

WASHINGTON LOCAL SCHOOL DISTRICT

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LUCAS 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)	\$38,022,521	\$39,754,005	\$41,605,245	4.6%	\$42,525,384	\$43,391,102	\$43,839,245	\$44,112,753	\$44,112,753	1
1.020 Tangible Personal Property Tax	346									
1.030 Income Tax										
1.035 Unrestricted State Grants-in-Aid	29,315,085	28,858,652	29,145,961	-0.3%	28,081,524	31,845,880	31,845,880	31,845,880	31,845,880	2
1.040 Restricted State Grants-in-Aid	2,481,931	2,383,517	2,377,823	-2.1%	3,567,585	3,972,393	3,972,393	3,972,393	3,972,393	
1.045 Restricted Federal Grants-in-Aid - SFSF										
1.050 Property Tax Allocation	7,385,696	6,877,871	6,422,437	-6.7%	5,889,882	5,429,711	5,045,016	4,582,177	4,582,177	3
1.060 All Other Revenues	3,007,258	3,069,615	3,088,785	1.3%	2,487,901	2,234,000	2,254,000	2,254,000	2,254,000	
1.070 Total Revenues	80,212,837	80,943,660	82,640,251	1.5%	82,552,276	86,873,086	86,956,534	86,767,203	86,767,203	
Other Financing Sources										
2.010 Proceeds from Sale of Notes										
2.020 State Emergency Loans and Advancements (Approved)										
2.040 Operating Transfers-In										
2.050 Advances-In	400,000	400,000	400,000		400,000	400,000				
2.060 All Other Financing Sources	5,026,104	5,206,733	3,836,641	-11.4%	3,413,576	3,258,397	3,258,397	3,258,397	3,258,397	4
2.070 Total Other Financing Sources	5,426,104	5,606,733	4,236,641	-10.6%	3,813,576	3,658,397	3,258,397	3,258,397	3,258,397	
2.080 Total Revenues and Other Financing Sources	85,638,941	86,550,393	86,876,892	0.7%	86,365,852	90,531,483	90,214,931	90,025,600	90,025,600	
Expenditures										
3.010 Personal Services	49,675,118	49,655,494	47,275,004	-2.4%	49,097,749	51,394,735	53,424,734	58,751,817	58,751,817	5
3.020 Employees' Retirement/Insurance Benefits	18,894,990	18,635,285	17,072,738	-4.9%	16,538,272	18,638,730	19,690,605	21,619,298	21,619,298	6
3.030 Purchased Services	12,343,737	13,293,646	13,782,170	5.7%	8,515,594	10,475,835	10,646,688	11,372,284	11,372,284	7
3.040 Supplies and Materials	2,864,884	2,281,337	1,691,332	-23.1%	2,369,598	3,243,139	3,263,967	3,445,646	3,445,646	
3.050 Capital Outlay	1,210,240	1,329,251	1,180,244	-0.7%	721,828	714,285	714,285	1,456,785	1,456,785	
3.060 Intergovernmental										
Debt Service:										
4.010 Principal-All (Historical Only)										
4.020 Principal-Notes										
4.030 Principal-State Loans										
4.040 Principal-State Advancements										
4.050 Principal-HB 264 Loans										
4.055 Principal-Other										
4.060 Interest and Fiscal Charges										
4.300 Other Objects	899,685	1,465,313	956,418	14.1%	936,223	1,048,325	1,048,325	1,048,325	1,048,325	
4.500 Total Expenditures	85,888,654	86,660,326	81,957,906	-2.3%	78,179,264	85,515,049	88,788,604	97,694,155	97,694,155	
Other Financing Uses										
5.010 Operating Transfers-Out	286,056	246,196	102,601	-36.1%	36,500	40,000	40,000	40,000	40,000	
5.020 Advances-Out	400,000	400,000	400,000		400,000					
5.030 All Other Financing Uses										
5.040 Total Other Financing Uses	686,056	646,196	502,601	-14.0%	436,500	40,000	40,000	40,000	40,000	8
5.050 Total Expenditures and Other Financing Uses	86,574,710	87,306,522	82,460,507	-2.4%	78,615,764	85,555,049	88,828,604	97,734,155	97,734,155	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	935,769	756,129	4,416,385	-351.6%	7,750,088	4,976,434	1,386,327	7,708,555	7,708,555	
7.010 Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	27,407,555	26,471,786	25,715,657	-3.1%	30,132,042	37,882,130	42,858,564	44,244,891	36,536,336	
7.020 Cash Balance June 30	26,471,786	25,715,657	30,132,042	7.2%	37,882,130	42,858,564	44,244,891	36,536,336	28,827,781	
8.010 Estimated Encumbrances June 30	835,929	725,055	1,127,551	21.1%	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	9
Reservation of Fund Balance										
9.010 Textbooks and Instructional Materials										
9.020 Capital Improvements										
9.030 Budget Reserve	3,625,000	3,625,000	3,625,000		3,625,000	3,625,000	3,625,000	3,625,000	3,625,000	
9.040 PBA										
9.045 Fiscal Stabilization										
9.050 Debt Service										
9.060 Property Tax Advances										
9.070 Bus Purchases										
9.080 Subtotal	3,625,000	3,625,000	3,625,000		3,625,000	3,625,000	3,625,000	3,625,000	3,625,000	
10.010 Fund Balance June 30 for Certification of	22,010,857	21,365,602	25,379,491	7.9%	32,857,130	37,833,564	39,219,891	31,511,336	23,802,781	10
Revenue from Replacement/Renewal Levies										
11.010 Income Tax - Renewal										
11.020 Property Tax - Renewal or Replacement										
11.300 Cumulative Balance of Replacement/Renewal Levies										
12.010 Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations	22,010,857	21,365,602	25,379,491	7.9%	32,857,130	37,833,564	39,219,891	31,511,336	23,802,781	
Revenue from New Levies										
13.010 Income Tax - New										
13.020 Property Tax - New										
13.030 Cumulative Balance of New Levies										
14.010 Revenue from Future State Advancements										
15.010 Unreserved Fund Balance June 30	22,010,857	21,365,602	25,379,491	7.9%	32,857,130	37,833,564	39,219,891	31,511,336	23,802,781	
ADM Forecasts										
20.010 Kindergarten - October Count	551	558	434	-10.5%	524	524	524	524	524	
20.015 Grades 1-12 - October Count	6,533	6,474	6,309	-1.7%	6,372	6,372	6,372	6,372	6,372	
State Fiscal Stabilization Funds										
21.010 Personal Services SFSF										
21.020 Employees Retirement/Insurance Benefits SFSF										
21.030 Purchased Services SFSF										
21.040 Supplies and Materials SFSF										
21.050 Capital Outlay SFSF										
21.060 Total Expenditures - SFSF										

See accompanying summary of significant forecast assumptions and accounting policies

Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

WASHINGTON LOCAL SCHOOL DISTRICT FIVE-YEAR FORECAST – MAY 2022 – ASSUMPTIONS

Elementary and Secondary School Emergency Relief (ESSER) funds have had a significant positive impact on our General Fund budget. We are expecting to receive \$22.5 million in ESSER funds over 3 years. These funds, under current Federal requirements, are required to be expended by September 30, 2024.

We have expended \$7.8 million in ESSER funds as of April 30, 2022. For 2021/2022 we have budgeted \$4.1 million for new personnel (new employees who have not replaced contracted employees from the previous fiscal year) and \$1.4 million in 2022/2023 that would have been charged to the General Fund without ESSER funding. In addition, we have budgeted \$1.6 million for special education and instructional purchased services, supplies and computers. These expenditures will continue to be funded but will be recorded in General Fund once the ESSER funds are liquidated.

These funds have also been or will be used for summer camps, professional development, stem supplies, permanent daily building substitutes, kindergarten instruction aides, staff retention bonus, bus purchases, classroom furniture, 6th grade camp, safety and security, and musical instruments. Not only are these funds addressing student learning loss during COVID but also reducing expenditures in the General Fund and our Permanent Improvement Fund too.

Due to ESSER funding as well as the district expending significantly less in other budgeted categories (purchased service, substitutes, textbooks) we will expend significantly less of the budget than we had forecasted in November 2021. We typically forecast to expend 98 percent. In previous years, we expend 96-98 percent, and last year, due to COVID related impact, we only expended 96.4 percent. In 2021/2022 we expect to expend even less than that.

These lower expenditures will allow our cash balances to increase which will be needed when we return to deficit spending when the ESSER funds expire in September 2024 (Fiscal Year 2024/2025).

The State did approve a new school funding formula, Fair School Funding Plan. Unfortunately, they only approved the plan for two years and are phasing in the Fair School Funding Plan. It is uncertain what we will receive in 2023/2024 as we are only receiving 1/6 of the funding this year that we should receive. The phase in will continue next year and we will receive 2/6 of the funding in 2022/2023. Legislature had an opportunity to continue the phasing in of the formula in year 3, but did not. We are freezing our state aid in 2023/2024 at the 2022/2023 level.

We currently have over \$1.0 million more in encumbrances than in previous years. Although our encumbrances are at \$3.4 million at this time, we are forecasting they will be reduced to \$1.4 million at year end. As encumbrances decrease, expenditures increase, which will reduce our surplus. As encumbrances increase, our expenditures will decrease which will increase our forecasted surplus for this fiscal year.

We have changed from a capped district to a phased-in district. We are hopeful the state will continue the phased-in or accelerate the funding. However, as we were a capped district for eight years, we are not forecasting the continuation as past behavior is the best predictor of future behavior.

Although the Fair School Funding Plan basically kept our state aid unchanged this year from last year, it did eliminate the district payments for charter school, open enrollment, voucher, and special education scholarship students. This is an annual savings to our district as last year's payments totaled \$5.5 million and these payments increase every year.

It has always amazed me how Board of Educations are required to approve a forecast that has state aid estimates for the next four years but the State is unable to tell us what we will be receiving in fourteen months.

The countywide property valuation update did increase our tax collections. But was offset by the Franklin Park Mall TIF refund (Other Financing Sources). Unfortunately, we expect Franklin Park Mall, as well as other commercial properties, to appeal their property valuations again. Especially the retail locations, due to the impact the pandemic had on their business activity. This will lower their property valuations which will result in lower valuations and property tax collections.

As all new staffing (except Workforce Development Specialist) will be placed in ESSER funds, our General Fund staffing is not expected to increase during this forecast. However, our healthcare costs will increase by nearly 20 percent in 2022/2023 due to increased claims, especially with prescription coverage. We have added another option for specialty prescriptions which is expected to reduce the current claims by nearly \$900,000. Unfortunately, specialty drug usage continues to increase not only in our plan, but in all medical plans. We are reviewing other options for our prescription coverage that may help mitigate the significant increases in costs that we have been experiencing.

REVENUE

Since 2025/2026 is four years away, we left the 2025/2026 revenue unchanged from 2024/2025.

Real Estate Taxes

The Real Estate taxes significantly increased from last year due to the county reappraisal that occurred countywide. Unfortunately, with the reappraisal we have received an increase in property valuation appeals. The real estate increase was offset by the Franklin Park Mall refund recorded in Other Financing sources.

We received \$38.0 million in 2019, \$39.8 million in 2020, and \$41.6 million (Full year of new tax levy) in 2021. We are forecasting \$42.5 million in 2022 (valuation update). In FY 2023 we will have abatements expiring and a full year of tax collections from the 2021 reappraisal and we are forecasting \$43.4 million in 2023, \$43.8 million in 2024, and \$44.1 million in 2025 and 2026.

Franklin Park Mall did have a refund and lower tax collections in 2021/2022. This valuation reduction (refunds and future payments) is mostly reflected in the current and future year TIF payments (Other Financing Sources). Unfortunately, Franklin Park Mall is appealing their 2021 valuation which may result in a lower amount collected than currently being forecasted. We are currently negotiating valuation/refunds as we need to have certainty in our revenue forecasting. For each tax appeal they have received refunds and lowered their future tax payments and these amounts have been increasing.

On the contrary, we have received a few increases in valuations as commercial property is sold within our district and we are successful in appealing their valuations. We have also had 2 major Jeep suppliers' abatements expire in 2021 and Costco (already appealed their valuation) will be expiring in 2022. In January 2024 we will be receiving a tax payment from General Motors due to the expiration of the 2006 property tax abatement. The exact amount to be paid is not yet known.

Our total assessed valuation has decreased from \$1.25 billion in calendar year 2006 to \$908 million in calendar year 2011 and continued to decline to \$762 million in calendar year 2017. In calendar year 2018 we received our first increase (6.3%) in property valuation since 2006 and assessed valuation was \$811,141,600 in 2020. In 2021, due the valuation update, our assessed valuation increased to \$931,629,830.

Personal Property Taxes

Personal property tax revenue was \$11.8 million in 2005, \$10 million in 2006, \$8.9 million in 2007, \$7.3 million in 2008, \$3.3 million in 2009, \$1,325 in 2014, \$25,598 in 2015, \$0 in 2018, \$346 in 2019, and \$0 in 2020 and 2021. The significant decline in personal property tax payments is directly due to the affects of HB 66. This revenue source is now insignificant. Since it is subject to delinquencies only and any payments are sporadic, we are projecting \$0 in 2022 and future years for delinquent personal property tax collections. **As this revenue will not be coming back, this will always be a major revenue loss for our district.**

State Aid

Our enrollment peaked at 7,155 in 2016. Our enrollment was 7,084 in 2019, 7,032 in 2020, and 6,743 in 2021. Due to our declining enrollment and space at our high school (ability to add students without an increase in staff) the district adopted open enrollment for 2022. Our enrollment in 2022 is 6,896 which includes 160 funded open enrollment students.

The decline in enrollment had no impact on our funding as we were \$11.1 million over the state mandated cap in 2014, \$10.1 million in 2015, \$13.3 million in 2016, \$13.0 million in 2017, \$14.9 million in 2018 and \$14.5 million in 2019, 2020, and 2021, and 2022.

Since 2014, our state aid has been reduced by over \$127.0 million because of capped or phased-in State funding. Instead of a capped district, we are now a phased-in district and are losing \$21.0 million

in 2022 and \$16.8 million in 2023 from what the Fair School Funding Plan states we should be receiving.

Under past school funding legislation, the additional students we are enrolling, combined with the decreasing assessed valuation **would have resulted in a significant increase in state aid revenue for the past few years.** However, as the State was developing a new school funding model, our state aid was less than if the previous school funding formula was being utilized. There was a new school funding formula in 2014, replaced in 2021/2022, for public schools in Ohio that recognized our increased enrollment and significant property valuation decreases. However, the increase in our funding based on the new state aid formula system **was capped** at 6.25% in 2014, 10.5% in 2015, 7.5% in 2016, 7.5% in 2017, 3.0% in 2018 and 2019, and 0% in 2020 and 2021. The effect of the cap reduced our state aid by \$11.1 million in 2014, \$10.1 million in 2015, and \$13.3 million in 2016, \$13.0 million in 2017, \$14.9 million in 2018 and \$14.5 million in 2019, 2020, and 2021. In 2022 we became a phased-in district and our state funding formula aid was reduced by \$21 million.

Unrestricted State Aid (Includes Casino Funding)

As in past years, we may have an increase in state aid in 2024 **IF** the state continues with the Fair Funding School Plan, however, current law does not provide an increase, therefore we are forecasting our state aid to be unchanged in 2023/2024 from 2022/2023.

We are forecasting \$28.1 million in 2022 for unrestricted state aid (includes casino funding of \$428,186) and \$31.4 million (includes casino funding of \$450,000) in 2023 and all future years.

Casino revenue is also recorded as state aid. Two casinos began operating in Ohio in the spring of 2012, another in October 2012, and the fourth casino began operation in March 2013. The public school districts' share of this revenue is distributed in January and August of each year; the first payment was made in January 2013. The payment is based on the public school's enrollment.

We received casino revenue of \$370,082 in 2019, \$377,699 in 2020, \$286,353 in 2021 and \$428,186 in 2022. We are forecasting casino revenue to be \$450,000 in 2023 and all future years.

Restricted State Aid

With Fair School Funding Plan, we will have another school funding formula system and the addition of even more restricted categories.

In 2022, we are forecasting \$1.3 million for Career Tech, \$779,991 for Disadvantaged Pupil Impact Aid (DPIA), \$256,523 for gifted, \$42,483 for English Learners, and \$833,549 in student wellness.

In 2023 and future years, we are forecasting \$1.4 million for Career Tech, \$1.0 for Disadvantaged Pupil Impact Aid (DPIA), \$327,496 for gifted, \$50,000 for English Learners, and \$936,201 in student wellness.

Catastrophic Cost

This funding reimburses the expenses for special education students that exceed a certain dollar amount threshold to educate each year, which is generally around \$30,000 per year per student. We received \$147,529 in 2019, \$179,488 in 2020 and \$178,577 in 2021. The state has doubled the catastrophic cost funding, however, due to limited student attendance, we are forecasting \$330,000 in 2022 and all future years. These reimbursements are only a portion of what the actual costs were that we had incurred.

Property Tax Allocation

Property tax allocation includes the personal property tax loss (hold harmless) payments being made to the district from the State. These payments are **only partially** replacing the personal property taxes we would have received prior to HB 66.

As our personal property tax revenue was significant, the personal property tax loss payments are also significant. We received \$8.7 million in 2011. HB 1 extended the hold harmless provisions of HB 66 until 2013 and we were expected to receive \$8.7 million in 2012 and 2013. However, due to legislative changes, these payments were reduced to \$7.4 million in 2012 and \$6.1 million in 2013. Again, due to legislative changes, these payments were reduced another time to \$5.2 million in 2016 and \$4.3 million in 2017. **These payments will continue to decrease by approximately \$480,000 each year beginning 2018 until they are eliminated.** We received \$3.9 million in 2018, \$3.4 million in 2019, \$2.9 million in 2020, \$2.4 million in 2021, and \$1.9 million in 2022. We are forecasting \$1.5 million in 2023, \$1.0 million in 2024, and \$502,846 in 2025 and 2026. Even though we expect the decrease to continue, we have kept all revenue unchanged from 2025 to 2026.

Homestead exemption and rollback receipts are recorded in Property Tax Allocation. The homestead and rollback were \$4.0 million in 2019, 2020 and 2021. In 2022 we are forecasting \$3.9 million, \$4 million in 2023, \$4.1 million in 2024 and all future years.

Other Revenue

Abatement Revenue

Due to the elimination of the personal property tax, abatement revenue pertaining to personal property was also eliminated. Abatement revenue was \$3.3 million (\$1.9 million from DaimlerChrysler) in 2005, \$2.7 million (\$1.7 million from DaimlerChrysler) in 2006, \$1.8 (\$1.2 million from DaimlerChrysler) in 2007, \$1.1 million in 2008, \$430,000 in 2012, \$253,227 in 2015, \$362,271 in 2018, \$521,663 in 2019, \$515,140 in 2020, and \$531,489 in 2021.

Abatement revenue is forecasted to be \$448,949 in 2022 and \$293,397 in 2023 and all future years.

The majority of abatement payments we received were previously based on personal property. As the personal property tax has been eliminated, less abatement payments are being made. **The State is not reimbursing for these lost abatement payments.**

Tax Increment Financing (TIF) Payments

We receive payments for the DaimlerChrysler plant expansion (expires 2029 & 2030) and Franklin Park Mall (expires 2035) for Tax Increment Financing (TIF) abatements. We received \$4.5 million in 2019, \$4.7 million in 2020, \$3.3 million in 2021 and \$3.0 million in 2022. We are forecasting \$3.0 million in 2023 and all future years.

This significant decrease is the result of Franklin Park Mall valuation being continually decreased and the Mall has filed another appeal for 2021.

Interest Revenue

As interest rates have been recently increasing, our interest revenue is expected to increase.

Interest earnings were \$719,532 in 2019, \$543,895 in 2020, and \$77,722 in 2021. We are forecasting interest earnings to be \$110,000 in 2022, \$360,000 in 2023 and \$380,000 in 2024 and all future years.

Other Financing Sources

Transfers-In/Advances-In

We annually made advances to the Food Service Fund and the Federal Funds to maintain a positive fund balance. Beginning in 2023, as these advances are no longer required, we will not be making any advances for the duration of this forecast. Therefore, there will not be any advances being returned.

We had \$400,000 in advances returned in 2019, 2020, 2021 and 2022. In 2023 we will have the last advance returned.

EXPENDITURES

We will continue to annually appropriate (budget) at 100 percent. However, as we do not expend 100 percent of our budget, we reduced individual line items by percentage amounts ranging between .5% and 7% to reduce our total forecasted expenditures by a total of 2% for 2023 and all future years. Therefore, we are forecasted to expend 98.0% of our budget in 2023 and all future years. We expended 98.2% in 2016, 97.9% in 2017, 97.4% in 2018, 98.6% in 2019, 96.7% in 2020 and 96.4% in 2021. We expect to expend a lower percentage in 2022 as more and more General Fund expenditures were being charged to the ESSER funds and the anticipated expenditures did not occur.

Any new positions (not contracted in the previous year), programs, services, equipment will be charged to ESSER funds. **The charging of the above expenditures is a reasonable and necessary response to provide equity to our students and supports the returning of our students to the classroom and addresses learning loss from the pandemic.**

Elementary and Secondary Schools Emergency Relief Funds

We have expended \$7.8 million in ESSER funds as of April 30, 2022. We have budgeted \$4.1 million in 2021/2022 for new personnel (new employees who have not replaced contracted employees from the previous fiscal year) and \$1.6 million for special education and instructional purchased services, supplies and computers. These expenditures will continue to be funded but will be recorded in General Fund as the ESSER funds are liquidated. Also, in 2022/2023 we have currently budgeted \$1.4 million in additional staff that is needed to be funded by ESSER Funds. Due to salary and benefit increases and additional staff we have forecasted the following amounts to be charged to the General Fund \$4.1 in Personal Services, \$1.2 million in Benefits, \$636,734 in Purchased Services, \$200,000 in supplies, and \$750,000 in technology (computers).

Personal Services

In 2016, per the negotiated agreement, teachers received a 1.5% increase base increase (offset by increase in monthly healthcare contributions) and non-teaching staff received a 1.25% base increase (no change in monthly healthcare contributions). All employees received their normal steps and longevity increases if applicable.

Based on these negotiated agreements teachers and non-teaching received a 3% increase in 2017 and a 2.5% increase in 2018. These salary increases were offset by increases in employee monthly contributions and reductions in the healthcare coverage. Administrators received 1% increase in 2017 and 2018. In 2019 and 2020 all employees received a 2% base increase. Also, all special education teachers (83), beginning in 2019 received a \$1,500 stipend.

2022, 2023 and 2024 reflects a base increase of 2% per the negotiated agreements. As an agreement is not in place for 2025, a 0% base increase is forecasted for 2025 and all future years.

In 2016, a reduction in classroom aides' hours from eight hours per day to seven hours per day occurred. In 2016 we added 2 part-time secretaries, 3.4 tutors, as well as bus monitors during the school year. In 2017 we hired (General Fund only) 4 Instructor/Tutors, 1 Proficiency Tutor, 2 teachers, and due to grant restrictions needed to move 1 teacher to the General Fund. We also added 2 half-time custodians (elementary building addition) and 1 classroom aide. We also made a \$250 payment in 2017 to all employees (excluding administrators) per the negotiated agreements.

In 2018, we eliminated all proficiency tutor positions which included 13 General Fund proficiency tutor positions. We also eliminated 2 secretary positions and 1 coordinator position. These staff reductions were partially offset by the addition of 1 administrator (Attendance Specialist) and 5 classroom aides.

In 2019, we increased special education supervisors from 10 month employees to 12 month employees. We added 2 special education teachers, 1 special education tutor, 2 classroom aides, and 1 elementary teacher. The special education tutor and 2 classroom aides were charged to Federal Grants for 2019 and 2020. These positions were moved to the General Fund in 2021 as the federal grant expired.

In 2020 any staff increases were minimal due COVID-19 as many other positions were not filled for the past three months of the fiscal year.

In 2021 we reduced one administrator, curriculum consultant (partially replaced with a purchased service), a librarian, a health teacher, a CTC teacher, a Career Coordinator, 9 library media clerks, ½ secretary, and a custodian. We added ½ administrator, a special education teacher, and 1 CTC teacher (partially funded by Perkins Grant).

In 2022 all new positions were being charged to ESSER funds. In 2023, we will have a Workforce Development Specialist but all other new positions will be charged to the ESSER funds.

Benefits

In 2014 we became partially self-insured for our healthcare due to our insurance carrier's request of a 16.8% increase in our premium healthcare rates.

Healthcare costs increased by 13.8% in 2014, 8.22% in 2015, and 3.74% in 2016, 4.0% in 2017, and 3.5% in 2018.

Based on the solvency of our self-funded health insurance and the significant deficits we are forecasting, we reduced our health care premium by 10% beginning in January 2019. We had a 0% increase in 2020, a 10% decrease in 2021, and 0% in 2022.

We will have a nearly 20% overall increase in 2023. Single rates will increase by 37.8% (higher usage than family) and family rates will increase by 17.6%. We have forecasted a 7.5% increase in 2024 and 5.0% increase in 2025.

Based on negotiated agreements we have made significant changes to our benefits and increased the employees' monthly contributions over the past several years, this has slowed our healthcare increases. The past increases will be offset by higher employee contributions. We kept 2026 healthcare cost unchanged from 2025.

The significant increase in our health premiums are prescription costs due to the increase use of specialty drugs. We have added another option to our prescription drug coverage to address these increased costs.

We are also self-funded for dental insurance. We incurred a 10% decrease in 2019, 0% in 2020, a 10% decrease in 2021 and 0% in 2022. We are forecasting a 10% decrease in 2023 and unchanged in all future years.

We continue to add more employees and their dependents to our healthcare and dental policies during our open enrollment process. Even though our claims have recently decreased, with the increased enrollment as well as dependent children allowed to stay on until the age of 26, it is expected our claims will increase.

The Workers' Compensation forecasted expenditures have stabilized even as our salary costs have increased.

The payments (premiums and paid claims) made to Bureau of Workers' Compensation have been steadily declining the past few years. Our total worker's compensation costs peaked at \$804,676 in 2010. In recent years it has been \$427,302 in 2012, \$204,884 in 2019, \$228,551 in 2020, and 228,391 in 2021. We are forecasting our workers' compensation costs, premiums and paid claims at \$210,000 in 2022 and \$235,000 in 2023 and all future years.

We also received \$153,298 (all funds) for a one-time rebate in 2014 and \$161,781 (all funds) in 2015 for past workers' compensation costs. We also received a rebate/refund of \$194,099 in 2018, \$203,815 in 2019, \$205,888 in 2020 and another refund of \$233,067 in 2020 due to COVID-19. We also received another 2 refunds/rebates totaling \$1.3 million in 2021. These payments are recorded as other revenue.

Purchased Services

The Educational Service Center (ESC) charges were \$2.1 million in 2019, \$2.0 million in 2020, and \$2.1 million in 2021. We are forecasting \$2.1 million in 2022 and \$2.3 million in 2023 and 2024 due to the expected increase in their services. In 2025 and future years we are forecasting \$2.45 million.

We currently have a balance of \$253,389 in our Student Wellness and Success Funds. These funds do not expire and will be utilized when the ESSER funds are liquidated.

In previous years we expended nearly \$6 million annually for charter school, EdChoice, open enrolled, and special education scholarships. Beginning in 2022, these payments have been made from the State directly to the schools the students are attending.

Electric and natural gas charges were \$1.9 million in 2009, \$1.1 million in 2019, \$1.2 million in 2020, \$.9 million in 2021. We are forecasting electric and natural gas charges of \$1.1 million in 2022, \$1.4 million in 2023, and \$1.6 million in 2024 and all future years. As natural gas rates were at historical lows, the past few years have had much lower utility cost than would normally be expected. However, like electricity, the natural gas rates are starting to increase.

Beginning in 2017 and in future years, our electric charges began to decrease from the previous levels due to the undertaking of the HB 264 project in 2016. This project is complete and we are experiencing savings. In 2020 we began replacing lights at Whitmer High School with LED lights which will result in lower electricity usage. As an offset to these savings, we have installed window air conditioners in every classroom that did not have air conditioning.

Supplies

We continue to review our budgets each year which have resulted in lower actual expenditures in these budgets than forecasted especially with ESSER funds being available.

	Actual 2019	Actual 2020	Actual 2021	Estimate 2022
Instructional Supplies	\$766,070	\$ 779,880	\$565,000	\$ 875,000
Software Expenditures	\$ 96,969	\$ 115,199	\$ 171,259	\$ 99,000
Maintenance Supplies	\$732,890	\$ 742,695	\$ 514,301	\$ 700,000
Bus Maintenance & Fuel	\$394,967	\$ 322,102	\$ 262,962	\$ 485,000
Textbooks	\$631,877	\$ 69,769	\$ 18,249	\$ 240,568

In 2023, we are forecasting our instructional supplies/electronic materials to be \$975,000, software to be \$150,000, maintenance supplies to be \$790,000 and bus maintenance supplies and fuel to be \$600,000 and textbooks at \$650,000.

For 2024 and all future years, we are forecasting instructional supplies to be \$1,000,000, software to be \$150,000, Maintenance Supplies to be \$790,000, Bus Maintenance and Fuel to \$445,000, and Textbooks to be \$650,000.

Capital Outlay

Capital Outlay expenditures, on this forecast, are generally used for technology equipment and career-technical equipment. Our Capital Outlay was \$1.2 million in 2019, \$1.3 million in 2020, and \$1.2 million in 2021. We have forecasted \$.9 million in 2022 and \$1.1 million in 2023 and all future years. We did purchase a residence located on Whitmer drive for \$155,687.

Other Objects

These are mainly Lucas County auditor/treasurer fees.

Our auditor/treasurer fees were \$655,110 in 2019, \$752,004 in 2020, and \$717,258 in 2021. We have forecasted that these fees to be \$719,780 in 2022 and \$775,000 in 2023 and all future years.

Other Financing Uses

Transfers

We annually make transfers to various high school activity funds and the Employee Recognition Fund. These two transfers totaled \$38,000 in 2019 and 2020 and \$102,601 in 2021. For 2022 we are forecasting \$36,500 and forecasting \$40,000 for 2023 and all future years.

In 2016, based on the losses experienced in the Food Service Fund, we permanently transferred \$185,000 from the General Fund to the Food Service Fund. In 2017 we transferred \$235,355 and in 2019 we transferred \$253,056. In 2020 we transferred \$228,196 and in 2021 we transferred \$74,601. **Due to COVID-19 (higher revenue, lower costs) we do not anticipate a transfer will be needed for Food Service for the duration of this forecast.**

Advances - Out

We made advances (loans) to Food service and Grant Funds to maintain a positive fund balance in these funds in the amount of \$400,000 per year. These are returned annually to the General Fund. Beginning in 2023, as these are no longer required, advances will no longer be made.

Budget Reserve (Rainy Day Fund)

The Board of Education has previously authorized a Budget Reserve in the amount of \$1,800,000. **After the passage of our November 2014 levy, the Board increased the Budget Reserve to \$3,625,000 in 2015.** This Budget Reserve is maintained for all future years. Washington Local School District is one of the few districts in Northwest Ohio, and possibly the State, that still maintains a rainy day fund.