

COSHOCTON CITY SCHOOL DISTRICT- COSHOCTON COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2018, 2019 and 2020 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2021 THROUGH JUNE 30, 2025



Forecast Provided By
Coshocton City School District
Treasurer's Office
Terri Eyerman, Treasurer/CFO
May 20, 2021

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, 2020, and May 31, 2021 for fiscal year 2021 (July 1, 2020 to June 30, 2021). The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. Fiscal year 2021 (July 1, 2020-June 30, 2021) is the first year of the five-year forecast and is considered the baseline year. Our forecast is being updated to reflect the most current economic data available to us for the May 2021 filing.

Economic Outlook

This five-year forecast is being filed during a recovery from the COVID-19 Pandemic and a health and financial struggle that encompassed our state, country and global economy. School districts play a vital role in their communities and we believe it is important to maintain continuity of services to our students and staff. The district has maintained services to students throughout the Pandemic. The State of Ohio's economic pressure has not been as great as first expected due to the effects of the pandemic thus the restoration of a portion of the original school foundation funding cuts was ordered by the Governor on January 22, 2021. Federal funding sent to school districts through the Elementary and Secondary Schools Education Relief Funds (ESSER) has also been a much needed resource to offset the loss of state funding. Additional Federal CARES Act funding was used to cover the costs of additional technology needs, personal protective equipment, and cleaning costs caused by the pandemic. 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.

May 2021 Updates:

Revenues FY21:

The overview of revenues shows that we are substantially on target with original estimates at this point in the year. Total General Fund revenues (line 1.07) are estimated to be \$19,801,913 or 1.36% lower than the November forecasted amount of \$20,074,917. This indicates the November forecast was 98.64% accurate.

Property tax revenue on Line 1.01 was lower than expected due to commercial property values being \$7.93 million lower due to a change in exempt property status likely due to the hospital being reclassified as exempt property.

State Aide, as noted above, began the year with continued cuts at the FY20 level; however, on January 22, 2021 Governor DeWine reinstated funding of approximately 53% of those reductions thus having a positive impact of \$73,371 for our district's revenue.

All other areas of revenue are tracking as anticipated for FY21 based on our best information at this time.

Expenditures FY21:

Total General Fund expenditures (line 4.5) are estimated to be \$20,665,314 for FY21 which is below the original estimate of \$20,718,750 in the November forecast.

Unreserved Ending Cash Balance:

With revenues decreasing slightly over estimates and expenditures ending below estimates, our ending cash balance June 30, 2021 (line 7.02) is anticipated to be roughly \$3.02 million. The ending unreserved fund balance on Line 15.010 of the forecast is anticipated to be a negative accumulative balance through 2024 and 2025, even with renewal of the emergency levy, providing assumptions we have made for state aid in future

state budgets remain close to our estimates, and there are no future state budget cuts to our funding beyond FY21.

Forecast Risks and Uncertainty:

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 2021 and 2023 due to deliberation of the next two (2) state biennium budgets for FY22-23 and FY24-25, 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:

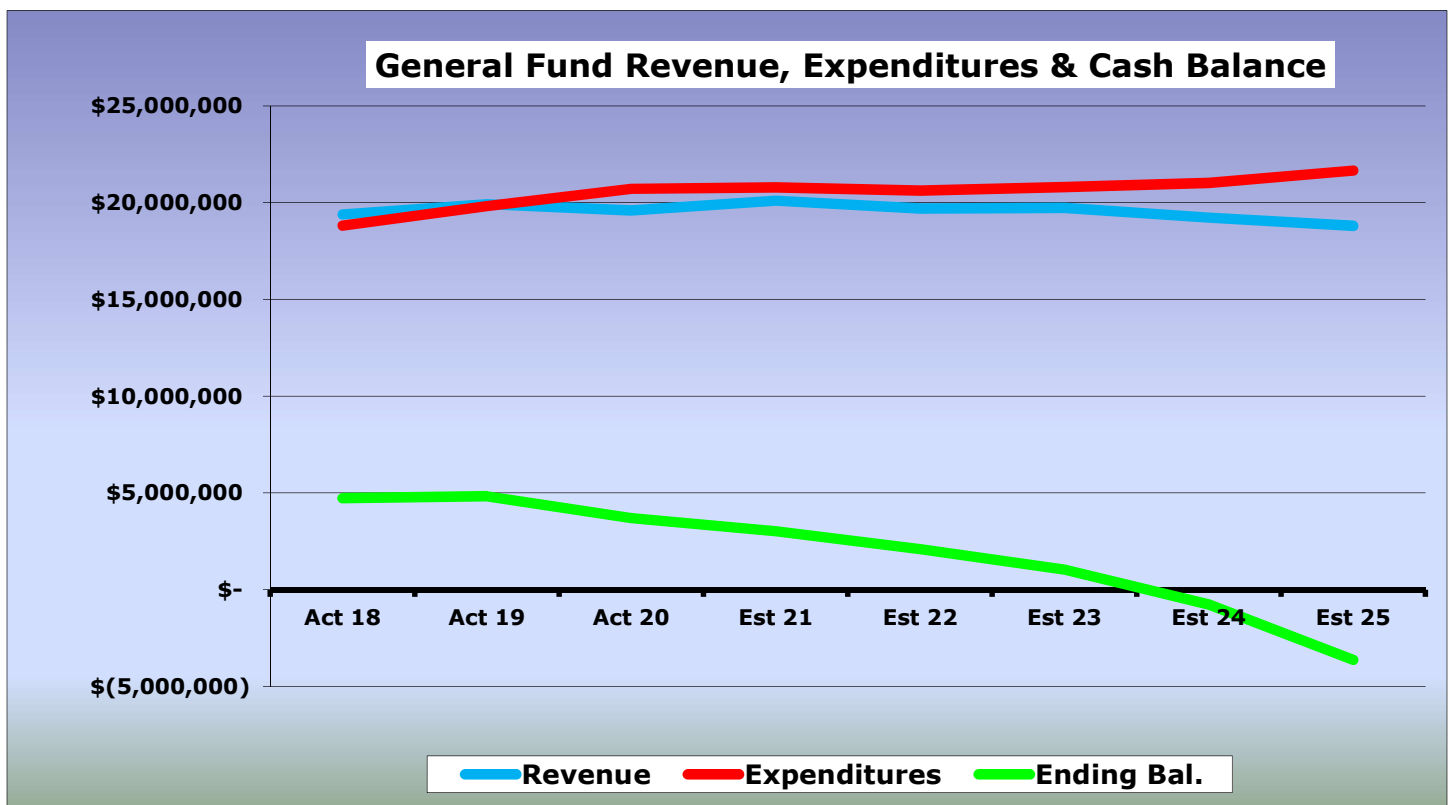
1. HB166 the current state budget for FY20-21 initially froze funding for all school districts in Ohio at their FY19 level with two exceptions - Student Wellness and Success Funding (SWSF) and Enrollment Growth Supplement funds. Student Wellness and Success is restricted in use and must be placed in Fund 467. This is not General Fund money and thus not included in the forecast. The current proposed state budget for FY22 - FY23 is Sub. HB110 and it includes increases for SWSF for each year of the biennium budget along with guarantees that no district will receive less funding than they received in FY21. We have assumed this money will continue through FY25. Enrollment Growth Supplement money is paid to a small number of growing districts and Sub. HB110 also proposes these funds be continued in FY22 and FY23 at current FY21 levels. We have assumed these funds will continue at the guarantee level through FY25. Our district is estimated to receive \$52,496, in enrollment growth money for FY21 and will treat it as guaranteed FY22-25.
2. On May 4, 2021 the district renewed the 4.9 mill operating levy which will be 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 represents 66% of district revenues in FY21 and is an area of risk to revenue. The future risk comes in FY22 and beyond if the state economy worsens or if the funding formula in future state budgets reduce funding to our district. There are two future State Biennium Budgets covering the period from FY22-23 and FY24-25 in this forecast. Future uncertainty in both the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long range through FY24. We have projected our state funding to be in line with our current estimates through FY24 which we feel are conservative and should be close to whatever the state approves for the FY22-23 biennium budget. 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 will occur 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. 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. HB166 continues the many provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus, Community Schools and increases in per pupil scholarship amounts deducted from our state aid in the 2020-21 school years, even though funding for our students was not increased to our district for this biennium budget. College Credit Plus costs continue to increase as this program becomes more understood. These are examples of new choice programs that increase with each biennium budget and cost the district money. Expansion or creation of programs such as these expose the district to new expenditures that are not currently in the forecast.

6. Labor relations in the district have been fairly amicable with all parties working for the best interest of students and realizing the resource challenges the district faces. We believe as the district moves forward a good working relationship will continue.

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

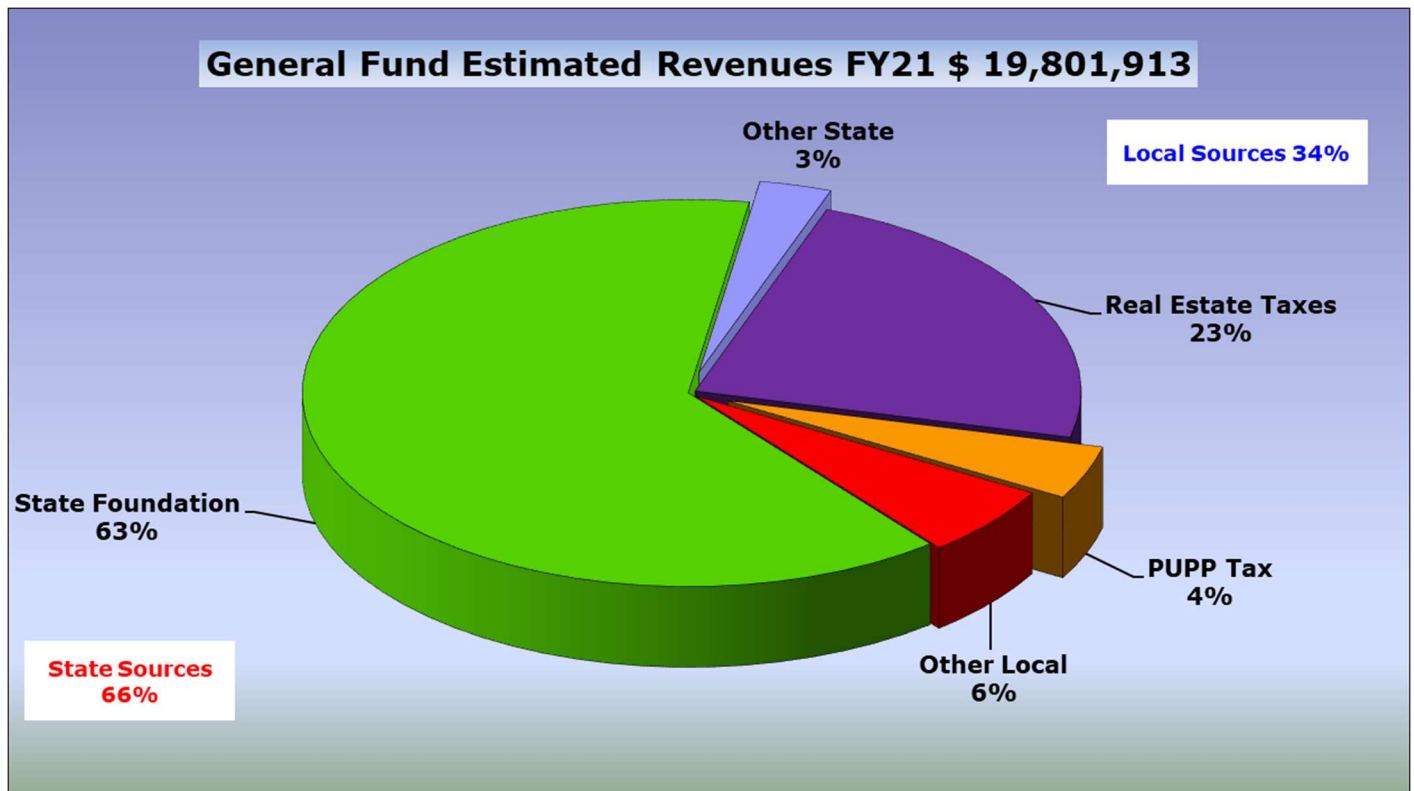
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY18-20 and Estimated FY21-25

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 FY21



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 will 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 a \$8 million decrease in values due to a change in exempt status which decreased RE collections.

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>	Actual TAX YEAR2020 <u>COLLECT 2021</u>	Estimated TAX YEAR2021 <u>COLLECT 2022</u>	Estimated TAX YEAR2022 <u>COLLECT 2023</u>	Estimated TAX YEAR2023 <u>COLLECT 2024</u>	Estimated TAX YEAR2024 <u>COLLECT 2025</u>
Res./Ag.	\$112,236,020	\$117,838,511	\$117,829,908	\$117,822,018	\$121,349,511
Comm./Ind.	44,301,000	43,264,980	43,114,980	43,114,980	43,114,980
Public Utility (PUPP)	<u>12,660,840</u>	<u>12,960,840</u>	<u>13,260,840</u>	<u>13,560,840</u>	<u>13,860,840</u>
Total Assessed Value	<u>\$169,197,860</u>	<u>\$174,064,331</u>	<u>\$174,205,728</u>	<u>\$174,497,838</u>	<u>\$178,325,331</u>

ESTIMATED REAL ESTATE TAX - Line #1.010

<u>Source</u>	FY 21	FY 22	FY 23	FY 24	FY 25
Est. Property Taxes Line #1.010	<u>\$4,610,239</u>	<u>\$4,525,016</u>	<u>\$4,532,214</u>	<u>\$4,105,259</u>	<u>\$3,748,475</u>

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020

There was a phase out of TPP taxes beginning in FY06 with HB66 that was adopted in June 2005. TPP tax assessments ended in FY11. The only amounts received after FY11 are from delinquent TPP taxes outstanding as of 2010. Coshocton 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 February 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 Property Tax– Line 1.020

<u>Source</u>	FY 21	FY 22	FY 23	FY 24	FY 25
Public Utility Personal Property Taxes	<u>\$882,078</u>	<u>\$705,179</u>	<u>\$720,579</u>	<u>\$699,010</u>	<u>\$676,630</u>

Renewal Tax Levies – Line #11.020

On May 4, 2021 the district renewed the 4.9 mill operating levy which will be 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 21	FY 22	FY 23	FY 24	FY 25
Renew Emergency Levy Exp. 12/31/23	<u>0</u>	<u>0</u>	<u>0</u>	<u>510,214</u>	<u>975,552</u>
Total Line # 11.020	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$510,214</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**A) Unrestricted State Foundation Revenue & Casino Revenue– Line #1.035**

The amounts estimated for state funding are based on HB166 which on May 6, 2020 was cut and then funding partially restored by executive order signed January 22, 2021 by the Governor. Initially state aid funding for all 610 traditional school districts and 49 Joint Vocational and Career Centers was frozen for FY20 & FY21 at the FY19 funding level. The State Foundation Funding Formula used since FY14 was dropped in FY20 after six (6) years. HB1, aka the Fair School Funding plan, is currently being considered by the legislature and has been

combined with Sub. HB110 and will produce a successor funding formula for the FY22-23 biennium budget. Currently Sub. HB110, the proposed budget, projects funding for districts at FY19 guarantee amounts for FY22 and FY23. For this reason, we have projected state aid flat at the FY19 funding level through FY25 as we have nothing authoritative to rely on at this time.

Foundation Funding Partially Restored January 22, 2021 for FY21

On January 22, 2021 the Governor signed an executive order reinstating \$160 million of previous cuts to public schools thus reducing the cuts in FY21. At this time the state funding for FY21 is still being reduced \$103,971 over what we received in FY19.

Enrollment Growth Supplement: This funding element that was also introduced by Am. Sub. HB 166 for implementation in FY20 is aimed at providing additional funding to school districts that have experienced increased enrollment the past 3 years. The district is anticipated to receive this funding in FY21 in the amount of \$52,496.

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

Nearly all of the new funding for K-12 public education in the FY20-21 Executive Budget is provided through a formula allocating \$250 million in FY20 and \$358 million in FY21 based upon each district's percentage of students in households at or below 185% of the Federal Poverty Level (FPL) and the total number of students enrolled in each district. In FY21, proposed funding ranges from \$30 per student to \$360 per student. All schools and students are to receive a minimum additional funding of \$36,000 in FY21. All districts are guaranteed to get 131% of what they received in FY20, and the proposed state budget (Sub. HB110) is guaranteeing all districts will get 100% of what they received in FY21 for FY22 and FY23. Our district is estimated to receive \$529,531 in FY21. Money will be received twice each year in October and February. These dollars are to be deposited in a Special Revenue Fund 467 and are restricted to expenses that follow a plan developed in coordination with two approved community partner organizations per HB110.

At this time our district is recoding qualified General Fund expenses that are servicing student needs as identified in Ohio Revised Code 3317.26 (B) and our approved plan to Fund 467. The General Fund reflects the reduction of these expenses for FY21-FY25 as we believe these funds will continue.

We believe our current state funding estimates for FY21-25 are reasonable and that we will adjust the forecast in the future when we have authoritative data to work with.

Future State Budgets: Our funding status for the FY22-25 will depend on two (2) new state budgets which are unknown. With the change to the state funding and reductions made to FY20-21 state amounts, we will increase funding in FY22 back to FY19 levels and hold it level FY22 through FY25. We believe our current state funding estimates for FY21-25 are reasonable and that we will adjust the forecast in the future when we have authoritative data to work with.

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.

Due to the COVID-19, casinos were closed from March 12, to June 18, 2020. We are reducing the amount of funding in FY21 by 26% then increasing the amount in FY22 back to 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 FY21-25 estimated a .4% decline in pupils to 1,778,441 and GCR increasing to \$95.5 million or \$53.75 per pupil. We believe it will be FY22 when revenues return to the post COVID-19 level.

<u>Source</u>	FY 21	FY 22	FY 23	FY 24	FY 25
Basic Aid-Unrestricted	\$10,684,549	\$10,784,208	\$10,784,208	\$10,784,208	\$10,784,208
Additional Aid Items	<u>233,509</u>	<u>233,509</u>	<u>233,509</u>	<u>233,509</u>	<u>233,509</u>
Basic Aid-Unrestricted Subtotal	\$10,918,058	\$11,017,717	\$11,017,717	\$11,017,717	\$11,017,717
Ohio Casino Commission ODT	<u>67,384</u>	<u>85,847</u>	<u>87,564</u>	<u>89,315</u>	<u>91,101</u>
Total Unrestricted State Aid Line #1.035	<u>\$10,985,442</u>	<u>\$11,103,564</u>	<u>\$11,105,281</u>	<u>\$11,107,032</u>	<u>\$11,108,819</u>

B) Restricted State Revenues – Line # 1.040

HB64 continues funding two restricted sources of revenues to school district which are Economic Disadvantaged Funding and Career Technical Education funding. We have incorporated this amount into the restricted aid amount in Line # 1.04 for FY21-25.

Restricted Federal Grants in Aid – line #1.045

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

<u>Source</u>	FY 21	FY 22	FY 23	FY 24	FY 25
Economically Disadvantage Aid	\$1,498,440	\$1,498,440	\$1,498,440	\$1,498,440	\$1,498,440
Career Tech - Restricted	<u>50,879</u>	<u>50,879</u>	<u>50,879</u>	<u>50,879</u>	<u>50,879</u>
Catastrophic Aid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted State Revenues Line #1	<u>\$1,549,319</u>	<u>\$1,549,319</u>	<u>\$1,549,319</u>	<u>\$1,549,319</u>	<u>\$1,549,319</u>

Summary of State Foundation Revenues

<u>SUMMARY</u>	FY 21	FY 22	FY 23	FY 24	FY 25
Unrestricted Line # 1.035	\$10,985,442	\$11,103,564	\$11,105,281	\$11,107,032	\$11,108,819
Restricted Line # 1.040	1,549,319	1,549,319	1,549,319	1,549,319	1,549,319
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>\$12,534,760</u>	<u>\$12,652,883</u>	<u>\$12,654,600</u>	<u>\$12,656,351</u>	<u>\$12,658,137</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>	FY 21	FY 22	FY 23	FY 24	FY 25
Rollback and Homestead	<u>\$598,524</u>	<u>\$591,327</u>	<u>\$594,967</u>	<u>\$537,419</u>	<u>\$481,343</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, tuition for court placed students, pay to participate fees, student fees, and general rental fees. Beginning in FY21 interest is expected to decline due to fed rate reductions which will impact our earning capability in this area. Pay to participate fees and rentals are expected to be lower due to COVID-19 restrictions and lower participation. All other revenues are expected to continue on historic trends.

<u>Source</u>	FY 21	FY 22	FY 23	FY 24	FY 25
Open Enrollment	\$615,538	\$618,616	\$621,709	\$624,818	\$627,942
Tuition	252,105	254,626	257,172	259,744	262,342
Interest	76,633	38,317	34,485	31,037	27,933
Medicaid Reimbursement	97,472	97,472	97,472	97,472	97,472
Other Income	<u>134,563</u>	<u>135,909</u>	<u>137,268</u>	<u>138,641</u>	<u>140,027</u>
Total Line # 1.060	<u>\$1,176,312</u>	<u>\$1,144,940</u>	<u>\$1,148,107</u>	<u>\$1,151,711</u>	<u>\$1,155,715</u>

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

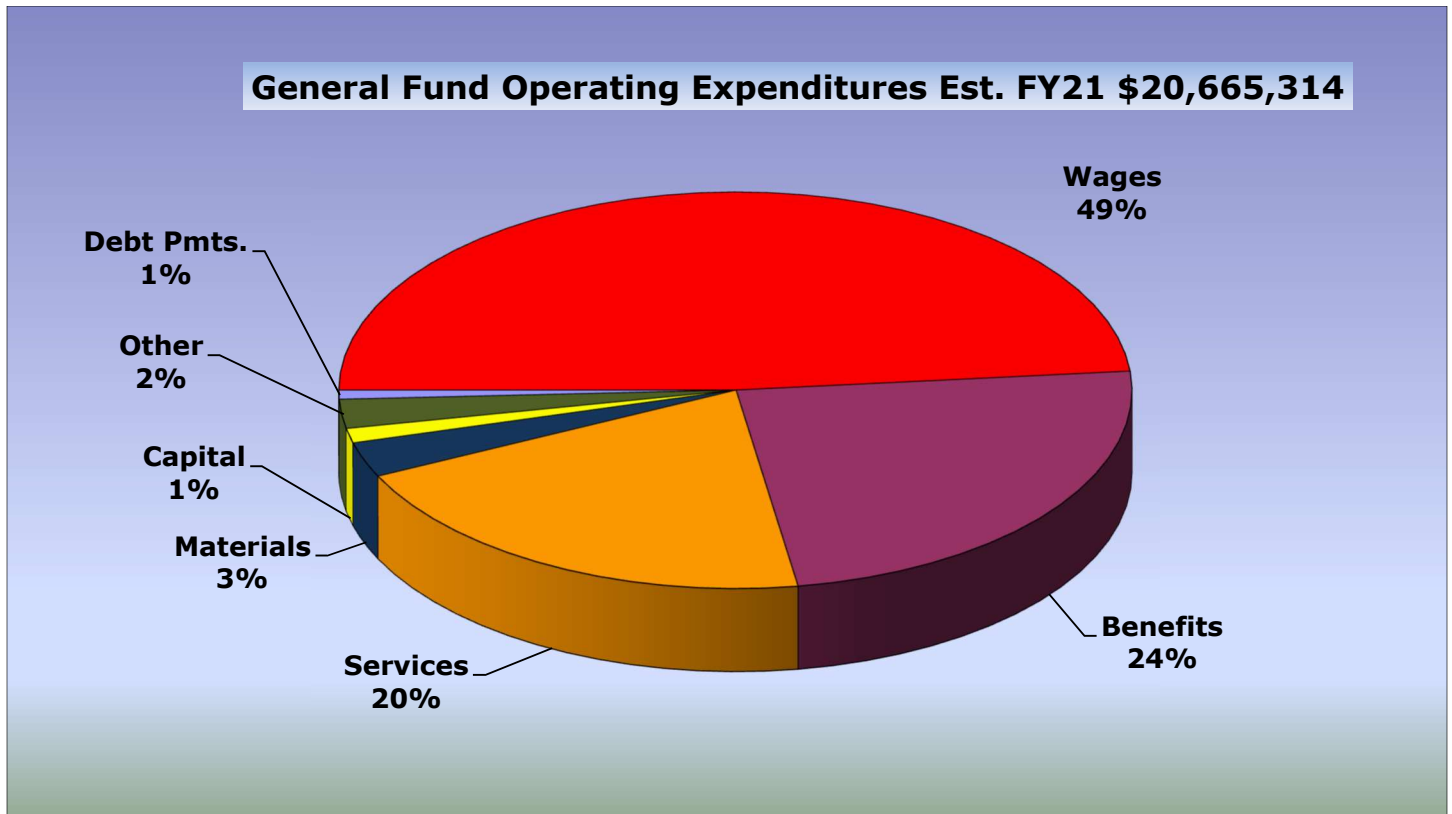
These are non-operating revenues which are the repayment of short term loans to other funds over the previous fiscal year and reimbursements for expenses received for a previous fiscal year in the current fiscal year. The district does not anticipate any Transfers or Advances during the remainder of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

All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures and one-time payments that are very unpredictable. The district is estimating amounts for FY21 through FY25 based on currently received receipts and historical trends for this revenue area.

Expenditures Assumptions

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 expires June 30, 2021. FY21 includes 2.5% base amount and 0% has been used for FY22-25. We have recoded expenses that qualify in our plan for use of Student Wellness and Success funding in FY21-FY25. FY21 includes over \$-452,000 in staffing reductions which carry through the forecast. FY22-FY25 also include upcoming planned staff reductions. FY22 known retirements are included in the Personal Services-Line 3.010. Administration recognizes that adjustments will need to be made to offset this and plan to utilize ESSER funds to alleviate some of the burden from the General Fund for this. Therefore, that expense is not reflected in this forecast.

Summary of Personal Services – Line #3.010

Source	FY 21	FY 22	FY 23	FY 24	FY 25
Base Wages	\$9,056,903	\$9,437,293	\$9,102,863	\$8,952,224	\$8,878,274
Wage adjustments	226,423	-	-	-	-
Steps & Training	153,967	160,434	154,749	152,188	150,931
Substitutes	283,746	289,421	295,209	301,113	307,136
Supplemental	271,385	272,741	274,105	275,476	276,853
Severance	25,000	25,000	25,000	25,000	25,000
Staff Reductions (Retire/Resignation)	<u>0</u>	<u>(494,863)</u>	<u>(305,388)</u>	<u>(226,139)</u>	<u>(31,998)</u>
Total Wages Line #3.010	<u>\$10,017,423</u>	<u>\$9,690,026</u>	<u>\$9,546,539</u>	<u>\$9,479,863</u>	<u>\$9,606,196</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 received a 9.6% increase for FY21 and was projecting an 8% increase for FY22-FY25. This increase is a blend of the district's history of claims increases and the industry standards of annual premium increases. Insurance utilization reports were received this week that projected a 2-year average increase at 7.3%. Because of this, the 8% was reduced to 7.5% for the FY22 forecast. 8% remains as the estimate for FY23-FY25.

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

C) Workers Compensation & Unemployment Compensation

Workers Compensation is based on the district's rate of .53% of the total salaries paid for each year of the forecast. The district for the past two years has had nominal claims for Unemployment, therefore, is not forecasting any expenditure during the forecast since we are a direct reimbursement employer. By being a direct reimbursement employer 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 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
STRS/SERS	\$1,571,020	\$1,532,412	\$1,505,970	\$1,493,773	\$1,510,055
Insurance's	3,182,336	3,302,244	3,493,130	3,718,307	4,008,092
Workers Comp/Unemployment	53,092	51,357	50,597	50,243	50,913
Medicare	135,235	130,320	128,573	127,752	129,652
Tuition and Other Benefits	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Total Fringe Benefits Line #3.020	<u>\$4,966,684</u>	<u>\$5,041,334</u>	<u>\$5,203,270</u>	<u>\$5,415,076</u>	<u>\$5,723,712</u>

Purchased Services – Line #3.030

An overall average inflation of 2% is being estimated for this category for costs that are not known. Open enrollment, community schools and other tuition costs continue to draw funds away from the district, which are major expenditures in this area and have been adjusted based on historical trend. In FY21, open enrollment deductions decreased and is expected to continue throughout the forecasted years based on historical trends.

Purchased Services – Line #3.030

<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Insurance, Leases, Postage, & Other	\$320,779	\$327,194	\$333,738	\$340,413	\$347,221
Professional Services, Legal Fees	237,387	242,135	246,977	251,917	256,955
Open Enrollment	1,548,114	1,579,076	1,610,658	1,642,871	1,675,728
Community Schools	590,633	602,446	614,495	626,784	639,320
Other Tuition	803,603	819,675	836,068	852,790	869,846
Utilities	367,563	378,590	389,948	401,646	413,696
Building Repairs & Services	335,930	342,648	349,501	356,491	363,621
Total Purchased Services Line #3.030	<u>\$4,204,009</u>	<u>\$4,291,765</u>	<u>\$4,381,386</u>	<u>\$4,472,913</u>	<u>\$4,566,388</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 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Supplies, Textbooks, and other	\$410,532	\$418,743	\$427,118	\$435,660	\$444,373
Maintenance & Transportation Supplies	178,894	184,261	189,789	195,482	201,347
Total Supplies Line #3.040	<u>\$589,426</u>	<u>\$603,004</u>	<u>\$616,906</u>	<u>\$631,142</u>	<u>\$645,720</u>

Equipment – Line # 3.050

Equipment includes items that have a useful life of five years or longer and typically include items such as buses, roof repair, asphalt, computers, and furniture. The district received a bus reimbursement grant from the Ohio Department of Education to offset the cost of a new bus. The district's share of the new bus is \$30,000. The District recognizes the need maintain the bus fleet for both the safety of students and staff but also for more efficient operation and maintenance. Because of this, the cost of ½ a bus was budgeted in FY23 with plans to use ESSER funds for the remaining half. The full cost of another bus is budgeted in FY25.

<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Capital Outlay	\$96,521	\$98,451	\$100,420	\$102,429	\$104,477
Technology	118,440	120,809	123,225	125,689	128,203
Facility Upkeep	-	-	-	-	-
Replacement Bus Purchases	30,000	0	45,000	0	90,000
Total Equipment Line #3.050	<u>\$244,961</u>	<u>\$219,260</u>	<u>\$268,645</u>	<u>\$228,118</u>	<u>\$322,681</u>

Principal and Interest Payment – Lines # 4.05 and 4.06

This category of expenditures includes HB264 projects and the Field House Lease (line 4.055). This is considered un-voted debt as there is a revenue source for the payment.

<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Principal TANS Line 4.020	\$0	\$0	\$0	\$0	\$0
Principal State Loans Line 4.030	-	-	-	-	-
Principal State Advances Line 4.040	-	-	-	-	-
Principal - Other 4.055 (Field House)	35,000	36,000	37,000	38,000	39,000
Total Principal Payments	<u>\$35,000</u>	<u>\$36,000</u>	<u>\$37,000</u>	<u>\$38,000</u>	<u>\$39,000</u>

<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
HB 264 Principal Line 4.050	<u>\$78,000</u>	<u>\$80,000</u>	<u>\$83,000</u>	<u>\$85,000</u>	<u>\$87,000</u>
<u>Source</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Interest Total Line 4.060	<u>\$40,322</u>	<u>\$36,645</u>	<u>\$32,855</u>	<u>\$28,934</u>	<u>\$24,933</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 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Auditor & Treasurer Fees	\$120,117	\$122,520	\$124,970	\$127,469	\$130,019
Cnty Bd of Education-MVESC	297,023	302,963	309,023	315,203	321,507
Other expenses	<u>72,349</u>	<u>73,796</u>	<u>75,271</u>	<u>76,777</u>	<u>78,312</u>
Total Other Expenses Line #4.300	<u>\$489,489</u>	<u>\$499,279</u>	<u>\$509,264</u>	<u>\$519,449</u>	<u>\$529,838</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 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</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>

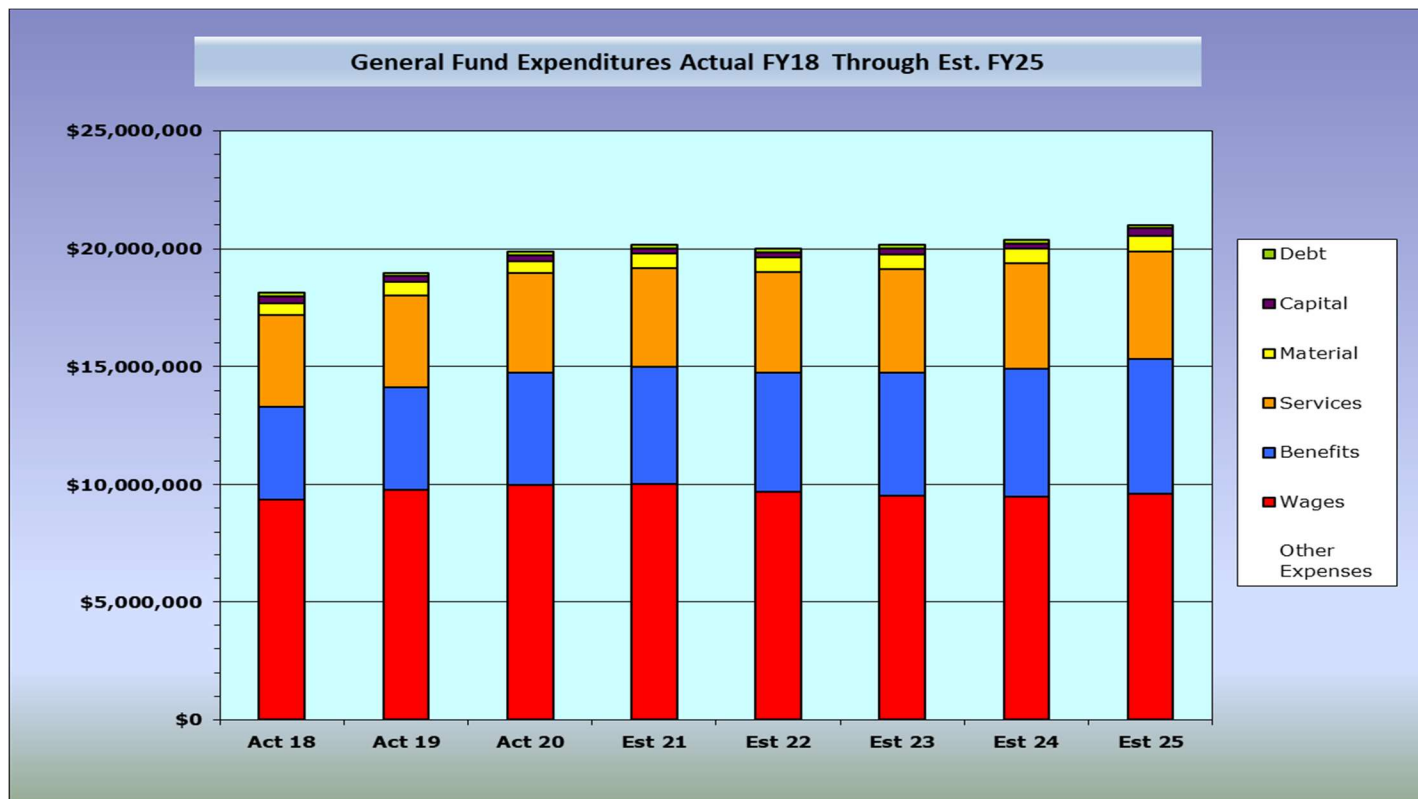
Encumbrances –Line #8.010

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 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Estimated Encumbrances	<u>\$230,581</u>	<u>\$235,193</u>	<u>\$239,897</u>	<u>\$244,695</u>	<u>\$249,589</u>

Operating Expenditures Actual FY18 through FY20 and Estimated FY21 through FY25.

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 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
Ending Cash Balance	<u>\$2,794,397</u>	<u>\$1,870,279</u>	<u>\$795,639</u>	<u>(\$489,230)</u>	<u>(\$2,385,276)</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 drops below the sixty (60) day balance at the end of FY21.

