BOARDMAN LOCAL SCHOOL DISTRICT- MAHONING COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2017, 2018 and 2019 ACTUAL FORECASTED FISCAL YEARS ENDING JUNE 30, 2020 THROUGH JUNE 30, 2024

BOARDMAN LOCAL SCHOOLS

Forecast Provided By
Boardman Local School District
Treasurer's Office
Nicholas E. Ciarniello, Treasurer

May 18, 2020

Boardman Local School District –Mahoning County
Notes to the Five Year Forecast
General Fund Only
May 18, 2020

Introduction to the Five Year Forecast
For fiscal year 2020 (July 1, 2019 – June 30, 2020) school districts in Ohio are required to file a five (5) year financial forecast by November 30, 2019, and May 31, 2020. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. HB166, the new state biennium budget, provided new state funding to all school districts in Fiscal Years 20 and 21 specifically for Student Wellness and Success. These revenues are restricted and are required to be accounted for in a Special Revenue Fund (Fund 467) and are NOT included in this forecast.

Fiscal year 2020 (July 1, 2019-June 30, 2020) 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 2020 filing.

Economic Outlook During The COVID-19 Global Pandemic
This five-year forecast is filed in the midst of a health and financial struggle that encompasses 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 is following events and conducting video conferences daily to plan, what we believe, is the best course of action during a time of unprecedented uncertainty. State and local resources are going to be under extreme stress as we continue through and eventually recover from the pandemic. We have reviewed historical data from the Great Recession of 2008, but there is no historic data or situation to compare to what the district is facing now. The current pandemic situation makes it extremely challenging to project where our finances will be through fiscal year 2024. Data and assumptions noted in this forecast were based on the best and most reliable data available to us as of the date of this forecast.

May 2020 Updates:

Revenues FY20:
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 $48,545,010 or .70% lower than the November forecasted amount of $48,885,864. This indicates the November forecast was 99.3% accurate.

The decrease in revenue estimate is mostly affected the $883,005 reduction to FY20 foundation revenue by ODE as a result of the mandated statewide budget cuts.

All other areas of revenue are tracking as anticipated for FY20 based on our best information at this time.

Expenditures FY20:
Total General Fund expenditures (line 4.5) are estimated to be $46,160,060 for FY20 which is $660,313 below the original estimate of $46,820,373 in the November forecast. Reductions were made in nearly every area of the FY20 estimated expenses due to immediate belt tightening upon seeing the economic consequences of the COVID-19 shut downs in our community and state.

Unreserved Ending Cash Balance:
With revenues decreasing slightly over estimates and expenditures ending below estimates, our ending unreserved cash balance June 30, 2020 is anticipated to be roughly $8.0 million. The ending unreserved cash balance on Line 15.010 of the forecast is anticipated to be a positive accumulative balance through 2024 if 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:
In addition to the above noted uncertainty due to the COVID-19 Pandemic, a five year financial forecast typically has inherent risks and uncertainties. This is due to normal economic uncertainties and to state legislative changes that will take place during the deliberation of two (2) state biennium budgets that will occur in the spring of 2021 and 2023. These budget deliberations will affect this five year forecast in FY22-23 and FY24-25. 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:

I. Mahoning County experienced a reappraisal update in the 2017 tax year which was collected in FY18. Residential values increased slightly by 1.26% and commercial values declined by .54%. The next update the district will experience a reappraisal in 2020 and we have assumed a 1% modest growth for residential values and 0% growth for commercial values in that update.

II. HB166 the current state budget for FY20-21 has frozen funding for all school districts in Ohio at their FY19 level with the only exception being the addition of Enrollment Growth Supplement money for a small number of growing districts. The only increase in funding to all districts in Ohio is restricted use money for Student Wellness and Success which is restricted in use and must be placed in Fund 467. This is not General Fund money and thus not included in the forecast. We have assumed this money will not continue after FY22.

III. HB166, the new state budget continues the TPP Fixed Rate Reimbursement phase-out contained in SB208 that will lower the payment each year by what five-eights (5/8) of 1 mill would raise locally, based on the 3 year average of Tax Year 14-16 assessed district values. The phase out of the Fixed Rate was complete in FY18. In FY15 the district received $2.5 million in TPP state reimbursement.

IV. The State Budget represents 26% of district revenues, which means it is a significant area of risk to revenue. The state has reduced our funding $883,005 for FY20 and we are anticipating a 15% reduction in FY21 due to drastically reduced state revenue because of the COVID-19 pandemic. Additional future risk comes in FY22 and beyond if the state economy does not bounce back as expected following the pandemic 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. We will make adjustments to the forecast in future years as we have data to help guide this decision.

V. The district has three levies that will expire during this five year forecast period. A 5.9 and 6.0 mill current expense levies expiring in 2021 and another 5.9 mill levy expiring in 2023. All of these levies are critical and are necessary to keep the district financially healthy long term. While all these levies have been renewed before; should either fail there will be serious consequences for the districts financial stability.

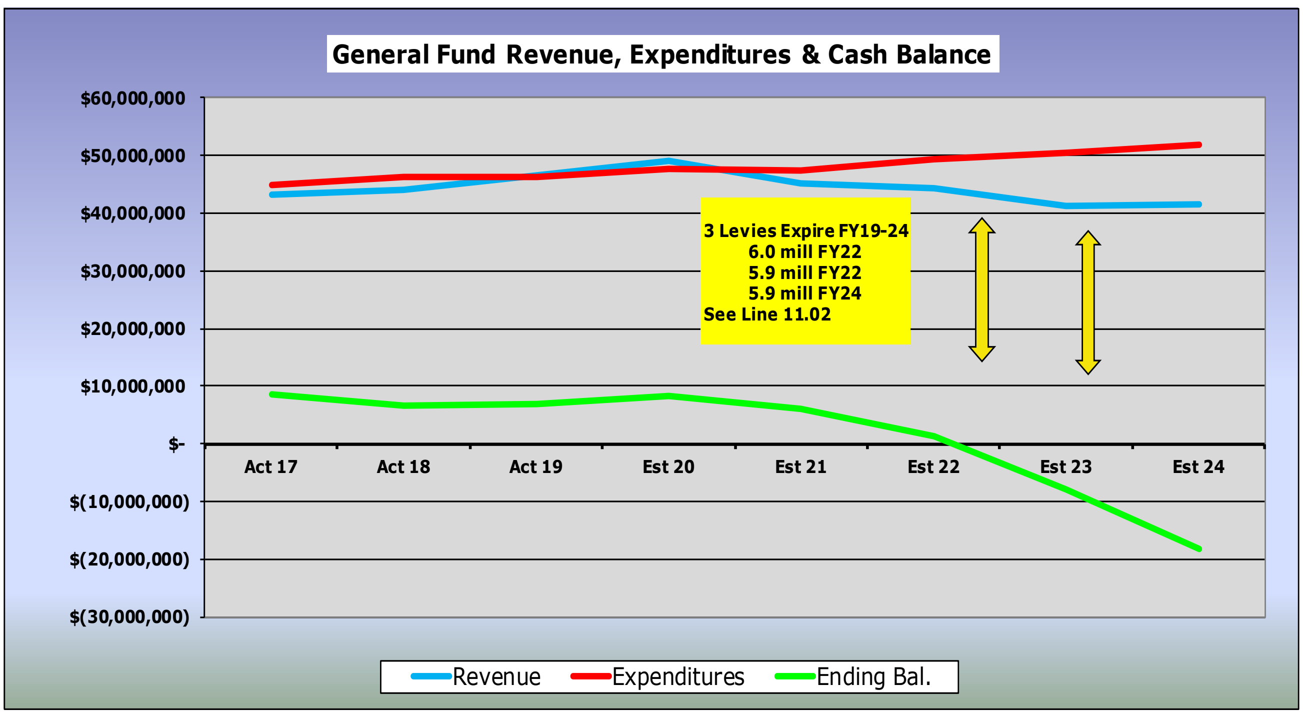
VI. HB166 continues the many provisions contained in prior state biennium budgets that will continue to draw funds away from our district through continuing school choice programs such as College Credit Plus, Community Schools and increases in per pupil education scholarship amounts deducted from our state aid in the 2020-21 school years, even though funding for our students was not increased to our district for this biennium budget.

HB197 passed in March 2020 freezes EdChoice eligibility at the 2019-2020 list of 517 buildings. The district does not presently have schools designated as underperforming but the measures used by the state could be changed for the future. These are examples of new choice programs that increase with each biennium budget that cost the district money. Expansion or creation of programs such as these exposes the district to new expenditures that are not currently in the forecast. We are closely monitoring Ed Choice voucher legislation and are watching for any new threats to our state aid and increased costs.

VII. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe as we move forward our positive working relationship will continue and will only grow stronger.

The major lines 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 Nicholas E. Ciarniello, Treasurer at 330-726-3403 Ext: 67113.

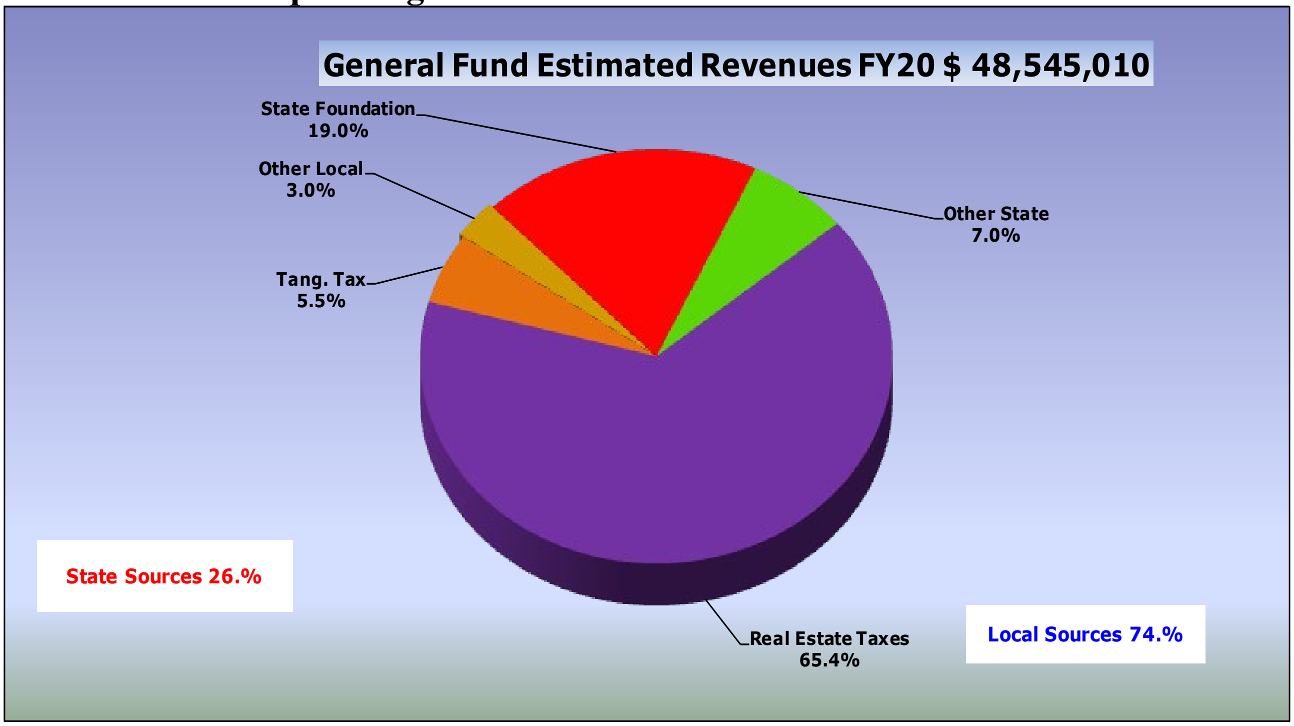
General Fund Revenue, Expenditures and Ending Cash Balance Actual FY17-19 and Estimated FY20-24



The graph captures in one snapshot the operating scenario facing the District over the next few years including the renewal of the two 5.9 mill operating levies and the 6.0 mill operating levy. These levies are moved to Line 11.02 of the forecast and are what causes the ending cash balance to dip sharply in the graph above.

Revenue Assumptions

Operating Revenue Sources General Fund FY20



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. Mahoning County experienced a reappraisal update in the 2017 tax year and collected in FY18. Residential values increased slightly by 1.26% and commercial values declined by .54%. The 2014 update increased overall assessed values by $1,221,180 or an increase of .15%. The next update the district will experience a reappraisal in 2020 and we have assumed a 1% modest growth for residential values and 0% growth for commercial values in that update.

In September 2017 we were informed that the Mercy Health Systems St. Elizabeth expansion which was added as taxable during construction was awarded an exemption in August. The value of the addition was added to the tax duplicate in tax year 2015 and 16 and taxes paid. When the exemption was granted a refund of nearly all taxes paid was made from our August 2017 settlement of approximately $920,000. Additional growth due to our 2017 reappraisal values and taxes will help buffer the loss, but still we are net down in FY18 compared to FY17 taxes. The dip in taxes from FY17 to 18 can be seen on Line 1.01 of the forecast. We anticipate HB920 will increase tax rates for Class II property and help buffer the loss from current collections as a result of the drop of an estimated $12.6 million in assessed value for the hospital expansion for future years.

In tax year 2018, collected in 2019 overall values fell .08% from $845,820,710 to $845,168,530. This was led by overall decline in Commercial values of ($621,490) and public utility personal property values of ($686,130) while residential property increased slightly by $655,440.

In tax year 2019, collected in 2020 overall values increased .11% from $845,168,530 to $846,094,080. This was led by overall increase in public utility personal property values of $1.5 million and an overall increase residential property values of $951,570 while Commercial values declined $1.5 million. The decrease in value of the Commercial property offset the increase in public utility property values.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

Classification	Actual TAX YEAR2019 COLLECT 2020	Estimated TAX YEAR2020 COLLECT 2021	Estimated TAX YEAR2021 COLLECT 2022	Estimated TAX YEAR2022 COLLECT 2023	Estimated TAX YEAR2023 COLLECT 2024
Res./Ag.	$506,586,660	$512,152,527	$512,652,527	$513,152,527	$518,784,052
Comm./Ind.	$295,449,230	$296,929,230	$298,409,230	$299,889,230	$301,369,230
Public Utility Personal Property (PUPP)	$44,058,190	$44,208,190	$44,358,190	$44,508,190	$44,658,190
Tangible Personal Property (TPP)	$0	$0	$0	$0	$0
Total Assessed Value	$846,094,080	$853,289,947	$855,419,947	$857,549,947	$864,811,472

ESTIMATED REAL ESTATE TAX - Line #1.010

Source	FY20	FY21	FY22	FY23	FY24
General Property Taxes	$31,728,646	$29,054,827	$28,411,821	$25,527,158	$25,152,981

Property tax levies are estimated to be collected at 97.25% of the annual amount. This allows 2.75% delinquency factor. For FY21 an addition 8% reduction in current collections are planned due to expected lower collections because of potential economic hardships many taxpayers and businesses may be experiencing due to the COVID-19 pandemic. This is inline with what we saw in 2009-12 period during the 2008 recession.

In general, 52% of the Res/Ag and Comm/Ind property taxes are expected to be collected in the February tax settlement and 48% collected in the August tax settlement. Public Utility tax settlements (PUPP taxes) are estimated to be received 50% in February and 50% in August settlement from the County Auditor and are noted in Line #1.02 totals below.

The increase in FY19 and FY20 are bumps showing the collection of the new May 8 Emergency Levy. The increase in FY22 is uneven as we have removed a renewal levy to Line 11.02 as shown below.

Levy Renewal –Line # 11.02

The District is currently working to renew two 5.9 mill operating levies and one 6.0 mill operating levy in the next 4 years of the forecast period. State law requires that renewal levies be removed from revenues on Line 1.01, 1.02 and 1.05 and shown on this line 11.02 of the forecast. Please note that renewal levies do not bring in additional tax revenues to the district. We are renewing levies for the same revenue we currently collect.

Source	FY20	FY21	FY22	FY23	FY24
Renewal 5.9 and 6.0 Mill Expire 12/31/21	$0	$0	$3,782,024	$7,273,123	$7,273,123
Renewal 5.9 Mill Expires 12/31/23	0	0	0	0	2,473,361
Total Line # 11.020	$0	$0	$3,782,024	$7,273,123	$9,746,483

New Tax Levies – Line #13.030 - No new levies are modeled in this forecast.

Estimated Tangible Personal Tax & PUPP Taxes – Line#1.020
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. Public Utility Personal Property (PUPP) values grew in Tax Year 2017 by $2.16 million due to reinvestments being made by utilities statewide.

Source	FY20	FY21	FY22	FY23	FY24
Public Utility Personal Property PUPP	$2,691,772	$2,738,360	$2,482,876	$2,225,845	$2,098,307
Total Line # 1.020	$2,691,772	$2,738,360	$2,482,876	$2,225,845	$2,098,307

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045
A) Unrestricted State Foundation Revenue– Line #1.035
The amounts estimated for state funding are based on HB166 funding simulations which essentially guarantee all school districts the same amount of state aid they received in FY19. Essentially funding for all 610 traditional school districts and 49 Joint Vocational and Career Centers is frozen for FY20 & 21 at the FY19 funding level for state basic aid. The State Foundation Funding Formula used since FY14 has now been abandoned after six (6) years. HB305 is currently being considered by the legislature and may produce a successor funding formula for the FY22-23 biennium budget but there is nothing to base future projections on. We are also projecting a 7.5% reduction in FY22 and FY23 and then having FY24 return to FY19 levels. **Note: state funding was reduced for our district by $883,005 for FY20 and estimated by 15% in FY21. We will continue to monitor diligently for future revenues reductions as a result of shutdowns due to the COVID-19 Pandemic**.

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 FY20 proposed funding ranges from $20 per student to $250 per student and in FY21 funding ranges from $25 per student to $300 per student. All schools and students are to receive a minimum additional funding of $25,000 in FY20 and $30,000 in FY21. Our district is estimated to receive $409,893 in FY20 and $578,326 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 one of the approved community partner organizations approved in HB166 that include the following:

Student Wellness and Success Initiatives (ORC 3317.26(B))
- Mental health services
- Services for homeless youth
- Services for child welfare involved youth
- Community liaisons
- Physical health care services
- Mentoring programs
- Family engagement and support services
- City Connects programming
- Professional development regarding the provision of trauma-informed care
- Professional development regarding cultural competence
- Student services provided prior to or after the regularly scheduled school day or any time school is not in session

Community Partners (ORC 3317.26(C))

- A board of alcohol, drug and mental health services
- An educational service center
- A county board of developmental disabilities
- A community-based mental health treatment provider
- A board of health of a city or general health district
- A county department of job and family services
- A nonprofit organization with experience serving children
- A public hospital agency

At this time our district is spending money in our General Fund that is servicing student needs as identified in 3317.26 (B) and our approved plan calls for these expenses to be recoded to Fund 467 for FY20 and FY21, then returning these expenses to the General Fund for FY22-24 as we have no direction on the future continuation of this funding. The General Fund reflects the reduction of these expenses for FY20 and FY21 and increase in expenses in FY22-24.

We believe our current state funding estimates for FY20-24 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 will be collected as a tax. School districts will receive 34% of the 33% GCR that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year which began for the first time on January 31, 2013.

The state indicated recently that revenues from casinos are not growing robustly as originally predicted but are still growing slowly as the economy has improved. Actual numbers generated for FY19 statewide were 1,785,583 students at $52.59 per pupil. That is a decline of .36% students from the prior year. For FY20-24 we estimated a .4% decline in pupils to 1,778,441 and GCR increasing to $95.5 million or $53.75 per pupil. Casinos have been closed since March 16 due to the COVID-19 pandemic. This will likely impact future casino payments for FY21 and possibly FY22. We have reduced payments in FY21-23 as a result of the anticipated slow return to current casino funding levels.

Source	FY20	FY21	FY22	FY23	FY24
Basic Aid-Unrestricted	$8,516,910	$8,066,522	$8,778,274	$8,778,274	$9,487,512
Additional Aid Items	$252,368	$252,368	$252,368	$252,368	$252,368
Basic Aid-Unrestricted Subtotal	$8,769,278	$8,318,890	$9,030,642	$9,030,642	$9,739,880
Ohio Casino Commission ODT	$222,552	$133,543	$173,606	$222,216	$224,438
Total Unrestricted State Aid Line # 1.035	$8,991,830	$8,452,433	$9,204,248	$9,252,858	$9,964,318

B) Restricted State Revenues – Line # 1.040

HB166 continues funding two restricted sources of revenues to school districts which are Economic Disadvantaged Funding and Career Technical Education Funding. The district has elected to also post Catastrophic Aid for special education as restricted revenues. The amount of the Economically Disadvantaged Aid is estimated to remain stable each remaining year of the forecast. We have incorporated this amount into the restricted aid amount in Line # 1.04 for FY20-24.

Source	FY20	FY21	FY22	FY23	FY24
Economically Disadvantaged Aid	$243,501	$243,501	$243,501	$243,501	$245,936
Career Tech	$7,920	$7,920	$7,920	$7,920	$7,999
Total Restricted State Revenues Line #1.040	$251,421	$251,421	$251,421	$251,421	$253,935

C) Restricted Federal Grants in Aid – line #1.045

No federal unrestricted grants are projected in this forecast.

Summary of State Foundaton Revenues	FY20	FY21	FY22	FY23	FY24
Unrestricted Line # 1.035	$8,991,830	$8,452,433	$9,204,248	$9,252,858	$9,964,318
Restricted Line # 1.040	$251,421	$251,421	$251,421	$251,421	$253,935
Rest. Fed. Grants - SFSF & Ed Jobs Line #1.045	$0	$0	$0	$0	$0
Total State Foundation Revenue	$9,243,251	$8,703,854	$9,455,669	$9,504,279	$10,218,253

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

b) Tangible Personal Property Reimbursements – Fixed Rate

State budget bill HB153 slashed these reimbursements to our district after FY12, reducing our state revenue each year starting in FY13. HB64, the FY16 -17 state budgets, reinstituted the phase out of TPP reimbursements to districts beginning in FY16.

SB 208 amended HB64 and became effective February 15, 2016. SB 208 provides that the TPP Fixed Rate funding will be phased out at 5/8ths (62.5%) of what 1 mill would raise in local taxes on the three (3) year average of TY14-16 assessed values. The District’s final TPP Phase out payment was received in FY18 We received $2.55 million in TPP fixed rate funds in FY15. This is a significant loss to our district.

Summary of State Tax Reimbursement – Line #1.050

Source	FY20	FY21	FY22	FY23	FY24
a) Rollback and Homestead	$3,402,241	$3,420,411	$2,670,194	$2,670,690	$2,633,437
b) TPP Reimbursement - Fixed Rate	$0	$0	$0	$0	$0
c) TPP Reimbursement - Fixed Sum	$0	$0	$0	$0	$0
Total Tax Reimb./Prop. Tax Allocations #1.050	$3,402,241	$3,420,411	$2,670,194	$2,670,690	$2,633,437

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 various tuition payments, pay to participate fees, student fees, and general rental fees. Beginning in FY20 interest is expected to decline due to fed rate reductions which will impact our earning capability in this area. We have reduced FY21 interest by 50% and FY22 by another 25% due to the rapid reduction in interest rates to help stimulate the economy due to the COVID-19 recession. Student fees were reduced the last half of FY20 and we will reduce fees again in FY21. All other revenues are expected to continue on historic trends. The COVID-19 shutdown could reduce future collections of state funded tuition reimbursements. At this time we will continue monitoring this line of the forecast for future projections.

Source	FY20	FY21	FY22	FY23	FY24
Tuition Income-1200	$569,188	$569,188	$574,880	$580,629	$586,435
Interest	$271,518	$135,759	$101,819	$91,637	$82,473
Medicaid	$353,473	$353,473	$353,473	$353,473	$353,473
Class & Transportation Fees	$77,532	$27,920	$128,060	$128,700	$129,344
Other Income and rentals	$207,389	$207,389	$207,389	$207,389	$207,389
Total Line # 1.060	$1,479,100	$1,293,729	$1,365,621	$1,361,828	$1,359,114

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. All advances over year end are planned to be returned in the succeeding fiscal year.

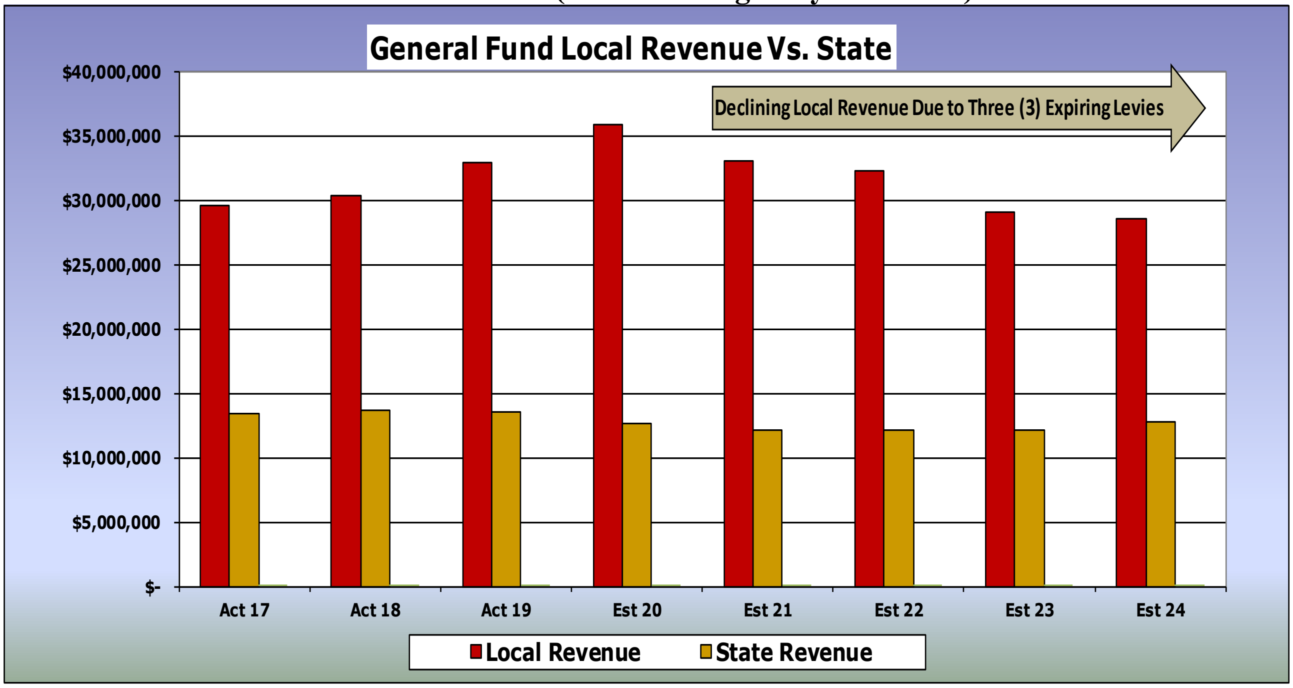
Source	FY20	FY21	FY22	FY23	FY24
Transfers In - Line 2.040	$25,734	$0	$0	$0	$0
Advance Returns - Line 2.050	$72,856	$50,000	$50,000	$50,000	$50,000
Total Transfer & Advances In	$98,590	$50,000	$50,000	$50,000	$50,000

All Other Financial Sources – Line #2.060

This funding source is typically a refund of prior year expenditures that is very unpredictable. We will estimate these payments when we have solid data with which to do so. The primary cause of the increase in FY20 is proceeds received from the sale of the old bus garage.

	FY20	FY21	FY22	FY23	FY24
Other Financing Sources Line 2.06	$352,183	$28,875	$28,875	$28,875	$28,875

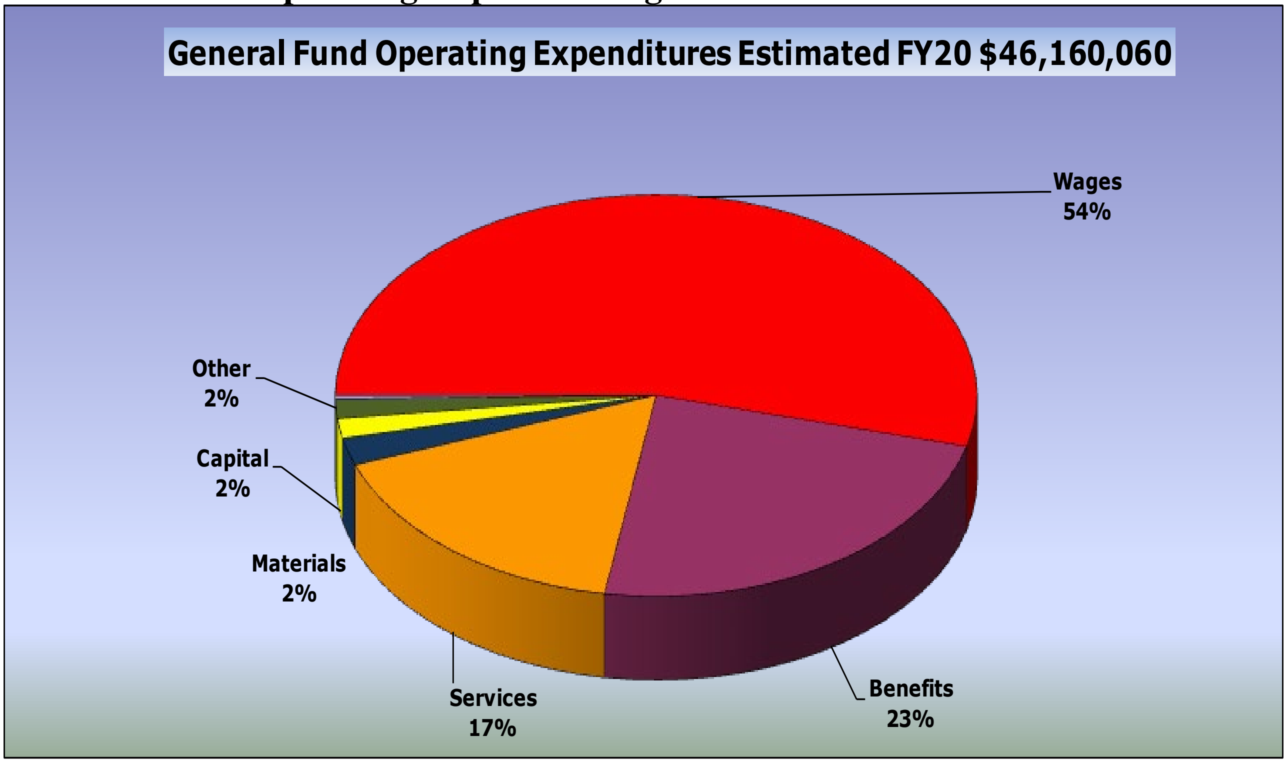
Total General Fund Local Revenue (Not including Levy Renewals) Vs. State Revenue



Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization.

All Operating Expense Categories - General Fund FY20



Wages – Line #3.010
Negotiations with bargaining unit members was completed in summer 2017 resulting in a three year agreement that includes a base increases of 1% and a 1% stipend for FY18, a 2% base increase for FY19 and FY20. Step and training increases are included for FY20-24. For planning purposes a 0% base increase has been reflected for FY21-23 and a 1% in FY24 while we wait to see how bad the COVID-19 Recession may reduce our revenues. We have recoded expenses that qualify in our plan for use of Student Wellness and Success funding in FY20 and 21 and will reintroduce those costs to the General Fund for the period FY22-24.

Source	FY20	FY21	FY22	FY23	FY24
Base Wages	$23,896,834	$23,899,100	$23,887,614	$24,568,313	$25,049,635
Increases/Stipend	$477,937	$0	$0	$0	$250,496
Steps & Training	$351,283	$351,317	$351,148	$361,154	$368,230
Fund 467 recoding	($263,208)	($112,803)	$329,551	$120,168	$0
Classified Substitutes & All Sulpplementals	$1,073,928	$1,084,667	$1,095,514	$1,106,469	$1,117,534
Staff Reductions/Attrition	($563,746)	($250,000)	$0	$0	$0
Total Wages Line 3.010	$24,973,028	$24,972,281	$25,663,827	$26,156,104	$26,785,895

Fringe Benefits Estimates
This area of the forecast captures all costs associated with benefits and retirement costs.

A) STRS/SERS will increase as Wages Increase
As required by law the BOE pays 14% of all employee wages to STRS or SERS. In addition, the district pays SERS surcharge for classified staff that does not make a set amount for retirement purposes.

B) Insurance
We are estimating insurance based on district caps in the labor agreements at $6.5 million for FY19, and $6.69 million for FY20. A 3.0% increase for each year FY21 - FY24, is forecasted for planning purposes. This is based on our current employee census and claims data.

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 a uncertainty factor for our health care costs in the forecast.

C) Workers Compensation & Unemployment Compensation
Workers Compensation is expected to remain at about .2% of wages FY20– FY24. Unemployment is expected to remain at a very low level FY20-24. However, we are anticipating a potential increase in unemployment for FY20-21 due to the COVID-19 shutdowns. This increase has been caused by our reduced need for substitutes help during the COVID-19 Pandemic. The district is a direct reimbursement employer, which means unemployment costs are only incurred and due if we have employees who are eligible and draw unemployment.

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

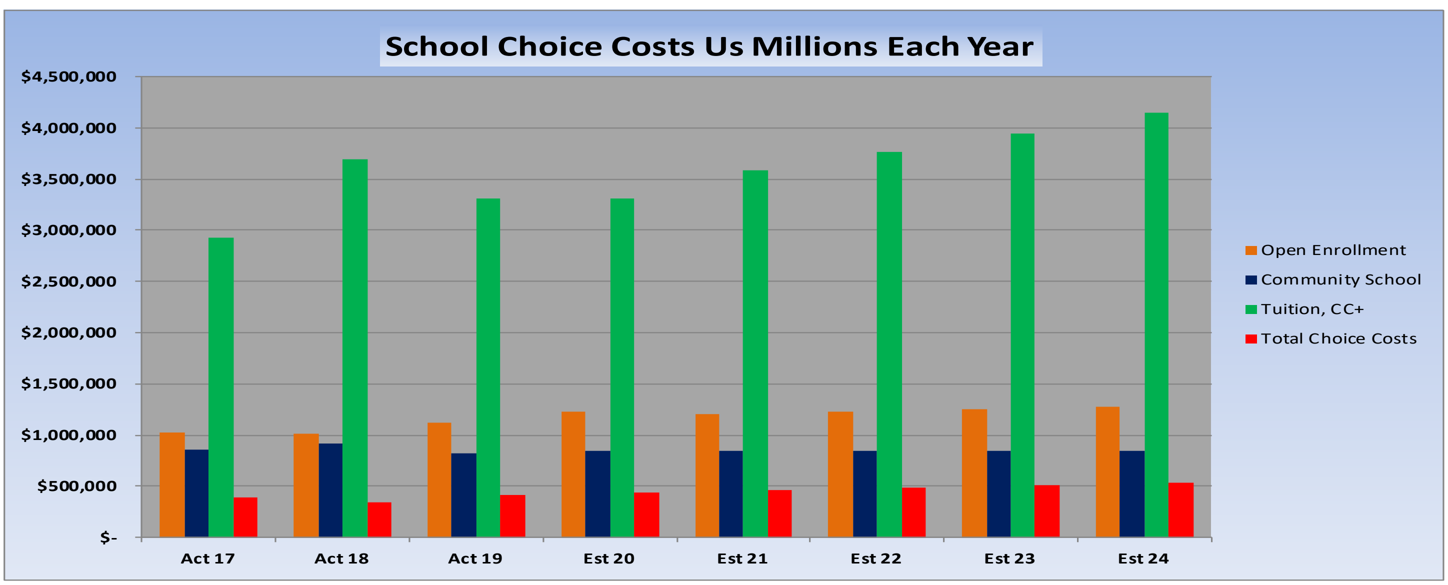
Summary of Fringe Benefits – Line #3.020

Source	FY20	FY21	FY22	FY23	FY24
A) STRS/SERS	$3,670,917	$3,884,452	$3,917,569	$4,029,203	$4,143,209
B) Insurance's	$6,660,000	$6,809,800	$7,014,094	$7,224,517	$7,441,253
C) Workers Comp/Unemployment	$102,830	$77,431	$64,460	$65,690	$67,265
D) Medicare	$378,826	$376,401	$380,014	$390,539	$401,788
Other/Tuition	$25,523	$25,523	$25,523	$25,523	$25,523
Total Line 3.020	$10,838,096	$11,173,607	$11,401,660	$11,735,472	$12,079,038

Purchased Services – Line #3.030

Utility costs are assumed to increase 3% per year, but can fluctuate significantly due to factors outside of our control such as the weather and rate changes. Open enrollment and community schools continue to draw a significant number of students, which are major expenditures in this area and have been increased based on historical trend. In FY20, community school deductions are projected to hold steady at FY19 levels to account for the students and per pupil state funding which will flow through our funding formula to the community schools. We have however increased costs for additional students who may be eligible for the education scholarship program which is expected to increase our costs beginning in FY20 and increase sharply in FY21. In addition, the state mandated College Credit Plus tuition costs are paid out of this line. The graph below shows the funds we anticipate to leave our district every year due to choice programs. In FY20 we anticipate $5.43 million in costs which is equivalent to a 6.14 mill levy leaving each year. We have reduced costs in purchased services for FY20 and 21 for the Fund 467 recoding for our School Resource Officers and then return these costs to the General Fund in FY22-24.

Source	FY20	FY21	FY22	FY23	FY24
Base Services	$397,842	$401,820	$405,838	$409,896	$413,995
Professional/Instructional	$752,458	$860,032	$965,833	$994,808	$1,024,652
Open Enrollment Deduction	$1,225,024	$1,200,524	$1,224,534	$1,249,025	$1,274,006
Community& STEM School Deductions	$843,000	$843,000	$843,000	$843,000	$843,000
ESC, SF14 Tuition & Scholarship Costs	$3,311,258	$3,580,216	$3,759,227	$3,947,188	$4,144,547
Building Maintenance & Service	$439,181	$461,140	$484,197	$508,407	$533,827
Utilities	$771,835	$794,990	$818,840	$843,405	$868,707
Total Line 3.030	$7,740,598	$8,141,722	$8,501,469	$8,795,729	$9,102,734



Supplies and Materials – Line #3.040
An overall inflation of 3% is being estimated for this category of expenses which are characterized by textbooks, educational supplies, testing supplies, copy paper, maintenance and custodial supplies, materials, and bus fuel. We have reduced FY21 expenses by $568,731 and FY22 by $168,731 for CARES Act funding. We will buy the technology updates for students from these federal stimulus dollars to help our General Fund.

Source	FY20	FY21	FY22	FY23	FY24
Supplies, Textbooks & Technology	$353,928	$92,618	$195,397	$441,062	$454,294
Building and Transportation	$671,000	$691,130	$711,864	$733,220	$755,217
Total Line 3.040	$1,024,928	$783,748	$907,261	$1,174,282	$1,209,511

Equipment – Line # 3.050
The District does not anticipate costs increasing significantly in this line because most capital outlay is paid by the Permanent Improvement Fund. Our Apple Lease entered into in 2017 will be paid off in FY19. Those costs will be reallocated to replacing our chromebooks to ensure that our students are supported for testing and if necessary, remote learning.

Source	FY20	FY21	FY22	FY23	FY24
Capital Outlay	$351,845	$425,000	$425,000	$425,000	$425,000
Replacement Bus Purchases	$369,873	$323,235	$285,000	$360,000	$360,000
Total Line 3.050	$721,718	$748,235	$710,000	$785,000	$785,000

Principal and Interest Payment – Lines # 4.05 and 4.06
All payments for the two HB264 projects, the Qualified School Construction Bonds, and the related interest charges will be reflected as a transfer out to the bond retirement fund of the district where these obligations are paid beginning in FY18. The transfer out section has been more detailed to reflect the amount being transferred for the payments. The bus lease will continue to be shown here as it is paid directly from the General Fund and will pay off on July 15, 2021.

Source	FY20	FY21	FY22	FY23	FY24
Principal Bus Lease Line #4.020	$127,152	$130,763	$134,477	$0	$0

Source	FY20	FY21	FY22	FY23	FY24
Interest on Leases Total Line 4.060	$11,144	$7,533	$3,819	$0	$0

Other Expenses – Line #4.300
The category of Other Expenses consists primarily of Auditor & Treasurer fees, our annual audit and other miscellaneous expenses. A rate of 2% increase is projected in this area.

Source	FY20	FY21	FY22	FY23	FY24
County Auditor & Treasurer Fees	$522,993	$603,223	$609,255	$615,348	$621,501
Other expenses	$76,802	$79,106	$81,479	$83,923	$86,441
ABC Water Assessments	$48,601	$48,601	$48,601	$48,601	$48,601
Increased A&T Fees for New Levies	$75,000	$0	$0	$0	$0
Total Line 4.300	$723,396	$730,930	$739,335	$747,872	$756,543

Transfers and Advances Out – Lines #5.01 and #5.02

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. We are detailing the transfer out section for debt payment to reflect what amount the general fund supports to pay debt for the district in several series of debt issued over the past years. The district has two current debt issues it is supporting payment of principal and interest from the General Fund. Debt payments are made from the district's Bond Retirement Fund (002 Fund). The #4 HB264 debt supported by a Qualified School Construction Bond (QSCB) is split 50/50 with the Permanent Improvement Fund (003 Fund). HB264 #3 includes the new principal and interest payment schedule from the refund of that issue in October 2017 that will save the district over $114,000 in interest costs over the term of the notes which will be paid off January 1, 2024. In FY20 we are forecasting a transfer of $814,038 due to cost savings realized from the closing of the elementary school and the proceeds from the sale of the bus garage. The $500,000 transfer to the Permanent Improvement Fund has been postponed for FY21 but will be continued FY22-24.

Purpose	FY20	FY21	FY22	FY23	FY24
Fund 035 Severance	$200,000	$200,000	$200,000	$200,000	$200,000
Fund 003 P.I.	$814,038	$0	$500,000	$500,000	$500,000
Fund 300 Athletics	$25,000	$25,000	$25,000	$25,000	$25,000
Fund 002 HB264 #3 & #4 -QSCB Debt	$426,118	$421,294	$421,383	$421,427	$421,338
Transfers Out Line #5.010	$1,465,156	$646,294	$1,146,383	$1,146,427	$1,146,338
Advances Out Line #5.020	$50,000	$50,000	$50,000	$50,000	$50,000
Total	$1,515,156	$696,294	$1,196,383	$1,196,427	$1,196,338

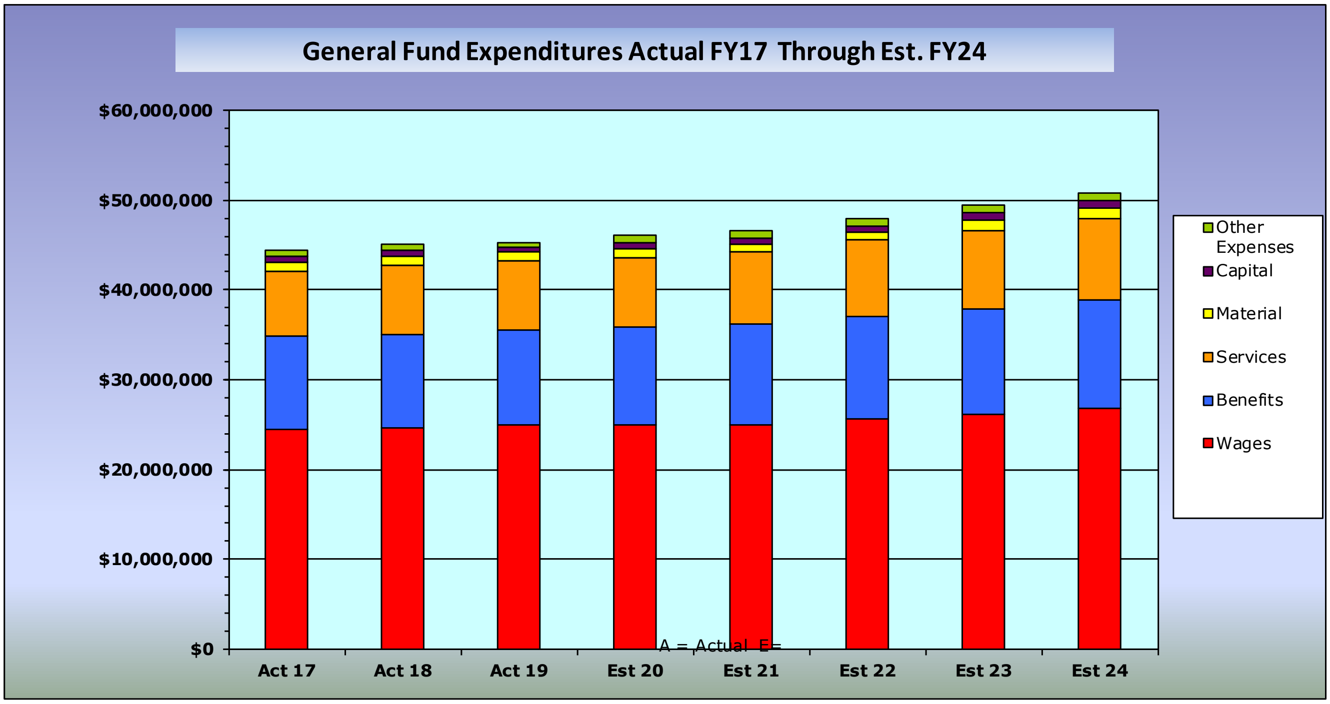
Encumbrances –Line#8.010

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.

	FY20	FY21	FY22	FY23	FY24
Estimated Encumbrances	$200,000	$200,000	$200,000	$200,000	$200,000

Operating Expenditures Actual FY17 through FY19 and Estimated FY20-FY24

As the graph below indicates the steady growth in general fund expenses year over year and shows the categories of most notable growth.

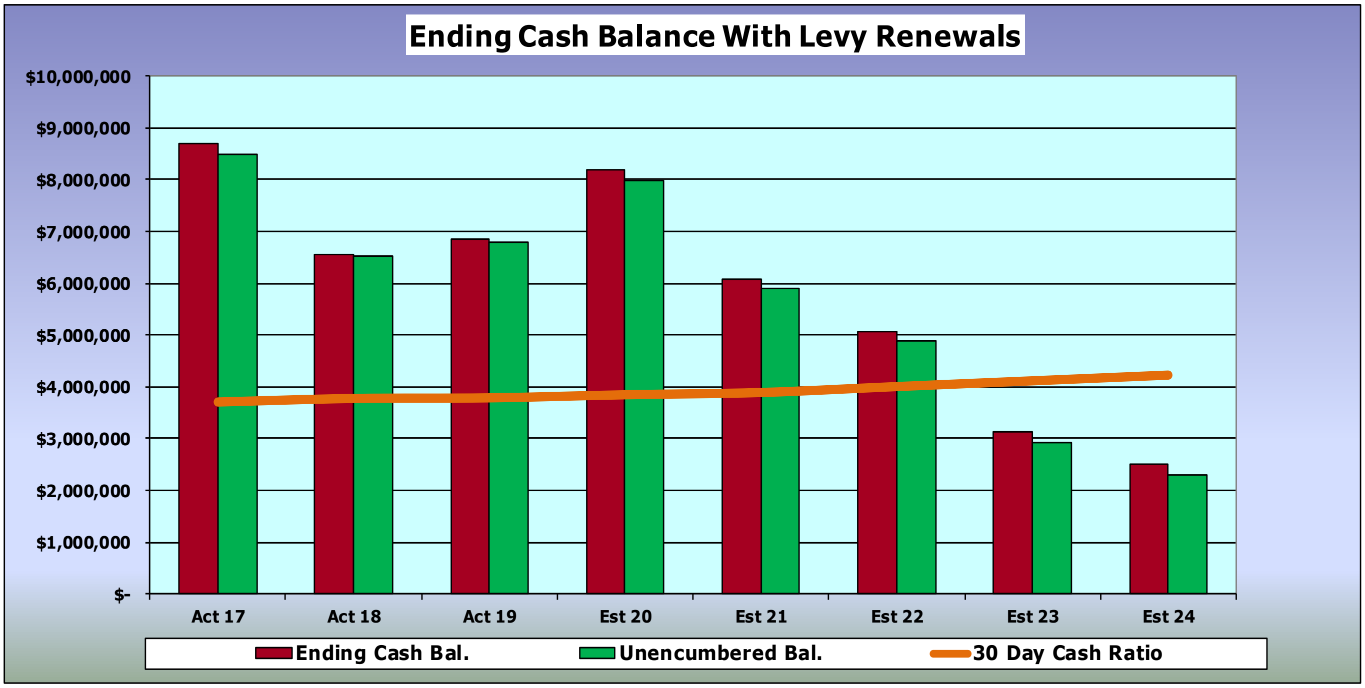


Ending Unencumbered Cash Balance Including All Levy Renewals – Line#15.010

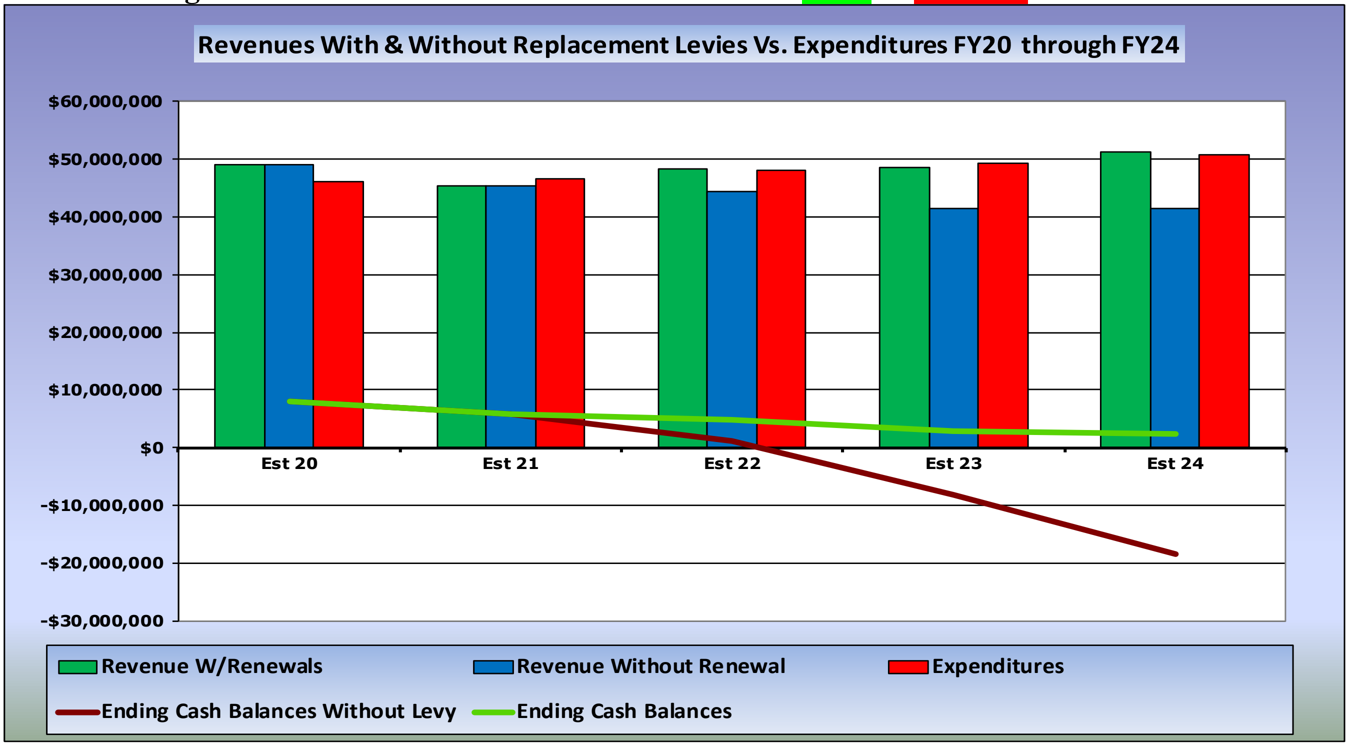
This amount must not go below $0 or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of $10,000. It is recommended by the GFOA and other authoritative sources that a district maintains a minimum of thirty (30) day cash balance, which is about $3.8 million for our district. The Graphs on the following page shows cash balances compared to one month or a 30 day reserve, including renewal of the three (3) levies the district has included in this forecast period. The second graph shows a combination of revenue with and without the levy renewals and the impact on our ending cash balance if the levies were not to be renewed. This points out the financial exposure the district has to levy renewals and the drastic impact it would have if any or all were to fail.

Ending Unencumbered Cash Balance Line #15.010 With Renewal Levies

	FY20	FY21	FY22	FY23	FY24
Ending Unencumbered Cash Balance	$7,985,090	$5,890,033	$4,878,883	$2,929,794	$2,302,186



Ending Unencumbered Cash Balance Line #15.010 With & Without Renewal Levies



True Cash Days Ending Balance
Another way to look at ending cash is to state it in 'True Cash Days". In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The Government Finance Officers Association (GFOA) recommends no less than one (1) months or 30 days cash to be on hand at year end but could be more depending on each district's complexity and risk factors for revenue collection. This is calculated including transfers as this is predictable funding source to the districts debt service fund to pay for debt obligations that belong to the general fund and for other funds such as for severance payments. **<u>This calculation includes our renewal of the three levies affecting this forecast through FY24</u>.** Renewing each levy is critical to the financial sustainability of the district.