U.S. GRANT JVSD - - CLERMONT COUNTY

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2018, 2019, AND 2020 ACTUAL;
FORECASTED FISCAL YEARS ENDING JUNE 30, 2021 THROUGH 2025

		Actual			Forecasted				
		Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
	Revenue:								
1.010	General Property Tax (Real Estate)	2,286,241	2,311,654	2,270,558	2,272,733	2,283,050	2,292,616	2,302,616	2,313,029
1.020	Tangible Personal Property Tax	826,043	751,919	598,777	537,709	467,964	397,709	327,709	257,709
1.030	Income Tax	-	-	-	-	-	-	-	-
1.035	Unrestricted Grants-in-Aid	1,773,646	1,791,543	1,837,117	1,854,062	1,802,700	1,820,477	1,838,432	1,856,566
1.040	Restricted Grants-in-Aid	765,300	785,969	774,318	774,529	782,274	790,097	797,998	805,978
1.045	Restricted Federal Grants-in-Aid	-	-	-	-	-	-	-	-
1.050	Property Tax Allocation	581,870	349,659	290,977	288,163	288,601	288,701	288,982	289,315
1.060	All Other Revenues	336,180	376,639	621,193	776,150	625,940	619,112	624,335	629,610
1.070	Total Revenues	6,569,280	6,367,383	6,392,940	6,503,347	6,250,529	6,208,712	6,180,072	6,152,207
	Other Financing Sources:								
2.050	Advances-In	-	-	3,000	-	-	-	-	-
2.060	All Other Financing Sources	12,762	6,453	12,473	7,000	7,000	7,000	7,000	7,000
2.070	Total Other Financing Sources	12,762	6,453	15,473	7,000	7,000	7,000	7,000	7,000
2.080	Total Revenues and Other Financing Sources	6,582,042	6,373,836	6,408,413	6,510,347	6,257,529	6,215,712	6,187,072	6,159,207
	Expenditures:								
3.010	Personal Services	3,800,516	3,911,622	3,726,547	3,590,950	3,689,385	3,803,290	3,920,774	4,041,949
3.020	Employees' Retirement/Insurance Benefits	1,191,994	1,225,914	1,249,648	1,267,735	1,328,565	1,395,135	1,465,855	1,541,012
3.030	Purchased Services	717,417	732,108	536,424	840,930	849,339	857,832	866,410	875,074
3.040	Supplies and Materials	310,450	310,231	314,418	431,389	455,703	460,060	464,461	468,906
3.050	Capital Outlay	675,376	200,774	579,781	253,300	325,000	325,000	325,000	325,000
4.300	Other Objects	107,962	127,351	123,698	128,804	130,092	131,393	132,707	134,034
4.500	Total Expenditures	6,803,715	6,508,000	6,530,516	6,513,108	6,778,084	6,972,710	7,175,207	7,385,975
	Other Financing Uses								
5.010	Operating Transfers-Out	250,000	250,000	100,000	200,000	100,000	100,000	100,000	100,000
5.020	Advances-Out	-	-	3,000	-	-	-	-	-
5.030	All Other Financing Uses	-	-	-	-	-	-	-	-
5.040	Total Other Financing Uses	250,000	250,000	103,000	200,000	100,000	100,000	100,000	100,000
5.050	Total Expenditures and Other Financing Uses	7,053,715	6,758,000	6,633,516	6,713,108	6,878,084	7,072,710	7,275,207	7,485,975
6.010	Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses	(471,673)	(384,164)	(225,103)	(202,761)	(620,555)	(856,998)	(1,088,135)	(1,326,768)
7.010	Cash Balance July 1 - Excl Proposed Renewal/ Replacement and New Levies	8,289,879	7,818,206	7,434,042	7,208,939	7,006,178	6,385,623	5,528,625	4,440,490
7.020	Cash Balance June 30	7,818,206	7,434,042	7,208,939	7,006,178	6,385,623	5,528,625	4,440,490	3,113,721
8.010	Estimated Encumbrances June 30	30,231	51,865	202,184	100,000	100,000	100,000	100,000	100,000
	Reservation of Fund Balance								
9.030	Budget Reserve	24,120	24,120	24,120	24,120	24,120	24,120	24,120	24,120
9.080	Subtotal	24,120	24,120	24,120	24,120	24,120	24,120	24,120	24,120
10.010	Fund Balance June 30 for Certification of Appropriations	7,763,855	7,358,057	6,982,635	6,882,058	6,261,503	5,404,505	4,316,370	2,989,601

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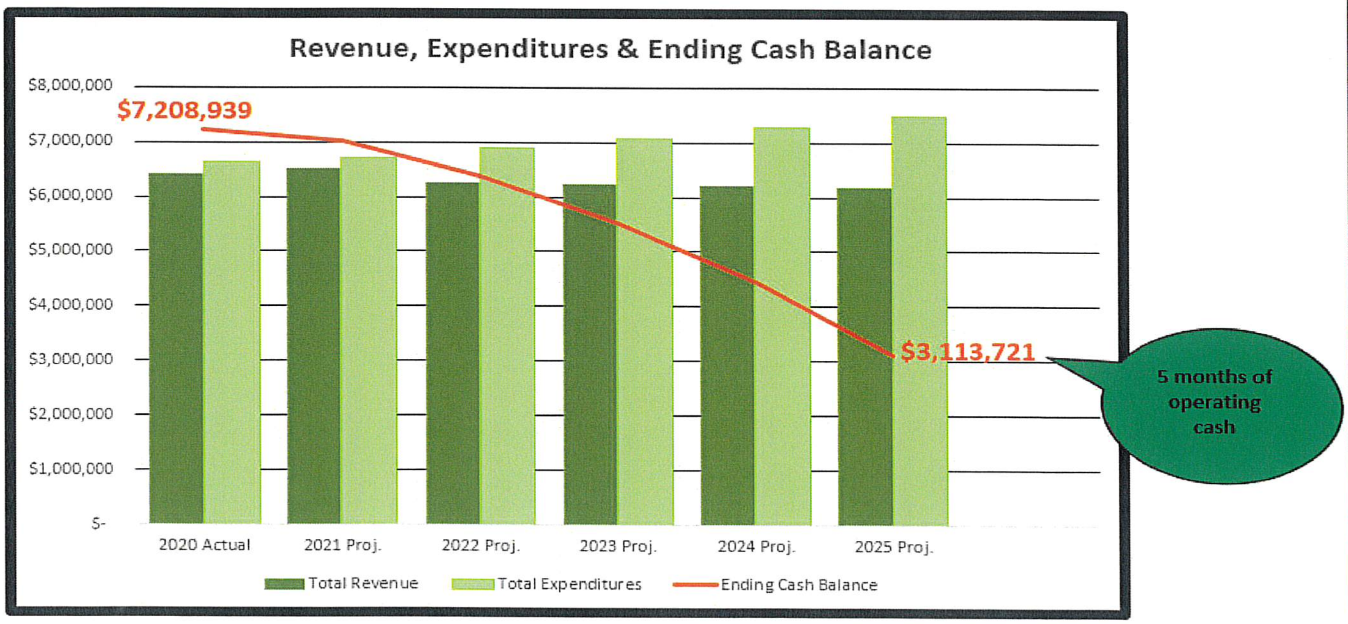
U. S. GRANT CAREER CENTER
FIVE-YEAR FORECAST
ASSUMPTIONS
Fiscal Years 2021-2025
November 2020

The five-year forecast represents the District's operating budget, which is accounted for within the District's General Fund. The primary differences between this forecast and the prior forecast filed in May are as follows:

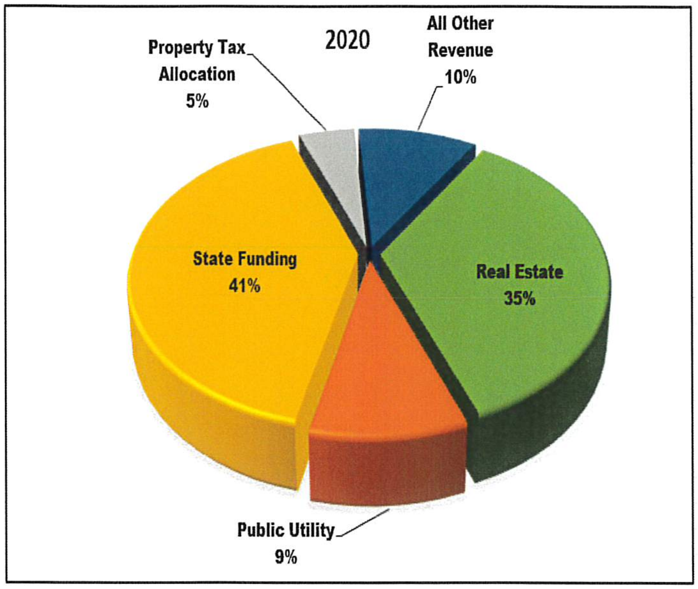
- The actual results for the fiscal year ending June 30, 2020 are now reflected in the forecast. There were no significant variances between the forecasted and actual results for that year.
- The five-year forecasted period now includes fiscal years 2021 through 2025.
- Projected State revenues for 2021 are higher in this forecast. The May forecast assumed the District would receive a reduction in State aid as a result of the pandemic. At this time, all indications from the State suggest there will be no budget cuts for the remainder of fiscal year 2021.
- Projected Public Utility revenues for 2022 through 2024 are lower than originally projected. In September, the owner of the Zimmer Power Plant announced that the plant is slated to close by 2027. This forecast assumes the valuation of the property will begin to decline and therefore, the forecast reflects a gradual decline in revenues starting in 2022 and continuing through 2025.
- Projected expenditures for the forecasted period 2021-2024 reflect an increase of approximately $200 thousand more per year when compared to the May forecast. This increase is attributable to an increased consistent investment in capital outlay.
- The District's ending cash balance is projected to remain positive throughout the forecast period. However, as a result of the decrease in projected public utility property tax revenues and an increase in projected capital outlay expenditures, the 2024 ending cash balance has decreased by $985 thousand when compared to the May forecast.

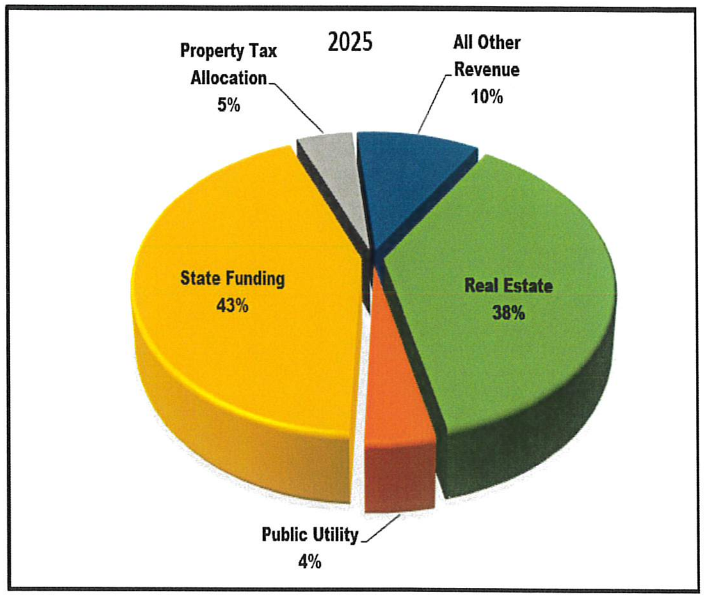
A summary of the current forecast is as follows:



The following pages describe the assumptions used to compile the forecast. These assumptions were based upon the most accurate information available at this time.

2.080 TOTAL REVENUES & OTHER FINANCING SOURCES





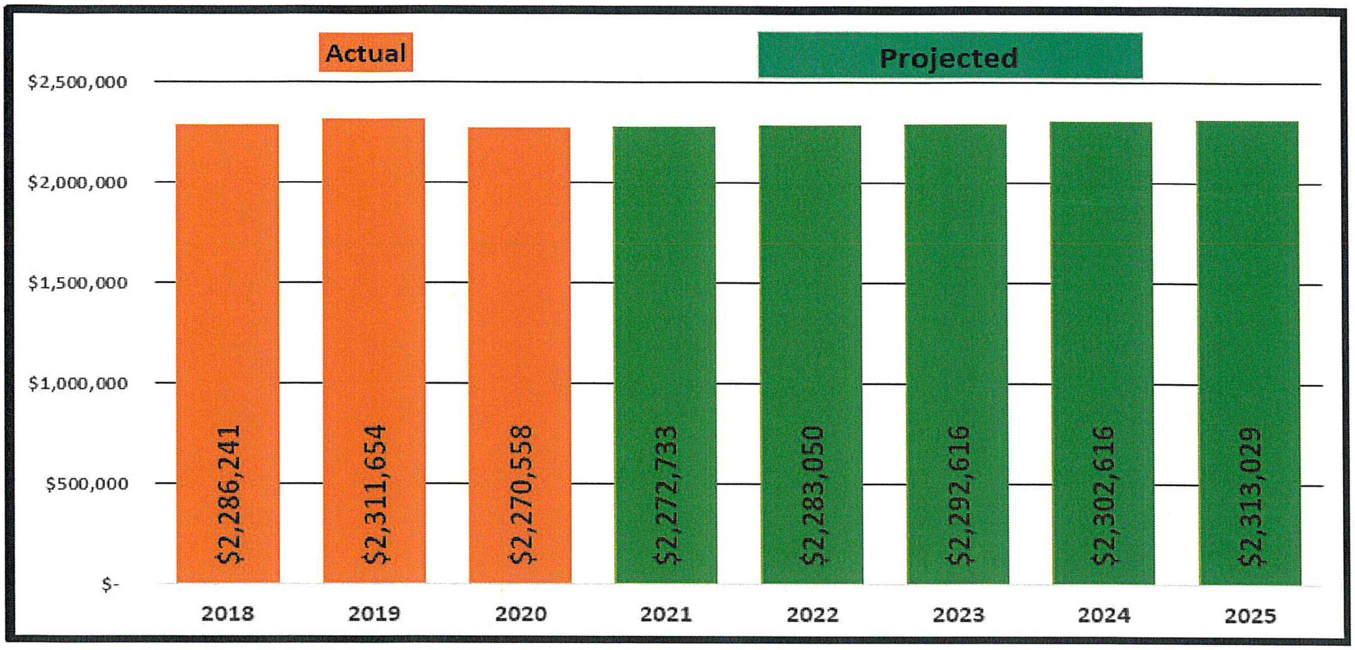
Line-Item 2.080	Previous 5-Year Avg. Annual Change	Forecasted 5-Year Avg. Annual Change
Total Revenue & Other Sources	-2.8%	-0.8%

The average annual change in Total Revenue over the forecasted period of 2021-2025 is -.08%, while the prior five-year period saw an average annual decline of -2.8%. During the prior period, Tangible and Public Utility Personal Property Revenue declined dramatically. In 2017, these revenues ($1.3 million) accounted for 14% of total General Fund revenues. By 2020, these sources accounted for only 9% ($599 thousand) of General Fund revenues. Going forward, it's projected that Public Utility revenues will continue to decline as a result of the recent announcement that the Zimmer Power Plant will close by 2027.

At this time, all indications from the State suggest there will be no budget cuts for the remainder of fiscal year 2021, although the country is still in the midst of the COVID-19 pandemic. Ohio's sales and income tax revenues are currently above projections, which is promising for the remainder of the biennium budget. If State revenues begin to decline and the State implements budget reductions to education, the forecast will be updated. In the meantime, the forecast assumes stable State revenues through the life of the forecast.

A more in-depth description of each Revenue line-item follows:

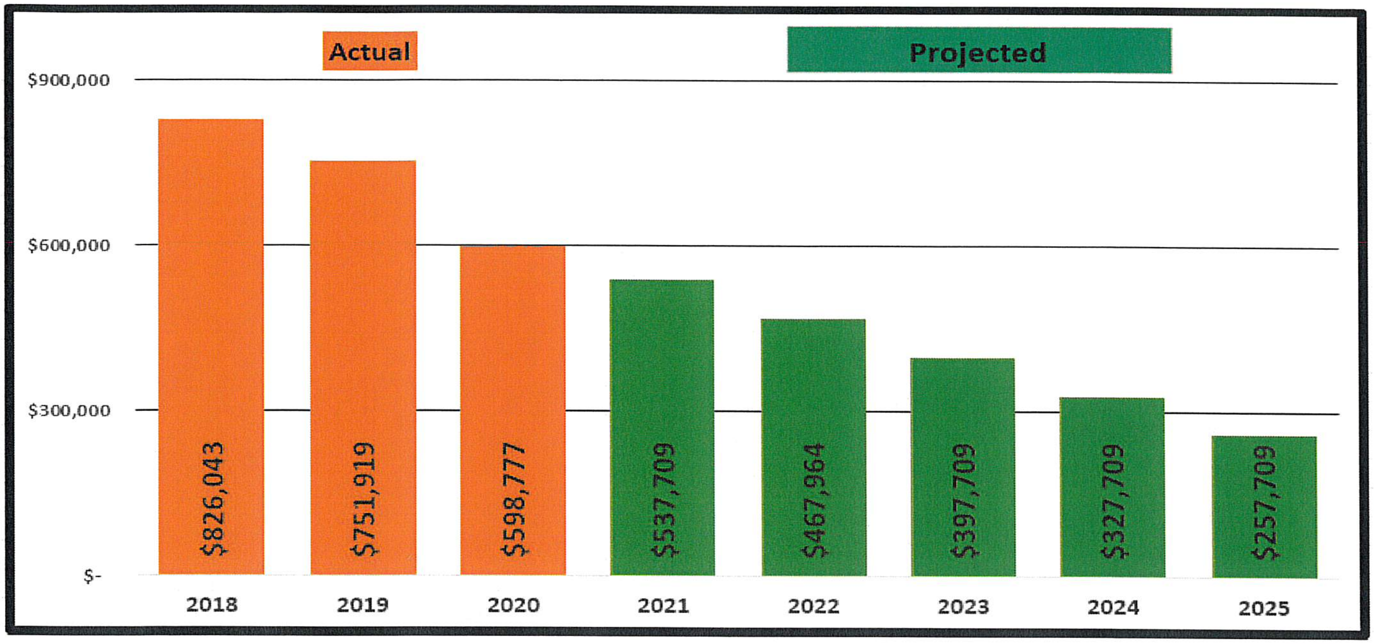
1.010 REAL ESTATE TAXES



This line-item includes property taxes collected on Class I – Residential & Agriculture and Class II - Commercial & Industrial property.

Except for minimal increases for new construction, the only way the district will generate additional tax revenue without placing a new issue on the ballot is for the effective millage rate to drop to the 2-mill floor. The effective millage rate decreases as property values increase. Although residential property values are rising, the effective millage is not expected to decline to the floor during this forecast period. The effective millage rate for TY 2019, collected in CY 2020 is 3.01 for residential and 4.68 for commercial. Clermont County's physical reappraisal was performed in 2020 and tentative valuations indicate the district's real estate valuations increased 6.7%. However, due to provisions of House Bill 920, the effective rate will be rolled back with only minimal growth in real estate tax collections.

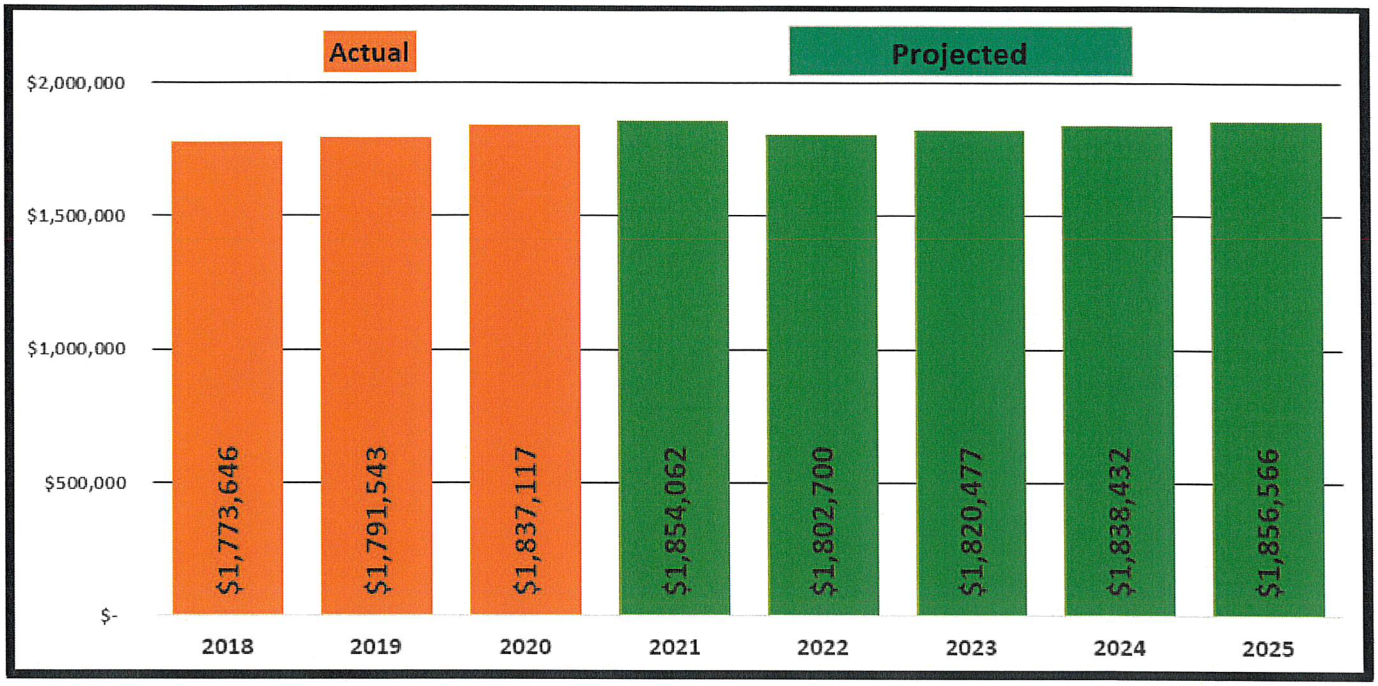
1.020 PUBLIC UTILITY PERSONAL PROPERTY



The other component of the District's current tax base is public utility personal property (PUPP). During the prior five-year period, payments received from the State to offset losses in Tangible Personal Property came to an end. In addition, public utility property values declined significantly. In 2017, Tangible Personal Property & PUPP revenues accounted for 14% ($1.3 million) of total General Fund revenues. By 2020, these sources accounted for only 9% ($599 thousand) of General Fund revenues, a decline of $700 thousand.

Looking at the five-year forecasted period, it is anticipated that PUPP revenues will continue to decline as a result of the recent announcement that the Zimmer Power Plant will close by 2027. Also, contributing to the declining revenues is the repayment of approximately $96 thousand due to an overpayment received from Clermont County. In November 2019, the County Auditor's Office notified the District that a payment error occurred in fiscal years 2018 and 2019. Specifically, a generation station owned by American Municipal Power was taxed, but not in the District's tax base. Repayment of the $96 thousand plus interest will occur over a five-year period beginning in 2020. Unlike real estate property, PUPP property is not subject to the provisions of House Bill 920 and thus, any decline in valuation is a direct reduction in revenue.

1.035 UNRESTRICTED GRANTS-IN-AID



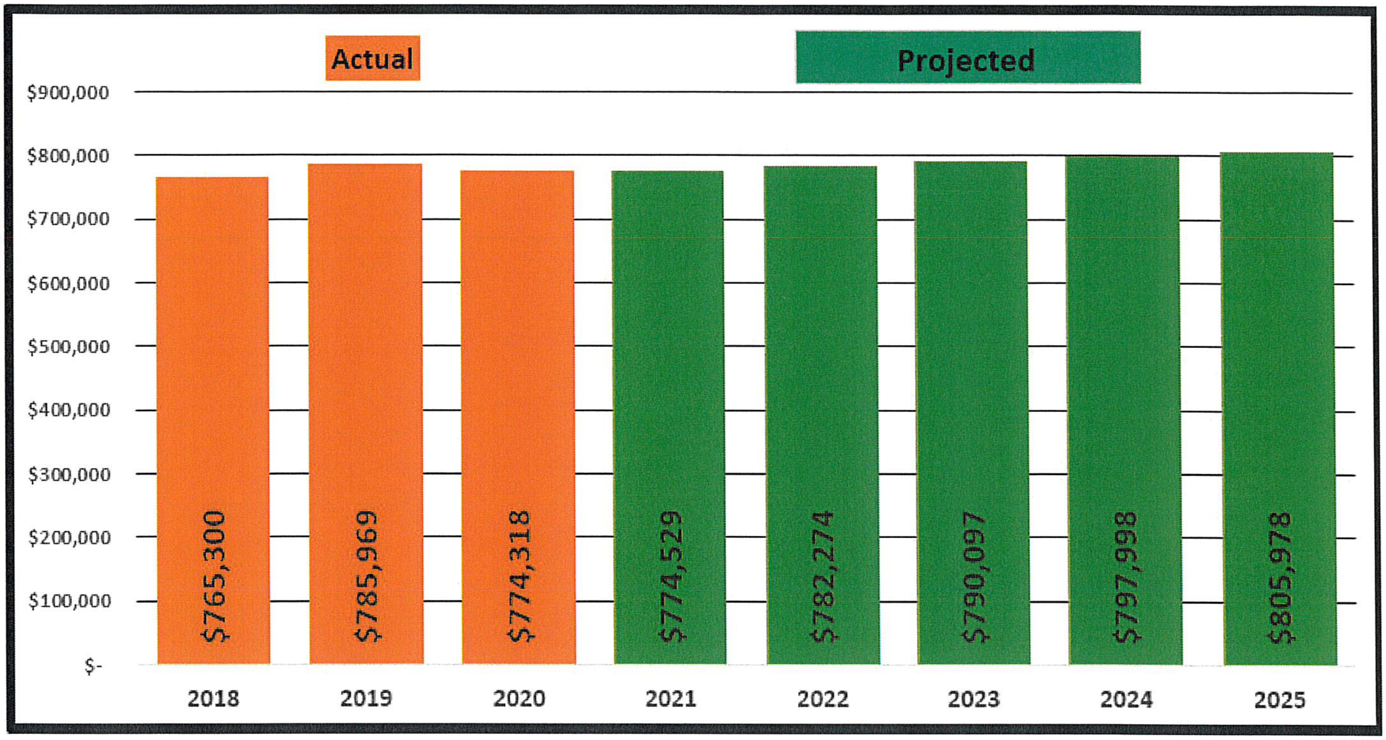
This line-item includes basic aid foundation and casino revenue received from the Ohio Department of Education. Also included in the 2021 amount is a $74 thousand payment received from the State, as a result of House Bill 164 which provided some relief to Districts who experienced substantial decreases in their public utility tangible personal property values.

The State biennium budget, which includes fiscal years 2020 and 2021, froze the funding formula for all public schools at 2019 levels. As a result, the District received no increase in basic or career-technology weighted funding, even though student enrollment increased each year.

Currently, there is a new funding model being proposed to the legislature known as the Fair School Funding Plan. District-by-District funding simulations released this month reflect favorable on the District. Under the new model, the District would receive an additional $1.8 million phased in over a six-year period. Sponsors of the bill are working hard to encourage passage of the new model by December 31, 2020 so that it may be included in the next biennium budget. The forecast does not include any increased revenue assumptions with regard to this new model. Instead, a conservative 1% annual increase (less than $20 thousand) has been projected for fiscal years 2023-2025. The forecast projects that the District will receive less in 2022 than 2021 because the House Bill 164 payment will no longer be received.

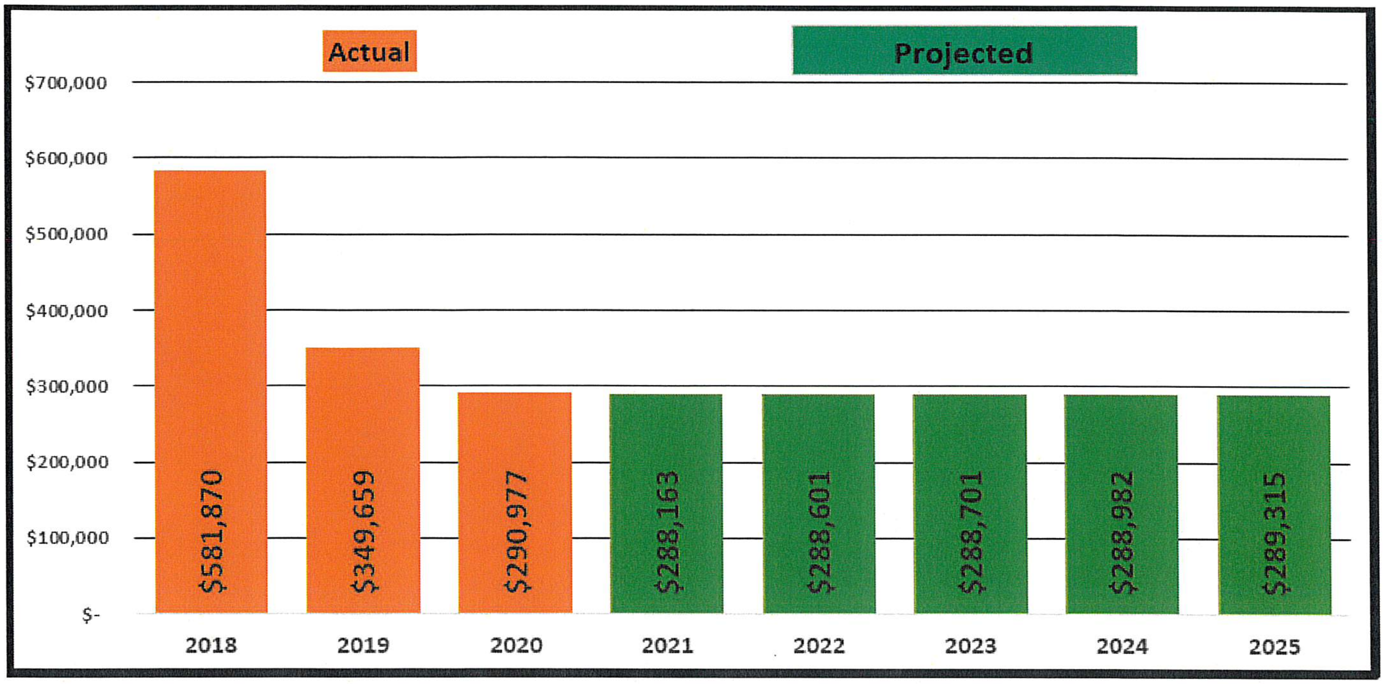
Casino revenue has declined due to the COVID-19 pandemic. The District received $33 thousand in fiscal year 2020. The forecast reflects a decline to $20 thousand for 2021 based upon the first half receipts, and $25 thousand per year for 2022-2025.

1.040 RESTRICTED GRANTS-IN-AID



This line-item includes two revenue components received from the Ohio Department of Education; weighted funding for career-technical programs and funding for economically disadvantaged students. As discussed in the Unrestricted Grants-in-Aid section of this document, this funding is frozen for the current State biennium budget. A conservative 1% annual increase (less than $8 thousand) is projected for 2022-2025.

1.050 PROPERTY TAX ALLOCATION



This line-item currently includes payments from the State of Ohio for three types of property tax credits:

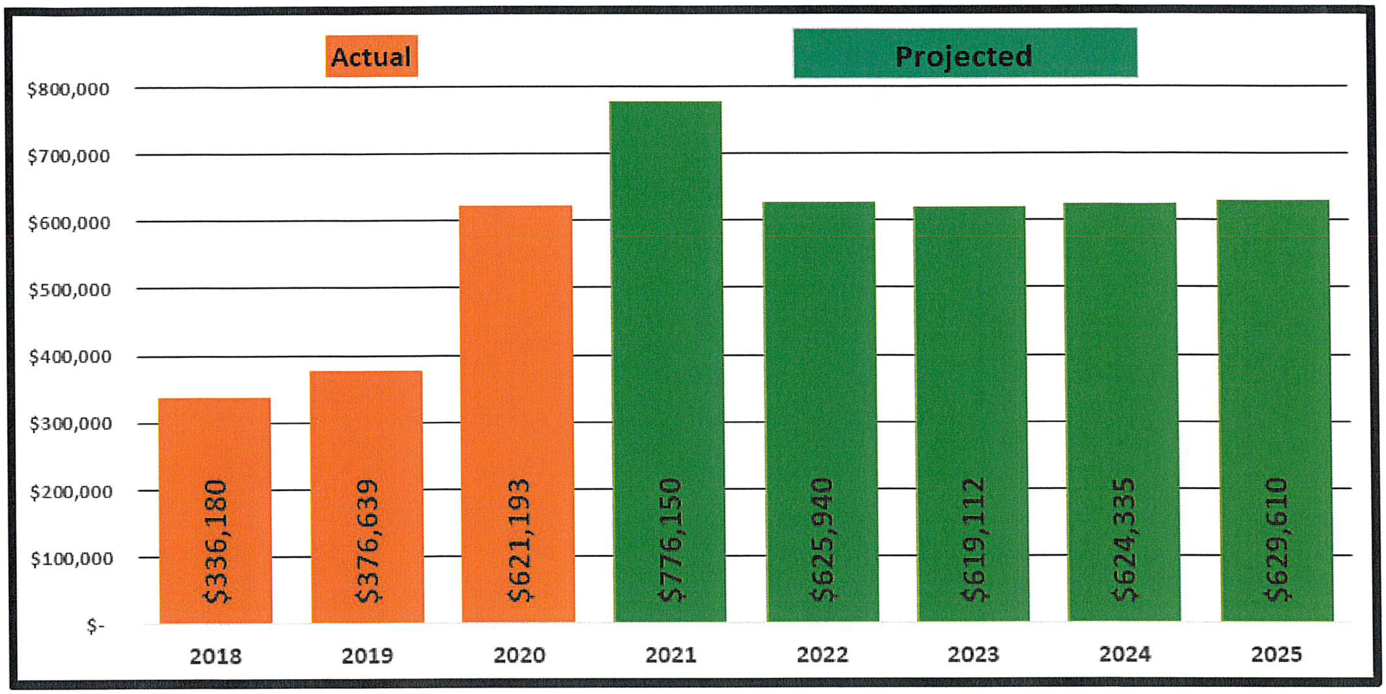
The Non-Business Credit (formerly known as the 10% Rollback): A 10% across-the-board rollback on all real property tax bill was enacted in 1971. This real property tax benefit was added to win legislative support for Ohio's first enacted income tax. Over time, this benefit has undergone changes. In 2006, House Bill 66 removed this rollback on all commercial and industrial properties. The benefit was further diluted with the elimination of the credit for residential and agricultural parcels, beginning with "new money" levies passing in the November 2013 election. Levies categorized as "new money" levies include additional (new) levies, replacement levies (that increase the effective tax rate), and the "increase" portion of levies classified as "renewal with an increase." The benefit remains intact for any old/original levies passed prior to November 2013.

Owner Occupancy Credit (formerly known as the 2 ½ % Rollback): In 1979, an additional 2 ½ percent rollback was applied to owner occupied homes. The benefit remains intact for any old/original levies passed prior to November 2013.

Homestead Exemption: Authorized via a constitutional amendment in 1970 and beginning in 1971, Ohio granted property tax relief through a homestead exemption program. Originally designed for low-income homeowners aged 65 and older, the program included 3 tiers of possible amounts exempted from taxation, based upon income. The program was overhauled in 2007. The changes removed the income requirements, making the homestead benefit available to all homeowners age 65 and older, and those permanently and totally disabled. Moreover, the computation of the homeowner benefit changed substantially. The new benefit was fixed with a reduction of $25,000 in the market value of the homestead property. Existing recipients at the time that the 2007 change was made received the greater of their original benefit, or new benefit available on the 2007 ($25,000 market value reduction) program.

During 2018 and 2019, this line-item also included payments from the State to help replace revenue loss due to deregulation of power plants. Fiscal year 2019 was the last year for these payments.

1.060 ALL OTHER REVENUE



The primary components of this line-item include payments from the Ohio Department of Education for students that are open-enrolled and interest income. Unlike basic aid and restricted funding received from the State, the District receives additional revenue if there is an increase in the number of open-enrolled students. This has been the case for the past few years.

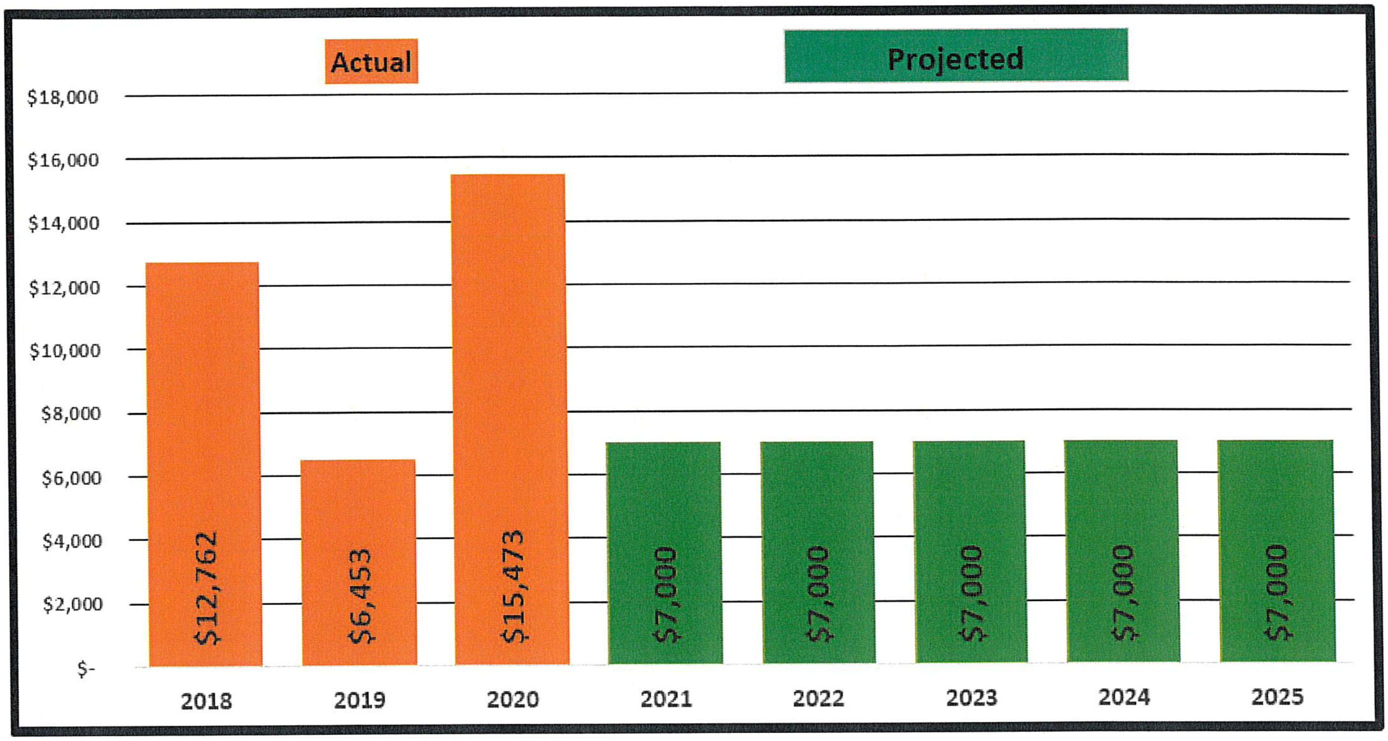
Open Enrollment FTE's Per ODE Payment Report		
2019	2020	2021
44.22	82.32	89.38

The forecast reflects a 1% increase in Open Enrollment for 2022 through 2025.

Interest income varies depending on available funds to invest, as well as, the current market rates. Due to ongoing low rates on investment income, there is no growth forecasted.

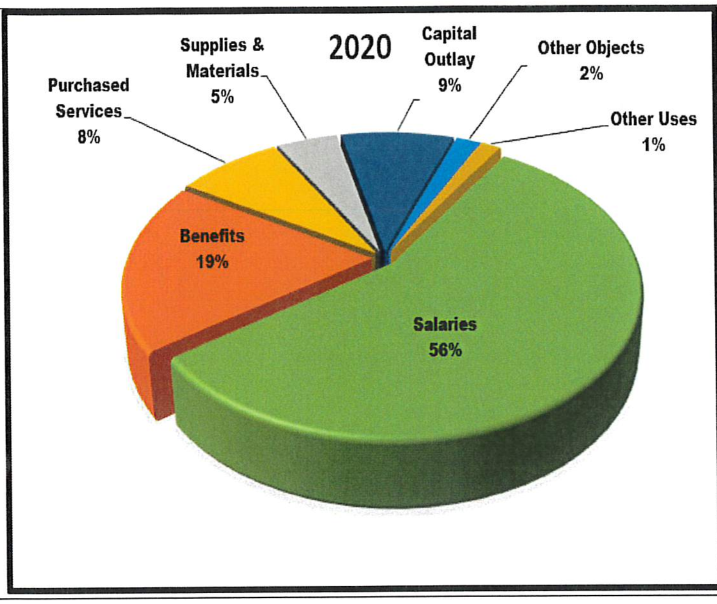
The spike in fiscal year 2021 revenue is the result of a one-time payment from the University of Cincinnati for renovation of the Mechanical Engineering and Technology (MET) Lab, as well as, $27 thousand received from the Ohio Bureau of Worker's Compensation for rebates/dividend payments to help local governments during the pandemic. Also, beginning in 2021 revenue is projected for the partnership with the University of Cincinnati for reimbursement of instructor time in the College Credit Plus engineering class.

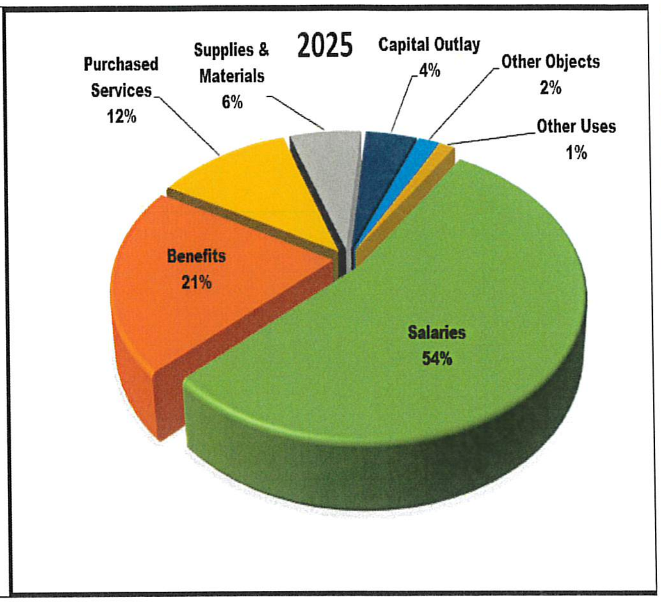
2.070 OTHER FINANCING SOURCES



This line-item includes miscellaneous receipts and repayment of advances from other funds. The largest category of funding is received from the federal E-rate program for the previous year's expenses. This federal program is approved on an annual basis. The forecast assumes this program will continue throughout the forecast.

5.050 TOTAL EXPENDITURES AND OTHER FINANCING SOURCES





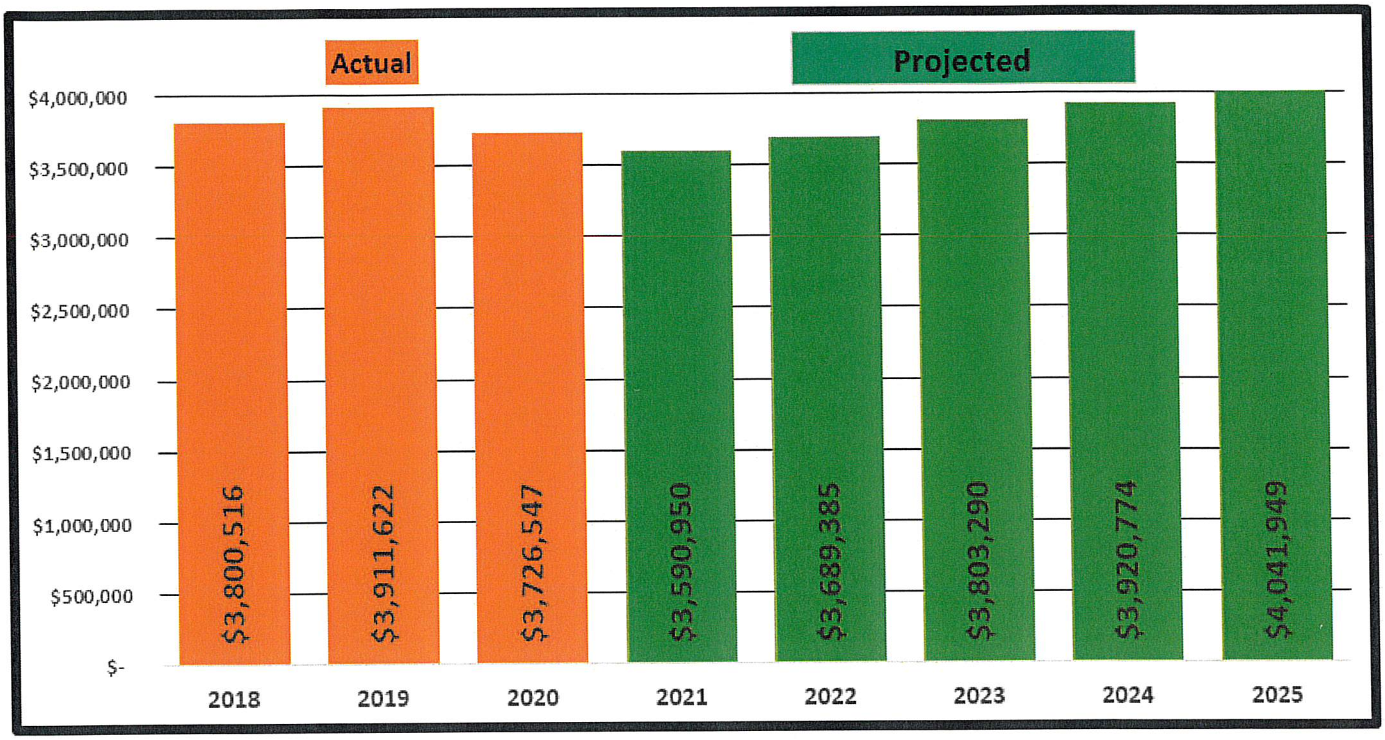
Line-Item 5.05	Previous 5-Year Avg. Annual Change	Forecasted 5-Year Avg. Annual Change
Total Expenditures & Other Uses	-5.0%	2.4%

The average annual increase in Total Expenditures over the forecasted period of 2021-2025 is 2.4%, while the prior five-year period saw an average annual decline of -5.0%. During 2016, over $1 million was transferred from the General Fund to the Permanent Improvement, Lunch Room, Adult Education and Termination Benefits funds. During 2017, the District expended approximately $1.7 million on various capital projects. Since that time, the amount of transfers and capital outlay expenditures have been significantly less, thus the average annual change through 2020 has declined.

For the forecasted period, the average annual increase in expenditures can be attributed to a consistent, annual investment in capital projects of $325 thousand starting in 2022.

A more in-depth description of each Expenditure line-item follows:

3.010 PERSONAL SERVICES/SALARIES



This line-item includes regular and supplemental salaries of full-time employees, as well as, hourly rates paid to part-time employees and substitutes. 94% of the District's salaries are accounted for within the General Fund.

For fiscal year 2021, salaries represent 53% of the total projected General Fund expenditures.

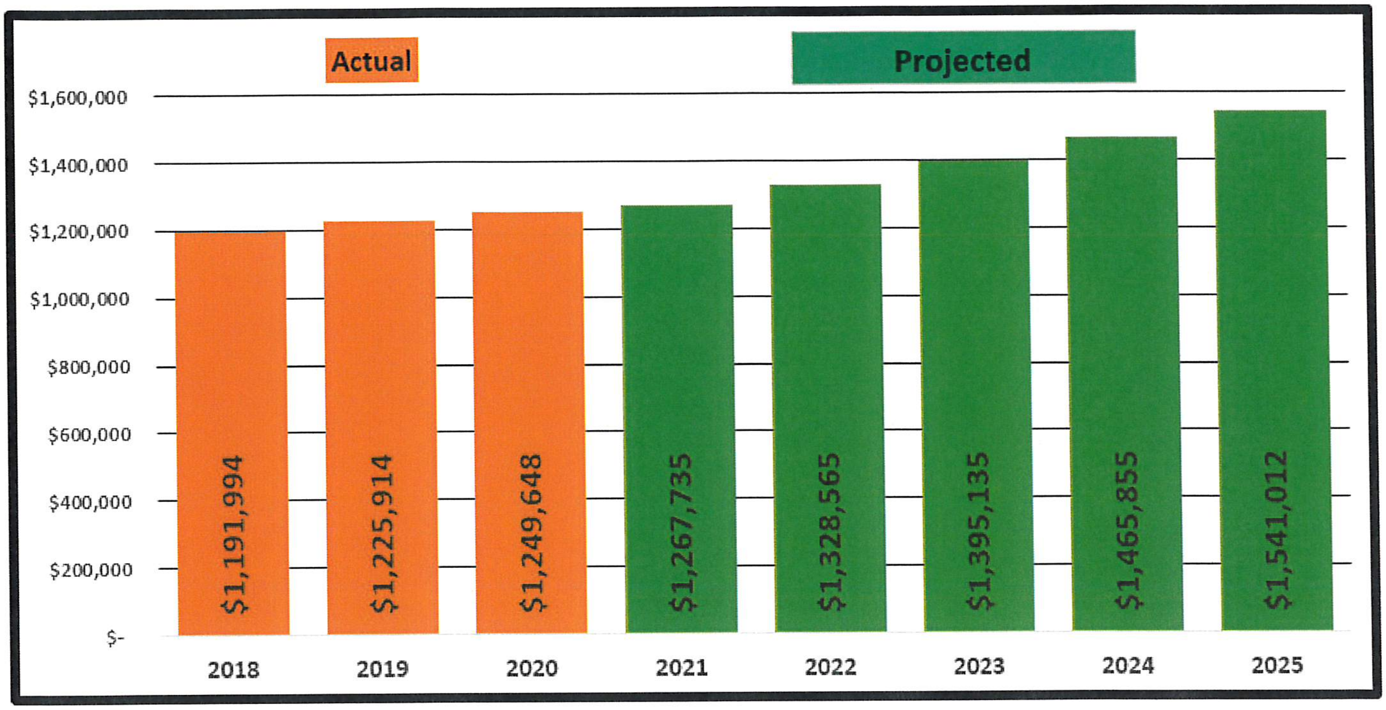
The forecasted amount for 2021 reflects:

- salaries for three fewer full-time employees than 2020 as a result of the one-time retirement incentive that was implemented in 2020; and
- a step on the salary schedule plus a 1.5% increase to the base salary as approved by the Board of Education.

The forecasted amount for 2022-2025 reflects a step on the salary schedule and a 2.0% increase to the base salary.

The average annual increase for this line-item for 2021-2025 is 1.67%.

3.020 EMPLOYEES' RETIREMENT AND BENEFITS



This line-item includes the District's share of retirement benefits paid to the School Employees Retirement System and the School Teachers Retirement System, as well as, medical/dental/life insurance, worker's compensation and Medicare. 94% of the District's benefits are accounted for within the General Fund.

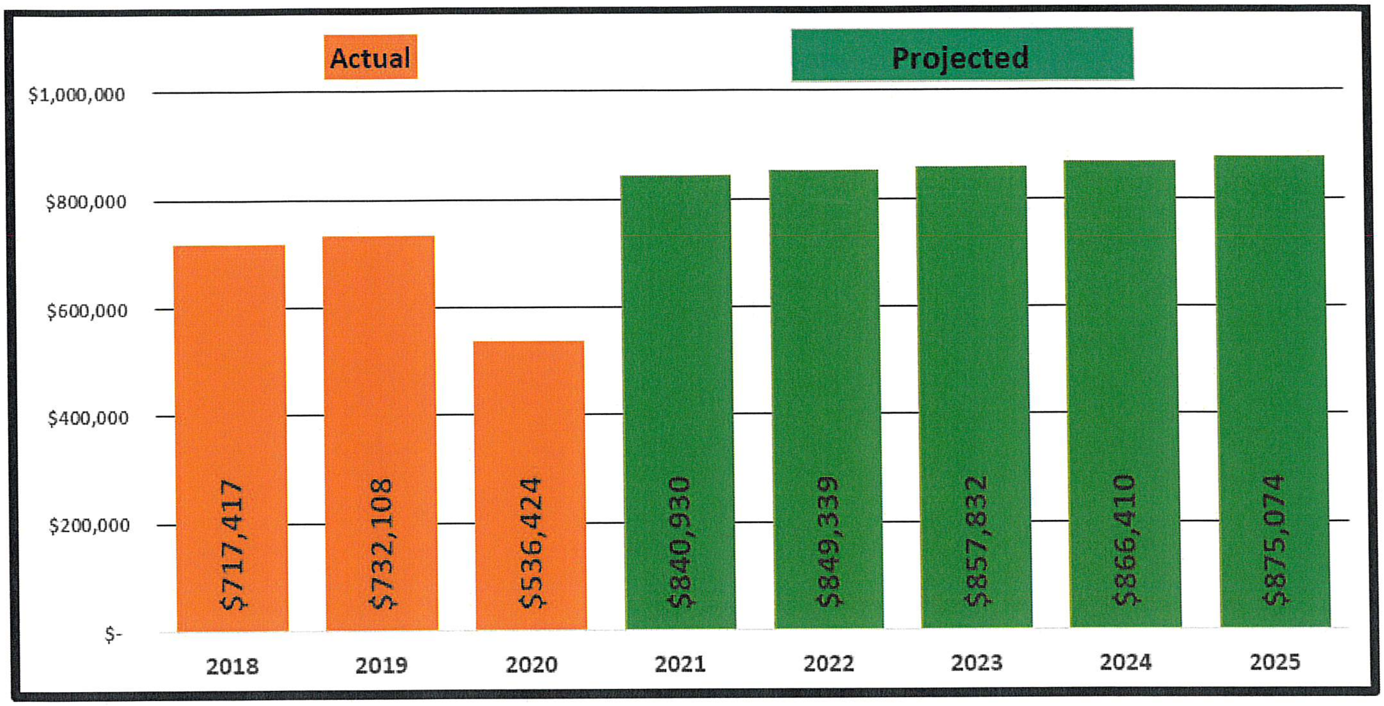
For fiscal year 2021, benefits represent 19% of the total projected General Fund expenditures.

Retirement expenses are a function of salary expense; as salaries increase so does the retirement expense.

Forecasted medical insurance reflects annual increases of 7.5% for 2022-2025 based upon industry standard. The employer share of premiums has been decreased over the past two years. Effective September 1, 2019, the employer share was decreased from 85% to 83%. And effective September 1, 2020, the employer share was further decreased to 80%.

The average annual increase for Total Benefits for 2021-2025 is 4.29%.

3.030 PURCHASED SERVICES



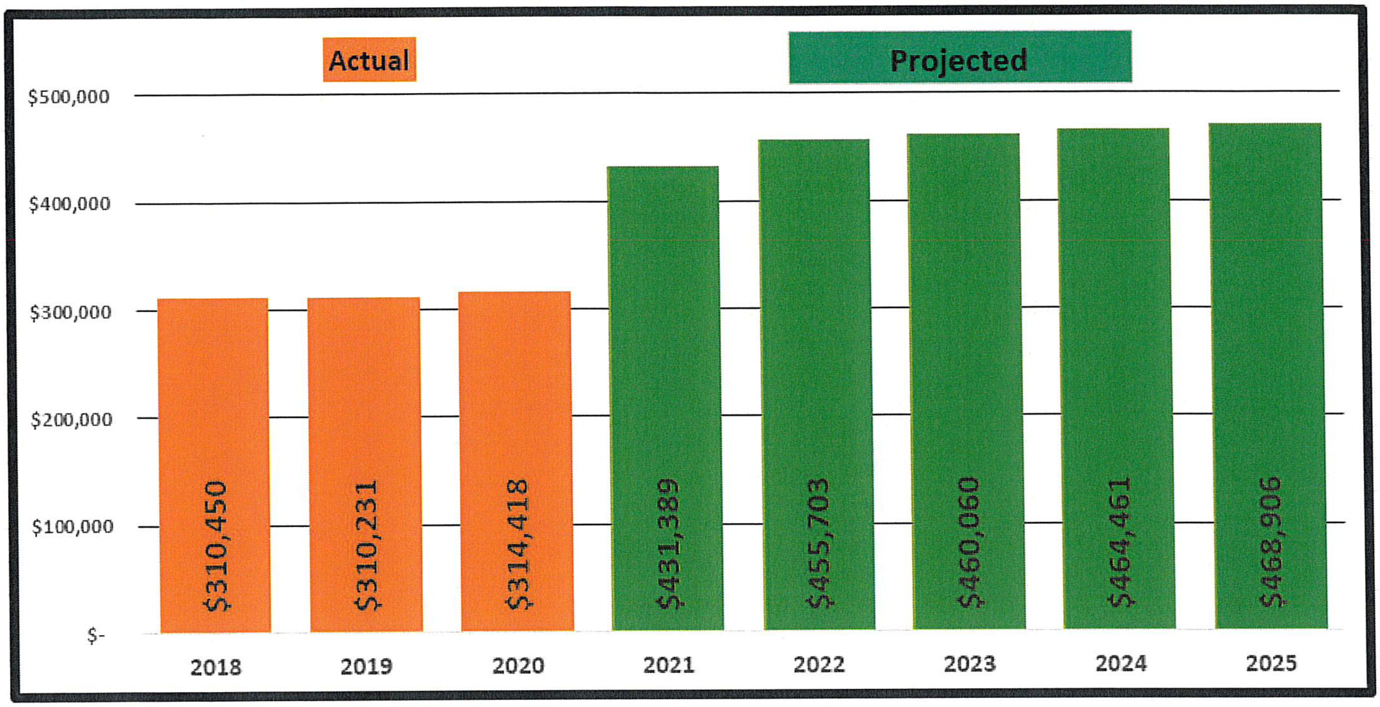
This line-item primarily includes contracted services, utilities, professional development/meeting expenses, memberships, legal expenses, and travel/mileage. Contracted services include items such as computer services received from the Hamilton Clermont Cooperative, instructional services contracted through Bethel-Tate Local School District for the satellite program, and instructional services contracted through Child Focus for the early education program.

Due to schools being closed during the last quarter of fiscal year 2020, many CTSO (Career Technical Student Organization) activities were cancelled, as well as, staff professional development that had been approved.

The 2021 forecasted amount includes the new contract with Child Focus, as well as, increased marketing/recruitment costs, and additional repair services for our welding program.

The forecasted period of 2022-2025 reflects a 1% annual increase (approximately $10 thousand per year).

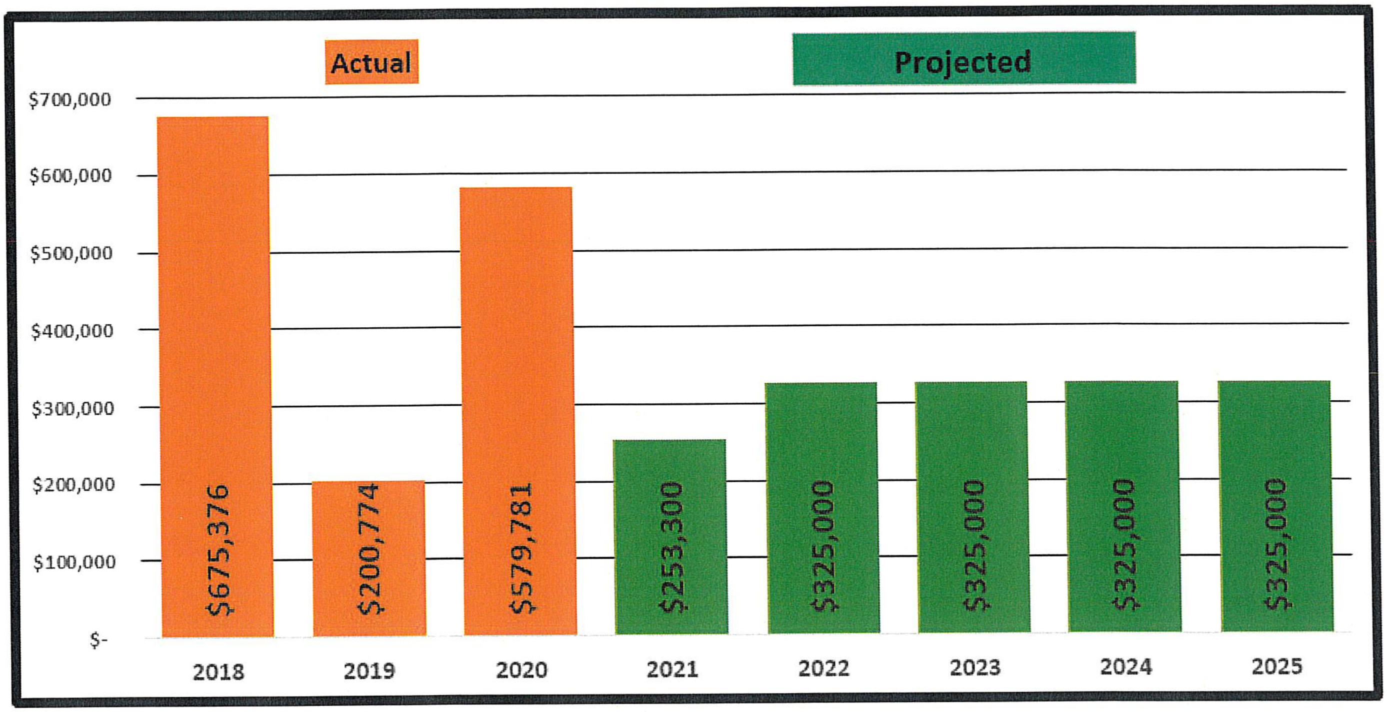
3.040 SUPPLIES AND MATERIALS



This line-item includes instructional supplies, custodial/operational supplies, marketing supplies and general office supplies. Supplies & Materials represent 6% of the total General Fund projected expenditures for 2021.

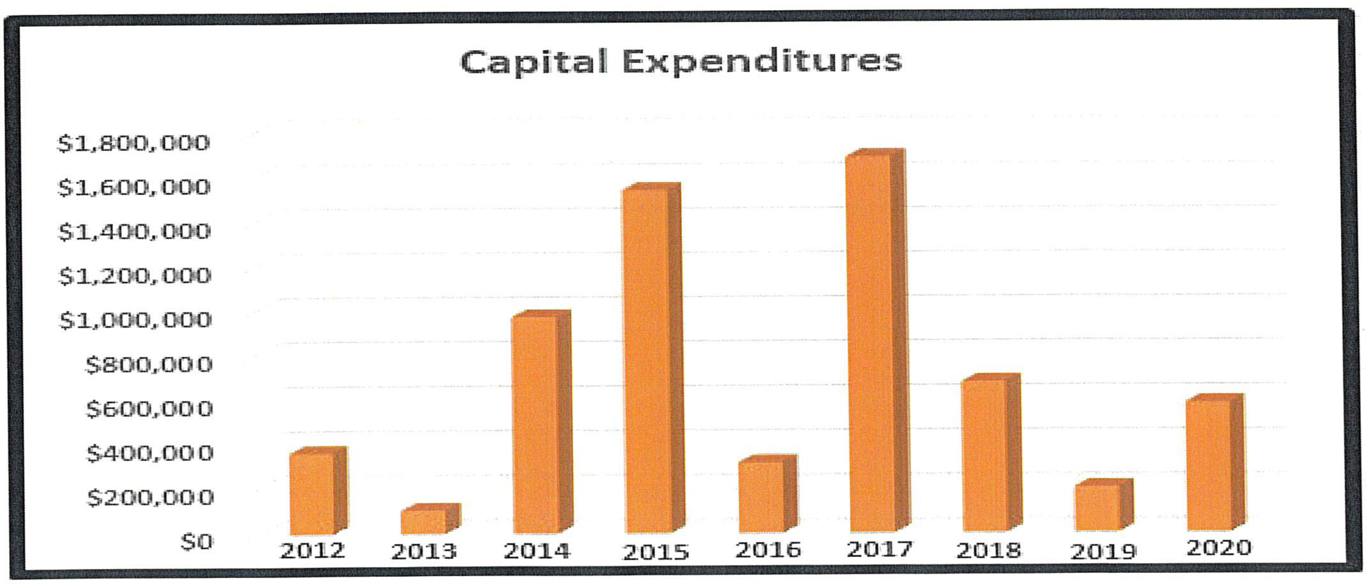
In 2020, student laptops for the One-to-One program were purchased from the Capital Outlay line-item. Starting in 2021, all new laptops will be charged to Supplies, as they do not meet the capitalization threshold of $5,000 with a useful life of more than 5 years. This change accounts for the majority of the increase from 2020 to 2021.

3.050 CAPITAL OUTLAY

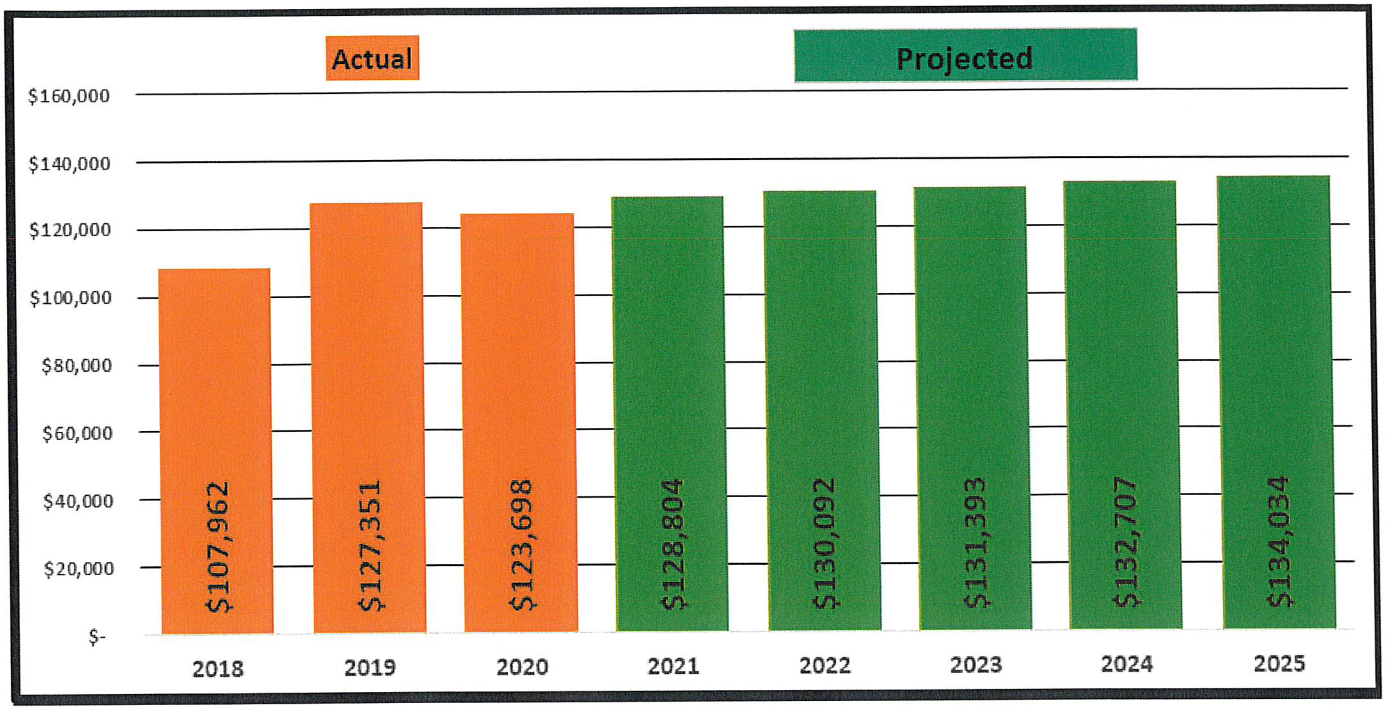


This line-item reflects the cost of instructional, as well as, building capital acquisitions and replacement equipment. Career based programming requires ongoing capital equipment to stay abreast of industry needs and provide relevant programming for our students. Starting in fiscal year 2022 the forecast reflects a consistent, annual investment in capital projects of $325 thousand.

The following graph shows the District's historical capital outlay expenditures:



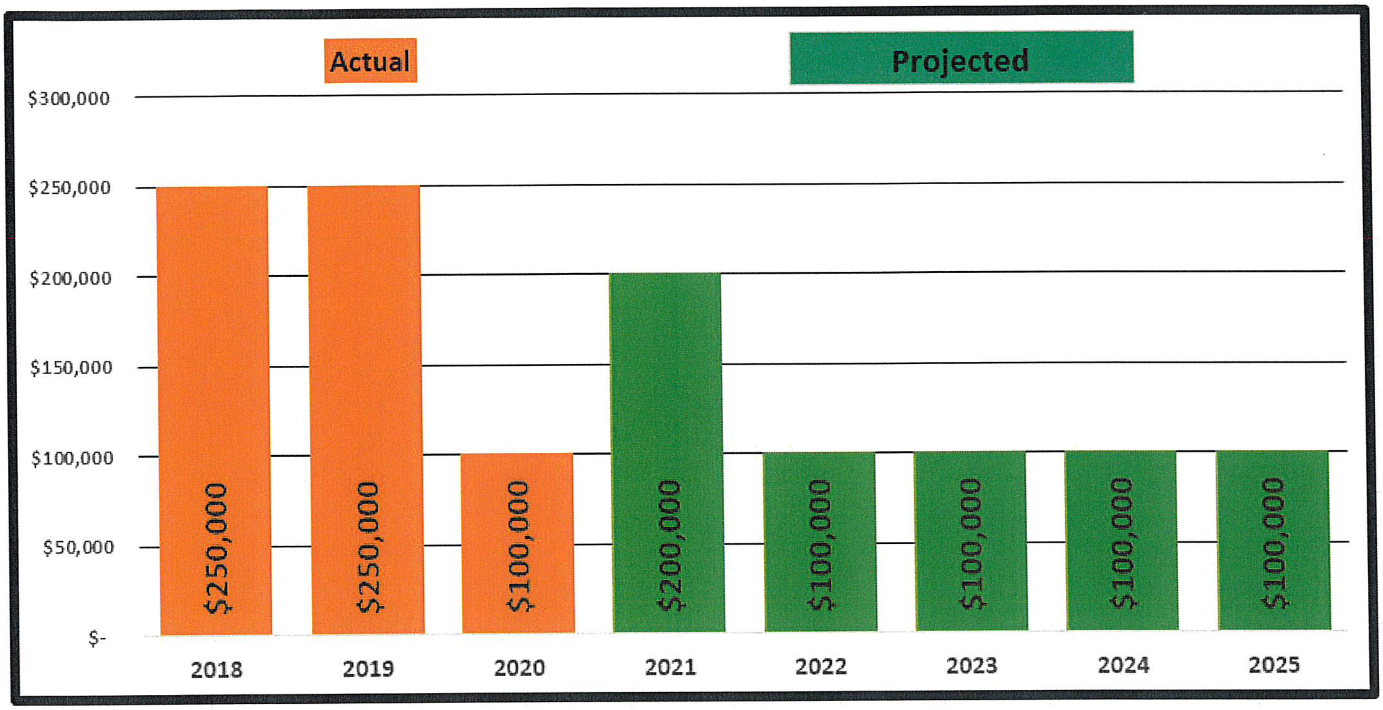
4.300 OTHER OBJECTS



This line-item primary includes the cost of property and liability insurance, county auditor and county treasurer fees for collection and distribution of property taxes, audit fees, and miscellaneous expenses not categorized elsewhere. This line-item represents 2% of the total projected General Fund expenditures for fiscal year 2021.

The forecasted period of 2022-2025 reflects a 1% annual increase.

5.040 TOTAL OTHER FINANCING USES



This line-item consists primarily of transfers-out to other District funds. Below is a summary of transfers that occurred during 2018-2020, and thus far in 2021:

Year	Amount	Transfer To:
2018	$250,000	Adult Education Fund
2019	$50,000	Food Service Fund
2019	$200,000	Adult Education Fund
2020	$100,000	Termination Benefits Fund
2021	$200,000	Adult Education Fund

The forecasted period of 2022-2025 reflects a projected transfer of $100,000 to the Adult Education Fund. There is no projected transfer to the Food Service Fund as food service operation has been contracted with Clermont-Northeastern Local School District. The two-year agreement ends in June 2021, but it is assumed that the agreement will be renewed.