



Northwestern LSD - Clark County

# Five Year Forecast Financial Report

May, 2020

*Julie Gibson, Treasurer*

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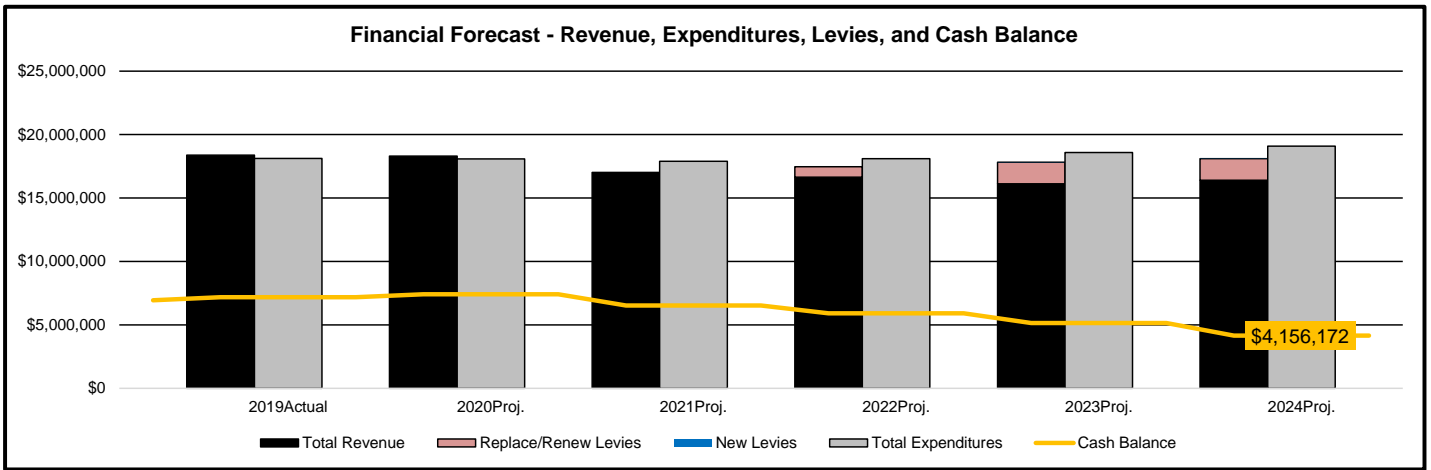
### Forecast Purpose/Objectives

Ohio Department of Education's purposes/objectives for the five-year forecast are:

1. To engage the local board of education and the community in the long range planning and discussions of financial issues facing the school district.
2. To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate."
3. To provide a method for the Department of Education and Auditor of State to identify school districts with potential financial problems.

**Forecast Methodology** - This forecast is prepared based upon historical trends and current factors. This information is then extrapolated into estimates for subsequent years. The forecast variables can change multiple times throughout the fiscal year and while cash flow monitoring helps to identify unexpected variances no process is guaranteed. The intent is to provide the district's financial trend over time and a roadmap for decisions aimed at encouraging financial sustainability and stability.

### Forecast Summary



#### Northwestern LSD - Clark County

##### Financial Forecast

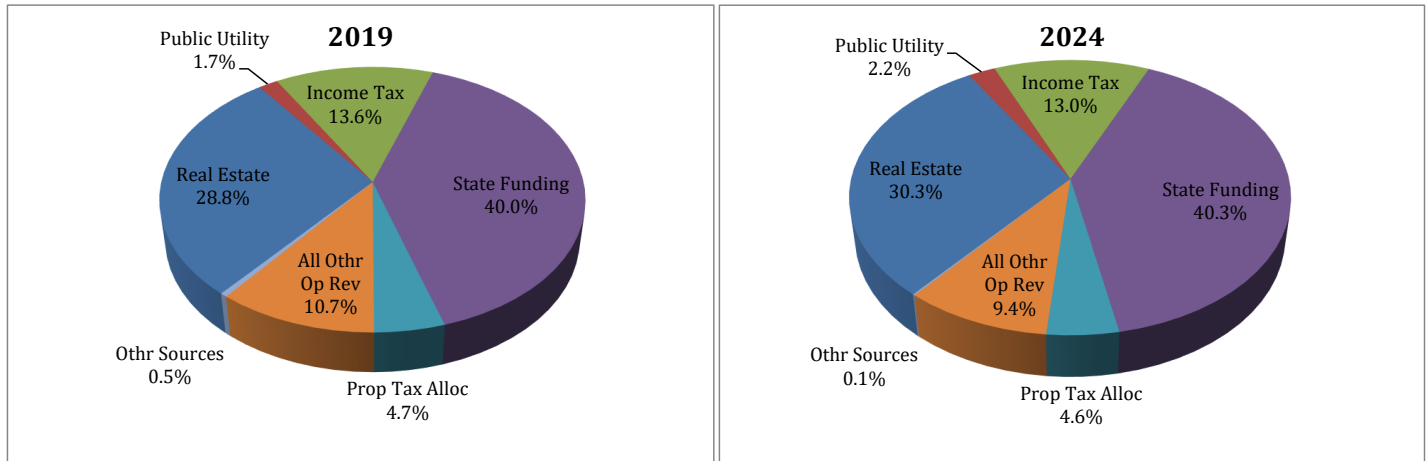
Financial Forecast	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Balance	7,432,750	7,665,561	6,785,376	6,165,572	5,401,758
+ Revenue	18,315,853	17,019,308	16,637,881	16,127,003	16,401,346
+ Proposed Renew/Replacement Levies	-	-	837,130	1,687,763	1,701,323
+ Proposed New Levies	-	-	-	434	1,316
- Expenditures	(18,083,042)	(17,899,494)	(18,094,815)	(18,579,013)	(19,098,140)
= Revenue Surplus or Deficit	232,811	(880,186)	(619,804)	(763,813)	(994,155)
Ending Balance with renewal levies Note: Not Reduced for Encumbrances	7,665,561	6,785,376	6,165,572	5,401,758	4,407,603

##### Analysis Without Renewal Levies Included:

Revenue Surplus or Deficit w/o Levies	232,811	(880,186)	(1,456,934)	(2,452,010)	(2,696,794)
Ending Balance w/o Levies	7,665,561	6,785,376	5,328,442	2,876,431	179,637

All five year forecasts are filled with variables that require assumptions to be made in order to make predictions. Examples of these variables include the impact of the economy on real estate values and income tax receipts, education funding formula changes by the State of Ohio, the numbers of students enrolled, potential health care regulation changes, and future employee contract negotiations. All assumptions are based on information the District has received at the time the forecast is compiled. One of the most important lines to look at in a forecast is the "Revenue Surplus or Deficit" in the table above. The table shows the district is very close to a break even point for the current fiscal year and is projected to first deficit spend in Fiscal Year 2021. It is easy to see that deficit spending can quickly eliminate a cash balance. Given the current economic state due to the COVID-19 pandemic the district will be operating in crisis mode. All programs will be evaluated to determine the best delivery of education with the underlying assumption that school will be back in session with students in attendance. There is no clear direction at this time for the 2020-2021 school year. The forecast will be presented to the Board of Education for approval on May 21, 2020.

### Revenue Sources and Forecast Year-Over-Year Projected Overview



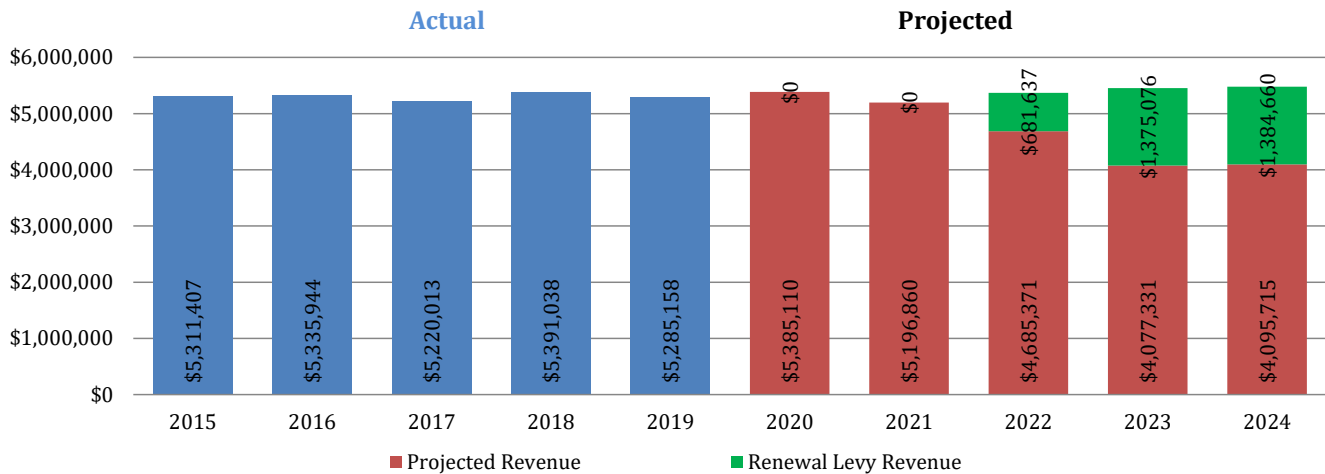
*\*Projected % trends include renewal levies*

	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
Revenue:							
1.010-Real Estate	0.29%	1.89%	-3.50%	3.27%	1.59%	0.51%	0.75%
1.020-Public Utility	7.18%	12.74%	7.65%	2.05%	2.47%	4.19%	5.82%
1.030-Income Tax	3.33%	-4.37%	-6.01%	0.00%	2.00%	2.00%	-1.28%
1.035-State Funding	1.72%	-4.43%	-8.96%	5.00%	4.40%	4.22%	0.05%
1.040-Restricted Aid	6.78%	-8.72%	0.00%	0.00%	0.00%	0.00%	-1.74%
1.045-Restr Federal SFSF	n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.050-Property Tax Alloc	-0.31%	-0.07%	-1.05%	-0.63%	-0.75%	-0.44%	-0.59%
1.060-All Other Operating	4.58%	10.86%	-12.27%	-1.67%	-4.51%	-5.00%	-2.52%
1.070-Total Revenue	1.75%	-0.47%	-6.61%	2.68%	1.95%	1.62%	-0.17%
2.070-Total Other Sources	160.12%	32.93%	-80.17%	0.00%	0.00%	0.00%	-9.45%
2.080-Total w/Other Srcs	1.83%	-0.31%	-7.08%	2.68%	1.94%	1.62%	-0.23%

The above table shows average percentage of revenue changes over the last five years and projected percentage changes over the next five years. The total general fund revenue has been fairly steady over the last five years. This can be seen in total revenue (Line 2.080) only increased 1.83%. The projected revenue in FY21 shows the drastic impact from the pandemic resulting in decreases in most revenue line items as discussed in more detail for each source. Any increases in future years are small. Fiscal Year 2022 & 2023 show decreases in tax related revenue due to the Substitute Levy which expires in 2021. The levy must be renewed by the end of 2021 to maintain current levels of educational programs. With projected decreases in enrollment, state funding will also be negatively affected. The reader should note that state funding is subject to the deliberations of Ohio legislators. The graphs above show that approximately 75% of the district revenue in Fiscal Year 2019 was some way related to a combination of real estate taxes and state funding. Any changes in property values and/or state funding could have a significant impact on overall future projections. Please see the detailed notes for more information about each category.

### 1.010 - General Property Tax (Real Estate)

Revenue collected from taxes levied by a school district by the assessed valuation of real property using effective tax rates for class I (residential/agricultural) and class II (business).



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	5,285,158	5,385,110	5,196,860	5,367,008	5,452,407	5,480,375
YOY \$ Change	(105,880)	99,952	(188,250)	170,148	85,399	27,968
YOY % Change	-2.0%	1.9%	-3.5%	3.3%	1.6%	0.5%

Percentage of Total Revenue	2019	2020	2021	2022	2023	2024
	28.8%	29.4%	30.5%	30.7%	30.6%	30.3%

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	
2018	221,762,520	2,370	27.34	(0.03)	30.48	0.10	99.9%
2019	233,838,110	12,075,590	27.04	(0.30)	29.97	(0.52)	95.9%
2020	233,138,110	(700,000)	27.10	0.06	30.10	0.13	95.3%
2021	232,438,110	(700,000)	27.17	0.07	30.25	0.14	97.9%
2022	224,413,110	(8,025,000)	27.98	0.81	30.59	0.34	99.6%
2023	224,488,110	75,000	27.95	(0.03)	30.67	0.08	99.6%

Real Estate Taxes represented 28.8% of the Fiscal Year 2019 total general fund revenue.

Real estate taxes are divided into two classes:

- Class I – Residential/Agricultural
  - o Residential values have been fairly steady over the past few years.
  - o Residential values increased by 2.67% in the 2016 update, and increased by 11.9% in the 2019 reappraisal.
  - o Agricultural values increased by 9.8% in the 2016 update. Proposed state legislation could affect future ag values. The ag land values decreased by approximately 14.4% in the 2019 reappraisal.
- Class II – Commercial Industrial
  - o Commercial values have decreased in each of the last several years, mainly due to the businesses in the Upper Valley Mall area.
  - o Commercial values decreased by 14.3% in the 2016 update and had a very slight increase of 1.4% in the 2019 reappraisal.
  - o Industrial values have had small decreases over the last several years.

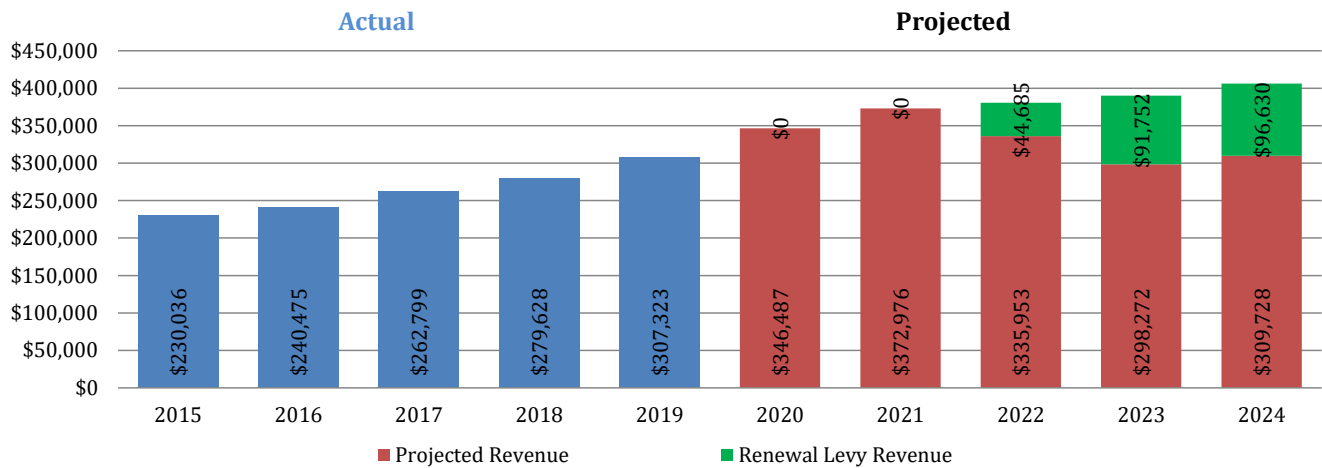
Tax rates are the other main factor in real estate tax revenue

- The district’s Substitute Levy was “renewed” for five years in 2016. The levy must be renewed by December 31, 2021. If not renewed, the loss of projected revenue is shown in green in the above graphs. Real estate tax revenue does not drastically change directly with the increases or decreases in property values. Instead, the Ohio Department of Taxation adjusts most rates up or down to keep the revenue more constant. The rate adjustments result in tax burdens being shifted from on class to another.

*\*Projected % trends include renewal levies*

### 1.020 - Public Utility Personal Property

Revenue generated from public utility personal property valuations multiplied by the district's full voted tax rate.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	307,323	346,487	372,976	380,638	390,024	406,358
YOY \$ Change	27,695	39,164	26,489	7,662	9,387	16,334
YOY % Change	9.9%	12.7%	7.6%	2.1%	2.5%	4.2%

Percentage of Total Revenue	2019	2020	2021	2022	2023	2024
	1.7%	1.9%	2.2%	2.2%	2.2%	2.2%

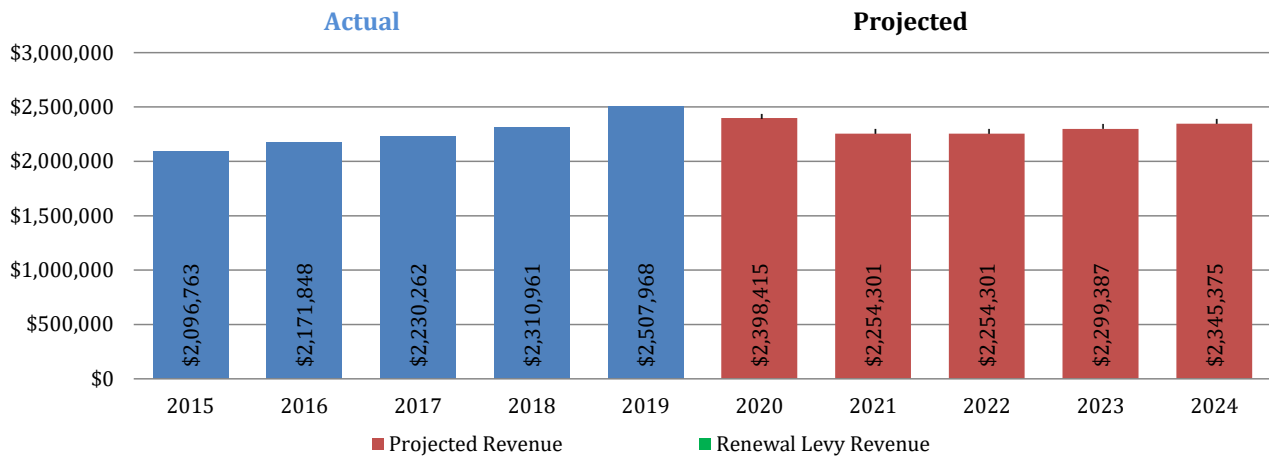
Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2018	10,551,260	1,157,580	30.82	(0.03)	99.9%
2019	12,067,430	1,516,170	30.54	(0.28)	100.0%
2020	12,317,430	250,000	30.57	0.03	100.0%
2021	12,567,430	250,000	30.61	0.04	100.0%
2022	12,817,430	250,000	30.84	0.23	100.0%
2023	13,542,430	725,000	30.82	(0.02)	100.0%

Public Utility Personal Property Tax Revenue represented 1.7% of the Fiscal Year 2019 total general fund revenue. These tax receipts are generated from telephone, natural gas, and electric lines and equipment. Public utility personal property values have had small increases, but it is little impact on overall revenue.

*\*Projected % trends include renewal levies*

### 1.030 - Income Tax

Revenue collected from income tax earmarked specifically to support schools with a voter approved tax by residents of the school district; separate from federal, state and municipal income taxes.



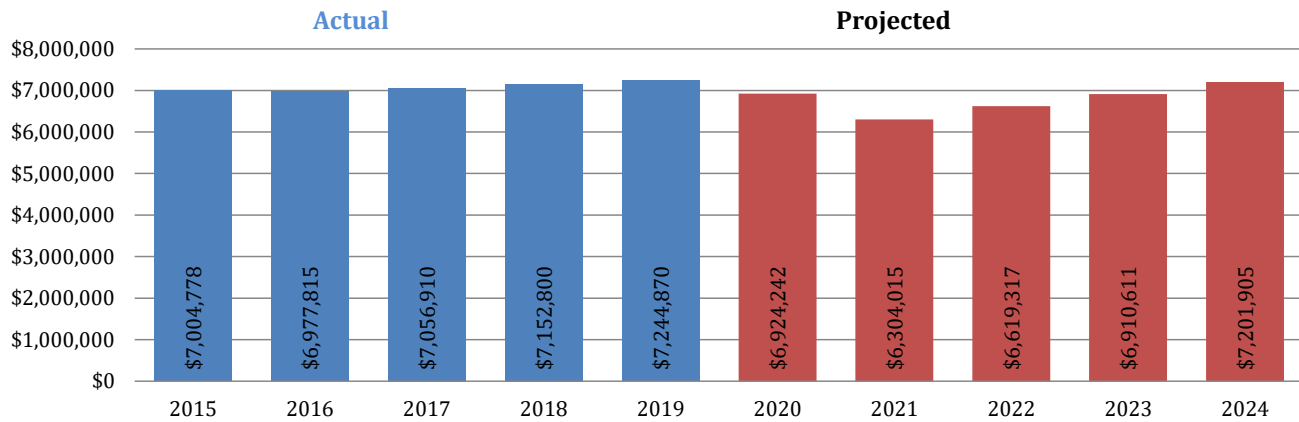
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	2,507,968	2,398,415	2,254,301	2,254,301	2,299,387	2,345,375
YOY \$ Change	197,007	(109,553)	(144,114)	-	45,086	45,988
YOY % Change	8.5%	-4.4%	-6.0%	0.0%	2.0%	2.0%
Percentage of Total Revenue	13.6%	13.1%	13.2%	12.9%	12.9%	13.0%

Income Taxes represented 13.6% of the Fiscal Year 2019 total general fund revenue. The 1% income tax is based on wage earnings of district residents. Non-wage earnings (retirement, interest, etc.) are not subject to the income tax. Fiscal Year 2018 resulted in a 3.62% increase from the previous year. Fiscal Year 2019 revenues are up 8.5% while FY20 resulted in a decline of 4.37% which equates to \$109,553 less revenue. Income tax revenue will be negatively impacted by the current worldwide pandemic. It is anticipated that the FY21 revenues will start to see the effects as early as the July distribution as withholding taxes decline due to many layoffs in the area. This forecast is reflecting a 6% decline in the income tax revenues for FY21 until further economic predictions can be understood. There is no increase factored in for FY22. Assuming a recovery and steady growth of 2% for FY23-FY24.

*\*Projected % trends include renewal levies*

### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



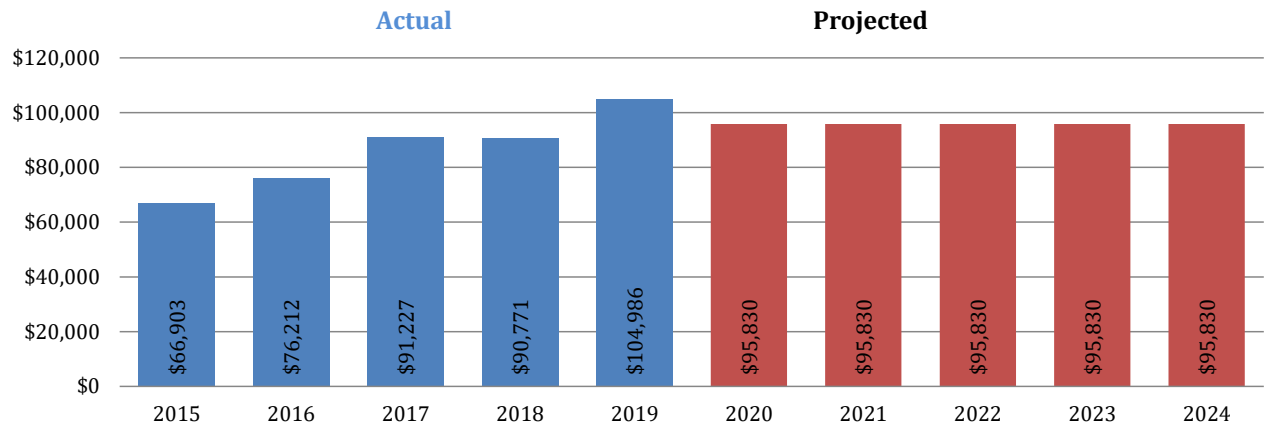
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	7,244,870	6,924,242	6,304,015	6,619,317	6,910,611	7,201,905
YOY \$ Change	92,070	(320,628)	(620,227)	315,301	291,294	291,294
YOY % Change	1.3%	-4.4%	-9.0%	5.0%	4.4%	4.2%
Percentage of Total Revenue	39.4%	37.8%	37.0%	37.9%	38.8%	39.8%
Base Aid	7,085,919	7,085,919	7,085,919	7,085,919	7,085,919	7,085,919
Student Wellness Aid		175,393	248,815	246,020	243,230	240,440
Supplemental Aid - Wellness & Growing		60,125	90,188	90,188	90,188	90,188
Enrollment	1,515	1,493	1,497	1,480	1,463	1,447

Unrestricted aid is funding from the State of Ohio and represented 39.4% of Fiscal Year 2019 the total general fund revenue. The reader should be aware that State funding for schools is subject to deliberations and approval of the Ohio General Assembly and is set as part of the State's biennial budget. The funding formula was part of the State of Ohio budget approved for a two year period that was effective for Fiscal Years 2020 and 2021. Projections for Fiscal Years 2020 – 2024 reflect the same funding formula. It is important to remember only a portion of the funding amount per student is actually received by the district (the current state funding share is 48.2%) - the district does not actually receive \$6,020 per student. For the past several years, incoming kindergarten classes have been significantly smaller than graduating classes. This results in long term projections of decreased enrollment. If enrollment does decrease at the projected rate, state funding will be adversely affected. It is unknown at the present time what impact the worldwide pandemic will have on the state funding. Due to the pandemic crisis the State reduced this current fiscal year 2020 in the amount of \$292,167. This forecast is estimating a 8.2% reduction for FY21, which represents twice the amount of the cut received in May 2020 due to the pandemic, with anticipation that by FY24 the funding will be restored to pre-COVID amounts.



### 1.040 & 1.045 - Restricted Grants-in-Aid

Funds received through the State Foundation Program or other allocations that are restricted for specific purposes.

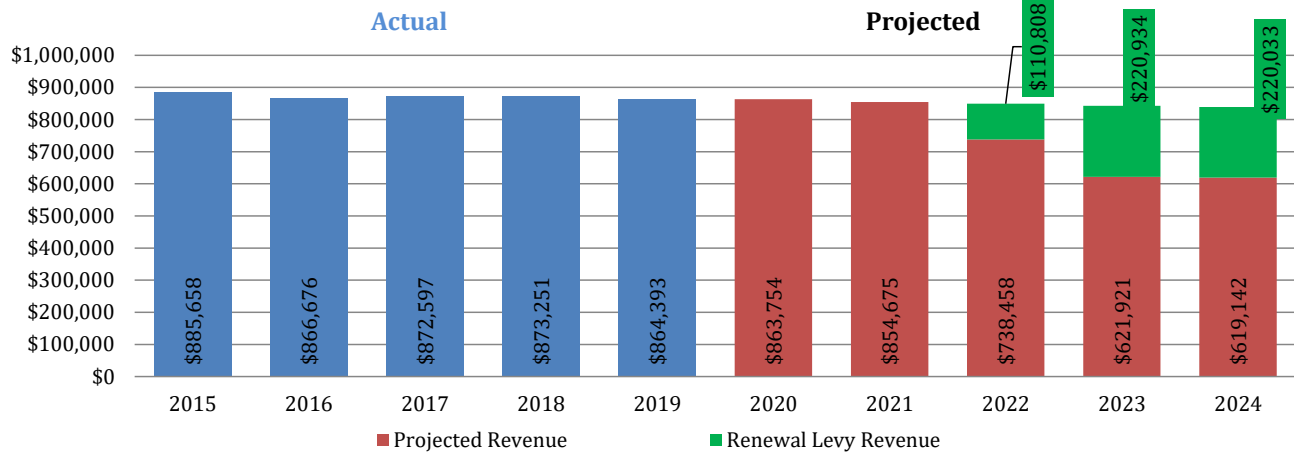


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	104,986	95,830	95,830	95,830	95,830	95,830
YOY \$ Change	14,214	(9,156)	-	-	-	-
YOY % Change	15.7%	-8.7%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.6%	0.5%	0.6%	0.5%	0.5%	0.5%

Restricted state funding represented 0.6% of the Fiscal Year 2019 total general fund revenue. This funding includes economic disadvantaged and career tech funding.

### 1.050 - Property Tax Allocation

Includes funds received for Tangible Personal Property Tax Reimbursement, Electric Deregulation, Homestead and Rollback.



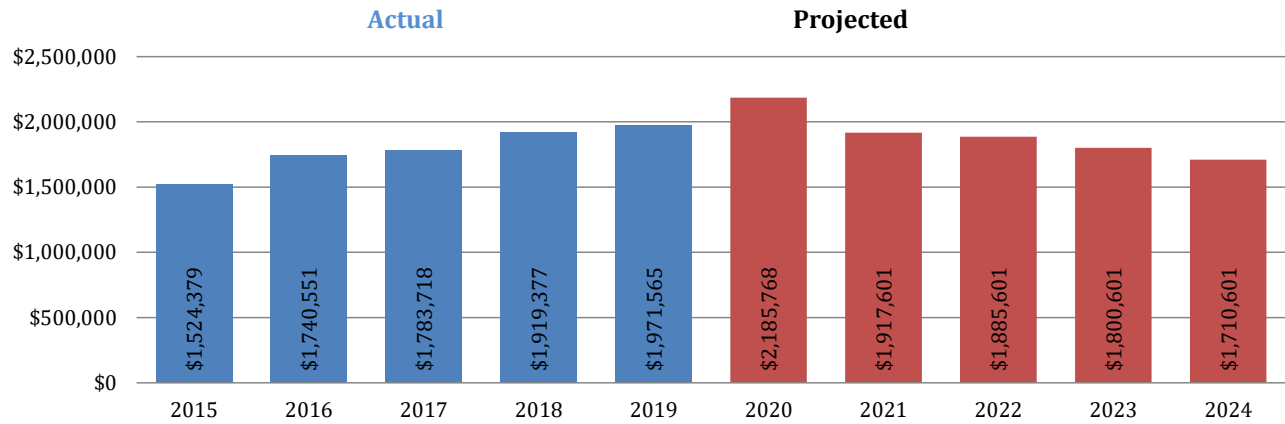
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total With Renewal Levies	864,393	863,754	854,675	849,266	842,855	839,175
YOY \$ Change	(8,859)	(639)	(9,079)	(5,409)	(6,411)	(3,680)
YOY % Change	-1.0%	-0.1%	-1.1%	-0.6%	-0.8%	-0.4%
Percentage of Total Revenue	4.7%	4.7%	5.0%	4.9%	4.7%	4.6%
% of Residential Real Estate 10% Rollback	10.01%	10.01%	10.01%	10.01%	10.01%	10.01%
% of Residential Real Estate 2.5% Rollback	1.52%	1.52%	1.52%	1.52%	1.52%	1.52%
% of Residential Real Estate Homestead	3.48%	3.48%	3.48%	3.48%	3.48%	3.48%

Property Tax Allocation represented 4.7% of the Fiscal Year 2019 total general fund revenue. Homestead and Rollback include the original 10% property tax rollback, enacted in 1971, for all real property owners. In 1979, an additional 2.5% rollback was enacted for owner occupied homes. Homeowners 65 years old or permanently disabled may be eligible for the homestead exemption based on income class. The homestead exemption was put into effect in 1976. The 2.5% rollback and the homestead exemption are not automatic and must be applied for through the County Auditor's office. The district receives Tangible Personal Property Tax reimbursements from the State of Ohio. The phase out of this reimbursement is scheduled to begin in Fiscal Year 2018. The amount to be received for Fiscal Year 2020 is \$13,309. The green portion of the above graph represents the amount of revenue that will be lost if the Substitute Levy is not renewed.

*\*Projected % trends include renewal levies*

### 1.060 - All Other Operating Revenues

Operating revenue sources not included in other lines; examples include tuition, fees, earnings on investments, rentals, and donations.

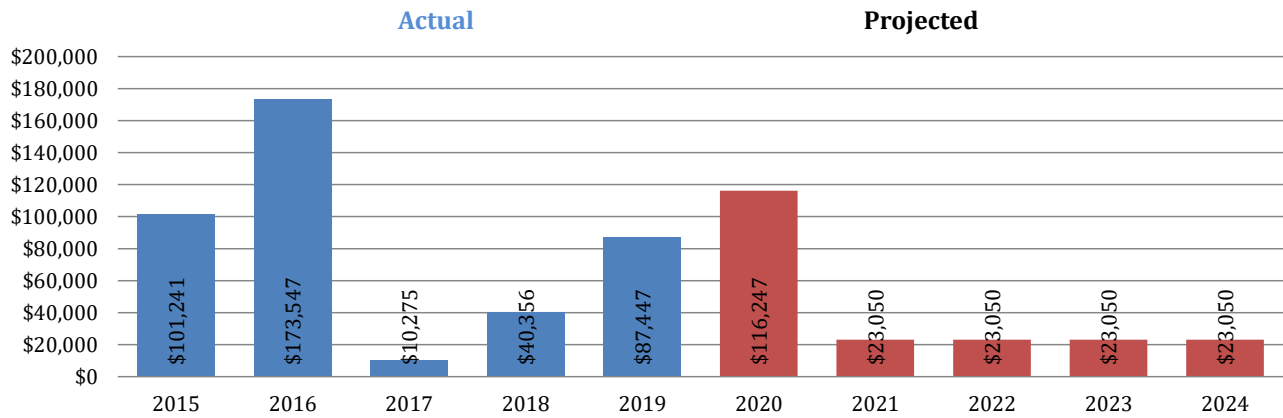


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	1,971,565	2,185,768	1,917,601	1,885,601	1,800,601	1,710,601
YOY \$ Change	52,188	214,203	(268,167)	(32,000)	(85,000)	(90,000)
YOY % Change	2.7%	10.9%	-12.3%	-1.7%	-4.5%	-5.0%
Percentage of Total Revenue	10.7%	11.9%	11.3%	10.8%	10.1%	9.4%

Other operating revenue represented 10.7% of the Fiscal Year 2019 overall general fund revenue. Other operating includes revenue received for tuition from other districts, student fees, fines, interest earnings, as well as, rental income and miscellaneous revenue. Open enrollment tuition is the largest single source in this category. Open enrollment tuition is projected bring in a little over \$1.2 million annually. Tuition from other districts is based mostly on court placed and foster children attending Northwestern with residence assigned to another district. This number can have wide fluctuations. In addition, some students have special education needs than cannot be predicted. This results in revenue that is difficult to project. The timing of the payments also results in fluctuations from year to year.

## 2.070 - Total Other Financing Sources

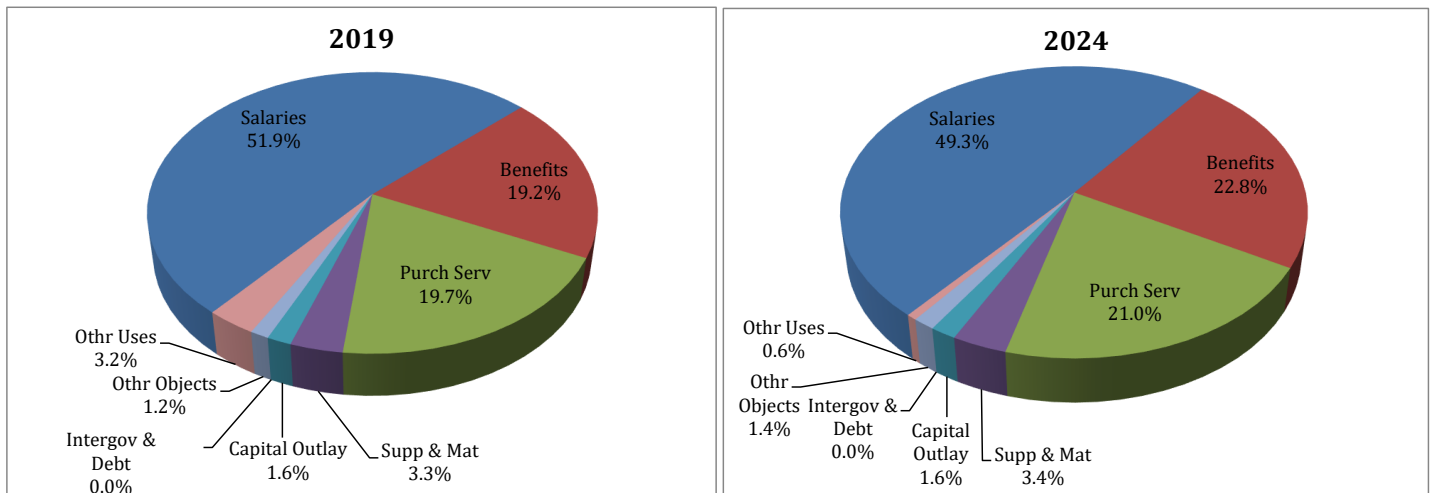
Includes proceeds from sale of notes, state emergency loans and advancements, operating transfers-in, and all other financing sources like sale and loss of assets, and refund of prior year expenditures.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	87,447	116,247	23,050	23,050	23,050	23,050
YOY \$ Change	47,091	28,800	(93,197)	-	-	-
YOY % Change	116.7%	32.9%	-80.2%	0.0%	0.0%	0.0%
Percentage of Total Revenue	0.5%	0.6%	0.1%	0.1%	0.1%	0.1%
Transfers In	-	-	-	-	-	-
Advances In	-	-	10,000	10,000	10,000	10,000

Other financing sources represented .5% of the Fiscal Year 2019 overall general fund revenue. The return of advances made to other funds is included in the line. No significant advances and/or returns are planned for future years. This category includes refund of prior year receipts and the sale of assets. These amounts are usually small and fairly consistent from year to year. In Fiscal Year 2019 the Clark County Auditor refunded charges for previous years Auditor/Treasurer fees of approximately \$45,000 to the general fund. This was a one-time receipt that will not be repeated in future years. The Bureau of Workers Comp rebated the district \$50,575 from previous year premiums. In addition, the BWC provided another refund related to the COVID-19 pandemic that amounted to another \$53,000.

### Expenditure Categories and Forecast Year-Over-Year Projected Overview

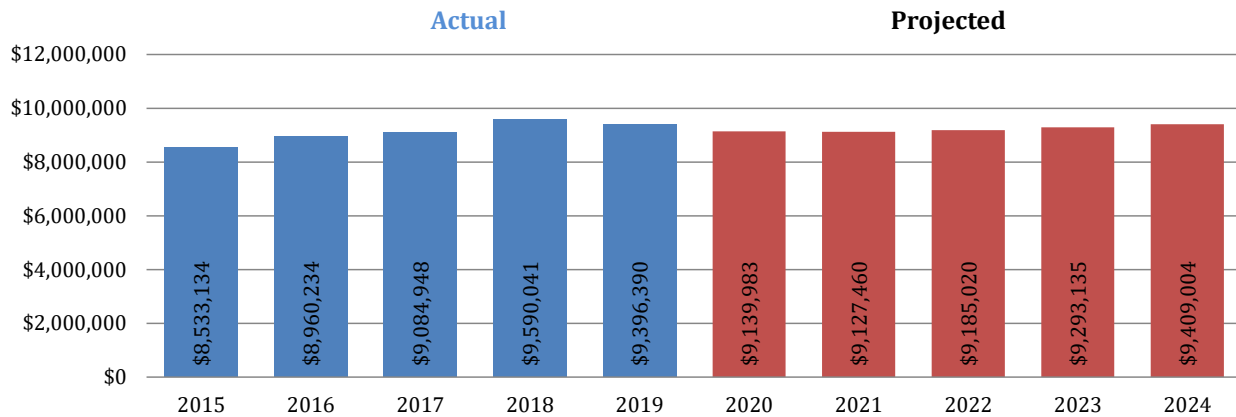


	Prev. 5-Year Avg. Annual Change	PROJECTED					5-Year Avg. Annual Change
		Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	
<b>Expenditures:</b>							
3.010-Salaries	2.44%	-2.73%	-0.14%	0.63%	1.18%	1.25%	0.04%
3.020-Benefits	1.59%	1.33%	4.27%	5.25%	6.19%	6.39%	4.69%
3.030-Purchased Services	9.09%	-0.58%	3.73%	2.86%	2.87%	2.87%	2.35%
3.040-Supplies & Materials	1.02%	-5.25%	5.74%	0.23%	2.78%	2.78%	1.26%
3.050-Capital Outlay	-10.10%	74.70%	-55.79%	35.56%	1.57%	1.60%	11.53%
3.060-Intergov	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.010-4.060-Debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4.300-Other Objects	-0.83%	6.02%	2.97%	2.97%	2.97%	2.97%	3.58%
4.500-Total Expenditures	2.90%	-0.23%	0.20%	2.52%	2.69%	2.81%	1.60%
5.040-Total Other Uses	2.21%	1.85%	-37.37%	-67.07%	0.00%	0.00%	-20.52%
5.050-Total w/Other Uses	2.69%	-0.16%	-1.02%	1.09%	2.68%	2.79%	1.08%

The above table shows average percentage of expenditure changes over the last five years and projected percentage changes over the next five years. The two categories with notable changes are Capital Outlay and Purchased Services. This is due to large projects, such as an additional bus every fifth year as well as recent classroom technology enhancements. Purchased services continue to be an area of concern as special education costs increase. Overall total operating expenditures (Line 4.500) showed an average increase of only 2.90% per year. During fiscal year 2019 an account coding change occurred that shifted about \$340,000 from salaries to purchased services in the general fund as federal procurement legislation warranted a change in coding for federal grants. Although the projected percentage increases appear to be small, they can be significant dollar amounts. Salaries accounted for 51.9% of overall Fiscal Year 2019 expenditures. Benefits are seeing large increases in the area of medical insurance due to industry trends in that market. Purchased services continue to increase due to the projected costs of tuition paid for special education services and additional services contracted through the county educational service center. These are costs that are difficult for the district to control. Please see the detailed notes for more information about each category.

### 3.010 - Personnel Services

Employee salaries and wages, including extended time, severance pay, supplemental contracts, etc.

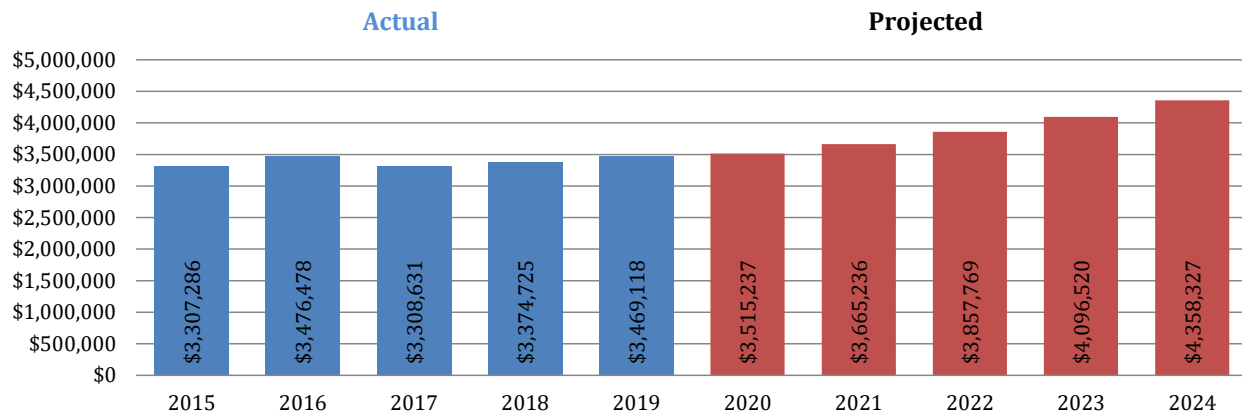


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	9,396,390	9,139,983	9,127,460	9,185,020	9,293,135	9,409,004
YOY \$ Change	(193,651)	(256,407)	(12,523)	57,560	108,115	115,869
YOY % Change	-2.0%	-2.7%	-0.1%	0.6%	1.2%	1.2%
Percentage of Total Budget	51.9%	50.5%	51.0%	50.8%	50.0%	49.3%

Personnel Service (Salaries) represented 51.9% of the Fiscal Year 2019 overall general fund expenditures. Salaries for the teaching staff and non-certified employees are set by negotiated agreements. The teachers are covered by the Northwestern Teachers Association (NTA) and the non-certified staff members are covered by the Northwestern Association of School Employees (NASE). Employees who are not covered by the union agreements generally receive similar salary increases. Negotiated agreements with both unions are in place for Fiscal Years 2020-2022. The base increase for the NTA is 1.5% for Fiscal Years 2020 - 2022 while the base increase for NASE is 3%. Forecasted year 2023 and 2024 include a 0% increase for all employees. Additional step and educational increases for certified staff are estimated at 2.28% annually. The step increment for classified staff is estimated at 2% annually. One teaching position was reduced through attrition for the FY2019 school year and four teaching positions as well as 1 administrative position were not replaced for staff that left at the end of school year 2019. During FY20 an additional administrative position in the Board Office was reduced through attrition. Staffing levels for FY21 and beyond are being monitored closely as the district tries to deal with the pandemic crisis and uncertainty of how education will be delivered. These measures are aimed at addressing the deficit spending with the least impact on the quality of education provided to our students. It should also be noted that the district Special Education Director/School Psychologist is now contracted through the educational service center. Due to a late retirement of the speech teacher, the district has contracted that position with the ESC.

### 3.020 - Employees' Benefits

Retirement for all employees, Workers Compensation, early retirement incentives, Medicare, unemployment, pickup on pickup, and all health-related insurances.

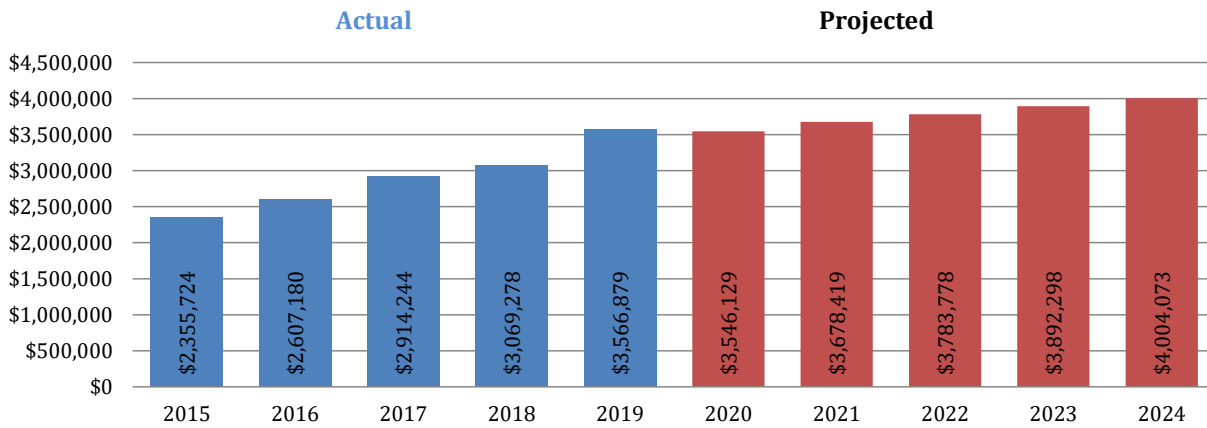


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	3,469,118	3,515,237	3,665,236	3,857,769	4,096,520	4,358,327
YOY \$ Change	94,393	46,119	149,999	192,533	238,751	261,807
YOY % Change	2.8%	1.3%	4.3%	5.3%	6.2%	6.4%
Percentage of Total Budget	19.2%	19.4%	20.5%	21.3%	22.0%	22.8%

Employees' Benefits represented 19.2% of the Fiscal Year 2019 overall general fund expenditures. School districts are required to contribute 14% of salary to the State Teachers Retirement System (certified employees) or the School Employees Retirement System (classified employees). In addition, the district pays 1.45% of salary for Medicare and a percentage that changes annually to the Ohio Bureau of Workers Compensation. These increases (decreases) change with the projected changes to salaries. As part of the new negotiated union contracts, medical insurance plan design and the split between the board and employee share will change effective January 1, 2020 in attempt to contain costs. Medical, dental, vision, and life insurance expenditures are based on the October 2019 insurance rosters. The monthly district contribution to insurance premium was capped in Fiscal Years 2018 (no increase) and 2019 (maximum 2.5% medical increase). The district was informed in March 2019 that the insurance rates were increasing by an unprecedented amount of 26% effective January 1, 2020. The premium increase for January 2021 is 7.5% while insurance expenditures are projected to increase 10% annually in Fiscal Years 2022 thru 2024 based on historical trends. The full impact of the Affordable Care Act is uncertain.

### 3.030 - Purchased Services

Amounts paid for personal services rendered by personnel who are not on the payroll of the school district, and other services which the school district may purchase.



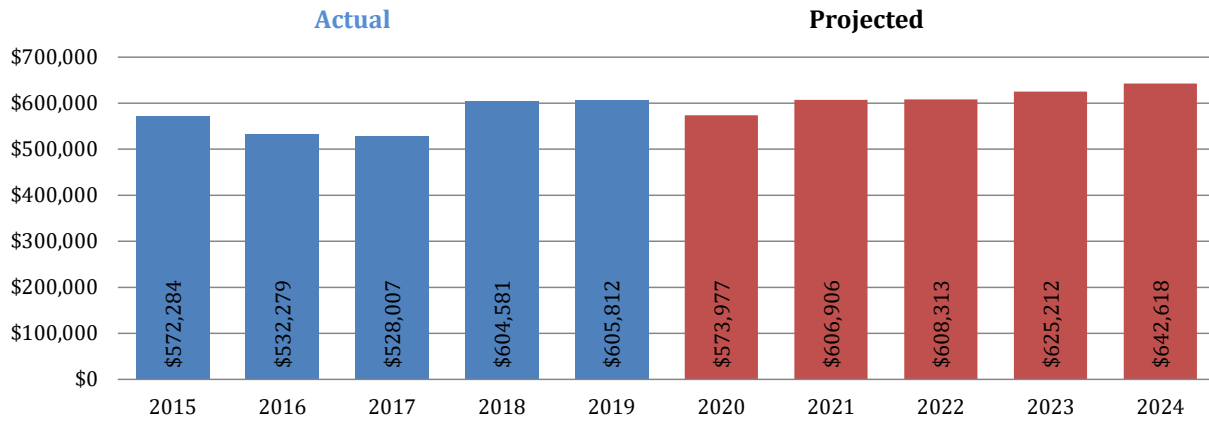
	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	3,566,879	3,546,129	3,678,419	3,783,778	3,892,298	4,004,073
YOY \$ Change	497,601	(20,750)	132,290	105,359	108,520	111,775
YOY % Change	16.2%	-0.6%	3.7%	2.9%	2.9%	2.9%
Percentage of Total Budget	19.7%	19.6%	20.6%	20.9%	20.9%	21.0%

Purchased Services represented 19.7% of the Fiscal Year 2019 overall general fund expenditures. Purchased Services include special education services, tuition to other districts, open enrollment, community school tuition, utilities, and repairs. Special education tuition costs and services change with the students enrolled and services required. It is important to remember these are in addition to costs charged to Federal Funds that are not part of the forecast. During fiscal year 2020, the district is purchasing the special education director and school psychologist through the Clark Count ESC. This did result in a decrease in the personnel line item 3.010. The district also transferred speech services from the personnel line item into purchased services from the educational service center. As previously noted, for fiscal year 2019 an account coding change occurred that shifted about \$340,000 from salaries to purchased services in the general fund as federal procurement legislation warranted a change in coding for federal grants. Open enrollment costs for resident students attending other districts are projected to continue near the Fiscal Year 2019 level. Community school costs are also projected to continue near the Fiscal Year 2019 level. The College Credit Plus (CCP) program replaced the post-secondary enrollment program in Fiscal Year 2016. The tuition cost for CCP continues to increase as more students elect to take advantage of this program. During fiscal year 2019 the amount spent was over \$74,000. Other expenditures are projected to increase 3% annually in Fiscal Years 2020 – 2024. It should be noted that approximately \$102,000 of purchased services for mental health, occupational therapy and professional development was recoded to the new fund 467 (Student Wellness & Success Fund).



### 3.040 - Supplies & Materials

Expenditures for general supplies, instructional materials including textbooks and media material, bus fuel and tires, and all other maintenance supplies.

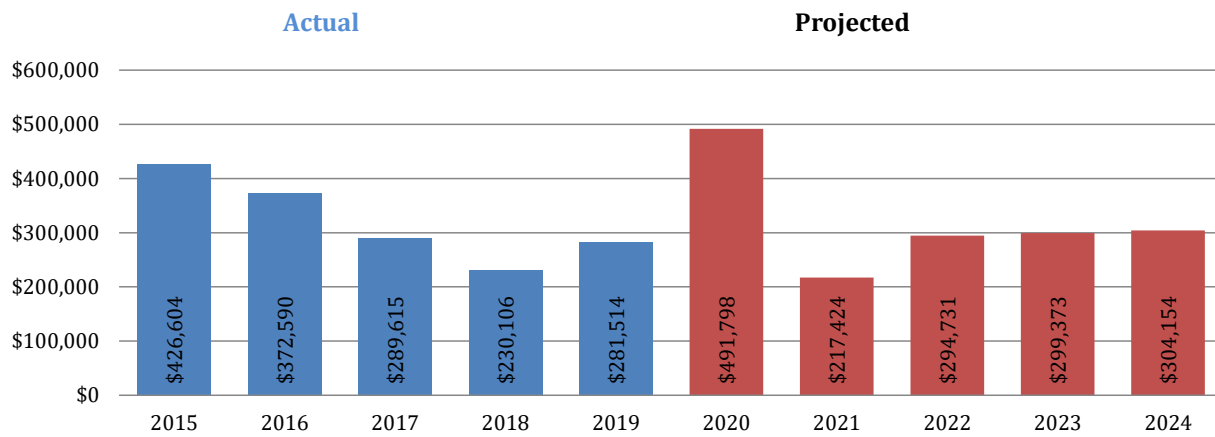


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	605,812	573,977	606,906	608,313	625,212	642,618
YOY \$ Change	1,231	(31,835)	32,929	1,407	16,899	17,406
YOY % Change	0.2%	-5.3%	5.7%	0.2%	2.8%	2.8%
Percentage of Total Budget	3.3%	3.2%	3.4%	3.4%	3.4%	3.4%

Supplies and Materials represented 3.3% of the Fiscal Year 2019 overall general fund expenditures. Supplies include materials used in the classroom, textbooks, software, custodial/maintenance supplies, bus parts, and fuel. Expenditures on textbooks and software vary from year to year based on the new curriculum being adopted that year. These annual textbook/software purchases range from approximately \$125,000 to over \$150,000. Most expenditures for supplies are projected to increase 3% annually in Fiscal Year 2020 - 2024.

### 3.050 - Capital Outlay

This line includes expenditures for items having at least a five-year life expectancy, such as land, buildings, improvements of grounds, equipment, computers/technology, furnishings, and buses.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	281,514	491,798	217,424	294,731	299,373	304,154
YOY \$ Change	51,407	210,284	(274,374)	77,307	4,642	4,781
YOY % Change	22.3%	74.7%	-55.8%	35.6%	1.6%	1.6%
Percentage of Total Budget	1.6%	2.7%	1.2%	1.6%	1.6%	1.6%

Capital Outlay represented 1.6% of the Fiscal Year 2019 overall general fund expenditures. Expenditures for capital outlays are normally for higher priced items that will last several years. Expenditures are split between replacing equipment that happens every year and one time expenditures for items that are not purchased on a regular basis. For many years, Northwestern has purchased one new school bus every year with the exception that fiscal years ending 0 or 5, the district has purchased two buses. This practice has been followed to maintain the bus fleet. FY20 does reflect the purchase of two buses in the amount of \$173,298. Although this same pattern is projected throughout the forecast, it can be adjusted as needed. The district had to replace a tractor and trailer for the maintenance department during FY20 at a cost of approximately \$34,000. Northwestern has invested in technology to benefit students phasing in a Google Chrome one to one implementation. Due to the global pandemic the district plans the purchase of 400 Chromebooks prior to the end of this fiscal year to prepare for the next school year. The annual district technology equipment budget is projected at approximately \$140,000.

### 3.060-4.060 - Intergovernmental & Debt

These lines account for pass through payments, as well as monies received by a district on behalf of another governmental entity, plus principal and interest payments for general fund borrowing.

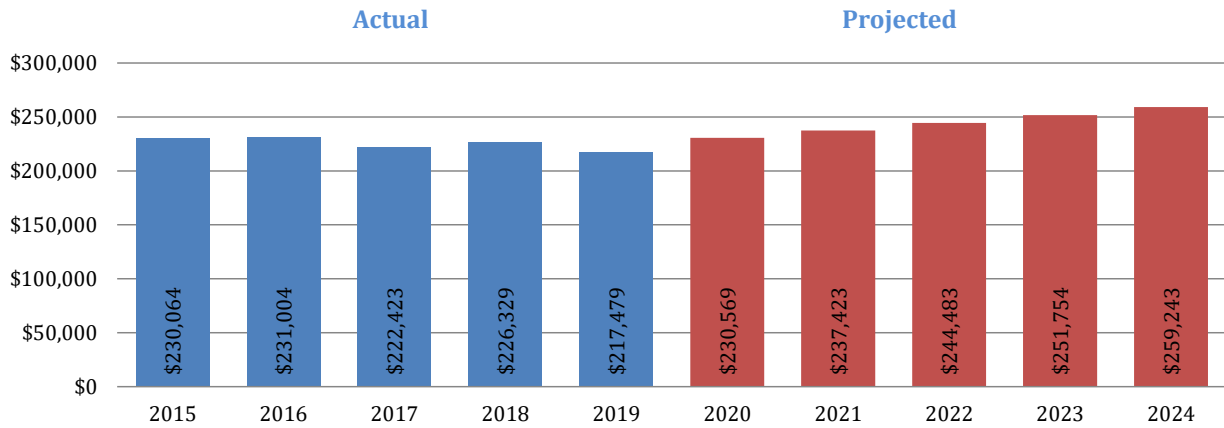
	Actual			Projected						
\$1										
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	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024

	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	-	-	-	-	-	-
YOY \$ Change	-	-	-	-	-	-
YOY % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage of Total Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

There are no expenditures in this category.

### 4.300 - Other Objects

Primary components for this expenditure line are membership dues and fees, ESC contract deductions, County Auditor/Treasurer fees, audit expenses, and election expenses.

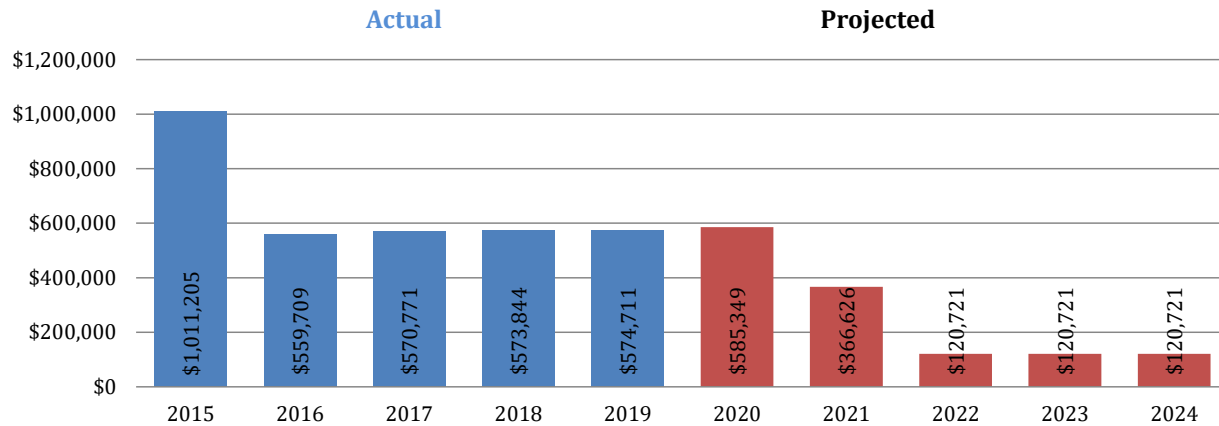


	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	217,479	230,569	237,423	244,483	251,754	259,243
YOY \$ Change	(8,850)	13,090	6,854	7,060	7,271	7,489
YOY % Change	-3.9%	6.0%	3.0%	3.0%	3.0%	3.0%
Percentage of Total Budget	1.2%	1.3%	1.3%	1.4%	1.4%	1.4%

Other Objects represented 1.2% of the Fiscal Year 2019 overall general fund expenditures. This line includes miscellaneous expenditures that are not included in the previous categories. In many cases these expenditures are deducted from various revenue sources received and are merely an accounting entry required in order to post revenue as a gross figure as required by law instead of a net amount as it is received. Expenditures in this category include County Auditor and Treasurer fees, Clark County ESC charges, election expenses, memberships, bank fees, and liability insurance. Expenditures are projected to increase 3% annually in Fiscal Years 2020 – 2024.

## 5.040 - Total Other Financing Uses

Operating transfers-out, advances out to other funds, and all other general fund financing uses.



	FORECASTED					
	2019	2020	2021	2022	2023	2024
Total	574,711	585,349	366,626	120,721	120,721	120,721
YOY \$ Change	867	10,638	(218,723)	(245,905)	-	-
YOY % Change	0.2%	1.9%	-37.4%	-67.1%	0.0%	0.0%
<b>Percentage of Total Budget</b>	<b>3.2%</b>	<b>3.2%</b>	<b>2.0%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.6%</b>
Transfers Out	574,711	575,349	356,626	110,721	110,721	110,721
Advances Out	-	10,000	10,000	10,000	10,000	10,000

Other Financing Uses represented 3.2% of the Fiscal Year 2019 overall general fund expenditures. Advances are made from the General Fund to cover year end deficits in other funds. The advances are returned to the General Fund in the next fiscal year. The forecast projects \$10,000 advances annually. The same amount shows in the revenue section as a return in the following fiscal year. Transfers made to other funds are not returned to the General Fund. The building construction project agreement requires \$110,721 to be transferred to a building maintenance fund (034) annually. In June 2015, the Board of Education approved a cash balance policy. If the projected cash balance (line 7.020) exceeds three months of projected operating expenditures (line 4.50 x 3/12) in the second projected fiscal year, an amount equal to one mill will be transferred to make debt payments or fund a capital project. If the projected cash balance exceeds four months of projected operating expenditures (line 4.50 x 4/12) in the second projected fiscal year, an amount equal to two mills will be transferred to make debt payments or fund a capital project. A two mill equivalent transfer is projected for Fiscal Year 2020 and a one mill equivalent transfer is projected for Fiscal Year 2021.

## Northwestern LSD - Clark County

### Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2019	2020	2021	2022	2023	2024
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	5,285,158	5,385,110	5,196,860	4,685,371	4,077,331	4,095,715
1.020 - Public Utility Personal Property	307,323	346,487	372,976	335,953	298,272	309,728
1.030 - Income Tax	2,507,968	2,398,415	2,254,301	2,254,301	2,299,387	2,345,375
1.035 - Unrestricted Grants-in-Aid	7,244,870	6,924,242	6,304,015	6,619,317	6,910,611	7,201,905
1.040 - Restricted Grants-in-Aid	104,986	95,830	95,830	95,830	95,830	95,830
1.050 - Property Tax Allocation	864,393	863,754	854,675	738,458	621,921	619,142
1.060 - All Other Operating Revenues	1,971,565	2,185,768	1,917,601	1,885,601	1,800,601	1,710,601
<b>1.070 - Total Revenue</b>	<b>18,286,263</b>	<b>18,199,606</b>	<b>16,996,258</b>	<b>16,614,831</b>	<b>16,103,953</b>	<b>16,378,296</b>
<b>Other Financing Sources:</b>						
2.010 - Proceeds from Sale of Notes	-	-	-	-	-	-
2.020 - State Emergency Loans and Adv	-	-	-	-	-	-
2.040 - Operating Transfers-In	-	-	-	-	-	-
2.050 - Advances-In	-	-	10,000	10,000	10,000	10,000
2.060 - All Other Financing Sources	87,447	116,247	13,050	13,050	13,050	13,050
<b>2.070 - Total Other Financing Sources</b>	<b>87,447</b>	<b>116,247</b>	<b>23,050</b>	<b>23,050</b>	<b>23,050</b>	<b>23,050</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>18,373,710</b>	<b>18,315,853</b>	<b>17,019,308</b>	<b>16,637,881</b>	<b>16,127,003</b>	<b>16,401,346</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	9,396,390	9,139,983	9,127,460	9,185,020	9,293,135	9,409,004
3.020 - Employee Benefits	3,469,118	3,515,237	3,665,236	3,857,769	4,096,520	4,358,327
3.030 - Purchased Services	3,566,879	3,546,129	3,678,419	3,783,778	3,892,298	4,004,073
3.040 - Supplies and Materials	605,812	573,977	606,906	608,313	625,212	642,618
3.050 - Capital Outlay	281,514	491,798	217,424	294,731	299,373	304,154
Intergovernmental & Debt Service	-	-	-	-	-	-
4.300 - Other Objects	217,479	230,569	237,423	244,483	251,754	259,243
<b>4.500 - Total Expenditures</b>	<b>17,537,191</b>	<b>17,497,693</b>	<b>17,532,868</b>	<b>17,974,094</b>	<b>18,458,292</b>	<b>18,977,419</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	574,711	575,349	356,626	110,721	110,721	110,721
5.020 - Advances-Out	-	10,000	10,000	10,000	10,000	10,000
5.030 - All Other Financing Uses	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>574,711</b>	<b>585,349</b>	<b>366,626</b>	<b>120,721</b>	<b>120,721</b>	<b>120,721</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>18,111,902</b>	<b>18,083,042</b>	<b>17,899,494</b>	<b>18,094,815</b>	<b>18,579,013</b>	<b>19,098,140</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>261,808</b>	<b>232,811</b>	<b>(880,186)</b>	<b>(1,456,934)</b>	<b>(2,452,010)</b>	<b>(2,696,794)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>7,170,942</b>	<b>7,432,750</b>	<b>7,665,561</b>	<b>6,785,376</b>	<b>5,328,442</b>	<b>2,876,431</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>7,432,750</b>	<b>7,665,561</b>	<b>6,785,376</b>	<b>5,328,442</b>	<b>2,876,431</b>	<b>179,637</b>
<b>Reservations</b>						
8.010 - Estimated Encumbrances June 30	50,000	50,000	50,000	50,000	50,000	50,000
9.080 - Reservations Subtotal	201,431	201,431	201,431	201,431	201,431	201,431
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>7,181,319</b>	<b>7,414,130</b>	<b>6,533,945</b>	<b>5,077,011</b>	<b>2,625,000</b>	<b>(71,794)</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	-	837,130	1,687,763	1,701,323
11.030 - Cumulative Balance of Levies	-	-	-	837,130	2,524,893	4,226,216
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>7,181,319</b>	<b>7,414,130</b>	<b>6,533,945</b>	<b>5,914,141</b>	<b>5,149,894</b>	<b>4,154,423</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - New Levies	-	-	-	-	434	1,316
13.030 - Cumulative Balance of New Levies	-	-	-	-	434	1,750
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>7,181,319</b>	<b>7,414,130</b>	<b>6,533,945</b>	<b>5,914,141</b>	<b>5,150,327</b>	<b>4,156,172</b>