

Coshocton City School District

Coshocton County

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2019, 2020 and 2021 Actual;
Forecasted Fiscal Years Ending June 30, 2022 Through 2026

	Actual				Average Change	Forecasted				
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021			Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
Revenues										
1.010 General Property Tax (Real Estate)	4,623,758	4,186,752	4,610,237	0.3%	4,251,295	4,532,214	4,105,259	3,748,475	3,764,125	
1.020 Public Utility Personal Property Tax	593,317	447,731	882,078	36.2%	686,223	720,579	699,010	676,630	691,435	
1.030 Income Tax	-	-	-	0.0%	-	-	-	-	-	
1.035 Unrestricted State Grants-in-Aid	11,109,704	10,924,799	11,095,037	-0.1%	9,770,702	9,845,525	9,847,468	9,849,451	9,851,472	
1.040 Restricted State Grants-in-Aid	1,599,809	1,551,016	1,549,300	-1.6%	1,863,934	2,069,794	2,069,794	2,069,794	2,069,794	
1.045 Restricted Federal Grants In Aid	-	-	-	0.0%	-	-	-	-	-	
1.050 Property Tax Allocation	615,858	604,550	598,525	-1.4%	595,417	594,967	537,419	481,343	484,549	
1.060 All Other Revenues	1,222,616	1,268,260	1,006,749	-8.4%	470,441	473,424	476,511	479,695	482,973	
1.070 Total Revenues	19,765,062	18,983,108	19,741,926	0.0%	17,638,013	18,236,502	17,735,461	17,305,388	17,344,347	
Other Financing Sources										
2.040 Operating Transfers-In	0	58,102	0	0.0%	-	-	-	-	-	
2.050 Advances-In	99,796	353,917	0	77.3%	78,866	50,000	50,000	50,000	50,000	
2.060 All Other Financing Sources	66,350	210,003	272,913	123.2%	30,000	30,000	30,000	30,000	30,000	
2.070 Total Other Financing Sources	166,146	622,022	272,913	109.1%	108,866	80,000	80,000	80,000	80,000	
2.080 Total Revenues and Other Financing Sources	19,931,208	19,605,130	20,014,839	0.2%	17,746,879	18,316,502	17,815,461	17,385,388	17,424,347	
Expenditures										
3.010 Personnel Services	9,764,321	9,982,086	9,900,827	0.7%	10,104,262	10,064,966	10,826,951	11,131,405	11,477,504	
3.020 Employees' Retirement/Insurance Benefits	4,352,460	4,770,144	4,909,927	6.3%	4,463,869	4,667,600	5,435,133	5,759,477	6,104,638	
3.030 Purchased Services	3,894,527	4,208,024	4,128,452	3.1%	1,949,276	1,991,498	2,034,662	2,078,789	2,123,902	
3.040 Supplies and Materials	589,426	506,125	436,375	-14.0%	627,732	642,377	657,377	672,741	688,480	
3.050 Capital Outlay	257,188	246,885	136,783	-24.3%	139,519	232,309	145,155	148,058	241,019	
4.050 Principal-HB 264 Loans	72,402	75,000	78,000	3.8%	80,000	83,000	85,000	87,000	91,000	
4.055 Principal-Other	-	46,000	35,000	0.0%	36,000	37,000	38,000	39,000	41,000	
4.060 Interest and Fiscal Charges	28,390	40,225	40,322	21.0%	36,645	32,855	28,934	24,933	19,610	
4.300 Other Objects	511,250	485,715	453,244	-5.8%	362,423	369,671	377,064	384,606	392,298	
4.500 Total Expenditures	19,469,964	20,360,204	20,118,930	1.7%	17,799,725	18,121,277	19,628,277	20,326,010	21,179,451	
Other Financing Uses										
5.010 Operating Transfers-Out	227,794	160,496	35,185	-53.8%	71,538	71,538	71,538	71,538	71,538	
5.020 Advances-Out	141,044	-	78,866	0.0%	50,000	50,000	50,000	50,000	50,000	
5.030 All Other Financing Uses	-	-	-	0.0%	-	-	-	-	-	
5.040 Total Other Financing Uses	368,838	160,496	114,051	-42.7%	121,538	121,538	121,538	121,538	121,538	
5.050 Total Expenditures and Other Financing Uses	19,838,802	20,520,700	20,232,981	1.0%	17,921,263	18,242,815	19,749,815	20,447,548	21,300,989	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	92,406	(915,570)	(218,142)	-583.5%	(174,384)	73,688	(1,934,354)	(3,062,160)	(3,876,642)	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	4,733,187	4,825,593	3,910,023	-8.5%	3,691,881	3,517,497	3,591,185	1,656,831	(1,405,328)	
7.020 Cash Balance June 30	4,825,593	3,910,023	3,691,881	-12.3%	3,517,497	3,591,185	1,656,831	(1,405,328)	(5,281,970)	
8.010 Estimated Encumbrances June 30	273,181	226,060	426,236	35.7%	434,761	443,456	452,325	461,372	470,599	
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal	-	-	-	0.0%	-	-	-	-	-	
11.020 Property Tax - Renewal or Replacement	-	-	-	0.0%	-	-	510,214	975,552	975,552	
11.300 Cumulative Balance of Replacement/Renewal Levies	-	-	-	0.0%	-	-	510,214	1,485,766	2,461,318	
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	4,552,412	3,683,963	3,265,645	-15.2%	3,082,736	3,147,728	1,714,720	(380,935)	(3,291,252)	
Revenue from New Levies										
13.010 Income Tax - New	-	-	-	0.0%	-	-	-	-	-	
13.020 Property Tax - New	-	-	-	0.0%	-	-	-	-	-	
13.030 Cumulative Balance of New Levies	-	-	-	0.0%	-	-	-	-	-	
15.010 Unreserved Fund Balance June 30	4,552,412	3,683,963	3,265,645	-15.2%	3,082,736	3,147,728	1,714,720	(380,935)	(3,291,252)	

**COSHOCTON CITY SCHOOL DISTRICT- COSHOCTON COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2019, 2020 and 2021 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2022 THROUGH JUNE 30, 2026**



**Forecast Provided By
Coshocton City School District
Treasurer's Office
Terri Eyerman, Treasurer/CFO
February 17, 2022**

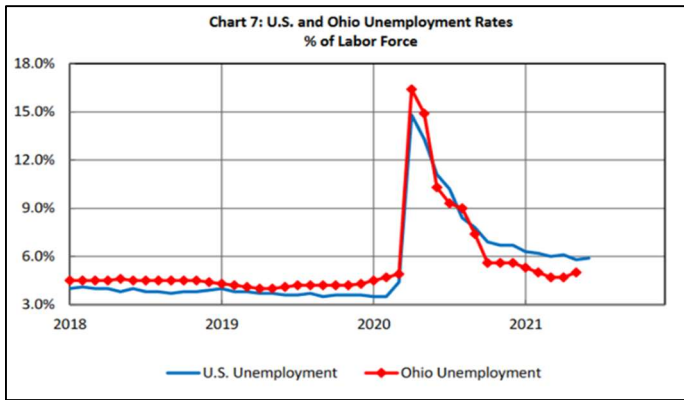
Coshocton City School District –Coshocton County
Notes to the Five Year Forecast
General Fund Only

Introduction to the Five Year Forecast

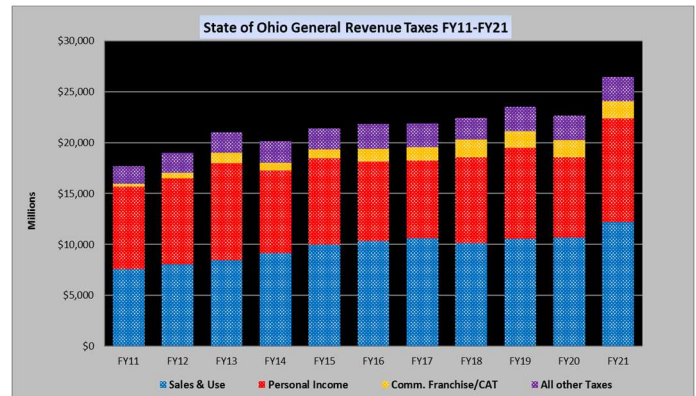
School districts are required to file a five (5) year financial forecast by November 30, 2021, and May 31, 2022 for fiscal year 2022 (July 1, 2021 to June 30, 2022) and may file updated forecast if changes to funding becomes available that cause significant changes to the forecast, as is the case with this forecast. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2022 (July 1, 2021 through June 30, 2022) 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 this February 2022 filing.

Economic Outlook

This five-year forecast is being filed during the ongoing global health and financial recovery from the COVID-19 Pandemic which began in early 2020. The effects of the pandemic continue to impact our state, country and our globalized economy. Our school district plays a vital role in the recovery in our community and we have maintained continuity of services to our students and staff. As noted in the graphs below, the State of Ohio’s economy has steadily recovered over the past year thus the full restoration of the original school foundation funding cuts from May 2020 were restored to school districts beginning July 1, 2021. While increased inflation impacting district costs are expected to continue over the next few years, the economy is also expected to continue to grow as the recovery from the pandemic continues.



Source: Ohio Office of Budget and Management



Source: Ohio Office of Budget and Management

As a result, from the financial stresses that responding to the pandemic placed on school district budgets, all school districts are being aided by three (3) rounds of federal Elementary and Secondary Schools Emergency Relief Funds (ESSER) which began being disbursed in fiscal year 2020 and can be extended into fiscal year 2025 for ESSER III expenses. The ESSER funds and restored state budget cuts will assist our district in providing vital services to our students.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast.

Forecast Risks and Uncertainty:

A five-year financial forecast has risks and uncertainty not only due to economic uncertainties noted above but also due to state legislative changes that will occur in the spring of 2023 and 2025 due to deliberation of the next two (2) state biennium budgets for FY24-25 and FY26-27, both of which affect this five year forecast. We have

estimated revenues and expenses based on the best data available to us and the laws in effect at this time. The items below give a short description of the current issues and how they may affect our forecast long term:

1) HB110, the current state budget implements what has been referred to as the Fair School Funding Plan (FSFP) for FY22 and FY23. The FSFP has many significant changes to the way foundation revenues are calculated for school districts and how expenses are charged off. State foundation basic aid will be calculated on a base cost methodology with funding paid to the district where a student is enrolled to be educated. There will be no separate open enrollment revenue payments to school districts beginning in FY22. There will also be direct funding to the district where students are educated for expenses previously deducted from districts state foundation funding for open enrollment, community schools, STEM schools and scholarship recipients. The initial impact on the forecast will be that the historic actual costs for FY19 through FY21 on the forecast will potentially reflect different trends on Lines 1.035, 1.04, 1.06 and 3.03 beginning in FY22. Longer term there may be some adjustments for FY22 and FY23 in state aid as the Ohio Department of Education resolves issues and possible unintended consequences as they create and implement the numerous changes to the complicated new formula. Our state aid projections have been based on the best information on the new HB110 formula as calculated by the Ohio Department of Education and details provided through the February #1 state funding payment report.

2) On May 4, 2021 the district renewed the 4.9 mill operating levy which became a continuing levy. The district also has a \$900,000 emergency levy, which is collecting at \$977,000 in 2021, approved by voters in 2019 that will expire on 12/31/2023. The renewal of this levy is critical to the Coshocton City Schools.

3) The state budget represented 68% of district revenues, which means it is a significant area of risk to revenue. The future risk comes in FY24 and beyond if the state economy stalls or worsens and the fair school funding plan is not funded in future state budgets or if an economic downturn results in a reduction in state aid. There are two future State Biennium Budgets covering the period from FY24-25 and FY26-27 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 FY26. We have projected our state funding to be in line with the FY23 funding levels through FY26, which we feel is conservative and should be close to whatever the state approves for the FY24-FY27 biennium budgets. We will adjust the forecast in future years as we have data to help guide this decision.

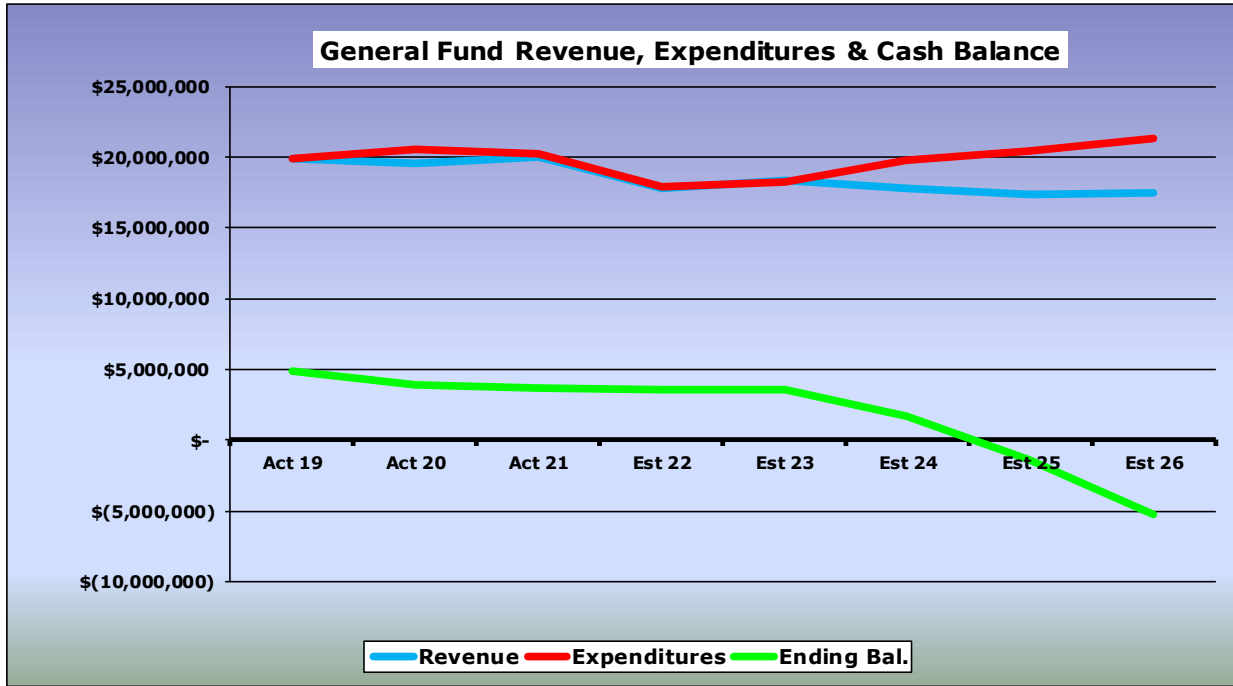
4) Coshocton County experienced a reappraisal update in the 2018 tax year to be collected in FY19. The 2018 update increased overall assessed values by \$8.8 million or an increase of 8.56%. A full reappraisal occurred in tax year 2021 for collection in FY22. We anticipate value increases for Class I and II property by \$5.6 million for an overall increase of 5% based on current sales data. While the County Auditor certifies the value increase to the Ohio Department of Taxation, it must be submitted to and approved by the Ohio Department of Taxation. We have not received detailed breakdown in order to include the actual in this February update. However, we will have this information in the coming weeks and will include it in the required May update filing. There is, however, always a minor risk that the district could sustain a reduction in values in the next appraisal update but we do not anticipate that at this time.

5) HB110 makes significant changes in the funding formula. Details have been provided since the November filing of the forecast, prompting the district to refile in February to update the financial state of the district. Details will continue to be provided as the state continues to work through the language and build the formula. FY22 data on this updated forecast reflects information provided by the state as of the February #1 SFPR. The forecast will be updated again for the May 2022 filing requirement with any additional updates from the State.

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer back to the forecast. It should be of assistance to the reader to

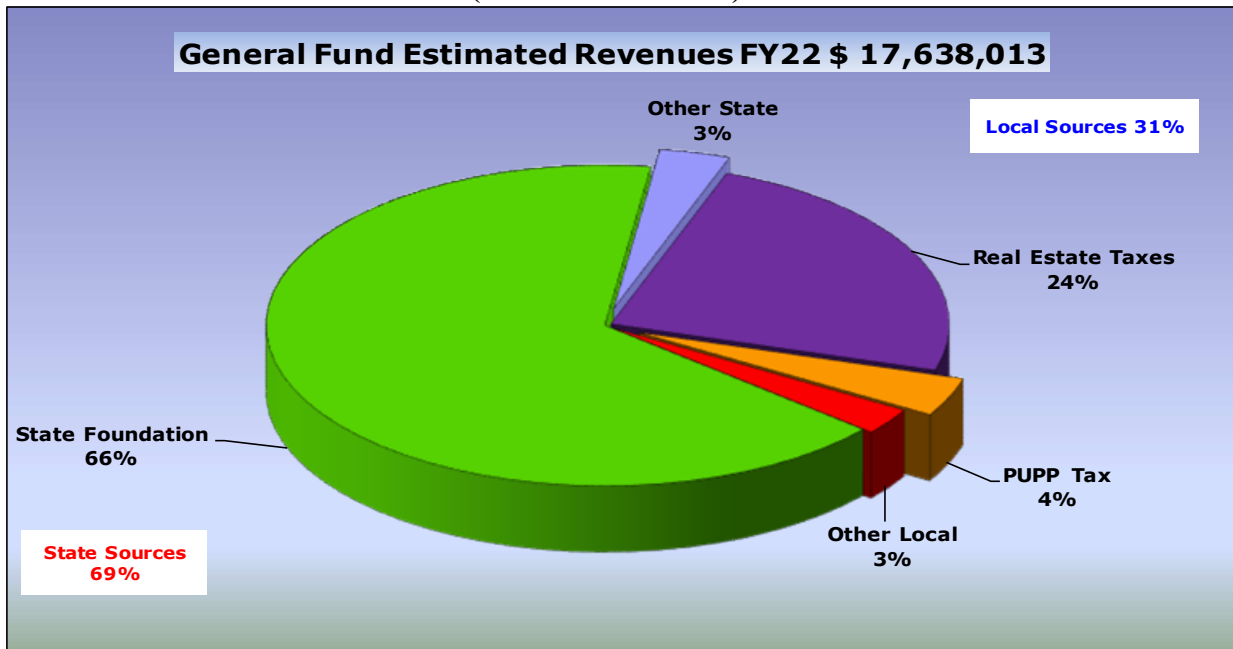
review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information please feel free to contact Terri Eyerman, Treasurer at 740-622-1901 ext.1113

General Fund Revenue, Expenditure and Ending Cash Balance Actual FY19-21 and Estimated FY22-26
 The graph captures in one snapshot the operating scenario facing the district over the next few years. The 4.9 Mill Operating Levy set to expire on 12/31/21 was approved by voters in May2021. The Substitute Emergency Levy expires December 31, 2023 and is moved to Line 11.02 of the forecast and contributes to the negative balances in future years.



Revenue Assumptions

All Revenue Sources General Fund FY22 (Forecast Line 1.07)



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. Coshocton County experienced a reappraisal for the 2018 tax year to be collected in 2019. Residential/agricultural values increased 8.56% or \$8.8 million due to the reappraisal update led by an improving housing market while Commercial/Industrial values fell by - 5.18% or \$2.9 million. A full reappraisal did occur in 2021 for collection in 2022 for which we are estimating a 5% increase in residential/agricultural based on current market trends and a -2% decrease for commercial/industrial property. FY21 realized an \$8 million decrease in values due to a change in exempt status which decreased RE collections. The actual results of the 2021 reappraisal will be updated on the upcoming May 2022 forecast.

Property tax levies are estimated to be collected at 97.5% of the annual amount, which accounts for delinquencies that occur. We also anticipate 52.3% of the Res/Ag and Comm/Ind property taxes will be collected in the February tax settlement and 47.7% will be collected in the August tax settlement.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

<u>Classification</u>	Estimated	Estimated	Estimated	Estimated	Estimated
	TAX YEAR2021 COLLECT 2022	TAX YEAR2022 COLLECT 2023	TAX YEAR2023 COLLECT 2024	TAX YEAR2024 COLLECT 2025	TAX YEAR 2025 COLLECT 2026
Res./Ag.	\$117,838,511	\$117,829,908	\$117,822,018	\$121,349,511	\$124,983,556
Comm./Ind.	43,264,980	43,114,980	43,114,980	43,114,980	43,114,980
Public Utility (PUPP)	12,960,840	13,260,840	13,560,840	13,860,840	14,160,840
Total Assessed Value	<u>\$174,064,331</u>	<u>\$174,205,728</u>	<u>\$174,497,838</u>	<u>\$178,325,331</u>	<u>\$182,259,376</u>

ESTIMATED REAL ESTATE TAX - Line #1.010

<u>Source</u>	FY 22	FY 23	FY 24	FY 25	FY 26
Est. Property Taxes Line #1.010	<u>\$4,251,295</u>	<u>\$4,532,214</u>	<u>\$4,105,259</u>	<u>\$3,748,475</u>	<u>\$3,764,125</u>

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

Coshocton City Schools does not receive any TPP payments.

Amounts noted below are public utility tangible personal property (PUPP) tax payments from public utilities. Collections are typically 50% in March and 50% in August along with the real estate settlements from the county auditor. FY21 includes a \$200,000 payment received in the 2nd half (August 2020 collection) that was delinquent from the 1st half 2020 collection.

ESTIMATED PUBLIC UTILITY PERSONAL TAX – Line 1.020

<u>Source</u>	FY 22	FY 23	FY 24	FY 25	FY 26
Public Utility Personal Property Taxes	<u>\$686,223</u>	<u>\$720,579</u>	<u>\$699,010</u>	<u>\$676,630</u>	<u>\$691,435</u>

Renewal Tax Levies – Line #11.020

On May 4, 2021 the district renewed the 4.9 mill operating levy which became a continuing levy. The district also has a \$900,000 emergency levy, which is collecting at \$977,000 in 2021, approved by voters in 2019 that will expire on 12/31/2023. The emergency levy renewal is modeled at the bottom of the forecast and is not included in line 1.01 per ODE requirements. The renewal of this levy is critical to the Coshocton City Schools.

<u>Source</u>	FY 22	FY 23	FY 24	FY 25	FY 26
Renew Emergency Levy Exp. 12/31/23	<u>0</u>	<u>0</u>	<u>510,214</u>	<u>975,552</u>	<u>975,552</u>
Total Line # 11.020	<u>\$0</u>	<u>\$0</u>	<u>\$510,214</u>	<u>\$975,552</u>	<u>\$975,552</u>

New Tax Levies – Line #13.030 - No new levies are modeled in this forecast, however, the district will need to evaluate the needed resources to allow for the current educational delivery model and added services provided.

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045
Current State Funding Model per HB110 through June 30, 2023

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

The actual release of the new Fair School Funding Plan formula was delayed until January. We have projected State funding based on the details known from the February #1 state funding payment report. We are using the LSC provided simulation for FY23 and carrying that level throughout the remaining years of the forecast. This funding source will need to be closely monitored to see how or if it differs once FY23 actual funding is known.

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. As of March 4, 2013 all four (4) casinos were open for business and generating Gross Casino Tax Revenues (GCR). Thirty-three percent (33%) of the gross casino revenue is collected as a tax. School districts receive 34% of the 33% GCR that is paid into a student fund at the state level. These funds are distributed to school districts twice a year on the 31st of January and August each year which began for the first time on January 31, 2013.

Casino revenue fell slightly in FY21 due to COVID-19 and Casinos closing for a little over two months. We have increased the amount in FY22 back to pre-pandemic FY20 levels as Casino revenues appear to have dipped largely due to their closure and not in response to the economic downturn. Prior to COVID-19 closure, casino revenues were growing modestly as the economy improved. Original projections for FY22-26 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to \$106.35 million or \$59.80 per pupil. We believe FY22 Casino revenues will resume their historical growth rate.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Basic Aid-Unrestricted	\$9,525,546	\$9,598,463	\$9,598,463	\$9,598,463	\$9,598,463
Additional Aid Items	<u>149,895</u>	<u>149,895</u>	<u>149,895</u>	<u>149,895</u>	<u>149,895</u>
Basic Aid-Unrestricted Subtotal	\$9,675,441	\$9,748,358	\$9,748,358	\$9,748,358	\$9,748,358
Ohio Casino Commission ODT	<u>95,261</u>	<u>97,167</u>	<u>99,110</u>	<u>101,092</u>	<u>103,114</u>
Total Unrestricted State Aid Line #1.035	<u>\$9,770,702</u>	<u>\$9,845,525</u>	<u>\$9,847,468</u>	<u>\$9,849,451</u>	<u>\$9,851,472</u>

B) Restricted State Revenues – Line # 1.040

HB110 has continued Disadvantaged Pupil Impact Aid (formerly Economic Disadvantaged funding) and Career Technical funding. In addition, there have been new restricted funds added as noted above under “Restricted Categorical Aid” for Gifted, English Learners (ESL) and Student Wellness. The amount of DPIA is limited to 0% phase in growth for FY22 and 14% in FY23.

Restricted Federal Grants in Aid – line #1.045

There is no additional restricted federal funding projected in this forecast.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
DPIA	\$1,465,611	\$1,670,797	\$1,670,797	\$1,670,797	\$1,670,797
Career Tech - Restricted	40,966	41,261	41,261	41,261	41,261
Gifted	84,018	84,140	84,140	84,140	84,140
ESL	107	107	107	107	107
Student Wellness	273,232	273,489	273,489	273,489	273,489
Catastrophic Aid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1	<u>\$1,863,934</u>	<u>\$2,069,794</u>	<u>\$2,069,794</u>	<u>\$2,069,794</u>	<u>\$2,069,794</u>

Summary of State Foundation Revenues

<u>SUMMARY</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Unrestricted Line # 1.035	\$9,770,702	\$9,845,525	\$9,847,468	\$9,849,451	\$9,851,472
Restricted Line # 1.040	1,863,934	2,069,794	2,069,794	2,069,794	2,069,794
Restricted Fed. Grants - Line #1.045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total State Foundation Revenue	<u>\$11,634,636</u>	<u>\$11,915,319</u>	<u>\$11,917,262</u>	<u>\$11,919,244</u>	<u>\$11,921,266</u>

State Taxes Reimbursement/Property Tax Allocation

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 changed the requirement for Homestead Exemptions. Individual taxpayers who did not currently have their Homestead Exemption approved or those who did not get a new application approved for tax year 2013, and who become eligible thereafter only receive a Homestead Exemption if they meet the income qualifications. Taxpayers who had their Homestead Exemption as of September 29, 2013 did not lose it going forward and did not have to meet the new income qualification. This will generally reduce homestead reimbursements to the district over time, and as with the rollback reimbursements above, the state is increasing the tax burden on our local taxpayers.

Summary of State Tax Reimbursement – Line #1.050

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Rollback and Homestead	<u>\$595,417</u>	<u>\$594,967</u>	<u>\$537,419</u>	<u>\$481,343</u>	<u>\$484,549</u>

Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. The main sources of revenue in this area are open enrollment, which has been eliminated by HB110 and reflected here, tuition for court placed students, student fees, and general rental fees. In FY21 interest income fell sharply due to fed rate reductions due to the pandemic which will impact our earning capability in this area until rates begin to increase. Rentals are expected to remain somewhat lower due to COVID-19 restrictions and lower participation. All other revenues are expected to continue on historic trends.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Open Enrollment	\$0	\$0	\$0	\$0	\$0
Tuition	281,132	283,944	286,783	289,651	292,548
Interest	6,795	6,116	5,504	4,954	4,458
Medicaid Reimbursement	97,472	97,472	97,472	97,472	97,472
Other Income	<u>85,042</u>	<u>85,892</u>	<u>86,751</u>	<u>87,619</u>	<u>88,495</u>
Total Line # 1.060	<u>\$470,441</u>	<u>\$473,424</u>	<u>\$476,511</u>	<u>\$479,695</u>	<u>\$482,973</u>

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

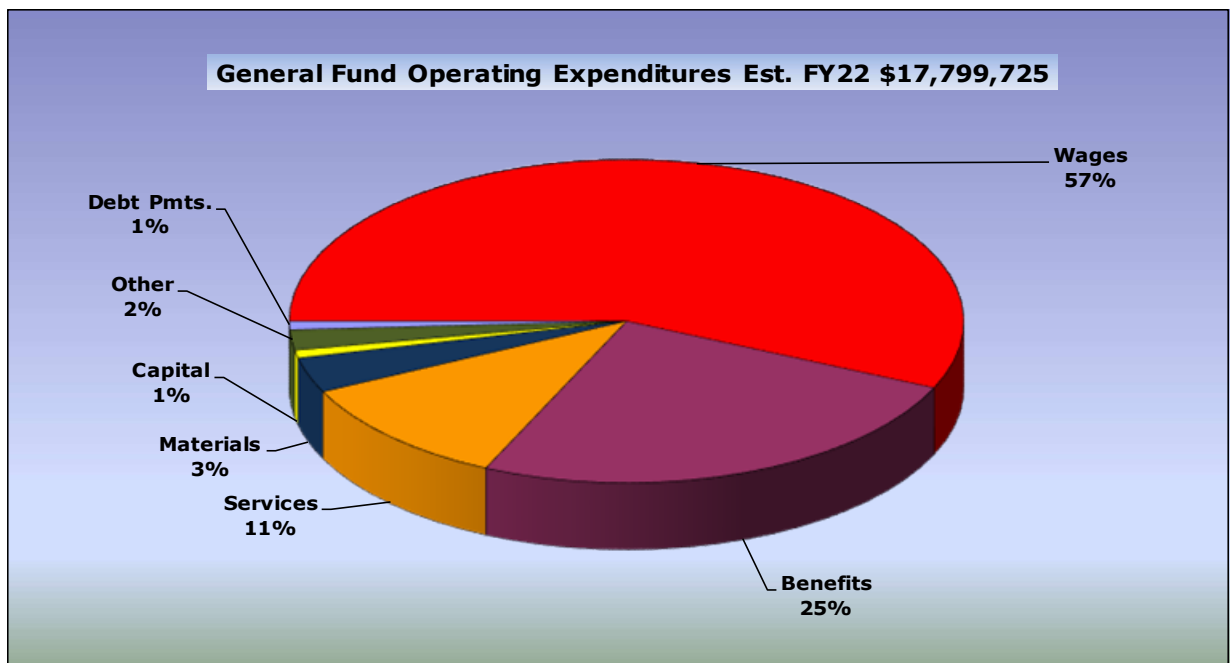
These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The district does not anticipate any Transfers or Advances during the remainder of the forecast.

All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable. We received several Bureau of Workers Compensation refunds over the past two years and do not expect to receive a refund in FY22. These revenues are inconsistent year to year and we will not project that occurring in the remainder of the forecast.

Expenditures Assumptions (Forecast Line #4.50)

The district’s leadership team is always looking at ways to improve the education of our students whether with changes in curriculum or new technology needs. As the administration of the district constantly reviews expenditures the education of our students is at the forefront of decision making.



Wages – Line #3.010

The current negotiated agreement with CCEA was ratified on November 2nd and will expire June 30, 2023 with a reopener to discuss wages and insurance in FY23. FY22 includes 2.5% base amount and 2% in FY23 and 1.5% has been calculated in the forecast for FY24-26. The calculation below assumes an equal rate increase for all staff.

Summary of Personal Services – Line #3.010

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Base Wages	\$9,596,312	\$9,504,494	\$10,205,772	\$10,306,218	\$10,604,019
Wage adjustments	239,908	190,090	153,087	154,593	159,060
Steps & Training	163,137	161,576	173,498	175,206	180,268
Substitutes	267,495	272,845	278,301	283,868	289,545
Supplemental	215,274	216,350	217,432	218,519	219,611
Severance	117,000	25,000	25,000	25,000	25,000
Staff Reductions (Retire/Resignation)	(494,863)	(305,388)	(226,139)	(31,998)	0
Total Wages Line #3.010	<u>\$10,104,262</u>	<u>\$10,064,966</u>	<u>\$10,826,951</u>	<u>\$11,131,405</u>	<u>\$11,477,504</u>

Fringe Benefits Estimates – Line #3.020

A) STRS/SERS will increase as Wages Increase

As required by law the BOE pays 14% of all employee wages to STRS or SERS. The district is using a blended rate of 15.9% for those that received pick-up on pick-up of the retirement and the additional surcharge for SERS members that do not earn \$21,600 each year.

B) Insurance

As the graph below notes health care is a significant cost for the district and continues to be a real challenge as costs rise. The district has an insurance committee made up of members of both classified, certificated and administrative staff. The committee will determine rate increases. At this time the district is projecting an 8% increase for the balance of FY22, but since the year is halfway over, showed it as a 4% increase to the budget for the balance of the year. FY23-FY26 is projected to be between 7.5% and 8% increases. This increase is a blend of the districts history of claims increases and the industry standards of annual premium increases. The district is also recoding \$528,000 and \$471,000 in FY22 and FY23, respectively, as an ESSER expenditure offset to the district expenditures to relieve general fund expenses in order to retain staff for a longer period of time. These are one-time adjustments and are not reflected in future years.

C) Workers Compensation & Unemployment Compensation

Workers Compensation is expected to be approximately .06% of wages FY22– FY26. Unemployment is expected to remain at a very low level FY22-FY26. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

D) Medicare

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

Summary of Fringe Benefits – Line #3.020

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
STRS/SERS	\$1,543,097	\$1,547,982	\$1,667,221	\$1,710,973	\$1,764,291
Insurance's	2,696,115	2,895,511	3,529,401	3,804,074	4,089,379
Workers Comp/Unemployment	53,744	53,535	57,574	59,187	61,022
Medicare	135,913	135,572	145,938	150,242	154,946
Tuition and Other Benefits	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Total Fringe Benefits Line #3.020	<u>\$4,463,869</u>	<u>\$4,667,600</u>	<u>\$5,435,133</u>	<u>\$5,759,477</u>	<u>\$6,104,638</u>

Purchased Services – Line #3.030

HB110, the new state budget, had a significant impact on Purchased Services beginning in FY22. This forecast is updated with the information that has been provided as of the February #2 payment from the state. College Credit Pus, excess costs and other tuition costs will continue to draw funds away from the district, which will continue in this area and have been adjusted based on historical trend.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Insurance, Leases, Postage, & Other	\$132,706	\$135,360	\$138,067	\$140,829	\$143,645
Professional Services, Legal Fees & ESC	370,499	377,909	385,467	393,176	401,040
Open Enrollment	0	0	0	0	0
Community Schools	0	0	0	0	0
Other Tuition	764,631	779,924	795,522	811,432	827,661
Utilities	323,675	333,386	343,387	353,689	364,300
Building Repairs & Services	<u>357,765</u>	<u>364,920</u>	<u>372,219</u>	<u>379,663</u>	<u>387,256</u>
Total Purchased Services Line #3.030	<u>\$1,949,276</u>	<u>\$1,991,498</u>	<u>\$2,034,662</u>	<u>\$2,078,789</u>	<u>\$2,123,902</u>

Supplies and Materials – Line #3.040

Expenses which are characterized by curricular supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Supplies, Textbooks, and other	\$418,743	\$427,118	\$435,660	\$444,373	\$453,261
Maintenance & Transportation Supplies	<u>208,989</u>	<u>215,259</u>	<u>221,716</u>	<u>228,368</u>	<u>235,219</u>
Total Supplies Line #3.040	<u>\$627,732</u>	<u>\$642,377</u>	<u>\$657,377</u>	<u>\$672,741</u>	<u>\$688,480</u>

Equipment – Line # 3.050

Equipment includes items that cost \$1,000 and have a useful life of five years or longer and typically include items such as buses, roof repair, asphalt, computers, and furniture. ESSER funds have been used to offset some of the district’s Capital Outlay, Technology and a bus purchase in both FY21 and FY22.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Capital Outlay	\$127,200	\$129,744	\$132,339	\$134,986	\$137,686
Technology	12,319	12,565	12,816	13,073	13,334
Replacement Bus Purchases	<u>0</u>	<u>90,000</u>	<u>0</u>	<u>0</u>	<u>90,000</u>
Total Equipment Line #3.050	<u>\$139,519</u>	<u>\$232,309</u>	<u>\$145,155</u>	<u>\$148,058</u>	<u>\$241,019</u>

Principal and Interest Payment – Lines # 4.05 and 4.06

This category of expenditures includes HB264 projects and an operating lease. This is considered un-voted debt as there is a revenue source for the payment.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Principal - Other Line 4.055	<u>36,000</u>	<u>37,000</u>	<u>38,000</u>	<u>39,000</u>	<u>41,000</u>
Total Principal Payments	<u>\$36,000</u>	<u>\$37,000</u>	<u>\$38,000</u>	<u>\$39,000</u>	<u>\$41,000</u>

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
HB 264 Principal Line 4.050	<u>\$80,000</u>	<u>\$83,000</u>	<u>\$85,000</u>	<u>\$87,000</u>	<u>\$91,000</u>

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Interest Total Line 4.060	<u>\$36,645</u>	<u>\$32,855</u>	<u>\$28,934</u>	<u>\$24,933</u>	<u>\$19,610</u>

Other Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, County Board of Education and other miscellaneous expenses. The district uses an average increase of 2% for the annual increase for this area.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Auditor & Treasurer Fees	\$164,941	\$168,240	\$171,605	\$175,037	\$178,538
County Board of Education	100,000	102,000	104,040	106,121	108,243
Other expenses	<u>97,481</u>	<u>99,431</u>	<u>101,420</u>	<u>103,448</u>	<u>105,517</u>
Total Other Expenses Line #4.300	<u>\$362,423</u>	<u>\$369,671</u>	<u>\$377,064</u>	<u>\$384,606</u>	<u>\$392,298</u>

Transfers Out/Advances Out – Line #5.010 and 5.020

This account group covers fund to fund transfer 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 expenses have been projected using historical trends. Transfers and advances must take Board of Education action and are processed on an as-needed basis.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Operating Transfers Out Line #5.010	\$71,538	\$71,538	\$71,538	\$71,538	\$71,538
Advances Out Line #5.020	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Transfer & Advances Out	<u>\$121,538</u>	<u>\$121,538</u>	<u>\$121,538</u>	<u>\$121,538</u>	<u>\$121,538</u>

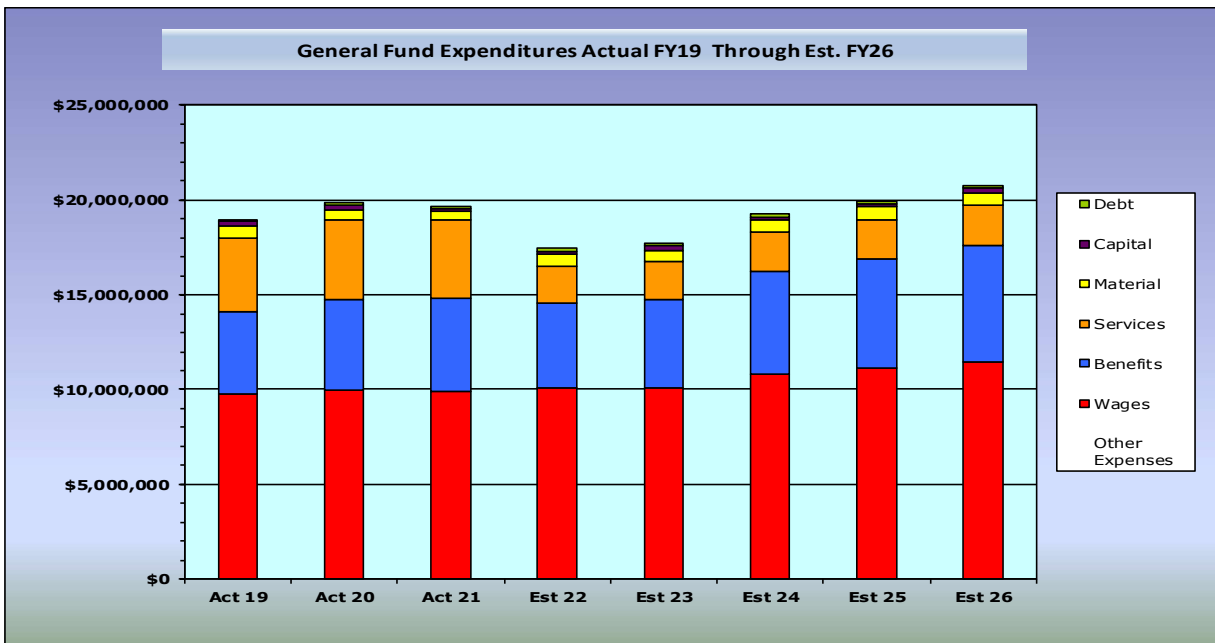
Encumbrances – Line #8.010

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.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Estimated Encumbrances	<u>\$434,761</u>	<u>\$443,456</u>	<u>\$452,325</u>	<u>\$461,372</u>	<u>\$470,599</u>

Operating Expenditures Actual FY19 through FY21 and Estimated FY22 through FY26.

As the graph below indicates the largest expenditure for the district is that of staffing which includes salaries and benefits.



Ending Unencumbered Cash Balance – 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.

<u>Source</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>
Ending Cash Balance	<u>\$3,082,736</u>	<u>\$3,147,728</u>	<u>\$1,714,720</u>	<u>(380,935)</u>	<u>(3,291,252)</u>

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. Based on the current fund balances the district dropped below the sixty (60) day balance at the end of FY21. Estimates from changes to spending and relief from the ESSER fund have allowed for a 60-day cash balance again in FY22 and FY23. In FY24, the district projects expenditures from ESSER to be moved to the General fund, drastically impacting the District’s cash balance and reducing true cash days well below the 60 day balance.

