



**OLENTANGY SCHOOLS<sup>SM</sup>**

# **Five-Year Forecast Financial Report**

**May 2021**

General Fund

Fiscal Years ended June 30, 2018, 2019, 2020  
Forecasted Fiscal Years ending June 30, 2021 through 2025

Presented by:  
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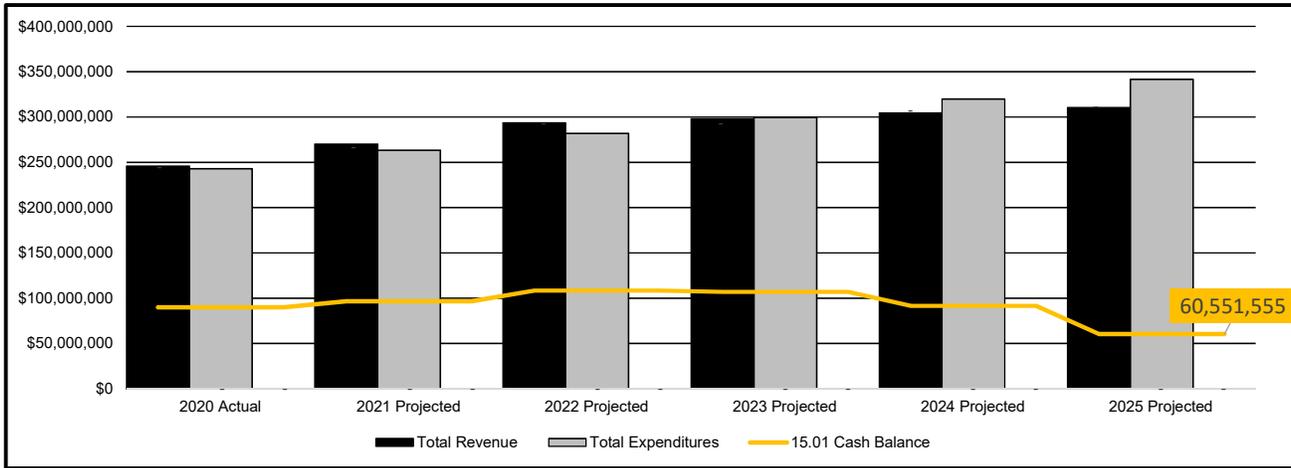
### Forecast Purpose/Objectives

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." This certificate provides assurance of adequate funds to pay expenditures.
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



**Financial Forecast**

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Beginning Balance	93,149,288	99,647,983	111,469,258	110,178,891	94,810,573
+ Revenue	269,878,869	293,518,454	298,132,547	304,334,317	310,380,639
- Expenditures	(263,380,174)	(281,697,179)	(299,422,914)	(319,702,634)	(341,489,657)
= Revenue Surplus or Deficit	6,498,695	11,821,275	(1,290,367)	(15,368,317)	(31,109,018)
- Encumbrances	2,950,000	3,000,000	3,050,000	3,100,000	3,150,000
Ending Balance	96,697,983	108,469,258	107,128,891	91,710,573	60,551,555
Days Cash Balance - based upon 365 days	134	141	131	105	65

**Summary** - The graph and table above provide a summary of the fiscal data of the Five-Year Forecast. The District provides an update to this document each May and November so that District leadership and the community gain an understanding of the District's ability to fiscally support operational needs through General Funds. Each forecast is filed with the Ohio Department of Education per Ohio Revised Code. Additional funds are reported in Board Monthly financial Reports and the District Comprehensive Annual Financial Report (CAFR). Questions regarding this forecast may be directed to Treasurer/CFO of the District. Contact information is provided to the reader on the closing page.

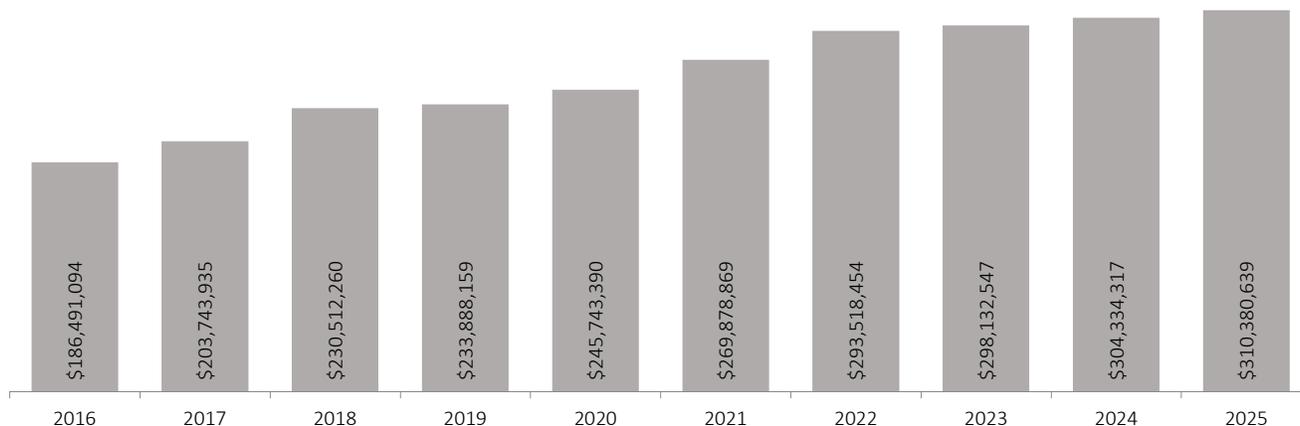
This May forecast includes changes in revenue created by the 7.4 mill operating levy passed in April 2020 and fluctuations in State Funding due to the COVID-19 pandemic. It also includes costs related to opening 2 new elementary and 1 new middle school. While construction is supported by 'no new millage' voted bond debt, additional operational costs are included in this forecast. Details regarding these matters may be found throughout the forecast notes.

**Enrollment** - A key driver of the forecast is student enrollment. Student enrollment drives decisions surrounding staffing levels and facility needs. The following table shows the current enrollment projections approved by the Board of Education October 2020. The enrollment forecast indicates that student enrollment will grow from 22,098 preschool through twelve grade students to 24,127 by the end of the forecast. This is a growth of more than 2,000 students, equating to an average sized school district in Ohio.

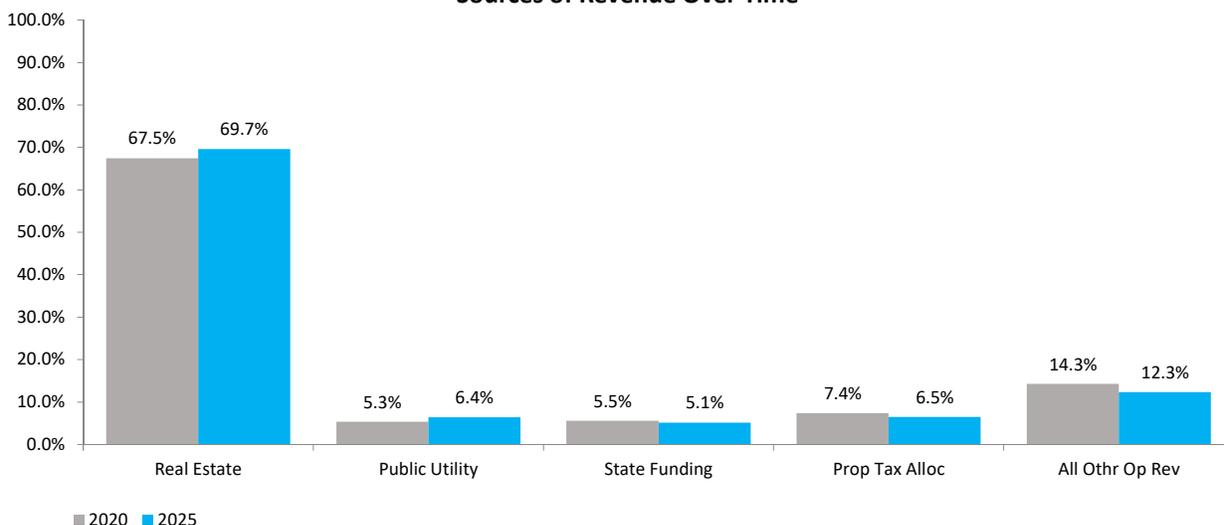
Projected Enrollment	Fiscal Years				
	2021	2022	2023	2024	2025
Pre-kindergarten	301	467	476	486	495
Kindergarten-fifth grades	9,662	9,922	10,173	10,466	10,773
Sixth-eighth grades	5,079	5,211	5,346	5,494	5,592
Tenth-twelve grades	7,056	7,144	7,199	7,200	7,267
K-12 Totals	21,797	22,277	22,718	23,160	23,632
Pre-K to 12 Totals	22,098	22,744	23,194	23,646	24,127

**Fiscal Efficiency and Academic Excellence** - The District is continually working to maximize learning for every student while maintaining fiscal responsibility as evidenced by our cost per pupil continuing to rank near the lowest in central Ohio. Olentangy's FY20 cost per pupil was \$11,876 while comparable district per pupil expenditures and the state average per pupil expenditure were higher at \$12,704 and \$12,692 respectively (District Profile Report FY20). At the same time, Olentangy's academic performance index ranks third highest in central Ohio, and twenty-second for the entire state (State Report Card FY19). Strategic planning provides District leadership with objectives that lead to moderate expenditure increases, while improving academic performance.

## Revenue Sources



### Sources of Revenue Over Time



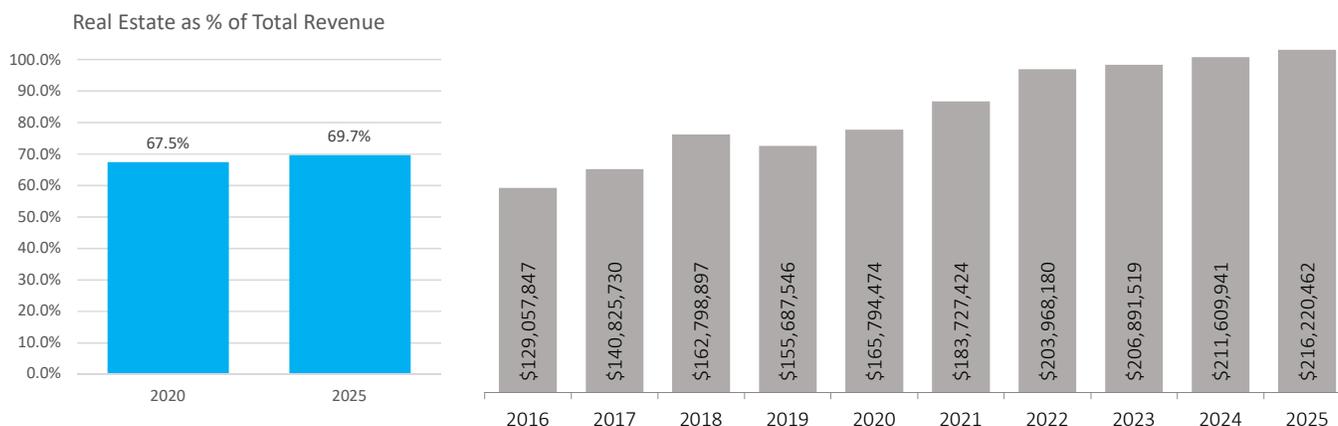
Olentangy Schools continues to be a locally funded district. As a locally funded district, Olentangy relies on local tax revenue to sustain operations. HB920 governs the collection of local tax dollars. Due to the effect of HB920, an increase or decrease in valuation will affect our un-voted or inside, millage. This means that if total valuations increase, revenue from our five (5) inside mills will increase and vice versa, if valuations decrease. Additionally, HB920 causes the District's voted, or outside, millage to adjust so that the District does not receive more or less revenue than the voted mills provided when approved by the voters. The majority of the District's millage is outside millage. The Treasurer's page of the District website provides additional information regarding the effect of HB920 and residential real estate tax collection. Please visit the District's site at [www.olentangy.k12.oh.us](http://www.olentangy.k12.oh.us).

State funding continues to remain a low source of revenue for the District, equating to 5% of total revenue. HB166 held base aid to FY2019 levels for this biennium budget cycle and included additional funding for growth in FY2020 and FY2021 at \$20 and \$30 per student respectively. The spring of 2020 experienced rapid change and distress as the COVID-19 pandemic swept the world. This caused the closing of schools and businesses nationwide. The State made budget reductions March 2020 and election results for spring ballot items were delayed until April. The District saw a \$3,000,000 reduction in State funding, but was granted a return of \$2,000,000 and an additional \$500,000 of those funds for FY20 and FY21. Small estimations averaging 2% annual growth have been used for each year of this five-year forecast.

**Restricted growth of real estate tax collections and inadequate State funding lead the District to consider when, not if, future levy campaigns will occur.** The District continues to monitor unreserved cash balances in the forecast, as well as facility needs, to identify when the need for additional operational funds will occur. At this time, the District will be able to surpass its 3-year levy campaign promise of the 7.4 mill March 2020 ballot. Cash reserves exceed informal policies of maintaining 60 to 90 days of operating cash balance in FY25.

### 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).



Change in new construction, Board of Revision (BOR) cases, collection splits, delinquencies, reappraisals, etc. could have a significant dollar impact on the forecast. Inflationary, reappraisal, and BOR cases are affected by HB290 as previously discussed. The forecast assumes that growth in new residential and commercial real estate will continue at a gradual rate. Collection rates are estimated to trend down slightly as we continue to experience the economic impact of the pandemic.

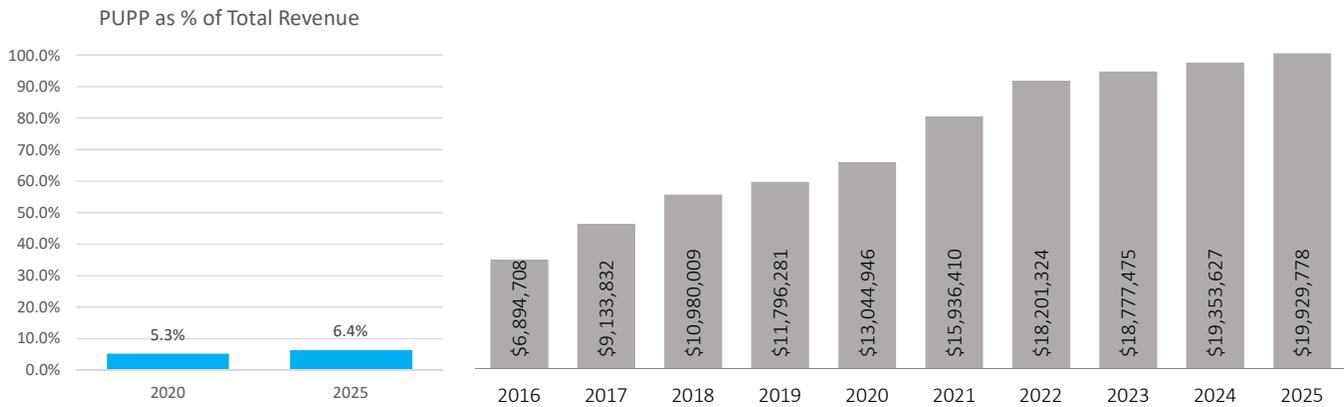
The District continues to have conversations with the Delaware County Auditor concerning these matters. The Delaware County Auditor conducted a reappraisal of existing property values in the triennial update in 2017, resulting in an above average increase of 11.4% in property valuations across the community. The 2020 reappraisal by Delaware County Auditor resulted in valuation percentage change of 12%. First half collections of the 2020 tax revenue occurred in January through March of 2021.

Percentage of Valuation Changes	Projected Collection Years				
	2021	2022	2023	2024	2025
<b>Residential</b>					
Inflation/Reappraisal/BOR	10.1%	0%	0%	9.95%	0%
New Construction	2%	2%	2%	2%	2%
<b>Commercial</b>					
Inflation/Reappraisal/BOR	2%	0%	0%	1.63%	0%
New Commercial	2%	2%	2%	2%	2%

Values, Tax Rates and Gross Collections							Gross Collection Rate
Tax Yr	Valuation	Value Change	Class I Rate	Change	Class II Rate	Change	Including Delinquencies
2019	4,051,874,190	117,313,700	45.06	-	48.93	-	100.31%
2020	4,495,761,320	443,887,130	48.14	3.08	55.55	6.63	99.74%
2021	4,587,414,264	91,652,944	48.05	(0.09)	55.55	-	99.71%
2022	4,692,414,264	105,000,000	47.84	(0.21)	55.55	-	99.69%
2023	5,203,914,264	511,500,000	43.97	(3.87)	54.74	(0.81)	99.65%
2024	5,304,664,264	100,750,000	43.87	(0.10)	54.74	-	99.65%

### 1.020 - Public Utility Personal Property

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

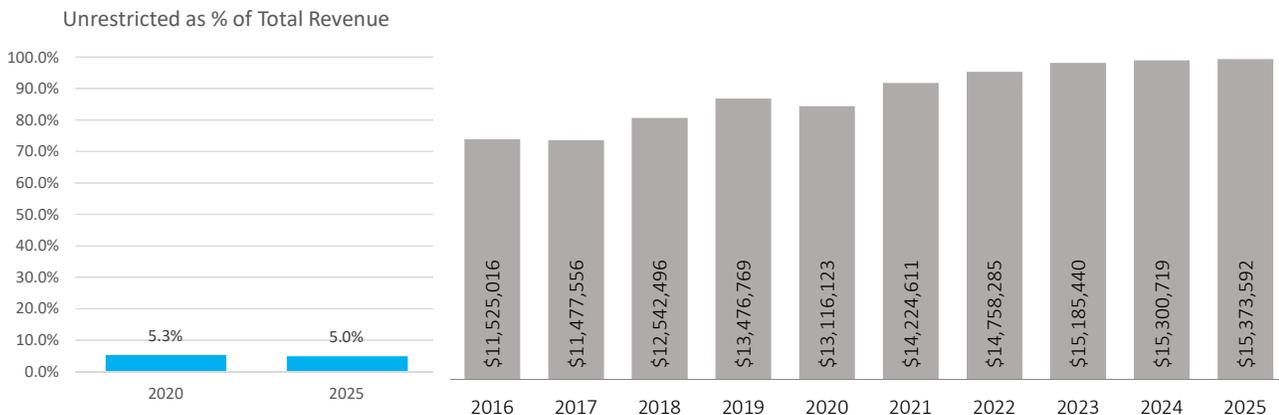


Values and Tax Rates					Gross Collection Rate Including Delinquencies
Tax Year	Valuation	Value Change	Full Voted Rate	Change	
2019	181,618,880	19,051,120	75.80	(0.00)	100.0%
2020	217,639,830	36,020,950	83.20	7.40	100.0%
2021	224,639,830	7,000,000	83.20	-	98.9%
2022	231,639,830	7,000,000	83.20	-	98.9%
2023	238,639,830	7,000,000	83.20	-	98.9%
2024	245,639,830	7,000,000	83.20	-	98.9%

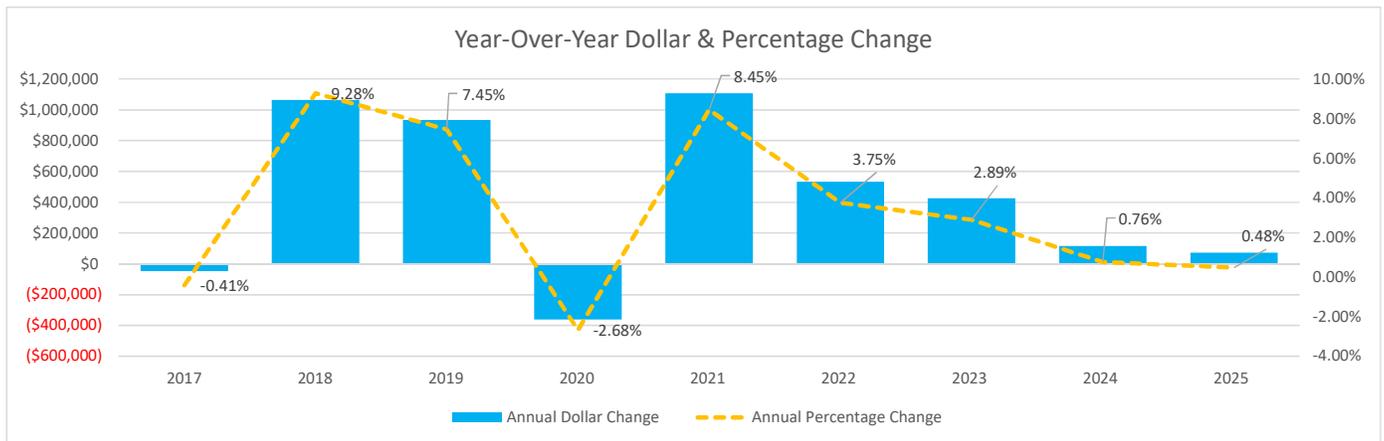
Public utility personal property tax revenue is generated from the personal property values, additions, and depreciation reported by the utility companies. This category currently makes up 5.31% of total district revenue. The property is taxed at the full voted tax rate which in tax year 2020 is 92.2 mills. The forecast is modeling an average gross collection rate of 98.9%.

### 1.035 - Unrestricted Grants-in-Aid

Funds received through the State Foundation Program with no restriction.



### 1.035 - Unrestricted Grants-in-Aid, Continued



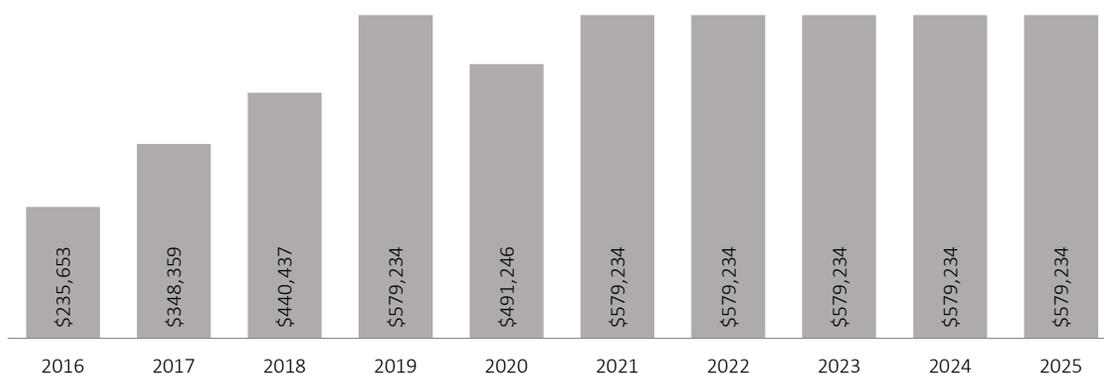
The FY2019 per pupil amount for base aid is used in FY2021. The Governor's Executive Order 2021-01D returned previously cut funding for FY2020 and FY2021 increasing total FY2021 funding to \$14,224,611 (reflected on graph of prior page). Funding for fiscal years 2022 through 2025 are modeled with reasonable increases based upon increased Casino Revenue and student population growth. The State is currently planning for the next biennium budget (fiscal years 2022 and 2023). The Governor will sign the budget into law no later than June 30, 2021.

The Governor announced that the biennium budget would include increased Student Wellness and Success Funds, but charged the legislature with preparing a school funding model. The House has passed HB1, or the Fair School Funding Plan (FSFP) with revisions. The FSFP has been included in HB110, the House budget bill. At this time, the Senate does not support the Fair School Funding Plan yet has not released a funding formula of its own. District administration continues to lobby legislators in support of the Fair School Funding Plan.

Note: Additional Student Wellness and Success funds are not included in these calculations. This revenue is currently coded in fund 467. It is unclear whether future revenue will be categorized as General Fund or a separate in the future due to legislative unrest surrounding school funding models.

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

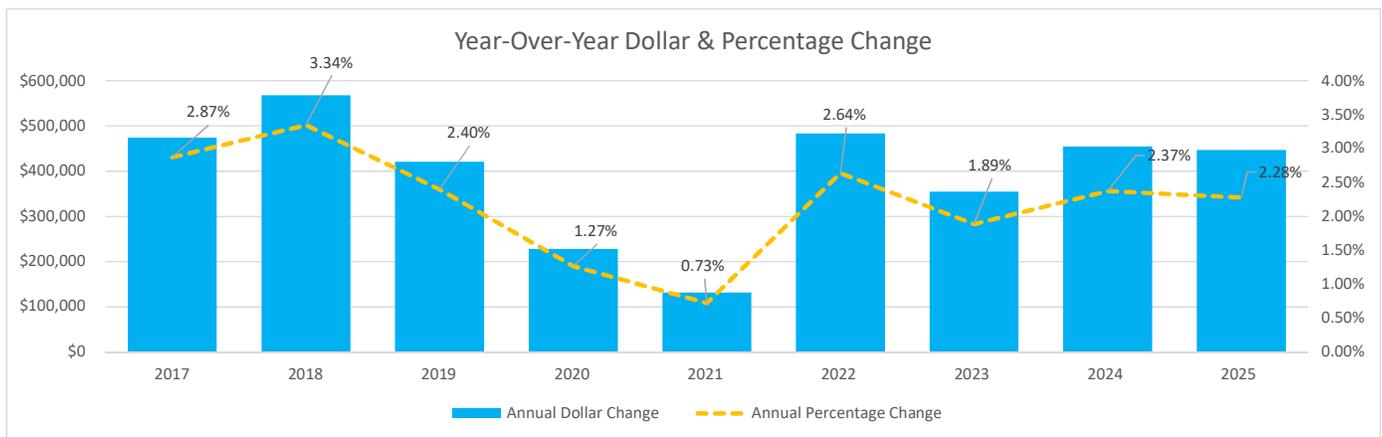
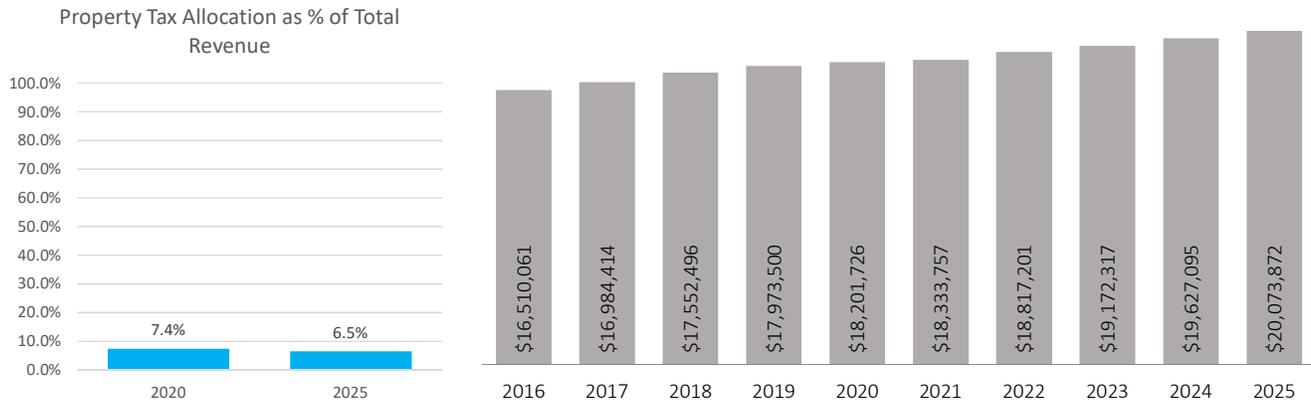
Funds received through the State Foundation Program or other allocations for Career Technical programming and reimbursement for Excess Costs and Catastrophic Aid.



Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Historically the district's restricted state aid changed annually on an approximate average of \$100,000 and is projected to maintain flat growth from FY2021 through FY2025. Restricted funds represent 0.20% of total

### 1.050 - Property Tax Allocation

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

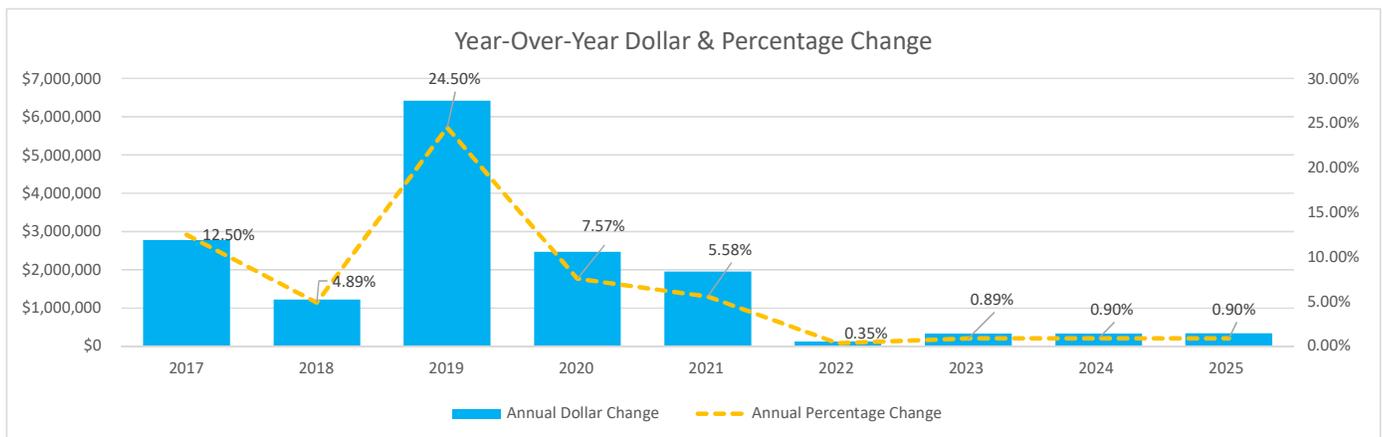
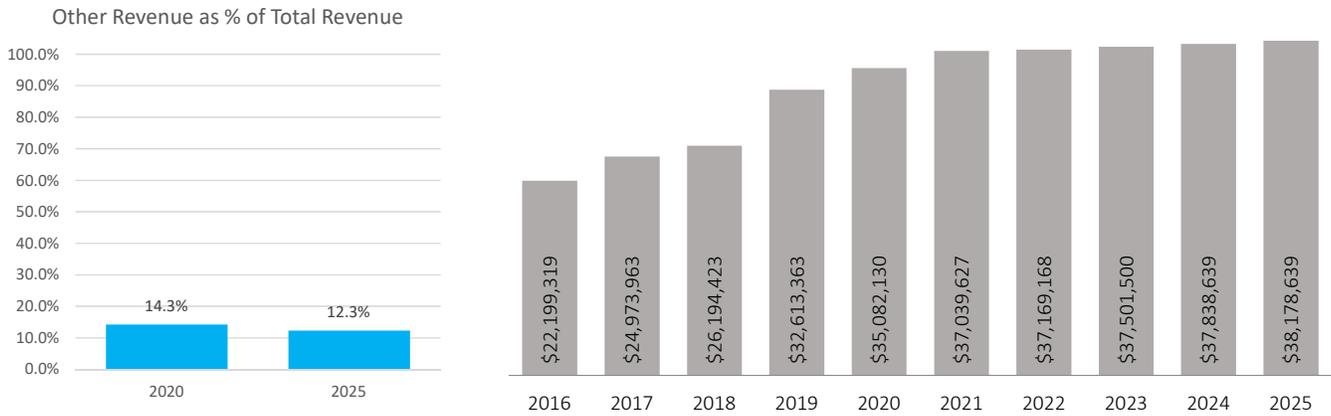


Property tax allocation primarily consists of reimbursements from the state of Ohio for local taxpayer credits or reductions. The state reduces the local taxpayer's tax bill with a 10% rollback credit, and 2.5% owner-occupied rollback credit, plus a homestead credit for qualifying taxpayers. In FY 2021, approximately 9.1% of local residential property taxes will be reimbursed by the state in the form of rollback credits and approximately 0.6% will be reimbursed in the form of qualifying homestead exemption credits.

Credit amounts will increase and decrease with property valuation fluctuations previously discussed and the number of residents applying for the credit. Credits are not available for taxes levied after tax year 2013, thus the District will not receive any homestead and rollback for the 2016 and 2020 voted millage nor on millage potentially passed in the future. Collection estimates grow at an approximate average of 2%.

### 1.060 - All Other Operating Revenues

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

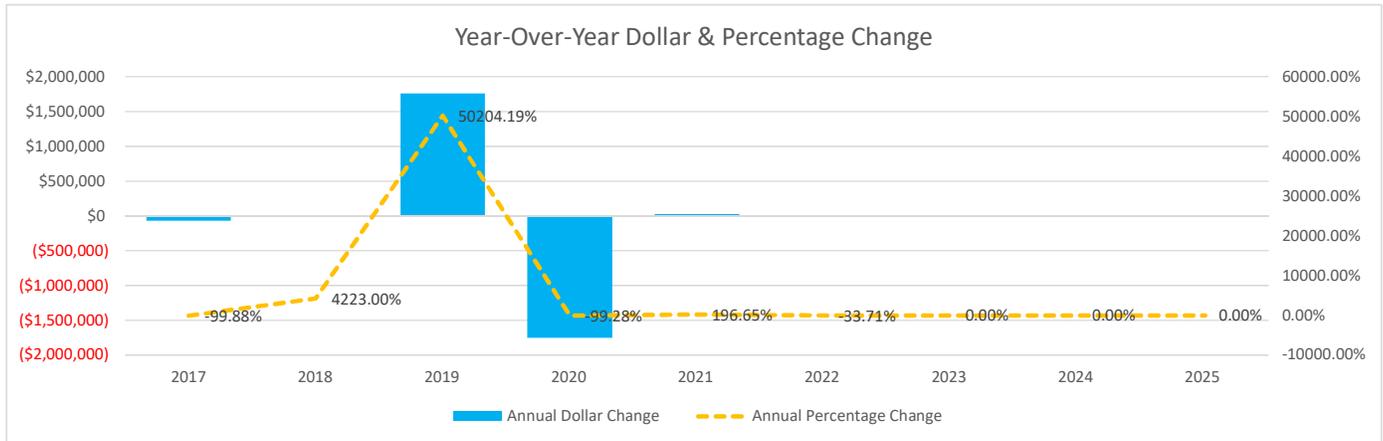


Interest earnings on investments have significantly declined in the beginning of this fiscal year. Current investment rates are averaging less than a quarter percent. Low interest rates are expected to hold for the next calendar year or two. Earnings on additional collections related to the levy will be minimal due this decline in interest earnings.

A large portion of this revenue is generated from tax sharing agreements with the City of Westerville, which abated several businesses. Fluctuations will occur in the Tax Revenue Sharing line as abatements on those properties expire. TIF district areas include JP Morgan Chase, the Polaris Mall, IKEA and most of the commercial property along the Polaris corridor. Changes in TIF valuation, additions and expirations of agreements, as well as millage rates will affect revenue. Decreases in valuation, caused by various businesses filing with the County to decrease their respective valuations through the Board of Revision process, offset a portion of increases in valuation.

## 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.

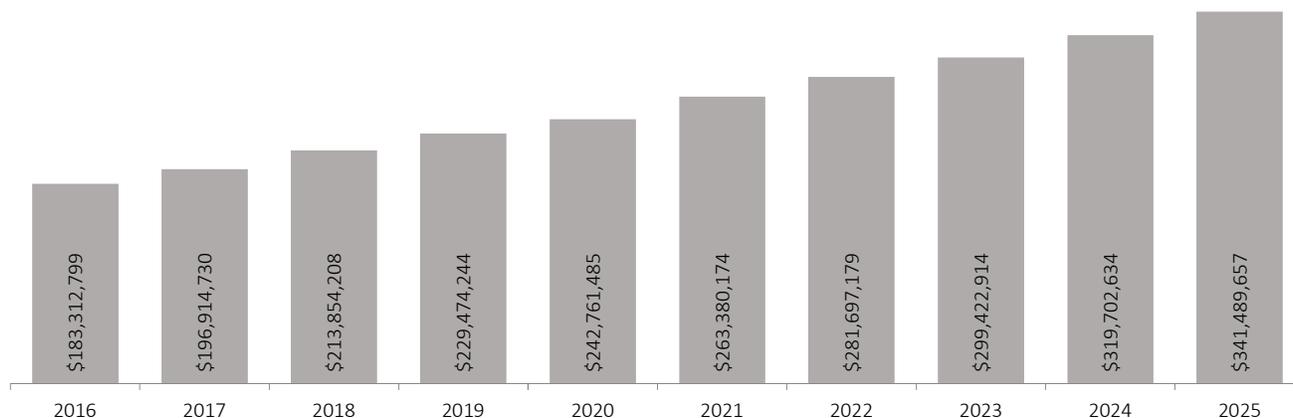


	FORECASTED					
	2020	2021	2022	2023	2024	2025
Transfers In	-	-	-	-	-	-
Advances In	-	-	-	-	-	-
All Other Financing Sources	12,744	37,806	25,062	25,062	25,062	25,062

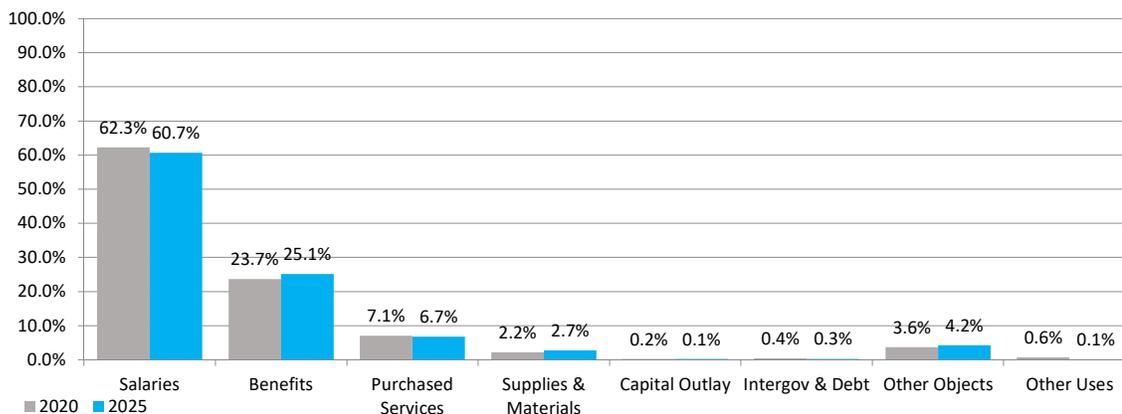
Other sources include revenue that is generally classified as non-operating. It is typically in the form of advances-in which are the repayment of temporary loans made from the general fund to other district funds. In FY 2020 the district received \$0 as advances-in and is projecting advances of \$0 in FY 2021. The district also receives other financing sources such as refund of prior year expenditures in this category. The district is projecting that all other financing sources will be \$37,806 in FY 2021 and average \$25,062 annually through FY 2025.

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



Expenditure Categories Over Time



3-Year Historical Actual Average Annual Dollar Change Compared to 5-Year Projected

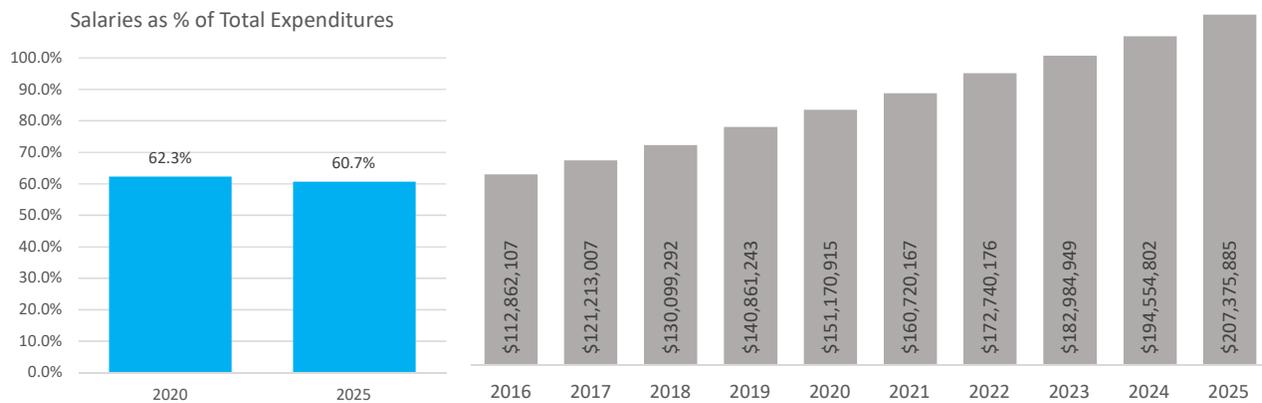
	Historical Average Annual \$ Change	Projected Average Annual \$ Change	Projected Compared to Historical Variance
Salaries	\$9,985,969	\$11,240,994	\$1,255,025
Benefits	\$3,423,521	\$5,643,648	\$2,220,127
Purchased Services	\$1,264,293	\$1,180,994	(\$83,299)
Supplies & Materials	\$151,582	\$795,228	\$643,645
Capital Outlay	\$36,132	\$11,041	(\$25,091)
Intergov & Debt	\$284,812	\$6	(\$284,807)
Other Objects	(\$364,058)	\$1,113,724	\$1,477,782
Other Uses	\$500,000	(\$240,000)	(\$740,000)
<b>Total Average Annual Change</b>	<b>\$15,282,252</b> 7.23%	<b>\$19,745,634</b> 8.13%	<b>\$4,463,382</b> 0.90%

Total expenditures increased 7.23% or \$15,282,252 annually during the past three years and is projected to increase on average of 8.13% or \$19,743,306 annually through FY2025. Benefits has the largest projected average annual variance compared to the historical average at \$2,219,815 due to future market rate increases of 8% each year.

Increasing expenditure trends include the opening of three new schools; Shale Meadows Elementary School opening in FY2022, one middle school opening in FY2024, and a second new elementary opening in FY2025. The second new elementary opening will be delayed from FY2024 to FY2025 so that the district may further study the impact of the pandemic on elementary enrollment.

### 3.010 - Personnel Services

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



Enrollment projections support the need for additional facilities. Because of that, the district passed a 'no new millage' bond issuance as a part of the March 2020 ballot. Opening new buildings adds additional staffing needs beyond what is needed for enrollment growth. Examples of those positions include office staff, custodial staff, art teacher, music teacher, guidance counselor, etc. Current staffing estimations include staffing needed for enrollment growth as well as opening two elementary schools and one middle school.

Classroom ratios for hiring purposes are 25:1 at the middle school/high school level and 24:1 at the elementary level. Note that certified staff also includes specialized staff such as intervention specialists, media specialists, guidance counselors, nurses, gifted specialists, literacy support, etc. which decreases the classroom ratios.

Staffing Projections	Fiscal Years				
	2021	2022	2023	2024	2025
Number of buildings	25	26	26	27	28
Certified Staff	1,445	1,497	1,521	1,567	1,600
Classified Staff	870	894	906	933	951
Administrative Staff	115.5	123.0	127.0	130.0	131.5
Pupil Teacher Ratios	15.08	14.89	14.94	14.78	14.77

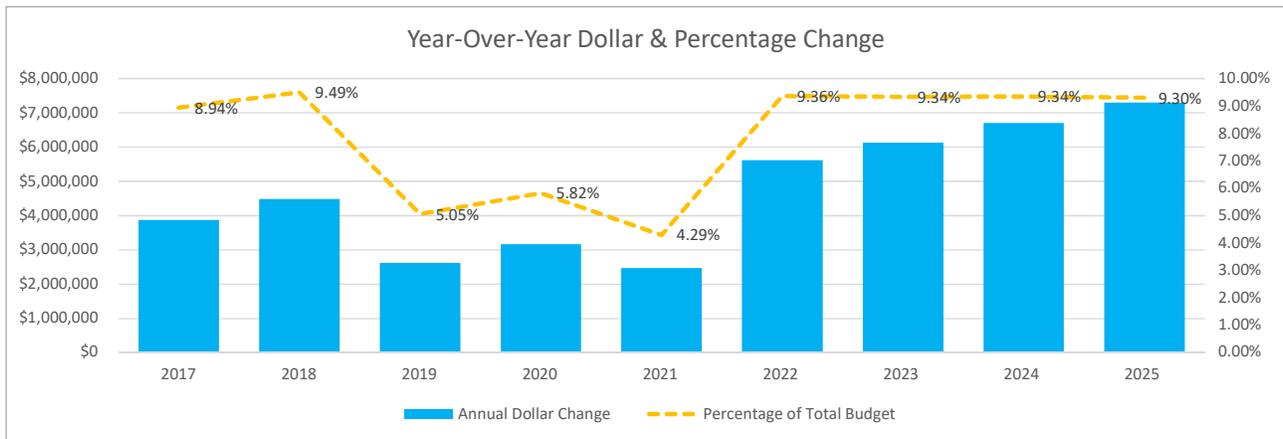
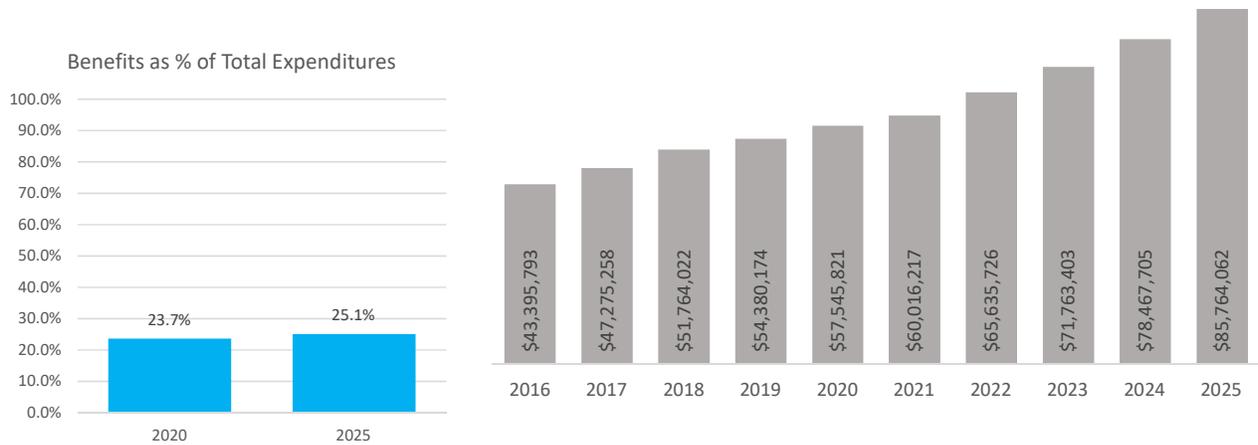
The District has four unions: Olentangy Teachers Association (OTA), Ohio Association of Public School Employees (OAPSE) Local 322 for bus drivers and OAPSE local 039 for custodial, maintenance, and field service technicians and OAPSE Local 222 for intervention aides. Previous negotiations with OTA and OAPSE 322 and 039 groups resulted in the passage of a 3-year contract with each union. Negotiations included base increases of 2.5% for each of the three years as well as member health insurance plan concessions. Those contracts expire June 30, 2021. Negotiations with OASPE 222 created a separate pay column for intervention aides, adding approximately \$200,000 to FY2021. Base increases of 2.5% were approved by the Board of Education March 2021. A base increase of 2% is included for FY2023 through FY2025. Step increases average 2.7% in FY2021 through FY2025.

In addition to base and step increases, certified staff can increase their salaries by increasing their education (a Bachelor's Degree to Master's Degree, etc.). This cost will continue to increase over the years as the number of employees continues to grow.

The Coronavirus pandemic has caused the District to hire three administrative staff this fiscal year, one year in advance of previous hiring projections. The District has incurred approximately \$374,000 in payroll related to COVID-19 cleaning and sanitization, however, classified substitute wages and driver wages related to field trips are trending \$762,000 under budget as compared to this same time last year.

### 3.020 - Employees' Benefits

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



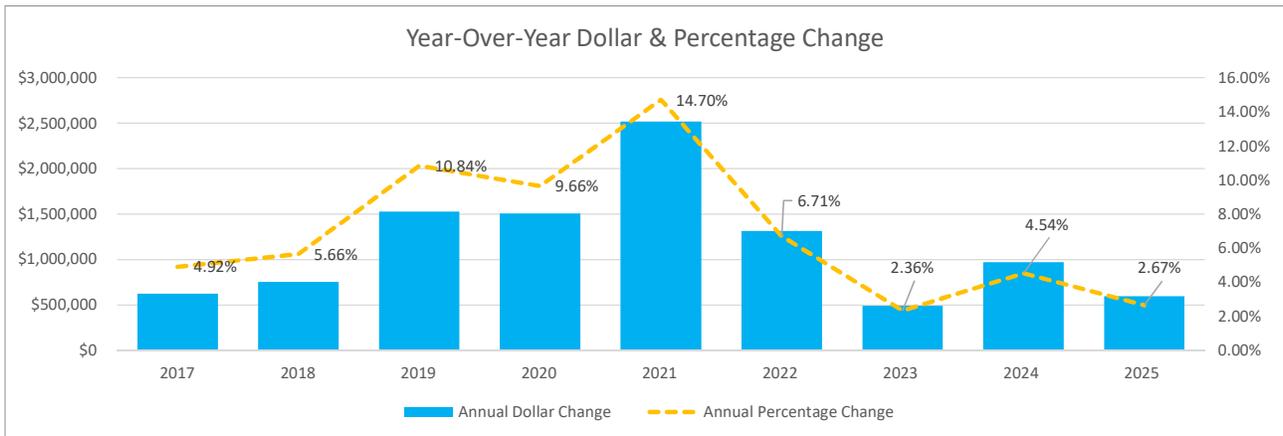
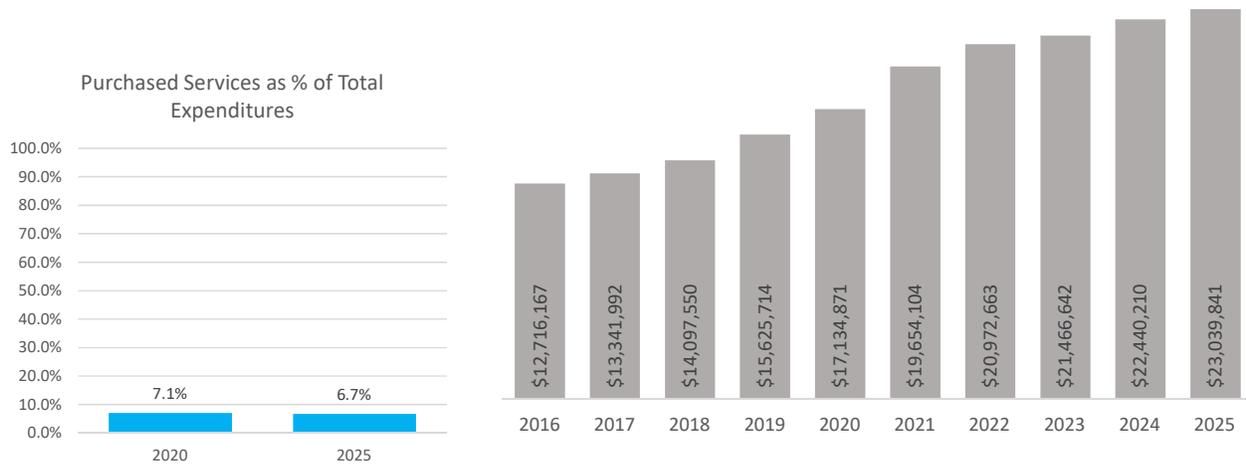
Ohio Revised Code (ORC) governs participation in the State Retirement systems (STRS and SERS). ORC also governs employer liability by setting the rate of 14% of total payroll expenditures. Also included in this line is the District paid employee contribution portion of retirement (pick-up on the pick-up) for all administrative staff. SERS charges a surcharge for any employee earning less than \$19,600 per year (decreased from \$22,600 of prior years). The District is liable for retirement contributions related to the difference between that surcharge amount and the employees' actual earnings. There is a statewide limit of total qualified payroll of 1.5% for all employers, generating approximately \$350,000 to \$450,000 in additional expense to the District. The SERS Board dictates the amount of surcharge due. The District has no control over these rates.

Insurance premiums are another significant cost within this category. The District incurred a 4% increase in premiums for calendar year 2020 and a 2.5% increase in premiums for calendar year 2021. These increases are trending on the positive end of the normal market range for a self-insured District of our size. Premium rates reflect the continued work of the District to manage expenditures through employee education of plan utilization and request for proposals to ensure competitive market rates for services. Market trend increases of 8% have been included in FY2022 through FY2025 based on estimates from the District's insurance broker. Additional staffing and plan enrollment changes impact costs in this category. Changes in these trends may cause adjustments to future assumptions.

Retirement and benefits are under what they were this same time last year due to lower than anticipated pandemic personnel costs (retirement and medicare costs not incurred with those pay costs). The district also continues to experience greater than anticipated enrollment in the HDHP versus PPO medical plan during open enrollment. Combined, these equate to approximately \$600,000 in savings.

### 3.030 - Purchased Services

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



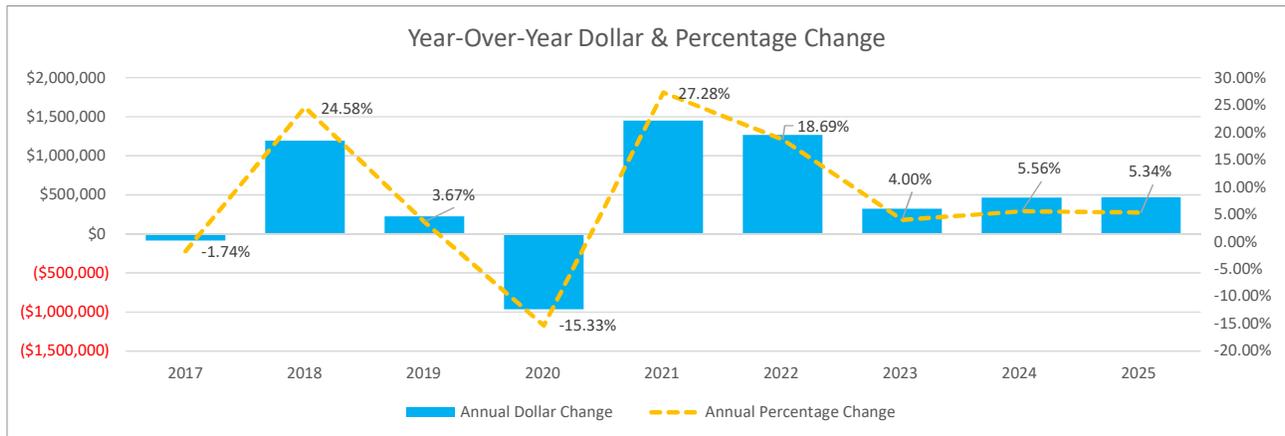
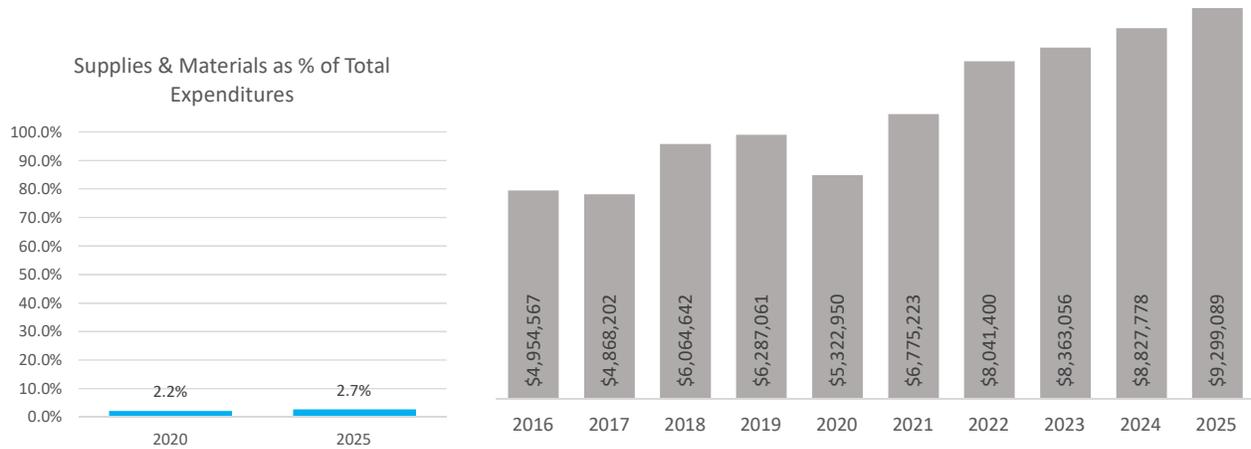
Purchased Services represent 7.06% of total expenditures and increased at a historical average annual rate of 8.72%. This category of expenditure is projected to grow at an annual average rate of 6.19% through FY 2025. The projected average annual rate of change is -2.53% less than the five year historical annual average.

Purchased services include various contracted services such as utilities, legal fees, liability insurance, professional development, data processing, and substitute teachers hired through the Educational Service Center of Central Ohio Council of Governments. Purchased Services increases in FY2020 and beyond reflect the change in expending General Funds versus the use of Federal funds. The change occurred due to changes in Federal procurement regulations.

Additionally, the District has engaged just over 30 additional certified substitute teachers to facilitate support in general classrooms and the Committed Distance Learning (CDL) program. These additions are needed in response to the COVID-19 pandemic. Pandemic related costs are estimated at \$1,000,000. These additional substitute costs are NOT supported with Coronavirus Federal Funds. Expenses related to meetings, mileage and staff professional development as well as special education alternative transportation are \$390,000 under budget as compared to the same time last year.

### 3.040 - Supplies & Materials

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



Supplies & Materials represent 2.19% of total expenditures and increased at a historical average annual rate of 4.30%.

General supplies include materials for classrooms, office, clinics, software items, computer supplies and other general items. Textbook (traditional and electronic) adoption costs vary depending on the applicable course subject.

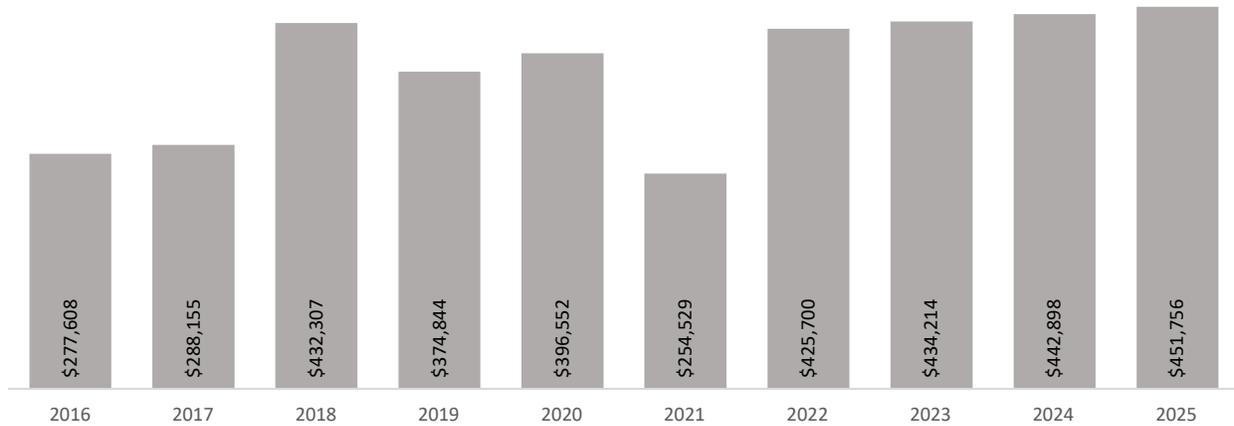
Supplies and material increases in FY2020 and beyond reflect the change in expending General Funds versus the use of Federal funds. The change occurred due to changes in Federal procurement regulations.

This category is not as high as anticipated because it is supported by \$1.2 million of Coronavirus Federal Funds. Those funds have been exhausted, causing current expenditures to date to be \$124,000 over expenditures of the period of time for last year.

Fuel expenditures are \$290,000 under budget as compared to this same time period last year. This is a result of COVID-19 restrictions for field trips. Additional anticipated expenditures were not realized due to the longevity of the hybrid student attendance model.

### 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.



Capital Outlay represent 0.16% of total expenditures and increased at a historical average annual amount of \$36,132. This category of expenditure is projected to grow at an annual average amount of \$11,041 through FY 2025. The projected average annual change is less than the five year historical annual average.

Expenditures are extraordinarily low for a district the size of Olentangy. The District funds capital expenditures through Permanent Improvement funds and or Bond proceeds. Neither of those two funding sources appear in the five-year forecast.

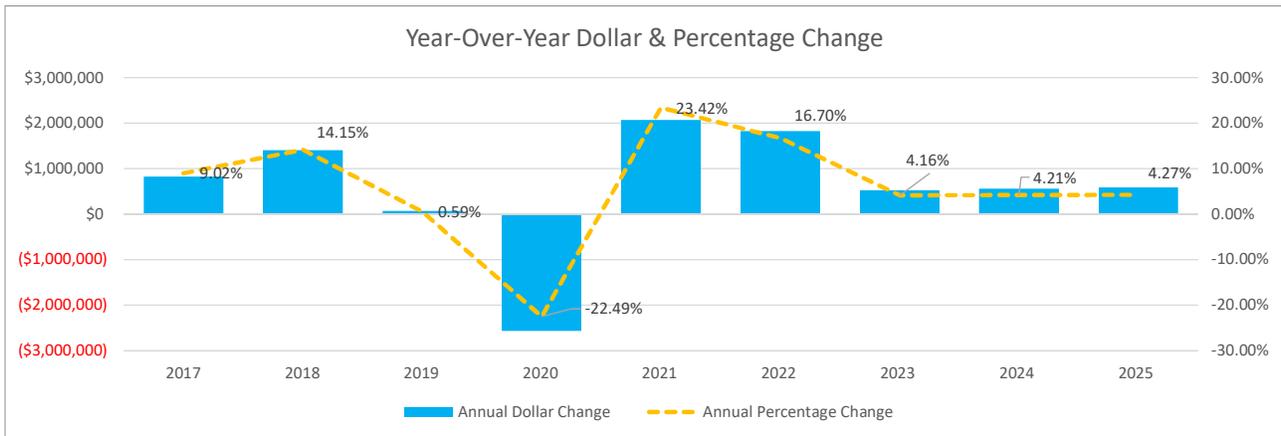
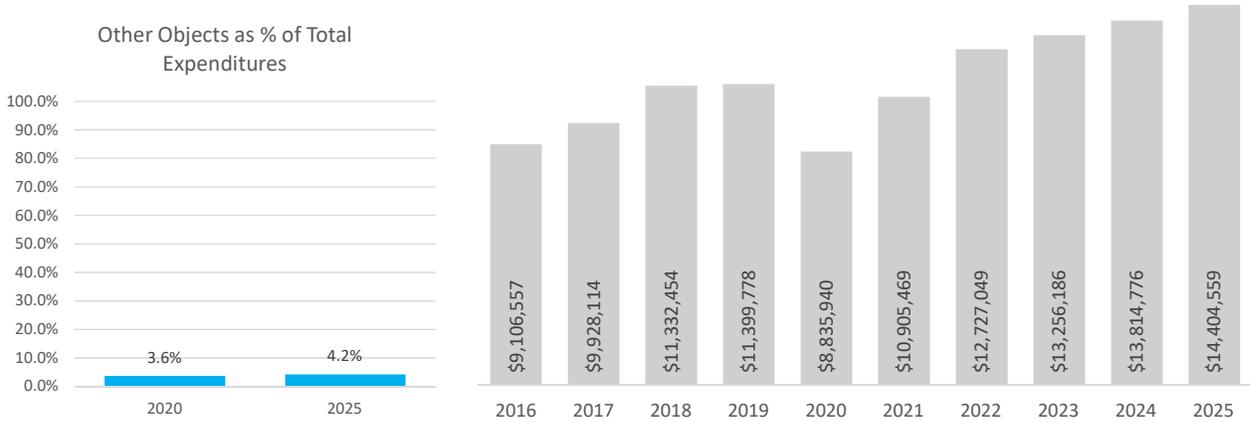
### 3.060-4.060 - Intergovernmental & Debt

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.

The Energy Conservation Program, which passed in 1985 as House Bill 264, allows school districts to make energy improvements to facilities and use the savings to pay for those improvements. In this instance, the District is able to borrow funds without voted authority. The Ohio Facilities Construction Commission (OFCC) provides oversight for the program. The District began work on a \$7.3 million HB264 project in the spring of 2017. This work includes changing the indoor and outdoor lighting to LED lighting that is more efficient. It also includes updating HVAC controls and other heating and cooling system components. The District received rebates from AEP due to the energy conservation achieved. Those rebates reduced the amount of principal drawn against the notes to \$6,612,413. This saved the District approximately \$368,000 in interest costs. General Fund utility savings pay for the un-voted debt payments on the financing structure procured to complete the project over a seven-year period. As approved by the Ohio Facilities Construction Commission, expected utility savings within the General Fund will average just over \$984,000 annually.

### 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.

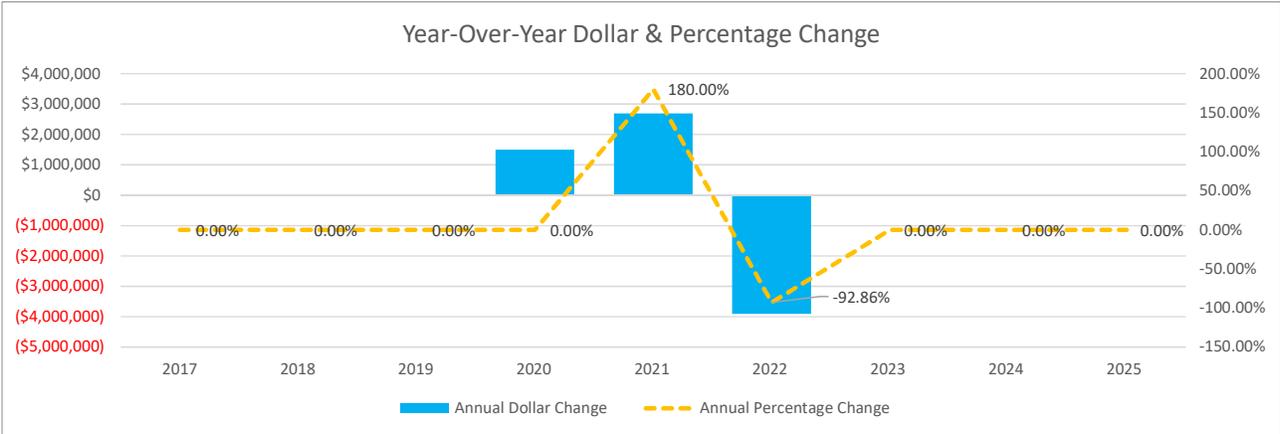
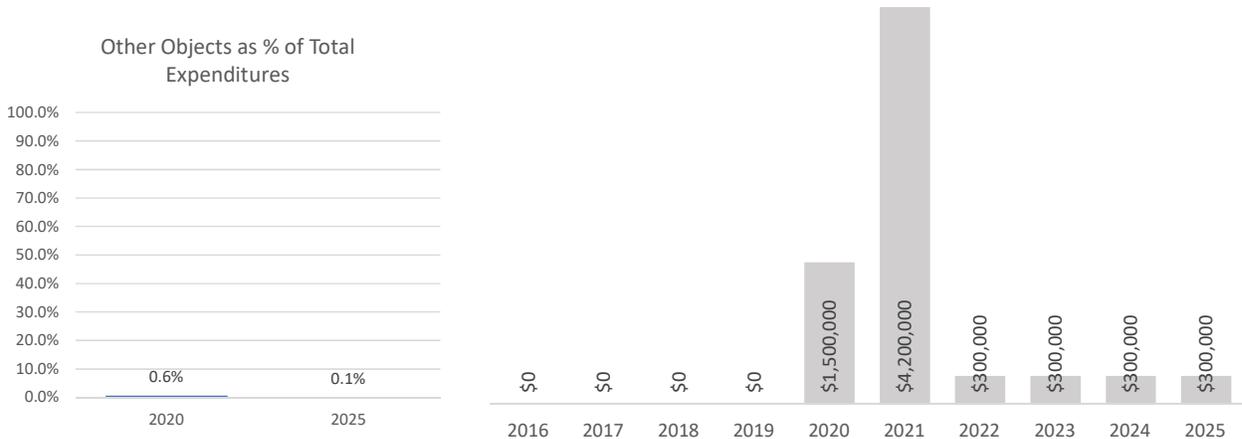


Other Objects represent 3.64% of total expenditures and decreased at a historical average annual rate of -2.58%. This category of expenditure is projected to grow at an annual average rate of 10.55% through FY 2025. The projected average annual rate of change is 13.14% more than the five year historical annual average.

The majority of expenses in this category relate to contracted services with the Educational Service Center of Central Ohio (ESCCO). Most of the services provided are for special education curriculum. As noted under Purchased Services 3.03 notes, changes in FY20 and beyond reflect the changes in expending General Funds versus Federal funds. The change occurred due to changes in Federal procurement regulations. The County Auditor fees for the collection of taxes are also included. As tax revenue increases, collection fees also increase. Audit examination fees, liability insurance and other miscellaneous fees comprise the remaining expenses.

### 5.040 - Total Other Financing Uses

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



	2020	2021	2022	FORECASTED		
				2023	2024	2025
Transfers Out	1,500,000	4,200,000	300,000	300,000	300,000	300,000

The Board of Education took action to approve a \$1.5 million transfer to the Food Service fund (006) to make that fund whole after incurring losses due to FY2020 COVID-19 closure. At the close of FY2021, the District is planning for a \$3.4 million transfer to the Food Service fund (006) and \$500,000 transfer to the Athletic funds(300) due to revenue losses caused by COVID-19 operating restrictions. The remaining amounts posted are contingency funds. FY 2019 and prior included the contingency funds in the 'Other Objects' category. Contingency amounts not used in a budget year are added back into the General Fund balance at the end of the fiscal year. This treatment is consistent with prior years.

## Olentangy Local School District

### Five Year Forecast

Fiscal Year:	Actual	FORECASTED				
	2020	2021	2022	2023	2024	2025
<b>Revenue:</b>						
1.010 - General Property Tax (Real Estate)	165,794,474	183,727,424	203,968,180	206,891,519	211,609,941	216,220,462
1.020 - Public Utility Personal Property	13,044,946	15,936,410	18,201,324	18,777,475	19,353,627	19,929,778
1.030 - Income Tax	-	-	-	-	-	-
1.035 - Unrestricted Grants-in-Aid	13,116,123	14,224,611	14,758,285	15,185,440	15,300,719	15,373,592
1.040 - Restricted Grants-in-Aid	491,246	579,234	579,234	579,234	579,234	579,234
1.050 - Property Tax Allocation	18,201,726	18,333,757	18,817,201	19,172,317	19,627,095	20,073,872
1.060 - All Other Operating Revenues	35,082,130	37,039,627	37,169,168	37,501,500	37,838,639	38,178,639
<b>1.070 - Total Revenue</b>	<b>245,730,645</b>	<b>269,841,063</b>	<b>293,493,392</b>	<b>298,107,485</b>	<b>304,309,255</b>	<b>310,355,577</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	-	-	-	-	-	-
2.060 - All Other Financing Sources	12,744	37,806	25,062	25,062	25,062	25,062
<b>2.070 - Total Other Financing Sources</b>	<b>12,744</b>	<b>37,806</b>	<b>25,062</b>	<b>25,062</b>	<b>25,062</b>	<b>25,062</b>
<b>2.080 - Total Rev &amp; Other Sources</b>	<b>245,743,390</b>	<b>269,878,869</b>	<b>293,518,454</b>	<b>298,132,547</b>	<b>304,334,317</b>	<b>310,380,639</b>
<b>Expenditures:</b>						
3.010 - Personnel Services	151,170,915	160,720,167	172,740,176	182,984,949	194,554,802	207,375,885
3.020 - Employee Benefits	57,545,821	60,016,217	65,635,726	71,763,403	78,467,705	85,764,062
3.030 - Purchased Services	17,134,871	19,654,104	20,972,663	21,466,642	22,440,210	23,039,841
3.040 - Supplies and Materials	5,322,950	6,775,223	8,041,400	8,363,056	8,827,778	9,299,089
3.050 - Capital Outlay	396,552	254,529	425,700	434,214	442,898	451,756
Intergovernmental & Debt Service	854,437	854,465	854,465	854,465	854,465	854,465
4.300 - Other Objects	8,835,940	10,905,469	12,727,049	13,256,186	13,814,776	14,404,559
<b>4.500 - Total Expenditures</b>	<b>241,261,485</b>	<b>259,180,174</b>	<b>281,397,179</b>	<b>299,122,914</b>	<b>319,402,634</b>	<b>341,189,657</b>
<b>Other Financing Uses</b>						
5.010 - Operating Transfers-Out	1,500,000	4,200,000	300,000	300,000	300,000	300,000
5.020 - Advances-Out	-	-	-	-	-	-
5.030 - All Other Financing Uses	-	-	-	-	-	-
<b>5.040 - Total Other Financing Uses</b>	<b>1,500,000</b>	<b>4,200,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
<b>5.050 - Total Exp and Other Financing Uses</b>	<b>242,761,485</b>	<b>263,380,174</b>	<b>281,697,179</b>	<b>299,422,914</b>	<b>319,702,634</b>	<b>341,489,657</b>
<b>6.010 - Excess of Rev Over/(Under) Exp</b>	<b>2,981,904</b>	<b>6,498,695</b>	<b>11,821,275</b>	<b>(1,290,367)</b>	<b>(15,368,317)</b>	<b>(31,109,018)</b>
<b>7.010 - Cash Balance July 1 (No Levies)</b>	<b>90,167,384</b>	<b>93,149,288</b>	<b>99,647,983</b>	<b>111,469,258</b>	<b>110,178,891</b>	<b>94,810,573</b>
<b>7.020 - Cash Balance June 30 (No Levies)</b>	<b>93,149,288</b>	<b>99,647,983</b>	<b>111,469,258</b>	<b>110,178,891</b>	<b>94,810,573</b>	<b>63,701,555</b>
8.010 - Estimated Encumbrances June 30	3,148,760	2,950,000	3,000,000	3,050,000	3,100,000	3,150,000
9.080 - Reservations Subtotal	-	-	-	-	-	-
<b>10.010 - Fund Bal June 30 for Cert of App</b>	<b>90,000,528</b>	<b>96,697,983</b>	<b>108,469,258</b>	<b>107,128,891</b>	<b>91,710,573</b>	<b>60,551,555</b>
<b>Rev from Replacement/Renewal Levies</b>						
11.010 & 11.020 - Renewal Levies	-	-	-	-	-	-
11.030 - Cumulative Balance of Levies	-	-	-	-	-	-
<b>12.010 - Fund Bal June 30 for Cert of Obligations</b>	<b>90,000,528</b>	<b>96,697,983</b>	<b>108,469,258</b>	<b>107,128,891</b>	<b>91,710,573</b>	<b>60,551,555</b>
<b>Revenue from New Levies</b>						
13.010 & 13.020 - New Levies	-	-	-	-	-	-
13.030 - Cumulative Balance of New Levies	-	-	-	-	-	-
<b>15.010 - Unreserved Fund Balance June 30</b>	<b>90,000,528</b>	<b>96,697,983</b>	<b>108,469,258</b>	<b>107,128,891</b>	<b>91,710,573</b>	<b>60,551,555</b>
Days Cash on Hand based upon 365 days	135	134	141	131	105	65
Daily Expenditure Amount	665,100	721,590	771,773	820,337	875,898	935,588

## Risk Assessment

### General Assumptions

The District will continue to monitor current volatility in the economy. This volatility has the potential to slow down the housing market, thereby slowing future enrollment growth. Enrollment projections are updated and approved by the Board of Education each fall.

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

Revenue generated by Class II property valuations may decline in future years as businesses are impacted by the pandemic economic volatility. The district continues to monitor Washington Prime's financial reorganization regarding Polaris Fashion Place and immediate surrounding property. The district is in communication with Delaware County regarding the matter.

### 1.035 - Unrestricted Grants-In-Aid

The COVID-19 pandemic has created a world-wide economic suppression. Ohio is no exception. While state financial reports are showing gains in revenues, it is unclear what that will equate to for school funding. To date, the Governor's budget proposal only includes continued funding for Student Wellness and Success funding and minor increases in support for growing districts (\$30 per pupil). He has tasked legislators with producing a school funding formula that the state can afford. The House has passed HB1 or the Fair School Funding Plan to be included in its budget proposal or HB110. The Senate has not released a funding model of its own. The district has included minimal increases in FY22 through FY25 due to the uncertainty of the upcoming biennium budget.

### 3.010 - Personnel Services and 3.02 - Employees' Retirement/Insurance Benefits

Enrollment is a key driver in this and other expenditures. New growth increases staffing costs as well as retirement and benefit costs associated with those staff members. Changes in operating protocols related to the COVID-19 pandemic will cause additional fluctuation to staffing required in the classroom and other areas.

Negotiations with OTA and OAPSE that occurred in the second quarter of 2018 resulted in the passage of 3-year contracts with base increases of 2.5% each year and increased member cost sharing of medical insurance for all three union groups. Current contracts were extended another year to expire June 30, 2022 with a 2.5% base increase. Intervention Aides unionized establishing a fourth union - OAPSE Local 222. Negotiations with this group resulted in a specific pay schedule costing approximately \$250,000 in additional wages in FY2021. The District currently has good working relationships with each union. Union negotiations will have a significant impact on future personnel costs and insurance plan designs.

Medical insurance premiums are also a risk to the District. High claims utilization will negatively affect healthcare premium rates. Current insurance plans negotiated with the unions provide a High Deductible insurance option with a health savings account and a PPO option. The District's insurance committee worked to develop recommendations for plan design modifications to ensure future fiscal sustainability. We will continue to monitor healthcare premiums and potential future liabilities for the District.

### 4.300 - Other Objects

Education Service Center expenditures have a significant impact on this category. This expense relates to the staffing of our preschool and special education programs. The District continues to experience growth in these areas of student population thereby increasing the need for additional staffing services and a classroom capacity. Administration continues to review program efficiencies.

## Supplemental Information

CAREs Act Funding is reported separately from this forecast per Auditor of State accounting regulations. The following table provides additional information regarding those funds. Actual expenditures will be reported in Monthly Board Financials in the 'Summary by Fund' section.

Fund Name	Fund Code	Awarded	
		Amount	Expenditure Type
Elementary and Secondary Relief Funds	507	\$245,398	personal protective equipment and additional supplies.
Coronavirus Relief Funds	510	\$1,023,094	personal protective equipment and additional supplies.
Broadband Ohio Connectivity	510	\$226,259	internet connectivity for students without access.
Sub Total		<u>\$1,494,751</u>	

Additional Coronavirus relief funds are not available to the district at this time. American Rescue Plan funding is allocated based on Title I funding for economically disadvantaged students. Unfortunately, the district did not qualify for these funds in FY2021. The district is not eligible for additional pandemic relief while other districts are receiving millions of dollars. District leadership continues to lobby legislators for a solution to this important issue.

The forecast does include the following estimated expenses related to the COVID-19 pandemic. Actual expenditures will be reported in Monthly Board Financials in the 'Executive Summary' section.

Forecast Line	Estimated Amount	Expenditure Type
3.010 Personnel Services	\$400,000	classified substitutes and/or overtime
3.030 Purchased Services	\$1,000,000	long-term and/or daily certified subs; buildings & CDL program
5.010 Operating Transfers-Out	\$3,900,000	funds transferred to Food Service and Athletics due to revenue losses caused by pandemic operating restrictions.
Sub Total	<u>\$ 5,300,000</u>	



SM

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