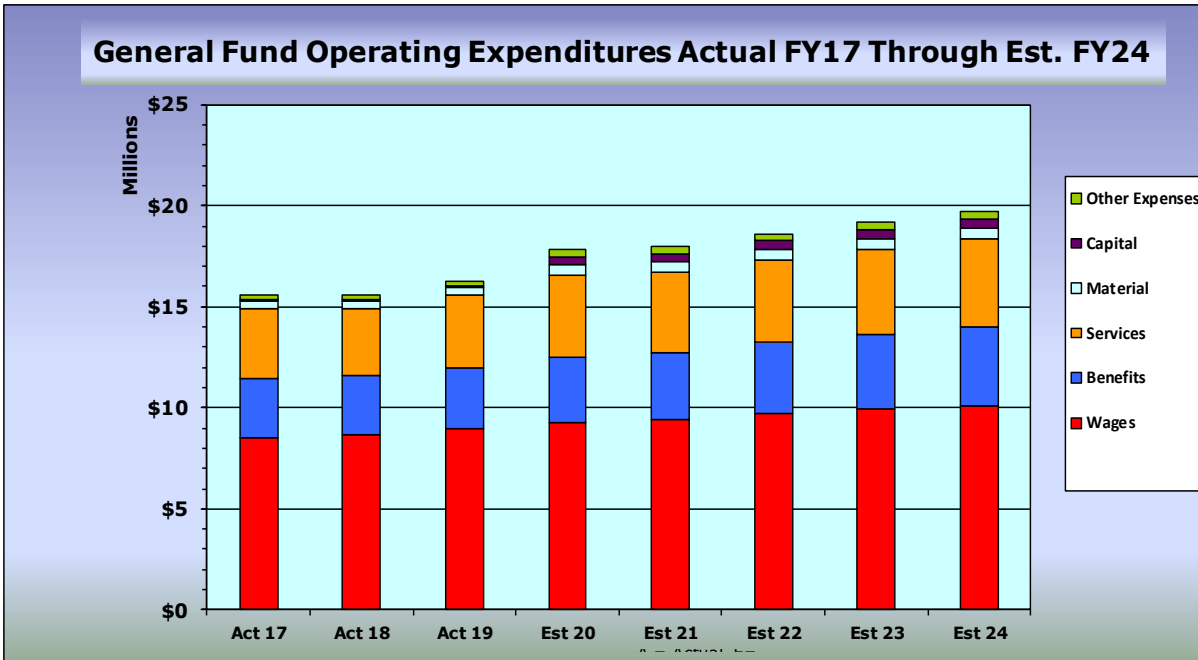
### Other Expenses – Line #4.300

This category of expenses is primarily fees to the county auditor and treasurer for collecting property taxes. The other expense category is several small expenses with the largest being district liability insurance and dues.

County Auditor & Treasurer Fees	\$150,537	\$158,064	\$165,967	\$174,265	\$182,978
Other expenses	<u>175,000</u>	<u>182,000</u>	<u>189,280</u>	<u>196,851</u>	<u>204,725</u>
Total Line 4.300	<u>\$325,537</u>	<u>\$340,064</u>	<u>\$355,247</u>	<u>\$371,116</u>	<u>\$387,703</u>

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

The graph below shows a quick overview of actual and estimated expenses by proportion in the General Fund.



**Transfers Out/Advances Out – Line # 5.010**

This account group covers fund to fund transfers and end of year short-term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. 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. The transfer is related to funding severance payments in a fund 035 so the district is recognizing future obligations.

<u>Source</u>	FY 20	FY 21	FY 22	FY 23	FY 24
Operating Transfers Out Line #5.010	\$29,000	\$50,000	\$50,000	\$50,000	\$50,000
Advances Out Line #5.020	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total	<u>\$49,000</u>	<u>\$70,000</u>	<u>\$70,000</u>	<u>\$70,000</u>	<u>\$70,000</u>

**Debt Service – Line# 4.050; 4.060;**

The Debt Service relates to a HB264 Energy project that is structured so that the savings in utility costs for a project will finance the debt payment; Bath Local completed a HB264 project in 2010 and will pay the debt through Fiscal Year 2025.

<u>Source</u>	FY 20	FY 21	FY 22	FY 23	FY 24
HB 264 Principal Line # 4.050	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>\$40,000</u>

<u>Source</u>	FY 20	FY 21	FY 22	FY 23	FY 24
Interest on HB 264 Total Line 4.060	<u>\$4,906</u>	<u>\$4,120</u>	<u>\$3,334</u>	<u>\$2,548</u>	<u>\$1,762</u>

**Encumbrances –Line#8.010**

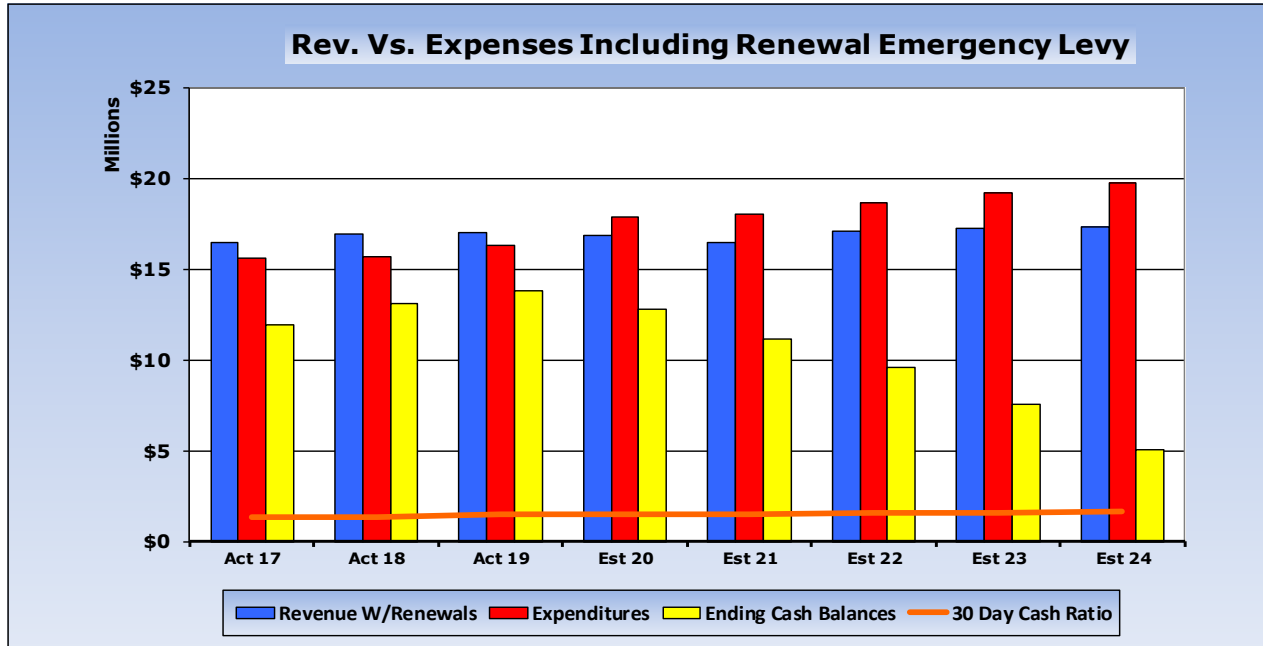
These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered. The amounts outstanding vary year to year. All outstanding purchase orders that can be closed prior to fiscal year-end are closed.



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

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000, unless an alternate 412 certificate can be issued under new provisions established by HB153.

	FY 20	FY 21	FY 22	FY 23	FY 24
Ending Cash Balance	\$ <u>12,820,223</u>	\$ <u>11,174,233</u>	\$ <u>9,555,176</u>	\$ <u>7,543,809</u>	\$ <u>5,029,681</u>



**True Cash Days Ending Balance**

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each districts complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as capital, athletics and severance reserves. With our renewal levy included we meet this suggested guideline through FY24.

## Ending Cash Balance in True Cash Days- With Levy Renewal

